Part - I

Introduction
PART - I

1. INTRODUCTION

1.1 Tourism

1.2 Accommodation Sector

1.3 Pondicherry
1.1 TOURISM

(ITS SIGNIFICANCE, ROLE, IMPORTANCE AND TRENDS IN INDIA)

"Tourism is a business involving the facilities, services and products used by tourist or affecting tourists. This covers everything from promotional material which first captures the tourist's mind through his travel, his stay, his purchases and his return home." Over the period therefore tourism has been intersectoral. It also postulates a high degree of co-operation and coordination between the public and private sectors of our economy.

As the modern world experiences a kind of "leisure revolution" with abundance of income, tourism by and large is becoming inevitable. More and more people from the industrialised societies are on the move in search of different environments often bizzare and grotesque, ranging from highly sophisticated urbanism to uncolic and more subdued landscape to wilderness.

Over the years tourism has broadened its sphere. It is not only a leisure, entertainment or cultural exchange, it is much more. Tourism has presently taken the shape of an Industry, a scientific field of research, a set
of organised principles, sectoral developments and modernisation.

In 1908 for the first time a meeting of three countries, Spain, Portugal and France, was held in order to develop Tourism, and the International Tourist Organisation was formed. In 1925, representatives of various countries established an organisation known as "International Union of Official Tourist Publicity Organisation." In 1946, tourism representatives from different countries organised a conference at London, leading to the formation of the organisation "International Union of Official Travel Organisation" (IUOTO).

The Pacific Asia Travel Association was formed in 1951 and IUOTO in 1975, both of which led to the formation of World Tourism Organisation (WTO). Tourism has become the backbone of the economies of several nations. It is expected that in a few years tourism will be at par with Oil Industry.

As per the WTO figures, some 420 million tourists from all over the world crossed international borders in 1990 spending a sum of 278 billion U.S. dollars.
In the case of India, it is the second largest foreign exchange earner, though India's share in world tourist arrival is merely 0.4 per cent. The figures for domestic tourist in the country was estimated at 62.3 million during 1990. The Tourism Industry in India, in 1991-92, gave a foreign exchange earning of Rs.3,300 crores. The tourism industry in India generated, in 1989-90, direct employment for 5.5 million persons and to another eight million who were employed indirectly.

HISTORY OF TOURISM IN INDIA

In 1946 a committee under the Chairmanship of Sir, John Sergeant, Secretary, Department of Education was appointed as adviser to the Government of India for the development of tourism. The committee submitted its report in May 1947. As a follow up a small tourism branch was started under the Ministry of Shipping and Transport in 1949.

Tourism development has passed through various phases. The development of tourist facilities was taken up in a planned manner from 1956, coinciding with the commencement of the Plan. Table 1.1.1 states the growth in Foreign Tourist arrival in India 1969 to 1989.
<table>
<thead>
<tr>
<th>YEAR</th>
<th>TOURIST ARRIVAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1969</td>
<td>2,44,724</td>
</tr>
<tr>
<td>1970</td>
<td>2,80,821</td>
</tr>
<tr>
<td>1971</td>
<td>3,00,995</td>
</tr>
<tr>
<td>1972</td>
<td>3,42,950</td>
</tr>
<tr>
<td>1973</td>
<td>4,09,895</td>
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<tr>
<td>1974</td>
<td>4,23,161</td>
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<tr>
<td>1975</td>
<td>4,65,275</td>
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<td>1976</td>
<td>5,33,951</td>
</tr>
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<td>1977</td>
<td>6,40,422</td>
</tr>
<tr>
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<td>7,47,995</td>
</tr>
<tr>
<td>1979</td>
<td>7,64,781</td>
</tr>
<tr>
<td>1980</td>
<td>8,00,150</td>
</tr>
<tr>
<td>1981</td>
<td>8,53,148*</td>
</tr>
<tr>
<td>1982</td>
<td>8,60,178</td>
</tr>
<tr>
<td>1983</td>
<td>8,84,731</td>
</tr>
<tr>
<td>1984</td>
<td>8,35,503</td>
</tr>
<tr>
<td>1985</td>
<td>8,36,908</td>
</tr>
<tr>
<td>1986</td>
<td>9,70,813 (D)</td>
</tr>
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</table>
IIPO PROJECTIONS

<table>
<thead>
<tr>
<th>Year</th>
<th>Figure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987</td>
<td>1,087,311</td>
</tr>
<tr>
<td>1988</td>
<td>1,217,788</td>
</tr>
<tr>
<td>1989</td>
<td>1,363,922</td>
</tr>
<tr>
<td>1990</td>
<td>1,527,593</td>
</tr>
<tr>
<td>1991</td>
<td>1,710,904</td>
</tr>
</tbody>
</table>

* Excluding nationals of Pakistan and Bangladesh

E - Estimated

D - Derived by applying estimated growth rate (increase) to the previous year's figure

@ - On the assumption of 12 per cent growth per year during the quinquenium: 1987-1991 and applying it on the estimated figure for 1986.

World Tourism arrivals in 1984 were provisionally estimated at 312.5 million and 325 million in 1985. The corresponding Indian figures show no rise in both the years. Thus the percentage of India's arrival against world tourist arrival fell. However, the Index of Indian Tourist arrivals rose by 17 per cent in 1986.

