

## INBOUND TOURISM IN INDIA: REBUILDING, REVIVING & SURVIVING POST PANDEMIC

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### ABSTRACT

*Tourism is fragile and seasonal, which depends on different influential factors such as GDP, consumer price index and exchange rate etc. Covid-19 pandemic has hit the top global tourist destinations including India. The economy is struggling to revive the tourism & hospitality industry as it has become one of the biggest challenges to revive and boost during this pandemic outbreak. The distinct advantage to India is the culture & heritage, religious and nature-based tourism as they are still favourites for shaping the inbound tourism. It is believed that foreign tourist arrival will be enhanced post pandemic due to history & vibrant culture, deeply entrenched faith in religion and unparalleled diversity in natural resources. The country is widely recognized for these unique offerings that also come at a very competitive price. Although these segments are quite famous between domestic and foreign both type of tourists, India is slowly securing popularity in new dimensions of tourism like medical tourism. This paper focuses on the analysis of foreign tourist arrivals in India & the impact of Covid-19 Pandemic on Indian tourism industry. In the present scenario, the need of the hour is that the government and industry take a serious step towards the revival of this sector. This study provides an overview of rebuilding, reviving & surviving post pandemic & for analysis of losses on foreign tourist arrival secondary data is studied as tourism is one of the biggest source of revenue for the economy.*

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**Keywords:** Consumer, Service, Covid, Medical Tourism, Hospitality, Challenges, Pandemic.

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### Introduction

Tourism refers to short-term movement of people to locations away from where they usually reside for different purposes. It is one of the largest industry in the world and perhaps economy of various countries are totally depends upon this such as Thailand. It has the potential to improve relationships between businesses, states and nations and it create opportunities for entertainment, health, recreation to improve the value of a currency. It can also open up opportunities for cultural exchange, while for tourists; it can lead to improved happiness, well-being and education. It includes in itself various ancillary industries such as hotel, transportation and various other services such as guide services. Here it quite important to understand that tourism basically provide movement to different locations, not for leisure purpose only but also for business, health and some additional travel motivators. Undoubtedly India is largest sector for this industry which gives varied nature of tourism products like ship or cruise ride, Medical tourism, sports tourism, rural and specially religious tourism. India is getting recognition from domestic and international tourists for spiritual tourism. Tourism is one by the hardest hit sector by the COVID-19 pandemic, economies are taking measures to ease the economic shock to household, businesses but in the long term the industries will adapt to a post pandemic new normal. The tourism sector in India, it is no longer going to be business-as-usual and it will need to redefine, refocus and change the game plan to move forward.

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### Recent Trends of Tourism Industry

Following are the some of the recent trends in tourism industry as observed by researcher

- **Closed Borders:** It brings overseas travels to a standstill due to lockdowns across the nations for quite some time.
- **Domestic Travel:** To revive this industry more logical arena to focus is on the domestic travellers. Hotels has to come forward with various attractive and fascinating offers to solicit the guests and high up the occupancy levels.
- **Business Travels:** It is being replaced by increasing number online meetings using Google Meet, Zoom and Microsoft Team etc.
- **Global Events:** The MICE (Meetings, Incentives, Conventions and Exhibitions) tourism segment will remain dormant for some time as there is complete no for large global events and large gatherings.
- **Group Travels:** The leisure travels have almost stopped owing to the fear of being infected and spreading the infection, especially affecting the young and the older travellers'.
- **Technology:** It is a need to increase the usage of technology and reduction in human interface to ensure safety along with a unique experience will ensure domestic travellers will be enticed to travel and will help in reviving hospitality and leisure sector.

There is such a gloomy scenario for this sector that it becomes need of hour that the Government should play a crucial role in helping the tourism sector so that it can revive itself.

