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## **Seasonality Variation and Its Impact on Local Economy (With special reference to South coastal area, Sri Lanka)**

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In recent decades, tourism has become a significant global phenomena with its massive influence on society, politics, culture and above all the economy. Seasonality is one of the unique and idiosyncratic features of international tourism and in Sri Lanka too. In Sri Lanka seasonal variation is very high for 30 years of time when compared with other South Asian countries. Seasonality is a problem related to the productivity of use of capacity. The supply side behavior and the labor market in tourism are affected by seasonal variation in demand.

The main objective of this research is to identify the economic impact of seasonality variation of tourism in South coastal area, Sri Lanka. Primary data was collected by carrying out semi structured interviews using questionnaire. Secondary data was collected from the Sri Lanka Tourism Development authority (SLTDA) and an airport survey since 1968.

The analysis indicates that some specific economic variables have a relationship with the seasonal variation using Gini Coefficient, regression analysis and time series analysis. This paper indicates the proof about the influence of some economic variables such as GDP, changes in price index and employment on the seasonal variation of tourist arrivals. Better marketing strategies, decreasing prices are some of the remedies for seasonal variation. The presented paper would be useful not only to tourism companies tackling seasonality and the government but also to further researchers.

**Key Words:** *Sri Lanka, Seasonality variation, Local economy*

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