

**SPICES/ALTERNATIVE TOURISM IN SRI LANKA:
AN ANALYSIS OF POVERTY-SENSITIVE VALUE CHAINS**

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Questions that have to be asked

Being confronted with the subject of “bringing the poor into the export process” and a term or a tool as “poverty-sensitive value chains”, a series of questions pop up immediately, because our traditional way of looking into the subjects of export strategy and promotion gets totally changed. Some of these questions are:

- How can diverse objectives as international competitiveness and poverty reduction being reconciled?
- Who are these poor and what role might they play in the value chain?
- How can a “poverty sensitive value chain” be defined?
- Through which type of activities can the socio-economic position of the poor be improved?
- And: Can a valid export strategy really be based on poverty-sensitive sectors?

We will try to answer these questions step by step, taking into considerations the experiences of a TA Project in Sri Lanka, specifically taking into account the spices and tourism sectors.

The Value Chain Promotion Project in Sri Lanka

Since the beginning of 2004 the German Technical Cooperation (GTZ) on behalf of the Federal Ministry for Economic Cooperation and Development jointly with its Sri Lankan partners from the public and private sector has made comprehensive use of the Value Chain Approach - **with the objective to integrate local SMEs into internationally competitive value chains and increase income and employment.** Presently the Approach is being applied to 7 sectors or more precisely sub-sectors of the Sri Lankan economy, mostly so-called “emerging sectors”: **Spices, Rubber Products, Organic Produce, Alternative Tourism, Mould and Die-Making, Construction and most recently the Packaging Industry.** A mix of sectors was chosen to represent agribusiness, manufacturing and the services sector. The idea behind it was to demonstrate the overall validity of the Approach. Additionally some cross-cutting issues that promote the inclusion of SMEs in the modern economy such as introduction of standards and certification, e-commerce and active linkage promotion have been identified and are being addressed by the Component, alongside with some selected policy issues that are important for the chosen sectors, e.g. reduction of import taxes for intermediate goods.

The Value Chain Approach and its pro-poor elements

The on-going process of globalization, the universal opening-up of the markets, the international sourcing of the production process and the stiff competition, demand strongly from every single country to think and to act permanently on the issue of competitiveness at an overall level (“Standortpolitik”) as well as on sector level. The mentioned tendencies spoke strongly in favour of a constructive and operational use of the till then predominantly analytical value chain¹ methodology and to turn it into a tool of development policy! **What the now primarily implementation oriented VC-Approach does is to take systematically all steps of a production process into perspective, to analyse the links and information flows, to reveal strengths and weaknesses, even losses in the process, to describe the boundaries between the national and the international chain, the buyer’s requirements, international standards, and finally to come up with an –short- or medium term- agenda of problem solving activities.** The Approach can be used to find national solutions to the so-called critical success factors, which determine if a product meets the requirements with regard to quality, price, dependability, volume, design and speed of delivery and consequently improve competitiveness. It can also be used to expand the national value chain and to add additional production steps and thereby enhancing value addition. Alternatively it can be used to spread out local chains or to bring locally produced goods to international markets taking into account international demand and requirements.

¹ “A value chain is a sequence of target-oriented combinations of production factors that create a marketable product or service from its conception to the final consumption.” (ILO-definition)

All these issues refer in the first place to the international competitiveness of a sector or a product. For the **development policy and also a poverty oriented export strategy** though the decisive question is, how the country internal distribution of gains can be significantly improved! There are two sets of answers. One is, as economic history shows **growth** is the first and foremost condition for overcoming poverty and underdevelopment, relying on **“trickle down” effects**. The argument here is, in the way the competitiveness of a sector or of the whole economy is enhanced, demand for these products grows by which employment and income increase and higher overall growth rates are being achieved. A second answer refers to the **role of “disadvantaged” population groups**, e.g. small farmers and micro/small entrepreneurs, in the production process and their share of the results. The related question is: Can they benefit directly from enhanced competitiveness? One of the advantages of the VC Approach lies exactly here! As it analyses the complete chain from the raw material production or the agricultural basic product as well as all the designing, processing and logistical steps where small enterprises can play an important role, it measures on the one hand where value is created. On the other hand, with the goal to promote international competitiveness and overall performance the Approach must be equally focused on all the stages and corresponding improvements which should finally result in higher benefits for all participants, consequently also of the small producers. **This describes best the Pro-poor-growth element of the Approach.**

