Annexure "A"

National Tourism Policy of Sri Lanka

Ministry of Tourism and Lands

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01. Name of the Policy

National Tourism Policy of Sri Lanka

02. Effective Date

To be decided upon approval of the Cabinet of Ministers. The policy shall be applicable for 10 years from the date of notification unless extended further.

03. Introduction

The tourism industry is one of the flagship sectors of Sri Lanka and it is recognized as a key source of foreign exchange earnings and as a driver of economic growth. Further, it is a strategically important industry with a high potential for transformation towards sustainable tourism development and growth. Sri Lanka requires a national policy on tourism for development, aiming at diversification, involving innovations and new investments with job creation based on digital assets, leading to income generation and overall poverty reduction, objectively to ensure sustainable tourism growth.

As the tourism industry is integrated with both the public and the private sectors, a National Tourism Policy is essential to ensure mobility, creating strategic linkages between all related organizations and stakeholders. Accordingly, the Ministry of Tourism and Lands has taken the initiative to formulate a comprehensive National Tourism Policy for Sri Lanka. In this process, in-depth studies were carried out considering local as well as global contexts, in order to identify the issues and potentials of the tourism industry and to determine the coverage of the National Tourism Policy. Following the national policy formulation protocol, a series of consultations were organized with the public sector organizations at the inter-ministerial and provincial level, private sector stakeholders, and the general public. This was aimed at obtaining their input regarding the development of the tourism industry. As a part of the policy formulation process, a strategic plan would be aligned to implement the National Tourism Policy. The strategic plan would consist of the policy intervention areas, goals, objectives, strategies, activities, time frame, outputs, outcomes, impacts, KPIs, responsibilities, and limitations in line with the National Tourism Policy.

Tourism development is currently governed by guidelines, frameworks, and codes of the Tourism Act No. 38 of 2005. This new act introduced the Tourism Development Levy and established the Sri Lanka Tourism Development Authority (SLTDA), replacing the Sri Lanka Tourist Board. The No.38 of 2005 Tourism Act remains to this day as the only legal reference for a sector that has profoundly transformed on both demand and supply sides over the past two decades. Under the guidance of the Ministry of Economic Development, a Tourism Development Strategy 2011-2016 was launched and included environmental, social, cultural, economic, institutional, and promotional components that aligned with the Master Plan and national development agenda. A subsequent Tourism Strategic Plan 2017-2020 was developed to help transition the destination towards Sri Lanka's Tourism Vision 2025. However, this plan was not fully implemented, and towards the end of the Strategic Plan period, the sector was hampered by Easter Sunday terrorist attacks and later Covid-19-related border closures.

Other policies and legislation relevant to the tourism sector include the Finance Act, No 25 of 2003, the National Environmental Act, No 47 of 1980, the National Heritage Wilderness Area Act, No 3 of 1988, the Civil Aviation Act, No 14 of 2010, the Greater Colombo Economic Commission Law, No 4 of 1978, as amended in 1980, 1983, 1992, a National Cultural Policy (proposed in 2007, but not implemented), the Foreign Exchange Act, No 12 of 2017, the Labour Code of Sri Lanka (including National Minimum Wage of Workers Act, No. 3 of 2016), the Land Development Ordinance 1935 (No. 19 of 1935, amended regularly, including 2010 and 2012), the National Civil Aviation Policy for Sri Lanka (2016).

04. Rationale

Tourism as a Major Engine of Inclusive Economic Growth and Sustainable Development

Tourism is a major economic driver for Sri Lanka, it is critical that appropriate strategic interventions across both hard and soft infrastructure are identified and implemented to kick start recovery with system-level transformation at the earliest. In line with this, it is also essential that policy regulatory and institutional gaps and bottlenecks constraining the growth of Sri Lanka tourism and private sector participation are identified and addressed via appropriate reforms.

Tourism is a product that requires integrated and coordinated service delivery operations. The development and delivery of tourism services rely on many ministries, agencies, and local governments. In developing the tourism sector, the government's primary role is as a regulator, planner, facilitator for infrastructure development, communicator, coordinator, and motivator while the private sector takes the lead role in managing and promoting the Tourism Industry.

The last Tourism Strategic Plan (2017-2020) was only partially implemented and some difficulties were encountered in the governance and planning sector. The COVID-19 pandemic and the economic crisis have highlighted the need for an updated institutional, legal and regulatory framework to govern the sector and rapidly overcome stunted growth.

International tourism was undergoing major economic, societal and technological transformations. Tourism was also being led into a new environmental paradigm as a consequence of climate change and the sustainable development discourse: Some of the key global trends and transformation in the sector in the past decades include;

- paradigms that have created new forms of tourism and changed the expectations of tourists (including growing attention to sustainability and well-being; and sustainable consumption patterns);
- Technological transformations and digital economy (the paradigm shift in the global tourism value chain and the increasing operators in the platform economy);
- Negative externalities caused by the continued development of both international and domestic tourism (issues emanating from mixing domestic and international tourists in one site; low levels of environmental safeguards in emerging economies).

These trends have generally been favourable to tourism development in Sri Lanka, a destination with many natural attractions, cultural heritage, and authentic tourism experiences. However, the strong dependence on air travel could affect the country's perception as a green destination. A sustainable and resilient tourism industry that is environmentally, socially, culturally, ethically responsible, and economically viable would reap immense benefits both economic as well as non-economic, such as the protection and conservation of the environment and cultural revival.

Whilst the development of the tourism sector is clearly an important national priority, responsible use of natural resources and equitable involvement of local communities would make Sri Lanka an attractive destination for a high-end segment of tourists seeking a unique experience in tourism. This requires trans-sectoral collaboration on tourism development which ensures equitable benefits for all stakeholders.

