

GOVERNMENT OF INDIA  
MINISTRY OF TOURISM

**RAJYA SABHA**  
**UNSTARRED QUESTION NO.2222**  
ANSWERED ON 21.12.2023

**ENCOURAGEMENT TO FOREIGN TOURISTS**

2222. SHRI C. VE SHANMUGAM:

Will the Minister of **TOURISM** be pleased to state:

- (a) whether Government proposes to encourage/attract foreign tourists to promote tourism in the country;
- (b) if so, the details thereof;
- (c) whether Government proposes to provide GST exemption to foreign tourists with a view to boost tourism in the country; and
- (d) if so, the details thereof, and if not, the reasons therefor?

**ANSWER**

THE MINISTER OF TOURISM

(SHRI G. KISHAN REDDY)

(a) and (b): Yes, Ministry of Tourism promotes India as a holistic destination in the tourism generating markets to promote various Indian tourism products and tourism destinations of the country to increase India's share of the global tourism market.

The above objectives are met through an integrated marketing and promotional strategy, and a synergized campaign in association with the Travel Trade, State Governments and Indian Missions. The Government continuously engages with industry experts and other relevant stakeholders and take their suggestions and feedback for promotion of varied tourism products of India. In order to boost visitor arrival, Ministry of Tourism, Government of India has declared "Incredible India! Visit India Year 2023".

In order to increase the footfall of international tourists in India, Ministry of Tourism, participated in various International travel fairs during the Year 2023 such as FITUR 2023, Madrid, Spain (18-22 January 2023); ITB Berlin (7-9 March 2023); Arabian Travel Market 2023, Dubai (1-4 May 2023); IMEX Frankfurt (17-19 October 2023); OTDYKH Leisure, Moscow, Russia (12-14, September 2023); TOP Resa, Paris, France (3 - 5 October 2023); PATA Travel Mart 2023 (4-6 October 2023) in New Delhi; ITB, Asia, Singapore (25 - 27 October 2023); JATA, Osaka, Japan (26-29 October 2023); WTM London (6-8 November 2023).

(c) and (d): Current rate structure pertaining to services provided as part of tours are as follows:

- i. Tour operator service attracts concessional GST rate of 5% without ITC (but ITC of input services in the same line of business is allowed) subject to the condition that the amount charged for the tour operator services must include charges for accommodation and transportation both; or 18% with ITC. [S. No. 23 of notification No. 11/2017-CT(R) dated 28.06.2017].
- ii. Hotel accommodation services attract GST rate of 12% (where room rent per day less than or equal to Rs.7500) and 18% (Rent is more than Rs.7500) [S. No. 7 of notification No.11/2017- CT(R) dated 28.06.2017].
- iii. Restaurant services attract concessional GST rate of 5% without ITC in all cases except restaurants within hotels where room tariff is higher than Rs.7500 which is taxed at 18%. [S. No. 7 of notification No. 11/2017-CT(R) dated 28.06.2017].
- iv. In case of tours conducted for foreign tourists partially in India and partially outside India, proportionate value of the foreign component of the tour may be excluded from the value for the purposes of payment of GST. To ensure that balance remains in favour of domestic tourism in such composite tours, this concession is provided for maximum of half of the duration of the tour or actual whichever is less. This has been brought into force vide inserting entry 52A in notification No. 12/2017-CTR dated 28.06.2017 through amending notification No. 04/2022 — Central Tax (Rate) dated 13.07.2022.
- v. Passenger Transport services attract GST as given in table below:

By road	5% without ITC (except ITC of input service in the same line of business); 12% (with ITC)
By rail (AC or First Class)	5% (with ITC of input services) Exempt other than AC or first class
By Air	Economy 5% (with ITC of input services) Business 12% (with ITC)  Exempt: Economy class - To or from NE States and RCS airports
By inland waterways	Exempt
By sea including cruise ships	18%

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