



A STUDY ON FINANCIAL PROBLEMS IN TOURISM INDUSTRY DUE TO COVID PANDEMIC

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ABSTRACT :

Tourism is often regarded as an economic development path for structurally weak, peripheral areas, as a cure-all providing jobs and income, capital inflow and finally stopping outmigration by creating a positive socio-economic perspective for the future. The objective of study is To determine the level of tourism industry has affected financially during COVID pandemic. Through the implementation of sampling technique or conjointly referred to as empirical research with convenient sampling technique the info was collected from 200 respondents. Independent variable used age, gender, occupation, education qualification and marital status. The finding of this study was observed that most of the male respondents have agreed to the fact the tourism industry had witnessed financial crisis during the COVID pandemic that expected to have a debilitating effect on the Indian travel and tourism industry which includes a direct impact on hotels, travel agencies, tour operators, restaurants and tourist destinations and have an indirect impact on land, air and sea transportation. It is evident that the industry is moving towards a 'new normal' and steps to operationalize the same through greater empowerment to the traveller and providing personalized travel experiences could be the key to faster and more sustainable recovery.

KEYWORDS: Tourism, COVID-19, Impacts, Financial crisis, Recovery,

INTRODUCTION :

Tourism is often regarded as an economic development path for structurally weak, peripheral areas, as a cure-all providing jobs and income, capital inflow and finally stopping outmigration by creating a positive socio-economic perspective for the future. Specifically, tourism accounts for 6 per cent of the world's total merchandise and service exports that represent 30 per cent of international trade in services in the year 2014.

The Ministry of Tourism developed an initiative called SAATHI (System for Assessment, Awareness & Training for Hospitality Industry) by partnering with the Quality Council of India (QCI) in October 2020. The initiative will effectively implement guidelines/SOPs issued with reference to COVID-19 for safe operations of hotels, restaurants, B&Bs and other units. Statue of Sardar Vallabhbhai Patel, also known as ‘Statue of Unity’, was inaugurated in October 2018. It is the highest standing statue in the world at a height of 182 metre. After the calculations, it was revealed that the highest impact on the development of tourism is made by these economic factors: government revenue and expenditures, wage, foreign investments, tangible investments, GDP per capita. Most preferential Tourism is one of the sectors most affected by the Covid-19 pandemic, impacting economies, livelihoods, public services and opportunities on all continents. Tourism continues to be one of the sectors hit hardest by the COVID-19 pandemic, particularly for countries in the Asia-Pacific region and Western Hemisphere. Governments in these regions, and elsewhere, have taken measures to ease the economic shock to households and businesses, but longer-term the industry will need to adapt to a post-pandemic “new normal.” Japan, which had seen its international arrivals triple from 2013 to 2018, started lifting border closures for travelers from certain countries at the end of October. To accommodate a post-pandemic tourism rebound, an IMF Working Paper recommends that the government continue a trend of relaxing visa requirements, draw visitors away from urban centers to less populated regions of the country, and complement a tourism comeback with improvements to labor resources and tourism infrastructure.

OBJECTIVES :

1. To determine the level of tourism industry has affected financially during COVID pandemic.
2. To examine the predominant factors that likely to affect financial sector of tourism industry during COVID
3. To investigate the ways that can overcome financial crisis in rebuilding tourism industry.

REVIEW OF LITERATURE :

Jaffar Abbasa (2021) The data presents a substantial benchmark of the COVID19 impact on the tourism industry. The findings provide insights in regaining the tourism industry's operational activities and offer helpful suggestions to government officials, scholars, and tourism firms to reinvest in the tourism industry to set it back to a normal position. **Marianna Sigala (2020)** The paper aims to critically review past and emerging literature to help professionals and researchers alike to better understand, manage and valorize both the tourism impacts and transformational affordance of COVID-19. **S H T, Kumudumali (2020)** The study focuses on all countries in the world and discovers the challenges they confronted in tourism and the strategies to overcome those challenges in the short- and long-term while minimizing the economic shocks due to the pandemic. The significant findings highlighted the negative impact of the Virus outbreak on the tourism industry and the decline of supporting sectors such as air travel and hospitality industry in a global context. **Dr Poonam Munjal (2021)** This study captures the economic losses resulting from the changes experienced during the entire period of the pandemic with the help of data from different sources that reflect changes over the said period. The study

