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Sri Lanka's National Artificial Intelligence Expo 2025: Charting the Path to a Digital Future

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Background

In an age defined by digital transformation, nations around the world are accelerating efforts to digitalize economies, modernize governance, and integrate emerging technologies into national development strategies. The digital domain today has become a critical arena of competition and cooperation alike – one that offers immense opportunities for innovation and growth, yet also presents complex governance, ethical and security challenges.

The contemporary world order, long dominated by entrenched digital powers, is undergoing rapid expansion as well as a subtle reconfiguration. Countries in the Global South, once positioned primarily as consumers within the global digital hierarchy, are now seeking to emerge as innovators and creators. Through strategic investment, capacity building and policy experimentation, many are developing digital ecosystems tailored to local realities. There is growing recognition that digital transformation is no longer optional, but a necessity – although progress remains uneven.

It is against this backdrop that the recent two-day National Artificial Intelligence (AI) Expo 2025 must be viewed. Organized by the Ministry of Digital Economy together with Sri Lanka Telecom (SLT) and Mobitel, the first event of its kind in Sri Lanka was a statement of intent to bridge the gap between aspiration and implementation. The event brought together policymakers, business leaders, investors, startups, students, and innovators. Panel sessions spanned two days, and an exhibition showcasing home-grown AI developments was open to the public, creating a space for dialogue and awareness. The Expo marked a significant

milestone in Sri Lanka's efforts to establish its role in the evolving digital landscape of the Global South.

From the outset, the stage was set with the intention of pursuing AI, and a consistent message emerged: a strong digital ecosystem cannot be built in isolation. It requires the work of a team. Stakeholders, from government to industry experts, stressed the need for an integrated national AI ecosystem, built on interdependence across the board. Panelists emphasised going beyond mere "connectivity" toward a more intelligent, robust system supported by coherent policy direction.

The tone was action-oriented, with many experts describing digitalisation as a journey requiring both foresight and practical application, all focused on the betterment of citizens. The conference went beyond showcasing technology; it served as a platform for dialogue on how Sri Lanka can embed AI into its economic, social, and governance frameworks.

Stakeholders from government and industry to academia and investors viewed the Expo as an opportunity to explore sustainable avenues for AI development. Panel discussions and keynote sessions consistently emphasised that while Sri Lanka holds significant potential, it also faces major challenges. A central theme was the need to bridge existing silos by connecting government agencies, telecom providers, startups, and research institutions into a cohesive AI ecosystem. The event underscored that Sri Lanka's progress in AI will depend on collaboration, coordination and a shared national vision.

Steering the Digital Future: Government Leadership and Policy Foundations

Sri Lanka has been actively pursuing digital transformation as a cornerstone of its economic recovery and growth strategy. The country has prioritised building inclusive digital public infrastructure (DPI) to enhance service delivery, expand financial inclusion, and boost GDP growth. Creating an enabling environment through strong governance and policy direction remains central to this process.

Conference discussions repeatedly emphasised the importance of a top-down, government-led approach to embracing digitalisation. Industry experts and foreign analysts pointed out that while bottom-up innovation remains essential, only a coherent and stable policy framework can effectively guide industry, safeguard citizens, and foster a thriving environment for startups and investors. The government's role, therefore, should be catalytic

– not merely regulatory – capable of spurring investment and enabling collaboration to achieve both short and long-term priorities.

Although there is still significant progress to be made, Sri Lanka’s policy frameworks are steadily evolving to meet the demands of digitalisation. This commitment is reflected in the launch of the Digital Economic Strategy 2030, which provides a comprehensive roadmap for the nation’s digital transformation. This strategy outlines clear priorities for infrastructure development, institutional coordination, and policy coherence. Complementing this, the National Cyber Security Strategy (2025-2029) was widely praised at the Expo as a robust foundation for tackling risks posed by emerging technologies. Developed by Sri Lanka CERT (Computer Emergency Readiness Team) in collaboration with the Ministry of Digital Economy and with technical support from the World Bank, it focuses on four key pillars: enhancing regulatory frameworks, improving knowledge, strengthening preparedness and response capacity, and increasing cooperation (National Cyber Security Strategy of Sri Lanka, 2025; 05). Together it aims to build trust and resilience within the emerging digital ecosystem.

Reinforcing this architecture, Sri Lanka recently unveiled the National Cyber Security Operations Centre (NCSOC) – a critical step to fortify the nation’s digital infrastructure. Tasked with continuous oversight of almost 37 institutions, the NCSOC functions as Sri Lanka’s primary cyber defense mechanism. In a landscape where data underpins governance and public life, the centre’s responsibilities extends to real-time threat detection and response, issuing swift alerts, and coordinating incident management to secure government networks and essential services. By bridging collaboration between the public and private sectors, it strengthens Sri Lanka’s overall cyber resilience and readiness, fostering a more adaptive, coordinated defense ecosystem.

To complement these security and governance measures the government also announced the creation of a National AI fund with an initial investment of Rs.100 million aimed at fostering homegrown innovation and supporting local startups. Together, these initiatives indicate a strategic shift – from building protective infrastructure to actively nurturing innovation. The challenge now is ensuring these initiatives move beyond policy rhetoric to tangible, coordinated outcomes that strengthen national capacity over time. Realizing this vision will require not only domestic coherence but also informed learning from global experiences. Building a sound ecosystem requires a team effort. Comparisons with India, the United Arab

Emirates (UAE), and Singapore, featured prominently during the Expo, with speakers highlighting how these countries combined comprehensive policy frameworks, strong public-private partnerships, and regulatory clarity to accelerate inclusive digital growth. The key lesson for Sri Lanka lies not in emulating such models, but in adaptation, tailoring them to its own context and constraints.

