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1. REAL-ESTATE

- **Marine Drive to be extended up to Panadura**

President Gotabaya Rajapaksa has instructed relevant officials to expedite the construction of the Central Expressway and other expressways.

He has also proposed extending the Marine Drive up to Panadura.

The President issued these instructions during a meeting with officials of Ministry of Roads and Highways held at the Presidential Secretariat today (14).

He said that once the expressway from Kadawatha to Dambulla is completed, access to the Northern, Eastern and Western Provinces will be convenient.

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- **President makes observation visit to Colombo Port City**

President Gotabaya Rajapaksa yesterday visited the Colombo Port City, which is officially known as Colombo International Financial City (CIFC) and observed the ongoing construction on reclaimed land.

Attention was drawn to the Colombo Port City plan at the National Law Conference which was inaugurated by the President on Friday.

The extension of the capital Colombo city changing the map of Sri Lanka is being built on land reclaimed from sea adjacent to the Galle Face Green between the southern edge of the new Colombo South Port and the Fort Lighthouse.

The China Communication Construction Company which has undertaken the reclamation of land and the construction of the basic infrastructure, is expected to spend \$ 1.4 billion for the project. Another \$ 15 million will be spent on the construction of building complexes.

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- **Aster Residencies opens doors in Nugegoda**

Aster Residencies (Pvt) Ltd completed construction of its flagship residential project, handing over brand new apartments to residents, many of whom are first-time homeowners. The complex has been designed to offer true affordability and trusted quality for people seeking upscale apartment living, consisting of modern amenities and high-quality finishes, coupled with quick access to Colombo city. The condominium project is a joint venture between Aster Residencies (Pvt) Ltd and Maga Engineering, Sri Lanka's largest construction company.

Aster has a mix of 2 and 3-bedroom units, and features 50 apartments across 10 residential floors. The complex is replete with a large swimming pool, kids' pool and play area, and a modern gymnasium. The rooftop features modern recreational spaces, including an open-air BBQ pit for social events.

Located on the border of Colombo City, Nugegoda is an ideal choice for those seeking convenience and easy access to workplaces, schools, and a burgeoning social landscape with eateries and retail experiences. Head of Sales at Aster Residencies (Pvt) Ltd, Mr Tuan Fawaz said "Along with MAGA's reputation for trusted build quality, location was a key driver in the success of Aster Residencies, where 80% of apartments have already been sold. We invite buyers who dream of owning a quality apartment close to Colombo to visit our property, step into a model apartment and witness the project first-hand."

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- **Preliminary report on MCC presented to President**

The preliminary report of the four-member committee appointed to review the proposed Millennium Challenge Corporation Compact (MCC) was handed over to President Gotabaya Rajapaksa at the Presidential Secretariat yesterday.

Following a Cabinet decision taken on 18 December 2019, the committee was appointed with effect from 1 January 2020. Prof. Lalithasiri Gunaruwan of the University of Colombo is the Chairman of the committee while former Secretary to the Ministry of Transport Dr. D.S. Jayaweera, President's Counsel Justice Nihal Jayawardena and architect Nalaka Jayaweera are its other members.

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- **MCC and the Land Project: A Gordian Knot in the making**

MCC or the Millennium Challenge Compact is to be signed between US acting through the Millennium Challenge Corporation and The Government of Sri Lanka. This compact deals with two programmes:

(1) arranging the efficiency and capacity of the road network and

(2) privatisation of Government land, registration and digitalisation of land .

Why is it necessary to repeal the authority of the judiciary for the administration of these two programmes, question senior lawyers studying the compact, claiming that it is a high price to pay.

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- **Programme to develop 100,000 kms of roads to commence today**

The National programme to develop 100,000 kilometres of roads would commence under the patronage of President Gotabaya Rajapaksa and Prime Minister Mahinda Rajapaksa in Deltota today.

The objective of the project is to develop 100,000 kms of roads which will directly contribute to the economy of the country and livelihood of the people.

The Roads and Highways Ministry, provincial councils and local government institutions and other institutions related to road development would contribute in developing the roads. Accordingly, the existing road network will be developed by carpeting the road network, identifying and developing alternative roads and developing rural roads. Under this programme, 12,380 kms of roads directly under the Road Development Authority of the Ministry of Roads and Highways will be carpeted on priority basis.

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- **Port City's first overseas launch in Singapore this July**

The project company of Colombo Port City (CPC), CHEC Port City Colombo, is set to kick off the global launch of the Colombo Port City project for investors at World Cities Summit 2020 in Singapore this July with first few developments of the project scheduled to break ground within the year.

