

## **IMPACT OF COVID-19 ON TOURISM ECONOMY**

**By**

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## ABSTRACT

The COVID-19 Pandemic in India is a part of the worldwide pandemic of coronavirus disease 2019 (COVID-19) caused by severe acute respiratory syndrome coronavirus 2 (SARS-COV-2). The first case of COVID-19 in India was reported in Kerala on 30 January 2020. This pandemic has had economic effects beyond the spread of the disease itself and efforts to quarantine it. It is one of a kind of humanitarian disasters which has affected people, business and all the sectors worldwide, causing recession with more than a third of the Indian population at the time being placed on lockdown. Tourism is one of the sectors most affected by the pandemic; indeed 60% of tourism jobs were lost during the first wave of COVID-19. The tourism economy has been massively affected by the spread of coronavirus due to the imposed travel restrictions and slump in demand among travelers. Tourism industry plays a crucial role in India's economic development contributing a larger share in employment generation augmenting country's foreign exchange earning (FEE). Rich cultural and natural heritage, historical and religious places attract international tourist arrivals (ITAs) towards India. This paper would analyze the impact of pandemic on tourism in five most tourist attracted places in India (namely: Agra, Goa, Amritsar, Shimla, Jaipur). The study is based on secondary data and studies the trend of tourism during the pandemic, its impacts, declining GDP contribution, resulting FEE. The research study also aims at providing the ways to revive the tourism sector.

**Keywords:** COVID-19, SARS-COV-2, ITA, FEE

## INTRODUCTION

Beginning of the 20<sup>th</sup> century marked the people into the mobile world and made them assume to maintain the status quo in mobility until the COVID-19 arrived. In only the initial few weeks, Coronavirus has altogether Ely changed the lives of people, giving rise to tremendous human suffering and challenging the most basic foundations of societal wellbeing. Beyond the immediate impacts

on health and incomes; the pandemic has severely impacted all the sectors of the economy with the short and medium term impacts of COVID-19. This pandemic has threaten millions of lives and lifestyles of people; as a consequence of which most of the countries declared lockdowns as a preventive measure for social distancing in order to cater for the spread of COVID-19(Khan et al.,2021).



Figure 1

## GENESIS OF THE PANDEMIC (COVID-19)

Coronavirus pandemic also known as the COVID-19 PANDEMIC is the ongoing global pandemic of a coronavirus disease; which is caused by severe acute respiratory syndrome coronavirus 2 (SARS-COV-2). Although the origin of this virus is unknown but the identification of this virus was

first marked in WUHAN, China, in December 2019; which was declared a Public Health Emergency of International Concern on 30<sup>th</sup> January 2020 and a pandemic on 11<sup>th</sup> March 2020; by World Health Organization (WHO). As of the newfangled data, variants of the virus have emerged and become dominant in many countries,

with the Delta , Alpha and Beta variants being the most virulent: since 2021.

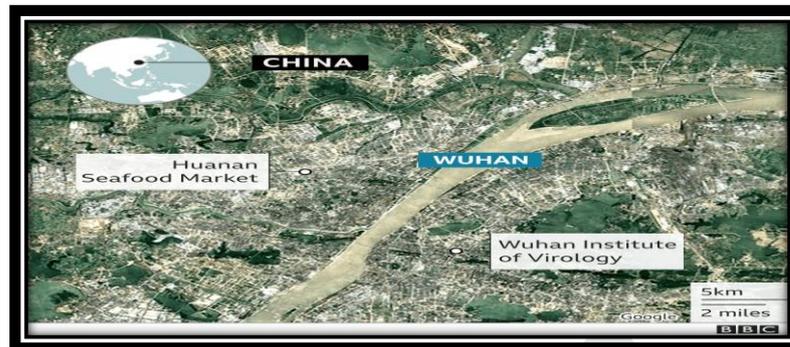


Figure 2

## Pandemic in INDIA

### 2020

On 12<sup>th</sup> January 2020, the WHO confirmed that a novel coronavirus was the cause of a respiratory illness in a cluster of people suffering. On 30<sup>th</sup> January 2020, India reported its first case of COVID-19 in Thrissur, Kerala ; which rose to 3 cases by 3<sup>rd</sup> February 2020 which included the students returning from Wuhan, China. No incremental cases were reported in February but by the starting of March , 22 new cases were reported , together with 14 infected members of an Italian Tourist group . Several people with travel history to the affected countries and meet up with the COVID positive people led to the sudden increase in the number of Covid patients in the country. A Sikh preacher , who had a travel chronicle to Italy and Germany became a super spreader of this deadly disease by attending a Sikh festival in Anandpur Sahib during March. On 31<sup>st</sup> March , a Tablighi Jamaat congregation event in Delhi, which had taken place in March , emerged as a COVID-19 hotspot. Many of the pilgrims who returned from Hazur Sahib from Nanded tested positive together with 27 bus drivers and conductors who were the part of the transport arrangement. In July 2020, it was estimated that at least 57% of the inhabitants of Mumbai's slums may have been infected based on the antibody tests. A government panel on COVID-19 stated in October 2020 that the pandemic had peaked in India, and could come under control by February 2021. This prediction was based on a mathematical simulation referred to as the "Indian Supermodel", assuming that India reaches herd immunity. That month, a new SARS-CoV-2

variant, Lineage B.1.617, was detected in the country.

