

# THE INVESTMENT OPPORTUNITIES FOR SHOPPING MALL & HOTEL DEVELOPMENTS IN SRI LANKA



# COUNTRY AT A GLANCE.....

|                 |             |
|-----------------|-------------|
| Population :    | 20,653      |
| Per capita GDP: | US \$ 2,830 |
| GDP:            | US\$ 59.1bn |
| GDP growth:     | 8.3%        |
| Exports:        | US\$ 10.5bn |
| Imports:        | US\$ 20.0bn |
| Literacy Rate:  | 91.4 %      |
| Unemployment:   | 4.3%        |
| FDI:            | US\$1.0bn   |



# BACKGROUND

- Peace in Sri Lanka after 30 years
- Sri Lanka is enjoying a peace dividend with 8.3% economic growth
- Tourism arrivals which were hovering around 300,000-400,000 have shot up after the end of the war.



# BACKGROUND.....

- Tourism arrival figures were 654,477 in 2010
- Recorded 850,000 by end of 2011
- Targeting 2.5Mn by 2016



# ISSUE

- There are about 14,461 hotel rooms in the Country ( This figure includes both star grade and unclassified)
- To achieve the 2.5 Mn target by 2016, Sri Lanka will need a total 55,461 rooms, that is an additional 41,000 rooms.
- Available shopping experience for both domestic and international consumers has scope for growth.



# THE OVER ALL TOURISM PRODUCT...!

- This covers:
- *Beach Products*
- *Historical Cultural Products*
- *National Parks and Bird Sanctuaries*
- *The Central Hills*



