

COVID-19 EFFECT ON TOURISM INDUSTRY IN INDIA

Chitra Guha¹

Symbiosis Institute of Management Studies, Pune, India

Madhup K. Gandhi²

Symbiosis Institute of Management Studies, Pune, India

**Chitra Guha , Madhup K. Gandhi -- Covid-19 Effect On Tourism Industry In India --
Palarch's Journal Of Archaeology Of Egypt/Egyptology 17(6), ISSN 1567-214x**

Abstract

Corona virus is a pandemic that spreads mainly through contact with any person when they cough and sneeze. Covid-19 pandemic started in China and is then spreading in the world, which is the main cause of large number of deaths (40,598 deaths, 1st April 2020). Covid-19 is a disease in which a person has respiratory disease with symptoms such as severe fever and difficulty in breathing in more severe cases. To prevent the epidemic, many countries also initiated a lockdown process to prevent the number of infections of the disease. This lock down ordered by the government severely affected the lives of the Arabs. And at the same time became a major cause of economic collapse. This is the reason why the country with the highest covid-19 transition recorded a high increase in unemployment. This paper calculates the impact of Covid-19 for affected countries worldwide and their tourism industry. This paper is mainly based on covid-19 in India which analyzes the impact it has had on tourism and hotel industry. Tourism and hotel industry is suffering from covid-19 crisis worldwide. India is the largest country in the world which is rich in various tourism resources, millions of tourists come here annually, which makes a significant contribution to the GDP of the country. Some initial steps need to be taken to overcome the current slowdown in the eco-tourism industry. This paper analyzes their long-term impact.

1. INTRODUCTION

Tourism has become a major industry globally, with an annual average growth rate of 4 to 5%. It makes up 8% of global GDP and 9% of employment. but it still produces a wide variety of disasters including natural disasters, epidemics,

economic crises, political crisis and terror [1]. Due to these crises it becomes very sensitive because tourism products such as hotel beds, airlines, a restaurant table, guide services, are much worse as opposed to physical goods which cannot be stored for future use. Past crises with some disasters such as the 2008 financial crisis had regional effects and their global impact on tourism was also limited. The tourism industry is facing the most serious crisis due to Covid-19. The impact of this type of crisis is estimated to be 7 times more on tourism as compared to the financial crisis of 2008. The impact of Covid-19 has remained so far and the crisis it is still causing has resulted in a 30% decrease in the amount of global tourism. According to Tourism Economics 2020, the tourism industry is expected to overcome this crisis before 2023 [2].

