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COVID-19 Pandemic and Tourism Industry: Impact and Reviving strategies

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Abstract: ***COVID-19 pandemic has a negative impact not only on the Indian economy but on other countries' economies. The tourism industry has significantly contributed to the economy of our nation. But during the COVID-19 pandemic tourism industry crashed and was amongst the most badly affected sectors of the economy. This study aims to check the impact of COVID-19 on the tourism industry and identify the revival strategies for the tourism industry from COVID-19 pandemic impact. In the present study four factors are taken for resilience building of the tourism industry: government role, technological innovation, confidence among employee and consumer and local belongingness. Secondary data collected by official databases, journals, reports and websites, etc. was used to study the impact of COVID-19 on the tourism industry and suggest strategies to overcome it. The result reveals that the Indian tourism industry is highly affected by the pandemic. The number of tourists and the foreign exchange to the tourism industry has dropped nearly 90 to 95 percent during the pandemic. It shows a huge downturn in the tourism industry. Tourism industry used to provide 330 million jobs worldwide by the year 2019 which is equivalent to 10.3 percent of global employment (International Labor Organization, 2020). ILO estimated 305 million jobs lost due to global pandemics. After the first wave of pandemic in India, the tourism industry started to bloom but the second wave of COVID-19 has again brought a downfall in the Indian tourism industry. The central and state governments need to devise a number of strategies for reviving the tourism industry from the pandemic.***

Key words: Tourism industry, COVID-19 pandemic, foreign exchange, revival strategies, foreign and domestic tourists.

I. INTRODUCTION

The COVID-19 pandemic is most contagious outbreak in human history, with 24.33 crore cases and 49.45 lakh deaths in the world and 3.41 crore cases and 4.53 lakh deaths in India as on 22nd October 2021 (https://www.worldometers.info/coronavirus/). Due to the high spread of corona virus, the government has no other option to impose a lockdown in the country. In India the government has decided to impose a lockdown from 25th March, 2020 to protect the people from the corona virus. Due to pandemic and lockdown an economic shock was observed in all sectors. Many sectors adopt digital platforms for tackling from covid-19 but many sectors cannot be tackled. Tourism industry cannot counter by COVID-19 or lockdown due to travel restriction and social distancing. Tourism sector will contribute 6.8 percent of Indian GDP in 2019, nearly 194 billion dollars according to the world travel and tourism council. 8 percent of total employment generated by the tourism sector is nearly 39.80 billion jobs. In previous years the tourism sector continuously grew, but in 2020 the growth will sharply decline due to COVID-19. COVID-19 has a dramatic impact on the Indian economy mainly on the tourism industry. Tourism industry has been an important contribution in the nation's economy. Tourism industry has a significant contribution in the balance of trade, infrastructure and job creation. Tourism industry used to provide 330 million jobs worldwide by the year 2019 which is equivalent to 10.3 percent of global employment (International Labour Organisation, 2020). ILO estimated 305 million jobs lost due to global pandemics. After the first wave of pandemic in India, the tourism industry started to bloom but the second wave of COVID-19 has again brought a downfall in the Indian tourism industry.

II. LITERATURE REVIEW

The number of studies focus on the impact of COVID-19 pandemic on tourism industry (Sigala, 2020; Almedia and Silva, 2020; Bhat and Beigh, 2020; Ugur and Akbiyik, 2020; Flew and Kirkwood, 2020; Sharma, Thomas and Paul, 2021 and Haritha, Laxmi, Tharini and Aishwarya, 2021) and revive strategies for tourism industry during and after COVID-19 (Sigala, 2020 and Sharma, Thomas and Paul, 2021). COVID-19 had impacted socially, economically and psychologically on tourism stakeholders (Sigala, 2020). COVID-19 caused abrupt and immediate break in tourism activities (Almedia and Silva, 2020). The COVID-19 pandemic spreading over the world, people start to decline and delay their trips (Ugur and Akbiyik, 2020).

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Countries impose the lockdowns within national boundaries and also between national boundaries. Due to lockdown people are restricted in homes and they are the reason for the sudden decline in the tourism industry (Haritha, Laxmi, Tharini and Aishwarya, 2021). According to WTCC, 50 million jobs were lost during the pandemic globally. India is not far from the impact of the pandemic, tourism has significant downfall during 2020. The impact differs with different kinds of tourism stakeholder groups (Sigala, 2020).

