

# **Mattala: Attracting Business into a Lonely Airport**

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## **Executive Summary**

*Despite commencing operation in 2013, Sri Lanka's second international airport, the Mattala International Airport (MIA), has come under criticism both locally and internationally for accruing 'unbearable debt' and for being a white elephant project of former Sri Lankan President Mahinda Rajapaksa.*

*The MIA has not been able to live up to expectations, as few airlines placed their bets on Mattala, and later ceased service, turning it into a 'ghost airport'.*

*In July 2018, the government called for proposals from both local and international investors for a joint venture to make MIA operational. Against this backdrop, this paper examines the reasons as to why the airport became an example of a failed infrastructure project and identifies some areas which may help in making it profitable.*

## **Introduction**

The Mattala International Airport (MIA) made headlines on 5 July 2018 following reports that the Airport Authority of India (AAI) is taking control of 70 per cent of the airport in a joint venture with the Government of Sri Lanka - the first time the Indian authority is taking over an international airport outside of India. The reported estimated value of the investment by AAI varies between US\$210 million (S\$288.54 million)<sup>1</sup> to US\$325 million (S\$446.55 million)<sup>2</sup> for a period of 70 years.

Sri Lankan government cited 'unbearable debt', resulting from borrowings of the previous government, as the reason for a joint venture. *The Hindu* quoted then Civil Aviation Minister Nimal Siripala De Silva informing Sri Lankan parliament that during the open call for proposals of interest from local and international businesses, only the AAI responded. Sri Lanka's then opposition alleged that the MIA was offered to India to please the power

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<sup>1</sup> "India ready to discuss running loss-making airport as joint venture: Sri Lankan minister", *The New Indian Express* (08 July 2018), <http://www.newindianexpress.com/world/2018/jul/04/india-ready-to-discuss-running-loss-making-airport-as-joint-venture-sri-lankan-minister-1838228.html>. Accessed on 15 September 2018.

<sup>2</sup> Bandual Sirimanna, "Indian Airports Authority to take over Mattala Airport", *The Sunday Times* (15 July 2018) <http://www.sundaytimes.lk/180715/business-times/indian-airports-authority-to-take-over-mattala-airport-302373.html>. Accessed on 15 September 2018.

struggle between New Delhi and Beijing<sup>3</sup> and raised concerns over the security impact of this deal.<sup>4</sup>

Similarly, concerns were raised in India and world over. The Indian concern was targeted at the financial sustainability of investing in an airport not in operation since its opening. International scholars noted geopolitical competition as the motive for India to purchase the empty airport, mentioning India buying the airport “may be just to keep it empty”.<sup>5</sup> In late July 2018, the Indian Minister of State for Civil Aviation Jayant Sinha denied any proposal concerning the MIA.<sup>6</sup> As of the time of writing this paper, discussions and debate on India taking a controlling stake in Mattala continue in Sri Lanka’s mainstream media and political circles despite Indian denial.

Central concerns over any investments in MIA stays clear of commercial viability. Since the beginning, it has been overshadowed by political and geopolitical implications, with little discussions on making it a profitable business venture. It is important to shed light into that blind spot, discuss the viability and usability of the airport, so that future investors will eye it beyond its geopolitical significance.

## Mattala International Airport

Mattala International Airport (MIA),<sup>7</sup> the island’s second international Airport, was built 241km south-east of Colombo. Another mega development project with loans from China under the former President Mahinda Rajapaksa, it drew both local and international attention since its construction phase. Despite being endorsed by the government as an alternative international airport and a gateway to develop one of the least-developed areas of the country, it received negative criticism. Infamously, it was alleged as a “white elephant project” of President Rajapaksa. Resulting from its failure to attract any business, it was also named the “world’s emptiest airport”.

