

*"Towards an Inclusive  
Tourism Economy"*

# NATIONAL TOURISM POLICY



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JATHIKA JANA BALAWEGAYA (NPP)



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# **Towards an Inclusive Tourism Economy**

National Tourism Policy  
National Peoples' Power (NPP)

26<sup>th</sup> August 2024

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## **Abbreviations**

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BIA	- Bandaranaike International Airport	NGOs	- Non-Governmental Organizations
BOI	- Board of Investment	NTC	- National Tourism Commission
CBT	- Community Based Tourism	NTO	- National Tourism Organization
CCD	- Coast Conservation Department	NVQ	- National Vocational Qualifications
CCF	- Central Cultural Fund	R & D	- Research and Development
DFC	- Department of Forest Conservation	SDGs	- Sustainable Development Goals
CEA	- Central Environmental Authority	SLCB	- Sri Lanka Convention Bureau
DMCs	- Destination Management Companies	SLITHM	- Sri Lanka Institute of Tourism & Hospitality Management
DWLC	- Department of Wildlife Conservation	SLITHM	- Sri Lanka Institute of Tourism & Hotel Management
FDIs	- Foreign Direct Investments	SLTA	- Sri Lanka Tourism Authority
FITs	- Free Independent Travelers	SLTDA	- Sri Lanka Tourism Development Authority
GDP	- Gross Domestic Product	SLTPB	- Sri Lanka Tourism Promotion Bureau
ICPT	- International Code for the Protection of Tourists	TNA	- Training Need Analysis
INGOs	- International Non-governmental Organizations	TPFC	- Tourism Policy Formulation Council
KPIs	- Key Performance Indicators	TSA	- Tourism Satellite Accounts
MICE	- Meetings, Incentives, Conferences, and Exhibitions	TPFC	- Tourism Policy Formulation Council
MSMEs	- Micro, Small and Medium Enterprises	UDA	- Urban Development Authority
NCAP	- National Civil Aviation Policy	VFR	- Visiting Friends and Relatives



*“Sri Lanka to be a premier green tourist destination  
in the world, offering holistic and authentic  
experiences to tourists,  
ensuring sustainability, inclusiveness, and  
economic progress while the government is assuring  
the priority industry status.”*

## 1. Introduction

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Tourism is an industry with high economic and social significance that can satisfy tourists' needs connected with diverse travel objectives such as leisure, pleasure, nature, culture, adventure, business (including MICE), visiting friends and relatives (VFR), and sports while providing socio-economic benefits to the host's destination and its communities. The tourism industry can make positive impacts on the economic and socio-cultural prosperity of host regions. Tourism creates employment and raises local income levels, resulting in reduced government spending on social welfare payments and increased tax revenue from the tourism industry, enabling both developed and developing countries to realize positive economic benefits.

Due to the COVID-19 pandemic, global tourist travel was restricted to 381 million in 2020 which is a decrease of 74%. However, international tourism continued its recovery from 2022 by reaching 963 million global tourist arrivals. According to the United Nations World Tourism Organization (UNWTO - UN Tourism), during the first quarter of 2024, international arrivals have reached 97% of 2019 levels, reflecting an almost complete recovery of pre-pandemic numbers. An estimated 285 million tourists traveled internationally in the first three months of 2024. At the same time, total export revenue from global international tourism was USD 1.7 trillion in 2023 which is equivalent to 3% of the global GDP. Global tourist arrivals are predicted to rise by 3.3% annually from 2010 to 2030, reaching 1.8 billion by that time, benefiting all the regions of the world, including small and developing countries (UN Tourism).



Being an island in the Indian Ocean, Sri Lanka is in a unique and strategic geographical location that has been established as a tourist attraction throughout history. Compared to similar destinations in the region closer to the equator, Sri Lanka can boast its rich biodiversity, cultural heritage, climatic diversity, tranquil atmosphere, and friendly, hospitable people. All of which can be experienced within a short period. However, despite the fact that Sri Lanka has everything for any type of traveler, it has failed to fully capitalize on its full potential. As one of the most resilient industries against the negative impacts of the COVID-19 pandemic, most tourist destinations globally are fast reaching their pre-pandemic levels. For instance, India attracts the largest portion of tourists visiting the South Asian region, accounting for

approximately 6% of global tourist arrivals, while Sri Lanka attracts only around 1% of total tourist arrivals in the world, despite Asia and South Asia reporting continuous growth trends in tourism.

The NPP Government is confident that effective leveraging of the potential of the Sri Lanka tourism industry with proper leadership and guidance accompanied by a proper policy framework will revive the industry quickly and achieve the desired outcomes progressively. To achieve that, it is essential to effectively and productively integrate and manage the four key aspects of tourism resources: natural resources, cultural resources, human resources, and capital resources with a proper policy direction.

## **2. Rationale for the Policy Development**

Officially, the tourism industry of Sri Lanka is about 58 years old. Although tourism was established formally in 1966 with the Ceylon Tourist Board Act No. 10 of 1966, considerable development has not been realized up to now compared to similar tourist destinations in the region. Although several tourism master plans, strategic documents, action plans, and political manifestos have been developed and presented to the public by the administrative and political leaderships of the country since 1966, there were no long-term perspectives among them. The Tourism Development Act No. 14 of 1968 and the present tourism law, Tourism Act No. 38 of 2005 provide the fundamental guidance and the institutional structure to the industry and its development. When reviewing the past and existing strategies for the tourism development of Sri Lanka for about 58 years, it is evident that the policies and directions have not addressed several critical issues in the sector. Generally, there was no commonly agreed and accepted tourism policy direction among the diverse stakeholders involved in the industry up to now.

**Several key reasons can be identified as the root causes of these issues:**

1. Lack of visionary leadership aiming at developing the tourism industry holistically and sustaining it.
2. Bureaucracy and compartmentalization among authorities and undue dominance dictated by the sectoral organizations.
3. Poor coordination among national and provincial tourism authorities and related ministries resulted in policy inconsistency and a lack of a common vision and objectives among all stakeholders.
4. Lack of innovative tourism product development due to insufficient recognition, support, and facilitation from the national tourism organizations.
5. Lack of evidence-based decision-making due to the misalignment between research and development, tourism planning, and decision-making.
6. Inefficiencies due to limited technological adaptation and digitalization by national tourism organizations.
7. Inability to reach untapped segments and new types of tourism due to inconsistencies of national branding and conventional destination marketing strategies.
8. Still focusing on marketing attractions (sightseeing) instead of staging unique, authentic, and memorable experiences for tourists.
9. Poor utilization and mismanagement of tourism resources, including financial, natural, and man-made resources.
10. Low awareness of the potential of the tourism industry among the general public, leading to poor community participation and poor entrepreneurship development in tourism.
11. Inability to evaluate and incorporate the impact of contingencies (ex: natural and man-made calamities) locally and within source markets on the strategic planning in tourism.
12. Absence of a holistic approach to ensure an end-to-end smooth positive experience for a tourist (from applying for a visa to leaving the country).

Realizing the full potential of the tourism industry as a significant contributor to the economy is hindered by the above issues.



