

Sri Lanka

YOU'LL COME BACK FOR MORE

2023:

வார்த்தை வார்த்தை
வருடாந்த அறிக்கை
ANNUAL REPORT



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SRI LANKA TOURISM DEVELOPMENT AUTHORITY



SRI LANKA TOURISM
DEVELOPMENT AUTHORITY

ANNUAL REPORT ● 2023 ●



Sri Lanka

YOU'LL COME BACK FOR MORE



ANNUAL REPORT - 2023

Publication

Sri Lanka Tourism Development Authority

Sri Lanka Tourism Development Authority

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SLTDA is the official government institution tasked with regularising the tourism industry in the country, while establishing, positioning, and developing Sri Lanka as a leading destination for international visitors. SLTDA is responsible for tapping into Sri Lanka's natural potential to expand and enhance its tourism offering while benefiting investors and supporting communities, in a sustainable manner.





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ABBREVIATIONS USED

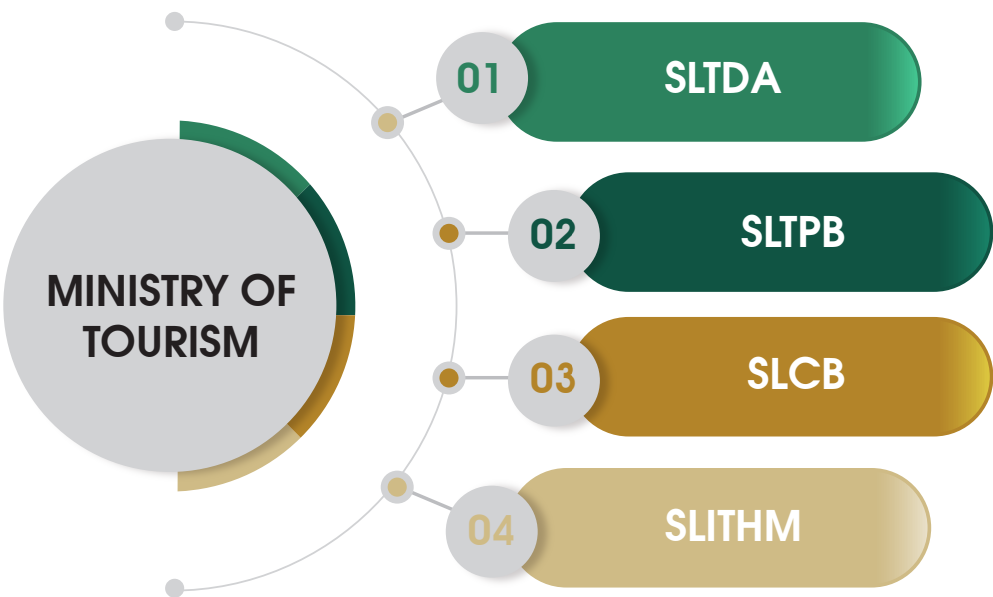
COVID -19	-	Coronavirus Disease 2019
CAP	-	UNWTO Commission for East Asia and the Pacific
CSA	-	UNWTO Commission for South Asia
CoC	-	Certificate of Conformity
EPL	-	Environmental Protection License
EL	-	Embarkation Levy
ICT	-	Information Communication Technology
IRU	-	Investor Relations Unit
NHR	-	National Holiday Resort
PARTNER	-	Partnership for Accelerating Results in Trade, National Expenditure, and Revenue
SLCB	-	Sri Lanka Convention Bureau
SLITHM	-	Sri Lanka Institute of Tourism and Hotel Management
SLTDA	-	Sri Lanka Tourism Development Authority
SLTPB	-	Sri Lanka Tourism Promotion Bureau
SME	-	Small and Medium Enterprises
TDL	-	Tourism Development Levy
THASL	-	Tourist Hotels Association of Sri Lanka
TSA	-	Tourism Satellite Accounts
UDA	-	Urban Development Authority
UNDP	-	United Nations Development Programme
UNWTO	-	World Tourism Organization
USAID	-	U.S. Agency for International Development



In Sri Lanka there is a ministry dedicated to developing tourism, headed by a cabinet minister. Under the Ministry of Tourism there are four institutions established as per the Tourism Act No. 38 of 2005.

They are:

- Sri Lanka Tourism Development Authority (SLTDA)
- Sri Lanka Tourism Promotion Bureau (SLTPB)
- Sri Lanka Convention Bureau (SLCB)
- Sri Lanka Institute of Tourism and Hotel management (SLITHM)



1. In 2023, the global international tourist arrivals was approximately 1.286 billion, an increase of 34% from 2022. International tourism rebounded to 88% of its pre-pandemic level. The Middle East stood out as the leading region in recovery, surpassing pre-pandemic levels by 22%. Global tourism export earnings was USD 1.6 trillion in 2023, almost matching the USD 1.7 trillion recorded in 2019.
2. Tourist arrivals to Sri Lanka were 1.49 million in 2023, a significant leap from 0.7 million in 2022. The highest number of arrivals was from Europe – 50.9 % and the second highest was from Asia and the Pacific - 40.1%. India held the position of the largest source of tourist arrivals, making up 20.36% share, followed by Russia at 13.28% and the United Kingdom at 8.75%.
3. During the period 01st January to 31st December 2023, IRU received 68 projects worth a total value of US\$ 237.70 million. These new projects include 18-star-class hotels (with five numbers of 5 Star Hotels) and twenty-five (25) small luxury hotel facilities. It is estimated 1,950 rooms will be added to the total inventory of hotel rooms in the country. The Design Guidelines book for accommodation was launched in March 2023. Development Guidelines for Coastal Belt in Sri Lanka was completed on 23rd July 2023.
4. The following activities are carried out for the benefit of the tourism stakeholders.
 - USAID Indo-Pacific Opportunity Project IPOP project which commenced in December 2022 will come to an end on the 31st March 2024. Under this project, areas of growth were identified for micro, small and medium enterprises (MSMEs) in the tourism industry; developed a sustainability framework and provide technical support for sustainability in Sri Lanka's tourism industry; and developed a land bank to facilitate investors.
 - UNWTO is providing technical assistance to compile a Tourism Satellite Account (TSA) for Sri Lanka. The 2018 experimental Tourism Satellite Account (TSA) was unveiled in collaboration with key stakeholders, including the Department of Census and Statistics and the Central Bank of Sri Lanka.
 - A collaborative effort with the Dambulla Divisional Secretary's office is underway to conduct a survey in Sigiriya. The aim is to collect information related to tourism service providers across fourteen Grama Niladhari (GN) divisions in Dambulla.
 - The use of telecommunications data for monitoring the foot traffic, movements, and itineraries of both inbound and domestic tourists has reached its completion. This dataset is poised to elevate the standard of tourism statistics, playing a crucial role in decision-making processes and serving various other purposes. The comprehensive insights derived from this data are anticipated to contribute significantly to enhancing our understanding of tourist behaviors, enabling more informed and strategic decisions in the tourism industry.
 - A tourism dashboard has been developed by leveraging immigration statistics. This innovative tool aims to provide comprehensive insights into tourism trends and patterns, utilizing data obtained from immigration records. The dashboard is expected to offer valuable information for stakeholders in the tourism industry, aiding in strategic decision-making and enhancing overall understanding of tourist dynamics.
 - Tourism Development Master Plans for Ella, Arugambay and Nuwara Eliya were finalized. Master Plan for Kalpitiya and Hikkaduwa are in progress.
5. Mega tourism resorts are planned at Kalpitiya, Kuchchaveli, Yala and Dedduwa.

- **Kalpitiya Island Resort development**
One of the unique features of this resort is to have twelve islands and of which ten are already leased to the private sector for tourism development.
- **Kuchchaveli Beach Resort development**
Kuchchaveli is north of Trincomalee and boardaring beach. The total demarcated land area for the resort development is 510 acres. As at the end of 2023, one hotel is in operation, and eight hotels are pending to commence construction works.
- **Yala Wildlife Resort**
This resort is bordering the Indian Ocean in the Yala Palatupana area, adjoining the Yala National Park and surrounded by several other wildlife parks, namely Kumana, Bundala, Lunugamwehera and the Weerawila bird sanctuary. Total land area is 1,136 acres. Three hotels are in operation, one hotel is under construction and land was leased to another three hotel projects. Further, lease agreements were signed to set up four camping sites. The SLTDA progressed well on laying solar panels for power generation.
- **Dedduwa Lake Resort**
Land area of Dedduwa Lake Resort in the Galle District is 1716 acres. SLTDA progressed towards acquiring the beach connectivity for the Dedduwa property.

6. Tourism Development in the Northern Province (NP) and Eastern Province (EP)

- Mannar (NP) – SLTDA will acquire 130 acres for a tourist resort development.
 - Delft Island, Jaffna (NP) – This is one of the key tourist attractions in the Northern Province but has no proper accommodation facilities. SLTDA will acquire 19 hectares of land for hotel development.
 - Medway Estate, Nilaweli (EP) – The land area is nearly 21 acres. Land was leased to two hotel projects and did not progress with the implementation. It is now available for any new investors.
 - Rasool Thottam land in Nilaweli - this land is approximately 60 acres in close proximity to the Pigeon Island. This property was illegally occupied by many encroachers for a long time, and SLTDA took over the possession of approximately 43 acres of land.
7. With the objective of facilitating provincial level community-based tourism through empowering local stakeholder communities and opening avenues to distribute economic benefits of tourism, four programmes were held during 2023:
 - Panama (Eastern Province) in January 2023.
 - Lankagama, Neluwa (Sabaragamuwa Province) in February 2023.
 - Sinharaja, Kudawa (Sabaragamuwa Province) in October 2023.
 - Jaffna, Delft (Northern Province) in December 2023.
 8. One of the key activities of SLTDA is to register and issue annual licenses to tourist establishments that comply with the quality standards. As at the end of 2023:
 - 4,672 accommodation units with nearly fifty-four thousand rooms
 - 2,776 other tourism service providers such as tourist restaurants, shops etc.
 - 170-star class hotels, 42 boutique hotels, 52 boutique villas and 02 heritage hotels.
 - 4,884 tour guides.
 9. Resort operations:
 - SLTDA owned and managed resorts are at Anuradhapura, Bandarawela, Kataragama and Nuwara Eliya.



- The two non - trading resorts are located at Bentota and Passekudah.
At the National Holiday resort Bentota, the repair and refurbishment of the post office building & managers quarters, and construction of the three storied staff accommodation building were completed. In addition, upgrading of the water supply network including the Pitaramba pumping stations, the underground pipeline system from them to the overhead tanks and the main pumping station that distributes water, was completed.
 - At the National Holiday resort Passikudah, the installation of 210 streetlights and cleaning of the entire resort common areas was completed.
 - There are thirty-seven Rest Houses that are owned by SLTDA and leased to the private sector for operations.
10. Sustainable Tourism Unit (STU) was set up at SLTDA as the focal point and driving force of the sustainable tourism agenda of Sri Lanka. This unit implements a sustainable certification programme of tourism stakeholders.
 11. New products development
 - Community-based tourism development project at Habarana with the technical and financial assistance from The Korea Tourism Organization (KTO) of the Republic of Korea. The scope of the project includes building capacities and strengthening local tourism infrastructure.
 - Development of the Marine Tourism Road Map for Sri Lanka with the assistance of the Asian Development Bank (ADB). The first phase of the report was completed covering the coastal areas from Kalpitiya through the southern belt all the way up to Trincomalee, focusing on three key cities- namely; Kalpitiya, Galle and Trincomalee. The phase two of the project commenced in late November 2023, concentrating on the Northern Province coastal area from Mannar through Jaffna and Mullativu up to Trincomalee.
 12. Local Events:
 - SLTDA organized the National Celebration of World Tourism Day 2023. The event was held on 27th September under the theme "Tourism and Green Investments: Investing in People, Planet & Prosperity". The event drew a physical attendance of more than 200 participants, encompassing individuals from various sectors such as the tourism industry, banking, donor agencies, government line agencies, and media.
 - SLTDA collaborated with USAID IPOP to conduct the Tourism Expo. The primary objective was to provide valuable learning opportunities for small business operators. The outreach session aimed to equip small business operators with the necessary knowledge and tools to transform their enterprises. These learning opportunities spanned across various critical areas, including enhancing digital communication skills, strategically positioning niche experiences, understanding travel trends, and meeting the evolving expectations of travelers.
 13. To promote domestic tourism an educational programme was organized by the Government Information Department with SLTDA. Night market and culinary exhibition at Pinnawala; Madunagala Craftsmen Shelter and Access Road to new restaurant; Pinnawala School Awareness Programme and several cleaning campaigns. Tourist drivers' training programme with Vocational Training Authority (VTA) and Sri Lanka institute of Tourism and Hotel Management (SLITHM). About 3500 tourist drivers completed the training programme.
 14. One of the factors considered by tourists in deciding on an overseas destination is safety and security. The tourism strategic plan highlights the need to strengthen the resources and presence of Tourist Police. 24 Tourist Police Units are to be located in tourist areas around the country to provide a better safe and secure environment for tourists.



Vision

"To be recognized as the world's finest island for compact, authentic and diverse experience"

Mission

"To be a high value destination offering extraordinary experiences that reflect Sri Lanka's natural and cultural heritage, socially inclusive and environmentally responsible and provide economic benefits to communities and the country"

OBJECTIVES OF SLTDA

The objectives of the SLTDA as per the Section 3A of Tourism Act No. 38 of 2005

- a) To develop Sri Lanka as a tourist and travel destination both in Sri Lanka and abroad.
- b) To advise the Minister in charge on the subject of Tourism on matters relating to travel and the tourism industry, within the policy formulated by the Cabinet of Ministers, in relation to this sector.
- c) To provide guidance to the SLTPB to develop, promote and market Sri Lanka as a tourist and travel destination both in Sri Lanka and abroad.
- d) To provide guidance to the SLITHM to undertake human resource training and development activities.
- e) To work towards the enhancement of the tourism and travel sectors in order to secure a contribution for the expansion and development of Sri Lanka's economy.
- f) To develop and promote adequate, attractive, and efficient tourist services, inclusive of the hospitality industry in a sustainable manner.
- g) To license and accredit tourist enterprises in order to develop, enforce and maintain locally and internationally accepted standards in relation to the tourism industry and other related industries.
- h) To encourage persons or bodies of persons in the private sector to participate in the promotion of the tourism industry and the promotional and training activities connected with such industry.
- i) To do all such other acts as may be necessary or conducive to the attainment of all or any of the above objectives.



MESSAGE FROM HON. MINISTER OF TOURISM

Hon. Harin Fernando
Minister of Tourism & Lands

I am delighted to share my message for the Annual Report for the year 2023, a year marked by extraordinary accomplishments and significant strides in the realm of tourism for Sri Lanka. The notable achievement of surpassing the previous year's total tourist arrivals is a testament to our collective efforts and dedication. In 2023, Sri Lanka welcomed 1,487,303 visitors, a substantial increase from 719,978 in 2022, reflecting an impressive growth rate of 106.6%. This remarkable growth underscores the enhanced appeal of our beautiful island as a premier travel destination.

The peak in tourist arrivals in December and the notable influx throughout the year, with March being the only month showing a lower influx, highlights the robust demand for Sri Lanka's diverse offerings. This surge not only invigorates our economy but also fosters a renewed sense of optimism and opportunity within our communities.

In our continuous endeavor to promote sustainable tourism, we have taken significant steps to highlight Yala Wild Resort as a sustainable destination. This initiative underscores our commitment to preserving natural habitats while providing an unforgettable

experience for our visitors. Additionally, we have placed a strong emphasis on supporting and promoting provincial-level tourism products and services. By doing so, we ensure that the benefits of tourism are distributed equitably across all regions, thereby empowering local communities and promoting cultural heritage.

Our commitment to marine tourism has been further strengthened with the development of the Marine Tourism Road Map for Sri Lanka with the assistance of ADB. This strategic blueprint will guide the sustainable growth of marine tourism, ensuring that our pristine marine environments are preserved for future generations while offering unique and enriching experiences to our visitors.

Recognizing the critical role of investments in driving tourism growth, we have implemented a streamlined investment facilitation mechanism. This new approach fosters healthier collaborations among government agencies, paving the way for efficient and effective investment processes. By creating a conducive environment for investors, we are poised to attract more investments that will further enhance our tourism infrastructure and services.



Our dedication to sustainability and sustainable tourism approaches continues to be at the forefront of our strategic initiatives. In collaboration with the Sustainable Tourism Unit (STU), we are committed to adopting and promoting practices that ensure the long-term sustainability of our tourism industry. These efforts include minimizing environmental impact, promoting eco-friendly practices, and engaging with local communities to create a more sustainable and inclusive tourism sector.

In conclusion, I extend my heartfelt gratitude to the dedicated team at the Sri Lanka Tourism Development Authority (SLTDA), whose tireless efforts and unwavering commitment have been instrumental in achieving our goals. Their teamwork, innovation, and dedication have driven the success of our initiatives and have been pivotal in navigating the challenges of the past year. I also thank all our stakeholders, including government agencies, private sector partners, and local communities, for their invaluable support and collaboration. Together, we have achieved remarkable milestones, and I am confident that with our continued dedication, Sri Lanka will continue to shine as a beacon of sustainable and inclusive tourism.



MESSAGE FROM CHAIRMAN

Priantha Fernando

Chairman - Sri Lanka Tourism Development Authority

It is with great pleasure that I present the Annual Report of the Sri Lanka Tourism Development Authority for the year 2023. This year has been marked by significant achievements that reflect our unwavering commitment to positioning Sri Lanka as a premier global travel destination.

The past year has been a testament to our resilience and adaptability in the face of unprecedented challenges. The global tourism landscape has been profoundly impacted by the ongoing effects of the pandemic, economic fluctuations, and evolving traveler expectations. Despite these hurdles, Sri Lanka Tourism has emerged stronger, with a renewed focus on sustainable and inclusive tourism development, recording 1.49 million tourists and generating USD 2.07 billion in revenue.

Among our key achievements this year are the successful implementation of the Sustainable Tourism Unit, finalizing the draft Tourism Policy, and completing the Tourism Strategic Plan 2022-2025. Additionally, we launched the Tourism Satellite Account to obtain reliable data for research and development. The ripple effects of these strategies not only enhanced the visitor experience but also significantly contributed to the local economy. Such initiatives underscore our

strategic vision of being recognized as the world's finest island for memorable, authentic, and diverse experiences that benefit all stakeholders, including local communities, businesses, and the environment. From pristine beaches and lush rainforests to rich cultural heritage and vibrant festivals, Sri Lanka offers an unparalleled array of experiences. Our efforts to harness digital platforms and innovative marketing strategies have yielded remarkable results, attracting a record number of international visitors.

Sustainability remains at the heart of our tourism strategy. We have made substantial progress in promoting eco-friendly practices and supporting community-based tourism initiatives. Our collaboration with local and international partners has been instrumental in driving initiatives that protect our natural resources, preserve our cultural heritage, and empower local communities.

As we look to the future, we remain committed to fostering a tourism sector that is resilient, sustainable, and inclusive. Our strategic roadmap for the coming years focuses on diversifying our tourism offerings, enhancing infrastructure, and ensuring that every visitor to Sri Lanka enjoys a safe, memorable, and enriching experience.

I extend my heartfelt gratitude to the Hon. Minister of Tourism & Lands, our dedicated team SLTDA and Ministry of Tourism, all sister organizations, industry partners, government agencies, and all other stakeholders for their unwavering support and collaboration. Together, we have navigated a challenging year and laid a solid foundation for a vibrant and prosperous future for Sri Lanka's tourism industry.

Thank you for your continued trust and confidence in the Sri Lanka Tourism Development Authority. We look forward to another year of growth, innovation, and shared success.

BOARD MEMBERS

According to Section 4 of the Tourism Act No. 38 of 2005, Board members are appointed by the Hon. Minister of Tourism.

Mr. Priantha Fernando
Chairman

Mr. B.H.R. Sariffo'Deen
Director General

Ms. Anoma Nandani
Board Member of SLTDA and SLCB

Ms. Uma Niranan
Board Member of SLTDA

Mr. M. Shanthikumar
Board Member of SLTDA

Mr. Sabry Bahaudeen
Board Member of SLTDA

Mr. Nishad Wijetunga
Board Member of SLTDA

Mr. Nishantha Cooray
Board Member of SLTDA

Mr. E.S.G. Edirisinghe
Board Member of SLTDA





Mr. Priantha Fernando
Chairman

A multi-talented and skilled tourism professional, accounting for over 52 years of experience. He has an MSc. in Tourism Marketing, from the University of Surrey, UK, Diploma in Hotel Management and Tourism, from Belair College, UK. Over the last 52 years, has held senior positions with INGOs, public and private sector organizations.

Main areas of expertise in Tourism, Employment Services, Management, Construction and Exports. A Senior Tourism Consultant in Sri Lanka who had undertaken a multitude of consultancies in tourism master plan development, strategic environmental assessments, conceptual development planning, market analytical studies, value chain development, market research, product development and positioning, development of strategic marketing plans, feasibility studies, forecasting, hotel development and hotel management for over 30 years.

Worked for the National Tourism Organization (Ceylon Tourist Board) and was instrumental in introducing hotel classification in 1981. Director, Marketing of the NTO from 1986 to 1991 with overall responsibility for destination marketing. Pioneering Director of the Sri Lanka Conventions Bureau.

As the National Consultant/ Project Director of ILO (UN), from 2003 to 2007, was instrumental in setting up the National Employment Sourcing and Delivery System of Sri Lanka (JobsNet) with systems development and operation of 20 centers in 19 districts. Since 2007, up to 2022 had undertaken various tourism and employment services-related consultancies from time to time for ILO and World

Bank through IPE Global of India and for organizations and individuals in Sri Lanka and overseas.

Consultant/ CEO of Freudenberg Leisure (2007 to 2016) and Developed Randholee Resorts, Kandy, The Fir's, Nuwara Eliya and Ellen's Place in Colombo. Up to 2020 Project Consultant on the development of the 346-roomed Colombo, Intercontinental development. Tourism Marketing Specialist on the development of the Bangladesh Tourism Master Plan for the Bangladesh Tourist Board, funded by the government of Bangladesh through IPE Global of India, just prior to being appointed as the Chairman of SLTDA.

On 1st June 2022, assumed duties as the Chairman of the SLTDA. Currently serves as a member of the Stakeholder Engagement Committee of the Central Bank, a member of the Tourism Advisory Committee, a member of the Inter-Ministerial Tourism Committee.



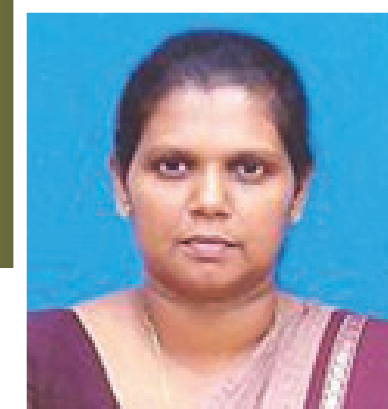
Mr. B.H.R. Sariffo'Deen
Director General

B.H.R. Sariffo'deen (FCHSGA, MBA-UK, MIH) is a professional hotelier known for his traditional hospitality, excellent employee relations, and strong hands-on management style. With extensive experience in managing five-star hotels; especially since the inception of the World Award winning Heritage Kandalama.

Sariffo'deen is dedicated, enthusiastic, and committed to delivering high-quality service, with strong skills in sales, marketing, and strategic business planning. He has played a pivotal role in various hotel constructions and refurbishments across Sri Lanka, India, Netherlands, Sweden and the Maldives - his expertise also landed him top management positions for resorts in Queensland, Australia. Prior to being the Director General/CEO of SLTDA he concluded an illustrious career spanning over three decades leaving at the position of Senior Vice President of Operations at Aitken Spence Hotels Management.

Notably, he was also President of the Ceylon Hotel Schools Graduate Association, and President of the Cultural Triangle Hoteliers Association. Sariffo'deen's commitment to the industry is further exemplified by his role as a Freelance Consultant and Visiting Lecturer, where he continues to share his extensive knowledge and experience with the next generation of hoteliers.

Additionally, he completed an MBA at the University of Cardiff and served as a Match Referee for the Sri Lanka Cricket Premier A Tournament.



Ms. Anoma Nandani
Board Member of SLTDA and SLCB

She is a member of the Sri Lanka Administrative Service and having over 21 years of experience in the field of Public Financial Management. She has served in several positions of various departments under the purview of the General Treasury such as National Budget, Public Finance, and Public Enterprises. She has also represented the General Treasury on the Director Boards of several institutions such as Urban Development Authority (UDA), Land Reform Commission, MILCO (Pvt) Ltd, Sri Jayawadenepura General Hospital, Galoya Plantations (Pvt) Ltd, Galoya Holdings (Pvt) Ltd, and Marine Environment Protection Authority.

Mrs. Anoma Nandani has represented the General Treasury in several Standing Cabinet appointed Procurement Committees in the subjects of Health, Sports and Water Supply.

Chairman of the SLTDA & SLCB Audit Management Committees



Mr. M. Shanthikumar
Board Member of SLTDA

Serving on the Board of several Government and Private entities, Mr. Shanthikumar has immense knowledge and experience across several industries. He serves as the Director of Alhambra Hotels Limited (Owners & Operators of Ramada by Wyndham), Carlton Tours, Litro Gas Lanka Limited and Litro Gas Terminal Lanka (Pvt) Ltd, Canwill Holdings (Pvt) Ltd owners of Grand Hyatt, Colombo. He is also the President of the Tourist Hotels Association of Sri Lanka (THASL).

He holds a Master's degree in hospitality management from European Continental University, London, UK, and a fellow member of Institute of Hospitality, London, UK



Mr. Sabry Bahaudeen
Board Member of SLTDA

Sabry Bahaudeen is the Immediate Past President of the Travel Agents Association of Sri Lanka (TAASL), Vice President of IAASL and SLAITO Council Member

As the President of TAASL, he played a pivotal role in fostering trusted and long-standing relationships with customers, airlines and various stakeholders. He was instrumental in many areas, notably in initiating a loyalty program for TAASL members.

Sabry Bahaudeen is the Director of Classic Travel. He has nearly 25 years of experience in the travel and tourism field. Sabry's people-centric approach to leadership and keen foresight in navigating through challenging times has empowered Classic Travel to evolve into the reputed service-oriented brand.



Mr. Nishad Wijetunga
Board Member of SLTDA

A travel professional for over 30 years, Nishad Wijetunga is Managing Director of Wayfarers Ltd a local Destination Management Company established in 1976, which under his guidance, operates as a recognized sustainable entity.

Nishad is currently the President of SLAITO or Sri Lanka Association of Inbound Tour Operators, that represents the Destination Management Company or DMC community in Sri Lanka. It is one of the three apex bodies recognized by the Tourism Act.

Nishad was responsible for all Environment and Sustainability related initiatives and training as well as all CSR initiatives of the Association. He was the Chairman of the organizing committee of the 2018 and 2019 editions of Sancharaka Udawa, the largest Travel and Tourism Fair held in Sri Lanka. This fair creates a platform for all small and medium stakeholders in the tourism industry to come together under one roof to meet the local DMC community who is their primary client base. /

As an advocate for sustainable tourism Nishad was Chairman of the Responsible Tourism Partnership Sri Lanka, and served for the full term of 5 years, as a Trustee of the Federation of Environmental Organizations (FEO) Sri Lanka. Through these channels he has worked on multiple projects related to tourism and conservation over the years. The Beach Operator or Beach Boy Training program carried out by the Responsible Tourism Partnership together with the Travel Foundation, UK and the Nature Interpretation Program conducted for safari Jeep drivers in National Parks, a project run by FEO are some of the projects he was involved in on a

'hands on' basis. Together with Travel Foundation UK through the Responsible Tourism Partnership, and funding from the EU he was indirectly involved with the Greening Sri Lanka Hotels project back in 2010/11.

