


 Page 5 **Eco Tourism**

 Page 7 **Urbanisation**

 Page 9 **Trenchless Technology systems**

 Page 14 **The President of the Institute of Valuers**

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Minister Thondaman commends the Chamber!

'At the outset I must state that I am extremely impressed with the manner in which the Chamber of Construction Industry is forging ahead with their business plans though the Chamber could still be considered as an infant organization. I understand that the Chamber was established one and half years ago in order to bring all construction related professionals under one umbrella. I believe that for the first time in Sri Lanka, this Chamber is bringing together Engineering Consultants, Architectural Consultants, Contractors, Town planners, quantity surveyors and skilled and semi-skilled workers, suppliers and manufacturers of building materials and construction equipment and other construction stakeholders. This idea who ever conceived it, is indeed an



The formal exchange of Memoranda of understanding between the President CCISL Deshabandu Surath Wickramasinghe and the Director General of CIDC/Council Member INDST Mr.P.R.Swarup. Also in the picture are the Hon. Minister Mr. Thondaman, Mr.Dakshitha Thalagodapitiya, Mr. V. Ashokan and Mr. Harsha De Seram.

innovative concept and it is very creditable that it has materialized in this format'. Observed the Honourable Minister of Housing and Plantation Infrastructure in his address at the ceremony

organized to formally sign the Memoranda of understanding between the Chamber of Construction Industry Sri Lanka and Construction Industry Development Council of India

and the Indian Society for Trenchless Technology for the purpose of promoting construction technology between Sri Lanka and India. The Minister also mentioned that, 'There are two issues that come to my mind in this regard when one looks around at the rest of the world; we see that most other countries have been able to gather construction related professionals and professional organizations under one umbrella. Such organizations exist in countries like the United Kingdom, Canada and in our neighbouring countries such as India, Malaysia and Singapore. It is also observed that these organizations around the world are organized and managed, in some cases by the State and in others by the Private Sector.

Contd. page 4...

Government ill- advised by the Experts and Bureaucrats - CCISL PRESIDENT.

The opinion of the key advisors to the Government both Local and Foreign, and of the Chairman of the BOI, is that the Foreign Consultants are cheaper, faster, and better than the Local Consultants. They are also of the view that the Foreigners are respected for their Designs and Reports and also the obtaining of funds becomes easier. Another statement often made is that the Sri Lankan Consultants and Contractors should be able to compete with the Foreign Counterpart in an open economy even on locally funded Projects.

The Chamber strongly objects to the views of these experts and bureaucrats and maintain that, if the Local Construction Industry

are weak in certain areas the ideal solution is to strengthen those weak areas with appropriate foreign expertise or a similar course of action. Alternatively to collaborate with the best firms in the world to upgrade the local firm's knowledge and to be able to design and construct buildings that may become icons not only to the City of Colombo but also to Sri Lanka. This is what Singapore, Malaysia and even China are doing.

The Sri Lankan Consultants and Contractors have now acquired adequate competence in the field of physical planning, urban design, high-rise buildings, highway construction, telecommunication and other

infrastructure services. In fact some of the Local Consultants and Contractors have been commissioned by foreign countries to undertake assignments. Therefore at a time when the Construction Industry in Sri Lanka has insufficient work it is unfair for the BOI and UDA to offer Sri Lanka funded projects to less known Foreign Consultancy Firms and Contracting Firms without offering the same projects to the locals on the same terms. The biggest offenders in this respect are the BOI and the UDA.

There was a recent newspaper announcement that the Colombo-Kandy highway was to be awarded to a Malaysian Firm. If it

is the Government policy to award this project to a nominated firm without competitive bidding, we believe it is unfair and irregular. Once again we cannot see this Malaysian Firm investing many millions of US\$ without adequate financial guarantees from the government. If this is the case it is only fair that the Sri Lankan consultants and contractors should also be invited to compete with the foreign counterpart on the same terms. The BOI commissioned a mediocre Firm, a subsidiary of the Housing Development Board of Singapore to prepare a Western Regional Plan. This is another paradoxical situation where, even before the

Contd. page 4...



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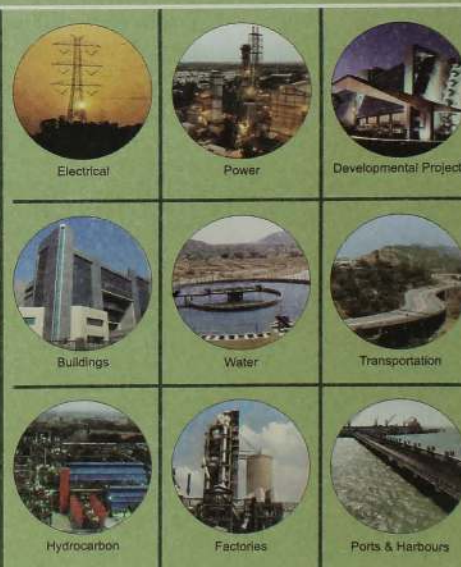
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Editorial

Capacity Building and Skills Upgrading

The labour force has been established at 7.05 Million at the end of September in the year 2003 as compared with 6.73 Million in the previous year. Unfortunately the labour force is defined as 'persons over the ages of 10 years who are able and willing to work'. An employed person is also defined as 'one who works for pay, profits or unpaid family gain for one hour or more' during the week preceding the survey carried out by the Department of Census and Statistics. Hence such a definition naturally affects the accurate estimation of full time productive workers.

The number of employees in the public sector, which includes Government, Semi Government, and the field staff of the Armed Force and Police stands at just under 1.1 Million in the year 2002. The average unemployment is around 9.2% of the labour work force. Of the unemployed approximately 35% belong to the age group between 15 to 19 while around 20% falls within the age group 20 to 29 years.

If one looks at the unemployed rates by level of education, approximately 17.3% have G.C.E. Advanced Level while 13.1% falls in to G.C.E. Ordinary Level category. The continuing unemployment of educated youth is clearly evident and therefore the nagging problem of unemployed educated youth demands the urgent attention of the Government.

The Government has set a target of creating a minimum of 2.0 Million jobs during the next several years. Sri Lanka is said to have achieved an extraordinary high level of literacy for a developing country, which is 90%. Obviously it has not been translated to productive employment and geared towards sustainable economic development.

The Government has identified the establishment of Private Sector Training Institutes with accreditation in the field of construction as a poverty reduction strategy. It has continuously advocated Public sector reforms including privatization and Public Private partnerships, not only in construction and infrastructure related projects but also in human resource development. The need to build construction capacities have been emphasized by the Government, multi lateral agencies and all stakeholders of the Construction Industry. It is stated that only 4% of the construction work force have been subjected to certification. This would no doubt be a major constraint to improving productivity in the construction industry, which is the key to accelerated growth. The construction industry has failed to attract young school leavers probably due to the misconceived notion that employment in the trades of masons, carpenters, and plumbers, are not considered 'fashionable' jobs.

This Chamber once again reiterates its desire and ability to collaborate with the Government in the provision of Vocational Training and Management / Executive development, related to the workforce of the Construction Industry.

The emergence of the Private sector as the provider of tertiary education has now become inevitable. The Government's role should be that of accreditation and monitoring, for which we believe it has already set up the Tertiary and Vocational Education commission. The role and contribution of the large number of vocational training institutes in the public sector such as the

Department of Technical Education and Training, Sri Lanka Institute of Advance Technical Education, Vocational Training Authority, National Apprentice Industrial Training Authority, and the Institute of Construction Training and Development must be re-examined and suitable adjustments made.

Provision of Vocational Training should not be mixed with politics and image building of politicians. Such exercises totally confuse the issues and defeat the primary objective. Hence if the ambitious development programmes as identified in the 'Regaining Sri Lanka' Documents which obviously revolves around construction related activities are to reach fruition, a more pragmatic view of satisfying the training needs, need to be taken. As a responsible Chamber, we have already entered into a Memorandum of Understanding with not only the Vocational Training Authority but also with the Construction Industry Development Council of India, whose prioritized activities are Vocational Training in Construction Skills, Supervision, Managerial and certain financial skills for those who are engaged in the Construction Industry. National Academy of Construction, Hyderabad, India has also indicated its willingness to collaborate with this Chamber for provision of training facilities.

We trust that those who are occupying high echelons of power will note the opportuneness of above and invite this Chamber to be its partner, in capacity building and vocational training endeavours.

Eminent Engineer M.Chandrasena joins the Chamber.

The Chamber of Construction industry, Sri Lanka has provision to enroll construction professionals in the capacity of Individual Members of the Chamber. In keeping with these provisions the chamber enrolled Mr.M. Chandrasena one of the country's most illustrious Engineers as the first individual members in to the fold in July 2003.

Mr. M. Chandrasena is a Fellow of the Institution of Civil Engineers, London [FICE], a Member of the Institution of Mechanical Engineers, London [ME mech.I], a Member of the Chartered Institution of Water and Environmental Management, London., a Fellow of the Institution of Engineers Sri Lanka and also the former Permanent Secretary to the Ministry of Power, Energy and Highways of the Govt. of Sri Lanka. He has functioned as Engineer in terms of the contracts on all major projects in Sri Lanka such as the Polgolla diversion and the power projects. Mr. Chandrasena also has varied experiences having worked in number of foreign countries including the United Kingdom and Iraq.

The Chamber welcomes Mr. Chandrasena to the fold and expect the enrollment of persons of such calibre to be a source of encouragement for the other eminent construction professionals to join the Chamber.

Briefs...

MINISTER THONDAMAN INVITED TO BE THE GUEST OF HONOUR

Minister Thondaman has been invited to be the Guest of Honour at the inaugural session of India's 6th National Conference on Construction to be held on 11th November 2003 in New Delhi. Honourable Deputy Prime Minister of India will inaugurate this two-day event as the Chief Guest. Minister Thondaman will also attend the inauguration of "No-Dig-Asia Conference & Exhibition" as the Guest of Honour to be held during the period 10 - 12th November 2003 also in New Delhi, India.

Wanted firms & professionals with construction experience in Iraq.

We have received an enquiry from the World Federation of Engineering Organisations through the Institution of Engineers Sri Lanka, regarding preparation of "As Built Engineering" Drawings for Major Infrastructure projects in Iraq. As you may be aware, many of the engineering and technical libraries containing drawings, operation manuals and technical information in public agencies and universities were lost or destroyed during the war in Iraq. To facilitate this information the Chamber is compiling, on an assignment basis, details of construction related professionals who have worked in Iraq.

You are kindly requested to respond to this notice identifying the specific project you have worked in Iraq.

Diary of CCI Events July/August 2003.

23rd July 2003:

Meeting with Mr. Ken Balendra at his residence. CCI was represented by Deshabandu Surath Wickramasinghe, Mr. Eddie de Zylva, Archt. Rukshan Vidyalankara and Mr. Jayasiri Samarantunga

30th July 2003:

Visit of a delegation from the Institution of Engineers Sri Lanka to the Chamber.

13th August 2003:

The chamber in a delegation met Mr Charitha Ratwatta, the Secretary to the Ministry of Finance, Policy development and Implementation to discuss matters of vital importance to the Construction industry. The CCISL delegation included Deshabandu Surath Wickremasinghe President and Mr. Dakshitha Thalagodapitiya CEO

19th August:

A fourteen member delegation from the Real Estate Developers Association of Hyderabad, Andhra Pradesh, India, visited the Chamber to discuss the prospects of investment in Housing and Real Estate sectors. The CCISL delegation comprised Mr. Rukshan Vidyalankara Hony. General Secretary and Mr. Dakshitha Thalagodapitiya.CEO..

Chamber Of
Construction Industry
Sri Lanka



we strive to

- Be the voice of the Construction Industry
- Provide Management and skills education and training for the construction industry
- Be the promoter of services and business opportunities for the Chamber Members
- Catalize the formation of construction consortia
- Disseminate information for the Chamber Membership
- Facilitate market research and promote foreign collaboration
- Promote public / Private partnership for Infrastructure and related projects
- Initiate the pension, health and retirement benefit plan for the construction industry



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Minister commends the chamber...

