

# Impact of COVID-19 on Hospitality and Tourism Industry of India

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## Abstract

As, for last few years, it has been seen that Corona Virus epidemic has put an unpleasant effect on almost every sector of the Indian economy but Tourism and Hospitality industries have been the most affected. Since, Tourism and Hospitality industry has been one of the largest service industries in the world and a largest source of employability. This paper tries to fulfill the purpose to review that the Tourism and Hospitality industry has shown tremendous fall down in recent month due to Covid-19 in India.

Indian government placed nationwide lockdown phase one to stop spreading of virus in the society on 24th March 2020, when the positive cases of corona were approximately 500. It showed increase in the positive cases later months of April and May and so on. Lockdown led extreme fall down in sectors of Tourism and Hospitality across the country due to sealing of borders as well modes of transports. It also created unemployment in front of millions of people associated with tourism industry.

A report published by WTTC (World Travel and Tourism Council) states that India ranked 3<sup>rd</sup> among 185 countries in terms of Travel and Tourism based total contribution to GDP in year 2018 and ranked 34 in the Travel and Tourism competitiveness report 2019 published by World Economic Forum. In the year 2019, Tourism and Travel industry contributed 9.3% to India's Gross Domestic Product (GDP). As of 2019, 42 million jobs were created in the tourism industry in India which was about 8.5 per cent of total employment in the country [Source: India Brand Equity Foundation]. World Travel and Tourism Council (WTTC) states that employment of more than 6 million people of the Tourism and Hospitality industry could be lost in the upcoming months and it may take up to minimum of one year to recover.

**Keywords:** Indian Tourism and Hospitality industry, Lockdown, WTTC and Corona Virus, India.

## Introduction

Indian government officially found first case of corona on 30 January 2020 originated from China. India declared a 14 hour voluntary public curfew on 22 March and on 24 March nationwide lockdown was ordered for 21 days (phase-1) by Prime Minister Narendra Modi. On 14 April, India again ordered lockdown till 3 May for 19 days (phase-2). Similarly phase 3 and phase 4 lockdown were extended for 14 days respectively. The observers found that lockdown had slowed down the growth of rapid spreading of the virus. While the ratio of infected people and casualties was increasing rapidly and recovery rate was changing overtime. As on September 8, 2020 total deaths caused by Covid-19 in India were 64,469 and total active cases were 3,62,124.

**Source:** Ministry of Health and Family Welfare.

## Prevention from COVID-19

To prevent transmission of COVID-19, following steps may be taken:

**Maintain physical distance:** Minimum distance of 6 feet has to be maintained.

**Wash Hands:** Keep washing hands regularly with soap.

**Use Sanitizer:** Use good quality sanitizer recommended by health care authorities.

To prevent infection and to slow transmission of COVID-19 a Novel Virus, do as following:

Wash your hands regularly with soap and water, or clean them with alcohol-based hand rub. Maintain at least 1.5 meter distance between you and people coughing or sneezing. Avoid touching your face. Smoking can weaken lungs. Cover your mouth and nose when coughing or sneezing. Avoid unnecessary movement and stay away from crowd. Stay home if you feel symptoms like high fever and cough. Wear mask while moving out of home. Do not trust on fake medications circulated by other than trusted local or national authorities. Keep up to date information about the current status of pandemic from the trusted authorities such as World Health Organization (WHO) or National Government websites.

## INDIAN TOURISM AND HOSPITALITY INDUSTRY

Tourism and hospitality is one of the largest industries of India providing many job opportunities and providing economical growth of the country. Many foreigners prefer to visit India for its grand historic background, eco-tourism, medical and diversity in various fields such as culture, festivals, food and regional events. Similarly, domestic tourism has also a vital role in the development of local tourist destinations. The most preferred tourist destinations in India are Delhi, Mumbai, Chennai, Agra, Jaipur and Udaipur and Goa. Every year India receives increased number of Foreign Tourist Arrivals.

The chart shows percentage share of Foreign Tourist Arrivals (FTAs) and contribution in India's GDP:

Year	FTAs in India (In millions)	Percentage change over previous years	Total Contribution to India's GDP in Billion US\$
2015	8.03	4.5	201.43
2016	8.80	9.7	219.72
2017	10.04	14.0	232.01
2018	10.56	5.2	247.37
2019	10.89	2.68	268.29
2020	3.28	-64.42	--

The Foreign Tourist arrivals (FTA) in India registered negative growth of 66.42% in the month of March 2020 to 3, 28,462 compared to 9, 78,236 in March 2019 due to COVID-19. A report by Ministry of Tourism states that total FTAs between January 2020 to March 2020 were 24, 62, 244 as compared to 31, 79,792 in January to March 2019 at a growth of -22.6%.

A report by Travel and Tourism Competitiveness ranked India in 34<sup>th</sup> position in year 2019 among 140 countries. In the process of designing national policies for promotion and development of tourism the Ministry of Tourism started many campaigns such as "Incredible India", "Swadesh Darshan" and "Atithi Devo Bhava" etc.

