Chapter V

Policies, Plans and Programmes

- A Critical Review
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The policy document states that presently the exiting hotels are to the tune of 2107 in the state but only 80 are in approved category with a total capacity of about 5000 beds. The policy envisages to increase the number of accredited/approved hotels to 300 and bed capacity to about 15,500 in the next ten years. With a optimism to raise the level of inbound foreign visitors from 7.2 lakh to approximately 30 lakh and domestic visitors from 360 lakh to 1000 lakh, while enhancing the level of investment from the present Rs. 350 crore per annum to a total investment of Rs.15,000 crores at current prices is made in the next decade.

The projections have been made to enhance the income generation from Rs.900/- to Rs.1000/- per domestic tourist and from Rs.34,000/- to Rs.45,000/- per foreign tourist (both at current prices) within a decade by attracting more upmarket tourists through value addition to the tourism product and improved facilities. Alongside providing direct employment to 5 lakh citizens and indirect employment to another 50 lakh citizens within the same period, through tourism development. The policy document also emphasize on the development of the necessary infrastructure facilities through effective private-public partnership. Special importance would be given to facilitate investment by NRI. Priority by the government would be given to the development of basic infrastructure facilities viz. roads, aviation services, rail, surface and water transport, assured electric supply, telecom facilities, drinking water, sewage facilities and accommodation.

Reorganisation of circuits for integrated development, publicity, promotion and marketing is also on the agenda. A master plan will be prepared for each circuit, utilizing services of expert consultants in the planning and execution. To create corpus funds for the development of basis amenities, conservation and maintenance dovetailing of funds
from different public and private sources would be undertaken. Upgradation, modernization and profitable management of the UPSTDC and privatisation of units wherever necessary would be done with immediate effect.

Steps will be taken to develop and publicize new tourism products and attractions like Yoga, Spiritual knowledge, Ayurveda, Naturopathy, Adventure Sports, Eco-tourism, water cruises, film locations, diverse cuisines, traditional attire, and crafts, village life etc. Some of the other important policy decisions are:

➢ Promotion of eco-tourism in the hills, forests and areas with water bodies to preserve the environment.
➢ Restoration of ancient places, havelies, buildings, forts, and introduction of a Heritage Hotel Subsidy scheme.
➢ Formulation of standards for tourism units and introduction of an incentive scheme to facilitate their adoption by the private sector.
➢ Extensive projection of the available facilities, tourist sports and attractions of the state domestically and internationally through advertisements, films, C.D's, cassettes, website etc. Effective marketing through participation in domestic and international travel trade conferences, fairs and world marts, and organisation of Uttar Pradesh shows in identified cities of important countries.
➢ Effecting an awareness campaign in civil society to create a favourable atmosphere and affinity towards tourism.
➢ Effective coordination between various departments for developing tourism industry
➢ Establishing Paryatan Mitra (Friend of Tourism) for assisting entrepreneurs.
➢ Formation of Advisory Committees at District, Division and State level. Formation of Tourism Promotion Councils at the district level.
➢ Well planned efforts to coordinate with the related Ministries of the Government of India.
➢ To create sufficient facilities for tourism related human resources development upgrading and improving the management of the Tourism Management Institute and Food Craft Institute, besides establishing new ones, if necessary.
Strengthening and expansion of the departmental tourism organisation through a modern work culture and qualitative improvement in employees, better organisation of festivals, incentives to the tourism industry, and establishment of special cell for efficient collection of data and research work.

ACTION PLAN

Identification & Development of circuits for speedy Tourism Development:
The following circuits are identified for development. The activities related to promotion of tourism will receive priority attention in these circuits:

- Buddhist circuit
- Bundelkhand circuit
- Braj (Agra-Mathura) circuit
- Avadh circuit
- Vindhya circuit
- Forest, Eco tourism and Adventure sport circuit
- Water-cruise circuit

The details of these circuits would be announced within a month, and the master plan for each of these circuits would be drawn within a year. A Circuit Development Committee would be set up in each of these circuits for guidance and monitoring of the implementation of these plans, which would have adequate participation of the travel trade.

Tourism related activities and units

The following activities will be regarded as related to the development of tourism and the units involved in these activities would be recognised as tourism units.

