



TOURISM INDUSTRY IN INDIA: A STUDY DURING THE COVID ERA

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Abstract: Travel & tourism industry has been a significant contributor to India's GDP. This industry is also responsible for a large employment base. But, this COVID-19 pandemic has brought a halt to the earning chances of this industry. Shutdown of all tourist attractions and flights and boundaries of the states in the mid-March 2020 brought a fear in minds of the people attached with this industry. Due to coronavirus, the Indian tourism and hospitality industry expected a potential job loss of around 38 million. The tourism sector was already facing trouble due to the global economic slowdown and now this pandemic aggravated the problem thereby, declining foreign earnings and economic growth of the industry.

The Indian tourism industry is an employment base for 8.75 crore people (12.75 per cent of the total employed population in 2018-19). These people are from the hospitality industry, tour operators, travel agents, homestay owners, drivers, guides, small traders, artisans and craftsmen among a host of other service providers. Disruptions in tourism sector has left many people unemployed.

In the present paper it is tried to highlight how India is promising as a favoured tourist mission in the world determined by the centre on transformation and generating utility for tourists. It intended to alter the frame of mind and conduct towards foreign tourist by emphasizing on the outlook that a guest has been grasped in great respect in India since ancient times. It also inspects the effect of India's economic expansion on tourism during the COVID age and donors to economic growth, role of travel and tourism industry in India's GDP, foreign vs domestic tourist. The paper also investigates that there has been a massive development in tourism due to the policies of the Government of India and hold up from all levels.

Keywords: COVID-19 Pandemic, Lockdown, Tourism, Traveling, Tourist, Employment.

1] Introduction

The word Tour is originated from the Latin word "Tornare" and the Greek word "Tornos" which means lathe or circle. Tour depicts a journey which is to and fro. So, the process of departing and then coming back to the genuine starting point and therefore, one who ventures such a journey can be treated as tourist. Tourism has turned into a booming industry worldwide with the capacity to form developing countries in both positive and negative ways. Eventually, it has turned into the fourth largest industry in the world economy. Similarly, in developing countries like India, Tourism has resulted into one of the crucial sectors of the economy, giving to a great amount of national income and resulting into enormous employment facilities. It has become the fastest emerging industry in the country with considerable possibilities for its additional widening and multifariousness. Though, there are pros and cons intricated with expansion of the tourism industry in the country.

In India Tourism is very profitable and gives considerable foreign exchange earnings. Today tourism is the biggest service industry in India with a contribution of 6.23 % of the national GDP and providing 8.28 % of the total employment. India witness more than 5 million yearly foreign tourist appearances and 562 million domestic tourist visits. The travel and tourism sector assisted 25 million jobs directly connected to the travel and tourism sector. Donating 4.9 % of the total employment in the country and is anticipated 31 million jobs by 2023. The urge for tourism in India is predicted to rise by 8.2% between 2010 and 2020 and will set India at the third position in the world. But owing to pandemic coronavirus which started from the end of 2019, the target predicted came to halt and its overall impact on employment, national income of the country impacted tremendously. So, the tourism sector can be helpful for the long-lasting growth of the national wealth. It has the perspective to arouse other economic sectors, its backward and forward linkages and cross sectoral harmony with sectors like agriculture, horticulture, poultry, handicrafts, transport, construction, floriculture, etc.

[2] Literature Review

1] Outlook Traveller May 2020 explained the future of travel in the post COVID-19 era. One can stay updated by studying this article on COVID-19 outbreak.

2] National Portal of India, 2020 highlighted that travel and tourism is the largest service industry in India. It provides heritage, cultural, musical, business, etc. Tourism in India

3] en.wikipedia.org explained how different viruses impacted on economic growth on different countries throughout the world in different years after the outbreak of COVID-19

4] India Travel Guide in 2020 explained Tourism in India has shown a phenomenal growth in the past decades.

5] www.revfine.com in Travel and Tourism tips on August 11,2020 mentioned that tourism industry is concerned with people travelling for business or pleasure purposes.



