

Impact of Covid 19 on Tourism Industry in India and steps taken to boost tourism

Shubham Nandkumar Jagtap
Electronics and Communication Engineering
Vellore Institute of Technology, Vellore
shubham.jagtap2020@vitstudent.ac.in

Gopireddy Harsha Vardhan Reddy
Electronics and Communication Engineering
Vellore Institute of Technology, Vellore
gopi.harshavardhan2020@vitstudent.ac.in

Vasireddy Saiteja
Electronics and Communication Engineering
Vellore Institute of Technology, Vellore
vasiredy.saiteja2020@vitstudent.ac.in

Abstract

This study delves into the far-reaching implications of COVID-19 on India's flourishing tourism industry. India, celebrated for its opulent cultural heritage and diverse geographical beauty, heavily depends on tourism as a significant source of employment and foreign exchange earnings. However, the pandemic brought about a series of challenges, with severe repercussions for the industry. The global spread of COVID-19 cast a substantial shadow over the entire tourism sector. This impact reverberated across various facets of the industry, including aviation, hospitality, transportation, tour operators, and eateries. India was not spared from these adverse effects. During the initial wave of the pandemic, the tourism sector in India suffered more profoundly than most other economic sectors.

Although there were tentative signs of recovery starting in October 2020, the tourism industry faced

a devastating setback in March 2021 when a sudden surge in COVID-19 cases effectively brought tourism activities to a standstill, with only a few exceptions for select locations on special occasions. This study's primary objective is to comprehensively evaluate the economic losses incurred throughout the entire pandemic period and to investigate potential recovery phases for the tourism sector post-pandemic. The importance of this research extends beyond economics, as it seeks to reinvigorate a vital sector that not only fuels India's economy and employment but also connects a significant portion of the population directly or indirectly to tourism-related activities. In summary, this research endeavors to shed light on the critical role of the tourism sector in India's economy and to explore the repercussions of COVID-19 on this pivotal industry, ultimately paving the way for its revival and resurgence. And steps or solutions adopted or can be considered for booming this sector.

1. Introduction

India has traditionally been a significant attraction for international tourists, fostering numerous job opportunities and tax revenue within the country. According to the World Travel & Tourism Council (WTTC), India secured the 3rd position out of 185 countries in terms of travel and tourism's overall contribution to GDP in 2018. Moreover, the World Economic Forum's Travel & Tourism Competitiveness Report for 2019 ranked India at the 34th position.

However, in response to the escalating global health crisis, governments across the world, including major economies, have imposed border closures, travel restrictions, and quarantine measures. These actions have raised concerns about the looming specter of an economic crisis and the possibility of a recession.

The tourism industry is renowned for its substantial contribution to a country's GDP. However, this contribution abruptly halted when the COVID-19 pandemic prompted a nationwide lockdown in March 2020. As a result, there was a complete ban on tourist arrivals, affecting nearly 80 countries. The lockdown had severe economic repercussions, with many employees losing their jobs, some being placed on unpaid leaves. Of those employees, some were eventually called back to work, while others remained unemployed. Furthermore, local communities that heavily relied on tourism for their livelihoods faced a significant impact due to COVID-19.

Rebuilding this sector will require significant efforts to restore it to its former state. In 2019, the Indian tourism sector made a noteworthy contribution to the country's GDP, ranking 8th globally with a total contribution of \$91.7 billion. This economic growth also translated into increased job opportunities and

the initiation of various educational courses to engage young talent in the tourism industry. However, in 2020, the data paints a starkly different picture, with a substantial decrease in GDP to \$46.71 billion, resulting from the global pandemic.

The employment scenario in the tourism industry also suffered a blow. In 2019, it boasted 334 million jobs, with an impressive ratio of one job for every ten people. But as COVID-19 hit in 2020, these numbers plummeted to 272 million jobs, reducing the job ratio to just one for every eleven people. The job market shrunk to 61.6% as the pandemic persisted.

In terms of GDP contribution, travel and tourism accounted for 6.9% of the total economy, amounting to INR 14,181.9 billion (USD 191.3 billion) in 2019. However, in 2020, this contribution decreased to 4.7% of the total economy, reaching INR 9,039.5 billion (USD 121.9 billion). This signifies a substantial decline of -36.3% in travel and tourism GDP, compared to the -7.1% change in the real economy's GDP.

