



REAL - ESTATE NEWS FEED



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1. REAL-ESTATE

- **Sri Lanka govt construction firms get first 'Megapolis' contracts**

Sri Lankan government construction firms will get the first contracts for selected projects under the new 'Megapolis' plan covering the Colombo metropolitan region but through competitive bids, a government spokesman said.

Health minister Rajitha Senarathne said the 'Megapolis' town development program will address major issues like traffic congestion, parking and road safety that arose owing to haphazard development.

Initial projects for developing important towns in the Western Province, where Colombo is located, are to be done at a cost of six billion rupees this year, he told a news conference.

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- **Sri Lanka's envoy to China confirms Port City back on track**

The delayed Colombo Port City project, a plan to create a South Asian financial hub, has been given the green light, the Sri Lankan ambassador to China confirmed, according to the China Daily.

The \$1.4 billion urban complex project will cover 233 hectares adjoining the Port of Colombo. The deal was signed between the Sri Lankan government and the China Communications Construction Co in November 2013.

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- **Being culturally rich**

Ceylon Finance Today: A culturally rich nation can truly call themselves a wholesome nation, Chairman and Founder of Fairway Holdings Hemaka de Alwis said on Friday (15th).

"Lots of people ask the question how come Fairway is in to sponsoring so many arts and culture related events? There is a very good explanation for this. I believe that we as nation have been deprived of arts and culture in many ways due to peace not prevailing in the country over a very long time period," he said.

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- **Port City: Can Sri Lankans Design Their Land For Their Own Well-Being ?**

The concern of the impact of large high-rises on the environment and health of the citizens of Colombo, can be addressed by an innovative plan proposed to the Prime Minister By the Ministry of Megapolis. They have suggested options to use the filled land to develop a world class gateway to the City of Colombo

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- **US\$ 12,000 per capita target by 2030 – Ranawaka**

The previous government has invested over US\$ 6 billion in an ad-hoc manner in the last seven years for projects in Hambantota, Megalopolis and Western Development Minister Champika Ranawaka said yesterday.

He said that had this money been put into development of a project like the Megalopolis, it would have been more productive.

Speaking at the Sri Lanka Chamber of Commerce' Italian Business Council event on opportunities from the Colombo Megalopolis development project, he said the project which was planned in 2002 was unsuccessful since environmental constraints were not looked into and it lacked proper zonal planning.

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- **Krrish project to restart**

Ceylon Finance Today: The government is planning to sign a fresh agreement with India's Krrish Group to restart its long delayed and controversial project in Colombo, Sri Lanka's Board of Investment Director General Duminda Ariyasinghe said.

Addressing a press conference yesterday, he said that the previous agreement was not a comprehensive agreement and it contained several unfavourable clauses. "We are negotiating with them to sign a fresh agreement and we will finalize it very soon",he said.

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- **\$44b mega funding for Megapolis**

The first phase of the Government's flagship project, Western Province Megapolis, will be unveiled later this month and require an impressive investment of \$44 billion.

Megapolis and Western Development Minister Champika Ranawaka said the Government is also planning key road shows in Japan, Germany, India, China and Singapore to attract investors to the project.

Western Megapolis is Sri Lanka's grand strategy to propel the country's brand to achieve the status of a high income developed nation by 2030, he noted.

"In Sri Lanka the Government is investing about \$30-\$35 billion per annum and our target is \$44 billion for the next five years," Ranawaka said making a presentation on 'The Vision of Megapolis and Investment Opportunities' organised by the Sri Lanka-Italy Business Council of the Ceylon Chamber of Commerce in Colombo yesterday.

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- **Korea's Kunyoung launches in Sri Lanka, eyes construction**

Kunyoung Engineering and Construction Co launched in Sri Lanka on Tuesday increasing the number of Korean companies taking an interest in the island's growth prospects.

Company officials said they were interested in Megapolis development plans which included the Colombo Port City, and would bid for future contracts.

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- **Sri Lanka to call open tenders to purchase locomotives, power sets**

The Transport Ministry is to call open tenders to purchase locomotives for Sri Lanka Railways allowing a German company to forward their bids, Deputy Minister of Transport Ashoka Abeysinghe said.

