CHAPTER 3

TRAVEL AND TOURISM IN THE WORLD, IN INDIA AND IN KARNATAKA
CHAPTER III

TRAVEL AND TOURISM IN THE WORLD, IN INDIA &
IN KARNATAKA - A PROFILE

3.1 TOURISM IN THE WORLD

3.1.1 INTRODUCTION

Paleolithic evidence suggests that, given the right environment, man prefers to live in one place and not wonder on the face of the earth. During a million years changes of climate, dwindling food supplies or hostile invaders alone made the people leave their homes to seek refuge elsewhere.

The Aryans left their homes in Central Asia due to climatic changes leading to dwindling food supplies. Perhaps it was the invention of the wheel, about five thousand-year ages. Which made travel possible followed by the invention of money by the sumerians (Babylonia) that led to the development of Trade and the beginning of a new era. The Phoenicians were probably the first real travelers in the modern sense as they went from place to place as travelers and traders. Almost at the same time, trade and travel developed in India where the wheel and money was already in existence at the time of the Mohen-jo-daro civilization. Traditions of travel in India are perhaps the oldest in the world -- the Motive being primarily religion or trade.

Never in the history of the world, there has been movement of people from one country to another on such a large scale as it is taking place today. In the year 2005-06 around 842 million people traveled around the world and around USD 4304 billion is spent on tourism. The world indeed has become small, thus has been named as ‘Global Village’.

In global terms, the tourism industry is the single largest employer. As per an estimate, tourism accounts for 12.2 per cent of total world exports and 8.1 per cent of global employment\(^1\).

The following table 3.1 shows the number of tourist arrivals around the world.

\(^1\) UN World Tourism Organization, Annual Report 2006.
### Table 3.1

<table>
<thead>
<tr>
<th>Region</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>WORLD Arrivals</td>
<td>652</td>
<td>687</td>
<td>684</td>
<td>703</td>
<td>688.8</td>
<td>762.5</td>
</tr>
<tr>
<td>% Annual Change</td>
<td>4.1</td>
<td>5.4</td>
<td>-0.5</td>
<td>2.7</td>
<td>-1.5</td>
<td>10.7</td>
</tr>
<tr>
<td>AFRICA Arrivals</td>
<td>26.2</td>
<td>27.4</td>
<td>28.3</td>
<td>29.1</td>
<td>30.6</td>
<td>33.2</td>
</tr>
<tr>
<td>% Annual Change</td>
<td>5.2</td>
<td>4.6</td>
<td>3.3</td>
<td>2.8</td>
<td>3.9</td>
<td>8.2</td>
</tr>
<tr>
<td>AMERICAS Arrivals</td>
<td>122</td>
<td>128.0</td>
<td>120</td>
<td>115</td>
<td>113.1</td>
<td>125.7</td>
</tr>
<tr>
<td>% Annual Change</td>
<td>2.3</td>
<td>4.7</td>
<td>-6.1</td>
<td>-4.4</td>
<td>-3.1</td>
<td>11.1</td>
</tr>
<tr>
<td>ASIA &amp; THE PACIFIC Arrivals</td>
<td>103</td>
<td>115</td>
<td>121.1</td>
<td>131</td>
<td>119.6</td>
<td>152.9</td>
</tr>
<tr>
<td>% Annual Change</td>
<td>10.1</td>
<td>12.4</td>
<td>5.0</td>
<td>8.4</td>
<td>-8.8</td>
<td>27.8</td>
</tr>
<tr>
<td>EUROPE Arrivals</td>
<td>381</td>
<td>393</td>
<td>391</td>
<td>400</td>
<td>395.9</td>
<td>415.2</td>
</tr>
<tr>
<td>% Annual Change</td>
<td>1.8</td>
<td>3.2</td>
<td>-0.5</td>
<td>2.3</td>
<td>-0.6</td>
<td>4.9</td>
</tr>
<tr>
<td>MIDDLE EAST Arrivals</td>
<td>20.5</td>
<td>24.0</td>
<td>23.6</td>
<td>27.6</td>
<td>29.6</td>
<td>35.6</td>
</tr>
<tr>
<td>% Annual Change</td>
<td>35.8</td>
<td>17.1</td>
<td>-1.7</td>
<td>16.9</td>
<td>3.2</td>
<td>20.5</td>
</tr>
<tr>
<td>INDIA Arrivals</td>
<td>2.5</td>
<td>2.6</td>
<td>2.5</td>
<td>2.4</td>
<td>2.7</td>
<td>3.4</td>
</tr>
<tr>
<td>% Annual Change</td>
<td>5.2</td>
<td>6.7</td>
<td>-4.2</td>
<td>-6.0</td>
<td>14.3</td>
<td>23.5</td>
</tr>
<tr>
<td>SHARE OF INDIA</td>
<td>0.38</td>
<td>0.39</td>
<td>0.37</td>
<td>0.34</td>
<td>0.39</td>
<td>0.44</td>
</tr>
</tbody>
</table>


#### 3.1.2 HISTORY

As early as the third millennium B.C. Egypt was a popular place for people from the then known world. The Babylonian King Shulgi who ruled ‘Ur’ (Egypt) 4000 years ago is said to have boasted that he protected roads, built gardens and rest houses for respectable travelers. The Bible describes their ideas in the following words.

“Many shall run to and fro and knowledge shall be increased”.

Aristotle visited Asia Minor before starting his peripatetic school for wandering students. Greeks traveled to spas, festivals, athletic meets and to consult the oracle at Delphi. They traveled by mules and carts and stayed at wayside inns. A character in one of the works of that time asks for the eating-houses and hostels where there are the fewest bugs.

The Romans probably were the first pleasure travelers in the world. Travel became quite sophisticated by the time Christ is born. There are reasons to believe that pleasure travel also developed at the same time in China, India and Japan.

Romans used to travel up to a hundred miles a day by using relays of horses, furnished from rest posts five to six miles apart. They traveled to see the temples in the Mediterranean area and the pyramids of Egypt. They also journeyed to medicinal baths called 'spas' and seaside resorts. The Roman Empire had an excellent network of roads. Plutarch spoke of 'globe trotters, who spent the best part of their lives in inns and boats'. Persons of means traveled in litter (littiga) four wheeled wagons or chariots; others used carts or public coaches. Some Roman cargo ships carried a few passengers.

At the same time, travel facilities in India were of a high order. When Alexander the Great reached India, he found well-maintained roads lined with green trees, wells for water, police stations and rest houses.

Along one highway, twelve hundred miles long and sixty-four feet wide, the historians recorded that men traveled in chariots, bullock carts, on elephants, camels, horses and oxen.

Emperor Ashoka's emissaries traveled to Sri Lanka, East Asia and West Asia to spread the message of Lord Buddha. Chinese travelers came to India and have given accounts of their well-known and extensive travels with in India.

Not only did India attract a series of invaders starting with Alexander of Macedonia, but also great travelers like Vasco-da-Gama. Many foreigners, Arabs and Europeans alike came to India to establish trading posts. The great explorer, Christopher Columbus set out to find a new route to India and in the process discovered the new world.
India throughout had a great fascination for foreign travelers. Mark Twain described it as a fabulous world of “splendor and rags the one country under the sun with an imperishable interest, the one land that all men desire to see”.

There were other well-developed travel routes. Camel Caravans took travelers along China’s Silk Road, the great trails from Baghdad to Aden, Samarqand to Timbuktu. Beginning with the establishment of democratic Government in Esphesus (now in Turkey) by Alexander the Great in 334 BC, Some 700,000 tourists would gather in Esphesus in a single season to be entertained by acrobats, jugglers and magicians who filled the streets.

The Middle Ages:-

The collapse of the Roman Empire in the fifth century brought about the doom of holiday travel in that part of the world. The roads were no longer well-maintained and became infested with brigands.

Only about the year 1000 A.D the principal European roads became relatively safe again, large because of the goods traffic. During that period, no one traveled for pleasure, men traveled to fight in wars or on pilgrimage to such holy places as Canterbury or St. James of Campostela. Travel facilities were a bare minimum.

Among the few great medieval travelers were Benjamin of Tudela, Marco Polo and Ibn Batuta. Benjamin of Tudela, a Jewish scholar who left Saragossa in 1160, traveled for thirteen years to Europe, Persia and India and gave details of Jewish Communities and geography of the places he visited. Marco Polo left Venice in 1271 with his father and uncle and traveled through Persia and Afghanistan to the ‘roof of the world’ the then unknown Pamir plateau. After crossing the Gobi Desert, he reached the palace of Kubalai Khan and lived in China for twenty years. On his way home he stopped in Sumatra, Java, India, Sri Lanka and returned home with rich jewels sewn in seams of his tattered cloths. Ibn Batuta traveled in the fourteenth century from his birth place Tangier, to Arabia, Mesopotamia and Asia Minor. He traveled to India by way of Samarkand and remained in the courts of the Delhi Sultan Mohammed bin Tuglaq for eight years i.e. (AD. 1334-1342). He also visited the Maldives Islands, Sri Lanka, Sumatra, Spain and Morocco.
Renaissance Rovers:-

The age of the renaissance broadened the horizons of men and led to a quest for exploration and discovery. Not everyone could sail to Cathay, but the affluent and wealthy could explore France, Germany, and Italy and could even go further to Egypt and the Holy land. Travel before the industrial revolution was largely a matter of pilgrimage or business. From the end of the sixteenth century, some growth in private travel is evident initially for educational purposes and later to satisfy a new curiosity about the way people lived at other places. Coaches were invented in Hungary in the fifteenth century and with in the next hundred years these became the fashionable possessions of the elite and the rich in Europe. These were impressive contrivances with four wheels, elaborately carved roofs and open sides, which could be closed off with curtains. In England, luxurious inns developed where a person with a well-lined purse could be led to a lavender-scented chamber where he or she could dine in privacy. In the public rooms the less fastidious ate roast meats and drank sack to the sound of viols, lutes or the braying of popular songs. In the cheaper types of ‘ordinaries’ the fare was Cruder and the wenches more amenable.

In sixteenth century, it became customary to send young gentlemen on a grand tour of the continent for the purpose of education with warning like Scotland was wild and France ‘enough to vex any man’.