Therefore, that the effort taken by the Chamber of Construction Industry to initiate and successfully bring the construction industry stakeholders under one umbrella, should be highly appreciated. My Ministry though it is designated as the Ministry of Housing & Plantation Infrastructure, is responsible for the Construction Industry. Construction is the first step in any economic activity. People spend most of their time inside a building, whether it be for living, working or relaxing. In the present fast development scenario, people's needs like housing, roads, bridges, dams and power plants are ever increasing. The Government has realized the urgency of these requirements and has focused its attention on and has liberalized many areas like infrastructure and housing development. New technologies and new material are flowing day in and day out. The society has become more price sensitive and high knowledge based and it's fast moving away from old traditions. Technology, quality and price have become the basis for decision makers. All these pose challenges to the entire construction industry. I am aware that the Chamber has made several submissions on corrective actions to be initiated by the Government to enable the domestic Construction Industry to meet the needs of the day. My Ministry and the Government appreciate such proposals, recommendations and even criticisms and will act on them as

appropriate. The activities of the Chamber and that of the Construction Industry must be measured from a level playing field concept, with a clear understanding that we depend to a large extent on foreign funding for our development programmes. I am therefore glad to note that the Chamber of Construction Industry has turned to our neighbours. The Memorandum of Understanding that is to be signed today with the Construction Industry Development Council of India will undoubtedly give the Sri Lankan Construction Industry an impetus to develop itself from the lessons and successes of the Indian Construction Industry. Further such an alliance will also facilitate networking with other National organizations and dissemination of information on good practices in construction. India has developed very effective quality management and quality assurance systems. India also attracts the largest share of Foreign Direct Investments for infrastructure projects in South Asia. They are also very conversant in joint venturing amongst themselves and with foreign organizations. Their dynamic approach in marketing of construction and construction materials are lessons for us'. 'India, in the field of construction has moved into other Asian countries and is strongly entrenched in

reconstruction work in countries like Afghanistan and Iraq. Therefore I see this alliance as an opportunity to the Sri Lankan construction operators of all disciplines to join hands in the first instance with their counterparts from India, and enter into foreign construction markets. This will not only improve the Sri Lankan Construction Industry through their experiences but would also bring the much needed foreign income into our country. I was aware of the Indian commitment to the development of their Construction Industry. I saw that India would be able to share with us their knowledge and expertise which they have developed over the years. This is why I, as the Minister of Housing, directed my Ministry to actively participate in "Build Expo 2003" organized jointly by the Coimbatore District Small Industries Association, the Builders Association of India, Coimbatore Centre and Association of Constructing Civil Engineers of India. This exhibition was held from the 5th to the 11th of January 2003, and the Institution for Construction Training and Development co-ordinated the Sri Lankan participation at this exhibition. Your Excellency, the High Commissioner of India, I thank you for joining us at this ceremony and I also thank the Director General of the Construction Industry Development Council of India for coming all the way to Sri Lanka to

sign these two Memoranda of Understanding. I congratulate the Chamber of Construction Industry for their foresight in initiating this alliance. My Ministry would certainly do all that is possible to help the Chamber to further its objectives'. Deshabandu, Surath Wickremasinghe President Chamber of Construction Industry Sri Lanka, addressing the gathering explained the objectives of the CCI and its commitment to promote new technology applicable to the construction industry. Mr. P.R. Swarup the Director General of the Construction Industry Development Council and the Council member of the Indian Society for Trenchless Technology in his address detailed how the CIDC was formed by the Indian planning commission after three decades of deliberations to save time and cost overruns in the infrastructure projects and also the scope available in Sri Lanka for CIDC and INDSTT. Mr. V. Ashokan, the Indian Trade Attach also addressing the gathering emphasized the importance of Regional Cooperation. Mr. Rukshan Vidyalankara, Secretary Chamber of Construction Industry proposed the vote of thanks. This event at the Colombo Plaza was sponsored by the International Construction Consortium who are the local collaborators of Trenchless Technology.

"Performance of the Construction Sector"

Incepts from :
Central Bank of Sri Lanka Annual report - 2002

The dismal performance of the Construction sector experienced from the latter half of 2001 continued during 2002. There was a considerable increase in small-scale construction activities, mostly in housing construction and related activities, with the peace initiatives. Nevertheless, the low investment by both private and public sectors in major infrastructure projects completely offset the favourable performance in the housing construction sector. Low investment by the private sector and budgetary constraints in the public sector were mainly responsible for this development. It was unfortunate that major construction projects for which funding arrangements were in place, such as the Southern highway and Kotmale power projects, were unable to commence work during the year. These delays not only hinder the growth performance in the Construction sector but also the capacity for expansion in the overall economy in the future.

The Mining and quarrying sector contracted by 1.1 per cent in 2002. The gem mining sector, the largest mining sector in terms of value added, continued to suffer from the reduced demand from major buyers during the first half, but recovered strongly during the second half.

However, other mining activities such as mining of graphite, phosphate and mineral sand contracted during the year. The quarrying sub-sector contracted in 2002 due to the dismal performance of the construction industry.

Planning of these Projects could then be distributed to the Member Associations by the Chamber. Since the funding of these projects will be made available by the end of this year or early next year, decisions regarding its implementation must be taken without any further delay.

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Government ill- advised by...

Plan is completed this Firm has already commenced canvassing for design assignments of the mega Projects identified by them for implementation. It would be interesting to find out if the BOI will once again gift this work to this Firm without inviting the local counterparts.

In most countries the world over including Sri Lanka there are stringent Laws and Regulations and Registration formalities to prevent Foreigners working in each others countries. In India it is mandatory that if a Foreign firm works in India they have to collaborate with a local firm. The Local Firm will be the Lead Firm. Definitely not practicing independently as in the case of the Singapore Firm referred to above. In Sri Lanka the Government is openly flouting the very Regulations and the Registration formalities the Parliament has enacted to safeguard the interests of Local Consultants and Contractors. The experts and officials may not know but IT has transformed the Construction Industry in Sri Lanka to be comparable and competitive with most countries in the world. Consequently, the apathetic attitude of the Bureaucracy is damaging and destroying the already built up professional and contracting talent and expertise of the country.

Out of the US\$ 4.5 Billion pledged to Sri Lanka at Tokyo by the Multilateral Agencies and other Donor Countries the loan part should be carefully studied by Sri Lanka to obtain maximum benefit to the country. For example if the loan funding on construction related Projects amount to around 30% of the total amount pledged, and if the payments to Foreign Consultants and Contractors be in the region of 60% - 70% of it, the net benefit to Sri Lanka from this considerable loans will be minimal. The Japanese Consultants may cost around US\$ 20,000/- per man month and the Europeans a little less than the Japanese. The South Asian countries are perhaps the lowest. The Sri Lankans will receive between USD 2,000/- & 5,000/- at a maximum. Therefore when these loans are negotiated Sri Lanka should insist on a greater proportion of local participation for Sri Lankan Consultancy and Contracting inputs. If not when the repayment of these loans have to be made, Sri Lanka will be at a disadvantage having to repay the loan in its entirety.

This is why it is important to include a Representative of the CCI when government negotiating teams are sent to negotiate loans for projects from

Multilateral Agencies and Donor countries. The Chamber Representative will ensure that the CCI Members interests are protected and that the domestic capacity is fully utilized. The CCI will also meet the cost of travel and subsistence of the CCI Representative.

To meet the short fall of skilled personnel like Masons, Carpenters, Plumbers, Mechanics and other trades the CCI is in a position to assist the Government in providing hands-on training in most parts of the country with the assistance of our Member Associations. It is necessary to train large number of youth to meet the demands for the future.

The Construction Industry should be mobilized immediately to 'kick start' the economy and the Construction Industry. The Government's view that the Private Sector should use the tax concessions already available and the reduced interest rates and embark on major development projects in the different sectors has so far not achieved the desired effect, certainly not in the Construction Industry. Consequently, the Construction Industry over the past 20 months have been waiting for the government to lead.

The CCI has been continuously

highlighting the need for the Government to identify at least 3 - 4 mega projects of national importance to 'kick start' the Construction Industry, and create several thousand job opportunities which would in turn result in the socio economic development of the country. CCI has also indicated that they are more than willing to partner the government in identifying the construction related priority projects. The Government's recent announcement of undertaking two major construction related programs comprising Provincial Roads and Rural Electrification at an estimated expenditure of Rs. 200 Million a month cannot be taken seriously as its apparatus for implementation will undoubtedly fail them. Therefore, as aforesaid it is prudent for the Government to entrust this task to the CCI for its implementation through its Member Associations.

At the same time to catalyse the Construction Industry the Government should commission CCI by forwarding a list of Priority Projects identified for implementation from the 'Regaining Sri Lanka Document' and from the North and East Rehabilitation and Reconstruction Post Conflict Report prepared by the Funding Agencies. The Designing and

Eco Tourism

The Prophecy of Chief Seattle.

By: Rukshan Widyalkara
Chartered Architect.

Eco Tourism has become the rage now. It has a nice ring to it and brings to mind bed spreads of unbleached, undyed, hand woven cotton, the fabric decorated with green eco motifs, used to cloth staff in native attire, albeit last seen on a genuine native some 30 or 40 years ago, "ambula" being served in put up "kamathas" and numerous other window dressings that are vague pointers at best to the real meaning of the word. Where did it all begin? Let us examine this trendy word under a powerful beacon of light shed by a Sage who lived to inspire the world two centuries ago.

This was Chief Seattle, leader of the Suquamish Indian tribe who wrote to the American government in the 1800s, when the said government wanted to acquire their land. His letter begins humbly enough, "The President in Washington sends word that he wishes to buy our land. But how can you buy or sell the sky? the land? The idea is strange to us. If we do not own the freshness of the air and the sparkle of the water, how can you buy them?" and goes on to trigger in the mind of the reader a compelling reasoning process, which if followed through has the power to make many things clear. It is as Chief Seattle said, we are part of the earth and it is part of us. The perfumed flowers are our sisters. The bear, the deer, the great eagle are our brothers and we belong to the same family as the rocky crests, the dew in the meadow, and the body heat of the pony. Isn't it then natural for us to want to be with our "sisters" and bring their beauty sooth us? Can we be blamed for coveting the company of our "brothers" or the embrace of our "family"?

May be we, in our teeming millions and boundless ambition have grown too far apart from

them to be able to go back for good. Can we then at least go as visitors, as tourists? When we go amidst our estranged "family", our "brothers and sisters" can we pause to remember Chief Seattle's words; that "Man did not weave the web of life, he is merely a strand in it. Whatever he does to the web, he does to himself"?

When Chief Seattle said that the shining water moving in the streams and rivers was the blood of his ancestors he was voicing a sentiment even the most exploitative minded can relate to. Man may leave the shining water cloudy and cluttered with debris when he is finally through, but as he stands gazing into it he agrees that each glossy reflection in the clear water indeed does speak of memories and events passed. If he looks longer he will even claim to have seen a probable future as lovely as those pristine depths. Tell an environmentalist and an industrialist to stand in a meadow, a field, a hill top or any relatively untouched site letting the breeze envelope them and both will feel embraced, comforted, refreshed, happy and optimistic as if they have traveled long miles and finally come home.

Man has a genuine need of a place where he can go to taste the wind that is sweetened by meadow flowers. He needs to return how ever transiently he may be, to his primary cradle. It is a need that has given rise to a process of merciless exploitation called Tourism. But it is a real enough need for all that; one Chief Seattle would have understood and sympathised with. It is a need therefore that cries out to be catered to.

After driving countless species to extinction and corrupting the genetic and cultural integrity of a number of native tribes it has finally become fashionable to accept that we can't continue to travel in the 21st century as we have in the past, that

conventional or mass tourism is on its way out and that Eco Tourism with its minimalistic infrastructure requirement and restrictive, conservationist approach is the option compatible with fragile eco systems.



In a nutshell, Eco tourism is about taking environmentally and socially responsible vacations. It is about making the world's largest industry environmentally sustainable and socially and culturally responsible while keeping it economically viable at the same time. In the last analysis Eco Tourism is the civilised man's belated response to a two centuries old admonition by an 'uncivilised' savage, "So, if we sell you our land, love it as we have loved it. Care for it, as we have cared for it. Hold in your mind the memory of the land, as it is when you receive it. Preserve the land for all children, and love it, as God loves us."

Although some elements of Eco Tourism lend easily to fashion, for the most part it demands serious compromises on the part of the tourist and the tour operator and renouncing of a lot of presumptions. According to the Ecologically Sustainable Development Working Groups (1991), Eco Tourism or low impact tourism is concerned with the quality of experiences, entails local community involvement, operates within the limits of the resource, is based on activities or designs that reflect the character of the region, allows the tourist to gain an understanding of the

region and encourages tourists to be protective of, and concerned about, the host community and environment.

No doubt, tourism has an important role to play in poverty alleviation, employment generation, human resource development, environmental regeneration and advancement of women and other disadvantaged groups. Yet the growth of this wonderfully yielding industry should be restricted to keep its impact on environment and local indigenous communities within the limits of an acceptable change.

