



One Billion Tourists:  
One Billion  
Opportunities –  
Contextualizing Sri  
Lanka

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# Global Growth in Tourism

- Globalization, low cost air travel, growing middle class, etc., have all contributed to a rapid increase in global tourism
- Global tourism which amounted to 25 mn visitors in 1950 increased to 435 mn in 1990 and to 1 bn in 2012
- Global tourism now contributes to 10% of global GDP, generates 1 in 11 global jobs, amounts to 6% of global trade and 6% of exports of LDCs

# Can the Globe Cope with Expanding Tourism ?

- Economic benefit to countries and individual tourist are clear but what about the planet and each of the tourist destinations ? Can the globe handle this expansion ?
- According to the UNWTO, this depends on each individual tourist – any small action multiplied by a billion becomes an enormous action. Thus one billion positive actions have the potential to create positive growth for individual destinations and the entire globe

# New Action Required for Accommodating Expanding Tourism

- On this reasoning, the UNWTO initiated the campaign “One Billion Tourists: One Billion Opportunities” and called upon the one billion tourists to make their action count
- The UNWTO SG stated: “Imagine the difference one tourist can make by adopting small changes from using towels for more than one day, hiring a local guide or buying a local product. Now imagine if these simple actions were multiplied by one billion, that is the power of one billion tourists”
- So ‘one billion tourists: one billion opportunities’ means one billion opportunities for economic growth, jobs and the future of the planet

# Why was action emphasized ?

- That is because the classical concept of 'tourist' is fading away while that of a 'traveller' has become stronger – that is, someone who does not limit him/herself to visiting place but in some way become an integral part of it
- It is said that 'citizen of the world' is born no longer to see but belong, not to look around but experience, no longer to analyze, but to take part in, and not without respect for what and whom he/she encounters
- Each traveller by adapting a more correct criteria for moving around the world, become an active part in safeguarding the earth
- One individual effort multiplied by a billion becomes a great revolution

# Responsible Tourism

- What is emphasized with this new slogan is “responsible tourism”, a phrase differentiated from the traditional “sustainable tourism” by a more holistic focus that encompasses not only the environment impact of tourism but also economic and social impact

# Possible Positive Action to Create Opportunities

- Buy local – contribute to the growth and expansion of the local economy
- Respect local culture – read up local culture, learn a few local phrases (please, thank you,...)
- Save energy – go beyond re-use of towel/bed sheets – shut off lights, laptops, ipads; use water prudently, etc
- Use public transport – avoid renting a car which just puts another car into the road
- And so on.....



# Sri Lanka in the Context of the 2015 Theme

# Sri Lanka in the context of Responsible Tourism

- Save energy: Some well-established hotels have implemented programmes but doubts remain whether hotels in the informal sector have implemented them
- Buy local: local items are sold in the hotel premises (handicrafts, ornaments, etc), however, there is no campaign to buy local items like consumer non-durables
- Respect local culture: promotional programmes exist in hotels but awareness creation is limited; very few hotels have bulletins on respecting/preserving local culture
- Use of public transport: low end tourists use public transport but government needs to invest much more to improve public transport system in the country

# Creating the Enabling Environment

- In short, if the enabling environment is created, more responsible behaviour could be expected, there by contributing to more energy saving, buying local, etc., and generating more value to the economy and society
- I would like to take the 2015 theme of opportunities beyond the individual tourist to the country as a whole

