Recent changes in tourism trends in Sri Lanka and implications for poverty reduction

Karin Fernando[1] and Arunika Meedeniya[2]

1. Introduction

The paper has been prepared by the Centre for Poverty Analysis (CEPA) for the poverty network project of ADB. This working paper was presented at the Asia-wide Regional Conference on "The Impact of the Global Economic Slowdown on Poverty and Sustainable Development in Asia and the Pacific" held in Hanoi, Vietnam, 29 – 29 October 2009.

This paper explores whether the global recession has changed the tourism industry in Sri Lanka and how or if this change is affecting poverty. This paper will aim to answer the research questions: has the financial crisis affected tourism in Sri Lanka? If so, to what extent has this impact been felt by the low income households? And what have been the buffers to support the industry. The paper first explores the macro setting that sets out the recent trends in tourism to test the hypothesis of cause and effect and then looks to disaggregate these trends at a micro level to discern how or if there has been an impact on poverty. It will also explore if the domestic tourism market has played a role in cushioning the impacts due changes in international tourism.

The information for this paper was collected through examining/exploring secondary data including official statistics, journal and newspaper articles as well a series of Key Person Interviews (see annex 1). While the statistics exists to explain the macro picture of tourism trends, similar information is not available to connect it to tourism related poverty effects and therefore a case study (qualitative) methodology based on Key Person Interviews with officials of tourism associations has been used.

2. Tourism and the potential for poverty reduction

Tourism was until recently one of the fastest-growing industries in the world, contributing significantly to the economies of both developing and developed countries. Tourism is a sector that can play an important role, not just in increasing gross domestic product (GDP), but also in reducing poverty. It can offer income and employment through labor-intensive jobs and small-scale business opportunities while also spreading opportunities to areas that are not always economically dynamic, such as remote locations with esthetic or cultural value (Yamakawa 2007).

However, due to the global recession, world tourism has suffered: growth of over 6% a year declined to 2% in 2008. The sector is expected to contract by 4–6% in 2009 (UNWTO 2009a). In Asia the growth of tourism had been at a rate of 6–8% over the past decade, over twice the rate in industrialized countries[3]. However in 2008 Asia recorded a negative growth rate of 3% (UNWTO 2009b) that is predicted to fall further to 6% in 2009 (UNWTO 2009a). As Sri Lanka is also a country in Asia where tourism is important for economic development as well as poverty reduction, these global trends are expected to have caused shocks.

---

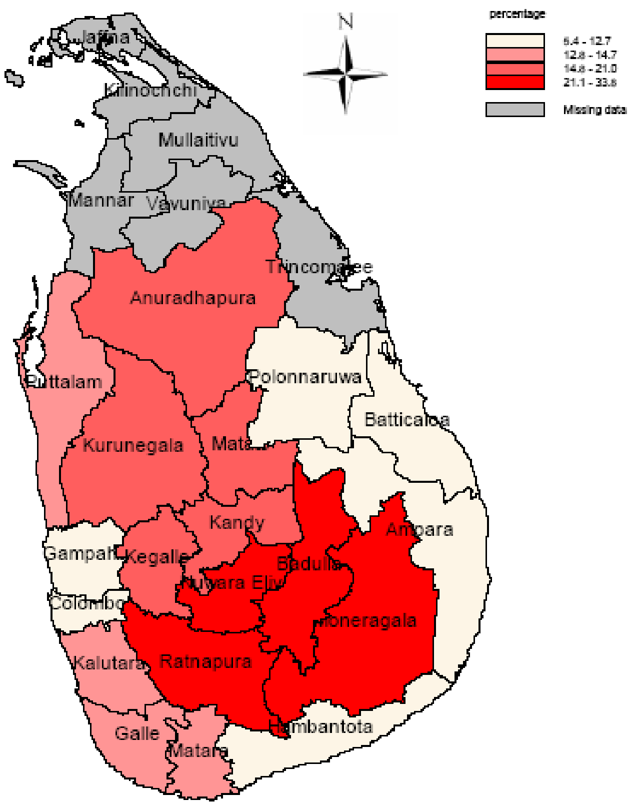
[1] Senior Professional, Centre for Poverty Analysis

[2] Professional, Centre for Poverty Analysis

[3] Pacific Asia Travel Association (PATA) Tourism Forecast, as quoted by Miththapala, S. 2008

Box 1: Benefits of tourism for poverty reduction	Box 2: Drawback of tourism for poverty reduction
• Tourism stimulates economic growth both at the national and local levels and promotes the growth of the agriculture, industry, and services sectors. • Tourism provides a wide range of employment opportunities easily accessible by the poor. (Direct market for goods and services, opportunities for micro, small and medium-sized enterprises). • International and domestic tourism spreads development to poor regions and remote rural areas of a country that may not have benefited from other types of economic development. • The development of tourism infrastructure can benefit the livelihood of the poor through improvement linked services such as transport, communications, water supply, energy and health services. Source: Yamakawa, 2007 (online).	• Tourism sector operates as a trickle down system that is driven by a few key players that does not allow for the maximization and spread of localized economic benefits. • Tourism is volatile to external shocks such as civil unrest, disasters, and crime. • Potential for tourism as an income source is limited as it is dependent on the local context – such as the popularity of the attraction, the level of infrastructure available, capacity and skills available. • It can take away resources from other income sources (i.e agriculture land) while also leading to issues of conflicts over use, and access and control of these resources. • Some influences damage social and cultural traditions and lifestyles. Sources: Hall, 2007, Jamieson and Nadkarni 2009.

Map1: Poverty by district, headcount index (06/07)



Source: DCS, 2008.

a. Poverty in Sri Lanka

Poverty has been declining in Sri Lanka, in terms of the proportion of the population who are below the poverty line (defined by the per-capita expenditure for a person to be able to meet the nutritional anchor of 2030 kilocalories). However, there are regional disparities with some districts showing higher levels (Map 1). Sri Lanka's poverty by sector shows that poverty in the estate sector is higher than the national average while in terms of absolute numbers the urban sector has the greatest number of poor people due to higher population density. However it is the rural sector that is the highest contributor to poverty with over 80% of the poor[4] residing in the rural sector. In each sector the causes of poverty have different features, such as the enclave structure of the estate sector, the reliance on agriculture in rural areas,

[4] Derived from poverty data from DCS (2008)

`

and lack of services and insecure land tenure etc. in urban areas. However, some of the common elements that drive poverty are education levels and reliance on low value employment (i.e. wage labor, agriculture).

In terms of employment and household poverty, a coping mechanism for reducing vulnerability is to have a diversified livelihood portfolio with multiple sources of income. Two variables that are critical to the strength of the livelihood portfolio are stability and yield. Therefore, if an income or employment source becomes unstable or if the income earned from it falls, it will have an impact on poverty and the well-being of a household. A best case scenario would be if a household can develop livelihoods that balance stability with high yield (CEPA 2009). Tourism can offer alternative income sources that increase the diversity of the livelihood portfolio that can also be a high-yield source of employment, but it is less likely to offer stability due to market fluctuations and types of jobs/services that poor people are likely to be engaged in (i.e. casual workers).

No data are available to show the extent to which poor households are engaged in tourism, nor the specific types of employment in which they are involved. It is not therefore straightforward to establish the role played by tourism in income portfolios of poor households. The available macro data show that in a comparison of employment types by poor and non-poor households, poor households tend to be in elementary occupations (wage labor), agriculture-related work, and sales and service sectors. While non-poor have a higher diversity of jobs.

Table 1: Head of household by occupation group, 2006/07

Occupation group	**Poor %**	**Non-poor %**
Senior officials and managers	3.2	96.8
Professionals	0.0	100.0
Technical and associate professionals	4.0	96.0
Clerks	3.0	97.0
Proprietors and managers of enterprises	5.2	94.8
Sale and service workers	16.0	84.0
Skilled agricultural and fishery workers	12.4	87.6
Craft and machine operators and assemblers	6.1	93.9
Elementary occupations	23.3	76.7

Source: DCS 2008.

As Table 2 indicates, there is an association between poverty and employment type. Households with at least one member employed in informal/irregular jobs have higher than average poverty rates than those with regular salaried employment, especially among casual laborers (Gunewardena at al. 2007).

Table 2: Poverty headcount index by employment type, 2003/04

Employment type	**Percentage below the poverty line**
Regular employee	**7.4**
Self-employed	**13.9**
Contractual employee	**16.7**
Unpaid family worker	**18.1**
Casual employee	**24.5**

Source: D. Gunewardena et al. 2007.