It is estimated that the rate of growth of arrival which was 12.2 per cent in the seventies will be about 12 per cent for the next five years. This makes the estimated figure 1.72 million in 1991.
The First Five Year Plan made no mention of Tourism. In 1957 a separate Department of Tourism was established as a result of Estimates Committee of the Parliament with the following twin objectives:

(a) The development of facilities at certain selected places visited largely by foreign tourists, and

(b) to provide facilities primarily for home tourists at a number of places of local and regional importance.

Department of Tourism was explicitly included under the Transport Sector from the Second Five Year Plan. The subject "Tourism" was coupled to the Department of Aviation in September 1966. The same year the department of Aviation was given an extended name of the Department of Aviation and Tourism. By March 1967, the functions and responsibilities of the Department became so important that the Union Government decided to elevate the Department of Aviation and Tourism to the status of Ministry of Tourism and Civil Aviation. An independent Ministry of Tourism came into being in May 1986 and from October 1986 the Ministry was under the charge of a Cabinet Minister.

In June 1988, the Ministry was merged with the Ministry of Civil Aviation and the new Ministry of Civil
Aviation and Tourism came into being under the independent charge of a Minister of State.

The integrated development of Tourism at the National level and International level is achieved through the activities of:

(a) Department of Tourism
(b) Indian Institute of Tourism and Travel Management
(c) National Council for Hotel Management and Food Craft Institute, and
(d) Indian Tourism Development Corporation Ltd.

The efforts of Indian Convention Promotion Bureau (ICPB) has helped in portraying a very positive image of India as a destination tour. There has been the presence of Tourism Advisory Board which has advised from time to time on tourist traffic to India from other countries and within the country. The Planning Commission had set up a 12 member committee headed by the Chairman of Trade Fair Authority of India. In 1988 the committee submitted its report. In the last two or three years the Department of Tourism has been generally trying to secure for tourism, from various other ministries and from State Governments, the status of an Industry especially an export oriented industry and the various facilities, incentives or concessions which are
applicable to an Export-oriented Industry. The declaration of Tourism as an Industry was recommended by the National Development Council.

Following the declaration by Central Government, State Governments and Union Territories have began to declare Tourism and hotel businesses as Industries.

TOURISM POLICY (PAST AND PRESENT)

The Tourism policy was presented to both the Houses of Parliament on November 3, 1982. It was the first attempt by the Ministry of Tourism to arrive at the "National Tourism Policy".

OBJECTIVES

The policy document contains five main objectives of the Tourism Policy of Government of India. Accordingly the Government has to develop Tourism so that:

(1) It becomes an unifying force nationally and internationally fostering better understanding through travel.

(2) It helps to preserve, retain and enrich world-views and life-style, our cultural expressions and heritage in all its manifestations. The
prosperity that tourism brings must cause accretion and strength rather than damage to our social and cultural values and depletion of our natural resources. In tourism, India must present itself on its own terms - not as an echo or imitation of other countries, other cultures and other life-styles.

(3) It brings socio-economic benefits to the community and the state in terms of employment opportunities, income generation, revenue generation for the states, foreign exchange earnings and in general, cause human habitat improvement.

(4) It gives a direction and opportunity to the youth of the country both through international and domestic tourism to understand the aspirations and view points of others and thus bring about a greater National Integration and cohesion.

(5) It also offers opportunities to the youth of the country not only for employment but also for taking up activities of nation building character like sports, adventure and the like. Thus a programme for the moulding of the youth of the country Tourism is of inestimable value.
In the year 1992, a New Action Plan for Tourism was thought of and it gave a new dimension to the objectives of Tourism:

OBJECTIVES

(a) Socio-economic development of areas:
Tourism confers considerable socio-economic benefits to the community thereby uplifting the quality of life. Further, it fosters development even in areas where other economic activities would be difficult to sustain.

(b) Increasing employment opportunities:
Tourism Industry generates employment, directly and indirectly, for about 13 - 14 million persons. Employment opportunities should at least double the present level before the end of the century.

(c) Developing domestic tourism especially for the Budget category:
Domestic tourist forms the bulk of world tourist traffic. In India also, facilities for domestic tourist will be improved and expanded, particularly, the budget category so as to ensure an affordable holiday for them.
Preservation of National heritage and Environment: Tourism would be developed in a manner so that cultural expression and heritage are preserved in all its manifestations including support to arts and crafts. Preservation and enrichment of environment should also form an integral part of tourism development.

Development of International Tourism and Optimisation of Foreign exchange earnings:

International tourism contributes substantially to foreign exchange earnings and keeping in view the country's requirements, tourism will be so developed that foreign exchange increases from Rs.2,440 crores to Rs.10,000 crores by the end of the century.

Diversification of the Tourism Product:

While retaining the traditional image of cultural tourism that India enjoys, diversification of the Tourism product would continue, particularly in the field of leisure and adventure.

Increase in India's share in world tourism:

Presently the foreign tourist arrival in India constitutes only about 0.4 per cent of the total
tourist movement all over the world. One of the objectives of action plan would be to increase India's share to one per cent within the next five years.

The present objectives are deviations from the previous objectives in two major ways. First bringing the fact of environment protection within the objectives of Tourism development and second development of Domestic Tourism and that too specially for the Budget category. Socio-economic development has been given the first priority in the objectives ensuring a new era and dimension to tourism. In the year 1992 foreign tourist arrival increased by 15.6 per cent in comparison to that of 1991. An increase of 41.8 per cent in foreign exchange through Tourism was recorded in 1992. Tourism Task Force has been created to give a new thrust to Tourism.