[3] Objective of the Study

In this paper we have tried to highlight:

- The employment opportunities in Tourism industry in India
- To study the national policy on Tourism
- To analyse the challenges in Tourism industry in India
- To analyse the impact of COVID-19 on Tourism business
- To highlight the necessary initiatives to boost tourism

[4] Methodology

This paper is completely a descriptive research and is based on secondary data. It includes compilation of research articles, books, etc. we have taken necessary information and suggestion of the organisers of different personalities engaged with the Travel and Tourism industry.

[5] Background and Development Policy

India is a hub of two early civilizations of the world named as the 'Indus Valley Civilization' and 'Aryan Civilization'. Evolution of Tourism in India begun in the early sixties. The country's tourism wealth has always been treated vast. The most effective way to present India as a tourist goal to foreigners is that "India is a country of all seasons and all reasons". The geographical characteristics are manifold, colourful and lively. Therefore, the resource possibilities are so extraordinary that it can serve to all types and tastes of visitors. Indian tourism business has registered an exceptional and memorable development mainly from 1910's with regard to both International and Domestic tourists' entrance. The Ministry of Tourism, Government of India, has floated a new programme known as "Atithi Devo Bhava" which means guest is God. The stimulation behind the declaration is admiration because it has endlessly been an indispensable part of Indian spirit.

Tourism expansion in India has advanced through numerous places. In the second and third five-year plans importance was put on dilation and upgradation of tourist amenities. Unified improvement projects in several phases in India were initiated in fourth, fifth year plan. During 5th and 6th five-year plan, action was taken to encourage unified area development and to transform loan encouragement to an interest grant scheme. In the seventh plan, tourism in India was agreed the status of an industry. In the ninth plan, export house standing was permitted to tourism industry in India. In the subsequent plans more importance is specified to inspiring remarkable private sector involvement in the expansion of the country. For this an organised attitude for the growth of tourism and its framework as well as accommodation and transport provisions are very crucial.

Since 1951 to 2022 different five-year plans except the first five-year plan reveals the interest of the government on tourism sector, as the allotment of grant was hiking for the development of tourism. It was recognised as an important means of foreign exchange earning with an ample scope for employment generation. During the 12th Five Year Plan it was admitted that Indian tourism industry has been expanding at a quick pace and it has huge prospect for formatting employment and earning great amount of foreign exchange. Therefore, it is mandatory to analyse the expansion and growth of Indian tourism industry.

Government allocation for tourism development in India under the five-year plans are given below: -

[Table: 1]

5-year Plans	Time Period	Plan Allocation (₹)
1 st	1951-1956	NIL
2 nd	1956-1961	336.38 lakhs
3 rd	1961-1966	800 lakhs
Plan Reviewed	1966-1967*	58.50 lakhs
	1967-1968**	87.65 lakhs
	1968-1969***	183.81 lakhs
4 th	1969-1974	36 crores
5 th	1974-1979	133 crores
6 th	1980-1985	187.46 crores
7 th	1985-1990	326.16 crores
Plan Reviewed	1990-1991	83 crores
	1991-1992	90 crores
8 th	1992-1997	773.62 crores
9 th	1997-2002	793.75 crores
10 th	2002-2007	2900 crores
11 th	2007-2012	3112.71 crores



12 th	2012-2017	2930 crores
13 th	2017-2022	NA

[Source: Five year Plan, Govt. of India. Indian Tourism: Economic Planning & Statistics]

Foreign Tourist Arrival (FTA) in India and Foreign exchange earnings during 12th Plan Period (2012-2017)
 [Table: 2]

Year	FTA in India (Million)	% Change over the previous year	Earnings (US \$ million)	% Change	Earnings (Crores)	% Change
2012	6.58	4.3	17,737	7.1	94,487	21.8
2013	6.97	5.9	18,445	4.0	1,07,671	14.0
2014	7.68	10.2	20,236	9.7	1,23,320	14.5
2015	8.03	4.5	21,071	4.1	1,35,193	8.8
2016	8.89	9.7	22,923	9.8	1,54,146	14.0
2017	10.18	15.6	27,693	20.6	1,80,379	17.0

[Source: WTO 2015 & 2017]

From the above data it is clear that government is giving importance to the development of Tourism industry which is very clear from the allocation of fund in this sector. Since 2012 to 2017 foreign tourist arrival in India is rising as a result, foreign exchange earnings is also increasing very rapidly. Though data for 2018 and 2019 are not available, but the trend may help to conclude that it is in rising upward. Unfortunately, the pandemic coronavirus has turned this flourishing industry into zero growth industry due to closure of world-wide transportation and lockdown of different parts of different countries. Consequently, GDP of India coming into negative bracket, unemployment rising very quickly as well as different ancillary sectors shut down their business. Needless to say, that as soon as this pandemic will over, all the allied sectors related with the tourism sector will again revive gradually.

