

RAJYA SABHA

Tuesday, the 13th March, 1973/22 Phalgun
1894 (Saka)

The House met at eleven of the clock,
MR. CHAIRMAN in the Chair

ORAL ANSWERS TO QUESTIONS

SETTING UP OF HOTEL PROJECTS IN PUBLIC SECTOR

*436. SHRI M. K. MOHTA : Will the
Minister of TOURISM AND CIVIL
AVIATION be pleased to state :

(a) the number of hotel projects approved
by Government to be set up in public sec-
tor in different parts of the country; and

(b) the amount involved in each project
and the target dates fixed for their com-
pletion ?

THE MINISTER OF STATE IN THE
MINISTRY OF TOURISM AND CIVIL
AVIATION [DR. (SMT.) SAROJINI
MAHISHI] : (a) and (b) A statement
is laid on the Table of the House.

STATEMENT

S.No.	Name of the Hotel Project	Room capacity	Estimated cost (Rs. in lakhs)	Date of completion
<i>India Tourism Development Corporation</i>				
1.	Beach Hotel, Kovalam	100	115	30-11-73
2.	Transit Hotel, Calcutta Air-port	150	250	31-12-73
3.	Expansion of Lakshmi Vilas Palace Hotel Udaipur.	20	25	15-3-73
4.	Hotel at Gulmarg	60	110	Not yet started
5.	Expansion of Hotel Ashoka, Bangalore	100	80	Do.
6.	Hotel at Aurangabad.	83	70	Do.
<i>Air-India</i>				
1.	Hotel at Bombay Airport	180	505	December 1973
2.	Hotel at Juhu Beach, Bombay.	350	580	To be decided.

SHRI M. K. MOHTA : According to
the statement that has been laid, some 8
hotels have been planned with a capital
cost of Rs. 15.35 crores. May I ask the
hon. Minister if it is not a fact that by
1980 about one million tourists are to be
received in the country and the require-
ment of hotel rooms in the country
would be 40,000 as against only 10,000
and the cost of constructing extra 30,000
rooms would come to something like Rs.
300 crores ? So, the projects worth
Rs. 15 crores which are planned today are
nothing as compared to Rs. 300 crores
that would be ultimately needed. May I
ask the hon. Minister what perspective
plan has been drawn up by the Ministry to
reach this target of 40,000 hotel rooms to
receive at least one million tourists by
the end of 1980 ?

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DR. (SMT.) SAROJINI MAHISHI :
Sir, the estimated tourists' inflow by 1980
is supposed to be nearly 10 lakhs but the
number of the existing rooms today is
10,675 and the projects that are under
consideration today will be able to add
2000 rooms by the end of this year. The
projects that have been planned in the
public and the private sectors during this
plan period will be able to give us nearly
5000 to 6000 rooms. Therefore, the total
estimated number of rooms by the end of
1980, that would be required, is 20,000.

SHRI BHUPESH GUPTA : She should
say whether these rooms are small or big.

DR. (SMT.) SAROJINI MAHISHI :
There is a standard laid down for all these
things. Therefore, I need not define
that.

There will be a requirement of 20,000 rooms but in addition to that we have got a lot of supplementary accommodation in the form of youth hostels, lodges, rest houses in the forests and other motels. Other accommodation for developing road-side tourism is also there

SHRI M K MOHTA Sir, my question has not been fully answered. My question was whether these one million tourists who would be coming would be accommodated in these 17,000 or 18,000 rooms.

DR. (SMT.) SAROJINI MAHISHI As I said, the estimated number of the tourists by the end of 1980 will be one million. No doubt about it but the number of rooms that would be available is estimated to be something like 20,000. In addition to that there is supplementary accommodation which will be supplementing the existing accommodation in the hotels. Adding all these together, it may be round about 30,000 to 32,000 rooms

SHRI M K. MOHTA My next question to the hon Minister is that while on the one hand the public sector is going on pumping money into the hotel scheme, the management of the hotels in the public sector leaves much to be desired. The net profits last year of the Ashoka Hotel were slightly lower this year than in the previous year while Ranjit, Lodhi, Akbar and Ashoka at Bangalore suffered losses. So much so, the ITDC earned a profit of Rs. 1.69 lakhs in 1972 as compared to Rs 22½ lakhs last year after paying Rs. 14½ lakhs for taxation. That means from Rs. 38 lakhs it has come to 1.69 lakhs

So, I would like to ask the hon. Minister what arrangements are being made for more efficient running of the hotels at a profits so that the exchequer will be provided with profits and the money that is being sunk in the hotels is not simply wasted.