# THE OVER ALL TOURISM PRODUCT....!

## World Heritage Sites



ANCIENT CITY OF KANDY



ANCIENT CITY OF SIGIRIYA



OLD TOWN OF GALLE



CENTRAL HIGHLANDS



GOLDEN TEMPLE  
DAMBULLA



ANCIENT CITY  
ANURADHAPURA



SINHARAJA FOREST



ANCIENT CITY  
POLONNARUWA

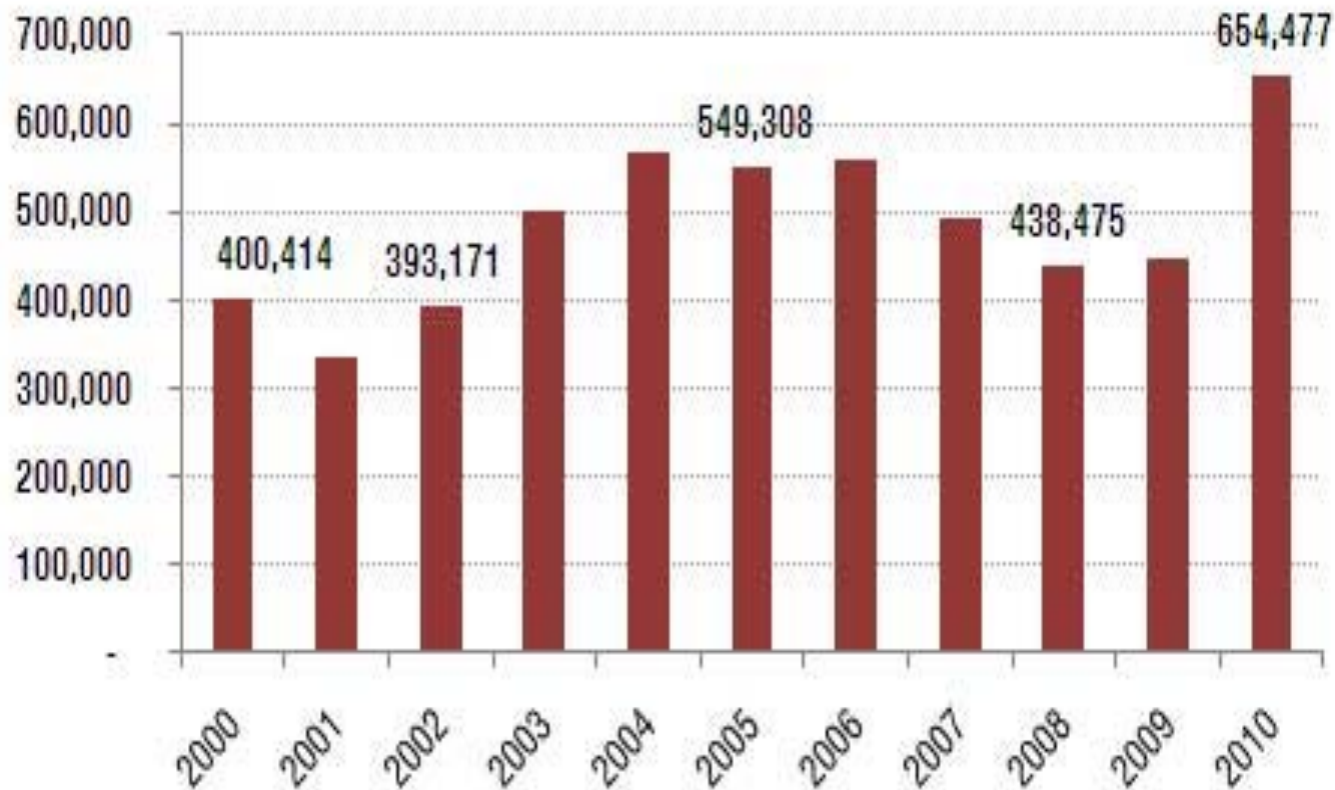


# THE OVER ALL TOURISM PRODUCT....!

- Other aspects like Surfing, White water Rafting, Golf, Diving, Cricket, Pilgrimage, MICE, Shopping, Hot air Ballooning



# ANALYSIS OF ARRIVAL FIGURES



Source: Sri Lanka Tourism Development Authority



# ARRIVALS FOR 2010/2011

| COUNTRY OF RESIDENCE | 2010    | JAN - MAY |        |        |
|----------------------|---------|-----------|--------|--------|
|                      |         | 2010      | 2011   | % Cha. |
| India                | 126,882 | 44,549    | 68,830 | 54.5   |
| U.K                  | 105,496 | 38,725    | 41,474 | 7.1    |
| Germany              | 45,727  | 19,618    | 23,065 | 17.6   |
| France               | 31,285  | 11,999    | 22,335 | 86.1   |
| Middle East          | 37,540  | 11,146    | 15,958 | 43.2   |
| Maldives             | 35,791  | 12,633    | 15,624 | 23.7   |
| Australia            | 3,925   | 2,147     | 3,116  | 45.1   |
| Canada               | 21,123  | 7,683     | 9,044  | 17.7   |
| U.S.A                | 19,093  | 6,636     | 8,667  | 30.6   |
| Netherlands          | 17,861  | 5,722     | 9,437  | 64.9   |
| Japan                | 14,352  | 5,350     | 6,706  | 25.3   |
| Russia               | 13,278  | 5,782     | 7,400  | 28     |
| Italy                | 11,423  | 3,584     | 5,025  | 40.2   |
| China                | 10,430  | 3,838     | 7,481  | 94.9   |
| Switzerland          | 9,427   | 3,276     | 4,363  | 33.2   |



# AVERAGE DURATION OF STAY

| <b>REGION</b>                   | <b>NO. OF DAYS</b> |
|---------------------------------|--------------------|
| <b>Western Europe</b>           | <b>10</b>          |
| <b>East Asia and South Asia</b> | <b>8</b>           |
| <b>Eastern Europe</b>           | <b>8</b>           |
| <b>North America</b>            | <b>12</b>          |
| <b>Australasia</b>              | <b>12</b>          |
| <b>Middle East</b>              | <b>8</b>           |
| <b>Others</b>                   | <b>6</b>           |



# THE PRESENT STRUCTURE OF HOTELS & HOTEL ROOMS

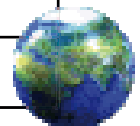
| Region          | No. of Rooms  | Percentage Share |
|-----------------|---------------|------------------|
| Colombo City    | 3,190         | 22%              |
| Greater Colombo | 2,494         | 17%              |
| South Coast     | 4,940         | 34%              |
| East Coast      | 230           | 2%               |
| High Country    | 928           | 6%               |
| Ancient Cities  | 2,679         | 19%              |
| Northern Region | NA            | NA               |
| <b>Total</b>    | <b>14,461</b> |                  |