Architects and designers involved in the tourism industry have a unique opportunity to reduce environmental impact through specification of appropriate materials. In Eco Tourism the emphasis is on building developments that fit more comfortably into the local environment by minimising use of materials, using local, recycled, natural, non toxic materials and avoiding use of finite resources in short supply. Accommodations, transport and infrastructure developments aim to be locally, socially, culturally and naturally authentic. A sense of place is created through analysis of local climate, customs, beliefs and heritage values.

While it is almost universally accepted that tourist access to eco sensitive areas should be limited and where necessary prevented, controlling numbers through banning access or dialuting traffic by multiplying the number of attractions or charging higher admission fees are either not popular or difficult to implement because of high administrative costs. Less unpopular tactics involve controlling tourist traffic around destinations by effective shift systems, promoting appropriate behavior by tourists, minimising pollution through proper waste

disposal, recycling, sewage treatment and litter control, respecting the integrity of local cultures and utilising local products and skills. Somehow, a balance needs to be struck between use and conservation.

Chief Seattle, the ideological ancestor of the modern environmentalist says towards the end of his missive, "Your destiny is a mystery to us. What will happen when the buffalo are all slaughtered? The wild horses tamed? What will happen when the secret corners of the forest are heavy with the scent of many men and the view of the ripe hills is blotted with talking wires? Where will the thicket be? Gone! Where will the eagle be? Gone!"

And Today the eco tourist goes in to the wilderness with strict instructions to maintain their distance from wild life, not to follow or harrass the fauna for photography, not to deviate from laid out nature trails, not to remove the flora as souvenirs and take all precautions to ensure that all aspects of their experience are in harmony with the natural and cultural environment. Compare this with the trophy collecting safaris associated with conventional tourism, also known as invasive tourism, also known as rape of the wilderness. What a remarkable transformation. "When the last red man has vanished with this wilderness, and his memory is only the shadow of a cloud moving across the prairie, will these shores and forests still be there? Will there be any of the spirit of my people left?" asked Chief Seattle of "Civilized" Man. Perhaps we are not too far off from being able to answer this passionate query in the affirmative because we too now know what they knew: "... our God is also your God. The earth is precious to him and to harm the earth is to heap contempt on its creator."

Insurance cover for construction workers.

As a result of initiatives taken by the CCI, Janashakthi Insurance Company Ltd., a leader in the business of life insurance, has now come forward with a very practical social welfare/ insurance scheme for the workers in the construction industry. Considering the fact that majority of the workers in the construction industry have no form of protection whatsoever, and are left destitute in the event of an unforeseen calamity whilst at work or otherwise, the Chamber strongly recommends that every employer gives at least the minimum in providing some form of social security to their work force to encourage and motivate them with a sense of belonging, in performing their tasks, which are often hazardous. The basic conditions for the implementation of this cover is made simple and the cost of a minimum cover is Rs. 1000/- per annum. Workers of all the member organizations of the CCI are entitled to this scheme and given below are the different schemes with details.

	Team A	Team B	Team C	Team D	Team E
Premium.	Rs.1000/=	Rs.2000/=	Rs.3000/=	Rs.4000/=	Rs.5000/=
Life covers.	Rs.300,000/=	Rs.600,000/=	Rs.900,000/=	Rs.1,200,000/=	Rs.1,500,000/=
Personal Accident Cover.	Rs.300,000/=	Rs.600,000/=	Rs.900,000/=	Rs.1,200,000/=	Rs.1,500,000/=
Critical Illness Cover.	Rs.300,000/=	Rs.600,000/=	Rs.900,000/=	Rs.1,200,000/=	Rs.1,500,000/=
Hospital Cash Plan.	Rs.300/= per day	Rs.600/= per day	Rs.900/= per day	Rs.1,200/=per day	Rs.1,500/=per day

Hospital cash plan is for a maximum of 50 days per year excluding the first three days.

Where the limit exceeds Rs.600,000/=-, the Insurance company would have to insist upon the following tests-

- ECG
- Glucose solvency test
- Lipid profile
- Chet X-ray, and in accordance with our normal practice, these tests will have to be carried out at the expense of the applicant.

An employer is at liberty to choose one or an assortment of the teams mentioned above depending on how he decides to treat different categories of employees. This scheme however does not entail a contribution by the employee and consequently also does not provide a pension for retiring employees too. This scheme covers only the very basics of a social security scheme and depending on the response this scheme generates it may be possible to negotiate for more complex schemes to accommodate the diverse needs of the industry. For further details on this scheme please contact the following;

Mrs. Kosala Wijayaratne of CCISL Tel. 2577812 or M/s Dulari Fernando of Janashakthi Insurance Tel. 2309576.



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Port of Colombo

Urbanisation.

Reaching the right equilibrium

By: **Palitha Senanayake.**
Dip.in Jlm. SAMC
(CCI Correspondent)

1.1 As in many other words of English, the word Urbanization may have different connotations depending on the context in which it is used. For an underdeveloped country where the development is not as rapid as it should be 'urbanization' may mean a national problem where the people populate the urban areas, swelling the metropolitan skirts, straining the urban utilities and adding to the congestion. India has been experiencing these problems in a comparative scale, similar to what most Indian problems are, for quite a while now and they still continue to do. This is the common situation in many countries where the development of infrastructure has not kept pace with the influx of people to the cities. Then again the infrastructure enhancement has to have funds generated by development activities in the country and therefore it is a question of how much funds a country could afford to allocate over and above the country's recurrent expenditure to accommodate the rising aspirations of its people. On the other hand for a country which has the resources to embark on a rapid development process the term 'urbanization' may mean the building of infrastructure in urbane areas with the view to enticing people to settle down in these areas. This is a situation where the people are encouraged to become partners in the development process and where they willingly or unwillingly undergo a transformation for their personal betterment as well as that of their country. 'Urbanization' may have yet another meaning for those in the developed countries. The term 'urbane' is taken to mean a suave, polished, refined or sophisticated adjective invariably linked to a person. Such meaning is obviously derived from the position of habituating in a sophisticated environment for some time.

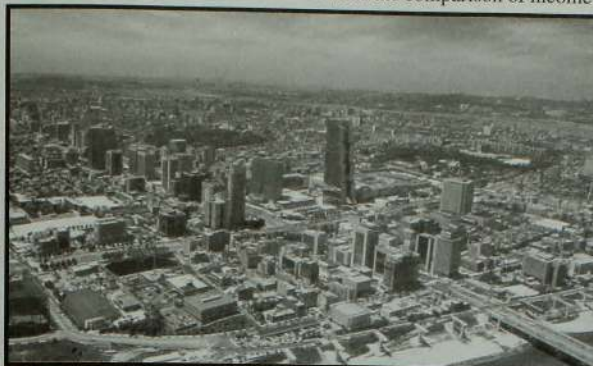
1.2 However in the present Sri Lankan context, we being a country where the development has fallen short of the aspirations of an increasing population, the country is faced with the problem of having to cope up with the influx of potential urban dwellers with insufficient infrastructure to support such an influx. The policy documents of the present Government and the Central Bank reports acknowledge that presently there 780,000 persons residing in urban slums in 2,160 sites in Colombo and by the year 2,010, it is anticipated that half of the estimated 21 million population of Sri Lanka will be living in urbane areas. These statistics give some idea as to the problem the SriLankan Economist and the planners face at present and also in to the future. Finding solutions to this problem will demand, without an argument, an understanding and a comprehensive analysis of the

factors that contribute to this problem. Why do people swell the already swollen outskirts of cities at such a degree of servitude? Finding a balanced and comprehensive answer to such questions may be equivalent to solving 50% of the problem at hand.

2.1 Basically, the human life is all about making the optimum use of resources available to achieve a maximum level of satisfaction of each ones life's needs and desires. In this needs and desire driven human life style we normally take stock of the available resource stretching them to the maximum to link up with the opportunities available in the environment and society we live in. By the opportunities in the environment may mean land, air, ecology etc of what is basically available to the human beings from the natural habitat that makes possible the spring of life itself. In the primitive days even the hide and flesh of the animals in the environment was considered as among the basic opportunities available for the human beings to survive. With the advancement of the civilization the society came in to existence and with that, responsibilities were established from society to person and vice-versa. The basic needs became complex needs and so are the ways and means of satisfying such needs. In the modern world clean and comfortable living with sanitary conditions and clean water, education with access to modern methods of information, safe transport and communication are all considered basic needs of human society. In this context the advancement of technology in the modern world is fast making yesterday's luxuries today's necessities and tomorrow's needs. The 'society framework' also has grown in complexity with village societies becoming cities or areas, and areas forming in to provinces and provinces getting together to form one country. The country will have a government which is expected to look in to the welfare of its people in all their complexities while the local govt. body would look in to the local needs of the people. In this needs driven society people tend to use their resources with the view of optimizing their satisfaction and in that quest majority of the people find themselves driven to the urban areas to realize these. How is that, that the life is more comfortable in the urban area than in the rural area?

2.2 Urban area is an area where a lot of centralized activity takes place. Therefore more people live per square kilometer making it comparatively densely populated. When the area is thus populated it becomes utilitarian to invest money on infrastructure development by the govt. That is, since the development is people oriented it becomes more utilitarian when more people use the infrastructure facilities. In Economics they call it the economies of scale and without

such numbers it may not be possible even to maintain such facilities. It is not only the government that will avail themselves to this 'more heads per service' benefit, but also other such sectors who are desirous in making a cost effective impact with their services or goods. For instance a sales campaign in an urban area may yield more results



than that conducted in a rural area. It would be possible for a school to afford expensive and modern educational programs as there are more users to spread the cost around. Even in the case of services, a transport company may find it effective to have a modern transport system in an urban area. Therefore it is the urban population who will stand to benefit by all such innumerable projects and schemes that will enhance their PQL [Physical quality of life]. Such activity generally sets a cyclical trend where more facilities draw more people and more people creating more opportunities meaning more employment etc. This is a positive cycle that development will do well to accommodate. While such a cycle may draw people to the urban areas it is when the influx overwhelms the capacity to accommodate that the strains will begin to appear. In Economics, 'Micro Economics' is the branch of Economics that deals with the science of meeting unlimited human needs with limited resources while 'Macro Economics' is the branch that deals with the Govt. policy which regulates the National economy. when a developing country finds itself in a situation where there is unplanned and uncontrolled migration to the Urban areas such a situation can be construed as a clash between the country's micro trends and macro policies of the economy. i.e. Individual needs and the Govt.'s inability to accommodate those. Where can we strike this equilibrium to have urbanization remain as a process of development rather than convert itself to a problem of national proportions?

2.3 However the worst statistics of the Sri Lankan situation are yet to be discussed with the Govt.'s policy document 'Regaining Srilanka' drawing parallel trends between urbanization and poverty. Evaluating on a provincial basis, it is analyzed that "The more urbanized the province, the lower the poverty level. The Western and Southern Provinces which are the most urbanized but they have the lowest poverty levels. Conversely,

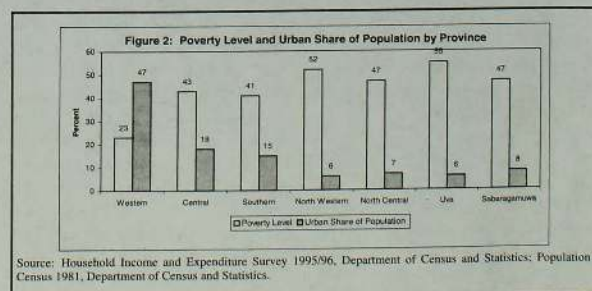
the Uva and the North Western Provinces are the least urbanized but they have the highest poverty levels"... "Rural households who earn a higher proportion of their total income from non farm employment are wealthier than those who earn a higher proportion of their total income from agriculture" [page 115]. While the comparison of income

from farm employment and non farm employment may have more to do with the Country's agricultural policy or the lack of it, a clear pattern has definitely emerged with regard to the relationship between urbanization and poverty. Therefore the challenge for urbanization in the Srilankan scenario is not limited to a process of improving the infrastructure to facilitate the development but is also a process of alleviating the poverty through income redistribution etc. With this weightage added it becomes all the more necessary to strike an equilibrium where urbanization remains within the development context without swelling to unmanageable levels.

