Tourism and Sustainability in Times of Covid-19: the Case of Uttar Pradesh

Akanksha Singh, Pooja Sahu, Girish Mohan Dubey

Abstract: The outbreak of COVID-19 brought social and economic life to a standstill. This paper discusses the impact of the Coronavirus/COVID-19 crisis on Uttar Pradesh Tourism, focus is made on assessing the impact on affected sectors, such as aviation, tourism, employment. The study have also discussed about the role of Uttar Pradesh Tourism in Indian Economy. For data collection, the secondary data has been collected through extensive literature reviews. The government data about the incidences regarding coronavirus has been collected. Coronavirus in Uttar Pradesh has significant impacts all across the globe mainly tourism sector as tourist have canceled their programs where Uttar Pradesh is on 3rd position of tourist destination in India. Cities like Agra, Varanasi, Lucknow and Ayodhya are more reliant on tourism have been more affected by this crisis. The finding of this study is very important as government in preventing and stopping decriment demand in tourism industry. The Government need to introduce some policies or incentives for the tourism industry. The paper also shows some of the remedial measures that must be taken care of so that there is a boast in the economy.

Keywords- COVID-19, Coronavirus, Tourism Industry. Uttar Pradesh

I. INTRODUCTION

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. “The tourism has become the world’s fourth largest export industry after fuels, chemicals and food” (Tugecu, 2014; Balli, Curry &Balli, 2015). India having total 38 world heritage sites. India attracts tourist from all over the world. India’s foreign tourist arrival is also increasing. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country. It offers a heterogeneous portfolio of niche tourism products – cruises, adventure, medical, wellness, sports, eco-tourism, film, rural and religious tourism.

India has been identified as a destination for sacred tourism for domestic and international tourists. In recent years, India had experienced exponential growth in travel and tourism aided by different kinds of travel. On January 30, 2020, the World Health Organization (WHO, 2020) designated the COVID-19 outbreak a “public health emergency of international concern.” Scientists rapidly started working to elucidate the characteristics of the virus, including transmissibility, death rate, and origin (perlmam2020). Government started working to handle the situation by imposing lockdown, taking appropriate actions and by communicating precautionary information regarding COVID-19, developed economies of the world, medically advance countries could not deprived themselves from COVID-19. Europe has also become the epicenter of COVID-19. Italy is the worst hit country after China. India also gone through the phase of complete lockdown consequently Indian tourism Industry facing a big challenge.

As of 2019, 4.2 crore jobs were created in the tourism sector in India, which was 8.1 per cent of the total employment in the country. The number is expected to rise by two per cent annum to 52.3 million jobs by 2028. The contribution of Travel and tourism sector is around US$ 194.3 billion that is (6.8%) to the total economy of India during 2019 (WTTC, 2020).

According to WTTC, India ranked third among 185 countries in terms of travel and tourism’s total contribution to GDP in 2018. India ranked 34 in the Travel and Tourism Competitiveness Report 2019 published by the World Economic Forum. According to FICCI report the growth in spending on domestic tourism from USD 131 billion in 2012, USD 200 billion in 2018 was expected to double to approximately USD 406 billion by 2028.

India’s total foreign tourist arrivals (FTAs) stood at 10.9 million and the foreign exchange earnings stood at Rs 210,971 crore during 2019 with Maharashtra, Tamil Nadu, Uttar Pradesh, and Delhi accounting for about 60% of FTAs. However, now with travel restrictions in India for over 80 countries and the international flights being suspended (and domestic flights being operational with restrictions), the Indian domestic travelers and FTAs will witness a significant decline during 2020. The sector is staring at a potential job loss of around 38 million, which is around 70 percent of the total workforce. The country received 1.8 billion domestic tourists between January to December 2019, which generated 83% of the total tourism revenue in the country(WTTC, 2020). According to The United Nations World Tourism Organization (UNWTO), it estimates that tourism sector is going to be highly affected.
It is likewise expected, that there will be loss of US$ 910 billion revenue and 100 to 120 million jobs world-wide towards the end of 2020. The Indian travel industry is projected to record an income loss of US$ 11,221 Million due to suspension and delay of flight tasks which will prompt 2.93 million of joblessness this year after the outbreak of COVID-19. (IATA, April, 2020). “It is believed that more than 70 per cent out of a total estimated workforce of 5.5 crores (direct and indirect) get unemployed. This effect of job losses and layoffs has already begun throughout the country.” (Kumar and B Rout 2020).