Still, in our view to put the VC Approach exclusively under a pro-poor-growth goal and emphasize only related stages and promotional activities does not correspond to the ideas that guided the Approach originally and remains therefore deficient. **We firmly believe that it is necessary to integrate both elements –the international competitiveness (“trickle down”) and the performance of disadvantaged groups (“bottom up”) - to forge the right Approach towards a more equal distribution of benefits and poverty reduction.**

Definition of “poverty-sensitive value chains”

Some of the originally posted questions can be answered now. The Value Chain Analysis, specifically in the case of the agro based sectors, includes the small producer or farmer, the labourer on farms or plantations, the small transporter of goods, the micro entrepreneur, the worker in a SME, etc. All these are underprivileged or disadvantaged people with low incomes and high (self-) employment risks. Through training, improvements of their skills and know-how, better understanding of the customers’ demand patterns and requirements and inclusion in internationally competitive value chains, it is assumed that they are able to increase their income and to be better prepared for the every stiffening international competition. Most importantly, they become more self-confident and creative as we observed.

Now, are these the poor we refer to, when we speak about “poverty sensitive value chains”? At least, it is the way we defined it in our Project in Sri Lanka. We selected sectors or sub-sectors where the mentioned group of “disadvantaged” people and micro enterprises play or potentially an important role in the “production” process. Having said that, it becomes clear that we don’t count with absolute measures or a clear definition what are “poverty sensitive value chains”; it is more a relative way to see things: agro base value chains are more poverty sensitive than, let’s say, cement production (which also exist in Sri Lanka).

On the other hand, the above-described group of people are surely not the absolute poor, which are not employed at all and also have no or very little capabilities to offer to enterprises or to start an own enterprise. In our view, with regard to this group there is only hope for a general “trickle down” effect in the sense that employment perspectives in the economy in general will grow or more specifically in the value chains which underwent an up-grading and have now developed and grown through an increased demand for their improved and competitive products, but only under the condition that these people receive adequate training to be employable. But without any doubt much more analytical work has to be done to define more clearly the target group of poverty related measures in export strategy design and promotion and with regard to “poverty sensitive value chains”. **But in very general terms, in our modest view, the VC Approach**

possesses the methodology to combine the two existing worlds, the modern world of globally integrated centres with the world of the marginalized rural areas and marginalized quarters in the overpopulated cities in the developing countries.

The Spices sector in Sri Lanka

The **medium-term vision** for the sector identified by the Spices Value Chain Core Group is:

- Sri Lanka's Spices Sector will have strengthened its position in the existing export markets as unique, good quality producer and supplier of spices and expanded into new export markets with innovative up-market products.
- It will do this mainly in three ways:
 - Focus on marketing and production of high-value, branded products such as essential oils extracted from pepper, cinnamon and other spices into niche markets,
 - Avoid competing in the mass commodity market for spices
 - Strengthen linkages with other sectors, which are competitive and compatible with the sector. Such sectors would be the certified organic products sector and the agro-based tourism sub-sector in order to leverage learning, information, technical assistance project participation and parallel clients.
- Increase the annual export volume of high quality spices and spice products from present volume of 22,000 MT to 32,000 MT by the end of 2007 and increase production and productivity of growers and processors, as well as increase the Spices Sector's contribution to the GDP.

Present Status:

The Spices Sector is recognized as an important export agriculture sector. The sector comprises of a great variety of spices, however, cinnamon, pepper, cloves, nutmeg and cardamom are the main export products. Sri Lanka exports spices in different forms, mainly in primary forms but also as value added products such as essential oils, oleoresin extracts, spice blends and packs, organically certified products and herbal healthcare products prepared with available local products and imported inputs. However, a considerable amount of spices is also produced for the local market.

