

IMPACT OF COVID -19 ON TRAVEL AND TOURISM INDUSTRY

HARITHA.S¹ DEEPA LAXMI.M² DEEPA THARINI.S³ AISHWARYA.P⁴
PG (MBA) Student, Panimalar Engineering College, Chennai

Abstract: The coronavirus (COVID-19), has affected people and businesses all over the world triggering a global economic crisis. In this the tourism sector is not an exception. The tourism industry has been totally affected by the spread of COVID19, as many countries have placed travel restrictions in an attempt to lower its spread. Covid-19 has impacted the travel and tourism industry across the world covering sectors like hospitality sector, tour operators, travel agents, air, land and sea transportation industry and others. As per the research made by WTCC, 50 million jobs were lost globally and the pandemic is expected to cost this industry at least USD 22 billion. India is not an exception; tourism has witnessed a significant downfall during 2020. The purpose of this study is to examine the effect of COVID-19 on the tourism industry overall as well as in India .

Key word: COVID-19, tourism in travel industry

I. INTRODUCTION

The spread of the COVID-19 has caused an international health emergency because of its high risk and infection. The effect of the COVID-19 was strong that it immediately spread almost over 195 countries. Tourism industry is badly hit during the lockdown due to the restrictions imposed during the lockdown period. As the cases started to rise in numbers, the government of India executed a complete

lockdown in the country to regulate the spread of the pandemic. Traveling between the country was blocked by the countries due to pandemic. Travel & Tourism is considered to be one of the world's largest economic sectors as it creates jobs for many, generates revenue through exports, and generates prosperity all over the world. The travel and tourism aim to serve and support domestic and international business and leisure visitors. The travel industry includes various sectors like airlines, hotels and restaurants, will shrink by 50% in 2020, creating a significant loss of jobs and revenue. According to the International Air Transport Association (IATA), Airlines worldwide are expected to lose a record of \$84 billion in 2020, more than three times the loss made during the Global Financial Crisis, most of the airlines are underground. Hotels are closed due to a smaller number of tourists and five-star hotels turning into quarantine facilities- restaurateurs see operating costs rising further because of social distancing, hygiene, and sanitation-related costs. Hence it is a challenging task for the tourism industry to sustain during this crisis.

II. IMPACTS OF COVID 19 IN INTERNATIONAL TRAVEL AND TOURISM INDUSTRY:

Tourism Industry is a major source of income for government and employment in many countries across the world. It acts as a generator for employment, income, tax collections and foreign exchange earnings. The tourism industry became highly competitive; and therefore, accurate tourism demand forecasting is important to make an appropriate strategic and operational decision. The WTO has researched and found that nearly 120 million tourism jobs could be lost during the pandemic, which has never happened before in the history. This could implore US \$ 1.2 trillion loss of income in the tourism industry due to 850 to 1.1 billion lesser tourist arrivals in 2020. On an average tourism industry contributes almost 4.4% of GDP in developed nations and it generates almost 7% direct jobs.

In 2020, the Tourism Industry in India has faced a revenue loss to the extent of Rs 1.25 trillion due to the close of hotels, railway suspension, road and flight operations since the spread of the COVID19 virus infection.

