

## CHAPTER 7.5

### TOURISM

7.5.1 The travel and tourism sector creates more jobs per million rupees of investment than any other sector of the economy and is capable of providing employment to a wide spectrum of job seekers from the unskilled to the specialised, even in the remote parts of the country.

7.5.2 The Tenth Plan approach towards tourism signifies a distinct shift from the approach adopted in earlier Plans. Apart from acknowledging the well-accepted advantages of developing tourism for the promotion of national integration, international understanding and earning foreign exchange, the Tenth Plan recognises the vast employment generating potential of tourism and the role it can play in furthering the socio-economic objectives of the Plan. In order to create a supportive environment for the promotion of tourism, the New Tourism Policy, 2002, that is to be implemented during the Tenth Plan, will generate awareness about the benefits of tourism for the host population. It will mobilise state governments to use tourism as a means for achieving their socio-economic objectives, encourage the private sector to enhance investment in tourism and provide legislative and regulatory support for sustainable tourism and to protect the interests of the industry and the consumer. The policy envisages involving the rural sector in the promotion of rural, heritage, adventure and eco-tourism and will promote the development of competitive high quality products and destinations. Most importantly, it will remove the barriers to growth and resolve contradictions in policy to achieve inter-sectoral convergence of activities that help the growth of tourism.

7.5.3 The initiatives taken by the state so far have not yielded the desired result and India's tourism performance has failed to match its potential even as countries not blessed with its

natural and cultural endowments have taken the lead in reaping the benefits of tourism development for their people. The reasons for this poor performance need to be speedily addressed to enable tourism to make an appropriate contribution to national development.

7.5.4 As observed in the Planning Commission Report of the National Committee on Tourism (1988), the public sector made a significant contribution to the growth of tourism in the initial stages of planned development by providing a reasonable infrastructure base. During the Ninth Plan it was recognised that a reappraisal of the role of the State in tourism development and the extent of its participation was needed as it is neither necessary nor feasible for the State to make large investments in areas that are best left to the initiative of the private sector. The state can contribute through infrastructure development, the planning of broad development strategies, the provision of fiscal and monetary incentives to catalyse private sector investment and devise an effective regulatory and supervisory mechanism to protect the interests of the industry and the consumer. The acceptance of this view also led to the commencement of the process of disinvestment in 18 hotels of the India Tourism Development Corporation (ITDC) hotels.

7.5.5 The ITDC will have to redefine its role in the Tenth Plan. The State can also play an effective role in ensuring that tourism development does not harm the environment. The interaction between tourism and environmental pollution requires sensitive handling. There is complementarity, not conflict, between the high quality environmental requirements of tourism and the imperatives of maintaining the ecological balance.

## Global Status and Trends

7.5.6 Although global recession and the September 11, 2001, events are estimated to have resulted in a temporary decline in travel and tourism demand in 2001-02, international and domestic tourism is expected to boom over the next two decades. The World Travel and Tourism Council (WTTC) estimates a 4.5 per cent per annum increase in the total amount of travel and tourism economic activity between 2002 and 2012. This is largely attributed to a rise in global wealth, liberalisation of international airspace, cheaper flights and the use of the Internet as a travel tool. The earnings from tourism have made it one of the world's largest industries and the fastest growing sectors of global trade accounting for 10.7 per cent of global gross domestic product (GDP), 12.8 per cent of global exports, 8.2 per cent of global employment (or one in every 12.2 jobs), and 9.4 per cent of global capital investment.

7.5.7 Tourism in the least developed countries is growing faster than the world average, holding the promise of prosperity for many. International tourist arrivals worldwide reached 698 million in 2000, generating \$ 595 billion revenues. International tourism flows are expected to reach 1.5 billion by 2020 and revenue estimated to cross \$ 2000 billion. Today, only 3.5 per cent of the world population travels internationally but the number of Asian, particularly Chinese, tourists is predicted to grow enormously as the region becomes more

integrated with the global economy.

7.5.8 The scale of world domestic tourism, on the other hand, exceeds world international tourism by a ratio of 10:1. In India, for every international tourist, there are 80 domestic tourists. Domestic tourism can form the basis of a viable and sustainable tourism industry in India.

