

The Impact of The Covid 19 Outbreak on Listed Tourism Stocks in Sri Lanka

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ABSTRACT

Introduction: This research study has been carried out to determine the impact of COVID 19 outbreak on Sri Lankan Listed Tourism Stocks.

Design/Methodology/Approach: This research has been used Event Study Method to analyze the data. The study has been selected 20 listed firms from tourism sector incorporating observations from August 2019 to June 2020. Further regression analysis is used to identify the relationship between the government responses for COVID 19 and stock returns of tourism firms.

Findings: As per the analyzed results, the COVID 19 pandemic did bring a short term negative impact on the tourism industry. The tourism industry had negative impact but along with the timeline they can recover it. Government responses and Stock returns have negative relationship. COVID 19 government responses make negative impact on tourism stocks. But it is not significant.

Conclusion: The final results emphasize that there is an impact of COVID 19 pandemic on tourism stocks values. The empirical results can be used for future researchers to conduct a comparative study of concerning government responses to the COVID 19.

Keywords: *COVID 19, Tourism Industry, Event Study Method, Stock Market, Abnormal Return, Sri Lanka*