



Tourism Development Strategy

2011 - 2016



MINISTRY OF ECONOMIC DEVELOPMENT

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His Excellency Mahinda Rajapaksa

*President of the Democratic Socialist
Republic of Sri Lanka*

“I will introduce an accelerated development programme for the tourism industry. I will launch a programme to fulfill the infrastructure and other requirements in order to attract 2.5 million tourists annually, by the year 2016.”

(Mahinda Chintana 2010, p-94)



The Vision for the Future

The 'Tourism Development Strategy 2011-2016' derives its strengths from the philosophy of the Mahinda Chintana -Vision for the Future-Development Policy Framework which has been widely endorsed by the people of Sri Lanka at successive elections.

On the 19th May 2009 His Excellency the President Mahinda Rajapaksa successfully annihilated the scourge of terrorism from the land ushering in a period of reconciliation, development and prosperity for Sri Lanka.

The tourism sector has been identified as one of the key sectors propelling the country's economic growth. According to the core philosophy of the Mahinda Chintana the ultimate beneficiaries of tourism development strategy should be the people of the country: the farmers who supply rice, vegetables and fruit, the fishermen who deliver the catch of the day, the craftsmen who produce souvenirs, the guides who escort the visitors and the young men and women serving in the industry with the unique Sri Lankan smile and hospitality.

We would like to see the economic benefits of this industry to be distributed to a larger cross section of the society. It is estimated that by 2016 the industry is capable of creating 500,000 direct and indirect employments.

There has been a surge in tourism arrivals immediately after the conflict with record 46% growth in 2010 with total arrivals surpassing 650,000 confirming the fact that Sri Lanka has been globally acclaimed as one of the finest destinations for the discerning traveler searching for peace, tranquility and multi faceted attractions.

The 'Tourism Development Strategy 2011-2016' addresses the wider issues related to the industry covering the government policy, capacity and manpower buildup requirements, infrastructure development, improving service standards, marketing and promotions, regulations, guidelines, public relations, tourist safety and improvements to domestic tourism.

It is my sincere endeavor to provide the necessary leadership for the implementation of the master plan developed by my ministry based on the Mahinda Chintana -Vision for the Future- Development Policy Framework and I request all stakeholders to join us in this national effort of making Sri Lanka, our motherland, the Emerging Wonder of Asia.

Basil Rajapaksa

Minister of Economic Development

“The year 2010 was a significant one for the tourism industry of Sri Lanka with tourism arrivals reaching the highest recorded number in recent history.”



Azure waters and coral-white sands 365 days of the year

1.0 Introduction

Mahinda Chintana - Vision for the Future - The Development Policy Framework of the Government of Sri Lanka is committed to a sustainable Tourism Development Strategy. Protection of the environment and distribution of economic benefits to the larger cross section of the society are key components of this overall vision. The Development Policy Framework of the Government of Sri Lanka aims at positioning Sri Lanka as a model tourist destination benefiting from the country's natural advantages of having the highest bio diversity in Asia backed by a strong culture, historical artifacts, exotic beaches, green environment and friendly people all of which are solid building blocks for tourism development.

The Government has set a target of attracting 2.5 Mn high spending tourists by the year 2016. The 5 year master plan prepared by the Ministry of Economic Development under the guidance of the Hon. Minister of Economic Development for the period of 2011 - 2016 addresses a range of issues related to Sri Lanka Tourism Strategy including environmental, social, cultural, economic, institutional and promotional aspects together with their mutual relations with the National Development agenda, in order to create a favourable platform to achieve targeted tourist turnover by 2016.

2.0 Key objectives

The Government recognises the multiplier effect of tourism development in creating employment opportunities and distribution of wealth through a variety of economic activities predominantly in the SME sector, taking the advantage of SMEs being able to link micro enterprises from one side and large scale corporate sector on the other side.

Some of the key objectives to be achieved through the 5 year strategy are as follows:

1. Increase tourist arrivals from 650,000 in 2010 to 2.5 Mn by 2016.
2. Attract USD 3,000 Mn as Foreign Direct Investment (FDI) to the country within 5 years.
3. Increase the tourism related employment from 125,000 in 2010 to 500,000 by 2016 and expand tourism based industry and services all island.
4. Distribute the economic benefits of tourism to a larger cross section of the society and integrate tourism to the real economy.
5. Increase the foreign exchange earnings from USD 500 Mn in 2010 to USD 2.75 Bn by 2016.
6. Contribute towards improving the global trade and economic linkages of Sri Lanka.
7. Position Sri Lanka as the world's most treasured island for tourism.

3.0 Strategies involved

There is a great scope for promoting tourism particularly within the region due to historic and cultural ties of Sri Lanka with the South Asia, Middle-East and Far-East. Sri Lanka is part of a region which includes already industrialised economies such as Japan, Korea, and Singapore and rapidly emerging economies such as India and China which are capable of altering the economic landscape of the world during the next few decades. Sri Lanka also with its unique geographical location, diversity, quality human resources, peace and stability has all the ingredients in place to play a key role in the regional development as a fast emerging market economy in Asia. The country with a per capita income of USD 2400 in 2010 enjoyed 8% economic growth.

“Creating an environment conducive for tourism is a major component of our 5 year master plan.”



A number of professional golf courses are available within the country

The specific strategies related to tourism in the five year master plan are discussed below under the following five main areas in focus:

- I. Creating an environment conducive for tourism.
- II. Attracting the right type of tourists to the country.
- III. Ensuring that departing tourists are happy.
- IV. Improving domestic tourism.
- V. Contributing towards improving the global image of Sri Lanka.

3.1 Creating an environment conducive for tourism

3.1.1 Policy framework to support investors and the industry.

The Government has addressed several policy related issues that were affecting the industry such as, (a) the restoration of a simple tax regime, (b) simplification of licensing procedures, (c) reduction of the high electricity tariffs, (d) unification of the regulatory environment and creating a single authority for tourism promotion, (e) creating opportunities to promote shopping of internationally reputed branded products and entertainment, (f) simplification of the investment approval process by setting up of a “One Stop Shop” for tourism related investments, (g) streamlining the process of alienating government land for tourism development projects, (h) attracting internationally reputed tourist hotels and, above all (i) environmentally friendly, clean-city concept for urban development.

3.1.2 Improvements to the regulatory framework

To compete in the international arena, the service standards must match the global expectations.