DR. (SMT.) SAROJINI MAHISHI As the hon. Member says there is much scope for improvement but then at the same time the ITDC is ploughing back the money into the hotel industry and a number of motels, improvements to the existing hotels and renovation of hotels have been taken up. Therefore as a result the ITDC

complex as a whole has made a small profit but as the hon. Member says different projects taken individually, need to be improved and as he says there is much scope for further improvements in the service.

SHRI M. K. MOHTA : Kindly say what you will do. Sir, the hon. Minister says the scope is there but what are they doing to bring about that improvement ?

DR. (SMT.) SAROJINI MAHISHI . It is being attended to. If the hon. Member wants the details he is welcome to the office and I shall give him

SHRI BHUPESH GUPTA Welcome to the office or to the hotel ? Sir, how do I understand how the hotel is being run, how the rooms are like if I am welcome to her office ?

MR CHAIRMAN . We are now concerned with the House here

SHRI K CHANDRASEKHARAN : May I know from the hon Minister whether the work in connection with the each Hotel at Kovalam has started and if so what is the expenditure so far incurred ?

DR (SMT) SAROJINI MAHISHI : The work on that hotel has started and it is expected to be complete by the end of November 1973. The total estimated expenditure on that is Rs. 115 lakhs and I think nearly Rs. 75 lakhs have already been utilised.

SHRI BHUPESH GUPTA Sir, first of all I should like to know whether it is now the policy of the Government to allow foreign collaboration even in starting hotels on a large scale. Some time back when the Hilton proposal came up we raised objection and it was dropped. Now we find that not only Hilton but Sheraton and all these people are being brought in and allowed to collaborate with the private sector. Do I understand it is the policy of the Government to allow the concentration of wealth and economic power to develop in the hotel industry also and if not what steps is the Government going to take to stop this ?

Sir, it seems that some of our Ministers are becoming more and more tourist

attractions, do I understand whether it is on that basis it is calculated that a million tourists will be coming to this country ?

DR (SMT) SAROJINI MAHISHI
Firstly the policy is not to encourage foreign collaboration

SHRI BHUPESH GUPTA You have done it

DR (SMT) SAROJINI MAHISHI
Please listen

in hotel construction The ones which were permitted earlier continue to be there but in recent years

SHRI BHUPESH GUPTA But what about Bombay Oberai-Sheraton ?

DR (SMT) SAROJINI MAHISHI
collaboration is not encouraged Wherever it is there

SHRI BHUPESH GUPTA Sir, on a point of order In this House the Government gave an assurance when I brought in this question

SHRI KALI MUKHERJEE Let us hear the reply

DR (SMT) SAROJINI MAHISHI No foreign collaboration is being encouraged in the hotel industry in recent years In the past in the case of these that were permitted was only to the extent of membership for getting chain booking in the international field Even today if at all the Government is considering, it is considering to the extent of allowing only for this membership participation for getting international booking and in such cases also it does not exceed more than 20 per cent of the equity Now even that is not encouraged This is for the information of the hon Member

The second point he raised was on what basis it is estimated that there will be in flow of tourists to the tune of 10 lakhs by the end of 1980 It is on the basis of the demand for international booking that we are receiving On the basis of the infrastructure that is being built up, on the basis of the international co-ordination that is existing in the travel agencies and the progress that is being achieved from year to year we expect that it may go up to 10 lakhs by the end of 1980.

श्री तीर्थ राम अमला : इस लिस्ट मे एक होटल गुलमर्ग भी बनाने की तजवीज है जिस के बारे मे कहा गया है कि वह अभी शुरू नहीं हुआ तो मैं जानना चाहता हू कि यह कब तक शुरू होगा और कब खत्म होने वाला है ?

