



**REPORT OF
THE WORKING GROUP
ON TOURISM**

**12th FIVE YEAR PLAN
(2012- 17)**

**MINISTRY OF TOURISM
GOVERNMENT OF INDIA**



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Foreword

The ever growing importance of tourism sector internationally is reflected in the fact that in about 150 countries of the world tourism is one of the five top export earners. It is the number one export earner in 60 countries. Tourism plays a key role in socio-economic progress through creation of jobs, enterprise, infrastructure and revenue earnings. The Planning Commission has identified tourism as the second largest sector in the country in providing employment opportunities for low-skilled and semi-skilled workers. Women make up nearly 70 per cent of the labour force and nearly 50 per cent of tourism manpower comprises of persons who are 25 years or less in age.

Tourism plays an important role in economic development and creation of jobs in India. The Planning Commission estimates inform that 78 jobs per million rupees of investment are created by tourism sector. Based on the Tourism Satellite Accounts of India for the year 2002-03, the contribution (direct and indirect) of tourism in GDP and the total jobs in the country in 2007-08 is estimated to be 5.92% and 9.24% respectively. Domestic tourism contributes about three-fourth of the tourism economy.

The Approach Paper of the 12th Five Year Plan prepared by the Planning Commission highlights the need to adopt "*pro-poor tourism*" for increasing net benefits to the poor and ensuring that tourism growth contributes to poverty reduction. There is a significant shift in the strategies of the 12th Five Year Plan for deriving maximum returns from proposed investments in the tourism sector based on the Approach Paper of the Planning Commission.

There will be increased emphasis on skill development and capacity building for bridging the huge gap in demand and supply in skilled manpower in the hospitality sector. For developing tourism infrastructure based on carrying capacity and sustainability principles, professional agencies will be employed. Infrastructure gap in tourism destinations and circuits will be systematically covered. Greater emphasis on creating rural tourism clusters and tourism parks by adopting strategies based on convergences of resources will be specially emphasised upon.

For promoting the brand of “Incredible India” publicity and promotional programmes of the Ministry will be made product specific, country specific and destination specific. Appointment of India Tourism Representative Offices will contribute in a big way in attracting larger number of foreign tourists for increasing India’s share in international tourist arrivals to at least 1% per cent of the global share in the next five years.

There will be focussed emphasis on promoting tourism which is sustainable by adopting carrying capacity studies specially in environmentally sensitive areas. There will be more attention on promoting niche tourism products, attempting greater convergence amongst different stakeholders, and in rationalisation of taxes in tourism sector. For improving the quality of quantifiable indicators, Tourism Satellite Account will be prepared every five years so that effective monitoring is built into the system. This will contribute to improving the quality of evaluation.

I place on record my sincere appreciation to all the Members of the Working Group who have worked dedicatedly in a common Vision – Mission approach. I record my special thanks to the Convenors of the Sub-Groups who have substantially contributed in drafting of the Working Group Report. I acknowledge on record our special appreciation for the inputs received from Shri Arbind Modi, Consultant (Tourism and Culture), Planning Commission in formulating the recommendations and in assisting in drafting of the Report of the Working Group. I specially acknowledge the contribution of Dr. R.N. Pandey, Additional Director General in the Ministry who worked with tremendous zeal and energy as the focal point in the Ministry for this stimulating exercise.

I am confident that the recommendations contained in the Report of the Working Group will seriously engage the Planning Commission and we will be fully supported so that the overall outlay for the Tourism Sector for 12th Five Year Plan is substantially increased. This will enable the Ministry of Tourism to contribute its full share in promoting “pro-poor and sustainable tourism”.

Dated: 7-10-2011

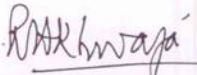

(R.H. Khwaja)

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CHAPTER – 1

OVERVIEW OF TOURISM SECTOR

Global Tourism

- 1.1 Globally, an ever increasing number of destinations have opened up and invested in tourism development, turning modern tourism into a key driver of socio-economic progress through the creation of jobs and enterprises, infrastructure development and the export revenues earned. As an internationally traded service, inbound tourism has become one of the world's major trade categories. The overall export income generated by inbound tourism, including passenger transport, exceeded US\$ 1 trillion in 2010, or close to US\$ 3 billion a day¹. Tourism exports account for as much as 30% of the world's exports of commercial services and 6% of overall exports of goods and services. Globally, as an export category, tourism ranks fourth after fuels, chemicals and automotive products. For many developing countries it is one of the main sources of foreign exchange income and the number one export category, creating much needed employment and opportunities for development². In over 150 countries tourism is one of the five top export earners, and in 60 it is the number one export. It is the main source of foreign exchange for one – third of developing countries and one - half of each Least Developed Countries (LDCs), where it accounts for upto 40% of their GDP.
- 1.2 Tourism Sector is a major generator of employment. As a highly labour intensive activity, tourism and tourism support activities create a high proportion of employment and career opportunities for low skilled and semi-skilled workers, particularly for poor, female and young workers. Women make up 70% of the labour force in tourism sector and half of all tourism workers are 25 years or under. The tourism sector can be an important source of employment for many of the unemployed youth and consequently reduces the poverty in the society (UNCTAD 2010).³

¹ 2010 International Tourism Results and Prospects for 2011, UNWTO,2011

² 2010 Tourism Report, UNWTO,2011

³United Nations Conference on Trade and Development (2010)

- 1.3 According to UN World Tourism Organisation (UNWTO)¹, the contribution of tourism to worldwide GDP is estimated to be in the region of 5%. For diversified economies, the contribution of tourism to national GDP ranges from 2 % for countries where tourism is comparatively a small sector, to over 10 % for countries where tourism is a main driver of the national economy. Tourism's contribution to employment is estimated to be 6 – 7 % of the overall number of jobs worldwide (direct and indirect).
- 1.4 Global market trends indicate that long-haul travel, neighboring country tourism, rural and ethnic tourism, wellness and health holidays, cultural tourism, spiritualism, ecotourism, sports and adventure holidays, and coastal tourism and cruises are a few emerging areas of tourist interest. From a geographic viewpoint, there has been a remarkable rise in Asian tourists, particularly from China and the East Asian countries. Further, the average age of an international tourist has also been reducing, representing a growing segment of young tourists who would typically travel to take a break from stressful professional lives⁴.
- 1.5 The World Tourism Organization (WTO) defines tourists as people who "travel to and stay in places outside their usual environment for more than twenty-four (24) hours and not more than one consecutive year, for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited". Persons whose duration of visit is less than 24 hours are called "Same Day Tourists" or "Excursionists"⁵. India also follows the same definition of the tourist. As against the recommendation of collecting the data on international arrivals, India collects data on Foreign Tourists Arrivals (FTAs) because the data on arrival of non-resident Indians are still not available. Domestic tourist is defined as a person who travels within the country to a place other than his usual environment for duration of not less than 24 hours and for not more than 12 months at a time for any purpose other than taking up employment.
- 1.6 After a negative growth of 4.2% in international tourist arrivals in 2009, world tourism recovered in 2010 with an impressive growth rate of 6.7%. Global tourism continues to consolidate the 2010 recovery, despite the recent developments in the Middle East and North Africa as well as the tragic events in Japan. However, the impact of these events on tourism is expected to be limited to the destinations directly involved. UNWTO's growth forecast for international

4 UNWTO World Tourism Barometer, Vol 9, June 2011

5 Recommendations on Tourism Statistics UN-WTO- Series M No.83, WTO, 1994

tourist arrivals in 2011 is between 4 to 5%⁶. Robust growth in tourism is likely to continue in the coming years also. UNWTO forecasts over one billion arrivals in 2010. Worldwide, long-distance travel is likely to grow faster (5.4% each year) than travel within regions (3.8%).

- 1.7 Continuing world prosperity, growing recognition of tourism's contribution to employment and economic growth, availability of better infrastructure, focused marketing and promotion efforts, liberalization of air transport, growing intraregional cooperation, and more effective Public-Private-Partnerships (PPPs) are seen as the key drivers for tourism in the next decade.
- 1.8 World tourist arrivals in South Asia are likely to grow faster (6.2 %) than arrivals in Europe (3.1 %) and the Asian market share of world tourism would steadily increase to 1.2 % until 2020⁷. The shifts in key trends thus represent greater opportunities for developing economies. Such opportunities also offer avenues to develop niche areas such as medical tourism and rural tourism.

Tourism in India

- 1.9 Tourism is one economic sector in India that has the potential to grow at a high rate and ensure consequential development of the infrastructure at the destinations. It has the capacity to capitalize on the country's success in the services sector and provide sustainable models of growth. In India, the travel and tourism sector is estimated to create 78 jobs per million rupees of investment compared to 45 jobs in the manufacturing sector for similar investment. Along with construction, it is one of the largest sectors of service industry in India. Apart from providing employment to a wide spectrum of job seekers from the unskilled to the specialized, a higher proportion of tourism benefits (jobs, petty trade opportunities) accrue to women⁸.
- 1.10 Tourism sector contributes significantly to the national economy as well as the creation of jobs in the country. Based on the Tourism Satellite Account for the year 2002-03 prepared by Ministry of Tourism, the contribution (direct and indirect) of tourism in the GDP and the total jobs in the country in 2007-08 is

6 2010 International Tourism Results and Prospects for 2011, UNWTO, 2011

7 UN WTO Vision 2020

8 Approach Paper to 12th Five Year Plan, Planning Commission, 2011

estimated to be 5.92 % and 9.24 % respectively. Domestic Tourism contributes to three-fourths of the Tourism economy.⁹

- 1.11 Tourism has the potential to stimulate other economic factors through its forward and backward linkages with a host of sectors like agriculture, manufacturing, transport, hospitality, education, health, banking, etc. Expenditure on tourism induces a chain of transactions requiring supply of goods and services from these related sectors. The consumption demand, emanating from tourist expenditure also creates more employment and generates a multiplier effect on the economy. As a result, additional incomes and employment opportunities are generated through such linkages. Thus, the expansion of the tourism sector can lead to large scale employment generation and poverty alleviation. The economic benefits that flow into the economy through growth of tourism in form of increased national and State revenues, business receipts, employment, wages and salary income, buoyancy in Central, State and local tax receipts can contribute towards overall socio-economic improvement and accelerated growth of the economy. India needs to tap reap the full potential of a vibrant tourism sector
- 1.12 Though Tourism is overwhelmingly an industry of private sector service providers, the public sector has a significant role to play in the provision of infrastructure, either directly or through Public Private Partnership. It is a multi-sectoral activity characterized by multiple services provided by a range of suppliers. It is quite similar to manufacturing industry, where the supply chain is as important as the end-product. The related sectors include airlines, surface transport, hotels, basic infrastructure and facilitation systems, etc. Thus, the growth of tourism cannot be attained unless the issues related to all the sectors are addressed simultaneously.
- 1.13 Continuing world prosperity, growing recognition of tourism's contribution to employment and economic growth, availability of better infrastructure, focused marketing and promotion efforts, liberalization of air transport, growing intraregional cooperation, and more effective Public-Private-Partnerships (PPPs) are seen as the key drivers for tourism in the next decade
- 1.14 The growth of inbound tourism in India has been better than the world. India registered a compounded annual growth rate (CAGR) of 9.1% during 2001 to 2010 as against 3.6% for the world during the same period. UNWTO has forecast

⁹ Tourism Satellite Account of India 2002-03 and estimates for 2007-08, Ministry of Tourism

that the Travel & Tourism Industry in India will grow by 8% per annum, in real terms, between 2008 and 2016. Foreign exchange earnings from tourism could show annualized growth of 14% during the same period.¹⁰

- 1.15 FTAs to India have seen somewhat of a dramatic turnaround since 2002, when a temporary declining trend was reversed aggressively. This turnaround was the result of several factors such as Government of India's "Incredible India" campaign, high visibility afforded to India by its economic success, the tourism industry's constant search for new destinations, and to some extent improvement in infrastructure in specific areas (such as better air connectivity of smaller and remote destinations). The total foreign tourist arrivals in India in 2010 were 5.58 million, registering an annual growth rate of 8.1% over the previous year. The foreign exchange earnings from tourism during 2010 was US\$ 14.19 billion with a growth 24.6% over previous year. Despite the burgeoning share of the Asian market, India's total share in world tourist arrivals, remains a modest 0.6%. Whether measured by the yardstick of its vast tourism resources, or its emerging economic importance, India's low share of tourism arrivals is certainly below potential.
- 1.16 Domestic tourism plays an important role in overall tourism development in the country. The number of domestic tourist visits (DTVs) increased from 462 million in 2006 to 740 million in 2010. In 2009 when the country witnessed a negative growth of 2.2 % in FTAs, domestic tourist visits registered a growth of 18.8 %. This growth of DTVs sustained various tourism infrastructure during bad period for the tourism sector.
- 1.17 The T&T Competitiveness Report¹¹ notes that India has key strengths, linked mainly to cultural endowments. India ranks 12th in the Asia region and 68th globally. The country is well assessed for its natural resources (ranked 8th), and cultural resources (24th), with many World Heritage sites, both natural and cultural, rich fauna, many fair and exhibitions. Given the country's stage of development, the country has a good air transport infrastructure and a reasonably good transport infrastructure. Low airport charges as well as low prices for manufactured goods and premium services in the economy as a whole contribute to India's price competitiveness. It is imperative to point out that India has the advantage of a strong domestic tourism base which was 740 million

10 2010 Tourism Report, UNWTO , 2011

11 The Travel & Tourism Competitiveness Report 2011, World Economic Forum

tourist visits in 2010. This base is likely to grow on the back of a rapidly rising middle class with increased disposable incomes and awareness.

- 1.18 In spite of low rankings on the Competitiveness scale, it is clear that India can leverage its higher rankings in certain categories to exploit its tourism potential over the next decade with proper planning. This potential, exploited in an intelligent and sustainable manner, can prove to be the proverbial engine of growth for India. This can be achieved only with active cooperation from the States/UTs. As tourism is a multi-sectoral activity, Planning Commission would also have an important role in facilitating the issues involved with other Ministries/Organisations at Central level as well as with the States /UTs.
- 1.19 The Approach Paper to the 12th Five Year Plan, prepared by Planning Commission, highlights 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 approach paper also underpins the need to develop a comprehensive set of strategies for a diversity of actions, from macro to micro level, including product and infrastructure development, marketing, branding and promotion, planning, policy and investment.
- 1.20 Accordingly, the Ministry of Tourism, Government of India has given a major thrust in this direction and is promoting tourism as a means of economic growth and social integration for the country. The role of government in tourism development has been redefined from that of a regulator to that of a catalyst. Apart from marketing and promotion, the tourism development plan has to focus on an integrated development of enabling infrastructure through effective partnership with various stakeholders.

Working Group for 12th Plan

- 1.21 Planning Commission constituted a Working Group on Tourism to work out the strategies for development of the tourism during 12th Plan. The composition and terms of reference of the Working Group are given in Annexure – I. The first meeting of the Working Group was held on 21st June, 2011. The performance of the tourism sector during 11th Plan and the likely strategies for its development during 12th Plan were discussed in this meeting. It was further decided in this meeting to constitute Sub-Groups on specific areas. The terms of reference and composition of these Sub-Groups are given in Annexure – II. This report of the Working Group has been finalized based on the recommendations of the Sub-Groups and the deliberations of the Working Group in its meeting held on 21st September, 2011.

CHAPTER-2

REVIEW OF ACTIVITIES OF THE 11TH FIVE YEAR PLAN 2007-12

Introduction

2.1 During the 11th Five Year Plan (FYP) there was a distinct shift in the approach of tourism development as compared to previous plans. The vision for the tourism sector for the 11th FYP was 'to achieve a superior quality of life through development and promotion tourism which would provide a unique opportunity for physical invigoration, mental rejuvenation, cultural enrichment and spiritual elevation.' This vision for tourism development was proposed to be achieved through the following strategic objectives:

- a) Positioning and maintaining tourism development as a national priority.
- b) Enhancing and maintaining India's competitiveness as a tourism destination.
- c) Improving and expanding product development.
- d) Creating world class infrastructure.
- e) Drawing up effective marketing plans and programmes and
- f) Developing human resources and capacity building of service providers.

Plan schemes during the Eleventh Five Year Plan

2.2 During 11th Plan, Ministry of Tourism was sanctioned a Plan outlay of Rs 5156 cr. Against this outlay, allocation during the first four years of the Plan period was Rs 4003 cr. Ministry has been able to utilize 99.23 % of the allocation during the first four years of the Plan. The scheme wise performance are discussed in the following paragraphs.

2.3 To accomplish the targets set forth in the 11th FYP the Ministry of Tourism (MoT) implemented following schemes during 2007-12.

- i) Product Infrastructure Development for Destination and Circuits (PIDDC)
- ii) Overseas Promotion and Publicity Including Market Development Assistance
- iii) Assistance to IHMs / FCI / IITTM / NIWS / NIAS / NCHMCT and Capacity Building for Service Providers
- iv) Domestic Promotion and Publicity
- v) Assistance to Large Revenue Generating Projects
- vi) Incentives to Accommodation Infrastructure
- vii) Creation of Land Banks

- viii) Assistance to Central Agencies
- ix) Market Research including Twenty Years Perspective Plan.
- x) Computerization and Information Technology
- xi) Others (Externally Aided Projects and Construction of Building for IISM)

2.4 The financial performance of the above schemes is given in Annexure-III. Consolidated expenditure incurred on the above schemes during the first four year of the Plan period is summarized below:

Expenditure Incurred During the First Four years of 11th Five Year Plan on Plan Schemes of the Ministry of Tourism

Sl. No.	Year	Budget Estimate (Rs. Cr.)	Revised Estimate (Rs. Cr.)	Expenditure (Rs. Cr.)	% of utilization
1.	2007-08	953.00	953.00	951.81	99.87
2.	2008-09	1000.00	1000.00	980.47	98.05
3.	2009-10	1000.00	950.00	934.48	98.37
4.	2010-11	1050.00	1000.00	997.13	99.71
	Total	4003.00	3903.00	3863.89	99.00

Appraisal of Select Plan Schemes

2.5 During the 11th FYP, major emphasis was on three schemes involving (i) Product Infrastructure Development for Destination and Circuits (ii) Overseas promotion and publicity and (iii) Central assistance to IHMs/FCIs and other Institutes. These schemes registered a commendable performance during the Plan period. Apart from the above, the other schemes of the ministry also registered a modest performance. A brief appraisal of the various Plan schemes is given below.

i. Product Infrastructure Development for Destination and Circuits (PIDDC)

This is the only centrally sponsored scheme focusing on integrated infrastructure development of tourism circuits/ destinations and also on the improvement of existing products as well as development of new tourism products of global standards. In addition, projects for development of physical infrastructure for promotion of rural tourism were financed under the scheme. In addition to the sanctioning of tourism destinations and circuits at the maximum cost of Rs 5 cr and Rs 8 cr respectively, mega tourism destinations and circuits with the maximum cost of Rs 25 cr and Rs 50 cr were also sanctioned. Rural tourism projects were also sanctioned under this scheme. During the first four years of

the 11th Plan, almost half of the plan outlay of the Ministry of Tourism was earmarked for this scheme. During this period, 1003 projects including 65 rural tourism projects were sanctioned to various States, the details of which are given in Annexure-IV.

ii. Overseas Promotion and Publicity Including Market Development Assistance

With an aim to position India globally as the most favored destination, vigorous publicity and marketing campaigns are initiated under this scheme. The Ministry has been working on a two-pronged strategy for marketing of brand 'Incredible India' - in the established markets as well as in emerging markets. Promotional activities in some of the markets such as Spain, China, France, etc. are undertaken in vernacular languages for a wider and targeted reach. Apart from these, efforts are being made to establish representative offices of the Ministry in new markets. The 14th Overseas India Tourism Office in Beijing commenced operations in April 2008. Approximately 25% of the plan outlay of the Ministry was set aside for this scheme with a utilization rate of 99.6%.

iii. Assistance to IHMs / FCI / IITTM / NIWS / NIAS / NCHMCT and Capacity Building for Service Providers

The tourism sector in the country has been experiencing huge deficit in quality human resources. This scheme "Assistance to IHMs/FCIs ---"envisages to create and upgrade adequate institutional infrastructure for training and certification of manpower resources. During 11th Plan emphasis was placed on opening of new institutes such as Institutes of Hotel Management (IHM) and Food Craft Institutes (FCI).

The scheme 'Capacity Building for Service Providers' provides for training to cover a wide range of services like health and personal hygiene, cleanliness, basic service techniques, cooking techniques, garbage disposal, etiquette and basic manners, basic nutrition values, energy saving techniques, guides' training, etc.

Till date (31st July 2011), 16 State IHMs were sanctioned against a target of 19 and 13 FCIs were sanctioned against a target of 25. Skill testing and certification facilities at 15 State IHMs were instituted for the benefit of the existing service providers. During 2010-2011, 9869 service providers were certified under this scheme as against a target of 5500. The Scheme guidelines for "Assistance to

Institute of Hotel Management, etc.” and “Capacity Building of Service Providers” were also revised.

Under this scheme a short duration flagship programme, ‘Hunar Se Rozgar’ has also been launched. This programme aims to train 8th class pass-outs (up to 28 years of age) in Food Production and Food & Beverages services. This programme is conducted through the MoT sponsored IHMs and FCIs at select State Government Institutes and certain Star category Hotels. 6981 youth were trained under this programme against a target of 5500, in 2010-2011. Given the high success and wide acceptability of this programme MoT is considering its expansion to cover courses like Housekeeping & Utility, Bakery, etc. 100% utilization of allocated fund of Rs.350 crores was achieved under these schemes during first 4 years of 11th Plan.

iv. Domestic Promotion and Publicity

Under this scheme, various activities for promotion of domestic tourism and spread of social awareness messages are undertaken. Campaigns were launched in electronic and print media in India to promote important tourist products of the country. Campaigns were also initiated to promote North East region and Jammu & Kashmir as tourist destinations. A social awareness campaign, featuring Shri Amir Khan, eminent film personality was also launched to inculcate good public hygiene habits. Under this scheme, financial assistance is also provided to various organizations / stakeholders to organize training programmes, workshops, etc on the tourism related topics. An amount of Rs 272.33 cr was spent during the first 4 years of the 11th Plan, as against an allocation of Rs 270 cr.

v. Assistance to Large Revenue Generating Projects

This scheme was formulated with an objective to attract private investments in large revenue generating tourism projects such as tourist trains, cruise vessels, convention centres, golf courses, etc. These projects are envisaged to be implemented with public private partnership (PPP) and viability gap funding (VGF) provided by the MoT. Since the scheme received only a lukewarm response, the Ministry is in the process of revising the guidelines to make it more attractive. It is also proposed to include projects such as hotels, amusement parks, theme parks, etc. within the ambit of this scheme. The utilization under this scheme during the first 4 years of 11th Plan was only Rs 26.4 cr against an allocation of Rs 69.2 cr.

vi. Incentives to Accommodation Infrastructure

To augment the inventory of quality hotel rooms for tourism promotion, a new scheme was launched during the Plan period for providing subsidy for construction of Budget Hotel Accommodation. However due to non-receipt of approvals, the scheme was operational only for one financial year, ending 31st March 2008. MOT is in the process of preparing a new Plan Scheme for subsidizing budget category hotels. An amount of Rs 45.79 cr was spent during the first 4 years of 11th Plan against an allocation of Rs 64 cr.

vii. Creation of Land Banks

This scheme was initiated during 2007-08 with an allocation of Rs. 10.00 crore. However, the scheme could not be implemented since no land was made available to MOT by various land owning agencies such as NDMC, DDA, etc. A nominal amount of Rs. 1.00 lakh has been kept during the year 2011-12 to enable the start of any future activity under this scheme.

viii. Assistance to Central Agencies

Though Central Financial assistance is provided to States/UTs for development of tourism destinations and circuits under the PIDDC Scheme, a large number of important tourist destinations such as world heritage sites, wildlife sanctuaries, etc. are under the administrative control of various Central Government agencies. Under the scheme of Assistance to Central Agencies, direct funding is provided to Central Government agencies such as ASI, CPWD, ITDC, Port Trusts, etc. to undertake improvement of tourism infrastructure in the places under their administrative control. Since very few proposals were received under this scheme the utilization rate was low. As against an allocation of Rs 27 cr, during the first 4 years of Plan period, expenditure incurred was Rs 16.25 cr.

ix. Market Research including Twenty Years Perspective Plan.

For planning, policy formulation and effective monitoring and evaluation of various schemes, Market research and collection of statistical information is a pre-requisite. In this regard the Ministry has commissioned a number of research studies and surveys. The following important studies were undertaken by the MOT during the 11th FYP period:

- a) Study to identify infrastructure gaps at important tourist destinations.
- b) Study on Problem and Prospects of Accessible Tourism in India

- c) Study on Problems and Challenges faced by of Medical Tourists visiting India.
- d) Study to ascertain the expectation levels of Foreign Tourists originating from UK, UAE, Australia and New Zealand.

In addition to the above, another important initiative of the Ministry has been to develop and validate a methodology for estimation of Domestic Tourist Visits (DTV's). During Phase-I of the surveys, the states of Punjab, Delhi, Jharkhand, Maharashtra and Andhra Pradesh were targeted. Keeping in view the established utility of these surveys, five more states namely Haryana, Himachal Pradesh, Madhya Pradesh, Sikkim and Chhattisgarh are currently being surveyed. Domestic and International Passenger surveys were also conducted for preparing Second Tourism Satellite Accounts of India. Against an allocation of Rs 15.5 cr, an amount of Rs 10.83 cr was spent under this scheme.

x. Computerization and Information Technology

Realizing the importance and role of Information Technology in promotion and facilitation of tourism, financial assistance is being extended to States/UTs for activities such as creation of websites/ online portals, online marketing of tourism products, etc. The websites of MoT (www.tourism.gov.in) and Incredible India campaign (<http://incredibleindia.org>) were revamped and are constantly being updated. As against the allocation of Rs 63.5 cr, an amount of Rs 54.13 cr was spent during the first 4 years of the Plan.

Comparative Trends in Tourism Sector during Eleventh Five Year Plan

2.6 As per the 11th Plan document, following were the targets for the tourism sector:

- a) Achieve 10 million international visitors by the end of the 11th FYP
- b) Achieve 812 million domestic tourist visits by the end of 11th FYP
- c) Develop new forms of tourism like rural tourism, cultural tourism, adventure tourism, cruise tourism, MICE tourism and medical tourism.

2.7 The following paragraphs describe the achievements in the tourism sector in the 11th Plan so far.

2.8 As compared to the previous Plan period the 11th FYP period witnessed an unenviable growth in the Tourism sector. Global incidents such as economic recession spread of H1N1 pandemic, terror strikes etc. severely dented the growth

prospects of Indian Tourism Industry. To counteract the slowdown and to attract more Foreign Tourist Arrivals (FTA) in India during this period, MoT launched several initiatives such as 'Visit India Year 2009' campaign, promotion of niche products like Wellness Tourism, MICE Tourism, Heli Tourism. Extensive road shows, various promotional events were held in major overseas source markets, in partnership with stakeholders.

i) Foreign Tourist Arrivals (FTAs)

The country witnessed a compounded annual growth rate (CAGR) of 3.18% in FTAs during 2007-2010, as against a 16.93% growth during the 10th Plan period. FTAs witnessed a negative growth of 2.2% in 2009, mainly attributed to the severe economic recession in the main source markets. However, this performance of tourism sector in India was better than the world average (-) 4%. Since then, the growth in FTAs have rebounded to an impressive 8.1% during 2010. The first seven months of 2011 have also registered an upward growth of 10.9% and this trend is expected to continue.

ii) India's Share in World Tourist Arrivals

With a 0.53% share in the World Tourist Arrivals, India clocked 4.45 million FTA in India in 2006. Despite adverse global circumstances, the number of FTAs in India increased to 5.58 million in 2010 continuing to maintain a global share of 0.6%.

iii) Foreign Exchange Earnings from Tourism (FEE)

The Foreign Exchange Earnings from tourism in India during 2010 was US\$ 14.19 billion as compared to US\$ 8.6 Billion in 2006. The CAGR during 2007 to 2010 in FEE from tourism In India was 9.78% as compared to 29.15% during 2002 to 2006 (10th Plan Period). Though the rate of growth of FEE from tourism in India has witnessed a decline in 11th Plan period as compared to 10th Plan period, India's share in world tourism receipts has improved from 1.16% in 2006 to 1.54% in 2010. There is noteworthy improvement in India's ranking in world tourism receipts from 22nd position in 2006 to 16th in 2010.

iv) Domestic Tourist Visits (DTVs)

Domestic tourism plays an important role in the overall development of tourism sector in India. The number of domestic tourist visits in India increased from 462.31 million in 2006 to 740.21 million in 2010. The CAGR observed during

2006 to 2010 was 12.49% as compared to 14.35% during 2001 to 2006. Though FTAs in India observed a decline of 2.2% in 2009, the domestic tourist visit observed a substantial growth of 15.5 % in that year. Even in 2010, growth rate of 10.7% was observed.

v) Out-bound Tourism

Though Ministry of Tourism is making serious efforts to attract more foreign tourists in India, during 2010, the number of Indians going abroad is almost double the FTAs in India. The Indian departure of 8.34 million in 2006 increased to 12.07 million in 2010. The growth rate observed in outbound Indian traffic in 2010 was 9% over the previous year.

2.9 Year-wise data on above performance indicators for the 11th Plan Period is given in Annexure –V.

Concluding Remarks

2.10 Despite the not-so-favourable global environment during the 11th Plan period, the concerted efforts of the Ministry and the Indian tourism industry have yielded modest dividends. There is little room for complacency, especially in view of the fact that many other overseas destinations and countries are competing against India in attracting more foreign tourists. Hence, a more focussed and targeted strategy is needed to take Indian tourism higher up the value chain.

2.11 For the infrastructure development during 11th Plan, emphasis was mainly on development of individual tourist destinations and circuits. Even the sanctioning of 45 mega destinations / circuits was also not found to be sufficient. Though the approach followed in the 11th Plan was successful to an extent, the emphasis during the 12th Plan would be on the development of tourism infrastructure in an integrated manner by identifying the important circuits and the gaps in infrastructure amenities in the identified circuits and convergence of resources of various Ministries/ Organisations at the Central and State levels.

2.12 As regards skill development, the IHMs and other institutions set up during the 11th Plan have been able to broadly meet the requirements of managerial staff in the hospitality sector. In the 12th Plan, emphasis would be more on setting up of FCIs for the training of non-managerial staff. Emphasis should also be given for organising more short-term courses for unskilled workforce as well as unemployed youth on the pattern of 'Hunar-se-Rozgar' and 'skill certification of service providers'.

- 2.13 The overseas promotion and publicity should also be revamped to derive maximum advantage from the 'Incredible India' brand which is now well established all over the world. In the domestic publicity, emphasis should be given for creating more awareness about the hygiene and sanitation among the public and respect for the foreign and domestic tourists.
- 2.14 As the accurate and up-to-date statistical data is a pre-requisite for proper planning, monitoring and evaluation of various tourism programmes in the country, 12th Plan should address the issue of deficiencies in various types of tourism statistics, particularly domestic tourism statistics.

CHAPTER – 3

STRATEGIES FOR DEVELOPMENT OF TOURISM DURING 12TH PLAN

Introduction

- 3.1 As per the 11th Plan document of the Planning Commission, “Tourism is the largest service industry in the country. Its importance lies in being an instrument for economic development and employment generation, particularly in remote and backward areas”. During 11th Five Year Plan efforts were made to harness the full potential of the tourism sectors by improving the tourism infrastructure, popularizing further the Incredible India Campaigns in foreign countries, promoting niche products such as MICE, Health and Wellness, Adventure Tourism etc. However, strategies followed during the 11th Plan may have to be suitably recalibrated to take care of the challenges from the competing countries and to harness the full potential of Indian tourism.
- 3.2 The Approach paper to 12th Five Year Plan, prepared by Planning Commission, highlights the following regarding tourism sector:
- (i) Along with construction, Tourism is one of the largest sectors of the service industry In India. It is capable of providing employment to a wide spectrum of job seekers from the unskilled to the specialized, even in the remote parts of the country. Compared to other modern sectors, a higher proportion of tourism benefits (jobs, petty trade opportunities) accrue to women. Hence, growth of the tourism sector is more inclusive than other sectors.
 - (ii) Tourism and Hospitality is a diverse industry, being a collection of activities, comprising transportation, accommodation, eating & drinking establishments, retail shops, entertainment businesses and other hospitality services provided to individuals or groups travelling away from home for leisure, business or other purposes. The broad scope of economic activities involved in tourism enables wide participation in its growth, including the participation of the informal sector. Furthermore, tourism is highly dependent upon natural capital (e.g. forest, wildlife) and culture. These are assets that some of the poor have, even if they have no financial resources.
 - (iii) The interaction of tourists, business suppliers, host governments and host communities in the process of attracting and hosting the tourists and other visitors, gives rise to both demand for, and supply of, a wide range of tourism related goods and services. Therefore, tourism has good potential to stimulate

overall economic growth. A marginal shift in investment to the tourism sector has the potential to propel India to a faster growth trajectory.

- (iv) In 1992, the 'Earth Summit' in Rio established the triple principles of environmental, economic and social sustainability. Since then, the principles of sustainable tourism have been adopted by the tourism industry worldwide. In India, the tourism sector is based on exploiting its unique endowments of biodiversity, forests, rivers, and its rich culture and heritage. The challenges in this sector lie in successfully preserving these in their original form, and making them accessible to domestic and international travellers. Tourism in India has the potential to create economic interest of local communities in the protection of its natural and cultural endowments leading to a more sustainable growth.
- (v) The realization of the country's huge, barely tapped, tourism potential is contingent upon simultaneously addressing the multiple challenges thrown up by capacity constraints and inadequate policies. These constraints include inadequate transportation infrastructure; accommodation; land; multiple taxes and an overall high tax burden; inadequate financial resources for enterprises; skills; safety and hygiene conditions around tourist attractions; and convergence of actions by multiple agencies. The challenges are further magnified in the context of a federal structure where the responsibilities for policy making and implementation is fragmented across levels of government and co-ordination between them is often lacking.

3.3 As broad guidelines for formulation of strategies during the 12th Plan, Approach Paper of the Planning Commission recommends the following:

- (i) In order to realize the potential of this sector, the Government would 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. A wide range of actions are needed to increase the spread of benefits from tourism to the weaker sections. These go well beyond simply promoting community tourism, heritage tourism, eco-tourism, wellness tourism and the like. There is need for a diversity of actions, from micro to macro level, including product and infrastructure development, marketing, branding and promotion, planning, policy and investment. A comprehensive set of strategies need to be developed for this purpose.
- (ii) A principal strategy to realize India's enormous assets with tourism potential viz., historical sites, places of religious significance, and its vast range of

national attractions, must be to focus on 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. The strategies can be divided into those that generate three different types of local benefit: economic benefits, non-cash livelihood benefits (such as physical, social or cultural improvements), and less tangible benefits of participation and involvement.

(iii) The implementation of various strategies for development of tourism would involve developing formal and informal links between all stakeholders and coordination across all levels of Government. It would be necessary to establish a 'whole government' agenda for tourism development between departments at national level and between national and local government so as to create convergence and synergy across programs. This requires that awareness is created amongst all stakeholders and across government about the contribution of tourism to local livelihoods and engage them in joint initiatives to increase the local economic development and impact on poverty reduction. The National Tourism Policy should form an integral part of the poverty reduction strategy during the Twelfth Five Year Plan.

- 3.4 Tourism development should focus on developing tourism from people's perspective by involving local Panchayats and local communities at various stages. This will help in understanding the social, cultural, and environmental impacts of tourism projects on local communities enabling the development of tourism in a sustainable manner.
- 3.5 To seek the consensus from various ministries / organisations on the strategies proposed to be pursued during the 12th Five Year Plan by the Ministry of Tourism, a presentation was made to the Hon'ble Prime Minister on 23rd June, 2011. In this presentation, various initiatives required to be taken for development of tourism during the 12th Plan were also discussed. The content of the presentation and broad guidelines of the Planning Commission mentioned in the Approach Paper to the 12th Plan were also deliberated upon by various Sub-Groups of the Working Group. After detailed discussion, Working Group has recommended the following strategies for development of tourism during the 12th Plan.

Various Targets for Tourism Sector

- 3.6 As Tourism Sector is one of the major component of the service sector in India, its growth targets has to be linked to the targeted growth of service sector during the 12th Five Year Plan. Indian economy is expected to grow at the rate of 9%. To achieve this, services sector as well as the tourism sector has to grow at the rate of 12 % per annum. The current rate of growth in tourism sector is about 9 %. For improving the growth in tourism sector, persistent and concerted efforts have to be made during the 12th Plan.
- 3.7 To realize the above, following targets have been fixed for Foreign Tourist Arrivals (FTAs) and Domestic Tourism.
- a) Increase India's share of International Tourist arrivals to at least 1 % by end of 12th Plan - requiring an annual growth of 12.38% during 2011- 2016.
 - b) Provide adequate facilities for domestic tourism to sustain the growth of 12.16% (witnessed in recent years) during 12th Plan (2011 to 2016).

Implications of the targets

- 3.8 Following are the implications of the targets to be achieved in respect of FTAs and Domestic Tourism during 12th Plan.

(i) Foreign Tourist Arrivals

Number of FTAs in 2016 are estimated to be 11.24 million. Number of Foreign Tourist Visits (FTVs) in 2016 will be 35.96 million.

(ii) Domestic Tourism

Number of Domestic Tourist Visits (DTV) in 2016 are estimated to be 1451.46 million.

(iii) Additional Foreign Exchange Earnings from tourism

The Foreign Exchange Earnings from Tourism will increase from Rs. 64889 crore (US\$ 14.19 Billion) in 2010 to Rs. 134383 crore (US\$ 30.3 Billion) in 2016. Additional FEE from Tourism during 2010-16 are estimated to be Rs. 69494 crore (US\$ 15.7 Billion).

(iv) Employment Generation

Using the data on share of tourism in the total jobs in the country available from Tourism Satellite Accounts (TSA) for 2002-03 and estimated for years

till 2007-08, the total number of jobs (direct and indirect) in the tourism sector in 2016 are estimated to be 77.5 million as compared to 53 million in 2010.

Therefore, an additional employment of 24.5 million (direct and indirect) is likely to be created during in 2010 to 2016.

(v) **Manpower Requirement in Hospitality Sector**

As per the study commissioned by Ministry of Tourism, the total employment in Hospitality Sector (Hotels- classified and unclassified, eating outlets, Tour Operators, Travel Agents and Medical & Wellness units) in selected years are estimated to be as follows:-

Year	Employment (Lakhs)
2011-12	43.84
2012-13	47.26
2016-17	63.79

By taking into account the wastage (Retirement and Attrition to sectors other than Hospitality) and requirement of trainers, total requirement for manpower has been worked out. Similarly, by taking into account the attrition in the supply (passouts from Hospitality Education- both Government and Private, youths trained under various programmes of the Ministry of Tourism), total supply has been also assessed. The total requirement, supply and the gaps in selected years are given below:-

Year	Requirement (Lakhs)	Supply (Lakhs)	Gaps (Lakhs)
2011-12	5.83	0.52	5.32
2012-13	6.26	0.56	5.70
2016-17	8.29	0.75	7.54

(vi) **Accommodation Units**

The existing accommodation units may not be sufficient for the targeted number of FTAS and DTVs in 2016. The availability of number of rooms in 2010 and requirement of additional rooms in 2016 for the targeted growth of tourism during the 12th Five Year Plan are given below:

Availability of Hotel Rooms 2010	Classified	128771
	Unclassified	2583519
	Total	2712290
Requirement of Hotel Rooms 2016	Classified	310523
	Unclassified	4661807
	Total	4972330
Additional requirement in 2016	Classified	181752
	Unclassified	2078288
	Total	2260040

Initiatives to be taken to achieve the target

Skill Development

3.9 As mentioned in para 3.5 (v), there is likely to be a gap of 8.10 lakh manpower in the hospitality sector. To bridge this gap, a number of new initiatives have to be taken for skill development. A brief detail of the proposed initiatives is given below:

Strategy I

- Enhancing the Institutional Infrastructure of Hospitality Education by
 - Opening new Institutes of Hotel Management (IHM) and Food Crafts Institutes (FCI)
 - Augmenting the capacity of existing IHM/FCI
 - Facilitating private sector investments

Strategy II

- Hospitality Education to be broad based to cover
 - Universities / Colleges
 - Polytechnics
 - Industrial Training Institutes
 - Vocational Education at +2 level through CBSE and other State Level Boards

Strategy III

- Skill development through “Hunar Se Rozgar” through
- Above educational/ training institutions
- Classified Star category hotels

Strategy IV

- Skills of existing Service Providers to be certified through a stringent process to enhance their employability

- New sectors to be identified e.g. Restoration workers of heritage buildings (Neemrana)
- Convergence with Planning Commission, Ministries of HRD, Labour & Rural Development

Infrastructure Development

3.10 To maximise the return on the investment in the development of tourism infrastructure, the emphasis during the 12th Plan would be on its development in an integrated manner by identifying the important circuits and the gaps in infrastructure amenities in the identified circuits and convergence of resources of various Ministries / Organisations at the Central and State levels. To increase the duration of stay of tourists at important tourist destinations, Tourism Parks on the pattern of Sentosa in Singapore may also have to be developed. For better promotion of rural tourism, a cluster approach may have to be adopted as against a single village approach now being followed. Planning Commission's approach paper to 12th Plan also stresses the need to focus on tourism clusters and circuits to realise India's enormous assets with tourism potential.

3.11 To identify the circuits and undertake various activities relating to the sanctioning of various tourism projects as well as their monitoring, a National Level Consultant (NLC) has been appointed for a duration of 5 years. All the projects relating to tourism infrastructure have to be implemented by the States/UTs. Most of the States/UTs do not have sufficient manpower to prepare detailed project reports (DPRs), identify and involve private sector in the implementation of PPP projects. To help the States/UTs, Ministry of Tourism will also be appointing State level Consultants (SLCs) for each State/UT to handle various activities regarding the tourism infrastructure projects, particularly to bring in private sector investments in most of the projects.

3.12 A brief detail of the proposed initiatives is given below:

Strategy I

- Identify major Circuits/ Destinations - having potential to attract large number of visitors – for development in Mission Mode

Strategy II

- Develop Tourism Parks to be located in developed / underdeveloped / unexplored area of tourist interest

Strategy III

- Identify clusters of villages having unique craft, ethnic art form for development as Tourism Products

Strategy IV

- Existing scheme of development of tourism circuits / destinations to continue. However, sanctioning of mega tourism destinations/circuits to be discontinued.

