

Impact Assessment of Lockdown amid Covid-19 Pandemic On tourism Industry of India

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Abstract: Tourism is a labor-intensive sector which significantly contributes to the Indian economy. However, recent pervasive disasters in nature like the COVID-19 pandemic and the resulting economic downturns make it vulnerable to risk. The contribution of tourism to Indian Economy is manifold. Along with contributing in economic growth, it creates employment opportunities through backward and forward linkages and is one of the potent sources to generate foreign exchange. So, it becomes interesting to speculate over the impact of pandemic on tourism sector of India and how the pandemic immobilized it. The present research paper examines the trend of India's tourist's movement during pre-pandemic and pandemic periods. The study is descriptive and analytical in nature. The statistical analysis made with different tools and the results are depicted by graphs and tables which is prepared using Microsoft Excel and SPSS. The results revealed that India's tourism sector is severely negatively affected due to pandemic as movements of people restricted and flight is cancelled both domestic and international. The impact of covid is not only restricted to tourism sector but also affected the other related sectors like aviation, hotels, tour and travel.

Keywords: Tourism, Labor, Economic Growth, Employment, Pandemic, India

Introduction:

John Walton expounds tourism as a “product of modern social arrangements” (Walton, 2020) which essentially has its origin in the 17th century Western Europe. It has its background in classical antiquity (Walton, 2020). Since then, the tourism industry has globally undergone a radical shift in ideas and beliefs. Due to significant increase in the global purchasing power, rapid pace of economic and technological developments and cheaper modes of travel—more and more people are travelling across the world. There are many reasons why tourism matters for both the hostland and homeland. Tourism brings revenue to the exchequer. It creates job opportunities and employment either direct or indirect way. It provides an incentive to preserve heritage, cultural values and environment. From the perspective of development, tourism is a good indicator for regional and national development and this industry has a positive impact on employment generation, GDP growth, growth of indigenous sectors, foreign exchange earnings, or infrastructural development and a golden ticket for socio-economic development of the country as well. It attracts income from foreign exchange and employment opportunities that effectively deal with poverty alleviation. Tourism in India is a multidimensional

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phenomenon. It has become an important tool for sustainable and alternative development, especially in areas where certain economic activities are not viable, such as agriculture and in other economically backward and rural regions. The host country is usually found to be influenced by tourists due to the interactions between visitors and residents that create various socio-cultural impacts. Tourism is a popular mode of rejuvenation if the tourist destination is free of obstacles like political instability, diseases and natural catastrophes. Currently, tourism in every country is considered as an important source of earning foreign currency. Development of tourism is of great importance for lesser developed countries embroiled in high unemployment rates, foreign exchange resource constraints and single product economy. This study focuses on understanding the impact of SARS-COV-2 on the Indian tourism industry. The significance of the study deems it as a novel study that assesses the direct and indirect impact of COVID-19 on the people associated with the tourism industry as a means of livelihood.

Literature Review:

Aharon, Jacobi, Cohen, Tzur, and KADAN (2021) have worked with relevant empirical data and their findings clearly show that various uncertain circumstances was one of the major challenges faced by the tourism sector during the spread of COVID-19. Kasare (2020) evaluates this aspect based on the conclusions deciphered from the analysis of information solely included in newspapers, and web pages, from previous years. Similarly, Karim et al. (2020) highlight that the hotel industry in Malaysia also found itself in a disastrous situation. Hoque et al. (2020) discuss about the pandemic and its effect on Chinese tourism. Pravakar Sahoo and Ashwani (2020) have analyzed the impact of COVID-19 on manufacturing sector of India specially in the MSME sector. It is evident that a considerable effect on the Indian economy has been felt due to the different scenarios of complete, extended and partial lockdown, and at different levels of massive capacity utilization especially on trade, manufacturing and MSME sectors. The impact is such that it is estimated that it would be strenuous for the economy to manage a positive growth of 0.5 per cent in an optimistic scenario. In fact there is a possibility of a 3–7 percent negative growth for the calendar year 2020. The estimated impact (deceleration) of the pandemic from best case scenarios to worst scenarios are: manufacturing sector may shrink from 5.5 to 20 percent, exports from 13.7 to 20.8 per cent, imports from 17.3 to 25 per cent and MSME net value added (NVA) from 2.1 to 5.7 per cent in 2020 over previous year. A systematic, well targeted and aggressive fiscal-monetary stimulus measures can reduce the repercussions of recession. Bartosz and Ruwan (2020) assess tourism sector of Poland and analyzed that the availability of few airlines which greatly led to the decline of the international tourist movement and accommodation occupancy that came down to 0% by the end of March 2020. So, as global trade gets effected, we see a loss-making influence in growth, international trade, financial markets, unemployment, income, poverty and many more variables. Its effect is also inevitable on the Indian growth model which is depended on the export-led-growth (Mishra, 2019). McKibbin and Fernando (2020) utilized the computable general equilibrium (CGE) modeling and reported that global GDP would be reduced by around US\$2.4 trillion in 2020 under a low-end pandemic considering the Hong Kong Flu as a reference point. Ozili and Arun (2020) noted the spillover effects of the pandemic and hailed that the social distancing measure of virus controlling led to the shutdown of financial markets, corporate offices, businesses and events which in turn may have significant impact on economic growth. Jamal, and Ahemad (2020) analysed that COVID-19 locked down across the globe resulted in numerous psychological, socio-cultural and economic impacts on the various stake holders of the tourism industry of Kashmir. Kaitano Dubea, Godwell Nhamob and David Chikodzib (2020) analyzed the impact of COVID-19 on hospitality sector and revealed that that sit in guests dropped to zero in many countries as governments across the world instituted social distancing initiatives, movement restrictions and lockdowns.

