

A REVIEW OF COVID-19 IMPACT ON TOURISH INDUSTRY IN INDIA

*** Surabhi M. Raul & ** Dr. Balaji Suryawanshi**

**Research Scholar, ** Assistant Professor, Department of Economics, S.S. & L.S. Patkar College of Arts and Science and V.P. Varde College of Commerce & Economics, Goregaon(W), Mumbai, Maharashtra.*

Abstract:

Tourism industry is regarded as the backbone of economic growth, particularly in developing countries. It is one of the major sources of foreign exchange earnings (FEE) and employment. In early January 2020 new virus named coronavirus (Covid-19) were identified in China. The rapid spread of Covid-19 not only had a massive impact on the global economy, but it also posed a threat to human life and also disrupted normal economic activities. The Covid-19 crisis has had the greatest impact on global travel and tourism than any other sector. The pandemic shut down the tourist industry around the world, and countries around the world continued to impose travel restrictions in order to control the spread of the virus. It crippled the tourism industry by negatively affecting international and domestic tourists. This study is to use statistical evidence to investigate the impact of Covid-19 in the Indian context. For this study, the secondary research methodology was used.

Keywords: Covid-19, Tourism Industry, Employment, Tourism, Government, Tourist, etc.

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Introduction:

Covid-19 has spread in every country in the world and left all industries counting the cost. Partial or complete shutdown in most parts of the world resulted to low or no production, distribution, or mobility of people for economic activities. On 12th March 2020 has been declared a Covid-19 pandemic (WHO, 2020). It is a humanitarian crisis as there is the human-to-human transmission of the virus so some of the protective measures were taken by the government like Border closures, masks, social-distancing, quarantine, and etc. The tourism industry is one of the fastest-growing industries. It supports one in the ten jobs. Restrictions on the mobility of tourists brought a standstill to the tourism industry which resulted in the vanishing of job opportunities and people eventually fell into a vicious circle of poverty.

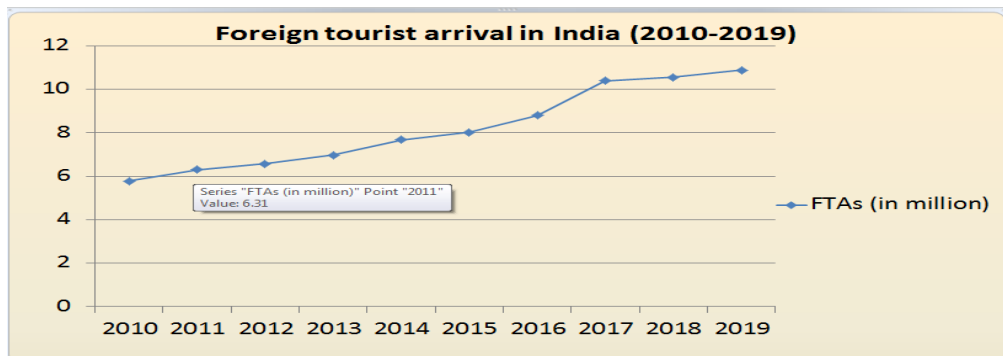
Objectives of Study:

The purpose of this study is to see how Covid-19 affects the tourism industry at aggregate level.

- To review measures taken by government to revive tourism.

India's Tourism:

Tourism industry has turn out as one of the key driver of growth among services sector. Indians have varied life styles, and colorful fairs and festivals which make India a unique tourist destination. As per World Travel & Tourism Council (WTTC), India ranked 10th in terms of travel & tourism's overall contribution to GDP in 2019. The tourism industry generated about 40 million jobs. In 2019 itself India holds 34th rank on the world travel and tourism competitiveness index (WTTC).



(Source: bureau of immigration, ministry of tourism)

Continuous growth was observed from 2010 to 2019 in Foreign Tourist Arrivals (FTAs). In 2018 Ministry of Tourism targeted 20 million FTAs by the end of 2020 and doubles the foreign exchange earnings (FEE). Unfortunately, the Covid-19 outbreak in India caused the tourism industry to collapse. Tourism industry is one of the profoundly affected by Covid-19 with airplanes on ground, hotels shut and travel restriction.

