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Press Release

Tourism Ministers' Conclave demands reduction in GST on hotel rooms

Thiruvananthapuram, Sept 16: Tourism Ministers from different states today made a strong case for reduction, simplification and rationalization of various taxes and levies, including Goods and Services Tax (GST), in tourism and travel industry to attract tourists and cushion stiff global competition.

"The Tourism Ministers' conclave 2019 at Kovalam, Kerala notes with concern that the GST Council of India has imposed 28% GST on hotel room tariff over Rs.7,500 and 18% tax on rooms with tariffs between Rs. 2,500 and Rs. 7,500. This tax rate is high compared with other countries," said a resolution unanimously adopted by the conclave.

The resolution, moved by Karnataka Tourism Minister Shri C.T. Ravi, said reduction in GST in hotel rooms is essential to attract more tourists.

The resolution also sought measures to reduce high airfares which posed tough competition from other global destinations.

"We express concern over the high airfares during peak season and festival periods, which are forcing holiday-makers to opt for economical destinations. Besides, unexpected closure of certain airlines/carriers has led to increased airfares while minimal air connectivity with 2-tier and 3-tier cities has only compounded the problem," it stated.

The conclave also took note of the high and varied inter-state tourist vehicle taxes and called for its rationalization across all the states to ensure seamless travel.

In another resolution, the conclave proposed formation of Regional Tourism Councils and developing tourism circuits, which can be region-based and in neighbouring states. "We resolve to jointly promote our tourist attractions across the world in order to give a cutting edge to our campaigns," it said.

The resolution, moved by Odisha Tourism Minister Shri Jyoti Prakash Panigrahi, said setting up Regional Tourism Councils will facilitate periodic interaction among different states and enhance collaboration.

The one-day conclave was inaugurated by Hon'ble Chief Minister of Kerala Shri Pinarayi Vijayan. Union Minister of State for Tourism and Culture Shri Prahlad Singh Patel was the Chief Guest. Kerala Tourism Minister Shri Kadakampally Surendran, presided over the function.

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