SUSTAINABLE CRITERIA FOR TOURISM: SRI LANKA

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SRI LANKA TOURISM DEVELOPMENT AUTHORITY
OUTLOOK OF TOURISM IN SRI LANKA IS POSITIVE

- An early beneficiary of post conflict recovery
- Tourism industries identified as trend setter
- Infrastructure development placed on a fast track
- Growing investor confidence. Many blue chip companies in Sri Lanka entering the sector
- We have achieved 1Mn. tourist arrivals target in 2012
- 17.5% growth in arrivals and US $1bn revenue
“It is undoubtedly the finest island in all the world”
Marco Polo (13AD)

“I made Sri Lanka my home as it the best place to live and view the Universe”
Sir Arthur C Clarke – 1960

“No 1 of the 30 best places to visit in 2010”
New York Times - April 2010

“Sri Lanka is so lovely. It truly deserves the title the greenest country in the world. I have never seen such friendly people in whole of my travel”
Professor Philip Kotler – June 2011

“No 1 of the 6 best places to visit in 2010”
National Geographic 2011

“No. 1 destination to visit”
Lonely Planet, 2013
THE VISION FOR THE FUTURE

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)
Fulfilling the Mahinda Chinthana Vision for Tourism

Tourism Development Strategy
2011 - 2016

MINISTRY OF ECONOMIC DEVELOPMENT
KEY TOURISM OBJECTIVES

1. Positioning Sri Lanka as one of the most sought after tourist destinations

2. Promote tourism to reach annual tourist arrivals of 2.5 Mn target by 2016

3. Increase the annual foreign exchange earnings to USD 2.75 Bn by 2016

4. Attract USD 3 Bn or more foreign direct investments (FDI) to the country within next 5 years.

5. Increase the room capacity to 45,000 by 2016

6. Reach 500,000 direct and indirect employment within the next 5 years
Creating an environment conducive for tourism
Ensuring arriving tourists are happy
Attracting new tourists
Improve domestic tourism
Improve the global perception about the country
## ECONOMIC CONTRIBUTION OF TOURISM

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tourist arrivals</strong></td>
<td>855,975</td>
<td>1,005,605</td>
<td>2,500,000</td>
</tr>
<tr>
<td><strong>Total Employment</strong></td>
<td>138,685</td>
<td>250,000*</td>
<td>600,000</td>
</tr>
<tr>
<td><strong>No of Jobs/Tourist</strong></td>
<td>6 :1</td>
<td>4 :1</td>
<td>4 :1</td>
</tr>
<tr>
<td><strong>No of Direct Jobs</strong></td>
<td>57,786</td>
<td>104,500*</td>
<td>250,000</td>
</tr>
<tr>
<td><strong>No of Direct Jobs/Tourist</strong></td>
<td>15:1</td>
<td>9:1</td>
<td>10.1</td>
</tr>
<tr>
<td><strong>Assuming total dependents in tourism to be (1:3) ratio</strong></td>
<td>416,055</td>
<td>750,000*</td>
<td>1,800,000</td>
</tr>
<tr>
<td><strong>No of dependents from the industry from total population</strong></td>
<td>2.0 %</td>
<td>2.3%</td>
<td>7 %</td>
</tr>
<tr>
<td><strong>Total annual income from tourism</strong></td>
<td>$ 839 mn</td>
<td>$ 980 mn</td>
<td>$ 2.5 Bn</td>
</tr>
</tbody>
</table>

* estimate

We are pushing for more high spending tourists with greater value creation.
VALUE PROPOSITION

Authenticity, Compactness, Diversity

Beaches  Heritage  Scenic  Wild life
Festivals  Sports & Adventure  Bliss  Essence

‘8 wonderful experiences in 8 wonderful days’
## Tourist Arrivals

<table>
<thead>
<tr>
<th>Month</th>
<th>2011</th>
<th>2012</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>74,197</td>
<td>85,874</td>
<td>15.7%</td>
</tr>
<tr>
<td>February</td>
<td>65,797</td>
<td>83,549</td>
<td>27.0%</td>
</tr>
<tr>
<td>March</td>
<td>75,130</td>
<td>91,102</td>
<td>21.3%</td>
</tr>
<tr>
<td>April</td>
<td>63,835</td>
<td>69,591</td>
<td>9.0%</td>
</tr>
<tr>
<td>May</td>
<td>48,943</td>
<td>57,506</td>
<td>17.5%</td>
</tr>
<tr>
<td>June</td>
<td>53,636</td>
<td>65,245</td>
<td>21.6%</td>
</tr>
<tr>
<td>July</td>
<td>83,786</td>
<td>90,338</td>
<td>7.8%</td>
</tr>
<tr>
<td>August</td>
<td>72,463</td>
<td>79,456</td>
<td>9.7%</td>
</tr>
<tr>
<td>September</td>
<td>60,219</td>
<td>71,111</td>
<td>18.1%</td>
</tr>
<tr>
<td>October</td>
<td>69,563</td>
<td>80,379</td>
<td>15.5%</td>
</tr>
<tr>
<td>November</td>
<td>90,889</td>
<td>109,202</td>
<td>20.1%</td>
</tr>
<tr>
<td>December</td>
<td>97,517</td>
<td>122,252</td>
<td>25.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>855,975</strong></td>
<td><strong>1,005,605</strong></td>
<td><strong>17.5%</strong></td>
</tr>
</tbody>
</table>
**TOURISM GROWTH IN SRI LANKA - 2012**