International tourism has been redefined by the Covid-19 pandemic. Longer-term trends could include long-stay visas for remote workers, emphasis on domestic and regional travel, and embracing small-group, non-mass tourism. Finally, the technological changes that the health crisis could bring about, require a legal framework that protects formal actors of the tourism economy, promotes the inclusion of local informal actors, and ensures the cooperation of foreign/international informal actors.

05. Need for a National Policy on Tourism

The tourism industry is an important pillar in the economy of Sri Lanka in terms of foreign exchange earnings. The main impediments to the development of the tourism sector in Sri Lanka are the ineffective coordination between organizations and inefficient governance. The need for advanced technologies and industry standards, inadequate safety and security measures, weak legal and regulatory framework, limited access to market information, and lack of focused and integrated destination promotions add to these.

Sri Lanka has to face and adapt to internal challenges, such as the Easter Sunday attack (2019) and the economic crises of 2022. External challenges are shared by the international tourism sector, such as recovering from Covid-19 and facing climate change. The latter will have both economic and environmental impacts, particularly affecting island destinations. In addition, many other challenges have been identified within the destination by public and private actors. The tourism industry of Sri Lanka needs a strong boost to overcome the aforesaid issues and to become globally competitive.

Since the tourism industry has the involvement of various sectors at different levels, a national tourism policy that is coherent, integrated, and aligned with the relevant sectoral policies is the need of the hour. A comprehensive tourism policy incorporating the aspirations of the government as well as those of all stakeholders in local and global contexts will ensure sustainable and inclusive growth of the country.

06. Purpose of the National Tourism Policy

Tourism is recognized as a means of implementing the country's accelerated and sustainable development plan, including many references to tourism in the National Policy Framework, there is room for significant improvement in the development and management of this sector. In this regard, an assessment of the sector's opportunities and limitations at the national level, and opportunities and challenges in the international context, would provide a clearer understanding of the prevailing conditions in the sector.

The industry's fundamental limitations or weaknesses are presented below, grouped under six main headings:

01. Weak governance (fragmentation of planning, management, and policy-making related to tourism, Low levels of safety and security for Tourists)
02. Endangered tourism assets (Tourism Competitiveness Index rankings of natural resources – produced by the World Economic Forum)
03. Limited access to markets (lack of specific market information, limited access to high-yield markets)
04. Limited investments (Limited Tourism Products and lack of Diversification, lack of clarity on Tourism Zones, small investment incentives connected with tourism, access to land rights complicated)
05. Unavailable and limited skills (overly centralized tourism education and disparities in the curriculum)
06. Insufficient connectivity (lack of direct international flights from most responsible potential, generating markets, poor road network and internal connectivity, lack of modern smart autonomous systems)

The pathways to address these weaknesses can coincide with opportunities that are present in Sri Lanka due to its unique location (between Europe, Asia and the Middle East) and opportunities in new product development (wellness tourism as a post-pandemic opportunity). Further, emerging international trends (inclusive tourism, access to knowledge) can be effectively incorporated into destination planning and marketing.

Assessing which policies/strategies to encourage and promote should consider, the strengths of the tourism assets, the reputation of the destination and other issues and challenges that are specific to the international tourism sector and, generally, over which Sri Lanka cannot have any influence. Some of these could constitute threats to the sustainability of the industry's future development.

Sri Lanka can rely on the richness and diversity of cultural and natural heritage (eight UNESCO World Heritage Sites), enviable biodiversity (one of 36 global hotspots for biodiversity) and 1,585 km of coastline. The attractiveness of Sri Lanka as a destination comes not only from this unique heritage but also from its strategic location in the Indian Ocean in the centre of major air and sea routes. This provides an enviable advantage to the country's positioning as a global logistics hub. Sri Lanka is also at the doorstep of over 3 billion people in the Indian subcontinent, with a growing middle-class market looking for a high-quality travel experience.

Recognizing the threats which constrain tourism from reaching its potential can inform better policy making. While the natural environment and resources are one of Sri Lanka's main draws, they are not immune to threats, both internal (poor planning leading to loss of biodiversity) and external (climate change). Realizing tourism's potential also requires a qualified workforce, yet Sri Lanka's hospitality sector currently deals with low interest from the skilled workforce, especially women. The lack of interest among youth in tourism as a career, coupled with highly constraining labour laws, spells a difficult professional environment. Governance, which can provide a political and economic environment for tourism to foster, has been beset by political instability, low levels of safety and security in the face of recent crises such as the Easter Sunday terrorist attacks, Covid – 19 pandemic and economic crisis.

Responding to the opportunities and challenges set out above, the National Tourism Policy for Tourism was developed through a highly participatory process engaging all key Ministries, organizations, and relevant stakeholders at the National and Provincial levels. The process of policy development focused on addressing critical issues that, if left unattended, will not only keep Sri Lanka from achieving its economic goals but could have a lasting negative impact on the cultural and natural health of the island.

07. Policy Goals

With the vision of making Sri Lanka "the world's finest island for memorable, authentic, and diverse experiences, the policy aims to achieve the following goals in the first five years and the goals would thereafter be revised for the next five years by considering the changing socio-economic setting and dynamic industry trends.

Further, policy goals shed light on ensuring inclusive economic growth and sustainable tourism development of the country.

1. A sustainable, climate & socio-economic resilient and inclusive tourism development to achieve SDGs, ensuring a balanced economic growth and attracting responsible international visitors and investors.
2. Effective governance of the sector by the improved coordination, collaboration, integration, and / or cooperation between the national and sub-national levels, and between public and private stakeholders.
3. A people-centric industry that provides benefits to all stakeholders and citizens of the country by using and protecting local resources, wisdom, culture, and environment.
4. Improved accountability by ensuring all local and foreign operators are formalized/ registered and accountable and transparent on operational aspects and tourism incomes in accordance with the law.
5. An industry that fosters tourism entrepreneurship, innovation and Digitalization with associated incentives/opportunities for micro, small, medium, and large businesses, and new tourism niches, products, and services.
6. Develop new domestic markets /products and strategically promote responsible domestic tourism.

