

NEWS ROUND UP

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Terror-hit tourism wants quick moves for proper revival

The multibillion dollar critical tourism industry hit by the Easter Sunday tragedy is concerned over the slow progress of the previously announced measures to fast-track a quicker revival.

There is a fear that a false sense of complacency has arisen on the basis of a pickup in tourist arrivals in June compared with May though the sector is far from credible initial recovery.

The industry is also yet to see the full fruition of the 'Recovery Plan' proposed by the Sri Lanka Tourism Promotion Bureau (SLTPB) and approved by the Cabinet. The delay in the roll out of the announced aggressive PR campaign is another concern.

The initial move to reduce rates hasn't triggered the desired results too with the industry divided on its merits with some noting that Sri Lanka could have enhanced value or add-ons than opting to drop rates.

Colombo City Tourist Hotels Association (CCTHA) President M. Shanthikumar who is also the Vice Chairman of the broader Tourist Hotels Association of Sri Lanka (THASL) yesterday whilst acknowledging that many initial measures have taken off the echoed industry sentiments of wanting faster implementation given the challenge of recovery. Following are views expressed on the status of the industry by Shanthikumar during an interview with the Daily FT. The tourism industry came to a virtual standstill post attack on 21 April as the hotels attacked included the top most five-star hotels in Colombo city, including a global super brand. Weeks down the line we are seeing a very marginal growth in terms of guest arrivals and occupancy across the destination with some hotels recording slightly higher occupancy and some lower. This is nothing to talk about as the growth is from a low base in May. This is still a single digit growth.

Recoveries of Tourism Arrivals in other countries after similar incidents for e.g. 9/11 took almost a year to recover, the Bali bombings in 2002 also took one year, Kenya which faced two major incidents in two consecutive years, 2014/15 took two years, and Turkey took one and a half years.

Even in India the Mumbai hotel attacks sent ripple effects for months in that destination. When considering and comparing with other countries, I believe it will take 12 to 14 months for a complete recovery of tourist arrivals.

The challenge for the industry is to reduce the recovery period to bounce back as early as possible and to build on external positive factors to reduce the impact on external negative factors. This could be achieved if only policymakers pay attention and assist the industry to surface with confidence.

At present tourist arrivals are far below the desired figures. We are confident business will pick up to normalcy but will take a couple of months as per the preliminary assessments we have made when such attacks took place in other regional destinations.

The private sector in the industry continues to remain focused and very proactive to handle the challenges. THASL has taken a result-oriented role since the disaster by working with the Government to assist the entire industry with a financial package consisting of moratoriums on interest and capital and support to the employees on the same terms.

Majority have benefited from these initiatives, however there are some issues with some of the industry members and the employees. Further THASL is working on obtaining a soft loan for the industry stakeholders with a low interest as a working capital to sustain the products during this difficult period, which has not only caused a financial stagnation but also added stress and concerns for the future.

Apart from this there are other positive signs we have seen post-April, with guests who remain loyal towards Sri Lanka extending a helping hand to uplift and sustain the image of our vibrant destination. We are yet to see the light of a 'Recovery Plan' executed by the SLTPB amidst receiving immediate Cabinet Approval.

Hence, some of us in the private sector have decided to explore the possibility of creating our own recovery initiatives wherever possible to create consumer demand in key source markets as early as possible and dazzle guests with value-added packages.

There are some stakeholders who feel that a drop in prices during this period is the only way to stimulate demand towards a recovery. However our past experience shows that price plays a very limited role when a tourist destination is perceived to be under threat by potential visitors who worry about their personal security and safety when making a reservation.

Having said this, for survival, special prices to attract the domestic Sri Lankan market has paid off for some hotels but the target market is not big enough to make a difference to the entire industry.

Hence, it is imperative that even at this stage we must launch an aggressive PR campaign in the key source markets where potential visitors will once again reconsider visiting our resplendent island for their next trip. It is encouraging to see Lonely Planet faithfully continuing to endorse Sri Lanka as the 'No. One Best Travel' for 2019.

As for business in Colombo, we need to first create demand for Sri Lanka as a secure travel destination. Once this is established, business in Colombo will come back to a double digit growth.

It is during this period we will begin to see a resurgence in room reservations and F&B revenue for Colombo. Having said this, post the launch of the special offer together with the national carrier and the inbound travel agents association in the Indian market. The visit of the Prime Minister of India was a great display of solidarity and understanding which would present a good image to the Asian region, and the rest of the world.

Another main focus of THASL was to strengthen the entire security and safety of the hospitality sector. Initiatives were taken to enhance the knowledge of industry members with seminars attended by eminent speakers such as Dr. Rohan Gunaratne, an expert on counterterrorism and industry specialists with practical hands on experience in handling issues pertaining to violent extremism.

