



Recovery Volume of Sri Lanka's Primary and Potential Source Markets

March 2022



Introduction

As a dynamic industry, subject to market shifts and geo-political events, tourism is also known for its ability to bounce back, even despite the heaviest blows such as the most recent COVID-19 pandemic. Throughout history both human made and natural disasters have inflicted severe impacts on the tourism industry. Yet the industry has almost always recovered back and continues to provide real benefits to national and regional economies and local communities. This is true for Sri Lanka's tourism economy too. Among such setbacks, the Easter attacks in 2019, the on-going COVID-19 pandemic and the massive decline in outbound travel due to the Russian invasion of Ukraine in 2022 can be considered as the most recent incidents that have hindered tourism.

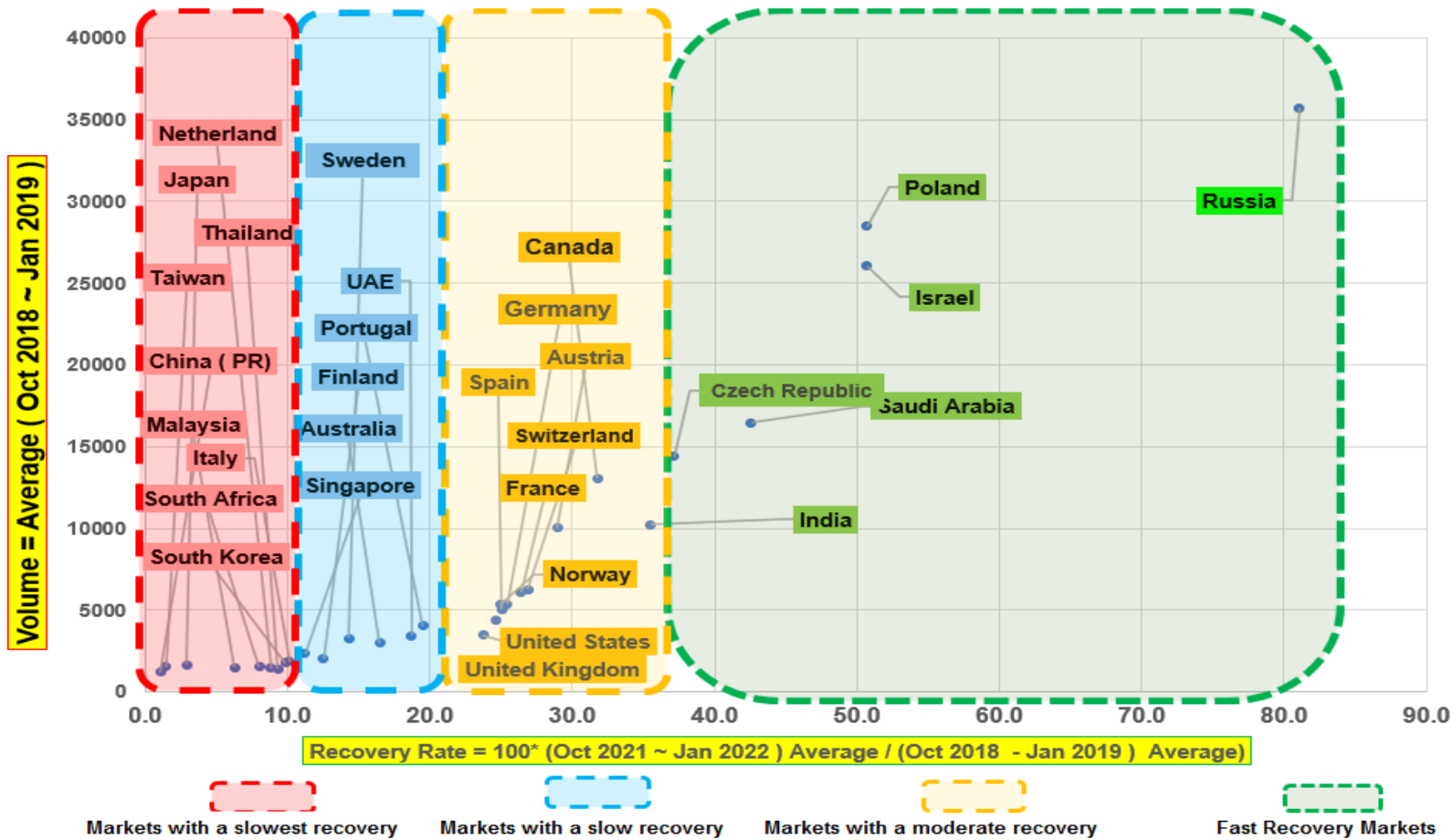
A protracted recovery is a very likely scenario for Sri Lanka and will unfold at least until 2025. Within this context, Sri Lanka Tourism Development Authority's Research and International Relations Department continues to analyse these issues and the potential impact on Sri Lanka's in-bound tourism arrivals and overall tourism economy. The following report provides a snapshot of recent arrivals to Sri Lanka and an analysis of growth/decline rates to determine priority markets likely to support recovery.

