

INDIAN TOURISM INDUSTRY DURING COVID-19 PANDEMIC OUTBREAK AND PRESENT OPPORTUNITIES IN TRAVEL INDUSTRY

Abstract

Travel and exploration has been a part of human nature since very primitive times, when man become curious and aware enough to look for new better places for his civilization to grow and thrive. It is a hobby for some and even a full time career for some. With the progress of civilization, better economic and technological resources, travel became easier for the population and this gave way for invention and evolution of tourism industry. Tourism industry is relatively new field of business developed rapidly in last few decades. The tourism industry is the summation of all small and large scale businesses that directly provide goods or services to facilitate business, pleasure and leisure activities away from the home and work. There are even countries whose economy are majorly dependent on tourism only and they have evolved themselves as tourist friendly places. For example, South East Asian nations like Thailand, Indonesia, Laos major source of revenue is tourism.

India as a country has immense potential to become an extremely successful tourist destination with all kind of places to visit on this sub-continent. India has religious places, historical places, hill stations, beaches and even metro cities with all the state of the art facilities for tourists. People with all kinds of budgets can visit various places in the country with the help of network of public and private travel companies. In recent years, there was spurt seen in hotel and inn chains in every city which has a strategic value for tourism industry. Year 2020 hits with a pandemic

Author

Dr. Ritu Singh
Assistant Professor
Institute of Management Sciences
University of Lucknow
Lucknow, India

named COVID-19 and disrupts economy on every scale and all kinds of industries struggled to maintain their operations in those tough times when no one had a guidebook for how to run a business in pandemic.

Keywords: travel, tourism, development, pandemic, safety

I. INTRODUCTION

Travel and Tourism in India was the large service industry and was worth around \$0.235 trillion in 2018 and has become one of the largest Foreign Exchange Earners with earnings of \$0.030 trillion over Jan 2019 – Dec 2019, equating a growth of 4.79% over the previous year. According to The World Travel and Tourism Council, the tourism industry in India generated \$0.2 trillion or 6.79% of India's GDP in 2019 and supported approx. 4 crore jobs in organized and unorganized sector. The tourism sector in India is predicted to grow at an annual rate of 6.89% to \$0.5 trillion by 2028 which is 9.89% of GDP. As a country, India has a location of one of the Seven Wonders of the World in Agra, beautiful coastal beaches, magnificent Himalayan beauty, royal lineage history and several religious pilgrimages. All these locations have artifacts and building of historical and architectural importance and people from all over the world want to experience these. Indian subcontinent has a rich history with still so many explorations to be made and various raw beautiful locations where a tourist population has not reached yet.

Indian tourism Industry was doing well before COVID-19 pandemic outbreak with people from all over the world showing interest in exemplary architectural marvels of historical India and even locations like hill stations were getting ample footfall, still a major part of North-east India is yet not explored and various internet pages and tourism companies like tripoto-community were encouraging travel to these places with help of influencers on social media platforms like Instagram and YouTube. Unfortunately, when COVID-19 struck it stopped all activities and made it mandatory to stay home for everyone, causing disruption in entire industry and severely impacted jobs, especially the daily wagers were impacted most. A lot of travelers had to cancel their bookings for accommodation and travel or had to postpone their travel plans which caused huge losses in balance sheet of hospitality and service industry and still in year 2022 they are trying to overcome those losses and slump of last 2 years as avid travelers of pre-COVID era are still not very confident on resuming full scale travel due to many restrictions.

When in year 2020, COVID-19 struck whole world, tourism industry took back seat and staying indoors and staying in confines of a home became a new necessary norm. COVID has affected tourism industry in every country of world and every city of any country. Tourism was blooming before this pandemic with ample growth in hospitality and food service industry employing thousands of people from front office to last mile delivery of service. A new trend of exploring places was on rise which was also boosting travel industry be it rail-road or air-travel sector. Historical places attracted people in large number which gave jobs to tourist guides with good knowledge of history. With enforcement of global lockdown visit to tourist places was declined to zero for a substantial period of time and this took away the income of tourist guides also.

