Chapter – IV

POLICY FRAMEWORK OF INDIAN TOURISM
INDUSTRY WITH SPECIAL REFERENCE TO PUNJAB

Tourism is one of the fastest growing service sectors and the need of planned development is of utmost importance in this sector. Planning is the backbone for any industry and the tourism industry is no exception. Tourism planning is recognized as a continuous, flexible, adaptive and transparent process.

The present chapter is an attempt to study the policy framework of Indian tourism industry with special reference to Punjab. To discuss the policy framework of Indian tourism industry, the planning period has been categorized into four phases based on the initiatives taken by the central government. To discuss the policy framework of Punjab tourism industry, the planning period has deliberately been reduced to three phases because there was no systematic and organized effort by the state government prior to 1974. Each phase has been further classified into the following three parts namely:

Institutional Settings: In this part, discussions have been made about the various administrative set-ups, committees, commissions and other efforts for the development and promotion of tourism industry at the national and state level.

Planning Progression: Various initiatives undertaken for tourism development during ‘five-year plans’ and ‘annual plans’ have been conversed in this part.
Tourism Policy: It comprises various tourism policies made on national as well as on state level to promote and develop tourism. To get a meaningful insight of tourism policies, this part has been further sub-divided into three parts i.e. ‘Policy Demands’, ‘Policy Objectives’ and ‘Policy Outcomes’.

4.1 POLICY FRAMEWORK OF INDIAN TOURISM INDUSTRY

In India, tourism as a subject has not been included in our constitution, it was recognized as a part of Ministry of Transport in the 1950’s. To converse the policy framework of Indian tourism industry, the planning period has been categorized into the following four phases. (See Fig.4.1)

- **Phase-I Before 1951**: The first organized effort to promote tourism as an industry was made by the government when a committee was set up under the chairmanship of Sir John Sargent, in the year 1945. India adopted a policy of development when the first five year plan was written by the planning commission in 1951.

- **Phase-II 1951-1980**: The period of first five ‘five year plans’ including ‘three annual plans’ depicted many developments in Indian tourism sector. During this phase establishment of many institutions to develop and promote tourism in the state took place.

- **Phase-III 1980-2002**: The starting of sixth five year plan was a turning point in the history of tourism because first national tourism policy was written in this period.

- **Phase-IV After 2002**: It was a period of revolutionary changes in Indian tourism sector due to the ‘National
Tourism Policy 2002’ and other initiatives taken by the central government to promote tourism as a major industry.

**Figure 4.1**

Chart showing Policy Framework of Indian Tourism Industry

**POLICY FRAMEWORK OF INDIAN TOURISM INDUSTRY**

**Phase-I**
Before 1951

**INSTITUTIONAL SETTINGS**
*Sargent committee
*Adhoc Tourist Traffic Committee

**PLANNING PROGRESSION**
*No specific tourism planning during this period

**TOURISM POLICY**
No policy was formulated for tourism before 1951

**Phase-II**
1951-1980

**INSTITUTIONAL SETTINGS**
*Tourist Information offices in India
*Tourist Information offices Overseas
*Department of Tourism
*Jha Committee
*Indian Tourism Development Corporation
*Formation of Ministry of Tourism

**PLANNING PROGRESSION**
*Five Year Plans
Share of tourism in 1st, 2nd, 3rd, 4th and 5th five year plans

**TOURISM POLICY**
No official tourism policy was written during this period.

**Phase-III**
1980-2002

**INSTITUTIONAL SETTINGS**
*National Committee on Tourism
*Tourism Finance Corporation of India
*National Action Plan for Tourism 1992
*Tourism Synergy Program 1993

**PLANNING PROGRESSION**
*Five Year Plans
Share of tourism in 6th, 7th, 8th and 9th five year plans

**TOURISM POLICY**
*National Tourism Policy 1982

**Phase-IV**
After 2002

**INSTITUTIONAL SETTINGS**
*Incredible India Campaign 2002
*Atithidevo Bhava 2008
*National Tourism Advisory Council

**PLANNING PROGRESSION**
Share of tourism in 10th, 11th and 12th five year plans

**TOURISM POLICY**
*National Tourism Policy 2002
*National Eco Tourism Policy 2009
4.2 PHASE-I BEFORE 1951

Due to historical reasons, India started taking interest in the modern concept of tourism rather late. In India, the importance of tourism had been recognized even before the Second World War. The intervention of war however put a stop to the tourism promotion activities by the government. The first conscious and organized efforts to promote tourism in India was made in the year 1945, when a committee was set up by the government of India under the chairmanship of Sir John Sargent, the then educational advisor to the government of India (Bhatia, 2007).

4.2.1 Institutional Settings

In Phase-I, two committees were constituted by government of India to assess the overall position of tourism in the country. These committees suggested various measures to promote and develop tourism in the country.

➢ The Sargent Committee

The main objective of the committee was to survey the potentialities of developing tourist traffic in the country. The Sargent committee submitted their interim report in October 1946. The committee was of the opinion that planned steps in the promotion of tourism would result in a substantial addition, both direct and indirect, to India's revenue. Further, it stated that if properly organized, every aspect of business could benefit greatly by an influx of tourists. The committee recommended that the question of promoting and developing tourist traffic was a matter of great national importance and therefore, it deserves the whole time attention of a separate organization.
On the eve of independence, India had a fairly large infrastructure available for tourism. There was a large network of all types of hotels catering to the needs of both foreigners as well as Indians. There was adequate transport and communication system operating in the country. Almost all the major tourist centers were easily accessible by rail or road, some even by air. Many airports in the country were in a position to receive international carriers. However, in the absence of a central tourist organization there was no coordination between the various services. Tourism in India developed properly only after a central tourist organization was set up as a result of the recommendation of the Sargent committee. The major recommendation of Sargent committee was to set up a separate tourist organization at the centre with regional offices in metropolitan cities like Bombay, Delhi, Calcutta and Madras. The committee also recommended the setting up of tourist publicity cell in Indian embassies and consulates all over the world. As a follow-up, an Ad-Hoc Tourist Traffic Committee was appointed in the year 1948. This committee was entrusted with the job of suggesting ways and means of promoting tourist traffic to India. It was only after the creation of a separate ‘Tourist Traffic Branch’ in the year 1949 that whole-time attention was paid to the development of tourist traffic in India.

➢ **Ad-Hoc Tourist Traffic Committee**

The government of India took the first step towards promotion of tourism in the year 1948. The ministry of transport constituted an ad-hoc tourist traffic committee consisting of representatives of the concerned ministries, transport and hotel industries. The main objective of the
committee was to develop the tourist traffic in India. The subsequent years witnessed an expansion of Tourist Traffic Branch and its activities in various directions of tourism promotion (Bhatia, 2007).

4.2.2 Planning Progression: During Phase-I, there were no formal plans for tourism development in India.

4.2.3 Tourism Policy: No tourism policy was formulated in India before 1951.

4.3 PHASE-II 1951-1980

4.3.1 Institutional Settings

During this phase, many changes in the overall economic system of the country took place. Central government took several initiatives to develop tourism in the country. Tourist information offices were set-up on the national as well as on international level. Jha committee, Department of Tourism, ITDC, Ministry of Tourism were the main administrative set ups established during this phase.

➢ Tourist Information Offices in India

The opening of a chain of tourist offices both in India and abroad was another important step during this period. Steps were taken to establish regional offices at important ports of entry. Tourist offices were opened in Delhi, Bombay, Calcutta and Madras in 1951. This was followed by the establishment of a chain of information offices all over the country. The functions of the tourist offices in India included supply of updated information to the tourists about the places of tourist interest, keeping in touch with all the segments of travel trade, assisting the tourists in clearance of various travel formalities, distribution and
display of tourist literature and periodic inspection of various facilities available for tourists. Tourist offices were also to ensure that the various amenities are developed and maintained in each region. In addition to attending to foreign tourists, the tourist offices were also to cater to the needs of domestic tourists.

**Tourist Information Offices Overseas**

With a view to attracting foreign tourists to India, the central government decided to open a chain of tourist offices overseas. The first step in this direction was the establishment of tourist office in New York in the United States of America in December 1952. The reason for opening an office in the United States of America was that as an affluent country its people had enough money and leisure to afford a holiday in India. To arouse interest among Europeans to visit India, a chain of offices was also opened in the continent. The first office in Europe was opened in London in July 1955. The duties performed by the tourist offices abroad were more or less similar to those performed by the regional offices in India. Their duties included publicity of Indian Tourism and maintenance of public relations, sales promotion and reporting to the central department of tourism about the trends in the tourist travel abroad.

With the increase in its activities, the tourist traffic branch expanded considerably into four branches during the year 1955-56, each branch having wide range of duties. The four branches were ‘Tourist Traffic section’, ‘Tourist Administration section’, ‘Tourist Publicity section’ and ‘Distribution section’. The four branches performed a
variety of duties covering almost all the important segments of tourism (Bhatia, 2007).

➢ **Department of Tourism**

   It was on March 1, 1958 that a separate tourism department was created in place of Tourist Traffic Branch under the Ministry of Transport and Communication to deal with all matters concerning the tourism. The new department was put under the charge of the Director General who had under him one deputy director general and four directors each in-charge of 'administration', 'publicity', 'travel relations' and 'planning and development'. At the same time an advisory council, known as Tourist Development Council, was constituted to advice on the various matters concerning to the tourism industry. This council was headed by the Minister In-charge of Tourism.

➢ **Jha Committee 1963**

   In 1962, for the first time there was a decline in tourist traffic to India, from 1,39,804 in 1961 to 1,34,036 in 1962. To know the reasons of this decline an ad-hoc committee on tourism was appointed in March 1963, under the chairmanship of Mr. L.K. Jha, the then secretary, Department of Economic Affairs, Ministry of Finance. The committee examined the problems of tourism in depth and came to the conclusion that there was need for some organizational changes to meet the new challenges and situations. The Jha committee made several recommendations to improve tourism flow to India, especially with regard to facilitation. The committee recommended establishment of three tourist corporations in the public sector to develop hotels, transport and entertainment. Training programmes were suggested to
make immigration and customs staff friendly and polite. As a follow up action of the Jha committee recommendations, three new corporations were set up but they did not work well and therefore were merged as one to make a single corporation (Seth, 2006).

