

ECONOMIC REVIEW

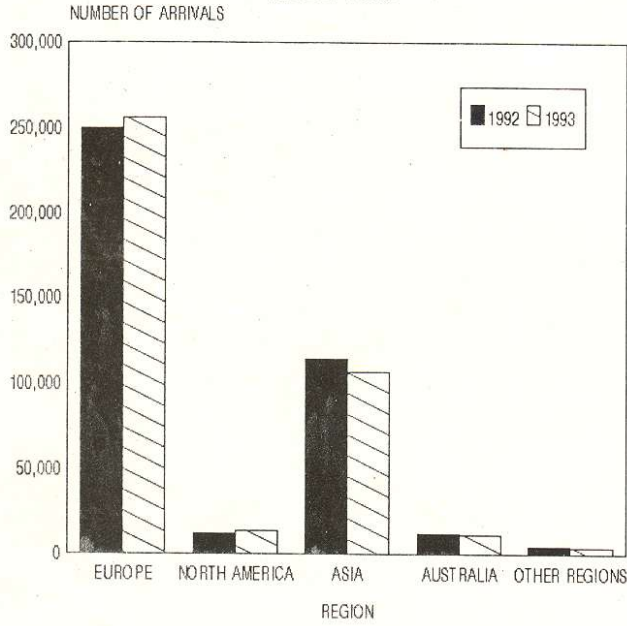
August 1994

TOURISM AND THE ECONOMY OF SRI LANKA

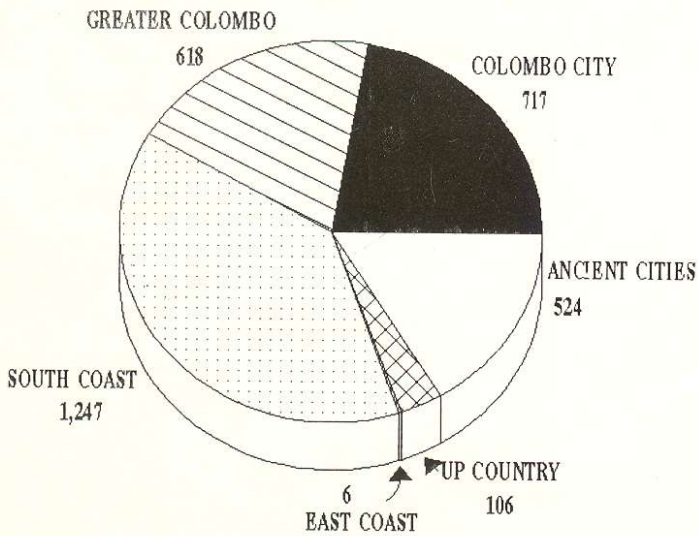


TOURISM HIGHLIGHTS

NUMBER OF ARRIVALS BY REGION
1992 & 1993

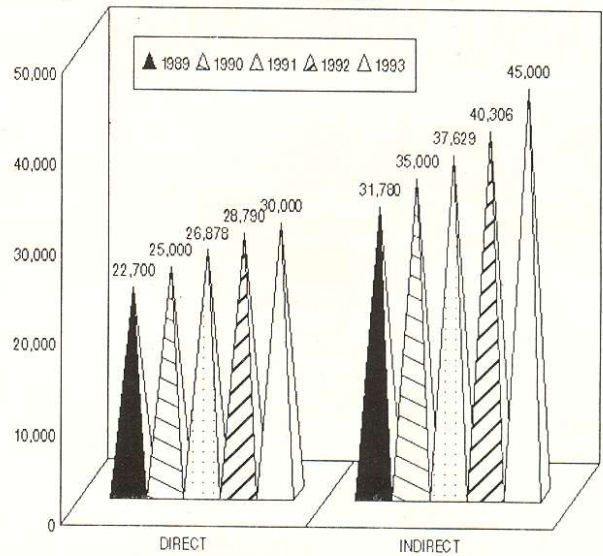


REGIONAL DISTRIBUTION OF
FOREIGN GUEST NIGHTS
1993

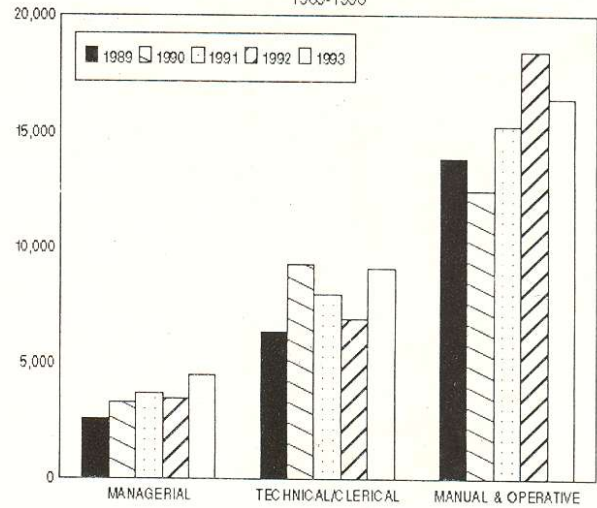


Source : Central Bank of Sri Lanka

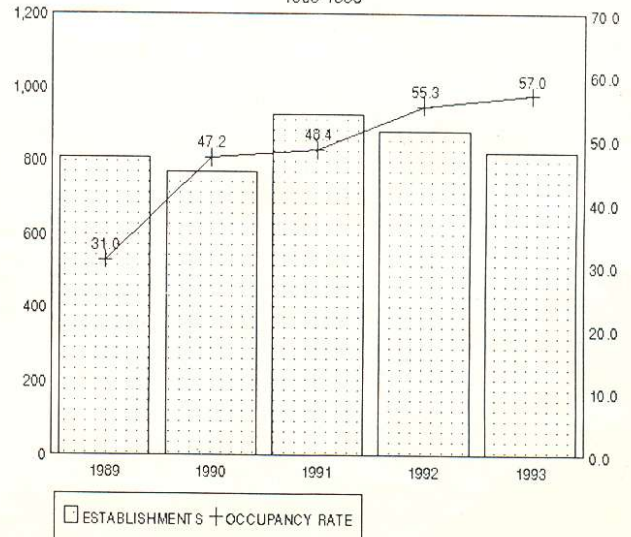
EMPLOYMENT
1989-1993



CLASSIFICATION OF DIRECT EMPLOYMENT
1989-1993



TOURIST ESTABLISHMENTS & OCCUPANCY
1989-1993



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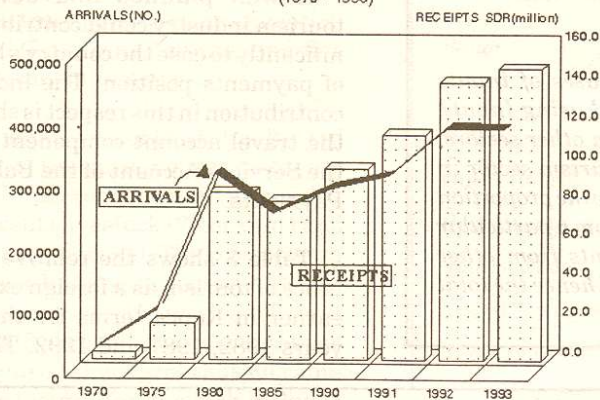
“Ten Commandments” of Protecting World Heritage Sites

*The international workshop **Managing Tourism in Natural World Heritage Sites** organized by UNEP and UNESCO in Dakar, Senegal, last November developed the following Ten Commandments for protecting World Heritage sites.*