COMPONENTS OF TOURISM

The components of Tourism are known as the 3 A's. They stand for: Attraction, Amenities and Accessibility.

Attraction is further composed of three elements:

(a) Site/Events
(b) National/Man made
(c) Nodal/Linear
The first type — site/event could be historical, cultural, entertainment, relexation, sports, religion or ethnic. These sites are natural, i.e. gift of the nature and again at times are man-made by either making it a historical event, entertainment or having a religious gathering or developing a history on ethnic values. Nodal is when the specific place is the object of tourism, while linear is when the place is part of a route to a nodal place. Every tourist spot provides either of the above, some of the above, or several of the above features.

Amenities consists of the following elements:

(a) Accommodation
(b) Food
(c) Transport, and
(d) Entertainments

The accommodation is normally stated as "A home outside home" thus indicating that accommodation is a very important sector. It is divided into two further categories accommodation and supplementary accommodation. In tourism world supplementary accommodation is equally important. Food is another important element. To the Foreign Tourists three types of plans are offered:
(a) European Plan
(b) Modified American Plan; and
(c) American Plan

The 'European Plan' consists of Bed and Breakfast. The 'Modified American Plan' consists of Bed, Breakfast and one principal plate and the 'American Plan' consists of Bed, Breakfast, lunch and dinner.

The primary modes of travels are:

(a) Automobile (b) Bus (c) Rail and (e) Sea.

Railways are the predominant mode of travel in India, China and to a lesser extent in Japan, the automobile has the headway in the United States, Canada and Australia. Overseas travel is predominantly by air.

The last yet the ultimate say is in the term 'Accessibility'. Transport makes the destination or transit visit a success or a failure. "The importance, however varies according to the technological advancement, affluence and resource of a country. Pricing is an important factor in deciding the accessibility also".

INDIA AS PORTRAYED

Integrated Marketing plan was developed in which the Tourism and Civil Aviation Ministry joined hands with
Air India and the "Operation" scheme was started. India was being portrayed at a later stage around 70's as a cheap and affordable destination. Around 1972-73 Beach and Mountain resorts supported by cultural tourism which was in abundance all over India. In 1975 advertisement was released to project a composite image of modern and ancient India. The present emphasis is once more to establish India as a place destination tour spot against transit tour concept that was in the background. Sixty two fairs and festivals have been identified throughout the country for Central assistance.

ACCOMMODATION SECTOR

The importance of accommodation sector lies in the fact that it forms a major part of the supply side of Tourism. It is also known in the name of 'Receptive Facilities'. There exist three kinds of accommodation: the approved hotels, un-approved units and supplementary accommodation.

However, there exists quite many classifications and categorisations also. Accommodation sector itself is broad enough to call for elaborate research and is an important resource for development of Tourism.
REFERENCES


7. Ibid.


16. Pran Nath Seth, Successful Tourism Management (Sterling, 1987).

17. Ibid.

18. Ibid., p.81, and 251.


1.2 ACCOMMODATION SECTOR
(TYPES, SIGNIFICANCE, TRENDS AND PLANS)

Tourism has a demand as well as a supply side. The demand side constitutes of three major groups as given below:

(1) Holiday Tourism
   (a) Beach Tourism
   (b) Relaxation Tourism
   (c) Cultural Tourism
   (d) Mountain Tourism
   (e) Cruise Tourism

(2) Business Tourism
   (a) Commercial Tourism
   (b) Congress Tourism
   (c) Visiting Friends and Relatives

(3) Other Forms of Tourism
   (a) Religious Tourism
   (b) Sports Tourism

The supply side of the Tourism consists of the following:

(1) Environmental Resources (Natural Resources, Cultural Resources)
(2) General and Tourism Infrastructure (Airlings, Railways, Roads, Water, Telecommunications and Electricity)

(3) Receptive Facilities (Accommodation Sector)

(4) Entertainment and Sport Facilities

(5) Tourism Reception Services

The receptive facilities is the Accommodation sector. Accommodation sector along with food and beverage account for 55 per cent of a Foreign Tourist expenditure. Therefore the Federation of Hotel, Restaurants, Association of India (FHRAI) has rightly described it as a dominating factor on the supply side.

Ergo, it becomes one of the reasons for taking up the study of this sector.

The percentage of Tourists, according to a study on the place of stay stands as follows:
TABLE 1.2.1

<table>
<thead>
<tr>
<th>Place of stay</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel</td>
<td>57.2</td>
</tr>
<tr>
<td>Private Lodges</td>
<td>19.4</td>
</tr>
<tr>
<td>Dharmashalas</td>
<td>16.2</td>
</tr>
<tr>
<td>Tourist bungalows and Youth Hostels</td>
<td>6.2</td>
</tr>
<tr>
<td>Others</td>
<td>1.0</td>
</tr>
</tbody>
</table>

Units in accommodation sector are sought to be classified, categorised and registered. These help in evaluation, standardising and perceiving of expected facilities.

The Accommodation sector has been classified as follows:

(1) Hotels and Motels
(2) Supplementary Accommodation

A Sector is also classified by Gerald W Lattin as

(a) the resort hotel
(b) the commercial or transient hotel
(c) the residential hotel
(d) the motor-motel hotel
The Table 1.2.2 below shows the classification of Accommodation as given by Negi.

