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RESEARCH ARTICLE

IMPACT OF COVID-19 ON THE TOURISM INDUSTRY IN INDIA

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Abstract

The purpose of this study is to examine the effect of COVID-19 on the tourism industry in India. The tourism industry as compared to the other important industries of a country is highly affected due to the internal and external shocks. In the past few months, the drastic outbreak of the novel coronavirus has caused great losses to the tourism industry. The Indian tourism industry accounted for 9.2% of India's GDP in 2018 and braced 42.673 million jobs, 8.1% of its total employment. The Indian tourism and hospitality industry is now gawking at a likely job loss of around 38 million. The governments across the world are trying to woo back visitors from domestic and international markets. Travel and tourism companies will have to recuperate the trust and confidence of people in the recovery period to travel again after the pandemic. The present study suggests that the travel and hospitality sector should restructure their approach by introducing measures like changing people's social behavior, wearing a mask when stepping out, social distancing, and hesitation to travel far distances.

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Introduction:-

Tourism is considered to be the biggest and rapidly growing industry. Due to the sphere of pandemics and infectious diseases, the tourism industry has become very unstable. The tourism industry as compared to the other important industries of a country is highly affected due to the internal and external shocks. In recent months, the drastic outbreak of the novel COVID-19 has caused great losses to the tourism industry.

Background

A novel coronavirus originated from China in the Wuhan province in December 2019. The spread of the virus caused an international health emergency because of its high risk and infection. The impact of the COVID-19 was so strong that it immediately expanded its roots to almost 195 countries of the World making around 52.7 million cases across the world.

The citizens returning to India were screened and isolated after proper observations and clinical trials. In March 2020, the Government of India imposed a countrywide lockdown and banned international flights and Visas. This was the time when it became obvious that COVID-19 is going to have a serious impact on the country's economy and the tourism sector. The other countries also started to impose a ban on their travel and visa policies. As the cases started to increase in numbers, the government of India imposed a complete lockdown in the country to regulate the spread of the pandemic. The lockdown imposed by the government helped in averting the spread of the vicious coronavirus to a significant level, but it largely affected the country's economic growth. The strata which were

mostly affected by the COVID-19 pandemic were the daily wage workers and the migrants. The tourism industry of India was severely affected in the Indian economy. Travel across the states was prohibited, there was a curfew due to which movements were restricted. The tourism activities came to a halt. The other essential industries of the countries were unlocked in June 2019, but restrictions on tour and travel were still existing. World travel and tourism council had estimated that around 174 million travel and tourism jobs could be lost in 2020 due to Covid-19 and travel restrictions.