## Global Market Trends

7.5.9 Consumer trends in tourism are gradually changing and require an appropriate response in terms of both policy formulation and investment. Current market trends indicate that:

- **Long haul travel** will grow faster than intra-regional travel. A growth of 24 per cent is expected by 2020.
- People with less time for leisure are likely to take more frequent but shorter trips nearer home, opening up opportunities for **'neighbouring country' tourism**.
- The experienced traveller wants authentic, off-the-beaten-track vacations in remote and less well-known places as against luxurious five-star vacations, leading to an interest in **rural** and ethnic **tourism**.
- The increase in the number of people with lots of money but little leisure time has resulted in a growing emphasis on rest and relaxation, and **'wellness'** and **'health' holidays**.

**Table - 7.5.1**  
**Contribution of Travel and Tourism to GDP and Employment**

	World Average(%)	India (%)	World Rank
Contribution of Tourism and Travel Economy to GDP	10.7	5.3	140
Contribution of Tourism and Travel Industry to GDP	4.2	2.5	124
Contribution of Travel and Tourism Economy Employment	8	5.6	140
Contribution of Travel and Tourism Industry Employment	3.1	2.9	111

**Source** : WTTC, Department of Tourism, Government of India.

- The elderly population in key tourism-generating markets has shown a preference for **cultural tourism** against sun-and-sand vacations.
- There is notable and increasing interest in **spiritualism**.
- The demand for **eco-tourism** and nature-based holidays is expected to double and even triple in the next 20 years.
- **Sports and adventure** holidays continue to be popular with the young.

7.5.10 The interest in cultural tourism, spiritualism, 'wellness' holidays, eco-tourism and rural tourism would tend to favour India, provided the country can avail of the opportunities offered to maximise its natural advantages in these areas. The development of new tourism products and destinations during the Tenth Plan must be based on market research and demand, keeping the source markets and the age groups of the tourists in mind. At the same time, the Government must develop new source markets nearer home and make India a safer destination for women tourists and family holidays.

### India's Place In World Tourism

7.5.11 The World Tourism Organisation forecast indicates an increasing tourism preference towards East Asia, the Pacific, West Asia and South Asia, although Europe and America still remain the world's foremost tourism destinations commanding 77 per cent of the global market. East Asia/Pacific achieved the highest rate of growth of 14.5 per cent in tourism and travel in 2000 followed by West Asia and South Asia (Table 7.5.2).

7.5.12 With this gradual shift in focus, the outlook for the growth of tourism in the region is promising. In Asia, China has emerged as a leading tourist destination and is poised to become the world's top tourist destination by 2020.

7.5.13 The WTTC has identified India as one of the world's foremost tourist growth centres in the coming decade. After Turkey, India is expected to achieve the fastest rate of growth of the total amount of economic activity likely to be generated by travel and tourism, at 9.7 per cent over the next 10 years. Also, the largest employment creation after China is expected to take place in India over the same period. The growth in 'visitor exports' or spending by international tourists, is likely to be the fastest in India at 14.3 per cent per annum over the next decade. On the whole, the WTTC forecast for India is promising, subject to key policy issues that affect the growth of the

**Table – 7.5.2**  
**International Tourist Arrivals**

	Million		Growth Rate (%)		Market Share (%)	
	1999	2000*	1999/1998	2000*/1999	1999	2000*
World	650.0	698.3	3.8	7.4	100	100
Africa	26.5	26.9	6.1	1.5	4.1	3.8
America	122.3	130.2	2.3	6.5	18.8	18.6
East Asia/Pacific	97.6	111.7	10.8	<b>14.5</b>	15.0	16.0
Europe	379.8	403.3	1.7	6.2	58.4	57.8
Middle East	18.1	20.0	18.1	<b>10.2</b>	2.8	2.9
South Asia	5.8	6.3	10.7	<b>9.0</b>	0.9	0.9

**Source:** World Tourism Organisation

\*As collected from WTO database in January 2001

**Table - 7.5.3**  
**Contribution of Travel and Tourism to Exports and Receipts**

	Per cent		
	World average	India	World Rank
Total tourism exports as percentage of total exports	12.15	9.5	31
Tourism Receipts	5.2	11.8	29

**Source :** WTTC, Department of Tourism, Government of India

**Contribution of Travel and Tourism to Employment**

	(Figures in million)		
	World	India	Rank
Numbers Employed	207.1 million	25 million	2 nd

**Source :** WTTC, Department of Tourism, Government of India

sector being addressed.