Samuel Johnson took a journey to Italy in 1776. His friend Boswell records him saying “...a man who has not been to Italy is always conscious of inferiority from his not having seen what it is expected a man should see. The grand object of traveling is to see the shores of Mediterranean… all our religion, almost all our law, almost all our arts and all that sets us above the savages has came to us from the shores of the Mediterranean”. This was the concept of a grand tour of the contemporary British milord.

In 1785 Edward gibbon was informed that 40,000 English, including Masters and Servants, were touring or living as residents on the continent. Like the present day tourists, the eighteenth century tourists were also chided for rushing through Museums and art galleries and following a wild Goose chase under the conduct of some ignorant tomb shewer; over looking things of the greatest importance. They
were accused of wasting time watching the arrival and departure of diligences, of seeing “Monuments rather than men... inns rather than house... routes rather than the country”.

Laurence stern in, A Sentimental Journey (1768) humorously divided travelers in the 18th century into three main categories. “Those who left their native country for internality of body, imbecility of the mind and inevitable necessity”.

Italy was known for its poor roads and indifferent inns but from the beginning of the Renaissance it was a Mecca for travelers. Even splenetic Smollet said, he felt an enthusiastic order to tread that very classical ground which has been the Scene of so many great achievements. But he added about young travelers in Italy. “One engages in play with an infamous gamester another is poxed and pillaged by an antiquated cantatrice, a third is bubbled by a knavish antiquarian and a fourth is laid under contribution by a dealer in pictures”.

Travelers entering England in the 18th century Contended with customs officers who boarded ships and sometimes damaged cabins searching for contraband. On occasion they searched beneath the ladies petty coats because one hoop skirt had concealed a man.

3.1.3 Industrial Revolution and Development of Travel and Tourism

In the later eighteenth century occurred the phenomenon we now call the industrial revolution. It brought about changes in the economy of Britain, which had marked effects in laying the foundations of Modern Tourism.

The most dramatic feature of the hundred years from 1750 to 1850 was the increase in the absolute size of the population. The increase in the population was accompanied by a steady drift of population from the rural areas to the newly emerging industrial towns of the North and of the Midlands, the Migration to the towns led to the creation of new households and new purchasing power, stimulating internal consumer demand in a way that the more self sufficient peasant communities of the rural areas could not do.
As mentioned earlier, travel before the industrial revolution was mainly a matter of seeking knowledge, engaging in commerce and trade and undertaking pilgrimage.

The industrial revolution was responsible for the change in the economic and social systems. The working class was in the beginning burdened by long working hours and poor working and living conditions. For a large number of people there was little relief from routine long work under difficult conditions. Sudden concentration of population in Towns and cities created unhealthy social conditions. As the industrial momentum gathered and the cities and their populations increased at an enormous rate, the need for escape became even more acute. The prosperous and well to do who could afford proceeded to various resorts.

Industrialization also brought in an increase of material wealth and certain improvements in transport and communications during the second half of nineteenth and early twentieth century. The factors like increasing need to find relief from workday routine created a fertile ground for the development of pleasure traffic on a big scale. Many resorts owe their present day popularity to their original discovery by wealthy minorities during the Roman Empire. The nineteenth century saw the development of large scale pleasure zones at some considerable distance from the large cities and metropolitan centers of central Europe. The French Riviera with Nice, Cannes and Monte Carlo were some of these pleasure zones.

A revolution in land travel was launched in the first decade of the 19th century when Scotland's John Loudon Mc Adam and Thomas Telford invented a type of road surface that superseded the dirt roads common throughout Europe. With the improvement of roads, stage coaches became a popular mode of travel. Charles Dickens the famous novelist lyrically described the journey of Mr. Pickwick and his friends in the Muggleton coach: "The wheels skim over that hard and frost ground and the horses bursting into a Canter at a smart Crack of the whip, step along the road as if the load behind them... were but a feather at their heels.

By the end of the nineteenth century, Riviera was unmistakably the most popular pleasure zone. Its development only became possible when escape to the south had become a major feature of Tourism in Europe. Many health resorts were
developed to cater to the increasing needs of wealthy people. Until the 1920s it remained a winter resort area. The summer heat was considered not only intolerable in itself but a danger to health. In the late nineteenth century Italian Riviera also began to be popular with the English and French.

By the early twentieth century, rich Americans started to appear in considerable numbers on the Riviera scene. The appearance of Americans on the Riviera was something of a new development as they were late comers on the European tourist scene. One of the reasons could be the distance involved. Only the rich Americans could visit Europe at that time. It was however only after the First World War that Americans were to emerge as pioneers of a new tourism.

Industrialization, therefore, created two new sectors of society. First, an urban population, chiefly in the Northern and Midland cities, which was to become the principal market for the passenger railway and for the popular excursions associated with it. Secondly, the new classes of fund holders and financial intermediaries formed the market for Travel and Tourism as soon as the supply of transport made travel possible.

3.1.4 The Advent of Railways (Transport System)

Introduction of Railways, in the nineteenth century was yet another crucial landmark in the travel history. Passengers were first carried by rail in 1830 in England. The newly completed railway track between Liverpool and Manchester in England featured special provisions for carrying passengers in addition to freight. However the birth of organized rail travel came in the year 1841.

Thomas Cook was the first professional travel agent in the world. In 1841, he hired a special train to carry 570 passengers on a trip from Leicester to London and back. The price was one shilling per passenger. This was the first publicly advertised excursion tour in the world. This venture was followed by various excursions to beauty spots. In the year 1843, some 3000 school children were taken on a trip from Leicester to Derby. From 1848 to 1863 Cook conducted circular tours of Scotland with 5000 tourists a season. Later, he helped over 1,50,000 people to visit an exhibition in London. Making travel his business, Cook’s company grew rapidly,
expanding its business in various directions including escorted tours to the continent, the U.S.A and round the world. Even today it is the largest travel company in the world.

The success of the Liverpool and Manchester railway, opened in 1830, encouraged many other countries in Europe to open railway lines. Railway tracks were laid in France, Austria and in Switzerland. Across the Atlantic the tracks were laid in America. This revolution in transport technology produced an immediate expansion in European tourism. In the year 1881, the railways carried over 600 million passengers over lines operated by one hundred odd companies. The railways were keen to stimulate travel and to improve the system. There was also an element of competition and the various railway companies tried to make travel as comfortable as possible. In the early 1870s first class railway travel was introduced by an American, G.M. Pullman, who developed the Pullman coaches with their luxury furnishings and dining facilities. Long distance travel could now be undertaken in comfort and with pleasure. These comfortable rail cars were first introduced in America for long journeys, as the longer distances in America necessitated the ensuring of greater comfort for passengers. By the year 1872 the Pullman Company had 700 cars working over 30,000 miles of railway under contract with over 150 different companies.

The introduction of railways thus vastly increased the opportunities for escape from the rigorous of city life as a result of urbanization. The railways can be considered as one of the most powerful motives for mass travel in nineteenth as well as twentieth centuries. Even today the railways carry millions of travelers all over the world.

3.1.5 Shipping Services (Sea Transport)

The shipping like the railways made significant contribution to travel during the nineteenth century. While railways were responsible for inland travel especially in Europe, the steamship crossed the boundaries and made the strides in intercontinental travel. The shipping technology made a number of innovations in the nineteenth century. In 1840, Sir Samuel Cunard ran the first regular steamship service – what
later became the Cunard Line for many years providing luxurious sea travel between America and England. Travelers could cross the Atlantic in eight days in 1870 and in six days by 1907.

The English felt a great need for the purpose of trade and commerce and passenger transportation. As a result of this there were great strides in the development of deep-sea shipping.

Use of the ships in the cruising fashion for the charter and operation of cruises on a limited scale dates from the mid nineteenth century. One of the earliest cruises perhaps was that described by Mark Twain in his first book. “The innocents abroad” published in 1869. Cruising however did not play a significant part in the world of shipping until the beginning of the twentieth century. The glamour of deep-sea travel was however reserved for the wealthy Europeans and Americans.

Transport by water makes a significant contribution to the development of travel on land and by air. The expansion of international tourism has however led to an increasing use of ferryboats by tourists on short sea crossing. Tourist sea transport on the whole does not seem to have a promising future. Long distance sea travel may continue to contract, although there will always be a limited demand for sea cruising, since this leisure and attractive mode of travel has great appeal. Travel by sea is now largely done by people who are retired and have enough time at their disposal to take a holiday.

In the recent past one of the most important developments in sea traffic has in fact been that of holiday sea cruises, especially in the Mediterranean and Caribbean Sea and also in South-East Asia.

3.1.6 Road Transport (Automobiles)

Up to the beginning of the twentieth century, tourists traveled almost exclusively by rail and steamship. The invention of the new transport medium, travel by private car and coach received its first great impetus in the ten years, which preceded World War I. The entire shape of tourism industry was therefore transformed by the invention of the new transport medium. The motor car gradually came to be the alternative means of transport for both short and medium range
journeys, subsequently with the growth of a fine network of fast and super fast National and International highway system, and long journeys were also performed by motor car and motor coach.

The motorcar has revolutionized holiday habits. After the Second World War the number of holiday makers traveling by road increased tremendously as more and more people took holidays away from home. The provision of the good motor roads and road services were important factors in the development of both domestic and International tourism.

Mobility can perhaps be considered as one of the major causes of the development of the motor transport. Speed is yet another important factor which economizes on time.

Tough economic conditions in the recent years as a result of increasing fuel costs and the emergency crisis, have not favored travel by private motorcar, road transport remains the mode most used by international visitors. The world economic crisis did not however seriously impair the growth of road transport. Several countries are continuing to build motorways and highways. Along the major highways, the old way side inns have given place to motels or modern inns-hosteleries specially built to cater to the needs of the road travelers. Some of these motels provide luxury accommodation with parking areas, swimming pools and sports facilities.

Today, it is estimated that eighty percent of the holiday travel in the United States is by automobile.

3.1.7 Air Transport

The role of the air transport in the development of International tourism is becoming increasingly important. Air transport has certainly been a key factor in the growth of International tourism, especially in respect of long distance and Inter continental travel. Although commercial travel took place before Second World War, air transport for masses has essentially been a post war phenomenon. The main period of growth was during the 1960s when overseas holiday became a symptomatic benefit of a society experiencing rising living standards.
In Europe, the years immediately after World War I witnessed the attempts to create commercial airlines. The French airlines in particular were heavily subsidized and there was heavy competition between French airlines, KLM, Lufthansa and British airlines.

