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Sri Lankan Travel & Tourism Industry: Recent Trends and Future Outlook towards Real Estate Development

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Abstract— Tourism is considered as an important economic activity around the world due to its direct economic impact as well as its significant indirect and induced impacts. According to the World Travel and Tourism Council, Travel & Tourism industry is one of the world's largest economic sectors account for 10.4% of global GDP and 313 million jobs, or 9.9% of total employment, in 2017. Direct and indirect impact of this on real estate development in the world is tremendous in terms of accommodation, catering to food and beverages, leisure pleasure & relaxation and so on. In Sri Lanka, tourism is the third largest export earner in the economy and during the past five years, there has been an unprecedented growth in the industry. But tourism in Sri Lanka has much more untapped potentials thereby the industry is poised to generate a range of growth and investment opportunities. However, it is only through right policies and investment decisions, Sri Lanka can leverage the economic prospects of Travel & Tourism Industry. This study analyses the importance of travel & tourism industry in terms of real estate development and reviews major trends that are shaping the growth and development of the travel & tourism industry in Sri Lanka aiming to produce useful inputs for policy implications. The analysis is based on modified Tourism Satellite Account: Recommended Methodological Framework 2008 published by World Travel & Tourism Council, and carried out analyzing both academic and non-academic publications, including published journal articles, annual and quarterly reports published by United Nations' World Tourism Organization, World Travel & Tourism Council, World Economic Forum and Sri Lanka Tourism Development Authority and through the raw data obtained by World Travel & Tourism Council for Sri Lanka. As per the analysis, the future outlook is bright for the tourism sector in Sri Lanka, and the country is expected to maintain a high rate of growth well into the next decade.

Keywords – *Tourism Trends, Real Estate Trends, Real Estate Development, Travel & Tourism Industry, Sri Lanka*

I. INTRODUCTION

Tourism is an economic and social phenomenon which has experienced a continuous growth and deepening diversification over the decades. At present, for many regions and countries, tourism has become an important, even vital source of revenue and is one of the fastest growing economic sectors in the world. Its significance was recognized in the Manila Declaration on World Tourism of 1980 as "an activity essential to the life of nations because of its direct effects on the social, cultural, educational, and

economic sectors of national societies and on their international relations (The World Tourism Conference, 1980). Tourism delivers large amounts of revenue into the economy in the form of spending for goods and services which are essential for tourists. As per the World Tourism Organisation, 10% of World's GDP is contributed by the Travel & Tourism Industry and one out of every ten jobs are related to the industry (UNWTO, 2017). Travel & Tourism Industry accounts for almost 1.4 trillion U.S. dollars which are 7% of the World's exports and 30% of services exports (UNWTO, 2017).

Sri Lanka is often considered as an increasingly popular destination for international tourists, as well as for expatriates who return home to visit relatives and friends. Lonely Planet ranked Sri Lanka as the number one destination to visit in 2013. In 2015, Forbes magazine declared Sri Lanka among the "top ten coolest countries" to visit (Abel, 2014). Also, in 2016 Lonely Planet, Rough Guides, The Guardian, The New York Times have identified Sri Lanka as a top location to visit (Ministry of Tourism Development and Christian Religious Affairs, 2017). Travel & Tourism Industry is the third largest export earner in the Sri Lankan Economy, after remittances, textiles and garments. At present Sri Lanka is experiencing an unprecedented growth in visitors, averaging more than 22% year on year (Ministry of Tourism Development and Christian Religious Affairs, 2017). First-time in 2016, Tourism in Sri Lanka has surged to a milestone of over 2 million tourists arrival which is a remarkable increase of 14% over 1.8 million tourist arrivals in 2015 (Sri Lanka Tourism Development Authority, 2017). In 2016, international visitors stayed an average of 10.2 nights and generated 3.5 million U.S. dollars (Sri Lanka Tourism Development Authority, 2017). Asian visitors continued to be the main source of tourism to Sri Lanka accounting 45.1% of the total share followed by Western Europe with a share of 31.4% (Sri Lanka Tourism Development Authority, 2017). The occupancy rate of graded accommodation has shown 74.76% where the total guest nights recorded in tourist hotels has increased to 10.6 million nights in 2016 which is an 18.4% of growth compared in 2015 (Sri Lanka Tourism Development Authority, 2017).

Tourism is highly dynamic and competitive industry which requires the ability to constantly adapt to tourists' rapidly changing needs and desires, as the tourist's satisfaction, safety, and enjoyment are the prime focus of

travel and tourism industry. In order to make Sri Lanka competitive in the global travel & tourism marketplace and to utilize the full potential of the industry to the economy, right policies and investment decisions are essential. The Sri Lanka Tourism Strategic Plan 2017-2020 is a major step taken by Ministry of Tourism Development and Christian Religious Affairs in this regard. However, it is perhaps one of the curious anomalies of travel and tourism studies as strange that more academics have not devoted their attention to the impacts surrounding real estate development. In the end, real estate is fundamental to tourist experiences whether it is in the form of an accommodation at a luxury five-star hotel complex, the excitement of a theme park, or obviously, walking through an untouched wilderness area. Real estate is vital to tourism business, simultaneously, as a principal asset and a major source of costs (Ariyawansa, 2016). Destination development is in no small measure a function of the resolution of real estate markets among competing land uses.

II. PURPOSE OF STUDY

The purpose of this research is to analyze the economic importance of tourism and review the major trends that are shaping the growth and development of the travel & tourism industry along with the real estate sector in Sri Lanka.

III. THE SIGNIFICANCE OF THE STUDY

2017 was declared as the International Year of Sustainable Tourism for Development by United Nations General Assembly (UNESCO, 2017) recalling the potential of tourism to advance the universal 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals (SDGs) (Nations, 2015). The International Year aims to support a change in policies, business practices and consumer behavior towards a more sustainable tourism sector that can contribute effectively to the SDGs. This is fitting for Sri Lanka as the country embarks on a journey of transformation of its tourism sector.