### **3. Tourism as a Key Economic Force**

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Achieving higher economic gain through the tourism industry is crucial for sustainable economic development in Sri Lanka. Hence, the NPP government recognizes the tourism industry as a critical economic force in Sri Lanka and one of the major export industries of the country. The industry will be given priority status in the national economy. The NPP government views the tourism industry as a crucial driver for reviving the country's economy in the short term, especially during the current financial crisis, while also serving as a catalyst for long-term economic objectives. The NPP government will give tourism priority industry status, thus ensuring the creation of the required conducive legal and administrative ecosystem for it. This will be a key to ensuring the facilitation of tourism for higher efficiencies while creating a conducive legal and administrative environment at the state level. This will also enable efficient and sustainable utilization of potential natural, cultural, human, and capital resources of the country. Tourism policy planning and implementation in all relevant areas will ensure the sustainable and steady growth of tourism through this priority status..

### **4. Policy Statement**

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The policy framework of the NPP government for tourism aims:

***"Sri Lanka to be a premier green tourist destination in the world, offering holistic and authentic experiences to tourists, ensuring sustainability, inclusiveness, and economic progress while the government is assuring the priority industry status."***

Priority industry status for tourism is one of the key policy positions of the NPP tourism policy, while sustainability and inclusiveness are considered as its main values.

### **5. Objectives of the Tourism Policy**

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The NPP government outlines a range of policy objectives aimed at revitalizing the tourism industry and achieving the desired outcomes as follows:

1. To position Sri Lanka as a prime and sustainable tourism destination, ensuring to be within the top foreign exchange earning industries.
2. To establish the tourism sector as a primary employment generator with global standards.

3. To ensure inclusive tourism decision-making at all levels of tourism, ensuring equal opportunities and island-wide growth.
4. To ensure the professional and social protection of all tourism sector employees.
5. To meet the Sustainable Development Goals (SDGs) of the United Nations through tourism synergizing with global and local partners.
6. To ensure research and development (R&D) in tourism aligned to tourism decision-making and product development.
7. To develop underutilized destinations with improved infrastructure and connectivity to make Sri Lanka a year-round destination.
8. To establish tourism entrepreneurship and facilitate micro, small and medium enterprises (MSMEs) in the industry to ensure the economic benefits of tourism flow to the grassroots level.

## 6. Direction to the National Tourism Strategy and Tourism Master Plan

The national tourism policy will provide the necessary direction to develop the National Tourism Strategy with the setup and focus of short-, mid-, and long-term goals. In this regard, a strategically aligned and facilitative organizational structure is proposed to be set up as a priority for the tourism development. Within this organizational structure, the responsibilities will be formally allocated to the assigned organizations, and they will be empowered with the required resources and authority. Effective and necessary legal amendments will be made by the government on a priority basis.

With the proposed strategic approach, establishing empowered policy-making authorities and aligning them with political leadership with a dedicated responsibility is considered vital for the industry's development. Hence, it is suggested to develop the National Tourism Strategy under the guidance of the policy framework with the active participation of diverse tourism stakeholders: industry associations, professional bodies, trade chambers, academia, industry experts, non-governmental organizations (NGOs), international non-governmental organizations (INGOs), community-based organizations, media, and the general public.

## 6.1. The Strategy

The strategy for developing Sri Lanka's tourism industry will be guided by the following three key questions and the associated tasks as depicted below:

Where is the Sri Lanka Tourism positioned now ?

- Industrial review and analysis (SWOT & PESTEL)
- Review of past and existing strategic documents, master plans, etc.
- Benchmarking with similar and top 10 destinations.
- Failures and gaps identification with the root causes.

Where the Sri Lanka Tourism need to be positioned ?

- Setting of Vision and Mission, Tagling with a broder anlysis and stakeholders opinions
- Objective to be the most attractive and most sustainable tourism destaination in the region with in next 10 years period.
- Approche with "SMART" target setting.

How can the Sri Lanka Tourism acheive the set targets ?

- Strong goverment support for inclusive economic growth
- Sustainable use of natural and cultural resources
- Innovative product development and standadization of tourism products
- Human capital development and stakeholders' Involvement
- Effective destination marketing

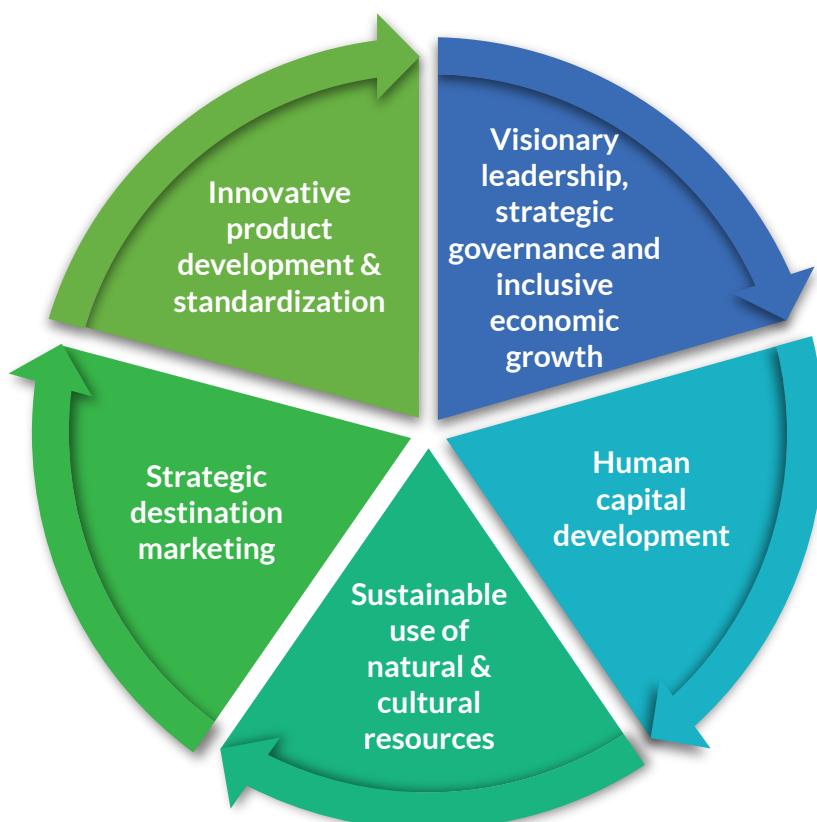
Based on the national tourism policy and the strategic direction, the national tourism master plan will be prepared with time frames, action plans, and budget allocations. Furthermore, the responsibility of each stakeholder, their contribution, and required resources will be identified. In line with the national tourism master plan, provincial-level tourism plans and site-based plans will be developed. This policy emphasizes the value of integrated planning in national tourism plans, provincial plans, and site-based plans at different planning levels. Provincial tourism authorities under provincial councils also need to play a collective and vital role in this regard..



## **7. Five Strategic Dimensions of the Policy**

The NPP tourism policy proposes a five-dimensional framework covering the entire spectrum of the industry with a complete cross-section of stakeholder involvement, ensuring active engagement in both the planning and implementation process.