### Foreign Tourist Arrivals (FTAs)

Tourism sector provides economic benefits for countries attracting a large number of visitors as they spend money on their actual stay& also on local businesses. It also gives lot of the jobs for persons working in different industries like food, decoration, cleaning, transportation etc. India ranked 23<sup>rd</sup> in International Tourist Arrival (Indian Tourism Statistics 2020). The percentage of foreign tourist arrivals (FTAs) is increasing since the last decade. India is well-known for its hospitality, warm welcome, different lifestyles, cultural heritage and diverse geography. Foreign tourists are attracted by the temples, monuments, religious& heritage buildings; coastal areas, yoga, Ayurveda. Let's have a look on data of foreign tourist arrivals for 2019 and 2020, and estimated for 2021. For 2021 estimated is taken as the actual data is still not compiled and assimilated by tourism ministry. It is graphically shown in the figure below the expected forecast of the FTAs monthly. It shows a similar increasing trend with up and down nature as previous monthly data sets. However, India suspended all the visas with effect from 13<sup>th</sup>March, 2020 and imposed a nationwide lockdown by the end of March 2020. So, prediction of FTAs starts from March 2020. As per Ministry of Tourism (FTA, 2021), FTAs in March 2020 were 328,304 with downfall of 66.4% as compared to March 2019. The proposed prediction of March 2021 is fairly similar and found a downfall of 62.5% of FTAs in India.

### Month-wise Foreign Tourist Arrivals in India, Jan 2019-June 2021 (Provisional)

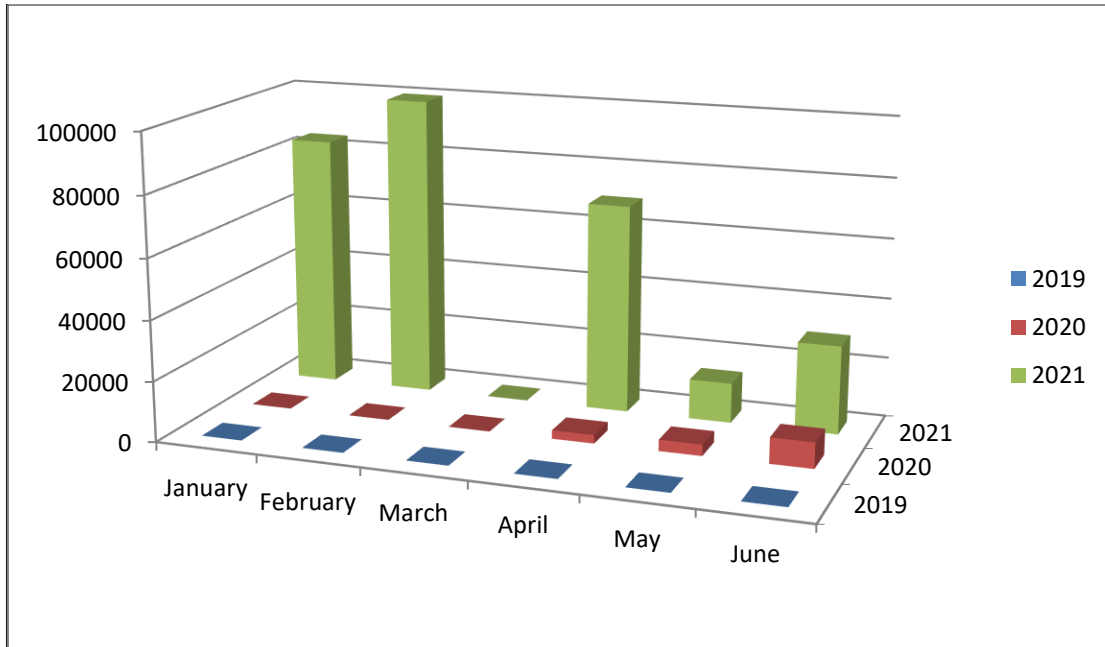
Month	Foreign Tourist Arrivals (FTAs) in India				
	2019	2020	2021 (Provisional)	Percentage (%) Change	
				2020/19	2021/20
January	11,11,040	11,19,250	83,822	0.7	-92.5
February	10,90,516	10,18,440	99,640	-6.6	-90.2
March	9,78,236	3,28,304	1,23,179	-66.4	-62.5
April	7,74,651	2,820	69,442	-99.6	2362.5
May	6,15,136	3,764	13,307	-99.4	253.5
June	7,26,446	8,590	29,397	-98.8	242.2
July	8,18,125	12,655			
August	8,00,837	19,761			
September	7,51,513	28,167			
October	9,45,017	41,494			
November	10,92,440	70,977			
December	12,26,398	90,544			
Total (Jan-June)	52,96,025	24,81,168	4,18,787	-53.2@*	-83.1@*
Total (Jan-Dec)	1,09,30,355	27,44,766		-74.9	

