

EASTERN DEVELOPMENT PLAN 2012 - 2016

Volume III : Sector Analysis

c) Industrial Development



Eastern Provincial Council
Trincomalee



CONTENTS

List of Abbreviations	--	i
List of Tables	--	ii
Manufacturing & Entrepreneurship Development	--	01 - 39
1. Sectoral background	--	01
2. Sector Performance	--	06
3. Current Services	--	10
4. Problems, Issues and Challenges	--	19
5. Sector Development Plan	--	26
Tourism	--	41 - 65
1. Sectoral background	--	41
2. Sector Performance	--	45
3. Current Services	--	47
4. Problems, Issues and Challenges	--	51
5. Sector Development Plan	--	60

List of Table

Manufacturing & Entrepreneurship Development

Table No.	Title	Page No.
1	Industrial sector contribution to the National & Provincial GDP	02
2	Detail of agriculture production in Eastern Province- 2008	04
3	Provincial GDP & Industrial Contribution in Eastern Province	04
4	Employment & un-employment details in Eastern Province – 2009	05
5	Sector wise Employment & un-employment in Eastern Province – 2009	06
6	Industrial sector contribution to the Provincial GDP Of Eastern Province	06
7	Provincial Contribution to national GDP	07
8	Employment provided by the industrial sector of EP	07
9	Comparison of provincial industrial & GDP contribution to National GDP	08
10	Contribution of industrial sector to the provincial GDP for all provinces	09
11	Labour productivity by major Economic sector.(GDP per worker)	09
12	Local weekly Markets in Eastern Province	12
13	Co-operative functioning & de-functioning in Eastern Province	12

Tourism

1	Sector wise Contribution to earnings of foreign Exchange	42
2	Earnings to the Country from Tourism	43
3	Details of tourist arrival & average tourist stayed	43
4	Supplementary tourist accommodation capacity at National level	44
5	Supplementary tourist accommodation capacity at National level	44
6	Accommodation Capacity and Occupancy Rate in the Eastern Coast Region	45
7	The events influence in the tourist arrival in the past	45
8	Tourist Arrivals (Sri Lanka)	46
9	Rooms in operation in ECR from 1972 to 2009.	47

List of Abbreviations

BOI	Board of Investments
CBO	Community Based Organization
CEA	Central Environment Authority
CEB	Ceylon Electricity Board
CEDS	Centre for Enterprise Development Service
CENSARM	Center for Sustainable Agriculture Resource Management
CLG	Commissioner of Local Government
CM	Chief Minister
Co-Op	Co-Operative
DoA	Department of Agriculture
DoAP	Department of Animal Production
DoB	Department of Buildings
DoCA	Department of Cultural Affairs
Docd	Department of Cooperative Development
DoE	Department of Education
DoF	Department of Fisheries
DoI	Department Of Industries
Dord	Department of Road Development
ECR	East Coast Region
EDB	Export Development Board
EP	Eastern Province
EPC	Eastern Provincial Council
EUSL	Eastern University Sri Lanka
GDP	Gross National Product
IDB	Industrial Development Board
ISO	International Organization for Standardization

M/Road	Ministry of Road
MDTD	Management Development Training Department
MILCO	Milco Private Limited
Mod	Ministry of Defense
MoENR	Ministry of Environment & Natural Resources
MoF	Ministry of Finance & Planning
MoRD	Ministry of Road Development
MPCS	Multi Purpose Cooperative Society
MPT	Master Plan Team
NECCDEP	North East Coastal Community Development Project
NGDP	National Gross National Product
PGDP	Provincial Gross National Product
PIPU	Provincial Investment Promotion Unit
PRDD	Provincial Rural Development Department
PS	Pradeshiya Sabha
PTPU	Provincial Tourism Promotion Unit
RISC	Regional Industry Service Committees
SEUSL	South Eastern University Sri Lanka
SLITHM	Sri Lanka Institute of Tourism And Hotel Management
SLR	Sri Lanka Railways
SLS	Sri Lanka Standard
SLTDA	Sri Lanka Tourism Development Authority
UNDP	United Nation Development Program
US \$	United States Dollar

**MANUFACTURING & ENTREPRENEURSHIP
DEVELOPMENT**

INTRODUCTION

The main objective of the Eastern development plan is to formulate a vision for Eastern Province and to prepare a five year development plan for the Eastern Development, focusing on the strategies for achieving the vision and be in line with the national development policies and strategies.

This report refers to the sector “industrial and Business development”. The following sub-sectors have been identified under this sector.

Industry

1. Manufacturing
2. Entrepreneurship Development

Services

1. Tourism

The three sub-sectors also address the following cross cutting issues.

- Facilitating industrial development through science and technology.
- Ensuring sustainable development through cleaner and more productive environments.

A. Manufacturing& Entrepreneurship Development

1. Sectoral Background

1.1 Description and scope of sector

The thrust of the long-term industrial policy at the provincial level is to develop a globally and nationally competitive, dynamic industrial sector practicing state of the art technology. Provincial industrial policy should encourage the innovation and productivity improvement in processes and services. In this process, public sector, private sector and foreign investment is to make a vital contribution by providing capital, access to state of the art technology and access to lucrative markets. This plan will concentrate on policies and strategies aimed at providing necessary infrastructure, strengthening the legal and regulatory framework wherever relevant and necessary, improving governance, respecting human values, enhancing quality, improving competitiveness, developing an entrepreneurial culture and the right attitude for involvement in business, facilitating access to capital and developing human capital.

The industrial revolution laid the foundation for industrialization of the country with more contribution to gross domestic production and export earnings. The policy to begin with import substitution and proceed to value addition for exporting.

1.2 Historical Brief

Eastern region is blessed with natural resources and mineral deposits which can be used as industrial raw materials and value added products. The Eastern region is 9965 Sq. KMs in extent covering 16% of total land area of the Island. Maximum length of Eastern Province is 286 Kms from Kumuna to Pulmoddai and the maximum breadth is 89 KMs from Ulhitiya to Kirankulam. The province is a coastal province having all three districts in the coastal area. It has a coastal belt of 420 KMs (Ampara-110 Km, Batticaloa-100 Km and Trincomalee 210 Km) which is 26% of the total coast line of the country. Water bodies occupy about 94,565 ha. This is 9.44% of total area. Further out of the 103 river basins in the country 32 flows through the EP.

The industrial sector of the EP comprises a few large industries, small and medium scale enterprises (SMEs) as well as micro or household businesses that are based on self-employment activities. The larger industries include multinational entities like Prima Flour, Prima Logistics, Mitsubishi/Tokyo Cement, Fuji cement, Bio Mass Power Plant and the Indian Oil Company.

In the early stages of development, some villages in the province specialize in certain industries. Some examples are Poratheevu for gold jeweler, Onthachimadam for brassware, Sammanthurai for rice, Kolavil for occult science, Thambalahamam for curd, Eravur for Pottery, Veppavedduvan for clay bricks etc. Even today street names are seen to remind of the profession that flourished in those areas. (Vaddai, Perttai, Katharai etc.). Even the cast system that prevailed in those periods is based on the field of specialization of the community.

The industrial policy of the eastern province has to be designed with a view to address key challenges and issues facing all these sectors and places them on a new higher growth path.

The GDP of EP at factor cost prices and the contribution of the Industrial Sector to the provincial GDP is given below.

Table 1: Industrial sector contribution to the National & Provincial GDP

	2004	2005	2006	2007	2008
Provincial GDP(Rs.mn)	87,368	99,239	143,523	185,474	242,475
As % of National GDP	4.9	4.7	4.9	5.2	5.5
Industrial contribution to provincial GDP(Rs.mn)	17,899	24,609	49,753	70,127	84,516
As a % of Provincial GDP	20.5	24.8	34.7	37.8	34.9

Source: (Central Bank Annual Report 2009)

This table illustrates a growth in the provincial GDP and a growth in the contribution of the industry to the Provincial GDP year by year.

1.3 Importance of the sector and its future.

1.3.1 Encourage saving for investment

The end to the prolonged internal conflict and the restoration of peace provide a greater optimism on economic prosperity providing a strong basis for long term sustainable development through increased investor confidence and the creation of new investment opportunities. Private savings increased from Rs.700, 048 million in 2008 to Rs.1, 046,661 in the year2009 at the national level which is only from the North and eastern provinces. A 49.5% increase. The current low interest rate also provides a conducive environment for investment. The inflow of new investments could be used for two purposes.

- For the development of the existing sick industries like Paper (Valaichenai), Salt, Sugar, Tile etc.
- Establishment of new industries like textiles, wearing apparels, furniture, light manufacturing, agricultural food processing, dairy products etc.

1.3.2 Utilization of resources for economic benefit

The economy of the EP has the potential to diversify, increase production and move towards high growth due to the rich endowment of natural resources and the opportunities for economic advancement they embed. These endowments to include,

- The natural harbor located in a strategic commercial route
- The beautiful beaches and surfing areas
- The wildlife and ecological areas
- The historical and cultural sites
- The productive agricultural crop land
- The ample livestock and fisheries resources

1.3.3 Earn income for the province through increased trade with other provinces

Opportunity for Value Addition is available in the Eastern Province. Annual production of rice is around 800,000 Metric Ton. This represents 25% of the National production. With the local consumption at 300,000Metric Ton, there is a surplus production of 500,000 Metric Ton which is available for outside market through Value Addition. Further Maize cultivated in 10,000 ha, with a production of 35,527 metric ton, Cassava cultivated in 1600 ha, Ground nut cultivated in 1000ha, Cowpea cultivated in 4000ha, and the mangoes are recording surplus production which needs value addition. In addition the following provincial (EP) details are also available for the year 2008.

Table 2: Detail of agriculture production in Eastern Province- 2008

Product	Production	Unit	Consumption	Surplus
Rice	800,000	Metric Ton	300,000	500,000
Maize	35,527	Metric Ton		
Milk	145,678	Liters per day	23,255	122,423

Source: (Statistical information 2009, PPS-Eastern provincial council)

So there are opportunities for industries to attract more investments. With the withdrawal of GSP+ facilities diversifying the exports become important.

1.3.4 Increase the PGDP by increased contribution from the industrial sector.

The pattern of development of Newly Industrialized Countries (NICs) happened as follows:

Sustenance agriculture
High productive agriculture
Importsubstitution industry
Export oriented industry

To have a similar pattern in Sri Lanka, with the growth of PGDP, the contribution of industrial sector to the PGDP should also increase. This will lead the province to enhance the quality of life of the people. If the growth potential of the industrial sector is made use of the province will move towards prosperity.

Table 3: Provincial GDP & Industrial contribution in Eastern Province

Year	2004	2005	2006	2007	2008
PGDP(Rs.mn)	87,368	99,239	143,523	185,474	242,475
Industrial contribution to PGDP(Rs.mn)	17,899	24,609	49,753	70,127	84,516

Source: (Central Bank Annual Report 2009)

1.3.5 Creation of employment opportunity

The industrial sector, when grows provide more opportunity for the people to get employed. Getting an employment reduces un-employment as well as increase the income level of the households.

Table 4: Employment & un-employment details in Eastern Province – 2009

Region	Employed		Unemployed	
	Total number	%	Total number	%
Ampara	229,342	92.3	19,034	7.7
Batticaloa	133,303	92.6	10,656	7.4
Trincomalee	100,232	92.0	8,713	8.0
Eastern Province	462,877	92.3	38,403	7.7

Source: (Labour force survey 2009)

There are 38,403 people unemployed in the EP. Industrial development in EP can accommodate these for employment.

1.4 Any other related matters

1.4.1 Women entrepreneurship in EP

The ethnic conflict and Tsunami disasters that caused severe loss to assets and human resources, in another way generated a group of women entrepreneurs in EP. At present there are about 49,000 women headed households in the province. For their livelihood they are engaged in production activities in micro level. The advantage of these groups is that they are trained in starting a business of their own in a systemic way.

1.4.2 Entrepreneurial culture

EP being a coastal province is very much vulnerable to natural and man made disasters. It was subject to many cyclones (13 between 1906 and 1992), floods, droughts, ethnic conflicts, Tsunami and much violence. These caused displacements, loss of house, loss of assets, loss of life, temporary re-settlements and camp-life, where basic needs were provided free of charge as relief. These are frequent occurrences and have become part of their life, adding to frustration, depression and loss of hope. As a result, a frustrated generation has been created in the EP. With this culture, entrepreneurial competencies like hard working, saving for future investment, creative thinking, risk taking, being your own boss, work with goals for a vision etc. cannot develop or flourish. Only a DEPENDENCY SYNDROME will be developed in the community. This community as per the Chinese proverb will not pay any interest in learning to catch fish rather prefer free fish from any donor. This state of situation and a culture will be an impediment to enterprise formation.

2. Sectoral Performance

2.1 Contribution to quality of life

As per the Annual Survey of Industries carried out by the Department of Census And Statistics in the year 2007, there are about 768 industries with more than 05 people employed, providing a direct employment to about 11,906 employees and paying around Rs.1,139 million as salaries and wages in EP. In addition to this there are indirect employment and income generated through these industries. Assuming 1:5 as the ratio of direct to indirect employment, another 50,000 indirect employment is generated in the province.

The employment provided in EP by sector as % is:

Table 5: Sector wise employment & un-employment details in Eastern Province – 2009

District	Agriculture		Industry		Service	
	2008	2009	2008	2009	2008	2009
Batticaloa	23.2	27.2	30.7	22.3	46.2	50.5
Ampara	33.1	36.2	23.8	18.5	43.1	45.4
Trincomalee	35.4	38.0	18.5	15.5	46.1	46.5

Source: (Labour force survey 2009)

2.1.1 Industrial contribution to PGDP

The contribution of Industries to the provincial GDP is showing an increasing trend as shown in the table below.

