

REPORT OF

**THE STEERING COMMITTEE ON
TOURISM
FOR**

**THE ELEVENTH FIVE-YEAR PLAN
(2007-2012)**

**GOVERNMENT OF INDIA
PLANNING COMMISSION**

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REPORT OF THE STEERING COMMITTEE ON TOURISM

INTRODUCTION

Tourism has been a major social phenomenon of the societies all along. It is motivated by the natural urge of every human being for new experience, adventure, education and entertainment. The motivations for tourism also include social, religious and business interests. The spread of education has fostered a desire to know more about different parts of the globe. The basic human thirst for new experience and knowledge has become stronger, as technological advances are overcoming communication barriers. Progress in air transport and development of tourist facilities have encouraged people to venture out to the foreign lands.

Tourism's importance, as an instrument for economic development and employment generation, particularly in remote and backward areas, has been well recognized the world over. It is the largest service industry globally in terms of gross revenue as well as foreign exchange earnings. Tourism can play an important and effective role in achieving the growth with equity objectives, which we have set for ourselves. Tourism is one economic sector in India that has the potential to grow at a high rate and can ensure consequential development of the infrastructure at the destinations. It has the capacity to capitalize on the country's success in the services sector and provide sustainable models of growth.

Tourism has the potential to stimulate other economic sectors through its backward and forward linkages and cross-sectoral synergies with sectors like agriculture, horticulture, poultry, handicrafts, transport, construction, etc. Expenditure on tourism induces a chain of transactions requiring supply of goods and services from these related sectors. The consumption demand, emanating from tourist expenditure, also induces more employment and generates a multiplier effect on the economy. As a result, additional income and employment opportunities are generated through such linkages. Thus, the expansion of the tourism sector can lead to large-scale employment generation and poverty alleviation. The economic benefits that flow into the economy through growth of tourism in the shape of increased national and State revenues, business receipts, employment, wages and salary, buoyancy in Central, State and local tax receipts can contribute towards overall socio-economic improvement and accelerated growth in the economy.

Tourism has also become an instrument for sustainable human development including:

- Poverty elimination.
- Environmental regeneration.
- Job creation.

- Advancement of women and other disadvantaged groups

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

GLOBAL TOURISM STATUS

According to WTO, in the year 2006 saw 842 million International tourist arrivals and tourism receipts were of the order of US \$ 682 billion. The World Travel & Tourism Council (WTTC) for 2006 forecasts that Travel and Tourism will generate 234 million direct and indirect jobs worldwide, accounting for 8.7% of the global economy and contributing 10.3% of the global GDP. According to the same estimate, the global travel and tourism activity is expected to increase by 4.7% between 2007 and 2016.

The WTTC report projects that by 2016 the total travel & tourism activity is expected to post a total demand of economic activity of US \$ 12,118 billion. The world's travel & tourism is expected to contribute US \$ 2,969.4 billion in nominal terms (3.6% of total) by 2016. The travel & tourism economy contribution is expected to reach US \$ 8,971.6 billion (10.9%) in the year 2016. By 2016, travel & tourism is expected to create 9% of total employment or one in every 11.1 jobs and is expected to get capital investment in both public & private sector by US \$ 2,059.8 billion or 9.6% of the total global investment. The Government is expected to spend on travel & tourism US \$ 480.9 billion or 4% of total government expenditure by 2016.

New tourism is a new sense of coherent partnership between private sector and public authorities and it looks beyond short-term considerations. It focuses on benefits not only for the people who travel but also for people in the communities they visit and for their respective natural, social and cultural environments. With the public and private sectors working together at all levels, growth can be strategically planned to be sustainable and sensitive not only to develop the sectors potential but also to defend it against the severe disruption due to external events beyond its direct control.

INDIA TOURISM

The year 2006 has been a highly successful year for India. For the fourth successive year, India witnessed a positive growth in foreign tourist arrivals, reaching a level of 4.43 million against 2.38 million during 2002. The growth rate of 13.04 % during 2006 was achieved over

2005 and the share of India in world tourism is expected to be around 0.52%. Foreign exchange earnings has reached US\$ 6569.34 in 2006 and marked an increase of 14.63 % over 2005 (US \$ 5730.86). In absolute rupee terms, the increase in foreign exchange earnings during the year 2006 was Rs 4431.31 crores over 2005. Tourism is the third largest net earner of foreign exchange next to garments, gem and jewellery industry, recording earnings of US \$6569.34million in 2006 (Rs 29603.56crores). India's share in the total global tourist arrivals and earnings remained quite insignificant at 0.52 % of the world arrivals and the percentage of share of tourism receipts for 2006 was 0.90 %.

Foreign Tourist Arrivals to India (In million).

Year	Arrivals	% Change
2002	2.38	(-) 6.0
2003	2.73	(+) 14.3
2004	3.46	(+) 26.8
2005	3.92	(+) 13.2
2006*	4.43	(+) 13.0
<i>Growth in 5 years i.e., 2006 over 2001: 86%</i>		

Source: Ministry of Tourism.

The Tourism Satellite Account for India has brought out that Tourism's contribution to GDP of the country has been 5.9% in 2003-04, while employment in tourism sector both direct and indirect, has been 41.8 million in the same year, which accounts for 8.78% of total employment in the country. Though the growth in tourism in India has been impressive, India's share in global tourist arrivals is quite insignificant. However, earning per tourist is highest for India compared to neighbouring countries. It is universally acknowledged that the tourism resources of India have the potential to generate significantly higher levels of demand from the domestic and international markets, and, if exploited intelligently in a sustainable manner, can prove to be the engine of growth for the economy.

Another important feature of the tourism industry, which is of particular significance to India, is its contribution to national integration, preservation of natural as well as cultural environments and enrichment of the social and cultural lives of people. Tourism also encourages preservation of monuments and heritage properties and helps the survival of arts forms, crafts and culture. Over 382 million domestic tourists visiting different parts of the country every year return with a better appreciation of the cultural diversity and understanding of the people living in different regions of the country.

Domestic Tourist Visits In India (In Million)

Year	Domestic Tourist Visits	% Change
2002	269.6	14.0
2003	309.0	14.6
2004	366.2	18.5
2005	382.1	4.3
2006*	432.0	13.0
<i>Growth in 5 years i.e., 2006 over 2001: 82.9% (end of 9th Plan to end of 10th Plan) *: Predicted.</i>		

Source: Ministry of Tourism.

10TH PLAN OUTLAY

The WTTC has identified India as one of the foremost growth centers in the world for the period 2004-2014. The first Tourism Satellite Account developed for India for the year 2002-03 shows that tourism sector employed 38.8 million persons, directly and indirectly, constituting 8.35 of the total employment in the country. Contribution of GDP by tourism sector during 2002-03 was 5.8%.

Share of Tourism Sector in India in GDP of the Nation

Year	Share of Tourism in GDP
2002-03	5.83%
2003-04	5.90%

Source: -Ministry of Tourism.

Employment Generation through Tourism in India (In Million).

Year	Total Employment
2002-03*	38.6
2003-04**	41.8
2004-05**	44.7
2005-06**	47.8
2006-07**	51.1
<i>*: TSA Figure. **: Estimated</i>	

Source: - Ministry of Tourism.

India has tremendous potential for development of Tourism Diversity of India's natural and cultural richness provided the basis for a wide range of Tourist products and experiences, which embraces business, leisure, culture, adventure, spirituality, eco-tourism and many other pursuits.

TENTH PLAN APPROACH

The Tenth Plan approach towards tourism had distinct shift from the earlier plans. The Tenth Plan recognized the vast employment generating potential of tourism and the role it can play in furthering the socio-economic objectives of the Plan. The strategic objectives were: -

- Positioning tourism as a national priority.

- Enhancing India's competitiveness as a tourist destination.
- Improving and expanding product development.
- Creation of world-class infrastructure.
- Effective marketing plans and programmes.

Major Components of the Tenth Plan Strategy were as follows: -

- To develop a national consensus on the role of tourism in the development agenda of the nation through the National Development Council.
- To create world-class circuits and destinations, eschew haphazard development.
- To augment training facilities in hotel management, food craft and build the capacity of service providers at the cutting edge.
- To remove the barriers to growth to leverage private sector investment.
- To provide legislative and regulatory support to protect the tourism industry, the consumer and the environment.
- To mobilize public support by creating awareness of the socio-economic benefits of tourism for the host community.

India's greatest adventure tourism assets are in the form of Himalayas as well as in its mighty rivers. Mountain based adventure activities were promoted in the Himalayas, creating the Himalayas as the brand and the icon of Indian Adventure Tourism.

