## Potential for Development of Eco-Tourism in Sri Lanka

Y.M. Sunanda Maddumabandara,

Department of Economics, University of Kelaniya. Sri Lanka. smadduma@yahoo.com

Tourism is a major industry that contributes to the economic and social development of Sri Lanka by way of foreign exchange earnings, employment generation, income creation and generation of government revenue. Tourist traffic to the country soared from 1968 onwards until the eruption of ethnic conflict in 1983. Arrival plunged sharply due to the ethnic conflict from that year but arrival increased sharply with the improvement of the security situation in the early 1990s.

This research analyses the potential for development of eco- tourism as a means of improving the tourist industry in Sri Lanka in a environmental friendly way. The degradation of the environment, damages to natural habitat of fauna and flora and the coral reef are some of the negative aspect associated with the tourist industry in Sri Lanka. This paper deals with the problem of how Sri Lankan tourist industry revitalizes and develops without endangering the environment and quality of life of the nation. Information was gathered through visit to tourist areas, conducting interviews with government officials, trade representatives and people related to tourist industry. Secondary data were collected from Central Bank of Sri Lanka and Tourist Board are used extensively for the study.

The finding of research reveals that Sri Lanka can benefit much more than present context of tourist industry by promoting eco- tourism. The bio- diversity, different type of forests, beaches, and wild life in natural forest enhance the Sri Lanka's potential to promote eco- tourism. Tourism has been one of the fastest growing and most dynamic sector of the economy in the early seventies but it's contribution to the economy declined since 1983. If Sri Lanka can concentrate more on eco- tourism Sri Lanka can benefit from the tourist industry without endangering it's social, cultural and environmental values.

Key words: eco-tourism, tourist Industry, bio-diversity, wildlife, natural forest.