

**GOVERNMENT OF INDIA
TOURISM AND CULTURE
LOK SABHA**

UNSTARRED QUESTION NO:1024
ANSWERED ON:28.07.2000
LOSSES TO ITDC HOTELS
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Will the Minister of TOURISM AND CULTURE be pleased to state:

- (a) whether the ITDC run hotels in the country have been incurring heavy losses;
- (b) if so, the estimated losses suffered by ITDC hotels during 1997- 98, 1998- 99 and 1999- 2000;
- (c) the reasons for these losses; and
- (d) the manner in which the Government propose to improve the situation in the loss; making ITDC hotels?

Answer

MINISTER OF TOURISM & CULTURE (SHRI ANANTH KUMAR)

(a) & (b) : While operation of ITDC hotels generated profit of Rs 26.75 crores in the year 1997- 98, it incurred losses of Rs 13.70 crores and Rs 39.61 crores (Provisional) during 1998- 99 and 1999- 2000 respectively.

(c) The loss making situation is attributed, largely to :

- (i) Low turn- out of international business travellers.
- (ii) Currency crisis in South-East Asian countries making them cheaper destinations.
- (iii) Price under- cutting by private hotels.
- (iv) Higher Wage Bill.

(d) : The measures taken/being taken by ITDC to improve performance of its hotels include, inter alia:

- (i) Aggressive marketing efforts.
- (ii) Emphasis on improvement of product to make them contemporary and competitive
- (iii) Adoption of flexible policy for offering market driven price.
- (iv) Economy in expenditure and plugging of leakages.
- (v) Recovery of outstanding dues.