7.5.14 If India is to realise its enormous potential in tourism it must provide exclusive world-class tourism products and destinations to compete successfully for a larger share of the Asian tourism market. Today, outbound tourism from India far exceeds visitor traffic to the country partly because

will have to be broadened in the Tenth Plan through the development of competitive destinations that match international standards in terms of price and quality and also satisfy the international traveller. India's international arrival figures have not been able to keep pace with neighbouring countries and have been exceeded by Thailand, Malaysia, Indonesia, Dubai and the Maldives. Since 1995, India's share of the world market has remained virtually stagnant at 0.38 per cent, while domestic tourism has grown at a phenomenal rate and India now accounts for 4.6 per cent share of domestic tourism worldwide. In terms of tourism receipts, India has shown relative buoyancy because of the interest shown by visitors in traditional handicraft items and particularly in diamonds. The Tenth Plan visualises a mutually supportive role for tourism and handicrafts by encouraging haats and shilpgrams and recognising shopping as an integral part of the tourism experience to promote the 'Made in India' brand.

### India's Tourist Profile

7.5.15 India receives the largest number of overseas tourists from the United Kingdom, which is its largest source market, followed by the United States, Sri Lanka, France, Germany, Canada, Japan, Australia and Singapore. Of the tourists coming to India, 27.5 per cent are in the age group

**Table - 7.5.4**  
**International and Domestic Tourism**

	World	India	Percentage share of India
International Arrivals	698 million	2.64 million	0.38%
Tourism Receipts	\$ 595 billion	\$ 3.2 billion	0.69%
Domestic tourism worldwide	6,980 million	210 million	4.6%

there is a lack of world-class destinations within the country and partly because the domestic tourism policy has been largely directed towards those in the lower end of the spending spectrum. The high spender from India prefers to visit neighbouring countries as he gets better value for money. The scope and reach of domestic tourism

of 35-44 years, 23.4 per cent in the age group of 25-35 years and 20.8 per cent in the age group of 45-54 years. Women constitute only 30.5 per cent of India's total international arrivals. Repeat visitors account for 44.9 per cent of the overseas visitors. A substantial number of these may be non-resident Indians, as hotel reservations do not correspond to

the number of international arrivals in the country. The average length of stay of foreign tourists in the country in 1998 was 31.2 days. Domestic tourism, on the other hand, is largely pilgrimage-oriented and requires improvement in travel facilities and pilgrim destinations.

## TENTH PLAN OBJECTIVE

7.5.16 Tourism in India has tended to be regarded as an elitist activity conducted primarily for the purpose of earning foreign exchange. Its vast potential as an engine of growth and employment generator has remained largely untapped. Although, with 25 million jobs, India ranks second in terms of number of persons employed in travel and tourism, yet the contribution of the sector as a percentage share of all employment is amongst the lowest in the world. The Tenth Plan objective is to integrate tourism with the socio-economic objectives of the Plan by creating 3.6 million jobs a year through the promotion of domestic and international tourism and to enhance India's share of international arrivals from 0.38 per cent to at least 0.62 per cent by 2007.

## Role of the Department of Tourism

7.5.17 Being the nodal agency for the development of tourism in the country, the department of tourism needs to make greater efforts to co-ordinate and integrate the policies of central ministries that have an impact on the development of tourism and to mobilise state governments and the private sector to develop unique and competitive tourism products and destinations. Crucial decisions affecting tourism are taken by other ministries viz. the Ministries of Finance, Home, Civil Aviation, Surface Transport, Environment and Forests, Urban Development, Rural Development, Ocean Development etc. The Department of Tourism has tended to concentrate largely on its role as the promoter of international tourism and generator of foreign exchange earnings while paying relatively less attention to inter-sectoral policy co-ordination and the all-important development of tourism infrastructure and product quality. In the Tenth Plan, the Department will

redefine and expand its role and work towards inter-sectoral convergence and policy integration to remove the barriers to the growth of tourism.