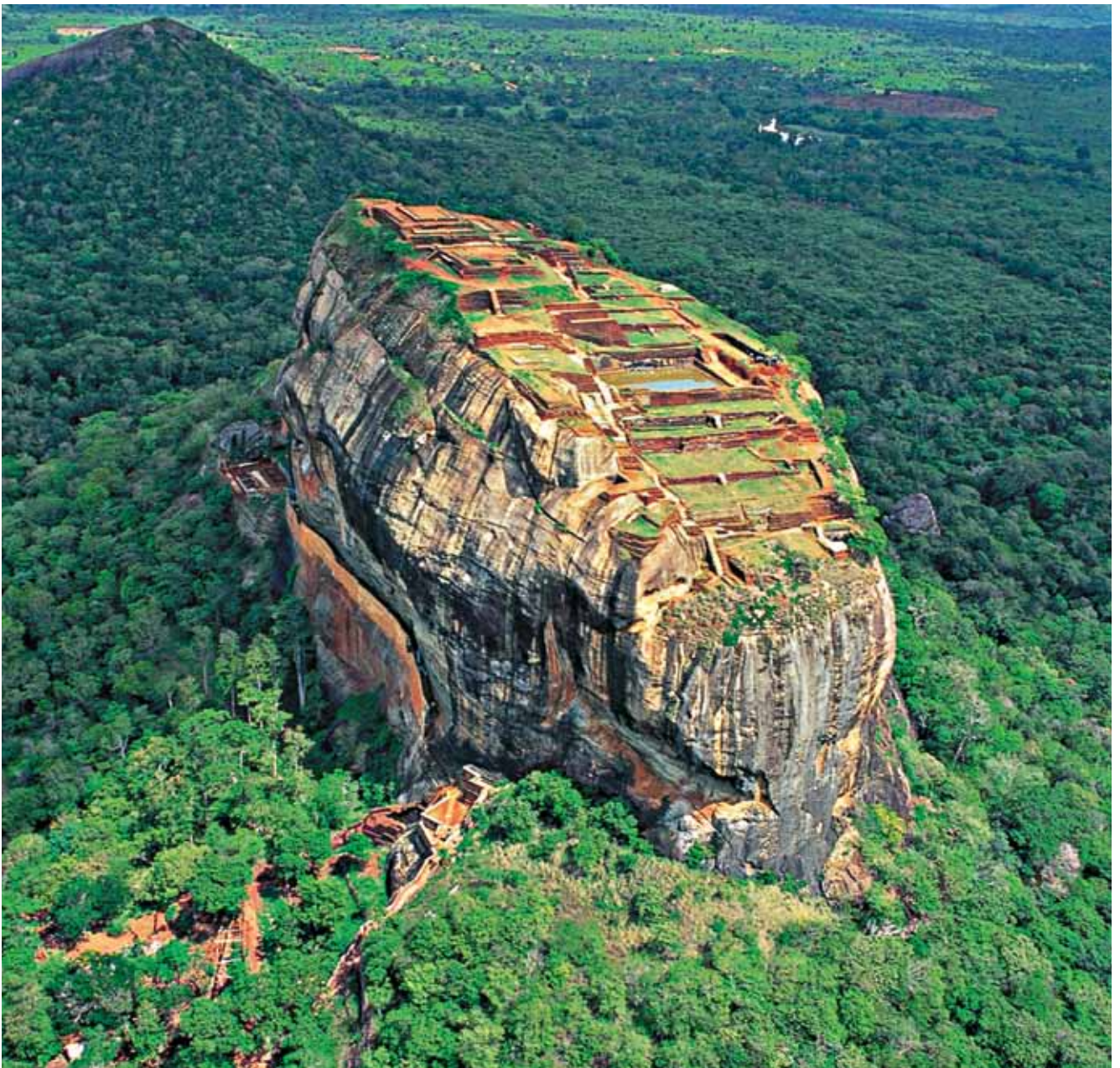
At the same time it is important to preserve the environment and wildlife and promote clean cities and townships. It must also be ensured that the maximum benefit of tourism is passed on to the community and economic growth is supported through domestic value creation. In view of these requirements, the existing regulations /guidelines have been revisited and modified. Several new regulations/guidelines have been introduced. Given below are tourism products for which regulations/ guidelines have been revised, taking international best practices also into account.

- Adventure Sports Centers
- Apartment Hotels
- Camping Sites
- Cruise Liners/Luxury Vessels
- Eco Lodges
- Elephant Safari
- Guest Houses
- Heritage Hotels
- House Boats
- Home Stay Units
- Boutique Hotels & Villas
- Ayurvedic Hotels/Centers
- Professional Events Organizer
- Restaurants
- Safari Tours by Vehicles
- Spa and Wellness Centers
- Spice Gardens
- Tourist Bungalows
- Tourist Hotels
- Tourist Shops
- Travel Agencies
- Whale and Dolphin Watching

3.1.3 A conducive taxation strategy for tourism

Taxes have been simplified for the benefit of tourism industry. The profit / income are subject to a 12%

“It must also be ensured that the maximum benefit of tourism is passed on to the community and economic growth is supported through domestic value creation.”



Sigiriya, a UNESCO world heritage site, is one of the best preserved cities of the first millennium

tax. The upfront cost of investment in leisure and tourism related activities and plant and machinery as well as branded consumer products are subject to low taxes. Duties on vehicles have been reduced to promote tourism related services. Taxes imposed at various levels of government are being consolidated to make an industry friendly tax regime.

3.1.4 Development guidelines

The University of Moratuwa has been entrusted with the responsibility of developing a set of national tourism guidelines to improve the performance standards of the industry.

3.1.5 Infrastructure to meet the industry requirements

It is estimated that 2.5 Mn tourist arrivals by 2016 will require around 45,000 hotel rooms catering to the tourism industry. However as per end 2010 statistics, the country has only 22,735 SLTDA approved hotel rooms.

Capacity as at end 2010

Accommodation Type	Number	Number of Rooms
Tourist Hotels	256	14,948
Boutique Hotels & Villas	50	577
Home Stay Units & BB Units	181	560
Guest Houses	679	6393
Heritage Homes	49	257
Total		22, 735

This means the industry has a task of adding around 22,500 rooms to the current capacity, during the next five years. At the same time most of the current facilities also need to be refurbished. In order to facilitate the process of building room capacity SLTDA has taken the following initiatives:

I. Setting up a 'One Stop Shop' at SLTDA for tourism related investment projects with the cooperation of BOI, UDA, CCD, EA and other relevant line agencies, to be able to considerably reduce the time spent by investors to obtain necessary approvals.

II. The land alienation process has been simplified and several resorts and city hotels are being promoted in the development policy strategy. Instead of SLTDA attempting to develop resorts, the lands will be made available to potential investors who have the financial capability to pay upfront for a 99 year lease and they will be given the freedom to develop these resorts within the national tourism guideline. Small land blocks are available on an outright basis for foreign investments, provided investment in the land alone is in excess of USD 50 Mn, for the development of city hotels.