# Sri Lanka Tourism: Overall Picture

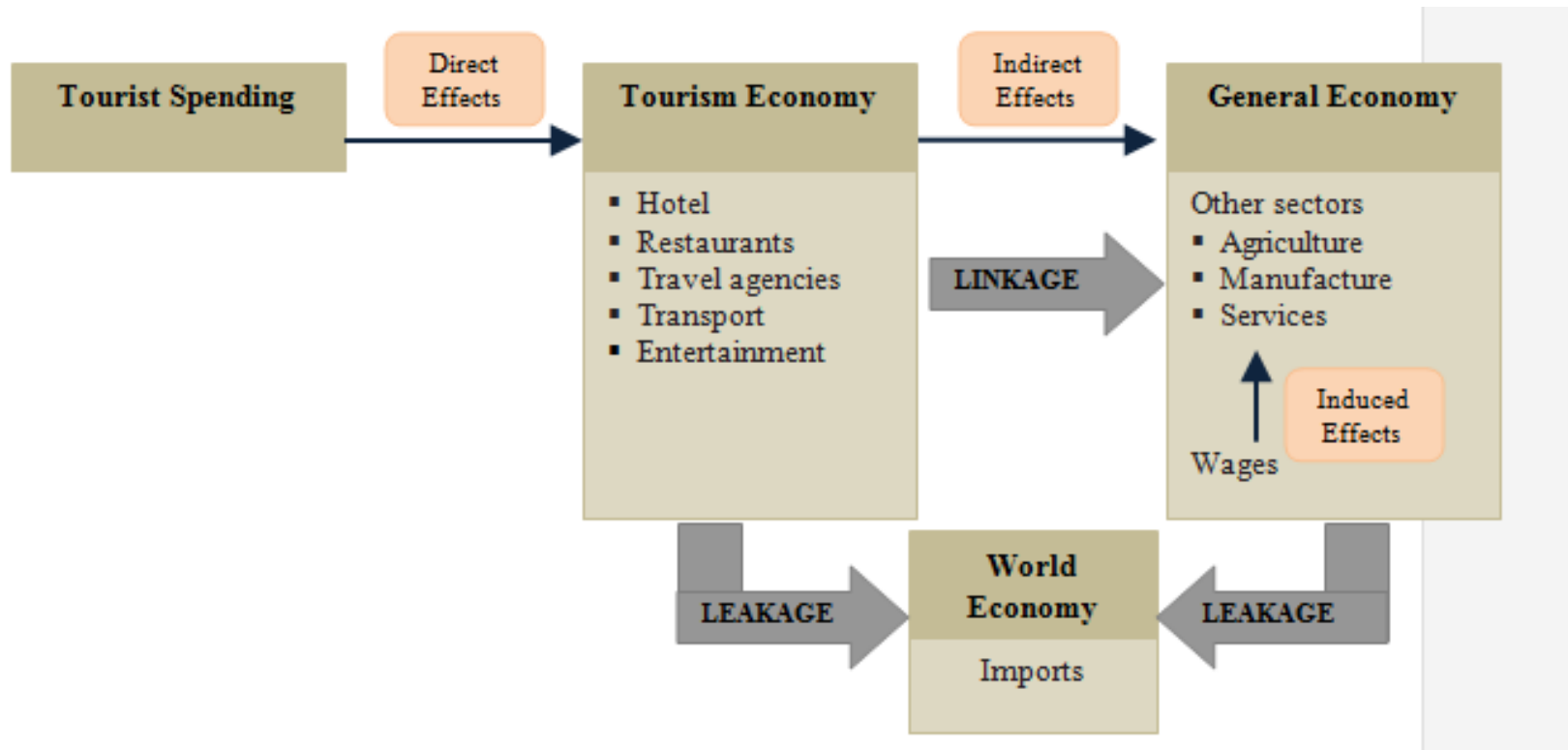
# Sri Lanka Tourism: Macro Data

- Rapidly growing sector in the economy now with 20% growth in 2014
- Tourist arrivals in 2014 was 1.5 million, brought in US\$ 2.4 bn earnings (third largest foreign exchange earner to the nation), accounted for 2.5% of GDP, and 300,000 jobs generated (130,000 direct and 170,000 indirect)
- 2.5 million tourist arrival target set for 2016

# The more detailed data

- The impressive macro data does not reveal the some aspects of the tourism sector
- Still tourist arrivals dominated by mass tourism, which is characterized by: a) large leakages, and b) little gains for the rural communities
- Tourism receipts per day is US\$ 161 (2014) which is far below the average of Sri Lanka's competitors

# Tourism's Contribution



# Increasing Benefits to Communities

- Limited opportunities for communities at present
- Lack of skills, knowledge and attitude among the local people is an issue
- Evidence from other countries show that meaningful community participation increases the sustainability of business



# Tourist Spending

- Earnings are relatively low when compared with regional competitors

Country	Arrivals ('000)	Receipts (USD million)	Receipts per arrival (USD)
India	7,703	19,700	2547
Maldives	1,205	2,661	2218
Sri Lanka	1,527	2,431	1592
Thailand	24,780	40,143	1619

- Need to increase the receipts per tourists through appropriate strategies which may include attracting more high spending tourists and offering new tourism products -- these are all opportunities

