Sri Lanka Tourism Vision 2025

ROOTED IN THE PEOPLE,
PLACES, NATURE, HISTORY,
HERITAGE AND VALUES

For Discussion | July 2016

Contents

Foreword

In the 13th century, explorer Marco Polo described Sri Lanka as "La più bella isola delle sue dimensioni in tutto il mondo" – the finest island of its size in all the world.

Sri Lanka – an island of serendipity, a land of chance encounters and adventures, the home of innumerable treasures. An island deeply rooted in nature, history, heritage and values. It offers a myriad of experiences to truly immerse in authentic culture and unspoiled nature, a genuine excitement to the senses, a tug at one's emotions.

Sri Lanka – a meeting place of friendly faces who share their homes and trade; a space for spiritual healing; a land for learning from the old and the new; a hub of commercial activity; a spot for tranquility. Sri Lanka casts a spell unlike anywhere else. It draws people in, not with artificial attractions and grand gestures, but by spellbinding soul and sincerity.

It is time for Sri Lanka to stand strong; to recognise the roots that shaped the island and the roots that must be protected to conserve the island. It is only with the conviction, commitment and collaboration of everyone that Sri Lanka can remain the enchanting emerald isle. It is time to share Sri Lanka's extraordinarily diverse and authentic story with the rest of the world.

Purpose

The current tourism strategy for Sri Lanka was developed for the years 2011 to 2016. Now is the time to assess whether the goals were achieved, establish new relevant and aspirational targets for the future, and in doing so, embrace the new disrupted tourism marketing and distribution landscape.

The main goals for the previous strategy were: (i) reaching 2.5 million tourist arrivals by 2016, (ii) attracting US$ 3 billion foreign direct investments, (iii) increasing tourism related employment to 500,000 jobs, and (iv) increasing foreign exchange earnings to US$ 2.75 billion by 2016.[1] Investment and employment will likely fall short of these targets while earnings and arrivals will come close to being achieved.

Sri Lanka's tourism sector is growing exponentially. It is benefitting from being perceived as a safe and secure country, and wider international interest. This is further enhanced by significant direct investment by the private sector and by overseas investors, as well as positive steps taken by other key stakeholders in recent years. Nevertheless, to date, tourism in Sri Lanka has been unable to capture its full growth potential. Sri Lanka's Tourism Vision 2025 strives to address this.

THE VISION FOR SRI LANKA'S TOURISM GROWTH COMPRISES FOUR DISTINCT ELEMENTS:

> To set **inspiration and direction** that drives all tourism stakeholders to build the resilience and competitiveness of the diverse sector;

> To provide a **guiding philosophy, principles and values** for the tourism sector that reflects Sri Lanka and Sri Lankan heritage, and therefore has relevance and resonance with all within and outside the country;

> To formulate **measurable objectives** for the development of tourism aimed at a broader spread of tourism benefits throughout the country, along the value chain and by setting robust sustainability measures; and

> To highlight the need for **collaborative partnerships and cooperation** among tourism stakeholders and with government in achieving the vision.

The document sets a new course for Sri Lanka to adopt a new tourism strategy where the guiding philosophy, visitor demand and supply-side experiences are aligned. The new strategy will aim to address gaps in planning, regulation, value addition, market research, stakeholder coordination, skills development, investment attraction and sustainable natural resource management.

The Tourism Vision 2025 is not an operational plan for a national brand, marketing strategy, advertising campaign, country slogan or action plan. Rather it is a strategic positioning of Sri Lanka in the international tourism market, which sets the foundations from which the sector can build. It is a catalyst to transform the tourism industry to become a leading employer and driver of economic growth. It provides the foundation with which all stakeholders can rally together to transform the tourism sector as well as the platform to communicate Sri Lanka's tourism values to the rest of the world.

The Tourism Vision 2025 will transition Sri Lanka into a higher value[2] tourism destination by capturing its full growth potential, whilst safeguarding and prioritizing the sustainability of its natural and cultural assets. The implementation of the vision will be defined by detailed strategies and action plans to be formulated in close cooperation, and through wider consultation with relevant stakeholders at local and national level before the end of 2016.

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[1] Tourism Development Strategy 2011-2016, Ministry of Economic Development, Sri Lanka
[2] The definition of 'higher value' is explained on Page 10

Overview

Travel and tourism is the largest service industry in the world. At almost US$ 7 trillion it accounts for nearly 9% of global Gross Domestic Product (GDP), 6% of world exports, and employs one in every 11 people. It has evolved into a diverse and sophisticated sector and is now recognised as one of the world's most economically significant. Highly specialised market segments have developed for both leisure and business travel.

Deregulation of airline services and the introduction of low cost carriers has created new markets and opened up new destinations, encouraging more people to travel. Domestic travel spending generated 72.5% of direct travel and tourism GDP in 2014 compared with 27.5% for visitor exports (foreign visitor spending or international tourism receipts).[3] Globally, over the next 10 years, the expected growth rate in high yield luxury travel is projected at 6.2%, almost a third greater than overall travel (4.8%) and with a rapid rise in luxury long haul travel. In addition, the middle income and upper middle income demographic around the world has expanded and has more disposable income than previous generations.[4] According to the International Monetary Fund (IMF), China is now the world's largest economy, measured in term's of purchasing power. By 2025, some two-thirds of the world's population will live in Asia.

Technology and demand are rapidly changing the context for this global growth. Changes in capital markets and the world economy, together with the continued development of more specialised hotel brands and business models (such as the informal accommodation market and sharing economy) have changed the way accommodation facilities are owned, operated and financed. Technology is now an essential tool for managing tourism and a powerful pathway for participation by small and medium-sized enterprises (SMEs), service providers and tourist destination interaction.

Consumer decisions are increasingly influenced by social and environmental consciousness. Governments at all levels now see cities, urban areas as well as cultural and natural heritage sites as significant tourism assets. These assets must be conserved and managed so as to remain competitive, deliver the employment opportunities, services and quality of life which their residents demand, and be passed on to future generations.

The tourism sector has a tremendous effect on global, regional and local trade, investment, infrastructure, incomes and the environment (including climate change). Tourism has demonstrated its potential to substantially reduce poverty and increase shared prosperity within its host countries, many of which are in the developing world. In 2014, tourists spent US$ 413 billion in developing countries – nearly three times the level of development assistance. This also places tourism in the top five export income earning categories for 83% of developing countries.[5] It provides more employment opportunities for women and youth than almost any other industry; it can motivate integrated, multi-stakeholder conservation and climate change adaptation efforts; and enhance social wellbeing across a lengthy value chain in every corner of the globe.

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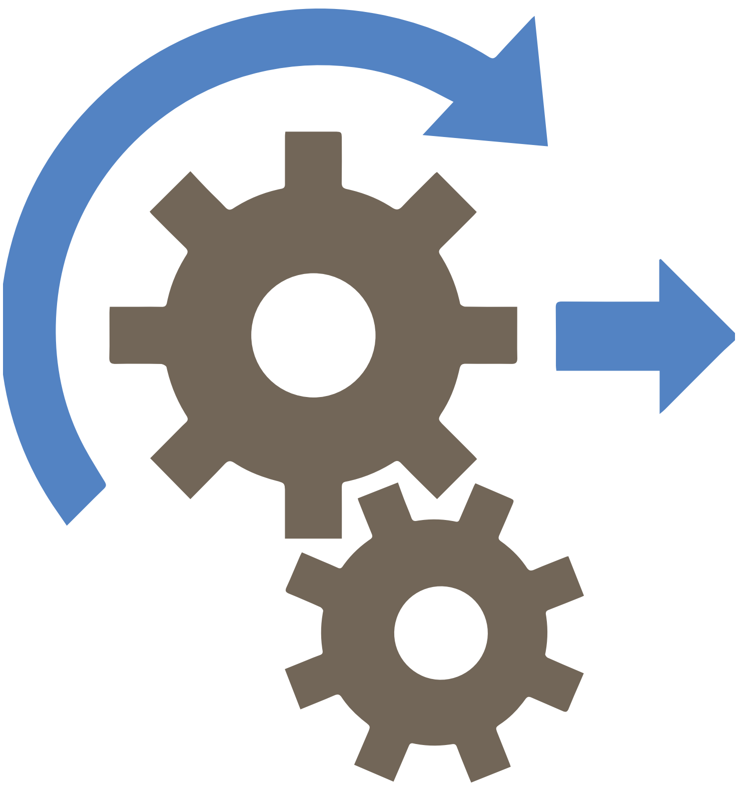
3 Travel & Tourism World Economic Impact 2015, World Travel & Tourism Council; Tourism Highlights 2015, United Nations World Tourism Organization (UNWTO)
4 Shaping the Future of Luxury Travel – Future Traveller Tribes 2030, Tourism Economics 2016
5 Tourism Highlights 2015, UNWTO

In Sri Lanka, tourism – by most indicators – is growing rapidly and organically. Overall visitor numbers are strong, showing a marked contrast over the past six years and the years previous. Whilst these growth rates are high, they should be viewed in the context of the pent up demand for travel to Sri Lanka prior to 2009. In addition, it is important to note that some of Sri Lanka's strongest tourist arrival growth rates are from countries providing significant growth in outbound tourism volumes in global terms.[6] Furthermore, that growth is clustered in limited areas of the country. There needs to be greater focus on yield and high spending consumers. [More information in Annex 1.]

Sri Lanka has many comparative advantages for tourism, but the sector is not competitive in its current state. Sri Lanka is not universally perceived as providing value for money in comparison with other destinations in South East Asia. The country is blessed with a vast array of natural, historic, cultural, religious, urban and social assets. Unfortunately these iconic assets are underutilised as an economic resource and a value-added tourism experience. In general, they are under-invested, inadequately managed, and not sufficiently linked to integrated supply chains and value adding goods and services. Inconsistent and uncoordinated implementation with respect to regulation, planning, development, training and promotion has meant that the tourism sector has not delivered the economic and social returns it can.

