

# Post the highway liquor ban, \$20bn tourism, jobs will reduce: Hospitality body

**T**he Federation of Associations in Indian Tourism and Hospitality (FAITH) has issued a statement that clarifies that the directions issued by the Supreme Court cannot be read down so as to apply only to shops involving sale of liquor situated within 500 metres of national or state highways. Nakul Anand, Chairman, FAITH, reiterated, "The Indian tourism & hospitality industry, as a people intensive industry, respects, honours and commends any judgement which upholds the safety of human lives... As the nodal body representing the tourism industry in the country, FAITH is reviewing the way forward with key stakeholders." FAITH emphasised the following:

- Establishments approved under the tourism category, (hereafter called 'establishments') exist primarily for lodging, conferencing, meetings, banqueting & dining out experiences, which include liquor service as part of this overall experiences as listed above. None of these 'establishments' are licensed for, nor practice, nor promote sale of liquor to be consumed outside of them. The establishments employ more than 5 crore people... Displacing such a larger population from tourism jobs will run the risk of a nationwide unemployment.

- Almost 9 million tourists visit India, resulting in almost 27 million foreign visitations across Indian states. These along with 1.8 billion domestic visitations frequent a significant portion of these 'establishments' as guests. All of this will be put to risk if the overall food & beverage experiences is compromised.

- A major reason for meetings, conferences, corporate events, weddings and exhibitions to be held at such 'establishments' in India is to



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combine them with social get-together which includes food, beverage & entertainment experiences. India has less than an estimated 0.5% of the world share of this sub-sector of tourism which will see large scale cancellations. Tourists who bring in \$20bn + forex earnings will reduce their coming to India & a large number of Indians will increasingly prefer travelling out of India for such events leading to a major outflow of foreign exchange.

- Most of the entrepreneurs who bid as part of Government PPP tourism projects along national & state main roads and highways had modelled their cash inflows on these experiences considering room conferencing, food, beverages revenues over their concession periods. But a lot of these 'establishments' with reduced busi-

ness will result in distressed financial assets & may lead to a large scale NPA situation for our banking & financial system.

- Developed countries such as USA have built their significant tourism growth starting from their iconic proven model of highways led tourism development. It gets around 2 billion domestic tourism implying 8 trips per citizen & 70 million foreign tourists. India gets 1.1 domestic tourism visits per citizen and just 9 m tourists. Indian tourism's hopes of highways driven tourism model will come to a standstill and will regress Indian tourism if such 'establishments' will cease to be tourism venues.

- We see a huge concern of liquor bootlegging and its emergent social evils of a black market economy & a corruption driven parallel econo-

my which the governments are trying so hard to battle & weed out of our system.

- Even states collectively, across India will run the risk of losing revenues which could run upto an estimated 1lakh crores.

- Each human life matters & there is no justification for any fatality caused by negligent driving drunken & otherwise. The whole tourism & hospitality industry appreciates the TV campaign undertaken by Ministry of road and surface transport which discourages drinking & driving and pleads that its 'establishments' don't sell liquor for takeaway.

- India's Tourism, Travel & hospitality is estimated to contribute to USD 200 Billion, 9.5% of Indian GDP, around 5crs employment i.e. 9% of Indian employment, USD\$ 30 billion+ investment at 5.5% of total capital investment in India. This capital investment is immobile and cannot be relocated or picked up and moved driven by decisions which challenge their business models on a retrospective basis.

- The tourism industry severely criticises the core issue of drunken driving, be it in city roads or on highways. The industry will support all move to promote responsible driving including responsible policing along all our roads & highways to prevent drunken driving which has happened anywhere, anytime or from anyplace.

- However the tourism industry requests that on a retrospective basis any damaging impact on investments in fixed capital assets & on large scale employment should be re-considered while strictly ensuring enforcing through effective policing for the very noble social cause & goal of preventing 'drunken driving with zero tolerance.'

## SC's liquor ban will cause job losses, hit tourism: Hospitality body

IANAS | New Delhi April 05, 2017 Last Updated at 17:16 IST

The Supreme Court ban on liquor sale within 500 metres on either side of national and state highways will impact foreign tourists' arrival and lead to job losses, Federation of Associations in Indian Tourism and Hospitality (FAITH) said on Wednesday.

In a statement here, FAITH said establishments approved under the tourism category exist primarily for lodging, conferencing, meetings, banqueting and dining out experiences which include liquor service as part of this overall experiences.

"None of these establishments are licensed for, nor practice, nor promote, sale of liquor to be consumed outside," the statement said.