## Barriers To Growth

7.5.18 There are several factors that are responsible for the inadequate growth of the tourism sector in India. These are: barriers related

### Approach-Related Barriers

- Absence of consensus on role of tourism
- Lack of priority to tourism on account of unappreciated potential
- Relatively low levels of investment.
- Lack of interest on the part of the state governments – the primary players.
- An unprofessional ad hoc approach.

to approach, barriers that discourage private investment, factors that affect competitiveness and factors that affect the long-term sustainability of tourism. The effective and early removal of these barriers during the Tenth Plan is an essential determinant for the success of the New Tourism Policy. The need for a national consensus on the role and level of tourism development in the country has been voiced repeatedly but a concerted effort to achieve a consensus has not been made. Tourism should not be limited by state or regional boundaries if distortions in policies are to be avoided. It is important that a consensus among all states is evolved through the National Development Council (NDC) and the barriers to the growth of tourism removed.

7.5.19 Tourism has been denied the priority it deserves over successive Plan periods because its potential as an engine of economic growth has not been appreciated. This is visible in the low allocation of resources. Allocation to tourism has averaged 0.16 per cent of the total Plan outlay from the Third Plan to the Ninth Plan. In the Tenth Plan, it is likely to receive an allocation of 0.72 per cent. According to the WTTC, India is one of the lowest spenders on

tourism - 153rd out of 160 countries - while its neighbouring competitors and China invest far more: Malaysia (5.1 per cent), Nepal (5 per cent), Indonesia (8.4 per cent), Maldives (15.7 per cent), China (3.8 per cent). The growing domestic and international demand, which is set to boom, reinforces the need for higher investment. Failure to measure up to additional investment demand for domestic tourism is likely to lead to the over-exploitation of existing facilities, discouraging foreign visitors while leading to an increase in the outflow of high-spending domestic tourists from the country.

7.5.20 Most State Governments give scant importance to tourism even though they virtually control the tourism product located within their boundaries. They are responsible, inter alia, for local infrastructure, transport systems, sanitation and hygiene, leisure and recreation, law and order, the upkeep of local monuments and the general well-being of the tourist. Their support and participation is essential for tourism to succeed and spread its benefits among the host population. Their lack of interest has resulted in an unprofessional ad hoc approach that acts as a deterrent to the growth of tourism. The approach of the state governments needs to be focused, highly professional and result-oriented if India is to avail of the opportunity that the currently favourable market trends have to offer.

7.5.21 Apart from the State Governments, the private sector plays a vital role in the growth and development of tourism. Although the Central Government and certain state governments have, from time to time, announced incentives to involve

#### **Barriers that discourage private investment**

- Absence of legislative support
- Lack of policy integration and co-ordination
- Lack of long-term investor-friendly policies.
- Heavy and multiple taxes, restrictive aviation
- and land policies.

the private sector in tourism development, the results achieved have fallen short of expectations. To provide a conducive environment for private sector investment, it is important to realise that the travel and tourism sector is adversely affected by the lack of synergy in inter-sectoral policies. The growth of the sector requires well-integrated and co-ordinated policies and stability in approach. Contradictions and arbitrary changes in policy send confused signals to the investor. Unless infirmities in policy are expeditiously removed well before the end of the Tenth Plan period, the New Tourism Policy is unlikely to succeed.

7.5.22 Being a long haul destination, India is more conveniently accessible by air and cannot be easily reached by rail or road. A restrictive air transport policy has a very deleterious effect on tourist traffic. There are insufficient connections to most tourism destinations. The situation could be eased if the large number of regional airports could open up as international airports. The existing international and national airports also require improvement. The price of aviation turbine fuel needs to be lowered to make air transport competitive and affordable. Today, it is cheaper to travel by air to neighbouring countries from India than to travel to certain parts of India itself. A more liberal aviation bilaterals regime and a new aviation policy to benefit the economy of the country as a whole rather than the national carriers alone would greatly aid the development of tourism. Central and state governments need to evolve a taxation regime,

