



Reference No.- IEIA/990/2020

Date: March 28, 2020

Dr. Anup Wadhawan, IAS
Secretary
Ministry of Commerce
Government of India
Room No.143, Udyog Bhawan
New Delhi - 110 107

Subject: Request for relief measures for exhibitions sector in India due to the impact of COVID-19

Respected Sir,

About Exhibitions sector:

Exhibitions and Trade Fairs play a powerful multiplier effect on the overall economy by contributing 10 to 12 times of their turnover to the geographical area served. Estimating the Global exhibition industry turnover to be US\$167 billion, the economic impact of this activity is estimated at US\$ 325 billion, as reported by the Global Association of Exhibition Industry (UFI). Exhibitions and trade fairs with their catalytic impact on the economy of the region, support the growth of business and trade at national and international levels. Many countries across the globe have effectively used and leveraged the catalytic impact of Exhibitions in shaping the economy of their countries.

Economic impact of Exhibitions sector in India:

As per the study conducted by international research firm 'Euro Asia Consulting' (EAC) in association with 'IEIA', the Exhibition industry in India contributes 23,800 crores INR (directly and indirectly) to the Indian economy, with more than 550 events conducted annually in the organised sector. The sector enables trade/business transaction of over INR 3,00,000 crores, boosting and supporting the growth of various ancillary sectors while also being a colossal employment provider in the country. With a steady growth rate of almost 8%, the exhibitions sector has been consecutively growing faster than the GDP of the country during the past few years.

Impact of COVID- 19:

The advent of COVID-19 has brought this 'business enabler' sector to a stand-still with necessitated postponements and cancellations amidst the Govt. directives and need for precautionary measures.

'Indian Exhibition Industry Association' (IEIA), which is the national apex body representing all the stakeholders including organisers, service providers, logistics providers and venue owners, hereby submits our representation of the impact of COVID-19 on our sector for your kind attention and requisite support.

The sector has reported approx. 90 shows being either postponed or cancelled due to COVID-19 between March to July 2020, amounting to approx. 15% of the total events conducted annually in the organised sector, with a resultant estimated loss of INR 3,570 crores for the entire sector. All the stakeholders including the exhibition organisers, service providers, logistics providers and venue owners have been burdened with huge financial loss owing to the standstill situation brought in by COVID-19.

It may be noted that the preparation time for organising an exhibition ranges from a minimum time period of 8 to 12 months, thereby bringing in financial results for all the stakeholders involved in the conduct of these trade fairs. The postponement or cancellation of these shows translates into doubling of the total turnaround time for realisation of the amounts incurred in the preparatory stages, while the organisers and allied service providers would bear the burden of fixed costs and salaries etc. without any returns flowing in.



Request for support and relief measures:

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. Tax recommendations

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

2. Non-Tax recommendations

- Subsidise the venue rentals for govt. owned venues to accommodate rescheduling of events postponed/ cancelled due to coronavirus for a period of 12 months
- 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.
- 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.
- 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.
- Minimum 3 months Interest Free period for Loans / Bank Interests in the name of Firm / Individuals (Proprietors, Service Sector, Corporates & Industry Associations).
- Insurance Regulatory Development Authority (IRDA) to consider covering risks for pandemics together with other natural disasters for the events and exhibitions.
- Moratorium on loan principal and interest for a period of 6 to 9 months

We also like to submit that further details including list of exhibitions affected and measures enacted by other countries to support the exhibitions sector are also readily available for your perusal and shall be submitted separately to your good office.

We hope to have your kind attention and positive consideration of our request.

Sincerely

S. Balasubramanian,
President

