

HOTEL & RESTAURANT ASSOCIATION OF ODISHA

(Regd. No. – 1078-296 of 1985-86)

Regd. Off.:

105, Janpath, Bhubaneswar – 751001, Odisha, India

Ph. : +91 674 2535777, Mob.: 8895883469

Email : execsecy@hrao.org, Web site : www.hrao.org



Voice of Hospitality & Tourism Development



C/HRAO / CS / 1545 / 25

21st May 2025

Sri Manoj Ahuja, IAS
Chief Secretary to Govt.
Govt. of Odisha

Urgent Amendment in Tourism Policy 2022

Respected Sir,

On behalf of the hospitality and travel industry of Odisha we express our sincere thanks for sparing your valuable time to Chair this meeting today discuss various issues relating to Tourism Sector of Odisha.

Amendment in Tourism Policy 2022 : The new Odisha Tourism Policy 2022 was declared on 30th November 2022 at the Make in Odisha Conclave. As per Government of Odisha guidelines, IPR is supposed to be the mother policy and all other policies will be in accordance with the IPR. After the policy has been declared at the Make in Odisha conclave the HRAO had discovered anomalies which were brought to the notice of the State Tourism Department.

1. After getting the Single Window Clearance for a Tourism Project from the Government the Investor still has to run after lot of Departments for obtaining various clearances / NOCs Approval of Building Plan, Environmental Clearance, Consent to Establish, Fire Recommendations and Approval, CRZ clearance, Airport Authority Clearance, Ground Water Clearance from both Central and State Government, Local Municipality Clearance, Local Electrical Authority clearance, Structural vetting, All land records, Environment Infrastructure Development Plan (EIDP) by Town Planning Authority, for Hotels at Puri – clearance from Shree Jagannath Temple Trust etc., and the time taken for getting these clearances runs into years and the project costs increases due to this delay. **Therefore we recommend that a time-bound period of one month should be stipulated for giving the necessary clearances by each department and the completion period be extended upto 5 years from the date of receiving all such clearances. Also for obtaining clearances from Central Agencies like NGT and CRZ the Dept. should facilitated the same within a time bound period. Also trunk infra like road, water, electricity, drainage etc. should be made available at the time of Single Window Clearance**

2. (a) Hotels have been declared as industry in the IPR 2015 but the benefits which other industries are getting, the hotel industry is deprived off. Hotels should be accorded with Industry Status to avail a range of benefits such as electricity tariff, water supply, property tax, development tax etc., as per industrial tariff instead of commercial tariff as well as attracts private investors to invest in tourism sector. **Currently states such as Kerala, Gujarat, Rajasthan, Punjab, Goa, Karnataka, Uttarakhand, Maharashtra, Himachal Pradesh, Tripura and Jammu & Kashmir have accorded industry status to the tourism sector.**

Land Bank should be created in urban areas also along with other tourism destinations.

For auction of land the base price should be the IPR rate as specified in the IPR in the Urban / Municipal areas.

(b) Omission of Migration Clause in Tourism Policy 2016

Industrial Policy 2015 was effective from 24-08-2015 where as the Odisha Tourism Policy 2016 was effective from 24-11-2016. In Odisha Tourism Policy 2016, point no. 10.7(miscellaneous) it was mentioned that the Tourism Policy 2016 shall be co-terminus with the IPR 2015 in this regard migrated industrial units shall be eligible for incentives provided on this policy subject to the specific condition (Ref. IPR 2015, 5.1 – Eligibility (C). (Copy enclosed)

In this regard migrated industrial units shall be eligible for incentives provided in the Tourism Policy 2016 but, unfortunately, the Tourism Policy released in November 2016 made a blunder by omitting the guidelines of the IPR 2015 by not including the migration clause. Because of this omission, the State Tourism Department proposed to the Govt for One Time Settlement (OTS) Scheme to provide Capital Investment Subsidy to the tourism projects which have not availed. We propose the stakeholders should get the benefits from this Migration Clause.

