

# International Journal of INNOVATION AND KNOWLEDGE MANAGEMENT IN MIDDLE EAST AND NORTH AFRICA (IJKMMENA)



V8 • Nos.1/2 • 2020

IJKMMENA is abstracted and indexed by:  
ABI/Inform (ProQuest), Cabell's Directory of  
Publishing Opportunities, Crossref, British  
Library and most top universities across the  
world such as Oxford, Harvard, Cambridge,  
London, etc.

تنشر بالتعاون مع المنظمة العالمية للتنمية المستدامة

ISSN: 2042-5988 (Print); 2042-5996 (Online)

[www.mekei.org](http://www.mekei.org)



 Middle-Eastern-Knowledge-Economy-Institute  
 Middle Eastern Knowledge Economy Institute - MEKEI  
 MEKEI\_news

# International Journal of Innovation & Knowledge Management in MENA

## Effect and Impact of the Coronavirus Pandemic (COVID19-) on Tourism Industry in India: A review



**WASD**  
WORLD ASSOCIATION FOR  
SUSTAINABLE DEVELOPMENT

معهد الشرق الأوسط للاقتصاد المبني على المعرفة  
MIDDLE EASTERN KNOWLEDGE ECONOMY INSTITUTE



***Dr. Abdul Jamal***

Faculty Member, Department of Economics, The New College (University of Madras), India  
e-mail: abduljamal@gmail.com



***Dr. Arumugam Sankaran***

Faculty Member, Department of Economics, Pondicherry University, Pondicherry, India  
e-mail: sankaranecopu@gmail.com



***Dr. Shahul Hameed***

Faculty Member, TeWānanga o Aotearoa, Mangere, New Zealand  
e-mail: shahul.hameed@twoa.ac.nz



***Dr. Siham El-Kafafi***

Director and Research & Business Consultant: Arrows Research Consultancy Limited, New Zealand  
e-mail: selkafafi@gmail.com



***Dr. Yasmeen Sultana***

Faculty Member, Department of Economics, Pondicherry University, Pondicherry, India  
e-mail: yasmin.sultana@gmail.com

## **Abstract**

### **Purpose**

The rapid outbreak of coronavirus (COVID-19) not only affected the global economy on a massive scale but also challenged human life. The rapid spread of the virus modified normal economic activities and pushed some production centres into vicious circles. As per the World Health Organization's (WHO) dashboard report, this dangerous virus pandemic has resulted in over 4.3 million confirmed cases and over 549,000 deaths (9 July 2020). In the case of India, tourism is one of the evergreen industries, contributing 9.3% to gross domestic product (GDP) in 2018; this was expected to increase to around 10% by 2028 (WTTC, 2020). However, the outbreak of this virus paralysed the tourism industry by threatening both global and domestic tourists. Against this background, the key objective of this research is to explore the impact of COVID-19 in the Indian context with statistical evidence. Further, the secondary objective of the present study is to offer probable solutions based on the key insights observed from different sources.

### **Design/Methodology/Approach**

The existing body of literature portrays that the continuous spread of COVID-19 has converted the tourism industry into a more or less inanimate sector, and the people directly and indirectly depending on the tourism sector fell into a vicious circle of poverty. Therefore, in order to examine the impact of COVID-19 on the tourism sector, a descriptive method has been used in this study. In order to display a clear spectrum on the impact in the tourism industry, both qualitative and quantitative data have been used. The necessary information is sourced from published articles, reports published by global level organisations and websites. The collected data are critically analysed to observe the clear picture about the above mentioned issues. The probable solutions are presented; these are derived from the ground realities and envisaged from governments' reports.

## Findings

The present research found that COVID-19 has paralysed the tourism industry of both developed and developing countries. Mention should be made here about tourism driven countries that have lost their people's livelihood and are fighting for their minimum survival. In the Indian context, COVID-19 not only affected the tourism industry as a whole but the penetration of effects is severe in ancillary industries such as hotels, restaurants, markets in tourist areas and travel industries. Ultimately, there has been a downturn trend of GDP, and the lives of people have been put in doubt.

## Research limitations/implications

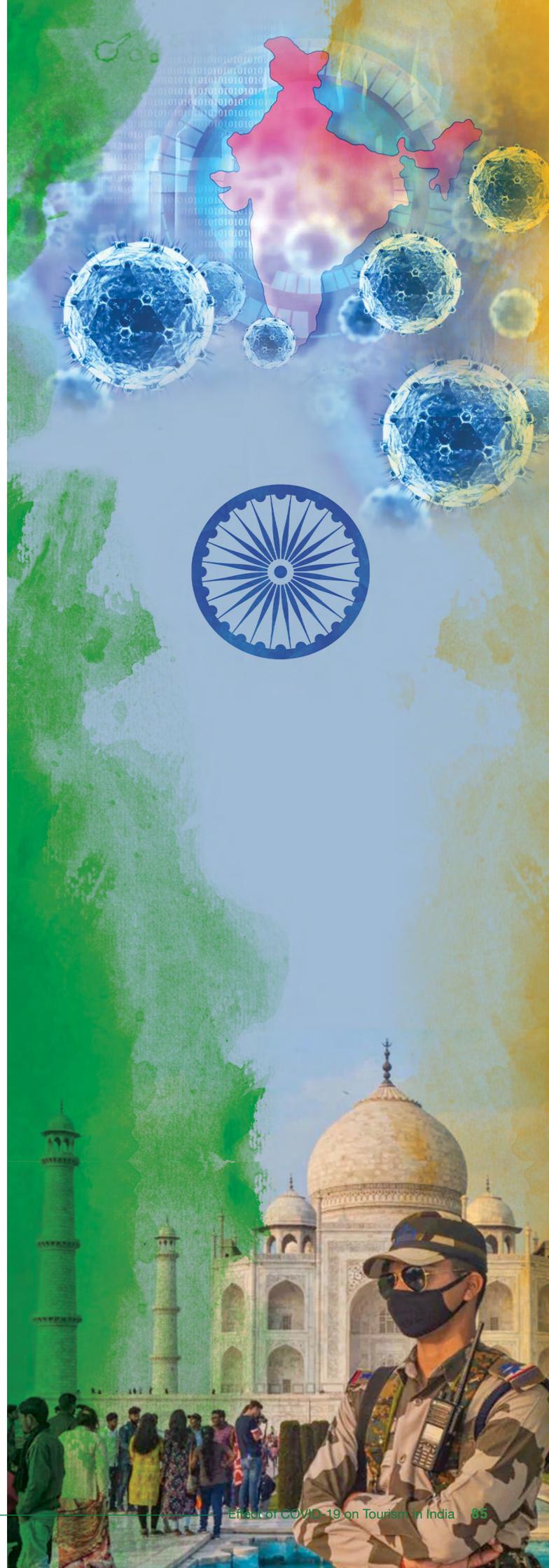
As datasets and high-quality materials are very limited in this area, the present study relies mostly on Internet sources and a few published articles. Although the present study presented a broad spectrum about the impact of COVID-19 on global tourism, the main focus of the paper is to measure the impact in the Indian context.