#### **Factors that affect competitiveness**

- Lack of concern for competitiveness
- Complex visa procedures
- Inadequate facilitation services
- Lack of quality infrastructure
- Lack of emphasis on product quality
- Lack of training at the 'cutting edge'
- Lack of hygiene
- Low utilisation of modern marketing and publicity tools.

which is revenue generating without being burdensome. Accommodation and transport taxes tend to be very heavy in certain states while the excise policy in others is extremely harsh. The land policy in some states makes the setting up of a hotel a formidable exercise and as many as 48 clearances are required for the construction and running of a hotel. Such policies deter private sector investment. The importance of protecting private investment in tourism must also be appreciated and activities such as mining, unauthorised construction, encroachments and haphazard development around tourist resorts must be prevented through appropriate legislation and public support.

7.5.23 As tourism is a highly competitive industry; the traveller has a wide range of choices and looks for good value for money. The lack of quality infrastructure, uncompetitive rates, indifferent or poor product quality, difficulty in getting access to information on travel and tourist destinations, untrained service providers, and above all, the lack of hygiene, have an enormously negative effect on the competitiveness of the tourism product. A world class destination requires professional planning to prevent haphazard, uncontrolled growth, spatial and land use planning, strict architectural controls, sewerage infrastructure and water treatment plants. It requires improvement of entry points and appropriate facilitation services. The lack of a visa-on-arrival regime on account of security considerations places India at a disadvantage vis-à-vis its competitors. It is necessary that India strikes a balance between security considerations and the need for tourism development and reviews its visa policy to permit tourists from its major source markets to obtain visas on arrival. Equally important is the behaviour of the host population. Training programmes are required not only for hotel managers but also for tourist guides, taxi-drivers, staff at eating places, porters etc., as the manner in which they conduct themselves affects the tourist's experience of the country. Important do's and don'ts in terms of a code of ethics need to be inculcated among the service providers. During the Tenth Plan, the Department of Tourism will organise capacity-building programmes for service providers through mobile training units.

#### Factors affecting the long-term interest of tourism

- Lack of community participation and awareness of benefits.
- Lack of involvement of the rural sector
- Lack of concern for sustainability.

7.5.24 A major impediment to the growth of tourism in India has been the lack of awareness about the benefits that it can bestow upon the host population. Unless the host population, both in the rural and urban areas, is supportive of tourism, it cannot become a vibrant economic force. The rural sector, in particular, has been largely ignored in tourism development and has consequently been deprived of the benefits of employment and income generation accruing from tourism. The Tenth Plan will seek to rectify this, particularly in view of the world-wide interest in rural tourism. While an awareness campaign that elicits local support for travel and tourism is essential for the long-term growth of the sector, it is also important to create awareness about the environmental impact of tourism by generating respect for the carrying capacities of tourist destinations. This is imperative as excessive exposure of ecologically fragile areas to human interference can lead to irreparable environmental degradation. As the demand for eco-tourism is expected to grow enormously in the next decade, it is important to have regulations in place to prevent such damage. The local population must be convinced of the need to support such regulations in the interest of long-term sustainability. India's hill resorts have already suffered seriously from a lack of concern for their carrying capacities and the unchecked influx of tourists during the summer months. If India's forest sanctuaries and pristine beaches are not to suffer the same fate, attention will have to be paid during the Tenth Plan to obtaining regulatory and public support for sustainability concerns.

#### THE TENTH PLAN STRATEGY

### Major components of the Tenth Plan strategy

- To develop a national consensus on the role of tourism in the development agenda of the nation through the National Development Council.
- To enhance the effectiveness of public sector investment through the inter-sectoral convergence and prioritisation of tourism-related infrastructure programmes in other sectors like special tourist trains, rail and aviation links, rural roads etc..
- To remove the barriers to growth to leverage private sector investment.
- To mobilise the support of the primary players, viz. the State Governments, in tourism development.
- To mobilise public support by creating awareness of the socio-economic benefits of tourism for the host community.
- To provide legislative and regulatory support to protect the tourism industry, the consumer and the environment.
- To involve the rural sector in tourism and start mobile training units for service providers in rural areas identified for the development of tourism.
- To augment training facilities in hotel management and food craft and build the capacity of service providers at the cutting edge.
- To create world class circuits and destinations, eschew haphazard development.

