



HAI raises concern over raids & imposition of fines on Hotels in J&K

New Delhi, 18 May, 2022: Hotel Association of India (HAI), the apex body of Indian hospitality has 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 practises but recommends that it be process driven. As a responsible industry body, HAI has always emphasised the importance of collaborative partnership with the government.

The hospitality industry is well-recognised for its significant contribution to employment creation and promotion of inclusive growth. The government could have followed the path of consultation on their concerns instead. HAI emphasised that its Member hotels in the State are well established, reputed, have invested heavily in the State and have been engaging with local communities in taking several initiatives for their welfare.

HAI added countrywide, a lot of their Member hotels have been lauded nationally and internationally for their excellence in service. These hotels have helped in bringing Indian hospitality on the global tourism map.

In response to the complaints raised by tourists in J&K, HAI added that in an open and free economy like India, the price is determined by the market forces of demand and supply. The hospitality industry works on the same principle and operates on system of dynamic pricing or Best Available Rate (BAR). Several other factors that impact the price of products and services are related costs, seasonality, location, market positioning, market segments, distribution channels among others. The hotel websites and booking aggregators display the room rates in a transparent manner and the traveller is free to choose from the options based on their budget and requirement.

The past two years have been extremely tough for the hospitality industry as it has been one of the sectors worst-hit by the pandemic. During that phase, the revenues of hotels have been close to zero while hotel operating costs have been high and mostly fixed in nature. The industry has barely begun to recover as the pandemic subsided and the situation started to normalise. The industry body thus requested the government to not disturb the recovery process and suggested to jointly work out a solution in the larger interest.

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. 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.

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