



Budget Reaction from Hotel Association of India

Travel and tourism noticeably absent from Budget 2021-22

Industry gets a visible miss yet again will impact GDP if issues are not addressed soon

Today's budget, like the Finance Minister, said, is part of the many mini budgets that were presented through the last one year. Broadly speaking, the government has tried to infuse fresh lease of life into the economy, however for the tourism and hospitality sectors, this is a missed opportunity.

While the six pillars of the Budget presented a diversified approach to fundamentals, focus on the travel and tourism sector is missing, yet again. Our industry is a crucial contributor to India's GDP and a significant employment generator, key tourism related announcements – an imperative to our survival - were clearly missed. We had certain expectations viz. industry status, rationalization in tax rate, GST relief, relief for liquidity problems, interest payment restructuring et al, which have been submitted to the ministry on multiple occasions. We expected that there would be some relief for the severely affected small and medium tourism enterprises.

The Union Budget has not provided any helping hand that was expected. We believe there is a long road to travel before the sector ultimately bounces back to its past glory. The pandemic has left a lasting impact on the segment and, the support of the government in recovery is extremely critical. While we welcome the focus on infrastructure that will help in providing thrust to domestic tourism, but no incentive has been provided for people to travel. We expected some tax deductible relief measures as a policy for Indians to travel within India.

As an industry body HAI will continue to urge the government to provide short term relief and long-term policy support. We are only hopeful that, even though missing from the budget statement, as the previous year, this year too will see government intervention in the form of policy measures to address the specific bottlenecks to growth of the sector and help the industry unlock its potential and continue its contribution to the country's future economic growth.

The industry needs government support without which we fear the impact will be irreversible with unemployment and its impact on millions of livelihoods, potential NPAs owing to lack of financial support and lastly a lasting impact on the country's GDP in the long run.

Hotel Association of India