TOURISM AND HOSPITALITY INDUSTRY IN PUNJAB - AN OVERVIEW

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Abstract
The current research study provides a detailed overview of the tourism and hospitality industry. It discusses how the hotel industry plays a part and parcel role in Punjab, India. The study will use a theoretical approach by reviewing all the relevant literature, books and other related articles, scientific papers and case studies on Hotel and Tourism Industry in India. A theoretical structure will be provided to be further tested empirically by other studies. The study will analyse various facts and graphs about foreign and domestic tourist arrivals in India and Punjab. The present study will also examine the impact of Covid-19 on the travel and hospitality industry in India. It is asserted that by using the statistical data and available online information, there was a significant impact of the lockdown on the travel and hotel sectors, resulting in reduced revenue for the hospitality industry.

Keywords: Tourism, Hospitality Industry, Hotel Industry, Hotels, Covid-19

INTRODUCTION TO HOTEL AND TOURISM INDUSTRY IN INDIA

Due to the use of digital tools for booking, describing and planning a journey, India is considered one of the most digitally advanced nations in the world. In India, the increase in disposable income has largely contributed to the growth of domestic and outbound tourism. One of the important aspects of travel and tourism is the hotel industry. All around the world, hotels play an important role in the travel industry.

The hotel sector is one of the fastest developing sectors of the international economy. It is also among the highest job-producing sectors because of its labour-demanding nature and the critical multiplier effect on an employment in other associated sectors. In the service sector, hotels play a key role. For travellers, choosing a hotel occasionally is difficult because many factors need to be considered. It can cause problems for them to decide and select a hotel to stay in.

The hotel business has arisen as one of India's primary drivers of development inside the service market. In India, the tourism industry has huge potential given the country's rich social and authentic legacy, biological assortment, territory, and regular excellent destinations. Besides being a critical wellspring of foreign trade for the country, the tourism industry is a possibly huge business generator.

In 2019, Foreign exchange earnings (FEEs) announced an ascent of 4.8 percent year-on-year at US$ 29.96 billion and arrived at US$ 5.40 billion during January-February 2020. India positioned third among 185 nations in 2018 as far as the general commitment of the travel & tourism industry to GDP, as indicated by WTTC. India is positioned 34th in the Travel and Tourism Competitiveness Study 2019 of the World Economic Forum.

Among all countries that use advanced devices for booking, timetabling, and travelling, India has the best development in this area. The growing Indian working class and rising expendable incomes have contributed to the development of the domestic and outbound travel industries. In India, Foreign Tourist Arrivals (FTAs) remained at 10.89 billion during 2019, hitting a year-on-year development pace of 3.2 percent. Foreign Tourist Arrivals (FTAs) were 21,33,782 in the period January-February 2020.

A sum of 29,28,303 travellers showed up on e-Tourist Visa in 2019, recording a 23.6 percent development. By 2019, 4.2 crore occupations were created in India's travel industry, which represented 8.1 percent of the nation's absolute business. The number is projected to develop by 52.3 million specialists by 2028 by two
percent every year.

As the tourism & hospitality sector in India grows, global hotel chains will represent roughly 47% of it by 2020 and 50% by 2022. India is additionally the world’s third-biggest travel and tourism industry speculation, with a US$ 45.7 billion investment in 2018, representing 5.9 percent of the domestic venture. As per information delivered by the Department for the Promotion of Industry and Internal Trade (DPIIT), the hotel and tourism sector got about US$ 14.42 billion of FDI during the period April 2000–December 2019. In order to make India a global tourism center, the Indian government identified numerous ways to maximize potential in the tourism industry. In India, the travel and hotel industry has great potential. As a result of e-visa enhancements, India’s tourist inflows are expected to double. As indicated in a joint study conducted by ASSOCHAM and Yes Bank, India’s travel and tourism industry can develop by 25 percent, dependent on higher financial investments and low-cost healthcare facilities.

CONCEPT OF HOTEL AND HOTEL ADVERTISEMENT

As per study of [Jha 2010], a hotel is a place or location where all who run themselves properly and who are able and ready to pay for their entertainment, accommodation and other essential services, including the boarding, thus making it a temporary home. It can be defined as a home away from home where basic equipment and facilities are provided and free to use but chargeable, meaning against a monetary sum.