Table 6: Industrial sector contribution to the Provincial GDP of Eastern Province

YEAR	2004	2005	2006	2007	2008
Contribution of EP industries to PGDP (values in Rs. Mn)	17,899	24,609	49,753	70,127	84,516
Contribution of Industries of EP to Provincial GDP as a %	20.5	24.8	34.7	37.8	34.9

Source: (Central Bank Annual Report- 2009)

The contribution of the industrial sector of the EP to the PGDP and its growth rate do not reflect a growth in the quality of life of the people. This growth rate is due to the contribution from the big multinational entities like Prima Flour, Prima Logistics, Mitsubishi/Tokyo Cement, Fuji cement, Bio Mass Power Plant, Indian Oil Company and the huge constructions after Tsunami, most of them are BOI projects. Hence neither the country nor the province benefits from their growth except for some direct and indirect employment because of its high capital intensive nature.

Therefore the contribution to NGDP from the industrial sector of EP and its growth should not be considered as real growth in the economy that has beneficial impact on the people of the province.

2.1.2 Provincial contribution to NGDP

The contribution of EP to national economy is indicated by the share of the province to NGDP. It has shown a slight increase from 4.9% in 2004 to 5.5% in 2008.

Table 7: Provincial Contribution to national GDP

Year	2004	2005	2006	2007	2008	2009
GDP of EP (Rs.mn)	87,368	99,239	143,523	185,474	246,436	281,810
GDP of EP as % of NGDP	4.9	4.7	4.9	5.2	5.5	5.8

Source: (Central Bank Annual Report- 2009)

2.2 Performance Trend

2.2.1 Contribution of industrial sector to quality of life.

The industrial sector of EP provides employment to the people of the area. People employed data is available for two years. These figures indicate high potential for employment generation in the provincial industry sector. With the forecasted expansion of the industrial sector, more employment can be created through the industrial sector.

Table 8: Employment provided by the industrial sector of EP

Region	2008			2009		
	Male	Female	Total	Male	Female	Total
Batticaloa	32,024	9,834	41,858	20,081	9,637	29,718
Ampara	43,136	13,752	56,888	31,959	10,427	42,835
Trincomalee	13,413	4,718	18,131	12,192	3,337	15,529
EP	88,573	28,304	116,877	64,232	23,401	88,082

Source: (Sri Lanka Labour Force Survey 2009&2008, Dept. of Census & Statistics).

The above figures exclude the number of self employed people which amounts to about 106,803 male and 38,691 female for the year 2009.

2.3 Future Prospects

Sri Lanka's industrial policy, aims at supporting private sector participation in industrial development, with emphasis on the diversification of products and geographical locations. The policy envisages more effective industrial harmony, high value added and productivity driven industrialization.

2.3.1 Key National Thrusts:

2.3.1.1 Growth rate of the industrial sector

Comparison of the economical performance of EP with the national level and with other provinces will provide an idea for designing future development plans for the province

Table 9: comparison of provincial industrial & GDP contribution to National GDP

Year	National level GDP (Rs.mn.)				Provincial level (EP) GDP (Rs.mn.)			
	GDP	Contribution of Industry to GDP(value)	% change over previous year	Contribution of industry to GDP as a %	GDP	Contribution of Industry to GDP(value)	% change over previous year	Contribution of industry to GDP as a %
2004	1,800,751	481,906	-	28.8	87,368	17,899	-	20.5
2005	2,098,004	740,448	53.6	35.3	99,239	24,609	37.5	24.8
2006	2,938,680	900,479	21.6	30.6	143,523	49,753	102.2	34.7
2007	3,578,688	1,070,737	18.9	29.9	185,474	70,127	40.9	37.8
2008	4,410,682	1,295,470	20.9	29.4	246,436	84,516	20.5	34.9
2009	4,835,085	1,434,132	10.7	29.7	281,810	95,803	13.4	33.99

Source: (Sri Lanka Labour Force Survey 2009&2008, Dept. of Census & Statistics).

Contribution of the industrial sector to the National GDP varies from 28% to 35% whereas the same at provincial level also varies from a lower 20% to 38%. It may have been due to the dummy contribution of the other sectors of manufacturing excluding the mega manufacturing concerns or the non-inclusiveness of the minor manufacturing sectors of EP towards the national GDP in GDP calculations. This illustrates that the provincial industrial growth excluding the mega industries is lacking behind the national growth rate. The growth rate of the minor industrial sector has to be accelerated to share the benefit of economical growth among the people of the region for a real growth to occur.

2.3.1.2 Decreasing regional disparity

A comparative view of EP with other provinces will reveal, how the national industrial policies and strategies work in the EP. Trend in the contribution of the Province to National GDP from 2004 to 2008 shows a positive growth. The decrease for the Western Province and the increase for all other provinces illustrate the changing trend towards the reduction in disparity enhancing in reducing the gap in income distribution. But still the Western Province leads the table with almost 50% of NGDP. The activities of Ministry of Industries of the Central Government, Board of Investments and the Provincial Ministry of Industries have not much contributed in eradicating the unequal distribution of income among the provinces.

Table 10: Contribution of industrial sector to the provincial GDP for all provinces

Year		Eastern	Western	Southern	Sabra-gamuwa	Central	Uva	North Western	North central	Northern
2004	GDP	87,368	925,075	160,199	114,471	165,509	76,686	152,925	65,527	52,988
	Industry	17,899	297,919	31,996	36,371	32,170	9,687	46,973	5,395	3,496
	%	20.5	32.2	20.0	31.8	19.4	12.6	30.7	08.2	06.6
2005	GDP	99,239	1,065,154	187,456	133,278	177,539	95,063	186,487	90,727	63,063
	Industry	24,609	341,365	41,681	39,015	34,223	15,115	57,354	11,676	3,981
	%	24.8	32.1	22.2	29.3	19.3	15.9	30.8	12.9	06.3
2006	GDP	143,523	1,472,065	292,500	178,425	259,829	125,410	267,103	117,848	81,978
	Industry	49,753	488,168	102,792	54,874	67,818	28,640	79,364	23,837	5,232
	%	34.7	33.2	35.1	30.8	26.1	22.8	29.7	20.2	06.4
2007	GDP	185,474	1,663,759	377,469	230,685	343,804	176,997	353,670	142,608	104,224
	Industry	70,127	531,248	113,243	63,363	99,293	32,887	114,664	37,041	8,871
	%	37.8	31.9	30.0	27.5	28.9	18.6	32.4	26.0	08.5
2008	GDP	242,475	2,002,228	468,394	284,232	435,587	202,034	440,370	206,990	128,373
	Industry	84,516	634,493	138,843	79,698	122,267	41,897	138,922	44,333	10,501
	%	34.9	31.7	29.6	28.0	28.1	20.7	31.6	21.4	08.2

Source: (Central Bank Annual Report 2009)

2.3.1.3 Increasing the Labour Productivity

Labour productivity measured in terms of GDP per worker (at constant prices of 2002) increased by 4.2% in 2009 over the previous year to Rs.322, 200 per worker. The increase in productivity was attributed mainly to the growth in productivity in the industry amounting to 9.4% compared to the 3.7% in Agriculture. The continuous increase in labour productivity is encouraging and would help to achieve higher economic growth.

Table 11 : Labour productivity by major economic sector. (GDP per worker)

	2007	2008	2009
NGDP(constant prices) Rs.mn.	2,232,656	2,365,501	2,449,304
Agriculture	265,870	285,897	294,921
Industry	635,199	672,791	701,129
Services	1,331,587	1,406,813	1,453,254
Labour Productivity Rs.'000 per person	317.0	309.3	322.2
Agriculture	120.7	114.8	119.1
Industry	339.0	335.6	367.0
Services	449.0	446.1	451.8

Source: (Annual Report CBSL-2009)

3. Current Services

3.1 Services currently provided and the status.

3.1.1 Provincial Administration

The main arm of the provincial council of EP for the provision of services to the industrial sector is Department of Industries, EP. This entity is by mandate **the strategic planner and implementer in policy matters related to industrial development in the province.** In addition to that the DoI is playing a major role as a facilitator in filling the gaps, created by the Central institutions in the field of HR development, Physical resources development, Technology modernization, Technology transfer, Entrepreneurship development and Market promotion facilities to micro Enterprises. Currently the DoI is involved in the following programmes.

- Handloom textile weaving training (52 centers)
- Small Industries and Handicraft training (22 centers) (coir, pan mat ,carpentry, cane and pottery)
- Entrepreneurship training(CEFE and ILO)
- Skill Development Training (Three wheeler repair, House hold electrical wiring, Lathe works, Plumbing, Carpentry, Masonry, Out boat motor engine repair, A/C and Refrigerator repairs, Mobile phone repairs, Beauty culture, Tailoring, Motor coil rewinding etc.)
- Technology Transfer training. (Fruit & food processing, Batik printing, Pottery painting and banana fiber products.)
- Maintaining market promotion Centers. (06 centers)
- Collaborating with GOo, INGOo and NGOo functioning in the region in carrying out the functions stated above.

3.1.2 Central Administration

Services currently provided and the status:

Central government provides the services through the Ministry of Industries, Ministry of Indigenous industries, Board of Investments, Regional Industry Service Committees (RISC), Export Development Board (EDB), IDB etc.

The programmes currently on going are:

1. Establishment and administration of Industrial estates (zones), industrial parks, science parks and specified industrial infrastructure.
 - Ampara - Navagampura
 - Batticaloa - Thiraimadu
 - Trincomalee -Kappalthurai

2. Appointment of Regional Industry Service Committees.
 (Shall be appointed by the minister in consultation with the Chief Minister Secretariat of the province in which the region is located. Industrial Promotion Act, No.46 of 1990.)
 Established for EP, with the Regional Director in Trincomalee and the Sub-office in Batticaloa Kacheri, Ampara.

3. Reactivate 750 looms spread over in three districts for the creation of 1125 employment opportunity.

4. Modernization of the Carpentry center in Vaharai.

5. BOI approved garment factories.
 - Ampara -03
 - Batticaloa -01
 - Trincomalee -02

6. Promoting and facilitating Enterprise development in the Eastern Province.
 (Implemented by National Enterprise Development Authority)

3.1.3 Other Statutory organizations

1. Eastern University, Sri Lanka.

The Faculty of Commerce & Management of Eastern University, Sri Lanka (EUSL) has a Unit for **Enterprise Development** Conducting a degree programme in B.Com (Specialization in Enterprise Development) for the Undergraduates. Also **CEFE -EUSL, Young Entrepreneur Association of EUSL** established in the Faculty to be engaged in training and entrepreneurial skill development programmes.

The Faculty of Agriculture of EUSL has a **Center for Sustainable Agriculture Resource Management (CENSARM)** and the University, Industry Community Interactive Cell providing skill development and technology transfer training programmes

3.1.4 Local governments

The local government in the province includes the Pradeshiya Sabah, Urban Councils, Town Councils and Municipal councils functioning in the province. They run and maintain market facilities in their areas. This facility helps the people to market their products to consumers as well as for them to

purchase their inputs and other requirements. A rental from the vendors is charged by the local authorities. As such there are 71 markets and 30 Pola in the province.

Table 12: Detail of local weekly Markets in Eastern Province

District	No. of markets	No. of Pola
Ampara	16	10
Batticaloa	31	08
Trincomalee	24	12
TOTAL	71	30

Source: (Statistical Information 2009, PPS-EP)

3.1.5 Cooperative Societies.

There are about 23 cooperative societies in the province engaged in industrial activities. A few Fishermen cooperatives are also engaged in industrial activities. Eg. One at Oddamavadi is in the production of Maldive fish, one at Kankayanoodai is in the production of mats. The Cooperative system in the province is well developed with a large membership base and branches spread out in the province. The details are given below.

Table 13: Detail of Co-operative functioning & de-functioning in Eastern Province

Type of society	Trincomalee		Batticaloa		Ampara		Sub Total		Total
	Fun	Def	Fun	Def	Fun	Def	Fun	Def	
Palm Development Co-op	00	02	02	08	00	02	02	12	14
Livestock Dairy Co-op	03	06	08	02	12	13	23	21	44
Other Agricultural Co-op	01	00	00	15	08	13	09	28	37
Textile weavers Co-op	00	00	01	00	06	01	07	01	08
Industrial Co-op	15	04	03	06	06	00	24	10	34
Fisheries Co-op	98	28	112	36	125	22	335	86	421
TOTAL Societies	117	40	126	67	157	51	400	158	558
Membership	117,505		110,012		130,238		357,755		
Wholesale outlets	14		16		33		63		
Retail outlets	132		169		252		553		
Model shops	10		15		07		32		

Source: (Provincial Cooperative Department East 2009)

* Fun- Functioning, Def- Defunct.

3.1.6 Board of Investment (BOI)

The Board Of Investment operates an office in all the three districts of EP. The main objectives of the BOI are to:

- Foster and generate economic development
- Widen and strengthen the base of the economy
- Encourage and promote foreign investment
- Diversify sources of foreign exchange earnings and to increase export earnings
- To encourage and foster the establishment and development of industrial and commercial enterprises

3.1.7 Chambers of Commerce and Industry

The three districts of the province have established a Chamber of Commerce and Industry in order to facilitate the provincial businesses to become globally competitive. They promote business and industry in the country by providing;

- Advisory,
- Consultative,
- Promotional
- Information sharing and
- Representative services.

3.1.8 Vithatha Resource Center under the Ministry of Science and Technology

These Centers assist the rural entrepreneurs in technology training.