III. A group of specialists have been engaged to develop a land bank, which includes both government and private lands, which are made available to the potential investors. This project covers the entire island and will be a key contributor towards building provincial level tourism.

IV. A number of other tourism related projects have also been identified to support the overall growth of tourism in the country. The potential investors are encouraged to consider the following opportunities:

- Golf Courses
- Race Courses
- Water Parks
- Theme Parks
- Marinas
- Shopping Malls
- Entertainment Studios
- Adventure Sports

“Accommodation facilities will be increased with the construction of 22,500 hotel rooms to cater to the expected increase in tourist arrivals by 2016.”



Some of our hotels set global benchmarks in sustainable tourism

- Light Aircraft Services/Sea Planes
- Boat Manufacturing/Boat Hiring
- Convention/Exhibition Centers
- Taxi Services
- Gaming Cities (*perhaps isolated from general public and in special zones*)

With the growing investments in tourism industry, the Government is committed to design policy strategies to integrate banking and financial institutions, construction industry and professionals, agriculture industry and a wide range of service oriented stakeholders to work with foreign investors and private authorities to exploit the full potential of backward integration in such large investments. Dialog is already being promoted by the Ministry of Economic Development and National Council for Economic Development (NCED) to encourage investors to link with the local construction industry and others in the supply chain. Similarly, local economy is being promoted and the tourism sector is encouraged to source its requirements such as fruits, vegetables, spices, food varieties, beverages, textiles and handicrafts, gift items, consumables etc. from local suppliers. The Government Tourism Development Strategy therefore aims at generating a wide range of economic activities related to tourism.

3.1.6 Transport solutions

- SLTDA has been actively promoting the use of sea planes and light aircrafts as a solution for reducing the time required by tourists to travel within the country. Given the large number of water bodies in the country, sea planes have become the ideal solution for a high spending tourist.
- Railway also has a great potential to evolve as a solution for tourist transportation. With a little modification to the current railway tracks

and improvements to the carriages we can enable tourists to take a train journey to anywhere in the country. SLTDA promotes with the railway department, to develop products and popularise train travel by tourists by introducing modern/refurbished carriages, observation saloons, dining cars etc. Extending the rail track closer to main tourist attractions such as 'Pinnawala Elephant Orphanage' is being explored. The old steam locomotives and the narrow gauge railway engines left with the Railway Department could be effectively used as tourist attractions. SLTDA has also taken a special interest in promoting the "Vice Roy Special" steam train to the tourists and tour operators.

III. Strategies are being worked out to introduce a tour bus service circling the Galle Road and Duplication Road connecting Dickman's Road junction and Colpetty junction and boat services to be expanded connecting the canal system and the Beira Lake to promote Colombo City attraction for both domestic and foreign tourists.

IV. Currently only a limited number of airlines provide services to the country. To meet the anticipated demand, actions have been initiated to; (1) increase the frequencies of those airlines currently flying to Colombo, (2) attract new airlines to begin services and (3) promote the network of Sri Lankan Airlines.

V. The airport taxi services is to be regulated and improved to facilitate transport to city hotels and other local destinations.

3.1.7 Product development and supporting SME sector

The Sri Lankan tourism industry has to think beyond traditional norms and be actually involved in product development to make the visits exciting

for the tourists. Since one of the key objectives of tourism is economic development at mass level, SLTDA has been encouraging the industrialists to focus on getting the community involved in the value chain and new value creation. One good example is the 'home stay' program that is gaining momentum. Similar initiatives like visits to community based activities such as farming, fishing, handicrafts, festivals, religious and cultural programmes, sports, bird watching, wildlife etc are being promoted.

SLTDA promotes financial institutions to provide low interests loan facilities and grants to the SME sector.

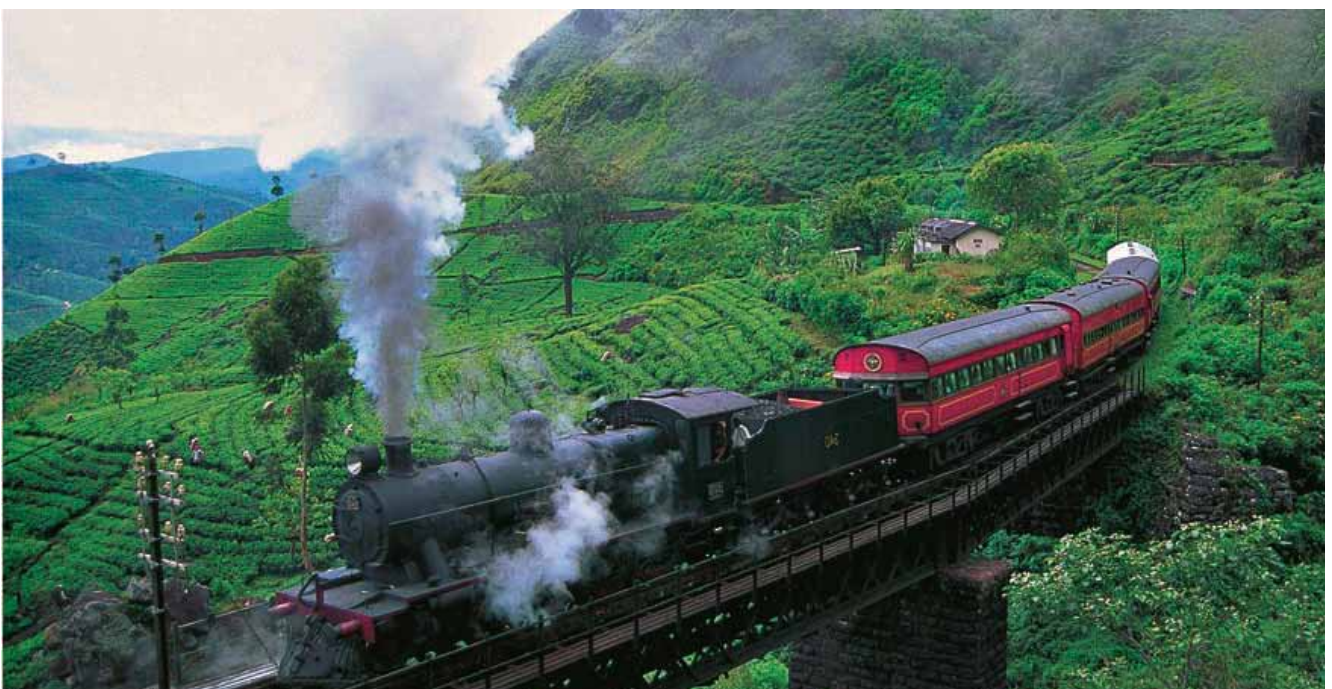
The SME sector is also given concessions when participating in events organised by the SLTDA. For example only 25% of the actual cost is charged to an SME company attending a recognised trade fair whereas large companies are charged 50% or full amount depending on the case.

