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Article

Impacts of Covid-19 Pandemic on Tourism Industry of India

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Abstract

The purpose of this study is to examine the effect of COVID-19 on the tourism sector of India. India is a tourist euphoria. Tourism in India has noteworthy potential seeing the rich cultural and historical heritage, variety of ecology, terrains and places of natural beauty spread crossways the country. It is considered to be the biggest and rapidly growing industry. Tourism is also a potentially great employment generators besides being a significant source of Foreign exchange for the country. Due to the sphere of pandemics and infectious diseases, the tourism industry has become very unstable. The COVID-19 froze the tourist sector around the world, countries around the world continued to impose restrictions on travel as apart to hold the spread of the virus, so on India. Ultimately, the drastic outbreak of the novel coronavirus has caused great losses to the tourism industry. In India, as the contagious were emerging the authorities implemented travel restrictions, social distancing, lockdown which completely brought the tourism sector of India to recession. As resulting the threat of virus, travellers revoke their tour and agitation tumbled the tourist graph significantly. This study attempts to try to understand the tourism sector importance in Indian economy and examine the impact of COVID-19 on the Indian tourism sector.

Keywords: Tourism, COVID-19, recession, lockdown, travel

Introduction

The coronavirus has triggered a concern worldwide in early January 2020, and by the end of March 2020, the outbreak has infected several people globally. The Novel Corona Virus previously identified only as the Wuhan virus, expanded to nearer countries and finally spreading its routes to India. Till mid of May the spread of virus spans 185 countries. Foremost effecting tourism industry which have occurred as one of the crucial drivers of development. According to WTTC (World Travel & Tourism Council), India is categorized as 3rd position among 185 countries in terms of travel & tourism's total contribution to GDP in 2018. India was ranked 34th in the Travel & Tourism Competitiveness Report 2019 published by the World Economic Forum. In a response to decrease spreading, government of every single nations have enforced border shutdowns, travel restrictions, and quarantine in their countries which constitute the world's largest economies, sparking fears of an impending economic crisis and recession. Due to COVID-19 huge number of cancellation of travel plans by both foreign and local tourists, there has been a drop in both inbound and outbound tourism of about 67% & 52% respectively since January to February as compared to the similar dated previous year. Due to the COVID-19 pandemic, the travel and tourism industry's employment loss is predicted to be 100.08 Million worldwide (Statistic, 2020).

In March 2020, the Government of India imposed a country wide lockdown and banned international flights and Visas. It came out obvious that COVID-19 is going to have a serious impact on the country's economy and on the tourism sector. Being one of the developing nations known for its uniqueness in its tradition, culture and unparalleled hospitality. India is a major destination for many international tourists, creating several employment opportunities and generating taxes in India. The Indian tourism

industry has created about 87.5 million jobs, with 12.75% of total employment, thereby contributing INR 194 billion to India's GDP (WTTC, 2018). Tourism is a major source of revenue and employment in many countries. It is a generator for employment, income, tax collections and foreign exchange earnings. Moreover, the sector recorded a 3.2% growth from 2018, with 10.8 million foreign tourists arriving in India with a foreign exchange of USD 29.9 billion in 2019. Due to emerging lockdowns, restrictions, there is a 66.4% decline in overseas tourists arrivals in India in March 2020 compared to last year (TAN, 2020). It has been estimated that there will be about 40-50 million direct and indirect job losses in India, with an annual loss in revenue of around USD 17 billion in India (FICCI, 2020, Scroll 2020). According to the Indian Association of Tour Operators (IATO), the hotel, aviation and travel sector together may incur losses of about INR 8,500 crore due to travel restriction imposed on foreign tourists by India.

Review of Literature

The Indian and World tourism industry is seem to be entering into a great crisis which is also establishing a stock market crash in all the segments. India's and world's tourism industry is most affected as the visitors are not allowed to visit any country. This is leading to the development of impact on the India's GDP as the virus was not stopped from spreading and impacted the healthcare instability as well as the economic breakdown of the activities. The Objective of this work is to measure the impact of the occurrence of coronavirus on the tourism industry in India and globally.

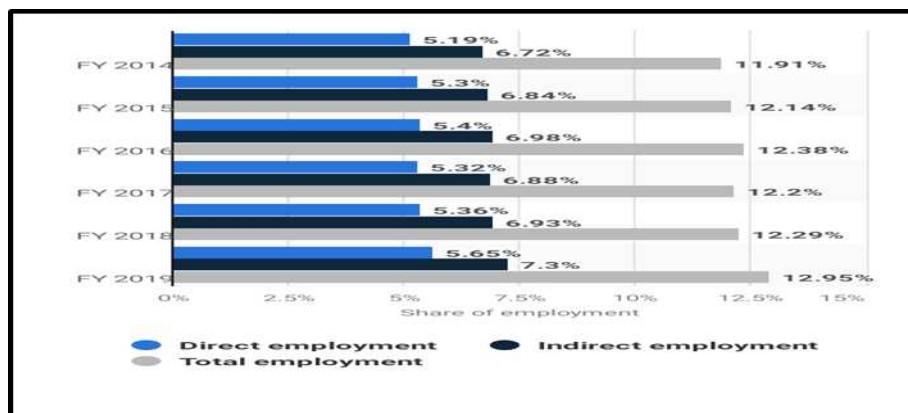
World tourism is affected by many disruptive events, such as terrorist attacks 9/11, epidemic outbreaks like SARS- CoV-2, Ebola, Swine flu, etc. in the past. But, the recent epidemic outbreak (COVID-19) originated from Wuhan, China has