3.2 Status of the services provided

The irony of the fact is that this province serves as a market for value added products from their own primary products as main raw materials. The three districts with a total population of about 1,589,000 in the year 2009 serves as an easy consumer market for the other provinces. One example is the US\$300million spent per year on the import of milk food with the abundant supply in hand. Specific features such as natural harbor, availability of mineral sand, forest resources, golden sand sea shores, challenging sea areas for surfing, land availability for development, agricultural production including paddy, cash crops and other food crops, marine and inland fish stock is to be efficiently and effectively utilized for the development of industries. The details of manufacturing concerns in the Eastern province are shown below.

All the food items needed by us are imported. Farmers of all crops including producers of milk as well as fishing communities were languishing in a state of total neglect. The essential inputs for production are exorbitantly priced whereas the prices of farm products are incredibly low. This de- motivates the farmer to engage in vegetable, milk or fruit productions.

3.2.1 Skill Development

The number of beneficiaries trained in the Training programmes by the Department of Industries EAST for the year 2008 was only 376. (Administration report 2008). A very small proportion compared to the un-employed population of the province has been trained. In handloom and Handicraft trainings the participation rate is very low. On an average about six participants complete the training and they are absorbed as labourers with a peace rate payment. Currently they produce sari, sarong, bed sheet, towels and pillow covers. As the workers are without experience the quality of the products is questionable. And after training none of them is reported to have commenced a business of their own.

There is only, micro level business started in food processing. The marketing centers are also not performing at satisfactory level. After the establishment of Development and Planning Division some efforts are taken to modernize the productions of Department of Industries East.

3.2.2 Entrepreneurship development

The training programmes have not contributed in the entrepreneurship development of the community. Only a few numbers of new productions at micro level are started. The rate of failure of new micro level production units started is very high.

As such new employment opportunities are not created as estimated. The small scale production also did not have access to market being from remote area and not competitive enough in quality and price with the goods available in the market. He is unable to make his products at low cost and high quality because he is financially weak to go for high technology in the mean time he can't afford it. In some situations they have to close down some manufacturing entities because they may not have been in conformity with existing rules and regulations.

3.2.3 Provision of Industrial Infrastructure

In Ampara (Navagampura), of the 38 plots, 16 plots have been allocated for investors and of which only 04 of them are in commercial operation providing an employment for only 35 people though it was planned to provide employment opportunities for 500 people directly.

In Batticaloa a 50 acre land has been identified at Thiraikerny, not even a single employment was given. In Trincomalee (Thampalahamam -600 acres), 06 units are under construction and production is yet to start. None of the Local investors are motivated by the facilities provided by the GOSL to invest. One investor was not satisfied by the landscape of the area. Some doubts about the water supply available.

3.2.4 Institutional set up for industrial development

This committee has been established for Eastern Province with the Regional Director in Trincomalee and sub office in Batticaloa. Sub office for Ampara is yet to be opened. So far this committee has not liaison with the Eastern PC in planning for industrial development. The Director of the Committee is currently functioning from Anuradhapura and he is not available in

most of the time. Though the Chairman is appointed in consultation with the Chief Minister/Secretariat, Chairman does not take any opportunity to consult, discuss or guide the CM on matters related to Industrial development of the province.

The University

The contribution of the university to provincial development is very limited, except for the training programmes and awareness programmes conducted.

Local government

They only provide a market location with minimum facility.

Cooperative societies

As earlier mentioned, a few Cooperative societies are involved in production. The textile weavers and Dairy Cooperatives in Ampara and Batticaloa are performing production, but find problem in marketing. The textile co-ops get raw materials from private businessman and supply the products to them which they market through their own label. Dairy Co-ops collect milk from their members and supply MILCO and NESTLE factories without any value addition. Also MPCs in Ampara (06), Batticaloa (02) and Trincomalee (03) runs 11 Rice Mills but all are now defunct even though they are in running condition. These MPCs buy rice from other millers because their cost of production is very high compares to private millers.

Board of Investments

BOI planned to open Investment promotion Zone /Export Promotion Zones in Ampara (Uhana & Thamaraiikulam), Batticaloa (Kirimuddy Farm) and Trincomalee (Kappalthurai 1600 acres) with private sector participation. But so far neither employment nor income has been generated. In EP there are two sick industries (Paper Mills at Valaichenai. The current capacity is 32,000mt. but the production is much less than potential)

3.2.5 Technology transfer

The only institutional setup for technology transfer to rural areas is the Vithatha Resource Center. This center has conducted only a handful of training to the people and many are unaware of this institution.

The Department of Industries has also initiated some efforts in technology transfer.

3.3 Gaps/deficiency in the present services provided

The following gaps and deficiencies are identified in the current services provided for industrial development at the provincial level.

3.3.1 The present industrial structure

The contribution of the industrial sector of the EP to the PGDP and its growth rate do not reflect a growth in the quality of life of the people. This growth rate is due to the contribution from the big multinational entities like Prima Flour, Prima Logistics, Mitsubishi/Tokyo Cement, Fuji cement, Bio Mass Power Plant, Indian Oil Company and the huge constructions after Tsunami, most of them are BOI projects. Hence neither the country nor the province benefits from their growth except for some direct and indirect employment because of its high capital intensive nature. Therefore the contribution to NGDP from the industrial sector of EP and its growth should not be considered as real growth in the economy that has beneficial impact on the people of the province. This state of affair is reflected by the low and stagnant share of the PGDP to NGDP

The current structure of industry is not conducive for improving the quality of life of the people. Therefore more micro, small and medium industries is to be established in order to create more employment opportunities to the people of the region.

3.3.2 Industrial Infrastructure

Infrastructures for investors in industrial sector are being provided by the Central ministries through many projects. But they are not enough, not suitable and some are not available. The land available at Kappalthurai does not have the appropriate landscaping for a huge steel factory proposed by an Australian investor and hence investment was taken out. Water availability as an industrial zone is not adequate. Un-interrupted power supply, safe effluent discharge are not available in most part of the rural areas of the province Hence they are unable to use even the basic machinery for productions.

Rural farmers are unable to get a good price for their produces because they find it very difficult to transport their produces on time to urban markets due to lack of roads and proper transport facilities. One of the reasons the farmers are unable to go for value addition is their inability to store their primary produces safely.

3.3.3 Industrial and investment information

A to Z information about starting an industry, fulfilling the necessary statutory requirements, insurance, recruitment of skilled work force, water supply, electricity, waste removal is not available in one Information Desk managed by an officer. There is no perfect database maintained and provided to investors. The administrative red tape still prevails in getting the business development services.

3.3.4 Finance

Investor especially local investors needs top-up finance. Though the number of banks, bank branches, loan schemes have increased, lenders assessment of repayment capacity of the borrower is very tough. Also the loan procedures and documentation are clumsy for rural entrepreneurs. Therefore a new financial structure with high outreach has to evolve.

3.3.5 Lack of opportunities for Private Public Partnership

The private sector should link with the village level institutions for investment, raw material supply; marketing, technical services etc. and in turn help in marketing.

3.3.6 Skill level of the entrepreneurs

Except for the DoI East, there is no organization available in the province to provide the training needs of the industry sector. A few Vocational Training Institutes provide the basic vocational training. No technical institute is available for technical training. For advanced services like ISO certification, SLS certification, Quality certification for export, etc. an investor has to travel to Colombo. No technology transfer centers, the required Human Resource, Workshop Facilities, Laboratory Facilities and even a well equipped training center is available in the province.

3.3.7 Poor marketing and absence of net working

There is no Institutional setup involving the grass root level people in the decision making process. Direct communication between the buyer and supplier is not observed to take place in EP. There is always a middleman playing a major role and exploiting the producer. Link with other communities is not for a Win-Win Situation.

3.3.8 Absence of a unit for the promotion of industries in the east

The present organizational structure of the EPC does not have an institutional set up for the promotion of industries in the east.

3.3.9 Poor access to technology

Technical knowledge of the entrepreneurs and potential investors of the EP is very poor. Also there is no institution to provide the technology transfer necessary for the industrial development.

3.3.10 Non availability of business development service providers

The Department of Industries is functioning with its own limitations. The CEDS established under the North East provincial has ceases to function. This was also an impediment to Entrepreneurship development of the province.

3.4 Key thrust areas

3.4.1 Improving the Industrial infrastructure in the three districts of EP.

3.4.2 Access to supportive business services needed for industrial growth.

3.4.3 Developing Entrepreneurship in the Eastern region.

3.4.4 Enhancing the capacity of entrepreneurs and societal institutions in the eastern province

3.4.5 Establishing Market linkages and networks for the rural producers.

4. Problems, Issues and Challenges

4.1 Problems

4.1.1 Low investment in the Industrial sector of the province

The investment plan of the state, Board of Investment and the provincial administration did not realize as per the Eastern Revival plan. The EPC also do not have a hand to promote investment in the province.

4.1.2 Poor Marketing efforts and Marketing facilities in the province.

i. No Established show rooms in the urban areas

The non-availability of established show rooms and sale outlets to sell the rural products is a major issue. Products from interior village in all three districts are not brought to the metropolitan markets by the producers. The agents or the middle men bought this at a low price and sell it with a higher margin. Also the names of these villages are used to brand low quality products.

Vaharai -Honey, Thambalakamam -Curd, Sammamthurai Rice.

ii. The lack of competitiveness of the products in the open market

Low technology, lack of quality certification, poor marketing and promotional efforts add to the non competitiveness of the products.

iii. Transport

Agricultural products are highly perishable and they need careful handling and transporting. Coolers are not available, even though provided the community is not capable enough in managing these assets for these developments. In Batticaloa district, UNDP provided Cool Rooms and Cool Trucks for the transport and storage of fish and related items but they are just idling without being put to use due to the lack in management capacity of the local CBOs. Thus all the facilities fell into the hands of middlemen and Mudalalies who often sabotage these facilities.

iv. Storage

Store is the main tool for enhancing the time utility of products. Large storage facilities and specific facilities like cool room are very much lacking in the province. This has resulted in farmers selling these products to a very low price at their farm gate. For framers who don't even have a house to live, we do not expect them to have facilities to store their paddy. As such they are compelled to sell their paddy immediately after harvest even without storing for future consumption and for seed paddy. This is the same for other crops. This problem was reported by small farmers from all three districts.

v. Lack of knowledge in marketing

Communities are of the opinion; marketing costs (advertisement, packaging, delivery, value addition) are un-necessary evils. Hence they do not concentrate on marketing activities. This has resulted in their products losing competitiveness in the market to products from other provinces Eg. Snacks, Rice Flour & Fruit Drinks. The importance of packing and branding is not known to them.

vi. No Branding and market positioning for the Eastern Products.

Poor market knowledge existing among the rural poor population.

4.1.3 Lack of and poor access to Business Development Services

Access to information

Information on the market prices and price trends including seasonal fluctuations of prices for inputs and outputs are not made available to farmers of the Eastern Province. There by farmers are unable to identify attractive markets and seasons for favorable prices for them. Though telephone facilities are available with some farmers they do not know to whom to contact and to confirm the credibility of the information received.

There is no information desk maintained in the province for the investors. They have to run from place to place leading them to frustration. Eg. One potential investor quoted, to get permit for sand, approval has to be obtained from five Departments located in different places.

Technology know how

Products need competitiveness to fetch a good price. Therefore, manufacturing enterprises must achieve.

- competitiveness (quality, price, delivery and safety)
- Capability (Technical, material and process)
- Stability
- Resourcefulness

This state demands technology. Technology should be appropriate, because new technologies may not always help in reaching the target but can make failure impact more costly and severe. Value additions for primary products need technology know how, which is very much lacking in the region. There not even a single center in the EP Where training on technology transfers could be given with the actual machinery, except for some food processing. One interviewee said "I eat pappadam. I am interested in making and selling pappadam but I don't to whom to be approached to get information on my need.

Access to capital

Eastern community suffered form man made as well as natural disasters. They have to start their living from zero. They have lost all their assets, savings and hope, especially for micro and small scale industries, working capital requirement to be provided under soft loan schemes. Currently;

- Credits are tight
- Credit worthiness is difficult to assess
- Bankers increase their precautionary reserves.

90% of the enterprises in the East are micro and small scale enterprises, whereas they are the main sources of output and employment.

4.1.4 Poor capacity of the existing and potential entrepreneurs

Capacity development

The general observation in the east is that business is only for the un-educated and thus it is the job of last resort. Thus who ever involves in the business lack capacity and skill for managing and directing their business profitably. Poodiars do not want their son to be farmers. With their money they send their children to schools in urban areas. This has resulted in high rate of business failures and closures. Many say even though trainings were provided to them, they are not suited to them. I was shown a hand out on management, which would have been prepared for undergraduates, by a farmer as being given to him in a capacity development programme, where nothing was mentioned in training about the hand out.

Lack of understanding of the basic concept of business

The Eastern culture emphasizes more on human values and social relationship. Adherence to those beliefs and values results in the failure of the entrepreneurs to separate them from the business as two different entities, especially with financial transactions, lead to deterioration of the working capital of the entity.

Lack of entrepreneurial competencies

The culture of the communities in Trincomalee and Batticaloa districts tend to avoid risk of investment. So they rather than investing in business ventures, they save their money in state banks for a very low return. This has resulted in the savings being used for investment in other provinces.

Innovation and creativity is the main area of entrepreneurship. The loss of hope prevents the people to go for innovative productions.

Dependency syndrome

The communities in the East are trapped in a dependency syndrome which was the consequence of relief measures by government and non-governmental organizations. This has led to the formation of an attitude not to make any effort to earn the living but to live on subsidies and grants. This syndrome is a major attitudinal block to entrepreneurship development in the province.

