

Effect of Covid on Tourism in the State of Rajasthan: (A Comparative Analysis of its impact on Indian & Rajasthan Economy)

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Abstract

The aim of this research is to evaluate the comparative impact of COVID-19 on tourism in Rajasthan and the Indian economy as well. The research paper presents a comparative assessment of the tourist influx in Rajasthan from 2016 to 2020, differentiating between international tourists and domestic tourists. It assesses the repercussions of the pandemic on the tourism sector. Arrivals of foreign as well as domestic tourists fell by -71.09% in 2020 compared to 2019, which had a major impact on the hospitality industry, which is tackling sluggish demand. The industry of tourism is one of the primary wellsprings of income in Rajasthan, where it possesses a vital spot in its economy. Few industries or people have escaped the disruption resulting from the unfolding public health emergency. However, the tourism industry suffered the most, mainly because, despite the lifting of the lockdown caused by COVID-19, connectivity has not yet been fully restored. Tourism remains limited to emergency business, leading to a sharp drop in tourist arrivals across the country.

Keywords: Rajasthan Economy, Covid-19, Tourism Industry, Foreign Tourist, Development.

Introduction

Rajasthan is renowned as a highly sought-after tourist destination in India because to its vibrant landscape and royal heritage, as evidenced by its historic forts and palaces, centuries-old temples and Thar desert. However, the number of tourists to the desert state since March has been remarkably low. The information on traveler appearances from the Rajasthan the travel industry office, imparted to The Wire, shows that "in 2020, the state has seen a fall of 69.3% in Indian vacationer appearances. Last year, 3,96,85,822 Indian vacationers had visited different spots in Rajasthan while this year, the number remained at 1,21,75,524."

The field of travel business is anticipated to develop at a yearly pace of 6.9% to ₹32.05 lakh crore (US\$450 billion) by 2028 (9.9% of GDP). The Tourism Industry has been characterized as a recreation industry which gets an excess of sightseers the State. This Tourism Industry is considered as one of the antiquated ventures of the world and fundamentally, The travel industry was primarily limited to rulers, kings of the states, and a select few adventurous individuals who embarked on journeys for religious or exploratory causes. The concept of contemporary tourism is very recent in recent studies. The advancement of science and innovation, such as Google Maps, along with significant changes in transportation and communication, have greatly contributed to the growth and progress of India's travel industry and global trade opportunities. The travel industry in India is currently seeing a significant surge.

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India can possibly turn into a significant worldwide vacationer location and Indian the travel industry is taking advantage of this possibility generally as of late. The State of Rajasthan has every one of the fixings and components to turn into a model state regarding the travel sector within the nation. It is truth for Rajasthan that the composite culture, legacy and custom is as yet being denied public in India and Rajasthan and illuminate issues and prospects looked by the travel sector in Rajasthan and examination have been made of insights of homegrown and unfamiliar vacationer appearance in Rajasthan lately.

The economy of Rajasthan is characterized by droughts and famines, lack of social and economic infrastructure, environmental degradation etc. the main occupation of inhabitants of Rajasthan is agriculture and animal husbandry. Tourism also plays vital role in the economy of Rajasthan. Rajasthan earns a lot of foreign exchange every year from tourism. It is a land of superlatives. Everything here is breathtakingly beautiful and fascinating. It is packed with history, art and culture that back to several centuries. Rajasthan is efficiently linked to other regions of the nation and can be easily approached from Delhi and Bombay. A visit of this wonderland leaves a lasting spell on the tourists mind. The central government has supported the department of tourism in Rajasthan through many legislative and administrative measures. The tourism centers or sites in Rajasthan are under the control of either the central government or state government.

Literature Review

Shetty, P.(2021) study on COVID-19 impacts the travel industry suggests government measures to improve adaptability, enforce strict security protocols, attract travelers, offer discounted rates, and offer flexible cancellation policies.

Patel J., & Kulkarni, V. (2020) suggests that the tourism sector utilizes innovation to improve tourist experience, promote eco-friendly practices, offer personalized services, facilitate last-minute bookings, and prioritize wellness.