Methodology and Data Sources:

The study is based on time series secondary data of tourists arrived from foreign countries. Secondary data is collected from various annual reports of R.B.I and ministry of tourism and Health and welfare. The data's included are overview of Indian Economy affected by covid-19, number of confirmed and recovered and death cases due to covid, arrival of tourists. Quantitative data are analysed in MS excel using following analytical tools.

Analysis of Growth rate was used to measure the past performance of economic variables. It was used to find out the trend in the export of major marine products during the above said period periods.

Annual growth= $\{(X_t / X_{t-1}) - 1\} * 100$

Spearman's rank Correlation:

$r_R = 1 - 6 \sum d_i^2 / n(n^2 - n)$

Coppock's instability index:

This is used to identify the factors responsible for instability in foreign tourist arrivals in India. Coppock's instability index is a close approximation of the average year to-year percentage variation adjusted for trend

$CII = \{[\text{Antilog}(V\log)] - 1\} * 100$ (3)

Where, $V\log$ = logarithmic difference of $\log x_{t+1}$ and $\log x_t$.

Regression Analysis is used to analyze the impact of various economic and social factors like GDP, employment, connectivity, inflation, foreign exchange and pandemic on tourism sector of

Foreign Tourist Arrivals = $\beta_1 + \beta_2(X_2) + \beta_3(X_3) + \beta_4(X_4) + \beta_5(X_5) + \beta_6(X_6) + \beta_7(X_7) + \beta_8(X_8) + \mu$

Where β_1 : Constant, β_2 : Inflation Rate, β_3 : Real Exchange Rate (Base year 2010), β_4 : GDP (In Trillions), β_5 : No. of hotels, β_6 : No. of tour operators β_7 : total expenditure on promotion and marketing of tourism, β_8 : Distance, μ : No. of Natural Calamities

Table-1: Trend of COVID-19 Cases in India (Month wise)

Month	No of Cases	Growth in Percent	No of Deaths	Growth in Percent
Jan-20	1	0	0	0
Feb-20	3	200	0	0
Mar-20	1,397	46466.67	35	350

Apr-20	33610	2305.87	1075	2971.43
May-20	182143	441.93	5164	380.37
Jun-20	566840	211.21	16893	227.13
Jul-20	1638870	189.12	35747	111.61
Aug-20	3621245	120.96	64469	80.35
Sep-20	6225763	71.92	97497	51.23
Oct-20	8137119	30.70	121641	24.76
Nov-20	9431691	15.91	137139	12.74
Dec-20	10266674	8.85	148738	8.46
Jan-21	10746183	4.67	154274	3.72
Feb-21	11096731	3.26	157051	1.80
Mar-21	12149335	9.49	162468	3.45
Apr-21	18762976	54.44	208330	28.23
May-21	28047534	49.48	329100	57.97
Jun-21	30362848	8.25	398454	21.07
Jul-21	31612798	4.12	423842	6.37

Source: Compiled from Ministry Of Health and Family Welfare, Government of India

Objectives:

The study revolves around to understand the impact of SARS-COV-2 on the Indian tourism industry. The novel study assesses how the COVID-19 has impacted the livelihood of the people directly and indirectly associated with tourism industry. Therefore, this paper will run over all the major factors that directly or indirectly influence the destination of potential tourists. It also aims to build an economic framework to revive and develop the tourism sector of an economy after COVID-19. The major objectives of this paper are as follows:

- To examine the contribution of tourism industry in Indian economy before and during Covid-19.
- To examine the change in trends and patterns of tourism and aviation sector in India due to covid-19
- To examine the extent to which the pandemic has impacted the tourism and aviation sectors

Discussion and Analysis

Table 2: List of Sectors and Impact Assessment in Pre covid and During Covid Period (Annual growth in percent)

Sector	Impact OF COVID-19	2015-2016	2016-17	2017-18	2018-19	2019-20	2020-21

Agriculture, forestry and fishing	No impact or positive	0.65	6.80	6.61	2.56	4.31	3.63
Mining and quarrying	Full impact	10.15	9.84	-5.62	0.28	-2.54	-8.53
Manufacturing	Full impact except household manufacturing, manufacture of food products, beverages and tobacco and manufacture of	14.26	8.74	9.98	9.30	-3.32	-4.67
Electricity, gas, water supply and other utility services	No impact	4.72	9.97	10.61	8.01	2.05	1.90
Construction	Full impact	9.44	8.46	6.34	7.24	7.19	-8.36
Trade, hotels, transport, communication and Broadcasting	Full Impact	10.24	7.71	10.34	7.14	6.40	-18.20
Financial, real estate and professional services	Full impact	10.66	8.64	1.77	7.16	7.27	-1.50
Public administration, defense and other services	Least impact	6.12	9.33	8.35	7.39	8.29	-4.62

Source: Compiled from various issue of annual reports of R.B.I and Budget of Government of India

The Contribution of Tourism Sector in Indian Economy:

The tourism sector has a dynamic and an influential linkage with socio-economic prosperity in India. Its employment potential is higher than any other Sector. The World Travel and Tourism Council calculated that tourism generated Rs.16.91 lakh crores

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(US\$220 billion) or 9.8% of India's GDP in 2019 and supported 39,822 million jobs, 8.1% of its total employment. A growth of annual rate of 6.9% to 32.05 lakh crore (US\$430 billion) by 2028 (9.9% of GDP) is predicted. The studies of UNWTO (United Nations World Trade Organization) shows that tourism volumes and related receipts like GDP, employment and export earnings are expected to move away from the developed countries and towards the less developed countries as a result of favorable economic, technological, motivational & policy factors. Table 3 showcases some important statistics of international tourism in India.