This paper aims to explore emerging trends in travel and tourism industry in Sri Lanka; a region that has seen high growth and contribution to the local economy in many ways over the recent years and is poised to be the center of tourism in the near future. Knowledge gaps are identified as an agenda for future research to better understand tourism and its impact on real estate development in Sri Lanka.

This research also aims to provide a guide for academic researchers to identify future research opportunities in Sri Lankan travel & tourism industry that will be of benefit to policymakers, academia, industry and for the wider society.

IV. OBJECTIVES

A. General Objective

To analyze major trends associated with travel & tourism industry and its impact on real estate development in Sri Lanka.

B. Specific Objectives

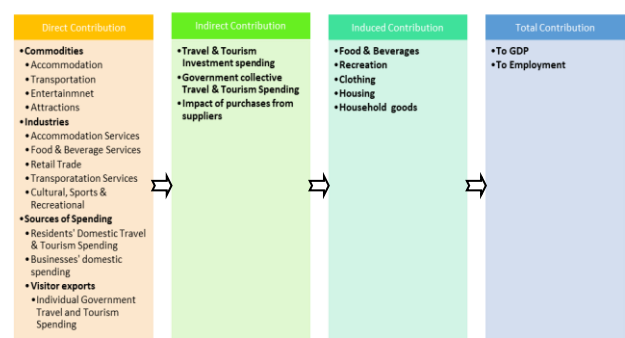
To analyze the performance of key economic indicators related to the Travel & Tourism Industry in Sri Lanka.

To identify the importance of the Travel & Tourism Industry towards real estate development in Sri Lanka.

V. METHODOLOGY

The Contribution of Travel & Tourism Industry can be explained using Tourism Satellite Account: Recommended Methodological Framework 2008 (TSA: RMF 2008) published by Statistics division of World Tourism Organization (United Nations, 2011). According to TSA: RMF 2008, the framework only recognize the direct contribution of Travel & Tourism Industry. But the industry has significant indirect and induced impacts which were overlooked in the framework. World Travel & Tourism Council recognizes those indirect and induced impacts through its researches (World Travel & Tourism Council, 2018). This study follows the modified TSA: RMF 2008 (Figure 1) published by World Travel & Tourism Council in order to identify and explain the economic importance and trends of travel & tourism industry in Sri Lanka.

Fig. 1. Tourism Satellite Account: Recommended Methodological Framework 2008



Source: United Nations, 2011

The trends were identified through a review of both academic and non-academic publications including published journal articles, annual and quarterly reports published by United Nations' World Tourism Organization, World Travel & Tourism Council, World Economic Forum and Sri Lanka Tourism Development Authority and through a descriptive analysis of the raw data obtained by Data Gateway of World Travel & Tourism Council.

VI. LIMITATIONS

1. The trends were identified by using the performance of selected key economic indicators of the Travel & Tourism Industry.
2. The results that have been concluded are based on the data and information available for Sri Lanka and it might be not the same for other countries or regions.

VII. LITERATURE REVIEW

As the article focuses on analytical methods, a brief review of trends identification in the Travel and Tourism Industry is provided here. According to Tolkach et al., (2016), a change can be described using three different key terms; "fad", "trend" and "megatrend". "Fad" is a change for a very short period devoid of any significance or societal insinuations (Tolkach et al., 2016). "Trend" is a phenomenon which is of greatest significance on society that is typically long-lasting. The term "trend" has to turn out to be a very prevalent term and may be applied to changes in diverse contexts and to phenomena of significance (Nordin, 2005). The term

“megatrend” has been defined by Oxford Dictionary, 2018, as an “important shift in the progress of a society or of any other particular field or activity; any major movement” which will have greater and long-lasting impacts than trends. The time span of trends typically ranges from 1 to 2 years where it may extend to a decade and beyond (Pan et al., 2008).

Trends analyses methods involve quantitative analysis of statistical data and survey results and qualitative analysis of interviews and/or the Delphi approach (Tolkach et al., 2016). Peng, Song & Crouch, 2014 states that the quantitative approaches are more well known in modeling and forecasting demand. But, the drawback of the dependence on historical data to predict future might be unreliable because of the varying political, social and economic situations in addition to unexpected disasters (Prideaux et al., 2003). In the case of qualitative approach, researchers like Tolkach et al., (2016); Ballantyne et al., (2009); Buckley et al., (2015); Tribe, (2008); Xiao and Smith, (2006), adopt content analysis to explore trends in the tourism sector.

Various leading industry organizations have been analyzing travel and tourism trends. For example, the United Nations’ World Tourism Organization annually publishes Tourism Highlights which identify arrivals and expenditure. Also, the World Tourism and Travel Council focus on long-term trends in the economic impact of travel and tourism activities and publishes monthly updates. Pacific Asia Travel Association (PATA) a leading organization in the region, publishes thematic reports on regional travel-related issues and trends. Jones Lang LaSalle Incorporated (JLL) which is a professional service and investment management company specializing in real estate also publishes annual reports on the trends and performance of travel and tourism industry. As the local apex body related to travel and tourism, Sri Lankan Tourism Development Authority (SLTDA) too publishes reports on the performance and trends of travel and tourism industry in Sri Lanka.

VIII. DATA ANALYSIS

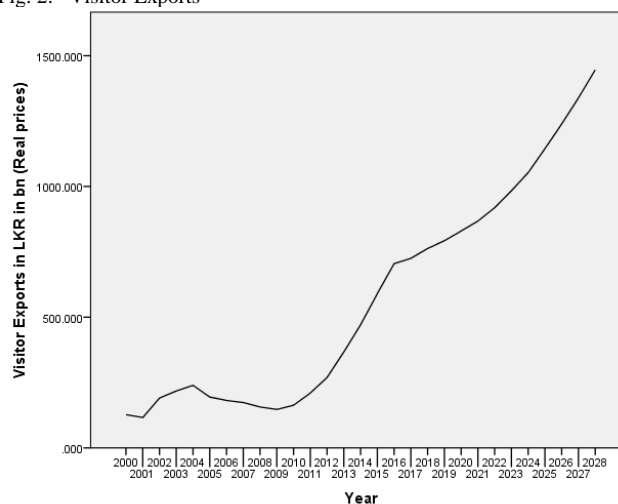
A. Direct Spending Impacts

1) Visitor Exports

As per the Tourism Satellite Account: Recommended Methodological Framework 2008 (TSA: RMF 2008), Visitor Exports are the spending within the country by international tourists for both leisure and business trips, including spending on transport. International spending on education is excluded. This is consistent with the total inbound tourism expenditure in table 1 of the TSA: RMF 2008.

