

ANNUAL REPORT

2013

SRI LANKA TOURISM PROMOTION BUREAU
Ministry of Economic Development



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Vision

“To establish & position Sri Lanka as Asia’s most treasured and greenest island, with its beautiful beaches, warm and friendly people, with a strong nature, culture and adventure offering, raising its profile to that of an Asian tourism icon and make it the largest foreign exchange earner benefiting the stakeholders of tourism and the people of Sri Lanka.”

Mission

- Being a catalyst to improve, enhance and maintain the much needed infrastructure.
- Establishing and enhancing a high quality product and service base to satisfy and delight tourists, focusing on their safety and security.
- Ensuring a level of volume and yield generating tourists to sustain and grow investment in tourism.
- Positioning Sri Lanka as a treasured island and a tourism earth lung working towards being carbon neutral making Sri Lanka a top of mind destination among potential customers
- Meeting the human resource demands of the industry through development of professionalism, skills development and training
- Involving all stakeholders in the formal and informal sectors, at the centre and the regions and within and outside of the industry to develop and promote Sri Lanka tourism.
- Expanding the base of domestic tourism to better serve the travel needs of Sri Lankans and to help better promote international tourism.

Corporate Information

Name – Sri Lanka Tourism Promotion Bureau

Legal Form – Statutory body incorporated under Tourism Act No 38 of 2005. (The new Tourism Act No.38 of 2005 came in to effect in 1st October 2007. According to sections 67 (1) of Tourism Act No.38 Ceylon Tourist Board Act No.10 of 1966 was repealed. The Ceylon Tourist Board hence ceased operations with effect from 30th September 2007.

Country Logo & Tag line-



Offices – Head Office is located at No.80, Galle Road, Colombo 03. (Tourist Information Centers are in BIA, Katunayake, Kandy)

Auditors - Auditor General of Sri Lanka

Bankers – Bank of Ceylon

Role of Sri Lanka Tourism Promotion Bureau – To stimulate sustainable international demand for Sri Lanka Tourism experiences and inspire, guide and support Sri Lanka's Tourist Industry in the delivery of Sri Lanka Tourism product offerings and the generation of the desired economic benefits to its stakeholders and the Sri Lankan economy by;

- Formulating and championing a clear destination marketing strategy.
- Articulating, promoting and establishing a compelling destination brand that strategically differentiates from competition.
- Facilitating sales for achieving visitor arrival and earning objectives by engaging and supporting the distribution network-both the traditional and that of emerging via the internet environment.
- Identifying and supporting the development of unique Sri Lankan Tourism experiences in keeping with the needs and expectations of the targeted market segments.
- Ensuring that Sri Lankan Tourism products and services and all elements of the brand live up to its branding and brand positioning strategies.
- Monitoring the changing international tourism industry landscape by gathering key insights and trends for improved decision making and communicate them to relevant industry stakeholders for their own use in business planning and development.
- Working closely with organizations that could assist in facilitating and or supporting the achievement of the organization's goals.

The Bureau's Objectives

- Marketing and promoting of Sri Lanka, directly or indirectly as a tourist and travel destination of quality in accordance with the Tourism Development Plan in consultation with the Sri Lanka Tourism Development Authority.
- Promoting Sri Lanka as a gateway to South Asia Region.
- Making Sri Lanka known as the Centre of excellence in tourism management and development in the region.

Board of Management

Senior Management

Designation	Name	Period of service in current position-date commenced and ending
Chairman	Mr.B.S.Gunaratne	June 2012 to December 2013
Managing Director	Mr.Rumy Jauffer	May 2012 to December 2013
Director Marketing	Mrs.Madubani Perera	January 2008 to December 2013
Director Finance (Actg)	Mr.M.M.J.R.N.Fernando	September 2012 to December 2013

Board of Management

Designation	Name	Period of service in current position-date commenced and ending
Chairman	Mr.B.S.Gunaratne	June 2012 to December 2013
Director General-SLTDA	Dr.D.S.Jayaweera	March 2013 to December 2013
Managing Director	Mr.Rumy Jauffer	May 2012 to December 2013
Board Member-Treasury Representative	Mr.E.H.S.B.Ekanayake	January 2013 to August 2013
Board Member-Ministry Representative	Mrs.S.H.D.Kaluthanthri	October 2013 to December 2013
Board Member	Mr.Nilmin Nanayakkara	July 2010 to December 2013
Board Member	Mr.Mervyn Fernandopulle	July 2010 to December 2013

Chapter 1 - Introduction

Under the vision of the “*Mahinda Chintana – Vision for the Future*”, the development of policy frame work of the government of Sri Lanka is committed to a sustainable Tourism Development Strategy while protection of the environment and distribution of economic benefits to the larger cross section of the society are key components of this overall vision.

Further, as per the five year (2011-2016) Tourism Development Strategy, the development policy framework of the Government of Sri Lanka aims at positioning Sri Lanka as a model tourist destination benefiting from the country’s natural advantages of having the highest bio diversity in Asia backed by a strong culture, historical artifacts, exotic beaches, green environment and friendly people all of which are solid building blocks for tourism development works.

Under the above strategy, the government has set a target of attracting 2.5 million high spending tourists by the year 2016 and in this strategy the China, Russia (Ukraine, Kazakhstan, Belarus), India, Korea, Japan, Middle East were identified as emerging markets to more focus to accelerate tourism promotional campaign to get the highest publicity while promoting the traditional markets.

Apart from the above, in this the year of 2013, Sri Lanka Tourism Promotion Bureau supported to carry out the infrastructure development projects, annual religious festival & events, visitor information facilitation projects under the visitor satisfaction has stated in the Tourism strategy.

Finally, under the above development and promotions, we were able to bring down 1,274,593 tourists to Sri Lanka with US\$ 1715.5 million of total tourism receipts.

Hence, when compare to the previous years, 2013 is a remarkable year for Sri Lanka Tourism considering the above achievements.

Chapter 2- Overall Improvement

Improvement of Tourist Traffic

In Year 2013, international tourist arrivals (1,274,593) grew by 26.75 per cent highlighting the highest tourist arrival has recorded in the history of tourism in Sri Lanka. New marketing & promotional strategies, infrastructure development, economic stability and the peaceful environment of the country served to attract highest amount of tourist traffic to Sri Lanka in 2013 compared to previous year.

Top 10 Arrivals by Country of Residence in 2013

Ref. No.	Country of Residence	2012	2013	(%) of Change
1	India	176,340	208,795	18.4
2	UK	114,218	137,416	20.3
3	Germany	71,642	85,470	19.3
4	Middle East	56,169	80,509	43.3
5	Maldives	47,572	79,474	67.1
6	France	56,863	64,388	13.2
7	Australia	51,614	54,252	5.1
8	China	27,627	54,288	96.5
9	Russia	28,402	51,235	80.4
10	Japan	26,085	31,505	20.8
	Total Arrival of the Year	1,005,605	1,274,593	26.7

Noteworthy feature is that all top ten market segments except Australia indicated the double digit growth in 2013 compared to the previous year.

Improvement of the Tourism Receipts

The total revenue from Tourism for the Year 2012 & 2013 is US\$ Million 1,038.3 and US\$ Million 1,715.5 respectively and it shows that the revenue in Year 2013 has grown by 65% compared to Year 2012. This demonstrates the future Tourism development in Sri Lanka taking the right direction to achieve its goals.

Promotion Market Improvement

The Tourism 2020 Vision Study conducted by UNWTO forecasted that International tourist arrivals are expected to reach over 1.56 billion by the year 2020. The 22 destinations of the

Indian Ocean country grouping are forecast to receive 179 million international tourist arrivals in the Year 2020, thus recording an annual growth rate of 6.3 per cent over the period 1995-2020. Consequently, the Indian Ocean region is gaining market share of worldwide tourist arrivals, and by 2020 one in every nine of tourist arrivals will be to an Indian Ocean country.

The outbound forecast from East Asia and the Pacific show that China will expand the most rapidly at – at 12.3 per cent a year between 1995-2020 to reach 100 million arrivals, but that Japan will remain the largest generator, i.e. 141.5 million out bound arrivals in 2020, for a 1995-2020 growth rate of 7.4 per cent per year.

The UNWTO predicts that India will account for 50 million outbound tourists by 2020; the 'Kuoni Travel Report India 2007' predicts that total outbound spending will cross the US\$ 28 billion mark in 2020.

In this backdrop the UNWTO has identified Russia, Korea, Middle East & Japan as an emerging markets in future world tourism develop scenario.

This became the basis to set up the Tourism Marketing & Promotional Strategies to use from Year 2012 and Sri Lanka Tourism Promotion Bureau conducted international promotional campaigns in emerging markets highlighted by the UNWTO such as China, Russia (Ukraine, Belarus, and Kazakhstan), India, and Japan while continuing promotions in the traditional markets.

Innovative Ways.....

- Focuses on creating top of the mind awareness using sustainable methods in the target markets
- Promote the destination under one roof along with the most diversified sectors with respective trade partners can be used as foreign exchange earners through consumer fairs, B2B (Trade) and B2B (Travel) to the country rather than promoting the destination only for tourism.
- By organizing such international promotional campaigns, Sri Lankan trade partners were able to find out more trade links through more focus consumer awareness programmes
- **Cost efficiency**

Throughout the more focus oriented strategic & cost effective marketing promotional tools used during such promotional campaigns such as Photo shooting opportunities during Sri Lankan cultural night, newly creative models, Sri Lankan dancers based on the research finding on "Characteristics on the China outbound visitors" as they are more interesting for the use of social media.

Iconic Promotions Conducted in 2013

China:

1. Bus Advertizing Campaign:

Based on a previous Research finding on “Characteristics on the China outbound visitors” as they are more interested for the use of outdoor media, it was initiated to conduct Bus branding campaigns in selected destinations in the world. As a result Sri Lanka Tourism Promotion Bureau carried out a first ever Bus Branding Campaign in China in four leading cities of China i.e. Guangzhou, Chengdu, Shanghai & Beijing across Nine months as most potential areas to promote the destination. In this campaign Two hundred (200) buses were branded in an attractive pictographical presentation of Sri Lanka tourism attractions which could attract many Chinese public living and visiting cities such as Beijing, Shanghai, Chengdu and Guangzhou. This initiative ensured close contact and a strong visual impact across 106 major bus routes across major cities. The above campaign was launched in China on the 30th August 2013 at the places shopping mall, Beijing in parallel to the first ever Mega promotion conducted by the Sri Lanka Tourism Promotion Bureau in abroad in destination promotion & marketing. This Bus Advertising Campaign promoted the Island nation among the Chinese public.

City	No. of Themes	No. of buses	No. of routes	Date of commencement	Date of completion
Beijing	14	50	11	24 Sept 2013	23 March 2014
Shanghai	14	50	43	11 Nov 2013	10 May 2014
Guangzhou	14	50	25	11 Nov 2013	10 May 2014
Chengdu	14	50	27	11 Nov 2013	10 May 2014



“Sri Lanka Shines in Beijing” Mega Promotion:

As a new marketing strategy, initiatives were taken to Promote the destination under “**Mega Promotion Campaigns**” along with the most diversified sectors with the participation of respective trade partners aiming to use them as foreign exchange earners through consumer fairs, B2B (Trade), B2B (Travel), Sri Lankan Nights, and other colourful events in emerging markets rather than promoting the destination only for tourism based such campaigns will create direct trade links in between the respective trade partners to promote the destination.

As a result of the first ever Sri Lanka’s Mega Promotions in the history, such promotional campaign was conducted in Beijing, China , with joint efforts from 45 Public and Private sector stakeholders, from 29th of August to 1st September 2013.

Activities Conducted:

a. Sri Lankan Night

The first event in the schedule was Sri Lankan Night held on 29th August at China World Hotel. “Sri Lanka Shines in Beijing” night was colourful with cultural shows which reflected the unique Sri Lankan identity and the participants in the event were truly entertained. Over 500 high profile Chinese guests including Politicians, government officers, Travel Trade Businessman and media were invited for this colourful night.

b. B2B Travel & Trade Meetings:

On the second day of the campaign (30th August.), the participants got the opportunity to attend business meetings (B2B Travel & B2B Trade) arranged at China World Hotel Beijing. Over 300 professionals (Over 200: Chinese travel agents and online agents for B2B Travel; Over 100: China trade participants for B2B Trade) attended at these meetings. With regard to the Sri Lankan trade participation, more than 40 travel agents and nearly 20 trade companies took part at the above B2B meetings. Further, A one on one business networking sessions were organized with both public and private sector stakeholders in China in addition to the above meetings.



B2B Travel



B2B Trade

c. Shopping Mall Activation:

Sri Lanka Shines in Beijing Shopping Mall Activation continued across 3 days located in “The Place” Shopping Mall as a major consumer awareness programme and it came alive with the sights, sounds and flavours of Sri Lankan dancers, drummers and DJ’s taking the stage to entertain the Chinese public, while a large number of Sri Lankan firms displayed their products and services during the campaign. The public outreach was vast with over 110 members of the media reporting the event complemented by 250 online articles. Extensive coverage across TV and Radio stations were also obtained as part of this mega promotional activity.

3. Other Special Advertising Conducted in China:

a. Subway Light Boxes

Over 20+ subway locations were selected to display promotional light boxes ensuring high levels of footfall over 100 millions impressions per week.

b. LED Hoardings

Over 18+ locations were selected for LED hoarding displays targeting middle to upper income population. The coverage reached was some 200 million impressions per week and was driven by high levels of footfall in the selected areas.

c. News Paper Advertisements & Articles

High circulation news papers such as the Global Times, Beijing Times and Beijing Daily advertised and published many articles. The attractive press advertisements were designed in an eye-catching and attractive manner ensuring a wide reach.

d. Radio Jingles

Five leading radio stations i.e. CRI China Business Radio (FM 96.6), China National Radio Top FM (FM 101.8), Beijing Literature and Art Radio (FM 87.6), Beijing Music Radio (FM 97.4) and Beijing Sport Radio (FM 102.5) with high audience figures were selected to promote Sri Lanka through a Sri Lankan themed jingles and had a total listener reached in excess of 750 million.

e. Online Marketing

Focusing the maximum coverage and exposure for the destination promotion & marketing, a number of leading and influential travel websites were selected. Online marketing campaign was conducted in China through the most influential websites combining with powerful social media platforms of the Chinese online market in order to get the high visibility.

f. Production of Souvenirs, Brochures & Leaflets

Based on the previous Research findings as an influential factor to promote & create more awareness on the destination a range of colourful and attractive Sri Lanka themed mugs, t-shirts, umbrellas and pens were produced along with the informative and descriptive leaflets and brochures that were warmly welcomed by the target audience complemented these items.

Russia:

Mega Tourism Road Show /Mega Tourism Caravan

As Russia & CIS countries have been identified as an emerging market in future by UNWTO based on the Vision 2020 Research Study published by UNWTO Sri Lanka Tourism Promotion Bureau initiated to conduct the **“Mega Promotion Campaigns”** as a new marketing strategy in Russia & CIS countries together with the Embassy in Russia. Further, the following special characteristics belong to the Russia Outbound market also impacted to create such strategies to conduct “Mega Tourism Campaign” in Russia & CIS countries:

- As disposable incomes continue to rise – and this would seem inevitable, given current economic forecasts and the continuing high price of oil, which is driving Russia’s Gross Domestic Product (GDP) strong growth
- Holiday trip-taking among Russians is rising fast and spending on travel abroad is rising even faster
- Booming of Russian economy and a new middle class has emerged in the major cities
- World’s fastest growing outbound tourist market
- High spending power on travel abroad

This resulted to conduct a, **Mega Tourism Road Show - 2013** in the following major potential cities in Russia as a first time in the history.