also probed the likely recovery phases of the tourism sector post the pandemic in order to understand how the sector would regain its pre-pandemic position. **Renu Malra(2021)**The paper focuses on the study of the effects of closure of countries borders for visitors and tourists on the tourism industry worldwide due to COVID-19 and have found that Tourism industry has been hit hard by COVID 19.After releasing of lockdown barrier, safety measures are being taken care for opening of the industry in phased manner.**Badri Narayanan Gopalakrishnan (2020)**For many developed and developing countries, the tourism sector is a major source of employment, government revenue and foreign exchange earnings.Further the paper puts forward policy recommendations for governments to avert the worst effects and facilitate recovery.**Corong, E(2017)**Due to linkages with upstream sectors such as agriculture, a drop in tourist sales leads to a 2.5-fold loss in real GDP, on average, in the absence of any stimulus measures. The results highlight the importance of the vaccine rollout in getting global tourism restarted and other mitigating measures. **Aguiar, A.(2019)** The tourism economy has been heavily hit by the coronavirus (COVID-19) pandemic, and measures introduced to contain its spread.The impact of the crisis is being felt throughout the entire tourism ecosystem, and reopening and rebuilding destinations will require a joined up approach. **Rajeev Singh Chandel(2021)**The aim of this research is to map the impact and assessment of the COVID 19 pandemic situation using geospatial technology and suggest various measures to control the pandemic situation.This study shows that the geospatial technique contributes very significantly in detecting pre and post COVID 19 pandemic conditions and helps in proper decision-making, not only in Rajasthan but also in the entire world. **Muhammad Khalilur Rahman(2021)** The results also identified the mediating effect of travel risk and management perceptions. The finding of this study contributes to tourism crises and provides future research insights in the travel and tourism sector and response to change tourists' travel risk and management perceptions in the post-covid recovery period. **Wen J.(2020)** The recent global pandemic is a natural experiment for exploring the role of government interventions and their direct impact on hospitality stock returns in the U.S. financial market. Overall, our findings show that most of the government interventions were associated with a negative response in the returns of the hospitality industry, a response that became more negative as the COVID-19 pandemic evolved. **Da Van Huyn(2021)**This research aims to explore how a tourism economy in a developing country context has been damaged after many waves of COVID-19.The findings indicate that the majority of tourism businesses in the examined case study seriously suffered from the pandemic, and very few tourism-related enterprises were able to recover after the first wave of infection.**Kaveh Jafari(2021)** The study sought to examine the impacts of COVID-19 on tourism from the stakeholder perspective in the case of Famagusta town in Northern Cyprus.Results of the study showed that the novel coronavirus has hampered the tourism sector in Famagusta, Northern Cyprus. Indeed, as the globe suffered its effects in terms of economic gains, business and business closure. **Milne, George R.(2021)**The study focuses on all countries in the world and discovers the challenges they confronted in tourism and the strategies to overcome those challenges in the short- and long-term while minimizing the economic shocks due to the pandemic.The significant findings highlighted the negative impact of the Virus outbreak on the tourism industry and the decline of supporting sectors such as air travel and hospitality industry in a global context.**Gössling Journal(2022)**Travel restrictions continue to persist, and the global tourism industry looks into a third year of uncertainty. There is a consensus that the COVID crisis should be a turning point, to “build

back better”, and that a return to pre-pandemic overtourism phenomena is undesirable. **Sigala, Marianna(2020)** As countries have taken measures to mitigate the impact of the crisis on tourism, recommendations are provided to step up the sector’s preparation for the economic recovery, while enhancing diversification as well as environmental and social sustainability. **Ritchie, B. W. (2004)** This study aims to assess and assimilate the overall impact posed by this pandemic to the Indian tourism industry and propose a sustainable recovery framework that would provide a guideline to all the Indian tourism industry stakeholders to forge the way forward in the post-pandemic era. The study finds that the Indian tourism industry has been significantly impacted by the ongoing pandemic and has altered the functioning of all the stakeholders in the industry. **RamphulOhlan(2018)** This study investigates relationship between tourism and economic growth in India by considering the relative importance of financial development. And one such highlights is Newly developed econometric techniques are applied to estimate the influence of tourism on economic growth. **Haiyan Song(2013)** This paper evaluates the economic effects of visa restrictions on tourism as a result of the 1989 and the 2008 Beijing Olympic Games by using an innovative combination of econometric and computable general equilibrium (CGE) models. The results show that both events generated economic losses. The unexpected negative economic impact of the Beijing Olympics seems attributable to visa restrictions. **Cooper, C. (2011)** Estimating tourism’s overall impact on incomes is problematic due to limited evidence on income and wage effects at the global level. Overall, available data shows positive impacts on incomes as well as positive impacts on both livelihoods and poverty.