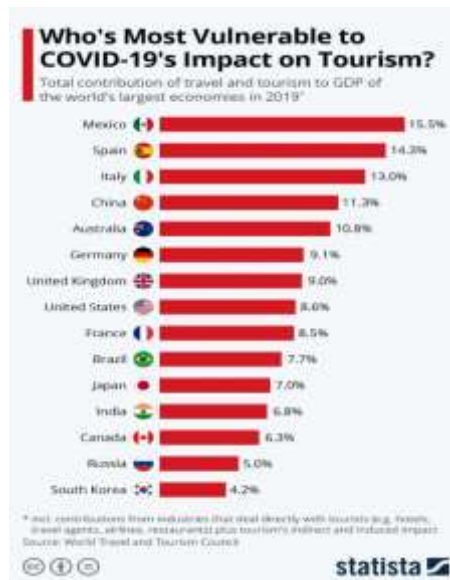


Fig.1.The graph represents contribution of GDP on country basis during COVID

III. IMPACT OF COVID IN INDIAN TOURISM INDUSTRY:

The growth of India’s economy is one of the main factors behind the growth of tourism industry in India. This service sector is one of the largest industries and accounts for 6.23% of the country's gross domestic product (GDP) and provides employment to 8.78% of the population. The tourism industry in India have generated around \$275.5 billion in revenue in the year 2018. The annual growth rate at 9.4%. India has excessive potential for travel and tourism ranging from adventure, medical, film, sports, ecotourism and religious tourism. Because of its unique tourism products, India is one among the famous destinations for both domestic and international tourists and travelers. The travel and tourism companies in India dealt a miserable journey due to canceled bookings from travelers. Leading to "complete paralysis" in the market. With the enforce on travel bans internationally, the airlines and railways came to a halt. The hotel and travel sector collectively may acquire a loss of about ₹85 billion due to the restrictions forced on travel and tourism. However, domestic transport was started early with some limitations. Some of the big tourism and hospitality organization such as Airbnb, OYO, Vista also faced loss. During the lockdown period, India had canceled travel to over 80 countries, which made the international flights being suspended. The domestic flights were operational with regulations. Along this, the cancellation of various events, caused a great job loss to many organizers.

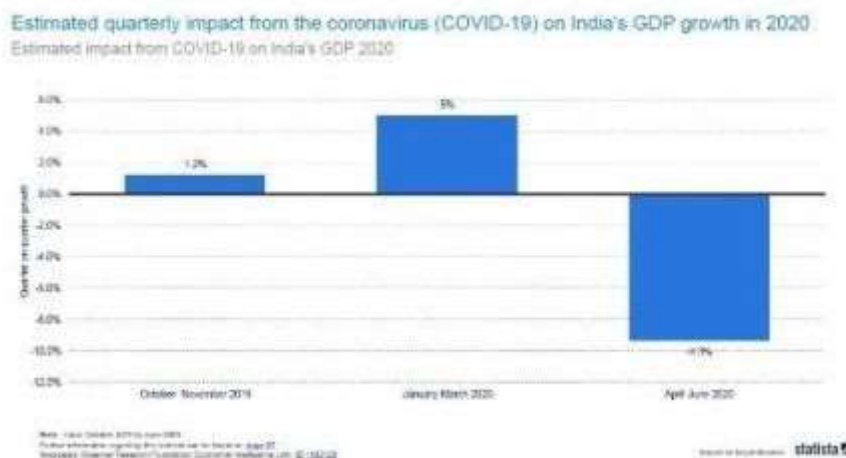


Fig.2.The graph represents the COVID-19 impact on GDP in 2020:

IV. THE RECOVERY:

Almost every hotel took measures such as sanitizations, use of personal protective equipment by the staff in both F&B and housekeeping department. Social distancing has become a new normal for the present generation. The restaurants are also making sure of the safety measures such as online check-in, and check-out, contact-less valet for

parking to ensure minimum contact with people till the time they leave the place. The tourism industry needs sincere measures from governments in order to get well. Measures taken by governments to support local economies have varied from country to country. The following steps are taken as measures to develop the industry:

