

# NITI Aayog Proposes Model Homestay Policy to Boost Tourism Growth

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## NITI Aayog Homestay Policy Latest News

- NITI Aayog has released a report titled ***Rethinking Homestays: Navigating Policy Pathways***.
- The report provides a framework for States to harmonise regulations and build an inclusive homestay ecosystem.
- It highlights the vast economic potential of alternative accommodations like **homestays and Bed and Breakfast (BnB)** in driving sustainable tourism growth.
- It also presents a strategic roadmap to unlock opportunities in this sector, aiming to boost local incomes, diversify India's tourism offerings, and strengthen community-based tourism.

## State of Travel and Tourism in India

- India's travel and tourism sector has shown remarkable post-pandemic recovery, driven largely by domestic tourism.

- According to WTTC's 2024 Economic Impact Research, the **sector contributed ₹21.15 lakh crore to the economy in 2024**, marking a 21% rise from 2019, and is projected to reach ₹43.25 lakh crore by 2034, accounting for 7.6% of GDP.
- It currently employs **4.325 crore people**—one in every eleven jobs in India—with employment expected to grow to 6.3 crore by 2034.
- Domestic tourist spending in 2024 stood at ₹16 lakh crore, 25% higher than 2019, and may nearly double by 2034, while international tourist spending reached ₹2.85 lakh crore and is expected to touch ₹4.07 lakh crore.
- The **Draft National Tourism Policy 2022** envisions **India as a top five global destination by 2030**, with goals to boost tourist arrivals, foreign exchange earnings, and employment.
- To support this, the government has raised the Ministry of Tourism's budget to ₹2,541 crore and is focusing on developing 50 top destinations, promoting PPP projects, supporting homestays through MUDRA loans, and incentivising hotel investments under the Harmonised Master List.

## NITI Aayog's Report on Homestays: Rethinking Homestays - Navigating Policy Pathways

- NITI Aayog released its report proposing a model policy framework to help States harmonise regulations and create an inclusive homestay ecosystem.
- The report emphasises the economic and cultural potential of homestays and BnBs in driving sustainable tourism growth.

### Key Insights and Objectives

- **Economic Potential:** Homestays can promote sustainable growth, generate local employment, and foster entrepreneurship, especially in rural and semi-urban areas.
- **Cultural Value:** They offer travellers culturally immersive experiences, blending authenticity with livelihood creation.
- **Policy Goal:** To provide a strategic roadmap for States to strengthen homestays as an integral part of India's tourism landscape.

### Core Recommendations

- **Light-Touch Regulatory Framework**
  - Regulations should remain simple, transparent, and flexible.
  - Focus on **safety, heritage protection, and inclusivity** while avoiding over-regulation.
- **Digital Empowerment**
  - Creation of a centralised digital portal for registration, compliance, renewals, and policy updates.
  - Ensures convenience for hosts and improves consumer trust.
- **Capacity Building and Local Empowerment**
  - Training and skill development for hosts.
  - Use of digital platforms to expand outreach and strengthen credibility.

- **Financial Incentives**

- Move from focusing on individual amenities to destination-level incentives.
- Promote tourism in underserved regions through tiered incentive structures.

## **Strategic Roadmap**

- The model policy framework aims to:
  - Simplify processes and encourage broader participation.
  - Integrate technology for greater efficiency.
  - Strengthen cultural authenticity while promoting sustainable tourism.
  - Position homestays as a tool for regional development, not just accommodation.

## **Conclusion**

- NITI Aayog's report presents homestays as a driver of inclusive growth and sustainable tourism, calling for harmonised state policies, digital integration, and destination-focused incentives.
- This approach seeks to unlock the sector's full potential while safeguarding culture and livelihoods.

**Source:** TH | PIB | NITI

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