3.1 The strategy to be employed in managing urbanization at the equilibrium point in our [Srilankan] situation may be two fold. On the one hand you offer incentives for the people to stay in rural areas and on the other you make accessibility of urban areas from rural areas speedy and convenient. The first half of this strategy may be accomplished by measures such as, offering higher

the rural areas to provide a foundation for accelerated income growth, abundant job opportunities in farm and non farm activities, sustainable use of natural resources and strong positive spillovers between urban and rural activity" [page 61]. This may be a lot of sensible writing but an equal amount of sensible action may be necessary to translate such policy in to reality. The idea however is to dissuade people from mass migration in to urban areas. The other aspect of this strategy is to make rural residents feel as if they are residing in an urban area even though they are in fact not. This could be done with an improved road network and modern transport facilities. Channels of mass media such as the television also may help in this direction.

4.1 Having exhausted these avenues where we endeavor to manage the right equilibrium for urbanization in the context of a developing country the focus should now be on the planning and management of the urbanization itself. The current trend in urbanization is integrated urbanization. This bulletin in its May issue carried an article titled 'The concept of Integrated Urban Environment Improvement Program' or IUEIP. Initiatives of Bangalore, the IT capital of India, were discussed in there with a lot of new thinking relevant to developing countries such as Srilanka and also as to how the concept of urban integration can be promoted with due care for environment improvement. "In new layouts like Anjanapura, Banashankari vi stage to maintain the biodiversity of these localities, due care has been taken to preserve gardens and orchards. Bangalore Development Authority has also decided to create urban forest in about 400 acres of land in Banashankari and 40 acres in Anjanapura layout in order to maintain the green character of the environment". Surely 400 acres of forest cover can not be urban, and for that matter it can



prices for agricultural produce, developing modern communication networks, improvement in the distribution channels for rural products. Formation of clustered rural centers etc. 'Regaining Srilanka' on its 'Revitalizing Rural Development' chapter states, "Almost 90 % of Srilanka's poor reside in rural areas. The vast majority of the rural poor derive their living from agriculture and off farm employment. Successful rural development means revitalizing

not even be rural. Yet it is the modern thinking of today and the concept of IUEIP. "A segregated garbage collection scheme has also been launched where plastics and biodegradable garbage is separated at the point of collection itself. Later BDA turns most of these garbage in to compost and hands it back to the residents to be used in their private gardens. BDA has also earmarked at least 15 % of the layout area for parks and playgrounds".

Contd. page 16...

The Role of the Valuer in a Developing Economy.

By: **Shirly Fernando.**
Former chief valuer, Dept. of
Valuation, Sri Lanka.

Introduction

In most developing countries, the role of the professionally qualified Valuer has been a relatively passive one – that of making mere compartmentalized assessments of value for limited purposes, not directly geared *ab initio* to National Economic Planning. However, his true role is a positive, dynamic and creative one embracing a much wider scope of an activities which themselves constitute a vital component of the Planning Process.

Valuer as Land Economist

The Valuer is a specialist on the Property Market which is a unique one. He is not a mere appraiser just observing and analyzing market values. He has to understand fully the working of the forces of demand and supply within the triangular framework of the Property Market, namely the Physical, Institutional and Economic Framework in which land utilization takes place. He thus comprehends the inter-relationship between land use and land value especially in the development process. All this, constitutes the scope and content of the subject of land economics in which the professionally qualified valuer has been trained. Land Economics is that specialized branch of Applied Economics dealing simultaneously with land utilization problems as well as the mechanism by which the price of land is determined. In Land Economics we understand the economic principles governing land use, e.g., the location of shops, offices, factories, houses, etc. The aim is not only to explain rationally, current land use of patterns, but also to examine the policy measures of the State to ensure that land resources are used in the most efficient way in the future. Land is also the primary factor of production in any economic system and the Property Market thus occupies a unique position in the Investment Market of the country. Therefore, the Valuer cum Land Economist is also a specialist in the field of Investment Economics relating to real estate or property.

Further, in every problem arising out of the use of land for development, two technical problems of valuation are always inherent and relate to the "Existing Use Value" of the land and the "Fully Developed Value" of the land in its optimum user.

Given the costs and estimated period of construction, the Valuer makes an overall evaluation of the Net Development or Residential Value of the land resources. The difference between "Existing Use Value" and the "Net Development Value" will indicate the potential or Latent Value of the land resources that can be released by judicious development. In this respect, the Valuer is trained to assess the value of the land in the "Micro Economic" sense as well

as in the "Macro-Economic" sense where land is valued as a resource on a very large scale. The latter problem arises, for example, in a valuation of the National Assets especially relating to property.

In as much Land Economics is a specialized branch of Economics, fields of study, e.g. Economics of Agriculture, Economics of Urbanization, Economics of Town Planning, etc. are specialized branches of Land Economics. Therefore, the inter-relationship between specialists such as Valuers, Agricultural Economists, Pure Economists, Town Planners, Architects and Engineers will be obvious, and will result in the Co-ordinated activity of these allied professions in various aspects of Property Development especially in the Public Sector.

Land Economy and National Economic Planning

The National Planning Process undertakes an assessment of several possible rates of National Economic growth, of the means of achieving these rates, of the consequences likely to be associated with the different levels of activity involved and with the congruence between inputs and outputs, of the various rates of growth.

The National Planning Process also deals with the development at many levels. Thus it deals with the Economy as a whole (with the overall general rate desired), with the groups of major sectors (having development goals for Industry, Agriculture, Commerce, Social programmes, etc.), and with the sectors of which these broad groupings are compared (e.g. development goals for Housing, Education, Health, etc.).

Land plays a major role in every National Development Project and two basic problems are inherent in every Public Housing, Investment Programme – (1) the problem of land use (2) the problem of Land Values. State projects, e.g. Major irrigation schemes, industrial estates, construction of new towns, roads, Hospitals, Schools and other public buildings, Towns and Country Planning Schemes, etc. would have a tremendous impact on the Property Market through (a) Land use changes and (b) through the creation, or destruction, shifting (floating or stabilization) of land values. The role of the Valuer cum Land Economist, in National Economic Planning cannot therefore be overemphasized in this field.

Again, in National Economic Planning a "Planning Balance Sheet" has to be prepared where priorities are clearly marked, and financial as well as non-financial implications are listed. In the methods by which State appraises the financial implications of its proposals, e.g. Financial Calculations for Development Projects, the Valuer has to play an important role in assessing the Land Cost Component as well as the

projected returns of the Development wherever this is quantifiable in the Real Property Market. Sometimes, for example, State resorts to the "Method of Recoupment" whereby it acquires cheaply, much more undeveloped land than is necessary for the actual development, and after development "re-coups" its costs by selling the extra improved land to private developers at a very much more enhanced value. State Development Projects therefore are made to be self-financing or sometimes even profitable. In this respect there is tremendous scope for such bodies as Department of Local Authorities, and the role of the Valuer in the planning stage would be quite evident. In U.K. e.g. where the Planning Machinery is sophisticated, Valuers are playing a vital role in State and Local Authority Development Projects.

The National Estate

The National Estate comprise all the lands and Properties actually owned and directly managed both by Central and Local government together with the legal rights of control exercised by them over the properties in the private sector.

National Estate Management

This may be defined as "The use and direction of the Nation's Land Resources with the aim of securing the maximum return for the Country as a whole". This return may be assessed in terms of several criteria e.g. Finance, Social-benefit (e.g. Public Health), Social Equality, or other goods and services, Like other economic activities; National Estate Management is a rational process whereby means are related to ends. Although it comprises a multitude of factors, many of which are not measurable, it follows logic capable of analysis from which important principles may be deduced and applied. The valuer therefore plays a vital role here, as his expertise is essential considering the colossal magnitude of the problem of optimum use of land.

For example the State acquires vast acres of land annually at a colossal expense. Tremendous savings can be affected in the sphere of public acquisitions if the valuer is consulted at the stage where decisions are made to acquire private lands. This will enable public aims to be achieved with reduced costs of acquisition. Considering the large demands of the Treasury for compensation for acquired lands even a mere 10 per cent savings in this sphere will conserve much needed State funds.

The National Development Process

National Estate Management includes the National Development Process. The Public sector of the Economy, especially Government Departments, (e.g. Department of Housing, Local Authorities, Public Corporation and Utilities) perform a substantial proportion of the development of real property. The development team as in other

countries like U.K., etc. will comprise an Architect, Valuer, Quantity Surveyor, Lawyer, Engineer, etc. At the very inception the Valuer and Town Planner should play a dominant role.

Public Investment Decisions

The timing, scale and pattern of Public Development are largely affected by the financial terms upon which the Public Authorities are able to acquire land, and on the expected returns. Therefore, the assessment of land values (representing a cost component and prospective development value) in alternative capital projects and the formulation of Investment Programmes, is a field which should command the highest level of co-ordinated Financial, Economic, Technical, Statistical and Marketing expertise, as well as the highest standards of rational inquiry, taking all proper account of uncertainty and attendant risks. It is especially in this field that the professionally qualified, experienced and trained valuers have a very substantial contribution to make, e.g. should we build on good agricultural land rather than on inferior land? The answer should have regard to the cost that would be incurred in replacing the lost agricultural output, as well as the potential and latent value that can be released by development.

Also, in considering alternative projects involving time, - i.e. Investment Decisions, how are we to base our choice? Any choice between alternative implies a comparison of a stream of Costs and Benefits reaching over time. The assessments of alternatives involve, e.g. The Initial Cost (including costs of acquisition, etc) phasing of expenditure, estimated life of the assets, amount and timing of the income or returns including terminal value if any.

The professionally trained valuer has therefore an important role in helping to make investment decisions especially in large scale property development by Central and Local Government Bodies. In these decision making models, high land costs can appear as factor inputs and prospective development values can appear directly or indirectly as components of output in the "Input - Output" Equations.

Cost-Benefit Analysis and Feasibility Surveys.

In Public Investment and Planning where Economic criteria have to be employed in making an assessment of Development Projects, the Valuer must be included in the Planning and Decision making units. All decision making in public investment and Planning has to get translated into the preparation of this "Planning Balance Sheet" balancing costs against the benefits. These may involve Private and Social Cost and Benefits as well. The Planning Balance Sheet may include Tangibles (quantifiable in money

terms in the market) as well as Intangibles (unquantifiable in the market). In project appraisal and feasibility surveys an objective attempt is made as much as possible to assess the Tangibles as precisely as possible (e.g. Costs of Land, constructions, etc) while relative weight ages are given to the Intangibles (e.g. Public Health, Pedestrians Safety etc).

Today, Cost-Benefit analysis plays an important role in Developing Economy. Recent experience in several countries has clearly shown that the "Land Value Criterion." Can be a more objective Criterion than the Social "Cost - Benefit" one and Valuers play a leading role in the evaluation of alternative project proposals e.g. in Town and Country Proposals, Local Authority Housing Schemes, Alternative Schemes in Markets, Shopping, Centers, Industrial Estates, Airports, etc.

Land Policy of State and Public Aims

At a time when developing countries are facing serious problems in the Socio-Economic Sphere, the State policy regarding Ownership, Tenure, Control and Use of Land assumes a tremendous importance in National Economic Planning. The Socio-Economic conditions which create the system of land ownership also provide the aims which, in turn govern the policies and objectives of National Estate Management. In most modern States the Law of Land Ownership are created or substantially modified by the legislation reflecting the aspiration of the people. Also the systems of Tenure, e.g. Customary, Contractual, State etc, reflect the needs of the State as much as any other social requirements. The Valuer cum Land Economist has therefore an extremely important role to play in advising the States especially on the economics implications of proposed changes in Land policy including taxation Policies affecting property.

Social Justice and Economic Progress are two chief aims in Socialist Democracy where the State has to assume a very substantial degree of control over land. In deciding on Land Policy, Reform, etc, there may not be a unique optimal decision that satisfies the Public aims of Social Justice and Economic Progress. Although there may be quite different optimal solutions viewed from the points of view of the Social Economist, Land Economist, Agricultural Economist, the politician, etc, it is quite possible through Sub-optimal solutions to achieve an over-all National Optimal solution in State Land Policy. National Land Use Planning cannot be divided from National Economic Planning and the Valuer should always be in close collaboration with e.g. The Land Commissioners Department, Land

Contd. page 16...

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Trenchless Technology Systems

An environmentally sound approach for underground services.

Introduction

Water and sewage infrastructure and other utility services represent a significant investment on the part of most municipalities. For well over 100 years, the distribution networks for utility services have been located underground in pipes or ducts that are laid, repaired or replaced by trenching from the surface. In cities and urban areas, these distribution networks are located underneath roads. This often makes access difficult, particularly in areas congested with traffic and buildings.

When pipeline infrastructure is not well maintained, inefficiencies occur. For example, in water distribution systems, this can lead to leakage and possible water shortages. In sewage systems, cracked and damaged pipes can cause wastewater seepage, leading to contamination of groundwater. These problems often give rise to related health and environmental impacts.