<table>
<thead>
<tr>
<th>Hotel Accommodation</th>
<th>Supplementary Accommodation</th>
<th>Intermediary Accommodation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel</td>
<td>Motel</td>
<td>Travellers' lodge</td>
</tr>
<tr>
<td>International</td>
<td>Motor</td>
<td>Enrotel</td>
</tr>
<tr>
<td>Commercial</td>
<td>City motor</td>
<td>Dak Bungalow</td>
</tr>
<tr>
<td>Residential</td>
<td>T. Cabin</td>
<td>Hostel</td>
</tr>
<tr>
<td>Resort</td>
<td>Roadside</td>
<td>Circuit House</td>
</tr>
<tr>
<td>Summer</td>
<td>Highway</td>
<td>Dharmashala</td>
</tr>
<tr>
<td>Warm-winter</td>
<td>Resort</td>
<td>Inns (sarai)</td>
</tr>
<tr>
<td>Cold-winter</td>
<td>Suburn</td>
<td>Forest lodges</td>
</tr>
<tr>
<td>Year-round</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transit</td>
<td></td>
<td>Rest Houses</td>
</tr>
<tr>
<td>Pilgrim</td>
<td></td>
<td>Camping Ground</td>
</tr>
<tr>
<td>Budget</td>
<td></td>
<td>Caravan</td>
</tr>
<tr>
<td>Sports</td>
<td></td>
<td>Camping site</td>
</tr>
<tr>
<td>Boated</td>
<td></td>
<td>Holiday/Coffee</td>
</tr>
<tr>
<td>Convention</td>
<td></td>
<td>Centres</td>
</tr>
<tr>
<td>Airtel</td>
<td></td>
<td>Holiday camps</td>
</tr>
</tbody>
</table>
The word 'Hotel' is of an ancient origin and may have been derived from Latin 'Hospitale' or old French word 'Ostererie'. Webster defines hotel as "a building or institution providing, lodging, meals and service to public." Hotels and Motels are grouped together because they are more or less the same except that motels are supposed to be on the highways and has a large parking area. In this thesis however the word Hotel is used to denote all 6 types of accommodation. The UN conference of International Travel and Tourism (Rome 1963) considered the problem of hotel classifications and recommended as follows:
"The conference observed that many states, classify hotels or are considering doing so. Acting upon the recommendation put forward by IUOTO the International Chamber of Commerce, the conference advocates the standardisation of methods of classification one, in particular, the subdivision of hotels into five categories (each identified by a conventional sign/star) in conformity with sets of standard appropriate to different climate conditions. The question of classifying supplementary means of an accommodation such as tourist bungalows and camps should also be considered. In the application of this system, a transitional period of several years should be allowed for the adaptation of existing hotels wishing to adopt the new standards corresponding to their classification. The conference requested IUOTO to draft these sets of standards after consultation with the professional bodies concerned."

Therefore classification of hotels into star-rating is done by state/regional authority. In this, the Hotelier's Association plays an important role.

Categorisation of Accommodation means qualitative assessment of amenities for individual establishments and groups and thereby giving them specific grades.
Registration is the inventory of accommodation facility to regulate these activities. While there are thousands of places of stay and lakhs of beds in the country there are 500 approved hotels and 31,613 rooms in this approved category. Registration is done under Tourism Department after approval of municipality of the region. It is not obligatory for every such business unit to get registered.

Determinants of Prospects for the Industry

The main factors which have a direct impact on and correlation with Tourism, travel and accommodation, can be divided and grouped:

(1) Expected increase in population and GNP, higher individual incomes and largely increased affluence.

(2) Increase in personal consumption and consumer spending, especially on services which makes life more comfortable and enjoyable, as against expenses on durables.

(3) Greater leisure which is influenced by shorter work-hours, extended vacations, more paid holidays and better retirement benefits.
(4) Create opportunities for culture, education, entertainment, recreation, sports, improved health condition and longevity.

(5) Increased domestic and international business activity leading to higher business travel and need for additional accommodation. This includes incentives travel efforts such as seminar, conferences and convention etc.

(6) Expansion and improvement in tourism, transport facilities and areas, creation of new attractions and opening up of new countries for tourism and travel.

(7) Greater investments in infrastructure and tourism plant that would lead to amelioration in use of public facilities, utilities and services.

(8) Greater promotional and marketing efforts by tourism industry to attract the non-travellers.

INDIAN ACCOMMODATION SECTOR AT PRESENT

There has been phenomenal growth in the number of hotels approved by Department of Tourism from 214 hotels with the provision of 14,070 rooms in 1974 to 694 hotels
with 44,405 and additional 355 new hotels with 22,974 rooms in 1990 has in fact stimulated the promotion of foreign tourists in our country.