3.1.8 Human resources requirements of the industry

Strategies that are used by SLTDA to fill the human resources gap could be divided into two major categories:

I. Meeting the human resources gap of the accommodation industry: Providing necessary training for four major sectors, namely; a) F&B, b) Professional Cookery, c) Housekeeping and d) Front Office Operation. Sri Lanka Institute of Tourism and Hotel Management is specialising in these areas. As the annual output of about 1500 graduates is the industry requirement, incentives will be provided to promote skills in the industry.

II. Meeting the human resources gap of in related services: Providing necessary training for tour guides, home stay hosts and other formal and informal sector service providers. Sri Lanka Institute of Tourism and Hotel Management is conducting short courses to meet these requirements as well.



The picturesque climb to the central hill country

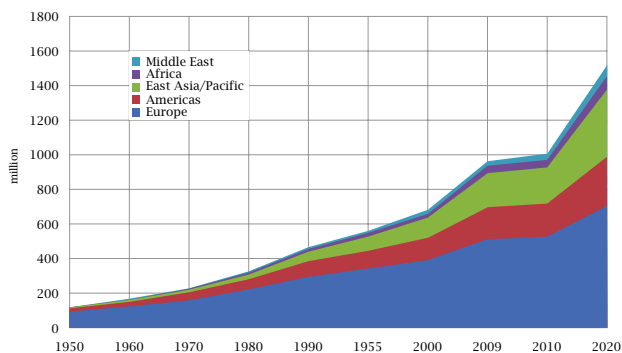
In order to meet the human resources building requirement, Sri Lanka Tourism also works closely with other interest groups such as; 1) local authorities, 2) local universities, 3) industry partners 4) private sector education institutes, 5) potential training providers of public and private sectors and 6) NGOs and CBOs to meet the emerging demand.

3.2 Attracting quality tourists to the country

Attracting tourists and gradually building the arrivals to 2.5 Mn by the year 2016 requires a focused plan and dedicated execution. Three primary areas that the attention has been paid are 1) segmenting the market and identifying the right target customers, 2) marketing communication and promotion activities, 3) facilitating the visits.

3.2.1 The opportunity

International tourist arrivals (projections up to 2020)



(Source -UNWTO Barometer 2010)

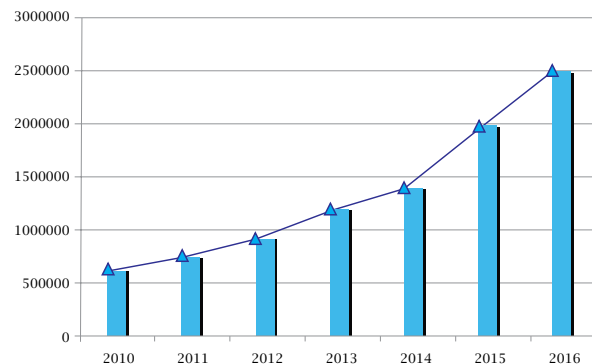
Tourism is today the world's largest service industry. Global tourism arrivals grew by 6% in 2010 recovering from a 5% slump in 2009. Further growth of about 5-6% is expected in 2011 as the tourism industry is recovering fast.

- An all time record of USD 1,045 Bn was spent by tourists in 2010.
- In 2010 Sri Lanka attracted 654,000 tourists with a remarkable 46% growth against previous year and is on a buoyant growth path benefiting from peace, security and development and momentum gained from 2009.

3.2.2 Sri Lanka tourist arrivals targets

Given the limitation in room capacity and the time required to build new hotels, we expect moderate growth in 2011 - 2013 and much faster growth thereafter. However, the industry is expected to move towards premium prices with greater value addition attracting high spending tourists.

Sri Lanka tourist arrival targets (2010-2016)



It is important that the country moves away from the low cost tourism and focuses on high end tourism. To attract high spending tourists the following are being focused.

- I. A product that is appealing to the high spenders (business, leisure, shopping wildlife etc.)
- II. High quality of accommodations and service
- III. Value addition and product segmentation.

“The Sri Lankan tourism industry has to think beyond traditional boundaries and be actually involved in product development to make visits exciting for the tourist and to position Sri Lanka as unique”



Sri Lanka's traditional dance forms are spectacular and exciting

Growth expectations for 2011 - 2012 years are indicated below:

The industry needs to be clear of the type of customer segments that Sri Lanka should target. Given the diversity of the value proposition, a number of different market segments could be serviced. The key strengths of the country that will be highlighted in promotional campaigns would be the (a) diversity, (b) compactness and (c) authenticity

3.2.3 Visit 2011 campaign - Sri Lanka is a natural wonder.

His Excellency the President has declared 2011 as the visit Sri Lanka year. During 2011 Sri Lanka Tourism will focus primarily on refining the product offer

and getting all stakeholders to work on a common positioning strategy.

The main features of the visit Sri Lanka 2011 campaign concept are explained below.

Sri Lanka is an island whose main advantages for tourism are 1) **Authenticity**, 2) **Compactness** and 3) **Diversity**. It has a 2500 year old culture (authentic) and within just 65,000 square kilometer area (compactness) it offers so many different attractions for a tourist (diversity).

Growth expectations during the next two years (2011 - 2012)

COUNTRY OF RESIDENCE	INTERNATIONAL OUTBOUND		ARRIVALS TO SRI LANKA	
	<i>FORECAST *</i>			
	2011 Mn	2010 (actual)	2011 (targets)	2012 (targets)
North America	102.2	40,216	46,000	56,000
Western Europe	171.0	250,447	291,000	354,000
Eastern Europe	139.5	61,635	76,000	101,000
Middle East	68.0	37,540	42,000	50,000
East Asia & Pacific	118.5	91,590	110,000	139,000
South Asia	16.0	171,821	182,000	208,000
Others		38,767	45,000	67,000
Total		654,476	750,000	925,000

* Source: UNWTO barometer 2011

“In the visit 2011 campaign, Sri Lanka Tourism focuses on eight product categories under the theme ‘8 wonderful experiences in 8 wonderful days’.” The eight letters in the country name SRI LANKA, shown in 8 different colours symbolise the 8 different product categories that Sri Lanka Tourism wants to promote.

