

FHRAI seeks Tourism Ministry's intervention to resolve OTAs-Hotels Dispute

Federation of Hotel & Restaurant Associations of India (FHRAI), the national representative body of hoteliers in the country, has reached out to the Ministry of Tourism (MoT), Government of India (GoI), regarding the hotel industry's on-going dispute with Go-Ibibo, MakeMyTrip (Go-MMT), and Oyo Rooms requesting its urgent intervention for redressal of hoteliers' grievances.

After a month of failed attempts to amicably resolve issues with the Online Travel Aggregators (OTAs), the apex hospitality body has written to the Hon'ble Minister of State for Tourism, K J Alphons outlining the major issues of concern to the industry because of the OTAs' unfair and arbitrary business practices.

A number of FHRAI members are experiencing hardships due to the OTAs' business ethics which are exploitative, unethical and divisive, leading to predatory pricing and other market distortions.

The letter to the Ministry states that the hotel industry in the country is going through a very challenging phase which is threatening the livelihood, business, investments and entrepreneurial initiative and spirits of the hospitality industry, and thereby eroding the viability of the sector.

The FHRAI has tried to resolve the issue directly with the OTAs, however instead its CEO has chosen to dismiss FHRAI's role in the matter. It leaves us with no choice but to ask for the Government to step in and create a norm for the OTAs just as the Commerce Ministry has done for the e-tailers recently," says Gurbaxish Singh Kohli, Vice President, FHRAI & President, Hotel and Restaurant Association of Western India (HRAWI).

The FHRAI's letter to the MoT summaries the most critical concerns of the hotel industry including the large scale breach of contracts, issue of predatory pricing, the demand for exorbitant commissions and the hosting of illegal and unlicensed Bed & Breakfast (B&B) accommodations.