Lack of Planning

Businesses especially micro level and small scale are started in an ad-hoc manner without any systematic planning. This has resulted in a very high rate of failures and closures. Business should be facilitated to prepare a business plan to commence the business.

4.1.5 Inefficient cooperative system

The cooperative system in the province is inefficient. It has a strong membership base and a network of branches throughout the province. But this strength is not properly utilized for the economical development of the province.

4.1.6 Lack of coordination

Lack of coordination among the Government, Provincial, Statutory bodies, Local Government institutions and other organizations committed for the development of the industrial sector of the province.

Ignorance on sustainability

Village level industries do not take into consideration the environmental consequences of their industry. As a result, the expansion and improvement of the industries are blocked. Industrialists pay less attention on

- The amount of raw materials consumed
- The amount of waste generated
- Waste treatments
- Reduction of pollutants released to the environment
- Mitigating public allegations. As a result industries established do not survive in the long run.

4.2 Issues

4.2.1 Industrial Infrastructure development

4.2.1.1 Poor transport facilities and means of transport

Linking roads from the source of production to the main roads are to be developed. Eg. Paddy, Fish, Fruits, Milk, Vegetables. Further the means of transport is also lacking. In the absence of passenger transport for these areas, one can imagine the status of goods transport, especially the perishable items. Therefore proper transport minimizing spoilages has to be planned.

4.2.1.2 Lack of storage

Agricultural products are mostly seasonal in nature. Therefore according to the Demand theory, the prices of the products will be lower during the seasons and higher during off seasons. The time utility of the products could be increased by proper storage facilities. Even for other goods just in time management is not possible to be implemented. Therefore, stores have to be constructed.

4.2.1.3 Access to information

Conducting surveys and continuous updating about the businesses and industries information, infrastructure availability, business start up has to be initiated by the EPC. Prevailing market demand and prices at famous markets has to be made available to rural entrepreneurs.

4.2.1.4 Absence of quality certification.

New facility is available for quality certification and standardization.

4.2.2 Access to technology

4.2.2.1 Technology know-how

Technology for industries at micro, small, medium and large is very difficult to find at the provincial level. Entrepreneurs are unaware and also do not know where to get and who to be contacted. EPC should facilitate the Access to technology.

4.2.2.2 Low productivity of the industrial sector

The sector is marked by low productivity because of the use of traditional and primitive mode of technology. Though the traditional technology may produce products for Niche markets, mass production needs state-of-the-art technology.

4.2.2.3 Low competitiveness of the products.

The products lose competitiveness in the open market with regard to quality and price because of the use of age old technologies. Access to new technology has to be provided.

4.2.3 Entrepreneurship Development.

4.2.3.1 Low investment in the industrial sector.

This condition in the province could be approached by encouraging the local investors, attracting foreign investors and inviting potential investors from Diaspora community. It is also very important to encourage the saving habit of the community.

4.2.3.2 Access to capital

Impact of the war and Tsunami is the loss of assets and hope. Hence community will not have the financial and other assets for investments. Also the risk of investment is high. Hence easy, simple and flexible access to capital has to be arranged by the establishment of a unique Micro Finance institution.

4.2.3.3 Lack of Entrepreneurial competencies

Possessing entrepreneurial competencies is vital for starting and running a business. Specially risk taking, creativity, achievement orientation, systematic planning, concern for the sustainability of the business, being the boss of himself, living an independent life without depending on others for living are some of the competencies to be possessed and practiced by entrepreneurs. These competencies should be reinforced through training programmes.

4.2.4 Skill Development

4.2.4.1 Vocational Skills.

Vocational training Centers and Colleges have to be set up for imparting vocational skills among the youths. Besides assisting them to start a business of their own also helps in finding jobs locally and internationally.

4.2.4.2 Managerial skills

These skills are necessary for running a business effectively and efficiently. Training will impart the skills. Many community based organizations were unable to carry out the tasks delegated to them resulting in heavy financial losses which otherwise would have benefited the community.

4.2.4.3 Capacity development of societal organization.

Capacities of the societal organizations have to be developed. The Cooperative Societies, Rural Development Societies, Women organizations, Youth organizations, Organizations for Vulnerable groups etc. needs capacity development to carry out their day to day activities productively.

4.2.5 Marketing and Market networking

Profit needs increased sales and this can be brought in by the application of marketing skills.

4.2.5.1 Branding the Unique Eastern Products.

Eastern Province is famous for some unique products for its quality. The Rice, Honey, Curd, Ghee, Prawns, Crabs, Ayurvedic products are some of them. Businessmen use the name, Sammanthurai, Batticaloa, Thambalahamam to sell even low quality products. Therefore necessity arises to establish branding for produces from the east.

4.2.5.2. Marketing net work

A marketing net work has to be established incorporating the Cooperative System intra and inter districts and provinces for inputs as well as outputs.

4.3 Challenges

There are many challenges to be faced in the sector. Strategies have to be developed to overcome these challenges.

4.3.1 The attitude and culture of the people

The culture of the Tamil people supports risk avoidance. They do not like to invest their savings in entrepreneurial ventures, rather save in their banks. With regard to the Muslim community, women are prevented from involving in business ventures at public places in the midst of other males.

4.3.2 Raw material supply

The indebtedness of producers compels them to supply their produces to lenders of capital, at very low price. Whatever the high, the market price is, the chances of reaping the advantage of the high price by the producers is very remote. Thus the benefit of industrialization will not result in increased income to the producers. Sometimes the industries have to depend on these money lenders for raw material supply.

4.3.3 Environmental pollution by the industrial development

The establishment of industries in an ad hoc manner without any proper planning may lead to the pollution of air, water and land. Systematic planning and proper mitigation measures facilitates the sustainability of the business.

4.3.4 Exploitation of the rural resources

The micro, small, medium and large industries usually starts based on the resources available. The traditional industries are mostly low productive and hence consumes more resources than what is economically required. This leads to the exploitation of resources.

5. Sector Development Plan

5.1 Development Goal

Increase the real income of Eastern Province through the development of Tourism Industry.

5.2 Thrust Areas

I. Establish a role for the Provincial Council in tourism development of the province.

Strengthening the role of EPC in provincial tourism development by incorporating a “Provincial Tourism Promotion Unit” with the existing organizational structure of the EPC to develop and monitor tourism activities in the East.

II. Promote Eastern Tourism Packages

Link roads within the province to places of tourist attraction, sign boards, means of access (land, sea, inland water, railway, and air) are to be improved. The supportive facilities for tourism are to be developed. Which include water supply, power supply, sanitation facilities, common utilities, accommodation, waste collection and sewage disposal.

III. Development of human resource.

Development of tourism demands more human resources. For the people from the Eastern province, to get employment, they must have acquired the necessary skills, knowledge and the attitude.

IV. Make the people aware of their role as real citizen of the province.

Hotels and others should have holistic approach and should include the welfare of the community in the planning process. Also they should share their profit with the community through Corporate Social Responsibility agenda.

In the mean time community should also be aware of their rights and limits

5.3 Outputs

Thrust Area I : Establish a role for the Provincial Council in tourism development of the province.

Outputs	Contribution to Thrust area	Measure of Performance	Timing During Plan Period (Year)	Implementation Agency	Investment Rs in Mn.
Hiring a Tourism advisor	Expert advice	Appointment	1	SLTDA	0.5
Passing Statutes by the provincial assembly	Provides Legal Status	Establishment of a unit	1	Chief minister Secretariat's office	-
Change the Existing Organizational Structure	Increase authority for intervention	Tourism Promotion unit	1	Legal draftsman	-
Staffing the structure and setting the office	Human resource	Number of staff	1	Dept. of Public Administration	1.5
Assign tasks and duties to the positions	Responsibilities identified	List of duty	1	Ministry of finance	2.5
Capacity development of the Staff	Staff motivated and Enabled	No. of training Program Conducted	1	MDTD	0.5

Thrust Area II : Promote eastern tourism packages

Outputs	Contribution to Thrust area	Measure of Performance	Timing During Plan Period (Year)	Implementation Agency	Investment Rs. In (mn.)
Develop and improve the access road within the province	Linkroads to places of tourist attractions developed	Motor able link roads	2	CM, Ministry of finance PRDD	2,000
Improve railway access to Batticaloa and Trincomalee	Special rail cars with observation wagon added to the railway transport	Addition of rail car and observation wagon	1	CM, Ministry of finance M/Road SLTDA SLR	5,000
Extend the railway line to Ampara	To be proposed	Railway line from Batticaloa to Ampara	5	CM,MoF, M/RD,SLR	5,000
Commercialize the existing airport facilities	Facilitate and shorten the travel time from Colombo.	Airports and air transport become accessible for civilians	2	Ministry of Finance, M/ Aviation	1,000

Outputs	Contribution to Thrust area	Measure of Performance	Timing During Plan Period (Year)	Implementation Agency	Investment Rs. In (mn.)
Organize luxury Cruiser service to the three districts from Colombo	Sea transport becomes enjoyable	Sea Transport trips	2	CM,MoF, MoRD	5
Modernize the inland ferry services	To provide Eco-tourism.	Modern ferry services	2	CM,MoF, MoRD	50
Provision of efficient Water supply. Establishment of a central De- salivation plant	New sources of water supply identified	uninterrupted water supply from new sources	1	Ministry of water supply, Ministry of finance, Water resource board	50
Provision of uninterrupted power supply	Hotel to have their own source of power supply	uninterrupted power supply from their own sources	1	Ministry of rural electrification, CEB.	
Provision of sanitation facilities at accepted standards.	Local authorities to be given the resources	Cleaned beaches and areas	1	CLG, Ministry of finance,	100
Provision of common utilities	SLTDA to provide and local authorities to maintain.	Building of common wash rooms, change rooms, Habana etc.	1	CLG, Ministry of finance,SLTDA	100
Access to banking and financial services.	Setting of ATM	Bank branches and ATM	1	Provincial tourism promotion unit	
Waste management Installation of a Central waste treatment system.	Common waste disposal and recycling system	Waste recycling	2	PTPU, CLG, SLTDA	100
Sewage disposal. Installation of a central sewage system.	Hygienic environment	Cleanliness	1	Provincial tourism promotion unit, CLG	100

Outputs	Contribution to Thrust area	Measure of Performance	Timing During Plan Period (Year)	Implementation Agency	Investment Rs. In (mn.)
Rational land allocation	Central government concern with EPC in land allocation for tourism activity	Continuous conversation between central and provincial governments.	1	Chief minister Secretariat secretariat , Ministry of finance, Provincial tourism promotion unit	
Construction of accommodation facilities.	Comfortable and safe accommodation.	No. of rooms.	5	Provincial tourism promotion unit, SLTDA, private sector	1000
Development of the facilities at the present tourist attractions.	Beaches , parks national reserves, heritage sites, religious places, birds watching lagoon rides, whale & Dolphin watching, Eco tourism, Health tourism ,surfing locations to be developed with more facilities and new locations to be identified	Improved facilities	2	Provincial tourism promotion unit, CEA, Department of finance, Department of archeology	300
Development of new places of tourist attraction.		No. of new attractions identified.	5	Provincial tourism promotion unit, central environmental authority, Department of finance, Department of archeology	500
Encourage handicraft produces to produce location related souvenirs.	Encouragement to the local craftsman to produce place related souvenir	No. of trainings to local craftsman Value of sales	5	National handicraft authority, Chief minister Secretariat, Department of industry	5

Thrust Area: Development of human resource.

Outputs	Contribution to Thrust area	Measure of Performance	Timing During Plan Period (Year)	Implementation Agency	Investment Rs.in Mn
Assessment of the current and future human resources requirements.	The type and no. of employment is forecasted to plan the future human resource development programs.	A list of future human resource requirements prepared	1	Sri Lanka tourism development authority	
Temporary arrangement for capacity development	Immediate requirements of human resources met.	No of training program conducted	2	Ministry of finance, Sri Lanka Institute of Tourism and Hotel Management	
Establishment of Provincial Institute of Tourism and Hotel Management	To provide courses in hospitality, travel and tourism , professional cookery, hotel housekeeping , food and beverages, accommodation operation, tour guide, chauffer guide and foreign languages	Provincial Institute of Tourism and Hotel Management established.	3	Ministry of finance, Sri Lanka institute of tourism and hotel management, Sri Lanka tourism development authority	200
Development of a system to give priority in recruitment, to the local people	Liaison with hoteliers and through mutual understanding to give preference for qualified local people in the recruitment.	No of local people recruited	1	Chief minister Secretariat, ministry of finance, Hoteliers.	

Thrust Area: Make the people aware of their role as real citizen of the province.

Outputs	Contribution to Thrust area	Measure of Performance	Timing During Plan Period (Year)	Implementation Agency	Investment in Rs. in Mn
Organize awareness programs to community leaders	Community will be aware of their right and limits and be vigilant.	No. of training conducted. Value of CRS activity by hoteliers	5	Chief minister Secretariat, Provincial Tourism Promotion Unit, NECCDEP, Coastal Conservation Department, Central Environmental Authority.	5

Investment Plan

Thrust Area 1: Lack of coordination

Cluster villages are to be developed for fisheries related processing activities based on the availability of fisheries resources. The clusters are to be developed with Infrastructure, Skills, technology, marketing and Entrepreneurship.