After the World War II the removal of wartime restrictions on International travel and the tremendous increase in speed, safety and comfort provided by the new aircrafts like the Douglas DC – 6S and DC – 7S released the long pent-up wanderlust of the people the world over.

The introduction of successively larger aircraft to both long-haul and short-haul routes has meant successively lower airfares in real terms.

The steady fall in the real cost of flying has been chiefly productive of traffic across the Atlantic and with in the U.S.A, stimulated first by the introduction of tourist fares in 1952 and followed by economy class fares in 1958.

In Europe with the complexities of National states, the development has been the creation of a wide range of promotional fares with specific validities attached to them. Both types of fare have been instrumental in promoting the growth of tourism, particularly holiday tourism.

The advent of the Jet travel in 1958 was the most dramatic event which introduced an entirely new dimension of speed, comfort and efficiency to air transport and brought mass travel to its present level. In spite of rising fuel costs and inflation, the industry was able to control successfully fare levels was due to economies of scale provided by the very expertise of the airlines, travel agencies and above all the competition.

Great advances have been made in air travel in the recent years more particularly for overseas holiday making, and also airlines are playing a vital role in the growth of International tourism.

Transport thus is a single key factor, which has largely been responsible for the spurt in tourism, especially the modern tourism.

The following table 3.2 shows the mode of transport used by the tourist with the annual growth percentage for the past fifteen years.
Table 3.2
WORLD ARRIVALS BY MODE OF TRANSPORT

<table>
<thead>
<tr>
<th>International Tourist Arrivals (millions)</th>
<th>Share %</th>
<th>Average annual growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>437.8</td>
<td>539.6</td>
</tr>
<tr>
<td>Air</td>
<td>169.4</td>
<td>217.7</td>
</tr>
<tr>
<td>Land</td>
<td>233.2</td>
<td>276.6</td>
</tr>
<tr>
<td>Road</td>
<td>205.9</td>
<td>250.9</td>
</tr>
<tr>
<td>Rail</td>
<td>27.4</td>
<td>25.7</td>
</tr>
<tr>
<td>Water</td>
<td>33.8</td>
<td>43.6</td>
</tr>
</tbody>
</table>


3.1.8 Tour Operations

In the 1960s tour operation led to the extensive use of package holidays, particularly in Europe and from the northern industrial countries. The development of package holidays or inclusive tours has been substantially a British contribution. It originated in the post war era, when scheduled air services were reserved in the United Kingdom to the two state airlines. The independent operator was thereby compelled to rely on non-scheduled services, at first trooping, but later on charter services in conjunction with a tour operator.

The late 1960s saw the emergence of the inclusive tour as the principal medium of holiday travel. By 1970 there were 2 million inclusive holiday visits to Western Europe from the United Kingdom. During the five years, the British tour operation had concentrated into ten large concerns, and these offered holidays with the cheapest price compared to scheduled airfare.

The rate of growth of tour operation has been threefold that of scheduled services and tour operation has become the most Vigorous sector of the holiday market. In doing so, the tour operators have penetrated markets, untapped by the scheduled airlines, and in real sense have offered to the holiday tourist a true and complete tourist product package.
3.1.9 Travel Agents

The growth of the airlines has done much to promote the retail travel agents. Retail travel agents began to appear in any numbers rather hesitantly at the turn of the century, but the principal transport carriers, the railways and the shipping lines had already established their own retail outlets. The emergent airlines were in no position to build an adequate chain of retail outlets of their own and preferred to sell tickets through the travel agent. In 1950s and 1960s the travel agent could expect that at least 75 percent and often more of his turnover would be represented by airline tickets. With the decline of rail travel and of sea travel, the retail agent has come to depend on the airlines and more recently on the tour operators for his existence.

3.1.10 The Accommodation Industry

The conventional large city centre hotel in the inter-war years remained much as it was in the Edwardian period. The depression of the early 1930s saw the extinction of some well known establishments, and the shift in the centre of large cities brought the closure or conversion of others. After the Second World War, the airlines concerned that the supply of aircraft seats might outstrip the supply of hotel beds, entered the hotel field; Notably Pan American and the Intercontinental hotel chain.

The growth of tour operation in the 1960s has lead to the closer association of airline and resort hotel, often in common ownership, and some tour operators have built purpose-designed hotels exclusively for their own use.

At the end of the 1960s and the beginning of the 1970s, much attention both official and private was given to the needs of modernizing the accommodation industry. After an experimental Government Scheme of hotel loans and grants, the development of tourism act 1969 established a three year programme of hotel development grants and loans, which added substantially to conventional room stock, although this increase has mostly taken place in London and other large centre.

In the Mediterranean and in the Caribbean, The first twenty-five years after the end of the Second World War witnessed a major expansion of hotel accommodation, particularly the east coast of Spain and in Florida. The relative
cheapness of the Mediterranean countries and the relative wealth by the population of Northern Europe has made Mediterranean holiday very attractive to the residents of the cooler northern countries.
3.2 THE INDIAN TOURISM INDUSTRY

"India with a billion people, with the vast civilizational heritage of the country, from the Himalayas to Kanyakumari, North Eastern states to Western states, Andaman Nicobar and Lakshadweep Islands have a lot to attract the tourists. It has sea coasts, it has islands, it has snow covered hill region, it has desert and it has thick forest regions. All of them are of natural evolution. Many centuries old monuments, temples, churches and mosques are spread throughout the country. In many parts of the country all three situated adjacent to each other. It is a treat to watch such type of unity. Along with Taj Mahal, any tourist can see the continuity of the only enriched civilization of billion people with multiple religions, multiple languages, and multiple cultures."

(Dr. A.P.J. Abdul Kalam at the inauguration of, 5th Global Travel & Tourism Summit in New Delhi on 8th April 2005.)

Source: www.mapsofindia.com

Figure 3.1 Territorial Map of India
3.2.1 INTRODUCTION

India is a vast country with a history that goes back 5000 years. Its vast geographical diversity, rich culture and heritage, fair and festivals, snow capped mountains, a vast coastline, monumental attractions that span the entire country and the gaps in the infrastructure, offer tremendous potential for tourism. India, a low cost destination, continues to exert its mesmerizing pull not only on the world tourist, but the Indian tourist has also been bitten by the travel bug.

India is probably the only country that offers various categories of tourism. These include history tourism, adventure tourism, medical tourism (ayurveda and other forms of Indian medications), spiritual tourism, beach tourism etc.

India’s amazing diversity offers everything for a traveler who could ever want in a holiday from the moment that he/she set foot in India to be greeted by a graceful namaste, a gesture that denotes both welcome and respect; you are on the way to one the most rewarding experiences of your life. Bounded by the majestic Himalayan ranges in the north and edged by a spectacular coastline surrounded by three seas, India is a vivid kaleidoscope of landscapes, magnificent historical sites and royal cities, golden beaches, mystery mountain retreats, colorful people, rich cultures and festivities.

At any part of the year India can offer a dazzling array of destinations and experiences. In summer, when the subcontinent is sizzling, there are spectacular retreats amidst the heady beauty of the Himalayas or the lush heights of the Western Ghats with cool trekking trail, tall peaks to conquer or stretches of white water for the adventure seekers.

In the cool of an Indian winter, cities come alive with cultural feasts of music and dance. The balmy weather is an ideal time for one to go century hopping in romantic cities studded with medieval forts and palaces.

One can taste the delights of the Indian monsoon anywhere in the country – on a camel safari in the Rajasthan desert when nature comes alive and the peacocks dance; along the west coast where the relentless slating rain paints the countryside in brilliant greens or even trekking amidst the stark grandeur of mountain valleys lying
in the rain shadow of the Himalayas. Experience exotic India – live like a maharaja in the rich ambiance of royal forts and palaces that are now heritage hotels; luxuriate in the serene beauty of a coral island with its turquoise lagoon; participate in the exuberance of village fair or a colorful festival; day dream on a house boat drifting down the palm – fringed backwaters; delight in the grace of a dancer or shop till you drop – buying exquisite silks, carved figurines, brass and silver ware, marble inlaid with semi-precious stones, finely crafted jewelry, miniature paintings, carpets at unbelievable prices. India, always warm and inviting, is a place of infinite variety – one that favors tourists with a different facet of its fascination every time they come on a visit.

In the desert of Kutch, Gujarat, a scattering of villages pit themselves against the awesome forces of nature, resulting in Spartan lifestyles made vibrant by profusion of jewelry and ornamental embroidery used to adorn apparel and household linen. In the extreme north is the high altitude desert of Ladakh. Local culture is visibly shaped by the faith – Buddhism – as well as by the harsh terrain. Yet another facet of Indian culture is observed in the colorful tribal lifestyles of the northeastern states of Nagaland, Mizoam, Tripura and Manipur with their folk culture.

In the central Indian states of Orissa and Madhya Pradesh tribal village life has resulted in variety of artistically executed handicrafts. India’s mountains provide heli skiing, river running, mountaineering and trekking. Its beaches provide lazy sunbathing as well as wind surfing and snorkeling and its jungles provide shooting wildlife – with a camera.

Side by side with the country’s staggering topographical variations is its cultural diversity, the result of the coexistence of number of religions as well as local traditions. Thus, the towering temples of South India, easily identifiable by their ornately sculptured surface are associated with great crafts and performing arts of the region.

### 3.2.2 Indian Tourism Industry Structure

The Indian tourism industry broadly classified into; inbound, domestic and outbound tourism. But there are different opinions about the size of the industry.
Inbound Tourism:

Inbound tourism is concentrated largely in the North and Rajasthan. Industry sources say that even today, the South accounts for only about 25 percent of inbound tourism. “The first time traveler will invariably go to Agra and Rajasthan and not venture to other locales”. However, with the thrust given by Goa and Kerala, it is an exotic option to the tourists.

