CHAPTER 3
TOURISM DEVELOPMENT IN INDIA

3.1 INTRODUCTION

India is a country of continental dimensions with a fascinating Kaleidoscope of races, languages, religions, customs and traditions. The tourist attraction of India include historical monuments, places of religious importance, mountains, beach-resorts, wild life and interesting ecosystems, places of interest for water and winter adventure sports etc. The beauty of India’s cultural heritage and the richness of the nature’s endowments make India a tourist’s paradise. The enthusiasm to visit these places and explore new ones continues to grow to the fullest. In the following paragraphs the researcher has made an attempt to have an insight to the development of tourism in India, initiatives and achievements of the department of tourism and the resources that has made her the Land of all seasons.

3.2 TOURISM IN INDIA

Tourism in India is an integral part of Indian tradition and culture. In the olden days, travel was primarily for pilgrimage as the holy places dotting the countryside attracted people from different parts of the vast sub continent. People also traveled to participate in Melas, fairs and festivals in different parts of the country. Such a background developed a cultural tradition where “Atithi Devo Bhava’ (The guest is God) and ‘Vasudevai Kutumbakam” (The world is one family) become bywords of Indian social behaviour. In ancient times the rulers in different parts of the country build Luxurious palaces, marvelous temples, enchanting gardens, grand forts, tombs and memorials, giving expression to the depth of their feelings and sentiments. All these stand today as testimony to the rich cultural heritage of our land, and as examples of exquisites craftsmanship of the people of by gone ages. The variety of such creation is exciting, the grandeur of many of these is quite breath-taking.
The history of Indian Tourism in ancient and medieval period is closely concerned with religion and trade. The curiosity to travel within the country for trade and religious purpose led to construction of trade routes and the religious Institutions, 5000 years ago, prior to the entry of Aryans in India, Indus Valley (3000-1500 B.C) was the cradle of highly developed civilization. The Archeological excavation at Mohan-Jodaro and Harrappa had revealed the existence of this civilisation. The archeological reports tell that the ancient cities, temples, places, routes of Indus Valley were linked by regular trade with Egypt, Iran, Eastern Arabia, China etc. During the early centuries of Christian era, India was closely related with the Roman Central Asia and South East Asian Countries for trade purpose. During 2000-1000 BC the Aryans migrated from the South Central Asia and appeared in North India. It was the Aryans who developed Indian culture and spread Hinduism. They constructed highways, shelters, temples and emerged as a civilized community.

Incidentally in India the pilgrimage travel is closely associated with the Emperor Ashoka the Great, who traveled a great deal in his eagerness to spread the doctrines of Buddha. Ashoka and his entourage started their journey from Pataliputra-Lumbini-Kapil Vastu-Sarnath and finally reached Gaya. During this journey they had special memories about spot, accommodation, roads, shelter and other facilities. However, the Harsha Vardhana was greatly influenced by the Buddha and he built institutions and Dharmashala for the travelers. During the Harsha Vardhana regime Hiuen Tsang visited India and stayed here for about 14 years in different parts of the country. He left an important, recorded account of various tourist destinations and other religious places of the country. He also pointed out that India had diverse culture, history and well developed routes. There are number of other scholars who visited India such as Fahein, Taranath, and Megasthenize and so on and wrote a detailed account of Indian culture, economic conditions, political boundaries, rest houses, Sarais etc.

During 15th century Russian Travelers Afansi Nikitin came to India for trade purpose. However, he described the conditions of those times, especially in the rural area where he stayed, and commented on architectural art. He also noted the religious tolerance of the Indians and their hospitable nature. During 17th century the Mughal rulers were attracted
to places such as Kashmir Valley, Pinjore hills, and Himachal hills not only for their scenic beauty but also to avoid the excessive heat of summer months in the capital cities of Delhi and Agra. Obviously, the travel for common man was restricted due to poverty and social status.

The 18th century is known as the Golden age of the Grand Tour which paved the way for the development of tourism in the 19th and 20th centuries. However, the 20th Century changed the mental attitude of people towards pleasure-seeking, they recognised value of travel for education. The increase in material wealth, coupled with social changes, improvement in transport systems, accommodation systems, telecommunication system and introduction of paid holidays gave a great fillip to tourism. Thus the modern tourism has registered its significant growth since 20th century. Tourism Industry during 21st century will augment the nations all round development in a significant way.

Tourism in India is now in the process of being turned into an industry with emphasis mainly on earning foreign exchange. The driving force for promoting Tourism, so far official policy is concerned, is to provide attractive opportunities to foreign tourists, especially from the developed countries who, given the right incentives and stimulants are expected to come to exotic India with loads of money to spend. Since the tourist industry is also proposed to be developed further essentially as a private enterprise, the incentive and stimulants for the foreign tourists are bound also to be such as to earn quick returns on investment and maximize profits by the tourist industry. This has its own wide-ranging implications. Given the paucity of resources for long-gestating investment, there will be either need to attract foreign investment in the tourist industry or look around for quick fixes by smart Indian business interests to make the fast fuck by ways not always above abroad or dignified. The drive to promote tourism in Indian in these circumstances is bound to be associated with many undesirable features such as have been seen elsewhere in many other countries in which too a healthy social and economically sustainable infrastructure for the industry was missing.

So far, however, foreign tourism in India is still on a rather limited scale. It is also associated in the main with five or four star hotel industry which obviously is not geared to
the promotion of mass tourism on a grand scale. That tourism and hotel industry is already the third largest earner of foreign exchange for India may seem to be a very impressive achievement. But it reflects poorly on the total foreign exchange earnings of the country, especially on the trade account. In absolute terms, the foreign exchange earnings of India from tourism and hotel industry is still very small compared to many other countries.

