



A presentation from Consulate of Sri Lanka

Delivered by: Kutila Pinto
Hon. Consul



Solomon Islands – Sri Lanka

Public Private Partnership (PPP)

Provincial Rest House (PRH) Model

Sri Lankan Tourism

- Sri Lanka is a tropical island same as Solomon Islands located on the Inter Tropical Convergence Zone
- Tourism of Sri Lanka is governed by Sri Lanka Tourism Development Authority with a strong policy focused on its further development
- Sri Lanka has over 2 million (2,050,832) tourists arrivals in 2016, which is an increase of 14 % over last year's 1,798,380 arrivals.
- Has a highly skilled and quality driven operator base (inclusive of international brands) and service staff

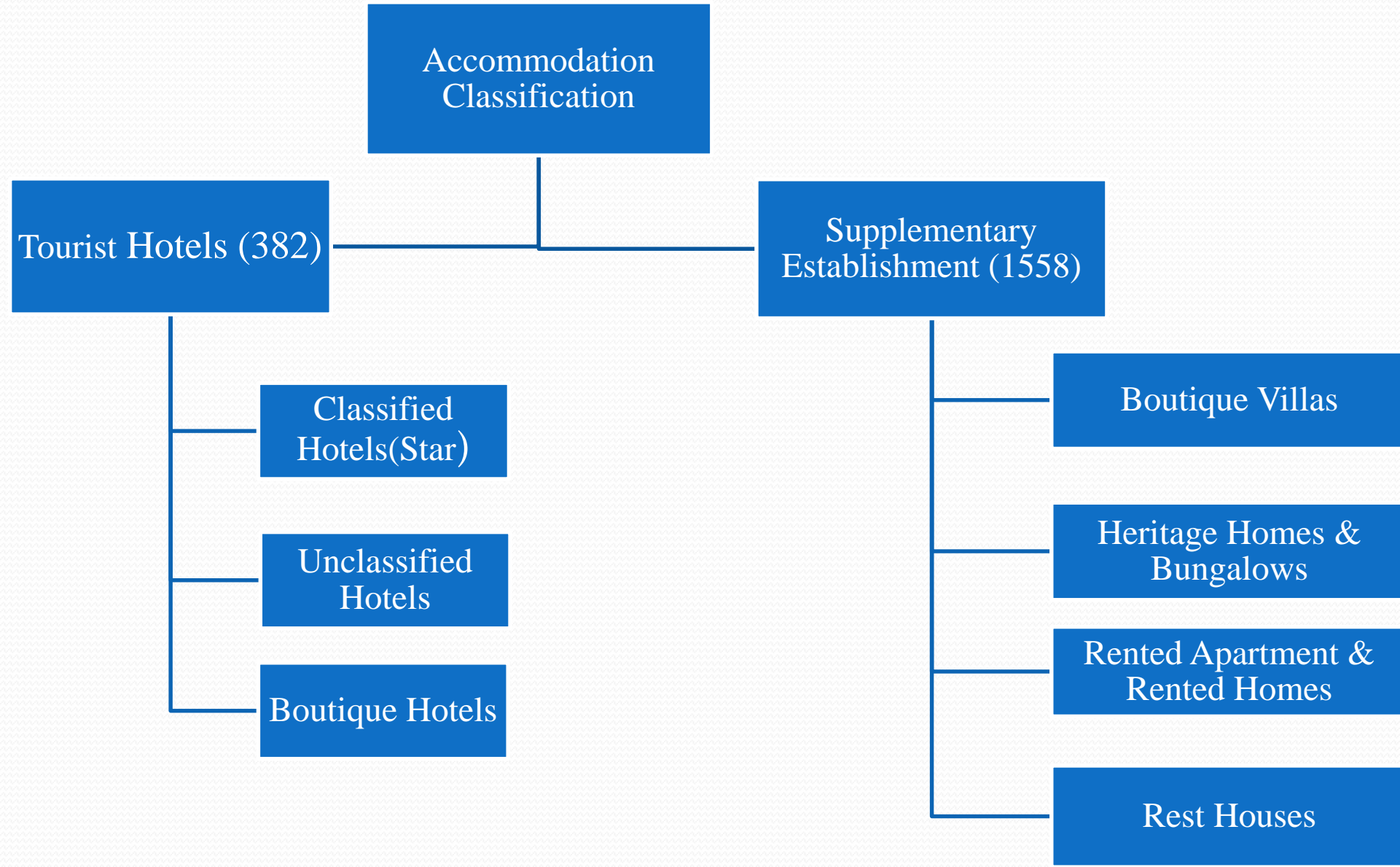


Rest Houses or Supplementary Establishments in Sri Lanka

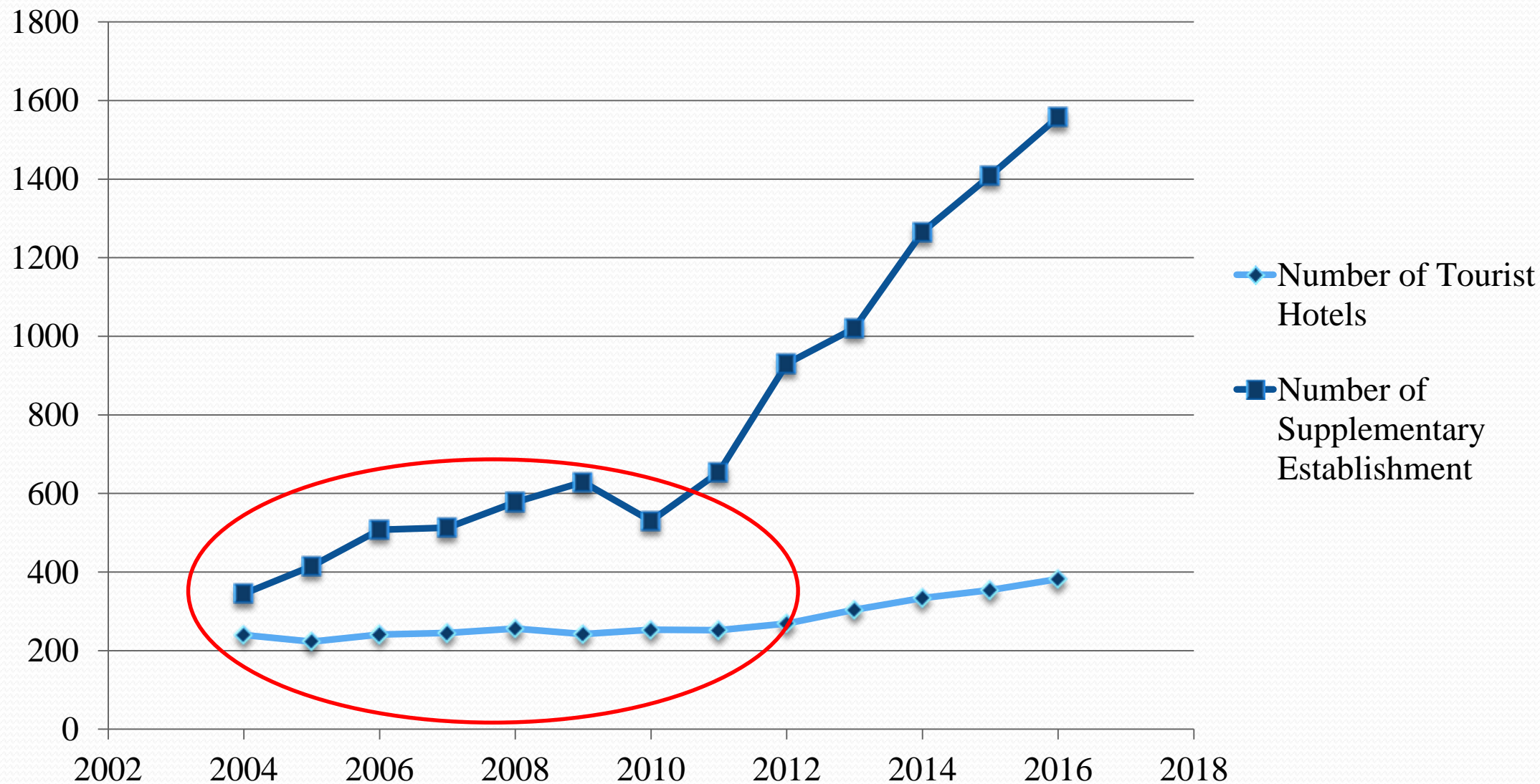
- A Rest House in Sri Lanka is an accommodation unit with 05 or more letting bedrooms with a restaurant in itself and located all through out the country.
- Normal rate for a rest house is around \$25 including a meal while the tourist hotels rates are around \$145.