The same study also indicates that there is a greater chance—or greater incidence, depth, and severity—of poverty in households where members are engaged in jobs such as elementary occupations, agriculture, and craft-related work. A weaker association can be seen with service workers, plant and machinery operators, and “unspecified” workers. Households with family members working as clerks, professionals, and technicians have the weakest association with poverty.

Table 3: Headcount index by occupation of employment, 2003/04

Occupational category of employment in household	Percentage below the poverty line
Clerks	2.5
Professionals	2.7
Technicians	3.6
Legislators, senior managers, officials	5.1
Unspecified workers	11.0
Plant and machinery operators	11.9
Service workers	12.9
Craft and related trades persons	16.2
Skilled agricultural and fishery workers	28.1
Elementary occupation workers	33.6

Source: D. Gunewardena et al. 2007.

On the basis that higher poverty is associated with lower-yield and less-stable jobs, households with family members working as casual/wage laborers, locally owned or self employed persons running small guest houses and restaurants, local guides, transport providers, those making handcrafts and running local gift shops, as well as farmers (as suppliers), can be taken as those who are more likely to be poor. Therefore for this paper connected inferences will be used to explore the effects of tourism on the poor, concentrating on the types of employment that are prevalent among poor households, while also connecting the regional distribution of poverty with the regional distribution of tourism.

b. Tourism trends in Sri Lanka

Through the years, Sri Lanka’s highest foreign exchange earners have shifted from being primarily those based on agriculture to include other industries such as garments and tourism. Even more recently remittances from abroad have played a larger role. Tourism was the fourth-highest foreign exchange earner until 2007, but had fallen to sixth place in 2008.

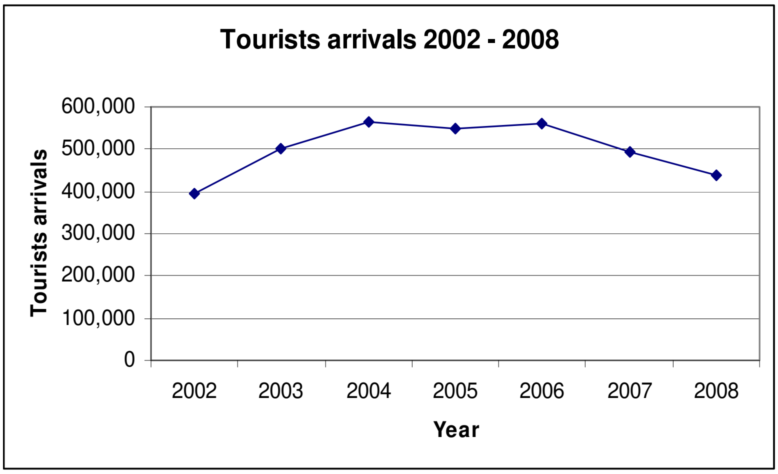
Table 4: Tourism’s contributions to the economy, 2004–2008

	2004	2005	2006	2007	2008
Foreign exchange earnings ($ million)	416	362.3	410.3	384.4	319.5
Percentage change from previous year ($)		-12.9	13.2	-6.3	-16.8
Ranking among foreign exchange earners	4	4	4	4	6

Source: Sri Lanka Tourism Development Authority, Annual reports, 2004–2008.

The best year for tourist arrivals was 2004, with 566,202. A slowdown was seen from 2006 with a drop of 11.7% in 2007, which continued in 2008 with a further drop of 11.2% (SLTDA (a)). In the past few years, the value generated by the tourism industry has declined and the earning capacity of the sector has reduced sharply.

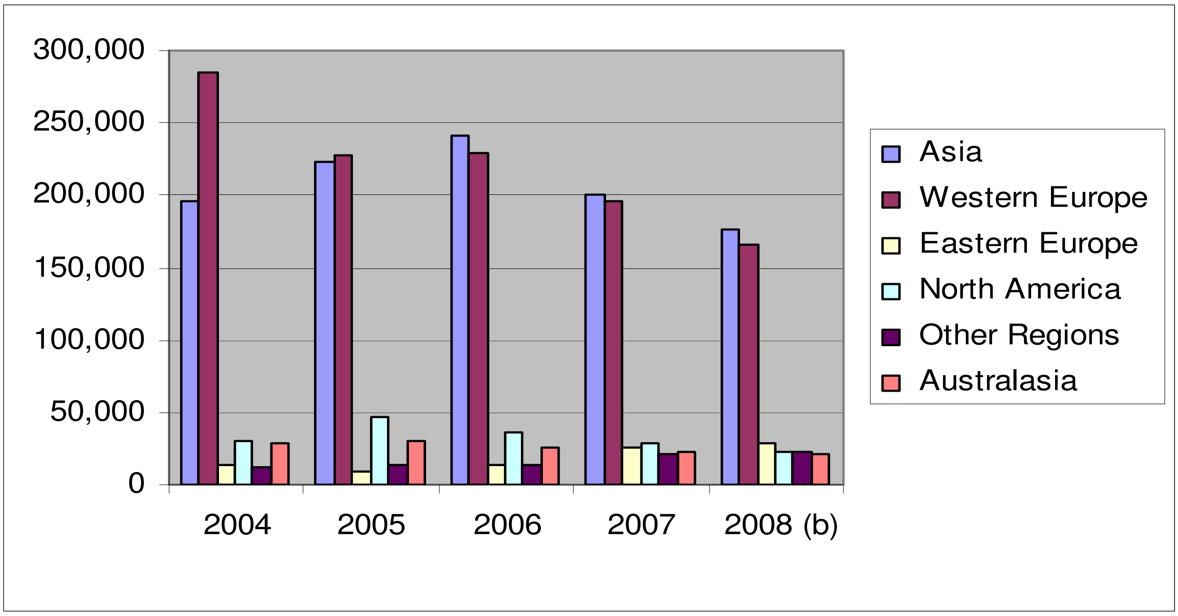
Figure 1: Trend in tourist arrivals in Sri Lanka



Source: SLTDA annual report - 2008.

Traditionally Sri Lanka's biggest tourism market has been Western Europe (United Kingdom, Germany, and the three Benelux countries—Belgium, Netherlands, and Luxemburg). Since 2006, although Western Europe still has a large market share, especially the UK and Germany, travelers from Asia (mainly India) have taken the top spot in terms of numbers of arrivals.

Figure 2: Tourist arrivals by major region, 2004–2008



(b) Provisional.
Source: SLTDA annual report - 2008.

This position is linked to the facts that Sri Lanka is a relatively cheap destination in Asia and that more Asians are traveling within the region. However, according to tourism professionals, it also stems from the fact that Indians who travel to Sri Lanka for trade and business purposes are recorded as tourists, hence distorting the numbers of "tourists." Still, even those on business contribute to the sector, especially in terms of city-based tourism and short excursions. (Since 2006, however, even Asian travelers have shown falling numbers.)

`

This change in composition has resulted in changes in travel interests:

> Three years back the number one in tourists' arrivals was Britain, but now India has taken the number one [spot]. When the British come they go around Sri Lanka. Germans, Italians and Russians also do the same. They do a round trip. But in the case of Indians they normally visit Kandy temple, Anuradhapura, Polonnaruwa and Ramayana places like Rawana cave. They normally stay one night in a beach hotel.
>
> Representative, National Tourist Guide Lecturers' Association of Sri Lanka

Within these changing scenarios, some categories remained more stable and helped prop up the industry, such as those visiting friends and relatives, returning guests, and those in Sri Lanka for weddings/honeymoons. Even among these sectors, however, a drop has been seen.

