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- Two Islands Leased Out
- Bids Called To Lease 10 More

By Mandana Ismail Abeywickrema



Kalpitiya beach area earmarked for development

The government has leased out two islands in the Kalpitiya area and has called for bids to lease out 10 more islands under the Kalpitiya Integrated Resort Development Project (KTRP). The two islands have been leased out to foreign investors for a period of 30 years commencing August 2010 for Rs. 18 million for the first five years. The government's announcement in parliament last week on the leasing out of islands in Kalpitiya came as a

surprise to many including a majority of the legislators who were unaware that such an agreement had been signed by the government. Under the first phase of the KTRP, six islands will be developed: Ippantivu Island, Vellai Island I, Vellai Island II, Vellai Island III, Eramativu Island, and Kakativu Island by the Sri Lanka Tourism Development Authority (SLTDA).

The islands that have been leased out by the government are Ippantivu and Vellai.

The Vellai Islands have been leased out for a sum of Rs. 3.7 million (Rs. 3,709,999.68) for the first five years to Sun Resort Investment Lanka Private Limited, which is a joint venture between Sri Lanka, Maldives and Switzerland. The Ippantivu Island has been leased out for Rs. 14 million (14,914,397.40) to Qube Lanka Leisure Properties Private Limited, which is an Indian investment.

Deputy Economic Development Minister Lakshman Yapa Abeywardena said the lease agreements would be revised every five years.

The Minister told The Sunday Leader that the islands were leased out according to the tourism development plan to increase the number of hotel rooms in the country to 50,000 from its existing 14,000 by 2016. Therefore, the Kalpitiya tourism development programme is expected to see the construction of 17 hotels with a total capacity of 5,000 rooms and 10,000 beds.

The leasing out of the islands was raised in parliament last week in an oral question posed by UNP Parliamentarian Gamini Jayawickreme Perera. When asked as to why parliament was not informed of the leasing out of the islands, Abeywardena said the lease agreements were signed after receiving the Attorney General's approval.

Abeywardena informed parliament that the Cabinet of Ministers approved the KTRP on November 14, 2004, and it was then decided to allocate 5,000 acres of land in the Kalpitiya area for tourism development projects.

The islands in the Dutch Bay and Portuguese Bay above the Puttalam lagoon were identified for the programme.

Afterwards, a project office was established for the purpose in March

## PHOTO GALLERY



Security officers running behind the vehicle



Good Friday Commemorated



Secretary of the Bodu Bala Sena



A young monk



TRYING TO DRIVE A POINT HOME?



Seeking More Answers

2009 following a Cabinet memorandum submitted in 2008.

The construction of the resorts in Kalpitiya commenced on Dutch Bay Island.

The 14 islands in Kalpitiya that have been earmarked by the SLTDA for tourism development have a total landmass of 1672.67 hectares (4133.19 acres). Nine islands totaling 268.94 hectares (664.28 acres) are entirely state land whereas the remaining ones have mixed ownership, public and private.

Abeywardena states that tenders however, were called only for the six islands that have been identified to carry out the first phase. The Ministry had then appointed a technical evaluation committee to evaluate the bids that were received. The committee had identified the parties to lease out the Vellai and Ippantivu Islands.

According to Abeywardena, following discussions held by then Tourism Minister Achala Jagoda, the Vellai I, II, and III islands were agreed to be leased out to Sun Resort Investment Lanka Private Limited and the Ippantivu Island to a joint Indian venture under Qube Lanka Leisure Properties Private Limited.

Although the initial discussions were held in 2009, the lease agreements were not signed till August 2010.

The agreement to lease out the Vellai Islands was signed on August 11, 2010, and the agreement for the Ippantivu Island on September 2, 2010. The agreements were signed at the President Secretariat under the patronage of Economic Development Minister Basil Rajapaksa.

Abeywardena states that in October 2010, the government called for bids to lease out 10 more islands in the Puttalam lagoon that have been taken over by the SLTDA. UNP MP Jayawickreme Perera posed a question to the government if due consideration had been given to the possible security threat after leasing out the islands near Kalpitiya, the government responded saying that all such situations were considered before leasing out the islands. According to the UNP, the government that initially showed an aversion towards the leasing out of the country's assets to foreign companies was now surreptitiously lending out state assets to foreign investors.

Until the issue of islands being leased out in Kalpitiya was raised in parliament by the UNP legislator, a majority of the members in parliament were unaware that two islands have been leased out to foreign companies with more listed to be leased out.

#### The Islands Identified For Tourism

There are 14 islands in the proposed Kalpitiya Integrated Resort Development Project (KITRP) zone as listed below.

1. Battalangunduwa 145.53 ha
2. Palliyawatta 60.89 ha
3. Vellai I 1.55 ha
4. Vellai II 10.80 ha
5. Vellai III 13.70 ha
6. Uchchamunai 449.30 ha
7. Ippantivu 76.88 ha
8. Periya Arichchalai 45.60 ha
9. Sinna Arichchalai 16.82 ha
10. Eramutivu 101.52 ha
11. Sinna Eramutivu 2.22 ha
12. Eramutivu West 4.53 ha
13. Kakativu 4.53 ha
14. Mutwal (Dutch Bay) 715.14 ha

Total area: 1672.67 ha (4133.19 acres). Out of the 14 islands nine islands are totally state lands and other five islands are comprised with private and state land.



#### 1 Comment for

"Govt. Leasing Out Islands In Kalpitiya To Foreign Investors"

thusitha

March 28, 2011 - 2:06 am



it look like we are following the examples of Maldives. even though they have very limited land area they are leasing some island to built hotels. good move by SL Govt. this can capture more tourists who have better option than going to expensive palces such as Maldives and seashells

Comments are closed