Furthermore, the tourism industry played a significant role in employment, contributing 40,111.9 jobs in 2019, which constituted 8.8% of total employment. In 2020, this figure dwindled to 31,785.2 jobs, making up 7.3% of total employment.

Tourists' spending habits also saw a noticeable shift. In 2019, international visitors spent USD 160.5 billion, accounting for 94% of the total spending, which decreased to USD 105.9 billion in 2020. The spending of international visitors dropped by -61.0%, while domestic visitors' spending decreased from 10,384.8 billion in 2019 to 890.7 billion in 2020, reflecting a -30.7% change.

Additionally, international arrivals in India dropped from 73% in 2019 to 63% in 2020, while outbound

departures reduced from 61% in 2019 to 57% in 2020. This drastic change in the tourism industry's dynamics in 2020 is solely attributed to the impact of the COVID-19 pandemic.

2. Literature Survey

[1] **Vasant Jagdale, Divya and Dr Heena Ganatra(2021)** This paper, written by Divya, Vasant Jagdale and Dr. Heena Ganatra, investigates the effect of the Coronavirus pandemic on the travel industry in India. It examines how the pandemic has caused critical disturbances in movement and the travel industry, bringing about employment misfortunes, income decline, and a decrease in inbound and outbound travel industry. The paper additionally features the difficulties the travel industry area faces in recapturing the trust and certainty of voyagers for post-pandemic recuperation. The review stresses the significance of understanding the travel industry area's part in the Indian economy and its weakness to worldwide wellbeing emergencies.

The review directed by the Tourism Department of India in September 2021 analyzes the financial misfortunes experienced by families participating in the travel industry in India during the Coronavirus pandemic. It surveys the effect on the travel industry area, remembering immediate and aberrant impacts for Gross domestic product, business, and family pay. The concentrate likewise presents different recuperation situations and gives proposals to restore the travel industry in India. This exploration reveals insight into the serious financial outcomes of the pandemic on the travel industry area and proposes measures to help its recuperation.

[2] **Dogra Twinkle(2020)** dove into the diverse effect of Coronavirus on the travel industry, uncovering both inward and outer shocks that debilitated the area. The paper featured the deficiency of Gross domestic product and occupations, as well as the obstruction of global travelers because of lockdown measures. To make ready for post-pandemic recuperation, the review suggested rigid wellbeing measures for carriers and an increased spotlight on cleanliness and client support inside the friendliness business. Also, they noticed the possible advantages of government drives like Digi Yatra for improved security and comfort for travelers.

[3] **Sreelekha Menon, Swati Bhatt and Sharat Sharma (2021)** This study looks at the convergence of the social travel industry and reasonable digitalization in India's travel industry. The paper features India's rich social legacy and its true capacity for the social travel industry, accentuating the requirement for computerized drives to improve this area's maintainability. It investigates the drives taken to advance social the travel industry and computerized change, tending to the difficulties and open doors in this specific circumstance. The paper expands on existing writing that talks about the significance of digitalization in the travel industry, protecting social legacy, and drawing in vacationers to India's different social locales.

[4] **G.D.Sharma et al. (2020)** underscored the need of assessing the Coronavirus influence on the travel industry and proposed a system for its restoration. Their philosophy featured strength as a principal calculator beating the debacle, offering flexibility even with pandemic-related gambles. Past strength, viewpoints like mechanical status, neighborhood

commitment, and client and worker certainty were considered significant for industry resurgence, highlighting the vital job of government intercession, especially through the re-nationalization of carriers.

[5] Anjana Singh and Sandeep Munjal have talked about the significance of advanced innovations and its extension in client commitment and advertising of cordiality and the travel industry items; by the way, it too recognizes the job of human touch and conventional advertising by proposing the proper blend. This paper analyzes the role of forces to be reckoned with and online surveys in affecting the buy tech choices connected with travel and the travel industry.