➢ **India Tourism Development Corporation**

ITDC was set up in 1966 as a public sector organization to undertake the major responsibilities of tourism development in the country. The main objectives of the corporation were as under:

- Construction and management of hotels, motels, restaurants, tourist bungalows, guest houses and beach resorts at various places for accommodating tourists.
- Provision of transport facilities to tourists.
- Provision of entertainment facilities to tourists by way of organizing cultural shows, music concerts, sound and light show etc.
- Provision of shopping facilities to tourists.
- To assist India’s promotion overseas as a tourist destination and projecting the national importance of tourism at home, provision of marketing and publicity.

With these objectives, ITDC has provided a wide range of services essential for the promotion of tourism. Working in close co-operation with the Department of Tourism in the Central Ministry of Tourism, it is primarily concerned with the establishment of a solid infrastructure for the tourist industry and the provisions of commercial services essential for the growth of tourist traffic. At present the corporation is running hotels, restaurants at various places for tourists.
and is also providing transport facilities. In addition, the corporation is engaged in production, distribution and sale of tourist publicity literature and providing entertainment and duty free shopping facilities to the tourists (Bhatia, 2007).

➢ Ministry of Tourism

By the presidential order dated March 14, 1967, the Department of Aviation and Tourism which was under the Ministry of Transport and Civil Aviation was formed into a separate ministry designated as the Ministry of Tourism and Civil Aviation, with two constituent departments (i) Department of Tourism (ii) Department of Civil Aviation. The ministry was put under the charge of a full time minister. It was after nearly eighteen years that the subject of 'tourism' was accorded a separate entity and became independent of ministry of transport. With the formation of the new Ministry of Tourism and Civil Aviation, the tourism sector got its importance and thereby achieved all-round expansion in its activities.

The Ministry of Tourism is the nodal agency for the formulation of national policies and programs' and for the co-ordination of activities of various central government agencies, state governments and the private players for the development and promotion of tourism in the country. This ministry is headed by the union minister for tourism. The administrative head of the ministry is the secretary, tourism. The secretary also acts as the Director General Tourism. The functions of the ministry in this regard mainly consists of dealing with all policy matters including development policies, incentives, external assistance, promotion and marketing, investment facilitation, planning
and co-ordination with other departments, regulation of standards, guidelines, infrastructure and product development, human resource development, publicity and marketing research, international co-operation, external assistance, legislation and parliamentary work etc.

The Department of Tourism has now become an attached, non-participating office of the Ministry of Tourism and Civil aviation headed by the Director General of Tourism. The activities of the department have since increased manifold and cover a wide range of subjects.

4.3.2 Planning Progression

The Planning Commission was set up in March, 1950 by a resolution of the government of India. The central objective of planning in India was to initiate a process of development which will raise living standards and open new opportunities for a richer and more varied life. India adopted a policy of development through planning in 1951 when the first five year plan for development of Indian economy was drafted by newly established planning commission (See Table 4.1).

- **First Five Year Plan (1951-56):** The first five year plan had a total outlay of Rs.1960 crore, but no amount was allocated for the development of tourism. Although tourism activity had started in early fifties in India, but the planning commission did not take note of it. However the government adopted some measures to attract foreign tourists.

- **Second Five Year Plan (1956-61):** In the second five year plan, a separate fund of Rs.3.36 crore, which was just 0.7 percent of the total plan outlay, was set aside
for the development of tourism for both central and state sectors. The developmental approach mainly concentrated on developing random and isolated facilities in important tourist centers. The main thrust during this plan was to develop tourism infrastructure especially accommodation and transportation facilities at the tourist destination for both domestic and foreign tourists. The plans of the central government as well as of some states provided support for the development of tourism. The programme consisted mainly of providing accommodation, transport and recreational facilities at important tourist centres, especially those situated in remote areas. Broadly, the schemes were of two categories, namely, (a) schemes for the development of facilities at a limited number of places which are largely visited by foreign tourists, and (b) schemes intended primarily to provide facilities for domestic tourists of low and middle-income groups at a number of places of regional and local importance. The schemes in the first category were undertaken by the central government and that in the second group were implemented by the states with a measure of assistance from the centre. The programme also included provision for aid to tourist associations and bureau run by states or local authorities and for publicity in regional languages particularly for the development of tourism within the country.

➢ Third Five Year Plan (1961-66): The total allocation made for tourism in the 3rd plan was Rs. 8.0 crore out of a total plan outlay of Rs.7000 crore. There was a marginal increase of 0.04 percent in tourism allocation than the 2nd five year plan. Tourism had assumed
increasing importance during this plan. The number of foreign tourists visiting India was increased about six times over the last decade—from about 20,000 in 1951 to 123,000 in 1960. The earnings of foreign exchange from tourism were increased from about Rs. 4 crore in 1950 to about Rs. 20 crore in 1960. The programme for the development of tourism included in the second five year plan aimed mainly at providing accommodation, transport and recreational facilities at important tourist centers. However, in third plan provision was also made for the construction of road links to remote tourist destinations. Although it was the third five year plan that observed the setting about of an era for the development of tourism activities, particularly adventure tourism through the installation of "Winter Sports Complex" at Gulmarg in Jammu and Kashmir.

- **Annual Plans (1966-69):** During annual plans, 0.1 percent of total outlay was provided for the development of tourism industry. The India Tourism Development Corporation (ITDC) was also set up in 1966 to develop tourism infrastructure and to promote India as a complete tourist destination. The plan emphasized on the promotion of tourism in systematic way through ITDC and Institute of Skiing and Mountaineering.

- **Fourth Five Year Plan (1969-74):** The broad approach during this plan was to expand and improve tourist facilities with a view to promoting 'destination' traffic as distinct from 'transit' traffic. It was proposed to take up integrated development of selected areas and encourage charter traffic. Emphasis was being laid on provision of accommodation, transport and recreational
facilities. Efforts were made in areas where there was an identified large flow of foreign tourist traffic. An outlay of Rs.36 crore was proposed for tourism including Rs.25 crore for the central programmes and Rs.11 crore for the states and unions territories. The provision in the central plan includes Rs.14 crore for programmes of the Central Department of Tourism and Rs.11 crore for programmes of the India Tourism Development Corporation. The programme of the Central Department of Tourism mainly provided for loans to the hotel industry in the private sector, loans for the purchase of tourist vehicles by private operators and integrated development of selected centers. The programme of the India Tourism Development Corporation provided for construction of hotels, motels and cottages, renovation and expansion of tourist bungalows and setting up of transport units and duty-free shops. In the state plans, provision had been made largely for creating facilities for home tourists. The programme provided for construction of low-income rest houses, development of important tourist centers and publicity.

- **Fifth Five Year Plan (1974-80):** The approach during the fifth plan was augmentation and betterment of tourist facilities so as to promote tourism in an effective way. The main focus was on integrated development of preferred tourist centers like Kavalam, Gulmarg, Goa, Kullu-Manali etc. Symbolizing resort tourism in India was the central focus of this plan. The total allocation for tourism in the fifth plan was Rs.73.95 crore out of total plan outlay of Rs.39304 crore. The allocations of funds were low in this plan as
it was only 0.19 percent, while in fourth plan it was 0.23 percent.

Table 4.1

Share of Indian Tourism Sector in Five Year Plans during

1951-1979

(Rs. in crores)

<table>
<thead>
<tr>
<th>Plan Period</th>
<th>Total Plan Outlay</th>
<th>Tourism Outlay</th>
<th>Percentage Allocation to Tourism</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Five Year Plan (1951-56)</td>
<td>1960</td>
<td>Nil</td>
<td>--</td>
</tr>
<tr>
<td>2nd Five Year Plan (1956-61)</td>
<td>4600</td>
<td>3.36</td>
<td>0.07</td>
</tr>
<tr>
<td>3rd Five Year Plan (1961-66)</td>
<td>7500</td>
<td>8.00</td>
<td>0.11</td>
</tr>
<tr>
<td>Three Annual Plans (1966-69)</td>
<td>6757</td>
<td>7.00</td>
<td>0.10</td>
</tr>
<tr>
<td>4th Five Year Plan (1969-74)</td>
<td>15902</td>
<td>36.00</td>
<td>0.23</td>
</tr>
<tr>
<td>5th Five Year Plan (1974-79)</td>
<td>39304</td>
<td>73.95</td>
<td>0.19</td>
</tr>
</tbody>
</table>

Source: welcome.html

Figure 4.2 shows that percentage allocation to tourism sector in India was negligible in the initial plans and it raised to 0.23 percent in the fourth five year plan. The percentage allocation to tourism again declined in the fifth five year plan to 0.19 percent. From this, it can be concluded that the allocation of funds for tourism sector in first five plans was not adequate.
4.3.3 Tourism Policy

As per the availability of literature, no official tourism policy was written during this phase.

4.4 PHASE-III 1980-2002

4.4.1 Institutional Settings

During this period tourism sector was accorded the status of industry by the central government. In this period National Committee on Tourism, Tourism Finance Corporation of India were established and National Synergy Program was initiated by the government to develop and promote tourism in the country.

➢ National Committee on Tourism

Planning Commission set up the National Committee on tourism in July 1986, to prepare a perspective plan for
the tourism sector. Within the broad framework of the seventh plan, the committee had to evolve a perspective plan for future. The committee, headed by Mr. Mohammed Yunus, submitted its recommendations in November 1987.