The lobbying to get duty-free concessions for security and safety equipment was another successful initiative that has enriched the process of moving forward since Black Sunday. THASL together with the British High Commission invited the UK Metropolitan Police to educate people to share best practices adopted in those countries and to fine-tune our learnings.

We are working with the High Commissions and Embassies to ease the adverse travel advisories in place. Some nations have thankfully softened their travel advisories. We regret that the Middle Eastern nations have still enforced travel advisories to Sri Lanka. We are confident that this will change in the months ahead.

If you remember we were to host the largest wildlife convention at the BMICH in May. The CITES convention would have got down 4,000 foreign delegates from many nations. We are happy to say we had passed their security audit, but due to the Black Sunday incident they have now canceled this premier event.

Another positive sign came from the Airport and Aviation Authority who have decided to reduce aircraft handling charges. We welcome this move. The idea of granting visa on arrival is also a positive sign to

encourage tourist arrivals to Colombo, but proper screening must be done in order to maintain border security.

City hotels have also noticed a drop in banquet bookings. Wedding receptions do happen but with less number of guests. Another grey area for the Colombo hotels is the drop in monthly service charge. This will lead our staff to seek new jobs overseas (as they have financial commitments and families who depend on them) in places like the Middle East. So when we do bounce back we will have a shortage of trained and experienced hotel staff.

We also call upon the Government and policy makers to stand by us and help us. Tourism makes a massive contribution to the foreign exchange and overall economy. Last year we proudly recorded \$ 4.5 billion. Practical answers are the important factor at this crucial moment of recovery.

Further initiatives are on the way. The Sri Lankan tourist industry has faced many adverse situations in the past. We are a resilient people and together I am confident we will overcome. We will relish the rewards of prosperity as we march forward. (Daily FT)

Chandra fumes over scaling back of tourism support by banks

Veteran hotelier Chandra Wickramasinghe yesterday expressed concern over the scaling down of the banks moratorium and working capital support to the Easter Sunday terror-hit industry.

He said as per the Central Bank's original Circular; the moratoriums and loan facilities were valid until 31 March 2020.

However the Department of Development Finance of the Ministry of Finance had issued a new circular, where the 3.46% concessionary interest rate is only valid till 31 December. "This should be ideally extended till 31 March 2020," stressed Chandra.

"It is critical that the President, the Prime Minister, the Finance Minister and the Central Bank Governor consider the plight of industry stakeholders and extend the working capital loan facility till 31 March 2020 with subsidised interest rates, enabling industry members to make their budgets accordingly," he added.

He said that the moratorium by banks on capital and interest on loans taken by the tourism industry was in place, however no clear-cut indication has been given on how the accrued capital and the interest has been restructured.

"Even though this facility is offered at a very concessionary rate, the decision of same will be taken only after December. All industry members who are to utilise this benefit is finding it hard to predict how their cash flows would work," Chandra opined.

Responding to the Central Bank Governor Dr. Indrajit Coomaraswamy's remarks last week at the post Monetary Policy Review, Chandra said the hotel sector is facing the biggest challenge. "There are about 48,000 registered hotel rooms in Sri Lanka out of which only 7,935 rooms are owned by conglomerates and public quoted companies. The rest belong to medium and small entrepreneurs and enterprises.

Out of the 945 approved applications, most can't produce further collateral or personal guarantees," said Chandra.

He also said that if Non-Performing Loans (NPLs) of the tourism sector was decided prior to 21 April, it should not penalise the performing borrowers.

Chandra was also critical of the less than enthusiastic and willing support from the banking sector since the Easter Sunday attacks.

“When tourism was booming prior to the 21 April, all bankers have pushed us to invest in the hotel and tourism industry, where there was no expected risks. When the industry is facing a tough time they take a laid back approach in coming to our aid,” lamented Chandra.

He said that according to scientific studies conducted on post-terror-incident recoveries globally, it will take Sri Lanka 12 to 15 months to restore the glory of tourism sector. (Daily FT)

Colombo considers green living

Colombo’s first-ever open street concept day saw residents reclaiming their streets from Green Path to Independence Avenue on foot, bicycle, skateboard and rollerblades. Jointly organised by Colombo Municipal Council (CMC) and The Embassy of the Kingdom of the Netherlands, CarFreeCMB was initiated to offer people a chance to experience everyday Colombo through a different lens and to promote a healthier and more sustainable urban lifestyle.