### 2021

India began its vaccination drive programmed on 16<sup>th</sup> January 2021. Exactly after one year of first reported case in the country; on 19<sup>th</sup> January 2021 Lakshadweep became last region of India to report its case. By February 2021, fall in the daily cases were observed, approximately reducing to 9,000 cases per day. However, by early April 2021 a major second wave of infections took hold over the country with destructive consequences; on 9<sup>th</sup> April, India surpassed 1 million active cases, and by 12<sup>th</sup> April, India overtook Brazil as having the second-most COVID-19 cases worldwide. By late April, India passed 2.5 million active cases and was reporting an average of 300,000 new cases and 2,000 deaths per-day. On 30<sup>th</sup> April, India reported over 400,000 new cases and over 3,500 deaths in one day.

Due to high demand, the vaccination program began to be hit with supply issues; exports of the Oxford–AstraZeneca vaccine were suspended to meet domestic demand, there have been shortages of the raw materials required to manufacture vaccines domestically, while hesitancy and a lack of knowledge among poorer, rural communities has also impacted the program.

The second wave placed a major strain on the healthcare system, including a shortage of liquid medical oxygen due to ignored warnings which began in the first wave itself, logistic issues, and a lack of cryogenic tankers. As a result of which a large number of new oxygen plants were announced; the installation burden being shared by the centre , coordination with foreign countries with regard to oxygen plants received in the form of aid,

and DRDO. A number of countries sent emergency aid to India in the form of oxygen supplies, medicines, raw material for vaccines and ventilators. This reflected a policy shift in India; comparable aid offers had been rejected during the past sixteen years.

The number of new cases had begun to steadily drop by late-May; on 25 May, the country reported

195,994 new cases—its lowest daily increase since 13<sup>th</sup> April. However, the mortality rate has remained high; by 24 May, India recorded over 300,000 deaths attributed to COVID-19. Around 100,000 deaths had occurred in the last 26 days, and 50,000 in the last 12. In May 2021, WHO declared that two variants first found in India will be referred to as 'Delta' and 'Kappa'.

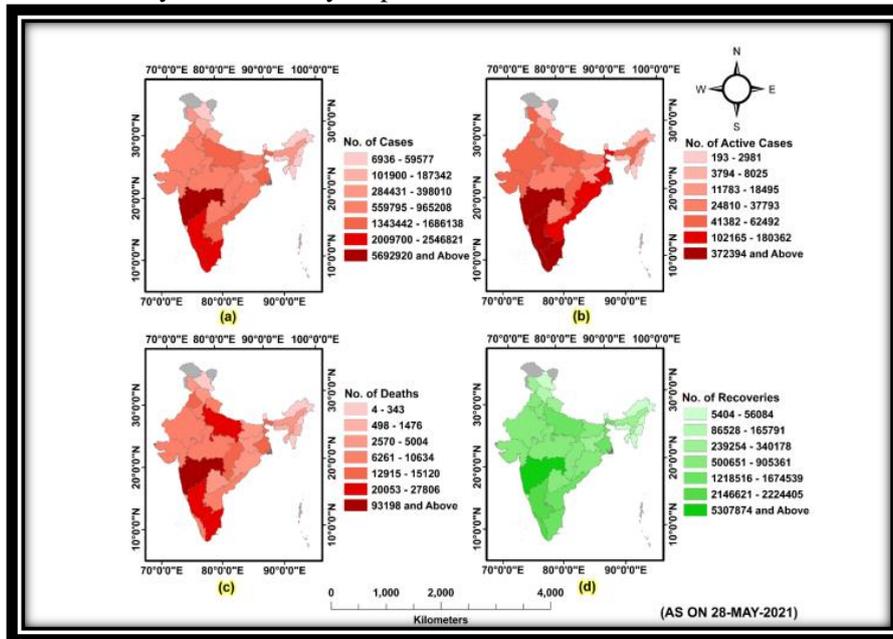


Figure 3

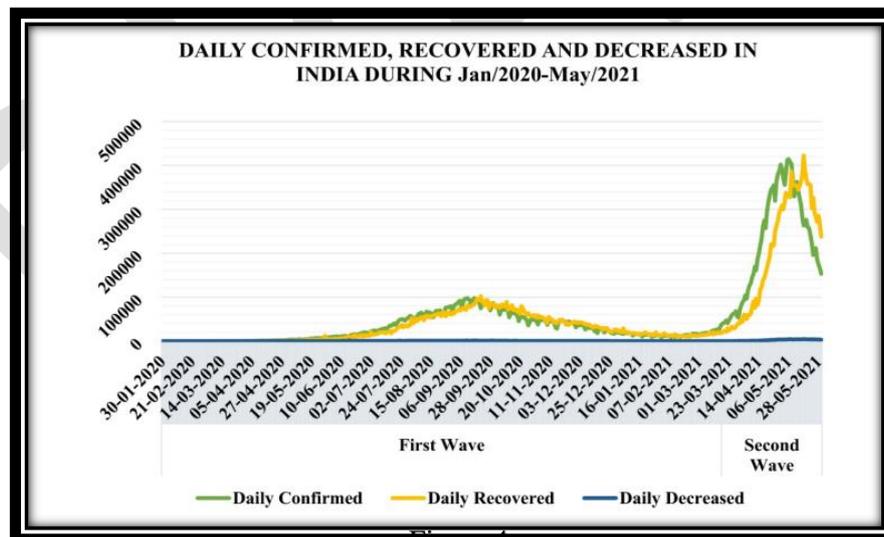


Figure 4

Multiple factors behind the second wave are analyzed as :

- Lineage of Corona virus,
- a lack of preparations as temporary hospitals were often dismantled after cases started to decline after the first wave,

- lack of new facilities,
- health and safety precautions being poorly-implemented or enforced during weddings, festivals (such as Holi on 29 March, and the Haridwar Kumbh Mela which was linked to at least 1,700 positive cases between 10 and 14

April including cases in Hindu seers), sporting events (such as IPL), state and local elections in which politicians and activists have held in several states, and in public places.

