

# EFFECT OF COVID – 19 ON TRAVEL AND TOURISM INDUSTRY IN INDIA

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**Abstract:** *Travel & tourism business in India has been a major contributor to the country's gross domestic product. The arena even generates an oversized employment base. Corona virus has emerged as a significant swan event and dealt an unhealthy blow to the complete Travel and commercial enterprise business, not solely in India however, within the entire world. The disruptions that it's caused are across the complete price chain i.e. Airlines, Hotels, Travel Agents, Tour operators, Restaurants, Rail Networks, Roadways, Water transport and Cruises, taxis, Auto-rickshaws and a slew of different indirect suppliers. Pandemic of novel Corona has not solely brought entire socio-economic structures into a standstill however has challenged the globalization and global operations of enterprises. Paradoxically, potential repercussions and different means outs are however volatile. However, for a speedy recovery and regain of the economy, employment and business functions a property and recent starting is a necessary in most of the worsened economic sectors. Conventionally, associate degree infection used to attack the vulnerable teams with food, health care insecurity in their life style, and that they commonly accustomed be the poor of the society. Ironically, novel Corona infection first attacked the international traveler's, and therefore, the pandemic was caused through the travel and so has confronted primarily the affluent class globally. This study is to evaluate the role of tourism in India and the threat it has to be faced during and post pandemic period.*

**Key Words:** *Travel and tourism industry, Covid-19, Post Covid-19 period, GDP.*

## 1. INTRODUCTION:

The commercial enterprise business is associate degree umbrella business networked with several sectors in the economy together with edifice, community level operations, education, financial, agriculture, medical, travel and transportation, construction, property, retail, and the other way around. Because of the serious toll of commercial enterprise within the country's economy, it's necessary to study, however, the reliance of the business would possibly form the recovery of its main sub sectors once the pandemic subsides. The indirect impact during this context on travel and commercial enterprise business cannot live simply and positively could be an important loss briefly term similarly as long run. Within the last year it the Contribution of travel and commercial enterprise to gross domestic product as a share of gross domestic product is 12.5% and therefore, the Contribution of travel and commercial enterprise to gross domestic product growth rate is 11.4%. therefore, it's clear that the commercial enterprise business helps the countries' development massively. The Indian commercial enterprise business is projected to book revenue loss of Rs 1.25 trillion in calendar 2020 as a fall out of the closedown of hotels and suspension on the wing operations once the onset and unfold of the coronavirus pandemic. The report assumes the impact of the pandemic on tourism is at concerning 50% throughout January and February 2020, whereas it's going to be higher at 70% in March alone, following the suspension of international flights. Throughout April, the Indian tourism industry is predicted to book revenue loss of Rs69,400crore, denoting a year-on-year loss of 30%.

## 2. STATEMENT OF THE PROBLEM:

The business of India is economically vital and grows quickly. The planet Travel & business Council calculated that business generated INR6.4 trillion or half dozen.6% of the nation's gross domestic product in 2012. It supported 39.5 million jobs, 7.7% of its total employment. The arena is foretold to grow at a median annual rate of 7.9% from 2013 to 2023. This offers India the third rank among countries with the quickest growing business industries over succeeding decade. India includes a giant medical business sector that is {anticipated} to grow at a calculable rate of half-hour annually to achieve regarding 95 billion by 2015. The Indian business is projected to book revenue loss of Rs 1.25 trillion in calendar 2020 as a fall out of the ending of hotels and suspension on the wing operations once the onset and unfold of the corona virus (Covid-19) pandemic. A study by CARE Ratings notes that the figure corresponds to a 40per cent decline in revenue over calendar 2019. The report assumes the impact of the pandemic on business at regarding 50% throughout 2020, whereas it's going to be higher at 70% in March alone, following the suspension of international flights. This paper discusses however India is rising as a well-liked holidaymaker destination within the

world, driven by the main focus on innovation, and making worth for tourists, and also the loss to be caused by COVID-19 pandemic in Indian business.