The committee, in its report recommended that the existing *Department of Tourism* to be replaced by a *National Tourism Board*. The committee also suggested that there must be a separate cadre of Indian tourism service to look after the functioning of the board. It also submitted proposals for partial privatization of the two airlines owned by the union government. In September, 1987, the central government declared more concessions for the sector, which included tax exemption on foreign exchange earnings from tourism, a drastic reduction in tariff on import of capital goods, and concessional finance at the rate of 1 percent to 5 percent per annum.

➢ **Tourism Finance Corporation of India (TFCI)**

The Tourism Finance Corporation of India was set up in 1987 with a fund of Rs. 100 crore. Until then, the sector was financed on commercial lines by the Industrial Development Bank of India, Industrial Credit and Investment Corporation of India and other commercial banks. The corporation was funded by money borrowed from the open market and some banks also took shareholdings. In 1994, it made a public issue which was heavily oversubscribed. The corporation shares are listed and traded on the stock exchange and it has paid dividends every year. The TFCI operates in two areas:-financing and consulting. It is flexible in its lending and can vary these conditions in certain circumstances.
TFCI has funded 530 projects, 80 per cent are hotels with over 63,000 rooms. All hotels are in the classified category. It has financed a number of amusement parks and heritage projects and it financed the luxury train 'Palace on Wheels'. The interest rates charged by the TFCI are now same as levied by banks. The lending term of TFCI is 8-10 years with a two year moratorium in capital repayments.

➢ **Tourism Synergy Programme 1993**

Tourism Synergy Programme specifying the activities and infrastructural elements to be provided by different organizations of both the public and private sectors and the state governments, was made in 1993. The synergy programme was transformed into “National Strategy for the Development of Tourism” in 1996. The strategy intended to gain a greater appreciation to tourism, a general agreement on the developmental requirements, categorical and decisive contribution of all the infrastructural departments in an integrated form, enlarged plan allocation for the tourism sector and launching of new schemes for the development of tourism Industry (Kamra, 2006).

4.4.2 Planning Progression

➢ **Sixth Five Year Plan (1980-85):** This plan can be considered as a critical turning point in the history of Indian tourism industry, as the first ever "Tourism Policy" of the country was written during this period. The policy specified the tourism development objectives and furnished an action plan based on "travel circuit" concept to maximize the benefits of tourism. However it was only in the year 1982, a systematic approach towards the promotion of tourism was initiated with the initiation of separate tourism
policy for the country. As per the policy the responsibility of promoting international tourism was bestowed in the hands of central government and the domestic tourism under the state governments. An outlay of Rs. 187.46 crore was provided in the sixth plan which included a sum of Rs. 115.46 crore under the state sector and a sum of Rs. 72 crore under the programme of the central sector. Out of the total outlay of center, a sum of Rs. 30 crore was provided for department of tourism and Rs. 42 crore for the programmes of ITDC.

International tourism in India had grown substantially during 24 years of tourism planning. The number of foreign tourist arrivals increased from about 17,000 in 1951 to 7,65,000 in 1979. The average stay per tourist also registered an increase over years. The rate of growth of tourist arrivals in 1979 and 1980 was below expectations. The reasons for this had been connected to some extent with global factors like the oil crisis and recessionary trends, but, to a great extent tourist arrivals had also been affected adversely by the inadequacy of infrastructure like hotel accommodation, internal transport, particularly air services and comfortable surface transportation, airport facilities etc. The share of India in international tourism continued to be very low. It was possible for India to get a much higher share keeping in view the inherent attractiveness of the country from the tourist point of view. Efforts were made during this plan to develop adequate infrastructural facilities to cater the substantially higher levels of tourist traffic.
Sri Lanka

➢ **Seventh Five Year Plan (1985-90):** In 1983 tourism was declared as an industry and during seventh plan an outlay for tourism was increased from Rs.187 crore to Rs.336 crore. The development of tourism got priority and was specified as a plan objective in the seventh plan. The sector was accorded the status of an industry and, therefore, the plan turned out to be a landmark for Indian tourism. The National Committee on Tourism under Mohammad Yunus set up in 1986. The committee appraised the relevance of tourism in the economic and social contexts and formulated a long term plan for its development. The committee submitted its report in the form of a number of recommendations as measures for ensuring accelerated growth of tourism in 1988. These suggestions formed the basis for the package of incentives made available for tourism industry in addition to setting up of "Tourism Finance Corporation of India" (TFCI) to support tourism projects. However, the allocation to the sector in plan outlay continued to be 0.18 percent of total outlay.

➢ **Eighth Five Year Plan (1992-97):** A gradual increase in the central plan outlay for tourism over the plan periods from Rs.3.36 crore in the second Plan to Rs.773.62 crore in the eighth plan was noticed. The eighth plan envisaged an annual growth of 9 percent to 10 percent in international tourist arrivals and about 2.75 million tourist arrivals were anticipated by the end of the eighth plan. The target, however, could not be achieved due to various reasons such as armed conflict in the Gulf Region, reduction in international outbound traffic during the period, law and order
problems and health hazards in some parts of the country. The number of tourists who visited India during the eighth plan period increased from 1.78 million in 1991-92 to 2.33 million in 1996-97. The main emphasis in the eighth plan for the ITDC was on consolidation rather than on expansion of accommodation. The corporation, which earned a net profit of Rs. 3.11 crore in 1991-92 improved the financial performance during the eighth plan period and earned a net profit of Rs. 55.8 crore in 1996-97.

Ninth Five Year Plan (1997-2002): The policy objective in the ninth plan was to work towards creating a tourism product that provides the persons travelling to various places a pleasant experience on their trips, through an environment of peace, stability, security and an integrated system of physical infrastructure that does not fail. The diversity of the tourism product in India makes it imperative that the development of tourism has to be a joint effort of all the infrastructural departments, public sector undertakings, state governments and the private sector. In this plan the emphasis was on coordinated efforts by the public and private sector and the major thrust was on selected areas of tourism. The approach in the ninth plan was to concentrate on the development of selected centers and circuits through effective coordination of public and private efforts so as to achieve synergy in the development of this sector. The major thrust areas in the ninth plan were:

1. Indigenous and Natural Health Tourism
2. Rural and Village Tourism
3. Pilgrim Tourism
4. Adventure Tourism
5. Heritage Tourism
6. Youth and Senior Citizens Packages.

The main schemes of the Department of Tourism, namely ‘central assistance for development of tourism infrastructure, promotion and marketing’ was to continue in the ninth plan. Over the years, tourism has emerged as a major segment of Indian economy contributing substantially to the foreign exchange earnings which have increased from Rs.4892 crore in 1991-92 to Rs.10417 crore in 1996-97. The direct employment in the sector during 1995-96 was about 8.5 million persons, accounting for about 2.4 per cent of the total labor force. A mechanism was planned to be developed for effective coordination of all the relevant agencies concerned with promotion of tourism. In developing tourism, it was ensured that the sites would be conserved and the environment would not be degraded. (See Table 4.2)

Table 4.2
Share of Indian Tourism Sector in Five Year Plans during 1980-2002
(Rs. in crores)

<table>
<thead>
<tr>
<th>Plan</th>
<th>Total Plan Outlay</th>
<th>Tourism Outlay</th>
<th>Percentage Allocation to Tourism</th>
</tr>
</thead>
<tbody>
<tr>
<td>6th Five Year Plan</td>
<td>97500</td>
<td>187.46</td>
<td>0.19</td>
</tr>
<tr>
<td>(1980-85)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7th Five Year Plan</td>
<td>180000</td>
<td>326.16</td>
<td>0.18</td>
</tr>
<tr>
<td>(1985-90)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>8th Five Year Plan</td>
<td>434100</td>
<td>773.62</td>
<td>0.60</td>
</tr>
<tr>
<td>(1992-97)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>9th Five Year Plan</td>
<td>859200</td>
<td>485.75</td>
<td>0.06</td>
</tr>
<tr>
<td>(1997-02)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: welcome.html
Figure 4.3

Graph showing percentage allocation to tourism sector during 6th, 7th, 8th and 9th Five Year Plans

Figure 4.3 shows that the percentage share of tourism in the sixth five year plan was 0.19 percent and it was same with the allocation in fifth five year plan. It reduced by 0.01 percent in seventh plan. The share of tourism sector in five year plans substantially increased to 0.6 percent in eighth plan, which again declined to 0.06 percent in the ninth plan. It indicates that in Phase-III, there was no consistent trend in allocation of funds to the tourism sector by the central government.

4.4.3 Tourism Policy

During this period, it was the first time that national tourism policy was written for the development and promotion of tourism in the country.
Indian Tourism Policy 1982

The first Tourism Policy was announced in 1982. It recognized the importance of tourism as a tool to promote exchange of ideas and views and facilitates interaction of people and their culture.

- **Policy Demands**: This policy was framed to recognize the potential of tourism to create employment, to attract capital and to earn foreign exchange.

- **Policy Objectives**: The policy statement contained five main objectives of the tourism policy.
  
  - To make it a unifying force nationally and internationally to foster better understanding through travel.
  
  - To preserve, retain and enrich the country’s world view and lifestyle, its cultural expression and heritage in all their manifestations. The prosperity that tourism brings must cause accretion and strength rather than damage to social and cultural values and depletion of the country’s natural resources.
  
  - To bring socio-economic benefits to the community and the state in terms of employment opportunities, income generation, revenue generation for the state, foreign exchange earnings and in general causes human habitat improvement.
  
  - To give a direction and opportunity to the youth of the country both through international and domestic tourism to understand the aspirations and viewpoints of others and thus to bring about a greater national integration and cohesion.
To provide opportunities for taking up activities of nation building character like sports, adventure etc.

Policy Outcomes: The policy acknowledged the potential for domestic tourism and emphasized on improvement and expansion of facilities for domestic tourists. As the policy recognized the importance of international tourism in earning foreign exchange, so the efforts were made on national level to improve infrastructural facilities for international tourists (George, 2003).