08. Policy Thrust Themes

The Policy lays down an elaborated framework for the engagement of the Ministry of Tourism with other Line Ministries, State Governments, and Local Governments in the true spirit of cooperative and competitive federalism for the development and promotion of tourism in the country. A whole Government approach in partnership with Industry Stakeholders is critical to the success of the tourism sector in the country. The above six policy goals are clustered under the following four policy thrust themes and associated strategies.

Table 1 – Synthesis of Thrust Themes and Associated Strategies (Drivers of Transformative Change)

Integrated Governance	Inclusive Economic Growth and Sustainable Tourism Development	Augmented Service Standards, Effective Connectivity and Informed Stakeholders	New Destination Development, Resilient Building and Incentive Strategies
– Reform of the macro governance of the sector – Restructuring the sub-national governance of the sector – Restructuring of para-public institutions to be effective and relevant – Strengthening of the crisis management system and social protection mechanism – Re-alignment of the private sector representation and its role in the sector	– Harmonizing the regulatory frameworks for tourism to achieve SDGs – Sustainable use and conservation of natural, cultural and other tourism assets – Develop standards and ethics that guide products and services for people-centric, local resource-based development, increasing value added and fair distribution of tourism benefits – Develop a regulatory framework and globally accepted standards for sustainability certification – Ensure a conducive business environment for Tourism investment and development	– Improve data collection, analysis and access to a comprehensive information management process – Review of National strategies for tourism development – Re-strategize the Marketing Philosophy – Improve the connectivity of the Tourism industry through modern technology – Use of local resources and improve the destination-based skilling	– Develop new tourism destinations and products through the attraction of natural and socio-cultural heritage in Sri Lanka – Improve competitive positioning of the business environment – Encouragement for sustainable and responsible tourism development – Transforming the visitor experience including measures for the safety and health security of visitors – Enhance the market intelligence and research

The policy aims to offer numerous opportunities for strategic change in the tourism sector. These include increased efficiency in governance, competitive wages, new promotion strategies, new tourism products and markets, climate and nature-conscious development, increased connectivity, and a more effective organization and transparent participation of the private sector. This will enhance the competitiveness of Sri Lanka as a tourism destination, while also preserving its cultural and natural values.

This policy also provides the necessary direction and guidance for aligning with other related national sectoral policies in Sri Lanka, providing recommendations on sectoral priorities and policies with which tourism should be aligned.

09. Principles of the National Tourism Policy

The core policy principle is to ensure that the tourism policy maintains a perfect balance between technological advancement on the unique environmental, climatic, socio-economic, and cultural values of Sri Lanka. Adherence to policy principles while preserving Sri Lanka's unique identity is extremely important and it would also help in achieving consistency of the policy. Being a developing island nation subjected to tropical climate patterns, Sri Lanka is highly vulnerable to climate change impacts. Therefore, the tourism industry should also be guided by the same principles to minimize any adverse impact on the environment, paying particular attention to sustainable waste management.

10. Policy Statements for each Thrust Theme

The policy seeks to achieve the vision and goals through the following policy statements, which are identified under strategic areas of policy intervention. The policy addresses both the necessary changes in the supply side of tourism and the demand for tourism products to ensure inclusive economic growth and sustainable tourism development.

10.1 Integrated Governance

Sustainable tourism development should be ensured through integrated national tourism policy measures. This requires vertical and horizontal policy integration supported by institutional reforms, private sector and civil society participation, and taking into account local planning systems informed by evidence, such as through carrying capacity assessments, value chain analysis and gender and inclusive studies.

Policy Statement:
Intra-governmental collaboration and coordination will be reinforced in ensuring the governance capacity of government agencies and local authorities directly or indirectly involved in tourism development for the delivery of competitive tourism products and memorable tourist experiences.

10.2 Inclusive Economic Growth and Sustainable Tourism Development

The National Tourism Policy strongly recommends the sustainable management of the destination and the adoption of environmental and social safeguards more widely in the sector. Sustainable tourism is essential for preserving natural, cultural, and environmental resources, all of which are vital to the long-term viability of Sri Lanka's tourism sector. In addition, new criteria should be developed to ensure that new tourism projects meet sustainability standards, such as those requiring renewable energy, recycling, and zero single-use plastics. Inclusion of vulnerable groups and informal workers at the bottom of the value chain will be fundamental to ensuring their participation and ensuring benefits trickle down to the poor and marginalized communities. As a consequence, it is expected to meet the United Nations Sustainable Goals for 2030.

Policy Statement:
Appropriate measures UN-SDGs provide the benchmarking for the sustainable growth of Sri Lanka's tourism industry that is cognizant of the role of tourism in promoting inclusive development and promoting responsible consumption and practices considering high-value and innovative tourism products and services in response to growing market sophistication, ensuring the prosperity of the country.

10.3 Augmented Service Standards, Effective Connectivity, and Informed Stakeholders

Sri Lanka Tourism should be diversified with the support of digital presence and evidence-based research. In this regard, data and information are critical to planning and monitoring the sector development. Improved tourism management requires a better system for the measurement of tourism-related sectors. The reform, review, and upgrading of current practices will facilitate enhanced competitiveness of the destination.

Digitalization and innovation are playing an increasingly important role in the tourism industry. Tourism with its interconnected and multifaceted nature shall be supported through modern technology such as web applications and social media ensuring as one of the main drivers of internet use in the economy. New products and innovations have promoted the innovative use of ICT in tourism. These are expected to provide evidence regarding major trends in the industry over time.