1. *Creation of tourism related infrastructure, like approach road, drinking water and electricity facilities, landscaping etc.*
2. Hotel and Restaurants.
3. Wayside amenities with restaurants and parking space on National and State highways.
4. Tourist resort/tourist village.
5. Amusement parks and children parks etc
6. Establishment of walks like nature walks, city walks, heritage walks etc.
7. Manufacture and promotion of items related to the traditional crafts and other arts.
8. Works pertaining to preservation of cultural and historical heritage monuments.
9. Establishment of management of museums
10. Establishment of Tourist Information Centre.
11. Tourism related human resource development activities
12. Tourism activities pertaining to environmental conservation/ Jungle safaris.
13. Paying guest scheme (Home stay facilities).
14. Facilities for adventure sports such as trekking, mountaineering rock-climbing, water sports, rafting and canoeing, skating, skiing, angling, aero-sports etc. including training in these activities.
15. Arranging package tours/conducted tours.
16. Establishment and operation of ropeways.
17. Yoga, Ayurveda and Naturopathy centres
18. Construction and operation of traditional Bajra/house boats etc
19. Establishment of boats clubs and operation of different types of boats.

Development of Infrastructure Facilities

Uttar Pradesh is India’s most important tourism destination. Foreign tourists mainly visit Agra and Varanasi while domestic tourists also visit the hill areas & various places like Haridwar, Allahabad, Mathura, Lucknow etc. Uttar Pradesh has the maximum potential
for the tourism development, hence it is critical that sufficient infrastructural facilities are created. Therefore infrastructure development will be given priority. The state industrial policy has outlined the strategy for development of basis infrastructure in the state. Tourism related infrastructure facilities at major destinations will be expanded and strengthened for the speed development of the tourism industry. There will be a major thrust on the following activities:

- Regular electricity supply
- Modern telecom facilities
- Rail, Air & Water transport
- A convenient road network as per the state road policy
- Creation of accommodation facilities
- Water and sewage facilities

Central assistance and matching grants will be availed off for strengthening facilities in tourism centres under the scheme announced by the Government of India. Besides, external assistance will be sought for second phase of the Buddhist circuit projects. Additionally, an approval would be obtained from the 11th Finance Commission and Asian Development Bank for the development of hill areas and Agra.

Besides, the assets of other departments viz. Irrigation, Public works, Forests, Revenue which have a tourist potential will be identified and developed by the Department of Tourism. If possible, such assets would be given on contract/lease to the private sector.

Similarly, an attempt will be made to change use of Government-assets from offices/Guest houses to tourism related usage.

Railway Transport

While the main destinations of U.P. are linked by rail, an attempt will be made to ensure that more trains on the Delhi-Varanasi route stop at Tundla and Communication between Varanasi and Agra is improved. Besides, the Government of India has already started a
special train on the Buddhist circuit. A luxury train has already started a special train on the Buddhist circuit. A luxury train in the private sector has been sanctioned for the Agra-Lucknow-Varanasi sector. Further, there is a proposal to start a Luxury train on the Mathura-Agra-Corbett-Lucknow sector. The overbridges will be built at all the railway level crossings in the state on national highways and roads leading to important tourist destinations.

Aviation Services

The state will liaise with the Central government to ensure that Lucknow, Agra, Varanasi have airports of international standards with night landing facilities and international services are started there including charter flights from various destinations. Besides, whenever land is required for the expansion of airports, the state government will ensure its availability. Further, till such time a new airports is not built at Agra, an attempt will be made to ensure that night landing facilities are available at the existing airport. Simultaneously, air taxi and helicopter services will be promoted in the private sector, specially in the hill areas. It is notable that the state has around 25 air strips, the details of which are annexed.

Water transport

Special emphasis will be given on water cruises in the river Ganga especially in the Allahabad-Varanasi stretch. Necessary coordination will be maintained with the Inland Waterways Authority of India for this purpose.

Way side Amenities

The implementation of new State Road Development Policy announced recently, would make high quality roads available for tourist. Wayside amenities would also be created with private investment through state capital subsidy. Petrol pump licences would be
given priority from this view point. With the objectives of improving local transport steps will be taken for Regular Metered taxi and Auto Rickshaw services. The State tourism corporations will start local Conducted Tours in collaboration with the private sector. All circuits will have sufficient signage put at places to help tourists.

Availability of Land

(A) Land Bank - The Department of Tourism has introduced a land bank scheme with the objective of attracting investment in tourism sector, under which land would be made available at important places by the Tourism Department at appropriate rates to tourism units.

(B) Land will be earmarked with the assistance of the Travel Trade/Tourism entrepreneurs by the Collectors in identified circuits where tourism units can be established and tourism industrial areas are to be established on the pattern of industrial estates. Such land will be allotted in consultation with the Tourism Department.

(C) Wherever an entrepreneur himself selects a site, the Tourism Department will take appropriate action to ensure that the land is made available as per rules through the concerned District Magistrates.

(D) If a request is made by an entrepreneur for the beautification or development of a green belt in the land belonging to the Government or Development Authorities, such land would be made available for management to the concerned entrepreneurs for beautification free of cost on the condition that ownership will remain with the Government and land shall be reverted to the Government if so required. Only landscaping, tree plantation and activities connected with these shall be permitted on such land.
Role of Local Authorities and Development Authorities

(A) Permission will be granted in residential areas to entrepreneurs for setting up hotels and resorts of up to Three Star Category and other recognized tourism units.