The MIA is built with a capacity to handle one million passengers, 50,000 tons of cargo, and 6,250 air traffic operations per annum by 2028. The Phase I cost US\$209 million (\$285.88

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<sup>3</sup> “India to gain control of Mattala airport in Sri Lanka”, *The Hindu* (06 July 2018) <https://www.thehindubusinessline.com/economy/logistics/india-to-operate-mattala-airport-in-sri-lanka/article24347909.ece>. Accessed on 15 September 2018.

<sup>4</sup> For instance, Chief Opposition Parliamentarian and the Leader of *Janatha Vimukthi Peramuna (JVP)* Anura Kumara Dissanayake and Opposition MP Kanaka Herath emphasized that “issues with national interest should be considered over losses or economic benefits of the airport” for they are significant in domestic and international wars. See: “Giving Mattala Airport to India dangerous: JVP”, *Daily Mirror* (19 July 2018) <http://www.dailymirror.lk/article/Giving-Mattala-Airport-to-India-dangerous-JVP-152942.html>. Accessed on 15 September 2018. See also: Skandha Gunasekara, “SL, India 40-year joint venture for Mattala Airport”, *Daily FT*, Jul. 06, 2018, <http://www.ft.lk/news/SL--India-40-year-joint-venture-for-Mattala-Airport/56-658467>. Accessed on 15 September 2018.

<sup>5</sup> David Brewster, “Why India is buying the world’s emptiest airport”, *Lowy Institute*, <https://www.lowyinstitute.org/the-interpretor/why-india-buying-world-s-emptiest-airport>. Accessed on 20 August 2018.

<sup>6</sup> “No proposal for AAI to take controlling stake in Sri Lanka's Mattala Airport: Minister”, *Times of India* (26 July 2018) <https://timesofindia.indiatimes.com/business/india-business/no-proposal-for-aa-i-to-take-controlling-stake-in-sri-lankas-mattala-airport-minister/articleshow/65151499.cms>. Accessed 15 September 2018.

<sup>7</sup> It is also known as the Hambantota International Airport, Mattala Rajapaksa International Airport.

million) of which US\$190 million (S\$259.89 million) was borrowed from the Exim Bank of China. As at first phase of its completion, it is equipped with a passenger terminal spreading across 10,000m<sup>2</sup>; duty-free area of approximately 92,000m<sup>2</sup>; 12 check-in counters with inline baggage screening; 20 immigration and emigration desks; three lounges; two contact gates; and two passenger boarding bridges. With a run-way 3,500m long, MIA can accommodate even A380 flights. A concessional loan of US\$100 million (S\$137.39 million) was borrowed from the Exim Bank of China for the second phase while awarding constructions to China Harbor Engineering Company for expansion and upgrading facilities.

## **Expectations versus Outcome**

### Expectations

The expectation of the MIA was not limited to its role as an alternative airport but to facilitate the upliftment of economic conditions of the people in the vicinity. The following are some expectations:

#### *Alternative Airport*

The MIA's primary objective was to serve as an alternative air transport link to Sri Lanka by diverting air traffic to avoid congestion at the BIA. A review of atmospheric suitability of its positioning has confirmed an overall 95 per cent suitability for this purpose. Following the post-war development agenda of making the country a hub in the Indian Ocean Region, Hambantota was planned as an air and marine exchange operation center. The development of the MIA fitted into this plan. Given the preferable climatic and meteorological conditions, and basic facilities in conformity with international standards, it was expected to be a success with an increase cargo handling, passenger arrivals and air traffic operations from day one.

The MIA also expected to play a significant role in the development of the eastern and southern coastlines of the island with a plan of building an investment center in Hambantota. It was also expected to facilitate the creation of economic and investment opportunities in the island.