Although Sri Lanka's share of spices in the world market is only about 5%, the country has a competitive advantage in the world trade as a supplier of spices with unique aromatic qualities. In the Sri Lankan Spices Sector cinnamon and pepper are the main export products. Cinnamon and pepper collectively contribute about 80% of the total annual export volume, cinnamon with about 11,000 MT and pepper with about 5,000 MT. Total annual turnover from spices exports is about US\$95,7 million, of which cinnamon and pepper collectively contribute about 75%. In 2005 the sector showed a 28% growth rate in the export performance and the contribution of the sector to GDP was about 4%. The total employment provided by the sector is estimated to 100,000 persons including the regional supplier base, most of them small farmers, laborers at plantations, cinnamon peelers, collectors and transporters.

Spices are mainly grown in Kandy, Matale, Galle, Matara and Ratnapura Districts of the Central and Southern parts of the country. Total extent of spices cultivated land is about 70,000ha of which about 78% is under cinnamon and pepper.

Challenges Identified

- Existing policies and procedures on lands and land use limiting the expansion of cultivation.

- Lack of Good Agricultural Practices (GAP), Good Manufacturing Practices (GMP) and other standards and quality criteria in production and processing.
- Lack of research and development work in new technologies and mechanization.
- Lack of information on growers/ farmers who are engaged in the sector.
- Lack of proper training and awareness programs for growers/ farmers as well as cinnamon peelers and relevant state extension service personnel.
- No collectivization of the growers/ farmers in the sector.
- Poor farmer awareness on the international market requirements and standards.
- Poor linkages between exporters and growers/ farmers.
- Lack of a strategic market development and promotion campaign for the sector.
- Lack of special credit lines (soft loans) for growers/ farmers, to expand their lands and for new cultivation.
- Lack of a traceability system in the supply chain.

Detailed Strategy Implementation Activities

1. Policy and Legislation:
Develop a national policy to facilitate allocation of lands and land use for cultivation of economically important spices.
2. Standards and Quality Improvements:
Develop and introduce GAP, GMP and other standards and quality criteria for production processing and packaging of spices.
Establishment of a product traceability system for the sector.
3. Training (poverty relevant):
Develop training programs for extension personnel in relevant state organizations on GAP, GMP and other standards and quality criteria on production, processing and packaging.
Develop and conduct training programs for growers/ farmers/peelers on GAP, GMP and other standards and quality criteria.
Setting-up of a Training Center for Cinnamon Peelers in the South
4. Certification/ Accreditation (poverty relevant):
Collaborate with national programs/ projects for developing a local certification body to develop standards, certification and inspection system for organic spices.
5. Technology Improvement:
Develop, design and implement projects for developing new technologies and mechanization of production, processing and packaging.
6. Information (poverty relevant):
Prepare directory of growers/ farmers engaged in the production of spices.
7. Smallholders/ Growers Network Development (poverty relevant):
Develop and implement grower/ farmer collectivization programs such as grower/ farmer cluster development, out-grower network development, farmer organizations development etc.
8. Linkage Development (poverty relevant):
Conduct exporters - growers/ farmers workshops and meetings to create awareness and training on international market requirements and product standards
Develop and strengthen linkages between exporters and growers/ farmers.

9. **Marketing:**

Develop a national level action plan for marketing and business promotion in international markets.

10. **Finance (poverty relevant):**

Develop a special credit scheme for small-scale growers/ farmers to develop, expand and purchase lands for cultivation.

Beneficiaries

Smallholders and framers at the producer stage of the Spices Value Chain would be a one of the primary beneficiaries. Through assured market access and improved product quality better prices will finally improve their cash flows and incomes.

Exporters would be also primary beneficiaries. Through GMP and GAP implementation the exporters would assure and expand their markets, receive better prices, which will improve the enterprises' cash flow and their capability to pay better prices to growers/farmers.