severely impacted almost every industry, including tourism worldwide. The virus spread to all continents through air transport and still propagates infection exponentially. To contain the spread, many countries partially/ completely close their boarder and cancelled all fights, and events including pilgrimages, heritages, tourist spots etc. As a result, global tourism has slowed down significantly. The World Travel & Tourism Council predicts a tourism related loss of up to US\$ 2.1 trillion in 2020 and up to 75 million jobs (WTTC, 2020). The first case of the Covid-19 pandemic in India was reported on January 30, 2020. After the first reported case government start the passenger’s scanning at all the airports. The Indian Government has taken immediate and first action on the air transport to shut down completely to fight against the disease Covid-19 and implemented lockdown on March 25, 2020. World Health Organisation (WHO) reported the total confirmed cases of Covid19 in India are 1.64 million, with 35.75 thousand deaths till July 31, 2020. The travel industry, which includes airlines, hotels and restaurants, will shrink by 50% in 2020, which would mean a significant loss of jobs and revenue. Therefore, sustaining during this crisis is a challenging task for the tourism industry.

This research work has adopted a secondary research methodology and thus the steps to perform secondary research have been strictly followed. Here, the research question is – “What are the effects of coronavirus in the tourism industry in India and Globe”. For the undertaken research on the impact of the coronavirus on the Indian tourism industry various published academic journals, government documents, historical records as well as statistical databases are reviewed that support in gathering the required data for the study.

India’s Tourism Industry

India is a tourist delight, as well as one of the oldest Civilizations in the world. India has significant prospective for travel and tourism ranging from cruises, adventure, medical, wellness, sports, eco- tourism, film, rural and religious tourism. As it diversified portfolio of tourism products, India is among the popular destination for domestic and international travellers. Ahead the pandemic hit India, the travel and tourism industry was growing rapidly. The Indian tourism industry reckon for ₹16.91 lakh crore that is 9.2% of India’s GDP in 2018 and braced 42.673, 8.1% of its employment.



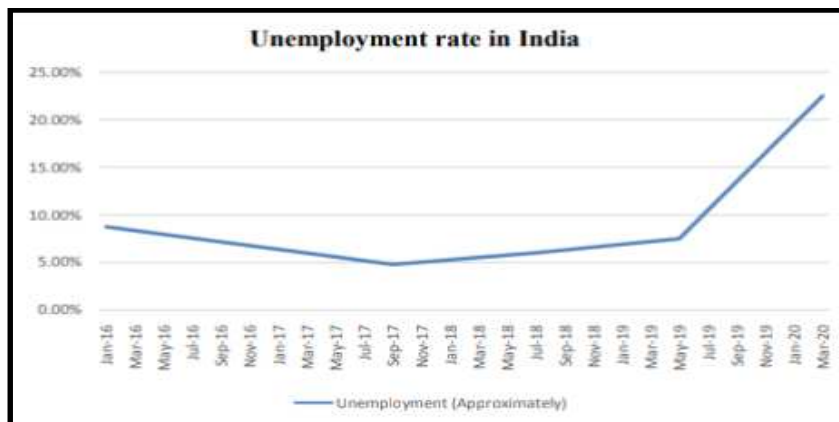
Distribution of employment in the travel and tourism sector across India from 2014 to 2019
Source:- Statista 2021

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 part 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 led to a “complete paralysis” in the market. The situation was worse between the periods 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.

During the lockdown period, India had cancelled travel to over 80 countries, due to which the international flights were being suspended. The domestic flights were operational with regulations. The Indian domestic travellers and FTAs witnessed a significant decline in 2020.

India’s foreign tourists (FTA) arrival stood at 10.9 million and the foreign exchange stood at Rs. 210,971 crore during 2019. The top 5 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 losses to many organizers and companies.



Unemployment rate in India 2016 – 2020.

Source:- Centre for Monitoring Indian Economy Survey.

