CHAPTER 2
POTENTIALS OF TOURISM IN INDIA

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CHAPTER – 2

POTENTIALS OF TOURISM IN INDIA

India has an ancient tradition of travel. Large number of people was implied to undertake journey through the length and breadth of the country in olden days. The motivation of these were mainly religious, quest for knowledge and desire to foster trade and commerce. The travel for religious purpose is known as pilgrimages or Tirath. The tradition of travel among the people has continued since then. There are references of pleasure travel as well which was undertaken particularly in Middle Ages. But the tourism in its modern sense commenced only in the middle of twentieth century.

India being a big country has everything to offer to everybody. Visiting India is an enthralling and memorable experience to one and all. The beautiful ancient monuments are fascinating and will be a tourist delight. India is a country where past and present blend in a systematic manner for an exciting future and emerging an International market. India is a tourist paradise and has unique features of modernity and traditional hospitality. Each state has its own cultural glory and historical monuments to visit. Tourism is the world’s largest and fastest growing industry. It is an invisible export, which earns valuable foreign exchange without any significant or tangible loss of internal resources. It is a source of revenue and employment. There are countries in the world whose main source of revenue is tourism. India is a country with a great potential for tourism. In addition to her places of ancient historical and archaeological interests, her varied wild life sanctuaries, beach resorts and winter sports attract tourists from all over the world.

Indian Tourism Development Corporation is a public sector undertaking, whose main task is development of a sound foundation of tourist infrastructure.
Founded in 1966, the Corporation has made phenomenal progress during the last 12 years. It provides a unique range of tourist services.

The term tourism dates from the early years of the nineteenth century, but this should not obscure the fact that what we would today describe as tourism was taking place much earlier in history. In early days Tourism had two forms one for the business and religious travel. Merchants used to travel in order to trade with other countries.

TOURISM AS AN INDUSTRY

Tourism is a basic and most desirable human activity deserving the praise, encouragement of all people and all governments. In early years of this century tourism was not looked as industry but as a collection of business whose common link was to provide services to travelers with increasing standard of living, fast technological revolution. Today it has undoubtedly become an industry to be studied in its totality.

At present each state is having Handicrafts Development Corporation that is helping in promotion of both Tourism and is livelihood to Craftsmen. Andhra Pradesh is having "Lepakashi Emporium", Kerala is titled as "Kairali", Karnataka State is maintaining "Cauvery", Madhya Pradesh is maintaining "Mrignayani", Gujarat State Handicrafts is known as “Gujrali”. All these corporations are contributing their part in generating employment and also in promoting tourism.

Industrialization & modernization have been the buzzwords in almost every country, in the post world war period. Advancements in transportation and communication have been the major thrust areas for achieving rapid industrialization. As a result many new industries have mushroomed and have been responsible for catapulting many a nations to the status of highly
industrialized nations. Tourism is one such industry. Tourism has today achieved the status of an industry and has become more than a cultural pilgrimage. Realizing the various socio-economic benefits of tourism, Governments in all countries are competing with each other in selling “tourism & travel” concept its History, culture, sunshine, snow and sands to people all over the world. People with increased disposable incomes are showing interest in holidays, and are warming up to the idea of travelling and sightseeing. Tourists are swarming places of interest by the hordes. Globally, tourism is one of the fastest growing industries, accounting for about 7%, in total capital investment in the world. The Asia-Pacific region has been identified as the number one emerging region in this industry with an estimated growth of 7.8% annually. By the year 2005 the annual earnings are likely to touch $ 2000 billion in this region, whereas the global annual earnings of this industry are estimated to be $ 7200 billion. Within the Asia-Pacific region, the Indian sub-continent is well poised to take advantage of the boom in the tourism sector.

India, a low cost destination, continues to exert its mesmerizing pull not only on the world tourist, but the travel bug has also bitten the Indian tourist. India's share in world tourism is expected to touch 1-2% by the year 2005. As per the Hospitality and Tourism industry projections the rise in foreign tourists to India is expected to touch new heights. Tourism is also one of the biggest employment generating industries in India, with a capacity to absorb an additional investment to the tune of $10 billion. The hotel and tourism related industry has been declared as a high priority industry for development by the government and assumes importance for its immense potential to earn foreign exchange and is also least import intensive. Twenty states and union territories have accorded tourism the status of an industry while hoteliering has been granted the latter status in eleven states. The states of Rajasthan, Goa, Jammu & Kashmir, West Bengal and Maharashtra have always been a major attraction for the foreign and domestic tourists. Each state has come up with various plans and strategies to lure the growing influx of tourists and at the same time have
evolved a package of incentives to attract investment in this sector, be it foreign or private.

Tourism places the highest value on culture and natural heritage while providing visitors with value for their money and time. This strategy seeks to protect that heritage and culture which is the foundation of the travel industry in this country. Tourism brings people of one culture into interaction with another. The tourist travels abroad or at home in search of pleasure, leisure, adventure, recreation at historical sites, wildlife, parks, beaches, towns and villages of Rich Cultural Experience, Comprising of Ancient Monuments, Art, Architecture, Dance and Music; Unique Cuisine; Interesting and varied Shopping experience of Crafts, Jewellery, Garments, Silk, Leather Goods etc; Opportunities for Outdoor and Adventure Sports, Safari, Bird Watching etc. The uniqueness of India lies in the vast diversity in culture, cuisine, landscape, weather, crafts etc. from one end of the country to another hence making it a tourist's paradise.

In some respects, India might be considered a forerunner in the development of religious tourism. More than 94% of its domestic tourists are religious travellers, and the tradition of pilgrimages is clearly the mainstay of the country's domestic tourism. In general, tour operators for the domestic market alone are in the private sector and there are about 120 reputable, established companies in the country, with many others of more questionable standards. In 1997, the Indian operation of Resorts Condominiums International (RCI) reported a healthy growth, with over one-lakh members in India and 59 affiliated resorts in just four and a half years of its operation Indian Express, March 30, 1997.