3.13 Religious Tourism is an important segment of domestic tourism in the country. India has the unique distinction of being the birth-place of four important religions of the world – Hinduism, Buddhism, Jainism and Sikhism. The historic places associated with these religions are spread all over the country. Both foreign and domestic tourists would like to visit more than one place of their religion if proper planning and requisite facilities are made available to them. These religious circuits would cover Buddhist, Jain, Sikh and Sufi circuits. Number of places in these circuits may be decided to offer short duration packages of 5 days and long duration packages of 7 days. Some of these religious circuits will be included in the 35 tourism circuits to be developed in Phase 1 by 2016 and 89 circuits in Phase 2 to be identified in various States/ UTs as part of Strategy I.

3.14 Details of the Strategies for development of Tourism infrastructure have been given in the Chapter 4 dealing with the Infrastructure Development.

Marketing, Branding & Promotion

3.15 Promotion and marketing plays an important role in increasing the volume of tourism traffic. Though 'Incredible India' brand is now well-established, its advantage has to be explored fully. The existing efforts of Ministry of Tourism in this area will be further strengthened through following measures:

- (i) To undertake widespread and aggressive promotional activities
- (ii) Developing new markets – CIS, ASEAN, Middle East and African countries
- (iii) Opening new representative offices overseas for wider reach
- (iv) Developing and promoting new tourism products - Golf, Polo, Wellness & Medical, MICE, Caravan, Cruise, Adventure and Wildlife tourism.

Hygiene and Sanitation

3.16 A study conducted by Ministry of Tourism at important tourist destination reveals that lack of hygiene and sanitation is a major irritant for foreign and domestic tourists. Therefore, creation of awareness as well as making available the requisite facilities will be given high importance during 12th Plan through the following measures.

- (i) Ministry to undertake major social awareness campaign under 'Atithi Devo Bhav' initiative
- (ii) To involve schools, NGOs, industry associations, etc. in carrying out major cleanliness drive at important tourist destinations. MoT will provide suitable incentives as well as awards for all the organisations and individuals involved in this important initiative.
- (iii) Top most priority will be given for sanctioning of Central Financial Assistance for setting up of way-side amenities, bio-degradable toilets, etc.

Sustainable Tourism

3.17 While making efforts for achieving the targeted growth in FTAs and domestic tourism, Ministry of Tourism will endeavour to make the growth sustainable. This is proposed to be achieved through the following measures:

- (i) The criteria and indicators of sustainable tourism for hotels, tour operators and rural tourism/ home-stays would be finalized.
- (ii) For conceptualizing a system/ scheme of Sustainable Tourism Criteria for India (STCI), MOT would appoint a lead consultant, to provide a detailed operational plan for implementation of STCI.
- (iii) Scope of Market Development Assistance scheme would be enlarged to cover participation of representatives of recognized national associations in workshops/ seminars on sustainable tourism organised by reputed organisations in India or overseas.
- (iv) Training of various stake holders under the existing plan schemes of MoT

Safe and Honourable Tourism

3.18 Ministry of Tourism along with the stakeholders has adopted the Code of Conduct for "Safe & Honourable Tourism" which is a set of guidelines to be voluntarily adopted by the stakeholders, primarily to encourage tourism activities to be undertaken with respect for basic rights like dignity, safety and freedom from

exploitation of both tourists and local residents, in particular, women and children. MoT has already taken the following initiatives.

- (i) As a first step towards implementation of the Code, the pledge to adhere by the tenets of “Safe & Honourable Tourism” was formally signed by key stakeholders associations and over 100 industry leaders on 27th September 2010.
 - (ii) With an objective of implementing the Code in an effective and concrete way, the Guidelines for grant of recognition by Ministry of Tourism under the categories of Inbound Tour Operator, Adventure Tour Operator, Travel Agent, Domestic Tour Operator & Tourist Transport Operator have been modified to incorporate the commitment and adherence on the part of the applicant to Code of Conduct for “Safe & Honourable Tourism” with effect from 18th January 2011.
 - (iii) The guidelines of classification and approval of Hotels and other types of accommodation have also been modified to incorporate the provisions of the Code.
 - (iv) Workshops are being regularly organized for creating awareness among various stakeholders.
- 3.19 Safety and the security of the tourists is a worldwide concern. Any adverse perception about safety and security of the tourists has serious implications for tourist arrivals to the country and its tourist destinations. Keeping the above in view, Ministry of Tourism has formulated a scheme suggesting guidelines for constitution of Tourist Facilitation and Security Organization(s) (TFSO) in States / UTs. On the advice of the Planning Commission, a pilot project involving Ex – Servicemen is being implemented in selected States.
- 3.20 The various efforts already being made for safe and honourable tourism in the country will be further strengthened through the following measures:
- (i) wide scale dissemination of tenets of Code of Conduct for “Safe & Honourable Tourism” among the tourism fraternity
 - (ii) Approval and implementation of Plan scheme regarding TFSO in all the States / UTs during 12th Plan

Development and Promotion of Niche Tourism Products

- 3.21 Tourism, especially international tourism in India is affected by seasonality and is, therefore, prone to the problem of excess demand or supply. Hence, the strategy to overcome this aspect of ‘seasonality’ of Indian Tourism is to promote India as a 365 days destination, offering year-round experiences, by selecting products which are unique to the destination and thereby create opportunities for the tourist to visit

the country all-round the year. For this purpose, development of various niche tourism products have to pursued more vigorously during 12th Plan by identifying niche products in which India has strength.

3.22 Emphasis will be either on the development of some of the following niche tourism products or developing additional niche products such as (h) and (i) given below:

- a) Adventure
- b) Medical
- c) Wellness
- d) Golf
- e) Polo
- f) Cruise
- g) Meetings Incentives Conferences & Exhibitions (MICE)
- h) Pilgrimage/spiritual travel
- i) Film Tourism
- j) Eco/ Wild life/ Caravan Tourism

3.23 Specific measures proposed to be undertaken for development and promotion of these niche tourism products are given in Chapter 8.

Convergence

3.24 As tourism is a multi-sectoral activity, active convergence in the resources of various sectors involved in promotion of tourism at Central and State level is necessary for achieving the optimum results. The approach paper to the 12th Five Year Plan, Prepared by the Planning Commission, stresses the need to develop formal and informal links between all stakeholders and coordination across all levels of Government. Ministry of Tourism is already trying hard for ensuring the convergence amongst various stakeholders. Details of various types of convergence required at Central and State Level have been mentioned in the Chapter on Convergence. For achieving the best results in Convergence, following are proposed:-

- (i) A Committee may be constituted under the Chairmanship of Prime Minister with members from concerned Ministries such as Culture, Civil Aviation, Road Transport & Highways, Urban Development, etc.
- (ii) A Committee may be constituted in each State/UTs under the Chairmanship of Chief Ministers/Administrator with members from concerned Ministries of the State Governments/UT Administrations.

- (iii) Planning Commission may help the Ministry of Tourism in sorting out the issues with other Ministries/organisations at Central level as well as with the State.
- (iv) Planning Commission may increase the Plan outlay of Tourism departments of various States/UTs while finalizing their Annual Plan outlays every year.

Taxation and Incentives

3.25 One of the bottlenecks in achieving the full potential of tourism sector in India is the high incidence and multiplicity of taxes that has led to tourist packages being out-priced in comparison with those available for competing destinations. The tax structure varies from State to State and ranges from 25 – 30 % for hotel accommodation, 25 – 60 % on food & beverages and 20 - 25 % on road travel. The present tax structure, in addition to making the packages costly, obstructs the seamless movement of tourists across the States. Following measures are proposed for addressing these issues.

- (i) Taxes levied on Tourism industry should be unified, rationalized and made globally competitive
- (ii) GST for tourism should not be more than 8%.
- (iii) Incentives available to hotels need to be extended to all tourism service providers under Sec 35 AD of Income Tax Act, 1961.
- (iv) The foreign exchange earned by hotels and inbound tour operators may be considered as 'deemed' exports and full service tax exemption be provided to them at par with other exporters
- (v) Hotels may be considered to be included in the infrastructure lending list

3.26 Details of simplification of the taxes and incentives required for the tourism sector are given in the Chapter 9 on Taxation.

Market Research and Tourism Statistics

3.27 Due to various efforts of the Ministry of Tourism, the quality of database on various aspects of tourism has witnessed some improvement. However, there are still some serious data gaps in tourism sector. Efforts will be made to improve the quality of existing tourism statistics and bridge the data gaps during the 12th Plan through following measures:

- (i) Second Tourism Satellite Account (TSA) will be prepared during 12th Plan and every five years thereafter. Efforts will also be made to prepare Tourism Satellite Account for a few States. Once the methodology is firmed up, such States TSAs will be prepared for other States in collaboration with them.
- (ii) Surveys to be conducted in important source markets for desire mapping of foreign tourists from these countries, concurrent and impact evaluation of the marketing strategies and publicity campaigns launched by the Ministry of Tourism in these countries. In each year three countries may be covered.
- (iii) States/UTs will be encouraged to use the methodology developed by the Ministry of Tourism for collection of domestic and foreign tourists visits in their States/UTs. If it is not possible to recruit the additional manpower for collection of data regularly from the hotels, as required in the methodology, they may outsource the job to some consultancy organization. 100% of the cost involved in this may be borne by the Ministry of Tourism for initial three years.

Involvement of States/UTs in Tourism Development

3.28 Active involvement of States/UTs is a pre-requisite for integrated tourism development in the country. Though some of the States / UTs are very pro-active in promoting tourism, some others have not yet realised the full advantage of tourism in their economic development. State / UTs have to also create conducive and investment-friendly environment for significant investments in tourism sector. Following measures will be pursued with the State / UTs in this regard.

- (i) MoT in association with ASSOCHAM, CII, FICCI, PHDCCI, ICC, etc. will undertake efforts to increase States' awareness of potential of tourism in economic development and employment generation
- (ii) States to identify infrastructure gaps for tourist destination and ensure intervention at Chief Minister level – making it a political agenda
- (iii) States should promote sustainable, safe and honourable tourism.
- (iv) States should take necessary action for establishing the system of single-window clearance for various activities in tourism sector on the pattern of Hospitality Promotion and Development Board (HPDB) for hotel sector
- (v) State should make available land for hotels, convention / exhibition centres, theme parks, composite haats, etc. on the pattern of land allotment for manufacturing industry
- (vi) States should also extend other benefits such as increased Floor Area Ration (FAR) for tourism projects

Proposed Outlay of Ministry of Tourism for 12th Plan

3.29 To enable the MOT to undertake proposed activities during 12th Plan period, its plan outlay has to be increased manifold. The proposed allocations for various schemes are given below:-

	<u>XII Plan</u>	<u>XI Plan</u>
Existing Strategy – Dest. / Circuits	4000	2606
Strategy I – 35 destinations/ circuits	9450	
Strategy II – 20 tourism parks	1000	
Strategy III – 70 RTCs	770	
Overseas Promotion and publicity	3000	1010
Domestic Promotion and publicity	1500	426
Manpower Development	1650	603
Incentive to Accommodation Infrastructure	750	235
Other Schemes		276
MR	230	
ITDC	250	
IT	150	
Land Bank	50	
Total	22800	5156

CHAPTER – 4

DEVELOPMENT OF TOURISM INFRASTRUCTURE, CONNECTIVITY AND DESTINATION MANAGEMENT

Introduction

- 4.1 Availability of good infrastructure is one of the essential requirements for attracting more tourists, both international and domestic, to any tourist destination. In addition to creation of the infrastructure, its maintenance is equally important. As per the study conducted by Ministry of Tourism at selected tourist destinations, non-availability of quality infrastructure at those destinations is a major reason for dissatisfaction as expressed by domestic and international tourists.
- 4.2 The creation of tourism infrastructure has had its multiplier effect in terms of overall economic growth, employment generation vis-à-vis investment and the preservation of art, culture and heritage. Tourism projects in underdeveloped areas have helped in the creation of roads, telecommunication and medical facilities, among others.
- 4.3 As the backbone of any economy, the provision of infrastructure is a prerequisite towards attaining economic growth and also improving the country's tourism productive capacity. To add upon, the anticipated growth of the Indian economy is expected to exert more pressure on infrastructure support facilities. The Infrastructural bottlenecks need to be unleashed to enhance the visitor's experience manifold. There are two major objectives for developing the Tourism infrastructure sector:
- (i) To provide adequate, convenient, fast and safe facilities which are competitively priced services to meet the primary needs of the Domestic and Foreign tourists, and
 - (ii) To provide the multi-dimensional requirement of Indian tourism industry with support facilities and act as a catalyst to economic development of the country.
- 4.4 Tourism sector projects that are capital intensive, such as destination development (roads, signages, relocation of commercial establishments, lighting, guest facilities, local transport links, landscaping, management office space, parking, etc.), remain commercially non-viable and require government funding. Other projects such as setting up of hotels, convention centres, golf courses, tourist trains, etc. normally

have substantial gestation periods and become economically viable over periods exceeding 12-15 years. It is also necessary that such infrastructure is created with utilization of the professional expertise of architects, landscaping experts, etc and is then privately managed through a transparent process. In order to attract tourists, it is necessary that these facilities are created to a sufficient extent through private initiative with the Government acting as a facilitator and catalyst apart from part-funding such projects.

Performance of the Schemes for Development of Tourism Infrastructure in XI Plan

- 4.5 Ministry of Tourism attaches a lot of importance for development of tourism infrastructure in the country. More than half of the plan allocation of the Ministry during the first four years of the 11th Plan was devoted for the schemes relating to infrastructure development, as may be seen from the following table:

Year	Total Allocation (Rs. cr)	Allocation for Infrastructure Development	
		Amount (Rs. cr)	% of allocation to the Total
2007-08	953.00	550.00	57.71
2008-09	1000.00	590.00	59.00
2009-10	950.00	524.50	55.21
2010-11	1000.00	555.85	55.58

- 4.6 The important schemes for development of infrastructure being implemented by the Ministry of Tourism during the 11th Plan are following:
- Product/ Infrastructure Development for Destinations and Circuits (PIDDC)
 - Large Revenue Generating Projects Scheme (LRGP)
 - Assistance to Central Agencies for Tourism Infrastructure Development
 - Creation of Land Bank for Hotels
 - Incentive to Accommodation Infrastructure
- 4.7 Out of these five schemes, PIDDC scheme is the most important having about half of the total allocation of the Ministry of Tourism. The utilization of funds under this scheme has also been around 100 %. However, the emphasis was on the sanctioning of tourist destinations and circuits on standalone basis. To develop important tourist destinations in an integrated manner, the scheme of Mega Destination/ Circuit was also launched during 11th Plan. Under this scheme, financial assistance of Rs. 25 crore for Mega Destination and Rs. 50 crore for

Mega Circuit is sanctioned by the Ministry of Tourism. So far 45 Mega Destinations/ Circuits have been identified, out of which 29 have already been sanctioned. The list of these projects is at Annexure- VI. Even the sanctioning of mega destinations and circuits with much larger financial allocation achieved only a limited success. During the 12th Plan, the tourism infrastructure has to be developed in an integrated manner. The scope of this scheme has to be also widened by covering some additional items of tourist attraction such as ropeways, marine parks, infrastructure for film cities and museums, eco-friendly modes of transport, etc.

- 4.8 The PIDDC Scheme has also some problem regarding the release of last installment of the sanctioned fund. The fund in this scheme is released in the following manner:-

“On sanction of the project, the first installment of 50% of the approved Central Financial Assistance (CFA) is released to the implementing agency. The second installment of 30% is released after receipt of 50% utilisation certificate of the previous installment. The balance 20% is released on the completion of the work and on receipt of the Utilisation Certificate. However, CFA in two installments is released for other destination and circuit sanctioned for Rs.5 crore and Rs.8 crore respectively. The first installment in this case of 80% of the approved CFA is released and the balance 20% is released on the completion of the work and on receipt of the Utilisation Certificate.”

The State/UT Govt. is facing hardship to complete projects with their own resources, due to very meagre allocation to them for tourism sector.

- 4.9 The LRG scheme was formulated to involve the private sector in the development of tourism infrastructure. Under this scheme, only a few luxury trains have been sanctioned. One of the limitations appear to be the provision of only 25% of the subsidy as Viability Gap Funding (VGF) as compared to 40% in other schemes of Ministry of Finance. The scope of the scheme has also to be widened by including hotels, theme park/ amusement parks, etc. The hotels are to be included in view of the shortage of budget accommodation in the country. Similarly, the inclusion of theme park / amusement park will encourage the private sector to invest in these parks, which in turn would translate into increased tourist visitations and longer duration of stay.
- 4.10 Under the scheme “Assistance to Central Agencies for Tourism Infrastructure Development”, a number of the projects were being implemented by ITDC, CPWD, ASI, etc. for which direct funding was provided. However, such agencies are not

forthcoming with their proposals and hence Central Financial Assistance is now generally released to the State Governments/ U.T. Administrations, who identify the Implementing agencies for the sanctioned projects.

- 4.11 Land Bank scheme was launched by Ministry of Tourism for making payment to land owning agencies for land allotment to the Ministry. This land, so allotted, was to be used for hotel construction in PPP mode. Unfortunately, very few States and Central agencies have offered land under the scheme and a new approach has to be followed for making available land for construction of the hotels and other similar tourism infrastructure.
- 4.12 Through the scheme of “Incentive to Accommodation Infrastructure”, subsidy was provided for construction of new rooms in budget category hotels. This scheme was valid till 31st of March, 2008. The proposal prepared by the Ministry to extend the validity of the scheme has not been agreed to by the competent authority. Now the Ministry is in the process of appropriately modifying this scheme for implementation during the 12th Five Year Plan. Brief details of the proposed scheme are given in subsequent paras.

Proposed Strategies for Development of Tourism Infrastructure during 12th Plan

- 4.13 To ensure holistic development of tourism infrastructure in the country, Ministry of Tourism made a presentation to the Prime Minister on 23rd June, 2011 elaborating the strategies to be followed for development of tourism infrastructure in the country during the 12th Plan. The details of the strategies broadly endorsed by the Prime Minister are given below:

Strategy I

Identify major Tourist Circuits/ Destinations/ Cities - having potential to attract large number of visitors – for development in Mission Mode – on pattern of JNNURM and Delhi Mumbai Industrial Corridor.

- Government intervention in non- commercial activities
- Commercial activities by private sector- through SPV/ PPP

Strategy II

Develop Tourism Parks to be located near important tourist destinations, to basically increase the duration of tourists trips.

Strategy III

- Identify clusters of villages having unique craft, ethnic art form for development as Tourism Products

Strategy IV

- Continue the existing Scheme of Product Infrastructure Development for Destination and Circuits (PIDDC) and scheme of Mega Destinations / Circuits

4.14 Following paragraphs gives the broad details of each of the above mentioned strategies. The exact details regarding the implementation of these strategies, including the revision of the concerned Plan schemes or formulation of new Plan schemes will be worked out after the approval of the report of the Working Group.

Strategy I: Integrated development of Major Circuits/ Destinations

4.15 The tourist circuits leverage the geographical and cultural cohesion that facilitate unique but varied tourist experience. A tourist Circuit is defined as a route on which at least three major tourist destinations are located such that none of these are in the same town, village or city. At the same time they are not separated by a long distance. It should have well defined entry and exit points. A tourist who enters at the entry point should get motivated to visit all the places identified on the circuit. The objectives of having a tourist circuit are as follows

- (i) Developing destinations and circuits having tourist potential in a planned and prioritized manner
- (ii) Promoting cultural and heritage value of the country
- (iii) Providing complete tourism experience with varied thematic circuits
- (iv) Enhancing the tourist attractiveness in a sustainable manner by developing world class infrastructure in the circuit destinations.
- (v) Leveraging private capital and expertise
- (vi) Well coordinated and integrated approach towards enhancing tourist inflow

4.16 Apart from the above, promotion of local arts, cultural traits, handicrafts could also to generate livelihoods in the identified regions. This strategy would also enhance non-cash livelihood benefits to locals with focus on improving access to services and infrastructure like healthcare, security, water supplies, transport, hygiene, sanitation, waste disposal, etc. The infrastructures thus created or upgraded would

improve the standards of the locality or region with a long term perspective. This scheme is proposed to be implemented during 12th Five Year Plan period.

- 4.17 Selection of these circuits will be undertaken so as to develop them in an integrated manner. The objective will be convergence of resources and expertise through coordinated and concerted action with State Governments/UTs and Private Sector. Tourist Circuits in each State would be identified in consultation with the State Governments and would be taken up for development. Projects to be taken up under this scheme should follow a comprehensive area development approach incorporating all the facilities required by a tourist. End-to End solutions, modern amenities, computerized on-line services, world class tourist facilities and infrastructure shall be the outcome of the mega circuit development under this scheme. Comprehensive DPRs should be prepared for each circuit after consultations with all the stakeholders.
- 4.18 Religious Tourism is an important segment of domestic tourism in the country. India has the unique distinction of being the birth-place of four important religions of the world – Hinduism, Buddhism, Jainism and Sikhism. The historic places associated with these religions are spread all over the country. Both foreign and domestic tourists would like to visit more than one place of their religion if proper planning and requisite facilities are made available to them. In India, following tourist places can be developed into religious circuits in the initial Phase. Some examples of Integrated Tourism Circuits are mentioned below:

Buddhist Circuit:

- i. Bodhgaya – Nalanda – Rajgir
- ii. Varanasi – Sarnath – Kushinagar – Piparwah - Lumbini
- iii. Nagarjunakonda – Amravati – Aurangabad (Ajanta – Ellora)

Jain Circuit

- i. Jodhpur – Bikaner – Jaisalmer – Nagaur
- ii. Bhavnagar – Mehsana – Patan – Udaipur – Sirohi – Pali – Jaisalmer
- iii. Bengaluru – Mandya – Hassan – Dakshin Kannada – Udupi
- iv. Bhojpur – Vidisha – Damoh – Chattarpur

Sikh Circuit

- i. Golden Temple – Other Gurudwaras in Punjab
- ii. Amritsar – Delhi – Patna
- iii. Amritsar – Delhi – Patna – Nanded
- iv. Gurudwaras in East & North-East

Sufi Circuit

- i. Delhi – Agra – Fatehpur Sikri - Ajmer
- ii. Bijapur – Gulbarga – Shirdi – Aurungabad – Mumbai
- iii. Dargahs in J & K, Punjab, Haryana, Uttarakhand
- iv. Awadh region

Hinduism Circuit

- i. Haridwar-Kedarnath-Joshimath-Badrinath-Haridwar
- ii. Barsana-Gokul-Nandgaon-Mathura-Vrindavan-Govardhan
- iii. Tirupathi-Chennai – Mahabalipuram

Christianity Circuit

- i. Churches of Goa
- ii. Churches of Kerala – Malayattoor, Santacruz Basilica, St Francis church
- iii. Churches of Tamil nadu – Velankanni, Santhome, St George cathedral

Sarv Dharam Circuit to promote national integration

- i. Tirupathi-Chennai-Velankanni- Nagoor
- ii. Vaishnodevi – Golden Temple – Sacred Heart Church (Delhi)- Nizamuddin

4.19 Briefly, the activities involved are summarised below

- (i) Identify 35 Circuits/ Destinations through professional agencies in Phase I and further 89 circuits in Phase II
- (ii) Identify gaps in infrastructure/ amenities
- (iii) Assess investment requirement, including sources of funds
- (iv) Evolve business models for investment & operations
- (v) Hotels also to be eligible for Viability Gap Funding
- (vi) Capacity augmentation of States through setting up of Project Monitoring Units (PMUs) for undertaking various activities relating to identified circuits/destinations
- (vii) MoT to bear the cost for preparation of DPR by State Governments/UTs and also to bear the cost of setting up of PMU. For the purpose of the setting up of PMUs, UTs will be combined with the nearest States.
- (viii) MoT's required outlay for XII Plan: Rs.9450 Cr
- (ix) It is expected to harness private investment of Rs. 28000 Crore

Indicative details of the various components of the Scheme are given below:

S.NO	Component	(Rs Crore)
1	Tourist Reception Centre with Toilet Blocks	10
2	Wayside Amenities, Bio Digesters	8
3	Illumination/ Refurbishment of Monuments, Temples, heritage buildings, etc.	10
4	Solid Waste Management	15
5	Water Harvesting + Tube wells	5
6	Improvement of Water Bodies, Jetties, Construction of New Jetties (if applicable)	20
7	Convention Centres with Furniture / Equipment	15
8	Signages - UNWTO prescribed	2
9	Air Strip, Heliport	10
10	Open Air Theatre / Amphitheatre & Parks	20
11	Last Mile Connectivity	25
12	Concrete Pathway leading to Monument , Walkways	25
13	Budget Accommodation	10
14	Parking	40
15	MoTs share in LRG projects like amusement park, ropeways, marine parks, etc	40
16	Eco-friendly modes of transport, infrastructure for film cities/museums, etc	15
17	Total	270
	Total for 35 Circuits / Destinations	9450

4.20 Important components to be covered in this strategy are given below:

Basic Infrastructure:

- (i) Beautification of destination sites
- (ii) Landscaping of parks, fountains, walkways, signages, waterfronts, street lighting, etc.
- (iii) Waste management- water supply, rain water, drainage/ harvesting
- (iv) Road connectivity and wayside amenities
- (v) Helipads, heliports, air strips
- (vi) Upgradation of passenger terminals- bus, rail and jetties

(vii) Parking facilities for cars, buses, caravan park, etc.

Tourist Infrastructure:

- (i) Budget accommodation, restaurants, amusement parks, craft villages, theme parks, golf courses, etc.
- (ii) Convention centres, Open air theaters, amphitheatres
- (iii) Restoration and conservation of heritage structure
- (iv) Cement concrete pathways
- (v) Tourist information centres, reservation centres, kiosks, on-line kiosks
- (vi) Illumination of structure, light and sound show facilities
- (vii) Equipment for water sports, adventure sports
- (viii) Eco-friendly transportation
- (ix) Equipment for use of renewable sources of energy, etc.

4.21 The details of the methodology for identification of the circuits, proposed funding pattern and their monitoring mechanism are discussed below.

Identification of tourist Circuits

4.22 These tourist destinations/circuits would be selected based on their tourism potential and significance attached to the sites. The perspective plans, vision plans and the tourism policy of the states would form the base for prioritizing the circuits. Various kinds of circuits covering themes like religious, heritage, cultural, cruise, tribal; etc would be identified such that the tourist gets a wholesome exposure to the theme.

4.23 The Circuits to be taken up for development will be identified at the beginning of plan and scheme period. The circuits will be prioritized to take up in a phased manner by conducting pre – feasibility studies. A tourist circuit could be limited to a State or it could be a regional circuit covering more than a State/UT. The regional circuit with destinations covered in more than one state or UT will be discussed and finalized in the regional consultation meetings. After consultations among stakeholder states and after formal approval of the circuit by the Ministry of Tourism, the preparation of the Detailed Project Report (DPR) of the particular components and implementation of the components of the circuit will rest with the concerned state governments within their respective jurisdiction. The funds

allocation for the respective share of the components of these regional circuits will be released to the concerned states accordingly.

Proposed Funding pattern of the scheme

- 4.24 The financing model will be supplementing public funds with private capital for creation or up gradation of infrastructure in an integrated manner along the circuit. The Public Private Partnership (PPP) model shall be explored for the components that have economic viability. The private sector shall also bring on board its share of investment besides operational expertise. The component taken up in PPP model would be implemented and managed by the private sector on considerations of economic viability, but designed in a manner whereby it is fully aligned with the overall objective of tourism development.
- 4.25 Public funding of the scheme may come from Ministry of Tourism (GoI), State Tourism department funds, various other government schemes like JNNURM, UIDSSMT, Environmental Improvement schemes, Finance Commission grants, Local Body funds, etc. The state government has to detail the sources of its share for the components listed for public funding while preparing the DPR.
- 4.26 While there may be no ceiling on project cost, Government of India contribution would be capped at Rs 270 crore for one circuit development for identified circuits based on tourist traffic. Total project cost should include contribution from State Government and contribution from other stakeholders for the eligible components under the scheme. State Government contribution towards land, rehabilitation package, O&M and external infrastructure not eligible under this scheme should be quantified and included in the DPR as additional to the project cost, which shall be entirely borne by the state government.

Proposed Financing Pattern

Component	Central Government Share	Share of State Government/ULBs
Basic Infrastructure Projects	100% (excluding land costs) ensuring full convergence with other government schemes	Nil
Tourist Infrastructure Projects	100% (excluding land costs) ensuring full convergence with other government schemes	Nil
PPP Projects - Viability Gap Funding (VGF) limited to 40 % of the Project Costs	100 % of VGF	Nil

Monitoring

4.27 Suitable monitoring mechanism would be developed both at state level and national level to ensure smooth and speedy implementation of the scheme.

Strategy –II: Developing Tourism Parks

4.28 A Tourism Park, which is proposed to be established near an existing tourist destination, would be developed with an idea to hold back the tourists for an extended period and to increase the number of visits. Such parks would be on the lines of Sentosa (Singapore), and Bekal (Kerala). However, necessary safeguards should be inbuilt in the scheme of development of Tourism Parks to avoid conflict with local communities. The salient features of the proposed Tourism Park would include

- (i) The Tourism Park would be developed adjacent to an existing, developing or underdeveloped destination with high potential.
- (ii) Minimum area to be developed is 50 acre. The land would be provided by the State Government or private sector, recommended by State Govt., and should be free of all encumbrances.
- (iii) Ministry of Tourism would set up a core committee on Tourism Parks, having representatives of Ministries and various stakeholders. A concept paper with detailed terms of reference for the committee would be worked out in due course. Any site offered for being developed as a Tourism Park, must be inspected and approved for selection by this Committee or a Sub-committee deputed by it.

External Trunk Infrastructure

- (i) Development of external trunk infrastructure would be the responsibility of State Govt. In the provision of trunk infrastructure, State Govts will ensure convergence with other Central and State Government schemes.

Internal Distribution Infrastructure

- (i) Internal distribution infrastructure would include site development, internal roads, water supply, sewerage, drainage, street lighting, landscaping, power distribution infrastructure, common sewerage treatment plant, common solid waste management facility, etc.

- (ii) The development, operation and maintenance of internal distribution infrastructure would be ensured for a period of 20-25 years, as the case may be, by setting up a Special Purpose Vehicle (SPV). The SPV shall be a body corporate registered under the Companies Act, 1956 in which Financial Institutions/Banks and stakeholders related to travel and tour industry could be the equity holders. Govt agencies can also become shareholders of SPV, if they so desire, holding upto a maximum of 26% of the share capital so as to ensure the private sector character of the SPV. The equity share of Govt in the SPV would be diluted over a period of time. Appointment of a nominee of Ministry of Tourism and State Govt on the Board of SPV will be a precondition for release of funds. The tenure of Ministry nominee will be co-terminus with the operationalization of project.

Commercial Tourism Projects

- (i) Development of commercial tourism activities within the Tourism Park would be left to private entrepreneurs.
- (ii) Commercial tourism activities within the Park could include budget hotel, resorts, convention centre, min golf courses, retail spaces, food plaza, entertainment and amusement facilities etc. The list is indicative.

Financing

- (i) Central Financial Assistance (CFA) for provision of internal distribution infrastructure (excluding cost of land) would be subject to a maximum of Rs 50 cr.
- (ii) The Net Present Value (NPV) of the land of the Tourism Park would be recovered over the concession period.
- (iii) Commercial Tourism projects on PPP would be eligible for viability gap funding to the extent of 40 % of the project costs (excluding land costs). Central government would extent the full quantum of viability gap funding for such projects.
- (iv) Private investor could also benefit under Section 35 AD of the Income Tax Act 1961 as per extant rules. MoT would initiate steps for inclusion of Tourism Park components among the list of specified businesses eligible for benefits.
- (v) Promotion of Tourism Parks should be done vigorously. To realize the envisaged private sector investment, Non Resident Indians (NRIs) may be

also invited. A presentation on the Tourism Park Scheme may be made in the seminar on Pravasi Diwas organized every year.

Regulation

- (i) Single – window clearance mechanism could also be set up at Government of India / State Government for expeditious clearances of investments in Tourism Parks.
- (ii) Ministry of Tourism would appoint a Project Management Consultant (PMC) for activities such as master planning and project management.

4.29 Keeping in view the importance of such Parks in the promotion of tourism, 20 Tourism Parks are proposed to be developed during the 12th Plan in mission mode on the pattern of JNNURM and DMIC. Broad component wise expenditures likely to be incurred are given below:

• Land Development Cost	:	50 lakh / acre
• Minimum size of Tourism Park	:	50 acres
• (Assume) Average Size of a Tourism Park	:	100 Acre
• Average Cost of Developing a Tourism Park	:	Rs.50 Crore
• Number of Tourism Parks	:	20
• Cost of Developing 20 Tourism Parks	:	Rs.1000 Cr.

Strategy III: Developing Rural Tourism Clusters (RTCs)

4.30 Promotion of rural tourism helps in employment generation, enhancing earning capacity, check migration and better livelihood for the rural population. Rural tourism also helps the inclusive development in remote and backward areas. Though Ministry of Tourism has already sanctioned 172 rural tourism projects, desired benefits have not been achieved. One of the limitations of the current strategy is the sanctioning of rural tourism projects on stand-alone basis. In the 12th Plan, current strategy is proposed to be revised to pursue a cluster approach rather than stand-alone approach. Brief details of the proposed strategy are given below.

- i. Identification of clusters of 5 to 7 villages having unique craft, ethnic art form, or other USP for development as a Tourism Product
- ii. Creation of tourism awareness in host community
- iii. Facilitating marketing of local products through creation of Craft Bazaars/Haats

- iv. Developing basic local infrastructure and sanitation through the local government
- v. Physical infrastructure components eligible for CFA at village level would include tube well, sewerage, roads and drainage, solid waste management, solar/street lights, etc.
- vi. Components for cluster as a whole would include haat/ bazaar, amphi-theatre with green rooms, toilet blocks, tube wells, etc.
- vii. Development of Accommodation/ Home-Stay facilities for tourists within the cluster
- viii. 70 clusters to be identified and developed in XII Plan with an outlay of Rs 770 Crore

4.31 Broad indicative details of the component wise expenditures are given below

• Average Cost for Developing a Village	:	Rs. 1.37 Cr
• Cost for developing common facilities for a cluster	:	Rs. 2.30 Cr
• Cost for Developing a Cluster of 6 villages	:	Rs. 11 Cr
• Number of RTCs	:	70
• Cost for Developing 70 RTCs	:	Rs.770 Cr

Strategy IV: Continuation of the Existing Scheme of PIDDC

4.32 Though the development of tourism infrastructure will be attempted by implementing Strategies I to III mentioned above, it will be necessary to continue the existing scheme of PIDDC by enlarging its scope and enhancing the amount now admissible for development of destinations and circuits. Special emphasis will be given for promotion of bio-degradable toilets developed by Defence Research Development Organisation (DRDO) and energy conservation as per the norms of Bureau of Energy Efficiency (BEE). It is proposed to include new items, including the following, in the scope of this scheme during 12th Plan.

- (i) Ropeways – Now this component is admissible under LRG scheme. However, in hilly and remote areas this is required to connect more than one tourist attraction and hence 100% funding may be given by the Ministry of Tourism
- (ii) Funding for construction of air strips, on the pattern of those developed by Government of Madhya Pradesh, to improve connectivity amongst the destinations not having regular airports.

- (iii) Rather than giving CFA only for last mile connectivity, it should be given from the nearest road connection. To the extent feasible, State / UT should try to evolve convergence with the Scheme of “Pradhan Mantri Gramin Sdak Yojana (PMGSY)” in which construction of 5 k.m. road for habitation with 500 population is already allowed.
- (iv) Various equipment relating to renewable sources of energy & Ecofriendly transportation – These new components have to be encouraged keeping in view its role in reducing maintenance costs and carbon footprint.
- (v) More than one convention center with a capacity of upto 500 persons, in States/ U.Ts. – To promote MICE tourism. The CFA for each convention centre can be a maximum of Rs 7 crore.
- (vi) Equipment for water sports, adventure sports – To promote adventure tourism
- (vii) Waste Management- solid, sewerage, public washrooms
- (viii) Water Management – water supply, rain water drainage/ harvesting
- (ix) Marine Parks – To exploit the tourism potential of the locations near to coastline
- (x) Golf Course – CFA for infrastructure development in the golf course developed by Central/State governments or their agencies.
- (xi) Film city/museum – CFA for Infrastructure development of film cities/ museums by central/state governments. This will not be applicable for such facilities developed by private sector.
- (xii) For North East region and J&K, 10 % of the CFA for tourist destinations (maximum of Rs 7 cr) will be available for trunk infrastructure pertaining to power, water supply and sewerage from their nearest main source

4.33 In the existing scheme, an amount of Rs. 5 crore is sanctioned for development of individual destinations and Rs. 8 crore for individual circuits. These financial limits were fixed in 2006-07. Due to increase in the cost of equipments, labour charges and other related items, it is proposed to increase the financial limits to Rs 7 crore for destination and Rs. 10 crore for circuit during 12th Plan. Total outlay required for this scheme during 12th Plan will be Rs. 4000 crore as per details given below.

•XI Plan Outlay	: Rs.1911 Cr
<i>(excluding mega projects)</i>	
•Equivalent amount in XII plan adjusted for inflation	: Rs. 2867 Cr
•Additional requirement in XII Plan	: Rs. 1133 Cr
•Total XII Plan requirement	: Rs. 4000 Cr

Likely Employment Generation due to Proposed Strategies

4.34 The investment by the Government in creating various tourism facilities in the proposed four strategies is likely to generate private investment as well as create new employment. The indicative estimates of private investment and creation of new jobs, based on a number of assumptions, are given below:

Strategy	Proposed Govt Outlay (Rs cr)	Likely investment by Private sector	Total Likely investment (Rs cr.)	Estimated Jobs generated (in lakhs)
Strategy I	9,450	11,340*	20,790	162.16***
Strategy II	1,000	20,000**	2,100	6.0 ^{\$}
Strategy III	770	--	770	6.0 [#]
Strategy IV & Others	4,000	4,800*	8,800	68.64***
Total	15,220	36,140	51,360	245.43

* As per the presentation "Infrastructure in 12th Plan: Challenges and Opportunities" by Sh Gajendra Haldea, Planning Commission (Sep 2011), The relative share of private investment in infrastructure vis-à-vis public investment is in the ratio 42:58. Further, according to AusAID, the leveraging rate of private to public funds in infrastructure is 1.59 (<http://www.ausaid.gov.au>). An average of these two figures (1.2) has been assumed as the leveraging rate of private to public funds in the case of tourism investments in India.

** No comparable studies for leveraging private to public funds are available for Tourism Parks. However, the private investment in Tourism Park is expected to be much larger than for dispersed projects such as integrated development of tourism circuits. Hence it is presumed that in each Tourism Park, private investment of Rs.1000 Crore will take place.

*** Based on the assumption of creation of 78 jobs for every million rupee investment (Approach Paper to 12th Plan, Planning Commission)

\$ Based on the indicative list of components to be created in the Tourism Park and the employment norms for these component (Study by MARKET PULSE for Ministry of Tourism)

Based on the experience of Rural Tourism project at Hodka, Gujarat

Mechanism for implementation of Strategies for development of Tourism Infrastructure

4.35 All the four strategies mentioned above for development of tourism infrastructure have to be implemented with the active collaborations of States/UTs. To ensure that various activities proposed under these strategies are implemented in a scientific manner, a National Level Consultant (NLC) has been appointed by the MOT. Important activities to be performed by the NLC are as follows.

Strategy- I: Integrated development of tourism circuits and destinations:

- i. Identification of circuits- 4 in each State and 2 in each U.T.
 - a) Could be existing/ new
 - b) Geographical/ theme based
- ii. Phase-I (3 months) – for one circuit in each State/ U.T.
 - a) Infrastructure gap assessment
 - b) Investment assessment and funding sources
 - c) Investment planning and phasing
- iii. Phase-II (Next 6 months)
 - a) All the activities mentioned in Phase-I for remaining circuits/ destinations in States/ U.Ts.

Strategy-II: Development of Tourism Parks:

- i. Assisting Ministry of Tourism in identification of probable sites

Strategy-III: Rural Tourism Clusters

- i. Identification of probable sites

Other activities:

- i. Formulation of detailed schemes for implementation of strategies I to III and revision of existing PIDDC scheme
- ii. Model bidding documents for PPP and other projects
- iii. Setting up a Project Monitoring Agency (PMA) in the Ministry of Tourism for advising the State PMAs, examination of DPRs, monitoring of the projects sanctioned by MoT, etc.

4.36 State/UTs generally do not have expertise required for the preparation of good Detailed Project Report and pursuing with the private sector for investing in tourism sector. To reduce this constraint substantially, it is proposed to appoint a State Level Project Management Agency (SLPMA) for each State/UT by following due procedures. The important activities to be performed by SLPMA are enumerated below:

- i. Preparation of Detailed Project Reports
- ii. Bid process and selection of implementing agencies
- iii. Assisting bidders in financial closure in PPP projects
- iv. Establish Project Monitoring system for monitoring and evaluation of sanctioned projects
- v. To interact intensively with State Government and its authorities to get the sanctioned tourism projects completed in about two and half years.

Connectivity to Important Tourist Destinations

4.37 Proper air, rail or road connectivity to important tourist destinations is very important. Though some of the destinations are well connected by more than one mode of transport, some are not connected properly even through one mode of transport. Ministry of Tourism has been taking up the matter with Ministry of Civil Aviation, Ministry of Road Transport & Highways and Ministry of Railways for proper connectivity to important tourist destinations. The status of road connectivity to some of the important destinations identified for convergence in various States is given in the Annexure-VII. It may be seen from this Annexure that for 13 destinations, state roads still have to be developed. This was also flagged in the presentation to the Prime Minister made on 23rd June 2011. Suitable mechanism may be developed to get these 13 state road completed using the Central Road Fund (CRF) available with the Ministry of Highways and Road Transport.

4.38 Air connectivity to some of non-metro cities is still a problem. The air connectivity in North-Eastern region and other hilly regions also needs improvement.

4.39 Rail is the most preferred mode of transport for domestic tourists. Though many tourist places are covered by railways, amenities in the train as well as at the railway stations have to be improved substantially for better tourist experience. Both Ministry of Railways and Ministry of Tourism have agreed to collaborate in the upgradation of 24 railway stations in the country. This plan should be implemented immediately and in the next year's railway budget some more railway stations should be included for similar upgradation.