The oldest underground utility services are usually found close to the surface. Services installed later are most often found below or interwoven with the initial installations. Construction and repair work carried out from the surface inevitably disrupts traffic, business and other services. This disruption has a negative impact on the local environment in terms of air quality, noise, and other pollution, as well as on local vegetation and buildings. This, in turn, diminishes the quality of life for local residents. The provision and maintenance of safe and efficient utility services requires more environmentally sound technologies and approaches to ensure public support.

Trenchless Technologies, which minimise the requirement for surface excavation, can significantly reduce the environmental impacts of underground utility service installation, maintenance and repair. By minimising surface disruption, traffic congestion is significantly reduced, thereby reducing air and noise pollution. Furthermore, Trenchless Technologies can take advantage of existing pipeline materials and can minimise wastes caused by earth and pavement excavation.

An increasing number of Trenchless Technologies have been demonstrated and numerous projects have been successfully completed, highlighting the benefits of this environmentally sound approach to underground utility installation, repair and maintenance.

Trenchless Technology as an Environmentally Sound Technology: Some Important Benefits

Irreversible urbanization trends throughout the developing world are gaining speed and increasingly more of the world's population is located in cities. At the same time, the health risks posed by inadequate sanitation are increasing exponentially as densities increase and as people share drinking water and sanitation resources. While from a technical standpoint it is easier to provide water and sanitation services to people living close together in urban settings than in dispersed rural communities, the per capita costs of meeting these needs are growing.

The urban sanitation crisis in developing countries in particular is taking a large toll in health, economic, and environmental terms. There is usually a willingness to pay for basic water and sanitation services in urban neighborhoods, provided that services are appropriate, effective, and affordable. However, there is a need to improve the ability of implementing agencies and communities to make effective decisions which will lead to sustainable improvements in water distribution and sanitation systems.

Environmentally Sound Technologies (ESTs) are technologies that have the potential for significantly improved environmental performance relative to other technologies.

Broadly speaking, ESTs protect the environment, are less polluting, use resources in a sustainable manner, recycle more of their wastes and products, and handle all residual wastes in a more environmentally acceptable way than the technologies for which they are substitutes. ESTs are not just individual technologies. They can also be defined as total systems that include know-how, procedures, goods and services, and equipment, as well as organizational and managerial procedures for promoting environmental sustainability.

The appropriate application of Trenchless Technologies for resolving both engineering and environmental problems can be viewed as an EST. In addressing urban sanitation problems, Trenchless Technologies have the potential to yield significant environmental and other benefits such as employment opportunities, reduced inconvenience to commuters, reduced fuel consumption and improved traffic flow.

Underground utility projects are generally undertaken to:

- Provide new or extended networks of pipelines or ducts;
- Increase existing network capacity;
- Transfer services from above ground to below ground;
- Replace defective pipelines;
- Rehabilitate existing pipelines by enhancing and taking advantage of residual structural capacity.

All of these projects require some surface access. If carried out using Trenchless Technology methods, the reduction in both the surface area required and the time for which surface space is needed in comparison to traditional open cut methods is a major benefit to both local residents and businesses, as well as to the broader public.

There is no doubt that all forms of construction activity have an effect on the environment, and that any damage to the environment or loss of quality of life has to be paid for by society in terms that are usually not directly measurable financially. The effects on quality of life and the environment can be described under the following broad headings:

- Frustration due to diversions, traffic congestion and accidents;
- Impaired quality of life due to noise, dirt, and reduced air quality;
- Damage to roads and highways due to the removal and replacement of spoil;
- Emergencies due to damage to other services left temporarily unsupported;
- Protests and claims due to damage to trees, buildings, monuments and religious areas;
- Disruption and loss of trade due to impaired access;
- Protests and delays due to weather dependency;
- Consequential costs due to poor installation and re-statement;
- Claims and litigation due to damage to health and the environment.

These costs have to be evaluated relative to the potential benefits arising from any proposed utility work.



Trenchless Technologies and methods, properly applied, provide an effective, environmentally sound alternative for the installation, maintenance and repair of underground utility services. Hence, they can make a significant contribution to reducing the above impacts and their associated costs.

The Development of Trenchless Technology Systems

Until recently, city administrators and planners believed that the use of construction techniques involving surface trenching was the only option for the construction and repair of utility services. It was assumed that existing services were in good condition unless there was evidence to the contrary. In reality, gradual deterioration went unnoticed and failures occurred without warning, in many cases requiring urgent response.

Over the last 25 years, it became apparent that little was known about existing utility services. Installation drawings, where they existed, gave little information on pipe capacity or materials used. Furthermore, the condition of the pipe linings was unknown, leakage and infiltration were unmeasured and related health issues were often not addressed.



Contd. page 13...

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Contd. from page 9...

Trenchless...

Research was also initiated to obtain information on pipes and ducts too small to permit entry of service personnel. A major breakthrough came with the development of closed circuit television (CCTV), used in conjunction with remote-controlled tools. This enabled engineers to see the internal condition of pipelines, identify voids and perform repairs to underground services. The demand for these techniques quickly increased around the world, and a new area of civil engineering, known as Trenchless Technology, began to emerge. The field of Trenchless Technology is still developing - even today, the majority of underground utility services are installed, maintained, repaired and extended using "open cut" trenching methods.



"Open cut", a well established technique.

The development of Trenchless Technology was initially undertaken to meet specific needs in different industries and in different parts of the world. For example, research into micro-tunnelling in Japan was in response to a government initiative aimed at increasing sewer services in large cities. Similarly, in Singapore, government regulations and the need to provide services in densely populated areas led to the promotion and use of micro-tunnelling. In Europe, research into micro-tunnelling was sponsored by the German government for use in large cities on the North German Plain where ground conditions were favourable.

In the United Kingdom, where the large towns and cities had been built during the Industrial Revolution in the 19th century, the principal need was to replace and rehabilitate existing sewers, water pipes and cast iron gas mains. In addition, the use of natural gas at higher pressures encouraged the development of pipe-bursting techniques.

In North America, Horizontal Directional Drilling, developed from vertical, steered, oil well drilling technology became widely used for constructing long pipelines for the oil industry.

In 1986, at the instigation of engineers in Europe, the USA and Japan, these techniques and those associated with survey and location were drawn together under the name "Trenchless Technology". Today, trenchless techniques for underground utility services can be broadly categorised according to the purpose for which they are used (i.e., new installations, replacement, rehabilitation).

Technology Options

The two technology approaches currently available for access to underground utility services are Open Cut and Trenchless.

For access by open cut there are four stages:

- Excavation of the trench, removal of spoil and temporary support of other services;
- Laying and jointing the product pipe or service;
- Refilling the trench and compacting the selected spoil or filling material;
- Restoring above ground infrastructure.

All four stages are characterised by the amount of physical work to be undertaken. Typically, 50 times the amount of spoil to be occupied by the product pipe or service has to be moved - once during excavation and again during refilling. Furthermore, much of the work in all four stages is labour intensive, involving different skills that require co-ordination between several companies and authorities. Thus, a large project can extend over a long period and be very disruptive in social, economic and environmental terms.

(courtesy- UNEP, IETC Urban Environment Series.)

Chamber to set up a Research Centre

The Council decided to establish a Research Unit and a data-base for provision of all construction related information and data. With the continuous increase in the cost of inputs like sand, cement, steel etc.

The need to have a reliable and an updated data base with regular monitoring is greater than ever before.

The Chamber will obtain assistance of the reliable sources of trade, commerce and manufacturing in this regard and also welcome contributions from other competent resource persons.

ICC teams up with Michigan Engineers to promote Trenchless Technology

International Construction & Consortium of Sri Lanka, the local promoter of Trenchless Technology Systems have formed a technology transfer collaboration with one of India's leading engineering firms, engaged in infrastructure development, i.e. Michigan Engineers Pvt Ltd., of India to promote Trenchless Technology in Sri Lanka. Michigan Engineers is a reputed Civil Engineering firm in India with considerable experience in this field as they have successfully undertaken and completed a number of underground facility projects for local bodies, electrical and telecommunication companies during the past few decades in India. With over 200 projects around the world including the USA, to its credit they have the resources and experience to successfully commission complex projects in all sectors of the industry either as a developer, a construction contractor or as a consultant. Patel Engineering, the mother company of Michigan Engineers was conceived in 1948 by 4 young entrepreneurs with a vision of catering to the infrastructure needs of a

growing Indian nation. Providing quality and timely contracting services Patel Engineering confines its operations mainly to the local scene providing necessary inspiration to the many subsidiaries engaged in International operations. With proven experience in the different technical aspects of trenchless technology including conventional tunneling, box pushing pipe jacking, Auger Boring, Directional Drilling, Impact Molding or Pipe Ramming and Microtunneling, Michigan Engineering appears to be the most appropriate partner ICC could link up with.

Michigan Engineers experience have been well recognized in the South Asian Region with capacity to undertake the initiating role in Sri Lanka as well. Saurin Patel is the Managing Director of Michigan Engineers and the motto of the Company as well documented in all their publications appears to be 'We must welcome the future, remembering that soon it will be the past; and we must respect the past knowing that once it was all that was humanly possible'.

Sri Lanka Hosts Major International

Port and Coast Engineering Conference

More than 250 coastal and port engineers from over 40 countries will assemble in Sri Lanka from 15th to 19th September to participate in the Sixth International Conference on Coastal and Port Engineering in Developing Countries (COPEDEC VI) at the Bandaranaike Memorial International Conference Hall.

Jayantha Dhanapala, the former Secretary General of the UN will be the Chief Guest and His Worship the Mayor of Colombo, Mr. Prasanna Gunawardene will be the Guest of Honour. 222 papers are scheduled to be presented in four parallel sessions during the five days of the conference. Delegates from 45 countries will attend the conference. The theme of COPEDEC VI is "Engineering the Coastal Environment". The COPEDEC Conference is the brainchild of Eminent Sri Lankan Coastal Engineer S.R.Amarasinghe, who pioneered the concept of this conference devoted to the special needs of the developing countries and to provide an opportunity for engineers from developing

countries to exchange know-how and knowledge with colleagues from the developed world. He organized the first COPEDEC Conference in Colombo in 1983 during his tenure of office as the Director of Coast Conservation.

H.E. J. R. Jayawardene inaugurated the conference with Hon. Festus Perera, Gamini Disanayake and Hon. Lalith Athulathmudali participating as guests of honour. The concept of the conference was so well accepted that at the plenary the participants appealed to the Sri Lankan organizers to establish a Permanent Secretariat in Sri Lanka to organize regular conference at four-year intervals. The need to ensure participation by engineers from developing countries, especially authors of papers meant that state level sponsorship was required. The Government of Sri Lanka agreed to host the Permanent Secretariat under the leadership of S.R.Amarasinghe who was elected as Chairman at the plenary meeting. He continues to hold this position to date.

A unique feature of the COPEDEC conference is the twinning of a developing country with a developed country as hosts for each event. The first conference was hosted by Sri Lanka and Denmark. Thereafter, conferences have been held at four year intervals as follows:

1987- COPEDEC II Beijing, China (China/Netherlands)
1991- COPEDEC III Mombassa, Kenya (Kenya/UK)
1995- COPEDEC IV Rio de Janeiro, Brazil (Brazil, Germany)
1999- COPEDEC V Cape Town, South Africa (South Africa, Belgium)

The Permanent Secretariat in Sri Lanka was the principal organizer of the conferences. The activities of the permanent secretariat are guided by an Advisory Council of six eminent coastal/Port engineers selected to represent the various regions of the world.

The COPEDEC VI is co-sponsored by the Ministry of the Flemish community of Belgium with Flanders

A special division for Management/Executive Development activities at the Chamber.

The Chamber conducted a Management Development Programme titled "Cost Engineering" at Trans Asia hotel on the 12th August 2003. The response this programme received was encouraging and the course contents mainly revolved around financial aspects of cost saving with particular reference to the construction industry.

The Chamber has now established a special division for Management/Executive Development activities to ensure that member companies and our clients training needs are satisfied. The Chamber is also conducting a survey which would facilitate the development of more appropriate training solutions and also to source the most competent resource persons. In order to establish this the Chamber has written to 100 members requesting their views on different management development programmes available and the applicable source persons. Twenty three management development topics had been listed in this survey, ranging from "Activity Based Costing" to "Japanese 5 S Methods". The questionnaire provided for the members to indicate preferences, urgencies, priorities and also the number of participants from member companies under each of these management development programmes. Depending on the results of this survey the Chamber will plan out the future Management Development strategy in order to obtain the best returns for the members and participants.

