

FHRAI & HRAWI writes to Maha CM requests urgent facilitative measures for hospitality industry

India's apex Hospitality Association - Federation of Hotel & Restaurant Associations of India (FHRAI) along with its regional Association representing Western India - Hotel and Restaurant Association of Western India (HRAWI) have written to the Chief Minister of Maharashtra, Uddhav Thackeray requesting for urgent facilitative measures for the Hospitality sector in the form of waiver of statutory payments including excise license fees and property tax, among other along with relaxation of curfew timing for restaurants. The Associations have stated that actual business for a restaurant starts after 8 pm and a night curfew imposition from 8 pm is tantamount to closure of business. Due to the prevailing restrictions and WFH arrangements, restaurants have no significant business in the day. The FHRAI and HRAWI have also pointed out that all other businesses and sectors are entitled to get long business hours even under restricted timelines but restaurants are being singled out due to its specific nature of business and demand.

“The impact of COVID-19 is all pervasive in our economy but its impact on the Hospitality industry has been extremely disruptive. The Hospitality sector is the biggest causality of the COVID-19 pandemic, the first one to fall and the last to recover. The industry had lost all its business after the lockdown came into effect. As of today, 30 per cent of hotels and restaurants in the country have shut down permanently due to financial losses. Over 20 per cent of hotels and restaurants haven't opened fully after the lockdown and the remaining 50 per cent continue to run in losses, and revenues are below 50 per cent of the pre-COVID levels. Tourism and Hospitality account for close to 10 per cent of India's GDP and support around 90 million jobs. Under the present conditions, non-viability will lead to the closure of hotel and restaurant business in the state and massive job losses. We request the Hon'ble CM to kindly take into account these repercussions to the industry and relax the curfew timings for restaurants,” says Mr. Gurbaxish Singh Kohli, Vice President, FHRAI.

It is only after October 2020, that restaurants in Maharashtra were allowed to operate at 50 per cent capacity with time restrictions. But resurgence of the

pandemic at regular intervals led to more severe restrictions disrupting all its revival efforts. The FHRAI & HRAWI have stated that the rental and salary expenses, servicing of debts taken earlier, negative cash flows and the statutory payment obligations have made Hospitality the most unviable and unsustainable business under the present situation.

“Although the Government of India claims to have provided relief packages to the sector through various Ministries and RBI, but the reliefs were inadequate in nature to provide any real relief to the industry. The Government failed to take into consideration the fact that Hospitality industry is one of the major contributors to the GDP of the country and its earnings were hugely impacted due to COVID-19. Sadly, no Government has taken notice of the specific nature of the Hospitality sector whose business is impacted by a host of external factors including the policy of WFH gaining popularity even post the lockdown relaxation, depressed customer sentiments, reduction in business travel and general reduction in discretionary spending on leisure and social spending, prevailing restrictions, uncertainties and protocols imposed by the Government with respect to issuance of tourist visa, quarantine norms and other COVID-19 protocols and more importantly disruption of international commercial airline operations,” says Mr. Pradeep Shetty, Jt. Hon. Secretary, FHRAI & Sr. Vice President, HRAWI.

“In today’s volatile economic environment, the Hospitality sector has been left alone to fend for itself and no sector specific relief has been provided to the Hospitality industry. The new order from the Government of Maharashtra imposing night curfew from 8 pm to 7 am has brought the restaurant sector to its knees. It will really make the sector’s revival an impossible task. We therefore request the Government of Maharashtra to come out with some urgent facilitative measures for the Hospitality sector in the form of waiver of statutory payments including excise license fees and property tax along with the relaxation in curfew timing for restaurants to save the sector from crumbling down,” concludes Mr. Shetty.