



## Sri Lanka Tourism Promotion Bureau

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Ministry of Tourism Development, Wildlife & Christian Religious Affairs

10<sup>th</sup> July 2019

**Circular to the Industry**

### **POLICY ON JOINT PROMOTIONS WITH TOUR OPERATORS** **VALIDITY PERIOD 1<sup>ST</sup> OCTOBER 2019 – 30<sup>TH</sup> SEPTEMBER 2020**

This is to inform you that a decision has been taken by the Board of Management of SLTPB and subsequently by the Cabinet of Ministers to support overseas tour operators for a joint marketing campaign during 01<sup>st</sup> October 2019 – 30<sup>th</sup> September 2020. The proposals are called from respective tour operators through their local DMCs who fulfil the below criteria.

- The respective local DMC should be registered with Sri Lanka Tourism Development Authority (SLTDA) and had paid Tourism Development Levy (TDL) during the last three years (2016, 2017, 2018)
- Any overseas tour operator who generated at least 250 pax during 2018 to Sri Lanka is eligible to seek support for joint marketing and promotional activities in selected source markets.
- Each Tour Operator should submit the preceding three years of total pax generated to Sri Lanka (2016, 2017 and 2018) certified by the local DMC for respective year.
- The number of tourists generated by each tour operator is taken into account in calculating the amount of promotional funds to be granted
- Each pax generated will be equivalent to funding of US\$ 10 from SLTPB

Eg : A Tour operator who commits to generate 1,000 passengers during the period under review will be eligible for marketing support worth of USD 10,000 by SLTPB. With the equal funding of USD 10,000 by the Tour Operator, a total campaign worth of USD 20,000 can be jointly carried out.

For further details, please refer the attached policy document.

Any interested operator could send their proposals as per the attached submission form through the local DMCs addressed to Chairman, Sri Lanka Tourism Promotion Bureau, No. 80, Galle Road, Colombo 03 and hand over to Ms. Priyanga Subashini at Marketing Division.

Proposals via e-mail will not be accepted and kindly mark "JOINT PROMOTIONS WITH TOUR OPERATORS- Country" on the left hand corner of the envelope.

The deadline to submit the proposals will be on or before 15<sup>th</sup> August 2019.

For any clarifications, please contact Ms. Madubhani Perera, Director/Marketing by email [madu@srilanka.travel](mailto:madu@srilanka.travel)

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**VALIDITY PERIOD 1<sup>ST</sup> OCTOBER 2019 – 30<sup>TH</sup> SEPTEMBER 2020**

**01. Background & Rationale**

Sri Lanka Tourism received 2.33 million overseas visitors in 2018 and earned foreign exchange revenue of US\$ 4.4 billion. However, a target of 4mn overseas visitors and revenue of US\$ 7 billion by 2020 was set as per the Tourism Strategic Plan 2017 – 2020.

Given the current situation after 21<sup>st</sup> April incident, it is recommended that joint promotions with tour operators to be implemented as a recovery strategy that would boost the tourist arrivals to Sri Lanka in the short term.

It is observed that Sri Lanka's competitive destinations such as Thailand, Malaysia and Singapore directly enter to such joint promotional activities with Tour operators to attract tourists from key markets.

In the proposed initiative, the focus will be on top 15 source markets/Regions for Sri Lanka to leverage on current visibility, long term presence and potential for conversion. Further, this can induce direct air connectivity for scheduled/charter operations that is much needed.

**02. Objectives of Joint Promotion**

- 2.1 To achieve a reasonable growth in the tourist arrivals to Sri Lanka
- 2.2 To attract higher spending visitors and to provide experiential and memorable tours of authentic and diverse in a compact destination including niche experiences.
- 2.3 To put in place an effective promotional instrument which is capable to enhance the Current growth rate of arrival/yield.
  - 2.3.1 To increase arrival of overseas visitors particularly during the prevalent low occupancy period which includes May to July and September to November.

**03. Guiding Principles**

- 3.1 Establish a transparent and outcome-based policy initiative to jointly promote the destination with overseas tour operators based on
  - Integrity and financial standing of the Tour Operator (collaboration should be purposeful).
  - Disclose mutually consented information and maintain the transparency in all related transactions by respective Tour Operators
- 3.2 The proposed joint promotional initiative should induce to commence additional/new scheduled/charter flight operations to Sri Lanka
- 3.3 The proposed joint promotional strategy/plan should widen and deepen the visibility of Sri Lanka in Europe, Asia and other Middle Eastern countries substantially.
- 3.4 If required, separate proposals can be submitted by tour operators for each country.

#### **04. Eligibility**

- 4.1 The respective local DMC should be registered with Sri Lanka Tourism Development Authority (SLTDA) and had paid Tourism Development Levy (TDL) during the last three years (2016, 2017, 2018)
- 4.2 Any overseas tour operator who generated at least 250 pax during 2018 to Sri Lanka is eligible to seek support for joint marketing and promotional activities in selected source markets.
- 4.3 Each Tour Operator should submit the preceding three years of total pax generated to Sri Lanka (2016, 2017 and 2018) certified by the local DMC for respective year
- 4.4 The number of tourists generated by each tour operator is taken into account in calculating the amount of promotional funds to be granted
- 4.5 Each pax generated will be equivalent to funding of US\$ 10 from SLTPB

Eg : A Tour operator who commits to generate 1,000 passengers during the period under review will be eligible for marketing support worth of USD 10,000 by SLTPB. With the equal funding of USD 10,000 by the Tour Operator , a total campaign worth of USD 20,000 can be jointly carried out.