The CMC chose a relaxed Sunday morning to offer up this experience, keeping with tradition from other car-free days in the region in cities such as Jakarta, Kuala Lumpur, Taiwan, and Gurgaon. A number of free community-led performances and activities were scheduled across over two kilometres of cordoned-off roads during this time, with easily accessible alternative routes provided for regular Sunday morning motorists.

There was something for everyone – thrill seekers and yogis, children and grandparents, the active and even the artistic. The Torrential Rollerblading Club together with Workout.lk marked their presence with speed skating stunts.

Amateur cyclists were given the opportunity to learn from and meet likeminded individuals, following a spectacular bicycle parade by Colombo’s most notable cycling groups: Triathlon Club Colombo, Pedal Pushers, and Spinner.

Non-profit charity TandemVision were also present, raising awareness on paracycling as well as educating the public on their work in enabling the visually impaired to cycle through free rides by TandemVision pilots. To top it off Spinner and Lumala were also on board to provide basic cycle repairs, bike upkeep and assistance during the entire event. Participants could also rent bikes to use during the event from Spinner at a nominal fee.

Fitness buffs were treated to sessions in the Krav Maga defence system by Master Wijesiri, Zumba by Dharshan, and the team from Colombo Night Run kept the spirit of running high. Workout equipment was made available for all courtesy of Quantum Fitness, on the open streets the yoga mats were rolled out for Kundalini Yoga by Uta Gunawardena, and wellness was given centre stage by the Sri Lanka Health QiGong Association.

For kids, The Little Gym, an enrichment and physical development centre for children, conducted sessions of ‘serious fun’ with parents joining in. Kids also partook in a Scavenger Hunt with teams competing against each other in a fun-filled, action packed session. Budding Picassos explored their potential with a UNICEF-facilitated art session for children guided by university art students. Older art aficionados on the other hand browsed a showcase of artwork by local artists.

Keeping with CarFreeCMB's theme of environmental consciousness and sustainability, the Good Market with its many home-grown vendors – namely Selyn Fair Trade, MA's Happy Kitchen, Flow Health Bar, and Rubees Natural Bees Honey, among others – offered plenty of healthy food options, organic produce, and ethical-trade wares, placing local commerce at the forefront.

Stalls by JustGoodness.co and Innocent Foods also did their part in promoting a healthy consumption culture by providing the nutritious fuel needed to energise all active participants during the day.

Staying true to its objective of being a disposable plastic-free zone, people were encouraged to bring their own water bottles, with bottomless refills provided by Frosty Water. Parking was made available for participants, and roads that were closed off were re-routed to allow for an entirely safe pedestrianised environment. Garbage bins placed at the venue by Cleantech ensured that streets remained litter-free.

“Although the first of its kind in Colombo, CarFreeCMB was met with an encouraging response,” said Mayor of Colombo Rosy Senanayake. “This is a fun and encouraging way for us to explore the streets that we experience every day – usually while stuck in a tiring traffic jam – in a new way. Cities around the world regularly host these car-free Sundays to benefit their residents. It's a great way to get some exercise, meet new people and enjoy some fun activities on a Sunday morning.”

Car-Free Day (CFD) is a global movement held in many countries and across many cities. Ambassador Joanne Doornewaard was keen to trial a fun, safe opportunity for residents to reclaim their streets on a relaxed weekend.

“This car-free morning is a pilot to see if what works in other tropical cities could also be enjoyed in a small part of this beautiful city on a Sunday morning for all its people. I have received such a positive response from residents who appreciate the safe, spacious, and exploratory environment created to engage in recreational activities,” she said.

“I also feel that it's a great opportunity for us to come together after what we experienced as a city a few months ago. Let's hope we see more of these events happening on Sunday mornings in the future.”

Through the inaugural local edition of the event, Colombo's residents and its visitors were given the perfect opportunity to reimagine their city car-free, enabling them to explore the roads and learn a little bit more of how they too can alter their lifestyles for the better.

In addition to a supportive public, the success of CarFreeCMB was made possible by its main sponsors, John Keells Properties and Hirdaramani Group, partner Anim8, and supporters Cleantech, Frosty Water, Siyath Gowin Plus, Workout.lk, and Spinner; all of whom led by example, working together to address these vital public health and related issues, including pollution control, sport promotion, as well as youth and community engagement. (Daily FT)

Sri Lanka keen on enhancing connectivity with Indian ports

The Sri Lanka Ports Authority (SLPA) is keen on enhancing connectivity with Indian ports using ferry services to facilitate easier trade and tourism, its chairman Kavan Ratnayaka said.

