CHAPTER 3

THE PROGRAMMES AND POLICIES OF TOURISM
3.1. INTRODUCTION:

Policies are important for the development of an industry. In this chapter, the policy of tourism at national and Jammu and Kashmir level is being discussed as follows:

3.2. NATIONAL TOURISM POLICY:

In order to develop tourism in India in a systematic manner, to make it an engine of economic growth and to harness its direct and multiplier effects for employment and poverty eradication in an environmentally sustainable manner, the National Tourism Policy was formulated in the year 2002. Broadly, the “Policy” attempts to:-

- Position tourism as a major engine of economic growth.

- Harness the direct and multiplier effects of tourism for employment generation, economic development and providing impetus to rural tourism.

- Focus on domestic tourism as a major driver of tourism growth.

- Position India as a global brand to take advantage of the burgeoning global travel trade and the vast untapped potential of India as a destination.

- Acknowledges the critical role of private sector with government working as a pro-active facilitator and catalyst.

- Create and develop integrated tourism circuits based on India’s unique civilization, heritage, and culture in partnership with States, private sector and other agencies; and
• Ensure that the tourist to India gets physically invigorated, mentally rejuvenated, culturally enriched, spiritually elevated and “feel India from within”.

A) **Scheme for product / infrastructure and destination development.**

The focus under this scheme is on improving the existing products and developing new tourism products to world class standards. For infrastructure and product development, the Ministry of Tourism has provided Central Financial Assistance (CFA) to the State Governments during the 9th Five Year Plan which resulted in strengthening of the infrastructure and product development in the country. The scheme has been restructured during the 10th Five Year Plan to meet the present day infrastructure requirements. The past experience had been that a large number of small projects had been funded under the Scheme, spreading the resources very thinly, which at times had not created the desired impact. The focus in the Tenth Plan has been to fund large projects of infrastructure or product development in an integrated manner.

Under the revised scheme, the destinations are carefully selected based on the tourism potential. Master planning of these destinations is undertaken so as to develop them in an integrated holistic manner. The master plan is supposed to tie up all backward and forward linkages, including environmental considerations. Realizing the importance of destination development, the total outlay for this sector has been increased substantially. Important tourist destinations in each State, in consultation with the State Governments, are taken up for development. This includes activities ranging from preparation of master plans to implementation of the master plans. The destinations are selected in consultation with the State/UT Governments.
B) Scheme for integrated development of tourist circuits.

Under this Central Financial Assistance (CFA) scheme the Ministry of Tourism Government of India has been extending assistance to States for development of tourism infrastructure. Experience has shown that in the past funds under the CFA have been used to fund a large number of small isolated projects, spread throughout the length and breadth of the country resulting in the resources being spread very thinly. Therefore, in order to provide quick and substantial impact, during the 10th Five Year Plan, this new scheme of Integrated Development of Tourist Circuits has been taken up. The objective of the scheme is to identify tourist circuits in the country on an annual basis, and develop them to International standards. The aim is to provide all infrastructure facilities required by the tourists within these circuits. The Ministry of Tourism aim at convergence of resources and expertise through coordinated action with States/UTs and private sector. It is recognized that the development of tourism infrastructure projects requires very large investment that may not be possible out of the budgetary resources of the Government of India alone. In order to remove these shortcomings and to bring in private sector, corporate and institutional resources as well as techno-managerial efficiencies, it is proposed to promote large revenue generating projects for development of tourism infrastructure in public private partnerships and in partnerships with other Government / Semi-Government agencies.

Large revenue generating project, which can be admissible for assistance under this scheme, should be a project, which is also a tourist attraction, or used by tourists and generates revenue through a levy of fee or use charges on the visitors. Projects like Tourist trains, Cruise vessels, Cruise Terminals, Convention Centers, and
Golf Courses etc. would qualify for assistance. However, this is only an illustrative list. Hotel & Restaurant component will not be eligible for assistance under the scheme either on a stand-alone basis or as an integral part of some other project. Besides hotel & restaurants, procurement of vehicles and sports facilities like stadiums will also not be eligible for assistance under the scheme.