Tourism programs are faced with student intake reduces due to pandemic (Sigala, 2020). The COVID-19 impact on tourism has resulted in sharp decline in hotel business. In January 2019, India reached a record growth in the hotel sector. But in March 2020, a big decline in the hotel sector due to an imposed lockdown by the central government (Bhat and Beigh, 2020). Closure of regional newspapers has a main impact on local media. Study found that government expenditure was increased during the COVID-19 pandemic. Pandemic is affected the art and cultural policy of the government (Flew and Kirkwood, 2020). The four prominent factors: government response, technology innovation, consumer and employee confidence and local belongingness (Sharma, Thomas and Paul, 2021). These four factors contribute to the transformation of the tourism industry. Four clusters of opportunities like digitalisation of tourism operations, environmental sustainability, safe sanitary destination and attractiveness of elder population (Almedia and Silva, 2020).

III. Methodology

In the present study secondary data is used for analysis. For the secondary data different sources are used such as reports, journals, books and websites. The collected statistical data collected from official reports and this statistical data used for analyzing the impact of COVID-19 on the tourism industry.

IV. Objectives

The present studies have two main objectives as follows:

1) To analyze the impact of COVID-19 pandemic on the Tourism industry.
2) To identify the revival strategies for the tourism industry for tackle from COVID-19 impact.

V. IMPACT OF COVID-19 ON TOURISM INDUSTRY

During the COVID-19 duration the tourism sector was strongly impacted. Lockdown has a major reason for the sharp decline of the tourism sector. During this period national heritage sites are closed, hotels are closed; restrictions on traveling domestically as well as internationally, loss of employment etc.

- Loss of jobs
- Economy decline
- Infrastructure affected
- Trip cancellations
- Trip disruptions
- Travel restrictions
- Quarantine
- Travelers panic
- Social distancing
- Digitalisation
- Hygiene

In the present study check the impact of COVID-19 pandemic on the travelers and foreign exchange reserves earned by the tourism industry.

A. Impact Of Covid-19 Pandemic On Tourism Industry

According to the tourism industry travelers are divided into five categories: Foreign tourist, international tourist, non-resident Indians, domestic tourist and Indian national departure. Domestic tourism had the highest growth rate in 2019, nearly 25 percent and other five categories also had positive growth. In 2020, a pandemic will spread all over the world and this will have a very bad impact on the tourism industry. Tourism industry related to the movement of peoples. But due to the pandemic, a lockdown was imposed by the governments of the countries. A big drop was seen in the growth of Indian national departures.

Their growth has come down -97.3 percent from the 2.4 percent followed by foreign tourist growth -74.9 percent from 3.5 percent and domestic tourist growth -73.7 percent from 25.3 percent. Mainly in domestic tourists a huge gap between the growth rate of previous and current year.

Table 1: Growth Rate in number of Tourists and Foreign Exchange Reserves

Types of Tourists	Year 2020		Year 2019		Year 2018	
	Number of Tourist	Growth Rate	Number of Tourist	Growth Rate	Number of Tourist	Growth Rate
Foreign Tourist	2.74 Million	-74.9%	10.93 Million	3.5%	10.56 Million	5.2%
Non-Resident Indians	3.59 million	-48.6%	6.98 Million	1.6%	6.87 Million	1.4%
International Tourist	6.33 Million	-64.7%	17.91 Million	2.8%	17.42 Million	3.7%
Indian Nationals Departures from India	7.29 Million	-97.3%	26.92 Million	2.4%	26.29 Million	9.8%
Domestic Tourist	610.22 Million	-73.7%	2321.98 Million(P)	25.3%	1854.93 Million	11.9%
Estimated Foreign Exchange Earning	US$6.958	-76.9%	US$30.058 Billion	5.1%	US $ 28.59	4.7%

Source: Ministry of tourism report

B. Impact Of Covid-19 Pandemic On Foreign Tourist Arrivals

Foreign tourists are people who come from the foreign countries to our nation. In the year 2019, the growth rate in the number of foreign tourists was 3.52 percent. The foreign tourists' arrivals increase year by year. But the growth stopped from February due to the spread of COVID-19 all over the world. Nations restrict the movement by imposing a lockdown. In India lockdown will be imposed from March, 2020. COVID-19 had a very bad impact on foreign tourists. Foreign tourists canceled their trips and some foreign tourists were blocked during their stay due to lockdown. The below table exhibit the negative growth was increased with increasing active cases of COVID-19. After some months the COVID-19 cases started to decline, and the growth rate in numbers of foreign tourists also improved. From April, 2020 to February, 2021 the growth rate is above -90 percent. In March, 2021 a foreign tourist arrival is very highly growing, nearly 2350 percent.

C. Impact Of Covid-19 Pandemic On Foreign Exchange Reserves From Tourism In Us$ Billion

Tourism industry is a significant contribution to the economy of the nation. In the year 2019, 5.1 percent growth was seen in foreign exchange reserves earned by the tourism industry. But that growth is not continuing because in the year 2020 COVID-19 pandemic was spread over the world. Due to COVID-19 lockdown was imposed by countries all over the world and it directly impacted the tourism industry. In 2020, the growth rate was negative 76.8 percent. When we see the growth rate of the tourism industry, below table shows that with the increasing number of COVID-19 active cases growth rate is between -95 to -99. When the active cases start to decline the tourism growth rate also starts to improve and it comes down to -92.4 from the 99.6 percent.