According to FAITH, most entrepreneurs who bid as part of government's public-private-partnership tourism projects along national and state roads and highways had modelled their cash inflows on these experiences considering room conferencing, food, beverages revenues over their concession periods.

With reduced business, these establishments will result in distressed financial asset and become non-performing assets, the FAITH added.

"Almost nine million tourists visit India, resulting in almost 27 million foreign visitations across Indian states. These along with 1.8 billion domestic visitors frequent a significant portion of these establishments as guests," it said.

All of this will be put to risk if the overall food and beverage experiences is compromised at such legitimate establishments which pay direct and indirect taxes and levies to both the central and state governments.

According to FAITH, the tourism establishments employ more than five crore people directly and indirectly impacting the living conditions of their almost 20 crore family members.

FAITH also said the ban on sale of liquor would affect the MICE-meetings, incentives, conferences and exhibition-tourism segment.

"India has less than an estimated 0.5 per cent of the world share of this sub-sector of tourism which will see large-scale cancellations. That has already started happening. Tourists who bring in \$20 billion plus forex earnings will reduce their visits to India and a large number of Indians will increasingly prefer travelling out of India for such events leading to a major outflow of foreign exchange," FAITH said.

A major reason for meetings, conferences, corporate events, weddings and exhibitions to be held at such establishments in India is to combine them with social get together which includes food, beverage and entertainment experiences.

"The Indian tourism and hospitality industry as a people intensive industry, respects, honours and commends any judgement which upholds the safety of human lives," Nakul Anand, Chairman of FAITH, was quoted as

saying in the statement.

"As Indians first, we are grateful for a highly functioning legal and governance system which advocates our safety and security. As the nodal body representing the tourism industry in the country, FAITH is reviewing the way forward with key stakeholders," he added.

--IANS

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# Industry body FAITH issues statement on SC liquor ban

By [Anumeha Chaturvedi](#), ET Bureau | Apr 05, 2017, 09.08 PM IST

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NEW DELHI: The Federation of Associations in Indian [Tourism](#) and Hospitality (FAITH) has issued a statement in view of the recent order of the [Supreme Court of India](#), dated March 31st 2017.

FAITH stated that establishments approved under the tourism category, (hereafter called 'establishments') exist primarily for lodging, conferencing, meetings, banqueting and dining out experiences which include liquor service as part of this overall experience as listed above.

FAITH further added that a major reason for meetings, conferences, corporate events, weddings and exhibitions to be held at such 'establishments' in India is to combine them with social get-togethers which includes food, beverage & entertainment experiences.

"India has less than an estimated 0.5% of the world share of this sub-sector of tourism which will see large scale cancellations. That has already started happening. Tourists who bring in over \$20bn forex earnings will reduce their coming to India and a large number of [Indians](#) will increasingly prefer travelling out of India for such events leading to a major outflow of foreign exchange," FAITH said.



The industry body said that the liquor ban could lead to a major outflow of foreign exchange.

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# Liquor ban: Excise panel will review **claims** of restaurants

**HIGHWAY TROUBLE** Many bar owners claimed their outlets were beyond the 500 metre limit set by the top court

**HT Correspondent**

htreporters@hindustantimes.com

**NEW DELHI:** The Delhi government's excise department has formed a committee to look into the grievances of a few restaurants and bar owners whose shops have been shut after the Supreme Court's order to ban sale of liquor along highways.

The bar owners claimed their outlets were beyond the 500 metre limit set by the Supreme Court.

Sources in the department said the committee was formed after a representation of hoteliers met the excise commissioner on Monday.

"A three-member committee led by an assistant commissioner has been formed to verify the claims. A few owners claimed they are out of the ambit of the 500 metre distance and their licences have been wrongly cancelled. The committee will review these claims and if found correct, it will be rectified," an official said.

Shutters came down on around 50 restaurant and bars on the midnight of March 31 after the excise department knocked



■ **Shutters came down on around 50 restaurant and bars on the midnight of March 31 within hours of the apex court clarifying its order banning the sale of liquor within 500 metres of highways.** VIPIN KUMAR/HT

at their doors within hours of the apex court clarifying its order banning the sale of liquor within 500 metres of national and state highways.

Though the order was implemented, officials said confusion

prevails among the stakeholders, including excise departments across the country, over the correct interpretation of the order. "The order of the apex court banned the 'sale' of liquor. But the licence conditions for

restaurants clearly mention that it is to "serve" liquor. The restaurant owners are raising this ground as well," an official said.

Reports of the excise department in Punjab having stopped issuing one-day licences to serve

liquor at marriage halls has left hall owners on the tenterhooks.

