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JBS**IMPACT OF COVID-19 ON THE ENTREPRENEURS IN THE TOURISM SECTOR IN BATTICALOA DISTRICT, SRI LANKA****V.Navirathan^{a*}, S.Vijayakumar^b, S.Jeyarajah^c**^a Faculty of Graduate Studies, University of Jaffna, Sri Lanka^b Department of Economics, Faculty of Arts, University of Jaffna, Sri Lanka^c Department of Economics, Faculty of Commerce and Management, Eastern University, Sri Lanka**ABSTRACT**

Tourism is one of the fastest growing sectors in Asia and is the third largest foreign exchange earner in Sri Lanka. When the COVID-19 pandemic surfaced in 2020, tourism was one to face the immediate impact and one of the industries to be strained the most. The effects of COVID-19 on tourism entrepreneurs in Sri Lanka's Batticaloa district are the focus of this article. This study set out to figure out how COVID-19 would affect entrepreneurs in the tourism industry economically and through investment. This research took quantitative and qualitative approaches. The questionnaires and in-person interviews were used to collect the data. Fifty tourism entrepreneurs were interviewed randomly from the Kalkudah Division, the most well-known tourist destination in the Batticaloa district. The research findings indicate that negative relationship between the COVID-19 and entrepreneurs' income and investment. Therefore, the present study recommends that convalescing measures to be implemented during disasters in the tourism sector in Sri Lanka.

Keywords: Impact of COVID-19, Tourism Sector, Economic Impacts, Investment Impact.**Corresponding* svnavirathan@gmail.com

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1. Introduction

The global crisis sparked by the COVID-19 epidemic is forcing rapid adaptations to the global economic system, especially in the travel and hospitality industries (Félix, García Reinoso and Vera, 2020). The COVID-19 outbreak has fundamentally changed the picture for the owners and operators of tourism firms, bringing with it a great deal of uncertainty (Rogerson, 2021). While tourism is one of the world's fastest-growing businesses, it also faces a number of unique hazard risks. Natural disasters such as earthquakes, tsunamis, tropical storms, and floods are reported every year has been contributing factors to the declining number of tourism spots around the world. Numerous politicians and policymakers believe tourism's transformative power can't be overstated. Whether measured by its effect on the national budget, its contribution to foreign exchange earnings, or the number of jobs it creates, the tourism industry is undeniably important. Providing goods and services to the tourism industry is a direct and indirect benefit. As a cultural and economic

phenomenon, tourism has developed and expanded over the years. The travel and tourism industry is one of the world's most dynamic and rapidly expanding economic sectors, providing essential revenue for many countries and regions. Presently, public policy initiatives aimed at encouraging business innovation and preventing the spread of the COVID-19 virus are receiving a significant amount of attention from governments around the world (Ratten, 2021).

The Easter Sunday attack in Sri Lanka is largely to blame for the decline in tourism revenue from \$4.38 billion (4.9% of GDP) in 2018 to \$3.59 billion this year. The closure of the airport and the closure of the border to Sri Lanka for foreign passenger arrivals in the middle of March 2020 due to worldwide travel restrictions have led to substantial losses, on top of the losses incurred due to the COVID-19 epidemic. January 2020 had a 6.5% drop, February 2020 saw a 17% drop, March 2020 saw a 70% drop in tourist arrivals, and April 2020 could see a 100% drop (Gunawardana, 2020). Many international travel publications once hailed the country as an absolute must-see. This increased interest in Island, turning it become a popular tourist destination. Sri Lanka had just proclaimed itself the world's top tourist destination when two huge natural disasters struck. On April 21, 2019, Easter Sunday terrorist attack in Sri Lanka disrupted the country's tourism industry. Just as Sri Lanka's tourism industry was beginning to recover from the Easter attack, a COVID-19 outbreak broke out in early 2020 and effectively the industry was shut down. The government of Sri Lanka has restricted its residents' freedom of movement and enforced a curfew as the sickness spreads (Arachchi and Gnanapala, 2020).