- 1. Visionary leadership, strategic governance, and inclusive economic growth**
- 2. Sustainable use of natural and cultural resources for tourism**
- 3. Human capital development for tourism**
- 4. Innovative tourism product development and standardization**
- 5. Strategic destination marketing.**



The policy recommendations/actions organized under each strategic dimension are given below.

## **8. Policy Recommendations for the Five Strategic Dimensions**

### **8. 1. Visionary Leadership, Strategic Governance and Inclusive Economic Growth**



The NPP government views that the national tourism strategy should be driven by one organization with a higher level of autonomy and capable of providing leadership to the industry without traditional bureaucratic restrictions and inefficiencies prevailing in the present system and achieving the coherence of decision making and implementation.

The following organizational hierarchy and structure will be established to ensure effective management of the industry.

- i) **National Tourism Commission (NTC)** - as the apex body for national tourism.
- ii) **Tourism Policy Formulation Council (TPFC)** - responsible body for necessary policy guidance and policy development.
- iii) **Sri Lanka Tourism Authority (SLTA)** - responsible body for policy implementation in terms of tourism development and tourism promotion.
- iv) **Sri Lanka Institute of Tourism & Hospitality Management (SLITHM)** - nationally responsible body for human capital development in tourism and hospitality.

The tourism development fund and social protection and contributory pension/insurance scheme for the tourism sector workers will also be initiated and developed for the benefit of the stakeholders in the industry under the proposed organizational structure.

The proposed establishments will focus on policy formulation, policy monitoring, and policy implementation. The NPP government strongly believes that these changes will lead to meeting the identified objectives effectively. Hence, the governance and strategic leadership for the tourism sector of the NPP will be executed by establishing the following two new legal entities:

### i) National Tourism Commission (NTC)

NTC is the highest government body formulated to fulfill the strong need to establish an organization that can provide national policy direction, strategic guidance, monitoring, and implementation of the national tourism policy of Sri Lanka. It is empowered and authorized to formulate and implement policy effectively and efficiently. The following responsibilities of NTC are identified in this regard:

- Establishing the tourism strategic direction of Sri Lanka aligning with the national tourism policy.
- Formulation of national goals for tourism, including “strategic annual tourism targets” beyond the simple arrival numbers

and revenue (i.e., room nights/per capita expenditure/net contribution/targets for each segment such as MICE, high end, free independent travelers (FITs), etc.

- Providing direction to all authorities, councils, institutions, funds, and units in the form of their objectives and goals.
- Appointing qualified and capable individuals to the boards of national tourism organizations (NTOs) as Director Generals, CEOs, board members, and Advisory committee members.
- Planning and execution of procurement and auditing procedures for NTOs.
- Planning and monitoring of rational allocation of funds and resources for national tourism organizations.
- Formulating a direct link with provincial tourism authorities to ensure the national tourism strategies reach a provincial level to boost economic activities and create a holistic Sri Lankan national identity.
- Setting authorities and responsibilities for all NTOs, including the formulation of Key Performance Indicators (KPIs) and periodic review of the performance of all NTOs.

### ii) Tourism Policy Formulation Council (TPFC)

The NPP government believes that the existing administrative structure is not strong enough to cater to national tourism development. Several weaknesses persist in the industry, including the inability to integrate tourism

with other sectors and foster holistic and inclusive tourism development. For instance, natural and cultural tourism resources like wildlife, beaches, archaeological monuments, and national parks are managed by state non-tourism authorities such as the Department of Wildlife Conservation (DWLC), the Department of Forest Conservation (DFC), the Coast Conservation Department (CCD), the Central Cultural Fund (CCF) etc. While these authorities primarily focus on conservation and preservation, the tourism sector requires an approach that also emphasizes the exploration and utilization of these resources. However, non-tourism sector authorities seem to be working in an isolated manner without strong integration with tourism. Certain contradictions happen due to this poor integration. The NPP firmly believes that tourism can serve as a catalyst and facilitator for these organizations without compromising their primary objectives. However, this has not been achieved due to the isolated operation of these authorities.

As tourism is given priority status, it is required to obtain strong synergy with all the line agencies. The Tourism Policy Formulation Council will have the legal authority to formulate sectoral sub-councils and make collective decisions and implementation.

The TPFC will be established through an amendment to the current Tourism Act with industry and non-industry experts to provide the necessary policy formulation and guidance to the National Tourism Commission and its' implementing institutions. Hence,

the council will act as the “**think tank**” for Sri Lanka Tourism. Several sub-councils will be established to represent and provide specific policy directions under the respective areas. The TPFC will also directly work with ministries, authorities, experts, and the private and public sectors to ensure multi-dimensional policy formulation in tourism.

The following are identified as the role and responsibilities of the Council.

- Formulating and updating the tourism policies with the guidance of NTC.
- Working as a legal and authorized inter-ministerial/sectoral coordinating body for tourism to make effective and rationalized decisions to standardize sector guidelines.
- Formulation and appointing of sub-council members, monitoring and evaluating the progress of sub-councils and their policy and implementation strategies.
- Necessary industry facilitation for taxation, fiscal policies, land declaration, etc. in tourism development as needed.
- Providing guidance and direction for tourism law enforcement across the island.
- Supporting and providing guidance to implement tourism project proposals and provide recommendations to the key implementing institutions.
- Coordination and guidance to the tourism-related donor agencies for tourism development.

At the inception, the following sub-councils/units will be established under the tourism policy formulation council. These will address the current and emerging needs of the tourism industry, directly aligned with the five identified policy dimensions. Additional sub-councils may be created as needed.

#### **a) Tourism Research and Product Development (R & D) Sub Council**

This sub council will be working towards establishing R&D culture for Sri Lanka tourism. In this regard, the research and development policy of the NPP government will provide support and guidance. The sub council will provide directions and facilitate the tourism faculties of state and private sector universities, academia, and research institutes to develop and conduct applied tourism research. National tourism development plans and decision-making will be directly based on the research findings of this council. Research will be encouraged to inform product development in tourism, aiming to establish attractive and standardized products that can compete in global markets, particularly in the areas such as wellness tourism, adventure tourism, eco-tourism, agro-tourism, culinary tourism, community-based tourism, MICE tourism/events, etc. Subject experts and veterans will be invited to contribute, including tourism consultants, archaeologists, scientists, botanists, zoologists, ecologists, engineers, architects, sociologists, adventure and MICE experts, academics, and knowledgeable community leaders.

#### **b) Tourism Investment Promotion and International Relations Sub-Council**

It is essential to attract foreign direct investments (FDIs) alongside increasing local investments to ensure the steady development of the tourism industry and maintaining global standards. While potential and viable investment opportunities are available within and beyond Sri Lanka, currently, NTOs have not established efficient and transparent mechanisms for attracting investments. The disintegration of state agencies and multiple approvals required to initiate tourism projects have made tourism investments nearly impossible with undue political interventions. To facilitate timely acquisition of needed investments, a subcouncil will be established, including representatives from both the tourism and non-tourism sectors, such as the Board of Investment (BOI), Sri Lanka Tourism Development Authority (SLTDA), Department of Wildlife Conservation (DWLC), Coast Conservation Department (CCD), Urban Development Authority (UDA), Ministry of Lands, Department of Archaeology, and others. This will be a key body to clear legal barriers and formulate a transparent, attractive, and speedy investment platform for tourism. Additionally, all Sri Lankan embassies and high commissions will be consulted and collaborated closely to promote tourism and attract FDIs through an effective campaign led by Sri Lanka Tourism.

