

**GOVERNMENT OF INDIA  
MINISTRY OF TOURISM**

**LOK SABHA  
STARRED QUESTION NO.\*114  
ANSWERED ON 25.11.2019**

**BUDGET HOTELS**

**\*114. SHRI VINAYAK RAUT:  
SHRI SHRIRANG APPA BARNE:**

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

- (a) whether there is a huge shortage of hotel rooms, especially in the budget hotels in the country due to huge inflow of foreign and domestic tourists and if so, the details thereof;**
- (b) whether the Government proposes to set up any new budget hotels and if so, the details thereof, State/UT-wise and the amount allocated and spent by the Government in setting up the tourist centres/budget hotels during the last three years and the current year, State/UT-wise along with the progress made in this regard;**
- (c) whether the Government has asked State Governments to follow tourism friendly policies for augmenting budget hotels and if so, the response of the State Governments thereto;**
- (d) whether the Government is also giving incentives to encourage the growth of budget hotels and if so, the details thereof; and**
- (e) whether the Government has conducted any review on the working of budget hotels to remove their shortcomings and if so, the details thereof?**

**ANSWER**

**MINISTER OF STATE FOR TOURISM (INDEPENDENT CHARGE)  
(SHRI PRAHLAD SINGH PATEL)**

**(a) to (e): A statement is laid on the table of the House.**

**\*\*\*\*\***

**STATEMENT IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO.\*114 ANSWERED ON 25.11.2019 REGARDING BUDGET HOTELS.**

**(a): As per the Report of the “Working Group on Tourism” for the 12<sup>th</sup> Five-year Plan (2012-17) set up by the then Planning Commission, for a projected annual growth of 12% in Foreign Tourist Arrivals, the projected requirement of additional hotel rooms in 2016 over 2010 was estimated to be approximately 2 Lakh. No assessment has been made by Ministry of Tourism regarding shortage of hotel rooms for tourists in the country.**

**(b): Construction and operation of hotels is primarily a private sector activity. The Ministry of Tourism, Government of India only classifies operational hotels under its voluntary scheme of classification/approval of hotels, on the basis of the facilities and services provided by them.**

**Development of Tourist centres is primarily the responsibility of respective State Governments / Union Territories. However, Ministry of Tourism, augments the efforts of the States / Union Territories through its schemes like Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive (PRASHAD) and Swadesh Darshan.**

**(c): The Ministry of Tourism, vide letter dated 09.01.2018, has requested the State Governments / UT Administrations to give due weightage to development of mid segment hotels which typically will fall in 3 star and 4 star categories while earmarking /auctioning of land for developing hotels.**

**In order to further augment supply of hotel accommodation for budget tourists, the Ministry has voluntary schemes for approval of Guest Houses, Incredible India Bed and Breakfast Establishments and Incredible India Homestay Establishments.**

**The voluntary scheme of the Ministry of Tourism for approval of hotels at project stage and classification stage stipulate that the hotels of 1, 2, 3 and 4 star categories availing subsidy / tax benefits/other benefits from the Central / State Government would be subject to a lock – in period of 8 years during which they would not seek up gradation to a higher category so that these hotels continue to serve as budget category hotels.**

**(d): The Ministry of Finance, Government of India, on 17th October, 2017 notified the Harmonized Master List of Infrastructure Sub-Sectors to boost supply of hotel rooms in the country which includes three Star or higher category classified hotels located outside cities with population of more than 1 million.**

**(e): No, Sir.**

**\*\*\*\*\***