> One of the buffers has been the returning Western tourists—about 20% of the visitors to Sri Lanka. They have built strong relationships and links with the hotels and staff and, despite travel warnings, they continue to come. However, there might have been a drop in [numbers of Western tourists] as well, based on the fact that due to the prevailing situation of availability of money and security risks, they decided postpone their travel plans..
>
> Deputy Director, Domestic Tourism, Sri Lanka Tourism Development Authority

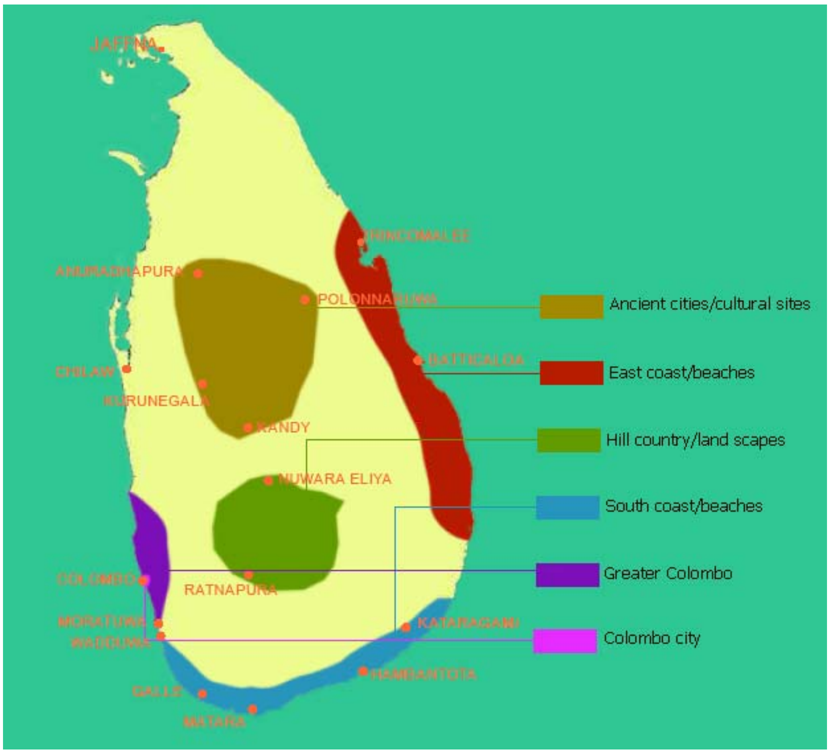
More recently visitors from the Middle East have stepped in to fill some of the slack. This has created a new market segment for Sri Lanka's tourism industry. This has also meant some changes in travel patterns, including visits to Sri Lanka in the off season (June–July) as well as Middle Eastern visitors having no preference to where they want to go in Sri Lanka.

Nontraditional tourists, such as Middle Eastern people, go all over the country, whereas traditional tourists are more likely to keep going to the same places. Another change has been a switch from large group packages tours to "free and independent travelers" (FITs).

Overall in terms of composition of travelers, the last few years have seen a change from traditional Western European tourist to Asians. Among both groups however a drop in numbers has taken place. Some markets such as the returning tourists, and new markets such as Middle Eastern travelers and has provided some buffering for the industry especially in the last few years.

Sri Lanka's tourist attractions show a regional breakdown: the south coast for its beaches, the central hills for its scenery and cool climate, the north central area for historical and cultural heritage, and the western areas for more urban landscapes (Map 2). Natural attractions such as wildlife parks or forest systems are also a part of Sri Lanka's tourism attractions and offer a rich diversity across the country. This diversity has allowed tourism opportunities to spread to different parts of the island, encouraging local economic development and opportunities for people to diversify their income sources.

Map 2: Tourist attractions in Sri Lanka



Source: SLTDA *Annual statistical report 2008*.

The lure of the climate and the beach seems to hold firm as the most popular reason for tourists to visit Sri Lanka—this has been the traditional market and it remains unchanged. A recent survey of tourist confirms this (SLTDA 2009). Other popular reasons are cultural events, historic sites, wildlife, shopping, and for religious purposes (sere table 6).

Table 6: Visitor interests in visiting Sri Lanka (%)

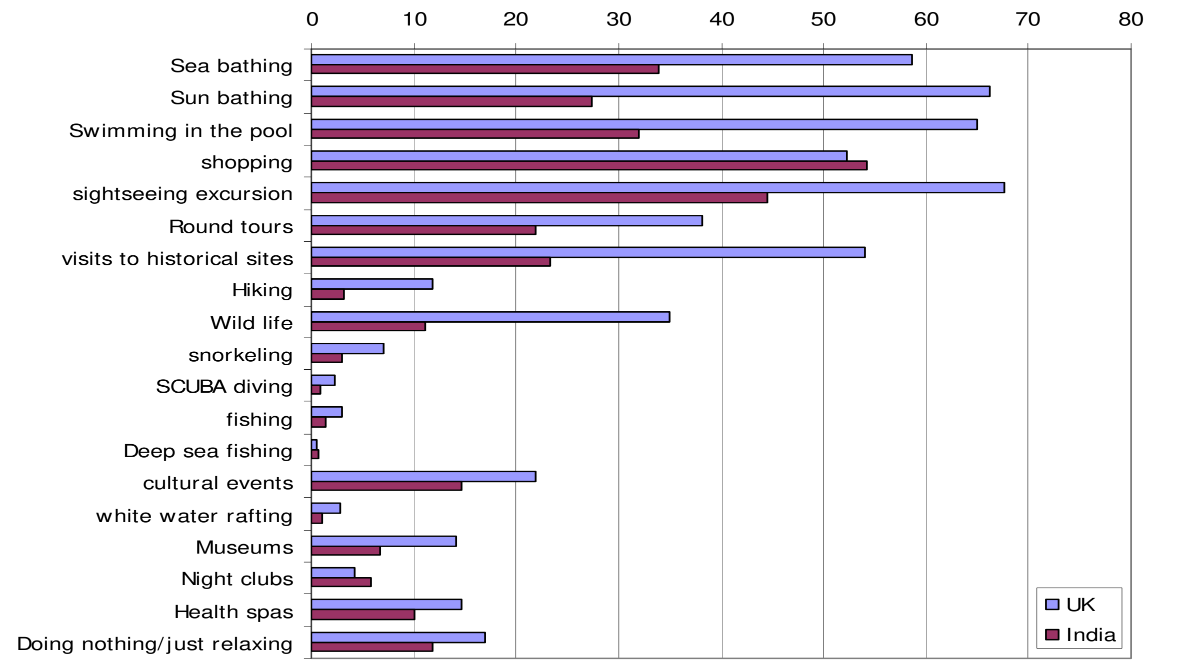
Country/Area	Sun and beach	Cultural events	Historic sites	Wildlife	Shopping	Adventure	Water sports	Religious
United Kingdom	69.34	7.79	12.73	6.18	1.24	0.49	0.87	1.36
India	52.84	12.78	16.76	4.26	8.52	0.57	0.57	3.69
Germany	80.22	7.05	5.96	3.25	1.63	0.81	0.54	0.54
France	60.80	11.20	20.80	3.20	0.80	1.60	0.80	0.80
Middle East	57.80	13.76	12.84	3.67	6.42	1.83	0.00	3.67
Russian Federation	82.05	5.13	7.69	1.71	0.00	2.56	0.85	0.00
Benelux[a]	62.71	13.56	11.86	10.17	1.69	0.00	0.00	0.00
Italy	65.52	8.62	15.52	1.72	5.17	1.72	0.00	1.72
Japan	53.66	14.63	19.51	0.00	4.88	0.00	4.88	2.44
Scandinavia	55.81	13.95	9.30	2.33	4.65	11.63	2.33	0.00
China, People's Rep. of	61.76	11.76	20.59	0.00	2.94	2.94	0.00	0.00

a. Belgium, Netherlands, Luxembourg.

Source: SLTDA 2009. Airport Survey Statistics.

`

Figure 3: Range of activities of United Kingdom and Indian visitors



Source: SLTDA 2009. Airport Survey Statistics

As Figure 3 shows, with regard to Sri Lanka's top two tourist markets, a greater percentage of tourists from the UK tend to have a more diverse range of interests and therefore a drop in UK market (and Western markets that show similar interests) has implications for the distribution of income (geographically and activity-wise) that was earned from visitors during the past few years.

Table 7 shows geographic distribution in terms of time spent at lodging facilities. It shows a consistently higher number of guests in the south and the Colombo area, and fewer visitors and greater fluctuations for ancient cities and hill country areas. In the south, a sharp drop in visitors is seen in 2005, which can be linked to the tsunami. It shows recovery in 2006, which indicates its popularity as an attraction, though numbers have not returned to pre-tsunami levels. In the hill country, the steady decline can be related to less time spent in the country and the changing interest and composition of the markets. In the "Cultural Triangle," the declining numbers can be linked to the security situation and travel advisories that were issued for this area.