The railways provide easy and cheap travel for the masses, which have a considerable range of accommodation from which to choose. Several options are available for domestic tourists. Janata hotels provide budget
accommodation for middle income groups, and Yatri Niwas (literally, 'travellers stay home') is the mid-priced hotel category budget accommodation offered by the Indian Tourism Development Corporation (ITDC). By contrast, Dharamshalas, established by religious groups for pilgrims, are generally located at religious centres and are utilized not only by pilgrims, but also by scholars, merchants, and adventure tourists. They are a valuable feature of Indian culture. Yatrikas are more secular inns, but may also be located in and around religious centres. Other accommodation is found in bungalows and residence of friends and relatives. Increases in income are being reflected in different forms of tourism. As prosperity filters down the social scale, business tourism, adventure tourism, visits to friends, and other forms of domestic leisure tourism are increasing.

In recent years, therapeutic health tourism and ecotourism have gained in importance. The state of Kerala has taken a lead in establishing centres where traditional medicine is used to treat patients with curable and incurable diseases. India is one of the seven primitive civilizations of the world and this is only the unique nation that can claim uninterrupted existence and democracy. The republic of India is the sixth largest country in the world preceded by China, Canada, Brazil, the United States of America and Australia. It is a country with an area of 32,87,593 square kilometers and the second largest populated country in the world. It stretches over 3,220kms. From North to South and 2,980 kms from East to West’ Around 83% of total population is Hindus, 2.5% Muslims, 2%Christians, Sikhs, Buddhists, Jains are 1.5% and others are 11%.Hindi is most important and popular national language spoken by about 50% of the population. There are 17 other regional languages scheduled in the constitution. India is a center for two primitive civilizations of the world. One is the Indus Valley Civilization and the other Aryan civilization. It is pertinent to mention that no civilization except Indus Valley Civilization cover such a vast area. India means not only the prized pearls and valuable stones, but also more than anything that the rest of the world could see only an
infinitesimal fraction of knowledge over a period of time and suggested solutions to the complex and multiple problems of man and society now experiences.

In spite of many fields throughout the world and even though modern equipment is at the doorstep of Homo sapiens still] there are many more things to discern, in mother nature on the one hand and on the other we notice the growing uncertainty, uneasiness and personal problems of the man. The holiest things in life of modern man are very minimal and his scientific knowledge and advancement is not able to solve ever-growing problems. It is the area where Indian culture penetrates and gives an indelible impression in the minds of people with the saga of continuity; solace shows the ways and means for transient problems faced. Ayurveda Unani and Sidha are the three gifts to India, which are famous all over the world. Yoga is another great gift endowed by this noble country to the world. India has an ancient tradition of travel. Large numbers of people were impelled to undertake journey throughout the length and breadth of the country in olden days. The motivations of these were mainly religious quest for. Knowledge and desire to foster trade and commerce the travel, for religious purposes are known as pilgrimages or tirthatan. The urge to develop cultural contacts, trade and commerce led to voyages to distant lands abroad. The tradition of travel among the people has continued then. There are references to pleasure travel as well which was undertaken particularly in middle ages. But the tourism in its modern sense commenced only in the middle of twentieth century. Like some of the countries of Europe, the beginnings of tourism in India can be said to have been also made by Railways with the publication of the first “Handbook of India” in 1931.

Visiting India is an enthralling and memorable experience to one and all. The improvisations about the oriental wonderland are provided fertile over a period of time and withstand for the time-test and suggesting solutions to the problems faced by the world. The beautiful ancient monuments are fascinating
and will be a tourist delight. India is a country where the past and the present blend in a systematic manner in the threshold of an exciting future and emerging an International Market. Delhi is the capital of India and is a Gateway city to the vast country. The tourist can find the beautiful sights the sounds and smells of India trough a single window system of tourism. Similarly, sandalwood smell of Karnataka presents a beautiful panorama to the visitor. The Karnataka's lush green forests and hills unravel Nature and its beautiful products. Bangalore and Mysore are the two great jewels and the Crown of Bharat Mata (Mother of India). Mysore is a spiritual place and it is the holiness Ganpati Sachindanand Swamiji is furthering by his preaching’s. He is an expert ushering music therapy. Thousands of devotees used to pay visits to this place apart from all part of India.

India is a tourist paradise and has all unique features of modernity and traditional hospitality. Each State has its own cultural glory and historical monuments to visit. Andhra Pradesh is a confluence of many a cultural stream. Assam State is resorting normally and is having beautiful areas to visit West Bengal's contribution to Indian life is unique and unforgettable. Bihar State is with glamorous past and presents prestigious places to visit. Gujarat is an industrially developed state and offers many products to the visitor. Himachal Pradesh State is a beautiful picnic center and offers many attractions. Jammu & Kashmir is a diamond studded with many beautiful gardens and lakes in the crown of Indian and a visit to Jammu & Kashmir gives most enjoyable experiences. Kerala is the most densely populated state in India and offers many attractors to visitors. Tamilnadu is with ancient temples and with modern Industrial achievements. Madhya Pradesh is the meeting place of different races and offers many tourist places. Maharashtra is the cradle of Indian freedom and an industrially advanced State having many a splendid picnic spots to visit. Karnataka is the land of Sandalwood and the centre for many historical events. Orissa is a state
immortalize by Art. Punjab is both industrially and agriculturally advanced state and spearched in our history.

Rajasthan is a state with Deserts promising to bloom and has many great Forts, Lakes and Desert life is so vivid and also a visit to the State is a unique experience. Uttar Pradesh is the valley of Ganga having unique place in Indian politics and offers many interesting holy' and picnic places to visit Thus India offers everything to anybody. But Tourism Development in this country has been started in the early sixties. By that time, all other countries have achieved a remarkable progress in this area and has exploited to a maximum possible extent. Post Independence era has witnessed Tourism development in this country. Only Great Countries, which have glorious past, can thrive on Tourism Business. Tourism Business is to some extent the product of historical facts of a country.

India has been hidden from prying eyes for many thousands of years and has secluded itself for a considerable period of time. India once called as the brightest jewel in the British crown has developed to such great heights that it has became example to other countries in many respects.