C) Scheme for support to public private partnerships in infrastructure (viability gap funding).

Development of infrastructure requires large investments that cannot be undertaken out of public financing alone. Thus, in order to attract private capital as well as techno-managerial efficiencies associated with it, the government is committed to promoting Public-Private Partnerships (PPPs) in infrastructure development. This scheme has been put into effect for providing financial support to bridge the viability gap of infrastructure projects undertaken through Public Private Partnerships.

D) Scheme for market development assistance (MDA).

The Marketing Development Assistance Scheme (MDA), administered by the Ministry of Tourism, Government of India, provides financial support to approved tourism service providers (i.e. hoteliers, travel agents, tour operators, tourist transport operators etc., whose turnover include foreign exchange earnings also) for undertaking the following tourism promotional activities abroad:

- Sales-cum-study tour
- Participation in fairs/exhibitions
- Publicity through printed material

E) Recent incentives.

During 11th Five Year Plan (2007-2012) Ministry of Tourism propose to continue supporting creation of world class infrastructure in the country so that existing tourism products can be further improved and expanded to meet new market requirements and enhance the competitiveness of India as a tourist destination. In consultation with the State Governments and UTs the Ministry of Tourism have identified several tourist circuits and destinations for integrated development. During the current financial year the Ministry has sanctioned so far Rs.323.00 crore for various projects throughout the country. This is an all time record and will facilitate timely execution of projects during the working season. The 11th Plan strategy on tourism is to achieve International tourist arrivals of 10 million by the end of the 11th Plan through diversification of source markets increase per capita spending and length of stay of international visitors and by reducing seasonality. The Plan also proposes to achieve a level of 760 million domestic tourists by 2011 at an annual growth rate of 12 % and to increase accommodation units.

➢ Strategy for Tourism Development in the 11th Five-Year Plan

During the 10th Five Year Plan, a doubled pronged strategy of upgrading the tourism infrastructure and vigorous marketing under the banner of ‘Incredible India’ campaign was followed to position India as a global brand. The following four-point progress was sought to be achieved to a large extent among the target tourists and in source markets:

- From non-awareness to awareness.
From awareness to interest.

From interest to desire.

From desire to final action i.e. booking a holiday.

The Working Group on Tourism for the 11th Five Year Plan 2007-12, felt that keeping in view all variables in the environment, the product opportunities, the market scenario, the Indian planning and national objectives, following quantifiable goals may be set for the 11th Plan for India tourism:

**INTERNATIONAL TOURISM**

Visitation

- Achieve International visitor levels of 10 million in 2011, at the end of 11th Plan.

Source Markets

- Diversify principal source markets to include countries such as South Africa, Israel, Spain, China, Japan, S. Korea, Australia, Brazil, Argentina, etc. which offer high growth potential and from where present level of inbound tourist is below par.

- Concentrate on countries like South Africa, Mauritius, Kenya, Malaysia, Fiji, etc with a large Indian Diasporas for higher touristic arrivals from those countries. Similarly target the PIOs and NRIs elsewhere to create greater resonance in them to visit the country of their origin and discover their roots.

Target the ‘Baby Boomers’ group in Europe and North America by creating in
them the desire to discover one of the oldest civilizations of the world and to enjoy the plurality of cultural enjoyments, which this country has to offer.

**Revenues**

- Maintain and increase per capita spending of international visitors.

- Attract higher quality tourists, increasing per head spending, resulting in higher revenues. Concentrate on cruise tourism and MICE sector which are considered to be higher revenue generating sectors of tourism.

**Seasonality**

- Reduce the seasonality in international tourist arrivals by targeting markets such as Australia, Spain, etc. It should be ensured that the drop in arrivals during “lean season” is not more than 15% of the annual average.