### c) Human Capital Development Sub- Council

Human Capital Development Sub Council will serve as the primary platform for developing human capital to meet the current and future tourism needs of Sri Lanka. In this regard, the focus will be given to relevant stakeholders, such as youth, school leavers, tour guides, hoteliers, and tourism activity organizers, etc. The Council will scientifically identify the human capital requirements for tourism over the next decade, involving key stakeholders in the process and setting targets. The identified targets will be communicated to all tourism training institutions, and hotel schools to meet the target effectively. Necessary facilitation will be ensured for the delivery of such training.

Apart from the sub councils mentioned above, the Tourism Policy Formulation Council will establish other sub councils as needed, such as the Destination Marketing sub council and the Provincial Tourism Development and Coordinating sub council.

#### Formulating the Sri Lanka Tourism Authority (SLTA)

Amendments will be made to the Existing Tourism Act No 38 of 2005. The present Tourism Act, which existed for about 17 years in Sri Lanka Tourism has not delivered the expected outcome to the industry. The NPP has comprehensively evaluated the present tourism act, its execution, and its rationale, along with the grievances expressed

by the industry stakeholders regarding effective resource allocation and the role of government bodies in tourism development. Considering the past experiences and future expectations, the following changes will be made:

The four (04) organizations existing under the Ministry of Tourism: Sri Lanka Tourism Development Authority (SLTDA), Sri Lanka Tourism Promotion Bureau(SLTPB), Sri Lanka Institute of Tourism & Hotel Management (SLITHM), and Sri Lanka Convention Bureau (SLCB) will be amalgamated and formed into two main institutions: (a) Sri Lanka Tourism Authority (SLTA) and (b) Sri Lanka Institute of Tourism & Hospitality Management (SLITHM).

#### (iii) Sri Lanka Tourism Authority (SLTA)

The roles currently assigned to SLTDA and SLTPB will be amalgamated as the Sri Lanka Tourism Authority as one organization. This crucial change will ensure that tourism development and destination marketing are integrated for a more efficient and effective tourism industry. Both functions will come under one board of management, and thus coherence of decision making will be achieved. The two main divisions, namely, the **Tourism Development Division** and the **Tourism Marketing Division**, will be established for implementing each function under the Sri Lanka Tourism Authority. This organization will implement the plan and strategy approved by the National Tourism Commission.



**The Tourism Law Enforcement Unit** will be established under the Sri Lanka Tourism Authority with special attention to ethical and regulated practices in the industry. This unit will be facilitated with the required resources and authority to establish law and order in the tourism sector. The Police Tourist Division will be attached to this unit for smooth functioning and speedy execution of the process.

**(iv) Sri Lanka Institute of Tourism and Hospitality Management (SLITHM)**

The existing national training and education institute for tourism and hospitality in Sri Lanka, currently known as the Sri Lanka Institute of Tourism and Hotel Management (SLITHM) will be renamed the Sri Lanka Institute of Tourism and Hospitality Management (SLITHM) with a broad mandate to develop human resources for both the Sri Lanka and international markets. The institution will be strengthened with additional resources, legal recognition, and leadership for human resource development. SLITHM will work with all other state and private sector tourism and hospitality training and education institutions towards one common goal directed by the National Tourism Commission.

**The Tourism Development Fund**

The Tourism Development Fund will be managed and controlled by the National Tourism Commission. A rational management and fund allocation will be ensured based upon

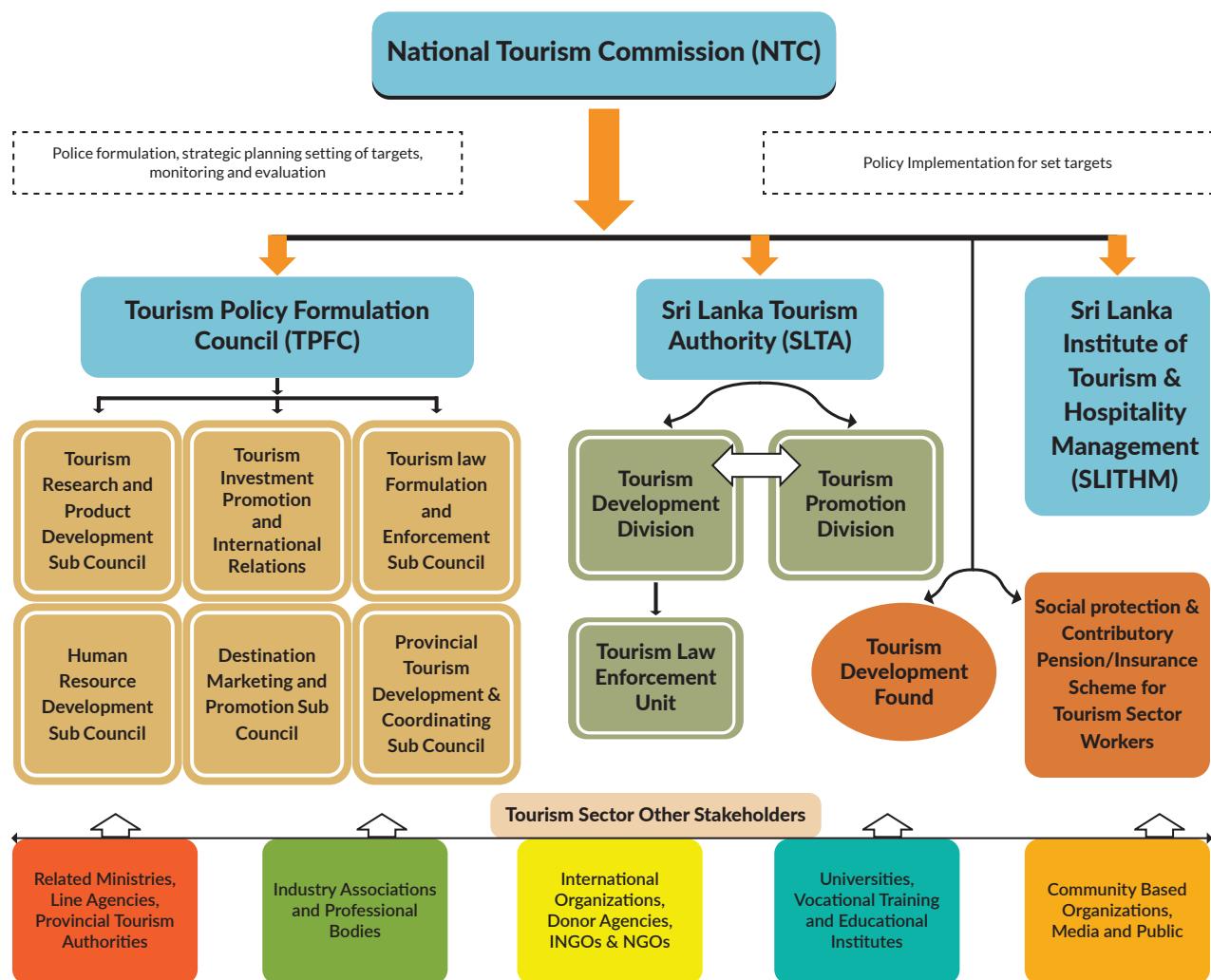
the priority needs in the industry instead of fixed and imbalanced percentages allocated to the implementation organizations. The information about the fund allocations will be transparent and publicly accessible through the official website.

