

# Leader Speak

AUGUST 2024



## PRESIDENT'S MESSAGE

DEAR FRIENDS,

### INDEPENDENCE DAY GREETINGS!

The Union Budget 2024-25 was presented last month. There is continued focus on infrastructural development, fiscal prudence and consolidation. There is also an acknowledgement once again of tourism as an engine of growth for the economy with additional emphasis on spiritual tourism. However there have been no policy changes to expedite growth. Improved infrastructure would translate into better connectivity which will be beneficial for the promotion of tourism. The development of the eastern region especially Odisha, temple corridors in Gaya / Bodhgaya, Rajgir and identification of Nalanda as a key tourism site continue to demonstrate the government's intent to utilize the potential of tourism. Regrettably, however, there has been no policy announcement to facilitate the development of hotels and promotion of inbound tourism. The announcement of GST simplification, comprehensive review of the income tax Act provides some hope for the sector that has been seeking rationalization of taxes. The benefits to individuals on taxation will augment the spending power. The focus on skilling and incentivizing employers for creating jobs are other positives that will benefit all sectors.

We will continue to persevere in our efforts to secure for the Sector its due place in the nation's economy, and highlight its crucial role in the service of tourism industry. We will continuously strive to raise the standards, efficiency and image of our hotels both in India and abroad.

**BEST WISHES & REGARDS**

**KB Kachru**

## HAI NEWS



### PRESIDENT & SECRETARY GENERAL MEETS NEW TOURISM MINISTER

In a move that heralds a fresh and proactive approach to India's tourism sector, newly appointed Tourism & Culture Minister Gajendra Singh Shekhawat chaired an interactive session with heads of industry associations to discuss the industry's challenges and opportunities. The meeting, held at the Ashok Hotel on June 21, was characterized by constructive dialogue and a series of forward-looking proposals aimed at making India a year-round destination for global tourists. Representatives from over 22 associations were present. Senior officials from the ministry of tourism, government of India at the session included among others, V Vidyavathi, Secretary; Suman Billa, Additional Secretary; Manisha Saxena, DG and Gyan Bhushan, Senior Economic Advisor.

Mr. K.B. Kachru, President and Mr. MP Bezbaruah, Secretary General, represented HAI. Mr. Kachru also represented CII. He emphasised the policy interventions required for the promotion and development of tourism & hospitality including the according of infrastructure status and allowing of industry benefits to hotels, skill development, task forces, and employment in the sector. The importance of accommodation creation, destination development, and the creation of a National Tourism Board were highlighted by Mr. Bezbaruah. Dr. Suri HAI Corporate Member represented FICCI and impactfully articulated various Industry Issues. This unified voice and shared objective garnered attention not only from the government but also from the entire industry. The Minister listened attentively to representatives from all associations and promised to hold regular meetings.



### HAI MEMBER HOTELS CELEBRATE 26TH HAI WORLD ENVIRONMENT DAY

All HAI Member hotels including those belonging to IHCL, ITC, Oberoi Group, The Park Group and Lemon Tree Group celebrated the 26th HAI World Environment Day with a series of impactful initiatives to promote sustainability and environmental awareness. As part of the celebration, the teams conducted Tree Plantation Drives, Slogan Writing, Waste Segregation, Cleaning Activities, and distributed seeds and saplings to the general public, along with awareness sessions for staff members. This Environment Day has been a significant occasion to appreciate the beauty of nature and adopt positive practices for the planet. HAI and its members firmly believe in and implement responsible luxury initiatives, such as zero-mile water, recycling and reusing resources to reduce the carbon footprint, root-to-shoot concepts of sustainable cooking, and environ chips embedded in radiation-harmonized spaces for living and working. These practices, integrated into the daily workspace activities, aims to protect the environment for everyone.

