

FHRAI submits representation to Tourism Minister for revival and growth of hospitality industry

Federation of Hotel & Restaurant Associations of India (FHRAI) recently met Mr. G Kishan Reddy, Union Minister for Tourism, Culture and Development of North-Eastern Region and submitted a representation with suggestions for the revival and growth of the hospitality industry. Recommendations include making tourism a national priority sector, according hospitality infrastructure status, better credit facilities, subsidies and incentives, rationalisation of GST, continuation of EPCG scheme, favourable liquor licence policies and the need for a platform similar to Open Network for Digital Commerce (ONDC) for hospitality industry among others.

As part of Azadi Ka Amrit Mahotsav celebrations, FHRAI and its regional associations have promised their whole-hearted support and proposed organising region specific food festivals across the country with the support of the Ministry of Tourism. FHRAI has also advised its hotel and restaurant members to display the 75 years of Independence logo of Azadi Ka Amrit Mahotsav in their premises and on their stationery.

“With the pandemic restrictions being eased slowly across the country and man being a social animal, people are eager to get out and socialise. The future of culinary tourism is bright in India. People are very aware of the different cuisines and are ready to experiment with the variety to try out good food. It is the right time to take initiatives that can promote tourism in the country. To commemorate 75 years of Indian Independence, we are proposing that FHRAI and its associations with the support of the Tourism inistry would like to highlight and host 75 regional cuisines in each of the food festivals,” said Mr. Gurbaxish Singh Kohli, Vice President, FHRAI.

“India’s tourism sector is one of the largest service industries with 10.93 million Foreign Tourist Arrivals (FTAs) and US\$30 billion Foreign Exchange Earnings in 2019. The sector has been adversely impacted by the pandemic in the last two years that affected roughly 60 to 70 per cent of its revenue. Tourism is one of the important sectors in the country that accounts for around 10 per cent of GDP and employs roughly 90 million people. The tourism and hospitality

industry in India carries an extensive potential to be the key driver to accelerate socio-economic development of the country. To achieve this, tourism should be declared as a priority sector in the country with special incentives and benefit to help the sector to attain its true potential. India is one of the key tourist destinations in the South Asian region and hence, in a rapidly expanding tourism market of the region, it becomes even more important to bring out exclusive and exhaustive incentive and policy measures to make the sector more competitive,” he added.

The Association has stated that being capital intensive, hotels require huge investments and have a long gestation period. Mid-market and budget hotel projects are built below Rs 200 crores and tend to repay debts in a relatively short period of seven to eight. However, the high bank interest rates discourage investments in the sector.

“RBI had recognised hotels as a sub-sector of Social Infrastructure. The infrastructure status was granted to hotel projects above Rs.200 crores. This threshold has to be brought down to Rs.10 crores per hotel to give fillip to budget segment hotels. Granting of infrastructure status will allow hotels to avail term loans with longer repayment schedule of 15 or even 25 years like other sectors such as road, railways and ports, and also make statutory utilities like electricity available to the sector at industrial rates instead of the commercial rates,” shared Mr. Pradeep Shetty, Jt Hon. Secretary, FHRAI.