

# LeaderSpeak

JUNE 2022



## PRESIDENT'S MESSAGE

Dear Members,

"We are happy to create a channel of communication with a strong voice for the hospitality industry. We wish to make this e-newsletter a two-way medium for information and communication, focusing on your organization; the role HAI is playing and all that is happening in the world of hospitality. This will be a platform for sharing experience, viewpoints and innovations to establish a rightful place and help support the industry step forward in overcoming the challenges. With the budget 2022-23, we see a ray of hope with the extension of ECLGS till March 2023 and an additional INR50000 cr earmarked for the hospitality and allied sectors. This will pave the way for resurgence.

We hope you will be our steadfast companion in our journey and participate vibrantly in all that we do."

**-Puneet Chhatwal**

### Hotel occupancy crosses 65% & is more than the Pre Covid level



The hospitality sector is witnessing a rapid and strong recovery since the pandemic. With the lifting of travel restrictions and resumption and operations of international passenger flights the hotel occupancy crossed 65 percent.

According to Mandeep S Lamba, President South Asia of HVS Ana-

rock, metros and cities occupancy and Revenue Per Available Room (RevPar) witnessed a growth. With the IPL cricket tournament in Mumbai the occupancy in the metro was more than 80 percent.

KB Kachru, VP, Hotel Association of India and Chairman Emeritus & Principal Advisor, South Asia

Radisson Hotel Group, stated that the growth in demand for domestic leisure travel, weddings, business travel and summer holidays has witnessed a surge and surpassed the pre Covid 19 level. Hotel chains are expanding to Tier II & Tier III cities and opportunities are opening up.

## HIRING TRENDS: TRAVEL & HOSPITALITY



According to Naukri JobSpeak, the new financial year has witnessed strong sentiment uplift when it comes to hiring activity across all parts of the country. The worst hit sector of Travel & Hospitality continues to recover registering the highest growth in the last one year growing by 169% over last year. These are good signs indicating that the nation is on the path to economic recovery and we are hopeful that in the coming months hiring activity will continue its strong momentum.

## HAI raises concern over raids & imposition of fines on Hotels in Jammu & Kashmir

HAI raised a matter of deep concern to Shri. Manoj Sinha, Hon'ble Lieutenant Governor, Jammu & Kashmir and highlighted the recent unfair and adhoc raids, imposition of fines and threat of legal action on Member hotels in the State. In its representation, the Association pointed out that these impromptu actions by the State

government were motivated by complaints of exorbitant prices and service deficiencies from tourists. HAI supports government's role in curbing unfair business practices but recommends that it be process driven. As a responsible industry body, HAI has always emphasised the importance of collaborative partnership with the government.

## WORLD HAND HYGIENE DAY May 05, 2022

Hotels across the country celebrated the World Hand Hygiene Day



# Launch of ENGAGE MAGAZINE



'HAI ENGAGE', India's industry-driven, hospitality-focused magazine was launched in March 2021. The magazine primarily focused on raising the voice of hospitality industry and helps get recognition that the sector deserves for its role in making India a strong economic entity.

The inaugural issue of HAI Engage was released by **Shri Prahlad Singh Patel, Minister of State (Independent Charge), Ministry of Culture and Tourism, Government of India**, in the presence of Mr. K B Kachru, Vice President, Hotel Association of India and Chairman Emeritus & Principal Advisor-South Asia, Radisson Hotel Group, Dr. Jyotsna Suri, Member-Executive Committee, Hotel Association of India and Chairperson and Managing Director, Bharat Hotels Ltd. (The Lalit Suri Hospitality Group) and Mr. MP Bezbaruah, Former Secretary, Ministry of Tourism and Secretary General, Hotel Association of India. The Tourism Minister lauded the initiative and wished that HAI ENGAGE would become a credible voice of the industry.

