

# The sri lanka tourism tourism essay



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Sri Lanka tourism has been under a purple patch of nearly three decade of ethnic war is seen a new dawn of growth for future. With the introduction of new tourist's hot spots in the island, many foreign travellers around the world have shown great interests that there are many more things to discover in this tiny island of the Indian Ocean. Government figures show that there is a considerable increase in tourist arrivals since the war had ended 2009 May, it has created more job opportunities and foreign income for government in many aspects. Government strong commitment role was mentioned in this research where creating more opportunities with hidden attractions of north and east to attract tourists. Utilisation of technological advancement to attract new markets in Europe by publishing website in their mother languages and governments open sky policies can be taken as strong points in this research where Sri Lanka tourism have to develop on weakness such as infrastructure, literacy and environmental issues to become a successful tourist destination after its anticipate with fear was ended for a new sun shine in Sri Lankan tourism with its nature that could last more years in global tourism sector.

## **Introduction**

Sri Lanka is one of the most beautiful countries in the world. It is a country that offers great variety of attractive that unique to its own. Land filed with range of geographical features including variety of rivers and waterfalls making a magnificent atmosphere. Sri Lanka is blessed by its wonderful sandy coast line that runs all around the island. Result from recent survey (Sri Lanka, n. d.), showed that Sri Lankan information...

There are so many records of ancient travellers came to visit the country. Study by Hien (414A. D cited Mithtapala, 2009), showed that... who travelled in Sri Lanka in the century he defined country as,

**“ this country is an oasis, prosperous and happy: its People are well-to-do:**

They all have received the faith and find their amusement in religious music.” With holds true...

Study by Mark Twain (1890 cited Mithtapala 2009) showed that..., “ Dear me; it is beautiful”, which holds true...

Describes the how it was defined in the eyes of the visitors.

It indicates our people’s attitude who they never hesitate to bring host in to their home and treat with warm welcome. Miththapala, S, (2009) describe Refocusing from terrorism to tourism... Unfortunately this warm welcome paradise devastated from brutal conflict. We lost our reputable tourists who love our country a lot. More than two decade conflict was over in May 2009 and bring new hopes to develop our nation with tourism industry which country depends on most.

In this research report I would be like to investigate what possibilities to improve our industry under political, economical, technological and social foundation and effects of strengths, weaknesses, opportunities and threats in our tourism industry

## **Methodology**

According to my topic which I had investigated Sri Lankan tourism industry have shown tremendous growth with in less than a year after the end of ethnic issue. Because the country and economy was suffered lot from this brutal war, I examined in depth that development in tourism sector using accurate tools such as P E S T and

SWOT analysis which gathered valuable information from secondary and primary data for planning proposals and implementation for development projects. For secondary data, basically I used journals, magazines, reports and articles. Consideration of primary data is difficult to obtain since I lived away from Sri Lanka. But I made an effort to speak to member of the tourism board in United Kingdom to get some valuable information about latest developments in tourism industry.

## **Overview of Sri Lankan tourism industry**

Sri Lankan tourism industry had a rollercoaster ride after the outbreak of civil war in 1983 with ups and downs. Contribution of tourism sector for the Gross domestic product (GDP) and foreign exchange earnings of Sri Lanka are 1-2% and 2-5% respectively in recent past. Even it doesn't provide much direct employment, the contribution to the GDP is high reflecting that employees have a higher productivity than the average Sri Lankan worker.

With the liberation of North and east, a number of tourist attractions were originate in that area. Mainly the beaches in the east coast were more popular than the west and south coasts in early 70s. But the lack of facilities

is dominant and even the few existing facilities are long overdue for renovations.

In the recovery path, Sri Lanka has to deal with the long lasted negative image of worse security situation. In the dawn of peace and prosperity by ending the civil war with the recovery of the Global financial crisis Sri Lanka can expect a better position with more arrivals and investments.

It would be better to bring in to attention the areas that need to be utilised to attract more tourist which is the north and northeast areas of the country that consists untouched beaches and natural beauties runs from Nilaveli beaches in trincomalee to kumana wilpaththu national in south east.