Nishad's unique position as nature lover, conservationist and travel professional, enables him to identify and work on problem areas related to tourism and sustainability. His aim is to ensure that tourism in Sri Lanka is conducted in a sustainable manner with best practices exercised at all times. To this end, he spends time getting involved in educating stakeholders on the importance and benefits of creating a sustainable tourism industry.



Mr. Nishantha Cooray
Board Member of SLTDA

Nishantha Cooray holds a Bachelor of Business Studies at Charles Stuart University (Australia), and also a Diploma in Commerce (Management) at Martin College, Australia.

A dynamic and an entrepreneurial individual with over 20 years of outstanding management and professional experience. He worked in several multinational corporations, reputed national enterprises, and self-owned businesses. He played an integral role in the success of several highly reputed business ventures in Sri Lanka.

He now sits on the board of directors at Hansa Marine, a leading ship handling and maintenance company and Director, Steamboat, is a renowned well established restaurant chain in Sri Lanka.



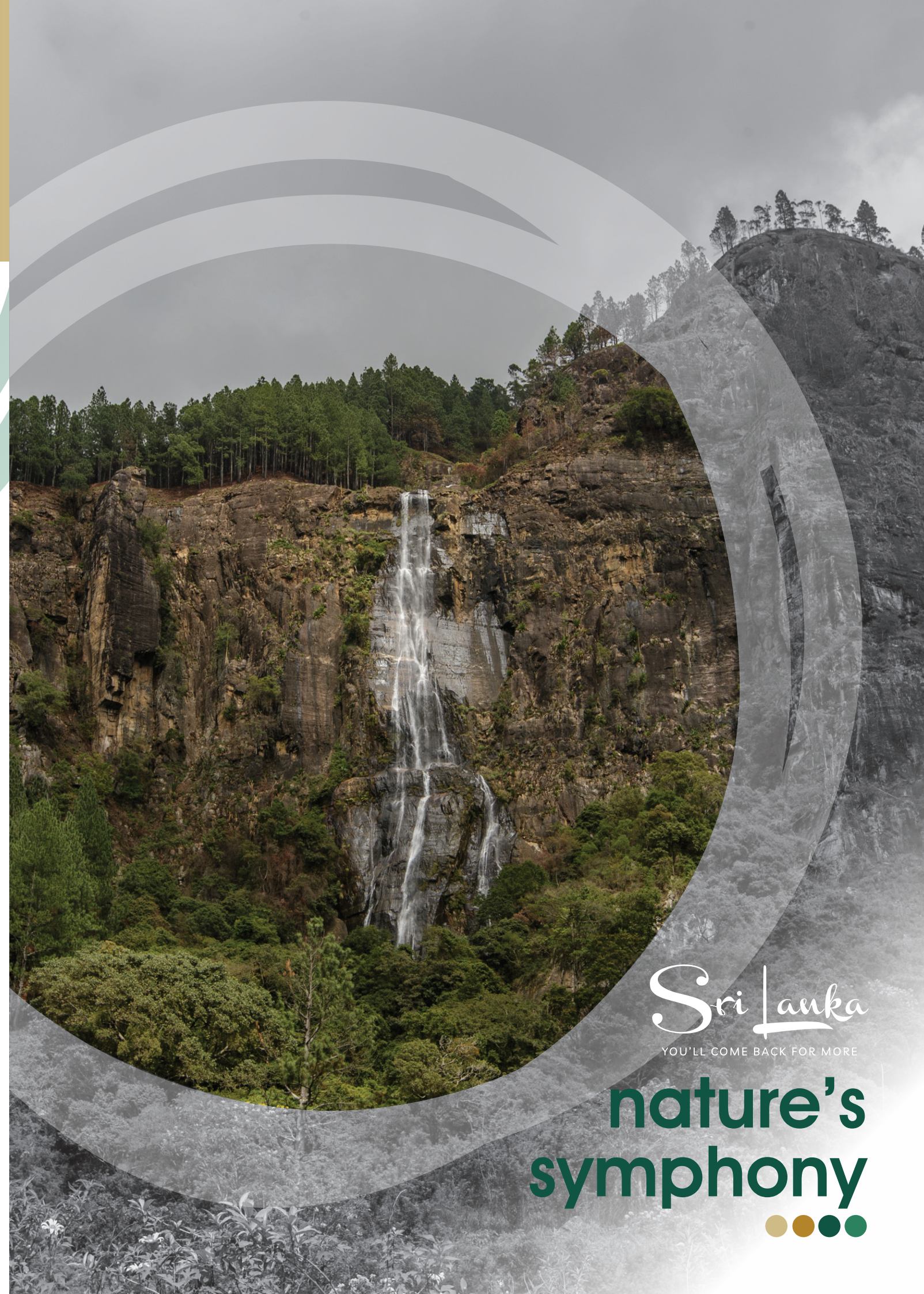
Mr. E.S.G. Edirisinghe
Board Member of SLTDA

He started his career as a teacher in the public service. He then passed the open competitive examination and entered the Sri Lanka Administrative Service (SLAS) in December 1987.

He served as Assistant Divisional Secretary and Divisional Secretary in Rathnapura district for about 15 years. Further, he served as Senior Assistant Secretary of the Ministry of Productivity and Promotion. Later, he served as Senior Assistant Secretary and Director (Development) of the Ministry of Management and Reforms. During the period 2015 to 2019, he served as Controller in several divisions in the Department of Immigration and Emigration.

In the SLAS service he was promoted to the special grade. Thereafter, he served as Additional Controller General of Department of Immigration and Emigration and Additional Secretary of Ministry of Plantation and Transport. Currently, he is the Additional Secretary (Administration and Training) of Provincial Councils and Local Governments. He had actively served about 35 years in the public service.

In 1994, he obtained B.A. (Hons) in History from the University of Sri Jayewardenepura and subsequently, obtained a Post Graduate Diploma in Education from the University of Colombo. In addition, he obtained M.A. in Economics from University of Kelaniya in 2007. He also gained training under numerous fields from universities in Korea, China, Malaysia, Pakistan and India.



Sri Lanka
YOU'LL COME BACK FOR MORE

**nature's
symphony**



SENIOR MANAGEMENT

Mr. B.H.R. Sariffo'Deen
Director General

Mr. P. Upali Ratnayake
Deputy Director General

Mr. Mihira Liyanaarachchi
Director/ Human Resources & Premises Management

Mr. Udana Wickramasinghe
Director/ Research & International Relations

Ms. Tharanga Rupasinghe
Director/Standards & Quality Assurance

Mr. Sampath Ganepalaarachchi
Director/Financial Management

Mr. Chinthaka Abeykoon
Director/Information Communication Technology

Dr. Prasad Jayasuriya
Director/Tourism Planning, Development and Investor Relations

Ms. Manjula Weerakkody
Director/Domestic Tourism & Community Relations

Ms. Karthi Naheem
Assistant Director /Internal Auditor



Mr. P. Upali Ratnayake
Deputy Director General

Mr. Upali Ratnayake is a Tourism professional with 27 years of service at former Ceylon Tourist Board and now Sri Lanka Tourism Development Authority (SLTDA). His areas of expertise include national tourism planning, development of investment projects, tourism training, special projects engagement, and crisis management & event management. Ecotourism Planning, regional tourism development and community engagement enhancement in tourism and strategic planning are the other areas of contribution.

Having joined as a Management Trainee in 1995, Mr. Upali Ratnayake rose to the organisation's top tier of decision making over the years as the Director Domestic Tourism, Standards and Quality Assurance, Planning and Development before taking over the Director General position in 2018 for a period of two years. He has also extended his services as the Registrar for Sri Lanka Institute of Tourism & Hotel Management (SLITHM) in 2012.

Having graduated from the University of Colombo in Economics (Hons), specialized in Econometrics. Mr. Ratnayake completed his MBA from Prince of Songklar University in Thailand on Tourism and Hospitality. He completed his Post Graduate Diploma in Belgium and has also undergone special training on Green-Eco tourism in Japan and Australia.

He is an advocate for sustainable tourism, an international auditor on Sustainable Tourism certified by the Global Sustainable Tourism Council (GSTC) and pioneered in introducing the National Sustainable Tourism Certification (NSTC) scheme to Sri Lanka which is considered to be the 1st step towards making Sri Lanka Tourism sustainable. He has been

serving as the National Consultant for NSTC by the Biodiversity Financing (BioFin) project of the UNDP. Contribution to National Policy for Tourism and Forest Conservation master plan are recent engagements. He is also the head of the Sustainable Tourism Unit (STU) of the SLTDA.

He is a visiting lecturer at the Department of Economics, Management Faculty of the University of Colombo, Department of Tourism and Hospitality at Open University and Sustainable Tourism Development at CINEC campus Malabe.



Mr. Mihira Liyanaarachchi
Director/ Human Resources & Premises Management

With 26 years of experience at SLTDA, Mr. Liyanaarachchi is one of the most respected Senior Directors having served in the areas of Financial Management, Human Resources & Premises Management, Resorts Management and Domestic Tourism and Community Relations.

He holds a B.Sc. in Management (Special) and is a senior member of the Association of Accounting Technicians of Sri Lanka and an Associate member of Institute of Public Finance.

He was instrumental in developing the Small and Medium Tourism Sector in Sri Lanka as well as in introducing new concepts for Domestic Tourism such as "Tanayam Aluth Wela" and "Tourism Tuk Tuk".



Mr. Udana Wickramasinghe
Director/ Research & International Relations

An accomplished professional has accumulated over 27 years of experience by starting his career in banking and later transitioning into IT. He possesses a BSc in Information Technology from the University of Sunderland, UK, and holds an MBA from Victoria University, Australia.

Udana Wickramasinghe is recognized as a Chartered IT Professional (CITP – UK) by the British Computer Society (BCS). He is an active member of the Computer Society of Sri Lanka (CSSL – MCS) and previously served as a Board Member on the Executive Council of CSSL. His professional affiliations also include membership in the Institute of Electrical and Electronic Engineers (IEEE) USA and the Institute of Bankers of Sri Lanka (IBSL).



Ms. Tharanga Rupasinghe
Director/Standards & Quality Assurance

Ms. Rupasinghe is a highly accomplished and experienced administrator with over 21 years of expertise. Her professional journey spans across various sectors, including the private, semi-government, and public domains, where she has consistently demonstrated exceptional planning, execution, and leadership skills.

For more than 7 years, Ms. Rupasinghe served as a Director at SLTDA, where she made significant contributions to the organization's growth and success.

She holds an MBA from the University of Sri Jayewardenepura, showcasing her commitment to continuous learning and professional development. Additionally, she completed her Bachelor's degree in Business Management (Accountancy) with a second upper-class honours from the University of Kelaniya. Ms. Rupasinghe is a Certified Business Accountant (CBA) from the Institute of Chartered Accountants of Sri Lanka (ICASL) and also possesses an Advanced Certificate in Banking & Finance (ACBF) from the Institute of Bankers of Sri Lanka (IBSL).

Not only does Ms. Rupasinghe excel in her professional roles, but she also actively contributes to the academic and professional communities. She serves as the alternative Chairman of the Membership Committee (CBA Faculty) at ICASL and has been a visiting lecturer at the Open University of Sri Lanka since 2013. Furthermore, she is a certified Assessor of Technical and Vocational Education and Training (TVES) and has completed a Certificate level qualification in Tamil Language, demonstrating her proficiency in all official languages.

One of Ms. Rupasinghe's notable achievements includes leading the Sri Lanka Tourism team that was recognized for presenting the best Action Plan on the "Home stay Village Network Development Project" in the Republic of Korea. Out of ten countries, her efforts were acknowledged and celebrated among the submissions from ten countries.

Ms. Rupasinghe's extensive experience, academic qualifications, and commitment to excellence make her a highly capable administrator and a valuable asset in any professional setting.



Mr. Sampath Ganepalaarachchi
Director/Financial Management

Mr. Ganepalaarachchi counts an extensive 22 years of experience in the corporate field including 7 years at a well-recognized airline and over 15 years in reputed local companies, holding several top management positions such as Director Finance and Head of Finance.

He holds a Master's degree in Business Administration from the University of Colombo and graduated from the University of Sri Jayewardenepura with a Bachelor of Science Degree in Business Administration. He is also an Associate member of the Institute of Certified Management Accountants, Associate Member of Public Finance Accountants, Fellow Member of the Association of Accounting Technicians and Fellow Member of the Chartered Business Administration.

He is a well recognized lecturer in the field of Financial Reporting subject for the professional examinations and being in the lecturing career over 26 years.



Mr. Chinthaka Abeykoon
Director / Information Communication Technology

Mr. Abeykoon heads the Information Communication Technology Department and with that he brings in 23 years of industry experience to practice. He has served in few leading conglomerates in the country and their counterparts overseas and as result, exposed to globally ranked enterprise grade end-to-end IT solutions. Further his contributions have been made in leading; rollouts of Sri Lankan bespoke IT solutions in APAC, African regions and in crucial Sri Lankan government sector automations. He holds a Merit Award in MBA from the University of Wales, UK and has a Bachelor's degree from the Manchester Metropolitan University, UK.



Dr. Prasad Jayasuriya
Director/Tourism Planning,
Development and Investor Relations

Prasad Jayasuriya has his first degree in Engineering and has obtained the MBA from the University of Colombo with the rare feat of securing 7 out of the 10 Gold Medals awarded to the MBA programme, including the Gold medal for 'Overall Performance'. Prasad holds his PhD in Management Science and Engineering covering Logistics and Supply Chain Management in the Tourism Industry.

He counts over 27 years of work experience both in the private and public sector. His experience in the private sector spanning across 22 years includes positions as General Manager, Country Head and Director in local and multinational companies. In the state sector, prior to the appointment at the SLTDA, he functioned as the Director - Planning at the University Grants Commission of Sri Lanka, where he was instrumental in developing the UGC Strategic plan for 2019-2023.

Prasad had served as a Board member of the Sri Lanka Foundation Institute during 2020-2022 period, while he is a Past President and a Trustee of the prestigious MBA Alumni Association of the University of Colombo. He had been a visiting lecturer for MBA and other Master's degree programmes conducted by the University of Colombo, Sabaragamuwa University and Kotalawala Defense University.

He had his entire education at St. Josephs' College, Colombo-10, where he was the Deputy Head Prefect in 1990/91 and was also a member of the College first XI hockey team. At University level he had played cricket and badminton and had once won the award as the Men's Singles Badminton Champion.

Prasad is a member of the Sri Lanka Institute of Directors (SLID) and a Charter Member of the Lions Club of Colombo New Millenium (District 306C) and serves as a guest lecturer for many universities in Sri Lanka.



Ms. Manjula Weerakkody
Director / Domestic Tourism &
Community Relations

Ms. Weerakkody is passionate in serving the needy population of Sri Lanka. She has accomplished a career of over 20 years of experience working under the purview of the Ministry of Urban Development and Housing, Ministry of Skills Development and Vocational Training, Ministry of Plantation Industries and other Non-Governmental Organizations. She served as the Director, Social Mobilization to the Urban Settlement Development Authority, Ministry of Urban Development and Housing and the Consultant, Ministry of Plantation Industries. Her expertise was shared during representation of the Government of Sri Lanka Delegation as a Speaker and Panelist. She was also an Expert Panelist and a Technical Evaluation Committee Member of the Technical Evaluations conducted by UN Organizations and Government Organizations.

Ms. Weerakkody holds a Bachelor's in social science with Masters in Regional Development and Planning and her specialized areas include Community Development, Human Rights, Regional Development and Project Planning.



Ms. Karthi Naheem
Assistant Director /Internal Auditor

Ms. Karthi Naheem counts more than 15 years of experience in auditing and 5 years of experience in investment and customer relations at Sri Lanka Tourism. She has carried out audits at SLTDA's sister organizations, namely Sri Lanka Institute of Tourism & Hotel Management and Sri Lanka Tourism Promotion Bureau.

Before joining the government sector, she served for more than 5 years in the private sector in the field of Accounting and Auditing as an executive.

She holds an MBA from the University of Kelaniya and graduated from the University of Sri Jayewardenepura with a Bachelor of Science in Business Administration. She is also a Diploma holder in Travel and Tourism from Sri Lanka Institute of Tourism and Hotel Management. She also possesses a Licentiate qualification from the Sri Lanka Institute of Chartered Accountancy.



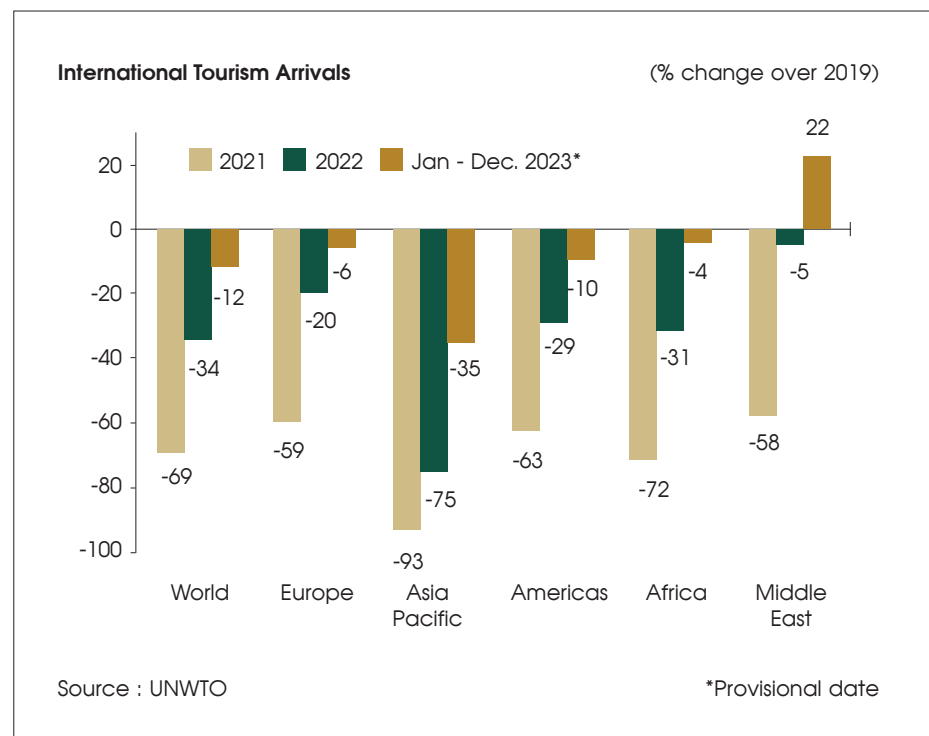
Tourism is one of Sri Lanka's oldest industries. For centuries, Silk Route merchants, traders, and sailors travelling between East Asia and Europe, visited Sri Lanka as the island has always been an ideal destination to transit through and visit. The country's diversity is great even though it's a relatively small island, making these diverse experiences more accessible.



TOURISM INDUSTRY PERFORMANCE

09.1 An Overview of Global Tourism

Chart 1 World international tourist arrivals by region – percentage change 2023



Despite the challenges posed by economic issues such as high inflation, reduced output, and specific geopolitical tensions and conflicts, in 2023, the global international tourist arrivals was approximately 1.286 billion, an increase of 34% from 2022. International tourism rebounded to 88% of its pre-pandemic levels due to significant pent-up demand. Moreover, there is an optimistic outlook for international tourism, as it is on track to approach pre-pandemic levels by 2024.

The Middle East stood out as the leading region in recovery, surpassing pre-pandemic levels by 22%. Europe reached 94%, Africa 96%, the Americas 90% and Asia and the Pacific 65% of their pre-pandemic tourism levels in 2023.

In particular, subregions such as North Africa and Central America saw a 5% increase, while Southern Mediterranean Europe and the Caribbean saw a 1% increase over pre-pandemic levels.

Global tourism export earnings was USD 1.6 trillion in 2023, almost matching the USD 1.7 trillion recorded in 2019. Preliminary figures indicate tourism's direct gross domestic product (TDGP) reached USD 3.3 trillion in 2023, accounting for 3% of global GDP, mirroring 2019 levels.

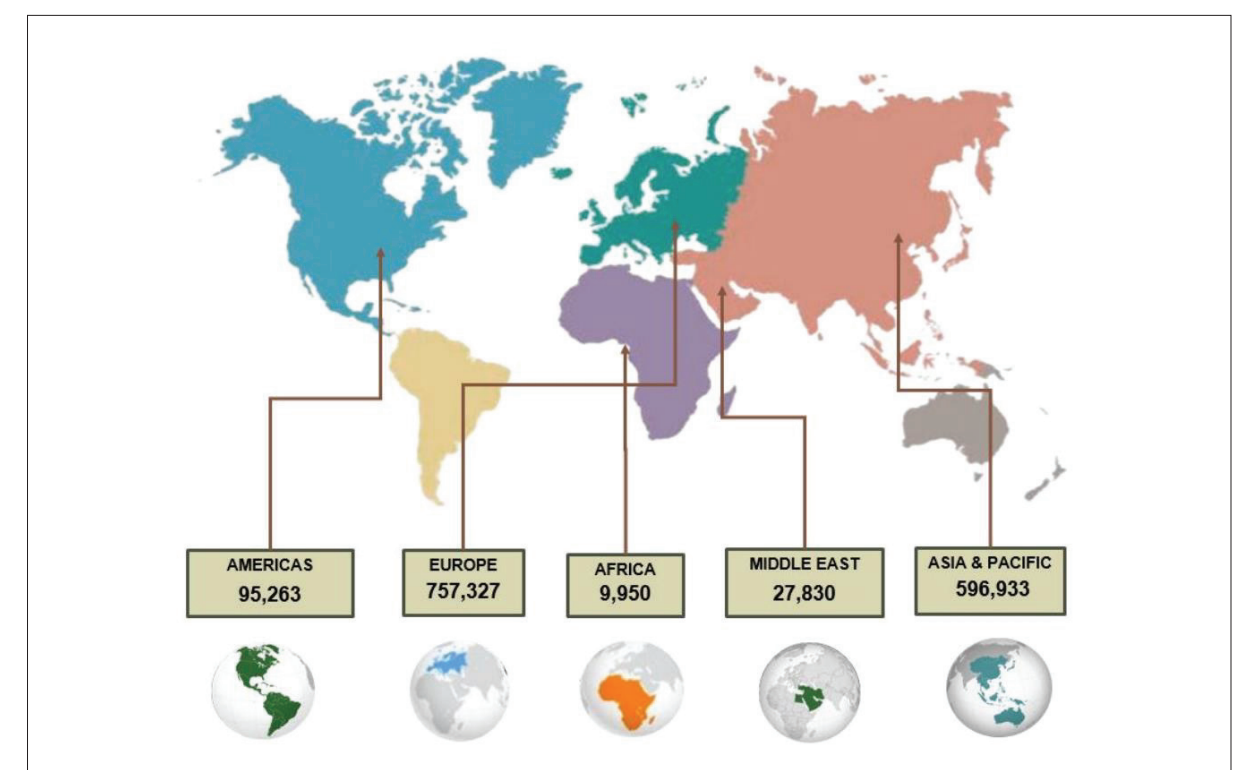
09.2 An Overview of Sri Lanka Tourism

Tourists Arrivals to Sri Lanka

During the year 2023, Sri Lanka attained a noteworthy achievement in the realm of tourism. The country surpassed the previous year's total tourist arrivals, reaching an impressive 1,487,303 visitors, a significant leap from 719,978 in 2022. This remarkable accomplishment reflects a remarkable growth rate of 106.6%, signaling a substantial increase in tourism influx. In terms of monthly arrivals, December marked the peak in tourist arrivals, registering the highest number, whereas May recorded the lowest influx of visitors.

MONTH	2022	2023	% Change 2023 / 22
January	82,327	102,545	24.5
February	96,507	107,639	11.5
March	106,500	125,495	17.8
April	62,980	105,498	67.5
May	30,207	83,309	175.8
June	32,856	100,388	205.5
July	47,293	143,039	202.4
August	37,760	136,405	261.2
September	29,802	111,938	275.6
October	42,026	109,119	159.8
November	59,759	151,496	153.51
December	91,961	210,352	128.7
Total	719,978	1,487,303	106.6

Tourist arrivals by region



Analyzing the patterns of tourist arrivals by region reveals the evolving dynamics and shifting influences that characterize Sri Lanka’s appeal to global travelers. Europe had a considerable impact on Sri Lanka, representing a substantial portion of tourists at 50.9% of total arrivals.

Simultaneously, Asia and the Pacific took the second lead as the predominant source market for tourists visiting Sri Lanka, making up 40.1% of the overall total arrivals.

The boom in tourism owes its momentum to growing demand from countries such as India, Russia, Germany, the United Kingdom, and Australia, all of which have significantly boosted Sri Lanka’s tourism sector. To explore these contributions further, the Americas accounted for 6.4% of the overall tourist arrivals, with the Middle East and Africa contributing 1.8% and 0.6%, respectively.

Top source markets

In 2023, Sri Lanka’s tourism was primarily driven by visitors from various countries. The leading source countries are India, Russia, the United Kingdom, Germany, China, Australia, France, the United States, Canada, and the Maldives. These countries played a major role in contributing to the total of 1.48 million tourists to Sri Lanka during that year 2023. Among these key markets, India held the position of the largest source, making up 20.36% share, followed by Russia at 13.28% and the United Kingdom at 8.75%. This diverse range of source markets highlights the global appeal of Sri Lanka as a tourist destination, attracting visitors from various regions.

Rank	Country of Residence	2023	% share
1	India	302,844	20.36
2	Russian Federation	197,498	13.28
3	United Kingdom	130,088	8.75
4	Germany	102,539	6.89
5	China	68,789	4.63
6	Australia	67,436	4.53
7	France	56,251	3.78
8	USA	46,344	3.12
9	Canada	43,944	2.95
10	Maldives	37,328	2.51
Others		434,242	29.20
Total		1,487,303	100.00

Sri Lanka
YOU'LL COME BACK FOR MORE

serenity in
motion



ACHIEVEMENTS MADE DURING THE YEAR 2023

10.1 Investment in Tourism

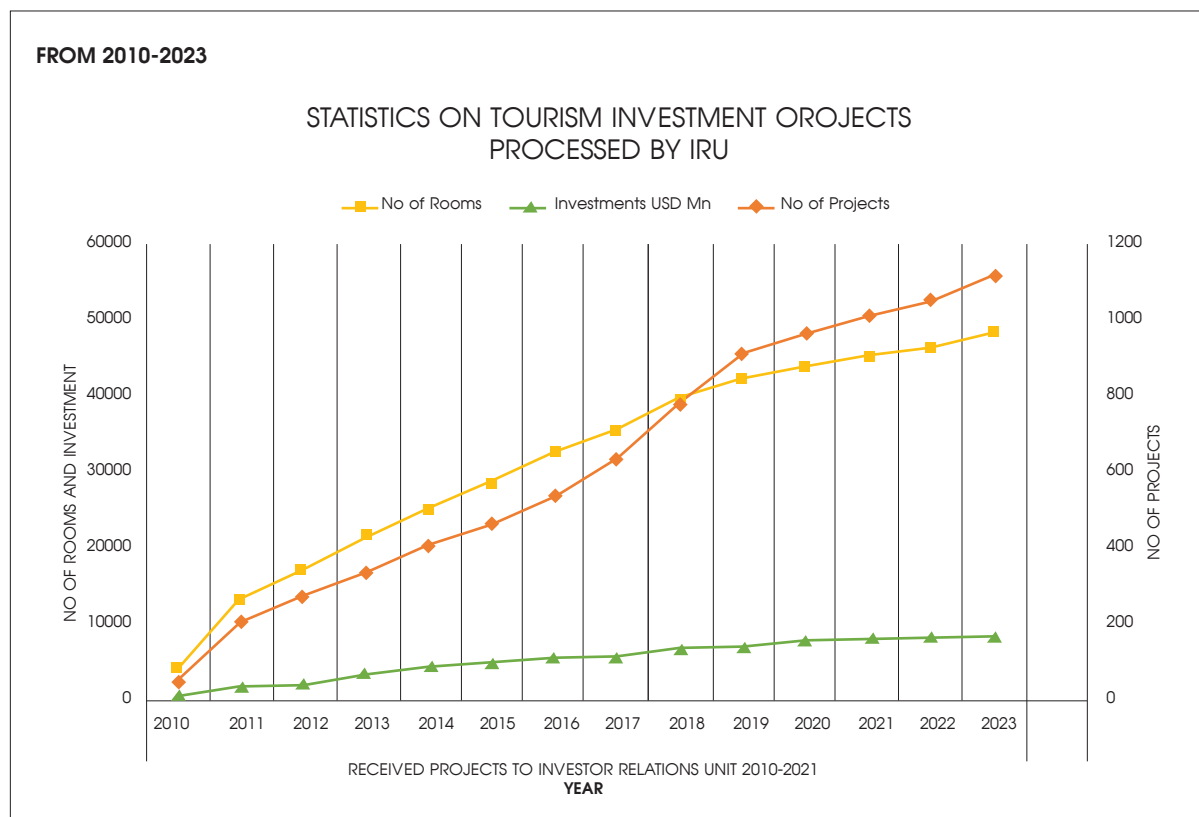
a. Facilitation of private sector investment

The year 2023 continued to be a challenging year in terms of attracting and facilitating tourism investments in the tourism sector. Despite some relief from the pandemic and economic crisis situation in 2022, the practical difficulties experienced by investors due to pandemic and the economic recession impacted on investment decision making. Despite these challenges, the Investor Relations Unit (IRU) of Sri Lanka Tourism Development Authority (SLTDA) managed to attract US\$ 237.7 million worth of new investments by the private sector.