Through development and improvement of the linkages between producers and exporters as well as with other sectors such as the Organic Products Sector, there will be an overall impact on the efficiency of the value addition process in the Spices Value Chain, which would make the sector more competitive and also result in the creation of benefits to stakeholders associated with other stages of the Value Chain (secondary beneficiaries) in terms of increase of economy of scale and revenues.

Summary

The spice sector is a very labor-intensive sector. The spice material is being produced in regions which are less developed and count with less income compared to the rich western province with its center Colombo. In 2004 nearly 52% of the Gross Domestic Product was generated in the Western Province! All other regions had to share into the remaining 48%. As could be perceived the Project's activities are focused on competitive issues, but at the same time many of them are directed towards the group of small holders and laborers (**poverty relevant**), by which it can be expected that the quality of their contributions to the value addition process is being improved with the effect of higher income and stable employment. The spice sector recently realized very significant growth rates, by which it can be assumed that additional workers had been contracted and the situation of unemployment in some regions has been eased.

The Alternative Tourism sector in Sri Lanka

The **medium-term vision** of the Core Group is to:

- Change the image of Sri Lanka from a mostly cheap mass tourism beach destination to a more sophisticated destination for Alternative Tourism such as eco, agro, nature, sports & adventure, health tourism (some examples: rock climbing, deep sea diving, archaeological excursions, bird watching, community based tourism, safaris, ayurveda).
- Promote community-based tourism and develop sustainable SME tourism businesses to diminish rural unemployment in some areas by 10% in 3 years.
- Increase the percentage of total tourists that come to Sri Lanka exclusively for alternative forms of tourism from the current estimated 10% to about 15% in the next 2 to 3 years (then ~90,000 people per year), and up to 30% (~300,000 people) by the year 2015 without damaging the environment, or the nature experience.

Forecast Evolution of the Alternative Tourism Sector

| Alternative Tourism Growth Targets | | | |
|------------------------------------|----------------------|-----------------|---------------------------|
| Year | Overall | Growth forecast | Alternative Tourism |
| 2004 | 566,000 | 9% AT | 50,940 |
| 2005: | 549,000 ² | 10 % AT = | 50,490³ |
| 2006: | 600.000 | 12 % AT = | 72,000 |
| 2007: | 650.000 | 15 % AT = | 97,000 |
| 2015 | 1000.000 | 30 % AT = | 300,000 |

Figures for numbers of visitors provided by SLTB

Present status

In its 2005 vision of “Beyond Beaches”, the Sri Lanka Tourist Board (SLTB) identified a trend from “classical mass tourism” to Alternative Tourism (AT). The devastation of the Tsunami on 26.12.2004 made it even more important for Sri Lanka to show that it has much more to offer than nice beaches. Many of the true treasures of this island are to be found inland – away from mass tourism destinations along the coast.

Since its creation in early 2004 the AT Core Group has been working on this alternative to mass tourism. Now it has been recognized as a “business alternative” by SLTB and also as a tool to:

1. Create more jobs and thus income via the set-up of more AT – related micro and small businesses, such as tour guides for eco tourism, restaurant and guest house businesses, etc.;
2. Establish cross linkages to other industries e.g.: organic produce, handicrafts and other creative industries, ICT enabled services, transportation, construction, aeronautics, boat building and repair, guiding;
3. Help to protect and preserve the environment;
4. Raise the awareness of local people and tourists about the value of biodiversity, environmentally friendly attitudes and an understanding of how to live peacefully and profitably with Mother Nature.

Challenges and strategic issues identified

1. Limited cooperation between different sectors / associations / ministries involved in tourism activities like SLTB, Ministry of Environment, Ministry of Cultural Affairs, regional chambers etc.
2. Updating of rules and regulations for the running of public enterprises like the National Parks (entrance fee system, infrastructure, safety regulations, etc.) to international standards.
3. Creation of an association focused on the needs of SMEs in the tourism industry to initiate and assist joint activities between leading international tourism operators, chambers, development assistance partners and SMEs.
4. Creation of innovative and sellable AT products.
5. Improvement of road infrastructure.
6. Establishing internationally recognized green labeling, safety and other standards, as well as certification processes.
7. Raising awareness of AT and its benefits in remote communities.
8. Raising visibility of Sri Lanka’s developing AT industry abroad.
9. Establishing information facilities for tourists in remote regions.