The holistic healing product were packaged and promoted, as going beyond Ayurveda and Yoga, etc. to showcase Health Tourism products of India. The brand for this product was created and destination & sites for holistic healing which is governed by a well-defined set of standards and regulations were developed by the State Governments with assistance from the Ministry of Tourism. Beach & Coastal Tourism forms the mainstay of international tourism and provides the volumes required for India's key markets, to create a suitable industry. A number of sites on the Coast of India were identified during the plan period for development of beach resorts.

India is a veritable shopper's paradise and the retail trade provides enormous forward and backward linkages throughout the economy. Recognizing shopping as an intrinsic part of the tourism experience and most valuable contributor to revenues, the strategy during the 10th plan was to encourage the development of dedicated shopping centers for traditional crafts, designed on the lines of ethnic village "Haat" such as Dilli Haat and Shilpagram. Availability of information on where to procure specific crafts and produce reliable unbiased shopping guides was enhanced during the plan period.

A large number of pilgrimage centers exist in the country, which requires some investment for improvement and providing better amenities. These tourist and pilgrimage centers are mainly frequented by domestic tourists and in most cases the basic amenities are missing. A large number

of such centers were taken up during the 10th Plan for development, and financial assistance was provided to States.

Achievements During the 10th Five-Year Plan 2002-07

Year	Foreign Exchange Earnings	% Change
2002	2923	(-) 3.9
2003	3533	(+) 20.9
2004	4769	(+) 35.0
2005	5731	(+) 20.2
2006*	6768	(+) 18.1
<i>Growth in 5 years i.e., 2006 over 2001: 122% (end of 9th Plan to end of 10th Plan)*: Predicted.</i>		

Source: Ministry of Tourism.

India's share in world arrivals (In Million)

Year	World Arrivals	Arrivals in India	(%) Change
2002	702.8	2.38	0.34
2003	690.9	2.73	0.39
2004	766.0	3.46	0.45
2005	808.0	3.92	0.49
2006*	844.0	4.51	0.53
<i>India's share in world arrivals increased to 0.53% in 2006 from the level of 0.37 % in 2001</i>			
<i>*: Predicted.</i>			

Source: Ministry of Tourism.

India's share in world Foreign Exchange Earnings (In Billion US \$)

Year	World earnings	Earnings by India	Share in world earnings
2002	482.3	2.9	0.62
2003	524.2	3.5	0.69
2004	633.0	4.8	0.76
2005	682.0	5.7	0.84
2006	752.0	6.8	0.90
<i>India's share in world earnings increased to 0.90 % in 2006 from the level of 0.66 % in 2001(end of 9th Plan to end of 10th Plan)</i>			
<i>*: Predicted.</i>			

Source: Ministry of Tourism.

India's Rank in Arrivals and Earnings

Year	India's Rank	
	In World Arrivals	In World Earnings
2002	54 th	37 th
2003	50 th	36 th
2004	47 th	35 th
2005	43 rd	33 rd

Source: Ministry of Tourism.

Foreign Exchange Earnings per tourist arrival (India & World)-In US \$

Year	Foreign Exchange Earnings	
	India	World
2002	1228	686
2003	1294	759
2004	1378	826
2005	1462	844
2006*	1501	891

*: Predicted.

Source: Ministry of Tourism.

2. 11TH PLAN STRATEGY ON TOURISM

The 11th Plan strategy on tourism is to achieve International tourist arrivals of 10 million by the end of the 11th Plan through diversification of source markets increase per capita spending and length of stay of international visitors and by reducing seasonality. The Plan also proposes to achieve a level of 760 million domestic tourists by 2011 at an annual growth rate of 12 % and to increase accommodation units.

Strategy For Tourism Development In The 11th Five-Year Plan

During the 10th Five Year Plan, a doubled pronged strategy of upgrading the tourism infrastructure and vigorous marketing under the banner of 'Incredible India' campaign was followed to position India as a global brand. The following four-point progress was sought to be achieved to a large extent among the target tourists and in source markets:

- From non-awareness to awareness.
- From awareness to interest.
- From interest to desire.
- From desire to final action i.e. booking a holiday.

The Working Group on Tourism for the 11th Five Year Plan 2007-12, felt that keeping in view all variables in the environment, the product opportunities, the market scenario, the Indian planning and national objectives, following quantifiable goals may be set for the 11th Plan for India tourism:

INTERNATIONAL TOURISM

Visitation

- Achieve international visitor levels of 10 million in 2011, at the end of 11th Plan.

Source Markets

- Diversify principal source markets to include countries such as South Africa, Israel, Spain, China, Japan, S. Korea, Australia, Brazil, Argentina, etc. which offer high growth potential and from where present level of inbound tourist is below par.
- Concentrate on countries like South Africa, Mauritius, Kenya, Malaysia, Fiji, etc with a large Indian Diasporas for higher touristic arrivals from those countries. Similarly target the PIOs and NRIs elsewhere to create greater resonance in them to visit the country of their origin and discover their roots. Target the 'Baby Boomers' group in Europe and North America by creating in them the desire to discover one of the oldest civilizations of the world and to enjoy the plurality of cultural enjoyments, which this country has to offer.

Revenues

- Maintain and increase per capita spending of international visitors.

- Attract higher quality tourists, increasing per head spending, resulting in higher revenues. Concentrate on cruise tourism and MICE sector which are considered to be higher revenue generating sectors of tourism.

Seasonality

- Reduce the seasonality in international tourist arrivals by targeting markets such as Australia, Spain, etc. It should be ensured that the drop in arrivals during “lean season’ is not more than 15% of the annual average.

Average Length of Stay

- Maintain and initiate measures to ensure that the duration of stay is sustained, if not extended.

Purpose of Visit

- Retain focus on Leisure Travelers.
- Promote business related travel, including MICE market by promoting Convention Centres of international standards in major cities or at major tourist centers.
- Encourage medical tourism.

Expenditure

- Prepare strategies to increase per capita expenditure on shopping and other non-accommodation, non-transportation heads, to match international benchmark of 30%.

DOMESTIC TOURISM

Visitation

- Achieve a level of 760 million for domestic tourist visits by the year 2011, the end of 11th Plan at an annual average growth of 12%.
- Complement international travel with domestic travel so that the seasonality is eliminated.
- Promote greater dispersal of domestic visitations in order to spread the benefits of tourism to all areas.

OTHER GOALS

Accommodation Units

- Increase approved quality accommodation units from the current level of about 100,000 rooms to at least 200,000 rooms by 2011, to meet the increasing demand.
- Set up hotels on the surplus land with Airport Authority of India near International Airports as per the international practices.
- Promote development of budget hotels at the surplus Railway Land at specified Railway Stations.
- Create land banks in the States and encourage Single Window facility for the investors in tourism projects

In order to achieve all these objectives, the Working Group felt that it was necessary that the momentum generated in tourism sector during the 10th Plan period is sustained. The recommendation of the Group is to adopt and apply sustainable practices and principles, and identify and resolve the constraints. The Working Group also felt it necessary that beside development of world class infrastructure and launching aggressive marketing campaigns, access & connectivity to India need be improved; new forms of tourism like rural tourism, cultural tourism, adventure tourism, cruise tourism, MICE tourism and medical tourism are taken up with renewed zeal & efforts; India is made a full year destination rather than a Oct.-March destination by diminishing the seasonality factor and promoting the Himalayas and the beaches during summers and the coastal regions during the monsoons; and India's competitiveness as a preferred destination is enhanced with rationalization of taxes, liberalization of visa regime, improvement of airports, removing barriers to travel, enhancing tourist safety & security, improving signage's, etc. To achieve all these, the following six key strategic objectives are recommended: -

I. Positioning and maintaining tourism development as a national priority activity;

- Provide effective linkages and close coordination between various Departments and Ministries of Government;
- Plan and implement a professionally managed integrated communication strategy to increase awareness about tourism and its social and economic impact on the society.

ii. Enhancing and maintaining the competitiveness of India as a tourist destination;

- Take effective steps for easier and faster availability of visas;
- Increase air connectivity and seat capacity from major overseas markets;
- Improve facilities and quality of services at international and major domestic airports;
- Rationalize taxes;
- Remove restrictions like RAP/PAP/ILP.

iii. Improving India's existing tourism products further and expanding these to meet new market requirements;

- Develop sustainable beach, coastal and cruise tourism;
- Package and market India's wide variety of traditional cuisines;
- Encourage adventure and rural tourism;
- Develop and promote round-the-year tourism;
- Pursue medical tourism vigorously;
- Take advantage of MICE segment;

iv. Creation of world-class infrastructure;

- Identify travel circuits for development as international standard destinations;

- Construction and improvement of highways for good connectivity with tourist destinations;
- Introduction of special tourist trains and establishment of budget hotels.

v. Develop strategies for sustained and effective marketing plans and programmes;

- Maintain and develop the tourism brand position established with the ‘Incredible India’ campaign;
- Evolve and maintain a system of market research activities in India’s major source markets to continuously receive, analyze and respond to information on pricing, security issues, health, safety, quality of tourism services and products etc.;
- Make use of the various technological tools, including the Internet, for advertising for greater and wider impact. Encourage e-commerce portals to extend effective marketing support to small and medium enterprises and also offer competitive packages.

vi. Develop Human Resources and capacity Building of Service Providers

- Making craft and hotel management education integral to the school system as an early vocational choice.
- Create a pool of teachers for hospitality education.
- Training of trainees to be introduced at IHMs/FCIs & other major institutes.
- Re-work curriculum of existing degree/diploma courses and building an image of the profession.

