

EVALUATING THE IMPACT OF COVID-19 PANDEMIC ON TOURISM INDUSTRY OF INDIA

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ABSTRACT

The Indian tourism industry has appeared as one of the most precious key drivers in the rapid growth among the various service sectors of the country. The tourism and hospitality division of our country has consequential potential due to the various dimensions of prosperous Indian culture and historical royal heritage, inherited rural lifestyle, diversity in ecosystem & region with numbers of places of rich scenic beauty available across the country.

This sector is recognised as a dynamo of massive employment possibilities in the nation as well as it is being a vital source of earning foreign exchange and creator of healthy international relations around the globe. As we all know that it is a matter of deep concern for one and all in the human society because this industry is directly or indirectly associated with every human being due to its huge demand of hospitality services concerned and this tourism industry is the most affected sector around the globe because of coronavirus pandemic (COVID-19) since from the beginning of 2020. This is a communicable disease and the biggest life-threat because this disease is spreading hastily with the high rate of spreading. This paper focuses on the various impacts of the COVID-19 pandemic on the tourism and hotel industry in India.

This paper also deals with the current scenario of the tourism industry in India due to the COVID-19 pandemic and also attempt to explore and compare the pre COVID-19 situation with the current crises. Our country, India, the 7th largest nation of the world and rich with various natural tourism resources/destinations and millions of domestic and international tourists arrive annually, which contributes in good amount to the country's GDP. This is an essential demand of the time to take early and effective steps to overcome the immediate slowdown in the tourism industry by investigating its very long time consequences at the earliest.

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This paper aims to understand the severe hit of the coronavirus on the tourism industry of India and also to analyze the coming future with the assistance of few measures and rapid recovery for the Indian economy, employment opportunity and business with the help of secondary data available on the official website, online research reports, journals, publications and other authors' opinions etc. This article emphasizes the current scenario of the tourism industry, additionally suggests some views for better survival of this industry in and after this crucial panic period on human beings.

Keywords: *Tourism, Hospitality, COVID-19 pandemic, Revenue, Employment.*

INTRODUCTION

In this present scenario of necessary consequent lockdown due to unprecedented ongoing panic situation arising out of the COVID-19 pandemic and this communicable disease is in vogue over the world. The COVID-19 pandemic situation not only affects the human body but is also harmful to the overall world economy.

The worldwide tourism industry has also been tapped very badly particularly in the COVID-19 pandemic phase. This is the gravest crisis in front of the whole world which has knocked tourism industry vigorously and has impacted its entire major base divisions i.e. inbound, outbound and almost all service verticals like recreation, entertainment & adventure, meetings & conferences, marriage & other functions, exhibitions, cruise and corporates.

The tourism industry is totally in the phase of zero earning and output and the issue is only one in front of the whole world i.e. communicable disease COVID-19. The latest report of CARE Ratings stated about the decline of 40 per cent in the revenue over the calendar year 2019 in the tourism industry. While every industry and sector is facing huge uncertainty over its future course due to COVID-19 but fears are more intuitive for the industry of tourism and hospitality across the world. There are several industries in India like information technology, banking, financial services, pharmaceuticals etc. and there is no doubt felt the tingle of this communicable coronavirus disease but all these industries are not as fully dependent on the physical movement of human beings from one place to another, and their console with the idea of a travel plan, both situation of which have been facing casualties through the current crisis. It will take some more time to invent a proper medical vaccine for this coronavirus disease till the people tries to linger on non-essential travel.

MARKET SIZE

The Indian Tourism market is a broad market of the nation. This market comprises multiple portfolios associated with niche tourism products around the nation like Cruises, Rural tourism, Religious tourism, Medical tourism, Wellness, Sports and adventure, Eco-tourism and Film tourism. India has been uniquely acknowledged and recognised as a distinct tourist destination for spiritual tourism attractions not only by domestic travellers but also by foreign travellers as well. India is also the most digitally equipped tourist country because of the availability of better digital platforms and conveniences for tour planning.

The online digital engines and platforms are being used extensively with the goal to capture information about tour planning, tour related bookings, tour accommodation and to explore other necessary tour requirements. The middle-class families in India which are now flourishing in terms of increased gross family income and disposable incomes have also contributed additionally to support the growth of domestic tourism as well as outbound tourism.