The trends of the Sri Lankan have shaped up during the last 3 decades from European tourist to south East Asian tourist. Therefore the Sri Lankan tourism market has diversified that looms more opportunity with the end of the ethnic conflict.

Howkins et al., (2009,) describe the Sri Lankan tourism authority responsibilities

## **How did the 26 years of war have derailed the growth of Sri Lankan tourism?**

Sri Lanka had long standing civil war that lasted for more than 26 years that had many effects on tourism and the economy as a whole.

According to Reuters report Liberation Tamil tiger of Eelam (L. T. T . E) wanted to damage \$32 billion worth Sri Lankan economy. its defensive poor war tactics, strategies and logistic have dragged the economy deeper in to

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trouble. In 2001 LT. T. E attacked to the international air port at katunayaka which created tremendous blow for the economy. Result from recent study (Tamil guardian, 2009) showed that destruction...

Terrorist attack in the Yala National Park leads to huge crises for tourism in southern region of the country. Until that time the southern region is a much safer place to travel in the country and this attack alarmed that the LTTE is in a very strong position to create any attack else where in the country. That implication was a tremendous drawback for the tourism industry in the southern region. In addition, the bad press releases are another problem for the suffering economy. Several countries including united state of America (USA) declared travel warnings and bans for their citizens not travel to Sri Lanka due to war situation, and mainly after the heavy attacked in Yala wild life park. In a recent study (Rebel air base attack is to cripple Sri Lanka tourism. 2007) showed that how international image was weakened.....

Because of the war situation, in the North and east regions none of the infrastructure projects commenced, which impacted very negatively for the local economy and socially. In recent study (Gouby. M, 2007), describe the international monetary... It can be mentioned, a good example that in the beginning of 1983 passikadha project stop due to LTTE activities and it is a massive development project located on land 150 acres that targeted local and foreign tourists. Result from recent survey (passikadu plan, n. d.) Showed that project develop... Number of development projects were ignored which were planned to start on cease fire durations, after reigniting of the war. Another huge effect due to conflict was consumer prices grew 11% and inflation played depreciation for the local currency. Result from <https://assignbuster.com/the-sri-lanka-tourism-tourism-essay/>

survey (Asian development outlook, 2002) showed that developing south Asia...

However in 2002 new born cease-fire agreement enhance unexpected growth in tourism and other sectors in the country. Small miracle expected due to confidential growth rates by 5% in 2003 that did not last long. Result from the recent survey (Sri lanka economy, n. d.), showed that economy of Sri Lanka...

## **Pest analysis**

### **1. Political**

#### **a) Sri Lankan government objectives on development of the tourism industry are**

Development of tourism to be a local and internationally as a new destination.

Provide setting targets for tourism bureau to develop the industry.

Provide information about inclusive and efficient tourist service for industry.

Provide guidelines to development and maintain standard for license tourist establishments.

Improve confident private sector participation, promotional and training activities for development in tourism.

Government identify and develop niche tourism product.

(Interview by Sanjika Perera)

Implement zonal planning and infrastructure development as resorts.

For example regions are Arugambe (east region), hambatota and kalpitiya and going to add Trincomalee and Pasikadu. In recently study (Srimane, 2010) political stability pays dividend...

Due to the peace process, the tourism demand is rapidly high in short term. But in long term it has to be more challenge for the government.

### **b) Long term government challenges can be taken as follows;**

1. East region would have to develop as a tourist destination and improve better tourism as much as possible. Therefore social life and other facilities is draw up to make their confident due to war.

2. Domestic air facilities has to improve and re schedule for their own necessity.

Rail transportation has to expand and improve at least cover major cities to air port.

3. For investment approval procedures has to provide fast and accurate to encourage local and foreign investors.

4. Establish more advancement techniques to attain high skill people to industry through training and development concepts.

Recent survey (miththapala, 2009), described the following as Refocusing to terrorism to tourism...



### **C) Government legislation for development in tourism sector**

Tourist hotel association of Sri Lanka was established in 1965. Association implement tremendous effort to develop Sri Lankan tourism. It keeps communication with ministers to make formulating development plan and policies. In recent study (Miththapala, 2009), Sri Lanka tourism quo vadis...