## MEETINGS AND RECOMMENDATIONS



### Recommendation to Prime Minister

HAI highlighted 5 immediate and essential measures to help the industry

1. To consider one-time re-structuring of loans and extension of loan moratoriums till September 2021. The increasing loan burden at a time of almost non-existent income may serve only to increase the NPAs of Banks. Moratorium will provide a breathing space to the already crippling industry and will help it to pay its dues.
2. 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.
3. Offer stimulus package- subsidizing of salaries of hotel employees by 50% from April 2021-March 2022. Also mentioned that the Government should consider providing this support to employees as a part of their economic recovery programmes like many other countries
4. 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.
5. Featuring Tourism & Hospitality in the concurrent list of the Constitution.

### HAI's white paper to RBI on Debt Outlook

The Association developed a white paper suggesting a roadmap that can chart the survival, revival and thrival of the Indian hotel industry.

### Recommendation to Finance Ministry

- Customize ECLGS-Inclusion of State Financial Corporations, Asset Reconstructions Companies (ARCs) and Debt Funds, Extension of moratorium, capping of interest rate at eight percent, and Increasing of the delinquency period.
- Restore the insurance premium rates for hotel properties to the level of FY 2018-19. The industry body pointed out that the General Insurance Corporate of India Ltd (GIC Re) and other Re-insurers have increased the premium rates substantially by more than two-and-half times from the pre-FY 2018-19 levels.

### Recommendation to Delhi Chief Minister

1. Appealed to keep hotels classified in the approved categories of the Ministry of Tourism (GoI), outside the purview of the New Excise Policy.
2. Highlighted that in the absence of a 'specific' license, hotels are unable to serve, or own liquor stored in L-15/L-16 licensed premises in banquets.
3. Called for a uniform policy for charging corkage/service facilities apart from seeking implementation of a policy to charge license fee in the absence of fixed per event charge, which can be levied to customers.

### Meeting with Union Minister of Culture, Tourism and Development of North East Region, Shri G. Kishan Reddy

To re-iterate its request for according hotels the status of 'Infrastructure'. The Ministry and the government have acknowledged the Industry's long-standing demand and have recently initiated a dialogue to address the same.

### Representation to Directorate General of Foreign Trade (DGFT)

- a. Demanded reopening of SEIS online application process available to hotels.
- b. These benefits are offered to hoteliers as a fixed percentage of their annual net foreign exchange earnings. The incentive enables hotels to subsidise input costs of imports and facilitates Indian hospitality to match global standards of hotels that a foreign tourist is accustomed to.
- c. The process will go a long way in providing some relief to the hospitality sector which has been heavily burdened with high fixed costs of salaries, utilities, and licenses, etc.

### Twin meetings with the Parliamentary Standing Committee

The Association appeared before the Parliamentary Standing Committee to present its views on 'Distress in Tourism and Hospitality Sectors due to COVID-19 pandemic'. The second hearing was focused around understanding the roadblocks to the effective and successful implementation of the ECLGS scheme. HAI was satisfied with the opportunity to share suggestions with the august committee and the efforts of the committee in finding solutions to the problems plaguing the sector.

## STATE CHAPTERS' INITIATIVE



Engaged with State Tourism Ministers/Secretaries as part of its renewed focus to provide a unified voice to the hospitality sector and aid in the resurgence and sustenance of the Industry.

### **HAI advocated for**

“industry status” to the hospitality sector to avail benefits towards electricity tariffs, property tax, subsidized interest rates on loans, taxation, and a simplified process of approval for hotel projects and operations.



# VISION: INDIAN HOSPITALITY@2047



“HAI during the turbulent days of the Covid-19 epidemic, had a short-term vision focusing on the survival and revival of the industry. Its long-term vision is in sync with the country’s Vision India@2047 where hospitality industry plays the role of a pillar of development, creating income and employment for inclusive growth and forging partnership to make India one of the top sustainable and responsible destinations of unique experiences. In this “future-ready India,” HAI will play the vital link between the industry and the

government creating advocacy and spreading awareness to protect the industry from future shocks. HAI sees the role of the organization as one to help create the differentiators, shaping for itself a leadership position in the industry, spreading its wings to the far corners of the country. In the fast-changing world, the future challenges will be of digitalization, innovation and technology. HAI envisions its role as one of collaboration to share data and information enabling the members to adopt and adapt to the future challenges as they emerge.

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