[6] Rekha Maitra's "Adoption and Implementation of Digital Transformation for the Sustainability of Tourism and Hospitality Business in India" investigates the reception and execution of advanced change methodologies with regards to India's travel industry and accommodation industry. It talks about the meaning of computerized advancements for improving maintainability in the area. The concentrate probably looks at different parts of computerized change, its effect on the supportability of the travel industry and cordiality organizations, and the particular difficulties and valuable open doors inside the Indian setting. The article offers important bits of knowledge for scientists and industry experts looking to comprehend the job of advanced change in guaranteeing the drawn out reasonability of these organizations.

3. Study Goals:

- To comprehend the repercussions of COVID-19 on the Tourism Industry.
- To assess the economic strain experienced by the Tourism Industry.
- To evaluate the governmental recommendations aimed at revitalizing the tourism sector.

4. Key Findings

Tourism economy in Normal Situation	Tourism economy during the COVID-19 Pandemic
<p>In an ordinary economic scenario, the Tourism Satellite Account (TSA) plays a vital role in assessing the economic contributions of the tourism industry. According to the second and third TSA reports, the tourism sector had a direct and indirect contribution of approximately 6.8% and 5.2%, respectively, to the nation's total GDP. Specifically, the direct contributions for these years were 3.7% and 2.7%, respectively.</p> <p>For the current research, we have computed the income multiplier to gauge the potential impact of an upsurge in tourism demand on the overall household income in the economy. This assessment was performed by creating a Social Accounting Matrix (SAM), which includes not only the production account but also incorporates the household account. Consequently, it presents the financial transactions between the various production sectors and the households deriving income from these sectors.</p> <p>The SAM-based multiplier analysis reveals that the income multiplier for the tourism sector stands at 1.6332. Therefore, if, for instance, the demand or expenditure on tourism increases by Rs. 1 crore, the interconnected sectors of the economy are projected to raise the overall household income by Rs. 1.63 crore, owing to the direct and indirect relationships among them.</p>	<p>The impact of the COVID-19 pandemic on the tourism sector was assessed by estimating TDGVA (Tourism Direct Gross Value Added) for all three quarters of 2020-21, examining various dimensions to segregate the pandemic's effect caused by distinct types of shocks.</p> <p>Impact Arising from Supply-side Shocks: This aspect concerns the general economic slowdown during 2020-21 and assumes that the tourism sector remained resilient and unaffected. It exclusively accounts for the supply-side shock, with the Tourism Industry Ratios (TIRs) assumed to stay consistent with pre-pandemic years. The results indicate:</p> <p>In nominal terms, the overall economy contracted by 20.1% in Q1, 5.1% in Q2, and experienced positive growth of 4.3% in Q3.</p> <p>In contrast, the tourism economy, TDGVA, witnessed a more substantial decline, dropping by 42.8% in Q1, 15.5% in Q2, and still displaying negative growth with a 1.1% decrease in Q3."</p> <p>Effect of the Demand-side Shock: This pertains to the influence of the pandemic on the tourism industry, resulting from both the supply-side shock caused by the economic slowdown and the demand-side shock arising from limited tourism activity throughout the three quarters of the study period. The reduced tourism activity leads to a significant decrease in tourism expenditure across all categories of tourists, including inbound, domestic, and outbound. Therefore, these assessments depict the most probable decline in TDGVA. The results are as follows:</p> <p>It is estimated that TDGVA plummeted by a substantial 93.3% in Q1 of 2020-21 compared to the same quarter of</p>

the preceding year. It exhibited a slight recovery with a 79.5% decline in Q2 and a 64.3% decline in Q3. Nonetheless, it persisted at an extraordinarily low level, even falling into negative territory, while the overall economy recorded positive growth of 4.3% in Q3.

Influence from Inbound Demand-side Shock: This concerns the autonomous effect of a decline in inbound tourism expenditure, assuming that all other tourism categories remained constant during the study period. The TDGVA is projected to have decreased by 61.7% in Q2 of 2020-21 compared to the same quarter in 2019-20. Subsequently, it is anticipated to have decreased by 38.0% in Q2 and 25.7% in Q3.

Effect from Domestic Demand-side Shock: This pertains to the self-contained impact of a reduction in domestic tourism expenditure, assuming the consistency of all other tourism types. Notably, the negative impact of a decrease in domestic tourism activity surpasses that of inbound tourism activity. The decline in domestic tourism activity across all three quarters is estimated to be 20 to 30 percentage points higher than the decline experienced in inbound tourism.