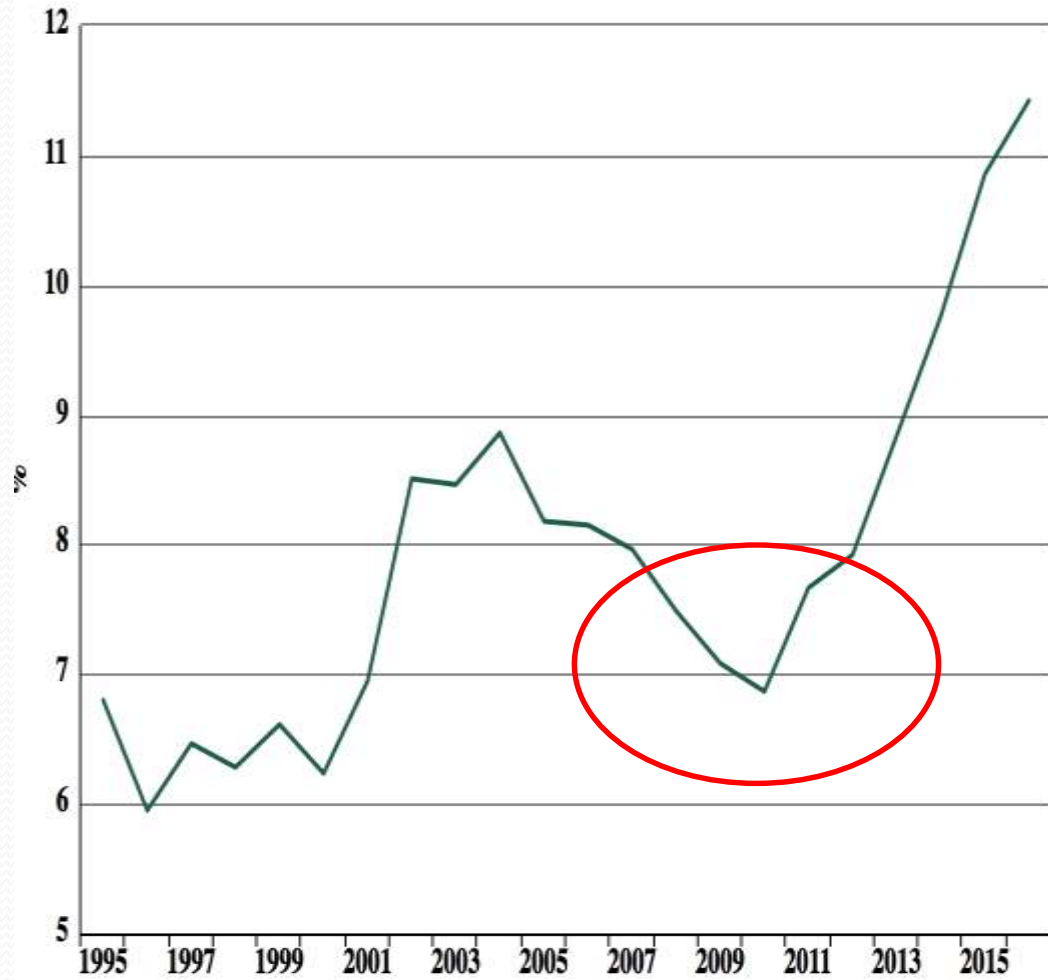
Sri Lankan Accommodation facilities



Accommodation facility growth trends in Sri Lanka 2004 to 2016



Relevance of Tourism to National Economy – Sri Lanka



Date	Value	Change, %
2016	11.4	5.24 %
2015	10.9	11.23 %
2014	9.8	10.43 %
2013	8.8	11.58 %
2012	7.9	3.32 %
2011	7.7	11.64 %
2010	6.9	-3.05 %
2009	7.1	-5.38 %
2008	7.5	-5.99 %
2007	8.0	-2.29 %
2006	8.1	-0.36 %
2005	8.2	

