

Exhibitions Sector in India- COVID 19 Phased Exit Approach

The Indian Exhibition Industry Association extends its profound thanks and appreciation to the Government of India towards handling of COVID-19 crisis.

We are immensely proud and grateful on how the Government has risen to the challenge and successfully executed a thoughtful plan which is being emulated by several other countries all over the globe.

Background: Overall Economic impact of exhibitions:

Exhibitions and trade fairs act as the most effective market places for many industries and their re-commencement at the earliest possible are vital for the Indian economy.

Onsite and post exhibition order bookings contribute Rs. 3,00,000 cr worth of business across various industries in India. Exhibitions also result in business generation for the tourism and hospitality sector, local conveyance and boost employment in the regions where the exhibitions are held.

COVID Exit strategy- Phased approach:

As India would move towards swift restoration of business confidence as a part of COVID Exit strategy, the **exhibitions sector has the potential to act as the fastest of all fast tracks to any economic recovery through its catalytic effect and business enabler role.**

However, exhibition industry's 'business as usual' stage is dependent on Government directives, easing of mass meetings restrictions as well as restoration of railways and aviation travel.

After due consideration, IEIA proposes the below phased exit approach for the sector:

Phase I: May 01 to May 30, 2020

1. Organisations start returning to work places in phased manner with the following suggestive guidelines:
 - a. Sanitisation and Thorough cleaning of offices before move in:

- b. **1-15 May 2020** Commencing of in-office work in a phased manner
 - 15-31 May 2020** Gradual restoration to full work force
 - c. Flexibility to work from home to the workforce on 'as-needed' basis will be provided by industry.
2. Announcements of revised event dates, with an intent to start organising exhibitions and conferences from 01 July 2020 onwards.
 3. Venues to start preparing for the post-covid health and safety arrangements to ensure hassle free movement of exhibitors, services and visitors with an intent to ready for business from 01 July 2020 onwards.
 4. Organisers adopt SOPs for implementing safety measures at events with announcements/ digital engagements and pre training of service providers and exhibitors for implementation of necessary hygiene, screening, sanitisation, masks, gloves and adequate social distancing as per govt. directives in force.
 5. Booking confirmations/ re-confirmations by exhibitors for participation in exhibitions start in this phase with increased exhibitor confidence through assurances of pragmatic at-venue arrangements by Organisers.

Phase II: June 01 to June 30, 2020:

1. Preparations and logistics arrangements for movement of exhibitor goods to exhibition venues begin with pre-training and sanitisation of logistics vehicles and equipment along with necessary e-passes as per govt. directives in force.
2. Inter-state movement of goods to be allowed towards the last week of June 2020 for transporting exhibitor goods to venues.
3. Arrangements and pre training of service providers to ensure maximum pre-fabricated material is brought to the exhibition venues for stall build up.
4. Creating framework for Pre-Registration of visitors to ensure minimal queuing during exhibitions.
5. Necessary travel and hospitality arrangements to be in place by end of June 2020.

Phase III: July 01, 2020 to July 30, 2020

1. On-site activity exhibition activity start at the venues having adequate screening, hygiene and safety arrangements.
2. Small to medium size exhibitions and conferences to start taking place

3. Sanitisation zones, screening, health check-ups and necessary hygiene measures to be put in place at entry points and all strategic locations.

Phase IV: August 01 2020 onwards:

1. Commencement of medium to large scale exhibitions start with continued safety measures, thus returning to 'business as usual'.

