

Analyse the Impact of Covid-19 on Indian Tourism Industry

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Abstract - The tourism industry could be very essential to the international as well as Indian economy. The tourism sector plays a vital role in the economic growth of any nation and its not only generates revenues itself. At the beginning of 2020 covid-19 diffusing rapidly at an exceptional scale crosswise celibates and has egressed as the single biggest dangerous health threat in the world has confronted in modern times. Possible tourist's lean-to modifies their plan or stops their plans for an endpoint this is overrun by a COID-19. India is the most important nation in the world that's rich in culture and numerous tourism resources, millions of tourists come right here every year and increase it year on year, which makes a massive contribution to the GDP of the country. This paper is particularly focused on covid-19 in India which analyzes the effect it has had on the tourism and hotel industry. This paper analyzes their long-term impact and suggests a few preliminary steps that want to be taken to conquer the current slowdown in the eco-tourism industry.

Index Terms - Tourism Industry, Travel Industry, Hospitality Industry, COVID-19, Pandemic.

I.INTRODUCTION

Tourism is one of the fastest-developing economic sectors and is a critical driving force of economic growth and development. The Indian tourism and hospitality enterprise has emerged as one of the key drivers of increase some of the services sectors in India. Tourism in India has significant potential thinking about the rich cultural and ancient heritage, variety in ecology, terrains, and places of natural splendor spread throughout the country.

The World Health Organization (WHO) on March 11, 2020, declared the novel coronavirus (COVID-19) outbreak an international pandemic. Tourism becomes one of the first sectors to be deeply impacted via way of means of the pandemic, as measures introduced to

comprise the virus brought about a near-complete termination of tourism activities across the world. The COVID-19 pandemic has hit the tourism financial system difficult with unprecedented consequences on jobs and businesses. Destinations that depend heavily on international, business, and activities tourism are struggling. This sector also risks being amongst one of the last to recover with the ongoing travel regulations and the global recession. This has consequences beyond the tourism economic system, with many different sectors that aid and are supported via way of means of tourism also significantly impacted.

According to Liu et al [1], the most dynamic industry is the tourism sector that benefits many different sectors like lodging, catering, transportation, retail, entertainment, etc. Contributing to economic growth and recuperation globally. It has been stated that tourism growth has outperformed the world GDP increase record from the past consecutively from the year 2011–2017 [2].

Tourism and hospitality businesses are profoundly affected by COVID-19 that has been declared as pandemic on twelfth March 2020 [3] Due to the COVID-19 pandemic, the travel, and tourism sector employment loss is anticipated to be 100.08 Million worldwide (4).

II. IMPACT OF INDIAN ECONOMY

India is one of the developing countries known for its uniqueness in its tradition, culture and unparalleled hospitality. It is a major destination for many international tourists, creating several employment opportunities and generating enormous taxes [5]. The categories of Indian tourism industry can be

- International inbound tourism;
- Domestic tourism; and
- Outbound tourism.

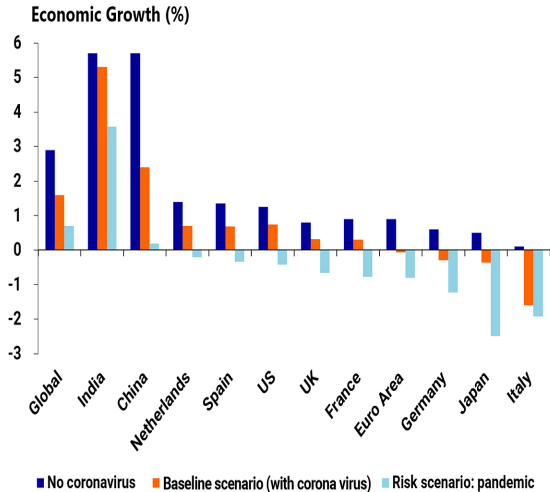


Fig 1. Global economic impact of covid-19

Moreover, the industry recorded a 3.2% growth from 2018, with 10.8 million foreign travelers arriving in India with forex incomes of USD 29.9 billion in 2019. In this regard, India ranked eighth with respect to total direct travel and contribution in the direction of tourism of about USD 108 billion [6]. Also, there may be a 66.4% decline in foreign tourists' arrivals in India in March 2020 as compared to last year [7]. It has been anticipated that there can be about forty million direct and indirect job losses in India, with an annual loss in revenue of around USD 17 billion in India [6, 8].

III. IMPACT ON TRAVEL INDUSTRY

The travel industry, which incorporates airways, hotels, and restaurants, will cut back via way of means of 50% in 2020, which could imply a huge loss of jobs and revenue. According to the International Air Transport Association (IATA), Airlines worldwide are anticipated to lose a record of \$ eighty-four billion in 2020, more than 3 times the loss made at some point of the Global Financial Crisis [9]. Most of the airways are undergrounded. Hotels are being closed because of fewer travelers and lots of five-star hotels becoming quarantine facilities. Most restaurateurs see operating costs growing further due to social distancing, hygiene, and sanitation-related prices. Therefore, sustaining at some point of this crisis is a challenging task for the tourism industry

IV. IMPACT OF COVID-19 PANDEMIC ON TOURISM ECONOMY

The foreign exchange earnings (FEE) from tourism are one of the predominant revenue reasserts for the Government of India. The FEE is the sales generated via way of means of inbound overseas tourists, and a decrease in overseas tourists' number leads to reduce FEE. The entire globe is stricken by COVID-19, such as India. Following the border closure, cancellation of worldwide flights, and a chain of lockdowns, the tourist's arrival rate in India has been extraordinarily affected. To show the effect of COVID-19 on FEE, a comparative analysis has been done. Here, it has been assumed that the impact of COVID-19 will remain till the subsequent year. The FEE depends on the arrival of the number of tourists and the exchange rate. To analyses, the effect, the month-to-month records related to the number of tourists, FEE from tourism, and exchange rate are accumulated from thirty-first January 1993 to thirty first March 2020 from CMIE [10].

