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## **Covid 19 Effects on Hospitality and Tourism in India: Literature Based Review.**

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### **Abstract**

This was a literature based reviewed study. The study explored studies conducted on Covid 19 and its effect on hospitality and tourism in India. Global situation of hotel and hospitality industry was also explored in brief. The study therefore relied on past studies to deduce findings, conclusions and recommendations. The study explored Covid 19 and its effects on Hospitality and Tourism in India. After reviewing available studies on Covid 19 in India, it was found that Covid 19 resulted to an estimated USD 16.76 billion in revenue in the hospitality industry in India as for December 2020. This was attributed to cancel bookings, closure of hotels and leisure destinations and travel bans local and globally. The suspension of international flights further resulted to the country losing foreign exchange. Revenue from hotels and other places of leisure drastically fell across Indian cities. It was also established that Covid resulted to massive job losses in the hospitality and tourism sector across India. In addition, sectors that are interlink with tourism and hospitality like food suppliers and travel agencies reported rising losses. Enterprises in the hospitality and tourism industry have to engage in survival strategies like engaging in food delivery to customers for sustenance. The government also has to introduce guidelines to salvage the hospitality and tourism industry including allowing the hotels to open their premises for certain hours of the day, rearranging eating places to ensure social distancing and compelling hospitality service providers to also observe guidelines issued by Ministry of healthy.

**Key word:** *Covid 19, Hospitality, Tourism, India*

## 1.0 Introduction

Covid 19 (corona) is a respiratory disease caused by Sars-cov-2. The disease was first reported in Wuhan China in 2019 and has spread the entire world causing mayhem, pain and devastation. As for May 2021, Covid 19 cases had surpassed 170 million cases globally and over 3.5 million deaths. Covid 19 continues to ravage the world destroying economics and social fabric. Globally, the Travel and Tourism sector grew at a rate of 3.5 per cent, and contributed USD 8.9 trillion to world GDP (FICCI, 2020).

In India, first case of Covid 19 was reported in January 2020. Covid 19 cases and infections was relatively in India for most of 2020, until 2021 when cases surged to reach an average daily infection cases of over 300,000 infections and over 3000 deaths a day. Covid 19 impacted the economy of India like other most hit economies around the world. One of the sectors hit hard is hospitality and tourism (Shetty, 2021). The Indian tourism industry accounted for 9.2% of India's GDP in 2018 and braced 42.673 million jobs, 8.1% of its total employment.

In 2019, hospitality and tourism contributed an estimated USD 194 billion to the economy employing over 87 million people in India (Kaushal & Srivastava, 2021). The Indian tourism and hospitality industry is now gawking at a likely job loss of around 38 million (Dogra, 2020). The entire chains hotel in India, travel booking agents, tour operators/ operations, high-end restaurants, entertainment venues, and air, land, and seas were closed down to curb spread. During the coronavirus pandemic lockdown in India and worldwide, tourism and hospitality has come to a standstill. Figure 1 shows international tourist arrival to India from 2007-2021\*.