During the period 01st January to 31st December 2023, IRU received 68 projects worth a total value of US\$ 237.70 million. This reflects a 268.89% increase in terms of the total value of projects received in the year 2022, which was only US\$ 64.44 million. These new projects include 18-star-class hotels (with five numbers of 5 Star Hotels) and twenty-five (25) small luxury hotel facilities. Out of the 68 projects received, the accommodation sector contains a total number of 1,950 rooms that are expected to be added to the total inventory of hotel rooms in the country.

In terms of the receipt of new tourism projects in 2023, the IRU managed to showcase an increasing trend with reference to previous years as represented in the chart below;

Chart 2 Projects processed by the IRU during the period 2010 to 2023



The summary of the 2023 private sector funded projects performance is as follows.

Status	No. of Projects	No. of Rooms	Investment Value US \$ Mn
Received new investment projects	68	1950	237.702
Final approval granted projects	34	1273	170.126

Above details reflect an increase of 62% in the total number of new projects compared to year 2022, while the increase in the total investment value is 268.89% over the same period. This shows that the scale of the projects received in 2023 was higher than that in 2022. The 68 new projects included 19 guest houses, 25 small luxury hotels, 18-star class hotels, 2 apartment hotels, a cable car project, a galaxy observation tower, a beach pool club and a luxury camping site.

Together with the support of all government agencies, the IRU granted preliminary clearances for 63 projects received after conducting joint site inspections and evaluating them at the Scoping Committee Meetings.

- Site Inspections carried out projects : 64
- Preliminary Approvals issued projects : 63
- No. of Scoping Committee Meetings held : 10 (50 projects were evaluated)

Although IRU received 68 projects, it did not conduct site inspections for 4 projects based on the investor's request.

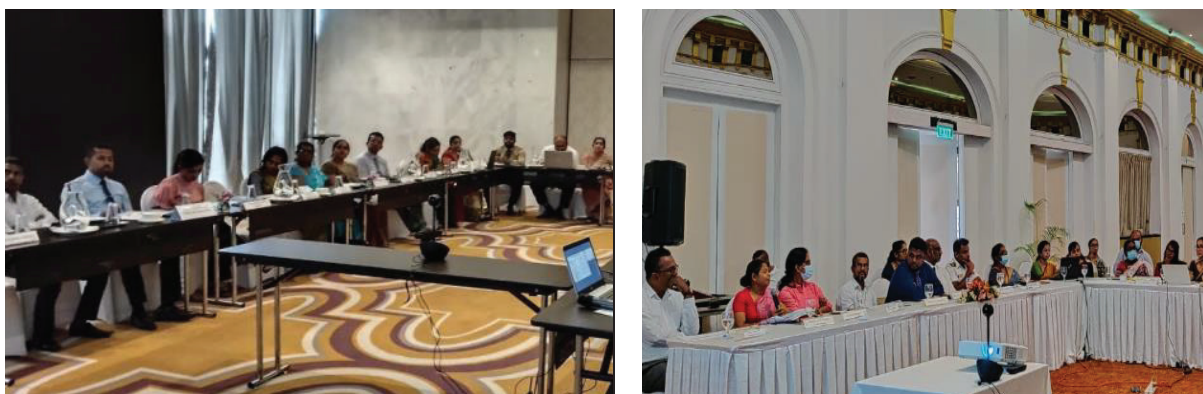
Joint Site Inspections

Joint site inspection is a mandatory step in the approving process of IRU. This important step provides all government agencies to evaluate the ground conditions, environmental sensitivities and to check compliance with respective setbacks and reservations aligning with various regulations applicable to each site.



Scoping Committee Meetings

Subsequent to the site inspections, the Investors are given an opportunity to present their tourism projects to a Scoping Committee consisting of decision-making level government officers from relevant line agencies before a decision on a Preliminary Clearance is made. Thus, there were 50 projects which were selected and evaluated at ten (10) Scoping Committee Meetings held in 2023.



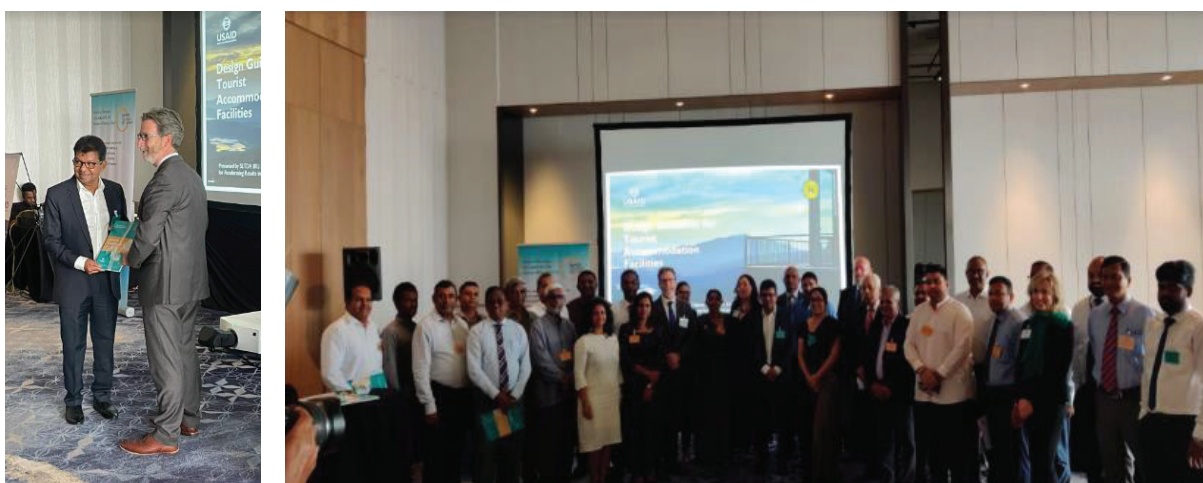
After having received all relevant approvals, IRU managed to grant Final Approvals to 34 projects with a total value of US \$ 170.126 Mn, including seventeen (17) star-class hotel developments, four (4) small luxury hotel developments, the Cable Car project in Ambuluwawa and a House Boat project (Amberflow) at the Bolgoda lake, Piliyandala.

Implementation of a streamlined Investment facilitation mechanism with healthier collaborations among the government agencies.

b. Design Guideline for Accommodation Facility Developments in Sri Lanka

In keeping with SLTDA's mandate to enhance and maintain required quality standards of tourism developments in the country, the IRU of the SLTDA took the initiative in 2020 to develop design guidelines with technical assistance from the USAID - Supporting Accelerated Investment in Sri Lanka (SAIL) project. This initiative was taken forward with the support of the USAID PARTNER project in 2022 and the task was completed, and the Guideline book was launched in March 2023.

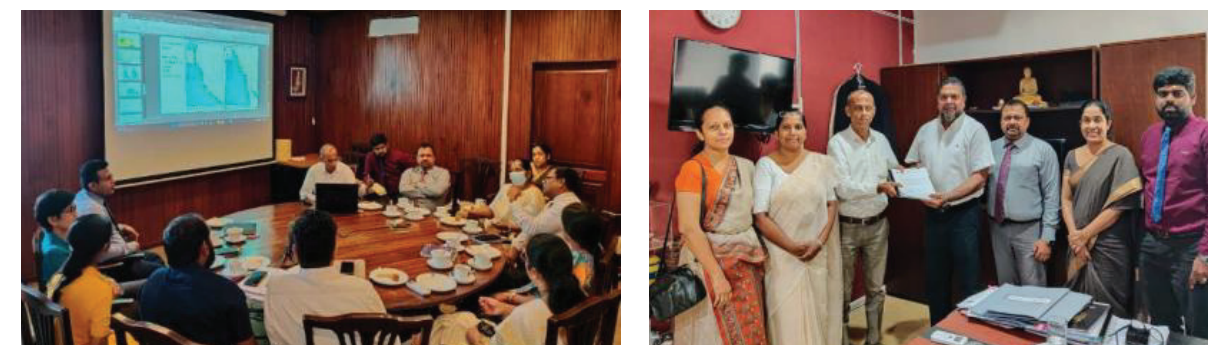
The primary purpose of this design guideline is to cater to the needs of designers-investors- builders involved in development of tourist accommodation facilities in Sri Lanka; and the need to address minimum design requirements based on the existing regulations (Gazetted or Guidelines), local building traditions and best international practices. These guidelines have been prepared for SLTDA by Ms. Merita Behluli - the Consultant Architect appointed by the USAID Partner project. The support extended by the Sri Lanka Institute of Architects (SLIA) for this valuable venture should be mentioned with gratitude. In addition, the Green Building Council of Sri Lanka, the Association of Town Planners, the government and private universities offering architecture programs in Sri Lanka together with tourism industry experts contributed with their knowledge and expertise towards this venture.



c. Technical Study to prepare Development Guidelines for Coastal Belt in Sri Lanka

Sri Lanka's coastal landscape and skyline are being rapidly altered by extensive physical development along the coastal belt, which has both positive and negative effects on the country's tourism industry. Therefore, the SLTDA realized the need for a more comprehensive policy on maintaining the heights of physical developments along the coast, and the Department of Town & Country Planning of the University of Moratuwa was invited to conduct a technical study to provide recommendations to prepare guidelines for all coastal belt developments in the country.

The final report was completed and submitted to the SLTDA by the University of Moratuwa on 23rd July 2023. It is in the progress to make it as the National Policy along with the Urban Development Authority.



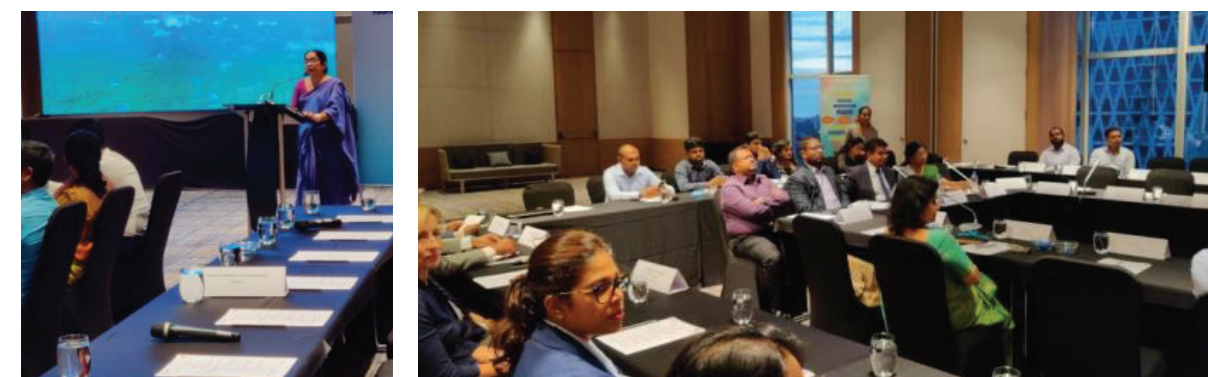
d. Enhancing knowledge of the IRU staff

A training session was organized for the staff of IRU to update the knowledge on the Immigration procedures, revised policies and regulations on visa process applicable for tourism investors. The session was conducted by Mr. M. T. Zainul Rila - Chief Immigration Officer (ETA & Visa) from Department of Immigration & Emigration on the 14th of December 2023.

e. Intragovernmental Dialogue for Joint Facilitation for Tourism Investment

IRU collaborates with forty-three (43) government agencies in granting approvals for tourism investment projects. A joint mechanism for project approvals was implemented after streamlining the entire process with specific timelines and avoiding duplicating steps. MoUs were signed with ten (10) key government agencies agreeing on terms and conditions on the joint streamlined mechanism and annually SLTDA holds a networking session to review the progress and to resolve the bottlenecks and issues of the approval process.

The third networking session with Heads of Departments of all government agencies was held on 20th March 2023 at Courtyard by Marriot with the participation of Chairmen, Director Generals and Senior government representatives of thirty-two (32) agencies. Valuable insights were received from these HoDs for further improvements of the joint mechanism. All agencies ensured their continuous support for the IRU's joint mechanism efforts for tourism investment project approvals.



f. Investment Promotions

Mr. Priantha Fernando - Chairman of SLTDA and Ms.Bhagya Mahavithanage - Deputy Director of Investor Relations Unit participated at a panel discussion at the Invest Sri Lanka event organized by YPO which was held on 18th November 2023. Thirty (30) CEOs from Asia participated for the event together with hundred and fifty (150) YPO members. This was a great opportunity to promote the investment opportunities in the tourism sector and to explain the preparedness of SLTDA to facilitate tourism investments.

g. Assistance by Indo-Pacific Opportunity Project (IPOP)

Assistance by USAID IPOP aims to assist the Sri Lankan Tourism Development Authority (SLTDA) and Ministry of Tourism in streamlining and implementing new policies and procedures to enable the fast-tracking and attraction of Foreign Direct Investments to the tourism sector. In partnership and collaboration with SLTDA, IPOP had three objectives, which made up the below three components of the project:

- 1. **Component 1:** Identify areas of growth for micro, small and medium enterprises (MSMEs) in the tourism industry;
- 2. **Component 2:** Develop a sustainability framework and provide technical support for sustainability in Sri Lanka’s tourism industry;
- 3. **Component 3:** Develop a Sri Lankan tourism development “Land Bank”, which seeks to map, record, catalogue, and publish lands available for FDIs.

The above Project activities for tourism that began in December 2022 will end by March 31, 2024.

The progress made during the year 2023 are summarized in the table below;

No	Output Targets
1	a. Research has been conducted on new product development with the involvement of the MSMEs catering to the tourism demand. b. A report on findings and recommendations is produced and validated. c. Training is provided to SLTDA officers to implement the recommendations.
2	a. A minimum of 10 new tourism products are identified with required quality standards. b. A launch plan is provided for each new tourism product. c. Training the private sector on the new products.
	d. Outreach is conducted to the private sector to engage them in the new products and raise awareness on sustainable practices.
3	a. Sustainability framework is prepared for the tourism sector in Sri Lanka incorporating international best practices. b. Sustainability Impact Assessment is prepared to discuss measurable benefits to those who adopt sustainability concepts.
4	a. Outreach materials are developed to promote sustainability. b. Sustainability training is conducted. c. Sustainability requirements are incorporated into registration and classification guidelines. d. User-friendly sustainability guidelines are developed. e. Incentive scheme is developed. f. SLITHM curriculum is developed.

5	Training sessions for staff of SLTDA conducted.
6	Training programs conducted regionally for government officers, Local governments and Divisional Secretariats.
7	Training across all three components for the private sector.
8	Population of a database to house all available GoSL tourism investment property.



10.2 Tourism Research

Tourism Satellite Account

The 2018 experimental Tourism Satellite Account (TSA) was unveiled in collaboration with key stakeholders, including the Department of Census and Statistics and the Central Bank of Sri Lanka. Dr. Poonam Munjal, the TSA consultant, and Mr. Priantha Fernando, Chairman of SLTDA, joined officials from both the Department of Census and Statistics and the Central Bank of Sri Lanka in delivering speeches and presentations during the release event.

Additionally, a one-day training session on the TSA for Department of Census and Statistics staff was conducted by the TSA consultant concurrently with the launch of the 2018 TSA.

Preparations are underway to conduct the new surveys for the next TSA in collaboration with the Department of Census and Statistics.

Other Research Studies

A collaborative effort with the Dambulla Divisional Secretary's office is underway to conduct a survey in Sigiriya. The aim is to collect information related to tourism service providers across fourteen Grama Niladhari (GN) divisions in Dambulla.

Improve tourism statistics: Use of telecommunication and other data for tourism statistics

The acquisition of telecommunications data for monitoring the foot traffic, movements, and itineraries of both inbound and domestic tourists has reached its completion. This dataset is poised to elevate the standard of tourism statistics, playing a crucial role in decision-making processes and serving various other purposes. The comprehensive insights derived from this data are anticipated to contribute significantly to enhancing our understanding of tourist behaviors, enabling more informed and strategic decisions in the tourism industry.

Approval from the board was secured to establish a Memorandum of Understanding (MOU) with Visa Cards, primarily aimed at gathering detailed expenditure information from inbound tourists. This collaboration will not only serve as a valuable source of data but also complement the existing information collected through other sources.

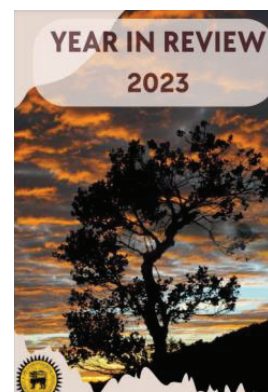
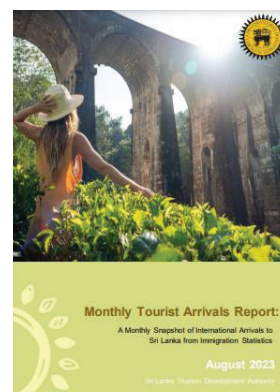
Tourism dashboard

A tourism dashboard has been developed by leveraging immigration statistics. This innovative tool aims to provide comprehensive insights into tourism trends and patterns, utilizing data obtained from immigration records. The dashboard is expected to offer valuable information for stakeholders in the tourism industry, aiding in strategic decision-making and enhancing overall understanding of tourist dynamics.

Research Publications

The following reports are compiled by the Research and International Relations division of the SLTDA and published with the intention of disseminating data pertaining to Sri Lanka's tourism industry. These publications are used by the universities to conduct further research, or by industry stakeholders to forecast and plan business activities. All these publications are available online and can be accessed through the official website of SLTDA.

- Monthly and weekly Tourist Arrivals Report
- Year in review



10.3 Tourism Product Development

a. Kalpitiya Island Resort

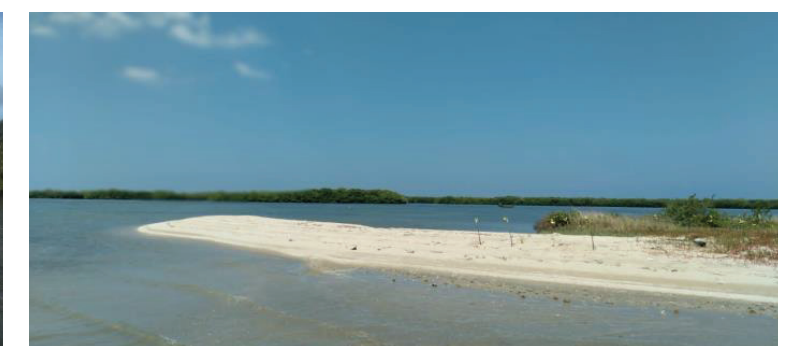
Kalpitiya, located approximately 150 km from Colombo in the Puttalam district, is an island destination with mangroves, beautiful coastal areas and the lagoon. All these along with the surrounding attractions that include dazzling beaches, rustic fishing areas, archaeological, historical and religious places of interest, underwater marine life, mangrove rich lagoon, whale/dolphin watching, kitesurfing and water sports make Kalpitiya one of the most unique tourism destinations, creating high potential for tourism development. Kalpitiya coming under the North Western Province, is connected through road, rail and air modes of transport.

The Sri Lanka Tourism Development Authority (SLTDA) has planned an integrated 'Island Resort' for the 12 islands owned by us to promote luxury accommodation including eco villas/chalets, water bungalows and cabanas. The project aims to attract US\$ 700 Mn investments which can create around 10,000 direct employment opportunities through sustainable development that will ensure responsible tourism within the sensitive island environment, surrounding marine life and related ecosystems.

Status of Island Developments

At the start of year 2023, 10 islands were leased out; Vellai I, II & III were leased out to M/s Sun Resort Lanka (Pvt) Ltd and we are following up with the investor to commence the construction works, as they await further stabilization of the construction industry prices to commence work. On the other hand, the Ippantivu Island, leased out by Qube Lanka Leisure (Pvt) Ltd. continues without any progress citing the fishing community occupying a small part of the island as the reason. This was communicated to the Ministry of Tourism as well and SLTDA will initiate legal action during 2024 to take over the island, if no progress or positive response from the investor. In addition, six more islands are leased out to five companies, namely, Messers Samagi Hotels & Travels (Pvt) Ltd. (Sinna Eramutave and Eramativu West), Nucleus International (Pvt) Ltd. (Sinna Arachchalai), Consulting Engineers & Architects Associated (Pvt) Ltd. (Eramativu), Kallang Water Villas (Pvt) Ltd. (Periyaarachchalai) and Kapitalcorp International (Pvt) Ltd (Kakaitivu). Four of these island projects are in the IRU approval process.

The two remaining islands, namely Uchchamunai (443.62 Hectares) and Battalangunduwa (118.22 Hectares) are available for potential investors and we are promoting the same.



SLTDA's Area Office and Resort Common Facilities for Resort

The official ownership transfer of the Karamba (Palaviya) Tourism Information Centre (TIC) to the Ministry of Tourism for the use by the SLTDA as its area office is not yet completed by the Divisional Secretary (DS) - Kalpitiya, but we have completed the survey work through the DS. While we are following up with the DS to get the process completed, we have obtained a consent letter from the DS-Kalpitiya for the SLTDA to start the refurbishment work of the said TIC building. The tender documents were prepared & submitted to the SLTDA procurement division to start the process to select a contractor.

The SLTDA held initial discussions with the PRDA to start the design work for a common Jetty in the mainland. We are in contact with the DS-Kalpitiya and have requested a land in a suitable location to proceed with the jetty.



b. Yala Wild Resort

Bordering the Indian Ocean from one side, the SLTDA's Yala resort is situated in the southeast corner of the island, approximately 300 km from the capital city of Colombo. We have proceeded with the development of a 'Wild Resort' in this land area of 1,136 acres owned by us in the Yala Palatupana area adjoining the Yala National park. The location is in close proximity to Kumana, Bundala, Lunugamwehera wildlife parks and Weerawila bird sanctuary. From the total resort land area, 467 acres fall within the Yala buffer zone, which as per the flora & fauna protection ordinance can only be used for activities like eco parks, jungle camping etc. The remaining 669 acres of land is what is developed as the tourism resort area, harmonizing the natural beauty, oceanic view and wildlife. The progress of the resort development during the year 2023 is as below;

Investment Projects

According to the Yala Resort master plan, seven plots of lands (excluding Jetwing and Cinnamon properties) of approximately 7 to 9 acres each were approved and leased out for investment projects. By the start of 2023, we had two projects namely, M/s Uga Resort (Pvt) Ltd. and Wild Coast Lodge (Pvt) Ltd in commercial operations, while M/s R&R Pleasure (Pvt) Ltd. completed work in 2023 and opened commercial operations under the 'Hilton' brand from September 2023. Further, the ENR Holdings (Pvt) Ltd. project too progressed very well during 2023 and their stage 1 operations are expected to commence by quarter 2 of 2024. Senok Trade Combine (Pvt) Ltd. project has been paused for a few years now after completing about 30% initially and after a joint site inspection in 2023, we have given strict guidelines for them to move ahead with the project. The Yala Holiday Resort (Pvt) Ltd. project is in the IRU approval process, while the One Nature (Pvt) Ltd is on hold due to an ongoing court case.



Promoting Yala Wild Resort as a Sustainable Destination

The SLTDA together with Yala Wild Resort hoteliers initiated action to declare the Yala wild resort as 'Palatupana Special Protected Area – PSPA'. The objective of this effort is to create distinct land-use classification to ensure effective long-term conservation, restoration, and management of this ecologically valuable and sensitive area to optimize high-value experiential nature tourism opportunities to attract premium tourists. In this regard, a joint site inspection with the participation of key hotel stakeholders and the SLTDA Chairman/officials was conducted in January 2023 and a conditional approval was obtained from the SLTDA board for the same. Thereafter through the year 2023, the Yala hoteliers worked collectively to complete forming a company limited by guarantee to engage with the SLTDA and this company formation is expected to be completed by early 2024.

The SLTDA progressed well in 2023 on the Solar Microgrid System - a project assisted by the ADB with University of Moratuwa and LECO as partners. The objective of this project is to provide a sustainable solution for higher electricity tariffs and possible power interruptions. To facilitate this project, the SLTDA worked with the Department of Wildlife Conservation (DWLC) and the Survey department to reopen boundaries and clearly demarcate the SLTDA land area and the 1 mile buffer zone, in order to decide on key activity of laying of the solar panels for power generation, Towards the end of the year, the ADB also obtained the services of DFCC bank to conduct a financial feasibility study for the said project.



During 2nd & 3rd quarters of 2023, there was a period of drought and no rains, where SLTDA initiated support to the DWLC by providing water through bowzers to fill the water holes within the Yala National Park. Thereafter, the Yala area experienced extremely unusual heavy rains and thus, SLTDA had to hold back the planned repair & maintenance work of the access road inside the resort and go for a temporary repair solution towards the end of the year. A long-term solution for this access road needs to be discussed and agreed during the year 2024.

c. Kuchchaweli Beach Resort

The SLTDA owned 510 acre property in Kuchchaweli is developed as a 'Beach Resort' targeting an up-market tourism product in the Eastern Region. This land area is demarcated by Irrakkandy and Salapayaru bridges between the beach and the main road. Already, the master plan is completed for the said beach resort to ensure systematic development of the property.

Investment Projects & Lands available for Investors

By the start of year 2023, there were 5 investors who leased out land plots in the Kuchchaweli Beach Resort; Uga Jungle Beach Resort (Pvt) Ltd. is in operations in an area of 15 acres in land LOT No. 04. Mfar Hotels & Resorts Ltd. had leased out 20 acres in LOT No.04 and made all due payments up to date. Due to a long delay in project

work commencement, the SLTDA continuously followed up and sent them the final reminder in January 2023, indicating possible legal action. As a result, a Senior Officer of the company made a site visit from India during the month of March 2023 and confirmed their interest in moving ahead with the project, but requested for about a year to get things organized from their end. By June 2023, they appointed a local representative for the company and we are regularly following up with him. The third investor, M/s Negombo Holiday Resort (Pvt) Ltd. who signed the lease agreement for a 14 acre land in Lot No.3 in 2021, is proceeding with necessary approvals and is in the process of the EIA study. The other 2 investors who had signed lease agreements were Solana Investment (Pvt) Ltd. (10 Acres in Lot No.04) and Protect Property (Pvt) Ltd (10 Acres in Lot No.05) and they both are in the project construction approval process. In addition to above, a new lease agreement was signed in 2023 with Palm Hut Beach Villas (Pvt) Ltd (10 Acres in Lot No.05) and they are in the process of finalizing their drawings. In addition, another selected investor Kapital Corp International (Pvt) Ltd (20 Acres in Lot No.05) made a request for a name change and we are in the process of obtaining the clearance for the same to proceed.