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Table 3- COVID-19 Active Cases and Foreign Exchange Reserves Incurred by Tourism

Month	2018	2019	2020	COVID-19 active cases during 2020	Percentage change (2019/18)	Percentage change (2020/19)
January	2.791	2.575	2.833	--------	-7.7	10
February	2.76	2.521	2.551	---------	-8.7	1.2
March	2.648	2.331	0.784	1238	-12	-66.4
April	2.379	2.466	0.009	23651	3.7	-99.6
May	1.889	1.983	0.012	89995	5	-99.4
June	2.125	2.316	0.027	215125	9	-98.8
July	2.468	2.646	0.041	545318	7.2	-98.5
August	2.37	2.504	0.064	781975	5.7	-97.4
September	2.101	2.359	0.094	940441	12.3	-96
October	1.998	2.401	0.013	582649	20.2	-95.3
November	2.302	2.777	0.190	446952	20.6	-93.2
December	2.755	3.179	0.241	257656	15.4	-92.4
Total	28.586	30.058	6.959		5.1	-76.8

Source: Ministry of Tourism

D. Impact Of Covid-19 Pandemic On Indian Nationals Departures

Indian national departures are the Indians who travel outside India. Before the pandemic tourism industry grew every year.The below table shows 2.4 percent growth of the tourism industry in 2019. In January and February of 2020, Indian national departures also increase but from March month a big decline is found and COVID-19 pandemic was the reason behind that decline. Mainly countries impose the national lockdowns due to the fact that the Indian national departures are canceling their trips and they were restricted by law. A big drop in Indian national departures nearly 80 to 99 percent in April to November month. But after some months nations remove the moving restrictions. Indian national departures growth negativity rate was improved and in December month of 2020 growth is negative 73.9 percent.

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Table 4- COVID-19 Active Cases and Number of Indian Nationals Departures

Month	2018	2019	2020	COVID-19 active cases during 2020	Percentage change (2019/18)	Percentage change (2020/19)
January	2238035	2309062	2353147	----------	3.2	5.1
February	1839947	1992487	1983289	----------	8.3	7.8
March	2099266	2203115	851332	1238	4.9	-59.4
April	2321632	2292018	6533	23651	-1.3	-99.7
May	2521860	2384815	22912	89995	-5.4	-99.1
June	2054526	2198582	68802	215125	7	-96.7
July	2150580	2180437	135227	545318	1.4	-93.7
August	2272537	2351701	211511	781975	3.5	-90.7
September	2434217	2354445	304780	940441	-3.3	-87.5
October	2074788	2145065	372362	582649	3.4	-82.1
November	2087972	2147330	409155	446952	2.8	-80.4
December	2201124	2355977	575516	257656	7	-73.9
Total	26296484	26915034	7294566		2.4	-72.9

Source: Ministry of Tourism

VI. REVIVE STRATEGIES

At the pandemic time the overall economy was disrupted and the tourism industry was very badly affected. It is necessary to take the revival strategies that help the tourism industry tackle the pandemic situation and start growing again. Mainly four factors are important for reviving the tourism industry mention below as follow:

1) *Government Role:* Government of any country plays an important role at the time of an economic crisis. Governments form the policies and budgets for economic development and social welfare. In a pandemic situation the government had the responsibility that they provide financial assistance to the economics sector those affected by the pandemic. A tourism sector

creates jobs, provides employment and contributes to GDP and nation building. Government announced the relief packages for all the sectors in the pandemic situation. Government also took the initiative and started schemes for reviving the economy. Free vaccination programmes are big initiative taken by the government. Digitalization, social distancing, vaccination, work from home, aarogya setu app, insurance under Ayushman Bharat Etc are the government initiatives that play an important role in reviving the tourism industry.

2) *Technological Innovation:* In pandemic situations technology was the very best contribution in the economy. Digitalisation programme run by the government. Digitalisation helps people to do daily activities without direct contact. Digital platform also helps the tourism programme students to study by virtual mode. E-passport, e-pass, e-commerce, e-payment and virtual tour etc are the technology innovation that helps the tourism industry to survive in pandemic situations. Need of technology innovation for future growth in the tourism industry and ready for another wave of pandemic.
3) *Confidence Among Employees And Travelers:* For the revival of the tourism industry it is necessary for employees and consumer confidence to be rebuilt and they are ready to come outside without fear and contribute to the tourism industry. Confidence of employees and consumers are the key factors for growth of the tourism sector.
4) *Local Belongingness:* During the pandemic and post-COVID-19, domestic tourism which comes from nearby is to dominate with most travelers. In India domestic tourism is very big and it contributes a very large part in the tourism industry. International travel will revive when international flights are permitted and international boundaries open for travel.