Deputy Minister told LBO that the ministry wants to allow other bidders besides India to forward their bids in this regard.

The cabinet last month approved a proposal to purchase 12 locomotives and 09 power sets to be operated in the upcountry line.

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- **Australian firms seek policy consistency to invest in Sri Lanka**

Australian companies are keen to invest in Sri Lanka but need more consistency in economic policy and regulations, Tim Huggins, deputy high commissioner for Australia in Sri Lanka, said.

"Plenty of Australian companies are interested in investing and trading in Sri Lanka," he told the annual general meeting of the National Chamber of Exporters.

"But they need more consistency in policies. If you're investing with a 20-year timeline, you need to be reassured of regulatory consistency and that the rules remain the same over this period."

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- **Sri Lanka Krrish deal tax breaks to be lowered**

A mixed development project by India's Krrish group which ran into a controversy during the last regime can still go ahead but as a new project with tax incentives revised lower, an official said.

"It came as a strategic investment that required certain undertakings from their part," Director General of Sri Lanka's Board of Investment, Duminda Ariyasinghe told reporters.

"Obviously some of them haven't been met. We are revising downwards the incentives that we offer."

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- **Govt. sketches new 'Maritime City'**

The Government has sketched out a new 'Maritime City' in its grand strategy to develop and convert the entire Western Province into a single Megapolis.

According to Megapolis and Western Development Minister Champika Ranawaka, the new Maritime City plan extends from Colombo Port to Wellawatte.

As far as the Chinese Port City project is concerned, the Minister pointed that they had prepared a complete plan for the entire Maritime City and were now having discussions with them.

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- **Kunyoung Engineering to invest US\$ 70 mn in housing projects**

Korean construction and real estate company Kunyoung Engineering announced its presence in Sri Lanka launching Kunyoung Ceylon (Pvt) Ltd.

The company will initially invest US\$ 300 million out of which US\$ 70 million will be in five housing projects in Colombo, Kunyoung Ceylon Managing Director Suvi Wijayarathna said.

He said they will also get involved in the Megalopolis project in the private investment category. The MD said they plan to work as a consortium with other companies and not as competitors.

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- **Will go ahead with Port City project: Ranil**

The government has decided to go ahead with several Chinese funded infrastructural projects, including the Port City Project, Prime Minister Ranil Wickremesinghe told foreign journalists in Davos today.

"We are going ahead with Chinese funded projects, including the Port City and the next phase of the Hambantota Port. China is an economic power in Asia and is ready to work on some development projects in Sri Lanka," he said.

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- **'Green' or concrete city?**

The photoshopped advertisements put out by the Port City Company suggest a typical concrete maze that will impact the citizens of Colombo, by affecting the air quality with construction debris for many years.

It also transpires that there are no concrete plans for water supply, garbage disposal and power supply except to rely on the Government of Sri Lanka to supply these. Given the problems that Colombo is having dealing with these issues at the moment, what price will the citizens of Colombo have to pay to realize the dream of someone with no idea nor interest in the citizens of Colombo city? While the debate rages, there is a ray of light in the report produced for the Prime Minister by the Megapolis Ministry.

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2. ECONOMY

- **Sri Lanka aims to grab attention in Davos**

Sri Lanka this week will make its first and important effort to grab attention in Switzerland's ski resort Davos, which will host global business and political leaders for the 2016 World Economic Forum.

Encouraged by the invitation to Prime Minister Ranil Wickremesinghe to attend the Davos Forum, a first for a Sri Lanka political leader, the Government and the private sector have joined hands to maximise the unprecedented opportunity.

Over 40 heads of state and government, as well as 2,500 leaders from business and society, will convene at the 46th World Economic Forum Annual Meeting, from 20 to 23 January in Davos-Klosters, Switzerland, under the theme 'Mastering the Fourth Industrial Revolution'.

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- **Asia Securities estimates 5-6 percent GDP growth and 3-pct inflation in 2016**

Sri Lanka will grow at a speed of 5 to 6 percent this year while having 3 percent annual inflation, brokerage firm Asia Securities said.

"We also estimate that the exchange rate to be around 150 rupees per US dollar at the end of the year," Kanishka Perera, Head of Research at Asia Securities told a seminar.

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