New tourism act no 38 was ruled in 2005 which brought new invention and development for the industry. It provides and encourages to private sector to involve to makes decisions and other promotion programmes with government support. This positive impact creates much feedback to tourism development in country. In recent study (Miththapala, 2009), Sri Lanka tourism quo vadis...

In addition bilateral investment agreements secure of their investment by law. Major political parties made settlement not to obstruct any investment company or individual doing investment in the country. Basically agreement validate for ten years and then it will renewed another 10 year if investors happy to continue. In addition Sri Lanka is founder member of multilateral investment guarantee agency (MIGA) provide guarantee for expropriation and non commercial risks to invest people. There have been tremendous improvements of infrastructure facilities that can be taken best out in South Asia. Government have attracted the private sector investments such as BOO concept (build, operate and own) and BOT (built, operate and transfer). In recent study (Solid infrastructure, 2010), showed that investment opportunities...

**d) Development in North and east areas to attract tourist to**

It able to identify several locations in conflict area can convert to most attractive destination domestic and international tourists. This can be required to consider proper planning and implementation of infrastructure investments. it has a huge issue to overcome in this region. Post conflict area can find planning infrastructure delays and it cause higher employment rate. Consequently it bring to people massing depress and confusion in post conflict region

1. Government seeking private sectors to get supportive role to development of framework maintain the standards, plan and working system, priority areas such as eastern, north central region. They get donor assistance from World Bank to implement under SITDA sustainable development projects. They have already got USD 300 million for infrastructure developments. In the post conflict area new projects design for lodging, restaurant and other facilities to attract international and domestic tourism.
2. Authority has to provide time-bound investment to regenerate employment and income earning opportunity to post conflict society.
3. Authority and private sector should have to expand and upgrade training program for youngsters.
4. Government has to avoid restriction on domestic civil aviation and encourage to private investment in air transportation. In addition authority has to examine locate domestic airport near to Traincomalee. Howkins et al., (2009,) describe the Sri Lankan tourism authority responsibilities ...

### **e) Implementation of government proposals to be environmental friendly tourist destination.**

Government establish appropriate methods to protect environmental issues. They hope to implement development plans for rural areas to preserve nature. Tourism authority being monitors their stranded and places the reschedule programme for negative issues if occur.

Energy consumption programme would be another commitment to protect natural recourses and environment. This programme given knowledge to local society how it consecrate energy, water and waste in hotel environment. This is conducted by the ministry of tourism (MOT). Result from the recent survey (Responsible tourism Sri Lanka, 2009), showed that environmental conservational method...

## **2. Economical Factor**

Economic condition in Sri Lanka was much ahead of all the south & East Asian countries except few like Japan and China in late 60s. But with the civil unrest leading to war in early 80s, it started to deteriorate in growth prospects in the years of 86-89. in addition to the war in northern part, whole country was in internal terrorism that had major influence on main income supports. In recent study (Bureau of south and central Asian affairs, 2009), showed that economy grower in ceasefire duration...

With the end of the war there are new hope and central bank Sri Lanka have pointed out interest rate reductions and showing significant growth despite the global economic downturns will attract more foreign investors, especially

on tourism developments. in recent study (Bureau of south and central Asian affairs, 2009), showed that attract investors...

**a) As a fact of ending of decades of war the new outlook of the Economy is paving the way to improved tourism industry.**

Economic contribution of the Liberated area

15% of the whole population is still living in the war affected area. The increase of economic contribution of those is immensely increasing leading to increased facilities for the tourism. Also World Bank Development Indicators 2000 shows that the Sri Lanka has the lowest labour cost per worker in manufacturing leading to cost effective labour force for the market. In recent study (Board of Invest of Sri Lanka, n. d.), showed that labour charges are low...

International trends

Tourism industry in Asian region has immensely increased in the past two decades and countries likes Thailand, Malaysia and Singapore is leading the way. However Sri Lanka showed a decrease in international arrival in the past decades due to the civil war. With the current situation in the country, it has a large potential for new arrivals in near future. In recent study (Miththapala, 2009), Sri Lanka tourism quo vadis...

Business environment in the Country (for foreigners).

Sri Lanka has a lucrative business environment for foreign investments.

