

# COVID-19's Impact on the Indian Tourism and Hospitality Industry

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## ABSTRACT

The COVID-19 pandemic is the world's most serious human calamity in 2020, and it has wreaked havoc on India's economy. The COVID-19 pandemic has wreaked havoc on India's economy in a variety of ways. The impact of COVID-19 on one of the most vital sectors, tourism, has been exceedingly distressing and has resulted in significant losses. As a developing economy, India was already in a precarious position before COVID-19. India's sudden nationwide lockdown was the world's largest. The four stages of continuous countrywide lockdown, which lasted more than two months, had a tremendous impact on India's tourism economy. The Indian travel and tourism sector contributed 6.8% of India's GDP in 2019 and generated 39,821 million jobs, or about 8.0 percent of total employment. The Indian tourism and hospitality industry is now forecasting a job loss of 38 million people. The Indian government has taken significant steps to resurrect the tourism industry. The Indian travel and tourist industry has begun to set general safety and hygienic standards for hosting and serving clients, as well as attempting to restore people's faith in travelling again following the corona outbreak.

**Keywords--** Tourism, Hospitality and Industry, Covid-19, Economic

## I. INTRODUCTION

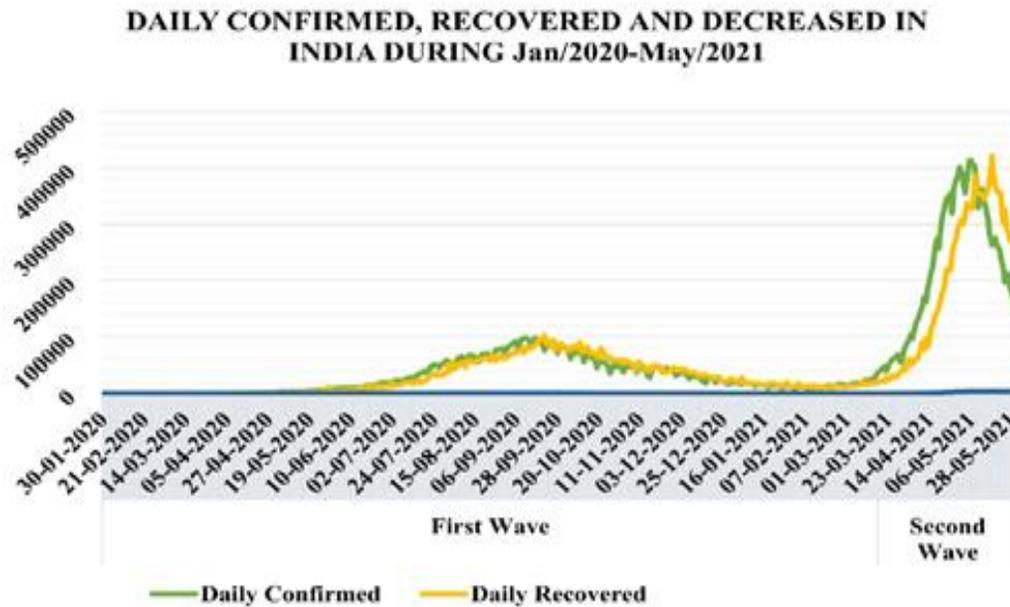
The first case of COVID-19, a potentially fatal disease caused by a newly identified corona virus, was reported in China (Wuhan City). When an infected individual sneezes or coughs, the illness is disseminated primarily by nasal discharge or saliva droplets. As of 2021, the Central Government of India has made three vaccinations for COVID-19 available to the people of India, namely: Covishield, Covaxin, and Sputnik V. Most of them are quite efficient against COVID-19 sickness, but no one can make you completely immune to it. The World Health Organization (WHO) classified this outbreak as a worldwide pandemic on March 11, 2020. Following this, many countries, including India, have shut down their socioeconomic and cultural institutions with the exception of critical services. The COVID-19 pandemic has arisen as both an opportunity and a major threat to the world and individual countries at this moment. From the government's perspective, there is a chance to increase medical facilities while also innovating for the people and

society so that during the lockdown and social distancing protocols, individuals can make the most use of their time, money, and efforts. Private individuals must understand how to create a product for the end-user while adhering to government guidelines, as well as how to sell that product at the customer's doorstep, in order to ensure that both parties are safe and benefitted. Schools and colleges must learn how to teach youngsters in a digital environment in order for both of them to be safe. People must learn how to expand their social networks without causing harm to others.

