

## TOP STORIES

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### 'Maharashtra will be the first state that will declare something promising & will deliver'

"Maharashtra is the first state that will declare something promising and will deliver on that. The government will be working in tandem with the industry to establish a task force for revival of the economy. Many of the industry stakeholders will be working closely with the government in this," said Aditya Thackeray, Tourism Minister of Maharashtra at a webinar held yesterday by The Federation of Hotel & Restaurant Associations of India (FHRAI) and Hotel and Restaurant Association (Western India).

With no respite shown by the Central government in terms of relief packages, the tourism and hospitality industry is now seeking aid from the state government to tide over the corona crisis.

"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," Thackeray said.

While interfacing with the Minister, Jimmy Mistry, CMD & Principal Designer, Della Group, 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 6 months and for that, we need maximum leverage; with you as our leader, we are quite hopeful," he said.

Responding to Jimmy's submissions, Aditya 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 on 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.

Jimmy described the Cabinet Minister of Tourism & Environment, Government of Maharashtra as young and dynamic, always positive minded. "He applies his mind to every single idea, remains engaged. He has travelled abroad yet remains grounded. We have been trying to put a blueprint for Maharashtra Tourism and there has been a fantastic involvement on his part, he is totally hands-on. Aditya Thackeray presents a ray of hope for the tourism industry at a time when it has been neglected by the Centre," Jimmy emphasised.

Sharing insights into the process, which had commenced even before he became a minister and took over the portfolio, Aditya Thackeray recalled walking with Jimmy at the Della Resort and talking about reviving tourism in Maharashtra, discussing the different ways of attracting tourists to the state. 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.

The Minister pointed out that most of the countries are in lockdown, those who had opened up and lifted restrictions had to close down again. "I have been interacting with doctors around the world and foundations globally. How do we live with Corona? Will it allow us to live with it? COVID-19 is something no-one has seen before in history. The entire world is witnessing lockdowns for an indefinite period. We are facing an invisible enemy, we don't know the timeline. We are waiting for a defining moment when a scientist says he's found a cure. Would the travel and tourism industry sustain till that moment?"

"There is nothing for it in the package from the Centre. The only reason we haven't declared any package as the state of Maharashtra is that we are fighting from the forefront. This is a battle that will be long drawn. The questions we face are when do we exit from the lockdown, how do we exit and would things revive?" he said, while appreciating the fact that almost every hotel and restaurant in Maharashtra has helped the state government to house doctors and frontline healthcare workers.

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.

Archaic laws prevent the hotel and restaurant industry from using a lot of open space, which is a luxury in cities like Mumbai. With social distancing norms in place, they would be able to quantify some loss of space if allowed to put canopies on the side and make optimum utilisation of what is available.

Also shared were aspects that could be easily implemented by the state government such as abolishing electricity duty, which is charged at 21 percent, 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.