



# REAL - ESTATE NEWS FEED



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- Paranthan Factory reconstruction starts this year with Rs525Mn - [Read more](#)
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# 1. REAL-ESTATE

- **Indian Govt. kicks off construction of 4,000 houses in hill country**

As part of the Government of India's commitment to construct 50,000 houses in Sri Lanka, officials laid the foundation stone for 4000 houses that will be constructed in the Central and Uva Provinces as the third and final phase of the project.

The houses in the estates will be constructed through the Estate Workers Housing Cooperative Societies (EWHCS), which in consultation with the beneficiaries will facilitate construction, the Indian High Commission said in a statement on Sunday.

The services of four Implementing Agencies (UN-Habitat, International Federation of Red Cross and Red Crescent Societies, Habitat for Humanity and National Housing Development Authority) who have been providing necessary technical assistance and support under the second phase involving construction of 45,000 houses in the Northern and Eastern Provinces will be utilised for the project.

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- **Sri Lanka Lotus Tower land deed still not cleared**

The Lotus Tower or Nelum Kuluna's land is still in dispute and awaiting approval from the Urban Development Authority, a senior official told Lanka Business Online.

"We are still waiting for the land issue to be sorted, it needs to be cleared by the Attorney General's Department and then the UDA approval can be given," W.D. de Alwis, project director, Telecommunication Regulatory Commission of Sri Lanka (TRCSL) said.

"Three of the plots here are occupied by the Sri Lanka Ports Authority, so this needs to be cleared."

Last year construction of the building came to a halt when Minister of Ports and Shipping Arjuna Ranatunga claimed the land on which the building was constructed belonged to the SLPA and that the land had not been obtained through proper legal means.

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- **Paranthan Factory reconstruction starts this year with Rs525Mn**

A now defunct Lankan chemical pioneer is to be revived and construction work shall start before the end of this year to revive the historic manufacturing giant, a minister said.

“We have earmarked Rs 525 Mn to start work on the Paranthan Chemicals Factory in Kilinochchi, The construction work will begin before the end of this year,” said Industry and Commerce Minister Rishad Bathiudeen.

Minister made the announcement on 24 April while he was on a visit to a patch of 217 acre landmass in Kilinochchi where the former Paranthan Chemicals Factory was located before it was destroyed in 1985.

“With the recommencement of these factories we can produce our total Chlorine requirements domestically and save valuable foreign exchange of around \$ 900000 per year that we spend to import Chlorine.”

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- **Premawardhana, Executive Director at Colombo Land**

Colombo Land and Development Company PLC (CLDC) has appointed Vasula Premawardhana as Executive Director to serve on the board of the company. He also serves as the Chief Executive Officer of CLDC.

Colombo Land and Development Company PLC, renowned for its Liberty Plaza mixed development complex in the heart of Colombo, is a leading real estate development company in Sri Lanka.

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- **BOI signs 19 agreements worth Rs.319Mn in March 2016**

A total 5 investment agreements have been signed to build apartment complexes in Thimbirigasyaya, Rajagiriya, Kohuwala, Nugegoda and Mount Lavinia, by the companies Ekroma Relators (Pvt) Ltd., Brix Realty (Pvt) Ltd., Blue Mountain Apartment (Pvt) Ltd., Alpha Homes (Pvt) Ltd and Rush Housing (Pvt) Ltd, accordingly. The cumulative value of these 5 projects is US\$ 28 million resulting in creation of 1575 employment opportunities. The new buildings once completed will contribute towards creating a modern lifestyle in the Colombo District.

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- **Walkers CML Properties educates public on highway safety in Sri Lanka**

Walkers CML Properties (Pvt) Ltd, a fully-owned subsidiary of MTD Walkers PLC partnered with the Expressway Operation Maintenance and Management Division of the Road Development Authority to educate the general public on the importance of adhering to highway safety rules and regulations.

During the Sinhala and Tamil New Year Period, from April 9 to April 14 each highway user was handed a safety leaflet detailing precautionary measures to ensure a safe journey. The leaflet, designed by the Expressway Operation Maintenance and Management Division detailed general safety guidelines which included the maximum speed allowed on the highway and proper overtaking techniques.

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- **Walkers CML Properties continues commitment to highway development in Sri Lanka**

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## 2. ECONOMY

- **Demand for infrastructure finance shows no sign of slowing: ADB**

The demand for finance for major infrastructure and development projects in Asia and the Pacific shows no sign of slowing as regional economies seek ways to address moderating economic growth, inequality, and significant environmental risks, says the Asian Development Bank (ADB)'s 2015 Annual Report.

As ADB marks its 50th year of operations in 2016, the latest annual report, shows that total operations surged to 27.17 billion dollars in 2015—the highest in ADB's history. The total included 16.29 billion dollars in approvals for loans and grants, 141 million dollars for technical assistance, and 10.74 billion dollars for cofinancing, which increased by a record 16 percent.

Disbursements, a key factor in improving aid effectiveness, also hit a new record of 12.22 billion dollars in 2015, an increase of 22 percent over the previous year. Private sector operations, a major focus of ADB's long-term strategy for boosting growth in the region, jumped to \$2.63 billion from \$1.92 billion in 2014.

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- **Exporters slam forex return policy**

Exporters yesterday urged the Government to deal with dollar earnings kept overseas on a case by case basis without making “knee jerk” policy decisions that could upset the regulatory framework and send mixed signals to investors.

Exporters had aired their concerns during a meeting with Prime Minister Ranil Wickremesinghe on Saturday just a day after the Central Bank announced new policy measures to push exporters to bring all their earnings immediately to Sri Lanka by freezing a rule brought in 1993.