The corona virus has been declared a pandemic by the WHO, with documented medical cases in over 200 countries and territories. The COVID-19 pandemic is the world's most serious human calamity in 2020, and it has wreaked havoc on India's economy. The COVID-19 pandemic has wreaked havoc on India's economy in a variety of ways. The impact of COVID-19 on one of the most vital sectors, tourism, has been exceedingly distressing and has resulted in significant losses. The Indian government took drastic attempts to prevent the virus from spreading by restricting transportation; yet, the illness wreaked havoc on the country. India, as a developing economy, was already in a precarious position before Covid-19. India's sudden nationwide lockdown was the world's largest. As a result, 1.3 billion Indians were compelled to stay indoors. The four stages of continuous countrywide lockdown, which lasted more than two months, had a tremendous impact on India's tourism economy. The Indian travel and tourism sector contributed 6.8% of India's GDP in 2019 and generated 39,821 million jobs, or about 8.0 percent of total employment. In all, around 38 million jobs are expected to be lost in the Indian tourism industry. Because the coronavirus has affected the entire country's economic activity, India's government revenues and income growth are expected to plummet for at least two quarters. In light of all of these factors, immediate, effective, and efficient efforts to regulate the spread of COVID-19, as well as effective economic strategies for limiting the impact of COVID-19 on the economy and ensuring the efficient growth of the Indian economy, are required. The Indian government has taken significant steps to resurrect the tourism industry. The Indian tourist industry has begun to adopt general safety and hygiene standards for hosting and serving guests, as

well as attempting to re-establish people's faith in

travelling after the corona outbreak.



**Figure 1:** From January 2020 to May 2021, a systematic graphical representation of daily confirmed and recovered cases in India was created

COVID-19 transmission began in India in January 2020. On March 24, the Indian government imposed a 21-day nationwide lockdown to halt the spread of COVID-19. The total number of cases in India at the time was quite low, with only 564 verified cases across the country. However, the total number of tests conducted at the time was low (about 3298), making it impossible to determine the exact number of real infections, all polluted zones or hotspots, and the rate of disease propagation. However, COVID-19 instances have been steadily growing, and India is currently one of the worst-affected countries in the world. One of the reasons for this condition is poor management and unneeded government actions. Figure 1 depicts the current state of the COVID-19 epidemic in India.

Following that, numerous researchers and specialists discovered that the decision to impose a lockdown in India was made in the midst of great uncertainty, necessitating an assessment of the likely consequences to livelihoods versus the possibility of an uncontrolled COVID-19 epidemic. According to certain researchers and experts, the second wave of COVID-19 began in the first week of May 2021 and is more aggressive than the first since the COVID-19 virus is

rapidly changing and targeting the human body's lungs and immune system. As a result, humans need ventilators to breathe oxygen. Delhi, Maharashtra, Uttar Pradesh, Tamil Nadu, and Karnataka are among the most affected states.

According to government records, more than four thousand individuals died every day during the Second Wave of COVID-19, with more than 2343152 active cases as of May 28, 2021. The country's health-care system and economic structure completely failed during the second wave, demonstrating the country's weak infrastructure. It is critical for any country to build and sustain large-scale health facilities for its citizens. Experts believe that the Third Wave of COVID-19 is more severe than the Second Wave, and that it will most certainly affect children in the lower age groups on a wide scale. As a result, the government must work on this issue, otherwise new generations will be adversely affected on a huge scale. Vaccination is the only way to stop the spread of this disease. There is currently no vaccine available for children under the age of five, but the government is working on developing one. "Vaccination is the only method to combat the COVID-19 pandemic situation," says the government. The current status of Vaccine is mentioned below in Table 1.