² The sector created 2005 gross earnings of US\$329 million, a decline of 20% compared to 2004. The contribution of the tourism sector in Sri Lanka to the GDP is only around 2 – 3%, but the 4th most important sector with regard to foreign exchange earnings.

³ As an indicator compare the number of visitors to Sri Lankan Wildlife Parks in the Annex

10. Common branding of Sri Lanka's AT industry and obtaining representation in the upcoming TV and paper media advertising campaign for Sri Lanka as a tourist destination.
11. Raising awareness and giving trainings for hygiene and safety standards, first aid medical facilities and language skills (English, German, French, etc.) in rural areas frequented by AT activities.

Detailed Strategy Implementation Activities

1. **Association Building (poverty relevant)**
Establish an AT/SME association with branches in rural areas frequented by Alternative Tourism activities. Use the support of local clubs and associations to attract a wide range of members who are involved in tourism products (transport, health clinics, restaurants, food suppliers, hotels, rosters of guides & interpreters, water supply, sanitation, refuse collection, local shops and handicrafts makers, municipal officials and administrators responsible for planning and certification, banks and SME development bodies).
2. **Training & counselling of direct service providers (poverty relevant)**
Continuation of awareness seminars on AT in remote areas for SMEs and small units; Support for exchange visits to South West coast hotels. Identify points of leverage and motivating factors that would encourage SMEs in remote areas to improve their working practices. Provide assistance in seminars and training events.
3. **Quality and Standards Systems (poverty relevant)**
Raise awareness of tour operators, hoteliers, communities (schools, training centres, etc.) for rules, regulations, international standards and procedures, safety regulations, etc. Set up basic quality standards and a rating system. Establish an Alternative Tourism information collection and dissemination system.
4. **Detailed Upgrading Planning**
Bring in experts from countries that have successfully developed. Alternative Tourism in conditions similar to those of Sri Lanka, or visit other countries facilities to understand how to develop, broaden and improve products for the AT sector as well as the infrastructure.
5. **Round Table Discussions; Identification of Joint Pilot Projects**
To unite the following governmental organizations to develop a joint strategy for the AT tourism sector:
 - a. SLTB;
 - b. Wildlife Department;
 - c. Forestry Department;
 - d. Coastal Conservation Department;
 - e. Ministry of Cultural Affairs;
 - f. Ministry of Environment;
 - g. Regional Chambers and Associations.
6. **Training of Guides & Interpreters (poverty relevant)**
Identify precise needs and give specific training support to improve the quality and knowledge of AT guides / interpreters.
7. **Local Business Environment (poverty relevant)**
Delegate some of the SLTB activities related to Alternative Tourism to regional chambers: e.g. information and inspection.
8. **Information Network & Reservation System (poverty relevant)**
Create a network of Alternative Tourism information services for existing tourism information outlets and agencies to use and inform tourists about the AT opportunities and sites in SL while being in SL (e.g.: official information booths at strategic locations). Extend network access to foreign countries via Internet so that foreign agencies can determine availability and make bookings in a semi-automatic way.
9. **Marketing & Communication; Preparation for Actual Sales**

Once the above activities have been started, take AT product owners, hotel providers and other key service providers to an international travel fair with one or two trainers from the industry to understand how to market their products, what standards are required, how other countries have implemented them and to meet buyers.

10. **Intersectorial linkages (poverty relevant)**

To assist in creating cross linkages to certain entities / organizations to develop AT for sectors like agro tourism, gem tourism, tea tourism, etc.