Batticaloa has been a popular tourist place for centuries. There are many places of interest in Batticaloa for foreign and local visitors such as Lagoon (Batticaloa, Valaichenai and Panichchankerny), Sandy beaches (Pasikkudah, Kallady, Savukkady and Panichchankerny), Natural reserve – forest park (Unnichchai, Kudumpimalai), cultural places (Kokadicholai Thaanthondiswarar Kovil, Amirthakali Mamankam Temple, Aeithyamalai church, Kattankudy Jamiul – Laffridin grant Jumma mosque, Mangalaramaya temple), Archeological site (Batticaloa Dutch Fort). Batticaloa's tourism industry is a key service sector, with significant potential for economic development, social welfare, and poverty alleviation. It is endowed with several resources which could be developed and marketed to attract a high volume of foreign and local guests. It has the longest beach and is world-famous for sun and sand tourism. Its tourism-related assets also include several lagoons, forest areas with wildlife, and places of historical and cultural value. Important beaches are Kallady beach, Pasikuda beach and Kalkuda beaches. Noteworthy parks include Mahatma Gandhi Park, Batticaloa Lagoon Park, and Eco Park. At present, the tourist traffic is largely concentrated in the coastal side of the district. This could be expanded to promote potential tourist attractions such as Community Tourism, Eco-Tourism, Lagoon Tourism, and Historical and Cultural tourism.

When it comes to natural disasters, man-made catastrophes, and health crises on a global scale, the tourism sector is notoriously slow to adapt (Nishla and Rinosa, 2019). One industry hit particularly hard by the global spread of COVID-19 is tourism, which has consequences for economies, livelihoods, public services, and

possibilities on every continent. Revenue losses, increased unemployment, and increased poverty result from the disruption or cessation of international and domestic trade, as well as the crisis that has been reached by small and large firms alike. The epidemic has also had a significant impact on the tourism sector. Because of the widespread of the COVID-19 epidemic, Sri Lanka has implemented new movement controls and restricted travel. Among small businesses, the effect is even more pronounced than among its larger counterparts. Due to the decline in revenue from once-thriving industries like retail and transportation, many small business owners have been forced to either shut down or drastically decrease their operations. With the help of all involved parties, including educators, business owners and managers, employees, and government policymakers, it can get back on its feet and contribute to local economic development. Extensive initiatives are taken by the Government and the corporate sector to apply creative approaches to welcome tourists while safeguarding the safety of the local people allowing Sri Lanka to open the country to tourists in January 2021. However, the arrival of tourists has dropped and it caused the shutdown of many hotels in the country. It has affected the entrepreneurs who are invested in the tourism sector. Therefore, this study is mainly to identify the impact of COVID-19 on entrepreneurs in the tourism sector in the Batticaloa district of Sri Lanka.

2. Literature Review

The level of economic development, small and medium-sized businesses (SMEs) are an essential component of any economy (Deyshappriya and Nawarathna, 2020). An entrepreneur is a person or group of people who take the responsibility and risk of organizing other production-related aspects (land labour and capital). He acts as the organizer or mobilizer and is a risk-taker, an inventor, and a decision-maker. Entrepreneurship can be defined as the process of generating incremental wealth or as the act of producing something unique and valuable while committing resources and investing the necessary time and effort. The ability to organize resources to create something worthwhile to take advantage of an opportunity or satisfy a market need is what is meant by entrepreneurship.

The United Nations World Tourist Organization (UNWTO) launched a project between 2005 and 2007 to develop a standardized vocabulary for the tourism industry because there are so many ways to characterize it. The article defines tourism as Travelling to foreign countries or other locations, whether for pleasure or business, which is an important economic, cultural, and social phenomenon. Visitors (who can be tourists or excursionists; locals or foreigners) and the industries revolving around them (tourism, hospitality, and related industries) are what we mean when we talk about tourists and tourism (United Nations World Tourism Organization, 2008). With this definition in mind, it's clear that tourism encompasses far more than just the movement of individuals from one location to another for a variety of reasons (such as business or pleasure). Travel is a multifaceted endeavour that calls both physical (such as lodging and transportation) and mental preparation (such as a desired mindset and emotional state) to be successful (Rusu, Ioana Anda and Florin Lucian, 2017). Entrepreneurship in the tourism industry is defined as the pursuit of opportunities to create value through the efficient and lucrative matching of supply and demand for tourism products and services