## Originality/Value

To the best of the researchers' knowledge, this is the first study from the Indian context to shed some light on the impact of COVID-19 on the tourism industry. The content of the paper is a broad spectrum about the above mentioned issues and the suggestions of the study will be useful for policy modelling.

### Keywords

Tourism Industry, COVID-19, Pandemic, Economic Impact, Social Distancing, Quarantine.



# Introduction

The world is still coming to terms with the COVID-19 outbreak, especially towards the containment of collateral damage in different sectors of the economy. Things taken as guaranteed may not be in place and, no doubt, the pandemic will affect the world as we know it. The impact been clearly seen: there is no production, distribution and mobility of people for economic activities as there is partial or complete shutdown in most parts of the world. In fact, in real terms, the overall impact created by the Coronavirus on business, economic growth and ultimately human life is inestimable, not only in the short run but also in the long run as a result of uncertainty as things evolve. Although some experts and analysts expect that the global economy will rebound, at least in the latter part of 2020, the exact timeline for the revival of the global economy cannot be firm until the issue is controlled around the world.

Immediately after the declaration on 11 March 2020 by the World Health Organization (WHO) of COVID-19 as a pandemic, more or less all economic activities were closed (WHO Website). Like a bolt from the blue, the New Year turned out to be a trying time for healthcare providers across the world. Reflecting as months passed worldwide, the dread and fear of COVID-19 went on spreading. Border-closures, quarantine, sanitisers, thermal-scanning, self-isolation, work-from home, N95 masks, etc., became the buzzwords, and all print-media, electronic-media, social-networks, blogs, posts and awareness campaigns highlighted self-reporting, self-hygiene, safe social distancing, etc.; in turn across countries, fear of COVID-19 has been growing in the citizens. With each day, the number of COVID-19 affected people spiralled up and the number of COVID-19 deaths increased steadily; the daunting task in front of all administrative bodies was to reach the remote and extensive parts of the country, and often across geographies, through the sharing of connected synced patient care information.

Together with the energy sector, the tourism industry is in a predominant position in generating employment opportunities (ILO, 2020a; WTTC,

2020). Unlike the energy sector, however, tourism is less of a necessity while at the same time being very sensitive to external shocks, such as the COVID-19 pandemic. Therefore, the uncertainty created by the Coronavirus needs special attention in the form of scientific research to measure the exact effect of COVID-19 on the tourism sector. It should look at recovery measures, the future of the tourism industry, and strategic plans to be implemented to make the hospitality, tourism and travel industries dynamic and sustainable in the future. A number of academic efforts have been made by scholars and academicians in the past few months, published in the form of research articles. They include real effect, medical perspectives, economic impact, and sectoral performance during the Coronavirus pandemic. Among others, the contribution of the Organisation for Economic Cooperation and Development (OECD) (2020b), the United Nations Department of Economic and Social Affairs (UN DESA) (2020), Chang et al. (2020), Sigala (2020) and McAleer (2020) are worth noting.

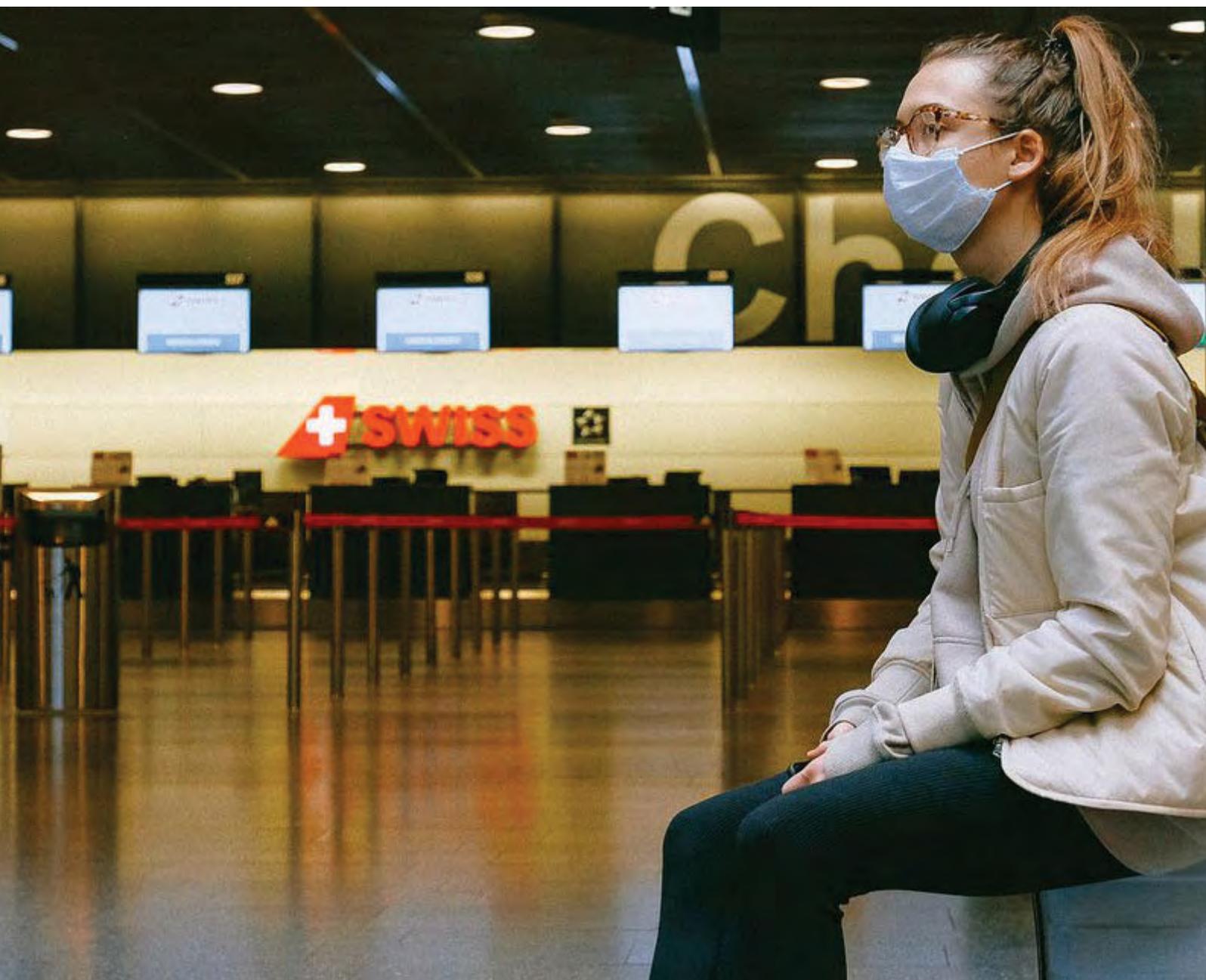
OECD (2020a) reports stated that the COVID-19 crisis is “first and foremost, a humanitarian crisis affecting people’s lives” and that “this has very tangible impacts for the tourism sector, which is critical for many people, places and businesses”. At the same time, the OECD (2020a) report stated that tourism “directly supports numerous types

