

# [Tourism in sri lanka](https://assignbuster.com/tourism-in-sri-lanka/)

1. Sri Lanka is an island country and god has given to Sri Lanka blessings of nature blue seas, green hills, sandy beaches, abundant wildlife, cascading waterfalls, a riot of flowers and fruits, coconut groves, tea estates, spice gardens. Here ones day can be gloriously lazy by a palm cool lagoon or full of joy, swimming, snorkeling, and fishing or sailing like a brilliant jewel in the sparkling waters of the Indian Ocean. Sri Lanka is located in a strategically considered naval spot on the world map. This significant situation creates a path for a major sea route. In addition it creates a strategic naval link between West Asia, Africa and East Asia. Sri Lanka entered the international tourism arena in the 1960s. Since then, government involvement has been the key factor in tourism development in Sri Lanka. The Ceylon Tourist Board (CTB) was established in 1966 in order to provide direction and leadership to this promising sector of the developing economy. The country is famous for healthy and cultural heritage. Hospitality, tropical forests, natural and fascinating beaches, archeological sites and the tropical climate are the more attractive features. These factors make Sri Lanka a wonderful tourist destination. Over the years tourism in Sri Lanka has developed significantly. Today tourism has become the sixth Foreign Exchange Earner (FEE) in Sri Lankan economy.

2. Tourism can make a great impact on development of the Sri Lankan economy. Tourism is a fast growing industry which has been identified presently. Employment opportunities and regional development are playing significant role with regard to the tourism industry development. It can be considered as the most important industry in the country as a whole. The government’s vision is to make the tourism sector as Sri Lanka’s most innovative and profitable income generating source.

3. During past three decades Sri Lanka’s tourism industry had few draw backs. This was mainly due to the security situation which prevailed in the country. Further the tourism industry was also affected due to the Tsunami catastrophe which occurred in 2004. Approximately 2/3rd of the coastal area including tourist infrastructure facilities was destroyed. The immediate post war period gave rise to a dramatic increase of tourist arrival from end May 2009.

4. In order to support the efforts and to develop the tourism sector in Sri Lanka there should be hotels with exclusive facilities which are in par with the international standards to accommodate a large number of visitors. In the year 2010 approximately one million tourists visited Sri Lanka. Unlike in the past, the inflow of tourists is increasing day by day as a result of the end of the 30 year civil war which destroys the whole country. Following graph indicates how tourism increased from 1966 to 2011 in Sri Lanka. The government is expected to receive 2. 5 million tourists in 2016. To cater for this increase tourist hotels in Sri Lanka must be developed. Similarly other facilities should also be increased to meet the desired economic goals.

## AIM

5. The aim of this paper is to analyze the development of Sri Lanka tourism -challenges and opportunities

GEOGRAPHY AND CLIMATE OF SRI LANKA

6. Sir Lanka has a various terrain but it mainly consists of flat lands but south-central portion of the country’s step sided river, canyons interior features and mountain. The flatter regions are the areas where most of Sri Lanka’s agriculture takes place, aside from coconut farms along the coast. Sri Lanka’s climate is tropical and the southwestern part of the island is the wettest. . The northeastern part of Sri Lanka is drier and most of its rain falls from December to February. Most of the rain in the southwest falls from April to June and October to November Sri Lanka’s average yearly temperature is around 86°F to 91°F. An important geographic note about Sri Lanka is its position in the Indian Ocean, which made it vulnerable to one of the world’s largest natural disasters. On December, 26, 2004, it was struck by large tsunami that hit 12 Asian countries. Around 38, 000 people in Sri Lanka were killed during this incident and much of Sri Lanka’s coast was destroyed.

7. Sri Lanka is situated in strategic location near major Indian Ocean sea lanes. It has a total area of 65, 610 km², with 64, 740 km² of land and 870 km² of water. Its coastline is 1, 340 km long. Sri Lanka’s climate includes tropical monsoons: the southwest monsoon (June to October) and the northeast monsoon (December to March), its terrain is mostly low, flat to undulating plain, with mountains in the south-central interior. The highest point is Pidurutalagala at 2, 524. 13 m. Resource include limestone, mineral sands, gems, graphite, phosphates, clay, and hydropower.