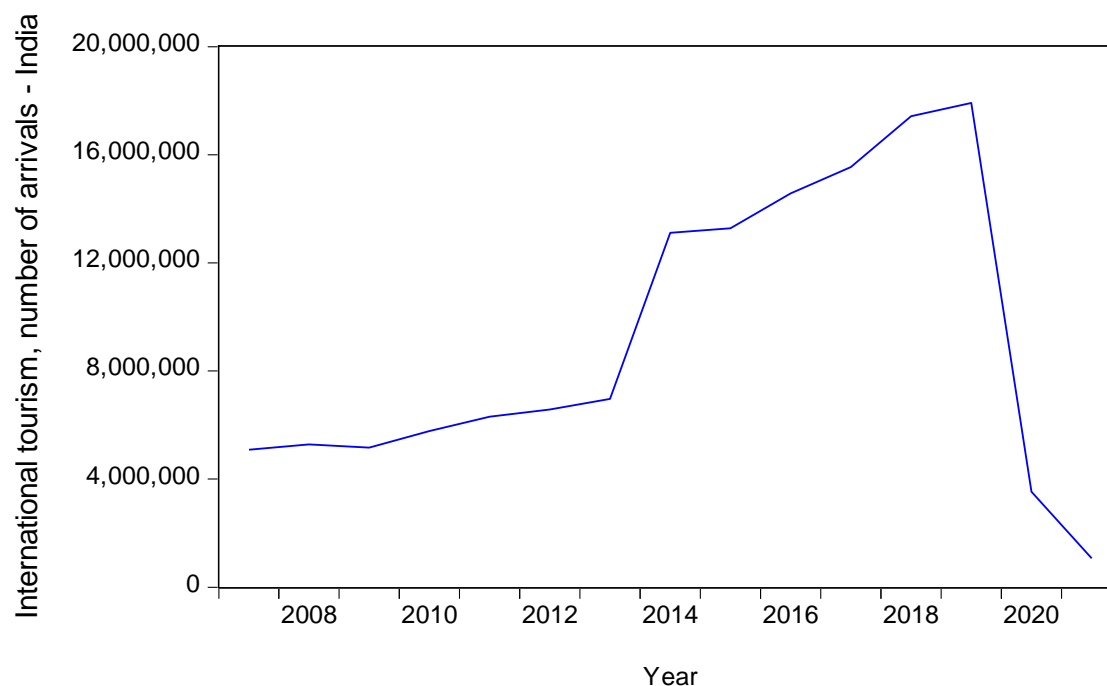


Figure1: International arrival to India, 2007-2021\*

Figure 1 shows that international tourism arrival in India was doing well before outbreak of Covid 19. The first case of Covid 19 in India was reported in 2020 and this is the year decline in international tourist arrival was witnessed. The shutting down of the iconic places in India which includes Taj Mahal, qutub minar, red fort entertainment industries, events, temples, mosques and church which attracted over seven million tourist and visitors. The lockdown has also led to the closure of pilgrimage sites and affecting local small businesses and employment thriving around them.

Local travel bans were issued in some areas of India. International travels were cut down both into and outside India which terribly impacted tourism and hospitality (Kaushal & Srivastava, 2021). In 2020, loss due to Covid 19 was reported at USD 1.5 billion in India (Hotelivate report, 2021). The occupancy rate in 2020 is likely to fall 31.6 percent while Revenue Per Available Room (RevPAR) down by 57.8 percent. There was massive loss of jobs for persons working in the hospitality industry. In 2019, for instance, foreign exchange earnings stood at \$29.96 billion and \$28.59 billion in the year before that. From January to June 2020, this number reportedly dropped to \$6.15 billion.

## **2.0 Literature Review**

A study by Shetty (2021) on the impact of covid-19 in the Indian tourism and hospitality industry indicated that hopsitality and tourism industry was most hit hard industry globally and in India. According to Shetty (2021) hospitality and tourism industry in India lost an estimated USD 16.76 billion in revenue. This was attributed to cancel bookings, closure of hotels and leisure destinations and travel bans local and globally.

Bhat and Beigh (2020) in a study on the impact of COVID-19 pandemic on Indian hotel Industry using in-depth survey indicated that revenue per available room (RevPar), declined by 18.5% in the first quarter of 2020 after Covid 19 outbreak. Revenue from hotels and other places of leisure drastically fell across Indian cities.

A study by Kaushal and Srivastava (2021) explored hospitality and tourism industry amid COVID-19 pandemic in India. The study undertook in-depth interview with 15 participants from top management in the hospitality industry. Kaushal and Srivastava (2021) found that Covid 19 resulted to sharp decline in revenue by hospitality and tourism to tune of billions dollars in 2020. It was also established that Covid resulted to massive job losses in the hospitality and tourism sector across India.

Dogra (2020) in a study on the effect of covid-19 on the tourism industry in India, lockdowns, travel bans and curfews resulted to sharp decline in revenue across the hospitality and tourism sector in India. The suspension of international flights further resulted to the country losing foreign exchange. In addition, sectors that are interlink with tourism and hospitality like food suppliers and travel agencies reported rising losses.

## **3.0 Research Methodology**

This was a literature based reviewed study. The study explored studies conducted on Covid 19 and its effect on hospitality and tourism in India. Global situation of hotel and hospitality industry was also explored in brief. The study therefore relied on past studies to deduce findings, conclusions and recommendations.

#### 4.0 Conclusions

Outbreak of pandemic affects all sectors of the economy and social fabric. However, in the wake of covid-19, hospitality, tourism and hotel industry were hit hardest. Cancel booking, travel bans, restricted time of work all accounted to devastating loss in the hospitality industry. In India, hospitality and tourism industry were far hit hard compared to other sectors of the economy. Massive losses in terms of revenue and loss of employment was witnessed in India. Covid-19 is still ravaging and the effects are expected to be far devastating in the hospitality and tourism sector in India. Travel and Tourism industry are striving to be alive and revive, the support by the Government of India is important.

#### 5.0 Recommendations

Hotels and restaurants must create and innovate their own survival plans and actions and look into cut down the cost, orderliness, virtualization, integration that can assist to tap local market with standards that are proper and observing hygiene in monitoring visitors through checking and offering quarantine services in collaboration with medical officers

Continued government support for the sector in the form of removal of travel advisories and bans on non-essential international travel, which control insurance protection cover for travellers should be brought in. The Government should consider working together with the hotel and restaurant industry by subsidizing their fixed costs. Furthermore, applications and renewal of licensing fees should be absolved for at least a year and kept at minimum for the next two years for all such businesses.

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