(B) Local Bodies and all Development Authorities would identify land for tourism related activities in their Master Plans in consultation with the advice of the Tourism Department.

Eligibility of Transfer of Land

In pursuance of Order No.180/-one-1(43)/94, dated 30.5.94 issued by Revenue Section-1 under the Section 154(2) of the U.P. Zamindari abolition and Land Reforms Act-1950, in exercise of the power invested in Government, the power for permitting the purchase of land in excess to 12.5 acres of land for industrial purposes have been delegated to the Divisional Commissioner. As tourism has been given the status of industry, therefore such delegation would be made applicable for uses related to the tourism industry.

Heritage City/Heritage Zone

Heritage Zones and Heritage Cities would be identified by a committee for the preservation, maintenance, and beautification and for providing basic amenities for the historical and cultural heritage of the state. Only regulated construction would be permitted preserving old architecture, within the notified areas of these areas. The Committee will create guidelines and ensure their implementation by the department of Urban Development.

Facilities of Forest and Irrigation Department

Action will be taken through the Forest Department for upgrading, proper maintenance and management of accommodation and other Tourism Units in Forest Areas. The Uttar
Pradesh State Tourism Development Corporation will enter into management for better operation of such units. Similar action will be taken for the units of the Irrigation Department.

Area Development Fund
The Government will establish special fund for the Development of basic amenities and maintenance at major tourism centers and provision will be made for collecting maximum funds from private sources also. Representatives of the private sector and travel trade would also be included in the Committee which will be set up for operating these funds.

Infrastructural Facilities at Pilgrim Centres
The Tourism Department will operate a scheme for Yatri Niwas/ Dharmshalas on vacant land in religious places. Infrastructure facilities viz. approach road, electricity, water supply, toilets and sanitation facilities will be strengthened and expanded at the pilgrim centers of the state.

Co-ordination with Tourism Finance Corporation of India
The Tourism Finance Corporation of India provides loans for projects related to tourist industry. Co-ordination will be established with them, and they will be requested to open an office in U.P.

Joint Venture Projects
The U.P. State Tourism Development Corporation, Kumaon Mandal Vikas Nigam and Garhwal Mandal Vikas Nigam will establish joint venture or lease hold tourism projects in collaboration with the private sector.

Energy/Electricity
Recognised tourism units which have constructed 33/11 K.V. independent feeders linked to primary electrical sub-stations at their own cost will be exempted from electricity cuts for five years except in emergencies.
Facility for Non-Resident Indians

Non-Resident Indians will be encouraged to invest in the tourism sector. Such investment would primarily be invited in infrastructural activities. Highest priority would be accorded to proposals received from NRI's and all facilities would be made available to them. Such proposals would be accorded all sanctions on priority through "Parayatan Mitra". All the information will be made available to them on Interest. Preliminary information will be made available to them through U.P. Investment Centre of the Department of Industries in New Delhi. Efforts would also be made to ensure that NRI's visit the religious historical and others tourism sites in maximum number.

Incentives to the Private sector for development of Infrastructure Facilities

Industry Status to Tourism

Tourism has been given the status of industry in the state. Accordingly, government orders will be issued making tourism eligible for all the benefits available to the industry. Only such units which comply with the prescribed norms of recognition and whose projects have been approved would be eligible for these benefits.

Luxury Tax

Luxury tax will only be levied on such hotels which charge a rental of Rs.1000/-or above and the norms and procedures for assessment of luxury tax will be rationalized.

Subsidy Schemes

(A) Heritage Hotel subsidy scheme

A 15% capital investment Subsidy Scheme subject to a ceiling of Rs.7.50 lakh will be introduced for non recurring expenditure incurred on establishment of such heritage hotels which are established in conformity with the standards formulated by the state
government and avail of institutional finance for reconstruction, expansion and furnishing. Special efforts will be made to attract Non-Resident Indians, in this direction.

(B) Capital investment subsidy scheme

A subsidy @ of 10% subject to a ceiling of Rs.5.00 lakh will be given on investments in the circuits mentioned in para 4.1. and for activities detailed in para 4.2 on the projects approved by financial institutions. These benefits would only be given to such tourism units which are in conformity with the prescribed guidelines and where projects have been approved. Special efforts will be made to attract Non-Resident Indians, in this direction.

Tax Holiday

1. All recognized tourism units of the state shall be entitled for the facility of exemption/deferment from luxury tax for a period of five years from the date of commencement of operation.