7.5.25 The Tenth Plan strategy is to work towards a national consensus on the role of tourism in national development and to focus on the removal of barriers that hamper its growth. To make public sector investment more effective, it is necessary to work towards the inter-sectoral convergence of policies and programmes that could benefit tourism. The New Tourism Policy envisages a framework, which is Government-led, private sector driven and oriented towards community welfare, with the Government creating the legislative framework and basic infrastructure for tourism development, the private sector providing the quality product and the community providing active support. The overall vision of the development of tourism embodied in the new policy will be achieved through five key strategic objectives. These are:

- (i) Positioning tourism as a national priority.
- (ii) Enhancing India's competitiveness as a tourist destination.
- (iii) Improving and expanding product development.

(iv) Creation of world class infrastructure.

(v) Effective marketing plans and programmes.

### Positioning Tourism As A National Priority

7.5.26 A concerted effort will be made, through the NDC, to arrive at a consensus on the role of tourism in the development agenda of the nation. Inclusion of tourism in the Concurrent List of the Constitution will provide constitutional recognition to the tourism sector and enable the central government to legislate for tourism development. A proposal to this effect has been circulated by the Department of Tourism to the state governments for comments and has also been discussed at a Chief Ministers' conference and a majority of the states have agreed to the proposal. Other initiatives include the setting up of Tourism Advisory Council with key stakeholders functioning as a think tank and the constitution of a Group of Ministers on Tourism to improve policy integration and co-ordination. The adoption of a tourism satellite accounting system is underway to gauge more precisely the contribution of tourism to



### General Inter-sectoral Support

- Indian Railway Catering and Tourism Development Corporation Limited becomes functional in 1999.
- Railways to run tourist trains on nominated sectors in association with Government/private enterprise.
- Competition introduced in telecom service segments, improving communication links.
- Work on the Golden Quadrilateral highway project and North-South and East-West corridors in progress.
- Delhi, Mumbai, Chennai and Kolkata airports to be modernised.
- New airports proposed to be set up in Bangalore, Hyderabad and Goa.
- Integrated development of mega cities and small and medium towns under way
- Pradhan Mantri Gram Sadak Yojana (PMGSY) launched to provide connectivity to rural areas announced in 2000

Source: Economic Survey – 2001-02

### Issues taken up by the Department of Tourism with the Ministry of Finance

- Reduction of expenditure tax.
- Rationalisation of service tax.
- Incentives under the Income Tax Act for the tourism industry.
- Reduction of levies on aviation turbine fuel (ATF).
- Waiver of inland air travel tax.
- Rural tourism to get the same benefits as agriculture.
- Part refund of excise duty for luxury buses.

(Source: Department of Tourism, GOI)

destinations would significantly benefit the national economy and provide a major impetus to tourism. Improvement in the standard of facilities and services at the international and national airports will need to be speeded up by employing professional management agencies and by privatising and leasing out airports.

the national economy. A national awareness campaign in order to create a popular movement in favour of tourism is being planned through a professionally managed communication strategy. Most importantly, the efficiency of public investment in tourism supporting activities will be improved through effective inter-sectoral coordination and prioritisation.

### Enhancing India's Competitiveness As A Tourist Destination

7.5.27 As air capacity available to India is woefully short during the peak travel months, ranging from October to March, especially for the main tourism originating regions such as North America, Western Europe and South Asia, it is necessary to open India's skies to increase capacity and help enhance tourism. Additional seat capacity from the major tourism generating

7.5.28 To enhance India's competitiveness as a tourist destination, it is proposed to simplify the visa procedures and consider strategies for the speedy issue of visas including electronic visas and visas on arrival. An attempt will be made, through a consensus, to reduce the heavy and multiple taxes that reduce the competitiveness of the Indian tourism product. Special tourism police will be deployed at major tourist destinations during the Tenth Plan to provide security to travellers and promote India as a safe destination.

