

Introduction

Maharashtra, one of India's premier commercial and industrial states, has recognised tourism to be a major thrust area for economic growth in the state. The Budget 2002-03 for Tourism and Investment Incentive Package 1999 gives clear indications that the Government of Maharashtra realises the potential of tourism for wealth creation and employment generation. In 2001, Maharashtra emerged as one of the states, which received the highest numbers of international tourists and emerged as India's 2nd most used port of entry. At the same time in the domestic tourist arrivals, the state ranked fourth amongst Indian states. The Travel and Tourism Industry including transport, storage & communication, trade, hotels and restaurants accounted for around 20-22 per cent of the gross state domestic product and 3.5 per cent of the state's employment. The government's promotion and development initiatives to harness Maharashtra's tourism potential reflect the state's commitment to this industry.

Paradoxically however, along with the growing recognition of the importance of Travel & Tourism by the Government of Maharashtra, there seems to be a lack of appreciation of its scope, complexity and dynamism. This industry works beyond the local boundaries at a global level bringing together diverse industries and stakeholders. It encompasses development of other areas of economic activity, as well as growth in the social and environmental context. The government of Maharashtra, working on its bullish initiatives, should inculcate this appreciation of Travel and Tourism Industry to obtain long-term gains for the state.

The urgent need is for the government of Maharashtra to view tourism in a holistic sense, beyond its national and global boundaries, bringing together the internal dynamic elements like its stakeholders – the community and the private sector to work towards a tourism concept that benefits all and retains tourism assets for future.

The concept of sustainable tourism is one such approach that balances tourism with its stakeholder

relationships, managing the effects of globalisation, to the advantage of its tourism strengths and opportunities. It offers a solution to the internal dynamics of diverse stakeholders and responds to the trends and happenings beyond geographical boundaries that generate a stable and growing tourism economy.

Sustainable tourism is an approach that has found much favour recently, both in the academic and the business world. The WTO, WTTC, IH&RA amongst others, have taken a keen interest in harnessing its use in tourism. Countries similar in culture and nature to India and characterised by dynamic growth like Turkey, Hong Kong, China, Thailand and Malaysia have taken the path of sustainable tourism and are a part of the Plan of Action for Sustainable Tourism Development in the Asian and Pacific Region.

India too, realising the capability of sustainable tourism has, in its National Tourism Policy of India (GoI, 2000), made its "Mission to promote sustainable tourism as a means of economic growth, social integration and creating larger foreign exchange earnings and conditions for more foreign direct investment".

This chapter takes this initiative forward and attempts to define policy implications of using the concept of sustainable tourism in Maharashtra in its broader stakeholder market-product form and not just in an eco-tourism or environment aspect. It looks beyond the boundaries of Maharashtra, to the globalised and interdependent world, where tourism in Maharashtra affects and is affected by changes in the world, India and Maharashtra environment.

The chapter is divided into three sections. The First section is on sustainable tourism, as a concept is understood, followed by the section with an analysis of the present condition of internal and external environment of tourism in Maharashtra based on the Strengths, Weaknesses, Threats and Opportunities. The third section is on recommendations for a sustainable tourism framework in Maharashtra, that customise the

sustainable tourism concept to cater to Maharashtra's strengths, opportunities and minimise its weaknesses and threats.

Sustainable tourism: Definitions and Principles World Initiatives

The World Commission on Environment and Development for the United Nations has defined a sustainable development policy as one that “meets the needs of the present without compromising the ability of future generations to meet their own needs”.

The sustainable development approach was further elaborated and expressed in travel and Tourism Agenda 21 in 1995 at the United Nations Conference on Environment and Development, popularly known as the Earth Summit, held in Rio de Janeiro in 1992, that was adopted by the conference. Since then, many national governments have adopted sustainability as their fundamental development policy. The World Tourism Organisation (WTO) has adopted the sustainable approach to tourism, and applied sustainable development principles in all of its tourism planning and development studies. The WTO has defined sustainable tourism as one that “meets the needs of present tourists and host regions while protecting and enhancing opportunities for the future.”

Sustainable tourism has also been recognised as a holistic model form of economic development that is designed to improve the quality of life of the host community; provide high quality of experience for the visitor and maintain quality of the environment/heritage/art and culture of which the host community and visitor depend. Tourism that is developed by using ‘sustainability’ as a guide can fulfil economic, social, and aesthetic needs while maintaining cultural integrity and ecological processes. It can provide for today's hosts and guests while protecting and enhancing the same opportunity for the future.

Sustainability considers tourism in its ecological, socio-cultural, economic and experiential dimensions. The guiding principle for sustainable tourism development is to minimise the negative impacts of tourism in order to maximise visitor enjoyment and local benefit. Sustainable Tourism delves into the dimensions created by the

relationship between the various stakeholders – the tourist, the government, the host community, the industry with each other and most importantly the tourism asset (environment, heritage, art and culture) and creates a dynamic development framework to ensure continuity, strength and growth of these relationships.

Environmental/Heritage/Culture sustainability

Sustainable tourism ensures ecological and cultural sustainability, where development is compatible with the maintenance of essential ecological processes, biological diversity, biological resources and conservation of heritage and culture.

Economic Sustainability

Economic sustainability ensures that development is economically efficient and viable and that all the stakeholders – government, private sector and local community enjoy the financial benefits of tourism.

Experiential Sustainability

The experiential dimension relates to the relation between the tourist and all the other stakeholders. A high level of tourist satisfaction is maintained in order to retain the marketability and popularity of the tourist destinations. If the tourists are not satisfied with the tourism area, the destination not only loses its tourist markets but also becomes an unviable investment.

Social sustainability

Tourism emanates from society and hence people become a part of any tourism product. ST development is planned and managed so that the socio-economic benefits of the tourist destination are spread as widely as possible throughout the society.

World Initiatives in Sustainable Tourism

Worldwide, the concept of sustainability in tourism has been approached intensively. International government and private organisations have realised the benefits of developing tourism in a sustainable manner and are initiating plans for its development. The World Tourism Organisation (WTO), World Travel and Tourism Council (WTTC), Economic and Social Commission for Asia and the Pacific

(ESCAP), Pacific Asia Travel Association (PATA), The International Hotel & Restaurant Association (IH&RA), Asia-Pacific Economic Cooperation Secretariat (APEC), Indian Ocean Tourism Organisation (IOTO), United Nations Educational, Scientific and Cultural Organisation (UNESCO), and Principal Regional Office for Asia and the Pacific are undertaking initiatives for Sustainable tourism development. Some of their initiatives by these organisations include –

- Agenda 21: Program of Action for Sustainable Development (WTO, WTTC, Earth Council).
- Escap, Plan of Action for Sustainable Tourism Development in the Asian and Pacific Region (PASTA).
- WTO's Tourism Satellite Account for economic impact assessment.
- WTTC's Green Globe environment awareness program.
- WTTC India Chapter Manifesto for India.
- PATA Code of Environmental Conduct.
- IH&RA "Environmental Action Pack for Hotels" and "Environmental Good Practice in Hotels" APEC Tourism Charter.
- IOTO's set of principles for Coastal Zone Management (CZM).
- WTO's Indicators for sustainable tourism management and Carrying Capacity Assessment.
- WTO's Quality Standards.
- APEC/PATA Code for sustainable tourism.

In India too, there have been attempts at initiating sustainable tourism. The WTTC's India Imperative, WTO's TSA implementations in Kerala, Rajasthan and Goa, Khajuraho Conservation and Sustainable Tourism Strategy 1998, the People's Charter and Draft Guidelines on Sustainable Tourism for Kumarakom are few examples. Also CII, PATA India Chapter and IATO etc; have made many supportive reports.

Recent trends

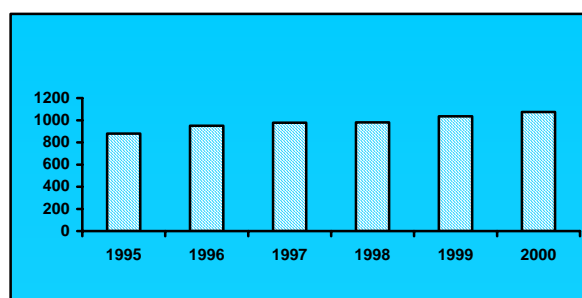
Foreign tourist arrivals have increased from 0.88 million in 1995 to 1.07 million in 2000 indicating a compounded growth rate of 4.1 per cent in this five-year period. Figure 12.1 indicates international

tourists' arrivals in last six years in the state, where domestic tourist arrivals increased from 6.16 million in 1995 to 8.30 million in 2000, indicating a compounded annual growth rate of 6.14 per cent.

However, both of these growth rates are less than those of major tourism states like Kerala, Rajasthan and Karnataka.

