

The all-purpose source market

In the third session of the second TRAVTALK Digital Conclave, panellists discussed the potential of India as the new global source market for tourism in the post-COVID era. India's outbound traveller market has the ability to cater to various segment demands across the world. One must, however, keep in mind the visa and travel policy changes that are on the cards.



Manas Dwivedi

Now that much has already been said about COVID-19's financial impact, it is important to dig deeper and decode what the future holds. India has always been known as a resilient market, and experts say that it is this resilience that will define

utes a major share as it is among the top three source markets for us. In fact, India is also the fastest-growing outbound market for us.

India's stronghold in global tourism cannot be estimated from these numbers alone, believes Sandeep Dwivedi, Chief

The way travel agents do business will change

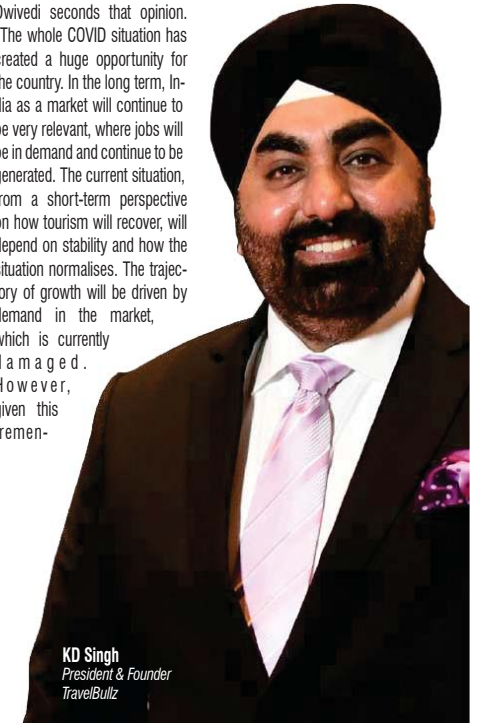
"The way travel agents do business in the industry will change once the COVID-19 pandemic is over. Year 2020 is a halt, not a stop. No country can survive without tourism. How travel agents do business will definitely change. So, I would urge all travel agents to understand how the digital world works. Customers will have access to the digital world. So, if you have not equipped yourself with digital technologies to distribute and make your work happen, I am afraid that we will all be left behind."

— KD Singh

"We have been talking about ancillary sales for a very long time now and going forward, there will be more focus on ancillary sales. They are going to increase day by day and travel agents have to start educating themselves on this. As far as airlines are concerned, they want to commission all kinds of activities; it is not their normal course of business. Airlines would like to compensate a travel agent for any activity that is an extra revenue generator for them."

— Sandeep Dwivedi

Dwivedi seconds that opinion. "The whole COVID situation has created a huge opportunity for the country. In the long term, India as a market will continue to be very relevant, where jobs will be in demand and continue to be generated. The current situation, from a short-term perspective on how tourism will recover, will depend on stability and how the situation normalises. The trajectory of growth will be driven by demand in the market, which is currently d a m a g e d . However, given this tremen-



KD Singh
President & Founder
TravelBulz



India outbound's trajectory in months to come as the world reels under the aftermath of a devastating virus.

Operating Officer, InterGlobe Technology Quotient, who said, "In today's new normal of social distancing, people using

According to Vinay Malhotra, Regional Group COO, South Asia, Middle East & North Africa, Americas, VFS Global, the Indian market is well poised to touch the 50 million mark in the number of outbound tourists from India in the next decade. Speaking at TravTalk's second Digital Conclave on April 21, he added, "VFS Global processed over 32 million visas in 2019. Out of this data, India contrib-

More and more countries are liberal in granting visas for longer durations and therefore, the price automatically does gain some elasticity

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continue to pose a risk to the tourism and aviation industry. If I try to bifurcate the future, it'll consist of the short term, the

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segment that is most likely to bounce back after domestic tourism in India. "Travel to short-haul destinations outside India, like Dubai, Thailand, Singapore, Sri Lanka, Indonesia, Malaysia, etc., has almost doubled between 2015 and 2019. Countries like the Maldives have seen 100 per cent growth in the number of travellers from India in the last few years. Bali has also seen tremendous growth from India and Dubai is a shining example of how short-haul destinations are popular with Indians."

What makes India lucrative?

India has everything required of a growing market. Malhotra says, "India has all kinds of travellers. We have all the ingredients in place, and I do feel that the stage is set and we are ready to catapult to an even better growth in the time to come. The '30 million outbound tourists' mark could possibly grow up to 50 million, which is what most experts and research say for the next decade."

