



REAL - ESTATE NEWS FEED



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1. REAL ESTATE

- **Mass transit essential for Colombo to succeed: UDA DG**

The critical role earmarked for joined-up public transport in Colombo's development and what can be done to boost lending for housing were two topical issues explored by senior figures at the Urban Development Authority (UDA) with the Oxford Business Group.

The UDA's director general Nayana Mawilmada said Sri Lanka's inadequate public transport system was largely to blame for the huge rise witnessed in vehicle imports. The longer-term consequences of failing to address this issue, he warned, would be significant.

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- **Seagulf Shipyard to invest US\$ 40 mn on three projects**

Seagulf Shipyard (Pvt) Ltd will invest over US\$ 40 million to build shipping yards and for maritime related activities for 2016. These investments will be made in Trincomalee, Galle and at their yard in Modera.

Seagulf Shipyard Managing Director Sarath Obeysekera said that they have already invested US\$ 3 million to build a ship building facility in Modera. "We offer about 100 employment opportunities and will infuse a further US\$ 7 million with a Malaysian partner to build ships." A further 400 will gain employment from the project. The company has also received orders from the Maldives and Indian companies to build ships and small tug boats for them.

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- **Shangri-La says 50% of luxury apartments snapped up**

Hong Kong-based leisure group Shangri-La Hotels and Resorts confirmed that One Galle Face Residences had reached 50% sales since its launch in May last year, a senior official said.

“The post launch response of investors and buyers has been excellent. Our sales gallery had very frequent visitors from all walks of life. In terms of our apartment sales, we have reached 50% and are also looking at more prospects coming in on a daily basis. The majority of the sales are from local investors, but there is also a good size of foreign buyers as well,” Shangri-La Deputy General Manager Rajiv Garg told the Daily FT.

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- **Cycling encouraged in Sri Lanka Megapolis transport plan**

Sri Lanka’s Megapolis plan for the Western region aims to promote bicycle usage as a mode of transportation as it is environmentally friendly, reduces emissions and fuel costs and improves public health, the report states.

This is one aspect of intervention to improve transportation in the Western region, a copy of the report obtained by Lanka Business Online states.

“Environmental sustainability is a very important factor to be considered in regional planning. Reduction of vehicle emissions, air pollution and noise pollution will improve the health conditions of the public in the country.”

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- **IMF urges Sri Lanka govt to narrow fiscal deficit**

The International Monetary Fund urged the Sri Lankan government to narrow the fiscal deficit after a staff mission to Colombo this week to discuss economic developments.

“The mission has advised the government to urgently make a stronger effort to narrow the fiscal deficit and put the public finances on a sustainable path,” a statement said.

“While several measures in the budget (such as elimination of several special purpose levies, and the commitment to eliminate tax exemptions and bolster the efficiency of tax administration) are welcome, the mission highlighted the macroeconomic and financial risks of a large deficit and the associated need to borrow from domestic and international markets.”

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- **Plans for dollar listings on CSE**

The Colombo Stock Exchange (CSE) is now in the process of allowing foreign companies/investors to invest in US dollar denomination instruments in the stock market to make the market attractive globally, its chairman Vajira Kulathilaka said.

"We are now preparing rules and once the Securities and Exchange Commission (SEC) gives the approval we could go ahead with plans to promote foreign listings and investments in the CSE in the US dollar denomination, which would apply to only foreign investors, Kulathilaka told The Island Financial Review.

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- **Meliá Hotels enters Sri Lanka to manage three hotels**

For the first time Meliá Hotels International, 17th biggest hotel chain worldwide which was founded 1956 will enter the leisure sector in Sri Lanka this year. The Spanish hotel chain, has 100,000 rooms under their management. This is the first time that the Spanish Group is entering the South Asian region.

Asia Pacific Development Vice President Nancy C. S. Ning told the Daily News Business on the sidelines of the THINC Conference at Galle Face Hotel yesterday that the company decided to start operations in Sri Lanka due to high up market arrivals to the country.

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- **Western Region Megapolis master plan**

At present, the public are minimally informed as to what the Megapolis Development is all about and have many questions regarding the concept of the Megapolis. Therefore, the Megapolis Ministry should further educate the public on how it will affect them when implemented, especially in the periphery of the Megapolis.

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- **Formal hotel sector expected to be affected by minimum room rate**

The minimum hotel room rate system would negatively impact the formal hotel sector, which will, in turn, create distortions in the economy, John Keells Holdings (JKH) deputy chairman Ajith Gunewardena said.

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2. ECONOMY

- **Labour cost not critical to attract multinationals: economist**

Inter-country differences in labour cost do not seem to explain differences among developing countries in their success in joining global production networks, an economist said.

Global production networks or GPN refer to interrelations among global firms specializing in different segments of a given product.

These networks focus on vertically integrated global industries such as electronics, electrical goods, automobiles, and surgical equipment and other medical devices.

GPN trade typically includes parts and components manufacturing processes and final assembly.

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- **Central Bank relaxed restrictions on remitting foreign currencies**

The Central Bank has relaxed restrictions on remitting and transacting foreign currencies with immediate effect.

With this new decision, foreign currencies can be remitted out of NRFC, RFC and RNNFC (Resident Non National Foreign Currency) accounts and FEEA (Foreign Exchange Earners' Account) for any purpose and prior approval need not be obtained for such remittances.

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- **Sri Lanka IMF issues could be worked out March or April: IMF**

Sri Lanka has expressed interest in an IMF supported program as an option to address balance of payments pressures and issues could be worked out by March or early April, an IMF official said.

“The authorities have expressed interested in a Fund supported program as one option to address the balance of payments, pressures that they face,” Gerry Rice, director of the IMF Communications Department said in Washington D.C.

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- **Opinion: Five major economic risks to watch for this year**

Developing Asia is poised to grow at 6 percent this year, a slight uptick from the 5.8 percent figure in 2015, but looking ahead, five major economic risks loomon the horizon and the impact of each will be different across countries.

The first is the future path of interest rates in the United States and the concomitant volatility in financial markets, which could affect regional economies via the trade, capital flow and exchange rate channels. In December, the Federal Reserve raised the Fedfunds target rate by a modest 25 basis points, bringing it to 0.375 percent. While the exact path of U.S. interest rates remains uncertain, the Fed has assured the public that going forward, the tightening cycle will be gradual. Current expectations indicate that the target rate will reach 3.75 percent by the end of 2017.

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3. INTERNATIONAL

- **India outpaces China in 2015 economic growth**

India's economy grew at an average rate of 7.5% in 2015, faster than the 6.9% growth in China, official figures show.

In recent history it has been unusual, but not unprecedented, for India to grow faster than China. According to the IMF it happened in 1981, 1989, 1990 and 1999, and 2015 was the first instance in this millennium.

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- **Access International plays lead role in the development Male International Airport**

Access International has embarked on yet another large-scale international project, positioning its capability as a leader in its chosen field of Aeronautical Infrastructure Projects. The project encompasses the relocation of two ground based flight navigational aids; Doppler Very-High Frequency Omnidirectional Range (DVOR) and the Instrument Landing System (ILS), at the Ibrahim Nasir International Airport (INIA) Male, Maldives, which plays a significant role in paving the way for the current expansion of the Maldives Airport.

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