Output	Contribution	Measure of performance	Timing During Plan Period (Year)	Implementation agency/ partners	Investment Rs. in Mn
1. Infrastructure development Roads connecting boat landing sites and the main roads to the Industrial Cluster Villages.	Providing connectivity	No of Kms.	5	PUIP DoRD	12.5
Three phase electricity supply	Supplying power	No. of connections	1	PUIP CEB MoENR	12.5
Water supply(drinking & washing)	Supplying water	No.of connections	1	NWSDB DoRWs	10
Drainage construction for the industrial water waste.	Protecting Environment.	Linear length	1	NWSDB	12.5
Waste disposal system	Protecting Environment	Tons of waste disposed	1	PS	12.5
2.Skill development Management development training	Developing capacity	No. of training	5	Dol MDTD	1
Vocational training	Developing skill	No. of training	5	Dol MDTD	2
3. Technology Technology transfer	Increasing competitiveness	No. of training	5	Dol MDTD	4
4. Marketing Construction of cool storage	Increasing utility	Increased sales	2	DoB DoF	25

Output	Contribution	Measure of performance	Timing During Plan Period (Year)	Implementation agency/ partners	Investment Rs. in Mn
Provision of cool trucks for transportation	Increasing utility	Increased sales	5	DoF MoR	25
5. Entrepreneurship New industries established at micro, small, medium and large	Forming new industries	No. of Industries	5	DoI DoF	295
Industries expanded	Expanding existing industries	No. of Industries	5	DoI DoF	1500
Cohesion among communities strengthened.	Bringing social harmony	More interaction	5	DoI DoCA	0.25

Thrust area 2: Development of agriculture related activities

Cluster villages are to be developed for Agriculture based processing activities based on the availability of agricultural resources. The clusters are to be developed with Infrastructure, Skills, technology, marketing and Entrepreneurship.

Output	Contribution	Measure of performance	Timing During Plan Period (Year)	Implementation agency	Investment. Rs. in Mn
1. Infrastructure development Roads connecting paddy and vegetable lands and the main roads to the Industrial Cluster Villages.	Providing connectivity	Kms of road constructed.	5	PUIP DoRD	12.5
Three phase electricity supply	Supplying power	No. of connections	1	PUIP.CEB MoENR	12.5
Water supply(drinking & washing)	Supplying water	No. of connections	1	NWSDB DoRWs	10
Drainage construction for the industrial water waste.	Protecting Environment.	Linear length	1	NWSDB	12.5
Waste disposal system	Protecting Environment	Tons of waste disposed	1	PS	12.5
2. Skill development Management development training	Developing capacity	No. of training	5	DoI MDTD	1
Vocational training	Developing skill	No. of training	5	DoI, MDTD	2

Output	Contribution	Measure of performance	Timing During Plan Period (Year)	Implementation agency	Investment. Rs. in Mn
3. Technology transfer	Increasing competitiveness	No. of training	5	DoI, MDTD	5
4. Marketing Construction of storage facilities(Stores-30 & Coolrooms-5)	Increasing utility	Increased sales	2	DoA, DoB	55
Provision of cool trucks and trucks for transportation	Increasing utility	Increased sales	5	DoA,	25
5. Entrepreneurship New industries established at micro, small, medium and large	Forming new industries	No. of Industries	5	DoI, DoA	492.5
Industries expanded	Expanding existing industries	No. of Industries	5	DoI,DoA	3500
Re starting of closed industries	Re starting closed industries	No. of Industries	5	DoI,DoA	290
Cohesion among communities strengthened.	Bringing social harmony	More interaction	3	DoI, DoCA	0.25

Thrust area 3: Development of dairy related activities

Cluster villages are to be developed for dairy related processing activities based on the availability of dairy resources. The clusters are to be developed with Infrastructure, Skills, technology, marketing and Entrepreneurship.

Output	Contribution	Measure of performance/Indicators	Timing During Plan Period (Year)	Implementation agency	Investment Rs. in Mn
1. Infrastructure development Roads connecting dairy farms and the main roads to the Industrial Cluster Villages.	Providing connectivity	No of Kms.	5	PUIP DoRD	12.5
Three phase electricity supply	Supplying power	No. of connections	1	PUIP CEB	12.5
Water supply(drinking & washing)	Supplying water	No.of connections	1	NWSDB	10
Drainage construction for the industrial water waste.	Protecting Environment.	Linear length	1	NWSDB	12.5
Waste disposal system	Protecting Environment.	Tons of waste disposed	1	PS	12.5

Output	Contribution	Measure of performance/Indicators	Timing During Plan Period (Year)	Implementation agency	Investment Rs. in Mn
2.Skill development Management development training	Developing capacity	No. of training	5	DoI MDTD	1
Vocational training	Developing skill	No. of training	5	DoI MDTD	2
3. Technology transfer	Increasing competitiveness	No. of training	5	DoI MDTD	4
4. Marketing Construction of cool storage	Increasing utility	Increased sales	2	DoAP DoB	25
Provision of cool trucks for transportation	Increasing utility	Increased sales	5	DoAP MoR	25
5. Entrepreneurship New industries established at micro, small, medium and large	Forming new industries	No. of Industries	5	DoI DoF	585
Industries expanded	Expanding existing industries	No. of Industries	5	DoI DoAP	1110
Cohesion among communities strengthened.	Bringing social harmony	More interaction	3	DoI DoCA	0.25

Thrust Area 4 : Development of chemical and salt related activities

Cluster villages are to be developed for chemical and salt related processing activities based on the availability of resources. The clusters are to be developed with Infrastructure, Skills, technology, marketing and Entrepreneurship.

Output	Contribution	Measure of performance/ Indicators	Timing During Plan Period (Year)	Implementation agency	Investment Rs. in Mn
1. Infrastructure development Roads connecting the factory and the main roads to the Industrial Cluster Villages.	Providing connectivity	No. of Kms.	5	PUIP DoRD	12.5
Three phase electricity supply	Supplying power	No. of connections	1	PUIP CEB	12.5
Water supply(drinking & washing)	Supplying water	No. of connections	1	NWSDB	10
Drainage construction for the industrial water waste.	Protecting Environment.	Linear length	1	NWSDB	12.5
Waste disposal system	Protecting Environment.	Tons of waste disposed	1	PS	12.5
2. Skill development Management development training	Developing capacity	No. of training	5	DoI MDTD	1
Vocational training	Developing skill	No. of training	5	DoI MDTD	2
3. Technology transfer	Increasing competitiveness	No. of training	5	DoI MDTD	4
5. Marketing Construction of safe storage	Increasing utility	Increased sales	2	DoI DoB	5
6. Entrepreneurship New industries established at micro, small, medium and large	Forming new industries	No. of Industries	5	DoI	946
Re starting of closed industries	Restarting closed industries	No. of Industries	5	DoI	260
Cohesion among communities strengthened.	Bringing social harmony	More interaction	3	DoCA	0.25

Thrust Area 5 : Development of light engineering related activities

Cluster villages are to be developed for light engineering related services based on the needs. The clusters are to be developed with Infrastructure, Skills, technology, marketing and Entrepreneurship.

Output	Contribution	Measure of performance	Timing During Plan Period (Year)	Implementation agency/partners	Investment. Rs. in Mn
1.Infrastructure development Three phase electricity supply	Providing connectivity	No. ofconnects.	1	PUIP DoRD	12.5
Water supply(drinking &washing)	Supplying water	No.ofconnects.	1	NWSDB	10
2.Skill development Management development training	Developing capacity	No. of training	5	Dol MDTD	1
Vocational training	Developing skill	No. of training	5	Dol, MDTD	2
3. Technology transfer	Increasing competitiveness	No. of training	5	Dol MDTD	4
4. Entrepreneurship New industries established at micro, small, medium and large levels.	Forming new industries	No. of Industries	5	Dol	366
Industries expanded	Expanding existing industries	No. of Industries	5	Dol	1250
Cohesion among communities strengthened.	Bringing social harmony	More interaction	3	DoCA	0.25

Thrust Area 6 : Development of building and construction material related activities

Cluster villages are to be developed for building and construction material related activities based on the availability of resources. The clusters are to be developed with Infrastructure, Skills, technology, marketing and Entrepreneurship.

Output	Contribution	Measure of performance	Timing During Plan Period (Year)	Implementation agency/partners	Investment. Rs. in Mn
1. Infrastructure development Roads connecting raw material sites and the main roads to the Industrial Cluster Villages.	Providing connectivity	Kms.	5	PUIP DoRD	12.5
Three phase electricity supply	Supplying power	No. of connections	1	PUIP, CEB	12.5
Water supply(drinking & washing)	Supplying water	No. of connections	1	NWSDB	10
Drainage construction for the industrial water waste.	Protecting Environment.	Linear length	1	NWSDB	12.5
Waste disposal system	Protecting Environment.	Tons of waste disposed	1	PS	12.5
2.Skill development Management development training	Developing capacity	No. of training	5	DoI MDTD	1
Vocational training	Developing skill	No. of training	5	DoI, MDTD	2
3. Technology	Increasing competitiveness	No. of training	5	DoI, MDTD	4
4. Marketing Construction of safe storage	Increasing utility	Increased sales	2	DoB	5
Provision of trucks for transportation	Increasing utility	Increased sales	5	DoB, MoR	25
5. Entrepreneurship New industries established at micro, small, medium and large	Forming new industries	No. of Industries	5	DoI, DoB	86
Industries expanded	Expanding existing industries	No. of Industries	5	DoI	350
Cohesion among communities strengthened.	Bringing social harmony	More interaction	3	DoCA	0.25

Thrust Area 7 : Institutional development for industrial development

Cluster villages are to be developed for industrial and processing activities based on the existence of resources and needs. The present institutional set up at the provincial level lacks responsibilities and authorities for the implementation and monitoring of the proposed industrial development plan.

Output	Contribution	Measure of performance	Timing During Plan Period (Year)	Implementation agency/partners	Investment. Rs. in Mn.
Activating the activities of the Center for Enterprise Development Services.	Providing BDS	No. of BDS provided	2	EPC	50
Activating the activities of the Livelihood Credit Management Services	Facilitating access to credit facilities	No. of credit sanctioned	2	EPC MoF	50
Establishment of the Provincial Investment Promotion Unit with Information Desk.	Promoting Eastern Industrial sector	No. of new investment to East	1	DoI EPC RISC, BOI	10
Awarding the best Entrepreneur & innovator of the year.	Encouraging entrepreneurs.	No. of events.	5	PIPU DoI	5
Organize exposure visits for entrepreneurs.	Increasing awareness	No. of events.	5	PIPU DoI	0.5
Conduct courses at the University	Motivating entrepreneurs	No. registered		EPC EUSL SEUSL	2.5
Organize trade fairs and industrial machinery exhibitions.	Creating awareness	No. of events.	5	PIPU DoI	80
Establishment of a Packaging Service Center.	Increasing competitiveness of goods.	No. of clients used the service.	3	DoI DoCD Privatesector	50
Establishing a full fledged training center	Facilitating capacity development	No. of training conducted.	4	MDTD	50
Establishing the Provincial Institute of Industrial Technology.	Providing easy access to technology	No. of clients used the service	3	PIPU DoES DoI	50
Strengthening the Cooperative system	Developing market linkages	No. of Industrial Coops established.	5	EPC DoI DoCD	2.5

Output	Contribution	Measure of performance	Timing During Plan Period (Year)	Implementation agency/partners	Investment. Rs. in Mn.
Establishment of the Provincial Vocational College	Facilitating for skill development	No. of training conducted	4	EPC Dol	50
Establishment of Industrial Cluster Villages	Attracting investment	Value of new investments	5	EPC PIPU RISC	Included above
Tailor made entrepreneurship development programmes	Facilitating training	No. of programmes developed	1	CEDS Dol	0.1
Trainer development	Developing the capacity of trainers	Quality training	1	CEDS Dol	19
Opening new and refurbishing existing sales centers	Increasing sales	Increased sales	2	Dol	18
Market Information Centers at Agri. Extension Centers in 45 DS divisions	Facilitating market access	Increased sales	5	Dol CEDS	80
Establishing market linkages through Coops Outlets	Facilitating market access	Increased sales	2	Dol DoCD CEDS	45
Eastern products branded and positioned in the Market	Increasing demand	Increased sales	2	Dol CEDS	5

TOURISM

1. Sector Background

1.1 Description and scope of the sector

Tourism is considered to be the world's largest industry and foreign exchange earner. Globally tourist arrivals exceeded 924 million in 2008. (Source: United Nations World Tourism Organization as quoted in Annual Statistical Report-2008, SLTDA) The tourism is also considered to be the number one employment generator in the world. It is estimated that one out of nine people worldwide is employed in the tourism industry.

In the past, the Eastern Province has been the site of a thriving tourism industry, with several hundred hotel rooms operating in the area. Nearly the entire tourism infrastructure built in the past has been destroyed during the conflict, and significant damage has been done to the tourism interest. Despite these setbacks, the potential for future development of tourism in the Eastern Province is still very high. Especially tourism is the major service oriented industry that has tremendous potential in the region. Nilaveli in Trincomalee, Passikudah in Batticaloa and Arugam Bay in Ampara are world famous for sun and sand tourism. Number of sanctuaries and national parks are situated in the region including Lahugala, Kumana, Gal Oya, Sagamam, Kudumbigala attract and promote eco tourism. At present the tourism industry has shown promising emergence in the region with the on going peace process. Both local and foreign tourists visit the beaches and nature reserves but the facilities available to cater them are limited. Without proper spatial planning of tourism areas many areas tend to be developed in an ad hoc manner. Arugam Bay area is a classic example how the tourism development has taken place where some of the hotels were constructed without considering the basic design criteria such as ventilation and sanitary facilities. And located very close to the MSL

420 km long coastal area is characterized by the presence of harmonious brackish water bodies, beaches, sand dunes, islands and coral reefs. Large area of mangroves and sea grass beds are found in the inter-tidal areas, estuaries and lagoons. Flamingo reeds and rocks in Trincomalee bay, Vahari, Passikudah and world islands such as Pigeon Island in Nilaveli are also unique eco systems with high biodiversity. Sri Lanka is known as "A Land Like no other" in the tourist industry. It has emerged as the 4th largest earner of foreign exchange for the country.

