

Colombo prices are shot down by guerrilla war (1986, April 30) The globe and mail.

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COLOMBO

At night the fronts of Colombo's five-star hotels are checkered with black windows. The empty rooms are the most obvious wounds inflicted on Sri Lanka's once-booming tourist trade by a separatist war raging in the north and east of the island in the Indian Ocean.

The number of tourists from Western Europe, North America and Australia has been steadily dropping since bloody riots by majority Sinhalese against Tamils shook Colombo in July 1983.

The loss of tourism coupled with a crash in the price of tea, the country's main export, has strained a treasury increasingly drained by spending on men and arms to combat Tamil separatist guerrillas.

The guerrillas have largely spared the streets of the capital and the palm-fringed beaches to the south. The only war in Colombo seems to be between hotel managers cutting prices to attract customers.

The city now boasts some of the cheapest luxury rooms in Asia. A five-star room, which four years ago cost the equivalent of \$140 Canadian a night, can now be had for about \$40. Some recently opened hotels offer rates as low as \$30.

"It is a ridiculous situation," complained one manager. "We had a cartel agreement not to drop below a certain price but now even that has been broken."

The hotels, planned a decade ago when free-spending West Germans, French and Italians flocked to the tropical island during the European winter, are now often two-thirds empty.

It has been a severe blow to Sri Lanka's agriculture-based economy which relied on tourism for nearly 10 per cent of its precious foreign exchange earnings, economists said.

Tourist arrivals dropped to 257,000 in 1985 from 407,000 in 1982, said Tourist Board director H. M. S. Samaranayake.

Resorts on the east coast, scene of some of the bitterest clashes between the army and guerrillas, have shut down completely. Those left on the west coast are hoping to ride out the storm by cutting rates.

Colombo has about 2,000 five-star rooms and will get another 450 early next year when a Hilton hotel is completed.

The Tourist Board thinks the worst could be over, citing a slight increase in tourist arrivals in January and February compared with a year ago. But hoteliers remain skeptical.

So far the government of President Junius Jayewardene, which opened up Sri Lanka's socialist-model economy to foreign capital in 1977, has managed to hold down inflation and attract large amounts of western aid and soft loans. But much of the northern tip of the country, which is controlled by the guerrillas fighting for a separate Tamil state, has been taken out of the national economy.