It may, however, be well argued that since the Indian economy has shown in recent years a distinct shift towards the service sector as major source of employment generation, tourism and infrastructure for its promotion has a great potential to grow. The service sector, it has been estimated, may actually generate nearly 65% of the increase in the total jobs in the coming years. Tourism and allied sectors alone can generate 3.3 lakh jobs per year that is more than the entire manufacturing sector, according to a study. The Tata Economic Consultancy service (TECS) reported sometime ago that for every job created in tourism sector 2.57 jobs are created elsewhere, mainly in supporting services and craftsmanship levels. The implications of the emerging pattern in the future expansion of employment opportunities in the economy need to be further studies. If the real economy and those engaged in the production of goods in the economy to meet the needs of essential current consumption in the country are going to be marginalized, the economic and social conditions in the country as vast and populous as India are found to become very difficult and complex, if not explosive.

Official policy is, however, general to give priority to the development of tourist industry. Measures like a reduction in the expenditure tax from 20% to 10% in the 1994-95 budgets as well as the inclusion of the hotels and restaurants, in the Export Promotion Capital Goods Scheme (EPCS) for the service sector shows this and is expected to go a long way to boost tourism, especially by foreigners in India. Under the EPCS scheme, hotels can now import their requirements of items which cater to affluent customers - Indian and Foreigner.

Tourism in India has registered significant growth in recent years. In 1951, international tourist arrivals stood around 17 thousands only while the same has gone upto 3.91 million
in 2005. The upward trend is expected to touch the new heights in the coming years. Tourism is the third largest net earner of foreign exchange for the country and also one of the sectors, which employs the largest number of manpower. Tourism generates the highest employment per unit of investment for the skilled, semi-skilled and un-skilled. The World Travel and Tourism Council (WTTC) have identified India as one of the foremost growth centres in the world in the coming decade (Source: Annual Report 2004-05, India Tourism, Govt. of India).

The share of India in the global tourist growth is still negligible. From 25 million in 1950, the number of tourists in the world had, gone up to 1.5 billion and the earning from tourism will be around 2000 billion dollar by 2020. India accounts for less than even half percent (0.49%) of the tourist trade. While in 1990-95 the tourist traffic in India grew at an average annual rate of 4.7%, it grew by 4.3% a year in 1995-2000, the foreign exchange earning grew at 27.7% and 10.8% respectively. The foreign tourists arrival in India has got doubled between 2001 to 2005 and at the same time the foreign exchange earnings has also gone almost double. This, of course, is not an impressive target India, there fore, can not afford to be complacent on this front.

Paradoxically, India's share of global tourism is still meager i.e., hardly 0.49%. In spite of this, India is the country who has in her credit long and prestigious history, diverse geographical area, arts, crafts, traditions, religious observances, fairs and festivals, mountains, valleys, landscapes, beach resorts, amusement parks, world famous architecture which are the components of tourism products, universally acknowledged. Even, our neighbouring countries, such as, Thailand, China, Singapore and Indonesia have comparatively higher international tourism share than India. Fact remains that India has started its efforts to promote international tourism half century back, but it has lagged behind due to lack of political will, adequate quality infrastructure and super structure, trained and experienced manpower, financial resources, effective marketing and tourism management techniques etc.

Today, tourism is recognised as an instrument of socioeconomic, cultural development in India. It contributes to sustainable human resources development in poverty alleviation,
employment generation and environmental regeneration in remote and backward area. In India, tourism already accounting for 0.9% of Gross National Product, 9.0% of merchandise export, generating 47.5% jobs (in every million Rs. invested) which is still higher than any other industry and contributes 0.07% of total receipts. The world Travel and Tourism Council (WTTC) has estimated that by 2010 tourism would contribute another Rs 5,00,000 crores to the Gross Domestic Product, 8 million new jobs, Rs, 1,30,000 crores in capital investment and Rs.1,60,000 Crores in export earnings. The Ninth plan working Group report estimated 5.9 million arrivals and US $8.1 million for foreign exchange earning by 2001. These estimates will put the tourism industry at top in terms of foreign exchange earnings and employment generation.

3.3 TOURIST ARRIVALS IN INDIA

The share of India in terms of foreign tourists’ arrival is very less in World Tourist Traffic. In 1951, only 16,829 foreign tourists had visited India where as in 2006 the tourists’ arrival has gone up to 44,29,915 which is about 263 times. But, unfortunately the share of India is less than 0.50%. The top fifteen foreign tourist markets for India are United Kingdom, USA, Canada, France, Sri Lanka, Germany, Japan, Malasia, Australia, Italy, Singapore, Nepal, Netherland, South Korea and Spain. The peak period of foreign tourist arrival to India is between October to December. About 86% of the tourists use air transport to arrive in India wherein about 60% of them enter India via Delhi and Mumbai. Amongst them about 55% are men. About 22% of foreign tourists belonging to age group of 35 to 44 years followed by age group of 45-54 and 25-34 years of age. India rank 55th in terms of receiving of foreign tourists, where as France, Spain and USA capture the top three ranking.

The Ministry of Tourism initiated major activities to promote India through the byline “Incredible India” as a centralized campaign during the year 2001-2002 and 2002-2003. International Press / Media campaigns have been launched continued with literature and
collateral publicity material on there ideas. During 2004-2005 also all-round efforts were made by Govt. of India to attract foreign tourists to India. As a result of constant and consistent efforts the tourists' arrival has doubled in last twelve years. The foreign exchange earnings have also increased about 3.5 times during the same period.

**Table 3.1**

**Share of Foreign Tourist arrivals in India**

*In World Tourist Traffic (Since 1951 to 2006)*

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<tr>
<th>Year</th>
<th>Arrivals in India (in millions)</th>
<th>World Arrivals (in millions)</th>
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Source: Indian Tourism Statistics
Table 3.2
Foreign Tourist Arrivals and Estimated Foreign Exchange earnings
(Including Nationals of Pakistan & Bangladesh)
(Calender year wise)

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<tr>
<th>Year</th>
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Source: Annual Report 2005-06, India Tourism, Govt. of India.
3.4 SIGNIFICANCE OF TOURISM

Traditionally has been viewed as a great force in promoting international understanding and facilitating emotional integration. It is only in recent years, particularly during 20th century; Tourism has been recognised as an important instrument for economic, social and political development. As an industry, it has great contribution for employment generation, foreign exchange earnings, income generation and overall growth of an economy. Tourism stimulates the need to protect and conserve the environment of places of natural heritage and cultural importance. The importance of tourism in various fields is highlighted below.

