We were expecting a package of INR 500 for the tourism industry. The announcement of a comprehensive package of INR 455.9 billion takes everyone by surprise," said a senior industry leader from Kerala, reacting to the financial assistance package announced by Kerala Tourism Minister, Kadakampally Surendran. The key highlight of the package is that it touches both the employees and employers of the tourism sector.

The state has entered into separate agreements of financial assistance for employees and employers. The Tourism Employment Support Scheme has been announced to help those working in the tourism sector and are facing delays in their pay due to the COVID-19 crisis. Under this scheme, loans ranging from INR 20,000 to INR 30,000 per week will be available at nominal interest of 3% from Kerala Bank.

In the scheme for employees, named as CMV’s Special Tourism Loan Fund, loans are available as working capital to existing tourism ventures. Loans ranging from INR 1 lakh to INR 3 lakh at 4% interest and an interest grant of INR 5 to 25 lakh for 250-500 large enterprises will be made available through the scheduled banks in the state. Under this scheme, loan repayment is waived for six months. The government will bear 30% of the interest for the first year. The Kerala Tourism Department will provide INR 15 crore from the plan outlay to provide interest subsidy on this loan scheme of INR 350 cr.

"Tourism sector was the first hit, the worst hit, and the longest hit due to the pandemic. This has caused two different crises in the industry. One, it has taken away food from the plates of the people who were dependent on it for livelihood, and the other, it has put the businesses on the solvent mode," said Jose Dominic, co-founder and Former CEO of CMTI Earth. Talking about the government package, Dominic said that it was a "big relief" in the current "atmosphere of complete helplessness." "Kerala has really set an example," he added. However, he stated that the priority now should be to restart tourism, otherwise the financial assistance would "evaporate." He said that tourism revival is deeply linked with the revival of many other activities in the state and therefore "locking up" the economic activity would not help.

Baby Mathew, President of the Kerala Travel Mart (KTM) Society also welcomed the package saying that it was the positive culmination of almost a five-month long buildup by the KTM Society. He said that the highlight of the package is that the announcement and the order came out simultaneously. People can apply for financial assistance as per their eligibility immediately.

"In the present circumstances, it is certainly a big relief both for those working in the tourism sector and the entrepreneurs," he added.

"It’s a great relief which has come at the right time. This should inspire other states and the Centre. It’s a welcome decision by the Kerala government and truly a model for others," said EDM Nair, President of Confederation of Kerala Tourism Industry (C.K.T.I). "C.K.T.I expects more such measures from the government to revive tourism in the state," he added. He said that the CKTI has requested Kerala CM to take up the matter with the Centre and the RBI to get it extended for at least six months more.

Riyaz UV, Convener of Tourism Committee of FICCI Kerala Chapter said that he will ask FICCI to take up this model with other states and the Central tourism department. "We will feel that it is the best package that can come from any government. We want to avoid that kind of mix. But we demand that this should apply to all the issues. But we will give some solace to both - employees and employers," he said.

"It’s a welcome step at this juncture when both the employees and employers are facing tough challenges. No other state has come out with such comprehensive financial packages for the tourism industry," said Naren Anand, General Secretary of C.K.T.I. Although some segments in the tourism industry like homestays, houseboat owners, tourist guides, are left out in the package, the Tourism Minister has given assurance that the government is also considering some other assistance schemes to provide relief to them.