Request for Government support:

In order for the Exhibitions sector to revive at the earliest, following support is needed from the Government:

01 May 2020	Commencement of Domestic flights & Rail travel on a limited basis
01 June 2020	Full restoration of Domestic flights and Rail travel Limited restoration of International flights
01 June 2020	Commencement of Issue of Visa for travel to India
15 June 2020	Permission to hold mass gathering events in a controlled environment from 01 July 2020 onwards
01 July 2020	Enhanced restoration of International flights

Impact of COVID-19 and Request for Budgetary Support

The entire exhibitions sector has come to a grinding halt due to the impact of COVID-19 and essential ban on mass gatherings. An overall loss of INR 3,570 cr has been incurred by the sector with approx. 90 exhibitions scheduled during Q1 having been postponed/cancelled due to coronavirus, amounting to 15-20% of the total exhibitions held annually in the country. This has further largely impacted the B2B activity across various other industries which actively leverage exhibitions for their business activities and orders.

Many MSME entities are also suffering huge losses and near bankruptcy situation due to closure of exhibitions in the country.

Current Status of Affairs

1. As most of the exhibitions are rescheduled, there is major loss due to unrealised revenue. Exhibition Organisers and venue owners have not been able to book revenues; and hence GST collections for Government will be badly affected.
2. The exhibition Industry is running out of working capital:
While most venue owners have agreed to carry forward advance deposits for events in future dates, the exhibition industry is in major distress to incurring of regular expenses (staff salaries, rentals, infrastructure, marketing and telecom expenses etc.) which were expended in the last 12 + months with an intention to recover them by organising the shows.
3. Annual Direct revenue of the Exhibitions Industry in 2020-21 is about INR 4000 crores and is charged 18% GST.
4. The Direct loss for Exhibition Industry in Q1 2020 is INR 480 crores and this may increase if the normalcy does not occur soon.
5. Exhibition Industry has a significant MSME participation and the current disastrous stage may lead to business closures and job losses.
6. Exhibition Industry has a significant linkage to hospitality Industry and slowdown affects the business of hotels, aviation and travel industry.

Considering the stated facts, we hereby request your immediate kind intervention to support the stakeholders of the exhibitions sector to overcome this crisis situation by

way of the requested support measures as listed below:

1. Create an "Exhibitions in India" scheme

- a. Government should create an Exhibitions in India Scheme and offer 10% of Invoiced Revenue by Exhibition sector as an incentive to organise shows in India. This scheme should be launched for at least 5 years
- b. **If situation normalises soon, the Exhibition Industry will achieve a Revenue of INR 4000.00 crores in 2020-2021. 10% paid under Exhibitions in India Scheme will require a financial impetus of INR 400.00 crores.**

2. Tax recommendations

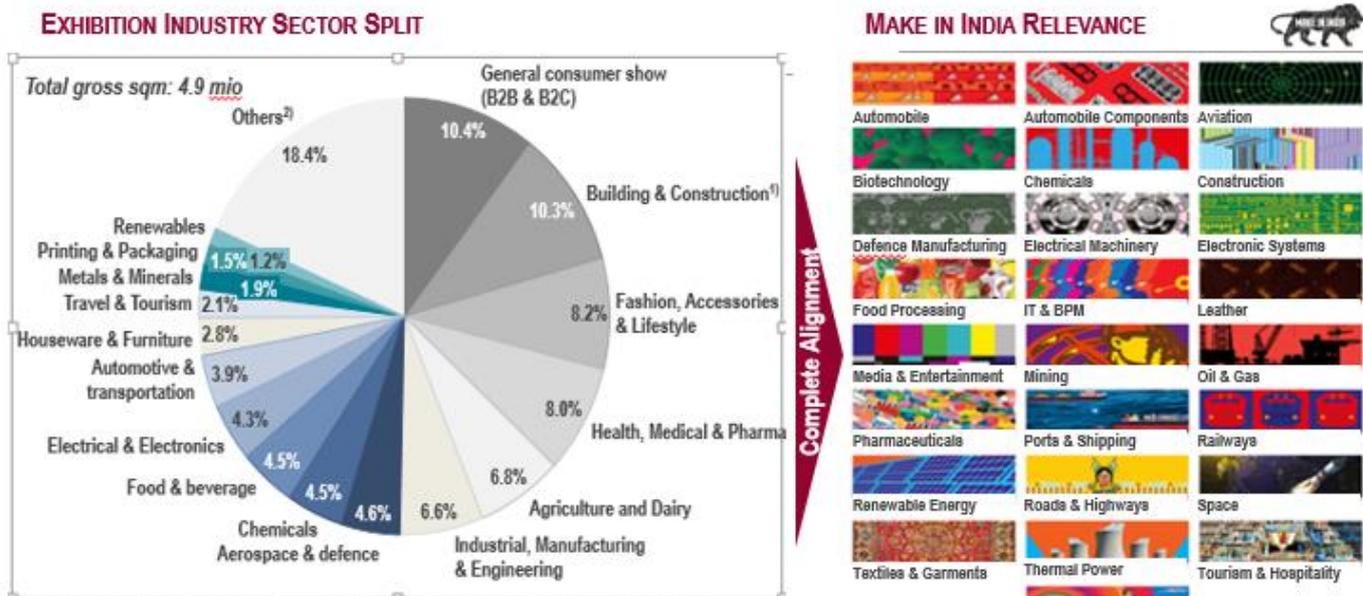
- a. Income tax – Deferment of income tax liabilities (advance tax milestones of June and September be deferred to December 2020).
- b. Release all income tax refunds with immediate effect.
- c. GST – Deferment of the CGST/IGST liabilities for a period of 6 to 9 months.
- d. Reduction of GST rate for all exhibition services from existing 18% to 12% with immediate effect.

