

Foreign Investments and Kalpitiya Integrated Tourism Resort Project: An Overview of a Few Possible Legal Challenges

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Foreign investment has played a significant role in the Sri Lankan economy since the implementation of country's liberal economic policy, in 1977. Yet, it was only after the end of the civil war in 2009 that Sri Lanka's image as a more secured destination for foreign investments grew. This is mainly due to the circumvention of war related risks and uncertainties which had hitherto created huge bottlenecks to attract foreign investments and reap their maximum benefits. Foreign investment, thus, has been given topmost priority in the country's post-war economic revival and national development process. As a result, the country's potential has improved as a viable destination for foreign investments, which aim at mega development projects, particularly developing infrastructure facilities such as roads, ports, airports, power plants, etc. Even though the positive aspects of such mega development projects cannot be underestimated, their inherent negative impacts too must also be seriously looked at in order to ensure the sustainability of development driven by such mega projects.

Against this background, this research expects to highlight the significance of constituting a dynamic and comprehensive national discourse on one of the highly contested mega development projects taking place in the country, i.e., Kalpitiya Integrated Tourism Resort Project (KITRP). It particularly intends to emphasise the need of integrating the country's international obligations towards its foreign investors into such national discourse to make this dialogue more comprehensive by considering generally unconcerned issues. This research accordingly will briefly discuss the advantages and disadvantages of KITRP, while highlighting a few possible challenges that might be faced by Sri Lanka in the future due to the increased flow of foreign investment to the KITRP. Amongst such challenges, grassroots activism, the country's right subsequently to regulate in the public interests and the need of ensuring transparency are at the focus of this paper. The paper will conclude by emphasizing the urgency of considering these possible legal challenges within the national discourse on KITRP in order to mitigate the risks that would endure from the country's international obligations towards its foreign investors.

Key words: *Foreign Investment, development, international obligations.*