Source: <https://tourism.gov.in/sites/default/files/2021-09/English%20Tourism%202021.pdf>

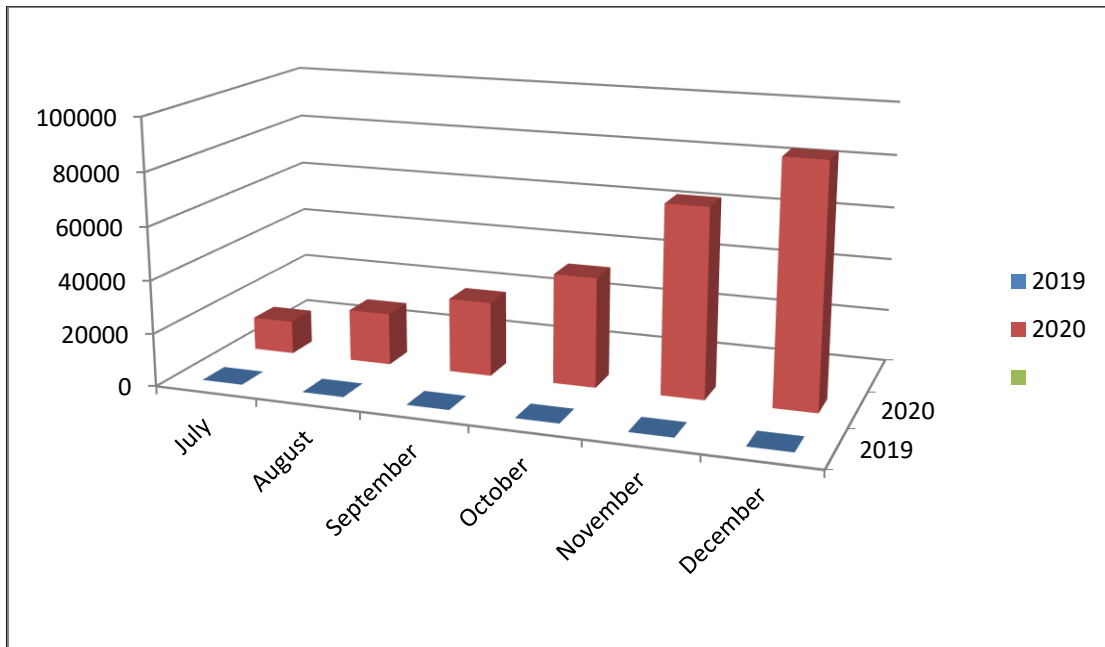
\* Growth rate over January-June of previous year.

If we closely look into the above data it is observed that total downfall is 53.2% in first half year of 2020 as compare to first half year of 2019 and similarly a downfall of 83.1% has been observed in 2021 as compare to 2019. The downfall is undoubtedly is more than to expectation.

**Table 1: Foreign Tourist Arrivals in India – First Half Year**



**Table 2: Foreign Tourist Arrivals in India – Second Half Year**



Undoubtedly Covid 19 has impacted the tourism industry in terms of FTA's and revenue loss too. It will adversely affected by Covid-19 since March 2020. As known to all that government has imposed a countrywide lockdown in march 2020, which remain continued for next number of days in different manner with varied nature of restrictions and conditions. The current scenario that hinders the

traveling is fear of spread of COVID-19 and due to this situation, travel restrictions are observed at national and international levels. The, border closures, events cancellations, travel bans quarantine requirements are making extreme challenges on tourism and hospitality sectors. In view of the extraordinary situation, the government of India has issued guidelines under the Market Development Assistance scheme and it has modified & enhanced the scope and reach of the scheme to provide maximum benefits to the stakeholders in the tourism industry. The main motive of these schemes are to promote the tourist sector from the foreign markets as well. It will also enhance the visibility of brand Incredible India in the overseas markets.

