CHAPTER - VI

ISSUES IN DEVELOPMENT OF TOURISM IN INDIA

A) Inadequacies of the Transport Sector.

The growth of the Tourism industry continues to be plagued by the inadequacies of the Transport Sector. Writer Mr. B.N. Puri* in his article on 'Tourism' - "It is the 'Visit India' Year, but the airlines have cutback on their flights. Indian Railways is manfully chugging away with compartments bursting at the seams and smooth road travel seems hundreds of potholes away".

90% of the foreign tourists in India use flights. India accounts for 3% of the total international air passenger traffic. Air India now operates on 16 major routes since its establishment in 1953 Indian Airlines has grown @ 13% per annum in the sixties and seventies. However, in the first half of the eighties it grew at a meagre rate of about 2%. With the Indian Air Lines flying to more than 70 stations, (including 10 stations abroad) capacity has fallen short of the demand. This is in spite of 80% capacity utilisation on certain routes.

There has been high occupancy on long distance hauls but a poor load factor on short routes e.g. in 1984-85

the load factor on 'Delhi-Agra-Khajuraho-Varanasi' route was only 57%. Such routes burden the Airlines with losses. With the birth of 'Vayudoot' however, the short haul services have received a boost since 1981. From the North-East area of its operations Vayudoot spread its wings elsewhere. It expanded its network from 8 stations to 100 stations in a span of 9 years of its existence. The number of passengers carried by the airline increased from 1.63 lakh in 1984-85 to 9.10 lakh in 1989-90. However, air transport has mere 1% of total passenger traffic in India.

Air transport in India operates at various levels - Air India - at the international level and Indian Airlines for the neighbouring countries. Vayudoot in North Eastern Region of India Pawan Hans Ltd. (Helicopter Services) and Pawan Hans for providing tourist services in inaccessible areas and intra-city transportation of passengers. However, it is necessary to revamp the Air Lines Corporation for both quantitative and qualitative improvements to reach international standards.

(Vide display on next page)
WORLD TOURISM GROWTH AND INDIA

Source: Times of India, Tuesday, 5 March 1991.
RAILWAYS AND ROAD TRANSPORT

Railways have a large chunk. Indian Railways are now Asia's largest and the World's second largest system under a single management - 11000 trains every day connecting 7000 railway stations and carrying 10 million passengers every day over about 62000 km. During the last 30 years the number of railway passengers increased by 230%. However, because of the financial constraints priority attached to freight the growth of railway capacity has not kept pace with rising demand for passenger traffic. Indian Railways try to have special schemes for tourist in view of special attractions, railways have to offer and to assist tourists in planning their holidays e.g. schemes like 'Indrail Rover' (1977) and 'Palace on Wheels' (1982). These schemes give opportunity to the foreign tourists to travel on the entire Indian rail network without any route restriction. There are facilities like metre-gauge vintage saloons hauled by steam engines. However, they have limited attractions to boost of. Inspite of limitations of the railway travel, Railways are and will continue to remain the most convenient affordable means of transport to the masses of pilgrims and domestic and foreign tourists. Convenience in railway travel is more and relative cost less than those in other modes of transport.
But road transport is equally crucial. The total road length, the lengths of National Highways, and the road transport passenger traffic has increased continuously during the last 30 years as shown below:

<table>
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<tr>
<th>Item of change</th>
<th>(1960–61 to 1989–90)</th>
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<tr>
<td>i) Total road length</td>
<td>0.562 million to 1.97 m.Kms. Kms.</td>
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<tr>
<td>ii) Length of National Highways.</td>
<td>23,679 Kms. to 33612 Kms.</td>
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<tr>
<td>iii) Road passenger traffic</td>
<td>Increased by 31 times.</td>
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<tr>
<td>iv) Share of road transport in total traffic</td>
<td>49% to 78%</td>
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However, there are deficiencies in both the road and railway transport.

a) Surface transport has not been able to supplement air transport.

b) Capacity of the railways and road ways is poor quantitatively.

c) Quality of travel is not upto the standard.

d) Vehicle technology is obsolete.

e) National highways are not linked to foreign highways– major ports and tourist centres.

f) Quality of roads is very poor and there is need to develop new roads in high density corridors.
g) It is also necessary to enact the new Motor Vehicle Act which would simplify procedures for grant and renewal of inter-state and tourist permits. Schemes like 'Rent a Cab Scheme (1989) would go a long way in promoting development of road transport and tourism in India. Despite all the progress and capacity like achieved in the transport sector the deficiencies would lead to reduced tourist traffic in the country. The deficiencies should be removed so as to enable the transport sector to face the challenge of filling in tall orders.
DEVELOPMENT OF HOTEL ACCOMMODATION

