

Impact of Coronavirus disease (COVID-19) on the Live Events industry across events, activation, trade shows, media, entertainment and sports

Live entertainment and sports events are a sub-category in the entertainment, trade show and sports sector looked upon as a sunrise industry in the service sector of the economy. The events and activations industry in India is expected to cross Rs 10,000 crore mark by 2020-21 and set to cross Rs 20,000cr by 2025, as per an EY-EEMA (Event and Entertainment Management Association) report. The CAGR currently stands at 14% one of the fastest among all industries. The exhibitions and trade shows industry is expected to cross Rs 15,000 crore while the unorganised sector including social events is estimated to be another Rs 15,000 crore.

Key growth drivers are trade shows, exhibitions, digital activation, sports leagues, rural expansion, and government-initiated projects, followed by IP (Intellectual Property), personal events, product launches and expansion of mini metros and below-the-line marketing spends. While managed events remain the largest service offering, IP, digital events and ticketed events are growing at a faster rate than managed events.

The industry directly employs about 10 million people and indirectly through allied sectors like Food & Beverage, Hospitality, Tourism, Advertising and Marketing industry of about 50 million people. 35% of all of the firms in the events industry are owned by women and employ at least 30% women in its workforce. The industry as a whole is championed by young entrepreneurs in the age of 25-40. The Live Entertainment industry is leading the Government's initiative of "Digital India" with over 85% of the ticket bookings being done digitally and thereby increasing transparency and ease of doing business.

The outbreak of the Corona Virus has impacted the world of live events and experiential marketing. Multiple global events have been hit --- postponed or simply cancelled: IIFA2020, India Gaming Expo, FDCI India Fashion Week, GoaFest, PU Tech, ITB- India, India Fintech Festival, Ultra Festival, India-South Africa cricket matches, marathon events, the India Today Conclave, the META Theatre Awards, ...the list is endless.

Additionally, product launches of Indian and global brands, promotions and activations, business

conferences, business travel, MICE, exhibitions, trade shows have been simply cancelled or postponed. The impact on hotels, event management companies, service providers, catering companies, the infrastructure and technical supply chain, on the millions employed in the industry is unimaginable. No industry resides more in the physical realm than hospitality, experiential, tourism, events, sports and experiences.

The impact of Covid19 on the events and experiential industry would be to the tune of Rs 3000 Cr for the first two months, at a minimum, as projected in a survey of 100 MSMEs in the sector. This is in part due to cancellations of existing projects and contracts. Cancellations of conferences, State and central Government endeavours, international MICE events, events and entertainment segment, cancellation of valid visas and the person-scare which has impacted the industry.

The pandemic has put our businesses on pause, forcing an unprecedented loss, impacting livelihood of millions employed, inability to pay taxes, inability to pay Banks and financial institutions to honour commitments, and a challenging time for our vendors and supply chain.

Brands are resetting their plans, expectations, markets, delivery systems, marketing focus and logistics. This will force the experiential industry to lay off employees, reduce salaries, delay mandatory payouts and worse still shut companies.

And if the situation prolongs, it will have a huge impact on the event economy, global and local enterprises, employment, and business environment triggering a new business and economic order.

Given the nature of the industry segment and its existing challenges with regard to accessing banking facilities, seeking advance payments for projects, ensuring contractual obligations and the dependence on the unorganised and entrepreneur segment who service the industry, the situation is bleak and has put at risk the livelihood of over 10 million professionals who depend on this segment.

We request the Government of India to consider the following steps to alleviate the present situation.

SOS RESPONSE

- Release with immediate effect all Tax refunds that are due including income tax and TDS.
- To cover the cost of salaries/ daily wages etc. for those infected by COVID 19 and unable to return to work.
- Collateral free line of credit to be used for employees' salaries and statutory dues.
- Moratorium of payback on loans, interest for a period of 9-12 months.

INDUSTRY RECONSTRUCTION MEASURES

- Pay all dues to companies who have executed work

orders in this segment for the Government of India, public sector and for State Governments.