[6] Foreign Exchange Earnings: Contribution to GDP & Unemployment

Travel and Tourism caused 25,394,500 jobs straight in 2016 5.8% of total employment and extended by 2.1 % in 2017 to 25,925,500. The forecast is to grow further by 4% in 2020 to 26,962,520 i.e. a huge number of employment generation will be possible but due to pandemic in 2020 the situation became reverse. This contained employment by hotels, travel agents, airlines and other passenger transportation services (excluding passenger services). It also comprises the workings of the restaurant and leisure Industries rightly assisted by tourist. By 2007 Travel and Tourism reported for 31,910,000 assignments directly. The total offering of Travel and Tourism to employment 40,343,000 jobs in 2016 which was about 9.2 % of total employment. By 2027 travel and tourism is predict to keep up 49,868,000 jobs i.e., 9.6 % of total employment, an enhance of 2.0 % p.a. over the period. But how far this prediction will come into effect, there lies thousands of doubts because the worldwide spreading of coronavirus has caused tremendous stop of movement of the tourists.

In 2018, the travel and tourism sector in India considered for an elevated 12.3 8% of the total employment opportunities. The split of implied employment was 6.38 % nearabout 1% elevated than the split of direct employment for the same year. Number of foreign tourists landing in India from 2008 to 2019 will reveal the future of this industry in India:-

[Table: 3]

Year	Arrival of Foreign Tourist
2008	341693
2009	330707
2010	369821
2011	401995
2012	411562
2013	453561
2014	509000
2015	542000
2016	615000
2017	719964
2018	719845
2019	720000
2020	NA

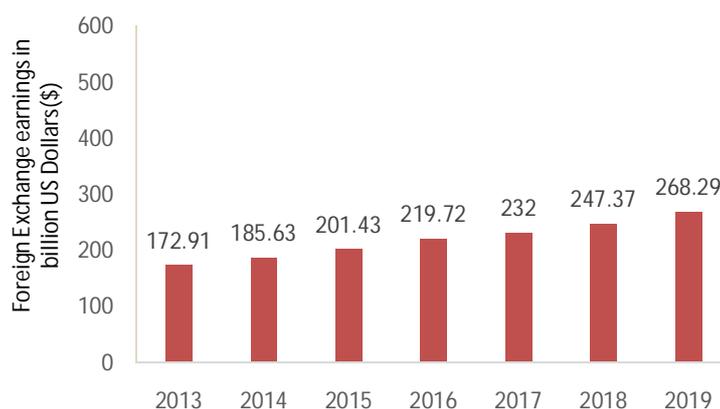
Individuals from far and wide have been touring India to encounter the country's wealthy and plentiful multifariousness. India's celebrated milestone the Taj Mahal pinpointed on the suburbs of the historical city of Agra was the top most tourist attracted



monument in India. Simultaneously, the Government of India floated the “Incredible India” drive to further encourage numerous destinations and tourism outcomes among tourists coming from abroad. It generally concentrated on encouraging niche tourism outcomes such as spiritual, Medical and Wellness tourism on digital and social media.

The benefaction of travel and tourism business to GDP in India from 2013 to 2019 (billion in US dollars) graphically presented below but due to covid-19 contribution of travel and tourism to GDP in India from 2019 onwards will fall sharply. As information in this respect are not available so the contribution has been shown up to 2019.

[Figure: 1]



[Source: M. Jagan Mohan Feb., 2020]

In 2018 the Travel and Tourism business in India enriched around 247 billion US dollars to India’s GDP in 2017, the country entertained over 10 million foreign visitors give rise to foreign exchange incomes of over 27.31 billion US dollars.

