

GOVERNMENT OF INDIA
MINISTRY OF TOURISM

RAJYA SABHA
UNSTARRED QUESTION NO.1756
ANSWERED ON 03.08.2021

REVIVAL OF TOURISM AND HOSPITALITY INDUSTRY

1756. SHRI ABDUL WAHAB:

Will the Minister of **TOURISM** be pleased to state:

- (a) whether Government has any details pertaining to the financial loss incurred and people unemployed in the tourism industry due to COVID-19;
- (b) efforts that have been made by Government to revive the tourism and hospitality industry;
- (c) whether Government is considering a special financial stimulus package to help the tourism and hospitality industry; and
- (d) whether Government will consider giving a tax concession or do away with multiple taxes for the revival of tourism and hospitality industry?

ANSWER

MINISTER OF TOURISM

(SHRI G. KISHAN REDDY)

(a): Ministry of Tourism, Government of India got study conducted on “India and the Coronavirus Pandemic: Economic Losses for Households Engaged in Tourism and Policies for Recovery”. Key findings of the study are given below:

- Due to overall economic slowdown during 2020-21, tourism economy or tourism direct gross value added (TDGVA) saw a fall of 42.8 percent in Q1; 15.5 percent in Q2 and fall of 1.1 percent in Q3.
- Due to significant drop in tourist arrivals and hence tourism expenditure during the pandemic, it is estimated that TDGVA plummeted by as much as 93.3 percent in Q1 of 2020-21 over its level in the same quarter of previous year. It picked up slightly to post a fall of 79.5 percent in Q2 and that of 64.3 percent in Q3.
- A significant number of jobs were lost in the tourism sector once the lockdown was implemented. 14.5 million Jobs during Q1, 5.2 million during Q2 and 1.8 million jobs during Q3 are expected to have lost as compared to estimated 34.8 million jobs in the pre-pandemic period of 2019-20 (Direct jobs).

(b) & (c): The details of the various fiscal and relief measures announced by the Government which are expected to revive the tourism and hospitality industry are at Annexure.

(d): GST rates are prescribed by the Government on the basis of recommendations of the GST Council which is a federal body having representation of both the Centre and the States. Council had in recent past (1st Oct. 2019) reduced the GST rates significantly for hotel accommodation. Further, GST rates on restaurant and catering services have also been reduced significantly since the roll out of the GST. At present, there is no further recommendation from GST Council for changing GST rates.

STATEMENT IN REPLY TO PARTS (b) & (c) OF RAJYA SABHA UNSTARRED QUESTION NO.1756 ANSWERED ON 03.08.2021 REGARDING REVIVAL OF TOURISM AND HOSPITALITY INDUSTRY

The following are the various fiscal and relief measures announced by the Government which are expected to revive the tourism and hospitality industry post COVID-19:

- i. The Government announced Atmanirbhar Bharat Package vide which Rs.3 lakh crore collateral free automatic loan has been made available for MSMEs. The loan will have 4-year tenure and 12-month moratorium.
- ii. The Government waived off PF contribution for three months for organisations with less than 100 pax and 90% of their employees earn below Rs.15000.
- iii. Under Atmanirbhar Bharat package, PF contribution of both employer and employee has been reduced to 10% each from existing 12% each for all establishments covered by EPFO for three months
- iv. Deferment of TCS up to October 2020.
- v. Return filing deferred for three months with no penal interest for companies up to Rs.5 Crore, rest @ 9% penal interest.
- vi. The Central government also gave relief from various regulatory compliances under Income Tax Act, companies Act and GST Act for varying period in the wake of COVID-19 crisis to ensure business continuity and survival.
- vii. The RBI extended moratorium on term loans till 31st December 2020.
- viii. Suitable provision for funds for implementing the Service Exports from India Scheme (SEIS) for services rendered in FY 2019-20 has now been made by the Ministry of Finance.
- ix. The Government of India has launched Emergency Credit Line Guarantee Scheme (ECLGS) to support eligible Micro, Small and Medium Enterprises (MSMEs) and business enterprises in meeting their operational liabilities and restarting their business.
- x. The scope of the scheme has been enlarged with introduction of ECLGS 3.0. to cover business enterprises in Hospitality, Travel & Tourism and Leisure & Sporting sectors. The scheme is valid till 31.03.2021.
- xi. The validity of ECLGS (ECLGS 1.0, ECLGS 2.0 & ECLGS 3.0) have been extended upto 30.06.2021 or till guarantees for an amount of Rs. 3 lakh crore are issued. Last date of disbursement under the scheme has been extended to 30.09.2021.
- xii. On 16.06.2021, Hon'ble Finance Minister announced release of SEIS scrips for 2019-20.
- xiii. Financial support to more than 11,000 registered Tourist Guides / Travel and Tourism Stakeholders. Under the new Loan Guarantee Scheme for Covid Affected Sectors, working capital / personal loans will be provided to people in tourism sector to discharge liabilities and restart after being impacted due to COVID-19. The scheme will cover 10,700 Regional Level Tourist Guides recognised by the Ministry of Tourism and Tourist Guides recognised by the State Governments and Travel and Tourism Stakeholders (TTS) recognized by the Ministry of Tourism. TTS's will be eligible to get a loan upto Rs. 10 lakh each while tourist guides can avail loan upto Rs 1 lakh each. There will be no processing charges, waiver of foreclosure / prepayment charges and no requirement of additional collateral. Scheme to be administered by the Ministry of Tourism through NCGTC.
- xiv. Free 5 Lakh Tourist Visa: As per the announcement, once Visa issuance is restarted, the first 5 lakh Tourists Visas will be issued free of charge. The benefit of free of charge visa will be available only once per tourist during the issuance of the first 5