Summary

Alternative Tourism is another very labor intensive sector, where micro and small enterprises (guesthouses, restaurants, shops, etc.) as well as their employees and independent service providers as small tour operators, taxi drivers, guides, wellness specialists, etc. play a predominant role. Unfortunately, at the moment exact information about the employment generated by the AT sector is not available. The whole tourism sector creates (directly and indirectly) around 125.000 jobs.⁴ If we continue with our assumption that presently only 10% constitutes exclusive AT, then presently around 12.500 persons would work in the sector. However, the real figures will be much higher as it is a fact that partially also “main stream” tourists are making use of the sector’s offer.⁵ In conclusion, as there is a huge potential for Alternative Tourism (like wildlife parks, tea plantations, wetlands, agro tourism, ayurvedic activities, adventure tourism, etc.) in all regions of the country -again the sector is not concentrated in the rich Central Province or in Colombo- it should be expected that in the future the sector, if properly promoted, can grow fast, specifically if “main stream” tourism and Alternative Tourism can find solid “mixed” forms. Correspondingly we should see soon much higher numbers of people working in the sector as pointed out above.

Also in this sector Project activities are focused on improving all the factors, which are decisive for the market performance and the international competitiveness of the sector. Without being competitive, at the end of the day, the sector cannot grow and in the future absorb more people. On the other hand many activities, specifically raising awareness, training and organization of stakeholders are immediately directed to the small entrepreneur in the sector, their employees as well as the self-employed and therefore can be classified as **poverty relevant**.

Optional approaches

The two examples illustrated one way to do things: In Sri Lanka activities related to bring the poor into the export process are closely linked with more competitiveness oriented issues. If the overriding objective would be to emphasize poverty alleviation, certain issues could be further strengthened:

- An in-depth screening of the economic potential of poor regions;
- Organize the small producers or the micro and small enterprises into circles or “nuclei” and organize supporting activities;
- Match-making with large and exporting enterprises on a large scale;
- Establish out-grower schemes and long term agreements;
- Facilitate embedded services and upgrading of small producers or service providers;
- Ensure quality and organic certification;
- Give incentives to participating enterprises;
- Create an enabling environment for linkage building and for small enterprise development.

⁴ For detailed information on the direct employment in the tourism sector 2003-2005 see Table 1 and 2 in the Annex

⁵ An indicator could be the high number of foreign visitors to the Cultural Triangle in the Central Province of the Country. Please refer to the Annex.

Conclusions

The guiding question has been “how to bring the poor into the export process”? An answer has to be very sophisticated. The economies are nowadays highly interrelated and interdependent. The welfare of nations therefore depends strongly on their performance in the global economy and on their competitiveness in respective product or service markets. The logic of these markets is chilling: it's all about prices, costs, qualities, standards, quantities, etc. The interests of the poor are not in the forefront. In this respect it is illogical to converse on a “Pro-Poor Export Strategy”. On the contrary, a viable export strategy has to follow in the first place the macro goals of national economic development and growth as to earn foreign exchange, to create sufficient overall employment and to create a competitive environment for enterprise development.

The pro-poor objective is a political and in our opinion “second tier” goal and has to be dealt with primarily on a national base. One response are social policies which intend to counterbalance the effects of the purest forms of capitalism we ever had in the history, the unlimited competition on world markets and the free flow of capital and money, by providing basically the necessary transfer payments to the poor and less affluent.

Another impact has been mentioned: Via export and overall economic growth important “trickle down” effects can be expected with strong implications for poverty reduction as recent examples in China and India have proven. In China during the last 20 years with rapid economic growth poverty could be reduced from 40 to 20%. In Vietnam in a shorter period even, between 1990 and 2002 poverty was reduced from 51% to 14%. Such parallels can also be found in the European history in the times of industrialization. With other words, we are back to the old maxim that the best development engine is trade, which again stresses the importance of a viable Export Strategy and a coordinated and vigorous implementation.

The third option is to strengthen market inherent elements and develop the potential of the poor and integrate them into the competitive world. The Value Chain Approach provides a valuable methodological base for those efforts by “mapping” all the stakeholders and showing their potential including the small rural producers and the small urban entrepreneurs. Linking them is a core tool of the Approach, but it requires more, skills development for example, up-grading of the small economic units, active match-making and specifically a conducive environment and corresponding financial resources.