Total Corona Cases of Top 10 States in India

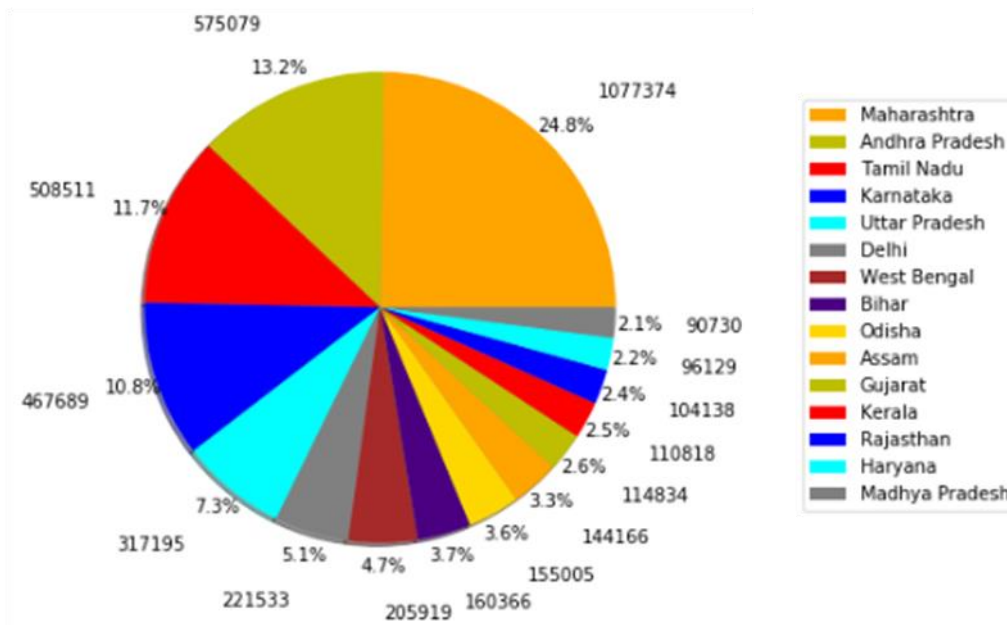


Figure 1: India Top State coronavirus cases distribution

Total Corona Deaths of Top 10 States in India

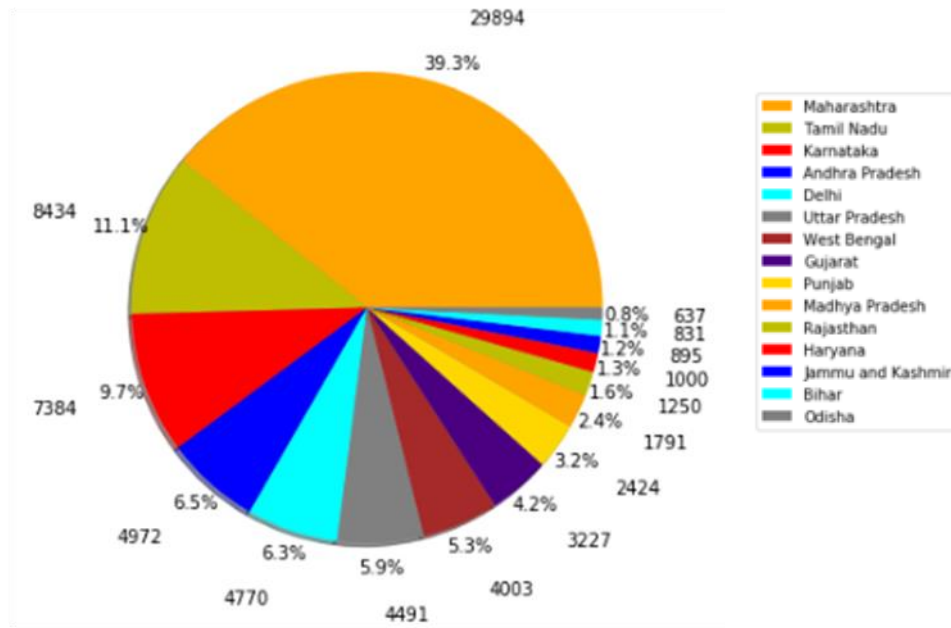


Figure 2: India Top State corona virus Deaths distribution

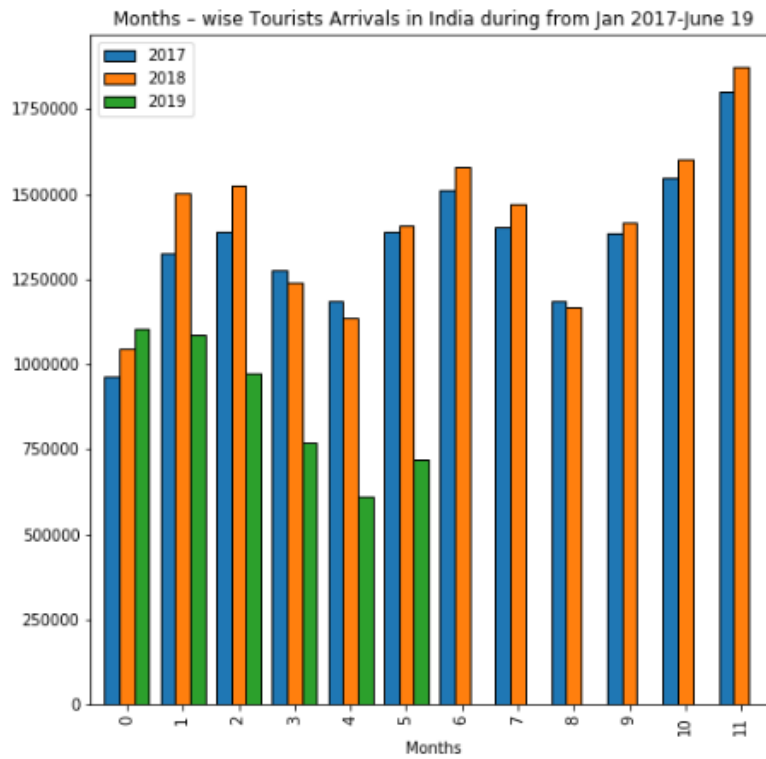


Figure 3: India Tourism Statistics at a Glance, Jan 2017- June 19

Tourism and business depends on the visitors to travel independently from one place to another. But when there is a health crisis on it, then there is a fear of travel in the people, along with many restrictions are imposed on the entry and exit of the passengers and there is a fear of such diseases in the passengers. Due to covid-19, there is a fear of such disease among the passengers because there is no vaccine for this disease.