There are many marriage halls on national highways in the Capital, especially along NH-1 and NH-10. Excise department officials, however, said, such places are unlikely to come under the ambit of the Supreme Court order.

Meanwhile, the Federation of Associations in Indian Tourism and Hospitality (FAITH) said that the directions issued by the apex court cannot be read down so as to apply only to shops involving sale of liquor situated within 500 metres of national or state highways.

"The Indian Tourism & hospitality industry as a people intensive industry, respects, honours and commends any judgement which upholds the safety of human lives. As Indians first, we are grateful for a highly functioning legal and governance system which advocates our safety & security. As the nodal body representing the tourism industry in the country, FAITH is reviewing the way forward with key stakeholders," said Nakul Anand, Chairman, Faith, said in a statement.

# Liquor ban order: Tourism body fears cancellation of MICE events

May lead to a large-scale bad loan situation, impact investment climate in tourism and hospitality

## OUR BUREAU

New Delhi, April 5

In the wake of the Supreme Court's liquor ban on restaurants and hotels located in close proximity to National or State highways, the Federation of Associations in Indian Tourism and Hospitality (FAITH) on Wednesday said that establishments approved in the tourism category primarily exist for lodging, conferences and dining out experience, adding that none of these promote liquor consumption outside their premises.

Expressing concern over losing business, FAITH also said that meeting, incentives, conferencing, exhibitions (MICE) and wedding at hotels was combined with food, beverage and entertainment experiences. "India has less than an estimated

0.5 per cent of the world share of this sub-sector of tourism which will see large-scale cancellations. That has already started happening. Tourists will increasingly prefer travelling out of India for such events leading to a major outflow of foreign exchange," it added.

Referring to the Prime Minister's recent comments in Jammu & Kashmir that youth need to choose "tourism over terrorism", the industry body pointed out that the hospitality industry employs five crore people directly and impacts the lives of 20 crore families indirectly.

"Almost nine million tourists visit India, resulting in almost 27 million foreign visitations across Indian states. These, along with 1.8 billion domestic visitations, frequent a significant



portion of these 'establishments' as guests. All of this will be put to risk, if the overall food & beverage experience is compromised at such legitimate establishments that pay direct and indirect taxes and levies to both the Central and State governments," it said in a statement.

Nakul Anand, Chairman, FAITH, said as the nodal body representing the tourism industry, FAITH was reviewing the way forward with key stakeholders.

The tourism body pointed out that most of the entrepreneurs, who bid as part of the public-private partnership projects along national and state high-

ways have modelled their cash inflows on food and beverage revenues. The reduction in business will also result in distressed financial assets and may lead to a large-scale bad loan situation for the banking and financial system and severely impact the investment climate in tourism and hospitality.

"The US gets around 2 billion domestic tourism implying eight trips per citizen and 70 million foreign tourists. India gets 1.1 domestic tourism visits per citizen and just nine million tourists. Indian tourism's hopes of highways-driven tourism model will come to a standstill and will regress Indian tourism if such 'establishments' will cease to be tourism venues," it added.

FAITH said it supports any move that backs responsible driving, but requested that on a retrospective basis any damaging impact on investments in fixed capital assets and on large scale employment should be re-considered.

## Highway liquor ban to cause NPAs, claims FAITH

The highway liquor ban imposed by the Supreme Court would lead to large scale non-performing assets and impact the investment climate in the tourism and hospitality sector, the Federation of Associations in Indian Tourism and Hospitality (FAITH) said on Wednesday. Nakul Anand, a director with ITC and the chairman of FAITH said, a lot of these 'establishments' with reduced business would result in distressed financial assets. FAITH is reviewing the way forward with key stakeholders. It said most of the entrepreneurs who bid as part of Government PPP tourism projects along national and state main roads and highways had modelled their cash inflows on these experiences considering room conferencing, food, beverages revenues over their concession periods.

**PTI**

# SC ban will lead to huge job losses: Tourism industry

DC CORRESPONDENT  
CHENNAI, APRIL 5

The Supreme Court's order banning sale of liquor within 500 metres of highways would lead to massive job losses and hotels or clubs registered under the tourism category would turn into non-performing assets (NPA) if the ban is not overturned, the tourism and hospitality industry feels.

The industry, which employs nearly 5 crore people, wants state governments to follow Uttar Pradesh and Chandigarh in redesignating the highways to circumvent the ban. The industry also feels the governments - both Centre and State - should come forward to help them in ensuring that the livelihood of so many people is not affected.

The Federation of Associations in Indian Tourism and Hospitality (FAITH) says there will be one million job losses in the industry and loss of foreign exchange earnings, as foreign tourists will give India a miss.