Incentive Scheme for Budget Hotels

4.40 To address the shortage of land, Ministry of Tourism has formulated a scheme called 'Incentive Scheme for Land Owning Agencies providing land for development Budget Hotels' to encourage budget hotels involving the concept of public and private partnership mode. Under this scheme, the land owning agencies of State or Central government would be incentivized through financial grants from the Government of India if they make available land for developing budget category hotels i.e., one, two or three star in Public Private Partnership mode. The scheme has been developed after detailed deliberations with the stakeholders like the industry experts, hoteliers, hotel associations and State Governments. It is envisaged that around 100 new Budget Hotels in the category 1, 2 and 3 Star with around 3440 rooms would be created by the end of the XIIth Plan period i.e. upto the year 2016. This scheme is purely for the budget accommodation and it is hoped that quality budget accommodation infrastructure with private sector professionalism would emerge in the country.

4.41 Following are the salient features of the new scheme:

- (i) Applicable to 1 star, 2 star and 3 Star Hotels and restricted to 50 rooms for 1-2 Star and 100 rooms for 3 Star category
- (ii) The Land Owning Agencies of Central / State / UT Govts. e.g. State Tourism Corporations, Local Urban Bodies, Gram Panchayats, Indian Railways, State Road Transport Corporations, Port Trusts etc. to identify suitable land for construction of budget hotels (1, 2 and 3 Star) in Public Private Partnership (PPP) mode. The existing properties/ land of State Tourism Corporations will also be eligible.
- (iii) Scheme would ensure healthy competition and adequate private sector participation. Proposals to be routed through the State / UT Govts. and MOT would be the coordinating agency.
- (iv) The Land Owning Agencies would identify suitable land keeping in mind the commercial viability from the tourism point of view after obtaining necessary inputs of the concerned stakeholders for identification of the site/land (proximity to tourism destination, accessibility and approach, availability of utilities viz. water, electricity etc.).
- (v) Land Owning Agencies would invite bids from the private entrepreneurs having the experience of running budget category hotels for at least five years. Bidders would be selected through a transparent bidding process.

- (vi) It would be mandatory that one professional member / professional company would continue on the Management Board of the Budget Hotel till the expiry of the lease agreement to ensure that the private partner company is managed professionally.
- (vii) Representative of hotel industry associations would be consulted by the land owning agency State/UT for selection of sites and finalizing the Terms of Reference (TOR).
- (viii) The lease conditions would accordingly be defined by the respective State / UT Govt. In the event the Hotel project is being developed by a real estate developer, then the tie up with a professional company having at least five years' experience of running a hotel would be required.
- (ix) The land would be given to successful bidders on lease for construction of budget hotels on Build Operate & Transfer (BOT) basis for a period of 20 years or more. One of the conditions of the lease would be that no upgradation beyond 3 Star category Hotel would be permitted for an initial period of 20 years.
- (x) The budget accommodation would provide facilities & services as per the standards stipulated by the applicable Guidelines for Classification of the Ministry of Tourism of the requisite category.
- (xi) MOT would provide subsidy to the land owning agencies from MOT (in addition, the land owning agency would be getting the lease rent / revenue / profit from the project). This financial incentive would encourage the land owning agencies to offer land for construction of budget hotels in PPP mode. The land owning agencies can utilize the revenue from the hotel project and Capital Subsidy from MOT, for creating and improving public amenities in the respective State /UTs.
- (xii) Incentive admissible to land owning agencies will be worked out based on objective criteria. The incentive would depend on the category of city in which hotel is coming up, number of rooms and category of hotels.
- (xiii) The minimum number of rooms for each project would be 20 rooms with a minimum of 4 family rooms (family room would provide beds for 4 persons) or 20% of the total inventory. In the event family rooms are not available, then rooms with interconnected doors may be provided.
- (xiv) It would be a back ended scheme as the subsidy would be disbursed only after completion, commissioning and Classification of the hotel as it would be back ended.

- (xv) The private sector partner would be required to apply to MOT for Project Approval in the appropriate category (1, 2, or 3 Star).
- (xvi) The land owning agencies under the Central Govt. will apply for subsidy to MOT directly. However, land owning agencies under the State Govts. /UT Administrations would be required to route their application through the Tourism Dept. of the State/UT.

Bed & Breakfast / Homestay Scheme

- 4.42 The Bed & Breakfast / Homestay scheme has been able to develop a niche accommodation category in cities as well as rural areas. Ministry will continue its efforts to expand this segment and encourage States to provide tax incentives as provided by Delhi Govt.

India Tourism Development Corporation

- 4.43 India Tourism Development Corporation Ltd. (ITDC) came into existence in October 1966 with the amalgamation of three undertakings viz. India Tourism Hotel Corporation Ltd., India Tourism Corporation Ltd. and India Tourism Transport Undertaking Ltd. into a unified Corporation. ITDC was incorporated with the objective of developing and expanding tourism infrastructure in the country and thereby promoting India as a tourist destination. Later, the scope of operation of ITDC was enlarged by merging Ashok Hotels Ltd. and Janpath Hotels Ltd. (consisting of Janpath, Lodhi and Ranjit Group of Hotels) on 28 March, 1970.
- 4.44 Its major role as a commercial organisation was to construct and manage hotels, run Duty Free Shops, provide travel and tour services and produce tourist publicity material on behalf of the Ministry of Tourism and State Governments. While functioning on commercial lines, ITDC also played a pivotal role by opening up new areas/destinations including remote and backward regions, where private sector was hesitant to enter.
- 4.45 ITDC earlier evolved a Joint Venture Scheme for undertaking tourism projects by forming new Companies in collaboration with the State Governments/State Tourism Development Corporations in various states with equity participation. In pursuance of this scheme, six joint venture hotels were set up and the seventh hotel is incomplete.
- 4.46 After disinvestment of eighteen hotels of the Corporation ITDC restructured itself so that it continues to fulfill its original mandate for tourism development in the country and also to take up new business activities. To adapt itself in the

changing scenario, ITDC diversified into new service-oriented business activities like consultancy and execution of tourism and engineering projects, training consultancy in tourism and hospitality sectors, event management, execution of Sound and Light Shows etc.

- 4.47 As the consequence of disinvestment, no real attention could be given for up-gradation and renovation of the remaining hotel properties as well as for improving the standard of the infrastructure at other verticals like Ashok Travel & Tours, Ashok Events and Ashok Institute of Hospitality & Tourism Management.
- 4.48 Recognizing the need of extensive up-gradation and renovation of the hotel properties and in view of shortage of funds for carrying out these activities, ITDC requested the Govt. of India for providing funding support by way of equity investment. Consequently, the Corporation received Rs.73 crore by way of budgetary support in the form of equity in 2008 for the renovation of 'The Ashok' and against which, the corporation had issued to the Govt. of India on September 14,2009, 1,82,50,000 equity shares of Rs.10/- each at a premium of Rs.30/- each in compliance with the provisions of the Companies Act, 1956 and in conformance to SEBI Guidelines. The renovation of Hotel Ashok, New Delhi is under progress. The amount provided by way of equity investment was not enough.
- 4.49 To consolidate and strengthen its core activities and to play the role of a catalyst for the development of tourism infrastructure in the country, ITDC has prepared road map which would serve as a guiding document during next five years. Following are a few of the proposed strategies:
- (i) Maximize the revenue by leveraging resources of existing hotels through Public Private Partnership and consolidation of existing businesses
 - (ii) Undertake detailed manpower study in all units/divisions of ITDC and implement recommendations in order to rationalize human resources deployment
 - (iii) Upgradation of products through renovation and refurbishment of hotels to enable them to match the international standards in the hospitality sector
 - (iv) Re-engineering of existing Business Units for operational efficiency.
 - (v) Develop ITDC as a Hospitality & Skill Development Major (pre-service & in-service).
 - (vi) Establish Ashok Events as the most trusted industry leader.
 - (vii) Improving brand image through product upgradation, better services and enhanced public relations.

- 4.50 In the Hospitality Industry, renovation and up-gradation of Hotel properties is required as a continuous activity in order to meet the standards of the Hotel and to remain competitive. In order to match the standards of the private players and to remain competitive, it is inevitable to carry out the work of major renovation and up-gradation of ITDC properties.
- 4.51 Further to create adequate infrastructure to meet the established industry standards, it will be imperative for ITDC to invest funds in Ashok Institute of Hospitality & Tourism Management, Ashok Events and Ashok Travels & Tours.
- 4.52 In order to meet the requirement of funds for above mentioned activities, ITDC would require funding support from the Government of India in view of its financial position which does not allow to spare funds for such initiatives. The Task Force constituted by the Department of Public Enterprises, Government, of India for finalization of Memorandum of Understanding (MoU) for the year 2011-12 between Ministry of Tourism and ITDC had observed that the share capital of ITDC is not adequate to carry out major capital expenditures and capital ventures (throughout recorded in minutes). It had suggested infusion of Rs.60 crore as equity by the Government of India.
- 4.53 The estimated requirement of funds during the 12th Plan would be approximately Rs.250 crore (considering the unissued equity of Rs.60 crore with appropriate premium thereon) which will be spread equally during Plan Period. The requirement of the funds with necessary details and plan of works would be incorporated in the respective Annual Plans.

Recommendations

- 4.54 After detailed discussion in the meetings, Working Group made the following recommendations:
- (i) To implement the strategies (I to IV) broadly endorsed by the Prime Minister for development of tourism infrastructure. For this purpose, the necessary amendments in the existing plan schemes may be made. If considered, necessary, new plan schemes may be also formulated.
 - (ii) The guidelines of PIDDC Scheme may be revised to enable the release of last installment of 20% after getting the utilization certificate of 80% fund released earlier. Initially the release about of 20% may be treated as loan which may be converted into grant once the project is complete and all the requisite documents are received by the Ministry of Tourism.

- (iii) The scope of existing PIDDC scheme may be enlarged by including the following items:
 - a) Ropeways
 - b) Various equipment relating to renewable sources of energy
 - c) Eco-friendly transportation
 - d) More than one convention center in States/ U.Ts.
 - e) Equipment for water sports, adventure sports
 - f) Waste Management- solid, sewerage, public washrooms
 - g) Water Management – water supply, rain water drainage/ harvesting
 - h) Marine Parks
 - i) Infrastructure for Film cities / museums
- (iv) In the existing PIDDC scheme, an amount of Rs. 5 crore is sanctioned for development of individual destinations and Rs. 8 crore for individual circuits. These financial limits were fixed in 2006-07. Due to increase in the cost of equipment's, labour charges and other related items, the existing financial limits may be increased to Rs 7 crore for destination and Rs. 10 crore for circuit during 12th Plan.
- (v) The guidelines of the PIDDC scheme may be revised to enable 100% funding to the state/UTs against the existing provision of 50% for preparation of the Detailed Project Report (DPR).
- (vi) The amount of Rs 5 cr currently sanctioned for convention centre under PIDDC scheme may be increased to Rs 10 cr keeping in view the increase in cost of inputs.
- (vii) The guidelines of Large Revenue Generating project scheme needs to be broad based by enhancing the Viability Gap Funding from 25% to 40% of the equity contribution of the promoters in the PPP mode. The scope of the scheme should be also widened by including budget hotels, theme parks/ amusement parks, tourist transport vehicles and other similar tourism infrastructure. This will be required because there is shortage of budget accommodation in the country. The theme parks/amusement parks have to be developed to prolong the stay of tourists at important tourist destinations.
- (viii) Efforts should be made to integrate development of tourism infrastructure with various other plans for city developments, highway developments, rural developments, etc. Some of these developments are being done

through “Pradhanmantri Gramin Sadak Yojna”, National Highway Development Programme, etc.

- (ix) Through active collaboration with Ministry of Tourism and Ministry of Urban Development, tourism infrastructure should be included in the scope of work undertaken under JNNURM in the cities covered by JNNURM.
- (x) Tourism infrastructure to be included under the priority sector lending norms of the Reserve Bank of India.
- (xi) The railway stations identified for upgradation in the railway budget 2011-12 should be upgraded at the earliest. Some more stations should be identified for inclusion for similar upgradation in 2012-13 and subsequent years.
- (xii) Suitable mechanism may be developed to get 13 state roads, identified during the presentation to the Prime Minister on 23rd June 2011, completed using the Central Road Fund (CRF) available with the Ministry of Road Transport and Highways.
- (xiii) The most neglected roads are generally the last few kilometers that finally connects the tourist attractions/ monuments with the main roads. As the this segment of the road may not be of high priority for the States/ U.Ts., Ministry of Tourism should fund the construction/ improvement of these roads (last destination connectivity).
- (xiv) Road signages generally do not exist at most of the places. This issue should be taken up on priority by all concerned because self driven vehicles will become popular in the coming years. International standards (UNWTO) may be followed in the preparation of the road signages.
- (xv) Lighting of roads, particularly the segment used by the tourist in dark after evening, should be also encouraged.
- (xvi) Ministry of Tourism has announced the policy for Camper Vans and Camp Sites. For further progress in this area proper camping sites with following requisite services should be made available:
 - a) Proper camping sites should be made available on the recommended tourist circuits
 - b) The services which include sanitation, electricity and provision stores where daily requirements can be purchased, should be made available.

- c) Security and safety of the tourists at the camping sites should be ensured.
- (xvii) Ministry of Civil Aviation should give high priority for improving the air connectivity in North-East region, hilly states and remote regions of the country. For this purpose the existing financial limit of Rs. 75 lakhs for setting up the helipads may be increased to Rs. 1.50 crore for hilly areas , J & K and North Eastern States. For other States/UTs, the existing limit of Rs. 75 lakhs may continue.
- (xviii) State Govts/UT Administration should prepare Master Plan for development of tourism in their State/UTs every 10 years.
- (xix) Destination Management needs attention and coordination at the 29 World Heritage Sites in the country which are impacted by increasing numbers of visitors and are also subject to a number of regulatory authorities.
- (xx) The sustainable maintenance and operational plan for the assets created through Tourism Development Authorities/ Private Sector should be inbuilt into the project proposal. The implementation of these projects should be constantly reviewed and monitored.
- (xxi) Carrying capacity of various tourist destinations may be kept in view while planning for various tourism infrastructures at those places.
- (xxii) Environmental protection should be given due importance while planning for tourism development. This is particularly applicable to wildlife sanctuaries, beaches and other fragile regions of the country.
- (xxiii) Infrastructure status may be accorded to the tourism projects by various States/ U.Ts.
- (xxiv) Land may be allotted to the hotels and other similar tourism projects by the States/ U.Ts as it is done for other industrial units.
- (xxv) The following may be defined as infrastructure facilities under Section 80-IA of the Income Tax Act:
 - a) 3 Star and above Hotels.
 - b) Heritage Hotels classified by Ministry of Tourism.
 - c) Convention Centres with integrated exhibition facilities
 - d) Time Share Resorts and Apartment Hotels classified by Ministry of Tourism.
 - e) Theme Parks
 - f) Amusement Park

- g) Integrated Destination Development Projects with Hotel facilities and Golf Centres.
 - h) Rural Tourism Projects
 - i) Cruise Liners for Tourism operating in Indian Rivers and Oceans
 - j) Adventure/Nature Tourism Projects
 - k) River cruise projects
 - l) Air Taxi Services
- (xxvi) Master Plan of major cities should earmark commercial sites as hotel sites which should be allotted on long term lease. Annual lease rent to be calculated as a percentage on the value of the bids and be on a graded scale depending on the Star Category of the hotel property.
- (xxvii) Shortage of hotel accommodation is a deterrent to development of tourism in various States. Construction of hotels is primarily a private sector activity which is highly capital intensive in nature and also has a long gestation period. Due to the high cost and low availability of land, hotels are opting for a higher star category as the setting up of budget hotels is not commercially viable.
- (xxviii) In order to encourage the growth of budget accommodation, State Governments and the various Land Owning Agencies should create land banks, give land on long lease, allocate land on joint venture/ revenue sharing basis and also provide incentives and benefits to facilitate the growth of the accommodation sector in the country.
- (xxix) Master Plan of major cities should earmark sites for convention (and Exhibition) centers which can be executed as PPP ventures or leased to the private sector for implementation.
- (xxx) Evolve policies and programmes for synergizing partnerships between Archaeological Survey of India, State Archaeological Department and the private sector in the upkeep, management and marketing of monuments, forts, ancient temples and museums etc.
- (xxxi) Allow higher Floor Space Index to existing hotel properties to expand their existing capacities.
- (xxxii) Local Bodies and Self Help Group should be actively involved in the management of tourist destinations in their jurisdiction. They should play the vital role of keeping the approach road to the destination clean and adoption of hygiene practices by various vendors at the tourist destination.

- (xxxiii) Further promote Caravan Tourism and Camping Sites for Tented Accommodation.
- (xxxiv) Further liberalise the Heliport policy to ensure the setting up of large number of Heliports, particularly in hilly areas and places not connected properly by air/ rail/ road route.
- (xxxv) Promote Seaplanes in important coastal areas such as Andaman & Nicobar Island, Lakshadweep, etc.
- (xxxvi) Rationalize the haulage charges for luxury trains, on the pattern of Rajdhani trains, to make them viable.
- (xxxvii) As the role of internet in publicity and promotion, booking of tour packages, getting information about the tourist places is increasing over the years, the plan allocation under the Plan Scheme “Computerisation and Information Technology” should be substantially enhanced . The good Communication & Information Technology (ICT) platform would help in maximizing the target market reach, data base utilization and convergence with other stakeholders.

Requirement of Funds

4.55 The total requirement of funds for various infrastructure development of tourism during 12th Plan will be Rs 16,180 crore (Infrastructure: Rs 15,220 cr, ITDC: Rs 250 cr and Incentives for accommodation: Rs 710 cr). The approach paper of the 12th Plan clearly states that country’s huge, barely tapped tourism potential is contingent upon inadequate transport infrastructure, accommodation, hygiene conditions around tourist attraction and convergence of actions by multiple agencies. A mid-term appraisal of infrastructure envisaged and created would be carried out to ascertain the additional requirement of funds for development of tourism infrastructure in integrated manner.

CHAPTER - 5

HUMAN RESOURCE DEVELOPMENT AND CAPACITY BUILDING

Introduction

- 5.1 Tourism in the country has the potential to emerge as a key economic driver. It is estimated that tourism can generate employment next only to the Construction Sector (Source: National Skill Development Corporation (NSDC)). With the Ministry targeting over 12 % growth rate in in-bound as well as domestic tourists, it has been projected that tourism sector will generate additional jobs of about 2.5 crore, both direct and indirect, during the period 2010-16. Servicing the sector with skilled manpower becomes imperative and foremost challenge for the 12th Plan period.
- 5.2 Efforts towards human resource development are a pre-requisite for creating appropriate employable skills in the population. The PM's National Skill Development Council has, therefore, articulated a vision that tourism Sector will have five million skilled persons by the year 2022.
- 5.3 The mission of the Ministry of Tourism, therefore, is not only to supply skilled hands as required by the Sector but to also upgrade / certify the skills of the existing service providers to reduce the skill gap. MoT had put in place a strategy to reduce the skill gap in the Sector, including sanction of institutional infrastructure and launch of short duration training programmes for creating employable skills. Many of these initiatives will fructify in the 12th Plan. However, there is a need to diversify the efforts to cover other segments too including niche tourism products. In addition, to realize the potential of the sector, the MOT will adopt a pro-poor approach aimed at increasing the net benefits to the poor from tourism and ensure that tourism growth contributes to poverty reduction. A wide range of actions are needed to increase the spread of benefits from tourism to weaker sections.

Human Resource Development during the 11th Plan

- 5.4 On the basis of the findings of the Market Pulse Report of the year 2004, it was worked out that the hospitality sector's annual additional requirement of skilled manpower was 2.03 lakh. As against this, the supply from educational and skill training system was only to the extent of 18000, which after taking into account the attrition, got further reduced to about 12000. Attrition partly owed itself to easy acceptability of trained manpower in the emerging service sectors such as infrastructure (airports, airlines and real estate), event management, etc.

5.5 The Ministry of Tourism formulated six-pronged approach to meet the problem of trained manpower gap. The approach comprised of following:

- i. Opening new Institutes of Hotel Management (IHM) and Food Craft Institutes (FCI);
- ii. Strengthening and upgrading the infrastructure of the existing Central IHMs;
- iii. Existing IHMs to start craft courses;
- iv. Broad-basing of hospitality education / training;
- v. Short duration skill development training programmes under Hunar Se Rozgar; and
- vi. Skill testing and certification of the existing service providers.

5.6 The abovementioned strategies, to meet the skill gap, were implemented through the following two Schemes that were approved by CCEA and EFC/MoFin 2008:

- i. The Scheme of Assistance to Institutes of Hotel Management (IHMs), food Craft Institutes (FCIs), Indian Institute of Tourism and Travel Management (IITTM), National Council of Hotel Management and Catering Technology (NCHMCT), Vocational Schools, Industrial Training Institutes (ITIs), Polytechnic Institutes, Govt. Colleges and Universities; and
- ii. The Scheme of Capacity Building for Service Providers.

The Scheme of Assistance to IHMs, etc. – Salient Features

5.7 The salient features of the Scheme of Assistance to IHMS, etc are given below:

- i. The Scheme provides for Central financial assistance for the strengthening/creation of institutional infrastructure for training and education.
- ii. The existing 21 Central IHMs are assisted for infrastructure up-gradation with no upper financial limits
- iii. The scheme provides assistance to open new State IHMs. The assistance up to Rs.12.00 crores can be extended, out of which Rs.8.00 crore is towards the setting up of the campus, Rs. 2.00 crores towards the hostels and up to Rs.2.00 crores towards the equipment. The State Govt. / UT obligations is to provide 5 acres land and meet the expenditure over and above Rs.12.00 crores.
- iv. The Scheme provides for the funding of the setting up of Food Craft Institutes. Assistance for the purpose is Rs.4.75 crores at a maximum. Of this, Rs.3.75

crores is applied towards civil work and Rs.1.00 crore for equipments. The State Govt. / UT has to provide 3 acres for the setting up of the FCI and meet the expenditure over and above Rs.4.75 crores on the setting up of the Institute.

- v. The other important component of the Scheme relates to the broad-basing of hospitality education. The assistance is to educational institutes for starting new hospitality and tourism related courses. Under this component, the following assistance is available:
 - a. Up to Rs.25 lakhs to Govt. Schools,
 - b. Up to Rs.2 crores each to an ITI, a Polytechnic Institute, a Govt. college, a University and a PSU.

5.8 The Scheme of Assistance to IHMs, etc. – Implementation:

- i. Increase in Institutional Infrastructure: In the 11th Plan, MoT/ NCHMCT has sanctioned new State IHMs and new FCIs. With this, the Institutional infrastructure under the Ministry/ NCHMCT would be as follows:

i)	Central IHMs (frozen at the present level)	:	21
ii)	SIHMs (functional)	:	12
iii)	SIHMs (under implementation)	:	16
iv)	FCIs about to be upgraded as SIHMs	:	02
v)	FCIs functional	:	05
vi)	FCIs (under implementation)	:	13
Total		:	69

- ii. In tune with its effort to develop infrastructure in the North East and the State of Jammu Kashmir, the MoT has sanctioned 5 SIHMs and 3 FCIs for the NE States during the 11th Plan. During the same Plan, two FCIs were sanctioned in J & K.
- iii. The new campus of the NCHMCT has been developed in NOIDA. A Central autonomous body of the MoT to regulate and steer the academic matters of the IHMs and FCIs affiliated to it.
- iv. New Centres of the Indian Institute of Tourism & Travel Management (IITTM) with its headquarters at Gwalior were sanctioned at NOIDA and Nellore. The National Institute of Tourism & Hospitality Management, Hyderabad also came up with the MoT's financial support during 11th Plan.

- v. MoT extended need based assistance to the Central IHMs as also to the IITTM for the strengthening and up-gradation of infrastructure. However, the major effort related to the sanction of additional infrastructure to these Institutes necessitated by increase in students' intake owing to reservations for the OBCs.
- vi. With these investments, there was a quantum jump in the institutional capacities in skilled and managerial manpower. This is summarised in the table below

Course	Training capacity at the end of XI plan
UG/PG	8342
Certificate/Diploma	5546
Short Duration	36340

- vii. Under Broad-basing of hospitality education, MoT has extended assistance to 15 ITIs, 4 polytechnic institutes, 6 colleges and 13 universities.
- viii. In the year 2010, a MOU was signed between the CBSE and the NCHMCT to provide for and regulate introduction of hospitality education as a vocational stream at +2 stage of school education. To begin with, 14 schools (Navodaya and KendriyaVidyalayas, Indo-Tibetan and Delhi Government Schools) have been provided an assistance of rs 25 lakh each for starting vocational course.
- ix. Following academic reforms were undertaken to bring in excellence in the hospitality Institutes
 - a. Introduction of Decentralized online counselling related to Joint Entrance Exam. (JEE) from the academic session 2009-10,
 - b. Introduction of Semester System in the B.Sc course.
 - c. Introduction of Specialization in the Institutes of Hotel Management at Mumbai, Chennai, Kolkata, Delhi, Bengaluru, Hyderabad and Goa in three subject streams, namely Food Production Management, Accommodation Management and Food & Beverage Service Management.

5.9 Scheme of Capacity Building for Service Providers: Salient features

This Scheme provides for the training / skill up-gradation of the existing as also the fresh service providers. The Scheme is delivered through the State Govts/UT Administrations, IITTM, NCHMCT, IHMs, FCIs, State Tourism Corporations, Field offices of the MoT. The Scheme has a Section that exclusively provides for *suomotu* initiatives of the MoT. Programmes and activities taken up under this Section are directly driven by the MoT and are generally of all India character.

5.10 Scheme of Capacity Building for Service Providers: Implementation

Some of the training programmes explicitly provided for under the Scheme and implemented are:

- i. **Hunar Se Rozgar:** The Programme, funded by the MoT and implemented by the MoT sponsored IHMs (33) and FCIs (10), Private classified Hotels, ITDC and also through the State Governments, was launched in August, 2009 for creation of employable skills. Under this programme, 5610 persons were trained during the year 2009-10 and 6981 during the year 2010-11. The target for the year 2011-12 is to train 10000 persons. The salient features of the scheme are:
 - a. Youth who are minimum eighth pass and in the age group of 18 to 28 years are eligible;
 - b. The Programme offers short (6 to 8 weeks) quality training courses covering Food & Beverage Service, Food Production, Bakery and Housekeeping;
 - c. A stipend of Rs.1500 and Rs.2000 is given to trainees for 6 weeks and 8 weeks course respectively;
 - d. Two sets of uniforms are provided to the trainees; and
 - e. Institutes facilitate placement of trainees in the industry.

Based on the announcement by the Prime Minister, the Hunar Se Rozgar initiative was also extended to train tourist facilitators for the Amar Nath Yatrics in J&K. Under this 222 persons were trained in 2009-10 and 579 in 2010-11.

- ii. **Certified Hospitality Trainers Programme:** This Programme was started as a measure to meet the shortage of teachers specific to hospitality education. The Programme is implemented by the Central IHMs. The training spreads over 55 working days and prepares the trainees (each a first class graduate) for taking up contractual teaching assignments. The Programme is delivered by the IHMs. Each trainee is entitled to a stipend of Rs. 10000/- per month. As of now, 318 first class graduates in hospitality and hotel administration have been given intensive training in programmes conducted by IHMs at PUSA, Mumbai, Gwalior, Lucknow, Kolkata, Hyderabad, Chandigarh, Chennai, Thiruvananthapuram, Bengaluru and Gandhi Nagar.
- iii. **Training of Teachers of IHMs and FCIs:** The MoT sponsors teachers and tourism administrators for training and development with a view to creating a pool of resource persons with proven academic excellence and administrative acumen. The cost of training is met by the MoT. The MOT has, in collaboration with Administrative Staff College of India Hyderabad, organized training of

about 100 teachers. The training also included study visits to certain hospitality Institutes of repute in other countries.

- iv. **Earn While You Learn Programme:** Under this Programme of the Ministry, the Indian Institute of Tourism and Travel Management conducts training programmes for college-going students for a period of 21 days. The basic purpose of the trainings is to sensitize youths to tourism in the country and also give skills to handle tourism related functions. During the course of the year 2010 and upto the Games, about 2845 students were trained under the Programme.
- v. **Induction Training for Regional Level Guides:** The IITTM conducts from time to time, on behalf of the MoT, training programmes for induction of guides. The IITTM also conducts entrance examinations to draw up a merit list of the applicants for their admission in the Induction course. A total of 644 persons were trained in the year 2009 for induction as guides. Besides, 381 persons were trained in the year 2010-11 for induction as Regional Level Foreign Language Guides (Language-wise break-up being : German 71, Italian 37, Russian 67, French 131, Japanese 3, Spanish 71 and Korean 1).
- vi. **Training of Taxi/Auto Rickshaw Drivers:** These trainings are conducted by the Haryana Institute of Public Administration (HIPA), Governments of UP and MP presently. As of now, a total of 1735 persons have been trained. Each training course runs over four days and aims at not only improving the drivers and others in their manners and attitude but to also give them skills in communication, first aids and yoga. The training programmes for auto rickshaw drivers are organized by HIPA. The duration of each course is 3 days. So far, 835 persons have been trained.
- vii. **Training of Immigration staff** The IITTM has trained a total of 567 immigration staff during the period from 10/09/2009 to 22/07/2011. The training programmes were conducted at Delhi, Hyderabad, Mumbai, Kolkata, Chennai and Bengaluru.
- viii. **Skill certification of the existing service providers:** A large number of tourism service providers are working in the organized / un-organised sector without any basic training and certification. A National Skill Certification Programme was launched in August 2009 to formally certify the skills acquired on the job. The persons so certified are part of the skilled work-force. A five day orientation followed by a test precedes the certification. The Programme is funded and driven by the MoT through IHMs sponsored by it. The number of persons certified during the year 2009-10 was 5368 and 9869 during the year 2010-11. The certification target for the year 2011-12 is 9550.

5.11 Outcomes

The Plan Outlay for the Scheme of Assistance to IHMs, etc was kept at Rs.495 crores and for the CBSP Scheme at Rs. 95 crores. With stepped up MoT effort, the expenditures on the two Schemes have been Rs 400.40 crores and Rs70.47 crores. The institutional capacity through the MOT driven programmes has risen to 52128 in the year 2011-12 with the following break-up:

Hunar Se Rozgaar	Short Duration Courses	Skill Certification	Diploma/ Certificate	PG/UG Degree	Total
21730	2960	13550	5546	8342	52128

This institutional capacity thus achieved is substantially higher than the target-capacity of 27,100 committed in the Note for CCEA.

Requirement & Supply of Trained Manpower during the 12th Plan Period

5.12 As per a study conducted by the Market Pulse on behalf of the MoT, in 2011, the estimates (provisional) of annual requirement of manpower and supply (skilled) in the hospitality are as follows:

(In lakh)		
Year	Total Employment	* Total Annual Requirement
2012-13	47.26	6.26
2013-14	50.94	6.71
2014-15	54.91	7.20
2015-16	59.18	7.72
2016-17	63.79	8.29
Total		36.18

* Includes manpower required to compensate for retirements, attrition within the existing workforce.

The above projections assume a CAGR of 7.79% of 2016-17 over 2011-12.

5.13 The National Skill Development Corporation, set up as a PSU under the Ministry of Finance, is expected to provide for one-third of the required skilled workforce (all the sectors) by the year 2022. The two strategies are:

- i) Fund the skill development initiatives by and in the private sector (also covering hospitality and tourism sectors); and
- ii) Set up Sector Skill Councils to facilitate certification of skills, accreditation, indication of competency levels in areas hitherto uncovered by the existing institutional systems / dispensation.

5.14 It can be observed that the Institutional capacities but by the end of XI Plan would be able to fulfill only 10 % of the estimated additional requirement of the Manpower in hospitality and tourism sector (inclusive of supply from Non-MOT sources). Thus, there is need to give a major boost to the initiatives through convergence with the other ministries of GOI, States/UT administration and the Private Sector.

HRD thrust areas and priorities during the 12th Plan

Augmenting the Institutional Infrastructure

5.15 **Setting up new SIHMs:** Given the huge skill gap MoT will continue reinforcing its effort by demand-driven sanction of new SIHMs. These new SIHMs will also implement the craft courses, short duration skill development courses and skill certification. Salient features of the new SIHMs:-

- i) Each new SIHM will have an intake capacity of 60 for the degree course and 200 for the diplomas.
- ii) They will conduct courses under Hunar Se Rozgar Programme.
- iii) Each new SIHM will take 25 % students from local population
- iv) Hostels facilities for at least 50% of the students under regular as well as Hunar Se Rozgar Programme.
- v) An attached Applied Training Centre.

5.16 **Setting up of new FCIs:** The requirement of persons with skills is more than those with degrees. For increasing the number of turn-outs with hospitality skills, new FCIs will be sanctioned ensuring sustainable operations. The key features would be:

- i) To ensure that rural India is actually benefitted, the MoT will sanction hostels/dormitories for at least 50% of the students, in particular from the rural areas.

- ii) Each FCI will be entrusted with the responsibility of conducting training under Hunar Se Rozgar Programme. The Ministry will also commit a minimum targeted assistance for running the programs
- iii) FCI to diversify its expertise to cover training in other related trades too, especially in those which are in demand in the area.

5.17 Setting up of a Hospitality University: Presently, an IHM affiliated to the NCHMCT awards a B.Sc. (Hotel and Hospitality Administration) degree of Indira Gandhi National Open University (IGNOU). It is felt that hospitality education will be taken as part of the mainstream academic effort only if there is a dedicated University for it. All Central and State IHMs affiliated to the NCHMCT can be its constituent colleges.

5.18 Revamping NCHMCT: Hospitality education, especially at the degree level, needs to be positioned in a central space which is presently occupied by the courses relating to engineering, medical and so on. It will, therefore, be necessary to revamp the NCHMCT to provide for atleast the following functional Units:

- a) Administration & Finance;
- b) Studies and Exams;
- c) Curricula Development;
- d) Promotion of Hospitality Education ; and
- e) Academic Audit

Each of these units should be under a Director level officer reporting to the CEO of the NCHMCT. Besides, one Central IHM in each region (North, South, East, West and North East) should be additionally designated as the Regional Offices of the NCHMCT with suitable strengthening.

5.19 Preserving and promoting Indian Cuisine -Setting up of a Indian Culinary Institute (ICI): The proposed Indian Culinary Institute (ICI) will be set up as an autonomous body of the MoT. It will have six regional centres located in four metropolitan cities, one in Central India and one in the North East. Its headquarter will be located in the National Capital Region. For the setting up of the ICI and its six regional centres, an outlay of Rs. 225 crores will be required in the 12th Plan. The ICI, when it comes, will go a long way in addressing the concerns relating to the preservation of Indian cuisine. It will be expected to give an institutional basis for its promotion. The facilities at the ICI will include:

- a) Research and Documentation;
- b) Culinary Museum;
- c) Patent and Legal Cell;and
- d) World class Resource Centre.

The regional centres will concentrate on training and development of regional cuisines. The ICI will develop itself drawing upon the best practices of the other known Institutes in the area.

5.20 Expansion of Indian Institute of Tourism & Travel Management (IITTM)

- i. Setting up of a North-Eastern Centre of the IITTM: The IITTM has a Centre for every region except North East. A Centre in the North East region can be established in the 12th Plan.
- ii. Seeking Deemed University / Institute of National Importance status for the IITTM: Given the standing of the IITTM as the only national level Institute for tourism education, it will befit if the IITTM is raised to the status of a deemed university or an Institute of National Importance.
- iii. Developing Simulation Labs at IITTM Centres for hands on training.

5.21 Reorganizing the Indian Institute of Skiing & Mountaineering, Gulmarg: IISM is presently a subordinate office of the MoT. Given the popularity of the sports and related training effort handled by it, and the uniqueness of its location, this Institute needs to be revamped, so that it occupies its due position in world tourism. The possibility of its being incorporated in the IITTM as a centre would be explored. The financial assistance for infrastructure upgradation of IISM under the Plan Scheme can also be extended.

5.22 Teachers Training Institute

As per the Report of the Market Pulse of the year 2011, the number of trainers/ teachers required annually and additionally will be as under :

Year	Number of trainers / teachers required
2012-13	13500
2013-14	15000
2014-15	15500
2015-16	16000
2016-17	17000

As of now, there is no dedicated teachers' training institute. Since the requirement of teachers is large and growing, and a concern in the larger context of skill development in the country, the following measures are recommended to meet the situation:

- i. **Setting up of a dedicated teachers' training institutes:** The MOT will set up need based autonomous training institutes catering to the needs of the hospitality and tourism sectors both at skill and diploma/degree levels. The Institute will also be mandated to conduct special/customized training courses to cover the requirements of niche tourism products and the new emerging areas specific to tourism. It will also set up courses, including advance courses, on teaching skills for hospitality professionals, intending to get into teaching.
- ii. **Designating some IHMs as teachers' training institutes:** Designating some IHMs as Teachers' Training Institutes additionally with need-based infrastructural and faculty strengthening. The IHMs with attached Applied Training Centre should be preferred. These Applied Training Centres will be handy in facilitating the stay of the trainees.
- iii. **Setting up of Training Institutes in Rural Areas:** In collaboration with Ministry of Rural Development, attempts would be made to explore the possibilities of setting up of training institutes in rural areas to conduct training for forest guards , handicraft workers, persons involved in homestays.

Promotion Excellence in Institutes

5.23 Seven to eight IHMs would be identified and developed as the Institutes of excellence. Each of these chosen IHMs will at-least have the following features:

- i. Introduction of M.Sc. Course. The MSc course would help developing pool of human resources for meeting the requirement of teachers for the expanding institutional infrastructure. Ministry has already made an enabling clause in the Recruitment Rules of faculty in NCHMCT affiliated Institutes by making M.Sc. mandatory at the entry level;
- ii. A strong research base; offering research facility for doctoral degree;
- iii. Effective implementation of semesterization and specialization programme at graduation level;
- iv. Strong linkages with hospitality institutes in other countries;
- v. Creating and nurturing a niche for itself by way of a specialization;
- vi. Offering in-service executive development programme to the Industry; and
- vii. Offering consultancy.

- 5.24 **Promoting research and specialization in tourism:** Research in tourism will be encouraged through doctoral level programmes such as Fellow Programme in Management on lines of FPM and regular PHD of Indian Universities. Regular weekend or evening courses be started in tourism to provide opportunities to those in tourism sector to upgrade their skills.
- 5.25 **Academic audit of the hospitality Institutes:** A strong and regular academic audit of the Institutes affiliated to the NCHMCT will be conducted to promote excellence and quality in hospitality education.
- 5.26 **Curricula review:** Curricula for the degree as also for diploma and certificate courses be up-graded in terms of a structured enabling mechanism instituted in the NCHMCT with a strong representation of the Industry. This would involve covering the niche products; information and communication technology, sustainable practices including solid waste management, hygiene, disaster management and heritage Tourism.
- 5.27 **Faculty development:** Development of teachers at every level through appropriate training programmes should be mandatory, as part of Institute's endeavour to achieve excellence. This will also include periodic teachers' attachment to the Industry and Faculty exchange amongst Institutes both within the country and outside.
- 5.28 **Students' exchange programme:** The MoT should put in place a mechanism to provide for regular exchange of students visits with IHMs on the Indian side and certain select hospitality schools abroad. The idea will be to expose students to the developments in other part of the world, particularly in the hospitality sector. A centralized mechanism will be desirable to ensure equalization of opportunities inter se IHMs.
- 5.29 **Attached Applied Training Centres / training hotels:** The Central and State IHMs need an attached facility of an operational training hotel with a restaurant for hands-on training. This will enable a practical exposure of managerial, supervisory and skill level exposure to the students enrolled in post-graduate, graduate as well as diploma / certificate courses. In addition, such facilities would also provide an opportunity to the Hunar Se Rozgar trainees. Thus, the Central / State IHMs will be encouraged to set up ATCs as part of their respective institutional infrastructures. The Applied Training Centres will be primarily for imparting hands-on training to the students, including those under Hunar Se Rozgar Programme, as part of curriculum. The Applied Training Centres will also be looked to for making significant contribution to the Institute's revenue.

5.30 Modifications in the Scheme of Assistance to IHM/FCI, etc

In December, 2008, the CCEA approved the Ministry's Scheme of Assistance to IHMs/FCIs etc. that enables the Ministry of Tourism to establish institutional infrastructure necessary for supporting hospitality and tourism related training and education. The experience of implementation so far suggests that there could be some modifications in the Scheme to enhance its effectiveness and impact. This proposal was referred to the Ministry of Finance who has advised that the matter may be taken up for the 12th Plan. The following amendments are recommended:-

- i. **Intra-adjustment of component ceilings:** The central assistance for new State IHMs as well as broad basing of hospitality education has financial ceiling for the three components related to academic infrastructure, equipment and hostel. The Inter component adjustment of assistance may be allowed subject to 10% of these ceilings on the condition that a mechanism will be put in place to ensure that such adjustment does not affect the efficiency of the programme or the quality of the courses.
- ii. **Provision of vehicle parking space:** The MoT will sanction vehicle parking space in the new SIHMs / FCIs on case-to-case basis.
- iii. **Coverage of autonomous bodies:** Autonomous bodies set up by the Central or the State Governments, which have training, hospitality or promotion of tourism as their core activity, will also be eligible institutes under the Scheme for CFA towards broad-basing of hospitality education.
- iv. **Acceptance of IHMs awarding degree other than that of the IGNOU:** A SIHM brought up with MoT's assistance under the aegis of a university will be allowed to award the degree of that university. This will be subject to the condition that the curriculum of the concerned university matches the NCHMCT / IGNOU' syllabus.
- v. **Special additional dispensation for the setting up of institutes in hilly areas / difficult terrain / metros:** In hilly areas / difficult terrain where (i) land at an even level is not easily available and (ii) the cost of civil work is rather high, the Scheme will accept:-
 - a) An existing structure, after its suitable conversion, as part of a new IHM or FCI; and
 - b) A piece of land measuring 2 acres as adequate for the setting up of a SIHM and 1 acre for a FCI

- c) Relaxation in (b) will also be available to six cities classified as large (UA), namely Mumbai, Bengaluru, Hyderabad, Chennai, Kolkata and Delhi.
- d) The above dispensation (in paras a, b & c) would, however, be subject to a very strict adherence to the norms of affiliation related to academic and equipment infrastructures including the covered areas.
- vi. To encourage enrolment of girls, weaker sections and rural youths, each MoT sponsored FCI and IHM would endeavour to have hostel / dormitory facilities to cover at-least 50 % of the instituted intake.
- vii. To improve the employability of students passing out from IHMs, the course curriculum should be periodically revised to take into account the actual requirement of expertise in the hospitality sector. Heritage tourism may be also included in the curriculum of IHMs and other training institutes.
- viii. **Revision of assistance for SIHM/ FCI:** Based on the increase in CPWD rates, a raise of 20 % in the assistance ceilings prescribed in the Scheme for civil work is justified across the board. A raise of 15 % will be justified for equipments. Allowing this raise, as also providing for hostels / dormitories to cover 50 % of the instituted students' intake, the following assistance ceilings are proposed :

<u>For State IHMs</u>		
	(Rs. In crores)	
	Existing	Proposed
Civil Work	08.00	10.00
Equipments	02.00	02.50
Hostels	02.00	04.00
Total	12.00	16.50
<u>For FCIs</u>		
	(Rs. In crores)	
	Existing	Proposed
Civil Work	03.75	04.35
Equipments	01.00	01.15
Hostels	00.00	02.00
Total	4.75	07.50
<u>For Institutes covered under broad-basing</u>		
<u>For Schools*</u>		
	(Rs. In crores)	
	Existing	Proposed
	0.25	0.30
<u>ITIs, Polytechnics, Universities, Colleges & PSUs*</u>		
	(Rs. In crores)	
	Existing	Proposed
	02.0	02.50

- ix. **Biennial review of the adequacy of assistance ceilings:** A biennial review of the assistance ceilings will be carried out based on scheduled rates of CPWD. There will be a biennial review of the adequacy of assistance ceilings and in case those fall short of the requirement the assistance limits will be revised so as to be realistic.
- x. **Limited reservation for local aspirants (upto 25 %) in admissions subject to certain conditions:** In view of the fact that a State Government / UT Administration makes a substantial contribution towards the setting up of a SIHM in terms of free land for its campus; meeting capital expenditure over and above CFA; and meeting the Institute's revenue deficit, if any, . It will be appropriate if the SIHMs are allowed to fill up 25% degree seats from amongst the local candidates (including domiciles). In such cases, the level of the financial assistance will also be reduced by 25 % of the prescribed ceiling. This earmarking of seats for local candidates will be expected to popularize hospitality education in the area, especially as many likely candidates feel discouraged moving away from their homes. This will also encourage and spur the States / SIHMs to greater academic effort and involvement. This dispensation will also be available to a FCI seeking its up-gradation as SIHM.

