

**GOVERNMENT OF INDIA
TOURISM
LOK SABHA**

UNSTARRED QUESTION NO:2194

ANSWERED ON:03.08.2015

ITDC plan to exit Hotel Business

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Will the Minister of TOURISM be pleased to state:

- (a) the number of ITDC hotels in the country at present, location-wise;
- (b) whether several ITDC hotels are running in huge losses for the last three years;
- (c) if so, the details thereof, hotel-wise and year-wise and the reasons therefor;
- (d) the steps taken by the Government to streamline the economic condition of these hotels;
- (e) whether Government proposes to privatise/sell these hotels; and
- (f) if so, the details thereof along with the estimated amount likely to be received through the privatisation/selling of the said hotels?

Answer

MINISTER OF STATE FOR TOURISM (INDEPENDENT CHARGE)
(DR. MAHESH SHARMA)

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

- (i) Spurt in availability of overall room supply position as compared to demand.
- (ii) High wage cost.
- (iii) Weakening of global economy have contributed to a room supply vs. demand 'mismatch'.
- (iv) Reducing average room recovery due to high competition.
- (v) Major renovation at Hotel Kalinga Ashok, Bhubaneswar has resulted in higher expenditure leading to net loss in the Hotel.
- (vi) Lease of the Hotel Jammu Ashok has expired and ITDC is unable to undertake any renovation/refurbishment activity in the hotel.

(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 Customer) market.
- ? Balanced Score Card System (BSC) approach has been adopted for performance management and evolving execution strategy.
- ? Smart Hotel Initiatives (SHI) have been implemented to get customer experience and use analytics to improve performance and bring about change in service delivery standards.

(e): No, Madam.

(f): Does not arise.