Policy Statement:
Ensure the digital transformation of Sri Lanka Tourism assuring tourism safety and expanding the innovation capacity of the industry in order to facilitate investments based on open innovation infrastructure or new technology facilitating local innovation ecosystems.

10.4 New Destination Development, Resilient Building, and Incentive Strategies (Repositioning and reform of the market environment)

Heritage, culture, aesthetics, and social values are decisive factors in attracting a tourist to a certain destination. Furthermore, these factors contribute directly and indirectly to the economy, as well as to social development. Accordingly, the aim is to diversify the tourism industry promoting and adding value to the unique culture and natural heritage in Sri Lanka.

Capitalizing on the growing global tourism demand to attract highly valued tourists as well as catering to the needs of customized travel both as a mainstream and niche travel form is essential in alluring tourists to stay and spend more at multiple destinations. In this regard, facilitating sector growth from both a supply and a demand side, as well as creating visitor protections to ensure sub-segments of tourism are well-regulated, are necessary to attract continued financial support, both in terms of business investment and tourist attention and ensuring tourism's sustainable development in Sri Lanka.

Policy Statement:
Ensure the right positioning of Sri Lanka Tourism with increasing tourism demand sophistication through reforming of the market environment enhancing the tourist experience with the support of customized and discerning travels, and ensuring the resilience building of the industry.

11. Policy Implementation

11.1 Strategies

The policy has been formulated in a long-term perspective for at least 10 years and a set of strategies will be developed to implement the policy to achieve the final outcome. A mid-term Strategic Plan for 3-5 years along with strategies followed by activities will be implemented to reach the policy goals. The strategic plan would be revised periodically by considering the local as well as global circumstances even following the long-term direction of the policy.

11.2 Responsibility and Authority

Line Ministry of Tourism has the main responsibility and authority of the policy implementation. The responsibilities and authorities over the policy implementation through a mid-term strategic plan are delegated to four separate tourism institutions functioning under the line ministry: Sri Lanka Tourism Development Authority (SLTDA), Sri Lanka Tourism Promotion Bureau (SLTPB), Sri Lanka Convention Bureau (SLCB), and Sri Lanka Institute of Tourism and Hotel Management (SLITHM). Similarly, other relevant ministries and agencies at the central level, provincial level, and local level assuming responsibilities work together to achieve the policy goals. The strategic plan identifies the leading and supporting agencies which are responsible for each activity.

11.3 Monitoring and Evaluation

Appropriate monitoring and evaluation plans are important to assess the policy. Since the Line Ministry in charge of the subject of Tourism has the responsibility and authority of policy implementation, it is also responsible to review the effectiveness of the policy after a certain period and make relevant amendments to the policy if necessary. A Steering Committee comprising representatives from relevant key Ministries/Agencies and the Department of National Planning has the responsibility to work independently to carry out monitoring and evaluation to assess the effectiveness of the policy. There shall also be internal monitoring and evaluation systems through a sub-committee to measure the efficiency and effectiveness of policy implementation across the sector. Suitable indicators should be adopted to measure the effectiveness and the actual implementation of the Tourism Policy.

Annexe 1: Glossary

The purpose of this glossary is to assist the users of this policy document to have a fair understanding of some terminologies in the context in which this Policy is developed. It is important to note that the interpretation of such terminologies in different contexts and situations could be different.

Part A:

Policy Goals: Following on from the Underpinning Policy Principles, a policy has "goals". These goals describe the range of desired outcomes or what is to be achieved by implementing the policy. A policy goal is a broad statement of intent guiding action.

Policy Objectives: Goals and Objectives are not the same. "Measurability" is always considered to be an important principle in setting objectives. Objectives are usually linked to one or more "operational units"and are typically "short-term". It is perfectly possible to write a policy that does not have measurable objectives and it will serve the country's needs. Goals are sufficient enough to ensure the policy's longevity. Policy objectives are the written guidance contained within the policy that helps the reader understand what they have to do to adhere to the policy. This written guidance needs to be very well-worded, unambiguous, and clear.

Policy Principles: The policy principles are the reasons why a policy exists. A policy exists for a purpose, and this is expressed in the form of underpinning principles. Policy principles outline why the government is issuing the policy, and what its desired effect or outcome of the policy should be. Policy Principles are equivalent to the vision statements in corporate or strategic plans.

Policy Statements: Policy statements are the key statements of the Government's position. Through the policy statements, the intent of the policy is stated in the form of simple and concise statements. Therefore, the policy statements are used to designate a straightforward statement or declaration on a particular topic or topics. Policy statements have longevity without being subjected to continual amendment. At the same time, they are general enough to allow for flexibility and accommodation to unanticipated circumstances in the future. In general, policy statements govern or guide the actions thatwill be taken. Policy statements state what is to be done, and not how it will be done. Policy Principles and Policy Statements have a very clear distinction. Policy Principles are the "Basis or Believes" of the action or thinking even if there is no strong scientific proof or data. Upon "believing" in these policy principles, then the Policy Makers "state" what they commit themselves to pursue. Therefore, Policy Statements become "clear messages announced to the audience saying that this is what we want".

Part B:

Adventure Tourism: A type of niche tourism, involving exploration or travel with a certain degree of risk (real or perceived), and which may require special skills and physical exertion.

Cruise Tourism: A form of travelling for leisure or sports purposes that involves an all-inclusive holiday ona cruise ship.

Community-Based Tourism: Tourism participation and involvement of the local population living in tourism destinations.

