

Revival package essential for tourism sector

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In Kerala unemployment rate is 11 per cent and the national average is about 6 per cent. The LDF Government both the last government as well as the present government has given prime importance for tourism sector in Kerala. Both the budgets of Dr. Thomas Isaac and K.N Balagopal said, tourism is an important sector for the development of the state. You know in the last budget, as well as this budget, some important announcements regarding tourism sector. The tourism minister explained the details of the various schemes and what government is offering for the sector.

Tourism sector contributes 11 per cent to the GDP of Kerala. This is roughly Rs 45,000 crore revenue and about 2 million jobs in tourism. It is a major sector and the minister announced that this is about Rs 36,000 crore during last year. So, probably, it is much more, but the department states that it is Rs 36,000 crore. It is a huge revenue loss for Kerala in the current situation.

Presently if you look at the job situation you know the entrepreneurs have been trying to support the employees to a greater extent. But unfortunately, almost 80 per cent of them have lost their jobs because there is absolutely no way the entrepreneurs can support them anymore. On that condition, what we have to do to revive this sector. This is what I have represented the Finance Minister and the Tourism Minister. What we have to do is, we have to announce a survival package immediately. A package has been announced by the Finance Minister with a loan scheme of Rs 500 crore from KFC. But we don't know, what are the conditions which KFC is going to put across while availing this loan facility. The loan facility of the chief minister, which was announced by last government was denied by the banks. Unfortunately, because of several reasons, so what is required is the ECLG scheme, which was announced by Government of India. For that also they have put conditions which the

tourism entrepreneurs cannot meet, in fact we have represented several times to cancel the DPD of 90 days and self service, they have not done it. So what is important is that there should be a capital support to be given to the entrepreneurs of Kerala to survive. If the entrepreneurs are not being supported, you know the employees will not be able to support. That is the kind of situation which is going to come and we are going to face as more entrepreneurs and employees are in serious crisis. I am not saying, to give free money from the government, because we all know that tremendous leverage, what is important is that, almost all the entrepreneurs are under threat of revenue recovery.

So what I suggest is under the leadership of the Finance Minister, or if it is required by the former finance minister, as well as required by the chief minister, there should be a serious meeting with the banking sector and give a moratorium for tourism sector for a couple of years. This is very important and restructuring all the existing loans and under the schemes, either by the state government or by the central government with a survival package of Rs 15,000 crore, to be announced. But the banks are not actually proactively supporting the tourism sector because of several reasons; one is tourism is not an industry, second thing is tourism is not a priority sector by RBI. The third thing is tourism is putting the real estate sector so that they make the last preference and the fourth thing is that the sector will take time to revive. So there should be a solution for it, because all your hotels and resorts have to be funded, otherwise, if you aren't able to open, because you have to go for a lot of renovation to bring it back to the original situation to welcome the tourists. So I have requested the Finance Minister, we are very happy that you are doing it. So you have to support all the entrepreneurs here to support the employees for survival and subsequently once the international borders and the domestic borders are open revival will happen. We request to open the borders for the domestic tourism at the earliest possible with one uniform condition for all those days, so that you know the tourism can survive, at least for the time being, with domestic tourism. Tourism sector should be treated sectors like the agriculture or the fisheries sector or other sectors, tourism is a revenue earning and most employment generation sector, which has be considered very seriously and effective measures on an emergency basis should be taken. Then only you can bring it back and create more jobs and more revenue.