

NEW ZEALAND
FOREIGN AFFAIRS & TRADE
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Sri Lanka's Expanding Tourism Market: Opportunities for New Zealand

MARKET INTELLIGENCE REPORT

Summary

- Sri Lanka's tourism sector is experiencing strong growth and is a central pillar of the country's economic recovery strategy, with the Government aiming to double tourism revenue by 2030. This growth creates opportunities for New Zealand businesses, particularly in premium food and beverage exports, wellness products, adventure and marine tourism.

Report

Strong Tourism Growth

Sri Lanka’s tourism sector is recovering strongly from the pandemic and the country’s 2022 economic crisis. International arrivals reached 2.36 million in 2025, up 15% from 2024, and tourism receipts exceeded US$3.2 billion. The Government is targeting 4–5 million annual arrivals by 2030 and a doubling of tourism receipts to more than US$8 billion.

The Government has made tourism a priority in its economic recovery and growth strategy. The Ministry of Tourism, Sri Lanka Tourism Development Authority, Sri Lanka Tourism Promotion Bureau and Board of Investment are the main public-sector actors, supported by the Sri Lanka Institute of Tourism & Hotel Management on workforce development and by industry on standards, product development and marketing.

Substantial public and development-partner investment is planned. This includes a nearly US$20 million global destination marketing campaign for 2026–2029, a negotiated US$300 million Asian Development Bank tourism revitalisation package, and a US$200 million World Bank programme focused on heritage, resilience, inclusion and value-driven employment. Investments are being directed towards higher-value and more diverse tourism, including conferences & exhibitions; wellness; adventure and eco-tourism; alongside greater private investment in hospitality, aviation and supporting infrastructure.

International connectivity is comparatively strong and continuing to expand. SriLankan Airlines serves around 35 destinations and connects to more than 100 countries through codeshares; New Zealand travellers can connect through Australia or Southeast Asia. Colombo’s Bandaranaike International Airport handled more than 10 million passengers in 2025 despite a design capacity of 6 million, with expansion planned to lift capacity to 15 million.

New Zealand remains a small tourism source market, although arrivals increased from 8,300 in 2023 to 12,600 in 2025. Sri Lankan agencies are increasing engagement with New Zealand through trade roadshows, familiarisation visits and outreach to businesses, industry bodies and universities.

Opportunities

Strong sector growth and public and private investment provide opportunities for New Zealand businesses across the sector, including national policy development, sector standards and capability building, experience development, visitor infrastructure, health and safety, hotels and transport, and food and beverage items and ingredients. Market segments of strong growth include conferences and exhibitions, adventure sports, marine recreation and ecotourism, and medical and wellness tourism.

Specific tourism opportunities and segments

Food and Beverage

Foreign investment in Sri Lanka's tourism ecosystem is expanding rapidly across hospitality and adjacent sectors. International hotel operators, including Shangri-La, Marriott, Sheraton, and ITC Hotels, are actively entering or expanding, alongside large-scale integrated developments, signalling strong foreign participation in luxury tourism and high-spend visitor segments. These properties, and adjacent high-quality restaurants and cafes, are driving demand for imported premium food, beverage and hospitality-related imports, including wines, meats, cheeses, temperate fruits, and chocolate.

New Zealand already enjoys a strong commercial presence and trusted brand-recognition in Sri Lanka through its long-standing dairy exports. In 2025 New Zealand dairy exports were valued at NZ$532.75 million, however the product basket is narrow and largely skewed towards whole milk powder. Australia in contrast exports wine and beef.

Adventure sports and marine recreation

Sri Lanka enjoys a rich and varied cultural and natural heritage (eight UNESCO World Heritage Sites), enviable biodiversity (one of 36 global hotspots for biodiversity), and 1,585 km of coastline. Its diverse landscapes, ranging from ocean and beaches to mountains and forests, are increasingly attracting adventure tourists seeking to hike, trek, bike, surf and dive.

Broader infrastructure upgrades and regional tourism zone development plans, particularly in the underdeveloped North and East of Sri Lanka, aim to unlock coastal destinations around the island. Simultaneously, local and foreign-backed investments in adventure sports – including hiking, rock-climbing, and water sports are expanding Sri Lanka's marine and nature-based tourism offering.

The Colombo Port City megaproject has an ambitious medium-to-long term plan to position itself as a regional lifestyle and tourism hub with marinas, waterfront leisure, and integrated resorts. A series of tax concessions and investment incentives, tied to the scale of investment are set out in the Colombo Port City (Guidelines on the Grant of Exemptions or Incentives to Businesses of Strategic Importance) Regulations, No. 1 of 2025(external link)).

Wellness

Wellness tourism has been identified in the National Tourism Policy as a niche market, with potential for greater growth and increasing visitor spend, extending average length of stay, and reducing dependence on mass tourism. As a result, Sri Lanka is increasingly positioning itself as a premium wellness, medical and Ayurvedic tourism destination. It is well positioned to do so with an internationally recognised Ayurveda tradition, indigenous healing practices, year-round tropical climate, biodiversity and a growing network of specialised wellness resorts and private healthcare facilities. Yoga and meditation, packages promoting traditional medicine and healthy diets, and preventive healthcare experiences are increasingly being marketed to foreign visitors.

Current wellness tourism demand is driven primarily by European markets, with Germany and the United Kingdom representing the largest source markets for health and wellness visitors though industry is proactively trying to target new markets. Given long-standing interest from Europe, the sector has also benefited from European investment and expertise to help shape product and package development, access markets, and upgrade wellness standards and workforce capabilities.

Opportunities exist for New Zealand wellness food and beverage products such as mānuka honey, natural health products, functional foods, nutraceuticals and wellness-oriented ingredients to be integrated into Sri Lankan spa, wellness retreat and hospitality offerings.

Further Information

National Tourism Policy(external link)
Sri Lanka Tourism Development Authority (SLTDA)(external link)
Sri Lanka Institute of Tourism & Hotel Management(external link) (SLITHM)
Sri Lanka Tourism Promotion Bureau(external link)
Sri Lanka Board of Investment – Tourism and Leisure(external link)
Export Development Board - Ayurveda Treatment and Wellness(external link) Sri Lanka Expo 2027(external link)
The Ceylon Chamber of Commerce(external link)
Sri Lanka(external link) Australia New Zealand Business Council (SLANZBC)
New Zealand High Commission in Colombo(external link)
Sri Lanka High Commission in Wellington

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