A hotel is accessible by anybody or a person willing to pay, so it is considered a public place. Thus, a person who is able to reward the services proposed by a hotel cannot be refused to stay. Otherwise, it is a case of discrimination, prohibited by the law. There is no actual law that says what conditions a hotel can refuse a customer; a hotel is available for everybody. Nevertheless, the owner of a hotel has the right to stay the master of the place, meaning that it is their right to fix rules and keep the hotel under their control and not under customers. The individual is not supposed to suffer the whims of their guests or customers but is not allowed to be too restrictive either. That is why there is committal respect between the owner of the hotel and its customers.

Hotels are also considered to be a utility product for tourism. A hotel usually receives customers who are away from their homes; that is why they need a place to live. Tourists belong in large part to these customers. As hotels can provide the comfort of living to persons, which has helped a lot in tourism development. Indeed, tourists do not have to worry about accommodation during their visit to a new place. They know they can find a hotel to stay at with all the comfort they could have in their own home. In the contemporary world, the hotel market is considerably well developed. Every developed country relies on hotels within its territory. Making travel more accessible and easier.

CLASSIFICATION OF HOTELS ON THE BASIS OF LOCATION

There exist different types of hotels, which can be distinguished into different categories. A hotel type can be classified according to its nature, standard and control, and the number of stars. As per a study by [Jha 2010], there are five types of hotel nature: residential, commercial, resort, international and floating.

- Residential hotels are often called apartment hotels because they extend hospitality services as apartment houses. The hotel provides accommodation that can be furnished or unfurnished to customers for a certain period in exchange for rent. But then, residential hotels only charge rent, which can be monthly or yearly. Generally, this kind of hotel does not serve meals to the customers, so they are located in big cities where other food services are available.

- Commercial hotels are usually located in industrial and commercial centres, and they have the function of receiving people who visit the area for trade or business purposes. These hotels are generally used by individual travellers but can also receive groups of people. The specificity of commercial hotels is that they are usually not selected by the customers themselves. As businessmen generally belong to a company, this last one is in charge of organising business trips for its employees. Nevertheless, commercial hotels also sure have their own customers on their registers.

- Resort hotels are for people who wish to change the atmosphere and have a new environment to be in for a while. They are solicited mostly by tourists, and holidaymakers, who are here voluntarily and for a special purpose: to relax their minds. Resort hotels are usually located near the sea, ocean, mountain, or another place with natural beauty and a healthy climate. Customers are looking for entertainment which can be inside or outdoor activities, but there must be recreation facilities. For example, sports activities, restaurants, shopping and of course relaxation. Resort hotels have developed many different types, such as summer resorts, winter resorts, hill resorts, health resorts, etc.

- Reputed for their modernism and luxury, international hotels are classified according to various star categories. Namely, starting from zero-star up to five stars or even five-star deluxe is the highest rank a hotel
can have. International hotels usually belong to a hotel chain and are managed by a board of directors. They are generally located in metropolitan cities with an affluent population, such as passers-by, workers or tourists. International hotels also provide exceptional services to their customers, like the possibility to host conference or convention facilities, weddings, and any other events.

- Floating hotels are not really common because they are located on the water surface. They can be built on the sea, river, lake, or other places suitable to make the hotel float. Through their particular location, floating hotels provide all facilities and services of an average hotel. Boats can also be considered floating hotels only if their main activity is the hotel business.

The classification by standard and control independent hotels that are approved to unapproved hotels according to some criteria stated by the Department of Tourism, the Ministry of Tourism and Civil Aviation, and the Government. These criteria deal with the geographic location, quality of services, available facilities, etc. Thus, approved hotels have been given official recognition and have a better image from the customers. In contrast, unapproved hotels lack this recognition but remain open for business. Moreover, some customers might prefer unapproved hotels when they have to pay independently. On the other hand, the price of approved hotels is expensive due to the recognition; unapproved hotels attract people who can afford this price, usually the low and middle-income groups. In contrast, approved hotels are visited by people who are not bearing the expenses on their own account, like tourists or workers. Thus, approved and unapproved hotels do differ, but both have advantages and disadvantages.

