



HAI reacts to the Union Budget FY23-24: MP Bezbaruah

- *The Government's proposal to focus on the tourism industry on a mission mode is appreciable, however, the much awaited 'Industry Status' is still far-fetched.*
- *HAI is hopeful of getting some direct benefits based on their recommendations shared with the Government and look forward to a few positive steps in that direction as we go along.*

Feb 1, 2023, New Delhi : The Hotel Association of India was hoping that some direct benefits like Infrastructure status, subsidised rates of utilities, property tax and availability of softer finance options, rationalisation of taxes for hotels as recommended by it would get attention in the budget. There is a mention of The Harmonized Master List of Infrastructure to be reviewed by an expert committee for recommending the classification and financing framework, about increased ease of doing business and other proposed reforms. The Association is hopeful that though it is missing in the Budget as of now, these recommendations will be addressed in the coming months.

“However, we are happy to note that the Union Budget 2023-24 continues to build on a strong foundation of economic development by promoting inclusive growth wherein the fruits of development reach each citizen of the country. We are also enthused by the continued focus on developing infrastructure - railways, transport, airports, heliports, water aerodromes – all of which will improve connectivity that is directly linked to the growth of tourism and hospitality. HAI's strong recommendation for “infrastructure status” should have justifiably been fitting with this approach. Digitisation, development of artificial intelligence, emphasis on skilling are other aspects that impact all Sectors and hospitality is no exception.

In the recent past, the Tourism and Hospitality have been recognised as key pillars of the economy. Hotel sector can promote inclusive growth like no other industry given its potential to create jobs across categories, for women and differently abled persons and in remote and rural areas.

This budget too has recognised and highlighted the importance of the sector by announcing the selection and development of 50 tourist destinations through challenge mode. This will surely add more value to India as a destination for both domestic and international travellers.

The Hotel Association of India has been advocating partnerships between the government and the private sector in the development of Indian Hospitality. That the destinations will be developed in a PPP mode as announced in the budget therefore is very satisfying.

The increase in standard deduction and reduction of income tax rates will place more disposable income in the hands of people and grow the demand for goods and services including hospitality services.



About HAI

Established in 1996, Hotel Association of India (HAI) has evolved as an integrated hospitality industry platform to keep pace with the growing buoyancy ushered in by the liberalization of Indian economy in the mid-90s. With its membership extending from major hotel groups; boutique, heritage and small hotels, HAI represents the entire spectrum of the industry. Its Executive Committee is a potent combination of the commitment of hotel owners on one hand and hard-core professionalism of hotel managers on the other. As the apex Industry Body, HAI works in the areas of Promotion of Regional Cooperation and Hospitality Research & Education in addition to taking Industry centric initiatives. By launching Unprecedented 'Social Inclusion' initiatives, HAI also projects the 'Social Face' of the Indian hospitality industry."