II. OBJECTIVES OF THE STUDY

▪ To study the role of Uttar Pradesh tourism in Indian Economy.
▪ To know the effects of COVID-19 on tourism of Uttar Pradesh in India.

III. RESEARCH METHODOLOGY

The information collected for the research work is totally based on secondary data. The information collected is through various journals, articles, and other official websites of Tourism Industries.

IV. STATEMENT OF THE PROBLEMS

A. Uttar Pradesh Tourism And Economy

The tourist traffic in Uttar Pradesh has taken a severe blow following the outbreak of the Coronavirus pandemic. Since this is the season when domestic tourism peaks due to holidays in schools and moderate weather conditions, the blow to tourism industry has been all the more severe. Uttar Pradesh situated in the northern part of India, bordering with the capital of India New Delhi. The most populous state of India, Uttar Pradesh contains many historical monuments and places of religious significance. Geographically, Uttar Pradesh is very diverse, with Himalayan foothills in the extreme north and the Gangetic Plain in the centre. It is also home of India’s most visited sites, the Taj Mahal, and Hinduism’s holiest city, Varanasi. Kumbh city, Allahabad, Kathak, one of the eight forms of Indian classical dances, originated from Uttar Pradesh. Uttar Pradesh is at the heart of India, hence it is also known as The Heartland of India. Cuisine of Uttar Pradesh like Awadhi cuisine, Mughlai cuisine, Kumauni cuisine are very famous not only in India but also many places abroad. Uttar Pradesh is known for its rich culture and tradition. It is home to Ayodhya and Mathura birthplace of Lord Rama, Lord Krishna and Bhagwan Parshuram respectively. Uttar Pradesh attracts many national and international tourists. Taj Mahal, one of the New Seven Wonders of the World in Agra is also located in Uttar Pradesh. There are different places one can visit in Uttar Pradesh, Agra, Jhansi, Lucknow and Meerut are historical cities famous for their monuments. Mathura, Vrindavan, Gokul, Varanasi, Ayodhya, Gorakhpur and Allahabad are holy cities for Hindus and Kushinagar and Sarnath are important Buddhist places among the main four pilgrimage sites related to the life of Gautama Buddha. Noida is the most developed urban city of Uttar Pradesh.

As in above graph Uttar Pradesh ranked in 3rd position of favorite tourist destination in India after Tamil Nadu as per the data 2018. As it is a favored tourist destination in India with Taj Mahal. Since Uttar Pradesh Government has introduced New Tourism Policy 2018 where attract Rs 5,000 crore (US$ 772.32 million) every year in investment and achieve 15 per cent and 10 per cent growth in domestic tourist footfall and foreign tourist footfall, respectively. Agra, which is one of the biggest tourist destinations in the state, has recorded a more then 50 per cent drop in tourist traffic. According to reports, there was a drastic drop in sale of tickets to the Taj Mahal. On any normal day, there are more than 20,000 to 25,000 visitors at the Taj Mahal.
Agra, which reported the maximum number of Corona patients in the past few month, is one of the worst-hit cities in Uttar Pradesh.

In Varanasi, the tourist traffic has also slowed down considerably. Devotees at the Kashi Vishwanath temple are being asked to wash their hands, wear masks and use sanitizers before they enter the temple. Most of the deities at the temples have also being given masks. There have been the maximum cancellation of bookings in the past months after the travel restrictions were imposed. This is the worst tourist season ever. Even the domestic tourists - most who come from south India - are cancelling their bookings.

Travel and tour operators say that they will not be able to recover losses even after the Corona scare is over.

Table I: The Indian and Foreign tourist visits in important tourist places of Uttar Pradesh in year 2015 to 2019

<table>
<thead>
<tr>
<th>Year</th>
<th>Indian</th>
<th>Foreigner</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>20,65,15,617</td>
<td>31,04,062</td>
<td>20,96,19,679</td>
</tr>
<tr>
<td>2016</td>
<td>21,35,44,204</td>
<td>31,56,812</td>
<td>21,67,01,016</td>
</tr>
<tr>
<td>2017</td>
<td>23,39,77,619</td>
<td>35,56,204</td>
<td>23,75,33,823</td>
</tr>
<tr>
<td>2018</td>
<td>28,50,79,848</td>
<td>37,80,752</td>
<td>28,88,60,600</td>
</tr>
<tr>
<td>2019</td>
<td>53,58,55,162</td>
<td>47,45,181</td>
<td>54,06,00,343</td>
</tr>
</tbody>
</table>