Table 7: Regional distribution of tourism

Resort Region	2004			2005			2006			2007			2008 (a)		
	No. of Establish-ments (b)	No. of Rooms	Foreign Guest Nights '000	No. of Establish-ments (b)	No. of Rooms	Foreign Guest Nights '000	No. of Establish-ments (b)	No. of Rooms	Foreign Guest Nights '000	No. of Establish-ments (b)	No. of Rooms	Foreign Guest Nights '000	No. of Establish-ments (b)	No. of Rooms	Foreign Guest Nights '000
All Island	**240**	**14,322**	**4,394**	**223**	**13,162**	**2,482**	**241**	**14,218**	**3,134**	**245**	**14,604**	**2,778**	**256**	**14,793**	**2,763**
Ancient Cities	44	2,486	816	40	2,428	384	44	2,467	504	44	2,417	325	45	2,582	360
Colombo City	22	2,670	952	25	2,926	875	25	3,209	861	25	3,209	782	29	3,188	708
East Coast	7	263	61	7	178	20	7	184	14	7	184	10	8	230	12
Greater Colombo	50	2,581	706	49	2,490	499	50	2,520	582	52	2,555	589	53	2,651	576
Hill Country	19	690	181	19	709	102	20	726	132	20	734	76	20	772	73
South Coast	98	5,632	1,678	83	4,431	602	95	5,112	1,041	97	5,505	994	101	5,370	1,034

(a) Provisional
(b) Graded Accommodation

Source : Sri Lanka Tourism Development Authority

`

Table 8: Visitors to the Cultural Triangle

	Foreign ticket sales		
Location	**2006**	**2007**	**2008**
Round tickets	51,569	30,501	29,853
Sigiriya	57,874	53,283	55,040
Polonnaruwa	26,322	19,427	26,003
Anuradhapura	2,451	1,299	1,282
Total	138,216	104,510	112,178

Source: SLTDA Annual reports 2006–2008.

With regard to foreign visitors to the three main cultural attractions in Sri Lanka, sales of inclusive tickets for all three sites have fallen, while tickets sales to only Anuradhapura show a marked difference from the other two sites. While all the sites are in the north central area, Anuradhapura has greater security risks. Countries like France, Germany, and Australia issued specific advisories against traveling to Anuradhapura. Combined with less visitor time spent in the country, this issue led to less tourism business in these areas.

The nature of tourism is such that it provides a range of employment options that increase the dynamism of the industry. It creates employment opportunities that are accessible to poor communities either through employment with the larger tourism service providers (hotels and tour operations) as casual and contract labor, as well as allowing for a variety of small and medium-sized operations such as small guest houses and restaurants, or individual options such as tour guides and drivers, as well as business for crafts and vendors.

With the drop in tourist arrivals, some shocks were felt in employment and income from the sector. As Table 8 shows, employment generation in tourism, both direct and indirect, has decreased since 2004.

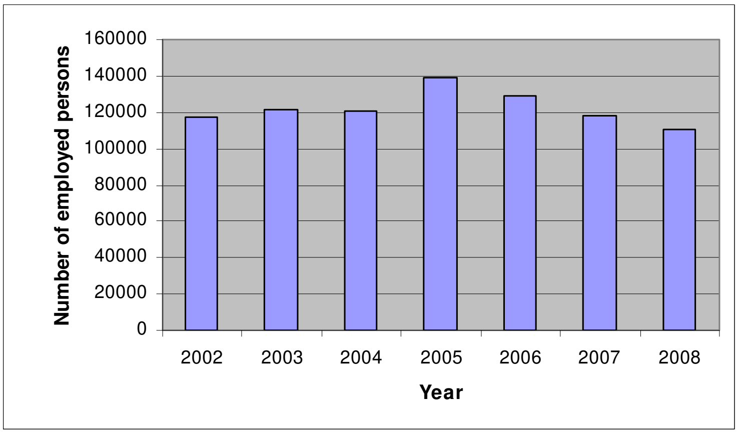
Table 8: Employment trends

	2004	**2005**	**2006**	**2007**	**2008**
Number of employed in the sector (direct and indirect)	129,038	125,004	133,558	145,238	124,456
Percentage change from previous year	15	-3.1	6.8	8.7	-14.3

Source: SLTDA, Annual report 2008

As Figure 4 further shows, jobs in hotels and restaurants, two of the main tourist related industries, have been declining since 2005. The key informants stated that the drop in visitors as well as the change in composition and duration of stay have been felt by all levels of the tourism industry.

Figure 4: Employment in hotels and restaurants



Source: SLTDA Statistics

> … overall all the employment categories were affected. Let's take an example of the poor who sell king coconuts. Earlier when a bus load of tourists stopped at a place they could sell more, but now they don't get such a high volume of tourists.
>
> President, Association of Small and Medium Enterprises in Tourism Sri Lanka

The data also indicate that not only has there been a drop in foreign exchange earned due to the drop in arrivals but also that the amount of foreign exchange earnings per tourist has declined (Table 9). This implies effects on income-generating capacities of related but non-essential tourism services, such as guides, souvenirs, and handicrafts.

Table 9: Foreign exchange earnings

	2004	2005	2006	2007	2008
Per tourist per day (US$)	72.2	74.6	83.4	79.1	76.7

Source: Sri Lanka Tourism Development Authority, Annual reports, 2004—2008.

3. Drivers of trends

Despite the tourism industry's potential to provide a diverse range of economic stimulants and opportunities, it is also highly sensitive to internal and external shocks. It is essentially driven by customers' desire to visit places for leisure, enjoyment, and relaxation, as well as the time and money that allows them to do these things. They weigh location and itineraries for the most favorable choices. Financial security is a big determinant of travel options, while risks such as exposure to disasters, threats to safety and security, and issues such as connectivity and infrastructure also play a part in visitors' selection of a particular location. The following sections outline the main drivers of change for Sri Lanka in recent years, starting with the most recent.

a. Global financial crisis

The ongoing global financial crisis began in July 2007, and has resulted in a slowdown of economic performance that has badly affected countries in Western Europe, the United States, and Japan. As mentioned earlier, the decline of the global tourism market is linked to the global recession and financial crisis (UNWTO 2009b). The following quote offers a more local perspective:

> The economic crisis is having somewhat of a different impact on the tourism sector, since it is not the desire to travel that has been stifled, but it is whether one can afford to spend on travel. This is in line with the grassroots behavioral theory of Maslow's hierarchy of needs, where a person would postpone discretionary and recreational expenditure in a situation like this, where basic security needs (such as employment) are in jeopardy.
>
> Sri Lal Mithapala, quoted in *Global Travel Industry News* (Miththapala 2009a).

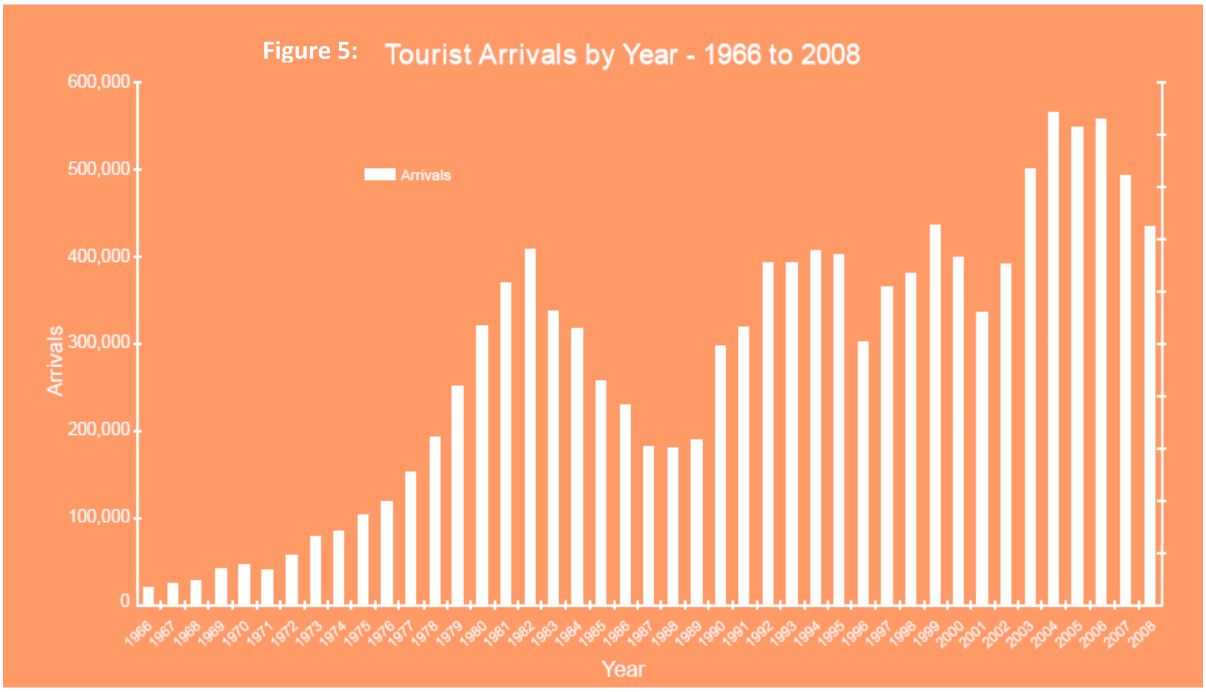
The reduction in the traveling population is expected to lead to fewer arrivals. From 2007 to 2008, tourism dropped to sixth from fourth place in terms of foreign exchange earnings for Sri Lanka, implying changes in the country's tourism sector may stem from the financial crisis. The reduction in Western travelers to Sri Lanka can be seen as linked to the financial crisis. As noted by one commentator:

> People still want to travel, which is why the short haul sector is doing well. People are looking to travel on smaller budgets. [Europeans] can drive to Spain or Portugal instead of coming here. Sri Lanka is still long haul, even though it is relatively cheap. Those who do come have cut down on the duration of their stay. Usually the average stay was 11 nights. Now it has been reduced to 6–7 nights.
>
> President, Tourist Hoteliers Association of Sri Lanka

However, in the case of Sri Lanka, tourist numbers have fluctuated along a declining trend, especially since 2006, and therefore the fall in visitors cannot be attributed purely to the financial crisis, which only surfaced in the past couple of years.

b. Conflict

Sri Lanka has been embroiled in civil strife and armed conflict for the past 30 years. This brings in security as a risk factor, which is clearly a deterrent to tourists.