Tourism is an umbrella industry with an incredible income multiplier effect. However, there have been inadequate efforts to deepen linkages beyond the supply of hotel rooms and thus there is limited choice for leisure activities and experiences outside of hotels. The country's value proposition is a compact island that offers the rich diversity of South and East Asia in around 65,000 km^2. Yet, the reality is that travel times between locations take too long and transport can be poor quality and unreliable with limited options. As an island destination with the vast majority of visitors arriving via flights, the aviation sector and capacity flows are a critical component when planning and strategising.



[6] Whilst Chinese visitors to Sri Lanka have grown from under 10,000 arrivals in 2009 to 130,000 in 2014, the total outbound tourism market from China has grown from 24 million trips to over 50 million in the same time period. This relates to the Chinese outbound tourism market which is approximately half the size of the total outbound market.

Guiding Philosophy

The Tourism Vision 2025 introduces a philosophy, which enables every stakeholder in the sector, as well as the public at large, to be a part Sri Lanka's tourism story. Simultaneously, it provides a binding element around separate goals and adheres to set guiding principles.

Sri Lanka's Tourism Vision 2025 is based on the notion of appreciating one's roots as well as the strength, foundation and identity that one's roots provide. It is about celebrating Sri Lanka and Sri Lankan-ness. It is rooted in the people, places, nature, biodiversity, history, heritage and values.

This philosophy positions tourism as the vehicle to conserve, preserve, protect and enhance Sri Lanka's plethora of natural and cultural assets. It is not to exploit and destroy them. It is not simply for the sake of tourists and tourism. The sector has a key role to play in maximising the environmental and economic returns from nature and culture based tourism.

The Tourism Vision 2025 highlights protecting not just the tangible, but the intangible. It places importance on grassroots and the home-grown – be it ideas, talent or products. It emphasises the significance of traditional trade, crafts and practices; necessitating their revival and fostering livelihoods. From ancient civilization to colonial times to modern history, it reminisces of the many influences that define Sri Lanka's roots.

The Tourism Vision 2025 promotes a sense of place and belonging and a voice for every community. It provides a platform to share the stories of Sri Lanka and Sri Lankans with the rest of the world. It can help create a culture of mutual respect for all beings – humans and animals alike. The concept also resonates with wider civic pride, national unity and social inclusiveness. Everyone has a responsibility and everyone can be a part of this journey. The Tourism Vision 2025 will help to build economic, social, environmental and local community capital throughout Sri Lanka - the quadruple bottom line.

There is an obvious strong literal link to flora, trees in particular. Sri Lanka will adopt strong green principles to actively reduce carbon emissions and confront the climate change challenge. This is also in line with the COP21 Agreement, which Sri Lanka is party to.

Blessed with natural and cultural assets, Sri Lanka has many competitive advantages for tourism. However, to effectively stand out in a world rich with destinations that are becoming more vulnerable and commoditized each year, Sri Lanka needs a renewed philosophy and approach. The guiding philosophy sets direction for Sri Lanka's tourism industry; steering tourism planning, development, investment and promotion in order to enhance Sri Lanka's competitive advantage in the global context. In itself, this is not a marketing strategy or advertising campaign. However, it will provide a context of legitimacy and credibility while appealing to the appreciative visitor.

On the demand-side, global consumer trends show a growing inclination for the local, the authentic and the ethical, particularly in the higher value or luxury segment. Health, justice, security, environmentalism and sustainability are emerging as key values for the millennial generation. The concept emphasises the principles of embracing Sri Lankan-ness, highlighting authenticity and facilitating responsible business. It strengthens Sri Lanka's offering as a destination for niche and premium experiences. It will provide Sri Lanka with a distinct positioning and drive the transition into upscale tourism. Just as much as a point of difference, it sets a point of relevance for today's conscious traveller. The idea of Barefoot Luxury is also endorsed here, which espouses the richness and authenticity of experience over materialism. In fact, the luxury of space, time and connections are fast becoming sparse commodities today and what consumers are increasingly seeking, particularly when on vacation.

Just as 'Eco-Tourism' became synonymous with Costa Rica, Sri Lanka will exemplify this philosophy and principles. As an ideology that promotes a strong sense of people and place, it has the potential of gaining international recognition and practice even in other parts of the world. It encourages destinations to maintain their unique environment and identity for generations. Visitors are able to experience authenticity, rather than replication and homogenous locations, which is in turn of greater value and interest to travellers.

PRINCIPLES

> ### TO VIEW TOURISTS AS 'VISITORS' IN SRI LANKA

The reference to 'visitors' rather than 'tourists' is purposeful as it infers they are guests and thus signals the positive welcome and warmth expected from the host community. It also acknowledges people both domestic and international who are visiting for a range of reasons such as for business, medical and conferences, rather than exclusively for leisure. To note, travel innovation is not just about technology; it is the creative ways to enrich visitor experiences and people's lives.

> ### TO POSITION SRI LANKA AS A 'HIGHER VALUE' DESTINATION AND DEMOCRATISE ECONOMIC PARTICIPATION IN THE TOURISM INDUSTRY

Striving for a larger volume of tourist arrivals comes at a price to Sri Lanka's resources. Every aspect of tourism must transition into creating higher value; quality not quantity; and with minimal cultural and environmental impact. This prevents the risk of Sri Lanka's tourism offer becoming commoditized and averts a deterioration of social and environmental assets and principles. It will also help ensure the tourism sector becomes the vanguard in improving economic inclusiveness among all Sri Lankans. The inclusive agenda, community involvement and fair trade also resonates with upscale visitors. Most importantly, value should not be viewed solely in a monetary sense; but value in terms of experience, authenticity, diversity, sustainability, green credentials, health and safety, community, etc. This is increasingly important in today's experiential and sharing economy.

> ### TO ENSURE PRESERVATION AND WORLD CLASS MANAGEMENT OF SRI LANKA'S ASSETS

It is essential for Sri Lanka to conserve and leverage its assets in order to generate higher yield for the country by adding value and growing the earning potential of its natural, historical, cultural, religious and social diversity. Therefore policies, guidelines and codes of conduct associated with urban planning, agriculture, ecologically sensitive locations, sustainable use of environmental resources for development, animal welfare policies, as well as sustainable waste and energy management are critical.

The strategy will strive to redefine boundaries of how tourism subjects are viewed – to link other industrial and commercial sectors to tourism through public and private sector partnership models related to training, development and promotion. It is vital that the interconnectedness of government policy be recognised in the management of Sri Lanka's natural, historical and cultural assets.

> ### TO CREATE MEMORABLE EXPERIENCES WHICH ARE ROOTED IN SRI LANKA AND ITS HERITAGE

The aim is to develop and market experiences, not specific venues or locations. Influenced by the millennial generation, consumers want to spend money on experiences that enhance their lives. More travellers are also looking beyond a 'place' to holiday and are led more by their hobbies and interests. This demand side trend is of primary importance when considering developing the brand of a destination as well as the economy of the local tourism sector. It must be emphasised that the purpose of regulation and codes of conduct are not to standardise experiences, but to ensure consistency of product, sustainability of delivery and credibility of marketing. It will also ensure stability for both planned and organic tourism investment.

Foreign attractions and destinations need not be replicated in Sri Lanka. Instead, the necessary learning and case studies should be taken from other countries and utilised to develop authentic experiences rooted in the Sri Lankan context of natural and cultural heritage. It is also misguided to believe that every experience needs to be large-scale and elaborate. Meaningful and natural interactions can create the most memorable of moments.

> ### TO DISPEL MISCONCEPTIONS ABOUT SRI LANKA

It is essential for Sri Lanka to dispel the misconceptions that it is unsafe, and that it is a seasonal and round-trip-only destination. These ideas became entrenched when the country was not entirely accessible due to the conflict areas and also when bygone travellers' main attraction was solely the sea and beach. There are specific times to see marine life or surf on certain coasts or experience events and festivals, but Sri Lanka is and must be promoted as a year-round destination (see table on Page 24).

Strategic Direction

VISION

To be the world's finest island for diverse, authentic and memorable experiences

MISSION

To be a high value destination offering extraordinary experiences that reflect Sri Lanka's natural and cultural heritage, and which drive economic benefits to communities and the country that are socially inclusive and environmentally responsible

GOALS

Increased visitor arrivals alone will not deliver the desired product, investment and market diversification that is necessary to both grow the value of tourism to Sri Lanka's economy and to ensure it benefits the country in an equitable manner.

The following sets of goals aim to provide a transparent results framework that will drive actions towards achieving the Vision 2025. Specific targets need to be set to ensure close monitoring and evaluation. Progress will be reviewed in 2020 and the goals re-evaluated if necessary. Further research and due analysis of data is required to establish measurable baselines, which will take place during the consultation phase and feed into the strategic action and implementation plan. Some gaps have been identified here.

From a macro-perspective, the 2025 goals are to increase foreign exchange earnings, raise overall employment and skill levels and grow Foreign Direct Investment (FDI), whilst ensuring sustainability of Sri Lanka's natural and cultural assets.

ECONOMY			
2025 GOALS	RESULTS	STATUS	GAP ANALYSIS
Tourism to be Sri Lanka's #2 net foreign exchange earner **Increase in FDI to be cumulatively generated from Sri Lanka's tourism industry**	Increased contribution to GDP from travel and tourism sector • Increased daily spending per international visitor • Increased average length of stay per visitor • Increased occupancy outside conventional 'peak seasons' • Increased local and foreign investment in tourism • Increased connectivity within as well as to and from Sri Lanka • Increased linkages with other industrial sectors such as manufacturing, design, crafts, agribusiness, etc. for value addition and increased productivity	In 2015, tourism ranked as #3 foreign exchange earner for Sri Lanka's economy, earning US$ 2.98 billion. Ranking above were foreign remittances and the apparel sector. The daily spend per overseas tourist was US$ 164 and average length of stay was 10 days. The average room occupancy rate was 74.5%.[7] The travel and tourism sector was estimated to directly contribute 4.8% to Sri Lanka's GDP in 2014 or 11.1% if wider indirect and induced effects are included.[8] FDI into Sri Lanka in 2015 was US$ 681 million, and the tourism specific investments are estimated at accounting for 20%.[9] Sri Lanka is served by 27 airlines connecting 25 countries to the island. Passenger volumes have surged, reaching 7.8 million in 2014.[10]	Baseline exists, but further research needed to verify the baseline. Improved clarity of economic linkages to the tourism industry, which may not be reflected in current reporting. Data must be captured on the rapidly growing 'informal' and 'partly registered' tourism enterprises operating in the country.

