

GOVERNMENT OF INDIA  
MINISTRY OF TOURISM

**RAJYA SABHA**  
**STARRED QUESTION NO.121**  
ANSWERED ON 31.07.2025

**EXPANSION OF HOTEL INDUSTRY**

121 SHRI SANJAY SETH:

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

- (a) the manner in which the ongoing surge in hotel infrastructure is being leveraged to generate employment for local communities, especially in tier-2 and tier-3 towns;
- (b) the steps taken to ensure that the hotel expansion complements regional cultural and ecological sustainability;
- (c) the manner in which training and skilling programmes are being integrated to prepare youth for tourism sector jobs arising from these developments;
- (d) the measures taken to ensure fair wages and labour standards in the booming hospitality sector; and
- (e) whether the increased hotel capacity has led to greater affordability and access for middle-class domestic tourists, if so, the details thereof?

**ANSWER**

THE MINISTER OF TOURISM

(SHRI GAJENDRA SINGH SHEKHAWAT)

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

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**STATEMENT IN REPLY TO PARTS (a) TO (e) OF RAJYA SABHA STARRED QUESTION NO.121 ANSWERED ON 31.07.2025 REGARDING EXPANSION OF HOTEL INDUSTRY RAISED BY SHRI SANJAY SETH.**

(a) to (e): Hospitality sector in India is undergoing expansion in hotel infrastructure, including tier-2 and tier-3 towns. This growth is driven by rising domestic tourism, improved connectivity, economic development and increased investor confidence. It presents a timely opportunity to generate local employment and stimulate inclusive growth across the hospitality value chain. The hospitality sector also supports significant ancillary employment in food supply, transportation, housekeeping, security and local crafts, etc.

The Ministry of Tourism, under its “Capacity Building of Service Providers (CBSP)” scheme has stepped up its effort to create employable workforce in the tourism and hospitality sector by imparting training in the diverse streams such as Hunar Se Rozgar Tak (Skilling), Skill Testing & Certification (Re-skilling) and Entrepreneurship Programme (Up-skilling). These trainings are conducted through central Institute of Hotel Management, State Institute of Hotel Management, Food craft Institutes, State Government and their Tourism Boards and other empanelled agencies.

The expansion in hotel infrastructure creates employment including those for local communities on various departments of the hotel such as housekeeping, food and beverages, kitchen, front office and other support staff. As per Tourism Satellite Account (TSA), an accounting methodology used by the United Nations to quantify the goods and services related to tourism, Travel and Tourism in India has created 84.63 million (direct + indirect) jobs in 2023-24. The contribution of the tourism sector to GDP and employment at the National level in recent years is as follows:

	2021-22	2022-23*	2023-24(P)
Share of Tourism in GDP (%)	1.75	5.09	5.22
Share of Tourism in Employment (%)	12.66	12.57	13.34

\*: Revised Estimates

P: Provisional

Source: Provisional estimates based on National Account Statistics (NAS) 2025 and Periodic Labour Force Survey (PLFS)

The Ministry ensures that tourism infrastructure aligns with sustainability through the following measures:

- i. Through the voluntary scheme of hotel classification, it is mandated for hotels to implement eco friendly standards such as sewage treatment, rainwater harvesting, waste management and use of energy efficient techniques. Ministry has also formulated National Strategy for eco tourism which encourages tourism industry to integrate local architecture styles, preservation of heritage, use of eco friendly material particularly for heritage hotels and rural homestay.
- ii. Under the National Strategy for Eco Tourism, operators are encouraged to integrate local architectural styles and eco-friendly materials, particularly for heritage hotels and rural homestays.
- iii. In order to motivate this sector, Ministry of Tourism give Rural Tourism awards for Best Tourism Village and Best Homestay, to promote high environmental and cultural benchmarks across rural clusters.
- iv. The Ministry of Tourism is also working with the Department of Drinking Water & Sanitation for their initiative Swachhata Green Leaf Rating System (SGLR) to encourage environmental sustainability standard in hospitality sector.

Skill development and professional trainings are integral to Government's employment-focused strategy and these are conducted through following ways:-

- i. The Ministry of Tourism under its CBSP Scheme trains youth in basic hospitality, culinary skills, hygiene and customer handling such as Food production, Food & Beverages service, Housekeeping, Front Office Operations, etc.
- ii. The Ministry of Tourism is working in close coordination with the Ministry of Skill Development and Entrepreneurship (MSDE) to integrate hospitality related trades under national frameworks such as Pradhan Mantri Kaushal Vikas Yojana (PMKVY).
- iii. Through IHMs, structured diploma and degree programmes are offered which results in more than 85% of placements in the Industry. Further the IITFC programme is also offering on-line self paced certification in basic, heritage and advanced modules. Under this programme over 50% fee concession is extended to women and SC/ST participants. Domicile of residents of Aspirational Districts identified by NITI AAYOG from time to time are extended with full fee concession for the programme.
- iv. Adventure skilling is imparted through NIWS (National Institute of Water Sports, Goa), under IITTM, which offers certified training in rafting, kayaking, scuba, and other water-based activities.

To ensure fair wages and labour standards in industry including hospitality sector, adequate regulatory framework is in place like Minimum Wages Act 1948, Code of Wages 2019, Occupation Safety Health and Working Condition Code 2020 etc. These regulatory provisions are enforced by Government and complied through regular inspections and public awareness campaigns. The Ministry of Labour and Employment, Government of India has issued detailed regulations ensuring compliance of Minimum Wages Act of the persons engaged in hospitality industry. At the same time, Ministry of Tourism ensure compliance of the same by the following measures:

- i. Requiring hotels seeking classification to comply with minimum operational and safety standards that indirectly enforce fair working conditions.
- ii. Embedding workplace ethics, hygiene and employee rights within CBSP training curricula.

The expansion in accommodation supply, especially in the budget and mid-range segments and home stay units has improved affordability for domestic tourists. The Ministry of Tourism's initiative of Swadesh Darshan, Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive (PRASHAD) etc. has enabled development in lesser known but high potential destinations reducing travel and accommodation costs. The Incredible India app and Dekho Apna Desh campaign assist travelers in discovering affordable verified stay options.

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