3.Strategies for Tourism Development

I. Development of Infrastructure and Destination Management for 11th Plan

At the operational level, it is the quality of infrastructure that can provide the critical connectivity between the tourism product and the target market for both domestic and international tourists. Creation of tourism infrastructure has its multiplier effect in terms of overall economic growth, employment generation vis-à-vis investment and the preservation of art, culture and heritage. Tourism projects in underdeveloped areas have helped in the creation of roads, telecommunication, medical facilities etc.

Tourism projects like Destination Development are capital intensive, commercially non-viable and require government funding. It is necessary that such infrastructure is created with the professional expertise of architects, landscaping experts and is then privately managed through a transparent process.

Other projects such as setting up of hotels, convention centers, golf courses, tourist trains, etc., normally have substantial gestation periods and become economically viable over periods exceeding 12-15 years. In order to attract tourists, it is necessary that these facilities be created to a through private initiative with the Government acting as a facilitator and catalyst, apart from part funding such projects.

Strategy -1

Development of Infrastructure and Destination Management

- Tourist sites and destinations should be carefully selected on the basis of their potential to provide all infrastructure facilities required by the tourists within such destinations and circuits. Master Planning of destinations and circuits will enable their development in an integrated holistic manner.
- Achieve convergence of resources and expertise through coordinated action with State Governments/UTs and the Private Sector.
- A panel of 10-12 outstanding Architects/Consulting Agencies with sensitivity towards conservation, preservation and aesthetics aspects may be identified to prepare the Master Plans and the project implementation constantly monitored by them.
- Select only 10 major Destinations and 6 Circuits (North, South, East, West, Central and North-East) on an annual basis.
- The infrastructure development for selected destinations and circuits be taken up as a Centrally sponsored scheme with assistance of identified agencies of States and a Central Sector Scheme for the works related to monuments and other places under the control of Central agencies like ASI, Port Trust Authorities, etc.

- The sustainable maintenance and operational plan for the assets created through Tourism Development Authorities/ Private Sector should be inbuilt into the project proposal. The implementation of these projects should be centrally driven and constantly reviewed and monitored.
- Selection of rural tourism projects should be based on their core-competency and not merely on the basis of projects received from State Governments.
- A panel of professionals should be identified for selecting the rural sites, interacting with the community and preparing projects based on tourism potential of the site.
- No rural tourism project should be sanctioned without prior approval of the software (capacity building) component to ensure that the host rural community plays a critical role in project implementation.
- Flexibility be given to District Level Committees in selection of the hardware (infrastructure) component of the rural projects; and it should not be entirely decided by Ministry of Tourism.
- Implementation of rural tourism projects is achieved through the State Tourism Directors/Commissioners rather than District Collectors for better marketing of the rural sites.
- Not more than 100 rural sites should be selected during the 11th Five Year Plan. These sites should possess well-recognized core strength.
- The Viability-Gap Scheme of the Ministry of Finance needs to be fully leveraged for attracting private sector participation in tourism projects.
- A series of “Investors Meet” should be held by Ministry of Tourism in key metros and in international centers. This should be done after specific projects have been identified and the broad contours of the project are drawn up.
- Make use of environmental resources that constitute a key element in tourism development, maintaining essential ecological processes and helping to conserve natural resources and bio-diversity.
- Respect the socio-cultural ethnicity of host communities, conserve their built and living cultural heritage and traditional values, and contribute to inter-cultural understanding and tolerance.
- Ensure viable long-term economic operations, providing socio-economic benefits including stable employment and income-earning opportunities and social services that are fairly distributed to all host community stakeholders, thereby contributing to poverty alleviation.

- The States should enact a Conservation and Preservation Areas Act on the lines of the Kerala Tourism Conservation and Preservation Areas (2005) Act. This will enable them to declare areas, which are important from the tourism viewpoint as ‘Special Tourism Zones’ for the conservation, preservation and integrated planned development of such areas. Such an Act would also enable preparation of Sustainable Tourism Development Plans including guidelines to regulate development activities in the Special Tourism Zone, entailing:
 - Policy for land use plan and allocation of land for tourism purposes.
 - Policy for built-up area and environment including architectural form.
 - Strategies towards conserving and strengthening existing natural systems and enhancing visual qualities of the region.
 - Regulations found necessary for implementation of the Tourism Development Plan.
- The Ministry of Tourism should sponsor a programme for Certification for Sustainable Tourism (CST) in order that sustainable tourism businesses are clearly identified. This may also provide the incentive for non-sustainable operations to seek Certification. In addition, international endorsements can also be encouraged such as ISO-14000 series for environmental care and ISO-9002 for service quality.
- Destination Management needs attention and coordination at the 27 World Heritage Sites in the country, which are impacted by increasing numbers of visitors and are also subject to a number of regulatory authorities.
- The following may be defined as infrastructure facilities under Section 80-1A of the Income Tax Act:
 - 3 Star and above Hotels.
 - Heritage Hotels classified by Ministry of Tourism.
 - Convention Centers with integrated exhibition facilities
 - Time Share Resorts and Apartment Hotels classified by Ministry of Tourism.
 - Theme Parks
 - Amusement Park
 - Integrated Destination Development Projects with Hotel facilities and Golf Centers.
 - Rural Tourism Projects
 - Cruise Liners for Tourism operating in Indian Rivers and Oceans.
 - Adventure/Nature Tourism Projects

- River cruise projects
- Air Taxi Services (12 seater/1 hour flights)
- It is necessary to develop and strengthen the linkages with other sectors such as Civil Aviation, Railways and the Road and River Transport.
- Master Plan of major cities should earmark commercial sites as hotel sites, which should be allotted on long-term lease. Annual lease rent to be calculated as a percentage on the value of the bids and be on a graded scale depending on the Star Category of the hotel property.
- A new Central Sector Scheme should be started to create land bank in Ministry of Tourism for making payment to land owning agencies for land allotment to Ministry. This land, so allotted, could then be used for hotel construction in PPP mode through build, own, operate and transfer method to the highest bidder of annual rental amount for the land. A minimum reserve price for this amount could be arrived at prior to calling for the bids following all codal formalities and competitive bid procedure with open tendering process.
- Master Plan of major cities should earmark sites for convention/ exhibition centers, which can be executed as PPP ventures or leased to the private sector for implementation.
- State Govt.'s/ UT's to have specific tourism sub-plans as a component of their cities as well as Departmental Annual Five Year Plans.
- Additional accommodation to be created through Guest Houses, Paying Guest accommodation / Bed and Breakfast Home Stays etc.
- Evolve policies and programmes for synergizing partnerships between Archaeological Survey of India, State Archaeological Department and the private sector in the upkeep, management and marketing of monuments, forts, ancient temples and museums etc.
- Allow higher Floor Space Index to existing hotel properties to expand their existing capacities.
- Self Help Groups to be formed at district level to sort out issues of civil governance.
- Projects received from State Governments for Central Financial Assistance should consider all aspects including maintenance and operation, ecology, capacity building etc.
- Benchmarking and yardsticks to be formulated for all tourism related services.
- Visitor management system and audio guides should be provided in Archeological Survey of India monuments.
- Develop “Caravan Tourism” and Camping Sites for “Tented” Accommodation.
- Single ticketing for Archeological Survey of India monuments should be introduced.

4-Publicity and Marketing.

At present, the Ministry of Tourism is carrying out its Promotion and Publicity through two schemes viz. (i) Domestic Promotion & Publicity; and (ii) Overseas Promotion and Publicity, including Marketing Development Assistance. Besides releasing advertisement in print and electronic media, including internet in both the domestic and overseas markets, organization of fairs & festivals is also encouraged by the Ministry, and Central Financial Assistance for two local fairs/festivals to the tune of Rs.5 lakh each, and two major events to the tune of Rs.10 lakh each is given to each State/UT. Ministry also brings out Collaterals and provides Hospitality to Trade/Press/Travel-Writers etc. Brochure support, and joint advertising by overseas India tourism offices is also organized. Organization of Conferences, Road Shows, Travel Shows, National Level Events etc. are other modes of existing promotion & publicity adopted by the Ministry.