[7] SLTDA Annual Statistical Report 2015
[8] World Travel and Tourism Council: Sri Lanka Country Report 2015
[9] Source: Board of Investment of Sri Lanka
[10] Options Study for Private Sector Participation in the Development of the Domestic Airports Sector in Sri Lanka, ICF Consulting Services Hong Kong

PEOPLE			
2025 GOALS	**RESULTS**	**STATUS**	**GAP ANALYSIS**
Tourism and its supporting industries to employ 1 million Sri Lankans, including doubling the number of women employees	Increased tourism employment and economic participation in each province as well as improved standards and skills • Increased number of people employed in the tourism sector, especially women • Increased number of jobs available in specialist hospitality categories • Increased number of accredited institutes offering tourism-related courses and with more students graduating • Increased number of tourism-related SMEs registered nationally, particularly women-owned • Increased number of tourism outreach programmes organised by SLTDA, including consultations, mobile registration and training • Improved wider community representation and engagement in tourism	As at end 2015, direct employment in the tourism sector was estimated at 135,930 people while indirect employment was 183,506.[11] According to the World Travel and Tourism Council: Sri Lanka Country Report 2015, the travel and tourism sector supported approx. 350,000 jobs. The total contribution of the sector, including indirect jobs, was estimated at 800,000 or 10% of total employment. In 2014, women were estimated to account for approx. 8% of those formally employed in the tourism sector.[12] Only 10% of employees in the tourism sector have had some technical training (i.e. formal or informal Technical and Vocational Education and Training).[13]	Certain baselines must be established, especially related to women and skill categories in the travel and tourism sector, also the number of SMEs. New data and trend analysis will need to be conducted including behavioural mapping and perception studies.

EXPERIENCES			
2025 GOALS	**RESULTS**	**STATUS**	**GAP ANALYSIS**
To entrench ownership of the guiding philosophy and support world-class management of Sri Lanka's natural and cultural assets	Transition to creating more extraordinary visitor experiences as well as improved connectivity and accessibility to and within Sri Lanka • Improved experiential tourism infrastructure and management capacity, which includes transport options • Established portfolio of rooted signature tourism experiences • Increased number of repeat visitors to the country and specific locations • Increased visitor dispersal throughout the country • Increased community-led tourism initiatives	At present, data related to repeat visitors to Sri Lanka and the average length of stay per region are not collated. As at 6 May 2016, there are 807 travel agencies registered with SLTDA and a handful of specialist companies specifically marketing Sri Lankan experiences. Experiential tourism is packaged and promoted on an individual service provider level. Infrastructure and capacity for development of related activities are not in place.	Baseline to be established for different experiences and capacity limits including return on investment studies on resources.

[11] Sri Lanka Tourism Development Authority Annual Statistical Report 2015
[12] 'Women's Employment in the Hotel Industry – An Exploratory Research into Focusing on Women Currently Employed in the Hotel Industry', S.A. Nanayakkara, University of Colombo, Masters Thesis, September 2015
[13] The Skills Gap in Four Industrial Sectors in Sri Lanka, International Labour Organization, 2015 (Data from Department of Census and Statistics Labour Force Survey 2004)

PROMOTION			
2025 GOALS	RESULTS	STATUS	GAP ANALYSIS
Sri Lanka positioned as THE island for diverse authentic experiences	Improved destination perception and branding among international and domestic tourists with a focus on source markets and target segments within the country • Increased recognition and strength of city brand Colombo and country brand Sri Lanka • Increased number of strategic international travel and tourism brands in the country • Increased investment into market research and innovative destination marketing • Increased number of MICE and events with international interest in Colombo and attendance by overseas visitors • Enhanced levels of consistent quality communications of destination Sri Lanka	Sri Lanka is ranked #60 in FutureBrand's Country Brand Index 2014-15. In 2015 there were 13 international hospitality brands entering and operating in Sri Lanka.[14] In 2015, the Meetings, Incentives, Conventions & Exhibitions (MICE) segment in Sri Lanka was guesstimated at around 150,000 visitors.[15]	Accurate data system for calculation of visitor segments to be made.

ENABLING ENVIRONMENT			
2025 GOALS	RESULTS	STATUS	GAP ANALYSIS
To strengthen institutional resilience and governance of Sri Lanka tourism **To ensure effective tourism asset management at local and national level**	Improved capability and efficiency of Sri Lanka Tourism with strong working relations across and throughout government • Introduction of key policies, guidelines and mechanisms for environmental preservation, reduced carbon emissions and eco-friendly practices in tourism • Upgraded institutional policies and processes • Introduction of mechanisms for better inter- and intra-government working • Introduction and enforcement of tourism-related legislation and guidelines • Increased number of establishments registered with SLTDA and continued monitoring • Enhanced research and data analysis for government and industry decision-making • Increased number of public-private partnership projects in tourism	The 1968 Tourism Act was repealed and replaced with the 2005 Tourism Act. As at May 2016, the accommodation classifications have been gazetted, but not the other tourism regulations, which were originally under the 1968 Act. As at 6 May 2016, there are 2,295 places of accommodation registered with the SLTDA.[16] There are over 5,300 properties in Sri Lanka listed on Booking.com. As at May 2016, there are perceptions of weak oversight and poor mechanisms of working across government.[17] Sri Lanka was ranked #63 in the World Economic Forum (WEF) Travel & Tourism Competitiveness Index 2015.	Determination of revenue streams in the tourism system as well as identification of improved and/ or alternative revenue streams are required.

[14] As at May 2016, the international hospitality brands in Sri Lanka are Aman, Anantara, Best Western, Centara, Hilton, Hyatt, ITC, Marriott, Movenpick, Riu, Sheraton, Shangri-La, Taj.
[15] Source: Sri Lanka Conventions Bureau | [16] Source: SLTDA
[17] During discussions, 90% of resource persons, including government officials, raised issues related to institutional capacity and industry governance.

Enhancing Demand

Successfully transforming Sri Lanka's tourism sector depends on an in-depth understanding of the global travel and tourism market. Detailed trend analyses will be conducted for the strategy to gain insight into the different geographical markets and the segments within them. The key questions in the demand analysis are two-fold: which segments have most value and who is responsible for creating the market linkages. Certain markets, such as China, require a greater government role in creating market linkages. Nevertheless, the private sector's role is becoming more significant in marketing efforts, particularly as visitors seek 'experiences' over 'locations'. Selection of target segments and markets should be a fluid exercise as it is heavily influenced by world economic trends, air connectivity, global security and other uncertain factors.

MARKET SEGMENTATION

Visitors to Sri Lanka can be segmented in several ways including interests, demographics and purpose of travel. The practice of attracting everyone and thus catering for everyone is not beneficial, nor sustainable for Sri Lanka in the long term. The exception is the capital city of Colombo and Western Megapolis region, which will cater to all segments of travellers.

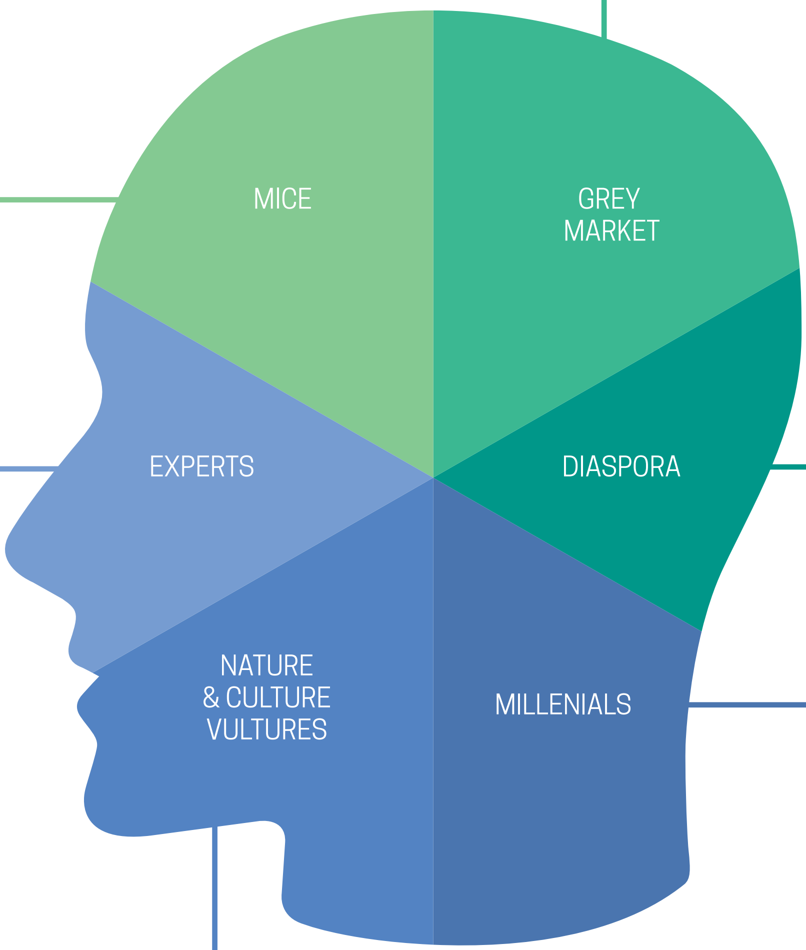
The domestic visitor has been the backbone for the tourism industry during challenging times. They can continue to do so especially in this transition stage for Sri Lanka's tourism growth cycle. Domestic visitors can generate visitor spending during lower season months and stimulate travel to less well-known areas. For visitors from overseas, it is essential to have an understanding of the visitor who will appreciate Sri Lanka's authentic and diverse experiences and in turn, what can be done to enhance the experience for those visitors. The guiding philosophy supports responsible management of Sri Lanka's assets, whilst appealing to the most appropriate visitors for Sri Lanka.

