Sri Lanka Tourism Readies for Boom after War's End

Thursday, 18 June 2009
Last Updated Thursday, 18 June 2009

By Amantha Perera / Colombo Hoteliers big and small in Sri Lanka are getting ready to cash in on what they say is the inevitable boom around the corner after last month's end to the nation's bloody quarter-century old civil conflict. Tourism in this tropical island nation was one of the industries hit hardest by the war between government forces and the Liberation Tigers of Tamil Eelam (LTTE). The industry, from the white sand beaches of Hikkaduwa to the verdant mountains of Kandy — has endured a 25-year-old yo-yo ride with profits fluctuating from year-to-year with the state of the conflict.

The latest phase of the war between government forces and the Tigers commenced in August 2006, bringing on a drastic and enduring slide in tourist arrivals. Now, with the war effectively ending on May 18, 2009 when government forces announced the death of Tiger leader Velupillai Prabhakaran, the $400-million industry is padding up for arrivals to spike sharply with the onset of the 2009 winter season. "The word has definitely got across that the war has ended," says Vipula Wanigasekera, chairman of Sri Lanka Conventions' Bureau, a government body promoting the island's conference facilities. "The numbers may not show an increase just yet, but the number of inquiries has jumped, and we will see the upward swing by November." (Watch TIME's video "Civilians Caught in Sri Lankan Civil War.") Not all operators are so optimistic. "The business trend will go up, but it will take time for some substantial variants in the current trends to take place," says Rohan Karr, general manager at the Cinnamon Grand, voted the best five-star city hotel in Sri Lanka by the government's tourism awards. He says there has been no change thus far in arrival figures to suggest that tourists are flocking here yet, but acknowledges the trend could pick up with winter arrivals. The trick for Sri Lanka businesses to make the this rare opportunity count will be their marketing tactics, says Karr. During the war, tour operators and government promotion bodies were marketing the diversity in the island through packages like archaeological tours, tours to Buddhist holy sites, whale watching, elephant safaris, and even cricket tourism, but those all had been limited to areas well outside any potential conflict zone. "What we have now is essentially a new destination. We can market the north, south, east and west. It is nothing like what we had before." Tourist arrivals and earnings had begun increasing in 2002, when the then Sri Lankan government signed a truce with the Tigers in February. The upward trend also helped to cushion the after effects of the 2004 tsunami that left the coastal hotels in tatters. Between 2004 and 2005, the drop in arrivals was less than 5% according to government statistics. The revival lasted till 2006, that year arrivals peaked at just above half a million and earnings went up to $ 410 million. That year, the war returned with a vengeance when in late July the Tigers closed down an important irrigation canal forcing government troops to attack. The truce was eventually scrapped by the government in January 2008, by which point the war had reignited once again in its full force. Arrivals dropped in 2007 and 2008. The downhill slide continued into this year as well; monthly arrivals have fallen by double digit margins in the first five months of 2009, and overall by 19%. (See pictures inside Sri Lanka's rebel-held territory.) Sri Lanka's tourist outfits are split on how the global credit crunch will play out in their market. "Because of the global economic downturn, there is still not much interest on long haul travel," says Wanigasekera of the Conventions' Bureau. Karr of Cinnamon Grand also fears that the effects of the global credit crunch could turn out to be a real dampener: "The credit crisis has come at a really unfortunate time for us." Still, others argue that good P.R. can revive the local industry despite global economic woes and other domestic worries. "We have to launch an aggressive marketing campaign to make this opportunity work for us, inquiries alone will not help, we have to tap into new markets," Dayal Fernando, General Manager at Amaya Reef, a beach fronted hotel in Hikkaduwa south of Colombo. K D Leelaratne has earned a living for over three decades by selling wood carvings to tourists who visit Hikkaduwa. "When confrontations between the Army and the Tigers started making news, business began to slide, and it has not picked up," Leelaratne says. He closed his shop and stayed back at home. "Keeping the shop open to make a sale of Rs 1000 ($10) is not worth it, and even for that you have to bargain and cajole." Now Leelaratne and over 120,000 who make a living out of tourism are betting that their fortunes will change for the better permanently. With the war over, he plans to reopen his shop, in better shape for the next winter season. "We make our money between November and April, when the season is on, and this time is going to be a good one." Leelaratne has been in the business for too long to get carried away with the kind of optimism coming from the bigger hoteliers. He knows that the slightest bad press, even speculation can turn the tide. "Even if a loud sneeze at the airport is reported as an explosion, tourists will turn away." But even so, now that the guns and the bombs have fallen silent, this thirty-year veteran is dreaming of better days and thicker pay. Courtesy: time.com