- An economic slowdown put pressure on the government to lift restrictions, and there had been a feeling of exceptionalism based on the hope that India's young population and childhood immunisation scheme would blunt the impact of the virus. Models may have underestimated projected cases and deaths due to the under-reporting of cases in the country.

### **Quarantine: Chronicle of lockdown**

One year after the announcement of complete lockdown in March 2020, the consequences of India's strict COVID-19 lockdown measures and ineffective policy responses continue to be felt, be it in terms of livelihood loss and economic downturn or increased marginalisation of vulnerable sections of society.

- Migrant Crisis - The countrywide lockdown to contain the spread of COVID-19 pushed the labour migrants towards a pathetic situation marked by homelessness, hunger and unforeseen human miseries (SWAN 2020). A recent survey among migrant workers conducted in the middle of April 2020 revealed that 90% of them were not paid their wages in various states, 96% did not get rations from the government outlets, and 70% did not get cooked food during lockdown 1.0 (Hindu 2020).
- Impact on livelihoods and economic slowdown - Many surveys investigating the COVID-19 impact on vulnerable workers, including ours, have shown that around 60%–80% of workers (self-employed, casual as well as salaried workers without job security) lost employment during the lockdown in April and May 2020. The CMIE data show a collapse in earnings during the first six months of the pandemic (March 2020 to August 2020), with an average household having 17% lower income in nominal terms relative to the same months in 2019. The economy has shrunk by

15.7% in the first half of the year, and sectors with social distancing requirements continue to be under restrictions and some states are seeing an upsurge in new cases. The bank credit to commercial sector continues to be subdued and private investment continues to be low even after the phased relaxation of the restrictions.

- Impact on tourism sector - A study on the impact of coronavirus on tourism conducted by the National Council of Applied Economic Research has reported that the pandemic caused “significant” jobs losses in the tourism sector after the lockdown was implemented.

### **How Covid-19 hits Tourism sector**

Tourism is one of the fastest growing economic sectors and is an important driver of economic growth and development. In 2018 there were 1,407 million international tourist arrivals, a six per cent increase on the previous year.<sup>4</sup> Tourism receipts amounted to \$1,480 billion, an increase by 4.4 per cent, higher than global GDP growth as in the previous 8 years. Passenger transport is worth another \$250 billion. Tourism exports account for seven per cent of global trade in goods and services, or \$1.7 trillion. Tourism is a major source of employment globally. The labour market has some distinguishing features. The industry is labour-intensive in nature. A high proportion of the jobs are undertaken by women, 54 per cent, significantly higher than in most other sectors, and young employees, meaning the industry is seen as inclusive. However, women are more likely to be entrepreneurs in tourism than in other sectors and most women hold low skilled jobs in the tourism sector, making them vulnerable to shocks. There is also a significant amount of indirect employment in construction and infrastructure development, plus supplying food and drink and souvenirs to tourists. Furthermore, many employees have direct contact with tourists in travel agencies, airlines, ships, hotels, restaurants, shopping centres and various tourist attractions. COVID-19 is a health and economic crisis on a global scale. While little is known at this time about many aspects of the disease (such as asymptomatic transmission, preventative measures, possible treatments, the likelihood of a vaccine and long term effects), it is

generally agreed that the virus is easily transmissible and that the fatality rate is low when compared to previous pandemics such as SARS. Fatalities are heavily skewed towards older people and those with existing ailments. To slow the spread of the virus, many countries have encouraged or mandated the use of sanitary practices such as hand washing, social (spatial) distancing and isolation. Government have introduced a slew of policy measures such as targeted testing and tracing, lockdown measures, upgrading public health facilities and closure of borders. The measures have impacted many industries and the delivery of personal services, resulting in demand and supply side shocks. International tourism is among the economic sectors most impacted by the COVID-19 pandemic. The United Nations World Tourism Organization (UN WTO) estimates a loss of 850 million to 1.1 billion international tourist arrivals, \$910 million to \$1.1 trillion in export revenues and 100-120 million jobs, depending on whether the borders are opened in July, September or December. Most destinations were entirely closed in April and May 2020, opening only in some regions slowly for the northern summer. UN WTO projections reflect considerable uncertainty about the duration of the pandemic, in addition to the government response to support economic activity.

### **Contribution of Tourism to Indian economy (Before and after the crisis)**

#### **❖ BEFORE THE PANDEMIC**

Tourism in India is important for the country's economy and has grown rapidly. The World Travel and Tourism Council calculated that tourism generated ₹16.91 lakh crore (US\$240 billion) or 9.2% of India's GDP in 2018 and supported 42.673 million jobs, 8.1% of its total employment. The sector is predicted to grow at an annual rate of 6.9% to ₹32.05 lakh crore (US\$450 billion) by 2028 (9.9% of GDP). In October 2015, India's medical tourism sector was