Dogra,T. (2020)depicting one way for travel industry groups to regain the trust of travelers is to implement thorough sanitization measures in key tourist destinations, such as hotels and restaurants. This would help restore people's confidence that these places are relatively secure from COVID-19.

Mishra, R. (2020) reveals that the government should take a proactive approach to revitalize the travel industry by reducing charges, offering low-interest loans, and allocating more funds for future development.

Objective of the Study

The purpose of this research paper is to:

- Investigate the impact of Covid-19 on the tourism industry in India, especially on Rajasthan Economy.
- Analysis of overall setback made by Covid-19 in the tourism industry in Rajasthan's economic development.

Hypothesis

There is a significant relationship between Domestic & Foreign Tourist arrivals in Rajasthan.

Methodology & Design of the Study

The methodology utilized in this is derived from the essential data gathered from a wide range of sources, including books, brochures, periodicals, journals, and travel literature produced by different news channels, newspapers, and agencies.

Data Analysis & Interpretations

Table 1: Arrival of Tourists in Rajasthan 2016-2020 (No. In Lakhs)

Year	Domestic	Foreign
2016	41495115	1513729
2017	45916573	1609963
2018	50235643	1754348
2019	52220431	1605560
2020	15117239	446457

Source: Compiled From Annual Progress Report (2016-2020), Rajasthan Tourism Department.

	Domestic	Foreign
Domestic	1	
Foreign	0.978636573	1
Correlation	0.978636573	

Domestic		Foreign	
Mean	40997000.2	Mean	1386011.4
Standard Error	6728782.484	Standard Error	238023.3196
Median	45916573	Median	1605560
Mode	#N/A	Mode	#N/A
Standard Deviation	15046015.04	Standard Deviation	532236.3229
Sample Variance	2.26383E+14	Sample Variance	2.83276E+11
Kurtosis	3.520193358	Kurtosis	4.505159904
Skewness	-1.836355296	Skewness	-2.087989614
Range	37103192	Range	1307891
Minimum	15117239	Minimum	446457
Maximum	52220431	Maximum	1754348
Sum	204985001	Sum	6930057
Count	5	Count	5

Summary Output		
Regression Statistics		
Multiple R	0.978636573	r
R Square	0.957729542	
Adjusted R Square	0.943639389	
Standard Error	126354.9778	
Observations	5	

ANOVA					
	df	SS	MS	F	Significance F
Regression	1	1.08521E+12	1.08521E+12	67.97155162	0.003736316
Residual	3	47896741210	15965580403		
Total	4	1.1331E+12			

	Co-efficients	Std Error	t Stat	P-value
Intercept	-33230.87925	181181.7243	-0.183411872	0.86617082
DOMESTIC	0.034618198	0.004198952	8.244486134	0.003736316
				p-value
				significance

Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
-609831.9883	543370.23	-609832	543370.2
0.02125526	0.04798114	0.021255	0.047981

- HA:** There is a significant relationship between Domestic & Foreign Tourist arrivals in Rajasthan
HA:r !=0
- H0:** There is no significant relationship between Domestic & Foreign Tourist arrivals in Rajasthan
H0:r=0

Statistically Significant
Reject the null hypothesis
There is a statistically significant relationship (r=.978, p=.003) between Domestic & Foreign Tourist arrivals in Rajasthan