The tourist arrivals in Maharashtra for the year 2001 are estimated by the Ministry of tourism, Government of India, to have a share of around 16.8 per cent in total international tourist arrivals in India. In the past year, tourist arrivals from abroad have shown a decrease in growth rate, mirrored at Maharashtra's most important tourist destination of Ajanta-Ellora. Mumbai International Airport is the second most used international airport in India catering to 26 per cent of the foreign tourists to India, after Delhi. The government of Maharashtra realises that out of the 1.08 million tourists visiting Maharashtra, only 5-6 per cent of foreign tourists move on to tourist destinations in Maharashtra. Out of the total tourists visiting tourist destinations in Maharashtra, only 10-12 per cent are of foreign origin and not many of the 26 per cent of all foreign tourists who enter the country through Mumbai, spend time or money in the State. Mumbai has had growth of around 2.5 per cent in international tourists' arrivals over a five-year period till 2000 as per the report by the Jones LaSalle report for 2000.

Figure 12.1: International Tourist arrivals in Maharashtra (in '000)



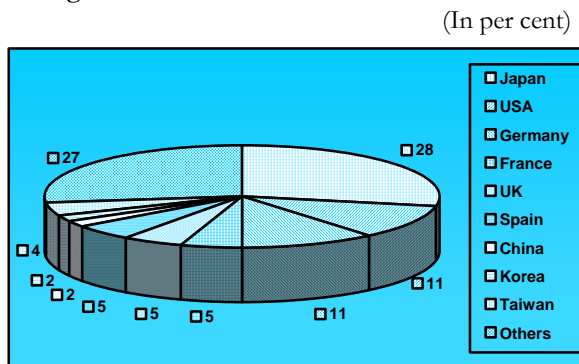
Source: GoM, 2000

Maharashtra's share in total domestic tourist arrivals in India is 3.6 per cent. Out of the total tourist visiting tourist destination in Maharashtra, about 15-20 per cent tourists are from other Indian states. The majority in Maharashtra contains domestic tourists from within the state.

International Tourist Profile

There is no clear, real information on the profile of tourists visiting Maharashtra. Hence, with respect to the profile of an international tourist for Maharashtra, it is assumed that it can be represented by the tourist profile for India as also by the tourist profile for Maharashtra’s premier international destinations of Ajanta – Ellora and Mumbai. Figures 12.2 and 12.3 indicate international tourists’ composition at the Aurangabad and Mumbai respectively. Most of the international tourists here were mostly one-night stay tourists and had a Japan-USA-Europe mix.

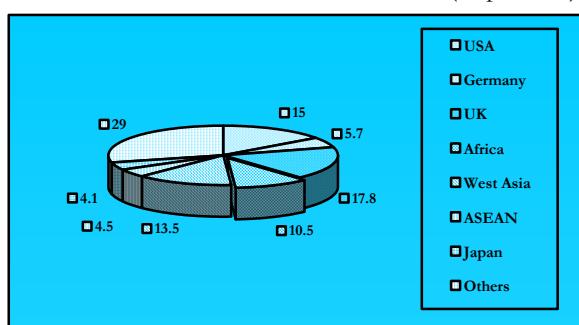
Figure 12.2: International Tourist Mix at Aurangabad in 1992



Source: GoM, 1992

Mumbai, Maharashtra’s most visited destination’s largest source market traditionally has been Western Europe. The UK represents more than 80 per cent of the Western Europe demand and was the largest source market for Mumbai followed by West Asian and North America as per the Jones Lang LaSalle hotels the Indian hotel report 2000 – Mumbai tourism market overview.

Figure 12.3: International Tourist Mix - Mumbai 1999



With respect to domestic tourists, the Maharashtra Economic Development Council, an

NGO for defining domestic tourist profile, conducted a small survey that observed that most visitors from other states mostly holidayed and stayed with family and friends. Another study survey conducted for GoM tourism found that inter-state tourism was restricted to popular destinations like Ajanta-Ellora, Matheran, Mahableshwer and Mumbai from neighbouring states like Tamil Nadu, Gujarat, and Karnataka.

Future tourism development

In Maharashtra, the primary government agency responsible for tourism growth and development is Maharashtra Tourism Development Corporation (MTDC). MTDC has been from its year of incorporation is working to boost the tourism industry in the state. Some of the initiatives in tourism development in Maharashtra by MTDC are explained below.

With the main thrust, to market Maharashtra as a premier global tourism destination, thereby generating employment and enhancing productivity through tourism, the award-winning promotion campaign - ‘Maharashtra...Unlimited’, has been created by MTDC. It aims to highlight the unlimited potential of the state.

MTDC has commissioned many master plans for various regions on Maharashtra, Sindhudurg, Vidarbha, Ajanta-Ellora, and forts being some of them.

MTDC’s budget outlay for tourism has increased ten-fold as compared to its previous budget. Its present budget of Rs. 101 crores has been segregated as – Rs. 55 crore has been allocated for Ajanta Ellora, Rs. 12 crore for Ashta Vinayak, Rs. 5 crore for the Konkan Riviera, Rs. 5 crore for wildlife and eco-tourism in the Vidarbha region and Rs. 10 crore for Shivneri. In addition, Rs. 7.95 crore has been sanctioned purely for publicity and promotion, a seven-fold increase over last year.

MTDC’s strategy for development of Konkan region on the lines of the French Riviera, Bali and Gold Coast, comprises of the development of self contained resorts on under populated and under productive lands, strong public-private collaboration in the development of infrastructure, creation of training schools for absorption of local populace in

the tourism industry, aggressive marketing. The GoM has allocated Rs. 5 crores in this budget for the Konkan Riviera.

For Maharashtra, luxury train - The Deccan Odyssey has been planned, with interiors that will showcase pristine beaches, forts, legends, gods carved in black monolithic rock, and opulent palaces dedicated to kings, from north to south. This luxury train offers to take its passengers on a journey through the kingdom of the Marathas, Maharashtra.

Shirdi, recognised as the second largest religious centre in terms of visits after Tirupati, is a religious destination slated for upgradation. The government in collaboration with the Shirdi Trust has charted plans to promote the desired objective. Shirdi falls under the 'Special Area Development Plan' of the Maharashtra government, where public policy management schemes have been planned to ameliorate the region. Measures have been adopted to amend the drainage and sanitation system and the Shirdi Trust, besides setting up a few five-star properties, has also built accommodation facilities in the form of dormitories.

Promotion of Vipassana and Ayurveda tours, especially at the Vipassana Kendra at Igatpuri near Nashik has been slotted for promotions.

Participation in tourism fairs, both national and international, has been on the agenda of the state's promotional drives. The state has participated in tourism fairs at Berlin and London, where the Government of India has identified Maharashtra along with Kerala, West Bengal and Rajasthan as partners. MTDC also has plans to work with CNN.

Promotion of fort tourism and development of beach tourism by improving accessibility to the beach areas is underway. Promoting the concept of coastal cuisine, especially Malwani cuisine, is under consideration.

The Sindhudurg district, which was declared by the Maharashtra government as the 'Tourism District', has, in fact, the best beaches in the region. Shiroda, Tarkarli, Mochemad, Mandwa, Kihim and Janjira have been identified for further beach promotion drives. MTDC has plans to implement the Sindhudurg Tourism Development Project here. The scenic 720 km long coastline of the Konkan has been included for development as the National

Tourism Circuit and Tarkarli has been chosen as the new port of call for Hebridean Cruise Liners.

The state tourism department has identified promotion of adventure and wildlife tourism in the state, especially in the Nagpur belt. Joining hands with the neighbouring Madhya Pradesh government to further these plans, along with introducing the concept of historical tourism, to provide an insight into the Sanskrit culture in certain identified areas in the state, has been conceptualised.

MTDC has developed an incentives package with special concessions for Sindhudurg district to attract private sector investments in tourism industry. Also, state-level tax rates have been lowered, the entertainment tax is six per cent while sales tax stands at 15 per cent for food and 25 per cent for beverages.

MTDC plans to position Mumbai as a potential destination both for leisure and corporate travel. Apart from promoting Mumbai as a single destination, special activities and highlights that are area specific can also be promoted. There are a number of gateways from Mumbai that can prove to be excellent destinations for one-day trips. There are potential hill stations around the region that can be marketed to these tourists. Further, the caves around the city can be marketed and promoted as potential heritage sites and as cave circuits. The city's waterfront is also planned to be utilised, as a number of activities can be developed around the coastal region. Bollywood, is Mumbai's unique feature that MTDC plans to promote as a city of stars.

On the initiative of the MTDC, the Bombay Municipal Corporation has recently set up a special committee for the first time to look into matters concerning the promotion and welfare of tourism in the region, headed by the commissioner. Along with MTDC there are other stakeholders that are contributing to tourism development.

The National Action Plan for Tourism have identified 21 travel circuits, 12 destinations and 33 pilgrim centres which include destinations/places of tourism potential in remote/hilly areas for intensive development through the joint efforts of Central and State Governments and the private sector in order to strengthen infrastructure facilities. From

Maharashtra, the travel circuit of Raigad Fort-Janjira Fort-Kuda-Caves, Sirivardhan, Harihareshwar, Sindhudurg, the destination of Ajanta-Ellora (Aurangabad) and Pilgrim Centres of Shirdi, Nanded and Jyotiba have been identified.