RESEARCH METHODOLOGY: The study uses an analysis style to inquire the overall opinion of the general public with regards to the research topics. The target population for the gathering of responses area units is done through public surveys. Through the implementation of sampling technique or conjointly referred to as empirical research with convenient sampling technique the info was collected from 200 respondents. Each primary knowledge and secondary knowledge are used for this study. The study used the SSPS package to analyse the info collected through applied math measurements like graphical representation. Independent variable used age, gender, occupation, education qualification and marital status. And the dependant variables are

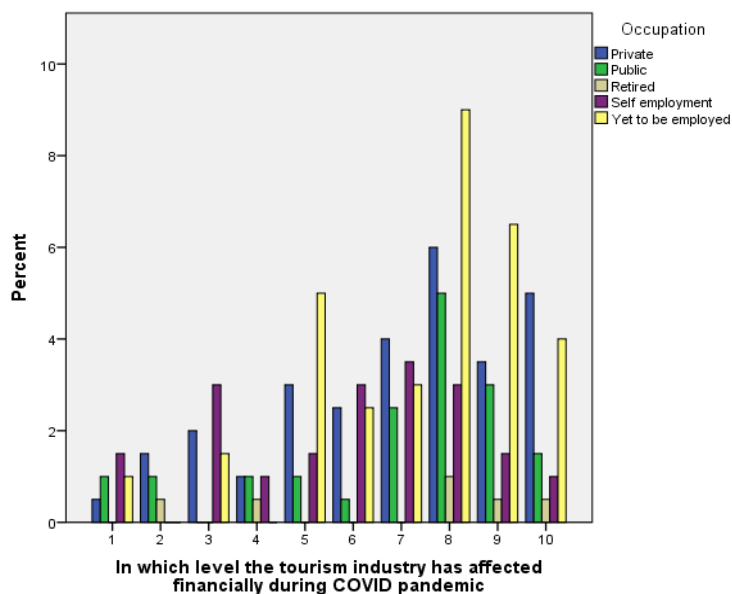
To determine the level of tourism industry has affected financially during COVID pandemic.

To examine the predominant factors that likely to affect financial sector of tourism industry during COVID

To investigate the ways that can overcome financial crisis in rebuilding tourism industry.

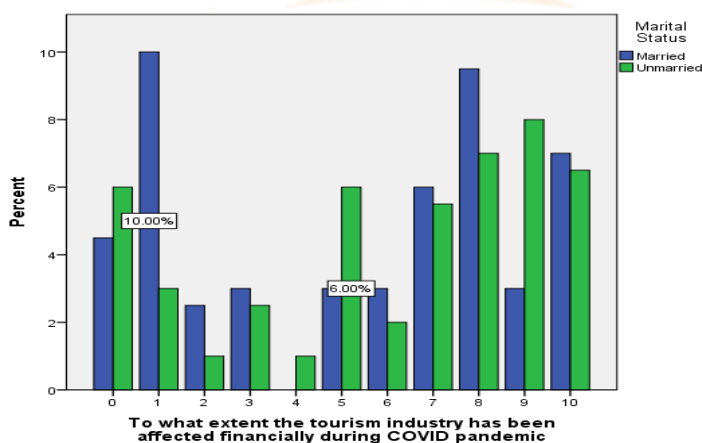
ANALYSIS :

