

BOI Approves SLT-Mobitel Agreement



Dr Sarath Amunugama, Minister of Enterprise Development and Investment Promotion on behalf of the Board of Investment of Sri Lanka, issued investors with approval letters for 50 projects representing a total value of Rs 58.03 bn of which Rs 24.62 bn is foreign investment and the remaining Rs 33.40 bn is local.

The projects approved represent many sectors such as container services, housing and property development, shopping and office complex, call centers and BPOs, computer development, hotels, restaurant services, IT enabled services, export import trading houses, fuel gas and petroleum, power generation plants building materials, rubber products, garment accessories and other areas. An estimated 8,821 new jobs will be created when the projects are established.

Under the Mahinda Chinthana, the Government has taken steps to promote

investment on a large scale to boost economic development. Hence the BOI has now taken measures to fast track investment and now has a policy of giving over the counter approvals for projects. A new simplified application form which is investor friendly has been introduced. The general feedback the BOI has received from the investor community is that there is no red tape in the approval process.

One of the most important projects is the new SLT- Mobitel Agreement which is an agreement to start the Stage 3 expansion project of the Mobitel Agreement. This is an expansion of Mobitel's existing investment. It will enhance the capacity and coverage to accommodate 750,000 new customers with second generation and third generation technologies by implementing 800 new base stations and other related infrastructure facilities. This is an investment of Rs 5.5 bn for the expansion only.

Another important agreement is the SLT-BOI Approval is a special agreement to develop telephony and data orientated services in Sri Lanka. The value of this agreement is US\$ 20 mn.

Finally the Bharti Air Tel India Approval is an agreement under which the investor will construct, operate and maintain a digital cellular mobile communication system to provide mobile communication services. The project represents an investment of US\$ 150 mn.