For more information: <https://bit.ly/4dmFj17>

## AN OPPORTUNITY TO MAKE INDIAN HOSPITALITY THE EMERGING ENGINE FOR GDP GROWTH & EMPLOYMENT

Hospitality industry urged the government to grant infrastructure status to hotels, making investments in new properties more appealing rather than classifying them as luxury or 'sin goods' in the Budget, given the sector's significant potential for contributing to India's growth. Additionally, the industry is advocating for incentives such as tax breaks or subsidies to encourage sustainable and eco-friendly practices. We emphasized that the budget should prioritize advancing the tourism agenda, seeing it as a chance to position Indian hospitality as a key driver of GDP growth and employment generation. The sector faces challenges such as high taxation, costly and numerous licenses, approvals, and compliance requirements. Hotels are capital-intensive with long gestation periods, and their operating costs are high and largely fixed. This makes hotel investments risky. There is a need to make these investments more attractive by improving the rate of return and promoting ease of doing business," said Hotel Association of India (HAI) President KB Kachru to PTI.

For more info log on to : [https://hotelassociationofindia.com/pdf/HAI%20Budget\\_Recommendation\\_July\\_4\\_2024.pdf](https://hotelassociationofindia.com/pdf/HAI%20Budget_Recommendation_July_4_2024.pdf)

## BUDGET 2024-25 – Continued focus on infrastructural development, fiscal prudence and consolidation. Tourism continues to be accepted as an engine of growth for the economy. Emphasis on spiritual tourism, however no policy changes to expedite growth.

Tourism and hospitality are pivotal to the growth of the Indian economy. The government's sustained emphasis on infrastructure development is promising for the sector. Enhanced infrastructure will lead to better connectivity, aiding the promotion of tourism. The development of the eastern region, particularly Odisha, temple corridors in Gaya, Bodhgaya, Rajgir, and recognizing Nalanda as a key tourism site, highlights the government's commitment to leveraging tourism's potential. Unfortunately, there has been no policy announcement to support the development of hotels and the promotion of inbound tourism. The announcement of GST simplification and a comprehensive review of the Income Tax Act offers some hope for a sector seeking tax rationalization. The tax benefits for individuals will increase spending power. Additionally, the focus on skill development and incentivizing

For more info log on to: [https://hotelassociationofindia.com/pdf/HAI\\_BUDGET\\_2024\\_RELEASE.pdf](https://hotelassociationofindia.com/pdf/HAI_BUDGET_2024_RELEASE.pdf)

## POLICY IN NEWS

### ARUNACHAL PRADESH UNVEILS AMBITIOUS TOURISM EXPANSION PLAN

Arunachal Pradesh is focusing on developing high-end, niche tourism while respecting the ecological capacity of its prime locations. During the 2024-25 budget presentation, Deputy Chief Minister and Finance Minister Chowna Mein introduced a new Tourism Policy encompassing Film, Farm, Wine, Tea, and Eco-Tourism, along with a Homestay Policy. These initiatives aim to offer holistic experiences, attract investments, and create job opportunities for youth. "We are confident that Arunachal Pradesh has the potential to become the tourism and adventure tourism capital of the Northeast," the minister stated. He highlighted the importance of cinematic tourism in promoting the destination and fostering entrepreneurial opportunities. "We shall notify an attractive and innovative Film Tourism Policy to make Arunachal Pradesh a film-friendly state," he said.



### MINISTRY OF TOURISM LAUNCHES INITIATIVES TO PROMOTE GREEN TOURISM ACROSS INDIA

The Ministry of Tourism has redesigned its Swadesh Darshan scheme, introducing Swadesh Darshan 2.0 with the mission to establish a robust framework for the integrated development of tourism destinations. This effort involves collaboration with States/UTs and local governments to promote sustainable and responsible tourism in India.

In coordination with State Governments and UT Administrations, 57 destinations across 32 States/UTs have been identified for development under the Swadesh Darshan 2.0 scheme.