5.31 Scheme to provide financial support to students on merit-cum-means basis:

The MoT will formulate a Scheme to provide financial support to meritorious students in the MoT sponsored IHMs, FCIs and IITTM. The main features of the proposed Scheme will be as under :

- a) It will provide for merit-cum-means scholarships to students to offset the tuition fee payable;
- b) It will be available to students in all regular courses of at-least one year duration with particular emphasis to rural, remote and under developed areas of the country;
- c) Funds will be paid to the IHMs and FCIs, for in-turn disbursement to the students, through the NCHMCT. However, the IITTM will be paid directly for the students under it.

Skill Development

5.32 Hunar Se Rozgar

- i. **Involving competent private institutes in skill training:** While the MoT's two Schemes (Assistance to IHMs, FCIs and CBSP) are restrained from extending assistance to the private institutes directly, the importance of their involvement in the skill training programme of short duration cannot be over emphasised. In

the context, the MoT's decision to reach them through the respective State Govts. for the implementation of the Hunar Se Rozgar Scheme is full of possibilities. In the next five years, the MoT could make efforts, through the State Govts. to reach them in a much larger number.

ii. **Hunar Se Rozgar Programme to be conducted by the Institutes under broad-basing** : The ITIs, Polytechnics, Colleges, Universities and PSUs allowed to conduct hospitality / tourism courses under the MoT's broad-basing Scheme will also compulsorily conduct short duration courses additionally as part of Hunar Se Rozgar Programme.

iii. **Covering new areas** : The MoT will expand the scope and sweep of its training efforts to cover service providers on a range – drivers, tongawallahs, valets, spa therapists, beauticians, bell boys, specialized masons (restorers of heritage and historical buildings), travel and tour facilitators and so on. The products covered could be: Rural Tourism, Adventure Tourism, Medical Tourism, Wellness Tourism, Eco Tourism, Development of Camp Sites, and Promotion of Caravan Tourism, Golf Tourism, Polo Tourism and so on. The MoT will take appropriate training initiatives in consultation with various stake-holders.

iv. **Skill Development through classified hotels:** Ministry of Tourism has already amended the guidelines for classification of star and heritage category hotels and made participation of the classified hotels in 'Hunar Se Rozgar' programme mandatory for them. The classified hotels shall be required to undertake 6-8 weeks training of a minimum number depending upon their number of rooms. This initiative will be taken forward in a major way by ensuring its implementation through all such classified hotels.

5.33 Skill Certification: The MoT will take the following initiatives:

- i. Work towards **laying standard criteria and procedures for skill certification, including identification of levels specific to each trade.** The MoT's exercise will reckon the best practices.
- ii. Work towards a provision in the Food Safety and Standards Authority of India guidelines to the effect that a percentage of staff in Dhabas, Kiosks, Eateries, etc. will be skill certified.
- iii. Recognize leading skill testing and certification agencies for quality certification

5.34 Developing Skill & Competency within MOT

Ministry of Tourism has formulated a holistic human resource policy for building the required competencies for officers and subordinate staff. The HRD policy

provides for induction and ongoing training to develop the necessary skill and competency levels to meet the challenges of the sector. These training initiatives will be implemented priority under the CBSP Scheme.

Inter-Ministerial Convergence

- 5.35 With its schemes and programmes as outlined, the Ministry of Tourism will be able to achieve about 18% of the estimated additional requirement of skilled manpower in tourism and hospitality sector. To reduce/bridge this huge gap, the Ministry envisages a synergy with other Ministries and the State Governments.
- 5.36 Under the partnership with Ministry of Rural Development, the State Institute of Rural Development (SIRD) and District Institute of Rural Development (DIRD) will be covered under the broad basing scheme so that they can start new hospitality courses. This way, youth under the BPL families should be trained through the Sampoorn Grameen Swarozgar Yojana Scheme (SGSYS).
- 5.37 The NSDC has been mandated to cover at least 1/3rd of the skilled gap under the PM's skill development issue. They will undertake this exercise through credit support to private sector as well as through the Sectoral Skill Council. Sectoral Skill Council is yet to be formed for hospitality and tourism sector. The Ministry will, therefore, take a pivotal role in forming this Sectoral Skill Council to unleash the private sector synergy. In the context, converting the NCHMCT into the Sector Skill Council for Hospitality will be considered.
- 5.38 With the support of Ministry of Human Resource Development, the vocational education in +2 will be expanded in a big way for schools under CBSE and ICSE.
- 5.39 Synergy with the State Government will be undertaken in the following way:
- i. The vocational education in +2 will be expanded to cover schools under the State Boards, whenever possible.
 - ii. Substantial expansion of broad basing in hospitality education to cover all the States/Union Territories.
 - iii. The State Governments to mandatorily include all hospitality institutes with requisite facilities under Hunar Se Rozgar Programme for the entire duration of the 12th Plan. Therefore, there will be a concerted effort during the next prioritization meetings to ensure that each State Government / UT sends proposals under the HSRT for the non-MoT controlled institutes, both in private and public sector.

5.39 With active coordination/collaboration with various Ministries/Organisations it is estimated to train 2.5Lakh persons every year during 12th Plan which may require a financial outlay of Rs.810 Crores. This effort would enable the youths from weaker section of society in interior and remote areas to get employment in service sector.

Athithi Devo Bhava

5.40 **Campaign Clean India:** A study conducted by the MoT at important tourist destinations revealed that cleanliness and hygiene at these places was much below the acceptable level. This not only inconvenienced the tourists, both domestic and foreign, but also had a pull-down impact on image-India. It is proposed to launch a Clean India Campaign. The strategy, therefore, will have to be necessarily a balance of persuasion, education, sensitization, training, demonstration and regulation.

- i. **Strategy:** The Clean India Campaign will have to be a multi-pronged strategy of Sensitizing the young minds, Creating Awareness, Promoting voluntary effort and Involving Industry / Private Sector.
- ii. Implementation of this strategy will include the following, amongst others
 - a) Recognition of cleanliness related good work,
 - b) In-building Cleanliness Action Plan in MOT funded projects,
 - c) Ear-marked funds for the Campaign in the 12th Plan,
 - d) Institutional support to the Campaign,
 - e) Consultations with stakeholders, and
 - f) Media support for the Campaign.
- iii. **Involving students:** The MoT will work out a programme with the following broad features:
 - a) It will intend to sensitize the students in schools to i) the desirability of keeping their ambience clean and ii) to the importance of one's history, traditions and history;
 - b) Schools will be incited to participate in the campaign by adopting a tourist site or a destination;
 - c) The school will send a group of students to the adopted site at least at regular intervals

- d) The students' visit will have three-fold purpose : a) excursion, b) in-depth learning about the site, and c) cleaning of the site and its periphery within permissible limits;
- e) The School will duly and formally take into confidence the authorities responsible for the site before embarking upon the project;
- f) The School will set up a tourism / heritage club under its over-all authority to give the programme an institutional basis;
- g) The Regional Director, India tourism concerned will represent the MoT in case the MoT's input is needed in the execution of the Programme;
- h) The School concerned will document the effort on the project including its impact; and
- i) The MoT will extend a fixed assistance for each project covering certain items of expenditure, which will be paid through the RD concerned.

iv. Involving NGOs: Various NGOs should be actively involved in this exercise. The details of terms and conditions for their involvement may be worked out.

- v. To further incentivise and facilitate local bodies to ensure cleanliness in their jurisdiction.
- vi. To launch the cleanliness campaign at major tourist attractions/destinations under the Corporate Social Responsibility of hotels and other stakeholders.

5.41 Training of other Service Providers: The Ministry will intensify its training efforts to improve the existing service providers in attitude and etiquette. The following in particular will be targeted:

- i. Taxi and Auto drivers;
- ii. Tourist police,
- iii. Porters, and
- iv. Immigration staff

5.42 Guide Training Programme: India offers tourism products and destinations on a range. Its heritage, history, traditions and beliefs are rooted in many millennia of existence and their explanation though engaging is often complex and abstruse. For explaining various aspects and destinations of Indian tourism, a well structured, competent and regulated guide service is an indispensable requirement. The MoT's endeavor to that end will include the following initiatives:

- i) Identifying and selecting institutes which can train persons for induction as guides;

- ii) Indicating a hierarchy of guides including eligibility for each level;
- iii) Putting in place an institutional system of assessment and examination for graduation of a guide from his /her present level to a higher level;
- iv) Helping guides to acquire, in terms of regular or need-based training programmes, product / destination / area specializations;
- v) Conducting courses for induction as foreign language guides;
- vi) Regular refresher courses in India and outside the country along with field trips to update the knowledge of Govt. of India Tour Guides with the latest statistics, techniques and systems in handling various guiding assignments entailing varied perspectives, discoveries and issues across the world;
- vii) Ensuring maintenance of a web-portal for guides;
- viii) Funding the training programmes of the State Governments for induction of State level guides for State destinations (other than ASI monuments, In addition to funding of MoT's own training programmes.
- ix) Providing trained Guides for ensuring responsible tourism practices around National Parks/ Sanctuaries and eco – fragile regions.

5.43 Hygienic and clean restaurants and Dhabas: As a vast majority of Indian have their meals at inexpensive restaurants, commonly called Dhabas, setting up a scheme through incentives to improve hygiene, sanitation and storage systems in them should be considered. Large consumer goods organizations which have distribution systems to reach even the smaller villages, like Lever's, Godrej, Nestle, Tata's, Dabur, ITC, Coke, Pepsi, Bisleri, etc. could be requested to take up this working collaboration with the MoT as part of their CSR schemes.

5.44 Monitoring of Programmes and Scheme Implementation: Skill development in hospitality in tourism sector will become one of the major activity of Ministry of Tourism both in terms of Plan Outlay as well as efforts. The institutional capacity will be expanded in a major way through setting up of new IHMs, FCIs and broad basing of hospitality education. The skill development under the 'Hunar se Rozgar' initiative would aim to cover all hospitality related institutes across the country, apart from the Ministry controlled institutes and classified hotels. In addition, the 'Atithi Devo Bhava' campaign will also be launched through active participation of non-Government organisations, school children and other stakeholders. To implement these initiatives in the vision-mission framework and in the prescribed time frame, an augmentation of the organisational capacity at the Ministry level becomes imperative. This will be undertaken in three ways mentioned in the following paragraphs:

5.45 Setting up of Programme Monitoring Units (PMUs):

- i. **PMU for projects sanctioned under the Scheme of Assistance to IHMs etc:** The institutional infrastructure, envisaged in the 12th Plan, and carry over work from the 11th Plan, will only be means to an end of supplying the Industry the trained manpower that it requires. Timely completion of the projects sanctioned therefore is of paramount importance. **A Programme Monitoring Unit manned by a Consultant with suitable support staff will therefore be necessary.**
- ii. **PMU for Skill Development Programmes under the CBSP Scheme:** From a small training / education capacity of less than 15000 persons in the beginning of the 11th Plan, the MoT has taken the capacity to over 52000 in the last year of the Plan. The Hunar Se Rozgar and the National Skill Certification Programmes will now be implemented on a wide sweep and even through private institutes under the aegis of the State Governments. Since a stringent monitoring of the training programmes is indispensable for the quality and eventual success of the programmes, **a Programme Monitoring Unit with two Consultants and appropriate support staff will be necessary.**
- iii. **PMU for the Campaign Clean India:** It has been decided to launch a Campaign Clean India with special focus on tourism products and destinations. The Campaign will involve every strata of the society, the NGOs and the Corporate Sector. For steering and monitoring the Campaign, a dedicated Cell will be needed. The Cell will be headed by a Project Director and five Asstt. Project Directors to take forward and monitor the Campaign. The person engaged for the Cell will be on contract.

5.46 Separate Divisions in the MoT to deal with degree education and skill training: On the lines of the organizational formation in the Ministry of HRD, the MoT should also have two divisions, one to deal with the degree and higher level education and the other to deal with skill training programmes. The Joint Secretary level officer will be heading the two divisions as well as the three PMUs mentioned above.

5.47 A system of regular monitoring and inspection of various programmes and a feed-back on their impact and market acceptability would be required. This will be carried out through outsourcing of the work to professional agencies / experts. These agencies / experts would be required to undertake impact studies, field

inspections and recommend reforms and mid-course corrections. These agencies could be

- i. Professional private sector organisations who can be selected through a transparent process or institutes
- ii. Institutes of eminence.

Requirement of Funds

5.48 Targets and activities envisaged for the 12th Plan will entail an estimated expenditure of Rs.1650.00 Crores being the total of Rs.840.00 Crores for Scheme of Assistance to IHMs, etc and Rs.810.00 Crores for the Scheme of Capacity Building for Service Providers.

5.49 The approach paper to the 12th Plan has laid emphasis on adopting a pro poor tourism approach for increasing the net benefit to the poor and weaker section of the society, and particularly in the interior and the remote areas of the country. As such a mid-term appraisal of the HRD and the capacity building strategies would be carried out to assess the additional requirement of fund.

CHAPTER - 6

PUBLICITY, PROMOTION & MARKETING

Introduction

- 6.1 Publicity, promotion and marketing of the tourism destinations and products of the country is necessary to attract foreign tourists as well as increasing the number of visits of domestic tourists. The Ministry of Tourism, undertakes Promotion and Publicity through two schemes, viz. (i) Overseas Promotion and Publicity including Marketing Development Assistance Scheme and (ii) Domestic Promotion and Publicity including Hospitality. Brief details of the activities undertaken under these schemes during the 11th Plan and those proposed under the 12th Plan are enumerated in the following paragraphs.

Overseas Promotion and Publicity including Marketing Development Assistance Scheme

- 6.2 This is one of the major schemes of the Ministry and its objective is to position India as a favoured tourism destination in the tourism generating markets overseas, to promote various Indian tourism products vis-à-vis competition faced from various destinations and to increase India's share of the global tourism market. These objectives are met through an integrated marketing and promotional strategy comprising centralized media campaigns launched by the Ministry and a wide range of promotional activities undertaken by the 14 Indiatourism offices overseas.
- 6.3 Under this scheme, the Ministry has launched a multi-pronged promotional campaign in key markets across the world under the banner of '**Incredible India**'. The 'Incredible India' campaigns aim to position the country as a destination for discerning travelers, focusing on the diversity of India as a holiday destination with 'something for everyone'. It includes a wide ranging advertising campaign in prime print publications, a global television campaign encompassing prominent channels, an innovative online campaign on the world's most popular websites. This convergence of media for promotion has brought great visibility and built awareness for the 'Incredible India' brand.
- 6.4 The specific elements of promotional efforts undertaken overseas include Advertising in the local Print & Electronic Media, Participation in Fairs & Exhibitions, Organising Seminars, Workshops, Road Shows & India Evenings, Printing of Brochures and Collaterals, Brochure Support/Joint Advertising with

Travel Agents / Tour Operators, Inviting the Media and Travel Trade to visit the country under the Hospitality Programme, etc.

- 6.5 In addition, under the scheme of Marketing Development Assistance Scheme (MDA), financial support is provided to approved tourism service providers, i.e. hoteliers, travel agents, tour operators, tourist transport operators, approved by the Ministry of Tourism, Govt. of India or by the State Tourism Department in the case of Jammu & Kashmir and the North Eastern States (Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura) for undertaking the tourism promotional activities abroad such as Sales-cum-study tour, Participation in fairs/exhibitions and Publicity through printed material.

Domestic Promotion and Publicity including Hospitality

- 6.6 Under this Scheme, the Ministry undertakes various activities for promotion and publicity within the country. These activities are mainly aimed at increasing awareness about tourism destinations and products, promoting tourism within the country with focus on priority areas like the North East and Jammu & Kashmir and promoting events which have tourism potential. These activities are undertaken directly by the Ministry as well as in collaboration with States / Union Territories. The main activities undertaken under this Scheme include:
- i. Social Awareness Campaigns and Domestic Media Campaigns in the Print, Electronic, Online & Outdoor Media.
 - ii. Release of advertisements and advertorials.
 - iii. Production of Tourism Promotion and Publicity Material.
 - iv. Organising and supporting events with tourism potential
 - v. Participation in Travel Fairs and Exhibitions within the country.
 - vi. Extending hospitality to travel trade and media representatives from overseas under the Hospitality Scheme.
 - vii. Extending central financial assistance to States / Union Territories for organizing fairs, festivals and tourism related events; production of publicity material and undertaking joint advertising in print media campaigns.
 - viii. Providing financial support to approved tourism service providers for promotion of Domestic Tourism, under the Marketing Development Assistance Scheme

Performance of the Schemes in the 11th Plan Period

Overseas Promotion and Publicity including Marketing Development Assistance Scheme

6.7 The Ministry has launched Centralised Media Campaigns in the print, electronic, outdoor and online media, under the 'Incredible India' banner in key source markets across the world. The major International Centralised Campaigns launched during the 11th Plan period include:

- i. America Television Campaign
- ii. America Print Campaign
- iii. Europe Television Campaign
- iv. Europe Print Campaign
- v. Asia Pacific (APAC) Television Campaign
- vi. Asia Pacific (APAC) Print Campaign
- vii. Global Print Campaign
- viii. Global Online Campaign.

During the year 2011-12, these Campaigns have been consolidated into three Global Campaigns, viz. Global Print, Global Television and Global Online.

6.8 The Ministry organized and participated in major promotional events overseas during the 11th Plan Period including:

- i. Participation as 'Partner Country' at the International Tourism Bourse (ITB) in Berlin in 2007
- ii. "India@60" Event in New York in September 2007, to coincide with the UN General Assembly
- iii. "India@60" Event in Singapore in April 2008.
- iv. Promotional Event in China to coincide with the opening of the Indiatourism office in Beijing in April 2008
- v. "India Calling" Event in Los Angeles in September 2008
- vi. Promotional Event in Russia in September 2008.
- vii. Participation as 'Guest of Honour' country at the Geneva Festival in August 2011.

- 6.9 The Ministry has successfully hosted the PATA Travel Mart & PATA Board of Directors Meeting in Hyderabad in 2008 and Delhi in 2011. Approximately 1,089 trade delegates, comprising 374 global buyers from 324 organisations in 56 countries and 715 Asia Pacific seller delegates from 301 organisations participated in the PATA Travel Mart 2008 in Hyderabad. PATA Travel Mart 2011 in Delhi had 302 buyer delegates from 279 organisations from 50 source markets and 625 seller delegates from 288 organisations.
- 6.10 Indiatourism offices overseas participated in the major international Travel Fairs and Exhibitions in important tourist generating markets the world over as well as in emerging and potential markets to showcase and promote the tourism products of the country. Some of the important ones are Arabian Travel Market (ATM) in Dubai, PATA Travel Mart in Macau, World Expo 2010 in Shanghai, China International Travel Mart in Shanghai, ITB – Asia in Singapore, World Travel Market (WTM) in London, IMEX in Frankfurt, FITUR in Madrid and ITB in Berlin.
- 6.11 A number of Road Shows were held in major source markets as well as some of the upcoming markets which have high potential for outbound to India. These Road Shows were organised in collaboration with the Indian Association of Tour Operators, PATA India Chapter and Adventure Tour Operators Association of India. Some of the markets covered were Australia, New Zealand, UK, USA, CIS Countries, etc. Road Shows were also organized to promote the 'Visa on Arrival' Scheme.
- 6.12 The Ministry of Tourism has taken the initiative of undertaking branding at major events organized at the international level which provide an effective platform for achieving widespread exposure and reach amongst a large target audience and when association with the event benefits the promotional efforts of the Ministry. Incredible India branding was accordingly undertaken during major events, including the ICC World Cup Cricket 2011 and Cannes International Film Festival 2011.
- 6.13 In an attempt to spread the reach of the 'Incredible India' promotions, the Ministry has developed synergy with other Ministries / Organisations for undertaking joint promotional activities in the country and overseas. Accordingly, the Ministry of Tourism has successfully collaborated with the Ministry of Information & Broadcasting and the Gem & Jewellery Export Promotion Council. A Memorandum of Understanding has also been signed and subsequently renewed with the 'Experience India Society', an initiative of leading hotel chains and tour operators to promote India through a public-private partnership with the Ministry of Tourism.

6.14 The Ministry of Tourism has had Television Commercials (TVCs) / Films as well as Creatives for print advertising produced through the Experience India Society, Stakeholders, leading international Television Channels and through agencies selected after following tendering procedures. These TVCs and Creatives have been effectively used in the Media Campaigns of the Ministry and have been recognized and appreciated internationally.

6.15 With a view to taking the Incredible India Campaigns forward, the Ministry has had a series of Brainstorming Meetings with Media and Creative Agencies, Media Representatives and Stakeholders in the Tourism Industry to get their inputs and suggestions on making the Incredible India campaigns more impactful and effective. Based on discussions held, a decision has been taken to further professionalise implementation and execution of the Campaigns and action on the following has been initiated by the Ministry:

- i. Appointment of a Creative Agency for the Ministry. The selected agency will present and implement a creative vision for a period of five years and a creative strategy for three years for the Incredible India Campaigns.
- ii. Appointment of a Media Consultant / Media Planning Agency to formulate effective media plans for the Incredible India campaigns (print, television and online) of the Ministry.
- iii. Commissioning of surveys for an impact analysis of the campaigns in key source markets overseas.

6.16 The Incredible India Campaigns received widespread recognition the world over and have won several international accolades. These include a series of awards won by the “Incredible India” promotional television commercial in 2009-10, at Berlin, Poland, Romania, France, Portugal, the Czech Republic, Croatia, culminating in the Grand Prix Award at Vienna. Details of other awards won are at annexure.

Domestic Promotion and Publicity including Hospitality

6.17 The Ministry has released generic campaigns as well campaigns to promote tourism to the North East Region and the state of Jammu & Kashmir, in the print, electronic, online and outdoor media. Advertisements promoting tourism destinations within the country have been released in newspapers, magazines, tourism related publications, in-flight magazines of airlines operating within the country, etc. Advertorials highlighting the varied tourism products of the country as well as the schemes and initiatives taken by the Ministry have been released in

major newspapers and magazines in the country. Outdoor branding has been undertaken specially to coincide with important events such as the PATA Travel Marts organized in Hyderabad (2008) and Delhi (2011).

- 6.18 The Ministry of Tourism has been launching the Atithi Devo Bhavah – Social Awareness Campaigns since 2004-05 to sensitize stakeholders in the tourism industry as well as masses and general public in their conduct and attitude towards tourists and to reinforce the spirit of ‘Atithi Devo Bhavah’. In 2008-09, the Ministry of Tourism associated with Aamir Khan noted film actor and social activist who became the brand ambassador of the Ministry for its Social Awareness Campaigns. A total of 8 Television Commercials, featuring Aamir Khan have been produced by the Ministry on the themes : ‘Molestation of Women Tourists’, ‘Graffiti on Monuments’, ‘Honesty’, ‘Hospitality’, ‘Good Behaviour Towards Tourists’, ‘Proud to be an Indian’, ‘Cleanliness’ and ‘Civic Responsibilities of Citizens’. These Social Awareness Campaigns have been released on leading TV channels, Radio stations, news-papers and in the out-of-home media.
- 6.19 The Ministry has undertaken production of publicity and tourism promotion material including maps, brochures, CDs, posters, promotional calendars, display standees, carry bags, etc. These have been widely distributed to tourists, consumers and delegates at fairs and exhibitions, conferences and seminars as well as to the travel trade, Indian Missions overseas and other organisations.
- 6.20 The Ministry annually organizes the National Tourism Awards function, wherein awards are presented to State Governments / Union Territories, classified hotels, heritage hotels, approved travel agents, tour operators and tourist transport operators, individuals and other private organizations in recognition of their performance in their respective fields and also to encourage healthy competition with an aim to promote tourism.
- 6.21 The Ministry has organized several workshops and seminars on themes related to Sustainable Tourism, Golf Tourism, Wellness Tourism, Rural Tourism, etc. and has also extended financial support to organizations including CII, FICCI, ASSOCHAM, Indian Chambers of Commerce, etc., for organizing such workshops and seminars on various tourism and tourism related themes.
- 6.22 Financial assistance has been extended to State Governments / Union Territories and private sector organizations for organizing fairs, festivals and events which have potential for promoting tourism. The Ministry has participated in major travel

fairs and exhibitions in the country including SATTE, TTF, GITB, Kerala Travel Mart, etc.

6.23 With a view to streamlining the procedures for providing financial assistance and support for events as well as for releasing advertisements in various publications, the Ministry has formulated the following Guidelines:

- i. Guidelines for providing Financial Assistance to State Government / Union Territory Administrations for Organizing Fair and Festivals and Tourism related Events with subsequent modification to cover Events that are **either** organized and promoted by the States / UTs directly **or** through registered organizations / societies, non-profit making companies or non- governmental organizations
- ii. Guidelines for extending Financial Support to Commerce, Trade and Industry Organisations for organizing Tourism and Tourism Related Events.
- iii. Guidelines for extending Financial Support for Events organized at the National / International Level that have potential for the Promotion of Tourism to and/or within the Country.
- iv. Guidelines for Assistance by the Ministry of Tourism to the Tourism, Travel and Hospitality Trade Associations for their various events in India and abroad.
- v. Guidelines for release of Advertisements in Publications which are not part of the Media Plans of the Ministry of Tourism.

Strategies for Publicity and Marketing in the 12th Five Year Plan

Overseas Promotion and Publicity including Marketing Development Assistance Scheme

6.24 Publicity and Promotional Activities will be strengthened during the 12th Plan period with the objective of increasing foreign tourist arrivals to the country and increasing the share of India in world tourist arrivals to 1% by the end of the 12th Plan period, i.e. an annual growth of 12.38% during 2011 to 2016. For achieving the target of 1% of the international tourist arrivals in India in 2016, number of Foreign Tourist arrivals will be 11.24 million in 2016.

After studying the growth rates in Foreign Tourist Arrivals (FTAs) in India during 2005 to 2010 from various countries and after consultation with the stakeholders, countrywise targets of FTAs from various countries in 2016 have been worked out.

- 6.25 The presence of India tourism offices in key source markets is critical to promote interest in India as a tourist destination. Also, absence of MOT offices reduces the impact of extensive global Media Campaigns, direct links & interaction with the Travel Trade members. The Ministry, therefore, proposes to evaluate the strength and size of existing overseas offices and their locations vis-à-vis latest trends. After assessment the Ministry would reinforce or relocate these offices.
- 6.26 The Ministry proposes to expand its presence in the established and new potential markets which increasingly contribute to global traffic and where there is limited or no presence, like Spain, Russia, South America, Scandinavian nations, Thailand, Malaysia and Korea etc by appointing “India Tourism Marketing Representatives (ITMR)”. The basic purpose of setting up of these offices in the established source markets and emerging potential markets where Ministry does not have its offices, is to enhance the reach of the Incredible India Brand and increase inbound tourism from these countries. The ITMRs would represent and undertake required promotional activities in the desired markets in their language on behalf of the Ministry of Tourism. Advantage in appointing ITMRs is that they will have the market intelligence and work with the local trade in their language on increasing awareness, undertaking publicity and branding, facilitating travel trade, printing of collaterals etc. The need for increasing the number of ITMR as well as enhanced budget would be assessed in the Mid Term Appraisal after seeing their performance.
- 6.27 The Ministry will undertake training programs for officials deputed to work in the overseas offices. These training programs would aim at increasing ability and critical insight, develop strategy for better planning, financial management, understand key concepts, improvement in developing a strong vision for tourism etc.
- 6.28 The Ministry will organise an annual National Travel Mart under the title “Global Travel Mart, India” starting from the year 2012/13. The main objective of holding this Mart is to attract buyers to an event which offers them the entire range of Travel & Tourism products and services in India, in one location. The scope of the fair would include Travel trade including Destination Management Companies, Hospitality and convention centers, state tourism bodies, Air Charters, Cruises, logistics providers etc. and outbound operators. It is also proposed to consider inviting international sellers who have huge outbound market in India.
- 6.29 The Ministry will partner with major international events such as WTM, ITB etc. periodically, by participating as the partner country/ Guest of Honour country etc. Participation and partnership with such events will be undertaken in coordination

with State Governments, Central Govt. Ministries, Stakeholders (airlines, tour operators, hoteliers, etc) and other associations / organizations.

- 6.30 The Ministry will also partner with other important international events which provide a large and effective platform for achieving widespread exposure and reach amongst a large target audience. These could include sporting events, cultural events, media events and any other.
- 6.31 The Ministry will organize 'India Festivals' in important overseas markets to showcase and promote the tourism destinations, culture, cuisine, handicrafts, textiles and costumes, etc. of the country. These Festivals will be organized in collaboration with the Ministries of Culture, Textiles, Indian Council for Cultural Relations (ICCR), State Governments, Development Commissioners of Handlooms and Handicrafts, Tea, Coffee and Spice Boards, etc. Tourism Seminars and Exhibitions would form part of the event and these would be arranged in collaboration with organizations like Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce and Industry (FICCI) and others. Business meetings would be organised between Tour Operators from India and the country where the Festivals are arranged.
- 6.32 Global "Incredible India" Campaigns will be launched in the Print, Television, Online, Outdoor and other relevant media in the important as well as potential source markets overseas such as CIS, ASEAN countries and other countries that show growth in outbound tourism. The Campaigns will be released in local languages as well, so as to widen the reach of the campaigns and to make them more effective in language speaking countries.
- 6.33 During the 11th Plan, there was a greater focus on Print, Television and Outdoor advertising. However, with the growing importance of information technology and internet as the most powerful tool for communication, there will be greater emphasis and focus on online campaigns and interactive / social media as well as other modern and innovative technology spheres (eg. i-pad). "Know India" E-learning on-line programs will be undertaken in all overseas markets to educate and equip the new entrant tour operators in the market.
- 6.34 The Incredible India campaigns have been generic in nature and have effectively generated general awareness about India as a tourism destination. The campaigns will now be more focused and niche tourism products of the country including Rural Tourism, Wellness & Medical Tourism, MICE Tourism, Adventure Tourism, Golf, Polo, etc. will be promoted aggressively through the Campaigns. Specific Road

Shows focusing on these Niche Products will also be organized overseas, in association with stakeholders from the relevant fields.

- 6.35 The Himalayas are a major tourism product of the country and this product will be promoted aggressively as a destination for adventure tourism, wildlife and indigenous culture & heritage. The beaches of the country and their water sports facilities will also be promoted extensively.
- 6.36 Services of professional agencies / consultants will be utilized for media planning for the campaigns and media planning will be based on identification of important source markets as well as potential markets which have shown an increase in outbound travel. Market and product segmentation will be given importance, so as to make the campaigns more meaningful and focused in the different markets.
- 6.37 The campaigns will be based on a 5 year Creative Vision and 3 year Creative Strategy which will be implemented through professional Creative Agency(ies). Creatives for the campaigns (print, television, online, outdoor and any other), as well as other publicity material produced by the Ministry will be in keeping with the Creative Vision and Strategy.
- 6.38 Synergy for promotion of the brand 'Incredible India' will be developed with:
- i. Central and State Government Ministries
 - ii. Associations and Organisations like ICCR, etc.
 - iii. Other Stakeholders.

This could be in the form of Memorandums of Understanding, collaboration and branding during special events in India and overseas, etc.

- 6.39 The Ministry will collaborate with overseas Indian Missions to promote tourism to India. Overseas offices of the Ministry will plan their annual promotional activities in consultation and collaboration with the Indian Missions.
- 6.40 The medium of 'Cinema & TV' is today a powerful tool for the development and promotion of destinations. The impact of cinema & TV on viewers is immense, contributing to a large extent to popularizing destinations and several destinations have gained by being the venue / location of popular cinema & TV. With a view to using the tool of cinema & TV for promotion of "Incredible India" as a tourism destination, the Ministry of Tourism will extend support for the production of films (international and domestic) that would promote and showcase tourism destinations in the country. Details of the scheme for extending such support would

be worked out in collaboration with the Ministry of Information & Broadcasting, National Film Development Corporation and the State Governments. To further leverage the medium of cinema & TV for promotion of 'Incredible India', the Ministry will partner with major Cinema & TV related events such as the International Film Festival at Cannes, International Film Festival of India at Goa, Film Award events (IIFA and others).

- 6.41 Road Shows will be organized in overseas markets, in collaboration with Airlines operating to and within India.
- 6.42 Road Shows will be organized in overseas markets with State Governments / Union Territory Administrations for promoting their tourism destinations and products.
- 6.43 Road Shows will be organized with Stakeholders, including Tour Operators, Travel Agents, Hoteliers as well as industry organizations / associations such as IATO, ATOAI, TAAI, FHRAI, HAI, ICPB, PATA India Chapter, CII, FICCI, etc. for promoting tourism destinations, products and tour packages in the country. These Road Shows will include business meetings between the delegations from India and their overseas counterparts.
- 6.44 The Ministry will organize an International Buddhist Conclave once in every two years in different States with active collaboration of the State Governments, with the objective of promoting the Buddhist circuits and sites in the country. The conclaves will host eminent scholars, tour operators, media and opinion makers from India and abroad. The next Conclave is proposed to be held in 2012.
- 6.45 Ministry will host "Mega Familiarisation Tours" inviting tour operators, travel agents, trade partners to get the first hand knowledge of Indian tourism products to enable them to pass on the same to the prospective tourists.
- 6.46 Regular studies / surveys will be commissioned for gauging the impact of the Incredible India campaigns and to get inputs and suggestions for making the campaigns more impactful and effective. These Studies / Surveys would be commissioned in important tourist generating markets where the campaigns are launched, in two phases, once during the period when the campaigns are on air / in print and once during a period of 1-2 months after the campaigns to gauge the recall value of the campaigns. These surveys will help in getting feedback and inputs on the timing of the campaigns, the selection of media, the impact of the creatives used and general perception of India as a tourism destination.

- 6.47 Project Monitoring Unit(s) would be set up to execute and monitor major international level promotional events / campaigns that would be organized and / or coordinated by the Ministry during the 12th Plan period.
- 6.48 Any other suggestions or inputs on initiatives and promotional measures required to be taken, that may emerge after brainstorming sessions and discussions with stakeholders and others, would also be included.

Domestic Promotion and Publicity including Hospitality

- 6.49 Publicity and Promotional Activities in the Domestic market will be strengthened during the 12th Plan period with the objective of sustaining the growth of 12.16% (witnessed in recent years) during the 12th Plan (2011 to 2016).
- 6.50 The Ministry will continue to release media campaigns in the different media (electronic, print, online, outdoor and any other) to promote the tourism destinations and products of the country with special focus on priority areas including the North East Region and Jammu & Kashmir. Radio jingles will be produced and priority will be given to radio advertising.
- 6.51 Advertorial campaigns will be undertaken to promote and provide information about new tourism products and destinations and the activities of the Ministry as well as to announce new schemes amongst the general public.
- 6.52 Social Awareness Campaigns, under the 'Atithidevo bhava' initiative will be re-inforced to generate wide-spread awareness on issues related to good behavior towards tourists, civic responsibilities, etc.
- 6.53 Cleanliness and Hygiene are major concerns for tourists visiting the country and the Ministry will make efforts to address these concerns by launching a Special "Campaign Clean India", propagating Cleanliness. Special TV commercials, print advertisement creatives and radio jingles will be produced and these will be released on leading television channels, radio stations, newspapers & magazines, online and outdoor media, etc. To further extend the reach of the campaign, involvement of schools and colleges will be encouraged and leading television channels will be motivated to include these issues in talk shows and discussions organized and telecast by them.
- 6.54 Certain important Fairs and Festivals organized in different States / UTs, which have a high footfall of international and domestic tourists and which contribute significantly to tourist visits to the State/UT will be identified as 'National Festivals'.

Financial Assistance will be provided for organizing such Festivals and they will be promoted aggressively by the Ministry. The Ministry will also continue to extend financial assistance to States / UTs for organizing other Fairs, Festivals and Tourism Events which have tourism potential.

- 6.55 State Governments / Union Territories will be encouraged to organize Road Shows in other States / Union Territories to promote the tourist destinations and products of their respective States/ UTs. These Road Shows would include participation of tour operators from the States / UTs and B2B (business) meetings would be held between them and tour operators from the State/UT where the Road Shows are organized. The Ministry would extend financial support to the States / UTs for organizing such Road Shows and support would be extended to participating Tour Operators under the MDA Scheme.
- 6.56 Promotion of niche tourism products within the country will be highlighted. Pilgrim Tourism will be promoted and at the same time travelers visiting different regions of the country as pilgrims will be encouraged to combine their pilgrimage with leisure travel to destinations around the pilgrim centres.
- 6.57 The Ministry will undertake production of publicity and tourism promotional material, in consultation and collaboration with the States / Union Territories as well as stakeholders and industry associations. Recognising the need of States / Union Territories to produce quality Publicity Material for promoting their tourism destinations and products in overseas and domestic markets, the Ministry of Tourism will continue to extend the facility of providing financial support for production of publicity material to all States / UTs.
- 6.58 The Ministry will partner with important national events which provide a large and effective platform for achieving widespread exposure and reach amongst a large target audience.
- 6.59 The Ministry will organize important events including the National Tourism Awards function as well as workshops, seminars, etc. on relevant themes. Financial support will also be extended to Industry, Trade and Commerce Organisations/Associations for organizing tourism and tourism related events, workshops, seminars, etc.
- 6.60 The Ministry will support National level Travel Marts organized on the lines of major international Marts such as ITB and WTM. The Ministry will support and participate in other important Travel Marts & Exhibitions in the country and efforts

will be made to widen the reach of the promotional efforts by participation in events organized at the state / local level.

- 6.61 With a view to showcasing the rich diversity in Indian dance and music and to create opportunities for evening entertainment for tourists visiting the country, the Ministry of Tourism will organize daily evening programmes of dance and music, during the period October to March, at major cities including Delhi, Mumbai, Kolkata, Chennai to begin with. These programmes would be organized in collaboration with the Ministry of Culture and / or other organizations / event management companies/ State Governments. The modalities for organizing such programmes will be worked out.
- 6.62 The Ministry will organize and be associated with tourism related competitions, quiz programmes, etc so as to reach out to and educate different sectors of the tourism industry / consumers /schools / colleges, etc. The prizes would include items like free holidays, gifts, certificates, souvenirs, medals, etc.
- 6.63 Project Monitoring Unit(s) would be set up for execution and regular monitoring of the Domestic Events/ Campaigns of the Ministry during the 12th Plan Period.
- 6.64 Any other suggestions or inputs on initiatives and promotional measures required to be taken, that may emerge after brainstorming sessions and discussions with stakeholders and others, would also be included.

Recommendations

- 6.65 After detailed discussion in the meetings, Working Group made the following recommendations:

Overseas Promotion and Publicity

- i. Consolidation of existing Indiatourism Offices Overseas and opening of Representative Offices.
- ii. Organising of annual “Global Travel Mart” in the country.
- iii. Participation in major international events as “Partner Country”, “Guest of Honour Country”, etc.
- iv. Organising “India Festivals” in important source markets.
- v. Global Media Campaigns (print, television, online) to be launched in important and potential source markets overseas.

- vi. Media Campaigns to be more focused rather than generic in nature and to be launched in local languages as well. Niche Tourism Products to be promoted.
- vii. Greater emphasis and focus on online campaigns. “Know India” E-learning online programmes to be undertaken.
- viii. Services of professional agencies to be utilized for Media Planning, Production of Creatives and Publicity material.
- ix. Synergy to be developed with other Ministries, Organisations and Stakeholders for promotion of “Incredible India”.
- x. Medium of ‘Cinema & TV’ to be used for promoting and showcasing tourism destinations in the country.
- xi. Road Shows to be organized overseas in collaboration with State Governments, Airlines and Stakeholders.
- xii. International Buddhist Conclave to be organized once in every two years.
- xiii. Project Monitoring Unit to be set up for international events / campaigns.
- xiv. Regular Surveys / Studies on impact of the Incredible India Campaigns to be undertaken.

Domestic Promotion and Publicity

- i. Domestic Media Campaigns, Social Awareness Campaigns, Advertorial Campaigns to be continued.
- ii. Campaign Clean India to be launched.
- iii. National Festivals to be identified and promoted
- iv. Domestic Road Shows to be organized in collaboration with State Governments and stakeholders.
- v. `Niche Products, Pilgrim Tourism to be promoted in the country.
- vi. Financial Assistance to be provided to States / UTs for Organising Fairs, Festivals and Events and for Production of publicity material.
- vii. Participation in Travel Marts and Exhibitions in the country for promoting Domestic Tourism
- viii. Organisation of important events (National Tourism Awards), workshops, seminars, etc. on various tourism related themes.
- ix. Organising evening programmes of Indian dance and music in major cities during the period October to March.
- x. Project Monitoring Unit to be set up for Domestic events / campaigns.

Others

- i. Possibility of starting an exclusive TV Channel for Tourism, in collaboration with other stakeholders, may be explored.
- ii. More content on Tourism may be added in some of the existing TV Channels.