Eco-tourism: Environmentally responsible travel and visitation to relatively undisturbed natural areas, in order to enjoy, study, and appreciate nature (and any accompanying cultural features – both past and present), that promotes conservation, has low visitor impact, and provides for beneficially active socio-economic involvement of local populations.

HEQ: The HEQ-planning framework offers planners and developers an approach to apply sustainability principles to their projects. The objectives are the following:

- To ensure the integration and coherence of the district with the urban fabric and other scales of the territory;
- To preserve natural resources and promote the environmental and health quality of the development;
- To promote local social life and strengthen economic dynamics.

Inclusive Tourism: Transformative tourism in which marginalized groups are engaged in the ethical production or consumption of tourism and the sharing of its benefits.

MICE: Meetings, incentives, conferences, and exhibitions (MICE) is a type of tourism in which large groups, usually planned well in advance, are brought together. The MICE Industry which evolved in the 80s has taken different shapes during the past 40 years and is now called the "Destination Event Industry". This subsection under Destinations Events Tourism includes:

- Meetings and Conferences Industry (Meetings, Conferences, Exhibitions, Workshops, Conventionsetc.)
- Trade fair & Exhibition Industry
- Business Event Industry (Product launches, Business Forums, etc. Personal Event Industry (Destination Weddings, Celebration Events, etc.)
- Entertainment Event Industry (Fashion Events, Sports Tournaments, Carnivals)
- Sports Event Industry (SAARC Games, Triathlons, Sailing Events etc.)
- Cultural and Religious Event Industry

Nautical Tourism: Nautical tourism encompasses aspects of marine tourism such as sailing, yachting, cruising, and diving, as well as coastal water sports such as jet skiing, boat shows, port tours, and marine heritage destinations.

Pandemic: A pandemic is defined as the "worldwide spread of a new disease".

Policy Consistency: The degree to which government policies are constant and steady over time. This helps to achieve agreed objectives smoothly.

Sustainable Tourism: Sustainable tourism development requires the informed participation of all relevant stakeholders, as well as strong political leadership to ensure wide participation and consensus building. Achieving sustainable tourism is a continuous process and it requires constant monitoring of impacts, and introducing the necessary preventive and/or corrective measures whenever necessary.

Sustainable Development Goals (SDGs): The Sustainable Development Goals are a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all". The SDGs were set up in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030.

Tourist: A visitor (domestic, inbound or outbound) is classified as a tourist (or overnight visitor), if his/hertrip includes an overnight stay, or as a same-day visitor (or excursionist) otherwise.

Visitor: A visitor is a traveller taking a trip to a main destination outside his/her usual environment, for less than a year, for any main purpose (business, leisure, or another personal purpose) other than to be employed by a resident entity in the country or place visited. A visitor (domestic, inbound, or outbound) is classified as a tourist (or overnight visitor), if his/her trip includes an overnight stay, or as a same-day visitor (or excursionist) otherwise.

User-Generated Content: Any form of content, such as images, videos, text, and audio that has been posted by users on online platforms such as social media.

Wellness Tourism: Travel is associated with the pursuit of maintaining or enhancing one's personal well-being.

Annexe 2: List of Acronyms

SDG	Sustainable Development Goals
SLCB	Sri Lanka Convention Bureau
SLITHM	Sri Lanka Institute of Tourism and Hotel Management
SLTPB	Sri Lanka Tourism Promotion Bureau
SLTDA	Sri Lanka Tourism Development Authority

Annexe 3: List of Related Policies and Acts

Tourism Act No.38 of 2005

National Civil Aviation Policy

National Climate Change Policy of Sri Lanka

National Cultural Policy (draft)

National Forestry Policy

National Land Use Policy

National Occupational Safety and Health Policy

National Policy and Strategy on Cleaner Production for Tourism Sector

National Policy for Disaster Management

National Policy Framework for Small Medium Enterprise (SME) Development

National Policy on Sustainable Consumption and Production

National Policy on Transport in Sri Lanka

National Policy on Wildlife

Annexe 4: Policy Thrust Themes and Strategies

Table 2 – Synthesis of thrust themes and associated strategies (Drivers of Transformative Change)

Integrated Governance	Inclusive Economic Growth and Sustainable Tourism Development	Augmented Service Standards, Effective Connectivity and Informed Stakeholders	New Destination Development, Resilient Building and Incentive Strategies
– Reform of the macro governance of the sector – Restructuring the sub-national governance of the sector – Restructuring of para-public institutions to be effective and relevant – Strengthening of the crisis management system and social protection mechanism – Re-alignment of the private sector representation and its role in the sector	– Harmonizing the regulatory frameworks for tourism to achieve SDGs – Sustainable use and conservation of natural, cultural and other tourism assets – Develop standards and ethics that guide products and services for people-centric, local resource-based development, increasing value added and fair distribution of tourism benefits – Develop a regulatory framework and globally accepted standards for sustainability certification – Ensure a conducive business environment for tourism investment and development	– Improve data collection, analysis and access to a comprehensive information management process – Review of National strategies for tourism development. – Re-strategize the marketing philosophy – Improve the connectivity of the tourism industry through modern technology – Use of local resources and improve the destination-based skilling	– Develop new tourism destinations and products through the attraction of natural and socio-cultural heritage in Sri Lanka – Improve competitive positioning of the business environment – Encouragement for sustainable and responsible tourism development – Transforming the visitor experience including measures for the safety and health security of visitors – Enhance the market intelligence and research

Thrust Theme 1 - Integrated Governance

Policy Statement:
Intra-governmental collaboration and coordination will be reinforced in ensuring the governance capacity of government agencies and local authorities directly or indirectly involved in Tourism development for the delivery of competitive tourism products and memorable tourist experiences

Strategy 1.1: Reform of the macro governance of the sector

The newly established Inter-Ministry Tourism Steering Committee (ITSC) at the President's Office will strengthen the linkages at the ministry level and facilitate the alignment of policy with those linked to the tourism sector (eg: wildlife, archaeological, cultural) and support the implementation of tourism strategic plans across ministries. The creation of thematic task forces containing representatives of ITSC (including one on effectiveness and efficiency fund utilization); and the appointment of a representative for tourism from each ministry will create more responsiveness and a better coordinated environment for tourism development including a framework that guides tourism product development with respect to existing policies/acts. Such collaboration will also lead to wider agreement on a set of commonly accepted definitions of tourism indicators for Sri Lanka.