Source: Annual statistical report 2008, Sri Lanka tourism Development Authority

As shown in Figure 5, foreign tourist arrivals were on an upward trend until 1983. From that point on, the start to the armed conflict in the North and East and the July riots and civil unrest in Colombo (Sri Lanka's main connection point for tourists) caused tourist numbers to fluctuate. By matching the tourism trend with a conflict timeline, the dips correspond with certain events related to the civil unrest. The dip in 1989 was a result of the combined effects of the civil war in the North and the Janatha Vimukthi Peramuna (JVP uprising in the South. In 1993 there were several incidences throughout the year, while in 1996 the Central Bank bombing in January followed by a train bombing in May and other scattered incidents prevented the industry from recovering.

After the turn of the millennium, shocks were seen in 2002 prior to the signing of the peace accord in September. The subsequent cessation of armed conflict corresponds with the growth in tourist arrivals in 2003 and 2004. Again in 2007 the first air raid by the LTTE targeted the international airport that serves as the base for the Sri Lankan Air Force. This then increased the security threat with direct repercussions on the tourism industry and a reduction of flights to Sri Lanka. By 2008, the civil war had intensified and many travel restrictions and advisories were in place that deterred tourists from traveling to Sri Lanka. Clearly, the conflict has had a significant role to play in the decline of the tourism sector and has restricted its growth over time.

`

c. Asian tsunami

When looking at other major events or factors that could have impacted Sri Lanka in the recent times, the 2004 Asian tsunami that hit Sri Lanka's major tourism attractions—beaches—at the peak of the tourist season must be considered. Interestingly however, there was only a slight drop in arrivals as a result (3% from the previous year). This could reflect the influx of foreign visitors who arrived as aid workers and the large-scale promotional campaigns.

According to one source, instead of being a deterrent, the tsunami brought in support to restart the industry:

> There is an important point to be kept in mind that the most of the funds for tsunami victims were given by those who had visited Sri Lanka at one point as tourists.
>
> President, Sri Lanka Association of Inbound Tour Operators

The tsunami did impact the tourism industry, especially the south coast beach sector, but tourism showed a recovery in 2006.

The general feeling expressed by the different industry professionals is that the repercussions of the civil conflict outweighed the impact of the financial crisis:

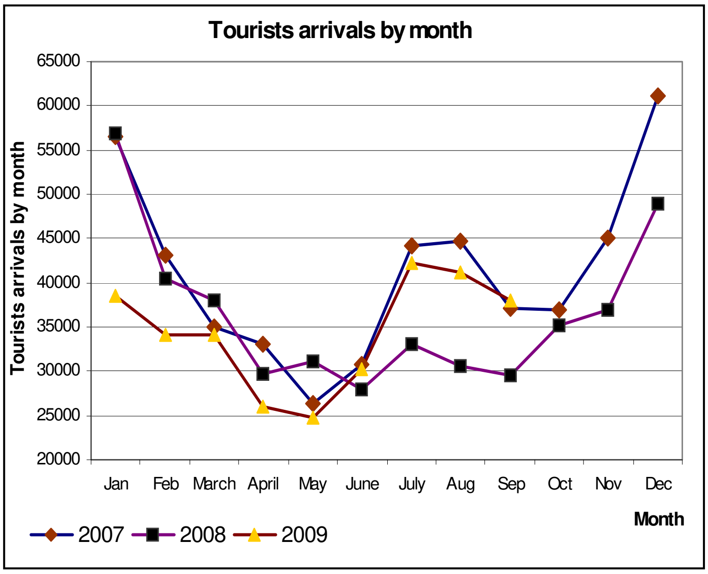
> This [2008] was also the period where the economic crisis was taking place. So there was a combined effect of the conflict and crisis, but in comparison the crisis was negligible. The sector has suffered much more due to the war.
>
> Deputy Director, Domestic Tourism, Sri Lanka Tourism Development Authority

> There was a drop in arrivals one year back which was the beginning of the financial crisis, but the drop in tourist arrivals to Sri Lanka during the past 2–3 years cannot be explained purely by the crisis, because the security situation … had a strong impact.
>
> President, Association of Small and Medium Enterprises in Tourism, Sri Lanka

These views seem to be holding true: after the cessation of armed conflict in May 2009, tourist arrivals picked up, and is expected to show better results in the peak season (November to January).

Table 10: Comparison of tourist arrivals by month, 2007–2008

Month	2008	2009	% Change 08/09
January	56,916	38,468	-32.4
February	40,551	34,169	-15.7
March	38,049	34,065	-10.5
April	29,747	26,054	-12.4
May	31,140	24,739	-20.6
June	27,960	30,234	8.1
July	32,982	42,223	28
August	30672	41,207	34.3
September	29529	37,983	28.6
October	35103		
November	36901		
December	48925		
Total	438475		



Source: Compiled from SLTDA monthly statistics reports.

`

4. The effects on the poor

a. The micro picture

As stated earlier in this paper, the tourism sector comprises a whole host of services such as guides, transport providers, handicrafts sellers, restaurants, regional excursion operators (safaris, diving, etc.). However they are reliant on the larger tour companies and hotel sector to bring in the guests as there is very little promotion of the smaller entities while sectors such as handicrafts, transport providers, and restaurants are in a sense by-products that increase the dynamism of the travel experience. The industry as it operates today is driven on a trickle-down basis, where the larger players control the market.

> It is basic supply and demand. No one will come to Sri Lanka to buy a mask. They will come to a hotel and then drive down to Ambalangoda to buy a mask. The hotels have to fill for the informal sector to thrive. That's where the poverty angle would come in. When the number of tourists drops it affects the small people.
>
> President, Tourist Hoteliers Association of Sri Lanka

Therefore based on the overall of poverty profile presented earlier, the poorer households who are likely to be engaged in the tourism related employment options such as casual/wage employment; self-employed options and agriculture-related jobs, are reliant on the bigger players to generate the market. This section provides some insights based on the KPIs on the effects of the financial crisis and other factors in the past few years on these employment types.

In the tourism sector businesses are classified as Formal and Informal – based on being registered or un-registered with the Tourist Board (SLTDA). These include hotels, restaurants, travel agents, tour operators, and tourist shops of any size as long as they are registered. Within these establishments a range of job categories from managers to technical staff to laborers can be found – therefore encompassing both permanent and more irregular jobs such as casual and contract employment. The tourist sector also classifies businesses and services as direct and indirect based on the relationship to the industry. Enterprises such as tour operators, hotels, guides are seen as direct tourism related enterprises while certain types of suppliers of food items, equipment, stationery, laundry etc as well as performers, handicrafts, transport services such as three wheelers, taxis are seen as indirect tourism related businesses opportunities. Within the indirect businesses as well formal and informal businesses exists based on registration and other formalities required by the sectors.