No other country except this country perhaps has so many temples and churches, Gurudwaras and Mosques thus showing devotion towards the guiding and invisible deity all respects. It is the reason why many people prefer to visit this country to learn the intricacies that they are not aware of or their society permits. Indian artists are being welcomed by many countries and brought laurels to this country. Among the prominent people are M.S. Subba Lakshmi, Lata Mangeshkar, Mohd. Rafi, S.P.Bala Subramanyam, Gantasala Venkateswara Rao, Jesudas, L.R. Eshwari, Pandit Ravi Sankar, Ali Akbar, Bismillah Khan, are a few to mention and their contribution has paved the way in getting more fame and name to this country.
The cultural heritage-is having direct impact in the promotion of tourism. Besides this great rich cultural heritage, this country occupies a pivotal position in many other respects. The monuments are always an added attraction for the visitor, The beautiful Taj Mahal, the temples of Srisailam and Lord Venkateshwar in Tirpati are thr internationally reputed structures. The famous frescoes of Ajanta and Ellora caves create an indelible impression in the minds of visiting tourists.

In fact, culture connotes a comprehensive view that comprises of Dance and Drama, language and literature, paintings and Architecture, dress handicrafts and all these forms provide a different world to the visitor. 'India offers many delicious dishes to the visitors both the traditional and modern menu. Now the concept of vegetarian food is gaining ground around the globe for better health.' A tasty clean, healthy and limited meal is always advocated by Ayurveda in India. The South Indian stuff is very famous and has been internationally accepted and the combination of different ingredients with medicinal properties is a panacea to many health problems. This tasty and low priced food is not available anywhere in the world. Traditional Hospitality is the cardinal principle in this country' Even now' one can witness in rural India that the visiting people are provided with food. In some areas if the guest comes to the family the members or the village used to help in supplying milk, curd or vegetables or in any other form and this indicates the brotherhood and concern about which is absent in Western Countries. The family ties are very weak in those countries and in this country they are very strong and they may puzzle the tourists.

'The Beautiful Indian countryside provides exotic panorama of lush greeny valley, jungles, lakes and waterfalls apart from the pleasures of sights and sounds. Artists in Clay literally make a big chunk of profits out of mud, gaining name through the un-compromised quality of materials the use and with their innovative design. They used to develop items from small plaques to large icons that adorn the drawing rooms and executive chambers. People used
tourists will prefer new horizons, new environments and fascinating things that result into exciting experiences. Travel and Tourism is an avenue to convert the existential experiences into most unforgettable memories. And tourists used to purchase articles as an insignia of visiting that particular place. This excitement makes them to visit once again and these products which the tourists use to purchase are known as Souvenirs.

Souvenirs play a pivotal position in the development of Tourism and remains as an important component. For centuries together India had a considerable variety of arts and Handicrafts. These are the masterpieces that remind one of the sweat and strain of the artists is reflected.

In 1973, an estimated 215 million people crossed international borders, spending the equivalent of US $ 28 billion. India’s share in the world tourist traffic is small but it is increasing continuously. India received 179,565 tourists in 1967, 280,821 in 1970, 409,895 in 1973 and 423,610 in 1974 and the foreign exchange earnings in terms of rupees for these years were Rs. 25’2 crores, Rs. 38’0 crores, Rs. 67.5 crores and Rs. 69.7 crores respectively. The earning from tourism in 1974 ranked as the 12th largest amount in the country’s total foreign exchange packet. Tourism in India made remarkable progress in 1976. Tourist traffic to this country crossed the 500,000 mark, recording an impressive increase of 15 per cent over the tourist arrivals in 1975. Nearly 5.3 lakh foreign tourists visited our country during 1976 as against 4.65 lakh in 1975. There was a corresponding increase in foreign exchange earnings from tourism, which rose to Rs. 120 crores. Tourist arrival showed an increase of 19.9% during 1977 over the previous year, with an estimated 6.4 lakhs (excluding the
nationals of Pakistan and Bangladesh) tourists visiting India. India’s gross foreign exchange earnings from tourism in 1977 were estimated at Rs. 283 crores at the then current price level. While emphasis on the development of international tourism as in the past, domestic tourism is going to be developed in coming years. Efforts will be made to provide clean and sieve accommodation to suit the capacity of tourists, both Italic and foreign. Efforts are being made to improve facilities for accommodation is Dharmshala for the benefit of low income lip domestic tourists.

There are certain basic factors such as comfortable accommodation, travel concessions and new centres of attraction etc., which go towards accelerating the flow of tourist traffic. The objectives of the Tourism Development Corporation are to vide comfortable accommodation to the tourists, better cars and for sight seeing and special tourist services, including entertainment and publicity. ITDC (Indian Tourism Development Corporation) is the lly agency which provides a wide range of tourist services throughout the country. It operates 12 hotels, 2 beach resorts, 1 motels, 15 travel lodges, 11 restaurants, 14 transport units, 4 ilty-free shops, 3 light and sound shows, and 200 tourist cars and Baches. For many years tourism in India was largely restricted to the Northern region. Agra (the Taj and Fatehpur Sikari), Varanasi Badrinath, Bodh Gaya, Jaipur and Khajuraho were the main rist destinations. ITDC has opened up a new range of destination in South India. Hotel Asoka in Bangalore has introduced i southern region to the international tourists. Inauration of valam Grove, stage one of India’s first beach resort project, was implemented by a second beach complex at Temple Bay Mahabalipuram. The Hasan Motel has been established to exploit the tourist potential of Belur and Halebid. As a step to concentrate on ‘the vital circuit link in Delhi, Agra, Khajuraho and Varanasi new and restaurants have been built, viz. Akbar and Qutab tells in New Delhi, Kosi and Taj restaurants for visitors to Agra, hotels at Khajuraho and Varanasi. Laxmi Vilas Palace Hotel, Udaipur has been renovated and Airport Hotel in Calcutta has commissioned for air travellers.
Aurangabad Hotel vides facilities to the visitors of Ajanta and Ellora. Gulmarg, Kashmir has been established as a centre for winter sports.