Requirement of Funds

6.66 Total requirement of funds for undertaking various Overseas and Domestic Promotion and Publicity, during the 12th Plan, is likely to Rs. 4500 Crore (Overseas Promotion and Publicity – Rs. 2500 Crore and Domestic Promotion and Publicity – Rs. 1500 Crore.)

CHAPTER - 7

SUSTAINABLE TOURISM, RURAL TOURISM, ECOTOURISM AND HERITAGE TOURISM

Introduction

7.1 India provides enormous experiential opportunities for tourists based on the wide variety of all season attractions available throughout the country. It is imperative that these attractions get developed for the socio-economic benefit of the local communities, especially in order to strengthen inclusive economic growth. It is equally important to ensure that increased socio-economic well-being does not cause permanent or long-term damage to the country's physical, cultural and environmental heritage. The use of existing resources, both tangible and intangible, has to be undertaken judiciously for the well-being of the present generation but not at the cost of depriving future generations of any part of our inheritance. The Planning Commission in the Approach Paper to the 12th Five Year Plan has mentioned that Tourism and Hospitality Sector has a key role to play in promoting faster, sustainable and more inclusive economic growth.

Sustainable Tourism

7.2 In 1988, the World Tourism Organization (WTO) defined sustainable tourism as 'leading to management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems'. Later in 1992, the 'Earth Summit' in Rio established the triple principles of environmental, economic and social sustainability. Since then, the principles of sustainable tourism have been adopted by the tourism industry worldwide.

7.3 In India, the tourism sector is based on exploiting its unique endowments of biodiversity, forests, rivers, and its rich culture and heritage. The challenges in this sector lie in successfully preserving these in their original form, and making them accessible to domestic and international travelers. Tourism in India has the potential to create economic interest of local communities in the protection of its natural and cultural endowments leading to a more sustainable growth. The importance of Sustainable Tourism worldwide has increased significantly due to the impact of increased human activity on Climate. It is necessary that the negative impact of the Tourism industry is not enlarged unrealistically. Full advantage can

then be drawn from the potential of tourism for inclusive growth with livelihoods support to the poor, most disadvantaged, women and youth.

- 7.4 Sustainable tourism implies minimizing the negative and maximizing the positive impacts (social, cultural, economic, environmental and governance related) of all forms and activities of tourism on:
- i. Environment
 - ii. Local Communities (including marginalized and vulnerable communities like adivasis, dalits, children and women)
 - iii. Heritage (cultural, natural, built, oral, intangible)
 - iv. Inclusive economic growth

Role of Government

- 7.5 Tourism is primarily driven by the private sector, with a multiplicity of stakeholders whose size range from micro enterprises to large transnational corporations. The actions of these players, along with those of tourists and the local communities determine the overall impact of tourism on the environment, whether positive or negative. The Governments – Central, State and Local – have a critical role to play in determining policies for sustainable tourism. Moreover, many policies and much of the legislation surrounding sustainable tourism falls in the area of governance, such as land usage, labour laws, environmental regulations and waste disposal. One of the primary functions of the Government in enhancing Sustainable Tourism is therefore to create an environment that enables or influences the private sector to operate more sustainably, and influences patterns of visitor flows and behaviour to optimize the impact of tourism. Positive intervention by the Government is thus necessary, going beyond providing an enabling environment.
- 7.6 Recognizing its role in promoting Sustainable Tourism, the Ministry of Tourism, Government of India had, as far back as 1998, extensively deliberated with the industry and other stakeholders to formulate the wide-ranging “Ecotourism in India – Policy and Guidelines”, covering:
- i. Ecotourism definition
 - ii. Ecotourism resources of India
 - iii. Policy and planning

- iv. Operational guidelines for (i) government (ii) developers, operators and suppliers, (iii) visitors. (iv) destination population / host community, and (v) NGOs/scientific & research institutions
- v. Environmental pledge

7.7 In this, due cognizance was taken of key parameters such as carrying capacity, the polluter pays principle, regulatory issues, environment care, sustaining heritage (cultural, natural, built, oral, intangible), and inclusive economic growth.

Criteria for Sustainability

7.08 The United Nations Environment Programme (UNEP) and UNWTO brought out a publication entitled “Making Tourism More Sustainable – A Guide for Policy Makers. This lists the following aims of an agenda for sustainable tourism:

- i. Economic Viability
- ii. Local Prosperity
- iii. Employment Quality
- iv. Social Equity
- v. Visitor Fulfillment
- vi. Local Control
- vii. Community Wellbeing
- viii. Cultural Richness
- ix. Physical Integrity
- x. Biological Diversity
- xi. Resource Efficiency
- xii. Environmental Purity

7.09 Later, certain private commercial organizations grouped together, garnering the goodwill of UNEP and UNWTO, to promote the “Global Sustainable Tourism Council” and their “Global Sustainable Tourism Criteria” (GSTC) for adoption by hotels and tour operators, drawn from criteria generated by a variety of sources. However, these criteria refer only to hotels and tour operators and exclude several major constituents of the tourism industry such as local communities, destination management, transport, airlines, beaches and backwaters, wellness, as also operational focus which requires indicators and governance coefficients going beyond statements of intent. Hence, GSTC are by no means “Global”, apart from

having major lacunae as was seen in a workshop in New Delhi organized by the Ministry of Tourism, Government of India with UNEP in October 2009.

Indian Criteria

7.10 Against this background, it was considered necessary to define criteria for sustainable tourism to suit Indian conditions. Accordingly, Ministry of Tourism, Government of India convened a National Workshop on Sustainable Tourism Criteria for India in July 2010. Based on the recommendations of this National Workshop on Sustainable Tourism Criteria for India, a sub-committee chaired by Joint Secretary (Tourism), Government of India and comprising expert stakeholders has been constituted for defining **Sustainable Tourism Criteria for India (STCI)** and indicators. The process of ratification of these indicators and criteria by the industry associations is in progress.

Immediate Priorities / Activities

7.11 Among the ensuing tasks, the foremost is implementation of the criteria and indicators for tour operators and the accommodation sector including rural tourism and home-stays.

7.12 An STCI system should be evolved addressing the following issues :

- i. Deciding the modus operandi of the STCI certification mechanism – how it is to be certified, mode and method of certification (e.g. star rating), certifying authorities, and formulating an STCI system for implementation.
- ii. Incentivising STCI certification – fiscal incentives, marketing, etc.
- iii. Capacity building in industry and the Government – identifying institutions for developing a pool of trainers, training of trainers, etc.
- iv. Capacity building at the Government level for facilitation and monitoring.
- v. Evolving governance coefficients, using contemporary technology, for incorporation in the rating / approval mechanism to enable realistic monitoring and evaluation of sustainable tourism implementation by all tourism industry constituents.
- vi. Receipt and processing of suggestions, complaints, etc.
- vii. Supervising the STCI certification process and reviewing the criteria and indicators periodically, to keep abreast with developments in India and overseas.

Operationalising STCI

7.13 The adoption of STCI by individual tourism establishments will have to be voluntary, at least in the immediate future, as in the case of star classification of hotels. For implementation of STCI, a system of rating / certification of establishments would have to be evolved. Such a system would address the following key issues:

- i. Type of rating: Binary (Yes/ No) or Grading (similar to star rating of hotels);
- ii. Authority which will grant rating;
- iii. Incentives for rated / certified establishments;
- iv. Special logo for certified establishments;
- v. Certification:
 - a) Appointment of certification bodies – terms of reference, mode of funding inspection/audit of establishments, geographical jurisdiction, fees, etc.
 - b) Validity period of certification
 - c) Application fee
- vi. Monitoring and audit of certified establishments
- vii. Capacity Building:
 - a) Training of trainers
 - b) Training of industry and the Government officials.

7.14 Conceptualizing the above system requires a disparate set of skills and knowledge pertaining to Sustainability issues, Environmental issues, Sociological and Cultural issues combined with operational knowledge of different sectors of tourism such as hotels, tours, transportation, etc. Such a designated combination of operational knowledge and skills is not readily available within the Ministry of Tourism. It is, therefore, suggested that the Ministry may appoint a lead consultant or team of consultants or set up a Project Management Unit, who could work with a consortium, to provide a detailed operational plan for implementation of STCI, while providing time frames, division of responsibilities, budgets and feed-back. The Ministry may specify the nature and composition of the consortium and the time-frame for delivery of the plan. An Inter-Ministerial Committee, drawing on expertise available with the Governments at Central and State levels, and using international guidelines as a reference point, can be set up to oversee this work.

- 7.15 Training of Trainers could initially also draw on the resources of the Hotel Management Institutes
- 7.16 The actual inspection and audit of applicants for STCI certification could be entrusted to an independent third party, like the Quality Council of India (QCI).
- 7.17 To facilitate the work of the hospitality and travel trade in formulating strategies for sustainable tourism, their participation in workshops/seminars on sustainable tourism organised by reputed organisations in India or overseas needs to be encouraged. It is, thus, recommended that financial assistance be provided for representatives of recognised national associations to participate in such workshops/seminars. This may be done by suitably widening the ambit of the Ministry of Tourism's scheme of Market Development Assistance. When STCI certification is introduced, extending such assistance to individual establishment having STCI certification could also be considered as one of the 'incentives'.
- 7.18 The detailed cost for implementation of the STCI system will be assessed after finalization of the operational plan utilizing the funds under Market Research – Professional Services, Capacity Building for Service Providers and Domestic Promotion and Publicity schemes.
- 7.19 It is also proposed that a Project Monitoring Unit (PMU) be created in the Ministry with the specific purpose of administering the STCI system. The cell will assist in activities relating to
- (i) policy formulation and its implementation with the States
 - (ii) interacting with tourism industry representatives; and
 - (iii) International coordination.

Ecotourism

- 7.20 Ecotourism refers to tourism activities in ecologically sensitive areas in a manner that conserves the environment and improves the well-being of the local people. Implementation and participation in ecotourism activities includes adherence to the following principles:
- (i) Minimize impact on environment
 - (ii) Build environmental and cultural awareness and respect
 - (iii) Provide positive experiences for both visitors and host communities
 - (iv) Provide financial benefits for conservation as well as to local communities

(v) Implement leanings from best practices

7.21 The development of ecotourism in many areas of the world clearly indicates that this form of tourism has great potential in India because of the richness of its flora and fauna and the wide range of ecosystems including mountains, coasts, rivers, forests, deserts and grasslands. Whilst the negative impacts of tourism are well known, there are also great examples of ecotourism good practice. These are seen in destinations such as Kerala where poachers became guides and have an alternative livelihood from ecotourism. The hunters of the Blyth's pheasant in Nagaland who became bird watching guides are another example. Getting communities to benefit from snow leopard tracking in Ladakh and thus getting them to protect its habitat is another successful example. So also the efforts in the Chambal basin to convert former dacoits to become naturalists and guides following ecotourism principles. It is, therefore, important that the development of ecotourism in the country should be taken up in a planned and systematic manner to optimise its benefits.

7.22 Towards this endeavour, the following action is recommended:

- i. The annual number of tourists must be regulated according to the carrying capacity of parks / hill resorts and other eco sensitive zones after proper assessment of the carrying capacity of each region. As a forward reaching example, few world-class carrying capacity studies in diverse areas should be carried out in the first year of the 12th Plan. The suggested sites for these studies, to cover different types of eco-zones, are:
 - a) Mountains – trek to (i) sources of the Ganga and Tapovan in the Bhagirathi Valley, and (ii) Markha Valley trek and Stok Kangri trekking peak in Ladakh.
 - b) National Parks – Corbett National Park, Bandhavgarh and Gir National Park.
 - c) Deserts and Grasslands – Jaisalmer and the Sam sand dunes, Talchaper and Rann of Kachchh.
 - d) Wetlands and Lakes - Chilika in Orissa, Tso Moriri in Ladakh and Vembanad in Kerala.
 - e) Rivers –along the Ghats of Varanasi.
 - f) Destination towns - Leh in Ladakh, Manali and Shimla in Himachal Pradesh, Yercaud and Ootacamund in Tamil Nadu and Gangtok in Sikkim.
 - g) Islands-- Andaman Islands – Havelock and Little Andaman in particular.

These studies will help establish a Limit of Acceptable Change (LAC) across landscapes.

- ii. Tourism Impact Assessment must be made mandatory for any tourism project proposed to be undertaken in an ecotourism zone with central financial assistance.
- iii. Many of the country's pilgrim sites are located in sensitive eco-zones. Building and expansion activities in these should be controlled under the relevant acts, like the Forest Conservation Act 1980 and the Environment Protection Act 1986.
- iv. State Governments should be encouraged to evolve ecotourism policies and set up Ecotourism Boards to act as vehicles of ecotourism policy deliverance.
- v. PPP (Public Private Partnership), as the model is currently understood, be upgraded to PPPP (People Public Private Partnership) model for tourism development in eco-sensitive areas as has been done in Madhya Pradesh. This will ensure that communities have a greater role along with the Government and the private sector, throughout the project life-cycle.
- vi. It is recommended that the Gate receipts should flow back to the respective national parks and reserves in order to improve protection and to facilitate the upkeep of their ecology in original and pristine form.
- vii. Some reasonable portion of the revenue from tourism may be shared with local communities for common benefits - for instance, by creation of vocational facilities, community resources, and improved water and eco system services. Local communities should also benefit directly from tourism – through employment as naturalists / guides or in other tourism-related activities, promotion of local crafts, cuisine, home-stays and other vocations. Commercial activities permitted in eco-zones for facilitating tourists should, as far as feasible, be entrusted to members of local communities. A fixed percentage, say 40%, of employment in tourism establishments in ecotourism zones may be reserved for local communities.
- viii. Capacity building for ecotourism service providers, namely naturalists, forest guides, drivers, forest guards, etc. across the country on a regular basis will go a long way in promoting ecotourism.
- ix. National and international travel associations like TAAI, IATO, Eco Tourism Society of India, PATA, ASTA need to champion the cause of ecotourism. Seminars, Workshops and Conferences should be undertaken for Stakeholders and NGOs to be involved in the process of Local Community / Host Community education and sensitization.

- x. Ecotourism goes beyond protected areas and sanctuaries. Promotion of such initiatives through adventure tourism in a sustainable manner must be encouraged, for example, through educational institutions, schools and adventure associations.
- xi. Evolving effective monitoring mechanism through involvement of agencies, both Government and non-Government bodies, on development activities in and around eco-zones is crucial. Regular monitoring of tourism development in such zones should be undertaken. Funds should be provided for setting up and operation of such monitoring bodies.
- xii. For each ecotourism site, a site specific association, which acts as watchdog for the welfare of wildlife and conservation, with tourism forest officials, NGOs and representatives of local communities, takes up various issues related to the park, reserve or eco-region, and has a core group of volunteers that can help the forest department in crisis - i.e. fire fighting, for conflict issues, capacity development and the like, should be set up.

Rural Tourism

7.23 In India, where rural tourism as a concept was envisaged in the National Tourism Policy 2002, rural tourism is defined as, 'any form of tourism that showcases the rural life, art, culture and heritage at rural locations, thereby benefiting the local community economically and socially as well as enabling interaction between the tourists and the locals for a more enriching tourism experience'.

7.24 A Rural Tourism Scheme was formulated in 2002 focusing on developing tourism-related infrastructure (hardware) that would help promote rural tourism. This was later supplemented and complemented by a pilot project – Endogenous Tourism Project (ETP) – in collaboration with United Nations Development Programme (UNDP) by building and strengthening tourism livelihoods-linked capacities of local communities (software). The project also aimed at convergence of issues like sustainable livelihoods, gender equality, empowerment of women, youth and other disadvantaged sections of the community, and working towards cultural sensitivity and environmental sustainability. This was planned through developing local institutions to manage and take control, providing opportunities to build capacities, and bringing together specialists who could advise and assist in areas such as appropriate infrastructure development, use of local materials, institution building, waste management and business plans. Since 2006 the funding of the capacity building activities was also begun under the capacity building scheme of the Ministry of Tourism itself.

Progress during the 11th Five Year Plan

7.25 Since the inception of the rural tourism scheme in 2002, District Collectors (DCs) were the nodal officers for the Rural Tourism Projects (RTPs) in their districts. Due to their heavy workload, many DCs were not able to give adequate attention to the RTPs. In 2008, the implementation of RTPs was, therefore, entrusted to the State Tourism Departments.

7.26 In the 10th Plan (i.e. up to 2006-07), Rural Tourism Projects (RTPs) at 103 sites had been sanctioned. In the first four years of the 11th Plan (2007-08 to 2010-11), RTPs at another 69 rural sites had been sanctioned. However, the progress in terms of completion and commissioning of the RTPs has predictably been conditioned by the extensive care and time required to optimize interaction with heartland communities. Hence, projects at 38 of 103 sites sanctioned in the 10th Plan, and at 11 of 69 sites sanctioned in first four years of 11th Plan had been commissioned by 31st March, 2011.

7.27 Some of the challenges faced in implementing the RTPs, and the rural tourism scheme achieving limited success, are:

- (i) An RTP involves a number of stakeholders, namely Ministry of Tourism, tourism industry, panchayats, district administrations, NGOs, community members, private sector and resource persons, requiring an understanding of the project and its vision and approach. The initial understanding among stakeholders may get diluted with transfer of focal personnel, like the District Collector.
- (ii) Need for greater synergy between the hardware activities and the software activities. At a few sites, hardware activities have preceded the software activities. At some others, there were long gaps between the implementation of software and hardware activities, and at some sites no software activities have been undertaken. As a result, the community awareness, understanding, participation and ownership in such sites have been suboptimal.
- (iii) Several RTPs started without due consideration to marketing and promotion efforts wherein tour operators were not consulted while selecting RTP sites. Thus there is no regular flow of visitors even at the completed rural tourism sites due to inadequate marketing support.
- (iv) Lack of reliable and valid data to find out what was the real progress and benefit of the project. Most States do not have any system of collecting and analysing data related to benefits and impacts.

- (v) At some places the local management structure, in the form of Village Tourism Development Committees (VTDCs), has not been able to keep the rural tourism projects going after the implementing partner withdraws.
- (vi) Non-completion of activities even many years after sanctioning of projects has made some projects unviable because of cost escalations. The financial assistance of Rs 50 lakh for hardware and Rs 20 lakh for software has remained same since the inception of the scheme. This total amount of Rs 70 lakh is not adequate because of the high inflation in past years. Delayed fund flow has been an impediment at some places.
- (vii) Restriction on use of funds for purchase of furniture and utensils has been a constraint until the tourism activity picks up.
- (viii) The wide geographical spread of the RTPs across the country requires matching budgets and personnel support to monitor their progress effectively.
- (ix) In many later RTPs the views of the community have not been sought, and at times the process has been top down. Unless there is general agreement among the members of the community, implementing an RTP, which is essentially a social and economic partnership, may give rise to conflicts. Taking up RTPs without involvement of the community through Participatory Rural Appraisal (PRA) might have adversely affected successful completion of projects at such sites.

7.28 With removal of such constraints, the tourism potential of the rural tourism scheme can be better used for rural development.

Strategies during the 12th Five Year Plan

7.29 The concentration of tourism facilities/opportunities in a cluster of villages in a geographically compact area, rather than in a number of individual villages spread across vast areas, is likely to provide better tourism attraction. Further, marketing of local products of a group of villages can be facilitated by holding Craft Bazaars/Haats, a concept which has been in vogue throughout the country since ages. It is more practical and cost effective for tour operators to take a busload or a group of large number of tourists to a rural tourism cluster, which offers more variety and opportunities of shopping, and exposure to customs, lifestyles, local arts and artisans/ artists, including performing arts. Also, monitoring of a rural tourism cluster project of 5-7 villages located in close vicinity can be done more conveniently and effectively as compared to monitoring of 5-7 rural tourism projects of individual villages separated by large distances. Thus, for development

of rural tourism, it is recommended that the present scheme of Rural Tourism be replaced by a scheme for development of **Rural Tourism Clusters**. This new scheme should also overcome the constraints in the earlier scheme. However, if there is a strong case for development of tourism in a single village, rather than a cluster, such exceptional cases should continue to be covered under the scheme. While detailed guidelines of the new scheme of Rural Tourism Clusters would have to be evolved, it must have the following features:

- (i) The separate components of the existing Rural Tourism Scheme relating to physical infrastructure (or hardware), and the Capacity Building for Service Providers (or software) need to be integrated as they are complementary.
- (ii) For the development of any rural tourism cluster site a three phase process should be adopted:

Phase 1:

- a) Selection of site by Ministry of Tourism's National Level Consultant, in consultation with the State Government and the travel trade.
- b) Selection of an implementing partner.
- c) Participatory Rural Appraisal (PRA) involving all segments of the village community.
- d) Preparation of Detailed Project Report (DPR), taking into consideration the inputs from the PRA.

Phase 2:

- a) Review of the DPR by Ministry of Tourism through independent agencies.
- b) Sanction of Central Financial Assistance by Ministry of Tourism for approved projects.

Phase 3:

- a) Execution of Rural tourism cluster project.
- (iii) The project must leverage convergence opportunities to ensure that basic sanitation, drinking water, hygiene and waste management are assured for the community and the tourists.
- (iv) The restriction on use of central funds for purchase of furniture and utensils, or small equipment of similar nature, should be removed.

However, in order to prevent misuse, a ceiling, in terms of percentage share of project cost, should be laid down for such expenditure.

- (v) A fixed share of the project cost, subject to appropriate ceiling, should go towards a corpus. The income from this corpus may be used for meeting operation and maintenance expenditure, including operational costs for cultural activities, after completion of projects.
- (vi) Assuming an average of 6 villages per rural tourism cluster, it is recommended that central financial assistance (CFA) of Rs. 11 crore, for physical infrastructure and capacity building, be sanctioned for a rural tourism cluster project – Rs. 1.5 crore for each of the 6 villages, and Rs. 2 crore for common facilities/ activities in the cluster. For carrying out the activities delineated in Phase 1, a provision of reimbursement of upto Rs 5 lakh within the overall cost be made subject to the project being approved for central financial assistance. The physical infrastructure components eligible for CFA at a village would include tubewell, sewerage, roads and drainage, solid waste management, solar/street light. The components for the cluster as a whole would include haat/ bazaar, amphitheatre with green room, toilet block, tubewell, etc. The capacity building components would include sensitization, awareness building, social mobilization, training, gender sensitization, etc. A cap on individual heads of infrastructure development, capacity building, institutional building, marketing, etc. should not be made as different sites will have different kinds of requirements.
- (vii) Convergence with rural development schemes of other Ministries/ State Governments should be attempted for integrated development of rural tourism. The details of funds that will be made available from other schemes of Central/State Government should be clearly brought out in the Detailed Project Report. Further, the funds for the project from all schemes should be put at the disposal of the agency responsible for implementing the project to avoid delays. Wherever feasible, the Zonal Handicraft Centres of Ministry of Textiles should be associated with the rural tourism clusters to improve the quality of tourism products.
- (viii) During the 12th Plan, an average of 2 rural tourism clusters should be sanctioned in each State/UT. Therefore, an allocation of Rs. 770 crore needs to be made for the scheme of Rural Tourism Clusters for the 12th Plan.
- (ix) Tourism industry is critical. Also, the involvement of an implementing organisation with a rural tourism project should not come to an end abruptly on completion of the project. Rather, it should be gradually

reduced over a period of 1-2 years after completion of the project. This will enable the local communities to take over the running of the activities independently in a phased and smooth manner. The cost of the extended period of engagement of the implementing partner should be built into the initial cost of the project.

- (x) For management of the project during implementation as well as after completion, a Village Tourism Development Committee (VTDC) should be set up by the Gram Panchayat.
- (xi) As the concept of development of rural clusters from tourism perspective is new, it is important that an evaluation of the scheme be carried out after one year of its implementation for mid-course correction.
- (xii) The position and promotion of rural tourism should be people centric and not only market centric. The promotion of the rural tourism projects should encourage potential tourists to “see” more than just the product or the wonderful view but actually be willing to experience, be impacted, and even a little changed, by the experience of engaging with the rural community.

7.30 Selection of site: The process of site selection must be based on the core-competency of the villages/local communities - tourism resources from within (tradition, culture, crafts, environment and wildlife, skills and indigenous knowledge). Its focus should be the rural way of life and its proximity to a tourist circuit/destination. The process should involve consultation with members of the travel trade whose active involvement is important for effective marketing and commercial viability of rural tourism sites.

7.31 Selection of an implementing partner: Implementing organisations must be identified at the time of site selection based on the assessment of the competencies of the implementing organisations for capacity building, social mobilization as well as the vision and values of the RTP.

7.32 Participatory Rural Appraisal (PRA): Rural tourism projects need to be designed so that the community participates in the entire process from the very outset, and is made aware of the pros and cons involved – well before the project is initiated. Empowering the communities to think, choose and shape what kind of tourism and tourist image they wish for their village, home and cluster has to be a central aspect of this scheme. Special focus needs to be given for inclusion of women, youth, marginalised and vulnerable communities.

- 7.33 A system must be developed to collect and analyse the disaggregated statistics/information regarding tourism related activities at the sites, and this system must be consistent. It can then become a tool to be used across the entire project sites to plan and to make mid-course corrections. This is an integral part of the monitoring and review process and also for the community to understand and review its own progress. The tourism related database should be maintained by the Village Tourism Development Committee (VTDC)/Gram Panchayat.
- 7.34 As a part of the Endogenous Tourism Project, partnered by the Ministry with UNDP, many critical tools have been developed such as baseline surveys, tourism perspective plans, questionnaires for institution building and sustainable tourism, site readiness, etc. These tools have been created to serve different purposes which help communities and implementing organisations to plan, reflect, monitor and to do a comparative analysis to measure the impact of the project. These tools may be used to help serve and add value to future projects.
- 7.35 A Committee comprising of officials from Ministry of Tourism, 1-2 advisory experts, implementing organisations, State Tourism Departments and Panchayats, VTDCc and community representatives should be constituted as a coordination body for each site. Its role would be to provide stability, oversight, keep track of the progress of the project and resolve hurdles and conflicts in implementation. The committee should meet on site at least once every 3-4 months to take stock and chart future implementation. It is recommended that National and Regional workshops on Rural tourism be held regularly for experience sharing, reviewing and monitoring progress on site.
- 7.36 Drawing from a concept of the Madhya Pradesh Ecotourism Development Board in their draft vision statement for ecotourism, wherein the term People, Public, Private Partnership (PPPP) has been proposed, it is recommended that the PPPP mode be considered on a pilot basis for the rural tourism clusters scheme.
- 7.37 Concerted efforts should be made so that the incomplete RTPs sanctioned during the 10th and 11th Plans are either completed or closed where there are insurmountable difficulties.
- 7.38 The Project Monitoring Units (PMUs) being set up in the States should be responsible for monitoring the progress of rural tourism clusters.
- 7.39 For expanding rural tourism sites/clusters in the country each site needs focused attention. The Rural Tourism Cell in the Ministry of Tourism should work as a resource centre to put together and share learning and best practices. The Cell

should be able to tap into the pool of resources comprising the community members of Village Tourism Committees, experts, resource persons associated with successful RTPs so as to help other sites. Therefore, a Project Monitoring Unit (PMU) for the purpose should be set-up.

- 7.40 Better modes of communication and processes for ensuring a shared vision need to be developed. It is suggested that a Rural Tourism Kit comprising of studies and delineating the vision, aims and objectives of the project/role and responsibilities of key stakeholders/best practices/guidelines/systems and processes to be followed be developed. These can be shared with all stakeholders at the start of a project, namely- implementing organizations, State Tourism Departments, Community members, experts, etc.

Heritage Tourism

- 7.41 Travellers have been going round the world since ages to experience the culture and heritage of different societies, but in the modern era such travels have increased exponentially. With UNESCO having started the process of declaring historically important sites as 'World Heritage Sites', heritage tourism has acquired global dimensions. In India, which has a rich heritage, a significant share of all domestic and foreign tourism activities have centred around its heritage sites.
- 7.42 While tangible heritage has been in the mainstream of tourism development in India, the intangible and living heritage has not attracted much attention. There is a need to analyse this segment to see how best these assets can be utilized to provide new cultural experiences to tourists. Development of tourism activities relating to intangible heritage has to be carried out in a sensitive manner so as to ensure that socio-economic benefits accrue to the communities but at the same time the values or practices constituting the essence of intangible heritage do not get irreparably dented by over-commercialization or insensitive development.
- 7.43 Intangible heritage, which includes folklore, cuisine, customary practices, etc., needs to be identified in all States and Union Territories of the country. While some of this information may already be available with different sources, it would have to be collated and compiled, and supplemented with primary surveys/ studies. There is also a need for mapping the requirements in order to make these heritage characteristics attractive for tourists. In addition, our rich spiritual heritage attracts many international tourists as well. Our spiritual heritage also therefore needs to be mapped and user needs identified for planned development. In the 12th five year plan, the Ministry of Tourism should provide funds to States / UTs for undertaking studies, through competent professional agencies, for identification and mapping

for the intangible heritage, including spiritual heritage. A study in each State should also be undertaken to list all heritage sites and heritage buildings in association with state or national level organisations. The funding for this activity can come from Market Research – Professional Services scheme.

7.44 In addition to the above, the following action is recommended:

- i. Ministry of Tourism should evolve national guidelines for promotion of Heritage Tourism and preservation of Heritage Assets for all the State Governments. This could include the whole package of giving incentives, tax holidays, restoration subsidies, loan interest subsidies, subsidy on training of local staff and recruitment of skilled personnel, and subsidies to support creation of infrastructure, energy saving and garbage disposal. As many of the heritage properties are located in rural areas, providing incentives is necessary to convert them into viable tourism products.
- ii. Each State / UT Government must develop at least one Heritage Village with the Central Financial Assistance which can become a focal point for promoting Heritage Tourism.
- iii. A strategy should be evolved, in consultation with Ministry of Culture, NGOs and experts working for protection and preservation of heritage sites, for inclusion of India's monuments and other heritage sites in the list of 'World Heritage Sites'.
- iv. At heritage sites, a better tourism experience can be conveyed by permitting controlled food & beverage services, light and sound shows, shopping, entertainment, etc. For all tourism projects undertaken at heritage sites with central financial assistance, regulation of these activities in and around the sites must be made mandatory. Part of the funds generated at a site through these activities should be earmarked for maintenance and development of that site. Undertaking these activities in PPP mode should be preferred.
- v. Many offices of central and State Governments in urban areas are located in heritage buildings, which are centrally located. Quite a few of these buildings are neither maintained properly due to paucity of funds, nor do they function as efficient offices since they were not designed ergonomically. It is important to note that such buildings cannot be maintained on a long term sustained basis unless they are productive assets. Govt. offices from these buildings may, therefore, be shifted and the buildings should be used for tourism related activities. In cities/ towns where new hotel sites are auctioned/ leased, it may be a worthwhile exercise if the State Government were to enter into Public-Private Partnership for conversion of heritage buildings housing their offices

into heritage hotels, and use the new sites for building modern and properly designed offices.

- vi. The various models adopted in European countries which have restored substantial heritage buildings for re-use for tourism purposes, i.e., France, Russia, Prague, etc. may be studied to ascertain which ones could be adopted in India to restore and refurbish the built heritage of the country not protected by ASI and State Archaeological Departments. Even if they are not used for such purposes, they can at least be restored externally to become visual attractions in the streetscape of towns and cities.
- vii. A Monitoring System should be put in place to ascertain the status of maintenance and upkeep of heritage sites developed with assistance from Ministry of Tourism.
- viii. Introduction of value addition services, including audio/ video shows, automated audio guides, etc., at heritage sites by States should be encouraged and financially supported by Ministry of Tourism. The charges for these, and other special services, should not be included in the common entry ticket and should be separately priced so that only those visitors who are willing to pay more for a more enriching experience, may avail of these.
- ix. Capacity building programmes for guides at heritage sites should be intensified to increase the availability of qualified guides.
- x. At prominent heritage sites, part of gate receipts should go towards maintenance of the respective sites, as has been done in Rajasthan.

Recommendations

7.45 After detailed discussion in the meetings, Working Group made the following recommendations

Sustainable Tourism

- (i) The criteria and indicators of sustainable tourism for tour operators and the accommodation sector, specially rural tourism/home stays should be finalized for implementation.
- (ii) For conceptualizing a system of Sustainable Tourism Criteria for India (STCI), Ministry of Tourism should appoint a lead consultant, who may work with a consortium, to provide a detailed operational plan for implementation of STCI.
- (iii) The actual inspection and audit of applicants to the STCI system may be entrusted to an independent professionally acknowledged third party.

- (iv) The funding for the implementation of the STCI system be met from ongoing schemes Market Research – Professional Services, Capacity Building for Service Providers, and Domestic Promotion and Publicity.
- (v) A Project Monitoring Unit (PMU) be created in the Ministry with the specific purpose of administering the STCI system.
- (vi) Financial assistance under the Ministry's Market Development Assistance scheme be provided for representatives of recognized national associations to participate in workshops/seminars on sustainable tourism organized by reputed organizations in India or overseas.

Eco-Tourism

- (i) The annual number of tourists should be regulated according to the carrying capacity of parks/hill resorts and other eco-sensitive zones after proper assessment of the carrying capacity of each region. Few world-class carrying capacity studies in diverse areas should be carried out in each of the five years of the 12th Plan.
- (ii) Tourism Impact Assessment must be made mandatory for any tourism project proposed to be undertaken in an ecotourism zone with central financial assistance.
- (iii) State Governments should be encouraged to evolve ecotourism policies and set up Ecotourism Boards to act as vehicles of ecotourism policy deliverance.
- (iv) Gate receipts should flow back to the respective national parks and reserves in order to improve their protection and to facilitate their upkeep.
- (v) Some reasonable portion of revenue from tourism should be shared with local communities for common benefits. Local communities should also benefit directly from tourism through employment, promotion of local crafts, cuisine, home-stays, etc. Commercial activities permitted in eco-zones for facilitating tourists should preferably be entrusted to members of local communities. A fixed percentage, say 40%, of employment in tourism establishments in ecotourism zones should be reserved for local communities.
- (vi) National and international travel associations like TAAI, IATO, Eco Tourism Society of India, PATA, ASTA need to champion the cause of ecotourism. Seminars, Workshops and Conferences should be undertaken for Stakeholders and NGO's to be involved in the process of Local Community / Host Community education / Sensitisation.

- (vii) For each ecotourism site, a site specific association, which acts as watchdog for the welfare of wildlife and conservation, with tourism forest officials, NGOs and representatives of local communities should be set up.

Rural Tourism

- (i) The scheme of Rural Tourism implemented in the 11th Plan should be supplemented by a scheme of Rural Tourism Clusters giving due consideration to integrated development of physical infrastructure (hardware) and capacity building (software), involvement of local communities and travel trade, and selection of sites and the implementing partners based on objective considerations. The ceiling for financial assistance for a rural tourism cluster site should be Rs. 11 crore.
- (ii) During the 12th Plan, an average of 2 rural tourism clusters should be sanctioned in each State/ UT. Therefore, an allocation of Rs. 770 crore needs to be made for the scheme of Rural Tourism Clusters in the 12th Plan.
- (iii) A Committee comprising of officials from Ministry of Tourism, 1-2 advisory experts, implementing organisations, State Tourism Department and Panchayats, VTDC and community representatives should be constituted as a coordination body for each site.
- (iv) People, Public, Private Partnership (PPPP) mode be considered on a pilot basis for the rural tourism clusters scheme.
- (v) Concerted efforts should be made so that the incomplete RTPs sanctioned during the 10th and 11th plans are either completed or closed.
- (vi) A Project Monitoring Unit (PMU) should be set-up in the Ministry to work as a resource centre to put together and share learning and best practices in the field of rural tourism.

Heritage Tourism

- (i) Surveys/Studies should be undertaken in all States and Union Territories for (a) collecting and compiling Information on intangible heritage, (b) mapping the requirements of these heritages for planned development, and (c) preparing a list of all heritage sites and heritage buildings in association with state or national level organizations.
- (ii) A strategy should be evolved, in consultation with Ministry of Culture, NGOs and experts working for protection and preservation of heritage sites, for inclusion of India's monuments and other heritage sites in the list of 'World Heritage Sites'.

- (iii) For all tourism projects undertaken at heritage sites with central financial assistance, regulation of activities, like food & beverage services, light and sound shows, shopping, entertainment, etc., in and around the sites must be made mandatory. Part of the funds generated at a site through these activities should be earmarked for maintenance and development of that site.
- (iv) Central and State Government offices in urban areas located in heritage buildings, should be shifted and the buildings should be used for tourism related activities.
- (v) All schools in the country should introduce a daily interactive session for students from Class 5 on waste management, basic hygiene, cleanliness, garbage disposal, energy and water conservation, discipline, first aid, road rules, etc. to inculcate civic sense and social responsibility among the young and impressionable children.
- (vi) Introduction of value addition services, including audio/ video shows, automated audio guides, etc., at heritage sites by States should be encouraged and financially supported by the Ministry.
- (vii) Capacity building programmes for guides at heritage sites should be intensified to increase the availability of qualified guides.
- (viii) At prominent heritage sites, part of gate receipts should go towards maintenance of the respective sites, as has been done in Rajasthan.

CHAPTER - 8

ADVENTURE TOURISM AND OTHER NICHE PRODUCTS

Introduction

8.1 The Ministry has taken the initiative of identifying, diversifying, developing and promoting the nascent/upcoming niche products of the tourism industry. This is done in order to

- i. overcome the aspect of 'seasonality' to promote India as a 365 days destination
- ii. attract tourists with specific interests
- iii. ensure repeat visits for the unique products in which India has comparative advantage.

This endeavour of the Ministry has to be pursued with greater vigor during the 12th Plan period.

Niche Tourism

8.2 The 'Niche' Tourism products identified by the Ministry of Tourism for development and promotion include:

- i. Adventure
- ii. Meetings Incentives Conferences & Exhibitions (MICE)
- iii. Cruise
- iv. Medical
- v. Wellness
- vi. Golf
- vii. Polo
- viii. Pilgrimage/spiritual travel
- ix. Film
- x. Tea/Coffee
- xi. Wild Life
- xii. Caravan

Identifying niche products is a dynamic exercise wherein new products may be added in due course.

8.3 The following section presents the overview, global perspective, socio-economic dimensions, challenges/areas of concern and strategies to address the challenges for each of the identified niche products.

Adventure Tourism

8.4 Adventure tourism is generally referred to in the context of activities like trekking, climbing, white water sports, wilderness camping and safaris on camel back, in jeeps or in cycles. India with its natural diversity and its varied geographical and climatic conditions is considered very conducive for adventure tourism. India, in that context is a “One Stop Adventure Shop” and offers a huge potential for adventure tourism activities. India, therefore, offers the keen adventurer with a fascinating range of areas and activities to choose from.

8.5 The various challenges facing the adventure segment are as under:

- i. Lack of infrastructure and international quality adventure equipment
- ii. Identification and development of new adventure destinations
- iii. Restrictions on use of satellite phones, Global Positioning System and trekking contour maps
- iv. Lack of facilities for rescue and evacuation of the adventure tourist
- v. Inadequate marketing of brand “Himalayas”
- vi. Limited promotional material and inadequate publicity of adventure events and Fam tours
- vii. Coordination between various Inter-Ministerial policies
- viii. Cumbersome Visa Issue system

In order to fully harness the potential of adventure tourism in the country, it would be necessary to address the areas of concern during the 12th Plan period.

Meetings Incentives Conventions & Exhibitions (MICE)

8.6 One of the most important and fastest growing segments in the world segment of the Global Tourism Industry is Convention Tourism, also known as MICE – Meetings, Incentives, Conventions and Exhibitions. As per the International Congress & Convention Association (ICCA) the size of the International

Convention Industry is estimated to be US \$ 280 billion. The share of India in this is only US \$ 4.8 billion.

- 8.7 India has hosted 100 international conferences during 2010 and is at present, ranked at 31 position globally according to ICCA statistics. India has the potential to be one of the top 20 destinations in the World for hosting international conference, exhibitions and events. For this dedicated resources and innovative market campaigns are necessary to position India as an attractive MICE destination.
- 8.8 Convention Industry is a high value, high visibility product, with the following benefits for India.
- i. International Conferences have direct economic benefits for the hotels, restaurants, travel agents and professional conference organizers in terms of arrangements for accommodation, transport, food, sight-seeing, shopping, etc.
 - ii. By hosting International Conferences, India would be creating employment opportunities not only for those in the hospitality industry but also for students and volunteers who are required for the various related coordination activities.
 - iii. Hosting an International Conference at a particular destination is a high impact opportunity for a country to showcase and market the entire gamut of its soft power which includes various facets like, art and culture, literature, history, education, media, fashion and cuisines.
 - iv. Participants in an international Conference provide an environment for exploring the possibilities of Foreign Direct Investment (FDI), technology transfers and joint ventures.
 - v. The Ministry of Tourism under the Large Revenue Generating Scheme to provide enhanced Viability Gap Funding of 40% during the 12th Plan period. At present, Central Financial Assistance (CFA) of Rs. 5 crore for one Convention Centre, is provided under the existing PIDDC scheme. CFA for an additional Convention Centre with an enhanced provision of Rs. 10 crore each to be provided during the 12th Plan period.

Cruise Tourism

- 8.9 Cruise Shipping is one of the most dynamic and fastest growing components of the leisure industry worldwide. Growing at the rate of 12% per annum globally, this sector has witnessed some activity in India as well in recent times. Confined earlier to wealthy senior citizens and to newlyweds, cruises are fast drawing in a wider leisure market. The Cruise Lines International Association (CLIA) says that in 2009

there were 13.5 million people worldwide who took a cruise vacation. A World Tourism Organisation (WTO) study indicates that 1.4% of all international arrivals worldwide are cruise tourists.

- 8.10 The socio-economic benefits from developments of the coast line can be enormous and yet controlled. There are significant measurable and tangible positive economic benefits to areas or countries associated with the cruise industry. Cruising presents a new income stream and employment opportunities to the habitants of the coastline where ships will visit. Cruise ships require a range of services to be provided like bunkering, agency services, provisions, shore excursions / land tours for passengers, entertainment, shopping etc. On the social front it is found that passengers visiting destinations, imbibe the local culture and absorb what the destination has to offer in terms of sightseeing, food, shopping, et al.
- 8.11 As regards India, cruise tourism is in its infancy. With the Indian economy developing at a steady pace, middle class growing in number and possessing increasing disposable incomes, Indians could also take on cruise shipping in a big way. India's long coast line and strong port positioning imparts a natural advantage to the country to attract international cruise lines As per research conducted by leading cruise industry associations, cruise passengers are high spenders with the international average working out to \$ 94 per cruise tourist per port.
- 8.12 As a general model, rather than investing in new cruise ships, the recommended path for cruise tourism in India is to create the market and the infrastructure necessary to attract the existing cruise ships to India. For this purpose, India could position its ports either as 'Ports of Call' or as a 'Home Ports'. Positioned as a 'port of call' the country would receive international ships that touch several destinations as part of their cruise circuit. The cruise travellers who disembark at the port would have the linkage to visit destinations in the vicinity of the port; there are also cases where cruise travellers take a flight to see the Taj in Agra and rejoin the ship at its next India port of call. Positioned as a 'home port or hub port', the port would be the base for a cruise ship, which would take passengers on a cruise circuit and then come back to the homeport to berth. Today there are over 300 vessels cruising around the world. Taking the routes into consideration, there are around 150 ships which can 'call' at India ports, during the off-season in their typical routes.
- 8.13 India's strategy would be to pull these cruise vessels to its shores by creating the necessary attractions, positioning, linkages and affiliations. Similarly, India can also

try to make the existing cruise operators position one or two of their cruise ships in India, using the Indian Ports as 'home ports'.