4.1 Estimation of Job Losses During the COVID-19 Pandemic

The tourism sector witnessed a substantial loss of jobs following the implementation of lockdown measures during the COVID-19 pandemic. However, with the initiation of unlocking phases and the reopening of the economy, recovery began, and the findings are as follows:

- In the initial quarter of 2020-21, it is projected that approximately 14.5 million jobs were lost, out of an estimated 34.8 million active jobs that existed during the pre-pandemic year of 2019. This represents a significant 41.7% decline.
- When examining the loss of jobs in absolute numbers, it is evident that salary/wage earners were the most severely affected, with 7.8 million individuals losing their jobs during the first quarter. However, when assessing the percentage decrease, self-employed individuals were hit even harder, experiencing a 42.8% reduction in their numbers compared to regular employees

with full-time positions, who saw a 40.7% decline.

- As the economy, particularly in the tourism sector, gradually recovered in subsequent quarters of the year, many jobs are estimated to have returned. Nevertheless, by the end of the third quarter, there was still an estimated deficit of 1.8 million jobs in the tourism sector.

SL.NO	CATEGORY	NUMBER OF HOTELS(2020)	NUMBER OF ROOMS (2020)	NUMBER OF HOTELS(2023)	NUMBER OF ROOMS(2023)
1	ONE STAR	9	286	18	610
2	TWO STAR	20	593	23	879
3	THREE STAR	524	16743	524	16736
4	FOUR STAR	410	20233	355	18753
5	FIVE STAR	196	24720	199	24790
6	FIVE STAR DELUXE	165	35915	172	39212

S. No.	States/ UTs	2019		2020		2021	2021	Growth rate		Growth	Rate
		Domestic Tourist Visits	Foreign Tourist Visits	Domestic Tourist Visits	Foreign Tourist Visits	Domestic Tourist Visits	Foreign Tourist Visits	DTV 2020/19	FTV 2020/19	DTV 21/20	FTV 21/20
1	A&N Island	505398	16206	191207	5412	126238	1687	-62.17	-66.60	-33.98	-68.83
2	Andhra Pradesh	237051508	280356	70828590	67591	93277569	27551	-70.12	-75.89	31.69	-59.24
3	Arunachal Pradesh	555639	7825	42871	961	102915	182	-92.28	-87.72	140.06	-81.06
4	Assam	5447805	26878	1266898	7285	1409161	536	-76.74	-72.90	11.23	-92.64
5	Bihar	33990038	1093141	5638024	308080	2501193	1046	-83.41	-71.82	-55.64	-99.66
6	Chandigarh	1563795	44132	417953	12218	228809	5451	-73.27	-72.31	-45.25	-55.39
7	Chhattisgarh	17304506	6817	2810227	2322	4747417	8	-83.76	-65.94	68.93	-99.66
8	Dadra & Nagar Haveli	618330	1666	104959	222	197802	80	-83.03	-86.67	88.46	-63.96
9	Daman & Diu	897804	5703	297436	1382	463420	105	-66.87	-75.77	55.80	-92.40
10	Delhi #	36467598	2983436	9583671	681230	10642477	100178	-73.7	-77.2	11.05	-85.29
11	Goa	7127287	937113	3258715	302751	3308089	22128	-54.28	-67.69	1.52	-92.69
12	Gujarat	58864661	595607	19464517	210047	24525210	11319	-66.93	-64.73	26.00	-94.61
13	Haryana	4549017	48046	2114731	17474	2025450	4578	-53.51	-63.63	-4.22	-73.80