Source- Ministry of UP tourism Statistics Report

Table II: The Indian and Foreign tourist visits in Uttar Pradesh in year 2015 to 2019

We can depict from the above graph that Tourism have increased tremendously after 2018 in 2019. The percentage increase among Indian Tourist is to 87.96% from 21.84 % where percentage increase in Foreign Tourist in 2019 is to 25.50 % from 6.31 % and the reason for this increase was Maha Kumbh Mela/ Snan in PRAYAGRAJ IN YEAR-2019 OF 15.01.2019 TO 04.03.2019 OF INDIAN TOURIST- 23,94,70,000 AND FOREIGN TOURIST- 10,30,000 (TOTAL TOURIST = 24,05,00,000 ).

Table III: India' GDP and GSDP of Top Five States

<table>
<thead>
<tr>
<th>States</th>
<th>Nominal GDP (in Lakhs crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 17</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>12.49</td>
</tr>
<tr>
<td>Gujarat</td>
<td>11.53</td>
</tr>
<tr>
<td>Karnataka</td>
<td>12.7</td>
</tr>
<tr>
<td>Tamilnadu</td>
<td>13.01</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>21.88</td>
</tr>
<tr>
<td>Rest of India</td>
<td>80.79</td>
</tr>
<tr>
<td>India</td>
<td>151.77</td>
</tr>
</tbody>
</table>

Source- Economic survey, MOSPI report
As per above table and graph the top five states of India in GSDP are Maharashtra, Tamil Nadu, Karnataka, Gujarat and Uttar Pradesh. In particular, Uttar Pradesh will have to raise its large youth base to improve economic productivity as Uttar Pradesh is the fifth largest economy of all the states of India. According to the Department for Promotion of Industry and Internal Trade (DPIIT), cumulative FDI inflows1 in Uttar Pradesh, during April 2000 to September 2019, amounted to US$ 699 million. Between 2011-12 and 2020-21, Gross State Domestic Product (GSDP) expanded at a Compound Annual Growth Rate (CAGR) of 10.59 per cent to Rs 17.91 trillion (US$ 256.30 billion).Hotel and Tourism sector of India received cumulative FDI inflow of US$ 15.28 billion between April 2000 and March 2020. In 2019, 147 investment intentions worth Rs 16,799 crore (US$ 4,404 billion) were filed in Uttar Pradesh. In the last five years, Uttar Pradesh saw its export gradually increase from Rs 81,218 crore in 2015-16 to Rs 1,20,356 crore in 2019-20 – a jump of 48 per cent – with the highest increase in 2018-19.

V. EFFECTS OF COVID-19 ON TOURISM SECTOR IN INDIA AND UTTAR PRADESH

The UN report estimated the India's economy is contract by 5.9% in 2020. According to the SBI report, the first estimated GDP was -6.8 percent, significantly higher in FY15. It has been suggested that the total SGDP loss due to COVID-19 is 16.8 percent of GSDP. As per report, top 10 states accounted for 73.8 per cent of total GDP loss, In which Uttar Pradesh would be loss as 8.2% of GSDP in 2021. Millions of people work in the tourism sector, and while domestic tourism is big in India it also welcomes around 10 million foreign tourist annually. The Indian Association of Tour Operators (IATO) estimates the hotel, aviation and travel sector together may incur a loss of about ₹85 billion due to travel restrictions imposed on foreign tourists, which has resulted in large scale cancellations. The lockdown in India due to COVID-19 have affected the tourism sector adversely in India in following manners:

A: Unemployment

The Indian tourism and hospitality industry is expecting a potential job loss of around 38 million. In the third week of March 2020 itself, the hotel sector saw a decline of more than 65% in occupancy levels as compared to the same period in 2019. With international and domestic travel on halt, demand for turbine fuel has substantially declined. The Indian tourism industry employs 8.75 crore people (12.75 per cent of the total employed population in 2018-19), such as people from the hospitality industry, tour operators, travel agents, homestay owners, drivers, guides, small traders, artisans and craftsmen among a host of other service providers. The sector also has strong forward and backward linkages to other sectors such as agriculture, transport, handloom, and FMCG to name a few. Disruptions in tourism sector will render many people in unemployed. FAITH, a policy federation of associations of tourism and hospitality industry has estimated a loss of Rs 10 lakh crore for the industry due to COVID-19, which means a drastic fall in foreign exchange earnings which was close to Rs 2,10,981 crore in Q1-Q3 2019.
B: Aviation Sector:

Aviation industry in India could incur losses worth ₹ 27,000 crore ($3.3-3.6 billion) in the first quarter of 2020-21. The passenger growth of airlines is likely to fall sharply to a negative 20-25% growth for the 2020-21. Airlines are also worst hit from this crisis and might lead to financial crunch to airlines industry. (IATA-2020) airlines revenues in 2020 to decline by 44% compared to 2019. Which means half of the revenue will be declined in aviation sector by 2020, which will be the greatest setback for the aviation sector globally. This can put airlines jobs at risk in the near future.