Table 3: Importance of Tourism Sector in Indian Economy

Year	Share in GDP (%)	Share in Employment	Direct Employment (%)	Indirect Employment (%)	FER (%)	FER in Crore)	Employment (million)
2009	6.98	9.24	4.04	5.2	6.35	53700	49.8
2010	6.8	10.2	4.4	5.8	5.68	64889	45
2011	6.14	9.53	4.05	4.45	5.29	77591	42.5
2012	6.6	7.7	3.7	3.1	5.78	94487	39.5
2013	5.68	11.37	4.96	6.41	5.65	107671	67.21
2014	5.81	12.25	5.34	6.91	6.5	123320	69.75
2015	5.1	12.38	5.4	6.98	7.88	135193	
2016	5.06	12.2	5.32	6.88	8.33	154146	75.34
2017	5	12.13	5.29	6.84	9.09	177874	80.63
2018	5	12.75	5.56	7.19	8.44	194882	87.5
2019	4.9	12.95	5.65	7.3	9.54	211661	88.72
2020	4.7	7.3	3.14	4.16	1.01	50136	31.8
2021	5.8	8.1	3.56	4.54	0.18	7747	35

Source: Author's analysis by compiling data's from Handbook of tourism, various issues, RBI annual reports (2009-2021)

Table-4: Major Parameter on which Tourism Impact on Indian Economy

Major axes for measuring the Economic Impact of Tourism	Impact of tourism
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Increment in GDP	The revenue of tourism helps to boost GDP
Currency inflow	This involves calculating gross foreign exchange earnings
Employment	Explicit and implicit employment generated by tourism..
Foreign Exchange reserve	Inflow of foreign exchange reserve due foreign tourist's arrival (FTAs).
Increase in Government Revenue	This includes hotel taxes and other taxes on tourism, airport exit duties etc.
Government Revenue	Monuments visit

Source: Author's assesment from various annual reports of Ministry Of tourism

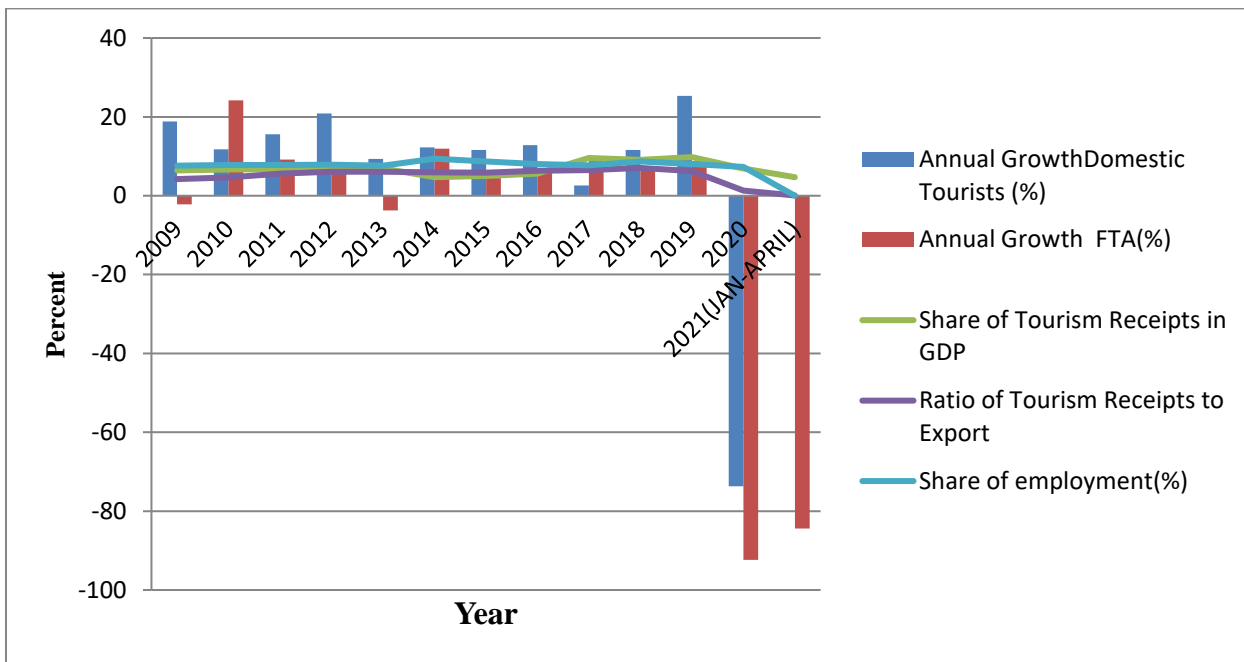
Table-5: Contribution of Tourism to Indian Economy during Pre Covid and Covid Period

	No. of Domestic Tourist Visits (in million)	Annual Growth (%)	Number of Foreign Tourist Arrivals (in millions)	Annual Growth (%)	Number of Foreign Tourist Arrivals (in millions)	% share international Tourist Arrivals in India (%)	Rank of India in World	Share of India in Asia and the Pacific (%)	Total Export receipt (US Million)	Share of Tourism Receipts in GDP (%)	Ratio of Tourism Receipts to Export (%)	Share of employment (%)
09	668.80	00	5.17	00	5.17	0.59	42nd	2.85	279057	6.45	4.21	7.6
10	747.70	11.8	5.78	24.22	5.78	0.61	38th	2.82	304818	6.7	4.66	7.8
11	864.53	15.6	6.31	9.20	6.31	0.63	41st	2.89	294397	6.76	5.63	7.8
12	1045.05	20.9	6.58	6.34	6.58	0.64	41st	2.82	292046	6.76	6.07	7.9
13	1142.53	9.3	6.97	-3.76	6.97	0.68	41st	2.79	304223	6.88	6.06	7.6
14	1282.80	12.3	7.68	11.94	7.68	1.15	24th	4.86	341,638	4.7	5.92	9.4
15	1431.97	11.6	8.03	4.44	8.03	1.15	24th	4.84	360176	5	5.83	8.7