estimated to be worth US\$3 billion, and it is projected to grow to US\$7–8 billion by 2020. In 2014, 184,298 foreign patients travelled to India to seek medical treatment. Over 10.93 million foreign tourists arrived in India in 2019 compared to 10.56 million in 2018, representing a growth of 3.5%. Domestic tourist visits to all states and union territories numbered 1,036.35 million in 2012, an increase of 16.5% from 2011. In 2014, Tamil Nadu, Maharashtra and Uttar Pradesh were the most popular states for tourists. Agra, Goa, Amritsar, Shimla and Jaipur were the five most visited cities of India by foreign tourists during the year 2015. The Travel and Tourism Competitiveness Report 2019 ranked India 34th out of 140 countries overall. India improved its ranking by 6 places over the 2017 report which was the greatest improvement among the top 25% of countries ranked. The report ranks the price competitiveness of India's tourism sector 13th out of 140 countries. It mentions that India has quite good air transport infrastructure (ranked 33rd), particularly given the country's stage of development, and reasonable ground and port infrastructure (ranked 28th). The country also scores high on natural resources (ranked 14th), and cultural resources and business travel (ranked 8th). However, some other aspects of its tourism infrastructure remain somewhat underdeveloped. The nation has many hotel rooms per capita by international comparison and low ATM penetration. The World Tourism Organization reported that India's receipts from tourism during 2012 ranked 16th in the world, and 7th among Asian and Pacific countries. The Ministry of Tourism designs national policies for the development and promotion of tourism. In the process, the Ministry consults and collaborates with other stakeholders in the sector including various central ministries/agencies, state governments, union territories and private sector representatives. Concerted efforts are being made to promote niche tourism products such as rural, cruise, medical and eco-tourism. The Ministry of Tourism maintains the Incredible India campaign focused on promoting tourism in India.

**International Tourists Arrivals (ITA) AND Foreign Exchange Earnings (FEE)**

YEAR	ITA (MILLIONS)	%change in ITA'S	FEE (RS.CRORES)	%change in FEE
1997	2.37	3.8	10,511	4.6
1998	2.36	-0.7	12,150	15.6
1999	2.48	5.2	12,951	6.6
2000	2.65	6.7	15,626	20.7
2001	2.54	-4.2	15,083	-3.5
2002	2.38	-6.0	15,064	-0.1
2003	2.73	14.3	20,729	37.6
2004	3.46	26.8	27944	34.8
2005	3.92	13.3	33123	18.5
2006	4.45	13.5	39025	17.8
2007	5.08	14.3	44362	13.7
2008	5.28	4.0	51294	15.6
2009	5.7	-2.2	3754	4.8
2010	5.78	1.8	66172	23.1
2011	6.31	9.2	83036	25.
2012	6.58	4.3	95067	15.1
2013	6.97	5.9	107563	12.5
2014	7.68	10.2	120367	11.9
2015	8.03	4.5	134844	12
2016	8.80	9.7	154146	14.3
2017	10.04	14.0	177874	15.4
2018	10.56	5.2	194881	9.6
2019	10.93	3.5	211661	8.6

## ❖ AFTER THE PANDEMIC

The COVID-19 pandemic has impacted the tourism industry due to the resulting travel restrictions as well as slump in demand among travelers. The tourism industry has been massively affected by the spread of coronavirus, as many countries have introduced travel restrictions in an attempt to contain its spread. The United Nations World Tourism Organization estimated that global international tourist arrivals might decrease by 58% to 78% in 2020, leading to a potential loss of US\$0.9–1.2 trillion in international tourism receipts.

In many of the world's cities, planned travel went down by 80–90%. Conflicting and unilateral travel restrictions occurred regionally and many tourist attractions around the world, such as museums, amusement parks, and sports venues closed. UNWTO reported a 65% drop in international tourist arrivals in the first six months of 2020. Air

passenger travel showed a similar decline. The United Nations Conference on Trade and Development released a report in June 2021 stating that the global economy could lose over US\$4 trillion as a result of the pandemic.

In Indian context the tourism sector has been badly affected due to COVID-19. The tourism sector is most revenue generating sector but due pandemic effect it goes in negative figures. As off now the Indian government requires fund to fight against COVID-19 Pandemic. For that purpose, they have very limited resources for earning. Among all the resources tourism is one of them, so this study it is important to analyse the sector at a vast scale to understand how the COVID-19 situation affecting tourism sector for that Agra, Shimla, Jaipur, Amritsar and Goa are chosen as a study area, because they are most preferred destination for tourism activity.

Month	2019	2020	Difference	Percentage Loss
April	774651	470	774181	99.94
May	615136	1329	613807	99.78
June	726446	4480	721966	99.38
July	818125	6503	811622	99.21
August	800837	11619	789218	98.55
September	751513	18469	733044	97.54
October	945017	30917	914100	96.73
November	1092440	60156	1032284	94.49
December	1226398	79910	1146488	93.48

## REVIEW OF LITERATURE

Surabhi Srivastava (2011) in the research paper Economic potential of tourism: A case study of Agra identifies the areas to be improved for tourism, and examined tourism as a growing industry in terms of earning revenue, foreign exchange and providing employment opportunities in Agra.

Aman Mishra (2018) in research paper growth of tourism and its impact on gdp and foreign exchange

earnings studied the impact of tourism on GDP of India and also analysed the relationship between foreign tourist arrival (FTA) and foreign exchange earnings (FEE).

Škare, Marinko et al. (2021) in their pioneering study on potential effects of Covid-19 pandemic on the tourism industry estimated the impact of the pandemic crisis on the tourism industry worldwide and concluded that recovery of the tourism industry

would take more time than the average expected recovery period of 10 months.

Gössling, Stefan et al.(2020) in their paper compared the impacts of COVID-19 to previous epidemic/pandemics and other types of global crises and explored how the pandemic might change society, the economy, and tourism. It discussed why COVID-19 was analogous to the ongoing climate crisis, and why there was a need to question the volume growth tourism model advocated by UNWTO, ICAO, CLIA, WTTC, and other tourism organizations.

