

How focus on digitalisation will be the key to grow tourism industry

COVID has a significant impact on the tourism industry. However, with the restart of foreign flights, the tourism industry is anticipating a recovery to pre-covid levels of activity in the next six months, assuming no more disruptions. Meanwhile, technology and digitalisation will propel this industry to the next level of development

There is no doubt about the impact COVID had on the tourism industry. But with the resumption of international flights, the tourism industry is expecting pre-covid level business to return in the next six months – hoping there will be no further disruption. Meanwhile, the next growth level for this industry will be driven by technology. Many waited for COVID to end and tourism to restart. At that time, some businesses (mostly small and medium) either shut shops or went into hibernation mode, whereas some large players decided to prepare for the future.

Indian carriers see V-shaped recovery in international traffic

According to Mr. Pradeep Shetty, Senior Vice President, Hotel and Restaurant Association of Western India (HRAWI), during the pandemic, the hospitality industry embraced the digitisation process at many levels, even the small and medium conventional businesses. Shetty added technology-enabled processes in this digitised ecosystem will be important going forward.

Mr. Shetty fears in the large digitised space, many businesses will fade away. “There is a need for technology companies to come forward and help small businesses to grow using innovative tools (which large businesses have access to) and are available at a reasonable cost.”

As per World Travel & Tourism Council report, COVID-19 accelerated the digital agenda. It stated that it will be important for governments to invest in the digital infrastructure of emerging destinations and remote areas, as well as to enhance digital skills within local communities. It stressed investment should

be directed towards the following key areas such as crowd management and the dispersion of tourists; contactless experiences; and urban and rural internet connectivity. 2019 was the best year for India in terms of tourism capital investment since 2013, attracting more than \$940m, according to fDi Intelligence and GIS Planning report. It attracted 17 tourism FDI projects in 2019, the same number that it received in 2018.

The Ministry of Tourism is working on setting up a National Digital Tourism Mission. The Ministry of Tourism and MeitY collaboratively explore the possibilities of developing a Unified Tourism Interface, for seamless exchange of information amongst the stakeholders of the tourism ecosystem. Such an interface would enable an open and interoperable network for search, discovery, information exchange and digital transactions.

By 2026, the global travel technologies market is expected to reach \$12.5 billion – projected to grow at a CAGR of 6.8 percent, according to Global Industry Analysts Inc (GIA). In FY20, the tourism sector in India accounted for 39 million jobs, which was 8.0 percent of the total employment in the country. By 2029, it is expected to account for about 53 million jobs, according to IBEF data.