“a leading job creator, and in normal circumstances can help provide diverse employment opportunities for many low skilled immigrants, women, students and older workers” particularly “in remote, rural, coastal and other often economically fragile locations where alternative opportunities may be limited”.

of jobs and businesses and underpins many local communities”. In addition, it is:

The COVID-19 pandemic has damaged the channels of sustainable development, particularly in countries striving for substantial economic growth through the development of tourism.

More specifically, in less developed countries,



where the contribution of the tourism sector accounts for around 50% of their GDP (for instance, the Maldives, the Seychelles, Grenada, and St Kitts and Nevis), the impact is very severe. Among the impacts of COVID-19 on the tourism sector, job losses are considerable as, in those nations, the majority of the people depend on the informal tourism industry for their minimum survival. The recent problem caused the disappearance of entire job opportunities and ultimately the people entered into a malicious circle of poverty. Further, as a result of the cascading socio-economic problems, the situation is becoming further aggravated. Globaldata Travel and Tourism (2020) documented from China's perspective that China's business layer has already reached a degraded state. At the same time, the luxury hotels, airlines and shipping companies are in a critical situation as a result of the

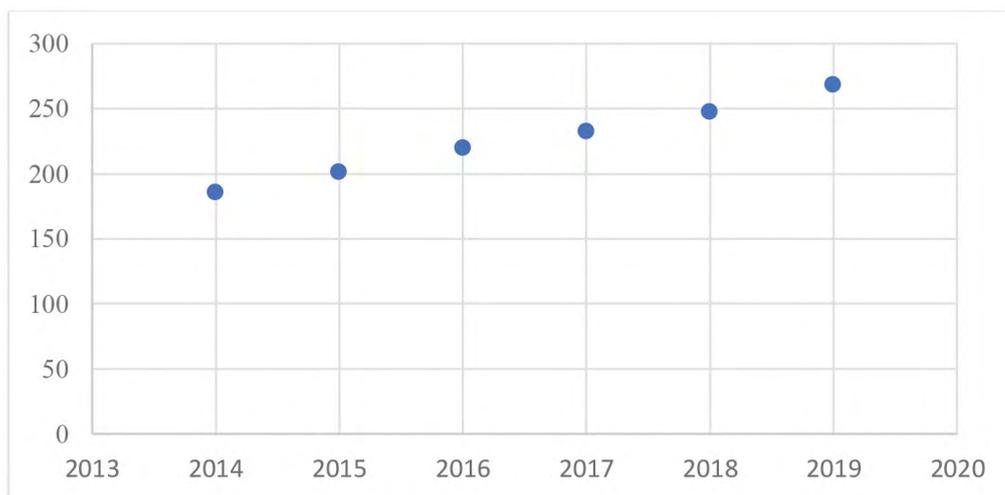
COVID-19 pandemic. Therefore, it can be revealed that the Coronavirus pandemic has not only taken thousands of lives but also made the tourism industry in this region vulnerable.

The above cited issue needs special attention; therefore, there should be scientific research to scrutinise the impact of COVID-19 on the tourism industry. Therefore, from the backdrop of the above mentioned realities, the present research attempted to describe how the COVID-19 pandemic has affected the tourism industry in India over the past few months. In addition, the study is an attempt to predict the future impact on the tourism industry and offer probable solutions to restore the tourism industry.

# Background of India's Tourism

Peninsular India is one of the largest democratic countries in the world. The economic composition, civilisation, culture, natural and artificial beauties, ecosystem, and locational advantages attract the attention of both domestic and foreign tourists. The recent experience of the area showed that there have been amazing improvements in transportation, hotels, accommodation, restaurants and tourism-related markets in India. As a vibrant segment of the economy, tourism is not only a potential source of employment generation, but also a substantial source for foreign exchange earnings. According

to the World Travel and Tourism Council (WTTC), India's tourism in 2018 was in third position out of 185 countries with respect to the contribution to the nation's total GDP. From 2019 records, this sector obtained US\$29.96 billion, reflecting a 4.8% growth when compared to the previous year; it reached US\$5.40 billion in the first part of 2020. India is in 34th place in terms of tourism competitiveness (IBEF, 2020). In addition, the significance of this sector to the nation's overall economy can be seen in Figure 1 below.



**Figure 1: Direct Contribution of Tourism and Hospitality to GDP (US\$ bn)**

Source: Prepared by author from Government of India data

Recent trends in the tourism sector revealed that India has been blessed by digital instruments for tourism-related activities, such as tourism planning, selecting destinations and making the journey. Domestic tourists are the support system of the Indian tourism industry, and it is a stylised fact that the increasing size of the middle income group and their disposable income extends their support for the development of the tourism sector. The authentic statistics published by both governments of India and the tourism department revealed that, in 2019, a total of 10.89 million foreign tourists visited India,

accounting for a 3.2% growth. Mention should be made here that this sector has accommodated 4.2 crore people, which is 8.1% of the nation's total employment during the 2019. In fact, this is an incredible achievement in a populous country like India, where people are striving for employment and a higher income. Official predictions reported that this sector may generate 52.3 million job opportunities by 2028 (DPIIT, 2020). Unfortunately, COVID-19 entered the tourism map of India and the system collapsed.