Review of Literature:

Pandemics are not similar to many other tragedies and crises that tourism has experienced Although, as with any other disaster-related tourism, consumer and industry confidence will rise and fall in response to media coverage of Covid-19 (Gossling et al., 2020) Rise in infected cases throughout the nation, and with the implementation of certain measures like social distancing, the compulsion of wearing masks, community lockdowns, work from home, stay at home, self- or mandatory quarantine, etc., pressure is created for halting the tourism industry (Gretzel et al., 2020). As per the (UNWTO, 2020) Tourism is one of the most affected industries, with planes grounded, hotels closed, and travel restrictions imposed in nearly every country around the world. 100 million direct tourism jobs are at risk, in addition to tourism-related industries such as labor-intensive lodging and food services, which employ 144 million people worldwide (UNWTO 2019). In comparison to the previous year, there is a 66.4% decrease in international tourist arrivals in India in March 2020(TAN, 2020). (Jones and Comfort's 2020) viewpoint differed slightly from that of others. They claim that the Covid-19 epidemic not only posed a threat to the tourism sector but also signalled a degree of environmental change that might have an impact on global development patterns.

Research Methodology:

Statement of Problem:

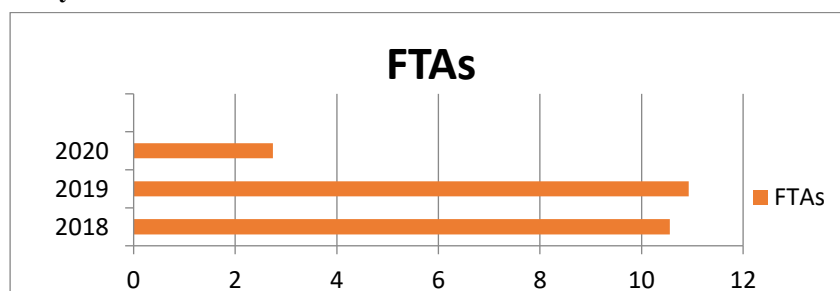
Despite the fact that few studies have investigated the impact of Covid-19 on tourism, a systematic analysis of the above issue lacks in the literature in order to bridge the gap. The current study is an attempt to describe the effect of Covid-19 on India's tourism industry.

Secondary Data:

To conduct the current study, both qualitative and quantitative data on the impact of Coronavirus were gathered from a variety of secondary sources, including published articles, journals, government reports, and websites.

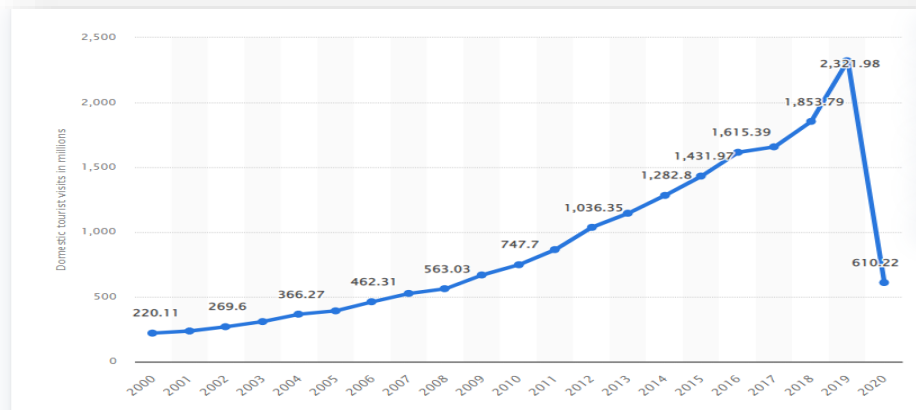
Findings:

India's Tourism Industry and Covid-19



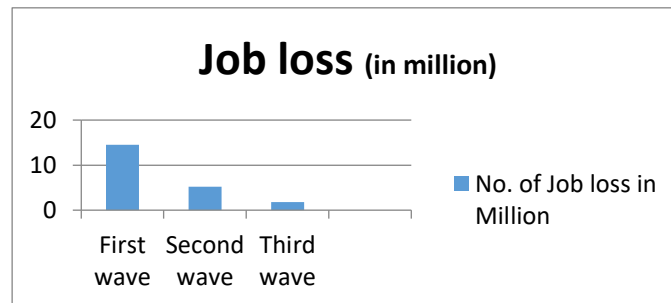
(Source: Data from Ministry of Tourism)

The foreign tourist arrivals (FTAs) in 2020 stood at 2.74 million, which is down over 74.9 % as compared to the same period in 2019 when FTAs stood at 10.93 million. As per Ministry of Tourism, The Indian tourism industry has booked a revenue loss of Rs1.25 trillion in 2020 as a fall out of the shutdown of hotels and suspension of flight operations after the onset and spread of the Covid-19 pandemic.



(Source: <https://www.statista.com/statistics/207012/number-of-domestic-tourist-visits-in-india-since-2000/>)

In 2020, over 610 million domestic tourist visits were made across India, a decrease from the previous year according to records Domestic tourist visits have crossed 2,321.98 million. The most visible and immediate impact of Covid-19 can be seen in the tourism industry's sub-segments across the world.



(Source: Data collected from Economics time)

As per the study by the tourism ministry, there were 14.5 million job losses during the first wave. Till the end of the third wave of Covid-19 in India around 21.5 million people involved in the tourism industry lost their job.

Government Initiatives

From 2020 to 2021, the Government of India has launched several schemes to raise awareness of and combat the impact of Covid-19 on the tourism industry, as well as its recommendation to the Ministry of Finance for a relief package for the tourism sector.

- The Ministry of Tourism developed an initiative called SAATHI (System for Assessment, Awareness & Training for Hospitality Industry). The initiative will effectively implement guidelines issued with reference to Covid-19 for safe operations of hotels, restaurants, B&Bs, and other units.
- The Ministry of Tourism has launched the DekhoApnaDesh initiative through which various promotional activities like webinars are carried out to raise awareness among the public about the country and its tourist destinations.
- Finance Minister on June 2021, announced relief packages for Travel and Tourism Stakeholders (TTS) aimed at

- Reviving tourism in the country by providing loans without processing charges as a financial support to registered tourist guides and other travel and tourism stakeholders.
- Free Tourist Visas scheme was started to encourage foreign tourists. The Government of India will provide free visas to 5 lakh tourists. The scheme is applicable till the end of March 2022 or until the issuance of 5 lakh visits (whichever target is achieved earlier).
- The Ministry of Tourism and the Indian Railway Catering and Tourism Corporation signed a Memorandum of Understanding (MoU) to strengthen the hospitality and tourism industries. Easy My Trip, Clear trip, Yatra.com, Make My Trip, and Goibibo have also signed a MoU with the government.
- In addition, the authorities proposed that funding from the Mahatma Gandhi National Rural Employment Guarantee Scheme be transferred to the tourism industry in order to manage unpaid salaries

Conclusion:

Given the severity of the situation, the WHO declared a pandemic in March, 2020. Government impose lock-down, social-distancing, quarantine and etc. This also affected global economy. Tourism was first to get impacted by Covid-19 as it restricted mobility of people. The current research study attempted to interpret the impact of Covid-19 in tourism industry. Initially research attempt to describe tourism in India and then it explains the effect of Covid-19 on tourism industry in India. The research has found that Covid-19 has negative impact on the global economy. The tourism industry is fighting for survival not only in developing countries, but also in developed countries, as a result of the Covid-19 pandemic. Both foreign and domestic trips were cancelled due to the restriction on movement of tourist and closure of country borders. Due to it there was fall in FEE, FTA, domestic tourism and job loss. To overcome all this problem government posed some measures to revive the tourism industry.

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