**Social Protection and Contributory Pension/Insurance Scheme**

The Social Protection and Contributory Pension/Insurance Scheme for the employees of the tourism sector will be established and managed under the National Tourism Commission. This will provide a long-awaited solution for the income fluctuation of tourism sector employees, especially in the MSME sector during natural or man-made disasters such as tsunamis, terrorist attacks, pandemics, etc. The goal is to ensure social protection for individuals during such disasters. Further, non-pensioners in the private sector and the semi-government sector will also benefit from the contributory pension fund. A special unit will be formed under the NTC for this specific task. A fixed percentage of the Tourism Development Fund will be allocated for this purpose, with efforts made to attract additional external funding sources.

The proposed organizational structure is illustrated below.

## Proposed Organizational Structure for the Tourism Policy and Strategic Implementation



Moreover, the following policy recommendations and actions are proposed under the ‘Visionary Leadership, Strategic Governance and Inclusive Economic Growth’ strategic dimension.

- The National Tourism Master Plan will be developed for a 10-year period.
- The aforementioned legal amendments will be made on a priority basis.
- Regional tourism offices will be established to upkeep synergized coordination with national and provincial levels. This will be the model to plan and develop the regional destinations in collaboration with the regional stakeholders. At the same time, the role of the provincial-level tourism authorities and departments established under the provincial councils will be valued and recognized. Their involvement is highly considered and incorporated into the tourism planning and development process.
- Immediate actions will be taken to ensure the uninterrupted operations of the tourism service providers and a pleasant experience for tourists by ensuring the continuous energy supply (fuel, gas, and electricity). The government will prioritize this task as part of the country’s foreign exchange earnings strategy. A special mechanism involving relevant authorities will be established to facilitate this process.
- The MSMEs are the main contributors for the tourism sector in Sri Lanka. The

MSME sector will be encouraged and facilitated to uplift their service standards. Special financial supporting and advisory programs will be implemented for them, aiming for more foreign exchange earnings to the country while ensuring their social empowerment. Particularly, the NPP government will address the issue of non-performing loans of service providers in the tourism industry through a relief bank system of the government.

- The NPP government will empower MSMEs in the tourism sector by forming a tourism services corporative network by providing resources and subsidies to enhance the continuous growth of entrepreneurs. At the same time, it is expected to form a Chamber of Tourism in every province, providing necessary encouragement for all tourism businesses island wide.
- All tourist associations will be encouraged to actively engage in the decision-making process on an equal and fair basis. Special attention will be given to their grievances. A close dialogue will be established with all sector stakeholders on tourism development in the country.
- The health and safety of tourists will be ensured by the government by taking all the necessary measures to facilitate a comfortable journey during their stay at the destination. Health protocols will be followed when and where necessary to protect the tourists and the service

personnel involved. A special unit will be established for the same purpose with related authorities. To further strengthen this, a special health and safety certification program will be introduced as a gradual process for the sector establishments/ individuals as a mandatory requirement for their license renewal and upgrading process.

- The NPP government will also adhere to the International Code for the Protection of Tourists (ICPT) introduced by the UN Tourism for the benefit of tourists and service personnel in the industry. Further, the Global Code of Ethics for Tourism will be applied and promoted in the Sri Lankan tourism context.
- Tourism Satellite Accounts (TSA) will be adopted as an instrument to measure the economic contribution by the sector scientifically.
- A fair trade policy will be encouraged among all sector service providers to align the industry with international standards.
- All aspects of illegal engagements by tourists and service providers will be identified, and necessary actions will be taken immediately to prevent them.
- The existing visa policy will be reviewed and updated, and necessary legal amendments with reference to visa requirements will be made to attract more tourists and obtain maximum benefits to the country.

• Measures will be taken to minimize the economic leakage factor in the tourism industry. A special study will be carried out for this with the experts' involvement. Standardized and feasible solutions will be implemented as alternatives in this regard.

• Sri Lanka Tourism will be closely linked with the UN Tourism to uplift Sri Lanka Tourism. Special focus and agenda will be implemented to achieve the 17 Sustainable Development Goals (SDGs), depicted in the figure below, through tourism. All tourism sector institutions will be evaluated in line with their contribution to meet SDGs.



Image Source : UN Tourism

- Domestic tourism will also be developed to make it a prominent component of the industry. New domestic tourism destinations will be identified and promoted with the involvement of provincial tourism authorities. Required measures will be taken to improve the infrastructure facilities with the private sector participation while undertaking public awareness programs on keeping the destinations clean and safe.
- Schoolchildren's involvement in tourism will be emphasized. Tourism will be introduced in the school curriculum, focusing on creating future tourism professionals and promoting responsible travelers for the future.
- International partnerships will be emphasized for the development of the tourism sector in all feasible dimensional areas presented in the policy. Discussions will be arranged with existing donor agencies and INGOs to evaluate progress and to identify potential new areas they can support. Measures will be taken to match the technical and financial assistance with the prioritized needs of the tourism industry.
- A crisis mitigation and management plan for tourism will be developed and implemented considering all possible man-made and natural disasters.
- As part of tourism law enforcement, the Police Tourist Division will be strengthened in Colombo and regional areas with appropriate service recognition, preventive actions, and prompt complaint handling procedures to serve tourists as a safe and tourist friendly destination. The language and other necessary training will be provided for the service staff while establishing a rewarding scheme for their performances. An information technology based approach will be introduced for the smooth functioning of the division. With this, the safety of tourists will be highly valued and ensured by the government.
- The "National Tourism Awards" scheme will be reactivated to promote new strategic dimensions and recognize individuals and organizations for outstanding tourism product development, innovations, and contributions to the industry.
- Convenient procurement and audit procedures will be implemented for the sector institutions and authorities.
- Services, facilities, and infrastructure will be improved to benefit industry taxpayers by supporting the upgrade of their properties and service standards.



## 8.2. Sustainable Use of Natural and Cultural Resources for Tourism



Tourism is a geographical phenomenon closely linked to the destination's geographical features. Sri Lanka is a country blessed with natural and cultural resources, and these are the main tourism resources to develop the country strategically. The tropical climate, stunning beauty, rich biodiversity, heritage, friendly and hospitable people, and their authentic lifestyle offer numerous opportunities for generating diverse tourism products.