16-19 March 2013 St. Petersburg
20-24 March 2013 Moscow
3-7 July 2013 Moscow
8-9 July 2013 Nizny Nowgoard
10-11 July 2013 Kazan,
12-13 July 2013 Ufa
14-16 July 2013 Ykathrinburg

Activities Conducted:

- Shopping Mall Activation
- Cultural Shows
- Workshop for Tour Operators
- Photographic Exhibitions

With regard to the Sri Lankan trade participation (excluding travel & tourism), three other stakeholders participated in addition to the participation of 06 travel trade companies.

The promotional event had a blend of Sri Lankan dance performances, bagging the enthusiasm of an applauding audience comprising Russian nationals. Tourism promotional materials on Tourist attractions, locations, the exciting history of Sri Lanka in Russian language, and Ceylon tea were distributed among the audience, which helped to create a typical Sri Lankan atmosphere, among the guests at the event.



India: “Get Srilankanéd” Mega Promotion Campaign in Bangalore

As a new marketing strategy, initiatives were taken to Promote the destination in India through a “Mega Promotion Campaigns” together with the trade partners of most diversified sectors aiming to use them as foreign exchange earners through consumer fairs, B2B (Trade), B2B (Travel), Sri Lankan Nights, and other colourful events. These promotions were organized based on some of the most important characteristics of the market and also the fact findings of previous Research of UNWTO, PATA & Nielsen on “Indian Outbound Visitors” mentioned below:

- India is one of the fastest-growing outbound travel markets in the world. With more than 1.1 billion population and GDP increasing by more than 8% every year, the country offers enormous potential for future growth in outbound travel.
- India will account for 50 million outbound tourists by 2020 (UNWTO)
- Predicts that total outbound spending will cross the US\$ 28 billion mark in 2020 (Kuoni Travel Report India 2007)
- With over 28 million passport holders in the country who are potential travelers
- In terms of travel destination selection, the top five factors that influence destination selection for Indians are safety and security; variety of things to see and do; overall image of holiday destination; good tourist facilities; and infrastructure; and the ease of obtaining visas.

As a result, the first ever Sri Lanka's Mega Promotions was conducted in Bangalore, Capital City of IT and one of the highest number of outbound travelers generating Metro City in India, with joint efforts with the key government stake holders - Export Development Board, Sri Lanka Tea Board, Gem and Jewellery Authority, Board of Investment of SL (BOI), Sri Lanka Cricket Board and Sri Lankan Airlines along with private sector organizations and Sri Lanka Tourism Promotion Bureau branding Sri Lanka as a preferred tourist and investment destination from 21st to 23rd February 2013.

Activities Conducted:

a. Press Conference

A high profile press conference along with Print, TV, Radio, Magazine and Digital Media by Bangalore and greater Karnataka conducted on 15th February 2013 at Vivanta Taj, Bangalore to reveal the Mega Promotion Campaign. There were 75 media personnel attended at the above press conference and 22 media releases has been published by the prime news papers on the activation as pre publicity. The total advertising value and the media value obtained amounted to SLR 3.7 million and SLR 11 million respectively.



b. Sri Lankan Night

The first event in the scheduled "Mega Promotion Campaigns" was Sri Lankan Night and it was held on 21st February at Vivanta by Taj in Bangalore. "Get Srilankanéd" was the theme of the whole event and the Sri Lanka night organized colorfully with cultural shows which reflected the unique Sri Lankan identity and the diversified product offers. Among the most highlighted features, presence of most popular Cricket personalities at the event created huge publicity via photo opportunities and social media and other.





c. B2B Travel & Trade Meetings:

On the second day of the campaign (22nd February), the participants got the opportunity to attend at the business meetings (B2B Travel & B2B Trade) arranged at Vivanta by Taj. There were over 100 top travel trade personnel participated at the B2B Travel meeting to meet Sri Lankan travel industry members to network and close valuable business deals.

With regard to the B2B Trade, there were key Indian Trade representatives from Apparels, Ceramics, Gem & Jewellery, Confectionaries, Footwear, Tea, Crafts, Spa Ayurveda, Mega malls and Supermarket chains participated for the Trade presentations & B2B meetings organized by EDB and to network and close business deals with Sri Lankan exporters who were brought in by EDB via reporting Sri Lanka Tourism Promotion Bureau.

d. Shopping Mall Activation:

Shopping Mall activation of the "Get Srilankanéd" Mega Promotion Campaign continued across 3 days located in "Garuda Mall" from 22nd to 24th February 2013 creating a mini Sri Lanka inside one of the exciting malls in Bangalore surrounded by many other malls and shopping streets. Sri Lanka experiences such as Tea, Crafts, Gem & Jewellery, Ayurveda & Spa, Beaches, Adventure & culture were creatively exhibited to engage thousands of Indians & other foreigners who came into the mall and the rest of the area during the other exciting events organized alive with the sights, sounds and flavours of Sri Lankan dancers, drummers and DJ's .

During the shopping mall activation, many exciting games were organized together with the presence of the Sri Lanka Cricket players as well as with the senior Government representatives and specially designed souvenirs for the Indian market such as pens, caps, T-shirts and brochures were gifted among visitors those who came to the shopping mall to see this event through Sri Lankan Cricketers and obtained a huge media coverage on this event.





d. Sri Lanka Food Festival

Focusing to promote the Sri Lankan experience through food among Indians & other foreign visitors in India, a Sri Lankan Food Festival was organized from 23rd to 28th February 2013 at Vivanta by Taj in Bangalore.

Mumbai

03 Day Mega Joint Promotion in Mumbai -10th to 20th May 2013

The second 3-Day Mega Promotion Campaign in India was held in Mumbai from 10th to 20th May 2013. The key government stake holders - Export Development Board, Sri Lanka Tea Board, Gem and Jewellery Authority, BOI and Sri Lankan Airlines along with private sector Organizations participated with Sri Lanka Tourism Promotion Bureau in projecting Sri Lanka as a Tourism and Investment Hub.

Press Conference - 10th May 2013

The Press Conference was held on 10th May 2013 at Taj Lands End, Mumbai attended by 108 media personnel from India. The leading newspapers and TV Channels highlighted the activation as pre publicity via 66 media releases. The total advertising value and the media value obtained through this amounted to INR 3,918,966.69 and INR 9,749,440.06 respectively.



Sri Lanka Night - 17th May 2013

Sri Lanka Night held at Taj Lands End, Mumbai was attended by a group of high profile guests. Adding glamour to the night was a spectacular Sri Lankan traditional cultural show intermingled with typical Sri Lankan captivating rhythms, concluding with a delicious variety of Sri Lankan food prepared by Sri Lankan Chefs served to everyone.



Sri Lankan Tourism Forum for Tourism and Trade - 18th May 2013 Participation: 40 Sri Lankan tour operators/hoteliers

The forum for Tourism and Trade held on 18th May 2013 at Taj Lands End, Mumbai, attracted 200 tour operators to interact with 40 Sri Lankan tour operators and hoteliers. A forum for a networking session with other trade and investments was organized at the same venue.



Shopping Mall activation- 17th to 19th May 2013

Shopping Mall Activation took place at Phoenix High Street Mall from 17th to 19th May 2013 with cricketing celebrities, where there was a display of Sri Lankan products -Tea, Handicrafts, Ceramics, Gem & Jewellery Ayurveda & Spa and household products. It was a mini exhibition combined with a variety of entertainment including competitions and Sri Lankan Cultural performances portraying a glimpse of the Sri Lankan culture.



Media Coverage and Consumer Awareness

The advertising campaign comprising press, billboards, city dressing, radio and cinema slides, was effective in projecting Sri Lanka as a popular tourist destination. Cultural performances held at the Sri Lankan night and Press conference kept the media busy capturing every detail. The reach value of the PR campaign was almost 10 million INR.

Ukraine:

Mega Tourism Caravan

Mega Tourism Caravan was successfully launched as one of the campaigns in Ukraine initiated by Sri Lanka Tourism Promotion Bureau together with the extensive support of Embassy in Russia in the following major potential cities; Kharkov of the Ukraine and journeyed through four other major cities of the Ukraine, Donetsk Dnepropetrovsk, Odessa and Kiev covering a distance of almost 2000 kilo meters on wheels continuing the saga of "Mega Tourism Caravan".

26-31 March 2013 Kiev

1-3 October 2013 Kharkov

4 -6 October 2013 Donetsk

7-8 October 2013 Dnepropetrovsk

9-10 October 2013 Odessa

11-13 October 2013 Kiev

Activities Conducted:

- ★ Shopping Mall Activation
- ★ Cultural Shows
- ★ Workshop for Tour Operators
- ★ Photographic Exhibitions

With regard to the Sri Lankan trade participation (excluding travel & tourism), three other stakeholders were participated in addition to the participation of 02 travel trade companies.

Mega Tourism Caravan event had a blend of Sri Lankan dance performances, bagging the enthusiasm of an applauding audience comprising Ukrainian nationals and collaterals tourist attractions, locations, the exciting history of Sri Lanka in Ukrainian language, and Ceylon tea were distributed among the audience, which helped to create a typical Sri Lankan atmosphere, among the guests at the event.



Belarus:

Mega Tourism Caravan and Sri Lanka Tourism Forum coinciding with the Visit of H.E Mahinda Rajapakse - President of Sri Lanka - 22-28 August 2013

Mega Tourism Caravan was successfully launched as one of the campaigns in Belarus initiated by Sri Lanka Tourism Promotion Bureau together with the extensive support of Embassy in the following major potential cities coinciding with the visit of H.E Mahinda Rajapakse – President of Sri Lanka.

22-28 August 2013 Minsk, Belarus

Activities Conducted:

- ★ Shopping Mall Activation
- ★ Mega Cultural Shows
- ★ Workshop for Tour Operators
- ★ Photographic Exhibitions

With regard to the Sri Lankan trade participation three stakeholders participated at the above event as a first time in this new market.

Mega Tourism Caravan event commenced with the Shopping Mall activation followed by a Mega Cultural Show depicting typical moods of Sri Lanka which held an audience of more than 1500 Belarus Nationals spellbound.

Mega Tourism Caravan



Cultural Show



Kazakhstan:

Mega Tourism Road Show

As a part of initiation to conduct the “**Mega Promotion Campaigns**” as a new marketing strategy, Mega Tourism Road Show - 2013 was held in the following major potential cities in Kazakhstan as a first time having such Mega Promotional Campaign conducted in this country.

24-27 April 2013 Almaty Kazakhstan

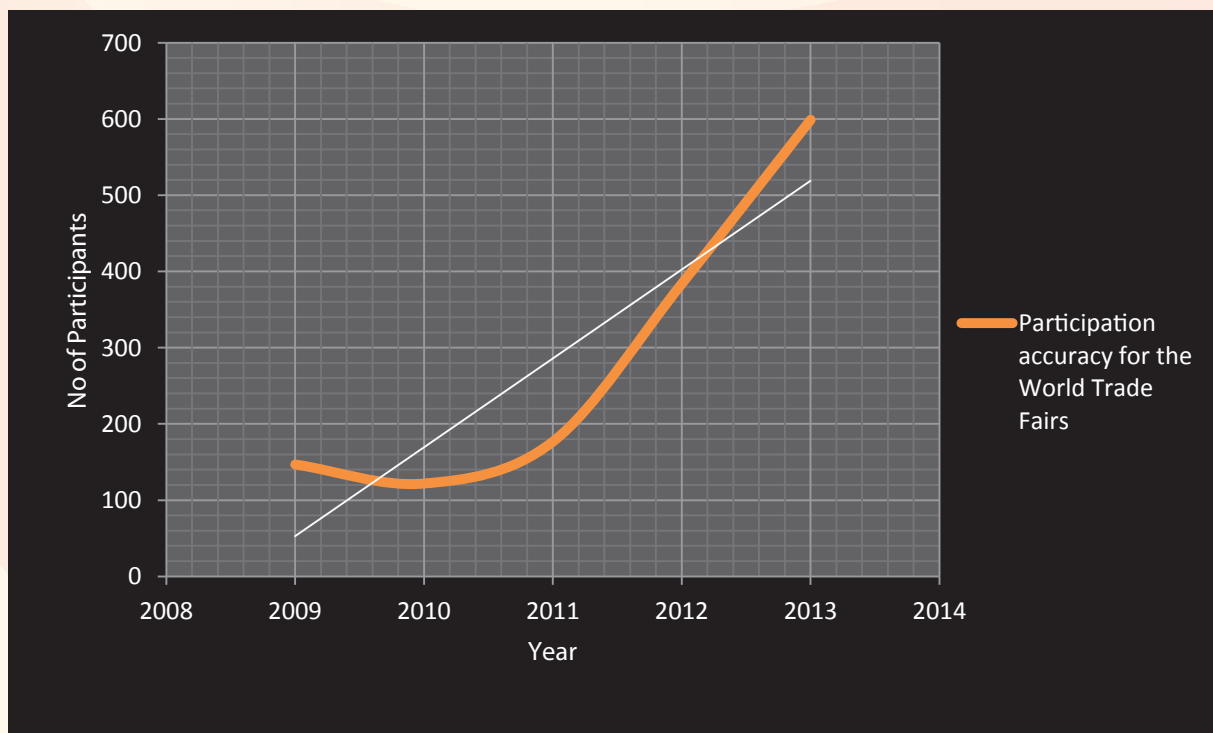
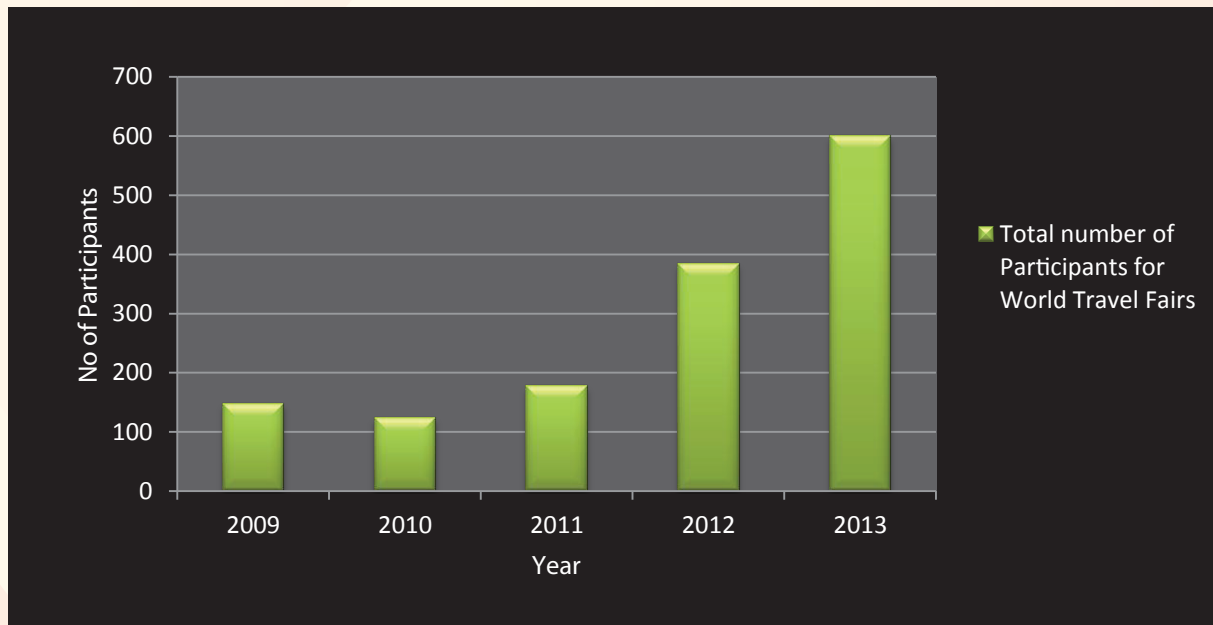
Activities Conducted:

- ★ Shopping Mall Activation
- ★ Mega Cultural Shows
- ★ Workshop for Tour Operators
- ★ Photographic Exhibitions

With regard to the Sri Lankan trade participation (excluding travel) three stakeholders were participated at the above event together with the 06 participants represented the travel trade at the above event as a first time in this new market.