while maintaining a level of professional competence and social success that is attractive to potential investors. Economic and social transformations are looked to the tourism industry to bring about. When people take advantage of the opportunities presented by the tourism industry, they not only help to solve societal issues, but also boost a country's GDP. Growth has always been predicated on the issue of employment. When starting a firm, it's important to consider how a crisis or disaster can affect the company's operations, both now and in the future (Fabeil, Pazim and Langgat, 2020). There are essentially four broad types of tourism-related startup businesses. Though there are numerous alternatives, we will focus on the most important ones here.

- Tour Operators

A tour operator is a company that provides consumers with all the necessary arrangements for their vacation in one convenient package.

- Travel Agents

A travel agent is someone who plans trips for other people, whether they be individuals, businesses, or other organizations. They operate independently, as opposed to in a group like other tour providers.

- Transport Operators

These companies provide tourists with legitimate options for transportation. It might be anything from providing temporary housing to booking plane tickets.

- Guiding

One common business model in the tourist industry involves advising others on their travel plans. Professionals in the ticketing, travel, etc. industries regularly engage in this activity.

Entrepreneurship in this sense accounts for the economic growth of tourist destinations and seeks to foster the emergence of new, long-lasting businesses by bolstering the ability and motivation of existing ones to innovate, grow, and successfully navigate the challenges and opportunities inherent in running a commercial enterprise. The vast majority of tourism businesses are categorized as micro, small, or medium-sized (Nanno, 2020).

Business owners who focus on tourism are the industry's lifeblood. Entrepreneurs and their contributions to the tourist industry are well-acknowledged and cannot be ignored. (Sotiriadis, 2018). Carvalho and Sardinha (n.d.) noted that entrepreneurship in tourism creates benefits for the local Community;

- jobs, especially for underrepresented groups like women and minorities;
- new, locally-based businesses;
- higher wages and better living conditions;
- opportunities for environment
- regeneration Opportunities for local identity and ecological spirit
- highly skilled local labor force
- investments in infrastructure
- markets for local products.

Numerous calamities, such as 30 years of ethnic conflict, the Tsunami of 2004, and the Easter Sunday attack of 2019, have had a significant influence on Sri Lanka's tourism business (Karunaratne et al., 2021). The study titled *The impact of COVID-19 on tourism in Cracow in the eyes of tourism entrepreneurs* by Walas & Kruczek, (2020) revealed how much money will be lost in the tourism industry and how long it will take for that to happen, how quickly different sectors of the industry in Cracow will bounce back, and how optimistic business owners are about the efficacy of various forms of advertising and public relations in helping the city get its economy back on track. The COVID-19 pandemic has created a health, social, and economic emergency on a worldwide scale that has never been seen before. With worldwide demand drastically decreasing, the travel and tourism industry has been hit hard (Ministry of Health, 2020). Because it will aid in repositioning Sri Lanka tourism, the proposed campaign is crucial to the success of the industry. Considering that visitor numbers are predicted to be low in the near to medium term due to the pandemic crisis, this would help lure profit-generating travelers after COVID-19 (Tourism, 2020).

Growth projections during the past decade have prompted the prioritizing of development initiatives because of the industry's importance as a global source of economic gain. Restrictive government policies implemented in response to the pandemic and subsequent waves of contagion have had a negative impact on the economy and slowed down projected reactivation times (Orlando, Quisbert and Ayala, 2016).