In 1982-83, the number of hotels on the approved list of the Department of Tourism, was 425 hotels with 30,799 rooms with anticipated increases by 226 new hotels with 13,119 rooms. In 1987, the number of hotels on the approved list rose to 534 hotels with 34,574 rooms. Besides 238 additional hotels with room capacity of 16,437 were also approved. This number increased to 647 hotels with room capacity of 42,415 and additional approval of 288 new hotels with 19,605 rooms in 1989. Table 1.2.3 below is self explicit.
The Department of Tourism also sanctioned during 1984–85, an amount of Rs.20 lakhs for the construction of six cottages and a restaurant at Auli-Joshimath Winter Sports Projects, Garhwal (UP). The construction of these cottages has already been completed. Similarly to give boost to accommodation facilities in Lakshadweep Island an amount of Rs.40 lakhs was sanctioned during 1985–86 to make provisions for accommodation at Amini, Kilton and Minicoy. The Bangaram Island has been developed as a resort with

**TABLE 1.2.3**

HOTELS AND ACCOMMODATION AS PER THE APPROVED LIST OF DEPARTMENT OF TOURISM

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Hotels</th>
<th>Accommodation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1983</td>
<td>425</td>
<td>30,799</td>
</tr>
<tr>
<td>1984</td>
<td>427</td>
<td>31,402</td>
</tr>
<tr>
<td>1985</td>
<td>511</td>
<td>32,609</td>
</tr>
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<td>1986</td>
<td>459</td>
<td>30,200</td>
</tr>
<tr>
<td>1987</td>
<td>534</td>
<td>34,574</td>
</tr>
<tr>
<td>1988</td>
<td>565</td>
<td>36,369</td>
</tr>
<tr>
<td>1989</td>
<td>647</td>
<td>42,415</td>
</tr>
<tr>
<td>1990</td>
<td>694</td>
<td>44,405</td>
</tr>
</tbody>
</table>

provision of 24 rooms accommodation. To further develop Andaman and Nicobar Islands as tourist resorts, additional accommodation at Port Blair and other islands are under progress for which a sum of Rs.45.78 lakhs has been sanctioned for a Yatri Niwas at Havelock Island.

The corresponding figures with respect to Pondicherry is given in Table 1.2.4.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total No. of Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>1875</td>
</tr>
<tr>
<td>1986</td>
<td>1875</td>
</tr>
<tr>
<td>1987</td>
<td>1875</td>
</tr>
<tr>
<td>1988</td>
<td>1875</td>
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<tr>
<td>1989</td>
<td>1964</td>
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<td>1990</td>
<td>1964</td>
</tr>
<tr>
<td>1991</td>
<td>1964</td>
</tr>
<tr>
<td>1992</td>
<td>1964</td>
</tr>
</tbody>
</table>

The approved hotels are entitled to fiscal benefits, import facilities, overseas publicity and promotion and training abroad, the Foreign Exchange being allocated under Incentive Quota Scheme based on Foreign Exchange earnings and the interest subsidy of one per cent on loans granted by IFCI to approved hotels of four and five star category up to the loan account of Rs. 75 lakhs and three per cent on entire loan granted to two and three star category hotels.

In South India the star category rooms capacity available today is around 10,000. The total foreign tourist arrivals that was registered in South is 1,41,140 against 10 1.7 million all India during 1991. In order to meet the existing demand and to keep in pace with the increasing number of arrivals the new hotels are expected to be started by the private sector. There is still scope for entrepreneur to invest in Hotel Industry and provide competitive professional services. The manpower trained in the hotel management institutes could be used to give the professional touch.

In the case of the hotels of three stars and below, it is often observed that they do not maintain the minimum standard required. Therefore for a healthy growth
and for the satisfaction of tourists they should maintain a certain level of hygiene and cleanliness with the help of trained personnel. At times, it has come to the knowledge, that hotel rates have suddenly increased more than the tariff printed in the information booklets. The managements of certain hotels should be concerned about the security of their guest and their valuables.

Plans for the Future

Hotels form an important segment of the tourism infrastructure in the country. It has been estimated that the present capacity of 44,405 hotel rooms in the approved category requires to be at least doubled in the next three years. The Government has already taken steps in this direction. Fiscal concessions have been allowed under Section 80 H.H.D. of the Income Tax Act whereby 50 per cent also exempt if re-invested in the tourism industry. This has a positive impact on the pace of growth of hotels. However, this trend is particularly more noticeable in Metropolitan cities and commercial cities, than the tourist destination per se. In order to stimulate growth at tourist places also, the Government has given a concession that hotels set up in rural areas, hill stations, pilgrim centres and specified tourist destinations will be exempt from expenditure tax and 50 per cent of Income Tax for ten years.
The Government is also offering an interest subsidy on loans for the construction of hotels. It is one per cent for loans upto 75 lakhs for 4 - 5 star hotels and three per cent for all other approved categories of hotels. The interest subsidy to all other approved hotels. The interest subsidy to all 4 - 5 star hotels and all hotels in metropolitan cities will henceforth be discontinued. In special areas and specified destination, however, the interest subsidy will be increased to five per cent for all 1, 2 and 3 star hotels to stimulate their growth.

There exists a large number of palaces, big an. small and havelies that could be very conveniently converted into hotels. Many of these are in a state of despair and their conversion into hotels will help in the preservation of the national heritage. It has, therefore, been decided to encourage the growth of heritage hotels. In relaxation of their norms, the Tourism Finance Corporation of India will now advance loans for heritage hotel projects of Rs.50 lakhs and above. The Government plans to give an interest subsidy of five per cent loans advanced for construction of new heritage hotels. New schemes will be launched whereby this category of hotels will also be given a capital subsidy of Rs.5 lakhs or 25 per cent of the cost whichever is less. For havelies (i.e., manors) located in rural areas, there is
additional incentives of 10 year holiday from expenditure tax and 50 per cent from Income tax. It is felt that these concession will spur a rapid growth of heritage hotels in the country.
REFERENCES


7. Ibid., p.298.


9. Ibid.

10. Sastry Poornima, Safeguarding Tourist Interest - Role of Various Agences (MIMCO).

1.3 PONDICHERY

Pondicherry on the Eastern Coast of Peninsular India with Bay of Bengal kissing its shores is the "Window of French Culture." It has been a place of learning and wisdom also: a land on which sage Agasthiya and Sri Aurobindo Ghosh lived and propagated their ideals of humanism and world unity. It has inherited its past from the vedic culture.

