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COVID -19, IMPACT ON TRAVEL AND TOURISM IN INDIA

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ABSTRACT:

The tourism sector has been a significant contributor to the value generation, employment, and foreign exchange earnings of any economy.. In Indian context the tourism industry contributes around 9.2% of India's GDP which clearly states that the contribution is quite high. The tourism sector is also the source of livelihood to many families in India. Tourism sectors restaurants, transportation, lodging, amusements, and retail are the source of employment to many which clearly describes its economic importance. According to Tourism Statistics India, the tourism industry is one of s most important businesses, contributing about 247 billion dollars to the country's GDP and expected to increase three fold in the next few years. Despite the fact that other sectors of the economy have been experiencing difficulties, in recent decades, the data have shown that the industry has emerged as a significant source of foreign exchnage for the country. The outbreak of the COVID-19 shocked the country, as it did the entire world, in March 2020. The authorities had to impose a rigorous lockdown, with the first limitation being travel. The travel and tourism sector was one of the hardest-hit around the world, and the tourism sector of India took a hit too. Millions of Indians have lost their jobs as a result of the recession. COVID-19 had a significant impact on economic growth worldwide and creates an economic recession due to quarantines, travel restrictions, and social distancing. Some of the threats faced by economic environment during pandemic are rising unemployment, world recession, uncertainty weighing on consumer, vaccine unavailability and business confidence.

Keywords: COVID-19, Indian Tourism Industry, Employment, Post Lockdown Tourism, Future Trends, Post COVID-19.

Introduction:

India placed 35th out of 140 nations in the Travel & Tourism Competitiveness Report 2019. The country rose six places from the 2017 survey, the most amongst some of the highest 25% of countries ranked. India's tourism industry 13th out of 140 countries when it comes to price competitiveness, emphasising the Tourism Statistics of India's reflection of the industry's importance.

It states that India has good air transportation infrastructure (ranked 33rd) and reasonable ground and port facilities, especially given its level of development (ranked 28th). Resources (ranked 14th), cultural resources, and business travel are strong points for the country (ranked 8th). India is among the world's most rapidly developing tourism attractions. The country has lots to offer international and domestic travellers alike, with gorgeous changing landscapes ranging from beaches to snow-capped mountains and diverse cultures, traditions, and cuisines. Furthermore, initiatives like the Incredible India campaign and e-visa possibilities serve to make visiting India more accessible to international tourists. However, domestic tourists account for most travellers in the nation and tourism revenue. The Tourism Statistics of India have shown that the Tourism industry had great potential pre-pandemic. With time and as the pandemic ends gradually, the country's statistics may go back up and contribute positively to the economy once again. The paper finds it is very significant to make a study for gathering information in the following areas: How Tourism is significant in the Indian Economy?. How tourism sector contributes to the Indian economic growth? How much the Covid 19 affected tourism sector in India? In order to answer the said questions the following objectives were framed and analysis was done accordingly.

Objectives of the study:

To find out the significance of tourism in India. To evaluate the contribution of tourism sector to Indian economic growth. To comprehend the present scenario of Indian Tourism sector. To examine the impact of pandemic on different tourism sectors. The way out after the pandemic situation.

Methodology:

The present study is based on the secondary data published by various agencies and organizations. The present study makes use of data and information provided by Ministry of Tourism, Ministry of Statistics and Programme Implementation, Newspapers, Magazines, Books, Economic journals, Internet etc.

India is one of the oldest civilizations in the world. It 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 rapidly. 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. The Indian tourism and hospitality industry have emerged as one of the key drivers of economic growth among the services sector. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty

spread across the country. Tourism is an important source of foreign exchange in India similar to many other countries. The foreign exchange earnings from 2016 to 2019 grew at a CAGR of 7% but dipped in 2020 due to the COVID-19 pandemic. In 2020, the Indian tourism sector accounted for 39 million jobs, which was 8% of the total employment in the country. By 2029, it is expected to account According to WTTC, India ranked 10th among 185 countries in terms of travel & tourism's total contribution to GDP in 2019. During 2019, contribution of travel & tourism to GDP was 6.8% of the total economy, Rs. 13,68,100 crore (US\$ 194.30 billion).

India is the most digitally advanced traveller nation in terms of digital tools being used for planning, booking, and experiencing a journey. India's rising middle class and increasing disposable income has supported the growth of domestic and international tourism. By 2028, Indian tourism and hospitality sector is expected to earn US\$ 50.9 billion as visitor exports compared with US\$ 28.9 billion in 2018. The travel market in India is projected to reach US\$ 125 billion by FY27 from an estimated US\$ 75 billion in FY20.