In a statement, FAITH said establishments approved under the tourism category exist primarily for lodging, conferencing, meetings, banqueting and dining out. "Liquor service is a part of these experiences. None of these establishments are licenced for, nor practice, nor pro-

## Hoteliers may move top court

Chennai: Hoteliers are consulting among themselves on the possibility of moving the Supreme Court also with a review petition on its order banning sale of liquor within 500 metres of highways.

Sources in the industry said they are holding consultations with stakeholders to file a review petition in Supreme Court on the ground that these hotels and clubs do not promote sale of liquor to be consumed outside, unlike liquor shops.

The Federation of Associations in Indian Tourism and Hospitality (FAITH) believes that developed countries like the US have achieved tourism growth on 'highway-led tourism model', which will come to a standstill in India if hotels or clubs cease to be tourism venues.

mote the sale of liquor to be consumed outside of them," the statement said, adding that the segment employs over five crore people, and this move will affect their employment.

The industry says the losses incurred by states could

## Withdrawal symptoms high among tipplers post shutdown

ANNA SAKHI JOHN | DC  
CHENNAI, APRIL 5

With the shutters down on over 2,500 Tasmac outlets in the state, tipplers has been running around desperately in search of ways to fulfil their urge to drink.

Though the Supreme Court order to ban the sale of liquor may be welcomed by many, the chances of heavy drinkers developing withdrawal symptoms are high, psychiatrists say.

"Alcoholics who drink on a regular basis can develop symptoms of vomiting or fits. They can develop a condition called Delirium Tremens, which is a rapid onset of confusion, usually caused by withdrawal from alcohol," said renowned psychiatrist Dr S. Nambi.

Stating that around 10 per

cent of severe alcoholics can develop this condition, he said that the others could suffer from loss of appetite, lack of sleep and irritability leading to fights.

"The only way they can avoid developing withdrawal symptoms could be by drinking. Alcoholics would even travel 100 km just to get a drink," said psychologist P Nilam.

"Alcoholics will go to any level to procure their drinks. They may even stock alcohol so that there is enough for the future. As a result of this urge on the part of many alcoholics, we have suggested that there are referral doctors near shops to prevent tipplers from developing withdrawal symptoms through rehabilitation," added Dr Nambi.

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all food and beverage experiences is compromised, especially when these legitimate establishments pay taxes and levies to both the central and state governments.

Hotel owners and industry experts, who did not wish to be quoted, pointed out that

states like Uttar Pradesh, Rajasthan, and Punjab have taken measures to circumvent the ban and want rest of the state governments to follow suit. In states like Uttar Pradesh and Punjab, state highways are being notified as district or urban roads.

Informed sources in talks with the government said that they expect action from the state. "The government is going to lose a lot of revenue in this move. The closure of Tasmac shops has been a big blow," said a source.

A personal representation from the hotel association members has been placed in front of state government, another source said. A member of the South India Hotels and Restaurants Association (SIHRA), said that the association is awaiting a solution, and the state support is essential in the same.

"India has less than an estimated 0.5 per cent of the world share of this sub-sector of tourism, which will see large-scale cancellations. That has already started happening. Tourists who bring in \$20 billion plus forex earnings will reduce their visits to India and a large number of Indians will increasingly prefer travelling out of India for such events leading to a major outflow of foreign exchange," FAITH said.





# Supreme Court's liquor ban to cause massive job loss, hit tourism: FAITH

PNS ■ NEW DELHI

The Supreme Court's decision of banning liquor sale within 500 metres on either side of national and state highways will result in massive employment loss and irretrievable image loss to India as a tourism destination, said Federation of Associations in Indian Tourism and Hospitality (FAITH) on Wednesday.

"Establishments approved under the tourism category exist primarily for lodging, conferencing, meetings, banqueting and dining out experiences which include liquor service as part of this overall experiences," said the statement.

"None of these establishments are licensed for, nor practice, nor promote, sale of liquor to be consumed outside. The establishments employ more than 5 crore people directly & indirectly impacting the living conditions of their almost 20 crores family members," added the statement.

Quoting the famous Kashmir speech of Prime Minister, Narendra Modi,



asking the Kashmiri youths to embrace tourism or terrorism, FAITH said: "Displacing such a larger population from tourism jobs will run the risk of a nationwide unemployment roughly estimated at a million plus with the consequent risk of pushing this working population towards undesirable activities to earn their and their dependants' livelihoods."