After the civil war ended in 2009, Visitor Exports in Sri Lanka has dramatically increased over time wherein 2017 Travel & Tourism industry has generated LKR 725.2 billion Visitor Exports which is 25.3% of total exports in 2017. And it is expected to grow by 5.1% per annum in 2018 and will continue to rise by 6.6% per annum from 2018 to 2028 to LKR 1445.7 billion by 2028 (30.2% of total exports).

Fig. 2. Visitor Exports

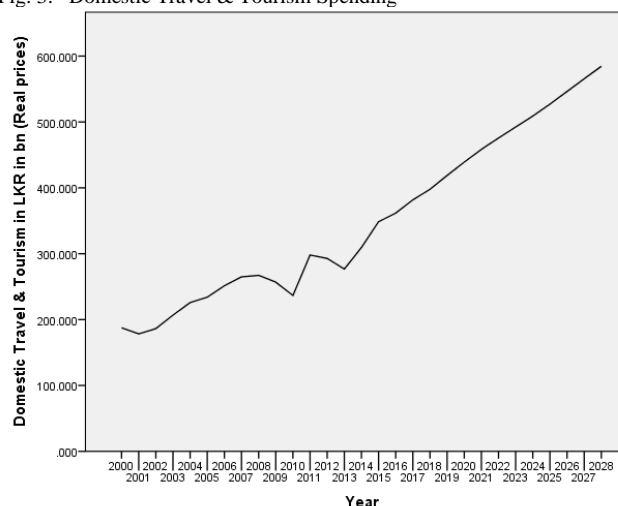


Source: Compiled by Author using WTTC Data, 2018

2) Domestic Travel & Tourism Spending

Spending within a country by that country’s residents for both business and leisure trips are considered as Domestic Travel & Tourism Spending. But multi-use consumer durables are not included since they are not purchased solely for tourism purposes. This is consistent with total domestic tourism expenditure in table 2 of the TSA: RMF 2008. Also, Outbound spending by residents abroad is not included and is separately identified according to the TSA: RMF 2008. There has been a steady growth in Domestic Travel & Tourism Spending over the years except for some drop in 2010 and 2013. Travel & Tourism Industry has recorded LKR 381.8 billion Domestic Travel & Tourism Spending. And it is expected to grow by 4.2% per annum in 2018 and will continue to rise by 3.9% per annum from 2018 to 2028 to LKR 584.6 billion by 2028.

Fig. 3. Domestic Travel & Tourism Spending



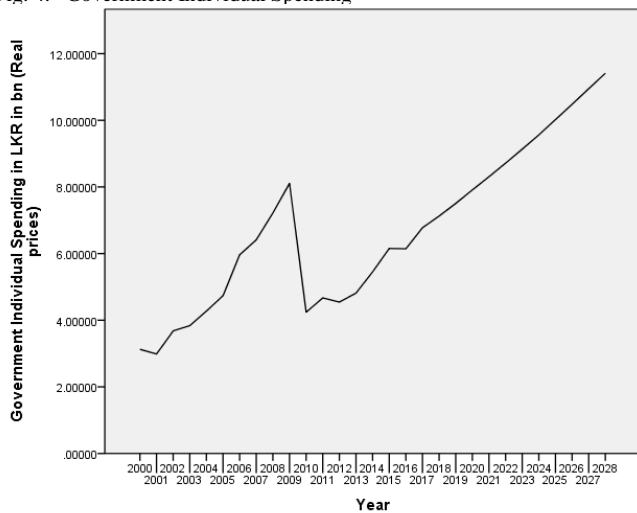
Source: Compiled by Author using WTTC Data, 2018

3) Government Individual Spending

According to Tourism Satellite Account: Recommended Methodological Framework 2008 (TSA: RMF 2008), spending by the government on Travel & Tourism services directly linked to visitors, such as cultural services (eg

museums) or recreational services (eg national parks) is identified as Government Individual Spending. Over the past 17 years, Government Individual Spending in Travel & Tourism Industry has shown a sharp growth except in 2010, recorded a significant drop but from 2011 the trend has continued to grow where in 2017 Government Individual Spending was LKR 6.8 billion. And it is expected to grow by 4.5% per annum in 2018 and will continue to rise by 5.5% per annum from 2018 to 2028 to LKR 11.4 billion by 2028.

Fig. 4. Government Individual Spending



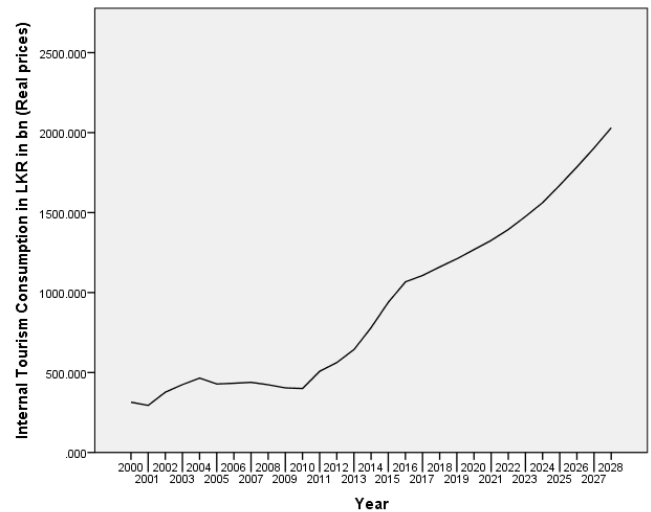
Source: Compiled by Author using WTTC Data, 2018

4) Internal Tourism Consumption

Internal Tourism Consumption is the total revenue generated within a country by industries that deal directly with tourists including visitor exports, domestic spending, and government individual spending. This does not include spending abroad by residents. This is consistent with total internal tourism expenditure in table 4 of the TSA: RMF 2008.