FIGURE 1



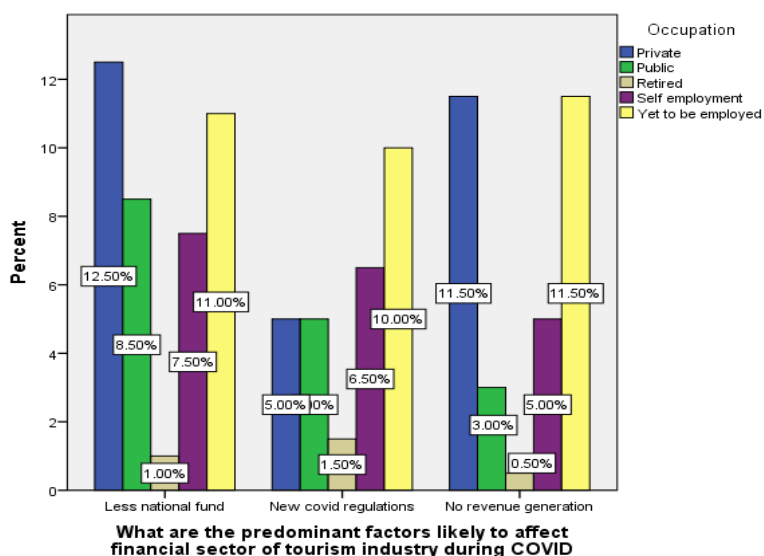
Legend : Figure 1 represents the occupational distribution of the sample population with respect to the level of tourism industry has affected financially during COVID pandemic.

FIGURE 2:



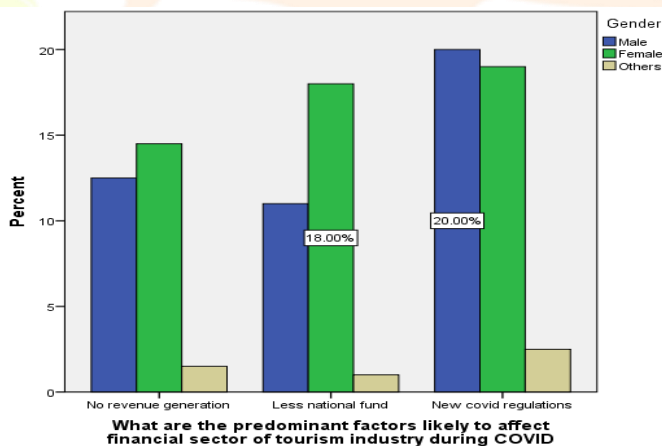
Legend : Figure 2 represents the marital status distribution of the sample population with respect to the level of tourism industry has affected financially during COVID pandemic.

FIGURE 3:



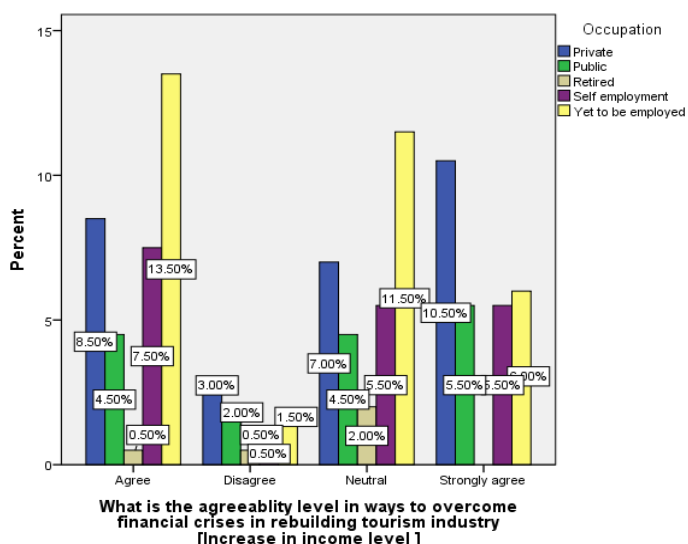
Legend : Figure 3 represents the occupational distribution of the sample population with respect to the predominant factors that likely to affect financial sector of tourism industry during COVID

FIGURE 4:



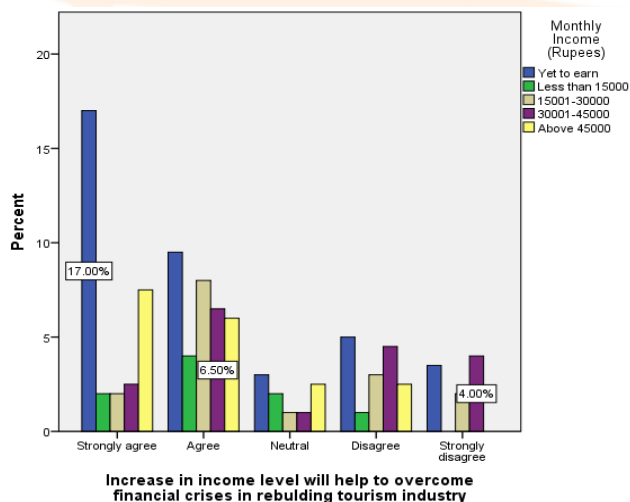
Legend : Figure 4 represents the gender distribution of the sample population with respect to the predominant factors that likely to affect financial sector of tourism industry during COVID

FIGURE 5:



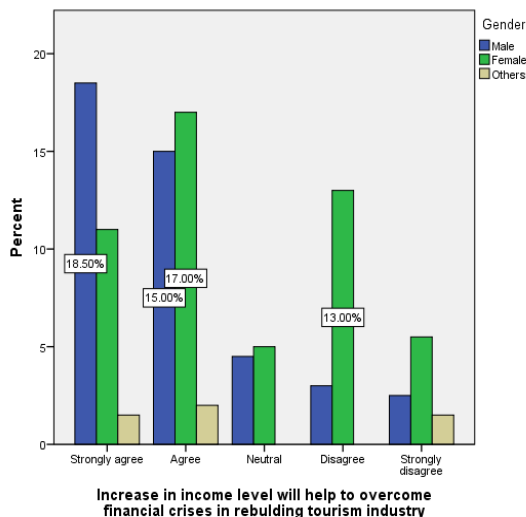
Legend : Figure 5 represents the occupational distribution of the sample population with respect to Increase in income level can overcome financial crisis in rebuilding tourism industry

FIGURE 6:



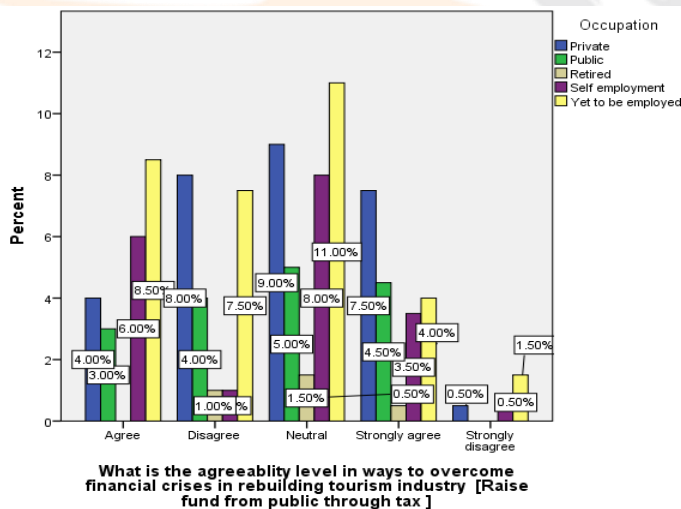
Legend : Figure 6 represents the monthly income distribution of the sample population with respect to Increase in income level can overcome financial crisis in rebuilding tourism industry

FIGURE 7:



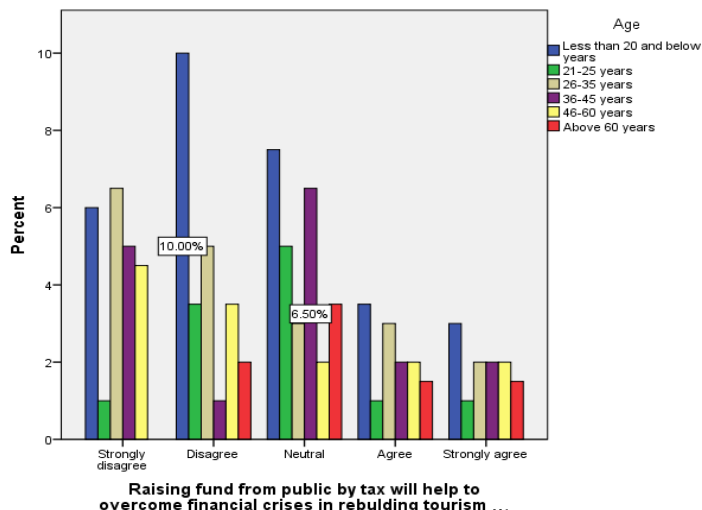
Legend : Figure 7 represents the gender distribution of the sample population with respect to Increase in income level can overcome financial crisis in rebuilding tourism industry