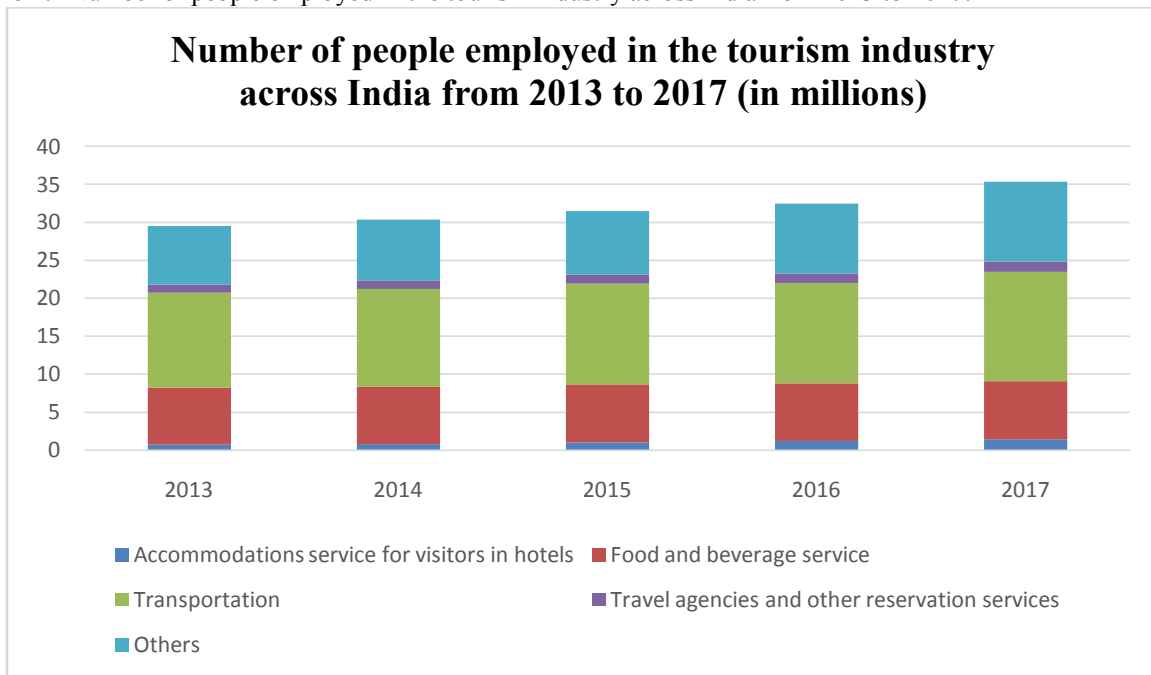
Literature:-

Marianna Sigala talks about tourism impacts and transformational affordance of the COVID-19 pandemic. The COVID-19 pandemic can prove to be a transformational prospect by conferring the circumstances and the questions raised by the pandemic. The article discusses how the pandemic has altered the behaviors and experiences of various tourism stakeholders in the form of tourism demand, supply and destination management, and policymaking. The pandemic has also necessitated the revision of knowledge and experience during three COVID-19 stages namely response, recovery, and reset. Kushal and Srivastava discuss the challenges faced by the fragile tourism and hospitality industry amid pandemic. They further go on to say that the impacts of the pandemic will be more noticeable and long-lasting, especially in the light of the absence of an instantaneous vaccine to create immunity in the common masses. Tourism and hospitality require multiskilling and professional development of the personnel for the crisis handling, increased sense of hygiene and sanitation-related standard procedures, positive attitude toward the restoration of the industry, and increased sense of responsible media roles in times of pandemic. Suau-Sanchez et.al talks about the impact of COVID-19 on air transport. Before Covid-19, the most severe outbreak was in terms of impact on the aviation sector was in SARS 2003. Due to the SARS pandemic, the monthly air traffic was 35% lower than their pre-crisis levels. The COVID-19 pandemic has an even worse effect on the aviation sector than that of SARS. As of 24 March 2020, 98% of global travel revenue was affected due to severe restrictions such as quarantine for arriving passengers, partial travel bans, and border closures. Many airlines and aviation businesses came to halt to make the situation worse. Ruwan Ranasinghe et.al talk about the impacts of the COVID 19 pandemic and the way forward for the tourism, hotel, and mice industry. The proposed steps are to be introduced progressively in response to circumstances that are changing. Ensuring the protection of the guests and the staff, and other stakeholders in the hospitality sector have become a top concern. At the same moment, to recover from market losses and to restore the positive picture in the visitors' attitude, there is a need for strong marketing and promotional campaigns to be launched both locally and at the international level. Abhijit Mitra throws light on the impact of the COVID-19 pandemic on the global employment sector with special reference to India. The worst affected industries, as per global estimates include food and lodging that employs 1444 Million workers, wholesale and retail that employs 482 million; services and management of companies that constitute for 157 million, manufacturing and development that constitute 463 million workers together constituting 37.5 percent of global employment. This is where the 'sharp end' of the pandemic was felt and India is no exception to it.

Indian Tourism industry:

India is one of the oldest civilizations in the world. India has great potential for travel and tourism ranging from cruises, adventure, medical, wellness, sports, eco-tourism, film, rural and religious tourism. Because of its heterogeneous portfolio of tourism products, India is among the popular destinations for domestic and international travelers.