2. New Ropeways established in the State shall be eligible for the facilities of exemption/deferment from luxury tax for a period of five years from the date of commencement of operations.

3. New Tourism units which are recognized will be eligible for trade tax exemption on the pattern of industrial units and the restaurant located in them will be eligible for total exemption/deferment of trade tax for a period of five years from the date of commencement.

4. Programmes shown on television channels in hotels either through dish antenna or cable operator shall be eligible for a compounding scheme to assess the levy of entertainment tax on the concerned hotel/tourism unit.

5. Units recognized under the Paying Guest Scheme with a capacity of upto 5 room (maximum of 10 beds) shall be exempted from Trade and Entertainment tax.
Grant of Loans

The U.P. Finance Corporation and PICUP will extend loans to tourism related activities as per normal terms and conditions on the pattern of other industries.

Tourism Self Employment Scheme

A Tourism Self-Employment Scheme has been prepared for the hill areas of the state with a financial assistance subject to a ceiling of Rs.10.00 lakh for starting tourism units such as Fast Food Centers, souvenir sale outlets, buses, operation of taxies, purchase of equipment for adventure sports, 10 rooms small motel and lodging facilities, information centers/restaurant with PCO facilities. Tent houses facilities and projects for establishment of garages. The facilities for Beer Bar license is should be made available not only for ITDC and UPSTDC units, but also for private sector units. Such facilities for beer bar license would also be made available as per rules to recognized hotel units in the private sector which have restaurant facility.

Simplification of Approvals

The number of approval required from the different departments for establishment of tourism units is very large, which puts the entrepreneurs to great inconvenience. A study will be undertaken to give recommendations to reduce their number so that the entrepreneurs can establish tourism units with ease.

Role of Corporations

The UPSTDC is currently making operational profits and its cumulative losses will be wiped out in the next year. In future the Corporation will only operate profit making units and those with the propensity to make loss will be privatized. The powers for giving tourism units on five year contracts to private entrepreneurs in terms of the privatization
policy issued vide will be delegated to the Corporation. Important units located in the
circuits enumerated in para-4(1) will be upgraded and expanded speedily and be made
suitable for foreign tourist by according them star categorization. Provision will be made
for this purpose by making arrangements for grant of share capital, Central assistance and
by obtaining loans. The Corporation will frame and operate new profitable packages in
collaboration with the other hoteliers in different units so that they can provide better
services. It will also enter into agreement with reputed foreign and domestic agents to
market its units more attractively to tourists.

Steps for Organizational Strengthening

The Government of Uttar Pradesh will also undertake/execute the following work under
the tourism development and industrial policy:

Renovation of Ancient Buildings

Government, Semi Government and non government organisation will be recognised for
repair, maintenance and execution of renovation works related to ancient buildings and
the Department's of Tourism and Archaeology and District Collectors will be permitted
to take up renovation works of such building on fixed terms and conditions.

Powers of Tourism Department

Government will provide legal powers to the officers of the Tourism Department to
regulate various activities to project important monuments in tourist places, planned
development of such places and to prevent encroachment and keep unwanted elements
and touts under check.

Development of Adventure tourism:

(a) Draft Rules have been finalised to regulate adventure tourism activities, and they
will be notified shortly.
(b) Department of Tourism will facilitate permission of bungee jumping from the bridges and allotment of beaches for river rafting for a period of 5 years at a time, through Inter Departmental Committees.

Eco-Tourism:
(a) In ecologically sensitive areas eco-friendly tourism activities will be initiated.
(b) Development of Jungle Safari services.
(c) Trekking facilities on forest pathways.
(d) To facilitate permission for catch & release of Mahasheer fishes outside National Park areas and hilly rivers/water springs as a recreation activity.

Cultural Tourism
In order to promote cultural tourism, Department of tourism is organizing many festivals with the help of Department of Culture. Besides, there are several traditional fairs and festivals organized in the State. In order to facilitate Tourists, Travel Trade/Tour Operators and also to help tourist's to make their programmes in advance, the calendar of fairs and festivals for the next 10 years will be published and circulated in advance.

Single Table under Single Roof System
To facilitate issue of licenses etc. for tourism industry Single Table under Single Roof system will be introduced at the District and State level.

Craft Villages and Craft Markets
Crafts villages and Crafts Markets will be established as per need in tourist places. Priority will be given to the establishment of craft villages at Agra, Samath and Lucknow in this series.
Advertising and Publicity

To publicise U.P. Tourism domestically and abroad an internet web site was put into service on 27th December, 1998. Wide publicity will be ensured for U.P. Tourism by making presentations in important cities for the Country, participating in seminars and travel trade markets in India and abroad by advertising and by publishing tourism literature and appropriate circulation of the same. Tourist Information Centres will be established at all Airports of the State, so also at the Railway Stations and Bus Stands of all major tourist centres. "Uttar Pradesh Show" will be organised every year in a selected country. For this purpose 5 countries will be prioritised to organise this show by rotation. For all these activities up to 15% of the plan allocation of the tourism sector will be allowed to be utilised.