The 1982 tourism policy lacked compassion towards environment. The possibility that tourism could engender environmental imbalances was not included in its approach. The policy was more an aggressive statement in marketing than a perspective plan for development. Its main thrust was aimed at presenting India to the foreigners as the ultimate holiday resort. The planning commission recognized Indian Tourism as an industry by June, 1982. However, it took ten years to make most of the states to fall in line and accord the same status within their legislative framework. At the beginning of the eighth plan, 15 states and 3 union territories had declared tourism as an industry. Four states declared hotels as an industry.

National Action Plan for Tourism 1992

National Action Plan for Tourism was presented in the parliament on 5th May, 1992 with a principal element of the development plan for tourism during eighth five year plan. To ascertain the objectives of the tourism action plan, the approach focused on development of "Special Tourism Areas" and intensive development of selected circuits. The main objectives of the plan were as follows.
- Developing areas on a selective basis for integrated growth along with marketing of destinations to ensure optimal use of existing infrastructure.

- Restructuring and strengthening the institutions for development of human resources.

- Encouraging private investment, for accelerated growth and to achieve it, various fiscal concessions in terms of capital subsidy, interest subsidy, and exemption from specific central taxes.

However the action plan did not specify the infrastructural requirements and the investment needs of the sector to come up to the targets and sources of funding the same. Consequently the Tourism Synergy Programme specifying the activities and infrastructural elements to be provided by different organizations of both public and private sectors and the state government was drawn up in 1993.

4.5 PHASE-IV AFTER 2002

4.5.1 Institutional Settings

At the beginning of the phase there was optimism about the regeneration potential of tourism, and the development of new attractions and hotels. ‘Incredible India Campaign’ and ‘Atithidevo Bhava’ were the two major initiatives taken by the Indian Tourism to market the tourism wealth of the country on national and international level.

❖ Incredible India Campaign 2002

The Ministry of Tourism launched a campaign to promote India as a tourist destination in 2002. The first marketing initiative of its kind, Incredible India was conceptualized in
The primary objective of this branding exercise was to create a
distinctive identity for the country. The phrase "Incredible
India" was adopted as a slogan by the ministry. Before 2002,
the Indian government regularly formulated policies and
prepared pamphlets and brochures for the promotion of
tourism, however, it did not support tourism in a determined
way. However, in 2002, the tourism ministry made a conscious
effort to bring in more professionalism in its attempts to
promote tourism. It formulated an integrated communication
strategy with the aim of promoting India as a destination of
choice for the discerning traveler. The campaign successfully
established India as a high-end tourist destination, generating
a 16 percent increase in tourist traffic in the first year
(incredibleindiacampaign.com).

➢ Atithidevo Bhava 2008

In 2008, the Ministry of Tourism launched a campaign
targeted at the local population to educate them regarding
good behavior and etiquette when dealing with foreign
tourists. Indian actor Aamir Khan was commissioned to
endorse the campaign which was titled 'Atithidevo Bhava',
taken from Sanskrit, means 'Guests are like God'. Atithidevo
Bhava aimed at creating awareness about the effects of
tourism and sensitizing the local population about
preservation of India's heritage, culture, cleanliness and
hospitality. It also attempted to re-in-still a sense of
responsibility towards tourists and re-enforce the confidence
of foreign tourists towards India as a preferred holiday
destination (wiki.incredibleindia.com).
National Tourism Advisory Council (NTAC)

The Ministry of Tourism constituted a National Tourism Advisory Council as an advisory body to the ministry, with an objective to act as a ‘Think Tank’ and advice the government on various policy matters relating to tourism. The council, which was chaired by the minister of the state, had members from the central ministries, tourism experts from the private sector and representatives of various industrial associations in the tourism and related fields.

The National Tourism Advisory Council was reconstituted in January, 2011. At present it consists of representatives from various union ministries, trade and industry associations and experts in the field of travel and tourism management.

Two meetings of National Tourism Advisory Council were held during the year 2011. In the first meeting five subject specific to sub-groups of the NTAC were formed to formulate specific action plans on the subject of 'promotion and marketing', 'infrastructure', 'taxation & facilitation', 'human resource development', 'heritage, rural and eco tourism'. In the second meeting, the strategies to be adopted for development of tourism during the twelfth five year plan were discussed. The industry representatives shared their views and appreciated the approach of Ministry of Tourism for the twelfth plan promising full support of the travel and tourism industry.

4.5.2 Planning Process

Tenth Five Year Plan (2002-07): In this plan an emphasis was laid on positioning and maintaining tourism development as a national priority activity by enhancing and maintaining the competitiveness of India
as a tourist destination and improving existing tourism products and expanding these to meet new market requirements by creating world class infrastructure, developing sustained and effective market plans and programs and giving special thrust to rural and small segment tourism. The Ministry of Tourism focused on infrastructure development at five key destinations like Ajanta-Ellora, Bodhgaya, Rajgiri-Nalanda, Kurukshetra, and Mahabalipuram. Against an outlay of Rs.2900 crore in the tenth five year plan, an expenditure of Rs.2635.67 crore (91 percent) had incurred.

- **Eleventh Five Year Plan (2007-12):** During this plan Ministry of Tourism proposed to continue to supporting creation of world class infrastructure in the country so that existing tourism products can be further improved and expanded to meet new market requirements and enhance the competitiveness of India as a tourist destination. In consultation with the state governments and union territories the Ministry of Tourism identified several tourist circuits and destinations for integrated development. During this plan the ministry sanctioned Rs.323.00 crore for various projects throughout the country.

- **Twelfth Five Year Plan (2012-17):** The approach for development of tourism in the twelfth five year plan laid the overall strategy for enabling tourism to realize its potential because tourism in India has the potential to promote faster, sustainable and more inclusive growth. It emphasizes the need to adopt a ‘pro-poor tourism’ approach aimed at increasing the net benefits to the poor from tourism and ensure that tourism growth
contributes to poverty reduction. The benefits may be economic, social, environmental or cultural. For this purpose, the approach paper identified the need for developing a comprehensive set of strategies for a diversity of actions, from micro to macro level, including product and infrastructure development, marketing, branding and promotion, planning, policy and investment and increasing the spread of benefits to the weaker sections. It also prescribes that the 'principal strategy' to realize the tourism potential of India’s enormous assets, namely historical sites, places of religious significance, and its vast range of national attractions, must be to focus on developing clusters or circuits around such assets. The development of these clusters/circuits requires collaboration between many agencies at the local level to create an attractive and safe transit experience. Therefore, development of tourism requires that states take a leading role in developing their own tourism potential to obtain growth in employment as well as state domestic product (tourism.gov.in).

Data regarding the allocations to Indian tourism sector is given in table 4.3. In tenth five year plan the tourism outlay was Rs. 2900 crore which rose to Rs. 5156 crore in eleventh five year plan and to Rs. 22800 crore in twelfth plan. Figure 4.4 shows the percentage allocation to tourism sector during 10th, 11th and 12th five year plans. It was 0.19 percent in 10th plan and declined to 0.14 percent in 11th plan and again increased to 0.30 percent in 12th plan. A large increase in allocations is noticeable in the 12th plan (2012-2017).
Table 4.3
Share of Indian Tourism Sector in Five Year Plans during 2002-2017 (Rs. in crores)

<table>
<thead>
<tr>
<th>Plan</th>
<th>Total Plan Outlay</th>
<th>Tourism Outlay</th>
<th>Percentage Allocation to Tourism</th>
</tr>
</thead>
<tbody>
<tr>
<td>10th Five Year Plan (2002-07)</td>
<td>1525639</td>
<td>2900</td>
<td>0.19</td>
</tr>
<tr>
<td>11th Five Year Plan (2007-12)</td>
<td>3644718</td>
<td>5156</td>
<td>0.14</td>
</tr>
<tr>
<td>12th Five Year Plan (2012-17)</td>
<td>7669807</td>
<td>22800</td>
<td>0.30</td>
</tr>
</tbody>
</table>

Source: welcome.html

Figure 4.4
Graph showing percentage allocation to Tourism Sector during 10th, 11th and 12th Five Year Plans
4.5.3 Tourism Policy

➢ National Tourism Policy 2002

The National Tourism Policy 2002 was announced by the government with an objective to position India as a global brand to take advantage of the burgeoning global travel and trade and the vast untapped tourism potential of India as a destination.

- Policy Demands

The policy was formulated to develop tourism in India in a systematic manner and to promote it in an environmentally sustainable manner.

- Policy Objectives: Following are the objectives of the policy.

  ▪ To position tourism as a major engine of economic growth
  ▪ To harness the direct and multiplier effects of tourism for employment generation, economic development and providing impetus to rural tourism
  ▪ To focus on domestic tourism as a major driver of tourism growth
  ▪ To 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
  ▪ To acknowledge the critical role of private sector with government working as a pro-active facilitator and catalyst
  ▪ To create and develop integrated tourism circuits based on India’s unique civilization, heritage, and
culture in partnership with states, private sector and other agencies

- To ensure that the tourists in India gets physically invigorated, mentally rejuvenated, culturally enriched, spiritually elevated and “feel India from within”.

- **Policy Outcomes**: The policy took into consideration seven key areas that provide thrust to tourism development. These areas were Swagat (Welcome), Soochana (Information), Suvidha (Facility), Suraksha (Safety), Sahyog (Cooperation), Samrachana (Infrastructure), and Safai (Cleanliness). To achieve this overall goal of development goal, the Government of India embarked upon a strategy that involved a radical departure from past policies, and institutional arrangements in order to optimize and release the potential of its natural, human, financial and technical resources. It was further stated that sustainability should serve as a guiding star for the new policy. The development and management strategies should be so worked as to ensure that tourism largely acts as a smokeless industry and its ecological footprints remain as soft as possible. In this way the policy allowed the various stakeholders to fully develop the potential of tourism in India and to harness this to national development priorities (NTP, 2002).