Before the pandemic hit India, the travel and tourism industry was growing hastily. The Indian tourism industry accounted for ₹16.91 lakh crore that is 9.2% of India's GDP in 2018 and braced 42.673 million jobs, 8.1% of its total employment.

Table 1: -Number of people employed in the tourism industry across India from 2013 to 2017.

Source: Statista 2020.

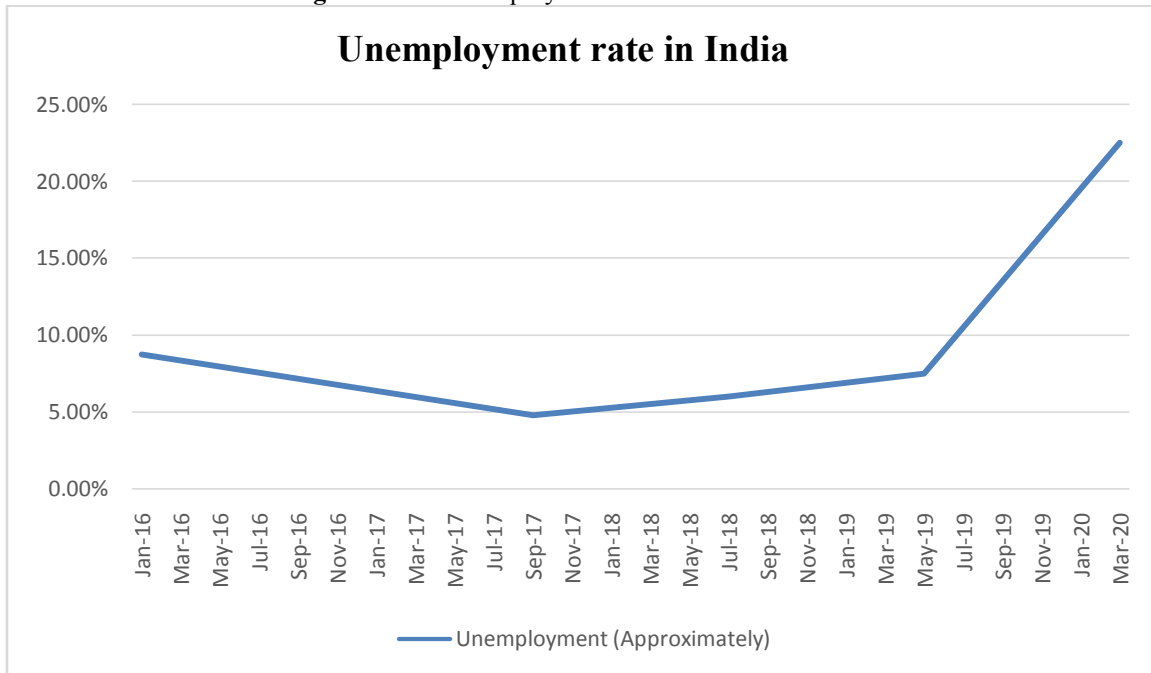
Impact of Covid-19 on Tourism

The rapid blowout of the coronavirus pandemic froze domestic as well as international activities. Countries around the world continued to impose restrictions on travel as apart to hold the spread of the virus. The tourism industry around the world is getting jammed, but it is more severe in the countries which receive a large number of religious and pilgrimage tourism. India is one of them.

The travel and tourism companies in India are dealing with the miserable journey of canceled bookings from travelers which have led to a "complete paralysis" in the market. The situation was worse between the period February 2020-to-late March 2020. With the impose on travel bans internationally, the airlines and railways came to a standstill as the crisis has hit its nerve centers.

Indian association of tour operators has estimated that the hotel, aviation, and travel sector collectively may acquire a loss of about ₹85 billion due to the restrictions imposed on travel and tourism. However, domestic transport was started early with some regulations, the aviation sector had to wait for a long time to resume its operations.