8. Adam’s Bridge, a land connection to the Indian mainland, is now mostly underwater with only a chain of limestone shoals remaining above sea level. According to temple records, this natural causeway was previously complete, but was breached by a violent storm (probably a cyclone) in 1480.

## SRI LANKA’S COMMITMENT TO TOURISM

9. Tourism is a vital area in the policy structure has been identified as capable of efficiently driving the country’s socio economic development. The programme’s vision for the tourism sector is to make Sri Lanka foremost freedom destination in the South Asian Region. The programme believes the human resources and natural and cultural endowments values and nation will be essential in transforming Sri Lanka into a centre of excellence and offer tourists the highest values of real experiences in its unique setting.

10 The One Stop Unit – Unit for National Investment in Tourism is a Centralized promotion and facilitation center Established Thurs assist potential tourism investors interested in investing in Sri Lanka Tourism Industry. Specialist staff from various government agencies helps investors Identify possible projects, Obtain information possible, Regarding Investments, submit applications, and Provide support in obtaining investment promotion privileges, trade licenses and other approvals Requested for project clearance. OSU Prevents the need for investors Thurs spend time in search of answers and ensures all queries are handled by its specialist staff.

11. Serious civil disturbances starting in July 1983 and the subsequent violence badly affected tourism. Total arrivals were 230, 106 in 1986, down 43 percent from 1982. To ease the dilemma of the industry, the government provided various concessions to hotels, such as the rescheduling of loans and the reduction of the turnover tax from 10 percent to 5 percent. The Ceylon Tourist Board also undertook a crash promotion program in an attempt to restore the island’s image in world tourist markets. Tourist arrivals in the first six months of 1987, however, showed a decline of 23 percent compared with the same period the previous year. In early 1988, the outlook was for further contraction.

12. In 1988 it remained unclear whether the policies of economic liberalization Sri Lanka has pursued since 1977 would succeed in their principal goals of employment, wealth creation, and economic diversification. Although increased rice production, the growth of textile manufacturing, and an improved infrastructure were successes that could be attributed to the post-1977 policies, these gains came at the cost of a mounting foreign and domestic debt and declining living standards for the poor.

## POLITICAL ENVIRONMENT TOWARDS TOURISM

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## PROMOTION OF TOURISM INVESTMENT

16. The Board of Investment has introduced incentives in the form of tax exemptions, duty-free imports and the relaxation of controls on foreign exchange holdings. The incentives provided by the government have mainly attracted investment in the hotel sector. The present hotel capacity is 13, 670 rooms. That figure is projected to increase to 21, 000 rooms by 2004, which will accommodate the target of 1 million tourists. Five regional domestic airports to be restructured at a total cost of approx. Rs. 2bn: Rathmalana, Koggala , Ampara , Trincomalee & Jaffna (Rathmalana will be developed as a “ City Airport”) Previous year. This denotes that tourism industry is one of the core sources of foreign exchange earner in economy of Sri Lanka. Due to the development of tourism improved accessibility via new highways and conversion of military to domestic airports may make high-end hotels in the Deep South and the East of Sri Lanka viable alternatives to the Galle area.

## OPPORTUNITIES FOR TOURISM INDUSTRY

17. Tourism directly affected to economy of a country. The momentum of growth in tourism, as result of the post conflict peaceful environment, the tourist arrivals grew to 654, 476 in 2010 surpassing the previous record of 566, 202 in 2004. Tourist nights one of an important indicator in measuring the volume of tourist traffic, has recorded 6, 544, 760 in 2010. It shows 60. 6 per cent increase compared to 2009. Total receipts in 2010 amounted to US $ 575. 9 million as against US $ 349. 3 million recorded for the year 2009. It indicates a vast increase of 64. 9 per cent than

## THREATS FOR TOURISM INDUSTRY

18. Development of tourist hotels in Sri Lanka will extremely support the rapid economic development. Developments of tourist hotels, increase room capacities, increase occupancy rates and develop the condition of rooms and upgrade the service provided in the hotels are the key factors to be mainly focused on if to develop tourism. It indeed contributes to the development of tourism and in turn development of economy of the country. Tourist hotel industry should be developed in most of the famous city for tourism with sufficient amount of tourist hotels