#### *Poverty Elevation*

The MIA was also expected to facilitate development of the economically backward southern area of Sri Lanka, supporting industrial growth and businesses, and creating direct/indirect employment in the nearby districts subjected to long term poverty. Youth unemployment, being a major issue, resulted in revolts and strikes against the government from time to time. In fact, Hambantota and adjoining districts reported severe levels of poverty in Sri Lanka for many years (Table 1). In response, the "Hambantota City Development Project" was proposed by the government in 1994, which included a port and an airport, in its effort of prioritizing the Southern Province.<sup>8</sup>

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<sup>8</sup> Government of Sri Lanka, Auditor's General Department, Performance and Environment Audit Division, *Selection of Mattala as the Alternative International Airport of Sri Lanka and its Operations*, Report No. PES/PE/MA/2015/02

**Table 1: Poverty Head Count Ratio (Selected Years)**

	1990	1995	2002	2006
<b>Sri Lanka</b>	<b>26.1</b>	<b>28.8</b>	<b>22.7</b>	<b>15.2</b>
Ampara	N/A	N/A	N/A	10.9
Badulla	31.0	41.0	37.0	23.7
Galle	29.7	31.6	25.8	13.7
Hambantota	32.4	31.0	32.2	12.7
Matara	29.2	35.0	27.5	14.7
Moneragala	33.7	56.2	37.0	33.2
Ratnapura	30.8	46.4	34.0	26.6

Source: Department of Census and Statistics

### *Business Development*

A proposed export zone in close proximity of the Hambantota Port, as a primary focus of the MIA, was expected to boost exports of bumper crops of agricultural, horticultural and fisheries products in surrounding neighborhoods.

Neighbouring districts<sup>9</sup> are an agricultural zone where farmers export agricultural bumper crops and horticulture products through Bandaranaike International Airport (BIA) – the only other international airport of the country. Given the distance to BIA and short-term perishable nature of the products, farmers do not reap the maximum benefits of exporting excess harvest. As the unavailability of an air transport facility in close proximity hindered reaching out to export markets, the opening of the Matala airport was expected to eliminate that issue. Moreover, there was hope that the export of fish bumper harvest too will increase with this airport.<sup>10</sup>

Given the close proximity of a number of renowned tourists' attractions to MIA, tourism on the southern coastline was expected to boom. .

### Outcome

Despite attractive facilities and many advantages for direct/indirect revenue generation, the Mattala airport ended a failed business venture inflicting expenditure.

<sup>9</sup> Farmers of Moneragala, Badulla, Ampara, Bandarawela and Welimada produce of vegetable, fruit, cereal, livestock products for exports

<sup>10</sup> Mirissa, Devinuwara, Kudawella, Tangalla, Hambantota and Kirinda fisheries harbors are in close proximity to Mattala Airport.

**Table 2: Services at Mattala Airport**

Year	Total Passenger Movement		Aircraft Movement		Cargo Handling (Metric Tons)	
	BIA	MIA	BIA	MIA	BIA	MIA
2013	7,300,000	34,147	50,680	1,514	191,000	45,000
2014	7,800,000	20,474	55,228	2,984	192,000	69
2015	8,499,449	6,291	55,112	1,044	220,403	19
2016	9,337,493	6,207	64,693	1,317	253,941	327.9
2017	9,805,045	16,720	64,903	1,418	N/A	N/A

Source: Annual Reports, Civil Aviation Authority Sri Lanka and Annual Reports, Airport and Aviation Services (Sri Lanka) Ltd

The MIA began with significance yet failed to maintain momentum without passengers or airlines (Table 2). Nor did it divert the air traffic or ease the congestion at BIA. As of 2015, local airlines SriLankan and Mihin Lanka halted operations at MIA citing a lack of passenger attraction. Only two international airlines (Fly Dubai and Rotana Jet) continued operations until June 2018.<sup>11</sup> On the contrary, the BIA continues to grow significantly.

Nonetheless, the cost incurred in MIA continued to rise. According to the Sri Lankan Auditor General's Report, the MIA has generated an income of merely US\$0.3 million (S\$0.4 million) and US\$0.84 million (S\$1.15 million) in 2013 and 2014 respectively. The cost incurred for employee salaries, utilities and maintenance alone was US\$13.28 million (S\$18.29 million) and US\$17.67 million (S\$24.34 million) for the same. The new government's decision to cease aircrafts operation of the two national carriers - SriLankan and Mihin Lanka - in 2015 due to incurring losses reduced the administration cost, yet maintenance cost continued.