Innovation at a Crossroads: Sri Lanka's AI Challenges and Prospects

The government's policy leadership sets the direction for Sri Lanka's digital future; however, the true measure of progress lies in how effectively these frameworks – and the technologies underpinning them – translate into social inclusion, capacity building and innovation.

Inclusivity to prevent widening inequalities emerged as a key discussion point. Technologies should serve not only urban centers like Colombo but also remote communities. Ensuring AI adoption across diverse societal segments – from schoolchildren to large corporations – remains a significant challenge. As James C.K. Kok, Head of AIAP-X & Partnerships at AI Singapore, emphasised, true transformation ultimately hinges on the people – “the power lies in empowering the people.”

Furthermore, discussions also highlighted the fragmented nature of Sri Lanka's AI talent landscape, with expertise and talent concentrated in a few specialized pockets. Industry experts emphasised the importance of fostering talent mobility, mentorship and capital access to achieve the country's digitalisation goals. In addition, discussions ensued on whether industries should focus on up-skilling the existing workforce or recruiting new employees trained in AI – underscoring the urgency of workforce preparedness.

A related concern was the absence of publicly available, realistic figures on the current state of the AI industry, which limit effective policymaking and industry management. People should also be made aware of what AI and emerging tech is, while also receiving the necessary know-how to utilise it to its full potential. True transformation requires that all segments of society have access to AI tools, training, and awareness.

Finally, discussions turned to the responsible and ethical use of AI. With rising cybercrime and misinformation, promoting and developing a culture of digital ethics and robust legal safeguards was deemed critical to protect citizens and ensure responsible use of technology.

Despite these challenges, the accompanying exhibition showcased remarkable local innovation. The exhibition was populated by a new generation of innovators, presenting

everything from practical applications like a Sinhala-language ChatGPT and an AI legal research tool, to advanced robotics and cutting-edge prototypes from university engineering and computer science departments. However, innovators reported limited visibility and platforms to scale their products, often leading them to seek opportunities abroad. Sustained investment from both the government and private sector is therefore essential to nurture these capacities domestically.

While Sri Lanka possesses demonstrable innovative potential, its path toward an inclusive and technologically embedded future will depend on addressing the current fragmented ecosystem. A concerted effort to bridge the divides in access, talent, data, and ethical governance is a prerequisite for translating policy ambition into equitable and sustainable socio-technical advancement.

Beyond Borders: Sovereignty and Strategy in a Fragmented Digital World

The global digital landscape is no longer defined by mere competition but by digital geopolitics and a struggle for technological sovereignty. As major powers like the United States (US) and China consolidate their AI ecosystems, a new digital divide is emerging – one based not on access, but on control. For a small state like Sri Lanka, this transforms the imperative to digitize into a high-stakes balancing act– adopting advanced technologies while safeguarding national interests, autonomy and data sovereignty.

While discussions at the Expo did not explicitly address these geopolitical dimensions, including them would have enriched Sri Lanka’s strategic understanding of AI. Engaging with industry leaders on sovereignty and dependency could help anticipate external vulnerabilities. The danger lies not merely in falling behind – it is being absorbed into systems where dependency stifles innovation.

This global context sharpens the urgency of Sri Lanka’s domestic digital agenda. The ambition to forge a self-reliant and secure digital economy now collides with the reality of these external pressures and strategic dependencies. Every decision – on which technologies to adopt, which partners to align and engage with, and how to regulate cross-border data flows – will define the nation’s long-term strategic independence.

Yet recent events reveal the chasm between ambition and reality. The recent outage of the Lanka Government Cloud (LGC) temporarily disrupted key government e-services, including license renewals and certificate issuance, limiting public access to essential digital platforms

and exposing underlying infrastructure vulnerabilities. The outage underscores the fragility of the very infrastructure meant to support this digital future and highlights the critical, yet often overlooked, challenge of building public trust. Citizens cannot be expected to embrace digital public services if they perceive them as unreliable.

The government's digital agenda merits recognition as the pipeline grows with more digital initiatives. But these initiatives risk remaining symbolic without rigorous enforcement, independent oversight, and a culture of accountability. The state must evolve from facilitator to strategic steward – setting standards, coordinating across sectors, and safeguarding citizen's data rights. Simultaneously, the private sector must share this burden, moving beyond mere consumption to actively investing in and scaling home-grown innovation.

While the National AI Expo 2025 provided practical insights, it fell short of engaging with the wider geopolitical and strategic dimensions of digital transformation. Even so, it offered several timely lessons that remain crucial for shaping Sri Lanka's digital future:

- **Strong policy leadership:** a top-down, government-led framework is essential to provide structure, coherence and momentum for AI development.
- **Cross-sector collaboration:** AI cannot thrive in silos. Sustainable and continuous progress requires integration across various sectors.
- **Investment in human capital:** Up-skilling, digital literacy, and inclusivity must be prioritized to ensure that the benefits of AI reach all segments of society.

Nurturing, retaining young talent with greater talent mobility is now a strategic imperative. Sri Lanka's next generation of innovators represents not just economic potential but the capacity to chart an independent technological path. Addressing and preventing brain drain demands targeted incentives, global visibility, and an enabling ecosystem – elements that should form the backbone of national digital policy.

Sri Lanka now stands at a pivotal and decisive juncture. The question is whether it can translate ambition into outcomes that strengthen sovereignty rather than erode it. Success will depend on clarity of purpose, institutional coherence, and the political will. The National AI Expo, in this sense, should not be seen as an endpoint, but as a milestone in Sri Lanka's journey towards a resilient and sovereign digital future.

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