MSRDC has undertaken the development of New Mahabaleshwar Hill station. It plans to develop the region from Mahabaleshwar to Koyna backwaters / Patan as New Mahabaleshwar Hill Station. Pre feasibility study of this area has been carried out by MSRDC. The Government has approved the project in principle. In addition to the above projects, MSRDC has undertaken road development projects as well as the development of Nagpur Multi-nodal International airport that could help in strengthening basic infrastructure at various tourist destinations.

CIDCO Golf Course and Country Club of Navi Mumbai are involved in the development of an 18-Hole Executive Golf Course and a country club at Nerul, Navi Mumbai.

MMRDA has undertaken to convert the warship INS Vikrant into a maritime museum at Mumbai.

The Forest Development Corporation of Maharashtra (FDCM) Ltd. has appointed the Indian Society for Environment, Art and Cultural Heritage (Indsearch) to conduct eco-tours in the vicinity of the forests in Maharashtra. There is excellent potential for eco-tourism since Maharashtra has an estimated forest cover of more than 103 sq km. The FDCM along with the forest department of Maharashtra plans to utilise the existing available infrastructure for the development of eco-tourism along with Indsearch, who will conduct guided tours in various forests, sanctuaries.

Private sector role

The government has played a central role in tourism for Maharashtra, while the private sector role has been more supportive. Major national and international hotel chains – including Taj, Oberoi, Le Méridien, Best Western, Hyatt and ITC have already established hotels and resorts in the state.

The latest year for which a detailed breakdown of hotel accommodation supply is available is 2000. As shown in the Table 12.1, most development has been in the one- to three-star categories.

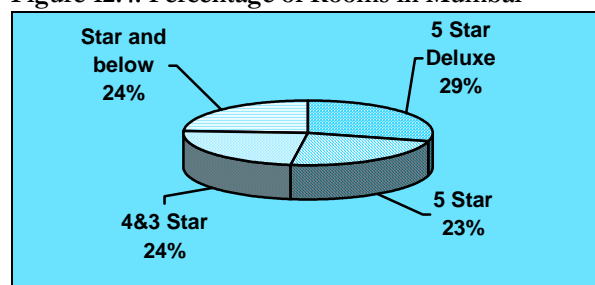
Table 12.1: Maharashtra's Classified Hotel and Room Capacity, 2000

Category	No. of Hotels	No. of Rooms
5-star deluxe	13	4064
5-star	14	1795
4-star	15	1097
3-star	50	2295
2-star	83	2564
1-star	47	1368
Heritage resorts	1	22
Unclassified	19	667
Total	242	13854

Source: IHR, 2000

Mumbai, Maharashtra's most prominent destination had 93 government-registered hotel establishments comprising 7,003 rooms, as of March 2000. Figure 12.4 connotes rooms' percentage in different categories of hotels in Mumbai.

Figure 12.4: Percentage of Rooms in Mumbai



Source: IHR, 2000

In contrast to the 1990s, room supply in the 5 star deluxe and 5 star segments of the market is expected to increase in the near future for Mumbai as per the *Jones Lang LaSalle Hotels – India Hotel Report (IHR) 2000*. In the absence of the large land parcels that can be developed, most of this additional supply is concentrated in North Mumbai with the opening of ITC Grand Maratha International, Airport Inter-Continental, Grand Hyatt International and Leela Suites International Airport in close proximity to the emerging business districts of Andheri-Kurla Road and Bandra- Kurla Complex. The domestic traveller continues to be of importance across all hotels in Mumbai accounting for 76.3 per cent of all guests. Domestic business travellers represented the largest percentage of hotel guests at 39 per cent. Foreign leisure travellers and groups, who prefer luxury and heritage hotels, comprised 25.7 per cent and 29.4 per cent of the heritage market respectively. UK provided the largest demand at 15.4 per cent, followed by the US at 14.2 per cent, and Germany at 8.9 per cent.

Foreign business travellers primarily drive hotel rooms in Mumbai.

According to the FHRAI report on cities for 2002, despite the huge increase in the new room supply in the Mumbai market, occupancy levels have declined only by 3.5 per cent. This indicates a large surge in demand for hotel rooms. It is estimated that this increase in demand has consistently grown at 25 – 30 per cent over the past 2-3 years. New room supply has, however, had a detrimental effect on average rates, which declined by 40 per cent. In the other prominent city of Pune, overall occupancies in luxury and mid-market hotels have remained steady. Average rates, however, have decreased dramatically across the board at nearly 49 per cent. The city is witnessing a lot of hotel activity and at least 2-3 hotels are to change hands in the next year. FHRAI expects the overall market to improve in 2002/03.

The role of tour operators in Maharashtra has been limited. According to statistics available till 2000, there were 24 tourist transport operators, 78 travel agents and 24 tour operators approved by the Ministry of Tourism in Maharashtra. International tour operators like Cox and Kings, Thomas Cook and national leading operators like Sita Travels, Raj Travels, Raja Rani tours have offices in Mumbai, though they mostly cater to outbound market and national market. Niche tour operators for Maharashtra are very local and offer basic packages for travelling to religious and heritage destinations here.

Recently, with a view to increase the role of the private sector, a joint task force, focusing on private-public sector partnership, is being set up with major industry players and other stakeholders as members, to act as advisors to the state government with regard to tourism development activities.

SWOT Analysis

Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis has been used to create a quick map of the internal organisation and the fundamental external dynamics involved. Analysis of Maharashtra's tourism sector is based on national

and global factors and environmental considerations.

Strengths

Most obviously, Maharashtra has immense tourism potential with its natural beaches, heritage and culture. Most of the other states in India too have similar offerings. So, the strengths for Maharashtra will lie with its unique perspectives. The strengths are answers to these question: What is the value proposition offered in relation to the other states in India? Why should a tourist visit destinations in Maharashtra when he has so many options?

The primary strength of Maharashtra is Mumbai. It is a commercial and entertainment capital of India and now planning to be a top urban tourist destination. Its strengths are:

- *South Mumbai:* The South Mumbai area houses the Gateway of India, Museums, Shopping malls and Designer showrooms. It offers Victorian buggy rides, walking down Kala Ghoda's art district in an aesthetically designed surrounding. With its proximity to the world heritage site of Elephanta, South Mumbai can become the primary activity-oriented destination.
- *International airport:* Mumbai's International airport brings around 26 per cent of international tourists to India. It has the advantage of getting most of tourists to the state before any other state in India does.
- *Bollywood:* Mumbai is the entertainment capital of India. Major studios, actors, and designers, reside in Mumbai. Bollywood has received international attention and is of prime interest to population of Indian origin in the source markets of USA and UK.
- *Commercial Capital:* Mumbai primarily caters to international and domestic business tourists. Mumbai's new prime hotels are close to the airport to convenience the business tourists visiting the North Mumbai business areas of Santacruz Electronic Export Processing Zone (SEEPZ) and Bandra- Kurla Complex.
- *Amusement Parks:* The premier amusement parks of Essel world and Water-world are at close

proximity to the international airport, and offer an excellent one-day outing of its kind.

- *Sea Forts:* Maharashtra has a huge cache of sea forts, most of which are in the Konkan belt and offer a distinct uniqueness. Also, the sea forts of Ailbag and Murud- Janjira are close to Mumbai.
- *Maharashtra residents:* Maharashtra is the largest generator of domestic tourism with around forty per cent of its population showing a high propensity to travel. Moreover, an India profile study by British Tourist Authority shows that the primary source- state for Indian Outbound to Britain is Maharashtra.
- *Nationally known religious sites:* Maharashtra homes prominent religious places with nationwide following. Shirdi, Ashtavinayak and even the Mumbai famous Siddhivinayak temples are a must in the itinerary of domestic tourists visiting Maharashtra.
- *Tangible and Intangible culture:* Maharashtra's richness of culture lies in the arts of Warli, Chitrakathi, Bidriware and music traditions at Elephanta, Balgandharva, Banganga, Kalaghoda and Kalidas. These handicrafts and tribal arts indeed add to the unique value of Maharashtra.
- *Rich Buddhist Cave Architecture heritage:* Not just Ajanta-Ellora, but also the caves of Bhaja and Bedsa, Karla, Pandavleni, Junnar and Pithalkhora are Buddhist heritage sites, each offering the view of ancient "cave architecture". According to the Convenor of the Indian National Trust for Art and Cultural Heritage, this architecture is one of its kinds in the world thus offering a unique perspective of the Buddhist culture.
- *Specialty Tourism:* The rise in rural and eco-tourism worldwide finds ample opportunity in Maharashtra with its forests and national parks as well as special areas like Lonar.
- *Beaches:* A 720 km. coastline dotted by beaches in the Sindhudurg and Ratnagiri region along with a potential to attach culture and nature is one of the main assets for Maharashtra.

