

## **IMPACT OF PANDEMIC COVID-19 ON TOURISM INDUSTRY: AN OVERVIEW**

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### **ABSTRACT**

The Rapid spread of coronavirus (COVID-19) has not only negatively impacted the global economy but also has put the human life in jeopardy. The rapid spread disrupted the normal economic growth, trapping certain sectors in vicious cycle. COVID-19 has emerged as a new world-wide concern in an environment when the whole economy is impaired. The outbreak of COVID-19 turned a grim outlook of prolonged geopolitical, societal and inconsistent performance of the markets. In order to stop the spreading of coronavirus, many countries are adopting lockdown provisions. The extent of these provisions are different in every country and it depends on the number of virus infected people in the country. But the lockdown composed by the government has affected the lives of billions of people while threatening the economic outlook of the country. Social distancing and restrictions on travels are required to control the virus. However, this has impacted the evergreen sector of economy i.e. tourism sector. Therefore, the research focuses on the impact of covid-19 on tourism industry. As per the findings of the study COVID-19 has badly affected the economic growth of the country. The hundred percent restrictions on travelling have badly hit the tourism industry of the world.

**KEYWORDS:** COVID-19, Industry, Lockdown, Tourism.

### **INTRODUCTION**

In December 2019, China emphasized on the outbreak of a type of infection or pneumonia with unclear aetiology. The outbreak has accelerated into a global health emergency. A seafood store in Wuhan was identified as potential epicenter of the outbreak in early January 2020. The emergence of deadly disease COVID-19 has caused significant financial losses as well as health and economic issues worldwide.

COVID-19 has significantly affected travel and tourist businesses which are key contributors to the GDP of an economy. Government of every country spends a lot of money in the enhancement of tourist places with the view of treating the expenditure as an investment rather than cost because tourism industry helps in increasing the national income of the economy.

Pandemic has a negative impact on tourists' behaviour and mental health. Hence, people drop their travelling plans due to the fear of infection as it is not possible to avoid spreading of virus during travelling. As per the forecasts, there will be 20-30 % decline in tourist activities resulting in billions of loss of foreign tourism receipts. Moreover, up to 75 million workers are at the risk of losing the jobs (UNWTO 2020).

Anxiety generated by the spread of virus across the world has negatively impacted the tourist industry. Many domestic and international travel tickets have either been delayed or even cancelled. This has resulted in crisis all over the tourism industry.

India is one of the World's most democratic country. Domestic and international tourist are attracted towards demographic composition of the country, its civilization, natural beauty, greenery, ecology, culture and geographic advantages. Improvements are found in hotels, restaurants, motels and tourist markets in India.

Tourism, as a thriving sector of the economy, is not only just a source of job creation but also a significant source of foreign exchange currency. As per World Travel and Tourism Council, in 2018, the Indian tourism industry was ranked third position among 185 countries on the basis of share contributed in the GDP of country.

India uses digital instruments for tourism planning, choosing destination and to prepare for the journey. Tourists from our own country spend significant portion of the disposable income on travelling and tourism related activities. This helps in upliftment of tourism industry but the emergence of COVID-19 has restricted the growth of tourism industry.

## **REVIEW OF LITERATURE**

The tourism industry, which is labour intensive industry, is a major source of unemployment around the world. Travelling and transportation, hospitality, food and beverages, etc are the key industries that support tourism (WTTC, 2017). Tourism is regarded as a major contributor to the GDP of India by generating foreign exchange, job opportunities and earning major source of revenue for the country (Steiner, 2006). Tourism is the fastest growing industry in both developed as well as developing countries as it is regarded as major source of generating job opportunities and the highest revenue generator of economy (Gamage et al, 2020). The tourism industry provides various benefits to the people. The tourism industry is part of economy's service sector which has

its own set of features (Haq et al, 2014).