- Focus is made on promoting North Eastern states and Jammu and Kashmir in “National Tourism Policy”.
- The government has planned to launch seaplane service from Ahmedabad to Statue of Unity to push India’s tourism.
- The Ministry of Tourism made a scheme called SAATHI by partnering with the Quality Council of India in October 2020 which will effectively implement guidelines issued with reference to COVID-19 in order to maintain safe operations in hotels, restaurants and other units.
- Ministry of Tourism launched webinar series Dheko apna desh to provide information on many destinations and about the culture and heritage of India.
- Ministry of Tourism launched App called Audio Odigos, an audio guide facility for 12 iconic sites in India.
- Statue of unity, which is built in the memory of sardar vallabhai patel was about 182 meter in height. It is considered to be the highest standing status in the world. It acts as a top tourism spot and is expected to attract foreign tourists.
- Indian government has planned to achieve target of 1% share in world’s international tourist arrivals by the year 2020 and 2% by the year-2025.
- Under Budget for the year 2020-21, Indian government has allotted Rs. 1,200 crores for developing tourist circuits under “Swadesh Darshan” scheme for 8 Northeast states.
- Under the Budget for year 2020-21, Indian government has allotted Rs. 207.55 crore for developing tourist circuits under PRASHAD scheme.
- During the year 2019, Government has reduced GST on hotel rooms with tariffs of Rs. 1,000 to Rs. 7,500 per night to 12% and those above Rs. 7,500 to 18% to increase competitiveness of India as a tourism destination.

The Indian government plays a vital role in uplifting the tourism sector to recover itself. It can start by introducing some immediate measures that would reduce Goods and Services Tax rate. Considering to lower the GST rates on room tariffs between INR 1000 to INR 7500 for a particular period of time, and reducing the GST rate at 18% on tour operators commission and travel agents commission for providing certain services. Besides all these, the TCS / Tax collection at Source, that is made on making payments to hotels and airlines, can be considered for exemption under measures for tax relief. Extending the period for availing Input Tax credit for the FY 2019-2020 to March 31st 2021 has reduced the pressure on cash outflow. Along with this, since the tourism industry is facing losses, reversal of Input tax credit can also be extended until March end of 2021. Due dates for filing GST returns should also be extended and allowing GST on cash or receipt basis until March end can also be considered in order to lift up the tourism industry over this pandemic period. While the revival of this industry should be given importance for the GOI, it is also important that post pandemic the Indian tourism industry makes a step towards adopting a more flexible and responsible form of tourism. The importance must be given to hygiene, safety, health, quality, and value for the money.

V. CONCLUSION:

This study focuses on the impact of the COVID-19 outbreak on the world tourism industry. The outbreak of COVID19 is a novel pandemic that severely impacted the lifestyle of the majority of people across the globe. The critical economic shock to every person and every industry in most countries is the most common feature of the novel corona virus. COVID-19 has a significant impact on economic growth worldwide and creates an economic recession due to quarantines, travel restrictions, and social distancing. Some of the threats faced by economic environment during pandemic are rising unemployment, world recession, uncertainty weighing on consumer, vaccine unavailability and business confidence. Uncertain length of pandemic caused Extent of lockdowns which had travel restrictions was the treat mainly faced by tourism industry. The most people think that their travel was affected mainly due to the fear rather than pandemic rules, availability of E-pass and availability of seats to travel at the same time the mode of travel considered to be most affected by the people was airline travel.

5. what are thinks which affected the travellers
50 responses

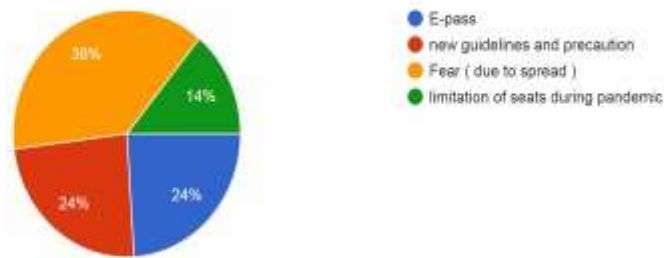


fig.3. Chart on which affected the travel of people:

4.what are the mode of travel which is most affected
50 responses

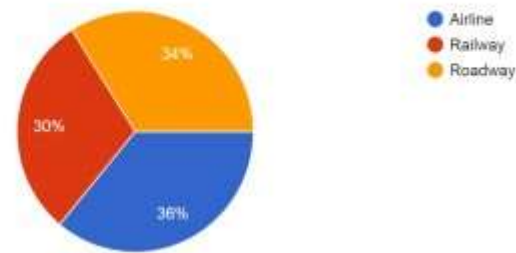


Fig.4. Chart on which mode of travel got affected the most:

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