Potential to be number one source market for visas

"India already has all the ingredients required to be on top. Even today, a plethora of bookings are routed to us from travel agents in our ecosystem, who I like to call travel specialists or travel consultants. The travel agents need to now come together and work for a common cause, which is stimulation of travel. I think, if all people get together and put in that effort and collaborate, there is scope for us to either go to the top or stay right up there. Even in terms of passport penetration, we are at just about six per cent and China is at nine per cent."

— Vinay Malhotra



Vinay Malhotra
Regional Group COO, South Asia, Middle East & North Africa, Americas, VFS Global

'Namaste' to greet is the first signal that that India itself is becoming a global market from a cultural point of view. That is the first fundamental aspect. The COVID-19 crisis is different from all the crisis we have faced in the past. Insights and different economic models predict how the situation will

medium term and finally, the long term. If I investigate the medium- and long-term future, they look secure due to the resilient nature of tourism. That said, I would like to add that one must be cautious still of the optimism we are building."

To this, KD Singh, President & Founder, TravelBulz, added, "I am sure it is going to be mutual learning. We will have to break down recovery into three segments: The first is to survive, then we get into recovery mode and resurgence is most likely to happen sometime next year."

He explained that if one were to look at the last five-year numbers, especially for travel to short-haul destinations, this is one

dous uncertainty around the duration of the recovery phase, predicting how long it will take for the situation to normalise economically will be tough. Of the parameters that will come into play, one would be social burden and the other, a financial burden. In earlier crisis, there was supply, but demand was a challenge. Right now, both demand and supply are choked, with total suspension of travel. Demand is suppressed due to dislocations and we are going to see slow or negative GDP growth. I believe the broken supply chain will develop low consumer confidence, and nobody knows when the situation will improve. It is very difficult to predict when the industry is going to bounce back.

The restrictions will not be lifted overnight; travel will start again in a staggered manner," he says.

Dwivedi adds that when we speak of international travel, recovery will be very gradual. "That said, when we look at it from India's perspective, though CAPA has talked about recov-

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ery in Q3 or Q4, I think that it will take much longer. As soon as India opens up, there will be a huge demand internationally and India will become a major source market."

Singh says that connectivity and supply have always created more demand. He shares, "That is where the focus would be when we get back to recovery and start doing normal business. The other thing that I think

has played a pivotal role in the outbound industry is the interest that the tourism boards and the governments of countries have shown for the consumers. That again is a testimonial of the strength of the outbound travellers from India. We have seen a lot of crisis in the industry before but each time, Indian travellers are the first support to destinations. So, we can be really positive about the fact that Indians will be the first ones to start travelling as soon as supply is available, but a lot of this will depend upon what will be the new regulations to travel. There will be checks and balances, the visa-on-arrival scenario will also change a little and more planning will be required when applying for a visa to any country."

He adds that a 'fit to travel' certificate will become a reality in the coming days. "When you look at some of the numbers, we have 26.3 million people who travelled outbound in 2019 out of India. We were soon to reach the 50 million mark but that will now take a while after COVID-19; at least 3-4 years. I do not think any of us need to lose hope as long as we know how to survive. To give you a clear picture of what helps outbound tourism market and what makes the demand kick, I think connectivity is important," Singh says.

Evolved visa process after COVID-19?

According to Malhotra, at this point in time, none of the governments are busy preparing visa regimes or new norms. "They are all currently occupied in ensuring the health and safety of their citizens. The governments we work with are also extremely busy with the repatriation of their citizens who are currently overseas. For any and every visa change that happens, VFS Global will ensure it reaches people on time. I would urge eve-

ryone to keep a close watch on www.vfsglobal.com/covid-19. This information and all FAQs are updated on the website daily. In the same breath, I would also like

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to say that there is a whole lot of information around visas, which is out there and not all is from au-

Working class and millennials will fuel growth

"The working class and millennial sectors will fuel tourism. The resilient nature of the travel industry will secure its medium and long-term future. The working-class population will be crucial for that. Instant travel demand will be created by different demographics of the Indian population post COVID-19. India has grown considerably in terms of intra-country demand in recent times, which has helped the cash flow and the economy as well. There is no doubt that domestic tourism will be crucial in the short-term recovery plan."

- Sandeep Dwivedi

thetic sources. So, I would urge you to only believe in information from authentic sources and that one source could be our website," he said.