## Previous Studies

Although tourism is a vibrant industry, supporting the socio-economic development of a nation, it is subject to misfortune over the course of development. Climate change, low per capita income and terrorism are the major disturbing factors of the tourism sector; the spread of diseases is another prime factor. For instance, the outbreak of the SARS virus in 2003 and Ebola virus in 2014-2015 created a series of repercussion effects in the tourism sector (Zeng et al., 2005; Kongoley-

MIH, 2015). The recent outbreak of Coronavirus challenged almost all segments of the entire world. Due to its fatal nature, all economic activities were paralysed for a considerable period. Although there is much literature on the tourism industry, studies in connection with the impact of Coronavirus on the tourism industry are very limited. The present study classifies the existing literature into two areas:

- (i) the view of leading organisations, experts and governments; and
- (ii) the result of empirical studies.

With respect to the first area, Mr Kristalina Georgieva, Managing Director of the International Monetary Fund (IMF), rightly pointed out that the catastrophe created by Coronavirus is “a crisis like no other”. It has a demoralising impact on global macroeconomics in general and the sectoral economy in particular (Segal and Gerstel, 2020). Tourism is not an ignored area of the Coronavirus pandemic, which posed an unmanageable challenge for the tourism industry around the world (OECD, 2020b). Within a short span of time, the tourism framework shifted to non-tourism (Gössling et al., 2020) from over tourism (Seraphin et al., 2018; Dodds and Butler, 2019). The United Nations World Tourism Organization (UNWTO) (2020) argues that tourism is one of the worst affected sectors. Few studies have attempted to assess the impact of COVID-19 on the tourism industry. Among the available studies, OECD’s (2020b) projected statistics exposed that the tourism industry may decline between 45% and 70%, and the efforts needed to obtain overall economic recovery may delay the revival of the tourism industry further. The UNWTO (2020) reported that, because of the pandemic, the number of international tourists declined 1-3% when compared to the previous year (2019).

The Secretary-General UNWTO (2020) stated that because of the sudden fall in global tourism demand because of COVID-19, millions of jobs and livelihoods in the tourism industry became

unsustainable. The view of the Secretary-General UNWTO (2020) is consistent with the International Labour Organization (ILO) (2020b), which highlights that the above mentioned problems led to downsizing in the total number of members employed in the tourism sector. UN DESA (2020) underscored that COVID-19 affected the livelihood of low income workers and vulnerable sections who are dependent on the tourism industry in tourism-driven countries; overall, jobs in the tourism industry have decreased sharply. According to Allas et al. (2020), in the United States jobs in food services and accommodation, which constitutes about 20% of the total jobs available, are in a vulnerable position due to social distancing. Gössling et al. (2020) reported that COVID-19 hit the tourism sector severely when compared to other key sectors such as shipping, seafood, oil and gas. Neisdadt (2020) computed the financial loss caused by COVID-19 in the tourism industry for European countries. The estimated result revealed that the tourism industry in the European Union alone would lose around €1 billion. The tourism industry of Asian countries has been affected significantly. For instance, the Official Record of Malaysia revealed that the total loss for the tourism industry was RM3.37 billion during the first two months of 2020 (Dzulkiyly, 2020).

Among the few empirical works, Baum and Hai (2020) argued that the tourism and hospitality industries are the parts of a society that have been affected by COVID-19 on a large scale. Davies

(2020) revealed that, because of a significant panic created by COVID-19 worldwide, there is a significant long-term impact on the tourism industry in China. In fact, the Chinese are not willing/allowed to visit other countries' tourist points, and other countries' visitors are hesitant to visit China due to the spread of the Coronavirus. The view of Davies (2020) corroborates the opinion of Jennings (2020) about China's tourism sector. In another study focused on China, Koe (2020) mentioned that not only hotels and restaurants are empty but also the transport industry, which is closely associated with the tourism industry, experienced losses, also due to the rapid spread of Coronavirus in China. Hoque et al. (2020) reported that the negative feelings experienced because of Coronavirus threatened international tourists. Most foreign tourists who were to visit China have cancelled their trip; this had a negative effect on the subsectors associated with tourism.

Finally, government reports stated that the above mentioned problems created repercussions in the tourism industry at both domestic and international levels. Articulating on the two different assessments, Karim et al. (2020) and Ying (2020) all stated that the impact on the tourism and hospitality industries in Malaysia was due to the worldwide spread of COVID-19. In addition, there is a considerable downturn trend in air travel, and employees in hotels, restaurants and other subsectors of the tourism industry have been forced to opt for unpaid leave (Aldaihani and Ali, 2018). Tan (2020) argues that aviation is one of the segments that has been severely affected by the spread of coronavirus. In particular, the Malaysian airlines have seen a decreasing trend in travel to and from China's tourist areas. Because of the decrease in passenger demand, this sector experienced a substantial revenue loss within a short span of time.

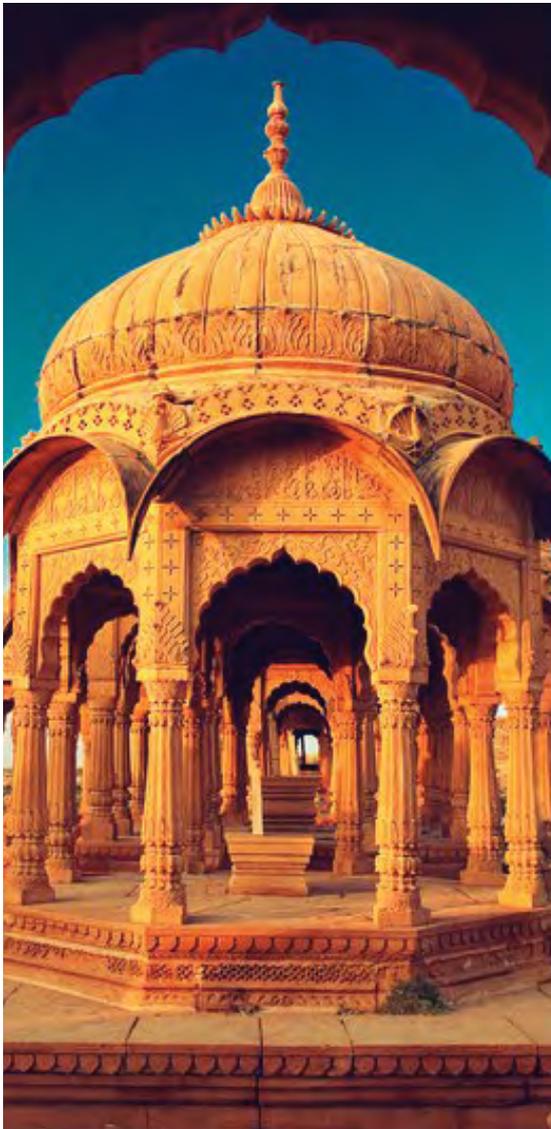
Using supply and demand curves, Bakar and Rosbi (2020) computed the economic changes in the tourism industry due to COVID-19. The fear created by COVID-19 caused a huge decline in the tourism industry. Therefore, the value of the tourism sector has been decreasing continuously on a par with decreasing demand around the world. The fast spread of Coronavirus led to social distancing, which in turn lowered the total number