- 8.14 The Steering Committee of Ministry of Shipping, consisting of a representative of Ministry of Tourism, constituted for addressing various issues pertaining to cruise shipping has identified five ports to be developed - Goa , Cochin, Mumbai, Chennai and Mangalore. The need of the hour is to start with a 'hub – a home port.' Important considerations for a successful home port include, suitable geographical location vis-à-vis other ports of visit, accessibility by air, a sizeable local market and adequate port facilities and services. Mumbai is considered to be most apt for this purpose as it has all the necessary features.
- 8.15 However, in order to make Mumbai a home port, upgradation of the existing berth and terminal would be necessary. Suitable compensation to the Mumbai Port Trust may be offered to develop larger and more suitable cargo berths. This would be an affordable and efficient option before any new facility is built.
- 8.16 Cruise Tourism is a 'supply driven' market with capacity driving the market, because cruise liners are always in search of new markets, itineraries and destinations. If adequate facilities, services and infrastructure are provided, that will in turn attract more and more cruise operators to the shores. Even States that do not fall in the main cruise route, such as Gujarat & Karnataka in the West Coast and Orissa and West Bengal in the east coast, could be connected through cruises.
- 8.17 Waterways based tourism is well developed in various states like Kerala, Goa, Assam and West Bengal. The important river cruises are in the Brahmaputra in Assam and in the Ganges on the routes Kolkata -Varanasi and Kolkata Sundarbans. India has destinations in its interiors, many of which are connected by rivers. Developing river cruises that connect these destinations would not only create the access that is so important for cruise tourism, but would also enable India to strongly position its tourism destinations and its exotic heritage.

Medical Tourism

- 8.18 Medical tourism is defined as travel by an ill person to another country for medical care and well-being, rehabilitation & recuperation. This has been growing rapidly since the year 2000 when the hospitals in Far East -Thailand and Singapore - started to aggressively market their services. This segment is fast becoming a worldwide, billion dollar industry. Low cost travel has taken the industry beyond the wealthy and desperate. India has witnessed a massive transformation in the Indian

healthcare sector, particularly in the secondary super specialty care during the last two decades.

8.19 National Accreditation Board for Hospitals and Health Care Providers (NABH) in consultation with AYUSH have formulated guidelines for accreditation of hospitals to ensure quality health care services. NABH accreditation standards are as per global standards yet customized to the needs of the Indian healthcare system and are applicable to both private and public sector. NABH has already accredited 115 hospitals all over India and nearly 600 hospitals (both private and government) are in process. The Ministry of Tourism extends the Market Development Assistance Scheme for medical tourism to only accredited hospitals.

8.20 Confederation of Indian Industry (CII) McKinsey study first reported on medical tourism in 2002 as the US \$ 2.1 billion opportunity for India by 2012. The steady growth in overseas patient arrivals has validated the potential. Traditionally patients from neighbouring countries in SAARC region have always been coming to India and in 1980s patients from Middle East frequented hospitals in Mumbai, but the large inflow of patients from Africa and even the developed world like Europe, Canada, UK and USA has picked up only in the last five years.

8.21 India is poised to become the hub for medical tourism because

- i. Today India has world class hospitals that have the latest technologies which match with those found in hospitals of developed economies. Further, top-of-the-line medical and diagnostic equipment from global international conglomerates is available at many Indian hospitals.
- ii. Indian physicians and surgeons are highly skilled and are amongst the best in the world.
- iii. The cost of treatment is a fraction of the cost in the West.
- iv. Quality nursing care.
- v. Minimal waiting period for patients for undergoing various procedures.

In view of the above, India has proved to be the best value provider for medical tourism in terms of availability, affordability and accessibility of quality medical treatment and care.

8.22 Growth of Medical Tourism is likely to help India earn valuable foreign exchange and create a large number of new jobs in the healthcare sector. The companions who accompany the overseas patients also spend money on tourism and wellness services in India, which helps the economy to grow. According to Indian Medical

Travel Association (IMTA), while an average holiday tourist may spend US \$ 2000 on his trip to India – a medical tourist spends much higher at an average US \$ 5000.

- 8.23 An assessment done by IMTA has estimated that the patient arrival to India is presently growing at greater than 30% annually i.e. an estimated 4.5 lakh patients come to India every year for medical treatment. About 60 top Indian private hospitals in 10 cities of India which have international air/flight connectivity attract international patients. Keeping in view, the benefits of medical tourism concerted efforts are required to fully tap the potential of this niche sector.

Wellness Tourism

- 8.24 World over, there is growing interest in changing the perspective towards the way of living from a reactive approach i.e. to treat diseases, to a more proactive and holistic approach i.e. to address their root cause and to prevent their occurrences. World Health Organization definition of health, as a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity, captures the broad tenets of wellness.
- 8.25 NABH accreditates wellness centres which includes Spas, Ayurveda Centres, Yoga & Naturopathy Centres, Fitness Centres, Skin Care Centres, etc. to ensure adherence to quality standards. Ministry of Tourism provides various incentives to the accredited wellness centres including financial assistance under its MDA scheme for Wellness Tourism Service Providers for participation in international wellness events.
- 8.26 Essentially wellness tourism comprises of healthy persons travelling to another country (or another city/region within their country) to pursue holistic, preventive, or lifestyle based services that enhance their personal well-being.
- 8.27 According to a study reported in the Global Spa Summit Report 2010, it is conservatively estimated that the wellness industry cluster represents a market of nearly \$2 trillion dollars globally out of which spas, complementary & alternative medicine, healthy eating/nutrition & weight loss constitute US \$ 60 billion, US \$ 113 billion & US \$ 276 billion respectively. It is also estimated that there are already about 289 million wellness consumers in the world's 30 most industrialized and wealthiest countries.

8.28 Despite the competitive advantage for development and promotion of India as an international wellness tourism destination, there are various challenges faced by the Indian wellness industry. These are as under:

- i. Need exists for formulating a mechanism based on global standards for service differentiation as well as for evaluating & ensuring safe & quality care, thus instilling confidence among the foreign tourists.
- ii. Need for authentic data base for tourists to select the right organization to avail care.
- iii. Intense shortage of trained manpower at various levels e.g., spa therapists, ayurveda therapists, nutrition experts and beauty therapists.
- iv. Lack of specialized courses for managing wellness centers such as, spa managers trained in domain specific knowledge and business building techniques.
- v. Need for focused marketing and promotion and to build Brand India as a wellness tourist destination.

8.29 Appropriate sustainable employment generation schemes like Hunar se Rozgar could be run, to encourage a greater number of students to make spa & wellness, as a career. Special emphasis needs to be given to the North Eastern Region as this area is important in contributing to this segment in terms of providing manpower,.

8.30 Recognizing that India has a vast potential to be developed as a leading wellness tourist destination, there is an intense need for overcoming the various challenges faced by this segment through a collaborated and sustained effort, both of the Government and the industry.

Golf Tourism

8.31 Golf is a business sport of the 21st Century which can be played at all ages. It has a premium image. A golf tourist spends 3-5 times more than an average tourist. The global golf tourism market is estimated at over US \$17 billion with approximately 56 million golfers worldwide. Of this, between 5-10% travel overseas each year, to play golf, making the international size of golf tourism market between 2.8 and 5.6 million. According to an independent study, 52 % of travelling golfers are likely to take two or more golfing holidays in a year and they spend on an average, 33% more on their holidays as compared to regular holiday makers. It is stated that 70-78% golfers would be prepared to visit a new golfing destination and this community represents the wealthiest 50% of all golfers. The main source

markets for international golf tourism are USA, UK, Japan, Canada, Australia whereas the emerging markets are Taiwan, Malaysia, China and Thailand. For India, the target markets in addition to the countries above are our neighbouring countries, viz., Sri Lanka, Bangladesh, Nepal, Bhutan, Pakistan and other nearby countries like Middle East and Singapore.

8.32 The early economic boom, supported by increased awareness of golf in the media and altering perceptions saw a spurt of new golf courses in the country. With over 200 courses near hills, deserts, plains and tea gardens, India has a variety and diversity which the world is not aware of. Many new courses which came up recently are better designed and maintained, with trained staff and caddies, golf carts, better driving ranges, hospitality infrastructure, etc. These courses have also helped increase the market size of active golfers.

8.33 With international tourists expected to grow in the next few years, it is important that India has the right product to meet the need of the visitors. Various areas of concern faced by this niche product are as under:

- i. On an average, a golf tourist would like to play 3 to 4 courses during his visit to the country and the golf circuits which have been identified should be able to provide that minimum opportunity. There is a shortage of quality golf courses even in the identified golf circuits.
- ii. The golf courses are not maintained to quality standards, especially fairways/turf, acceptable to an international tourist.
- iii. There is a general lack of availability of reasonably priced hotels near the golf circuits. Expensive accommodation is a big deterrent for both international and domestic tourism.
- iv. While there has been development and new courses have come up, which are accessible to the golf tourists, not many people are aware of the opportunities within the country. Internationally too, the awareness about Indian golf tourism potential is negligible.
- v. In order to promote India as a golfing destination the satisfaction levels of the travelling golfer and his family/friends need to be understood and met. All the efforts made should create the highest possible opportunity for a tourist to make a trip to India for golf, and furthermore go back and recommend India as a golf destination. For golf tourism to become attractive, it would be necessary to link this to something more which occupies the golfers or his family's time after the round of golf is over.

Polo Tourism

- 8.34 It is widely accepted as a Heritage Indian Sport. The popularity of polo has grown steadily since the 1980s. Polo is closely linked to tourism, and in particular to high end tourist. The good climate in India for a significant part of the year brings, as a consequence, one of the most positive effects of polo for tourism, since it produces a long season, with a larger duration than the actual polo season, thereby filling in the seasonal vacancies of the normal holiday tourism. Thus it breaks the seasonality and increases residential tourism. This requires increased interaction between Administrative Ministry travel agents, tour operators to promote India as a round the year destination.
- 8.35 Polo also has an important economic aspect. By involving numerous participants in all its structure, it has a great capacity to generate revenue and employment - both direct and indirect -around it. Demand for skilled or trained syces/horse handlers is also growing immensely across the globe, especially in the Gulf. With the immense human resource that India has, the youth even with limited education can be trained as horse handlers or syces to enable them to get jobs, both in India and abroad.
- 8.36 Traditional Polo is still played and practised in its primitive original form in Manipur and Ladakh. It is therefore necessary to take advantage of the rich polo history, the enigma & polo traditions to generate more interest in the sport amongst visiting tourists.

Spiritual/ Pilgrimage Tourism

- 8.37 Religion and pilgrimage tourism in India is a category of travelers primarily motivated by religious considerations. Travel for religious purposes has been there from the most ancient times. Religion is historically associated with tourism. Religion and spirituality are common motivations for travel, with many major tourist destinations having developed largely as a result of their connections to sacred people, places and events. Some of the most popular tourist destinations are founded on ancient places of worship.
- 8.38 India is a land of pilgrimages. Practically, all religions – Hinduism, Buddhism, Jainism , Sikhism and Sufism have their major and minor pilgrimage centers in different parts of the country. Apart from the holy rivers and the teerth sthanas, India also houses the Shakti Peeths, the Jyotirlingas as well as the four sacred shrines of Adi Shankaracharya in the four corners of the country. Some important circuits based on the importance of the religious places can be identified.

- 8.39 The West always looks at India as an enigma. There is a growing interest to know all spiritual and religious beliefs. This spiritual aspect is one of India's greatest USPs waiting to attract foreign tourists who wish to connect to their souls and travel in search for meaning of their modern individualistic lives in present day societies.
- 8.40 Spiritual tourism products are not like holiday/leisure tourism products, which are primarily targeted at the segment with plenty of disposable incomes. In developing a religious tourism product, it is essential to build in community participation at the given location/destination. Further, it is necessary to understand not only the requirements of the modern pilgrim at religious sites as well as how such a visitor interacts and seeks new experiences
- 8.41 The challenges which need to be addressed include inter-alia, lack of infrastructure like budget hotels, roads, last mile connectivity, sewage, hygiene and cleanliness, solid waste management, touts and lapka culture and developing a code of religious etiquette to be observed by these visitors for a harmonious experience.

Film Tourism

- 8.42 Films are an important source of entertainment in most of the countries. Therefore, films can be an important source of promoting the locations where they are shot. For example, the Tomatina Festival shown in the film "Zindagi Na Milegi Dobara" shot in Spain has made Spain a popular destination for the Indians going abroad.
- 8.43 India is one the countries producing large number of films every year. India also has lot of beautiful locations for shooting of even foreign films. Indian films shot in India can also be utilized as important medium for promotion of tourist destinations. At Mumbai, Chennai, Kolkatta and Hyderabad, hubs for production of films, can also develop some places where the whole process of film production can be shown to foreign and domestic tourists. Ministry of Tourism sanctions CFA to the States for organisations for fairs and festivals. Such CFAs can be also extended for promoting the shootings of the films in the States/UTs. To create awareness about the production processes of the films, Film cities and Film Museums may be also promoted. As this activity will basically come under the purview of the Ministry of Information and Broadcasting, the role of Ministry of Tourism may be to sanction CFAs to the concerned States/ UTs for creation of infrastructural facilities for film cities/film museums. For this purpose, Film Cities/Film Museums may be brought under the scope of PIDDC as mentioned in Chapter 4.

8.44 Ministry of Information & Broadcasting is in-charge of activities relating to film productions and promotion. An International Film Festival is organized every year at Goa. Ministry of Tourism and Ministry of Information & Broadcasting can collaborate to promote Indian Tourism through this forum. In the Film Festivals in other countries of the world also both the Ministries can collaborate for promotion of Indian Tourism.

8.45 Ministry of Information & Broadcasting is proposing to set up a Film Commission during 12th Five Year Plan. Ministry of Tourism should be also actively involved in this Commission to get the maximum advantage of this forum for promotion of Tourism.

Recommendations

8.46 After detailed discussion in the meetings, Working Group made the following recommendations

Adventure Tourism

- (i) The approved Adventure Tour Operators may be allowed to import duty-free equipment which is related to the implementation of the activity as well as developing the infrastructure for the activity.
- (ii) The use of gadgets like satellite phones and global positioning systems (GPS) is a must to ensure that the safety standards in India, especially for mountaineering and high altitude trekking, are at par with the international standards. At present, the Department of Tele Communication issues a no objection certificate only for use of specific type of INMARSAT Satellite terminals (B,C,M,M-4 & Mini-M) on case to case basis. Restrictions on their use, as well as on making available the detailed contour maps of Survey of India, need to be reviewed, without compromising on security issues.
- (iii) Mountain rescue and first aid and communication outposts are necessary to be developed and strategically placed in identified adventure destinations, especially Himalayas, for managing emergent situations. The possibility of obtaining an insurance cover for accidents during adventure travel/sport as well as rescue by helicopter of ground rescue team needs to be explored.
- (iv) Creating global awareness through Incredible India campaigns with focused branding of Himalayas in the different mediums in domestic and international markets is important to give a fillip to the growth of adventure tourism in India.

- (v) Need exists to have synergy and co-ordination with various Administrative Ministries like Environment and Forests, External Affairs, Home Affairs and Education as well as various State Governments.

Meetings Incentives Conventions & Exhibitions (MICE)

International Conferences require multiple halls for plenary sessions, exhibitions, social and cultural events. Apart from the only international convention centre at Hyderabad, there is an urgent need to create new world class Convention Centres in important cities like New Delhi, Mumbai, Chennai, Kolkata and Bangalore in the coming years. Increased funding will be made available for Convention centres under the LRG and PIDDC schemes of MoT during the 12th Plan period.

- (i) The state of Jammu & Kashmir and the North Eastern Region which has the capacity to host medium size conferences should be promoted as potential destinations for conferences during the summer months.
- (ii) The present policy of seeking permission from the, Ministry of Home Affairs and Ministry of External Affairs needs to be streamlined on the lines of tourist visa for the convenience of international delegates.

Cruise Tourism

- (i) A World-class facilities, be made available at Indian ports. There is no dedicated cruise terminal for home porting a cruise ship, creating problems particularly during the rough weather months. Better facilities need to be created and a beginning may be made by making Mumbai as the home port.
- (ii) Cruise shipping in Indian waters needs to be made competitive by reviewing customs duty on bunkering, service tax on various services on the cruise and the passengers tax levied by the ports for embarkation/disembarkation.
- (iii) To create and develop river cruises, the strategy should focus on linking cruise terminals to river cruises connecting significant destinations; planning river cruise development in sync with Inland Water transport plan of the Ministry of Shipping; and linking river cruises to eco tourism and rural tourism.
- (iv) All efforts will be made to promote cruise tourism in coordination with the Ministry of Shipping.

Medical Tourism

- (i) India should position itself as one of the best providers of high end treatments like cardiac surgery, orthopaedic, spinal work and cancer care.. Need exists to undertake aggressive and focused overseas marketing to make the potential market aware of the unmatched cost and quality offered by Indian healthcare.
- (ii) Specific road shows be organised in potential markets in association with the hospitals and local operators promoting medical tourism.
- (iii) The Medical Visa Scheme and the immigration process which is cumbersome and inconvenient to patients coming to India for treatment, needs to be streamlined for this category of travellers.

Wellness Tourism

- (i) Promote India as a wellness destination through the Incredible India campaigns in print, electronic, online media, participation in travel fairs, road shows, etc.
- (ii) Encourage accreditation of wellness centres through sensitization workshops at major wellness destinations.
- (iii) To overcome the acute shortage of trained spa & wellness professionals, need exists to organise induction and refresher training programmes under the Hunar-se-Rozgar Scheme
- (iv) Medical insurance coverage should also include wellness procedures. The accredited centres may qualify for empanelment by various insurance bodies.

Golf Tourism

- (i) Highlight golf tourism opportunities and packages within the country and create awareness of the Indian golf tourism as part of the Incredible India campaigns, released both in domestic and international markets.
- (ii) Centre/State owned/ promoted golf courses may be assisted with funds to develop and bring them to international standards under the LRG scheme.
- (iii) Providing financial assistance for a pilot project to set up luxurious self-contained tents under the campsite policy of Ministry of Tourism at an

identified golf course being run by Central/State Government, could be explored.

- (iv) Golf tourism could be promoted along with 35 integrated circuits and tourism parks to be promoted by Ministry of Tourism, provided the State Government is in position to give the requisite land.

Polo Tourism

- (i) Emphasis should be to create awareness about polo in India through the Incredible India campaigns and the Indian Polo Calendar.
- (ii) International Polo games and exchanges in foreign countries provide opportunities to show case the varied tourism products of India to Polo enthusiasts who come to watch Polo matches in other countries.

Spiritual / Pilgrimage Tourism

- (i) Spiritual / pilgrimage products and packages should be priced reasonably.
- (ii) The number of pilgrims tourists in the country is huge and in particular on certain days of year. MoT may make efforts to provide them clean drinking waters and wash room facilities.
- (iii) A regular drive may be launched for maintenance and cleanliness of the pilgrims sites and en-route.
- (iv) Identification , development and promotion of circuits for pilgrim travelers like Jain Circuits/Sikh Circuits/Buddhist Circuits/ Sufi Circuits, etc., need to be taken up to promote spiritual and pilgrim circuits primarily for domestic travelers and also for international travelers. The Circuits have been identified in chapter-4 under para 4.18

Film Tourism

- (i) To facilitate permissions for film shootings, a Single Window Clearance system may be developed.
- (ii) Museums for showcasing of the film production process and other related activities may be set up at Mumbai and other similar places.
- (iii) Financial assistance given to the States for film shootings, under the fairs and festivals category, to promote tourist destinations of the country.
- (iv) Provision of infrastructural facilities for Film Cities/ Museum may be also covered in the PIDDC Scheme of the MOT.

- (v) Ministry of Tourism may encourage prominent foreign and Indian film producers/directors to make films, in collaboration with the Ministry of Information and Broadcasting (I&B)/National Film Development Corporation/any other organization floated by I & B, on the story line of established and emerging tourist destinations in India, so as to promote them on the pattern of 'Kashmir ki Kali' & 'Zingagi Na Milegi Dobara'.

CHAPTER – 9

CONVERGENCE AMONG VARIOUS AGENCIES AT CENTRE AND STATE LEVEL FOR DEVELOPMENT OF TOURISM

Introduction

Indian Tourism – Challenges and Opportunities

- 9.1 India's 5,000 years of history, its length, breadth and the variety of geographic features make its tourism basket large and varied. It presents heritage and cultural tourism along with medical, business and sports tourism. Tourism in India is one of the largest service industries, with a contribution of about 6% to the national GDP and 9.24% of the total employment in India. India received more than 5.58 million annual foreign tourist arrivals and 740 million domestic tourism visits in 2010.
- 9.2 Despite its high potential, the current scenario in the Indian tourism industry has problems like–
- i. Inadequate accommodation capacity
 - ii. Lack of supportive infrastructure – roads, health and hygiene, communication gaps, etc
 - iii. Costly travel - Gap between demand and supply of Infrastructure
 - iv. Lapses in security and safety

Convergence and Integration of efforts – a core issue

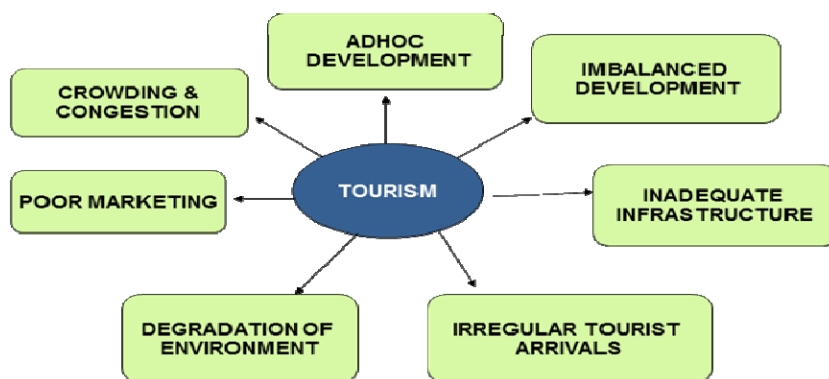
- 9.3 Tourism sector is expected to grow and contribute significantly to the Indian GDP but cannot grow with the gaps in tourism infrastructural facilities. Success in a service industry and tourism in particular, depends to a large extent on better access to infrastructure, with a consumer-centric approach.
- 9.4 Core Issue: Infrastructure such as accommodation, restaurants, built attractions, tours and transport are primarily developed by the private sector. Private investors require good airport and road infrastructure and the availability of affordable basic services such as power, water, sewerage, electricity and telecommunications, make tourism investments economically viable.
- 9.5 It is a challenge for the Indian tourism to understand the dynamic global tourism scenario and have an active role of all stakeholders in development. The Approach

Paper to the 12th Five Year Plan, prepared by Planning Commission, stresses the need to develop formal and informal links between all stakeholders and coordination across all levels of Government. It is important that the efforts of the Ministry of Tourism is integrated with a forward and backward linkages with a host of sectors like transport, hospitality, education, culture, health, banking etc, to reap the full potential of this vibrant sector.

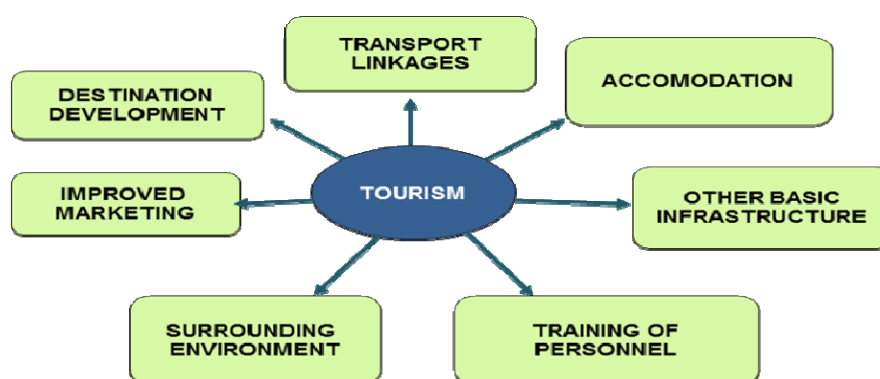
Integrating efforts of State and Central authorities in Tourism - Initiatives with other Central Govt. Ministries, such as Railways, Civil Aviation, Road Transport & Highways, Food Processing and Urban Development need to convergence and synergize their programs so that the impact of investment on these destinations is maximized. It is needless to mention, that they contribute to the 'Totality' of the experience of the Tourists. The inter-linkage and dependence on each other is inseparable and the same needs to be reciprocated in the efforts of various departments.

Integrating the roles of different stakeholders in Tourism Industry - Tourism is overwhelmingly an industry of private sector service providers and the public sector has a significant role to play in infrastructure areas either directly or through Public Private partnership mode. It is multi-sectoral activity characterized by multiple services provided by a range of suppliers. It is quite similar to manufacturing industry, where the supply chain is as important as the end product. The related sectors include airlines, surface transport, hotels, basic infrastructure and facilitation systems, etc. Thus, the growth of tourism cannot be attained unless the issues related to all the sectors are addressed simultaneously.

- 9.6 Thus growth of other sectors acts as a propellant for the tourism industry. Also growth in tourism acts as a pull factor to enhance growth in other sectors. Hence to drive the economy at a good rate it becomes essential that this relation of push and pull between tourism and other sectors of the economy is established properly. Tourism and other sectors if converge and act in a holistic manner then the development graph of the nation will be higher and a more sustainable one.
- 9.7 The undesirable state of a fragmented approach to Tourism Development can have:

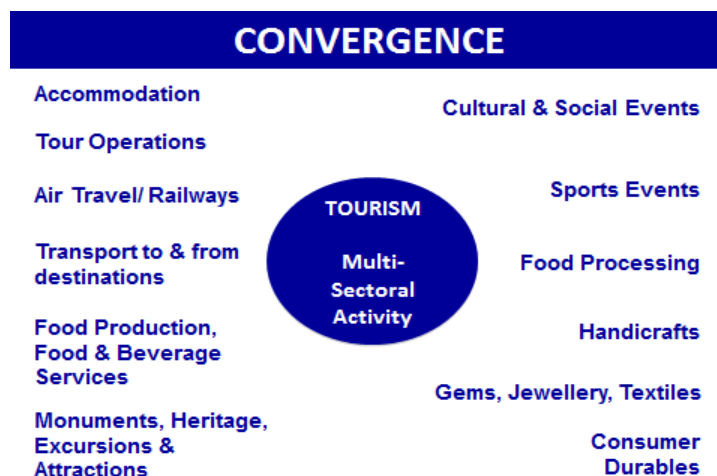


9.8 The desirable and a sustainable tourism development mode could be:



9.9 To achieve the above, a sustainable and comprehensive tourism development approach is the requirement of the country.

9.10 Tourism is a multi-sectoral activity. For its development, active involvement of all the agencies will be required. Some of the sectors which are linked with the tourism sector are presented below:

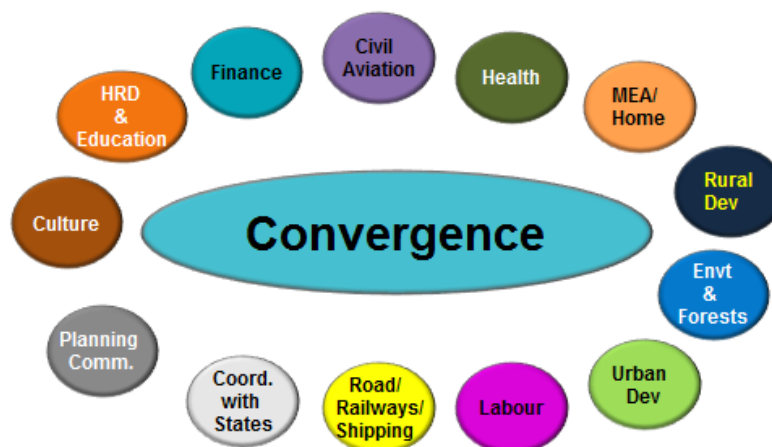


9.11 As the tourism projects are basically implemented at the State/U.T. level, convergence among various Ministries/ Organizations are required at Central as well as State level. A tentative list of organizations at Central and State level which have to be involved in this convergence exercise is given below:

CONVERGENCE AT LEVEL OF STATES & LOCAL BODIES



CONVERGENCE AT CENTRE



9.12 Specific assistance required from some of the Ministries at Central level is illustrated below:

Part One - Development of Infrastructure

Ministry of Road, Transport & Highways	Improving connectivity of key destinations through National Highways
Ministry of Civil Aviation	Improving Air Connectivity at Key Destinations
Ministry of Defence	Better utilization of Defence Airport/ Strips

Ministry of Railways	Up-gradation of Railway Stations, Improving Rail Connectivity
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Part Two – Facilitation for Tourists and Stakeholders

Ministry of Home Affairs	Extension of Visa on Arrival to more countries and more airports
Ministry of External Affairs	Visa regulations & Service Delivery
Reserve Bank of India	Inclusion of hotels in infrastructure lending list
Ministry of Finance	Rationalization of Taxes
Ministry of Railways	Rationalization of operational charges (Haulage) levied by Ministry of Railways on Luxury Trains
Ministry of Rural Development	Convergence with Anti-poverty & Self Employment Programs
Ministry of Environment & Forest	Preparation of Eco Tourism Policy Assessment of carrying capacity of Eco sensitive Zone for sustainable tourism

9.13 Different Ministries organizes cultural events which may be quite interesting for the tourists, both foreign and domestic. For example, Bands of Army, Navy , Air Force, Paramilitary forces , etc play for public at different places. These are quite popular with the tourists. Similarly, Ministry of Tribal Affairs also assist in the organization of tribal fairs which again may be attractive for the tourists. To get maximum benefits from these events, Ministry of Tourism may sign a MOU with these Ministries about making available some facilities for their displays and publishing them to domestic and foreign tourist.

9.14 Ministry of Tourism has made a number of attempts to encourage convergence at Centre and State level. A meeting was held under the Chairmanship of Hon'ble Minister (Tourism) on 13th April, 2010 in which strategies were discussed. As a follow up of this meeting, communications were sent to various Ministries such as Ministry of Civil Aviation, Ministry of Road & Transport Highways, Ministry of Culture, Ministry of Urban Development, etc. A series of meetings were also organized with these Ministries.

9.15 States/ U.Ts were also requested to identify important tourism destinations/ circuits which can be covered under the convergence. The list of destinations/ circuits finally identified for convergence at State level is given in the **Annexure IX**.

9.16 Ministry of Tourism organizes regularly the Regional Conferences in which Tourism Ministers of the States covered in the region are invited. In these Conferences the progress of implementation of various tourism projects sanctioned by Ministry of Tourism is reviewed. Any new initiatives to be undertaken by the

Ministry of Tourism are also deliberated in these Conferences. These conferences also served as a good platform to resolve inter-state issues in the tourism sector.

- 9.17 For the integrated development of tourism infrastructure in the country Ministry of Tourism has appointed a National Level Consultant (NLC) to identify important circuits/ destinations to be implemented in 12th Plan as well as till 2020. The NLC, in addition to identifying the infrastructure gaps in the identified circuits, will also estimate the investment required for bridging these infrastructure gaps. While estimating the investment required the NLC will take into account the fund available from other Ministries at the Central and State level for creation of the identified infrastructure. On the pattern of NLC, Ministry of Tourism will also fund the selection of State Level Consultant (SLC) which will prepare the Detailed Project Report (DPR), facilitate the involvement of the private sector, monitor the implementation of the projects, etc. The NLC at the Centre and SLC at the State level will also facilitate the convergence among various Ministries/Organisations at Central and State level.
- 9.18. Though tourism plays an important role in the economic development and employment generation, its full potential is not adequately known in various States/ U.Ts. To sensitise the States/ U.Ts about the benefits of tourism in their development, Ministry of Tourism will be organizing meetings with the Chief Ministers of the State in association with important industry associations. These meetings will be also attended by Union Minister of Tourism. In these meetings, Ministers In-charge of other concerned Ministries such as Finance, Rural Development, Environment & Forests, etc. will be also invited. This mechanism will also help in convergence at State level.
- 9.19 The Hospitality Promotion Development Board (HPDB) has also been constituted at the Central level to facilitate various clearances/ approvals for the new hotel projects. The Board is to review and monitor whether the time limit stipulated for according various clearance are adhered to or not. The States have also been requested to constitute similar Board for facilitating the setting up of new hotels in their State under the chairmanship of Chief Secretary.

Inadequate Budget Outlay for Department of Tourism in States /UTs

- 9.20 In most of the states / UTs, the outlay for Department of Tourism is meagre. As may be seen from the Annexure X, with such a low outlay it is difficult for the Tourism department to take up significant activities, particularly related to development of tourism infrastructure which is capital intensive. Planning Commission approves the Annual Plan outlay of each State / UT every year.

Keeping in view the potential of Tourism sector in the economic development as well as creation of jobs, Planning Commission may emphasise on the States / UTs to make provision of substantially high amount for tourism sector in their annual Plan.

Recommendations

9.21 Various issues relating to convergence were discussed in detail in the meeting of the Working Group. Following were the recommendations made by the Working Group:

- i. On the pattern of Island Development Authority a Standing Committee may be constituted under the chairmanship of Deputy Chairman, Planning Commission to sort out various inter-ministerial issues at the Central level as well as the issues with States/UTs.
- ii. At Central level, a Committee may be constituted under the Chairmanship of Prime Minister with members from concerned Ministries such as Culture, Civil Aviation, Road Transport & Highways, Urban Development, etc. to resolve the issues, which could not be resolved by the Standing Committee under Deputy Chairman, Planning Commission.
- iii. Platform of Committee of Secretaries (CoS) may also be used to sort out inter-ministerial issues.
- iv. At State level, a Committee may be constituted in each State/UTs under the Chairmanship of Chief Ministers/Administrator with members from concerned Departments of the State Governments/UT Administrations
- v. A committee may also be constituted under the chairmanship of Chief Secretary in the States/UTs to resolve inter-departmental issues.
- vi. Planning Commission should increase the budget outlays of the Tourism Departments in the States/UTs at the time of discussion of State Plan every year. In the Annual Plan of various States, tourism plan be given separately. In this tourism plan the role of other Departments be also mentioned. Planning Commission, while approving the Annual Plan of the States/ U.Ts may emphasise on other Departments of States / UTs to complete the activities suggested by Ministry of Tourism for development of particular tourist destination/ circuit.
- vii. Ministry of Tourism should continue its efforts for strengthening the convergence between various Ministries/ Organizations at Central and State level.

- viii. States/ U.Ts should consult all the concerned Ministries/ Organizations at the State level before proposing the projects for prioritization in the meeting held in the Ministry of Tourism every year. To the extent possible the role of these organizations, including the financial assistance, in the implementation of the proposed projects may be also clearly mentioned.
- ix. The concerned Ministries/ Departments at Central and State level should earmark some portion of their Annual Plan allocation for development of tourism infrastructure near the important tourist destinations.
- x. The practice of organizing Regional Conferences by the Ministry of Tourism should continue during 12th Plan. .
- xi. States/ UTs should expedite the setting up of Hospitality Promotion and Development Board (HPDB) during 12th Plan to facilitate single window clearance for various tourism projects to be set up.
- xii. Cultural events of other Ministries at the Central and State Government should be popularized through various events organized by MoT.

CHAPTER – 10

TAXATION, INCENTIVES & FACILITATION FOR TOURISM SECTOR

Introduction

- 10.1 Indian tourism sector has been witnessing an encouraging growth in the past decade both in terms of foreign tourist arrivals and domestic tourist visits. Presently the outbound traffic from India was 12.07 million in 2010 as compared to 5.58 million foreign tourist arrivals. Ministry's endeavour is to take India's share to at least 1% of the world in next 5 years period with an average growth of over 12% in foreign tourist arrivals and to sustain the growth of domestic tourism at over 12%. This growth has had a multiplier effect on the economy in terms of increase in foreign exchange earnings, expansion in the airline, road transport and hotel sectors etc.,
- 10.2 Despite this encouraging growth India's share of International Tourist Arrivals is 0.6% of the global market. This indicates that the country's potential has been grossly under utilized. One of the major reasons for this situation has been the high rates and multiplicity of taxes that has lead to tourist packages being out priced in comparison with those available in competing destinations. In India there are taxes on almost all segments of a package and this multiplicity of taxes has resulted in **Incredible India** being over priced.
- 10.3 One of the indicators of over pricing of Indian destinations is that our outbound is more than twice the inbound tourism. While the high cost of packages to Indian destinations are deterring inbound tourism, the relatively affordable packages offered by competing destinations (e.g. South East Asia) are luring the Indian tourists in larger numbers. This is evident from the table below:

Year	Inbound Tourism to India (in million)	Percentage Growth over previous year	Outbound tourism from India (in million)	Percentage growth over previous year
2007	5.08	14.3	9.78	17.3
2008	5.28	4	10.87	11.1
2009	5.17	-2.2	11.07	1.8
2010	5.58	8.1	12.07	9.0

- 10.4 For any international traveler coming to India, the major services availed can be categorized into hotel accommodation, Food & Beverages (F & B) consumption, air travel and road travel. It has been observed that the tax structure not only leads to

increase in cost of these packages but also obstructs seamless flow of tourists. For each services consumed by domestic/foreign tourists, the tax structure varies from state to state, often complicated and is definitely on the higher side. Thus India remains predominantly a “once in a lifetime” destination. There is a need to review the tax regime for long term sustainable growth of tourism sector.

Achievements during the 11th Plan

10.5 Ministry of Tourism has worked with in close cooperation with the trade to ascertain the key bottlenecks related to taxation and facilitation which are hampering the growth of tourism in India. Based on the recommendations and representations of the trade, ministry has taken up the issue with other Central Ministries like Finance, Home Affairs, External Affairs, Road Transport & Highways, Defence etc. to bring in necessary policy changes. Some of the key achievements in taxation and facilitation are enumerated below:

(a) Tourist Facilitation:

(i) Seamless Travel:

10.6 Ministry of Tourism in collaboration with the Ministry of Road Transport & Highways and the State Governments of NCT of Delhi, Rajasthan, Haryana & Uttar Pradesh has made an arrangement whereby taxes would be collected centrally at each of the four starting nodes at Delhi, Gurgaon, Jaipur & Agra in such a way that the taxes thus collected are to be apportioned and the tourist coach / car would be allowed unhindered movement in the Golden Triangle.

(ii) Safety and Security of Tourists

10.7 In order to make India a safe destination where tourist would feel secure and feel free to move around, the Ministry of Tourism in consultation with State / UT Administrations had proposed to set up Tourist Police at prominent tourist spots. Accordingly, some of the State Government / Union Territory Administrations such as Andhra Pradesh, Goa, Karnataka, Kerala, Maharashtra, Himachal Pradesh, Rajasthan, Jammu & Kashmir, Uttar Pradesh, Delhi, Punjab, Madhya Pradesh and Orissa deployed Tourist Police in one form or the other.

10.8 For the safety and security of tourists, the guidelines for formation of **Tourist Security Organizations** (TSO) in States comprising ex-servicemen were formulated by the Ministry of Tourism, Government of India in May, 2008 in consultation with the Ministries of Defence and Home and Directorate General of

Re-settlements and forwarded to all State Governments / Union Territory Administrations.

(iii) Introduction of Long Term Tourist Visa

10.9 The Government decided to grant 'Long Term Tourist Visas' of five (05) years duration with multiple entry facilities carrying a stipulation of 90 days of each visit on a pilot basis to the nationals of the following 18 selected countries w.e.f :-

(1) France	(7) Spain	(13) South Korea
(2) Germany	(8) Switzerland	(14) Argentina
(3) Luxembourg	(9) Norway	(15) Brazil
(4) Netherlands	(10) Iceland	(16) Chile
(5) Belgium	(11) New Zealand	(17) Mexico
(6) Finland	(12) Japan	(18) Vietnam.

(iv) Tourist Visa on Arrival (TVOA) scheme:

10.10 Government introduced "Tourist Visa-on-Arrival" Scheme for tourists from five countries viz., Singapore, Finland, New Zealand, Luxembourg and Japan on a pilot basis for a period of one year w.e.f. 01st January, 2010. The TVOA scheme has been extended by Ministry of Home Affairs for the nationals of six more countries viz. Cambodia, Vietnam, Laos, Philippines, Myanmar & Indonesia during the year 2011. At the moment, TVOA facility is available at four airports of entry i.e., Delhi, Kolkata, Mumbai & Chennai.

(v) Code of Conduct for Safe and Honorable Tourism

10.11 Ministry of Tourism has adopted the Code of Conduct for "Safe & Honourable Tourism" on 01st July, 2010 essentially to strengthen the critical pillar of 'Suraksha' (Safety) and ensure that Indian tourism follows international standards of safe tourism practices, applicable for both tourists and local residents i.e. local people and communities who may be impacted by tourism in some way.

10.12 The initiative was launched by Ministry of Tourism in association with Pacific Asia Travel Association (PATA) - India Chapter, Save the Children – India - an NGO, United Nations Office on Drug & Crimes (UNODC) and Equitable Tourism Option (EQUATIONS) for its implementation as it is important and essential to enhance the image of the country and add more value to the "Incredible India" campaign. The code has been incorporated in the Guidelines for classification of Hotels and approval of service Providers of Tourism sector:

10.13 The specific objectives of the code are:-

- i. To encourage tourism activities to be undertaken with respect for basic rights like dignity, safety and freedom from exploitation of both tourists and local residents i.e. local people and communities who may be impacted by tourism in some way.
- ii. Aid the prevention of prostitution, sex tourism and forms of sexual exploitations like assaults and molestations in tourism to safeguard the safety of persons, in particular, women and children.
- iii. To enhance prevention of activities like forced or involuntary drug use, manipulated and incorrect information, cultural and social intolerance which could increase vulnerability to crime.