“We hope to have our first overseas launch at World Cities Summit 2020 in Singapore in July. We have already done a soft market testing. There’s definitely a very good interest from global investors, but all of them are waiting to understand the provision of the proposed law declaring CPC a special economic zone,” CHEC Port City Colombo, Head of Strategy and Business Development, Thulci Aluwihare told Mirror Business.

The World Cities Summit is scheduled to be held from July 5-9, 2020 at the Sands Expo & Convention Centre, Marina Bay Sands, in Singapore, where key government leaders and industry experts are expected to address liveable and sustainable city challenges, share integrated urban solutions and forge new partnerships.

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- **Unwind at Colombo's most spacious Platinum One Suites in exceptional style and luxury**

Tucked within the fusion of cosmopolitan modernity, Platinum One Suites offers an extraordinary condominium, combining luxury hotel-grade services with the lush freedom of an apartment, a home away from home.

The 20 storeyed property adheres to a trend-setting design concept boasting 66 expansive spaces complete with housekeeping, concierge, butler services, alongside views from floor-to-ceiling windows reigning supreme for every traveller's comfort and convenience.

All apartment-suites are available in five uniquely-designed categories ranging from 1625 to 2400 sq. m. out of which three include maid's chambers. All are home to fully equipped kitchens, dining area, lounge, maids' washrooms and laundry rooms inclusive of an automatic washer and dryer.

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- **Govt. to conduct feasibility study for Eastern expressway**

The Cabinet of Ministers has approved a proposal to conduct a feasibility study for the proposed Eastern expressway project from Mattala airport to Pottuwil across Wellawaya and Siyambalanduwa, according to the Cabinet office.

Minister of Roads and Highways, Johnston Fernando on Wednesday sought Cabinet approval to conduct a feasibility study for the proposed expressway and the Cabinet of Ministers granted the approval for it.

The Cabinet also approved a proposal to seek funding for the project via the Department of External Resources of the Treasury.

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- **Sri Lanka to revive China's CNTIC backed Ruwanpura expressway**

Sri Lanka's Ministry of Highways had been given the nod by the cabinet of ministers to seek a proposal from China National Technical Import and Export Corporation (CNTIC) to revive an expressway project running to Ratnapura.

The so-called Ruwanpura Expressway project was awarded to CNTIC, China National Aero-Technology International Engineering Corporation (CATIC-ENG), Human Construction Engineering Group Corporation (HCEGC) and China Harbour Engineering Corporation (CHEC) in 2016 according to reports but there was no progress.

The cabinet had approved the "obtaining a proposal for Phase I of Ruwanpura expressway – phase I from CNTIC establishment and calling for statements of consent on competitive basis for construction of phase II, the state information office said.

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2. ECONOMY

- **Coronavirus could damage global growth in 2020: IMF**

The coronavirus epidemic could damage global economic growth this year, the IMF head said yesterday, but a sharp and rapid economic rebound could follow.

“There may be a cut that we are still hoping would be in the 0.1-0.2 percentage space,” the managing director of the International Monetary Fund, Kristalina Georgieva, told the Global Women’s Forum in Dubai.

She said the full impact of the spreading disease that has already killed more than 1,600 people would depend on how quickly it was contained.

“I advise everybody not to jump to premature conclusions. There is still a great deal of uncertainty. We operate with scenarios, not yet with projections, ask me in 10 days,” Georgieva said.

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- **Asia Securities forecasts tourist arrivals to drop by 100,000 due to coronavirus**

Asia Securities, a leading investment firm, is forecasting coronavirus to trigger tourist arrivals to drop by 100,000 as well as disruption to supplies impacting several other sectors.

In a special note, Asia Securities said the first-order impact of the Coronavirus is clearly on tourism.

“In Sri Lanka, the tourism sector is expected to take a hit to its arrivals numbers during the peak January-March period. Asia Securities Research expects a 100,000 drop in arrivals compared its original 2020 estimate,” the note added.

Asia Securities also said further delays in restarting operations in China could impact several sectors in Sri Lanka and slowing global trade and dropping freight rates may bring down the logistics sector.

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- **2019 records \$ 2.3 b deficit contraction**

The trade deficit contracted by \$ 2.3 billion in 2019, closing the year at \$ 7.9 billion, the Central Bank said yesterday, but December bucked the trend with the trade deficit widening due to merchandise imports increasing for the first time since October 2018 by 2.9% to \$ 1,784 million even though exports dropped 3.2% to \$ 1 billion.

The deficit in the trade account widened in December 2019 to \$ 784 million, from \$ 701 million in December 2018, led by a decline in exports and a growth in imports on a year-on-year basis. However, on a cumulative basis, the trade deficit contracted by \$ 2,346 million to \$ 7,997 million during 2019 from \$ 10,343 million in 2018, the monthly external report said.