COVID-19 and SMEs in Sri Lanka

Impacts from COVID-19 have been felt by Sri Lanka's small and medium-sized enterprises (SMEs). Statistically significant negative coefficients for all COVID-19 related dummy variables were generated in the empirical model, suggesting that SMEs affected by COVID-19 are responsible for worse performance compared to those not affected by COVID-19. In particular, as the magnitude of consequences from COVID-19 increases, so does the negative effect on the performance of SMEs. As a result, it is clear that COVID-19 has had a profound impact on the efficiency of Sri Lanka's SMEs (Deyshappriya and Padmakanthi, 2022). The COVID -19 has had a major impact on the tourism industry, notably cultural and historical sectors like the arts and crafts sector and the performing arts. In most cases, families who run businesses out of these establishments in and around popular tourist areas also live there. In the current situation, many of those who are poor are unable to meet their most fundamental demands (Rajeshwaran and Kanagasingam, 2022). There is a widespread consensus that the backbone of every economy are its small and medium-sized businesses. Small and medium-sized enterprises (SMEs) have taken the most hit as a result of the global COVID-19 outbreak. It has been reported that lockdowns and curfews have disrupted small business owners' supply chains. Significant repercussions of COVID-19 can be seen in economics, business, demography, and psychology (Rauf et al., 2022).

The relevance of micro, small, and medium-sized enterprises (MSMEs) in Sri Lanka's economic development and stability cannot be overstated. The 2019 coronavirus disease (COVID-19) outbreak has had a significant

impact on economies around the world. Small and medium-sized enterprises (SMEs) during the COVID-19 pandemic era are experiencing a wide range of problems and losses.

Income

Rajeshwaran and Kanagasingham (2022) reported that revenue from all tourism-related firms has steadily decreased as a result of the drop in visitor numbers, several hotels and restaurants have had to lay off staff and stop using the services of casual and temporary personnel. Since the tourism industry in Sri Lanka is so fragile, the recent COVID - 19 outbreak has had a significant impact on the country's economy. For the first time in Sri Lanka's tourism industry's history, there was no money coming in and no one coming in. Stakeholders in the tourism business are seeing a complete halt in their income, a rise in the interest rate on their loans, a decrease in the number of employees and payroll, and problems with their ongoing investments. As a result of the epidemic, businesses have been able to shift their attention to domestic tourism and update numerous antiquated procedures (Karunaratne, Ranasinghe, and Sammani, 2021).

Investment

An asset or object that is purchased with the intention of earning income or appreciating in value is known as an investment. When a person makes a purchase of a good with the intention of using it as an investment in the future, rather than for immediate consumption, the goal is to amass money through the usage of the good. The conventional economic spheres are traversed by the activity of tourism because of its pervasiveness. According to Beck, Rainoldi, and Egger (2021), the tourism industry is part of the service sector, which is responsible for bringing in cash flows that benefit economies all over the world. It has made an impressive contribution in boosting the foreign exchange earnings, increasing the levels of employments and income-generating opportunities, increasing the foreign direct investment, strengthening the government revenue, and developing the infrastructure facilities. This was all before the COVID pandemic, when global tourism revealed its great contribution as one of the most strategic contributors for economic growth and development in many economies around the world.

COVID-19 and Opportunities for Entrepreneurship

The ability to think creatively and take advantage of fresh opportunities is especially valuable in trying times. To alter public opinion regarding the situation, this is essential in transforming a negative event into a positive one. Many countries are paying close attention to the COVID-19 epidemic, and this is especially true of public policy programs that encourage business innovation and development. Better measures to combat the COVID-19 epidemic require innovation and looking to the future. Future studies on digital transformation, leadership, corporate effect, and social inclusivity will be better understood if they are contextualized within policy issues. Opportunities for innovative businesses to adapt and flourish are presented by the societal changes brought on by COVID-19.

The COVID-19 pandemic's unpredictability has fueled business innovation. There is a growing realization that creativity and foresight can transform the pandemic's challenges into possibilities (Ratten, 2021).

Research Gap

According to literature, it is evidenced that there is no study on an analysis of impact of COVID -19 on the entrepreneurs in the tourism sector in Batticaloa district of Sri Lanka. Therefore, this study examines how impact COVID-19 on the entrepreneurs' income and investment. Importance and topicality of this study stems from several roots. However, empirical findings such these studies are scare. Researcher could not find any study related to impact of COVID-19 on the entrepreneurs in the tourism sector in Batticaloa district of Sri Lanka. This gap in research on COVID-19 how impact on the entrepreneurs' income and investment is filled by the present article.