Additionally, the loan repayment has begun despite operational failure of the MIA. The first installment of US\$8.4 million (S\$11.54 million) had been paid in September 2015<sup>12</sup> using short term Dollar deposits of the Airport and Aviation Services (Sri Lanka) Company Ltd.<sup>13</sup> Further, a total of US\$12.10 million (S\$16.91 million) was paid by Sri Lanka's Treasury as Management Fees, Commitment Fees and interest on the loan between 2010 to 2015.

## Reasons for Failure

From planning to construction and beyond, multiple reasons have caused the failure of the MIA, of which some are described below.

<sup>11</sup> As of June 2018, only Fly Dubai used the Airport, but ceased its operation in June 2018 citing it as uneconomical. See more: "Flydubai ceases operations at MRIA", *Daily Mirror* (08 June 2018) <http://www.dailymirror.lk/article/Flydubai-ceases-operations-at-MRIA--151044.html>. Accessed on 15 September 2018

<sup>12</sup> Government of Sri Lanka, Auditor's General Department, Performance and Environment Audit Division, *Selection of Mattala as the Alternative International Airport of Sri Lanka and its Operations*, Report No. PES/PE/MA/2015/02

<sup>13</sup> Airport and Aviation Services (Sri Lanka) Ltd is a government owned company which manages and develops civil airports in Sri Lanka.

### Hazardous nature caused by wild animal movement

One of the key factors that made MIA uninviting for airline operations was the disaster-prone nature of the run-way. Multiple incidents of bird collisions of aircrafts were reported since its inception.<sup>14</sup> The first bird strike in March 2013 during a SriLankan Airlines test flight operation between Colombo and Mattala was widely reported in the media, sending alarm bells ringing to prospective airlines even before the official opening. Later, frequent movement of wild elephants was reported around the airport since the location had originally been an elephant corridor between the two national parks near the airport where wildlife relocation had been forceful.<sup>15</sup>

### Lack of Coordination with Airlines

A lack of consultation and coordination with airlines during the planning stage and throughout, is evident from responses regarding utilization of the airport. Except a few airlines, every other showed no interest in using the MIA, showing a lack confidence in services or a lack of agreement on MIA as a solution for rising air traffic congestion at the BIA. It was evident that the government could have utilized the knowledge possessed by airlines on expected passenger services and type of expected air traffic from a newly built airport during the planning stage itself.

### Lack of Long-term Plan for Operation

The ambiguity of the long-term operational strategy, a lack of well-developed marketing strategy and a comprehensive action plan triggered failed objectives. According to the Auditor General's Report, the action plan has not properly been implemented since commencement of operations, except ad-hoc, yet high-cost marketing activities.<sup>16</sup> Without groundwork preparation for the industries and the demand centers to attract business, it is preposterous to expect that industries would be boosted just by building an airport.

### Domestic Politics and Geopolitics

Inevitably, domestic politics and geopolitics contributed significantly to the negative publicity attracted by the airport. The MIA, like many other infrastructure projects such as Hambantota Port, Lotus Tower and Nelum Pokuna Theatre initiated by President Rajapaksa, was linked to "waste, the indulgence and the lack of transparency of the Rajapaksa

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<sup>14</sup> According to Civil Aviation Authority Sri Lanka's Annual reports three bird strikes have occurred in 2013; 16 in 2014; 12 in 2015 and five in 2016.

<sup>15</sup> Mattala Airport is situated in close proximity to national parks and wetland eco systems. The Environmental Impact Assessment has identified this as potentials to boost tourism. It has not identified the issues that could rise from wild animal movement which would require management and mitigation prior to commencement of operation.