1.2 Historical Brief

The East Coast Region was one of the five resort regions identified in the first Tourism Master Plan, 1967-1976, as having high potential for tourism development in Sri Lanka. The beaches in the east coast were identified to be the best available in the country with a high potential for developing a range of ocean-based recreational facilities. In addition to the principal attraction of the beaches, there were other attractions identified by the Master Plan Team such as the cultural attractions of the rituals and festivals of Buddhist and Hindu temples and Muslim mosques and the many national parks and forest reserves interspersed with several water bodies bordering the Province.

The potential areas identified for development of tourism in the East Coast Resort Region by the Master Plan Team (MPT) were the Nilaveli beach stretch, the attractive bays in the outer harbor of Trincomalee (Deadman's cove, Sweat Bay, Marble Bay and Clappensburg), Batticaloa (Passikudah) and Ampara (Arugam Bay). Because of the high potential of the areas identified by the MPT, the Ceylon Tourist Board at that time acquired land in these areas. The land acquired included around 80.1 hectares in the Nilaveli, 405 hectares in the bay area of Trincomalee outer harbor and 60.7 hectares in Passikudah.

Despite the tourism development potential, in the East coast, there was relatively little development of tourism in this region even during the pre-conflict era, from 1966 to 1982 when compared to other regions. The reason for this slow development in Eastern Province (EP), despite its immense potential can be attributed to the problems of accessibility from Colombo city and the lack or inadequacy of the basic infrastructure. This resulted in the reluctant of the private sector investment.

1.3 Importance of the sector and its future

Hotels and Restaurants was the fourth largest earner of foreign exchange.

1.3.1 Relative importance of Tourism as Foreign Exchange Earner (National level)

Table 1: Sector wise contribution to earnings of Foreign Exchange

2007			2008		
Sector	FE Earnings. Rs. Mn.	FE Earnings. In %	Sector	FE earnings Rs. Mn.	FE Earnings. In %
Textiles& garments	369,625	26.9	Textiles& garments	376,024	26.4
Foreign Remittances	276,721	20.2	Foreign Remittances	316,091	22.7
Tea	112,955	8.3	Tea	137,600	9.7
Tourism	42,519	3.1	Tourism	37,094	2.6
Other Agriculture	25,659	1.9	Other Agriculture	31,069	2.2
Petroleum products	18,691	1.4	Petroleum products	27,542	1.9
Coconuts	15,595	1.1	Coconuts		
Rubber	12,055	0.9	Rubber	58,705	4.1
Precious stones	11,834	0.9	Telecommunication	24,917	1.8
Others	485,534	35.4	Others	304,915	21.5
Total FE earnings	1,371,188	100.0		1,422,262	100.0

Source: (Annual Statistical Report 2008 SLTDA)

The earnings from tourism decreased by 12.8%, from Rs. 42,519.3 million in 2007 to 37,094 million in 2008. In terms of US Dollars there was a significant decrease of 16.8% from the figure of US \$ 384.4 million in 2007 to US\$ 319.5 million in 2008. In 2008, tourism dropped its position from fourth to sixth as the largest earner of FE in the national economy.

Table 2: Annual earnings from tourism sector

YEAR	Earnings in Rs. Million
2000	19,162.2
2001	18,863.3
2002	24,202.0
2003	32,810.0
2004	42,666.3
2005	36,377.3
2006	42,585.5
2007	42,519.3
2008	37,094.0
2009	37,506.0

Source: (Annual statistical Report 2009-SLTDA)

1.3.2 Tourist arrivals (Sri Lanka)

The overall arrivals for the year 2008 recorded a decrease of 11.2% to 438,475 when compared to 494,008 for 2007. In terms of tourist nights, which is another yardstick in measuring the volume of tourist traffic the number recorded in 2008 amounted to 4,165,511 nights. This was a drop of 15.7% when compared to 4,940,080 in 2007. In 2008, the average spending per night of tourist stay is US\$ 83. Therefore, more arrivals mean more nights stay and more foreign money @ US\$ 83 per tourist.

Table 3: Details of tourist arrival & average tourist nights stayed

	2007	2008	2009
Number of tourist arrival	494,008	438,475	447,890
Average tourist nights stayed	10.0	9.5	9.1

Source: (Annual statistical report 2009 - SLTDA)

1.3.3 Tourist accommodation

In 2008, the number of registered tourist hotels increased to 256 with 14,793 rooms from 14,604 in 2007. However the supply of supplementary accommodation units like guest houses, motels, inns etc. increased by 65 additional units from 513 in 2007 to 578 in 2008. The overall annual room occupancy rate of tourist hotels decreased to 43.9% in 2008 from 46.2%, for all regions except for the East coast. Beside these hotels accommodation is also being provided through supplementary accommodation units. These are registered with the SLTDA. The national level detail is as below.

Table 4: Supplementary tourist accommodation capacity at National level

Accommodation Capacity	2000	2001	2002	2003	2004	2005	2006	2007	2008
No. of units	222	199	230	265	345	415	508	513	578
No. of rooms	2,549	2,011	2,500	2,836	3,318	3,962	4,989	5,030	5,397
No. of beds	4,410	3,479	4,250	4,820	5,640	6,537	8,232	8,299	9,712

Source: (Annual Statistical Report-SLTDA 2008)

Above all these there are a large number of supplementary accommodation units functioning in Arugam Bay, Passikudah and Kutchaveli, without being registered with the SLTDA.

1.3.4 Employment creation

Tourism generates employments directly and indirectly. For the tourist industry, the ratio of direct employment to indirect employment is 1:1.4. (SLTDA –Statistical Report 2008)

Table 5 : Supplementary tourist accommodation capacity at National level

YEAR	EMPLOYMENT CREATED	
	DIRECT	INDIRECT
2000	37,943	53,120
2001	33,710	47,194
2002	38,821	54,349
2003	46,761	65,465
2004	53,766	75,272
2005	52,085	72,919
2006	55,649	77,909
2007	60,516	84,722
2008	51,306	71,828
2009	52,071	72,899

Source: (Annual Statistical Report-SLTDA 2009)

2. Sector Performance

2.1 Contribution to Quality of Life

2.1.1 Employment generation.

The ratio between tourist arrivals and the total employment in tourism (both direct and indirect) has remained remarkably constant in the past at 4.5:1. (Eastern Province, Tourism Development Action Plan). This means that every 4.5 tourist arrival had created one job place in the tourism related sectors in the overall economy.

Though data on tourist arrival is not available for the East Coast Region, the Accommodation Capacity and the Occupancy Rate data could be used as a measure for tourist arrival to the East Coast Region

Table 6 : Accommodation capacity and occupancy rate in the Eastern coast region

Year	Number of rooms	Occupancy Rate
1972	55	23.4
1975	230	24.0
1980	414	47.3
1985	560	Na
1990	Na	Na
1995	114	Na
2000	151	10.7
2005	178	29.1
2009	230	37.8

Source: (EP Tourism Development Action Plan 2010-2012, MoT-EPC and SLTDA, Strategic Tourism Development Plan for the East Coast -NECCDEP)

Table 7 : Events influence the tourist arrival in the past

Year	Event
1971	JVP insurrection
1983 to 2008	Ethnic conflict
1994	Negotiation with LTTE
2002	Cease Fire
2004/2005	Tsunami

2.1.2 Tourist arrivals

Further a comparative view of tourist arrivals at national level for the first six months of 2009 and 2010 shows a very high difference between the two years.

Table 8 : Tourist Arrivals (Sri Lanka)

	2009	2010	change in %2009/2010
January	38,468	50,757	31.9
February	34,169	57,300	67.7
March	34,065	52,352	53.7
April	26,054	38,300	47
May	24,739	35,213	42.3
June	30,234	44,730	47.9
UP TO JUNE	187,729	278,652	48.4

Source: (Annual Statistical Report-SLTDA 2009)

All these indicate a potential growth in tourist arrivals to ECR. The increased arrival will generate more employment and increased income to the people. Increase in tourist arrival will generate more employment.

2.1.3 Average expenditure per tourist night

The average expenditure per tourist night has increased from US\$63 in 2000 to around US\$83 in 2008. The average will continue to increase with the development of up market facilities and promotion of high spending tourists. Therefore the increase in number will contribute to higher PGDP and NGDP growth.

3. Current Services provided

3.1 Services currently provided

3.1.1 Central Government

Hotel development took place in Trincomalee (Kuchaveli, Nilaveli and Uppuveli), Batticaloa (Passikuda) and Ampara (Arugam Bay) for the provision of accommodation for the foreign and local tourists.

Table 09 : Rooms in operation in ECR from 1972 to 2009

YEAR	1972	1975	1980	1985	1990	1995	2000	2005	2009
No. of Rooms	55	230	414	560	na	114	151	178	230

Source: (EP Tourism Development Action Plan-Ministry of Tourism, EPC and SLTDA, Oct.2009)

These rooms are mostly available in Trincomalee only. In other places accommodation is provided through supplementary accommodation units like guest houses, motels, inns etc. These may have been registered or not with the SLTDA.

Electricity

Electricity supply is available in EP. Low voltage, power failure and frequent interruptions are recurrent problems.

Sanitation

The sanitation systems are inadequate. No facilities available for water treatment or waste water disposal.

Common utilities

Washrooms, change rooms and toilets are not available in tourist attractive places.

Banking and Information Services

Banking, insurance and tourist information services are not available in the province adequate for the tourists.

Waste Disposal

Only garbage collection is carried out. Even this is not regular.

3.1.2 Provincial Government

The responsibility of the provincial council in tourism development is to administer and promote tourism within the province in accordance with the National Tourism Policy and to initiate and manage the physical planning along with the management and promotion of tourism at the

regional and local level. Thus the Provincial Councils play a pivotal role in implementing tourism development programmes.

Currently at the Eastern Province, tourism is a portfolio coming under the Chief Minister Secretariat of EP. The EPC through Sri Lanka Institute of Tourism and Hotel Management (SLITHM) is providing Basic Level Courses for youths to find employment in Tourism Industry.

Two batches of 30 each have completed the training and applications have been called for the third batch.

Display of sign boards, construction of cement benches and two Habana at Passikudah is in progress. Except for this no promotional efforts are being carried out by the EPC.

The two Comfort Centers built by fund from NECCDEP AT Trincomalee (Town) and Batticaloa (Paalameenmadu) are servicing the one day tourists.

3.1.3 Local authorities

Some local authorities provide water supply, waste disposal, maintenance of change rooms and rest rooms at certain tourist attractions.

3.2 Gaps/ deficiency in the present services provided

3.2.1 Institutional arrangements for provincial tourism.

Tourism being in the Concurrent list the EPC have the authority for regional tourism policy and master planning, development control design and implementation of action plans and projects and undertaking regional promotion, thus they play largely proactive role of 'making things happen' and are the main driver of tourism development in EP. Southern province has designed structure to carry out this task. As such EP lacks an institutional structure to link the province with the national set up.

3.2.2 Poor access to the province

Access to EP is accomplished by four main forms of transport, via; the Road, Rail, Air and Sea. Access roads to the province are improving. But the smaller access roads leading from the main roads to hotels and sites are in poor condition because many places of tourist attractions are located on small side roads and tracks which are inadequate to take tourist traffic in any numbers, or size. Three Wheelers seems to be an important vehicle for transport of tourist for the current East conditions. But the drivers do not provide information about the history culture about the places of visits.

The Rail access is very poor in all aspects. No restaurants, toilets, drinking water or Observation Wagons in the trains. Ampara district and the eastern coastline do not have access by train.

The air access to the province is important for local as well as international tourists. EP has three regional air ports one in each district but needs improvement.

Only Trincomalee has a naval harbor. Ferry /boat services are available from Trincomalee to Jaffna and Muthur. Sea journey is the worst transport available from Trincomalee.

3.2.3 Lack of supportive infrastructure. (Utilities)

Water

Water quality and availability is a variable dependent on area. All three districts are facing water shortage problem. As a policy local people should not on any account suffer loss of supply because of tourist development.

Electricity

Three phase power supply is available and hotels have their own generators to operate during power failures.

Land

Tourism development entails large scale utilization of land. Beach lands are all occupied. No hotels for Eco-Tourism available.

Accommodation Facilities

In 1985, when normalcy was prevailing, Eastern Coast Region had 560 rooms with the tourist arrival at 257,456 but in 2009 with the tourist arrival increasing to 447, 890, it is only 230. This illustrates a very high shortage of accommodation facilities in the East.

3.2.4 Human resource Development

The EPC or any other institutions have any establishment to provide professional training in tourism and other related services. Human resource has to be developed for;

- Providing high quality professionals to take up managerial positions
- Skill level quality staff to fill operational positions within the industry
- Tour guiding and tour conducting
- Foreign languages

Currently 90 candidates selected by EPC are trained in basic level courses in Trincomalee with financing from NECCDEP.

3.2.5 Tourist attractions development

The EP is endowed with a wide variety of natural, socio-cultural and man made attractions for both foreign and domestic tourists.