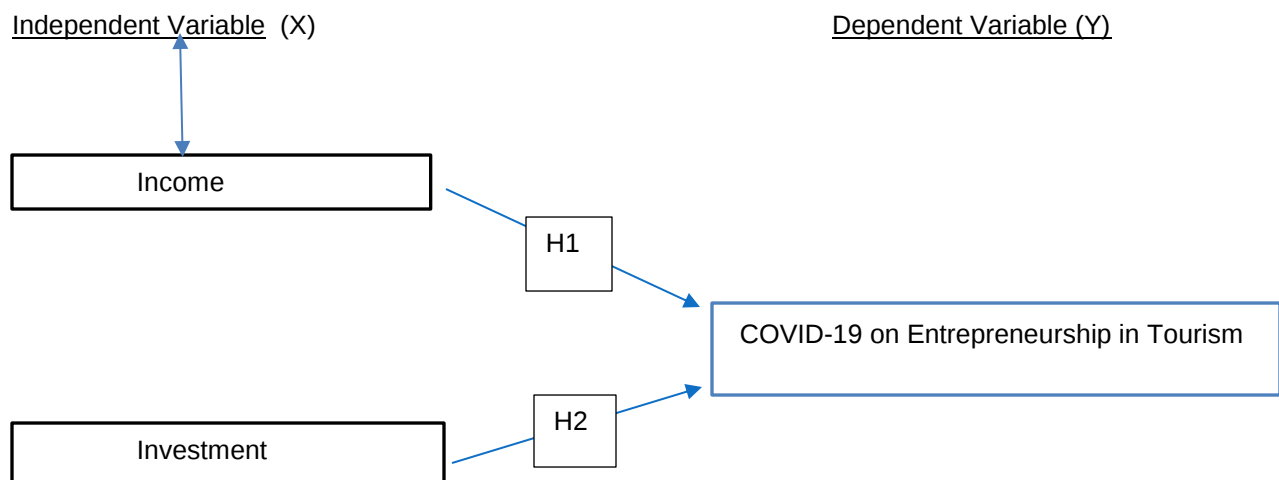


Figure 1: Conceptual FrameWork

Source: Developed by Researcher

H₁: COVID-19 outbreak significantly affects entrepreneurs' income

H₂: COVID-19 outbreak significantly affects entrepreneurs' investment

Research Problem

The global crisis sparked by the COVID-19 epidemic is forcing rapid adaptations to the global economic system, especially in the travel and hospitality industries (Félix, García Reinoso and Vera, 2020). The hospitality and tourism sector plays a crucial role in luring visitors and meeting their requirements throughout their time away from home. This massive sector of the economy has several prospects for company expansion, particularly among Sri Lanka's micro and small enterprises (Jayasooriya and Perera, 2019).

Batticaloa is one of the most picturesque districts on the island well known for its beautiful lagoons, longest beach, flora and wildlife, and historical sites. It is gifted with several environmental assets highly attractive to guests from foreign and local markets. However, the tourism industry in Batticaloa district has not been able to gain the full benefits of its resources due to institutional and market failures. (Scope Global Pty Ltd, 2020). Travel and tourism are important to Sri Lanka's economy, ranking third behind remittances and textiles and garments in terms of export revenue. As per the findings of a research report by accommodation sector consultancy STR, government restrictions, quarantine concerns and apprehension regarding the behaviour and vaccination status of other travellers were key reasons inhibiting travel (SLTDA, 2022). Easter Sunday Attacks, COVID-19 Pandemic and Severe Economic Crisis have made Sri Lanka Tourism as the most affected and vulnerable industry in Sri Lankan economy (Silva, 2022).

After all passenger flights and ship arrivals were halted as of March 18, 2020, along with the granting of tourist visas, tourism revenues plummeted in 2020. A total of 507,704 tourists were allowed entrance for the entire year, including 507,311 in the first three months of 2020 and 393 from Ukraine in December 2020 as part of a pilot project based on the 'bio bubbles' concept. As a result, the number of tourists dropped by 73.5% compared to the previous year. The anticipated earnings from tourism in 2020, based on the number of visitors, fell by 81.1% to USD 682 million (Central Bank of Sri Lanka, 2020).