**3. OBJECTIVES:**

This study tries;

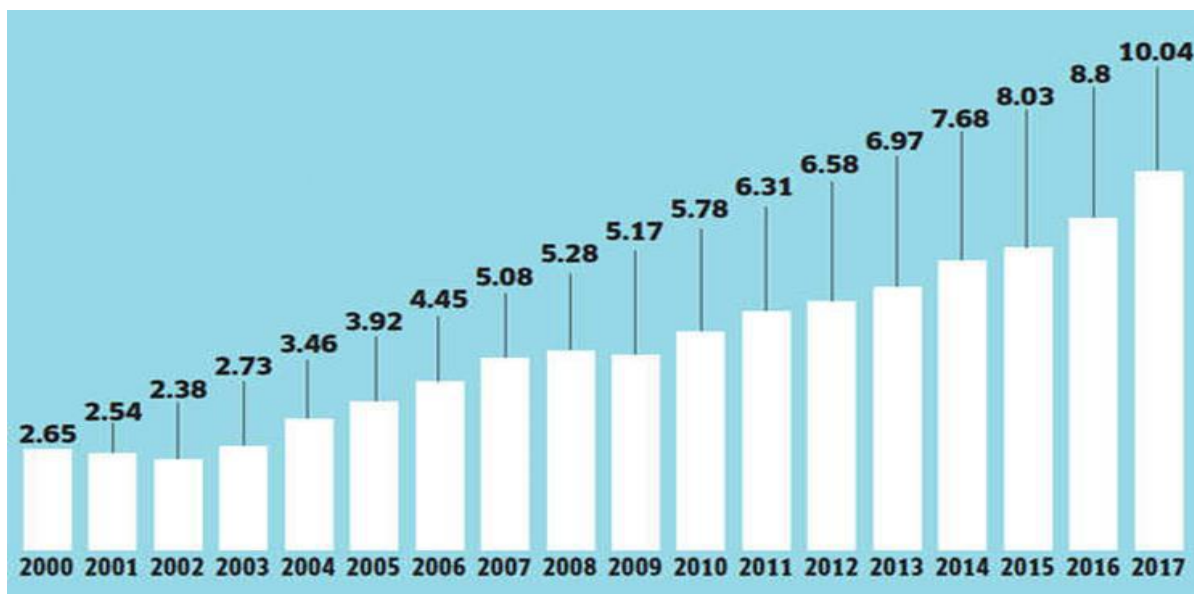
- To spot and value the role of travel and business in India.
- To evaluate the challenges to be featured by travel and business in India throughout the COVID-19 pandemic.

**4. RESEARCH METHODOLOGY:**

Relevant info for this study was obtained through secondary sources like newspaper, journals, internet, business magazines etc.

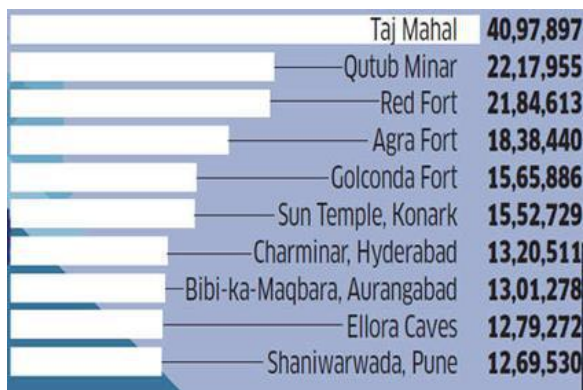
**5. ANALYSIS AND INTERPRETATION:**

Tourism business in India could be a land of nice business potential. From geographical area Kashmir to Kanyakumari, from Arunachal Pradesh to Gujarat, each region has its own individuation and flavor - be it cold/hot desert (Ladakh/Rajasthan), rivers (Ganges and Brahmaputra), forests (Nilgiris & North East), islands (Andaman and Nicobar) every landform sure to mesmerize tourists. Moreover, the large choice within the landscape offers a spread of decisions to tourists from among India and also the abroad.



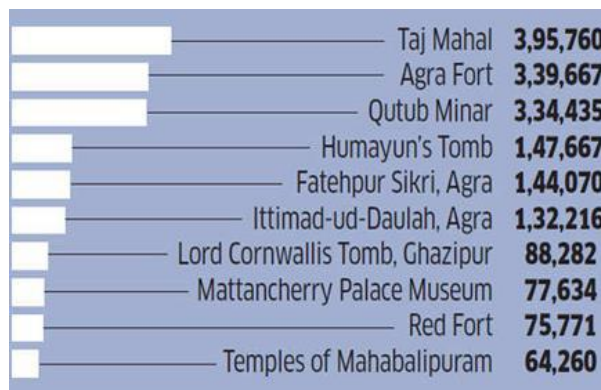
Source: economic times (fig 1)

Figure 1. Shows the increasing flow of foreign tourists to India from 2000 to 2017 in millions. Business in India is vital for the country's economy and is growing quickly.



