

GOVERNMENT OF INDIA
MINISTRY OF TOURISM

RAJYA SABHA
STARRED QUESTION No. 304 #
ANSWERED ON 31.03.2022

LOSS IN TOURISM SECTOR DUE TO COVID-19 PANDEMIC

304 # SHRI AJAY PRATAP SINGH:

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

- (a) the loss suffered by the country in the tourism sector due to COVID-19 pandemic during the last two years;
- (b) the loss suffered by the State of Madhya Pradesh during the last two years;
- (c) whether any further assistance would be given by the Central Government to Madhya Pradesh to compensate for the loss; and
- (d) if so, by when, and if not, the reasons therefor?

ANSWER

MINISTER OF TOURISM

(SHRI G. KISHAN REDDY)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT IN REPLY TO PARTS (a) TO (d) OF RAJYA SABHA STARRED QUESTION NO. 304# ANSWERED ON 31.03.2022 REGARDING LOSS IN TOURISM SECTOR DUE TO COVID 19 PANDEMIC

(a): To assess the extent of losses to the sector, the Ministry of Tourism engaged National Council of Applied Economic Research (NCAER) in to conduct study on “India and the Coronavirus Pandemic: Economic Losses for Households Engaged in Tourism and Policies for Recovery”. List of major key findings are at Annexure.

(b): The Ministry of Tourism, Government of India has not conducted any formal study to assess the State/UT-wise impact of Covid-19 pandemic on tourism industry.

(c) & (d): The details of various fiscal and non-fiscal relief measures announced by the Government of India, which are expected to revive the tourism in the country including Madhya Pradesh are given below:.

- i The Government announced Atmanirbhar Bharat Package vide which Rs.3.00 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.5.00 Crore, rest @ 9% penal interest.
- vi The RBI extended moratorium on term loans till 31st December 2020.
- vii The Central Government has also given relief from various regulatory compliances under Income Tax Act, Companies Act and GST Act for varying periods in the wake of Covid-19 crisis to ensure business continuity and survival.
- viii The Government announced the Emergency Credit Line Guarantee Scheme (ECLGS) 3.0 on 31.3.2021 to support eligible Micro, Small and Medium Enterprises (MSMEs) and business enterprises in meeting their operational liabilities and restarting their business. The scope of the scheme was enlarged to cover business enterprises in Hospitality, Travel & Tourism and Leisure & Sporting sectors. The validity of ECLGS (ECLGS 1.0, ECLGS 2.0 & ECLGS 3.0) was extended up to 30.06.2021 or till guarantees for an amount of Rs. 3.00

lakh crore are issued. Last date of disbursement under the scheme was extended to 30.09.2021. The details of guarantees issued under the scheme are given below:

Emergency Credit Line Guarantee Scheme (ECLGS) Tourism and Hospitality Scheme wise data as on 31.01.2022			
Industry Nature	SupportUnder	No. of Guarantees Issued	Amount Guarantees issued on account of loans sanctioned under the scheme (in Rs.crore)
Travel and Tourism	ECLGS 3.0	3,092	1,696.42
Hospitality	ECLGS 3.0	3,853	6,841.91
Hotels, Restaurants, Tourism	ECLGS 2.0	220	3,426.40
Tourism, Hotels Restaurants	ECLGS 1.0	96,550	3,569.68
Total		1,03,715	15,534.41

- ix Ministry of Finance has given concurrence to release Service Exports from India Scheme (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 crore subject to the condition that the amount will be provided through Expenditure Budget following the procedure of providing a New Minor Head.
- x On 28th June 2021, the Government announced a stimulus package to boost diverse sectors of economy affected by COVID-19 pandemic and provide impetus for growth and employment measures. The package comprises a total of 17 measures in three broad categories, which included 'Economic relief from Pandemic, with special focus on health and reviving travel and tourism sectors' and 'Impetus for Growth and employment'.
- xi 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/Homestays and Tourism

Service Providers on 08.06.2020 to facilitate smooth resumption of business.

- xii 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.
- xiii Validity of approval or certification of hotels and other accommodation units whose project approval/re-approval and classification/re-classification have expired/were likely to expire has been extended up to 31st March 2022.
- xiv 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. 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.
- xv Free Tourist Visa to 5 Lakh: 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.
- xvi Financial support under the “Loan Guarantee Scheme for Covid Affected Tourism Service Sector (LGSCATSS)”. The scheme will cover Regional Level Tourist Guides recognised by the Ministry of Tourism and Tourist Guides recognised by the State Governments/ UT Administrations 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.

ANNEXURE

STATEMENT IN REPLY TO PART (a) OF RAJYA SABHA STARRED QUESTION NO. 304# ANSWERED ON 31.03.2022 REGARDING LOSS IN TOURISM SECTOR DUE TO COVID 19 PANDEMIC

The key findings of the study “India and the Coronavirus Pandemic: Economic Losses for Households Engaged in Tourism and Policies for Recovery” are as follows:

- i 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 Quarter 1 (Q1); 15.5 percent in Q2 and fall of 1.1 percent in Q3.
- ii 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.
- iii A significant number of direct jobs were lost in the tourism sector once the lockdown was implemented. 14.5 million direct jobs during Q1, 5.2 million during Q2 and 1.8 million direct jobs during Q3 are expected to have lost as compared to estimated 34.8 million direct jobs in tourism sector in the pre-pandemic period of 2019-20.