The Department of Tourism also gives the classification by a star. Hotels obtain stars according to some criteria, including everything about the hotel; it can be the size of the rooms or the qualification of the employees. The more the criteria are respected, the more a hotel gets stars. However, the more a hotel has stars, the more expensive its services are. This classification is beneficial to different hotels and primarily for customers. Stars must be shown on the hotel sign so that customers can be aware of the quality of the hotel.

**METHODOLOGY**

The research is exploratory in nature. In this paper, the secondary data collection process was used to research on the chosen topic, providing the researcher with key issues and possible gaps that need to be addressed. This study follows a descriptive methodology, meaning it intends to analyze the current status of the chosen topic, determining and reporting its findings that will contribute to future research. Using only secondary data, in particular external sources such as academic journals, books and other related articles on tourism and hospitality industry, scientific papers and case studies.

**OBJECTIVE OF THE STUDY**

1. To know the concept of hotels and their Classification
2. To know the Government Initiatives in the Tourism and Travel Industry of India and Punjab
3. To know the Impact of Covid-19 on the Travel and Hospitality Industry

Development of Tourism and Travel Business in India

The hotel industry in Punjab received benefits from the development of tourism and travel businesses in the last ten years. However, as per the earlier report published by The Hindustan Times, Punjab stands at 12th position in India in tourist receiving (Sharma, 2017). Among the other service sectors in India, tourism and hospitality have emerged as one of the key factors for growth. In India, tourism has a significant role in contributing to historical heritage, rich culture, natural beauty places and a variety of ecology that are spread across the country. In India, Tourism is an essential source of foreign exchange like in any other country.

According to recent statistics mentioned by WTTC, the earnings from foreign exchange increased by 7% between the years 2016 to 2019. However, it decreased in the year 2022 due to the COVID-19 pandemic.

In 2020, the tourism sector in India is accountable for 39 million jobs. It is to be noted that it contributes around 8% of total employment in India. According to WTTC, it is expected that by the end of the year 2029, India will become 10th among the 185 countries considering the travel and tourism contribution towards Gross Domestic Product (GDP) in the year 2019. The contribution of tourism and travel towards GDP was 6.8% during the year 2019 out of the total economy of India. During the year 2019, the total contribution towards GDP by the travel and tourism sector was Rs. 13,68,100 crore (US$ 194.30 billion).

Government Initiatives in Tourism and Travel Industry of India

The following are some of the initiatives and potential estimations made by the Government of India concerning to the tourism and travel industry;
Tourism and hospitality in India is estimated to earn US$ 50.9 billion by 2028 as compared to the visitor exports in 2018, i.e. US$ 28.9 billion.

The Indian travel market is estimated to reach US$ 125 billion by the financial year 2027 as compared to the estimated US$ 75 billion during the financial year 2020.

Similarly, the Indian airline travel market was also projected at US$ 20 billion for the financial year 2020. However, the aforesaid size is estimated to be doubled by the financial year 2027 as a result of improvement in airport infrastructure and growing access to passports.

The hotel market in India, including inbound, outbound and domestic, was projected to be US$ 32 billion in the financial year 2020 and the same is expected to reach US$ 52 billion by the end of the financial year 2027. The aforesaid prediction is being made based on the increasing demand from travellers and constant efforts made by the travel agents in order to boost the travel and tourism market.

During the year 2019, foreign tourist arrivals (FTAs) stood at 10.93 million in India, which achieved a growth rate of 3.5%.

FEEs from tourism increased at the rate of 4.8%, i.e., to Rs. 1,94,881 crore (US$ 29.96 billion) during the year 2019.

The arrivals through e-Tourist Visa in 2019 increased by 23.6% to 2.9 million.

The FTAs decreased by 75.5%, i.e., to 2.68 million in 2020 and arrivals through the e-Tourist Visa during the month of January to November decreased by 67.2%, i.e., to 0.84 million.

The e-Tourist Visa facility was extended to 171 countries as of March 2021.