- | | | |
|---------------------------------|---|-----------------|
| 1. Beaches | - | <i>Pristine</i> |
| 2. Sports & Adventure | - | <i>Thrills</i> |
| 3. Heritage sites | - | <i>Heritage</i> |
| 4. Mind and Body wellness | - | <i>Bliss</i> |
| 5. Scenic beauty of the country | - | <i>Scenic</i> |
| 6. Wild life & Nature | - | <i>Wild</i> |
| 7. People & Culture | - | <i>Essence</i> |
| 8. Year-round Festivals | - | <i>Festive</i> |

Sri Lanka needs to be known as a tourist destination which can offer all these above and not just sand and beaches. The country tagline would be ‘Wonder of Asia’ as articulated by the Government Development Policy Framework. Sri Lanka is today, the emerging Wonder of Asia. It has the potential to be the next Asian economical miracle. However, in tourism promotions the emphasis is more on the fact that Sri Lanka is a natural wonder. A lot of travel journalists have referred to Sri Lanka as the ‘paradise on earth’ or the ‘jewel of Asia’. Sometime back Sri Lanka was known as ‘pearl of the Indian Ocean’. All these lead to one conclusion, that Sri Lanka is a natural wonder.

The Visit Sri Lanka 2011 promotional campaign is developed with the association of tourism industry. An annual event calendar is developed to showcase



Arugambay in the East of Sri Lanka is considered one of the best surfing locations in the world

“8 wonderful experiences



PRISTINE



THRILLS



SCENIC



WILD

in 8 wonderful days”



HERITAGE



BLISS



ESSENCE



FESTIVE



The cultural triangle of Sri Lanka is proof of an advanced ancient civilisation

Sri Lanka's rich diversity in a compact area. Under VSL 2011 "12 refreshing themes in 12 months" will be promoted in each month of the year symbolising 12 letters in "Wonder of Asia". The main objectives of the campaign are as follows; to highlight the monthly theme activities happening in the island to showcase it as a vibrant and diverse destination to the world through media and publicity, buildup 12 products with the association of the industry, work as a base year to achieve 2.5 Mn tourists in 2016 by attracting different market segments, provide visiting tourists an experience of diverse theme activities throughout the year, create awareness among the local community on tourism and obtain their support and cooperation towards tourism. In line with the above several key monthly events and activities that are planned in the country are summarised in the table on the next page.

Research shows that many tourists consider coming to Sri Lanka a **refreshing experience**. It is something that the industry can use to differentiate themselves and promote the island. "**Refreshingly Sri Lanka**" has therefore being the main emphasis on our Visit 2011 marketing campaign.



W O N D E R O F A S I A

3.2.4 Using the web as a powerful communication media

The most effective global communication medium in tourism today is the internet. Sri Lanka Tourism is currently developing an improved web portal for tourism promotions. The improved web portal is accessible to any potential tourist who needs information about the country, attractions, events, accommodation, tours organisers, transport etc. The latest version of the web portal will be highly interactive and the tourists will be able to do the following:

- Study various attractions in the country which are grouped under 8 categories (Beaches,

Key Monthly Events 2011

Month	Main Theme	Theme Activities
January	Beaches	Beach Conservation Day in all beach tourist destinations, catamaran race, photographic exhibition in Negombo, sand castle, beach volleyball competition and beach fiesta in Bentota, seminar on “Underwater Marine Life”, “ <i>Sancharaka Udawa</i> ” Tourism Mart. **
February	Sports & Adventure	ICC cricket matches, elephant run, gem mining expedition, mini surfing event, white water rafting, trekking, marathon, sailing regatta, seminar on adventure sports and display of traditional martial arts - Angampora.
March	MICE	UNWTO Commissions Meeting, “Kooriya” fish festival, Law Asia Conference, Education Advisors Conference
April	People & Culture	“ <i>Aluth Sahal Mangalya</i> ”, New Year celebrations in 3 main tourist cities i.e. Kandy, Trinco, Galle. Seminar on “People & Culture”
May	Religious	2600 year SamBuddha Jayanthi Celebrations, Wesak festival, Buddhist Film festival, Buddhist trails & retreats, Buddhist tour operator and festive media programmes from potential markets
June	Wedding & Honeymoons	Industry organised “100 Weddings” programmes for foreign tourists and leading wedding and honeymoon journalists’ tours
July	Mind & Wellness	Ayurvedic exhibition and islandwide health shows to promote “Body & Mind Wellness”
August	Heritage	Kandy Esala Perahera, “Vel” festival, “Nallur” festival, “Madu” festival, special tour operator and media journalists’ programmes, seminar on “Heritage”.
September	Nature & Wildlife	Minneriya elephant gathering, bird/elephant/leopard/blue whale/butterfly watching events, CSR project on protecting wildlife, seminar on “Wild Life”
October	Community & Education	Developing tourism villages (home stays) in nine provinces, organising awareness event on community & education, paddy harvesting ceremony.
November	Culinary	World Spice Festival, Culinary Exhibitions in different parts of the island.
December	Shopping & Entertainment	Introduce a signature event “Colombo Shopping Festival”, organising various mini shopping festivals and entertainment events in tourism destinations.



Rivers, lakes and beaches around the island call out to water sports enthusiasts

- Wild Life, Sports & adventure, Scenic Beauty, Body & Mind wellness, Festivals, People & Culture, Heritage)
- View more than 200 videos/pictures about various attractions in the country
- Learn about upcoming events related to tourism
- Make a room reservation at a hotel, a guest house, an apartment or a home stay facility having viewed the details on the web
- Establish links with a tour operator to plan the itinerary
- Book a tour guide having viewed his/her respective details on the web
- Book a taxi /rent a car service on the web
- Purchase tickets for the key attractions and plan the trip budget
- Upload pictures and videos to the website sharing their experience in Sri Lanka

- Write articles about Sri Lanka and share various experiences with fellow tourists
- Apply for visa online through tourism website

3.2.5 International marketing promotions

While focusing internally on product development at this stage the overseas promotional campaign will be developed systematically through the following approaches

- During 2011 more attention will be paid to the visiting journalists programs. Nearly 200 journalists from reputed media institutes will be invited to visit Sri Lanka.
- Sri Lanka Tourism will work with the foreign missions and Sri Lankan Airlines offices abroad to undertake specific country promotions.
- The tourism industry will continue their participation in trade fairs in important markets and SLTDA will continue to provide assistance.

- A major international advertising campaign could be initiated during later period of 2012 or 2013 once the adequate room capacity and other facilities are fulfilled to target an exponential growth in tourism.

