



## Beyond Collapse: The Message of COVID–19 to the Sri Lankan Tourism Industry

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### Abstract

The coronavirus (COVID – 19) is a grave and rapidly growing health concern, which not only affects Chinese economic growth but which also has a serious impact on the global economy. The tourism industry has made, and continues to make, a valuable contribution to Sri Lankan economic and socio cultural development. This research study describes how far Sri Lanka tourism industry has collapsed due to the COVID – 19? how can Sri Lanka possibly reshape of as a leading tourist destination in the world market? This study suggests two phases of different strategies to reshape the Sri Lankan tourism market. Phase 01 deals with short terms remedies to the current problem which has arisen due to the health crisis. SLTDA should begin to work with the Ministry of Health and Indigenous Medical Services in the following ways: Issuing certificates to hotels to ensure the health and safety management of the hotels' staff, tourists and host community as well as security and hygiene arrangements at airports. Preparing detailed guidelines to establish quarantine hotels with employee safety and ensuring health safety of tourist guides and tourism related business. Phase 02 deals with with long–term strategies to rebuild the tourism industry in Sri Lanka.

### Keywords

Tourism, Covid – 19, Socio cultural development, Economic, Contribution

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## Introduction

In the contemporary world, the term coronavirus has become a significant catchphrase since the diagnosis of the first COVID-19 patient in December 2019 in Wuhan, the capital of Hubei province in China. The COVID-19 pandemic continues to spread without any discrimination among countries with strong economies, emerging market countries, and developing countries, resulting in the continuous suffering of people all over the world. It is this to which we turn the focus of our attention in this paper. In addition, the World Health Organization (WHO), declared COVID-19 to be a global public health emergency on 28th of January. Indeed, it should be noted that COVID-19 not only has affected on the world economy but also which has created many sociocultural issues throughout the world. In the globalized world, we have to think of the impacts of this pandemic which go beyond the mortality rate.

In different eras the world has faced various crises including terrorist attacks, civil wars, tsunamis, economic crises and and the Ebola virus. These crises have had divergent effects on the economic and social progress in the world. The impact of COVID-19, however, is not possible to compare with other global crises and their consequences. COVID-19 has given rise to many new challenges for socioeconomic development in the world (Hall, Scott & Gössling, 2020). Many countries around the globe have been locked down and all activities except for essential services have shut down. From a medical perspective, this was a necessary action to control the spread of the pandemic, but from a socio-economic perspective, this approach has created complicated scenarios with many changes in the pattern of demand and supply worldwide. The global supply chains' activities have been interrupted, impacting all business activities around the world. People reduce their consumption and make changes in consumer behavior, resulting in international shortages of many commodities in business organizations (Cetin, 2020).

The International Monterey Fund (IMF) projected international economic growth at -3.0 percent in 2020, and the result is predicted to be worse than that of the 2009 global financial crisis. 4.5 – 5 percent economic growth, however, had been expected due to the political stability subsequent to the Presidential election. But now it is difficult to meet this expectation (Central Bank of Sri Lanka, 2020). The tourism industry has played a significant role in Sri Lankan economy, Without considering the Sri Lankan tourism industry, it is not possible to discuss about the impact of COVID – 19 on the Sri Lankan economy because before the 1960s, the Sri Lankan economy was heavily reliant on three major plantation products – tea, rubber, and coconut. The collapse in the market for these three export products forced the establishment of other strategies, particularly tourism development. As a result, Sri Lanka became one of the most well-known tourist destinations within Asia with tourism being one of

the country's faster-growing industries and the third largest foreign exchange earner. But COVID-19 has crippled the tourism industry. Sri Lanka's Tourism Development Authority (SLTDA) has a target of getting 3.5 – 4 million tourists and of earning \$5 billion in 2020. Presently, this is not possible. Sri Lanka tourism pays more attention to the targetting of the international market than that of the domestic market. The main reason for this is that , through the development of the international tourism market, foreign currency can be earned. This study describes the collapse of the Sri Lankan tourism industry and its aftermath. It also asks the question of how the tourism industry should reshape itself in the world market.

