

# FINMIN GRANTS 'INFRASTRUCTURE' STATUS FOR CONVENTION CENTRES

Relevant for: Indian Economy | Topic: Infrastructure: Urbanisation and related Issues

The Finance Ministry has granted 'Infrastructure' status for exhibition and convention centres, a move that is expected to ease bank financing for such projects.

'Exhibition-cum-Convention Centre is included in the Harmonised Master List of Infrastructure sub-sectors by insertion of a new item in the category of Social and Commercial Infrastructure,' the Department of Economic Affairs said.

However, the benefits would only be available for projects with a minimum built-up floor area of 1,00,000 sq. m. of exclusive exhibition space or convention space or both combined. As of now, the major projects under way in the sector are backed by the government – the International Exhibition-cum-Convention Centres at Dwarka and Pragati Maidan in the capital.

The infrastructure tag does not involve significant tax breaks but would help such projects get easier financing from banks, said experts. However, restrictions on size may be a dampener.

"India doesn't have large convention centres or single halls with capacities to hold 7,000 to 10,000 people, unlike countries like Thailand that is a major global MICE destination," said Abhaya Agarwal, partner, infrastructure practice at EY India.

Becoming a MICE (Meetings, Incentives, Conferences and Exhibitions) destination can generate significant revenue with several global firms active in India but it will take time to become a preferred destination.

Last August, the government had granted infrastructure status to affordable rental housing projects.

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