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Current Issues and Challenges in Indian Tourism Sector : An Impact of COVID-19

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Tourism sector is considered the backbone for economic growth, especially in developing countries. India is a tourist delight as well as one of the oldest civilizations in the world. India has significant prospective for travel and tourism ranging from cruises, adventure, sports, medical wellness, eco-tourism, film, rural and religious tourism, COVID -19 pandemic significantly impacts the global economy political, socio-cultural and many other factors which is related to human beings. Today, human world is in high risk and health communication strategies and measures has taken such as social distancing, travel and mobility bans, community lockdowns, stay at home campaigns, self-mandatory quarantine, curbs have halted travel, tourism and leisure. Ahead the pandemic hit India, the tourism sector was growing rapidly. The Indian tourism sector reckon for Rs. 16.91 lakh crore that is 9.2% of India's GDP in 2018 and braced 42.67, 8.1% of its employment.

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1. Introduction

Covid-19 had far-reaching consequences for different economic sectors around the world. Covid-19, an acronym for novel coronavirus disease, is an influential force that demonstrates the sudden and unforeseen below in various spheres of society. Covid-19 was declared as a global pandemic by the World Health Organization (Director-General) in January 2020, which is a viral disease that has not only affected humans, but also has a negative effect on the country's economy. The pandemic has spread very quickly across the world and as per the (WHO) on 14th July, 2021 the number of cases worldwide stands at 187,086096 confirmed cases with 4,042921 deaths with the number of cases in India being 30,907,282 confirmed cases with 410,784 deaths so far.

Covid-19 pandemic has impacted the global economy. It has been predicted that the global GDP will be contracted by 5.2% in 2020 (The World Bank, 2020). The Indian tourism sector employees 8.75 crore people (12.75% : 5.56% direct and 7.19% indirect) of the total employed in 2018-19, such as people from hospitality industry, tour operators, travel agents, home stays, drivers, tour guides, artisans and craftsmen among a host of other service provides. The Indian tourism and hospitality industry is staring at a potential job loss of around 38 millions, which is 70% of the total work force due to Covid-19. UNWTO has been reported on 7th May, 2020 as international tourism down 22% in Q1 and could decline by 60-80% over the whole year. The potential job loss in tourism and hospitality has been estimated to be about 70% of the sector work force (Radhakrishna, 2020). the estimated losses of US\$ 150 billion have been predicted in India's tourism sector (Ghosh, 2020, The Hindu, 2020).

2. Objectives of Study

Two-fold objectives of this study are as follows :

- 1. To study the present situation of tourism sector in Covid-19.
- 2. To analyze the current issues and challenges to Indian Tourism sector in this present Covid-19.

3. Methodology of the Study

The present study is descriptive in nature. Thus, the relevant data has been collected from secondary sources such as books, Journals, magazines, newspapers, government report and websites.

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4. Review of Literature

This paper has surveyed various literatures which plays a vital role in establishing of the background for research work in tour and travel agencies in the development of tourism sector. India's and world's tourism sector is affected as the visitors are not allowed to visit any country. This is leading to the development of impact on the India's GDP as the virus was not stopped from the spreading and impacted the healthcare instability as well as the economic breakdown of the activities. Tom Baum and Nguyen Thi Thanh Hai April 2020, the study intends to evaluate the effect of Covid-19 on tourism, hospitality and human rights in the globe. The study identified due to closure of national borders, curtailment of international travel, closure of tourism spots, attractions and tourism facilities, restrictions on right to visit friends and family and confinement of tourism locations the world tourism got struck to grab tourists and many tourism industries are facing financial crises during Covid-19. Kumar Patel etc. (2020) explained that the majority of the tourists have been effected by Covid-19 that much affected on foreign exchange earnings in India and to the world economy. This study aims to critically review emerging literature to help people to letter understand, manage and control spread of Covid-19 tourism sector.

5. Impact of Coronavirus Pandemic on Tourism Sector in India

The impact of coronavirus pandemic on tourism sector in India has been as follows :

- 1. According to Ministry of Tourism, Government of India has also corroborated the similar concern as the Foreign Tourist Arrivals has been found to be downcast by about 67% yearly in the January to March quarter, while local tourists notched a much lower figure by about 40% FTA in Feb. 2020 has dropped by 9.3% month-on- month and 7% year-on-year. There are 10.15 Lakh FTAs, in Feb. 2020 against 10.87 lakh in Feb. 2019 and 11.18 lakh in Jan. 2020.
- 2. Summer travel is the peak travel period in India. The most domestic traveler book their flight tickets 2-3 week before the travel date, the travel companies saw a more than 30% drop in domestic travel this summer compared with last year.

Maximum impacted summer destinations are Amritsar, Leh, Guwahati, Coimbatore, Srinagar where more than 40% drop has been recorded.

