



PRESS STATEMENT

HAI appeals to extend help for the hospitality sector: writes to PM

New Delhi, 26 May 2021: Hotel Association of India (HAI) has appealed to Prime Minister Shri Narendra Modi for immediate intervention to provide relief to the hospitality industry which is on the verge of collapse, in five key areas--- **one-time settlement of loans and extension of loan moratoriums till September 2021, waiver of all statutory liabilities at Centre, State and Municipal levels for the pandemic period, stimulus package-subsidising of salaries of hotel employees,** according 'Infrastructure Status' and to bring Tourism & Hospitality to the concurrent list of the Constitution.. HAI in its appeal highlighted that more than 40% of hotels have shut or are on the brink of closure and 70% of overall jobs are now in danger directly or indirectly.

Hospitality industry remains one of the most impacted sectors in the country and continues to struggle due to Covid restrictions and absence of financial reliefs from the government. In its representation to PM, HAI has strongly urged the Government to **consider one-time settlement of loans and extension of loan moratoriums till September 2021, pointing out that** the increasing loan burden at a time of almost non-existent income may serve only to increase the NPAs of Banks and Moratorium will provide a breathing space to the already crippling industry.

Reiterating its earlier demand HAI has requested **waiver of all statutory liabilities at Centre, State and Municipal levels for the pandemic period** especially during the lockdown period on ground of natural justice. Even with zero revenue and resources, many of the hospitality establishments continue to pay the staff on humanitarian grounds which is now unbearable for the industry. HAI therefore has requested PM to **offer stimulus package-subsidising of salaries of hotel employees** by 50% from April 2021-March 2022 as is being done by many countries as a part of their economic recovery programmes.

While lauding the Government's effort to promote Domestic tourism the industry body also stressed on the fact that expansion of domestic tourism will require creation of suitable accommodation to meet the incremental demand. The hospitality sector is a provider of key tourism infrastructure serving the basic need of accommodation of travelers of any kind. According 'Infrastructure Status' will enable the industry to access long term funds at subsidized rates as available to other infrastructure industries like ports, highways, airports, railways etc. HAI also added that Infrastructure status will encourage greater investments in tourism infrastructure around the country, create income and have a ripple effect on demand and will therefore help economic recovery of the country.

At present the relief, incentives, and other promotional support to industries differ from state to state. For harmonious growth of the industry, there is a need for greater and closer coordination



across the country. **Featuring Tourism & Hospitality in the concurrent list of the Constitution** will facilitate a stronger coordinating role for the Ministry of Tourism, HAI added.

The Industry body also recommended to form a consultative mechanism like a **Task Force** of the government and industry representatives which will help in pragmatic policy formulation and bring the true spirit of Public Private Partnership.

The potential shock to livelihood of millions working in the hospitality industry is enormous.

The Indian hospitality sector has a critical role to play in the post pandemic economic revival and has been announced as the fourth pillar of the Indian economy. HAI urged for PM's bold intervention and directions for implementation of the suggestions

to save the Industry jobs and the lives and livelihoods of the citizens employed in hotels and to enable the industry to get on its feet so that it can make its contribution to the national economy.