Domestic Tourism:

Domestic tourism needs to be buoyed up. “Domestic tourists are looking at 3-4 holidays in a year in India and the concept of booking through a hotel directly is moving away and customers are increasingly coming to travel and tour agencies”. The most favored destinations continue to be the hill stations, and religious places. With the marketing thrust, Kerala and Goa are the target destinations for people in the West and South.

Outbound Tourism:

Indians are also very much fascinated by the foreign countries, as a result there are more number of Indians traveling abroad than the foreign tourists arrivals to India. Indians are very much fond of U.S.A, U.K. and South East Asian countries.

India as a MICE Destination:

India is in a continual process of upgrading its MICE (Meetings, Incentives, and Conferences & Exhibitions) facilities. There are multiple plans on the anvil for more world-class convention centers, airports that contest with the best in the world and efforts to team the famous Indian hospitality with customization as per a visitor’s requirement.

3.2.3 Development of Tourism in India since Independence

The first conscious and organized efforts to promote tourism in India was made in the year 1945, when a committee was set up by the government of India under the chairmanship of Sir John Sergeant, the then educational advisor to the government of India. This committee submitted its report in the year 1946. The committee was of the opinion that successful steps in the promotion of tourism would
result in a substantial addition, both direct and indirect, to India's revenue and that, if properly organized, every aspect of business could benefit greatly by the influx of tourists. The main recommendation of the committee was that a separate tourist organization should be setup at the centre with regional offices in the metropolitan cities of Bombay, Delhi, Calcutta and Madras. The committee also recommended setting up of tourist publicity cells in Indian embassies and consulates all over the world. As a follow-up, an ad-hoc Tourist Traffic committee was appointed in the year 1948.

In the year 1949 a separate Tourist Traffic Branch was set up in the Ministry of Transport with the main objective of developing Tourist Traffic in India. The subsequent years witnessed an expansion of Tourist Traffic Branch and its activities in various directions.

During 1955, the Head quarter established with an expansion of four branches, each having wide ranging duties. The four sections looking after various subjects like, Tourist Traffic Section, Tourist Administration Section, Tourist Publicity Section and Distribution Section. Another important step during this period was opening of a chain of Tourist offices both in India and abroad. As a result nine such offices were opened. The functions of the tourist offices in India included supply of up to date information on places of tourist interests to tourists visiting India, Keeping in touch with all the segments of travel trade, assisting the tourists in clearance of various travel formalities, distribution of and supply of tourist literature and periodic inspection of various facilities available for tourists.

With a view to attracting foreign tourists to India, the government decided to open a chain of Tourist offices overseas. The first step in this direction was the establishment of Government of India Tourist Office in New York in the United States of America in December 1952. Also in Europe the first office was opened in London in July 1955. Two more offices were opened one in Paris and the other in Frankfurt in the year 1956 to arouse interest among Europeans to visit India.

On 1st March 1958 a separate Tourism department was created in the Ministry of Transport to deal with all matters concerning tourism.
On 14 March 1967, the Department of Aviation and Tourism which was under the Ministry of Transport and Civil Aviation was formed into a separate ministry designated as the Ministry of Tourism and Civil Aviation, with two constituent departments:

(I) **Department of Tourism** and (II) **Department of Civil Aviation**

The Ministry was put under the charge of a full-time Minister. It was after nearly eighteen years that the subject of 'Tourism' was accorded a separate entity and became independent of transport. With the formation of the new Ministry of Tourism and Civil Aviation, tourism got the importance due to it and thereby achieved all-round expansion in its activities.

The functions of the Union Ministry of Tourism and Civil Aviation are: the Union Ministry advises on Civil Aviation and Tourism matters, coordinates Civil Aviation and Tourism programmes and policies, supplies technical information and provides financial and other assistance.

Thus it mainly guides, assists and coordinates in formulating national policies of civil aviation and tourism with the assistance of expert committees and the Board.

### 3.2.4 The Role of Department of Tourism

The Department of Tourism" now became an attached non-participating office of the Ministry of Tourism and Civil Aviation headed by the Director General of Tourism.

The functions of the Department of Tourism are both promotional and organizational which are conducted by the following seven divisions:

(i) Planning and Programming,
(ii) Publicity and Conference,
(iii) Travel Trade and Hospitality,
(iv) Accommodation,
(v) Supplementary Accommodation and Wild Life,
(vi) Market Research and
(vii) Administration.

The activities of the Department have since increased manifold and cover a wide
range of subjects. The manifold activities fall under the following broad heads:

(i) Collection, compilation and dissemination of tourist information in India and abroad and attending to enquiries from international tourists, tour operators and travel industry, such as airlines, shipping and hotels.

(ii) Co-operation with international travel and tourist organizations at government and non-government levels.

(iii) Development of tourist facilities of interest to international tourists.

(iv) Publicity at home and abroad with the object of creating an overall awareness of the importance of tourism.

(v) Simplification of frontier formalities in respect of international tourists.

(vi) Regulation of activities of the various segments of the travel trade, such as hotels, youth hostels, travel agents, wild life out-fitters, guides, tourist car operators and shopkeepers catering to tourist needs.

(vii) Compilation of statistics and market research on international tourist traffic to India and the utilization of data for effective tourist promotion.

**Tourist Information Offices** - The Department has a chain of ten Tourist Information Offices established in important cities in India. Four of these offices i.e. (Regional Offices) are located, at Bombay, Delhi, Calcutta and Madras which are the major ports of entry. Remaining sub-offices are functioning at focal points of tourist interest in Agra, Aurangabad, Cochin, Jaipur, Khajuraho, and Varanasi. With a view to attract tourists to North Eastern region of the country, offices have been opened in Gauhati, (Assam) and Shillong (Meghalaya). Two more offices one each in Imphal (Manipur) and Itanagar (Arunachal Pradesh) are also opened to facilitate the promotion of winter Sports in Gulmarg, (Kashmir), a project has been commissioned and a project office opened in Srinagar.

These tourist offices in India furnish information to the tourists regarding travel and tourist attractions in India and also render assistance of non-financial nature. These offices help the Department in exercising some measure of control over various segments of travel trade and try to ensure that the foreign tourists get various
services at reasonable cost and are not inconvenienced in anyway during their period of stay in India. All these offices work in close collaboration with State governments, travel agencies, excursion agencies, hoteliers, carriers, photo-safari and tourist car operators.

For overseas promotion, the Department has eighteen offices. The offices located at New York, Los Angeles, Chicago and Toronto cover USA, Latin America, Canada and Caribbean Islands. Regional Director with headquarters in New York supervises the functioning of these offices.

In Europe the offices are located at London, Geneva, Paris, Frankfurt, Brussels, Stockholm, Vienna and Milan. These offices cover Continental Europe under the directions of a Regional Director stationed in Geneva. The office in Sydney under the direction of Regional Director covers Australia, New Zealand and Fiji Islands. Two more offices one each in Melbourne and Perth have also been opened. The tourist office in Tokyo under the supervision of Regional Director covers Japan, Philippines, Hong Kong and Thailand. The office in Singapore which also operates under the guidance of the Tokyo Office covers Singapore, Malaysia and Indonesia. West Asia is covered by a tourist office located in Kuwait. A one man office is also opened in Kuala Lumpur in Malaysia.

Besides these offices four Tourist Promotion Managers have been posted at Washington, Miami, Dallas and San Francisco. These offices are one-man operations. The publicity work of overseas offices is directed in close collaboration with Air India under the schemes known as 'Operation scheme'.

With the introduction of "Operation Europe" in July 1968, the strategy of marketing India's tourism overseas underwent a significant change. The scheme was extended to U.K. in the year 1970, to USA in 1971 and Australia, the Far East and West Asia in 1977. The Operation Scheme covers all the overseas tourist offices and the major tourist generating markets. This scheme has given the overseas tourist offices the required flexibility in order to operate effectively in a highly competitive international tourist market.

The overseas tourist offices form a direct link between the Department and the Travel Trade in foreign countries. Their functions include handling of enquiries,
dissemination of accurate information, advertising, publicity, public relations with press and travel trade and supply of up-to-date information to the department about current trends in tourism in the area of their jurisdiction. With the efforts of overseas tourist offices, India could be able to attract just a meager percentage share of foreign tourist. The following table shows the top ten international markets for India during 2004.

**Table 3.3**

**Top Ten International Markets for India During 2004**

<table>
<thead>
<tr>
<th>Country</th>
<th>No. of Arrivals</th>
<th>% Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.A</td>
<td>468340</td>
<td>13.9</td>
</tr>
<tr>
<td>U.K.</td>
<td>459206</td>
<td>13.6</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>130979</td>
<td>3.9</td>
</tr>
<tr>
<td>France</td>
<td>129044</td>
<td>3.8</td>
</tr>
<tr>
<td>Canada</td>
<td>118070</td>
<td>3.5</td>
</tr>
<tr>
<td>Germany</td>
<td>96970</td>
<td>2.9</td>
</tr>
<tr>
<td>Japan</td>
<td>96920</td>
<td>2.9</td>
</tr>
<tr>
<td>Malaysia</td>
<td>71622</td>
<td>2.1</td>
</tr>
<tr>
<td>Australia</td>
<td>68944</td>
<td>2.0</td>
</tr>
<tr>
<td>Italy</td>
<td>60992</td>
<td>1.8</td>
</tr>
<tr>
<td>Others</td>
<td>1666893</td>
<td>49.0</td>
</tr>
<tr>
<td>Total</td>
<td>3367980</td>
<td>100.0</td>
</tr>
</tbody>
</table>


In view of increasing competition from different countries in attracting foreign tourists, the tourism ministry must relocate its tourism offices abroad. Though the ministry is making efforts to promote India as a preferred destination, increasingly strong competition from other players in the market cannot be ignored.

India lagging behind its neighbours in attracting foreign tourists, the major constraints in attracting foreign tourists are inadequate budgetary support for promotion and marketing and non-availability of accommodation at major points of entry and major tourist destinations.

There is also fear about health and hygiene conditions, perceptions related to safety and security and unreasonably expensive packages compared with those provided by neighbouring countries.
The ministry should lay emphasis on safety, security and hygiene aspects along with promotional activities through all major print and visual media at overseas markets.