<table>
<thead>
<tr>
<th>Market</th>
<th>Rank</th>
<th>Arrivals</th>
<th>Growth against previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>1</td>
<td>176,340</td>
<td>2.9%</td>
</tr>
<tr>
<td>UK</td>
<td>2</td>
<td>114,218</td>
<td>7.7%</td>
</tr>
<tr>
<td>Germany</td>
<td>3</td>
<td>71,642</td>
<td>28.2%</td>
</tr>
<tr>
<td>France</td>
<td>4</td>
<td>56,863</td>
<td>16.8%</td>
</tr>
<tr>
<td>Middle East</td>
<td>5</td>
<td>56,169</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Australia</td>
<td>6</td>
<td>51,614</td>
<td>23.7%</td>
</tr>
<tr>
<td>Maldives</td>
<td>7</td>
<td>47,572</td>
<td>8.1%</td>
</tr>
<tr>
<td>USA</td>
<td>8</td>
<td>29,907</td>
<td>22.6%</td>
</tr>
<tr>
<td>Canada</td>
<td>9</td>
<td>29,329</td>
<td>18.9%</td>
</tr>
<tr>
<td>Russia</td>
<td>10</td>
<td>28,402</td>
<td>32.8%</td>
</tr>
</tbody>
</table>

**Emerging Markets**

- China 25,781 – 58.1%
- Ukraine 22,348 – 124.2%
- Japan 26,085 – 26.7%

Currently volumes are not very high but these are growth markets according to global trend.
### KEY TOURISM TARGETS 2012-2016

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>176,340</td>
<td>230,000</td>
<td>280,000</td>
<td>325,000</td>
<td>400,000</td>
</tr>
<tr>
<td>China</td>
<td>25,781</td>
<td>60,000</td>
<td>125,000</td>
<td>190,000</td>
<td>275,000</td>
</tr>
<tr>
<td>UK</td>
<td>114,218</td>
<td>122,000</td>
<td>150,000</td>
<td>285,000</td>
<td>250,000</td>
</tr>
<tr>
<td>Germany</td>
<td>71,642</td>
<td>90,000</td>
<td>115,000</td>
<td>150,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Middle East</td>
<td>56,169</td>
<td>90,000</td>
<td>110,000</td>
<td>150,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Russia</td>
<td>28,402</td>
<td>55,000</td>
<td>75,000</td>
<td>115,000</td>
<td>175,000</td>
</tr>
<tr>
<td>Japan</td>
<td>26,085</td>
<td>50,000</td>
<td>75,000</td>
<td>100,000</td>
<td>125,000</td>
</tr>
<tr>
<td>France</td>
<td>56,863</td>
<td>62,000</td>
<td>73,000</td>
<td>86,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Benelux</td>
<td>38,077</td>
<td>50,000</td>
<td>65,000</td>
<td>85,000</td>
<td>100,000</td>
</tr>
<tr>
<td>USA</td>
<td>29,907</td>
<td>42,000</td>
<td>50,000</td>
<td>60,000</td>
<td>75,000</td>
</tr>
<tr>
<td>Australia</td>
<td>51,614</td>
<td>50,000</td>
<td>55,000</td>
<td>62,000</td>
<td>75,000</td>
</tr>
<tr>
<td>Sing/Malaysia &amp; Thailand</td>
<td>46,946</td>
<td>45,000</td>
<td>50,000</td>
<td>55,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Italy</td>
<td>15,871</td>
<td>16,000</td>
<td>28,000</td>
<td>40,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Scandinavia</td>
<td>29,801</td>
<td>35,000</td>
<td>40,000</td>
<td>45,000</td>
<td>50,000</td>
</tr>
<tr>
<td>South Korea</td>
<td>7,838</td>
<td>20,000</td>
<td>30,000</td>
<td>40,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Switzerland</td>
<td>20,054</td>
<td>20,000</td>
<td>26,000</td>
<td>32,000</td>
<td>40,000</td>
</tr>
</tbody>
</table>
### THE AVAILABLE ROOM CAPACITY