3. In the New Tourism Policy only 3 star and 4 star properties having 50 keys or more can avail benefits. As the Government is planning to develop tourism infrastructure in remote districts, we suggest hotels with 1 star and 2 star classification having more than 20 rooms may be included for eligibility to avail benefits in the Tourism Policy 2022. Also in developed areas like Bhubaneswar, Sambalpur and Rourkela 2 star and 3 star hotels having more than 25 keys should also be allowed to avail benefits under the new Tourism Policy 2022. This is required to meet the needs of mid level income tourists who constitute more than 70% room occupancy in these cities. As land prices are high, the above relaxation will be very advantageous to the stakeholders and we can increase the hotel accommodation capacity in Bhubaneswar and other places.

4. We propose the following amendments in the Quantum of Capital Investment Subsidy as given in the Tourism Policy 2022.

Existing			Proposed by HRAO	
Eligible Capital Investment (excluding the land cost) (1)	Admissible Subsidy (2)	Maximum Limit of subsidy (3)	Admissible Subsidy	Maximum Limit of subsidy
Investment up to Rs.50 cr.	30%	Rs.15.00 Crore	40%	Rs.20.00 Crore
Investment above Rs.50 cr.	30%	Rs.20.00 crore	40%	Rs.40.00 crore

All states in India are offering capital investment subsidy upto 30% and grabbing investment from the private sector. **We have therefore, proposed 40% to attract more local as well as outsider investments to Odisha from the private sector.**

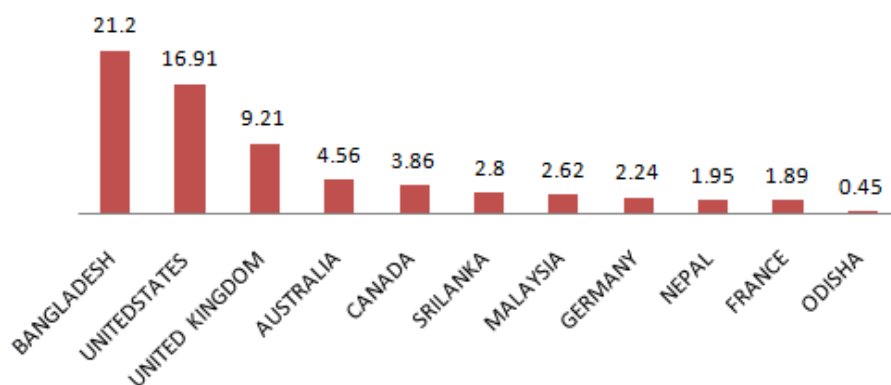
5. **Interest Subsidy :** As mentioned in the Tourism Policy 2022 “All eligible tourism units shall be eligible for interest subsidy @5% per annum subject to maximum of Rs.1 Cr for the entire period of 5 yrs” **we request to kindly consider the interest subsidy @5% per annum to be provided till repayment of term loan or at least for 9 years instead of 5 years.**
6. In the previous Tourism Policy 2016, State Tourism Promotion Council was constituted under the Chairmanship of the Hon’ble Chief Minister, Ministers, Tourism Department Officials & Chairman, HRAO and Tourism Advisory Committee was also constituted under the Chairmanship of Hon’ble Chief Secretary. **We suggest this should be revived and implemented in the new Tourism Policy (copy enclosed).**
7. In the new Tourism Policy, the existing units who will expand by 50% of their existing capacity can only avail subsidy benefit. **We request to reduce the same to 20% so that we can add more hotel rooms in a faster mode in Odisha.**
8. There should be a time limit fixed by IDCO for allotment for lands for projects approved by SLSWC. Also the investor has to obtain clearance two times from the Tourism Department for land allotment by IDCO. This should be abolished.
9. In the IPR 2022, 100% of employer’s contribution towards ESI & PF is subsidized. The same may be accorded in the Tourism Policy also.
10. All projects approved under Single Window Clearance should be exempted from paying SGST component for at least three years from the date of commencement of project.