The rationale is to target travellers based on their interests as well as their countries of origin. The profile of the traveller Sri Lanka is striving for is one who feels a sense responsibility towards a place and its people. These visitors enjoy true-life encounters, appreciate learning experiences, seek adventure and they want to engage in niche pursuits available in Sri Lanka. A common attribute for all segments is the prerequisite of value for money. This profiling and segmentation is additionally important for destination marketing when communications may need to be tweaked or amplified based on the target audience. Potential key market segments are mentioned below, which will be further analysed in the detailed strategy.

Corporates and people who organise and attend MICE events. Business travellers tend to be less cost-sensitive and many extend their business trips for leisure. They may also travel with families. This segment is particularly important for developing Colombo as a regional hub.

Aged around 50+, post retirement travellers who are less affected by market downturns and with more disposable income and leisure time. They are after more value-added and comfort services (e.g. escorted tours, luggage handling, customised travel, cruises, etc). The over-60s constitute the fastest-growing group in the populations of wealthier countries. They are in an exploratory phase in their lives and interested in seeing new destinations. Some may have ties to Sri Lanka through their personal or professional lives.

People of Sri Lankan origin living abroad who wish to visit family, reconnect and possibly seek investment opportunities in Sri Lanka.



Members of the academic community who are interested in specific Sri Lankan or Asian natural and cultural heritage as well as wider learning experiences.

Enthusiasts for nature, the outdoors, both modern and historic cultural experiences. They may travel in groups or as family units. The guiding philosophy resonates most with this group and the millennials.

Aged 18 to 34, they are more likely to make purchases in support of a cause (e.g. environment or social), they are content creators and users, and they are keen on experiences, travel and adventure. Unlike previous generations, they also want to spend and are willing to spend on travel because they consider it an important aspect of life, and do not wish to save and wait for retirement to spend. Sri Lanka's proposition as an authentic and diverse destination with a number of exciting pursuits appeals to them.

SOURCE MARKETS

In 2015, the top source markets to Sri Lanka were China, India, UK, Germany, Maldives, France, Russia, Australia, USA and Japan. India, China, UK and Germany accounted for 45% of the arrivals volume.[18] Further research must be conducted to better understand, promote and tailor the product and services to these markets. It must be noted that markets are not stagnant and highly influenced by a wide range of macro factors and trends such as natural disasters and currency fluctuations. Different source markets offer varying opportunities and requirements if they are to be targeted as part of a strategy. The Tourism Vision 2025 strives to ensure that each market segment is offered the most appropriate product that meets their specific demand, whilst staying true to the guiding principles. The following examples illustrate how different source markets need different strategies:

NORTH AMERICA

Given the long haul and multi-stop travel required, this is a niche market for Sri Lanka, with focus in the luxury segment or for specific experiences. There is a considerable diaspora residing in the US and Canada, many who already travel to the island to visit family and friends. Key trends in the US leisure travel market include a rising interest in authentic trips, adventure holidays, an increasing focus on health and wellness and culinary tourism[19] – themes that are particular strengths for Sri Lanka. North America is the largest outdoor market and the biggest representative of the global Adventure Travel Trade Association (ATTA) offering culture and nature-based adventure tours worldwide. The affluent adventure traveller generally uses a reliable and reputable agency in North America and being included in the product offering of these companies should be a priority for Sri Lanka.

INDIA

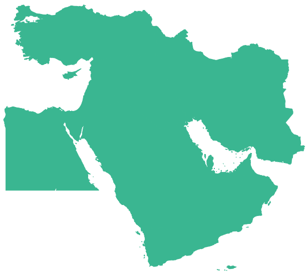
The United Nations World Tourism Organization (UNWTO) predicts that India will account for 50 million outbound tourists by 2020. While business travel, holiday and trips to see friends and family dominate outbound volumes, people are also opting for niche experiences like sports tourism, MICE, honeymoon packages and cruises. With close proximity, strong connectivity and cultural commonalities, India is a key growth sector for Sri Lanka, especially for Colombo, the MICE category and long weekend getaways whilst being an essential contributor to reducing seasonality.

AUSTRALIA

This is a growth sector given its familiarity and strong links with Sri Lanka. The guiding philosophy can be a draw for the adventurous and active Australian who prefers culture, heritage, nature and sports when on holiday. September is a peak holiday travel month for Australians.[20] Pioneering in spirit, young Australians can be attracted to new tourism destinations such as in Sri Lanka's Eastern and Northern Provinces, and should be encouraged to share their experiences on social media to create market awareness.

CHINA

As seen in 2015, China is the largest international tourism source market for most destinations in the world. Given China's strong infrastructure development drive in Sri Lanka, the country's presence and ties are strong here. The concerns of air pollution and overcrowding in China are a more compelling reason for those with the means to travel abroad, and this can be rooted in Sri Lanka's competitive advantage. Chinese New Year and the National Day Golden Weeks in February and October are good months to promote to the Chinese market, which have usually been lower occupancy months for Sri Lanka. Chinese visitors are the highest spenders on retail, but Sri Lanka should tap into the share of luxury experiential spending.



MIDDLE EAST

Forecasts from the UNWTO suggest a substantial increase in outbound tourism from the Middle East, projecting some 35 million tourists travelling to overseas destinations by 2020. Emirates-based travellers tend to go on long trips with their families, with an average trip lasting 14 nights. They are typically brand conscious and status orientated, making specialist destination branding key to attracting this upscale market.[21] Attracting a relevant brand operator would help gain traction in this brand conscious market segment.

EUROPE

Western Europe has been a longstanding source market for Sri Lanka. The mature status of the market creates a high number of independent travellers likely to book different destination facilities themselves whilst exploring smaller, unique accommodation and service providers. European travellers are seeking real experiences in non-traditional destinations and are keen on life-enhancing encounters and interacting with the local people. European consumers, particularly western and northern, are increasingly concerned with sustainability. Europe is the largest wellness tourism market and within Europe, it is Germany, France and the UK who are the largest markets for wellness tourism.[22] In addition, Sri Lanka has a competitive edge with historic ties and influences as a former colony of the Portuguese, Dutch and British. The guiding philosophy has a distinct appeal for the European market.

SOUTHEAST ASIA

A prospering middle class with growing urbanisation increases the tendency to travel abroad. This is a development that is most synonymous with the Southeast Asian economies. With several short haul low budget flights available, travel around the region, including to Sri Lanka, is increasingly accessible. Twin promotions with neighbouring countries can be beneficial and should be explored.

[18] Source: SLTDA | [19] ITB World Travel Trends Report 2015/2016, prepared on behalf of ITB Berlin
[20] Australia Outbound Travel Trends, December 2015, Stark Tourism LLP
[21] Source: Centre for the Promotion of Imports from Developing Countries (CBI)
[22] ITB World Travel Trends Report 2015/2016, prepared on behalf of ITB Berlin

Figure 1: Contributors to Arrival Growth – Source Markets *

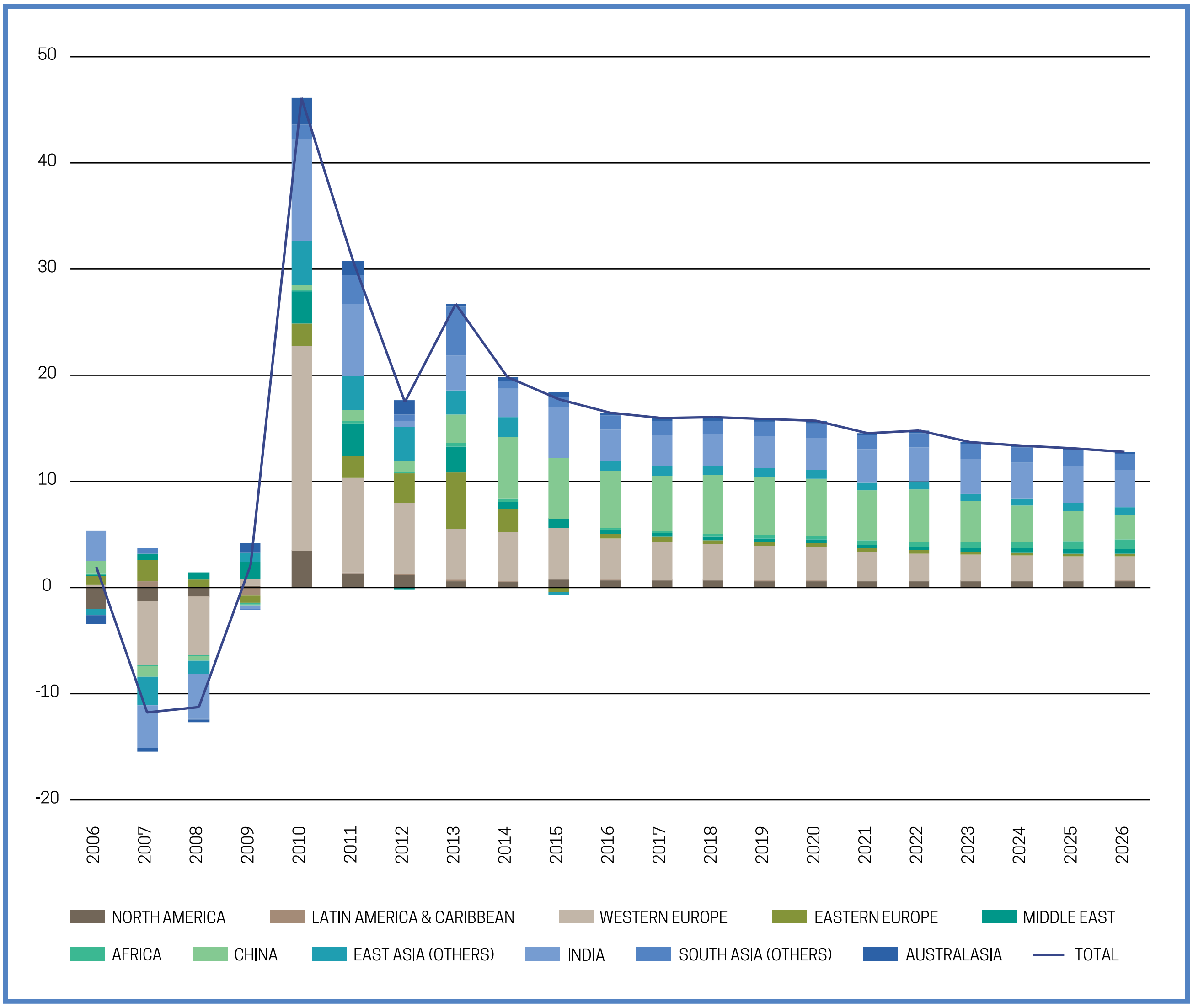
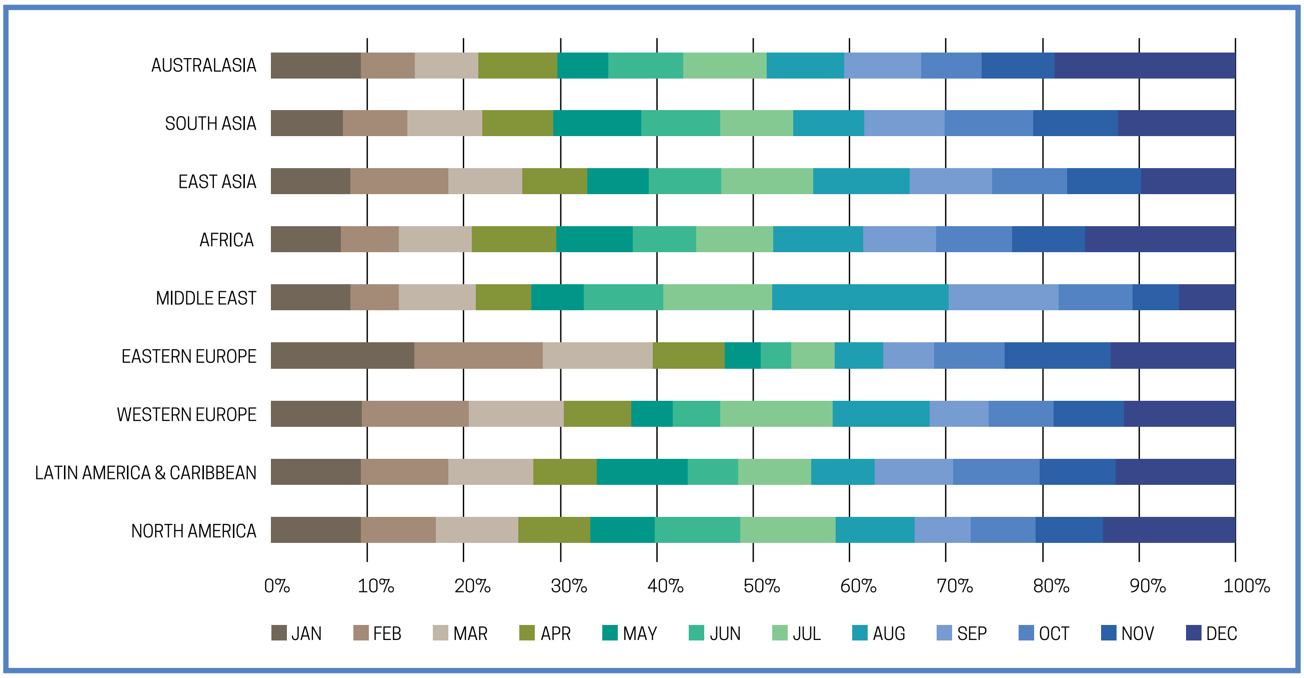


