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YEAR 2017: AN EVENTFUL YEAR FOR INDIA'S TRAVEL & TOURISM INDUSTRY

Year 2017 has been quite an eventful year for India's Travel & Tourism Industry, which has been struggling to cope up with major policy changes such as GST that was introduced this year.

By ARCHANA SHARMA

We are at the end of year 2017, which saw various ups and downs. The year witnessed some changes of far-reaching impact like introduction of GST, merger of Railway Budget into the General Budget, the launch of Incredible India 2.0 campaign and decision to constitute new special tourism zones, etc. However, the implementation of the Goods and Services Tax (GST) severely impacted the industry due to its different tax rate slabs for different categories of hotels rooms, besides its poor implementation. TnH talked to some of the industry veterans to know their view about the year. While some are

happy, many are disappointed with the year.

Anil Parashar, President and CEO, ITQ, said, "2017 has played an instrumental role in making tourism industry one of the key growth drivers in Indian economy. As a step towards positioning India as one of the top travel markets by 2022, government has initiated multiple reforms like e-visa extension to more countries and launch of UDAN. This along with advent of digitalization, mobile wallets, increasing cleanliness awareness and rise in disposable income of the middle class has created a phase of enormous growth for the Indian Tourism Industry."

In 2017, Foreign Tourist Arrivals grew 18 % year-on-year due to the extension of e-visa to almost 200 countries. Ankush Nijhawan, MD, Nijhawan Group & Co-Founder & CEO, Travel Boutique Online, mentioned that GST was one of the key policy changes for the industry in 2017. However, its impact was over-hyped by many travel agents. For us, the GST is just a replacement of service tax. The new tax regime has mended the business and made travel services more transparent to the customers. "In 2017, we have grown in all segments such as TBO and Nijhawan Group representation portfolio. Our TBO business grew 35% this year. The representation portfolio added Serena Hotels, iVenture Card International and Dubai Tourism this year," added Nijhawan.



Nishant Pitti

CEO & Co-Founder of EaseMyTrip.com



Prakash Bang

Founder & Executive Chairman, roomsXML Solutions



Amit Taneja

Chief Revenue Officer at Cleartrip



Maheer Singh Sethi

Co-Founder, Travkart.com

Giving a thumbs up for the year, Nishant Pitti, CEO and Co-founder, EaseMyTrip.com, said that many new things happened in 2017. EaseMyTrip associated with Bollywood films like Tubelight and Jab Harry Met Sejal as distributor and also became co-producer of the upcoming historical drama 'Manikarnika – The Queen of Jhansi'. "Demonetization brought a temporary slow down for travel industry but this change brought a positive impact as travelers got drawn towards using plastic money for safer transactions," said Pitti.

The demonetization that was announced by the PM Modi on 8th November 2016, adversely affected tourism as well as the economy beyond 2016. But it also has some positive impacts. The demonetization gave a big push to the digital economy, encouraging digital and online payments with rise of e-wallet companies like Paytm. Concurring with views of Pitti, Ritesh Aggarwal, Founder & CEO, OYO

Rooms said that 2017 witnessed some big-ticket reforms such as demonetisation, RERA and GST. "At OYO, we welcomed the tax relief for small hoteliers and a lower slab for budget hotels," said Aggarwal. On the whole, 2017 has been a year that has set us up for the great strides we can make in the last leg of this decade, he added.

Apart from the impact of demonetization, 2017 also saw the Supreme Court banning liquor sale at establishments within 500 metres from highways that impacted adversely for hospitality business across India. "Liquor sale alone accounts for 20-30% share of the total food and beverage revenue. The ban also impacted the revenue from the meetings, incentives, conferences and exhibitions (MICE) segment," said Vijay Jaiswal, Sr. VP – Sales & Marketing, Sarovar Hotels & Resorts.

Amit Taneja, Chief Revenue Officer at Cleartrip said that post the initial knee-jerk lull period

which was short-lived, the growth trend in the bookings for online travel continued. Not everyone is happy about the events and changes that occurred in 2017. Many are critical of the implementation of GST. "The implementation of GST has major impact on tourism industry as the taxes has been diversified in different slabs, which has affected majorly on our business in India. Almost 70% of our business from India got eroded because of GST," said Prakash Bang, Founder & Executive Chairman, roomsXML Solutions.

According to Maheer Singh Sethi, Co-Founder, Travkart.com, the union budget 2017-18 added some more feathers to the industry. He said that the year 2017 was no different in terms of revenue generation and pulling more visitors. It has been a year full with a rollercoaster ride ending on a better note as compared to last year.