

Infrastructure status to hotels is vital for robust growth

The hotel industry stands as a crucial pillar of India's economy, directly and indirectly employing over 15 percent of the workforce and contributing more than 6 percent to the GDP. Its vitality serves as a gauge of the nation's prosperity, evidenced by the post-pandemic resurgence in travel, signaling the economy's resilience. Forecasts indicate a remarkable growth trajectory, with expectations of the hotel industry contributing \$1 trillion to India's GDP by 2047 and hosting 100 million foreign tourists, according to government targets. These projections underscore the pivotal role the sector plays in India's journey towards sustained high growth.

Achieving such ambitious goals necessitates robust collaboration between the government and stakeholders, with support at both central and state levels. The interim Budget of 2024 underscored the government's commitment to revitalize and nurture the hospitality sector for long-term sustainability. Addressing financial hurdles, providing regulatory backing, and investing in infrastructure and human resources, including initiatives in Lakshadweep, Bodh Gaya, and Ayodhya, are pivotal steps aimed at fortifying the Indian hospitality industry for a resilient and prosperous future. These measures have garnered industry-wide acclaim for their potential to enhance the tourism landscape through improved infrastructure.

Efforts to empower iconic destinations and local entrepreneurs through interest-free loans and quality ratings signal a significant stride in enhancing India's tourism allure. Projects focused on enhancing connectivity via airport, railway, metro, and port development not only promise to bolster tourism but also offer extensive employment opportunities.

A thriving hospitality sector exerts a multiplier effect on the economy, yet its capital-intensive nature and high operating costs make it susceptible to losses during periods of subdued travel sentiment. Ease of Doing Business (EoDB) remains imperative for the sector's growth, with the longstanding demand for uniform infrastructure status gaining prominence. This designation would

facilitate access to reduced-cost debt, akin to other sectors, and foster reinvestment of profits within the industry.

While some states have granted industry status to the hotel sector, a uniform policy across all states is essential to ensure parity and encourage growth. Such recognition not only streamlines business operations but also entitles hotels to industrial rates for utilities, easing financial burdens and fostering growth.

With tourism poised for exponential growth, it's imperative to revisit existing policies and adopt a holistic approach that acknowledges the hotel sector's pivotal role in India's economic landscape. Granting infrastructure status to hotels would be a pivotal step in nurturing a resilient and thriving hospitality sector, positioning India as a key player in the global tourism arena. It represents an investment not only in hotels but in the broader potential of India's tourism industry, aligning with the ethos of inclusive development and trust in every citizen's progress.