

Fresh covid surge puts hospitality industry back under pressure

A fresh surge of coronavirus infections has put the hospitality industry under renewed stress which was just beginning to feel optimistic about business prospects with the rollout of vaccination drive, as per the Hotel and Restaurant Association (Western India). It noted that discouraged by the rise in covid cases, hospitality establishments are witnessing a gradual decline in footfalls despite following strict covid protocols.

"The hospitality industry is at a crossroads today. Just when we were about to come out of the lockdown induced slump, new cases have started to surface and the numbers are rising every day. Over the next few months, a significant number of people will be vaccinated and will be out of the red zone. This will allow them to travel and eat out without a worry. But as of today, revenue is below 50% of the pre-covid times and footfalls are declining," said Mr. Sherry Bhatia, president, HRAWI.

The lack of foreign tourists has also hit revenues of the industry. As per a recent report, foreign tourist arrivals may touch pre-pandemic levels only by 2023. Taking this into account, and the fact that most Indians will have been vaccinated in the interim, the Hotel and Restaurant Association of Western India (HRAWI) has urged the government to take steps to boost domestic tourism.

"Tourism and hospitality industry generated Foreign Exchange Earnings (FEE) to the tune of Rs1,94,881 crores in 2019. This year even after the country's people are freed up post vaccination, there is still going to be a period of no FTAs and FEE will be almost nil. While it will be difficult to entirely fill this revenue void, it may be possible to bridge the gap. The way to do it would be by encouraging and promoting domestic tourism," said Mr. Pradeep Shetty, senior vice-president, HRAWI.