Promotion of tourism through films

Wide attempts will be made to attract tourist by disseminating information related to beautiful places of Uttar Pradesh to the producers and providing them to make and display feature films and video films based on such locales.

Tourism Organization

A "Research Cell" and a "Festival Cell" will be constituted in the Directorate of Tourism. The Research Cell will gather tourist related information and statistics to prepare a data bank and to give advice to the Department from time to time. The Festival Cell will prepare publicity materials on each festival and promote them by disseminating information in advance in India and abroad and will also coordinate conduct of the festival in a better manner. Regional Tourist Offices will be established in each Division and local Tourist Offices will be established at major tourist centers.
Modernization

In order to modernize the functioning of Tourism Department and Corporation computerization and development of electronic communication facilities will be undertaken.

Consultancy Services

Keeping the special requirements of tourism development in mind consultancy agencies having special knowledge and experience will be selected and utilised for planning, implementation and evaluation. Sufficient budgetary provisions will be made for this purposes.

Human Resource Development

(a) Department of Tourism will construct a new building for Tourism Management Institute and will provide training in various tourism related trades through this Institute.
(b) Tourism Management Institute will be upgraded and established as an autonomous institute.
(c) Food Craft Institute, Aligarh will be upgraded and made more advantageous.
(d) A new Hospitality Management Institute will be established at State at local level and their services will be utilized.
(e) Sufficient number of trained guides will be given license at State at local level and their services will be utilized.

Awareness about Tourism

The general belief that tourism is an activity of elite will be removed by exposing people to the real, economically and socially beneficial side of the tourism. A liking for tourism will be generated amongst the people through a new awareness programme and a
favourable atmosphere will be created in tourist places to establish a healthy and smooth tourism sector.

**Inter-Departmental Coordination** will be established among the tourism related agencies/departments like Tourism, Forest, Irrigation, Culture, Archeology etc. to work unitedly for maintenance, conservation, development and marketing of attractive tourism products.

‘Friend of Tourism’: In order to ensure Inter Departmental Coordination and removal of difficulties faced by private entrepreneurs a committee called *Friend of Tourism* will be set up as given below to take case

**Autonomous Societies at District Level:**

District Tourism Promotion Councils will be set up under the Chairmanship of District Collector to take up basic promotional activities and create suitable atmosphere for the development of Tourism at District Level. These societies will be registered under the Charitable Societies Act and will implement their programmes with the grant given by the Tourism Department and also by mobilizing funds at local level. These societies will have representatives of important related Departments of the government and representations of the people. At least one important tourist centre will be identified and developed in each district by these societies.

**Tourism Advisory Committees:**

Tourism Advisory committees have been constituted at the Division and State Level. These committees will give their recommendations on tourism related problems, activities and development programmes.

**Development of Inter State Circuits:**

*Inter State Tourism Circuits* will be developed by linking the important tourist places of other State across the borders of Uttar Pradesh with out circuits.
Role of Government of India:
Suitable arrangements will be made by continuous liaison with the related Departments of Government of India such as Civil Aviation, Railways, Surface Transport, Waterways Authority and External Affairs to facilitate smooth arrival entry and movement of domestic and foreign tourists into Uttar Pradesh.

AIRSTRIPS IN UTTAR PRADESH
The state has the following Air force Airstrips:
1. Saharanpur
2. Chakeri (Kanpur)
3. Agra
4. Gorakhpur
5. Bakshi Ka Talab
6. Allahabad
7. Hindon

Airstrips with National Airport authority of India in Uttar Pradesh are:
9. Pantnagar
10. Kanpur (Civil)
11. Amausi (Lucknow)
12. Furshatganj (Raibareilly)
13. Varanasi

Airstrips of Govt. of Uttar Pradesh:
14. Aligarh
15. Farrukhabad
16. Sultanpur
17. Akbarpur
18. Faizabad
19. Andhau (Gazipur)
20. Muirpur (Sonbhadra)
21. Paliya (Kheri)
22. Sravasti
23. Kasia (Kushingar)

In recent years tourism has emerged as a major economic activity that is employment oriented and earns foreign exchange. Its share in the world's GDP is more than 10% which is more than the world military budgets put together. In global terms, the investment in tourism industry and travel trade accounts for 7% of the total capital investment. Today 25.7 crore people around the globe are employed in travel trade and tourism. In future, this industry is likely to see unprecedented growth. According to the World Tourism Council at Brussels, the revenues from travel and tourism in the Asia Pacific region will grow at the rate of 7.8% annually over the next decade.