<sup>16</sup> Government of Sri Lanka, Auditor's General Department, Performance and Environment Audit Division, *Selection of Mattala as the Alternative International Airport of Sri Lanka and its Operations*, Report No. PES/PE/MA/2015/02

regime”<sup>17</sup> and debt incurred from China. The newly appointed government’s decision to cease the operations of the two national carriers<sup>18</sup> after coming to power in 2015 indirectly confirmed fears and doubts other airlines had on the viability of the airport. A statement released by the SriLankan airlines was quoted by many international media as saying that MIA is not needed and only a distraction in its effort for development and financial improvement. Furthermore, The Paddy Marketing Board utilized the airport premises as a storage facility during the excess paddy harvest. Existing government used this moment to ridicule the former government on their development activities and vice-versa. Thus, the semantics of the flagship carrier’s statement on the occasion of cessation of its services and repetitive actions of the government in power degraded the value of the airport causing damage to its image.

Added to this was the brewing competition between regional and extra-regional powers in South Asia and the Indian Ocean. The tussle for power for influence in Sri Lanka among China, the US and India often translates into the latter criticizing every investment from China in Sri Lanka as Beijing’s effort to bring Colombo under a debt trap. As a result, the MIA received more publicity as a questionable Chinese investment than an airport of its own.

## **Conversion to a Profitable Venture**

Infrastructures are built for the foreseeable future. Once built from loans, the loan pressure for repayment makes attaining a profitable level of operations urgent, a reality the Mattala Airport cannot escape from. Thus, a discussion of strategies on profit is not just timely, but pragmatic.

### Re-Branding and Marketing

Re-branding and marketing should be the first strategies of reviving the MIA. The current brand name carries the image of an unwanted airport and a quintessential example of a debt trap, which affects business viability. Thus, rebranding and marketing should focus on its unique characteristics and services offered.

The MIA is designed to ensure ecological balance, utilizing natural renewable sources for building and renewable energy sources, thus reducing its carbon footprint.<sup>19</sup> In days where environmental protection and ecotourism are key aspects, that could give the airport a new identity. Manual relocation of wild animals and birds to facilitate organic change in their behavioral patterns would be of definite help.

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<sup>17</sup> Max Bearak, “Sri Lankan ex-president’s vanity airport project grounded by cash crunch”, *Aljazeera America*, <http://america.aljazeera.com/articles/2015/3/31/Sri-Lankan-ex-presidents-vanity-airport-project-grounded-by-cash-crunch.html>. Accessed 20 September 2018.

<sup>18</sup> “SriLankan Airlines & Mihin Lanka outlook improves following strategic adjustments by new government”, *CAPA Centre for Aviation* (12 February 2015), <https://centreforaviation.com/analysis/reports/srilankan-airlines--mihin-lanka-outlook-improves-following-strategic-adjustments-by-new-government-209316>. Accessed 20 September 2018.

<sup>19</sup> “Mattala Rajapaksa (formerly Hambantota) International Airport”, *Airport Technology*, n.d., <https://www.airport-technology.com/projects/hambantota-international-airport/>. Accessed 20 August 2018.

In promoting the MIA for its original purpose i.e. as an alternative airport, it's utility to avoid congestion and diverting traffic from BIA should be highlighted. For instance, the diversions of international aircraft from the BIA to the MIA since its operation should be given more publicity.<sup>20</sup>

The MIA can also be marketed as a milestone of ensuring safety of aircrafts flying in the zone. The need of an alternative airport was felt more than ever when the operation of the BIA was disrupted due to terror attacks and LTTE threats. Moreover, aircrafts flying in the Sri Lankan Zone used neighboring airports such as India and Maldives for emergency landings. Since the end of the war, there has been an increase in the aircrafts using the Sri Lanka aviation zone and naming the MIA for emergency landing, highlighting rising confidence of airlines in the country's aviation zone as well as the MIA. While the rising security due to eradication of terrorism must have been a reason, the ability of the MIA to handle bigger aircrafts like A380 would have been an added advantage.<sup>21</sup> The case in point for the investors is the revenue that the airport can generate by becoming an alternative for emergency landing.