The scatter plot (Fig 2) describes the excessive correlation among overseas tourists' arrival and forex earnings, and the calculated correlation coefficient is 0.9718. It means that each is highly correlated. Similarly, Fig three depicts the correlation among alternate rate earnings and forex earnings, and the calculated correlation coefficient is 0.8570. This means that each are extraordinarily correlated. Thus, the arrival of the number of overseas tourists and the exchange rate is taken as input to are expecting the FEE and to measure the effect of COVID-19.

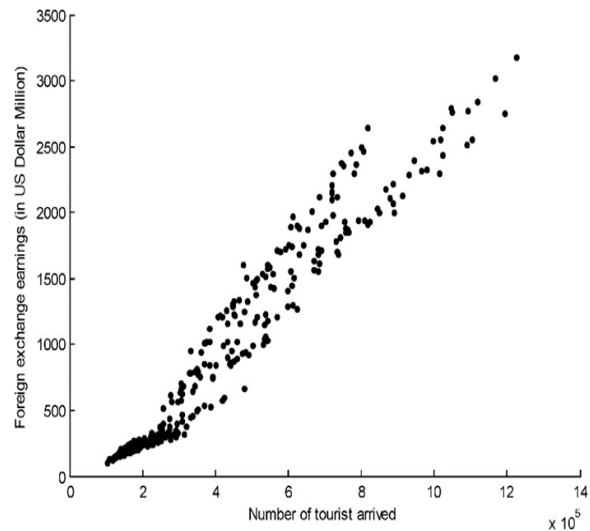


Fig 2. Correlation between the number of tourists arrived and foreign exchange earnings

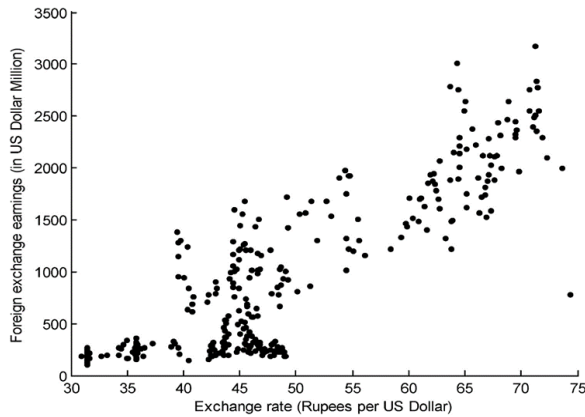


Fig 3. Correlation between the number of tourists arrived and foreign exchange earnings.

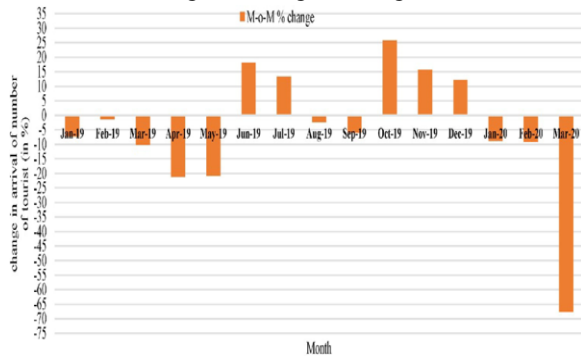


Fig 4. Change in the arrival of number of foreign tourist month- to-month.

V. POST-LOCKDOWN TOURISM

Profound modifications with inside the structure of travel and tourism demand and delivery are anticipated to reshape the sector within the aftermath of COVID-19. The uncertainty concerning the evolution of the virus, its health effects, and the repercussions within the economic system render vital alternative methods to business as usual through individuals, businesses, governments, and global organizations. Learning from past primary structural transformations has to inspire stakeholders to include a strategic approach, primarily based totally on present-day evidence and cautious scenario analysis. In practice, it means that governments want to recollect a couple of scenarios and work on multiple fronts simultaneously. This allows for brief reflexes in policymaking.

Now that the regulations on the state border were accelerated tourism may witness a few growths. Many organizations have allowed their workforce to work from home; others are providing a change of place

with inside the form of working from homestays. Many big tourism and hospitality brands along with Airbnb, OYO, Vista are jumping in with the promise of homestays as an opportunity universe during the pandemic. As the homestays are getting famous workstations during the pandemic, the usual guidelines inclusive of strict sanitization and face cover are being accompanied 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-fewer valets 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 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-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.

VI. CONCLUSION

The covid-19 pandemic influences the world without an exception, especially in the regional and international tourism sector. In India, the tourism industry became contributed INR 194 billion to GDP but, all of the figures vanished in the period of the pandemic. This paper encompasses the instantaneously socio-economic influences of COVID-19 on tourism and accelerating restoration to protect hundreds of thousands of livelihoods. In another perception, this disaster is a possibility to reconsider the tourism sector and its contribution to nature, and the Agreement of IPCC climate change that insists and recommendations to work toward a greater sustainable, inclusive, and resilient tourism. There is a want to remember the long-term implications of this disaster even as capitalizing on digitalization, supporting the low carbon transition, and promoting the structural transformation needed to construct a more potent and resource-efficient future.

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