16	1615.39	12.8	8.80	5.95	8.80	1.21	26th	4.9	364,109	5.6	6.3	8
17	1657.55	2.6	10.04	8.79	10.04	1.26	22nd	5.19	421,335	9.6	6.48	7.7
18	1853.79	11.6	10.56	7.39	10.56	1.24	22nd	5.01	405,638	9.1	7.05	8.65
19	2321.98	25.3	10.93	8.78	10.93	1.23%	23rd	4.97	477807	9.8	6.29	15.34
20	610.22	-73.7	2.74	-92.33	2.74	1.57	19 th	NA	469909	6.9	1.31	8
21	677.67	11.05	1.52	-44.5	0.376	1.64	54 th	NA	576984	4.7	0.06	7.3

Source: Compiled from various annual reports of India’s tourism Statistics and R.B.I annual reports

Figure1: Annual Growth of FTA Domestic Tourists



Source: Compiled from various annual reports of India’s tourism Statistics and R.B.I annual reports

Table 6: Trend of FTA visited Coastal States

YEAR	TFA Arrived India	Beach Tourism (Visited to Coastal States)	Percent	Annual Growth (%)TFA	Annual growth Beach Tourism
2009	14372300	8249535	57.40	0	0
2010	17852777	10900962	61.06	24.22	32.14
2011	19494879	11719976	60.12	9.20	7.51
2012	20731495	11948592	57.63	6.34	1.95
2013	19951026	11930423	59.80	-3.76	-0.15
2014	22334031	12900239	57.76	11.94	8.13
2015	23326163	13456240	57.69	4.44	4.31
2016	24714503	13992790	56.62	5.95	3.99
2017	26886684	15880096	59.06	8.79	13.49
2018	28872384	17367598	60.15	7.39	9.37
2019	31408666	17952219	57.16	8.78	3.37
2020	7171769	4149979	57.86	-92.33	-77
2021	1054642	476451	45.17	-84.39	-88.01

Source: Compiled from various annual reports of India's tourism Statistics

The above table analyzed that the more than fifty percent of foreign tourists visited the coastal states which reflecting that the beach tourism or marine tourism is very importance for foreign tourists. Beach tourism is important because Russian and East European country tourists find beaches to be a popular destination spot. Such tourists and NRIs either avail chartered flights straight to Goa to spend time, or choose the beaches of Goa or Kerala for destination weddings or religious ceremonies. From the above data it is revealed that there was a drastic fall of FTAs to India due to covid -19. Due to covid there was a full locked down during the period 2019- 20 n there was not international connectivity hence there was fully halt in the inflow of FTAs hence there was negative growth of FTAs.

Table7-Changing Pattern of FTA arrived from the top 16 countries between (2009-21)(In Percent)

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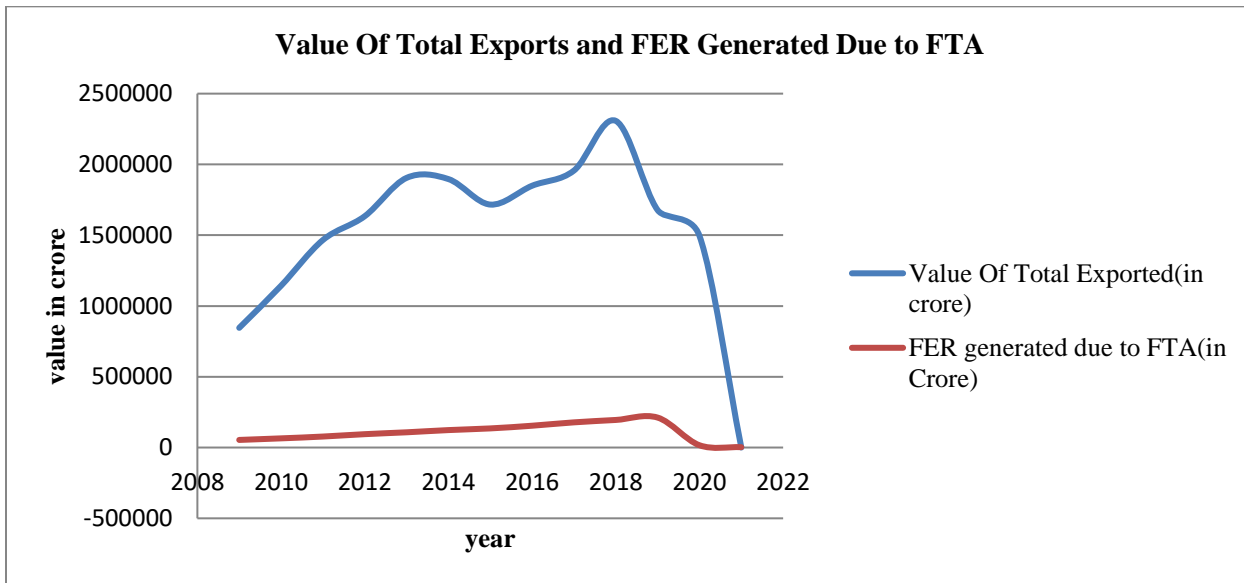
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Country	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Australia	1.04	0.95	0.99	1.11	1.10	1.07	1.13	1.19	1.21	1.20	1.17	2.64	1.02
Bangladesh	3.26	2.41	2.38	2.67	2.63	4.22	4.86	5.59	8.02	7.82	8.21	26.07	15.65
Canada	1.56	1.35	1.33	1.40	1.28	1.20	1.21	1.28	1.25	1.22	4.81	4.02	4.27
China	0.70	0.67	0.73	0.93	0.88	0.81	0.88	1.02	0.92	0.98	1.08	0.01	0.00
Germany	3.71	3.94	3.81	3.87	3.09	3.09	3.02	2.62	2.60	2.42	2.40	1.42	1.42
Iraq	0.32	0.49	0.49	0.59	0.59	0.53	0.53	0.55	0.56	0.57	0.65	1.82	2.99
Japan	0.87	0.94	0.99	1.20	1.10	0.98	0.89	0.85	0.83	0.82	0.76	0.00	0.01
Maldives	1.07	1.01	0.86	0.77	0.65	0.86	0.86	0.77	0.66	0.59	0.72	0.81	1.39
Malaysia	0.94	1.00	1.07	1.07	1.21	1.17	1.17	1.22	1.20	1.11	1.07	3.14	2.4
Nepal	1.72	1.81	1.89	1.91	1.63	1.65	1.93	1.83	1.67	1.65	0.16	2.49	4.59
Portugal	0.33	0.36	0.38	0.42	0.47	0.56	0.56	0.62	0.66	0.71	0.68	1.54	2.4
Russia	0.66	0.68	0.74	0.97	1.30	1.21	0.74	0.92	1.04	0.91	0.80	5.12	1.41
Singapore	0.66	0.60	0.61	0.72	0.72	0.67	0.65	0.66	0.65	0.64	0.61	1.49	0.1
Sri Lanka	1.67	1.49	1.57	1.63	1.31	1.35	1.28	1.20	1.14	1.23	1.05	3.98	0.00
UK	5.35	4.24	4.09	4.32	4.06	3.76	3.72	3.81	3.67	3.57	0.32	10.63	5.87
USA	5.76	5.20	5.03	5.69	5.44	5.01	5.20	5.25	5.12	5.05	4.81	10.03	26.85
Others	70.38	72.86	73.04	70.73	72.54	71.85	71.36	70.62	68.81	69.53	70.70	24.79	29.63