- Zero or minimal interest loans to be made available by the department of MSME for the financial year 2020.
- Government-initiated projects should replace the need of Bank guarantees with Corporate guarantees.
- Loans to be provided for loss-making companies against future contractual work.
- Instruct insurance companies to insure future events and activities against Covid 19 or similar medical/biological disasters in addition to existing natural disasters.
- To cover the cost of salaries/ daily wages of employees laid off for a period of 90 days at least.
- Reduction of GST on entertainment and cultural events to 12% and
- the arts & entertainment segment may be covered

INITIATIVES BY DUBAI GOVERNMENT

The package developed by the Dubai Government includes 15 initiatives focused on the commercial sector, retail, external trade, tourism, and the energy sector. It is expected to reduce the cost of doing business and simplify business procedures, especially in the tourism, retail, external trade, logistics and services sectors. The stimulus measures that will be introduced with immediate effect will be valid for the next three months. Following this period, the impact of the measures on the economic situation will be reviewed. Few highlights on the initiatives are as follows:

- Freeze on the 2.5 percent market fees levied on all facilities operating in Dubai.
- Refund of 20 percent on the custom fees imposed on imported products sold locally in Dubai markets.
- cancellation of the Dhs 50,000 bank guarantee or cash required to undertake customs clearance activity. Bank guarantee or cash paid by existing customs clearance companies will be refunded. Fees imposed on submitting customs documents of companies will be reduced by 90 per cent

- Cancellation of the 25 percent down payment required for requesting installment-based payment of government fees for obtaining and renewing licenses. The move seeks to reduce the financial burden on SMEs.
- Commercial licenses can be renewed without mandatory renewal of lease contracts in a move aimed at stimulating business activity and easing government-related procedures
- Companies will be exempted from permits for new sales and offers.
- Reduction of municipality fees imposed on sales at hotels from seven per cent to 3.5 per cent.
- Exemption from fees charged for postponement and cancellation of tourism and sports events scheduled for the year 2020.
- freezing the fees charged for the sale of tickets, issuance of permits and other government fees related to entertainment and business events.
- Reduction in the cost of living and doing business for citizens, expatriate residents and the business community through ten per cent reduction in water and electricity bills including those charged in the residential, commercial and industrial sector, for a period of three months.

INITIATIVES BY UK GOVERNMENT

£40 million of new funding to enable further rapid research into COVID-19 and increase the capacity and capability of diagnostic testing and surveillance facilitated by Public Health England.

£150 million to the International Monetary Fund's Catastrophe Containment and Relief Trust, to help the effort to stop further transmission, including into the UK, and supporting vulnerable countries as they respond to the outbreak.

Statutory Sick Pay (SSP) will now be available for eligible individuals diagnosed with COVID-19 or those who are unable to work because they are self-isolating in line with Government advice. This is in addition to the change announced by the Prime Minister that SSP will be payable from day 1 instead of day 4 for affected individuals.

the self-employed or people earning below the Lower Earnings Limit of £118 per week, can now more easily make a claim for Universal Credit or Contributory Employment and Support Allowance.

Contributory Employment and Support Allowance will be payable, at a rate of £73.10 a week for people over 25 years of age, for eligible people affected by COVID-19 or self isolating in line with advice from Day 1 of sickness, rather than Day 8.

The government will bring forward legislation to allow small- and medium-sized businesses and employers to reclaim Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19

Employers with fewer than 250 employees will be eligible. The size of an employer will be determined by the number of people they employed as of 28 February 2020

Employers will be able to reclaim expenditure for any employee who has claimed SSP (according to the new eligibility criteria) as a result of COVID-19

The government will increase the Business Rates retail discount to 100% for one year and expand it to the leisure and hospitality sectors, and increase the planned rates discount for pubs to £5,000. Taken together with existing small business rate relief (which provides full relief for businesses using a single property with a rateable value of £12,000 or less), an estimated 900,000 properties, or 45% of all properties in England, will receive 100% business rates relief in 2020/21.

The government will provide an additional £2.2 billion funding for local authorities to support small businesses that already pay little or no Business Rates because of Small Business Rate Relief (SBRR). This will provide a one-off grant of £3,000 to around 700,000 businesses currently eligible for SBRR or Rural Rate Relief, to help meet their ongoing business costs.

A new temporary Coronavirus Business Interruption Loan Scheme, delivered by the British Business Bank, will launch in a matter of weeks to support businesses to access bank lending and overdrafts. The government will provide lenders with a guarantee of 80% on each loan (subject to a per-lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs. The government will not charge businesses or banks for this guarantee, and the Scheme will support loans of up to £1.2 million in value.

Mr. Sanjoy Roy
President - EEMA