



## REAL - ESTATE NEWS FEED



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# 1. REAL-ESTATE

- **Govt. to allow foreign investors to lease up to 5,000 acres of land: Ravi K**

The Government may allow foreign investors to lease up to a maximum of 5,000 acres of land in the country to carry out new projects but they are not allowed to buy land, the Finance Minister Ravi Karunanayake said.

In an exclusive interview with The Hindu, the Minister said the Government was willing to relax the criteria in respect of labour intensive projects with the focus on job creation. Minister Karunanayake explained that a foreign firm can do business without paying 100% tax on the leasing of land, though they would not be able to buy land in the island nation. Earlier, the lease tax was very stiff, he added.

[Read more](#)

- **PM to be given Megapolis first draft**

The first draft of the Megapolis project will be fine-tuned this week before being presented to Prime Minister Ranil Wickremesinghe ahead of Parliament wrapping up its duties for 2015, according to a top official.

Western Regional Megapolis Project Chairman Ajitha de Costa told Daily FT that efforts are underway to complete comprehensive studies and data gathering on the regions included in the Megapolis framework so they can be worked into the first draft of the plan.

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- **Sri Lanka 'port city' traffic warning**

A proposed 'port city' next to the Sri Lankan capital Colombo will generate so much traffic that present traffic jams will seem benign, a transport expert said.

"The 'port city' will create so much activity that the port city will survive but what is outside may not," warned Amal Kumarage, Senior Professor of the Moratuwa University's Department Transport & Logistics Management. "We will have a mobility issue."

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- **Sri Lanka citizens grouping concerned over proposed Megapolis law**

A citizens group has expressed concern over a special which is expected to give more powers to the State over the people in a bid to build a 'megapolis' in Sri Lanka's Western Province.

The group said it was clear from statements made by Megapolis Minister Champika Ranawaka and other reports that a law was being drafted to give special powers to plan and implement the megapolis project.

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- **Govt. to call bids from local contractors for Central Expressway stage III**

The cabinet has decided to select local contractors and supervision consultants for the Central Expressway Project stage III which is to be built from Pothuhera to Galagedara.

As per Wednesday's cabinet decision, contractors will be selected through competitive bidding under 05 packages, each of a length between 4.5km – 7.5km.

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- **Prime Lands Group to present Enrique in Sri Lanka**

The Prime Lands Group said their subsidiary Prime Residencies together with Live Events and Revd will be presenting the Latin King of Pop music "Enrique Iglesias" live in Sri Lanka on the December 20 at the CR& FC Grounds in Colombo from 7pm onwards.

Prime Lands Group is celebrating its 20th year anniversary and as part of a unique anniversary celebration Prime Lands Group is to host "Enrique Iglesias" live music concert in Sri Lanka which will no doubt be an exciting and a memorable event to the Sri Lankan public and to Prime Lands Group's customers.

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- **Sri Lanka clears the decks for controversial Chinese project**

The Sri Lankan government has cleared the decks for the controversial Colombo Port City project to resume, the country's finance minister told the South China Morning Post.

Executives at the related Chinese companies who cannot be identified separately told the Post that the project was expected to restart around February, after all the final details had been worked out.

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## 2. ECONOMY

- **Business Climate Outlook of 2016**

Sri Lanka's budget proposals for 2016 repeat many of the mistakes in previous budgets in the areas of logistics and transportation, the Chartered Institute of Logistics and Transportation says in its budget analysis.

The institute said the "over-zealous" attitude to improve the road network is likely to continue with projects such as the proposed Ruwanpura expressway, when railway electrification should have been mentioned as a government priority.

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- **Sri Lanka transport reforms seen delayed by politics**

A Sri Lankan transport expert has called for a change in the country's policy on vehicle imports saying excess capacity in many forms of road transport and unsuitable equipment raised costs with reforms delayed by politics.

The country was spending 500 billion rupees importing mostly road vehicles and another 300 billion rupees on fuel imports, said Amal Kumarage, Senior Professor of the Moratuwa University's Department Transport & Logistics Management.

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- **Getting Sri Lanka's budgets on track: IMF mission chief**

Constructing a good budget is like building a good house. The foundation needs to be solid, high-quality materials make a big difference to durability, and careful craftsmanship will bring both stability and confidence to weather future storms.

Similarly, budgets needed to be well grounded and credible, built with care to ensure both equity and support high levels of inclusive economic growth, and have enough room to adapt to shocks. Sri Lanka's proposed budget brings many of these elements to the table, but the devil is in the details and some proposals raise questions.

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- **Sri Lanka exports fall 6 pct in September, imports fall 5-pct**

Sri Lanka external trade continued to contract in September with exports falling 5.9 percent to 850 million US dollars and imports falling 5.1 percent to 1,583 million US dollars, compared to the same month last year, official data showed.

The Central Bank said industrial exports fell 4.7 percent to 636 million US dollars led by subdued performance of rubber products, gems, diamonds and jewellery, machinery and mechanical appliances and printing industry.

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- **Sri Lanka ex-road agency chief grilled over Rs28bn deal**

Sri Lanka's financial crimes sleuths have questioned a former boss of Sri Lanka's state road development agency over an alleged fraud in a 28 billion rupee deal, police said.

R W R Pemasiri, former Chairman of Road Development Authority had been questioned over irregularities involving a 28 billion rupee loan from state-run National Savings Bank

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- **Sri Lanka should be prepared to raise rates, improve 2016 budget: IMF**

Sri Lanka's should be prepared to tighten monetary policy and raise more taxes to pay higher state worker salaries, and contain spending as economic imbalances and risks are widening, the International Monetary Fund has said.

"With the recent acceleration in private sector credit growth and rising core inflation, there is now little scope for further monetary easing," the IMF's executive board said in an assessment on Sri Lanka.

"Most factors—including the deterioration in the balance of payments and pressures on the rupee—suggest that the CBSL should be prepared to tighten monetary policy in the coming months, albeit at a gradual pace."

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