With the colorful variety of wild life, sanctuaries and national parks for species such as lions, tigers, rhinoceros, elephants and gratory birds are being developed. Sanctuaries like Dandell, Gir, Jalidapara and Kaziranga have been provided with 8t lodges. To enable the tourists to observe wild life from the caged mini-coaches, safari parks have been opened at Mivili (Bombay) and Hyderabad. Ajanta, Ellora and Sanchi have developed. To encourage people to patronise tourist resorts other than traditional locations around Bombay and Delhi, the Department of Tourism sponsored special package tours of South India and Gulmarg in Jammu and Kashmir. Among the special tourism promotional measures adopted during the year, was the institution of national awards to travel agencies that contributed the maximum foreign, exchange earnings through tourism. The awards for 1977 were given to M/s Travel Corp. of India Pvt. Ltd. Bombay, M/s Sita World Travel (1) Pvt. Ltd. New Delhi, M/s. American Express, New Delhi, M/s. Thomas Cook, Bombay, and M/s. Mercury Travels Ltd., New Delhi. The 27th Annual Convention of PATA was held in New Delhi in January 1978. It was the biggest tourist conference held in India so far. 1600 delegates attended this conference.

There was a marked improvement in the development of tourist facilities also. The number of hotel rooms in approved hotels increased by about 100 to make a total of 15,300 rooms. In order to provide accommodation for young tourists, 14 youth hostels were opened during the year. Seven new tourist bungalows were also commissioned to provide inexpensive accommodation to middle-income tourists. To develop wild-life tourism, a forest lodge at Bharatpur and a safari park at Borivili, Bombay were opened. Construction work on the Sassangir and Jalpadapara were completed. The India Tourism Development Corporation opened two new hotels during the year. (1) The Kovalam Hotel near Trivandrum which is India’s first beach resort built
according to international standards, (2) The 58-room hotel Pataliputra or Patna which provides facilities to foreign tourists at the gateway of pilgrimage to Buddhist and Jain centres of Rajgir, Nalanda, Bodhgaya and Vaishali.

A major step towards improvement of the surroundings of tourist resorts was taken when a project for the beautification of the area between Taj Mahal and Agra Fort was launched. The project included development of a lake and tourist accommodation at Kosi on the highway from Delhi to Agra. Tourism in India must provide a window to our life and culture. The ITDC has set new trends in hotel service, including cuisine, entertainment, and decos to give the foreign visitors a genuine experience. The World Tourism Organisation declared 1975 the South Asia Tourism Year. Taking advantage of this opportunity, the Department of Tourism intensified its efforts overseas to promote South Asia as a destination. The “Operation Europe” and the “Operation U.S.A.” have proved successful: plans for Australia and East Asia are under consideration. India has won an enviable reputation in the world for the excellence of its tourist literature, ITDC’s first film “Destination India” won the national award in 1973. The films ‘Destination Delhi’, ‘Woven Dream’, ‘Destination Bombay’ and ‘High Above the Dust’ have completed and prints have been distributed to overseas and jn offices. 9 other films are under production. Prospects of tourist traffic in the coming years are bright. Travel and tourism industry in India needs to realise the potential of domestic tourism and accordingly develop infrastructure. Take the North East for example, states like Mizoram and Nagaland have so much to offer but due to the lack of connectivity people are not able to travel. Similarly, there is also the need to develop basic amenities for travellers. India has a lot to see; Indians themselves wouldn’t have explored one quarter of the country. MOT should promote Bharat Darshan the same way they promote Incredible India. Destinations like the Sunderbans, Ajmer, and Velankani should be brought to the fore for their tourism potential.
While we develop new destinations and sites, we also need to look at the existing ones. One of the biggest areas of worry is the touts disguising as professional guides. We have to get rid of them, they are the main cause why a lot tourists leave with a bad impression about India. The MOT under the leadership of Kumari Selja is trying to address these issues, a lot more needs to be done. They too are handicapped with stringent funds and other factors. While infrastructure development needs to be sped up, hotels need to look beyond five-star category. India was popular for the dharamshala concept, but most of them have shut down, a similar concept needs to be developed now. Bed-and-Breakfasts, for example, also need to be promoted in a big way. In the same way, MOT should establish uniform policy within the hotel segment.

Differences in the taxation policies across various states is one of the biggest banes for the hospitality industry, similarly FSI norms have been relaxed only in few metropolitan cities. These norms should be implemented uniformly across the country, especially as hospitality is known to be the biggest generator of employment in the country. A lot of land is under the control of the state governments and the railways, these public sector bodies should look at the PPP model in a proactive way which allows true entrepreneurs with experience in the hospitality industry to come up with projects and serve the larger interest of tourism in India. I hope to see at least few of these issues addressed in the coming year.

Tourism industry in India is on a great boom at the moment. India has tremendous potential to become a major global tourist destination and Indian tourism industry is exploiting this potential to the hilt. Travel and tourism industry is the second highest foreign exchange earner for India, and the government has given travel & tourism organizations export house status.

The buoyancy in the Indian tourism industry can be attributed to several factors. Firstly, the tremendous growth of Indian economy has resulted in more
disposable income in the hands of middle class, thereby prompting increasingly large number of people to spend money on vacations abroad or at home. Secondly, India is a booming IT hub and more and more people are coming to India on business trips. Thirdly, aggressive advertising campaign "Incredible India" by Tourism Ministry has played a major role in changing the image of India from that of the land of snake charmers to a hot and happening place and has sparked renewed interest among foreign travelers.

Travel & tourism industry's contribution to Indian industry is immense. Tourism is one of the main foreign exchange earners and contributes to the economy indirectly through its linkages with other sectors like horticulture, agriculture, poultry, handicrafts and construction. Tourism industry also provides employment to millions of people in India both directly and indirectly through its linkage with other sectors of the economy. According to an estimate total direct employment in the tourism sector is around 20 million.

Travel & tourism industry in India is marked by considerable government presence. Each state has a tourism corporation, which runs a chain of hotels/ rest houses and operates package tours, while the central government runs the India Tourism Development Corporation. In the year 2002, the Government of India announced a New Tourism Policy to give boost to the tourism sector. The policy is built around the 7-S Mantra of Swaagat (welcome), Soochanaa (information), Suvidhaa (facilitation), Surakshaa (security), Sahyog (cooperation), Sanrachnaa (infrastructure) and Safaai (cleanliness).