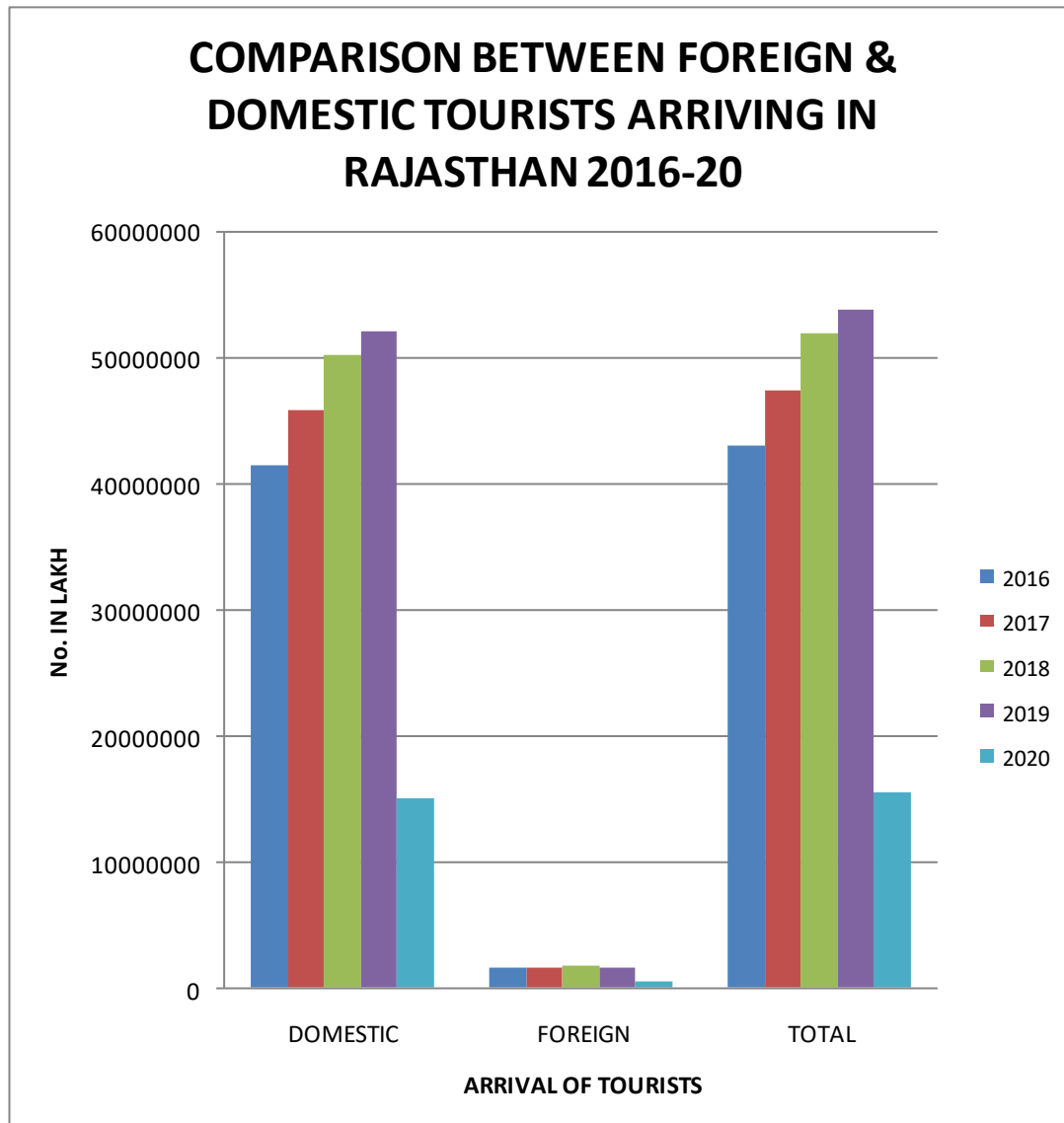


Figure 1: Comparison between Foreign & Domestic Tourists Arriving in Rajasthan 2016-20

Source: Compiled From Annual Progress Report (2016-2020), Rajasthan Tourism Department. [Note: From the year 2016 domestic visitors were progressively showing a positive growth till 2019 then after in the year 2020 dropped drastically whereas in case of foreign visitors during the study period for the initial 3 years i.e., 2016-2018 its depicting a rise and progressive trends, for the year 2019 a minor drop in arriva of foreign visitors, next year in 2020 with COVID-19 outbreaks a sudden step fall down witnessed, on taking combined measures of Total Tourist visited Rajasthan in the study period then trends revealing a progressive growth from 2016-19 and a sudden down fall for the year of pandemic.]