Meanwhile, the terms of trade i.e. the ratio of the price of exports to the price of imports, deteriorated by 2.9% (year-on-year) in December 2019, as export prices declined at a faster pace than the decline in import prices. Cumulatively, the terms of trade deteriorated by 1.5% during 2019 in comparison to 2018.

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- **Govt. moots new model for tourism's way forward**

The Government is planning a new model to boost tourism in Sri Lanka, ensuring greater coordination, maximisation of resources and delivery of efficient and effective services.

The new idea is to establish a single agency consolidating the Sri Lanka Tourism Development Authority (SLTDA), the Sri Lanka Tourism Promotion Bureau (SLTPB) and the Sri Lanka Convention Bureau (SLCB). A single agency steering tourism development and promotion was the status quo for a long time until the early 2000s when a new Act segregated the functions. Tourism Development Minister Prasanna Ranatunga told the Daily FT that he hoped to next week submit a Cabinet paper for approval which is slated to amend Tourism Act No. 38 of 2005.

“The new agency will be named Sri Lanka Tourism. With the necessary amendments to the Act, we hope the consolidated agency will be in a better position to provide an efficient service to all stakeholders of the industry,” he added.

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- **Exports hit US\$ 16.14 bn mark in 2019**

Total exports of the country recorded US\$ 16.14 billion in 2019, which comprised of US\$ 11.94 billion Merchandise exports and USD 4.2 billion of Service exports signaling a recovery in the export sector.

The Service exports include ICT/BPM, Construction, Financial Services and Transport Services include an estimated figure for the last quarter of the year. Export value increased marginally by 1.44% (US\$ 229 million) in 2019 compared with 2018.

“It is a notable feature to see a steady growth in the Service sector while a marginal growth is seen in the Merchandise sector exports in 2019 Chairman, Sri Lanka Export Development Board, Prabhash Subasinghe said.

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- **Sri Lanka bond yields to move up in 2020, credit to recover: research house**

Sri Lanka’s bond yields are likely to move up in 2020, but a pick-up in growth to around 4.0 percent of gross domestic product will help profits of publicly traded firms, though external risks remained, analysts said.

Bond yields may move up 50 to 100 basis points across maturities in 2020, partly due to higher state borrowings due to tax cuts and an expansion in the deficit, Dimantha Mathews, head of research at First Capital, an investment house told a business forum in Colombo.

Average weighted deposit rates may remain around 9.5 percent in the first of 2020, but move up towards the end of the year, he said.

Sri Lanka’s budget deficit is expected to move up to 7.5 percent of GDP according to official forecasts, while an International Monetary Fund estimate put it at 7.9 percent.

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- **Sri Lanka President halts new sub-national taxes, fees; simplification ordered**

President Gotabaya Rajapaksa has directed Provincial Councils and Local Authorities not to charge any new taxes or fees and simplify them within 30 days, his office said.

The administration is trying to simplify the country's entire tax and non-tax system in a bid to make public life easy, reduce transaction costs and reduce corruption and irregularities, Secretary to the President P B Jayasundera had told Governor and Chief Secretaries.

"It has been observed that Provincial Councils and Local Authorities continued to expand various taxes, rates and levies undermining the Government's overall development vision and underlying strategy", Jayasundera was quoted as saying.

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- **Sri Lanka's consumption could have recovered with smaller stimulus: economist**

Sri Lanka could have achieved a revival in consumer demand with a smaller stimulus, as the country tends to go through a cyclical revival in the wake of shocks, an economist said, amid concerns of twin fiscal and monetary loosening.

"On a cyclical basis, there was already space for consumption to recover, because the economy had gone through a number of shocks," Deshal de Mel, research director at Verité, a think tank, said.

"There was a drought in 2017, the constitutional crisis in 2018 and the Easter attacks in 2019, so there was a fair amount of suppressed consumption that was ready to recover in the first place.

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3. INTERNATIONAL

- **Preston ranked as top investment property location in 2020**

Residential Estates, Chester, has identified Preston as an investment property hotspot in 2020.

Low asking prices and increasing investment into the region's economy makes the city a top opportunity, the group said.

While the city performed disappointingly since it obtained city status in 2002, it has improved since 2013, while in 2018 it was named the most improved city in the UK (2018 Good Growth for Cities Index).

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- **UK house prices up 2.2% ONS report**

The average UK house price rose by 2.2% to £235,000 in the year to December 2019, according to data collected by ONS.

Average house prices in England increased by 2.2% to £252,000.

Wales and Scotland both also recorded a 2.2% rise year-on-year, with average house prices increasing to £166,000 and £152,000 respectively.

Meanwhile, Northern Ireland noted a 2.5% uplift, boosting average house prices to £140,000.

All regions saw a rise in average property prices in the year to December 2019; the South East of England recorded the lowest average increase, up 1.2%.

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