#### **05 Countries to be covered**

5.1 Tour Operators promoting Sri Lanka in the primary markets and secondary markets will be considered for this joint promotion - UK, Germany, France, Russia, Ukraine, Italy, Benelux (Belgium & Netherlands), Scandinavia, (Norway, Sweden, Finland , Denmark ) Australia, India, China, Japan, Korea, GCC Countries, ( UAE, Saudi Arabia, Oman, Qatar, Kuwait, Bahrain), Israel

#### **06. Budget Allocation**

6.1 SLTPB will initially allocate a budget of LKR 150 mn. out of 2019 Budget for this joint Promotion and budget will be further enhanced if required with the approval of Cabinet of Ministers.

#### **07 Funding Mechanism,**

7.1 Tour Operators who are eligible under above criteria could submit their proposals through their local DMC addressed to the Chairman, Sri Lanka Tourism Promotion Bureau on or before 15<sup>th</sup> August 2019 which is the deadline to submit the proposals. The proposal should contain the following:

- A brief profile about the Tour operator and its business and customer base
- Proposal should contain a promotional strategy and a plan of activities/deliverables
- Breakdown of activities of the campaign with timelines
- Cost of each activity with monthly/quarterly cash flow requirement
- Expected targets in arrivals and yield
- Other proposed key performance campaign measures
- No. of clients generated in 2016, 2017 and 2018

## **General**

- 8.1 **Relevant information should be filled by both DMC and foreign tour operator in the submission Form.( as indicated in page 4 )**
- 8.2 **The proposed cost details should be indicated in US\$ only.**
- 8.3 **All proposals will be evaluated by the project committee appointed by Cabinet of Ministers and approval will be given for activities that will be mutually beneficial for both parties.**
- 8.4 **The Project Committee has the right to decide on maximum ceiling amount of the campaign value per tour operator and also has the right to reject any proposals which are incomplete and non compliance with the criteria.**
- 8.5 **The agreed promotional activities should be implemented within the time frame agreed for each proposal during the relevant period (1<sup>st</sup> October 2019 – 30<sup>th</sup> September 2020).**
- 8.6 **A Tri Party agreement to be signed among the tour operator, local DMC and SLTPB prior to implementation of the proposal.**
- 8.7 **SLTPB will not be responsible financially or otherwise for any campaigns commenced without its written consent.**
- 8.8 **All communicating materials should feature "Sri Lanka "preferably with "So Sri Lanka" brand**
- 8.9 **Visuals should not contain any thing that may bring disturbance to Sri Lanka culturally, socially or politically.**
- 8.10 **Direct Contact person of tour operator at base should be submitted.**
- 8.11 **Call to actions - any links or website featured in any activities.**

### **09. SLTPB shall require the following documents when settling the final invoices after the completion of the campaign with achieved target arrivals:**

- i. Invoice from tour operator
- ii. Proof of all marketing/communication activities carried out (e.g. copies of direct mailers, pamphlets, posters, paper ads etc)
- iii. Certification from DMC with regard to no. of pax generated by the tour operators during the period under consideration and certification of inward remittances
- iv. A copy of the signed contract

If any tour operator was unable to fulfill the committed target arrivals within the prescribed period, SLTPB will be able to settle the invoice towards the marketing activities on proportionate basis.

Eg: If a tour operator was unable to achieve a committed target of 1,000 pax (actually generated only 500 pax) , SLTPB will be settling payments only upto US\$ 5,000/-

Any termination of the contract shall amount SLTPB not to proceed with any balance payment with respective Tour Operator's including activities already conducted.

## SUBMISSION FORM

### Joint Promotions with Tour Operators 2019 – 2020

#### A. To be filled by the Local DMC

Name of the Local DMC in Sri Lanka	
SLTDA Registered No of the DMC	
No. of pax generated by tour operator in 2016	
No. of pax generated by tour operator in 2017	
No. of pax generated by tour operator in 2018	
Total TDL paid by DMC - 2016	
Total TDL paid by DMC - 2017	
Total TDL paid by DMC - 2018	

#### B. To be filled by the foreign tour operator

Name of the tour operator	
Profile of the company (attach separately)	
Target country to carry out the campaign	
No. of projected pax 1/10/2019 – 30/9/2020	
Total value of the campaign	
Expected contribution from SLTPB	

#### C. Commitment of Airlines (Optional)

	Name of the Airline	No. of seats reserved/ chartered
1		
2		

#### D. Print / Electronic Media

No	Marketing Activity	Medium Print/Electronic	No. of circulation / viewership	Total cost of the activity US\$	Cost to tour operators US\$	Cost to SLTPB US\$	Remarks
1							
2							
3							

#### E. Digital and Social Media

No	Marketing Activity	Medium	No. of views / clicks /etc.	Total cost of the activity US\$	Cost to tour operators US\$	Cost to SLTPB US\$	Remarks
1							
2							
3							

If required, add similar forms depending on the proposals