India's Tourism, Travel & hospitality is estimated to contribute to \$200 billion, 9.5 per cent of Indian GDP,

around 5 crore employment i.e. 9 per cent of Indian employment, \$30 billion+ investment at 5.5 per cent of total capital investment in India. "This capital investment is immobile and cannot be relocated or picked up and moved driven by decisions which challenge their business models on a retrospective basis," added the statement.

"Almost 9 million tourists visit India, resulting in almost 27 million foreign visitations across Indian states. These along with 1.8 billion domes-

tic visitations frequent a significant portion of these 'establishments' as guests. All of this will be put to risk if the overall food & beverage experiences is compromised at such legitimate establishments which pay direct & indirect taxes & levies to both the Central and State Governments," said the statement.

"Tourists who bring in \$20bn+ forex earnings will reduce their coming to India & a large number of Indians will increasingly prefer travelling out of India for such events leading to a major outflow of foreign exchange," warned the statement.

Reiterating that industry will support all move to promote responsible driving, FAITH Chairman Nakul Anand was quoted saying in the statement, "The Indian tourism and hospitality industry, respects, honours and commends any judgement which upholds the safety of human lives.

"As the nodal body representing the tourism industry in the country, FAITH is reviewing the way forward with key stakeholders," he added.

BAN

IMPACT

# SC order could cost hotels, clubs ₹1L-cr

## ■ Ban could throw 5 crore people out of jobs: Panel

L. VENKAT RAM  
REDDY | DC

HYDERABAD, APRIL 5

The tourism and hospitality industry fears many hotels and clubs approved under the tourism category will turn into non-performing assets as their business will fall on account of the Supreme Court order prohibiting sale of liquor in establishments along state and national highways.

The ban will also impact the livelihood of five crore people employed in the sector directly and indirectly.

The Federation of Associations of Indian Tourism and Hospitality is holding consulta-

tions with stakeholders to file a review petition on the grounds that hotels/clubs do not promote sale of liquor to be consumed outside their premises, unlike liquor shops.

The association says developed countries like the US have been successful in promoting tourism with their 'highway-led tourism model'. This will come to a standstill in India if hotels and clubs cease to be tourism venues.

Mr Nakul Anand, chairman, FAITH, said, "The tourism and hospitality industry as a people intensive industry respects, honours and commends any judgement which

upholds the safety of human lives. As the nodal body representing the tourism industry in the country, we are reviewing the way forward with key stakeholders."

The association said hotels/clubs exist primarily for lodging, conferencing, meetings, banqueting and dining out facilities, which include liquor service.

Entrepreneurs who bid in private-public partnership projects along national and state highways had modelled their cash inflows on these facilities.

"But a lot of these hotels/clubs, with reduced business, will result in distressed financial

assets and may lead to a large scale NPA situation for our banking and financial system and may severely impact the investment climate in the tourism and hospitality sectors and overall business environment in India," the association said.

States will run the risk of losing an estimated ₹1 lakh crore. The association is urging that, retrospectively, any damaging impact on investments in fixed capital assets and on large-scale employment should be re-considered while strictly enforcing, through effective policing, zero tolerance for drunken driving.

DC

on industry in five years by ad and 11 p

HANS INDIA

# Hospitality industry worries over highway liquor ban

BUSINESS BUREAU

**New Delhi:** The Federation of Associations in Indian Tourism and Hospitality (FAITH) estimates the revenue loss across India at Rs one lakh crore due to the liquor ban along highways by Supreme Court.

Nakul Anand, Chairman, FAITH, said: "The Indian Tourism and hospitality industry as a people intensive industry, respects, honours and commends any judgement which

upholds the safety of human lives. As the nodal body representing the tourism industry in the country, FAITH is reviewing the way forward with key stakeholders."

FAITH on Wednesday in a statement requests the Centre that the damaging impact on investments, employment should be reconsidered, while strictly ensuring enforcing through effective policing for the very noble social cause of preventing drunken driving with zero tolerance..



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# SC'S LIQUOR BAN WILL CAUSE JOB LOSSES, HIT TOURISM: HOSPITALITY BODY

Posted by: nt April 6, 2017 in Business

IANS

NEW DELHI

The Supreme Court ban on liquor sale within 500 metres on either side of national and state highways will impact foreign tourists' arrival and lead to job losses, Federation of Associations in Indian Tourism and Hospitality (FAITH) said on Wednesday.

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"None of these establishments are licensed for, nor practice, nor promote, sale of liquor to be consumed outside," the statement said.

According to FAITH, most entrepreneurs who bid as part of government's public-private-partnership tourism projects along national and state roads and highways had modelled their cash inflows on these experiences considering room conferencing, food, beverages revenues over their concession periods.

With reduced business, these establishments will result in distressed financial asset and become non-performing assets, the FAITH added.