In overall Internal Tourism Consumption in Sri Lanka has shown a steady growth as in 2017, it was LKR 1107 billion. And it is expected to grow by 4.8% per annum in 2018 and will continue to rise by 5.8% per annum from 2018 to 2028 to LKR 2030.3 billion by 2028.

Fig. 5. Internal Tourism Spending

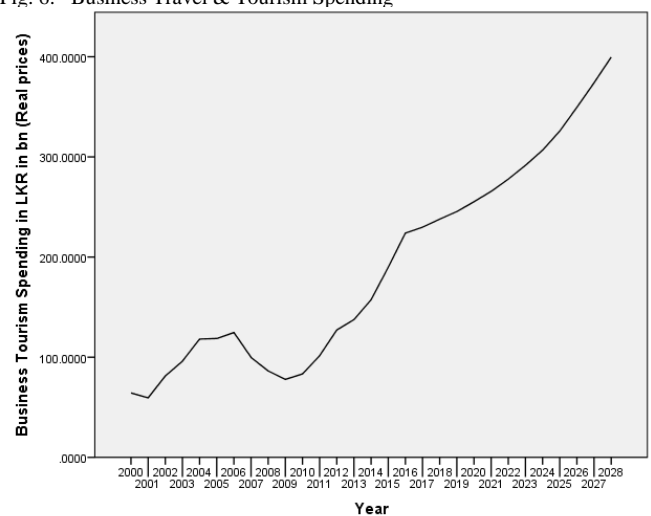


Source: Compiled by Author using WTTC Data, 2018

5) Business Travel & Tourism Spending

Spending on business travel within a country by residents and international visitors is represented in Business Travel & Tourism Spending. As per the figure below, there has been a dramatic increase in Business Travel & Tourism Spending after 2009 and in 2017, Business Travel & Tourism Spending was LKR 229.9 billion. And it is expected to grow by 4.9% per annum in 2018 and will continue to rise by 4.8% per annum from 2018 to 2028 to LKR 399.6 billion by 2028.

Fig. 6. Business Travel & Tourism Spending

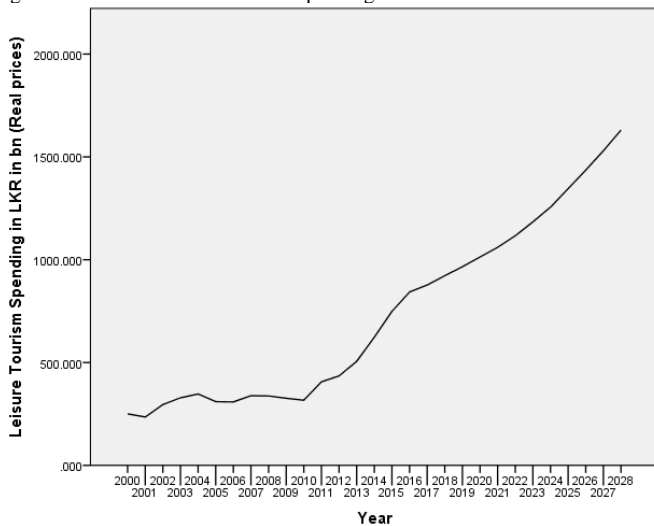


Source: Compiled by Author using WTTC Data, 2018

6) Leisure Travel & Tourism Spending

Leisure Travel & Tourism Spending consists of spending on leisure travel within a country by residents and international visitors. There has been a significant increase in Leisure Travel & Tourism Spending after 2009 and in 2017, it was LKR 877.1 billion. And it is expected to grow by 5.2% per annum in 2018 and will continue to rise by 5.9% per annum from 2018 to 2028 to LKR 1631 billion by 2028.

Fig. 7. Leisure Travel & Tourism Spending



Source: Compiled by Author using WTTC Data, 2018

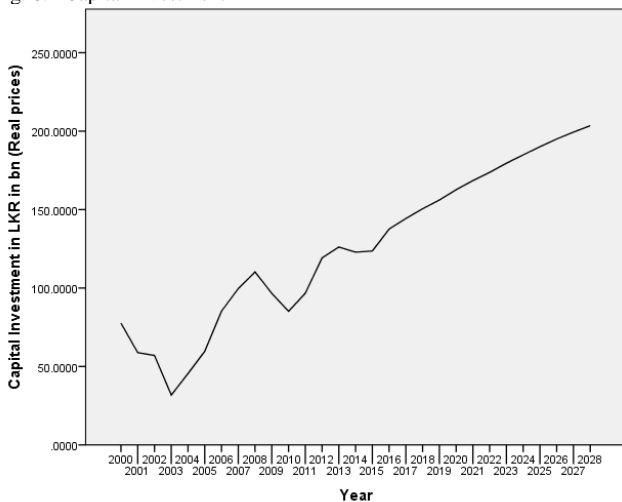
B. Indirect and Induced Impacts

1) Capital Investment

Capital Investment includes capital investment spending by all industries directly involved in Travel & Tourism. This also constitutes investment spending by other industries on specific tourism assets such as new visitor accommodation and passenger transport equipment, as well as restaurants and leisure facilities for specific tourism use. This is consistent with total tourism gross fixed capital formation in table 8 of the TSA: RMF 2008.

There has been a significant growth in Capital Investment in the Travel & Tourism Industry after 2010 and in 2017, it was LKR 144.3 billion. And it is expected to grow by 4.3% per annum in 2018 and will continue to rise by 3.1% per annum from 2018 to 2028 to LKR 203.5 billion by 2028.