of consumers in the tourism industry, air and sea travel, and restaurants. This trend created a negative effect causing operational costs and prices in those subsectors to increase substantially (Walton, 2020).

The view of Jones and Comfort (2020) slightly differed from others' interpretation. They state that the COVID-19 pandemic not only challenged the tourism industry but also signalled a degree of change in the environment that may affect the world's development patterns. Although few studies pursued the above mentioned issues in different parts of the world, a scientific assessment on the impact of Coronavirus on the tourism industry in the Indian context does not exist. Therefore, the present study is an effort to fill gaps existing in the literature.



## Objective and Methods



Tourism has been a fascinating area of research for the past few decades. Due to its forward and backward linkages and contribution to employment and GDP, an increasing number of scholars have diverted their attention to tourism-related research. In addition, the development of tourism has a predominant place in the development agenda of most nations. The recent outbreak of Coronavirus affected the total economic condition of India. As a large and densely populated nation, containing the spread of the virus became a challenging task for the government. As this issue demolished the confidence of both domestic and international

tourists, there has been a downturn trend of tourist flow. As a result, flights have been cancelled, hotels and other travel industries have closed. Tourism is, therefore, one of the most affected sectors in the Indian economy, as both domestic and foreign visitors are endangered by Coronavirus. Due to the penetration of the negative impact of Coronavirus in all sub-sectors, and the diversion of the government's attention from development activities to curbing the spread of the virus, there is a considerable level of deceleration in the nation's GDP.

Under such a critical circumstance, apprising the impact of Coronavirus on the tourism industry with statistical evidence, and putting forward scientific suggestions to restore the tourism industry, will give new life to the evergreen tourism industry. Although a few studies have researched the impact of COVID-19 on tourism, a systematic assessment on the above mentioned issue in the Indian context is missing in the literature. Therefore, in order to fill the gap and to offer suitable suggestions to policymakers, the present study is an attempt to document the impact of COVID-19 on India's tourism industry; it is conceptual in nature. In order to execute the current study, both qualitative and quantitative data were collected from various sources, such as published articles, periodicals, government reports, and websites regarding the different facets on the impact of Coronavirus. At the same time, special attention was given to the impact of COVID-19 on the tourism industry in general, and in the Indian context in particular. Using conceptual analysis, the present study attempts to articulate the impact of Coronavirus not only on the aggregate level tourism industry, but also in each and every segment of the tourism sectors. These include the travel industry, hotel industry, resituate, markets, and employment and the livelihood of the people that depend on the tourism industry. Therefore, the recommendations offered by this research article should serve the purpose and fulfil the expectations of the policymakers. Further, the recommendations may be applicable to other developing countries that are similar to India.

# COVID-19 and India's Tourism

According to UN DESA (2020), the impact of COVID-19 on the tourism industry is as follows:

“many tourism dependent countries rely heavily on tourist arrivals from a particular country—the United States, for example—as in the case of many Caribbean countries. These economies would experience sharp increases in unemployment rates affecting the livelihood of low-skilled workers and the more vulnerable segments of society that depend on income from tourism-related activities”.

UNWTO (2020) reported the impact of the recent crisis on international tourism as: “the unparalleled and fast-evolving nature of the crisis, it is extremely challenging to estimate the impact of COVID-19 on international tourism”: they estimated that “international tourist arrivals could decline by 20% to 30% in 2020”. In addition, UNWTO (2020) computed that the monetary loss of COVID-19 would be US\$300-450 billion with respect to international tourism receipts. OECD (2020a) disclosed that the impact of COVID-19 on international tourism could be a loss of between 45% and 70%, which is more pessimistic than that of the UNWTO.

The sectoral impact of COVID-19 is as follows. The

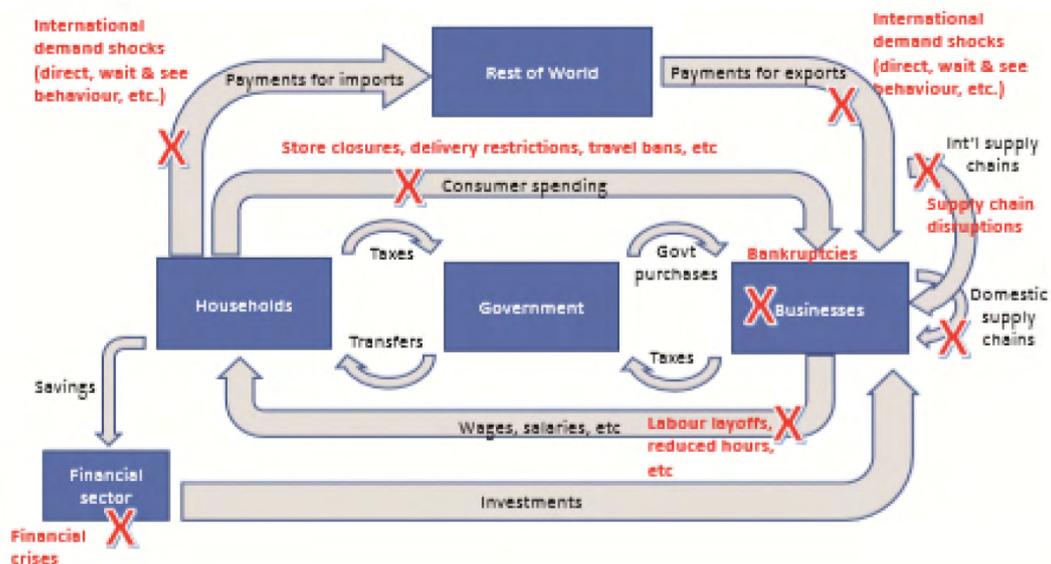
most apparent and instant impact of COVID-19 can be seen in the sub-segments of the tourism industry around the world. In fact, the immediate shock emerged in all the geographical segments of tourism. It can be seen that the hotel and tourism sector in all geographical areas is strongly threatened both by the virus and the restrictions imposed by governments to control the spread of the novel virus. As a result of the restrictions imposed, from global level agencies such as the WHO up to the local authorities, flights have been cancelled, conferences have been postponed, hotel bookings have been negated, and almost all restaurants and markets in tourism localities are empty. With respect