Weaknesses

- *Long haul tourist dependence:* Maharashtra depends highly on the leisure tourist long- haul markets of

UK, USA, France and Germany. One of the most prominent disadvantages of a strong long-haul market is their unpredictable nature. Any security and safety issues at the destination initiate cancellation of vacations. Effects of economic slowdown and 9/11 are most prominent for the long-haul markets. WTO -Tourism 2020, South Asian Sub-region (of which India forms more than 50 per cent) states: "South Asia region relies on long haul tourists, mostly ultra long- haul tourist (Europe and America). For these tourists, high budgets are necessary. It will be vital for South Asian Countries to consolidate these sources through well-directed and appropriate marketing, and seek to avoid "monoculture" by developing and penetrating other regional sources".

- *Mumbai's Host Ambience:* Mumbai represents the most visited destination site of Maharashtra. When tourists land at Mumbai they make their first impressions. Mumbai's poor condition of the Western express highway, touts and beggars creates a very poor host ambience. Most of the tourism experts interviewed stressed on this aspect being the most important problem area for Mumbai.
- *Mumbai's transit destination status:* In spite of having around 50 per cent of tourists visiting India, through Mumbai airport, only a 5-8 per cent of international tourists travel to Maharashtra destinations. There are no clear indications whether the tourist spends any time visiting Mumbai attractions.

Lack of competitive Advantage

- *High priced destination:* According to the World Travel and Tourism Council (WTTC) research (World Travel and Tourism Tax Policy centre "Key Issues in taxation"), the tax paid by tourists in India is around 40 per cent, which is the highest in the world. Mumbai is among the least competitive destinations with the highest tax burdens (Economic Times, 2002). A recent study conducted by AF Ferguson & Co. for FICCI showed that lowering tax rates could increase tourist arrivals. The study reveals that cutting tax by 50 per cent could double the potential number

of households who can afford tourism at that level and can actually increase the total revenue for government.

- *Connectivity to destinations:* Present leisure tourists looking for value for money and time want to reach their destinations without time gaps and inconveniences. If a domestic traveller wants to go to Tarkarli, he has to first come to Mumbai and then travel via pre-booked trains or buses. Destination connectivity is grossly lacking. Also majority of the source markets are long-haul making it necessary that travel time to get to end destinations should be minimal.
- *Mumbai's dependence on Business Tourism:* Most of the hotels in Mumbai cater to the high return business tourist and have not focused on leisure tourism. According to the Jones Lang LaSalle Hotel report on Mumbai, foreign business travellers primarily drive demand for high-end accommodation.
- *Lack of innovation:* Maharashtra's tourism products have not been built around catering to the "new experience" requirements of today's highly aware tourists. The world tourism trends indicate growth of adventure tourism, rural/ethnic tourism (World Tourism Organisation Business Council (WTOBC) Changes in Leisure Time: "The Impact on Tourism" 1999).
- *Unfocused development and lack of Co-operation:* Many contributors to Maharashtra tourism – MTDC, MSRDC, Min. of railways, FMDC, ASI etc. have followed their own objectives and plans and are working on separate platforms. There is lack of an overall vision and strategy to guide tourism planning and development. Also, lack of cooperation between various governmental organisations involved in tourism creates inconvenience for the tourist. A visit to Ajanta World Heritage Site requires a tourist to purchase as many as 7 tickets due to a distinct jurisdiction issue.
- *Information Availability:* Most obviously, Maharashtra does not have a proactive information strategy to attract a tourist at the decision making point, since most of the tourists worldwide, tap into websites for information and

purchase of products. Hotel websites at 5.5 per cent had the highest growth rate over the previous year especially in the heritage sector where it accounted for 12.4 per cent of all advance reservations. This reflected a dramatic 600 per cent increase over the previous year. Overall increase in web-based reservations reflected a growth of 400 per cent.

- *Lack of Analytical data:* Every vision strategy and policy should be based on data. In the case of tourism, information like destination-wise source, country-wise tourist arrivals, spending patterns etc. would offer an opportunity to make intelligent analysis. Maharashtra does not maintain any such data.
- *Lack of Quality Human Resource:* Tourism is a people-centric activity. A tourist meets "people" throughout his/her travel and interacts with them for purchases, advice and guidance and services. Thus, the quality of experience a tourist has, is highly dependant on the "human resource" element. In Maharashtra, there is the Institute for Hotel management, Catering Technology and Applied Nutrition at Dadar, as well as university-affiliated Garware Foundation that offers travel and tourism courses and small private institutes offer IATA certification courses, ticketing and airline services courses that are mainly operational. But, a clear human resource policy is required that singularly focuses on quality.

Opportunities

- *Domestic Tourism:* Domestic tourism's predictability and controllability has been seen as virtue post 9/11 and is stated for high growth worldwide (Dave, 2002). Worldwide many countries are undertaking initiatives to attract domestic tourism as a tourism growth strategy. Indian Government's work on the Golden Quadrilateral highway project and North-South and East-West corridors is expected to increase accessibility and promote domestic tourism (GoI, 2002). Also with Maharashtra's nationally known religious sites and the city of Mumbai, this growing market can be an opportunity.
- *Growing Buddhist populated source markets:* Growing tourism source countries of Japan, China and

neighbouring Sri-Lanka have Buddhist populations (Buddha Dharma Education Association). Their interest in Buddhist architecture and heritage can be an opportunity for Maharashtra to offer them its unique “cave architecture”.

- *Proximity to economically growing ASEAN countries:* The economic situations of source markets affect their outbound tourist expenditure. The projected economic growth for emerging markets such as the members of ASEAN or those in Eastern Europe, have been maintained or even raised. The proximity to these growing economies is an opportunity to tap high spending tourists.
- *China Outbound Market:* Although China's outbound tourism market is rarely analysed, a 1999 survey ranked travelling as third, in all desired expense items among Chinese consumers. China has overtaken Netherlands and Canada in tourist spending and together with Hong Kong, China is becoming increasingly important in terms of expenditure, spending more than even France. It is the second-largest source of travellers in Asia Pacific after Japan – 18 million in the same year.
- *India's Tourism prospects:* 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 (WTTC, 2002). 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.
- *Growth in cultural tourism:* World trends have shown that an increasing number of tourists want a unique cultural experience (WTO Sustainable tourism Development: Guide for Local Planners). Most of Maharashtra's present source markets of Europe and USA have interest in experiencing the art and culture (WTO Sustainable tourism Development: Guide for Local Planners).
- *Transit Visitors:* Most of India's international visitors use Mumbai as the transit port of entry or exit. This existing captive audience can be changed from transit visitors to tourists. In most gross terms, the benefit of this opportunity was explained by Mr. Pradip Madhavji as a \$42 million increase in tourism earnings for every additional day spent in Maharashtra by every transit tourist. India's foreign exchange earnings of around \$3 billion from 2.5 million tourists to India implies that approximately \$1280 per person was spent in 31 days, i.e. \$42 per tourist, per day. For Maharashtra, if 94 per cent of 1.08 million tourists that transit through, spend an additional e day it means approximate tourist earnings of \$38 million per day.
- *Nostalgia and Roots tourism:* Many countries today have a large NRI population e.g. UK, USA, South Africa, Australia etc. Also, WTO has declared the world wide growing trend of nostalgia tourism.
- *Indian Outbound Market:* India's outbound tourism is approximately 4 million. Malaysia, Dubai, UK, Mauritius, Singapore, China and even Tunisia have tourism offices in India wanting to tap the value for money Indian tourist as well as the MICE market. Tourism boards of various countries are planning to step up their advertising expenditure by about 25 per cent to target Indian outbound travellers who have emerged as the highest spenders. India's foreign exchange earnings from 2.5 million tourists to India of around \$3 billion means approximately per person spend of \$1280 spent in 31 days. A per day tourist spend of \$42. For Maharashtra, 94 per cent of 1.08 million tourists that transit through spend one more day it means approximate tourist earnings of \$42 million per day (Business Standard, February 25, 2003). If Maharashtra can offer this class of tourists an opportunity to see added values – experiences, this growing outbound market can be shifted to domestic tourism. Also according to the report of British Tourist Authority, Britain's primary Indian state source market is Maharashtra with 36 per cent of the Indian outbound market to UK residing in Maharashtra (British Tourist Authority market profile India, July 2002).

- *Business Tourism and MICE market:* An FHRAI study observes that 57 per cent of all guests in Indian Hotel Industry comprise of Business Guests. Most travel agents interviewed during this study agreed that business travel had grown for the last couple of years by 10-15 per cent annually. The Meetings Incentives Convention Exhibition (MICE) market is growing worldwide, India being no exception. Most of the SouthEast Asian countries are tapping the source markets for India namely - Mumbai, New Delhi, Chennai and Bangalore. According to Express Travel and Tourism “The MICE segment will be the important driver for corporate travel in India, enhancing traffic to key cities like Mumbai and Delhi, while increasing traffic to emerging nodal towns like Pune, Hyderabad and Bangalore” (WTTC, 2003). The Union Budget’s announcement of the proposed establishment of two global standard international convention centres at an estimated cost of Rs. 1000 crore, one being in Mumbai, will be a big boost for the MICE market (Express Travel and Tourism, March 25, 2003).
- *International Airport at Goa:* Goa is planning an international airport in North Goa, just a few kilometres away from the high tourism potential district of Sindhudurg. Accessibility to this region will certainly assist in increasing tourist interest in this region as also encourage premier hotel groups to build facilities in Sindhudurg.