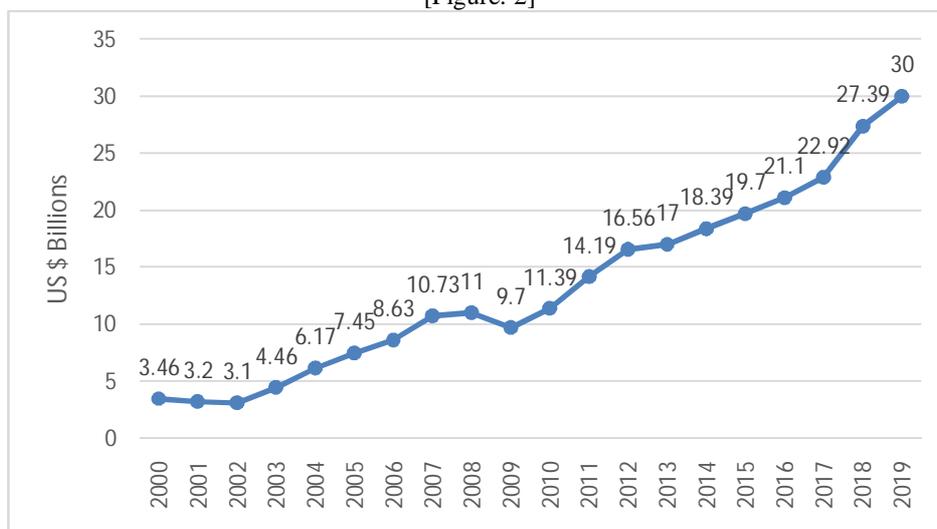
Foreign Exchange earnings from Tourism in India since 2000-2019 (US Billion Dollars)

[Table: 4]

Years	Earnings US\$ Billions
2000	3.46
2001	3.2
2002	3.1
2003	4.46
2004	6.17
2005	7.45
2006	8.63
2007	10.73
2008	11
2009	9.7
2010	11.39
2011	14.19
2012	16.56
2013	17
2014	18.39
2015	19.7
2016	21.1
2017	22.92
2018	27.39
2019	30



[Figure: 2]



[Source: Govt. of India & Madhumita Jagan Mohan, Feb., 2020]

From the above table and graph, it is observed that in 2018 foreign exchange earnings from tourism business throughout India amounted to over 27 billion US dollars an expand from the earlier year. An aggressive increase in the foreign exchange earnings was marked from 2009 in the country but due to covid-19 there was huge dearth in arrival of foreign tourist in the country as well as movement of domestic tourist. As a consequence, there was tremendous fall in foreign exchange earnings. On the whole tourism sectors earning curve fall in the negative bracket line whose Impact was marked in the overall country's GDP.

As per government evaluations the travel and tourism sector in India generated job opportunities to over 81 million people in the financial year 2018. This was above 12 % of the total employment favourable time created in the travel and tourism sector that year. The following table will reveal how employment is generating in an increasing trend since 2014 in spite of the fact that due to covid-19 enhancement of employment opportunities came down tremendously in the country in 2020.

Employment since 2014 to 2018 in India (In Millions)

[Table: 5]

Year	No. of Employees
2014	67.2
2015	69.6
2016	72.3
2017	75.9
2018	81.1
2019	NA
2020	NA

[Source: K. Vijaya Venkateswari, Dept. of Commerce Ram Krishna Mission College of Arts & Science, Coimbatore & Madhumita Jagan Mohan, Feb. 2020]

In spite of ailing economy due to pandemic, the tourism business has manifested no indication of slackening down and in lieu of, has developed a significant inception of foreign exchange for the country and for the people on the reason it has been producing jobs in India except the year 2020, preparing direct and indirect employment. World Travel and Tourism council revealed that despite a slight improvement driven by the return of domestic travel in a number of markets, a staggering 174 million travel and tourism jobs could be lost in 2020 if barriers to global travel remain in place.



[7] Impact of COVID-19 on Tourism

The COVID-19 pandemic has apparently been the most catastrophic of financial and social juncture of late, directing to postponement of majority of economic exercise and compelling a country extensive lockdown while the INR 20 lakh crore economic reoppression has relieved some anxieties, sectors. Some sectors that have been more damaged than others and sectors that could assist with economic regaining have been paid no attention.