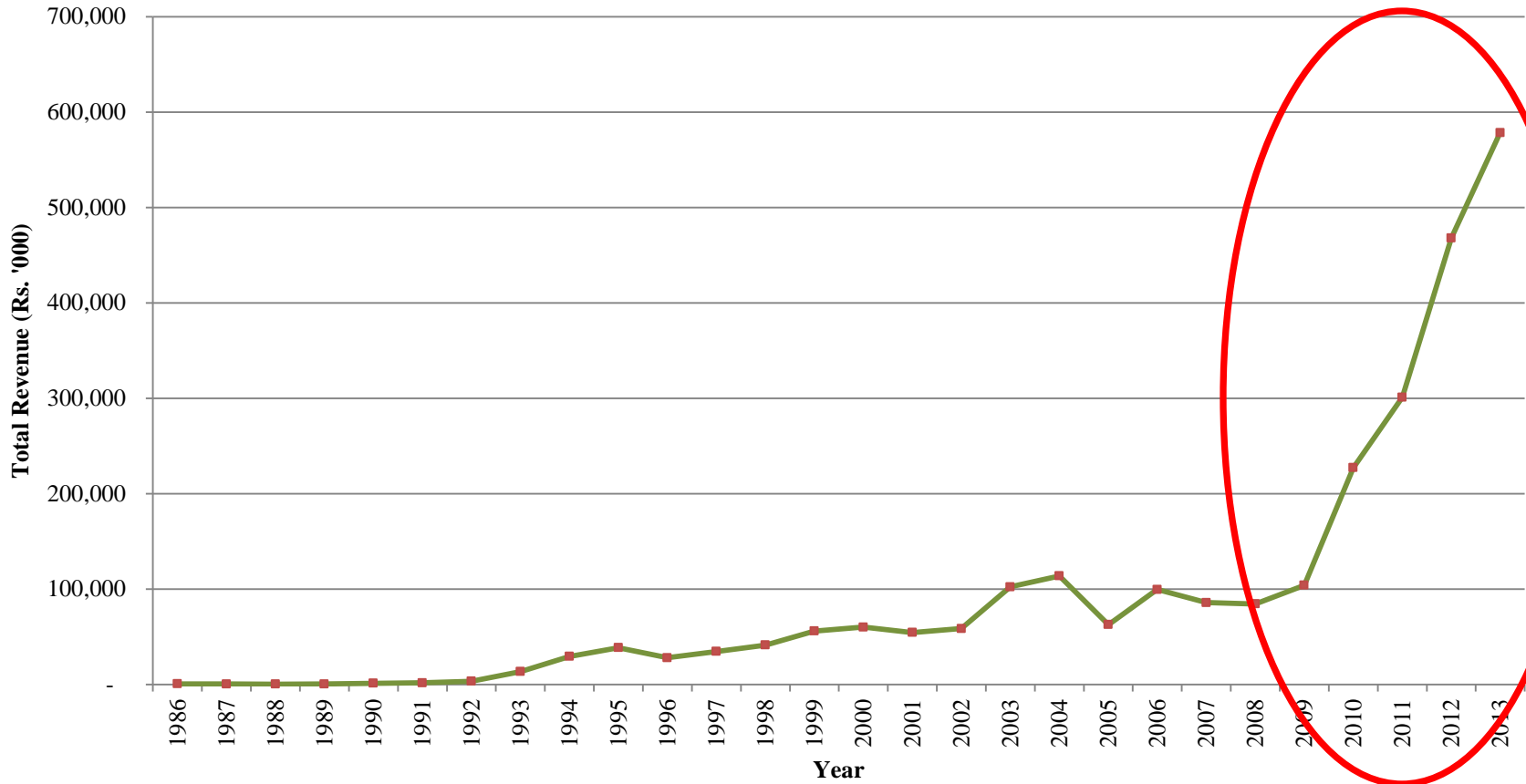
Opportunities

# Attracting High Spending Tourists

- Spending of Chinese travelers has increased by 27 per cent in 2013 when compared to 2012
- Significant increase in Chinese outbound travel due to:
  - ✓ Rising disposable income
  - ✓ Currency appreciation
  - ✓ Improved travel facilitation
- Sri Lanka should have a more effective strategy to attract Chinese tourists

# Nature-based Tourism

## Revenue from Foreign Visitors Visiting the Wild Life Parks



Source: SLTDA (2013)

# Nature-based Tourism

- Sri Lanka's potential for nature tourism is high
- Opportunities are not fully exploited yet
- Under the existing framework, there are negative implications on the flora and fauna due to unregulated nature tourism in certain sites (over-crowding in Yala during the season)
- Effective regulatory framework and coordination among tourism and environment sectors are essential

# Creating New Tourism Products

- Niche markets such as ecotourism, agro-tourism, etc. – operates without much policy support
- MICE tourism and business tourism also operates with 134,000 MICE tourists arrivals in 2014
- New tourism products which became popular after 2009 – whale & dolphin watching, sea sports, cruise tourism, etc. – they need to be developed further and the ocean around should be more utilized for tourism
- Untapped opportunities in the North and East

# Constraints and Challenges

# Establishing a Balance Between Quality and Price

- Accommodation sector is being expanded
- World known hotel chains are making investments in Sri Lanka
- It is highlighted that the hotel room prices do not reflect the quality of service offered – leads to dissatisfaction and loss of customer base
- Careful consideration on upgrading service quality and effective pricing mechanism is required



