



# TRAVTALK®

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## 'Wed in India': what about high GST?

Pradeep Shetty, President, FHRAI hails Prime Minister Narendra Modi's 'Wed in India' call. He, however, lists out what is required in order to achieve the larger goal. Shetty requests the government to look into the high GST that is driving business outside India.

Hazel Jain

**P**radeep Shetty, President, FHRAI, is not one to mince words. India hasn't reached 2019 levels in the scheme of things, especially in terms of foreign tourist arrivals, he says. But all in all, 2023 was a good year for hoteliers with much better Revenue Per Available Room (RevPAR) and occupancies despite the challenges of air connectivity and high airtares.

He adds, "One must take note of the fact that 2024 and a few years following that are going to be revolutionary for the hotel industry with the ambitious target of US\$3 trillion tourism economy that we are looking at by 2047. Towards that, we will be working aggressively alongside the government on the latest campaign about doing weddings in India. We already have a document underway on this that we will present to the PM



**Pradeep Shetty**  
President  
FHRAI

on what is really required in order to achieve the larger goal, as well as to ensure that Indians do not travel abroad to get married."

### Revolutionary fiscal measures

Outlining some issues, he says that air connectivity is a challenge, and there are many pockets within the country still where air connections have not been established and there are fewer operators in the air now. "Moreover, there are

only about 170,000 hotel rooms in the country and if you plan to invite 100 million tourists to stay in India we really need to add rooms. For this, we need ease of doing business, and a special tourism policy to encourage this and make it happen in an easier way rather than the normal bureaucratic way," Shetty says.

Revolutionary fiscal measures will be required to ensure that long-term lending and favourable interest rates are available to this industry, he adds. "Weddings can be done in India at a much lower cost and with much more ease. Yes, there may be small bottlenecks, but I really don't feel that they are so critical so as to drive away weddings away from India. There are certain taxation matters like GST and licensing issues and local level permissions which become an irritant. These are some of the issues that we intend to flag at the state



and central levels. Once these are removed, India can be ready to host weddings. And in the coming years if favourable policies are introduced, and more rooms are added, then the issues of unavailability and high rates will be resolved. The room rates right now are actually not the problem, it is the high GST levied. This price will not be available anywhere else given the quality

of service and amenities India offers," Shetty explains.

He is confident that the cost of weddings being held outside India is two times of what one spends in India. "It is just the glamour of taking guests to some destination abroad, else there is no real advantage. We offer better food, better service, and amazing amenities. Even when they go abroad, they have to carry chefs from India. So, again, we need reforms in the GST regime to make it affordable. The 18 per cent bracket must be done away and bring everybody into 12 per cent," Shetty says.

### HRAWI signs MoU with Ingram Micro

HRAWI has signed an MoU with Ingram Micro in order to co-create and lead technology seminars for the hospitality industry. The collaboration is to harness new-age tech solutions and expertise for the betterment of members. The association aims to empower members with the latest advancements in the sector and create a global circular economy through responsible disposal and reverse logistics.