
Sri Lanka Aims to Increase Tourist Arrivals by 20% as War Ends

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By Cherian Thomas June 4 (Bloomberg) -- Sri Lanka aims to increase tourist arrivals by at least 20 percent each year, using a \$20 million worldwide advertising campaign to promote the island's attractions after the end of almost three decades of civil war. "The main task we have is that of image building," Dileep Mudadeniya, managing director of the Sri Lanka Tourism Promotion Bureau said in an interview in the capital Colombo. "We have an image that has been challenged by war and travel advisories."

The Indian Ocean nation, with picturesque hill-top tea plantations and a 2,500 kilometer (1,553 mile) coastline dotted with white sandy beaches, is relying on tourism to boost employment and foreign exchange. Still, television footage of thousands of refugees uprooted by war will make it harder for Sri Lanka to lure visitors away from other popular holiday spots like Malaysia, the Seychelles, Madagascar, and Mexico. "There is still this dark cloud, this debate and issue regarding the displaced people," said Jerome Auvity, general manager at Hilton Colombo. "Give it another six months to see whether confidence returns to Sri Lanka's leisure market." The Sri Lankan army, which has been fighting against the Liberation Tigers of Tamil Eelam since 1983, defeated the rebels last month and ended their quest for a separate homeland. The final battles have left about 300,000 people displaced and living in more than 40 camps across the northern part of the country. The government said last month it intends to resettle them in the region within 180 days.

Occupancy Rates The war discouraged travelers from the U.S. and Europe for years from visiting the teardrop-shaped tropical island. Occupancy rates have been 40 percent in the past two years in Colombo's five-star hotels, which have a combined capacity of 2,000 rooms, said Auvity. As a result, the average room tariff has remained about \$62 a night and has made doing business "not very successful", he said. Changing perceptions about Sri Lanka, known as Ceylon before 1972, is vital to boost the nation's foreign-exchange reserves, which more than halved in the six months from September to \$1.3 billion amid the global recession. That forced President Mahinda Rajapaksa's government to turn to the International Monetary Fund in March for a bailout. Located about 31 kilometers off the southern coast of India, Sri Lanka earns about \$325 million in foreign exchange from tourism each year. That makes it the fourth-biggest contributor to the nation's reserves coffer after exports of tea, garments and marine products. "Tourism has the potential to get four times that in earnings," Mudadeniya said in the June 2 interview. "Small Miracle" In the nation of 20 million people with an unemployment rate of 5.2 percent, tourism can also create jobs "ranging from a gardener to a doorman to a chef to a general manager of a hotel," Mudadeniya said. "There are very few industries that have the potential to offer such a variety of employment to skilled and unskilled staff." Mudadeniya aims to increase the 500,000 tourists Sri Lanka receives each year by at least 20 percent through a campaign entitled "Sri Lanka: Small Miracle," to run on international television, radio, print and other media from June 23. Tourism already makes up 2.5 percent of the nation's \$32 billion economy and the government wants to raise it to 8 percent of gross domestic product within five years, according to the Board of Investment of Sri Lanka. The government is converting about 20 islands located near the north of Colombo airport into hotel complexes to add room capacity. Many areas in the east coast, which was once a strong hold of the Tamil Tiger rebels, have also been designated as tourism areas for the development of hotels, Mudadeniya said.

Ancient Times Sri Lanka has been a center of the Buddhist religion since ancient times. The Tamils, concentrated in the north and east of the island, form the largest ethnic minority. After almost two thousand years of rule by local kingdoms, Sri Lanka was colonized by the Portuguese and the Dutch in the 16th century. They gave control of the island to the British in 1815. The country became independent in 1948. "Sri Lanka has a lot of diversity that can be visited within three to five hours -- from a 2,500-year-old culture to wildlife to beaches," said Mudadeniya. "We can give a complete experience." Courtesy: bloomberg.com