To further examine the impact of the national tourism policy, the data regarding tourist arrival to Indian States and Union Territories has been taken. The data has been analyzed to investigate the growth of tourism in the previous period. To examine the annual change in tourist arrivals, the percentage change over the previous year has been taken and analysed.
Table 4.4
Domestic and Foreign Tourist Arrival to Indian States and Union Territories during 2002-2011

(Arrival in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic Tourist</th>
<th>Percentage Change Over the Previous Year</th>
<th>Foreign Tourist</th>
<th>Percentage Change Over The Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>269.6</td>
<td>5.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>309.0</td>
<td>14.6</td>
<td>6.7</td>
<td>30.1</td>
</tr>
<tr>
<td>2004</td>
<td>366.3</td>
<td>18.5</td>
<td>8.4</td>
<td>24.6</td>
</tr>
<tr>
<td>2005</td>
<td>392.0</td>
<td>7.0</td>
<td>9.9</td>
<td>19.0</td>
</tr>
<tr>
<td>2006</td>
<td>462.3</td>
<td>17.9</td>
<td>11.7</td>
<td>18.0</td>
</tr>
<tr>
<td>2007</td>
<td>526.6</td>
<td>13.9</td>
<td>13.3</td>
<td>12.9</td>
</tr>
<tr>
<td>2008</td>
<td>563.0</td>
<td>6.9</td>
<td>14.4</td>
<td>8.5</td>
</tr>
<tr>
<td>2009</td>
<td>668.8</td>
<td>18.8</td>
<td>14.4</td>
<td>-0.1</td>
</tr>
<tr>
<td>2010</td>
<td>747.7</td>
<td>11.8</td>
<td>17.9</td>
<td>24.6</td>
</tr>
<tr>
<td>2011</td>
<td>850.9</td>
<td>13.8</td>
<td>19.5</td>
<td>8.8</td>
</tr>
<tr>
<td>Average</td>
<td>515.62</td>
<td>13.70</td>
<td>12.13</td>
<td>16.28</td>
</tr>
<tr>
<td>S.D</td>
<td>193.13</td>
<td>4.50</td>
<td>4.67</td>
<td>9.58</td>
</tr>
<tr>
<td>C.V.</td>
<td>37.46</td>
<td>32.84</td>
<td>38.48</td>
<td>58.84</td>
</tr>
<tr>
<td>C.G.R.</td>
<td>13.41</td>
<td></td>
<td>14.76</td>
<td></td>
</tr>
<tr>
<td>t-value</td>
<td>45.44**</td>
<td></td>
<td>12.40**</td>
<td></td>
</tr>
</tbody>
</table>

Trend Coefficients

<table>
<thead>
<tr>
<th></th>
<th>a</th>
<th>b</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>169.21</td>
<td>3.73</td>
</tr>
<tr>
<td></td>
<td>62.98</td>
<td>1.53</td>
</tr>
</tbody>
</table>

Future Projections

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1050.93</td>
</tr>
<tr>
<td>2020</td>
<td>1365.83</td>
</tr>
</tbody>
</table>

% change over 2011

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>23.51</td>
</tr>
<tr>
<td>2020</td>
<td>60.52</td>
</tr>
</tbody>
</table>

Source: Compiled from India Tourism Statistics 2002-2011
Table 4.4 depicts the data regarding the arrival of domestic and foreign tourists to Indian states and union territories during 2002-2011. In 2002 the tourist arrival was 269.6 million and it rose to 850.9 million in 2011. Whereas, the foreign tourist arrival was 5.2 millions in 2002 and it rose to 19.5 millions in 2011. This indicates that it has registered an increasing trend in all the years. The values of co-efficient of variation prove that there is higher variation in international tourist arrivals as compared to domestic tourist arrivals. In domestic tourist sector the maximum percentage change is observable in the year 2009 over 2008. In international tourist sector the maximum percentage change is visible in the year 2003 over 2002. India has registered a compound growth rate of 13.41 percent in domestic tourist arrival and 14.76 percent in foreign tourist arrival over the previous decade. The results of t-test reveal that the growth rates are significant at 1% level of significance for both the sectors. Future projections have been made on the basis of the year 2011. According to these projections the domestic tourist arrival in India would reach to 1050.93 million tourists in 2015 and 1365.83 million in 2020. In case of foreign tourists, it is revealed that it will rise to 25.15 million in 2015 and to 32.80 million in 2020. Trends in arrivals have been measured. Analysis has been made to examine the percent change in 2015 and 2020 as compared to the year 2011 which indicates an overall increase in the number of both domestic and international tourist arrivals in future.
Figure 4.5
Graph showing Domestic Tourist Arrival to States and Union Territories during 2002-2011

Figure 4.6
Graph showing Foreign Tourist Arrival to States and Union Territories during 2002-2011
Figure 4.5 shows an increasing trend in the number of domestic tourists visited the Indian states and union territories from the year 2002 to 2011. In figure 4.6, an increase is visible in foreign tourist arrivals up to 2008 and there was a decline in number of foreign tourists in 2009 due to the global recession. The figure clearly shows an increasing trend in foreign tourist arrivals in 2010 and 2011.

4.6 POLICY FRAMEWORK OF PUNJAB TOURISM INDUSTRY

In order to study the policy framework of Punjab tourism industry, the state plans, policies and other institutional settings for the development and promotion of tourism in the state have been discussed in this part of the chapter. To discuss the policy framework of Punjab tourism industry, the planning period has been categorized into the following three phases depending upon the initiatives taken by the state government. (See Fig.4.7)

- **Phase-I Before 1979**: The state government made its first ever effort to develop tourism by establishing Directorate of Tourism, Cultural Affairs, Archeology and Museum in 1974.

- **Phase-II 1979-2002**: In 1979 the Punjab Tourism Development Corporation was established to develop and promote tourism in the state.

Figure 4.7
Chart showing Policy Framework of Punjab Tourism Industry

POLICY FRAMEWORK OF PUNJAB TOURISM INDUSTRY

PHASE-I
Before 1979

INSTITUTIONAL SETTINGS
* Establishment of Directorate of Tourism, Cultural Affairs, Archeology and Museum

PLANNING PROGRESSION
* Five Year Plans
Share of tourism in 1st, 2nd, 3rd, 4th and 5th five year plans

TOURISM POLICY
No official tourism policy was written during this period.

PHASE-II
1979-2002

INSTITUTIONAL SETTINGS
* Punjab Tourism Development Corporation
* Reorganization of Department of Tourism

PLANNING PROGRESSION
* Five Year Plans
Share of tourism in 6th, 7th, 8th and 9th five year plans

TOURISM POLICY
No Tourism Policy was formulated during this phase

PHASE-III
After 2002

INSTITUTIONAL SETTINGS
* Punjab Heritage & Tourism Promotion Board

PLANNING PROGRESSION
* Five Year Plans
Share of tourism in 10th, 11th and 12th five year plans

TOURISM POLICY
* Twenty Years Perspective plan for Development of Sustainable Tourism in Punjab
* Punjab Tourism Policy 2003
* Punjab Tourism Development Master Plan 2008-2023
* Punjab Eco-Tourism Policy 2009
4.7 PHASE-I 1951-1979

4.7.1 Institutional Settings

During Phase-I, there was no separate department for Punjab Tourism. Prior to 1974, tourism was a part of ‘Department of Public Relations Punjab’. After that a separate Directorate of Tourism, Cultural Affairs, Archeology and Museum was established.

- **Directorate of Tourism, Cultural Affairs, Archeology and Museum**

  In the year 1974 a separate *Directorate of Tourism, Cultural Affairs, Archeology and Museum* was established by the state government to look after the various activities related to preservation of cultural assets and tourism development. The directorate took several initiatives for the growth of tourism. Many tourism complexes were created by the directorate to provide better accommodation facilities to both the domestic and foreign tourists. There were a lot of problems in the way of tourism development in the state like lack of effective leadership, lack of funds and coordination, and lack of proper government support.

4.7.2 Planning Progression

Punjab adopted a policy of development through planning along with the Center Planning Commission in 1951. On the track of national planning, Punjab also started making five year plans in synchronization with national five year plans. Punjab government made allocations under the various heads in first five year plan, but like central government, state government also did not take note of tourism till the second plan. The allocations
made by state government for tourism sector under the first five plans are as under.

➢ **First Five Year Plan (1951-56):** The first five year plan had a total outlay of Rs.14091.63 lac, but no amount was allocated for the development of tourism in the state.

➢ **Second Five Year Plan (1956-61):** In the second five year plan, a separate fund of Rs.8.33 lac which was just 5% of the total plan outlay was set aside for the development of tourism in the state. The main thrust during this plan was to develop tourism infrastructure especially accommodation and transportation facilities at the destination which could be the first choice for both foreign and domestic tourists.

➢ **Third Five Year Plan (1961-66):** The total allocation for tourism in the third plan was Rs.22 lac out of total plan outlay of Rs.23139.13 lac, which was a marginal increase of 5%.

➢ **Annual Plans (1966-69):** The first annual plan (1966-67) had a total outlay of Rs.3300 lac, but no amount was allocated for the development of tourism. During the second annual plan (1967-68), an amount of Rs.4.37 lac was allocated for tourism, which was just 0.10 percent of the total plan layout. The total allocation for tourism in the third annual plan (1968-1969) was Rs.4.00 lac out of total plan outplay of Rs.3700 lac which was just .001 percent of the total plan outlay.

➢ **Fourth Five Year Plan (1969-74):** An outlay of Rs.30 lac was proposed for tourism sector of the state out of a total plan layout of Rs.27000 lac. It was just 0.11 percent of total outlay.
Fifth Five Year Plan (1974-80): The approach during the fifth plan was to develop tourism in an effective way. The total allocation for tourism in the fifth plan was Rs.227.91 lac, out of total plan outlay of Rs.103025.23 lac. The allocation of funds got a rise in this plan as it was 0.22 percent of total plan layout while in fourth plan it was 0.11 percent of the total plan outlay. During this period the first organized effort in tourism sector was made by the state government with the establishment of Directorate of Tourism, Cultural Affairs, Archeology and Museums. The directorate was established for the purpose of tourism development and preservation of cultural assets of the state (Statistical Abstract, Punjab).

