Feasibility Study On Construction Sector For Export









Feasibility Study On Construction Sector For Export



Sri Lanka Export Development Board No. 42, NDB-EDB Tower, Nawam Mawatha, Colombo 02. Tele: +94-11-2300705/11 Fax: +94-11-2300715 E mail: edb@edb.gov.lk Web: www.srilankabusiness.com

All rights reserved. © Sri Lanka Export Development Board 2017

Forward

We are extremely honored and privileged to have been selected to conduct the feasibility study to 'Set up export oriented projects in Sri Lanka – construction industry' by the Export Development Board of Sri Lanka (EDB), the apex body that promotes exports to the global market.

It was a tremendous opportunity for us to be with the industry icons and experts of engineering services export service and the experts of Sri Lankan engineering, architecture and quantity surveying and project management consultants and share some of their past, present and future aspirations and goals.

We are immensely grateful to the Experts of Engineering Project Export Service and to the beneficiaries and the key informants who welcomed us with open arms and furnished us with the vital information prepare this report.

It is with sincere and heartfelt appreciation that we dedicate this report to the Sri Lanka Export Development Board, to the beneficiaries and experts of Engineering Project Export Service in Sri Lanka.

Thanking You.

WC-Developments December 30, 2017 Feasibility study report for setting up of export oriented projects on Construction Sector

Table of Contents			Page No	
	1.	Preface	6	
	2.	Mapping of the Capabilities of Local Construction Sector vis – a - vis Global		
		Construction Projects.	8	
	3.	Addressing Bottlenecks Hindering Lankan Constructors to Enter Global Markets	8	
	4.	Sri Lanka Export Development	9	
		Industry Experts	11	
	6.	Engineering Consultancy Services	14	
	7.	Dispute Review Services	17	
	8.	Project Management Services	18	
	9.	Schematic Design Phase	24	
	10.	The Main Processes in the Industry Are	26	
	11.	Areas to be Incorporated	28	
	12.	The Contractual Relationships	29	
	13.	Institutional Experience	30	
	14.	Structural Design	31	
	15.	E-Procurement	32	
	16.	Building Management Systems	33	
	17.	Description of the Industry	34	
	18.	Players in the Industry	35	
	19.	Potential / Contract Type	37	
	20.	Design and Build Contracts	40	
	21.	Identify Bottlenecks - Local and the Responsible Entity	41	
	22.	Seychelles Construction Industry	42	
	23.	South Africa Construction Industry	45	
		Uganda Construction Industry	45	
		Kenyan Construction Industry	46	
		Dubai Construction Industry	47	
		Saudi Arabia Construction Industry Rwanda Construction Industry	48 50	
		UK Construction Industry	50	
		Auckland / New Zealand Construction Industry	52	
		Qatar Construction Industry	55	
		Competitive/Comparative Advantages	57	
	33.	Export Market Evaluation	57	
		Recommendation on Market Entry Strategies for Each Market.	58	
		Market Linkage and Buyers Contacts	59	
		Export Marketing Plan and Strategies	61	

37. Financial Analysis and Profitability Forecast	62
38. Overall Assessment and Conclusion	63
39. An Influx of Foreign Revenue Flowing Into The Country.	64
40. Human Resources in the Construction Industry	64
41. Exporting Professional Services Overseas.	66
42. The Construction Industry and Engineering Services	66
43. Recommendations to Promote Venturing Overseas By Local Contractors	67
44. Strengths of Local Construction Industry as a Driver For External Trade	68
45. Issues Affecting The Trade and Areas Needed Improvements	69
46. Policy Recommendations	69
47. Engineering Services Exporting Projects Works by Sri Lankan Contractors	71
48. Niche Markets for Exporting Projects Works	71
49. Risks	72
50. Income Tax	73
51. Tax Treaties: Avoidance of Double Taxation	74
52. Capability Matrix	75
53. Market Challenges	81
54. Laws/Regulations of Foreign Direct Investment	83
55. Investment Incentives	84
56. Double Taxation	87
57. Double Taxation Agreement (DTAS) & Protocols	88
58. Mutual Agreement Procedure (MAP)	89
59. Function of a Competent Authority	89
60. Work Procedure	90
61. Annexes / Survey Team	92
62. Annexes / References -Search Web Sites / Company Profiles	92
63. Annexes / Direct Discussions Held With Industry Experts	94
64. Annexes / Detail Summary of Over Seas Projects Completed	95
65. Annexes / Selected Photographs of Over Seas Projects Completed	96
66. Annexes / Map of Sri Lankan Engineering Project Service Export Market	103

•



SRI LANKA EXPORT DEVELOPMENT BOARD

No. 42, NDB-EDB Tower, Nawam Mawatha, Colombo 02. Tele: +94-11-2300705/11 Fax: +94-11-2300715 E mail: edb@edb.gov.lk Web: www.srilankabusiness.com