Due to this, the tourism industry is also having a direct impact on the lack of passengers in tourism, which is directly impacting on the decrease in economy and increased unemployment. The impact of the epidemic on the already slowing economies has certainly made tourism vulnerable, which is making today's situation even more difficult [3].

TOURISM IN INDIA during Covid-19

The Indian tourism industry was all set to accelerate growth towards the beginning of the year 2020, but in the month of December 2019, India was completely unaware of the impact of an biological disaster called Coronavirus in Wuhan city of China. On January 30, the first case of covid-19 was confirmed in Kerala in the context of India. The state of Kerala is one of the favorable state for foreign tourist, which is also called 'God's own country'. Because in January 2020 covid-19 spread to all the states and union territories of India.

That is why the lockdown was announced by the Prime Minister in India for 21 days on 24 March 2020, banning all modes of transport, domestic and international arrivals and departures. Due to which the hotel industry was also badly affected, because new booking and checking in them had stopped. This lockdown adversely affected all sectors of the Indian tourism industry in order to prevent the impact of Covid-19. Tourism industry is an industry that cannot be stored and sold later. Due to this feature, revenue generation from the eco-tourism industry suffered heavily. This has been one of the worst crises affecting the Indian tourism industry. From November 2020, news of Covid-19 virus started picking up and gradually it has reached all the regions of India. If WTTC(2020) data is analyzed, the current covid-19 outbreak has severely affected the tourism and tourism sectors and due to this around 50 million jobs globally have also been at risk. The tourism industry is a world class industry and this will adversely affect employment. Tourism industry is also a major source of employment in India. And it is difficult to emerge from this

pandemic without government policies and intervention, which is the major source of livelihood of Indians, who are directly and indirectly connected with the tourism industry. And it is also correct to say that the 21st century is going through the worst phase of the tourism industry [4].

This paper is based on the adverse effects of tourism due to Covid-19 and the possible economic effects. Which based on the major tourist destinations in the short and medium term as well as the economy (as a part of GDP) of the countries that depend more on tourism? In this context, it would be correct to say that special attention should be pay to developing countries. Where some communities have to compromise for their prosperity due to the seriousness of the decline of tourism revenue due to the tourism industry. This paper considers the different scenarios of the impact of Covid-19 which increases the impact of global tourism reduction on the income and employment of the country using the normal and equilibrium model [5].

2. LITERATURE REVIEW

By WHO, Covid-19 was declared a global epidemic on 12 March 2020 in which the epidemic has completely affected the economic, political, social, cultural, systems. according to the Novelli et. al. 2016, The ban on global travel and tourism, community lockouts, congestion restrictions due to Kovid-19 has impacted tourism and global travel, besides many environmental and political and economic risks such as earthquake and terrorism also adversely affected tourism is [6]. (Allen et al., 2017) Apart from this, Covid-19 is also the result of change in environment, change in agribusiness, capitalism, urbanization and the intersection of the broader process of globalization [7]. According to (Barrios, 2017: 151) it is very important to find out, measure, monitor, and make better strategies for the research by various types of research investigation, its main reason for checking the impact on tourism. However, the research till now focuses on the effects of the crisis rather than finding the structural roots [8]. (Brodbeck, 2019) the covid-19 pandemic should judge by ontological and epistemological substructure and presumption that lever the present science and development example [9]. the research study of the impact of covid-19 in tourism (Zuboff, 2015), investigate and promote the knowledge about pandemic, collect various technical ability, analysis, predict, these knowledge for better use, help for control, modifying the human behaviour and also increase the revenue [10] . According to the (Yozcu et. al., 2019) research, Covid-19 seeks to find a variety of recommendations for the adverse impact on tourism and to prepare and fight policy and strategies based on it [11].