Due to pandemic of COVID19, the tourism industry faced a loss of more than hundred million jobs on global scale and this has effected civilization economically, socially and politically. In financial year 2020, Indian nation had recorded 39 million jobs in travel and tourism sector which is likely to grow to 53 million jobs by year 2029. Tourism was contributing upto 8% in employment in year 2020, but pandemic caused unemployment to rise to more than 25% in May 2020. Even now in year 2022, tourism has not come back to its glory yet but still thriving towards better future. Government also took care of tourism

department in its COVID-19 relief allotment and working towards to make sure that tourism related jobs remain safe. In June 2021, New Scheme to revive Tourism with 100% Guaranteed Loans was launched for providing financial support and to be extended to more than Eleven thousand registered tourist guides and travel and tourism stakeholders (TTS). In this scheme, Travel and Tourism Stakeholders will get up to Rs.1 million loan under government scheme and licensed tourist guides to get up to Rs.1 lakh loans.

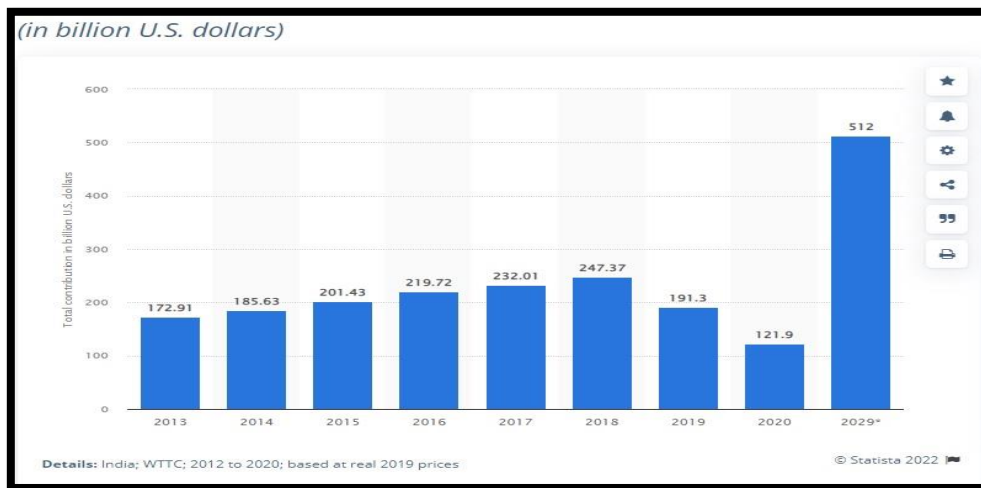


Figure 1: Total contribution of Travel and Tourism to GDP in India from 2013 to 2020, with an estimate for 2029 (Source- Statista 2022)

II. REVIEW OF LITERATURE

Pandemic caused 65.9% decline in overseas tourists' arrivals in India by March 2020 as compared to year 2019 and it has been estimated that there was about more than 40 lakhs direct and indirect job losses in India, with an annual loss in revenue of around USD 0.18 trillion in India in financial year of 2020. India ranked in top ten among 190 countries in terms of travel and tourism's total contribution to GDP in 2019, which was almost US\$ 0.2 trillion and this number declined to 121.9 billion US dollar in 2020 i.e. amounting to loss of more than 70 billion dollar.

Our neighboring nations were also severely affected by in tourism sector by this pandemic, for example, tourism was accounted for 7.9% GDP in Nepal in 2018 and supported 1.05 million jobs which hosted 1.19 million foreign tourist in 2019. Visit Nepal 2020 was introduced with aim of increasing the number of footfall of foreign tourism above 2 million, but the implementation of scheme was halted due to COVID19 when World Health Organization declared it a pandemic on 03 March 2020.