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## SC's liquor ban will cause job losses, hit tourism: Hospitality body



### IANS

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According to FAITH, the tourism establishments employ more than five crore people directly and indirectly impacting the living conditions of their almost 20 crore family members.

FAITH also said the ban on sale of liquor would affect the MICE-meetings, incentives, conferences and exhibition-tourism segment.

"India has less than an estimated 0.5 per cent of the world share of this sub-sector of tourism which will see large-scale cancellations. That has already started happening. Tourists who bring in \$20 billion plus forex earnings will reduce their visits to India and a large number of Indians will increasingly prefer travelling out of India for such events leading to a major outflow of foreign exchange," FAITH said.

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# SC liquor ban to hit jobs, tourism biz: Hospitality body

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"The Indian tourism and hospitality industry as a people intensive industry, respects, honours and commends any judgement which upholds the safety of human lives," Nakul Anand, Chairman of FAITH, was quoted as saying in the statement.

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# Gurgaon Excise Dept to Start Measuring Motorable Distances from Today. The Oberoi to be First. But Why Hotels & Restaurants? Plus: FAITH Voices \$200bn Industry's Concerns.

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Nakul Anand, Chairman, Federation of Associations in Indian Tourism and Hospitality (FAITH), has issued a statement highlighting the negative downstream effects of the Supreme Court's decision on the \$200 billion travel and tourism sector.

# 'Liquor ban to hit tourist arrivals, forex earnings'

## About 10 lakh people could lose jobs: hospitality industry

**SPECIAL CORRESPONDENT**

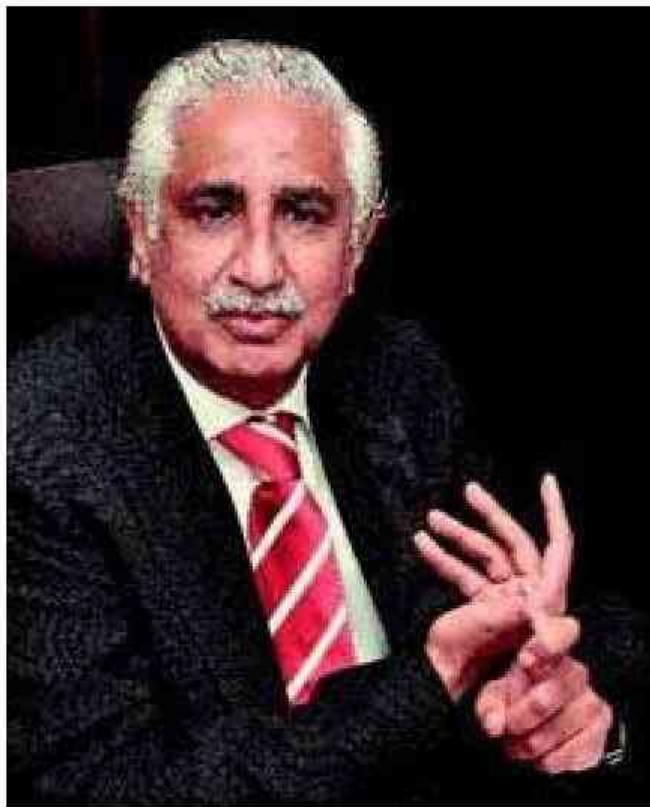
**CHENNAI**

The Supreme Court order banning the sale of liquor within 500 metres of a highway will impact foreign tourist arrivals, foreign exchange earnings and result in job losses potentially affecting 10 lakh people, according to a top official of The Federation of Associations in Indian Tourism and Hospitality (FAITH).

"Almost nine million tourists visit India, resulting in almost 27 million foreign visitations across Indian states," said Nakul Anand, chairman, FAITH.

"These, along with 1.8 billion domestic visitations, frequent a significant portion of these establishments as guests," he said.

"Tourism establishments employ more than five crore people directly," he said, adding that their earnings indirectly impacted the living conditions of their almost 20 crore family members.



Nakul Anand

"All of this will be put to risk if the overall food and beverage experience is compromised at such legitimate establishments which pay direct and indirect taxes and levies to both the central and state governments."

Establishments approved under the tourism category exist primarily for lodging, conferencing, meetings, banqueting and dining out experiences which include liquor service. None of these establishments is licensed for, nor practice, nor pro-

mote sale of liquor to be consumed outside of them, he said.

### **Forex outflow**

"India has less than an estimated 0.5% of the world share of this sub-sector of tourism which will see large-scale cancellations. That has already started happening. Tourists who bring in \$20 billion plus forex earnings will reduce their coming to India and a large number of Indians will increasingly prefer travelling out of India for such events leading to a major outflow of foreign exchange," Mr. Anand said.