Source: HVS, SLTDA



# MAIN HOTEL COMPANIES

| <i>Company</i>                | <i>No. of Existing Hotels</i> | <i>Mode of Operation</i> |
|-------------------------------|-------------------------------|--------------------------|
| <b>John Keels</b>             | <b>9</b>                      | <b>Own &amp; Operate</b> |
| <b>Aitken Spence</b>          | <b>9</b>                      | <b>Own &amp; Operate</b> |
| <b>Taj Hotels</b>             | <b>3</b>                      | <b>Own &amp; Operate</b> |
| <b>Hilton</b>                 | <b>2</b>                      | <b>Operate</b>           |
| <b>Tangerine Hotels</b>       | <b>4</b>                      | <b>Own &amp; Operate</b> |
| <b>Jetwing</b>                | <b>11</b>                     | <b>Own &amp; Operate</b> |
| <b>Serendib Leisure</b>       | <b>3</b>                      | <b>Own &amp; Operate</b> |
| <b>Ramada Group</b>           | <b>3</b>                      | <b>Franchise Manage</b>  |
| <b>Aman Resorts</b>           | <b>2</b>                      | <b>Own &amp; Operate</b> |
| <b>Ceylon Corporation Plc</b> | <b>2</b>                      | <b>Own &amp; Operate</b> |



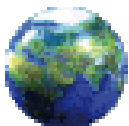
# IMAGES OF SELECTED HOTELS

*KANDALAMA*



# IMAGES OF SELECTED HOTELS

**KANDALAMA**



# IMAGES OF SELECTED HOTELS

**KANDALAMA**



# IMAGES OF SELECTED HOTELS

*CINNAMON GRAND*



# IMAGES OF SELECTED HOTELS

*CINNAMON GRAND*



# IMAGES OF SELECTED HOTELS

*FORTRESS*



# IMAGES OF SELECTED HOTELS

*HILTON*



# IMAGES OF SELECTED HOTELS

## *GALLE FACE*



# IMAGES OF SELECTED HOTELS

## *TAJ EXOTICA*



# STRUCTURE OF HOTEL ROOMS

| Star Category      | No. of Rooms  | % Share |
|--------------------|---------------|---------|
| 5 Star             | 3,080         | 21%     |
| 4 Star             | 1,582         | 11%     |
| 3 Star             | 1,079         | 7%      |
| 2 Star             | 2,517         | 17%     |
| 1 Star             | 1,005         | 7%      |
| Unclassified       | 5,198         | 36%     |
| <b>Total Rooms</b> | <b>14,461</b> |         |
| Source: HVS, SLTDA |               |         |



# INTERNATIONAL CONNECTIVITY



## Aviation Hub

- Mattala – 2nd international airport
- Modernisation of the Katunayake International Airport



