Colombo Today

Prime land leased for 18 cents per sq ft - CW

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'Corruption Watch' alleges the Ministry of Commerce and Consumer Affairs has leased out a prime plot of land in Colombo city to a private investor at a rate of 18 cents per square feet.

In a statement today (Feb. 18), CW coordinator attorney Shiral Laktilake said that 10.1 acres of Chalmers Granary at Orugodawatte, has thus been given on a 10-year lease, without calling for tenders, to Rank Container Terminals Private Company.

The Food Department owned land has been given for a Board of Investment approved venture, with No: 09, 15 Lane, Colombo 03 as its registered address.

Under the agreement, the vacant land has been leased out at 18 cents per square feet, while the buildings too, have been given at very low rates, without obtaining an evaluation from the chief government valuer.

When the scam had first come to light, parties to the agreement had backdated the document and approved it, where, instead of the secretary to the ministry of trade, commerce and cooperatives, an acting secretary has signed on behalf of the ministry.

It being the normal practice for at least two top state officials to sign such an agreement, only one official has entered his signature in this document.

The CW statement notes that the address of the investor, in actual fact, is a place where a casino operates.

In light of these exposures, the Kolonnawa Urban Council filed a case on 27th January 2009 against Ravi Wijeratne of No: 14/1, Gregory Road, Colombo 07, challenging unlawful constructions in the said premises.

Despite being termed a BOI venture, no investment has so far been made, while the land contains several cranes only, used for around 25 years in Singapore, said the CW statement.

This venture first came up on 21st June 2002 as a small scale infrastructure development project, but was temporarily halted after its mastermind Khamil Kuthupdeen fled the country to evade charges of VAT fraud.

Under this K-port project, the clearance and release of Sri Lanka Ports Authority owned containers will be handed over to the private sector.

This will deny the SLPA income through warehouse and delay charges, giving rise to further trouble at the institution, which is already facing a surplus of employees, say its trade unions.

These unions staged a protest previously against the proposed project, saying that it would lose Rs. 10,000 m to the SLPA each year, while making a complaint in writing to the President.

TUs have also noted that huge profits would go to private investors through the privatization of SLPA operations, while the government stands to lose crucial income and the institution falls further into trouble in the face of lesser shipping traffic due to the world financial crisis.

Also, the handover of container clearance to private institutions that do not have skilled workers or the required scanners will give a shot in the arm for racketeers, the TUs have warned.

The project has neither received cabinet approval so far, and the related agreement only mentions that a cabinet paper had been submitted on 23rd April 2008, without specifying its content or conditions, the CW statement added.