

**AN INVESTIGATION INTO THE IMPACT OF PESTLE
FACTORS ON ROAD CONSTRUCTION PROJECTS IN
SRI LANKA**

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MSc/PG Dip in Construction Law and Dispute Resolution

Department of Building Economics

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Dissertation submitted in partial fulfillment of the requirements for the
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DEDICATION

*I dedicate this dissertation to my beloved family and
friends for their immense support, encouragement
and love*

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ABSTRACT

The construction industry, particularly road construction, is crucial for the economic growth of Sri Lanka. However, there is a lack of research on how PESTLE factors affect road construction projects in the country, highlighting the need for this study. PESTLE analysis is used to understand the external macro-environmental factors that influence project outcomes. The research aims to identify and analyse the key PESTLE factors that significantly affect road construction projects in Sri Lanka and explore their implications for project success

The chosen research approach for this study is qualitative. This decision was made to enable an in-depth investigation of road construction projects and to capture the perspectives and experiences of project participants. Additionally, the topic of the study is relatively less known among the general public, further supporting the need for a qualitative approach to gain a comprehensive understanding. The study conducts in-depth interviews with project managers, engineers, and other stakeholders involved in three road construction projects. Through these interviews, insights are gained into the political, economic, sociocultural, technological, legal, and environmental factors that shape project planning, implementation, and overall performance. The study explores how these factors interact and influence project risks, costs, timelines, and quality.

This research study examines the influence of PESTLE factors on road construction projects in Sri Lanka. It encompasses four main objectives to understand the significance of PESTLE analysis, identify external factors affecting projects, assess their impacts, and propose strategies for optimization. Objective 01 emphasises the importance of considering political stability, government policies, economic conditions, funding, social aspects, technology, environment, and legal requirements in PESTLE analysis for road construction. Objective 02 explores the positive and negative effects of external factors such as politics, economics, social aspects, technology, environment, and law on projects. Objective 03 highlights the positive impacts, including streamlined approvals, funding, labour, community support, technology, and sustainability, as well as negative effects such as delays, disputes, economic crises, opposition, technology gaps, environmental challenges, and corruption risks. Objective 04 suggests strategies such as independent auditing, separating government intervention, public awareness, adopting technology, environmental compliance, and legal assistance to optimize PESTLE impacts. By effectively managing these factors, road construction projects can be executed more efficiently, contributing to sustainable infrastructure development in Sri Lanka.

It offers valuable recommendations for policymakers and practitioners to navigate the complex external environment and enhance project outcomes. The study's findings can be used to develop strategies, risk mitigation measures, and policies that optimize project performance, ultimately contributing to the sustainable development of the road construction industry in Sri Lanka.

Keywords: PESTLE Analysis; Road Construction Projects; Project Management; Sri Lanka.

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LIST OF ABBREVIATIONS

Abbreviation	Description
ADB	Asian Development Bank
DSS	Decision Support System
EA	Environment Assessment
EPL	Environmental Protection Licensing
FR	Fundamental Rights
GDP	Gross Domestic Product
KM	Kilo Meter
PIL	Public Interest Litigation
PPE	Personal Protective Equipment
US	United States