Further, the Nilaweli Hotel Management (Pvt) Ltd property was approved and the clearance on the name required by the SLTDA legal department was obtained with Hon. Tourism Minister's consent during the year 2023 and the lease agreement was also finalized by both parties and thus it is expected to sign the lease agreement by 2024. Another selected investor is Seth-Ru-Ma Ayurvedic Paradise, but they are yet to sign the lease agreement, as there is a difference between the approved land extent and the surveyed land extent. We expect to resolve this matter during 2024 and proceed.

According to the Master Plan developed by the SLTDA, it is recommended to leave approximately 138 Acres of land for common/community facilities, office and administration buildings, road network and animal movements, and also to reserve further 137 Acres of land as an elephant habitat conservation. Therefore, after leaving land for the leased out and lease finalized investor projects, there are approximately 110 Acres of vacant/available lands for potential investors. During the year 2023, we have received some proposals from interested investors, which are in the process of assessment by the Development Proposal Evaluation Committee.

Site Office Establishment

Although the site office building designs were completed and submitted to local authority (PS) for approval in 2021/2022, considering the country situation and the government's direction to temporarily hold capital projects, we could not move forward in 2023 on establishing a site office. Given these restrictions, as a temporary measure, in 2024 we will be considering creating an office space in a container box.

d. Dedduwa Lake Resort

Dedduwa is a 1716 Acre property owned by the SLTDA in the Galle District of the Southern Province, 7 kms East of Bentota. The ecology of this area includes marshy wetlands, abandoned paddy fields, mangroves and jungle areas as well as water bodies. The SLTDA's intention is to develop it as an "Integrated Lake Resort" to promote a unique, environment friendly tourism experience with star class accommodation, water sports, adventure and other recreational activities and community-based tourism linked with local culture and agro tourism. However, there seems to be issues with regards to land boundaries, where there are clear encroachment issues. The work initiated by the SLTDA for boundary reopening and survey/fencing work in 2021 could not be completed due to this and we have continuously asked for assistance from the Divisional Secretary of Bentota to address and clear this issue, which is progressing at a very slow pace. The SLTDA intends to develop a Master Plan for the project after an initial research & feasibility study, but based on a direction received from higher authorities we have put this work temporarily on hold.

In the meantime, during the year 2023 we progressed towards acquiring the beach connectivity for the Dedduwa property, where relevant 29 acres of lands were surveyed. Accordingly, the DS - Bentota is expected to receive instructions by early 2024 from the land ministry to proceed with Section 4 of the Land Acquisition Act for public notice and identification of landowners.

e. New Resort Developments in the Northern Province

- (a) **Mannar** - During 2023, the SLTDA continued discussions and followed up with the DS - Mannar Town and the Land Ministry through the Ministry of Tourism to expedite the process of acquiring the identified lands of approximately 130 acres for the resort development purpose.
- (b) **Delft Island in Jaffna** - After continuous efforts, during the year 2023, the DS of Delft recommended to vest the identified land of approximately 19 hectares to the SLTDA and SLTDA is following up on the same with the Land Commissioner General through the Ministry of Tourism to complete the vesting process.

f. SLTDA owned lands in Trincomalee

Rasool Thottam land in Nilaweli

This land is approximately 60 acres located in a key tourism destination 'Nilaweli Beach', which is in close proximity to the Pigeon Island - one of the two marine national parks in Sri Lanka. This property was illegally occupied by many encroachers for a long time, but after following the proper and lengthy legal procedure, in January 2022, the SLTDA took over the possession of approximately 43 acres of land. By the end of year 2023, there were still a few cases being heard in the District and Magistrate's Courts of Trincomalee & Kuchchaweli, while SLTDA has also served quit notices for the remaining encroached parties to proceed with the legal procedures.

The SLTDA in 2022 developed a concept to design and develop a green tourism village based on sustainable development goals (SDG's) and once the entire property is cleared, we intend to proceed and develop a detailed master plan, while taking necessary measures to secure and protect the land boundaries. SLTDA has prepared the terms of reference (TOR) for this purpose.

During 2023, some investors who showed interests in initiating hotel projects in the said land and one of them submitted a project conceptual proposal, which is currently under the evaluation process carried out by the DPEC. In addition to that, in 2023 one of the encroachers approached SLTDA and requested to enter into lease agreements for a hotel project, which is currently in the negotiation phase.

Medway Estate in Nilaweli

This is located in Nilaweli, Trincomalee consisting of 21 acres; 2 Roods; 12 Perches, which was vested with the then Ceylon Tourist Board by a Gazette notification. After a long legal battle and court proceedings to remove a squatter, in December 2021 the peaceful possession of the lands was handed over to two initial lessees, namely, Associated Resort Developers (Pvt) Ltd (currently known as GAIA Resorts (Pvt) Ltd. - agreement no. 7925 & land areas 10 Acres) and to Fortune Premier (Pvt) Limited (agreement No. 379 - 11 acres, 1 rood and 16.51 perches). However, in January 2023, both these lessees requested SLTDA to cancel their lease agreements and take over the property, stating that owing to the unstable economic situation in the country, they were unable to invest in the hotel project immediately or continuously pay the monthly lease rentals. Accordingly, based on the direction of its Board of Management, the SLTDA took back possession of the land in March 2023 and have deployed security to protect and secure the land boundaries, as there is a possible threat from the previous encroacher who lives very close to the property.

During the year 2023, there were few potential investors who showed interest in initiating hotel projects in this land and one of them had submitted a project conceptual proposal, which is currently in the process of assessment by the DPEC.

g. Tourism Development Master Plans (TDMP)

The following progress was made during 2023 on the TDMP related work carried out through the Urban Development Authority (UDA) as per the MoU signed with them;

- (1) **Arugambay TDMP** - Although the final report was completed, the Arugambay TDMP is expected to be fully incorporated into the Pottuvil-Lahugala Development Plan and published by UDA. The preparation of Pottuvil- Lahugala Development Plan has been further delayed incorporating the outputs of the Eastern Province Strategic Tourism Master Plan that will be prepared with the consultancy assistance of Surbana Jurong (Pte) Ltd.
- (2) **Nuwara Eliya TDMP** - After incorporating certain requirements that came out based on H.E. the President's stakeholder meetings in Nuwara-Eliya held during 2023, the final adjusted TDMP report was completed in December 2023 and was submitted to the H.E. the President. According to UDA, the TDMP components falling within the Greater Nuwara Eliya area mainly focusing on Nuwara Eliya MC have been incorporated into the Greater Nuwara Eliya Development Plan and published and the balance parts will be incorporated into the Development Plans of the respective local authority areas.
- (3) **Hikkaduwa TDMP** - The 1st stakeholder meeting was held, and an interim report was completed by December 2023. The draft final report submission and the 2nd stakeholder meeting is expected to take place in the first quarter of 2024 and the final report by May/June 2024.
- (4) **Kalpitiya TDMP** - The first stakeholder meeting together with proposed investor project discussions were held and the interim report is in the final stages of preparation and the submission is expected by January/February 2024. The draft final report submission and the 2nd stakeholder meeting is expected to take place by April 2024 and the final report by June/July 2024.

h. Supporting & promoting provincial level tourism products and services

Developing tourism with provincial level involvement is not only vital for sustainability, but also for promoting unique tourism opportunities available at local levels. In this process, community awareness and empowerment are the key that can drive the eco-tourism concepts in a sustainable manner. Community tourism, which relies on the uniqueness of destinations, is expected to fulfill the optimal visitor experience with high demand in tourism destinations.

With the objective of facilitating provincial level community-based tourism through empowering local stakeholder communities, opening avenues to distribute economic benefits of tourism by supporting demand for accommodation and other potential opportunities such as arts, craft, nature, eco, agro base etc., the SLTDA in 2022 started working with local authorities and divisional secretaries at the provincial level. SLTDA is conducting workshops to create awareness on theme homestay village concept as well as knowledge building on customer service, food & beverage services, cookery, low-cost marketing & maximizing sales together with the legal aspects of business. The resource team consists of internal staff members of SLTDA and four such programmes were held during 2023 as detailed below.

- (1) Panama (Eastern Province) in January 2023.
- (2) Lankagama, Neluwa (Sabaragamuwa Province) in February 2023.
- (3) Sinharaja, Kudawa (Sabaragamuwa Province) in October 2023.
- (4) Jaffna, Delft (Northern Province) in December 2023.

These programmes were very well received by the participants and local authority officials, where the majority from the communities have indicated their willingness to actively involve in the tourism sector going forward.

i. National Holiday Resort - Bentota

This resort is developed on SLTDA owned land and ensuring smooth management of the resort is a part of SLTDA's responsibility to maintain it at the required standards with enhanced services. In order to facilitate this, the SLTDA is providing infrastructure and other common facilities for resort hotels and partners, such as beach and common area cleaning, sewer treatment, water supply, internal road maintenance etc.

The major projects initiated in the year 2021 that included repair and refurbishment of the post office building & managers quarters and construction of the three storied staff accommodation building were carried out with huge challenges due to economic crisis, fuel limitations, power cuts and extraordinary rise in construction materials and they were completed and handed over to SLTDA by end of May 2023. In addition, the upgrading work of the water supply network including the Pitaramba pumping stations, the underground pipeline system from them to the overhead tanks and the main pumping station that distributes water, was completed and handed over to SLTDA at the same time.

During the year, SLTDA paid service fees to the Government Valuation Department to assess the renovated post office building, shopping mall and three-storied staff accommodation building and as soon as SLTDA obtains the valuation details in 2024, SLTDA intends to promote the same for leasing out purposes for the right type of investor, who can add value to the resort operations.



j. National Holiday Resort – Passikudah

During the year 2023, as in the past the large outstanding amounts due from the Passikudha resort hotels in the form of lease rentals and utility bills, hindered the SLTDA's ability to invest to improve service standards of the resort. However, since the resort showed great signs of recovery during the year 2023, continuous discussions were held with hoteliers and other relevant authorities and following actions were taken betterment of the resort;

- (a) Resolved the street lighting issue and completed the installation of 210 street lights covering the entire resort area by end December 2023.
- (b) Full cleaning of the resort common areas completed by 2023 quarter 3.
- (c) With the assistance of a specialist from the DWLC, we conducted a detailed research and study on the crocodile issue within the resort canal and obtained a full report with suggested solutions for managing the crocodiles ensuring safety of visitors.
- (d) Looked at the possibility of addressing immediate issues that included a broken pedestrian bridge and children's play area, which we intend to address in 2024.
- (e) Conducted continuous dialogue with the CSTP (Common Sewerage Treatment Plant) service provider and the operating hotels, considering different options to reach a mutually acceptable solution to the burning issue of outstanding CSTP service payments and we got very close to reaching a solution by the end of year 2023.

k. Community-based tourism development project

The Korea Tourism Organization (KTO) of the Republic of Korea and the Sri Lanka Tourism Development Authority (SLTDA) initiated a community-based tourism development project at Habarana in Sri Lanka during the year 2023.

The KTO, Ministry of Tourism & Lands, Department of External Resources and SLTDA signed the Record of Discussion (RoD) in February 2023. Accordingly, the SLTDA and the KTO commenced the implementation of community-based tourism project worth of USD 1.6 million in the Habarana area, which will be a full grant to the Sri Lankan government.

The project objective is to enhance the community-based tourism development in the North Central region of Sri Lanka and to produce the following outputs to achieve the stated objective of the Project:

- A. Establishing tourism development programs;
- B. Building capacities; and
- C. Strengthening local tourism infrastructure.



The duration of the implementation of the project is from the date of signing of the original RoD, which is from February 15, 2023 up to November 30, 2024. The Project was launched in July 2023 with the participation of Korean delegates and the Secretary, Ministry of Tourism with relevant Ministry and SLTDA officials. After the project launch, the SLTDA together with the KTO presented the project concept to the key stakeholders and identified the potential locations for the project. Accordingly, for the Service Center the proposed area is the Habarana rest house land, while for the Community Based Tourism Village (CBT Village), the areas adjoining the Habarana Lake was proposed and commenced the project with the Baseline survey with the assistance of Rajarata University students.

I. Development of the Marine Tourism Road Map for Sri Lanka

With the country's ocean area being 8 times larger than the land area, the attention was directed at having a well-managed marine tourism sector in Sri Lanka. In March 2023 the SLTDA called for a meeting of all key stakeholders of the Marine tourism sector, where a Steering Committee was formed consisting of 24 members representing 16 institutions covering both public and private sector entities. Thereafter, under the assistance of the Asian Development Bank (ADB), an international consultant was hired to work with the members of the steering committee and the industry stakeholders providing guidance and taking leadership to develop the Marine Tourism Road Map for Sri Lanka.

The appointed consultant worked with Steering Committee and relevant stakeholders during the period June to September 2023 and completed the first phase of the report, covering the coastal areas from Kalpitiya through the southern belt all the way up to Trincomalee, focusing on three key cities, namely, Kalpitiya, Galle and Trincomalee. This report was developed based on desktop studies, site observations and inputs from key stakeholder partners, identifying marine related tourism opportunities and their sustainable development. The final draft report was verified and validated with the Steering Committee.

The phase two of the project commenced in late November 2023, concentrating on the Northern Province covering the coastal areas from Mannar through Jaffna and Mullativu up to Trincomalee. After desktop review data gathering, the site visits and stakeholder meetings were conducted in the relevant areas during November & December 2023. The consultant is expected to complete the draft report of phase 2 by early 2024, which will be then taken for stakeholder feedback and comments and then the final draft will be completed and validated with the Steering Committee. After combining phase 1 and phase 2 reports, we expect to have the Marine Tourism Road Map for Sri Lanka ready by Quarter 2 of 2024.



10.4 Sustainable Tourism

Sustainability is a key focus in Sri Lanka's tourism sector, with initiatives aimed at ensuring long-term economic, social, and environmental viability. The country's sustainable tourism approach encompasses various strategies, including stakeholder engagement, certification schemes, destination management, and capacity building.

Sri Lanka has implemented a range of measures to promote sustainable tourism, such as establishing certification schemes for accommodations and SMEs, conducting value chain studies, and raising awareness among stakeholders. Collaborations with international organizations like the UNDP BioFin project have further enhanced these efforts.

Efforts have also been made to address challenges such as over-tourism and environmental degradation through initiatives like carrying capacity studies and clean-up campaigns. The establishment of a Sustainable Tourism Unit within the Ministry of Tourism underscores the government's commitment to integrating sustainability principles into tourism policies and practices.

Overall, Sri Lanka's sustainable tourism approach reflects a holistic commitment to balancing economic growth with environmental conservation and community well-being, positioning the country as a responsible and attractive destination for travelers seeking authentic and sustainable experiences.

National Sustainable Tourism initiatives and SDG achievement in tourism

1. Tourism Strategy 2017-2020: The strategy aimed to achieve several Sustainable Development Goals (SDGs), including SGD 8 (Decent Work and Economic Growth), SGD 12 (Responsible Consumption and Production), and SGD 14 (Life Below Water). One of the actions recommended (Action 95) was the establishment of a National Sustainable Tourism Certification (NSTC) Scheme.
2. MOU with UNDP BioFin project (2018): A memorandum of understanding (MOU) was signed with the UNDP BioFin project to implement certification for the accommodation sector. This collaboration likely aimed to enhance sustainability practices within accommodations.
3. Pilot project with 37 awards: A pilot project was undertaken, resulting in the recognition of 37 entities with awards for their sustainable tourism efforts. The CEO and Director of the Asia Pacific division of the Global Sustainable Tourism Council (GSTC) likely played a significant role in this endeavor.
4. Sustainable Destination Development: Initiatives were launched to develop sustainable destinations in nine provinces. This likely involved implementing strategies to mitigate the environmental impact of tourism while supporting local communities and economies.
5. Stakeholder Awareness during COVID-19: Despite the challenges posed by the COVID-19 pandemic, efforts were made to raise awareness among stakeholders about sustainable tourism practices. This likely aimed to ensure that sustainability remained a priority even during crises.
6. Carrying Capacity and Value Chain Studies: Studies were conducted for Sigiriya and Knuckles to

assess their carrying capacity and value chain dynamics. This information is crucial for managing tourism in a sustainable manner, ensuring that destinations can support visitors without causing harm to the environment or local communities.

7. Certification of Sigiriya as a Sustainable Destination: The Ministry of Tourism (MOT) decided to move forward with certifying Sigiriya as the first sustainable destination. This decision was likely based on the findings of the aforementioned studies and aimed to showcase Sigiriya as a model for sustainable tourism.
8. Establishment of STU: The Sustainable Tourism Unit (STU) was established in early 2023 at SLTDA to oversee and coordinate sustainable tourism initiatives. This unit was equipped with office equipment and furniture funded by the BioFin project.
9. SME Awareness and Certification: Awareness campaigns targeting small and medium-sized enterprises (SMEs) were conducted in all nine provinces. Additionally, efforts were made to certify SMEs in the tourism sector, with the goal of certifying the first 100 by 2023.
10. Clean-up Campaigns and Awareness Series: Clean-up campaigns were organized to address environmental issues related to tourism starting from Sigiriya. Furthermore, a series of awareness programs were likely conducted to educate both tourists and locals about sustainable tourism practices.
11. Self-Assessment System: A self-assessment system was developed and launched in 2024, presumably to allow tourism businesses to evaluate their sustainability practices and identify areas for improvement.
12. Destination Coordinator Training: Training sessions were conducted to equip destination coordinators with the necessary skills and knowledge to effectively manage sustainable tourism initiatives at the local level.

10.5 Quality Maintenance of Tourism Products and Services.

The Standards & Quality Assurance Division (S&QA) of SLTDA, is the regulatory body of all Tourist Service Providers in Sri Lanka.

In recent years, the Sri Lankan Tourism Industry has faced significant challenges, particularly due to the impact of the COVID-19 Pandemic and the subsequent economic crisis. However, the year 2023 marked a notable resurgence in the tourism industry following the aforementioned crises.

The main scope and function of the Standards and Quality Assurance (S & QA) division is to regulate all establishments that serve domestic and foreign tourists. The division ensures compliance with international standards and regulations governing tourist establishments and services. Specific functions include:

1. Registration and renewal of licenses.
2. Liquor license recommendations to the Excise Department, both for new licenses and renewals.
3. Visa recommendations to the Department of Immigration & Emigration.
4. Conducting inspections to assess establishments' compliance with standards.
5. Conducting awareness programs.
6. Conducting mobile services to reach establishments in different locations effectively.
7. Handling inquiries from the public, providing assistance and information as needed.

A. Registration and Renewal Details of Tourism Establishments and Services for the Year 2023

Table 1 - Number of accommodation and other service sectors registered with SLTDA – 2023

No	Category	Registration 2023		Up to 31/12/2023	
		Units	Rooms	Units	Rooms
Accommodations					
01	Classified Tourist Hotels	14	1,775	168	16,686
02	Heritage Hotels	02	301	02	301

03	Tourist Apartment hotel	0	0	03	42
04	Boutique Hotel	04	54	42	876
05	Boutique Villa	0	0	51	357
06	Eco Lodges	01	20	01	20
07	Tourist Hotel	11	1043	209	8,763
08	Guest House	252	2,710	1,668	18,453
09	Themed Accommodation	0	0	01	11
10	Tourist Bungalows	231	999	1,289	4,227
11	Tourist Hostels	01	10	12	143
12	Camping Sites	02	13	22	183
13	Rented Homes	04	11	13	36
14	Rented Apartments	06	33	84	325
15	Heritage Bungalows	0	0	04	19
16	Heritage Homes	0	0	02	02
17	Home Stay Units	96	285	1,087	3,255
Sub Total		624	7,254	4,658	53,699

Services			
No	Category	Registration 2023 Units	Up to 31/12/2023 Units
18	Tourist Restaurants	249	841
19	Food Court	0	01
20	Tourist Friendly Eating Places	188	387
21	Spa & Wellness Centers	15	130
22	Spice Garden	01	34
23	Tourist Shops	08	94
24	Water Sport centers	02	44
25	Travel Agency	209	1,245
Sub Total		672	2,776
Grand Total		1,296	7,434

Table 2 - Number of tour guides registered with SLTDA - 2023

Category	Sub Total	Total up to (31/12/2023)
National	91	1,891
Chauffeur	76	1,552
Area (SLTDA + Provincial)	86	1,336
Site	03	105
Total	256	4,884

SLTDA recommends visa and liquor licenses (including hard liquor and soft liquor licenses) for selected tourist establishments and services. In 2023, SLTDA issued 1389 recommendations for hard liquor licenses and 730 recommendations for soft liquor permissions.

In 2023, SLTDA issued 358 visa recommendations to the Department of Immigration & Emigration.

Category	No. of Establishments		
	Soft Liquor	Hard Liquor	Residence Visa
Classified Hotels	-	113	85
Boutique Hotel	04	33	01
Boutique Villa	04	31	01
Heritage Hotels	-	03	04
Tourist Hotels	12	133	12
Apartment Hotel	-	-	-
Guest House	184	689	25
Tourist Hostel	02	-	-
Eco Lodge	-	01	-
Camping Site	12	02	-
Tourist Bungalows	151	-	-
Home Stay Units	72	-	-
Tourist Restaurants	106	384	49
Eating Places	136	-	-
Food Court	-	-	-
Spa	-	-	110
Travel Agency	-	-	72
Water Sport	-	-	09
Total	683	1389	368

B. Classification of Tourist Hotels

The progress on hotel classifications conducted by the Hotel Classification Committee from January 1st, 2023, to December 31st, 2023.

Table 3 - Number of hotels classified as at end 2023

Category	During the year 2023	As at end 2023
5 Star	01	30
4 Star	04	30
3 Star	01	27
2 Star	04	41
1 Star	04	41
Boutique Hotel	02	38
Boutique Villas	0	50
Heritage Hotels	02	02
Total	18	259

Table 4 - List of Awareness programs & Mobile services conducted - 2023

No	Province	Area	Date
1	Western	Negombo	21st March 2023
2	Central	Sigiriya	30th May 2023

3	Central	Nuwaraeliya	31st August 2023
4	Southern	Tangalle	18th May 2023
5	Southern	Hikkaduwa	26th May 2023
6	Southern	Galle	14th June 2023
7	Southern	Weligama	18th July 2023
8	Southern	Habaraduwa	15th August 2023
9	North Central	Polonnaruwa	24th July 2023
10	North Central	Anuradhapura	04th October 2023
11	Northern	Jaffna	28th, 29th March 2023
12	Eastern	Pasikudah	25th April 2023
13	Eastern	Arugambay	08th June 2023
14	Eastern	Trincomalee	8th August 2023
15	Eastern	Arugambay	27th November 2023
16	Uva	Haputhale	11th February 2023
17	Sabaragamuwa	Pinnawala	19th September 2023



Negombo



Tangalle



Hikkaduwa



Argumbay



Polonnaruwa



Habarana



Nuwara Eliya



Anuradhapura

Inspection Officers' Workshop



Inspection Officers' (Adventure) Workshop



Twinning programs for SLTDA registered Home Stay owners (With the support of ADB and Jetwing Hotels)



Galle



Dambulla



Training Programs

No	Programme	Province	Location	Date
1	Tourist Police Workshop	Western	Ramada Hotel, Colombo	15th June 2023
2	Inspection Officers' Workshop	Western	Taj Samudra Hotel, Colombo	05th July 2023
3	Inspection Officers' (Adventure) Workshop	Western	Taj Samudra Hotel, Colombo	10th July 2023

Tourist Police Workshop



Jaffna



Twinning program conclusion - Colombo

Pottuvil



Kandy



Negombo



11.6 Tourist Promotions

International meetings and conferences

SLTDA participated in the following meetings, conferences and other events organized by UNWTO and PATA

No	Name of the Programme	Attendee/s	Achievements/Outputs
1.	Unwto's 35th Join Meeting Of Cap-Csa, 55th Cap & 59th Csa Meetings And The Unwto Global Conference On International Code For The Protection Of Tourists In Phnom Penh, Cambodia From 15th To 17th June 2023	Ms. Rajeeeka Ranathunga- Assistant Director / International Relations, SLTDA	Sri Lanka was elected as the Vice Chair for the period of 2023-2025. Consequently, in the next UNWTO CSA meeting scheduled to take place in Cebu, Philippines, Sri Lanka's Minister of Tourism will serve as the Vice Chair of the Commission for South Asia. Sri Lanka was also elected as a member of two UNWTO committees committee on tourism and sustainability (Cts) committee on tourism and competitiveness (Ctc).

2	PATA Destination Experience Forum and Mart, Sarawak, Malaysia from 21st -23rd June 2023	Mr. E.S.G. Edirisinghe- Board Member of SLTDA	The Board Member acquired the essential knowledge of the tourism industry needed to make efficient and effective decisions while serving on the SLTDA's Board.
3	10th Global Tourism Economy Forum (GTEF), Macau SAR China from 21st to 23rd September 2023	Mr. Priantha Fernando, Chairman, SLTDA	SLTDA's Chairman participated as a guest speaker in the panel discussion on "Sustainability In Focus: Navigating The Future Of Tourism In Asia"
4	25th General Assembly of UNWTO in Samarkand, Uzbekistan from 16th to 20th October, 2023	Mr. Buwaneka Herath, Secretary, MoT & Lands Mr. Priantha Fernando, Chairman, SLTDA	Sri Lankan delegation had bilateral meetings with the Maldives, Bangladesh and Bhutan delegation
5	17th UNWTO/PATA Forum on Tourism Trends and Outlook, Guilin, China from 26th to 28th October, 2023	Ms. Sandaprabha Kathiriarachchi, Assistant Director, S&QA, SLTDA	The participant gained in depth knowledge about the current trends in Tourism
6	17th UNWTO Asia/Pacific Executive Training Programme on Tourism Policy and Strategy , Da Nang, Vietnam, from 13th to 16th November, 2023	Ms. Poornima Kumarasinghe, Assistant Director, Human Resources Development, SLTDA	The participant gained thorough knowledge about the HR policy in Tourism
7	UNWTO Workshop on the 2024 PoW for Asia and the Pacific Madrid, Spain from 12th to 15th December, 2023	Ms. Rajeeeka Ranathunga- Assistant Director / International Relations, SLTDA	Sri Lanka engaged in separate discussions with the UNWTO's Department of Technical Cooperation and Silk Road regarding future technical cooperation.



Mr. Priantha Fernando, Chairman SLTDA participated as a panelist in the GTEF 2023

UNWTO online course Sustainable Destination Management (UNWTO & HSLU)

UNWTO granted 30 scholarships to SLTDA for an online course focusing on Sustainable Destination Management. The R & IR assisted staff members to initiate the course. A total of 23 internal staff members and 7 individuals from the tourism industry were afforded the chance to enroll in this valuable program.

International Webinars

The R & IR Division systematically compiled information on webinars conducted by international tourism organizations for dissemination among SLTDA, SLTPB, SLCB, SLITHM, and industry stakeholders. The following is a summary of the webinars shared in the year 2023.

Organizer	Name of the Webinar	Date
PATA	Understand the Impact of China’s Reopening on APAC’s Travel Demand	26/1/2023
PATA	2022 Travelers Trends, a Year in Review by Expedia	23/2/2023
PATA	Digital Marketing for SMEs & Hospitality by Trip Advisor	27/4/2023
UNWTO	3rd edition of Best Tourism Villages by UNWTO initiative (2023) _Sri Lanka	
PATA	Sustainability in the Pacific	17/05/2023
UNWTO	Sixth INSTO Insights Webinar: Measurement In The Area Of Solid Waste Management at The Destination Level	7/6/2023
UNWTO	Help us to Promote the Mega Events and MICE Tourism Startup Competition	
PATA	ATA x Airbnb: Cultural Heritage and Tourism - Best Practices from Asia Pacific	6/7/2023

Local Events

World Tourism Day 2023

SLTDA organized the National Celebration of World Tourism Day 2023. The event was held on 27th September under the theme “Tourism and Green Investments: Investing in People, Planet & Prosperity” in Hotel Marino Beach, Colombo 03.