Strategy1.2 – Restructuring the sub-national governance of the sector

The policy recommends strengthening linkages between the central government and provincial councils, as well as between provincial councils. A standardisation of the institutional framework and applying a common model to national-provincial cooperation and clearly defining province-centre relations is key. Better delineation of roles and functions at each level of governance to reduce duplication and increase efficiency in tourism development and ensuring the involvement of local actors through strategies such as Provincial Tourism Steering Committees (PTSC). This strategy will facilitate an action plan on the devolution of power to the provincial level and a proper resource sharing mechanism to support the role of provincial councils through the accelerated power sharing and engagement of provincial councils in developing Public-Private Partnerships for tourism.

Strategy1.3 - Restructuring of para-public institutions to be effective and relevant

The National Policy for Tourism is a call to action for the whole government to materialise the promise in the national policy framework and make tourism the central factor of economic development and diversification in the coming decade. The public institutions that manage Sri Lanka's tourism assets (SLTDA, SLPB, SLCB, SLITHM) may require a change in their legal status to ensure competitiveness and delivery efficiency. This may require a review of the current composition and legal status of the tourism institutions to maximise tourism revenues, to cater to industry needs and future tourism growth. The policy suggests improving operational efficiency by merging the analogous departments of SLTDA, SLTPB, SLCB into a single 'Visit Sri Lanka' entity. Finally, a tourism federation should be established to represent the different tourism associations and representatives can be on the board of 'Visit Sri Lanka'.

Strategy 1.4 -Strengthening of the crisis management system and social protection mechanism

The National Policy for Tourism recommends a reform of the crisis management system to mitigate pressures on the central government in managing unexpected shocks. As Sri Lanka moves to formalise the informal sector, planning a framework and developing resilience tools will be more and more relevant. Possible financial tools include trust funds, impact funds, green financing, green and blue bonds, etc. With this in mind, the policy recommends that a Ministry appoints a PPP Task Force to undertake feasibility studies to assess and discuss options for the Sri Lankan tourism sector to be better equipped to deal with any crisis.

Strategy 1.5 - Re-alignment of the private sector representation and its role in the sector

As the driving force of the tourism sector, the private sector will have a significant role and impact on Sri Lanka's positioning and growth, and transition towards inclusive sustainability. The National Policy for Tourism therefore recommends that all private stakeholders be organised in a Tourism Federation to ensure that the voices of each sector and stakeholder are represented in public bodies. However, only duly regulated/registered industry associations can be a part of the new Tourism Federation which should be industry-driven and self-regulated.

Thrust Theme 2 - Inclusive economic growth and sustainable tourism development

Policy Statement:
Appropriate measures UN-SDGs provide the appropriate benchmarking for the sustainable growth of Sri Lanka's tourism industry that is cognizant of the role of tourism in promoting inclusive development and to promote responsible consumption and practices considering high value and innovative tourism products and services in response to growing market sophistication, ensuring the prosperity of the country.

Strategy 2.1- Harmonizing the regulatory frameworks for tourism to achieve SDGs

Managing and directing growth is fundamental to encouraging inclusive and sustainable tourism. In order to promote sustainable destination development, the National Policy for Tourism recommends strengthening and collaboration between agencies engaged in urban development such as UDA, local authorities, and SLTDA at the local level to agree on minimum requirements for building tourism infrastructure, business, and facilities including those related to accessibility to tourism sites, products, and services. This includes assessments to support inclusive development within tourism zones and development of HEQ plans (for social, cultural, and environmental sustainability) at the provincial level including strong participation of civil society for a people-centric economic development.

Restructuring and re-positioning of different tourism zones based on data from capacity assessments is prescribed as a key action. There is a demand for strong environmental and social disruption (policies for waste management, sewage management, renewable energy consumption) to achieve destination development objectives.

In addition, the National Tourism Policy recommends frameworks and economic incentives for responsible tourism investment in the restructured tourism zones. The tourism sector can profit from existing guidelines and recommendations such as the NDC recommendations for greater climate change integration in tourism or to establish regulations and guidelines including a certification scheme, to make the sector more sustainable. Incentives will be provided to public and private stakeholders to become more responsible in their consumption and production patterns. Sri Lanka's Nationally Determined Contributions to the Paris Agreement on Climate Change (revised 2021) explicitly outlines mitigation and adaptation measures for the tourism sector. These include increased absorption of renewable energy, smarter buildings, accurate seasonal forecasts for better itinerary planning, and safeguards against sea level rise and high temperatures. These should be integrated into national and provincial tourism strategies and plans in the future.

Strategy 2.2- Sustainable use and conservation of natural, cultural and other tourism assets

To ensure the long-term preservation of Sri Lanka's rich cultural and natural heritage, government, non-government, the private sector, and UN agencies are encouraged to participate more in global networks and conventions on heritage conservation, and foster the functioning of existing sites, and promote the identification, establishment, and science-based management of natural and cultural sites in Sri Lanka, in support of good tourism practices. This will facilitate the upgrading of rules and regulations for cultural sites and national parks (marine and terrestrial) in keeping with international practices and trends. For the most fragile sites, already feeling tourism pressure, capacity assessments are urgently required to establish thresholds in terms of carrying capacity and minimum standards for tourism vehicles (noise and carbon emission levels) and other tourism infrastructure in sensitive areas.

