

Union Budget 2019: Expert Analysis from Tourism & Hospitality Sector

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The Union Budget 2019-20 is a mix bag of opportunities and missed opportunities from tourism & hospitality industry's perspective. The pain points directly impacting the Indian tourism travel and hospitality industry remain unaddressed. However, the intent of driving 100 lakh crores into infrastructure over the next 5 years, the relaxation of FDI in aviation, the resurgence of inland waterways, the creation of the regional airports grid and highways, privatisation of railway infrastructure and of Air India will certainly create long term conditions for growth of domestic tourism and dispersal to hinterlands. Here is the feedback from industry experts.



Pronab Sarkar, President, Indian Association of Tour Operators

There is no focus on Tourism in Union Budget 2019-20 except that the Government has re-emphasized on 17 iconic sites being developed into model world class tourist destinations, which has been taken forward from the last year budget. However, we welcome about the mentioning of simplifying of GST process and absorbing of charges on digital transactions, which will encourage digital transactions. We are looking forward to the simplified procedure for GST.

We also welcome the government plans to restructure the national highways programme to create network of highways for better connectivity, upgradation of 125,000 km of roads in next 5 years, more focus on Swachh Bharat mission and expansion of Railway suburban networks which will boost tourism as with increased infrastructure, better road connectivity and clean India, foreign tourists will be attracted.

We have been requesting the Government for rationalizing of GST on tourism and hospitality, exemption of GST on foreign exchange earnings by the tour operators and treating tourism industry as deemed exporters and extending all benefits to the



tourism industry as are being given to physical exports of goods and reduction, in Tourists Visa Fee so that we can compete with our neighbouring countries on foreign tourists arrivals, which will not only help bring in more foreign exchange but also create new jobs.

However, this all remains pending and we hope our requests will be considered by the GST Council and Finance Ministry will consider the importance of tourism industry in employment generation and contribution in economic growth of the country.

Anil Parashar, President & CEO, ITQ

Union Budget 2019 definitely marks the beginning of new India. It will give much needed boost to the Indian travel and tourism sector. With the ongoing UDAN scheme for common man, we can expect better air connectivity, improved infrastructure and bridging of gap between rural and urban division. Another visionary project 'Sagarmala' will enhance waterways and port connectivity that will uplift cruise tourism in India. As the government understands the need to invest and improve infrastructure, I am sure this budget will add pace to the economic development of the nation.



Aditya Ghosh, CEO, India & South Asia, OYO Hotels & Homes

The budget breaks away from tradition and nudges the public and policymakers to think outside the brown briefcase. It sets a vision for the next decade for India with an intent to bridge the socio-economic and urban-rural divide. The boost to infrastructure, labour reforms, access to capital and talent for start-ups and MSMEs alike will drive productivity and consumption, which is also good news for the hospitality, travel and tourism industry. The real test of this vision, however, will lie in its realization, which is essential to deliver on the government's mandate of providing ease of living and ease of doing business.



Yogesh Mudras, MD, UBM India

Proposed initiatives by the government to develop world-class 17 iconic sites will draw the attention from international as well as domestic tourist. These destinations will boost and will improve the investment in the travel and tourism industry especially by the millennials. The budget also focuses on connectivity in rural and urban places which will boost tourism market and provide great potential to grow in the near future. These initiatives will also move the needle for the MICE industry which has been growing exponentially. In continuation government to spend Rs 100 lakh crores is a big boost to infrastructure this will also bolster MSMEs sector growth. Opening up for FDI in the sector of aviation is an additional buoyancy for the tourism & Hospitality sector.



Balu Ramachandran, Sr. Vice President, Cleartrip

The union budget has made the aviation sector more conducive for increased FDI by proposing to increase the FDI caps. This will attract increased interest in the Indian aviation space by enabling controlling stake for foreign carries and should add increased momentum to the Air India privatization process. The success of the AI privatization process is crucial to the health of the Indian aviation space as we can't afford another airline bankruptcy after the jet airways event.



Varun Chadha, CEO, Tirun

The government has focused on the travel and tourism sector in this year’s budget and proposed positive steps to enhance the sector’s prospects. The government has pledged to develop 17 iconic world-class tourist sites while simultaneously popularizing the existing tourist spots. On the domestic tourism front, the National Common Mobility Card will add to the convenience of travellers significantly for making cross-segment payments. Hopefully, the government’s initiative will help establish India as a global tourism hub and help the sector contribute much more than the 9 percent it is contributing to the GDP currently



Amit Jain, Founder, Rising Star Tours and Travels

The budget 2019 can give the Indian tour and travel industry a much-needed boost as the government has shared the plans of developing 17 world-class structures and transforming India into an aviation manufacturing hub. The proposed initiatives to increase FDI in aviation, infrastructural development projects like Bharatmala, Sagarmala, and UDAN, and inter-operable transport card, One Nation-One Card are all in the direction of strengthening tour, travel, and even the hospitality sector. Also, the budget paid close attention to the tribal culture and heritage of India, which could open one more gateway for growing Indian cultural tourism.



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