3. OBJECTIVES OF THE STUDY

The tourism industry of India and the world can be seeing as a major crisis due to Covid-19, because all the tourism industries of the world have been badly affecting due to this pandemic. To fight this epidemic, visitors in India were not allowed to come and go beyond the borders of any state. Cruise, airlines, railway, hotel have all become stable due to the lockdown. Certainly, this lockdown has had a bad impact on India's GDP as the entire lockdown was done to reduce the impact of this virus. Covid-19 is emerging as a global epidemic in the world, which is affecting the country financially, as well as uncertainty in health care. The purpose of this research paper is to measure the impact of the occurrence of corona virus on the tourism industry in India.

3. MATERIALS AND METHOD

This paper is based on the secondary research method in which various steps have been rigorously followed to apply secondary research. In these steps, the first phase in which the research question is developed. In other words, on which the research study is based. The research question is, what are the effects of corona virus found in the tourism industry in India, How adversely it has affected the tourism industry. The second stage of this research method is to find out the secondary data set. In the third stage, the data set is evaluated. And in the fourth phase, secondary data is prepared on the basis of evaluation. To calculate this type of research work, researchers review various types of research literature which include text book reviews, encyclopaedia general article reviews, news articles and web pages. In addition, to analyzing the impact of corona viruses on the Indian tourism industry, a variety of published research articles, published academic journals, government documents, historical records as well as statistics databases are reviewed, using which, we collect the necessary data for the study.

3. HOW THE COVID-19 CRISIS HITS TOURISM IN INDIA

According to the tourism industry report, tourism industry in India is 6.8% of the total economy. Apart from this, the economy of India is exclusively dependent on the tourism industry, because here the tourism industry is the main source of income for the people. After the announcement of Lokdhovan by the Prime Minister in India, the tourism industry has suffered a huge loss from international tourism. Due to which about 70% of the jobs of the tourism industry have been losed. According to a report, around 11 million foreign

tourists visited India in 2019, but this year the tourism industry has definitely suffered heavily loss due to the corona virus [12].

Recently some statistics were published by the Ministry of Tourism, which also worried the Indian government as it has seen a decrease of around 67% in foreign tourist arrivals in the January to March quarter. In February 2019, the foreign tourist arrivals were 10.87. while in 2020, it came down to 10.15. This situation worsened after that as it was announced to suspend all types of tourist visas by 15 April to prevent the spread of coronavirus in India.

Covid-19 started to show its impact on tourism sector in India and tourism industry in Rajasthan and various hilly areas for summer booking. Also due to this epidemic, travel companies have also recored the more than 30% drop in their domestic visits compared to last year. And most of the affected summer destinationsc like Leh, Guwahati, Coimbatore, Srinagar, and Amritsar recorded a decline of over 40 percent [13].



Figure 4: Showing panning of Indian tourism industry by India Brand Equity Foundation3

