

**GOVERNMENT OF INDIA
TOURISM
LOK SABHA**

UNSTARRED QUESTION NO:3321
ANSWERED ON:30.08.2013
MODERNISATION OF HOTELS
Nirupam Shri Sanjay Brijkishorilal

Will the Minister of TOURISM be pleased to state:

- (a) the number of hotels under the administrative control of the Government, State/UT/location-wise;
- (b) whether some of these hotels are running in losses;
- (c) if so, the details thereof and the reasons therefor along with the performance of such hotels during each of last three years and the current year, hotel-wise;
- (d) the measures taken by the Government for their modernisation and make them profitable;
- (e) whether there is any proposal to disinvest loss-making hotels in the country; and
- (f) if so, the details thereof?

Answer

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

(a): The India Tourism Development Corporation Ltd. (ITDC) under the administrative control of the Ministry of Tourism, Government of India runs 15 hotels in the country. The details of hotels are given in Annexure-I.

(b) & (c): Yes, some of these hotels were in losses. The details of these are given in Annexure-II. The reasons for losses in hotels are as under:

1. Spurt in availability of overall room supply position as compared to demand.
2. High wage cost due to implementation of Sixth Pay Commission Report.
3. Weakening of global economy have contributed to a room supply vs. demand 'mismatch'.

(d): Steps undertaken by ITDC to boost the profitability are as follows:

- # Investment in Human Resource Development and brand management.
- # Establishing Customer Relationship Management System (CRM) to enhance the customer focus.
- # Aggressive marketing in India as well as abroad through participation in major Travel Marts and organizing Food Festivals.
- # Carrying out renovation / refurbishment works in ITDC hotels.
- # Launching e-marketing and thus laying greater focus on B2C (Business 2 Consumer) market.

(e) & (f): There is no proposal to disinvest loss-making hotels in the country.