to India, the situation was worse. The Ministry of Civil Aviation of India witnessed that around 30% of international tourists immediately cancelled their trip amid fears of the effects of COVID-19.

In India, the summer vacation is the suitable period for leisure tourism; the entire tourism sector uses this period to obtain a temporary boom in income. However, the situation was different at the end of 2019 and the first phase of 2020 in that both domestic and foreign tourists that had planned trips to attractive destinations, such as Delhi, Amritsar, Kerala, Coimbatore, Goa, Leh, Guwahati, Srinagar and Rajasthan, cancelled their holidays. The annual report of the Ministry of Tourism revealed that 40-50% of summer bookings have been cancelled. As a result of these shocks, business people,

market places, travel industry, hotels, restaurants, and other sectors connected to tourism have been affected. The statistics available revealed that the Indian tourism sector will generate a total revenue loss of Rs 1.25 trillion in 2020 as a result of COVID-19. Further evidence revealed that the majority of people employed in the tourism sector lost their jobs and have again been pushed into a vicious circle of poverty. The net result of all these negative trends impacted the overall economic development of India. The impact of COVID-19 on the whole economy can be expressed through the flow chart shown in Figure 2.



**Figure 2: Potential Impact of COVID-19 on the Indian Economy**

Source: KPMG (2020)

# Government Initiatives

The Global Tourism Crisis Committee related to COVID-19 held its third virtual meeting on 16 April 2020. The meeting was chaired by the Secretary General UNWTO and included high-level representatives from both public and private sectors, and international organisations such as WHO, International Civil Aviation Organization (ICAO), IATA, WT TC. The Secretary of Tourism highlighted the efforts made by the Ministry of Tourism, Government of India to combat the crisis.

During the meeting, the participants were informed about the initiatives undertaken by UNWTO and other tourism stakeholders to meet the challenge posed by COVID-19. The following is a list of the Indian Ministry of Tourism initiatives conducted to elevate and combat the effect of COVID-19 on the tourism industry in addition to its recommendations to the Ministry of Finance for providing a relief package for the tourism sector:

- The Ministry of Tourism launched the 'Dekho ApnaDesh' web-series with a view to create awareness about tourist destinations in the country. Twenty-six webinars covering lesser-known tourist destinations and promoting the concept of responsible tourism were held in April 2020. Approximately 42,000 people registered for the webinars, which were well received by the travel industry, students and the public (Ministry of Tourism, 2020);
- An 'Extraordinary Tourism Ministers Virtual Meeting of the G-20' chaired by H.E. Minister of Tourism, Kingdom of Saudi Arabia was held on 24 April 2020. The purpose of the meeting was to facilitate collaborative action to protect tourism businesses and jobs, and support visitors in meeting the unprecedented challenge posed by COVID-19. The Ministry of Tourism and Government of India participated and took suggestions on measures that could be taken to revive the confidence of the industry, consumers and stakeholders;  
The Ministry of Tourism set up a portal 'Stranded in India' aiming to facilitate and extend support to foreign tourists who were stranded because of the cancellation of flights and the lockdown. The site also provided Helpline numbers of the Ministry of Health & Family Welfare, Bureau of Immigration, Ministry of Tourism, and Ministry of External Affairs. A total of 2,142 foreign tourists have sought assistance through the portal up to 30 April 2020;  
The Ministry of Tourism circulated and disseminated information on all travel-related advice and guidelines, issued by the Ministry of Health and Family Welfare and other Ministries/Organizations. This related to various steps to be taken by tourists, hotels and other stakeholders in all travel and hospitality associations;  
Hotel associations were advised not to deny accommodation to foreign tourists and to follow required procedures prescribed by the Ministry of Health and Family Welfare. OYO Hotels collaborated by opening up their accommodation units across the country for stranded tourists. This information was shared with States/UTs, Embassies and others in order to utilise the accommodation units for tourists;  
The India Tourism Development Corporation Ltd advised accommodating tourists in the Samrat Hotel in Delhi; this was done as and when required. A total of 72 foreign tourists checked into Hotel Samrat from 1 March 2020 to 31 March 2020;
- The Minister of State for Tourism and Culture launched the Incredible India Website in Chinese, Arabic and Spanish to attract tourists from these regions. The function was attended by senior officials of the Ministry, foreign delegates and stakeholders of the tourism industry.

# Short-term Measures

Short-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.



## Long Term Measures

Long-term measures will enable the tourism industry to recover from the recent COVID-19 pandemic and protect the sector from further external problems in future. Although the gestation period is longer, the positive effects of these measures can be observed even in the shortest possible time-limit:

- The first and foremost aim of all stakeholders should be to bring back a higher level of confidence to both domestic and foreign tourists so they can visit India; in this way, the tourism industry can reap the benefits from a competitive edge. Both government and private agencies should take appropriate efforts to publicise the conducive environment of India for tourism. In addition, the separate allocation of government funds for tourism side shows will attract tourists more quickly;
- 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.

## Conclusions

In the second part of December 2019, a new virus emerged from a populous city in China. Considering its severity, the WHO officially declared a pandemic on 12 March 2020. While mentioning the severity of COVID-19, the Managing Director of IMF, stated that this was “*a crisis like no other*”. The fatal nature of the novel Coronavirus has forced world governments to implement lockdown procedures to break the chain of infection. The movement control order affected the normal lives of billions and more or less created a situation of economic collapse. Tourism is one of the sensitive sectors that was strongly affected by the COVID-19 pandemic. Against this reality, the current research attempted to describe the impact of COVID-19 in general and the tourism industry in particular. At first the study took stock on the overall impact on tourism at the global level, and extended the discussion to the context of India's tourism.