Source: Source: Author's calculation by compiling data from various annual reports of India's tourism Statistics.

The above table has revealed the change in pattern of foreign tourist's arrival to India from different foreign countries. From the above table it is found that the top 16 countries from which around thirty percent of foreign tourists came to India, from the period 2009—19. During this period USA which is top most country from which 5 to 6 percent foreign tourist arrived India during the period 2009-18, but due to covid-19 the share of FTAs declined to 4.91 percent in 2019 which again increased to 10 percent in 2020 and sharply increased to 26.85 percent. During the same period the share of FTAs of Bangladesh which was 3.26 in 2009 has increased to 8.21 in 2019 which has increased sharply to 26.1 % in 2020 and slightly declined 15/25 % in first quarter of 2021. Similarly the third top most country in terms of FTAs it is UK whose share was around 5.5% in 2009 decreased to continuously till 2019 i.e 0.32% again increased to 10 percent in 2020 and again declined to 5.87% due to restriction imposed by India as a result of increased in covid cases in UK. During the same period the other source countries like Japan, china and Germany has declined the share. But other countries like Iraq whose share was 0.32% increased to 3.29% in 2021 and Nepal whose share in tourists was 1.59% only in 2009 has increased to 4.59% in 2020. During the covid there is a drastic change in pattern of foreign tourist's arrival to India. During the covid period the source FTAs has changed, as the above top 16 countries which constitute share of 29 to 30 percent of FTA to India has increased the share to 75.2% in 2020 and 70.2% in first quarter of 2020-21.

Fig2: The interrelation ship between FER generated due to Exports from India and FTA



Source: Author’s calculation by compiling data from various annual reports of India’s Handbook of tourism Statistics and annual reports R.B.I

The figure 2 furnishes the generation of foreign exchange due to export and arrival of foreign tourists during the period 2009-2021. From the above figure it concludes that both the lines show declining trend. Before covid-19 i.e. between 2009-18 there was a huge gap between the two trend lines but after the latter period of 2019 the gap has started gradually declining. Due the outbreak of pandemic and nationwide locked down there has been a sharp decrease in the exports and also movements of tourists due to cancellation of international flights.

Table-8: Impact of Tourists visited on Revenue collected From Centrally Protected Monuments

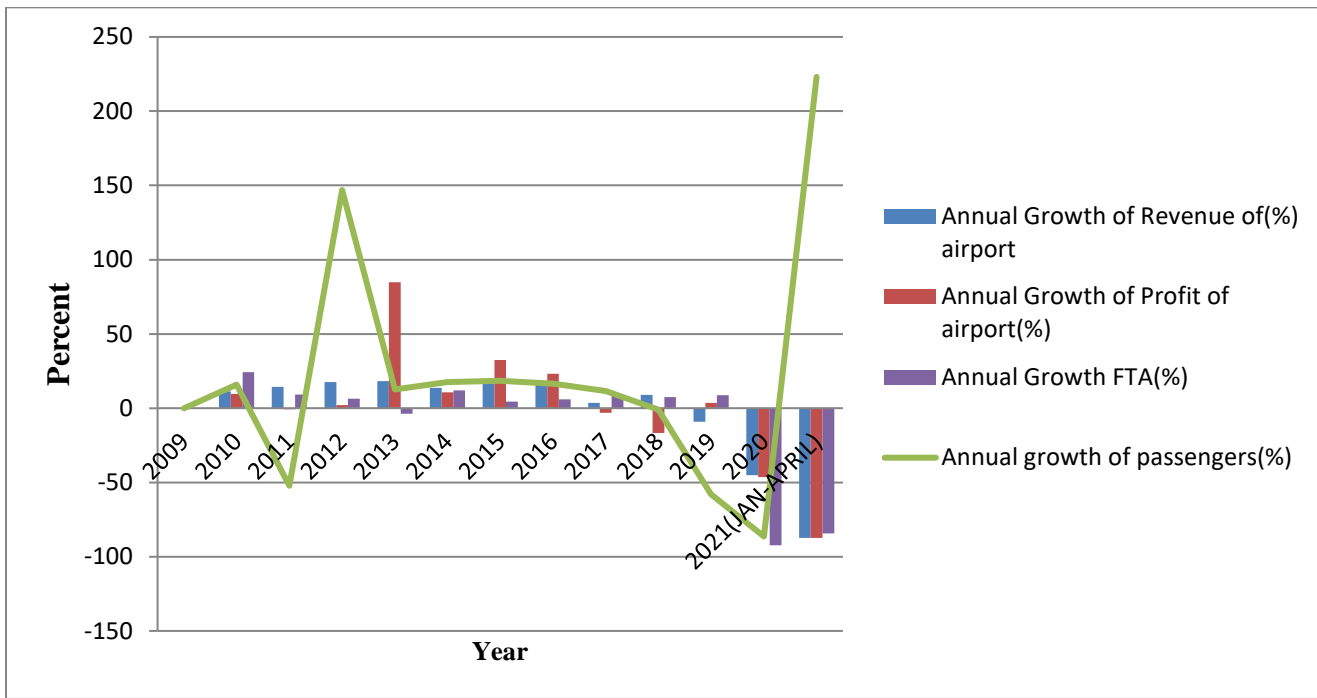
year	Domestic	Foreign	Number of Visitor	Annual Growth Rate (Tourists)	Annual Growth Rate (Revenue collected)
2009	30804103	2195382	32999485	0	0
2010	35770242	2998175	38768417	17.50	17.66
2011	40534481	2948065	43482546	12.2	12.16
2012	43259075	3064778	46323853	6.5	6.53

