

Determinants of Demand for International Tourism Industry in Sri Lanka

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From 1968 to 1982 Sri Lankan tourism industry shows continuous growth of arrivals and then it fluctuates till 2009 as a result of the deteriorated security situation of the country, due to the war. Since the end of the war in May 2009, again it shows dramatic improvement. By the end of the year 2011, Sri Lanka has recorded the highest ever total of tourist arrivals, but total income from tourism industry does not tally with the boom as there is an income drop from 2010 to 2011. As such it is of vital importance to ascertain as to why the income dropped.

Demand of international tourist to Sri Lanka is the dependent variable and independent variables are transportation cost, income of tourist, prices of the products and services, attraction of the country, facilities and infrastructure and security of the country. Both primary and secondary data are used in the study.

Descriptive statistics reveals that about three fourth of the tourists are new clients who have come to Sri Lanka for the first time. More than 99% of all the respondents are satisfied about the tour; however some of the Sri Lankan attractions are not promoted properly. Hence right strategies have to be in place to make Sri Lanka a popular tourist designation on the one hand, and to generate more income for the industry on the other. However the results of the study have to be confirmed by the significance testing which are ongoing.

Key words: Demand, Variable, Significance, Testing