### Services for the Airlines and Passenger Attraction

It is important for the MIA to take measures to attract airlines to utilize its available services. The first attempt would be to provide discounted and lucrative prices for provided services. The MIA already has the infrastructure in place to offer services that any airport provides – ground operations, land operations, parking, fueling, and aircraft maintenance. For instance, an automated fuel hydrant system and a state-of-art aviation refueling terminal was built in 2014. If the airport can offer these services at a lucrative rate, it would help attract airline companies to utilize the airport and the companies would not lose opportunities to make extra profit.

Simultaneously, steps should be taken to attract passengers. The MIA should take a fresh review of services and concessions it can offer to passengers using the airport. The best direct way of attracting passengers would be concessional air ticket for those travelling via the Mattala airport by reducing the custom duty concessions.<sup>22</sup>

Facilitating other passenger services such as medical services through registered medical centers in and around Mattala Airport to facilitate the migrant workers and establishing a regional centre of the Sri Lanka Bureau of Foreign Employment (SLBFE) to assist the migrant workers' registration, could be of help. As per the statistics shown in Table 3 below, a remarkable number of people emigrate for foreign employment from districts around the Mattala Airport from the southern and eastern parts and MIA is the closest airport. In the course of getting medical certification, these people have to travel to Colombo or

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<sup>20</sup> As of November 2016, there had been 14 diversions of international aircrafts to MIA due to inability to land at BIA due to bad weather, aircraft faults and refueling.

<sup>21</sup> Since Mattala became the de facto alternative airport, the number of bigger aircrafts flying in Sri Lankan aviation zone has increased. In 2013, 16,073 aircrafts of Type above A260 have used Sri Lankan route. This has increased to 31,600 in 2014. And Sri Lanka charges a fee of USD 250 per flight type >A260

<sup>22</sup> The price of the air ticket is inclusive of custom duty at the time of purchasing. Therefore, reduction in the custom duty will automatically reduce the price of the air ticket for any airline.

Kurunegala.<sup>23</sup> Similarly, a SLBFE Centre in Hambantota will help migrant workers from Badulla, Bandarawela and Moneragala to register before departing the country.

**Table 3: Departures for Foreign Employment 2017**

District	Total Departures
Ampara	14,521
Badulla	4,096
Batticaloa	15,239
Galle	10,137
Hambantota	3,302
Matara	4,157
Monaragala	1,798
Trincomalee	6,369
Total	55,422
% of Total Departures for Employment	26.1

Source: Foreign Employment Bureau Sri Lanka

The reluctance of using the airport is also owing to the difficulty in finding transportation and accommodation during late flights. There is no public transport late at night from the airport to nearby provinces, nor can they find affordable hotels or motels in the area. As a result, they opt for the BIA incurring a higher cost for them in using private transport to travel between homes and the airport.

Sri Lanka's popularity among transit passengers is another area of attraction to Mattala. According to available statistics, 1,536,640 transit passengers used Sri Lanka in 2017<sup>24</sup>, up from the 1,364,574 in 2016. After proper evaluation of the destinations of transit passengers, and the local migrant workers, Mattala can be promoted as the transit point for passengers traveling to selected destinations.

### Non-Airline Services

The airport is built to carry out air cargo operations and is equipped with a store complex, special technological equipment, including two sophisticated scanners. Thus, it has the ability to attract cargo companies by promoting these services and offer reduced tax. Apart from that, establishing training centers related to the aircraft and aviation industry – flying schools, aviation services schools and aircraft maintenance and repair workshops – in the close vicinity can help attract more stakeholders in to the airport.

<sup>23</sup> According to the regulations, the Medical Reports for migrant workers departing to Middle East should be obtained from registered Medical Centers, and there are only 15 such centers in Colombo and Kurunegala. Those from Trincomalee, Amapara, Batticaloa, Badualla and Moneragala travel to Colombo or Kurunegala to get the Medical Certificates.

