

India tops investments in Sri Lanka

The inflow of Indian investments to Sri Lanka has risen in the recent past in the fields of steel, rubber, cement, power and energy, oil exploration, production, telecom, real estate, tourism, computer software, IT training and other professional services.

Accordingly, over 50% of Indian investment in SAARC countries is located in Sri Lanka, of these joint ventures 54 % are with Sri Lankan companies and located in Sri Lanka.

Board of Investment has granted approval to nine Indian projects with an estimated investment of US\$ 168 million in 2011, quoting a recently published Price water house Coopers Daily News reported. At least eight of these have begun commercial operations.

In 2010, 15 projects with US \$ 72 million have received BOI approval. Sri Lankan scores highly on investor protection cross border trading and entrepreneurship and is ranked higher than India in overall ease of doing business.

According to the PWC research, total investment of USD142.7 billion targeted during 2011-2016 for USD 98 billion GDP by 2016. In addition the local tourism industry needs to diversify into various sub sectors such as eco, adventure, health tourism to lure spending and investments while focusing on new markets USA, Middle East and Australia to spur new tourists. The average spending per tourist is targeted to be USD 200 by 2020 and tourist arrivals are likely to rise to 4 million per year by 2020.

Investments in road development increased as 0.8% in 2005 to 2 % in 2010 and road sector development include high sped corridors, express toll ways, rural urban linkages through provincial roads, dedicated funds for sustainable road maintenance, development of local road construction industry.

Around USD 1.76 billion private investments envisioned during 2011 to 2020 to develop the road network in Sri Lanka.

(Sourced from www.iewy.com)