- **Employment**
  Tourism industry has tremendous capacity to create enormous employment opportunity for the unemployed youth ranging from lodging sector to various tour/travel companies, tourism corporations, transport operators, tour guide and other tourism related sectors. Presently 9.8 million persons are directly employed in this industry which constitutes 6.8% of our total work force. It is expected that it will touch 25 million by the end of 2010 (WTTC).

- **Foreign Exchange Earning/Balance of Payment**
  Tourism has become an important segment of Indian economy, contributing substantially to its foreign exchange earning.

- **National Income**
  Tourism has given impetus to national income, specifically, international tourism. International income is matched by total expenditure incurred to produce tourism product and services and their consumption. Presently, the tourism receipts are 0.9% of gross national products, (GNP), 9.0% of the merchandise export and 56% of commercial services export.

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• **Tax Revenues**

The economic significance of tourism can also be studied in terms of tax revenues received from tourism industry. Technically, tax revenue is the direct income for the state that is created by the tourist expenditure and is determined according to the tourist traffic, their stay and spending capacity. The various types of taxes are sale tax, hotel tax, service tax, transport tax, entertainment tax, customs and excise duty on food and services. Besides that property tax, income tax, wealth tax and so on is received by central/state/Local Govt. from the tourism enterprises. India receives 15 paisa for every rupee sent by tourist as tax, which is very high as compared to our neighbouring countries like Singapore, China, Thailand etc.

• **National Integration**

Tourism acts as an integrating force, strengthening national sentiment. By travelling to different regions of the country, people can begin to experience pride in their national heritage, a sense of national unity may help to prevent regional fragmentation.

• **Industrial Development**

The growth of travel and tourism industry has direct impact on economic development of several sectors (Primary and secondary) of the national economy, since tourism industry motivates, activates and develops industrial entrepreneurs that are directly or indirectly related to the tourist products and services. Rapid tourism growth and expansion in an area can definitely act as an “accelerator” and lead to yet more investment in both tourism and other allied industries. These new expansions are likely to be centered on services/handicrafts and other tourism related industries.

• **Destination Development and Promotion**

India is a multi-destinations country with a variety of tourist attractions. It has a rich architectural legacy dating back to an ancient past. There are timeless...
monuments, magnificent temples and breath taking sites. In mark Twain’s words, “India is endowed with an imperishable interest on land that all men desire to have seen and having seen once by even a glimpse would not give that glimpse for the shows of all the global combined.”

Unfortunately, India has had very negligible share so far in international tourist arrivals and foreign exchange earnings, i.e. 0.4% and 0.7% respectively, in spite of concrete efforts of the Government and Private Sector tourism enterprises. During the last decade, Govt. has introduced National Action Plan for Tourism and Tourism Policy. In 2004-05 Govt. has sanctioned for the development of 64 project and travel circuits. Recently ‘Destination India Society’ for promotion of Indian tourism was established by the private tourism entrepreneurs (Hotel and Travel Companies) to promote India as tourist destination. However, Govt, should adopt an integrated development approach for the promotion of various destinations that will increase the multiplier effect on Indian economy, in terms of tourism traffic, tourist travel receipts, infrastructure, superstructure, employment, environment, regeneration in remote and backward areas and elimination of poverty.

3.5 TOURISM INFRASTRUCTURE IN INDIA

In 1963 Jha Committee recommended that Public Sector should play a positive and active role in the promotion and development of tourism infrastructure in the country. By accepting the recommendations of the committee Government decided to establish three public corporations namely India Tourism Corporation Ltd. (ITC), Hotel Corporation of India Ltd. and India Tourism Transport Undertaking Ltd. to provide transportation, accommodation and managements of catering units. Later-on in 1966, these corporations were merged into one corporation Known as India Tourist Development Corporation Ltd. (ITDC) to secure more efficiency in terms of finance. During the last two decades Govt. has formulated various types of tourism policies and plans to boost the infrastructure development. Government also announced various types of financial and nonfinancial
schemes to promote and encourage the private owners to develop tourism infrastructure at prominent places. In 1998, the central Government made it clear that tourism is a state subject, the state government should raise its own finances to invest in infrastructure. The central Govt. will provide only technical know how and consultancy services. In spite of having huge infrastructure, India has been criticized on different counts with regard to the tourist infrastructure facilities available in the country. The following points are evidence of this:

- Inadequate and poor quality of accommodations, railways, air transportation and road transportation facilities.
- Lack of trained, experienced and Professional guides and escorts.
- Lack of basic minimum facilities like clean toilets, drinking water, shelter, safety and security, health and hygiene.
- Inadequate entry points.
- Misleading tourist information
- Lack of adequate funds.

TOURISM INFRASTRUCTURE IN INDIA

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Figure 3.1
Since the 1992 Earth Summit, the concept of sustainable development has been placed firmly on the global agenda. It calls for a fundamental reorientation of the way business is performed, in order to place the environment at the prime place of the decision making process for governments and their, regional authorities, for communities, for environmental groups and for business and industry. But in recent years it is noticed that there has been little progress in this context since the ambitious Rio summit which was considered the blueprint for sustainable development. The situation at present is alarming; more than 50,000 square miles of forests are being stripped of their green cover every day, green house gases emission is at an all time high, and the number of people living on less than a dollar per day has risen to above 1.1 billion. Forest fires have become more common; around 200,000 hectares of Mediterranean forests are destroyed each year by fire. Over 500 Mediterranean plant species are threatened with extinction. The U.S. along with China, Japan, Indonesia, Russia, Germany, Brazil and India has 56% of the world’s population and 53% of its forest cover. But under no circumstances can all these countries be held equally responsible for the environment as they are in the various stages of development. In fact, it becomes incumbent upon the more industrialized countries and indeed funding agencies like the World Bank to ensure that aid to the developing world does not go to projects which have the potential to destroy natural ecosystems. Economic growth in any nation cannot be at the cost of sustainable development. Tourism industry, covers diverse activities such as transport, accommodation, entertainment, catering, handicrafts and souvenirs among many others. Some may have severe negative impacts on visiting destinations and population, in the absence of proper checks and balances. Tourism development puts pressure on all local resources; tourists consume energy, water, food and other raw materials, some of which
may be in short supply locally. Tourists now go everywhere and on account of this, some of the destinations have came up very recently, some have achieved balanced position in tourism business and a few of them have reached saturation point. Developing countries like India where tourism as a business activity is a recent happening have already started to realize repercussions at a number of tourist places. India receives much smaller number of tourists in comparison to some other countries. But due to haphazard development, some tourism destinations have lost their naturality and are likely to become the centres of garbage and litter very soon. 2.6 million foreign tourists are much smaller number to cause great deal of damage who come. In to this vast country of 1050 million people, but the much larger number of domestic tourists, leisure and pilgrims cause greater damage. According to a rough estimate of the Ministry of Tourism, Govt. of India, the domestic tourist today account to about 135 million, besides this, there are visitors to special events like kumbh melas where Lakhs of people congregate at one place and take a holy dip. We cannot prevent them to visit sacred holy places as it is linked to their religious sentiments. As per estimates every year Indians are paying Rs.34,000 crore due to the effects of massive environmental degradation which will eventually threaten our future generations. Water and air pollution alone impose a health cost of Rs.24,500 crore every year.