Sub Strategy-1

Events

- Some flexibility in number of events/ fairs for Central Financial Assistance (CFA) needs to be retained and in respect of pro-active States a third event/ festival should also be considered.
- There should be active participation of other States and the trade in the events and festivals organized in a particular State.
- A larger outlay of funds towards events and collaterals should be considered for progressive States, which are more tourism friendly and have the required infrastructure in place.
- Certain important events should be identified to be taken up in the Central Sector also.

Sub strategy –2

Brochures/Posters/Leaflets etc.

- While producing the brochures, posters, booklets etc, the key areas should be identified.
- A balance needs to be established between the print materials and the digital formats.
- While producing the tourist literature, the availability of infrastructure and connectivity of the areas being marketed through the collaterals also needs to be taken into account.

Sub Strategy-3

Campaigns

- Promotions in the European markets like Italy, Spain, France, and Germany need be in regional languages and should be promoted vigorously.
- The Korean and Japanese markets, which have been showing an increased interest in the Indian tourism, need to be promoted in a focused manner.
- India should be promoted as a summer retreat in the months of July, August & September when many European & North American schools and colleges have their holiday breaks.

- Our campaign should convey India as a "Year Round" Destination with value for money during the period May through September.

Sub Strategy-4

Hospitality

- The issue of reviving the mandatory order passages, which earlier used to be 900 passages per year, should be taken up with Ministry of Civil Aviation, Air India and Indian Airlines so that these tickets are issued to Ministry of Tourism for promotion of tourism.
- A meeting of all domestic carriers may be called at the highest possible level in Ministry of Tourism, and they be asked to give passages for domestic sectors for the guests of Ministry of Tourism, as this is going to help tourism and ultimately increase the business of these airlines.
- Trade/Press FAM tours should be operated through recognized tour operators. Expression of Interest may be invited from all approved tour operators and responsibilities to handle the FAM tours be given serial wise.
- The guests invited for tours be treated in a real deluxe style as Indian tradition says "Guest is God". We should use the best hotel and the best transport available in the country.

Sub Strategy-5

Market Development Assistance (MDA) Scheme

- The Market Development Assistance scheme should be made available for participating in more international trade exhibitions and market study trips to foreign countries.
- The upper limit of assistance under the Market Development Assistance scheme should be increased and should commensurate with the increase in the expenses over the years

Sub strategy-6

Brochure Support & Joint Advertising - India Tourism Offices Abroad

- Delegated powers to India Tourism offices abroad under the scheme for Brochure Support and Joint Advertising need to be enhanced suitably.
- To encourage big tour operators to promote India, the ceiling of US \$ 10,000 per agent under the scheme for Brochure Support and Joint Advertising should be increased to \$25,000.
- The proposals for joint advertising and market initiatives should be considered with matching funds from the operator.
- Web based brochures may also be supported under the scheme. The Ministry should look into giving support not only for the brochure but also for website and other electronic promotions like e-mail, newsletter etc.

Sub strategy-7

Conference, Road Shows, Travel Shows, National Level Events

- For all major fairs, marts and events 5-6 months advance preparation involving all stakeholders is essential to help the trade to support and promote the product in

conjunction with Ministry of Tourism, besides proper planning of appointments with the trade overseas. This need be ensured.

- As the Ministry of Tourism knows at least a year in advance of the dates for important events to be held abroad where India participates, the calendar of such activities should be circulated to the trade in advance.
- A committee should be formed to implement the details for each trade show well in advance. The committee should hold meetings with stakeholders and ask for their suggestions.
- The trade should be involved in finalizing the major events like ITB, WTM etc. The designing of the stands etc. should not be left only in the hands of Ministry of Tourism personnel, but should be done with the involvement of experienced stakeholders in the private sector as was the procedure followed earlier.
- When contracting these events, Ministry should not go only for the lower quotation but should look at the background of the contractor and previous work done in exhibitions and trade shows. It should be a quality and cost based selection.

Sub Strategy-8 Conventions

- The Ministry of Tourism should have a Special Cell/ Division to look after conferences and incentive travels business.
- ICPB should be encouraged and given more financial assistance.
- Government should consider some financial assistance to ICPB and representatives of associations who go abroad for conferences or bidding, to enable them to showcase the facilities available in India effectively through short films etc. A special fund should be made available for this. A corpus fund of Rs. 5-10 crores needs to be created to support international convention bids by tour operators.

Sub Strategy-9 Visit India Year – 2009

- 2009 should be declared as “Visit India Year”. This will be very close to Common Wealth Games in 2010, and would enable a boost to inbound tourism.

Sub Strategy-10 Overseas Offices

- More tourist offices should be set up overseas to cater to emerging markets like Russia.
- The vacancies in overseas tourist offices should be filled immediately.
- The selection criteria for posting officers abroad need to be reviewed.
- For postings in India Tourism offices abroad, the candidates from State Governments, from private sector - like travel agents, hotels, advertising companies etc should also be considered.

- The officers being posted abroad should be provided adequate overlapping time, language orientation, and etiquette training before they actual join.

5. Heritage and Culture Tourism

Heritage and Culture tourism began to be recognized as a distinct tourism product category in the late 1970s, with the realization that a large number of people travel specifically to gain a better understanding of the culture or heritage of a destination. Nearly 40% of international travelers are now considered cultural tourists, who visit destinations based on cultural heritage of a place – rural, ethnic and spiritual, factors. There is a growing need to recognize culture and heritage tourism as a specialized sector of tourism to develop this product for improving tourist traffic both indigenously and internationally.

In evolving a culture tourism policy, the following basic considerations should be taken into account:

- Tourism interests must develop an awareness of cultural heritage management, concepts, ideals and practices. Likewise cultural heritage stakeholders must also develop an understanding of what tourism is and how it works.
- Tourism industry professionals value cultural assets as raw material for their products to generate tourism activity and wealth. Cultural heritage management professionals value the same for their intrinsic merits.
- Tourism is driven by attractions. Attractions are the demand generators that give a customer a reason to visit a destination. Cultural heritage assets therefore must be transferred into tourism cultural heritage products. The transformation process is integral to the successful development and sustainable management of the cultural tourism product.
- There is need for a balance between tourism and cultural heritage management, with the need for strong partnership.
- The recognition that tourism is essentially a commercial activity, cultural values should not be sacrificed for commercial considerations.

Conservation of Heritage

Effective conservation management plans are therefore crucial to the development of sustainable cultural/heritage tourism. The following five distinct levels of heritage tourism need to be considered for tourism product development.

- Heritage sites recognized as the World Heritage Sites (India currently has 26);
- Other heritage sites/circuits which have the potential of becoming WHS (14 on the current list of ASI and growing substantially);
- Heritage hotels converted from erstwhile Palaces, Forts and Havelis (currently 130 in number);
- Archeological sites; and

- Heritage Assets managed by the Indian Railways such as the three World Heritage Sites, Darjeeling Himalayan Railway, the Blue Mountain Railway in South India and Victoria Terminus Station and other prominent assets like the Palace on Wheels.

It is important to recognize culture and heritage as an essential and specialized product of Indian Tourism under the Eleventh Plan. Hence, separate allocation should be made to develop the product during the Plan period. The Working Group felt that following strategy should be followed during the 11th Plan.

- Creating specific heritage tourism zones where the majority of tourist activity can be concentrated;
- To assess the anticipated environmental impact of tourist activity around the heritage centers;
- Developing tourist facilities which are in harmony with the local eco-system;
- To assess the carrying capacity of each area towards harmonizing tourist development of heritage centers with local ecological conditions. In some cases, prohibiting visitation or placing strict limits on the number of visitors. Likewise, only culturally appropriate use may be permitted;
- Improving awareness and exchange of knowledge between those responsible for and affected by heritage tourism at national, state and local levels;
- Making heritage tourism an educative and informative experience supported by well produced printed materials, audio-visuals, and specialized tourist service;
- Establishing consultative process to ensure effective dialogue and information sharing with the stakeholders as also to resolve conflicts that may arise;
- Providing opportunities to private tourism sector to contribute to management initiatives through direct donation, in-kind services and other voluntary initiatives consistent with the approved guidelines;
- Need for regulations to include sensitivity of design in the architectural style of construction of any new tourist facilities;
- Evolving legislation for effective enforcement of existing laws with the active participation of all stakeholders, approval of licensing processes for planning, setting design and construction of tourism facilities around heritage center.
- The recognition that tourism is essentially a commercial activity, and cultural values should not be sacrificed for commercial considerations.

Sub-Strategy-1

Heritage Tourism

- Ten Heritage sites would be identified and developed every year starting with the World Heritage sites and then moving on to other popular heritage circuits.