3.3 Ensuring that departing tourists are happy

According to our research more than 70% of tourists who visited the country during 2009 -2010 period had heard about Sri Lanka from someone who visited the country earlier. Hence it is extremely important to ensure that the tourists who arrive in Sri Lanka enjoy the visit and take back fond memories. Positive word of mouth is a very powerful promotional tool for the tourism.

SLTDA with the assistance of the industry and other line agencies have entered into a series of discussions to improve the tourist satisfaction level. Some initiatives have already been implemented while others are still at conceptualisation stage or implementation stage. Given below are some of these initiatives:

- Reducing congestion at immigration counters by increasing staff and also by making certain process improvements such as workflow
- Training for airport and immigration staff to provide a better customer experience
- Improvements to the airport facilities and the surroundings
- Training airport taxi drivers
- Introducing rate cards for taxis operating from the airport and the port
- Involvement of tourist police to minimise tourist harassment

- Attempts to regularise the pricing structure of key attractions and the initiative to introduce an electronic ticketing system as a CSR project of a major telecommunication company to ensure customer convenience at trip planning stage and also during the tours (already developed and awaiting discussion with minister)
- Improvements to the access roads and other comforts at key attractions
- Developing the SLTDA website to be more informative and of practical use to tourists who are seeking hotel rooms, tour planning assistance, guides, vehicle hire and purchase of tickets to key attractions
- Improving the cleanliness of beaches and other key tourist attractions by promoting voluntary contributions from the industry
- Effective use of media to create positive sentiments about tourism amongst the public so the tourists are better treated by the society.

3.4 Improving domestic tourism

While looking to the foreign tourists to generate additional foreign income to the country we cannot neglect the increasing demand from domestic tourists whose per capita income is on the rise. With the increasing demand for better quality hotel rooms the pricing structures in the hotel trade are bound to increase and this can have a negative impact on domestic tourism. Hence the Government is currently looking at a few alternatives to facilitate domestic tourism

- A greater involvement by the government agencies in investing into and managing the rest houses, which are currently, leased

to the private sector individuals. A government company with some shares issued to the public will be formed to manage these properties.

- Effective utilisation of the circuit bungalows owned by various government ministries and line agencies. Once upgraded to the required standards these bungalows can be marketed through a common marketing unit or Sri Lanka Tourism website where a rooms booking engine is already in place.
- Creation of greater awareness of lesser-known attractions using different media accessible to the domestic tourists. The “ Narabamu Sri Lanka’ TV documentary series narrated by the artiste Jackson Anthony was one such initiative of Sri Lanka Tourism.

3.5 Contributing towards improving the global image of Sri Lanka

Sri Lanka Tourism is making arrangements to utilise the resources at the foreign missions more effectively for the promotional work. The following initiatives have been taken in this regard:

- All foreign missions have been briefed on the ‘Visit Sri Lanka 2011’ program
- Foreign missions have been requested to take initiatives in 1) building a closer rapport with international media, identifying journalists who could create the most significant impact in the respective markets and arrange them to participate in our ‘visiting journalists programs, 2) establishing links with major tour

operators in the respective countries and promoting the country and at the same time helping them build links with local tour operator companies 3) promoting tourism related investments opportunities in Sri Lanka amongst potential investors

- Sri Lankan Airlines to act as a joint promotional agency, as they already have a presence in many overseas markets with trained staff to promote the focused markets where Sri Lankan has a strong brand presence.
- When promoting Sri Lanka it is important for all line agencies to work within a common theme and also to share resources as much as possible. For example Sri Lanka Tourism, Sri Lankan Airlines, BOI, EDB, Tea Board, Gem & Jewellery Authority and other line agencies who are involved in international marketing are to be worked together to achieve the best synergies.

“While we look to the foreign tourists we give equal priority to promoting domestic tourism as Sri Lanka is an emerging middle income country.”



The “Dalada Maligawa” in Kandy holds much wonder for foreign and domestic tourists alike.

4.0 Development policy framework of Government

(Extract from The Development Policy framework-Govt of Sri Lanka-Published by Department of National Planning-Ministry of Finance and Planning)

“My intention is to generate environment friendly sustainable tourism instead of relying only on leisure seeking popular tourism.” (Mahinda Chintana 2005, p-59)

“I will introduce an accelerated development programme for the tourism industry. I will launch a programme to fulfill the infrastructure and other requirements in order to attract 2.5 million tourists annually, by the year 2016.”

(Mahinda Chintana 2010, p-94)

The Sri Lankan tourism industry is one of the fast emerging industries of the economy with average annual revenue of US \$ 500 million at present. It is the sixth largest foreign exchange earner in Sri Lanka. It has created employment for about 125,000 persons. At present, nearly half a million tourists visit the country every year.

Sri Lanka has exotic sandy beaches, large greeneries, historical artifacts, a good climate, spectacular landscape in the highlands, a rich biodiversity and friendly and welcoming people. These distinctive opportunities will be utilised to develop the tourism industry as a major growth sector in the development of the economy.

The government’s vision is to transform Sri Lankan tourism sector, by 2020, to be the largest foreign exchange earner in the economy; position Sri Lanka as the world’s most treasured and greenest island

and attract high spending tourists while preserving the country’s cultural values, natural habitats and environment.

The government has targeted 2.5 million tourists by 2016 and room capacity of about 45,000 to meet this target. This sector is also expected to receive investments in excess of US\$ 2 billion in the medium term in areas of luxury hotels, high quality residencies and high end shopping malls.

The multiplier effect in the investment on tourism is envisaged in the construction, furniture, transport and food and beverage industries in the country. Estimates reveal that these industries will provide new direct and indirect employment opportunities to about 350,000 people.

Increase of tourist arrivals and earnings

The sector is expected to attract more than 4 million tourists by 2020. The sector is also expected to generate employment for about 1 million persons and income amounting to about US\$ 8 billion.

Regional cooperation will be strengthened to increase tourism openness through the relaxation of regulatory barriers. International and local air lines are encouraged to operate in Sri Lanka. Comprehensive market promotion campaigns will be implemented to build a positive perception on Sri Lanka globally.