The analysis of the first five plans (1951-1980), clearly brings out that the funds allocated to Punjab tourism sector were highly inadequate and insufficient to meet the requirements of state tourism industry.

Table 4.5 depicts the total plan outlay and tourism outlay for the first five ‘five year plans’. The analysis of the data reveals that there is no increasing or decreasing trend in allocation of funds for tourism industry in Punjab.

Figure 4.6 indicates a greater rise in percentage allocation of funds to tourism industry during the annual plans (1966-69). Further, it can be seen that the percentage of funds got declined in the fourth five year plan (1969-74) to 0.11 percent and it again rose to 0.22 percent in the fifth five year plan (1974-79).
**Table 4.5**

Share of Punjab Tourism in State Five Year Plans during 1951-1979

(Rs. in lacs)

<table>
<thead>
<tr>
<th>Plan</th>
<th>Total Plan Outlay</th>
<th>Tourism Outlay</th>
<th>Percentage Allocation to Tourism</th>
</tr>
</thead>
<tbody>
<tr>
<td>1&lt;sup&gt;st&lt;/sup&gt; Five Year Plan (1951-56)</td>
<td>14091.63</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>2&lt;sup&gt;nd&lt;/sup&gt; Five Year Plan (1956-61)</td>
<td>16267.66</td>
<td>8.33</td>
<td>0.05</td>
</tr>
<tr>
<td>3&lt;sup&gt;rd&lt;/sup&gt; Five Year Plan (1961-66)</td>
<td>23139.13</td>
<td>22.00</td>
<td>0.10</td>
</tr>
<tr>
<td>Three Annual Plan (1966-69)</td>
<td>11400.00</td>
<td>8.37</td>
<td>0.73</td>
</tr>
<tr>
<td>4&lt;sup&gt;th&lt;/sup&gt; Five Year Plan (1969-74)</td>
<td>27000.00</td>
<td>30.00</td>
<td>0.11</td>
</tr>
<tr>
<td>5&lt;sup&gt;th&lt;/sup&gt; Five Year Plan (1974-79)</td>
<td>103025.23</td>
<td>227.91</td>
<td>0.22</td>
</tr>
</tbody>
</table>


**Figure 4.8**

Graph showing percentage allocation to tourism sector during 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, Annual Plans, 4<sup>th</sup> and 5<sup>th</sup> Five Year Plans
4.7.3 Tourism Policy: No tourism policy was formulated in Phase-I for Punjab Tourism.

4.8 PHASE-III 1979-2002

4.8.1 Institutional Settings

In the year 1978 the state government decided to shift the assignments and responsibilities of tourism department by creating some new setup because of the unsatisfactory performance and results of the tourism department. The Punjab government decided to establish a new setup for tourism development in the state named as Punjab Tourism Development Corporation.

- **Punjab Tourism Development Corporation (PTDC)**

PTDC was incorporated in 1979 under the Companies Act, 1956 to develop tourism in the state by providing services to the satisfaction of all categories of tourists coming to the Punjab from other parts of the country and abroad. All the commercial activities run by the tourism department were transferred to the PTDC. The corporation was operating 18 Tourist complexes having night halting facilities with 215 rooms. The occupancy rate of rooms at its tourist complexes had been 38 percent on an average. 372 employees were employed in these tourist complexes. The dismal occupancy on account of poor services led to increasing operational losses. As such, 13 of the 18 tourist complexes were running under losses. In 2000-2001, the operating income was Rs.6.17 crore as against the expenditure of Rs.6.22 crore. PTDC concentrated on the operation of tourist complexes, which never became the favorite destination for the tourists. It was established with the primary objective of promoting tourism in the state but
it was being identified with restaurants, bars, motels, resorts, tourist bungalows and cafeterias in the state. Ministry of Tourism, Government of India had been granting financial assistance every year on the basis of specific proposals from the state. It was observed that the funds released by the central government were diverted by the PTDC to fulfill the working capital requirements of other ongoing projects without the approval of the Government of India. (CAG Report, Commercial, 2000-2001). The table below is presenting year wise income, expenditure and losses of holiday homes worked under PTDC.

**Table 4.6**

**Income, Expenditures and Losses of Holiday Homes during 1995-2001**

(Rs. in lacs)

<table>
<thead>
<tr>
<th>Year</th>
<th>Income</th>
<th>Expenditure</th>
<th>Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995-96</td>
<td>21.12</td>
<td>29.27</td>
<td>8.15</td>
</tr>
<tr>
<td>1996-97</td>
<td>21.06</td>
<td>32.76</td>
<td>11.7</td>
</tr>
<tr>
<td>1997-98</td>
<td>23.53</td>
<td>34.49</td>
<td>10.96</td>
</tr>
<tr>
<td>1998-99</td>
<td>25.49</td>
<td>36.79</td>
<td>11.3</td>
</tr>
<tr>
<td>1999-2000</td>
<td>24.28</td>
<td>43.89</td>
<td>19.61</td>
</tr>
<tr>
<td>2000-2001</td>
<td>13.00</td>
<td>28.00</td>
<td>15.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>128.48</td>
<td>205.2</td>
<td>76.72</td>
</tr>
</tbody>
</table>

Source: Annual Reports, Department of Tourism, Punjab

Table 4.6 shows that in 1995-96, the amount of loss was 8.15 lac but it increased to 19.61 lac in 1999-2000. Further it can be seen that the total loss rose to 76.72 lac. Therefore due to heavy losses in all sectors of activity, PTDC
was closed in the year 2002 and all its properties were disposed off in a phased manner. All remaining assets were transferred to the tourism department.

It can be concluded that the lack of planning, political disturbances, less government support were the main reasons which ultimately resulted in deprived management of tourism by PTDC. The department of tourism was continued with skeleton staff to settle the liabilities. In the year 1985 the government decided to expand the tourism department in order to implement the various state/centrally sponsored schemes (www.punjabtourism.gov.in).

➢ **Department of Tourism**

With the inception of Punjab Tourism Development Corporation in the year 1979, the department of tourism came as a separate existence with a view to assist the tourism infrastructure in the state, to coordinate and control various tourism related activities, to introduce special measures to ensure safety and security of the tourists, to provide services and facilities to the tourists and also to expedite clearance and sanction of various approvals under different rules and regulations. The objectives of the department were as under:

- To Prepare and obtain sanction from the Ministry of Tourism for proposals of financial assistance for development of tourism structure in the state under various centre government sponsored schemes.

- To develop attractive tourism destinations of tourist interests under the guidelines of the Ministry of Tourism.
- To give transformed look to the heritage memorials by making arrangement of beautification with light and sound system.

- To make efforts to attract the tourists' towards the rural and cultural assets of the state.

The department of tourism in Punjab is responsible for tourism development. The department and its subsidiary bodies are funded from state excise duties and state tax revenues such as state excise on liquor sales, state tax on commodities, stamp duties on property and other transfers. In addition, it benefits from the state's portion of direct union taxes. The department is headed by the minister with a principal secretary for tourism alongside a separate principal secretary for Department of Cultural Affairs. The department is the body that proposes policy, which is considered by the state minister for approval. However, some major issues may have to be referred to the chief minister for decision. The department of tourism is the executing body for the execution of various plans and policies made by the state government for the development of tourism in the state.

### 4.8.2 Planning Progression

#### Sixth Five Year Plan (1980-85):

The allocation for tourism in the sixth five year plan was Rs.260 lac out of total plan outlay of Rs.149986.28 lac. The allocation of funds got a decline in this plan, it was only 0.17 percent of total plan layout, while in fifth plan it was 0.22 percent of total plan layout.

#### Seventh Five Year Plan (1985-90):

During seventh plan outlay for tourism again decreased from Rs.260 lac in
sixth plan to Rs.200 lac in seventh plan. The allocation to the tourism sector in plan outlay was only 0.06 percent of total plan outlay.

- **Eighth Five Year Plan (1992-97):** The total allocation for tourism in the eighth plan was only Rs.150 lac out of total plan outlay of Rs.657000 lac. It was only 0.02 percent of total plan layout. The allocation of funds got a decline in this plan as it was 0.02 percent of total plan layout while in seventh plan it was 0.06 percent of total plan layout (welcome.html, 2012).

- **Ninth Five Year Plan (1997-2002):** The planning commission approved an outlay of Rs.1430000 lac for the state’s ninth five year plan. However, there was no separate head to indicate any plan allocation for tourism sector. The same was included under the sub-head “General Economic Services”. Punjab has given the status of industry to tourism in ninth five year plan. An outlay of Rs.250 lac was allocated for this sector which constituted a mere 0.02 percent of the total plan outlay for five years. An outlay of Rs. 90.00 lac was proposed in the annual plan 1999-2000 in order to provide wayside amenities for tourists’ (Mecdonald, 2003).

Table 4.7 shows the allocation of funds to Punjab tourism industry during 1980-2002. As is evident from the table that allocation of funds for tourism during this period registered a decreasing trend till eighth plan (1992-97) and the allocation in ninth plan was identical with the eighth plan. Figure 4.9 clearly depicts the decreasing trend of tourism allocations during the second phase of Punjab tourism industry.
Table 4.7
Share of Punjab Tourism Sector in State Five Year Plans during 1980-2002 (Rs. in lacs)

<table>
<thead>
<tr>
<th>Plan</th>
<th>Total Plan Outlay</th>
<th>Tourism Outlay</th>
<th>Percentage Allocation to Tourism</th>
</tr>
</thead>
<tbody>
<tr>
<td>6th Five Year Plan (1980-85)</td>
<td>149986.28</td>
<td>260.00</td>
<td>0.17</td>
</tr>
<tr>
<td>7th Five Year Plan (1985-90)</td>
<td>328500.00</td>
<td>200.00</td>
<td>0.06</td>
</tr>
<tr>
<td>8th Five Year Plan (1992-97)</td>
<td>657000.00</td>
<td>150.00</td>
<td>0.02</td>
</tr>
<tr>
<td>9th Five Year Plan (1997-2002)</td>
<td>1430000.00</td>
<td>250.00</td>
<td>0.02</td>
</tr>
</tbody>
</table>

Source: Compiled from various issues of Statistical Abstract of Punjab

Figure 4.9
Graph showing percentage allocation to tourism sector during 6th, 7th, 8th and 9th Five Year Plans
4.9 PHASE-III AFTER 2002

4.9.1 Institutional Settings

Department of Tourism, Government of Punjab took a major initiative to promote tourism in the state by establishing Punjab Heritage and Tourism Promotion Board. Several other efforts were undertaken jointly by the centre and state government to develop tourism in the state.