Hydraulics, International Association of Navigation congresses (IANC), Sri Lanka Ports Authority (SLPA), Lanka Hydraulic Institute (LHI), International Association of Hydraulics Research (IAHR), International Conference on Port and Maritime Structures (ICOPMAS) and the Institute of Engineers Sri Lanka (IESL)>

The VI Conference will be a landmark event for COPEDEC as an agreement to merge the Cooperation Commission (CoCom) of the International Navigation Association (IANC) and the Permanent Secretariat of the COPEDEC is to be ratified at the plenary meeting to be held on Friday 19th September 2003.



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The President of the Institute of Valuers envisages a bright future for the valuation profession in Sri Lanka



The August issue of the CCI bulletin is featuring Mr. S. N. Wijepala the present President of the Institute of Valuers of Sri Lanka, in the Series of 'Personalities that matter in the Construction Industry'. Mr. Wijepala is currently serving his 3rd term as the President of the Institute of Valuers of Sri Lanka and has been so much a part and parcel of the valuation profession in Sri Lanka to an extent, that it is difficult to talk about Mr. Wijepala's career without discussing the important milestones of the local valuation profession. Mr. Wijepala is, a Fellow of the Institute of Valuers of Sri Lanka, a Member of the Royal Institution of Chartered Surveyors [UK] and holds the Diploma in Valuation of the Ceylon Technical College, BSc Degree in Estate Management of the University of London, and the M.Sc Degree in Urban Land Appraisal of the University of Reading [UK]. He represents Sri Lanka in the Asia Pacific Partnership and Accreditation Board of the RICS. He also is a Vice President of the CCI and a Vice President of the OPA. In 1996 Mr Wijepala retired as the Chief Government Valuer from the Government Valuation Department where he had been working since 1959.

In a 'Question and Answer' session with the CCI Editor Mr. Palitha Senanayake, Mr. Wijepala expresses his views on important issues concerning the valuation profession in Sri Lanka.

Q. Mr. Wijepala, how do you describe professional valuation to a layman and what is the service such valuation could provide?

A. Valuation is the process of ascertaining the value of property and assets for various purposes such as purchase, sale, letting, accounts, and mortgage. The value is generally expressed in terms of the market value. Hence the valuer provides valuations of land, buildings, plant and machinery, chattels etc., as well as that of goodwill in business entities. However, he is not expected to express an opinion of value in respect of patents, works of art, gems and jewellery, antiques and collectors' items, unless he is specially trained in those fields of valuation.

Q. Can we delve into the history of the Valuation profession in Sri Lanka, the Institute, and how it has evolved, because I feel that you are the best person to throw

some light on these matters.

A. Yes.. The Valuation profession would have been in existence even during reign of the Sinhala kings as there are several references found in ancient rock edicts (*sel lipi*) and scriptures to property values and taxation. However the details of this aspect are now lost in antiquity. Coming back to modern times, the recorded history leads us to the establishment of the post of Government Assessor in 1923, thus introducing professionalism to field of valuation that were carried under informal arrangements by the Colonial Government during the early period of the British rule.. This trend of professionalism continued and culminated in the establishment of the post of the Chief Valuer in 1939 as the head of the Government Department of Valuation. In this pre colonial era most of the senior posts in the profession were held by the British. With the Independence these British officers left the country and in 1948, Mr. P.H Wickramasinghe, a senior officer in the Ceylon Civil Service who also was a senior officer of the prestigious Indian Civil Service, was appointed as the first Sri Lankan Chief Valuer. With this appointment, the valuation profession emerged with a new identity as a specialized professional discipline. and the post-Independent Government also took several measures towards the advancement of the profession. In 1950, a 4 year Diploma Course was inaugurated at the Ceylon Technical College under the initiative of the Chief Valuer, Mr. Wickramasinghe. Meanwhile few graduates of the Ceylon University were selected periodically on to senior management level of the Valuation Department and were sent on scholarship by the Government to read for the B.Sc. (Estate Management) Degree of the University of London. This practice continued up to 1970. With the establishment of the United Front Government in 1970, the valuation profession which was hitherto within the ambit of the Land Ministry, was placed under the purview of the Ministry of Finance. As soon as he assumed office, Dr N. M. Perera, Hon Minister of Finance appointed a one man committee known as B. L. W. Fernando Committee, to study the working of the Valuation Department. I myself did have the good fortune of associating with these new developments. About five of us who were British qualified gave evidence before the Committee and made two major proposals to the Committee. These were, firstly, to establish an Institute for the Valuation profession, and secondly, to introduce a B.Sc Course in Estate Management & Valuation in Sri Lanka designed specially to meet the professional requirements in the Sri lankan context. Fortunately the Committee accepted our proposals and recommended the same to the Hon. Minister in its Report. Accordingly the Hon.

Minister proceeded to establish a University Course in Valuation, and a professional Institute for Valuers. This in my view was a watershed in the development of our profession in Sri Lanka.

Q. Can we discuss about the scope of this act, & about the functions and duties of the Institute?

A. Our Institute was eventually established by the National State Assembly (Parliament) act, in 1975 under the Institute of Valuers of Sri Lanka Law No 33 of 1975. The Institute is an independent body and represents the valuation profession in both the public and private sectors. The main objectives are to promote and foster the study of the science of valuation and to regulate the general conduct of and professional activities of valuers in order to ensure the maintenance of high standards in the profession, and also to act to protect and promote the interest and welfare of the valuation profession in Sri Lanka, and of the public in relation to the profession.

Q. What is the present membership strength of the Institute and what are the entry requirements?

A. Under the existing Regulations, the membership of the Institute falls under four categories, viz., Fellow, Graduate, Associate, and Licentiate. The present total membership stand at nearly 400. The basic requirement for membership is the Degree in Valuation with a minimum of 2 years full time post-qualifying recognized experience in valuation under a qualified valuer.

Q. Could you briefly mention the activities of the Institute?

A. The Institute conducts seminars and workshops on professional and technical matters relating to valuation and allied subjects on a regular basis. The Institute constantly studies new legislation and policy matters relating to valuation and real estate and make recommendations thereon to the Government. Among the recent issues the Institute was involved are, the new Title Registration procedure, and rent control provisions. We are a member of the Organization of Professional Associations (OPA). We also work closely with RICS Sri Lanka, and RICS (UK) As you know, we are also a founder member of the CCI.

Q. Could you elaborate as to how you were drawn in to the forming of the CCI?

A. We were very happy to respond to the invitation made by Deshabandu Surath Wickramasinghe in 2001, to participate in the preliminary discussions towards the formation of a Chamber for the Construction Industry. We also were of the view that it was a long felt need to have a single body to

look in to the interests of the Construction Industry, specially at the time when the Industry was in doldrums due to the stagnating economy of the country. We considered ourselves privileged to be associated with Deshabandu Wickramasinghe in his vision, and decided to actively encourage him in achieving his objective.

Q. What is the present role you play in the Construction Industry as valuers?

A. The basic platform of activity for the Construction Industry, or for that matter of any activity, is the land which is a very scarce resource in a country like Sri Lanka. The real estate therefore forms the basic input for the Construction Industry, as well as Industry's output at the same time goes to form the major component of the real estate of the country. While our sister professionals like Architects, Engineers, Quantity Surveyors, and Land Surveyors play a major role in designing and implementing development projects, Valuers along with Town Planners provide the basic canvas for their activities in the form of land. The Valuers assist in the pricing of the land resources required for these activities and hence help to guide the development towards its optimal level. We also assist in pricing the finished output of the industry whatever the form it takes by way of houses, high rise office buildings, apartment blocks etc.. The pricing process also covers not only the completed products but also the proposed development in the form of feasibility reports and project evaluations, in order to decide on the nature and mix of the development that would generate the highest return on the investment. Hence the valuers are so much involved in the activities of the Construction Industry and we are glad to be with the CCI as we are in a position to contribute collectively as a profession towards the development of the Industry and thereby to the economy of our country.

Q. In addition to this what is the general role played by the valuer in the economy?

A. It is a subject that is difficult to discuss in detail here. Suffice to say that as mentioned earlier the valuer helps to guide the use and distribution of the land resources towards the optimal level. The valuer also directly provides an essential service to the financial market, banking and the corporate community. The magnitude and importance of this service may not be very apparent to the outside world. I may just mention that if we add all the valuations made in any given day by valuers both in the public sector and the private sector, the resultant total figure would easily surpass the daily turnover of the Stock Exchange few times over.

Q. You mentioned about the University Degree earlier, could

we go back to the issue of education in the valuation profession?

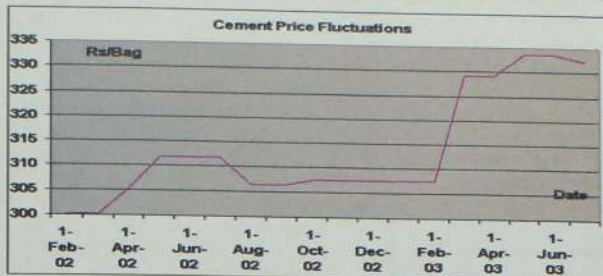
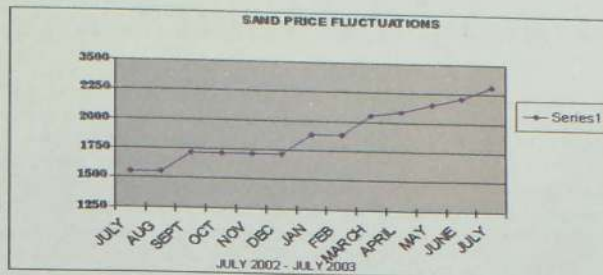
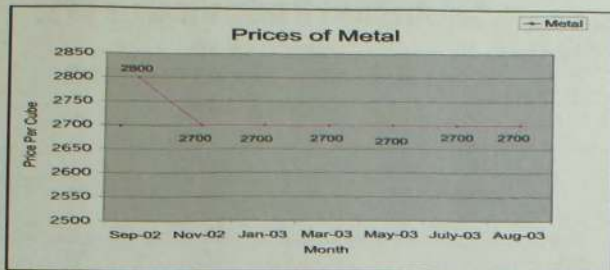
A. Yes. The Diploma in Valuation Course at the Ceylon Technical College was phased out with the introduction of the B. Sc in Estate Management Valuation Degree course in 1972 at the University of Colombo, which was moved from the second intake, to the then Vidyodaya University now named Sri Jayewardenapura. The Course has progressed for over 25 years and has been the sole provider of graduates to the valuation profession and other allied disciplines. The Institute recognized up to 2001, this Degree Course as one of the basic requirement for entry to the membership of the Institute. However with the restructuring programme unilaterally launched by the University in 2001, the course curricula of the Degree were changed drastically and the Institute was compelled to withdraw the recognition so far given to the Course, from the 2002 intake. This is a very unfortunate development. We are now having discussions with the University in an attempt to restore the Degree Course to its original position. In view of the positive attitude shown by the present Vice Chancellor we are hopeful that we may be able to resolve this issue satisfactorily before long.

Q. If the discussions are not fruitful what options are under consideration by you? Arent there any plans of having your own examinations?

A. We have organized a scheme of professional examinations but did not proceed to implement the scheme as we do not want to replicate the education process of the University. We believe the University is in a better position to handle the education aspects. However if our efforts to rescue the University degree fail, we may have to consider the option of having our own exams. We are thinking of conducting some lectures on our own in specific topics. We have put on hold for the time being our options which we have considered and hope those options would remain on hold permanently. Nevertheless we are of the opinion that in the long run, the Estate Management & Valuation Degree would be more at home at the University of Moratuwa, where degree courses in allied disciplines such as Architecture, Quantity Surveying, Engineering, and Town Planning are already in place. The ideal situation we should reach one day is the establishment of a College of Land Studies encompassing all these disciplines and Land Surveying (Geomatics) at Moratuwa. The present trend in the University systems in the world is to breakaway from the traditional Faculty structure and to operate under semi-autonomous Colleges that specialise in specific disciplines.

Contd. page 18...

Sharp increases in the prices of Construction materials



The prices of the four most important raw materials of the Construction industry Cement, Sand, Metal and Iron experienced certain trends as depicted above, for the year preceding July 2003. It would be noted that cement, sand and iron recorded sharp increases while there was a marginal decline in the price of metal. This decrease in the price of metal however is, not due to reduction in cost factors but rather due to a situation of low demand for metal arising from the high price and shortage of sand.

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Contd. from page 8...

The role of the Valuers...

Development Department, Irrigation Department, Housing Department, Town & Country Planning Department, etc.