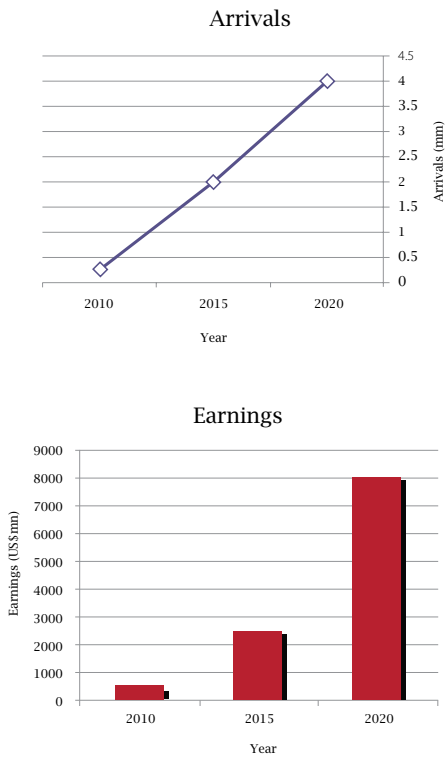
A Tourism Centre will be established of special cultural importance to Asia to attract religious tourists from neighbouring countries. Major cities of the country will be developed to be attractive tourist cities in Asia.

“Tourism products will be diversified with special emphasis on eco-tourism, tapping the tourism potential of the natural topography and ecological values of the country.”



Rafting on white water rapids in Kitulgala

Expected tourist arrivals and earnings (2010 - 2020)



Promotion of up-scale tourism

Up-scale tourism will be promoted and high spending tourists will be the target group. Spending per tourist per day is expected to rise over US \$ 200 during the next ten years.

Eco-luxurious experiences for up-scale tourists will be ensured. International shopping facilities will be promoted in major cities to assure shopping experience for tourists.

Instead of relying upon cheaper products, the tourism sector will be encouraged to create regional tourism brands. This will lead to create competitiveness in tourism and will attract more of up-scale tourists.

Diversification of Tourism

Tourism products will be diversified with special emphasis on eco-tourism. Adventure tours (safaris, jungle tours, mountain trekking) will be provided, tapping the tourism potential of the natural topography and the ecological values of the country.

Underwater exploration, aquatic adventures and sports in the sea, natural water streams and reservoirs are some targeted activities to be promoted under the tourism development strategy. Boat riding facilities will be improved in major reservoirs and rivers. Facilities will be improved for exploring magnificent coral reefs, coastal fishing, and dolphin and whale watching. Bird watching opportunities will be popularised and improved.

Support will be extended to local entrepreneurs to construct Ayurvedic healthcare centres which could lead to an increase of tourists. Government and private owned agro farms are developed as tourist attractions.

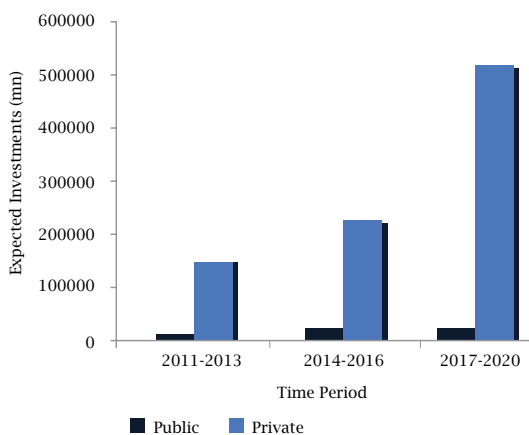
Community based tourism and tourist villages are also to be promoted to increase value change in tourism based activities linking with rural economy, harvesting seasons, wild life, farming practices, art, culture and religions.

“The Sri Lankan elephant is an iconic and much loved creature of the wild. They can be seen in most of the island’s National Parks.”



Minneriya National Park in the North Central Province of Sri Lanka, where herds of elephants can be seen by the water tank.

Expected public and private investments in tourism



Focus on new market

The new markets such as America, East Asia, Middle East, Eastern Europe and Australasia are being attracted. A state-of-the-art information centre will be established for tourism promotion utilising e-commerce tools. Promotion campaigns will be implemented with the participation of Sri Lankan diaspora and missions abroad. Overseas market promotion activities will also be encouraged.

Development of Tourism Infrastructure

Accommodation facilities will be increased with the construction of 22,500 hotel rooms to cater to the expected increase in tourist arrivals.

Basic infrastructure such as road network, townships, telecommunication facilities, restaurants, resting facilities and water supply in all main cities and tourist sites will be developed to create a conducive environment to promote tourism.

Visitors' facilities will be improved. Day and night recreational centres and parks, as well as urban

forestation will be established in order to build a relaxing environment in main cities.

New Destination Promotion

Implementation of flagship infrastructure projects for development of the tourism zones on the Western and Eastern coastal belt has already been undertaken.

This will cover areas such as Arugam Bay, Trincomalee, Kalpitiya, Negombo, Dedduwa, Galle, Mullaitivu and Hambantota. With the implementation of e-tourism solutions and efficient delivery of visitors' information, it is easy to promote new destinations.

Making Tourist Attractions and Events Popular

Local and international tourists will be offered a wide range of attractions and events. A database of tourist attractions and facilities will be created and an events calendar will be published. Promotion of festivals such as the Ramayanaya festival, literary festival, tea festival and food and fruit festival to attract more foreign and domestic tourists will be undertaken.

Promote Domestic Tourism

Domestic tourism will be facilitated by providing adequate accommodation facilities at affordable rates. Assistance will be provided to residents of popular tourist destinations to start small comfortable houses for tourists at reasonable rates. All religious places of worship will be developed. The historical places will be upgraded and ancient city tours will be arranged.

Special promotion campaigns will be conducted to popularise unpopular tourist sites in Sri Lanka through electronic media and printed material.

“Sri Lanka is backed by a strong culture, historical artifacts, exotic beaches, green environment and friendly people, all of which are solid building blocks for tourism development.”



The calm and tranquil waters of the Negombo lagoon

Domestic travel packages will be arranged with the participation of luxury bus service providers and local hotel service providers. Opportunities will be created to open up internal airlines and sea plane services.

A sound cooperation and coordination among public and private sectors, and tourism organisations will be ensured through the establishment of a “Domestic Tourism Unit”. The formed unit should consist of statistical information like number and variation of tourists, number of overnight stays, accommodation facilities used and change in tourism activities according to the age, gender, level of education and wealth of tourists.

Domestic tourist quotas at discounted prices will be allocated to meet the recreational needs of low and middle income tourists.

The setting-up of theme parks with water related adventures, modern roller coaster rides, recreational facilities and other services will be promoted through the public-private partnership basis.

International sport competitions such as cricket, rugby and athletics are further areas to be promoted in sport tourism.

The facilities for meetings, conferences and exhibitions will be improved promoting the MICE industry. Fully fledged international convention centres will be established.

Developing Industry Professionalism

The government will improve productivity of the tourism industry, through building professionalism in the travel and hotel industries. The private sector will be encouraged to set up world renowned human resource development centres to meet the emerging

needs of the tourism industry locally and abroad. Hotel management and tourism promotion subjects will be provided in the curriculum of university academic programmes.

