

Press Release

Additional Loan of US \$ 90 million from the Asian Development Bank for the Southern Expressway

The Government and the Asian Development Bank (ADB) today signed an agreement for a supplementary loan of US\$ 90 million for further financing of Southern Highway Project.

The proceeds of the additional loan will be utilized for construction of a four-lane highway from Kurundugahetekma to Pinnaduwa interchange (29.3km) and the Galle access road (6 km). The supplementary loan also includes funding to purchase road safety equipment.

The project will promote economic growth of the Southern region by improving access to the more developed Western province, especially with Colombo. The project will greatly reduce travel time and promote easier movement to and from the Southern areas to Colombo, which should increase economic activities. By expanding the Southern highway to four-lane standard, the accident rate will be significantly reduced.

The expected completion date of the highway is 31<sup>st</sup> December 2009.

Ministry of Highways and Road Development will be the Executing Agency for the project while Road Development Authority (RDA) shall be responsible for implementation of the project.

Secretary, Ministry of Finance and Planning, Dr. P.B. Jayasundera signed the Loan Agreement on behalf of the Government while Country Director, ADB Sri Lanka Resident Mission, Mr. Richard W.A. Vokes signed on behalf of the ADB. A Project Agreement was also entered into between the ADB and the RDA.

Ministry of Finance and Planning  
Colombo 01  
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