Strategy 2.3 - Develop standards and ethics that guide products and services for people-centric, local resource-based development, increasing value added and fair distribution of tourism benefits

The National Tourism Policy recommends a more comprehensive organisation of tourist segments and sub-sectors to ensure proper representation and effective regulation. This includes the legal acknowledgement of sub-segments of tourism that can benefit local populations (community-based tourism, wellness, conventions and meetings, ecotourism, adventure tourism, nautical tourism and cruise tourism) and sub-sectors rendering distinct services (artisan, traditional dancers, car rental, etc.). Safeguards for the informal sector should be instituted and can include incentives to encourage registration of such subsectors such as offering a pension scheme and duty waivers. However, guidelines (standards and ethics) must be developed for each of these sub-sectors including codes of conduct. Priority investments (infrastructure, training) must be considered to boost capacity including service delivery for domestic visitors and tourists with disabilities (non-discriminatory practices and tourism accessible to all). Issues of standards and ethics should consider ensuring fair financial relationships between different tourism stakeholders and throughout the tourism supply chain.

Strategy 2.4 - Develop a regulatory framework and globally accepted standards for sustainability certification

Sustainability and environmental compliance will be key to sector growth in the future. To ensure that certification for sustainability is more widely practised and accessible across the tourism value chain, it is recommended that an independent accreditation body be set up to issue such third-party certification locally but underpinned by global practice standards. The development of the required regulatory framework is urgent. This certification should be aligned to recognized global standards or accreditation systems but should be locally relevant and cost-effective for the large informal sector to participate.

Strategy 2.5 – Ensure a conducive business environment for tourism investment and development

Creating a conducive business environment for tourism investment and development is crucial for the growth and sustainability of the industry. Simplifying and streamlining regulatory processes can help to attract more investors, create more job opportunities, reducing bureaucratic red tape and creating a more efficient and transparent regulatory framework for sustainable growth. Access to finance is a critical factor in the development of the tourism industry. Creating a supportive financial environment that includes access to capital, credit, and investment incentives can help to attract more investors.
Enhance skills and knowledge by developing human capital through training and education programs can help to create a workforce that is better equipped to meet the needs of the tourism industry. This will include training in areas such as hospitality, customer service, and language proficiency.

Thrust Theme 3 - Augmented service standards, effective connectivity and informed stakeholders

Policy Statement:
Ensure the digital transformation of Sri Lanka Tourism assuring tourism safety and expanding the innovation capacity of the industry in order to facilitate investments based on open innovation infrastructure or new technology facilitating local innovation ecosystems.

Strategy 3.1 - Improve data collection, analysis and access to a comprehensive information management process

In order to increase Sri Lanka's competitiveness in the global tourism market, product development must keep pace. To that end, the tourism policy recommends reforms and frameworks to better understand tourism's impacts, including improvement of the data collection and production process on market segments and product development. It is suggested to reform the functioning of SLTDA Research and International Relations Division to access for a comprehensive information management process pre-requisite for such data to promote tourism. Access to data and production of information requires a data sharing protocol between SLTDA and the private sector. Such a protocol can engage the Tourism Federation and universities through MOUs. In addition, travellers from more countries should receive visa on-arrival facility,

visa prices should be aligned across all categories (tourist, business, etc.) to ensure that visitors apply for an appropriate visa, thus allowing for a better understanding of different market segments.

The National Policy for Tourism also encourages the establishment of a monitoring framework to track tourism development including relevant key performance indicators (KPIs) aligned with a national strategic plan. A sub-committee of the ITSC including members of the private sector to monitor the implementation of the Policy and related strategies is also recommended.

Strategy 3.2 - Review of national strategies for tourism development

The review of national strategies for tourism development is an important process that helps to identify areas of improvement and ensure the sustainable growth of the tourism industry. It needs to conduct a reviewing comprehensive analysis of the existing strategies and develop new circular strategies to induce transformation of the tourism industry. This analysis should include a review of the tourism policies, plans, and programs, as well as an evaluation of the effectiveness of these strategies in achieving their intended goals. Further, it is important to evaluate the extent of stakeholder engagement in the development of the existing strategies assessing the involvement of industry associations, community groups, and other relevant stakeholders in the formulation and implementation of tourism policies and programs.

Strategy 3.3- Re-strategize the marketing philosophy

Sri Lanka's marketing approach has to be re-constructed to be 'fit for the future'. The progression of marketing from traditional advertising to user-generated content, and the opportunities offered by marketing intelligence tools, will provide the impetus for such change. It is no longer the destination that highlights itself, but the visitor who highlights his or her satisfaction and displeasure. As a result, the National Tourism Policy encourages a better structuring of the tourism supply facilitated by increased monitoring of visitor-generated social media content. The product development should be continuously informed by visitor feedback and the sector must be agile enough to embrace change. There should be consideration that the tourism experience is continuous, and a stronger focus should be on domestic markets (development of a national strategy for domestic tourism). Specific and specialized segments should have their own feedback loop informed by niche markets (e.g. establishing a MICE task force to promote targeted MICE products). With regards to the differentiation and promotion of Sri Lanka, it is encouraged to standardise branding between SLTDA and Provincial Councils to maintain consistency in sharing of information and to increase private sector participation in promotion in specific market segments (MICE, wellness, etc.) and align promotion campaigns.