Narges et al (2020) have found that the revenues of tourism industry has declined. Restrictions imposed by government in travelling is the main reason behind it. Another reason observed is unemployment. Abdul Jamal et al (2020) revealed that due to COVID-19, the whole economy has been severely affected. Tourism is not an exception to it. All the countries whether developing or developed, the tourism industry of every country has been struggling due to the impact of COVID-19. Pavitra Shetty (2021) revealed the restrictive measures adopted by the government that resulted in lowering down of revenue of tourism industry. But in order to ensure the wellbeing of people, restrictions in tourism were very necessary. Jaffar Abbas et al (2021) found that the fear of infection from virus and restrictions imposed by government have resulted in lowering down of expenditure of people, which earlier, they used to spend for their leisure time. Nashirah Abu et al (2020) signifies downward trend in tourism sector of the country with the help of demand and supply curve. The result shows that decrease in demand is responsible for reduction in equilibrium prices of tourism industry. However, elasticity of demand is found to be in an elastic range. Lee-Pang Foo et al (2020) have determined the influence of COVID-19 on the tourism industry with respect to Malaysia. The results of the study revealed that COVID-19 has very negative effect on Malaysian tourism sector, with various visitors from all over the world cancelling and delaying their travel plans due to concerns about the virus. Stefan Gossling et al (2021) have found that COVID-19 has affected tourism Industry all over the world because of limited mobility and social isolation. Tourism is particularly vulnerable to pandemic. The effects of air travels, lodgings and cruises have been catastrophic. Hanyuan Zhang et al (2021) forecasted the recovery of tourism industry from the effects of COVID-19 using Delphi Technique. COVID-19 has severely affected the tourism industry of all the countries. Hence, there is an urgent need to take action for the revival of tourism industry. As, it is the main pillar in contribution of the GDP to the economy. Ranjit Sah et al (2020) found that there is an urgent need for all the stakeholders of tourism industry of Nepal to take appropriate steps in the prevention of tourism sector as it has been severely impacted by the COVID-19.

## **METHODOLOGY**

The study uses of secondary nature. The data is collected from various sources like research articles, research journals, websites, newspapers, reports from UNWTO and WTCC. The statistics collected from reports are used for analysis in the study.

## **DISCUSSION**

The COVID-19 epidemic has made the tourism sector more vulnerable around the world.

As a result of government has imposed travel restrictions. The tourism industry has suffered more than other industries around the world.

Table1: Decline in foreign tourists

<b>FOREIGN TOURISTS DECLINED FROM:</b>	<b>PERCENTAGE</b>
Asia and Pacific	94%
Europe	83%
Africa	81%
Middle East	78%
America	71%

Source: UNWTO 2021

Table 1 shows the percentage decline in foreign tourists. Also decline in foreign tourists have lowered down exports by 4%.

Table: 2 Test Positivity Ratio of various States/ UTs

<b>STATES/ UTs OF INDIA</b>	<b>TEST POSITIVITY RATIO</b>
Maharashtra	4.5%
Karnataka	4.4%
Kerala	11.3%
Tamil Nadu	6.5%
Andhra Pradesh	6.0%
Uttar Pradesh	0.1%
West Bengal	5.8%
Delhi	0.3%
Chattisgarh	1.3%
Rajasthan	0.6%

Source: covid19india.org

Table 2 shows Test Positivity Ratio of various states and UTs in India. Decline in positive cases is very necessary to increase the revenue from tourism industry.

## **CONCLUSION**

The study has found focused on the effect of COVID-19 outbreak on the tourism industry. The COVID-19 is pandemic that has badly impacted the on the majority people's lifestyles. COVID-19 has significantly impacted the economic growth due to lockdown, travel restrictions, quarantine and social distancing. The UNWTO has revealed that the travel restrictions has really affected the global economy. Tourism industry is the major source of

revenue for all the countries, whether, developing or developed. Government of every country spends a lot of money on tourism industry but it is not treated as an expenditure. It is regarded as an investment that generates revenue but coronavirus has restricted the entry of national and foreign visitors due to which revenue is declining of each and every sector. Not only the coronavirus has influenced the revenues of tourism sector but also it has affected the level of employment. Many employees in engaged in tourism industry have lost their jobs and are left helpless. Therefore, the government and various policymakers should focus on the issues faced by the tourism industry and introduce the corrective measures in order to assist the tourism industry at the time of crisis.

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