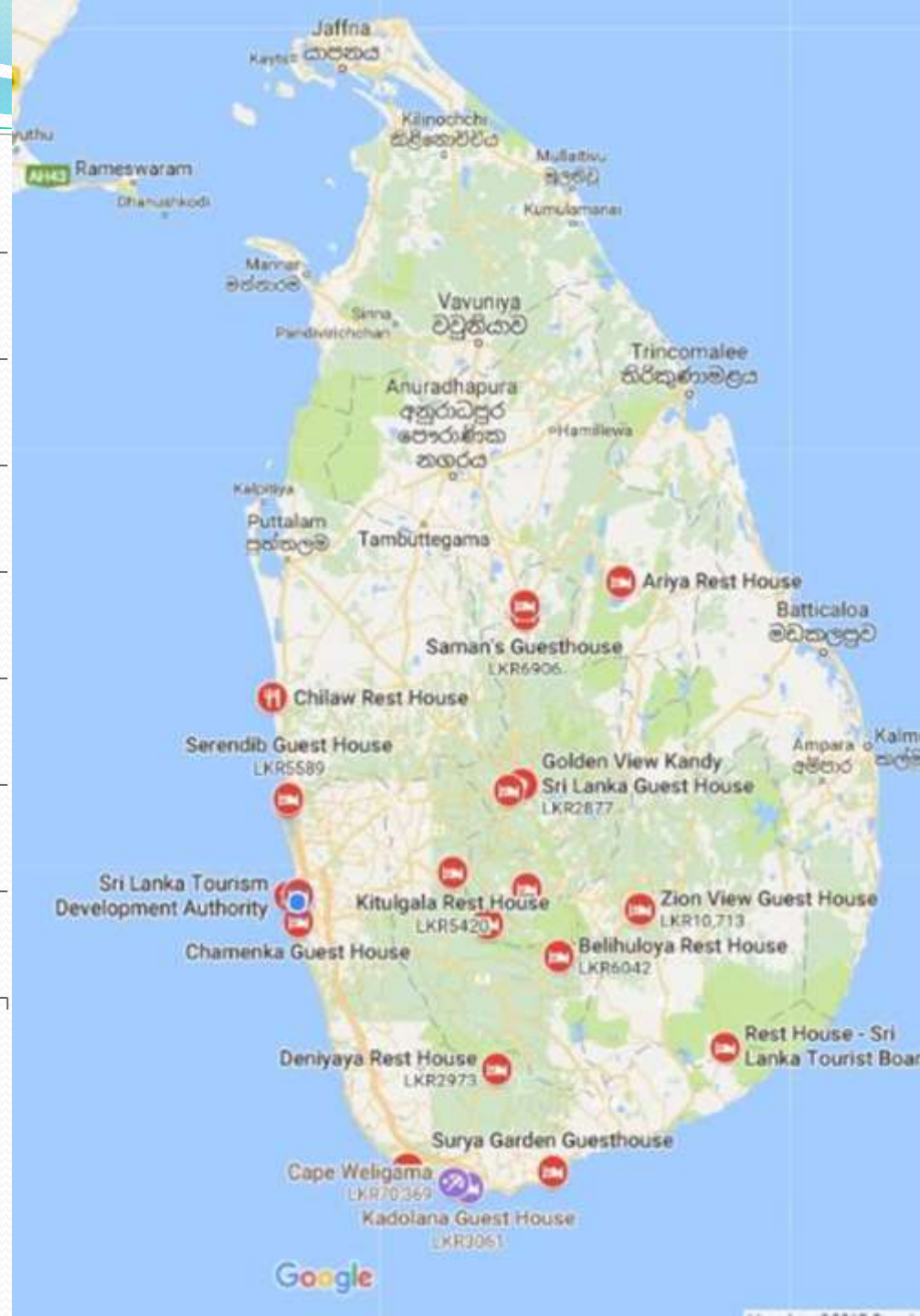
