

# Western Region Development

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NEW FORM OF URBANIZATION – IMPACT ON  
BUSINESS SECTOR

# Western Region Development

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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

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- 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

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- 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

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- 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

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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

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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.