Mattala International Airport



Domestic Airports to be renovated



# INTERNATIONAL CONNECTIVITY

## Flights from Sri Lanka to other major destinations

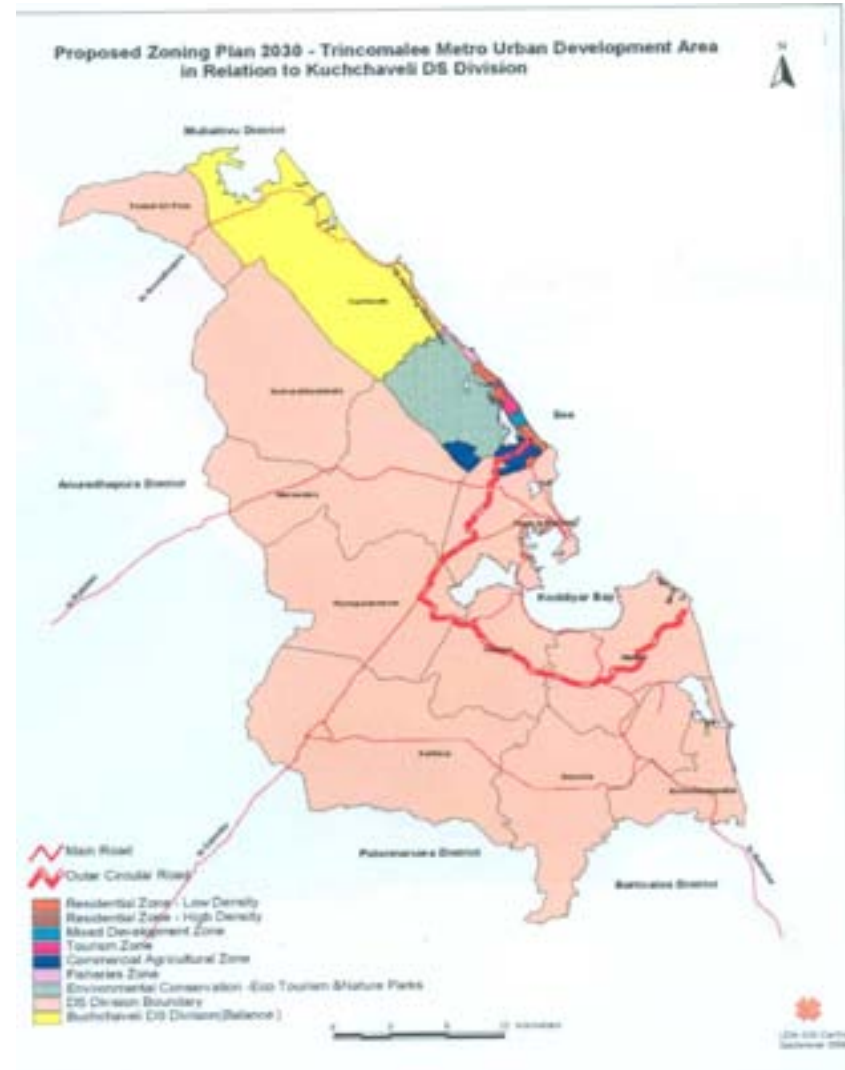
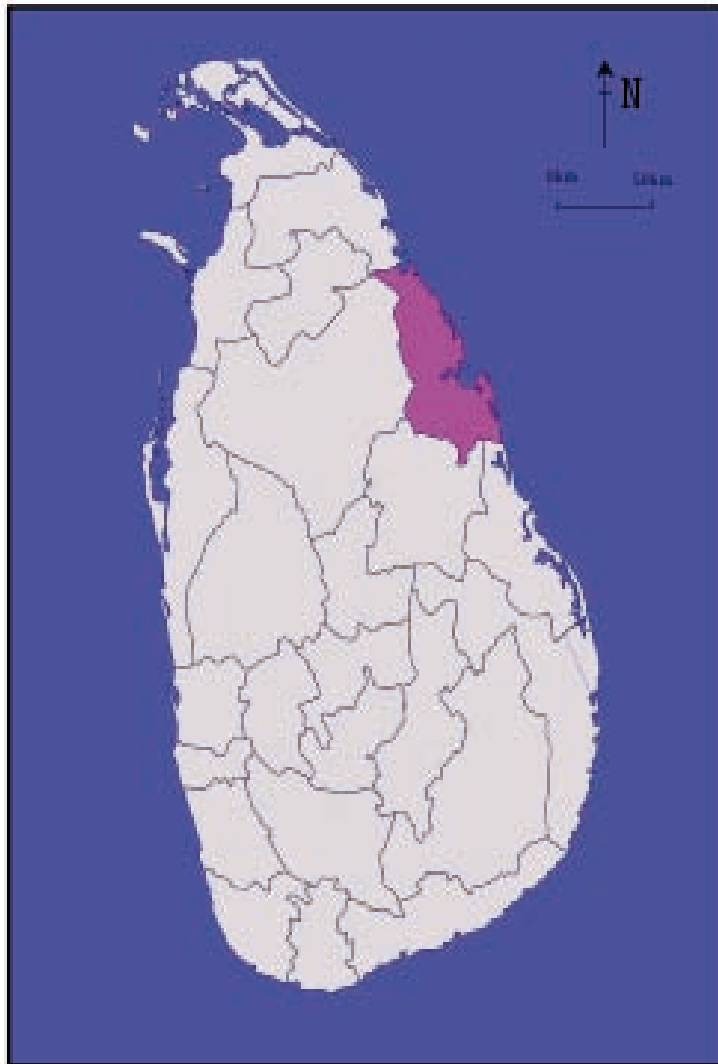
| <u>City</u>          | <u>Flights Per Week</u> |
|----------------------|-------------------------|
| ➤ India (All Cities) | 97                      |
| ➤ Dubai □            | 39                      |
| ➤ Singapore □        | 21                      |
| ➤ Bangkok            | 16                      |
| ➤ Kula Lumpur □      | 16                      |
| ➤ London □           | 13                      |
| ➤ Hong Kong □        | 09                      |
| ➤ Paris □            | 04                      |
| ➤ Frankfurt □        | 04                      |
| ➤ Beijing □          | 04                      |
| ➤ Tokyo              | 03                      |
| ➤ Shanghai           | 03                      |