FIGURE 8:



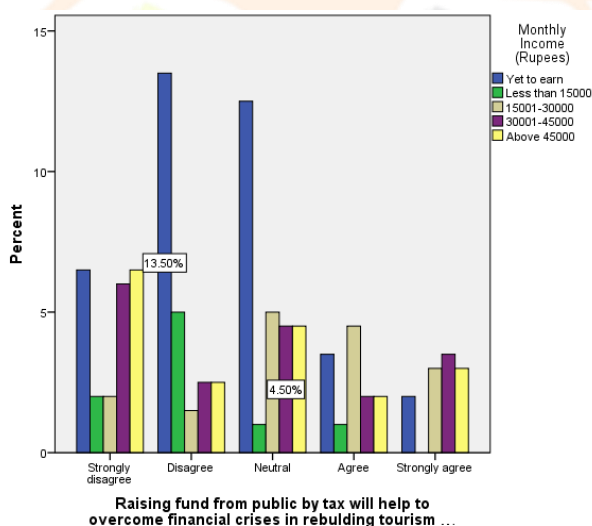
Legend : Figure 8 represents the occupational distribution of the sample population with respect to the Raise fund from public through tax can overcome financial crisis in rebuilding tourism industry

FIGURE 9:



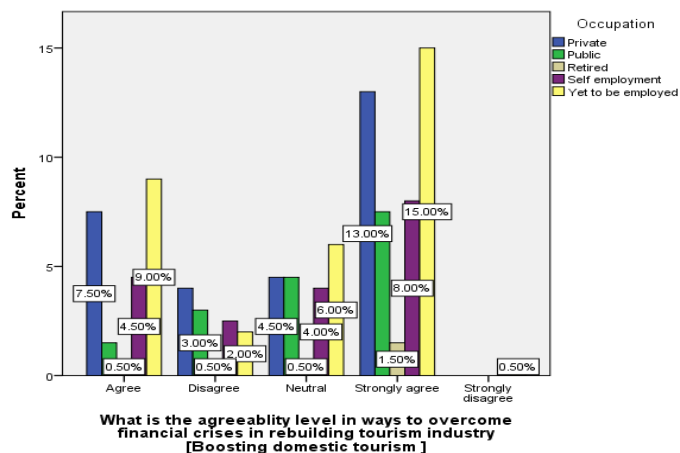
Legend : Figure 9 represents the age distribution of the sample population with respect to the Raise fund from public through tax can overcome financial crisis in rebuilding tourism industry

FIGURE 10:



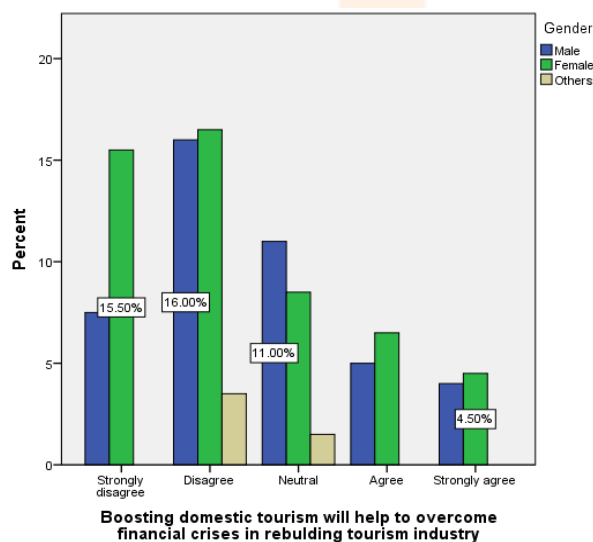
Legend : Figure 10 represents the monthly income distribution of the sample population with respect to the Raise fund from public through tax can overcome financial crisis in rebuilding tourism industry