### Improving And Expanding Product Development

7.5.29 Product development strategy during the Tenth Plan will be related to the special interests of tourist target markets.

- **Cultural and heritage tourism** will be expanded. India has a vast array of protected

monuments with 22 world heritage sites, 16 of which are monuments. The integrated development of areas around these monuments provides an opportunity for the development of cultural tourism in India.

- For the development of **beach and coastal tourism**, a number of sites on the west coast of India will be identified for the development as beach resorts by the private sector. The sites will be offered on long term lease at preferential terms. These sites will primarily be on the beaches of Goa, Kerala, and North Karnataka because of easier access by air. During the Tenth Plan Kochi in Kerala and the Andaman and Nicobar Islands will be developed as **international cruise destinations** because of their proximity to international cruise routes and their exotic appeal.
- India's unmatched **variety of cuisine** is becoming increasingly popular in the world and will be developed as a special attraction. It is proposed to create a highly skilled workforce of culinary professionals through an innovative incentive scheme not only for India but also to promote Indian cuisine internationally.
- **Village tourism** will be promoted as the primary tourism product of India to spread tourism and its socio-economic benefits to rural areas.
- India's great wildlife variety has not been developed as a tourist attraction. Wildlife sanctuaries and national parks will become an integral part of the Indian tourism product. Priority will be given to the preparation of site and visitor management plans for key parks. The quality of tourist facilities available at the parks will be enhanced after a prioritisation of parks. Tentatively these will be: Corbett National Park, Kanha National Park, Bandhav Garh National Park, Kaziranga, Madhumali, Bharatpur, Periyar, Ranthambore, Little Rann of Kutch, Chilka, and the Sunderbans.
- India has the greatest **adventure tourism** assets in the world in the Himalayas and its rivers. Mountain-based adventure activities will be developed and promoted. Regulations and certification for adventure tourism operators will be introduced so that the minimum standards of safety and conservation are met.
- India receives only a minuscule proportion of the global meetings, conventions and exhibition market. It is important that India develops a world class international convention city not just for the sake of tourism development but also for international and domestic trade and commerce..
- India's most unique tourism product during the Tenth Plan will be **holistic healing** and rejuvenation packages. In focussing on this, it will capture the essence of Indian culture for international and Indian visitors alike.
- India's **fairs and festivals**, some of which are already well established such as the Pushkar mela, the Desert Festival at Jaisalmer, the Kumbh Mela etc. will be promoted as unique products of India. The Festivals of India programme will be re-introduced in the top 12 future markets for India - initially with an annual event in the United Kingdom and the United States, to be followed by triennial events in the other markets.
- Shopping will be recognised as an integral part of tourism. The development of **dedicated shopping centres** for traditional crafts designed along the lines of **village haats** such as Dilli Haat and Shilpgram will be encouraged and information on where to procure specific crafts made available through shopping guides.
- **Delhi** will be positioned as the cultural capital of India supported by an ongoing and vibrant calendar of cultural events. The development of such a niche-based special interest product-mix will position India as a unique and competitive destination.

### Creation Of World Class Infrastructure

7.5.30 The need for physical infrastructure for tourism ranges from ports of entry to modes of transport to destinations (airways, roadways, railways or waterways), to urban infrastructure such as access roads, power, water supply, sewerage and telecommunication. This underscores the need

for inter-sectoral convergence of infrastructural schemes and programmes that could support tourist destinations.

7.5.31 The road network is vital for tourism as almost 70 per cent of passengers in India travel by road. Many tourist circuits are entirely dependent on roads. The current government plan for the road system in the country covering both inter-state highways and improvements to rural roads directly supports tourism development. There is urgent need to construct and improve highways linking the 22 world heritage sites and places of tourist significance. The Ministry of Road Transport and National Highways will collaborate with the Ministry of Tourism in this effort.

7.5.32 The Indian railway system can also become an enormous asset to the development of the tourism and hospitality industry in the country. The railways hold a special fascination for foreign tourists who wish to travel the country. For the vast majority of domestic tourists also, the railways is the most affordable means of travel linking the length and breadth of the country. Introduction of special tourist trains with pre-set itineraries and private sector participation will be encouraged.

