

'Save us from doom': Hospitality industry sends SOS to all CMs

In a last-ditch measure, the apex Federation of Hotel & Restaurant Associations of India (FHRAI) sent an SOS to all Chief Ministers and Chief Secretaries on Monday, seeking urgent relief measures to help save the industry from doom as nearly one-third of hotels and restaurants across the country have shut down permanently. It pointed out that with the fresh Covid-19 wave and new restrictions on the hotel industry business across states, the crucial sector has again become the worst-affected like in 2020.

"Covid-19 has been extremely disruptive on the hospitality industry, which is among the core sectors of the economy. It was the first to fall and will be the last to recover. We had lost all business after the (2020) lockdown came into effect and zero business scenarios for nearly 10 months last year," rued FHRAI Vice President Gurbaxish Singh Kohli.

However, all other obligations like rentals, salaries, debt servicing statutory payments and other expenses remained, resulting in mounting debts, threats of insolvency of a majority in the sector, coupled with millions of job losses. As many as 30 per cent of establishments in the country have closed down permanently due to the financial crises, over 20 per cent have not opened fully post-lockdown, and the remaining 50 per cent continue to operate with losses and revenues below 50 per cent of the pre-Covid levels.

Questioning the logic of the restrictions, the FHRAI leaders said that the aviation industry is permitted to operate full capacity, and not them, though the sector accounts for around 10 per cent of the GDP, supports over 9 crore jobs and generated Foreign Exchange Earnings of Rs 194,881 crore (\$29.97 billion) in 2019.

The FHRAI has urged all Chief Ministers to scrap the policy of imposing selective or blanket bans and severe restrictions on the hospitality establishments, and they should be entitled to relaxations or waiver of statutory payments like electricity bills, property taxes, excise licence fees, etc.