

MEDIA SERVICES PHOTOFILE (OVERSEAS REALTY)



“I don't think any other country in the world has the geographic advantage that Sri Lanka has...”

GUNG HO ABOUT SRI LANKA

S. P. Tao has put his money where his mouth and mind are here, in Colombo. Today, Tao says that he wants to bring his vast experience in business to the island he fell in love with over 70 years ago.

Savithri Rodrigo caught up with the legendary Singaporean businessman whilst he was here, in what was his one and only one-on-one interview.

It's a romance that began way back in 1941, with the then Ceylon. That was when Tao Shing Pee (better known as S. P. Tao) picked our island-nation over an array of holiday destinations for his R&R – and the romance has blossomed ever since.

The Chairman of Singapore-based property conglomerate Shing Kwan Group and Sri Lanka's Overseas Realty spearheaded Colombo's twin towers of the World Trade Center, the iconic symbol of Sri Lanka's commercial capital. More recently, they combined to lay the foundations of Havelock City, which is the single-largest FDI in Sri Lanka.

Now 94, Tao's extremely positive sentiment about Sri Lanka has not wavered...

Highly upbeat about Sri Lanka's future and economic prospects, Tao spoke *exclusively* to LMD last month, on the eve of unveiling the final stages of the US\$ 350 million Havelock City that is billed for completion by 2013. Needless to say, 'the City within a City' is poised to transform Colombo's skyline.

Q: How do you view Sri Lanka today, compared to when you last spoke to LMD in 2007?

A: There is no comparison. Sri Lanka is totally different now from what it was three years ago. When I got the chance to develop Havelock City in 2005, at a time when there was much discussion about peace, to me it was a positive sign. But it was the period from 2007 to 2009 that was the most difficult.

Today however, I see the sentiment, the positivity and the right direction that the country is moving in. I have put my money here, I have put my mind here... and now I want to put my experience here.

Q: In your interview for LMD's February 2007 Cover Story, you said that "if one invests here, the returns are poor". Has this changed, then?

A: I don't think there's an immediate benefit to short-term investors in Sri Lanka even right now, although we have a strong Government, and good policies and strategies in place. Investors come to Sri Lanka because they are interested in something different. They will always look at long-term prosperity, not short-term gains.

Q: You were rightly very critical of our infrastructure and the poor image that it projects to visitors and the outside world. What is your assessment today?

A: I still maintain that infrastructure development is the blood vessel of any country's health and future. For investors, time is money and spending time on the road can be counterproductive.

However, there is infrastructure development now – although, compared to the rest of the world, Sri Lanka still has a long way to go. Infrastructure is primarily the govern-

ment's responsibility and ongoing development efforts must now be fast-tracked.

Q: How do you view this nation's investment potential and FDI prospects, especially in the context of competing nations such as Vietnam?

A: Maybe I'm very pro-Sri Lanka, so there's no country like it in this region. This country has so much to offer that making comparisons is difficult. Sri Lanka now has a strong government, it has the best literacy rate in this region, and with the right policies, people and leadership in place, it can achieve what it hasn't thus far.

Look at us; we were here even when Sri Lanka had many troubles. Now we are investing 350 million dollars in a new mega project in your country. That alone should send a message to foreign investors that

extremely high. My theory is that in any country – no matter how multifaceted it is – if people don't unite and work together, then development doesn't take place. If they unite, that culture will permeate everything.

Q: Singapore was also commended for its average new-business start-up time of just three days, versus Sri Lanka's 38. How important is this to potential investors?

A: When Singapore first wanted to attract business in the 1960s, the priority was to generate employment; and it was for this purpose that the government introduced incentives.

Sri Lanka is different. You have a culture, traditions and literacy; and therefore, it is the ideal place for the service and tourism

Asian subcontinent, the Persian Gulf, East Africa, Australia and New Zealand that has the capacity to accommodate large vessels.

Q: What do you see in the pipeline for this city in terms of property development, and can Colombo become a model South Asian city?

A: Right now, I see immense potential and I strongly believe it will stay that way. There's migration into the cities and we must cater to that. At the same time, things have not been easy for Sri Lanka, so it will take time for Colombo to build the infrastructure, amenities and facilities to become a model for South Asia – but it's certainly not impossible.

Q: Regionally, where do you see the property market heading and can Asia

TAO SWOTS SRI LANKA

STRENGTHS

- Natural beauty
- Geographic location
- High literacy
- Good leadership

WEAKNESSES

- People aren't united to work together for development
- Slow to transform and modernise industry

OPPORTUNITIES

- Development of the north and east
- Massive growth potential of mainstay industries such as tea and apparel
- Employment generation

THREATS

- None!

there is a confidence and stability in this country that no other nation seems to have.

Q: But isn't there still too much red tape here, in Sri Lanka?

A: As I mentioned earlier, time is money and if investors are to spend unproductive time seeking approvals, then they'll simply take their money elsewhere. My advice is to establish one organisation with a clear policy that can reach all ministries, departments, authorities and regulators.

Q: In August, a Newsweek poll of the 'World's Best Nations' ranked Sri Lanka in 66th position. Singapore came in at No. 20 – and as the most dynamic economy on Earth. How do you view these rankings?

A: Singapore is one of the most multicultural, pluralistic and inclusive societies in this region, where policies are conducive to attracting investors and service levels are



MEDIA SERVICES PHOTOFILE (HAVELOCK CITY APARTMENTS)

industries. Start by building hotels, then shopping malls and then develop related sectors. Train your young people with skills and knowledge, giving them the confidence to become entrepreneurs.

Q: How much emphasis do you, as an investor, place on Sri Lanka's geographic location?

A: I don't think any other country in the world has the geographic advantage that Sri Lanka has. With trade increasing globally, Sri Lanka is in the best location to serve as a maritime container-transshipment depot – because it is the only country in the South

benefit from a flight of funds from the developed world for investment purposes?

A: The real-estate market is cyclical. Currently it's rather flat, but that's the way the market works. I don't think we are going to see developed countries investing in Asia because right now it's people in Asia who have the money, not those in the West.

Q: What advice can you offer city planners and the powers that be in Sri Lanka?

A: Sri Lanka must capitalise on service-intensive industries to drive the economy. And for that, you need high-rise buildings, hotels, commercial properties and the right infrastructure to lure quality investments.

That's where city planners and leaders should be heading.

EMERGING ASIAN NATIONS

- China
- India
- Thailand (if it recovers from its current problems)
- Singapore
- Vietnam

The interviewee is the Chairman of Singapore-based Shing Kwan Group.