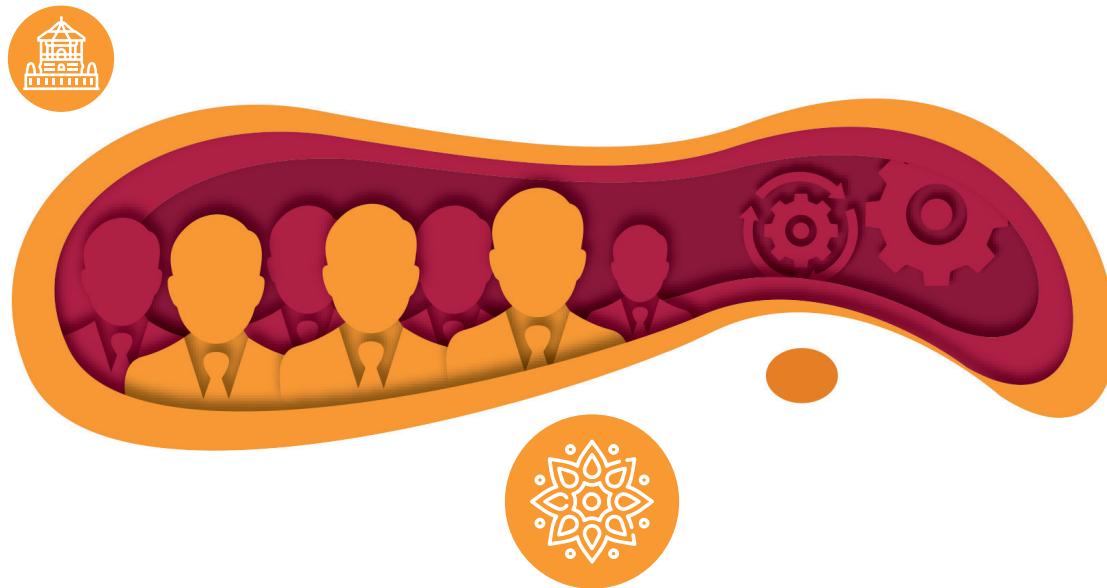
### Proposed Policy Recommendations/Actions

- Natural and cultural tourism resources will be inventoried based on the tourism development potential at the provincial and district levels.
- The Tourism Policy Formulation Council (TPFC) will work with all related line agencies, such as the Central Environmental Authority (CEA), DFC, DWLC, CCD, UDA, Archaeology Dept., etc to develop a Tourism Resources Utilization Plan, especially for the limited natural resources. In this regard, the world's best models will be studied and evaluated to develop a Sri Lankan model.

- Existing tourism activities in the sensitive natural and cultural resources will be evaluated carefully, and eco-friendly practices will be introduced and promoted to ensure their long-term sustainability.
- Criteria will be introduced with minimum standards for the tourist establishments for water, waste, and energy management practices. The best practitioners will be rewarded and encouraged to upgrade to an 'Eco-friendly Brand' status.
- The carrying capacities will be identified scientifically for the selected tourist sites/ attractions, which are under a massive threat due to over visitation. The policy recognizes a proper blend of the number of tourists as well as the value generations by tourists in determining the carrying capacity of destinations.
- Tourism will be highlighted as a cultural preservation tool. Intangible cultural heritage will be identified and documented with the focus of preservation for the future.
- A digitalized tourism sector land bank will be established with the involvement of related stakeholders for future tourism investments supported by the digital technology.
- A sustainable energy policy for tourism will be established to guide tourism product development, standardization, and applications in collaboration with relevant authorities, donor agencies and the private sector. Alternative and responsible energy sources will be encouraged. This will be introduced to MSMEs and large-scale establishments within a short time frame. Incentives (financial and technical) will be given for this task via related institutions.
- To foster sustainability in the industry, an effective waste management policy and plan will be introduced for all tourist destinations with the involvement of relevant local authorities. Wastewater treatment plants are encouraged in resorts and large-scale establishments.
- Legal measures will be taken to minimize the visual pollution in tourist areas and natural and cultural environments while obtaining the fullest support from the general public through education and awareness programs.
- All the sustainable tourism measures and initiatives already implemented by the authorities and relevant stakeholders will be reviewed and incorporated into the policy implementation appropriately.



## 8.3. Human Capital Development for Tourism



The NPP government believes that human capital is the most vital factor in tourism development. Thus, the human resource development strategy needs to be in line with the broad strategic objectives of the destination. Since 1966, numerous state and non-state organizations in Sri Lanka have been dedicated to training and developing the human capital required for the industry, both nationally and internationally. A qualification in the tourism and hospitality sector is regarded as a global credential, enabling individuals to work anywhere in the world.

### Proposed Policy Recommendations/Actions

- The NPP government will develop a commonly agreeable HR policy for the tourism and hospitality sectors, focusing on inclusiveness, rational minimum wages and perks, career path development, global standardization of skills and knowledge, protection of human rights and working conditions, enhancement of living standards and wellbeing, and alignment with related HR policies. A qualified committee will be appointed for the implementation of this task.

- Female participation in the Sri Lankan tourism industry is notably low. The NPP government strongly encourages increased female involvement and will ensure safe and secure working conditions for women in the industry.
- The human capital requirement for the next decade will be evaluated scientifically using the current human capital development statistics for the sector. A survey will be carried out to identify the existing number of employees/professionals in the sector. Moreover, Training Need Analysis (TNA) will be conducted for the sector along with an evaluation of capacity in public and private sector training and education institutions. The provincial and regional capacities will be enhanced and expanded within a short time frame to attract and train more youth for the sector.
- The curriculum for education and training programs in the sector will be updated promptly to adopt a student-centric, ICT-based, and results-oriented approach.
- National Vocational Qualifications (NVQ) is highly encouraged in the tourism and hospitality sector and measures will be taken to strengthen the mechanism to obtain qualifications from all vocational institutes while strengthening their capacities.
- Sri Lanka Institute of Tourism and Hospitality Management (SLITHM) will be recognized as the apex body in tourism and hospitality training and education in Sri Lanka. Legal amendments will be made to expand its capacity and resources beyond the current framework to meet the evolving needs of the tourism industry over the next decade.
- An Advanced Professional Training Institute for Tourism will be established to provide international advanced training and certification for tourism professionals. World best practices will be adopted to train specific workforce categories needed to the tourism industry. World-class experts are expected to be invited to collaborate with national tourism training programs in building these facilities.
- All universities offering tourism-related degrees will be recognized and closely linked with the tourism development process of the country. The tourism sector research and development component will be directly linked with the universities.
- A National Tourism Research Center will be established as a private-public partnership (PPP) under the guidance of the Research and Product Development Sub Council, enabling all students and academia in the academic and vocational institutions/universities to engage in applied research in tourism. The validated research findings will be awarded and ensured to be adopted in the decision-making process for tourism development in Sri Lanka.



