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CABIN FEVER

Leisure travellers are stepping out after being cooped up at home for months. But rising Covid cases and local curbs make tourism's recovery complex



IF YOU ARE VISITING

GOA



QUARANTINE
NO



COVID-NEGATIVE
REPORT
NO



E-PASS
NO



TOURISTS IN 2017-18
9.3 lakh international
70.8 lakh domestic

By Indulekha Aravind

During the lockdown, when travel came to a screeching halt, the only way for hotels to earn some revenue was to open up the properties for Covid-related bookings, such as quarantining. However, Lionel Rodrigues, whose family owns the 20-room, budget resort La Ben in Colva, South Goa, decided not to go down that road. "We didn't want to upset the villagers, so we didn't take the quarantine business," he says. At the start of September, Goa removed curbs like a mandatory Covid-negative report for incoming travellers, indicating the state was open to tourists,

but La Ben is yet to take any booking despite enquiries. "With no testing (of visitors), I'm slightly uncomfortable, both for my sake and my staff's," says Rodrigues. He plans to reopen only in November but that, too, he says, will depend on the number of Covid cases.

Among family-run hotels and B&Bs in the villages of sunny South Goa, prized for its relatively quieter beaches, this is not an isolated sentiment. "In the south, where it is less crowded, people are panicking and requesting us not to take guests. It is difficult to make them understand that Covid is here to stay," says Serafino Cota, president, Small & Medium Hoteliers Association, Goa. "We have to be fair with the locals because when the times were good, they have been good to us." He, too, is yet to reopen his hotel in Cavelossim.

With the Centre announcing the fourth phase of "unlocking" and various states like Goa removing all restrictions on interstate travel, combined with the fatigue of people being house-bound for months, there are multiple signs that travellers are starting to give into their itchy feet. Tourists eager for a break are already thronging spots like Mount Abu in Rajasthan. "Within a few days into Unlock 4.0, we are noticing a significant jump in booking enquiries and searches for tourist destinations in Himachal Pradesh, Uttarakhand and Goa, among a few others," Vipul Prakash, COO of MakeMyTrip, India's largest travel booking platform, told ET Magazine. With hotel rooms, there has been some traction in demand over the last two weeks though it is yet to pick up significantly, says Patu

Keswani, chairman and MD of Lemon Tree Hotels and treasurer of the industry body Hotel Association of India. In Goa, too, Nilesh N Shah, president of Traveland Tourism Association of Goa, says occupancy of hotels is slowly inching up, from 4% earlier to about 15% in the last week. But as the experience of Rodrigues and Cota indicates, recovery for the travel and tourism industry amid the pandemic is going to be complex and long-drawn-out.

It's a sector that would rank high up in the bleak list of industries decimated by the pandemic. It could also be among the last to revive globally, say experts, because of the modes of transmission of the novel coronavirus and the fact that travel is not a necessity. In India, where tourism was responsible for supporting close to 43 million jobs, early estimates show the damage from Covid has been severe. Consultancy KPMG predicts a potential job loss of around 38 million in tourism and

hospitality while the revenue of hotels is expected to decline by ₹90,000 crore in the calendar year 2020, according to HVS Anarock and STR (Smith Travel Research).

The big hurdle to recovery is the surging pandemic, with cases continuing to rise in India, unlike some other countries that seem to have moved past the peak. There is also a lack of uniformity in removing restrictions among states, despite the "Unlock 4.0" guidelines by the Union home ministry stating that there shall be no restrictions on inter-state movement of people and goods. For instance, Himachal Pradesh requires visitors to have a Covid-negative report and stay for a minimum of two nights while a two-week home quarantine is mandatory if you visit Kerala.

"Hotels are open to an extent in Himachal, but demand has yet to pick up because of requirements like prior registration and Covid-negative certificates for everyone above 12 years. Himachal should follow the norms of other states or we will lose out," says MK Seth, president, Tourism Industry Stakeholders' Association. He estimates that there are about 5,000 hotels and an equal number of homestays in the state, all of which have missed out on the peak tourist season of June, July and August. Seth denies that there is any pushback against tourists visiting.