- Conduct Tourism Impact Assessment studies under multi-disciplinary agencies to assess the socio-cultural, economic and political impact of tourism on the heritage site as well as the host community. Visitor surveys to be conducted and compiled with other tourist data already available with the tourism or state agencies. Surveys should contain information like Visitor profile; Details of the visit; Time spent on site; Areas visited; Expenditure; Decision-making in choosing the site; Effectiveness of advertising; Main reason for visit; Rating of quality of information; Ease of moving about; Opinions about the site; Entertainment/educational value; Overall satisfaction; Suggestions for changes/improvements.
- Examine the tourist facilities available at these heritage sites and develop those that are unavailable. As a start, 6 cities/towns could be taken up on priority basis namely, Hampi, Agra, Konark and Khajuraho, Orcha and Datia along with Buddhist and Jain circuits.
- Buildings that are abandoned or that continue to be left vacant are at the risk of physical decay through lack of maintenance or they risk destruction through vandalism or fire. Finding an appropriate use that will enhance the cultural value of a building will add to its tourism potential and can also ensure its survival.
- Identify ten new heritage circuits every year and follow up with action as suggested for existing sites. By the end of the 11th Plan at least 50 Heritage circuits would be completely developed.
- Identify museums in potential tourism circuits, and to make them visitor-friendly. Most of our museums need improvements in basic facility maintenance, greater sophistication in labeling and display, and addition of facilities like cafeterias and museum shops. Utilization of audio-visual and other new technologies will generate interest, understanding, and excitement. Work to upgrade to world class standards need to commence with 6 Museums one each in Delhi, Mumbai, Kolkata, Chennai, Bangalore and Cochin.
- Places of important religious pilgrimage may require substantial development of tourist facilities. Possibility of developing other attractions and activities would be reviewed and planned in order to increase visitor length of stay, expenditure, and satisfaction. To begin with 11 places of pilgrimage namely four dhams of Uttaranchal – Kedarnath, Badrinath, Yamunotri and Gangotri; Sabrimala in Kerala; Kamakhya Temple in Guwahati (Assam); Dwarkadhish in Gujarat, Puri in Orissa; Tirupati in Andhra Pradesh; Varanasi in Uttar Pradesh; Ajmer in Rajasthan; Ujjain in Madhya Pradesh; Kanchi Kamkoti and Rameshwaram in Tamil Nadu would be taken up to identify and provide the required tourist facilities.

Sub-Strategy-2

Culture Tourism

- Rural villages which have immense cultural heritage potential need to be developed to showcase India's vast heritage. Infrastructure and other tourist facilities should be developed and local community involved in the management so as to percolate tourism and its socio-economic benefits to rural areas.
- A Special Task Force should be constituted to assess culture and heritage endowments in the North-Eastern States, which need to be conserved and developed for tourism.
- With India dominating the South Asia Tourism belt, the Ministry of Tourism needs to take support from NGO's like INTACH for implementation of its heritage programmes.
- The State Governments alone cannot develop the heritage tourist circuits and there is a need to improve partnerships with the private sector by implementing the announced incentives and bringing synergy in inter-sectoral policies. Though tourism has been declared an industry, it has not received the facilities and incentives otherwise available to an Industry. For conservation and restoration of heritage sites for tourism, the private sector should be nominated to provide funding through the national culture fund, which will also enable them to get 100% tax relief.
- On experimental basis, two heritage tourist sites should be given to private partners for on-site management to be administered within the permissible parameters.
- Other than the Ministry of Tourism, funds are available for cultural heritage with Ministries of Rural Development, Culture, Environment, Urban Development and Tribal Welfare. A strategy needs to be developed to converge these resources for better development of Cultural Heritage Tourism. A recent scheme of the Urban Development Ministry namely, Jawaharlal Nehru National Urban Renewal Mission (JNNURM) talks of urban renewal of 63 cities where conservation of heritage has been integrated in the scheme. Funds from this scheme should be utilized for the development of tourism of these cities.
- There is a tendency to focus on tangible heritage, but intangible heritage is no less important. If tangible heritage represents the "hard" culture of a community, then intangible heritage represents the "soft" culture – the people, traditions, folklore, oral traditions, music, dance, traditional games, mythology, rituals, customs, handicrafts, arts, festivals, events, storytellers, local markets, and also living human treasures. In this area also, there is need for management and the first step should be the documentation of Intangible heritage related to rural heritage villages and tribal areas of India.
- Identify and develop existing Interpretation Centres/ tools at the sites. There is also a need to review the existing system of Guides Training, and specialized workshops need to be conducted for existing guides to become cultural heritage guides.

- Publicity material and other promotional measures for each circuit should be developed. Marketing and promotion are keys to the success of any commercial enterprise. The following suggestions deserve consideration.
 - Publicity material – including multi-media and audio-visual presentations – seminars and lectures, light and sound shows, heritage walks;
 - Promoting local cuisine, handicrafts, folklore, performances, local fairs and festivals;
 - Supporting and popularizing paying guest accommodation in heritage villages to provide the local flavor;
 - Vigorous promotion of heritage trains like the Palace on Wheels and Royal Orient Express;
 - Image building measures, with special attention to hygiene and cleanliness at tourist destinations, and tackling the menace of beggars and harassment;
 - Institutions promoting art and culture need to out-reach and contact all the agencies working in tourism in order to make them aware of their work and activities in the overall interest of promoting Indian art and culture for tourists;
 - Rational entry system in the form of a package for all heritage sites;
 - Weaving a story around a place or tangible/intangible asset instills the asset with some meaning, bringing it to life and making it relevant.
 - Special incentives to rural areas, hill areas and pilgrim centres and the States of North-East including Sikkim; Jammu and Kashmir; Uttaranchal and Himachal Pradesh.
 - Incentives to be provided to Heritage Hotels and reuse of heritage buildings to be promoted in new States; providing uniform tax policy; issuing unified composite license; providing concessions in direct and indirect taxes under the Income Tax Act and subsidies on capital investment, power supply, purchase of equipment and interest subsidy; and all supplementary concessions available to other industries.
 - Conservation Management Plans must be prepared, approved and implemented at each protected heritage site, complete with manuals and guidelines. The preparation of the plan and its implementation should be made by a group consisting of prominent NGO's like INTACH and trained conservation professionals, under the Chairmanship of DG, ASI and integrated into the Master Plan/ Development Plan of the site. INTACH *Charter for Conservation of Unprotected Architectural Heritage and Sites in India* can be used as a guidebook for preparation of the Plan. Management plans should be implemented only after consultation with all stakeholders' state and local government, panchayats, educational institutions and local community.

- An administrator should be appointed on-site afterwards to look after the infrastructure development, regulations regarding hotels, public facilities, shopping and other facilities.

The Plan must ensure that the cultural values of a place are not debased by any means. The potential negative impacts of tourism, like:

- Overuse by tourists;
- Inappropriate visitor behavior and lack of sensitivity to local customs (for example, defiling sacred areas, non-observance of dress code, drinking in public, etc.);
- Unplanned tourism infrastructure and development;
- Loss of control over cultural property and the absence of copyright or protective legislation; must be considered while preparing the plan and ways of protection devised.
- There has to be constant monitoring of the impact of tourism and ensure timely remedial measure as and when required. There is a need to recognize that tourism is essentially a commercial activity, and cultural and heritage values should not be sacrificed for any commercial considerations.
- Heritage Tourism development needs to be controlled through town planning guidelines, bylaws and zoning structures and policies that may include special regulations for heritage precincts and conservation areas.
- There is an imperative need to establish a Tourism Regulatory Authority with quasi-judicial powers, to protect heritage and curb different undesirable activities of developers near heritage areas. This authority should be constituted through a statute, with powers to approve plans for heritage sites. It should be able to intervene where sanctions and implementation of projects on and near heritage sites do not take place within the stipulated time. The authority could be both at the national level and with different States. The statute should provide for the authority to give advice and recommendations to State Governments and local authorities for facilitating work and act as an interface between stakeholders such as, State Governments, tourism industry, NGOs and other developers. The authority (both at national and state level) should become the central point for administration, advice, legislation and coordination related to the stakeholders with adequate powers to be conferred through legislation.

6. Product Development and Domestic Tourism

Product development strategy during the 11th plan should encompass the inherent attractions, activities and desires of the tourist target markets.