State Control of Land

The State Controls the use of land, for example, by direct control of user and development (e.g. by Planning Restriction), compulsory Acquisition of Land, Requisitioning of Land, leasing of land for specified uses, etc. Here again, the Valuer should actively participate in the Planning Stage rather than in the final stages where a mere valuation is required.

Development and the Financial Background of Planning

The "Compensation - Betterment Problem.

The Financial Problem in Economic Planning is essentially a simple one - Action taken under Planning power whether positive (Initiating Development) or Negative (Regulating Development) tends to increase the value of some and decrease the value of other properties. How can those who benefit be made to pay compensation to those who have suffered "Worsenment" or Injurious Affection? Given the public aims, the Valuer cum Land Economist can provide effective recommendations to the Government".

The Land Commission - For Example the U.K. government in 1965 outlined its aims in a White Paper: "Planning (i.e. Public) decisions about land use should not result in unearned increments of value for owners of affected land, and desirable development should not be frustrated by owners withholding their land in the hope of higher prices".

The two main objectives of policy were therefore:-

(1) To secure that the right land is available at the right time for the implementation of National, Regional and Local Plans.

(2) To secure that a substantial part of the Development Value created by the Community returns to the Community and that the burden of the cost of land for essential purposes is reduced.

The Land Commission Act 1967 gave effect to these proposals by the establishment of a Land Commission and the imposition of a Betterment Levy.

At a time when Socio-Economic changes are urgently needed in a Country, the Valuer cum Land Economist can offer serious new constructive recommendations on problems relating to land e.g. Creation of a "State Land Bank" efficient methods of Land Taxation like Site Value Taxation, in addition to desirable amendments to the Land Acquisition Acts, Rent Control Acts, Rating Act. Etc.

Town and Country Planning and the Valuer

The need for Town and Country Planning arises because of the lack of balance in the use of the Nation's Land resources as a whole. Planning Controls constitute a direct instrument of National Estate Management. Experience in several countries has shown clearly, that Town and Country Planning - which is Physical Planning goes hand in hand with Land Economics and Valuation, since scarce Land is the primary ingredient in Planning. Thus in determining priorities for allocating land for future homes, shops, industry, schools, etc, the Valuer plays a positive role in Project Appraisals, as Land value is also a critical determinant of Project Feasibility. For example the scarcity of build able land, e.g. in the Metropolis

necessarily leads to planning for its rational use and to the preparation of a Master Plan for reallocating land. The professional Valuer in the public sector must therefore be closely associated with project proposals by the Town and Country Planners, Cost-Benefit evaluation involving high land values. He can also be an adviser in local authority Housing Schemes, Policies of industrial location, etc.

Property Taxation and the Valuer

Property Taxes, e.g. Rates, Estate Duty, Stamp Duty, Wealth Tax, Capital Gains Tax, Capital Levy, constitute a Fiscal instrument by which the State can in addition to collecting revenue, control National Estate Management, and Land Policy. The effects of these property Taxes on the Property Market and the effects on the Net Yield of Taxes is important in framing Budgetary Policy, and the Valuer cum Land Economist has a vital role to play in advising both on the efficiency of these taxes as well as their economic effects and other "side effects." For example property taxes or Rent Control may reduce Rateable Annual Values and Rates of Local Authorities resulting in their Programmes local and Financing, being adversely affected.

The Valuer can also advise the Ministry of Local Government on alternative forms of Property Taxation whether based on Annual or Capital Values.

Site Value Taxation

The Valuer can advise local authorities on the potentialities of new methods of Taxation, e.g. Rating of Site Values. This Tax can also be geared to Wealth Tax imposed by the Central Government. The tax can accelerate the Development Process in the Private Section, reduce Land Value, promote investment in more and better building, reduce land speculation and urban sprawl, encourage urban renewal in the older central urban areas, etc.

Subsidies, Grants, Loans

The Valuer can tender expert advice to the Government on the economic implications of public subsidies, grants, loans, tax concessions, etc for example in the field of Agriculture, Housing, Industry, the role of the Valuer in National Estate Management is also to advise the Authorities so that subsidies, loans, etc, are disbursed to maximum advantage and encourage the optimum use of land resources.

For example in the case of subsidies to Agriculture it is probable that their structure could be modified to suit current conditions and this could well have a noticeable effect on the user and values of agricultural estates. Some portions of the subsidies can also be recovered from Property Taxes on the Agricultural estate which have increased in value due to the subsidies.

Land use and Land Value Maps

The Valuer can supervise the preparation of Land Value Maps, and supply the basic data for map construction. In most countries, land use and land value maps have been prepared, and have been very useful in connection with the valuation of National assets, Taxation, Ratings assessments. Much useful work can be done in this field in the publication of such maps by properly organized teams of Valuers where all the necessary data are available.

(Courtesy "Academy of Administrative Studies" & the Valuation Journal)



Federation of Indian Chambers of Commerce and Industry

Construction & Infrastructure Expo

September 4-6, 2003

Sri Lanka Exhibition & Convention Centre (SLECC), Colombo, Sri Lanka.



CHAMBER OF CONSTRUCTION INDUSTRY SRI LANKA

Profile of participants,

S. No.	Organisation	Exhibit Details
1	Atlas Copco Construction and Mining Sales	Construction Tools, Rock Drilling Tools, Rock Drilling Equipment
2	Consulting Engineering Services (India) Private Ltd	Consultancy Services
3	Everest Industries Limited	Fibre Cement- Roofing & Boards Products
4	Larsen & Toubro - ECC Division	Project Construction Company
5	Kamdhenu Ispat Limited	HSD Bars, TMT Bars, Galvanised TMT Bars, S.S. Rebar
6	Shakti Mining Equipments Pvt Ltd	Construction Equipments
7	IRCON International Ltd.	Civil, Mechanical, Electrical, Communications and Turnkey Contractors
8	Asapp Media Pvt Ltd	Construction Journal
9	Hochtief India Pvt. Ltd.	Construction and Construction related Services
10	New Building Materials & Construction World	Construction Journal
11	Speed Crafts Ltd.	Road Construction Machinery, Rail Track Maintenance Machinery.
12	Sandvik Asia	Construction & Mining Tools, Drill Machines
13	Universal Wire Products	Construction & related equipments
14	Gates India Pvt Ltd	Hydraulic & Industrial Rubber Hoses
15	Marlboro Engineering Works	6" Submersible Pump Sets, 4" Submersible Pump Sets, Open well Submersible, Mono Block
16	Liquid Gold Plastics(Polywindows Division)	Poly windows, Doors & Window sections
17	Rites India Ltd	Consultancy Services - Transport and Infrastructure Services
18	Enviro Group	Infrastructure development
19	Fairmate Chemicals Pvt.Ltd	Construction Equipments
20	Gulene Woven Products (M) SDN BHD	Insulation Foil For Roofing, Container Liner For Container, Warning Tape For Under Ground
21	Garware Wall Ropes	Fibre Ropes
22	Monarch Engg	Construction Equipments
23	Shahpoorji Pallonji	Contracting Company
24	Overseas Construction Council of India	Construction Industry Council responsible for promoting Indian Companies for overseas projects
25	Vijay Industries	Construction Equipment Company
26	Pidilite	Construction Materials like adhesives
27	Construction Journal of India	Construction Journal
28	Ecstasy	Road Building Equipments
29	Capious	Road Building Equipments
30	Patel Engineering Ltd	Construction & Engineering Company

For Further information, you may contact the Chamber of Construction Industry Secretariat in Colombo.
2577815, 2577816

Contd from page 7...

Urbanisation.

In London they have regular periodic reviews and discussions under the "URBAN GREEN SPACE CONFERENCE" and the green space in Britons towns and cities are starting to receive some long overdue attention. Starved of resources for years, their vital importance to urban quality of life is at last being acknowledged by Government as a part of its 'liveability' agenda.. Srilanka too should keep up to the world trends and place more emphasis on environment and aesthetics.

4.2 On the 25th of July 2003 the Chamber of Construction Industry, Srilanka came in to an understanding with the Indian Society for Trenchless Technology for the purpose of promoting No-Dig technology in urban settlements. As extensively reported in this issue of the CCI bulletin this technology will practically transform the Srilankan urban life which hitherto resorted to the conventional method of installing the utility pipes and cables. In cities and urban areas, these cable and pipe distribution networks are located underneath roads. This often makes access difficult, particularly in areas congested with traffic and buildings. Technology is the key to any development and eventually to a comfortable standard of living. The countries in the developed world, the US, Europe, Japan etc. afford a higher PQL for their citizens, urban and rural, for they have

the best technology at their disposal. The modern urban infrastructure has so much to do with up to date technology, the advancement of which in the local construction industry, appears to be the only option available to vade off the challenges posed even by countries such as Sri Lanka.

4.3 Therefore, the trend in modern urbanization is to make it Integrated, Technology oriented and as Eco friendly as possible. In the urban set up we must have compost manure, excess water irrigated plots and gardens, acres of forest cover, playgrounds, waterways etc. etc.. So much so that the more rural the Urban atmosphere appears to be, the more modernly Urban it may taken to mean. On the other hand in the Rural scene it may be necessary to provide as many urban facilities such as clustered urban facilities to prevent migration for the reasons specified in 3.1 above to maintain the equilibrium in urbanization *vis a vis* remaining rural. In other words the more urban the Rural area appears the more composite, balanced and modern such Rural areas would be. In the end we arrive at an Urban area with a rural appearance and a Rural area with an urban appearance and that is where the equilibrium is, for where ever they are the human needs are the same.

Allied trading and Engineering [pvt] Ltd. A heavy performer in the heavy machinery & equipment market.

Allied Engineering and Trading [pvt] Ltd was established in 1995 to make up for the vacuum that existed in the heavy equipment repair and spare parts market. Even though it was uncertain terrain and a volatile business requiring heavy investment to venture in to, specially at a time when the National economy too was stagnant the Directors of Allied Engineering had faith in their in-depth knowledge of the industry to commence the Company and charter it to the present level of success. Since this is a field a few would want to enter in to, the competitors at that time were having a virtual monopoly making exorbitant profits of spare parts, without up to date facilities for repairs. Specially the absence of local agents for the world renown Heavy Equipment parts manufacturers of the caliber of 'Industrial Part Depot Inc'. USA. and 'Berco S.P.A.' Italy, was tempting and with the professional experience to back the company the launching in to business appeared very timely. Allied Engineering's technical staff, including some of the managers have been trained at reputed Heavy Equipment companies such as the Caterpillar and Komatsu.

IPD, from very modest beginnings in 1955 has developed in to a unique manufacturing company. They own and operate all the equipment necessary for production of high quality replacement engine parts for 'Caterpillar', 'Cummins', Detroit Diesel and Navistar engines. IPD is

the registered supplier to the USA Defense Supply Secretariat.

Berco S.P.A. Italy, is the reference point on the market in the sector of manufacturing for earth moving machinery and marketing of spare parts for track type machinery. An industrial complex covering an area of 6000 sq. k.m. and where 8000 tons steel is being handled every year is the site of Berco. They also engage the most qualified staff in the technology conscious Italian standards with a fully computerized design system for top quality productions. Berco is the market leader in Italy for Heavy Equipment companies that rely on out sourcing for their spare parts.

However what makes AT & E unique is their state of the art workshop at 402, Negambo Road, Wattala. This workshop is fully equipped and staffed with qualified and experienced Engineers and mechanics. Therefore pre and post delivery, servicing, warranty repairs and the full gamut of after sales are all provided for every item of machinery and equipment marketed by AT&E Ltd. The company now poses a strong Marketing and Sales division and fully geared to provide uninterrupted after sales service which can not be over emphasized in this field of business. Allied Engineering and Trading[pvt] on the whole looks forward to be a heavy performer in the field of heavy equipment repair and supply.

GE group of companies: celebrate 25 yrs. in business.

GE group of companies, a pioneer member of the Chamber, will celebrate 25 yrs. in business on the 22nd of August 2003. General Engineering and Supplies Co. was established in 1978 as a company of Electronic Engineers and a Trading house for high technology engineering products. They are the exclusive agents for a number of internationally reputed brands of products distributed by leading companies in the world.

Their range of high technology engineering and other products include Electronic Perimeter Fencing, VHF, UHF, HF and AM communications, CCTV [Closed Circuit Television], Fire rescue Vehicle/ Clothing, PLC's and Control Components, Mine Clearing Equipment, Pneumatic products, Radars, Ariel Industrial Printers, Air traffic Communication Equipment, and Vickers Industrial Hydraulic Products.