Figure 2: Country Arrival Composition - By Month *



* Source: World Bank Group and SLTDA

Optimising Supply

DELIVERING EXPERIENCES

Increasingly tourism, particularly high value tourism, is driven by experiences. These need to be experiences that are authentic, inspirational and memorable to the destination. As such they will help drive demand across a range of market segments – from millennials to speciality groups and domestic to international travellers. Growth needs to continue beyond existing source markets within Asia, the Middle East and Europe to find new and emerging regions. A key trend driving the future of luxury travel is the shift in values from the material to the experiential.[23]

The six categories of experiences identified are rooted in Sri Lanka's assets and centred around catering to the target market segments and source markets. They are each able to generate tourism revenue and can serve as independent drivers of visits – both domestic and international. The appeal of these experiences – and of the island – is that they can be combined and together serve as another accelerator to move Sri Lanka to a new level of tourism revenue, more upscale, and expand development.

A fundamental fact here is that many of the experiences – namely nature, water and trade – are not static. They are continuously under pressure from economic and environmental influences and their utility to other industries. This vision strongly advocates an approach of active and responsible management of the resources that are at the core of all six experiences. It also supports diversifying and optimising prime destinations to serve as models for tourism development in the future.

Broad stakeholder collaboration is required to protect and develop natural resources so that the country can balance carrying capacity and the demands of other uses alongside revenue and diversification potential from tourism. Likewise, greater collaboration is required to achieve the best end-to-end customer-centric visitor experience because the journey is as much of a focal point as the destination.

Elements of education and learning are emphasised under each experience. This is because learning a skill – be it nature or culture based – is a memorable moment, a journey in personal growth and a story retold on many an occasion. According to TripAdvisor research, travellers are seeking new experiences: 'learning something new' and 'trying something new' are cited among the top five influencers when making travel plans.[24] Therefore research hubs, nature and craft centres, museums, adventure sports facilities and recreational culinary schools will be encouraged. In addition, certain experiences are to be offered and promoted as signature or rooted experiences unique to Sri Lanka.

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[23] Shaping the Future of Luxury Travel – Future Traveller Tribes 2030, Tourism Economics 2016
[24] TripAdvisor TripBarometer Travel Trends 2016

EXPERIENCE CULTURE

The nation, its people and its customs are firmly rooted in a rich cultural diversity and history that has, and will continue, to form the basis of a well-established tourism experience. With six cultural UNESCO world heritage sites, countless archaeological sites, forts, museums, galleries and agricultural and village systems steeped in tradition, Sri Lanka has a geographically concentrated product that is driven by a wide variety of cultural experiences. These include: festivals, sport, folklore, destination weddings, indigenous communities, Sri Lankan family life and home stays. Food has an unrivalled ability to communicate a unique sense of place and the flavourful Sri Lankan cuisine is no exception. The enjoyment of Sri Lankan cuisine with its many influences, indigenous ingredients, colourful cooking, street eats and colonial-inspired food, is a signature experience in the country.

Sri Lanka's cultural roots have domestic and international appeal. Culture is a big lure for any destination, TripAdvisor travel trends reveal.[25] Conscientious visitors representing a growing share of upscale travellers want to connect with the local community; they seek cultural connection and immersion. Heritage and prestige are hallmarks for a luxury brand. Sri Lanka has an ancient recorded history dating over 2,500 years and authentic culture, which make it a timeless destination for deep travel that is rooted in the country's origins and its present identity. Travellers are also hungry to explore behind the scenes of any given destination, and they're using culturally specific food to discover destinations.

EXPERIENCE TRADE

Given its central location on the maritime route between the East and West, Sri Lanka was and continues to be an important trading hub. The ancient business along the Spice Route that drove a dynamic trade in tea, coffee, rubber, coconut, seafood, spices and gems, that still continues today in other forms, is being transformed in the travel space into agri-tourism, artisan villages and trade fairs, retail-driven travel, historic exploration and excursions, and education linked to precious stones. Whether on a farm or in the city, learning about tea and cinnamon, watching craft making or shopping for gems; collectively, these experiences are rooted in a form of trade that has flourished for thousands of years in Sri Lanka. There is great potential to expand this experience by supporting cottage industries and 'greening' traditional trade.

Trade is an opportunity yet to be fully leveraged in Sri Lanka. It is an important experience because of its sphere of influence and its direct revenue earning potential among a range of communities. It also ties closely with travellers' desire for new learning experiences.

[25] TripAdvisor TripBarometer Travel Trends 2016

EXPERIENCE NATURE

Sri Lanka's biodiversity is considered to be the richest per unit area in the Asian region with regard to mammals, reptiles, amphibians, fish and flowering plants.[26] Sri Lanka's natural heritage of varied tropical forests, wetlands and unique ecosystems are the hosts to this diversity. Nature is a traditional tourism offer in Sri Lanka rooted in the flora and fauna of the country and its landscapes. The country has two natural UNESCO world heritage sites – the Central Highlands and Sinharaja Rainforest – as well as numerous national parks, reserves, sanctuaries, forests and botanical gardens. The nature experience includes: Safaris and wildlife appreciation, bird watching, treks and nature trails, recreational and adventure sports, learning at nature research centres, camping and eco-friendly accommodation. Sri Lanka may not have the wildlife found in classic safari destinations such as in Africa, but the density and the combination of a 'beach and bush' experience within or near the national parks is in a league of its own, particularly in the Asian sub-continent, and can be promoted as a signature rooted experience.

Nature is a high growth segment of the international market and provides a contrast to the increasing urbanization of many of Sri Lanka's source markets. Varying degrees of access and interaction with the flora and fauna can be managed to create revenue tiers that drive market segmentation, and will contribute towards a push upscale. The value proposition of Sri Lanka's offer is anchored in its less-exploited and authentic offer. Going forward there is significant space to further segment into niche pursuits such as bird watching (avitourism) and learning-based vacations that are independent or linked to academic and medical research. This experience is also sought after by the domestic tourist and for educational purposes.

EXPERIENCE URBANITY

Colombo is rich in colonial history, fascinating architecture, archaeological sites and public green spaces. With the Western Region Megapolis Planning Project's transformation of Colombo and its surrounding districts, the city is destined to be THE City of the Indian Ocean. The aim is to make Colombo an attractive and affordable place to live, learn, work and enjoy. A thriving capital city will build Sri Lanka's brand, which will in turn support endeavours to attract reputable investments to the country. For the urban-based visitor experience, greater variety in dining, nightlife, events, retail, city recreation and architectural appreciation are required. In addition to Colombo, other locations such as Kandy, Jaffna, Hambantota, Trincomalee and Galle have great urban potential and will become significant cities in their own right, each with distinctive cityscapes. This can be coupled with a more established and growing domestic and international MICE segment.

