

**GOVERNMENT OF INDIA
TOURISM
LOK SABHA**

STARRED QUESTION NO:278

ANSWERED ON:16.03.2015

SETTING UP OF BUDGET HOTELS

Choudhary Shri Ram Tahal;Reddy Shri Mekapati Rajamohan

Will the Minister of TOURISM be pleased to state:

- (a) the number of budget hotels under the administrative control of the Government, State-wise indicating the average charges of such hotels;
- (b) whether Indian tourism sector has a shortage of hotel's rooms especially in the budget hotels sector and if so, the details thereof and the remedial action taken by the Government in this regard;
- (c) whether the Government proposes to set up any new budget hotels in near future and if so, the details thereof;
- (d) the amount allocated and spent by the Government in setting up the tourist centres/budget hotels during the last three years, State-wise along with the programmes made in this regard; and
- (e) whether the Government has conducted any survey or review on the working of hotels to remove their shortcomings and if so, the details thereof?

Answer

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

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

STATEMENT IN REPLY TO LOK SABHA STARRED QUESTION NO.278 ANSWERED ON 16.03.2015 REGARDING SETTING UP OF BUDGET HOTELS.

(a) to (e): India Tourism Development Corporation (ITDC) Ltd. (a Public Sector Undertaking of Ministry of Tourism, Government of India) and Hotel Corporation of India (HCI) Ltd. (a Public Sector Undertaking of Ministry of Civil Aviation, Government of India) are not having any specifically categorized as Budget Hotel under their control. At present, ITDC and HCI have no plan to construct any new budget hotel.

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

Construction of hotels is primarily a private sector activity. The Ministry of Tourism, however, has advised the State Governments/UT Administrations to follow tourism friendly policies for augmenting Hotel room supply like allotting land sites for hotels on revenue sharing basis, granting extra Floor Space Index (FSI)/Floor Area Ratio (FAR) for hotels, adopt Single Window approach for clearing hotel projects, rationalization of taxes. The Ministry of Finance, Govt. of India has also included the following in the "Harmonised list of Infrastructure Sub - Sectors" to boost supply of hotel rooms in the country:

I. Three Star or higher category classified hotels located outside cities with population of more than 1 million.

II. Hotels with the project cost of more than Rs.200.00 crore each in any place in India and of any star rating. This clause is applicable with prospective effect from 07.10.2013, the date of notification and available for eligible prospects for three years from the date of notification i.e. 07.10.2013, the eligibility cost of Rs.200.00 crore excludes cost of land and lease charges but includes interest during construction.