**Total number of flights per week from Sri Lanka - 464**



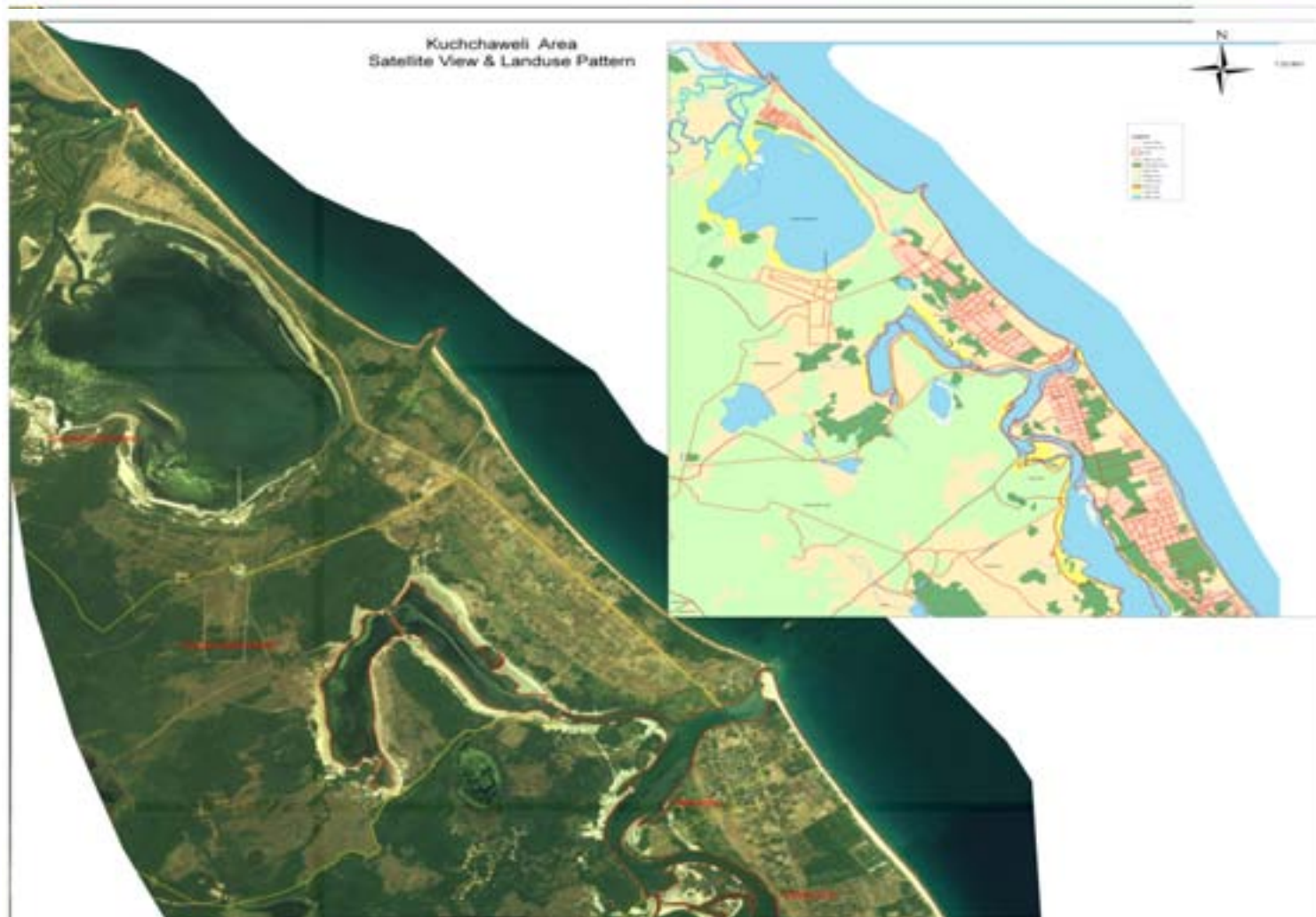
# NEW TOURISM PROJECTS

## TRINCOMALEE



# NEW TOURISM PROJECTS/ AREAS FOR DEVELOPMENT

## *PROPOSED TOURISM PROJECT AREA - KUCHCHAWELI*



# NEW TOURISM PROJECTS

## *Passikudah National Holiday Resort (NHR)*



# NEW TOURISM PROJECTS

## *Kalpitiya Islands*

10 islands are available on 33yrs lease basis



# Foreign Companies that plan to invest in Hotel sector



- Shangri-La
- Sun International
- Sheraton Group
- Hyatt
- Mustafa's hotel and shopping complex



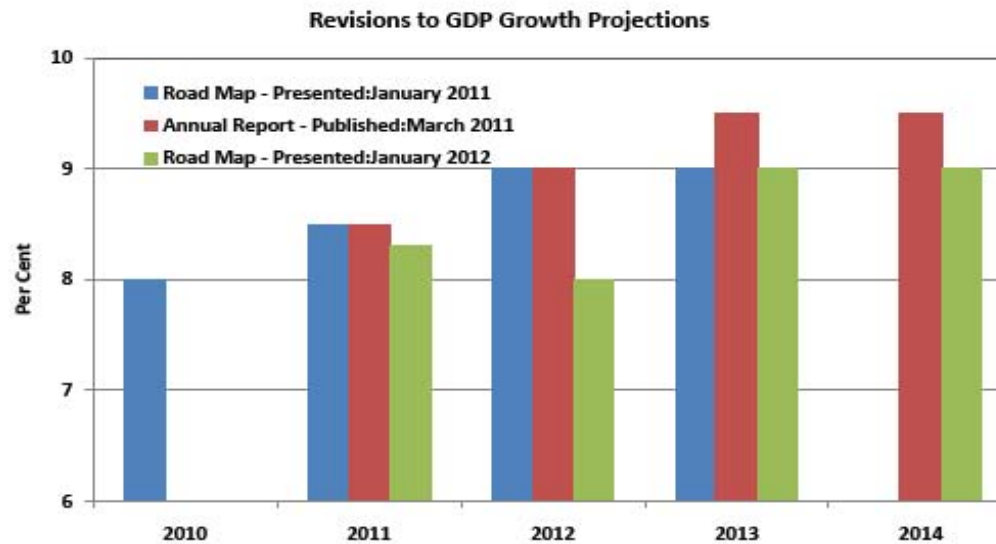
# Some of the existing Shopping Malls in Colombo



# Growth Projections



**ON THAT BASIS, A HIGH GROWTH RATE OF 8% WILL BE ACHIEVABLE, GIVEN SRI LANKA'S CURRENT STRUCTURAL TRANSFORMATION...**



**Tourism Earnings: US\$ 2500 Mn by year 2016**



# BOI OPERATING ENVIRONMENT



- Total Foreign Ownership
- No restrictions on Repatriation of Earnings
- Safety of Foreign Investments Guaranteed by the Constitution
- Strong Intellectual Property law in line with WIPO regulations
- National Treatment is guaranteed
- Signatory to the Multilateral Investment Guarantee Agency (MIGA) of the World Bank.
- Investment Protection Agreements and Double Taxation Relief Agreements with over 25 countries.