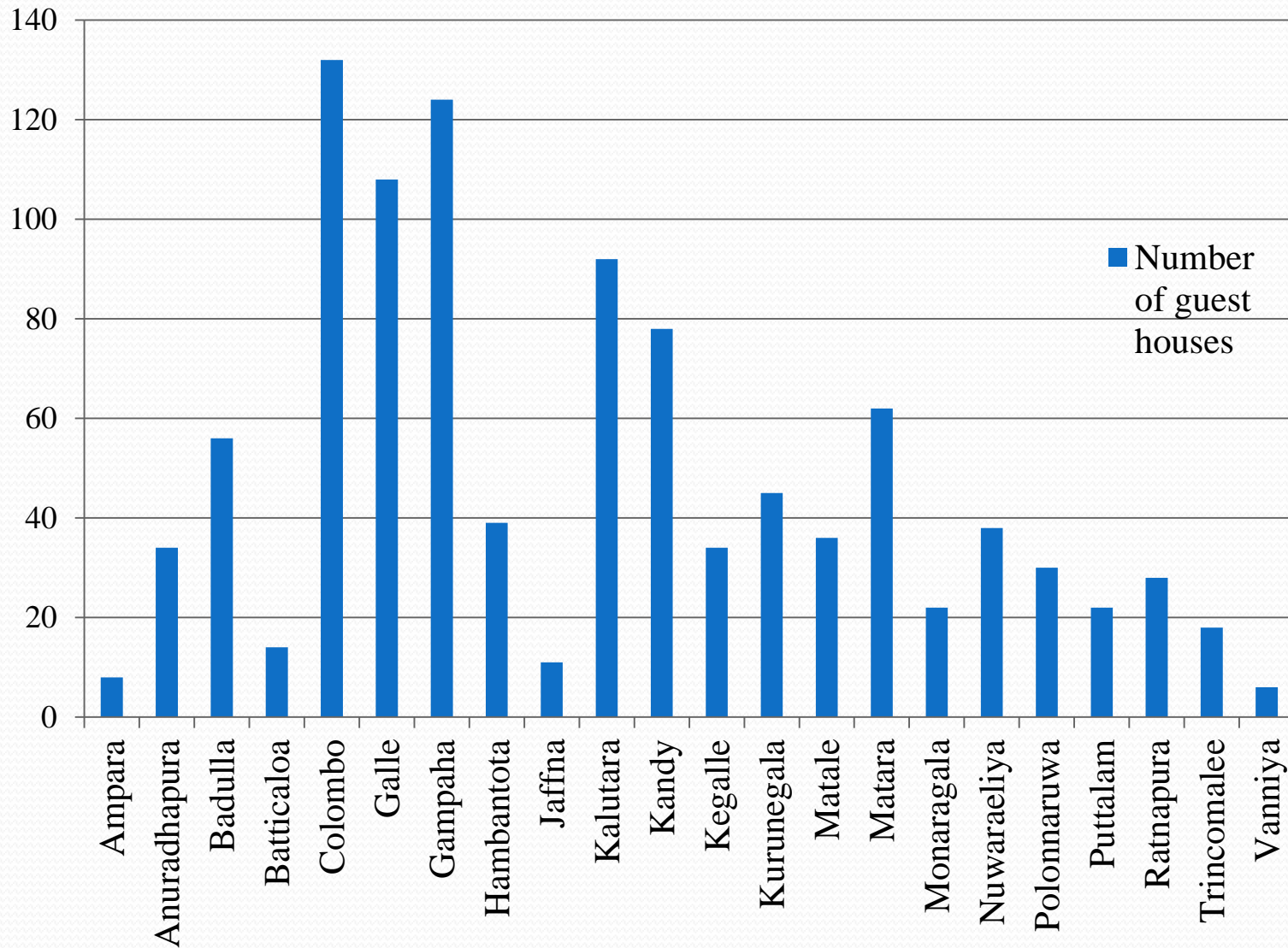
Total GDP