14	Himachal Pradesh	16829231	382876	3170714	42665	5632270	4932	-81.16	-88.86	77.63	-88.44
15	Jharkhand	35580768	176043	2574704	490	11314920	1650	-92.76	-99.72	349.09	-68.97
16	J&K	16163330	57920	2519524	5317	3383642	1637	-84.41	-90.82	31.42	234.08
17	Karnataka	227934714	608754	77453339	165325	81333659	72487	-66.02	-72.84	5.01	-56.15
18	Kerala	18384233	1189771	4988972	340755	7537617	60487	-72.86	-71.36	51.09	-82.25
19	Lakshdweep	6985	820	3462	413	13500	4	-50.44	-49.63	289.95	-99.03
20	Ladakh	241285	38652	6743	1126	303023	1054	-97.21	-97.09	4393.89	-6.39
21	Madhya Pradesh	88707139	327958	23519632	99819	25554067	41601	-73.49	-69.56	8.65	-58.32
22	Maharashtra #	149294703	5528704	39234591	1262409	43569238	185643	-73.72	-77.2	11.05	-85.29
23	Manipur	167560	13608	49669	3139	49371	648	-70.36	-76.93	-0.60	-79.36
24	Meghalaya	1245633	25813	24734	2311	154409	411	-98.01	-91.05	524.28	-82.22
25	Mizoram	163762	2249	30890	265	87232	234	-81.14	-88.22	182.40	-11.70
26	Nagaland	125949	5577	10979	518	23968	325	-91.28	-90.71	118.31	-37.26
27	Odisha	15307637	115128	4622273	10206	3742221	2269	-69.80	-91.14	-19.04	-77.77
28	Puducherry	1713248	149919	1114942	92080	1253213	321	-34.92	-38.58	12.40	-99.65

29	Punjab	47385387	1101343	16692197	359114	26640429	308135	-64.77	-67.39	59.60	-14.20
30	Rajasthan	52220431	1605560	15117239	446457	21988734	34806	-71.05	-72.19	45.45	-92.20
31	Sikkim	1421823	133388	316408	19935	511669	11508	-77.75	-85.05	61.71	-42.27
32	Tamil Nadu	494865257	6866327	140651241	1228323	115336719	57622	-71.58	-82.11	-18.00	-95.31
33	Telangana	83035894	323326	39997001	46694	32000620	5917	-51.83	-85.56	-19.99	-87.33
34	Tripura	437201	154405	127815	31877	1778165		-70.77	-79.35	39.12	-99.98
35	Uttar Pradesh	535855162	4745181	86122293	890932	109708435	44737	-83.93	-81.22	27.39	-94.98
36	Uttarakhand	37585920	152273	7005264	41339	19434475	8532	-81.36	-72.85	177.43	-79.36
37	West Bengal	92366025	1656145	28841732	463285	24325984	34828	-68.77	-72.03	-15.66	-92.48
	Grand Total	2321982663	31408666	610216157	7171769	677632981	1054642	-73.7%	-77.2%	11.05	-85.29

4.2 Estimated Reduction in Household Income During the COVID-19 Pandemic

The impact on household income during the COVID-19 pandemic is assessed to be significantly more severe compared to the loss of jobs. This can be attributed to salary cuts, which resulted in substantial reductions in wage income, and higher losses in non-wage income for business owners. Business owners not only had to manage payroll but also cover other fixed expenses like rent and utility bills.

- During the first quarter, wage income experienced a substantial 41.6% decline, while non-wage income, which includes the

income of the self-employed and business owners, plummeted by an astounding 124.4%. Consequently, numerous businesses not only faced a sharp drop in income but also recorded a deficit in Q1.

- As economic activities began to recover in subsequent quarters, income levels displayed improvement, although they remained negative. In Q3, wage income exhibited a negative growth of 3.4%, while non-wage income recorded a 21.2% decline.
- In contrast to the household income in the tourism sector, the overall household income saw a more pronounced reduction in income levels in terms of wage income, especially among salaried employees. This

disparity arises because the tourism industry primarily consists of service sectors, while the broader economy encompasses a significant portion of the primary and manufacturing sectors, both of which are labor-intensive.

5. Prospects for the Tourism Economy in the Near Future

As international borders gradually reopen, public confidence in travel is restored, vaccination campaigns succeed, and lessons from previous waves of infections are learned, the tourism industry is on the path to recovery and a return to normalcy. To provide our outlook for the sector, we have envisioned three potential scenarios for all forms of tourism, including inbound, domestic, and outbound, as well as outbound tourists shifting to domestic trips:

- Optimistic
- Most Likely
- Pessimistic

These scenarios are constructed based on our assessments of likely future conditions. Key findings include:

- Anticipations suggest that the tourism economy, as measured by tourism expenditure, will likely recover to pre-pandemic levels by 2024-25, primarily driven by the resurgence of domestic tourism. In contrast, the revival of inbound tourism is expected to be slower, and it may not return to pre-pandemic levels before 2026-27, even in the optimistic scenario.
- On the other hand, domestic tourism, including the redirection of outbound tourists to domestic destinations, is expected

to rebound much sooner and could reach pre-pandemic levels by 2024-25, even under the pessimistic scenario.