FIGURE 11:



Legend : Figure 11 represents the occupational distribution of the sample population with respect to Boosting domestic tourism can overcome financial crisis in rebuilding tourism industry

FIGURE 12:



Legend : Figure 12 represents the gender distribution of the sample population with respect to Boosting domestic tourism can overcome financial crisis in rebuilding tourism industry

RESULTS: From the figure 1, It was observed that most of the respondents have agreed to the fact the tourism industry had witnessed financial crisis during the COVID pandemic where 24% of 200 respondents have agreed

to the fact at the level of 8 on the scale and 15% of respondents have agreed on the scale of 9 in the data. **(Figure 1)** From the figure 2, It was observed that most of the respondents have agreed to the fact the tourism industry had witnessed financial crisis during the COVID pandemic where 18.50% of 200 respondents have agreed to the fact at the level of 8 on the scale and 10% of respondents have agreed on the scale of 9 in the data. **(Figure 2)**. From the next figure 3, it was examined that 40.5% of respondents have opted that less national fund can be the most predominant factors 31.5% of respondents answered no revenue generation can also be the factors that likely to affect the financial sector of tourism industry during covid 19 pandemic . **(Figure 3)**. From the next figure 4, it was examined that 26% of respondents have opted that less national fund can be the most predominant factors that likely to affect the financial sector of tourism industry during covid. Whereas 15.5% of respondents answered no revenue generation can also be the factors that likely to affect the financial sector of tourism industry during covid 19 pandemic . **(Figure 4)**

From the figure 5, when the questions raised about the ways to overcome the financial crisis in rebuilding tourism industry, it is observed that 13.5% of respondents who are yet to be employed are agreed that Increase in income level can overcome financial crisis in rebuild tourism industry and 11.5% are neutral to their opinion **(Figure 5)**. From the figure 6, when the questions raised about the ways to overcome the financial crisis in rebuilding tourism industry, it is observed that 17% of respondents who are yet to be employed are strongly agreed that Increase in income level can overcome financial crisis in rebuild tourism industry **(Figure 6)**. From the figure 7 when the questions raised about the ways to overcome the financial crisis in rebuilding tourism industry, it is observed that 18.5% of male respondents are strongly agreed that Increase in income level can overcome financial crisis in rebuilding tourism industry **(Figure 7)**. From the figure 8, when the questions raised about the ways to overcome the financial crisis in rebuilding tourism industry, it is observed that 11% of respondents who are yet to be employed and 9% who works in private sector are neutral in the opinion that the Raise fund from public through tax can overcome financial crisis in rebuild tourism industry. **(Figure 8)**. From the figure 9, when the questions raised about the ways to overcome the financial crisis in rebuilding tourism industry, it is observed that 10% who are less than 20 years are neutral in the opinion that the Raise fund from public through tax can overcome financial crisis in rebuild tourism industry. **(Figure 9)**. From the figure 10, when the questions raised about the ways to overcome the financial crisis in rebuilding tourism industry, it is observed that 13.50% who are yet to earn are neutral in the opinion that the Raise fund from public through tax can overcome financial crisis in rebuilding tourism industry. **(Figure 10)**. From the figure 11, when the questions raised about the ways to overcome the financial crisis in rebuilding tourism industry, it is observed that 15 % of respondents who are yet to be employed and 13% who works in private sector are strongly agreed in the opinion that the Boosting domestic tourism can overcome financial crisis in rebuilding tourism industry **(Figure 11)**. From the figure 12, when the questions raised about the ways to overcome the financial crisis in rebuilding tourism industry, it is observed that 16% of male respondents and 17.5% of female respondents are agreed in the opinion that the Boosting domestic tourism can overcome financial crisis in rebuilding tourism industry **(Figure 12)**

DISCUSSION:

Figure 1, under occupational distribution most of the respondents were agreed on the scale of 8 since the COVID-19 pandemic is expected to have a debilitating effect on the Indian travel and tourism industry which includes a direct impact on hotels, travel agencies, tour operators, restaurants and tourist destinations and have an indirect impact on land, air and sea transportation. **Figure 2**, shows that most of the married couples have agreed to I the level of 9 can be due to lockdown and the travel ban have had a serious impact on the inflow of foreign tourists into India. **Figure 3**, many of the respondents from private sector have opted that less national fund can be the predominant reason to affect financial sector of tourism since they might thought no national fund which includes Visa problems and flight problems also decrease the number of tourist in the world; Bad transportation also affect the tourism industry negatively. **Figure 4**, respondents of male have stated that no revenue generation be the predominant reason to affect financial sector of tourism since they might thought that Hotel and transportation high fare also decrease the number of tourist in the world; Bad attitude of the country also affect the tourism industry negatively in the world. **Figure 5**, yet to be employed respondents have agreed to the fact such that it might be due to Businesses across industries are looking forward to “business as usual”, and the tourism industry is no exception. **Figure 6**, yet to earn respondents have strongly agreed since they might have thought that All the industries are banking largely upon “government stimulus packages and interventions” to improve their productivity. So that they can rebuild the tourism industry financially stable after post COVID. **Figure 7**, most of the male respondents have strongly agreed since it could be due to raising of the tourist prices can increase the income level so to rebuild the tourism industry. **Figure 8**, yet to be employed are highest to be agreed in the opinion that it may be due to Governmental agencies can work with local organizations to provide flexibility and support to local tourism businesses in the form of tax reliefs, easy and quick disbursement of loans and other financial relief measures. **Figure 9**, less than 20 years have neutral in their opinion because it may be measures will not have the necessary and required impact unless there is significant cooperation and coordination between the various stakeholders in the tourism industry. **Figure 10**, people who earn less than 15000 and above 45000 have disagreed in the opinion because they might have thought that raising public tax won't be the good step to increase the faculty for the outsiders to rebuild tourism. **Figure 11**, yet to be employed have strongly agreed that it could be the per-tourist expenditure and percentage distribution of tourism expenditure incurred by all forms of tourism domestic tourism should be promoted much more aggressively than inbound tourism. **Figure 12**, most of the male respondents have strongly agreed since The Government has already launched several initiatives to boost domestic tourism like the ‘Dekho Apna Desh’ campaign under which tourists are rewarded if they visit at least 15 destinations in the country in a year and submit pictures of the trips.

LIMITATION :

One limitation of this study is that it has relied on secondary data through industry and government organization reports in order to assess the impact of COVID-19 on the tourism industry which may not be completely exhaustive. This study has not explored the on-the-ground situation through primary data analysis. Additionally,

the study has focused on one of the industries affected by COVID-19 tourism and has explored the issues from an overall industry perspective and has not examined issues pertaining to the sub-sectors of the tourism industry.

CONCLUSION AND SUGGESTIONS :

The COVID-19 pandemic has caused a severe economic, social, cultural psychological impact on various stakeholders in the tourism industry. A crisis like COVID-19 presents an opportunity to evaluate and expand the research agenda to advance the knowledge about pandemic management. This has resulted in creating a new context for research on recovery strategies and management practices in tourism. The framework proposed in this study tries to address the above concern and postulates a sustainable recovery for the tourism sector in a post-pandemic era. The first step proposed is to responsibly restart travel as countries move towards opening up. Hence, the need to establish protocols (the second step of the RESPOND framework) gains significance. It is to be suggested that Governments at all levels aided the industry's recovery by attracting investments through tax breaks, lenient land- use rules, and other measures. Establishing and following safety protocols go a long way in assuring the tourist that his travel and stay would be at reduced risk levels. Therefore, tourism organizations need to reconfigure their current strategies to stimulate demand in categories that were probably ignored earlier. Recovery in a sustainable manner cannot occur without the coordination of all the agencies involved, tourism operators, hospitality partners, local travel agencies and local, state and central governments need to work in tandem to ensure a smooth transition of the tourism industry to a post-pandemic phase. It is evident that the industry is moving towards a 'new normal' and steps to operationalize the same through greater empowerment to the traveller and providing personalized travel experiences could be the key to faster and more sustainable recovery. The industry also needs to explore and nurture newer options in terms of developing niche tourism and nurturing the hitherto underdeveloped areas of medical and wellness tourism, spiritual tourism, etc.

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