Subsequently our answer to the leading question is that working with “poverty sensitive Value Chains” has proven to be an effective tool in upgrading small producers and linking them to big exporters and has shown good results also in countries like Thailand, Vietnam and Nepal. However, as the overall impact is only limited issues related to the competitiveness of the country and the business community as a whole have to come into the game to create the necessary large scale “trickle down” effects to resolve the issue of wide spread poverty. Therefore, “poverty sensitive value chains” can only be a complementary development tool!

Annexes:

Table 1

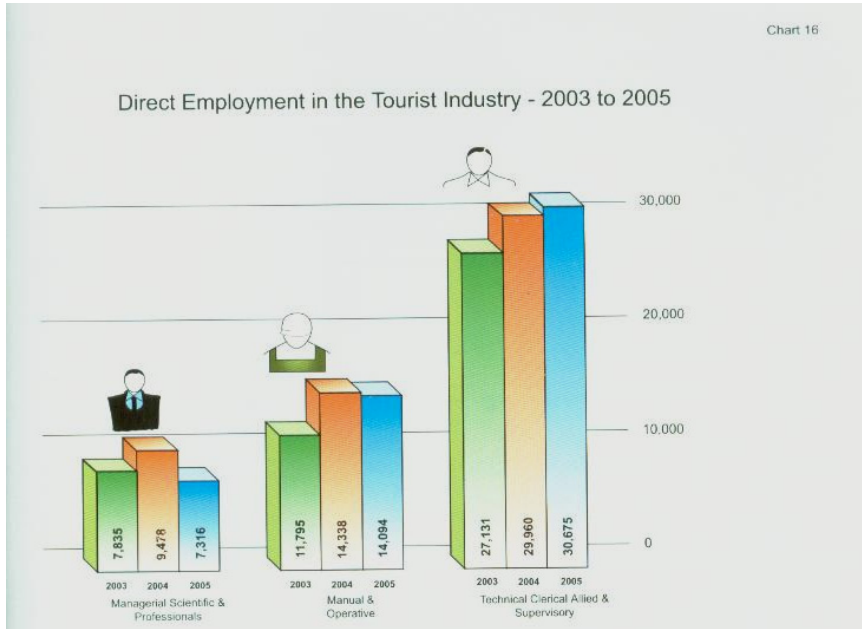


Table 2

Table 19

Direct Employment in the Tourist Industry - 2003 to 2005

| Category of Establishments | No. of Establishments | | | Managerial Scientific & Professional | | | Technical Clerical Allied & Supervisory | | | Manual & Operative | | | Total | | |
|--|-----------------------|--------------|--------------|--------------------------------------|--------------|--------------|---|---------------|---------------|--------------------|---------------|---------------|---------------|---------------|---------------|
| | 2003 | 2004 | 2005 | 2003 | 2004 | 2005 | 2003 | 2004 | 2005 | 2003 | 2004 | 2005 | 2003 | 2004 | 2005 |
| Hotels & Restaurants | 1,010 | 1,077 | 1,041 | 3,958 | 4,774 | 4,247 | 17,755 | 19,153 | 17,891 | 8,432 | 10,427 | 11,359 | 30,145 | 34,354 | 33,497 |
| Travel Agents & Tour Operators | 440 | 454 | 471 | 2,117 | 2,681 | 1,416 | 3,076 | 3,356 | 4,248 | 849 | 1,055 | 472 | 6,042 | 7,092 | 6,136 |
| Airlines | 21 | 26 | 22 | 730 | 963 | 734 | 2,100 | 2,688 | 3,857 | 805 | 942 | 1,316 | 3,635 | 4,613 | 5,907 |
| Agencies Providing Recreational Facilities | 9 | 14 | 8 | 15 | 28 | 12 | 70 | 89 | 62 | 43 | 63 | 38 | 128 | 180 | 112 |
| Tourist Shops | 216 | 222 | 140 | 390 | 425 | 284 | 1,378 | 1,554 | 1,972 | 866 | 1,050 | 102 | 2,534 | 3,029 | 2,358 |
| Guides | - | - | - | - | - | - | 2,080 | 2,460 | 1,957 | - | - | - | 2,080 | 2,460 | 1,957 |
| National Tourist Organisation | 1 | 1 | 1 | 115 | 64 | 88 | 122 | 94 | 113 | 170 | 121 | 97 | 407 | 279 | 298 |
| State Sector | 16 | 16 | 16 | 510 | 523 | 535 | 550 | 566 | 575 | 630 | 680 | 710 | 1,690 | 1,769 | 1,820 |
| Total | 1,713 | 1,810 | 1,699 | 7,835 | 9,478 | 7,316 | 27,131 | 29,960 | 30,675 | 11,795 | 14,338 | 14,094 | 46,761 | 53,776 | 52,085 |