Some of the salient features of the Tourism Policy are:

- The policy proposes the inclusion of tourism in the concurrent list of the Constitution to enable both the central and state governments to participate in the development of the sector.
• No approval required for foreign equity of up to 51 per cent in tourism projects. NRI investment up to 100% allowed.

• Automatic approval for Technology agreements in the hotel industry, subject to the fulfillment of certain specified parameters.

• Concession rates on customs duty of 25% for goods that are required for initial setting up, or for substantial expansion of hotels.

• 50% of profits derived by hotels, travel agents and tour operators in foreign exchange are exempt from income tax. The remaining profits are also exempt if reinvested in a tourism related project.

Apart from this, government has taken several other measures for the promotion of tourism. A multi-pronged approach has been adopted, 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.

The outlook for travel industry in India looks extremely bright. India as a tourism destination is the toast of the world at the moment. Conde Nast ranked India amongst the top 10 tourist destinations. JBIC ranked her as the fifth most attractive investment destination. Besides, 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), eco tourism, cultural tourism, rural tourism, religious/pilgrimage tourism, spiritual tourism,

The Indian Tourism sector is one of the largest service industries in the country in terms of its contribution to the Gross Domestic Product (GDP) and Foreign Exchange Earnings (FEE), as well as for providing employment to
millions. The sector in fact is expected to generate around US$ 42.8 billion (INR 1,897.7 billion) by 2017, according to an industry research note by auditing and consulting firm Deloitte Touche. Significantly, the Tourism and the Hospitality sector generated a total of US$ 2,468.39 billion (INR 1,094,48.4 billion) in Foreign Direct Investment (FDI) during April 2000-April 2011, according to the Department of Industrial Policy and Promotion (DIPP). Further, Foreign Tourist Arrivals (FTAs) are expected to grow to 10 million by 2010-12 and the domestic tourism is expected to increase by 15 per cent to 20 per cent over the next five years as per the Ministry of Tourism.

Tourism in India is witnessing widespread growth on the back of increasing inbound tourism by the burgeoning Indian middle class, rising inflow of foreign tourists and successful government campaigns for promoting ‘Incredible India’. Infrastructure development holds the key to India’s sustained growth in the Tourism sector. Therefore, Ministry of Tourism has made consistent efforts to develop quality tourism infrastructure at tourist destinations and circuits. Further the government has also allowed 100 per cent foreign investment under the automatic route in the Hotel and Tourism related industry. Also, according to Mr Subodh Kant Sahay, Minister of Tourism, "Government is embarking upon the policy of developing integrated perspective investment plans for key circuits and destinations in each state and Union Territory." He said these investment plans would identify components requiring investments through the Centre, the state governments, public private partnership and private sector.

Significantly, the country has the potential to become a major global tourist destination, with the Tourism sector expected to contribute around INR 3,414.8 billion (US$ 77.0 billion*) by 2021, according to a report by the World Travel and Tourism Council (WTTC). Tourism has been pivotal in social progress as well as an important vehicle of widening socioeconomic and cultural contacts throughout human history. A wide array of interests,
entertainment, sports, religion, culture, adventure, education, health and business, drives tourism. With the advancement of transport, communication and improvement in general economic well being the demand for tourism has increased concomitantly. Tourism facilitates business contacts, widens markets and helps diffusion of growth impulses across territories to promote broad based employment and income generation. Investment in tourist infrastructure adds to economic growth, catalyses generation of income and employment, which in turn, leads to further growth in demand for tourism and stimulates subsequent rounds of investment in a virtuous circle.

Tourist expenditure generates multiple effects with extensive outreach along its value chain. Adding to the demand for a variety of goods and services, tourism offers potential to exploit synergies across a large number of sectors such as agriculture, horticulture, poultry, handicrafts, transport, construction - the sectors, where growth of income has favourable impact on poverty alleviation.

STATISTICS OF GROWTH

- Tourism is a major engine of growth for Indian economy. In the year 2007, it contributed 6.23% to the GDP, 8.78% of total employment in the Country was in the Tourism sector, generating about 53 million jobs, both direct and indirect.
- The growth of tourism in India has been significant and consistent in the last five years recording a double digit growth. During 2007, 5.08 million foreign tourists arrived in India marking a growth of 14.2% over the year 2006. This growth rate is more than the world growth figure of tourist arrivals which stood at 6.6% and that of Asia Pacific Region which was 10.4%. In terms of International tourism receipts India has performed exceptionally well by recording an earning of 10.73 billion US $ during 2007 thereby marking a growth of 24.3% as compared to the year 2006.
Here again India exceeded the world growth rate which was 15.4% and also that of Asia Pacific which was 8.78%. The rank of India in international arrivals and tourism receipts rose from 51st and 37th respectively in 2003 to 42nd and 20th respectively in 2007.

- The period January to October of the current year has recorded a total of 4.32 million foreign tourist arrivals, an increase of 9.4% as compared to the corresponding period last year, whereas foreign exchange earning during the same period saw an increase of 16.9%, touching the figure of 9.70 Billion US$.

- Domestic tourism visits in India increased from 309 million in 2003 to 527 million in 2007.

- The foreign tourist arrivals (FTA) to India up to the month of November 2008 increased by 8.0% over the arrivals for the same period in 2007. The cumulative arrival figures for the period January to November 2008 reached 4.84 million. During the period, world witnessed 2-3% increase in foreign tourist arrivals.

- The foreign exchange earnings (FEE) from the tourism sector were Rs.45647.00 crores during the period January-November 2008, an increase of 16.2% over the corresponding period in 2007. The important source countries were US, UK, Canada, France, Germany and Japan.

**INVESTMENT OPPORTUNITIES**

- Hotel industry
- Service apartments
- Adventure Tourism
- Health Tourism
• Convention centres
• Wildlife Tourism
• Highway Tourism
• Amusement Parks

INFRASTRUCTURE DEVELOPMENT

• Infrastructure Development holds the key to India’s sustained growth in the tourism sector. Therefore, the Ministry of Tourism has been making efforts to develop quality tourism infrastructure at tourist destinations and circuits. The Ministry of Tourism has sanctioned 91 projects for an amount of Rs.503.56 crore for infrastructure augmentation including rural tourism projects in the year 2008-09 (up to November 08).