SUGGESTIONS FOR PROMOTION OF TOURISM & DEVELOPMENT OF INFRASTRUCTURE

1. We express our sincere gratitude regarding the proposed Shree Jagannath International Airport in Puri which is definitely a commendable initiative to boost tourism and economic development in the State. But at the same time *we would like to emphasize the importance of carrying out this project in a manner that safeguards the unique cultural and architectural heritage infrastructures of Puri town that already existing. Necessary measures must be taken in coordination with Ministry of Civil Aviation to safeguard the aesthetic beauty and historical integrity and the existing infrastructure of Puri town.*

Presently the international connectivity is there from Bhubaneswar to Dubai, Bangkok and Singapore. As we have collected information from respective airlines that we do not get any tourists from Singapore, Dubai, Singapore & Malaysia. We, therefore, proposed massive campaigns and road-shows in those places to boost inbound tourism from those places. Singapore flight, as informed to us by Indigo, is doing about 50% to 60% occupancy only. Further, to accelerate Buddhist Tourism to the state, a connectivity with Sri Lankan airlines would be very helpful and also direct connectivity to Bodhgaya from Bhubaneswar should be started.

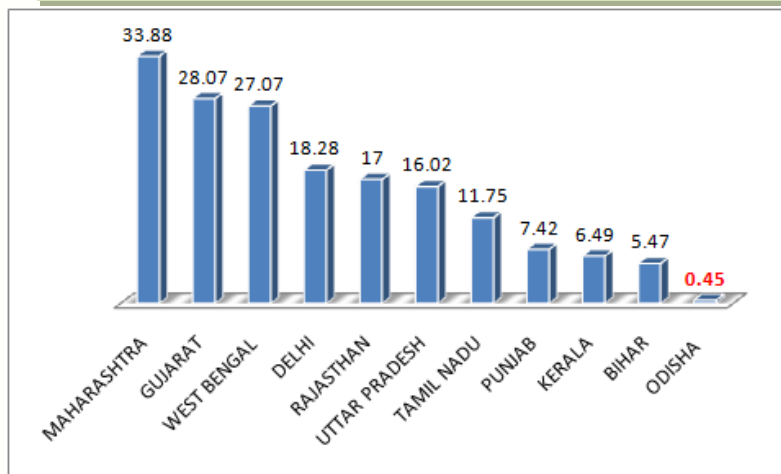
Top 10 Sources Countries for Foreign Tourist Arrivals during 2023 (fig. in lakhs)



Government may plan to showcase the rich potential of Odisha Tourism by conducting road-shows in these countries through the Embassies which have been empowered to promote India Tourism.

Top10 States Received Highest Foreign Tourists during 2023 (Fig. in Lakhs)

Source : MoT, GoI



These rankings affirm that investment in tourism infrastructure including quality accommodation, road and rail, addition of new airports, prominent tourism campaign etc significantly influences the tourism demand generated by these top 10 States.

- Looking at the acute shortage of hotel rooms in Odisha we request the Government to provide land at various tourist places at IPR rate and should not be auctioned as hotel industry gives lowest profit margin and cannot compete with real estate business where land can be auctioned.

CLASSIFIED HOTELS & HOTEL ROOMS IN TOP TOURIST STATES IN INDIA 30.06.2023

Source : MoT, GoI

SI	States	Approved Classified		SI	States	Approved Classified	
		Hotels	Rooms			Hotels	Rooms
1	Maharashtra	106	16,557	7	West Bengal	60	4,786
2	Kerala	617	15,093	8	Haryana	32	4,286
3	Gujarat	160	11,747	9	Rajasthan	48	3,650
4	Delhi	71	10,667	10	Andhra Pradesh	37	3,340
5	Tamil Nadu	115	5,889	11	Uttar Pradesh	41	3,080
6	Goa	47	5,369	12	ODISHA	16	1055

- Development & beautification of basic infrastructure in Buddhist Circuit is required. The Mahaparinirvan Express train should be extended upto Puri which currently stops at Bodhgaya.
- More attention to the Western & Southern part of Odisha to unravel the unexplored beauty and heritage of the state.

