



## Impact of COVID 19 on Indian tourism industry

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### Abstract

A pandemic disease identified as COVID 19 in December 2019, reported in China later spreading to many other countries has laid a very bad impact on each of the economies.

It has its impact on the developing economies in particular. India, known to have a developing economy producing good revenue from the tourism industry is being adversely affected. The other supporting industries like tourism, hotel industry, airline industry, international trade, Import-Export activities are also distressed due to the spread of the disease. There are 98192 confirmed cases and 3380 deaths were reported globally as on 6<sup>th</sup> March 2020 and WHO immediately declared a public health emergency which was accepted by all the countries and quick decisions are taken in this regard with immediate concerns of human welfare and health.

Hon'ble Prime Minister of India and Ministry of Health and Family Welfare decided to make an appeal to the people travelling from other countries. They advised all the Indian citizens to abstain from travel to China and all existing visas would no longer be valid for any foreign national travelling from China. It is being forecasted that COVID 19 will affect the developing economy of India and the growth will slow down by 4% in 2021. KPMG report 4<sup>th</sup> April 2020 predicts that India's GDP may fall below 3% if lockdown extends. Anand Mahindra supports KPMG's prediction and opinions that corona virus will be followed by global recession. WHO's chief scientist Dr. Soumya Swaminathan forecasts that rural India will be next hotbed of Corona Virus.

**Keywords:** WHO's, Corona Virus, Swaminathan, economies

### Introduction

The first report of WHO announced on 31<sup>st</sup> January 2020 updated the fact of the outbreak of COVID 19 in 19 countries. They were Australia(9), Cambodia(1), Canada(3), Finland(1), France(6), Germany(5), India(1), Italy (2), Japan(14), Malaysia(8), Nepal(1), Philippines(1), Singapore(12), South Korea(1), SriLanka(1), Thailand(14), UAE(4), USA(6), Vietnam(5). With the outbreak of the virus to many countries, the business and economic activities were disturbed. The first case in India was identified in Kerala, a person who had the travel history from China. Later as the number of cases were seen to be increasing in India, Government of India issued to all the travel advisories requesting them to convince the public to abstain from travel. Further e-visa facility for Chinese passport holders had been suspended and visas which were already issued were no longer valid for any foreign national travelling from China to India. The same rule was extended to the travel advisories of Iran, Italy and Republic of Korea from 26<sup>th</sup> February 2020. Such restrictions imposed by the government reduced and subsequently closed the doors of travel, left all the tourist destinations deserted, marking a total loss of over \$200 billion globally.

Financial express reports that 30 million jobs would be lost in Asia alone and there would be a revenue loss of 60-70% this year. CII, National Chairman Tourism Committee Dipak Haksar has said, India had seen 10.89 million foreign tourists in 2019 as compared to 10.56 million during 2018 and 10.04 million in 2017. With travel restrictions to India and the fear of spreading COVID 19, the country had 1.01 million foreign tourists being arrived as compared to 1.08

million in February 2019 which shows the sharpest decline on international arrivals.

The pandemic COVID-19 is going to define precisely the two different kinds of worlds, pre corona and post corona world. Essentially in terms of economy and the way people are to going to transform the way of their life styles and the holistic perception of human life altogether, which is going to alter the complete system and structure of socio – economical ecospheres in the near future. The world is going witness forced entrepreneurship ie you need be self-reliant and self-sufficient in terms one's basic necessity but not the luxuries. The whole luxury side of the world is going to be totally into declining projectile. Probably the complete Porters 5 forces theory of market competition may needs to be defined with changing dimensions.

Following is the list of Industries which are going to experience testing times and recession.

- Retail sectors, Malls etc.
- Travelling, Transportation and Logistics
- Hotel Industry and its related supply chain
- Automobile Industry
- Cinema and Entertainment Industry including big screen and small screen
- Live Sports, IPL, KPL and sporting events
- Event Management Companies.