= USD 81Bn or
SBD 637Bn

Tourism

= USD 9.7Bn or
SBD 76Bn

Location of Rest Houses by Districts in Sri Lanka





Solomon Islands

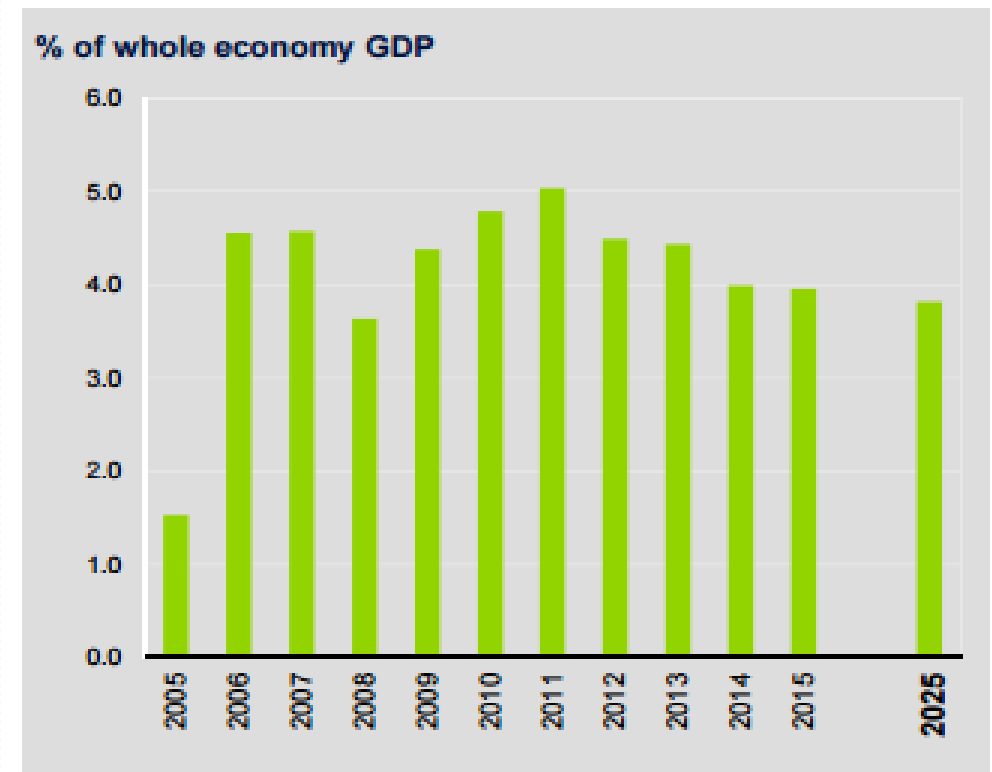
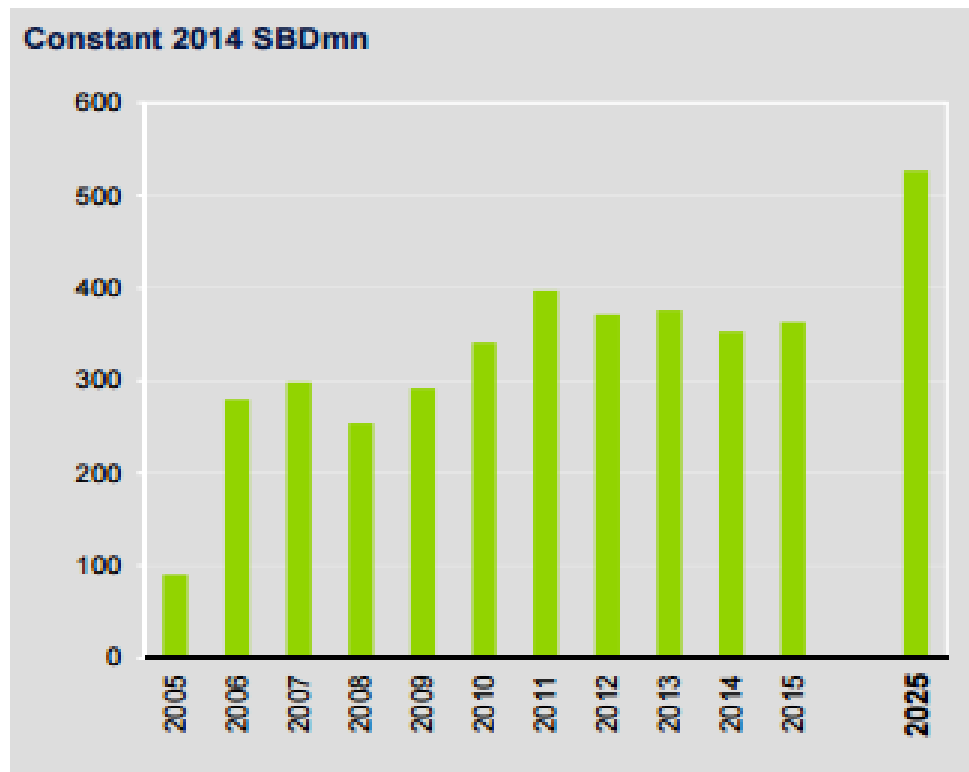
Island Bounty – The Abundant Delights of the Solomon Islands

