



Rollback VAT hike on liquor, urges HRAWI

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The Hotel and Restaurant Association (Western India) (HRAWI) has submitted a representation to Chief Minister Eknath Shinde, requesting rollback of the recently announced 5% hike in VAT on liquor served at bars and restaurants. The association said the hike will adversely affect the hospitality and tourism industries. The association has also warned that the hike could result in bootlegging in liquor and a fall in revenue for the government.

HRAWI association president Pradeep Shetty observed, "Tourism is a vital contributor to India's economy, accounting for approx 9% of the GDP and employing over 12% of the workforce. The affordability of liquor is crucial in the tourism sector. Many states, including Goa, Haryana and Chandigarh, recognising this fact, have re-

duced duties or levies on liquor to drive sales and boost tourism. The increase in VAT in Maharashtra is in stark contrast to this." Shetty said that HRAWI has stated that lower prices not only increase revenues but also encourage domestic travellers to choose Maharashtra as a travel destination. He said that this is the second price hike; the earlier one being on account of an increase in excise license fees by 10%.

Shetty said, "An increase in yearly excise fees followed by the doubling of VAT on liquor is likely to have a negative effect on businesses. On the other hand, reasonable liquor prices encourage spending, boost revenues and enhance the overall appeal of our state as a tourism destination." Shetty said that the industry is just about recovering from the pandemic's blow and any further hike will dampen the spirit of business owners.