Tax concessions have helped fuel a boom in hotel construction, but capacity is still short of future demand. Hotels are the integral part of tourist industry. It is, because of inadequate development of hotel facility is inadequate. During the last three decades hotel construction industry and catering of hotel services have consolidated themselves, though with little help from government. At a low level of maturity the characteristics of emerging hotel industry were -

a) Hotels located in hill stations and holiday retreats.
b) City hotels doubling as apartments for long term staying guests.
c) Out of about 50,000 hotel rooms 50% are of 3 to 5 star category.
d) The projected demand in 1992 is estimated at 57000. However, as the following chart indicates the supply of hotel accommodation has been falling short of the potential demand in future years to come.

(Vide diagram c: next page)
GROWTH IN HOTEL ROOMS

Source: Times of India, Tuesday 5 March 1991
GROWTH IN HOTEL

The hotel industry has a long way to go, its emerging directions and trends have already set the pattern for future growth. The opulent mansions and palaces built in Delhi and Calcutta during the British era (pre-Independence) are either not used or changed drastically. Bombay's Taj Hotel (of the Taj Group's) remained as a symbol of hotelering in India. However, in the 70's the Taj Group felt the need to grow and acquired hotels in Rajasthan and then tapped the tourist circuits - Delhi - Jaipur - Agra - Khajuraho - Varanasi - Calcutta - Kathmandu (Nepal). The Taj Group has also gone ahead with its policy of having more than one hotel in Key centres like - Bombay, Madras, Delhi, Bangalore, Hyderabad, Chiplun. The Oberoi Group began operations by acquiring the Grand in Calcutta. The chain since then gone round the globe establishing hotels in many countries. In India the Oberoi Chain is now upgrading all the existing properties, to create an image-district to India. A lot of many is being spent on the upgradation and new hotels are all in the deluxe category. As a result of planning of different segment hotels (4 and 5 star range) evolution of catering facility to guests in different ranges the hotel industry is becoming discerning. Oberoi, Taj Trident are the top names in hotel industry. The government owned India Tourism
Development Corporation (ITDC) with its Ashok Group of Hotels has been in existence for the last three decades. It has luxury hotels as well as down-at-heel hotels, forest lodges and palaces.

ITDC was primarily formed to encourage tourism and hotel growth. With the aim of making profit it went in for luxury hotels. However, bureaucratic tie-ins have not allowed the chain to function independently on commercial lines. In recent months the group has gone in for an international tie-up - with an American Chain.

The National Committee on Tourism had recommended two years ago, the merger of the Hotel Corporation of India (an Air India subsidiary) hotels with the Ashok Group. But no action seems to have been taken till now.

Probably the youngest hotel chain in the country is Welcome group but it was this ITC subsidiary that really provided the impetus for the other chains to grow. Fifteen years back, it commissioned the Chola in Madras, followed by hotels in Agra and Delhi, leading a race for grabbing hotels and making news with their friendliness and their association with the country's arts and cuisine.
Today, the group's flagship hotel in Delhi is probably the most profitable in the city; it seems to have the best occupancy rates even at the worst of times.

In the last decade and a half, the chain has acquired the management of some hotels, dropped others, and in finding its feet, has set a target for itself in having the best hotels in each location. Its forays into the realms of Indian dining have resulted in such excellent restaurants as Dum Pukht, Bukhara and Dakshin. Unlike other chains, Welcome-group has determined to stay away from second-rung hotels in its immediate future. With ITC providing a Rs. 100 crore impetus for spurred growth, the chain is now building hotels in Jaipur and Hyderabad and adding to its properties in Bangalore and Madras.

The spate of hotel building in the country is here to stay. Delhi first witnessed major construction activity in the hotel sector for the 1982 Asian Games, and sanctions from that time saw hotels coming up till as recently as 1989. Now the city needs more rooms. In recent times, such building activity has been noticed in other centres as well.
While the Indian hotel industry is coming of age, international hotel names are now a familiar part of the hospitality marquee. These include Kempinski, Ramada Renaissance, Hyatt, Sofitel, Holiday Inn Crowne Plaza, Inter-continental and Sheraton. The industry is also watching out for the proposed entry of Hilton in Delhi and the Regent in Agra.

While all of this seems geared to the top end of the market, the middle rung is not being left to run itself. In the last decade, there has been plenty of building activity in smaller centres usually aimed at the domestic Indian market, catering specifically to their needs. Resorts such as Manali and Shimla reflect this adequately.