Threats

- *Perception:* An issue that is essential in stabilising tourism growth is the factor of “perception”. How your present and potential tourist markets perceive the destinations in Maharashtra state is important in defining their travel options. The bomb blasts and scares have caused a setback to tourism in Maharashtra. The dispersed marketing initiatives do not clearly give an idea to a tourist as to which destination he can choose or visit.
- *Global and National effects:* The comments of Mr Frangialli, WTO president that "There is an increasing awareness that risk is no longer associated exclusively with specific destinations; that risk can exist in one's own backyard", bring out the global nature of tourism. Recently, WTO news has mentioned the Asian destinations that have not recorded major cases of infection to date, (India, Indonesia, Malaysia, Cambodia, the Philippines, Thailand...) have suffered almost as much as the areas actually affected, China, Hong Kong and Singapore. Thus, in spite of India being a part of Asia and in close proximity to the affected regions in South East Asia, tourism has been affected. Also, India being such a vast country, the rest of India does not essentially feel the effects of security and safety tensions in one part. Yet tourism to India, in general, has been affected by such incidences.
- *Safety and Security Issues in Mumbai:* In today’s information-savvy and global world, safety and security issues in destinations have primary importance. How present and potential tourist markets perceive the destination, beyond its leisure, fun, shopping etc., image, in terms of health and safety has found prominence after the 9/11, SARS and Gulf War.
- *International Airports at other Indian metros:* Thiruvananthapuram, Hyderabad and Chennai already have international airports while Goa is on the verge of building one. As these airports become popular with leisure and business tourists, offering convenient connecting time, Mumbai might lose out on its transit status.
- *Economic situations at Source market:* The outbound tourism is inevitably linked with the general economic situation of the source market countries. The International Monetary Fund published its World Economic Outlook last September, in which it lowered its economic development projections for most countries. The figures show a generalised reduction in growth among the developed countries, which are the main generators of tourism.
- *Competition from other Indian States:* The small cache of foreign tourists visiting India predominantly travel to the five states: Kerala, Rajasthan, Tamil Nadu, Delhi, Maharashtra and Goa. According to DOT data, Maharashtra ranks second in India’s tourist destinations. But that ranking can be attuned to the existence of the international

airport at Mumbai. Goa, Rajasthan and Kerala have already initiated the Economic Impact Assessment workings with support from WTO and WTTC. Kerala has initiated the Vision 2025 for long-term sustained tourism development. These states depend highly on the tourism industry. With international airports within the state and large scale charter flights, all have accessibility support. The governments in these states have supported tourism in a big way through large budgets and promotions. Maharashtra faces competition from these states in the areas of Heritage tourism, Special Interest Tourism – Backwater, Palaces and beach tourism.

Policy Recommendations - Sustainable tourism for Maharashtra

From the SWOT Analysis, it is evident that Maharashtra has a great potential and opportunities to develop tourism as a basis of economic development. The state can use its strengths to take advantage of its opportunities for sustained tourism growth by following an approach that inculcates the principles of sustainable tourism. Sustainability of tourism in Maharashtra during this short term Five Year Plan period primarily depends on its ability to increase tourist spend at the existing tourist destinations like Mumbai and Ajanta-Ellora and to increase tourist arrivals to other attractions in the backdrop of strong leadership, planning systems and procedures.

The report recommends the following policy implications for tourism in Maharashtra that match the sustainability concept to the advantage of its strengths and opportunities, while reducing its threats and weaknesses. These recommendations take into consideration that a state's tourism policy should provide the most explicit statement of the government's approach to sustainable tourism development and the roles that all stakeholders in the tourism sector are expected to play. Some of the examples of sustainable tourism policies and actions are given below:

Sustainable tourism planning in Turkey

Recent growth of the tourism industry in Turkey has followed the global pattern of rapid expansion, in line with, rising standards of living, increased

leisure time for travel and improved infrastructure. The tourism industry in Turkey contributes significantly to its foreign exchange earnings and employment.

Government gives priority to training qualified personnel. Most activities to develop human resources are carried out by the private sector, although the government provides vocational training.

The Turkish Tourism Policy aims to extend the economic benefits from tourism to the people, while ensuring that tourism policies are environmentally sound and sustainable. Tourism is primarily a private sector industry, but tourism facilities must be licensed either by municipalities or the Ministry of Tourism. Such licensing by the Ministry is intended to guarantee that the quality of services conform to international standards.

The government is responsible for research and statistics to help evaluate the impact of tourism.

Turkish Tourism Policy ensures the continuity of natural and cultural assets, by prioritising environmental protection and the cultural heritage. Turkey has a number of environmental management projects, such as the Mediterranean and Aegean Coastline Tourism Infrastructure Management Project and the Blue Flag Campaign to ensure water quality. The Government of Turkey is responsible for infrastructure and public services, although incentives are granted under the Tourism Encouragement Law.

The Ministry of Tourism provides the overall orientation and coordination, though publicly owned tourism establishments will be gradually privatised. Foreign investment in the tourism sector is encouraged according to Foreign Investment Law number 6224, which is based on a country report prepared by Plan of Action for Sustainable Tourism Development (PASTA plan 1999-2005), A Progress Report.

Sustainable tourism planning in China

China has a seven-point strategy as a basic framework for sustainable tourism development that seeks to balance rational use of resources for positive economic impact with environmental

protection. It emphasises on giving full play to market mechanisms and promoting the government's role in establishing a cooperative institutional safeguard system. This would help at the macro-economic level by replacing some traditional industries that used resources inefficiently and caused pollution.

China has strengthened its legal and technical standards in order to protect tourism resources. Since the 1980s, it has included the Law on Environmental Protection, Rules and Regulations on National Scenic Spots and Regulations on Forests and Parks. The National Tourism Administration of China has proposed guidelines for promoting tourism.

China has also emphasised public awareness and education campaigns on sustainable tourism development, and there have been pilot projects on eco-tourism. One initiative under China's seven-point strategic policy for tourism development involves setting up model eco-tourism projects. An important part of eco-tourism projects involves action to preserve and maintain the continuity of the cultural heritage, which is based on a country report prepared by the China National Tourism Administration, Beijing, China, (Translated) in Plan of Action for Sustainable Tourism Development in the Asian and Pacific Region (1999-2005), A Progress Report.

Sustainable Tourism in Kumarakom, Kerala- A Case Study

Kumarakom, a backwater tourism hub is gaining a strategic place in the map of tourism due to its natural, scenic and aesthetic beauty. Tourism Development in Kumarakom started with the lease of KTDC land (bird sanctuary area) to Taj Kerala Resorts Limited in the 1989. Tourism has developed rapidly in the area after that and Prime Minister Vajpayee's visit and his popular Kumarakom Musings has created much hype among tourists in this otherwise calm destination.

Kumarakom Panchayat at present has 5 big resorts contributing to 344 beds and creating direct employment opportunities of 515 and indirect employment opportunities of 164. There are 7 small resorts and more than 20 lodges and home stay

facilities contributing to another 100 beds. Panchayat is earning 20 lakhs as tax from the industry and it claims that the tourism industry's revenue amounts to around 30 crores in this small destination.

Initially, the arrival of tourism industry was well-received by the local people with the land value increasing many folds in the potential areas for tourism ventures. They offered their agricultural lands and paddy fields for tourism construction at an exorbitant price. Although the conversion of land reduced the agricultural yield and employment, the temporary employment opportunities in the construction sector with relatively higher wages, made the local workers happy.

In the years to come, however, the negative impacts of tourism for the local community started showing:

- *Employment:* 80 per cent of the regular employees in big hotels were appointed from outside Kumarakom. A study revealed that most of the labourers lost their traditional occupation. Women and agricultural labourers were displaced from the lands converted for tourism could not be compensated with alternative jobs.
- *Occupation/Income Loss:* The clustering of the resorts on the banks of Vembanad Kayal denied the local people involved in fishing and shell collection, access to the Kayal. The increased number of speedboats, motorboats and houseboats plying as part of tourism development resulted in the damage of their fishing nets. Tourist Resorts have even gone to the extent of privatising and appropriating the Kayal to promote their business without due regard to the regulations placed by the Panchayat. The natural banks of the Kayal, once covered with thick mangrove forest, are replaced by granite walls by the resort owners in order to get uninterrupted view of it from their property. The cutting down of these mangrove forests has also completely destroyed the breeding grounds for several fishes resulting in their diminishing numbers. For e.g the half beak (*Hemir amplus*) species, which were once abundant in the lake are now reduced, also resulting in the unemployment of many fishermen.