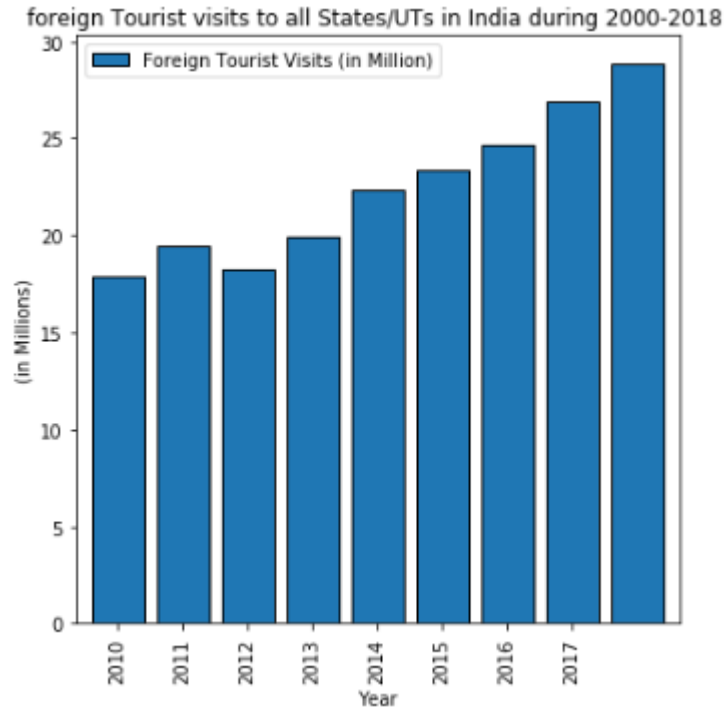


Figure 5: India Top-10 Foreign visits States/UTs

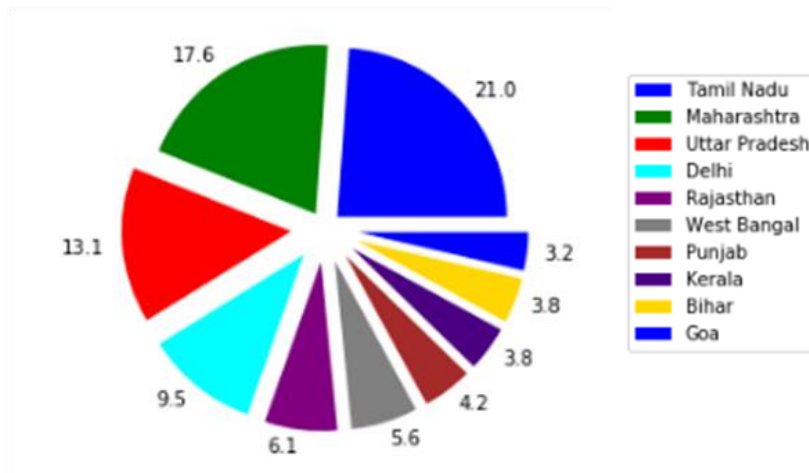


Figure 6: Share of Top 10 States/UTs in India in Number of Foreign Tourist Visits in 2018

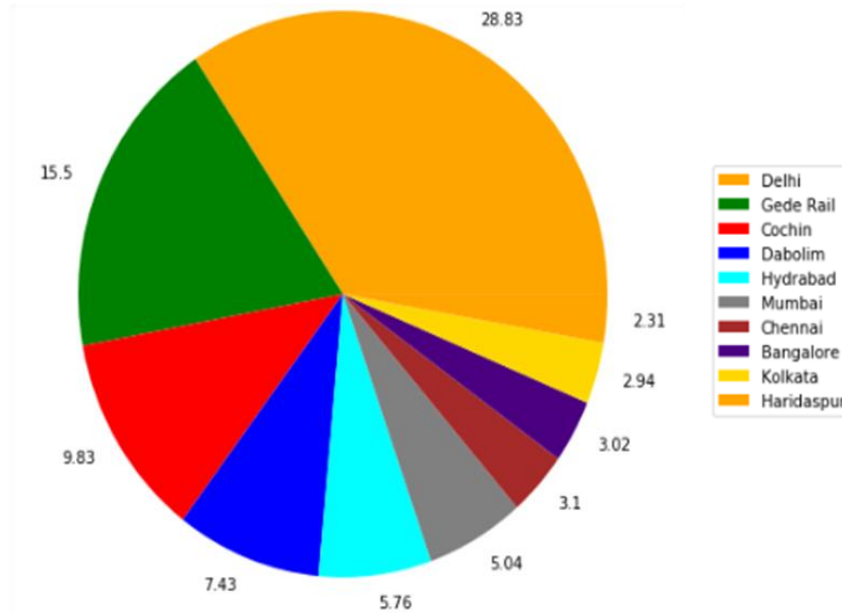


Figure 7: Percentage share of Top 10 Ports for FTAs in India in 2018

4. THE INDIAN TOURISM INDUSTRY AFTER THE CRISIS

Due to Covid-19, the travel and tourism sector in all economic sectors in India will be adversely affected. Because of the imposition of all kinds of travel restrictions and almost complete lockdown to prevent the virus across the country, it was analyzed by the UN WTO that in 2020 there would be a huge reduction in international tourist arrivals. For this reason, the situation in India will be worse because the population in India is very much based on the tourism industry, due to which millions of jobs will be lost here.

An efficient strategic plan will also be needed to rebuild the economy of an efficient country, as the impact of this uncertainty will also reduce investment in trade due to increased uncertainty and risk. Due to which travel and consumer confidence will low due to uncertainty and fear in demand. Therefore, limited economic activities to reduce infections and reduce disposables with homebound life will promote less spending thinking in people. In addition, tourism and related services between the consumer and liaison service providers may create less confidence for supply in transportation and retail expenditure [14].