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th></th>
<th>2011</th>
<th></th>
<th>2012 AS AT NOV</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Units</td>
<td>Rooms</td>
<td>Units</td>
<td>Rooms</td>
<td>Units</td>
</tr>
<tr>
<td><strong>FIVE STAR</strong></td>
<td>14</td>
<td>3,230</td>
<td>14</td>
<td>3,230</td>
<td>14</td>
</tr>
<tr>
<td><strong>FOUR STAR</strong></td>
<td>14</td>
<td>1,638</td>
<td>15</td>
<td>1,638</td>
<td>15</td>
</tr>
<tr>
<td><strong>THREE STAR</strong></td>
<td>16</td>
<td>1,324</td>
<td>15</td>
<td>1,324</td>
<td>16</td>
</tr>
<tr>
<td><strong>TWO STAR</strong></td>
<td>35</td>
<td>2,008</td>
<td>36</td>
<td>2,008</td>
<td>36</td>
</tr>
<tr>
<td><strong>ONE STAR</strong></td>
<td>34</td>
<td>1,177</td>
<td>33</td>
<td>1,177</td>
<td>33</td>
</tr>
<tr>
<td><strong>UNCLASSIFIED</strong></td>
<td>140</td>
<td>5,337</td>
<td>139</td>
<td>5,337</td>
<td>155</td>
</tr>
<tr>
<td><strong>BOUTIQUE HOTEL/ VILLA</strong></td>
<td>44</td>
<td>505</td>
<td>44</td>
<td>505</td>
<td>45</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>297</td>
<td>15,219</td>
<td>296</td>
<td>15,158</td>
<td>314</td>
</tr>
</tbody>
</table>

Above numbers reflect only the registered tourist accommodation establishments. With guest houses and home stay units the total capacity was 22,735 in 2011.
NEW AREAS FOR INVESTMENTS

- Hotels
- Convention/Exhibition Centers
- Golf Courses
- Race Courses
- Water parks
- Theme Parks
- Shopping Malls
- Taxi Services

- Yacht Marinas
- Entertainment Studios
- Adventure Sports facilities
- Light Aircraft Services/Sea Planes
- Boat Manufacturing/Boat Hiring
- Educational Institutes
Kalpitiya
4000 new rooms

Kuchcheweli
2000 new rooms

Colombo
2000 new rooms

Hambantota
2000 new rooms

Hill Country
200 new rooms

Jaffna
500 new rooms

Silavatura
500 new rooms

Kalpitiya
4000 new rooms

Vakarai
500 new rooms

Passikuddah
1000 new rooms

Sigiriya/Dambulla
300 new rooms

Arugambay
300 new rooms

Yala
500 new rooms

Dedduwa
500 new rooms

Hambantota
2000 new rooms
ON GOING RESORT PROJECTS

KALPITIYA
(9 ISLANDS LEFT)

KUCHCHAWELI
(470 ACRES LEFT)

PASSIKUDAH
(NOTHING VACANT)

DEDDUWA
(1000 ACRES LEFT)

YALA
(10 ACRES LEFT)
HIGHWAYS and AIR TAXI SERVICES

- **Northern Highway**
  - Completion date yet to be confirmed
  - Colombo - Kandy Highway 98km (to be completed by 2019)

- **Outer Circular Highway**
  - Colombo - Katunayaka Highway 26km (to be completed by November 2012)
  - Ratmalana - Bentota Highway 126.5km (to be completed by Q4 2011)
  - Southern Highway 28km (to be completed by April 2013)

- **Southern Highway Extension**
  - Katunayaka-Anuradhapura Highway 153.3km
  - Colombo-Kandy Highway 98km (to be completed by 2019)

Locations:
- Colombo
- Kandy
- Anuradhapura
- Jaffna
- Nuwara Eliya
- Ampara
- Bentota
- Dikwella
- Hambantota
- Koggala
ONLINE VISA SYSTEM

• From 1st January 2012 anyone who visits Sri Lanka can apply for Visa online.
• Earlier people from 115 Countries had to go to our embassies abroad to get Visa. Only 78 countries had on arrival visa facility. Now tourists from all 193 counties can apply online.
• On arrival visa facility will continue for sometime until people get used to online application process
• Visa fee
  – $ 10 for SAARC countries
  – $ 20 for other countries
  – No fee for Children below 12 years and those in transit for less than 48 hrs
  – No visa requirement for Maldivians and Singaporeans
• Payments could be made through credit card or authorized travel agents
SUSTAINABLE TOURISM DEVELOPMENT POLICY OF THE GOVERNMENT

1. Tourism should create economic value and help raising the overall living standards of the society. More people should benefit from Tourism.

2. Avoid any negative impact on our environment. Development approvals will be given only after carefully considering the environmental impact.

3. Any tourist visiting the country must have a pleasant experience so that they will revisit the country and also become a brand ambassadors for Sri Lanka promoting the country with their friends and relatives.
Thank You.