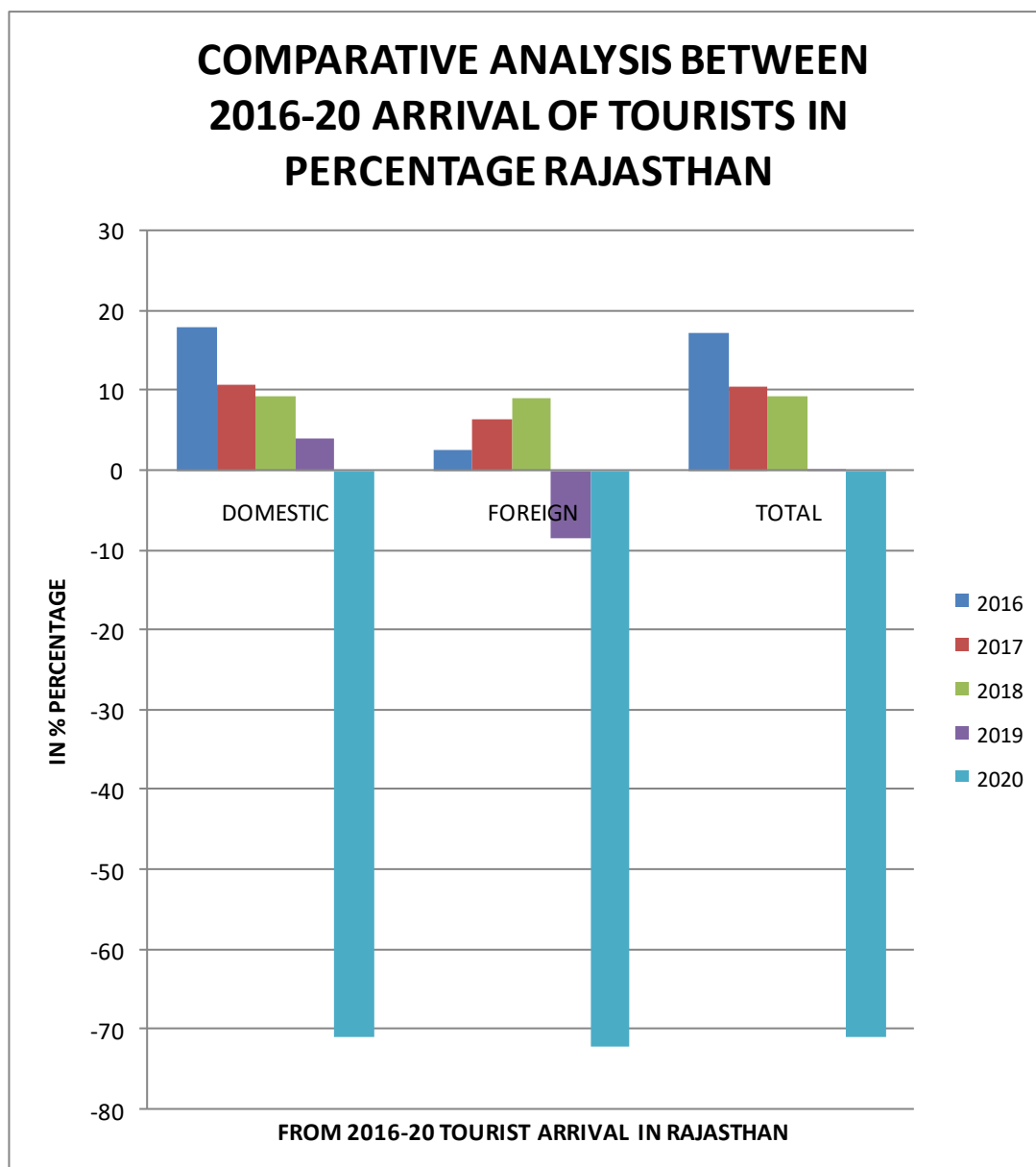


Figure 2: Comparative Analysis between 2016-20 Arrivals of Tourists in Percentage Rajasthan

Source: Compiled From Annual Progress Report (2016-2020), Rajasthan Tourism Department.