Tourism is an important revenue generating activity for every economy, especially with a country like India with rich heritage and lot of history to explore. Even religious ceremonies and places are of so high importance that they generate huge footfall of tourist every year. Other than religious places India has so many different geographical and topographical areas, a travelling enthusiast can explore all year long. India has a land of rising sun in north-east states, has beautiful beaches in west with vivid flora and fauna. In

past many scholars from different regions of world has come to explore India for its natural resources and wrote about the majestic culture in their books.

In current modern world with ease of using technology and rise of globalization, travelling has become an easy and feasible feat and every person with a nomad soul can satisfy his need to roam around the world. Introduction of internet and app based tourism with easy and frugal accommodation, food points and travel and tour plans with use of websites and mobile applications of IRCTC, makemytrip, cleartrip, oyo rooms, booking.com, hostel.com has made tourism sector a golden goose opportunity and this sector is reviving well after pandemic. Now most of the world population is vaccinated with up to booster dose and they want to start travelling soon. Although now rules for travelling has changed very much and low luggage strategy is preferred now as most of the amenities are provided at hotels and hostels. Tourism industry drivers are also competing with each other to stay afloat and attract maximum inbound traffic, which is in favour of consumer.



Figure 2

As per the new trend, people are looking for eco-friendly and green hotel which are sustainable with the nature and healthy environment

III. MATERIALS AND METHODS

This paper is written with a primary objective of accessing tourism as tool for development of society and community and then secondary objective is to brainstorm for viable options or programs for positive radical changes in this industry. Here the research paper is based on the secondary data collected from sources of research papers, journals and news articles and primary data is collected from possible beneficiary population via interaction and discussion with them.

Analysis of data present at hand shows that tourism can go a long way with proper and planned infusion of capital. People are in general looking forward to safe tour and travel opportunities. The new changes will work towards futuristic development of this industry and development of whole community in terms of employment generation and cash flow coming into economy. India is a country with rich heritage and culture and has so many beautiful experiences to share with the people of the world and this interaction can generate a fulfilling economic and financial domestic and international relations.

IV. DATA ANALYSIS

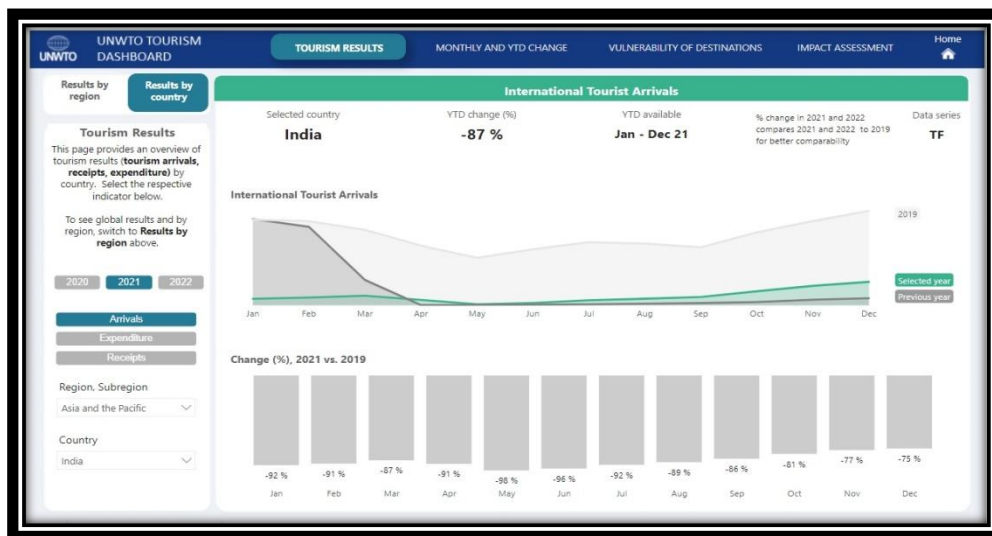


Figure 3: International Tourist Arrivals In India (Source- Statista, Feb 2022)