World Tourism Day is an annual event celebrated worldwide on September 27th. It serves as a global platform to raise awareness about the significant role that tourism plays in fostering socio-cultural exchange, economic growth, and sustainable development.

The official celebration achieved its core objectives:

- Raising Awareness: Participants gained a deeper understanding of the importance of green investments in the tourism sector, reinforcing the commitment to sustainable practices.
- Showcasing Success: The event showcased successful examples of sustainable tourism practices and green investments, inspiring attendees with real-world case studies.
- Promoting Collaboration: Stakeholders from various sectors explored opportunities for collaboration and partnership to drive sustainable tourism initiatives forward.
- Knowledge Sharing: The platform provided rich opportunities for knowledge sharing, with participants exchanging best practices and innovative ideas.

Outcome: The event drew a physical attendance of more than 200 participants, encompassing individuals from various sectors such as the tourism industry, banking, donor agencies, government line agencies, and media.

Promotion of the event took place on Facebook, generating 350 leads. Furthermore, the event was live-streamed on Tourism Sri Lanka’s Facebook and YouTube accounts, accumulating over 4.5 thousand views as of the date of this report.



Tourism Expo



SLTDA collaborated with USAID IPOP to conduct the Tourism Expo. The primary objective was to provide valuable learning opportunities for small business operators. The outreach session aimed to equip small business operators with the necessary knowledge and tools to transform their enterprises. These learning opportunities spanned across various critical areas, including enhancing digital communication skills, strategically positioning niche experiences, understanding travel trends, and meeting the evolving expectations of travelers.

Other Local Events:

I. Workshop on the National Tourism Policy

The R & IR Division coordinated a workshop on the National Tourism Policy, specifically designed for senior staff from the Ministry of Tourism and Lands, SLTDA, SLTPB, SLCB, and SLITHM. The event took place on the 3rd and 4th of August, 2023 at Cinnamon Bay in Beruwala. The workshop’s main goal was to acquaint participants with the National Tourism Policy and ensure the synchronization of strategic action plans with the aforementioned policy.

II. Media Conference

A media conference was convened, bringing together delegates from both local and international print, digital, and broadcast media. The primary aim of this gathering was to raise awareness concerning negative travel advisories, specifically focusing on those related to Germany. Steering this press briefing were Dr. Dietmar Döring, the Head of AGSEP Research, and Mr. Priantha Fernando, Chairman of SLTDA. The event served as a platform to address concerns and provide insights into the challenges posed by travel advisories, particularly highlighting their impact on the tourism industry.

10.7 Domestic Tourism

a. Media tour to Anuradhapura

Anuradhapura Sacred City is famous among the domestic and international visitors. Majority of the visitors are locals. There are many ancient monuments and natural attractions in Anuradhapura.

To promote Anuradhapura and surrounding area among the foreign and domestic visitors, and extended overnight stay in Anuradhapura, The Government Information Department organized a media campaign and visit with SLTDA on 10th and 11th of February 2023.

b. Night market and culinary exhibition at Pinnawala - 27 & 28 May 2023

This event was to showcase the rich culinary diversity of the region, attracting tourists and food enthusiasts and sales items found domestically.



c. Arugambay Beach Clean-up event held on 16-17 August 2023

The activities were cleaning the beach, raising awareness about environmental conservation, and encouraging stakeholder participation.



d. Madunagala Craftsmen Shelter and Access Road to new restaurant

The purpose of the Madunagala Craftsmen Shelter and Access Road to Project restaurant is to enhance the existing hot spring attraction in Madunagala, Embilipitiya, by providing facilities for local craftsmen and improving access to a new restaurant. This project seeks to boost tourism and economic development in the region.

e. Pinnawala School Awareness Programme 22nd November 2023 at Elephant Bay, Pinnawala

The awareness aimed to empower students with knowledge and skills for a successful and responsible future in the growing tourism sector. The programme was organized by the Domestic Tourism and Community Relation Division team, Pinnawala Hotels Association, Provincial Tourism Ministry in Sabaragamuwa, STU team and UNDP.



f. Stakeholder Awareness and Initiation of the 2nd Sustainable Destination - Seethawaka- Avissawella

It was held on 15th November 2023 at Seethawaka Regency – Avissawella

g. Committee Member Training Program on Sigiriya Sustainable Destination Certification

A training program with Committee members for Sigiriya Sustainable Destination Certification was held on 21st & 22nd September 2023 from 9.00 am to 4.00 Pm at Foundation Institute at Colombo 7.

h. Sigiriya Tourist Destination Cleaning Campaign - 6th December 2023

Sigiriya Tourism Destination Cleaning Campaign aimed to promote cleanliness and responsible tourism. It brought various stakeholders together to raise awareness and collectively contribute to maintaining the pristine environment of Sigiriya. Organized by the Sri Lanka Tourism Development Authority Domestic Tourism and Community Relation Division, CCF & Cultural Triangle Hotels Association, DS Office, Sigiriya Pradeshia Sabha, UNDP-BioFin and Green Destination.



i. Tourism police unit at Mount Lavinia

One of the factors considered by tourists in deciding on an overseas destination is safety and security. The tourism strategic plan highlights the need to strengthen the resources and presence of Tourist Police. 24 Tourist Police Units are to be located in tourist areas around the country to provide a better safe and secure environment to tourists. The foundation stone laying ceremony was held on 09.12.2021.



j. Tourist drivers' training programme

Tourist Drivers play an important role in the development of the tourism industry. Therefore, SLTDA train tourist drivers to serve tourists.

The training programmes were conducted by Vocational Training Authority (VTA) and Sri Lanka institute of Tourism and Hotel Management (SLITHM). About 3500 tourist drivers completed that training programme and 3274 Nos. tourist drivers' ID cards were issued up to date.



10.8 Resort Management

The Resort Management Division is responsible for the operation, management and development of four (04) Trading Resorts and two (02) Non Trading Resorts (Service Resorts) as well as overlooking 37 Rest Houses which are operated by private sector investors through lease agreements signed with SLTDA. In addition to that, invoicing and collecting lease rentals, rent revision, revaluation, lease renewal etc.

SLTDA leased out the rest houses for the private bidders following the procurement process to manage and operate and collect the land lease recommended by the government valuer.

In the year 2023, we invoiced invoices for all leased land for an amount of LKR 155 million and total recoveries of LKR 121 million excluding NHR Bentota.

The Resort Management Division restructured in May 2023 and both non trading resorts (service resorts) were handed over to the Tourism Planning & Development Division.

(01) Trading Resorts

The SLTDA operates four trading resorts in Bandarawela, Nuwara Eliya, Kataragama and Anuradhapura and non-trading resorts in Bentota and Passikudah. During the period the standards of the resorts were upgraded and improved to the satisfaction of the guests. In addition routine maintenance and renovation works were carried out and completed to attract domestic tourists.

Further, the total refurbishment of common facilities, accommodation facilities and public areas with face lifted appearance which meets the current market trend requirements.

In the year 2023, SLTDA plans to start renovating and adding new facilities to the SLTDA owned Trading National Holiday Resorts located at Bandarawela, Nuwara Eliya and Katharagama.

Terms of reference (TOR) were prepared and approval was given from the Director General to hire Central Engineering Consulting Bureau (CECB) as project consultant for repair, renovation and new construction works at NHR Bandarawela, Nuwara Eliya and Kataragama. Thereafter, obtained Board approval to appoint Central Engineering Consultancy Bureau (CECB) as Project Consultant for the refurbishment and new construction works by developing a new master plan which is to be implemented at National Holiday Resorts located at Bandarawela, Nuwara Eliya and Katharagama.

At present NHR Anuradhapura is refurbished as per the master plan developed under the consultancy of Department of Buildings and work is in progress. Link corridor between new accommodation block, restaurant and common female toilets at the lobby area completed and handed over to clients in September 2023. Staff Accommodation, Laundry, Kitchen, Driver Accommodation are at the stage of completion.

Initiated to call bids for annual service maintenance of 80 KVA diesel generator at NHR Kataragama and 75 KVA Teksan Diesel Generator at NHR Bandarawela and Nuwara Eliya for five (05) years.

The land plot of 35.5 perches in extent which was owned by Sri Lanka Tourism Development Authority (SLTDA), utilized by the Sri Lanka Navy at Colombo – 01 during the war period, was officially handed over back to SLTDA. The above mentioned land plot will be leased back to Kingsbury Hotel (as this land was earlier utilized by them and it's an adjoining land plot) after value and enter into a lease agreement following the standards procedure.

(02) PA REST HOUSES LEASED OUT TO PRIVATE OPERATORS

SLTDA earned LKR 16 million annually as lease rent income from these rest houses.

Officials from the Resort Management Division have visited most of the rest houses and assessed service standards, general maintenance, new constructions and renovation work. Major defects are notified and a reasonable time period is given to rectify them.

Interns from university of Moratuwa were recruited to prepare a conceptual plan with landscaping to cover the rest houses to maintain the uniformity.

System generated invoicing for all land lease holders was implemented.

10.9 SLTDA Supporting Services

A. Information Communication Technology

The ICT Department manages the entire ICT infrastructure of SLTDA, SLTPB, and SLCB. Some of the highlights of the year 2023 are as follows.

- Web front
Upon submission, SLTDA website won the Merit Award (4th place) in government category.



- Travel Card
SLTDA together with NDB and Sampath Banks, entered into MoUs to launch respective travel cards for tourists. This will enable bringing in Forex into formal channels, and further enables data related to expenditure patterns and behavior to be available for better decision making.



- Fuel QR



The Fuel QR program developed by the internal ICT team, continued for one year till August 2023. Through the program SLTDA enabled the tourism industry to have access to about 2.5 million liters of fuel during the crisis for transportation needs of tourists.

- Online License Registration Services

Services continued to give licensing facilities, thereby enabling Sri Lankan tourism industry stakeholders to access government and non-government various relief programs. The E-Learning platform created for tour guides continued to operate.

Work commenced and is in progress to upgrade the online registration service to improve and bring in the latest technology. This will result in a modern, easy to use software platform for parties who seek registration with SLTDA.

- Preliminary work is done to initiate automating the Human Resources and Investor Relations Unit.

- Work in progress of E-Learning platform for Homestays by SQA department (with the assistance of Asian Development Bank) and tourist information focused Mobile App by SLTPB (with the assistance of Asian Development Bank).
- Cloud based email and workflow platforms further evolved and operated while improving internal efficiencies.
- Overall ICT infrastructure improvements were carried out including upgrading the wireless access points, replacement of aged computers with modern laptops, licensing certain software, firewall rules fine tuning, etc. This has a direct relationship to improving work efficiencies and securing information.
- Server and Link optimization continued, as an expense control measure. This initiative saved about Rs. 9.56 million per year for SLTDA.

B. Legal Division

Main functions of the Legal Division

- Providing legal advice to day to day functions of the SLTDA.
- Drafting of Legal documents pertaining to the legal actions instructed against the SLTDA and cases instructed by the SLTDA and appearing in Courts, Labour Tribunal and Human Rights Commission and before the Commissioner of Labour and other Tribunal.
- Coordinating and attending consultations with the Attorney General's Department and Private Counsels on legal matters on behalf of the SLTDA.
- Preparation and execution of Agreements, such as, Service Agreements, Contract of Employment, Lease Agreements etc.
- As and when, if a need arises, advise the Chairman, Director General and Human Resources Development in disciplinary matters and drafting of documents required to take action in relation to disciplinary matters.

Agreements completed

- Executed 03 nos of Lease Agreements
- 17 nos of other Service Agreements completed

Collection of Lease Rent Arrears

- Steps are underway for the collection of due payments for properties leased by SLTDA. Up to 30th September 2023 the amount collected was Rs. 91 million.

Court Cases

- Filed 07 cases in the Magistrate Court of Kuchchaweli
- Concluded 01 case (SCFR/314/2020)
- Settled 01 Human Rights Case

Total Pending Cases

- Supreme Court - 10
- Court of Appeal / Appellate High Court - 18
- District Court -09

- Magistrate Court - 13
- Total pending cases : 50

Opinion given

Nearly 25 nos of opinions given to S & QA Division and other Divisions
Opinion given on 06 agreements

Complaints handling

More than 100 complaints were handled.

Process of finalization of Guidelines of 10 Tourism Services

Steps are underway to hire a panel of lawyers to represent SLTDA in outstation cases

- Tourism Development Areas of Mirissa, Nuwaraeliya, Galle, Ella, Kandy and Matara have been gazetted.
- Tourism Development Areas of Dambulla, Habarana, Sigiriya, Udawalawa, Panadura, Wadduwa, Deniyaya, Matale have sent to Government Printers

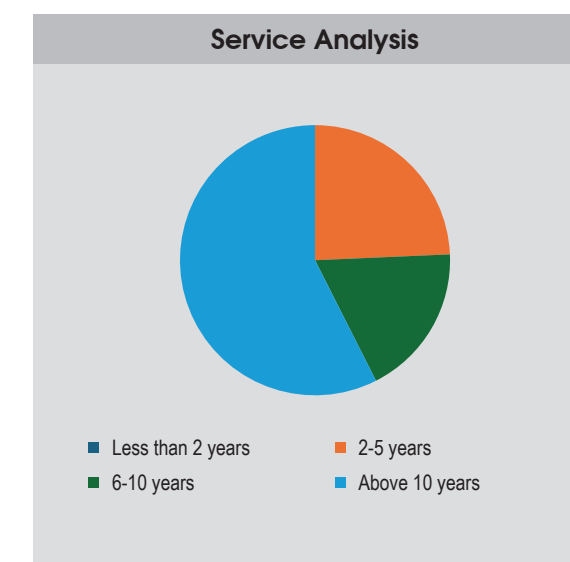
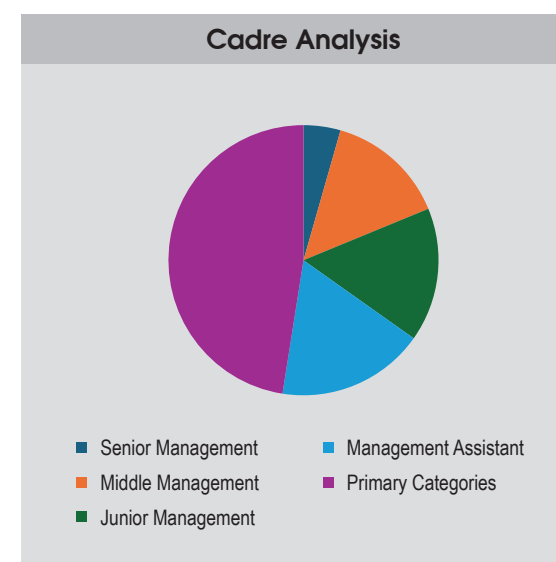
Gazetting of Minimum Room Rates

Gazetted a Price Regulation Order regarding minimum room rates.

C. Human Resources & Premises Management

Human Resources

In 2023, the Human Resources & Premises Management division at the Sri Lanka Tourism Development Authority (SLTDA) played a pivotal role in ensuring the organization's workforce remained effective and motivated. Throughout the year, the HR division focused on fulfilling human resources requirements. Comprehensive training and development programs were implemented to upskill employees, aligning their capabilities with the evolving needs of the industry. Furthermore, the division diligently monitored employee performance and conducted regular evaluations to promote a culture of accountability and excellence. The HR division also spearheaded efforts to ensure compliance with labor laws and regulations, safeguarding the rights and well-being of SLTDA staff. The total staff cadre as at December-2023 stood at 181. The annual staff turnover rate was 5.1%.





D. Internal Audit Division

Internal Audit Division

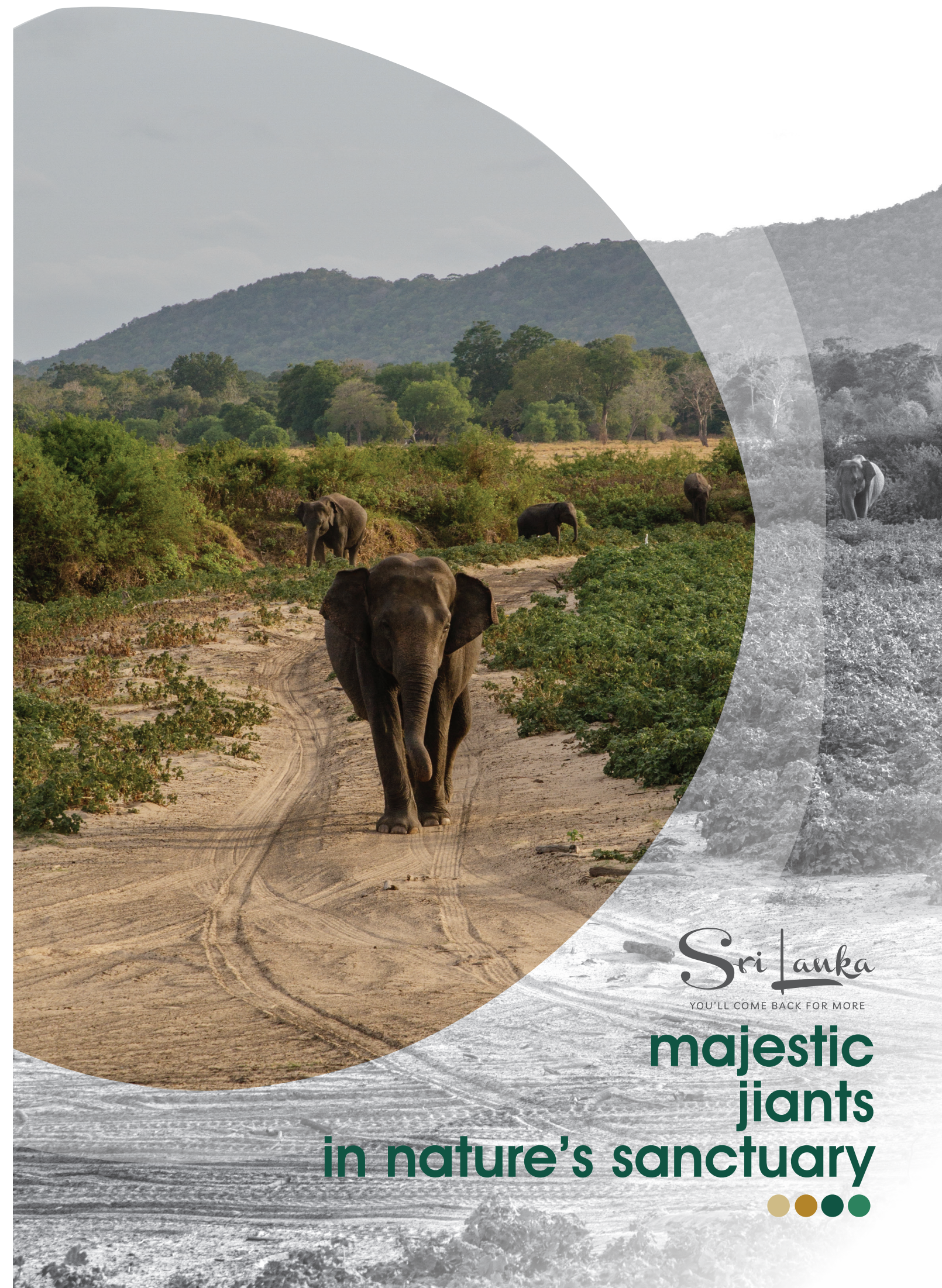
Internal Audit is an independent division of SLTDA. SLTDA Annual Audit Plan 2023 enables the SLTDA to achieve organizational objectives by adopting a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, controls, and governance processes.

During the year, the Internal Audit division issued 33 audit reports and 3 observation reports on findings, suggestions, and recommendations. The actions taken by the relevant officers resulted in minimizing costs, minimizing discrepancies in accounts, and streamlining the process through better internal control systems.

In addition, the Internal Audit division conducted four quarterly Audit & Management Committee meetings during the year 2023 adhering to the General Treasury requirements. This assisted in sorting out a number of financial and operational issues in SLTDA.

The Internal Audit division also contributes in preparing SLTDA's land register in coordination with the Valuation Department. SLTDA did not have a proper land register, but now over 98% of the lands have been valued and taken into the financial statements enabling to show a correct picture in the accounts.

In addition, the Internal Audit division actively supported the management in preparing SLTDA's Annual Reports from year 2014.



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majestic
giants
in nature's sanctuary

SLTDA champions tourism by developing it into a key economic driver of Sri Lanka.
SLTDA is known for partnership, innovation, and excellence.

Name	- Sri Lanka Tourism Development Authority
Legal form	- Statutory corporation incorporated under the Tourism Act No. 38 of 2005
Head Office address	- No. 80, Galle Road, Colombo 3
Contact details	- Tel: 0112 426 800, 0112 426 900 Fax: 0112 437 953; Web: www.slt-da.gov.lk
Locations of National Holiday Resorts	- Bentota, Girthale, Kalpitiya, Kuchchaveli, Passikudah, Polonnaruwa, and Yala
Locations of Domestic Holiday Resorts	- Anuradhapura, Bandarawela, Kataragama and Nuwara Eliya
Auditor	- Auditor General of Sri Lanka
Banker	- Bank of Ceylon

Board members of SLTDA during the year 2023

i. Mr. Priantha Fernando	- Chairman, SLTDA
ii. Mr. Nalin Perera	- Director General, SLTDA
iii. Ms. Anoma Nandani	- Board Member (Treasury Representative)
iv. Mr. M. Shanthikumar	- Board Member (Industry Representative)
v. Mr. Sabry Bahaudeen	- Board Member (Industry Representative)
vi. Mr. Nishantha Cooray	- Board Member (Minister's representative)
vii. Mr. Nishad Wijetunga	- Board Member (Industry Representative)
viii. Mr. E.S.G. Edirisinghe	- Board Member (Local Government Representative)
ix. Ms. Uma Neranjan	- Board Member (Ministry Representative)

Members of Audit and Management Committee during the year 2023

• Ms. Anoma Nandani	- Chairman (Board Member -Treasury Representative)
• Mr. Sabry Bahaudeen	- Member (Board Member - Industry Representative)
• Mr. Nishantha Cooray	- Member (Board Member - Industry Representative)
• Ms. Karthi Naheem	- Secretary, Internal Auditor, SLTDA

Senior Management during the year 2023

Name	Division	Designation
Mr. Nalin Perera	Director General's Office	Director General (Acting)
Mr. Upali Rathnayake	Deputy Director General's Office	Deputy Director General
Mr. Mihira Liyanaarachchi	Human Resources and Premises Management	Director
Dr. Prasad Jayasuriya	Tourism, Planning and Development	Director
Mr. Udana Wicramasinghe	Research & International Relations	Director
Ms. Tharanga Rupasinghe	Standards and Quality Assurance	Director
Mr. Sampath Ganepalaarachchi	Financial Management	Director
Mr. Chinthaka Abeykoon	Information and Communication Technology	Director
Ms. Karthi Naheem	Internal Audit	Internal Auditor

FINANCIAL PERFORMANCE

The main source of income to SLTDA is grouped into four categories. Namely, Embarkation Levy (EL), Tourism Development Levy (TDL), Resorts operation and other income.

EL directly depends on inbound and outbound tourism, and TDL depends on income generated from both domestic tourism and inbound tourism.

Table 5 - Financial performance: income earned from 2019 to 2023 (Rs. Million)

Year	2019	2020	2021	2022	2023
Embarkation Levy	292.50	68.53	67.75	373.70	611.51
Tourism Development Levy	131.45	76.99	114.25	132.15	281.45
Fees & Licenses	184.85	113.14	90.88	150.83	201.79
Surplus from Resorts operation	-4.99	4.89	0.71	23.97	5.56
Other Income	59.01	113.83	154.43	305.66	169.73
Total Income	662.83	377.39	428.05	976.31	1270.04

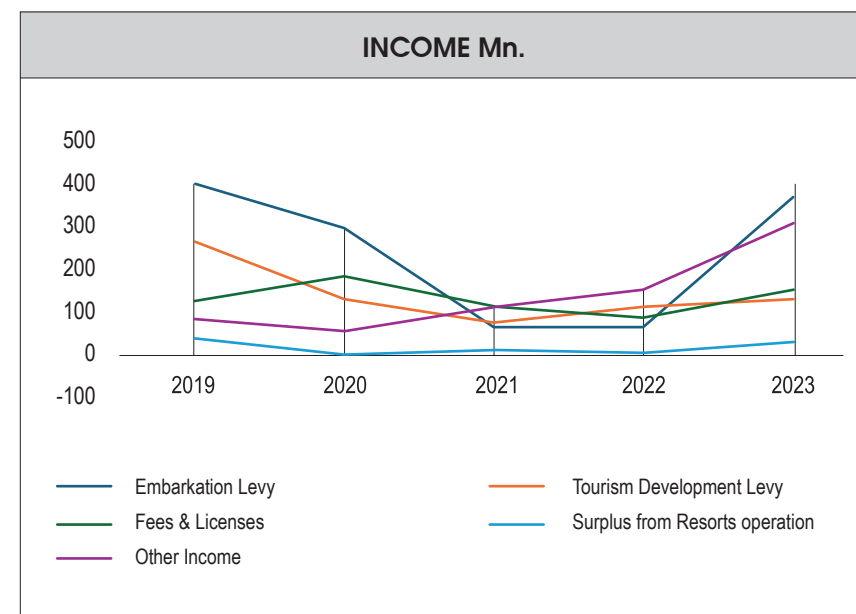
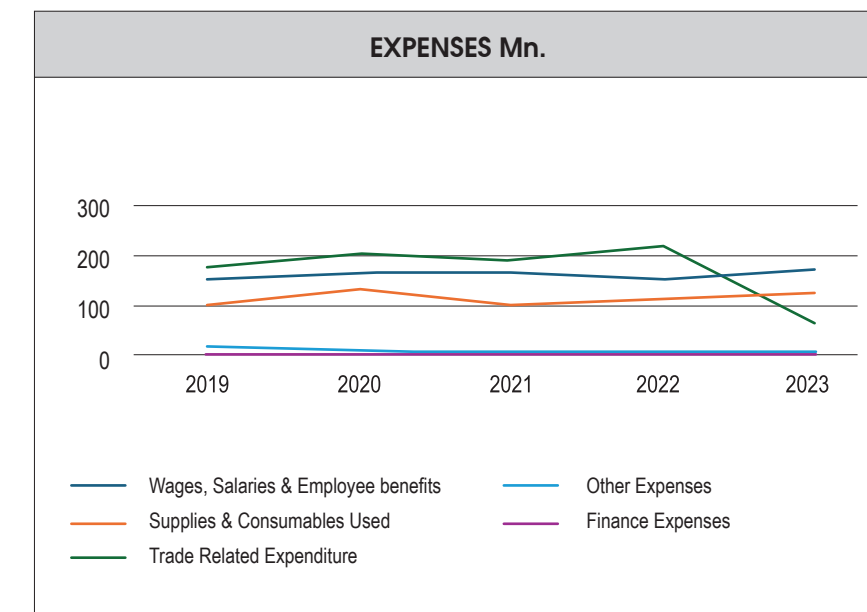


Table 6 - Expenses incurred from 2019 to 2023 (Rs. Million)

Year	2019	2020	2021	2022	2023
Wages, salary & employee benefits	165.97	167.69	153.36	167.83	175.17
Supplies and consumables	131.27	97.68	109.92	122.5	147.86
Trade related expenses	199.45	187.4	216.04	65.41	79.69
Other expenses	2.2	4.7	4.41	3.06	43.32
Financial expenses	0.25	0.24	0.31	0.13	0.21
Total	499.10	457.7	484.04	358.9	446.25





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annual
account



SRI LANKA TOURISM DEVELOPMENT AUTHORITY
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER, 2023

	Note	2023 (Rs)	2022 (Rs)
ASSETS			
Current Assets			
Cash and cash Equivalent	4	2,213,616,368	1,537,710,695
Trade and other Receivables	5	1,419,532,656	1,206,332,758
Inventories		12,738,961	7,660,960
Other Current Assets	6	29,827,717	73,459,431
Total Current Assets		3,675,715,702	2,825,163,844
Non-Current Assets			
Property, Plant & Equipment	7.1	2,799,955,261	2,433,413,941
Application Software	7.1	3,657,312	4,747,622
Work-in-Progress	8	242,282,096	321,858,837
Development Cost	7.2	243,595,950	214,850,160
Investment Property	3.9	39,288,801,368	
Long Term Investments	9	8,392,208	127,997,049
Total Non-Current Assets		42,586,684,195	3,102,867,609
Total Assets		46,262,399,897	5,928,031,453
LIABILITIES			
Current Liabilities			
Trade Creditors and Other Payable	10	835,901,545	760,285,920
Revenue in Advance		2,951,002	2,881,679
Accrued Expense		76,657,085	91,468,026
Bank Overdraft	21	6,605,437	39,860,014
Total Current Liabilities		922,115,069	894,495,639
Non Current Liabilities			
Provision for Retirement Gratuity	11	75,902,598	73,568,208
Total Non Current Liabilities		75,902,598	73,568,208
Total Net Assets/ Equity		45,264,382,230	4,959,967,606
NET ASSETS/EQUITY			
Government Account		14,272,174	14,272,174
Capital Reserves		-	(243,736,884)
Kalpitiya Equity	20	46,396,422	46,396,421
Revaluation Reserve		40,535,583,823	945,835,503
Capital Contribution		1,436,043,833	1,436,043,833
Revenue Account		3,230,396,957	2,759,467,538

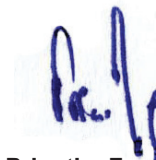
Sinking Fund
Tourism Fund
Total Net Assets/Equity

759,021	759,021
930,000	930,000
45,264,382,230	4,959,967,606

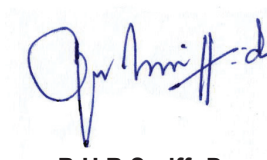


Sampath Ganepalaarachchi
Director/Financial Management

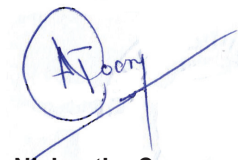
The Accounting Policies on Pages 86 to 93 and notes on pages 94 to 117 form an integral part of these Financial Statements. The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed their behalf.