- 3. The Indian tourism and hospitality industry are staring at a likely job loss of around 38 million, which is 70% of the total workforce due to the pandemic.
- 4. According to the Ministry of Civil Aviation, nearly 585 International flight have been cancelled to and from India between Feb. 1 to March 6 because of the outbreak of coronavirus. India is observing a 25% to 30% fall in bound international visitors to the country in the set of novel Coronavirus endorse. The similar concern as the FTA has been found to the downcast by about 67% yearly in Jan. to March quarter, while local tourists incise much lower figure by about 40%.
- 5. The Archaeological survey of India (ASI) has 3691 sites registered with it, of which 38 are world heritage sites. As per information provided by the ASI the total revenue from ticketed monuments was Rs. 247.89 crore in F.Y. 18 Rs. 302.34 in F.Y. 19 and Rs. 277.78 crore in

F.Y. 20 (January - April). If the scenario does not change by May, then the domestic travel is at its peak because of the summer vacations, employment may then become a concern.

6. Issues and Challenges to Tourism Sector during Covid-19 Pandemic

The tourism sector is facing the number of issues and challenges during Covid-19 pandemic period. They are as under :

- 1. Due to spread of corona virus and enforcement of social distancing rules people are fearing and unwillingness to come out from their home.
- 2. Due to appalling conditions of travelling by train, in India tourists prefer to avoid unless unavoidable.
- 3. Due to lack of arrival of international tourists, Indian tourism sector got less number of tourists as compared to earlier and no foreign exchange earnings.
- 4. Lack of hygienic and comfortable accommodation for the tourists, most of the tour destinations, hotels and hospitality sectors are failed to maintain hygiene in their services.

- 5. Due to spread of corona virus all the tour destinations was closed. So, due to closure of destinations there are no financial profits from the tourists so it will be a reason of lack of development of monuments.
- 6. Due to closure of tour destinations, monuments, heritage sites and lack of arrival of tourists the Indian tourism projected a revenue loss of Rs. 1.25 trillion, Rs. 69400 crore revenue loss occurred during April to June, 2020.
- 7. Due to spread of corona virus, imposition of lockdown and no salary payment nearly 5 lakh hotel staffs were gone back to their home town and hotel. About 50 million people was lost jobs throughout the world.
- 8. The nationwide lockdown suspended all airlines and due to this reason 9% decline in foreign tourists arrival in February over January and 7% fall down in March compared to February.
- 9. Due to spread of Covid-19, promotional activities are barred and there is no benefit of promotion of tourism during Covid-19.
- 10. The pandemic situation has hit its nerve systems such as airlines, railways and roadways.

7. Fiscal and Relief Measures announced by the Government to Support the Indian Tourism Sector

The following fiscal and relief measures have been announced by the government to support the Indian tourism sector

- 1. Government announced *Aatmanirbhar Bharat* package vide which Rs. 3 lakh crore collateral free automatic loan has been made available for MSMEs.
- 2. Government waived off PF contribution for three months for organization with less than 100 pax and 90% of their employees earn below Rs. 15000.
- 3. Deferment of TCS up to October 2020.
- 4. Return filing deferred for three months with no penal interest for companies up to Rs. 5 Crore, rest @ 9% penal interest.
- 5. The Central Government also gave relief from various regulatory compliance under Income Tax Act, companies Act and GST Act for varying period in the wake of Covid-19 crisis to ensure business continuity and survival.

- 6. The RBI extended moratorium on term loans till 31st December, 2020.
- 7. The Government of India has launched emergency Credit line guarantee scheme to support eligible MSMEs.
- 8. Validity of approval/re-approval of hotels and other accommodation units have expired/were likely to expire, has been extended up to 31st March, 2022.
- 9. Free Tourist Visa to 5 lakh.
- 10. With a view to prepare for a post Covid-19 revival, the Ministry has formulated and issued detailed operational guidelines for Covid safety and hygiene for hotels, restaurants, B & Bs / Home stays and Tourism service providers on 8.6.2020 to facilitate smooth resumption of business.

8. Conclusion

Covid-19 pandemic is deteriorating tourism in India like in other countries around the world. It is visible in the Country's inbound, outbound and domestic tourism. The potential job loss in tourism has been estimated to be about 70% of the sector workforce. The estimated loss of US \$ 150 billions have been predicted in India's tourism sector. The lockdown practice was implemented at the beginning of the pandemic. While with the decline of Covid-19 daily cases, alternative approaches such as social distancing, mask wearing and avoiding gatherings have been encouraged. These measures have greatly encouraged economic activities in the tourism sector. However, with an uncertainty the effective vaccine and therapeutic as well as the distribution of vaccines on such a large population, even if the vaccine is developed the positive impact on the sector is still long to wait.

According to UNWTO estimated losses 850 million to 1.1 billion fewer international tourists arrivals, US \$ 910 billion to US \$ 1.2 trillion loss in export revenues from tourism and 100 to 120 million direct jobs at risk in tourism sector. Tourism sector is identifying new opportunities in hotel, hospitality and tour and travel business operations. Hence, the tourism sector is facing too much of hurdles and threat in this pandemic situation. Perhaps, survival strategies are very essential for making earning and support economic enhancement in the sector.

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