With disruptions to global travel and restrictions issued to some countries due to the pandemic outbreak, Sri Lanka's tourism industry will be significantly affected. Tourist arrivals fell below over 30%, during the first quarter of 2020, compared to the previous year (Mudalige et al., 2020).

Many businesses in the tourism industry have seen their revenue drop, and millions of jobs have been put in jeopardy as a result of the COVID-19 outbreak. When the economy pauses, many firms' linkages to the outside world are severed, whether temporarily or permanently. This is because the economic mechanism does not permit a shutdown of processes without affecting the future of enterprises. A huge portion of the population falls into poverty as a result of the crisis; this poverty causes health problems and depression, which in turn increases the worldwide death toll. People's problems quickly snowball into society-wide crises. Very few researchers have examined the effect of COVID-19 on entrepreneurs in the tourism sector, even though there has been significant interest in the development of entrepreneurship in rural areas of Sri Lanka's tourism sector and the emergence of research questions on the issue with some expectation. Research on how a pandemic has affected tourism business owners, particularly in terms of business continuity and recovery strategy, is still in its infancy. Therefore, the findings of this research will support the design of efficient support structures for enterprises in the tourism sector to survive and rebound after a crisis. This research intends to inquire into how the COVID-19 pandemic has affected entrepreneurs in the tourism sector. The research questions for this study are:

- What is the impact of the COVID-19 on the entrepreneurs in the tourism sector in Batticaloa District?

Objectives of the study

During the year 2022, the tourism industry was hindered by various factors, including the COVID-19 variants, the Russian invasion of Ukraine, and an economic crisis and inflation (SLTDA, 2022). Sivanandamoorthy, (2022) has suggested that a nation's tourism industry can help stimulate its small business and entrepreneurial sectors. Because of this, the purpose of this study is to explore the opportunities and threats that face small businesses in the tourism sector. This work adds to the body of literature by providing a conceptual analysis of the opportunities and constraints facing the development of entrepreneurship in Sri Lanka and by claiming avenues for further study. The objectives for this study are as follows;

- To evaluate the impact of COVID-19 on entrepreneurship in the tourism sector in Batticaloa district.
- To assess the income impact of COVID-19 on the entrepreneurs in the tourism sector in Batticaloa district.
- To find the investment impact of COVID-19 on the entrepreneurs in the tourism sector in Batticaloa district.

3. Research Methodology

Data collection and Sampling

The preliminary aim of this study is to find the impact of COVID-19 on entrepreneurs in the tourism sector. For that purpose, the Kalkudah tourism destination was selected as the study area in the Batticaloa district of Eastern Sri Lanka. Around 489 entrepreneurs are in the study area (Eastern Province Tourism Bureau, 2022). A sample of 50 entrepreneurs was selected randomly for this research.

This research took quantitative and qualitative approaches. The questionnaires and in-person interviews were used to collect the data from selected fifty entrepreneurs. This research employed non-probabilistic sampling with a selective sample strategy. Purposive sampling involves selecting a subset of a population based on that subset's shared characteristics (Rahi, 2017). Moreover, the data relevant to this research have collected from secondary sources such as books, existing published written documents gathered from official documents, administrative circulars, publications, journals, national and international instruments, research papers, reports and abstracts and Information on electronic sources (Thilini Thushanga, 2021).

In this study, the respondent was selected based on certain characteristics such as the respondent age over 18 years old, the respondent must be an entrepreneur in the Tourism sector in Batticaloa district. Data collection was conducted in April-June 2022. Data obtained was analyzed using the Statistical Package for Social Sciences (SPSS) version 23.

Data Analysis

Considering the study's focus, it relies on both primary and secondary sources of information. The questionnaires filled out by entrepreneurs served as the major source of information. Published statistics,

studies, and reports from the secretariats of both Districts and Divisions were mined for secondary data.

There were two types of analysis used for this project; descriptive and inferential. Data describing occurrences are collected, tabulated, portrayed, and described as part of descriptive research (Glass and Hopkins, 1984). Because the human mind can't comprehend the entire significance of a massive amount of raw data, descriptive statistics play a crucial role in simplifying the data. The research employs description as a method to organize data into patterns that become apparent during analysis when dealing with detailed, narrative descriptions of a limited number of cases. These regularities facilitate the mental processing of qualitative research findings.