In April 2021, the percentage of FTAs share was highest.

In India as compared to the USA and any other countries.

In April 2021, the percentage share of FTAs in India was highest at Bengaluru Airport.

The FTAs of India was 376,083 between the months January 2021 to April 2021, as compared to the FTAs between January 2020 to April 2020, i.e., 2.35 million. It suggests a negative impact and growth of 84.0% due to the COVID-19 pandemic.

The international tourist arrivals are expected to reach 30.5 billion and generate revenue of over US$ 59 billion by the year 2028. However, it is expected that domestic tourists may drive growth after the pandemic.

Some of the international hotel chains are increasing their operation in the country, and the contribution of these international hotels towards the tourism and hospitality sector is around 47% of India during the year 2020, and it may increase to 50% by the year 2022.

In the financial year 2021, the hotel industry in India has suffered losses as the revenue earning was less than Rs. 1.30 lakh crore (US$ 17.81 billion) as a result of the COVID-19 pandemic.

In November 2021, A village named Pochampally in Telangana was announced as one of the best tourist villages by The United Nations World Tourism.

In the year 2018, In terms of travel and tourism investment, India is the third-largest across the globe, with an inflow of US$ 45.7 billion.

In 2018, accounting for 5.9% of the total investment in the country.

Between April 2000 to June 2021, the hotel and tourism sector has earned an FDI inflow of US$ 15.89 billion.

The Government of India has projected an expansion of the market size of visitors to around 1.2 million by 2030 to 2031.

In the next 3-5 years, for the enhancement of cruise visitors, Dream Hotel Group is planning to invest funds around US$300 million.

A graph 1 showing the total contribution of travel and tourism to Gross Domestic Product (GDP) for the year ending 2019 is provided below;
Graph 1: Total contribution of travel and tourism to Gross Domestic Product (GDP) for the year ending 2019 (Source: Bureau of Immigration, Government of India, www.statista.com)

A graph 2 showing the details of international tourist arrivals in India between the years 2010 to 2020 is provided below:

Graph 2: The details of international tourist arrivals in India between the years 2010 to 2020 (Source: Bureau of Immigration, Government of India, www.statista.com)

Apart from this, a graph 3 showing the details of domestic tourist arrivals in India between the years from 2010 to 2020 is provided below:
Graph 3: The details of domestic tourist arrivals in India between the years 2010 to 2020 (Source- Bureau of Immigration, Government of India, www.statista.com)
A graph showing the details of Foreign Exchange Earnings (FEE) from tourism in India between the years 2010 to 2020 is provided below:

Table 1: The details of Foreign Tourist Arrivals from the year 2010 to 2020 is provided below

<table>
<thead>
<tr>
<th>Year</th>
<th>Foreign Tourist Arrivals in India (in millions)</th>
<th>Percentage change over previous years</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>5.78</td>
<td>11.01</td>
</tr>
<tr>
<td>2011</td>
<td>6.31</td>
<td>9.25</td>
</tr>
<tr>
<td>2012</td>
<td>6.58</td>
<td>4.11</td>
</tr>
<tr>
<td>2013</td>
<td>6.97</td>
<td>5.22</td>
</tr>
<tr>
<td>2014</td>
<td>13.11</td>
<td>10.20</td>
</tr>
<tr>
<td>2015</td>
<td>13.77</td>
<td>4.05</td>
</tr>
<tr>
<td>2016</td>
<td>15.02</td>
<td>9.71</td>
</tr>
<tr>
<td>2017</td>
<td>16.81</td>
<td>14.00</td>
</tr>
<tr>
<td>2018</td>
<td>17.42</td>
<td>13.92</td>
</tr>
<tr>
<td>2019</td>
<td>17.91</td>
<td>11.83</td>
</tr>
<tr>
<td>2020</td>
<td>6.33</td>
<td>4.22</td>
</tr>
</tbody>
</table>

Gurudwara Talhan

Table 2: The details of Foreign Exchange Earnings (FEEs) from tourism in India between the years 2010 to 2020 is provided below:

<table>
<thead>
<tr>
<th>Year</th>
<th>FEE from Tourism in India (in US$ million)</th>
<th>Percentage change over previous years</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>14495</td>
<td>30.3</td>
</tr>
<tr>
<td>2011</td>
<td>17705</td>
<td>22.1</td>
</tr>
<tr>
<td>2012</td>
<td>17976</td>
<td>1.2</td>
</tr>
<tr>
<td>2013</td>
<td>18394</td>
<td>2.2</td>
</tr>
<tr>
<td>2014</td>
<td>19701</td>
<td>7.4</td>
</tr>
<tr>
<td>2015</td>
<td>21015</td>
<td>6.3</td>
</tr>
<tr>
<td>2016</td>
<td>22926</td>
<td>9.4</td>
</tr>
<tr>
<td>2017</td>
<td>27311</td>
<td>19.2</td>
</tr>
<tr>
<td>2018</td>
<td>28111</td>
<td>2.5</td>
</tr>
<tr>
<td>2019</td>
<td>29196</td>
<td>2.1</td>
</tr>
<tr>
<td>2020</td>
<td>6015</td>
<td>23.32</td>
</tr>
</tbody>
</table>

Source: (i) Reserve Bank of India, for 2000 -2015 (ii) Ministry of Tourism, Govt. of India, for 2016-2018 (Jan-June), www.statista.com

Hotel and Tourism Industry in Punjab

Punjab is one of the northern most states of India. It is a province bordered by Pakistan to its west. The name of Punjab territory came from 5 rivers, such as Sutlej, Beas, Ravi, Jhelum, and Chenab, as it travels through the boundaries of the rivers described above. The word "Punjab" consists of two Persian words, namely 'Panj' and 'ab'. The term 'Panj' refers to five, and 'ab' refers to rivers.

In the north-western region, Punjab is regarded as one of the prosperous states of India, rich in culture and festivals. The people residing in Punjab are known as Punjabis. People of this state are known as jolly, energetic and dynamic characters. The contribution of Punjab at the time of Independence of India is also a highlighting factor. Comprehensively, several religious movements occurred in Punjab involving individuals from different religions, including Sikhism, Buddhism, and Sufism.

The Punjab state is full of tourist destinations such as famous forts and palaces, historical monuments, wetlands, and places of religious importance. In Punjab, tourism is well established, and the state government has found a way to empower the development of the tourism industry in Punjab. Table 3 showing the list of tourist places in Punjab is provided below;

Table 3: List of the Tourist Places in Punjab

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of the Place</th>
<th>Tourist Places</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chandigarh</td>
<td>Beautiful gardens and lakes, the Capitol Complex (a UNESCO World Heritage Site), Sukhna Wildlife Sanctuary, Sukhna Lake and Rock Garden</td>
</tr>
<tr>
<td>2</td>
<td>Amritsar</td>
<td>Golden Temple, Akal Takht, Wagah Border and Jallianwala Bagh</td>
</tr>
<tr>
<td>3</td>
<td>Ludhiana</td>
<td>Lodhi Fort, Phillaur Fort, Gurudwara Shri Manji Sahib, The Rural Museum, Nehru Rose Garden and Hardy's World Amusement</td>
</tr>
<tr>
<td>4</td>
<td>Bhatinda</td>
<td>Qila Mubarak, Rose Garden, Zoological Garden, Bir Talab Zoo, Maisar Khana Temple and Takht Shi Damdama Sahib</td>
</tr>
<tr>
<td>5</td>
<td>Jalandhar</td>
<td>Sodal Mandir, Devi Talab Mandir, Gurudwara Talhan Sahib Ji, Wonderland, Harleen Water Fun Park and TR Enjoy amusement park</td>
</tr>
<tr>
<td>6</td>
<td>Pathankot</td>
<td>Nurpur Fort, Shalpurkandi Fort, Mukteshwar Mahadev Temple, Pracheen Shiv Mandir and Ranjit Sagar Dam</td>
</tr>
<tr>
<td>7</td>
<td>Mohali</td>
<td>Gurudwara Sri Amb Sahib, Chapar Chiri and PCA Cricket Stadium</td>
</tr>
<tr>
<td>8</td>
<td>Hoshiarpur</td>
<td>Archaeological Museum, Bajwara Fort, and Takhni Rehmapur Wildlife Sanctuary</td>
</tr>
<tr>
<td>9</td>
<td>Gurdaspur</td>
<td>Gurudwara Sri Darbar Sahib, Sarji Sahib, Dera Baba Nanak, Mahakaleshwar Kabootri Darwaza and Fish Park</td>
</tr>
<tr>
<td>10</td>
<td>Kapurthala</td>
<td>Jagatjit Palace, Elysee Palace, Jagatjit Club, and Moorish Mosque</td>
</tr>
<tr>
<td>11</td>
<td>Sirhind</td>
<td>Gurudwara Fateghar Sahib, Aam Khas Bagh and Haveli Todar Mal</td>
</tr>
</tbody>
</table>

