



Budget fails to boost feelings of hospitality and players in the travel industry

[Leave a Comment](#) / [Travel agency](#) / [By admin](#)

Bombay, February 1

Despite an announcement to budget extend the Emergency Credit Line Guarantee Scheme (ECLGS) for the hospitality industry for another year, the industry seems only partially happy with the announcements.

ECLGS

On Monday, Finance Minister Nirmala Sitharaman said the ECLGS has provided much-needed additional credit to more than 130 lakh MSMEs. This has helped them mitigate the negative effects of the pandemic. "However, hospitality and related services, especially those provided by micro and small businesses, have yet to regain their pre-pandemic business level."

Therefore, taking these aspects into account, she said that the ECLGS would be extended until March 2023 and that the warranty coverage would be expanded by ₹50,000 crore to a total coverage of ₹5-lakh crore, with the additional amount reserved exclusively for hospitality and related matters. companies.

Kabir Jeet Singh, CEO and co-founder of Burger Singh, said an additional amount reserved exclusively for the hospitality industry and related businesses is a big boost for the sector, as the hospitality industry accounts for 39 million jobs, or 8 percent. of India's total workforce, and this move will bolster investment and create millions of additional jobs.

'Very disappointing'

However, the National Restaurants Association of India said this wasn't much of a relief. "It was very disappointing to see that no specific announcements have been made for the restaurant industry, and we have once again been left to our own devices."

BusinessLine had reported that the restaurant industry was looking for some relief from ease of doing business and liquidity support.

Suri said that "the restaurant industry eagerly awaited some immediate liquidity support, recovery of Input Tax Credit (ITC) on GST, ease of doing business through over-regulation and excessive licensing, and fair and equitable e-commerce policies for the survival and revival of the restaurant sector of the Minister of Finance today.

Industry expert Rajat Mahajan, partner at Deloitte India, argued that "While FM has not put money directly into the hands of consumers by offering direct tax credits, the budget has brought relief to SMEs in the hospitality and related sectors by exclusive additional coverage under ECLGS. The budget also focuses on rapid and seamless access to travelers across the country through continued investment in seven modes of transport."

In addition, the Minister of Finance announced that the National Ropeways Development Program would be taken up in PPP mode. "Not only will this improve connectivity, but it will also boost the travel and tourism industry," said Sonica Malhotra Kandhari, Joint Managing Director, MBD Group.

Second, the budget has given a boost to the railway and infrastructure sector, with plans to develop 400 new generation Vande Bharat trains and expand the national road network by 25,000 km by 2022-23 under the Gati Shakti program. plan.

Rikant Pittie, co-founder of the recently publicly traded online travel agency EaseMyTrip, said the expansion of ECGLS will enable small travel companies and stakeholders in the travel and tourism industry to bounce back from the disruptive impact of the pandemic.

However, the president of the travel agencies association of India, Jyoti Mayal, said the travel and tourism industry has been "ignored again". She added that the government was expected to at least work towards positively improving travel and tourism in India, which they always portray as a priority.

"During our statements to the Secretary of the Treasury over the past two months, we had requested that GST import credits be made available in all states for hotels and travel tour operators. TCS has been a barrier to the growth of outbound tourism, making Indian tour operators less competitive in the international market due to the 5 percent levied on all package travel options on top of the GST," said JMayal.

"We also expected at the very least that travel and tourism would come under the contemporaneous list for industry status," she added.

published on

01 February 2022

Search

Search

Recent Posts

[Worship of folk saint linked to fatal hotel shooting in Baton Rouge](#)

['A journey that will stay with me forever': why you should visit Greenland in 2022](#)

[VAYK Sees Record Emerging Market Growth Cryptocurrency Fueling VAYK Short-Term Vacation-Backed Cryptocurrencies](#)

[Is elite status worth it? Which airlines give the best value?](#)

[Flight cancellations in the US continue into the weekend](#)

Recent Comments

No comments to show.

Archives

[February 2022](#)

[January 2022](#)

Categories

[Airline tickets](#)

[Airlines](#)

[Best travel credit card](#)

[Flights](#)

[Hotels](#)

[Plane tickets](#)

[Travel agency](#)

[Travelocity](#)

[Trip](#)

[Vacation](#)