Travel Unravels

However, in the interiors, opinions differ, underlining the threat of Covid-19. In Kinnaur, the heart of apple country, the local hoteliers' association has yet to decide on reopening. "We don't want to endanger the community. If we open now and the situation worsens, all our efforts in the last few months will go to waste," says Mukesh Romdhari, general secretary of the association. With apple season on, he says they can't risk new Covid cases derailing

HIMACHAL PRADESH



QUARANTINE
NO
but minimum
2-night stay



COVID-NEGATIVE
REPORT
YES
Obtained within 96
hours



E-PASS
YES
Register at least
24 hours before



TOURISTS IN 2017-18
3.5 lakh international
1.6 crore domestic



KARNATAKA



QUARANTINE
NO



COVID-NEGATIVE
REPORT
NO



E-PASS
NO



TOURISTS IN 2017-18
5.4 lakh international
21.4 crore domestic



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BEFORE COVID

TRAVEL & TOURISM ECONOMY (2018-19)

CONTRIBUTED EMPLOYED
9.2% **43**
 TO GDP MILLION PEOPLE

RECEIVED
5.9% OF TOTAL INVESTMENT

WHO WAS SPENDING, SECTORALLY?

5% BUSINESS TRAVELLERS
13% FOREIGN TOURISTS
95% LEISURE TRAVELLERS
87% DOMESTIC TOURISTS

Source: WTTC Travel & Tourism Economic Impact 2019

DESI-VIDESHI

No. of foreign tourist arrivals in India in 2018

10.5 million

No. of domestic tourist visits in 2018

1.8 billion

Foreign exchange earnings from tourism in 2018

₹1.94 lakh crore

Source: Ministry of Tourism

AFTER COVID

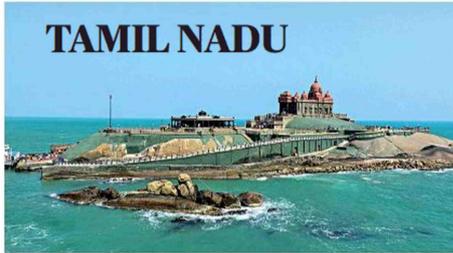
₹89,813 cr

Estimated loss in revenue for hospitality sector in 2020

38 million

Estimated loss of jobs in hospitality in tourism

Source: KPMG, HVS India



TAMIL NADU



QUARANTINE NO



COVID-NEGATIVE REPORT NO



E-PASS YES

Local tourists visiting hill stations, too, need it

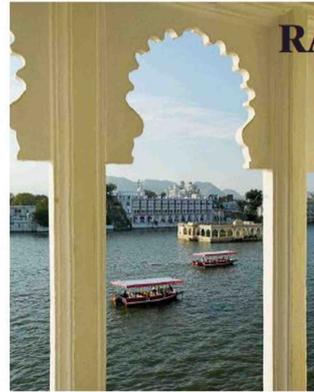


TOURISTS IN 2017-18
 60 lakh international
 38 crore domestic

an integral part of the local economy.

Other, less-anticipated challenges, too, abound. In Manali, Pankaj Bhardwaj, who runs the six-room, mid-range Mary's Cottages, is looking forward to reopening on September 15 after five months of zero revenue. But, he says, prospective customers expect rock-bottom prices. "Someone called, asking if I can rent out a double-occupancy room for a month, including meals, for ₹30,000. They say, anyway your property has been lying empty. But ration alone will cost me half that amount," rues Bhardwaj. Shah in Goa says pricing will similarly be a challenge for small and medium hotels, which will have to compete with five-star hotels offering huge discounts to woo customers. Cota says the worst-hit are hoteliers who are new to the business. "Some of our members are in big trouble. To be free of mortgage, you need to have been operational for around 10 years."

For others, Covid is the culmination of multiple years of crises. MP Paulson, who runs the Canaan Marari homestay in Alappuzha, Kerala, knows this first-hand. Having spent 31 years in a technical role in the Mumbai office of a US-based company, he resigned in 2016 with the dream of opening a homestay in his beachside home town of Mararikulam, taking a loan of about ₹25 lakh. While business was good in 2017, it started going downhill from the following year, when areas like Alappuzha were ravaged by floods. The streak of ill-luck continued with floods in 2019 and then Covid in 2020. "We can meet our expenses because my wife has a job in HR. But survival is becoming tougher," says Paulson. With revenue plummeting to zero, a few homestay owners in the area have joined hands to take orders on WhatsApp and deliver fresh poultry and vegetables to customers in the neighbourhood. "It was an additional source of income," says Binoy Benjamin, 36, proprietor of Marari Seascape Villa. He has had four local guests and is now hopeful of an uptick in travellers from other states whenever Kerala



RAJASTHAN



QUARANTINE NO



COVID-NEGATIVE REPORT NO



E-PASS NO



TOURISTS IN 2017-18
 17.5 lakh international
 5 crore domestic

lifts the two-week quarantine norm.