The economic loss due to environmental degradation has been grossly underestimated due to lack of adequate data, Ahmedabad, Bombay, Calcutta, Delhi, Kanpur & Nagpur the major centres of business have three times more suspended particulate matter than prescribed by the world health Organisation (WHO). Carbon Monoxide emissions in many cities are 50 times higher than the WHO standards. The study reveals that the per capita are pollution is even higher for tourism city like Agra, famous for the Taj Mahal. The revenue loss from foreign tourist traffic demotivated by India’s devasted environment has been put between Rs 491 crore to Rs.997 crore every year.
3.7 GROWTH OF TOURISM IN INDIA

The Vedas, the ancient religious texts of Hindus advice man to go on pilgrimage to the four sacred Dhamas or holy places of the country to get rid of sufferings of rebirth due to his sins. Pilgrimage centres were thousands of miles distant and the mode of transport was very primitive and slow, as a result of which, a long arduous journey extending over many months could well turn out to be a journey of no return.

3.7.1 EARLY PERIOD

India for its golden glory had attracted many invaders starting from Alexander the Great to travelers like Vasco-da-Gama who had discovered the sea route to India and coined the commercial relation between India and West.

Since 31\textsuperscript{st} December, 1600 AD Queen Elizabeth of England granted a Charter to the Governor of a company of Merchants of London trading with the East India to the 15\textsuperscript{th} August 1947 when the British were forced to withdraw under the pressure of national aspirations many foreigners have visited India with different roles starting from rulers to visitors.

The introduction of railways vastly enhanced the opportunities for escape from oppressive urbanization and in the nineteenth and twentieth centuries the railways has been most important mode of tourist transport. Introduction of new mode of transport i.e. travel by private car and coaches infused a new style of holidays and offered holiday makers more freedom and independence.

3.7.2 ON THE EVE OF INDEPENDENCE

The first organized effort to promote tourism was made in 1945, when the then government set up a committee under the chairmanship of Sir John Sergent, the then
educational advisor to the Government of India. The committee submitted their interim report in October 1946 which opined for promotion of tourism which will result to develop tourist traffic and revenue. The Committee gave thrust upon publicity both in India and abroad, provision of training guides, liaison with the travel agencies, liaison with hotels and catering establishment, coordination with air and train services and above all starting of publicity bureaus in London and New York and in the capitals of the countries (A.K. Bhatia). In 1949 a separate Tourist Traffic Branch was created and only after that tourism started in somewhat organized way.

3.7.3  PERIOD OF GROWTH (1950-1960)

A Central Tourist Advisory Committee was constituted in 1950 with an initial tenure for two years to attract American tourists to India, advise the government about tourist problems and to co-ordinate the work at the centre (Annual Report 1954-55). On 1st March 1958, a separate Tourism Department in the Ministry of Transport and Communication was established in place of Tourist Traffic Branch. The First Five-Year Plan (1951-1955) did not include any allocation for the development of tourism since tourism had not separate entity. It was in the Second Five-Year Plan (1956-60) that separate funds were allocated for the development of tourism by developing accommodation, transportation and recreational facilities in important tourist centres.

The development schemes in this plan period were categorized into three parts. Part-I schemes were intended to create facilities for foreign tourists and were financed wholly by the central government. The schemes were centrally executed by the Central Public Works Department. Part-II schemes were intended to create facilities for domestic tourists at places of tourist interest which were jointly financed by Central and State government in the ratio of 50:50. To provide facilities for domestic tourists at pilgrimage centres Part-III schemes were introduced which was fully financed and executed by the state government. During the period of 1950-60 there was a steady growth in the flow of visitors to India.
3.7.4 PERIOD OF DECLINE 1961-74

The period 1961-1974 was a crucial period in the history of tourism in India. During their period, measures were taken for assisting the industry with loans for construction of new hotels and for improvement or expansion of existing areas. The total outlay on Third Five Year Plan (1961-66) was Rs.800 lakh, out of which Rs.350 lakh for central sector and Rs.450 lakh for state sector the corresponding actual expenditure being Rs.142.12 and Rs.365.33 respectively (Third five year plan, Planning Commission, Govt. of India). During 1966-69 it was observed that there was a big gap between outlay and expenditure. The shortfall in expenditure has been attributed due to three main factors like inadequate organizational set-up at the centre for the planning and implementation of tourism development schemes, declaration of emergency and non-compliance of some formalities by the State Government. During 1969-1973 emphasis was given on provision for accommodation, transport and recreational facilities. Emphasis was also given to the areas where there was an identified large flow of foreign tourist traffic. There was a decline in tourists' arrival between 1971 to 1974 because of Indo-Pak war during December 1971 and its post effects. Only it is after 1974, India’s share in the world tourist market started picking up.

3.7.5 PERIOD OF RECOVERY (1975-1984)

During 5th Five Year Plan a broad approach to tourism planning was made with indicating investment priorities like:

(i) Provision for additional accommodation and transport to match anticipated growth in international tourism.