Chapter 3: Travel Fairs

Year	2009	2010	2011	2012	2013
No of Travel Agent Participants	147	122	177	384	599



With regard to the travel fair participation by Sri Lanka Tourism Promotion Bureau together with travel trade in Sri Lanka, in year 2013 and year 2012 indicated that there were 33 and 25 travel fairs which were participated respectively by Sri Lanka Tourism Promotion Bureau.

In terms of the number of the Sri Lankan travel trade participants at the travel fairs, the above charts shows that year 2013 and year 2012 there were 215 and 599 Sri Lankan travel trade participants participated in each travel fair with an increase of 56% in year 2013 when compared to year 2012. Further, the above chart clearly shows that, the number of Sri Lanka participation for the travel fairs in 2013 was higher than the average number of Sri Lanka participation and it reflects the growth of the travel trade participation at the travel fairs.

China:

Guangzhou International Travel Fair (GITF), China, 07th – 09th March 2013

GITF is the industry's leading travel and tourism exhibition dedicated to unlocking the business potential within China which took place at the China Export and Import Center. Sri Lanka Tourism Promotion Bureau participated at this fair along with 14 local travel trade companies and Sri Lankan Airlines.

Beijing International Tourism Expo (BITE) 2013, China, 21st – 23rd June 2013

It was held at the China National Convention Centre from 21st – 23rd June 2013. BITE is actively supported by Beijing Tourism Administration and would be a window into the immensely lucrative and booming Chinese tourism market. This attracted over 100,000 public visitors and over 40,000 trade professionals during the three day period. Total of over 80 countries and 24 Chinese National provinces took part as exhibitors.

This will be an excellent opportunity for both buyers and sellers to conclude deals to promote travelling during the October Golden week in China.

China International Travel Mart 2013 (CITM 2013), China 24 – 28 October 2013

China International Travel Mart 2013 (CITM 2013) which was jointly organized by China National Tourism Administration (CNTA), Shanghai Tourism Administration of Civil Aviation of China, was held from 24th – 28th October at Shanghai New International Expo Centre

More than 100 countries and regions participated in CITM 2013 showing an increase of 20% over 2012. Over 1,000 Chinese trade buyers and overseas visitors and 800 journalists had attended the travel mart during the first two days and had attracted over 100,000 potential traveling public during the last two days.

Chengdu International Travel Mar (CITF 2013), China 06th – 08th December 2013

Chengdu International Travel Fair (CITF 2013) is an annual event jointly organized by Chengdu Municipal Tourism Administration and the Chengdu Municipal Bureau of Exposition from 06th – 08th December 2013 at Century City New International Convention & Exhibition Center. CITF is one of the largest professional travel shows in Asia attracting over 1,000 buyers and overseas visitors and journalists. It attracted over 100,000 potential travelling public during the last two days.



Russia:

MITT Travel and Tourism Fair -2013

Sri Lanka participated at annual travel fair of MITT Travel and Tourism fair. This time Sri Lanka was represented by 18 leading travel and tourism companies . MITT is the Russia's leading Travel and largest travel exhibition with over 3000 participating companies from 197 destinations.



Leisure Travel and Tourism Fair

Sri Lanka participated at Leisure Travel and Tourism Fair in Moscow, Russia with participation of 25 companies of Tourism industry. Otdykh Leisure is largest Tourism meeting in Russia was held on 17th -20th September 2013.



Ukraine:

UITT Travel and Tourism Fair

UITT is the largest and most important travel and tourism industry event in Ukraine .It attracts key international travel industry players looking in to promote their products and increases their presence. This year too, the Sri Lanka Tourism Promotion Bureau with the collaboration of Sri Lanka Embassy in Russia arranged the Sri Lanka Participation at the Fair.



The Kazakhstan International Tourism Fair (KITF)

The Kazakhstan International Tourism Fair (KITF) is universally recognized as the leading travel industry event in Kazakhstan. Since 2010 Embassy of Sri Lanka in Russia along with Sri Lanka Tourism Promotion Bureau organized Sri Lanka's Participation annually.

Ukraine Travel Market



Ukraine Travel Market is one of the important travel fair in Ukraine which allows visitors to exploit the presence of 750 exhibitors and exchange the ideas and experiences.

Ukraine Travel Forum

On the 25th March Sri Lanka received another accolade by been invited by organizer as the country partner of the 10th Ukrainian Travel Forum. Delux Holidays, Royal Holidays , Bernard Tours, Ceylon Tours, Concord Exotic Voyages were represented at this Forum. Round table discussions with the leading tour operators of Ukraine namely Tez Tours, Coral Travel, Travel Company SAM, TUI Ukraine, Pan Ukraine, Join up was held on 26th of March.



India:

OTM – Mumbai (08th to 10th February 2013)

OTM 2013 travel fair in Mumbai was held from 08th to 10th February in Mumbai. Sri Lanka Tourism was participated alone with 35 travel trade members.

OTM – New Delhi (14th to 16th February 2013)

OTM 2013 Travel fair in New Delhi was held from 14th to 16th February in New Delhi. Sri Lanka Tourism was participated alone with 35 travel trade members.

OTM – Hyderabad (12th to 14th July 2013)

OTM Hyderabad travel and tourism fair was held from 12th to 14th July 2013 in Hyderabad. Sri Lanka Tourism was participated alone with 12 travel and tourism companies.

IITM - Bangalore (26th to 28th July 2013)

IITM travel fair was held from 26th to 28th July 2013 in Bangalore. Sri Lanka tourism was participated alone with the 11 industry representatives.

UK:

World Travel Market - 4th – 7th November 2013



The 34th World Travel Market, which is a leading event for the travel industry, opened at the Excel exhibition centre in London. This event is the foremost four day business to business exhibition for the worldwide Travel and Tourism industry. Sri Lanka Tourism Promotion Bureau (SLTPB) participated in conjunction with 60 industry partners, to promote tourism and to communicate the key messages for the future growth of the tourism on the island 2014 beyond. Yapahuwa structure as an entrance feature and live demonstration of craftsmen added colour to the Travel Fair.

Condénast Luxury Travel Fair, UK, November 2013

Condénast Luxury Travel Fair, one of the most popular fair in the work to sell & to market the high-end brands in the destination for high-end travel experiences from all corners of the globe and seven (07) Sri Lankan travel trade companies participated at this



Germany:

ITB 2013: 6th -10th March 2013 (Berlin, Germany)

ITB: The 47th edition of International Travel Bourse (ITB), the key travel and trade exhibition among the largest travel exhibition in the world. 10,086 exhibitors from 188 countries presented at ITB 2013. This time Sri Lanka Tourism Promotion Bureau participated at the above travel fair together with 64 Sri Lankan Travel Trade companies.



CMT 2013: 12th – 20th January 2013 (Stuttgart, Germany)

CMT: The biggest consumer fair has registered 210,529 visitors in 2013. It was 1,931 exhibitors from 89 countries and 350 regions presented at CMT 2013. Television, radio and print media had reported 1,338 journalists from 19 countries. Sri Lanka Embassy in Germany represented the Sri Lanka Tourism Promotion Bureau and 04 Sri Lankan trade representatives participated at the above event.



France:

IFTM (Top Resa)-Paris – 24th – 27th September

IFTM-Top Resa 2013 was held in Paris, France which can be considered as the leading Travel and Tourism fair in France where Travel and Tourism Professionals from all over the world attend. Sri Lanka Tourism participated at the above fair with a delegation of 37 members from 19 travel industry organizations and occupied a custom built stand of 120 Square meters featuring the Sigiriya Lion Paw structure at the entrance as an authentic Sri Lankan cultural icon with eight tourism products that are highlighted to promote Sri Lanka and as a special attraction a tea serving counter was organized where visitors could enjoy a cup of "Ceylon Tea". Sri Lanka Embassy in France extended its support and assistance in organizing this year's Sri Lanka participation at the above event.

Therefore 19 Sri Lankan Travel companies and Hotels participated at the above event.



Also a Press conference was organized for the French Travel Media Personnel. 20 journalists and bloggers were present from diversity of the lifestyle media travel, tourism, women, news, sports, luxury and wedding magazines/website. This press conference has introduced the destination Sri Lanka to the tourism and lifestyle journalists, during IFTM Top Resa and generated qualitative coverage.



NETHERLANDS

2013 - Vakantiebeurs Travel and Tourism Fair, Utrecht, Netherlands - 08th - 13th Jan

Since Vakantiebeurs is considered to be an important tourism promotional event, Sri Lanka tourism has been participating at Vakantiebeurs regularly to create awareness and interest among the consumers and trade. This time Sri Lanka Tourism was represented by 13 companies of Travel and Tourism companies.



Netherlands being a popular market place within Western European region and this is a continuous event participated by Sri Lanka Tourism to create awareness and interest among the consumers and trade.

Belgium

2013 - Brussels Holiday Fair, Belgium: 31st Jan. – 04th Feb.

Brussels holiday fair is the largest travel and tourism fair in Belgium which attracts more than 125,000 people during the 5 days. Another new feature added to this holiday fair is a B2B event. Brussels holiday fair was represented by Sri Lanka Embassy in Belgium with participation of 3 members of the industry.

Sri Lanka has identified Belgium as one of the important markets in Western Europe. Tourist arrivals from Belgium were 10,122 in 2011 which is an increase of 88.8% compared with year 2010. Visitors: 105,413 (increase of 3% compared to 2012) Exhibitors: 748

Japan:

JATA, Tokyo - 12th-15th Sept

Japan Association of Travel Agents (JATA) World Congress and World Travel showcase is annually held at Tokyo Big Site in Tokyo, Japan. It is the biggest travel fair in Japan and consists of a marketing conference and an opportunity for travel industry participants around the world to promote their tourism products to Japanese travel trade and consumers.

There were 19 companies participated at this fair from travel industry.



Italy:

BIT 2013 - International Tourism Exchange, in Milan, Italy – 14th -17th Feb. 2013

This is the main tourism related exhibition yearly taking place in Milan, Italy, which proved yet again to be successful in 2013.

The 17 Sri Lankan companies represented at the stand were able to meet with a significant number of business and tourism operators visiting the stands at the pavilion. More than 107,000 business and tourism operators coming from 140 countries have visited the various stands in 2013 edition, highlighting a positive trend compared to the previous years.



During public days, a large number of people visited Sri Lanka Stand and inquired information on what Sri Lanka has to offer to the Italian tourists. They all were served with a cup of “Ceylon Tea” at the dedicated Tea Counter set up within Sri Lanka Pavilion.

Participating at this fair, large number of proposals and inquiries were received from the Italian tourism journalists to organize visits to Sri Lanka to cover Sri Lanka in their respective mediums of communication.

Poland:

TT Warsaw (21st International Travel Show) - 28th – 30th Nov

The International Travel Show TT Warsaw is a leading Polish and one of the most important trade shows in the Central and Eastern Europe targeted at the tourist industry. Sri Lanka Tourism participated at this fair in an area of 42 sqm with 07 travel industry representatives. There were over 400,000 visitors in 3 day period. Sri Lanka Tourism was represented by Embassy in Poland at this fair. Sri Lanka has identified Poland as one of the emerging markets in Eastern European Region and has generated 5,817 tourist arrivals in 2013.

Singapore:

ITB Asia – Suntec, Singapore - 23rd - 25th October 2013

ITB Asia is an annual Business-to-business (B2B) trade show and convention for the travel industry and this fair was organized by Messe Berlin, who has over 45 years experience in organizing ITB Berlin. With regard to the Sri Lanka participation at the above fair which was held in Suntec, Singapore, with 15 trade participants represented Sri Lanka together with Sri Lanka Tourism Promotion Bureau in 2013 this shows a considerable increase of the participation compared with 2012 which was 7 trade participants have been participated at the same travel fair.



Korea:

26th Korea World Travel Fair (KOTFA) 2013 – 30th May – 2nd June

The Embassy of Sri Lanka in Korea in association with the Sri Lanka Tourism Promotion Bureau organized Sri Lanka's pavilion at the 26th Korea World Travel Fair (KOTFA), the largest travel exposition held at the COEX Exhibition Center in Seoul.

KOTFA attracted a multitude of international and national tourism organizations with the participation of more than 3,000 local and foreign exhibitors, representing 60 foreign countries including 23 Asian nations. About 115,000 visitors attended KOTFA with around 15,000 from the tourism industry and over 100,000 from the general public who wished to discover potential travel destinations.



With regard to the Sri Lanka participation at the above fair 9 trade participants represented Sri Lanka together with Sri Lanka Tourism Promotion Bureau in 2013.

Sri Lanka's pavilion was ceremonially opened by Sri Lankan Ambassador to Korea, H.E. Mr. Tissa Wijeratne, along with Mr. Cho Hyun-jae, Vice Minister of Culture, Sports, and Tourism of Korea, President of the KOTFA and other dignitaries in the Korean tourism industry

The Busan International Travel Fair 2013 – 06th to 09th September 2013

The Busan International Travel Fair is one of the major Travel Fairs that is annually held in Korea by KOTFA. More than 3,000 foreign and domestic travel Professionals from 36 countries 230 travel related organizations and more than 90,000 general visitors attended at the event. Since Busan is the second largest city in Korea, more visitors attended the fair.

With regard to the Sri Lanka participation at the above fair 10 trade participants represented Sri Lanka together with Sri Lanka Tourism Promotion Bureau in 2013.

11th Tour Expo DaeguGyeongbuk - 11th April to 14th April 2013

11th Tour Expo DaeguGyeongbuk was held from 11th to 14th April 2014 in DaeguGyeongbuk in Korea and Sri Lanka Embassy in Korea represented Sri Lanka Tourism Promotion Bureau at the above event with a view to promoting Sri Lanka as a key tourism destination among Koreans.

Middle East Market:

Arabian Travel Market (ATM): 6th – 9th May 2013

The ATM, which was held for the 19th consecutive year, is the leading travel and tourism fair to unlock business potential within the Middle Eastern and Pan Arab regions and participating at the above event for the 12th consecutive year. Sri Lanka Tourism together with 56 travel industry participants created widespread destination awareness and promotion on Sri Lanka in compared to previous years.

Sri Lanka pavilion in the ATM was one of the most popular pavilions among the stand due to introducing a new concept to the pavilion placing a “ ***Sri Lankan Elephants Family***” in front of the Sri Lanka pavilion and which attracted many visitors eye catching towards the Sri Lanka pavilion.

Fifty Six (56) Sri Lankan travel trade companies participated at ATM along with Sri Lanka Tourism Promotion Bureau in 2013 and this shows a considerable increase of the participation compared with 2012.