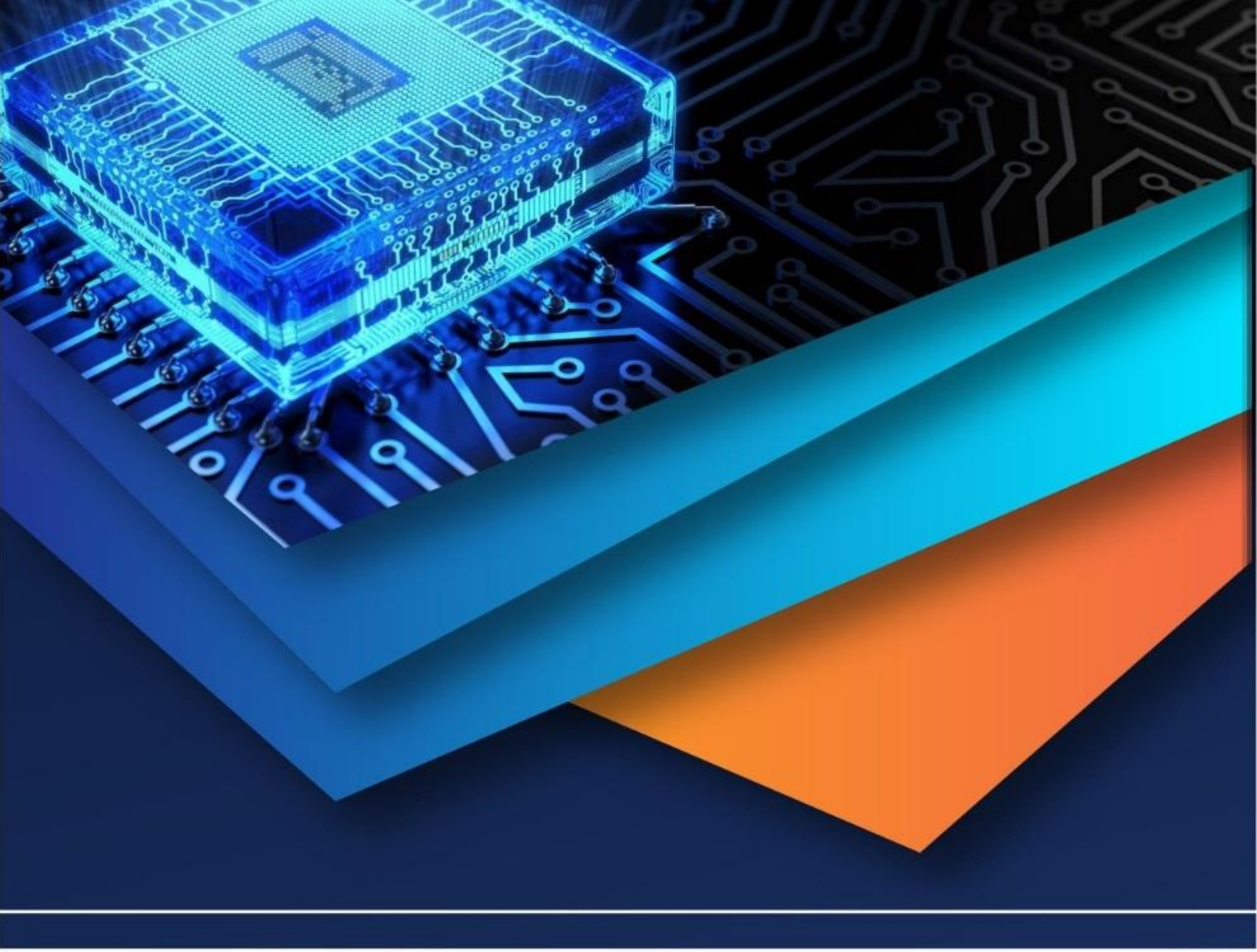
VII. CONCLUSION

The COVID-19 pandemic has an outbreak in the tourism industry. The COVID19 pandemic severely impacted the lifestyle of the people across the world. Whole industries and all countries face economic shock during novel corona virus. COVID-19 has created an economic recession because during pandemic people are quarantined, travel restrictions, and social distancing. Some of the major impacts faced by the economy during the pandemic are rise in unemployment, recession, uncertainty, vaccine unavailability and business confidence. The travel was affected mainly due to the fear and pandemic rules like social distancing and lockdown. To redevelop the tourism industry, it is important to take measures taken by government, employee, business and other stakeholders. Four factors: government role, technology innovation, local belongingness and consumer & employee confidence play an important role in reviving the tourism industry.

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