The name "Pondicherry" has links to its previous names of 'PODUCA', 'PODUKE' and 'PODUCHERIA'. The Dutch who came to this town gave it the names of 'POETLITSERI', 'POLLOCHIRE', 'POULECHERE' and 'PULLICHERI'. "Following the Portuguese and Dutch, the French came here in the next century. By that time the place had come to be known as PUDUCHERI, which in Tamil means - 'New Village'. In French transliteration, PUDUCHERI was spelt Poudicherry. The letter 'U' in the word was mistaken for the letter 'N' and thereafter the name Pondicherry, which is only corruption of the word PUDUCHERI was popularised. That is the fact."

History

Pondicherry is as old as 12,000 years, its first human activity spreads over the dimension of Ancient period,
Tamil Period, the Period of alien rulers and the struggle of freedom.

The ancient people of Pondicherry did not belong to any clear cut ethnic group. Different racial groups, namely Dravidian, Negrito, Australoid, Alpoe and Armenoid seem to have settled in Pondicherry then. It was an international trading centre in ancient times it might have received the "Megalithic" culture by sea. Archeological studies shows that Pondicherry was having some close relations with the civilization that flourished in Mysore, it had some pottery-black, black-and-red, some habit of burying the body in megalithic tombs or in earthen jars. The civilization also had the influence of the Romans, may be because of its past. 'Arikamedu' excavations near Ariankuppam reveals the presence of Roman colony.

Around 4th century, the Pallavas of Kanchipuram held the seat of power in Pondicherry. However somewhere around 10th century the Cholas gained the possession. The chief religions during this period were Hinduism, Buddhism and Jainism. During the Chola period, Vaishnavism flourished a great deal. The Cholas were followed by the Pandyas. Pondicherry was part of the Vijayanagar Empire. When Vijayanagar was unstable, the seat of power went to the
hands of the Nayaks of Tanjore. It became part of the Bijapur Sultanate.

The French established their main trading centre in Surat in 1666. They were invited by Sher Khan Lodi the Governor of King of Bijapur in Tanjore to open their trading centre.

FRANCOIS MARTIN, who was destined to become the founder of French establishment was sent to Pondicherry. Sher Khan Lodi and Martin were able to establish good friendship and the business interest got firmly entrenched. Martin backed the Bijapur Sultan from time to time. However Martin did not back Sher Khan Lodi when Shivaji attacked and because of his neutralness he as an award from the Marathas got Firman in 1677. Pondicherry being part of the rulers of Gingee, the Dutch bought Pondicherry. However after four years by the Treaty of Ryecik the French bought Dutch on payment of 16,000 pagodas. The French centre of Trade was transferred from Surat to Pondicherry. Martin was able to bring stability in Pondicherry. Francois Martin was the builder of Pondicherry town and administered for 33 years. He gave asylum to the family of Karnatic Kingdom when the Marathas attacked them. Consequently the Marathas attacked Pondicherry but were defeated. The Karnatic Dynasty gifted
Ariankuppam, Theduwanathan and Villianur to the French. In 1740, J.F. Dupleix was appointed Governor of French in India. He defeated the English in Madras and ruled over it for thirty years. However around 1761, Pondicherry came under the control of the Britishers. In 1765, it was restored to the French. It was recaptured by Sir, Hector Munro in 1778. In 1785, the French rule was restored but was lost again in 1786. The French rule was restored in 1816 and continued till the merger of the settlement with the rest of independent India. On November 1, 1954, Mr. Pierre Landy a special representative of the Government of France, signed the Instrument of Power in favour of the Government of India.

Demography

Pondicherry has an area of 429 sq.kms. Its population is 7.06 lakhs (1988). It has a literacy rate of 56 per cent. Its temperature varies between 43 °C to 18 °C. The monsoon gets activated in the months of October to December. It has surfaced roads 1,149 kms, unsurfaced roads 994 kms, other roads 2143 kms. Limestone is the mineral found in Pondicherry. The principal crops are cotton, millets, oilseeds, rice and sugarcane. The language spoken mainly are Tamil and French. Within its territorial limits,
it has former French enclaves of Karaikal, Mahe and Yanam which altogether form the Union Territory of Pondicherry with a local Assembly.

PLACES OF TOURIST INTEREST IN PONDICHERY

Sri Aurobindo Ashram

Aurobindo, a patriot, a freedom fighter and a renowned philosopher from Bengal came to Pondicherry in 1910. He envisioned that next in evolutionary cycle will be an era dominated by man's mind. To make the process of adaptation to that age of super-mind easier, Aurobindo elaborated a system of "Integral Yoga", synthesising yoga and modern science. This usual spiritual exercise is intended to make life more beautiful, not by renouncing the world, but by living as part of it.

Sri Aurobindo Ghosh founded the Ashram, which gives shape to Aurobindo's ideals. But it was largely under the guidance of the Mother, a Paris-born painter-musician that the Ashram developed as it is today.