Austria

Ferien- Messe Wien: 10th – 13th January 2013 - Vienna, Austria

FEREIN- Messe Wien is an International fair for holidays, travel & leisure travelers and leading public access tourism fair in Austria. Sri Lanka Embassy in Austria was represented the Sri Lanka Tourism Promotion Bureau at the above fair along with one Sri Lankan travel trade company.

Over one hundred thousand consumers and thousands of experts from within the sector came to enjoy the fair for the tourist industry. This event provided visitors with foretaste of upcoming holidays in the halls of the Messe Wien expo centre – in Austria and in a wide range of foreign destinations with an opportunity to book some great offers on site.

Turkey

Izmir International Fair, 29th August – 02nd September 2013

Izmir International Fair (IEF), one of the well known as general trade fairs all around the world, is the oldest tradeshow in Turkey. It is considered on the cradle of Turkey's fairs and expositions industry, and is also notable for hosting a series of simultaneous festival activities.

Izmir International Fair has been at the heart of global and local companies in the consumer and industrial products for over 81 years. It is also the most venerable member (since 1948) from Turkey of UFI, the association of the world's leading tradeshow organizers and fairground owners, as well as the major national and international associations of the exhibition industry, and its partners.

Fist time in the Sri Lanka Tourism, Sri Lanka Tourism Promotion Bureau participated at the above event together with five (05) travel trade companies and there were more than 839 local, 286 foreign firms from about 60 countries participated in the 82nd Izmir International Fair in 2013.

New Travel Fairs in 2013

First time in the history in Sri Lanka Tourism, Sri Lanka Tourism Promotion Bureau together with Sri Lankan travel trade participated at the following travel fairs in year 2013:

- Ukraine travel Market
- Izmir International Fair
- Condast Luxury Travel Fair

New Concepts Added to Travel Fairs

Trade shows are great opportunities to reach new visitors, customers, more photo opportunities. However it is regarded to be outstanding among other booths. Business promotion in this type of high-competition environment requires special planning and developed strategies to attract more visitors/media to the pavilion to maximize the investment.

Following on the above, some of the new strategies mentioned below were adapted by Sri Lanka Tourism Promotion Bureau in order to create special atmosphere when participating at the travel fairs to market & promote the destination all around the world:

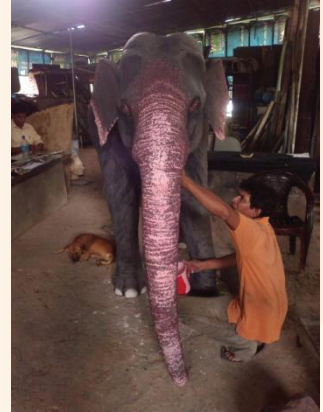
- a. Well designed Sri Lanka pavilion based on the concept of the product diversification
- b. Concentrated on more photo quality
- c. More involvement of more from foreign missions
- d. Tailor-made promotional materials & souvenirs for the participants
- e. New models & structures were taken from Sri Lanka

As success stories with regard to the participation at Travel Fairs by Sri Lanka Tourism Promotion Bureau, the following will provide how it impacted to had a successful Travel Fairs in abroad.

1. Arabian Travel Market (ATM): 6 – 9 May 2013

Sri Lanka pavilion in the ATM was one of the most popular pavilions in the fair by introducing a new concept to the pavilion placing a “***Sri Lankan Elephants Family***” in front of the Sri Lanka pavilion and which attracted many visitors eye catching towards to the Sri Lanka.

Following will illustrate how it became as a successful project from the beginning:



2. ITB 2013 : 6th -10th March 2013 (Berlin, Germany)

Lion paw of Sigiriya was used as the entrance feature at the fair.



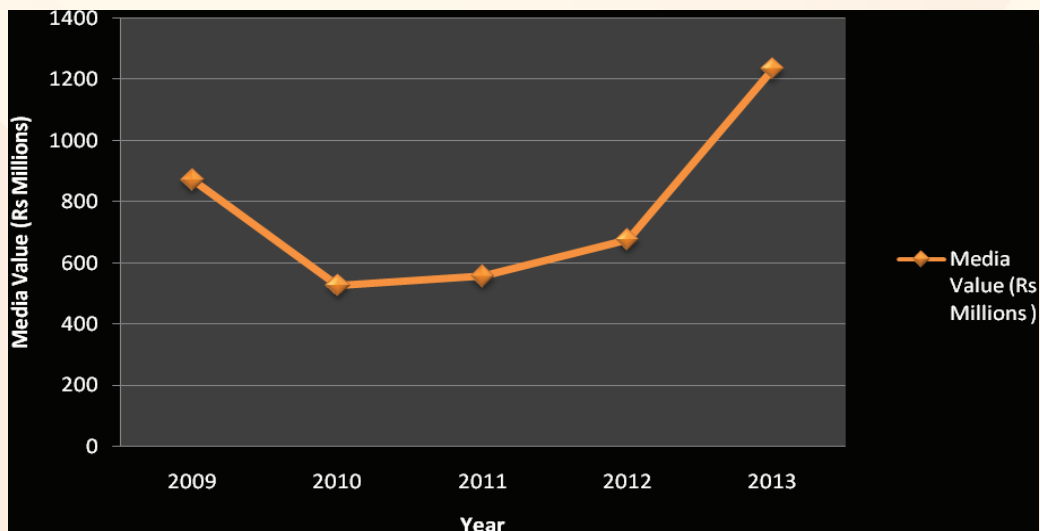
Chapter 4: Visiting Journalist Programme (VJP)

Visiting Journalist program (VJP) is the main public relations (PR) program conducted by Sri Lanka Tourism Promotion Bureau under international marketing promotions. This program focuses on various aspects of promoting destination Sri Lanka through different media platforms acting as a powerful marketing tool for generating publicity to destination Sri Lanka. The program facilitates journalists from countries around the world, to gather firsthand experience visiting various parts of Sri Lanka and in return, generating insights to influence travel decisions of potential visitors to destination Sri Lanka.

The main objective of Visiting Journalists program is to annually bring down a target number of Journalists representing leading print and electronic media in the world to promote Sri Lanka. All promotional efforts are lined up to enhance foreign media exposure on Sri Lanka under Sri Lanka Tourism value proposition Authenticity, Compactness and Diversity.

Media Value Received by Year

Chart 1



The Chart 1 & Table 2 describe that the Media Value has been increased by approx. 82% in 2013 when compared to 2012.

Number of FAM Tours by Year

Table 2	Year				
	2009	2010	2011	2012	2013
No of Journalists	288	226	196	226	322
No of FAM Tours	91	57	59	78	72
Media Value Rs Million	872	527	557	677	1235

Chart 2

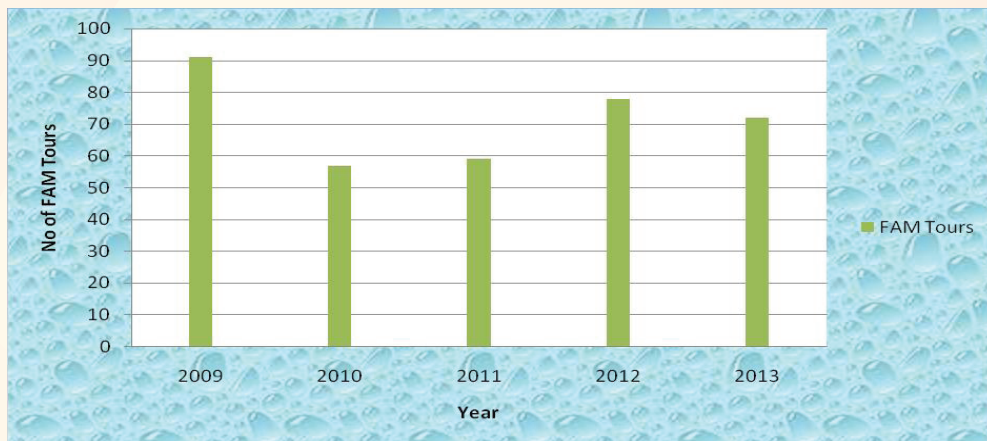
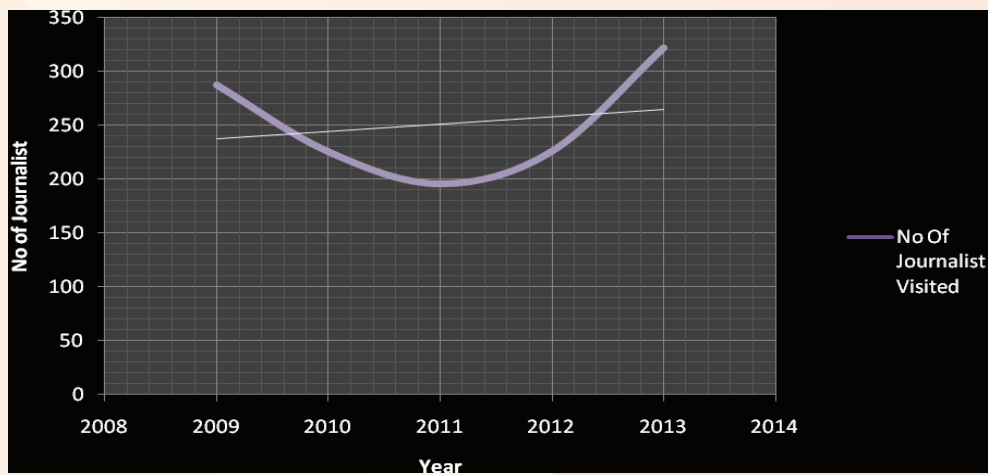


Chart 3



When compared with year 2013 & 2012, Chart 3 & Table 3 shows that the number of journalists visited Sri Lanka under the VJP programme has increased by approximate by 44% and it reflects the growth of the potential journalists visited under this programme.

The curve and the straight line of the above Chart 3 shows that the total number of journalist visited to Sri Lanka in year 2013 was higher than the average number of journalist in year 2013 and it reflected the success of the VJP programme in year 2013 although scale down in terms of number of FAM tours organized by in 2013 than 2012.

TOP 20 VJP Tours organized in 2013

Out of the total number of FAM tours (72 Nos.) organized by Sri Lanka Tourism Promotion Bureau in 2013, the following Table 3 shows the Top 20 VJP tours organized in year 2013.

Table 3

Ref.		Ref.	
	<i>China</i>		<i>Russia & CIS</i>
1	CCTV Outlook Travel China	11	TV channel 100(Kiev)
2	China Travel Channel	12	TV channel union
3	Traveller & Photographer Magazine	13	ONT (2 nd National Channel, Minsk)
	<i>UK</i>		<i>India</i>
4	Marie Claire Magazine	14	<i>The Times of India</i>
5	<i>Sunday Mirror</i>	15	<i>The Telegraph</i>
6	<i>BBC Weather Documentary</i>	16	<i>The Hindu</i>
	<i>Germany</i>		<i>France</i>
7	Sri Lanka Magazine	17	Voyages D' Affaires Magazine
	<i>Switzerland</i>	18	GRAZIA Magazine
8	Je Pars Magazine		<i>Hong Kong</i>
	<i>Japan</i>	19	Next Magazine
9	TBS Japan	20	Cable TV
	<i>UAE</i>		
10	ATV Azerbaijan		

Distribution of Visiting Journalist Programme by Country – 2013

In year 2013, 322 journalists visited Sri Lanka. Under VJP programme from 30 countries in worldwide based on the requirements of each journalist and related publication, detailed itineraries are tailor made for each FAM tour and this will be representing below Table 4.

Table 4

Name of Country	Number of Journalists
China	51
Turkey	9
India	46
Hongkong	9
Slovenia	2
France	17
Thailand	19
Korean	27
Sweden	12
Lebanon	5
UK	31
USA	1
Belgium	3
Netherland	1
Australia	1
Azerbaijan	2
Philippine	2
Oman	2
Norway	10
Malaysia	13
Japan	17
Germany	15
Switzerland	2
Poland	7
Russia	4
UAE	4
Jeddah	2
Riyadh	2
Belarus	3
Ukraine	3
Total	322

Sri Lanka

Reportage: Pr. Bassant Lelouch

Escapade aux plus fabuleuses destinations

Après avoir publié dans notre numéro de mars un article sur Sri Lanka, Prévost continue son exploration dans cette île merveilleuse de l'Océan Indien pour vous emmener dans trois régions pittoresques et touristiques de ce magnifique pays: Nuwara Eliya, Sigirya et Kandy.

Parc national de Sigirya.

Un sentier pour pèlerins au lac de Nuwara Eliya.

Un cheval dans le parc national de Nuwara Eliya.

Le temple de Kandy.

TRAVEL

J2 TRAVEL

Sri Lanka

a heady cocktail of experiences

To celebrate British Airways new route to Sri Lanka from Gatwick Airport, flying three times a week and offering BA's superb Club World service, THEO CHRONI was invited to experience the highlights of the Tour of Ceylon package, the first tour to be sold by BA Holidays, and offer us its partnership with award-winning Jetwing Travels Ltd.

Un cheval dans le parc national de Nuwara Eliya.

Un sentier pour pèlerins au lac de Nuwara Eliya.

Un cheval dans le parc national de Nuwara Eliya.

Jewel of the Indian Ocean

Jo Hutchison is bowled over by the beauty of Sri Lanka and the friendliness of its people

Un cheval dans le parc national de Nuwara Eliya.

Le temple de Kandy.

Sri Lanka is a tiny island in the Indian Ocean, a jewel of the Indian Ocean. It is a country of incredible beauty, with a rich history and a warm, friendly people. The island is a perfect blend of natural beauty and cultural heritage. From the ancient ruins of Sigirya to the modern architecture of Colombo, Sri Lanka offers a unique experience for every traveler. The island is a true gem of the Indian Ocean, a place where time seems to stand still. The beauty of Sri Lanka is not just in its landscapes, but in its people. The friendliness of its people is what makes Sri Lanka a truly special place. The island is a perfect destination for anyone looking for a peaceful and unforgettable vacation. Sri Lanka is a country that has everything you need for a perfect holiday. The island is a true gem of the Indian Ocean, a place where time seems to stand still. The beauty of Sri Lanka is not just in its landscapes, but in its people. The friendliness of its people is what makes Sri Lanka a truly special place. The island is a perfect destination for anyone looking for a peaceful and unforgettable vacation. Sri Lanka is a country that has everything you need for a perfect holiday.

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Chapter 5: Road Shows

Sri Lanka tourism Promotion Bureau organizes road shows coinciding major travel fairs in order to obtain the maximum benefit for participating travel agencies.

(a) Road shows in KSA (Kingdom of Saudi Arabia)

In this regard, three road shows were organized in three major cities in Kingdom of Saudi Arabia (KSA) as following itinerary together with Sri Lankan travel trade from 07th to 10th September 2013 with the participation of 16 travel companies from Sri Lanka.

07 September 2013 – Road Show at Jeddah at Movenpick Hotel

08 September 2013 – Road Show at Riyadh at Al Faisaliah Hotel

10 September 2013 – Road Show in Dammam at Le Medidien Hotel

(b) Xi'an Tourism Road Show to attract more tourists from Xi'an Province, China

The Road show held in Xi'an, at Sheraton Hotel on 17th June 2013, was successfully concluded with promising prospects to the future of Sri Lanka Tourism. This event was held in parallel with the BITE 2013 international trade fair, the largest annual Tourism exhibition held in China.