A mix of dazzling coral reefs and intriguing wrecks makes the seas around the Solomon Islands an underwater wonderland for divers –

words of Deborah Dickson-Smith, Virgin Australia In-Flight magazine July 2017

Russel Islands – “Heading west from Guadalcanal, the Russell Islands lack accommodation of any kind”

Solomon Islands: Direct Contribution of Travel & Tourism to GDP



Source: The Economic Impact of Travel & Tourism of Solomon Islands 2015 – World Travel & Tourism Council

<https://www.wttc.org/-/media/files/reports/economic%20impact%20research/countries%202015/solomonislands2015.pdf>

Issues that hinder recognition of SI as a Tourist Destination

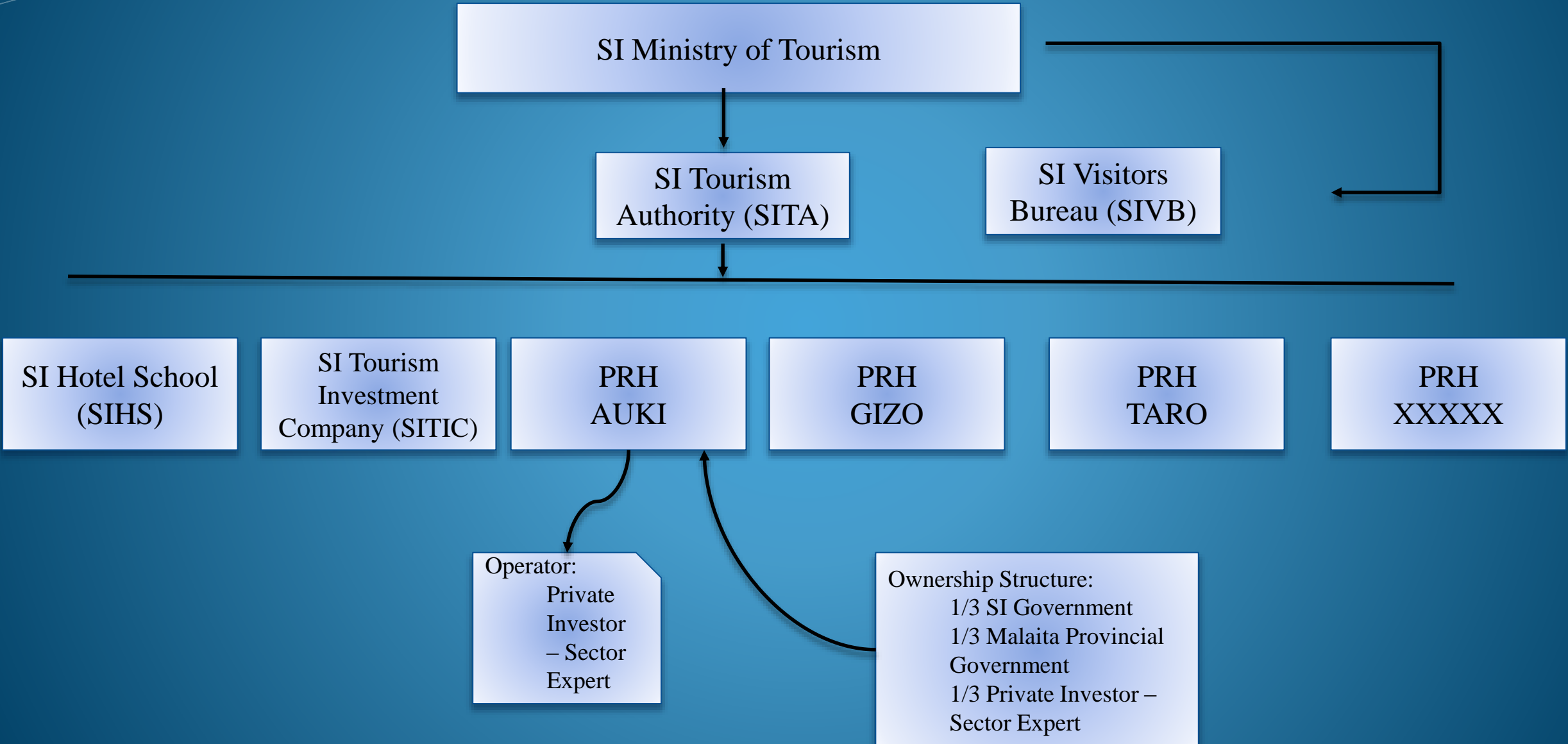
In the presenters view

- **Expensive Cost of Air Travel compared to cheap airfares to other tourist destinations (both International and Domestic)**
- **Lack of rooms availability in Honiara (which drives the daily rates) and lack of accommodation facilities in other provinces and the poor state of the facilities**
- **Available facilities only cater “business tourist” and shortage of holiday or recreational type accommodation facilities**
- **The available recreational type accommodation facilities are not strategically located and/or commuting to and from these facilities are cumbersome and expensive**
- **Lack of adequately skilled service operators and service staff not up to standards**
- **Lack of focus in promoting “Go to” places in Solomon Islands**
- **Non attractiveness of the industry for investors due to lack of policy support and encouraging framework**
- **Tourism not listed as a high priority in the country’s GDP growth agenda?**
- **Overall lack of focus**