2013	43019998	2995852	46015850	-0.7	37.77
2014	45425859	2792272	48218131	4.8	-3.57
2015	50988730	2620228	53608958	11,21	0.61
2016	45067607	2982601	48217736	-20.63	-76.07
2017	48394768	3397673	51004573	7.7	7.68
2018	47316029	3576867	53183923	-1.79	24.90
2019	43584117	2756449	48201000	-8.91	11.20
2020	13153076	415859	12000000	-70.7	-86.12
2021	26046891	318673	26365564	94.31	81.73

Source: Author's calculation by compiling data from various annual reports of India's tourism Statistics

The table 8 analyzed the impact of covid on the revenue collected from Centrally Protected Monuments. Due to locked down and drastic reduction of foreign and domestic tourists and movement of people, there is a drastic reduction in collection of revenue collected from Centrally Protected Monuments. Due to locked down and restrictions of movement of people there is drastic reduction of visitors which shows a negative growth (-70%) during the same period the collection of revenue declined -86.1%/So due to locked down there is a drastic reduction of revenue collection in covid period/.

Fig3: Annual Growth Revenue, Profit, FTA and Movements of Passengers (Percent)



Source: Author’s calculation by compiling data from various annual reports of India’s tourism Statistics various annual reports of Airport Authority of India

The figure 3 has shown the percent change in in revenue and profit of airport due to movements of passengers from the periods of 2009-2021. From the figure it is observed that due to covid pandemic all indicators are showing negative growth .It has resulted due to the cancellation of international and domestic flights. That has resulted restrictions of movements of passenger hence there is drastic reduction of revenue and profits of airports.

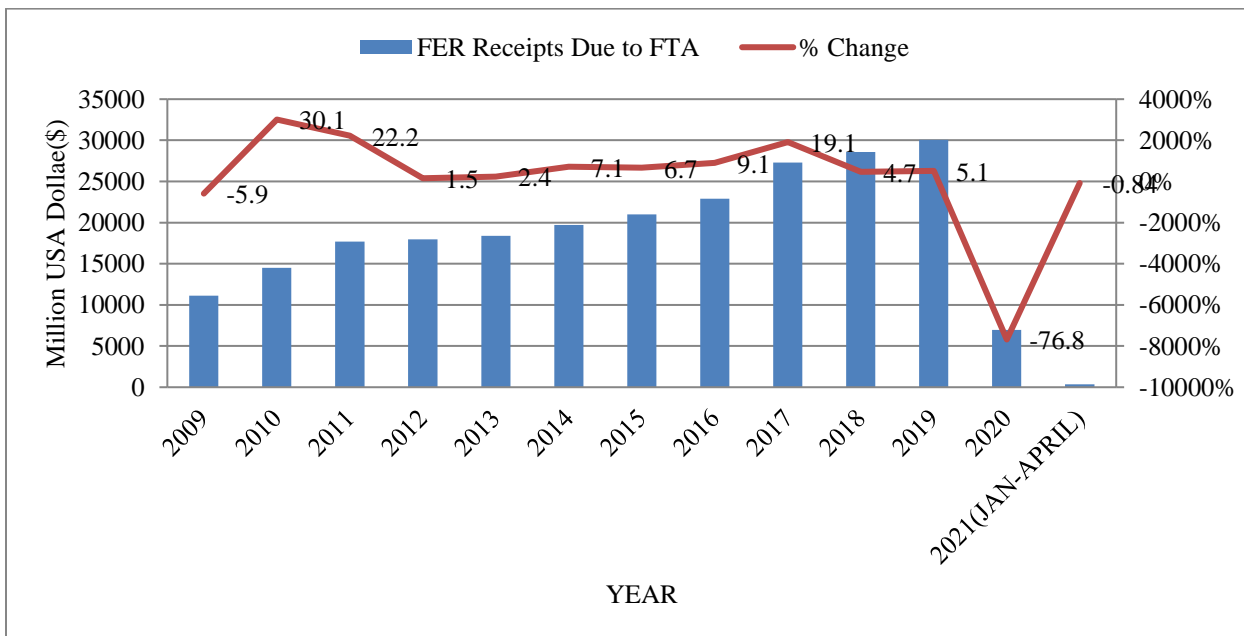
Table-9: Annual Growth of Services of Export and Travel

Year	Export services	Travel services
2009	0	0
2010	24.79	28.31
2011	20.64	24.12
2012	15.80	9.75
2013	16.00	11.16
2014	5.22	14.46
2015	4.47	12.04
2016	9.00	11.74
2017	14.17	17.21
2018	15.81	8.96
2019	3.80	6.80
2020	1.10	-70.43

Source: Author’s calculation by compiling data from various annual reports of India’s tourism Statistics and from various issues of annual reports of R.B.I

