The End of Civil War: Sri Lanka's New Beginning

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Vivian Wai-yin Kwok, Hong Kong The dramatic end of civil war in Sri Lanka marks a new beginning for its people and a chance to rebuild the war-torn nation's economy.President Mahinda Rajapaksa on Tuesday told the parliament that Sri Lanka has been "liberated from terrorism," and said it was the first time in 30 years that the entire country has been unified.

The President's official declaration of victory came after government troops killed the Tigers' supreme leader Velupillai Prabhakaran on Monday. State television broke into its regular programming Monday to announce Prabhakaran his top aides were killed during the final assault, in which the rebels were surrounded by the government's special task forces in a tiny strip along the northeast coast. The Sri Lankan government had intensified its battle against the Tamil Tigers in the past few months in order to end the civil war, one of the longest-running armed conflicts in Asia, which took the lives of 70,000 people since 1983. The death of Prabhakaran was crucial to ending the fighting (See "End of Tamil Conflict In Sight"). "It is now a time for all communities to get together and work towards rebuilding our motherland which has been terrorized by people who have had no love even for their own community," said Foreign Affairs Deputy Minister Hussain Bhaila, according to Sri Lanka's national newspaper Daily News. Now the challenge will be for the nation to rebuild its economy. In its annual report on Sri Lanka, the Asia Development Bank forecast that, "with major military operations expected to end in early 2009, rehabilitation and reconstruction in the north might start this year." The business community also pledged to support the nation's redevelopment. "The victory is great and now we have to win the economic war," Tissa Jayaweera, President of the International Chamber of Commerce, told Sri Lanka's Daily News. "We must develop the whole country including the rural areas and not only in the North and East. The ICC will support the development process by providing education and skills development facilities for the displaced families," the business leader added. It is expected that the Sri Lankan government will soon rebuild infrastructure, social facilities and government offices across the northern regions which were long controlled by the Tamil Tigers. The redevelopment blueprint may be modelled after the one in Eastern Sri Lanka, in which the government had begun construction on a series of projects after the military expelled the Tigers from its former stronghold in the East. Sri Lanka's long coastline is one of its precious resources. Sandy beaches in the South and the Southwest such as Hikkaduwa, as well as Arugam Bay and other beaches in the East and South East, attract surfers from around the world. Yet, the decades of civil war have scared away many more mainstream tourists, even though the fighting was mostly confined to the North and Northeast. Some believe Sri Lanka could become the Thailand of South Asia for tourists.Fishing and agricultural industries in the East and North of Sri Lanka, long hard-hit by the fighting, are expected to resume productivity once the government has rebuilt infrastructure and social stability in the regions. Sri Lankan officials said they will first provide food and medical attention to more than 200,000 civilians who were displaced during the recent months of intense fighting. The end of civil war should also speed up the Sri Lankan government's negotiations with the International Monetary Fund for a standby facility of $1.9 billion. An IMF agreement "would provide support to reserves and have other positive effects such as of improving investor confidence and support for the exchange rate," the Asian Development Bank has said. Bolstered mainly by agriculture, Sri Lanka's economy reported 6% GDP growth in 2008, down from 6.8% in 2007, as high global food and oil prices boosted inflation and widened the trade deficit. The annual inflation rate in 2008 stood at 22.6%, up from 15.8% in 2007. In a report published earlier this year, the Asian Development Bank forecast the growth of Sri Lanka's economy would further slow to 4.5% in 2009 as a result of depressed export demand. And the global downturn will further pressure foreign reserves and the exchange rate. The Associated Press contributed to this article. Courtesy: forbes.com