

IMPACT OF COVID-19 ON TOURISM INDUSTRY

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Abstract:

The tourism industry which is known for its contribution in country's wealth. But with the emergence of COVID-19 all the contribution was stopped and never-ending lockdown started and this stopped the economic development of country. Various employees lost their job, downfall was registered in the foreign exchange, various local communities were disrupted as a result the GDP also decreased. With lockdown being still imposed in many tourists places the local business is almost shutdown and there is no hope that it will revive again. Some of the tourists' places has registered all time low in their economic contribution and some are on verge of shutting down. Unless and until COVID-19 persist in country these situations won't get better. The major challenge before tourism industry to make the tourists places safe and follow COVID protocol. Government needs to build regulation for tourism industry so that fast spreading can be stopped. The paper will discuss the economic impact of COVID-19 on Tourism Industry and what initiatives did government has taken to rebuild the sector.

Keyword: Economic Impact, Tourism Industry, COVID-19 and Initiatives by government.

Introduction:

Tourism industry is well known for its contribution in the GDP of country. But all the contribution was stopped all of a sudden when the lockdown started in March 2020, and there was a complete ban on arrival of tourists and almost 80 countries tourists were not allowed. Due to this lockdown, many employees lost their jobs some were given unpaid leaves, out these employees some were resumed to jobs whereas some were never called back, apart from this local communities which are highly dependent on the tourism for their bread has faced drastic impact off COVID-19 and to rebuild this sector major efforts will be needed so that they can be restored to their original positions.

Indian Tourism Sector During 2019 and During COVID-19

According to World Travel Tourism Council Direct Contribution of Travel and Tourism

to GDP in leading country worldwide 2019 with India Ranking at 8th Position with total contribution of GDP is 9170 US billion dollar in 2019 and with this the economic development also rises and job opportunities also rises many educational courses are also started to involve the young blood in the Tourism industry. But we compare it with the data of 2020 it came down to 4671 US Billion Dollar there is a big decrease in the GDP of (-4498 US Billion Dollar) was seen. This decrease created due to the global pandemic that the country is facing. As jobs are concerned in tourism industry in 2019 it registered that there were 334 million jobs were there and for 1 person at-least 10 jobs are there before COVID the scenario is very promising and very much encouraging. But as the COVID-19 entered in 2020 these jobs were reduced to 272 million jobs and now for 11 people there is only 1 job available. The job percentage decreased to 61.6% as the COVID-19 persist in country. The total contribution to GDP of Travel and Tourism is 6.9% which amounts to INR14,181.9 BN (USD191.3 BN) in the year 2019 and as 2020 is concerned the total contribution dropped down to 4.7% of the total economy which is INR9,039.5 BN (USD121.9 BN) and there is total decrease of -36.3% which indicates change in travel and Tourism GDP vs -7.1% real economy GDP Change. Total contribution to employment by tourism industry in year 2019 is 40,111.9 jobs and this is 8.8% of total employment, which reduced to 31785.2 in 2020 which is 7.3% of total employment. When it comes to total spending habit in Tourism industry is USD160.5BN (94%) in 2019 and it decreased to 105.9 BN in 2020. The international visitors spend almost 2,282.3BN of total exports where as domestic visitors spend 10,384.8BN in 2019 and this has dropped to 890.7BN. In case of international visitors spending and in case of domestic spending 7,201.4BN in 2020. Change in international spending is -61.0% and change in domestic spending is -30.7%. The arrivals registered from rest of the world in India was 73% in 2019 and which came down to 63% in 2020, whereas outbound departures in 2019 is 61% and in 2020 it was registered to 57%. So, it can be said that a drastic change registered in 2020 and sole reason behind this change is COVID-19 which led Tourism industry suffer to unknown period.

Literature Review:

(G.D. Sharma et. al.)2020 In his paper on reviving tourism industry post COVID-19 has mentioned two important research questions that are to study the impact of COVID-19 on the industry and to suggest framework that could help industry in revive again. The methodology suggested that resilience is most important to fight the disaster happened in

the country as it provides the adaptability to fight the risk that comes as the outcome of pandemic. Apart from this technological resilience, local belongingness and customer employee's confidence is also need to rebuild the industry and it is the only need of hour. The government has to play a major role in re-building of the industry by the way of re-nationalization of airlines. There is urgent need of reorganizing, assimilating and restarting the industry according to the latest standards set up by government.