5.1 Recommendations for the Revival of Tourism in India

This section outlines the recommendations put forth for the recovery of the Indian tourism industry. These recommendations are formulated based on the characteristics of Indian tourists and insights derived from other countries' experiences. They are also influenced by feedback gathered from various stakeholders in the tourism industry, including prominent organizations such as the Federation of Indian Chambers of Commerce and Industry (FICCI) Tourism Committee, Confederation of Indian Industry (CII) National Committee on Tourism and Hospitality, Associated Chambers of Commerce and Industry of India (ASSOCHAM), PHDCCI Tourism Committee, PATA (Pacific Asia Travel Association) India Chapter, Responsible Tourism Society of India (RTSOI), Indian Association of Tourism Parks and Industries (IATPI), Indian Golf Union, World Travel and Tourism Council India Initiative (WTTTCII), Adventure Tour Operators Association of India (ATOAI), Association of Domestic Tour Operators of India (ADTOI), Indian Association of Tour Operators (IATO), Travel Agents Association of India (TTAI), Travel Agents Federation of India (TAFI), India Convention Promotion Bureau (ICPB), Internet and Mobile Association of India (IAMAI), Federation of Associations in Indian Tourism and Hospitality (FAITH), and Association of Buddhist Tour Operators (ABTO).

The following recommendations are presented in detail:

5.1.1 Promotion of Domestic Tourism

Considering the current constraints on international travel due to the pandemic and the likelihood of their continuation amidst concerns of a third wave of COVID-19 in India, both inbound and outbound tourism are expected to be severely affected. However, the domestic tourism industry could remain stable if state borders remain open. Domestic trips are significantly more cost-effective than international travel, and statistics reveal that domestic tourism is a driving force in terms of total demand, given its immense volume.

Figures 1 and 2 illustrate the per-tourist expenditure and the percentage distribution of tourism expenditure across various forms of tourism, including outbound tourism, estimated for the pre-pandemic year of 2019-20.

These figures demonstrate that while domestic trips incur the lowest costs, at just Rs. 5429, compared to inbound trips (Rs. 2.10 lakh) and outbound trips (Rs. 14,286 pre-trip and approximately Rs. 60,000 on-trip), the high volume of domestic trips results in domestic tourists contributing over 70% of the total internal tourism expenditure. Thus, the tourism industry's economic impact primarily stems from domestic tourism.

Figure 1- Per Tourist Expenditure Incurred by All forms of Tourism

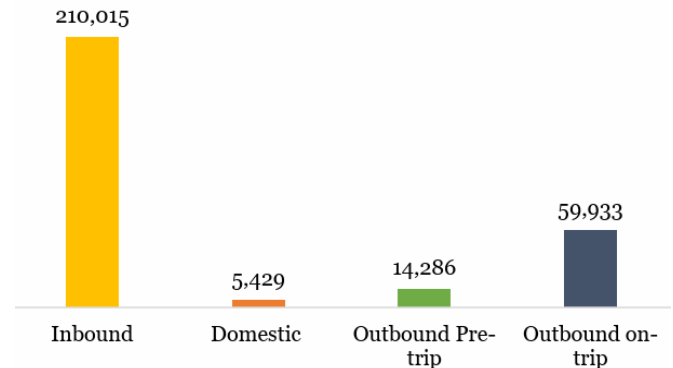
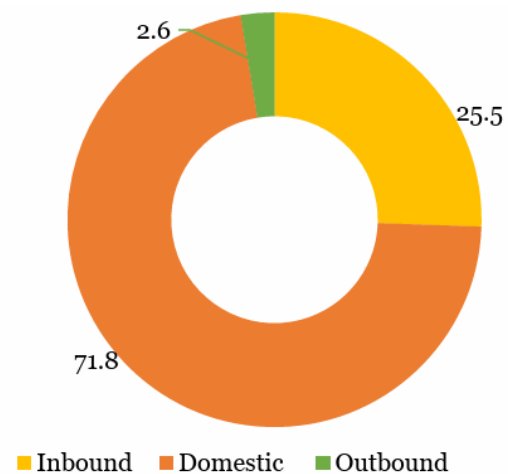