• The Ministry has launched a scheme for development of nationally and internationally important destinations and circuits through Mega Projects. To date 22 mega projects have already been identified and of these 17 projects have been sanctioned. In the year alone the Ministry has sanctioned 11 mega projects at Amritsar, Bhubaneshwar-Puri-Chilka, Tirupati (Nellore-Chittor), Dwarka, Haridwar-Rishikesh, Vidarbha Heritage Circuit, Hampi, Gangtok, Kadapa, Mahabalipuram and Ganga Heritage Cruise Circuit. The mega projects are a judicious mix of culture, heritage, spiritual and ecotourism in order to give tourists a holistic perspective.

• Ministry of Tourism is also taking initiatives with other Central Govt. Ministries, such as Railways, Civil Aviation, Road Transport & Highways, Food Processing and Urban Development and also the concerned State Governments to achieve convergence and synergy with their programmes so that the impact of investment on these destinations is maximized.
Based on continuous coordination and interaction, 6 tourism sites - Agra, Varanasi, Gangtok, Bhubaneswar, Aurangabad and Hyderabad are being developed as mega destinations through the joint plans of all the key Ministries of Government of India.

**SUSTAINABLE TOURISM**

- The true potential of tourism lies in adopting responsible and sustainable practices on both the demand and supply sides of the tourism chain, enabling an effective response to climate change. This is closely interlinked with inclusive growth through sustainable community participation.

- This ‘sustainable’ tourism route has been adopted by the Ministry of Tourism in the innovative Rural Tourism Project, by strengthening the disadvantaged but skilled rural artisan communities through support to capacity building and vernacular infrastructure, while laying emphasis on the role of women.

- In furtherance of these objectives and achievements, Ministry of Tourism in association with UNDP and key stakeholders in the tourism industry organised four regional conferences on Sustainable Tourism for Inclusive Growth at Shillong, Chennai, Bhopal and Cochin.

- The Ministry of Tourism, Government of India, was winner of the prestigious “World Travel Award 2008” for its role in developing and promotion of "Responsible Tourism” at the Award ceremony held in WTM London.

- In addition, Mega shopping festivals are also being organized in cities of different regions of the country such as Bhubaneswar, Hyderabad, Aurangabad and Noida where artisans and artists from rural tourism sites would be given a platform for exhibition and sale of their handicraft
products and for cultural performances. This kind of exposure to the domestic and international tourists would have far reaching benefits for the socio-economic development of the rural artisans.

- Ministry of Tourism on its part has taken several initiatives to make tourism services accessible to the differently-abled. Ministry of Tourism has requested all the State Governments to ensure implementation of the guidelines to provide barrier free environment at the destinations in the tourism infrastructure projects implemented with the assistance of the Ministry of Tourism. It is now mandatory for 4 star, 5 star & 5 star deluxe hotels to have special facilities for physically challenged guests. These rules are now in the process of being extended to other categories of hotels. Steps have also been taken to make destinations/tourist places more accessible to the disabled.

- The Ministry of Tourism has introduced an Award of Excellence from the current year for Most Disabled Friendly Monument / Tourist Attraction in the Annual National Tourism Awards.

**HOTEL INFRASTRUCTURE**

- Ministry of Tourism estimated that there is a shortage of 1,50,000 hotel rooms by 2010 all over the country. It is also estimated that 30,000 hotel rooms would be required in the NCR for the Commonwealth Games 2010. Keeping this in view, Ministry of Tourism has already initiated action by taking up the matter with Ministry of Urban Development, DDA and State Governments.

- Due to the efforts of the Ministry of Tourism, the Finance Ministry has announced a 5 year Tax Holiday under Section 80-ID to hotels of 2, 3 and 4 star category and Convention Centres which will be coming up between
1.4.2007 to 31.3.2010 in the districts of Faridabad, Gurgaon, Gautam Budh Nagar (NOIDA) and Ghaziabad.

- The Ministry of Tourism also successfully persuaded the Finance Ministry in announcing in the budget of 2008-09, a five year holiday from income tax to two, three or four star hotels established in specified districts which have UNESCO-declared 'World Heritage Sites'. The hotels should be constructed and start functioning during the period April 1, 2008 to March 31, 2013.

- The growth of newer niche tourism products viz. rural tourism, eco-tourism, adventure tourism and camp tourism etc. has seen the emergence of a new segment of tented accommodation which provides an altogether new experience. The Ministry of Tourism, Government of India has introduced a voluntary scheme for project approval and classification of operational Tented Accommodation in the country and guidelines for the same has been issued.

QUALITY HUMAN RESOURCE DEVELOPMENT

- It is estimated that to cater for the growing need of the hospitality sector, over 203 thousand hospitality trained manpower would be required annually, therefore, it has been the endeavour of the Ministry of Tourism to put in place a system of training and professional education with necessary infrastructural support, capable of generating manpower to meet the needs of the tourism and hospitality industry, both quantitatively and qualitatively.

- The Ministry actively pursued its efforts to create institutional infrastructure for the training of manpower to meet the growing demand of the industry. The Cabinet Committee of Economic Affairs has approved the revised guidelines for the scheme of assistance to Institute of Hotel Management
(IHM), Food Craft Institutes (FCIs) including setting up of 19 state IHMs and 25 state FCIs. The Ministry of Tourism has already sanctioned FCIs at Hoshiarpur in Punjab and Muzaffarpur in Bihar in the current financial year.

- The CCEA also approved the policy of broad basing hospitality education to ITIs, vocational schools, polytechnics, universities and colleges to meet the growing demand of trained manpower in hospitality sector.

**INTERNATIONAL COOPERATION**

- International Cooperation through tourism has been a hallmark of the Ministry’s efforts to reach out.
- At the ASEAN India Tourism Minister’s Conference earlier this year, there was a very positive response to India’s initiative for launching the India ASEAN website, as also to the initiative in organizing a Workshop for travel agents from ASEAN countries, called ‘Beyond Boundaries’.