The Indian airline travel industry was estimated at US\$ 20 billion and is projected to double in size by FY27 due to improving airport infrastructure and growing access to passports. During 2019, foreign tourist arrivals (FTAs) in India was 10.93 million, achieving a growth rate of 3.5% . During 2019, FEEs from tourism increased 4.8% to Rs. 1,94,881 crore (US\$ 29.96 billion). In 2019, arrivals through e-Tourist Visa increased by 23.6% to 2.9 million. In 2020, FTAs decreased by 75.5% to 2.68 million and arrivals through e-Tourist Visa (Jan-Nov) decreased by 67.2% to 0.84 million. As of March 2021, the e-Tourist Visa facility was extended to citizens of 171 countries. By 2028, international tourist arrivals are expected to reach 30.5 billion and generate revenue over US\$ 59 billion. However, domestic tourists are expected to drive the growth, post pandemic.

Tourism plays a very pivotal role in the growth of GDP of the country, creation of jobs, restoration of local culture and art, development of destinations, inculcation of national integrity across the globe, teaches us to respect each other's cultures, thus the role of tourism is huge in all strata of the society across the globe. Tourism is the main reason of economic growth for many countries as well as India. The pandemic has forced many countries to announce lockdown leading to standstill operations across many industries. Tourism and the allied sectors were vastly affected because of the pandemic outbreak. International flights were halted, ban on visitors from other countries, the boundaries of states, cities were sealed, schools & colleges were closed, the local government had informed the people to work from home if possible, 14 days quarantine for travellers, suspended visa operations. All these were the major road block to the maneuvers and growth of tourism, aviation, travel agencies, hospitality sector because the essential component of socialization & travelling was restricted to curb the spread of pandemic outbreak.

In 2020-21 due to severe disruption caused by the COVID-19 pandemic, domestic flights were suspended in India from March 25, 2020 to May 24, 2020, due to the outbreak of the COVID-19 pandemic. The aviation sector in India has been affected due to severe disruption caused by the COVID-19 pandemic, the estimated losses incurred by airlines and airports in India in the financial year 2020-21 is approximately Rs19,564 crore and Rs 5,116 crore, respectively. Domestic air passenger traffic declined by 0.3 per cent in 2019-20 and by 61.7 per cent in 2021 due to the pandemic. Meanwhile, The government, permitted special international passenger flights under Vande Bharat Mission since May and air bubble arrangements were formed with around 24 countries since July. However, scheduled international flights remain suspended in India. The revival of overseas travel is expected to be slower and more challenging than domestic. This will hurt Air India in particular as around 60 per cent of its revenue was earlier generated from international operations, said aviation consultancy firm CAPA .Air cargo traffic in India has been showing faster recovery in 2020 as compared to passenger traffic. This has given some respite to the aviation sector. According to Anupama Arora, Vice President and Sector Head, ICRA Ratings, said, "In FY2021, total cargo volumes are expected to decline by 17-20 per cent in FY2021 with meaningful recovery in cargo volumes expected only in FY2022." To survive the pandemic-induced crisis, all airlines took cost-cutting measures like firings or pay cuts in 2020. In April, GoAir sent the majority of its employees on leave without pay. Air India had in April cut the salaries of its employees by 10 per cent.

The Indian hotel sector has been significantly impacted by Covid-19 as demand is at an all-time low. The Indian hotels sector has been hit hard, grappling with significantly low demand, with very few future bookings. Essentially, all transient demand has completely vanished the remaining is largely on account of either a few long stay guests, or hotels having been prescribed by the Government for the international travelers returning to India. Covid-19 was the time when everybody around the globe preferred homemade food and avoided going out anywhere. This really hit the hospitality Industry. Foreign arrivals in March 2020 fell by 67% year-on-year. The Indian hotel industry has taken a hit of over Rs 1.3 trillion in revenue for the fiscal year 20-21 due to the Covid pandemic, the Federation of Hotel & Restaurant Associations of India said. The Indian hotel industry's total revenue in FY2019-20 stood at Rs 1.82 lakh crore. As per our estimates, in FY2020-21, approximately 75 per cent of the industry's revenues got wiped off. That is more than Rs 1.30 lakh crore revenue hit," the FHRAI said in a statement. During Covid-19 the businesses were steadily closing and non-performing assets (NPAs) were rising. Many hotel chains had taken measures such as freezing new recruitment, partially closing hotel floors and shutting down restaurants. In some cases, they had also begun job cuts. About 270 branded hotels totalling around 20,000 rooms have temporarily closed in India due to the second wave. Eight hotels of branded

chains have permanently shut down.

