

ICC Recommendations for Travel & Tourism sector

Short-term Measures:

1. An interim relief to tourism companies for paying EMIs, instalments, taxes, and salaries to employees for at least six (6) months.
2. Deferment (without any interest) of all principle and interest payments on bank loans for at least 9-12 months and doubling the overdrafts bringing in liquidity allowing for business continuity.
3. Free visa for all tourists for 12 months along with free entry to ASI monuments for one year for all foreign tourists.
4. Complete GST holiday for tourism, travel and hospitality industry for the next 1 year till the time the recovery happens.
5. Further a 5 year tax holiday is recommended for tour operators who are registered under GST/Shop & Establishment prior to March 15 2020 and a TDS subsidy for the next one year
6. RBI needs to take steps to ease the working capital crunch faced by the tourism industry in the wake of coronavirus outbreak. In this regard, ICC suggests the apex bank to facilitate faster clearance of banking credit related to Travel & Hospitality sector. TFCI also has a special role to play in this regard.
7. Additional incentives can be provided for enterprises in travel and tourism business to retain employees by tying financial aid to retaining staff. This may include government cash transfer, twice a month, for every worker whose job is retained.
8. Interest reduction or subvention on term loans and working capital loans for Travel and Tourism industry
9. Removal of fees for any upcoming licenses, permits renewal, excise exemption (for liquor mainly) for the hospitality and travel industry across the country.
10. Ministry may consider providing funds from the MGNREGA scheme to support the salaries of employees in the industry.

Long Term Measures:

1. Government should allocate sufficient funds for organising Road shows, Conferences, Exhibitions etc. to bring back the confidence of the tourists to visit India.
2. Government of India should tie up with healthcare accreditation bodies of foreign countries to issue "Fitness Certificates" for visa purpose.
3. Since global tourism fraternity will take some time to get settled after the aftermath of this pandemic, the sector per se should now focus more on domestic travellers.
4. Alternative tourist spots should be developed and marketed properly within the country.
5. ICC recommends setting up of a "*Travel & Tourism Stabilisation Fund*" with direct benefit transfer to each unit to prevent financial loss and consequent job loss.
6. There should be some planning to absorb the newly unemployed workers in the tourism sector. Government should employ them as "Tourism Police" in every state to take care of the safety and security of the tourists, as well as ensure employment of local youth
7. Preparing a comprehensive 'Tourism Recovery Plan', to rebuild destinations, encourage innovation and investment, and rethink the tourism sector