5th UNWTO Asia-Pacific Executive Training Program
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Ancient Heritage
The year 2010 was a significant one for the tourism industry of Sri Lanka, with tourism arrivals reaching the highest recorded number of in recent history. During the year 654,000 tourists arrived in the country, showing a 46% growth compared to 2009. This achievement could clearly be attributed to the dawn of peace in the country after the defeat of terrorism and tourist can now travel to any part of the country without fear or restriction. It is important that the country now capitalizes on this opportunity and growth industry to be a key contributor to the national economy.

The 5 year Master Plan prepared by the Ministry of Economic Development addresses the Sri Lanka Tourism Development strategy for the 2011-2016 period.
Key Objectives

1. Increase foreign exchange earnings from USD 501 Mn in 2010 to USD 2.75 Bn by 2016.
2. Increase tourist arrivals from 654,000 in 2010 to 2.5 Mn by 2016.
3. Increase tourism related employment from the current 125,000 to 500,000 by 2016.
4. Distribute the economic benefits of tourism to a larger cross-section of society.
5. Attract USD 3 Bn as foreign direct investment to the country within 5 years.
6. Contribute towards improving the global image of Sri Lanka.
7. Position Sri Lanka as one of the most sought-after tourist destinations in the world.
Creating an Environment Conducive for Tourism

1. Policy framework to support investors and trade

The Government has already addressed several policy related issues that were affecting the industry such as;

(a) Elimination of various tax regimes introduced by Provincial Councils.
(b) Simplifying the policy on liquor licenses.
(c) Reducing the high electricity tariffs that were once imposed upon the industry.
(d) Unifying the regulatory environment.
(e) Reducing corporate tax.
(f) Removing taxes on the branded products, thereby creating opportunities to promote shopping and entertainment.
(g) Simplifying the investment approval process by setting up of a “One Stop Shop” for tourism related investments.
(h) Streamlining the process of alienating government land for tourism development projects.
Strategies Involved

The strategies to achieve the above objectives are discussed under the following five main areas of 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.
2. Improvements to the Regulatory Framework

To compete in the international arena, our service standards must match global expectations. At the same time it is important to preserve our environment and wildlife. We must also ensure that the maximum benefit of tourism is passed on to the community, supporting economic growth. 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
- Ayurvedic Hotels/Centers
- Camping Sites
- Eco Lodges
- Guest Houses
- Home Stay Units
- Professional Events Organizer
- Safari Tours by Vehicles
- Spice Gardens
- Tourist Hotels
- Travel Agencies
Creating an Environment Conducive for Tourism Cont.....

- Apartment Hotels
- Boutique Hotels & Villas
- Cruise Liners/Luxury Vessels
- Elephant Safari
- Heritage Hotels
- House Boats
- Restaurants
- Spa and Wellness Centers
- Tourist Bungalows
- Tourist Shops
- Whale and Dolphin Watching
3. Development Guidelines

The University and the industry expert has been entrusted with the responsibility of developing a set of national tourism guidelines and within three months the University will submit the revised/improved national tourism development guidelines as a draft proposal.
It is estimated that 2.5 Mn tourist arrivals by 2016 will require around 45,000 hotel rooms catering to the tourist industry. However as per end 2010 statistics, the country has only 22,735 Sri Lanka Tourism Development Authority (SLTDA) approved hotel rooms. Only 68% of them could be considered star class. The breakdown is as follows:

4. Infrastructure to meet the industry requirements
## Infrastructure to meet the industry requirements

<table>
<thead>
<tr>
<th>Accommodation Type</th>
<th>Number</th>
<th>Number of Rooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourist Hotels</td>
<td>256</td>
<td>14,948</td>
</tr>
<tr>
<td>Boutique Hotels &amp; Villas</td>
<td>50</td>
<td>577</td>
</tr>
<tr>
<td>Home Stay Units &amp; BB Units</td>
<td>181</td>
<td>560</td>
</tr>
<tr>
<td>Guest House</td>
<td>679</td>
<td>6393</td>
</tr>
<tr>
<td>Heritage Homes</td>
<td>49</td>
<td>257</td>
</tr>
<tr>
<td>Total as at Dec. 2010</td>
<td>22,735</td>
<td></td>
</tr>
</tbody>
</table>
• We need to add 22,500 rooms to the current capacity during the next five years.
• Most of the current facilities need to be refurbished.
• Apart from hotels number of other projects have also been identified.
  Golf courses, water parks, marinas, race courses, gaming cities, theme parks, shopping malls, adventure sports, light air craft services, convention and exhibition, taxi services
- Transport Solutions to reduce the time required by tourist to travel within the country.
- Product development and supporting SME sector.
- Manpower requirement of the industry.
Attracting the right type of tourists to the country

- Segmenting the market and identifying the right target customer.
- Marketing communication and promotion activities.
- Facilitating the visit.
• Analyze the opportunity
• Using the web as a powerful communication media
• International marketing promotions
Ensuring that departing tourist are happy

- Reducing congestion at immigration counters
- Training for airport and immigration staff
- Improvements to the Airport facilities and surroundings
- Training to the Airport taxi drivers
- Improvements to the roads
- Improving the cleanliness of beaches and other key attractions
Improving domestic tourism

- Greater involvement of the agency managing Rest Houses
- Development of lesser known attraction
- Development of accommodation and guiding facilities
Contributing towards improving the global image of Sri Lanka

- Building a closer rapport with international media
- Establish link with major tour operators
- Promote tourism related investment opportunities in Sri Lanka
- All agencies to work within a common theme and share resources when promoting Sri Lanka
THANK YOU