### Key Statistics on Foreign Tourists Arrivals

(Source:-Annual Report, (Ministry of Tourism, GOI 2020–21).

INDIA		
	No. of Foreign Tourist Arrivals in India	2.74 Million
	<b>Annual Growth Rate</b>	<b>-74.9%</b>
	No. of International Tourist Arrivals	6.33 Million
	<b>Annual Growth Rate</b>	<b>-64.7%</b>
India's Position in World		
	Share of India in International Tourist Arrivals	1.59% (P)
	India's rank in World Tourist Arrivals	-
	Share of India in International Tourism Receipts (US\$ terms)	1.30% (P)
	India's rank in World Tourism Receipts	-

Source: <https://tourism.gov.in/sites/default/files/2021-09/English%20Tourism%202021.pdf>

FTAs during 2020 were 2.74 million with a downfall of 74.6% over same period as compared to previous year. During 2020, a total of 6.33 million International Tourist arrived with a downfall of 64.7% as compared to previous year. In concordance with UNWTO, ITAs include both FTAs and Arrivals of NRIs.

### Revival Strategies Adopted by the Government

- **Niche Products:** To support the sector and enhance the multiplier effect from the industry thrives on the patterns of visitations and considerable efforts are placed by decision makers to attract visitors. Indian Ministry of Tourism has formulated guidelines to support, the following Niche Products for development and promotion of all types of tourism:
  - Cruise
  - Adventure
  - Medical
  - Wellness
  - Golf
  - Polo

#### Meetings Incentives Conferences & Exhibitions (MICE)

- Eco-tourism
- Film Tourism
- Sustainable Tourism
- Rural Tourism

The above-mentioned niche products will help to support this sector as the ministry of tourism also highlighted them in their annual report, on account of the ongoing Covid-19 concerns, to move the tourism industry India is likely to be benefitted from MICE (Meetings, Incentives, Conferences & Exhibitions). Several studies show that India to some extent to see some benefits post FY21 as it expected to be diverted from other Asian countries. The revival of this sector is about to register a growth of about 3-5 per cent in revenues for FY20-FY21 hoping positive from the domestic tourism and MICE, led by social and industrial activities.

- **Financial Support:** Government is planning to provide financial support to the Tourism Service Providers for undertaking the marketing & promotional activities in the overseas markets for Sales Tours, Participation in travel fairs and Online Promotion of tourism destinations and products.

- **Safety Protocols:** For safe operations of hotels, restaurants and other units, The Ministry of Tourism developed an initiative called SAATHI (System for Assessment, Awareness & Training for Hospitality Industry) with the Quality Council of India (QCI) in October 2020 to effectively implement guidelines/SOPs issued with reference to COVID-19.
- **Online learning Platform:** Ministry of Tourism has introduced the Incredible India Tourist Facilitator (IITF) and Incredible India Tourist Guide (IITG) Certification Programme, aimed at creating an online learning platform of trained & experienced guides and tourist support advisors, throughout the country.
- **Online Registration of Tourist Vehicle:** The Ministry of Road Transport and Highways has introduced a new scheme called 'All India Tourist Vehicles Authorisation and Permit Rules, 2021', in which a tourist vehicle can be registered for All India Permit, in online mode. That too in a short span of 30 days from date of application.
- **Goods & Services Tax (GST):** The government has changed the GST rate slabs with respect to tourism products and services as follows:
  - **Hotel Rooms:** GST Council announced a cut in the tax rate on hotel room tariffs, a move aimed at giving a boost to the hospitality sector. The GST rate on hotel rooms with tariffs of up to Rs 7,500 per night has been cut to 12% and the tax on room tariff of above Rs 7,500 has been slashed to 18%. There will be no GST on room tariffs of below Rs 1,000 per night.
  - **Restaurants:** GST on eateries has been brought down to 5% irrespective of whether they are air-conditioned or not.
  - **Marketing Initiatives:** The launch of several branding and marketing initiatives by the Government of India such as 'Incredible India!' and 'Athiti Devo Bhava' which is providing a focused growth of the sector.
  - **Fresh Category of Visa:** To encourage medical tourism in the country Indian Government has also released a fresh category of visa - the medical visa or M-visa, The Government is working to achieve 2% share in world's international tourist arrivals by 2025.

