

The Impact of Covid-19 on the Indian Tourism

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Abstract

The current coronavirus, the "severe acute respiratory coronavirus-2 (SARS-CoV-2) syndrome," recently emerged, has contributed to a highly infectious disease called coronavirus disease in 2019 (COVID-19). The virus was first identified in December 2019 from Wuhan city in China and spread throughout the world in less than three months and was declared a global pandemic by the World Health Organization (WHO) on 22 March 2020. To date, the current pandemic has seriously affected the most industrialized countries of the world and has become a major threat to small and medium-sized countries. The pandemic has a major impact on India's tourism industry, especially on airlines and hotels. In addition, this study examines the implications for the sustainability and resetting of the tourism industry in India.

KEYWORDS:Tourism, Sustainability, COVID-19 -19, Pandemics, India

Introduction

China reported an outbreak of pneumonia with unknown causes in December 2019. The epidemic had become an international public health emergency. A Wuhan Seafood Market was established as the suspected hub of the US Centres for Disease Control and Prevention (CDC) outbreak in early January 2020, and has been closed down since that time. This new virus was temporarily called the new COVID-19 coronavirus. On 30 January, the first case was confirmed in Kerala's Thrissur district in a student who had returned home for a vacation from Wuhan University in China (https://en.wikipedia.org/wiki/Timeline_of_the_COVID-19_pandemic_in_India). In the month of February also, the confirmed COVID cases (students returned from Wuhan,China)were from Kerala. Subsequently,a complete lock down wasdeclared for the national concern by the Prime Minister of India on 25 March 2020.

Table 1 below shows the total number of COVID-19 cases in India as on 10/07/2020

Active cases	Cured/discharged	Deaths	Migrated	Samples tested
278685	495512	21604	1	1102449

COVID 19 and impact on tourism industry: -

This pandemicis the biggest challenge that any country has ever faced as international travel could be adversely impacted by up to 25 per cent this year which is equivalent to a loss of three months of travel. Since travel has become an important part of everyone's life and is no longer considered as a luxury but a necessity to break away from a mundane routine and rejuvenate, we are positive that travel will revive soon. However,destination marketing services will see a drastic shift. The usually not so conventional destinations, who have seen a controlled exposure to the pandemic

might see an upward trend in terms of tourists or as an alternate destination for some of the conventional ones for the time being. Luxury travel will take its time to again play an important role in an individual's life and domestic market and self-driven accommodations at boutique hotels and home-stays will be the focus till next summers as social distancing and staying at smaller properties reduce the risk of the virus. South East Asia and Middle East will play a key role in India Outbound tourism as they have close proximity and fewer Covid-19 cases. Regarding MICE Travel, there will be a reduction in the travel budget and companies will keep on promoting Work from Home and conference calls/ meetings to reduce the risk and expenses.

The most visible and immediate impact of Covid-19 is seen in the hotel and tourism sector in all its geographical segments - inbound, outbound and domestic and almost all verticals - leisure, adventure, heritage, MICE (Meetings, Incentives, Conferences & Exhibitions), cruise and corporate. Over the past years, most of the countries have considered tourism as a contributor to economic growth and is widely accepted that year after year throughout the world a massive investment continues to pour in its development. Whenever there has been any major impact on the economy of any country, tourism has always been the first one to get affected as people start to cut down on their travel budgets first. However, tourism relatively had a direct role to play when it comes to COVID-19 which has widely spread most in the countries with a high number of tourists.

According to the report FICCI report (2020) published online, India has a total of 3961 centrally protected sites either under UNESCO as a world heritage site or the Archaeological Survey of India (ASI). Monuments, such as the Taj Mahal and Agra Fort in Agra and Qutub Minar in New Delhi, are the highest revenue earners grossing annually INR 77 crore, INR 34 crore and INR 26 crore, respectively. The livelihoods of approximately 1.75 lakh daily earners, including tour guides, rickshaw pullers, photographers, etc., have been affected in Agra alone. Tour guides with licenses from the government are not allowed to take up alternative jobs, adding to their challenges.

