Towards sustainability: reimagining India’s tourism sector
1 June 2020

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Tourism has been one of the worst hit sectors as people have remained confined to their homes. The pandemic has prompted a deep rethink on business models in a sector that has a disproportionately large contribution towards job creation.

In India, the travel and tourism sector represents about 8.1 per cent of the country’s workforce, translating into around 42.7 million jobs. According to KPMG in India’s analysis, 10 to 15 per cent of jobs in the sector are expected to be lost because of the pandemic. This is primarily because the virus outbreak has ravaged the economies and healthcare systems of the biggest contributors to both foreign and domestic tourism in India. Four of the top 10 countries (China, Germany, the U.S. and the U.K.) that contribute to about 65 per cent of foreign tourist arrivals (FTAs) in India also feature among the top 15 countries reporting the most COVID-19 cases. Similarly, the top states contributing to domestic tourism, including Maharashtra, Kerala, UP, Rajasthan, Gujarat and Tamil Nadu, have been badly hit.

Amidst the adversity lies an opportunity to reimagine travel and tourism through the lens of sustainability. For all the havoc the pandemic has left in its wake, it has also provided a rare opportunity for the planet to heal. There have been reports of pollution-free rivers for the first time in decades, sightings of birds and animals, clear blue skies and improved air quality. This has opened up opportunities for the sector to adopt green practices and reduce its burden on the natural habitat.

Sustainable tourism: a collaborative, economically prudent approach

There is a marked shift towards green, sustainable tourism as more tourists are expected to opt for eco-friendly travel in the post COVID-19 world. One way to give such practices a fillip is by offering direct monetary instruments that propel private undertakings to change their outlook towards greater sustainability.

To plan for the new normal that the pandemic has ushered in, the governments (both at the state and central levels) need to promote policies that are greener and eco-friendlier. We propose a few mechanisms through which the Ministry of Tourism may promote eco-friendly practices in the new post COVID-19 world.

1. Creation of a sustainable tourism fund

   - The fund is likely to provide capital incentives, loans and grants to the various players in the travel and tourism sector that adopt more sustainable measures
• The fund also will help propel capital creation at a time of slowdown while promoting global best practices to drive sustainability at the ground level
• Multiple energy, water, linen and waste solutions are available today that enable ecologically sustainable and high-quality service for the sector. A capital incentive, including low interest rate funding, through banks may help propel the sector to adopt these ecological measures quicker.

2. Appointment of a sustainable development task force

The responsibilities of this task force could include the following:

• Providing a platform for industry-wide webinars and interactions
• Sharing of best practices on a domestic and global scale
• Curation of contests and awards to recognise industry best practices
• Capacity building
• Creation of frameworks and regulation to promote eco-tourism
• Monitoring and evaluation of results.

3. Introduce sustainable tourism label

Certified businesses may be rewarded with the following:

• Introduction of a one-year long goods and services tax (GST) and income tax holiday for tourism businesses
• Support in marketing and publicity
• Government to business (G2B) opportunities
• Information dissemination about the host for individual businesses.

4. Campaigns and promotion

• Make sustainability the marketing mantra
• Design campaigns that highlight, promote and elevate sustainable tourism
• Web/television series that showcase sustainable businesses
• Gamification - #post-a-selfie, colours of India, colour the map
• Corporate social responsibility (CSR) schemes for encouraging private businesses accessing these projects
• Enhanced access to market to small and fringe green tourism enterprises.

An eco-friendly future

KPMG in India has created the world’s first sustainability P&L using the `KPMG True Value framework’. True Value is an innovation that measures the financial cost and benefit of social and environmental impact with a standardised comparison of different kinds of activities. This
builds the case for us to recognise and appreciate the true value of sustainable tourism and the real economic benefits of going green.

While we are slowly coming out of this pandemic and begin rebuilding our economy, a clear direction towards a green, efficient future must be integral in the planning. We can no longer afford to muddle through each new crisis while balancing the same popular economic model that was prevalent in the pre-COVID-19 world. We have already set ourselves up for disaster by using the planet’s precious resources faster than they can be restored and this crisis has given us pause.

The time to turn green has never been more critical. Incentivised green technology and eco-friendly variations will help us overcome the problems plaguing the tourism sector today – be it low occupancy in hotels, grounded flights or restaurants and guesthouses on the verge of closure. Building a sustainable and environment-friendly revival plan will help create long-term economic value from a sector that accounts for about 10 per cent of India’s GDP. Going forward, the government’s support and a commitment to build a clean, sustainable future can help transform Indian tourism in the post COVID-19 world.

1 Coronavirus puts up to 50 million Travel and Tourism jobs at risk says WTTC, Press Release, 13 March 2020
2 Annual Report 2019, Ministry of Tourism, accessed on 20 March 2020
3 COVID-19 Coronavirus Pandemic, Worldometer, accessed 15th May 2020