### Contraction in Tourist Arrivals

As per the report of United Nations World Tourism Organization (UNWTO), all countries during pandemic has put restrictions of travel including ban on VISA and was having forced quarantine practices. International tourism was badly affected & almost suspended in April and May of 2020. Inbound tourist arrivals has shown a decrease of 74.9% in 2020 as compare to 2019. It is around 1 billion trips in all over world. Below are few possibilities as provided by UNWTO (2021) projections.

Reduction in tourist arrivals as observed in 2020. Reductions averaged 74 per cent with considerable variation between countries.

Reduction in arrivals averaging 63 per cent, which the UNWTO sees as an optimistic outcome in 2021.

Varying rates of vaccination assumes a 75 per cent reduction in countries with low vaccination rates, and a 37 per cent reduction in countries with relatively high vaccination rates. The cut-off point is around 80% of their population to get vaccinated at the end of March 2022.

(Source: COVID-19 & Tourism an Update: Assessing the Economic Consequences [https://unctad.org/system/files/official-document/ditcinf2021d3\\_en\\_0.pdf](https://unctad.org/system/files/official-document/ditcinf2021d3_en_0.pdf))

### Conclusion & Suggestions

The Government has to take serious efforts to boost investment in the tourism sector as whenever the situation eases, every nation will compete with each other to get a fair share of the global tourist traffic. Therefore, it is imperative that the focus should be to revive the inbound tourism for the country. Tourism sector is among the first to be affected, and the last to recover during a health crisis. The preferences of the consumers and policies of tourism through the world is expected to be made up with the object of achieving more transparency, sustainability, and people oriented. Tourist destinations will have to move towards following:

- **Higher Levels of Hygiene:** All visitor destinations & spots must focus on the sanitation and tidiness. Industry has to take more care regarding hygiene and health care and for this they might have to redesign their structure or facilities.

- **Responsive Role of Tour Operators & Hoteliers:** It is the need of the hour that this Industry people must be more responsible and give meaningful experiences to their guest in terms of showing the local areas with global view.
- **Ease of Tourist Visa Policy:** More practical and documented lockdown guidelines for tourists may be issued to promote tourism in less-affected Covid-19 hotspots. Local tourists and NRIs along with the foreign tourists can be attracted by adopting the measures such as providing quality medical facilities at nominal charges, medical insurance, ensuring government protocols during their stay and travel.
- **Engage Local Workers:** The local workers in catering and hospitality services must be given priority for capacity building and retraining of the workforce to deal with the pandemic.
- **Uniformity of Taxes:** Extensive tax relief may be provided to hotels and restaurants and bring some assistance as the cost of service will increase during and after Covid-19. Handsome commission to tour operators based on a group size of tourists may be considered. GST refund delay may be avoided to maintain the balance in the industry.
- **Aggressive Marketing Campaign:** 'Postpone travel, don't cancel'. Allow travellers to postpone their travels up to some period. Develop an appropriate market messaging/advertising campaign for tourism to promote 'Incredible India'.

Tourism is an important economic activity and also a one of the stronger pillar of the Indian economy. This industry has a remarkable contribution to the country's GDP, huge source of foreign exchange earnings and significant contributor to employment generator for the country. The sudden outbreak of Covid-19 across the globe is a strong breaker for the tourism industry as it will make a cause of changes in behaviour and preferences of tourists. Therefore it is important for India to adopt revival & rebuilding strategies to rejuvenate this sector.

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