**Table 1: COVID – 19 State wise Status  
Upto 30<sup>th</sup> August 2020 in India**

Sl.No.	State/UTs	Confirmed	Active	Recovered	Deceased
	Andaman and Nicobar	3186	381	2758	47
	Andhra Pradesh	455531	103076	348330	4125
	Arunachal Pradesh	4360	1278	3075	7
	Assam	115279	26227	88729	323
	Bihar	141441	17001	123794	646
	Chandigarh	4789	2060	2670	59
	Chhattisgarh	35683	17164	18220	299
	Dadra and Nagar Haveli & Daman and Diu	2435	292	2141	2
	Delhi	179569	16502	158586	4481
	Goa	18642	4379	14059	204
	Gujarat	98888	15913	79929	3046
	Haryana	68218	12622	54875	721
	Himachal Pradesh	6416	1613	4760	43
	Jammu and Kashmir	38864	8053	30079	732
	Jharkhand	44862	14677	29747	438
	Karnataka	361341	94478	260913	5950
	Kerala	78072	21989	55778	305
	Ladakh	2785	743	2007	35
	Lakshadweep	0	0	0	0

	Madhya Pradesh	66914	14337	51124	1453
	Maharashtra	825739	202048	598496	25195
	Manipur	6507	1871	4607	29
	Meghalaya	2517	1186	1318	13
	Mizoram	1020	359	661	0
	Nagaland	4017	785	3223	9
	Odisha	109780	25193	84073	514
	Puducherry	15157	4936	9968	253
	Punjab	56989	15629	39742	1618
	Rajasthan	84674	12919	70674	1081
	Sikkim	1704	431	1269	4
	Tamil Nadu	439959	52380	380063	7516
	Telangana	133406	32537	100013	856
	Tripura	13292	5133	8033	126
	Uttar Pradesh	241439	56459	181364	3616
	Uttarakhand	21234	6442	14501	291
	West Bengal	168697	24445	140913	3339
	<b>Total</b>	<b>3853406</b>	<b>815538</b>	<b>2970492</b>	<b>67376</b>

Indian government came up with new travel restrictions to be implemented to stop the spread of the COVID-19 as soon India reported total 67 confirmed positive cases. These were as:

1. All types of visas, except diplomatic and government officials were suspended from March 13, 2020.
2. Indian government announced that no international flight will be allowed to land in India from 22<sup>nd</sup> March and on 23 March, the center government announced the suspension of all domestic flights starting from 25 March, 2020.
3. Metro services across India were suspended from 22 March and Indian Railways announced the cancellation of 3,700 trains across the country on the same date.
4. International traffic through land borders was highly followed by screening facilities and travelers were strictly subjected to quarantine for minimum of 14 days. Public transports in National highways were banned from 21 March 2020.

The above description shows that all types of modes of transports were shut down during the lockdown and all the bookings of hotels, airlines, buses and trains were either cancelled or postponed. Lockdown and travel ban affected both employability as well as Indian economy too. Since, corona virus took many lives and affected a large number of people and showed unemployment in many sectors including Tourism and Hospitality. The direct affect of lockdown was faces by Tourism and Hospitality industry globally.

### Impact of COVID-19 on Hospitality Industry:

The lockdown due to COVID-19 epidemic has harshly influenced the Indian organized, semi organized and unorganized hospitality sectors. The total estimated revenue loss for the sector in year 2020 is Rs 89,813 crore against the revenue generated for years 2019 Rs 1, 58,113 crore. The occupancy rate in 2020 is supposed to fall down 32 percent while Revenue Per Available Room (RevPAR) by 58 percent. The demand in the Hospitality Industry in upcoming months has fallen down due to the pandemic.

### Impact of COVID-19 on Tourism Industry:

The biggest challenge that Tourism industry has faced till date is COVID-19. A report by United Nations World Tourism Organization (UNWTO) states that tourism industry has shown

reduction of 60 percent to 78 percent in tourist traffic across the world. It may be assumed that Tourism sector is among the first to be affected. The tourism sector accounts for about 13 percent of total employment in India. The World Travel and Tourism Council have warned that more than 85 million jobs of travel and tourism sector will be affected in India due to COVID-19.

### **Tourism and Hospitality Sector: Government Support**

Lockdown put disastrous impact on Tourism and Hospitality industry which generated unemployability for hoteliers, travel agents, tour operators and local guides. It also affected employability generated in various tourist destinations of India such as food outlets, dhabas, local textile and craft shops, local people operating adventurous activities such as horse riding, rock climbing, kayaking etc. Considering the above factors and to raise the industry government has announced many plans and policies such as:

1. Government has announced loan schemes for migrants to start their own business.
2. Many states such as Uttarakhand has started welcoming guests by offering attractive discounts and sharing a set percentage with the hotel on tariff plans so that guests may prefer long stays.
3. Government has also announced for the period of lockdown that banks will not charge any extra fee on loans for tourism and transport activities and many states have decided not to collect road tax from public transports during the pandemic.
4. Centre government started "Aatm Nirbhar Yojna" on 12 May 2020 to motivate migrants and offered new business loans.

**Suggestions and future work:** India has been one of the best preferred destinations for medical tourism, delicious food, exotic natural scenic views and affordable living costs but it is badly hit by COVID-19. Similarly, many rural areas of Indian states were developed for tourism activities and local population got job opportunities too. Few suggestions are as:

1. COVID-19 rather showed negative impact on the tourism industry; there is opportunity on the other hand to fix challenges that become trouble making for the sector sometimes. The tourism policies should be prepared COVID-ready to enhance tourism potential.
2. India has a golden opportunity to bring the international traveler back by exploring medical, ayurveda and wellness tourism sectors.
3. At present time, hotels will need to provide their customers contactless services by upgrading soft ware.
4. Attracting domestic tourists can be one good option for the time CORONA virus is completely removed globally.
5. Hotels will need to follow high standards of hygiene and sanitization for guest safety.
6. Considering the COVID effect, tourism and hospitality industry need to develop new strategies for sustainable foreign and domestic tourism.
7. Eco tourism, green tourism or nature tourism can be leading attractions for establishing sustainable tourism.
8. Hotels will require developing customer safety standards for all the times to retain trust.
9. Public transporters will need to maintain COVID-19 guidelines and safety precautions.

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