The rate of recovery has been calculated by dividing the average tourist arrivals for the period from October 21 to January 2022, by the average tourist arrivals from October 2018 to January 2022, and multiplying by hundred. The period from October to January was selected as this is typically recorded as the peak months for Sri Lanka tourism. Further, the year 2018 was considered for this comparison as it can be considered as a peak year for tourism arrivals and a 'normal' year for Sri Lanka tourism.

A closer look at the recovery rates reveals that Russia, Poland, Israel, Saudi Arabia, Czech Republic and India are the key source markets with the highest recovery rates (note: this analysis was conducted prior to Russia's invasion of Ukraine and the implementation of economic sanctions). Given the current crisis in Ukraine and the political and economic repercussions for Russia, Ukraine and possibly Russia will not likely be a main source markets for a protracted period of time. Canada, Austria, Switzerland, France, Germany, Spain, Norway, United States and the United Kingdom are the source markets with a moderate recovery level. Portugal, UAE, Australia, Sweden, Finland and Singapore can be considered as source markets with a slow recovery rate, while the slowest recovery rates are recorded from Italy, South Korea, Thailand, Netherland, South Africa, Malaysia, Japan, Taiwan and China.



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Calculation Index & Recovery Rate Table

Primary & Potential Markets	2018			2019	Avg	2021			2022	Avg
	Oct	Nov	Dec	Jan		Oct	Nov	Dec	Jan	
Russia	3,096	8,090	11,258	13,474	8,980	1,328	3,520	10,793	13,478	7,280
India	38,169	39,137	45,797	40,049	40,788	8,406	14,236	23,566	11,751	14,490
Saudi Arabia	1,030	849	2,656	1,759	1,574	79	693	741	1,167	670
Israel	466	703	1,125	1,899	1,048	110	624	684	707	531
Spain	2,178	2,604	2,251	1,838	2,218	269	463	894	597	556
Poland	1,109	2,658	2,533	3,840	2,535	116	460	1,379	3,185	1,285
UAE	296	412	542	346	399	5	60	169	64	75
Austria	1,036	1,692	2,014	2,288	1,758	151	267	827	788	508
Germany	9,920	18,754	16,624	14,027	14,831	1,196	2,667	5,875	5,339	3,769
Switzerland	1,974	3,531	4,097	3,457	3,265	403	698	1,225	1,186	878
Czech Republic	688	1,898	2,228	2,787	1,900	132	429	1,087	1,174	706
Australia	6,912	10,299	14,961	10,368	10,635	121	940	3,129	2,814	1,751
United Kingdom	17,673	21,971	26,828	26,036	23,127	2,241	3,770	8,493	7,442	5,487
United States	3,714	5,799	8,848	7,849	6,553	573	1,178	2,884	1,829	1,616
Canada	2,406	3,496	4,680	5,840	4,106	688	1,161	1,705	1,666	1,305
Sweden	1,234	2,016	6,834	4,692	3,694	98	264	1,070	683	529
Norway	821	1,090	1,852	1,906	1,417	212	237	447	521	354
Netherland	3,222	3,320	4,323	5,101	3,992	24	80	167	1,141	353
Portugal	601	574	862	452	622	53	141	134	157	121
France	4,784	6,825	9,475	11,892	8,244	624	1,447	3,021	3,616	2,177
Singapore	1,219	1,669	2,524	1,117	1,632	31	167	306	229	183
Finland	368	688	1,860	1,589	1,126	32	65	195	271	141
Thailand	581	593	1,031	938	786	29	62	129	72	73
South Africa	354	380	1,752	870	839	26	60	109	73	67
Italy	1,540	1,976	5,176	6,433	3,781	160	313	556	503	383
Malaysia	1,437	2,101	2,307	1,481	1,832	44	97	158	159	115
South Korea	1,066	1,444	1,311	870	1,173	76	162	120	104	116
Japan	2,831	2,658	4,657	3,553	3,425	45	103	159	92	100
Taiwan	465	569	597	1,097	682	6	2	19	13	10
China (PR)	18,882	18,888	18,283	26,414	20,617	182	201	258	226	217

Rank	Country	Recovery Rate
1	Russia	81.1
2	Poland	50.7
3	Israel	50.7
4	Saudi Arabia	42.6
5	Czech Republic	37.1
6	India	35.5
7	Canada	31.8
8	Austria	28.9
9	Switzerland	26.9
10	France	26.4
11	Germany	25.4
12	Spain	25.1
13	Norway	25.0
14	United States	24.7
15	United Kingdom	23.7
16	Portugal	19.5
17	UAE	18.7
18	Australia	16.5
19	Sweden	14.3
20	Finland	12.5
21	Singapore	11.2
22	Italy	10.1
23	South Korea	9.8
24	Thailand	9.3
25	Netherland	8.8
26	South Africa	8.0
27	Malaysia	6.3
28	Japan	2.9
29	Taiwan	1.5
30	China (PR)	1.1



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