

Budget 2023: Hospitality industry welcomes FM Sitharaman's announcements to boost tourism sector

Finance Minister Nirmala Sitharaman's Budget announcements for the tourism sector bode well for the hospitality industry, said industry veterans. Industry body Federation of Hotel & Restaurant Associations of India (FHRAI) has welcomed the announcement. "The Unity Mall, other tourism promotion initiatives through states and the development of 50 tourism destinations as a whole package will help in the growth of domestic as well as international tourism. Also, the announcement of additional airports, heliports, water aerodromes and advance landing grounds to improve regional connectivity is a great step. Like the Golden Triangle, regional connectivity will give a major boost to the dedicated tourism corridors. This will help promote local tourism whilst giving a boost to investment in hospitality projects in the region," said Mr. Jaison Chacko, Secretary General, FHRAI. The industry is expecting appropriate allocation to be made to hospitality as per sector-specific planning envisaged by the Ministry of Tourism in conjunction with the industry. Moreover, the revamped credit guarantee scheme for MSMEs with an infusion of Rs 9,000 crore into the corpus is expected to help small- and medium-scale hotels and restaurants.

Mr. Chacko said that, however, the hospitality industry's long pending requests for infrastructure status, uniform GST, and placing tourism on the concurrent list of the constitution have not been met.

Shares of most hospitality companies closed on a high post the announcement that the promotion of tourism will be taken up in mission mode, including via PPPs. Shares of Indian Hotels Company (IHCL) closed nearly 9 per cent up, while EIH closed over 7 per cent. Lemon Tree Hotels gained nearly 6 per cent.