

**GOVERNMENT OF INDIA
TOURISM
LOK SABHA**

STARRED QUESTION NO:110

ANSWERED ON:30.11.2012

TOURIST INFLOW

Rajaram Shri Wakchaure Bhausahab;Siricilla Shri Rajaiah

Will the Minister of TOURISM be pleased to state:

- (a) the number of Domestic Tourist Visits (DTVs) and country-wise Foreign Tourist Visits (FTVs) or their estimation in the country along with the earnings of foreign exchange therefrom during 2012-13, State/UT-wise;
- (b) the details of the employment generated by the tourist industry during each of the last three years and the current year, State/UT-wise along with the measures taken to further boost it;
- (c) whether the tourism industry has sought various relaxations including tax rebate and infrastructural development for its sustenance;
- (d) if so, the details thereof along with the action taken by the Government thereon; and
- (e) the other initiatives taken or proposed to be taken to boost hospitality education and improvement in tourist facilities in the country along with the funds earmarked therefor?

Answer

MINISTER OF STATE FOR TOURISM (INDEPENDENT CHARGE) (DR. K. CHIRANJEEVI)

(a) to (e): A Statement is laid on the Table of the Sabha.

STATEMENT IN REPLY TO LOK SABHA STARRED QUESTION NO.110 ANSWERED ON 30.11.2012 REGARDING TOURIST INFLOW.

(a): The number of domestic tourist visits (DTVs) and foreign tourist visits (FTVs) to different States and Union Territories (UTs), during 2011 is given in Annexure I. This information for the current year is not available. Country – wise break – up of FTVs is not available.

The number of foreign tourist arrivals (FTAs) in India, which is different from FTVs, during 2011 was 63.1 lakh (6.31 million). FTAs from source countries, with a share of more than 0.01% of the total, during 2011, are given in Annexure II. FTAs in India during 2012-13 (April to October) are estimated to be 32.3 lakh (3.23 million) (provisional). The Country-wise break-up of FTAs during 2012-13 is not available.

The foreign exchange earnings (FEEs) from tourism for the country as a whole during 2012-13 (April to October) are estimated at Rs.49,247 crore (provisional). The Ministry of Tourism does not compile State-wise estimates of revenues earned from tourism. The source country-wise break-up of FEEs from tourism is not available.

(b): Details of employment generated by the tourism sector are not maintained on an annual basis. The last Tourism Satellite Account of India was prepared for the year 2002-03, according to which the number of jobs (both direct and indirect) in the tourism sector, during 2002 – 03 was 3.86 crore (38.6 million). The said Tourism Satellite Account did not yield state – wise data.

The Ministry of Tourism boosts tourism, and thus employment in the tourism sector, through the creation of infrastructure; overseas & domestic promotion; and imparting, upgrading & certifying employable skills.

(c) and (d): The various issues concerning the tourism sector, raised during meetings with stakeholders, regarding infrastructure development and tax incentives, inter alia, include the following:

- i. Deemed Export Status for earnings for Inbound Tour Operators.
- ii. Extension of Income tax benefit under Section 35 AD of the Income Tax Act 1961 to Service Providers.
- iii. Extension of Income tax benefit under Section 35 AD of the Income Tax Act 1961 to Heritage Hotels.
- iv. Rollback of service tax on hotels and air conditioned restaurants.
- v. Extension of Income tax benefit under Section 35 AD of the Income Tax Act 1961 for hotel projects that have added at least 25% more rooms.

The following incentives have been announced to encourage the Hospitality Sector:

i. A Five Year Tax Holiday for 2, 3 and 4 star category hotels located in all UNESCO declared World Heritage sites (except Delhi and Mumbai) for hotels which start operating w.e.f. 01.04.2008 to 31.03.2013.

ii. An investment linked deduction under Section 35 AD of the Income Tax Act extended to new hotels of 2 star category and above, anywhere in India allowing 100% deduction in respect of the whole or any expenditure of capital nature excluding land, goodwill and financial instruments, incurred during the year.

iii. Inclusion of 3 star or higher category classified hotels located outside cities with population of more than 10 lakh, in the harmonised list of infrastructure subsector.

(e): Steps taken by the Ministry of Tourism to boost hospitality education are:

i. Professional education to generate manpower for the tourism and hospitality industry is provided through the network of Institutes of Hotel Management and Food Craft Institutes sponsored by the Ministry of Tourism.

ii. The Ministry of Tourism has a plan scheme under which Central Financial Assistance (CFA) can be sanctioned to a State Government/Union Territory Administration upto a ceiling of Rs.12 crore for the establishment of an Institute of Hotel Management (IHM) and Rs.4.75 crore for a Food Craft Institute (FCI). In addition, for broad-basing of hospitality education, CFA can be sanctioned upto a ceiling of Rs.2 crore to government sponsored Industrial Training Institutes, Polytechnics, Colleges and Public Sector Undertakings; and Rs.25 lakh for Schools, subject to the availability of funds, adherence to the terms and conditions of the scheme guidelines and their inter-se priority.

iii. The Ministry of Tourism is running 2 specific programmes known as 'Hunar se Rozgar' and 'Skill Testing & Certification'. The 'Hunar se Rozgar' programme aims at the creation of employable skills among youths who have passed Class VIII and are less than 28 years old. The 'Skill Testing & Certification' programme certifies the skills of existing service providers already employed in the hospitality sector.

Efforts made by the Ministry of Tourism for improving the facilities for foreign and domestic tourists include the creation/upgradation of tourism infrastructure and wayside amenities, improving road connectivity leading to tourist sites, especially from the National Highways/State Highways and other points, under its Plan Scheme of Product/Infrastructure Development for Destinations and Circuits.

The Budgetary provision in the Annual Plan 2012 – 13 for the various Plan Schemes of the Ministry of Tourism is Rs.1210 crore.