# Significant Skills Gaps

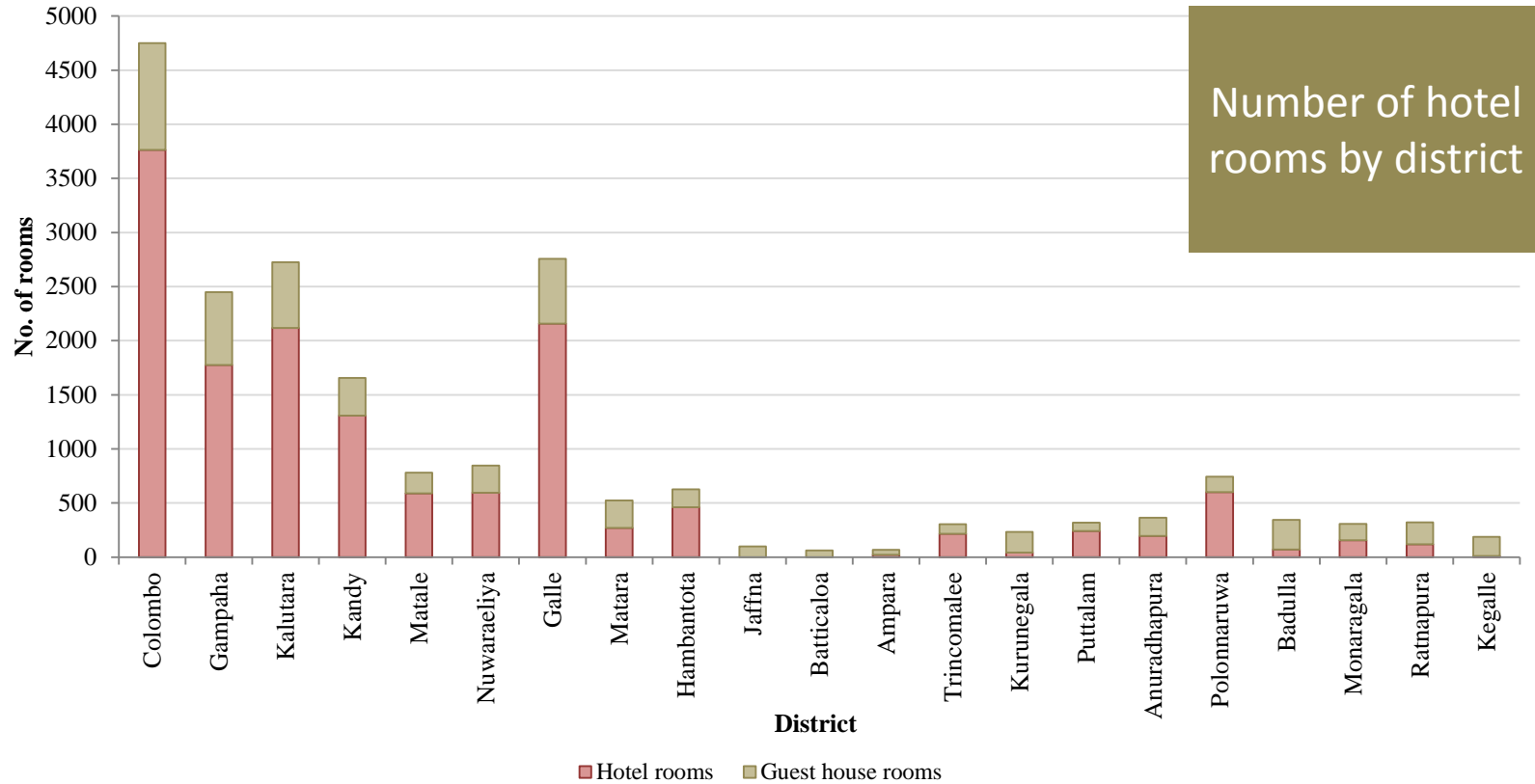
- Relatively low quality of technical & vocational education
- Only 10 per cent of the total employed in the industry have undergone both formal or informal technical & vocational education and trainings
- Significant skill gaps: English language, leadership, commitment, positive work habits, creative & critical thinking etc.

Source: ILO (2013)

# Lack of Tourism Infrastructure

- Need to strengthen roads and sea transport facilities
- Need to have a proper source of information on infrastructure in place
- Washrooms, Information Centres, sitting areas, etc.

# Lack of Tourism Infrastructure



# Lack of proper branding and marketing

- Sri Lanka should focus on areas where it has market advantage
- Ad hoc branding and marketing leads to deteriorate the image
- Public-private partnerships are required
- Sri Lanka should learn from the relevant strategies put forward by regional competitors and other successful tourism destinations

# Lack of Information and Data for Decision Making

- Accurate estimates in tourist spending
- Compiled information on accommodation units in the informal sector
- Occupancy rates in formal and informal accommodation units
- Research-based evidence on true economic benefits and costs of tourism can be provided if such data are available

# Thank you



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