

UNION BUDGET 2022 INDUSTRY UPDATE

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The tourism industry's hope has been dashed again! Except the extension of ECLGS for MSMEs until 2023, the Union Budget is virtually silent for the travel & tourism industry.

Industry Demands

One of the major losers from the pandemic has been the tourism and hospitality industry, yet again. Stakeholders were eagerly looking for support from the Budget. Some of the key recommendations from the industry were to aid revival, granting industry status, including rationalisation of taxes - a complete GST holiday, exemption of TCS on outbound tours, reduction in indirect taxes, removal of SIES benefit capping of INR 5 crore, etc.

VS

What Government Delivers

- Extending Emergency Credit Line Guarantee Scheme (ECLGS) up to March 2023 and earmark an additional INR 50,000 crore for hospitality & related sectors.
- PM Gati Shakti National Master Plan, driven by seven engines — roads, railways, airports, ports, mass transport, waterways and logistics infrastructure.
- e-Passports with embedded chips will be launched next year for more convenience to the public
- 400 Vande Bharat trains will be introduced in the next three years
- National Ropeways Development Programme will be taken up on PPP mode
- Five river linking projects have been finalised




INDUSTRY REACTS



Jyoti Mayal, President, TAAI

Our trade has been ignored once again. We suffered tremendously due to the pandemic and it was expected that the government would at least work towards positive upliftment of the travel & tourism in India, which they always portray as a priority?



Ajay Prakash, President, TAFI

We live in hope and die in despair! Our demand for infrastructure status has fallen on deaf years. MoT has an ambitious plan and an audacious vision for India@2047. But who will service those anticipated numbers of tourists if tourism businesses are driven out of business?



Rajiv Mehra, President, IATO

Most disappointingly none of our concerns found mention in the budget presented. Just few years ago we were earning huge foreign exchange for the government and in this hour of despair we expected some handholding by the government.


Aashish Gupta, Consulting CEO, FAITH

It's a missed opportunity. There was an immediate opportunity for more direct intervention to support the highly stressed tourism travel and hospitality companies and their employees.




Madhavan Menon, MD, Thomas Cook (India) Limited

The Union Budget has been disappointing. It made no reference to the industry's recommendations to aid revival. For a sector that is a key contributor to the GDP and brings in valuable foreign exchange, a stimulus would have created significant value in supporting the country's road to recovery and growth.



Aditya Chamaria, MD, Damodar Ropeways & Infra Limited

The Budget's focus on improving connectivity, especially through sustainable modes of transport such as ropeways, will take India on a path of growth, help in increasing tourism and lead to innovation in the cable car industry.



Tourism sector gets INR 2,400 crore, 18% higher than last year

The Ministry of Tourism has been allocated INR 2,400 crore in the Union Budget which is 18.42 per cent higher than the allocation for the financial year 2021-22.

"I am grateful to PM Sri Narendra Modi ji & FM Nirmala Sitharaman for an 'Atmanirbhar Bharat ka Budget'. As India celebrates 75 years of independence with Azadi Ka Amrit Mahotsav, we are entering Amrit Kaal and this budget presents a blueprint for India at 100," G Kishan Reddy, Union Culture and Tourism Minister.