- Beaches
- Water games (Surfing, Swimming, Diving, Fishing, Coral watching, Yachting)
- Games and Gymnasium

- National parks
- Nature reserves
- Heritage sites
- Religious places (Hindu, Buddhist, Muslim and Christian)
- Birds watching
- Lagoon rides
- Whale and Dolphin watching (Trincomalee)
- Pigeon Island
- Handicrafts (Souvenirs)
- Eco-tourism
- Health-tourism

These areas have not been developed or taken into consideration for development.

3.3 Key thrust areas

3.3.1 Strengthening the Eastern Provincial administrative structure for tourism development of EP

After the identification of the tasks and the roles to be played by EPC, necessary structures and positions are to be created in the EPC Administrative Structure based on the practices at other provinces.

3.3.2 Improving the access to the EP as well as intra accesses within the three districts of EP.

Access to the province from the Entry Point of the country (Airport, Harbor) to EP and within the province to hotels, beaches and other places of interest to the tourists is to be developed.

3.3.3 Development of the Supportive Infrastructure

Availability of clean drinking water, plenty of water for bathing, cleaning etc., uninterrupted power supply for 24 hours a day, quick and easy communication facilities, banking facilities, sanitation facilities for hygienic condition, common utilities like change rooms in the beaches specially for domestic tourists, waste disposal, sewage disposal and accommodation facilities are to be developed for better hospitality trade in the province.

3.3.4 Human Resource Development

Quality Human resource is the basic for all management. Tourism Industry being new to EP, recruiting human resource will be a problem. Human resource development should take before the take off of other development activities.

3.3.5 Tourist attractions development.

Keeping the tourists stay for more nights is equally importance as attracting tourists. More night stays need more activities to enjoy for the tourists. Tourist attractions, activities to involve the tourists and information about these have to be developed in EP.

4. Problems, Issues and Challenges

4.1 Problems

4.1.1 Link with EPC and the Central Government

Poor coordination is observed between the EPC and the Central Authorities. Land allocation, human resource development, developing places of tourist attractions, providing information to tourists or tour facilitators can only be carried out with the coordination of agencies of the Central Government.

4.1.2 Land allocation for tourist development

Land specially beach fronts are valuable resource for tourist development. Encroachments, location of security force camps are an obstacle in using valuable beaches for tourism. In Arugam Bay there is no land available for future expansion of the Tourist Sector. There is no land to put up new hotels. All lands are occupied by encroachers who claim that to be their own land and engaged in tourism related activities.

In Passikudah there is only 100 acres available for the SLTDA to lease out to hoteliers for the construction of new hotels.

The value of land in these areas has gone up and SLTDA is finding it difficult to purchase these lands.

Even the land distribution for hotel construction is being done by SLTDA without the consultation of EPC.

4.1.3 Non- availability of an administrative structure in the EPC to involve in Tourism development.

The Provincial Ministry of tourism must design institutional structure to liaison with the Central Government in implementing Tourism Development Plans for the EP.

4.1.4 Essential infrastructure weaknesses

- Poor Access (Inter & Intra)
- Interruptions to power supply
- Scarcity for skilled and professional staff
- Problems in waste disposal
- Water supply to the required level
- Lacking accommodation facilities

4.1.5 Seasonality of foreign tourist arrivals

4.1.6 Shorter period of tourist's stay in hotels

4.1.7 Un-registered motels, guest houses etc. directly competing with registered accommodation and undermining profitability.

4.7.8 Enclave Tourism Development

- Resource conflict with community (fishing, beaches, sand mining)
- Exclusion of local people from employment
- No outsourcing to the community
- The community which is the owner of the resources does not receive anything in return for the use of their resources.

4.1.9 Sensitiveness of tourism to global economic situations

Any global economic crisis will reflect on the tourist arrival and thus the tourism industry.

4.2 Issues

4.2.1 Establishment of a linking mechanism by the EPC

EPC to design an institutional structure with the Central Government and its Tourism Development Agencies for implementing Tourism Development plans at the provincial level. EPC may follow Southern Province which has created a Southern Province Tourism Bureau to deal with tourism.

4.2.2 Essential infrastructure weaknesses

Tourism is a global trade with high competition. Tourists tour for pleasure, enjoyment and stress free mindset.

They are ready to pay any amount to get these things comfortably. Weak infrastructure is another constrain to the tourist in getting their pleasure and joy.

Therefore PCs should develop the infrastructure facilities specially the accommodation to flourish tourism in the province.

4.2.3 Less number of tourist arrivals and short stay in the hotels

Providing facilities, marketing of the facilities, development of new entertainments and places of interest will attract more tourists and increase their stay in the hotel.

4.2.4 Enclave tourism development

Hotels and others should have a holistic approach and should include the welfare of the community in the planning process. Also they should their profit with the community through Corporate Social Responsibility agenda.

4.3 Challenges

4.3.1 Development of infrastructure facilities

The development of infrastructure facilities should not be targeted towards tourism alone; it should benefit the community but should not bring in some hazards in the future. Development should not happen at the expense of the community's benefit.

Water supply to tourism industry should not be developed by exploiting the future water reserves of the community.

4.3.2 Cultural disintegration.

There is always a fear of cultural disintegration brought about by international tourists. Use of drugs, sexual abuses, smuggling of exotic plants, animals and historical heritages etc are few of the things to cite.

4.3.3 Loss of aesthetic values.

Many roads in Batticaloa and Trincomalee are connected through ferry services. Eg.Verugal, Kilediddi ,Salapaiaru, Nayaru, Upparu etc. Now bridges are being constructed to ease the transportation problems. But many travelers both foreign and domestic enjoy and choose this path for pleasure. Though bridges help easy transport, ferry services should be also maintained for tourists.

4.3.4 Environmental pollution.

The beach pollution by plastics is taking place at a very high rate. The hotels pollute with waste water and sewages, which is a very serious hygienic problem.

4.3.5 Exploitation of community resources.

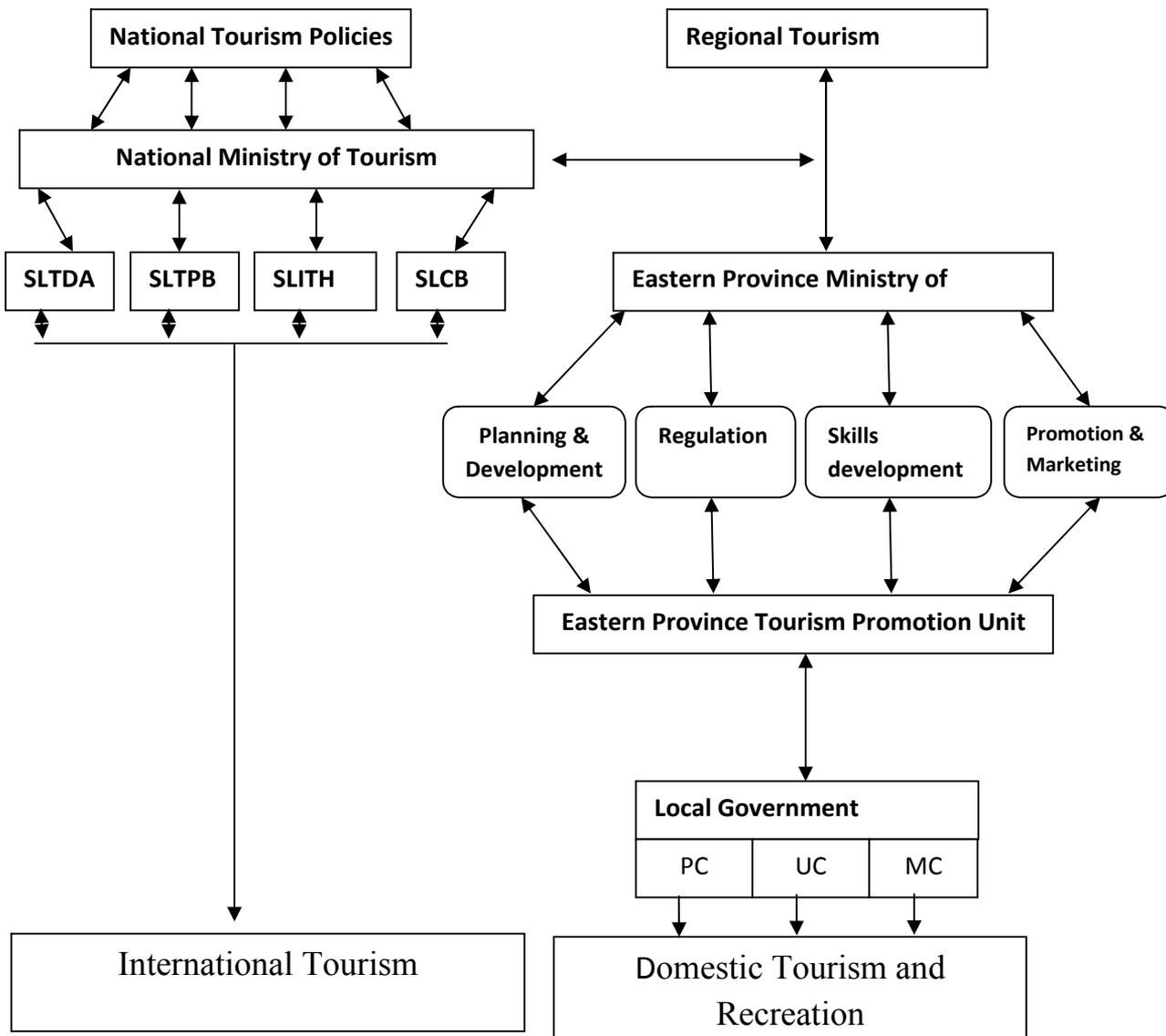
Over use of water may lead to water scarcity in the future for the community. The beach is the livelihood of the community. Allowing the beaches to the tourists will cause serious threat to their livelihood activities.

4.4 Strategies for Tourism development in the EP

4.4.1 The role of Provincial Council in tourism development of the province

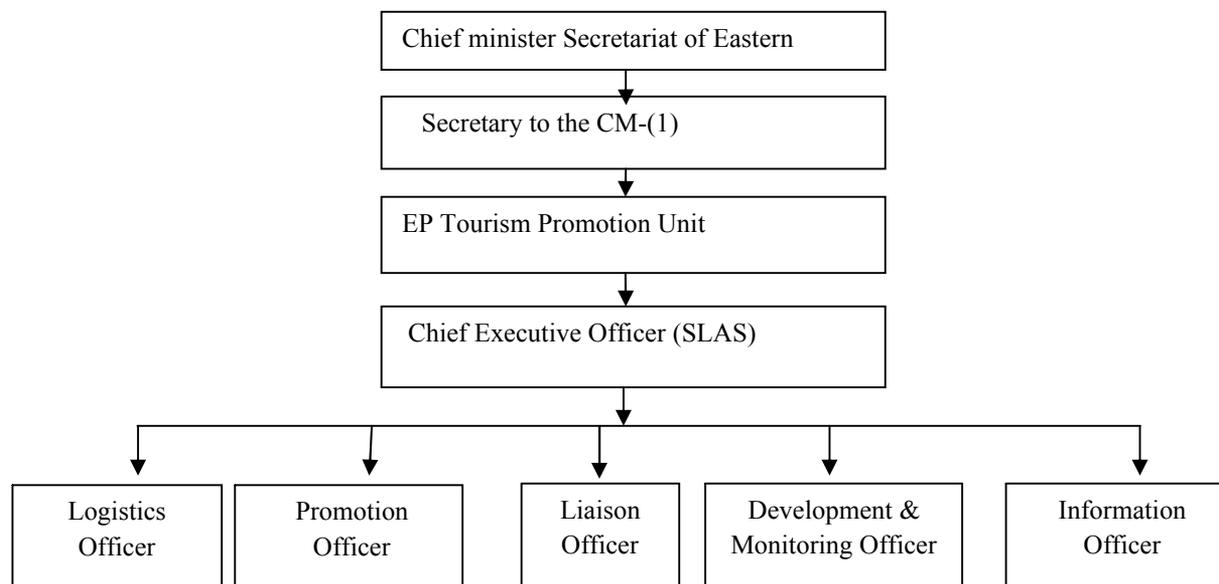
Strategy.1. Passing of a statute by the Provincial Assembly for an institutional setup to incorporate with the existing organizational structure of the EPC for promoting and monitoring tourism in EP. The objective of this unit is to encourage, promote and develop tourist travel to and within the province in conformity with the National plan and National policy for tourism.

Activity 1: Change the existing organizational structure to establish a Tourism Promotion Unit.



Activity 2: Assign tasks for officers and develop their capacity by training.

Proposed Structure of the Eastern Province Tourism Promotion Unit:



4.4.2 Promote Eastern Tourism Packages

Strategy.1 Develop and improve the access to the province and within the province.

Activities:

01. Improve the link roads within the province
02. Improve the train access to Batticaloa and Trincomalee districts
03. Establish train access to Ampara district.
04. Commercialize and redesign the existing airport facilities in the three districts.
05. Develop Sea Transport facilities to the three districts
06. Develop of luxury Inland ferry services within the province/districts

Trincomalee.

The Main Road connecting the district from other provinces and Cities are at satisfactory level. But the link road connecting the main road with the following places needs immediate attention and development

- The coastal road from Pulmoddai to Batticaloa through Kuchaveli, Nilaveli, Trincomalee city, China bay, Kinniya, Vakarai and Passikudah has to be developed.
- Most of the beach resorts in Trincomalee (Nilaveli, Alles garden)
- Kanniya hot wells
- Irrakkakandy Lagoon

- VelgamVihara
- Other places of Tourist Attractions

Batticaloa

The Access to the district has improved. But the link roads connecting the main road with the following places of interest needs immediate attention and development.