3. Non-Tax recommendations

- a. Collateral free Working capital loans facilities for exhibition organisers, service providers and venue owners (for payment of salaries, wages, fixed costs etc.) to be made available at zero rate of interest.
- b. Insurance Regulatory Development Authority (IRDA) to consider covering risks for pandemics together with other natural disasters for the events and exhibitions.
- c. Offer grants to Venue owners to Subsidise the venue rentals and reduce costs to event organisers for rescheduling of events postponed/ cancelled due to coronavirus for a period of 12 months
- d. Financial support to exhibitors to participate in all exhibitions to be scheduled post relaxation of advisories on bans of events by way of direct funding.

- e. 100% Subsidy on participation charges to be given to MSME/NSIC units for participation in Domestic Exhibitions to boost the Exhibition & Manufacturing sector with no capping on the number of units to participate in an exhibition.

Exhibitions are Catalysts to Govt. Initiatives



Multiplier effect of exhibitions in India: Key Facts:

- **Exhibitions are catalysts to Govt. initiatives:**
Exhibitions support and act as catalysts to various govt. initiatives including Make in India, Skill India, Digital India, Smart cities etc.
- **Economic impact of exhibitions on national economy:**
Exhibitions and trade fairs contribute INR 23,800 crores worth contribution to the national economy.
- **Business generated:**
Exhibition industry enables a business of over Rs. 3 Lakh Crores annually.
- **Focus on B2B sector**
Two thirds of India's exhibitions are focused on B2B segment in established sectors

- **Attract FDI:**
15% participants in exhibitions are international exhibitors/ visitors and this supports in bringing foreign investments
- **Improve Manufacturing Industry Share to GDP:**
Approximately 80% of the events conducted are related to manufacturing industry which not only supports Make-in-India initiatives but also facilitates introduction of technologies/ innovation to further strengthen manufacturing.
- **Support the growth of MSME sector & Job Creation**
Entire value chain of exhibition industry from organizers to service providers like booth construction, logistics, catering, repair and maintenance, housekeeping, security are small to mid-sized companies.
Exhibition industry not only provides direct employment to over 10,000 people but also generate 100,000 + temporary employment during the events conducted round the year, besides supporting the creation of jobs in hospitality, travel, catering and other allied industry
- **Support the growth of Travel tourism and Hospitality sectors and regional economy:**
Exhibitions boost the growth of travel/ tourism and hospitality sectors thus supporting growth of the regional economy where these are held.

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