3.2.5 The Role of Indian Tourism Development Corporation (ITDC)

Following the report of the ad-hoc Committee on Tourism also known as the Jha Committee (1963), which recommended that the public sector should assume a more active and positive role in promoting tourism, The Government of India set up three separate corporations under the Department of Tourism. Those three separate corporations are, Hotel Corporation of India Ltd., India Tourism Corporation Ltd., and India Tourism Transport Undertaking Ltd. These Corporations were set up under the provision of the Companies Act, 1956.

The main function of these Corporations was to construct and manage hotels in public sector, produce material for tourist publicity and to provide transport facilities to the tourists.

The Government later decided to merge these undertakings into one composite undertaking for the purpose of securing coordination in the policy and efficient and economic working of the three corporations. Accordingly, the Government set up in October 1966 a public sector undertaking, namely, The India Tourism Development Corporation Ltd. in Delhi under the aegis of the Department of Tourism by amalgamating the erstwhile three separate corporations. The unified Corporation started functioning with effect from October 1, 1966. In pursuance of the recommendations of the Administrative Reforms Commission (ARC), the control of the Ashoka Hotels Ltd. and the Janpath Hotels Ltd. was transferred from the then Ministry of Works, Housing and Supply to the Ministry of Tourism and Civil Aviation from July 2, 1968. These two hotels and also Lodi and Ranjit hotels were amalgamated with India Tourism Development Corporation from March 1970.

The amalgamated Company known as India Tourism Development Corporation Ltd. (ITDC) came into being with effect from March 28, 1970, with the following objectives;

- Construction and management of hotels, motels, restaurants, tourist
bungalows, guest houses and beach resorts at various places for accommodating tourists.

- Provision of transport facilities to tourists.
- Provision of entertainment facilities to tourists by way of organizing cultural shows, music concerts, sound and light shows, etc.
- Provision of shopping facilities to tourists.
- Provision of publicity services to assist India's promotion overseas as a tourist destination and projecting the national importance of tourism at home.

With these objectives, ITDC has provided a wide range of services essential for promotion of tourism. Working in close cooperation with the Department of Tourism in the central Ministry of Tourism and Civil Aviation, it is primarily concerned with the establishment of a solid infrastructure for the tourist industry and the provision of commercial services essential for the growth of tourist traffic. From 129 rooms and a transport fleet of 50 cars and coaches in 1969, the ITDC today is India's largest accommodation chain with 3,000 hotel rooms and a tourist transport fleet of over 300. ITDC services include accommodation and restaurants; duty free shops at International Airports, sound and light (Son et Lumiere) shows and the production of quality publicity material. The ITDC has established a marketing division at its headquarters in New Delhi to assist the travel industry through the coordinated sales promotion of its range of tourist services. ITDC has played a key role in promoting the Tourism Industry.

From a small beginning in the year 1949, the Tourist organization as it stands now has passed through various facets. The recognition to tourism as an industry paved the way for its standing as an independent discipline.

To fall in line with internationally benchmarked tourism models, India needs at least 90,000 more rooms (in the five star segment) and therefore an investment of Rs 80,000 crore.

3.2.6 Present Status of Indian Tourism Industry

As any economy matures, in the process of development, it makes a transition from agriculture to manufacturing and from manufacturing to services. In different
stages of economic growth, the relative importance of these sectors changes in terms of employing people and their relative contribution to GDP.

The Indian tourism industry has not had it so good since the early 1990s, with global recession seeming to have waned decisively, Indian economy growing at around 8% per annum and rise in disposable incomes of Indians, an increasing number of people are going on holiday trips within the country and abroad resulting in the tourism industry growing wings.

During 2004, India for the first time reached the three million mark and the number of tourists who came to this country stood at 3.37 million reflecting an increase of 23.5 per cent over 2003. Foreign exchange earnings did better with Rs 21,828 crore, up by 32.9 per cent. Till May 2005, arrivals have increased to 1.52 million, a growth of 23.5 per cent over the corresponding period in 2004 and foreign exchange earnings touched Rs 10,571 crore, an increase of 26.7 per cent.

The following table shows the foreign tourist arrivals to India and the percentage change over the years.

**Table 3.4**

**Foreign Tourist Arrival to India**

<table>
<thead>
<tr>
<th>Year</th>
<th>Arrivals (In Million)</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>1.68</td>
<td>---</td>
</tr>
<tr>
<td>1992</td>
<td>1.87</td>
<td>(+11.3)</td>
</tr>
<tr>
<td>1993</td>
<td>1.76</td>
<td>(-5.5)</td>
</tr>
<tr>
<td>1994</td>
<td>1.89</td>
<td>(+6.9)</td>
</tr>
<tr>
<td>1995</td>
<td>2.12</td>
<td>(+12.6)</td>
</tr>
<tr>
<td>1996</td>
<td>2.29</td>
<td>(+7.7)</td>
</tr>
<tr>
<td>1997</td>
<td>2.37</td>
<td>(+3.8)</td>
</tr>
<tr>
<td>1998</td>
<td>2.36</td>
<td>(-0.7)</td>
</tr>
<tr>
<td>1999</td>
<td>2.48</td>
<td>(+5.2)</td>
</tr>
<tr>
<td>2000</td>
<td>2.65</td>
<td>(+6.7)</td>
</tr>
<tr>
<td>2001</td>
<td>2.54</td>
<td>(-1.2)</td>
</tr>
<tr>
<td>2002</td>
<td>2.38</td>
<td>(-6.0)</td>
</tr>
<tr>
<td>2003</td>
<td>2.73</td>
<td>(+14.8)</td>
</tr>
<tr>
<td>2004</td>
<td>3.37</td>
<td>(+23.8)</td>
</tr>
</tbody>
</table>

More Indians are traveling abroad also, much more than inbound travelers. During 2003, the number of Indians going abroad was 5.3 million but this grew to 6.2 million in 2004 according to provisional estimates showing a growth of 15.2 per cent. For instance, the number of Indian visitors to Malaysia in April 2004 was 10,480; this went up by 47.5 per cent in the corresponding period in 2005 to 15,464. According to a press release from the Sri Lanka Tourist Board, India topped the list of arrivals into Sri Lanka in April 2005 at 9,024 compared to the 5,784 in April last year. Within the Asia – Pacific region, the Indian sub-continent is well poised to take advantage of the boom in the tourism sector.

The following table 3.5 shows the number of outbound travelers from India and the percentage change.

**Table 3.5**

Indian Nationals Going Abroad

<table>
<thead>
<tr>
<th>Years</th>
<th>Departure (In Million)</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>1.9</td>
<td>—</td>
</tr>
<tr>
<td>1992</td>
<td>2.2</td>
<td>15.8</td>
</tr>
<tr>
<td>1993</td>
<td>2.7</td>
<td>22.7</td>
</tr>
<tr>
<td>1994</td>
<td>2.7</td>
<td>0.0</td>
</tr>
<tr>
<td>1995</td>
<td>3.1</td>
<td>14.8</td>
</tr>
<tr>
<td>1996</td>
<td>3.5</td>
<td>12.9</td>
</tr>
<tr>
<td>1997</td>
<td>3.7</td>
<td>5.7</td>
</tr>
<tr>
<td>1998</td>
<td>3.8</td>
<td>2.7</td>
</tr>
<tr>
<td>1999</td>
<td>4.1</td>
<td>7.9</td>
</tr>
<tr>
<td>2000</td>
<td>4.4</td>
<td>7.3</td>
</tr>
<tr>
<td>2001</td>
<td>4.6</td>
<td>4.5</td>
</tr>
<tr>
<td>2002</td>
<td>4.9</td>
<td>6.5</td>
</tr>
<tr>
<td>2003</td>
<td>5.4</td>
<td>10.2</td>
</tr>
<tr>
<td>2004</td>
<td>6.2</td>
<td>14.8</td>
</tr>
</tbody>
</table>


It is fast turning into a volume game where an ever-burgeoning number of participants are pushing up revenues of industry players (hotels, tour operators, airlines, shipping lines, etc). Thus, the tourism sector is expected to perform very well in future and the industry offers an interesting investment opportunity for long-term investors.
The following table 3.6 shows the domestic tourist visit in India.

**Table 3.6**

**Domestic Tourist Visits (In Million)**

<table>
<thead>
<tr>
<th>Years</th>
<th>Number of Visits</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>66.7</td>
<td>---</td>
</tr>
<tr>
<td>1992</td>
<td>81.5</td>
<td>22.2</td>
</tr>
<tr>
<td>1993</td>
<td>105.8</td>
<td>29.8</td>
</tr>
<tr>
<td>1994</td>
<td>127.1</td>
<td>20.1</td>
</tr>
<tr>
<td>1995</td>
<td>136.6</td>
<td>7.5</td>
</tr>
<tr>
<td>1996</td>
<td>140.1</td>
<td>2.6</td>
</tr>
<tr>
<td>1997</td>
<td>159.9</td>
<td>14.1</td>
</tr>
<tr>
<td>1998</td>
<td>168.2</td>
<td>5.2</td>
</tr>
<tr>
<td>1999</td>
<td>190.7</td>
<td>13.4</td>
</tr>
<tr>
<td>2000</td>
<td>220.1</td>
<td>15.4</td>
</tr>
<tr>
<td>2001</td>
<td>236.5</td>
<td>7.5</td>
</tr>
<tr>
<td>2002</td>
<td>269.6</td>
<td>14.0</td>
</tr>
<tr>
<td>2003</td>
<td>309.0</td>
<td>14.6</td>
</tr>
<tr>
<td>2004*</td>
<td>367.6</td>
<td>19.0</td>
</tr>
</tbody>
</table>

* Provisional


3.2.7 **Government Policy Initiatives**

Keenly aware of the unfolding boom in the tourism industry, the government is lending a hand to the growth of the industry. In the Union budget for 2003–04, government has extended infrastructure status to tourism, thus opening the doors to cheap, long-term funds to finance tourism infrastructure.

Outlay for tourism for the Tenth Five Year Plan is Rs.2900 crores. For the financial year 2003–04 the outlay is Rs.325 crores. This is up sharply from Rs.150 crores allocated in the previous financial year. State governments such as Kerala lay a lot of stress on boosting tourism. The state has an outlay of Rs.74.25 crores for the financial year 2003 – 04.