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- **Sri Lanka inflation accelerates 2.2-pct in March 2016**

Sri Lanka's consumer prices as measured by National Consumer Price Index rose 2.2 percent in March from the 1.7 percent inflation reported a month earlier on year-on-year basis, data from the state statistics office showed.

The National Consumer Price Index has been compiled as 110.0 for March 2016 and shows a decrease of 0.8 index points or a percentage of 0.72 compared to the previous month's index of 110.8.

This change is due to the value change decrease of food items by 0.73 percent and value change increase of non-food items by 0.07 percent.

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- **Swedish Foreign Minister, companies meet Sri Lankan businesses**

Swedish Foreign Minister Margot Wallström met Sri Lankan government and business representatives together with representatives of several top Swedish companies at a discussion on cooperation for sustainable urban development on Monday.

Swedish companies such as ABB, Axis Communications, Ericsson, Icomera, Saab, Scania and Volvo were represented, while officials of several Sri Lankan companies and trade chambers were present.

Sri Lanka has urban areas growing faster than other countries in the region and there were opportunities for investment in urban infrastructure and urban services with a focus on sustainable technologies, officials pointed out.

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- **Sri Lanka keeps policy rates steady**

Sri Lanka yesterday decided to keep the policy interest rates steady as the Central Bank said the impacts of the previously employed monetary policy tightening measures were yet to be reflected fully on the economy. According to the Central Bank, the deposit facility rate (SDFR) and standing lending facility rate (SLFR) were kept unchanged at 6.50 percent and 8.00 percent respectively. The statutory reserve ratio (SRR) on banks was also kept unchanged at 7.5 percent. Sri Lanka raised its policy rates by 50 basis points in February in a bid to cool down an overheating economy as excessive credit growth was seen fuelling demand-driven inflationary pressures.

“Going forward, a gradual slowdown in money and credit expansion is expected in the period ahead, as the recent monetary policy measures are expected to have an impact on the economy with some time lag,” the Central Bank said. The bank also said market interest rates have risen reflecting the tight monetary conditions in the economy. Credit granted to the private sector by commercial banks increased by 26.5 percent in February 2016, on a year-on-year basis, compared to 25.7 percent in January 2016.

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- **Tax holidays under BOI comes to an end**

By Yohan Perera Sri Lanka will stop granting tax concessions under Board of Investment (BOI) law and it will only be available under the provisions in the Inland Revenue Act, Prime Minister Ranil Wickremesinghe said. Wickremesinghe who announced this decision at the Cabinet told a media briefing yesterday that BOI entities established on or before April 26 will only be entitled to BOI tax concessions.

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- **SL urged to get policies right for globally-competitive apparel sector**

habiya Ali Ahlam Sri Lanka's apparel sector has been urged by the World Bank (WB) to capitalise on its stance as a high quality and sophisticated manufacturer by making the most of the opportunities present and implementing the right policies to maintain a healthy position in the increasingly competitive global clothing market. Acknowledging that competition is increasing in the international market with buyers moving towards greater consolidation in sourcing decisions and the impending approval of the Trans-Pacific Partnership (TPP), WB Lead Economist Gladys Lopez-Acevedo said: "Sri Lanka should seize this opportunity and implement policies to become a regional leader in creating good jobs, bringing more women into the work force and diversifying its products and end markets to increase skills and value."

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- **Sri Lanka budget deficit climbs, economy at USD82.3 billion**

Sri Lanka's budget deficit climbed in 2015 while economic growth was recorded at 4.8 percent, the island's Central Bank said in a review of the economy.

The budget deficit expanded to 7.4 percent in 2015 as the government failed to raise tax revenue and curtail expenditure.

Arjuna Mahendran, governor of the Central Bank, said a wage increase to public servants and arrears from previous years for infrastructure spending was absorbed last year. This contributed to a widened budget deficit.

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- **Sri Lanka projected economic growth 5.4-pct in 2016; 5.9-pct in 2017: UNESCAP**

Sri Lanka's economic growth is projected to gain further momentum, at 5.4 percent in 2016 and 5.9 percent in 2017, newly released 2016 UNESCAP report said.

The United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) report further said private consumption in Sri Lanka will likely remain the key growth driver amid greater urbanization and rising demand for housing.

As per the report, one immediate policy challenge is to ensure a strong fiscal position and debt sustainability.

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- **World Bank approves USD45mn to protect Sri Lanka's natural habitats**

The World Bank Board has approved a 45 million US dollars credit to help protect Sri Lanka's natural habitats and resources from degradation and exploitation.

The credit for this project is provided by the International Development Association – the World Bank's concessionary lending arm –with a maturity of 25 years, including a 5 year grace period.

The World Bank said in a statement that credit facility will also improve the lives and livelihoods of neighboring communities, who suffer the most from natural resource loss and degradation.

This Eco-systems Conservation and Management Project will benefit 15,000 residents; 30 percent among them women, with most belonging to marginalized groups.

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- **Sri Lanka's deal with IMF has 3 benefits for external financing profile: Moody's**

Sri Lanka's 1.5 billion US dollars deal announced today with the IMF will have three benefits for Sri Lanka's external financing profile, issuing a statement Moody's Investors Service said.

Marie Diron, Senior Vice President, Sovereign Risk Group, Moody's Investors Service, and the lead sovereign analyst for Sri Lanka highlighted the three points as reproduced below.

Firstly, program disbursements together with forthcoming multilateral and bilateral loans will provide external liquidity to ease immediate financing pressures.

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- **Sri Lanka \*market update\* ASPI crosses 6500 mark, Turnover Rs.1.2bn**

ASPI trading at 6,502.97, up 60.44 points or 0.94 percent with gains across the board following statement from IMF that Sri Lanka has reached a technical agreement with the International Monetary Fund for 1.5 billion dollars, brokers said. The loan program will need approval by the IMF's executive board, which is due to consider it in early June.

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