Monica Chaudhary et al. (2020)in their study assessed the impact of Covid-19 on affected sectors such as aviation, tourism, retail, capital markets, MSMEs, and oil. As International and internal mobility was restricted, revenues generated by travel and tourism would take a major toll on the GDP growth rate.

Kumar A (2020) in his study analysed how the Covid outbreak broke the backbone of the tourism industry across the country causing a massive loss in employment to 38 million people associated with the industry. The study also highlighted industry association efforts to pursue a series of reliefs from the central government such as extending the loan repayment proposal by the RBI by three months to six months and complete exemption in GST for one year for the tourism, travel, and hospitality sectors.

Swarna Abirami, L I(2020) in her study attempted to discover whether tourism marketing was effective to customers after covid-19 in Kerala and whether customers were willing to go to tourist places after covid-19 and the study also attempted to analyze whether tourism marketing reached the customers through social media as well as checked whether customers were willing to travel after covid-19.

Shadi Ali Al Hrouf and Badaruddin Mohamed (2015) carry out research on nature and characteristics of employees working in the tourism and hospitality industry in Pulau Pinang, Malaysia. The nature and andbehaviour of the employees have been investigated through analysis of documents.

T. D. Hinch and J. E. S. Higham (2001) carry out a study on how sport tourism activities has gone up due to the availability of various sports. Sport

tourism's contribution in all walks of life is somehow there. Research focuses on various branches of sport that act as a tool of tourist .

S. C. Advitot (2015) carry out a research on the existing tourist destinations in and around solapur. The study reflects the inflow of tourist to Solapur compare to Maharashtra state is highest in the month of September. Whereas foreign tourists inflow is very negligible.

Leena Kakkar and Sapna (2012) this study generally focus on impact of tourism on Indian economy and they mainly focus on how India is emerging as a global tourist centre because of innovation and creating value for tourist.The contribution of travel and tourism to country's GDP will grow after passing of time as expected to grow from 4.5% in 2011 to 4.9% in 2021. Simultaneously the contribution of travel and tourism towards employment will grow from 7.5% in 2011 to 8.17% by 2021.

Suman Kumar Dawn and Swati Pal (2011) this research article gives information of various scopes of medical tourism and its strengths and weaknesses in India. They also detect the main problems and opportunities possessed by Indian medical tourism sector which can overcome domestic and international difficulties on upgrading its medical services.

Monica Goyal (2014) analyses whether India is ready for raising medical tourism or not? She mainly focuses on the health care industry and increasing medical tourism in India. She also discusses the availability of potential field in Indian conditions and whether India is fully prepared to handle such large inflow of tourists from various parts of the world. The study points out various potential areas needed to be improved.

(Sikiru & Salisu, 2021) explain that the lockdown and mobility ban due to the COVID-19 pandemic negatively influence the hospitality sector with regard to the travel and tourism stock fluctuations. The analysis also examines the impact of long-standing hedging of gold on travel and tourism stock and concludes that the inclusion of gold for the diversified portfolio reduces the risk on returns during the crisis phase.

S. H. T. Kumudumali (2020) in the research paper Impact of COVID-19 on Tourism Industry: A Review illustrated the adverse effects of COVID-19 on the tourism industry with data available. The findings helped to face challenges in the tourism industry, and strategies to overcome viral infections in the future are recommended.

(Bakar & Rosbi, 2020) study the correlation between the COVID-19 epidemic and the job losses in the world's tourism industry. To measure the economic downfall of the tourism industry, the study employed the demand and supply curve analysis. The results indicate that the COVID-19 fear has dropped the demand for traveling and tourism due to the lockdown and mobility restrictions. As a result, the tourism sector's revenue keeps declining with the decrease in demand as per the demand and supply theory and market equilibrium.

(Chen et al., 2020) studied the post-pandemic effects of the COVID-19 on the tourism industry of china due to the published contents such as newspaper articles. The study uses an automated content analysis approach and invites further studies covering emotional factors related to a health crisis, strategies to control the epidemic, and the advertising content of the tourism products use after the pandemic for health safety. This initiative promotes the SEM enterprises' tourism practices under health and social experts' experiences and increases the future sustainability of the tourism business in China.

## OBJECTIVE

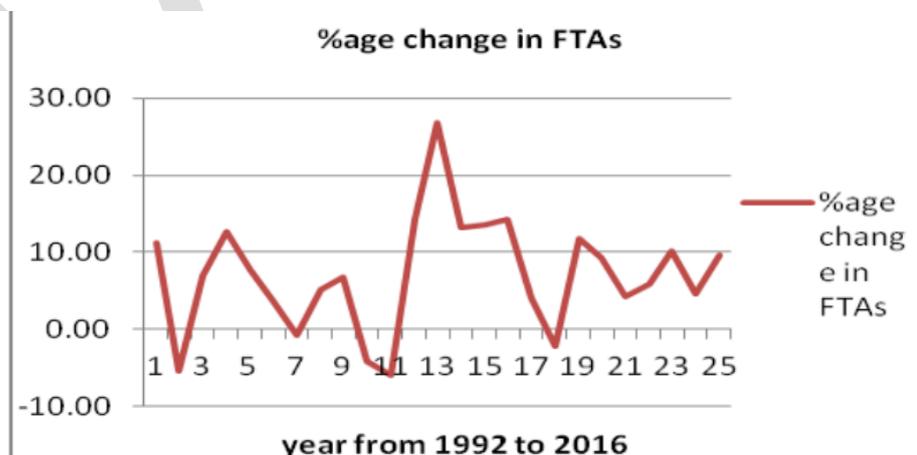
- Trend of tourism during the pandemic in most visited tourist places of India (Agra, Shimla, Amritsar, Goa and Jaipur)
- Declining GDP due to less tourism
- Effect on International tourist arrival and Foreign exchange earning.