“If the two countries can set up a ferry service connecting Kankesanthurai Port (KKS) in Jaffna with Karaikal near Puducherry, and similarly between Colombo and Tuticorin in South India, there is scope for increased trade activity and tourism,” he told The Hindu.

The ferry connection, he said, would primarily facilitate tourism and small-scale trade both ways. “It will help especially with Buddhist tourism from the south of the island, and by extension people-to-people connections,” he said.

Further, the KKS Port will facilitate increased trade opportunities for communities living in proximity to the port and reduce the cost of road and rail transport for bulk items such as cement. In 2011, India and Sri Lanka launched a ferry service between Tuticorin and Colombo, but it was soon terminated after private operators running it said it was not commercially viable.

The proposals, according to the chairman, fit into the SLPA’s broader vision of developing Sri Lanka into a global logistics hub, given its strategic location in the Indian Ocean, in close proximity to key, international sea routes. Sri Lanka is currently upgrading the KKS harbour with Indian assistance of \$ 45.27 million, through an agreement signed with the Export-Import Bank of India.

India is also a partner in an initiative aimed at developing the East Container Terminal (ECT) at the Colombo Port. In May this year, Sri Lanka, Japan and India signed a Memorandum of Cooperation (MoC) to jointly develop the East Container Terminal (ECT) at the Colombo Port, at an estimated cost of up to \$ 700 million.

The ECT has remained a contentious topic in Sri Lanka, with President Maithripala Sirisena’s voicing opposition to India holding majority stake or control in it. With Japan stepping in, with a more visible and active role, the initiative has acquired some momentum in recent months.

As per the agreement signed, Sri Lanka will have 51% stake in the terminal operating company, while the stakes to be held by Japan and India are being discussed, Ratnayaka said.

“The [joint] working group negotiating the specifics is scheduled to meet soon. If all goes as per schedule, we should have the cranes on the quays by August next year.”

India has for long been interested in partnering the development of the ECT, adjoining the Colombo International Container Terminal (CICT) that the SLPA runs as a joint venture with China Merchants Port Holdings Company Ltd., that holds 85 % of the stakes in the partnership.

With tall, Chinese-built cranes performing modern functions, the deep-water container terminal is the busiest among the three main terminals at the port and is equipped to handle large container vessels with efficiency, according to Port officials.

The adjacent ECT, which awaits upgradation, is expected to supplement this and boost traffic at the Colombo port. “The idea is to play as one port, with these different terminals catering to different market segments,” the chairman said. Of the total cargo arriving at the Colombo port, only 19% accounts for domestic cargo. The remaining 81% is transshipment cargo, of which over 70% is linked to the Indian market.

The SLPA employs nearly 10,000 persons, and almost as many are employed by private companies operating at the port. The SLPA is investing Rs. 1 billion to invest in a new IT system that could help manage vessel berthing schedules and traffic better, reducing waiting time.

“Our current efforts are geared towards developing this into a smart port with significant value addition in logistics. Sri Lanka’s location is God-given and there’s a lot we can offer to the region and the world,” Ratnayaka said. (Daily FT)

Abolishing death penalty is a victory for drug traffickers, criminals:

President

President Maithripala Sirisena says the day a bill to abolish the death penalty is brought to Parliament, handing over the country to the drug traffickers, underworld and rapists, will be a day of national mourning.

President Sirisena made this observation addressing a ceremony held to present land permits to 5,000 Mahaweli farmers in the Walawwa Zone at the Walawwa Regional Residential Business Management Office grounds yesterday.

Addressing the gathering, the President said drug dealers and criminals in the country will be victorious in trying to pass a bill to abolish the death penalty in Parliament for the need of some Government members.

The President said he would not allow the drug dealers and criminals to ruin the future of the country's children and stressed that every step would be taken to combat the drug trafficking and would not reverse his decision to implement the death penalty. The President also claimed that some people have opposed the decision to carry out the death penalty as per the requirements of foreign forces.

Therefore, the President said a broader voice calling that the country needs the death penalty should be built among the people who love the country and the children and invited all the people to join him.

The President's unilateral decision to implement death penalty has been condemned by various local as well as international parties including the US, EU, UK, Canada and human right organisations.

The Sri Lankan Government of Prime Minister Ranil Wickremesinghe, pointing out that Sri Lanka in December 2018 voted in favour of a global moratorium on the use of the death penalty at the UN General Assembly, as well as the Opposition led by former President Mahinda Rajapaksa had announced their opposition to implementing the death sentence after a 43-year moratorium.

Sri Lanka courts hand out death sentences to convicts of serious crimes according to the current laws but the island nation has not carried out any executions since 1976. A Private Member's Motion has been presented in Parliament to abolish the death penalty. (Daily FT)