(ii) Integrated development of selected new hills and beach resorts.

(iii) Establishment of a tourism promotion abroad.

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During Sixth Five-Year Plan (1980-85) tourism both domestic and international had rapidly won considerable recognition as an activity generating a number of social and economic benefits like promotion of national integration and international understanding, creation of employment opportunities, removal of regional imbalances, augmentation of foreign exchange earnings thus redressing the balance of payment situation etc. Various multifaced socio-economic benefits of tourism are achieved with relatively low level of investment (Sixth Five Year Plan, Planning Commission, Govt. of India). In this plan efforts were made to highlight special interest tours, trekking and other recreational activities, festivals, Yoga and ayurvedic oil baths. To encourage and develop domestic tourism, provision was made for the development, expansion and improvements of facilities at selected centres of pilgrimage of national importance under the social tourism programme.

The period from 1975 to 1985 is regarded as period of recovery. Government of India opened more tourist offices overseas and produced heavy tourist literature. India’s share in the world tourist market increased from 0.15 percent in 1974 to 0.21 percent in 1975 and that upward increasing trend continued and reached 0.35 in 1985.

Festivals of India celebrations indifferent countries like USA, UK and France, brought, about a significant change in India’s image abroad and led to the great inflow of tourists and foreign exchange which indicate the future of tourism industry (India Today, 11th January, 1987, New Delhi). The Chernobly nuclear disaster, the fear of radiation spreading into Europe as well as he rise in terrorism in that region scared a large number of American tourists away from the continent to seek peace and spirituality in India. Many of the Sun worshipers shifted their umbrella also to Indian beaches to get naturality. (The Times of India (Travel Times) 23rd June 1985).
3.7.6 PERIOD OF BOOM (1985-1990)

It is for the first time that in the seventh Five Year Plan (1985-90) the tourism received considerable attention in the plan documents with a stated intention of faster development of tourism, according to the status of industry and exploring its potential for the sale of handicrafts and promotion of national integration. Fifteen states and three union territories declared tourism as an industry and 4 states declared hotel as an industry.

The principal objectives for the tourism sector in the seventh plan period were:

1. Developing tourism faster.
2. Giving tourism the status of an industry
3. Re-defining the role of public and private sectors to ensure that the private sector investment is encouraged in developing tourism and the public sector investment is focused mainly on development of support infrastructure.
4. Exploiting tourism potential to support local handicrafts and other creative arts to promote national integration.

An outlay of Rs.376.16 crores was provided in the 7th Plan which includes Rs.138.68 crores for the central sector and Rs.187.48 crores for the state sector. In addition, quite a large investment was made by the private sector. Allocation of Rs.30.00 crores was approved for manpower and institutional development under the Ministry of Tourism. The Tourism Financial Corporation of India (TFCI) was established in 1989 for financing hotels, tourists’ centres and other tourism projects.

3.7.7 PERIOD OF DEVELOPMENT (1991 ONWARDS)

In the beginning of the decade Government of India launched different plans and programmes for the development of tourism. The Eighth Five Year Plan (1972-97) provided a policy framework for future development of tourism related activities.
Developing tourism mainly through the private initiatives was the major thrust in this plan. Following the liberation policies, the tourism industry was declared as a priority sector for foreign investment. The government allowed automatic approvals for foreign investment with equity up to 51% in tourism related projects. Proposals for higher levels of equity investment are also permitted in specific cases. Investment up to 100% equity was allowed to non-resident Indians. The Government of India also set-up an investment cell for encouraging investment in the field of tourism.

In order to further accelerate the development of tourism, the thrust areas during the *Eighth Five Year Plan* were as follows:

1. Development of selected tourists places / areas.
2. Diversification from cultural-oriented tourism to holiday and leisure tourism.
3. Development of trekking, winter sports, wild life and beach resort tourism.
4. Exploring new source markets in regions and countries having cultural affinity.
5. Restoration of National Heritage Projects.
6. Launching of national image-building and marketing plans in key markets.
7. Providing economy accommodation in different tourist centres.
8. Improving service efficiency in public sector corporations.
9. Streamlining of facilities of registration procedures at airport.

- An allocation of Rs.272 crores was approved by the Planning Commission for the 8th Five Year Plan (Annual Report – 1994-95, Development of Tourism, Govt. of India).

In order to give the desired thrust, the Ministry of Tourism, Government of India observed 1991 as Tourism year. The prime objectives behind of this are:

- To develop the products for future growth of tourism.
- For national awareness of the socio-economic benefits of tourism.
June 1991 the tourism industry was reeling under severe crises forced by both international and national circumstances. The outbreak of the Gulf war at the beginning of the year disrupted tourist traffic not only to India but throughout the world. The events in East Europe and unsettled condition in some parts of the country combined with the General Elections and the most tragic assassination of Shri Rajiv Gandhi created conditions in which tourism witnessed the sharpest decline in recent times. Recognizing the crucial importance of this important sector, Government initiated a series of imperative measures to change the situation. A tourism Think Tank comprising all section of the tourism industry, travel trade, hoteliers, tourist transporters and the travel media was constituted to review the situation and evolve a positive blue print for a short-term as well as a long-term Action Plan for Tourism. This was done in order to involve a wide cross-section of participants from the industry rather than foist a policy for the top.

Since the State Government have a crucial and critical role to play in the promotion and development of tourism a meeting of State Tourism Ministers was convened in December 1991 to obtain their views on the future thrust areas of tourism. A series of unanimous resolutions were adopted at the meeting prescribing guidelines for the Tourism Action Plan. A large number of Ministers of the Central Government are involved in the implementation of the Tourism Action Plan. The National Action Plan for Tourism is a result of a conceptual frame work which spells out the broad thrust which is necessary for projecting India as an interesting and exciting destination of the 90s. The major objectives of the National Action Plan for Tourism are.

1. Increasing the share of the foreign tourist arrivals to the country in the Global Tourism Movement from the current level of 0.4% to 1% in the next five years.