- To strengthen Cooperation between India and China, Ministry of Tourism opened its India Tourism Office in Beijing.

- Another international forum in which there is progress is the IBSA dialogue forum between India, Brazil and South Africa. An IBSA Workshop was organized in Kochi on September 21, 2008, which provided an opportunity for Tour Operators from Brazil and South Africa to interact with their Indian counterparts and deliberate on issues related to the promotion of tourism between the three countries. A total of 26 Tour Operators from Brazil and South Africa participated in this workshop. The IBSA Workshop was preceded by a Joint Working Group Meeting on Tourism, in which members agreed to finalization of the tripartite agreement for cooperation in
the tourism sector. This Agreement was subsequently signed at the IBSA Summit held in New Delhi on October 15, 2008.

- The Minister of Tourism and Culture, Smt. Ambika Soni Chaired the 84th Session of the Executive Council of United Nations World Tourism Organization which was held in Madrid, Spain on 14-15 October 2008 in her capacity as the Chairperson of the Executive Council.

**RECENT INITIATIVES**

**RURAL TOURISM**

To showcase rural life, art, culture and heritage at rural locations in villages and to benefit the local community economically and socially as well as to enable interaction between tourists and local population for a mutually enriching experience, the Government of India decided to develop and promote rural tourism.

The Ministry has partnered with the UNDP for Endogenous Rural Tourism as pilot projects for capacity building. Within prescribed limits, the hardware projects are funded by this Ministry and the funds for capacity building were provided by the UNDP through this Ministry. The software component was implemented with the involvement of an NGO/Gram Panchayat identified by the UNDP in co-ordination with the District Collector and the local community.

The Ministry also extends the scheme of Capacity Building for Service Providers (CBS) to other rural sites beyond those covered under partnership with the UNDP. The focal point for each site is the District Collector for ensuring convergence with other Yojanas and Schemes. The project implementation is monitored by the Project Standing Committee chaired by the
Joint Secretary (Tourism). Field visits are conducted by the Ministry of Tourism-UNDP Teams.

To monitor the projects, the National Workshops and Regional Review Meetings have been held regularly where initiatives were taken to further strengthen the scheme which included home-stay with food, guide-training among the local youth, enhancing the role of women, linkage with tout operators and encouragement of the foreign students to stay with the rural host community, etc. In some sites, e.g Hodka, Pochanpalli, Kumbhalangi, Karaikudi (Chettinad), Aranmula, Raghurajpur, tour operators are involving such communities within their groups.

UNDP has created a panel of architects to advise, guide and provide design inputs for site hardware work plan with sensitivity to the local environment using local skills, material and style. In many sites, the architects have been able to give new dimensions which are based on local skill, material and style.

To give exposure and to make available outlets to the products created by the local rural artisans, efforts have been made to provide platform in the following forms:

1) In Dilli Haat, in 2006, artisans were called from various rural sites to sell their products for 3 days. Similarly, in 2007 during Deep Utsav, artisans were called from the sites which are ready for marketing

2) Artisans participated in India International Trade Fair (IITF) and were able to sell their products.

3) The rural tourism website has been revamped and provides features which have been incorporated in the upgraded website.
4) The rural tourism sites which are ready for marketing have now been uploaded. Some of the broad features incorporated facilitate linkage between potential visitors and site service providers; hyperlink with other advantageous websites, faster download, all round animation, display of visuals as a slide show, upgrading of video quality and display of video clips highlighting art and craft process, etc. Feedback received indicates that the rural sites are becoming popular.

5) Some of the sites like Chaugan, Samode, etc. have their own brochures for the publicity ‘Aranmula’, the rural tourism site, has won the PPTA Gold Award -2007, in the culture category.

MEDICAL TOURISM

Medical Tourism is gaining momentum and the following initiatives have been taken to promote this segment:

1) The Ministry of Tourism, Government of India participated at the International Tourism Bourse (ITB) at Berlin, where India was promoted as the new emerging healthcare destination.

2) The Ministry of Tourism participated in New York Times Travel Show in which there was also a session organized by the Indiatourism Office, New York, Indian High Commission and Confederation of Indian Industry (CII) to promote Indian healthcare services and invite investment into India.

3) A new category of medical visa has been introduced which can be given for a specific purpose to foreign tourists coming to India for medical treatment.
**CRUISE TOURISM**

1) Cruise Tourism is a fast growing sector globally. Experience in the Caribbean, Latin American and South-East Asian countries indicates that huge amount of foreign exchange can be earned by providing the right policy environment and infrastructure for the growth of cruise tourism. The global scenario for cruise shipping is picking up very fast both in terms of fleet and passengers carried.

2) India, with its vast and beautiful coastline, virgin forests and undisturbed idyllic islands, long historical and cultural tradition of architecture, theatre and performing arts, is a high potential tourist destination for cruise tourists.

3) The cruise tourism potential in the country should be assessed from the medium-term and long-term perspective with details of foreign and domestic stakeholders. The following constraints would need to be addressed:
   a. Development of major terminals
   b. Development of non-major ports
   c. Rationalization of duty structure for import of vessels
   d. Development of inland water cruise
   e. Rationalization of the laws pertaining to cruise shipping and streamlining of their implementation

**ADVENTURE TOURISM**

1) Development of Adventure Tourism is a part of the policy for the diversification of tourism products in India. A set of guidelines on safety and quality norms on Adventure Tourism as Basic Minimum Standards for Adventure Tourism activities was formulated to cover land, air and water based activities including mountaineering, trekking, hang-gliding, para-
gliding, bungee jumping and river-rafting. Financial assistance is extended to various States/Union Territory Governments for the development of various adventure tourism projects and infrastructure facilities required for trekking, rock climbing, mountaineering, aero-sports, winter/water related sports, trekker huts, wildlife viewing facilities, etc.

2) Financial assistance was provided to Andhra Pradesh, Dadra & Nagar Haveli, Kerala, Madhya Pradesh, Mizoram, Tamil Nadu, Arunachal Pradesh, Sikkim, Haryana, Rajasthan, Karnataka, Lakshadweep, Chhattisgarh, Assam, Andaman & Nicobar Islands, Uttarakhand during 2006-07 for the purchase of water sports equipment like kayaks, canoes, paddle boats, fiber glass boats, hovercrafts, water scooters, etc.