5. Promotion of museums through good quality short videos, high quality coffee table on museums in Odisha, extension of timing, deploying proper English speaking and Japanese speaking guides with thorough knowledge, improving lighting, toilet facilities at Buddhist Museums in Lalitgiri, Ratnagiri & Udayagiri etc will definitely attract tourists to our state.
6. Chilika Lake is the goldmine for tourism in Odisha and needs attention of the State government to develop eco-tourism and infrastructure for promoting the area on priority basis. A five acre land was ear-marked for Biju Patnaik Park, near Chilika Lake, Dist. Ganjam, has become a Jungle, can be developed as an attractive place like Brindavan Garden. Also Hirakud Dam and other sites of significant tourist potential should be developed to increase tourism flow to these places. More Houseboats should be encouraged in the Chilika Lake creating more Jetty infra will facilitate the same. Also ring-road which has started from Singadapalli to Fasid village and to Kankei village in Ganjam District has been completed is incomplete. Further villages like Upuli Alapur and Odia Alapur till Chilika Lake are still to be completed. The same may be taken up on priority. Completion of this ring road will attract more investors and hotel keys in this area.
7. World class branding is required in international and national markets through electronic / print media / social media campaigns to attract both foreign and domestic tourists as well as attract investors to invest in this sector. A special budget should be earmarked in the tourism policy for spending on this promotion effectively. Hon'ble Union Minister Tourism Sri Gajendra Singh Shekhawat during his visit to Odisha Travel Bazaar had also mentioned that more content writing and videos from Odisha are required for promoting Odisha in international market. Odisha may also consider a **Celebrity** Brand Ambassador (Film Star) for promoting Odisha Tourism.
8. Development of road-side amenities to all tourist destinations should be taken up on priority basis under PPP mode. Necessary amendments in the policy, if required, should be made. This will also help to increase tourist footfalls.
9. Permission may kindly be granted for operation of food outlets and bars till late night at least till 2.00 am
10. While Odisha Tourism is conducting road-shows in different states, most of the agents have given feedbacks for FAM tours to get a real view of the tourist places of Odisha and the hotel infrastructure. In view of this Tourism Department may consider for conducting FAM tours every month for next 12 months from different states of India to Odisha through FICCI which will be helpful to increase domestic tourists foot falls.

11. **Light & Sound** Programme should be introduced at Khandagiri & Udayagiri caves.
12. **Development of Heritage sites in Bhubaneswar** : Heritage walk should have proper guides and battery operated three wheelers will also help in heritage sites. Proper zoning and signages are required at the important places during the heritage walk.
13. The State Government should do projection of short term (yearly) and long term (4 years) on increase in footfalls to the state in the tourism sector and the need to increase the infrastructure in tourist places and the same should be reviewed in the State Tourism Promotion Council / Tourism Advisory Committee meeting. This would go a long way in helping the State Government for preparing the vision document for “**Vikshit Odisha 2036**” & “**Vikshit India 2047**”
14. Preparation of master plan for development of tourist destinations in the state on priority through recruited agencies.
15. Hon’ble Prime Minister and the Ministry of Tourism, Govt. of India have announced that India will create 50 tourist destinations of world class standard. **We request Odisha Government to propose names of at least three destinations so that the Ministry can provide additional funds for creation of world class infrastructure in those three destinations. We propose the Golden Triangle of Odisha (Bhubaneswar-Puri-Konark), Chilika Lake and identify one destination in Western Odisha for creation of world class destinations.**
16. Infrastructure development for Caravan Tourism is required the same may be looked into.
17. Odisha has a vast coastline and we should have at least 10 more Blue Flag Beaches developed in the state. Spain has 600 Blue Flag beaches and France has 400 Blue Flag beaches.