<sup>24</sup> Statistics: Civil Aviation Authority, Ministry of Transport and Civil Aviation Sri Lanka, n.d. <http://www.transport.gov.lk/web/index.php/en/statistics/civil-aviation-authority.html>. Accessed 12 September 2018

## Business Development in the Adjourning Areas

It is clear that the functioning of the airport and the flourishing of businesses is interdependent and feed off one another. Hence, the development of industries and businesses in the area is important to attract people who will use the airport as their transport link. In this regard, increasing the production of products to be exported through the MIA should be given adequate attention. This requires additional investment to provide resources, consultation and training for small and medium enterprises. According to the Tourism Board of Sri Lanka, every year, a significant number of tourists visit cultural sites and nature parks in close proximity to the Mattala Airport. For instance, out of 1,527,153 tourists in Sri Lanka in 2014, a total of 318,200 have visited places around Mattala. In 2016, this has increased to 566,702<sup>25</sup> (Table 4).

**Table 4: Tourists Visiting Attractions around MIA (2016)**

Attraction	Nature of Attraction	No. of Foreign Tourists
Yala	Wild Life Park	272,835
Horton Plains	Wild Life Park	131,670
Udawalawe	Wild Life Park	127,778
Bundala	Wild Life Park	9,853
Galoya	Wild Life Park	2,072
Kumana	Wild Life Park	6,431
Lahugala	Wild Life Park	22
Kataragama	Cultural	92
Galle	Cultural	15,949

*Source: Statistical Report 2016, Sri Lanka Tourism Development Authority*

The tourism industry and the airport will receive a boost inadvertently if the airport authorities can join hands with the Tourism Development Authority by providing value added services to visitors such as discounted hotels and entrance tickets to attractions if they utilize the Mattala airport for arrival or departure.

Further, they can provide discounted air, land or even sea transport for the tourists traveling from Hambantota to the Eastern Province. For instance, the 2016 Annual Report of the Airport and Aviation Services (Sri Lanka) Ltd., states that there are quite a number of passengers using Fixed-wing and Rotter-wing air transport to cities close to Mattala from the Bandaranaike International Airport (Table 5).

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<sup>25</sup> According to the statistics of Tourism Development Authority, the total tourist arrival for the year 2016 was 2,050,832.

**Table 5: Fixed Wing and Rotter Wing Domestic carriers from BIA (2016)**

City	Rotter/Fixed	No. of Flights
Sigiriya	Fixed	714
Mattala	Fixed	2343
Trincomalee	Fixed	561
Galle	Rotter	935

*Source: Statistical Report 2016: Sri Lanka Tourism Development Authority*

Introducing new and attractive packages to utilize the Mattala Airport as one of the transit points will boost its operations while boosting tourism in adjoining cities.

## **Conclusion**

Unknown to the rest of the world, between 1971 and 2006 Sri Lanka evaluated nine sites in different parts of the country to construct an alternative international airport. However, there is no evidence of proper comparison among sites or with international standards in selecting the location for the Mattala International Airport.

The Mattala International Airport has completed infrastructure, hence there is no point in mulling over its validity and viability nor does it make sense in accusing and alleging one another for its development. It is also impractical to expect immediate profit from a project of this magnitude, for success is largely dependent on the business community utilizing it. It should be admitted that such an infrastructure is in itself a commendable achievement. It also fulfills a long-term unaddressed need. The concern is whether successive governments have the right formula to realize the capacity of the airport.

In this context, priority should be to revisit the operational plan. The government should sit with relevant stakeholders to evaluate opportunities at hand and challenges ahead in turning this so-called “emptiest airport” into a buzzing business proposition. While the government revamps a strategic response to bring the airport into life, it should take every measure to prevent more negative publicity. Moreover, the focus of the strategic plan should not only be the airport, but also nearest districts. If the government succeeds with a proper formula, there is no doubt of the airport getting back on its feet soon.

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