## RESEARCH METHODOLOGY

This paper has been analysed the trends, opportunities, challenges and future prospects of tourism in India. It has studied the impact of GDP on tourism and tourism contribution in GDP of India and also examined the impact of tourism.

The research is based on secondary data . Data and information presented in current study are collected from various reports prepared by national and international agencies on COVID-19 pandemic. Information are collected from various authentic websites . Some journals and e-contents relating to impact of COVID-19 on tourism sector are referred.

This paper has used explorative method to draw inferences on the basis of previous literatures and also done trends analysis, to show the short term as well as long term variations exists in the variables taken for the study purpose. The time period for the study has been taken from 1997 to 2021.



Source: Ministry of Tourism, GoI

## Variation in ITA'S

**DATA INTERPRETATION**

India is a vast country with unique cultural, great spiritual heritage and ethical values along with distinct traditions. This exclusive sui generis attract domestic and foreign travelers. Our ethical value says that “Athithi Devo Bhava”, welcomes and pleases the foreign arrivals. Our rich spiritual values including pattern of bhakti- sadhna, yoga, meditation, Indian philosophy allured foreign tourists. The historical and architectural sites, handicrafts, sports events- specially various league matches and tournament, educational facilities, IT industries, cultural events, festivals, fairs wildlife sanctuaries, pilgrim centers, forts, universities, reservoirs ,beaches, temples, national parks, etc in the Country welcomed by peoples around the globe. As above graph shows that there are linear upward trends with steep slope means rapid increasing in foreign tourist arrivals (FTAs) over passage of the time. In 2001, total FTAs were increases to 25,37,282 from 16,77,508 in 1991. However percentage change of FTAs recorded -4.2% in 2001, followed by -6.0 % in 2002. In order, it accounted -2.2% in 2009 after achieving highest growth ever in 2008 by 26.8%. The total FTAs increase all time high in 2016 to 8.8 mn

in whole number along with 9.7% growth of the sector. Foreign Exchange Earnings (FEEs) directly related to FTAs, enrich foreign exchange reserve. FEEs comes from payments made by foreigners on goods and services, required to purchase domestic currency. Business tour is the main source of FEEs. Foreign exchange earnings are depends on comparative exchange rate between destination country and a country from where a tourist belongs to. If exchange rate depreciates (or devaluation takes place), then domestic currency would cheaper than foreign currency (or dollar). Depreciation in INR induces foreign tourist arrivals. It could be seen in 1996, FEEs was 10046 crore falls from highest 84300 (1995) crore in INR terms, even though it in increases in percentage from 18.2% to 19.2. Whilst in dollar earnings increase to USD 2832mn in (9.6%) 1996 from 2583mn (13.7%) in 1995. In percentage it is reverse in comparison to INR. This is happened due to change in foreign exchange rate.

Globally, the COVID-19 outbreak creates a riskier situation in the tourism industry. As many governments impose travel restrictions, the tourism industry faced depression over other sectors in the world.

World	January	February	March	April	May	June	July
Cumulative Cases	9826	85225	799674	3135141	6028755	10273541	17106007
Deaths	213	2921	38516	227741	368973	505311	668910

Source: WHO, 2020

**% CHANGE IN FEE**

The COVID-19 outbreak created critical challenges for the global tourism sector. Thus, UNWTO estimates that global international tourist arrivals could decline between 20 percent to 30 percent with a loss of US\$ 30 to 50 billion. The available data in UNWTO has pointed out a 22% decrease in international tourist arrivals in the first quarter of 2020, with a 57% reduction of tourist arrivals in March. This represents a loss of 67 million

international entries in the first quarter of 2020 compared to the same period last year. In the case of the regions, Asia and the Pacific region, the first region to suffer the impact of COVID-19, experienced a 35% decrease in tourist arrivals in the first quarter of 2020. With a 19% decline in tourist arrivals, Europe was the second-most affected region in the tourism industry.

Year	Tourist Arrivals (thousands)					
	January	February	March	April	May	June
2019	96563	94375	107308	117957	120543	135669
2020	98453	83408	48313	3653	2837	Not available

Source: UNWTO, 2020

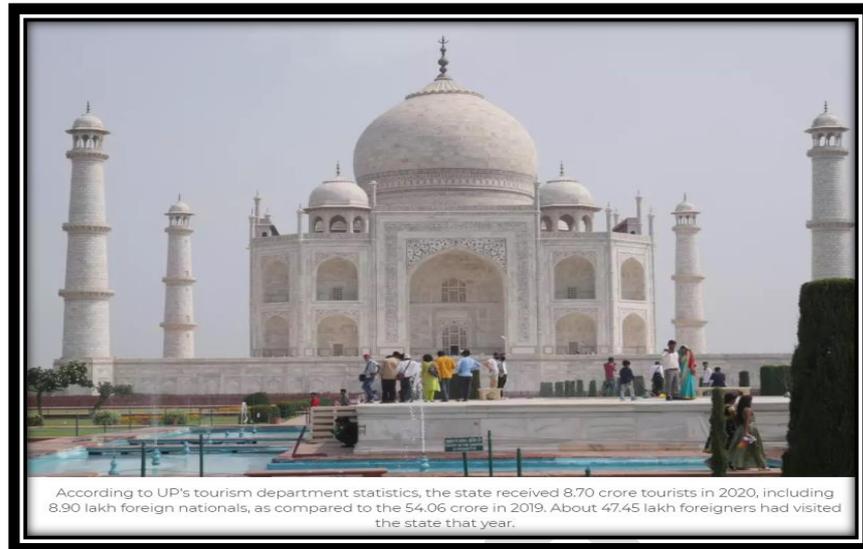
International Tourist Inflow to India March 2020 The following are the important highlights regarding FTAs and FTAs on e-Tourist Visa during the month of March, 2020: Foreign Tourist Arrivals (FTAs):