Given various travel restrictions imposed by the Indian government as well as governments across the globe, forward bookings for various conferences and leisure travel bookings to foreign destinations have already been cancelled. In India, most of the summer holiday bookings (for the states of Kerala, Rajasthan and Goa) have also been cancelled (about 40-50 per cent), thereby impacting domestic tourism. In order to fully contain the virus, The Prime Minister of India announced the 4 phases of Lockdown order(LDO) as they expected the number of COVID-19 cases would continue to increase (Prime Minister's Office, 2020). The prohibitions during the MCO will further contract India's tourism industry and therefore effective policies to assist the industry players are imperative.

Covid 19 & impact on airlines: -

The effect and shutdown of the coronavirus pandemic is clearly evident on financial markets. Yet the wider impact it has across companies and market sectors remains unknown. Airline players stressed that the new travel ban and worldwide declining demand have put the carrier at risk of bankruptcy. In the decline in flight numbers since March, data showed the international effect was higher than domestic markets. The market for air travel dries up in ways that are unparalleled without any clear horizon normalcy. Covid-19 has accelerated the bankruptcy filing process by

many firms (like Virgin Australia and Air Mauritius) for an industry already strained. Airline firms still in operation have experienced misfortunes as coronavirus-forced lockdowns held their fleets grounded. Some airline firms (Indigo, Go Airlines) have also taken other cost-cutting steps, including furloughs, through industry reports. Aviation, which accounts for 2.4% of Indian GDP.

The COVID-19 sector is among the worst affected. The propagation in the last two months, the pandemic across the country, the number of passengers has declined by 47 percent. After that, airlines lost parking at the March lockout charges as almost 650 Indian aircraft are now eligible, basically grounded. The lump sum of the airlines is due of parking and housing costs INR 6 million. Sections are airlines failure also to abstain from rising summer rates. The Indian Aviation Center (CAPA) reports that, during April 2020, industry alone could suffer losses of up to USD 3.6 billion (FICCI Report ,2020)

Given the turbulence created by the Covid-19 outbreak, it is important for the airline industry to remain on the future to effectively address problems (including legal, financial and operational) that are likely to emerge once the pandemic is behind us. Potential airline flight plans would be primarily affected by factors such as avoiding countries that were virus epicentres and evaluating government responses on the form and length of travel restrictions and the circumstances under which they could be relaxed.

The most important issue for Covid-19 today is the length of the crisis with regard to the responses of government and the growth of the virus. In addition to lifting the current lockout, relaxation on the prohibition of air travel both within and outside India should also be considered for the aviation industry. Nonetheless, the length of the Covid-19 crisis can vary by area and nation. The International Air Transport Association (IATA) has named India as one of the priority countries to take steps to mitigate the pandemic stress caused to already struggling airline companies. Several industries, including travel and tourism, have a strong dependence on the aviation industry and would impact employment in many sectors if the Covid-19 crisis does not end. As Covid-19 continues to spread across the world, it poses numerous and unparalleled challenges. A carefully developed and concise flight plan is critical for the efficient navigation in this demanding and unpredictable environment. The drastic drop in passenger numbers challenges airline carriers' solvency. Airlines can plan to restructure their business and debt. Nonetheless, it would be necessary to negotiate and execute any such restructuring (business or debt) fairly quickly, in order to prevent collapses. It may be worth noting that in stressful situations like Covid 19 it may be more important to be on the fastest track than to have a great plan that can be discarded quickly. Therefore, Government of India could have to provide a relief package for the aviation industry to support the economic recovery and prevent a collapse of the aviation industry after the pandemic has been contained.

The outbreak of COVID-19 seriously affects the Indian tourism and hospitality industries. When the crisis in COVID-19 is contained, among other things, the GoI should consider developing a suitable communication strategy (similar to the tourism strategy 'Incredible India') in order to provide an impetus required for the

rehabilitation of the aviation sector post COVID-19. For Airlines, it has now become a battle of survival.

COVID-19 & Impact on the Indian Hotels Sector:-

Covid-19 is a dark swan event that has influenced any industry worldwide but it has been unknown or unheard of for a very short period of time on the Travel & Hospitality market. The virus has spawned around the world and India is no outlier. We see a steady rise in the number of active cases every day. The common consensus supported by medical experts was that isolation and lockdown are the first steps to slow this virus spread.

While the lock-down took into account of the public interests, it had a disastrous impact on economic development in the country and recession could well be inevitable in the next few quarters. The effect on the hospitality sector in India was immense, with the cancelation of flights and trains across the country, hotel bookings were monumentally cancelled and this had a tremendous impact on travel agencies, taxi operators, crafts showrooms, etc. The country's hotels are now practically closed with effectively zero income for the last one month or so as they have to deal with fixed costs.