Globally, COVID-19 had resulted in up to a 30% loss in jobs, with up to 100.8 million jobs in the travel and tourism sector at the risk of being affected as per the economic impact from COVID19 report published by the World Travel and Tourism Council. The travel and tourism sector in India employs around 87.5 million people, directly or indirectly. This pandemic could render up to 40-50 million people unemployed, which is up to approximately 57% of this sector's entire workforce. Due to COVID-19, the Indian tourism industry is looking at pan India bankruptcies, unemployment and closure of businesses. Several hotel businesses and travel operators in India including Ixigo, Make My Trip, OYO, Marriott International, Treebo Hotels, Fab Hotels, and Lemon Tree Hotels have announced plans to reduce senior employee salaries and introduced unpaid leave options in order to cope with the financial impact caused by the crisis. Approximately 8-10% of the total staff strength of the global cruise liners comprise Indians and approximately 15-20% of employees across the branded hotel chains in India are contracted or casual staff. With the industry facing financial crisis due to COVID-19, these employees may have to face layoffs. The COVID-19 pandemic has also affected the livelihood of workers in the Indian amusement parks that not only hires 80,000 people directly, but also employs 5,000 people seasonally and indirectly supports various other industries. Due to the nationwide lockdown and social distancing guidelines imposed by the government, the main season to generate revenues for these parks is ruined. Top brands apprehend a downslide in 2020 with losses amounting to approximately Rs.11 billion. The aviation industry in India is also expected to see job reduction due to global travel restrictions to contain the spread of COVID-19. The International Air Transport Association (IATA), the global airlines association, estimates over 2.9 million jobs at risk in the Indian aviation space and its dependent industries. Furthermore, domestic airlines, including Go Air and Spice Jet, have resorted to measures such as 'leave without pay' and pilot layoff.

Now the concern is how can tourism destinations recover from situation something like this? How did the travel industry cope in the short term and what can they do to shore up their operations in the long term?. For many popular tourism destinations, it was essentially a waiting game. After a few months, vaccines became widely available, and travel restrictions began to ease. Leisure travelers gained confidence, and international travel slowly began to resume. According to the World Tourism Organization, international tourism experienced a 4% increase in 2021, though the numbers were still far below pre-pandemic levels (72% lower than in 2019). With the COVID-19 pandemic lingering, we can expect the pace of recovery for tourism destinations to be slow. However, there are still a few measures that tourist destinations can take to offset the cost of the pandemic now and to prepare for similar disruptions in the future. Some suggested OECD policy responses include:

Promotion of Domestic Tourism: An average domestic trip costs much less than other types of trips. However, given its huge volume in terms of the number of trips, the total tourism expenditure incurred by domestic tourists is over 70 per cent of the total internal tourism expenditure. Hence, the contribution of tourism to the economy is mainly on account of domestic tourism.

Incentives for Domestic Trips: This can be achieved through various innovative schemes such as creating an attractive basket for domestic destinations, developing a new approach such as that of ‘working holidays’ or ‘work from home by travelling to an interesting destination and promoting regional or local destinations.

Incentives to Industries Contributing the Most to the Tourism Economy: The data on tourism expenditure reveal that of all the tourism characteristic products and services, food-providing services, road transport services, and healthcare-providing services account for close to 80 per cent of the total tourism expenditure. Hence, government policies need to be prioritised and targeted towards these important industries.

The other recommendations can be re-establishing trust in travel and tourism among travellers; Adherence to safety and mandatory health and hygiene protocols to the highest standards possible; Ensuring that the protocols are also mandatorily followed by tourists; Urging the Government to be responsive by preparing a Tourism Recovery Plan; Providing tax benefits, subsidies, and incentives to industry to enable them to sustain themselves and overcome the pandemic shock; Integrating public health with tourism; Issuance of vaccine certificates; Creating a healthy environment which would act as a natural barrier to future pandemics; Promoting and exploiting technological innovations like digital marketing, and creation of virtual tours; Using digital services to improve the customer safety experience and adapting quickly to changes in the health context in local areas; Targeting support for vulnerable communities; Supporting businesses in diversifying their revenue sources; Identifying and targeting a diverse customer base; and Maintaining customer and employee confidence.

Conclusion:

Tourism plays a vital role in the economic growth of the country, creation of jobs, restoration of local culture and art, development of tourist destinations, promotion of national integrity across the globe, teaches us to respect different cultures, thus the role of tourism is big in all sectors of the society across the nations. Tourism is the main reason of economic growth for many countries as well as India. The pandemic has forced many countries to announce lockdown leading to standstill operations across many industries. Tourism and the allied sectors were vastly affected because of the pandemic outbreak. International flights were halted, ban on visitors from other countries, the

boundaries of states, cities were sealed, schools & colleges were closed, the local government had informed the people to work from home if possible, 14 days quarantine for traveller, suspended visa operations. All this was the major road block to the maneuvers and growth of tourism, aviation, travel agencies, hospitality sector because the essential component of socialization & travelling was restricted to curb the spread of pandemic outbreak. 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. With the gradual opening up of international borders, revival of confidence to travel among people, success of the vaccination drive, and the lessons learnt from the previous waves of COVID-19 infection, tourism activity is expected to move towards normalcy soon.

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