➢ Punjab Heritage and Tourism Promotion Board (PHTPB)

The Punjab Heritage and Tourism Promotion Board (PHTPB) was set up vide government of Punjab Notification No.12/108/2002-3TC/1490 dated 14-8-2002 and was subsequently registered as a public charitable trust on 5-12-2002 through a deed of declaration. The main objective of the board is to take all necessary steps for planning, coordination, implementation and propagation of all activities, events, projects and other matters connected with the conservation, preservation, dissemination and documentation of the cultural heritage of the state in its all forms and for the development of state tourism in an effective way.

The PHTPB is working under the direct supervision of the board of trustees, which is to meet at least once a year and the meeting is chaired by the Chief Minister of the state. The members of the board include the finance minister, the chief secretary, the tourism and cultural affairs minister together with a number of administrative secretaries. Seven non-official members are also provided for participation in the board. There is an executive committee of PHTPB which is to meet at least once in a
quarter and as needed. The president of the executive committee is the Chief Secretary of Punjab, and the other members include the Administrative Secretary Tourism and Administrative Secretary Finance.

4.9.2 Planning Progression

- **Tenth Five Year Plan (2002-07):** The approved outlay for the tenth plan was Rs.356.00 lac. Out of this outlay, Rs.300.00 lac had been earmarked for setting up of ‘tourism complexes, wayside amenities, joint ventures with ITDC and other tourism promotion activities’. Further Rs.50.00 lac for ‘promotion and publicity’, Rs.1.00 lac for formulation of ‘tourist trade acts’ and Rs.5.00 lac for ‘setting up of tourist reception centre at Anandpur Sahib’ were sanctioned. The central government provided financial assistance to the state government on a regular basis for the improvement of tourism infrastructure. This assistance was generally provided on the basis of specific project proposals received and their priorities and merits.

- **Eleventh Five Year Plan (2007-12):** The total allocation for tourism in the eleventh plan was Rs.10642.25 lac out of total plan outlay of Rs.2892300 lac. The allocation of funds got a huge rise in this plan as it was 0.37 percent of total plan layout while it was only 0.02 percent of total plan layout in tenth plan.

- **Twelfth Five Year Plan (2012-17):** The main objective in the twelfth plan is to promote tourism in the state in such a way that it will contribute to the generation of employment and economic growth. The state government has completed the work of tourist destinations in Amritsar, Patiala, Wagha border and Attari. The work of Ropar,
Kapurthala, Hoshiarpur, Khurali (Hoshiarpur), Chamkaur Sahib and Bhaini Sahib, Bathinda and Ludhiana as tourist destinations, religious pilgrim circuits and freedom trail circuits is under progress. Ministry of Tourism, Government of India has provided the financial assistance for these destinations. Asian Development Bank (ADB) has sanctioned a loan of Rs.300 crore for implementing the recommendations of the United Nations World Tourism Organization (UNWTO) for strategically developing Amritsar and other heritage towns like Sultanpur Lodhi, Kapurthala and Patiala as part of the Punjab’s master plan for tourism. In the 1st phase Amritsar, Sultanpur Lodhi and Keshopur wetlands are undertaken. The project cost of which is Rs.130 crore for 4-5 years, out of which Asian Development Bank would finance Rs.91 crore and state share is Rs.39 crore. A contract has been signed between the state government and UNWTO in January, 2009 to implement these projects. The institute of Hotel Management, Bathinda has started hospitality courses at degree/diploma level in the session 2009-10 and Rs. 2.00 crore has been sanctioned for construction of boy’s hostel in this institution during 2010-11. The civil work of food craft institute, Hoshiarpur has been completed and diploma courses have been started in the academic session 2011-12. Another proposal for setting up of food craft institute in district Kapurthala is under consideration. Broad based hospitality courses are being introduced in the eleven ITI’s and five colleges of the state. Government of India has sanctioned these projects with the total cost of Rs.3085.00 lac and released Rs.1285 lac for civil work and installation of equipments in the laboratories. The state government has planned to develop and promote tourism in
the state on a large scale and it has already started to work in this direction.

Table 4.8

Share of Punjab Tourism Sector in State Five Year Plans during 2002-2017

(Rs. in lacs)

<table>
<thead>
<tr>
<th>Plan Period</th>
<th>Total Plan Outlay</th>
<th>Tourism Outlay</th>
<th>Percentage Allocation to Tourism</th>
</tr>
</thead>
<tbody>
<tr>
<td>10th Five Year Plan</td>
<td>1865700.00</td>
<td>356.00</td>
<td>0.02</td>
</tr>
<tr>
<td>(2002-07)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11th Five Year Plan</td>
<td>2892300.00</td>
<td>10642.25</td>
<td>0.37</td>
</tr>
<tr>
<td>(2007-12)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12th Five Year Plan</td>
<td>9210000.00</td>
<td>17773.85</td>
<td>0.19</td>
</tr>
<tr>
<td>(2012-17)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Figure 4.10

Graph showing percentage allocation to tourism sector during 10th, 11th and 12th Five Year Plans
Table 4.8 depicts the data regarding the funds allocated to Punjab tourism industry during 10th, 11th and 12th five year plans. Tourism outlay was Rs.356 lac in tenth plan and it rose to Rs.17773.85 lac in twelfth plan.

Figure 4.10 shows that the percentage allocation to tourism was 0.02 percent in tenth plan and rose to 0.37 percent in the eleventh plan and again declined to 0.19 percent in twelfth plan. The analysis of data brings out that there exists no trend in allocations to Punjab tourism industry.

4.9.3 Tourism Policy

➢ State Tourism Policy 2003

In order to develop tourism as a major industry of Punjab, the government announced its first ever state tourism policy in the year 2003.

- **Policy Demands**: The Tourism Policy of Punjab has been formulated to develop tourism in the state by providing leadership and strategic directions as well as to improve the quality of tourism products, both nationally and internationally.

- **Policy Objectives**: Following were the objectives of the policy.
  
  ▪ To promote tourism in the state of Punjab in such a way that it will contribute to the generation of employment, economic growth and particularly bringing the tourist closer to the culture of the state.
  
  ▪ To develop the places of interest in Punjab as tourist destinations.
To promote private sector participation in the development of tourism with government facilitation to develop necessary infrastructure in the state.

To position Punjab on the tourist map of India for tapping the untapped tourism potential of the state.

To provide quality service to all domestic and international tourists.

To diversify and expand marketing of tourist potential of the state along with the preserving cultural monuments against any kind of decay.

To encourage people’s participation through tourism promotion and also to provide economic benefits to the people through such participation and to encourage investment of NGO’s like INTACH and other heritage societies by providing them support, assistance and making use of their expertise for development of tourism.

Policy Outcomes: As per the strategy of this policy the role of state government was to be the facilitator and provider of support infrastructure, such as information centers and the government jointly with the private sector provides basic facilities – roads, air services, rail, etc. It was clearly spelt out that government shall act as facilitator, coordinator and regulator, to promote the state and not to be the provider of commercial services. A number of short and long term priority areas were identified and different tourism product types enumerated such as religious, heritage, rural and eco tourism. The policy was in harmony with the National Tourism Policy 2002 (PTP, 2003).
Twenty Year Perspective Plan for Development of Sustainable Tourism in Punjab 2003

This plan was made by the Ministry of Tourism, Government of India for the state government and was adopted in February 2003. In the report of the working group, the plan was preceded by a study identifying the tourism scenario in India and the current status of tourism in Punjab. Findings from a range of field surveys were also included. A number of areas of concern, hindering tourism development in the state were identified. The role of the state in tourism was redefined in view of changing market trends. Regional offices were recommended to act as facilitators between investors and government departments. In relation to Human Resource Development, it was recommended that the state should encourage and support private sector training facilities and introduce specialized training in industrial training institutes. The importance of market research was highlighted throughout the plan document. Eight themes for tourism product focus were listed which correspond to the product areas present in Punjab such as religious, culture, heritage, rural and nature tourism etc. Tourism projects were classified into services, activity, and entertainment and shopping for private investment (Mecdonald, 2003).

Punjab Tourism Development Master Plan 2008-2023

In 2007, the Government of Punjab officially designated tourism as a priority sector for development. This led to the identification of the need for a short, medium and long term plan for tourism development encompassing all aspects of the industry. The United Nations World Tourism Organization was commissioned to
undertake its compilation about tourism in Punjab. The overall objective of the Master Plan was to ensure that the state and its people will benefit from the development of tourism through implementation of the recommended policies, strategies and plans. The United Nations World Tourism Organization (UNWTO) assembled a team of ten international tourism consultants with specialties in Planning, Infrastructure, Marketing, Investment, Statistics and Economics, Institutional Structures, Legislation, Environment, Cultural Heritage and Human Resource Development. Three Indian consultants with specialist skills in Wetlands, Human Resource Development and Cultural Heritage also assisted them. Furthermore, two local executives were employed to coordinate activities and gain expertise in tourism development as a precursor to assisting in the master plan implementation (punjabtourism.gov.in).

➢ Punjab Eco Tourism Policy 2009

Department of tourism in Punjab planned a major Eco-Tourism policy for the development and promotion of tourism in state.