The Sri Lanka Tourism Promotion Bureau (SLTPB), having foreseen the importance of the Chinese market to Sri Lanka's blooming industry of tourism, has organized this event for the local tour operators and hotels who took part in the Beijing International Travel Fair 2013(BITE 2013).

Around 80 outbound tour operators from Xi'an have participated in this road show.



Japan:

H. E. The President's visit to Japan 2013 – 14th to 16th March 2013

Sri Lanka Tourism Forum with Tour Operators

Sri Lanka Embassy in Japan organized a business forum and B2B interaction session to coincide with H.E. the President's visit to Japan to celebrate 60th year anniversary of establishing diplomatic relations between Japan and Sri Lanka from 14th to 16th March 2013.

Sri Lanka Tourism Products were displayed in separate booths by Sri Lanka travel Trade attending the event on 15th March 2013 at the Imperial Hotel, Tokyo during which Sri Lanka Tourism Promotion Bureau also manned an information counter.

B2B meetings were arranged by Sri Lanka mission in Japan between Sri Lankan Travel Trade companies (08 Nos) and Japanese Travel Trade companies on 16th March 2013.



2013 - The Sri Lanka Tourism Forum- 28 August Tourism Forum in Minsk, Belarus

The Sri Lanka Tourism Forum organized by Sri Lanka Tourism Promotion Bureau with the support of the Embassy of Sri Lanka in the Russian Federation on 28 August 2013 Minsk, Belarus with the presence of H.E President of Sri Lanka. A Memorandum between the government of Sri Lanka and government of Belarus was signed by Mr. Bhashwara Gunarthne -Chairman of Sri Lanka Tourism on behalf of Sri Lanka.

Around 150 hoteliers and tour operators from Belarus and Concord Exotic Voyages, Aitken Spence Travels, Bernard Tours, MAC Travels 4 members from the Travel and Tourism Industry of Sri Lanka participated in the Tourism forum to discuss new horizons of cooperation, especially, development of tourism along with increasing trade and mutual investments.



Chapter 6: Consumer Fairs

Japan:

Marine diving fair

Marine and Diving fair has been classified as the largest diving and resort exhibition in Asia and it is annually held in the month of April. The fair has attracted many diving lovers out of one million Japanese divers that are looking for new destinations and unique experiences day by day. Many countries that have aquatics resources and historic shipwrecks in their territories make use of this fair to give value for those as tourist attractions.

The following were obtained throughout the above fair as an output:

- Appearing an article on Diving in Sri Lanka in the official diving magazine of the fair
- Photography of the diving sites of Sri Lanka
- Reproduction of detailed leaflet of 8 pages on Diving in Sri Lanka-5000 leaflets



Sri Lanka Festival in Japan - 20th -21st Sep. 2013

The objective of this festival was to have Promotion of Sri Lankan trade and culture in Japan to the Japanese public. More than 90 trading stalls were displayed and promotional activities of cultural dance items and vocalists performed on stage. This festival is annually held in the month September with the participation of over 100,000 Japanese consumers.

UK

Consumer promotion

- The Times presented Destinations: The Holiday & Travel Show, the North's biggest travel exhibition took place from 17 to 20 January 2013 at Manchester's Event City.
- The Show attracted over 10,000 travelers looking for information and exclusive deals.

SLTPB participated jointly with travel counselors in UK.

SLTPB UK managed to distribute over 5000 leaflets and brochures.



British Airways (BA) Promotion at the Victoria Station

BA conducted a competition to promote the new route to Sri Lanka at the Victoria Train station in London. "Win a pair of flight tickets from London Gatwick to Colombo, Sri Lanka every 15 minutes until 8pm".



London wedding show

- The UK wedding and honeymoon market is a lucrative and highly competitive market with the average cost of a UK wedding estimated at over £20,000.
- With more weddings being planned outside the UK, and with SL a highly attractive honeymoon destination, the wedding show was an ideal platform to communicate to potential visitors.
- The 3 day event attracted over 10,000 visitors to London Olympia

Chapter 7: Other Events Organized in Overseas

Japan

State Visit of the Hon. Basil Rajapaksa, Minister of Economic Development to Japan

A special Sri Lanka Tourism Promotion event was organized by Sri Lanka Embassy in Tokyo to coincide with the visit of Hon. Basil Rajapaksa to Japan from 27th September to 02nd October 2013. An event of elephant gifting ceremony was organized in Thokuyama zoo in Yamaguchi Prefecture in Japan and also a Business Investment Seminar was organized in collaboration with JETRO and representing Dr. D. S. Jayaweera, Director General of the Sri Lanka Tourism Development Authority participated at the above Business Investment seminar which was held on 27th September 2013.

Sri Lanka Cultural Program-April 2013

Sri Lanka Embassy in Tokyo together with volunteer organizations and Sri Lankan Associations based in Japan organized the New Year celebration on Sunday the 14th April 2013 at Tamagawa ground in Tokyo, Japan.

The main objectives of the event are as follows:

This colorful event included a number of traditional Sri Lankan new year games/sports, authentic Sri Lankan Cuisine and cultural & musical shows. The Embassy had informed us that a large number of travel writers in Japan were present upon their invitation to witness the cultural traditions and enjoyed the traditional food.

-Promotion of Sri Lanka and its culture to attract more Japanese tourists to Sri Lanka, thus contributing towards the Government's objective to promote tourism.

-Highlighting the unique Sri Lankan traditions and customs among Japanese nationals in order to familiarize them with our country.



Agent Seminars (Osaka, Nagoya)

Travel Agent seminars were held in Osaka and Nagoya Hilton Hotels in Japan on 18th and 19th of July for large gatherings of travel agents in these cities.

Over 150 travel agents from these two cities participated at the seminars at which presentations were conducted on Sri Lanka as a lucrative destination for the traveler and being one of the safest destinations in the world today. Presentations were also conducted by the Sri Lankan Airlines office in Tokyo informing the participants of the services offered by the national carrier for Japanese travelers.

Familiarization Tours for the travel agents were offered at these seminars with a selection of 40 travel agents from Osaka and Nagoya by a lucky draw at the end of the seminar.

These tours will comprise of visits to important cultural and heritage sites and cities in Sri Lanka with familiarization briefings in Sri Lanka on the potential of promoting Sri Lanka as a destination for the Japanese traveler.

KOREA

Sri Lanka Food Festival - 1st to 28th February

Commemorating the 65th Anniversary of Independence in Sri Lanka & the 35th Anniversary of establishing Diplomatic Relations between Sri Lanka and Korea, Sri Lankan Food Festival was held in Millennium Seoul Hilton Hotel, Seoul.

Two of the best Chefs from Colombo Hilton Hotel were specially flown to Korea to team up with the Chefs of Millennium Seoul Hilton Hotel -which is one of the leading hotels located in Seoul, in turning out the finest authentic Sri Lankan dishes and desserts for the Korean food lovers.

KOICA Exhibition on Sri Lanka – 9th April

Required assistance was extended to KOICA Global Exhibition which was organized in promoting Sri Lanka and Two other countries during the period of 6 months at their Global village.

CZECH REPUBLIC

Prague - Inauguration of Sri Lanka Elephant Pavilion at the Prague Zoo -21st – 30th March

Sri Lanka Tourism Promotion Bureau in collaboration with the Embassy of Sri Lanka in Austria organized a promotional campaign in the Czech Republic in line with the official visit of the Ministerial Delegation to Czech Republic on the Inauguration of Sri Lanka Elephant Pavilion at the Prague Zoo to celebrate the gifting of two Sri Lankan elephants.

Sri Lanka Culinary Programme – 21st – 28th March, 2013

This event was organized by Sri Lanka Tourism Promotion Bureau along with Hilton Prague and Hilton Colombo. A Cultural performance was presented by a Sri Lankan dance troupe during the culinary festival.

Sri Lanka – Czech Republic Travel Trade Forum - 28th March

Venue: Hotel Hilton, Prague

This meeting was organized by the Sri Lankan Travel Trade to meet up with Czech Travel Agents.

Sri Lanka – Czech Republic Business Forum - 28th March

The Forum was organized by the International Chamber of Commerce of Czech Republic with the partnership of EDB – Sri Lanka, at Ministry of Industry & Trade, Prague

Mini Exhibition at Zoo, Prague from 28th – 30th March

This was organized with the participation of 04 Sri Lankan companies

Reception hosted by Hon Basil Rajapakse - Minister of Economic Development on 28th March

The reception was held at Hotel Hilton, Prague, attended by 250 guests including H E the President and Prime Minister of Czech Republic, Cabinet Ministers, Senators, Trade, Travel and investor section representatives and media.

UNITED KINGDOM

Buy one Get one free Campaign (April-June) 2013

A massive 2 for 1 tactical campaign led by Sri Lanka Tourism Promotion Bureau was supported by Sri Lankan Airlines and Qatar Airways. Sri Lanka association of Inbound Tour Operators (SLAITO) offered this facility with their members and Sri Lanka Tourism Promotion Bureau sponsored the Entrance tickets.

PATA Exchange

PATA UK Chapter held the PATA Exchange 2013 at Central Hall Westminster in London and attracted an impressive number of trade buyers and exhibitors.

Exchange is designed to meet the needs of buyers and sellers travelling home via the UK after ITB in Berlin. More than 100 buyers from the UK and Ireland met 54 exhibitors promoting over 60 products.

SLTPB had very constructive discussions with representatives from Travel Time, Expedia, Flight Centre, Jet Airways, Exsus, Gap Year, Travel Nation, Black Tomato, World Discovery Club and others.

Kuoni - Train the Trainer (Managers of the flagship stores in the South East)

Destination training was conducted, highlighting the key selling points. The participation was from Kensington, Blue water, Cambridge, Guildford and few key stores in London.

In the meeting with the area manager Claire Syrett, discussions took place on assisting each other and to provide more opportunities to highlight and promote the destination.

Emphasis on the cultural sites around Kuoni Properties.

Main focus on Wildlife and Whale watching which most managers had no knowledge of it. And the wildlife calendar was introduced.

UNITE Meet the Trade Event

The annual UNITE Indian Ocean event was held at Mermaid Conference centre in London and attracted an impressive number of trade buyers, ten tourist boards and 69 exhibitors.

This facilitated a one-stop-shop event for UK and European tour operators to hold one to one meetings with tourist boards, hoteliers, representation companies and ground handlers from Indian oceans, African and other regions.

SLTB had meetings and discussed joint promotional plans with representatives from Mosaic Holidays, BA, Kuoni, Sunset Faraway holiday, Globe Hunters, Selling Long haul, Travel, Nature Collection Thomas Cook and others.



AUSTRALIA

Sri Lanka Road Show at Sydney Darling Harbour Bridge

This was a cultural show involving Sri Lankans living in Sydney, which was coordinated by Sri Lanka consulate in Sydney.



Feb 2013 – Cowra Festival -

The Cowra festival is an annual international event organized by the Council of Cowra, located 200km north of Canberra. Every year the Council invites a Guest Nation and Sri Lanka was the 49th Guest Nation to be invited to this event.

Sri Lankan Dance Workshop, Photographic Exhibition, Film Festival, Main Street Parade with Sri Lankan Dancers, Sri Lankan Food, Tea & Spice Stall and a Carnival with over 10 Sri Lankan Dance items, were among the events conducted, with the .



Chapter 8: Trade FAM Tours

Russia & CIS:

Sri Lanka Tourism Promotion Bureau organized FAM tours for 85 Tour Agents from Russia and CIS (Russia 21, Ukraine 44 and Belarus 20) visited the coinciding CHOGM. Business to Business meetings were also organized with Sri Lanka Tourism industry.

Japan:

18 Japanese travel agents

1st group-10 pax (09th -12th November 2013)

2nd group-08 pax (13th-16th November 2013)

These agents participated at International tourism forum during CHOGM

13 Pax: Under the Trip Project from (25Feb.-02 March 2013)

Germany:

07 Pax (24th November to 30th November 2013)

India

Mumbai: 09 Pax & during Tourism Forum of CHOGM - 15 Pax

Australia:

09 Pax: (12th Oct– 19th Oct 2013)

China:

45 Pax travel industry representatives from China attended the Tourism Forum organized coinciding with CHOGM 2013. Visit of 07 agents from Beijing & Shanghai arranged in coordination with Malaysian airlines in April 2013

Visit of 15 travel agents from Zhejiang Province in May 2013

KOREA

17 leading Tour Operators to Sri Lanka

Sweden:

05 Tour Operators

Chapter 9: National Events

a. CHOGM

Sri Lanka Tourism Promotion Bureau engaged in a immense way to organize the following areas in connection with the CHOGM 2013 event as a key partnering government organization of the Ministry of Economic Development. For the organizing of some of the evens some of the other government organization and travel trade associations also given their support for the success of CHOGM 2013.

1. Travel Industry Forum

Nearly 174 travel agents participated at the above forum and among the majority were represented by Easter European Countries (Russia, Ukraine) and China. In order to create awareness of product segments of Familiarization Tours were organized by Sri Lanka Tourism Promotion Bureau.



2. Inauguration of the CHOGM

Inauguration ceremony of the CHOGM 2013 event was organized by the Sri Lanka Tourism Promotion Bureau as per the guidance given by the Ministry of Economic Development & CHOGM Secretariat. It created a huge impact and the obtained the huge international publicity through many international print & electronic media since it was witnessed on one of the ever successfully organized inauguration ceremony in the era of Common Wealth Head of Meetings.



3. Reflection of Sri Lanka Exhibition



2.1. Types of Decorations done by Sri Lanka Tourism Promotion Bureau in Nelum Pokuna Theater:

In order to create a vibrant event for the CHOGM decoration, Sri Lanka Tourism Promotion Bureau got the support of the specialized artists in the field of Deco for the decorating streets, indoor of the stadium, creating of special structures, etc. which gave maximum visibility as a country rapidly developing in Asia.

Relipalam:



Backdrop:



Pillar & Veranda Deco:



Water Pond:



Pandol at Main Entrance:



Flags on Roads:



Poles with CHOGM Flower:



4. Common wealth Business Forum & Sri Lanka Promotion Cultural Programme

Sri Lanka Tourism Promotion Bureau successfully organized the Common Wealth Business Forum Dinner & Cultural Show in Battaramulla near Diyawannawa Lake for the CHOGM business delegates.

b. Tourism Information System Improvements

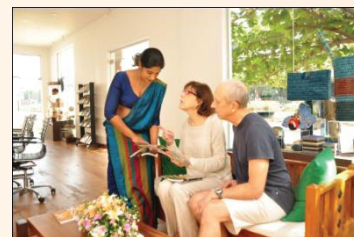
Satisfying the visitors is one of the key objectives of the 5 Year Strategic Plan and focusing on this, Sri Lanka Tourism Promotion Bureau newly opened Travel Information Centers and out of which two are located in Welipenna in Southern Highway and one in Mattala Mahinda Rajapaksa International Airport and one is near Sri Lanka Tourism Promotion Bureau Head Office.

At present there are Six Travel Information Centers opened by Sri Lanka Tourism Promotion Bureau in Kandy City Center and Bandaranaike International Airport, Katunayaka in addition to the above four centers.

Welipenna (6 am – 10 pm)



Colombo New Travel Information Centre (24 Hrs)



Travel Information Centre at Kandy City Centre



Travel Information Centre at Mattala Airport (8.30 am – 4.30 p.m.)