Fig. 8. Capital Investment



Source: Compiled by Author using WTTC Data, 2018

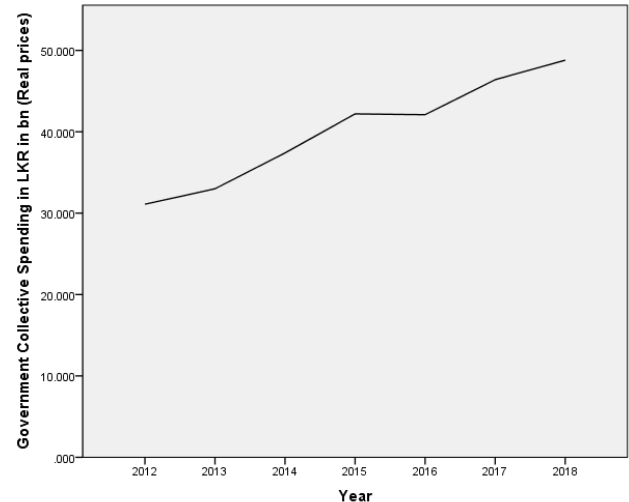
2) Government Collective Spending

Government Collective Spending is the government spending in support of general tourism activity. This can include national as well as regional and local government spending. For example, it includes tourism promotion, visitor information services, administrative services and

other public services. This is consistent with total collective tourism consumption in table 9 of TSA: RMF 2008.

Government Collective Spending has shown a steady growth over the years as in 2017, it was LKR 46.4 billion. And it is expected to grow by 5.2% per annum in 2018 and will continue to rise by 4.8% per annum from 2018 to 2028 to LKR 78.2 billion by 2028.

Fig. 9. Government Collective Spending

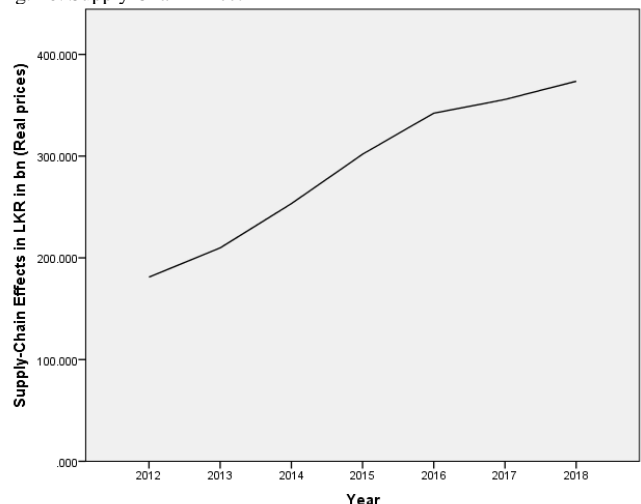


Source: Compiled by Author using WTTC Data, 2018

3) Supply-Chain Effects

Supply-Chain Effects consists of purchases of domestic goods and services directly by different industries within Travel & Tourism as inputs to their final tourism output. As years went by Supply-Chain Effects has shown a continuous growth as in 2017, it was LKR 355.7 billion. And it is expected to grow by 5.1% per annum in 2018 and will continue to rise by 5.7% per annum from 2018 to 2028 to LKR 373.6 billion by 2028.

Fig. 10. Supply Chain Effect



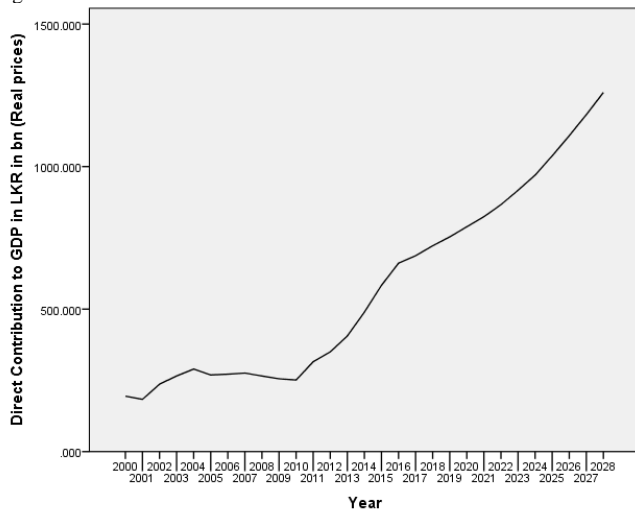
Source: Compiled by Author using WTTC Data, 2018

C. Direct Contribution to GDP

It's GDP generated by industries that deal directly with tourists, including hotels, travel agents, airlines and other passenger transport services, as well as the activities of

restaurant and leisure industries that deal directly with tourists. Which is equivalent to total internal Travel & Tourism spending within a country less the purchases made by those industries (including imports). In terms of the UN's Tourism Satellite Account methodology, it is consistent with total GDP calculated in table 6 of the TSA: RMF 2008. Direct Contribution to GDP by Travel & Tourism Industry has shown an exponential growth over the years since 2010. Where Travel & Tourism Industry has directly contributed LKR 687.4 billion to GDP, which is 5.3% of Total GDP in 2017. And it is forecasted to grow by 5.1% in 2018 and continue to grow by 5.7% per annum from 2018 to 2028 which will be LKR 1,260 billion by 2028 (5.7% of total GDP).

Fig. 11. Direct Contribution to GDP



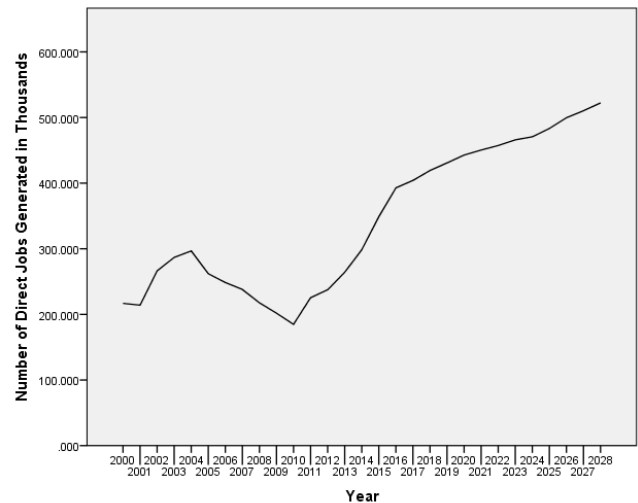
Source: Compiled by Author using WTTC Data, 2018

D. Direct Contribution to Employment

Direct Contribution to Employment is the number of direct jobs within Travel & Tourism. This is consistent with total employment calculated in table 7 of the TSA: RMF 2008. 3.

