

With no Foreign Tourist Arrivals, HRAWI urges Govt to spur domestic tourism

With the vaccination drive gathering momentum in the country, the Hospitality industry has expressed optimism about a bounce back in business. However, the industry is now caught between a rock and a hard place. With the recent rise in the number of COVID-19 positive cases, the hardest hit industry by the pandemic has once again come under stress.

Discouraged by the rise in COVID cases in the State, patrons are avoiding visiting their favorite hotels and restaurants. Hospitality establishments continue to follow social distancing norms, scheduled sanitization and hygiene practices but are witnessing a gradual decline in footfalls.

“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. The Government can do only so much to control the spread of the virus. On the other hand, the vaccination drive is being executed extremely efficiently and this is giving the Hospitality industry some hope. 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 per cent of the pre-COVID times and footfalls are declining,” says Sherry Bhatia, President, HRAWI.

Meanwhile, with no Foreign Tourist Arrivals (FTA) Hospitality sector’s revenue has taken a big hit. As per a recent report, FTAs might reach pre-COVID levels only by 2023.

Taking into account this, 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 put full thrust on encouraging domestic tourism.

“The recovery curve is going to be long for the Hospitality sector. Tourism and Hospitality industry generated Foreign Exchange Earnings (FEE) to the tune of Rs. 194,881 crores (US\$ 29.96 billion) 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. This is a challenge which both the industry and the Government will have to face. 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,” says Pradeep Shetty, Sr. VP, HRAWI.

“Since the lockdown was lifted, around 30 per cent hotels and restaurants have not opened and 20 per cent have shut down permanently due to losses. Those that are open to business are in great stress. There is a sharp decline in occupancy in hotels as work from home culture continues and there are no foreign tourists. Revenue is below 50 per cent of the pre-COVID period. Sector specific relief has not been offered by the Government yet. When we evaluate the situation, it does not look good for the Hospitality industry at least for the next 2 to 3 years. Hence, we again urge the State Government to look beyond today’s scenario and chart out a plan for sustaining Tourism and Hospitality for at least the next five years,” concludes Mr. Shetty.