lakh tourist visas (free of charge visas). The scheme will be applicable till 31st March 2022 or till 5,00,000 visas are issued, whichever is earlier.

- xv. Ministry of Finance has given concurrence to release SEIS scrips on 16.06.2021. Earlier, several Industry stakeholders had flagged appeals to the government to release SEIS Scrips for 2019-20 and DGFT had put a detailed proposal for the allocation for SEIS for exports made during 2019-20. Taking all circumstances into account, the Department of Expenditure, Ministry of Finance has given concurrence to the proposal of Department of Commerce for continuation of SEIS for 2019-20 with a financial allocation of Rs.2061 crores subject to the condition that the amount will be provided through Expenditure Budget following the procedure of providing a New Minor Head.
- xvi. These above moves are expected to immensely help the stakeholders in the sector by providing them much required liquidity and gear up for the operations in near future. Similarly, it is also expected to provide much needed relief to the government approved tourist guides who have been affected by the ongoing slowdown in the sector due to the pandemic.
- xvii. Vide notification dated 17th October, 2017 of the Ministry of Finance, Government of India, the following sub-categories were included under the category of “Social and Commercial Infrastructure” in the Harmonized Master List of Infrastructure Sub-Sectors: Tourism infrastructure viz. (i) three-star or higher category classified hotels located outside cities with population of more than 1 million, (ii) ropeways and cable cars.
- xviii. Further, vide notification dated 26th April 2021, “Exhibition-cum-Convention Centre” has been included in the Harmonized Master List of Infrastructure Sub-sectors by insertion of a new item in the category of “Social and Commercial Infrastructure”, with a footnote defining Exhibition-cum-Convention Centre.
- xix. The Ministry has been in regular touch with the industry stakeholders through several rounds of discussions and brainstorming sessions and examined their suggestions carefully. All such proposals have been taken up with the concerned Ministries and Departments of Government of India. Similarly, the issues pertaining to the relief measures expected from the States/UTs have been pursued with them at the highest level.
- xx. Operational Recommendations for safe resumption of business with easing of lockdown restrictions have been issued for various segments of the travel and hospitality industry and circulated amongst all stakeholders.
- xxi. With a view to prepare for a post-COVID 19 revival, the Ministry has formulated and issued detailed operational guidelines for Covid safety and hygiene for hotels, restaurants, B&Bs/Home stays and Tourism Service Providers on 08.06.2020 to facilitate smooth resumption of business.
- xxii. An initiative called SAATHI (System for Assessment, Awareness & Training for Hospitality Industry) has been developed, for effective implementation of Guidelines/SOPs issued with reference to COVID-19 and beyond for safe operations of Hotels, restaurants, B&Bs and other units.
- xxiii. Further, the Ministry of Tourism has issued modified guidelines for Recognition of Tourism Service Providers dated 08.12.2020 which are effective from January, 2021. As per the modified guidelines, Category of Greenshoot / Start-up- Agencies is being introduced for the first time. This is in keeping with the policy of the Govt. of India for encouraging Start-Ups and will also further the cause of ‘Atmanirbhar India’.
- xxiv. With an aim to incentivize stakeholders in the Tourism industry, the Guidelines for the Scheme of Market Development Assistance (MDA) for providing financial support to stakeholders for the promotion of Domestic Tourism have been modified to enhance the scope and reach of the scheme, so as to provide maximum benefits to the stakeholders. Additional promotional activities have been incorporated including

online promotions and the extent of financial assistance permissible has been enhanced.

- xxv. Recognising the fact that revival in the tourism sector will be largely spearheaded by Domestic tourism, the Ministry initiated arranging a series of webinars under the overall theme of Dekho Apna Desh. The objective is to generate awareness and at the same time sustain interest amongst stakeholders, students and the general public.
- xxvi. Validity of approval or certifications of hotels and other accommodation units whose project approval/re-approval and classification/re-classification have expired/were likely to expire, has been extended upto 30th September, 2021.
- xxvii. Recognition of Travel Agents, Tour Operators, Tourist Transport Operators by the Ministry of Tourism has been extended automatically by six months. Those who have submitted applications for recognition by the Ministry have been given provisional recognition for six months, pending completion of required procedures.
- xxviii. The Guidelines of the Marketing Development Assistance Programme under the Overseas Promotion and Publicity Scheme has been modified to enhance the scope and reach of the scheme, so as to provide maximum benefits to the stakeholders in the tourism industry.