Environment Loss

- The two mangrove swamps on the northwest corner of the KTDC complex were the only breeding ground for Night Herons in Kerala in the eighties. The clearance of trees in the entrance area of the complex has ensured the vanishing of one third of the bird population in the last decade.
- The bird census conducted in the area periodically has clearly shown the impact of tourism development on bird population. The survey conducted in 10 selected areas of Kumarakom featured 36,498 birds in 1993, 22,195 birds in 2001 and a meagre 13,274 birds in 2002.
- The wastes from hotels and those from houseboats, including human excreta are dumped into the lake. The total coliform count in the lake is much higher than the maximum prescribed value. The number of coliform in 100 ml of lake water is 1500 to the permissible limit of 500 maximum/ 100 ml for ecologically sensitive and contact water sports. In Kumarakom, improving of the infrastructure development and the development of service and productive sectors has received no contribution from the tourism industry.

Equations conducted a Technical Session on 29th August, 2002 for the Panchayat Members, on the Powers and Functions of the Panchayat, devolved as per the Kerala Panchayat Raj under the broad mandate of the 73rd Amendment of the Constitution useful for the proper regulation of tourism. Motivated by this knowledge, the Panchayat members came up with a People's Charter and Draft Guidelines on Sustainable Tourism for Kumarakom, which demanded the preparation of Master Plan for tourism development and put regulations on new constructions, tourism activities and utilisation of common resources. The Charter also insists that the tourism industry ensures direct and indirect employment opportunities for the local people and contributes to the projects of priority, for the well being of the community and conservation of the environment, in the backdrop of overall socio-economic development of the

region. A thrust has been given to the concepts of social obligations of tourism industry and its corporate accountability. The Charter also demands the creation of an expert committee to look into the conceptualisation, planning, implementation and monitoring of tourism development within the Kumarakom Panchayat. To realise these objectives, the Panchayat is now planning to create a Functional Committee on Tourism as per Section 163(1) of the Kerala Panchayat Raj Act, which allows the Panchayat to form functional committees on different subjects.

On 23rd April 2003, the Panchayat convened a meeting of members of the tourism industry and others concerned with tourism, to initiate a democratic discussion on the People's Charter and Draft Guidelines. The representatives of the tourism industry consented to the contents of the Charter and the process of its ratification is underway.

The implementation of the Charter and community-based tourism initiatives will lead to sustainable tourism with the components of conservation, participatory processes and benefit sharing to all the stakeholders concerned in Kumarakom (Sustainable Tourism in Kumarakom, A Case Study).

The Sustainable Tourism policy approach brings together the stakeholders involved in the tourism product, consisting of the industry with top hotel groups like the Taj, Oberoi, ITC and tour operators like Thomas Cook, Cox and Kings and Raj travels along with many local well-known players. Also, the dynamic government leadership of MTDC and the Government of Maharashtra, Ministry of tourism, the local community that has a variety of artisans and entrepreneurs, the people of Maharashtra and most importantly the tourist who still mostly transits through Maharashtra and may yet contribute to the economic development of Maharashtra by increasing in numbers and spending.

The report recommends a policy approach, where the government plays the role of initiating investment and involvement from private sector and local community, while investing in tourism asset conservation and capacity building. The private sector plays a larger role by offering more innovative options for tourists and investing in

infrastructure and services. The local community becomes a part of this broader approach by increasing entrepreneurship and their involvement in all stages of planning and development of tourism. Thus each of the stakeholders needs to provide the following:

- Support through defining and following policies, systems and procedures.
- Investment in infrastructure and economic growth.
- Involvement in the social progress and growth.
- Responsibility towards environment, heritage and culture.
- Partnership in tourism planning development and management.

Plan for Long Term

- Create State leadership involvement in tourism, the travel & tourism industry's role, as Maharashtra's sustained economic driver requires the involvement of the highest authority like, the Chief minister at the policy/planning, implementation and management stages of tourism initiatives. Tourism being a diverse industry, involves coordinated working of different areas like public works, power and water works, law and order, urban and rural planning, environment, conservation, which need holistic and decisive decision making. Thus, tourism, without the support and involvement of the Chief minister, may just be relegated to being an elitist industry and tourism plans on sustainable principles will not be implemented. The need is for tourism to be politically acceptable without compromising on its sustainability.

This report recommends that a Cabinet Committee chaired by the Chief minister be established with appropriate ministers as members. This committee would be coordinated by the MTDC, the Ministry of Tourism, and GoM and all its decisions would be binding on its members. The tourism initiatives in Maharashtra undertaken by diverse groups and agencies, like CIDCO, MSRDC, FDCM can be brought under this committee.

- Establish destination based development authorities: Maharashtra has some of India's best

nature and heritage sites like Sindhudurg, Matheran, Elephanta and Ajanta-Ellora. However, unplanned development, overcrowding, short-term initiatives can hamper their appeal as major tourism destinations, prime examples being the eco-sensitive zones like Mahabaleshwar and Panchgani. Thus the government must ensure that other destinations do not undergo the same fate. With regard to this, the report takes into consideration the recommendation of the "Development Authority" for the Sindhudurg Development Plan and the government initiatives for Mahabaleshwar Hill station development.

Destinations in Maharashtra demand focused development with less duplication of efforts, an integrated approach and shared knowledge through regular interface with local partners and stakeholders. Since each destination has its own problems and issues a local perspective needs to be brought in.

The report recommends that development authorities based on the concept of "Destination Management Organisations"(UNEP for Sustainable tourism) be created for major destinations like Ajanta-Ellora, Sindhudurg Tourism Zone and Mumbai where, the local authorities provide leadership, with the involvement of local NGOs, community and indigenous representatives, academia, and local chambers of commerce. The DMO would be responsible for developing Master plans for the destinations and its implementation.

Any development for tourism services would fall under the purview of the DMO. These authorities would be independent in their working, though they would be accountable to MTDC for any lapses. The DMO should define its own strategy and objectives and develop promotion and can be funded by the state in its preliminary years and later be created as a self-funded agency.

- Create responsibility and accountability systems: Maharashtra has nature reserves, heritage and cultural attractions that are vulnerable to the negative impacts of tourism—over development, pollution and loss of cultural authenticity. In order to preserve these tourism attractions,

accountability systems should be created as a part of monitoring plan of the DMOs. Each stakeholder should be made responsible and accountable for its actions. For example, any local entrepreneur mass-producing “local handicrafts” should be fined. Or any company creating visual, noise or waste pollution should be stopped from any further production till corrective action is taken.

In addition, it should adopt the principles of ecological preservation as outlined in Agenda 21, developed for the Travel & Tourism Industry after the 1992 Rio Earth Summit by WTTC, the World Tourism Organisation and the Earth Council. The report recommends that a series of policies and guidelines be framed for development of Eco-tourism, Culture and Art tourism, Heritage tourism, and urban and religious tourism.

Also specific guidelines for Tour Operators, Guides, Hotels, Restaurants, Local Communities, Small and Independent entrepreneurs should be prepared at the state level that can steer the workings of the DMOs at the destination level. The government can take the cue from already existing guidelines from Pacific Asia Travel Agents Code of Environmental Conduct, International Hotel & Restaurant Authority “Environmental Action Pack for Hotels” and “Environmental Good Practice in Hotels” APEC Tourism Charter, IOTO’s set of principles for Coastal Zone Management (CZM), WTO’s Indicators for Sustainable tourism management and Carrying Capacity Assessment, WTO’s Quality Standards and APEC/PATA Code for Sustainable Tourism.

- **Strategy, Focused and Planned Development:** Maharashtra has many high tourism potential attractions, each capable of being a major tourist destination by itself. But all of them cannot be developed and promoted simultaneously as the success of tourism also depends on their readiness for it. This report notes that readiness for tourism in Sindhudurg depends, to a certain extent, on issues of accessibility and local support.

Thus, the Government of Maharashtra should consider development of destinations based on their present readiness for tourism.

This report recommends that destinations can be developed based on classification of:

- **Primary products** – these are the products having tourism infrastructure and services and receiving majority of the tourists coming to Maharashtra. The destinations of *Mumbai and Ajanta-Ellora-Aurangabad* fall into this category. Mumbai has many options for international and domestic markets – heritage, museums, cuisine and culture, business, nearby beaches, nightlife, shopping and fashion. Ajanta caters to mostly to the tourist interested in heritage, specifically Buddhist heritage. Ellora would interest most international and domestic tourists. Also major religious destinations like *Shirdi and the Ashtavinayak* circuit can be primary destinations.
- **Secondary Destinations** – are those near the primary destinations, which can be attached as add-on products. *Aurangabad*, e.g. is the transit place for visiting Ajanta-Ellora, and having historical tourist attractions it can initiate an additional day stay. Another special tourism site is Lonar that is accessible from Aurangabad and can command high interest amongst international tourists. *Pune and Matheran* can be secondary destinations for Mumbai, the former being covered, as a destination is the Deccan Odyssey.

Also potential destinations like the Sindhudurg region will become accessible with the implementation of the international airport in Goa thus making *Savantwadi, Sindhudurg Fort and Tarkarli* secondary destinations. Potential eco-tourism destinations – *national parks and forests* can be tapped with neighbouring states for domestic tourism.