https://www.gapinterdisciplinarities.org/
A below table 4 showing the data of tourist visits in Punjab is provided below:

### Table 4 Statistics & Surveys: Year-wise Tourist Visits in Punjab

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Year</th>
<th>Domestic Visitors</th>
<th>Foreign Visitors</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2015</td>
<td>2,57,96,361</td>
<td>2,42,367</td>
<td>2,60,38,728</td>
</tr>
<tr>
<td>2</td>
<td>2016</td>
<td>2,87,03,325</td>
<td>6,59,736</td>
<td>3,93,63,061</td>
</tr>
<tr>
<td>3</td>
<td>2017</td>
<td>4,02,93,352</td>
<td>11,08,635</td>
<td>4,14,01,987</td>
</tr>
<tr>
<td>4</td>
<td>2018</td>
<td>4,45,95,061</td>
<td>12,00,969</td>
<td>4,57,96,030</td>
</tr>
<tr>
<td>5</td>
<td>2019</td>
<td>4,73,85,387</td>
<td>11,01,343</td>
<td>4,84,86,730</td>
</tr>
<tr>
<td>6</td>
<td>2020</td>
<td>1,66,92,197</td>
<td>3,59,114</td>
<td>1,70,51,311</td>
</tr>
<tr>
<td>7</td>
<td>2021</td>
<td>2,66,40,432</td>
<td>3,08,135</td>
<td>2,96,48,567</td>
</tr>
</tbody>
</table>

**Source:** Department of Tourism & Cultural Affairs, Government of Punjab

Government Initiatives in Tourism and Travel Industry of Punjab

The tourism and travel industry of Punjab has grown over the years. The Government of Punjab has taken certain initiatives for the expansion of the travel and tourism industry. The details whereof are provided below:

- The GSDP of the state of Punjab has increased at a compound annual growth rate (CAGR) of 6.78% between the financial years 2015-16 and 2020-21.

- The cumulative FDI inflow of Punjab was US$ 741.23 million between the October 2019 and March 2021 as per the Department for Promotion of Industry and Internal Trade (DPIIT).

- Punjab’s total merchandise exports was at US$ 5.61 billion and US$ 5.29 billion in fiscal years 2020 and 2021, respectively.

- The National Highways Authority of India (NHAI) in June 2021 announced the planned infrastructure development work costing US$ 194 million for the financial year 2022.

A bar graph showing the details of NSDP of Punjab at current prices between the years 2015 and 2021 is provided below;
Graph 5: The details of NSDP of Punjab at current prices between the years 2015 and 2021 (Source: Ministry of Statistics & Programme Implementation)

A graph showing the details of Foreign and domestic tourist arrivals in Punjab between the years 2013 and 2019 are provided below;

Graph 6: The details of Foreign and domestic tourist arrivals in Punjab between the years 2013 and 2019 (Source: Department of Tourism & Cultural Affairs, Government of Punjab)

In recent years, Punjab’s situation in the tour and travel industry has significantly improved. It has situated itself as one of the nation’s emerging tourist destinations providing different travel and tourism sites rich in cultural, social and heritage legacy. The Punjab Government has made a huge investment in creating a foundation, promotion, and marketing of tourist spots, monuments, creating the travel industry products, like historical and religious buildings, and the hotel industry. The state plans to elevate the tourism industry to accomplish supportable monetary returns and positive social change while saving and ensuring its environment and heritage.