7.5.33 The Indian Railways plan to establish 100 hotels at railway stations to serve specific tourist centres. The private sector will be given incentives to operate these hotels on long-term leases. These hotels will provide clean and inexpensive accommodation for budget tourists. The Indian Railways also owns a number of heritage structures, which, if effectively maintained and marketed, could serve, both as railway stations and places of tourist interest. India has five hill railways, which compare with the best hill railway systems in the world. The enormous tourist potential of these products will be tapped during the Tenth Plan. As steam-hauled trains like the Royal Orient, Buddha Parikrama, Palace-On-Wheels and Fairy Queen are extremely popular with tourists, steam traction for special tourist segments will be continued. Trains like the Shatabdi and the Rajdhani with a special tourism and hospitality focus will be planned both for foreign and domestic tourists.

7.5.34 India's 7,000-km coastline and her mighty rivers will be tapped for the promotion of cruises. Care will be taken to develop world class tourism products. As the Ministry of Tourism's financial assistance to the states has not been able to have the desired impact in terms of creating of world class tourism infrastructure, the emphasis must shift to the development of specific travel circuits as internationally competitive destinations and the convergence of resources and expertise for these circuits.

7.5.35 The availability of trained manpower is essential to achieve excellence in the tourism sector. At present, there are 21 Institutes of Hotel Management and Catering Technology (IHM&TC) and 13 Food Craft Institutes in the country. In addition, a good number of accredited institutes also cater to the growing demand in the service sector. It is estimated that only 50 per cent of the requirement of the market is met by these institutes. Five new Institutes of hotel management would be set up in the Tenth Plan – three in the newly created states of Uttaranchal, Jharkhand and Chhattisgarh and two in the northeast. In addition, 15 more Food Craft Institutes will be set up in the Tenth Plan, and efforts will be made to take culinary crafts and training to the rural areas through mobile training units. A new scheme on capacity building to train service providers in the unorganised sector such as small hotels, dhabas, restaurants and other eating joints is also proposed.

### Strategy For Effective Marketing

7.5.36 As there is fierce competition for tourists from India's source markets, India needs to change its traditional marketing approach to one that is more competitive and modern. It needs to develop a unique market position, image and brand, which cannot be held by any other competitor. India's positioning statement will capture the essence of its tourism product to convey an 'image' of the product to a potential customer. This image will be related not only to its ancient Vedic civilisation with a cultural heritage that continues to thrive especially in its rural areas but also to its essentially secular

nature.

7.5.37 In the Tenth Plan, an extensive market research programme will be launched in the target source markets and tourism products developed to cater to the interests of each source market. An effective and ongoing market representation presence will be established with the travel trade in each source market and an Internet portal set up in various languages to provide information, a description of the product and the product requirements of the target market segments. The Internet has a great impact on the marketing of travel and tourism. It has already established itself as a channel through which tourism organisations can promote their destinations and products. Indian tourism will utilise both the Internet and other emerging interactive technologies to avail of the benefits to be gained.

### THE PATH AHEAD

7.5.38 The tourism sector needs a national consensus on the role and place of tourism in national development and the early removal of

impediments that have hitherto handicapped its growth. The Tenth Plan target of the creation of 18 million jobs through tourism requires a substantial investment of Rs. 38,800 crore at the rate of 47 jobs per one million rupees of investment, both from the public and the private sector. The central sector outlay for tourism during the 10th Five Year Plan is Rs. 2,900 Crores, the schemewise break-up of which is given in the Appendix.

7.5.39 Public sector investment, though limited, can be made more efficient through the inter-sectoral convergence of policies and programmes supportive of tourism. An integrated inter-sectoral investment plan that provides effective infra-structural support to tourism through the Ministries of Railways, Surface Transport, Shipping, Civil Aviation, Urban Development, Rural Development and Environment and Forests etc. can be achieved through the preparation of a tourism component plan. Private sector investment can be enhanced by removing the barriers to growth and expediting critical policies that are being evolved. Public and legislative support will be essential for the sustainable development of the sector.

7.5.40 The success of the New Tourism Policy 2002 will be largely determined by the success achieved on all these fronts.