During the lockdown period, India had canceled travel to over 80 countries, due to which the international flights were being suspended. The domestic flights were operational with regulations. The Indian domestic travelers and FTAs witnessed a significant decline in 2020. India's foreign tourists (FTA) arrival stood at 10.9 million and the foreign exchange earnings stood at Rs 210,971 crore during 2019. The states which accounted for most of it were Maharashtra, Tamil Nadu, Uttar Pradesh, and Delhi for about 60% of FTAs. Along with this, the cancellation of various events, functions, and festivities caused a great job loss to many organizers and companies.

Figure1: -The unemployment rate in India 2016-2020.

Source: Centre for Monitoring Indian Economy Survey

The Indian tourism and hospitality industry are gawking at a likely job loss of around 38 million, which is 70% of the total workforce due to the pandemic. If this drift continues as the Covid-19 catastrophe progresses, it will impede national employment.

Post-Lockdown Tourism

The COVID 19 pandemic has changed the way we live. Now that the restrictions at the state border have been elevated tourism may witness some growth. Many companies have allowed their staff to work from home, others are providing a change of place in the form of working from homestays. Many big tourism and hospitality brands such as Airbnb, OYO, Vista are jumping in with the promise of homestays as an alternative universe during the pandemic. As the homestays are becoming popular workstations during the pandemic, the usual guidelines including strict sanitization and face cover are being followed for homestays as well.

The hotels are also making sure that the safety of the guests is certain. At almost every hotel measure such as sanitizations, use of personal protective equipment by the staff in both F&B and housekeeping department. Social distancing has become a new normal for the present generation. The restaurants are also making sure of the safety measures such as keyless entry, online check-in, and check-out, contact-less valet for parking to ensure minimum contact with people from the time they visit, and till the time they leave the place.

The airlines and the aviation business are also implementing safety guidelines for the traveler's safety. The airlines and aviation businesses in India are greatly advanced when it comes to infrastructural development and automation. The airports are practicing smart security resolutions, computerized traveler screening systems, automated tray retrieval systems, and RFID tagged trays at the checkpoint screening to reduce wait time for people and increased passenger experience at security checkpoints. AI technology is also increasingly coming into use to provide a connected and enhanced digital experience to air travelers. The government of India has come up with new initiatives called DigiYatra Platform which is an industry-led initiative coordinated by the Ministry of Civil Aviation and is in line with Prime Minister Narendra Modi's Digital India's vision. Digi Yatra enables passengers to process entry and exits based on facial recognition systems at various checkpoints, security check-ins, and boarding, etc. Digi Yatra will ease travel and identity checks at multiple points for air travelers. The Indian railways have done improvements like hands-free amenities, copper-coated handrails, and latch plasma air purification, and titanium dioxide coating for minimizing containment.

The COVID-19 pandemic has paved the way for meaningful innovation and transformation to be accelerated in the railways and the aviation business. The pandemic has necessitated the airlines and the railways to review their businesses top-down, bottom-up, and to transform their operations and processes for the better.

The governments across the world are trying to woo back visitors from domestic and international markets.