In the main building of the Ashram, on Rue de la Marine is the Marble samadhi, where Aurobindo and Mother have been laid to rest. Across the road from the Ashram is the Sri Aurobindo International Centre, of Education.
Auroville

This town of tomorrow that is now in the making is just across the Pondicherry border in Tamilnadu. It is an international township with Mother's dream of building up an international community free from the conventional outlook. It is known as "The city of Dawn." "Matrimandir" the meditation hall is in the heart of the town. It is surrounded by 800 acres of land with some 1000 houses scattered allround. They live in 14 different communes and speak 55 different languages, but the goal is to evolve into a fuller human being by combining a life of strenuous physical activity with the discipline nurtured by regular spiritual exercise.

Bharathi and Bharathidasan Memorial Museums

Subramanya Bharathi, Bharathiyar to all, was a Tamil poet - patriot who arrived in Pondicherry in 1908 as a fugitive from British India. The free French air brought out the best of Bharathi, some of his patriotic and romantic compositions were born here. Bharathi's home No.20, Eswaran Dharmaraja Koil Street, is almost a pilgrimage today for the Tamil people.
Kanakasubburatnam, another great Tamil poet born in Pondicherry and assumed the name of Bharathidasan, meaning 'disciple of Bharathi'. He lived in 95, Perumal Koil Street, another place of cultural pilgrimage. Bharathidasan's poems compare with Bharathi's in literary achievement and patriotic fervour. The houses of both the poets have been made Memorial Museums and are preserved for posterity.

Beach

Pondicherry has a lovely beach 1.5 Kms long, where one can relax, sunbathe, swim or take a stroll along the promenade. The beach has historical connections too. On the sea-front are two important monuments - a statue of Mahatma Gandhi set amidst eight exquisitely sculptured monolithic pillars and the war memorial raised by French to honour the soldiers who died in World War I.

Maison Ananda Rangapillai

Ananda Rangapillai, the famous dubash (Indian representative of an European ruler) had access to high places and a lot of diplomatic information. All these he recorded in his diaries which constitute the encyclopedia of knowledge about French-India between 1736 and 1760. His palace is a mix of French and Indian architectural styles.
Raj Nivas

The grand palace - typically French was once Dupleix's home. Today, the exquisite building with its beautiful lawns in front decorated with sculptures, is the official residence of the Lieutenant Governor of Pondicherry. Across the road from Raj Nivas is the well laid out Government place, the central fountain is a landmark.

Churches

French Missionary zeal in the 17th and 18th centuries led to the establishment of grandly embellished churches in Pondicherry. The church of Sacred heart of Jesus, the Eglise de Notre Dame de la Immaculate conception, the Eglise-de-Notre Dame Anges are important in Pondicherry.

Temples

In and around Pondicherry are more than 350 temples, both big and small. Some were built by the Chola Kings between 10th and 12th centuries. Most of these temples are dedicated to deities of the villages they are located in. Vinayagar is a popular deity, there are more than 75 temples dedicated to him. The most important of these shrines are the 18th century Veda Puriswarar Temple,
with stone inscriptions and a swambhu Lingam, Sri Panchanadeeswarar Temple at Thiruvandar Koil with its 10th century sculptures, and the Manakulavinayagar Temple.

Pondicherry Museum

The Pondicherry Museum stores the evidences, from the days of pre-christian era down to present days. The Indo-Roman trade relations through Arikamedu findings, the art and culture during the periods of Pallavas, Chola and Vijayanagar days and the nostalgic Memories of Franco-Indian cultural effusion has been kept as evidences in this museum.

Botanical Garden

C.S. Perrotet in 1826 planned the Botanical Garden of Pondicherry. It contains exotic and rare species of plants from India and abroad.

Boat House

On the Chunambar lake on the way to Cuddalore, the PTDC has started a Boat House with the latest facilities and proper safety measures. It has mechanised, peddle and rowing boats. There is also a snack bar of PTDC a small park as well.
Pondicherry offers much more, it is known to be a good marketing place for handicrafts and exotics. It is known to people of Tamilnadu as a small and convenient place for relaxation.

TOURISM AS AN INDUSTRY

In the year 1986, the Government of Pondicherry had given it the status of Industry. It should be noted that Tourism as an Industry falls under the Tertiary sector. In 1985-86, the contribution of Tourism (falling under the head Trade, Hotel and Restaurant) was 14.25 per cent to the total GDP which is quite important, if we see the contribution of tertiary sector in the same period, which was 28.37 per cent to total GDP. If we see the sectorwise growth rates to State Income, again in Tertiary sector we find 1961-62 to 1965-66, 1971-72 to 1975-76 and 1981-82 to 1985-86 the growth rate shows decline in the first two periods from 27.78 per cent to 11.93 per cent and finally stabilising to 11.32 per cent.

PONDICHERY TOURISM DEVELOPMENT CORPORATION LTD

Pondicherry Tourism Development Corporation Ltd was established in the year 1986 with the following objectives:
Main Objectives

To provide services to the tourists and travellers in all form and in particular the following:

(a) Boarding and lodging facilities
(b) Conveyance and transport facilities
(c) Arrangement for excursionists
(d) Exhibition of artistic and commercial values
(e) Exhibition of Industrial and Cultural attainment
(f) Library and reading room facilities
(g) Guide facilities
(h) Insurance facilities
(i) Medical facilities
(j) Banking facilities and safe deposit facilities subject to the approval of the RBI and provisions of the Banking Regulations Act, 1949.
(k) Recreation in every form and mode including film shows, drama, music, dances and sports of every kind and description.
(l) And in every other way to satisfy the requirements of tourists and travellers.
(m) To take over, develop and manage places of tourist interest in the Union Territory of Pondicherry and elsewhere.
(n) To carry on the business of tourist agents and contractors and for facilitating, travelling to arrange the purchase of tickets in every mode of transport, for reservation of seats and berths, hotel and lodging accommodation, engagement of guides, insurance of all kinds and to run enquiry bureaus, libraries, reading rooms etc.