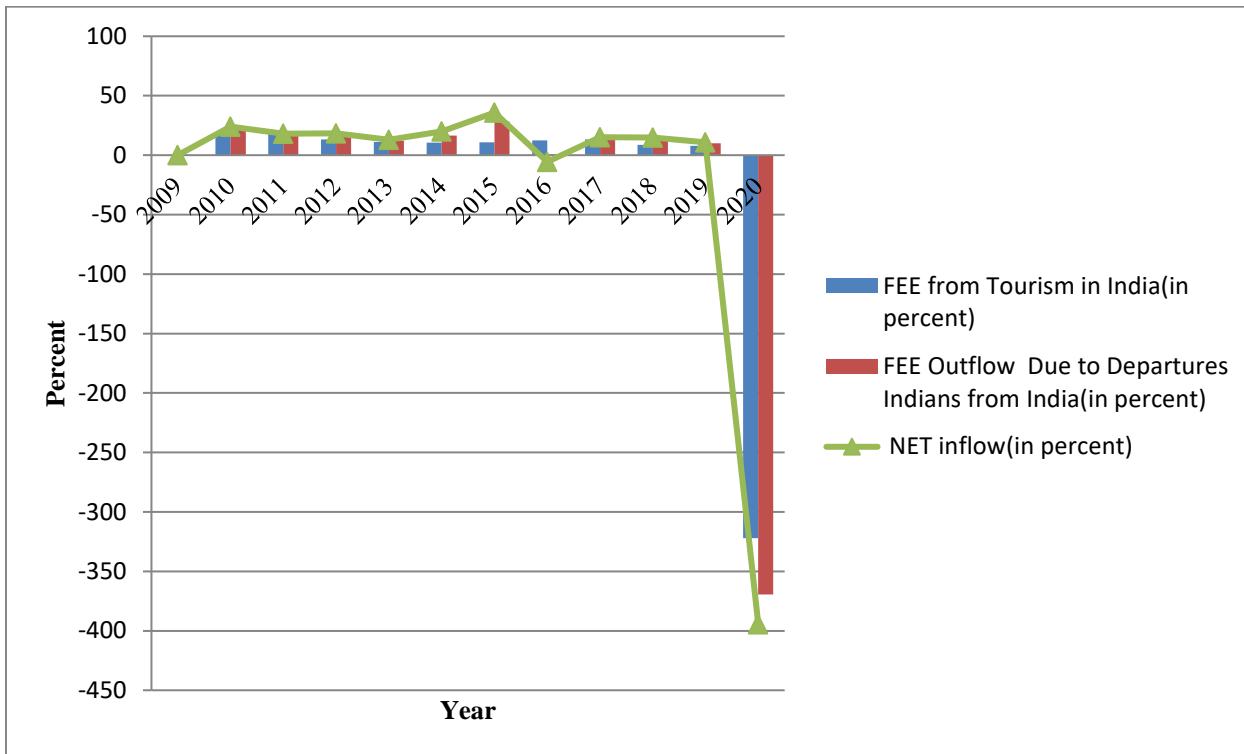
The above table shows the relationship between the growth trend in export services and travel services during pre covid and covid periods. From the table it is concluded that both the growth of export services and travel services is positively going till 2018. During initial stage of Covid period the growth rate is increasing but the rate of growth is lesser than pre covid period i.e 3.80 % in case of service sector and 6.80 in case of travel services. But during 2020 the growth of services sector is 1.10% but in case of travel services which shows negative growth i.e -70/43% during the same period. So it can be concluded that due to covid export of service is hampered by covid and mostly the export of tour and travel is negatively affected as there was restrictions on the movements of the people.

Fig-4: Trends of FER receipts Due to FTA and percentage change in FER receipts due to FTA



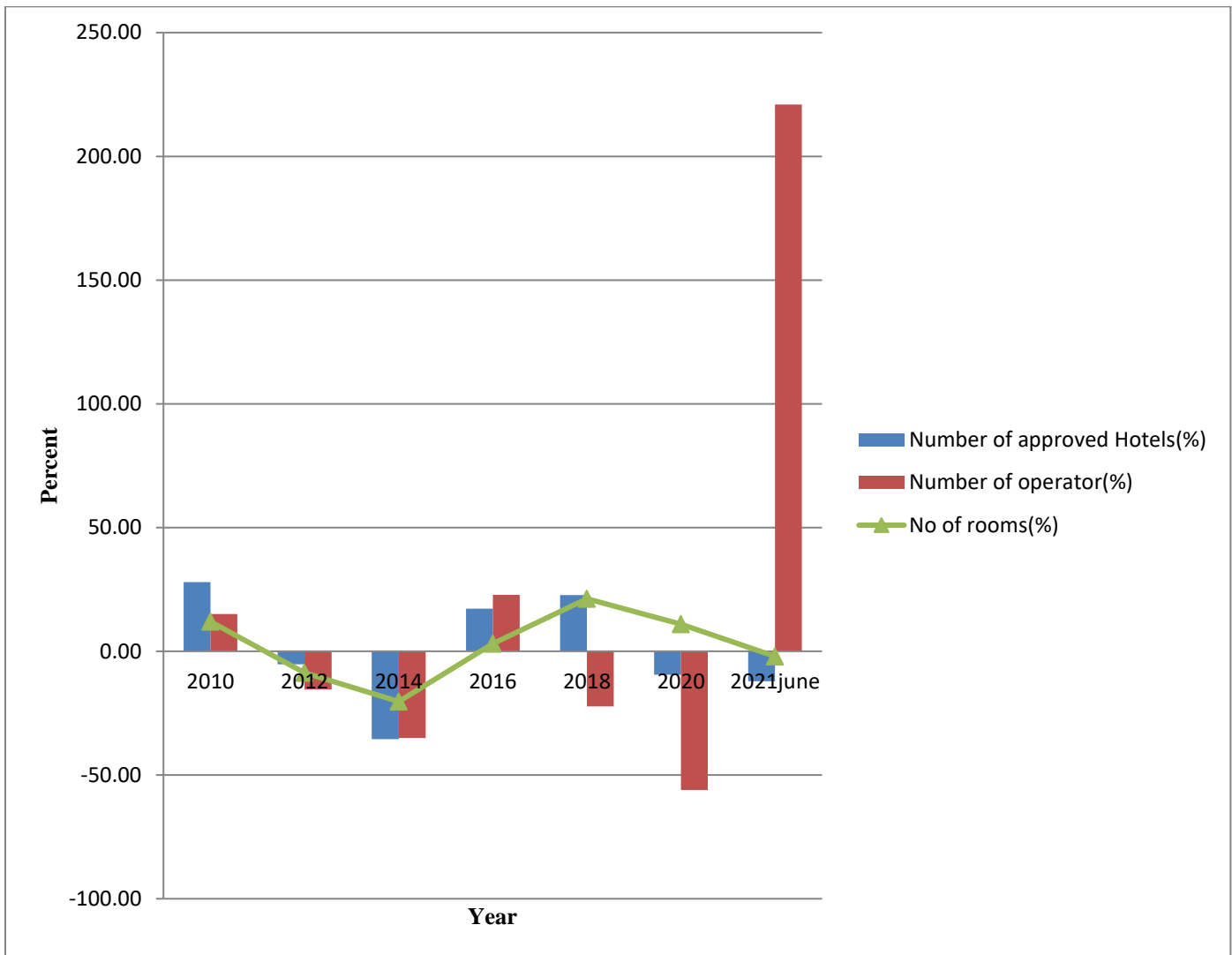
Source: calculated by author by compiling data's from annual reports of India's tourism Statistics

