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TRAVELLING NEW PATHS

Relevant for: Geography | Topic: Factors responsible for location of Tertiary sector Industries incl. Tourism in world & India and related issues

The <u>COVID-19</u> <u>pandemic</u> has caused unimaginable damage to global tourism, travel, and the hospitality industry. It has not only caused huge loss of lives and continues to do so, but is leaving behind a trail of havoc on the world's economies. I have been part of the hospitality industry for over four decades and seen many cycles of downturn. But never before has there been so much panic, despair and hopelessness as caused by COVID-19.

I was based in the UK at Taj's St James Court Hotel, London, when the horrific 9/11 attacks took place in New York. They shook the US and the rest of the world. The attacks brought travel by air in particular to a grinding halt. Security at airports got a new definition and the tourism and hospitality industries went into a tailspin. The measures put out by the US ensured that they raised their security levels to unprecedented levels and restored faith in travel in a fairly short period of time.

The SARS epidemic of 2003 that struck China, Hong Kong and some parts of South East Asia was another health calamity that took 774 lives. It caused losses of about \$28 billion and decreased China's GDP by 1 per cent. Since then, there have been many more global emergencies ranging from wars, earthquakes to havoc caused by environment degradation and climate change. Each of these has impacted tourism directly or indirectly but none as calamitous as COVID-19.

It is too early to predict accurate figures for global losses in tourism. We are in the midst of the crisis and tourism is hardly a priority for the world. However, the World Travel and Tourism Council estimates that the tourism industry stands to lose 50 million jobs and see a 25 per cent decline in global travel. Imagine if 8,50,000 people who travel between Europe and America each month stop doing so! The estimated loss to the US economy is \$8.5 billion. The estimated loss to the sector in India is currently pegged at a daunting Rs 5 lakh crore and job losses to the tune of four crore to five crore. These figures could change depending on how long it takes for nations to control the virus.

For now, millions who work in restaurants, bars, airlines and cruises, online and traditional travel companies, ground agents, event management companies, and many others have seen a sudden halt in business resulting in job losses and bankruptcies. The industry is largely dependent on masses of people traveling around the world and millions within cities, who use restaurants and bars. It is a big blow when business is down to zero.

Industry associations in India have reached out for government intervention on many fronts. The requests include a 12-month moratorium on EMIs of interest and principal payments on loans and working capital from banks and NBFCs, deferment of dues such as advance tax, GST, PF ESIC, to name a few, for about 12 months, and a GST holiday to the travel and tourism industry for at least a year.

The airline industry would benefit enormously if the government considers levying GST on Air Turbine Fuel, which will enable them to get input tax credit and be a big relief for all domestic carriers. These are reasonable requests. I am very hopeful that the industry voice will be heard.

In the aftermath of COVID-19, we must accept that epidemics and virus breakouts may return to haunt us again in the future. Preparedness should be our key takeaway from this experience.

The rise of global terrorism got hotels to up their security measures. The primary focus has been to screen bags and individuals for metal objects, explosives, guns and the like. Moving forward, technology will play a significant role in ensuring one goes through a machine that disinfects you before you enter hotels and offices. Plast Group in Turkey has already developed Ikarus, a device for hotels that disinfects people before they enter the premises. A money-cleaning ATM, also in Turkey, disinfects paper bills to tackle spread of COVID-19. Tech interventions will create minimum physical touch points in hotels.

Hotels of the future may need to be equipped with basic protective equipment such as masks, infra thermometers, gloves and a set or two of PPEs. A standard quarantine room that meets the prescribed standards laid down by local health authorities will have to be kept ready. Hotels will have to revisit housekeeping standard operating procedures. The government, along with the industry, will have to prescribe minimum hygiene and sanitation guidelines and compliance standards.

The conversion of hotels into makeshift healthcare centres or isolation camps will be a new normal. This is already happening in big metros like Delhi and Mumbai in India while dealing with COVID-19. The Taj recently offered rooms to healthcare workers at its hotels in Mumbai and Delhi. In future, pre-earmarked hotels, approved by the government, will stay prepared for a swift transition and be able to offer such services at short notice.

Hopefully, the tourism, travel and hospitality industry will spring back to business sooner than later. As an eternal optimist, I do believe that the rebirth of tourism is imminent, but will it be the same industry that we have all gotten so used to? It is a tough question with no easy answers for now. Travel and hospitality will have to redefine and reimagine itself in more ways than ever.

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