# INCENTIVES OFFERED FOR FOREIGN INVESTORS

| Sector   | Minimum Investment (Rs.) | Full Tax Holiday Period |
|--|--------------------------|-------------------------|
| <b>B. Medium Enterprises (new)</b>   |                          |                         |
| i. Manufacturing   | 50 – 200 Mn.             | 4 - 6 years             |
| ii. Services (selected categories)<br>eg. Health Care<br><b>Tourism</b><br>Education<br>Cold Storage<br>Sports / Fitness Centres | 50 – 300 Mn.             | 4 - 6 years             |

# INCENTIVES OFFERED FOR FOREIGN INVESTORS



| Sector  | Minimum Investment (Rs.) | Full Tax Holiday Period |
|---|--------------------------|-------------------------|
| <b>Large Enterprises (new)</b>  |                          |                         |
| <ul style="list-style-type: none"> <li>i. Manufacturing for Export Market (over 90%)</li> <li>ii. Manufacturing for Domestic or Export Market (selected items only)                             <ul style="list-style-type: none"> <li>eg. Boats</li> <li>Pharmaceuticals</li> <li>Tyres &amp; Tubes</li> <li>Motor Spare parts</li> <li>Furniture</li> <li>Ceramics</li> <li>Rubber Products</li> <li>Mineral Based Products</li> <li>Cosmetic Products</li> </ul> </li> </ul> | 300 – 2500 Mn.           | 6- 12 years             |
| <ul style="list-style-type: none"> <li>iii <b>Tourism &amp; Leisure</b></li> </ul>  |                          |                         |
| <ul style="list-style-type: none"> <li>iv Infrastructure Development</li> </ul>   |                          |                         |
| <ul style="list-style-type: none"> <li><input type="checkbox"/> <b>Housing/property</b></li> <li><input type="checkbox"/> Commercial Buildings</li> <li><input type="checkbox"/> Warehousing</li> <li><input type="checkbox"/> Hospitals / Healthcare Services</li> <li><input type="checkbox"/> Renewable Energy</li> <li><input type="checkbox"/> Industrial Parks/Zones</li> <li><input type="checkbox"/> Waste Management</li> </ul>  |                          |                         |



# INCENTIVES OFFERED FOR FOREIGN INVESTORS



## **Special Concessions for Import of Capital Goods**

Capital Goods (Plant, Machinery & Equipment )for the Implementation of the Projects are also eligible for Customs duty exemptions

## **Land Ownership :**

Outright purchase and lease basis

There is a special unit available at the BOI to address all land approvals including environmental clearances and other support services.

**For more information: [www.investsrilanka.com/landbank](http://www.investsrilanka.com/landbank)**





## SRI LANKA - THE HUB OF ASIA WELCOMES YOU WITH OPEN ARMS

Sri Lanka is the land of immense promise and is now celebrating an era of great economic flourish. A country renowned for its hospitality greets you the moment you arrive on its fair shores with breathtaking scenery and lively spirit - the potential is undeniable.

Special arrangements will be made for complimentary accommodation and transport, while the all-important business to business meetings and factory visits will be facilitated for you. We believe you will leave our little island having sampled all the delights it has to offer and paving the way for long lasting business relationships.

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28TH - 30TH MARCH

Find exactly what you are searching for.

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28TH MARCH

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- **TRADE SYMPOSIUM**  
29TH MARCH

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- **FORUM ON TOURISM**  
30TH MARCH

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- ◎ One-stop shop for B 2 B meetings, factory/site visits



We invite you to visit

**SRI LANKA EXPO 2012**

**28-30 March, 2012 Colombo Sri Lanka**

**Experience the abundant opportunities**



*“Sri Lanka will be the number 1 spot for the holidaymakers”*

*- New York Times 10<sup>th</sup> January 2010*

*Sri Lanka has been ranked as the 4th best country in Asia for Investments. Thailand, China and the Philippine are ahead of Sri Lanka. (In ranking the countries the survey has taken into consideration education, health, quality of life, economic dynamism and political environment as indicators.)*

*-News week 2010 August*

**The New York Times**

*National Geographic Traveller magazine rates Sri Lanka as one of six best destinations in the world : December 2011*



**THANK YOU**



**HIGH COMMISSION OF SRI LANKA  
PRETORIA**