"Challenge Based Destination Development," a sub-scheme of Swadesh Darshan 2.0, aims for the holistic development of destinations to enhance the tourist experience across the entire tourism value chain. This initiative seeks to transform tourist destinations into sustainable and responsible hubs. Under this scheme, the Ministry has identified 42 destinations categorized into four groups: (i) Culture & Heritage Destinations, (ii) Spiritual Tourism, (iii) Ecotourism and Amrit Dharohar Destinations, and (iv) Vibrant Villages Program Destinations.

## HOTEL SUSTAINABILITY BASICS

“W TTC’s Hotel Sustainability BASICS initiative is globally recognised and coordinated set of sustainability indicators that hotels should implement as a minimum. From global chains to independent boutique hotels, Hotel Sustainability Basics serves as the first step accommodations should take on their path towards greater sustainability.

The initiative is comprised of a set of twelve criteria which sit under the pillars of ‘Efficiency, Planet, and People’. From measuring and reducing energy usage to implementing a linen reuse programme and positively engaging with the local community – Hotel Sustainability Basics pushes hotels and accommodations to think about the impact of their practises and their effect on both people and planet.

By getting involved, hotels are strengthening a global call for an inclusive, more sustainable development in the hospitality industry and commit to lead by example by ensuring that hotel(s) are or will implement the criteria as a minimum.

More information available on: <https://wttc.org/initiatives/hotel-sustainability-basics>

A video may be accessed on: Hotel Sustainability Basics - Businesses.”



WORLD  
TRAVEL &  
TOURISM  
COUNCIL

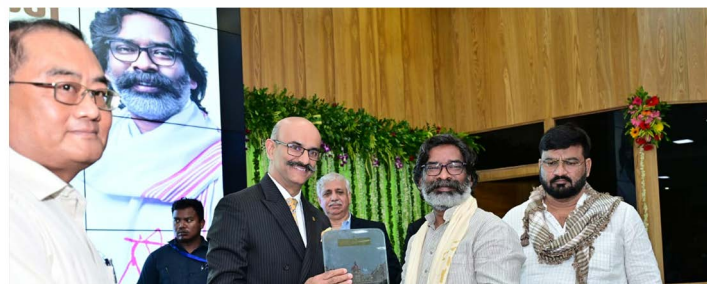
## CHALET HAS BEEN ON A HIGH-GROWTH PATH FOR SEVERAL YEARS

The hospitality industry is experiencing an upswing that was anticipated four years ago. Hotel companies are capitalizing on this by expanding their room inventories and properties. Chalet has been on a high-growth trajectory for several years, even before the pandemic and listing. “We started aggressively adding properties to our portfolio,” Sethi said, adding, “Today, we have about 3,052 keys with nearly 1,000 in various stages of development. Our business development team is very active in scouting for additional opportunities, and we expect to add one or two hotels or greenfield land sites to the portfolio annually.”



## THE INDIAN HOTELS COMPANY SIGNS A TAJ HOTEL IN RANCHI

Indian Hotels Company (IHCL), the largest hospitality company in India, has announced the signing of a Taj hotel in Ranchi, Jharkhand. This greenfield project, which marks IHCL's entry into Ranchi, will be developed on a six-acre land parcel leased from the State Government of Jharkhand. Regarding the expansion, Mr. Puneet Chhatwal, Managing Director and Chief Executive Officer of IHCL, stated, “We are thrilled to bring the iconic Taj brand to Ranchi, a city with immense growth potential. Ranchi's strategic location and its transformation into a smart city make it a promising destination. This signing is in line with our strategy to expand our presence in the region, which is rapidly developing into a significant industrial, commercial, and cultural hub.”