Amongst the economic sectors, the tourism sector is highly labor intensive. A survey by the Government of India notes that the rate of employment generation (direct and indirect) in tourism is 52 persons employed per Rs.10 lakh investment. This is much higher than the rates of employment generation in most other economic sectors.

India's tourism industry has also recorded phenomenal growth. The rate of international arrivals in India in recent years has been to the tune of about 19 lakh arrivals per year. The unprecedented growth in tourism in India has made it the third largest foreign exchange earner after gems and jewellery and ready-made garments. This is not surprising since India possesses a whole range of attractive normally sought by tourists and which includes natural attractions like landscapes, scenic beauty, mountains, wildlife, beaches, major rivers and manmade attractions such as monuments, forts, palaces and havelis. However, in global terms, in spite of such attractions, tourist arrivals in India are a mere 0.30% of the world arrivals. Receipts are similarly low, just a 0.50% of the world receipts. We are still quite far from the target of 50 lakh tourist arrivals per year.

**Tourism in the Region**

In spite of possessing a variety of tourist attractions such as wildlife, scenic beauty, pilgrimage centers, exotic traditional crafts and festivals, hospitality of the region and a
varied healthy and tasteful bundelkhandi cuisine, the region has not been able to accelerate the pace of tourism in comparison to other popular tourist regions. The State did declare a tourism policy but it did not elicit adequate response from the private sector since the policy contained only a handful of benefits while the implementation was tardy due to legal and administrative constraints. This was at a time when the Government of India had already declared tourism as an industry and a large number of states had followed suit. This enabled the tourism industry to avail of incentives, relieves, benefits available to the industry in those states.

While other states made successful efforts in developing tourism within their states, the relative inability of the State to harness and develop its full tourist potential may be attributed to a combination of factors such as lack of effective policies, inadequate infrastructure, ineffective marketing and lack of decent facilities for the tourists.

The main rationale for formulating a comprehensive tourism policy is rooted, on one hand, in the convergence of socio-economic spread benefits, environment - friendliness and employment potential of tourism industry and on the other, in the growing demand for tourism products in the State, brought by a rapid industrial growth in the State during the recent years that has led to tremendous increase in number of business travellers.

The main thrust should be to undertake intensive development of tourism in the area and thereby increase employment opportunities in the erstwhile economically and socially backward region. Identification and mapping of tourist destinations & circuits could be the very first priority, alongwith diversifying the tourism products in order to attract more tourists through a varied consumer choice. Owing to the rich religio-spiritual attractions a comprehensive development of pilgrimage centers should be among the immediate priority by way Creating adequate facilities for budget tourists, Strengthening the existing infrastructure and develop new ones where necessary, the Tourism infrastructure may be provided so as to preserve handicrafts, folk arts and culture of the state and thereby adding more tourism magnetism.
In addition to the facilitation role assigned to itself by the Government in the development of tourism, the Government will adopt the following strategy towards the private sector with the objective of securing its active involvement in leading the development of tourism in the State. The tourism will be given the status of industry in order that the facilities and benefits available to the industry are also made available to tourism projects. A special incentives package will be made available for encouraging new tourism projects as well as expansion of existing tourism units.

Infrastructural facilities will be strengthened and developed within the State, particularly in Special Tourism Areas which will be notified latter and which will be developed by adopting an integrated-area.

- Effective mechanisms will be set up to build meaningful co-ordination with the Central Government and the State Governments agencies, the local self-government bodies and the NGOs.
- Government will encourage building effective linkages with the relevant economic agents and agencies such as the national and international tour operators and travel agents of repute, hotel chains and global institutions connected with tourism such as WTO.

Like other industrial projects, tourism projects too involve professional management, capital investment, special skills and training. The Government of India and a number of other states have declared tourism as an industry.

Availability of land is a primary requirement of any project. The process of grant of land will be facilitated in urban areas for the projects concerning setting up of hotels, restaurants and apartment hotels etc.

Existing arrangements for grant of government waste land to industrial units will be made applicable to various tourism projects. Arrangements should be made to acquire private land under Land Acquisition Act for various tourism projects by companies registered under the Companies Act.
As one of the sets of infrastructural institutions, the State Financial Institutions have made an important contribution in creating conductive environment for industrial entrepreneurs. They should be called upon to do the same for tourism entrepreneurs in terms of making available adequate finance.