Since 2010, the Travel & Tourism Industry has shown a significant growth, directly creating employment opportunities. In 2017, the Travel & Tourism Industry has directly supported 404,000 jobs which are 5.1% of total employment. It has been forecasted to grow by 3.7% in 2018 and continue to rise by 2.2% per annum up to 522,000 jobs by 2028.

Fig. 12. Direct Contribution to Employment

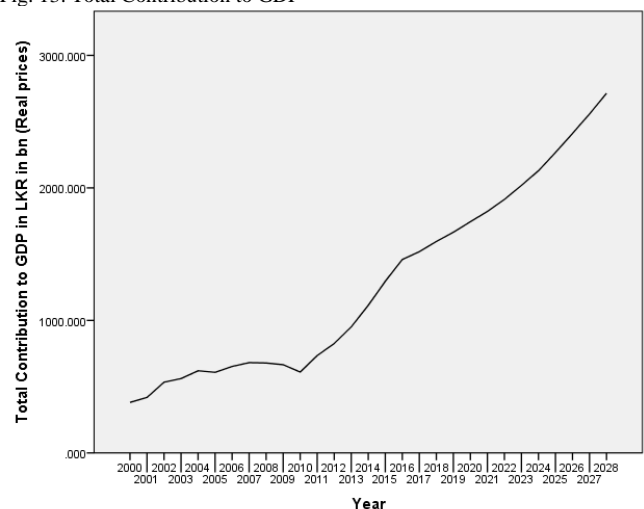


Source: Compiled by Author using WTTC Data, 2018

E. Total Contribution to GDP

Total Contribution to GDP is the GDP generated directly by the Travel & Tourism sector plus its indirect and induced impacts. Travel & Tourism Industry's total contribution to GDP has shown a continuous growth after the end of civil war in 2009 and the total contribution of Travel & Tourism Industry to GDP was LKR 1518.8 billion which is 11.6% of GDP in 2017 and expected to rise by 5.1% in 2018 and continue to rise by 5.5% per annum where it will be LKR 2,714.1 billion by 2028 (12.3% of GDP).

Fig. 13. Total Contribution to GDP

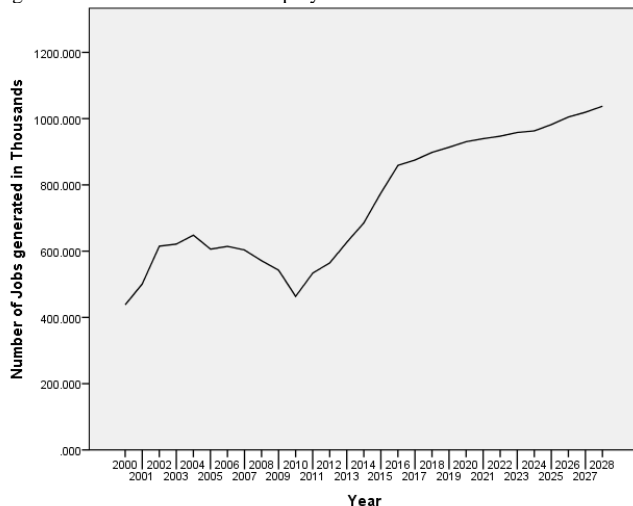


Source: Compiled by Author using WTTC Data, 2018

F. Total Contribution to Employment

The number of jobs generated directly in the Travel & Tourism sector including the contributions of indirect and induced sectors. Total Contribution to Employment has shown a steady growth over the past 7 years since the end of civil war. The total contribution of Travel & Tourism Industry to employment including jobs indirectly supported by Travel & Tourism Industry was 875,000 jobs which are 11% of total employment in 2017. And this is expected to grow by 2.6% in 2018 and continue to grow by 1.5% per annum to 1,037,000 jobs by 2028 (12.8% of total employment).

Fig. 14. Total Contribution to Employment



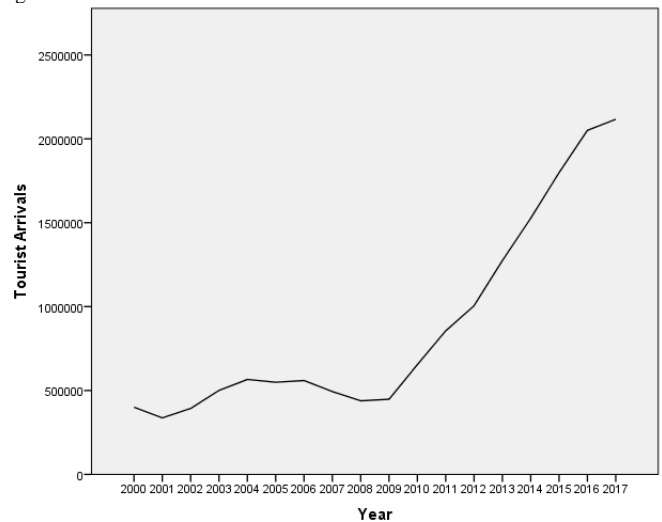
Source: Compiled by Author using WTTC Data, 2018

G. Real Estate Trends in Travel & Tourism Industry

Real Estate is central to Travel & Tourism Industry so it's not exaggerating to state that Travel & Tourism Industry has been built around Real Estate. Similarly, developing the Travel & Tourism Industry is an activity of Real Estate Development. As every commodity associated with the industry; Accommodation, Transportation, Entertainment and Attractions are fundamentally a piece of Real Estate.

