

Union Budget 2021-22 Hospitality & Tourism Industry Brief

Hospitality industry was the hardest hit industry owing to the inevitable lockdown put by the government considering the virulent and deadly nature of the Covid-19 virus. According to the Indian Association of Tour Operators, loss of opportunities in the hotel, aviation, and travel sector together may amount to an estimated \$85 Bn. The budget 2021-2022 was expected to support the hospitality industry which was not only in dire need but also as it plays a pivotal role in the Indian economy and contributes to almost 10% of the GDP.



- Despite when the industry was bleeding and required a push from the government in the budget. The budgetary allocation for the ministry of tourism has been slashed from Rs. 2,500 crore in 2020-21 to Rs. 2026.77 crore in financial year 2021-2022.
- FAITH, the policy federation of all the national associations representing the complete tourism, travel and hospitality industry of India observed that lack of immediate direct support in budget has disappointed the Indian travel and tourism industry. The industry is projecting a sluggish recovery due to lack of immediate direct support from the government and significant slash in the budget allocation.
- But the allocation of Rs. 35,400 crores for Covid-19 vaccination is a shot in the arm for the ongoing vaccine drive that is expected to return normalcy to the entire economy specially in the hospitality sector.

Hospitality industry expects a comeback by next financial year once the vaccination is complete and the country is out of the pandemic.

References:

- Industry Unhappy On Ignorance Of Tourism In Budget 2021-22: <https://www.traveltrendstoday.in>
- Budget 2021 for tourism ministry slashed by 19 pc; industry unhappy: <https://www.financialexpress.com>
- Budget 2021 a Disappointment, says the Travel and Tourism Industry: <https://www.outlookindia.com>

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