Western Region Development

NEW FORM OF URBANIZATION – IMPACT ON BUSINESS SECTOR
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Current context

• American and European companies dominated the global corporate world in the 19th and the 20th century.

• The corporate scene is changing - Asia will be the dominant force. In the Fortune 500 companies (more than 50% by 2025) The emerging global corporate powers who are located close to Sri Lanka will seek world class infrastructure, talent, innovative ideas and conclusive political, social and legal environment.

• Implemented well, the Megapolis will have a great opportunity to capitalize on the new form of momentum gathering in the global business landscape.

• Thus, it will radically alter the business landscape and open up a new vista of opportunities for local businesses.
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The Current Context of our Economy

Our economy is affected in several fronts

- The breakdown of the plantation economy
- Segregation/inefficient utilization of land
- Lack of appropriate human capital: Higher wages, lower productivity
- Peoples aspirations for higher wages without high skill levels
- Poor/Developing infrastructure

The Megapolis could create great opportunity and take our economy to the next level.
Opportunities for businesses with Megapolis

• The Megapolis should drive the Sri Lankan business to the next dimension.
• It would link Sri Lanka to the global community
• Be a part of the global value chain
• Creating opportunities for management and technology transfer
Opportunities for businesses with Megapolis

• Capturing high end tourists: increasing per head spending (one stop shop for trade, beaches, wildlife, archeological sites, cultural events, sports, knowledge)

• Improved international and local trade, which will in turn benefit
  • Banking Industry
  • Telecom Industry
  • New technology & Education etc

• Make Sri Lanka the most attractive logistic hub in the Asia-Pacific region, taking maximum advantage of the country location.
Opportunities for businesses with Megapolis

• Centre for Service Excellence in areas of primary, secondary and tertiary education.

• Using the knowledge economy and the logistic capability to produce hi-end value added technology products – eg: sensors, computer chips, biotechnology products etc.

• Taking into account the high percentage of professionals in the country the, KPO’s could be another opportunity.

• International center for financial arbitration, trade conventions, knowledge dissemination & corporate governance.
Moving beyond Labour arbitrage

If we move into some agriculture labour dominated economy towards the service and knowledge base economy, we would benefit from the following areas:

• Reduce the labour dependence on agriculture (30% of the people, resultant aggregation of land leading to mechanization and higher output)

• If skill gaps are bridged, the people could be working in areas of greater output and return.

• The challenge of being competitive in the low tech labour market is unsustainable and we should move to the next dimension.
Challenges for Businesses in this transition

In order for successful implementation of the Megapolis, we have to overcome the following challenges:

• Promoting a policy driven and a private sector led growth eg: Policy consistency and PPP

• Strong implementation network with adequate legal teeth which can cut through the red tape.

• To prevent capital flight the local private sector has to be given opportunity to invest, so they have enough skin in the game

• The transformation of the workforce through educational skill development is another major challenge. If we overcome this we can ride the wave of success.