Simultaneously, the government will extend maximum support to the private sector training institutions with a view to maintaining the standards of services. Licensing of tour guides in order to standardise their service (through a competency test) and accreditation of travel agents will be undertaken.

Conservation of Fauna and Flora as Tourist Attraction

Sri Lanka has a very high degree of species diversity with a high rate of endemism. It also lies on a major bird migration route and provides a critical habitat to many migratory birds. In keeping with its strong tradition of conservation, about 13% of the total land area is protected under the Department of Wild Life Conservation (DWC). This is made up of 21 National Parks, three Strict Nature Reserves, four Nature Reserves, one Jungle Corridor and 61 Sanctuaries.

The reduction of species richness and natural habitats as a result of unregulated human activities in protected areas threatens our wildlife and leads to an endless man—animal conflict.

The strategies for achieving a policy of wild life management will include:

- Integrating bio-diversity management and conservation.
- Expansion of the DWC’s responsibilities and equipping it with a greater degree of professional skills.

“New safari parks, botanical gardens and zoological gardens will be established to meet the increasing demands for public recreation.”



Sri Lanka's wildlife sanctuaries enjoy the world's highest density of Leopards

The conservation of elephants and concomitantly mitigating the human-elephant conflict which will be given the high priority.

- * Determining the carrying capacity of protected areas, which will increase the sustainability of protected areas through zoning and corridor development.
- * Strengthening the DWC's skills, which will enable them to manage protected areas effectively.
- * Improving wild life research which will contribute towards effective management decisions.
- * Developing and improving infrastructure facilities within the protected areas, together with habitat management.
- * Visitor facilities in national parks will be developed to cater to the satisfaction of tourists.
- * Establishment of optimum protected area network in the Northern and Eastern Provinces that conserve the biological diversity while protecting important watersheds and opening up opportunities to facilitate ecotourism development activities.

New safari parks, dry zone botanical gardens and zoological gardens will be established to meet the increasing demand for public recreational facilities. Construction of a new safari park at Ridiyagama in Hambantota and the establishment of Mirijjawila dry zone botanical garden have already commenced. Initial steps have been taken to establish a new zoo at Pinnawala/ Wagolla in an 800 acre extent of land.

Peradeniya and Haggala botanical gardens will be developed as the hub of botanical research in the region. Educational materials on flora and fauna will be developed and published to enhance the awareness of both domestic and foreign tourists. As a result, more tourists will be attracted to these areas.

Improving Service Standards

Safety standards and security aspects of tourism will be given a high priority. Regulatory bodies will be strengthened to ensure the quality standards of products and security aspects of tourists. Rules, regulations and institutional mechanisms relating to the protection of tourists and the environment will be strengthened. Strict policy vigilance and monitoring will be conducted to minimise tourism related crimes and abuses.

“At the same time it is important to preserve the environment, marine and wildlife.”



The waters off Sri Lanka are home to a diversity of marine life

Summary of Sector Strategies and Targets

Strategy	Activities	Outcome / Target 2020
Increase Tourist Arrivals	<ul style="list-style-type: none"> Build positive perception globally through comprehensive market promotion campaigns Increase tourism openness through regional cooperation Develop major cities of the country to be attractive tourist cities in Asia 	<ul style="list-style-type: none"> Increase in tourist arrivals up to 4 million per year Increase in tourism earnings up to US \$ 8 billion
Promote Up-Scale Tourism	<ul style="list-style-type: none"> Assure a grand shopping experience for tourist Maintain safety standards and security aspects 	<ul style="list-style-type: none"> Increase in average spending per tourist per day up to US \$ 200
Diversity Tourism	<ul style="list-style-type: none"> Organise adventure tours provide boat riding, bird watching facilities Improve facilities for exploring magnificent coral reefs, coastal fishing and dolphin and whale watching Promote healthcare tourism Promote agro-tourism Promote community-based tourism 	<ul style="list-style-type: none"> Increase in revenue from visitors visiting wild life parks up to US \$ 1 million
Focus on new markets	<ul style="list-style-type: none"> Focus on new markets such as America, East Asia, Middle East, Eastern Europe and Australasia Establish a state-of-the-art information centre Implement promotion campaigns with the participation of Sri Lankan diaspora and mission abroad Establish overseas market promotion units 	<ul style="list-style-type: none"> Increase in tourist arrivals by regions except Western Europe and South Asia to 60 percent
Develop tourism infrastructure	<ul style="list-style-type: none"> Increase accommodation capacity Encourage public-private partnerships 	<ul style="list-style-type: none"> Increase in number of hotel rooms up to 75,000
Popularize Tourist Attraction, Events	<ul style="list-style-type: none"> Create a data base of tourist attraction and events Publish an event calendar Promote festivals in Sri Lanka 	<ul style="list-style-type: none"> Maximum domestic value creation
Promote Domestic Tourism	<ul style="list-style-type: none"> Provide adequate accommodation facilities at affordable rates Build a relaxing environment in main cities Develop all religious places of worship Arrange domestic travel packages Create opportunities to open up internal airlines and sea plane services Promote the setting-up of theme parks 	<ul style="list-style-type: none"> Revenue from domestic visitors visiting wildlife parks, botanical gardens, zoological gardens, museums and the cultural triangle will increase up to US \$ 2.5 million
Enhance Industry Professionalism	<ul style="list-style-type: none"> Encourage private sector to set up world renowned human resources development centres Include hotel management and tourism promotion subject in the university curricula Extend maximum support to the private sector training institutions License tour guides in order to standardise the service accreditation of travel agents 	<ul style="list-style-type: none"> Increase in number of direct & indirect employees up to one million
Conserve Fauna and Flora Attraction	<ul style="list-style-type: none"> Establish a new safari park at Ridiyagama Develop a new dry zone botanical garden in Mirijjawila Establish a new zoological gardens at Pinnawala 	<ul style="list-style-type: none"> Maximum number of domestic and foreign tourist attraction
Improve Service Standards	<ul style="list-style-type: none"> Strengthen the regulatory bodies Follow strict rules and regulation 	<ul style="list-style-type: none"> Tourism related crimes minimised Improved globe reputation as a high end tourism destination

“Sri Lanka is one of the world’s best destinations for spotting blue and sperm whales. Reaching upto 100 feet or more in length, these great mammals can be seen off the South and East coasts of the island.”



Mirissa is located on the South coast of Sri Lanka and is one of the best locations to see the whales at play. This underwater image was captured by Andrew Sutton.

“It is important to ensure that tourists enjoy their visit and take back fond memories. Positive word of mouth is a very powerful promotional tool for tourism.”



Aromatic oriental spices make Sri Lankan food exotic