The new members of the CCI

The following Organizations were enrolled as Corporate Members of the Chamber during the month of July 2003.

Orient Building Systems [pvt] Ltd
No. 71, Barnes Place, Colombo 7.
obs@ohl-net.com

Sisira Builders [pvt] Ltd.
231 Colombo Mawatha,
Nawala Road, Nugegoda.
Sisira-build@eol.lk

N, Chandraratne [Decorators] Ltd.
205, D.R. Wijewarene Mawatha,
Colombo 10.
ncd@slt.lk

Silicone Coatings [pvt] Ltd.
'Nippolac tower' No. 69,
Buthgamuwa Road, Rajagiriya.
nippolac@sltnet.lk

Puritas Ltd
25, Foster Lane, Colombo 10.
puritas@haycarbgrp.com

Navoda Engineering [pvt] LTD.
No. 434, Galle Road, Nalluruwa,
Panadura.
navodha@itmin.com

The applications of the above members were ratified at the Council meeting held on the 21st of August 2003. The Chamber wishes the new members success in all their endeavors.

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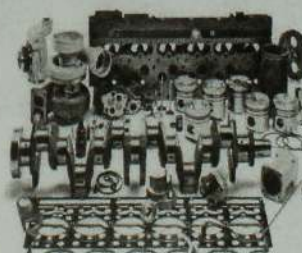
181, Dharmapala Mawatha, Colombo 07.

E-mail: allied@eureka.lk

Tel: 691765 (8 Lines) Telefax: 671337, 699205, 671338 / 9

AMERICAN BUILT IPD SPARE PARTS FOR CUMMINS, NAVISTAR, DETROIT & CATERPILLAR ENGINES

THE ONLY COMPROMISE IS THE PRICE!



If your heavy equipment needs replacement parts, turn to IPD spares.

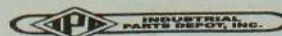
IPD spare parts, designed and manufactured in the USA to the highest quality standards of the industry. IPD spares come in a wide range...and at a price that's more economical.



ALLIED TRADING & ENGINEERING

181, DHARMAPALA MAWATHA,
COLOMBO 7.
TEL: 671338/9 FAX: 671337
E-mail: allied@eureka.lk
WORK SHOP/STORES
402, NEGOMBO ROAD, WATTALA
Tel: 934336/7
Fax: 934338

IPD spare parts with a warranty that redefines the term "value for money" delivers its promise every time.



IPD - supplier to the Defence Construction Supply Center USA.

Projects handed by the Bureau of infrastructure investment

POWER

Project Name: 300 MW Kewalapitiya Power Plant

Profile: Refer details in CCI Bulletin- July 2003 issue, Page 18 on *Projects handed by the Bureau of Infrastructure Investment*. The simple cycle is expected to be commissioned by April 2006 and the combined cycle by September 2006.

Current Status: Six parties have been pre-qualified. RFP has been issued on 22nd July 2003. Closing date - 15th December, 2003
Investment: US \$ 200-250 m.

Project Name: 200 MW Medium Term Power Plants

Profile: Refer details in page CCI Bulletin- July 2003 issue, page 18 On *Projects handed by the Bureau of Infrastructure Investment*

Current Status: No change in the status
investment: Upto US \$ 120 m.

Project Name: Wind Power Plants

Profile: Refer details in page CCI Bulletin- July 2003 issue, page 18 on *Projects handed by the Bureau of Infrastructure Investment*.

Current Status: No change in the status
Investment: Approx. US \$ 30 m.

Project Name: Coal Power

Profile: Initial development of a 300 MW Coal Power Plant and associated Infrastructure including a coal handling facility, at a site capable of accommodating 900 MW. Technical assistance is being provided by USTDA for the identification of a site and for the preparation of Request

for Proposal documents.

Current Status: Terms of Reference for the Consultants to undertake this study with the assistance of USTDA has been finalized. The PC is Preparing the prequalification document.
Investment Size US \$ 400 - 600 m.

Project Name: Mini Hydros

Profile: Total of 43 sites on Mahaweli regulated waterways and areas under the control of the Irrigation Department which is expected To generate approx. 50 MW. This would be offered to developers at a Power Purchase Agreement of 10 years and a tariff of Rs. 4 Per kwh.

Current Status: Cabinet approval has been sought to issue the LOI to selected Parties. 3 parties have been selected for 4 sites, which would add Approx. 19 MW to the grid.
Investment Size: Approx. US \$ 50 m.

Project Name: Large Scale Hydro Power

Profile: Based on the advertisement issued by the ESC to develop hydro's upto 50 MW, EOIs have been received. The PC has been Requested to prepare the RFP with the assistance of Consultants.

Current Status: A pre-qualification document prior to the releasing of a RFP is to Be prepared. Prequalification document to be released shortly.
Investment Size: US \$ 100 m.

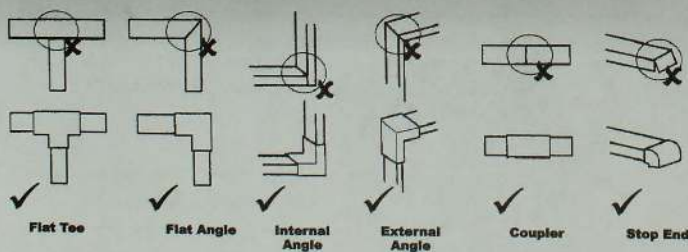
WATER

Project Name: 40 MGD capacity Water Treatment Plant at Kelani Right Bank.

Profile: Refer details in page CCI Bulletin- July 2003 issue, page 18 on *On Projects handed by the Bureau of Infrastructure*

No more cutting & chopping of PVC cable trunkings (Casing)

Now you can use **I DUCT** PVC trunkings & fittings for a neat & professional installations.



Conventionally, you have to cut cable trunkings to different shapes & sizes to make Bends, Tees, ends etc. This practice waste your time & money and still you don't get a neat & professional installation. These manually made bends, Tees, ends etc... not only looks un-professional but make path to insects & dust to enter in to the cable trunking, which will give many problems in the operation.

This problem has now solved by **I DUCT** by introducing PVC Cable trunkings with fittings. Now with **I DUCT** cable trunkings & fittings, you can make a neat & professional installation using molded fittings like Flat Tee, Flat Angle, Internal Angle, External Angle, Couplers, Stop ends, This gives a good look to your installation and also save your time & money.

Specify **I DUCT** PVC Cable trunkings & fittings for your next installation.

Ask for it
by name
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Clip on
adaptor,
plates to fix BS
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Tel : 505090, 506835, 554903 Fax : 368268

E-mail : eastlin@sltnet.lk Web : www.eastlink.lk

Contd. from page 14...

Valuers President...

It is my belief that in Sri Lanka too the College Structure will replace to a large extent the Faculty system within the next 10 years

Q. Any other challenges the profession has to face in the present context of things

A. At the moment our efforts are somewhat diverted towards meeting a challenge to the profession that has risen recently I am referring to the attempts by some individuals trying to gate crash in to the valuation profession, by forming a company named the Institute of Real-Estate and Valuation, under the Companies Act These individuals are claiming themselves to be Chartered Valuers. Since the case filed by us before the District Court of Colombo is still pending I do not wish to comment further on this matter, except that we do not recognise the members of this company as qualified valuers and we are not responsible for their activities as valuers. In our view the status of a Charter for a profession can originate from the Royalty or through an Act of Parliament only. If some one without either of the above claims to be a Chartered Valuer he is only trying to mislead the general public for obvious reasons.

Q. As the current President what is your vision for the Institute and the profession?

A. We are now in the process of constructing our own building for the Institute, which would house our Education and Computer Centre, Library and Auditorium. We are thankful to the Government and Her Excellency the President for releasing a block of land belonging to the UDA in Battaramulla to the Institute for this purpose. We hope to complete the building by the end of 2004. Once completed the building will provide a centre for education activities, a fully pledged library of international standard, a computer-linked database and a cyber-café for the members, and a well equipped audio-visual centre in the form of an Auditorium. Along with these physical improvements the Institute is now developing a Master Plan to improve the professional services rendered by our members. A major component of the Plan is to provide on-line information and data to our members through desktop computers in their offices. Our information base will be eventually linked to the national Land Information System once it is materialised. We should reach this goal by 2008.. Through a comprehensive programme of CPD activities, and introduction of IT in to the professional practice we hope to elevate the professional standards of our members. We have also proposed an improved Code of Ethics to replace the existing Code. Necessary amendments have been already submitted to Hon Minister of Finance for approval. The Institute, as part of the Master Plan is now in the process of drafting Sri Lanka Valuation Standards (SLVS) that would be in line with the international standards of the valuation profession. The Standards will be submitted for approval to the Hon Minister and it is hoped that SLVS will be in place by end 2004.

Q. So as the present President of the Institute and also as a very influential personality in the valuation profession you are confident and hopeful of achieving these high standards for the valuation profession. I hope you would overcome these obstacles or challenges as you call them and achieve your goals for the improvement of the profession of valuation. May I wish you every success in this direction.

A. Prospects are quite bright and there are challenges in any profession. I must thank you and the CCI for giving me this opportunity to introduce the valuation profession to your readers.

Investment.

Current Status:

No change in status

Investment: US \$ 25 m.

WASTE

Project Name: Solid Waste Management in the Western Province

Profile: Refer details in page 18 CCI Bulletin - July 2003 issue, on *Projects handed by the Bureau of Infrastructure Investment*

Current Status: No change in the status
Investment: Approx. US \$ 25 m.

Project Name: Hazardous Waste Integrated Project

Profile: Refer details in page CCI Bulletin- July 2003 issue, page 18 on *projects handed by the Bureau of infrastructure Investment*.

Current status: No change in status
Investment: US \$ 33.5 m.

LAND TRANSPORT

Project Name: Colombo - Katunayake Expressway

Profile: Refer details in page CCI Bulletin - July 2003 issue, page 18 on *Projects handed by the Bureau of Infrastructure Investment*.

Current Status: No change in status
Investment: US \$ 125 m.

Project Name: Sri Lanka-India Land Bridge

Profile: Refer details in page CCI Bulletin - July 2003 issue, page 18 on *Projects handed by the Bureau of Infrastructure*.

Current status: No change in status.
Investment: US \$ 880 m.

Project Name: Colombo - Kandy Expressway

Profile: Refer details on page 18 CCI Bulletin- July 2003 issue, on *Projects Handed by the Bureau of Infrastructure Investment*.

Current Status: A proposal has been received from the Government of Malaysia to Carry out the project on a Government- to - Government basis. The GOSL has decided to cancel the expression of Interest and letters to the investors were issued informing them of the cancellation.
Investment Size: US \$ 300 m.

Project Name: Metro Rapid Transit in the Western Region

Profile: Expressions of Interest called. 12 parties have submitted Proposals.

Current Status: Evaluation of EOIs in progress. RFP to be drafted
Investment: US \$ m.

Ports

Project Name: Development of the New South Port of Colombo

Profile: Refer details in CCI Bulletin - July 2003 issue, page 18 on *Projects handed by the Bureau of Infrastructure Investment*.

Current Status: Scott Wilson of the UK has been appointed for the design and Preparation of the contract documentation. This consultancy is expected to be funded by the Asian Development Bank.

Project Name: Hambantota Port

Profile: Feasibility Study done by M/s Lavalin has been completed. Liquid and bulk cargo handling port.

Current Status: Awaiting instructions from the Government.
investment Size: US \$ m.

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CORROSION? GALVANIZE IT WITH LTL!

Corrosion can take place anywhere and at any time.

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be victims of corrosion. Another common case of corrosion is the steel sidewalk railing which you see almost everywhere.

An obvious lack of maintenance of a corrosion protection system can lead to ultimate project failure with apparent safety concerns.

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The major solutions to tackle the corrosion problem are painting and galvanizing.

However, painting is not the best method of protecting steel from corrosion.

Painting is only a temporary coating applied over the steel which is found to have a major discontinuities. The most frequent reason for painted steel to corrode underneath is due to the above reason.

A galvanized coating under a paint system will eliminate early rusting in damaged areas. In turn the life - span of the product is greatly increased.

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TECHNICAL SUPPORT

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1. Quality

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Two Ultra Modern Plants with Bath size 7 x 1.3 x 2.1 m and 3 x 0.8 x 1.2 m satisfies the needs of 600 customer base which include Ceylon Electricity Board, Sri Lanka Telecom, Colombo Dockyard top our customer list and almost all construction companies.

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From 1Kg to any weight limit involving Transmission Towers, Structures, Grills, Gates, Railings, Street Lighting Posts, Sign and Display Boards, I.U.L., Sectional Channels,

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