Real Estate Hotspots such as Colombo, Kandy, and Galle etc. (Ariyawansa & Abeysinghe, 2017) in Sri Lanka are also countries' most preferred travel destinations. As these destinations charm more tourists, the demand for better tourism commodities such as accommodation, entertainment, and retail will expand. Moreover, Sri Lanka has achieved an important landmark of 2 Million international tourist arrival in 2016 (Sri Lanka Tourism Promotion Bureau, 2014). Sri Lanka has performed well in terms of attracting foreign revenue as, IHS Incorporation; a global information company in the United States has listed Sri Lanka among the top 10 FDI hotspots in 2016 (Daily Mirror, 2016). At present many local and international companies namely Jetwing Hotels Limited, Cinnamon Hotels by John Keels Holdings, Shangri-La Group; a premier Asian luxury hotel chain, ITC Group of India, Thailand's Minor Group, RIU Hotels & Resorts in Spain, Singapore's Aman Resorts, etc., have already made investments to expand Travel & Tourism Industry in Sri Lanka (LMD, 2017). In order to facilitate increasing number of tourists, the government of Sri Lanka has invested to develop necessary public infrastructure to facilitate easy transportation links between prime cities such as Colombo, Kandy, Gampaha and Galle such as first ever expressway from Colombo to the southern hub of Galle in 2011 and the Colombo to Katunayake expressway in 2013. Furthermore, highways from Katunayake to Anuradhapura, Colombo to the hill capital Kandy and from Anuradhapura to Jaffna is in progress.

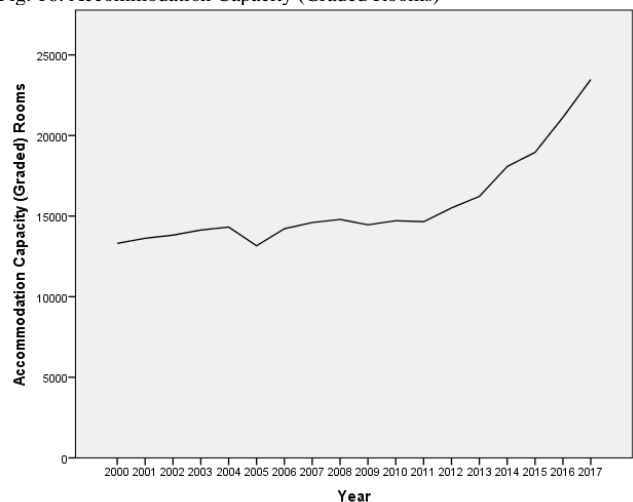
Fig. 15. International Tourists Arrivals



Source: Compiled by Author using Sri Lanka Tourism Promotion Bureau Data, 2018

In terms of Accommodation capacity, the total number of Sri Lanka Tourism Development Authority (SLTDA) registered accommodation establishments as at 30th June 2018 was 2,164 (SLTDA, 2018). The number of classified or graded tourist hotels was 136 and among them, 22 were five-star hotels. Importantly the presence of small and medium enterprises is strong in the hospitality market with guesthouses, homestays and bungalows recording the highest number of registered establishments with 904, 395 and 354 units respectively. The total room inventory was 36,381 and Classified tourist hotels (1-5 star) had the highest inventory of 12,822 rooms.

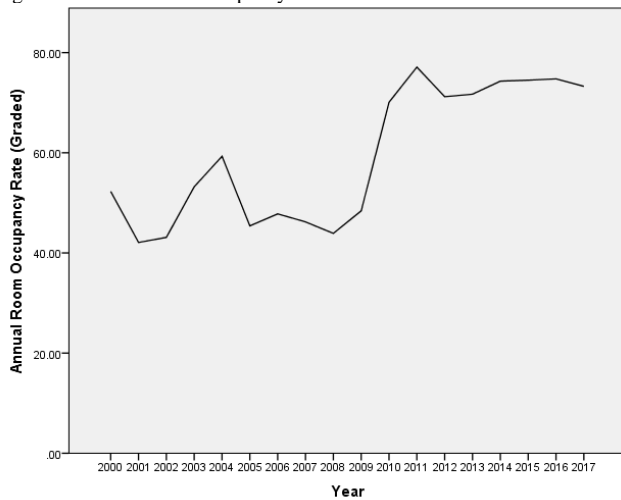
Fig. 16. Accommodation Capacity (Graded Rooms)



Source: Compiled by Author using Sri Lanka Tourism Promotion Bureau Data, 2018

According to the Figure 17, Formal Tourist Accommodation establishments including Star Class Hotels & Other Supplementary Establishments like Boutique Hotels, Guest Houses, Bungalows etc. have an occupancy level around 70% in recent years (Sri Lanka Tourism Development Authority, 2017).

Fig. 17. Annual Room Occupancy Rate



Source: Compiled by Author using Sri Lanka Tourism Promotion Bureau Data, 2018

The Table I depicts the number of investment projects handled by SLTDA up to end June 2018 (SLTDA, 2018). A sum of 326 projects had been granted final approval while 115 are under construction and 171 are in operation. And 40 tourism investments projects are yet to be commenced. The number of rooms of final approval granted projects is 18,364. The total investment value of final approval granted projects is estimated at USD 2,895.3 million. The value of projects which are under construction is USD 1,044.2 million. And the investment value of projects in operation is USD 1,640 million while the value of projects that have not commenced is USD 181.6 million.

TABLE I. THE PROGRESS OF INVESTMENT PROJECTS - UP TO END JUNE 2018*

Status of the Projects	No. of Projects	No. of Rooms	Investment Value (USD mn)
Final approval granted	326	18,364	2,895.3
Under construction	115	7,460	1,044.2
Projects in operation	171	9,143	1,640.0
Projects not yet started	40	1,761	181.6

Source: SLTDA, 2018

Among the final approval granted projects, there are 22 tourism investment projects with accommodation of over 200 rooms (SLTDA, 2018). The highest number of projects (221) are those with less than 49 rooms (SLTDA, 2018).