**Average Length of Stay**

- Maintain and initiate measures to ensure that the duration of stay is sustained, if not extended.

**Purpose of Visit**

- Retain focus on Leisure Travelers.

- Promote business related travel, including MICE market by promoting Convention Centers of International standards in major cities or at major tourist centers.

- Encourage medical tourism.
Expenditure

- Prepare strategies to increase per capita expenditure on shopping and other non-accommodation, non-transportation heads, to match International benchmark of 30%.

❖ DOMESTIC TOURISM

Visitation

- Achieve a level of 760 million for domestic tourist visits by the year 2011, the end of 11th Plan at an annual average growth of 12%.

- Complement International travel with domestic travel so that the seasonality is eliminated.

- Promote greater dispersal of domestic visitations in order to spread the benefits of tourism to all areas.

❖ OTHER GOALS

Accommodation Units

- Increase approved quality accommodation units from the current level of about 100,000 rooms to at least 200,000 rooms by 2011, to meet the increasing demand.

- Set up hotels on the surplus land with Airport Authority of India near International Airports as per the international practices.

- Promote development of budget hotels at the surplus Railway Land at specified Railway Stations.
• Create land banks in the States and encourage Single Window facility for the investors in tourism projects

In order to achieve all these objectives, the Working Group felt that it was necessary that the momentum generated in tourism sector during the 10th Plan period is sustained. The recommendation of the Group is to adopt and apply sustainable practices and principles, and identify and resolve the constraints. The Working Group also felt it necessary that beside development of world class infrastructure and launching aggressive marketing campaigns, access & connectivity to India need be improved; new forms of tourism like rural tourism, cultural tourism, adventure tourism, cruise tourism, MICE tourism and medical tourism are taken up with renewed zeal & efforts; India is made a full year destination rather than a Oct.-March destination by diminishing the seasonality factor and promoting the Himalayas and the beaches during summers and the coastal regions during the monsoons; and India’s competitiveness as a preferred destination is enhanced with rationalization of taxes, liberalization of visa regime, improvement of airports, removing barriers to travel, enhancing tourist safety & security, improving signage’s, etc. To achieve all these, the following six key strategic objectives are recommended:

I. Positioning and maintaining tourism development as a national priority activity;

• Provide effective linkages and close coordination between various Departments and Ministries of Government;
• Plan and implement a professionally managed integrated communication strategy to increase awareness about tourism and its social and economic impact on the society.

II. Enhancing and maintaining the competitiveness of India as a tourist destination;

• Take effective steps for easier and faster availability of visas.

• Increase air connectivity and seat capacity from major overseas markets.

• Improve facilities and quality of services at international and major domestic airports.

• Rationalize taxes.

• Remove restrictions like RAP/PAP/ILP.

III. Improving India’s existing tourism products further and expanding these to meet new Market requirements;

• Develop sustainable beach, coastal and cruise tourism.

• Package and market India’s wide variety of traditional cuisines.

• Encourage adventure and rural tourism.

• Develop and promote round-the-year tourism.

• Pursue medical tourism vigorously.
• Take advantage of MICE segment.

IV. Creation of world-class infrastructure;

• Identify travel circuits for development as international standard destinations.

• Construction and improvement of highways for good connectivity with tourist destinations.

• Introduction of special tourist trains and establishment of budget hotels.

V. Develop strategies for sustained and effective marketing plans and programmes;

• Maintain and develop the tourism brand position established with the ‘Incredible India’ campaign.

• Evolve and maintain a system of market research activities in India’s major source markets to continuously receive, analyze and respond to information on pricing, security issues, health, safety, quality of tourism services and products etc.

• Make use of the various technological tools, including the Internet, for advertising for greater and wider impact. Encourage e-commerce portals to extend effective marketing support to small and medium enterprises and also offer competitive packages.

VI. Develop Human Resources and capacity Building of Service Providers

• Making craft and hotel management education integral to the school system as an early vocational choice.
• Create a pool of teachers for hospitality education.