Foreign investments are guaranteed by the constitution and double taxation

relieves are in place to attract foreign investors, tourism is an area that government is looking forward for foreign investors to build more world class hotels. Increased foreign direct investment, currently contributing only 2-3 % of the Gross domestic product (G. D. P) will lead to develop more facilities and infrastructure for the industry.

In recent study (new department strategy., n. d), showed that frame work for economy growth...

#### 4. Improved related infrastructure.

Sri Lanka has the potential of developing as the regional trading Hub for the south Asian region.

##### 4. 1 Colombo Port.

Government is identifying opportunity to attract cruise lines to use Colombo, trincomalee and hambanthota as a stop point to tourists who want to discover the island on their voyagers. (Interview by Sanjeka perera)

##### 4. 2 Busy International AirPort

Most of the major airlines operated in this airport linking every part of the world, providing better services for tourist arrivals. It has shown the Passenger movement has increase of 29% for 95-2000 with the conglomeration of Emirates air lines and hence show the potential of higher growth and expansion. Result from recent study (Regional trading hub, n. d) showed that international air port progress...

### **3. Social factors influencing tourism development**

#### a). Human Resource

Sri Lanka has the highest Human development index (HDI) in the south Asian region in par with East Asian countries proving improved health and education in the country. It has the highest literacy rate in south Asia 92%. In general HDI has direct relationship to GDP per capita for most of the countries. Sri Lanka has a drastic drop in GDP per capita income relative to HDI. As higher HDI reflects better Human resources, Sri Lanka has the potential to cater the job market with the boom of tourism without any trouble. Result from recent survey (human develop index-going beyond income, 2009), showed that how HDI important ...

Also worlds Bank Development Indicators 2000 shows that the Sri Lanka has the lowest labour cost per worker in manufacturing leading to cost effective labour force for the market. Recent study (highly literate labour force, n. d.), showed that labour charges are low...

#### b). English Language ability

As Sri Lanka was once a British colony, it has a large population of English speaking community. But that has declined significantly since 1970s. But with the newly implemented educational reforms it recreates the emphasis on English language. At present Sri Lanka stand along with her regional counterparts in English language ability which has a large impact on tourism related regional facility development. Result from recent study Bureau of south and Central Asia affairs, 2009), showed that language ability work force...

### c) Culture impact

Modesty and decency is important in all situations cultural and religious influences have some effect on Sri Lankan tourism. Nudity and topless bathing are forbidden and law can be forced for mis-behaviours. When visiting religious place, visitors must cover their body sufficiently and should remove shoes before entering holy shrines . in addition visitors are not allowed to pose for photos with monks and Buddhist statues. Sri Lanka being a country that have preserved with 5000 years of Buddhist culture is restrained for social activities such as night clubs, casino and indecent social behaviour in areas where Buddhist pilgrims situation even near coastal areas, therefore there are constraints of selling alcohol and permission to build hotels with pleasure activities is a social factor affecting fulfilling all needs of the tourists. Result from recent survey (travel essentials, n. d.), showed culture restrictions...

## **4. Technology factor**

### **a) Use of internet technology as a main marketing tool**

SLTB uses its official website to promote Sri Lankan tourism in English, France, Netherlands and Italy version. The website provides offers and all link registered accommodation and other relative business. Furthermore it provides check availability but unfortunately online real time bookings are not available since the secure payment method is not in place yet. Most tourism companies implement their own websites and they are equal to Europe countries as well. Sri Lankan air line provides 20% total amount of booking in globally but Europe consider it totally amount 50%.

Result from recent survey (Etourism at glance Sri Lanka, n. d.) showed that web services...

## **S W O T Analysis for Sri Lankan tourism sector**

### **1. Strengths**

#### **a) Being a unique tourist destination**

Sri Lanka is a one of most attractive destination in the world. It is surrounded by most beautiful beaches, which offer many more cultural and natural places. Kandy was built in 17 and 18 century that provides to see the temple of Lord Buddha. Hikkaduwa is well known as a real paradise for divers and search for abundance reef fishing turtles. Annuradapura has been classed as a world heritage site by U. N. E. S. C. O (United nations educational, scientific and cultural organisation) Sigiriya would be most valuable place that is going back thousand of years history. Visitors can see caves and gardens, which never ceases. In recent study (Kumara, n. d), Sri Lankan awesome places...