[Note: The year 2020 exhibited a decline of about -71.09% in comparison to 2019. In 2019, the state welcomed 5.22 lakh domestic tourists and 16 lakh overseas visitors. However, in 2020, the number of visitors decreased to 1.51 lakh domestic tourists and 4.46 lakh foreign visitors. Since the adoption of the lockdown, the economy has experienced a significant deceleration, leading to the shutdown of numerous industries and establishments within the state. Consequently, the state's income has been reduced by Rs 17,500 crores during the 2019-2020 period, representing a 12.5 percent decline compared to the previous year. This information is based on a report submitted by DOIT Rajasthan.]

Discussion and Conclusion

The COVID-19 pandemic has significantly impacted the travel tourism sector, disrupting global activities and affecting various sectors such as hotels, restaurants, handicrafts, retail, airlines, and train

services. The influx of tourists has dropped, and the government faces a significant task in revitalizing the tourism business in Rajasthan. The revival of tourism depends on professionals adapting to the new global paradigm and promoting values like security, freedom, authenticity, trust, and reverence for life and the environment. According to a state official, the tourism business in Rajasthan has been significantly affected by the COVID-19 pandemic as visitors have ceased to arrive. As to the official, tourism accounts for 25% of the state's GDP. The decline in Goods and Service Tax (GST) receipts alone reach Rs 2000 crores. Rajasthan is ranked sixth regarding international tourists and tenth pertaining to local tourists. However, it houses 75% of India's vintage hotels. Historically, these establishments have primarily served inbound travelers. Around 70% of the guests at high-end hotels and resorts, most of which are heritage sites, were international visitors. Tourism generates employment, revenue, and enhances economic frameworks, stimulates entrepreneurial ventures, and increases foreign exchange earnings. However, it also has costs like land values, inflation, import pressure, seasonal fluctuations, and infrastructure costs. Rajasthan's tourism contributes to a major share of its economy, with the state reducing the luxury tax rate from 10% to 8% to promote it. Tourism ranks as the third largest employer in Rajasthan, following the agriculture and textile industries. The article examines the present state of the tourism sector, its economic implications, and potential recovery scenarios, and presents ideas to alleviate the crisis and expedite the sector's recovery. The paper gives a comparative assessment of the number of tourists, distinguishing between those from other countries and those from the domestic population visiting Rajasthan in the years 2016 to 2020. It analyzes the impact of the pandemic on tourism and explores the industry's prospects post-crisis. Additionally, it presents ideas to alleviate the crisis's impact and expedite the recovery of the tourism sector. The repercussions of the COVID-19 pandemic on the tourism industry in Rajasthan and its future prospects. Tourism has consistently played a crucial role in fostering employment opportunities and generating substantial foreign income for the nation. This industry not only provides employment opportunities for urban dwellers, but it also offers employment to individuals from diverse socioeconomic backgrounds residing in rural regions. It serves as an intermediary between several industries, including aviation, automobiles, hospitality, and business sectors. It is a major source of income in Rajasthan. The tourism industry has experienced the most negative impact because of the COVID-19 pandemic. Recent findings show that the COVID-19 pandemic has significantly impacted both domestic and international arrival patterns, posing a negative effect on the tourist sector.

Tourism has a vital role in fostering the economic development of a state. Tourism growth can have either positive or negative implications, indicating an increase or decrease in the number of tourists. The analysis reveals a consistent upward trajectory in the number of domestic, foreign, and total tourist arrivals in Rajasthan from 2016 to 2019. However, in 2020, the tourism sector came to a halt as an outcome of the COVID-19 pandemic. The business started to see a positive response in October 2021, when constraints were lifted. Furthermore, the number of domestic and overall tourists showed year-on-year growth thereafter.

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