Sub-Strategy-1

- Cultural and heritage tourism should be expanded further. India has a rich resource of both tangible cultural heritage in its monuments and sites and also an intangible cultural heritage in the form of its architecture, music, dance/drama, local rituals and traditions and other folk arts. An integrated circuit linking heritage monuments with culturally rich villages and towns around them should be formed to enable and strengthen the development of cultural tourism in India.
- The Inland Water Ways Authority as well as National Highway Authority of India should provide suitable tourism facilities on their routes.
- Budget tourist accommodation and the catering provided by dhaba's, particularly on road side and highways, need to be attended to and improved in a systematic manner.
- Beach and Coastal Tourism on the beaches of Goa, Kerala and North Karnataka have already been pursued for development due to the easier accessibility of these places by air. Kerala and the Andaman & Nicobar Islands have been developed as International cruise destinations.
- Riverine-Tourism should be developed now along traditional routes, which will have an exotic appeal as also help sustain villages and settlements along the routes.
- Indian Cuisine has caught the fancy of people across the globe. This can be capitalized on by developing culinary tour routes into different regions for enthusiasts to taste and learn to cook the authentic way.
- India's great Wildlife Sanctuaries and National Parks be made an integral part of the Indian tourism product. The tourist facilities at the parks need be enhanced and a proper site and visitor management plan be prepared so as not to disturb the ecological balance and disturb the local habitat but have a sustainable tourism product.
- India's rich flora, fauna and natural wonders especially in the North Eastern States are yet to be exploited for tourism purposes and made an integral part of the Tourism Product mix.
- India offers the best Mountain Based adventure tourism in the world in the Himalayas. Already a lot of work has been initiated in this segment but they have to be made comparable or better than what is being offered in the Alpine Countries. Regulations and certifications for adventure tourism operators should be a must so that laid down standards of safety and conservation are adhered to.

- India's medical expertise has been gaining popularity in the West where the costs are prohibitive. The development of this special interest tourism segment will accrue greater socio-economic benefits. Coupled with this, India's already popular holistic healing and rejuvenation packages will position India as a complete "Wellness Destination".
- India should develop a World-Class international Convention city not only for the purpose of tourism but also to develop international and domestic trade and commerce, exchange of knowledge and understanding.
- Indian textiles, handlooms and handicrafts, its furniture and jewellery are already popular abroad. Now with Indian designers also receiving global recognition, shopping has become an integral part of a tourist's itinerary. Hence the development of dedicated shopping centres and special interest shopping tours should be encouraged, as it will help revive traditional crafts and craftsmen, textiles and weavers and give families livelihood.
- Indian Art and Artists are gaining world recognition and the development of such a niche – based special interest product-mix will position India as a unique destination.
- Facilities for Golf, Sports, Ayurveda and Astrology, etc would need the necessary tourism flavour.
- Rail Tourism – In the interior parts of the country which enjoy a rich heritage but where infrastructure is lacking in the form of quality accommodation, road/ air connectivity, but railway lines are available, such sectors should be developed through on board rail tourism on the lines of Palace on Wheels, Royal Orient etc. Steam -hauled trains can also attract rail enthusiasts as also the five hill railways, which are comparable to the best hill railway systems in the world. Railways would however need to provide hotel accommodation along with catering facilities and improvement in platform and train services.
- Domestic Tourism in India is mainly pilgrimage, travel facilities as well as facilities at pilgrimage centres need to be strengthened and made more tourists friendly.
- Pilgrimage centers should be identified and integrated with new domestic tourist circuits wherein transport, accommodation, catering and darshan are all synergized to make pilgrimage tourism into a popular and comfortable mode.
- Poor infrastructure, inadequate connectivity and high hotel tariffs, discourage foreign visitors, and also lead to an increase in the outflow of high-spending domestic tourists to neighboring competitive destinations offering far better value- for- money.

Sustainable Tourism, Eco-Tourism, Wild life and Adventure Tourism

In view of immense potential for nature and adventure tourism in India, it should be promoted vigorously during the 11th plan, particularly because the peak time for adventure tourism is during the so called 'lean months' of cultural tourism, which can make India a round the year destination. Further, since adventure and wildlife tour operators operate in far-flung regions of the

country, a more equitable distribution of the economic benefits of tourism is ensured besides integrating those remote areas into the national mainstream. The following strategies are recommended.

Sub-Strategy-1

Eco-Tourism

- Creating awareness globally about the eco-tourism/adventure tourism potential in our country. Considering that the major chunk of Himalayas is in India, the perception world over that Himalayas means Nepal has to be changed. A marketing and promotion strategy needs to be undertaken.
- Road shows to show case eco-tourism/ adventure possibilities in India
- Promotional films and advertising through electronic media.
- Detailed brochures / maps to be placed at the disposal of our overseas tourist offices

Sub-Strategy-2

Adventure Tourism

- There is an urgent need for a National Policy on adventure tourism and there is need to revive an already existing national eco-tourism policy.
- At present, there are different safety and ecological rules in different States. Greater synergy between the Centre and the Himalayan states can lead to a national policy, which would help the industry tremendously.
- Uniform rules throughout India, especially with regard to safety and ecological guidelines, would go a long way in boosting this sector.
- The biodiversity found in our national parks is truly incredible. The wildlife experience has to be more ecologically friendly, educative and sustainable. Having interpretation centers in the parks with basic and clean amenities, informative films at park entrances on the Do's and Don'ts in wild life parks will help sensitize visitors to our natural heritage.
- The Ministry of Tourism run/ sponsor institutes to offer Adventure and Eco Tourism as subjects in their syllabus. Government run mountaineering institutes like The Nehru Institute of Mountaineering (Uttarkashi) and The Himalayan Mountaineering Institute, Darjeeling can offer adventure guide courses.
- Safe adventure tourism requires excellent adventure equipment and as of today, this has to be imported. The Ministry of Tourism recognized adventure tour operators should be allowed every year to import duty-free equipment up to 20 per cent of their annual turnover.
- Adventure tours / eco-tours operate in wilderness areas where communication/ medical facilities are not available. In this scenario, allowing the use of satellite phones and global positioning system (GPS) will go a long way in ensuring that safety standards in India are at par with international standards.

- Contour maps of adventure areas / national parks need be prepared to help in better operations and selling in the global market.
- Waiver of service tax charged on adventure tours will give an impetus to this sector. Considering adventure tours are operational only a few months of the year, this will not be a major setback to the national exchequer and will give the necessary fillip to this sector.
- The Government needs to simplify procedures urgently to give a boost to of adventure tourism. There is need to open more trekking peaks in the country with simple application procedures. The nodal agency should be kept as the Indian Mountaineering Foundation (IMF) and local State Governments should not have their own rules and regulations and instead should make a harmonious procedure in conjunction with the IMF.
- The condition of a minimum of four persons traveling together in remote areas like Arunachal Pradesh, Ladakh etc should be done away with so long as they travel with Government approved operators.
- For all sectors of the Industry such as tour operators, hoteliers, airlines, transporters, lodge owners etc., a detailed environmental pledge has been formulated and is contained in the Environment & Eco tourism handbook published by the Ministry of Tourism. It is suggested that all State Governments and the Ministry should encourage the different stakeholders to sign this pledge and thus, offer a commitment. Also, through the Ministry's communications such as brochures and websites, it be suggested, "Travelers/Tourists give preference to using services of those stake holders who have displayed this environmental commitment".
- For all diverse topographical regions in India from mountains, beaches, forests, deserts, fragile areas etc., suggested building guidelines are need to be drawn up which are in harmony with their immediate environment, like using local materials and reflecting the local culture. This will prevent pollution and over-building of places as has happened at hill stations like Mussoorie, Manali, Nainital and Shimla. Landscape architects should be involved at Government and Private level and these notes should be put in the "Call for investment brochures" published by State Governments.

Sub-Strategy-3

Sustainable Tourism

- It is suggested that carrying capacity studies be undertaken for popular trekking trails, national parks, rivers, etc so that a low environmental impact is maintained and sustainable practices are in place. 'Honey pot areas' need to have pressure relieved by opening closed areas and by publicizing lesser-known regions so that traffic is dissipated from popular zones.

- There is a requirement to have trained nature guides, naturalists, mountain trek leaders, etc who have safety and environmental knowledge. Such courses could be initiated at tourism institutes, vocational study institutes, as well as at outdoor training institutes.
- Effective steps at the State level be carried out for garbage disposal through Municipal bodies, and use of incinerators to be re-looked at. Industry to partner State Governments and NGOs to keep cities and towns clean in conjunction with local authorities.
- Environment education should be included in the curriculum of schools and colleges with a special component of Eco tourism to make an eco sensitive population.
- The Himalayan Tourism Advisory Board (HIMTAB) has been doing good work on promotion of Adventure and Sustainable tourism and the Ministry of Tourism needs to have regular meetings of this board.