Priantha Fernando
Chairman



B H R SariffoDeen
Director General



Nishantha Cooray
Board Member

SRI LANKA TOURISM DEVELOPMENT AUTHORITY
STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 31 DECEMBER, 2023

	Note	2023 (Rs)	2022 (Rs)
Revenue			
Embarkation Levy		611,513,016	363,700,478
Tourism Development Levy	13	281,450,980	132,159,455
Fees and Licenses	14	201,793,810	150,831,159
Surplus/(Deficit) from Resort Operation	15	5,560,257	23,957,243
Other Income	16	169,737,054	305,666,132
Total Revenue		1,270,055,117	976,314,467
Expenses			
Wages,Salaries & Employee Benefits	17	175,178,484	167,835,861
Supplies and Consumables Used	18	147,864,707	122,507,700
Trade Related Expenditure	19	79,692,657	65,416,674
Depreciation and Amortization Expense		37,247,355	14,875,345
Other Expenses	20	43,327,285	3,066,910
Finance Expenses	21	219,398	135,102
Total Expenses		483,529,886	373,837,592
Surplus / Depicit for the Period before Tax		786,525,231	602,476,875
Tax Expense		35,394,488	22,716,252
Net Surplus / Depicit for the Period after Tax		751,130,743	579,760,623

SRI LANKA TOURISM DEVELOPMENT AUTHORITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER, 2023

	2023 (Rs)	2022 (Rs)
Cash Flows from Operating Activities		
Net Surplus / Deficit)for the Period before taxation	786,525,231	602,476,875
Adjustments for		
Depreciation	127,704,905	92,885,316
Increase/(Decrease) in Provision for Doubtful debts	-	4,639,569
(Gain)/ Loss on Disposal of Property Plnt & Equip	(336,861)	(1,061,070)
Bank Interest Received	(135,029,687)	(102,903,325)
Adjustments for salary deduction of sales PPE	58,640	14,070
Exchange Gain	(5,788,731)	(71,778,549)
Exchange Loss	40,053,510	130,998
Broken Items written off from PPE	19,415	26,395
	-	-
Transferred amount to Community Relation and Tourism Zone Development Expense account from WIP	12,592,885	5,206,222
Provision for Gratuity	5,621,690	44,895,766
Operating Surplus/(Deficit) before working capital changes	831,420,997	535,636,623
Changes in Working Capital		
(Increase)/Decrease in Inventories	(5,078,001)	(3,030,189)
(Increase)/Decrease in Trade & Other Receivables	(213,199,898)	(15,464,372)
(Increase)/Decrease in Other Current Assets	43,631,714	(2,369,240)
Increase/(Decrease) in Trade & Other Payables	75,615,625	79,017,067
Increase/(Decrease) in Revenue in Advance	69,323	2,549,369
Increase/ (Decrease) in Accrued Expenditure	(14,810,941)	21,324,793
	(113,772,178)	82,027,428
Cash flow from operating activities	717,648,819	617,664,051
Gratuity Paid	(3,287,300)	(1,286,610)
Tax paid	(32,618,241)	(6,346,253)
Net cash Flow from Operating Activities	681,743,278	610,031,188
Cash Flow s from Investing Activities		
Purchase of Property,Plant and Equipment & W IP	(88,030,214)	(161,993,093)
Sale of Property,Plant and Equipment	221,012	1,034,675
Interest Received for Staff Loan	940,630	885,340
Bank Interest Income received	114,285,544	55,906,473
Net Cash flowfrom Investing Activities	709,160,250	505,864,583
Cash Flows from Financing Activities		
	-	-
Net Cash Flow from Financing Activities	-	-
Net increase in Cash and Cash Equivalents	709,160,250	505,864,583
Cash and Cash Equivalents at beginning of the period	1,497,850,681	991,986,098
Cash and Cash Equivalents at end of the period	2,207,010,931	1,497,850,681

SRI LANKA TOURISM DEVELOPMENT AUTHORITY
STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER, 2023

	Government Account	Capital Reserves	Kalpitiya Equity	Revaluation Reserve	Capital Contribution	Revenue Account	Sinking Fund	Tourism Fund	Total
Balance as at 01 January 2023	14,272,174	(243,736,884)	46,396,421	945,835,504	1,436,043,833	2,759,467,538	759,021	930,000	4,959,967,607
Prior Year Adjustment						2,743,001			2,743,001
Being corrected as per the Int.audit query regarding idt receivable from slpb & slcb for the year 2021-2022									
Being corrected as per the Int.audit query regarding idt receivable from SLTPB & SLCB for the years 2021-2022						54,464			54,464
Being reporting the shortage receivable balance from TDF as at 31.12.2022						72,189,460			72,189,460
Being cancelled the cheque No 256764 witch including unclaimed cheque account (cheque date 10/02/2022)						1,240,000			1,240,000
Being correction over provision on WHT receivable before fs 2020 (cumulative over provision values from year 2015)						(4,292,588)			(4,292,588)
Being error correction of the depreciation related to the upgrading of central a/c system in SLTDA						11,578,339			11,578,339
Correction of account depreation as per IAQ 50/2023/12 over account of retention money capitalized 2021(ac system) now de account corrected 2 years						437,036			437,036
Correction of posting errors - being payment of previous years rent income to the relevant account						5,133,289			5,133,289
Being reporting the overprovision done for SLTPB as at 31.12.2022						(2,645,570)			(2,645,570)
Fund transfer to the consolidated fund, deputy secretary to the treasury						(75,000,000)			(75,000,000)
Being correction of previous years rent income to the relevant account						10,550,518			10,550,518
Being correction of sundry debtors account						(173,286)			(173,286)
Breakages Adjustment 2022						22,196			22,196
Adjusted Balance as at 01 January 2023	14,272,174	(243,736,884)	46,396,421	945,835,504	1,436,043,833	2,781,304,397	759,021	930,000	4,981,804,466
Adjustment to year 2023				39,589,748,320					39,589,748,320
Being recognised revaluation reserve on revaluation of lands						(301,279,162)			(301,279,162)
Being write off of non evidential balances in statement of financial position, as per the board approval						(759,021)			(759,021)
Beign write off of non evidential sinking fund investment balance in statement of financial position, as per the board approval		243,736,884							243,736,884
Being write off of non evidential balances in statement of financial position, as per the board approval						751,130,743			751,130,743
Surplus for the year 2023	14,272,174	-	46,396,421	40,535,583,824	1,436,043,833	3,230,396,957	759,021	930,000	45,264,382,230
Balance as at 31 December 2023	14,272,174		46,396,421	40,535,583,824	1,436,043,833	3,230,396,957	759,021	930,000	45,264,382,230

SRI LANKA TOURISM DEVELOPMENT AUTHORITY
STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER, 2022

	Government Account	Capital Reserves	Kalpitiya Equity	Revaluation Reserve	Capital Contribution	Revenue Account	Sinking Fund	Tourism Fund	Total
Balance as at 01 January 2022	14,272,174	(243,736,884)	46,399,651	945,835,504	1,436,043,833	2,198,031,889	759,021	930,000	4,398,535,188
Prior Year Adjustment						366,000			366,000
Received audit fee for years 2018 & 2020						22,195			22,195
Reporting of prior year breakages recovery						(73,928)			(73,928)
Being reporting the fuel charges for prior year						2,965,829			2,965,829
Repoting of cost of Laptops incurred as prior year expenditure						(87,500)			(87,500)
Correction of retention payment to Techno Cool						154,960			154,960
Error Correction - installation of Fire Extinguishers -ANP						(672,218)			(672,218)
Error Correction on Accrued Expenditure						3,436,199			3,436,199
Error Correction on Accrued Expenditure						254,277			254,277
Error correction as per IA Report 2022/50/17						14,694,825			14,694,825
Correction of release of retention money						(20,090)			(20,090)
Correction recievable amount from TDF						(103,384)			(103,384)
Correction of reorting error R/N 130781 2020						93,751			93,751
Being transfer of opening balance of sundry creditors						(28,000,000)			(28,000,000)
Reporting of rent receivable amount against cost of renovation done by SLTPB						(12,094,207)			(12,094,207)
Correction of over provosion amount rent income -SLTPB						738,317			738,317
Recognition of prior year rent income									
Adjusted Balance as at 01 January 2022	14,272,174	(243,736,884)	46,399,651	945,835,504	1,436,043,833	2,179,706,915	759,021	930,000	4,380,210,214
Adjustment to year 2022						-			-
Changes of Net Equity			(3,230)						(3,230)
Surplus for the year 2022						579,760,623			579,760,623
Balance as at 31 December 2022	14,272,174	(243,736,884)	46,396,421	945,835,504	1,436,043,833	2,759,467,538	759,021	930,000	4,959,967,607

Notes to the Financial Statements

1. General Information

Name

Sri Lanka Tourism Development Authority (SLTDA)

The Sri Lanka Tourism Development Authority (SLTDA) is a leading economic development agency in Tourism, one of key service sectors in Sri Lanka. SLTDA is known for partnership, innovation and excellence, the Authority champion's tourism and builds it into a key economic driver for Sri Lanka.

Legal Form

A Statutory organization incorporated under Tourism Act No. 38 of 2005

Head Office Address

No 80, Galle Road, Colombo 03

Location of National Holiday Resorts - Domestic Tourism

Anuradhapura, Bandarawela, Bentota, Kataragama & Nuwara Eliya

Location of National Holiday Resorts - Service and Rent Income Generating

Passikudah, Kuchchaveli, Kalpitiya, Bentota, Giritala, Polonnaruwa & Yala

2. Basis of Preparation of Financial Statements

The Financial Statements have been prepared in accordance with Sri Lanka Public Sector Accounting Standards. No adjustments have been made for inflationary factors affecting the Financial Statements.

2.01 Presentation and Functional Currency

These Financial Statements are presented in Sri Lankan Rupees (Rs.) and all financial information presented in Sri Lankan Rupees has been rounded to nearest rupee.

2.02 Going concern

Financial statements are prepared based on the going concern assumption.

3. Valuation of assets and their basis of measurement

3.01 Inventories/Stocks:

Stocks have been measured at cost and net realizable value whichever is lower.

3.02 Depreciation

- (a) Depreciation has been provided on cost or valuation of the assets on straight line method as follows.

Land	-	No Depreciation
Building	- 5%	(20 Years)
Roads & connected work	- 12.5%	(08 Years)
Water Services & Drainage	- 12.5%	(08 Years)
Electrical Installations	- 12.5%	(08 Years)
Telecommunication Installations	- 12.5%	(08 Years)
Fixtures & Fittings	- 10%	(10 Years)
Furniture	- 10%	(10 Years)

Miscellaneous Equipment	- 10%	(10 Years)
Plant & Machinery	- 20%	(05 Years)
Motor Vehicles	- 20%	(05 Years)
Data Processing Equipment	- 20%	(05 Years)
Glassware & Crockery	- 33 1/3%	(03 Years)
Cutlery & Silverware	- 25%	(04 Years)
Linen	- 50%	(02 Years)
Application Software	- 50%	(02 Years)
Development Cost	- 10%	(10 Years)

Depreciation begins when it is available for use.

- (b) Application Software

Application software comprises License Registration Process System, Quick Books Accounting Software, MS office software, CCTV camera system etc. at acquisition cost.

3.3 Assets on leases

- (a) Lands let on Lease

All the government owned lands and rest houses vested to SLTDA are leased out on lease by entering to a formal lease agreement after following the due government procedures. Lease rate is 4% of the land value based on the valuation done by the government valuation department subject to applying the presidential circular dated 12 July 1995 (SEI/A/4/34) is the minimum basis of deciding the monthly lease rent. Lease income from leases has been recognized in revenue statement on straight-line basis.

3.4 Provision for Doubtful Debts

Provision for doubtful debts was estimated on Trade and other receivable balances after deducting the rent deposits of particular customers and considering the pattern of receipts on the following basis.

More than one year but less than two years	-	No provision
More than two years but less than three years	-	05%
More than three years but less than four years	-	25%
Four years & above	-	50%

3.5 Taxation

The SLTDA was exempted from income tax under section of the Inland Revenue Act No. 28 of 1979. However, as per the Inland Revenue amendment Act No. 10th of 2002 returns should be furnished to the Inland Revenue Department and as per the directions given by the Inland Revenue Department SLTDA pay income tax on the interest and dividend income.

3.6 Foreign Currency Transactions

These transactions are converted on the following rates.

Receipts	-	Monthly average of buying rate publish by Central Bank of Sri Lanka
Payments	-	Monthly average of selling rate publish by Central Bank of Sri Lanka
Remittance	-	Actual

3.7 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an Authority pays fixed contribution in to a separate entity. Obligation for contribution to defined contribution plans are recognized as an employee benefit expenses in the statements of financial performance in the period during which services are rendered by employees.

- (a) Employees' Provident Fund (E.P.F.)
The SLTDA and employees contribute 15% and 10% respectively on the salary of each employee to the approved provident fund.
- (b) Employees' Trust Fund (E.T.F.)
The SLTDA contributes 3% of the salary of each employee to the Employees' Trust Fund.

3.8 Advance

Acquisition of the land- Dedduwa Project

During the year 2017 an amount of Rs. 69,124,675 has been released to Divisional Secretary Bentota to pay the balance compensation for land acquired for Dedduwa Tourism Development Project and as at 31 December 2022, there is balance of Rs. 39,124,674.

SLTDA has requested the detail regarding current status of the projects and the balances as at the 31 December 2022 relevant to the advances released to Acquisition of the land- Dedduwa Project.

During the financial year 2023, a value of Rs. 39,124,674 was capitalized to the land asset of Property Plant and Equipment since the land acquisition project was completed and it has been presented in the PPE statement.

3.9 Investments and Investment Property

SLTDA has invested Rs.4.0 million (Rs.10/- shares x 400,000) at Taj Exotica Ltd in 1991 and the company's shares are not listed. The net book value per share was Rs.15.47 as per 2018 financial statements of the company and SLTDA did not receive Dividend Income during the financial year 2023.

In addition SLTDA has invested Rs.750, 000/- with the Sri Lanka Hotel Tourism Training (Pvt) Ltd which is presently not in operation and the said training institution is to be liquidated according to the available information.

During the financial year 2023 SLTDA invested Rs 365.Million in Short Term Fixed Deposit at Bank of Ceylon and the total value of the short term investment as Fixed Deposit is Rs.1315 Million, presented under the Cash & Cash Equivalent in the Statement of Financial Position.

Land valuation process was completed around 95% and accordingly the relevant accounting treatments were made in the books of accounts during the financial year 2023. Further a total value of Rs 39,288,801,368 relevant to the leased out lands, has been recognized as the "Investment Property" in the books of accounts and also has been presented in the Statement of Financial Position.

3.10 Related party transactions

There is no any other related party transactions to be disclosed.

3.11 Work in Progress

Projects under construction are representing the value of work in progress amounting to Rs.242, 282, 096 (please refer note 8).

3.12 Comparative information

Comparative financial information with the last year financial statements has been provided. The previous year's figures and phrases are re-arranged wherever necessary to conform to the current year's presentation.

3.13 Changes in Equity

- (a) Adjustment for Prior Periods

Prior year adjustment were made to the Retain Earnings account adjusting the several ledger accounts with net effect of Rs. 39,553,283,880 as presented in the schedule of "Changes of Equity", 2023.

3.14 Kalpitiya Project

Funds received for the project from all the sources and expenditure for the project activities and project office administration have been listed in the following statement. All the expenses have been categorized under the project work in progress account in the SLTDA Ledger and funds received has been categorized under the project equity and income received by selling bidding document of Rs.1,743,000 & 1% of contract price of Rs.1,500,000 have also been identified directly in the equity account. Further expenditure has been identified on accrual basis.

Receipts

Description	Amount/Rs
Sri Lanka Tourism Development Authority	45,680,603
Sri Lanka Tourism Promotion Bureau	47,500,000
Sri Lanka Institute of Tourism & Hotel Management	1,800,000
Sri Lanka Convention Bureau	600,000
Qube Lanka Leisure Properties (Pvt) Ltd – 1% out of the bid price	1,000,000
Sun Resort Investment (Pvt) Ltd – 1% out of bid price	500,000
Bidding Fee at Rs.2,000	18,000
Bidding Fee at Rs.25,000	1,725,000
Total	98,823,603

Expenditure

Description	Amount/Rs
Payments Programme/Project expenses	66,306,642
Administrative expenses	32,932,166
Capital expenditure	1,807,049
Total	101,045,857

3.15 Events after the Reporting Date

The materiality of events occurring after the reporting date has been considered and appropriate adjustments were made in the accounts, where necessary.

3.16 The cost of Compensation made to the industry due to the COVID - 19 pandemic and the Cost made on Tourism Zone Development, Provincial Tourism Projects and on the Community Relation activities

As per the Cabinet Decision, SLTDA has not made payment to the victims in the Tourism Industry, during the financial year.

The amount of Rs. 2,673,412 has been made as the Provincial Project Expenses during the financial year and the amount of Rs. 17,618,562 has been made as the expenses on Community Relation activities during the financial year 2023.

3.17 Provision for the Contingencies

There are 09 legal cases filed by the Authority and there are 23 legal cases filed against the Authority as at 31st December 2023 and detail in brief is presented below

CASES FILED AGAINST SLTDA

Case No.	Description of the Case	Amount Claimed by SLTDA
01 Court of Appeal-CA/ Writ 198/2019	An employee of SLTDA has filed this case on 03.05.2021 against SLTDA. He is the current Director/ Research & International Affairs. He was the former Director/ICT. This case is filed by him requesting for Interim Order, Writ of Certiorari and Writ of Mandamus against the disciplinary inquiry report, his internal transfer and appointment of new Director/ICT.	
02 Supreme Court-SC/ SPL/LA/244/2020	Daffodils Hotels has filed this case against Excise Department and others including SLTDA as the liquor license has not issued to them. SLTDA is a party of this case as it has issued a license for the Hotel owned by Plaintiff.	
04 District Court-Colombo DSP/84/2020	Ascot Leisure (Pvt) Ltd (now Lanka Realty Leisure (Pvt) Ltd) has filed this case against SLTDA in order to prevent the cancellation of Lease No. 117 dated 13.05.2014 attested by an employee of SLTDA, Notary Public. The SLTDA has cancelled the said lease agreement by way of a deed of Declaration. The Lessee has obtained an Interim Injunction preventing the SLTDA from cancelling the lease agreement.	
05 Supreme Court-SC/ SPL/LA/108/2020	Ganeshapillei Someshwaran has filed this case against SLTDA to set aside the Judgment of CA(PHC)142/2015. This case is a connected matter to MC/Kuchchaweli case No.915/2013 which is already executed the Writ. The possession of the subject land called Medway Estate, Nilaweli is already recovered.	
06 Supreme Court-SC/ SPL/LA/109/2020	Ganeshapillai Someshwaran has filed this case against SLTDA to set aside the Judgment of CA(PHC) 141/2015. This case is a connected matter to MC/Kuchchaweli case No.914/2013 which is already executed the Writ. The possession of the subject land called Medway Estate, Nilaweli is already recovered.	
07 District Court- Trin-comalee L 5356/2020	Ganeshapillai Someshwaran has filed this case against SLTDA in connection with the land called Medway Estate, Nilaweli claiming the right to the land.	
08 District Court- Trin-comalee L 5357 /2020	Ganeshapillei Kalipillei has filed this case against SLTDA in connection with the land called Medway Estate, Nilaweli claiming the right to the land.	
09 Court of Appeal- CA/ Writ /112/2020	Browns Investment PLC (LOLC Holdings PLC) has filed this case against SLTDA and Divisional Secretary – Kuchchaweli requesting for Writ of Certiorari to quash the quit notice issued and quash the decision of the quit notice. Writ of Prohibition to prohibit the SLTDA of ejecting Petitioner from the land. Interim order to stay proceeding of MC case No. PPC/K/41/LR/20.	
10 Court of Appeal- CA/ Writ/114/2020	Shamindra Gunaratne has filed this case against SLTDA requesting for Writ of Certiorari to quash the quit notice issued and quash the decision of the quit notice. Writ of Prohibition to prohibit the SLTDA of ejecting Petitioner from the land. Interim order to stay proceeding of MC case No. PPC/K/44/LR/20.	

11 Court of Appeal-WP/ HCCA/LA/86/20	Lanka Realty Leisures (Pvt) Ltd has filed an application seeking the leave of the Civil Appellate High Court to appeal against the refusal of injunction.
12 Court of Appeal-CA/ Writ/453/20	Lanka Realities Leisure (Pvt) Ltd has instituted an application against the SLTDA and the Cabinet of Ministers and One Nature Pvt Ltd challenging the decision of the Cabinet and the SLTDA to grant a lease to One Nature PLC, challenging the decision to terminate the lease of Lanka Realities PLC.
13 Supreme Court-SC- FR/314/2020	Mrs. Inoka Punchihewa-Deputy Director-Legal of SLTDA has filed this application requesting for an interim order staying the decision made by the SLTDA from enforcing the letter No. HR & PM/ PF/1455 dated 10.09.2020 and from enforcing document marked P-14 preventing the Annual Increment and some other relieves.

CASES FILED BY SLTDA BEFORE 2021

Case No.	Description of the Case	Amount Claimed by SLTDA
01 District Court-DMR 1691/2018	SLTDA has filed this case against Ominga International Pvt Ltd (now Softlogic Holdings) on 01.05.2018 in order to recover the arrears lease rental and other dues. SLTDA has entered in to a Lease Agreement (No. 40 dated 05.05.2009, attested by an employee of SLTDA Notary Public) with Ominga International (Pvt) Ltd to lease out a plot of land at Passekudah for a hotel project. As the Lessee did not comply with the terms and conditions of the said lease agreement and defaulted with the monthly lease rental and other charges, the SLTDA has filed this case to recover the dues.	
03 Court of Appeal-WP/ HCCA/LA/87/20	SLTDA has filed an application seeking the leave of the Civil Appellate High Court to appeal against granting of the injunction preventing SLTDA to act on the Cancellation of Lease Agreement No.177.	

CASES FILED AGAINST SLTDA AFTER 2021

Case No.	Description of the Case	Amount Claimed by SLTDA
1 Court of Appeal-CA/ Writ 146/2021	New Edison Hotel has filed the case on 12.03.2021 against Excise Department and others including SLTDA Requesting for Interim Order to stay operation of temporary suspension of Liquor Licenses. Writ of Certiorari, Mandamus- Remove the temporary suspension of Liquor Licenses. SLTDA is a Respondent as SLTDA has issued license to the Hotel.	
2 Court of Appeal- CA/ WRIT/227/2021	Paregama Chandraloka and several others has filed has filed this case against SLTDA in order to get declared a Green Belt in Bentota Holiday Resort.	

3	Court of Appeal- CA/ WRIT/ 228/2021	Nayanathara Fonseka has filed has filed this case against SLTDA in order to get declared a Green Belt in Bentota Holiday Resort.
4	Supreme Court-SC/ FR/379/2021	Don Anil Lankapura and two others filed this case against SLTDA and 23 others obtain an Order to quash the Gazette No.2248/44 dated 07.10.2021 (Muthurajawela Gazette). SLTDA is a party as a letter has been sent Department of Wildlife Conservation.
5	District Court- Trin-comalee DC 5700/22	Janaka Prageeth Dasanayake has filed this case against SLTDA and Divisional Secretary- Kuchchaweli to obtain an order declaring that he is the lawful owner of a certain plot of Rasolthoddam land and Injunction order prevent SLTDA for causing any damage and destruction to the said property.
6	District Court- Trin-comalee DC 5703/22	Abdul Cadar Alapdeen has filed this case against SLTDA and Divisional Secretary- Kuchchaweli to obtain an order declaring that he is the lawful owner of a certain plot of Rasolthoddam land and Injunction order prevent SLTDA for causing any damage and destruction to the said property.
7	District Court- Trin-comalee DC 5704/22	Manoja Jarook has filed this case against SLTDA and Divisional Secretary- Kuchchaweli to obtain an order declaring that he is the lawful owner of a certain plot of Rasolthoddam land and Injunction order prevent SLTDA for causing any damage and destruction to the said property.
8	SC /CA LA/LA 85 /2022	This action has been filed by Lanka Reality Leisure (Pvt) Ltd for the suspension of all orders made by the Civil Appellate High Court through Order dated 9th March, 2022 and make a direction on the Registrar of the Civil Appellate High Court to return the case record In case bearing No. DSP/ 84/2020 to the District Court.
9	CA/Writ/283/22	Navin Gayendra Tivanka Rajapakse –an unlawful occupant of the Rasoolthoddam land-Lot 29 has filed this case against SLTDA requesting for Writ of Certiorari to quash the Gazette No.171/13 issued and quash the acquisition of the land and Interim order to restrain SLTDA from issuing quit notices & stay proceeding under State Land (Recovery of Possession) Act.
10	CA/WRIT/365/22	Latsuman Elango and 4 others have filed the case on 08.10.2022 against Excise Department and others including SLTDA claiming to squash the decision to issue license to S K Restaurant. SLTDA is a Respondent as SLTDA has issued license to the Hotel.