3) With the Ministry’s assistance, 5 water skiing courses were organized in Indian Institute of Skiing and Mountaineering, Gulmarg, Jammu & Kashmir 2007.

4) Financial assistance for the construction of Double Hull Boats, Jetties, Cruise Vessels, etc. was extended to Kerala, Andhra Pradesh, Dadra & Nagar Haveli, Tamil Nadu, etc. The Ministry made special efforts to promote Inland Water Tourism by providing necessary infrastructural facilities.

**WELLNESS TOURISM**

India, as the world knows, is a Wellness destination. The potential of wellness systems, developed through centuries of wisdom of this ancient civilization would be fully tapped. This is being done by positioning India as a centre of Ayurveda, Yoga, Siddha, Naturopathy, etc. together with the spiritual philosophy that was integral to the Indian way of life. The Ministry of Tourism
has highlighted wellness in a big way through publicity and promotional activities.

**INTERNATIONAL RECOGNITION**

The success of the Incredible India Media Campaigns won India wide spread international recognition in the field of tourism.

- Conde Nast Traveller, UK in its Readers Travel Awards 2008 has ranked India among the top 2 most favoured countries in the world, consecutively for the second year.

- India received the award for the leading destination at the Asia World Travel Awards 2008-“Asia and Indian Ocean” Ceremony, in Shanghai, China.

- Bronze Lion Award was won at the 55th International Advertising Festival held at Cannes, France for the creative on the ‘Taj Mahal’ which was used for Ministry of Tourism’s Incredible India Campaign in the international market.

- PC World adjudged the website of the Ministry of Tourism (www.incredibleindia.org) a winner of the PC World Web Award 2008.

- The prestigious “World Travel Award 2008” for its role in developing and promotion of "Responsible Tourism” at 14th World Travel Market (WTM) 2008 held at Excel, London from 10th-13th November 2008.
NATIONAL TOURISM POLICY

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

- Position tourism as a major engine of economic growth;
- Harness the direct and multiplier effects of tourism for employment generation, economic development and providing impetus to rural tourism;
- Focus on domestic tourism as a major driver of tourism growth.
- Position India as a global brand to take advantage of the burgeoning global travel trade and the vast untapped potential of India as a destination;
- Acknowledges the critical role of private sector with government working as a proactive facilitator and catalyst;
- Create and develop integrated tourism circuits based on India’s unique civilization, heritage, and culture in partnership with States, private sector and other agencies; and
- Ensure that the tourist to India gets physically invigorated, mentally rejuvenated, culturally enriched, spiritually elevated and “feel India from within”.

SCHEME FOR PRODUCT / INFRASTRUCTURE AND DESTINATION DEVELOPMENT

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

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

SCHEME FOR INTEGRATED DEVELOPMENT OF TOURIST CIRCUITS

Under this Central Financial Assistance scheme the Ministry of Tourism Government of India has been extending assistance to States for development of tourism infrastructure. Experience has shown that in the past funds under the
CFA have been used to fund a large number of small isolated projects, spread throughout the length and breadth of the country resulting in the resources being spread very thinly. Therefore, in order to provide quick and substantial impact, during the 10th Five Year Plan, this new scheme of Integrated Development of Tourist Circuits has been taken up. The objective of the scheme is to identify tourist circuits in the country on an annual basis, and develop them to international standards. The aim is to provide all infrastructure facilities required by the tourists within these circuits. The Ministry of Tourism aim at convergence of resources and expertise through coordinated action with States/UTs and private sector.

**SCHEME OF ASSISTANCE FOR LARGE REVENUE GENERATING PROJECTS**

It is recognized that the development of tourism infrastructure projects requires very large investment that may not be possible out of the budgetary resources of the Government of India alone. In order to remove these shortcomings and to bring in private sector, corporate and institutional resources as well as techno-managerial efficiencies, it is proposed to promote large revenue generating projects for development of tourism infrastructure in public private partnerships and in partnerships with other Government / Semi-Government agencies.

Large revenue generating project, which can be admissible for assistance under this scheme, should be a project, which is also a tourist attraction, or used by tourists and generates revenue through a levy of fee or user charges on the visitors. Projects like Tourist trains, Cruise vessels, Cruise Terminals, Convention Centres, Golf Courses etc. would qualify for assistance. However, this is only an illustrative list.

Hotel & Restaurant component will not be eligible for assistance under the scheme either on a stand-alone basis or as an integral part of some other
project. Besides hotel & restaurants, procurement of vehicles and sports facilities like stadiums will also not be eligible for assistance under the scheme.

**SCHEME FOR RURAL TOURISM**

Tourism growth potential can be harnessed as a strategy for Rural Development. The development of a strong platform around the concept of Rural tourism is definitely useful for a country like India, where almost 74% of the population resides in its 7 million villages. Across the world the trends of industrialization and development have had an urban centric approach. Alongside, the stresses of urban lifestyles have led to a “counter-urbanization” syndrome. This has led to growing interest in the rural areas. At the same time this trend of urbanization has led to falling income levels, lesser job opportunities in the rural areas leading to an urbanization syndrome in the rural areas. Rural Tourism is one of the few activities which can provide a solution to these problems. Besides, there are other factors which are shifting the trend towards rural tourism like increasing levels of awareness, growing interest in heritage and culture and improved accessibility, and environmental consciousness. In the developed countries, this has resulted in a new style of tourism of visiting village settings to experience and live a relaxed and healthy lifestyle. This concept has taken the shape of a formal kind of Rural Tourism.

Under this Scheme, thrust is to promote village tourism as the primary tourism product to spread tourism and its socio-economic benefits to rural and its new geographic regions. Key geographic regions are identified for development and promotion of Rural Tourism. The implementation is done through a Convergence Committee headed by the District Collector. Activities like improving the environment, hygiene, infrastructure etc. are covered for assistance. Apart from providing financial assistance, the focus is to tap the resources available under different schemes of Department. of Rural Development, State Governments and other concerned Departments of the Government of India.