- FTAs in March 2020 were 3,28,462 as compared to 9,78,236 in March 2019 registering a growth of -66.4%.
- FTAs during the period January-March 2020 were 24,62,244 as compared to 31,79,792 in January-March 2019 registering a growth of -22.6%.
- The percentage share of Foreign Tourist Arrivals in India during March 2020 among the top 15 source countries was highest from Bangladesh (26.07%) followed by UK (10.63%), USA (10.03%), Russian Fed (5.12%), Canada (4.12%), Sri Lanka (3.98%), Malaysia (3.14%), Australia (2.64%), France (2.50%), Germany (2.31%), Nepal (2.24%), Thailand (1.95%), Afghanistan (1.66%), Myanmar (1.56%) and Singapore (1.49%).
- The percentage share of Foreign Tourist Arrivals in India during March 2020 among the top 15 ports was highest at Delhi Airport (28.39%) followed by Mumbai Airport (11.57%), Haridaspur Land Check Post (11.56%), Chennai Airport (6.32%), Goa Airport (5.56%), Kolkata Airport (4.24%),

Bengaluru Airport (3.64), Gede Rail Land Check Post (2.95%), Ghojadanga Land Check Post (2.67%), Sonauli Land Check Post (2.45%), Hyderabad Airport (2.11%), Cochin Airport (1.95), Amritsar Airport (1.92%), Ahmedabad Airport (1.72%) and Trichy Airport (1.29%).

#### **Trend of tourism during the pandemic in most visited tourist places of India (Agra, Shimla, Amritsar, Goa and Jaipur)**

Agra- Pandemic struck tourism industry of Agra heaved a sigh of relief after its opening . Now those connected to the tourism Industry are hoping for a reversal in the fortunes, which were hit with a whopping drop of 84% in tourist footfall in UP 2020. In Agra the footfall dipped by 75% as the three world heritage sites remained closed for almost 9 months. In 2019, 1.08 crore tourists including 16.80 lakh foreigners visited Agra ; the numbers came down to 26.97 lakh, including 4.47 lakh foreigners in 2020. Agra alone has seen a loss of over Rs. 800 Crore in revenue between the two lockdowns and over 5500 people have lost their jobs in the hospitality sector alone.



**Shimla**- Hit by the Covid pandemic and lockdowns, the tourism sector in Himachal witnessed an unprecedented fall of 81.4 per cent in tourist arrivals during 2020 as compared to the preceding year (2019). The state received 31,70,714 domestic and 42,665 foreign tourists in 2020 compared to 1,68,29,231 domestic and 3,82,876 foreign tourists in 2019, a drop of 81.6 per cent and 88.86 per cent respectively. The tourist arrival was minimal in the peak tourist season from April to June and the total number of domestic and foreign tourists was 197 and 60. The comparative figures were 53,62,378 and 1,25,399 in 2019. The impact of the lockdown can be gauged from the fact that out of total 31,70,714 domestic and 42,665 foreign tourists who visited the state during 2020, the pre-lockdown months of January, February and March accounted for 21,63,634 domestic and 31,648 foreigners. The figures imply that only 10,07,080 domestic and 11,017 foreigners visited the state from April to December. The maximum number of 21,111 foreign tourists visited Shimla district while Kangra, Kullu and Solan districts received 9,921, 7,080 and 3,228 foreign guests. Even after the

lockdown and relaxations in Covid pandemic restrictions, only 9,26,444 tourists visited the state in October, November and December against 24,97,715 in the corresponding months in 2019. The tourism associations blame decisions like night curfew and closing markets on Sundays for poor inflow of tourists. The tourism and allied industry has suffered a loss of Rs 2,500 crore (approx) in 2020, said president, Manali Hoteliers Association, Anup Thakur. Losses between March and October were over 95 per cent, said president, Federation of Himachal Hotels and Restaurant Associations, Ashwani Bamba. As per the data with the Tourism Department, the state breached the one crore mark in 2009 with 1,14,37,155 tourists visiting the state while the highest number of 1,96,01,533 tourists visited the state in 2017. There was a gradual increase in tourist inflow from 2009 barring 2013 and 2018 when a negative trend was witnessed, but 2020 was the worst. However, the statistics do not reflect the exact number of tourists as tourists visiting more than one place are counted separately while the number of tourists staying in illegal hotels and other accommodations are not accounted for.

VISITORS' INFLOW IN PAST 12 YEARS		
Year	Total inflow	Foreign tourists
2009	1,14,37,155	4,00,583
2010	1,32,65,602	4,53,616
2011	1,50,89,401	4,84,518
2012	1,61,46,332	5,00,284
2013	1,51,29,835	4,14,249
2014	1,63,14,400	3,89,699
2015	1,75,31,153	4,06,108
2016	1,84,50,520	4,52,770
2017	1,96,01,533	4,70,992
2018	1,64,50,503	3,56,568
2019	1,68,29,231	3,82,876
2020	32,13,379	42,665

**Goa-** Goa Tourism Development Corporation conducted a state wide survey through KPMG to assess the impact of Covid-19 on Goa Tourism. As per the survey, the overall industry loss during lockdown has been estimated at ₹2,062 crore. Potential loss for the 2020-21 season has been pegged at ₹7,239 crore and the potential job cuts were to the tune of 1.22 lakh (58%). Goa's tourism sector directly contributes 16.43% towards the state's Gross Domestic Product (GDP) and also provides employment to nearly 35% of the state's population that is dependent on the sector, according to official estimates.

