

# Hospitality sector seeks govt relief package

In letter to PM, says treat it as 'most distressed sector due to Covid-19'

## OUR BUREAU

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The Federation of Hotel and Restaurant Associations of India (FHRAI) has written to Prime Minister, Narendra Modi, seeking a special relief package for the tourism and hospitality sector due to the disruptions caused by the Covid-induced lockdowns.

The association has requested that the Centre treat it as the "most distressed sector due to Covid-19".

In the letter, the FHRAI mentioned that post the first wave of Covid infections, occupancies at hotels were 1-3 per cent for Q1FY21 and part of Q2FY21; while post the second wave of

Covid infections it stood at around 11-16 per cent. Compared to this, pre-Covid occupancy levels hovered around 69-89 per cent.

The performance of the restaurant segment has been equally dismal. From 80-92 per cent footfalls during pre-Covid times; it dropped to zero during the first wave of the Pandemic; and then stood at 10-15 per cent during Covid 2.0.

As per industry estimate, the financial losses have led to closure of around 30 per cent of the hotels and restaurants in the country; while remaining establishments continue to run in losses.

### 'Hopes dashed'

The hospitality industry has reported losses of ₹140,000 crore and around 500 lakh jobs were lost due to the pandemic.



FHRAI said the industry was looking forward to some recovery in the present wedding-cum-New Year season. But the sudden surge in fresh Covid infections and the new Omicron-variant had dashed their hopes.

"The restrictions imposed presently are akin to a lockdown and the business in hotels and restaurants are less than 10 per cent in all major locations. This situation will manifold the extensive damages of the sector and it would take nothing less than 5 years for the industry to return to the pre-pandemic

levels," it wrote in a letter to the Prime Minister.

Copies of the letter have been shared with the Union Finance Minister and Tourism Minister too.

"Frequent lockdowns and restrictions coupled with travel restrictions have resulted in the industry experience the worst phase. And this current stop-start-stop arrangement hasn't allowed the hotel industry to have a continuous run," the industry body wrote.

With another tourist season washed out due to the current spurt in infections and allied restrictions, the industry body foresees many other business establishments in the sector closing down. With sufficient capital already being invested by players, FHRAI has urged the Centre's intervention in the matter.