19. As political risk introduces additional elements of uncertainty into the rules governing tourism investment projects, the risk of capital loss is raised for longer- term projects. Political risk also negatively influences the timing and pricing of the tourism production process. Negative images, lack of foreign exchange for tourism development, lack of skilled manpower, weak institutional frameworks for tourism planning, political instability caused by communal violence, civil war conflicts are inhibitors to tourism development. However, little is known about how international tourism firms perceive political risks and other general barriers and threats to tourism promotion in Sri Lanka.

20. Common political factors which affect the tourism industry are revolution, civil war, factional conflict, ethnic violence, religious turmoil, widespread riots, terrorism, nationwide strikes, protests, cross- national guerrilla warfare, world public opinion, repatriation restrictions, bureaucratic politics, leadership struggle, high inflation, border conflicts, high external debt service ratio and creeping nationalization. Last thirty years Sri Lanka also faced the civil war and it affected the tourism industry of Sri Lanka. Organizing elections frequently also create threat to the tourism industry because during the election period in some places to control the situation cur hews are implemented.

21. This will create negative image in the mind of tourists. Some of the foreign countries have reject Sri Lanka’s products in their country due to the violation of human rights during the war time. For example government invested and spent on IIFA programme but it was not a successful event for Sri Lanka because the big stars have boycotted the event. They didn’t visit Sri Lanka because of the protests held in their country by asking them not to visit the place. Currently Sri Lanka is having negative relationship with some foreign countries therefore the export and import of Sri Lankan products will be decreased and it affects the tourism industry as well.

## FUTURE TRENDS, CHALLENGES

22. Source markets in Asia and Middle East to drive demand: Sri Lanka’s proximity to source markets such as India and its connectivity to the Middle East and China will help in sustaining tourism growth. The rise in per capita income and therefore consumer spending in these source markets will aid the growth in tourism.

23. Infrastructure growth to fuel tourism growth: To ensure rapid growth of tourism in the future, tourism projects will need to be balance with infrastructure development. We expect that with improvements in road infrastructure and development of the new airport in Hambantota, various new destinations will emerge in the country, especially to the north and the east, as these areas have abundant natural beauty to attract tourists but currently suffer from poor connectivity. We expect more airlines to operate in the country as the second airport develops.

24. Greater competition will facilitate growth: We also expect greater competition with the introduction of new hotels in popular destinations such as Colombo, Kandy, Bentota, and Sigiriya, and Galle. We expect the existing hotels to undertake phased renovations to effectively compete with the upcoming hotels. Also, with the increase in income from hotels over the past few years, we expect an increase in the number of hospitality related transactions and mergers and acquisitions.

25. Challenge of attrition to other destinations: Currently, the hotel industry witness’s significant employee attrition to countries in the Middle East and to the Maldives and India. However, with a more stable political environment and improvement in quality of living in Sri Lanka, we expect the attrition to gradually

26. Shortage of skilled labor: As new players enter the market, the projected growth in tourism will be accompanied by shortage of skilled labour. We anticipate the need for relive hospitality education institutions as the contribution of the tourism sector to the overall economy increases.

## SUMMARY

27. Sri Lanka is located in a strategically considered naval spot on the world map. Sri Lanka entered the international tourism arena in the 1960s. Since then, government involvement has been the key factor in tourism development in Sri Lanka. Over the years tourism in Sri Lanka has developed significantly. Today tourism has become the sixth Foreign Exchange Earner (FEE) in Sri Lankan economy. Tourism can make a great impact on development of the Sri Lankan economy. Employment opportunities and regional development are playing significant role with regard to the tourism industry development. The government’s vision is to make the tourism sector as Sri Lanka’s most innovative and profitable income generating source.