So far, the lending from the State Financial Institutions has been largely confined to hotels only. In reality, the range of activities for tourism projects is far larger than just hotels as can be seen from the following illustrative list:

**Accommodation Projects:**
- Hotels
- Resorts
- Motels
- Apartment Hotels
- Heritage Hotels

**Food Oriented Projects:**
- Restaurants
- Wayside Facilities on the State Highways.

**Other Tourism-Related Projects:**
- Amusement Parks and Water Sports
- Handicraft Village Complexes
- Fairs and Festivals.
- Camps and Facilities Encouraging Adventure
- Train Travel Projects
- Sea/River Cruise Projects
- Sound and Light Shows
- Museums
- Natural Parks/Zoos
- Safari Projects
- Ropeways
- Sports/Health Facilities Complexes
- Training Schools for the managerial expertise for Hospitality Industry
- Golf Courses.

**Service Oriented Projects:**
- Travel Agency
- Tour operation
- Transport Operation
- Linkage with the International Hotel Chains (Franchise)
- Human Resources Development (HRD) for Tourism Industry and necessary training facilities.

Most of the projects on this illustrative list are not eligible for loans from the banks or the State Financial Agencies. It will be necessary to make suitable changes in the lending criteria for viable projects in the listed activities in order than their financial requirements are met.

The modification of the lending criteria of the State Financial Agencies will be made with regard to the financial ceiling, debt equity ratio, recovery period, moratorium etc.

Necessary arrangements will be made to ensure that the State Financial Agencies and the banks attach adequate priority to the financing requirements of tourism projects.

As referred to in Para 4(b), a new incentive package will be made available to replace the existing incentive policy instituted in 1991. A tax holiday of 5-10 years in respect of following taxes will be made available up to 100% of capital investment to various tourism projects located in Special Tourism Areas whether declared by the Central Government or the State Government, located in designated areas and located on National and State Highways. The scope and the extent of the benefits of tax holiday will vary according to certain considerations such as the admissible expenditure, the size of the capital investment etc. The benefit of tax holiday will also be made available for the purpose of expansion of the existing tourism projects in these areas:
- Sales Tax
- Purchase Tax
- Electricity Duty
- Luxury Tax
- Entertainment Tax

Suitable schemes will be designed to market tourism products, and particularly wide publicity will be secured in respect of various facilities being offered by the travel agents, tour operators etc.

Special paying guest scheme will be formulated for providing adequate and inexpensive lodging and boarding facilities too take care of seasonal flows of tourists to the pilgrimage centers during festivals.

Financial assistance will be provided for the preparation of feasibility reports by consultants in respect of tourism projects.

Structure of the taxes and tariffs, e.g. luxury tax, entertainment tax, sales tax, etc., will be reviewed with reference to developmental needs of tourism sector and necessary amendments will be made.

Redefining the roles of the State and the Market:

Since the approach of the Tourism Policy focuses on market-led developments, the role of the State would be as follows:

Efforts will be made to get funding for development of infrastructure for these destinations/areas from national and international agencies.

To ensure timely provision of necessary funding, the Government will earmark funds in the annual budgets of the departments concerned for securing the purpose mentioned in

This privatisation would help strengthen the financial position of the corporation and also help provide qualitative services to the tourists.

Tourism Corporation of Gujarat Limited will assume a catalytic role focused on acting as clearing house of information, production and distribution of promotional literature, policy advice etc.

A Computerized Information Centre will be set up at the State level to make available necessary information to the agencies/entrepreneurs who wish to set up tourism projects.
In addition to its existing offices in Bombay, Delhi and Madras, the Tourism Corporation will also open its offices in other major cities of India to give wide publicity and disseminate information on Gujarat Tourism and market tourism products through these offices and through reputed travel agents in other big cities. Thus, the information about Gujarats tourist destinations and related information would be made available to tourists from outside the State in their own cities.

There is already a scheme of 50% matching grant from the State Government to the local self-governing bodies for the development of local tourist destinations. This scheme will be made more effective and attractive and necessary provisions in the budget will be made. This will help centralize the process of developing tourist destinations.

The process of decentralization will be further strengthened by delegation of administrative and executive powers of approval of incentives to small tourism projects to District Level Bodies headed by the Collector. These bodies, in addition, will also secure co-ordination from other departments / agencies of the Government in development and promotion of tourism. Representation will be given on this body to the experts, individual agencies and individuals connected with the tourism.

A Single window clearance system will be instituted for speedy clearance of various permissions, approvals required under different laws and rules. Necessary modification/amendment will be made to various administrative arrangements and laws which are not consistent with the approach of this Policy. Care will be taken to ensure that prospective investors do not have to suffer protracted and complex administrative process.