Tourism which commits 5.06 % in India's GDP (2016 – 17) is on corresponding industry which has been overlooked in this heal and regaining bundle. The underway pandemic travel limitations and the country's extensive lockdown have put forward the whole tourism sector to a deadlock and dissimilar from other sectors, tourism will be taking prolonged to heal and regaining particularly leisure tourism. This will have a quickest influence on state like Sikkim, Goa, Himachal Pradesh, Uttarakhand and North Eastern states which depend tremendously on tourism as a birth place of state revenue.

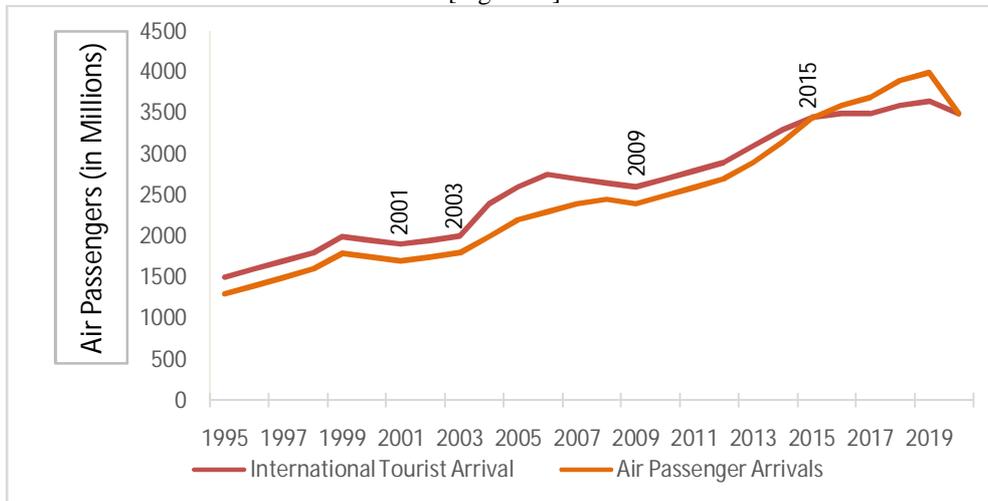
It is significant to record that World Tourism has been opened to an extensive scale of disorder in the past between 2000 and 2020 (Graph given below- Figure: 3). Great troublesome happenings comprise the September 11 terrorist attack (2001), the severe acute respiratory syndrome (SARS) flareup (2003), the world economic catastrophe open out in 2008 and 2015, Middle East respiratory syndrome (MERS) eruption. Coronavirus pandemic found from January 2020 all over the globe as a result of the death toll of 19,39,443 affected population in total 90,407,338 and recovered up to 64,645,602 till 11 January 2021.

Lockdown announced by various countries in various times interrupted transport, movement of people from one place to another and economy of each nation all over the globe encountered massive downfall.

As the number of COVID-19 cases erupted and disperse worldwide, journey limitations opened up from the Wuhan province focal point to most nations by the end of march. Countries closed their boundaries and shifted non-alien and non-residents as on 31st March 2020 and also restricted people to come from other countries.

Impact of Major Crisis Events on Global Tourism

[Figure: 3]



[Source: World Bank, April 2020]

- 2001- Terrorist Attack
- 2003- SARS outbreak
- 2009- Global economic crisis
- 2015- MERS outbreak
- 2020- COVID-19

At the time of writing the measurable quantity of COVID-19 disease globally outshined 9,04,07,338 population and death has outclassed 19,39,443 population till 11th Jan., 2021 and unemployment have jumped up abruptly in various nations, demonstrating the serious outcomes the pandemic so far has for economies. Given the anticipation of following epidemics, there is grounds to review world economic business model and the particular role of tourism as direction and catastrophe in the event of pandemic. None of them



other than COVID-19 resulted in prolonged term reduce in the world improvement of Tourism and few of them contributed to a longer term reduce in the world growth of Tourism and few of them are not even remarkable (in figure above), with only SARS (-0.4%) and the world economic crisis (-4.0%) breaking ground to reduce in international appearance. This would recommend that tourism as an arrangement has been resilient to outer blow. However, there is many more proof that the effect and retrieval from COVID-19 pandemic will be unparalleled.

