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Aditya Thackeray: We want to develop Maharashtra as a tourism positive state

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During a webinar on the impact of Covid-19 on the hospitality industry conducted under the aegis of the Federation of Hotel & Restaurant Associations of India (FHRAI) on May 18, 2020, just after the CM's address to the state, Aditya Thackeray, cabinet minister – Tourism & Environment, Government of Maharashtra, in conversation with Jimmy Mistry, CMD & principal designer, Della Group, said, “We have to take the state of Maharashtra ahead, pitch it to the world. I am really keen that Maharashtra will be the first to declare and deliver something for the hotel industry. We have to revive very quickly, take the sector ahead and figure out how we can work with the other sectors. A task force has been set up, we can work in sync, understand what is doable in the medium-term and long-term.”

Moderating the session while interfacing with the minister, Mistry, shared some critical issues faced by the hotel and restaurant industry. “We were not able to pay salaries, there are reports that some hotels and restaurants are laying off 30-50 per cent of their staff, which is a difficult situation to deal with for people like us who are close to our teams. When we go to bankers for a restructure, we are not sure about certain aspects like electricity charges for instance. We don't know what lies ahead during the next six months. Bankers want us to mention the monthly burn envisaged and we don't have any details. If we can sustain the darkest era, we can survive the next six months and for that, we need maximum leverage; with you as our leader, we are quite hopeful,” he said.

Responding to Jimmy's submissions, Thackeray advised the preparation of two documents; one for the industry's sustenance plus revival and one for driving its growth after that. “This is something we have to do together, make a massive effort to get the industry back on track. Our hotel sector is one of the best in the world, there is no comparison of warmth and service. We want to develop Maharashtra as a tourism positive state. We can get people across the world to come to us and stay in our hotels. We need travellers who will spend at least 36 hours in the city they visit,” he opined.

Outlining the way forward, the minister shared that a coastal road is planned in the Raigad-Sindhudurg belt and there are plans for having hotels developed, with scope for JVs and PPP.

“Safe travel will be important, we need to be transparent in our numbers the way we have so far. The way 9/11 changed travel, Covid-19 will do the same. We will have to adjust, spaces are small in Mumbai and Maharashtra, so how do we move ahead? Let's put together a group and move ahead unitedly as a team,” he affirmed.

Some of the problems faced by the members of the hotel and restaurant industry were presented to the minister including the need for liquidity and working capital. Although given the nomenclature of an industry, it hasn't been recognised as one.

Also shared were aspects that could be easily implemented by the state government such as abolishing electricity duty, which is charged at 21 per cent, property tax waiver for 6-9 months with the caveat that landlords should pass it on to the establishments, and facilitating working capital requirements.

Issues like the increased excise license fees that are payable upfront at this critical time when the industry has so many cash flow problems were highlighted along with a request that subsidies available to the manufacturing sector should be extended to hotels and restaurants so that they can do borrowing to sustain.