The hotel industry is a significant source of production of income, business, and territorial development. It can serve as a key component to help the economy of the state. For this, the area needs advancement through incentives and benefits. The quick increment of tourist inflow to the state has represented a prompt prerequisite for appropriate convenience facilities for all categories of travellers.

Impact of Covid-19 on Travel and Hospitality Industry in India

Over the past couple of years, the travel and hospitality industry has already suffered a revenue loss of five trillion dollars due to the COVID-19 pandemic. However, around 40 million jobs, whether direct or indirect, are at risk in the hotel and tourism industries. There was a significant impact of the lockdown on the travel and hotel sectors, resulting in reduced revenue for the hospitality industry. The country has sought a large package from the Ministry of Finance to sustain the hospitality business after the pandemic. During the pandemic, the demands of the hospitality industry was to extend the tenure of loan moratorium for at least 3 months by the Reserve Bank of India and a maximum for 12 months due to the impact of the COVID-19 pandemic.

Accordingly, the hotel industry received a moratorium for 3 months. But it is obvious that it requires a minimum of 12 months moratorium on the principal, interest payments, working capital, overdrafts and loans. In addition, interest on loans and collateral for up to 5 years was required to be provided to the Small and Medium Enterprises engaged in travel and tourism business as per the statement of the Co-chairman of FICCI National Tourism Council and Secretary, Hotel Association of India, Mr J K Mohanty.

Simultaneously, the hotel and travel industries also demanded for waiver of advance tax payments and Goods and Service Tax (GST) for all the upcoming permits and licenses to the Central Government of India. They also suggested that the hospitality industry’ GST must be slashed for at least 2 to 3 years. Till date, the large-scale hotel industries have attracted a GST of around 12-18 percent based on the charges of the hotel rooms. The
hotel industry also predicts that this can have a diverse effect and that the rate must be reduced to 5-6 percent. Some of the other main demands of the industry which is lined up for the hospitality industry comprise of restoration of export services from India for the duty-free exports of 10 percent to the tourism industry and bringing the Aviation Turbine Fuel under the GST ambit so that it can offer relief to the airlines apart from providing rebates on parking and housing charges.

The corporates of India also provide incentives for conducting conferences and meetings in the country with an average of 200 percent; a weighted deduction was made of the tax expenditure against the GST invoices. Apart from that, the citizens of India can also get benefits through the LTA scheme of Income Tax for holidays in India. This can also be termed as a deductible expense under Income Tax up to Rs.1.5 lakh against GST invoices as suggested by Mohanty, also the chairman of Hotel & Restaurant Association of Odisha, Mr. JK Mohanty, to the Finance Minister of India. Further, the HRAO has also requested the Government of Odisha to waive of the GST and SGST of the hospitality industry until the pandemic is over and the situation is restored to normality. Furthermore, the salary component of the employees and staff of the hotel owners is around 25-30 percent. Therefore, the HRAO advised that the state government must provide some interest-free financial assistance to the stakeholders with regard to payment of wages and salaries to the employees affected from the 'Odisha Labour Welfare Fund' for at least 6 months.

The lockdown by COVID-19 had a devastating effect on India's hotel sector and whole economic development. 1.43 million people are employed in India's hotel industry from 2013 to 2017. The hotel and tourism sector received a growing foreign direct investment (FDI) inflow of US$ (15.48 billion) between April 2000 to June 2020. Indians’ national and international flight cancellations, train cancellations, hotel reservation cancellations, the closing of travel agencies, shopping transportation, and the closing of craft showrooms are mainly the reason behind the negative impact on the hotel sector. As of December 2020, most of the hotels in India are not fully open. Hotel chains such as Trident and Hyatt are trying to increase users by offering up to 60% discounts. Hotel Association of India’s (HAI) Vice President K.B. Kachru has said that around 40 million employees in India's hospitality sector may lose their jobs due to COVID-19.