And also East coast creates some best beaches like Arugabay and Nilavelli beaches with stunning coral reefs can be taken as new destination points which have been added with end of the ethnic conflict. In addition Arugabay offers best surfing destination in the world. These regions are given unseen scenes like whale watching, natural hot spring in Kanniya and ancient ruins in Ampara. Result from a recent survey (East coast at a glance, n. d.), showed that unseen east destination....



## **b) The strong management force behind the tourism sector in government**

Sri Lanka has formed number of government agencies to directly involve in tourist development.

Ministry of tourism

Sri Lankan tourism development authority. (S. L. T. D. A)

Sri Lankan tourism promotion bureau. (S. L. T. B. A)

Sri Lankan institute of hotel management. (S. L. I. T. H. M)

Sri Lankan convention bureau. (S. L. C. B)

Other government agencies are that indirectly involve in the industry

Urban development authority (U. D. A)

Central environment authority (C. E. A)

Department of wild life conservation. (D. W. L. C)

Private agencies are such as tourist hotel association and cultural triangle hotelier association. In addition non-government agencies works for community for development process in the post conflict areas. Howkins et al., (2009) describe the Sri Lanka connecting regional economies...

Ministry of tourist board's vision is to implement sustainability for tourism industry in Sri Lanka.

The ministry of tourism and tourist board mission is to As Ministry of tourism Sri Lanka (n. d.) “ Position Sri Lanka as the most treasured island destination in Asia”, which hold true...

Mission of tourist board

As Ministry of tourism Sri Lanka (n. d.) “ Create an enable environment for the public and private sector in partnership to tourist develop tourism its desired potential while sustaining and conserving both the natural and cultural recourses....” which hold true...

### **C) The vital role of the Sri Lankan Tourism development authority**

This is the major organization for Tourism development, which is playing main role for setting targets, and principles development. Therefore S. L. T. D. A is responsible for promoting Sri Lanka as a travel and tourist destination in national and international level. S. L. T. D. A planning to facilitate own lands for lease to private sectors for develops in eastern province. E. g. Trincomalee and passikudah areas. Howkins et al., (2009) describe the Sri Lanka connecting regional economies...

Organization’s proposed plans are:

Improve and maintain tourist infrastructure project.

SLTDA ensure to provide quality products and service with secure atmosphere to tourists.

Sri Lanka is positioning as a treasured island in terms of nature's secrets and maintains one of the best destinations in the world.

Agency setting targets to create skill and training for better job opportunity to society.

Agency plan to expand domestic tourism to get motivated for development of the international sector. Result from the recent survey (product development, n. d) showed that government expects to provide benefit to community...

#### **d) International role by Sri Lanka tourism bureau**

S. L. T. B acts as an international marketing and promotion to industry which consults with S. L. T. D. A. In 2009, industry re-branded as a "small miracle". Howkins et al., (2009, p39) describe the Sri Lankan tourism bureau activity...

. Furthermore, it is promoting new destinations such as the east region and published brochures to attract the natural beauty of Trincomalee to Arugubay. For promotion campaigns, they advertise on local television and special events like international surfing competitions.

S. L. CB is mainly responsible for MICE activities (meeting, incentive, conference and exhibition), which provides services to develop and apply competitive advantages to industry. Howkins et al., (2009,) describe the Sri Lankan tourism authority responsibilities ...

#### **e) Cost advantage for tourism industry**

Minister of public administration and deputy minister of finance explained the devastating effects of conflict on the costs of investing and operating a business. With the end of the ethnic conflict, commercial transportation of

goods, insurance and other commodity prices have fallen down which paved way to less financial arrangements costs are much lower with dawn of peace that added much more competitive edge over other destination in the area. Therefore country has more advantage to access too many products via free trade agreement with India and Pakistan. In recent study (Amnugama, 2009), business is profitable...