Over the last few weeks a number of publications and articles have been published addressing the effect of Covid-19 on the Indian Travel & Hospitality sector but most of the debate has been limited to the mid-market / premium hotel sector. Independent / unbranded operators, however, are usually ignored or neglected as the bulk of the hostel industry. The main focus of this article is on the smaller hotel chain and alternative accommodation (Le Pension Stay) that enabled domestic and international travel.

The COVID-19 epidemic is already on track and the pandemic will certainly change the world as we know it. As the globalized world partially or totally shuts down, the overall effect on life, economic development and industry is enormous, both in the short and long term, because of the complexity with which the situation grows. Closer to home, the Indian hotel sector was badly affected, with significantly low demand and very few potential reservations. Essentially, all transitional demand has vanished entirely – the remainder is mainly due to the government's recommendations for foreign travellers to India for certain long stay guests or hotels.

World analysts foresee a downturn in the global economy in the first quarter of 2020, the first since the financial crisis of 2008.

After a record year in 2019, the Indian hotel sector sailed smoothly into January 2020, with 2020 going to be "much bigger." At the end of February 2020, the world first felt the rebellious effects of the global COVID-19 instability that intensified at the beginning of March. Hotel occupancy in key cities has declined rapidly and according to our forecasts has decreased. Even if the pandemic is stopped soon, the ripple effects around the world will be spelt out well into the year, throwing all major economies into a possible recession as the number of cases increases sharply every day.

Implications for advancing and resetting tourism industry for sustainability: -

The Indian tourism and hospitality sector explore a variety of choices for a stagnant industry from contactless trips to immunity passports and open-day stay packages. We grumbled about over tourism not too long ago. The travel and hospitality industry seems to be in the background in 2020 thanks to COVID-19. In

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The travel and hospitality industry seems to be in the background in 2020 thanks to COVID-19. In the summer, Indian Tourism in particular has plunged into the Black, due to the ban on domestic and international air travel. The travel and hospitality industry seems to be in the background in 2020 thanks to COVID-19. In the summer, Indian Tourism in particular has plunged into the Black, due to the ban on domestic and international air travel. Through new industries and tourism studies and COVID-19, the pandemic has been overwhelmingly called for to be used and used as a revolutionary catalyst (Mair, 2020). Industry should not only recover but also replicate and reform the next normal and economic order (McKinsey, 2020) while researchers should not just replicate current knowledge in the measurement and prediction of tourism impacts using COVID-19 as a further context (Gössling, Scott, & Hall, 2020; Hall, Scotland & Gössling, 2020). While such studies are important for the management of the pandemic, they do not advance knowledge and/or lead the industry further. Moreover, in view of the interrelated socio-cultural, economic, psychological and political impacts of COVID-19 to that extent, unpredictable trajectories are anticipated instead of historical trends, and 'old' explanatory model predictive power increasing not work. What is still missing is information on how crises can inspire industry to change, how businesses can turn this crisis into transformative innovation and how work can be carried out that can allow, educate and reset a new norm. Crises may be a catalyst for change, but none has been a major transition in tourism so far (Hall et al., 2020). Because change for tourism stakeholders (e.g., tourist operators, destination organizations, politicians, local authorities, employees) can be selective and/or optional, the nature and extent of changes that arise from crises depend on their effect, reaction, recovery and reflection on crises. Consequently, in order to better understand, anticipate but also advise and shape shift, the COVID 19 research will need to provide a more comprehensive analysis and understanding of the drivers, actions and reactions to their COVID19 impacts of the tourism stakeholders (behavioural, cognitive, emotional, psychological and even ideological). Studies should also analyse and consider the perspectives of the interested parties involved in the COVID-19 initiative, as well as their empathy, awareness, ability to understand and respond (pro-actively, re-actively) on the pandemic, because all this can also influence their attitudes, behaviors and potential for change. COVID-19 Research into tourism should further promote our expertise in order to inform, inspire, shape or even lead these crisis-enabled transformations. Otherwise, one situation after another will be faced (Lew, 2020). In response to euphoria of the COVID-19 research on tourism, Gretzel et al. (2020) have supported transformational e-tourism research, which can shape the future of tourism by owing to higher and flexible value systems, institutional logics, theoretical paradigms and technology notions. E-tourism work should include historicity, reflection, openness, equality, diversity and innovation, in order to achieve scientific paradigm shifts (Gretzel et al. 2020). COVID-19 is a crisis among economized, growth-based economies (Ötsch, 2020). It is important look for balances (i.e. between the environment, society and the economy) for sustainability. The challenge for globally sustainable tourism is to strike a balance between maintaining rich-country activity while preventing overcrowding and taking activities into poorer countries, some of which are highly sector-dependent and need a lot of opportunities to recover. Tourism may be a good local development