### **Methodology**

For this analysis, historical information is necessary. So document analysis was employed in this study, and data collection techniques were used in qualitative research (Merriam, 2002). According to Bowen (2009), document analysis is a systematic process for examining both written documents and images. The data for this study were derived from annual reports of SLTDA, Sri Lanka Tourism Vision and Sri Lanka Tourism Strategic Plan of 2017–2018. Data were analyzed using content analysis.

### **Results**

#### **Covid -19 and Sri Lanka Tourism Industry**

In the aftermath of the civil war, Sri Lanka had been receiving increasingly higher numbers of tourists year by year until the Easter Sunday attacks in 2019. For example, the numbers of tourists arriving in the country increased steadily from 447,890 in 2009 to 1913702 in 2019. With the improvement of domestic security arrangements from 2009, international tourist arrivals showed a positive growth rate of 46 percent in 2010. Yet in the succeeding years, most notably 2010 – 2013, tourist traffic to Sri Lanka decreased due to the unstable political environment, namely an international war crime inquiry in the aftermath of the Sri Lankan war and the ongoing global economic recession and climate events. However, between 2014 and 2019 international tourist traffic increased once again. This increase made a valuable contribution to all stakeholders. The Covid-19 virus has severely affected the tourism and hospitality industry which is more interconnected with other industries. In Sri Lanka the tourism industry has recruited many people as direct and indirect employees. For instance, in 2018 and 2019, 169,003 and 219,484 people were recorded as being direct and indirect employees respectively. As of now, large numbers of employees have temporally lost their work due to the closure of much tourism-related business including

restaurants, hotels and tourist airline services and travel agents. It has led to the damage of livelihoods of many small and medium entrepreneurs. Normally, tourism can generate economic advantages with a comparatively small amount of investment when compared to other business investment options (Sharpley & Ussi, 2014). With the improvement of domestic security arrangements from 2009, following the end of the civil war, the Sri Lankan government took action to encourage international and national investments in the tourism and hospitality industry. As the result, many international chain hotels are located throughout the nation with larger accommodation capacity. Indeed, SLTDA failed to promote small and medium scale hotel industry. The government is currently adopting various strategies including a nationwide curfew, a lockdown, travel bans and a social distancing system to control the spread of the Covid-19 pandemic. It has led to a collapse in the industry. Practically, these measures are having a huge impact on people's day to day activities and on whole communities whilst having a devastating effect on national economies as well as on tourism activities. This is in line with very recent research done by Gossling and his colleagues who point out that "international, regional and local travel restrictions immediately affected national economies, including tourism systems, i.e. international travel, domestic tourism, day visits and segments as diverse as air transport, cruises, public transport, accommodation, cafes and restaurants, conventions, festivals, meetings, or sports events" (Gossling, Scott, and Hall 2020, p.2). Sri Lanka tourism used to pay more attention to positioning itself as an important winter resort particularly for middle-class foreigners and Europeans due to inexpensive costs, climate and the built environment, a legacy of 450 years of colonialism by different European countries (Reeves & Sivesan, 2018). Over the last two centuries, Sri Lanka was heavily dependent on Western European markets, especially the United Kingdom and Germany, who alternated between the first and second most important trading partners in the early years (Samaranayake, 2012). Presently, when we look at the current health crisis situation in Sri Lanka, most of the top 10 source markets, have been critically hit by Covid-19. The following table shows the total numbers of people affected by Covid-19, how many have died from the virus, how many have recovered and also what the death ratio is of the top ten tourist generating country to Sri Lanka.