The Government of India has extended the benefits of Section 10(23G) of the Income Tax Act, 1961 to institutions financing hotels of three-star category and
above. The divestment of Government stake in government run hotels is another step in the right direction. Professionals are increasingly stepping in to take over this service-oriented industry.

Recently, Indian government adopted a multi-pronged approach for promotion of tourism, which includes new mechanism for speedy implementation of tourism projects, development of integrated tourism circuits and rural destinations, special capacity building in the unorganized hospitality sector and new marketing strategy. A nation wide campaign, for creating awareness about the effects of tourism and preservation of our rich heritage & culture, cleanliness and warm hospitality through a process of training and orientation was launched during 2004-05. The aim was to rebuild that sense of responsibility towards tourists among Indians and re-enforces the confidence of foreign tourist towards India as a preferred holiday destination. More than 6500 taxi drivers, restaurant owners and guides trained under the programme.

Government also took several other initiatives to promote Indian tourism industry and increased the plan allocation for tourism i.e. from Rs. 325 crore in 2003-04 to Rs. 500 crore in 2004-05. Road shows in key source markets of Europe, "Incredible India" campaign on prominent TV channels and in magazines across the world were among the few steps taken to advertise Indian tourism. In addition a task force was set up to promote India as prominent health tourism destination.

Recognition of tourism as an important instrument of socio-economic change has given a huge boost to the sector. Building on the current year’s success with a 15 per cent rise in international arrivals, the ‘Incredible India’, a multi-pronged promotional campaign launched by the Department of Tourism, aims to position the country as an up market destination for discerning travelers. The ‘marketing mantra’ for the Department of Tourism is to 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. It has also planned to promote spiritual tourism and its unique techniques of yoga, siddha, ayurveda and unani system of dealing with mental and physical rejuvenation by placing before the world, through tourist spots.

The International Travel & Tourism Mart (ITTM) organized by the Department of Tourism in September 2003 in Delhi is seen as a major effort to bring
together, under one roof, all the sectors. It included national and regional tourism organizations, travel-trade, accommodation, carrier sector and all the allied services to showcase their portfolio to the buyers and media, both from India and abroad, as well as to the domestic consumers. Attracting over 300 international buyers and media from 38 countries and over 225 exhibitors, the ITTM is now positioned as the foremost tourism industry event in the country.

The Department of Tourism has taken a conscious decision to participate effectively at the major travel industry marts and fairs, internationally involving both State Governments as well as the private sector. The main objective is to raise brand awareness of India as a destination and its tourism products, to develop new contacts, generate sales leads and to launch new products and services.

The Department’s recognition of this important market was evident at the Pacific Asia Travel Association (PATA) Travel Mart held in Singapore in November 2003. The World Travel Market (WTM) held in London is a premier global event for the international travel industry which bridges together more than 5,000 of the world’s leading travel and tourism companies from over 190 countries. The Indian participation at this prestigious event was significant with more than 100 Indian travel and tourism companies participated in the event.

India has placed renewed emphasis on high yield tourism of Meetings, Incentives, Conventions and Exhibitions (MICE) tourism. 'India 2004 – a published directory of MICE facilities and intermediaries in India was released at the WTM to attract this important segment to Indian shores. The 64th World Congress held in Chennai from 10-24th October 2003 was significant from tourism industry viewpoint with over 500 international travel industry managers and senior professionals participated in the event with a theme titled, "Tourism through Friendship and Peace". Hosting of this important event in India is also seen a major breakthrough in establishing India as a convention and meetings destination in the international marketplace. The Government’s pro-active approach and strategic actions have enabled India to regain its market share dramatically.

However, in order to attract more visitors, India still needs to upgrade its airports, roads and other infrastructure to global standards. Even with the recent
surge, tourist arrivals are just a mere percentage of those in such popular Asian destinations like Bangkok and Thailand.

The following table shows the share of top ten countries in international tourism receipts and also the share of India.

Table 3.7
Share of top ten Countries, as also of India, in International Tourism Receipts During 2004

<table>
<thead>
<tr>
<th>Country</th>
<th>Tourism Receipts (US $ Billion)</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>74.48</td>
<td>12.0</td>
</tr>
<tr>
<td>Spain</td>
<td>45.25</td>
<td>7.3</td>
</tr>
<tr>
<td>France</td>
<td>40.84</td>
<td>6.6</td>
</tr>
<tr>
<td>Italy</td>
<td>35.66</td>
<td>5.7</td>
</tr>
<tr>
<td>Germany</td>
<td>27.66</td>
<td>4.4</td>
</tr>
<tr>
<td>UK</td>
<td>27.3</td>
<td>4.4</td>
</tr>
<tr>
<td>China</td>
<td>25.74</td>
<td>4.1</td>
</tr>
<tr>
<td>Turkey</td>
<td>15.89</td>
<td>2.6</td>
</tr>
<tr>
<td>Austria</td>
<td>15.41</td>
<td>2.5</td>
</tr>
<tr>
<td>Australia</td>
<td>12.95</td>
<td>2.1</td>
</tr>
<tr>
<td>India*</td>
<td>4.81</td>
<td>0.8</td>
</tr>
<tr>
<td>Other</td>
<td>296.01</td>
<td>47.6</td>
</tr>
<tr>
<td>World</td>
<td>622.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>


Though the government is making efforts to promote India as a preferred destination, increasingly strong competition from other players in the market cannot be ignored. In this light the government has to review the functioning of the overseas marketing offices and, if needed, relocate some of them in view of emerging tourism requirements.

Despite the fact that the country was better endowed in terms of variety of destinations, the major constraints in attracting foreign tourists are inadequate and non-availability of accommodation at major points of entry and major tourist destinations. There is also fear about health and hygiene conditions, perceptions related to safety and security and unreasonably expensive packages compared with those provided by neighbouring countries.
The government should lay emphasis on safety, security and hygiene aspects along with promotional activities through all major print and visual media at overseas markets.

The high-profile "Incredible India" campaign should be reinforced in the global market "with more vigour and zeal and the campaign should also be done in various regional languages to boost domestic tourism."
3.3 TOURISM INDUSTRY IN KARNATAKA

3.3.1 Introduction

A Kannada poem by greatest Kannada poet K.V. Puttappa. (Kuvempu - Pen Name) in the best description ever on Karnataka, The description goes this way

"Hail! the beloved daughter of the Mother India;
Hail! the Motherland Karnataka!
Hail! the land of beautiful mountains and forests,
Hail! thy abode of gifted saints and poets!"

Karnataka popularly known for Carnatic Music through out the World has given much more to the World than Carnatic Music, a unique form of Classical Music patroned by many across the continents. Karnataka with all its Richness in Culture and Traditional Grandeur is also one of the fastest growing States in terms of Industries and Facilities. Karnataka is also known as the Capital of Agarbathi (Incense Sticks), Areca nut, Silk, Coffee and Sandal Wood. All this is apart from the fact that it has been the Culture Center for hundreds of years and its testimony stands spread across the State pulling millions of Tourists from all parts of the World to Karnataka. Whose richness and hospitality can only be felt and never explained better.

The following table shows the domestic tourist share of Karnataka state.
### Table 3.8

**Share of Top Ten States/Union Territories in Domestic Tourist Visits for the year – 2004**

<table>
<thead>
<tr>
<th>State/UT</th>
<th>Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uttar Pradesh</td>
<td>24.4</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>24.4</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>11.5</td>
</tr>
<tr>
<td>Karnataka</td>
<td>7.4</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>4.4</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>3.6</td>
</tr>
<tr>
<td>West Bengal</td>
<td>3.4</td>
</tr>
<tr>
<td>Utttranchal</td>
<td>3.2</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>2.3</td>
</tr>
<tr>
<td>Bihar</td>
<td>2.2</td>
</tr>
<tr>
<td>Other</td>
<td>13.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>


### 3.3.2 HISTORY OF KARNATAKA

Karnataka's history dates back to the 3rd Century BC. The succession of able administrators from the Hoysalas, Chalukyas and the mighty Vijayanagara rulers, to the arrival of the Mughals in the 17th century and the British in the 18th Century have contributed to the mix of culture and heritage that is as rich as it is ancient.

Karnataka, called as Karunadu (elevated land) in ancient times. The course of Karnataka's history and culture takes us back to pre-historic times. The earliest find of the Stone Age period in India was a hand axe at Lingasugur in Raichur district. The Ashoka's rock edicts found in the state indicate that major parts of Northern Karnataka were under the Mauryas. Chandragupta Maurya, the great Indian emperor abdictated the throne and embraced Jainism at Shravanabelagola. Adding new dimensions to the cultural and spiritual ethos of the land, many great dynasties left their imprint upon the aesthetic development of Karnataka's art forms. Prominent among them were the Chalukyas, the Hoysalas and the mighty Vijayanagara Empire. The Chalukyan's built some of the very early Hindu temples in India. Aihole turned up as an experimental base for the dynamic creations of architects. The Hoysala's
who ruled from the 11th to the 13th century chiseled their way into the pages of glory by building more than 150 temples, each one is a master piece in its own way. The amazing dexterity and fluidity of expressions at Somnathpur, Halebid and Belur open themselves to the wide eyed wonder in one's eyes. Vijayanagara, the greatest of all medieval Hindu empires and one of the greatest the world over, fostered the development of intellectual pursuits and fine arts. "The eye of the pupil has never seen a place like it and the ear of intelligence has never been informed that there existed anything to equal it in the world" is what Abdur Razaaq the Persian ambassador had to say about Krishnadevaraya's time.

The Vijayanagara Empire with its capital at Hampi fell a victim to the marauding army of the Deccan Sultan in 1565 A.D. As a consequence of this, Bijapur became the most important city of the region. This city is a land of monuments and perhaps no other city except Delhi has as many monuments as Bijapur. The Bahmani Shahis and the Adilshahis of Bijapur have played a notable part in the history of Karnataka by their contribution to the field of art and architecture and also by their propagation of Islam in the state.

