



MEDIA STATEMENT BY HOTEL ASSOCIATION OF INDIA

HAI delegation meets Tourism Minister to discuss according of Infrastructure Status for the Hospitality Industry.

March 4, 2022

New Delhi, 4 March, 2022: Hotel Association of India (HAI), the apex body of the hotel industry in India met Hon'ble Tourism Minister Shri. G. Kishan Reddy yesterday with a single point agenda 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.

The Association highlighted the fact that according infra status will help the hotel industry to access funds at improved rates which in turn will reduce the long gestation period of hotels. Hotels are highly capital intensive. In addition they require renovations and refurbishments at regular intervals to maintain standards and match global benchmarks. Like sectors such as ports, highways, railways, hotels too are providers of key tourism infrastructure comprising of tourist accommodation. Hotels have been featured as a sub-sector of social and commercial infrastructure in RBI's Harmonised Master List of sub-sectors. However that does not make them eligible for benefits like tax holidays available to other infrastructure sectors. In addition there are restrictive provisions of star category, location and capex costs. The challenge before the industry is to have infrastructure status for all categories of hotels located anywhere in India.

To aid the post-pandemic revival of the Industry the Association has recommended that hotels with a capex of INR 25 crores and above (excluding land cost) be accorded the status of infrastructure.

Currently, hotels are paying commercial interest rates. The non-availability of soft credit has been one of the significant roadblocks for investments in the hospitality sector. Infrastructure status will attract investments even by MSMEs. The rapid growth of hotels in all categories budget, first-class and luxury is essential to meet the ministry's growth targets for India tourism. A robust hospitality sector should serve the need of all kinds of tourists-pilgrims, business traveler, leisure traveler, domestic or international traveler.

Tourism has been identified as one of the 5 key pillars of the Indian economic growth and development by Hon'ble Prime Minister, Shri. Narendra Modi. It is a recognized engine for GDP growth and for employment generation. Tourism is also among the top foreign exchange earners



for the country. The hospitality sector merits national prioritization to unleash the full potential of India tourism. Securing of infrastructure Industry status would open up vast opportunities for the hospitality sector to provide employment to a wide spectrum of job seekers from the unskilled to the specialized, even in the remote parts of the country. Hotels create jobs directly and also indirectly. They also employ women and specially abled persons thus contributing significantly to a more inclusive economy.

The Delegation was very happy with the time and attention given to discuss the issue. It was very heartening to note that the Hon'ble Minister extended his full support and assured his personal and individual engagement with concerned officers to project strongly the Industry's request for infrastructure status for hotels. As stakeholders, the Industry and ministry are partners and should be supportive like a family said the minister.

The powerful delegation included Mr. M.P Bezbaruah, Secretary General , Dr. Jyotsna Suri, Chairperson & MD, Bharat Hotels Ltd. , Ms. Priya Paul, Chairperson, Apeejay Surrendra Hotels Ltd., Mr. J.K. Mohanty, MD, Swosti Premium Ltd., Mr. Rohit Khosla, Executive VP (Operations), IHCL, Mr. Ajay Bakaya, MD, Sarovar Hotel Pvt. Ltd., Mr. G. S. Virk, MD, Park Plaza Chandigarh, Zirakpur , Mrs. Charulata Sukhija, Deputy Secretary-General from HAI and Mr. G. Yoganand, Managing Director, Manjeera Hotels Ltd.

Senior officials of the ministry who participated in the meeting included the Secretary , The Director General , Additional Secretary and Additional Director General .