



# 1<sup>st</sup> Global Tourism Investors' Summit

17 - 19 May 2023 | Pragati Maidan, New Delhi

[gtis.tourism.in](https://gtis.tourism.in)

**Session 2: Policy Benchmarking and Ease of Doing Business**

**Chintan Shivir**

**28<sup>th</sup> March 2023**



# Requirement of Ease of Doing Business

## Key expectations highlighted by industry in terms of Ease of Doing Business:



- **Licenses and permits** required for Hotel establishment can reach as many as 100 in several states with significant delays in granting of approvals

Licenses & Approvals	No. of licenses/approvals	Est. period to issue
Pre-construction	49+	60-90 days
Post-construction	22+	60-90 days
Pre-opening	27+	60-90 days



- **Timely disbursement of subsidies** rolled out to eligible projects by private entities can ensure the viability and efficient execution of the project



# State Policy Benchmarking (1/3)

24 States

36 Parameters

23 Fiscal

13 Non Fiscal

S. No.	Category	Fiscal Parameters
1	Exemptions & Subsidies	Registration and Stamp Duty
2		Electricity & Power Subsidy
3		Capital Investment Subsidy
4		SGST Reimbursement
5		Interest Subsidy
6		Viability Gap Funding
7		Preparation of Feasibility Report/DPR
8	Niche Segment Incentives	Incentives to Heritage Hotels
9		Concessions on Homestays
10		Incentives for tourism units operating in rural, forest, and wildlife areas
11		Incentives to MICE units
12		Incentives to Amusement Parks
13		Film Shooting Subsidy



# State Policy Benchmarking (2/3)

24 States

36 Parameters

23 Fiscal

13 Non Fiscal

S. No.	Category	Fiscal Parameters
14	Infrastructure (Land)	Development Capital Support
15	Incentives	Custom duty waiver on tourism related equipment
16		Training & Skilling related incentives
17		Employment Generation incentives
18		Turnover linked incentives
19		Special Incentive Package for SC/ST Enterprises
20		Green Incentives
21		Reimbursement on Certification/ Quality Upgradation/ Innovation/ Research
22		Special thrust sector incentive
23	Startups	Seed Fund and Capital Support



# State Policy Benchmarking (3/3)

24 States

36 Parameters

23 Fiscal

13 Non-Fiscal

S. No.	Category	Non-Fiscal Parameter
1	General	Project Category Definition
2		Industry Status (Tourism Sector)
3		Single Window Clearance
4		National Single Window System Integration
5		Presence of State Investment Promotion Board
6	Infrastructure (Land)	Land Bank
7		E-tendering process
8		Land Conversion Permissibility
9		Linking of projects to GatiShakti National Master Plan
10		Additional FSI / FAR
11	Public Private Partnerships	Availability of PPP Projects
12	Startups	Entrepreneurship Awards
13	Marketing & Promotion	Participation in tourism related events and travel marts





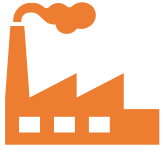
# State Policy Categorization

<b>Leading States</b>	States meeting 25-36 parameters	<i>Arunachal Pradesh, Himachal Pradesh, Karnataka, Meghalaya, Odisha, Tamil Nadu, Uttarakhand, Uttar Pradesh, West Bengal</i>
<b>Emerging States</b>	States meeting 13-24 parameters	<i>Andhra Pradesh, Chattisgarh, Goa, Gujarat, Haryana, Jammu &amp; Kashmir, Kerala, Madhya Pradesh, Maharashtra, Manipur, Punjab, Rajasthan, Tripura</i>
<b>Aspiring States</b>	States meeting 1-12 parameters	Lakshadweep, Mizoram

*\*Above bifurcation basis information provided by 24 states as of 15<sup>th</sup> March 2023*



# Industry Status (1/3)



## Industry status

Official recognition providing a range of benefits to the Hospitality industry outlined in the industrial policy



## Key benefits include:

- Registration & Stamp Duty cost
- Land allotment & accessibility to financing
- Utility tariff & Property tax
- Electricity & Water tariff
- Capital Investment Subsidy
- Interest Subsidy
- Employment generation & Training-Skilling related incentives



