

## **Hospitality industry's mantra for 2022: Survival first, revival later**

When the sun rises in 2022, the Indian hospitality industry will be waking up with prayers for survival, desperately looking forward to some form of support from the government as revival from the impact of the coronavirus pandemic of the last two years will be an arduous journey. Just as the industry was beginning to see a flickering light at the end of a long tunnel towards the end of 2021, the spread of the Omicron variant of coronavirus and subsequent extension of suspension of scheduled international passenger flights till January 31, 2022, has come as a dampener to those who were looking to have some business in the winter season.

With inbound tourist arrivals unlikely amidst the pandemic, the industry wants the government to incentivise domestic travels with income tax benefits for a limited period so as to help the hospitality and tourism sector get up again by tapping the pent up demand for holidays, within the country.

According to industry body Federation of Hotel & Restaurant Associations of India (FHRAI), already 25 to 30 percent of establishments in the organised sector comprising around 60,000 hotels and 500,000 restaurants have already shut shop and another 15 per cent could follow suit if there is no impetus from the government to revive the sector.

"Right now, we are not even talking about revival because I don't think we should. We can't revive. Revival is when you bring back something that's gone," FHRAI Vice-President Mr. Gurbaxish Singh Kohli .

The hospitality industry deals with the most "perishable commodity" because if a hotel room or a table booking can't be sold on a particular day, "it's gone forever", he said.

"So, revival is out of the question. First you need to survive, our lost business is lost forever," Mr. Kohli said, adding certain people have utilised their funds kept for expansion and growth to meet contingency and working capital expenses and are now running out of cash.

"To survive, how long will they be able to carry on now with zero funds is a guess we have to take...So, the number one priority should be how to safeguard the industry from going down further because neither the government nor the fraternity can afford to let it happen," he said.

Yet, hope is eternal and the sector is trying to stay positive, drawing inspiration from people who are beginning to travel and dine out as vaccinations increased and COVID-related restrictions were eased and there is cautious optimism in the air albeit the threat of the Omicron variant.

Incentivising domestic travel through tax cuts or by way of tax deductions for a pre-agreed duration of two to three years will fill the void and help local tourism survive until international travel resumes, he said.