Travel Information Centre at Bandaranaike International Airport (24 Hrs)



Chapter 10: Special Projects – Sustainable Tourism/ Product Development & Events

Sustainable tourism component aims at ensuring development that brings a positive experience to the locals, tourism companies and tourists themselves. Eco tourism, nature tourism and cultural heritage tourism have been promoted as a sustainable alternative to purely commercial tourism in order to avoid the negative social, economic and environmental impacts often associated with mass tourism development. Integrated with conservation planning and management sustainable tourism is also considered as a highly profitable niche market that prevents leakage of economic benefits. Focusing the above objectives, Sri Lanka Tourism Promotion Bureau provided financial assistance under the guidance of the Ministry of Economic Development to support for the most viable tourism infrastructure projects identified by the provincial authorities in the selected provinces through the respective provincial council authorities.

(a). Construction of Madurankuliya Comfort Centre & Travel Information Centre, North Western Province

Sponsored by Sri Lanka Tourism Promotion Bureau of the Ministry of Economic Development under 'Provincial Council Support & Product Development', this project will be carried out under the Wayamba Development Authority of North Western Provincial Council with a financial assistance to the tune of Rs. 41,666,667 provided by SLTPB scheduled to be completed before the Deyata Kirula 2014 event in Kuliyaipitya.





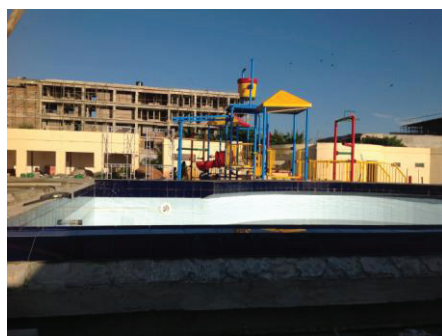
(b) Development of Rajapakse Garden, Negombo

This project has been designed to be carried out under the auspices of the Ministry of Road Development, Ministry of Animal Production & Development, Ministry of Housing & Construction, Ministry of Fisheries & Tourism of Western Provincial Council with the support of Sri Lanka Tourism Promotion Bureau of the Ministry of Economic Development under Provincial Council Support & Product Development amounting to Rs. 50 million.



(c) Development of Ethukala Beach Garden, Negombo

Under the patronage of the Ministry of Road Development, Ministry of Animal Production & Development, Ministry of Housing & Construction, Ministry of Fisheries & Tourism of Western Provincial Council, this project will be financially supported by Sri Lanka Tourism Promotion Bureau of the Ministry of Economic Development under Provincial Council Support & Product Development.



(c) Construction of Comfort Centre & Travel Information Centre, Mahiyanganaya

Under the patronage of the Ministry of Agriculture, Agrarian Development, Animal Production, Inland Fisheries Industry, Environment and Tourism of the Uva Provincial Council and this project will be financially supported by Sri Lanka Tourism Promotion Bureau of the Ministry of Economic Development under Provincial Council Support & Product Development.

(d) Construction of Toilets - Pinnawala Elephant Orphanage & Zoological Garden, Dehiwala

With a view to facilitating visitors –both local and foreign- a complex of wet and dry toilets was constructed with a financial assistance of Rs. 23,978,382.58 in the Pinnawala Elephant Orphanage and Dehiwala Zoo.

(e). Manufacture of Divi Neguma Jackets for Tourism Street Vendors

In order to facilitate the tourism vendors who by means of private and public transportation system sell their goods to the foreign & domestic tourists, Sri Lanka Tourism Promotion

Bureau together with the Ministry of Economic Development launched a programme towards streamline the above vendors in the tourism industry, by providing necessary uniforms for identification purposes under Provincial Council Support & Product Development. These costumes (Jackets) were officially handed over to the vendors under the above segments by H.E. the President Mahinda Rajapakse and Hon. Basil Rajapakse, Minister of Economic Development at Temple Trees.



(f). SME Sector Empowerment Programme

A series of meetings were conducted in Colombo, Mount Lavinia, Kalutara, Bentota, Hikkaduwa & Galle during the period 1st to 2nd July 2013 with the stakeholders of the tourism sector such as tourism related associations, hotels, guest houses, restaurants, boutique hotel & villas, tour guides in the area, transport providers, vendors at the beach, etc. including government sector stakeholders and respective political representation on the rapid development in the tourism sector focusing mainly on following areas:

1. Current issues in the accommodation & service sector in tourism industry
2. Development activities currently commencing in the areas mentioned above
3. Role of the tourism sector stakeholders
4. Proposed activities in the development of the sector
5. Provide necessary solutions to the burning issues of the stakeholders with relates to the travel & tourism

Among the main objectives of programme is community engagement in socio economic development of Sri Lanka through the tourism sector availing them of opportunities and benefits of the industry.



(g). Production of Specials Calendar with Auspicious Times for SME Sector

Under the guidance of the Ministry of Economic Development, Sri Lanka Tourism Promotion Bureau supported the production of a Special Calendar with auspicious & astrological times for purposes i.e. Inauguration of new projects and timing of activities, etc., with focus on the particular segment of development: i.e. Infrastructure development programs, agro tourism, home stay project works, etc.

(h) Motivation of Mahouts/Elephant Caretakers Supporting Annual Nawam Maha Perahera organized by Hunupitiya Gangarama Temple

Considering the national importance of such annual events and its major impact on the tourist industry, SLTPB has contributed Rs. 1.8 million to Sri Jinarathana Buddhist Monks Training Centre (Hunupitiya Gangaramaya Temple) towards its project to provide small trucks to the 60 Nos. of Mahouts who contribute their services to this event annually, with a view to retaining their commitment for similar future events.

(i) Providing of financial support to construct a modern Toilet System at the National Zoological Gardens

Considering the importance to provide maximum visitors facilitation to the tourists financials support was provided to the National Zoological Gardens to construct a modern Toilet System.

(j) Providing of financial support to the “Sri Dalada Maligawa” to cover the expenses for Mobile Toilets for tourists during Kandy Esala Procession

Considering to national importance and also to promote cultural festivals in future financial support was provided to “Sri Dalada Maligawa” in order to cover the expenses for the Mobile Toilets installed for tourists during the Kandy Esala Procession.

“Launch of Sri Lanka Calling Theme Song”

The new promotional song contains lyrics in all 03 official languages to appeal to a wider audience both locally and internationally. It covers major attractions of Sri Lanka, the heritage, lifestyle, hospitality, culture, natural beauty and the warmth of Sri Lankan people. The new song will be used for all Sri Lanka Tourism promotional activities in order to uphold the numerous tourism attractions and value of Sri Lanka as a traveler’s paradise.

**SRI LANKA TOURISM PROMOTION BUREAU
BUDGET FOR THE YEAR 2013**

Description	2013 Budget (Rs)
Tourism Development Levy	594,580,000
Embarkation Levy	959,370,000
Total TDL & EL	1,553,950,000
Trade Contribution & Other Income	60,000,000
Total Income 2013	1,613,950,000
Surplus Budget 2008-2012	1,600,000,000
Total Budget Available	3,213,950,000
Marketing & Promotions-	879,550,000
Trade Fairs/Road Shows, Country specific promotional activities & Supporting Missions for Tourism Promotions	
Special Projects	1,459,000,000
Three Day Mega Join Promotion Campaigns, Bus/Taxi Advertising, Consumer Promotion, Web Based Marketing, Trade and Media Fams	
New Product Development	371,000,000
New Product Marketing	55,000,000
Events (Locally organized/marketed)	69,800,000
Working with Airlines and Special Offers	20,000,000
Advertising	30,000,000
Production of Promotional Materials	144,000,000
Customer Facilitation	
Visitor Facilities & Attraction Development-Tourism Information Centers	25,000,000
Local Media	10,000,000
Local Administration, Finance & Capital Expenditure	150,600,000
Total Expenditure	3,213,950,000

SRI LANKA TOURISM PROMOTION BUREAU
STATEMENT OF FINANCIAL POSITION (RESTATED)
AS AT DECEMBER 31,2013

			Rs.
	Note	2013	Restated 2012
ASSETS			
Current assets			
Cash and cash equivalents	3	275,664,020.21	1,528,741,158.65
Receivables	4	1,102,961,333.02	481,324,185.60
Short Term Investment		1,000,000,000.00	-
Advances	5	2,047,726.95	2,158,930.19
Prepayments	6	105,101.31	2,808,927.56
Debtors	7	2,003,298.74	2,470,887.89
Inventories		15,555,831.93	9,632,954.28
		2,398,337,312.16	2,027,137,044.17
Non-current assets			
Property, Plant and Equipments	8	14,994,341.09	14,206,290.25
		14,994,341.09	14,206,290.25
Total assets		2,413,331,653.25	2,041,343,334.42
LIABILITIES			
Current liabilities			
Revenue in advance	9	13,107,856.20	11,456,793.25
Deposit payables	10	585,076.59	663,267.59
Employee benefits	11	5,089,957.58	5,167,304.33
Accrued expenses		560,324,878.80	197,781,109.75
Creditors	12	26,136,236.94	24,425,221.80
		605,244,006.11	239,493,696.72
Non-current liabilities			
Long term Borrowings		-	-
		-	-
Total liabilities		605,244,006.11	239,493,696.72
Net assets		1,808,087,647.14	1,801,849,637.70
NET ASSETS / EQUITY			
Capital contribution		33,069,156.52	33,069,156.52
Accumulated surpluses / (deficits)		1,775,018,490.62	1,768,780,481.18
Total net assets / equity		1,808,087,647.14	1,801,849,637.70

The Director Finance certifies that the financial statements have been prepared in compliance with the requirements of the Sri Lanka Financial Reporting Standards, Finance act no 38 of 1971 and Sri Lanka Tourism Act no 38 of 2005

W.Wimalasena
Director Finance
Sri Lanka Tourism Promotion Bureau

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These financial statements were authorized by the Board of Directors on 02nd April 2014

B.S.Gunarathna
Chairman
Sri Lanka Tourism Promotion Bureau

Rumy Jauffer
Managing Director
Sri Lanka Tourism Promotion Bureau

SRI LANKA TOURISM PROMOTION BUREAU
STATEMENT OF FINANCIAL PERFORMANCE (RESTATED)
FOR THE YEAR ENDED DECEMBER 31,2013

			Rs.
	Note	2013	Restated 2012
Revenue			
Embarkation Levy		1,121,826,951.37	813,179,959.92
Tourism Development Levy		712,222,897.39	566,312,922.14
Other revenue	13	186,759,874.73	64,634,339.12
Total Revenue		2,020,809,723.49	1,444,127,221.18
Expenses			
Wages,salaries and employee benefits	14	31,522,894.96	28,349,409.46
Supplies and consumables used	15	37,707,422.16	33,993,935.94
Trade related expenditure	16	1,939,644,537.77	549,044,029.85
Depreciation and amortization expenses		3,601,521.66	3,824,709.19
Other expenses	17	2,036,975.22	603,206.29
Finance costs	18	58,362.28	40,700.01
Total Expenses		2,014,571,714.05	615,855,990.74
Surplus / (deficit) for the period		6,238,009.44	828,271,230.44
Surplus / (deficit) brought forward		1,768,780,481.18	940,509,250.74
Surplus / (Deficit) carried forward		1,775,018,490.62	1,768,780,481.18

SRI LANKA TOURISM PROMOTION BUREAU
STATEMENT OF CHANGES IN NET ASSETS/EQUITY (RESTATED)
FOR THE YEAR ENDED DECEMBER 31,2013

	Contributed Capital	Accumulated Surpluses/(Deficits)	Total
	Rs.	Rs.	Rs.
Balance as at January 01,2012	33,069,156.52	940,509,250.74	973,578,407.26
Surplus / (Deficit) for the period	-	828,271,230.44	828,271,230.44
Restatement			
Restated Balance as at December 31,2013	33,069,156.52	1,768,780,481.18	1,801,849,637.70
Surplus / (Deficit) for the period	-	6,238,009.44	6,238,009.44
Balance as at December 31,2013	33,069,156.52	1,775,018,490.62	1,808,087,647.14
Prior Year Income 6003- Year 2012	(101,882.33)		
Prior Year Expenditure & Retain Earning Year 2012	472,756,614.06		
Diffrence	472,654,731.73		

SRI LANKA TOURISM PROMOTION BUREAU
CASH FLOW STATEMENT (RESTATED)
FOR THE YEAR ENDED DECEMBER 31,2013

	2013 Rs.	2012 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus / (Deficit)	6,238,009.44	476,209,102.35
Non- cash movements		
Depreciation	3,601,521.66	3,824,709.19
Interest from staff loan	(68,589.78)	(72,214.13)
Provision for gratuity	(77,346.75)	(829,048.30)
(Increase) /Decrease in Receivables	(621,637,147.42)	(140,715,031.63)
(Increase) / Decrease in Advances	111,203.24	1,244,163.01
(Increase) / Decrease in Prepayments	2,703,826.25	(2,577,803.71)
(Increase) / Decrease in Debtors	467,589.15	31,596,853.96
(Increase) / Decrease in Inventories	(5,922,877.65)	(2,636,466.08)
Increase /(Decrease) in Short Term Investment	(1,000,000,000.00)	-
Increase /(Decrease) in Income in Advance	1,651,062.95	5,871,490.50
Increase / (Decrease) in Deposit Payable	(78,191.00)	110,599.85
Increase / (Decrease) in Accrued expenses	362,543,769.05	340,297,218.57
Increase / (Decrease) in Creditors	1,711,015.14	(963,133.94)
Interest from staff loan	68,589.78	72,214.13
Net cash flows from operating activities	(1,248,687,565.94)	711,432,653.77
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(4,389,572.50)	(2,545,076.14)
Net cash flows from investing activities	(4,389,572.50)	(2,545,076.14)
CASH FLOWS FROM FINANCING ACTIVITIES		
Settlement of borrowings	-	-
Net cash flows from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	(1,253,077,138.44)	708,887,577.63
Cash and cash equivalents at beginning of period	1,528,741,158.65	819,853,581.02
Cash and cash equivalents at end of period	275,664,020.21	1,528,741,158.65

SRI LANKA TOURISM PROMOTION BUREAU

NOTES TO THE FINANCIAL STATEMENTS IN 2013

1. Reporting entity

1.1 Incorporation

Tourism Act No. 38 of 2005 was implemented with effect from 1st, October 2007. New establishments were incorporated with effect from 1st, October 2007 in the following manner.

- ♦ Sri Lanka Tourism Development Authority
- ♦ Sri Lanka Tourism Promotion Bureau
- ♦ Sri Lanka Institute of Tourism & Hotel Management
- ♦ Sri Lanka Convention Bureau

1.2 Basis of Preparation and Accounting Policies

Financial statements have been prepared in compliance with the Sri Lanka Public Sector Accounting Standards (SLPSAS).

1.3 Distribution of the Tourism Development Fund

As per section 23 (1) of Tourism Act, Tourism Development Fund can be utilized for promotion and marketing Sri Lanka as a Tourist Destination. The fund is managed and administered by Sri Lanka Tourism Development Authority. The distribution of the fund is carried out as per Sections 24 (8) of Tourism Act in the following percentages.

Local Authority	Attributable Percentage
Sri Lanka Tourism Development Authority	14%
Sri Lanka Tourism Promotion Bureau	70%
Sri Lanka Institute of Tourism & Hotel Management	12%
Sri Lanka Convention Bureau	4%

1.4 Principal activities and nature of operations

To establish and position Sri Lanka as Asia's most treasured and greenest island, with its beautiful beaches, warm and friendly people, with a strong nature, culture and adventure offering, raising its profile to that of an Asian tourism icon and make it the largest foreign exchange earner benefiting the stakeholders of tourism and the people of Sri Lanka.