## **2. Weaknesses**

### **a) Infrastructure issues**

Limited rail networks available throughout the country where rail travel is much more difficult which take 10 hours journey to reach Batticaloa and hill country and to East province. In recent study (Wijesinha, 2009), lack of infrastructure in the east...

### **b) How does the poverty can be a constraint to the development of the tourism industry in Sri Lanka?**

According to the World Bank report Sri Lanka is under developed country with per capita income in average us \$ 810 per year. However the poverty being reduces over the past four decades. But still it is 35% of 19 million living under poverty line. The reason of this situation is continuous political unrest and unsuitable economy policies in the country. Mackee et al., (2007), described lack of skills of the employee...

Furthermore social constrains are the main areas that have effects on tourism which encourage prostitution and child abuse. It is very often as a growing problem that male and female unemployed young job seeker are attracted to tourist areas willing to do whatever jobs to earn an income.

Today it estimates more than 5000 children are being used in child prostitution in Sri Lanka. In recent study (Samarasuriya, 1997), showed that prostitution became a huge issue...

### **c) Environmentalist group's intervention on some tourist attraction sites due to lack of government funding to prevent impact to environment**

Unfortunately number of issues can identify as environment issues due o lack of environmental assessments (EA) activities in the country . It is difficult to find suitable qualified or professional staff with in the country due to lack of training and funding by government. In addition testing of approved project's effectiveness, this is tested very rarely. Another issue is lack of inter agency co-ordination such as development authority and improper government legislation. Mackee et al., (2007), described lack of skills of the employee...

Government's implementation of buffer zone regulations in coast after the tsunami that makes it difficult get building permission on small-scale tourism business industry especially in rebuilding sites that was under war for past 3 decade Ex: arugubay area. Result from recent survey (Sri Lanka, n. d.), showed that government legislation...

## **3. Threats**

### **a) Competition of neighbouring countries**

Asian region recorded double growth in the past two decade of tourism industry, which indicates G. D. P contribution to their economies. Where Sri Lanka is lagged behind where it is difficult to penetrate straight away in to

market that easily. According to the Pacific Asia travel association (PATA) reveal similar estimate as 6% growth in Asia and Sri Lanka's negative commitments and image in tourism industry will remain for sometime in global arena over the competition of its south Asian rivals. In recent study (Miththapala, 2009), Sri Lanka tourism quo vadis...

### **b) Natural threats as Tsunami issues**

Natural disasters have been a considerable factor that has impact on world tourism industry. Tsunami cost more than 30000 thousand lives and more importantly destroyed the lower and medium scale tourism communities based on the coastal areas since December 2004. . Result from recent study (Bureau of south and Central Asia affairs, 2009), showed negative impact of tsunami...

### **c) Influence of World terrorism activities that create negative awareness of countries that had history of terrorism such as Sri Lanka**

Since the Al Qaeda suicide attacks which was killed 2972 on September 2001. The world travel and tourism council estimates tourism demand reduction 10% and affected world wide not for only America also country like Sri Lanka that had been under long term terrorism is still remained cautioned in European market Bennett and Bray (n. d.) have proposed that impact of terrorism...

### **d) Work force migration to developed countries**

Economic and social complications have influenced to skilled workers to migrate to develop countries such as Europe, America and Australia. Skilled

labour migration has become a threat to industry where there is shortfall of skilled labour for some areas of the service industry.

In recent survey (Haque, 2005), migration trend and pattern...

### **e) Global economic crises affect for the industry.**

Impact of the world tourism badly affect due to global credit crunch in 2008.

this is clear how effect which indicators shows 6% growth beginning and end of the year it showed 2%. Then it shown negative figures in 2009. as a result people only consider basic need as a security of job and avoid travel plans, which had wider impact on tourism depended countries such Sri Lanka In recent study (Miththapala, 2009), Sri Lanka tourism quo vadis...

## **4. Opportunities**

### **a) Massive infrastructures projects in East and northern region.**

As the devastating effects of tsunami and terrorism that lasted north and east part of the country-causing heavy loss on infrastructure. Government plans to develop the area with major projects that support tourism industry as well. In recent study (Gupta, 2005), devastated infrastructure in east...

Therefore government planed to manage recover proposals in North West coast. Something such as they address several locations in east beaches like Aru