tool, but it should not be the only one. So a social balance in terms of equity and justice as well as an economic balance will also be required in all destinations (Romagosa F.2020). This is where tourism planning and management policies take place with a view to implementing sustainability and resilience at all scales (local, national and international) and with suitable forms of governance which integrate in a co-ordinated way between the public and private sectors. The essence of tourism and its evolution and development paradigms contributes significantly to these circumstances and accelerates the existing socio-economic system's spread and effects. The consequences of tourism are but are also responsible for: the world's increasingly interconnected and multinational; pollution, waste and climate change; multinational, national and regional economic development and growth; the ultimate importance of capitalism in people's and corporate choices; and policy and political formulations. Technology would also be a major game-changer in the coming days (Mayal J., President TAAI, 2020). As work from home is going to play a big role in the next few months, technology platforms will become a very important component of our operations. "In the new situation, validity of tickets and tour packages could be longer than before. Airlines will start looking at fares which are valid for a longer time, so that the ease of business remains. For this, online and offline travel agents have to cooperate rather than compete. (Mayal J., 2020).

Conclusions

This article provides a brief background on the communicable disease outbreak, named COVID-19, and looks at the impact of the disease in India's tourism industry. Our research found that the COVID-19 outbreak has affected Malaysia's tourism industry tremendously and adversely because visitors around the world cancel reservations and postpone their travel plans to India because of the virus concerns. The number of tourists decreased as travel restrictions and bans were imposed by the Indian government. Tourism is a major part of the many national economies and the broader economy is affected by the immediate and enormous shock to the tourism sector resulting from the pandemic of coronavirus. With governments around the world adopting drastic measures to combat the virus, travel restrictions, business transactions, and interactions between people have halted the tourism economy. Many countries are now entering a new phase in fighting the virus and trying to reopen the tourism industry simultaneously. This is a dynamic and daunting activity and it is difficult to measure the effect on the tourism economy. Recovery is currently expected to begin later and to be slower than previously predicted. It is likely that travel restrictions and containment measures are in effect for longer and are only supposed to be slowly removed, as new waves can reverse. Even when tourism supply chains start running again, new safety guidelines mean that companies must work at restricted capacity. The recovery on the demand side will also take some time, given the combined effects of the economic and health crises, and the gradual easing of travel restrictions, although the longer the pandemic lasts, the more profound the consumer trust and travel behavior will be affected. It would have an effect on many national economies.

Some Ground Key Suggestions to recover tourism industry (Source:FICCI report ,2020)

1. Direct Support to Taxi Drivers, waiver of taxes.

2. Offer hotels infrastructure status in order to give them access to greater sums of funds for increased infrastructure loan rates as foreign trade borrowings. It will also allow them to borrow from India Financing Company Limited (IIFCL).
3. 12-month waiver and raise in insurance rates to all the legislative duties, including customs, excise and license charges
4. Stimulus plan to include business salary help.
5. Clear aviation cash assistance (airlines, ground handling and airports)
6. Exemption from parking and landing fees
7. Quick, interest-free or low-interest loans to reconstruction companies in the form of term loans and working capital loans.
8. Create a separate Tourism Fund with a Ministry of Tourism, which is accessed for the industry as collateral free, a 10-year loan, interest free in the first two years and a minimum interest rate for the remaining eight years, to help companies stabilize in a time of crisis.
9. Aviation assist initiatives, travel agencies, tour operators, hotels, theme parks, the area of transport.
10. Promote niche products for Incredible India campaigns, beach tourism, increased marketing campaign investments.
11. Encourage business travel, increase the number of trains, develop digital content, invest in emerging technologies and develop local skills.

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