While in year 2019, the number of foreign tourists who arrived in India was at nearly 10.89 million and after putting in tremendous efforts by the governing administration a growth rate of 3.2 per cent year on year was achieved for the country. The FTAs (Foreign Tourist Arrivals) were 21,33,782 during the month of January-February 2020. In the year 2019, the total number of tourists who visited India on an “e-Tourist Visa” is almost around 29,28,303 with a growth rate of 23.6 per cent of total FTAs (Foreign Tourist Arrivals).

The tourism sector of India has generated employment of about 4.2 crores as of 2019 and this was 8.1 per cent of total employment in the nation. It is supposed that this number is likely to rise by 02 per cent per annum to create nearly 52.3 million jobs by 2028 in the nation. The abundances of the leading international chain of hotel business are extending their presence with world-class amenities in the Indian hotel business and it will possibly account for **50 per cent share in the Tourism sector of India by the year 2022-23.**

RESEARCH METHODOLOGY

The current research is based on secondary data which are published by several organizations, agencies and Governments. The existing study also makes use of data and information given by the Ministry of Tourism, Newspapers, Books, Magazines, Research papers, Financial and Economic journals and Internet sources etc.

RESEARCH OBJECTIVES

- 1.To find out the current situation of the Tourism industry in India.
- 2.To study the consequence of the COVID-19 pandemic on the Tourism industry in India.
- 3.To explore the new ways of necessary survival of the Tourism industry in India.

PRE COVID-19 PANDEMIC SITUATION

The Central and State Government of India has implicit the prospective potential of the tourism industry of the country and has taken numerous measures to make India a global tourism centre in the field of the tourism industry. The first Prime Minister of Independent India Pandit Jawaharlal Nehru observed the importance of Tourism and said, “This sector is not only the source of generating the fast foreign exchange earning it is more than that it creates the healthy, sound and friendly relation between the countries.” Previously, the Government of India proclaimed some effective initiatives in all five-year plan of the country to give a boost up to the tourism and hospitality sector, then after many more action plans and effective steps taken by the Central Government as well as by the State Governments to nourish and uplift the tourism and hospitality sector with the aid of some suitable and effective steps such as setting up of five extraordinary tourism zones and circuits, special tourism pilgrimage or tourism trains and worldwide huge promotions of incredible India campaign for effective tourism promotion.

According to the previous report issued by the World Travel & Tourism Council (WTTC), India ranked third among 185 countries around the globe in terms of travel & tourism’s total contribution to GDP in the year 2018. It was before previously report ranked 7th in the world in terms of its total contribution to the country’s GDP in the year 2016. As per the latest report issued by the World Economic Forum in the year 2019, India was ranked 34th in the Travel & Tourism Competitiveness. In the year 2016, the data stated that this Travel & Tourism sector generated INR 14.1 trillion, which was the world’s 7th largest country in terms of absolute size, the sum is equivalent to 9.6 per cent of the GDP of India. According to the job and employment perspective in the year 2019, jobs were created around 4.2 crores in the tourism sector of India which was 8.1 per cent of total employment in the country.

Similarly, in the year 2016, the Travel & Tourism sector supported 40.3 million jobs which rank India 2nd around the world in terms of total employment supported by this Travel & Tourism sector. The tourism sector accounts for 9.3% of the country’s total jobs. India’s Travel and Tourism sector in the year 2016 was also the fastest-growing amongst the G20 countries and growing by 8.5%. A further 6.7% growth was forecasted in the year 2018. The Government has also been making serious efforts and plans to

boost investments in the tourism sector. In the tourism and hotel sector, there was 100 per cent foreign direct investment allowed through the automatic route. A five year tax holiday has also been offered by the government for 2, 3 and 4-star category hotels located around World Heritage sites of UNESCO all over the country (except in Delhi and Mumbai).

The cumulative inflow of FDI between April 2000 to September 2019 was US\$ 13.210 billion received by the tourism and hotel sector in the country. In the year 2019, Foreign Exchange Earnings were US\$ 29.96 billion registering a growth of 4.8 per cent year on year and reached US\$ 5.40 billion till February 2020.