The luxury hotel chain operated by the TATA Group is also saving its costs as a result of the nationwide lockdown. Chief Executive Officer of Indian Hotels Co Ltd, Mr Puneet Chatwal, stated that the hospitality industry has never faced such a decline in revenue in the last 10 decades. The iconic Taj brand of the company operating in New York City though has not reduced employment, but some of the employees were staffed in other hotels under the TATA Group. The Hotel Chain Treebo implemented a pay cut in its budget with regard to the salary payment of its managers and founders of 40 and 60 percent, respectively. Accordingly, it launched a paid voluntary resignation scheme for its more than 400 employees. Similarly, the famous hotel chain OYO has also cut jobs by around 5000 till date.

Hotels all over the planet face scratch-offs of appointments because of the pandemic circumstance. Hence, the effect of the COVID-19 episode on the accommodation business can be assessed utilizing room booking abrogation and the situation with lodging industry labourers. As a result, the hotel business in all world districts recorded an enormous drop in the worldwide income per accessible room, e.g., Asia (- 67.8%) and Europe (- 61.7%). Additionally, the worldwide inhabitants in nations diminished fundamentally in March 2020, from 20% to more than 70% worldwide.

The movement business, which incorporates aircraft, lodgings and eateries, will shrink by half in 2020, which would mean a considerable cutback of paid positions and income. Furthermore, lodgings are being shut because of fewer vacationers, and numerous five-star hotels are transforming into isolation offices. In addition, most restaurateurs see working costs rising further because of social separation, cleanliness, and other expenses. Subsequently, support during this emergency is difficult for the travel and hotel industry.

Impact of Covid-19 on Travel and Hospitality Industry in Punjab

According to the experts, the hospitality sectors can have an adverse impact on Punjab tourism which can lead to large-scale bankruptcy, unemployment and loss in the national exchequer. The president of Punjab Hotel and Resort Association, Mr Satish Arora, is of the opinion that the hotel industry stood by the nation at the time of the pandemic as it cannot be denied that almost 5000 small, large and medium hotels and restaurants which also includes international and national chains of hotels and restaurants, had suffered substantial losses in the states of Punjab, i.e., Rs 960 crore. He further added that the basic economy could not survive if there was a constant inflow of foreign exchange is hampered. The tourism and hospitality sector attracts foreign currency and contributes to generating employment opportunities. He added that the livelihood of around 3 lakh families in Punjab is dependent upon the hotel industry only. In simple words, about 3 lakh families are engaged in the hotel business in the state of Punjab.

Thus, it is advised that the Government of Punjab should waive off the bar license fees and power tariff if it is paid in advance.

Also, the salary of the hotel and restaurant employees in Punjab is around Rs. 250 crore per month. Without having any business, most of the business owners of restaurants and hotels have paid their employees’ salaries, facing huge losses.

The president of Amritsar Hotels and Restaurants Association, Mr APS Chatha, also stated that the Government
of Punjab had not provided any subsidy or relief in the power fill except for one month with a grace period. The notice to provide license fee has already been received for the financial years 2020-2021. It was also deferred for the 6 months, and the validity period of the license was adjusted and carried forwarded to September 2021. Likewise, the water charges and property taxes should also be waived off for the next three years, as he suggested. The Hotel and Restaurant Association of Northern India also contacted the Chief Minister of Punjab to provide financial relief and packages to the hospitality industry in Punjab.

**CONCLUSION**

The state of Punjab in India has incredible natural beauty, a diverse culture, and rich historical background. Hence, it is the need of the day that focus is shifted to this high-potential sector. Furthermore, the hotel and tourism sector must be used as an engine of economic growth and employment generation by implementing an integrated approach based on international best practices.

To conclude, this paper highlights that the hospitality industry has suffered significant losses due to the recent pandemic of COVID-19 not only in Punjab but also in the entire nation. State and Central governments have taken various initiatives to curb the losses from the pandemic. However, it can be denied that the hospitality industry was growing and expanding and also attracting foreign visitors to the country due to its natural beauty and monuments and festivals before the pandemic. Therefore, it will be wrong to say that it will take time to get back on track and prosper. The hospitality industry is still trying to cope with the losses and restore normality. Hopefully, the hospitality industry will soon prosper once again, like before the pandemic.

**BIBLIOGRAPHY**


