



PANDEMIC AND ITS EFFECT ON TOURISM – RELATED ALLIED SECTORS (UNORGANISED AND INFORMAL)

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IMPORTANCE OF TOURISM

Tourism is vital for the success of many economies around the world. There are several benefits of tourism on host destinations. Tourism boosts the revenue of the economy, creates thousands of jobs, develops the infrastructure of a country and plants a sense of cultural exchange between foreigners and citizens.

It is a crucial factor for a lot of economies and a main source of revenue for most countries around the world. Remarkable growth has been recorded in the tourism industry since 2017. The United States, Spain and France earn the highest tourism revenue from international visitors.

India ranks 6th according to WTTC in terms of travel & Tourism total contribution to GDP in 2022.

TOTAL CONTRIBUTION OF TRAVEL AND TOURISM TO GDP IN LEADING TRAVEL MARKETS WORLDWIDE IN 2019 AND 2022 (in billion U.S. dollars)

Countries	2019	2022
U.S.A	2,172.4	2,018.3
CHINA	1,824.1	582.8
GERMANY	390.4	353.1
U.K	306.5	290.8
JAPAN	304.8	257.3
FRANCE	228.9	225.7
MEXICO	219.2	214.6
ITALY	217.3	202.7
INDIA	209.1	199.6
SPAIN	196	186.6

PANDEMIC ON TOURISM

- The Covid-19 pandemic has impacted the Tourism industry due to the resulting travel restrictions as well as slump in demand among travellers. The tourism industry has been massively affected by the spread of corona virus ,as many countries have introduced travel restrictions in an attempt to contain it's spread. The United Nations World Tourism Organization estimated that global international tourist arrivals have decreased by 58% to 78% in 2020,leading to a potential loss of US\$0.9 -1.2 trillion in international tourism receipts.

AFFECTED COUNTRIES AND CONTINENTS

Asia, Europe, Australia

North America, South America.

France ,one of the top tourist destinations in the world ,suffered the third highest tourism loss worldwide after the United States and Spain.

Brazil, which was the 2nd largest hit country by the Covid-19 pandemic ,after the U.S ,it's tourism industry suffered greatly. Tourism net contribution to the Brazilian nominal GDP in 2020 saw a 53% decrease since 2019.

ORGANISED SECTORS AFFECTED DUE TO PANDEMIC (ALLIED TO TOURISM)

- AIRLINES
- CASINO INDUSTRY
 - Macau (World's top gambling destination by revenue, suffered a revenue drop of 88% due to closure of 15 days in Feb 2020.
- CRUISE INDUSTRY
 - May 2020, Norwegian Cruise line posted a quarterly loss \$1.88 trillion.
- HOTEL INDUSTRY
- RENTAL CAR INDUSTRY
- RESTAURANT INDUSTRY
 - Closures of restaurants caused a ripple-effect among related industries such as food production, liquor-wine and beer production, food and beverage, shipping, fishing and farming.

INFORMAL SECTORS RELATED TO TOURISM INDUSTRY

Tourism exhibits a u-shaped relation with informality, which implies that the informal economy initially decreases and then increase with tourism development.(Zhike Lv)

The type of activities in the informal sector of tourism would include self-employed guides, open-air stalls, guest-house owners, small-self-employed entrepreneurs used by tourist agencies such as guides, drivers ,street vendors, photographers, hawkers etc.

The workers in this sector do not have job security, no health benefits and no social security cover.

EFFECT OF PANDEMIC ON INFORMAL ECONOMY

- There was a massive loss of jobs in the informal economy.
- Families of people engaged with informal tourism were reeling under poverty.
- The WHO reported the corona virus as global health risk at the end of 2020.
- Many business stopped their operations and were unable to survive during the crisis.
- There was a large number of bankruptcies, layoffs and request for aids.
- As people needed to survive without income, there was a steep rise in unemployment.

RESEARCH GAP AND OBJECTIVE

- The effect of pandemic on informal sectors of tourism has been investigated by various scholars across the world.
- Studies have been made in countries like Ghana's Savannah region, Mexico, Zimbabwe, China and many others.
- So my primary objective is to investigate the effect of pandemic on informal sector of tourism of the Indian economy. To understand the severity of the problem and to suggest some remedies to overcome the crisis situation and to uplift the economy from its degrading position.



• FIVE PRIORITIES FOR TOURISM'S RESTART

- Mitigate socio-economic impacts on livelihoods, particularly women's employment and economic security.
- Boost competitiveness and build resilience
- Advance innovation and digital transformation of tourism
- Foster sustainability and green growth
- Co-ordination and partnerships to restart and transform sector towards achieving SDGs.

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THANK YOU