2. Increase foreign exchange earnings from Tourism from Rs.2, 440 crores in 1990-91 to Rs. 10,000 crores by the end of the Century.
3. To double employment opportunities for the present level of 14 million employment persons (both direct and indirect) by the term of the Century. Particularly in the budget category so as to ensure an affordable holiday for them as a part of tourism development diversification of the tourism product, particularly in the field of leisure, adventure, convention and incentive tourism.

The following important points of emphasis in the Action Plan:

- Improvement in Tourist Infrastructure
- Promotion of Heritage Hotels
- Domestic Tourism
- Pilgrim Tourism
- Travel Trade
- Human Resource development
- Convention Tourism
- Trade Fairs
- Foreign Investment
- Destination Marketing
- Special Tourism Area
- Cultural Tourism

The National Action Plan for Tourism will seek to develop the multi-factors cultural manifestation of different regions for providing to tourists an insight into the rich cultural heritage.
3.7.9 APPROACH IN NINTH PLAN

During the Ninth Plan it was recognized that a reappraisal of the role of the State in tourism development and the extent of its participation was needed as it is neither necessary nor feasible for the State to make large investments in areas that are best left to the initiative of the private sector. The state can contribute through infrastructure development, the planning of broad development strategies, the provision of fiscal and monetary incentives to catalyze private sector investment and devise an effective regulatory and supervisory mechanism to protect the interests of the industry and the consumer.

The basic strategy of the department of tourism during the Ninth Plan was to establish effective coordination with all the relevant agencies so as to achieve synergy in the development of tourism. The development activities during the Plan would give necessary emphasis to environment protection and cultural preservation. The thrust areas during Ninth Plan period are:-

- Infrastructure development
- Product development and diversification including development of mega tourism resort
- Entrepreneurship development and promotion of self employment opportunities
- Enhancement of tourist facilitation
- Human resource development
- Promotion and marketing
- Environmental protection and cultural preservation
- Provision of incentives
- Monitoring and Evolution
- Strengthening of Organisation

For the Ninth Plan period, the Planning Commission had approved an outlay of Rs.465.75 crores for the Ministry of Tourism.
3.7.10 NEW NATIONAL TOURISM POLICY 2002

In the year 2002, the Ministry of Tourism prepared a draft National Tourism Development Policy with the objective of positioning tourism as a major engine of economic growth and to harness its direct and multiplier effects for employment and poverty eradication in an environmentally sustainable manner.

The policy document seeks to enhance employment potential within the tourism sector as well as to foster economic integration through developing linkages with other sectors. Broadly the policy paper 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 and 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;
- ensure that the tourist to India gets physically invigorated, mentally rejuvenated, culturally enriched, spiritually elevated and "feel India from within".

The policy document takes into consideration seven key areas that will provide the thrust to tourism development. These are: Swagat (Welcome), Soochana (Information), Suvidha (Facilitation), Suraksha (Safety), Sahyog (Cooperation), Samrachana (Infrastructure Development), and Safai (Cleanliness).

To achieve the overall vision for the development of tourism, five key strategic objectives need to be achieved. They are:
1. Positioning and maintaining tourism development as a national priority activity;
2. Enhancing and maintaining the competitiveness of India as a tourism destination.
3. Improving India’s existing tourism products and expanding these to meet new market requirements;
4. Creation of world class infrastructure
5. Developing sustained and effective marketing plans and programs.

3.7.11 APPROACH IN THE TENTH PLAN

The Tenth Plan approach towards tourism signifies a distinct shift from the approach adopted in earlier Plans. Apart from acknowledging the well accepted advantages of developing tourism for the promotion of national integration, international understanding and earning foreign exchange, the Tenth Plan recognizes the vast employment generating potential of tourism and the role it can play in furthering the socio-economic objectives of the Plan. In order to create a supportive environment for the promotion of tourism, the New Tourism Policy, 2002, that is to be implemented during the Tenth Plan, will generate awareness about the benefits of tourism for the host population. It will mobilize state governments to use tourism as a means for achieving their socio-economic objectives; encourage the private sector to enhance investment in tourism and provide legislative and regulatory support for sustainable tourism and to protect the interests of the industry and the consumer. The policy envisages involving the rural sector in the promotion of rural, heritage, adventure and eco-tourism and will promote the development of competitive high quality products and destinations. Most importantly, it will remove the barriers to growth and resolve contradictions in policy to achieve inter-sectoral convergence of activities that help the growth of tourism. The Tenth Plan objective is to integrate tourism with the socio-economic objectives of the Plan by creating 3.6 million jobs a year through the promotion of domestic and international tourism and to enhance India’s share of international arrivals from 0.38 per cent to at least 0.62 per cent by 2007.
• Major components of the Tenth Plan strategy:

• To develop a national consensus on the role of tourism in the development agenda of the nation through the National Development Council.
• To enhance the effectiveness of public sector investment through the inter-sectoral convergence and prioritisation of tourism-related infrastructure programmes in other sectors like special tourist trains, rail and aviation links, rural roads etc..
• To remove the barriers to growth to leverage private sector investment.
• To mobilize the support of the primary players, viz. the State Governments, in tourism development.
• To mobilize public support by creating awareness of the socio-economic benefits of tourism for the host community.
• To provide legislative and regulatory support to protect the tourism industry, the consumer and the environment.
• To involve the rural sector in tourism and start mobile training units for service providers in rural areas identified for the development of tourism.
• To augment training facilities in hotel management and food craft and build the capacity of service providers at the cutting edge.
• To create world class circuits and destinations, eschew haphazard development.

3.7.12 THE ELEVENTH PLAN APPROACH

The Ministry of Tourism (MOT) gives special importance to improve the quality of tourism infrastructure all over the country. The Ministry has sanctioned several projects all over the country. These projects propose to create high class tourism infrastructure and facilities which will provide an opportunity for unique experience to the visitors. The Ministry of Tourism extends Central Financial Assistance to the State Governments/Us for Product/Infrastructure Development of Destinations and Circuits. During the XIth Five Year Plan period a double-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.
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.