Fig7: Comparative analysis of Trend of Annual growth of foreign tourist's arrival and Domestic tourists departed



Source: Source: Author's calculation by compiling data from various annual reports of India's tourism Statistics

Fig 8 Average Growth in No of approved hotels, number of hotels and no of rooms (%)



Source: calculated by author from annual reports of India’s tourism Statistics

From the above diagram which revealed that the change in no of hotels, no of tour operators approved by government of India. From above diagram it is revealed that there is a drastic fall down of no of hotels, rooms and tour operators during covid period. The closed down of hotels and tour operators meant there is a drastic fall down of employment opportunities in the hotels n hospitality sector during covid period. Though there is a revival of no of tour operators during first quarter of 2021 but the incase no of hotels and no of hotel rooms still have negative growth. So it is revealed that the impact of covid is adversely affected the hotels and hospitality sector as compared to others sectors of the economy.

Table 10: Spearman rank correlation coefficient between FTAs and Determinants of FTAs

Determinants of FTAs	Correlation Coefficient between determinants and FTAs
Inflation rate	-0.28

Real Exchange Rate	-0.19
GDP	-0.9
No .of Hotels	0.06
No of Tour operators’	0.54
Total expenditure to promote tourism by government of India	0.31
Distance	-0.37
No of Natural calamities	-0.14

Source: Author’s calculation by compiling data’s from R.B.I and Ministry of Tourism, Government of India

From the above table it is revealed that the correlation between FTAs and no of tour operators is positive whereas the relation between natural calamities and FTAs negative but very low relationship which concluded that the natural calamities and pandemic are also played major roles in determining arrival of FTAs to India. Distance also play major determinant of FTAs to India which are negatively correlated to each other.

Table 11: Factors responsible for Foreign Tourist arrivals in India

S NO.	Coefficient	Std.Error	t-statistics	P-VALUE
Inflation rate	1.74	44230107.04	-6.66	0.146
Real Exchange Rate	-0.43	18652720.36	0.61	0.17
GDP of World)	0.04	18922385	2.76	0.92
No .of Hotels	-0.02	236627.44	1.20	0.67
No of Tour operators’	0.28			0.12
Total expenditure to promote tourism by government of India	0.17	1137605.26	-2.42	0.98
Distance	-0.28	7415296.86	-4.59	0.43
No of Natural calamities	-0.004	2.753679	-0.35	0.49

Source: Author’s calculation by compiling data’s from Ministry of tourism and R.B, I

The above table has linearly represented in the following manner: As can be observed from the table above, since none of the factor exhibits a p-value less than or equal to the usual significance level of 0.005, the null hypothesis which assumes that there exists no correlation between the dependent variables and the independent variables cannot be rejected and hence none of the factors are statistically significant to the model

The sign of a regression coefficient tells us whether there is a positive or negative correlation between each independent variable and the dependent variable. A positive coefficient indicates that as the value of the independent variable increases, the mean of the dependent variable also tends to increase. A negative coefficient suggests that as the independent variable increases, the dependent variable tends to decrease. Regression coefficients are unstandardized effect size because they indicate the strength of the relationship between variables using values that retain the natural units of the dependent variable. In the regression analysis performed above we consider the usual significance level of 0.05, it can be observed from the above table the p-value corresponding to the per capita income (0.047274) is less than the usual significance level, thus can reject the null hypothesis which assumes that there exists no correlation between the dependent variables and the independent variable. Thus, this factor is statistically significant to our model. Similarly, the p-value corresponding is less than the usual significance level and thus we can reject the null hypothesis. Thus, this factor is also statistically significant to the model.

Conclusion and Policy Recommendations:

The economic condition of the country is severally affected by the corona pandemic and its adverse effect can be observed in the tourism sector also. Some novel decisions have been proposed for the various stakeholders and policymakers of the tourism industry for a faster recovery. The findings of this paper concludes that instead of investing more in adding new resources, policymakers and stakeholders can think about making the existing resources more efficiently effective. Various steps are essentials to boost up tourism sectors which should include protection of jobs, providing credit at subsidized rate of interest, tax relaxation to hospitality sectors, and more actions to bring the public health in right track. The research is arranged with the help of secondary data collected from different government sources. The analysis has been made during the pandemic period though the intensity of covid has reduced but it is not finished yet so there also be a comparison can be made regarding the period of covid and post covid.

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