(S. Jaipuria.et.al.)2020 studied the impact of COVID-19 adversely affected the Foreign Exchange Earning and used the ANN(Artificial Neural Network) to study the correlation between the arrival of tourist and foreign exchange earning it concluded that both are highly correlated as arrival of tourist directly impacted the foreign exchange earning and due to lockdown, this foreign exchange earnings decreased in manifolds. The paper studies that decision makers can ease the visa regulations, promote tourist destination, subsidize demand and can sustainably boost the flow of international tourists in country so that foreign exchange can increase. Further courses and programs related to hospitality should be started to involve new minds to increase the industry capabilities.

(V. Kaushal and S. Srivastava)2020the study signifies two important research questions the challenges that the industry faces due to COVID-19 and the learning that can be taken from the industry to respond to the post pandemic scenario. The study used email interview method to attain responses from respondents, the theme of the research was multitasking and professional developments of employees, sub theme of the paper was related to sanitation and hygiene maintenance, revival of industry, need for better crisis preparedness. The paper suggested that crisis management help to meet the unwanted risk that not available now but can occur in future there should better policies to mitigate that risk and on employees' part they should support the organization and not to leave the organization for monetary benefits only. Hygiene and Sanitation conditions should be improved so that loopholes can be minimized.

Dogra Twinkle (2020) explained the impact of COVID-19 in tourism industry and found out that it has both internal and external shock that weakened the sector. With GDP decreased jobs being lost. Due to lockdown, India stopped around 80 countries to enter in India and this has stopped the tourist's arrival in India. Around 70% of workforce lost their jobs or given unpaid leaves till pandemic persist. Post pandemic every part of tourism industry needs to be careful airlines to be careful with safety measures, hospitality industry to be careful with hygiene and customer service. Governments Digi Yatra is also helpful in this case as it helps tourists with face recognition, entry and exit and to get checks from various check points. If state governments want that tourism

should be started as earlier pre-COVID era that they should follow strict guidelines of central government.

Chitra Guha and Madhup K Gandhi (2020) the study reflects the light that COVID-19 pandemic has not only given the economic burden to tourism industry but also washed away the local communities whose major earning were dependent on tourism. A drastic drop is noticed in tourism industry and majorly affected parts of the country as well as their local communities has stopped earning. To boost up the sector the paper suggests that stakeholders should invest more in the sector and products of local communities. The short-term measure should be provided financial support to the sector so that rebuilding starts soon and long-term measure should be to create flexibility for crisis management.

Kumar, V. (2020) impact of tourism industry with present scenario the papers studies that impact of COVID on airline industry, Hotel industry, and suggestions to cope up from that risk, the hotel industry made a huge revenue loss form cancellation of reservation and this further deals in loss of employment and cost cutting. Whether it is national airlines or international airlines both face a huge loss due to cancellation of arrival of passengers and many of the airlines are working at risk of shutting down. To overcome the burden of COVID-19 financial incentives from government is required to face the crisis that occurred due to pandemic.

Objectives of Study:

1. To understand the impact that COVID-19 has created on Tourism Industry.
2. To know the economic burden that has occurred on Tourism Industry.
3. To review the measures that government suggested for tourism industry to rebuild itself.

Discussion:

Economic Impact on Indian Tourism:

Out of the G-20 countries India ranked at 7th Position with total contribution to GDP in 2019 is 191.3 US\$BN and it come down to 121.9 US\$BN in 2020 where GDP contribution is concerned. This downfall was due to the contagious COVID-19 that led create a greater economic burden on the country. The visible change in travel tourism sector is -36.3% in GDP in 2020. All the arrivals and reservations got cancelled due to urgent lockdown. As Travel tourism sector is known for its contribution the whole

countries balance is unstable. The total spending in domestic is changed to -30.7% and where international spending is concerned it changed to -61.0%. all this data was published by World Travel Tourism Council (WTTC).