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Table 3

Number of Foreign Visitors Visiting the Cultural Triangle and Revenue from Sale of Tickets - 1981 to 2005

| Year | No. of Tourists | Collection in Rs. Million |
|-------------|-----------------|---------------------------|
| 1981 | 224,354 | 11.4 |
| 1982 | 191,856 | 19.6 |
| 1983 | 159,006 | 14.8 |
| 1984 | 149,600 | 16.4 |
| 1985 | 133,632 | 13.6 |
| 1986 | 93,884 | 14.7 |
| 1987 | 76,645 | 13.7 |
| 1988 | 74,062 | 14.1 |
| 1989 | 79,683 | 19.2 |
| 1990 | 124,382 | 44.7 |
| 1991 | 132,641 | 69.6 |
| 1992 | 153,817 | 102.3 |
| 1993 | 148,913 | 149.6 |
| 1994 | 168,402 | 176.1 |
| 1995 | 166,661 | 168.7 |
| 1996 | 102,788 | 121.2 |
| 1997 | 144,517 | 186.0 |
| 1998 | 165,463 | 225.0 |
| 1999 | 207,398 | 300.5 |
| 2000 | 155,167 | 276.0 |
| 2001 | 129,201 | 222.0 |
| 2002 | 131,804 | 242.8 |
| 2003 | 212,521 | 403.3 |
| 2004 | 246,380 | 543.1 |
| 2005 | 110,443 | 284.7 |

Source: Central Cultural Fund

Details by Location - 2005

| Location | Foreign Tickets | | Local Tickets | | Total No. of Visitors | Total Revenue (in Rs.) |
|--------------------------------|-----------------|-------------------|-----------------|------------------|-----------------------|------------------------|
| | No. of Visitors | Revenue (in Rs.) | No. of Visitors | Revenue (in Rs.) | | |
| 1. Yala National Park | 17,614 | 23,945,760 | 93,656 | 2,057,235 | 111,270 | 26,002,995 |
| 2. Wilpattu National Park | 1,105 | 734,940 | 14,554 | 316,086 | 15,659 | 1,051,026 |
| 3. Kumana National Park | 112 | 75,920 | 1,295 | 29,780 | 1,407 | 105,705 |
| 4. Udawalawa National Park | 11,912 | 16,205,340 | 55,507 | 1,201,561 | 67,419 | 17,406,901 |
| 5. Horton Plains National Park | 11,272 | 15,391,140 | 183,413 | 3,753,063 | 194,685 | 19,144,203 |
| 6. Bundala National Park | 2,351 | 1,807,910 | 4,821 | 104,491 | 7,172 | 1,712,401 |
| 7. Minneriya National Park | 6,964 | 549,923 | 24,914 | 547,704 | 31,878 | 1,097,627 |
| 8. Kaudulla National Park | 6,099 | 4,170,570 | 8,890 | 199,382 | 14,989 | 4,369,952 |
| 9. Lunugamvehera National Park | 6 | 4140 | 489 | 11,247 | 495 | 15,387 |
| 10. Gal-Oya National Park | 3 | 4140 | 181 | 4,115 | 184 | 8,255 |
| 11. Horagolla National Park | 3 | 2070 | 1,242 | 20,153 | 1,245 | 22,223 |
| Total | 57,441 | 62,691,853 | 388,962 | 8,244,822 | 446,403 | 70,936,675 |