Hyder Ali and his valiant son Tipu Sultan are notable figures in the history of the land. They expanded the Mysore kingdom on an unprecedented scale and by their resistance against the British, became personages of world fame. Tipu was a great scholar and lover of literature. His artistic pursuits were also many and he made rich gifts to the Hindu temples. Tipu Sultan "Tiger of Karnataka" was killed in 1799 A.D., and the Mysore throne was handed over to the Wodeyar's. The whole of Karnataka came under the control of the British in the beginning of the 19th century. The new state was named as new Mysore and the Maharaja of Mysore was appointed Governor by Independent India. This unified state was renamed as Karnataka on November 1, 1973.
3.3.3 DEMOGRAPHY

Karnataka is situated in the Deccan Plateau and is bordered by the Arabian Sea to the west, Goa to the northwest, Maharashtra to the north, Andhra Pradesh to the east, Tamil Nadu to the east and southeast, and Kerala to the southwest. It is situated at the angle where the Western Ghats and Eastern Ghats of South India converge into the Nilgiri Hills.

The state has three principal physical zones;

The coastal strip, between the Western Ghats and the Arabian Sea, which is lowland, with moderate to high rainfall levels. This strip is around 320 km in length and 48-64 km wide.

The Western Ghats, a mountain range inland from the Arabian Sea rising to about 900m average height, and with moderate to high rainfall levels.
The Deccan Plateau, comprising the main inland region of the state, which is drier and verging on the semi-arid. The humidity in these plains or maidans never exceeds 50%.

Karnataka has one of the highest average elevations of Indian states at 1,500 feet. Karnataka boasts a diverse flora and fauna, which make it a natural tourist’s paradise. The state’s long and colourful history, and the many forts, temples, mosques, and churches make it a great place to explore. Garden city Bangalore, Jog Falls, the beaches of Karwar and Malpe, Golgumbuz in Bijapur, the stone temples of Belur and Halebid, Mysore Palace, the list is endless.

Broadly, tourism in Karnataka can be divided into four geographical zones. These are North Karnataka, the Hill Stations, Coastal Karnataka and South Karnataka. Karnataka, known as "the priceless gift of indulgent nature", is a unique blend of a glorious past and a rich present. Karnataka is the sixth largest state in India. It is the only state in India where gold is found. It is the land of silk and sandal, of coffee and cardamom, of the 17m statue of Jain Saint Gomateshwara and of the enchanting sculptural wealth of Belur and Halebid of the historical ruins of Hampi and monuments of Bijapur. To the composite culture of India, the contribution of Karnataka, is in no way inferior to that of any other region of India. In fact, in many fields, Karnataka’s contribution far exceeds that of the other regions individually. This is specially so in the fields of are, music, religion, and philosophy.

3.3.4 IMPORTANT PLACES OF TOURIST INTEREST IN KARNATAKA

Art & Architecture:

Chalukyan Dynasty from 450 to 650 A.D, made a great contribution to the enrichment of Karnataka in the form of development of architectural wonders, notable amongst them being the temples at Aihole (Brahman temple design), Pattadakal (North Indian Nagari principle) and Badami. Influence of Jainism of the Jain temples built in Karnataka can be seen at Badami. The contribution of the Hoysala dynasty, four centuries later, in the field of Art and Architecture is no less. For example, temples at Belur, Halebid and Somnathpur, with a star shaped plan of
the base and the shrine, bell shaped towers and extensively carved entrance and interiors, became a distinctive hallmark of this dynasty’s temples.

Vijayanagar king’s contribution to the advancement of Hinduism and distinct from of temple architecture seen mostly in their capital Hampi was no less. The temples of these times, blended with the rocky, boulder-ridden landscape of Hampi. The Muslim influence on Karnataka’s art and architecture is no less. One can see features like - domes, minarets etc., in the world's second largest dome the “Gol Gumbaz”, fort at Gulbarga, Bidar, Dargah of Hazrat Khwaja Banda Nawaz Gisudiraz, Gulbarga, Madrasah of Mohammed Gawan & Barid Shahi tomb complex at Bidar, to name a few.

Dance, Drama & Music:

Open air folk theatre or "Baylorata" of Karnataka is a famous dance form. This dance is performed at religious festivals and family celebrations. It usually starts at night and continues till the wee hours of the morning. This dance-drama usually has four or five actors/actresses, assisted by a jester. The theme in these is usually mythological but sometimes real life incidents are also highlighted. "Doddata" is a less refined dance form than Yakshaganna. In both these dance forms, stories from "Ramayana" and "Mahabharata" are enacted. The costumes are elaborate, the make-up is loud, facial expression are vigorous and are accompanied with loud noises and war-cries. Karnataka possesses a rich cultural heritage. The folk theatre has an ancient and rich tradition, the two principal forms being Yakshagana and the puppet theatre.

Sravanabelagola, near Mysore, has a giant 1,000-yr-old stone statue of Bahubali, the Jain saint. Huge monolithic Jain statues are peculiar to the Kannada culture. 'Yakshagana' is akin to Kathakali of Kerala in the choice of its elaborate costumes and vigorous dancing. 'Bhootada Kunita' (Dance of the Divine Cult), 'Nagamandala' and the demon dance are some quaint rituals prevalent only in Dakshina Kannada coastal area.
Chapter 3  
Tourism in the World, in India & in Karnataka

**Water Falls in Karnataka**

**Jog Falls**: The Jog in Shimoga District is the tallest water fall in India where the river Sharavati flowing over a rocky bed takes a spectacular leap from a height of 292 meters and divides into 4 smaller ones known as the Raja, Rani Rocket and Roarer presenting a glorious view.

**Shivasamudra Falls**: in Mandya district, the Cauvery at Shivasamudra falls has twin jumps, Gaganachukki and Bharachukki, one km away from each other and their water has been harnessed for production of power from 1901. The river Shimsha, a tributary of the Cauvery, has its fall in Malavalli taluk in Mandya district.

**Abbey Falls**: 5 km away from Madikeri, Kodagu district, this is a perennial hill station.

**The Irrupu Falls**: 48 km from Virajpet in Kodagu District, is bounded by scenic locals.

**Hebbe Falls**: jumping down from a height of about 500 feet in Kemmanagundi.

**Manikyandhara Falls**: near the famous pilgrim centre Baba Budangiri Dattatreya Peetha where water spills down like small balls giving the visitors a memorable shower bath.

**Kallatti Falls**: 100 km from Kemmanugundi at Kallattipura in Tarikere taluk is another beautiful fall with water leaping down from a height of 400 feet.

**Chunchanakatte Falls**: The picturesque Chunchanakatte Falls in Mysore district is at the place of the same name which also has an ancient temple of a Lord Rama close by.

**Unchalli (Lushington) Falls**: in Uttara Kannada, Aghanashini river creates this water cascade which screams down from a height of about 450 feet. It is near Yellapur (19 km. away) in Uttara Kannada Called 'Mini Niagara'.

**Gokak Falls**: is another fall known for its beauty. Cascading from a height of 170 feet, it is famous for its spread and shape.

**Hogenakkal Water Falls**: This beautiful, quiet waterfall is 25 km from Dharmapuri and 80 km from Bangalore towards Salem. Here the Cauvery River enters the plains and the river dashing against the rocks is a great sight.
Forts of Karnataka

No tourist survey is complete without mentioning about Karnataka’s historical forts. The whole range of ancient capitals of Bidar, Gulbarga, Bijapur, Vijayanagara, Badami, Basava Kalyan, Srirangapattan, Keladi, Chitradurga, Mysore, etc. had their forts.

There are hill forts at the Nandi Hill (Kolar district), Savanadurga (Bangalore district), Madhugiri, Pavagada, Midigeshi in Tumkur district, Uchhangi near Davanagere and Sandur (both in Bellary district), Jamalabad in Dakshina Karnataka, Manzarabad near Sakleshpur (Hassan district) and Kavaledurga (Shimoga district), Chitradurga Shahapur and Shorapur (Gulbarga district), Nargund fort (Dharwad district) Parasgad and Vallabhdgad forts (Belgaum district) are built by Shivaji. Bangalore, Devanahalli, Magadi (Bangalore district), Aymangala in Chitradurga district, Chikbanavar in Hassan district, Belgaum have fortifications round part of the towns even now. The coastal island forts like Bahadurgad, Basavaraja Durga, Devagad and Kurmagad are as strong as they were in the heydays.

3.3.5 KARNATAKA STATE TOURISM POLICY (2002 – 2007)

Karnataka was among the first States in the country to bring out a progressive Tourism Policy as early as in June 1992. This had the twin objective of promoting tourism-related activities and enhancing employment and income-generation among all sections of the society to further promote tourism in the State. The Government announced an updated tourism policy with effect from June 1997 for a period of five years.

The above policy generated considerable flow of investment from the private sector and also led to several other developments in the tourism sector. Today, the State Government is giving new thrust to promote tourism in the State. All bonafide tourism related enterprises are duly recognized and given special incentives and concessions. Areas that need rapid development have been identified. Infrastructural facilities need considerable investment and the private sector is invited to participate in such areas. They are encouraged to invest in hotels, beach resorts, eco-friendly
resorts, wayside facilities, adventure/recreation centers like golf courses, aero sports, amusement parks and other tourism related activities.

The State Government constituted a Sub-Committee of the Cabinet to make suitable recommendations for comprehensive development of tourism in Karnataka. The Cabinet Sub-Committee met several times and held discussions with the ministers and secretaries of all departments connected with tourism. All the recommendations of the Sub-Committee were approved by the Cabinet at its meeting held on 18 April 2002 with certain modifications.

The new Tourism Policy of the state has been formulated with the following objectives:

- Encourage private participation for the development of infrastructural facilities
- Promotion of ecotourism with the intention of enabling tourists to appreciate the flora and fauna of the State
- Promotion of tourism-related activities
- Development of travel circuits and diversification of tourist attractions with a view to increase tourist arrivals into the State
- Creation of new tourism products that meet global standards of quality
- Fully tap the tourism potential of the State
- Promotion and marketing of Karnataka’s tourism products in national and international Markets
- Promotion of adventure sports/entertainment activities and Highway Tourism

The Government addressed the following priorities for the State Government Departments and concessions and incentives to the private sector with a view to enhance tourism potential and attract more private investment into the tourism sector in the State.

Tourism is heavily dependant on the coordinated performance of many departments and agencies. Hence, a State Tourism Council headed by the Chief Minister, with all stakeholders represented in it, to take decisions on policy and strategy, is hereby constituted.
A State Level Co-ordination Committee under the Chairmanship of the Chief Secretary with Secretaries of tourism-related departments as members is set up for effective implementation of the Tourism Policy.