## ITC HOTELS ACHIEVES MAJOR MILESTONE AS BRAND WELCOMHOTEL GROWS WITH 25 PROPERTIES PAN INDIA

The Welcomhotel brand has become a significant growth driver for ITC Hotels, opening 7 managed hotels and 3 owned assets with a total of 916 keys over the past five years (FY 2019-20 to FY 2023-24). In the last financial year alone (FY 2023-24), 4 new management deals were signed, adding 406 keys to the Welcomhotel brand, with these properties set to open over the next 4-5 years. Commenting on this milestone, Anil Chadha, Chief Executive, stated, “The expansion of the Welcomhotel brand is a significant achievement for ITC Hotels. Welcomhotel offers the new age traveler curated immersive experiences. Located in diverse settings from hills to beaches, and deserts to cities, the opening and signing of more properties under the Welcomhotel brand align with ITC Hotels’ asset-right growth strategy, bringing our brand and services to tier-2 markets as well as prime metro cities. Welcomhotel Belagavi, our 25th property, embodies our commitment to creating unparalleled hospitality experiences, ensuring that guests enjoy a luxurious stay in harmony with the environment. We look forward to continuing this journey of growth and excellence.”



## HOTELIERS URGE GOVERNMENT TO AMEND ODISHA'S TOURISM POLICY

Tourism and travel stakeholders have called for a revision of the Odisha Tourism Policy, initially introduced by the BJD government in 2022. They claim that the current policy has neither fostered tourism development nor attracted foreign tourists to the state. In 2022-23, Odisha ranked last among states in terms of international tourist arrivals, with only 22,000 visitors. As the Tourism department implements a 100-day plan to boost the sector, the Hotel and Restaurant Association of Odisha (HRAO) plans to submit a series of proposals, with the primary demand being an amendment to the tourism policy.



## INDIA INTRODUCES NEW AVIATION BILL AMID OPPOSITION CONCERNS

The Lok Sabha has introduced a new bill, the Bharatiya Vayuyan Vidheyak, to modernize 90-year-old civil aviation regulations. Proposed by Civil Aviation Minister K Ram Mohan Naidu, the bill faced opposition due to its Hindi nomenclature. It aims to streamline aviation manufacturing and maintenance, supporting the Atmanirbhar Bharat initiative.

## HILTON REIMAGINES INDIAN WEDDINGS WITH WEDDING DIARIES

Hilton India has revamped its flagship 'Wedding Diaries' initiative, initially launched in 2021. This new version diverges from the conventional and often hectic wedding planning process by introducing a Wedding Ambassador. The Wedding Ambassador is a specialist who acts as a liaison between the family and the hotel, collaborating closely with couples to provide personalized services. From the first consultation to the final celebration, the Wedding Ambassador at Hilton ensures that every detail is meticulously managed, delivering a seamless and stress-free wedding experience.



## INDUSTRY RELATED BUDGET RECOMMENDATION

- Simpler tax regime for foreign shipping companies to encourage domestic cruise
- Positioning India as global tourist destination
- Development of Vishnu Path Temple at Gaya and Mahabodhi Temple at Bodh Gaya
- Development initiative for Rajgir, Nalanda to enhance tourism. Government will support the development of Nalanda as a tourist center besides reviving Nalanda University to its glorious stature.
- Provide assistance for development of tourist destinations in Odisha. Odisha's scenic beauty, temples, monuments, craftsmanship, wildlife sanctuaries, natural landscapes and pristine beaches make it an ultimate tourism destination.
- States including Assam, Uttarakhand, and Himachal, Sikkim to be given help to overcome the loss because of natural calamities and become a tourism friendly States.



## LEMON TREE HOTELS SIGNS A PROPERTY IN GIR UNDER THE AURIKA HOTELS & RESORTS BRAND

Lemon Tree Hotels Ltd has signed a property in Sasan Gir, Gujarat, under its premium brand, Aurika Hotels & Resorts. The Greenfield project, Aurika Sasan Gir, is scheduled to open in FY 2029 and will be managed by Carnation Hotels Pvt Ltd, a subsidiary and the management division of Lemon Tree Hotels Ltd.

Aurika Sasan Gir will boast 82 elegantly designed rooms and suites, an all-day dining restaurant called Mirasa, banquet facilities including a ballroom named Ekaara, a boardroom named Aurum, and a beautiful swimming pool.