City trips soared by 82% between 2007 and 2014 to reach 22% share of all holidays.[27] The significance of city trips is that they tend to promote off-season travel. The three most popular activities for the MICE traveller are sightseeing, dining and arts/culture. The night economy in urban areas needs to be developed further through suitable policies, regulations and promotions.

[26] Sri Lanka's Fifth National Report to the Convention on Biological Diversity 2014, Biodiversity Secretariat, Ministry of Environment & Renewable Energy
[27] ITB World Travel Trends Report 2015/2016, prepared on behalf of ITB Berlin

EXPERIENCE SPIRITUALITY

"I have not other desire, since I have arrived on this island, but to visit the illustrious foot of Adam" (Ibn Batuta, the Moor from Tangier, 1344, A.D.)[28] From thousands of years before the explorer Ibn Batuta to the present, visitors are drawn by a spiritual energy in the island. Kataragama, Nallur, Adam's Peak and the Madhu Church in Mannar are examples of mystical places of inter-faith worship visited by Buddhists, Hindus, Christians and Muslims alike. In addition to these and being the home of Buddhism, a number of distinct temples and seminal sites draw wide interest and present Sri Lanka's spiritual side. Religious trails and studies, meditation retreats, healing centres and hermitages for different religions and wellbeing are widely available. Holistic medicine and traditional therapies have been practised in the country for generations, while in recent times Ayurveda treatments and spas have become popular as a tourist experience provided by hotels and operators.

The global spa and wellness industry is fast growing and was estimated at $ 3.4 trillion in 2013.[29] Spirituality, health and wellness appeal to the higher value customer who is willing to spend more to renew and relax. Whether baby-boomers or the upwardly mobile who are seeking an escape from their fast-paced jobs, many are driving the trend toward restorative holidays for mind and body. Alternative and traditional medicines have also gained popularity as consumers opt for a multi-pronged approach to health and a substitute to the conventional medical community.

EXPERIENCE WATER

As an island with the Laccadive Sea to the West, Indian Ocean to the South and the Bay of Bengal to the East, Sri Lanka offers countless tourism experiences that are rooted in water by the coast. These include: the traditional sun and sea experience with the added benefit that many of Sri Lanka's beaches are secluded and not overcrowded. Yet Sri Lanka has the added advantage with abundant inland waterways, lakes and tanks. This is the result of the island's history being centred on a hydraulic civilisation, which utilised the geography with rivers originating in the central hills and flowing down and out toward the sea, creating unique ecosystems and landscapes. Successive monarchies and colonial powers harnessed the landscape for irrigation and transport. White water rafting, recreational fishing, kayaking, canoeing, educational experiences centred on ancient irrigation systems, lake and lagoon boating and mangrove safaris provide a present and future complement to a leisure-driven holiday. Moving offshore, the adventure increases with scuba and wreck diving, water sports such as surfing and kite surfing (with high potential to host more international events), sailing and yachting, deep sea fishing, mini cruises and island tours, and the more traditional fishing community experience.

The majority of accommodation supply is found along the coast and most visitors have sought a beach experience in Sri Lanka. As a staple driver of demand, water based experiences in Sri Lanka focused on beaches have significant potential to expand given the nascent stage of scuba, surf and sailing and the yet to be developed markets of sport fishing, lake and lagoon boating and island tours. Many of these water experiences have the ability to be combined with other experiences, particularly MICE tourism, thus encouraging extra days added to business, conventions and academic trips.

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[28] H.A.J. Hulugalle (1965), Ceylon of the Early Travellers
[29] Global Spa and Wellness Economy Monitor Report, 2014

The variety of experiences further enhances Sri Lanka's positioning as a year-round destination, thereby countering seasonality and its operational challenges. The table below illustrates this point, but is not meant to be an exhaustive list.

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Cultural Heritage Site Excursions												
Religious Trails & Festivals	B	B	B	B	B	B	B	B	B			B
Adam's Peak Pilgrimage		B	B	B	B							
Spiritual & Wellness Retreats (Meditation, Yoga, Healing, Spa Therapy)												
Plantation Excursions (Tea, Coconut, Rubber, Cinnamon, Spices, Rice, etc.)												
Village Lifestyle Experience							P	P				
Sri Lankan Culinary Experience												
National Parks Safari												
Bird Watching	B	B	B								B	B
Whale And Dolphin Watching	B	B	B	B								B
Turtle Watching	B	B	B								B	B
Rainforest Excursions												
Beach Fun (Non-Swimming)												
Water Sports (Jet Skiing, Water Skiing)												
Snorkelling, Scuba Diving & Wreck Diving												
Deep Sea Sport Fishing			B	B					B	B	B	
Surfing			B	B					B		B	B
Windsurfing												
Kite Surfing						B	B	B				
River Safari & Inland Fishing												
Sailing (Inland & Ocean)												
Kayaking (Mangroves & Lagoons)												
White-Water Rafting					B	B	B	B	B			
Camping, Trekking & Hiking												
Rock Climbing												
New Adventure Sports												
Cycling, Trail Biking & Mountain Biking												
Hot Air Ballooning												
Sport (Especially Cricket, Golf)			C									

EXPERIENCE BEST ENJOYED IN THE EAST

EXPERIENCE BEST ENJOYED IN THE SOUTH AND WEST

EXPERIENCE CAN BE ENJOYED ALL YEAR ROUND

B BEST TIME FOR EXPERIENCE, FOR EXAMPLE PARTICULAR CULTURAL AND RELIGIOUS FESTIVALS, NATURE SIGHTINGS

P PADDY HARVESTING SEASON

C SCHOOL CRICKET SEASON

SPATIAL PLANNING

Land is a limited resource and thus spatial planning is critical. Tourism is an activity produced and consumed simultaneously within a spatial context. It is here, at the destination level, where tourism needs to be managed and which requires careful planning if the Tourism Vision 2025 is to be achieved.

Five geographical tourism zones are identified that cluster Sri Lanka's 25 districts. Zoning enables identification of sensitive ecosystems, conservation areas and lesser-known but significant attractions that can be enhanced and promoted to manage visitor capacity and increase revenues. This process will in turn, highlight the requirements for focused policy, planning, implementation and management strategies by all stakeholders toward the delivery of the Tourism Vision 2025 at any given site or locality. This includes addressing critical aspects of physical infrastructure and connectivity within the zone and between zones as well as carrying capacity of areas within each zone.

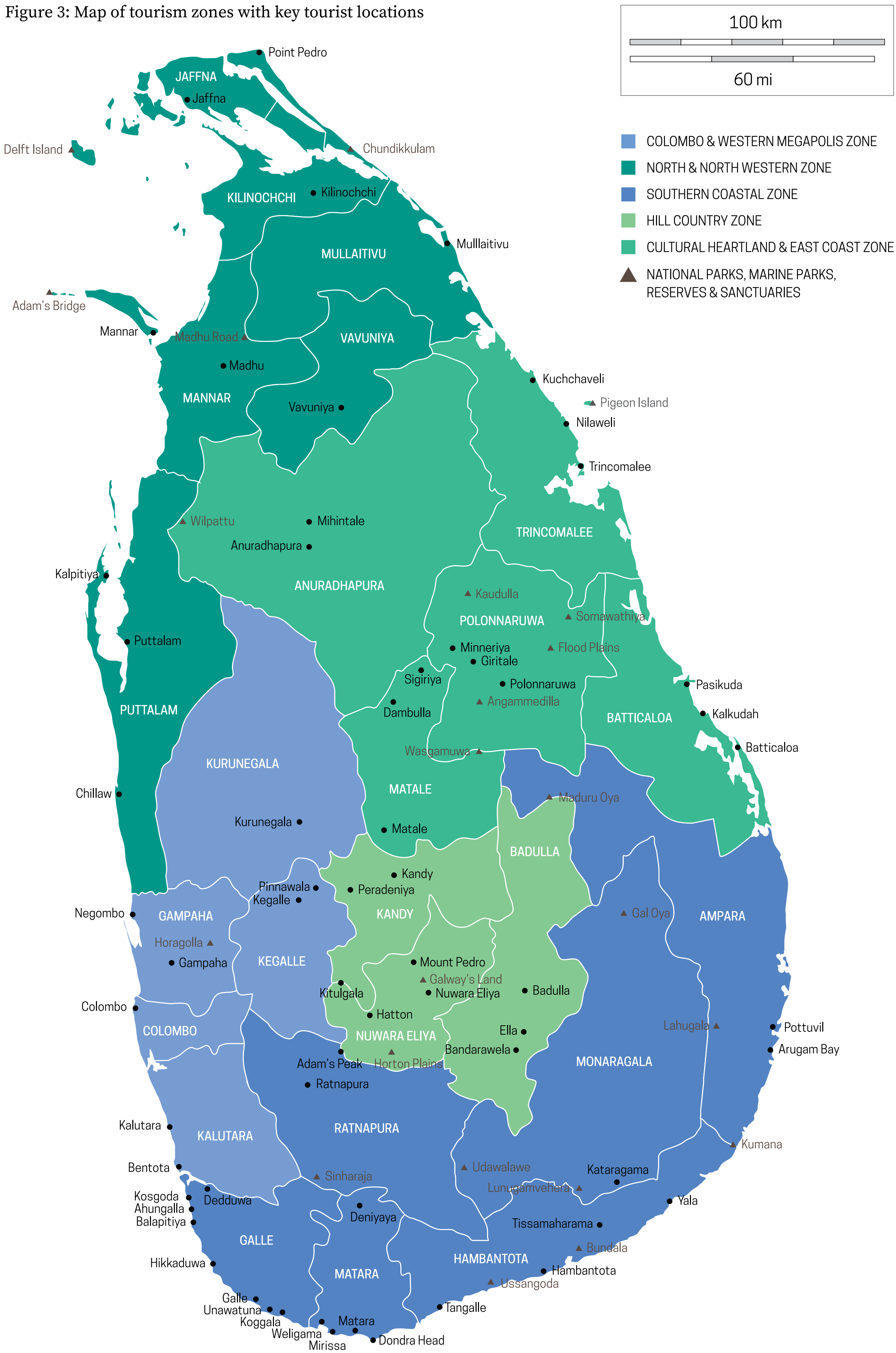
Each zone has several main pull cities or townships and will be multi-dimensional for tourism, offering a range of diverse and authentic experiences within it. Each zone, except the Hill Country Zone, features the two monsoonal seasons and is thus able to sustain a more robust tourism economy. With the collaboration of all stakeholders, Sri Lanka's product offering can be diversified within each zone. People will have more to do and more to enjoy. Every zone will be encouraged to develop sites such as public parks, indigenous community neighbourhoods, Royal Craft Centres, centres for traditional medicine and meditation houses. The objective is to provide a visitor, both domestic and international, with reasons to travel and immerse themselves within one zone for a longer period of time. Sri Lanka can then become a longer stay and return holiday destination. Local communities will be able to work in the hospitality service provision space or engage in relevant entrepreneurial opportunities, for example equipment servicing, laundry, artisan centres, tours, transport, agribusiness, etc, thus expanding the multiplier effect from tourism activities within each zone.