VI. PRESENT SCENARIO

After nationwide lockdown, on 22 March 2020, Government is reviving economy by unlocking phases, that have been implemented from 1 July 2020. Indian government, on 12 May, 2020 The Prime Minister Narendra Modi announced the much needed stimulus package worth 20 lakh crore for reviving the economy, that will give assurance to the businesses. This package is predicted to make India Self-Reliant, but the negative point is that there were no such incentives for Tourism Industry as FAITH members said. Ministry of Tourism launched Dekho Apna Desh webinar series to provide information on many destinations and sheer depth and expanse on the culture and heritage of India. ‘Under Unlock 4.0’ Tourism Sector slowly recovering by reopening some tourist destination including Taj Mahal in Agra, Uttar Pradesh. Hence, opening of various tourist places in Uttar Pradesh has been initiated which will take time to get back its losses.

VII. SUGGESTIONS TO OVERCOME THE IMPACT

➢ This impact can be reduced by using certain immediate measures, short term measures and long-term plans. The government and stakeholders should offer financial aid to tourism industry. Tourism enterprises should react quickly to the situation; adjust both long-term and short-term strategies, in aspects such as cost control and employee arrangement. It is important for tourism enterprises to stay competitive when the market is unstable, and should maintain prices chart throughout the crisis.

➢ Tourism enterprises can take the certain measures to maintain their cash flow in the near future by suspending unnecessary or least important operational material purchases, by delaying outsourcing payments and by encouraging employees to take annual leaves and unpaid leaves, moreover tourism industry stakeholders can maintain business by other ways like adjusting their market mix and distribution channels.

➢ Reduced tax burden including lowering of GST rate and deferred GST. Relief in taxes and charges by State Governments in the form of a waiver of entertainment tax, luxury tax and reducing the power and water rates. States like Uttar Pradesh and Himachal Pradesh have provided some incentives on accommodation and discounts to boost the tourist assuring them the health safety, likewise, Uttar Pradesh Tourism can also be enhanced by granting some incentives to the tourists.

➢ There shall be a new ‘protocol’ both for International and domestic travelling, primarily based on health safety of traveller and of the host destination. Health Safety” shall, henceforth, become an important pillar of the Travel and Tourism Competitive Index. Travel & Tourism Industry will, therefore, have to adapt itself to the new national and global order of travelling, by ensuring the health protocol and health safety of the travellers.

➢ The Industry can seek support from the Government in many ways. However, at this point of time when the first and foremost requirement of the Country is to overcome the present health emergency, the Industry should extend its unconditional and whole-hearted support, proactively, to strengthen the Government machinery.

VIII. CONCLUSION

As the outbreak of COVID-19 results into tremendous loss to many sectors including Tourism. The loss caused of lives and livelihoods all over the world. Industries have been worst affected by this worldwide pandemic and travel stop. Severe impacts from COVID-19 can be reducing hotels booking, airlines booking, cancelations of events, reduction of staff as a cost cutting measures and risk to airlines, hotels, travel agencies jobs in the near future as the revenue generated by tourism industry will be reduced. Half of the revenue has declined in 2020 as compare to the previous year, however, despite severe cuts in business and prediction that normal travel patterns would take years to return. To handle this situation and/or the upliftment of tourism industry Government should come forward, without Government intervention it would be difficult to overcome the present condition and financial crunch. Government must give certain relaxation on taxes imposed on tourism industry, or to provide certain soft loans with minimum interest rates and must issue additional funds for the betterment of tourism industry in the near Future whereas, Indian government has been providing continuous support to the travel and tourism sector as The Ministry of Tourism has also run several initiatives in the last five years to promote and boost the sector, so a new protocol must be adopted both for International and domestic travelling, primarily based on health safety of traveller which will help to uplift the tourism sector.

REFERENCES

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