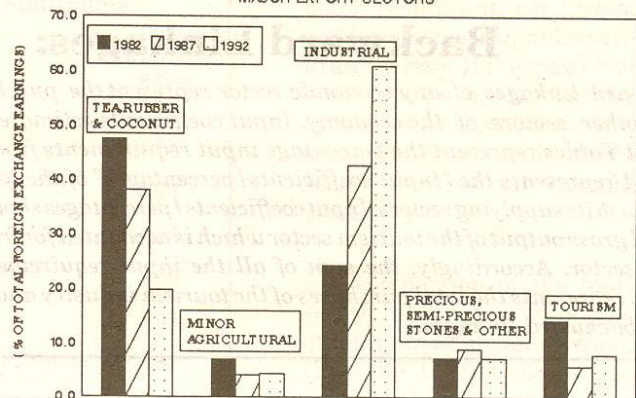
- 1. Tourism development should consider and respect the ecological and socio-cultural values of the site and should be consistent with the World Heritage concept.*
- 2. A management plan, considering the regional context and tourism component, should be established and regularly updated.*
- 3. Environmental assessments, including cumulative impacts, should be carried out on recreational and commercial facilities and activities before approvals are granted.*
- 4. Monitoring programmes based on appropriate and updated indicators should take place and their outcome should be taken into account in the planning and decision-making process.*
- 5. Local populations, in and around the site, should be involved in order that they take pride in their heritage and benefit from tourism.*
- 6. Cooperation with the different stakeholders involved in tourism development should be sought to ensure coordination for the promotion of the site.*
- 7. All site staff should be aware of World Heritage values and well trained in visitor management.*
- 8. Relevant information and educational programmes should be put in place to ensure that visitors and local people understand and respect the site.*
- 9. A substantial portion of the income generated through entrance fees should be directly allocated to the site for its improvement and management.*
- 10. Each site should participate in the promotion of the World Heritage concept through all appropriate means.*

— Courtesy : UN Library, Colombo

TOURIST ARRIVALS & RECEIPTS
(1970 - 1993)



CHANGES IN THE POSITION OF
MAJOR EXPORT SECTORS



TOURISM AND THE ECONOMY OF SRI LANKA

While tourism has the potential of contributing significantly to the economic development of Sri Lanka, an unmanaged tourist industry could adversely affect our way of life, our society and culture on the one hand, and result in the degradation of the environment, on the other. In view of this a number of issues arise: is tourism, in the long run, beneficial or harmful to Sri Lanka and its people; do the economic benefits that accrue from the industry offset the harmful effects some associate with it, how can tourism be developed in a manner that will be beneficial overall, reducing to a minimum its negative aspects and objectionable features. These are some of the concerns addressed in this paper.

Introduction

Sri Lanka's tourist industry which experienced a dismal period in the seven years 1983 - 1989, has now recovered substantially and the industry's prospects are more promising than ever before. From 1990 to 1992 tourist arrivals increased by an average of 16% a year as against a 12% decline in the previous seven years 1983 - 1989. There is every expectation that the industry would soon reach its peak as in the period before 1982, bringing in a considerable volume of foreign exchange, increasing job employment opportunities, and contributing significantly to government revenue. Tourism will then be able to play its expected role of contributing to the economic growth and the social and cultural well-being of the people of Sri Lanka. Referring to Sri Lanka's tour-

ist potential, the World Tourist Organization (WTO) in its report observed that: "World tourism is expected to continue growing in the next decade and Sri Lanka has considerable scope to develop its tourism industry. Sri Lanka has major tourism resources which can be developed into a richer and more varied tourism product range. It has the potential to create a positive, distinctive image, and to promote and exploit more beneficially this product range to higher spending tourists from existing and new tourist markets."

Economic Aspects of Tourism Tourism output

The Input-Output Table indicates that in 1990 the gross earning (output) of the tourist sector was Rs 10,590 million representing 1.96% of the total gross output of the country, and 18.8% and 15% respectively of the wholesale

and retail trade, and of the factory sector, the two largest individual contributors to the total output of the country. The tourism sector's output of Rs. 10,590 million is made up of first, the input requirement of the sector, and second, the value added to those inputs provided by the sector itself in the production of its output. The former represents 47% of the gross output, while the latter accounts for the balance 53%.

The nature of the dependence of the tourist sector upon other sectors does not deviate significantly from the overall national average figures (the national value added coefficient is 0.58 - 58%) This is an indication that, on average the gross output of the tourism sector includes almost a 50 per cent contribution of inputs from the other sectors of the economy.