1.5 Number of employees

The average number of employees for the period was 41.

1.6 Statement of compliance

The financial statements of the Sri Lanka Tourism Promotion Bureau comprising the Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Asset / Equity, Cash Flow Statement together with significant Accounting Policies and Notes are prepared in accordance with Sri Lanka Public Sector Accounting Standards in 2012 (SLPSAS) laid down by the Ministry of Finance & planning and them Institute of Chartered Accountants of Sri Lanka.

1.7 Basis of Measurement

The Financial Statements are prepared in accordance with historical cost convention.

1.8 Presentation Currency

All Financial Statement are prepared in Sri Lankan Rupees which is the functional currency.

1.9 Use of Estimates and Judgments

The preparation of the financial statements in conformity with SLPSAS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements and information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in future periods are included in the respective notes.

1.10 Responsibility of the Management for the Financial Statements

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Public Sector Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

1.11 Events after the Balance sheet Date

All the material events after the Balance Sheet date have been considered and appropriate adjustments/ disclosures have been made in the Financial Statements, where necessary.

1.12 Comparative Information

Where necessary, certain comparative amounts have been reclassified to conform to the current year's presentation. (Refer note number 20)

2. Significant Accounting Policies

2.1 Inventories

Stocks have been generally valued at cost or net realizable value whichever is lower.

2.2 Depreciation

The provision for depreciation is calculated on a straight line basis on the cost or valuation of all Property, Plant and Equipment, in order to write off such cost / valuation over the estimated useful lives from the date of acquisition as follows.

Description	Rate
<i>Furniture & Fittings</i>	<i>7.5%</i>
<i>Computer & Equipment</i>	<i>25%</i>
<i>Motor Vehicles</i>	<i>25%</i>
<i>Air Conditioner</i>	<i>7.5%</i>
<i>Office Equipment</i>	<i>7.5%</i>
<i>Telephone</i>	<i>7.5%</i>
<i>Miscellaneous Equipment</i>	<i>7.5%</i>
<i>Software</i>	<i>7.5%</i>
<i>Building Improvement</i>	<i>10%</i>

2.3 Property Plant and Equipment

Items of Property, Plant & Equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Premise of the Sri Lanka Tourism Promotion Bureau belongs to the Sri Lanka Tourism Development Authority.

2.4 Foreign Currency Transactions.

These transactions are converted on the following rates.

- ♦ Receipts & Payments - Actual rate
- ♦ Current assets and liabilities - Closing rate
- ♦ Fixed assets - Actual rate
- ♦ Remittances - Actual rate

2.5 Related party transactions

No related party transactions were available to disclose as per the SLPSAS.

2.6 Provision for Gratuity

The Company makes full provision on account of gratuity that may fall due for payment under the payment of Gratuity Act No. 12 of 1983 for all employees who have completed one year of service in accordance with Sri Lanka Accounting Standard.

2.7 Accrued Expenditure

As per the Accounting Standards accrued expenditure has been defined as liabilities to pay for goods or services that have been received or supplied, but have not been paid, invoiced, or formally agreed with the supplier.

Therefore, the amount shown as expenditure payable on IIFA has been recognized as an accrued expenditure according to the above definition.

2.8 Taxation

The Tourist Board was exempted from income tax under section 8 (a) (xx) of the Inland Revenue Act 28 of 1979. However, as per the Inland Revenue amendment Act. No. 10th of 2002 returns of the Sri Lanka Tourism Promotion Bureau should be furnished to the Inland Revenue Department.

The Department of Inland Revenue decided and finalized that the Sri Lanka Tourism Promotion Bureau is not engaged in taxable activities and therefore not entitled to claim Value Added Tax Refund. Sri Lanka Tourism Promotion Bureau has received the written confirmation on 21.02.2012 from the Department of Inland Revenue stating that the Sri Lanka Tourism Promotion Bureau is not engaged in taxable activity and not entitled to claim the Value Added Tax Refund.

2.9 Other Revenue

All other income is recognized on an accrual basis.

Trade contribution indicates the cost recovery from the individual participants at the foreign trade fairs, which is been conducted and organized by the Sri Lanka Tourism Promotion Bureau.

2.10 Cash Flow Statement

The Cash Flow Statement has been prepared using the “Indirect Method” of preparing Cash Flows in accordance with the Sri Lanka Public Sector Accounting Standard “Cash Flow Statements”. Cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The cash and cash equivalent include cash in hand and balances with banks.

2.11 Advance

The following Advance are shown under current assets

1. Foreign Advance	Rs. 118,898.83
2. Local Advance	Rs. 1,928,828.12
Total	Rs. 2,047,726.95

The unsettled amount of Rs. 1,575,000.00 included in local advance due to the unsettlement of IIFA expenditure.

2.12 Outstanding Payment for the Year 2010

Name of the Payee	Amount (Rs.)
Mount Lavinia Hotel	6,362,945.00
Jaysons Hospitality Services	162,247.00
Taj Samudra	1,570,398.00
The Bollwood Leisure	259,500.00
Elite Indian Restaurant	2,131,940.00
Aitken Spence Cargo	1,149,613.07
Asian Fabrics Limited	5,278,111.30
Three Sixty Five	47,725.00
J.W.Percussion House	193,000.00
Soul Sounds Accedamy Choir	139,000.00
Lanka Sportreizen	390,200.00
Darshana Stationerys	36,478.00
Hero Stationers	118,460.00
Comtronics Lanka (Pvt) Ltd	25,000.00
Super Neat Technology (Pvt) Ltd	188,160.00
Cleann tech (Pvt) Ltd	1,274,497.28
Lakfoil (Pvt) Ltd	49,683.66
Sri lanka Handi carfts Board	30,455.04

Inovatec Information Technologies	66,689.62
Mobitel (Pvt) Ltd	139,199.84
PC House (Pvt) Ltd	1,116,000.00
John Keels Office Automation	203,840.00
Srimal Advertising	14,676,201.33
Colombo Municipal Council	624,520.24
Galadari Hotel	972,622.36
The Nilelse Company	317,217.60
Srilanka Airlines Limited	5,082,337.00
Amaya Hills-Kandy	22,484.00
Ace International Express	489,641.88
Imagine Entertainment	1,789,690.00
Asian Hotel Properties	23,288,004.52
Phoenix O & M (Pvt) Ltd	6,822,859.06
The Great Colombo Fashion	153,000.00
Ramada Colombo	65,179.10
Hotel Good Plaza Limited	496,906.00
The Sovereign Corporate Hotel	23,165.00
Grand Oriental Hotel	314,406.00
Ranmuthu Hotel	150,000.00
Excel Cabs (Pvt) Ltd	952,109.76
Srilankan Travels(USD 15728.28)	1,808,752.20
Beehive Communications(INR 17133)	73,933.00
Samudra Hotel	2,721,980.47
Ceylon Continental	3,407,340.00
Dharshan Henedige	8,400.00
MASS	15,150.00
Walkers Tours Limited	2,165,957.75
Jetwing Travels	150,000.00
Abans Tours	1,508,500.00
Pelican Tours	102,400.00
Aitken Spence Travels	52,808.20
Sarath Wijesuriya	98,000.00
Lanka Travel Services	16,400.00
Ridge Crest	88,000.00
Amiru Travels	153,900.00
Visit Lanka	841,486.56
Wizcraft (USD 195000)	23,400,000.00
Dyorg (Pvt) Ltd	27,500.00
Karunaratne & Sons (Pvt) Ltd	55,421.18
Sign-Tech Advertising Services	60,564.00
Media Watch	69,216.00
Cinnamon Lakeside	1,247,809.00
VAT and NBT & Legal fees	5,447,480.97
Total	120,694,485.99

Rs.120.6 Mn worth of invoices with regard to the IFFA festival has been submitted by various suppliers. Since, these liabilities have not been confirmed by the bureau and several court cases are pending, following claim submitted by the suppliers are hereby disclosed

Due to pending legal cases and lack of the proper approval, the above outstanding payments of the IFFA film festival are not included in the accrued expenses in 2013.

Outstanding court cases as at 31 Dec 2013 in this regards are as follows

- (01) M/S Asian Hotels & Properties PLC Vs SLTPB and STTDA – High Court of Western Province
- (02) M/S PC House PLC Vs SLTPB – District Court of Colombo
- (03) M/S PC House PLC Vs. SLTPB – District Court of Colombo
- (04) M/S Walkers Tours Vs. SLTPB and SLTDA - District Court of Colombo
- (05) M/S Trans Asia Hotels Vs. SLTPB and SLTDA - District Court of Colombo
- (06) M/S Associated Newspapers of Ceylon Limited Vs.SLTPB & Phoenix O & M (Pvt) Ltd- District Court of Colombo
- (07) Arbitration between M/S Cool tempo (Pvt) and SLTPB – ICLP Arbitration Centre
- (08) Arbitration between M/S Phoenix O& M (Pvt) and SLTPB – ICLP Arbitration Centre

2.13 Statement of Financial performance has been restated in order to reconcile bought forward liability account from 2012 and other adjustment as follows.

	Rs.
Liability providing for 2012	= 670,435,841.48
Settlement during the Year 2013	= <u>94 2104 53.08</u>
Over Provision	= 576,225,388.40
Adjustment of the non provision and other	

	Rs.	
Add Readjustment of Expenses	= 106,126,401.09	
Add Readjustment of Income	= 101,882.33	
Deduct Readjustment of Expenses=	<u>2,657,626.75</u>	= <u>103,570,656.67</u>
Adjustment of the liability account		= <u>472,654,731.73</u>

SRI LANKA TOURISM PROMOTION BUREAU NOTES TO THE FINANCIAL STATEMENTS

03.0 Cash and cash equivalents

Description	2013 (Rs.)	2012 (Rs.)
Cash at Bank - HO - Main Account	(8,751,758.59)	1,293,691,266.25
Cash at Bank - HO - Private Sector	255,904,967.32	154,002,458.84
Cash at Bank - Kandy/ TIC	187,536.71	396,906.71
Cash at Bank - Bank Transfer	-	-
Overseas Office - UK	10,135.64	9,566.22
Overseas Office - India	78,700.36	78,700.36
Cash in Transit	28,234,438.77	80,562,260.27
Total Cash and cash equivalents	275,664,020.21	1,528,741,158.65

04.0 Receivables

Description	2013 (Rs.)	2012 (Rs.)
Consumer Brochure - UK	2,428,920.00	2,428,920.00
Fuel deposit	100,000.00	100,000.00
Vehicle hiring deposit- Excell Cabs	20,000.00	20,000.00
Hikkaaduwan Tickets	876,000.00	876,000.00
ATM 2011 Space Cost	1,807,792.08	1,807,792.08
American Premium Water System	4,000.00	4,000.00
ICPL Arbitration Centre	25,000.00	25,000.00
Sponsorship for CHOGM	80,350,000.00	-
Embarkation Levy	497,082,141.16	198,536,592.93
Bank Grantee for Katunayake Rent	-	1,286,392.31
Tourism Development Levy	519,937,479.78	275,909,488.28
Property Finance & Investment Kandy	330,000.00	330,000.00
Total Receivables	1,102,961,333.02	481,324,185.60

05.0 Advances

Description	2013 (Rs.)	2012 (Rs.)
Local Advances	1,928,828.12	2,138,200.00
Foreign Advances	118,898.83	20,730.19
Total Advances	2,047,726.95	2,158,930.19

06.0 Prepayments

Description	2013 (Rs.)	2012 (Rs.)
Service Agreement	105,101.31	53,633.87
Financial Contribution	-	1,426,411.05
Annual membership - UK	-	1,328,882.64
Total Prepayments	105,101.31	2,808,927.56

07.0 Debtors

Description	2013 (Rs.)	2012 (Rs.)
Sundry debtors - SLTDA	46,905.74	16,292.89
Employees - Loans & Advances	1,956,393.00	2,454,595.00
Total Debtors	2,003,298.74	2,470,887.89

SRI LANKA TOURISM PROMOTION BUREAU
NOTES TO THE FINANCIAL STATEMENTS

08.0 Property, Plant & Equipment

Description	Balance as at 01/01/2013	Additions 2013	Transfer 2013	Balance as at 31/12/2013	Acc.Depreciation as at 01/01/2013	Depreciation for 2013	Depreciation on Disposal 2013	Acc.Depreciation as at 31/12/2013	Net Book Value as at 31/12/2013
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Building Development Cost		-	-	-	-	-	-	-	-
Furniture & Fittings	9,164,685.03	597,894.50	-	9,762,579.53	3,026,652.14	701,401.93	-	3,728,054.07	6,034,525.46
Telephones	769,039.00	-	-	769,039.00	135,314.62	57,557.92	-	192,872.54	576,166.46
Computer Equipments	10,874,204.80	2,538,392.00	-	13,412,596.81	8,476,780.31	1,263,331.73	-	9,740,112.03	3,672,484.78
Office Equipments	3,134,138.50	631,156.00	-	3,765,294.50	957,201.53	257,038.03	-	1,214,239.56	2,551,054.94
Motor Vehicles	7,400,000.00	-	-	7,400,000.00	6,275,000.00	1,125,000.00	-	7,400,000.00	-
Computer Software	867,750.00	-	-	867,750.00	259,187.96	65,081.25	-	324,269.21	543,480.79
Air Conditioners	717,900.00	-	-	717,900.00	148,609.65	53,842.50	-	202,452.15	515,447.85
Miscellaneous Equipments	814,055.35	622,130.00	-	1,436,185.35	256,736.24	78,268.30	-	335,004.54	1,101,180.81
Total	33,741,772.68	4,389,572.50		38,131,345.19	19,535,482.45	3,601,521.66		23,137,004.10	14,994,341.09

SRI LANKA TOURISM PROMOTION BUREAU NOTES TO THE FINANCIAL STATEMENTS

09.0 Revenue in Advance

Description	2013 (Rs.)	2012 (Rs.)
Foreign Trade Fairs	13,107,856.20	11,456,793.25
Total Revenue in Advance	13,107,856.20	11,456,793.25

10.0 Deposit Payable

Description	2013 (Rs.)	2012 (Rs.)
Refundable Tender Deposit	377,080.00	337,080.00
Retention Payable	193,553.40	193,553.40
Others	14,443.19	132,634.19
Total Deposit Payable	585,076.59	663,267.59

11.0 Employee Benefits

Description	2013 (Rs.)	2012 (Rs.)
Provision for Retirement Gratuity brought forward	5,167,304.33	5,996,352.63
Gratuity Provision	725,494.76	1,172,641.95
Gratuity Paid	802,841.51	2,001,690.25
Total Employee Benefits	5,089,957.58	5,167,304.33

12.0 Creditors

Description	2013 (Rs.)	2012 (Rs.)
Sundry creditors - SLTDA	26,091,752.94	24,371,042.80
Sundry creditors - SLTTHM	44,484.00	54,179.00
Total Creditors	26,136,236.94	24,425,221.80

13.0 Other Revenue

Description	2013 (Rs.)	2012 (Rs.)
Revenue from literature & photographic materials	950,215.00	0.00
Revenue from Interest - Staff loan	68,589.78	72,214.13
Trade Contribution	70,147,550.53	61,772,544.03
Exchange Rate Gain	569.42	-
CHOGM	114,147,950.00	-
Others	1,445,000.00	2,789,580.96
Total Other Revenue	186,759,874.73	64,634,339.12