"With reduced business, these establishments will result in [becoming] distressed financial assets."

Condemning drunken driving, Mr. Anand said, "We request that any damaging impact on investments... should be reconsidered while ensuring enforcement through effective policing to prevent drunken driving."



## Hoteliers may move top court

**Chennai:** Hoteliers are consulting among themselves on the possibility of moving the Supreme Court also with a review petition on its order banning sale of liquor within 500 metres of highways.

Sources in the industry said they are holding consultations with stakeholders to file a review petition in Supreme Court on the ground that these hotels and clubs do not promote sale of liquor to be consumed outside, unlike liquor shops.

The Federation of Associations in Indian Tourism and Hospitality (FAITH) believes that developed countries like the US have achieved tourism growth on 'highway-led tourism model', which will come to a standstill in India if hotels or clubs cease to be tourism venues.

THE PROCESS of measuring motorable distances from National Highway No. 48 to hotels, standalone restaurants and bars that have sprouted around it, and have been served notices to stop serving alcoholic beverages, will start on Thursday, April 6. Sharing this information with me after a meeting with the Haryana Chief Secretary, **Rahul Singh**, General Secretary, **National Restaurant Association of India (NRAI)**, said the process will start with **The Oberoi Gurgaon**.

That's some progress. But a far bigger question looms on the horizon.

### **HOW DID HOTELS & RESTAURANTS COME WITHIN THE ORDER'S PURVIEW?**

Starting from the time (January 15, 2004) when the **National Road Safety Council** agreed unanimously that licences for liquor shops should not be given along the national highways, to the time (October 26, 2007) when the **Ministry of Road Transport and Highways** issued its first advisory to state governments against liquor shops along national highways, to the last time (March 11, 2013) that the Ministry communicated yet again to the state governments reiterating the same advice, and the PILs that were filed (in the Madras and Punjab and Haryana high courts) to goad the respective state governments to act on the advisories, at no time did hotels, restaurants, bars and clubs come up for discussion.

At the centre of each advisory and each appeal was the issue of implementing the advised ban on allowing liquor vends on national highways. How did hotels, restaurants, bars and clubs got dragged into the purview of the March 31, 2017, order of the Supreme Court? Two eminent jurists consulted by the NRAI -- **Justice (Retd.) A.P. Shah**, former Chief Justice of the Delhi High Court and former Chairman, National Law Commission, and **Justice (Retd.) B.N. Srikrishna**, former Judge, Supreme Court of India -- after the first order passed on December 15, 2016, also advised that nothing in it suggested that hotels, restaurants, bars and clubs came in its purview.

The critical distinction to be made here is that hotels, restaurants, bars and club sell liquor only for on-premise consumption, whereas what liquor vends sell can be consumed anywhere, especially on the driver's seat of a car or a truck, or while riding a two-wheeler.

The source of confusion, many believe, is an observation made in Para 27 of the March 31 order. It reads: "Finally we clarify that we are not inclined to issue a direction in terms as sought by Shri **Aryama Sundaram**, learned senior counsel, and other counsel that the judgment of this Court should be clarified so as to apply only to shops involving sale of liquor. Since the object of the direction is to prevent drunken driving, no such relaxation can be made which would defeat the object which is sought to be achieved. Consequently, the directions issued by this Court cannot be read down, as suggested. The directions shall be read, as they stand."

The paragraph is ambiguous. The judges could have been clear and forthright. Instead, they assert that the directions issued by the court be read "as they stand". And what were the directions issued on December 15, 2017, and reiterated on March 31, 2017? I am reproducing them verbatim:

"(i) All states and union territories shall forthwith cease and desist from granting licences for the sale of liquor along national and state highways;

(ii) The prohibition contained in (i) above shall extend to and include stretches of such highways which fall within the limits of a municipal corporation, city, town or local authority;

(iii) The existing licences which have already been renewed prior to the date of this order shall continue until the term of the licence expires but no later than 1 April 2017;

(iv) All signages and advertisements of the availability of liquor shall be prohibited and existing ones removed forthwith both on national and state highways;

(v) No shop for the sale of liquor shall be (i) visible from a national or state highway; (ii) directly accessible from a national or state highway and (iii) situated within a distance of 500 metres of the outer edge of the national or state highway or of a service lane along the highway.