Direct	Formal (registered with SLTDA)	Informal (Unregistered)
Hotels Guest houses Restaurants Tour operators Guides Tourist gift shops	Yes Yes Yes Yes Yes Yes	Yes Yes Yes Yes Yes Yes
Indirect	**Formal (registered with relevant sector)**	**Informal (Unregistered)**
Transport options (vans, taxis, three wheelers) Performers Handicraft shops/sellers Suppliers (food, equipment/machines, stationary etc) Services (laundry, pool/equipment maintenance)	Yes Mainly informal Yes Yes Yes	Yes Yes Yes Yes Yes

The key person interviews speaking of mainly on the formal hotel sector, one of the largest direct tourism businesses stated that the reduction in business, affected employment, especially at the lower end:

> Staff are on permanent, contract and casual bases. The first to go are the casuals, then the contractual staff. There was a 20% shedding of staff during the height of the problem, during 6–8 months in 2008. Because of the labour laws in the country, no hotels cut permanent staff. No one went to labour tribunals as they did in the garment industry. Also, because of the type of operation, hotels can close a wing and adjust the remaining cadre accordingly. There were no formal job cuts.
>
> President, Tourist Hoteliers Association of Sri Lanka

This indicates that there was a specific loss of employment in the job categories normally associated with poor people—i.e casual, wage labor. Therefore this reduction in staff practiced as a cost cutting measure by the industry can be seen to have had an impact on poor people. Other types of direct services such as tour guides also report a drop in businesses and guides having to look elsewhere for employment.

Sri Lanka has a variety of licensed tour guides that cater to foreign tourists. The three categories licensed by the Sri Lanka Tourism Development Authority are as follows:

- National guides that can take groups anywhere in the country and can guide large groups. They act as part of larger tour company staff or as individuals and are normally used for large group tours.
- Chauffeur guides play a dual role, they guide and chauffeur the guests. They too can guide anywhere in the country, but only small groups.
- Area and site guides have a license to guide in a particular area (e.g., Pollonnaruwa) or a particular site or attraction (e.g., Sigiriya).

In addition to these types of guides, there are guides who work in nature-based tourism, as guides, safari operators, or trackers. Some are trained by the forest or wildlife authorities to work in parks and forest reserves and are either part of the government cadre on a permanent or casual basis while others are independent operators. There are also specialists guides (bird watching, history) who are not licensed as such but are recognized as experts in a particular field.

Among the guides, those more likely to be poor are area and site guides, as they have less direct access to tourist markets, are based in the regions, and at times in remote locations.

Overall all the guide association representatives expressed a drop in business. They stated that their main business comes from European and other Western markets, while they get less business from the Indian market.

> Britain and Holland were the main client base and we normally get groups of 20–35. They normally stay in high-end star hotels like Habarana lodge, Habarana village, Kandalama hotel and Sigiriya village. Now the tourists spend less compared to the past. They look for cheaper guides and some try to guide themselves by books. I think they do not have enough money now.
>
> Guide, Area and Site Guides Association, Pollonaruwa

> Before 1983 we had business year round and since then it has slowly declined. Many chauffeurs lease cars and in the past few years some have had to give up this business as they have been unable to pay the rentals for their vehicles and have not had enough business. So some have gone abroad and others have tried to get other jobs. There was about a 20% reduction in chauffeur guides during 2004–2008. Newer ones are the first to leave.
>
> Association Office Bearers, Chauffeur Tourist Guide Lecturers Association of Sri Lanka

> There has been less demand for guide training programmes in the last few years, indicating less demand.
>
> Deputy Director, Domestic Tourism, Sri Lanka Tourism Development Authority

This indicates that guiding, which used to offer a good income opportunity and one in which the non-poor have been engaged in, has reducing in yield. This could drag those just above the poverty line into a more vulnerable position.

The area/site guide representative who was interviewed from Pollonaruwa (Cultural Triangle) stated that, 2003 and 2004 were good years with good profits due to large number of tourists visiting cultural places. A drop in numbers happened more recently for security reasons and because of insufficient promotion. The change in composition and income levels of tourists has also affected their livelihoods. The area guide also stated that the vehicle drivers who come with tourists tend to bargain with guides for lower rates, and also take on the role of a guide (without being licensed as a guide) and this too reduces their ability to earn an income.

For this level of guides who are site or attraction based, the drop in income could make them vulnerable to poverty, especially if guiding was a primary income source, particular in areas such as the Cultural Triangle.

On a positive note, nature-based tourism has been generating more interest and business. This is a new and growing service area and has not been as badly affected as some of the other guiding services.

> When we consider the demand for safari tours it was 80% two years back and at the moment it had come down to 60%. Elephant safaris, glass bottom boats, camping, mountain hiking, whale watching and white water rafting go under service providers. All these categories were affected, but not drastically.
>
> President, Association of Small and Medium Enterprises in Tourism Sri Lanka

This can also be due to the fact that guides in parks or nature reserves are mandatory and many of the other nature-based activities cannot be done without these types of service providers. Therefore, with the increasing interest in nature-based tourism, this guiding category seems to have been less affected. As many of these guides are locally based, this has helped local economies.

According to the President of the Tourist Hoteliers Association of Sri Lanka, there are 3 times as many people employed informally and indirectly than those employed formally and directly in the tourism sector. These are also employment options that feature in poor people's livelihood portfolios and therefore the drop in tourism could have impacted these options.

In the informal sector those providing lodging and food are one of the largest direct employment options in tourism. The interviews carried out with hotel sector professionals showed that there was less business for the smaller establishments. Reasons were that larger hotels were offering reduced prices on rooms and tours while practices such as all-inclusive packages redirected business from local, smaller restaurants. These practices, when tourists are looking to cut costs, have not been beneficial to local businesses and economies. In addition to the cumulative effect of the drop in arrivals, change in the composition of tourists, less time spent in the country, and reduction in regional travel has meant less spread of tourism benefits that has reduced the income-generating capacity of those informally working in tourism.

> There has been a drop in income generated and the spread of income. Both are higher with Western tourists, who spend more and also spread it wider—in terms of the services they use, and also as they tend to travel regionally and to different attractions, so there is more geographic spread of the yield. So the change in composition has meant lower per diem yields.
>
> Deputy Director, Domestic Tourism, Sri Lanka Tourism Development Authority

All those interviewed mentioned that tourists are now spending less, therefore prices are being reduced, and this has impacted potential gains from the sector.

On the positive side, independent travelers constitute a new and growing market segment. They are looking for a travel experience with more local interaction as well as cheaper options. They often patronize smaller guest houses and restaurants.

> Earlier the trend was for luxury accommodation but now it has been more for places where they can experience or connect with local customs, etc. Now the tourists go for cheaper places and cheaper tours. Some of the guests choose to eat in smaller places, even when they are staying in places with all-inclusive packages
>
> Association Office Bearers, Chauffeur Tourist Guide Lecturers Association of Sri Lanka

Another view that came out in the key person interviews is that some of the smaller establishments are not involved in tourism on a full time basis and have lower overheads. These include guest houses that are lived-in homes, and guests are kept for additional income. The effects on these establishments are said to be somewhat muted.

> There are higher chances of job losses in the informal sector. Guest houses would have closed but they are owner driven, with no overheads. They can adjust to the situation accordingly.
>
> President, Tourist Hoteliers Association of Sri Lanka

This could imply that the effects of the crisis were lower for these types of supplementary income categories. However, for some of the guest houses on the beach front along the south coast, where tourism is a primary income source, the impacts are different (further detail are given in the regional case study in a following section).

An indirect tourism business with a large informal sector is the handicrafts related employment that is also a employment type where there is a high likelihood of the households being poor. The craftsmen that were interviewed were suppliers to the Colombo tourists shops and according to them, there has been a decline for their goods for the past 2–3 years.

> "Lakmedura"[one of Sri Lanka largest handicrafts centers, located in Colombo] used to buy 250-300 pieces on a monthly basis bur since 2–3 years back it has reduced to about 80 pieces, but. very recently the number of pieces has gone up slightly.
>
> Craftsman, Jana Kala Kendraya

The trend of spending less, added to the change in tourist composition (where Asian travelers are less likely to buy this type of item) has affected handicrafts producers. For those that are regionally based, especially in the Cultural Triangle or hill country areas, the drop in visitors may well have affected their business.

As shown earlier in map 1, Sri Lanka's poverty shows regional disparities, while map 2 shows that tourism can be classified into attractions and regions in Sri Lanka. The trends also revealed that there have been less excursions that have had regional effects on local businesses and livelihoods of poor communities. This section looks at two regional examples: the south coast that is not an area with high poverty levels but one where there is a high reliance on tourism, especially informal tourism businesses as an employment option and the Cultural Triangle area where poverty levels are high and tourism based options are being used for livelihoods diversification.

South Coast beach tourism

The beach sector in Sri Lanka remains the biggest tourist market in Sri Lanka. The most popular beach area is the south coast. It is a safe travel area, with easy access, and good infrastructure and services. Although the popular beach areas are more urbanized and do not lie in districts with high proportions of poverty, this is an area that has a high percentage of tourism-based informal businesses, compared to other parts of the country.