In the absence of foreign tourists, local leisure travellers and events like small weddings are expected to help the tourism industry survive, point out stakeholders and analysts. "Talking to our customers, we have found that there is exhaustion from staying at home for five months and people are now looking forward to travel. You could even call it revenge travel," says Lemon Tree's Keswani. For starters, occupancy at the group's property in Udaipur has shot up to 70%. Rajasthan was one of the states that opened for tourism early on, dispelling the need for interstate guests to quarantine, and hoteliers say this has helped.

Is It Check-In Time?

"In August, which had a couple of long weekends, our property in Kumbalgarh saw 70% occupancy," says Adhiraj Singh Shahpura, MD of Shahpura Hotels, which has four properties in Rajasthan. For the first time, the boutique hotel group has also diversified into hosting weddings at its flagship property and has about 10 weddings lined up in November. Similarly, with Karnataka doing away with restrictions on inter- and intra-state movement, Sameer Shisodia, CEO of sustainable hospitality firm Linger Leisure, says enquiries for its properties in the state has gone up.



"There is a degree of exhaustion among customers from staying at home for five months. People are now looking forward to travel, you can even call it revenge travel!"
Patu Keswani,
 Chairman & MD,
 Lemon Tree Hotels

"There are more people who want to just get out now than those who are concerned," says Shisodia. But he sees this as pent-up demand that is unlikely to sustain. "I expect the curve to dip in the months ahead because India's economic contraction has been severe," he says.

A July report on the hotel industry by CARE Ratings estimated that hotel occupancy for 2020-21 would be 33% in the best-case scenario and 18% in the worst. Associate director Sudhir Kumar says the prognosis still largely holds true, with a bump expected only from the next quarter, with the festival and wedding season. "It will be the mid-market hotels that will see a revival. Corporate chains are not seeing a similar revival because there is a perception that the risk might be higher in a 200-room hotel than a small property," says Nitesh Ranjan, senior manager and co-author of the July report. The fear of getting infected still poses the biggest challenge for the revival of the tourism and hospitality industry, followed by the fixed costs hotels have to meet despite low occupancy and the erasure of income from food and beverages, say Ranjan and Kumar. They expect travellers to stick to their regions and choose small properties over large ones. ET reported on Saturday that all-India occupancy rate for hotels was around 24% in the first week of September. In 2019, the organised hotels sector reported an occupancy rate of 66%.

MakeMyTrip's Prakash says that while a majority of travellers were booking getaways they could drive to in the first phase of leisure travel after the lockdown, things are different now. "Travellers are willing to fly following all safety norms or take long road trips to states that offer easy entry and exit to visitors."

The early signs of promise for tourism apart, Keswani says, for the hospitality industry, the priority is to help individual owners tide over the crisis. "This is a capital-intensive industry, with a large amount of debt, and high fixed costs because of payroll. About 1,25,000 hotels are owned by individuals, who are very vulnerable. Our concern is that demand will return in two years but a lot of supply should not shut down by then."

Opinions are split about when tourism will rebound to 2019 levels – in the absence of a Covid-19 vaccine – but there is consensus that 2020-21 is likely to be a washout. In countries like Spain that saw tourism pick up after the first wave peaked, a new surge in cases is threatening the fragile industry. As Shah in Goa puts it, the hope, for now, is to somehow survive, till tourism revives. ■

indulekha.aravind@timesgroup.com

UTTARAKHAND



QUARANTINE YES
 if you are travelling from a city with high infections



COVID-NEGATIVE REPORT YES
 obtained within 96 hours



E-PASS
 All visitors must register on govt website



TOURISTS IN 2017-18
 1.5 lakh international
 3.5 crore domestic



Source: Govt websites, media reports

KERALA



QUARANTINE TWO WEEKS AT HOME



COVID-NEGATIVE REPORT NO



E-PASS REGISTER ON COVID JAGRATHA SITE FOR E-PASS



TOURISTS IN 2017-18
 10.9 lakh international
 1.5 crore domestic