Chain growth in the middle rung segment was left to the discretion of the tourism departments of the state governments. Though they tried, they neither had the experience nor the expertise to run these units, which languished, and rarely provided a standard quality of service. Recent trends indicate the arrival of the private sector to commandeer this segment too. The pace has been set by Quality Inn hotels which started with two franchise properties in Ooty and Mysore. Mahindra Ugine is following
fast with the proposed Days Inn chain while Best Western-India has been set up with rapid growth (an ambitious 50 properties in the sub-continent in five years) plans. All three are internationally known chains.

The ministry of tourism has been able to liberalise some of its policies, making hotel growth for more viable now than before. Loans are now available for hotel and tourism projects from the Tourism Finance Corporation of India. International franchising is far simpler. There are tax concessions. Profits and funds can be repatriated from the country. The liberalisation of the air charter policy too will result in an urgent, immediate need for more hotel rooms. Though hardly euphoric, the hotel industry is optimistic of better times ahead.

There is also a need for caution. Some years ago, Bhubaneswar was being seen as the new destination with a future, and rapid hotel growth followed. The boom unfortunately did not come about.

However, the present tourism crisis is at worst a temporary phenomenon, and if all goes well, a quick revival will take it back to a status quosituation.
Contrary to popular belief, the Visit India Year 1991 is not meant to be a time for boosting tourist arrivals, but rather to give the industry enough exposure in attracting investment. It would thus be opportune if in 1991, some hard thinking be done on development and growth patterns of the hospitality sector.

Meanwhile, the government has announced several packages for attracting investment in the hotel industry; a tax rebate of 25 per cent of profits up to a period of eight years for approved hotels which commenced operations between March 31, 1981 and April 1, 1990.

In regard to foreign exchange profits, 50 per cent of the income is exempt directly and the balance 50 per cent of the profit is ploughed back into the industry.

The depreciation allowance has been made more attractive and the Tourism Finance Corporation extends loan facilities at lower rates of interest.

If the international situation improves, the buoyancy of the Indian market could make the Indian hotel industry a lucrative marketplace for investment.
According to Prof. J.C. Holloway and R.V. Plant* in order to sell holidays (i.e. marketing of Tourism) it is necessary to overcome three fears which are essentially there in the minds of foreign tourists.

a) fear of flying.
b) fear of foreign food.
c) fear of foreigners.

In modern tourism much importance is attached to safety and security. People's lives are at stake when commercial gain is expected from Tourism. Fear of flying can be removed by -

1) not pressing into service the elderly aircraft.
2) not using unsuitable air parts.
3) avoiding dangers of loose cabin baggage.
4) purchasing newer technologies which ensure operational economies through higher utilisation and better load factors.

Fear of foreign food can be reduced by -

1) encouraging less adventurous food habits.
2) improving ways of presentation and service.
3) serving non-vegetarian and vegetarian foods separately.

*Ref: Marketing for Tourism (1988)
Pitman Publications.
4) awkwardness of customers should be avoided.
5) levels of food waste should be brought down.
6) research should be conducting in food habits, cooking, ingredients and their tastes.
7) standards of cleanliness should be increased by reducing manhandling of utensils and food.
8) the waiters and servicemen should maintain simple, good, clean cloths and pleasant appearance.
9) unnecessary haste and swiftness in serving food is to be avoided.

Fear of foreigners is an insoluble problems and it removes the incentive to travel. This fear arises from inability to understand and communicate with others. It is also the result of unreliability in the provision of accommodation, information together with misunderstanding of local customs and habits. Introduction of local expertise of the raised standards and remedial and legal provision of compensatory measures for losses and inconveniences, introduction of arrival/departure escort services are some measures to reduce the fear of foreigners and to create an atmosphere of understanding, safety reliability and security.

Another important prevalent fear must be mentioned - viz. the fear about too many formalities, bureaucratic delays.
red tape causes inconveniences and harassments to the foreign tourist. Maximum care, should, therefore be exercised in providing the following items of information accuracy, precision and minimum loss of time and energy.

1) Addresses of airlines.
2) Visitors' passport procedure.
3) Medical attestation- certificate of vaccination - for Cholera, amebiosis, Plague, Malaria, Yellow fever - general health information, pets and rabies, typhus fever, Vival hypatites.
4) Checking documents- Vis,passport,transit documents, exit permit.
5) Forms of legal protection and indemnity against theft, robbery, cheating, begging, misguidance and mischief by the local people.
6) Information about comparative weights, measures and currencies.

Thus an atmosphere of protection from disease, misguidance, robbery, cheating, begging must be created for creating confidence in the minds of tourists coming to developing countries. Mainly protection against communicable disease is necessary by-

* a) avoiding infection by ensuring that food, water, drinks, clothes, are uncontaminated, and
b) by minimisation and drug prophylaxis through physicians in the local health service.