> Informal sector employment in the tourism is very much beach-based. Even though rich foreigners may stay in big hotels, they prefer doing things like diving and surfing that are purely beach-based and that do not necessarily need the assistance of a big hotel. Hence these kinds of activities give some space to the informal sector to earn an income.
>
> President, Sri Lanka Association of Inbound Tour Operators

The south coast was more patronized than other parts of country even through the years of conflict. Small guest houses and restaurants were able to keep operating, with returning guests, and word-of-mouth publicity. However, the decline in tourists and the change in their composition of the past few years has meant far less dynamism along the south coast, with visibly fewer tourists.

`

An article by Jeevananda Kaviratne (2009), quoting the President of the Hoteliers Association of Hikkaduwa, states that that the fall in tourist arrivals on the south coast in 2008 was almost 50% relative to the previous year. This has had a severe impact on the medium and small-scale businesses, leading to some having to close down their businesses.. The President of the Hoteliers Association of Hikkaduwa states that the effects of the financial crisis were greater than those of the conflict for the beach sector in 2008.

Box 3: Effects of the decline in tourism

An article entitled *Insecurity hits Sri Lankan tourism* (2008), states that the effects of the conflict and financial crisis have crippled the tourism industry, with repercussions on small and individual operators on the southern beach:

“At his beachfront small hotel along the Hikkaduwa beach, Ajith Fernando stares at the empty dining tables and the deck chairs and braces himself for a really bad four months ahead. "This is the start of the season and I have only three rooms occupied. Last year by this time we had enough guests to at least break even," said the owner of the 10-room hotel. He has already begun cutting overheads. Several of his deluxe rooms are closed, the air-conditioners covered with dust jackets. "Can’t maintain them, the only tourists who come are low spenders, they don’t want rooms at 25 dollars a day, they go for the 10 dollar or 15 dollar rooms,” he said. He has reduced his staff from 10 to six and expects to lay off more.

Further down the same beach D. Leelaratne, who sells traditional wood carvings, has hung up his tools and has not had a customer in days. "Look at the road and the beach ... at this time the area should be teeming with tourists, but there is no one, no one".

Source: Perera, S. 2008. *Insecurity hits Sri Lankan Tourism* (online).

The reduction in tourists and higher spenders who also enjoy spending more time at the beach has affected not just food and lodging businesses but also other service sectors such as glass bottom boat operators, diving centers, and beach vendors. Because for many of these small or individual service sectors tourism is a primary income source, these conditions have increased their vulnerability.

Cultural Triangle Tourism

The Cultural Triangle is made up of several historic sites (the ancient capitals of Anuradhapura and Pollonaruwa, the rock fortress of Sigiriya, and the caves of Dambulla) and is located in the north central region of Sri Lanka. This is an area that is situated (in relative terms) close to the areas of armed conflict and therefore has higher security presence. It was therefore subject to negative publicity and travel advisories that have deterred tourists from traveling there.

> With the organized tours, they were sticking to “safe” areas, so for example there were less package tours taking people to the Cultural Triangle—because of the security situation. So there was less travel to Cultural Triangle areas.
>
> Deputy Director, Domestic Tourism, Sri Lanka Tourism Development Authority

As travelers cut down on the number of nights in the country, the Cultural Triangle area was affected:

Tourists come to see the beach and then they do a round trip. These round trips reduce the dispersion of tourism, especially to the Cultural Triangle.

President, Tourist Hoteliers Association of Sri Lanka

On the positive side, Asian travelers have a high interest in visiting cultural sites and have made trips to these areas:

They [Indians] go for a mixture of different places like Anuradhapura, Polonnaruwa, national parks and sun and sand, and stay in beach hotels for one day.

Representative, National Tourist Guide Lecturers' Association of Sri Lanka

In addition, free and independent travelers were also more likely to visit these areas:

Many times on our tours, the people who came commented on the fact that there were no security issues as portrayed in the media. They even decided to go to places like Sigiriya and Anuradhapura after they came. Or sometimes they came already aware, as they had talked with other travelers. Our business comes a lot from word of mouth and recommendations.

Association Office Bearers, Chauffeur Tourist Guide Lecturers Association of Sri Lanka

Overall however, security concerns, with reductions in excursions and less spending generally among tourists, have meant that cultural sites offer fewer business opportunities for local enterprises.

Apart from tour guides like us most of the taxi drivers, businesses like hat sellers, postcard sellers and handicraft sellers were also affected by the reduced number of tourists in Polonnaruwa.

Guide, Area and Site Guides Association, Pollonaruwa

In relation to the distribution of poverty in Sri Lanka, this is one area in which poverty is higher than in other tourists regions such the western and southern belts. It is also an area where income diversity is less vibrant. The drop in tourists could therefore have played a bigger role (comparatively) in these areas in the livelihoods of the poor, especially among those with less diversity in their portfolios and those who are more reliant on informal jobs as their primary income source.

Box 3: Domestic tourism and poverty reduction

Domestic tourism can:

increase job opportunities by catering to domestic travelers, offering facilities (such as accommodation, attractions, and entertainment), that may be different from those geared to the international traveler

provide opportunities for hard currency that might leave the country as outbound travel expenditures to be used within the country.

redistribute wealth within the nation's boundaries, either by capitalizing on disposable income or as transfer of currency and other physical and human resources from affluent areas to economically less prosperous regions

spread economic opportunities to developing regions

stabilize the frequently cyclical and seasonal flows of inbound tourism and increase the stability of employment and revenue generation.

Source: SLTDA website (Domestic Tourism).

b. Domestic tourism

Domestic tourism is seen as a means of substituting the foreign exchange earnings from international travelers but as a local generator of income opportunities that can play a role in supporting local livelihoods and therefore countering a fall into poverty. Given the very different nature of domestic tourism, there are no comparable data, and information presented here is primarily based on the perceptions of the key informants interviewed.

In recent years, especially 2008, and despite the negative impacts of the conflict and the financial crisis, Sri Lanka's economy still recorded a small rate of growth. Certain segments of society, such as the rich and upper middle class, still had disposable income and engaged in traveling locally. Travel for religious reasons and visiting family are the traditional reasons for travel and this continues to be the case, while there is also a greater interest in nature and adventure tourism among Sri Lankans. As residents of the country, they also visited places such as the Cultural Triangle that foreign tourists were less willing to go to. Therefore, domestic tourism may have had a role to play in buffering the sector through the times of turmoil in 2007 and 2008.

In terms of who benefited from domestic tourism, the general perception among key informants is that it was the bigger establishments:

> Domestic tourism has been able to cushion the drop of international tourism. Some big hotels have reduced their prices now. Hence there is no point of staying in guest houses. These reduced prices by big hotels hit the smaller restaurants and the hotels badly.
>
> President, Association of Small and Medium Enterprises in Tourism Sri Lanka

Larger hotels that are generally too expensive for most Sri Lankan travelers offered local tourists opportunities to stay in 4- or 5-star hotels at affordable prices; other, lower-rated hotels also offered promotions and special deals. Therefore, for those employed as casual or contract workers in these establishments, domestic tourism may have contributed to reducing the number of job losses. However, the price reductions, promotions, and attractive deals offered by the larger players, undermined demand for smaller places, which are generally the choice of local travelers.

Certain types of service providers such as guides (other than nature-based guides), handicraft sellers, and transport providers do not necessarily gain from domestic tourism. Domestic tourists tend not to use guides or will minimize costs by driving, or going on day excursions. They do not generally buy souvenirs and handicrafts, but are interested in other regional goods:

> Vegetable/fruit sellers and furniture sellers, etc. have gained. This is why these stalls/showrooms are by the roadside.
>
> Deputy Director, Domestic Tourism, Sri Lanka Tourism Development Authority

For some service areas, such as nature guides and tours, the influx of domestic tourism has also helped provide income and diversify income options at a local level, especially in more remote areas where income opportunities are fewer.

> If we consider Yala[5] jeep safaris, they didn't really get affected because anybody who visits needs to hire a vehicle. In that case whether they are local tourists or international tourists doesn't matter.

President, Association of Small and Medium Enterprises in Tourism Sri Lanka

But some people in the tourism industry who do not want to cater to the domestic market:

5 Yala National Park is Sri Lanka's main wildlife attraction, along the southern coast.

`

> We don't cater to the domestic market at all. Even during the fall [in tourist numbers], as the domestic market is only looking for drivers, there is no value added for us as guides—no prestige. They also asked for reduced mileage, so it was not worth it.
>
> Association Office Bearers, Chauffeur Tourist Guide Lecturers Association of Sri Lanka

In summary, the domestic tourism market would seem to have played a role in buffering the tourism industry generally, but with gains and losses depending on the type of employment options engaged in by the poor.