Figure 2- Percentage Distribution of Tourism Expenditure by All forms of Tourism



As a result, this study strongly recommends a more aggressive promotion of domestic tourism over inbound tourism. The government has already initiated several measures to boost domestic tourism, such as the 'Dekho Apna Desh' campaign, which rewards tourists for visiting at least 15 destinations within the country in a year and sharing trip photos. Additionally, state-level promotion of

such schemes is needed, and given the current conditions, the minimum number of trips required under this scheme may be relaxed.

We propose the following strategies to bolster domestic tourism:

- **Rural Tourism:** This is particularly appealing to urban residents seeking an escape from city life to experience serenity in rural areas and savor authentic village cuisine. Promoting rural tourism offers significant opportunities for tourism businesses in regional and rural destinations, supporting the sector's recovery.
- **Affordable Accommodation:** Both central and state governments should encourage affordable lodging options in remote areas, offering unique experiences to tourists. This can include facilitating homestays, camping, bed and breakfast (B&B) arrangements, and short-term rentals. Digital platforms connecting consumers to budget-friendly accommodations, such as AirBnB, Makemytrip, and Goibibo, should be encouraged to collaborate with more homestays, with monitoring mechanisms to ensure accommodation owners benefit as well.
- **Road Trips:** Due to restricted air and rail travel during the pandemic, people turned to short road trips when restrictions eased. With improved infrastructure and basic amenities along highways, road trips have the potential to significantly boost domestic tourism.
- **Exploration of Off-Beat Destinations:** Mass tourism in well-known destinations has led to the popularity of off-beat or lesser-known places in recent years. These areas, with lower tourist density, offer opportunities for

implementing safety measures like social distancing.

- **Digital Business Promotion:** Fostering digitally-enabled businesses can be advantageous for both customers and business owners, enabling exploration of numerous opportunities.

5.1.2 Redirecting Outbound Tourists Toward Domestic Travel

If Indian travelers are willing to redirect their international travel budgets towards domestic journeys this year, individual operators may thrive by implementing innovative and forward-looking strategies tailored to the preferences of those who typically opt for overseas leisure trips. These tourists, particularly those in pursuit of unique recreational experiences beyond their home country, are expected to be influenced by three significant behavioral shifts:

- **Crafting Appealing Domestic Destinations:** This presents an opportunity to captivate the attention of outbound tourists who typically travel abroad in search of distinctive tourism experiences. A shift in approach by policymakers and destination managers has the potential to reshape the trend of people seeking unique experiences abroad.
- **Embracing Working Holidays:** The advent of flexible work arrangements, including work-from-home options during the pandemic, has unveiled a new realm of travel possibilities without compromising organizational productivity. The tourism sector could greatly benefit from policies that promote extended travel without the need to rely solely on annual leave or align vacations with public holidays.

- Promoting Regional and Local Getaways: Given the anticipation that a significant portion of tourism growth will come from domestic travel, tourism policies and promotions should accentuate regional and local destinations for travelers. It's important to acknowledge that many trips will be of shorter duration, involving frequent visits to nearby places and offering cost-effective holidays appealing to a broad spectrum of tourists. This demographic includes young professionals, established families, and backpackers seeking adventure and distinctive experiences through tourism.

5.1.3 Directed Incentives to Industries Significantly Impacting the Tourism Sector

Expenditure data in the tourism sector reveals that among all the products and services specific to tourism, services related to food and beverages, road passenger transport, and healthcare services collectively constitute nearly 80% of the total spending on tourism-specific goods and services. The percentage distribution of all tourism-specific goods and services, averaged over the previous six years (2015-16 to 2019-20), is depicted in Figure 3.