Malhotra also feels that the price of a visa could go either way, as countries may want more and more tourists to come in. "More and more countries are liberal in granting visas for longer durations and therefore, the price automatically does gain some elasticity. But, what is important is that the new normal will be quite different from what it is today. Even we are already planning in visa centres, how we can ensure social distancing, how we can ensure more hygiene, how we can ensure more use of digitalisation and technology,

so that people visit a visa centre only at an appointed time. In other words, trying to avoid crowds at any and every given point for the larger interest of the staff as well as the well-being of the applicant who walks in is a priority," he shares.

Importance of short-haul destinations

According to Singh, the demand for short-haul destinations from India has been supported by supply. He says, "Demand has actually been created by the availability of supply, the availability of flight connections, availability of visa and visa-free

travel, and the availability of hotel rooms in each of these countries. So, whenever you see that there's more demand, it happens because there are more flights, more seats. Dubai has always led that side of the business from our company. There were over 600 flights a week, thousands of seats going in. That is why we were able to achieve our target of serving over 2 million pas-

engers out of India last year, followed by growth for markets like Singapore, Thailand, Bali, Maldives and some other destinations. If you look at the kind of impact direct flights to Phuket and Krabi from India had on travellers, you can see an 18% jump, compared to 8-9% average growth they achieved over the last five years."

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He predicts that anytime between August and September this year, we will start to see the



tricking in of bookings. "Travel, therefore, would be anytime between October and December 2020. Then it will become a matter of confidence-building measures by the government, by airlines, by the travel industry and by all of us together. If

✦ Demand is suppressed due to dislocations and we are going to see slow or negative GDP growth ✦

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it is safe to travel, I am sure the tourism bodies, airlines, DMCS, tour operators - everybody will put in time, money and effort to promote this sentiment of travel. There will be a lot of last-minute bookings. By next April, we will be back where we used to be," Singh believes.

Weddings and MICE will pick up?

Singh believes that this is an issue across the world and not outbound or domestic-related. "So, if weddings can happen in India, they can happen anywhere in the world. This will, however, depend on governments, how those destinations have taken care of situations and how they have prepared themselves to be COVID-free. So, if India will have large gatherings, so will Thailand, Malaysia and other countries. Intra-region travel to short-haul destinations will increase. I do not see any challenge. Yes, the format will change for MICE over the next six to nine months. The numbers will not be that big. So, you will not see a thousand people travelling for incentive. There will be rationalisation in the number of people travelling together," he explains.

Short-term road map for survival

Survival doesn't just mean the commercial health of organisations or travel agents and tour operators. We all are driven by people. To ensure companies and people survive, one needs to first take care of the mental strength of colleagues and the people, and the industry at large because a lot of people are obviously quite disheartened and disillusioned on what the future has in store for them. We may see a lot of people wanting something else from life because they've seen what nature can do to them, and us, in a jiffy. So, while the challenges of social distancing, a health certificate for travel, and visa and connectivity will exist, they will all sort themselves out. As soon as we find an antidote and see the curve of infection going down, we will start to see people travelling again."

- KD Singh

What will fuel demand?

"We do not know how many 'W' curves India will see. A 'W' curve means downfall, recovery, downfall and then again recovery. Even in the current circumstances, when the global GDP is going down, India is going to see good growth even in the short-term future, according to an IMF report. So, factors like GDP, demographic mix and working-class population work in our favour. All these factors will work in fuelling demand from an India point of view," Dwivedi explains.

norms will be the talk of the town. Since it is a question of the overall health of all fellow travellers on an aircraft, panellists felt 'healthy to board' must be made a norm for all flyers. ✦

The panellists concluded the day on a positive note of India's resilience in time of crisis. They also agreed that in the post-COVID world, new



Sandeep Dwivedi
Chief Operating Officer
ITQ

Jobs will continue; travel will happen

"Everyone is going through a crisis, no doubt about it. But, if you investigate and compare India to the global equation, our story is entirely different. The whole situation has created a huge amount of opportunity. India is going to become one of the largest markets from a procurement point of view because of money. You need to put money back into the market. So, investments will come in. From a long-term perspective, India is a market where jobs are required; jobs will continue to be there. Resultantly, the younger population would like to explore a lot more. In crisis also, India is showing GDP growth which is a great sign, and the government is doing a good job."

- Sandeep Dwivedi



Going by Pacific Asia Travel Association's recent visitor forecast for 2020-2024 for the Asia Pacific region, visitor numbers to South Asia are likely to reduce by 31 per cent in 2020, but return in 2021 with a 10 per cent year-on-year change.