5. RECOVERY ASPECTS

Presently, given the increasing influence of Covid-19, the tourism industry may take a long time to recover. Moreover, this will be possible only when the lock

down in the country will be completely end and only after assessing the loss of economic and social health in country. Apart from this, it can be recover only after thorough assessment of the loss of economic and social health.

Short-term Measures:

With the help of these short term measures, the sector can be quickly taken out of financial loss. Initial damage can be prevented primarily with the help of these measures. These measures can save the sector from bankruptcy to some extent.

Most of the tourism industry affected by Covid-19 is proposing to pay installments, EMIs for 6 months and salaries for interim stay to their employees. Along with this, RBI has also announced to extend further 3 months to all its banks and NBFCs for repayment of all their dues on March 1, 2020. But in view of the severity effects of Covid-19, it is being proposed to extend the period by 6 months.

2. In addition, the ICC has suggested a further extension of 6 to 9 months on all principal and interest payments on overdrafts and loans, in addition to postponement of advance payments.

3. In addition to improving tourism industry, GST for hospitality industry and tourism should be completely eradicated for 12 months.

4. Apart from this, the government also announced a relief package of 1.7 lakh crore to avoid Covid-19 and to fight this difficult situation among the people. The business community feels that this amount is insufficient to overcome this pandemic. Government should increase this amount to 2.5 lakh crores.

6. To fight the epidemic, the travel and tourism company recommends reducing working capital loans and term loans.

7. ICC Apart from this, the ICC mainly recommends the exemption in the renewal permit (mainly for alcohol), and to reduce the fees of any upcoming license.

8. In addition to support for giving salary to employees in the tourism industry, ICC also requested to provide funds from the MNREGA scheme.

Long Term Measures:

Long term measures are some measures that fix the sector from within and create an inherent flexibility to deal with this type of crisis in the future, which can be recovered in the shortest possible time.

1. Given the growing impact of the Covid-19 epidemic, the prime objective of all the entrepreneurs of the nation will be to bring back the assurance and courage to tourism in India. For this, the government and private stakeholders will have to promote the newly acquired credibility with great precision to promote tourism in India. For this, the government will have to distribute adequate exchequer for organizing road shows and other promotional activities in the market.

2. India should tie up with health care accreditation bodies of foreign countries such as, the National Accreditation Board for Hospital and Healthcare Providers in India. to issue a fitness certificate for the purpose of visa in tourism, for tourists to obtain their visas Certificates have to be obtained from the respective health care bodies in the country and this certificate should be mandated to prevent cross-border transfer for infectious diseases such as coronaviruses.

3. In addition, the administration should emphasis on all types of proper protection for tourists at different places in the nation to increase confidence in India for tourists, as the global tourism community will take some time to cope with this epidemic. Therefore per sector should first focus highly on its domestic travelers [1]. Because after this Pandemic, people will feel more comfortable traveling in the country instead of going abroad. Therefore, alternative tourism destinations will need to be properly evolved and sell within the country.

If a proper strategy is adopted to prevent corona viruses and if both the public and private sector work together on this plan, it will probably provide much needed relief to the economy [15].

Research Outcome

This research paper has examined the greater impact that is being created by the virus on tourism. Severe effects of Covid-19 could create a very dire situation for hotel booking, airline booking, and travel agency in the near future. However, compared to last year, there has been a huge decline in revenue in 2020. The tourism industry will take years to emerge from

pandemic. For its Resurrection, the government will have to enact laws that can be tackled from this situation, as the present situation and financial crisis can be emerged with government intervention.

CONCLUSION

An epidemic can become the ultimate driver of the tourism industry of any nation, as it surely affects the social, economic, religious, athletic, artistic and cultural activities of the country. Coronavirus has certainly adversely affected India's tourism industry. In this paper, the effects of the virus on tourism have been explained, and for that, the emphasis is to implement immediate relief measures and to accommodate those who are more affected than this. In addition, which intermediate and long-term plans are needed to revive and reactivate the economy from the epidemic crisis has been explained. To restore the economy of any country, a comprehensive socio-economic development plan is required, which is like an ecosystem for it. These schemes encourage entrepreneurship, to develop a strong and sustainable business model.