- As mentioned before, a 'Social Protection and Contributory Pension Scheme' along with a Special Insurance scheme will be established for all individuals/tourist service providers and self-employees in the private sector, government sector, and semi-government sector to secure their future security in tourism. This will be legally ensured by establishing a separate unit/division under the National Tourism Commission.
- A tourism incubator will be established to train, educate, and support potential entrepreneurs in the sector, with a particular focus on newcomers and MSMEs in tourism. Trainings will be carried out in areas such as entrepreneurship development, e-tourism and digital marketing, leadership skills, managerial skills, etc.
- A community-based corporate network will be proposed and encouraged for selected tourism communities and their livelihood development along with the related stakeholders.



## 8.4. Innovative Tourism Product Development and Standardization



To position Sri Lanka as a tourism destination among similar and other competitors, the country needs to expose its own authenticity and uniqueness to the world. The NPP government highly considers that the strategies need to be focused beyond the conventional type of tourism products. While catering to the mass market, our tourism products need to be pitched to the sustainable, high-end, and niche markets based on the country's tourism potential. The focus should be shifted from heavily relying on tourist numbers to value/yield generated from the tourists. The conventional round-trip tours practiced over five decades do not match with the travelers' current perceptions blended with experiential tourism. Therefore, an innovative tourism product range needs to be created and replace the existing practices aiming to convert Sri Lanka to an experiential destination. Potentials for niche tourism products related to key segments such as ecology, gastronomy, tangible and intangible heritage, adventure, traditional livelihoods, indigenous medicine, Buddhism and spiritual practices, marine archaeology, and rural lifestyle will be highlighted as the authentic signature of Sri Lanka tourism. Focus will be placed on niche tourism typologies including eco-tourism, wellness tourism, community-based tourism (CBT), agro-tourism, heritage tourism, culinary

tourism, and events. Experience-based tourism will serve as the key transformational tool of the country.

### **Proposed Policy Recommendations/ Actions**

- A Division for Tourism Product Development will be established at the Sri Lanka Tourism Authority, working closely with the Research and New Product Development Sub Council. The division will also facilitate private sector involvement in innovative tourism product development. The development of standards for the existing and future tourism products and ensuring their legalization will be the responsibility of this particular division.
- All the related stakeholders, including Destination Management Companies (DMCs), industry associations, universities, local communities, and the general public, are encouraged to engage in research, workshops, and the product development process through an integrated and participatory approach.
- The most innovative tourism product developments across various categories will be evaluated and awarded through a competition among industry stakeholders.
- Traditional arts and crafts-based industries will be further encouraged, highlighted, and facilitated by the government while ensuring proper integration with the tourism industry. Facilities, marketing campaigns, and better sales mechanisms

will be developed for promoting these as experiential products. The concept of “Tourism Villages” will be established in collaboration with relevant authorities.

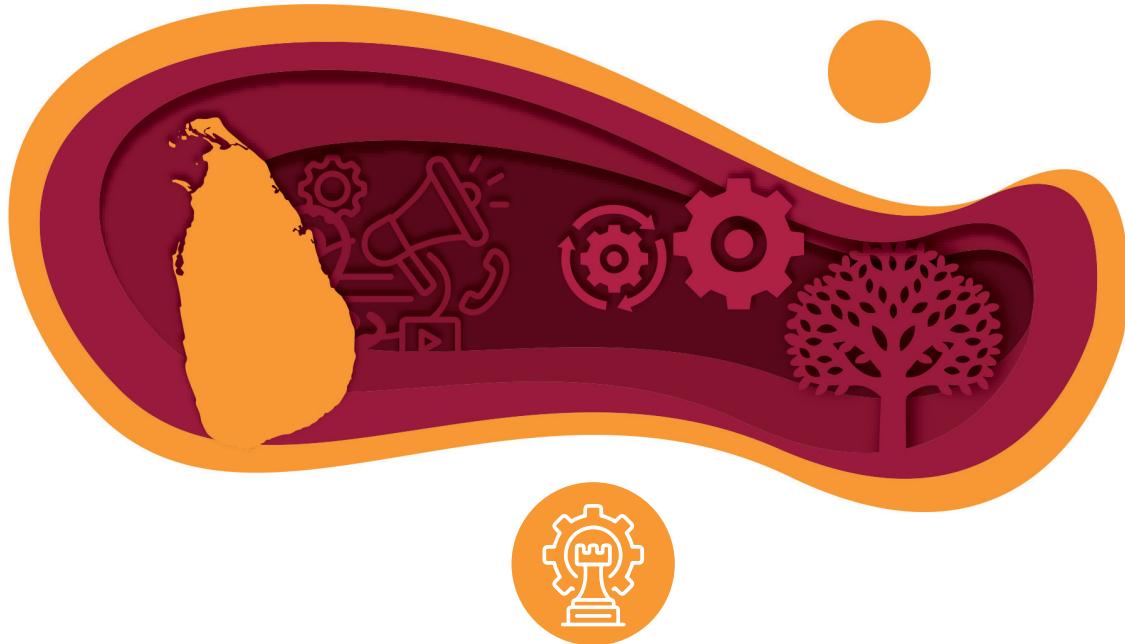
- The seasonality of the tourism industry will be utilized in the tourism product development process to overcome the low tourist arrivals during the off-season (May to October) and also to establish a year-round tourism flow in the country by developing underutilized destination areas with proper infrastructure and improved connectivity.
- Special attention will be given to promoting Sri Lanka as a MICE destination. A need assessment will be carried out to identify the gaps in the MICE sector to meet the international demand. International partnerships will be encouraged in this regard with the industry leaders.
- The annual events calendar will be redesigned with the active involvement of tourism stakeholders, and tourism product development efforts will be in line with that.
- Special attention will be given to attract and cater to cruise ship tourism and marine tourism, which have not been fully utilized by Sri Lanka. Facilities will be ensured with private-public sector participation and partnerships.
- Special attention will be given to attracting differently-abled tourists to Sri Lanka, along with providing customized tourism

products and facilities. Tourist service providers will be encouraged to invest in this area, and the government will ensure the necessary common infrastructure and product standardization.

- The existing standards of the tourism products will be evaluated carefully and benchmarked with the present global demand. Standardization of all aspects of tourist services will be emphasized. Local and international standards will be introduced for all layers of the service providers, including the informal sector and MSME sector in tourism. Formalization of the informal sector will be a prominent task of the government.

- Homestays will be promoted as a means of passing the economic benefits of tourism to the grass-roots levels and building capacity without enormous infrastructure costs. This will also support offering true authentic experiences for tourists within the island. Resources and training will be provided, and a grading system for homestay facilities will be introduced.
- An inventory of tourism infrastructure will be developed based on a survey to identify the existing tourism infrastructure and facilities in the provincial destinations around the country. The gaps will be identified, and required immediate actions will be taken to fill them.

## 8.5. Strategic Destination Marketing



The NPP government aims to establish Sri Lanka's brand position in the global tourism market, highlighting its brand essence and competitive advantages. The practice of frequently changing branding campaigns with each political shift will be discontinued. The NPP government believes that the frequent change of branding slogans/taglines creates confusion about the destination among tourists, represents a significant strategic error, and results in significant waste of financial and other resources. It is also important that this country's branding strategies need to be consistent with the intended foreign direct investments (FDI) and export strategies of the nation while using our limited resources efficiently and effectively. A realistic, research-based, competitive, and sustainable branding campaign will be designed for the global market considering these multiple aspects, with the maximum participation of the relevant stakeholders.