3.8 INITIATIVES IN THE ELEVENTH PLAN

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. Some of the important infrastructure projects which have been sanctioned in the current financial year are:

A. Heritage Destinations/Circuits
   I. MOT has recently sanctioned Rs.8.00 crore for the project of illumination/lighting of monuments in Rajasthan.
   II. The tourist facilities at Sanchi and adjoining tourist places in Madhya Pradesh are being improved at a cost of Rs.4.64 crore. Tourist Facilitation Centre, Public Amenities, Parking and Landscaping and Beautification of approach roads will be done.
   III. The project of Development of Mahanadi Central Heritage (Rs.3.94 crore) has been sanctioned. In this project Jetties, River Bank, Nature Trail, picnic area, etc. will be developed at various places along the river to enhance the experience of visitors to these destinations.
   IV. An Indian Freedom Circuit on Mahatama’s Park in West Bengal is being developed at a cost of Rs.2.27 crore.
   V. The project Bijapur-Bidar-Gulbarg Circuit sanctioned at a cost of Rs.6.40 crore.
   VI. Art & Craft village at Goregaon film city has been sanctioned for an amount of Rs.3.86 crore.
VII. Revitalization of Gandhi Thidal and Craft Bazar, Puducherry sanctioned recently for an amount of Rs.2.67 crore.

VIII. The project of Development of Srirangam Tamilnadu (Rs.3.72 lakh) has been sanctioned.

IX. Development of Vallore fort area at a cost of Rs.0.89 crore.

X. Sound & Talatal Ghar, Sivasagar in Assam (Rs.1.58 crore.) has been sanctioned.

B. Beach and Sea Tourism
   I. MOT has sanctioned a project of Rs.5.00 crore for development and beautification of Beach Promenade in Puducherry.
   II. Another project for development of walkway along the bank of river Arasalar and Vanjiiar in Karaikal, Puducherry (Rs.4.78 crore)
   III. The project of Development of Marina bach in Tamilnadu has been sanctioned (Rs.4.92 crore).

C. Rural Tourism
   The Ministry has launched the redesigned website www.exploreruralindia.org which is very visitor friendly. 36 sites are being developed in collaboration with UNDP for Rural Tourism in various States. 15 sites have been completed and these places are ready for marketing from 31st October, 2007. These projects will facilitate revival of art & craft, encouragement to local skills and pride in diversity.

D. Pilgrimage tourism including Development of Buddhist circuit
   a) An amount of Rs.4.67 crore for Integrated Development of Pilgrim Circuit at Reetha Sahib and Nanak Matta in Uttaranchal has been sanctioned. Public facilities, bathing ghats, parks and Raien Basera at Reetha Saheb will be developed. Nanda Devi temple will also be beautified in this project.
   b) MOT sanctioned a project of Ujjain Destination Development for an amount of Rs.4.73 crore.

E. Eco tourism
   I. A project of Eco tourism for development of Horsely Hill in Chittoor Distt. of Andhra Pradesh has been sanctioned.
II. The project of development of Satkosi in Orissa (Rs. 4.25 crore) has been sanctioned in which Interpretation Centre, Landscaping, Elephant camps, Trekking park, Watch Towers and parking facilities, etc. are proposed to be developed.

III. MOT has sanctioned a project for development of Eco tourism in Morni-Pinjore Hills and Sultanpur National Park in Haryana for which Rs. 2.63 crore have been sanctioned.

IV. The project of Integrated Development of Tribal Circuit with special focus on Eco tourism in Spiti in Himachal Pradesh has been approved for Rs. 6.98 crore.

V. Development of Wayanad in Kerala for an amount of Rs.2.01 crore.

VI. Development of Tourist Circuit (Western Assam Circuit) Dhubari-Mahamaya-Barpeta-Hajo has been sanctioned for an amount of Rs.4.97 crore.

VII. Development of Mechuka Destination (Rs.4.41 crore in Arunachal Pradesh).

VIII. Development of Tourist Destination at Khensa at a cost of Rs.4.58 crore in Nagaland.

IX. Circuit - Udhyamandalam- Madumalai- Anaimalai, Tamil Nadu Rs.4.39 crore.

F. Projects for NE Region

I. The INA Memorial Complex at Moirang in Manipur is being renovated and tourist facilities are being developed (Rs.82 lakhs).

II. Tourism infrastructure is being developed near Pakhai Wildlife Sanctuary in Arunachal Pradesh (Rs. 5.00 crore)

III. Gayaker Sinyi Lake at Itanagar is being developed at a cost of Rs.5.00 crore.

IV. Tourist infrastructure is being developed in Nathula-Memmencho-Kuppu tourist circuit in Sikkim (Rs.4.54 crore)

V. MOT has sanctioned a project for development of Tizu Kukha as Adventure Destination in Nagaland (Rs.4.99 crore)

G. Projects for Jammu & Kashmir

MOT has sanctioned a project for development of tourism infrastructure in Leh (Rs.4.95 crore), Bungus Valley (Rs.2.31 crore), Kargil (Rs.4.84 crore), Poonch (Rs.4.50 crore), various villages around Sonmarg (Rs.1.08 crore), development of Gurez and Telail Valley (Rs.3.66 crore), Patnitop (Rs.2.83 crore), Dandi Pora
(3.45 crore), Anantnag (Rs.2.1 crore), Shri Amarnath Yatra Marg (Rs.7.00 crore), Bhaderwah (Rs. 4.12 crore), Kishtwar (Rs. 2.81 crore), Wullar Lake (Rs.2.06 crore) and Rajouri (Rs.4.34 crore). Tourist Information Centre, Public amenities, approach roads, shelters, signages, etc. will be developed in these projects so that tourists who are visiting Jammu & Kashmir should have trouble free experience the beauty and bounty of the region.

3.9 MAJOR TOURISM ACHIEVEMENTS AND INITIATIVES

- It has just been announced by the PATA Headquarters in Bangkok that the Incredible India Campaign has won the PATA Grand Award for Marketing. It is one of only four “best of show” Grand Awards and a fitting accolade for both the campaign and the Ministry of Tourism’s sustained efforts to position India as a world-class destination. The achievements is all the more impressive considering that the 2007 PATA Gold Awards attracted a record 339 entries from 132 organisation.