DR (SMT) SAROJINI MAHISHI .
It is pending with the Finance Ministry waiting for their clearance and we expect to get it within a few weeks

SHRI LOKANATH MISRA It appears from the statement of the hon Minister that coal is being carried only to New castel and nowhere else Places like Gulmarg, Bombay, Calcutta and Delhi figure all the time so far as tourists' amenities are concerned There are also other places in the country where a number of tourists go and which are the only attraction for the tourists coming to India

MR CHAIRMAN Please put your question

SHRI LOKANATH MISRA May I know, Sir, whether it has come to the notice of the hon Minister that a number of tourists visit places like Konarak, Bhubaneswar and Puri in Orissa where there is no proposal for a public sector hotel at all ? If a public sector hotel cannot be set up in those places for lack of funds or for any other reason, may I know whether the private sector hotels would be encouraged there with loans advanced from the Hotel Corporation of India ?

SHRI BHUPESH GUPTA What has happened to his application, you tell us.

SHRI LOKANATH MISRA For his information I have no connection with any hotel corporation

SHRI BHUPESH GUPTA At one point he applied

DR (SMT) SAROJINI MAHISHI
Financial assistance is given to the private sector for the construction of hotels under the hotel loan scheme of the Department of Tourism of the Government of India and that is given as a soft term loan with some concessions to them Orissa has not applied and no application has been received

SHRI BHUPESH GUPTA : On a point of order, Mr. Lokanath Misra did apply.

SHRI LOKANATH MISRA : I never applied for a loan or anything.

DR. (SMT.) SAROJINI MAHISHI : Then, the hon. Member asked whether the tourist population is concentrated in these four cities of India. The international airports are already developed, the facilities are many more and people go to these places and from there proceed further into the interior. For this information in Puri we are building a youth hostel. This is by way of a promotional activity for the development of tourism. We are building a youth hostel at Puri, developing the Chilka lake and spotlighting the caves near Bhubaneswar. This is for his information. It is a part of the promotional activities and it is not a commercial activity.

श्री बनारसी दास : क्या माननीय मंत्री जी कृपा कर बतायेंगे कि सार्वजनिक क्षेत्र में यह इन्वेस्टमेंट फारेन ट्रैवलर्स के लिए फारेन एक्सचेंज अर्न करने के लिए बनाया जा रहा है या इस भारतवर्ष के उद्योगपति और धनिक वर्ग की आवश्यकताओं की पूर्ति के लिये यह सब किया जा रहा है ?

डा० (श्रीमती) सरोजनी महिषी : एक मकसद है फारेन एक्सचेंज कमाने का, दूसरा है जो पर्यटक हमारे देश में आते हैं उन को सारी सहाूलियतें पहुंचाने का और उन के अतिरिक्त देश में अपने पर्यटक भी चलते रहते हैं उन को भी सुविधायें देने का विदेशी पर्यटकों के लिए कई सहाूलियतें हैं। उन से फारेन एक्सचेंज अर्न करने का सवाल है जो कि यहां के पर्यटक नहीं दे सकते, लेकिन देश में उन पर्यटकों को भी कई सहाूलियतें दी जाती हैं।

SHRI MONORANJAN ROY : My question is whether the Ministry of Tourism have envisaged any promotional or commercial activities for the Darjeeling hills

where a number of tourists go. No hotels are available at all there. Only one big posh hotel, Mount Everest hotel, is there. No other hotels are available. I know the condition of the tourists, both inland and from outside. In view of this, do you propose to have any hotel there and, if so, whether the charges will be different for the middle income group and for the rich people ?

DR. (SMT.) SAROJINI MAHISHI : Tourism and the promotion of tourism are the subjects of the State Government also. But we, on our part, are constructing a youth hostel at Darjeeling and are also extending the existing tourist bungalow there at Darjeeling and are also building a rest house at the Jaldapara Wild Life Sanctuary.

SHRI JOACHIM ALVA : The hon. Minister knows of the very strenuous campaign made in Parliament against foreign collaboration and I would like to know whether you are relenting on that point. I want to know why you have given permission for the Indian Tobacco Company to go into the hotel business with foreign money. They have already so much of foreign money. They have a monopoly in cigarettes in India. Why have you allowed them to open four hotels ? They are only making cigarettes and you are allowing them to go into the hotel industry. Why don't you stop that privilege to them ?

DR. (SMT.) SAROJINI MAHISHI : There is no foreign collaboration as such it is a company which has been in India for the last few decades, and moreover they are diversifying their activities. The applications are being considered. It is not a foreign company.

DR. BHAI MAHAVIR : But, Sir, she has made a statement which is contrary to what...

MR. CHAIRMAN : Dr. Mahavir, we have already taken fifteen minutes over this. Next question Mr. K. C. Panda.