The tourism sector's total value added contribution of Rs. 5,608.5 million to the total value added in the economy of Rs. 317,904.6 in 1990, represents a 1.76 per cent contribution and this compares with contributions of 23.7 per cent and 10.6 per cent from the wholesale and retail and factory industry sectors respectively, the two largest individual sectors in the economy. The combined contribution of the tea, rubber and coconut processing industries represented 2.18 per cent of national added value.

Population Pressures on Health Care

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Introduction

Any definition of health encounters its first obstacle in the fact that we are made aware of health mostly in its absence. The World Health Organization defines health as a state of physical, social and mental well being. Some researchers argue health as a life lived in the silence of organs. Whatever the philosophical obstacles in defining health are, it is clear that we do speak of it in various contexts and within different discursive formations. The notion of health transition evokes the image of a unique path, a passage through two or more stages that leads from high mortality regimes to low mortality regimes. The present article, therefore, describes health transition in terms of differences and changes in mortality and morbidity patterns in several decades in Sri Lanka.

High mortality to low mortality

Sri Lanka has frequently been cited as one of the few countries in the world which has achieved very low level of mortality despite of its low economic status. Before the end of the Second World War, the crude death rate (CDR) was high and it was also subjected to much greater fluctuations due to epidemics. The government's policies and programmes to control infectious diseases and provide better environmental sanitation resulted in a rapid decline in mortality which today remains fairly stable at low levels (Table 1).

The greater fall in the absolute number of deaths and in the CDR took place between 1946 and 1947; the number of deaths declining by 27 per cent and the CDR by 29 per cent. Many argue that the control of malaria was the major factor responsible for the

Table 1

Mortality Statistics, 1930 - 1990				
Year	Crude death rate (CDR)	Infant mortality rate (IMR)	Maternal mortality rate (MMR)	Neo-natal mortality rate
1930	25.4	175	21.4	-
1940	20.6	149	16.1	-
1950	12.6	82	5.6	49.2
1960	8.6	57	3.0	34.2
1970	7.5	48	1.2	29.7
1980	6.2	34	0.6	22.7
1990	5.8	19	-	-

Note : CDR - Number of deaths per thousand population;
IMR - Number of infant deaths per thousand live births;
MMR - Number of deaths of women due to pregnancy and Childbirth complications per 100,000 live births;
Neo-natal mortality rate - number of deaths in the first four weeks of life per thousand live births.

Source : Department of Census and Statistics.

steep decline in the death rate (Abhayaratne, 1950; Newman, 1965). Newman found that malaria eradication played a major role in accelerating the rate of increase in population after the war; the antimalaria campaign is estimated to have contributed 60 per cent of the rise in the rate of population growth since the war, resulting in a population size that, by the end of 1960 was a million larger than it otherwise would have been. However, Frederiksen (1960) and Meegama (1969) have shown that the percentage decline in the death rate between 1946 and 1947 is about the same in malarial and non-malarial zones within the country and conclude that this decline was associated with the development of the economy and a rise in the level of living. Gray (1974) estimated that malarial control programme contributed approximately 23 per cent of the total post-war decline of mortality.

Two aspects of the decline of mortality merit attention with regard to its influence on fertility levels; first, the

dramatic decline in infant mortality which provides an insight into overall mortality pattern and the second, the decline in maternal mortality. Infant mortality rate (IMR) which was 149 per thousand live births in 1940 fell to 82 and 19 by 1950 and 1990 respectively (Table 1). The reduction in infant and child mortality meant a significant increase in the number of surviving children in most families so that one of the factors leading to high fertility - the wastage due to high mortality in childhood - was removed.

Life expectancy at birth, the overall index of mortality, in Sri Lanka for the year 1991 is 70.1 years for men and 74.8 years for women. Between 1946 and 1981 the life expectancy at birth has increased by 21 years for men and 27 years for women (Table 2). In 1920s men enjoyed about two more years of survival than women but now it is females who enjoy about five more years of life than men; this change was initiated in 1960s. The rapid increase in the average life span and the widening gap between the men

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