Impact on Aviation Industry:

The COVID-19 pandemic has brought airports to halt and this has reduced the revenue of airlines. India and other Asia-Pacific Countries has stopped flying both domestic and international passengers, all this is done to stop the infectious virus. According to the ACI World the air traffic reduced to 1 billion passengers in COVID-19 and it declined to 64.6% as of global passengers. In 2020 the loss of passengers accounted for loss of 2.15 billion passengers both domestic and international. The impact of COVID-19 is forecasted crisis of -43.6%. Whereas Q4 has shown some improvement as compared to Q3 and Q2.

Impact on Employment:

The total jobs available in tourism sector in 2019 is 334 million jobs which was reduced to 272 million in 2020 due to emergence of contagious COVID-19 and some were sent on unpaid leave and never called back on jobs. The scenario of employment is decreased as COVID-19 entered. The change that was registered in employment is -61.6% in 2020.

Impact on Hospitality sector:

The hospitality sector faced reduction in case of cancellation of reservation by tourist both domestic and international. 53% of total leading hotel shutdown and 80% of there inventory got reduced due to lockdown. The challenge that hospitality industry is facing is loss as labor due to COVID-19 crisis. Many of the leading hotels are getting merged in big hotels so solve their financial problems.

Challenges that will be faced by Tourism Industry after Pandemic:

Various challenges were ready for Tourism Industry as COVID-19 ends some of them are listed as follow:

- 1. Social Distancing:**As COVID-19 demands Social Distancing it is a challenge for tourism industry to maintain social distancing at tourist places as set proper surveillance on those who doesn't follow social distancing guidelines.
- 2. Timely Information Sharing:**after COVID-19 it important that tourist share their information timely. Regarding their health their symptoms, their vaccination details and their RTPCR test reports if there is any discrepancy in information

sharing then it would lead to heavy expenditure both for other tourist and tourism industry.

3. **Less Groups more Itineraries:** it should be strictly followed that a smaller number of people should be allowed to enter in Tourist spots at a time so that no more physical spreading should be there.
4. **Hygiene and Sanitation:** extra care should be given to hygiene and sanitation so that no scope of spreading arises on hotel and travel partners. They should follow all guidelines relating to COVID-19 spread.
5. **Domestic Market Popularity may reduce:** due to COVID-19 domestic market has been affected adversely to make market attractive tourism industry needs to develop their popularity again by investing in them and doing partnership with them.
6. **Shift in Travel Expectations:** now travel expectations need to be modified as they should be set up as per COVID-19 precautionary measures. With passengers following all precautions while travelling.
7. **Re-building the sector:** rebuilding the sector is a major issue that needs to be solved for the tourism sector and this rebuilding requires both financial support and cooperation from government and countrymen.

Thus, these challenges are needed to be addressed for better functioning of the tourism industry.

Suggestions for Tourism Industry for Restoring the sector: Various remedies are needed to be taken to support the Tourism Industry and these are the only way to cope up with COVID-19 damage.

1. **Public Private Collaboration:** both public and private parties need to collaborate with each other so that joint solutions can be taken to benefit both. Innovative plans are needed for both public and private sector. Public and Private both should follow regulations and global standards for travel.
2. **Data Collection and Sharing:** the data collected of individuals during travel should be true regarding vaccine and RTPCR reports should be true and fair and should not be shared with third party so that privacy is maintained and fraudulent activities can be stopped.
3. **Travel Data:** individuals who have travelled for more than 3 times outside India

should not be allowed to travel more than 3 times and all these records should be stored safely in Id records of Individual and domestic restrictions should be levied if person is travelling from more than 1200km in 1 month.

4. **Government Interventions:** government intervention is needed to solve the problem of the tourism industry and financial help is required to solve the major issues. New technology should be developed so that face recognition machines should be set up everywhere for touchless identification.
5. **Employment Generation:**reduction in jobs are result of COVID-19 so training programs and educational courses should be started for individuals who are keen to join tourism industry and wanted a future in it.

Conclusion:

Tourism Industry should be set up with new guidelines for travel and visit both domestic and international passengers are should be allowed only with COVID appropriate behavior and financial and technological help should be provided. Reduction in jobs can be only solved if training programs and educational courses are launched with fresh approach. COVID appropriate behavior should be followed while travelling inside and outside the country. GDP will not rise immediately it will rise gradually over a period of years and tourism sector will start its old functioning till 2029. Till then only consistent efforts can help the industry to rebuild itself.

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