Given the exploratory and creative character of the study, descriptive analysis is used to first organize the findings to fit them with explanations, and then to test or validate those explanations through graphs, conversations, measures of central tendency, and variations in the data. SPSS was used for a comparative analysis, a descriptive analysis, and a regression analysis.

Regression Model

Binary Logistic Regression analysis

The strength of the association between a dependent variable and a set of independent variables can be measured through regression analysis (s). It's useful for making predictions about a dependent variable given information about one or more independent variables. The goal of regression analysis is to estimate the proportion of a response's variability that can be attributed to a given collection of independent variables. The criteria or result from the variable in a linear regression analysis must be continuous. However, there may be instances where the researcher is interested in predicting a binary outcome. Researchers in this case can utilize Binary Logistic Regression to assess the influence of a single predictor variable on the outcomes.

To examine the impact of COVID-19 on entrepreneurs in the tourism sector a Binary logistic regression analysis was conducted. The model used to assess the impact of COVID-19 on entrepreneurs in the tourism sector income and investment impacts as independent variables alongside the overall impact of COVID-19 on entrepreneurs in the tourism sector are given in the following model. The model estimates the relationship between the dependent variable which is the impact of COVID-19 on entrepreneurs in the tourism sector and income and investment are the independent variables.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + u_i$$

Y	the impact of COVID-19 on entrepreneurs in the tourism sector
X ₁	Income Impact
X ₂	Investment impact
βs	Coefficients
u _i	Error

Hypothesis Development

To analyze the relationship between the COVID-19 pandemic and entrepreneurs' impact on the tourism sector we constructed the following hypotheses;

Hypothesis 1 (H1). COVID-19 outbreak significantly affects entrepreneurs' income in the tourism sector in the study area.

Hypothesis 2 (H2). COVID-19 outbreak significantly affects entrepreneurs' investment in the tourism sector in the study area

4. Data Analysis and Discussion

The COVID-19 pandemic has greatest impact on entrepreneurs' income and investment in Batticaloa district of Sri Lanka. The COVID-19 has a significant impact on their business activities (Lebbe *et al.*, 2022).

Table 1: Gender

Gender	Frequency	Percent (%)
Male	39	78
Female	11	22
Total 50 Respondents		

Sources: Survey analytical results from SPSS

The Table 1 of the output shows gender details of this research. The total number of respondents is 50 including 39 male entrepreneurs and 11 female entrepreneurs.

Table 2: Hypothesis Testing

Hypothesis and Variables	P Value	Conclusion
H ₁ COVID 19 > Income	0.025	H ₀ Rejected and H ₁ Accepted. Result is supported
H ₂ COVID 19 > Investment	0.025	H ₀ Rejected and H ₁ Accepted. Result is supported

Sources: Survey analytical results from SPSS

Tables 2 show the relationship between the predictors and the outcomes. According to table 2, the p-value is less than 0.05, the null hypothesis is rejected and the alternative hypothesis is accepted. So, there is an association between the impact of COVID-19 in the tourism sector on entrepreneurs' income and investment.

Table 3: Omnibus Tests of Model Coefficients

Chi-square	df	Sig.
2.660	1	0.003

Sources: Survey analytical results from SPSS

Omnibus tests of model coefficients are used to test the model fit. From this Omnibus test, the model is statistically significant since $p < 0.05$, then it can be said that the model has a good fitting in the data. If the model is significant this shows that there is a significant improvement in fit as compared to the null model, hence the model is showing a good fit.

Table 4 : Model Summary

-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
75.217 ^a	.352	.721

Sources: Survey analytical results from SPSS

The model summary shows the Psuedo R^2 . Pseudo means that it is not technically explaining the variation. But they can be used as an approximate variation in the criterion variable. Normally used in Nagelkerke R Square. This is an adjusted version of the Cox & Snell R Square that adjusts the scale of the statistic to cover the full range from 0 to 1. In this case, we can say that a 72% change in the criterion variable can be accounted for the predictor variable in the model.