CASES FILED BY SLTDA

Case No.	Description of the Case	Amount Claimed by SLTDA
1	Magistrate's Court-Galgamuwa 29947	SLTDA has filed these cases on 13.01.2021 against A.A.P.Mohan Perera (An Encroacher of Galgamuwa Rest House) in order to recover the possession under State Lands (Recovery of Possession) Act.
2	Magistrate's Court-Walapane 84993	SLTDA has filed these cases on 09.08.2021 against W.M.Priyantha Wijekoon (An Encroacher of Ragala Rest House) in order to recover the possession under State Lands (Recovery of Possession) Act.

3	Magistrate's Court-Kuchchaweli PPC/K/01/PVT/22	SLTDA has filed this case against the owner of the Nilaveli Bay Hotel in order to recover the possession of Lot No.89 of Rasolthoddam land under State Lands (Recovery of Possession) Act.
4	Magistrate's Court-Kuchchaweli PPC/K/02/PVT/22	SLTDA has filed this case against the owner of the That's Why Hotel in order to recover the possession of Lot No.72 of Rasolthoddam land under State Lands (Recovery of Possession) Act.
5	Magistrate's Court-Kuchchaweli PPC/K/03/PVT/22	SLTDA has filed this case against the owner of the Villa Nilaveli Hotel in order to recover the possession of Lot No.49 of Rasolthoddam land under State Lands (Recovery of Possession) Act.
6	Magistrate's Court-Kekirawa 68005	SLTDA has filed these cases on 08.08.2022 against W.M.Bandula Priyantha Wanninayake (Unlawful occupant of Ulankulama Rest House) in order to recover the possession under State Lands (Recovery of Possession) Act.

3.18 Business income during the financial year from PCR and Insurance operations

With reference to the Cabinet Memorandum dated 10th, 2020 and subsequently approved by the Cabinet on 04th January, 2021, Sri Lanka Tourism Development Authority is the responsible institution to collect charges for the PCR and Insurance premium, and make the payment to the relevant Hospitals and Insurance Company on their invoices. The execution of above mentioned transactions is handled by Sri Lanka Tourism Development Authority through a foreign currency account (Dollar Account) and the detail of transactions are as follows.

- Receiving 12 USD from each tourist as Insurance premium
- Receiving USD equals to Rs. 7,500.00 as cost per PCR test from each tourists. (40 USD)

In this operation authority was paid 3.5 USD per insurance policy as the service charge.

3. Valuation of assets and their basis of measurement

	2023 (Rs)	2022 (Rs)
Cash in Hand and at Bank		
Cash in Hand - Petty Cash	1,213,241	1,951,318
Cash at Bank - HO & Resorts	236,201,679	145,224,614
Cash at Bank - Fund Management Account *	647,364,822	440,503,068
Cash Equivalent		
Investment on Fixed Deposit (BOC) and NSB	1,328,804,931	950,000,000
Total Cash & Cash Equalants	2,213,584,673	1,537,679,000

* Funds in the bank account has been invested on daily basis with in a fund management account with Bank of Ceylon, please refer note no 15 for the interest earned.

Cash & Cash Equalants - Kalpitiya Project

Cash in Hand - Petty Cash (Kalpitiya Project)	15,000	15,000
Cash at Bank - (Kalpitiya Project)	16,695	16,695
Total	31,695	31,695

4.01 Cash in Hand and at Bank

Petty Cash	2023 (Rs)	2022 (Rs)
NuwaraEliya	-	307,783
Bandarawela	213,823	215,417
Anuradhapura	379,159	584,170
Kataragama	620,259	843,948
Total	1,213,241	1,951,318
Collection Accounts	-	-
NuwaraEliya	24,060,356	11,679,278
Bandarawela	23,127,426	10,913,262
Anuradhapura	10,657,274	20,060,525
Kataragama	5,328,886	5,322,549
Bentota	95,643,473	30,454,964
Bentota - Sulanka	2,305,812	1,334,836
	161,123,227	79,765,414
Other Operational Accounts	-	-
Fund Management Account	647,364,822	440,503,068
Sustainable Tourism Account	338,740	338,740
Main Account Direct Deposit (Online Account)	60,606,479	3,261,329
Tourism Award Account	4,660,190	5,263,977
Security Deposit NSB	20,934	20,934
BOC Valachchenai	919,822	150,738
USD bank account	8,532,287	56,423,482
Total	722,443,274	505,962,268

4.02 Cash Equalants

	2023 (Rs)	2022 (Rs)
Investment on Fixed Deposit (BOC)	1,250,000,000	950,000,000
Gratuity Investment - Fixed Deposit	78,804,931	-
Total	1,328,804,931	950,000,000

5. Trade & Other Receivable

	2023 (Rs)	2022 (Rs)
Trade Receivable	244,770,356	281,484,612
Other Receivable	748,342,149	572,554,294
Employees - Loans & Advances	30,411,761	29,676,924

Sub Total	1,023,524,266	883,715,830
Less : Provision for bad & doubtful debts	16,758,544	(32,008,206)
Total	1,006,765,722	851,707,624

Detail Note

The following amounts were included to the Trade & Other Receivable

	2023 (Rs)	2022 (Rs)
Trade Debtors	244,770,356	281,484,612
Sundry Debtors	6,215,656	6,261,394
Sri Lanka Tourism Promotion Bureau	42,104,132	28,408,182
Sri Lanka Institute of Tourism & Hotel Mgt	9,957,640	9,023,930
Sri Lanka Convention Bureau	94,533	25,262
Fixed Deposit Interest Receivable	20,774,144	47,882,192
Kalpitiya Project	83,682	83,682
TDF Current Account	408,683,267	150,278,449
Water Service – Passikudah	140,488,567	119,038,722
Debtor – NPCL	9,627,113	9,627,113
Current A/c – Head office	42,631	42,630
Returned Cheques	531,459	531,459
PCR & Insurance Debtor	95,241,731	186,853,686
Credit Sales - National Holiday Resorts	56,276	56,276
Stock Loses Receivables	1,213,668	1,213,668
Tuk Tuk Training Programme	13,227,650	13,227,649
Sub Total	993,112,505	854,038,906
Festival Advance	31,000	21,000
Special Loan	2,552,040	2,571,995
Distress Loan	27,828,721	27,083,929
Sub Total	30,411,761	29,676,924
Less: Provision for bad debts	16,758,544	(32,008,206)
Total	1,006,765,722	851,707,624

Provision for Doubtful Debts

	2023 (Rs)	2022 (Rs)
Balance at the Beginning	32,008,206	27,368,637
(Over)/ Under Provision for the year 2023	(15,249,662)	4,639,569
Balance at the End	16,758,544	32,008,206

6. Other Current Assets

	2023 (Rs)	2022 (Rs)
Pre Payments	6,345,157	3,515,881
Advances - 6.01	15,967,219	52,448,566

W.H.T / VAT / NBT Receivable	920,599	5,213,188
Deposit Receivable	6,294,742	9,310,774
Service Charge Receivable from Peoples Insurance	-	2,971,022
Total	29,827,717	73,459,431

6.01 Advances

	2023 (Rs)	2022 (Rs)
Advances - Expenses	1,468,037	956,709
Advances - Tourism Zone Development - Acquisition of Land (Dedduwa)	2,432,000	39,124,675
Tourism Zone Development Advances - Other	12,367,182	12,367,182
Total	16,267,219	52,448,566

Note	Code	Description	Balance as at 01.01.2023	Additions 2023	Transfers/ Adjustments	Balance as at 31.12.2023	Acc. Depreciation as at 01.01.2023	Depreciation 2023	Transfers/ Adjustments	Acc. Depreciation as at 31.12.2023	Net Book Value as at 31.12.2023
101	Land		1,836,093,561	1,367,221,947	(1,025,479,667)	2,177,835,841	-	-	-	-	2,177,835,841
102	Buildings		563,671,883	107,243,516		670,915,399	284,472,150	35,962,500		320,434,650	350,480,749
102A	Road & Works		174,972,334	-		174,972,334	98,387,882	16,993,691		115,381,573	59,590,761
102B	Water sup & Drainage		267,216,158	427,644		267,643,802	155,246,417	15,768,165		171,014,582	96,629,220
102C	Electrical Installation		70,886,029	10,267,558	(48,098,058)	33,055,529	22,247,568	1,400,593	(12,015,376)	11,632,785	21,422,745
102D	Telecom Installation		16,921,034	-		16,921,034	13,305,461	8,774		13,314,235	3,606,799
103	Fixtures & Fittings		15,330,800	1,715,318		17,046,118	11,986,859	749,497		12,736,356	4,309,763
104	Furniture		41,964,800	312,031	(497,341)	41,779,490	28,452,052	1,916,486	(497,341)	29,871,197	11,908,293
105	Miscellaneous Equipment		75,077,657	2,293,709	(1,560,081)	75,811,285	40,935,064	5,649,964	(1,560,081)	45,024,947	30,786,338
106	Plant & Machinery		10,344,034	19,406,039	-	29,750,073	9,531,887	3,881,208		13,413,095	16,336,978
110	Motor Vehicles		49,610,279	-	(25,750)	49,584,529	45,051,997	198,790	(25,750)	45,225,037	4,359,492
111	Data Processing Equipment		64,077,377	3,078,550	(1,607,270)	65,548,657	47,114,492	1,406,547	(1,607,270)	46,913,769	18,634,888
107	Glass & Crockery		4,624,672	79,680	(41,285)	4,663,067	4,091,835	27,691	(41,285)	4,078,241	584,826
108	Cutlery & Silverware		1,558,560	22,320	(1,775)	1,579,105	1,261,024	71,412	(1,775)	1,330,661	248,444
109	Linen		30,649,428	146,348	-	30,795,776	27,499,977	75,674		27,575,651	3,220,125
	Total		3,222,998,606	1,512,214,661	(1,077,311,227)	3,657,902,039	789,584,665	84,110,992	(15,748,879)	857,946,778	2,799,955,261

Application Software										
112	Application Software	25,009,999	6,463,624	-	31,473,623	20,262,377	7,553,934	-	27,816,311	3,657,312

Development Cost

Note	Code	Description	Balance as at 01.01.2023	Additions 2023	Transfers/ Adjustments	Balance as at 31.12.2023	Acc. Depreciation as at 01.01.2023	Depreciation 2023	Transfers/ Adjustments	Acc. Depreciation as at 31.12.2023	Net Book Value as at 31.12.2023
		Development Cost	415,219,215	64,785,769	-	480,004,984	223,895,055	36,039,980	-	259,935,035	220,069,950

Development Cost - Kalpitiya Project

		Development Cost - Admin	4,241,997	-	-	4,241,997	-	-	-	-	4,241,997
		Development Cost - Development	19,284,003	-	-	19,284,003	-	-	-	-	19,284,003
		Total - Kalpitiya Project	23,526,000	-	-	23,526,000	-	-	-	-	23,526,000

Note No 07.3**Property Plant & Equipments - Kalpitiya Project**

7.03	Code	Description	Balance as at 01.01.2023	Additions 2023	Transfers/ Adjustments	Balance as at 31.12.2023	Acc. Depreciation as at 01.01.2023	Depreciation 2023	Transfers/ Adjustments	Acc. Depreciation as at 31.12.2023	Net Book Value as at 31.12.2023
	104	Furniture	110,092	-	-	110,092	110,092	-	-	110,092	-
	105/105A	Miscellaneous Equipment	894,494	-	-	894,494	894,494	-	-	894,494	-
	111	Data Processing Equipment	630,000	-	-	630,000	630,000	-	-	630,000	-
	102	Communication Equipments	172,462	-	-	172,462	172,462	-	-	172,462	-
		Total	1,807,048	-	-	1,807,048	1,807,048	-	-	1,807,048	-

7.1	Code	Description	Balance as at 01.01.2022	Additions 2022	Transfers/ Adjustments	Balance as at 31.12.2022	Acc. Depreciation as at 01.01.2022	Depreciation 2022	Transfers/ Adjustments	Acc. Depreciation as at 31.12.2022	Net Book Value as at 31.12.2022
	101	Land	1,816,469,143	19,624,418		1,836,093,561					1,836,093,561
	102	Buildings	556,899,649	7,206,330	(434,096)	563,671,883	260,880,351	24,025,895	(434,096)	284,472,150	279,199,733
	102A	Road & Works	174,902,294	70,040		174,972,334	81,286,989	17,100,893		98,387,882	76,584,452
	102B	Water ser & Drainage	199,081,073	68,135,084		267,216,158	139,441,900	15,804,517		155,246,417	111,969,741
	102C	Electrical Installation	70,635,414	250,615		70,886,029	16,118,163	6,129,405		22,247,568	48,638,461
	102D	Telecom Installation	16,916,194	4,840		16,921,034	13,289,780	15,681		13,305,461	3,615,573
	103	Fixtures & Fittings	15,330,800			15,330,800	11,388,411	598,448		11,986,859	3,343,941
	104	Furniture	43,708,105	250,893	(1,994,198)	41,964,800	28,058,928	2,387,322	(1,994,198)	28,452,052	13,512,748
	105	Miscellaneous Equipment	70,714,596	4,882,560	(519,500)	75,077,657	35,754,115	5,700,449	(519,500)	40,935,064	34,142,593
	106	Plant & Machinery	10,344,034			10,344,034	9,531,887			9,531,887	812,147
	110	Motor Vehicles	49,610,279			49,610,279	44,848,057	203,940		45,051,997	4,558,282
	111	Data Processing Equipment	53,825,388	10,332,479	(80,490)	64,077,377	38,961,632	8,233,350	(80,490)	47,114,492	16,962,885
	107	Glassware & Crockery	4,707,787	27,750	(110,865)	4,624,672	4,180,480	22,220	(110,865)	4,091,835	532,837
	108	Cutlery & Silverware	1,559,345	5,425	(6,210)	1,558,560	1,201,152	66,082	(6,210)	1,261,024	297,536
	109	Linen	31,197,878	5,000	(553,450)	30,649,428	27,555,592	497,835	(553,450)	27,499,977	3,149,451
		Sub Total	3,115,901,979	110,795,434	(3,698,809)	3,222,998,606	712,497,437	80,786,037	(3,698,809)	789,584,665	2,433,413,941
Application Software											
	112	Application Software	16,365,755	8,644,244		25,009,999	15,126,871	5,135,506	-	20,262,377	4,747,622

Development Cost											
Note	Code	Description	Balance as at 01.01.2022	Additions 2022	Transfers/ Adjustments	Balance as at 31.12.2022	Acc. Depreciation as at 01.01.2022	Depreciation 2022	Transfers/ Adjustments	Acc. Depreciation as at 31.12.2022	Net Book Value as at 31.12.2022
		Development Cost	408,590,780	9,396,077	(2,767,642)	415,219,215	216,931,282	29,648,991	(22,685,218)	223,895,055	191,324,160
Development Cost - Kalpitiya Project											
		Development Cost - Admin	4,241,997	-	-	4,241,997	-	-	-	-	4,241,997
		Development Cost - Development	19,284,003	-	-	19,284,003	-	-	-	-	19,284,003
		Total - Kalpitiya Project	23,526,000	-	-	23,526,000	-	-	-	-	23,526,000

Note No 07.3
Proper Plant & Equipments - Kalpitiya Project

7.03	Code	Description	Balance as at 01.01.2023	Additions 2023	Transfers/ Adjustments	Balance as at 31.12.2023	Acc. Depreciation as at 01.01.2023	Depreciation 2023	Transfers/ Adjustments	Acc. Depreciation as at 31.12.2023	Net Book Value as at 31.12.2023
	104	Furniture	110,092	-	-	110,092	110,092	-	-	110,092	-
	105/105A	Miscellaneous Equipment	894,494	-	-	894,494	894,494	-	-	894,494	-
	111	Data Processing Equipment	630,000	-	-	630,000	630,000	-	-	630,000	-
	102	Communication Equipments	172,462	-	-	172,462	172,462	-	-	172,462	-
		Total	1,807,048	-	-	1,807,048	1,807,048	-	-	1,807,048	-

8. Work-in-Progress

	2023 (Rs)	2022 (Rs)
Passikudah Development Projects		
Passikudah - Infrastructure Development Project	1,571,010	1,159,823
Anuradhapura - Renovation	84,120,033	47,129,098
Bentota - Resort Building	9,423,447	123,885,993
Domestic Tourism Projects		
Kalpitiya Development Project	26,097,903	26,097,903
Dunhinda Ella - Development Project	2,724,289	2,724,289
Madurankuliya- Comfort Center Development Project	3,771,807	3,771,807
Domestic Tourism Projects	30,000	1,150,000
Building Resorts - Other	53,304,590	54,700,907
Mannar - Land Acquisition Project	61,000,000	61,000,000
Tourism zone development	239,017	239,017
Total	242,282,096	321,858,837

9. Long Term Investments

	2023 (Rs)	2022 (Rs)
Depreciation Investment - Tourist Bureau	-	976,509
Depreciation Investment - Tourist Board	-	52,154,738
Sinking Fund Investment	-	759,021
Sri Lanka Hotel Tourism (Pvt) Ltd	-	750,000
Exotica Resorts Ltd- Ord. Shares of Rs. 10/= (each)	4,000,000	4,000,000
Investment for gratuity	4,392,208	69,356,781
Total	8,392,208	127,997,049

10. Trade Creditors and Other Payable

	2023 (Rs)	2022 (Rs)
Sundry Creditors	6,211	-
Sri Lanka Institute of Tourism & Hotel Mgt	6,512,810	6,512,810
TDF C/A (Payable)	-	2,347,805
Land Lease Rent Payable/Deposit	10,721,715	9,901,715
Sewage Plant Payable	421,113,524	362,971,724
PCR & Insurance payable collection account	179,654,720	219,154,084
Deposit / Other Payable/ Income in advance	217,786,027	159,397,435
Stock excess payable	347	347
Total	835,795,354	760,285,920

11. Provision for Retirement Gratuity

	2023 (Rs)	2022 (Rs)
Gratuity payable brought forward	73,568,208	68,854,696
Adjustment for the year 2023 provision	36,310	56,753
Less : Gratuity paid during the year 2023	3,239,540	1,193,375
Sub Total	70,292,358	67,604,568
Add : Provision for gratuity - 2023	5,610,240	5,963,640
Total Gratuity payable	75,902,598	73,568,208
Gratuity was provided in the account before completion of minimum period of service (minimum 5 years)		

12. Embarkation Levy

	2023 (Rs)	2022 (Rs)
Embarkation Levy for the year	611,513,016	363,700,478
Total	611,513,016	363,700,478

13. Tourism Development Levy

	2023 (Rs)	2022 (Rs)
Tourism Development Levy for the year	281,450,980	132,159,455
Total	281,450,980	132,159,455

14. Fees and Licenses

	2023 (Rs)	2022 (Rs)
Land lease rent income - Head Office	97,050,457	95,017,020
License Fee/Administration Fee / Visa Fee/Prior Year Income	81,613,839	47,626,739
Investment Relation Unit	11,575,678	5,742,809
TDF Administration Fee	11,553,836	2,444,591
Total	201,793,810	150,831,159

15. Surplus / (Deficit) - National Holiday Resorts' Operations

	2023 (Rs)	2022 (Rs)
Kataragama	(12,613,090)	(12,448,780)
Nuwara Eliya	(5,688,136)	(5,030,048)
Bandarawela	(3,198,422)	(8,158,764)
Anuradhapura	(8,321,156)	(7,089,168)
Bentota	52,103,826	71,329,223
Polonnaruwa / Giritale	3,523,676	3,897,068
Kalkudah	(20,246,441)	(18,542,288)
Surplus / (Deficit) - National Holiday Resorts Operation	5,560,257	23,957,243

16. Other Income

	2023 (Rs)	2022 (Rs)
Interest Income - Staff Loans	940,630	885,340
Bank Interest - other	151,806	1,472,311
Fixed Deposit Interest	101,941,103	75,340,239
Bank Interest - Fund Management Account *	32,936,779	26,090,775
Gain on Disposal of Assets	336,861	1,061,070
Other income	16,844,374	7,319,454
Accrued Expenditure written back	10,786,768	25,667,179
Exchange Gain-USD	5,788,731	71,778,549
Service Charge on Insurance Policies operations	-	95,561,278
Land Compensation	10,002	489,937
Total	169,737,054	305,666,132

17. Wages, Salaries & Employee Benefits

	2023 (Rs)	2022 (Rs)
Salaries & Allowances	109,962,049	108,591,383
Holiday & Other Allowances	1,395,785	825,073
Overtime	4,644,981	3,741,827
Board's contribution to EPF	11,473,840	12,716,410
Board's contribution to ETF	2,341,812	2,480,556
Staff Welfare	30,512,007	24,528,549
Uniforms to Staff	1,820,262	366,161
Travelling local	396,317	376,870
Gratuity	5,621,690	6,000,122
Attendance Incentive	4,609,741	5,196,241
Annual Bonus	2,400,000	3,012,669
Total	175,178,484	167,835,861

18. Supplies and Consumables Used

	2023 (Rs)	2022 (Rs)
Entertainment local	1,184,810	1,166,649
Misc. supplies	7,589,155	3,308,811
Cleaning Supplies	-	3,380
Security Charges	8,633,870	4,834,591
Janitorial Charges	9,438,797	7,824,785
Stationery	6,952,312	8,896,248
Telephones, Internet and Connected charges	32,915,422	23,631,141
Postage & Stamp Duty	6,818,453	1,958,926
Electricity	15,806,477	8,518,654
Rates & Licenses	1,619,731	1,867,269
Insurance - Fixed Assets	905,060	1,257,457

Maintenance - Buildings/ Telephone Maint:	5,685,007	5,685,395
Maintenance - Equipment	9,474,247	10,613,871
Rent Expenditure on Equipment Rent	759,500	
Advertising General	3,974,607	2,869,912
Legal Expenses	1,520,055	8,268,534
Hire of Vehicles	8,264,538	9,317,581
Maint. & Repair vehicles	25,078,245	17,022,375
Water	1,244,421	822,553
Provision for Bad & Doubtful Debt	-	4,639,568
Total	147,864,707	122,507,700

19. Trade Related Expenditure

	2023 (Rs)	2022 (Rs)
Hotel Inspection, Classification, Registration, Awareness, Mobile service etc	15,430,667	3,828,874
Travelling Overseas	2,216,907	450,533
Printing & Publications	1,384,611	1,369,984
Conference & Special Events	1,934,926	850,547
Subscriptions to Int'l Organization	9,699,734	18,190,680
Statistical Surveys and Related Expenditure	4,800	-
Community Relations	17,618,562	5,806,959
Investment Relation Unit	3,948,653	2,837,926
Staff Training /Consultancy services	2,104,236	2,009,440
ICT & Telecommunication Maintenance	11,414,285	20,170,422
Kalpitiya Expenses	698,253	794,290
Yala Wild Resorts Project Expenses	408,886	351,831
Kuchchaveli Expenses	-	-
New Product Development Projects/ Sustainable Development Project Expenditure	9,910,392	208,079
Development Expenses Recurrent - NHR	167,139	877,594
Provincial project Development Expenses	2,673,412	1,693,910
Promotion & Advertising	-	60,293
COVID payment for Tourist Guide / Drivers	-	3,214,500
Safe & Secure for Covid-19	77,194	2,700,812
Donation	-	-
Total	79,692,657	65,416,674

20. Other Expenses

	2023 (Rs)	2022 (Rs)
Board Member Allowance	693,000	702,000
Board and AMC meeting Expenses	1,317,987	1,233,912

Losses/Write-offs/Exchange Loss	40,053,510	130,998
Tourism Advisory Committee Allowances & Expenditure	100,000	-
Audit Fees	1,162,788	1,000,000
Total	43,327,285	3,066,910

21. Finance Expenses

	2023 (Rs)	2022 (Rs)
Bank Charges	219,398	135,102
Total	219,398	135,102

22 Kalpitiya Project Equity

	2023 (Rs)	2022 (Rs)
Project Equity:300 · Investors - Equity Contribution	3,243,000	3,243,000
Project Equity:301 · Other - Equity Contributions	2,400,000	2,400,000
Project Equity:302 · SLTDA - Equity Contribution	45,680,603	45,680,603
Project Equity:303 · SLTPB - Equity Contribution	47,500,000	47,500,000
3200 · Retained Earnings	(75,679,513)	(75,679,513)
Total	23,144,090	23,144,090

23. Bank Overdraft

Bank Overdraft represent the credit balance of the bank ledger accounts in the books of accounts of SLTDA and it is not actual adverse balance in the bank account of SLTDA

SUMMARY OF RESORTS OPERATIONS FOR THE YEAR ENDED 31ST DECEMBER, 2023

	2023 (Rs)	2022 (Rs)
National Holiday Resorts - Domestic Tourism		
Kataragama	(12,613,090)	(12,448,780)
Nuwara Eliya	(5,688,136)	(5,030,048)
Bandarawela	(3,198,422)	(8,158,764)
Anuradhapura	(8,321,156)	(7,089,168)
Sub Total	(29,820,804)	(32,726,760)
National Holiday Resorts - Service & Rent Income Generations		
Bentota	52,103,826	71,329,223
Polonnaruwa / Giritale	3,523,676	3,897,068
Passikudah / Kalkudah	(20,246,441)	(18,542,288)
Sub Total	35,381,061	56,684,003
Surplus/(Deficit)	5,560,257	23,957,243

NATIONAL HOLIDAY RESORT - KATARAGAMA
INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER, 2023

	2023 (Rs)	2022 (Rs)
Restaurant sales	7,763,164	6,150,623
Less : Cost of sales	5,438,606	4,946,210
Gross Income	2,324,558	1,204,413
	-	-
Room Sales	11,061,654	9,198,744
	-	-
Gross profit	13,386,212	10,403,157
	-	-
Less: Adm. & Est. Expenses	22,634,505	19,060,202
Depreciation	3,364,797	3,791,735
	-	-
Surplus/(Deficit)	(12,613,090)	(12,448,780)
	-	-
Administration & Establishment Expenses	-	-
Salaries & Allowances	9,077,806	8,014,430
Overtime	158,192	76,336
SLTDA's contribution to Employee Provident Fund	1,082,120	1,098,686
SLTSA's contribution to Employee Trust Fund	216,424	219,737
Staff Welfare / Entertainment Local	617,911	155,535
Staff Meals	1,596,361	1,427,082
Annual Bonus	280,000	350,000
Uniform to staff	271,973	73,536
Cleaning Supplies	506,165	240,731
Miscellaneous supplies	216,103	84,540
Security Charges	1,559,476	1,286,425
Janitorial Charges	2,220,766	2,793,651
Telephone	148,623	132,308
Stationery	255,025	17,422
Postage & Stamps	108,369	99,360
Electricity	1,518,570	856,053
Rates & Licenses	75,096	84,281
Insurance - Plant & Machineries	18,950	20,631
Maintenance - Buildings	181,937	165,997
Maintenance - Equipments	580,141	113,350
Bank Charges	138,513	109,684
Maintenance & Repair vehicles	137,790	377,880
Printing & Publications / Books & Periodicals	4,247	12,910
Attendance Incentive	494,343	538,061
Water	1,139,974	711,576
Development Expenses - Recurrent	29,630	-
Total	22,634,505	19,060,202