References

- [1]. Özen Kirant Yozcu, Gurel Cetin “A Strategic Approach to Managing Risk and Crisis at Tourist Destinations” (pp. 273-287), April 2019 DOI: 10.1007/978-3-030-16981-7_16
- [2].Folinas Sotiris and Metaxas Theodore “Tourism: The Great Patient of Coronavirus COVID-2019” Online at <https://mpra.ub.uni-muenchen.de/99666/> MPRA Paper No. 99666, posted 17 Apr 2020 10:54 UTC nMunich Personal RePEc Archive
- [3].Gurel Cetin “Impact of Covid-19 on Tourism Industry” April 2020, Journal of Tourismology, DOI: 10.18111/9789284421152
- [4].Vineet Kumar “Indian Tourism Industry and COVID-19: Present Scenario” Journal of Tourism & Hospitality Education on (2020) 10, 179-185, ISSN 2467-9550
- [5].Pravin Kumar Patel, Dr. Jaya Sharma, Dr. Shivali Kharoliwal, Dr. Prashant Khemariya “The Effects of Novel Corona Virus (Covid-19) in the Tourism Industry in India” International Journal of Engineering Research & Technology (IJERT) ISSN: 2278-0181 Vol. 9 Issue 05, May-2020 <http://www.ijert.org>
- [6].Novelli M., Gussing Burgess L., Jones A., Ritchie B.W. ‘No Ebola...still doomed’ – The Ebola-induced tourism crisis. *Annals of Tourism Research*. 2018;70:76–87.

- <https://linkinghub.elsevier.com/retrieve/pii/S0160738318300306> [PMC free article] [PubMed] [Google Scholar]
- [7]. Allen T., Murray K.A., Zambrana-Torrel C., Morse S.S., Rondinini C., Di Marco M., Breit N., Olival K.J., Daszak P. Global hotspots and correlates of emerging zoonotic diseases. *Nature Communications*. 2017;8(1) doi: 10.1038/s41467-017-00923-8.
- [8]. Barrios R.E. What does catastrophe reveal for whom? The anthropology of crises and disasters in a 'Post-Truth' world. *Annual Review of Anthropology*. 2017;46(1) [Google Scholar]
- [9]. Brodbeck, K. H. (2019) Die Illusion der Identität und die Krise der Wissenschaften, Working Paper Serie der Institute für Ökonomie und für Philosophie, Cusanus Hochschule. No. 47, 03 2019.
- [10]. Zuboff S. Big other: Surveillance Capitalism and the Prospects of an Information Civilization. *Journal of Information Technology*. 2015;30(1):75–89. [Google Scholar]
- [11]. Yozcu, O. K., & Cetin, G. (2019). A Strategic Approach to Managing Risk and Crisis at Tourist Destinations. In *Tourist Destination Management* (pp. 273-287). Springer, Cham.
- [12]. Nashirah Abu Bakar, Sofian Rosbi “Effect of Coronavirus disease (COVID-19) to tourism industry” [Vol-7, Issue-4, Apr- 2020] 23 ISSN: 2349-6495(P) | 2456-1908(O) <https://dx.doi.org/10.22161/ijaers.74>. *International Journal of Advanced Engineering Research and Science (IJAERS)*
- [13]. SECTORAL IMPACTS OF CORONAVIRUS PANDEMIC IN INDIA ~ Suggested policy measures - Tourism & Hospitality Sector, INDIAN CHAMBER OF COMMERCE (ICC). <https://www.indianchamber.org/wp-content/uploads/2019/09/COVID-19-Impact-on-Tourism-1.pdf>
- [14]. Ruwan Ranasinghe, Wgsr Wijesundara, Chandi Karunarathne, Dhananjaya Nawarathna “TOURISM AFTER CORONA: IMPACTS OF COVID 19 PANDEMIC AND WAY FORWARD FOR TOURISM, HOTEL AND MICE INDUSTRY IN SRI LANKA” April 2020 DOI: 10.13140/RG.2.2.27955.17442
- [15]. Ritwija Darbari, World Economic Forum “Travel and tourism recovery: a perspective for South Asia and lessons for other regions in the age of COVID-19”, 24 Aug 2020 <https://www.weforum.org/agenda/2020/08/travel-and-tourism-recovery-south-asia-covid19-pandemic-economy-india-nepal-bhutan-sri-lanka/>