Intensive efforts will be undertaken to attract investors from outside the State as well as from other countries including non-resident Indians to invest in tourism sector on large scale. Tourism Corporation of Gujarat Limited and Directorate of Tourism will play active role to ensure that investors get various permissions easily and are provided with all the necessary facilities.
A High Powered Committee under the Chairmanship of Chief Secretary with Director of Tourism as the Member Secretary will be constituted with the objective of securing effective co-ordination among various Government departments and agencies as also to speed up decision making proceeds concerning tourism. The committee will meet regularly and enjoy full powers of Government, provided the approval of the Chief Minister and the Council of Ministers will be obtained wherever required.

In order to create a participate forum for deliberation and discussion concerning tourism industry, a Tourism Advisory Council headed by the Chief Minister will be set up. The Ministers and Secretaries of administrative departments concerned will be the members. The representatives of tourism industry, experts and related organisations will be nominated as members. The Additional Chief Secretary (Tourism) will be the Member Secretary of this Council. The Council will meet periodically to deliberate upon policy as well as individual issues and offer suitable advice to the Government.

Perspective Planning
Perspective plan for tourism development should be prepared in consultation with experts. An overview of possible tourism products is offered below:

Heritage Tourism
A large number of old palaces, havelis, darbagadhs exist in the State. These historical buildings can be converted into hotels, restaurants or museums by providing suitable incentives to owners. Wildlife and Pilgrimage Tourism circuits can be linked to heritage properties exploiting the geographical congruity. Development of this sub-sector will not only attract foreign tourists but also provide encouragement and support to local art and craft. Government must take necessary steps to promote Heritage tourism in the State.
Wildlife Tourism
There is substantial scope for development of tourism based on wildlife in the State. In order to facilitate visitors to these areas, coordination among various agencies will be established.

Tourism based on Traditional Art and Craft and Cultural Activities
A lot of places in the state are known for their craftsmanship. Similarly, there are hundreds of fairs that are celebrated throughout the year with enthusiasm. By developing accommodation, transport and other facilities, these fairs and festivals will be promoted nationally and internationally. The places of importance from art and craft point of view will be included in the tourist circuits and necessary facilities provided to tourists.

Corporate Tourism
Private sector will be encouraged to build the state of the art convention centers, seminar halls etc. so as to attract corporate events like seminar, workshops and annual general meetings. Participants in such events generally have high purchasing power and provide a boost to local economy.

Adventure Tourism
This is also a territory with possibility of development as a sub-sector which shall be examined and new activities like Camel Safari, Horse-riding, Parachuting, Trekking in etc. should be promoted. Such activities will create large scale employment opportunities for guides, coolies, traders for hire of tents and equipments etc. and will also encourage paying guest accommodation in such areas. Private entrepreneurs and institutions will be encouraged to develop such facilities.

Highway Tourism
There is a good network of State and National highways which criss-cross the State and a large number of travelers prefer road journey. Because of large geographical expanse of the State, these journeys tend to be quite long and boring. There is a need for creating
necessary facilities like hotels, restaurants, picnic spots, water parks etc. along the highways at suitable intervals for the highway travelers to relax. In fact, travelers can be induced to follow certain traffic routes if such facilities are better developed. Highway facilities and wayside amenities are so well developed in some states that this has become the mainstay of tourism. State shall encourage private investors to create such facilities on highways.

Various sub-sectors of tourism activities listed above should be encouraged by marking new tourism units eligible for incentives under Tax Holiday incentive scheme in designated areas.

As mentioned earlier, the State Government intends to designate certain areas having significant tourist potential as Special Tourism Areas. To this end, reputed consultants and institutions should be engaged to prepare area development plans for areas of pilgrimage/heritage towns and rural/village tourism. These areas need to be developed by following integrated area development approach. The State Government shall make efforts to tap all the source of national and international funding for development of these areas and provide special encouragement to tourism projects being established therein. For ensuring faster development of these areas, area development committees should be constituted.

**Human Resources Development**

Human Resources Development is an important aspect of service industries. Tourists depend upon travel agents, guides and hence trained manpower is a very important aspect of tourism industry. On the basis of available statistics, training facilities can be safely said to be totally inadequate. If trained manpower is not available locally, the objective of local employment will not be achieved.
Keeping in view the approach of market-led development, the State Government should encourage and support creation of training facilities in the private sector by private agencies/individuals.

Hotel Management courses, courses meant for guides, caterer and other supervisory and non-supervisory staff of hotel shall be introduced in Industrial Training Institutes. Approved hotel associations and private entrepreneurs have to be encouraged to create new training facilities by making available land to them for this purpose and by giving other appropriate incentives. Residents of the state, especially local youths, should be encouraged and facilitated to take part in such training courses.

To make the New Tourism Policy result oriented, implementation should be monitored by a High Powered Committee under the Chairmanship of Chief Secretary or the Chief Minister be constituted. A Management Information System needs to be set up to assist the Committee to make available information on various aspects of implementation on a continuous basis. The Committee should also review the policy from time to time.

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