The results show that the COVID-19 has a detrimental impact on business owners' income and capital . Therefore, it is widely agreed that the tourism industry needs a thorough recovery strategy, the implementation of health and safety measures, and a broadening of the market. Outlined are practical strategies for reviving the tourism industry after a pandemic has struck, with an emphasis on facilitating a rise in tourist visits by guaranteeing their health and safety (Suresh et al., 2020). Karunarathne et al. (2021) suggests that all responsible parties, including local visitors, should prioritize resilience building. To that end, recognizing, implementing, and supporting industry survival strategies is urgently needed to ensure a strong "bounce back" once the tourist and hospitality operations return to normalcy in the face of the changing conditions.

The Government of Sri Lanka has taken measures to strengthen the sector by providing a debt moratorium for the next six months. The speed with which consumer trust in international travel returns to normal, however, will determine the industry's long-term viability. Borrowers and lending institutions can each get a loan of up to LKR 300 million for investment purposes. National Building Tax (NBT) was eliminated, and the Value-Added-Tax (VAT) rate was lowered from 15% to 8% across all industries (excluding financial services) (Mudalige et al., 2020).

5. Conclusion and Recommendation

This study explored how COVID – 19 impacted on the entrepreneurs in the tourism sector in Batticaloa district of Sri Lanka. Based on the literature support, this study provides different strategies and tactics to overcome the problems faced by the tourism industry during disasters. In this case, recovery strategies should be implemented with stakeholders' participation in the Batticaloa.

This study contributes to the existing body of knowledge of entrepreneurship during disaster. According to the results of the discussion and analysis of the data, it can be concluded as follows;

- There is a negative relationship between COVID-19 and entrepreneurs' income and investment in the tourism sector.
- The world economy as a whole has been affected by the COVID-19 epidemic, but small and medium-sized businesses (SMBs) have been hit particularly hard. However, the ability to bounce back from adversity has become increasingly valued as a key component of successful business leadership (Castro and Zermeño, 2020).
- The objectives of this research were to examine the impacts of COVID-19 on the tourism sector on entrepreneurs' income and investment. The results of this study indicated that there is a negative relationship between the dependent variable which is the impact of COVID-19 on tourism and income and investment which are the independent variable.

Suggestion

The following measures would be implemented to aid the tourism business owners in the Kalkudah region of Batticaloa district. Tourism sector, which saw a precipitous drop in the wake of the COVID-19 outbreak, now hopefully make a speedy recovery. The Batticaloa district needs a serious marketing push to attract more tourists. The country's tranquil atmosphere and the safety of its visitors both need to be enhanced. Tourism in the Kalkudah region necessitates the identification and development of safety sea areas for tourists to engage in sea-related activities in the shallow seas, as well as the development of related infrastructure, such as anchoring bays for parking light yachts, facilities for diving and other related activities, and food courts.

Batticaloa district's tourism is now facing a number of concerns and obstacles, including a lack of marketing, awareness, and infrastructural development. Policymakers, practitioners, and the government are focusing on rebuilding solutions to address these challenges. It has been suggested that the wellness tourism market be broadened and deepened, that wellness tourism activities be diversified, that service infrastructure be improved, and that the use of information technology be encouraged (Sivanandamoorthy, 2022).

As can be seen from its past, Sri Lanka's tourism industry is a vital economic driver with the potential to significantly advance the island nation. Still, there is an opportunity for Sri Lanka to improve its tourist business to attain the development of the country if it can manage and function by minimizing or removing any war experiences, ethnic conflicts, crisis, or pandemics (Thushanga, 2021). Governments should step in and work together on a global scale to save people's lives and livelihoods (Badri Narayanan Gopalakrishnan, 2020).

Therefore, it would be recommended that recovery plan and rebuilding strategies are needed to re-erect the tourism industry through developing infrastructure in the Batticaloa district, implementing disaster mitigating

plan and being active on social media or tourism industry related platforms in the Kalkudah division. These measures will be boosted the entrepreneurship in the tourism sector in the Batticaloa district.

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