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- Due to Corona virus outbreak, the industry has seen a whirl of international and domestic cancellations. There has been a depletion in the number of domestic travellers as people with business purpose or emerging essentials are only travelling. The Archaeological

Survey of India (ASI) has 3691 sites registered with it, of which 38 are world heritage sites. As per information provided by the ASI the total revenue from ticketed monuments was ₹247.89 crore in FY18, ₹302.34 in FY19 and ₹277.78 crore in FY20 (January – April). If the scenario doesn’t change by May, then the domestic travel

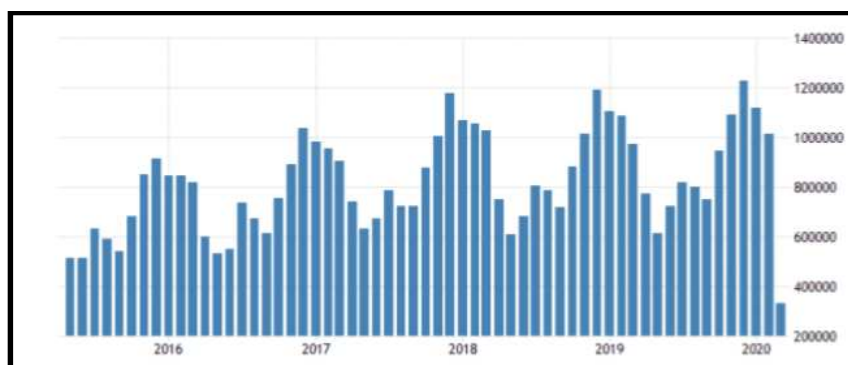
is at its peak because of the summer vacations, employment may then become a concern.

- The Covid-19 outbreak has also started showing its impact on the domestic tourism sector and summer bookings to leisure destinations like Rajasthan and the hills. Summer travel is the peak travel in India. Considering that most domestic travellers book their flight tickets 2-3 weeks before the travel date, the travel companies saw a more than 30% drop in domestic travel this summer compared with last year. Maximum impacted summer destinations are Leh, Guwahati, Coimbatore, Srinagar and Amritsar where more than 40% drop has been recorded. This is after airline fare drop by 20% for domestic routes.

- Ministry of Tourism, Government of India has also endorse the similar concern as the Foreign Tourist Arrivals (FTA) has been found to be downcast by about 67% yearly in

January – March quarter, while local tourists incise a much lower figure by about 40%.

FTA in February, 2020 has dropped by 9.3% month-on-month and 7% year-on-year, according to government data. The situation got unpleasant as India announced suspension of all tourist visas till April 15 in a bid to contain the spread of the virus. Due to restrictions, loss of tourists in India were seen in 2020 comparatively to Loss of Tourists in India were seen in 2020 comparatively to last 5 years.



Loss of Tourists in India in 2020 compared to last 5 years

Source: Trading Economics. Com | Department of Tourism, India.

- The Indian tourism and hospitality industry are staring at a likely job loss of around 38 million, which is 70% of the total workforce due to the pandemic. If this shift resume as the Covid-19 destruction progresses, it will obstruct nation employment.

- According to the data available with the Ministry of Civil Aviation, nearly 585 international flights have been cancelled to and from India between February 1 to March 6 because of the outbreak of coronavirus. Compared to last year, Airfare in the popular

domestic routes has been reduced by 20-25% and airfares are expected to remain subdued for summer season as well. Cash reserves of airline companies are running low and more are almost at the edge of bankruptcy.

- According to Ministry of Civil Aviation, India is observing a 25% to 30% fall in inbound international visitors to the country in the set of novel coronavirus endorse.

Post Lockdown Tourism of India

The COVID-19 pandemic has reversed the way of live. Now that the reduction at the state borders have been uplifted tourism may observe some growth. Many companies have acknowledged their staff to work from home, others are providing a change of place in the form of working from home stays. Many big tourism and hospitality brands such as Airbnb, Vista are jumping in with the aptitude of homestays as an alternative universe during the pandemic. As the homestays are becoming popular workstations during the pandemic, the usual guidelines conjunction with accurate sanitization and face cover are being followed for homestays as well.

The Hotels are potentially assured with the safety of the guests is definite. At almost every hotel standard such as sterilization, use of personal protective apparatus 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 minimal proximity with people from the time they visit, and till the time they leave the place.

The airlines and the aviation business are also executing sanctuary protocol for the travellers safety. The airlines and aviation business in India are much advanced when it comes to infrastructural development and automation. The airports are functioning with smart security resolutions, computerized traveller screening systems, automated tray retrieval, and RFID tagged trays at the checkpoint screening to reduce wait time for people and expand passenger experience at security checkpoints. The government of India has come up with new initiatives called Digi Yatra 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 – in, and boarding etc. Digi Yatra will ease travel and identity checks at multiple points for air travellers. The Indian railways have done refinement like hands- free amenities copper-coated handrails, and latch plasma air purification, and titanium dioxide coating for minimizing restraint.

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 entail the airlines and the railways to review their business top-down, bottom-up, and to modify their operations and processes for the better. The government of India is commencing 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.
- 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.

Conclusion

The tourism sector has enormously affected by the wide-spread of COVID-19 and may remain for a longer time. This research paper has examined the greater impact that is being created by the virus on tourism and showcase the ultimate damage it created on the economy of the country and the globe too at the same time. The Coronavirus has also enabled the tourism industry to face the huge thread as well as the economic slowdown is seen. Due to this reason it is seen to be establishing an impact on the tourism industry. Though the measurements were undertaken, but they are seen to be not fruitful for prohibiting the spreading of coronavirus.

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. Companies need to regain the trust of travellers and ensure disinfecting major tourists destinations, including hotels and restaurants to accommodate them safe from Covid-19. The future depends on how the virus transmission is and how it is contained.

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