### Proposed Policy Recommendations/Actions

- The existing destination marketing activities will be carefully evaluated, and necessary steps will be taken to redesign and streamline them.

- A holistic marketing campaign for promoting Sri Lankan tourism will be developed in collaboration with the foreign ministry, the national airline, and other tourism NTOs. Combined resource allocation and efficient use of existing marketing and promotional efforts of all organizations will be ensured.
- Measures will be taken to establish a sustainable global marketing campaign. Tourists' perceptions will be changed to a tourist-friendly and green destination offering highly satisfying and memorable experiences with unparalleled diversity.
- Sri Lanka will be positioned with a realistic and compelling branding campaign, especially targeting high-yield markets. This will involve collaboration with renowned marketers, industry stakeholders, and the general public to create a distinctive Sri Lankan identity.
- Attractive and visible promotions will be created at the main access points to the country and in the key tourist markets overseas.
- Main tourist destinations within the country will be developed and promoted with distinctive physical and iconic recognition. Key tourist cities will be planned and further developed with the involvement of architects and town planners.
- Information and communication technology will be the mainstream in the future destination marketing campaigns. The government will facilitate all digital form marketing campaigns of the private sector and MSME sector.
- A special marketing campaigns will be designed for FITs and transit passengers at the airport with appropriate facilities and products to obtain more value from them.
- Special marketing campaigns will be launched focusing on the emerging and new markets based on the scientific research findings with appropriate destination management efforts.
- All tourist information on the destinations will be available in digital format for easy reference.
- As mentioned above, the active foreign service involvement will be ensured in destination marketing efforts. Promotional offices will be established in key markets and regions as needed.
- Overall, inclusion of all stakeholders and their feasible proposals in destination marketing will be encouraged. Major stakeholders will be actively involved in destination marketing planning and branding, and their marketing efforts will be aligned with the main marketing campaigns to effectively promote destinations.



## **9. Optimizing the Integration of Tourism and Aviation**

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- Tourism policy recognizes the pivotal role of aviation in connecting Sri Lanka to global tourism source markets. International air connectivity and aviation network development will be aligned with the tourism development strategy of the country. Improvement and attraction of international airlines, development and expansion of aviation infrastructure including international airports and domestic aerodromes, and aligning aviation to the ground transport modes (i.e. rail and road) will be considered key priorities in tourism development. The currently established National Civil Aviation Policy (NCAP) and National Civil Aviation Master Plan (NCAMP) will be reviewed to align with the country's development priorities and the growing needs of the tourism sector. Integrating national tourism with aviation in strategic decision-making is essential for the success and growth of both sectors.
- Tourism policy recognizes the criticality of operating scheduled international flights to current and future tourism source markets. Increasing the frequency of scheduled flights to current tourism source markets, as well as operating scheduled flights to new source markets is crucial to drive further growth of international tourists. To capitalize on the changing dynamics of world tourist flow, it is essential to introduce new flights to emerging source markets. Sri Lankan Airlines, as the national carrier, plays a pivotal role in this strategy, ensuring the successful expansion and operation of flights to both existing and emerging tourism markets. Protecting national carriers and ensuring connectivity to key tourism destinations without compromising its financial stability is a priority of the NPP government. Any form of restructuring of the national carrier will be conducted within a framework that safeguards national tourism priorities.
- While facilitating full-service airlines to operate scheduled flights to Sri Lanka, the NPP government will also prioritize encouraging low-cost carriers to serve the country from major tourism source markets. Additionally, the establishment of local low-cost airlines will be promoted targeting more tourists to the country. To facilitate these ventures, currently underutilized international airports in the country will be optimized for use.
- The failure of both current and previous governments to upgrade Bandaranaike International Airport (BIA) in line with passenger growth has led to significant congestion and low-quality services. The NPP government will prioritize the airport's expansion,

focusing on transforming it into a tourist-friendly, attractive facility that meets the standards of competitive airports in the region.

- Considering the international Airport's current transit traffic ranging from 800,000 to 1.8 million annually. The tourism policy recommends developing transit tourism operations from BIA to nearby tourism cities at a nominal cost, similar to the other major international airport hubs. This initiative will attract a new segment of transit tourists to the country, a market currently overlooked in mainstream tourism development. By implementing this strategy, Colombo and Negombo can be positioned as vibrant, "sleepless" tourism cities.
- Jaffna, Hambantota, and Batticaloa international airports, though currently underutilized, possess huge potential to support extensive tourism development due to their strategic locations. To leverage this potential, special tourism zones will be designated around these airports, targeting specific tourist segments. Additionally, sound ground transport networks will be established ensuring seamless travel for tourists to and from all airports and destinations across the country.
- Domestic air operations are currently limited due to high costs and regulatory restrictions. The current regulatory and operational environment will be reviewed

to ensure domestic air connectivity to major tourist destinations. The potential of operating a domestic air schedule with multiple operators is proposed. Additionally, domestic airports and water aerodromes in potential key areas will be further developed to support connectivity, which is essential for high-end tourism growth.

- The tourism policy recognizes Sri Lanka's potential to develop aviation-based specialized tourism products, including fun flying, hot air ballooning, paragliding, parachuting and sky diving, and scenic sea plan operations. To facilitate the growth of these niche markets, existing regulations will be reviewed, with the aim of attracting capable investors to develop and operate these offerings.

## **10. Monitoring and Evaluation of the Policy**

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It is understood that the past strategic documents, master plans, and action plans have not been fully successful in meeting the desired outcomes due to a lack of monitoring and evaluation efforts by the relevant administrative and tourism authorities. Therefore, robust measures will be implemented to periodically monitor and evaluate the tourism policy. As mentioned above, the National Tourism Commission (NTC), will be the main body for monitoring, controlling, and evaluating the proposed tourism policy and related strategy implementation on a monthly, quarterly, and annual basis. NTC will be authorized and empowered by the parliament for this role. NTC will report to the relevant parliament committees and authorities and report their monthly progress to the Presidential Secretariat. Flexible and efficient policy reviews reflecting the dynamic changes in the tourism industry and its environment will also be ensured by establishing the monthly progress review of NTC and all other national organizations in tourism.

Apart from the NTC, the TPFC holds the responsibility of monitoring the sub-councils and associated institutions. The policy implementation responsibility will be managed by the Sri Lanka Tourism Authority (SLTA) and SLITHM, along with other relevant stakeholders. Implementation will be aligned with a thorough review of institutional action plans.

- The progress of the policy implementation will be monitored as per the given KPIs and guidelines are to be identified collectively.
- The effectiveness and progress of the KPIs will be published through media for the information of all tourism sector and non-tourism sector stakeholders.
- Necessary and reasonable adjustments and changes will be made to the tourism policy by the Tourism Policy Formulation Council under the leadership of the NTC based on the periodical progress reviews.
- Compensation and incentive system based on KPIs will be introduced to all employees in NTOs. Promotions and incentive schemes will be aligned to a transparent KPI-based performance evaluation system.





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