

Visa suspension may cost Rs 8,500 crore for travel, tourism, aviation sectors

The coronavirus pandemic could bring Indian travel, tourism and aviation industries to a halt within next ten days, especially with the government suspending visas for a month, a move that could cause an immediate economic impact of at least Rs 8,500 crore, according to industry players. The ban on travel to India for a period of one month will have a cascading economic impact and will lead to job losses in the entire hotel, aviation and travel sector.

Federation of Hotel & Restaurant Associations of India (FHRAI) Vice President Gurbaxish Singh Kohli said, "Since November, when coronavirus made news, hotel room cancellations began and crossed the 80 per cent mark. New bookings are almost completely on hold, including the NRI segment which accounts for 60 per cent of the tourism revenues mostly in the months from April to September."

According to industry chamber CII, this is the one of the worst crises ever to hit the Indian tourism industry impacting all its geographical segments - inbound, outbound and domestic, almost all tourism verticals - leisure, adventure, heritage, MICE, cruise, corporate and niche segments. In an impact assessment of the coronavirus pandemic, CII Tourism Committee said to save on variable costs and minimise fixed costs many small and mid sized hotels, resorts and car rental companies are shutting down operations and asking staff to go on leave without pay.

Moreover, working capital of many corporates in tourism sector is seriously hit by almost 60 per cent and for micro, small and medium tourism enterprises by almost 80 per cent.