Manage Tourism Proactively

- **Create Tourism management system:** Tourism is a demand-based economic model; the tourism product can be viable only if the demand for the product exists. Thus, the government of Maharashtra should encourage research and collection of data to aid the development decision-making. The ESCAP region’s Plan for Sustainable tourism in Asia Pacific region explains that the effectiveness of policy-making by the government policy-makers and stakeholders depends on reliable information and

timely data of good quality to enable better understanding of tourism’s complex and long-term interactions with the rest of the economy.

At the State level, the report recommends the Tourism Information Management Systems (TIMS) undertake:

- Profiling of domestic and international source markets.
- Feedback mechanism of tourists at the entry and exit points to mark their expectations and satisfaction levels.
- Economic impact assessments
- Environmental impact assessments that can provide useful information for planning future strategies.
- At the destination level, the data on:
 - Tourist arrivals at the destination and at specific tourist attractions within the destination, with characteristics like nationality, and for domestic tourist, the region they reside in, purpose of visit.
 - Spending patterns, age-sex groups, income levels, group/individual travel, length of stay, port of entry and seasonal patterns.
 - Satisfaction levels of tourists at the destination, with respect to type and quality levels of infrastructure and services.
 - Accommodation: room types, availability, rates and quality should be compiled. The data collection and analysis should form a part of a system procedure that is regularly updated. Tourist surveys can be periodically taken during the peak and off-peak seasons that can assist in future developing trends/ developments.
 - *Establish Monitoring systems:* The government of Maharashtra is undertaking a dynamic plan for tourism promotion and development. The progress and effect of this plan has to be duly monitored to ensure that tourism is on the right track and to detect any problems and take proactive remedial action before they become serious. An overall evaluation of the tourism policies and plans can include management, through a set of indicators of sustainable tourism, at given destinations or regions which in turn can help the planners and managers of tourism to anticipate and prevent those tourism activities

which may threaten key attributes. An example is the core indicators of sustainable tourism published by the WTO as shown in the table 12.2. This set of indicators can be compiled on a regular basis at the destination level.

- *Perception and public relations for stakeholders and tourists:* An issue that is essential in stabilising tourism growth is the factor of “perception”. How your present and potential tourist markets perceive the destinations in Maharashtra state is important in defining their travel options? Tourism in Maharashtra, from the point of view of safety has suffered a setback due to the frequent bomb blasts and scares.

Table 12.2: Core Indicators of Sustainable Tourism

Indicator	Specific Measures
Stress	Tourism Numbers visiting site per annum/peak month
Use Intensity	Intensity of use in peak period
Social Impact	Ratio of tourists to locals
Development Control	Existence of environmental review procedure or formal control over development of site and use densities
Planning Process	Existence of organised regional development plan for tourist destination (including the tourism component)
Critical Eco-systems	Number of rare endangered species
Consumer Satisfaction	Level of satisfaction by visitors, tourist revisit levels, spending patterns
Local Satisfaction	Level of satisfaction of locals, income levels, crimes against tourists
Tourism Contribution to Local Economy	Proportion and growth pattern of total economic activity generated by tourism alone, multiplier effect; leakage percentage

Source: WTO “A practical guide to development and use of indicators”

The report recommends that a regularised, public relations and perception management exercise be undertaken by the government to portray Maharashtra as a safe destination.

The local communities in various destinations of Maharashtra also suffer for want of information on tourism plans and developments. Tourist awareness plans must be made at the destination and state levels, offering information on the government’s plans for tourism while giving a platform to air views and queries and find appropriate answers.

Emphasise tourism as an economic driver

- *Develop integration with other industries:* Maharashtra's gems and jewellery, horticulture, breweries, floriculture, sugarcane industries are well known. These industries can be tapped as an extension of the Travel and Tourism Industry. The Sindhudurg district, along with being a potential tourist destination, also has horticulture as its prime industry that can be attached to tourism. Mumbai has the entertainment and fashion industry while Kolhapur has the textile industry.

The report recommends that the destination plans are integrated and developed with other industries that are local to that area. The government of Maharashtra can offer incentives for entrepreneurs that create synergies between local industries and tourism.

- *Make Local Community a partner in tourism:* Local communities in Maharashtra are yet to be given prominence in tourism planning and development. The government of Maharashtra should appreciate that tourism as an economic driver can succeed only if the economic benefits, generated through the tourists, percolate to the local level. Moreover, their support for tourism is an essential aspect to actually sustain it at any destination. Such support will exist only if the rights and interests at regional and local levels, the property owners and relevant indigenous people who may exercise traditional rights or responsibilities over their own land and its significant sites, are protected.

This report recommends that the government of Maharashtra can create legalised involvement of the local community in tourism planning at the destination level. The local community should be involved in establishing goals, strategies, policies and protocols for the identification, conservation, management, presentation and interpretation of their heritage resources, cultural practices and contemporary cultural expressions, in the tourism context. Support for local companies should also be provided so that they can develop access to technology advances and compete more effectively with suppliers in competing destinations. The government should incorporate local approval, employment and minimum leakage as an essential aspect for tourism plans.

Develop Tourism Asset capital

- *Human resource development:* The government of Maharashtra needs to realise that sustained tourism growth demands the development of human asset. Tourism is a people centric activity. The quality of experience a tourist has is highly dependant on the "human resource" element. The success of tourism industry depends as much on the availability of requisite infrastructure, as on the availability of trained manpower to work as guides, interpreter, and tour operators and above all to serve in Hotels and Restaurants, so as to ensure a comfortable and happy stay for the tourists. Hence, trained persons in tourism related sub sectors are seen as a sine qua for the tourism industry.

Also, one of the main considerations in tourism is to draw advantage in terms of employment multiplier effect resulting in creation of additional employment opportunities. It is estimated that an investment of Rs. 10 lakhs in tourism, results in creation of 89 jobs in the hospitality industry as compared to 45 in agriculture and 13 in manufacturing.

In Maharashtra, the Institute for Hotel Management, Catering technology and Applied Nutrition at Dadar is one of the best institutes. There are many organisations like the Garware Foundation that offer travel and tourism courses with university affiliations. In fact, this Foundation is now planning to start distance learning tourism courses, for local community in Sindhudurg that will be extended to a full-fledged college in the years to come. Small private institutes offer IATA certification, ticketing and airline services courses that are mainly operational.

The government of Maharashtra needs to prioritise education and training as a part of its tourism policies. Along with development of quality institutions that create a "profession" label for tourism, continuous training programmes should be organised to train various categories of people engaged in the tourism industry, such as the staff at government tourist offices and information centres, the policy makers, local government representatives

and community leaders. Emphasis must be on training of taxi drivers, cooks, waiters, guides, information office assistants, etc. that come in direct contact with tourists.

- *Encourage conservation and preservation as an intrinsic aspect of tourism development:* Maharashtra's most potential tourist attractions are heritage and cultural sites that are in semi-urban and rural areas. These sites are the backbone of Maharashtra's future tourism growth. Thus government of Maharashtra should realise that growth in tourism along with benefits of foreign exchange earnings and employment, also introduces commercialisation of culture and history, arts and traditions, loss of natural environment and societal distortions. Worldwide, there have been cases wherein crafts are mass manufactured in other sites and sold to tourists as homemade traditional stuff. There have been instances of staged weddings, dances, art and handicrafts being offered to tourists, which though, earlier encouraged by pride in their culture, become a professional show performed by paid actors. Also, cheap imitations of intricate handicrafts are being sold to the ready market, and areas, traditionally owned lands by the locals are used for constructing tourist facilities (findings at Unesco "workshop on sustainable tourism development in world heritage sites – planning for bue). The result, as exemplified at many tourist destinations, is the commercialisation, of culture and traditions, loss of authenticity of artisan products and traditional skills, modification of traditions to please the tourists, and an erosion of social values. Such an effect would end up degrading the tourism attraction, rather than reviving it.

The report recommends that the government of Maharashtra gives serious consideration to the conservation and preservation aspect of tourism and develops broad policies to guide the service providers, tourists and local community.

- *Build education institutions to retain the art, crafts and cultures:* Maharashtra's arts and crafts that are potential attractions for the growing, "experience oriented" tourist segments worldwide, needs to

be sustained through inculcating a sense of pride amongst its artists and craftsmen. The report recommends that special educational institutions be set up at the local destination level, offering short courses/internships, to encourage the locals to learn their local arts and crafts. Further, the institutions can exhibit these arts, and also provide one-day workshops for tourists. This initiative would create a brand name for its destination and the state of Maharashtra, while offering a way of income earning for the artists and craftsmen.

Develop Competitive Advantage – "Advantage Maharashtra"

- *Tax Intelligently:* Tourist Tax comprises of a host of central taxes like service tax, expenditure tax along with government of Maharashtra's sales and luxury taxes. In the Union Budget 2003-04 the expenditure tax was removed though the re-imposed service tax on tour operators, was increased.