(Fig2)

Source: economic times



(Fig 3)

Figure 3 shows ten monuments most visited by domestic tourists in 2016. Figure 3 shows ten monuments most visited by foreign tourists in 2016.

The World Travel and business Council calculated that business generated ₹16.91 large integer (US\$240 billion) or 9.2% of India's gross domestic product in 2018 and supported 42.673 million jobs, 8.1% of its total employment. The arena is foretold to grow at associate annual rate of half dozen,9% to ₹32.05 large integer (US\$450 billion) by 2028 (9.9% of GDP). In Gregorian calendar month 2015, India's medical business sector was calculable to be value US\$3 billion, and it's projected to grow to US\$7–8 billion by 2020. In 2014, 184,298 foreign patients traveled to India to hunt medical treatment

**5.1 Importance of travel and tourism in India Travel**

Travel and tourism in India are vital thanks to the subsequent reasons;

**• Economic advantages**

Fig 4 shows the contribution of travel and business sector to nations gross domestic product. In 2018, travel and tourism contributed 9.2% in India's gross domestic product and generated twenty 6.7 million in this year. This business not employs employees in cities however conjointly provides associate earning base for the agricultural population.

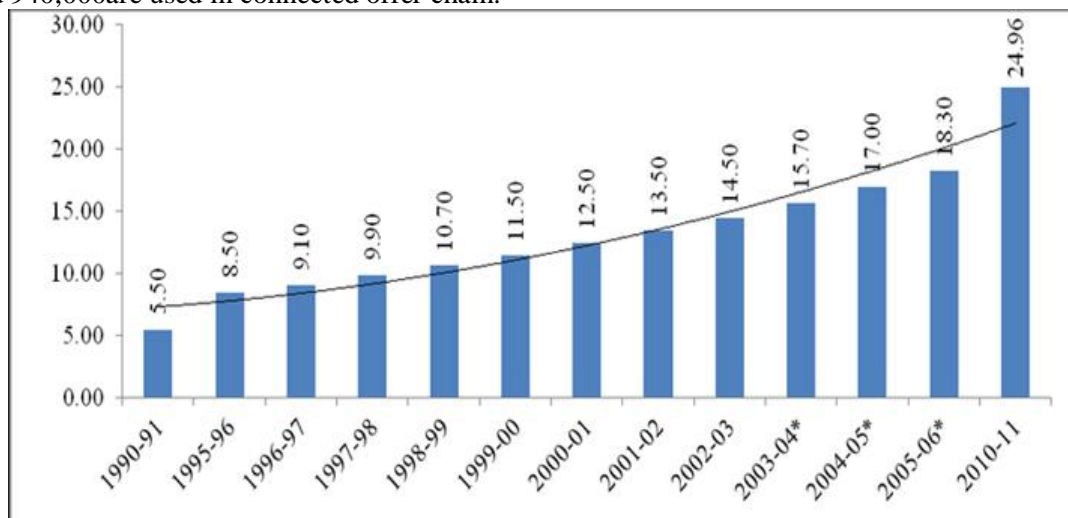


Source: World Travel and Tourism Council

Fig (4)

**• More employment opportunities**

The tourism sector accounts for 12.75% of employment in India, 5.56% of its direct and 7.19% is indirect. Over 87 million folks were used within the travel sector in 2018-2019 in India, in step with the Ministry of business (MOT) annual report for 2019-20. It is calculable that in India, branded and arranged hotels annual revenue Rs 38,000 large integer (\$5 billion). The edifice business in India, has associate annual turnover of approx. Rs 400,000crore (\$53 billion). This business provides direct employment to quite 7 million folks. India's transport business employs over 400,000 folks directly and 940,000 are used in connected offer chain.



Source: statista (fig 5)

Figure 4 shows Trends in Direct Employment Generation from Travel and business in India (Million).