We are optimistic that the above suggestions will be taken up by the Government on priority and soon the government will declare the new Tourism Policy implementing the above suggestions to boost the tourism sector of our State.

Thanking you
Yours sincerely


Dr. J K Mohanty, MHCIMA
Lifetime Chairman – HRAO &
Chairman Eastern Region – Indian Association of Tour Operators

Brochure Size 28cm x 21cm

INDUSTRIAL POLICY 2015

Effective date 24.08.2015

5. FRAMEWORK FOR INCENTIVES AND OTHER SUPPORT MEASURES

5.1. Eligibility

- c) Migrated Industrial units shall be eligible for incentives provided in this policy subject to the specific conditions.

TOURISM POLICY 2016



10. Institutional Mechanism for Tourism Development:

10.1 State Tourism Promotion Council:

The State Tourism Promotion Council (STPC) will be constituted, as follows to act as the Apex Body to guide and monitor the development of Tourism in the State.

Chief Minister	Chairman
Minister of Tourism	Member
Minister of Forest & Environment	Member
Minister of Transport	Member
Chief Secretary of Odisha	Member
Development Commissioner	Member
Secretary, Home	Member
Secretary, Finance	Member
Secretary (Tourism)	Member Convenor
Secretary (Forest & Environment)	Member
Secretary (Transport)	Member
Secretary, Handloom & Handicrafts	Member
General Managers of Railway Divisions covering Odisha	Member
Senior representative from FICCI	Member
Senior representative from CII	Member
Representative from Airport Authority of India	Member
Representative from 2 major airlines operating in the state (nominated by the Secretary, Tourism)	Member
Representative from IATA / HRAO	Member
Representative from IATO/ TAAI	Member
Two leading hoteliers (nominated by the Secretary, Tourism)	Member
Representative of ASI	Member
Director, Department of Tourism	Member

TOURISM POLICY 2016



The nominated members shall have a maximum tenure of 3 years unless renewed by the Secretary, Tourism. The STPC shall meet at least once in 12 months. The State Tourism Promotion Council will review & monitor, the implementation of the Policy and suggest changes in the policy frame work.

10.2 Tourism Advisory Committee:

A Tourism Advisory Committee (TAC) shall be formed for facilitating development of tourism in the state. The Tourism Advisory Committee would be headed by the Chief Secretary, Government of Odisha and will have the role of advising the State Tourism Promotion Council on policy matters, strategy for development of tourism in the state, inter-departmental coordination, recommendations etc.

The Tourism Advisory Committee will have following members.

1. Chief Secretary	Chairman
2. Development Commissioner	Member
3. Secretary (Home)	Member
4. Secretary (Tourism)	Member Convenor
5. Secretary (Revenue)	Member
6. Secretary (Finance)	Member
7. Secretary (Forest & Environment)	Member
8. PCCF (Wildlife)	Member
9. Director (Tourism)	Member
10. Managing Director (OTDC)	Member
11. Representatives of other departments, agencies and organisations to be nominated by the Government from time to time.	

10.3 Single Window Clearance Authority:

There shall be a 3-tier Single Window Clearance Authority (SWCA) for clearance of private sector tourism projects as enumerated below -

- Investment up-to Rs. 50 crore - Special Single Window Clearance Committee (SSWCC) shall be constituted under the chairmanship of Secretary, Tourism; Govt of Odisha.
- Investments above Rs.50 crore and up to Rs.1000 crore – State Level Single Window Clearance Authority (SLSWCA) members as constituted under the Odisha Industries Facilitation Act (OIFA) 2004.
- Investment above Rs 1,000 crore - High Level Clearance Authority (HLCA) headed by the Chief Minister with members as constituted under the Odisha Industries Facilitation Act (OIFA) 2004.