The District Tourism Councils headed by the Deputy Commissioner are reactivated with General Manager, District Industries Centre and the Assistant Director of Tourism assisting the Council.

The Department of Tourism, to prepare comprehensive development plans for the development of major tourist spots in a phased manner and also assign activities which have to be taken up by the Government as well as by the private sector. In the first phase, the Department of Tourism shall prepare a comprehensive development plan for the following key destinations:
Nandi Hills, Brindavan Gardens, Kemmannagundi, Jog Falls, Badami, Aihole, Pattadakal, Belur, Halebid, Shravanabelagola, Bijapur, Hampi, Gokarna, Karwar, Mysore, Hesaraghatta, Agumbe and Nehru Loka.

The Department of Tourism shall prepare and implement a comprehensive infrastructural plan for providing connectivity and common facilities at major tourist destinations in the State with an initial outlay of Rs. 125 Crores. The funds for this plan are to be availed from financial institutions after getting the projects prepared and vetted by professionals and agencies. The major components of this infrastructural plan are:

**Airports** - Providing new airstrips/improving existing airstrips to increase accessibility to the following places: Hampi, Mysore, Hassan, Bijapur, Shimoga, Belgaum, Hubli, Bidar, Bellary, Gulbarga, Raichur, Mangalore, Karwar, Shimoga and Kodagu.

Identify locations and prepare plans for potential areas where heli services are possible and provide landing and other facilities.

To encourage private air operators to reach out to various tourist destinations, the tax on aviation turbine fuel is reduced to 4% and underwriting 50% tickets of private airlines for an initial period of three years.

**Roads** - In order to improve the road connectivity to tourist destinations, the roads leading to such destinations which are neither National or State Highways, a plan
would be prepared by the Department of Tourism on priority basis and implement them with needed signage and wayside facilities.

Public and Civic Amenities

Prepare a comprehensive plan for providing common public and civic amenities at important tourist destinations and implement general up-keep of their surroundings.

Preparation of Comprehensive Plan & Acquisition of Land

The Department of Tourism, with the assistance of experts, will identify the requirement of tourism facilities in major tourist destinations and prepare comprehensive plans. The Department will also identify the locations where these would come up and acquire lands through KIADB to make them available to entrepreneurs in the future at a cost. Wherever Government lands are available, they are to be offered to private entrepreneurs at 50% of its market value.

To encourage private sector participation in the various facets of tourism, the following Departments are mandated to streamline their policies and procedures. This is to ensure concerted efforts in upgrading infrastructure and making available better opportunities for the private sector in the field of tourism:

PWD, RDPR and Urban Development

Departments The Departments of PWD, RDPR and UD are mandated to invest and improve roads leading to identified important tourist destinations, which has already been done by the Department of Tourism. These three Departments shall develop these roads on priority basis in the coming financial years through appropriate budgetary allocations.

Forest Department

Extensive tree planting in all tourist spots to be taken up by the Forest Department. The Forest Department is to have a clear policy, based on carrying-capacity studies of forest areas for private investors wishing to set up resorts, with access for their guests into forests.

Ecology and Environment Department

Implementation of Coastal Zonal Regulation to be simplified with more delegation of powers to the State Environment Department authorities and quick
processing by the Department. Zonal mapping on relevant scale to be completed to facilitate private investors. Permission to be given for some beachfront activities requiring temporary structures.

**Finance Department**

Finance Department to augment the budgetary allocations to the Department of Tourism keeping in view the enhanced activities in the current policy period. To further augment the resources of the Department of Tourism, 50% of the revenue generated through gate and other collections in important tourist destinations are to be deposited in a fund and used for maintenance and development of those facilities.

**Transport Department**

A separate queue for tourist vehicles at the time of checking by Transport Department at State borders is to be ensured.

**Home Department**

Facilitate new concept of multiplexes by having a policy that provides for:

- Cinema hall beyond the first floor.
- Multi-entertainment activities in the same building.
- Any number of shows within a 15-hour time span.
- Exemption from having a middle aisle in I-max theaters.
- Entertainment tax exemption of 100% for the first 3 years and 75% for next 2 years for I-max theaters only.

**Tourism Department**

The existing accommodation and other facilities of both Government and Karnataka State Tourism Development Corporation are to be usefully and optimally utilized by inviting private sector partners in management of these properties in a phased manner.

The Department of Tourism is to provide land for following facilities:

- Food Craft Institute
- Tourism Complex
- Information Centre

Take up the following specific projects:

1. Palace on Wheels
2. Night safari in Bannerghatta National Park
3. Develop Badami, Aihole and Pattadakal circuit
4. Develop a Coastal Circuit in North Canara
5. Provide world-class facilities in Brindavan Gardens through private participation
6. Comprehensive developments of Jog falls area
7. Develop area around important ancient and historical monuments
8. Private management of Government accommodation
9. Develop Bangalore as a major tourist destination through adventure sports and high-end accommodation in Nandi Hills with private sector participation. Make available tanks like Ulsoor, Sankey, Madiwala, Bellandur etc, to private parties for boating and maintenance. Plant trees extensively to beautify Bangalore. Civic amenities to be given for maintenance to corporate houses. Motor racing track outside Bangalore, city walks, lighting up heritage buildings, craft bazaars etc.
10. Trained tourist guides are to be made available at all major tourist locations.

The department will avail the help of consultants, whenever necessary, in order to prepare, design and implement tourism projects.

To encourage private sector participation in all tourism-related activities in the State, the following incentives and concessions are offered in the policy period:

- All concessions offered under the Industrial Policy of the state (2002-07) are made available for private investments in the tourism sector.
- Luxury Tax to be charged only on room tariff above Rs. 400 (Rupees Four Hundred) and to be charged only on actual tariff collected. A cap of 10% to be placed on it. Additional state excise duty of 66% on imported liquor to be reduced to 25% or levied on basic rate.
- Motor Vehicle Tax levied on tourist vehicle plying between States to be rationalized on a reciprocal basis.
- 50% / 100% stamp duty exemption for investment below/above Rs. 50 (Rupees Fifty) crores.
• Concessional registration charges of Re. 1 (Rupee One) per Rs. 1,000 (Rupees One Thousand) Waiver of Conversion Fee. Entry Tax exemption during implementation of project for a period of three years.
• Entertainment Tax exemption of 100% for first three years and 75% for next two years for I-Max theatres only.
• Tax on aviation turbine fuel is reduced to 4% and underwriting 50% of tickets of private airlines for an initial period of three years.
• Government land will be offered at 50% of its market value to entrepreneurs.

New Tourism projects which are approved by the Department of Tourism, Government of Karnataka, on or after 1-6-2002 and on or before 31-5-2007 and expansion projects of approved units are eligible for incentives and concessions under the New Tourism Policy 2002.

**Penalty for default**

Entrepreneurs of tourism projects/units who violate the terms of the agreement with the Tourism Department will be liable to refund the amount taken in the form of Incentives and Concessions in one lump sum along with penal interest @ 18%. Entrepreneurs who do not refund the money to the State Government on the issuance of notice by the Department of Tourism will be liable for being proceeded against under the provision of Karnataka Land Revenue Act and the arrears shall be recovered as arrears of land revenue.

**Tourism units**

Tourism units are those units that are commercial establishments open to Public in Karnataka providing facilities/services to the tourists and will include the following:
• Hotels
• Tourist resorts
• Wayside facilities
• Amusement parks
• Houseboats
• Adventure/Recreation activity centre
• Heritage hotels
Chapter 3 Tourism in the World, in India & in Karnataka

- Tourist village
- Dormitory

Any other tourism related projects at the discretion of the Department of Tourism.

3.3.6 KARNATAKA STATE TOURISM DEVELOPMENT CORPORATION (KSTDC) – A Profile

Karnataka State Tourism Development Corporation (KSTDC), Established in 1971 is the largest Travels Corporation of the State and is a professionally run State Government Organization. This organization is operating with a team of Professionals who are trained and keep updated with the technology to offer better services. KSTDC offers services of Transport and accommodation to the tourists of different taste and different age. KSTDC organize and conducts tours across the state by taking the tourists to the Renowned Cities to give an insight to the blend of culture and growth, the most comfort of traveling with ultra-modern Aerotech Coaches.

Apart from providing transport facilities and organizing tour packages for various segments of society, KSTDC also manages some of the best hotels under the brand name “Mayura”. The mayura group of hotels run by state government through KSTDC is playing a significant role in the development of tourism in the state. Located amidst idyllic surroundings, these hotels are known for their high standards of service & excellent hospitality. KSTDC also has exclusive cottages, restaurants & boat clubs.

The premium Lodging and Restaurants setup and maintained by KSTDC are known for their high standard of service and excellent hospitality. KSTDC offices have been setup all over Karnataka to assist the tourists.

Conducted Tours is the most popular service offered by KSTDC. KSTDC is the only tour operator in the state with the best of the facilities covering accommodation, leisure and travel, bringing the utmost satisfaction of a perfect holiday for the tourists. Apart from the excellent facilities of hotels, restaurants, modern and comfortable coaches and cars, KSTDC is the best Tour Organiser. That’s because of the guides located at strategic places to guide the tourists through the history, culture and tradition.
As per official figures, the number of foreign tourists arriving in Karnataka had doubled from 2.49 lakh in 2003 to 5.31 lakh in 2004. The footfall of domestic tourists has also increased from 1.11 crore to 2.71 crore.

"The local economy will benefit from this increase. Further, the rise in domestic tourists to the State is a far more significant development as it means that the disposable income of the people is being channelised towards the State.

The following chapter presents a brief profile of Travel and Tourism Industry in Malnad region.
REFERENCES

17. The International Dictionary of Tourism, the International Academy of Tourism Monte-Carlo, 1953.
Chapter 3 Tourism in the World, in India & in Karnataka


Magazines and Journals
Chapter 3 Tourism in the World, in India & in Karnataka

10. India Today (Tourism special), November 2006 issue.
11. India Today (Tourism special), March 2007 issue.

Websites
6. http://www.karnataka.nic.in