• Training of trainees to be introduced at IHMs/FCIs & other major institutes.

• Re-work curriculum of existing degree/diploma courses and building an image of the profession.

3.3. JAMMU AND KASHMIR TOURISM POLICY:

The vision of the State is to “make the State of Jammu and Kashmir the number one tourist destination of India leading to sustainable socio-economic development of the region by capitalizing on the abundant available natural and human resource. The State after having a clear vision has the goal;

➢ To regain the lost glory of famed hospitality and service making this the most sought after tourist destination of India.

➢ To attract high spending International tourists to visit India and this region.

➢ To develop optimal infrastructural facilities.

➢ Quicker accessibility, safer maneuverability, larger reach, excellence in hospitality and service.

➢ To develop tourist destination facilities of International standards.

➢ To move from seasonal to perennial tourism.

➢ To make wider usage of information technology to improve means of communication.

➢ To organize eco-friendly activities.
➢ To be the facilitator to encourage private entrepreneurship in industry.

➢ To develop tourism as a growth platform.

The major policy initiatives taken by government for the development of tourism in the state are; Giving Incentives, Strengthening of Public sector Undertaking in Tourism, Legal and Institutional Framework, Publicity and Promotion and Increased Budget Allocation.

A) Incentives.

Tourism in Jammu and Kashmir State has been declared as an industry by the state government in 1995 and a special package of incentives has been announced for the less developed areas of the state. This package of incentives had been extended. The state government grants 30 per cent capital outright investment subsidy on the fixed assets including the cost of land for new units. This subsidy is also available for expansion of the existing units but is restricted to investment made on the extension of the unit only.

The incentive policy of 1995 applicable presently categorized the tourist destinations into two types ‘A’ and ‘B’ with highest priority given to less developed areas in the state. These areas were classified as ‘B’ category areas and were eligible to highest benefits in the form of subsidies and tax concession. The relativity developed tourist’s areas like Srinagar, Pahalgam and Gulmarag in Kashmir division and Katra in Jammu division were categorized as ‘A’ category areas and were eligible for the least incentives. The policy also accorded high incentives to the alternative tourism and eco-friendly activities like paying-guest-house accommodation trekking, ropeways, skiing, water sports, aero-sports and golf.

The Jammu and Kashmir tourism development corporation (JKTDC), though a small player in the overall tourism industry in the state has an important role in promoting the new areas where private investment is not forthcoming due to infrastructural and publicity constraints. Operations of JKTDC are geared to expand facilities of accommodation, catering services, sightseeing facilities and transport services, package tours and adventure sports.

C) Legal and institutional framework.

Among the legal and institutional framework are the Enactment of Town and Country Planning Act, Jammu and Kashmir Land Reforms Act, Agrarian Reforms Act, Municipal Committees/Corporations Act, Development Act and Jammu and Kashmir Tourists Trade Act. Every new hotel project has to obtain permission from the government of Jammu and Kashmir under the Tenancy and Land Reforms Act. It is at this stage that the permission can be with held if the project is likely to be setup in non-priority (developed) areas. The provisions of the Tourist Trade Act require all hotels to adhere to the provisions of the prevalent local laws before being eligible for registration. The government has thus made provision to enable selection and interventions to promote the industry in a planned way.

D) Publicity and promotion.

The publicity of the tourism destinations is presently being done in the following ways:

- Through media, printing of literature on various destinations and audio-visual publicity by the department of tourism during various occasions and events.
Dissemination of useful information through the tourist information centers located within and outside the state.

- By the JKTDC though their hotel complexes, hutsments, package tour.
- By the private sector, mostly by leading hotels, houseboats, tour operates and travel agents.

While the publicity by the department is mostly generic, limited to projection of destination and fairs festivals, the publicity by the JKTDC is area-specific. There is a need to develop coordination mechanism between the government, public sector and the private sector for the projection of better image of the state.