**Jaipur-** the tourist influx since March in the desert state has been considerably low. The data on tourist arrivals from the Rajasthan tourism department, shared with *The Wire*, shows that in 2020, the state has seen a fall of 69.3% in Indian tourist arrivals. Last year, 3,96,85,822 Indian tourists had visited various places in Rajasthan while this year, the number stood at 1,21,75,524. Similarly, this year, the foreign tourist arrivals also dropped by 59.54%, as compared to 2019. Last year, 10,92,724 foreigners had visited the state while only 4,42,011 foreigners could arrive this year, that too before the national lockdown was imposed in March. Between January and March this year, Indian tourist arrivals stood at 1,14,26,296 (93.84%) out of the 1,21,75,524 cumulative Indian tourist arrivals till September in 2020. The foreign tourist arrivals during this period stood at 4,39,689 (99.47%) out of the 4,42,011 total foreign tourist arrivals till September this year.

**Amritsar-** The tourism and hospitality industry in Amritsar is staring at a bleak future in the wake of the lockdown imposed due to the outbreak of the Covid-19 pandemic. Before the lockdown, the district had an average footfall of nearly 1 lakh domestic and international tourists on weekdays, and 1.5 lakh on weekends, according to the Punjab tourism department.

### **SUGGESTIONS/RECOMMENDATIONS**

Term measures are the instant actions required to revitalise the tourism industry by pulling it from financial quicksand. To some extent, these efforts will rescue the tourism sector from the recent problems created by COVID-19:

All sub-sectors of the tourism industry are looking for their minimum survival and are waiting for interim relief to pay salaries, Equated Monthly Instalment (EMI), interest, etc. The banks have already declared that all banks and Non-Banking Financial Companies (NBFCs) are eligible to allow a moratorium to the tune of three months on loans. However, the Indian Confederation of Commerce (ICC) suggested that, given the amount of damage, the government should extend this to at least six more months;

In addition, the ICC advised that there should be a six to nine month moratorium, not only on all principal and interest payments but also on tax payments. There should also be a deferment of advances and overdrafts; A prominent suggestion also offered by the ICC was that a complete Goods and Service Tax (GST) holiday for a period of 12 months must be given to the tourism industry to ensure its survival;

On their part, the government of India announced 1.7 lakh crore (Indian Rupee) as a special package for the sectors that were badly affected by COVID-19. However, experts and business fraternities suggested that the Indian government should increase the assistance amount to 2.5 lakh crore;

In the wake of the Coronavirus outbreak, the ICC asked the Reserve Bank of India (RBI) to ease the working capital crunch of India's tourism. In addition, ICC suggested that, for the Indian tourism industry, the banks should clear the credits faster, particularly for the benefit of the travel and hospitality segments;

Experts in the tourism sector suggested a subvention on term loans and loans offered in the name of working capital, or the interest rate should be reduced; Moreover, the ICC strongly suggested an excise exemption (particularly for liquor), the removal of fees for permit renewal of any forthcoming licenses exclusively in the tourism industry of India;

Further, the authorities suggested the transfer of funds from the Mahatma Gandhi National Rural Employment Guarantee Scheme to the tourism industry to manage outstanding salaries.

The government of India should help the healthcare accreditation agencies in developed and developing countries to offer fitness certificates for visa purposes; this will encourage foreign tourists to visit India's tourist areas. Every tourist should obtain a certificate from their home country and produce it at the time of immigration; this will create a win-win situation; The government of India and tourism authorities should ensure a great level of safety and security measures at all levels for both domestic and foreign tourists. Preferably, those authorities should target domestic tourists first and then slowly focus on international tourists; this is because international fraternities will take time to visit India.

## **CONCLUSION**

This study focuses on the impact of the COVID-19 outbreak on the world tourism industry. The outbreak of COVID-19 is a novel pandemic that severely impacted the lifestyle of the majority of people across the globe. The critical economic shock to every person and every industry in most countries is the most common feature of the novel coronavirus. COVID-19 has a significant impact on economic growth worldwide and creates an economic recession due to quarantines, travel restrictions, and social distancing. The United Nations World Tourism Organization (UNWTO) reported that the 100% travel restrictions on global destinations in 2020 had the hardest hit on the tourism industry, compared to the other trades. Previous scholars also evaluated the negative impact of a virus outbreak on the tourism industry. The unavailability of sufficient data regarding the outbreak of COVID-19 is more challenging to point out a specific influence on the tourism industry. The study found the decline of International tourist arrivals and FEE in the world and regions in the world in 2020. It also further evaluated a sudden decrease in the air travel industry, hotel industry, and employment. The result of our study revealed that COVID-19 has harshly impacted the global economy. Tourism is one of the sectors that has been badly affected by the spread of the disease. Not only in developing countries, but also in developed countries, the tourism sector is fighting for its survival as a result of the COVID-19 pandemic. In India, due to the rapid spread of the novel virus, both domestic and foreign tourists cancelled their planned trips. Consequently, most of flights were cancelled, hotels and restaurants were closed, and residencies were empty. A sizable number of people, who are directly and indirectly dependent on the tourism sector, have lost their jobs and again came into the vicious circle of poverty. In total, the intensification of COVID-19 has negatively impacted the Indian economy at a larger extent and posed both short- and long-term challenges.

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