**• Source of exchange Earnings**

Tourism is a very important supply of exchange earnings in India. This has favorable impact on the balance of payment of the country. The business in India generated regarding US\$100 billion in 2008 which is predicted to extend to US\$275.5 billion by 2018

**• Promoting Peace and Stability**

The business can even facilitate promote peace and stability in developing country like India by providing jobs, generating financial gain, diversifying the economy, protective the surroundings, and promoting society awareness. However, key challenges like adoption of regulative frameworks, mechanisms to scale back crime and corruption, etc., should be addressed if peace-enhancing advantages from this business are to be completed.

### • Developing Infrastructure

Tourism tends to encourage the event of multiple-use infrastructure that advantages the host community, as well as numerous means that of transports, health care facilities, and sports centers, additionally to the hotels and high-end restaurants that cater to foreign guests. The event of infrastructure has successively evoked the event of different directly productive activities

### • Preservation of National Heritage and surroundings

Tourism helps preserve many places that are of historical importance by declaring them as heritage sites. For example, the Taj Mahal, the Qutab Minar, Ajanta and Ellora temples, etc. would be decayed and destroyed had it not been for the efforts taken by business Department to preserve them. Likewise, business conjointly help in preserving the natural habitats of many species.

### • Service Sector

It provides a push to service sector. An outsized range of companies engaged in commission sector like airlines, hotel, surface transportation, etc. grows with the expansion of a business enterprise trade. However, business enterprise trade in India is going to be adversely affected because of the COVID-19 pandemic.

## 5.2 Covid 19

Coronaviruses are a unit of an outsized family of viruses which can cause unwellness in animals or humans. In humans, many coronaviruses are unit illustrious to cause metabolism infections starting from the communicable disease to a lot of severe diseases like geographical area metabolism Syndrome (MERS) and Severe Acute metabolism Syndrome (SARS). The foremost recently discovered coronavirus causes coronavirus sickness COVID-19.

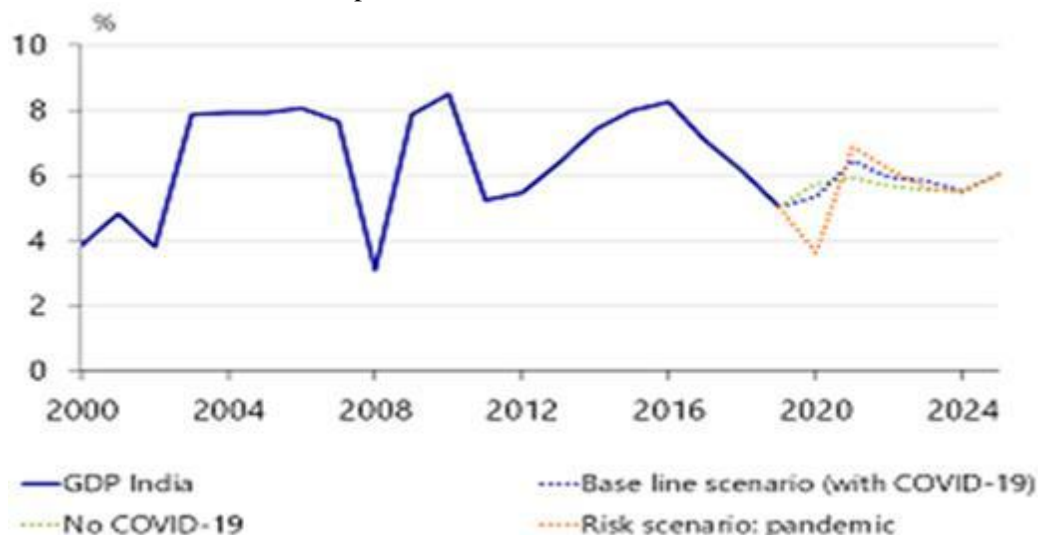
## 5.3 Effect on COVID-19 on travel and tourism industry in India

### • Hospitality sector

On account of Coronavirus, the Indian business enterprise and welcome trade is expecting a possible job loss of around 38 million. International travel advisories, suspension of Visas, the imposition of Section-144 (prohibition against mass gatherings), India like most alternative countries is on internment, the ramifications of that area unit new.

