Budget expectations of India tourism for 2021

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New Delhi: Over half of those employed in the tourism industry in India have either lost their jobs completely or are currently on leave without pay. This adds up to 40 million trying to survive the effects of the COVID-19 pandemic on their own livelihoods and the economy.

This was stated by the President of the Travel Agents Association of India (TAAI), Jyotic Mayal, on the development of the India tourism budget as it relates to the union budget for 2021. She said that It should be focused more on spending to enable economic growth and added that tourism can generate cash flow and earnings which will enable enhancement of the country's infrastructure.

The Honorary General Secretary of the Federation of Associations in Indian Tourism & Hospitality (FAITH), Mr. Subhash Goyal, issued a statement on the current condition of India's tourism industry and the union budget.

He said: "[The] tourism industry is the worst affected industry. Out of about 75 million people who are directly or indirectly employed in this industry – about 30 million have lost their jobs and about 10 million are on leave without pay.

"About 53,000 travel agents, 1.3 lakh tour operators, and thousands of tourist transporters and tourist guides are struggling to survive. Like in other countries, [the] Indian Tourism industry did not receive any survival financial package from the government. Therefore, we hope that this budget will give us some relief so that this industry can revive and millions of jobs are saved."

The industry expectations from the budget are:

1. Uniform GST rate of 10% on hotels and restaurants with input credit.

2. One year tax exemption to the tourism and hospitality industry so that they are able to survive.

3. All statutory payments like electricity, excise fee, transport permits to be exempted for the lock-down period.

4. Banks to be instructed to give priority funding/loan at a maximum of 5% interest for 5-10 years at least.

5. GST/tax exemption for corporates to hold their conferences within India instead of abroad.

6. Tourism industry's foreign exchange earnings to be fully recognized as export earnings at par with merchandise export.

7. Tourism and hospitality industry to be given infrastructure status.

8. Tourism industry to be put on the concurrent list of the government.

9. Increase SEIS to 10% on all foreign exchange earnings to members of the tourism industry for at least 5 years to help them to recover from the COVID-19 crisis.

10. A global MICE bidding fund to be created so that India can bid to get more international conferences, meetings, and events to take place in India.