



“Budget 2025-26- another push for tourism but is it enough”

The Budget 2025-26 recognises and highlights the importance of tourism and hospitality as an engine of job creation and promoter of inclusive growth. An infusion of Rs 20,000 crore to increase tourism-led employment is going to help several states that house top tourist locations build infrastructure and boost connectivity. However the onus has been put on states to acquire land to build hotels and other required facilities.

Top 50 tourist destination sites in the country will be developed in partnership with states through a challenge mode. The key takeaway for us is the fact that Hotels in those destinations will be included in the infrastructure harmonised master list (HML).HAI looks forward to knowing details like the identified 50 destinations etc.

There is a continued focus on connectivity, ease of travel and on spiritual tourism. In addition to projecting India as a birthplace of Lord Ram through the Ramayana circuit, the development and promotion of the Buddhist circuit will also be a priority. The objective would be to increase tourist footfalls from south East Asian by including visa fee waivers. Medical tourism segment or Heal in India is another segment that will receive attention.

The Udan scheme will be extended to connect 120 more destinations further promoting regional connectivity. The state of Bihar for its Buddhist sites has been identified for improvement and capacity expansion of the existing Patna airport as well as for financial support for a greenfield airport project in the state.

The partnership with states in tourism development with performance-linked incentives, MUDRA loans, and intensive skill development for youth will further strengthen tourism.

The achievement of Vikas Bharat through the three Ds Democracy, Demography and Demand was clearly the overriding theme of the budget. We hope that a part of the additional disposal income in the hands of people through the relief on income tax to push demand will be directed towards hotel accommodation.

The Hotel Association of India has been actively advocating for government-private sector partnerships and remains committed to collaborating with authorities to ensure the sustainable development of Indian hospitality, even in the most remote areas.

Tourism has been identified as a key pillar of the economy by our hon'ble PM who has been the best ambassador for the industry.



Even today while commenting on the budget the prime minister spoke about tourism, saying the sector has significant potential. “Hotels will be built at 50 important tourist stations,” he said. He added that including hotels under infrastructure would strengthen tourism and support the hospitality sector, which employs a large workforce.

However, the key industry demand for all hotel projects irrespective of location and star categorisation to be accorded the status of infrastructure needs clarity and execution. The asks of ease of doing business, rationalisation of taxes and of support in reducing the high and largely fixed costs of hotel operationstoo require attention.

With its vast potential to generate employment across skill levels, including opportunities for women and differently-abled individuals, the hospitality sector can play a crucial role in realizing the “Viksit Bharat “Vision.

The timing, extent and quantum of support from the government at all levels will determine whether the true and full potential of the sector is unleashed. Achieving of our targets for 2047 would be clearly dependent on the execution of the intent!!

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 liberalisation 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”