The connections between pandemic and travel shows that people should have health guarantee while traveling and tourism world should change accordingly. Multiple learnings have revealed the significant character of air travel in stimulating and amplifying breeding influenza and coronavirus. However, to some extent, the ups and downs of scholarly attentiveness in the connection between tourism and pandemics is deliberative that of the extensive industry and also governments, stated that tourism has been afflicted by morbidity out bursts many times since the revolve of the millennium. Most significantly there have been various alarms that pandemics constitute a great hazard to society and Tourism.

[8] Initiative to boost Tourism

Some of the contemporary drive taken by the government to uplift tourism incorporate concession of export house dignity to the tourism sector and stimulus for assisting private investment in the shape of income tax privileges, internet grant and lessen import obligation. The hotel and tourism associated industry has been proclaimed a top indispensable industry for overseas investment which requires spontaneous consent of straight investment up to 51% of overseas equity and permitting 100% non-resident Indian investment and clarifying rules with respect to the conveyance of acceptance to travel agents, tour operators and tourist transport operators. In conforming to the recent tourism Satellite Accounting Research issued by World Travel and Tourism Council (WTTC) and Planned Partner Oxford Economies in March 2009.

- i) The desire for travel and tourism in India is anticipated to develop by 8.2% between 2010 and 2019 and will raise India at the Third Position in the world.
- ii) The Travel and Tourism division of India is awaited to be the second biggest employer in the world, employing 40,037,000 people by 2019.
- iii) Capital investment in India's Travel and Tourism part is anticipated to develop at 8.8% between 2010 and 2019.
- iv) The report predicts India to acquire capital investment worth US \$94.5 billion in the travel and tourism division in 2019.
- v) India is anticipated to set off the fifth rapidly increasing business travel landing place from 2010 to 2019 with an evaluated actual development rate of 7.6%

In spite of the above expectation, the prediction made by WTTC became void due to COVID-19. The major constraint in the development of Tourism in India during the pandemic time observed is the non-availability of enough infrastructure as well as adequate air seat capacity, convenience of Tourism landing places, accommodations and learned manpower deficient number. During the pandemic period as visitors are not giving much attention in travelling from abroad as well as from domestic sector, therefore government has got the sufficient opportunity to overcome the bad travellers experience, especially owing to poor infrastructural provisions, bad hygienic environment and incident of touting and irritation of tourists in some places are elements that arrive to poor visitor's experience. It is to be noted that touts will be very much active after pandemic due to non-availability of suitable jobs and opportunities of earning. If Tourism sectors in India do not take necessary steps in the initial stage, then this sector will lose their reputation.

[9] Suggestions

Although due to COVID-19 pandemic tourism industry is most impacted but crisis always leads to bring new opportunities to change. In India tourism is gaining its momentum slowly but there are certain points which needs to be taken care of:

- The industry needs to take all precautions and safety to rebuild the trust of consumers. Hygiene and sanitization should be the first concern of this sector.
- There should be proper guidelines for Safe Travels.
- Investment should be done by Government to attract tourists in the Heritage places of the country which can act as a path to growth and development of the sector.

[10] Findings & Conclusion

Travel and Tourism in India is flourishing and it has huge future for creating employment and earning big amount of foreign exchange apart from giving a stimulus to the country's all round economic and social growth. But many more residuals to be done. Eco-tourism requires to be encouraged so that tourism in India assists in conserving and defending the multifariousness of the India's natural and cultural surroundings. Tourism in India should be expanded in such a process that it helps and delights tourist in a way that is marginally impertinent or catastrophic to the environment and preserves and keep up the domestic cultures in the locations it is



working in. Furthermore, since tourism is a multi-pronged venture and fundamental service sector, it would be obligatory that all sections of Governments, private sectors and voluntary Institutions become working partners in the attempt to achieve feasible development in tourism of India to enrich a world contestant in the tourism industry.

The COVID-19 damaged everything. Economically every nation in the world has to face low GDP problem, huge unemployment, cultural barriers, Mental Health issues, etc., all these made the world to come to a standstill. We would like to draw attention by quoting Ervin Laszlo in a contemporary article:

“Some our Technologies have developed a life of their own. They are shaping human life and the human world. This is a dangerous development. It could lead to a variety of Collateral damages even to the creation of quasi-living organisms such as malignant viruses. We must ensure that our technologies are safe, and that they serve our needs. This means achieving a healthy balance that allows all life on earth to flourish in harmony.”

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