E) **Budget and allocation.**

The planners realizing the importance of the tourism, earmarked funds for the expansion of tourism infrastructure, identification of new resorts and re-origination of the industry. Since 1951 onwards special allocation were made of the tourism development under Five-Year plans as a result tourist traffic started picking up.

The state government has recently made recommendations to the 13th Finance Commission during its visit to state of J&K for release of an amount of Rs.289.00 crore for future development of infrastructure and allied services in leisure tourism, pilgrim tourism, heritage tourism and adventure tourism. The recommendations also include the additional financial assistance of Rs 360.00 crore for 15 new Development Authorities and 4 old Development Authorities @ Rs 20.00 crore and Rs 15.00 crore respectively. The major requirements of the tourism envisaged to be met under 13th Finance Commission Award are as follows:-

- Development of wayside amenities.
- Creation of facilities for pilgrim tourism.
- Development of Eco parks.
- Upgradation of existing tourist infrastructure facilities.
- Construction of tourist bungalows/TRCs/Tourist Huts.
- Conduct of event/festivals.
- Development of eco tourism projects.
- Extension of Sidhra Golf Course and upgradation of Royal Spring Golf Course Srinagar.
- Development of new Golf Course at Sonamarg and Leh.
- Providing of infrastructure such as water supply, electricity, connectivity and tourist transport facilities.
- Restoration of heritage sites and historical buildings.
- Services like solid waste management and sanitation of resorts.
- Promotion of adventure tourism by creating proper infrastructure like adventure sports centers, development of tracks, upgradation of water sports facilities, purchase of machinery and equipment.
- Providing of convention facilities.
- Providing of passenger ropeways.
- Maintenance of tourist establishments.

F) New initiatives.

Many new initiatives have been taken for making the sector more viable and purposeful. The initiatives are briefly spelt out as under:-

- 19 high powered Tourism Development Authorities created for integrated and focused development of identified areas in all three regions of the state viz;

- Master plans of the tourist destinations such as Gulmarag, Sonamarg and Bhaderwah are under Preparation.
- Stress has been laid for creation of tourist accommodation at new destination and schemes accordingly have been formulated and implemented.
- Infrastructural plans, formulated, both in the state plan and CSS, through outstanding Architects/Consulting Agencies.
- Area like Glurez, Bungus valley, Baramulla, Uri and Botapathri having good potential for tourism development are also being developed, outside the jurisdiction of development authorities.
- Major investments made on up-gradation of existing Golf course at Pahalgam and Gulmarag; and construction of a new Golf Course at Sidhra, Jammu.
- Thrust on Marketing and Publicity.
- Emphasis on external infrastructure for various destinations such as power supply, road connectivity and drinking water supply.
- Schemes prepared to develop Rural Tourism to show case rural life, art, culture and Heritage at various Tourist villages.
- Focus on maintenance and restoration of heritage sites etc.

A systematic approach has been followed over the last three years and institutionalized the working of the department in a manner that new
initiatives which have started yielding the better results may not get derailed in the course of time.\textsuperscript{11}

For every development matters a well planned strategy and policy is demanded. Without having appropriate policy for the development of any industry, it cannot work in a fruitful manner. So, it is imperative to have the policies and programmes for the growth of an industry. In this chapter tourism policy has been discussed both at the national level and Jammu and Kashmir level. Realizing the importance of tourism industry, now a days, each government is taking serious concern of it. So India has also formulated some policies for tourism development and more specifically, the Jammu and Kashmir government had also taken the initiatives to develop its tourism industry as it is the mainstream source of income to the local economy. There was a long time disturbance in the Jammu and Kashmir state; earlier the Jammu and Kashmir government had not taken any appropriate policy for the smooth growth of the tourism industry. With the normalcy in the state, the government has formulated a suitable policy of tourism and to make all possible efforts to make the industry grow again.

\textsuperscript{11} Economic Survey Government of Jammu and Kashmir (2009-10)