(vi) All States and Union territories are mandated to strictly enforce the above directions. The Chief Secretaries and Directors General of Police shall within one month chalk out a plan for enforcement in consultation with the state revenue and home departments. Responsibility shall be assigned inter alia to District Collectors and Superintendents of Police and other competent authorities. Compliance shall be strictly monitored by calling for fortnightly reports on action taken.

(vii) These directions issue under Article 142 of the Constitution."

Does the expression "sale of liquor along national and state highways" cover hotels, restaurants, bars and clubs? In my humble opinion, it doesn't, because, as the March 31, 2017, order makes it abundantly clear: "The issue which the Court addressed was the presence of liquor vends on national and state highways across the country." Hotels, restaurants, bars and clubs are not liquor vends.

## **FAITH HIGHLIGHTS DOWNSTREAM EFFECTS OF LIQUOR BAN**

Voicing an inter-sectoral perspective, the **Federation of Associations in Indian Tourism and Hospitality (FAITH)** highlighted the downstream effects of the ban beyond the immediately reported one, namely, loss of jobs and state revenues.

In a statement issued by **Nakul Anand**, Executive Director, ITC Limited, and Chairman, FAITH, the nodal body of ten hospitality and tourism trade associations, said:

(1) 'Establishments' approved under the tourism category exist primarily for lodging, conferencing, meetings, banqueting and dining out experiences, which include liquor service as a part of this overall experience. None of these 'establishments' are licensed for, nor practice, nor promote sale of liquor to be consumed outside of them. The 'establishments' employ more than 50 million people directly and indirectly impacting the living conditions of almost 200 million members of their families.

(2) Almost 9 million tourists visit India, resulting in almost 27 million foreign visitations across Indian states. To these numbers if you add 1.8 billion domestic visitations, it is a big market that brings in massive revenues for the 'establishments'. The ban will jeopardise this market because the overall food and beverage experiences will be compromised in the affected establishments, which also pay direct and indirect taxes and levies to both the central and state governments. After decades of independence, India despite all its natural geographic and cultural heritage, still has a mere 0.67 per cent of the world tourism market share, which will get reduced drastically further if this happens.

(3) A major reason for meetings, conferences, corporate events, weddings and exhibitions to be held at such 'establishments' in India is to combine them with social get-togethers that includes food, beverage and entertainment experiences. India has less than an estimated 0.5 per cent of the world share of this sub-sector of tourism. Even this minuscule sector will be hit by large-scale cancellations. That has already started happening. Tourists, who bring in \$20 billion worth of foreign exchange earnings, will reduce their visits to India and a large number of Indians will increasingly prefer travelling out of India, causing a major outflow of foreign exchange.

(4) Most of the entrepreneurs who bid as part of the government's PPP tourism projects along national and state main roads and highways had modelled their cash inflows on these experiences, considering room, conferencing, food and beverage revenues over their concession periods. A lot of these 'establishments' with reduced business will result in distressed financial assets and may lead to a large-scale non-productive assets (NPA) situation for our banking and financial system and may severely impact the investment climate in tourism and hospitality as well as the overall business environment in India.

(5) Developed countries such as the USA have built their significant tourism growth upon their iconic model of highways-led tourism development. The USA gets around two billion domestic tourism implying eight trips per citizen and 70 million foreign tourists. India, on the other hand, gets 1.1 domestic tourism visits per citizen and just nine million tourists. Indian tourism's hopes of a highways-driven tourism model taking off, have been dashed; in fact, it can only regress if such 'establishments' cease to be tourism venues.

(6) India's tourism, travel and hospitality sectors contribute \$200 billion to the economy (9.5 per cent of Indian GDP), generate employment for 50 million people (9 per cent of the Indian job market), and have attracted capital investment worth \$30 billion (5.5 per cent of the total). This capital investment is immobile and cannot be relocated or picked up and moved according to judicial or executive decisions that challenge their business models on a retrospectively.

FAITH, incidentally, is a Nasscom-style industry body representing the Adventure Tour Operators Association of India, Association of Domestic Tour Operators of India, Hotel Association of India, India Convention Promotion Bureau, Indian Association of Tour Operators, Indian Heritage Hotels Association, Indian Tourist Transporters Association, Federation of Hotel and Restaurant Associations of India, Travel Agents Association of India, and the Travel Agents Federation of India.

"As Indians first, we are grateful for a highly functioning legal and governance system which advocates our safety and security. As the nodal body representing the tourism industry in the country, FAITH is reviewing the way forward with key stakeholders," he added.

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According to FAITH, the tourism establishments employ more than five crore people directly and indirectly impacting the living conditions of their almost 20 crore family members.

FAITH also said the ban on sale of liquor would affect the MICE-meetings, incentives, conferences and exhibition-tourism segment.

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