COVID-19 PANDEMIC: HARD TIME FOR TOURISM INDUSTRY

- **Loss of Revenue** : As per the present situation all around the globe, it is expected that the consequence of COVID-19 on the inbound and outbound tourist passengers to be the most critical in the next few quarters. During the year 2019, the number of total foreign tourists who visited India was 10.9 million and the foreign exchange earnings were at Rs. 210,971 crore for India. However, now with travel restrictions in India for over 80 countries due to the COVID-19 pandemic and most of the flights of major airlines services being suspended. In the year 2020, the domestic and foreign tourism industry business is assumed to observe a distinctly negative influence in India.
- **Loss of Employment** : The tourism industry is being “badly hit” by COVID-19, the Government of India press released on April 10, 2020, reports and experts suggest possible job loss across tourism and allied industries due to decline caused by the COVID-19 outbreak over the world. On April 01st a report by KPMG, a financial services and business advisory firm stated that due to COVID-19, “The Indian tourism industry is looking at a potential job loss of approximately 38 million which is 70% of the total workforce in the country”.

HOTELS AND RESTAURANTS

1. There has been a huge decline in the restaurant and foodservice business. The home delivery of food and eatables has become the major means of revenue in the foodservice business.
2. All business stays & leisure stays, family holidays, social occasions, parties & functions etc. are being completely curtailed.
3. All hotels in India and their link with various other supporting businesses and sub-sectors like guesthouses, townhouses, banquet halls and many more have directly impacted amid the lockdown.

4. The cash flows have desiccated almost completely in this sector.
5. Small and mid-size restaurants would be the worst affected by lockdown and not in the condition to cover fixed costs.

TRAVEL AND TOURISM

1. The overall Indian tourism sector including hotels, restaurants, tour and travel operators, wedding functions and conference planners etc. contribute more than US\$ 250 billion or nearly one-tenth of the GDP of the country.
2. In the year 2020, the COVID-19 pandemic has resulted in the severest downfall for the travel and tourism sector in India. It may be observed that the communicable coronavirus disease (COVID-19) blow will be widely and harshly expected to push the sector to the dark brink for a specific period.
3. The aviation and tourism sectors are taking a hard and harsh hit.

FINDINGS

This current research was conducted on the various effects of the COVID-19 pandemic on the Indian tourism industry and it was found that the COVID-19 pandemic has harshly hit the glamorous and glorious tourism industry around the globe. It means that the tourism industry in both developing and developed countries have gone into huge depth and it needs some more effective measures, steps and actions from Government from-time-to-time to boost up again this revenue generator sector.

Basically, in the Indian context, the COVID-19 pandemic not only affected the tourism industry as a whole but the penetration of effects is severe in ancillary industries such as hotels, restaurants, markets in tourist areas and travel industries. But on the other hand in context to impede COVID-19 spread the central government and state government took effective initiatives from-time-to-time with the help of effective management through local authorities, local bodies and healthcare sector. With the help of proper and effective COVID-19 care management, COVID-19 vaccination to one and all human beings will definitely bring the new horizon for this tourism sector.

CONCLUSION AND SUGGESTIONS

The present situation of COVID-19 lockdown in India is running on modified parameters and the main focus of the government and authorities is on the infected area rather than the whole area of cities. The city areas are divided into some categories like containment zone, red zone, green zone etc. This panic situation will take some more time to go normal after the invention and common availability of effective medical vaccine for this coronavirus disease (COVID-19), till vaccine invention the people may try to linger on or avoid the non-essential public gatherings, functions & parties, travelling etc. and also follow the proper guidelines of social distancing issued by the government from-time-to-time.

There is a need for new policies and strategies for the tourism sector developed by the Central Government as well as by State Governments of the country in this panic phase of the COVID-19 pandemic. There is a requirement for proper awareness and information platforms for tourists regarding the infected red zone area located nearby to the tourist destination. At present, there is a demand for new framework/rules and regulations for foreign tourist arrival as well as for domestic tourists of the country. There is a requirement for a special government financial package for non-star hotels and hospitality service provider establishments of the country and also initiative is needed in respect to wave off all government taxes and charges of this phase. If there is any kind of corporate loans running on tourism industry establishment or any kind of loan on the employees working in this establishment then there is a requirement to linger on the instalments of loan for three to six months with special package to the employees, organizations and banks.

Even the hotel and restaurant industry is endeavouring effective relief proposals and bills from both Central Government and State Governments to provide support actions and plans such as interest-free loans from banks, waiver on all license fees, availability of subsidised food grains and a few tax rebate for one year to maintain jobs and support for this industry. If the COVID-19 situation prolongs, there may be a complete halt in this sector's operations and it may need special initial government support and positive initiatives for reviving the post situation.

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