

UNION BUDGET 2020

EVOKES MIXED REACTIONS FROM THE TRAVEL AND TOURISM SECTOR OF INDIA

In the Union Budget 2020-2021, the government has taken several significant steps for the progression of tourism, thereby both directly and indirectly bolstering it. The budget has hit the right note and the industry praises the increase in allocation of budget for tourism, impetus on infrastructure and heritage sites but on the other hand, raises concerns over some of the key challenges that still remain unaddressed. TravelScapes gathers mixed opinions shared by the tourism and hospitality veterans

By Team TS



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The Union Budget for 2020-2021 was a mixed bag for the Indian tourism industry. While the budget would impact the Indian tourism industry indirectly and would prove beneficial with the overall focus on infrastructure spending by the government but the budget failed to address many long-pending demands and lacked any new direction for the industry. The country is currently facing economic slowdown and tourism could have been the catalyst for India's foreign tourist arrival, domestic travel and revenue growth. The budget has seen encouraging focus intended to give impetus to the travel and tourism sector with the allocation of INR 2500 crore, equally critical allocation of INR 1.7

lakh crore towards transportation infrastructure in 2020-21; setting up of 100 additional airports by 2024 and doubling of aircraft as part of the unique UDAN scheme to further boost regional connectivity and ensure affordability; 2000 km of strategic highways and Tejas equivalent trains to connect iconic tourist destinations. Though all the above initiatives are for the growth of infrastructure, heritage sights and more but it is very imperative that the travel and tourism industry gets more focus and immediate reliefs. The travel, tourism and hospitality industry was also expecting a full-blown infrastructure status for the sector and further rationalisation of GST. Infrastructure status for

the tourism industry can alleviate funding woes. It needs a structured path for an unstructured industry -implementation of budgets, direction to the industry and ease of doing business. We need to concentrate on policies, direct/indirect taxes and customs to boost tourism. The budget should be sanctioned with inputs from the stakeholders to make it a robust industry. We as an association feel our static numbers of incoming will only grow if we are treated as partners and then made responsible for results. Not by bits and pieces but a drawn 2-3 years plan. Aviation, tourism and hospitality needs to be looked into a broader prospect under one wider umbrella as each is interdependable.

To view budget for 2020 with the optimistic perspective is akin to remaining hopeful the entire year. As we look at the upside, our perspective remains justified, considering an increase of 14.2 per cent in budget allocation from last year. It remains to be seen how the allocation transforms the industry at the end of this financial year; though we must remember every impressive progress takes time - for instance,

India attaining 34th rank in 2019 on Travel and Tourism Competitive Index of World Economic Forum when compared to 65 in 2014. In this year's budget our Finance Minister has set the pace achievable with inclusions such as increasing the air fleet twofold by 2024. Further, our vast cultural heritage has been taken notice of and it is good to see expected expansion in not only airport infrastructure but also

tourist (iconic) destinations. This strategy shall certainly help arouse intrigue amongst both domestic and international tourists and will further accentuate domestic and inbound travel and tourism; more so with last mile connectivity to tourist destinations from major metros. This year seems the year of infrastructure expansion and our curiosities are peeked at the expected positive impact of the same in the near future.



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