- **Policy Demands**: Punjab is endowed with a very rich spectrum of landscapes, forests, wildlife, wetlands, community reserves and cultural diversity. It is also home to several endangered species including Indus dolphin. The state has potential to become a premier eco destination. The government of Punjab resolved to make the promotion of eco tourism in the state as a priority area.
• **Policy Objectives**

  ▪ Identification and promotion of ecotourism potential sites.
  
  ▪ Development of permissible and ecologically sound ecotourism infrastructure.
  
  ▪ Diversification of the range of tourism activities available at destinations.
  
  ▪ Development and enforcement of standards and norms for ecotourism activities.
  
  ▪ Securing involvement of the local communities living in and dependent on peripheral and other areas for their livelihood.
  
  ▪ Awareness building amongst general public, local communities and government staff.
  
  ▪ Securing partnership of private sector enterprise committed to the goals of ecotourism for the development of infrastructure and services.
  
  ▪ Sensitization of community and augmentation of local community livelihood; with the ultimate objectives of conservation of natural resources through awareness building programme.
  
  ▪ Diversification of tourism activities and destinations.
  
  ▪ Development of permissible and ecological sound eco tourism infrastructure.
  
  ▪ Development and enforcement of standard and norms for eco tourism activities.

• **Policy Outcomes:** This policy aimed at informing and sensitizing the general public and related government
departments to award eco tourism and laying down the framework for its growth in the state in an environmentally, socially and economically sustainable manner. Various eco tourism destinations were identified and worked on in Punjab as a result of the recommendations of this policy (Policy Document, 2009).

To examine the impact of tourism policies on the performance of Punjab tourism industry, the data regarding domestic and foreign tourist arrivals has been taken and analysed. The period of tourist arrivals has been taken from the year 2002 to 2011.

A review of table 4.9 reveals that in 2002, the tourist arrival in Punjab was 0.31 million domestic tourists and 0.007 million foreign tourists. In 2011 domestic tourist arrivals increased to 16 million and foreign tourist to 0.15 million. Punjab has registered a compound growth rate of 46.58 percent for domestic tourist arrival. The result of t-test proves that it is a significant growth rate at 5% level of significance. Whereas in foreign tourist arrival, the compound growth rate is 47.19 percent, but the result of t-test proves it a non-significant growth rate. Future projections have been made based on 2011. According to these projections the domestic tourist arrival in Punjab would reach to 17.50 million tourists in 2015 and 25.27 million in 2020. On the other hand the projections for foreign tourists reveal that the foreign tourist arrival in the state would reach to 0.19 million tourists in 2015 and 0.27 tourists in 2020. Analysis has been made to see the percentage change in 2015 and 2020 as compared to 2011.
Table 4.9
Domestic and Foreign Tourist Arrivals in Punjab during 2002-2011

(Arrivals in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic Tourist</th>
<th>Percentage Change over Previous Year</th>
<th>Foreign Tourist</th>
<th>Percentage Change over Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>0.318</td>
<td></td>
<td>0.008</td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>1.150</td>
<td>261.7</td>
<td>0.005</td>
<td>-39.3</td>
</tr>
<tr>
<td>2004</td>
<td>0.536</td>
<td>-53.4</td>
<td>0.005</td>
<td>13.8</td>
</tr>
<tr>
<td>2005</td>
<td>0.431</td>
<td>-19.6</td>
<td>0.004</td>
<td>-16.7</td>
</tr>
<tr>
<td>2006</td>
<td>0.354</td>
<td>-17.9</td>
<td>0.194</td>
<td>4355.2</td>
</tr>
<tr>
<td>2007</td>
<td>0.369</td>
<td>4.1</td>
<td>0.005</td>
<td>-97.2</td>
</tr>
<tr>
<td>2008</td>
<td>0.509</td>
<td>38.2</td>
<td>0.007</td>
<td>25.6</td>
</tr>
<tr>
<td>2009</td>
<td>5.370</td>
<td>954.1</td>
<td>0.110</td>
<td>1507.3</td>
</tr>
<tr>
<td>2010</td>
<td>10.584</td>
<td>97.1</td>
<td>0.137</td>
<td>24.2</td>
</tr>
<tr>
<td>2011</td>
<td>16.417</td>
<td>55.1</td>
<td>0.151</td>
<td>10.1</td>
</tr>
<tr>
<td>Average</td>
<td>3.6</td>
<td></td>
<td>0.06</td>
<td></td>
</tr>
<tr>
<td>C.V.</td>
<td>155.58</td>
<td></td>
<td>121.73</td>
<td></td>
</tr>
<tr>
<td>C.G.R.</td>
<td>46.58</td>
<td></td>
<td>47.19</td>
<td></td>
</tr>
<tr>
<td>t-value</td>
<td>2.75*</td>
<td></td>
<td>2.23</td>
<td></td>
</tr>
<tr>
<td>Trend Coefficients</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a</td>
<td>-4.241</td>
<td></td>
<td>-0.022</td>
<td></td>
</tr>
<tr>
<td>b</td>
<td>1.553</td>
<td></td>
<td>0.015</td>
<td></td>
</tr>
<tr>
<td>Future Projections</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>17.508</td>
<td></td>
<td>0.194</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>25.276</td>
<td></td>
<td>0.272</td>
<td></td>
</tr>
<tr>
<td>%change over 2011</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>6.65</td>
<td></td>
<td>28.97</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>53.97</td>
<td></td>
<td>80.43</td>
<td></td>
</tr>
</tbody>
</table>

Source: Compiled from India Tourism Statistics 2002-2011
Figure 4.11
Graph showing Domestic Tourist Arrival to Punjab during 2002-2011

Figure 4.12
Graph showing Foreign Tourist Arrival in Punjab during 2002-2011
Figure 4.11 and 4.12 shows that there was no trend in domestic and foreign tourist arrivals in Punjab up to 2008. But it has registered an increasing trend in the number of domestic and foreign tourist arrivals in the years 2009, 2010 and 2011.

Punjab is bordered by many states like Himachal Pradesh in the east, Haryana in the south and southeast and Rajasthan in the southwest and also bounded by Jammu and Kashmir in the north. All the neighboring states give competition to Punjab tourism and the comparison of Punjab Tourism with neighboring states is given in table 4.10.

Table 4.10

State wise Domestic and Foreign Tourist Arrivals, Percentage Share and Rank in 2011

(Arrivals in millions)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>State</th>
<th>Tourist Arrival</th>
<th>Percentage Share</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Domestic</td>
<td>Foreign</td>
<td>Domestic</td>
</tr>
<tr>
<td>1</td>
<td>Haryana</td>
<td>5.99</td>
<td>0.13</td>
<td>0.70</td>
</tr>
<tr>
<td>2</td>
<td>Rajasthan</td>
<td>27.14</td>
<td>1.35</td>
<td>3.19</td>
</tr>
<tr>
<td>3</td>
<td>Himachal Pradesh</td>
<td>14.60</td>
<td>0.48</td>
<td>1.72</td>
</tr>
<tr>
<td>4</td>
<td>Punjab</td>
<td>16.42</td>
<td>0.15</td>
<td>1.93</td>
</tr>
<tr>
<td>5</td>
<td>Jammu and Kashmir</td>
<td>13.07</td>
<td>0.072</td>
<td>1.54</td>
</tr>
</tbody>
</table>

Source: Compiled from Indian Tourism Statistics

Table 4.10 clearly explains that Rajasthan had highest number of tourist arrivals and was a leading state when
compared in terms of percentage share and rank. Second highest in arrival was Himachal Pradesh. Punjab was lying between the four neighboring states. Punjab tourism has improved both rank wise and percentage share wise during these years. The percentage share of Punjab in 2011 in tourist arrival was 1.93 percent for domestic tourists and 0.77 percent for foreign tourists, which was higher than the share of Haryana and Jammu & Kashmir. It can be seen that in domestic tourist arrival, Punjab tourism was at 12th position and in foreign tourist arrival it was on 15th position in 2011.

**Conclusion**

The tourism policy, legislation and organization of tourism industry at national and state level has been reviewed and discussed in this chapter. In India, there was no proper attention given to the development of tourism during Phase-I except the formation of Sargent committee. In the second phase the government realized the value of tourism and started taking some measures to exploit the benefits from the international tourism, but the efforts did not prove effective. Gradually the government realized the employment generating potential of tourism, hence in the third phase it came up with some drastic decisions. Tourism was given the status of industry and the first ever national tourism policy came into existence in 1982. Due to lack of proper vision and mission the growth of tourism was very slow. The Tourism Policy 1982 lacked co-ordination and its implementation was very sluggish. In the fourth phase, there is a tremendous growth in tourism industry due to the various initiatives taken by the central government.

In Punjab, during Phase-I, there were negligible efforts for the state tourism industry as there was no independent
authority to deal with the matters regarding the tourism sector. The state government established the directorate but it was not able to prove its worth for proper tourism development. In the second phase, the government formed Punjab Tourism Development Corporation to develop and promote tourism in the state. The corporation received great financial help from both the central and state governments but due to ineffective management it failed to give its desired results. In the starting of Phase-III, the state government established Punjab Heritage and tourism Promotion Board to promote tourism in the state. The first ever tourism policy of Punjab was formulated in the year 2003 and several other initiatives were taken up by the government to meet all the requirements for the enlargement of the sector in the state. Punjab was very late in the formulation of its tourism policy as its first tourism policy came into existence in 2003, compared to the national tourism policy which was formulated in 1982. Moreover till date there is no separate head to indicate any plan allocation for Punjab tourism sector. The same is included under the sub-head “General Economic Services”.

Though the number of tourist arrival has increased at state level but it is still very nominal in comparison of other states. Hence, it can be concluded that proper tourism planning in India as well as in Punjab basically started after 2002 as major changes are noticeable in the growth of national and state tourism sector during this period. On the whole, the last phase can be considered as a period of remarkable achievements in the field of tourism in the state as well as in the country.

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