This report urges the GoM to appreciate the effect of taxation on the volume of tourist arrivals and the multiplier effect of tourist spend, and accordingly design a tax policy, that balances volume versus revenue issue. The report notes that the government of Maharashtra state taxes for Travel and Tourism industry are lower than most other states though the WITC's tax barometer declared Mumbai, one of Maharashtra's premier tourism investment centre, as one of the highest taxed and the least competitive destinations. Tables 12.3 and 12.4 reflect a comparison among four metropolitan cities of the country in terms of sales and luxury taxes respectively.

Table 12.3: Sales Tax (decided by the state)

City	Food %	Beverage %
Delhi	7	15
Mumbai	15	25
Calcutta	22.5	22.5
Chennai	6	6

Table 12.4: Luxury Tax (decided by the state)

City	Rates %
Delhi	Nil
Mumbai	10% now reduced to 6 %
Calcutta	12.5
Chennai	20

Source: India Info line Hotel report (Dec'2002)

In many cities throughout the world, tax policies have been adopted which not only slow the revenue generating capacity of Travel & Tourism, but also slow or completely stifle job creation. WTTC observes that in some cities, such as New York, the failure of policymakers to thoroughly consider the implications of increasing hotel room tax rates has actually resulted in a net loss of tax proceeds and jobs, for the city and state. It is estimated that New York State lost \$962 million in taxes on visitor spending to collect \$463.2 million from a 5 per cent room tax.

- *Encourage diversity and innovation in products:* Maharashtra has a plethora of intangible cultural tourism assets like its cuisine, music, Bollywood, theatre, arts like Warli, ganjifa and Chitrakathi along with its tangible heritage structures and natural parks. It is necessary to build around these intangible assets, to tap the full potential of tourism growth and to cater to the “new experience” requirements of today’s highly aware tourists.

The report recommends that the government should offer incentives to open specialty of Maharashtra cuisine, music and craft workshops and experiences at major destinations while creating a “brand” through promotions. Entrepreneurship in new tourism experiences like adventure tourism rural and ethnic tourism should be encouraged by offering micro-finance and promotion support.

- *Diverse Strategies for different markets:* The international source markets for Maharashtra are primarily USA, UK and Germany and Japan. These are also the world’s largest travelling and spending tourism source markets. Also NRIs and growing source markets like China form important, yet specifically untapped markets.

On the domestic front, the present outbound market, regional leisure tourists are potential source markets.

Each of these markets has a distinct relationship with Maharashtra and hence each market should be treated as a different entity having differing needs and wants. Japan is one of the world’s largest source markets that require specific facilities. For example,

Japanese-speaking guides should service Japanese tourists visiting Ajanta-Ellora. Similarly NRI’s can be offered special religious or shopping tourism packages, while the domestic tourists can be offered entertainment shows. .

Also, with the potential of domestic market playing a larger role, a specific strategy should be made to target this market. The strategies should aim at increasing the number of tourist arrivals and spending.

- *Prioritise on, “information reach” “branding” “higher visibility” for Maharashtra’s tourism products:*

Sustainable tourism for Maharashtra needs to reach the increasingly competitive global marketplace, to create a strong branding of destinations. Information dissemination and branding mediums like the Internet, tour operators, travel shows, print media, expert views and road shows can be created to tap the potential tourism source markets.

One important medium is the Internet that can offer visibility to a large market. Maharashtra State development Corporation has taken a steps in developing a website that offers useful information and at the same time promotes its potential. But this website needs to be regularly updated to give visitors the latest information on new destinations and developments. Also the website can develop relationships with private operators to distribute their packages.

Apart from the Internet, which is an impersonal medium of information distribution, there are tour operators and travel agents that have direct contact with tourists. The government should create partnerships with them to offer Maharashtra’s destinations.

Tourists have become very influenced by travel shows on television channels and travel magazines that portray a real and practical view of tourist destinations. The government must invite and create opportunities to cover its destinations on such shows that directly reach the tourists.

The system should cater to the needs of the diverse markets according to their use of the mediums.

Create a viable investment environment

- *Increase government support and investment:*

Though the present state budget for tourism has a ten-fold increase it forms a minor percentage of its overall budget. Taking a cue from WTTC's observation that 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 government of Maharashtra should increase its budget for tourism.

- *Increase accessibility at tourist destinations:*

Maharashtra needs to strengthen its overall infrastructure significantly not only in the interest of tourism, but also for the general economic development of the state. Specifically, there is an urgent need to address the accessibility issue that affects the volume of tourist arrivals, their satisfaction and investment viability for the private sector. This report notes that one of the reasons for large international hotel groups that have been given land holdings in Maharashtra's prominent Sindhudurg tourism district, not starting development, might be accessibility.

In the paper titled “dimensions of domestic tourism” by Mr. Uttam Dave, the development of inter-state highways has been observed as an essential thrust for domestic tourism. The inter-state highways, as well as roads connecting tourism destinations, need to be upgraded to international standards. This network of world-class highways would allow Maharashtra's numerous tourist attractions to be fully enjoyed. Maharashtra also has apart from airports in Mumbai, a spate of local airports close to tourist destinations. The government must look into involving the private sector as a major player in reviving these airports through charter flights.

Most of the domestic tourists in India use trains as a mode of transport. The ministry of railways is presently taking an aggressive stance at offering tourist conveniences. The Maharashtra State government should work with the Ministry to provide better tourist facilities.

- *Participation of private sector investment:*

The private sector in Maharashtra needs to start paying a larger role in Travel and Tourism Industry. Presently the government of Maharashtra plays the role of support for initiating investment and involvement from the private sector and the local community. Infrastructure development that has been a government undertaking can be shifted over a period of time to the private sector. Kerala has already taken a stand to develop infrastructure through the private sector in its action plan for Tourism 2025. The Government of Turkey too, though presently responsible for infrastructure and public services, is moving towards private sector investment through incentives granted under the Tourism Encouragement Law.

The report suggests that along with infrastructure, tourist services like different kinds of tourism transport – luxury coaches, air-conditioned cars, luxury boats, yachts and speedboats, innovative accommodation like tree houses, entertainment services can be offered as incentives, for private sector participations

- *Facilitation / Convenience to stakeholders:*

Maharashtra's numerous stakeholders would be working together to build sustainable tourism in the State. Thus it is essential to facilitate each one of them to smoothen any problems and to convenience their workings.

The report recommends that the private sector be aided by offering a single window clearance, for projects. It is noted that MTDC has plans to work on this issue. Removing barriers to a satisfying tourist experience should facilitate the most important stakeholder for Maharashtra, the tourist. The entire tourist process should be studied to understand the issues – information availability, host ambience, quality of services etc., that can be dealt with through supportive actions. For example, a visit to Ajanta-Ellora requires the tourist to pay toll, purchase tickets etc., around five times due to a jurisdiction difference between the central and state government. Mumbai suffers from a lack of host ambience with condition of roads, hygiene and beggars being the major issues. These should be resolved to offer a better experience to the tourist.

Recommendations for Future Studies in Maharashtra Tourism

The report also recommends that as an extension to this exercise undertaken by the planning commission, a set of more specific studies be undertaken in the future. As a result of the data collected and analysed during this study, it is recommended that the following projects be considered as an appropriate next step. The projects represented are not in the order of priority and can be undertaken simultaneously.

Project I: Market Profiling and Analysis: The main objective of this study is to remove barriers to an informed and intelligent decision-making process. Information about Maharashtra's present key markets, their spending patterns, future interests, and economic conditions should form the basis for tourism product developments in Maharashtra. Growing tourism source markets like China should also be covered. Similarly, the domestic tourism source areas can be identified and their profiles can be analysed.

Project II: Tourism Information System: This project involves working with Ministry of Tourism, Government of India and Government of Maharashtra to develop a long-term standard system of tourism data collection and analysis. This information should provide latest trends in tourists visiting Maharashtra and other competitive states.

Project III: Sustainable Tourism Guidelines, Policies and Standards: This study is crucial for the development of Sustainable tourism in Maharashtra. It aims at creating handbooks for various stakeholders and policies and Standards that overall guide the development and management of destinations.

Project IV: Economic Impact Assessment: Tourism Satellite Account implementation in co-operation with WTO and WTTC India.

Project V: Tourism and Hospitality Education: The objective is to develop a high level of education for all levels of tourism professions to supply to the tourism industry of Maharashtra. The project considers the levels and targets for future demand.

Project VI: Tourism Awareness Program for general Public and for small-scale service providers: The first objective of the tourism awareness programme is to increase the knowledge of the people of Maharashtra and specifically Mumbai about its tourist attractions and encourage young people to engage in tourism courses and undertake tourism as a profession. Secondly, the programme can inform the small-scale service entrepreneurs or providers about the tourism business.

Along with general studies, specific Sustainable Tourism Destination Plans for Mumbai and Ajanta-Ellora–Aurangabad should be undertaken in the short term followed by such studies being undertaken for other destinations over medium and long term.