SRI LANKA TOURISM PROMOTION BUREAUNOTES TO THE FINANCIAL STATEMENTS

14.0 Wages,Salaries and Employee benefits

Description	2013 (Rs.)	2012 (Rs.)
Salaries & Allowances	21,867,490.64	19,118,867.58
Holiday Allowance	43,352.50	28,891.90
Overtime	652,647.03	416,549.86
Board's contribution to EPF	1,377,760.68	1,727,656.32
Board's contribution to ETF	274,468.92	356,474.10
Staff Welfare & Attendance Incentive	3,250,272.70	2,508,732.79
Travelling - Local	135,002.50	76,503.00
Uniform to Staff	37,770.00	40,873.60
Gratuity	817,714.19	1,092,414.70
Insurance	2,901,118.05	2,028,787.44
Staff Training	165,297.75	953,658.17
Total Wages,Salaries and Employee benefits	31,522,894.96	28,349,409.46

15.0 Supplies and Consumables used

Description	2013 (Rs.)	2012 (Rs.)
Stationery	1,075,485.09	1,149,245.82
Telephone and internet	2,877,413.95	1,660,920.90
Postage, courier and Stamps	1,354,179.47	3,551,729.35
Rent - Building	8,126,859.11	11,616,604.26
Electricity	4,391,946.34	3,170,296.94
Maintenance - Equipment	771,524.07	1,858,520.31
Maintenance & Repairs - Vehicles	1,864,895.56	1,281,033.85
Hire of Vehicles	11,584,749.92	5,422,893.82
Water	240,515.20	221,339.33
Books & periodicals	376,854.00	264,437.40
Fuel Charges	1,060,957.72	1,055,710.21
Entertainment local	993,842.19	104,871.42
Cleaning Suppliers	2,039,660.65	1,328,327.93
Security	878,459.89	874,209.61
Maintainance Building	15,579.00	256,084.79
Rates & Licences	3,500.00	11,100.00
Menus & Flowers	51,000.00	105,970.00
Miscellaneous Supplies	-	60,640.00
Total Supplies and Consumables used	37,707,422.16	33,993,935.94

SRI LANKA TOURISM PROMOTION BUREAU NOTES TO THE FINANCIAL STATEMENTS

16.0 Trade Related Expenditure

Description	2013 (Rs.)	2012 (Rs.)
Promotions & Advertising - Foreign	379,947,954.42	199,965,435.00
Local Awareness Campaign	5,573,435.60	7,443,824.35
Promotions & Advertising - Local	3,881,708.08	4,266,603.90
Production of Tourist Communication Material	55,224,110.23	29,403,655.26
Events (Including Donation)	31,503,844.54	41,951,454.91
Event - CHOGM	362,983,940.99	-
VJP and Trade FAM Tours	68,942,984.76	24,554,704.34
Management fee artwork/creatives	-	5,033,408.00
Market reaserch	-	113,880,427.19
Administration UK	8,585,230.31	12,430,227.19
7660 · Provincial Mkt & Product Devpt	87,290,349.27	-
Trade Fair - ITB	38,226,407.31	32,565,827.37
Trade Fair - WTM	54,175,356.10	29,868,208.62
Web maintain & E - News	2,970,414.84	1,003,313.96
Advertising - General	19,286,413.56	13,251,058.48
Visitor facilities & Attraction	4,974,528.69	9,401,851.96
Working with Missions	1,976,057.55	24,024,029.32
3 day campaign- India	143,275,855.33	-
3 day campaign- China	239,725,263.61	-
3 day campaign- Russia	123,601,024.42	-
Bus Advertising- China	307,499,658.16	-
Total Trade Related Expenditure - Local	1,939,644,537.77	549,044,029.85

17.0 Other Expenses

Description	2013 (Rs.)	2012 (Rs.)
Board Member Allowance	200,770.00	169,982.48
Procurement Committee Member Allowance	871,900.00	122,050.00
Audit Fees	500,000.00	-
Legal Fees	437,125.22	289,593.81
Stamp Duty	27,180.00	21,580.00
Total Other Expenses	2,036,975.22	603,206.29

18.0 Finance Costs

Description	2013 (Rs.)	2012 (Rs.)
Bank Charges	58,362.28	40,700.01
Total Finance Costs	58,362.28	40,700.01



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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்

AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல.
My No.

TM2/K/SLTPB/1/13/13

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

2015 මාර්තු 23 දින.

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මගේ සමාංක හා 2015 ජනවාරි 19 දිනැති ලිපියට යොමුවේ.

02. ඉහත සඳහන් ලිපිය සමඟ එවන ලද මාගේ වාර්තාවේ ඉංග්‍රීසි අනුවාදය මේ සමඟ එවා ඇත.

Signature
ඩබ්ලිව්.පී.සී වික්‍රමරත්න
විගණකාධිපති (වැඩබලන)



- පිටපත් -
1. ලේකම්, සංචාරක හා ක්‍රීඩා අමාත්‍යාංශය
 2. ලේකම්, මුදල් අමාත්‍යාංශය





විගණකාධිපති දෙපාර්තමේන්තුව
கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல.
My No.

TM2/K/SLTPB/1/13/13

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

19 January 2015

Chairman

Sri Lanka Tourism Promotion Bureau.

Report of the Auditor General on the Financial Statements of the Sri Lanka Tourism Promotion Bureau for the year ended 31 December 2013 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971.

The audit of financial statements of the Sri Lanka Tourism Promotion Bureau for the year ended 31 December 2013 comprising the statement of financial position as at 31 December 2013 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory 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 Section 13(1) of the Finance Act, No. 38 of 1971 and Section 20 of the Tourism Act, No. 38 of 2005. My comments and observations which I consider should be published with the Annual Report of the Bureau in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed report in terms of Section 13(7)(a) of the Finance Act was furnished to the Chairman of the Bureau on 02 July 2014.

1:2 Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Public Sector Accounting Standards and for such internal controls as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.





1:3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Standards of Supreme Audit Institutions (ISSAT 1000-1810).

1:4 Basis for Disclaimer of Opinion

As a result of the matters described in paragraph 2:2 of this report, I am unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded items and the elements making up the statement of financial position, the statement of financial performance, the statement of changes in equity and the cash flow statement.

2. Financial statements

2:1 Disclaimer Opinion

Because of the significance of the matters described to paragraph 2:2 of this report, I have not been able obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on these financial statements.

2:2 Comments on Financial Statements

2:2:1 Accounting Deficiencies

The following observations are made.

- (a) Publicity expenditure amounting to Rs.80,150,942 relating to the year 2014 had been brought to account as an expenditure of the year under review.
- (b) The interest income amounting to Rs.1,318,681 relating to the year under review had not been included in the financial statements.



2:3 Accounts Receivable and Payable

The following observations are made.

- (a) The receivable balance of Rs.1,102,961,333 included balances amounting to Rs.3,404,920 older than 04 years, Rs.1,831,792 older than 2 years and less than 3 years and Rs.355,000 older than one year and less than 02 years.
- (b) The payable balance of Rs.26,136,236 included balances amounting to Rs.11,575,098 older than 06 years, Rs.203,890 older than 5 years and less than 6 years, Rs.48,000 older than 3 years and less than 4 years, Rs.1,258,647 older than 2 years and less than 3 years and Rs.6,913,097 older than 1 year and less than 2 years.

2:4 Non-compliance with Laws, Rules, Regulations and Management Decisions

Instances of non-compliance observed during the course of audit are given below.

Reference to Laws, Rules, Regulations and Management Decisions	Non-compliance
(a) Tourism Act, No. 38 of 2005 Chapter VII	
(i) Section 40 Sub-section 9(a)	The half yearly accounts had not been presented to the Minister before the elapse of seven months of the year.
(ii) Section 40 Sub-section 9(e)	A statement of success and performance according to the plan presented for the preceding year had not been presented to the Minister within a period of 03 months after the end of the year.
(b) Finance Act, No. 38 of 1971 Section 10 Sub-section 5.	The net surplus of Rs.6,238,009 for the year under review had not been transferred to the Consolidated Fund.



(c) Public Enterprises Guidelines
No. PED/12 of 02 June 2003.

(i) Chapter 5 Section 5.1.3

Even though a copy of the updated Corporate Plan approved by the Board of Directors should be presented to the Auditor General 15 days before the commencement of the financial year, the Bureau had failed to comply with the requirement.

(ii) Chapter 9 Section 9.14.1

All rules and regulations made for all matters on the human resources management should be approved by the Board of Directors with the concurrence of the Secretary to the Treasury. But the Bureau had failed to comply with the requirement.

(d) Government Procurement
Circular 2006 Chapter 4 Section
4.2.1(a) and (c)

Even though a Procurement Plan at least to cover 3 years with the detailed plan for the ensuing year should be prepared, the Bureau had not prepared such plan according to the requirement.

3. Financial Review

3:1 Financial Results

According to the financial statements presented, the working of the Bureau for the year ended 31 December 2013 had resulted in a surplus of Rs.6,238,009 as compared with the corresponding surplus of Rs.828,271.230 for the preceding year, thus indicating a decrease of the surplus by a sum of Rs.822,033,221. The increase of expenditure on trade activities by a sum of Rs.1,390,600,508 had been the main reason for the decrease.

3:2 Analytical Financial Review

The income of the Bureau for the year under review amounted to Rs.2,021 million and that as compared with Rs.1,444 million for the preceding year indicated an improvement of 39.9 per cent. Similarly, as compared with the expenditure of Rs.549 million incurred in the preceding year on trade activities, marketing and promotion, a sum of Rs.1,940 million had been spent on those activities in the year under review. As such an increase of expenditure by 253.3 per cent was indicated.



3:3 Legal Action initiated against the Bureau

Seven cases filed against the Bureau claiming for payments amounting to Rs.45,915,775 relating to the International Indian Film Awards Ceremony had been pending even by the end of the year under review.

3:4 Working Capital Management

According to the working capital ratios computed for the year under review and the two preceding years, it was observed that the management of the working capital had been at a weak level due to the failure to maintain the working capital at the optimum level.

4. Operating Review

4:1 Performance

The following observations are made.

(a) The expenditure on trade activities during the year under review amounted to Rs.1,940 million and that expenditure in the preceding year amounted to Rs.549 million and as such the increase in the expenditure had been 253.3 per cent. The increase in the tourist arrivals in the year under review, as compared with the increase in the expenditure on trade activities, had been only 26.7 per cent. As such, any direct impact of the increased expenditure on trade activities on the tourist arrival was not observed in audit.

(b) Tourism Promotion Pilot publicity Programme

The following observations are made.

(i) Expenditure amounting to Rs.68.94 million had been incurred on the above Programme in the year under review. These programmes had been held for 322 media persons of 29 countries without any preparedness relating to the indicators prepared for the selection of media persons suitable and favourable for providing maximum benefits to the country and the number of programme to be held in the year.



- (ii) Any evidence which would confirm that the publicity expected from the programme had been carried out had not been furnished by the Bureau to audit.

(c) Implementation of Tourism Promotion Programmes

The Bureau had incurred all the expenditure amounting to Rs.324,998,601 for the two Promotion Programmes held in China and India during the year under review disregarding the decision of the Cabinet of Ministers dated 18 August 2011 which required the private and public sector institutions should jointly implement the Tourism Promotion Programmes and bear the expenditure required for the implementation of the programmes. Even though over 100 institutions in public and private sector had participated in the two programmes contributions had not been obtained from those institutions.

4:2 Management Inefficiencies

The surplus money of the Bureau amounting to about Rs.1,200 million had not been invested up to 27 December of the year under review and as such the Bureau had been deprived of a sum of Rs.134 million approximately.

4:3 Transactions of Contentious Nature

The following observations are made.

- (a) A sum of Rs.5,996,000 had been spent as the entertainment expenses of the “Graduate Trainees Conference” which had not been identified as an expenditure for the achievement of the objectives of the Bureau.
- (b) A sum of Rs.5,563,488 had been paid to a certain private company for the supply of garments to tourist trade community under the Divineguma Project of the line Ministry.
- (c) Even though a sum of Rs.200,000,000 out of the net surplus for the year 2011 had been given to 04 Provincial Councils for tourism promotion activities, the Bureau did not have the records on the use of the money for the relevant trade activities and the progress of those activities.



4:4 Apparent Irregularities

A sum of Rs.3,015,000 had been paid to a certain dance troupe of a institution selected by calling for quotations without following the instructions in the Government Procurement Guideline Procedure and without transparency.

4:5 Personnel Management

The following observations are made.

- (a) Over 60 per cent of the approved cadre of the Bureau remains vacant. The total cost of the human resources for the year under review and the preceding year amounted to Rs.31.5 million and Rs.28.6 million respectively. As such the cost per employee in the year under review and the preceding year had been Rs.900,654 and Rs.622,400 respectively.
- (b) The Managing Director of the Bureau had been recruited on contract basis without taking into consideration of the provisions in Chapter VII of the Tourism Act, No. 38 of 2005.

4:6 Utilization of Motor Vehicles

The following observations are made.

- (a) A sum of Rs.11,584,750 had been paid for the motor vehicles procured on hire basis. The number of kilometres run by the motor vehicles had not been furnished to audit and as such the cost per kilometer could not be computed.
- (b) The cost of motor vehicles procured on hire basis during the year under review as compared with the preceding year, had increased by Rs.4,992,843 or 75.7 per cent.



5. Accountability and Good Governance

5:1 Delay with Presentation of Accounts

According to Section 6.5.1 of the Public Enterprises Circular No. PED/12 of 02 June 2003, the accounts could be presented to the Auditor General within 60 days after the close of the year of accounts. Nevertheless, the financial statements for the year 2013 had been presented to the Auditor General only on 16 June 2014.

5:2 Corporate Plan

A Corporate Plan at least for a period of 03 years from the year under review had not been prepared in terms of the Public Enterprises Circular No. PED/12 of 02 June 2003.

5:3 Action Plan

The Marketing and Strategic Action Plan for the year under review had been prepared. The strengths, weaknesses, opportunities and threats of the Bureau had not been identified and included in that Action Plan. Methodologies had not been introduced for the periodical examination of the progress of the activities included in the Action Plan.

5:4 Internal Audit

Even though the internal audit function of the Bureau had been assigned to the Internal Audit Division of the Ministry, copies of the Internal Audit Programmes and the copies of Internal Audit Queries had not been furnished to the Auditor General.

5:5 Audit Committee

Even though the Audit Committee should meet at least once in 3 months in terms of the Public Enterprises Circular No. 55 of 14 December 2010, only one meeting had been held in December of the year under review.

5:6 Budgetary Control

The following observations are made.

- (a) Even though a budget had been prepared, the approval of the Board of Directors for the budget had not been obtained 3 months before the commencement of the financial year in terms of provisions in Section 8(1) of the Finance Act, No. 38 of 1971.
- (b) Variances ranging from 20 per cent to 132 per cent were observed between the budgeted amounts and the actual amounts of 35 items for the year under review, thus indicating that the budget had not been made use of as an effective instrument of financial control.

6. Systems and Controls

Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Chairman of the Bureau from time to time. Special attention is needed in respect of the following areas of systems and controls.

- (a) Budget
- (b) Accounting
- (c) Trade and Marketing Activities
- (d) Human Resources Management
- (e) Procurement
- (f) Internal Audit
- (g) Financial Management

W.P.C. Wickramaratne
Acting Auditor General