

**GOVERNMENT OF INDIA  
TOURISM  
LOK SABHA**

UNSTARRED QUESTION NO:7014  
ANSWERED ON:07.05.2010  
INDUSTRY STATUS TO TOURISM  
Yadav Shri Ranjan Prasad

**Will the Minister of TOURISM be pleased to state:**

- (a) whether the Government proposes to accord tourism the status of an industry;
- (b) if so, the details thereof; and
- (c) the steps taken by the Government in this regard?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF TOURISM(SHRI SULTAN AHMED)

(a) to (c): Development and promotion of tourism, including granting industry status to the tourism sector, is undertaken primarily by the State Governments/UT Administrations. However, to supplement the efforts of the State Governments/UT Administrations in encouraging the tourism sector, the following incentives have been provided by Government of India:-

- # Five Year Tax Holiday to new hotels of 2, 3 and 4 star category and Convention Centres coming up between 1.4.2007 and 31.7.2010 in the NCR of Delhi and some neighbouring districts of NCR.
- # Five Year Tax Holiday for 2, 3 and 4 star category hotels located in all UNESCO declared World Heritage sites (Except Mumbai and Delhi) for hotels operating w.e.f. 01.04.2008 to 31.03.2013.
- # Relaxation of External Commercial Borrowing (ECB) by the Ministry of Finance for setting up new hotel projects.
- # Declaring hotel and tourism related industry as high priority industry and providing for Foreign Direct Investment (FDI) upto 100% under the automatic route.
- # Enhancement of Floor Area Ratio (FAR) from 150 to 225 for hotels in Delhi excluding Lutyens Zone.
- # Delinking of credit for hotel projects from Commercial Real Estate (CRE) by RBI to facilitate availability of credit at relaxed norms and reduced interest rates.