The coastal road from Batticaloa city to Panama through Kalmunai, Akkaraipattu, Arugam bay and Pottuvil has to be upgraded to a high way.

- Passikudah beach
- Palameenmadu Natural Reserve
- Batticaloa Lagoon Bar Mouth
- Mantheevu
- Kudumbi Gala
- Paduvankarai
- Other places of Tourist Attractions

Ampara

Compared to the other two districts, access to districts are short and easy, bur the roads need improvement. The main road links to places of interest are very much below standards and are merely sandy tracks.

- Pottuvil Lagoon
- Panama Dunes
- Crocodile Point
- Lahugala National Park
- Kumana National Park and Bird Sanctuary
- OkandaMuruganKovil
- Arugambay beach
- Ullai Beach.

The Access by train can be improved for Batticaloa and Trincomalee through the provision of special Rail Car travels and the addition of an Observatory Wagon to the existing Train services. The proposed rail track from Kurunagala through Dambulla will shorten the travel to Trincomalee.

Airports are available in all the three districts, but it has yet to be commercialized and open to civilian tourists.

Trincomalee and Batticaloa districts have lot of ferry services connecting the roads, without a bridge. They are Gangathurai, Ralkuli, Verugal, Ampilanthurai, Manmunaithurai, Kiliveddi etc. Now bridges are being constructed to connect the roads.

4.4.3 Development of the supportive services for tourism

Activities: 01 Provision of an efficient system of water supply for drinking, and washing purposes

At present the supply of water is enough for the purposes. But with the expansion of the activities the need for water also increases. However any effort to supply more water for tourism purposes SHOULD NOT be at the expense of the community. Water availability survey is to be conducted and water to be pumped from the areas where water is in abundant supply.

Activity: 02 Provision of uninterrupted supply of power

Electricity is in short supply accompanied by frequent interruptions. The hotels should have their alternative arrangement for power supply. Use of solar panels for the generation of electricity is recommended as an environmental friendly mode of power generation.

Activity: 03 Provision of sanitation facilities at accepted standards

The hotels and other agencies should build the financial and technical capacity of the local authorities to do this function. In the mean time EPC should have an effective control system to check on the internal sanitation conditions of the hotels, restaurants etc.

Activity: 04 Provision of Common Utilities specially to cater to the domestic people on excursions

Common utilities like toilets, Urinals, change rooms, safety lockers, body showers etc are very much lacking in the Nilaveli, Kutchaveli, Passikudah and Arugambay beaches. Domestic tourists who come on one day excursions are the people who are affected by the non availability of the basic common utilities. SLTDA should delegate this task to the respective local authorities by providing the land to supply these facilities at a reasonable charge.

Activity: 05 Making available the Banking and information services

The hotels should have facilities for the exchange of foreign currencies for local currencies. In the mean time banks should install ATMs at holiday resorts and places of interest to tourists.

Activity: 06 Waste Disposals

Hotels can have a common waste recycling system to avoid extra cost and Burden. If water is recycled it could be used for watering the garden thus ascertaining the economic use of resources.

Activity: 07 Rational Land allocations

Land is the scarcest resource and the most sensitive issue. The central Government in consultation with Eastern Provincial council should make decision on the distribution of land. While allocating land for hotel construction, land should also be given to EPC for the construction of common utilities for the domestic tourists.

Activity: 08 Construct accommodation facilities.

East has the best sea, sand and the sunshine. For enjoying these natural endowments he/she should stay a few days safely and comfortably, which requires accommodation facilities. The current availability is not enough and because of this constrain tourists are not visiting the East. With the prevalence of peace and investors confidence increasing, comfortable accommodation facilities could be newly constructed in the future.

4.4.4 Human Resource Development

Activity 01: Assess on the current and the future human resource requirements

Activity 02: Make temporary arrangements for capacity development activities to the current staff engaged in tourism activities with the assistance Of SLTDA and SLITHM.

Activity 03: Establishment of Institute to offer comprehensive range of courses specially designed for the tourism industry.

Activity 04: Develop a system to ensure that local community is given employment opportunities as much as possible.

4.4.5 Innovative Development of New Tourist attractions and activities

Activity 01: Development of the facilities of the present tourist attraction

Beach development (Kuchaveli, Nilaveli, Uppuveli areas, Coastal belt from Kuchaveli to Sinnakarachi area, Coastal belt from Kuchaveli to Kokilai lagoon) (Kalkudah bay, Kaluwankerny beach, Kallady beach, Kayankerny beach, Mankerny beach, Panichchankerny beach, Vakara) (Kalmunai beach, Komari beach (Light house) KotukalUreni beach, Pottuvil Point beach, Peanut Farm beach, Panama bay area, Arugambay)

- National parks
- Nature reserves
- Heritage sites
- Religious places (Hindu, Buddhist, Muslim and Christian)
- Birds watching
- Lagoon rides

- Whale and Dolphin watching (Trincomalee)
- Pigeon Island
- Handicrafts (Souvenirs)
- Eco-tourism
- Health-tourism
- Bird Sanctuary (Kumana, Sathurukkokdan)

Activity 02: Development of new places of tourist attractions.

- National parks (Lahugala/ Kitulana, Kumana,)
- Nature reserves
- Heritage sites (Ford Fredric, Dutch Fort,
- Religious places (Seruvila Raja MahaViharaya, Girigandu Seya, Thiriyai, ThiruKoneswaram, VelgamRajamahaViharaya) (MuhuduMahaViharaya,
- Birds watching (Kumana, Thennamaravadi,)
- Lagoon rides
- Whale and Dolphin watching (Trincomalee)
- Eco-tourism
- Health-tourism
- Water games (Surfing, Swimming, Diving, Fishing, Coral watching, Yachting)
- Games and Gymnasium

Activity 03: Encouragement of Handicraft producers to produce location related Souvenirs.

Handicrafts (Souvenirs) Encourage micro, small and medium level craftsmen to produce place related souvenirs in shells, brass, wood, stainless steel and cloths. Engraving, embossing, printing and carving of names and dates are to be done on the spot.

Activity 04: Preparation of an attractive Brochure

Design an attractive Brochure about the EP and a fact sheet or history sheet about each place of tourist attractions.

5. Sector Development Plan

5.1 Development Goal

Increase the real income of Eastern Province through the development of Tourism Industry

5.2 Thrust Areas

- I. Establish a role for the Provincial Council in tourism development of the province. Strengthening the role of EPC in provincial tourism development by incorporating a “Provincial Tourism Promotion Unit” with the existing organizational structure of the EPC to develop and monitor tourism activities in the East.
- II. Promote Eastern Tourism Packages Linkroads within the province to places of tourist attraction, sign boards, means of access (land, sea, inland water, railway, and air) are to be improved. The supportive facilities for tourism are to be developed. Which include water supply, power supply, sanitation facilities, common utilities, accommodation, waste collection and sewage disposal.
- III. Development of human resource. Development of tourism demands more human resources. For the people from the Eastern province, to get employment, they must have acquired the necessary skills, knowledge and the attitude.
- IV. Make the people aware of their role as real citizen of the province. Hotels and others should have holistic approach and should include the welfare of the community in the planning process. Also they should share their profit with the community through Corporate Social Responsibility agenda.

In the mean time community should also be aware of their rights and limits

5.3 Outputs

Thrust Area I: Establish a role for the Provincial Council in tourism development of the province.

Outputs	Contribution to Thrust area	Measure of Performance	Timing During Plan Period (Year)	Implementation Agency	Investment Rs. in Mn.
Hiring a Tourism advisor	Expert advice	Appointment	1	SLTDA	5
Passing Statutes by the provincial assembly	Provides Legal Status	Establishment of a unit	1	Chief minister Secretariat's office	-

Outputs	Contribution to Thrust area	Measure of Performance	Timing During Plan Period (Year)	Implementation Agency	Investment Rs. in Mn.
Change the Existing Organizational Structure	Increase authority for intervention	Tourism Promotion unit	1	Legal draftsman	-
Staffing the structure and setting the office	Human resource	Number of staff	1	Dept. of Public Administration	1.5
Assign tasks and duties to the positions	Responsibilities identified	List of duty	1	Ministry of finance	2.5
Capacity development of the Staff	Staff motivated and Enabled	No. of training Program Conducted	1	MDTD	0.5

Thrust Area II : Promote eastern tourism packages

Outputs	Contribution to Thrust area	Measure of Performance	Timing During Plan Period (Year)	Implementation Agency	Investment Rs in Mn.
Develop and improve the access road within the province	Linkroads to places of tourist attractions developed	Motor able link roads	2	CM,MoF, MoRD	2000
Improve railway access to Batticaloa and Trincomalee	Special rail cars with observation wagon added to the railway transport	Addition of rail car and observation wagon	1	CM,MoF, MoR SLTDA SLR	5000
Extend the railway line to Ampara	To be proposed	Railway line from Batticaloa to Ampara	5	MoF, MoRoadDevelopment,SLRailway	5,000

Outputs	Contribution to Thrust area	Measure of Performance	Timing During Plan Period (Year)	Implementation Agency	Investment Rs in Mn.
Commercialize the existing airport facilities	Facilitate and shorten the travel time from Colombo.	Airports and air transport become accessible for civilians	2	CM,MoF, MoD (Cen)	1,000
Organize luxury Cruiser service to the three districts from Colombo	Sea transport becomes enjoyable	Sea Transport trips	2	MoF, MoRD	500
Modernize the inland ferry services	To provide Eco-tourism.	Modern ferry services	2	,Ministry of Finance , MoRD	500
Provision of efficient Water supply. Establishment of a central De-salination plant	New sources of water supply identified	uninterrupted water supply from new sources	1	Chief minister Secretariat, Ministry of water supply, Ministry of finance, Water resource board	1,000
Provision of uninterrupted power supply	Hotel to have their own source of power supply	uninterrupted power supply from their own sources	1	Chief minister Secretariat, Ministry of rural electrification, CEB.	500
Provision of sanitation facilities at accepted standards.	Local authorities to be given the resources	Cleaned beaches and areas	1	Chief minister Secretariat, CLG, Ministry of finance,	100
Provision of common utilities	SLTDA to provide and local authorities to maintain.	Building of common wash rooms, change rooms, Habana etc.	1	CLG, Ministry of finance, SLTDA	100
Access to banking and financial services.	Setting of ATM	Bank branches and ATM	1	Provincial tourism promotion unit	-

Outputs	Contribution to Thrust area	Measure of Performance	Timing During Plan Period (Year)	Implementation Agency	Investment Rs in Mn.
Waste management Installation of a Central waste treatment system.	Common waste disposal and recycling system	Waste recycling	2	PTPU, CLG, SLTDA	100
Sewage disposal. Installation of a central sewage system.	Hygienic environment	Cleanliness	1	Chief minister Secretariat, Provincial tourism promotion unit, CLG	100
Rational land allocation	Central government concern with EPC in land allocation for tourism activity	Continuous conversation between central and provincial governments.	1	Chief minister Secretariat, Ministry of finance, Provincial tourism promotion unit	-
Construction of accommodation facilities.	Comfortable and safe accommodation.	No. of new hotel & rooms.	5	Chief minister Secretariat, Provincial tourism promotion unit, SLTDA, private sector	50,000
Development of the facilities at the present tourist attractions.	Beaches , parks national reserves, heritage sites, religious places, birds watching lagoon rides, whale & Dolphin watching, Eco tourism, Health	Improved facilities	2	Chief minister Secretariat, Provincial tourism promotion unit, central environmental authority, Department of finance, Department of archeology	1000
Development of new places of tourist attraction.	tourism ,surfing locations to be developed with more facilities and new locations to be identified	No. of new attractions identified.	4	Chief minister Secretariat, Provincial tourism promotion unit, central environmental authority, Department of finance, Department of archeology	500
Encourage handicraft produces to produce location related souvenirs.	Encouragement to the local craftsman to produce place related souvenir	No. of trainings to local craftsman Value of sales	4	National handicraft authority, Chief minister Secretariat, Department of industry	5

Thrust Area III: Development of human resource.

Outputs	Contribution to Thrust area	Measure of Performance	Timing During Plan Period (Year)	Implementation Agency	Investment
Assessment of the current and future human resources requirements.	The type and no. of employment is forecasted to plan the future human resource development programs.	A list of future human resource requirements prepared	1	Chief minister Secretariat, Sri Lanka tourism development authority	5
Temporary arrangement for capacity development	Immediate requirements of human resources met.	No of training program conducted	2	Chief minister Secretariat, Ministry of finance, Sri Lanka Institute of Tourism and Hotel Management	5
Establishment of Provincial Institute of Tourism and Hotel Management	To provide courses in hospitality, travel and tourism , professional cookery, hotel house keeping , food and beverages, accommodation operation, tour guide, chauffer guide and foreign languages	Provincial Institute of Tourism and Hotel Management established.	3	Chief minister Secretariat, ministry of finance, Sri Lanka institute of tourism and hotel management, Sri Lanka tourism development authority	200
Development of a system to give priority in recruitment, to the local people	Liaison with hoteliers and through mutual understanding to give preference for qualified local people in the recruitment.	No of local people recruited	1	Chief minister Secretariat, ministry of finance, Hoteliers.	5

Thrust Area IV: Make the people aware of their role as real citizen of the province.

Outputs	Contribution to Thrust area	Measure of Performance	Timing During Plan Period (Year)	Implementation Agency	Investment Rs. inMn.
Organize awareness programs to community leaders	Community will be aware of their right and limits and be vigilant.	No. of training conducted. Value of CRS activity by hoteliers	5	Chief minister Secretariat, Provincial Tourism Promotion Unit, NECCDEP, Coastal Conservation Department, Central Environmental Authority.	5