Following is the list of Industries which are going to experience winning times

- Digital products
- Gig Economy: Pay per Task: Micro project management

- Stock market trade
- Home Gardening, Terrace gardening
- Online coaching and Online teaching
- Mental Health wellness
- Alternate Energy
- Alternate Medicines; Ayurveda products
- Life Insurance industry
- Online Gaming industry
- Network marketing
- Data Science and IOT: Internet of Things
- Spiritual and Occult Sciences

**Research gap**

The burning issue COVID 19 has made us understand the need to identify methods and solutions to handle the situation. Few studies are being conducted to identify the impact of COVID 19 on the economic perspective. The paper is an attempt to identify the impact of COVID 19 on tourism industry, as India is one of the major tourist destination spot in the global map.

**Significance of the study**

India is currently ranked 12<sup>th</sup> in the Asia Pacific region and 68<sup>th</sup> overall in the list of the world's attractive destinations, according to the Travel and Tourism Competitiveness Report 2011 by the World Economic Forum (WEF). India has the potential to become a major global tourist destination, with the Tourism sector expected to contribute around INR 3,414.8 billion (US\$ 77.0 billion\*) by 2021, according to a report by the World Travel and Tourism Council (WTTC). But with the spread of the virus COVID 19, Indian economy is in deficit ranking. Tourism industry which contributes to the GDP of the country is also affected with the issue of guidelines by the Government of India for abstaining the people from travel. Therefore, it is very much important to reframe some of the guidelines on the inflow and outflow of tourists in future as the situation comes into control.

**Objectives**

- To study the impact of COVID 19 on Indian Tourism industry.
- To give suggestions to cope up and overcome with the existing situation.

**Methodology**

The study is supported by the secondary data collected from Travel and Tourism competitiveness report, World Travel and Tourism Council, magazines, books articles, journals, government announcements and with reference to websites of Ministry of Tourism, WHO, news reports.

**Conclusion**

The nation is going through the 21 days lock down to protect itself from the viral infection. At the same time it is facing a lot of damages. As per the decisions taken by the hon<sup>ble</sup> Prime Minister, India has cut down all the national and international arrivals, tourism industry is now in a stand still position.

Indian tourism which accounts for 10% of global GDP has been badly affected by COVID 19. The breakdown of all air transport services has cut down 50 million jobs worldwide. World economic forum has reported that a fall in global travel for a duration of 3 months in 2020 has on the other

side also reduced the jobs between 12 to 14%. WTTC has also suggested simplifying or removing visas wherever possible, cut travel taxes and introduce incentives once the epidemic is under control. The travellers should also be given a chance to postpone their travel plans instead of cancelling them. It is forecasted that the industry would take a period of 10 months to return back to normal levels. The major share of loss will in the area of real estate, finance and other professional services including travel and tourism industry as well as many of luxury side of the society. The COVID 19 has already created a fear in the minds of people. Every individual who is keen to travel to different places would really step back from travelling by Cruises and flight but would rather prefer to travel within the country. Ministry of Tourism, Government of India and all supportive industries need to join hands together to attract visitors to make up with the losses. Special care must be given for maintaining hygiene and cleanliness during travel and also at the place of stay. People will be very choosy in selecting the places. They will rather prefer to go for a long ride, or spend the weekends at the nearby destinations.



Fig 1

**Healthcare Industry in India**

Latest update: December, 2019

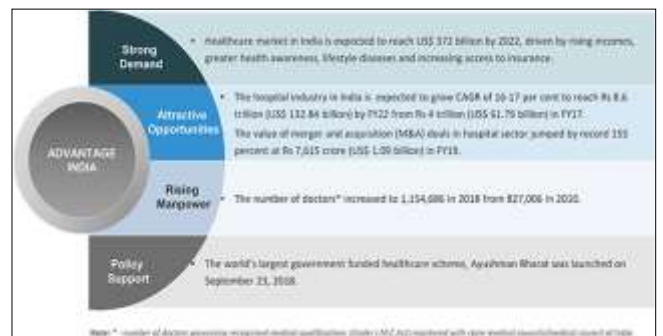


Fig 2

COVID 19, a pandemic which has created a large disaster on the planet has disturbed many of the economies and also some of the important sectors contributing to the growth of economies. Alan Lew states that “we need to take this opportunity to listen and learn what our larger planet-self is trying to tell us. Until we do that, we are likely to experience disaster and crisis after disaster and crises well into the future (2020)”. There is a need to sustain tourism industry in our country and there is a wide scope for medical and wellness tourism. Ayurveda, homeopathy need to be given extra attention as there are possibilities of curing COVID 19 using these methods.

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