7. Access, Connectivity and Related issues

AIRWAYS

Sub strategy-1-Reducing Domestic Airfares

- Due to liberalization policy in the aviation industry many new airlines have come up and the shortage of seats which was one of the main bottlenecks is a lesser problem for both International and Domestic circuits. This has brought competition in the market and airfares have gone down simultaneously. But still there are various kinds of economical tariffs in the market, which increases the domestic airfares in India.
- Like other low cost airlines, Indian airlines should come up with low fares by reducing extra facilities like meals etc. and can make it optional. Executive class passengers in turn, could be provided with all the facilities and extra services for which they may be made to pay.
- One of the reasons for high airfares of our national carriers is that the ratio of staff to passenger is very high and this needs to be rationalized.

Sub Strategy-2

Capacity Expansion

- A more liberal aviation policy is needed and more new International airlines may be allowed to operate to India without the reciprocity clause. Capacity constraints though eased are still a problem during peak season (October-March). This will help to achieve projected growth of tourism to India.
- At least 50 gateways for International flights, for a large country like India, should be opened. Considering the tourist demand all the 28 states should have at least one International airport.
- Air Charters should be liberally allowed and more airports be patronized, beside 4 metropolitan cities and all the airports allowing charter operations should be converted into International airports for scheduled commercial activities.
- 18 new sectors have been opened up for the ASEAN countries and more sectors to be explored. There are possibilities to have more flights from/to Japan and Korea on bilateral basis or without bilateral rights and this need to be finalized early.

Sub-Strategy-3-Connectivity to Tourism Circuits

- There are some circuits like Bodhgaya, Agra, Bikaner, Khajuraho, Dehradun, Varanasi and other small tourist destinations where domestic private operators may be approached to increase/operate their flights, as airlines are not operating on these sectors due to commercial reasons. Foreign airlines may be allowed to operate to places like Goa, Bodhgaya, Agra etc.
- Terms and conditions for charter operations to be eased without involving large number of clearances.

Strategy-2 Visa Related Issues

Visa Constraints to Access

- Most of the tourist friendly countries have visa on arrival. Facilities of visa on arrival in our country should be made available for the 16 short listed countries with out any compromise with national security.
- Terms and conditions for issuance of visa be eased. For big countries like China where people have to face a lot of problems in getting visa, residents of south China should be allowed to get visa from Hong Kong/ Singapore. Similarly, for other big countries also, modalities be worked out.

Strategy -3 Expansion of Infrastructure

Airports and Infrastructure

- Facilitation Committees with representation from the concerned ministries and travel trade be formed to look into day-to-day problems and ensure inter agency coordination.
- Trained personnel & Workforce to be provided at airports by the Airport Authority of India, Immigration, customs and multi-lingual facilities also be provided to give better services to tourists. More immigration counters be opened for tourists to give faster immigration clearances and welcome service on payment to be considered as is done in UAE.
- With increase in flights and air seat capacity, airport infrastructure should be improved. Due to no landing slots the aircrafts keep hovering in the sky.
- Civil Aviation Ministry has opened the skies substantially but due to the shortage of hotel rooms and tourism infrastructure; increased connectivity will not get sufficient support. More budget hotels are to be built in all tourist places to meet the requirement.
- All world class airports have proper and separate parking facilities for the tourist vehicles, rest rooms, toilets, drinking water, tea/coffee vending machines etc for waiting vehicles. All the airports in our country have such basic facilities outside the airports.
- All the Metro cities should have secondary airports especially for turbo aircraft, helicopters, low cost airlines etc. Secondary airport could be used as an alternative site in case of any emergency. For cargo handling there should be separate airports in all the metro cities.
- While the work for modernization of airports in Delhi and Mumbai has already started and would commence at other airports also Government may see it that all the basic facilities like lift luggage facilities and proper signage's are provided. Deadlines should be fixed while awarding works for the modernization of airport.
- Lift connectivity to the lounge be provided to old age people and physically handicapped persons and should be allowed to use the GF lounge in case there is no lift available.

- Due to shortage of pilots the flights on sectors like Delhi- Agra-Khajuraho-Varanasi and Varanasi-Kathmandu has been withdrawn which was very popular for visiting the Buddhist circuits. As the problem of the shortage of pilots has been sorted out, these flights should be re-instated.
- Air India is coming up with new tourism packages with the help of Ministry of Tourism and also efforts are being made to have some packages jointly with Indian Railways. Tour operators may also be involved in this effort by offering different packages. IATO website may also be hyperlinked with the Railway site, where list of tour operators would be available.
- Use of airspace marked for defence and the civil aviation should be rationalized for more commercial operations at places like Agra, Goa, Jaisalmer, Bikaner, Car Nicobar etc.

Sub-Strategy 4

Rail Connectivity

- Railways should introduce speed tracks in a very large country like India. Also Railways should introduce Super-fast to encourage tourists to travel by train..
- Budget hotels should be considered by Railways in all the metro cities like Bangalore, Mumbai, Delhi etc within the realm of public- private partnership. For the budget hotels that have already been approved by the Railways, a dead line of one or two years should be fixed.
- Extension of Metro Rail to connect the Airports and Railway stations be an integral part of the infrastructure development plan. GSAs be appointed by Indian Railways in overseas markets.
- All IATO members (who are recognized by the Ministry of Tourism) should be authorized to make rail booking like IATA agents. They should be recognized as rail Travel Agents (RTAs).
- Well maintained clean waiting rooms, clean waiting rooms, basic amenities like drinking water, toilets, tea/coffee facilities, parking facilities for tourist vehicles should be available at the railway stations.

Sub Strategy-5 Roadways

- Though work on various projects by the National Highway Authority of India is going on, there are some specific tourist sectors which need immediate attention, e.g.
 - Delhi – Agra (Entrance from Itmadullah Road)
 - Agra – Fatehnpur Sikri – Jaipur
 - Delhi –Mandawa-Jhunjhunu: Single Road with 140 speed breakers
 - Mandawa – Fatehnpur Road: Water drainage problem.
 - Jodhpur – Ranakpur: Single Lane Road in a very bad condition
 - Dhausa – Swai Madhopur

- Delhi -Haridwar: Single Lane Road
- Khajuraho –Varanasi: Single Lane Road
- Gwalior – Khajuraho: Single Lane Road
- Tourist’s coaches have to queue up at the border for paying toll tax and transport tax at every barrier, which is harassment to tourists. There should be one single toll collection point for free movement of tourist transport. This needs immediate attention. Seamless travel by giving Zonal Permits for buses/ tourist vehicles (with a separate TV Series) @ Rs. 25,000/- per quarter per State should be introduced.
- Oil companies on the highways should provide basic amenities like
 - 2-3 toilets, (separate toilet for ladies and physically handicapped)
 - Tea/Coffee vending machines,
 - First aid,
 - Emergency S.O.S. phones
 - Vehicle recovery units for any breakdown
- All world heritage sites should be well connected with the national highways and should have 4 lane roads.
- Road Dividers are a must on the highways. Speed breakers on the highways should be removed since they are the reason for many accidents especially during the night.

Waterways /Shipping

Sub-Strategy-6

- All the ports need to be upgraded to have world class cruise terminals with international class facilities.
- Small ports along the entire West Coast and East coast should be developed for cruise tourism.
- All major ports should be connected with passenger rail and roadways services.
- Inland waterways have tremendous opportunity for increasing passenger movement through rivers. Our huge network of rivers for the purpose of tourism has not been exploited. Through public private partnership, Government should promote infrastructure for inland waterways. Backwater cruises in coastal States and North Eastern States like Assam, through Brahmaputra will open a new vista for the inland water tourism

8. Taxation, Incentives and Concessions

The following strategies are recommended for tourism and related industries like hotels, restaurants, beach resorts and other tourist complexes providing accommodation and/or catering and food facilities to tourists including air catering units besides travel agencies; tour operating agencies; tourist transport operating agencies; units providing facilities for cultural adventure and wildlife experiences; surface, air and water transport facilities; leisure, entertainment, amusement, sports and health units; convention/seminar units and organizations and hotel industry.

Sub Strategy-1

Fiscal Incentives

- Industry should be given a no tax regime for a period of 10 years from the date of commencement of commercial operations i.e. 50% of profits need not be taxed and the balance 50% profits should also not be taxed provided they are ploughed back into investments in the tourism industry (details can be worked out). It is proposed that this no tax regime should operate for at least 10 years beginning from 01.04.2007 till 31.03.2017 having concessional period computed from the date of commencement of commercial operations. This is primarily to encourage the existing industry to invest further into tourism sector.
- It is also important to encourage investments from non-tourism sector into tourism sector through a package of incentives, which should be applicable for the hilly areas, rural areas, places of pilgrimage, North East region including Sikkim, Jammu & Kashmir, Uttaranchal and Himachal Pradesh. Here, the Government should allow a no tax regime for a period of 10 years from the date of commencement of commercial operations.
- Tourism establishments should also be allowed a tax-free regime for their expenditure on overseas publicity and promotion; and training of their employees in recognized institutions.