Strategy 3.4- Improve the connectivity of the tourism industry through modern technology

Digitalization and innovation are playing an increasingly important role in the tourism industry. To improve the connectivity of the tourism industry through modern technology in Sri Lanka, the strategies need to be implemented as part of the national tourism policy. Develop a comprehensive digital platform to create a comprehensive digital platform that would connect all the stakeholders of the tourism industry, including tourists, hoteliers, travel agents, transport

providers, and local authorities. The platform should provide real-time information and enable online bookings and payments, creating a seamless and integrated experience for tourists.

Increase accessibility of information of digital platforms to make information accessible to tourists, enabling them to plan their itineraries, book accommodations, and activities in advance. The platform should also provide information about local culture, heritage sites, and attractions, helping tourists to make their travel plans. Further, it is essential to develop mobile apps to facilitate bookings and payments, providing instant access to services.

Strategy 3.5- Use of local resources and improve the destination-based skilling

In order to ensure the best use of its local resources, it needs to conduct a comprehensive inventory of local resources, including natural resources, cultural heritage, and traditional skills and develop strategies to leverage them for the benefit of the tourism industry. Then, suggested to create employment opportunities for local residents, fostering entrepreneurship, and contribute to the sustainable development of the industry.

Design destination-based skilling programs for the destinations that are tailored to the needs of each region. These programs should be designed to train local residents in tourism-related skills such as hospitality, customer service, and language proficiency. The skilling programs should be integrated with local resources and communities, and focus on developing skills that are in demand in the tourism industry. Develop entrepreneurship skilling programs focusing on training individuals for employment in the tourism industry. The government should provide support to local entrepreneurs by offering training in business management, access to finance, and marketing support.

Further, it is urgently need to transform the quality of the tourism product for Sri Lanka by offering more sustainable tourism and reform of the human resources strategy. Improving accessibility and standardization of training is key to a more competitive tourism sector across Sri Lanka. To that end, the Policy recommends that current training institutes upgrade and standardise their licenses, curriculums and trainings according to minimum standards set out by SLITHM or the Ministry of Tourism and Lands through a guideline/accreditation process.

Thrust Theme 4 - New destination development, resilient building and incentive strategies

Policy Statement:
Ensure the right positioning of Sri Lanka Tourism with increasing tourism demand sophistication through reforming of the market environment enhancing the tourist experience with the support of customized and discerning travels, ensuring the resilience building of the industry.

Strategy 4.1- Develop new tourism destinations and products through the attraction of natural and socio-cultural heritage in Sri Lanka

It is essential to develop new tourism destinations and products with opportunities for visitors to engage with the sites, products, and services. This includes the connectivity of cultural and environmental destinations (e.g. to ensure better connectivity between transport modes such as air, bus, and taxi) making it accessible and safe for all, and ensuring easy access to sites and products through improved online services such as e-ticketing.

Strategy 4.2 - Improve competitive positioning of the business environment

Several inter-connected factors influence the competitiveness of the industry. Endorsement of tourism as an export industry is key. In addition, advocating for more policy consistency across sectors, including solutions to prevent tax fraud and avoidance, and reform of the accommodation classification system will allow the private sector to become more competitive. Classification and labels can provide useful marketing platforms for individual businesses and destinations wishing to promote the quality of their offer. From this perspective, the tourism policy suggests that more regular reviews of the classification system and guidelines on adopting it, can be useful to be up to date with rapidly evolving consumer needs, particularly with regard to technology and accessibility.

In that perspective, an independent audit company can be appointed to audit the tourism stakeholders. The national tourism policy also recommends a reform of labour laws and visa policies for foreign investors and staff. Foreign investors and employees should be strictly regulated and monitored on their conduct when operating in the country to prevent and avoid tax evasion. Accelerating the digitisation of regulation (including one-stop approval system for investors) and online monitoring with the objective of reducing the volume of both informal stakeholders and tax evasion are interesting options to achieve a fair business environment in Sri Lanka.

Strategy 4.3 - Encouragement for sustainable and responsible tourism development

With green and inclusive development as its core, it is proposed that the Government of Sri Lanka will provide investment incentives and rebates to entities interested in sustainable and responsible tourism products and services. These incentives will encourage private sector stakeholders to actively engage in building a resilient, environmentally conscious, and socially inclusive industry in Sri Lanka. Future tourism strategies should consider how digital innovation and new digital travel dynamics can play an increasing role in this shift towards sustainability.

Strategy 4.4 - Transforming the visitor experience including measures for the safety and health security of visitors

It is essential to increase the opportunities for visitors to engage with the destination -and reduce pain points- accessibility of the destination sites, products and services. This includes the connectivity of the destination (e.g. working with the transport sector to ensure better connectivity between transport modes) making it accessible and safe for all, and ensuring easy access to sites and products through improved services.

Related to the visitor experience, it is important to establish a consistent policy between stakeholders for selling soft liquor- the permitting procedures should be rationalised and involve decentralisation where possible. This strategy also includes an important sub-strategy for improving the safety, health, and security of visitors including measures to avoid harassment, especially towards single/solo female travellers, and to improve safe guiding and transportation. The advent of new forms of tourism, transportation, and procuring of services require updated regulations to ensure tourist safety and fair treatment of the service providers. This includes regulating rentals of all types of vehicles and adventure sports equipment to protect visitors and limit unfair competition through mandatory insurance covers and registration numbers. Streamlining the issuance of International Driving Permits (IDPs) to foreign travellers is recommended.

Strategy 4.5 - Enhance the market intelligence and research

Improving and enhancing market intelligence on tourism requires to identify the target audience, what they want, and what motivates them to travel. Conducting market research to understand new tourism trends, competition, and other factors that may affect tourism in the region. To understand niche market segments, it is suggested to collect data analytics and measure the effectiveness of your marketing strategies, understand consumer behaviour, and identify areas for improvement. It will help to identify opportunities for growth, and maximize return on investment and adjust the marketing strategies to attract more visitors to the destination.