In 2020, global overall revenue from the travel and tourism industry was approximated to drop from a predicted 0.72 trillion U.S. dollars to 0.57 trillion U.S. dollars, constituting a decrease of over twenty percent. The region forecasted to see the highest decrease in revenue was Europe, decreasing from 0.22 trillion U.S. dollars in 2019 to roughly 0.125 trillion U.S. dollars in 2020 which is close to 50% decline. In 2020, the travel and tourism industry in India contributed around 121.9 billion U.S. dollars to the country’s GDP. In 2020, the occupancy rate in hotels across India was 34.59 percent that was significantly lower than in the first quarter of 2019, when nearly 71 percent of rooms were occupied and the rates fell to 14.9 percent in the second quarter. Towards the end of that year, the occupancy slowly increased again.

The key indicators for the hotel industry included the revenue per available room (RevPAR) and the average daily room rate (ADR). The Revenue per room decreased from 3,710 Indian rupees in the first quarter to 534 Indian rupees in the second quarter of 2020. The ADR decreased, similarly, from 6,401 Indian rupees to 3,409 in the same time period. During the year 2014 to 2019, India gets the top position in terms of creating tourism jobs. In this period Indian travel and transport industry created 63.5 lakh jobs (Report WTTC 2019). Covid-19 has impacted tourism industry in very dreadful way with loss of jobs and even closure of business. This pandemic has made government to rethink their strategies towards tourism sector and introduced revival strategy for it with infusion of corpus money to Travel

and Tourism Stakeholders as they will get up to Rs.10 lakh loan under government scheme and licensed tourist guides to get up to Rs.1.0 lac loans.

New concepts of Green tourism, Ecotourism and sustainable tourism has also been introduced in recent years. Green tourism is small scale tourism that encourages travelers to explore natural places and minimize the impacts and effects of tourism on the environment while Ecotourism is to visit natural, unspoiled tourist areas without having a great impact on destination and often referred to as alternative to mass tourism to a place which is not a very developed urban destination. Ecotourism is focused on conserving terrestrial and marine environment by improving awareness for good environmental practices for travelling and establishing low impact tourism facilities. For example, Krabi and its adjacent islands of Thailand were facing problems of pollution and waste accumulation before pandemic and also the flora and fauna health was being compromised due to heavy footfall of tourists but now they are developing methods to install and encourage responsible tourism also. In case of many Indian tourist places of religious and natural scenery importance were also suffering same issue but now many clean India campaign are successfully run and implemented in all cities of our country.

Tourism sector has lot of potential to generate new ideas for employment and profitable future cash flows especially in a sub-continent of India with rich heritage and culture to explore. Pandemic may have changed tourism industry ecosystem in many ways but new entrepreneurial activities will revive soon with application of newer and better marketing and awareness strategies.

V. CONCLUSION

According to United Nations World Tourism Organization stats, in year 2020 the tourism decreased by 61–82% on the global scale due to COVID pandemic in comparison to 2019. The impact of the COVID pandemic on the World tourism situation is evident and visible, and the recovery of tourism will now need a different developmental approach, in which the new era of tourism will begin. The new forms of tourism is defined with trends of the post-COVID era emphasizing and working on the slow recovery with newly adopted tourism products and strategies.

Post-COVID tourism must focus and emphasize on the development of new tourism products and services in the area of selective tourism, emphasizing the well-being of tourist's health, safety, and security and sustainability. Responsible and feasible travel is becoming more and more important and necessarily required for environment and for socio-economic upliftment for all the countries of this world and it is imperative for all of us to travel in a sustainable manner. Indian tourism industry with Indian government has started working towards this goal of safe and secure tourism as it can be a very effective tool towards bringing development in community and country on multiple levels. Successful development plan for tourism industry will enhance the service sector like hospitality industry also.

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