28. During past three decades Sri Lanka’s tourism industry had few draw backs. In the year 2010 approximately one million tourists visited Sri Lanka. Following graph indicates how tourism increased from 1966 to 2011 in Sri Lanka. To cater for this increase tourist hotels in Sri Lanka must be developed. Sri Lanka’s climate is tropical and the southwestern part of the island is the wettest. . Around 38, 000 people in Sri Lanka were killed during this incident and much of Sri Lanka’s coast was destroyed.

29. Total arrivals were 230, 106 in 1986, down 43 percent from 1982. The Ceylon Tourist Board also undertook a crash promotion program in an attempt to restore the island’s image in world tourist markets. This denotes that tourism industry is one of the core sources of foreign exchange earner in economy of Sri Lanka. Tourism directly affected to economy of a country. Development of tourist hotels in Sri Lanka will extremely support the rapid economic development. Developments of tourist hotels, increase room capacities, increase occupancy rates and develop the condition of rooms and upgrade the service provided in the hotels are the key factors to be mainly focused on if to develop tourism. Tourist hotel industry should be developed in most of the famous city for tourism with sufficient amount of tourist hotels

30. Negative images, lack of foreign exchange for tourism development, lack of skilled manpower, weak institutional frameworks for tourism planning, political instability caused by communal violence, civil war conflicts are inhibitors to tourism development. However, little is known about how international tourism firms perceive political risks and other general barriers and threats to tourism promotion in Sri Lanka.

31. Last thirty years Sri Lanka also faced the civil war and it affected the tourism industry of country. Some of the foreign countries have reject Sri Lanka’s products in their country due to the violation of human rights during the war time. Currently Sri Lanka is having negative relationship with some foreign countries therefore the export and import of Sri Lankan products will be decreased and it affects the tourism industry as well.

32. Sri Lanka’s proximity to source markets such as India and its connectivity to the Middle East and China will help in sustaining tourism growth. To ensure rapid growth of tourism in the future, tourism projects will need to be balance with infrastructure development. We expect the existing hotels to undertake phased renovations to effectively compete with the upcoming hotels. We also expect the hotel companies, especially the domestic companies located in the country to undertake long and medium term hospitality training programs and regularly undertake competition benchmarking for compensation to retain the talent.

## RECCOMONDATIONS

33. These are the recommendations which we can produce in related to tourism.

Develop a marketing strategy: Emphasizing the creation and sustaining of a positive image of Sri Lanka as a substantive and well-established tourist destination offering facilities experiences that are distinct Sri Lankan products.

Establish a domestic tourism strategy: To expand the existing product base and encourage a greater level of holiday movements in addition to pilgrim movements.

Develop goods and services: To meet the increasing needs of the tourism industry, and thus optimize the economic benefit of tourism development to Sri Lanka.

Modify the organization of tourism activities: In order to bring about related improvements in the private sector, increase coordination between tourism and interrelated sectors, and introduce streamlining to facilitate the development of the tourism sector.

Emphasize the environmental, social and cultural aspects: Tourism Development Planning is the only way to solve many issues related to tourism in development. Therefore the tourism planning process should be designed to produce goals and objectives for the destination area related to tourism development. The tourism development plan provides overall guidelines for development and identifies development opportunities. Many development countries are involved in tourism planning.

Financial Assistance: Financial assistance for hotel owners and any other profession in tourist sector would help to create more employment opportunities.

Domestic Airport: Airport also more than 100 km away from the tourist destination it is needed have domestic airports.

Surfing Training: This will create more employment opportunities and generate good income. Among the tourists there are some people they love for surfing and keen to learn.

Conduct Language Teaching: Language barrier should be overcome by conducting specially job oriented language training.

Employ Combat Divers: Surfing is risky and adventure sport it don’t take much time for some to happen therefore as precautionary measure it is needed some combat divers close to the surfing area it would enhance the confidence of people who do surfing.

Proper Taxi Service: Taxi service should be reformed introducing good vehicles fixed with meter system and giving training for drivers.

Improve Infrastructure Facilities: Infrastructure facilities such as Power, Highways, Railways, Airports, Ports, Water Supply, Telecommunications, Accommodations, and Recreational, Shopping and Banking to be improved.

Awareness Programs: Tourists should be informed on specific social, cultural and religious environment programmed.

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