Furthermore, 'Protected Tourism Localities' and 'Tourism Economic Areas' will be demarcated. A 'Protected Tourism Locality' is a protected area that must maintain the authentic look and feel, which has resulted through organic growth. No large-scale developments are permitted here, except where specifically identified and only to enhance their unique identity. More stringent environmentally friendly business practices will be endorsed in the area in a gradual phased process, such as restricted plastic use, waste recycling, renewable energy use, etc. 'Tourism Economic Areas' will be specified around the island where major construction and developments will be permitted in line with guidelines set by the central and local authorities.

The spatial planning process will strive to be consistent with the 2016-2020 National Physical Plan and also take into consideration the Strategic Environmental Assessment for Sri Lanka, Provincial Council tourism plans and other relevant government plans for land use. In particular, the Tourism Vision 2025 advocates the Department of Forests' objective to achieve 32% protected forest cover and maintaining minimum 65% island-wide green cover, which includes wildlife parks, sanctuaries, reserves, biological corridors and cultivated plantations.

The spatial planning efforts will emphasise the unique selling points of the country's tourism zones. Further research is required on the metrics of attractions, visitors, accommodation, carrying capacity and the potential for growth. Feasibility-based, localised destination development plans as well as policy evaluations will be carried out during the strategy consultation process to ensure appropriate developments in each of the zones. High level concepts are mentioned here (Page 27-29).

Figure 3: Map of tourism zones with key tourist locations



COLOMBO & WESTERN MEGAPOLIS ZONE

Colombo will be positioned as THE City of the Indian Ocean, a cosmopolitan capital city that is filled with local and international sights and sounds in green surroundings. The Western Region Megapolis Planning Project has identified optimal urban land use, including tourism and recreation locations. This project will pave the way for creating a capital city and region that is modern yet uniquely Sri Lankan.

The commercial Colombo Port City hub with a large marina and nearby passenger cruise terminal as well as the BIA Airport will serve as attractive gateways to the country. Colombo's 'old city' – the historic Colombo Fort – will be a conservation precinct with magnificent heritage buildings restored for reuse as public spaces, boutique accommodation and retail outlets. Also enhanced as a 'Protected Tourism Locality' will be the bustling Pettah market with more local street food choices. 'Downtown' Colombo, located at the Beira Lake waterfront, will see a hive of mixed recreational activity. Different quarters will breathe life in the city such as a Cultural Quarter surrounding the National Museum and Nelum Pokuna in Colombo and extending to Apé Gama community village; the Nature Quarter in Kotte and urban wetlands; the world-class Transport Museum in Ratmalana; a theme park; and pockets of already developed public parks and leisure areas. Colombo's beaches, marine heritage and wreck diving will be emphasised. MICE hubs will be developed in central Colombo and close to the BIA Airport to host a number of internationally oriented conventions and events.

HILL COUNTRY ZONE

The cooler climes and salubrious qualities of the hill country position this zone as a refreshing getaway with numerous outdoor pursuits and home to tea plantations and horticulture. Heritage properties in the hill country will be preserved and adaptively reused to not only showcase the heritage of the tea industry, but to also allow visitors to enjoy the corresponding lifestyle. Integrated hill country tourism projects are to be explored as pilots that will endorse the core tourism principles. Possibilities of developing a domestic airport and the proposed Northern Highway are expected to ease access to this zone.

Kandy will be an urban hub for culture. This zone includes the UNESCO World Heritage sites of Kandy and the Central Highlands (Horton Plains and the Knuckles massif) as well as Ella, which will be a 'Protected Tourism Locality' for adventure activities. The potential exists for developing a mountain golf circuit with the existing Nuwara Eliya and Kandy golf courses. A cable car service is due to be constructed between Nanu Oya and Nuwara Eliya from which visitors can experience the splendour of the central massif. The botanical gardens of Peradeniya and Hakgala will be given an elevated status, while smaller parks and butterfly gardens will be set up by local communities to enhance this garden zone. As with the tea estates, sites such as the Gannoruwa Agriculture Park, dairy farms and other farms will be enhanced and promoted for tourism. There is potential to create interconnected trails and itineraries for enjoying the natural and cultural attractions in this zone such as waterfalls, pristine mountain forests, tea country including heritage buildings from colonial times, and ancient travel routes.

SOUTHERN COASTAL ZONE

This zone is home to the country's most developed tourism area along the southwest coast and has the UNESCO World Heritage sites of Galle Fort and Sinharaja Forest as well as a number of larger and smaller national parks. This zone is also home to the spice industry, rubber, low country tea, rice cultivation, ancient temples, and rainforests that are rich in biodiversity and a host of endemic species. Its captivating topography viewed from above shows in a lush green with undulating mountains. It is strong in the forest and water experience, offering a variety of coastal and inland recreational opportunities for visitors. Connectivity will be further enhanced by the Mattala Airport for domestic and international flights, and the extension of the Southern Expressway to Hambantota. Galle is designated as a heritage tourist town, and the fort itself will be a conservation precinct to protect the heritage site. Sections of the Galle Harbour and the Tangalle harbour will be utilised for small marinas with recreational facilities. Mini marinas already exist or are under construction in Mirissa, Beruwala and Hikkaduwa.

A 'Tourism Economic Area' encompassing Ahungalla, Balapitiya and Ambalangoda will permit higher coastal constructions for large-scale tourism investments. In contrast, the Arugam Bay stretch and Unawatuna Bay, with their authentic seaside identity and culture, will each be a 'Protected Tourism Locality'. The Chinese government is to be involved in the southern integrated tourism development project in Hambantota. Inland canals will be assessed for leisure transport, for short distances, as well as inland tour routes such as the spice trail, temple trail, and water trail for low impact tourism experiences. A designated area as 'Cinnamon Country' for exploring Ceylon Cinnamon and artisanal crafts will also be created. With golf courses in Koggala and Hambantota and another two in the pipeline, a coastal golf circuit is emerging. The Dedduwa integrated development project will create a new recreational, residential and tourism hub neighbouring the Bentota strip. Yala National Park will be a well-managed world-class safari hotspot for the bush and beach experience. New sites of tourism interest will be protected, enhanced and promoted such as Nilgala Forest only for camping and trekking; Ratnapura for a gem industry learning experience; Kanneliya-Dediyagala-Nakiyadeniya (KDN) forest reserve for nature excursions and research, and Deniyaya and Ranna for forest based eco-tourism.

CULTURAL HEARTLAND & EAST COAST ZONE

With the UNESCO World Heritage sites of Sigiriya, Dambulla, Polonnaruwa and Anuradhapura, this zone is foremost for the country's cultural experience. Engagement and activities at each heritage site will be enhanced to cater to the expectations of upscale visitors. In addition, there will be a drive towards experiential and immersive travel for visitors to fully enjoy and learn at these sites. Existing and new museums and galleries will showcase the marvels of an ancient civilization, traditions and folklore. Reconstruction of tank village systems will allow for preservation of traditional village complexes and development of the agro-tourism industry in this zone, both of which are important experiential tourism activities in the region. An indigenous community village will be established. The elephant gathering in Minneriya is a signature sighting in Sri Lanka and must be protected.

On the coast, a masterplan for development in Trincomalee is currently being drafted and will provide the infrastructure for growth of neighbouring tourist localities. The plans include for a domestic airport as well as a proposed Central Expressway that will improve access and reduce travel time to the east coast. The Kuchchaveli integrated resort development project will be revived. A small marina and recreational club will service the area as well as a research centre for whales and marine life. Great Sober Island will be preserved as a historic site and sanctuary with leisure and park facilities to enable day excursions. This zone will cater to water and land based high value activities such as deep-sea fishing, sailing and luxury accommodation by pristine beach expanses. It is also home to Wasgamuwa and Maduru Oya National Parks, and Kokilai bird sanctuary, which can manage specialist visits.

NORTH & NORTHERN ZONE

Developing the tourist infrastructure in the north will be made a priority given the inability to do so in the last 30 years. Connectivity to the zone will be improved with the Jaffna domestic airport, the Northern Highway, and potential locations identified for medium-sized marinas.
This zone has the unique feature of several islands off its coasts, including the islands off Jaffna, Kalpitiya and Mannar. These marine and water-based attributes will be celebrated, including enhancing Kalpitiya peninsula's status as an international kitesurfing hotspot.

Mannar Island will be protected for avi-tourism, potentially with the inclusion of low impact boutique accommodation and recreation sites. These incredible islands will allow visitors to experience water-based tourism via boats with accommodation and sailing. There will be more excursion opportunities with island hopping and day trips, while providing earning opportunities for the local community. The islands will be retained for traditional fishing villages and communities. Low impact and eco-friendly developments will allow for experiencing marine life, wildlife, and birdlife, especially during the migratory period, with appropriate tourism interpretation such as signage, walking tours and designated day activity locations.