5. Summary and conclusions

In the last couple of years, coinciding with the global recession, there have been changes to the tourism sector in Sri Lanka. The main drivers of these changes are attributed to the civil conflict that, until May 2009, had ravaged the country for over 30 years. The civil conflict was far more damaging to the sector than the financial crisis, and reduced tourism's earnings potential for a long period . The financial crisis came at a time when the civil conflict had escalated within the country, and further aggravated a bad situation, and was not a primary driver of trends. The rise in tourist arrivals at the end of armed conflict, in May this year, seems to support this fact.

During 2007–2008, the conflict and the crisis combined changed the orientation of tourism in Sri Lanka: the number of international tourists declined, main tourist sources changed (from Western Europe to Asia), while tourists' number of excursions, duration of stay, and amount spent all fell. These have caused the entire sector to reduce its potential earnings and contribution to development.

The effects of these changes and the impact on poor and on their livelihoods are not easy to distil. The impact depends on a combination of factors, such as the level of engagement (primary or supplementary) in tourism, the type of jobs (casual labor, guiding, crafts), or the regional distribution of those involved. It is evident, however, that a shrinking industry has led to job losses, especially for those engaged in casual and contract work, which has a high association with poverty. A declining tourism industry has also reduced the stability and yield of these employment categories, with a direct impact on the livelihoods of the poor.

For poor communities in the informal sector, those engaged in self employment, or small businesses, the impacts seem to be more mixed. Trickle-down effects are evident. Some types of services have been affected more than others—craftsmen and souvenir vendors more than lodging or restaurant owners; and some areas have been more affected than others—the Cultural Triangle (with a relatively steep drop in tourism) and the coastal belt (with a comparatively high share of informal sector workers, for whom tourism is a primary income source).

It is therefore very likely that the stability and yield of livelihoods of poor communities engaged in the informal sector have also fallen, though by how much cannot be determined as there are few direct data to draw on, and further primary data collection is needed.

In terms of cushioning factors, the inclusion of a new market segment (Middle Eastern tourists), returning tourists, an increase in nature-based tourism, and the travel characteristics of free and independent tourists are credited as offering some benefits—both direct and through trickle-down effects in terms to supporting the livelihoods of poor households.

Domestic tourism, too, is credited with cushioning the industry through difficult times, allowing it to build on local income to generate revenue to keep establishments and jobs intact. However, a greater share of the gains has accrued to the larger operations while smaller operations have been hurt, due to dropping of prices and promotional packages. However, and again for certain types of jobs that poor people undertake—such as nature-based tour operators, fruit and vegetable growers and vendors, and certain types of crafts (reed furniture, for example)—domestic tourism has generated benefits.

By June 2009, with the cessation of armed conflict and some recovery in the global financial sector, things have started to turn round in Sri Lanka. The end of the conflict opens up many doors for tourism and both the government and private sectors are gearing up for its revival. This will have trickle-down benefits to poor households that rely on the sector (for either primary or supplementary income).

This time of "regearing" should be used as an opportunity to establish structures and support mechanisms that take into account the interests and needs of small-scale and self-employed businesses, especially in rural areas, so that the benefits will both be more widely spread, and offer stronger potential to build yield and stability for the livelihoods of poor households.

References

Central Bank of Sri Lanka (CBSL), 2008. *Annual Report 2008* (online). Colombo: Central Bank of Sri Lanka.
http://www.cbsl.gov.lk/pics_n_docs/10_publication/_docs/efr/annual_report/ar2008e/ar08_content_2008_e.htm (accessed September 2009)

Centre for Poverty Analysis (CEPA), 2009. *Issue Paper on Poverty and Vocational Training*, prepared for Tertiary and Vocational Education Commission Sub Committee on Poverty. *Unpublished*

Department of Census and Statistics (DCS), 2008. *Household Income and Expenditure Survey 2006/07.* Department of Census and Statistics. http://www.statistics.gov.lk/HIES/HIES2006.pdf (accessed September 2009)

Gunaratne, N., 2009. *Changing patterns of tourism- India top generator of tourists* (online). The Sunday times. http://sundaytimes.lk/090712/FinancialTimes/ft328.html (accessed September 2009)

Gunerwardena, D., A. Meedeniya, and S. Shivakumaran. 2007. *Absolute and Relative Consumption Poverty in Sri Lanka: Evidence from the Consumer Finance Survey 2003/04.* CEPA Publication.

Hall, Colin Michael. 2007. *Pro poor Tourism: Who Benefits.* Channel View Publications.

Jamieson, Walter and Nadakarni, Sanjay, 2009. *A Reality Check of Tourism's Potential as a Development Tool* (Editorial). Asia Pacific Journal of Tourism Research, Volume 14, Issue 2 June 2009, pages 111 – 123.
http://www.informaworld.com/smpp/section~db=all~fulltext=713240928~dontcount=true~content=a910452752 (accessed Jan 2010)

Kaviratne, Jeevananda, 2009. *Hikkaduwa sorely missing annual wave of visitors. The global recession hits the country's most popular beach resort* (online) Sunday times February 08, 2009.
http://sundaytimes.lk/090208/News/sundaytimesnews_09.html (accessed September 2009).

Miththapala, S., 2009a. *Sri Lanka Tourism – where are you going?* (online). Global Travel Industry News. http://www.eturbonews.com/10322/sri-lanka-tourism-where-are-you-going (accessed September 2009).

`

Miththapala, S., 2009b. *Refocusing from Terrorism to Tourism in Sri Lanka* (online). Travel Video News. http://www.travelvideo.tv/news/sri-lanka/07-16-2009/refocusing-from-terrorism-to-tourism-in-sri-lanka (accessed September 2009)

Miththapala, S., 2008. *Contribution from the Tourism Sector for the Eradication of Poverty and Hunger*. Presentation made at the OPA Annual Sessions, 11 October.

Perera, A. 2008. *Insecurity hits Sri Lankan tourism*. One world South Asia. http://southasia.oneworld.net/todaysheadlines/insecurity-hits-sri-lankan-tourism (accessed September 2009)

~~Perera, A. 2008. Sri Lanka: *Terror, Recession Put Tourism in the Doldrums.* Inter Press Service News Agency. http://www.ipsnews.net/news.asp?idnews=45161 (accessed September 2009)~~

Sri Lanka Tourism Development Authority (SLTDA) (a). Various years. *Annual Statistical Reports 2004–2008*. Sri Lanka Tourism Development Authority. http://www.sltda.lk/statistics (accessed September 2009).

Sri Lanka Tourism Development Authority (SLTDA) (b). Various issues. *Monthly statistical Bulletin.* http://www.sltda.lk/monthly_statistics (accessed September 2009)

Sri Lanka Tourism Development Authority (SLTDA), 2009 (c). *Survey on Departing Foreign Tourists from Sri Lanka: Statistical tables*. Sri Lanka Tourism Development Authority. http://www.sltda.lk/statistics (accessed September 2009)

Sri Lanka Tourism Development Authority (SLTDA) *website*. http://www.sltda.gov.lk/ (accessed September 2009)

United Nations World Tourism Organisation (UNWTO), 2009a. *Testing Times for International Tourism* . United Nations World Tourism Organisation, Media Press releases. (online). http://www.unwto.org/media/news/ (accessed September 2009).

United Nations World Tourism Organisation (UNWTO). 2009b. *International Tourism Challenged by Deteriorating World Economy.* United Nations World Tourism Organisation, Media Press releases. (online). http://www.unwto.org/media/news/ (accessed September 2009).

Yamakawa, R., 2007. *Poverty Reduction through Tourism: The experiences in Asia* (online). United Nations Economic and Social Commission for Asia and the Pacific. Workshop on expanding the role of tourism in Poverty reduction. http://www.unescap.org/EPOC/meetings/WkshpPovertyReduction/English/Poverty-Reduction(RY).ppt#375,4 (accessed September 2009)

Appendix 1: Key person interview list

Organization	**Designation**
Area and Site Guides Association, Pollonaruwa	Guide
Association of Small and Medium Enterprises in Tourism Sri Lanka	President
Chauffeur Tourist Guide Lecturers' Association of Sri Lanka	Association Office Bearers
Jana Kala Kendraya	Craftsman
National Crafts Council	Media Representative
National Tourist Guide Lecturers' Association of Sri Lanka	Representative
Sri Lanka Association of Inbound Tour Operators (SLAITO)	President
Sri Lanka Tourism Development Authority (SLTDA)	Deputy Director, Domestic Tourism
Tourist Hoteliers Association of Sri Lanka (THASL)	President