### • Hotel sector

In the third week of March 2020 itself, the building sector saw a decline of quite sixty fifth in occupancy levels as compared to constant amount in 2019. Decline within the growth of a business enterprise trade in can drastically have an effect on the gross domestic product rate of India. The Indian hotel sector sailed swimmingly into January 2020, once a record year in 2019, with 2020 sets to be, "even bigger." The country initial started feeling the ripple effects of the worldwide COVID-19 turmoil towards the tip of Feb 2020, that worsened at the start of March.



Source: economic times (fig 5)

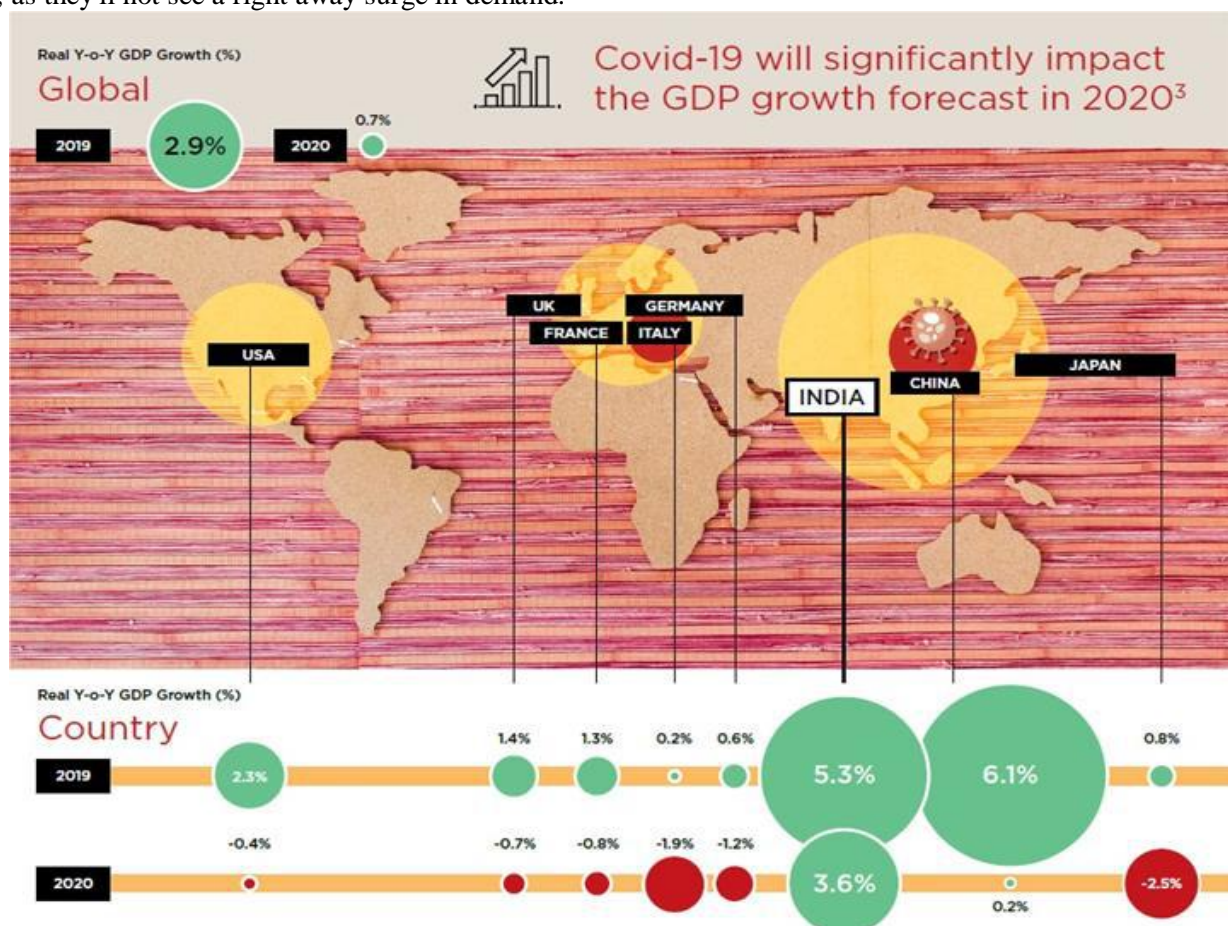
Figure 5. shows the forecasted rate of GDP of Asian nation in post pandemic era. Occupancy across hotels in key cities declined quickly and as per our estimates have declined by a staggering 45 share points compared to the previous year. Such a steep decline in such a brief amount of your time has ne'er been witnessed by the world. It will be predicted that the second quarter of the year to be the worst hit. Hotels are unable to drive rates and will even ask for to draw in business at deep discounts. The overall occupancy within the branded hotels phase in 2020 is calculable to say no by sixteen.7 – 20.5 share points over 2019, whereas ADRs are unit calculable to say no by seven-membered to eight for the year. The hotel trade in India is expecting nearly zero revenue within the immediate term, and a drop of 50 within the months to come back.

