

**GOVERNMENT OF INDIA
TOURISM
LOK SABHA**

UNSTARRED QUESTION NO:1943
ANSWERED ON:08.03.2013
SHORTAGE OF HOTEL
Vijayan Shri A.K.S.

Will the Minister of TOURISM be pleased to state:

- (a) whether there is shortage of hotels in the country to cater to the requirements of the expanding tourism sector;
- (b) if so, the details thereof;
- (c) whether the Government has made any study in this regard;
- (d) if so, the details and outcome thereof; and
- (e) the corrective steps taken/being taken by the Government for expansion/growth of hotel industry in the country?

Answer

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

(a) & (b): As per the report of the 'Working Group on Tourism' for the 12th Five Year Plan (2012-2017) set up by Planning Commission, for a projected annual growth of 12% in the tourism sector, the requirement of additional hotel rooms under classified category in 2016 over 2010 is estimated to be 1,90,108 hotel rooms.

(c) & (d): The Ministry of Tourism had got a study conducted in the year 2008 by M/s AC Nielsen ORG-MARG Pvt. Ltd. As per this study, 1,81,596 hotel rooms were required per annum at 54 identified locations in the country.

The Ministry of Tourism had got another study conducted during 2009 by the Indian Institute of Tourism & Travel Management (IITM) Gwalior. As per this study, on an average, 40,190 hotel rooms were required per day for the tourists visiting Delhi during the Commonwealth Games, 2010.

(e): The expansion/growth of hotel industry in the country is a continuous process. The Union Government has constituted a 'Hospitality Development and Promotion Board' (HDPB) in January, 2011 to facilitate the clearances required by hotel projects in a time bound manner and to accelerate the expansion/growth of hospitality industry in the country. Further, to encourage the growth of budget hotels, the following incentives have been announced:

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.

The Government has announced the extension of Investment Linked tax incentives under Section 35 AD of the Income Tax Act to new hotels of 2-Star category and above anywhere in India, which will facilitate growth of Accommodation in the country.

The Reserve Bank of India (RBI) has de-linked credit for hotel projects from Commercial Real Estate (CRE), thereby enabling hotel projects to avail credit at relaxed norms and reduced interest rates.

Hotel and Tourism related industry declared high priority industry and Foreign Direct Investment (FDI) upto 100% under the automatic route.