- Press pace (French National Syndicate for Print advertising) has selected the Taj creative for the International Media Campaign 2006-07 as the best foreign advertising communication in a French Newspaper.

- The official website of the Ministry of Tourism, http://www.incredibleindia.org/ has been adjudged the best Government Website at the 10th National E-Governance Convention held at Bhopal in February 2007.

- Incredible India TV Commercials have won the Golden Gate 2007 Award (Das Goldene Stadttor -2007) during ITB-Berlin, 2007.

- The Incredible India TV Commercial for the International Campaign was adjudged the best TV Commercial in the 9th International Festival of Tour-Films 2006 at Poznan, Poland.

- World Travel Awards received for (a) Asia’s Leading Destination (b) World’s Leading Travel Destination Television Commercial and (c) World’s Leading Responsible Tourism Project.

- Euro Effies Award received for the Incredible India Campaign.
Major initiatives taken by the Government for achieving its full potential in tourism and for attracting more foreign tourist to India include:

- Development of tourist spots under its various schemes of infrastructure development for tourist circuits and destinations;
- Focusing on growth of hotel infrastructure particularly budget hotels;
- Enhancing connectivity through augmentation of air capacity and improving road infrastructure to major tourist attractions;
- Direct approach to the consumers through Electronic and Print Media through the "Incredible India" Campaign;
- Creation of World Class Collaterals;
- Direct co-operative marketing with the Airlines, tour operators and wholesalers overseas;
- According greater focus in the emerging markets particularly in the region of China, North East Asia and South East Asia;
- Participation in Trade Fairs & Exhibitions;
- Optimizing the PR and Publicity;
- Use of Internet and web marketing;
- Generating Tourist Publications; and
- Re-enforced hospitality programmes including grant of air passages to invite the media personnel, tour operators on familiarization tour to India to get first hand knowledge on various tourism products.

Union Budget presented on February 28, 2007 has dashed the hopes of tourism Industry. There was nothing much to talk about except a increase in allocation for development of tourism infrastructure from Rs.423 cr to Rs. 520 cr and the five- year tax holiday to 2,3 and 4 star hotels in Delhi and NCR.

- 20,000 more hotels for the 2010 Commonwealth Games in Delhi.
- Private importers of aircraft: 3% import duty to be levied including helicopters.
- ATF (Aviation Turbine Fuel) benefit extended to all small aircraft.
- 5-year tax holiday for 2, 3, and 4-star hotels and convention centres with a seating capacity of 3000 in NCT (National Capital Territory of Delhi—New Delhi, Old Delhi, and Delhi Cantonment).

3.10 PRESENT TOURISM SCENARIO OF INDIA

There has been a remarkable growth in the recent years in foreign tourist arrivals to India due to the various efforts made, including promoting India through the ‘Incredible India Campaign’ in overseas market.

Foreign tourist arrivals to the country have increased by 78% in the last five years and foreign exchange earnings from tourism during the same period have grown by 122%. The year 2006 saw an increase of 13% in foreign tourist arrivals (4.41 Million (P)) as compared to the previous year 2005 with an arrival of 3.91 Million. The first 7 months of the year 2007 have already seen an increase of 11.9% with an arrival of 2.76 Million as compared to the first 7 months of 2006 with an arrival of 2.47 Million. Tourism has been one of the largest net earners of foreign exchange for the country recording earnings of Rs. 29603.56 crore 6.6 billion in 2006 compared to Rs.25172.25 crore in 2005. There has been a further increase of 18.2% in foreign exchange earnings in the first 7 months of the current year 2007 with Rs.18258.57 crore as compared to the corresponding period in 2006 with an earning of Rs.15958.14 crore.

The World Travel & Tourism Council, in its projection covering 174 countries, has predicted an annual growth rate of 8.8% over the next decade for India, the highest in the world. The target is to reach a figure of 10 million tourist arrivals by 2010.

As per Tourism Satellite Accounting for India, tourism's contribution to GDP of the country is 5.9% and employment in the tourism sector accounts for 8.78% of total employment in the country. The year 2007 has been a highly successful year so far as tourism in India is concerned. For the fourth successive year, The Working Group on Tourism for the 11th Five Year Plan (2007-2012) has set a target of 10 million international visitors in 2011 at the end of 11th Plan.
3.11 CONCLUSION

‘Atithi Deva Bhava’ being the primary motto, India is known for its hospitality to all visitors, no matter where they come from. Its visitor-friendly traditions, varied life styles and cultural heritage and colourful fairs and festivals held abiding attractions for the tourists. The other attractions include beautiful beaches, forests and wild life and landscapes for eco-tourism, snow, river and mountain peaks for adventure tourism, technological parks and science museums for science tourism; centres of pilgrimage for spiritual tourism; heritage trains and hotels for heritage tourism. Yoga, ayurveda and natural health resorts also attract tourists. The Indian handicrafts particularly, jewellery, carpets, leather goods, ivory and brass work are the main shopping items of foreign tourists. Tourism of India has come of age. Since independence tourism has been developed by the Government along with initives by private sectors participation.

The major constraint in the expansion of international tourist traffic to India is non-availability of adequate infrastructure including adequate air seat capacity, accessibility to tourist destinations, accommodation and trained manpower in sufficient number. Poor visitor experience, particularly, due to inadequate infrastructural facilities, poor hygienic conditions and incidents of touting and harassment of tourists in some places are factors that contribute to poor visitor experience.

To sum up, Indian tourism has vast potential for generating employment and earning large sums of foreign exchange besides giving a fillip to the country’s overall economic and social development. Much has been achieved by way of increasing air seat capacity, increasing trains and railway connectivity to important tourist destinations, four-laning of roads connecting important tourist centres and increasing availability of accommodation by adding heritage hotels to the hotel industry and encouraging paying guest accommodation. But much more remains to be done. Since tourism is a multi-dimensional activity, and basically a service industry, it would be necessary that all wings of the Central and State governments, private sector and voluntary organizations become active partners in the endeavour to attain sustainable growth in tourism if India is to become a world player in the tourist industry.