• **Travel agencies**

Foreign traveler Arrivals (FTAs) into Asian nation (particularly leisure traveler’s) started softening in Feb,2020 because the unfold continuing its intense movement to alternative countries. Following suit, the Indian Government suspended travel visas (with some exceptions) until 15 Apr 2020, that all told chance are extended. Notwithstanding it's not, the psychosis closes the events can still have a significant impact on travel. Demand from FTAs isn't expected to choose up any time presently. In our opinion, travel bans across the world can absolutely descend solely by the tip of the year, even supposing such a method can start a lot of sooner. Moreover, the bulk of the longer-term travel bookings for winter i.e. October-March – the robust season for our trade - area unit done in the summer months, have mostly gaseous. Aviation trade in Asian nation might incur losses value Rs. 27,000 large integers (\$3.3-3.6 billion) within the half-moon of 2020-21. The traveler growth of airlines are probably going to fall sharply to a negative 20-25% growth for the 2020-21. With international and domestic travel on halt, demand for rotary engine fuel has well declined. Indian Association of Tour Operators (IATO) estimates the building, aviation and travel sector along could suffer a loss of regarding RS.85 billion keeping in mind the travel restrictions obligatory on foreign tourists.

***In short it is often all over that;***

- Impact of Covid-19 would be felt on each white- and blue-collar jobs.
- India’s outward associate degreed incoming travel can witness an all time low.
- At least thirty per cent of building and welcome trade revenue may well be compact if things don’t improve by the tip of June 2020.
- There may be a threat of job loss of nearly V-J Day within the building and eating place trade once the internment is raised, as they'll not see a right away surge in demand.



Source: IMF (fig 6)  
 Figure 6. shows the expected rate of GDP of India along with other countries.

**6. FINDINGS:**

The major findings of this study are;

- India’s tourism sector may lose Rs 5 trillion due to Covid-19.
- Tourists arrived in India between 2019-2020, reaching high in 2019 and record loss in 2020.
- Covid-19 impact, the tourism industry to incur Rs 1.25 trillion revenue loss in 2020.

- Economic growth in the world deceleration in 2019-2020, resulting in weaker growth in foreign tourist arrivals and foreign exchange earnings from tourism in India.
- With more than 60% of organized hotels in India shut, recovery should be expected gradually.

## 7. SUGGESTIONS:

- As the study shows that the COVID 19 pandemic will lead to employment loss in tourist sector a travel and tourism stabilization fund with direct benefit transfer should be implemented as far as possible to help the needy.
- To overcome the problems in post pandemic period Govt should be able to attract foreign and domestic tourists to travel destinations of our country by making use of 'National Mission on Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive' (PRASHAD) Scheme, which is an integrated development program to identify pilgrimage destinations.
- This study also shows the rate of domestic tourists to tourists' destinations in our country. So, Government should make use of Paryatan Parv, a celebration from 16<sup>th</sup> to 27<sup>th</sup> September, 2018, to encourage Indians to visit tourist destination in India.
- Workforce in tourist industry should make use of Online Learning Management System for creating skilled manpower to work as tourist facilitators in order to overcome the post pandemic problems in this industry.
- To attract more tourist Government should bring more infrastructure facility in this sector.

## 7. CONCLUSION:

The growth of travel and tourism industry in India are being decreased during the year of 2020 as compared to the previous years. Corona virus may have brought the pace of travel and tourism industry in India to a complete halt, but it hasn't yet defeated the spirit of the people involved in this sector. The blow may seem harsh but there's still hope left. We, believe, if we persevere and stay in this together, you as traveler's and we as operators, we will get through this what right now feels like a nightmare.

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