**Table 1.** Available COVID-19 vaccine in India as on (01/June/2021).

S/N	Name	Mfr./developer	Research name	Vaccine type:	Admin. Method	Source
1.	<i>Covishield</i>	AstraZeneca, Serum Institute of India	AZD1222 (ChAdOx1)	Non-Replicating Viral Vector	Intramuscular injection	mohfw.gov.in
2.	<i>Covaxin</i>	Bharat Biotech	BBV152	Inactivated	Intramuscular injection	who.int
3.	<i>Sputnik V</i>	Gamaleya Research Institute	Gam-COVID-Vac	Non-Replicating Viral Vector	Intramuscular injection	who.int

## II. OBJECTIVES OF THE STUDY

The Indian and global tourist industries are in the midst of a major crisis, which is causing stock market falls across the board. The tourist sector in India and around the world has been severely harmed because travelers are not permitted to visit any country. The hotels, airlines, and cruise businesses were all shut down. As a result of the virus's unabated spread, this is having a negative influence on India's GDP. The COVID-19 is sounding a global health alert that is causing healthcare instability as well as affecting economic activity. The goal of this study is to determine the impact of the coronavirus on the tourism business in India and around the world.

- To determine the impact of COVID-19 on the Indian tourism industry.
- To provide an outline of COVID-19's influence on the Indian economy.
- To make recommendations on how to help India's tourist sector recover and thrive.

### Data Compilation

The present study's secondary data was gathered from numerous pieces published in magazines, daily newspapers, websites, the internet, and published journals, among other sources. The current research is of a qualitative nature.

## III. COVID-19'S EFFECTS ON THE INDIAN TOURISM INDUSTRY

The COVID-19 pandemic has had a significant influence on India's tourism business. The four stages of continuous countrywide lockdown, which lasted more than two months, have had a tremendous impact on India's

tourism economy. The Indian travel and tourism sector contributed 6.8% of India's GDP in 2019 and generated 39,821 million jobs, or about 8.0 percent of total employment. Around 38 million jobs are expected to be lost in the Indian tourism industry. The ongoing corona virus pandemic, nationwide lockdowns, and travel restrictions have immobilized the entire Indian tourist industry, which will take longer to recover than other sectors, particularly leisure tourism. This has had a direct impact on states such as Himachal Pradesh, Uttarakhand, Kerala, Sikkim, Rajasthan, Goa, and other north-eastern states that rely largely on tourism for revenue.

The Indian tourism industry employs 8.75 crore people, or approximately 12.75 percent of the total employed population, in fiscal year 2018-19. Among the many other service providers are people in the hospitality business, travel agents, drivers, guides, tour operators, home-stay owners, artisans, craftsmen, small traders, and so on. In India, the tourist industry has strong and forward-thinking linkages with a variety of other industries, including transportation, agriculture, handloom, FMCG, and so on. Many unemployed people will be affected by disruptions in the tourism industry. India's international and local travel will be reduced. The hotel occupancy rate has slowed by more than 65 percent in the third week of March 2020, and has slowed even more due to lockdown limitations to combat the coronavirus. As a result, turbine fuel demand has decreased dramatically as a result of a halt in local and international travel. India's aviation industry lost around Rs. 27,000 crores (\$3.3-3.6 billion) in the first quarter of 2020-21, and by 2020-21, airline passenger growth is expected to plummet by a negative 20-25 percent.

Travel and tourism employ 5% of India's workforce, according to the Consumer Pyramids Housing

Survey conducted by CMIE. In India, travel and tourism employ around 20 million people, whereas hotels and restaurants employ approximately 4 million people. Since 2017, employment in the tourism industry in India has been declining, with over 2 million jobs already lost. The Indian government's limitations on foreigners entering the country are projected to hurt employment in this industry even further. The Indian Association of Tour Operators expects to lose 1.2 million tourists on a base of Rs 10 million as a result of Indian government restrictions. To combat the spread of the corona virus, airlines have been requested to waive cancellation fees, which will result in a rise in cancellations. Nonetheless, the collateral damage will be a protracted economic slowdown and possible job losses.

Tour operators are expected to lose \$4.77 billion, according to the Confederation of Indian Industry and

hospitality consultancy firm Hotelivate. This includes both online and offline, as well as inward and outward travel. The entire travel and tourism value chain is anticipated to lose around Rs. 5 lakh crore (US \$65.57 billion), with the organized industry alone losing US \$25 billion.

