

GOVERNMENT OF INDIA
MINISTRY OF TOURISM

RAJYA SABHA
UNSTARRED QUESTION. No.1422
ANSWERED ON 09.12.2021

IMPACT OF COVID-19 ON TOURISM

1422. Shri K. R. N. Rajeshkumar:

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

- (a) the details of estimated loss to the tourism industry in the country due to COVID-19 including repercussions in terms of employment and foreign exchange;
- (b) whether Government has taken any steps to mitigate the loss to the tourism industry during COVID-19;
- (c) if so, the details thereof;
- (d) to what extent these steps are successful in bringing tourism back in the country; and
- (e) if not, the reasons therefor?

ANSWER

MINISTER OF TOURISM

(SHRI G. KISHAN REDDY)

(a): To assess the impact of Covid-19 pandemic on the tourism sector, the Ministry of Tourism engaged National Council of Applied Economic Research (NCAER) to conduct study on “India and the Corona Virus Pandemic: Economic Losses for Households Engaged in Tourism and Policies for Recovery”. As per the study, the tourism industry faced significant impact due to COVID-19 pandemic and subsequent lockdowns.

(b) & (c): Government of India has announced various fiscal and non-fiscal relief measures which are expected to mitigate the loss to the tourism industry during COVID-19. Those measures are at Annexure.

(d): No formal study has been instituted by Ministry of Tourism for assessing to what extent these relief measures are successful in bringing tourism back in the country.

(e): Does not arise.

STATEMENT IN REPLY TO PARTS (b) & (c) OF RAJYA SABHA UNSTARRED QUESTION NO.1422 ANSWERED ON 09.12.2021 REGARDING IMPACT OF COVID-19 ON TOURISM

The following are the various fiscal and non-fiscal relief measures announced by Government of India which are expected to mitigate the loss to the tourism industry during COVID-19:

- 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 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. 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.
- ix. 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 30.09.2021 | | | |
|---|----------------------|---------------------------------|---|
| Industry Nature | Support Under | No. of Guarantees Issued | Amount of Guarantees issued on account of loans sanctioned under the scheme (in Rs. crore) |
| Travel and Tourism | ECLGS 3.0 | 2,732 | 1,371.62 |

| | | | |
|------------------------------------|-----------|----------|-----------|
| Hospitality | ECLGS 3.0 | 3,160 | 5,430.96 |
| Hotels, Restaurants, Tourism | ECLGS 2.0 | 218 | 3,403.90 |
| Tourism, Hotels & Restaurants | ECLGS 1.0 | 96,219 | 3559.43 |
| Total | | 1,02,329 | 13,765.91 |

- 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. 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.
- xii. 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.
- xiii. 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.
- 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.
- xv. 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.
- xvi. 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.
- xvii. The Ministry of Home Affairs, Government of India, has relaxed the restriction for all foreign nationals intended to visit India for Tourism purposes subject to the Covid related guidelines of the Ministry of Health and Family Welfare (MoH&FW). The e-Tourist Visa / Tourist Visa is fully restored for all individual foreign nationals intended to visit India for tourism purposes w.e.f. 15th November, 2021. Initially, the e- Tourist / Tourist Visa is being issued with the validity of 30 days. Further, the Government of India has announced first 500,000 free visa to the international tourists.
- xviii. An announcement by the Ministry of Finance on 28.06.2021 to provide relief to the tourism sector, Ministry of Tourism has implemented the "Loan Guarantee Scheme for Covid Affected Tourism Service Sector (LGSCATSS)". Under this loan guarantee

scheme, loan upto Rs. 10.00 lakh will be extended to each Tour Operators/ Travel Agents/ Tourist Transport Operators approved/ recognized by the Ministry of Tourism, upto Rs. 1.00 lakh will be extended to each Regional Tourist Guide/ Incredible India Tourist Guide approved/recognized by the Ministry of Tourism and Tourist Guides approved/ recognized by the State Govt./ UT Administration.

The purpose of the LGSCATSS of the Ministry of Tourism is to provide guarantee coverage for the loans provided by the Scheduled Commercial Banks to the above mentioned beneficiaries, to discharge their liabilities and restart their business affected due to Covid-19 pandemic.

Validity of the said scheme is till 31.03.2022 or till the guarantee of Rs. 250.00 crores are issued under the scheme, whichever is earlier and would be applicable to all eligible loans sanctioned under the scheme on or after 04.10.2021 [issuance of LGSCATSS guidelines by National Credit Guarantee Trustee Company (NCGTC)] till 31.03.2022. No guarantee fee will be charged from the Money Lending Institutions (MLIs) by NCGTC for the credit facilities provided under the Scheme.