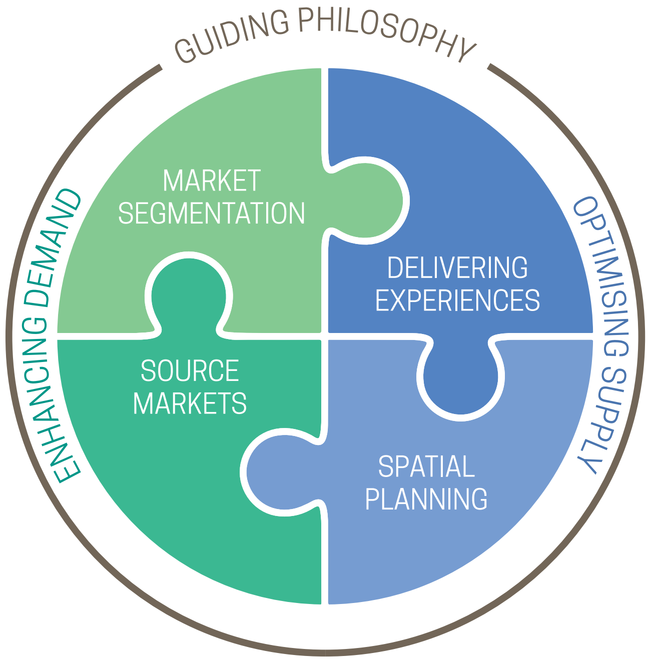
Selected locations will celebrate the seafood and culinary traditions in this region. Places of religious, historic and spiritual interest dot the North & North Western Zone, and will be enhanced with the establishment of museums and preservation of heritage buildings. The dense northern nature sites including Wilpattu National Park and Chunddikulum bird sanctuary will be available for wildlife and nature experiences rivalling that of the more visited parks in other parts of the island.

Achieving the Vision

Despite the best intentions and plans, implementation of a common vision for tourism has been a major challenge in the past. Tourism has therefore remained under-invested, inadequately managed, and not sufficiently linked to value adding goods and services supply chains. To date, mandated government institutions have been inconsistent and uncoordinated in their efforts with respect to regulation, planning, development, training and promotion and have hampered the tourism sector in delivering its potential economic and social returns.

Therefore a significant transformation is required for the sector to become truly competitive globally.

The described vision, its guiding principles under a common theme and the spatial initiatives to attract a wide scope of market segments can position Sri Lanka as a quality destination for visitors and a beneficial tourism sector for the country. Fundamentally, Sri Lanka strives to transition into a higher value destination. The Tourism Vision 2025 sets a new trajectory whereby the guiding philosophy, visitor demand and supply-side experiences are aligned. **It is a crucial time to set direction for this key economic sector, not only to steer its tourism growth but also to avoid Sri Lanka reaching a point of stagnation in its tourism lifecycle.**



TO ENSURE THE ACHIEVEMENT OF THE TOURISM VISION 2025, IT IS ESSENTIAL THAT:

> An implementation strategy and action plan with a pragmatic approach is developed in consultation with stakeholders;

> Institutional improvements are executed to deliver the strategy, including inter-governmental coordination and communication;

> The policies and legal and regulatory framework are reviewed with the aim to improve competitiveness, streamline investment and business operating procedures;

> Pilot demonstration projects are initiated that follow the guiding principles and experience offerings;

> A tourism industry human resources strategy is developed to fulfil the projected demand for qualified tourism and hospitality personnel whilst addressing the barriers of entry, retention and benchmarking;

> Government agencies are supported to implement relevant management and preservation of cultural and natural assets.

> A long-term targeted marketing strategy is formulated in line with the vision; and

> Local level integrated tourism development and destination management capacity is planned in pilot locations.

The government cannot and should not undertake all projects and programmes alone. All stakeholders have a vital role to play. Tourism is private sector driven and developed, facilitated by government, and rooted in the local community and environment. Its success hinges on collaborative partnership. All stakeholders are partners to ensure the successful and responsible implementation of the Tourism Vision 2025:

> GOVERNMENT to lead in creating a conducive environment for the tourism industry to flourish, which includes setting direction, planning development, acting as facilitator, and enforcing consistent policy and regulation. A key area to be addressed is connectivity infrastructure to truly leverage Sri Lanka's comparative advantage. Government at all levels and across all subjects must fulfil their responsibilities and work in unison toward achieving the Tourism Vision 2025. The strategy must consider existing and new policies, regulations, governance mechanisms and destination marketing methodologies.

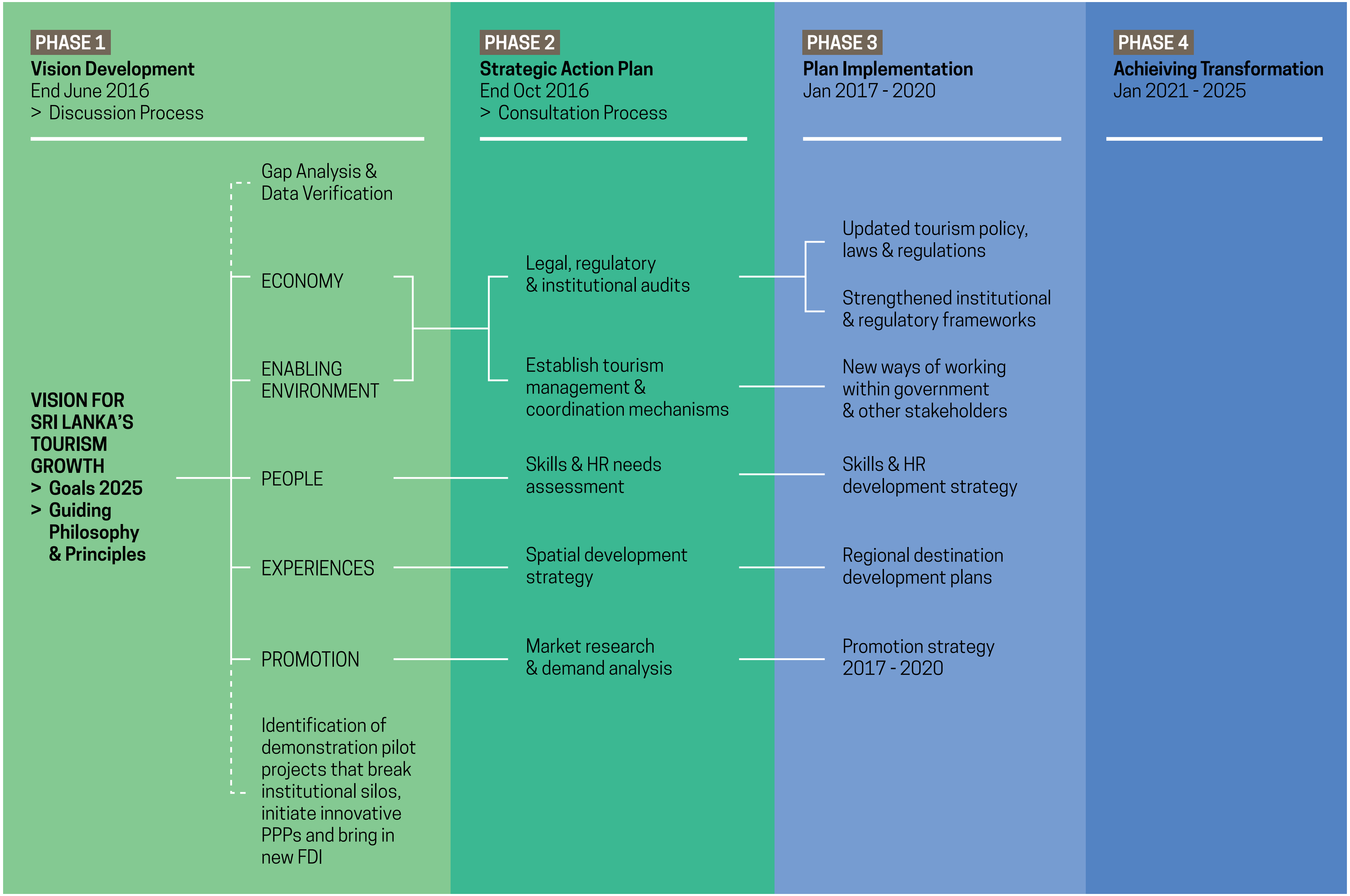
> PRIVATE SECTOR to responsibly invest in and market different areas of tourism, collaborate with government in developing rooted experiences, as well as employ, up-skill and fairly compensate the workforce. It must be acknowledged that the private sector has been the engine of growth during challenging times and it is in their power to transform the sector working together with the government.

> DEVELOPMENT PARTNERS, which includes non-governmental bodies and charitable organisations, must support and work towards the tourism vision, mission and goals of the government with full engagement of all stakeholders. This includes support with institutional capacity building, up-skilling the workforce and development projects. They also have a role to play in the promotion and monitoring of the good governance associated with the Tourism Vision 2025.

> WORKFORCE to participate fully in the tourism sector, not only in the supply of labour, but also as visitors and shareholders. The workforce must be motivated to exceed expectations through fair remuneration and continuous training.

> CIVIL SOCIETY is to partake in achieving the Tourism Vision 2025 by sharing their stories with visitors and voicing concerns. Local communities can champion tourism in each locality, be visitors and seek partnership opportunities for key attractions.

> MEDIA, as content developers and providers, are well placed to share grassroots stories highlighting and celebrating Sri Lanka's natural and cultural heritage. They can create awareness about the guiding philosophy and marketing the destination to both domestic and overseas markets.


PHASE 1
Vision Development
End June 2016
> Discussion Process
PHASE 2
Strategic Action Plan
End Oct 2016
> Consultation Process
PHASE 3
Plan Implementation
Jan 2017 - 2020
PHASE 4
Achieiving Transformation
Jan 2021 - 2025
VISION FOR SRI LANKA'S TOURISM GROWTH
> Goals 2025
> Guiding Philosophy & Principles
Gap Analysis & Data Verification
ECONOMY
ENABLING ENVIRONMENT
PEOPLE
EXPERIENCES
PROMOTION
Identification of demonstration pilot projects that break institutional silos, initiate innovative PPPs and bring in new FDI
Legal, regulatory & institutional audits
Establish tourism management & coordination mechanisms
Skills & HR needs assessment
Spatial development strategy
Market research & demand analysis
Updated tourism policy, laws & regulations
Strengthened institutional & regulatory frameworks
New ways of working within government & other stakeholders
Skills & HR development strategy
Regional destination development plans
Promotion strategy 2017 - 2020