1. Hong Kong and Singapore have come up with the digital initiative 'travel bubble'. The travel bubble will allow people to move quarantine free in each direction. A total of 200 residents from each city will be able to travel on one daily basis.
2. Berlin to start a 'differentiated system' for travel warnings in which individual travel and safety information will be given for each country.
3. Re-open EU: EU has launched a website with travel rules for Europe. The website provides information on the coronavirus rules of individual EU countries — and in 24 languages. Tourists can look for their origin country on the website and find out about principles and guidelines that apply there.
4. Japan has launched its ambition “Go-To” campaign to attract domestic visitors after the pandemic hit the country. The campaign aims to provide subsidies of up to 50 percent on all domestic travel spending including travel expenses, accommodation and stay, visiting tourist attractions, and errands.
5. The southern Italian island of Sicily declared that it would cover half of the flight costs and a third of hotel expenses for travelers. The southern Italian island of Sicily also offered free tickets to visit museums and archaeological sites.
6. In southeast Mexico’s Cancun, tourists can now benefit from free accommodation as part of the ‘Come to Cancun 2x1’ campaign. Mexico’s Cancun also announced that it will also give travelers a refund for one additional plane ticket, to encourage them to bring a companion for their beach vacation.
7. The Mediterranean country of Cyprus has also announced to bear the entire cost of accommodation, food, drink, and medication for all tourists who test COVID positive while visiting the island nation.
8. Greece has also effectively mitigated the impact of the pandemic, the country cut the Value Added Tax (VAT) on all modes of transport from 24% to 13%.
9. The government of India is launching various campaigns to woo domestic tourists. The Indian state of Odisha has launched a road campaign amid Covid-19. The road campaigns aim at letting the tourists from nearby states to explore various destinations in Odisha.
10. The residents in Goa, Uttarakhand, Himachal Pradesh, and certain places in Karnataka and Maharashtra, are offering rented houses for tourists from one week to two months.
11. The state of Sikkim has ‘advised’ tourists to carry with them a certificate of COVID-negative test. The certificate must be attained within 72 hours preceding the entrance to the state.

Future trends post COVID-19

1. Globally around 91 % of the population lives in countries where there are restrictions on people arriving from outside, and approximately 39%, live in countries with borders completely closed to noncitizens and nonresidents.
2. Business travels such as MICE, big global events, conferences, launches, festivals, seminars, symposiums, conventions will decrease significantly.
3. The reduced number of students possibly will travel abroad to study.
4. Religious tourism will drip as there are strict government directions on mass gatherings.
5. Domestic tourism will be more favorable than international.
6. Nature trips will be more favorable, nature and wildlife will be preferred over monuments and history in the months ahead.
7. The markets will become less crowded.
8. The hotel occupancy and Food & Beverage consumption will be impacted.
9. The client will have more choice, more flexibility.
10. The tourism and hospitality industry will become more accommodating on postponements, cancellation, early check-ins, late check-outs for their customers.

The 5 key aspects that will drive success in the years to come will be as follows:

1. Safety
2. Health
3. Hygiene
4. Quality
5. Value for money

The tourism and hospitality sector is dependent on travelers and, trade for its survival. The pandemic has severely affected the activities of major sectors of the tourism industry like the hotel, tour guides, and lodging. The unemployment rate has also increased in the past few months. The Ministry of Tourism and Ministry of Finance, Government of India need to work jointly to steadfastness issues in the tourism sector regarding unemployment, wages, and payment of salaries and liquidity shortages. The union government can offer a helping hand to hotels by occupying empty rooms in hotels and paying a small fee to hotels. This small step will go a long way in helping small tourism and hospitality companies manage their finances. Union government with various states governments should take efforts to promote tourism both at domestic and international level by providing incentives and subsidies to tour operators.

The travel and hospitality sector requires constructing their approach by introducing measures like changing people's social behavior, wearing a mask when stepping out, social distancing, and hesitation to travel far distances. Capitalizing on safety and hygiene would reassure customers in availing their services. All travel and tourism companies should try to go cashless and try to minimize personal contact.

Conclusion:-

The pandemic affects all the sectors of the economy. Tourism is worse affected because it is driven by the psychology of people who are very sensitive to safety and security aspects. It will be difficult for the travel and tourism companies to attract tourists during the pandemic as their safety is of paramount importance. Travel and tourism companies will have to recuperate the trust and confidence of people in the recovery period to travel again after the pandemic. Unlike the other sectors, the tourism sector relies heavily on trust and thus will take a longer time to return to routine in the recovery period because tourists need to ensure that the situation is safe and secure before they step out to travel again. What can help companies to regain the trust of travelers is to ensure disinfecting major tourist destinations, including hotels and restaurants, to regain people's trust that tourist destinations and accommodations are all safe from Covid-19. The future of the tourism sector will depend on how rapid virus transmission is and how it is contained.

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