(b) Incentive for Hotel Industry

(i) Five Year Tax Holiday

10.14 Five Year Tax Holiday for 2, 3 and 4 star category hotels, located in all UNESCO declared World Heritage sites (Except Mumbai and Delhi) for hotels operating w.e.f. 01.04.2008 to 31.03.2013 has been introduced in the budget of 2008-09.

(ii) Incentive under Section 35 AD of the Income Tax Act:

10.15 An investment linked deduction Under Section 35 AD of the Income Tax Act has also been announced in the Union Budget 2010-2011 for establishing new hotels of 2 star category and above, all over India thus allowing 100% deduction in respect of the whole or any expenditure of capital nature excluding (land, goodwill and financial instruments) incurred during the year

(iii) External Commercial Borrowing (ECB)

10.16 External Commercial Borrowing (ECB) facility up to US \$ 100 million has been provided by the Government for setting up new hotel projects.

(iv) Commercial Real Estate (CRE),

10.17 The Reserve Bank of India (RBI) has de-linked credit for hotel projects from Commercial Real Estate (CRE), thereby enabling hotel projects to avail credit at relaxed norms and reduced interest rates

Challenges for the 12th Plan

(a) Taxes on Hospitality and Tourism Sector

(i) Taxes on Hotel Sector

- 10.18 **Luxury Tax:** Levy of luxury tax on hotel accommodation is a State subject. The State Governments/UTs have the power to levy luxury tax on hotel tariff. The details of luxury tax levied by various states is available at **Annexure- XI**. It can be observed that the taxes range from 4% to 20%. In many States, the levy of luxury tax is on printed tariff as against the actual tariff paid by the visitor. The actual tax rates shoot of up to 30% as the tariff charged can be substantially less than printed tariff, particularly in the lean season.
- 10.19 In addition, the State Governments/UT Administrations have also specified a threshold limit below which the luxury tax is exempted. The details available in Appendix I reveal that these exemption limits are as low as Rs.200 per day. In certain states, these threshold limits were fixed long time back and have not been revised according to the inflationary trends. This essentially means that almost all classes of accommodation including the budget accommodation are under the purview of luxury tax. The cumulative impact of the tax structure is that room tariffs become exorbitant high and act as a major deterrent to inbound and domestic travel.
- 10.20 For popular circuits covering several states (like the Golden Triangle of Delhi-Agra-Jaipur), hotels may be charging different tax rates at different destinations leading to confusion and tourist dissatisfaction.
- 10.21 In the budget of F/Y 2011-12, a service tax of 10% (with an abatement of 50%) on hotels having a tariffs above Rs.1000 has been imposed. This had a dampening effect on the tourism sector as the levy was imposed with immediate effect resulting in increase of tariffs and package costs for services already booked.
- 10.22 As per the information received from Hotel Association of India (HAI), the prevailing tax rates on hotels for some of the countries are as follows:

S.No.	Country	Taxes on Hotels
1	China	5%
2	Japan	5%
3	Malaysia	6%
4	Singapore	7%
5	Hongkong	Nil
6	Thailand	7%

(ii) Taxes on Food & Beverages

10.23 Both domestic and international travelers consume food and beverages. The details of VAT applicable on food item and liquor are given in **Annexure-XI**. It can be seen that VAT on food item ranges from 5% to 16.84% in various states. Similarly, VAT on liquor varies from 13% to 58%. In addition, from budget of 2011-12, a service tax of 10% (with an abatement of 70%) on air conditioned restaurants has been imposed.

10.24 Recommendations

- a. The luxury tax should be limited to 4% to make India's accommodation globally competitive.
- b. The Luxury Tax should be levied on the actual tariff as against printed tariff.
- c. The minimum threshold limit be increased to at least Rs 2000/-
- d. Any increase in tax rates should be made applicable after a reasonable time-frame so that the bookings already made are not affected.

(iii) Taxes on Road Transport

10.25 Passenger and Road Transport Taxes: International and domestic tourists move around the destinations in tourist coaches/ cars. Many of the popular tourist circuits require inter-state movements. To illustrate, the golden triangle circuit of Agra-Delhi-Jaipur cover 4 states of Delhi, Haryana, Uttar Pradesh and Rajasthan. While moving across these 4 states, the tourist vehicles have to pay road and passenger taxes. The prevailing tax rates are given in **Annexure - XII**. The tax structure varies from state to state. The taxes can be levied per seat basis or per k.m. basis. They could be calculated on per day, weekly, monthly or quarterly basis. Due to the absence of centralized tax payment facilities, the tourist vehicles have to stop at each entry/state border to pay these taxes. This causes undue delay in itinerary resulting in dissatisfaction of the tourists. According to an estimates made by Indian Tourist Transport Association (ITTA), for a 3 day package between Delhi, Agra and Jaipur, the total rate and passenger tax paid is 23% of the package cost.

Recommendation

- i. Rationalization of tax structure to have simplified/uniform formula implemented across the States/U.T.s.

- ii. Implementation of the 'TV' series for the Tourist Transport Operators approved by MOT to ensure that a tourist permit is provided after payment of advance tax and the vehicles can move unhindered across the states.
- iii. Till the time the TV series is implemented, a system of seamless movement of tourist vehicles through inter-state borders be implemented.

(iv) Taxes on Air Travel

10.26 The cost of Air travel in India is also considered on a higher side compared to the competing destinations. This has not only deterred the domestic travel but also made the packages for international tourists costly. Based on the information received from the travel agents, multiple taxes are levied on air ticket as follows:

- i. Fuel surcharge varying from Rs.1850 to Rs.2500/-.
- ii. Transaction charge varying from sector to sector.
- iii. New service tax of Rs.185/-.
- iv. Passenger service tax
- v. Airport Tax/User development fee which varied from Rs.200 to Rs.400/- depending on port of departure.
- vi. Service tax (0.62% of basic fare charged from the travel agents/tour operator services.

10.27 A typical fare structure of Delhi-Varanasi-Delhi is given in **Annexure- XIII**. It may be seen that taxes are several times the basic fare charged by airlines. It has also been brought to the notice that in identified sectors, the taxes charged by the various airlines also vary significantly. This leads to a lot of confusion and the lack of transparency causing dissatisfaction among the customers, tour operators and travel agents.

10.28 In addition, individual states are levying Air Turbine Fuel (ATF) charges which are available at **Annexure-XIV**. The ATF ranges from 20 to 38% in various states. This tax increases the cost of the services delivered by the airlines and is reflected in basic fare. The industry has been demanding rationalization of tax structure and the ATF charges to bring the cost of air travel at competitive levels.

10.29 As a result of high priced air fare is that even the annual conventions of stakeholder associations of Indian tourism industry like TAAI and FHRAI are being organized outside India. The following is therefore recommended:

- i. Rationalization of tax structure on air fares and ATF charges.
- ii. Reduction of multiplicity of taxes on Aviation Sector.

- iii. The tax rate applicable on sector should be made transparent and with wide disseminations to ensure that these do not vary between airlines on a given sector.

(v) Goods & Services Tax (GST)

10.30 The GST regime is likely to be implemented from 1st April 2012. The introduction of GST at the Central level will not only include comprehensively more indirect Central taxes and integrate goods and service taxes for the purpose of set-off relief, but may also lead to revenue gain for the Centre through widening of the dealer base by capturing value addition in the distributive trade and increased compliance.

10.31 GST Regime should include all relevant taxes applicable on tourism and hospitality including:

- i. Luxury Tax
- ii. State Road and Passenger Tax
- iii. Aviation Turbine Fuel Charges
- iv. In case some of the above taxes are not included in the GST Regime then the hospitality and tourism sector should be given a deduction of 4% over the tax rate under the GST i.e., if tax rate under GST is 16% then applicable GST should be 12% on tourism sector.

(b) Fiscal Incentives to the Hospitality and Tourism Industry

(i) Hotel Industry

10.32 Inclusion of Hotels in the Infrastructure Lending List of the RBI: One of the key impediments for investments in the sector has been the non-availability of credit at favourable terms. RBI had accepted a long pending request for classifying the hotel sector from the Classified Real Estate (CRE) category. The Hospitality Industry, in order to bridge the present shortage of 1.68 Lakh rooms in classified hotels and 2.84 Lakh in unclassified accommodation units would require huge investment during 12th Plan. This even after taking into consideration that approximately 20, 000 rooms which are under various stages of implementation and would be added to the market in the next 3 to 4 years. With this investment, the Hotel Sector can create more infrastructures, especially in smaller cities, Beach Resorts, Heritage Sites, Rural Tourism Sites and most

importantly, help in creating employment and livelihoods in these respective areas, thus bestowing externalities on society.

- 10.33 Hotels have high-sunk costs as development of hotels is a highly capital intensive activity, given the high cost of land and new hotel properties typically have a high break-even point. Therefore, financial flexibility is essential, especially during early years of operations. Development of a hotel bestows positive externalities on the society by creating employment for the skilled, semi-skilled and unskilled work force of the region.
- 10.34 Ministry of Finance, whilst taking any decision on the subject of inclusion of new sectors in the infrastructure list, is guided by the recommendations made by Dr. C. Rangarajan Commission's Notion of Infrastructure of 2001. In the recommendations, the facilitators of Tourism, i.e., Railways, Roads, Airports, Vehicles and Aircrafts have been considered; however, the basic and most essential necessity of accommodation, i.e., Hotels is not covered or considered.
- 10.35 Considering the huge investments required in the sector, It is **recommended that hotels be included in the infrastructure lending list of the RBI**. The inclusion of Hotels in the RBI's Infrastructure Lending list, will allow the Sector to avail of the same norms extended to other sectors in the infrastructure list
- 10.36 Incentives under Section 35 AD of Income Tax:** As per Section 35 AD new Hotels of 2-star and above which open after April 1, 2010 are eligible for a deduction based on the capital expenditure incurred on the Hotel project except for cost of land, goodwill and financial instruments. This incentive is not available to the other segments/ tourism service providers of the tourism industry. The **Heritage hotels and other tourism service providers** are also classified and approved, respectively, as per the guidelines of the Ministry of Tourism. These service providers are an important and integral part of the tourism industry. It is proposed that the benefit of Section 35 AD which is available to hotels may be suitably amended and extended to all tourism service providers as this incentive will boost the growth and development of the Indian tourism industry.
- 10.37 The Heritage hotels are also classified and approved, as per the guidelines of the Ministry of Tourism. These are an important and integral part of the tourism industry. Heritage hotels are a building of historic significance and offer a unique and distinctly 'local' experience. **Therefore, it is recommended that the incentives available to star hotels under Section 35 AD need to be extended to heritage hotels also**

10.38 In addition, the hotel industry is also demanding following exemptions.

- i. **Excise Duty:** The food preparations (such as breads, biscuits, chocolates, pastries, ice-creams, fruit juices etc.) in Hotels or Restaurants, which are basically for captive consumption by its guests, as a part of Food & Beverage Service and not as sale, be exempted from levy of Central Excise duty.
- ii. The payments received by Hotels in convertible foreign exchange from foreign tourists who stay in these Hotels, and avail of the aforesaid services, be exempted from Service Tax. The concept of Zero-Rating applied by the Department of Revenue can be applied to these Services.

(ii) Taxes on Tour Operators (Inbound and Transport)

10.39 It is further observed that **highly capital intensive investment** is made by the Tourism Industry **as an expenditure** on purchase of new tourist vehicles, camper vans, adventure equipments, boats, camping facilities that are required for the tourists visiting un-developed areas, office equipments (computers, scanners, hand-held mobile equipments to allow constant contact with the office and tourists) required to upgrade the overall service standard. The said investments are made by the tour operators and tourist transport operators with a view to enhance the existing service standards, as well as add more capacity

10.40 Therefore, the incentives available to hotels need to be extended to all tourism service providers mentioned below under Section 35 AD:

- i. Inbound Tour Operators: Make travel arrangements in India on behalf of their overseas agents for foreign tour groups
- ii. Travel Agents: Provide retails service of travel packages
- iii. Tourist Transport Operators: Provide transport services
- iv. Adventure Tour Operators: Specialized Tour Operators providing adventure related tours

10.41 Deemed Export Status / Exemption From Para 63, Service Tax Act, 1994 like Exporters who earn in Convertible Foreign Exchange: Exporters who earn in convertible foreign exchange are exempted from Service Tax vide Notification No.17/2000 – Service Tax dated July 7, 2009 which covers service provided by an agent located outside India and enters into agreement with the exporter for which service commission is paid to the agent abroad. However, the foreign exchange earned by the inbound tour operators who are approved by the Ministry of Tourism, Govt. of India is also not exempted from the Service Tax. In

order to provide relief to the tour operators, it is proposed that foreign exchange earned by inbound tour operators be considered as deemed export and full service tax exemption be provided to them so that they get reimbursement in the service tax at par with the other exporters.

10.42 Incentives to Tourist Transport Operators: The recognized Tourist Transport Operators should be given exemption from Excise Duty and VAT on the purchase of new tourist vehicles. This scheme can be implemented effectively if the vehicles operated by the tourist transport operators are given a separate registration series. The tourist vehicles should be allowed free movement across state borders without requiring to pay passenger tax, road tax etc. or to stop at the borders. Further, EPCG scheme provides for import of tourist vehicles i.e. capital goods for tourist transport operators, where 100% Customs duty is exempted provided the operators earn foreign exchange equivalent to 8 times of CIF value in the next 8 years. This condition is quite stiff for tourist transport operators and therefore, not many of them have benefited from the scheme. Tour Operators and hotels can earn foreign exchange to this extent, but it is not possible for tourist transport operators. Unlike other segments transporters earnings are only from car hire and therefore, this condition can be relaxed for tourist transporter operators and the export obligation should be only 4 times foreign exchange earnings in 8 year.

(c) Tourist Facilitation

(i) Visa

10.43 Smooth and speedy issue of **Visa** is catalytic in the growth of tourism to any destination. The prompt delivery of visas to the inbound tourists is one of the key contributors for sustainable development of tourism. Ministry of External Affairs has been following the policy of providing visas within 3 days of the receipt of application. However, there are instances reported by individual visitors, tour operators and stakeholder's association herein inordinate delays have occurred in the issuance of visas to potential tourists. In addition, there have been problems faced by inbound tourists in filling up online visa forms in non-English speaking countries.

10.44 Electronic Visa (E-Visa): With the recent advancement in the Information and Communication Technology, several countries have adopted the Electronic Visa issuance facilities which has reduced the visa issuance time drastically, reduced the work load of the Missions and enhanced the transparency in operations.

10.45 Conference Visa: It is also observed that Tourists/People coming for conferences from overseas have to get clearance from 4 different Ministries that include Home Affairs, External and Nodal Ministry and then the Delhi Government without which conference Visa can not be obtained. This process is very cumbersome and hinders promotion of MICE tourism.

10.46 Medical Visa: Introduced in 2005 has not become popular because it makes it mandatory for the applicant to register with FRRO and also it is not extended to people who are not blood relations like a family friend or companion. Moreover the medical visa fee is exorbitant while in some countries it is offered free.

10.47 To have a favourable visa regime for foreign tourists intending to visit India, following is proposed:

- i. The delivery of visa within 3 days of application may be monitored by the Missions and should become a part of their Charter of Duties.
- ii. The process for filling up online visa forms in non-English speaking countries (especially in Europe) be simplified through usage of specific country's language in the application.
- iii. A system of task force of Joint Secretary level officers from Ministries of Tourism, Home and External Affairs be formed to expeditiously resolve visa related problems brought to the notice by the inbound tour operators or individuals.
- iv. A single window clearance system for Conference visas may be worked out.
- v. The facility of availing visa should be made available on Tatkal (emergency) basis on the payment of higher fee. This may be on the same pattern as the facility of procuring Passports.
- vi. A tourist group arriving by air, ship, or by a chartered or scheduled flight may be granted collective, Landing Permit for a period by the authorities on landing provided the group gives an undertaking to conduct the group together and they leave together out of India from the same port of entry.
- vii. The fee for Medical Visa should not be more than an ordinary visa which may be extended to a family friend or companion accompanying the patient.

(ii) Tourist Visa on Arrival (TVOA):

10.48 An evaluation study conducted by Ministry of Tourism has shown that Tourist Visa on Arrival (TVOA) significantly influences the decisions of travelers to India. This indicates the importance of further liberalizing the TVOA scheme to cover

more countries for enhancing foreign tourist arrivals thereby increasing our foreign exchange earnings for the country. Under its 'Look East' policy India is focusing on the ASEAN region. Seven out of 10 ASEAN countries have been covered under TVOA. Similarly, India has already granted long term multiple entry visa facility for 18 countries. These 18 countries are key source markets for Indian tourism. In addition, CIS countries including Russia are emerging as one of the important inbound tourism market for India through charters.

10.49 It is, therefore, recommended that TVOA facility be extended to

- i. European countries (e.g. Germany, France, Spain) where multiple entry visa system is existing.
- ii. CIS countries like Russia, Kazakhstan, etc.
- iii. ASEAN countries -Thailand, Malaysia, Brunei
- iv. Extension of TVOA scheme to other International Airports of the country like Panaji, Bengaluru, Bodh Gaya, Trivandrum, Kochi and Hyderabad.

10.50 The **training of Immigration Officials** specifically handling tourists seeking TVOA can further improve the experiences of tourists and the subsequent spread of word of mouth. The objective of this training is to create an awareness of the tourism industry among the immigration officers, sensitizing them of the needs of travelers / tourists and their role in facilitation, particularly on visitor handling, etiquettes and mannerism etc., in an increasingly competitive environment so as to improve their efficiency and effectiveness.

10.51 Safe & Honourable Tourism: Ministry of Tourism along with the stakeholders has adopted the Code of Conduct for "Safe & Honourable Tourism" which is a set of guidelines to be voluntarily adopted by the stakeholders, primarily to encourage tourism activities to be undertaken with respect for basic rights like dignity, safety and freedom from exploitation of both tourists and local residents, in particular, women and children. The code was formally unveiled by the Hon'ble Minister for Tourism in the presence of stakeholders of hospitality and tourism sector on 1st July 2010.

10.52 As a first step towards implementation of the Code, the pledge to adhere by the tenets of "Safe & Honourable Tourism" was formally signed by key stakeholders associations and over 100 industry leaders on 27th September 2010 (i.e., the World Tourism Day) in a function organized at Hotel Ashok, New Delhi. With an objective of implementing the Code in an effective and concrete way, the Guidelines for grant of recognition by Ministry of Tourism under the categories of

Inbound Tour Operator, Adventure Tour Operator, Travel Agent, Domestic Tour Operator & Tourist Transport Operator have been modified to incorporate the commitment and adherence on the part of the applicant to Code of Conduct for “Safe & Honourable Tourism” with effect from 18th January 2011. The guidelines of classification and approval of Hotels and other types of accommodation have also been modified to incorporate the provisions of the Code. There is a need to have a wide scale dissemination of tenets of Code of Conduct for “Safe & Honourable Tourism” among the tourism fraternity.

- 10.53 Tourist Facilitation and Security Organization (TFSO):** Safety and the security of the tourists is a worldwide concern. Any adverse perception about safety and security of the tourists has serious implications for tourist arrivals to the country and its tourist destinations. The safety of tourists visiting India became a matter of concern in the past few years owing to incidents of crime reported against foreign tourists in several of popular tourist destinations across the country.
- 10.54 Keeping the above in view, Ministry of Tourism has formulated a scheme suggesting guidelines for constitution of Tourist Facilitation and Security Organization(s) (TFSO) in States / UTs. In the discussions held with the Planning Commission, a possibility of setting up of such a force in collaboration with the Ministry of Defence was explored. It was felt appropriate that a Pilot Project involving Ex – Servicemen could be considered for implementation and if the experiment succeeds, then a Plan scheme can be posed to the Planning Commission as a new scheme.
- 10.55 Therefore, Ministry of Tourism discussed the matter with the Directorate General of Re – settlement / Department of Ex – Servicemen Welfare, Ministry of Defence for exploring the possibility of utilizing the funds available under various heads for welfare of Ex – Servicemen for implementing the scheme on a pilot basis, at some identified destinations, and the latter has conveyed approval of the competent authority to the proposed scheme being implemented on Pilot basis and their funding on the Non – Plan side.
- 10.56 The scheme envisages partial Central Financial Assistance (CFA) to be given to the States / UTs for undertaking the initiative of raising Tourist Facilitation and Security Organization(s) (TFSO) limited to 50% of the expenditure for the first three years and scaled down to 25% for the next three years and subsequently the entire expenditure to be borne by the concerned State / UT. The expenditure on training the personnel selected under TFSO Pilot scheme would be met by

Ministry of Tourism under the Capacity Building of Service Providers (CBSP) scheme.

10.57 This initiative is to be considered at some identified destinations on a pilot basis and based on the evaluation and experience gained by this Ministry, the same can be posed to the Planning Commission as a new Plan scheme in the 12th Plan.

Recommendations

10.58 After detailed discussions on various issues relating to taxation, financial incentives and facilitation of foreign travel in India, the Sub Group and Working Group recommended the following:

Rationalization of Taxes:

Luxury Tax

- i. The luxury tax should be limited to 4% to make India's accommodation globally competitive.
- ii. The Luxury Tax should be levied on the actual tariff as against printed tariff.
- iii. The minimum threshold limit be increased to at least Rs 2000/-

Airline Taxes

- i. Rationalization of tax structure on air fares and ATF charges.
- ii. Reduction of multiplicity of taxes on Aviation Sector.
- iii. The tax rate applicable on sector should be made transparent and with wide disseminations to ensure that these do not vary between airlines on a given sector.

Road & Transport Taxes

- i. Rationalization of tax structure to have simplified/uniform formula implemented across the States/U.T.s.
- ii. Implementation of the 'TV' series for the Tourist Transport Operators approved by MOT to ensure that a tourist permit is provided after payment of advance tax and the vehicles can move unhindered across the states.

- iii. Till the time the TV series is implemented, a system of seamless movement of tourist vehicles through inter-state borders be worked out based on centralized tax collection in Delhi-Agra-Jaipur circuit.

Goods & Service Tax

GST Regime should include all relevant taxes applicable on tourism and hospitality including:

- i. Luxury Tax
- ii. State Road and Passenger Tax
- iii. Aviation Turbine Fuel Charges
- iv. In case some of the above taxes are not included in the GST Regime then the hospitality and tourism sector should be given a deduction of 4% over the tax rate under the GST i.e., if tax rate under GST is 16% then applicable GST should be 12% on tourism sector.

Fiscal incentives to the Hospitality and Tourism Industry:

- i. Hotels may be considered to be included in the infrastructure lending list.
- ii. The incentives available to hotels need to be extended to all tourism service providers under Section 35 AD viz.,
 - a) Heritage Hotels
 - b) Inbound Tour Operators
 - c) Travel Agents
 - d) Tourist Transport Operators
 - e) Adventure Tour Operators
- iii. The payments received by Hotels in convertible foreign exchange may be exempted from Service Tax.
- iv. The foreign exchange earned by inbound tour operators be considered as deemed export and full service tax exemption be provided to them to be at par with the other exporters.

Facilitation of Foreign Travel in India:

- i. A working Group of Joint Secretary level officers of Ministries of Tourism, External Affairs and Home for attending and sorting out any visa related issues expeditiously.
- ii. A single window clearance system for Conference visas could perhaps be worked out.
- iii. The facility of availing visa should be made available on Tatkal (emergency) basis on the payment of higher fee. This may be on the same pattern as the facility of procuring Passports.
- iv. A tourist group arriving by air, ship, or by a chartered or scheduled flight may be granted collective, Landing Permit for a period by the authorities on landing provided the group gives an undertaking to conduct the group together and they leave together out of India from the same port of entry.
- v. The fee for Medical Visa should not be more than an ordinary visa which may be extended to a family friend or companion accompanying the patient.
- vi. Extension of TVOA to:
 - a) European countries like Germany, France, Spain
 - b) CIS countries like Russia, Denmark, Sweden
 - c) ASEAN countries like Thailand, Malaysia, Brunei
- vii. Extension of TVOA scheme to other International Airports of the country like Panaji, Bengaluru, Bodh Gaya, Trivandrum, Kochi and Hyderabad.
- viii. Since India is the leader in Information and Communication Technology (ICT) revolution our Missions abroad should also implement e-visa services.
- ix. The training programmes for Immigration personnel may be conducted under the Capacity Building of Service Providers (CBSP) scheme of the Ministry of Tourism through the Indian Institutes of Tourism & Travel Management (IITTM).
- x. Undertake awareness generation / dissemination and sensitization campaigns for spreading a message for adoption of Code of Conduct for “Safe & Honourable Tourism” among the stakeholders, service providers and State level Tourism Departments.

- xi. In light of the security concerns at tourist destinations, it is imperative that a committed and appropriately trained Tourist Facilitation and Security Organization (TFSO) personnel are deployed at important destinations in all the States and UTs so that untoward incidents can be prevented and foreign and domestic tourists visiting these destinations feel more confident about their safety and security.

CHAPTER - 11

MARKET RESEARCH AND TOURISM STATISTICS

- 11.1 To create proper awareness about the importance of tourism sector in the economic development of the country, job creation, foreign exchange earnings, benefits to different segments of the society etc., accurate and timely release of various types of tourism statistics is necessary. Though tourism contributes significantly in the GDP of the country as well as job creation, data base on different sectors of tourism needs much improvement. The actual implementation of tourism project takes place at State/UT level. However, most of these States/UTs do not have proper mechanism for collection of proper tourism statistics pertaining to their States/UTs. Even at Central level information about the accommodation units, particularly in unorganized sectors, number of tour operators and travel agents not registered with the Ministry of Tourism, number of foreigners visiting for medical purposes, foreign tourists coming through charter flights, etc. are not available. Even the basic statistics of the average expenditure incurred by foreign and domestic tourists in India on regular basis are not available.
- 11.2 There is increased competition among various countries to attract foreign visitors. India has to therefore prepare suitable marketing strategy as well as publicity campaigns to attract foreign visitors and even increase the volume of domestic tourists. This would necessitate the detail study of importance source market for India for desire mapping of the tourists from those countries, impact of the publicity campaign on their decisions to visit India, the perception of the foreign and domestic tourists about the various facilities at tourist destination, etc.

Recommendations

- 11.3 Keeping in view the current status of compilation of various types of tourism statistics and the future requirement, following recommendations were made.

TOURISM STATISTICS

Inbound Tourism

- i. Many countries compile the figures of international arrivals which includes the arrivals of non-resident population of that country and foreign tourists. In India we have been releasing the data of only foreign tourist arrivals. The disembarkation card have been recently revised to facilitate the collection of

data on arrivals of non-resident Indians, this data should be compiled at the earliest in collaboration with the Bureau of Immigration.

- ii. The time lag in the release of final figures of foreign tourist arrival with nationality wise data may be reduced from six months to three months.
- iii. Bureau of Immigration may provide nationality wise break-up of the foreign tourist arrivals at important airports for which they provide monthly data to Ministry of Tourism. Based on this data, Ministry of Tourism may release the nationality wise data also along with the estimates of foreign tourist arrivals every month.

Outbound Tourism

Currently only the Indian departures from various ports are compiled. The Embarkation Card has been revised in June 2008 to enable the collection of data on the purpose of the visit, port of final destination of the Indians going abroad. Bureau of Immigration should make available the unit level data of the Indian departure to Ministry of Tourism which may process the data and release the figures relating to the purpose and country of final destination for the Outbound Indians.

Domestic Tourism Statistics

- i. States/UTs will be encouraged to use the methodology developed by the ministry of Tourism for collection of domestic and foreign tourists visits in their States/UTs, if it is not possible to recruit the additional manpower for collection of data regularly from the hotels, as required in the methodology, they may outsource the job to some consultancy organization. If required 25% of the cost involved in this may be borne by the Ministry of Tourism for initial five years.
- ii. The Ministry of Tourism should continue to cover four to five States every two years for collecting the data on domestic tourism as per the methodology developed by it.
- iii. As the Directorate of Economic and Statistics in each States/UTs have statistical expertise and network of offices at lower administrative levels, Tourism Department of States/UTs should take necessary help from them for collection of domestic tourism statistics.

Other Statistics

- i. A proper mechanism may be developed for collection of data on occupancy in classified hotels in collaboration with the concerned Industry Associations.
- ii. Efforts should be made to collect data on sea cruise passengers by ports.
- iii. Prepare the panels of consultants to be engaged for undertaking various studies with a cost of less than Rs.25 lakhs.

Tourism Satellite Account

- i. Keeping in view the importance of the tourism in the economic development and job creation in the country, Ministry of Tourism should prepare tourism satellite account every five year. For this purpose, domestic tourism survey and international passenger survey should be also conducted every five years. Keeping in view the expertise available with the National Council of Applied Economic Research (NCAER), a MOU can be signed with them for this purpose.
- ii. Efforts will be made to prepare Tourism Satellite Account for a few States during the 12th Five Year Plan. Once the methodology is firmed-up such States TSAs will be prepared for other States in collaboration with them.

Evaluation of 'Hunar Se Rozgar' Programme

As Ministry of Tourism will be spending lot of money in the training of youth in the 'Hunar Se Rozgar' programme every year, studies / surveys may be conducted every year through consultants to evaluate the benefits of this programme.

Study of Impact of Tourism

Tourism assessment study may be conducted periodically to have an idea about the impact of tourism on the people including their perception about the utility of tourist destinations in their day to day life.

MARKET RESEARCH

- i. Surveys may be conducted in important source markets of foreign tourists coming to India to know their preference about the tourism products and destinations. Concurrent and impact evaluation of the marketing strategies

and publicity campaigns launched by the Ministry of Tourism in various countries will be also undertaken. In each year three countries may be covered.

- ii. Periodic studies may be conducted to estimate the manpower requirement in the hospitality sector, hotel room requirement etc.
- iii. To conduct surveys to find out the experience of domestic tourists at important tourist destinations and evaluation of domestic campaign launched by the Ministry of Tourism.

Requirement of Fund

11.4 Requirement of fund in this scheme for 12th Plan has been estimated as follows:

S. No.	Component	Fund Requirement (in Rs. Crore)
1	Payment to National Level Consultant	2.0
2	Payment to State Level Project Management Agency	30.0
3	Studies including Evaluations	50.0
4	Preparation of Detailed Project Reports	100.0
5	Assistance to States for Statistical Activities	50.0
6	Total	230.0

M-13016/3/2011-12-Tourism

Government of India
Planning Commission
(Tourism & Culture Division)

Yojana Bhawan, Sansad Marg,
New Delhi-110001
Date: 19.05.2011

ORDER**Subject : Constitution of the Working Group on Tourism for the Twelfth Plan (2012-17).**

It has been decided to constitute a Working Group on Tourism in the context of preparation of the Twelfth Five Year Plan (2012-2017). The composition and terms of reference of the Group will be as follows:

II. COMPOSITION:

Sl. No.	Name and Designation	
1.	Secretary, Ministry of Tourism, Government of India	Chairman
2.	Secretary, Ministry of Home Affairs, Government of India	Member
3.	Foreign Secretary, Ministry of External Affairs, Government of India	Member
4.	Secretary, Ministry of Civil Aviation, Government of India	Member
5.	Secretary, Ministry of Culture, Government of India	Member
6.	Secretary, Ministry of Environment & Forests, Government of India	Member
7.	Secretary, Department of Road Transport and Highways, Government of India	Member
8.	Secretary, Ministry of Urban Development, Government of India	Member
9.	Secretary, Ministry of Shipping, Government of India	Member
10.	Chairman, Railway Board, New Delhi	Member
11.	Secretary, Department of Revenue, Government of India	Member
12.	Secretary, Ministry of Food Processing Industries, Government of India	Member
13.	Secretary, Department of AYUSH, Government of India	Member
14.	Secretary, Ministry of Youth Affairs & Sports, Government of India	Member
15.	Additional Secretary & Financial Adviser, Ministry of Civil Aviation	Member
16.	Additional Secretary & Financial Adviser, Ministry of Tourism	Member
17.	Consultant (Tourism), Planning Commission	Member
18.	Adviser (Transport), Planning Commission	Member
19.	Director General, Archaeological Survey of India	Member
20.	Chairman & Managing Director, ITDC	Member
21.	Director General, Civil Aviation, New Delhi	Member
22.	Joint Secretary (Foreigners), Ministry of Home Affairs, Govt. of India	Member
23.	Joint Secretary, Ministry of Tourism, Government of India	Member

24.	Joint Secretary, Department of Shipping, Government of India	Member
25.	Joint Secretary, JNNURM, Min. of Urban Development, Govt. of India	Member
26.	Joint Secretary, Min. of Environment & Forests, Govt. of India	Member
27.	Joint Secretary (North East), MHA, Govt. of India	Member
28.	Joint Secretary, (External Publicity), Ministry of External Affairs, Govt. of India	Member
29.	Joint Secretary, Department of Road Transport and Highways, Govt. of India	Member
30.	Additional Director General (Tourism), Ministry of Tourism	Member
31.	Additional Director General (MR), Ministry of Tourism	Member
32.	Executive Director (Tourism), Railway Board, New Delhi	Member
33.	Managing Director, Air India, Mumbai	Member
34.	Representative of Airports Authority of India, New Delhi	Member
35.	DG (Roads), Department of Road Transport & Highways, New Delhi	Member
36.	Managing Director, Tourism Finance Corporation of India, New Delhi	Member
37.	Director, IITTM, Gwalior, New Delhi	Member
38.	Shri Amir Khan, Brand Ambassador for Incredible India, Mumbai	Member
39.	Shri M.P. Bezbaruah, Permanent Representative, UNWTO, New Delhi	Member
40.	Shri Prasoon Joshi, Indian Lyricist, Mumbai	Member
41.	Shri Aman Nath, Neemrana Group, Indian Heritage Association, New	Member
42.	Shri Jose Dominic, MD, Hotel Casino, Cochin	Member
43.	Shri Arjun Sharma, Vice Chairman, PATA India Chapter	Member
44.	Ms. Priya Paul, Park Group of Hotels, New Delhi	Member
45.	President Tourism Committee, Indian Chamber of Commerce, ICC Towers, 4, India Exchange Place, Kolkata-700 001.	Member
46.	Shri K.N. Changappa, "Kakamada", Kodagu Model Forest Trust Begoor-Ponnampet Coorg District, Karnataka. Pin Code-571216	Member
47.	President, International Finance Corporation, Washington, USA or his nominee	Member
48.	Shri Sudhir Sahi, 170, Gulmohar Enclave, New Delhi-110049	Member
49.	Shri Ajit Bajaj, Adventure Tour Operator Association of India, New Delhi	Member
50.	Shri Manav Thadani, Managing Director, HVS, DLF Building, Gurgaon	Member
51.	Shri Paritosh Gupta, Chief Executive Officer, IL&FS, Gurgaon	Member
52. M	Ms. Aditi Chanchani, Coordinator Programmes, EQUATIONS, No. 415, 2C, Cross, 4 th Main, OMBR Layour, Banaswadi, Bangalore-560 043.	Member
53.	Dr. Sudhir Kumar Singh, President Society for Empowerment, New Delhi	Member
54. S	Shri Rajiv Kohli, Vice Chairman, India Convention Promotion Bureau (ICPB) Room No. 233-A, Ashok Hotel, Niti Margh, Chanakya Puri, New Delhi-110021	Member
55.	President, Tourism Committee of CII, New Delhi	Member
56.	President, Tourism Committee of FICCI, New Delhi	Member
57.	President, Tourism Committee of ASSHOCHAM, New Delhi	Member
58.	President, Tourism Committee of PDHCCI, New Delhi	Member

59.	President, Hotel Association of India, New Delhi	Member
60.	President, Federation of Hotel and Restaurant Association of India, New Delhi	Member
61.	President, National Restaurant Association of India, New Delhi	Member
62.	President, Domestic Tour Operator Association	Member
63.	President, Indian Association of Tour Operators, New Delhi	Member
64.	President, Adventure Tour Operators Association, New Delhi	Member
65.	President, Tourist Transport Operators Association, New Delhi	Member
66.	President, Travel Agents Association of India, New Delhi	Member
67.	President, Indian Medical Travel Association	Member
68.	President, Eco Tourism Society, New Delhi.	Member
69.	Chairman, INTACH, New Delhi	Member
70.	C&MD, Kingfisher Airlines, Bangalore	Member
71.	C&MD, Jet Airways, Mumbai	Member
72.	C&MD, Indigo Airlines, Gurgaon, Haryana	Member
73.	Shri Lalit Narula, Member, BOG, National Council for Hotel Management and Catering Technology, NOIDA	Member
74.	Shri Manish Shabharwal, Chairman, Team Lease Company, Mumbai	Member
75.	Shri Ashwani Kakkar, Mercury Travels, New Delhi	Member
76.	Shri Raymond Bickson, MD, Taj Group of Hotels, Mumbai	Member
77.	Ms. Santosh Yadav, Mountaineer, New Delhi	Member
78.	Secretary (Tourism), Government of Andhra Pradesh	Member
79.	Secretary (Tourism), Government of Jharkhand	Member
80.	Secretary (Tourism), Government of Gujarat	Member
81.	Secretary (Tourism), Government of Uttarakhand	Member
82.	Secretary (Tourism), Government of Madhya Pradesh	Member
83.	Secretary (Tourism), Government of Rajasthan	Member
84.	Secretary (Tourism), Government of Kerala	Member
85.	Secretary (Tourism), Government of Bihar	Member
86.	Secretary (Tourism), Government of Uttar Pradesh	Member
87.	Secretary (Tourism), Government of Meghalaya	Member
88.	Secretary (Tourism), Government of Jammu & Kashmir.	Member

III. The Terms of Reference (Specific to the Working Group) will be as follows:

1. To review the performance of the tourism sector with reference to the strategy and objectives of the Eleventh Plan together with issues identified in the MTA and to suggest a plan for the promotion of tourism in the Twelfth Plan.
2. To identify priority areas for development of tourism during the Twelfth Plan period based on a master plan and to assess prospects of new tourism products.
3. To review connectivity requirements to tourist destinations and suggest measures to improve connectivity to existing and potential destinations.

4. To review the extent of private participation and investment for tourism promotion taking into account environmental impact studies and the carrying capacity of tourist destinations using instruments of spatial and land use planning and architectural control.
5. To make an assessment of the foreign tourism markets and to identify the reasons for low volume of tourist traffic to the country compared to neighboring countries.
6. To assess the likely tourist flows and project the targets for international and domestic tourism during the Twelfth Plan.
7. To suggest measures for increasing the period of stay/spending by tourists so as to create more employment and income generating opportunities and selected destinations.
8. To make an assessment of the accommodation requirements, both in the star and budget category, and the requirements of transportation and other facilities commensurate with the projected volume of tourist traffic.
9. To review the working of hospitality training institutes and to project the trained man power requirements and training facilities during the Plan period.
10. To assess the investments to be made by the Ministry of Tourism as well as by the private sector for provision of tourist facilities to the level of international standards, including hotels, at the potential destinations and circuits.
11. To estimate direct and indirect employment expected to be generated in the sector during the plan period.
12. To review the impact of existing Plan schemes, particularly the progress of tourism circuit approach, and the need for modifications, if any.
13. While formulating recommendations for the 12th Plan, take into account the recommendations, suggestions and findings of various committees including Parliamentary Committee, studies, etc.
14. To review the national tourism policy and suggested modifications, if any, required.
15. To identify constraints which impede the growth of tourism and make recommendations for their removal.
16. To resolve contradictions in policy to achieve inter-sectoral convergence of activities that help the growth of tourism.
17. To review the progress of tourism development in the North-Eastern region and to make suggestions.
18. Any other item considered important by the Working Group.

IV. Terms of Reference (General)

1. The Chairman may constitute Specialists Group/Sub-Group as considered necessary and co-opt other members to the Working Group for specific inputs.
2. The expenditure towards TA/DA in connection with the meetings of the Working Group in respect of official members will be borne by their respective Ministry/Department. In case of non-official members of the Working Group, expenditure towards their TA/DA would be met by the Planning Commission as admissible to the class-I officers of the Government of India.
3. The working Group will submit its draft report by September, 2011 and final report by 31st October, 2011 to the Planning Commission.
4. Shri Arbind Modi, Consultant (Tourism & Culture) Planning Commission, Room No.223, Yojana Bhawan, New Delhi – 110001, Telefax No.011-23096584. E-mail: arbindmodi@gmail.com will be the nodal officer of this Group and any further query/correspondence in this regard made with him.