## Industry status accorded to Tourism\*

- |                     |           |
|---------------------|-----------|
| ▪ Andhra Pradesh    | ▪ Goa     |
| ▪ Arunachal Pradesh | ▪ Gujarat |
| ▪ Himachal Pradesh  | ▪ Haryana |
| ▪ Jammu & Kashmir   | ▪ Manipur |
| ▪ Karnataka         | ▪ Mizoram |
| ▪ Maharashtra       | ▪ Odisha  |
| ▪ Rajasthan         | ▪ Tripura |
| ▪ Tamil Nadu        |           |
| ▪ Uttarakhand       |           |
| ▪ Uttar Pradesh     |           |

*\*17 states have industry status out of 24 states that have provided the information as of 15<sup>th</sup> March 2023*



## Industry Status (2/3)



Drafting of  
Proposal



Inter-department  
consultations to  
obtain concurrence



Drafting of  
Cabinet Note



Cabinet Approval  
& Announcement

### Suggestive list of relevant departments from which concurrence is to be obtained

- |                      |                       |                        |
|----------------------|-----------------------|------------------------|
| ○ Finance & Planning | ○ PHED                | ○ Environment & Forest |
| ○ Industries         | ○ Labour & Employment | ○ Pollution Control    |
| ○ Revenue            | ○ Urban Development   | ○ Fire                 |
| ○ Power              | ○ Legal               | ○ Health               |



# Industry Status (3/3)

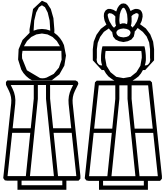
## Non-uniformity of key benefits under Industry Status for Tourism projects in 17 states:

Parameter	Registration and Stamp Duty	Electricity & Power Subsidy	Capital Investment	Interest Subsidy	Training & Skilling related	Employment Generation
Andhra Pradesh						
Arunachal Pradesh						
Goa						
Gujarat						
Haryana						
Himachal Pradesh						
Jammu & Kashmir						
Karnataka						
Kerala						
Maharashtra						
Manipur						
Mizoram						
Odisha						
Rajasthan						
Tamil Nadu						
Tripura						
Uttarakhand						
Uttar Pradesh						

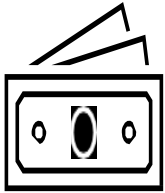
\*Above analysis basis information provided by 24 states as of 15<sup>th</sup> March 2023



## Facilitation case (1/2)



**Largest European  
entertainment  
company**



**Investment:**  
USD 12 Mn



**Employment:**  
28

**Market entry:**  
Pitched India  
opportunity

**Clearances:**  
Fast track  
approval process

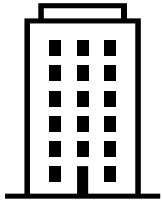
**Relocation:**  
Assisted  
relocation within  
India

**The company** started operations in 2019

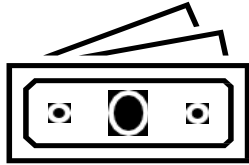




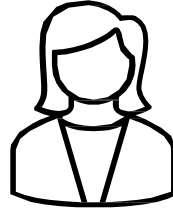
## Facilitation case (2/2)



Chain of **Israeli**  
**luxury hotels**



**Investment:**  
USD 88 Mn



**Employment:**  
350

**5-star hotel** in Bengaluru and further  
investments in pipeline



### India survival:

Loss of business due to  
delay in grant of licenses

### License:

Fast track  
approval process

### Re-investment:

2<sup>nd</sup> business  
opportunity being  
explored



# Key Takeaways

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- ✓ States may consider according Industry Status to Tourism & Hospitality sector
- ✓ Benefits under Industry Status may be standardized across states for investor friendliness
- ✓ Time bound approval and simplification of licenses will boost investor confidence
- ✓ Aspiring and Emerging states may consider review of existing policy with respect to policy benchmarking parameters
- ✓ Industry Development and Investment Promotion (IDIP) division at Ministry of Tourism to support in capacity building in this regard





# *Thank you*

For Investment related query  
[idip.tourism@gov.in](mailto:idip.tourism@gov.in)

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