In order to execute the study, we adopted a descriptive research technique. The key information, such as the spread of COVID-19, status of tourism, hotel, travel and other associated industries, impact on total domestic and foreign tourist flow, impact on tourism employment, and impact on the livelihood of

tourism dependent people, has been sourced from several pieces of literature published by scholars in academic journals, books, government documents and websites. Both qualitative and quantitative data were used to achieve the objective.

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.

## References

- Aldaihani, F.M.F. and Ali, N.A. (2018):** Factors Affecting Customer Loyalty in the Restaurant Service Industry in Kuwait City, Kuwait. *Journal of International Business and Management*, Vol. 1, No. 2, pp.1-14.
- Allas, T., Canal, M. and Hunt, V. (2020):** Covid-19 in the United Kingdom: Assessing Jobs at risk and impact on people and places, McKinsey and Company, available at <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/covid-19-in-the-united-kingdom-assessing-jobs-at-risk-and-the-impact-on-people-and-places>. Accessed on 9 May 2020].
- Bakar, N.A. and Rosbi, S. (2020):** Effect of Coronavirus disease (COVID-19) to tourism industry. *International Journal of Advanced Engineering Research and Science*, Vol. 7, No. 4, pp.189-193.
- Baldwin, R (2020):** Keeping the lights on: Economic medicine for a medical shock, *Macroeconomics*, Vol. 20, p.20.
- Baum, T. and Hai, N.T.T. (2019):** Applying sustainable employment principles in the tourism industry: righting human rights wrongs?, *Tourism Recreation Research*, Vol. 44, No. 3, pp.371-381. doi: 10.1080/02508281.2019.1624407.
- Baum, T. and Hai, N.T.T. (2020):** Hospitality, tourism, human rights and the impact of COVID-19. *International Journal of Contemporary Hospitality Management*, Vol. 32, No. 7, pp.2397-2407, <https://doi.org/10.1108/IJCHM-03-2020-0242>.
- Chang, C.L., McAleer, M. and Ramos, V. (2020):** A charter for sustainable tourism after COVID-19. *Sustainability*, Vol. 12, No. 9, p3671, <https://doi.org/10.3390/su12093671>.
- Davies, R. (2020):** How coronavirus is affecting the global economy, *The Guardian*, 5 February 2020. <https://www.theguardian.com/world/2020/feb/05/coronavirus-global-economy>.
- Department for Promotion of Industry and Internal Trade (DPIIT) (2020):** Press Information Bureau (PIB), Union Budget 2020-21, Ministry of Tourism, Press Release.
- Dodds, R. and Butler, R. (2019):** The phenomena of overtourism: A review. *International Journal of Tourism Cities*, Vol. 5, No. 4, pp.519-528.
- Dzulkifly, D. (2020):** Muhyiddin: Tourism industry hit hardest by Covid-19, faces RM3.37b loss. *Malay Mail*, 13 March. Retrieved 27 March 2020 from Malaymail: <https://www.malaymail.com/news/malaysia/2020/03/13/muhyiddin-tourism-industry-hithard-by-covid-19-to-lose-rm3.37b-while-gdp-s/1846323>.
- Furner, J. (2004):** Conceptual analysis: A method for understanding information as evidence, and evidence as information. *Archival science*, Vol. 4, Nos 3-4, pp.233-265.
- Globaldata Travel and Tourism (2020):** Coronavirus could pose a lasting impact on the tourism industry, *Airport Technology*. <https://www.airporttechnology.com/comment/coronavirus-impact-tourism-industry/>.
- Gössling, S., Scott, D. and Hall, C.M. (2020):** Pandemics, tourism and global change: a rapid assessment of COVID-19. *Journal of Sustainable Tourism*, pp.1-20.
- Han, S, (2019):** Topic: Tourism industry in China, [www.statista.com](http://www.statista.com), 2019. Available at: <https://www.statista.com/topics/1210/tourism-industry-in-china/>. Accessed 15 February 2020.
- Hoque, A., Shikha, F.A., Hasanat, M.W., Arif, I. and Hamid, A.B.A. (2020):** The Effect of Coronavirus (COVID-19) in the Tourism Industry in China, *Asian Journal of Multidisciplinary Studies*, Vol. 3, No. 1, pp.52-58.
- India Brand Equity Foundation (2020):** *Tourism & Hospitality Industry in India*, retrieved from <https://www.ibef.org/industry/tourism-hospitality-india.aspx>.
- International Labour Organization (ILO) (2020a):** COVID-19 and the Tourism Sector. ILO Sectoral Brief. [https://www.ilo.org/sector/Resources/publications/WCMS\\_741468/lang--en/index.htm](https://www.ilo.org/sector/Resources/publications/WCMS_741468/lang--en/index.htm)
- International Labour Organization (ILO) (2020b):** ILO monitor: COVID-19 and the world of work. Second edition updated estimates and analysis, ILO 7 April, available at: [https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/briefingnote/wcms\\_740877.pdf](https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/briefingnote/wcms_740877.pdf) (accessed 24 April 2020).
- Jennings, R. (2020):** Coronavirus Strikes Tourism, Factories, Consumption around Southeast Asia, *Voice of America*, 12 February 2020. [https://www.voanews.com/search?search\\_api\\_fulltext=Coronavirus+Strikes+Tourism%C+Factories%C+Consumption+around+Southeast+Asia&type=1&sort\\_by=publication\\_time](https://www.voanews.com/search?search_api_fulltext=Coronavirus+Strikes+Tourism%C+Factories%C+Consumption+around+Southeast+Asia&type=1&sort_by=publication_time)

