

## Tour, Travel Related Services

Industry Code (as per CMIE Prowess): 0101040102000000'

June 2022

Overall Industry Risk Score: **11/20 | Marginally Favourable**

Sample Size: 2 Companies

Median Rating Value of sample size: A

### Individual Parameters Contributing to the Score

**Demand & Supply Balance**  **12/20**

DS Equilibrium

The sector witnessed a significant impact on its performance due to the lockdown and restrictions on travel. As per a report by NCAER, the tourism sector had to reduce around 2.1 cr jobs in the first three quarters of FY21. As per Ministry of Tourism data, Foreign Tourist Arrivals (FTA's) in India during the period January- March, 2022 were 7,84,750 as compared to 3,06,641 in March, 2021 registering a positive growth. The occupancy levels and RevPar of hotels have been on an increasing trend. The industry is expected to generate steady demand in the near term.

**Extent of Competition**  **8/20**

Fragmented Industry

The sector remains extremely fragmented and unorganized. Online platforms have however offered opportunities to several properties in tourist hotspots across budget points. Commissioning of new projects post the lockdown is expected to add more capacity to the sector.

## Regulatory Risk



8/20

Uncertain Regulatory environment

The industry will be subject to regulatory restrictions in the near term; lifting of restrictions on restaurants and hotels had commenced in the second half of FY22; DGCA regulations on domestic and international flights remain a critical monitorable for the sector. State border restrictions have been lifted on tourists arriving from other states across the country. Regulator has been ensuring adequate liquidity to support the units in sectors like tourism.

## Input Related Risk



16/20

No supply disruptions / very narrow price band or fluctuations

Covid related supply chain disruptions have normalized to a great extent. New projects have steady labour and material availability.