**Table 1**

*Total people affected by COVID-19, in terms of those who have died & recovered, and the total death ratio of top ten tourist generating country to Sri Lanka*

Country	Total affected	Total death	Total recovered	Death ratio %	Tourist Arrivals 2017	Percentage Share 2017	Tourist Arrivals 2018	Percentage Share 2018
India	42,836	1,395	11,782	3.25	384,628	18.17	424,887	18.2
China	82,880	4,633	77,766	5.6	268,952	12.7	265,965	11.3
UK	190,584	28,734	N/A	15	201,879	9.53	254,176	10.9
Germany	165,745	6,866	132,700	4.1	130,227	6.15	156,888	6.7
France	168,693	24,895	N/A	14.8	97,282	4.59	106,449	4.6
Australia	6,825	95	5,859	1.4	81,281	3.84	110,928	4.7
Maldives	527	01	18	0.19	79,371	3.75	76,108	3.3
Russia	145,268	1,356	18,095	0.9	59,191	2.80	64,497	2.8
USA	1,197,907	69,011	1,170,390	5.8	57,479	2.72	75,308	3.2
Netherlands	40,770	5,082	N/A	12.46	51,148	2.42	57,160	2.4

Source: <https://www.worldometers.info/coronavirus/> and <https://sltlda.gov.lk/storage/documents/0cb228cd03762f638bd515fe83edd453.pdf>, calculated ratios

Tourists from India, China and Maldives dominate the contemporary Sri Lankan tourism market. Globally, China has retained its position as the largest international tourism source market. Meanwhile, China has successfully controlled the present pandemic within its own borders. If China removes the travel bans, Chinese people will start to travel again throughout the world. Because some external environmental factors, including air pollution and overcrowding force to the people to travel. This can be rooted in Sri Lanka's competitive advantage. China's top ten outbound tourism source markets (Thailand, Japan, Singapore, Vietnam, Indonesia, Malaysia, Philippines, America, South Korea and Maldives) have been crippled by Covid-19. From a medical perspective, when compared with most of the above countries, Sri Lanka is successful to control the spread of COVID-19 with its lower death ratio and high recovery ratio. It shows that its strength of health care services which will create a positive image to Chinese tourists who will see Sri Lanka as a safe destination to travel.

### **COVID – 19's Message to the Sri Lankan Tourism Industry**

It is the right time to reshape the Sri Lanka tourism industry, and this can happen in two different phases. Phase 01 has to be considered as a short-term recovery mechanism. Prior to Covid-19, Sri Lanka tourism targetted the higher spending capacity tourists throughout the world, but this current climate has taught us apart from income earning, the tourism industry should pay for more attention to adopt some significant health prequestions when repositioning the tourism industry in the world market. SLTDA should begin to work with the Ministry of Health and Indigenous Medical Services in the following ways :

1. Issuing certificates to hotels to ensure the health and safety management of hotel staff, tourists and the host community, as well as safety and cleanliness at airports

2. Preparing detailed guidelines to establish quarantine hotels with employee safety
3. Ensuring health safety of tourist guides and tourism related businesses

Phase – II should focus on long – term recovery approaches. Both international and domestic tourism should be encouraged. After Covid - 19, international tourism will take place within the region. As a tourist destination, Sri Lanka has much potential since the highest source of tourist arrivals, those from Asian countries like India, China and the Maldives, claim 32.8 percent of the total traffic to the country. Generally, after crises, the demand for tourism would arise from neighbouring countries. In the post tsunami era and after the war, many tourists from neighbouring countries visited Sri Lanka (Robison & Jarvie, 2008; Fernando, Bandara, & Smith, 2013). So Sri Lankan tourism can target Asian countries.

Sri Lanka offers Ayurveda and Siddha medical spas . These places should be inspected and should conform the health and safety requirements of staff and tourists. In this way, new categories of tourists could be targeted. Ayurveda and Siddha are very traditional therapies which provide wellness application to all.

### Conclusion

There is no doubt that Sri Lanka tourism has been severely disrupted by Covid–19, however, it can be seen that this is an opportunity to evaluate Sri Lanka’s tourism’ strategies and also reshape Sri Lanka’s tourism. Finally, this research study emphasises that in the post–pandemic era, Sri Lanka tourism should pay more attention to attracting regional tourists such as Asians. It would be useful to recover the industry from this unfortunate situation.

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