NATIONAL HOLIDAY RESORT - NUWARAELIYA
INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER, 2023

	2023 (Rs)	2022 (Rs)
Restaurant sales	10,639,267	11,818,464
Less : Cost of sales	8,414,159	8,138,621
Gross Income	2,225,108	3,679,843
	-	-
Room Sales	13,045,518	9,698,326
Other income	163,987	331,577
Sub total	13,209,505	10,029,903
	-	-
Gross profit	15,434,613	13,709,746
	-	-
Less: Adm. & Est. Expenses	19,552,653	17,051,630
Depreciation	1,570,096	1,688,164
	-	-
Surplus/(Deficit)	(5,688,136)	(5,030,048)
	-	-
Administration & Establishment Expenses	-	-
Salaries & Allowances	7,426,269	6,438,309
Overtime	288,937	278,384
SLTDA's contribution to Employee Provident Fund	1,065,073	1,069,443
SLTDA's contribution to Employee Trust Fund	213,014	213,888
Staff Welfare	552,142	29,280
Annual Bonus	280,000	349,109
Staff Meals	1,063,518	853,428
Uniform to staff	369,483	184,336
Cleaning Supplies	301,691	296,697
Miscellaneous supplies	552,289	517,366
Security Charges	1,345,875	1,277,750
Janitorial Charges	2,288,820	2,094,528
Stationery	61,382	81,296
Telephones	142,918	123,414
Postage & Stamps	125,086	85,552
Electricity	1,592,801	1,293,025
Rates & Licenses	255,487	125,728
Insurance - Plant & Machineries	13,450	44,279
Maintenance - Buildings	234,860	483,158
Maintenance - Equipments	430,193	92,826
Transport & Freight / Hire of Vehicles	10,500	17,049
Bank Charges	145,790	104,861
Maintenance & Repair vehicles	217,121	285,987
Printing & Publications / Books & Periodicals	1,285	19,505
Attendance Incentive	434,260	563,316
Water	129,418	112,504
Development Expenses Recurrent	-	9,691
Travelling and Subsistence	10,991	6,921
Total	19,552,653	17,051,630

NATIONAL HOLIDAY RESORT - BANDARAWELA
INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER, 2023

	2023 (Rs)	2022 (Rs)
Restaurant sales	11,877,249	10,009,538
Less : Cost of sales	7,480,697	6,803,313
Gross Income	4,396,552	3,206,225
Room Sales	11,727,250	7,546,654
Other income	602,467	829,724
Sub total	12,329,717	8,376,378
	-	-
Gross profit	16,726,269	11,582,603
	-	-
Less: Adm. & Est. Expenses	18,204,597	18,047,077
Depreciation	1,720,094	1,694,290
	-	-
Surplus/(Deficit)	(3,198,422)	(8,158,764)
	-	-
Administration & Establishment Expenses	-	-
Salaries & Allowances	7,114,607	7,027,790
Overtime	291,557	101,138
SLTDA's contribution to Employee Provident Fund	979,935	1,089,953
SLTDA's contribution to Employee Trust Fund	195,987	217,990
Staff Welfare	440,979	222,062
Annual Bonus	300,000	375,000
Staff Meals	1,480,995	1,661,842
Uniform to Staff	407,844	82,257
Cleaning Supplies	237,983	206,251
Miscellaneous supplies	294,743	286,360
Security Charges	1,136,925	1,282,700
Janitorial Charges	1,941,874	2,296,313
Stationery	77,541	23,452
Telephones	240,749	125,305
Postage & Stamps	112,129	105,855
Electricity & Gas	1,208,276	799,781
Rates & Licenses	42,780	5,500
Insurance - Plant & Machineries	21,184	51,298
Travelling and Subsistence	-	1,421
Maintenance - Buildings	511,285	528,847
Maintenance - Equipment	365,186	274,018
Bank Charges	85,070	73,755
Maintenance & Repair vehicles	244,474	551,443
Printing & Publications/ Books & Periodicals	12,043	46,286
Attendance Incentive	411,715	582,874
Water	11,144	16,990
Development Expenses - Recurrent	36,092	3,846
Hire of vehicle	1,500	6,750
Total	18,204,597	18,047,077

NATIONAL HOLIDAY RESORT - ANURADHAPURA
INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER, 2023

	2023 (Rs)	2022 (Rs)
Restaurant sales	10,802,642	10,912,087
Less : Cost of sales	8,239,787	6,569,443
Gross Income	2,562,855	4,342,644
	-	-
Room Sales	17,691,650	15,292,946
Other income	41,800	1,238
Sub total	17,733,450	15,294,184
	-	-
Gross profit	20,296,305	19,636,828
	-	-
Less: Adm. & Est. Expenses	19,338,367	16,924,393
Depreciation	9,279,094	9,801,603
	-	-
Surplus/(Deficit)	(8,321,156)	(7,089,168)
	-	-
Administration & Establishment Expenses	-	-
Salaries & Allowances	5,692,905	6,715,119
Overtime	260,958	117,292
SLTDA's contribution to Employee Provident Fund	853,132	1,088,740
SLTDA's contribution to Employee Trust Fund	170,626	217,749
Staff Meals	2,180,716	1,868,230
Staff Welfare	606,445	150,315
Annual Bonus	260,000	367,191
Uniform to Staff	304,124	71,456
Cleaning Supplies	444,979	299,041
Miscellaneous supplies	238,033	153,379
Security Charges	1,523,085	1,289,940
Janitorial Charges	1,596,910	1,446,698
Stationery	145,709	11,023
Telephones	409,737	218,610
Postage & Stamps	133,667	113,684
Electricity	2,267,543	1,306,340
Rates & Licenses	130,233	5,000
Insurance - Plant & Machineries	9,208	9,290
Maintenance - Buildings & Garden	243,739	155,696
Maintenance - Equipment	501,642	232,461
Bank Charges	302,870	201,885
Maintenance & Repair Vehicle	91,760	84,805
Attendance Incentive	342,250	396,115
Water	488,273	262,799
Printing and Publication	-	16,718
Entertainment Local	-	7,355
Development Expenses Recurrent	135,783	76,284
Travelling local	-	2,535
Hire of vehicle	4,040	25,113
Books and periodical	-	13,530
Total	19,338,367	16,924,393

NATIONAL HOLIDAY RESORT - BENTOTA
INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER, 2023

	2023 (Rs)	2022 (Rs)
Room Sales/ Rsturant Sales	798,222	921,181
Less - Cost of Food & Bar Provisions	4,004	35,834
Net Income on Room Sales	794,218	885,347
	-	-
Rent income (lease of land/buildings)	121,083,941	121,809,678
Other Income	17,400,743	10,495,506
Sub Total	139,278,902	133,190,531
	-	-
Less: Adm. & Est. Expenses	34,830,084	22,080,191
Depreciation	46,378,694	32,844,716
Beach Cleaning Expenses	5,966,298	6,936,401
	-	-
Surplus/(Deficit)	52,103,826.00	71,329,223
	-	-
Administration & Establishment Expenses	-	-
Salaries & Allowances	9,555,488	8,941,553
Overtime	790,641	413,830
SLTDA's contribution to Emplpyee Provident Fund	1,074,238	1,095,489
SLTDA's contribution to Employee Trust Fund	214,847	219,097
Staff Welfare	992,100	413,865
Annual Bonus	260,000	300,000
Entertainment local	43,831	18,095
Uniform to staff	177,119	36,764
Miscellenious supplies	398,653	133,315
Security Charges	9,658,780	4,362,640
Cleaning Supplies	129,643	46,780
Stationery	149,205	21,714
Telephones	114,434	118,763
Postage & Stamps	18,750	13,990
Electricity	9,352,709	3,924,226
Rates & Licenses	132,078	265,663
Insurance - Plant & Machinerics	3,763	1,033
Rent (Land)	-	-
Maintenance - Buildings	206,188	245,272
Maintenance - Equipment	877,734	445,327
Bank Charges	5,000	3,850
Building Rent	45,000	90,000
Attendance Incentive	564,203	624,363
Maintenance & Repair Vehicle	-	192,304
Development Expenses - Recurrent	25,730	66,778
Hire of Vehicle	39,950	85,480
Total	34,830,084	22,080,191

NATIONAL HOLIDAY RESORT - POLONNARUWA
INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER, 2023

	2023 (Rs)	2022 (Rs)
Rent Income	3,523,676	3,897,068
Other Income (Water & Garbage)	-	-
Gross profit	3,523,676	3,897,068
Depreciation	-	-
Surplus/(Deficit)	3,523,676	3,897,068

NATIONAL HOLIDAY RESORT - PASSIKUDAH / KALKUDAH
INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER, 2023

	2023 (Rs)	2022 (Rs)
Rent Income	5,883,275	7,965,391
Other Income	1,432,022	-
Water Consumption Income	9,205,145	7,528,246
Sub Total	16,520,442	15,493,637
	-	-
Less: Adm. & Est. Expenses	8,622,109	5,846,462
Depreciation	28,144,774	28,189,463
	-	-
Surplus/(Deficit)	(20,246,441)	(18,542,288)
	-	-
Administration & Establishment Expenses	-	-
Salaries & Allowances	2,884,261	2,623,063
Overtime	-	-
SLTDA's contribution to Emplpyee Provident Fund	267,444	259,125
SLTDA's contribution to Employee Trust Fund	53,488	51,825
Staff Welfare	197,880	79,340
Staff Uniform	38,997	-
Annual Bonus	60,000	75,000
Janitorial charges	303,862	256,680
Cleaning Supplies	10,235	3,170
Security	865,100	848,300
Stationery	29,271	4,813
Telephones	55,777	35,580
Postage & Stamps	38,119	24,165
Electricity	1,226,781	647,710
Maintenance - Buildings	2,136,439	1,500
Maintenance Equipments	29,258	-
Maintenance & Repair Vehicle	33,080	32,850
Miscellenious supplies	95,347	163,550
Bank charges	500	-
Attendance Incentive	146,685	143,860
Development Expenses - Recurrent	132,065	579,638
Insurance Fixed assets	2,520	2,543
Hire of Vehicles	15,000	-
Entertainment Local	-	13,750
Total	8,622,109	5,846,462

BUDGETARY VS ACTUAL

The overall variations between the budget and the actual for the year 2023 were 33.5% and (33.99)% for income and expenditure respectively. Details of the variations are given below

1. Income

Income Sources	Budget 2023	Actual 2023	Change %
Embarkation Levy	437.08	611.51	39.91
Tourism Development Levy	142.23	281.45	97.88
Administration fee - TDF	5.11	11.55	126.10
Land Lease Rent Income - Head office	85.67	97.05	13.28
Interest on loans to employees / Bank Interest	169.99	135.97	(20.01)
Registration and license fee & Visa Fee	44.50	81.61	83.40
Unit for National Tourism Investments-IRU	12.00	11.58	(3.54)
Surplus from Resorts Operation (Income before depreciation) - Trading Resorts	17.97	(13.89)	(177.28)
Surplus from Resorts Operation (Income before depreciation) - Service Resorts	100.46	109.90	9.40
Other Income & Profit on disposal of assets	4.09	33.77	725.59
Total	1,019.10	1,360.51	33.50

2. Expenditure

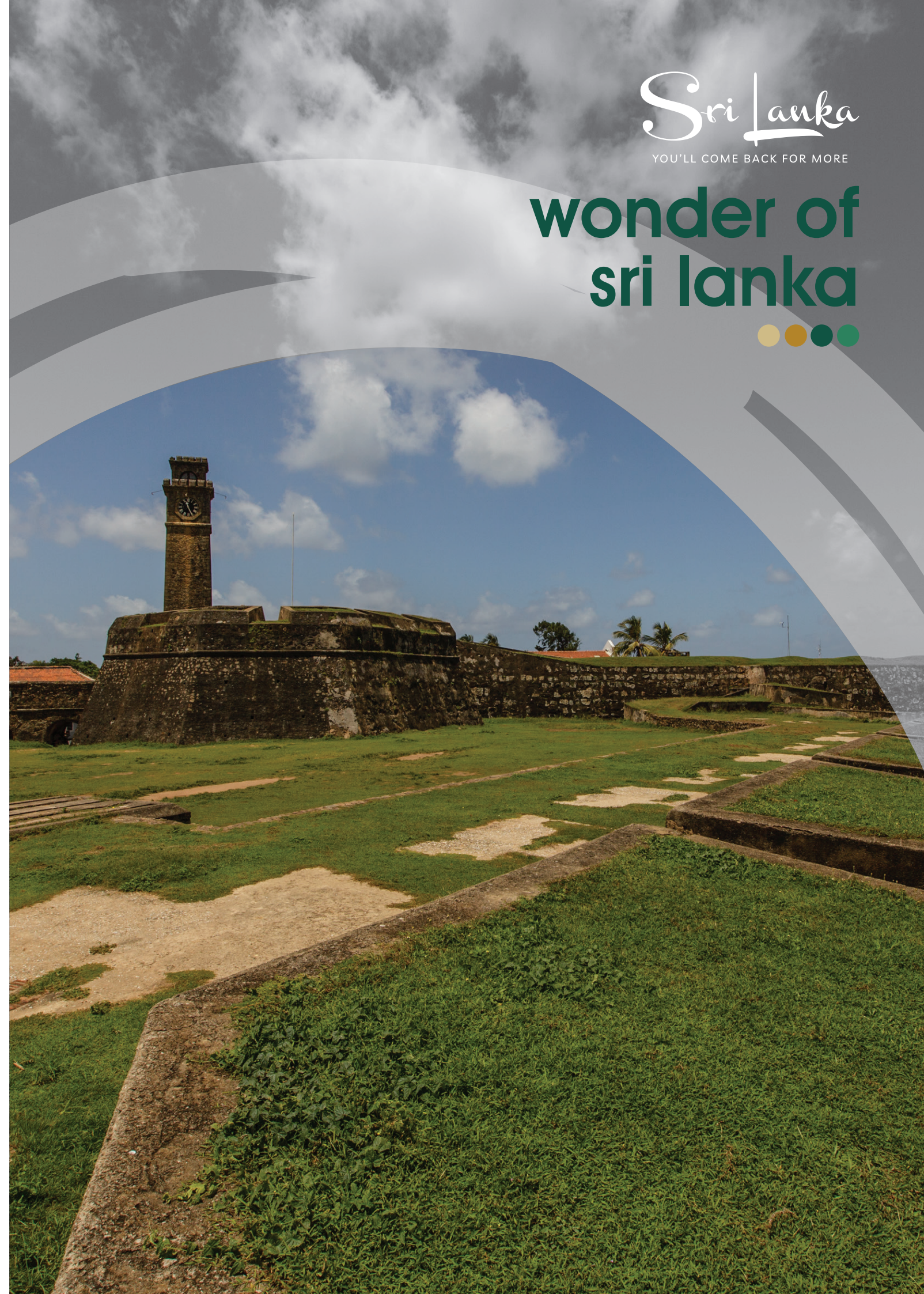
Description	Budget 2023	Actual 2023	Change %
Wages, Salaries & Employee Benefits			
Salaries & Allowances	150.00	109.96	(26.69)
Holiday & Other Allowances	1.00	1.40	39.58
Overtime	4.00	4.64	16.12
Board's contribution to EPF	14.00	11.47	(18.04)
Board's contribution to ETF	3.00	2.34	(21.94)
Staff Welfare (Including Medical Cover for Staff)	30.00	30.51	1.71
Uniforms to Staff	2.00	1.82	(8.99)
Travelling local	1.00	0.40	(60.37)
Gratuity	1.50	5.62	274.78
Attendance Incentive	5.00	4.61	(7.81)
Annual Bonus	3.05	2.40	(21.31)
Provincial Accommodation Rental Payments	1.00	-	(100.00)
Sub Total	215.55	175.18	(18.73)
Supplies and Consumables Used			
Entertainment local	1.00	1.18	18.48
Misc. supplies	7.00	7.59	8.43
Cleaning Supplies	0.04	-	(100.00)

Security Charges	12.00	8.63	(28.05)
Janitorial Charges	18.00	9.44	(47.56)
Stationery	12.00	6.95	(42.06)
Telephones / Fax / Email & Internet	20.00	32.92	64.58
Postage & Stamp Duty	2.50	6.82	172.74
Electricity	12.50	15.81	26.45
Rates & Licenses	2.00	1.62	(19.01)
Insurance - Fixed Assets	2.00	0.91	(54.75)
Maintenance - Buildings/ Telephone Maint:	10.00	5.69	(43.15)
Maintenance - Equipment	10.00	9.47	(5.26)
Advertising General	5.00	3.97	(20.51)
Legal Expenses	28.30	1.52	(94.63)
Hire of Vehicles	22.00	8.26	(62.43)
Fuel, Maintenance. & Repair vehicles	15.00	25.08	67.19
Water	1.20	1.24	3.70
Sub Total	180.54	147.11	(18.52)
Trade Related Expenditure			
Statistical Surveys	32.50	0.00	(99.99)
Hotel Classification /Registration/Renewal/ Absorption of Informal Sector	13.00	15.43	18.70
Travelling Overseas	10.00	2.22	(77.83)
Printing & Publications	6.50	1.38	(78.70)
Conference & Special Events	6.00	1.93	(67.75)
Subscriptions to Int'l Organization	30.00	9.70	(67.67)
Community Relations	3.00	17.62	487.29
Investment Relation Unit	26.50	3.95	(85.10)
Staff Training & Development /Consultancy services	5.00	2.10	(57.92)
Books & Periodicals	0.01	-	(100.00)
ICT Maintenance/Telecommunication	88.00	11.41	(87.03)
Kalpitiya Expenses	0.60	0.70	16.38
Yala Wild Resorts Project Expenses	0.50	0.41	(18.22)
Kuchchaveli Expenses	1.50	-	(100.00)
New Product Development Projects/ Sustainable Development Project Expenditure	3.00	9.91	230.35
Development Expenses - Recurrent - NHR	2.50	0.17	(93.31)
Provincial Tourism Development Project Expenses - (Domestic Tourism & Community Relation)	41.00	2.67	(93.48)
Promotion & Advertising	0.41	-	(100.00)
Industry support services from S & QA	1.50	0.08	(94.85)
Charges for Record Management System	2.00	-	(100.00)
Rent Expenses on Tourist Police Unit	12.00	-	(100.00)
Sub Total	285.52	79.69	(72.09)

Other Expenses			
Board Member Allowance / AMC expenses / Board Secretary Payment	3.00	0.69	(76.90)
Losses/Write-offs/Exchange Loss	-	40.05	-
Audit Fees	1.25	1.16	(6.98)
Corporate Tax	40.00	35.39	(11.51)
Sub Total	44.25	77.30	74.70
Finance Expenses			
Bank Charges	0.50	0.22	(56.12)
Sub Total	89.00	0.22	(99.75)
Grand Total	726.36	479.50	(33.99)

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දිනය } 31 May 2024 }
 திகதி }

Chairman
 Sri Lanka Tourism Development Authority

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Sri Lanka Tourism Development Authority for the year ended 31 December 2023 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Sri Lanka Tourism Development Authority (“Authority”) for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 and Finance Act No. 38 of 1971. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, except for the effects of the matters described in the basis for Qualified Opinion section of my report, the accompanying financial statements give a true and fair view of the financial position of the Authority as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Qualified Opinion

- Contrary to the paragraph 69 of the Public Sector Accounting Standard No.07, the depreciation had been calculated for the entire year in the year of purchase and the depreciation had not been calculated for the disposed year during the year under review.
- A refundable deposit of Rs.10,721,715 furnished by lessees of the Authority had been deducted from the value of doubtful debts provision instead of being deducted from the balance of trade and other receivables prior to calculation the provision for doubtful debts. Further, credit balances amounting to Rs.5,196,786 included in the debtor accounts, had been deducted from debtors and receivable balance when calculating the provision for doubtful debts. Thereon, the provision for doubtful debts had been understated.
- The market value of several plots of land in Yala and Pasikuda Tourism Development Zones had been adjusted twice. Thereon, the value of the investment property had been overstated by Rs.328,000,000 and the value of the land had also been understated by the same amount.
- The following differences were observed between the value of the land as per Land Register and the balance of the relevant investment property account in the following land categories.

	Value as per Land Register	Balance as per Ledger	Difference
	Rs.	Rs.	Rs.
PA Rest Houses	1,195,598,268	1,197,298,268	1,700,000
Pasikudah	1,843,128,600	1,752,428,600	90,700,000
Bentota	9,345,850,000	9,112,575,000	233,275,000

(e) Although the correct Fixed Deposit Interest for the year was Rs.214,818,648, it had been accounted as Rs.101,941,103 by decreasing an amount of Rs.112,877,545. Further, value of the Fixed Deposit had been accounted as Rs.1,250,000,000 instead of Rs.1,368,750,000 by decreasing an amount of Rs.118,750,000 and interest receivable had been accounted by decreasing Rs.255,736 in the accounts. Also, the income tax expense had also been increased as the withholding tax of Rs.13,135,042 on fixed deposit interest had not been accounted for.

(f) The following differences were observed between the receivable and payable balances as per the financial statements of the Authority and the respective financial statements of the other tourism related entities.

Institute	Balance as per Financial Statements of the Authority Rs.	Balance as per Financial Statements of the other tourism entity Rs.	Difference Rs.
<u>Receivables</u>			
Sri Lanka Tourism Promotion Bureau	42,104,132	38,473,520	3,630,615
Sri Lanka Institute of Tourism and Hotel Management	9,957,640	-	9,957,640
Tourism Development Fund	408,683,267	342,574,074	66,109,193
<u>Payables</u>			
Sri Lanka Institute of Tourism and Hotel Management	6,512,810	243,528,033	237,015,223

(g) A difference of Rs.31,668,175 had been observed in between the trade debtor balance as per the statement of financial position and the schedule with an age analysis submitted to audit.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Other information included in the Authority's 2023 Annual Report.

The other information comprises the information included in the Authority's 2023 Annual Report but does not include the financial statements and my auditor's report thereon, which I have obtained prior to the date of this auditor's report. Management is responsible for the other information.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work I have performed on the other information that I have obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

1.4 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Public sector accounting standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Authority is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Authority.

1.5 Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on Other Legal and Regulatory Requirements

2.1 National Audit Act, No. 19 of 2018 includes specific provisions for following requirements.

2.1.1 Except for the effects of the matters described in the basis for Qualified Opinion Section of my report, I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Authority as per the requirement of section 12 (a) of the National Audit Act, No. 19 of 2018.

2.1.2 The financial statements presented is consistent with the preceding year except the audit matters of 1.2 (b), (g), (h), (i), (j) as per the requirement of section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.

2.1.3 The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.

2.2 Based on the procedures performed and evidence obtained were limited to matters that are material, nothing has come to my attention;

2.2.1 to state that any member of the governing body of the Authority has any direct or indirect interest in any contract entered into by the Authority which are out of the normal cause of business as per the requirement of section 12 (d) of the National Audit Act, No. 19 of 2018.

2.2.2 to state that the Authority has not complied with any applicable written law, general and special directions issued by the governing body of the Authority as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018 except for ;

Reference to law/ direction

Description

The Tourism Act No. 38 of 2005

(i) Section 6.1 (a) and (b) of the Act
Proposed long term targets and four year plan for tourism development had not been prepared and furnished to the Minister.

(ii) Section 26(3) of the Act.
Although, actions had been initiated for the preparation of master plans related to the tourism zones identified, regulations had not been made regarding the tourism activities, commercial and other activities that can be carried out within those zones declared even as at the end of the year under review.

(iii) Section 48(4) of the Act.
• Although the enforcement unit of the authority proposed to take legal actions against 504 of the unregistered entities identified in the period from August 2018 to July 2022, actions had not been taken so even as at the end of the year under review.

• Out of the sample of 106 no of tourist hotels and restaurants in Nuwaraeliya area, 66 no of entities that is 62 percent had not been registered under the Authority. Though there were only 81 no of actual registered tourist entities, there had been around more than thousands of entities who were registered in foreign websites.

2.2.3 to state that the Authority has not performed according to its powers, functions and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018

2.2.4 to state that the resources of the Authority had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12 (h) of the National Audit Act, No. 19 of 2018.

2.3 Other Matters

- (a) Dunhinda Ella Project had been started in February 2017 with the aim of constructing 20 eco-friendly stalls, 02 benches per stall, safety fence and a name board at a value of Rs.7,488,133 and had expected to be completed by 15 of December 2017. As at 22 January 2018, only 10 stalls and name board had been constructed at a cost of Rs.2,864,289 and 5 more stalls had been constructed in 2021 at a cost of Rs.2,350,000. Further, due to delay of 4 years, cost per room had been increased up to Rs.470,000 which was an increase of 72 per cent.
- (b) Action had not been taken to settle the balance payable to service providers on PCR and insurance amounting to Rs.179,654,720 from the year 2021 to date. Further, an amount of Rs.67,195,229 which was payable since 2014 in relation to the water supply at Pasikuda resort had not been settled even as at the end of year under review.
- (c) The Authority had entered into an agreement with a private company by giving 118 perches on 18 June 2011, to establish a sewage and waste water purification system for the hotels and related institutions within the Pasikuda National Resort premises. Keeping the maintenance of the system, collecting fees from 14 hotels located in the premises and paying the amount so recovered to the above private company were the responsibilities of the Authority. Though the collections from 14 hotels and paying to company is be with the Authority, uncollected balance was Rs.412,765,334 from the year 2013 up to date. However, the Authority had to be paid Rs.421,113,524 exceeding the receivable amount from hotels. Although, an offer letter was issued to a joint venture in the private sector to get financial advice about the affordability to take over the system to the Authority at a cost of Rs.1,644,750 on 20 April 2021, a final conclusion had not been taken even by the end of the year under review.

- (d) The total loss of the 05 National Holiday Resorts owned by the Authority for the year under review and the preceding year were Rs.50,067,245 and Rs.51,269,048 respectively. Sufficient attention had not been paid to minimize the loss of those resorts.

- (e) The status on leasing out of lands acquired by the Authority is as follows.

Place of Land	Amount of Land	Leased out Details	Status of starting operations
Yala	35 acres 16.8 acres	2014 – 05 Companies 2019 & 2020 – 02 Companies	Only 02 companies
Kuchchaveli	510,086 acres	35 acres to 02 companies in 2020 & 14 acres to 01 company in 2021	Only one company
Kalpitiya	2056.73 acres (12 islands)	10 islands to 07 companies in 2010,2011,2020,2022	No company commenced operations. Lease arrears of Rs. 92,959,827 by 29 April 2024

- (f) Although, a sum of Rs.173,159,909 had been paid on land acquisition for tourism development project in Dedduwa and the process had been completed by 2017, tourism development projects had not been commenced there even by the end of the year under review.
- (g) Action had not been taken to take over the ownership of a land in Mannar to date, though a sum of Rs.61,000,000 had been paid in 2019 by the Authority.



- (h) The authority and Urban Development Authority (UDA) had entered in to a Memorandum of Understanding (MOU) on 13 February 2019 for the preparation of master plans of 07 no. of tourism development zones within 18 months as per a cabinet decision made on 06 June 2018 at a total cost of Rs.39,151,500. However, only two master plans for Ella and Arugambay had been prepared for the periods of 2020-2030 & 2021-2030 respectively as at date. It had been paid an amount of Rs.18.4 million for the preparation of 05 plans to UDA. Further, a definite time period against activities & goals had not been established in above plans and an inter-ministerial committee had not been appointed to date for this purpose. Thereon, the infrastructure facilities had not been developed & maintained in those tourism areas for a long time.
- (i) Bibila Rest house had been abandoned for more than 17 years, due to no action taken on encroachments and security of the premises. Thereon, a total rent income able to be received from the investor for the period from 02 November 2016 to 31 December 2023, amounting to Rs.10, 462,466 and investment valued at Rs.40 million had been lost by the Authority.
- (j) According to a request made by the Ministry of Tourism to start a training program for three-wheeler drivers to provide transportation facilities to foreign tourists, the Ministry had agreed to reimburse the financial contribution for the "Tuk Tuk Program" started by the Tourism Development Authority. However, an amount of Rs.13,227,648 incurred in the years 2018 and 2019 had not been recovered even as at the end of the year under review.
- (k) Aggregate values of arrears in rental income due from 34 guest houses as at the end of the year under review was Rs.29,831,815 and out of which the arrears rental income over 4 years was Rs.10,167,445 or 34 per cent from total arrears. It was observed that the actions taken to recover those were not in a satisfactory level. Further action had not been taken to lease out 07 guest houses which had been vacant for more than 04 years to date.


W.P.C. Wickramarathna
Auditor General



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