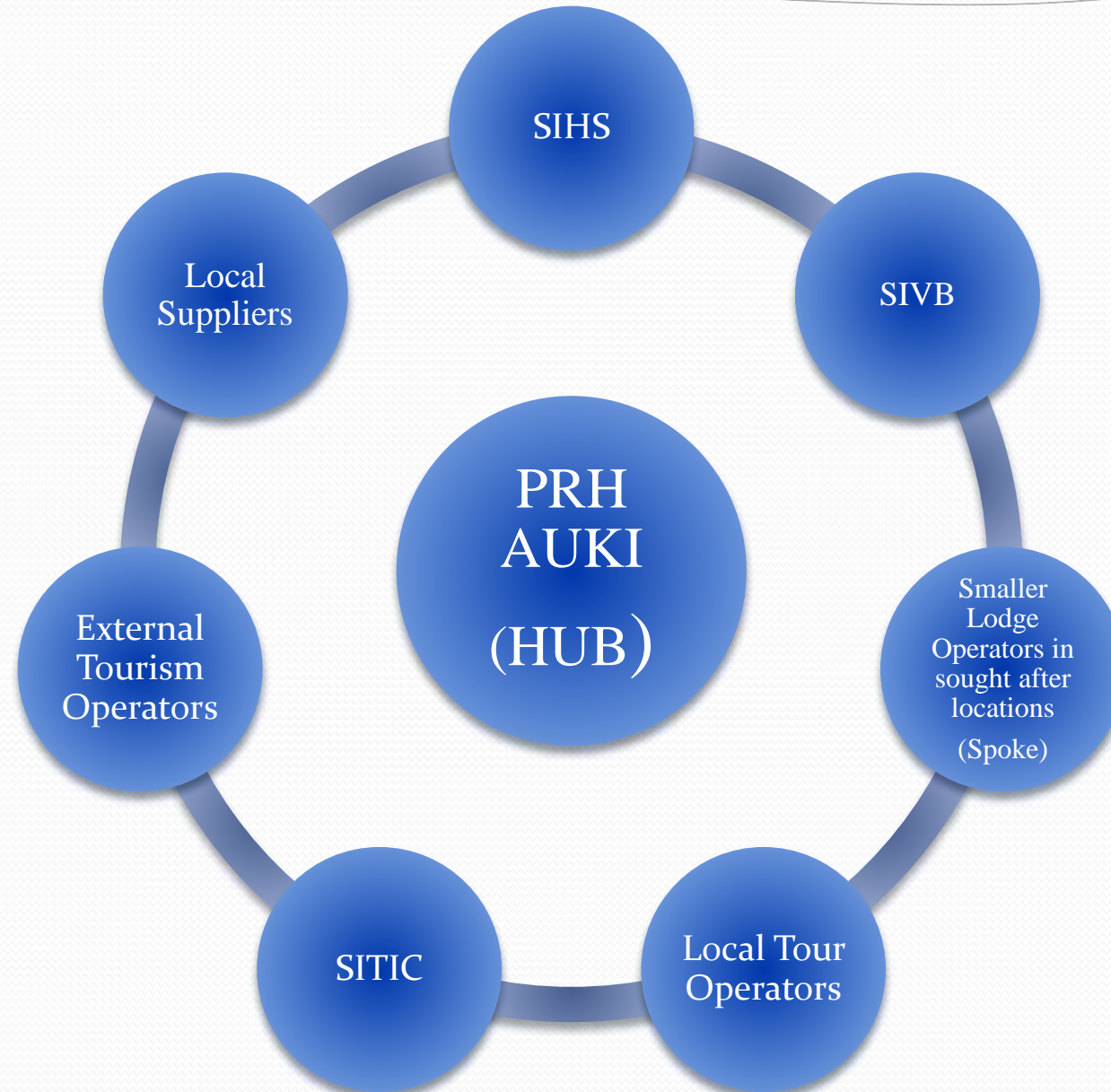
Basic changes to elevate the Tourism sector and gain momentous increases in Tourist inflows – Basis to the subsequent proposal

- **Discuss, Negotiate and Approve a robust Tourism Framework at Government and Provincial level (A Robust Tourism Policy Framework; from Central Government (HUB) to Provincial Governments (SPOKE))**
- **Assist, subsidise and promote strategic accommodation facilities at Central Government level**
- **Direct [a substantial amount] International Grants towards making impact and driving outcome on the Tourism Framework outcomes and/or its governance**
- **Further develop and enhance the skills capacity of the operators and the service staff**
- **Develop educational facilities that ensures the sustainability of the sector**
- **Strategically promote Tourism related investments both Internationally and locally**
- **Develop/further diplomatic relationships with countries that have a population eager to travel and explore the world**

Solomon Islands – Sri Lanka : Development of a Public Private Partnership (PPP) Provincial Rest House (PRH) Model



PRH Support Model – Creation of a Local sustainable economy



Form of shareholder contribution

1/3 SI Government

- 1/3 of the Actual cash contribution
- Grant Full FIB status to the project (e.g. Tax Free periods, duty exemptions etc.)

1/3 Provincial Government

- Provide legal land parcel in an attractive location
- Assist the Sector Expert with necessary logistical and local procurement needs
- Assign the project with NIL local Government taxes and duties

1/3 Private Investor – Sector Expert

- 1/3 of the Actual cash contribution
- Select and appoint sector expert Manager to the PRH
- Manage budgets, cash flow, HR, promotions and future investments
- Make the investment commercially viable and ready for either outright purchase or for a technical transfer to the SITA


Bi Lateral partnership responsibilities of PPP – PRH Model

Government of Sri Lanka

- Select and assign Qualified Hotel School trainers on a 6 – 12 months assignment to Solomon Islands on a Train the Trainer basis
- Impart well established “Rest House” Operating model to SI Ministry of Tourism Officials
- Provide on going support to select Sector Experts and screen them for “Right Fit” to be part of the PPP PRH Model
- Assist with Policy and Technical formulation to establish SITA and inclusions to assist foreign investor operator assistance in to FIB (Foreign Investment Bureau)

Government of Solomon Islands

- Show willingness to develop a sustainable in country tourism sector
- Provide key officials from relevant ministries to formulate suitable technical and policy framework to accommodate PPP PRH model
- Provide and facilitate required infrastructure and framework to establish SIHS
- Strategically negotiate and include provincial governments in operationalizing the PPP PRH model



Thank you and I will leave you with this beautiful video that captures the beauty of Sri Lanka. The most encouraging conclusion is, Solomon Islands share almost exact Flora, Fauna and topography. Well surrounded by attractive sea that is breathtaking!