According to FAITH (the policy federation of associations in the travel and hospitality industry), the tourism industry will lose Rs.10,000 crores as a result of Covid-19. Due to the impact on foreign tourist inflows, which has resulted in a significant drop in foreign exchange earnings, it was closed to Rs. 2,10,981 crores in Q1-Q3 of 2019. The Indian Association of Tour Operators (IATO) estimates that the travel, hotel, and aviation industries will together lose almost Rs. 85 billion as a result of the travel restrictions imposed on international tourists.

**Table 2.** Comparison of Tourism Loss During April–December (2019–2020).

Month	2019	2020	Difference	Percentage Loss
April	774651	470	774181	99.94
May	615136	1329	613807	99.78
June	726446	4480	721966	99.38
July	818125	6503	811622	99.21
August	800837	11619	789218	98.55
September	751513	18469	733044	97.54
October	945017	30917	914100	96.73
November	1092440	60156	1032284	94.49
December	1226398	79910	1146488	93.48

In the long run, it has had an impact on the nation's sustainable development and climate change agendas. In the current situation, India has halted all tourism operations because the vast majority of confirmed cases have been linked to other nations.

#### IV. ECONOMIC IMPACT OF COVID-19 ON INDIA

India's sudden countrywide lockdown was the world's largest, forcing 1.3 billion people to stay indoors. Except for a few vital services, India's \$2.9 trillion economy remained closed during the lockdown. Almost all economic activity has been halted as a result of the lockdown regulations and standards, resulting in the loss of millions of jobs. As the coronavirus impacts the country's economic activity as a whole, India's government revenues and income growth are expected to plummet for the first time in two quarters. The economy is very likely to see a long-term slump as a result of India's protracted lockdown,

global economic distress, and disruption of demand and supply networks. Private consumption, investment, and external trade, three significant sources of GDP, have all been impacted. In the third quarter of 2019–20, India's GDP growth slowed to its lowest level in over six years, and the emergence of COVID-19 faced new concerns. India's growth for 2020–21 is expected to be in the range of 5.3 percent to 5.7 percent. According to the Ministry of Statistics, India's growth slowed by 3.1 percent in the fourth quarter of the fiscal year 2020. Despite the fact that a country like India is capable of controlling the spread of COVID-19, the world economy is experiencing a significant downturn. Despite this, due to India's connection with the world economy, the influence on India's growth in terms of global spillovers would be significant. As a result, India's growth will be lower than in Situation 1, with a projected range of 4–4.5 percent. The impact of COVID-19 on one of the most vital sectors, tourism, has been exceedingly distressing and has resulted in significant losses.

**Market Capacity**

In terms of digital tools used for planning, booking, and experiencing a journey, India is the most digitally advanced travel nation. India's burgeoning middle class and increasing disposable incomes have continued to encourage the expansion of domestic and outbound tourism. Foreign visitor arrivals (FTAs) in India totaled 10.89 million in 2019, a 3.2 percent increase year on year. In January-February 2020, there were 21, 33,782 foreign tourist arrivals (FTAs). In 2019, 29,283,013 tourists arrived on e-Tourist Visas, a 23.6 percent increase from the previous year. In India, the tourist industry created 4.2 crore jobs in 2019, accounting for 8.1 percent of total employment. By 2028, the number is expected to increase by 2% every year, to 52.3 million jobs. International hotel chains are expanding their footprint in India, which is

expected to account for roughly 47 percent of the country's tourism and hospitality sector by 2020 and 50 percent by 2022.

**V. TOURISM, HOSPITALITY AND AVIATION**

Covid-19: Impact on the Indian Hotels Sector, a research by HVS India and South Asia, a worldwide hospitality consulting organization, examines how the virus has harmed the travel and tourist industry and what may be done to recover it. IBEF projected a new type of tourism in 2020, with a few unique add-on concepts, but Covid-19 has thrown everything off. Figure 2 depicts some tourism advancements.