- Jones, P. and Comfort, D. (2020):** The COVID-19 Crisis, Tourism and Sustainable Development. *Athens Journal of Tourism*, Vol. 7, No. 2, pp.75-86.
- Karim, W., Haque, A., Anis, Z. and Ulfy, M.A. (2020):** The movement control order (MCO) for COVID-19 crisis and its impact on tourism and hospitality sector in Malaysia. *International Tourism and Hospitality Journal*, Vol. 3, No. 1, pp.1-7.
- Koe, T. (2020):** *Coronavirus impact: Nutrition retailers hit by drastic cut in China tourist numbers*, nutraingredientsasiacom, 2020. <https://www.nutraingredients-asia.com/Article/2020/02/03/Coronavirus-impact-Nutrition-retailers-hit-by-drastic-cut-in-China-tourist-numbers>.
- Kongoley-MIH, P.S. (2015):** The Impact of Ebola on the Tourism and Hospitality Industry in Sierra Leone. *International Journal of Scientific and Research Publications*, Vol. 5, No. 12, pp.542-550.
- KPMG (2020):** *Potential Impact of COVID-19 on the Indian Economy*, retrieved from <https://etinsights.et-edge.com/wp-content/uploads/2020/04/KPMG-REPORT-compressed.pdf>.
- Lacina, L. (2020):** COVID-19: What you need to know about the coronavirus pandemic on 4 April, World Economic Forum (WEF). Retrieved from: <https://bit.ly/3bLx1sL>. Accessed 6 April 2020.
- McAleer, M. (2020):** Prevention is better than the cure: Risk management of COVID-19. *Journal of Risk and Financial Management*, Vol. 13, p.46.
- Ministry of Tourism (2020):** Dekho Apna Desh Webinar. <http://tourism.gov.in/dekho-apna-desh-webinar-ministry-tourism>. [Accessed on 12 May 2020]
- Neisdadt, M. (2020):** *COVID-19 and the tourism sector*. European Parliamentary Research Service. Retrieved from: <https://bit.ly/3g1cJPh>. Accessed 3 May 2020.
- Organisation for Economic Cooperation and Development (OECD) (2020a):** COVID-19: Tourism Policies Responses, last updated on 15 April 2020
- Organisation for Economic Cooperation and Development (OECD) (2020b):** Tackling coronavirus (COVID-19), contributing to a global effort: tourism responses. Retrieved from <https://bit.ly/2zOH8Qg>. Accessed 3 May 2020.
- Segal, S. and Gerstel, D. (2020):** The global impacts of COVID-19. Center for Strategic and International Studies, <https://www.csis.org/analysis/global-economic-impacts-covid-19>. Accessed 17 April 2020.
- Seraphin, H., Sheeran, P. and Pilato, M. (2018):** Over-tourism and the fall of Venice as a destination. *Journal of Destination Marketing & Management*, Vol. 9, pp.374-376.
- Sigala, M. (2020):** Tourism and COVID-19: impacts and implications for advancing and resetting industry and research. *Journal of Business Research*, Vol. 117, pp.312-321.
- Statista (2020):** China: tourism industry revenue 2018 Available at: <https://www.statista.com/statistics/236040/revenue-from-tourism-in-china/> Accessed 16 February 2020.
- Tan, R. (2020):** Airlines see big drop in business. The Star Online, 11 February 2020: <https://www.thestar.com.my/business/business-news/2020/02/11/airlines-see-big-drop-in-business>. Retrieved 29 March 2020.
- United Nations Department of Economic and Social Affairs (UN DESA) (2020):** World economic situation and prospects: April 2020 briefing, No. 136. Retrieved from: <https://www.un.org/development/desa/dpad/publication/world-economic-situation-and-prospects-april-2020-briefing-no-136/>. Accessed 19 April 2020.
- United Nations World Tourism Organization (UNWTO) (2020):** Impact assessment of the COVID-19 outbreak on international tourism. Retrieved from: <https://bit.ly/36gm4hM>. Accessed 3 May 2020.
- Walton, J. (2020):** *Will empty middle seats help social distancing on planes?*, BBC, 23 April, available at: [www.bbc.com/worklife/article/20200422-when-can-we-start-flying-again](http://www.bbc.com/worklife/article/20200422-when-can-we-start-flying-again), accessed 24 April 2020.
- World Travel & Tourism Council (WTTTC). Travel and Tourism: Benchmarking Trends Report 2019.** <https://wttc.org/en-gb/Research/Economic-Impact/Benchmarking>.
- Xin, S., Tribe, J. and Chambers, D. (2013):** Conceptual research in tourism. *Annals of Tourism Research*, Vol. 41, No. 1, pp.66-88.
- Ying, T.X. (2020):** China is one of Malaysia's largest tourist source countries. *The Edge Markets*, available at <https://www.theedgemarkets.com/article/china-one-malaysias-largest-tourist-source-countries>. Retrieved 30 March 2020.
- Zeng, B., Carter, R.W. and De Lacy, T. (2005):** Short-term perturbations and tourism effects: The case of SARS in China. *Current Issues in Tourism*, Vol. 8, No. 4, pp.306-322.

# Biography

**Abdul Jamal** is working as an Assistant Professor of Economics at The New College (University of Madras), Chennai, India. He has gained 13 years of teaching and research experience and four PhD have been awarded under his guidance. In addition, he has visited four countries for academic purposes and has a number of publications in reputed journals indexed in Springer, SAGE & Scopus journals. His research interest areas are Industrial Economics, Women Empowerment, Microfinance and developmental economics.

**Arumugam Sankaran** is serving as a Faculty Member in the Department of Economics, School of Management, Pondicherry Central University, Pondicherry, India. He has gained 15 years of teaching and research experience, and three PhDs have been completed under his guidance. In addition, he has visited six countries for academic purposes, completed one major research project (sponsored by ICSSR, New Delhi) and has published 20 articles indexed in Springer, Scopus, SAGE & Elsevier Publications.

**Shahul Hameed** has worked as a Lecturer in Social Services in TeWānanga o Aotearoa New Zealand for the last 14 years. He earlier worked as a Lecturer in Economics and Business Departments in India and Malaysia. In addition, he has a total of 26 years' experience in teaching and research.

**Siham El-Kafafi** has a wide industry and consultancy

experience in the medical, manufacturing and service industry, in addition to being an academic for the past 21 years. Her teaching experience plays a leadership role in the creation of high-quality student experience in a wide range of business courses. Siham worked in various universities in New Zealand and overseas before running her own business, Arrows Research Consultancy Limited, since June 2014. Siham holds a PhD in management, a Masters' degree in Education, a Masters of Public Administration, and of English Literature with Honours. Siham has over 100 publications in journal articles, book chapters and conference proceedings. She is also on the editorial boards for various national and international journals, on boards of examiners and award committees.

**Yasmeen Sultana** is working as an Assistant Professor of Economics at Pondicherry University, School of Management, Pondicherry, India. She has gained 10 years of teaching and research experience and three candidates are pursuing PhDs under her guidance. Her research interests are in women empowerment, microfinance and gender studies.