Sd/-
(Shiv Singh Meena)
Deputy Adviser (T&C)
Tel. : 2309 6526

Sub Groups for 12th Five Year Plan

Sl. No.	Name of the Sub Group	Name of the person opted	Convener
1.	HRD and Capacity Building	a) R. Sarwal, JS, D/O Ayush. b) Jayesh Ranjan, Secretary (Tourism), Andhra Pradesh c) Manjula Chaudhary, Director, IITTM. d) Vijay Thakur, President, IATO. e) M.D. Kapoor Secretary General, FHRAI. f) Lalit Nirula, NCHMT g) Sudhir Sahi	Sh. Devesh Chaturvedi, Additional Director General (Tourism), Transport Bhawan, 1,Parliament Street, New Delhi-110001. Tel:23718663 E.mail: d.chaturvedi@nic.in
2.	Development of Tourism Infrastructure and Destination Management including the access and connectivity related issues as well as ICT infrastructure.	a) R. Sarwal, JS, D/O Ayush b) Aswani Lohani, DRM, Northern Railway c) Tarun Kr. Jajoria, Deputy Secretary, M/O Shipping d) Rakesh Sharma, Pr. Secretary, Uttarakhand. e) Hari Ranjan Rao, Secretary(Tourism), MP f) Parvaiz Ahmad Handoo, Jt. Dir. J&K Tourism. g) Samiran Saha, M/O RT&H h) Sarabjit Singh, ITTA i) Anil Mehta, GM(Commercial), Air India j) Rajesh Mudgil, IATO. k) Ranjan Sehgal, Director, TAAI. l) Archana Kapoor, CMD, TFCI. m) Vijay Thakur, President, IATO. n) Paritosh Gupta, CEO, IL&FS. o) Sumitra Kar, WTTCII p) Shri Sudhir Sahi	Sh.R.N.Pandey, Additional Director General (Market Research) C-1 Hutments, Dalhousie Road, New Delhi-110011. Tel:23018229 E.mail: rn.pandey@nic.in
3.	Publicity and Marketing (Both National and International) – including the recommendations about the re-structuring of Overseas Offices and domestic Offices.	a) Sujit Banerjee, Secretary General, WTTCII. b) Radhika Lokesh, JS(ITP), MEA c) Mahmood Ahmed, Director M/O Urban Dev. d) Dr. Manoj Nesari, Jt. Advisor, D/O Ayush e) N. Ramakrishnan, US, MEA f) Vipul Mitra, Pr. Secretary (Tourism), Gujarat Tourism g) Dr. Venu V, Secretary (Tourism), Kerala h) Hari Ranjan Rao, Secretary(Tourism), MP i) Anil Mehta, GM, Com, Air India. j) Arjun Sharma, MD, Le Passage k) Rajesh Mudgil, IATO l) Sarabjit Singh,President, ITTA m) Vijay Thakur, President, IATO. n) Amita Sarkar, Sr. Director, CII. o) Pradeep Thukral, ED, IMTA.	Sh. Anand Kumar, Joint Secretary (Tourism), Transport Bhawan, 1, Parliament Street, New Delhi-110001. Tel:23715084 E.mail: istourism@rediffmail.com

		<p>p) Sumitro Kar, Director Communication, WTTTCII</p> <p>q) P.P. Khanna, Vice President, ADTOI</p>	
4.	Taxation, Incentives and Concessions.	<p>a) Arjun Sharma, MD, Le Passage</p> <p>b) Sarabjit Singh, ITTA</p> <p>c) Vijay Thakur, President, IATO.</p> <p>d) Vivek Nair, Chairman, WTTTCII</p>	<p>Sh. Devesh Chaturvedi, Additional Director General (Tourism), Transport Bhawan, 1,Parliament Street, New Delhi-110001. Tel:23718663 E-mail: d.chaturvedi@nic.in</p>
5.	Sustainable Tourism, Rural Tourism Eco-tourism and Heritage tourism	<p>a) M.P. Bezbaruah, Permanent Rep. UNWTO</p> <p>b) Sujit Banerjee, Secretary General, WTTTCII</p> <p>c) Dr. C. T. Misra, Member Secretary, INTACH</p> <p>d) Jayesh Ranjan, Secretaty(T), Andhra Pradesh</p> <p>e) Vivek Saxena, Director, M/O E&F</p> <p>f) Aditi Chanchani, Co-Ordinator Program, Equations.</p> <p>g) Sanjiv Mittal, JS, M/O Culture</p> <p>h) Smita Chugh, Additional Chief Secretary, Govt. of Jharkhand.</p> <p>i) M.A. Ahmad, Bihar Tourism</p> <p>j) V. K. Jain, Deputy Dir, Rajasthan Tourism.</p> <p>k) Dr. Sudhir Kumar Singh, President, Society for Empowerment.</p> <p>l) Rakesh Mathur, Ececutive Committee Member, Indian Heritage Hotels Society</p> <p>m) Mandip Singh Soin, President, Eco Tourism Society of India</p> <p>n) Rajan Gandhi, President, Society for Action Group</p> <p>o) Sudhir Sahi, Expert, Rural and Sustainable Tourism</p>	<p>Sh. A.K.Gupta, Additional Director General (AKG), C-1 Hutments, Dalhousie Road, New Delhi-110011. Tel:23014863 E-mail: akgupta@nic.in</p>
6.	Promotion of Adventure Tourism and Other Niche Products.	<p>a) Mandip Singh Soin, President, Eco Tourism Society of India.</p> <p>b) Tejbir Singh Anand, President, ATOAI.</p> <p>c) P.P. Khanna, Vice President, ADTOI.</p> <p>d) Sujit Banerjee, Secretary General, WTTTCII.</p> <p>e) Sumitro Kar, Director Communication, WTTTCII.</p> <p>f) Arjun Sharma, M.D, Le Passage.</p> <p>g) Shri Rajiv Kohli, India Convention Promotion Bureau (ICPB)</p>	<p>Smt.Urvashi Sadhwani, Adviser (Tourism), Transport Bhawan,1,Parliament Street, New Delhi-110001. Tel:23719608 E-mail: u.sadhwani@nic.in</p>
7.	Effective Coordination between various	<p>a) Thanglemlian, DS, M/O Youth Affairs</p> <p>b) Hari Ranjan Rao, Secretary(Tourism), MP</p>	<p>Sh. Sanjay Kothari, Additional Secretary (Tourism), Transport</p>

	Ministries of the Government of India as well as State Governments for promotion of tourism in the country.	c) Sumitro Kar, Director Communication, WTTCCII	Bhawan,1,Parliament Street, New Delhi-110001. Tel:23715717 E.mail: as-tour@nic.in
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Terms of Reference of Various Sub-Groups.

- I. To examine the growth of specific aspects of tourism sector covered by the Sub-Groups during 11th Plan and specify targets to be achieved by the end of 12th Plan.
 - II. To estimate the requirement of fund for realizing the targets by the end of 12th Plan.
 - III. To examine the existing schemes of the Ministry of Tourism on the areas covered by the Sub-Group and suggest specific recommendations for their modification.
 - IV. If needed, to suggest new Plan Schemes to be launched during 12th Plan with specific details such as role of State/UTs, funding norms sanctioning and monitoring mechanism, etc.
 - V. To recommend the additional initiators in the subject areas of the Sub-Group for the North-Eastern Region, Jammu & Kashmir, hilly areas, etc.
 - VI. Additional training and other infrastructure to be created in the subject areas of the Sub-Group during 12th Plan.
 - VII. Any other issue which the Sub-Group feels important to be included.
 - VIII. Recommended measures for safe & honorable and sustainable tourism in the areas covered by the Sub-Groups.
2. The meetings of the Sub-Groups will be organized by the convener of the respective Sub-Group.
 3. Maximum two meetings of the Sub Groups may be organized.
 4. The final report of the Sub-Group may be submitted to the working Group by 15th August 2011.
 5. TA/DA of the non-official member for attending the meetings of the Sub-Group will be paid by Planning Commission as per the terms and conditions mentioned in the Planning Commission Order No.M-13013/3/2011-12-Tourism dated: 19.05.2011.
 6. For any clarification Dr. R.N. Pandey, Additional Director General (E-Mail: rnpandey@nic.in, Tel: 011-23018229) may be contacted.

Expenditure Details of the Schemes of 11th Plan

Sr.No.	Schemes	Eleventh Five Years Plan Outlay	Allocation during 2007- 08, 2008-09, 2009-10 and 2010-11.	Expenditure during 2007- 08, 2008-09, 2009-10 and 2010-11.	Allocation for 2011-12
	Centrally Sponsored Schemes (CSS)				
1.	Product/Infrastructure Development for Destinations and Circuits	2381.00	1951.13	2112.09	562.99
	Central Sector Schemes (CS)				
1	Externally Aided Projects	37.00	22.65	18.49	3.00
2	UNDP Endogenous Projects	2.00	4.30	4.21	0.00
3	Assistance to IHMs/FCIs/IITTM/NIWS	495.00	285.70	303.70	102.00
4	Capacity Building for Service Providers	95.00	64.00	48.21	25.00
5	Overseas Promotion and Publicity including Market Development Assistance	1010.00	875.00	871.26	280.00
6	Domestic Promotion and Publicity including Hospitality	426.00	270.00	274.35	75.00
7	Incentives to Accommodation Infrastructure	235.00	64.00	45.78	2.00
8	Computerization and Information Technology	121.00	63.50	54.13	20.00
9	Market Research including 20 Years Perspective Plan	29.00	15.50	10.83	4.00
10	Assistance for Large Revenue Generating Projects	200.00	69.20	26.40	20.00
11	Creation of Land bank for Hotels	14.00	12.01	0.00	0.01
12	Assistance to Central Agencies for Tourism infrastructure development	25.00	27.01	16.26	5.00
13	Construction of Building of IISM	13.00	10.00	5.31	1.00
14	Equity Contribution to ITDC	73.00	73.00	73.00	0.00
	Total CS and CSS	5156.00	3807.00	3864.02	1100.00

Number of Projects* and Amount sanctioned* during the 11th Plan Period upto 31st March. 2011.											
No.	State	2007-08		2008-09		2009-10		2010-11		11th Plan	
		No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
1	2	3	4	5	6	7	8	9	10	11	12
1	Andhra Pradesh	9	26.29	8	109.89	13	37.29	10	20.38	40	193.85
2	Arunachal Pradesh	11	43.30	13	31.47	14	36.54	13	32.26	51	143.57
3	Adman & Nicobar	0	0	0	0	0	0	0	0	0	0
4	Assam	6	17.47	4	21.08	7	22.76	4	23.55	21	84.86
5	Bihar	4	21.95	10	25.05	3	6.99	1	3.60	18	57.59
6	Chandigarh	2	0.20	5	7.99	5	11.51	5	11.04	17	30.74
7	Chhattisgarh	5	12.94	1	11.34	0	0	4	20.95	10	45.23
8	Dadra & Nagar Haveli	0	0	3	0.24	0	0	0	0	3	0.24
9	Daman & Diu	0	0	1	0.12	0	0	0	0	1	0.12
10	Delhi	8	20.76	1	0.15	9	44.91	5	9.75	23	75.57
11	Goa	0	0	2	43.14	2	17.00	3	12.78	7	72.92
12	Gujarat	5	5.81	7	21.33	1	7.33	1	0.14	14	34.61
13	Haryana	10	22.50	7	36.70	6	12.37	6	27.41	29	98.98
14	Himachal Pradesh	12	34.81	10	34.58	6	23.95	12	34.98	40	128.32
15	Jammu and Kashmir	33	70.60	28	43.42	31	49.75	20	56.17	112	219.94
16	Jharkhand	7	11.31	0	0	3	0.25	5	7.56	15	19.12
17	Kerala	11	41.24	12	42.68	7	12.98	3	42.87	33	139.77
18	Karnataka	6	24.79	4	42.73	13	42.42	2	8.59	25	118.53
19	Lakshadweep	1	7.82	0	0	0	0	0	0	1	7.82
20	Maharashtra	7	22.79	3	41.10	2	5.01	3	11.30	15	80.2
21	Manipur	5	11.11	9	29.44	9	27.14	8	39.40	31	107.09
22	Meghalaya	2	6.74	7	17.14	7	14.73	9	22.53	25	61.14
23	Mizoram	6	26.93	4	3.18	7	24.06	9	11.51	26	65.68
24	Madhya Pradesh	16	39.51	11	31.41	11	60.99	13	30.85	51	162.76
25	Nagaland	22	32.41	11	25.40	13	24.60	10	29.10	56	111.51
26	Orissa	13	30.87	6	41.15	9	23.69	6	20.29	34	116
27	Puducherry	6	16.10	4	2.52	3	5.57	3	50.26	16	74.45
28	Punjab	2	15.98	5	24.93	3	9.48	4	11.91	14	62.3
29	Rajasthan	2	15.54	9	44.31	7	19.74	7	31.32	25	110.91
30	Sikkim	25	55.91	20	66.78	19	42.36	14	23.48	78	188.53
31	Tamil Nadu	11	27.61	16	36.14	10	16.28	6	60.00	43	140.03

Number of Projects* and Amount sanctioned* during the 11th Plan Period upto 31st March. 2011.											
No.	State	2007-08		2008-09		2009-10		2010-11		11th Plan	
		No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
1	2	3	4	5	6	7	8	9	10	11	12
32	Tripura	11	11.11	6	3.61	13	20.67	12	40.73	42	76.12
33	Uttar Pradesh	7	29.24	6	38.40	6	21.90	14	27.85	33	117.39
34	Uttarakhand	6	21.01	2	44.68	1	0.55	8	29.78	17	96.02
35	West Bengal	12	32.41	10	37.94	7	28.37	8	22.02	37	120.74
	GRAND TOTAL	283	757.06	245	960.04	247	671.19	228	774.36	1003	3162.65
	* Includes Projects relating to PIDDC, HRD and A&RT										

Annexure - V

Comparison of Trends in the Tourism Sector during 10th and 11 Plan

(a) Foreign Tourist Arrivals to India (in million)

Year	Arrival	% Change over Previous	Compounded Annual Growth Rate (CAGR)
2001	2.54	-4.2	
2002	2.38	-0.6	
2003	2.73	14.3	
2004	3.46	26.8	
2005	3.92	13.3	
2006	4.45	13.5	11.87*
2007	5.08	14.3	
2008	5.28	4.0	
2009	5.17	-2.2	
2010**	5.58	8.1	
2011***	6.18	10.8	6.79****

* For the period 2001 - 2006

** Provisional

*** Projected

**** For the period 2006 – 2011

(b) India's share in world arrivals(in million)

Year	World Arrivals	Arrivals in India	Share of India in world arrivals (%)	CAGR
2001	683.4	2.54	0.37	
2002	703.2	2.38	0.34	
2003	691.0	2.73	0.39	
2004	762.0	3.46	0.45	
2005	803.4	3.92	0.49	
2006	846.0	4.45	0.53	4.36*
2007	894.0	5.08	0.57	
2008	917.0	5.28	0.58	
2009	882.0**	5.17	0.59	

2010	940.0**	5.58**	0.59	
2011***	965.1	6.18	0.64	2.67****

* For the period 2001 - 2006

** Provisional

*** Projected

**** For the period 2006 – 2011

(c) Foreign Exchange Earnings by India from Tourism (in US\$ million)

Year	Foreign Exchange Earnings	% Change over Previous Year	CAGR
2001	3198	-7.6	
2002	3103	-3.0	
2003	4463	43.8	
2004	6170	38.3	
2005	7493	21.4	
2006	8634	15.2	21.97*
2007	10729	24.3	
2008	11832	10.3	
2009**	11394	-3.7	
2010**	14193	24.6	
2011***	16691	17.6	14.09****

* For the period 2001 – 2006

**Advance Estimate

*** Projected

**** For the period 2006 – 2011

(d) India's share in world Foreign Exchange Earnings (in US \$ billion)

Year	World Earnings	Earnings by India	Share of India in world earnings	CAGR world earnings	CAGR earnings in India
2001	463.8	3.20	0.69		
2002	481.9	3.10	0.64		
2003	529.3	4.46	0.84		
2004	633.2	6.17	0.97		
2005	679.6	7.49	1.10		
2006	744.0	8.63	1.16	9.91*	21.97*
2007	857.0	10.73	1.25		
2008	939.0	11.83	1.26		
2009	851.0	11.39**	1.34		
2010	919.0	14.19**	1.54		
2011***	968.8	16.69	1.72	5.42	14.09****

* For the period 2001 – 2006
**Advance Estimate
*** Projected
**** For the period 2006 – 2011

(e) India's Rank in World Tourism Arrivals and World Tourism Receipts

Year	India's Rank	
	In World Arrivals	In World Tourism Receipts
2001	51 st	36 th
2002	54 th	37 th
2003	51 st	37 th
2004	44 th	26 th
2005	43 rd	22 nd
2006	44 th	22 nd
2007	41 st	22 nd
2008	41 st	22 nd
2009	41 st	22 nd
2010	40 th	16 th

(f) Domestic Tourist Visits in India (in million)

Year	Domestic Tourist Visits	% Change over previous year	CAGR
2001	236.47	7.4	
2002	269.6	14..0	
2003	309.04	14.6	
2004	366.27	18.5	
2005	391.95	7.0	
2006	462.31	18.0	14.35*
2007	526.43	13.9	
2008	563.03	7.0	
2009	668.8	18.8	
2010**	740.21	10.7	12.49****

* For the period 2001 - 2006

**Provisional

**** For the period 2006 – 2011

(g) Number of Indian Nationals Departures from India

(in million)

Year	Outbound Visits	% Change over previous year	CAGR
2001	4.56	3.4	
2002	4.94	8.2	
2003	5.35	8.3	
2004	6.21	16.1	
2005	7.18	15.6	
2006	8.34	16.1	12.83*
2007	9.78	17.3	
2008	10.87	11.1	
2009	11.07	1.8	
2010**	12.07	9.0	9.68****

* For the period 2001 - 2006

**Provisional

**** For the period 2006 – 2011

LIST OF MEGA TOURISM DESTINATIONS/CIRCUITS

Annexure -VI

(Rs. in Lakhs)

Sl. No.	State/UTs	Name of the Mega Project/Circuits	Year of Sanction	Amt. Sanctioned	Amt. Released
1.	Andhra Pradesh	Charminar area of Hyderabad - Destination	2007-08	994.75	796.79
2.		Tirupati Heritage Circuit	2008-09	4652.49	2326.25
3.		Kadapa Heritage Tourist Circuit	2008-09	3692.89	1846.44
4.	Assam	National Park Mega Circuit covering Manas, Orang, Nameri, Kaziranga, Jorhat, Sibsagar & Majouli	Identified. During 2010-11	Identified. During 2010-11	
5.	Bihar	Bodhgaya-Rajgir-Nalanda- Circuit	2006-07	1922.42	961.21
6.	Chattisgarh	Jagdalpur-Tirathgarh-Chitrakoot-Barsur-Dantewada-Tirathgarh Circuit	2008-09	2347.39	870.30
7.	Delhi	Illumination of monuments- Circuit	2006-07	2375.09	1187.54
8.		Development of Dilli Haat, Janakpuri.	Identified	Identified	
9.	Goa	Churches of Goa Circuit	2008-09	4309.91	2154.95
10.	Gujarat	Dwarka-Nageshwar-Bet Dwarka Circuit	2008-09	798.90	394.95
11.		Shuklatirth-Kabirvad-Mangleshwar-Angareshwar Circuit	2011-12	465.00	232.00
12.	Haryana	Panipat-Kurukshetra-Pinjore Circuit	Phase-I 2006-07 (S-1630.03) (R-1161.23) Phase-II 2008-09 (S-1545.22) (R-35.54)	3175.25	1196.77
13.	Himachal Pradesh	Eco and Adventure Circuit (Kullu-Katrain-	2009-10	Identified. S/G will send	

		Manali)		revised DPR.	
14.	Haryana & Himachal Pradesh	Panchkula – Yamunanagar (Haryana) – Ponta Sahib	2010-11	3253.06	1626.53
15.	Jammu & Kashmir	Mubarak Mandi Heritage Complex, Jammu – Destination	2010-11	Identified. S/G will send a revised proposal.	
16.		Naagar Nagar Circuit (Watlab via Hazratbal, Tulmullah, Mansbal and Wullar Lake), Srinagar	2011-12	3814.56	722.12
17.		Development of Mega Circuit in Leh	2010-11	Identified. Proposal under Submission	
18.	Jharkhand	Mega Destination at Deoghar	2011-12	2371.19	1185.59
19.	Karnataka	Hampi Circuit	2008-09	3283.58 I	1641.79
20.	Kerala	Muziris Heritage Circuit connecting historically and archaeologically important places of Kodungalloor	2010-11	4052.83	2026.42
21.	Madhya Pradesh	Development of Chitrakoot as Mega Destination	2009-10	2401.98	1200.99
22.		Jabalpur as Mega Circuit	2010-11	Identified under Submission	
23.		Bundelkhand comprising of Tikamgarh, Damoh, Sagar, Chhatarpur and Panna as Mega Circuit	2011-2012	Identified	
24.	Maharashtra	Vidarbha Heritage Circuit	2008-09	3738.19	1869.10
25.		Aurangabad Destination		Project proposal not received	
26.		Mahaur- Nanded	2011-2012	Identified	

		Vishnupuri- Back Water Kandhar Fort as Mega Circuit			
27.	Manipur	INA Memorial	2010-2011	Project proposal not received	
28.	Meghalaya	Umiam (Barapani) as Mega Destination	2011-2012	Identified	
29.	Orissa	Bhubaneshwar- Puri-Chilka- Circuit	2008-09	3022.80	1511.40
30.	Puducherry	Puduchery Destination	2010-11	4511.00	2255.50
31.	Punjab	Amritsar Destination	2008-09	1585.53	542.30
32.	Rajasthan	Ajmer- Pushkar Destination	2008-09	1069.68	319.84
33.		Desert Circuit (Jodhpur- Bikaner- Jaisalmer)	2010-11	Identified. S/G will submit revised DPR.	
34.	Sikkim	Gangtok- Destination	2008-09	2390.70	1195.35
35.	Tamil-Nadu	Mahabalipuram- Destination		1312.69	
36.		Pilgrimage Heritage Circuit (Madurai- Rameshwaram- Kanyakumari)	2010-11	3647.95	1823.97
37.		Thanjavaur	2010-11	1475.00	737.50
38.	Uttarakhand	Haridwar-Rishikesh- Munikireti- Circuit	2008-09	4452.22	3561.74
39.		Nirmal Gangotri		Identified in 2010-11. DPR under process	
40.	Uttar-Pradesh	Agra Circuit	Phase-I East Gate 2005-06 (S-848.49) (R-848.49) West Gate 2006-07 (S-933.40) (R- 933.40) Phase-II 2009-10	3758.33	2770.11

			(S-1976.44) (R-988.22)		
41.		Varanasi-Sarnath-Ramnagar Circuit	Phase-I 2006-07 (S-786.00) (R- 628.80) Phase-II 2008-09 (S-1416.31) (R-708.16)	2202.31	1336.96
42.		Development of Mathura-Vrindavan including renovation of Vishramghat (Mathura) as Mega Destination	Identified for approval during the year 2011-12.		
43.	West Bengal	Ganga Heritage River Cruise Circuit	2008-09	2042.35	1021.18
44.		Dooars (Jalpaiguri District)	2010-11.	Identified	
45.	Tripura	Mega Lake Circuit including Mata Bari	2010-11	Identified	

STATE ROAD SEGMENT LEADING TO IDENTIFIED TOURIST DESTINATION/CIRCUITS FOR DEVELOPMENT UNDER CENTRAL ROAD FUND (CRF)

Sl. No.	Name of the State	Project under Phase- I & II	Stretch identified by Ministry of Road Transport & Highways for developing under CRF.
1.	Karnataka	Hospet – Hampi	Hampi – 22 km away from NH – 63 connected through State Road.
2.	Uttar Pradesh	Varanasi- Sarnath	Sarnath – 2 km away from NH- 29 connected through State Road
3.	Bihar	Gaya- Bodh Gaya	Gaya- Bodh – Gaya – LWE- NH-83- 11.5 km
4.	Tamil Nadu	Mahabalipuram	Mahabalipuram -10 km away from NH – 45 connected through State Road.
		Chettinad	Chettinad – 2 km away from NH – 210 connected through State Road
5.	Kerala	Trivandrum- Kovalam	Kovalam – 12 km away from NH – 47 connected through State Road
6.	West Bengal	Murshidabad	Murshidabad – 20 km away from NH- 34 connected through State Road.
7.		Darjeeling- Kalimpong	Kalimpong- 5 km away from NH – 31A connected through State Road
8.	Punjab	Anandpur Sahib	Anandpur Sahib – 15 km away from NH – 21 connected through State Road
9.	Himachal Pradesh	Dharamshala	Dharamshala -12 km away from NH – 20 connected through State Road.
10.	Madhya Pradesh	Khajuraho	Khajuraho- 10 km away from NH- 75 connected through State Road
11.	Maharashtra	Shrirdi	Shrirdi – 65 km away from NH-50 connected through State Road.
12.	Haryana	Kurukshetra –Panipat	Kurukshetra – 1 km away from NH-1 connected through State Road
13.	Rajasthan	Ajmer- Pushkar	Pushkar – 1 km away from NH – 89 connected through State Road

INTERNATIONAL ACCOLADES FOR “INCREDIBLE INDIA” CAMPAIGN

1. Bronze Lion Award at 55th International Advertising Festival at Cannes in 2007-08, for the “Taj Mahal” Creative of the Ministry.
2. PATA Grand Award for Marketing in 2007.
3. World Travel Awards 2007 for World's Leading Destination Marketing Campaign.
4. India ranked as the “Favourite Country” for 2007, by Conde Nast Traveller Readers Travel Awards
5. India chosen as the Destination of the Year by TTG Asia Travel Group in the 18th TTG Travel Awards 2007.
6. PATA Gold Award 2009 – Marketing Media – Travel Advertisement Broadcast Media
7. PATA Gold Award 2009 – Marketing Media – Travel Poster
8. Conde Nast Traveller, UK in its Readers Travel Awards 2008 ranked India among the top 2 most favoured countries in the world.
9. “World Travel Award 2008” for “Responsible Tourism”
10. Global SASI (Shop America Salutes Innovation) Award 2008 to Incredible India by National Geographic Society
11. PATA Grand Award 2010 : Heritage Category - Rural Tourism Project - A Case Study of Hodka Village.
12. PATA Gold Award 2010 : Marketing - Primary Government Destination - Eco Tourism Marketing Campaign
13. PATA Gold Award 2010 : Marketing Media - Travel Advertisement Print Media - Mahatma Gandhi Creative
14. India was voted as the 7th best destination in the world in the Conde Nast Readers' Travel Awards 2010.
15. World Travel Award 2010 for “World's Leading Destination Marketing Campaign 2010”.
16. Asian Guild Award 2010 recognising the “contribution made by the Incredible India campaign in creating awareness about India among Britishers and British Asians living in UK”
17. The “Incredible India” Promotional Film bagged the Austrian Comite International des Festivals du Film Touristique 2009 Grand Prix Award in Vienna in November, 2009. This award followed a series of international awards won by the film at Berlin, Poland, Romania, France, Portugal, the Czech Republic and Croatia. Subsequently, during April 2010, the film was been honoured with an award for the Best Adventure Film at the Film Festival in Riga, Latvia and with the Gold Award at the New York Film Festival
18. PATA Gold Award 2011 for Marketing Media-Travel Advertisement Print Media for Incredible India domestic campaign creative “Adventure Down Under”
19. PATA Gold Award 2011 for Marketing Media- Promotional Travel Video for promotional film “India is Awesome”.
20. India was voted as the 6th best destination in the world in the Conde Nast Readers' Travel Awards 2011.

Prioritisation of Tourism Destinations/Circuits for Convergence.

Sl.No.	Name of the State/UT	Projects in Phase-I	Projects in Phase-II
1.	Andhra Pradesh	Tirupati, Hyderabad	Vizag
2.	Karnataka	Hospet-Hampi	Mysore
3.	Uttar Pradesh	Agra, Rae- Bareilly, Varanasi-Sarnath	Mathura
4.	Uttarakhand	Haridwar-Rishikesh	Nainital
5.	Bihar	Gaya-Bodh Gaya and Rajgir	
6.	Tamil Nadu	Madurai-Rameshwaram- Kanyakumari	Mahabalipuram and Chettinad
7.	Kerala	Trivandrum-Kovalam	
8.	West Bengal	Murshidabad	Darjeeling-Kalimpong
9.	Punjab	Amritsar	Anandpur Sahib
10.	Sikkim	Gangtok	
11.	Himachal Pradesh	Kullu – Manali	Dharamshala
12.	Assam	Guwahati	
13.	Madhya Pradesh	Khajuraho	Ujjain, Indore
14.	Maharashtra	Aurangabad, Nanded	Shirdi, Nasik
15.	Chhattisgarh	Jagdalpur	
16.	Haryana	Yamunanagar-Ambala	Kurukshetra-Panipat
17.	Orissa	Bhubaneswar-Puri- Konark	
18.	Jammu & Kashmir	Leh	
19.	Rajasthan	Jaipur, Ajmer-Puskar	

State-wise Annual Plan for Tourism in 2010-11 and Recommended Annual Plan for 2011-12.

Sr. No.	State/UT	Annual Plan		Rank	
		2010-11	2011-12 (Recommended)	2010-11	2011-12
1	Andhra Pradesh	6.20	10.55	27	29
2	Arunachal Pradesh	12.99	6.00	22	32
3	Assam	27.88	45.00	14	13
4	Bihar	30.44	30.44	13	17
5	Chhattisgarh	45.35	47.85	10	11
6	Goa	57.74	52.47	9	10
7	Gujarat	191.00	269.09	2	1
8	Haryana	18.30	20.00	20	23
9	Himachal Pradesh	7.45	17.35	25	24
10	Jammu and Kashmir	132.50	132.00	4	5
11	Jharkhand	25.00	25.00	15	19
12	Karnataka	196.29	230.00	1	3
13	Kerala	90.00	105.00	5	7
14	Madhya Pradesh	25.00	72.72	15	8
15	Maharashtra	189.89	190.00	3	4
16	Manipur	2.10	6.12	33	31
17	Meghalaya	7.00	13.45	26	27
18	Mizoram	3.90	5.07	31	34
19	Nagaland	11.44	14.00	23	26
20	Orissa	22.80	40.00	19	15
21	Punjab	5.91	22.39	28	21
22	Rajasthan	25.00	25.00	15	19

Sr. No.	State/UT	Annual Plan		Rank	
		2010-11	2011-12 (Recommended)	2010-11	2011-12
23	Sikkim	24.98	27.77	18	18
24	Tamil Nadu	39.05	21.05	11	22
25	Tripura	1.37	5.98	34	33
26	Uttar Pradesh	73.00	253.57	7	2
27	Uttarakhand	78.05	112.33	6	6
28	West Bengal	39.00	42.90	12	14
29	Andaman & Nicobar Islands	15.00	46.00	21	12
30	Chandigarh	1.00	10.61	35	28
31	Dadra and Nagar Haveli	2.47	7.29	32	30
32	Daman & Diu	4.40	32.59	30	16
33	Lakshadweep	4.64	5.00	29	35
34	Puducherry	61.58	61.70	8	9
35	Delhi	8.50	15.50	24	25
Total (All States/UT's)		1487.22	2021.79		
(Central)		1050.00	1110.96		
G. Total:		2537.22	3132.75		

**STATEMENT SHOWING THE STRUCTURE OF TAXES BEING LEVIED
ON THE HOSPITALITY SECTOR**

SL. No.	STATE	LUXURY TAX	ACTUAL / PRINTED RATE	THRESHOLD LIMIT	VAT ON FOOD ITEM	VAT ON LIQUOR	SERVICE TAX
1.	ANDAMAN & NICOBAR ISLANDS	N.A	N.A	N.A	N.A	N.A	Accommodation charge @ 5.15% per year Restaurant charge @ 3.09% Per year w.e.f. 01.05.2011
2	ARUNACHAL PRADESH	Nil	Nil	Nil	12.5%	20%	10.3% on 60% of capital amount for Banquet, conf. room, etc.
3	ASSAM	Rs.300 to Rs.1000 @5%	Printed Rate	Rs.300/-	5%	27%	-do-
		Rs.1000 to Rs.2000 @8%					
		Rs.2000+ @12%					
4	MEGHALAYA	20%	Printed	No Exemption	12.5%	Nil	-do-

SL. No.	STATE	LUXURY TAX	ACTUAL / PRINTED RATE	THRESHOLD LIMIT	VAT ON FOOD ITEM	VAT ON LIQUOR	SERVICE TAX
			Rate	Limit			
5	SIKKIM	Nil	Nil	Nil	12.5%	Nil	-do-
6	ORISSA	N.A	N.A	N.A	13.5%	NIL	5.15% on room 3.09% on food & beverage
7	WEST BENGAL	5% for room rent upto Rs. 3000/- and 10% above Rs. 3000/-	NA	NA	13.5%	23%	10.3%
8	BIHAR	5% for room rent or more per day but less than Rs.1000 per day	NA	NA	13.5%	50%	NA
		10% of the rent of Rs.1000 and above per day					
8	PUNJAB	4%	On actual tariff	Rs.200/-	13.75%	No VAT on liquor	
9	HARYANA	10%	On actual tariff	Rs.1999/-	13.13%	26.25%	

SL. No.	STATE	LUXURY TAX	ACTUAL / PRINTED RATE	THRESHOLD LIMIT	VAT ON FOOD ITEM	VAT ON LIQUOR	SERVICE TAX
10	RAJASTHAN	10%	On actual tariff	Rs.2999/-	14% on food for 3 star & above	20% on liquor	
			On actual tariff		5% on food for 2 star & below including un-starred		
11	UTTARAKHAND	5%	On actual tariff	Rs 999/-	13.5% on food	32.5% on liquor	32.5% on liquor
12	HIMACHAL PRADESH	10%	On actual tariff	Rs 999/-	5% on food	13.75% on soft beverages	13.75% on soft beverages
13	DELHI	10%	On printed rates	Rs 999/-	12.5% on food	20% on liquor	20% on liquor
14	UTTAR PRADESH	5%	On actual tariff	Nil	13.5%	Nil	10.3%
15	CHANDIGARH	4%	On actual tariff	Nil	16.84%	Nil	5.15% on room 3.09% on room
16	JAMMU & KASHMIR	Nil	Nil	Nil	13.5% on food	Nil	Nil
17	TAMIL NADU	12.5%	On printed rates	Rs.1000/-	12.5%	58% VAT on imported	10.3% of 60% of the turn over for

SL. No.	STATE	LUXURY TAX	ACTUAL / PRINTED RATE	THRESHOLD LIMIT	VAT ON FOOD ITEM	VAT ON LIQUOR	SERVICE TAX
						liquor.	Banquets.
18	PUDUCHERRY	Nil	--	--	2% on Food	Nil	10.3% on Banquets
					12.5% on Soft Drinks & Mineral Water		
					4% on Fresh Juices		
					8% on Ice cream		
					12.5% on Pastries		
					15% on Cigarettes		
19	KERALA	7.5%	Actual Tariff	Rs.200/- to Rs.499/-	12.5% on all hotels with turnover of Rs. 5 Lakh and above.	NIL (10.1% of turnover on sales value will be paid by the hotelier)	10.36 %
		12.5%	Actual	Rs. 500/- and			

SL. No.	STATE	LUXURY TAX	ACTUAL / PRINTED RATE	THRESHOLD LIMIT	VAT ON FOOD ITEM	VAT ON LIQUOR	SERVICE TAX
			Tariff	above.			
20	ANDHRA PRADESH	5 %	Printed Tariff	Rs.300/-	No VAT below Rs.5.00 Lakh	NIL	10.3% of 60% of the turnover for Banquets
					4% for turnover of Rs.5.00 Lakh to Rs150.00 Lakh		
					14.5% VAT for turnover above Rs.150.00 Lakh .		
21	KARNATAKA	12%	Actual Tariff	Rs.2000/- & above	13.5%	NIL	6.49% on Banquets
		8%	Actual Tariff	Rs.1000/- to Rs.1999/-			
		6%	Actual Tariff	Rs.600/- to Rs. 999/-			
22	MAHARASHTRA	Rs.750/- TO Rs.1200/- 4.4%	Actual Tariff	Rs.750/-	12.50%	12.50%	
		above Rs.1200/- 10%					

SL. No.	STATE	LUXURY TAX	ACTUAL / PRINTED RATE	THRESHOLD LIMIT	VAT ON FOOD ITEM	VAT ON LIQUOR	SERVICE TAX
23	MADHYA PRADESH	Upto Rs.2000 exempted Rs.2001/- and above 10%	Actual Tariff	Rs.2000/-	5%	13%	10.3% of 50% of lodging tariff 10.3% of 30% of food bill in a air-conditioned restaurant
24	GUJARAT	Rs.501 To 2000/- 4%	Printed tariff	Rs.500/-	12.5% on food	15%	5.15%
		above Rs.2000/- 6%					
25	GOA	Upto Rs.300/- exempted	On actual tariff	Rs.300/-	12.5%	20%	
		Rs.301/- to Rs.2000/- 5%					
		Rs.2001/- To 5000/- 8%					
		Rs.5000/- and above 10%					
26	CHHATTISGARH	Up to Rs.1000/- to Rs.2000/- 5%	On actual tariff	NA	5%	14%	5%

SL. No.	STATE	LUXURY TAX	ACTUAL / PRINTED RATE	THRESHOLD LIMIT	VAT ON FOOD ITEM	VAT ON LIQUOR	SERVICE TAX
		Above Rs.2000/- 10%					
27	DAMAN & DIU	Nil	-	-	4%	20%	5.5%
28	DADRA NAGAR & HAVELI	Nil	-	-	4%	20%	5.5%

ANNEXURE – XII

DETAILS OF PASSENGER /ROAD TAXES LEVIED BY DIFFERENT STATES

DETAILS OF INTERSTATE TAXES FOR VARIOUS STATES/VEHICLES							
State	All Cars	Tavera/ Innova (6+1 Str)	T/Tvlr (9+1 Str)	15 / 18 Str NAC AC		27 Str AC	35 Str AC
Haryana							
Pax Tax. Road Tax	P.Cal.Qtr Incl 950	1800 475	2700 475	3.80P.Km 150 P.Trip	6.71 P.Km 150 P.Trip	10.10P.K m 225 P.Trip	13.80P.K m 300 P.Trip
Total	P.Cal.Qtr 950	P.Cal.Qtr 2275	P.Cal.Qtr 3175	N.A.	N.A.	N.A.	N.A.
Uttar Pradesh							
Pax Tax.	P.St / Day – Rs30 P Day 30x4=Rs120 Misc. Rs. 50	P.Seat / Day 30 P Day 30x6=180	P.Seat / Day 30 P Day 30x9=270	P.Seat / Day 30 P Day 30x19=570	P.Seat / Day 30 P Day 30x19=570	P.Seat / Day 30 P Day 30x28=840	P.Seat / Day 30 P Day 30x37=1110
Rajasthan				Chargeable on Temporary Permits			
Pax + .Road Tax	P.Cal.M onth 750 P.day 150+ 50 .	P.Cal.Mont h 1950 P.day 400+ 50 .	P.Cal.Month 2250 Misc. Rs. 50 ----- Rs.2300	Rs. 90 P.Seat/Wk. +300 P.Day P.Cal Mth 14600 - (only chargble AITP)	Rs. 90 P.Seat/Wk. +300 P.Day P.Cal Mth 14600 (only chargble AITP)	Rs.120 P.Seat/Wk . +500 P.Day +210 C.F P.Cal Mth18000 (only chargble AITP)	Rs.120 P.Seat/W k. +500 P.Day +210 C.F P.Cal Mth 21500 (only chargble AITP)
Uttarakhand				Chargeable on Temporary Permits			

Pax Tax +. Road Tax – 14 days	P.Cal.Qtr 1180 incl	P.Cal.Qtr 1180 incl	P.Cal.Qtr 5600 incl 100 ----- 5700	P.Seat / Day 45 P Day 900 P Trip 95 P.Cal.Qtr 18500 (only chargeble AITP)	P.Seat / Day 45 P Day 900 P Trip 95 P.Cal.Qtr 18500 (only chargeble AITP)	P.Seat / Day 45 P Day 1305 P Trip 140 P.Cal.Qtr 18500 (only chargeble AITP)	P.Seat / Day 45 P Day 1665 P Trip 180 P.Cal.Qtr 18500 (only chargeble AITP)
Himachal Pradesh							
Pax Tax +. Road Tax	P.Cl.Qtr. 600	P.Cal. Qtr. 600	P.Cal.Month 2200 P.Cal. Qtr 6000	P.M.(dt-dt) 10000 3 Rd Trips	P.M.(dt-dt) 10000 3 Rd Trips	P.M.(dt-dt) 10000 3 Rd Trips	P.M.(dt-dt) 10000 3 Rd Trips
Punjab							
Pax Tax +Road Tax	P.day 100	P.day 100	P.day 200	Per Cal Day 4000	Per Cal Day 4000	Per Cal Day 4000	Per Cal Day 4000
J & K							
Pax Tax +. Road Tax	P. Day Rs.100 Entry 100	P. Day Rs.100 Entry 100	P. Day Rs.200 Entry 100	Min. 3 Days – 2900 After 3 days Adll- 2000 + P.Day 300	Min. 3 Days – 2900 After 3 days Adll- 2000 + P.Day 300	Min. 3 Days – 2900 After 3 days Adll- 2000+ P.Day 300	Min. 3 Days – 2900 After 3 days Adll- 2000+ P.Day 300
M.P.							
Pax Tax Penalty	P. Seat /Day 50 Penalty 100	P. Seat /Day 50 Penalty 100	P. Seat /Day 50 Penalty 2000	P. Seat /Day 50 Penalty 2000	P. Seat /Day 50 Penalty 2000	P. Seat /Day 50 Penalty 2000	P. Seat /Day 50 Penalty 2000
Gujarat							
Pax +. Road Tax	P.Seat/ Wk 240	P.Seat/ Wk 240	P.Seat/ Wk 240	P.Seat/ Wk 240	P.Seat/ Wk 240	P.Seat/ Wk 240	P.Seat/ Wk 240
Maharastra							

Pax + Road Tax				P.Vehicle/ Wk 5500	P.Vehicle/ Wk 5500	P.Vehicle/ Wk 5500	P.Vehicle/ Wk 5500
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Karnataka

Pax + Road Tax	P.Seat/ Wk 150	P.Seat/ Wk 150	P.Seat/ Wk 150	P.Seat/ Wk 150	P.Seat/ Wk 150	P.Seat/ Wk 150	P.Seat/ Wk 150
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Bihar

Pax Tax + Road Tax	230/- Per Wk	1800/- Per wk	1800/- Per Wk	2500/- Per Wk	2500/- Per Wk	3100/- Per Week	3100/- Per Week
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Katmandu (Vehicle registered in Nepal – No Tax

Vehicle Registered in India, tax as under:-

Pax Tax + Road Tax	160/- Per Day + R.450 (Prmt Chgs)	160/- Per Day + R.450 (Pmt Cgs)	200/- Per Day + R.450 (Prmt Chgs)	400/- Per Day + R.900 (Prmt Chgs)	400/- Per Day + R.900 (Prmt Chgs)	400/- Per Day + R.900 (Prmt Chgs)
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Andaman & Nicobar Islands

Pax Tax + Road Tax		Rs. 75 per year	Rs. 75 per year	Rs. 100 per year		Rs. 100 per year	Rs. 100 per year
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Abbreviations used:

P. CAL QTR.	Per Calendar quarter (in case tax is paid on 29 th March it will be valid till 31 st March and in case the tax is paid on 1 st Jan. it will still be valid till 31 st March)
P. CAL QTR Incl.	Per Calendar Quarter all inclusive
P. Trip	Per Trip
P.ST/Day	Per seat per day
P. Day	Per Day
P.ST/WK	Per Seat Per Week
P. CAL MONTH	Per Calendar Month

DT-DT	Date to Date
RD TRIP	Round Trip (up and down)
AITP	All India Tourist Permit
PMT CHARGES	Permit Charges

Typical Air Fare for Delhi- Varanasi and Varanasi-Delhi Sectors

	DELHI - VARANASI (Rs.)	VARANASI - DELHI (Rs.)
Basic Fare	1050	1050
Fuel Surcharge	2250	2250
Transaction Charge	200	150
New Service Tax	155	155
User Development Fee	200	150
Passenger Service Fee	229	229
Fix Service Tax @ 0.62% charged on basic fare	6.61	6.51
Total	4090.51	3990.51

Source: Indian Association of Tour Operators (IATO)

Effective rates of sales tax on Aviation Turbine Fuel (ATF) (as on Feb 2010)

Delhi	20%
Himachal	25%
Rajasthan	28%
UP	21%
Punjab	20%
Bihar	29%
West Bengal	25%
Madhya Pradesh	28.75%
Maharashtra (excluding Mumbai & Pune)	4%
Gujarat	30%
Mumbai	25%
Pune	25%
Tamil Nadu	29%
Andhra Pradesh	16%
Karnataka	28%
Kerala	28.75%

Source IATA, WTTC - India Initiative