**Figure 2:** shows the India Brand Equity Foundation's panning of the Indian tourism industry

With India under lockdown, the application of Section 144, the suspension of visas, and global travel advisories, inbound tourism has come to a halt. There aren't many future bookings available right now, and the ones that are available have all been cancelled. According to the analysis, there is little room for a speedy resurgence in this environment, but there is plenty of room for moderate and steady expansion. There is minimal likelihood of a foreign tourist surge, and most bookings for October-March—which were made throughout the summer—have dropped. Since February, the report's

figures have been declining. According to the forecast, the second half of 2020 will be the worst hit. Domestic travel would, of course, be the key to reviving such a market once the virus has been tamed. With government assistance, airlines and hotels will need to come up with rapid and effective solutions to give quality service to their returning clients. Figure 3 depicts India's proportion in the global and Asian tourist industries over the last five years, while Figure 4 depicts the number of tourists who visited India's airports in 2019.

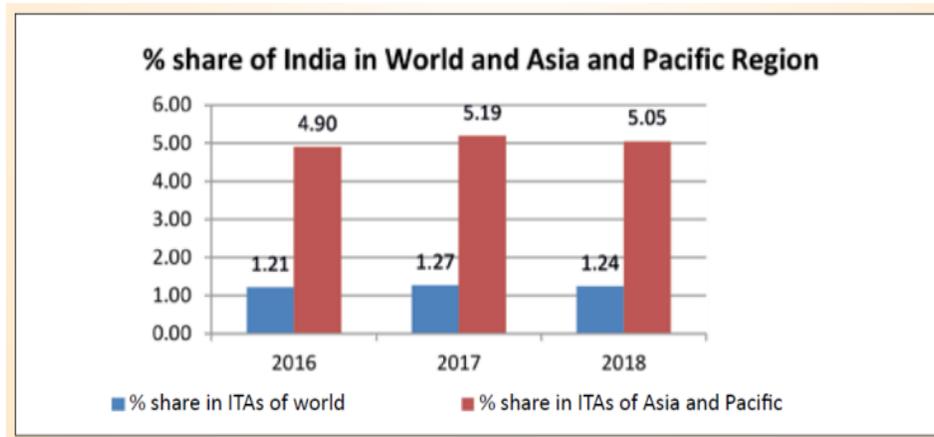


Figure 3: India's 4 percent share of the global and Asian tourism industries over the last five years

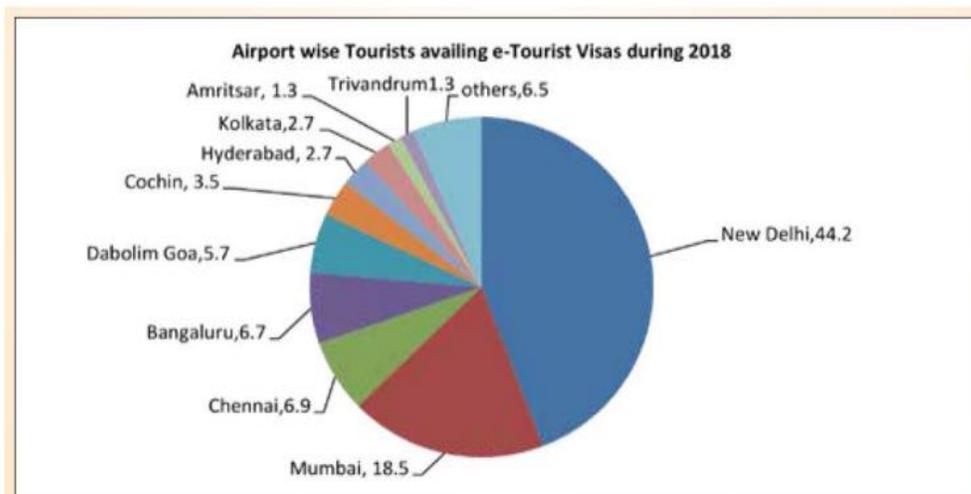


Figure 4: shows the number of tourists who visited India's airports in 2019

## VI. SUGGESTIONS

For the above reasons, we are, in reality, looking at the slow recovery of the Indian tourism industry. The important thing to remember is that everything is in the process of improving. The following are some suggestions for reducing the impact of COVID-19 and improving the growth of the Indian tourism industry:

- Experts have emphasized the importance of focusing on the potential of domestic tourism and attempting to profit from it.
- India is known for its historical and cultural hospitality, which attracts both local and international visitors throughout the year. As a result, promoting Indian culture can help to increase the country's economy. This, in turn, will help to enhance the Indian tourism industry.
- To avert monetary and job losses, the ICC has proposed the creation of a "Travel and Tourism Stabilization Fund" through direct assistance transfers in each unit.
- Hotels and restaurants must guarantee that proper hygiene and sanitation facilities are available. If a hotel employee or a tourist becomes infected with the virus, proper isolation facilities should be available. They should also put in place rapid reaction teams in hotels, who will be in charge of efficiently preventing incidents.
- It's also a good idea to make good use of FF & E reserves, and operators should back up the hotel's owners.
- To assess the impact of COVID-19 and develop a demanding plan involving both the government and tourism industry partners, it can be divided into three stages: surviving (short-term),

revitalizing (medium-term), and thriving (long-term).

- Reduced international travel restrictions in the resurrected (medium-term) stage will result in fierce competition as all countries compete for the same markets. As a result, it's critical to prioritize destinations and products that appeal to the target market and ensure that they pay off.
- In the survival (short-term) stage, the two challenges are to save businesses and jobs. The government should provide funds for institutional access to firms and liquidity to allow loan repayment to be deferred. The government should consider writing off a portion of the loan amount to assist small enterprises in obtaining operating capital.
- Economic policies have a big impact on minimizing the effects of constraint measures and regulating the Indian economy back to a more normal condition following the corona virus outbreak.
- After COVID-19, there is a need to adapt to the fundamentally transformed tourism business in the flourishing (long-term) stage. Around the world, tourism policy and consumer preferences are expected to shift toward more sustainability and community orientation.
- If there is a mandatory regulatory structure to follow, sustainable tourism can be implemented at the grassroots level. Most importantly, the government should seek out startups and businesses that are already engaged in sustainable tourism.

## VII. CONCLUSION AND DISCUSSION

COVID-19 has had a significant negative influence on India's tourism industry. It has had a huge impact on Indian tourism by influencing lifestyles, social behaviours, spending patterns, and travel habits. The tourism industry is likely to be the hardest hit by the pandemic and the resulting limitations that apply during and after the lockdown. The recovery of the tourism industry must be a top priority for the government of India. To revitalize India's tourism industry, a pushback is required, and rapid relief under the GST legislation will encourage the sector to avoid a worldwide economic crisis unlike any other. Fears of a new recession and financial collapse necessitate strong and resilient leadership in healthcare, business, government, and society at large. The increased influence that the virus is having on tourism was investigated in this research article. For individuals who may fall between the cracks, immediate relief measures must be implemented and adjusted. How the economy is

rebalanced and re-energized following this catastrophe will require intermediate and long-term planning. A broad socioeconomic development plan that includes sector-specific strategies and an ecosystem that supports entrepreneurship so that those with strong and long-term business models can thrive. Governments and financial institutions should continually analyze and reevaluate the current situation to guarantee that the "whatever it takes" commitment is kept. To face the obstacles of a recession and economic crisis, policymakers must devise a concrete plan and strategy to reduce the impact of the Covid-19 shock on both the official and informal sectors, as well as to ensure the economy's long-term recovery. Although the corona virus has slowed the pace of the Indian travel and tourist business, it has yet to break the spirit of the individuals who work in it. Although this shock may appear to be unpleasant, there is still reason to be hopeful. The restoration of this economy must become a top priority for the government of India, but after the Covid-19, the Indian tourism industry must also shift toward a more sustainable, healthier, and responsible tourism model. Cleanliness, safety, health, quality, hygiene, and value for money are the watchwords. This will help individuals regain their confidence in travelling following the corona pandemic. This research has also demonstrated the long-term effects on the country's economy as well as the world's economy. The impact is expected to last for some time, which has become a major source of concern in recent years. Covid-19 appears to be affecting travel agencies, as countries have imposed a shutdown to prevent the spread of the virus. As of COVID-19, a number of foreigners are still locked in this condition. As a result, the group of hotels and other tourism activities will not be able to completely suspend their operations. As a result, there is a risk of the virus spreading more widely throughout the world. The Corona virus has also exposed the tourism industry to a significant threat, as well as a noticeable economic slump. As a result, it is thought to be having an influence on the tourism business. Despite the fact that measurements were made, it appears that they were ineffective in preventing the spread of the corona virus. The impact can also be seen in sales and present accomplishments.

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