TABLE II. ROOM DISTRIBUTION OF FINAL APPROVAL GRANTED PROJECTS - UP TO END JUNE 2018*

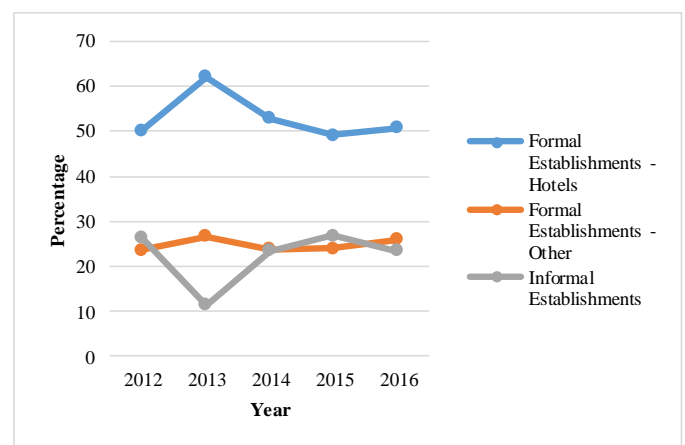
No. of Rooms	No. of Projects	Percentage (%)
Over 200	22	6.8
100 - 200	19	5.8
50 - 99	64	19.6
Less than 49	221	67.8
Total	326	100

Source: SLTDA, 2018

Majority of tourists (83.4%) visit Sri Lanka for the purpose of pleasure or holiday (Sri Lanka Tourism Development Authority, 2017). According to Sri Lanka Tourism Development Authority, 2017 the total number of nights spent by the 2,050,832 tourists who visited the country in 2016 amounted to 20,918,486. Foreign Tourist Nights

recorded in Informal Accommodations or Unregistered Accommodation units amounted to 4,918,786 nights in 2016, which was an increase of 1.02% compared to 4,868,945 nights recorded in 2015. As a percentage about 23.51% of tourist had utilized unregistered accommodation units. It is noteworthy that from total tourist nights spent by tourists who visited Sri Lanka about 25.84% was spent in supplementary establishments (Boutique Villa, Guest Houses, Rest Houses, Home Stay Units, Tourist Bungalows, Rented Tourist Homes, Rented Tourist Apartments and Heritage Bungalows / Homes etc.). It is a significant change in the trend of tourist stay during the last couple of years where guest nights spend in both supplementary and informal establishments has been increasing. Such a trend will encourage the investment on small boutique hotel & tourist bungalows in the future.

Fig. 18. Percentage of Guest Nights spent in Tourist Accommodation Establishments



Source: Compiled by Author using Sri Lanka Tourism Development Authority Data, 2018

Some Thoughts for future research on Tourism Friendly Real Estate;

- Real Estate Development and Management should incorporate with global concerns on Going Green, Social Harmony, Human rights, Child rights and well-being to attract some particular tours.
- Evaluation of Conventional Travel & Tourism Industry towards Unconventional Travel & Tourism Industry. In this regard, what should be the shape of Real Estate and Services?
- Standard of basic facilities such as washroom, drinking water, waste disposal, clarity of premises, quality of restaurants, natural beauty of streets and avenues etc. throughout the country not only within and around the tourist hotspots. Accordingly, local authorities and other relevant bodies should attend on standards of public and private properties and premises. Specially, Sri Lanka as a middle-income society, we need to maintain the quality of development along with the quantity. For instance, having basic sanitary facility, water, electricity to all is not enough.
- Tourism development should lead to encourage visitors to stay longer and visit more places around the island, broadening the sector's geographic impact. In this regard, a planned real estate development is necessary.

IX. FINDINGS & CONCLUSION

1. Travel & Tourism Industry has directly contributed LKR 687.4 billion to GDP which is 5.3% of Total GDP in 2017. It is forecasted to grow by 5.1% in 2018 and continue to grow by 5.7% per annum from 2018 to 2028 which will be LKR 1,260 billion by 2018 (5.7% of total GDP).
2. The total contribution of Travel & Tourism Industry to GDP was LKR 1518.8 billion which is 11.6% of GDP in 2017 and expected to rise by 5.1% in 2018 and continue to rise by 5.5% per annum where it will be LKR 2,714.1 billion by 2028 (12.3% of GDP).
3. In terms of employment, the Travel & Tourism Industry has directly supported 404,000 jobs which are 5.1% of total employment in 2017. It has been forecasted to grow by 3.7% in 2018 and continue to rise by 2.2% per annum to 522,000 jobs by 2028.
4. The total contribution of Travel & Tourism Industry to employment including jobs indirectly supported by Travel & Tourism Industry was 875,000 jobs which are 11% of total employment in 2017. And this is expected to grow by 2.6% in 2018 and continue to grow by 1.5% per annum to 1,037,000 jobs by 2028 (12.8% of total employment).
5. Travel & Tourism Industry has generated LKR 725.2 billion visitor exports which are 25.3% of total exports in 2017. It is expected to grow by 5.1% per annum in 2018 and continue to rise by 6.6% per annum from 2018 to 2028 to LKR 1445.7 billion by 2028 (30.2% of total exports).
6. Investments in Travel & Tourism Industry was LKR 144.3 billion in 2017 which is 4.1% of total investment in 2017. It is expected to rise by 4.3% this year and will continue to grow by 3.1% per annum over next decade to LKR 203.5 billion by 2028 (3.6% of total investment)
7. Many local and international companies have already made investments which will expand the current accommodation capacity within the country.
8. A sum of 326 projects had been granted final approval while 115 are under construction and 171 are in operation. And 40 tourism investments projects are yet to be commenced.
9. The business segment is still small compared to leisure, accounting for 20.8% of tourism and travel GDP in 2017, according to data from the WTTC. In this regard Meetings, Incentives, Conferences and Exhibitions (MICE) tourism can be identified as an area for development.
10. Graded Tourist Accommodation establishments including Star Class Hotels & Other Supplementary Establishments like Boutique Hotels, Guest Houses, Bungalows etc. have an occupancy level of around 70% in recent years.
11. Tourist nights were spent in Tourist Hotels is gradually declining while tourists' nights spent in supplementary establishments and unregistered accommodation units and private houses is increasing which indicates the change of preferences in terms of tourist accommodation.

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