(o) To establish and administer a Hotel Development Fund.

(p) To carry on the business owning, running, constructing, purchasing acquiring, operating or entering into contract with other parties, and for the management and operation of hotels, motels, restaurants canteens, cafeterias, lodges and the like and establish own run and manage transport units, rental agencies, travel and transport centres.

(q) To establish art galleries for exhibition of paintings, jewellery and other works.

(r) To acquire and take over as a growing concern all or any of the tourist homes, excursion centres, boat houses, restaurants, snack-bars, canteens etc.
To acquire and take over any of the assets and liabilities of the Department of Tourism or of any other Department of the Government of Pondicherry with the object of promoting tourism.

Lately, however a branch of transport has been added to the department and it is now known as Pondicherry Tourism and Transport Development Corporation.

Organisation Structure

Board of Directors

Managing Director

Officer on Special Duty

Managing Director

Manager (Accm)

Manager (Admn)

Manager (Transport)

Manager (Seagulls)

Senior Asst.

Senior Asst.

Senior Asst.

Cashier

Company Secretary

Tourist

The tourist flow to Pondicherry has been increasing excepting for a brief period between 1986 and 1988. Lately it is on the rise. For example, between 1991 and 1992 above, the increase has been of the order of nearly 36 per cent as may be seen from Table 1.3.1.
### TABLE 1.3.1

**TOURIST POPULATION**

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Foreign Tourists</th>
<th>No. of Domestic Tourists</th>
<th>Total No. of Tourists</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>4357</td>
<td>1,63,355</td>
<td>1,67,712</td>
</tr>
<tr>
<td>1986</td>
<td>5318</td>
<td>1,45,316</td>
<td>1,50,634</td>
</tr>
<tr>
<td>1987</td>
<td>4592</td>
<td>1,23,810</td>
<td>1,28,402</td>
</tr>
<tr>
<td>1988</td>
<td>4801</td>
<td>1,32,394</td>
<td>1,37,195</td>
</tr>
<tr>
<td>1989</td>
<td>5105</td>
<td>1,29,847</td>
<td>1,34,952</td>
</tr>
<tr>
<td>1990</td>
<td>6186</td>
<td>1,77,561</td>
<td>1,83,747</td>
</tr>
<tr>
<td>1991</td>
<td>8997</td>
<td>1,79,520</td>
<td>1,88,517</td>
</tr>
<tr>
<td>1992</td>
<td>10,727</td>
<td>2,45,890</td>
<td>2,56,617</td>
</tr>
</tbody>
</table>


The PT & TDC has also started providing facilities in a much cared manner than it was previously. The break up of the Foreign Tourists is given in the Table stated below:
<table>
<thead>
<tr>
<th>Nationality</th>
<th>1990</th>
<th>1991</th>
<th>1992</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.K.</td>
<td>674</td>
<td>544</td>
<td>852</td>
</tr>
<tr>
<td>U.S.A.</td>
<td>435</td>
<td>530</td>
<td>812</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>65</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>France</td>
<td>1514</td>
<td>2929</td>
<td>314</td>
</tr>
<tr>
<td>Germany</td>
<td>616</td>
<td>1216</td>
<td>1577</td>
</tr>
<tr>
<td>Japan</td>
<td>96</td>
<td>159</td>
<td>260</td>
</tr>
<tr>
<td>Italy</td>
<td>239</td>
<td>687</td>
<td>1148</td>
</tr>
<tr>
<td>Malaysia</td>
<td>69</td>
<td>42</td>
<td>48</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>2</td>
<td>N.A.</td>
<td>8</td>
</tr>
<tr>
<td>Canada</td>
<td>472</td>
<td>210</td>
<td>291</td>
</tr>
<tr>
<td>Australia</td>
<td>319</td>
<td>302</td>
<td>485</td>
</tr>
<tr>
<td>Singapore</td>
<td>155</td>
<td>84</td>
<td>65</td>
</tr>
<tr>
<td>U.A.E.</td>
<td>Nil</td>
<td>39</td>
<td>5</td>
</tr>
<tr>
<td>Switzerland</td>
<td>194</td>
<td>355</td>
<td>537</td>
</tr>
<tr>
<td>Iran</td>
<td>Nil</td>
<td>13</td>
<td>27</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>6</td>
<td>4</td>
<td>11</td>
</tr>
<tr>
<td>Others</td>
<td>662</td>
<td>1874</td>
<td>5678</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,516</strong></td>
<td><strong>8,997</strong></td>
<td><strong>10,727</strong></td>
</tr>
</tbody>
</table>

Earnings from Tourism has in the following 12 years, 1987, 1988, 1989 and 1990 respectively is to the tune of Rs.108 lakhs, Rs.106 lakhs, Rs.128 lakhs and Rs.177 lakhs.

From the above one can conclude that as it is becoming a major source of revenue and as plans to promote it (by establishing PTDC, etc.) are being taken up seriously by the Union Territory, Tourism is likely to play an increasingly important role in Pondicherry.
REFERENCES


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