Figure 3 highlights that the most substantial contributor to tourism is healthcare services, accounting for 33.9% of the total, reflecting the popularity of medical tourism in the country. In the post-pandemic era, medical tourism is poised to have an even more significant impact as people are increasingly willing to travel to different states or districts in pursuit of enhanced medical facilities. Food services, encompassing restaurants and roadside eateries, among others, make up another 25.4% of the tourism sector, while road passenger transport, the preferred mode of transport for domestic tourists, represents 18.5% of the total

tourism expenditure on characteristic goods and services.

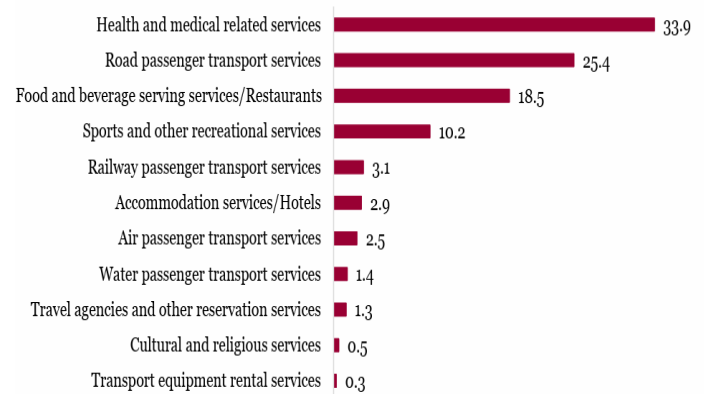


Figure 3- Percentage Distribution of expenditure across Tourism-characteristic Goods and Services(%)

Consequently, if government policies are to be concentrated and directed toward the most vital industries catering to tourists, a strategic focus should be placed on three key sectors: healthcare services, food services, and road passenger transport services.

5.1.4 Other Recommendations

- Restore Confidence in Travel and Tourism
- Ensure Stringent Health and Safety Protocols
- Mandatory Protocols for Tourists
- High-Value, Low-Volume Approach
- Government-Backed Recovery Plan
- Financial Support for the Industry
- Integration of Public Health and Tourism
- Vaccine Certificate Issuance
- Environmentally Resilient Infrastructure
- Leverage Technological Innovation
- Digital Services for Enhanced Safety
- Support Vulnerable Communities

- Diversify Revenue Sources for Businesses
- Broaden Customer Base
- Maintain Trust of Customers and Employees

6. Conclusion

In conclusion, the COVID-19 pandemic had a significant impact on India's vibrant tourism industry, leading to severe economic losses, job cuts, and significant reduction in household income. The findings emphasize the crucial role of domestic tourism in the tourism sector's recovery and suggest redirecting outbound travelers toward domestic destinations. Furthermore, targeted incentives for industries pivotal to tourism, health and safety protocols, and government-backed recovery plans are to be followed for recovery. It is imperative to restore confidence in travel and tourism, harness technological innovation, and support vulnerable communities to ensure the tourism industry's resurgence and long-term sustainability. India's tourism sector is on a path to recovery, and these recommendations will play a pivotal role in its revival in the future.

7. References

1. Vasant Jagdale, D., & Heena, G. (2021). Impacts of Covid-19 Pandemic on Tourism Industry of India.
2. Dogra, T. (2020). Impact of Covid-19 on the tourism industry in India. *International Journal of Advanced Research*, 8(11), 273-278.
3. Menon, S., Bhatt, S., & Sharma, S. (2021). A study on envisioning Indian tourism—Through cultural tourism and sustainable digitalization. *Cogent Social Sciences*, 7(1), 1903149.
4. Sharma, G. D., Thomas, A., & Paul, J. (2021). Reviving tourism industry post-COVID-19: A resilience-based framework. *Tourism management perspectives*, 37, 100786.
5. Singh, A., & Munjal, S. (2021). How is the hospitality and tourism industry in India responding to the dynamic digital era?. *Worldwide Hospitality and Tourism Themes*, 13(2), 163-167.
6. Maitra, R. (2021). Adoption and implementation of digital transformation for the sustainability of tourism and hospitality business in India. *Journal of Services Research*, 21(1).
7. Verma, B., & Rana, P. Impact of Covid 19 on Tourism Industry
8. Tourism Statistics at a Glance Published by Ministry of Tourism
9. INDIA Tourism Statistics 2021
10. INDIA Tourism Statistics 2020
11. INDIA Tourism Statistics 2019