Sub-strategy-2

Role of Tourism Finance Corporation

- The interest rates for loans should preferably be the same as those offered for housing sector loans and should be uniform throughout the financial institutions, thereby encouraging the hotel industry.
- Tourism Finance Corporation of India should cater to smaller projects and especially those with a loan amount up to one crore.
- Loans should also be offered to tourism related industries especially the non-accommodation sector, namely convention centers, amusement parks, golf resorts, aero sports, transport fleet, cruise liners and for development of water and adventure sports.

Sub-Strategy-3

Depreciation

- Depreciation rates for tourist vehicles should be determined on the principle of period required for replacement of a vehicle. The principle should be based on a list of specified factors rather than just the month of purchase as is the norm at present. The factors could be a combination of mileage covered by a vehicle, year of manufacture, etc. that the Government deems necessary.
- Similarly the Government should also determine the depreciation rates for the hotel industry based on the principle of repair and replacement, which should have specific factors in this connection particularly in respect to hotel buildings and refurbishments of hotels rooms.

Sub-Strategy-4

Service Tax

- Service Tax should be on the 'service charge' for the services rendered by operators of tourism industry and not on the total cost which includes components like hotel charges, transport charges, guide fees, entrance fees, meals etc. Further, input credit should be allowed to avoid double levy of Service Tax on the same service.

Sub-Strategy-5

Fringe Benefit Tax

- Fringe Benefit Tax (FBT) is an added burden on the hotel industry, which finds itself liable for tax on their expenditure incurred on account of entertainment, hospitality, telephones, sales promotions, etc. Hence FBT should be rationalized for the entire Tourism Industry and at the same time, smaller turn over entities and loss making companies should be exempted.

Sub-Strategy-6

Subsidies

- Special interest subsidy on heritage properties should be provided when converted into heritage hotels. An interest subsidy of 5% on properties converted into hotels having an age of 75 to 150 years and heritage properties older than 150 years being converted into accommodation should be given an interest subsidy of 10%. These interest subsidies should only be given for 5-7 years after the moratorium period is over. It should not remain an open-ended program.
- Publicity and promotional material used for international and domestic market should be made tax-free.
- Capital subsidy should continue for two plan periods of the Eleventh Five-year and Twelfth Five Year Plans. Special capital subsidy should be provided to the heritage hotels.

Sub-Strategy-7

State Luxury Tax

- Each state has its own criteria for Luxury Tax, varying from 5% to 20%. Due to competition and off-seasons, the tourism industry is forced to offer concessions to the tourist: however the States continues to tax the industry on the rack rate (published rate),

rather than the actuals. Very few states charge on the actual rate. Luxury tax on the published tariff increases the effective rate of tax to 25% - 30%. The highest rack rate is 12.5% in the States of Delhi, Tamil Nadu, Karnataka and Andhra Pradesh and the effective payable percentage becomes 20-30%. A uniform rate of luxury tax of 5% to 10% on actual rate should be charged in all the states.

- Budget hotels (i.e. hotels up to three star category) should be taxed not more than 5% luxury tax and other hotels (four and five star) should be taxed a luxury tax of 10%.

Sub-Strategy-8

Rationalization of State Transport Taxes

- Tourist transport vehicles may also be given separate identification under Motor Vehicles Act to allow free movement between States.

Sub-Strategy-9

Rationalization of Land Prices

- State Governments must encourage hotels and tourism related industry by providing plot areas at nominal/ cheap rates, duly identified.
- The States should also provide exemption of stamp duty on purchase of land for hotel and tourism related industry, especially in the hilly areas, rural areas, places of pilgrimage, North East region including Sikkim, and Jammu and Kashmir, Uttaranchal and Himachal Pradesh.

Sub-Strategy-10

Provisioning of electricity and water supplies a must

- On a priority basis provision for providing electricity and water supplies should be made by the State Government.
- The facilities of electricity and water supply should be applied at least one month before the actual date of commencement of commercial operations; and
- Levies and duties, which are normally charged by the State, when power is generated by the State, should not be imposed if the industry uses their own captive power plants. Further, a concession of minimum power charge should be provided for usage up to a stated quantum of electricity.

9. Human Resource Development and Capacity Building

With the opening of the economy, which is poised to grow at a handsome rate, tourism in the country may witness a boom that may bring in its wake an exponentially growing demand for work force at every level; managerial, supervisory, skilled or semi-skilled. This anticipation in growth will have an impact on tourism and as a consequence, a much larger and superior infrastructure and manpower than hitherto would be needed to cope with that. According to a study conducted by Ministry of Tourism on Manpower Requirement in Hotel industry, Tour operators and Travel sector the demand for manpower in Hotels & Restaurant sector far exceeds the supply. The study suggests that the supply of trained manpower is not even touching 40% of the demand. The first direct impact of this demand-supply mismatch is that the hospitality industry has to do with an unacceptable percentage of untrained manpower that affects the quality of service offered to the tourists.

Sub-Strategy-1

Human Resource Management

- Craft and hotel management education should be introduced as an early vocational choice. This can be best achieved by including 'hospitality education' as one of the optional papers at +2 stage of school education under the CBSE system. The craft courses offered by the FCIs and IHMs of 2 years duration should, to begin with, be adopted for its contents and standard as equivalent to +2 stage. This schoolisation of hospitality education will bring about much greater acceptability than hitherto of 'hotel' specific occupations and will also be an early option for some to get absorbed in the industry. It will also, to some extent, limit the number of untrained and unskilled service providers in the industry.
- Since the industry alone will benefit from this integration of hospitality education in the school system, it must make this sub-stream an attractive option by offering industrial apprenticeship to the students.
- Hospitality education at Plus-2 stage will be sustainable only if the teachers for that are available in adequate numbers. The B.Ed. course should include hospitality education as one of the teaching options. The National Council for Teachers Education should be approached for this.
- Teaching must keep pace with times. This can be best achieved by the training of teachers/trainers. The Training of Trainers (ToT) should be a regular institutionalized feature and should cover teachers/trainers at every level. Efforts should be made to establish linkages with better-known teaching institutions world over.
- Curriculum at diploma/degree stage should be re-worked as to place greater emphasis on basic efficiency techniques.
- The teaching should, as far as possible, draw upon the experience of the industry.

- There should be a system of skill assessment and certification of the service providers who are in the industry without any formal training or education. This will not only give them recognition but may also open up career progression avenues especially in situations where possession of formal degree/certificate is a pre-requisite.

Sub Strategy-2

Capacity Building

- Capacity building of the service providers through shorter 3 to 6 month training courses should be taken as integral to the general effort to strengthen/enlarge the manpower required by the hospitality industry.
- Service providers without formal training/education should have the option of pursuing academic course through Open School System.
- The existing service providers who have certified skills but wish to pursue a higher diploma/degree course should be able to do that through second shift/night colleges.
- In order to ensure that education at diploma/degree level does not fall below an internationally acceptable threshold, there should be a dedicated and statutorily empowered regulatory body. The National Council of Hotel Management & Catering Technology with years of experience of this nature should be vested with these regulatory powers.
- Similarly, the IITTM should function as an apex institution of excellence for tourism education with powers to affiliate chapters/institutions in its field of competence. The IITTM should also be alive to the new unfolding facets of tourism and work that out in distinct lessons. The IITTM should therefore also cover, through curriculum for its various courses, the following:
 - Recreational Tourism – Resort & Golf Tourism.
 - Medical Tourism;
 - Health and Rejuvenation Tourism;
 - Ski Tourism.
 - Rafting/Mountaineering/Paragliding Adventure Sports Tourism.
 - Cruise Tours
 - Rural and Cultural Tourism
 - Religious and Spiritual / Tourism
 - Gastronomical Tourism.
- Making optimum utilization of the capacities of the existing IHMs/FCIs will necessitate these institutes being run in two shifts. The courses in the second shift may not be a repeat of courses in the first shift but can be demand driven programmes of study/training - specialized craft courses leading to award of certificate /diploma or even degrees.

- Considering the mismatch in demand and supply of trained manpower in hotel industry four more IHMs and twenty more FCIs need be set up during the 11th Plan. This would include setting up of IHMs in the U.T. of Daman and Diu, at Jammu and two in the NE States.
- Recognizing the fact that the industry must eventually acquire autonomous self-propulsion, the Central Ministry of Tourism should work towards an inalienable integration of the management and food crafts institutes, whether set up by the governments or in private sector, with the industry.
- The NCHMCT should be encouraged to vigorously pursue the scheme of affiliation of private sector hotel management or craft institutions, as it will bring in the much needed uniformity in academic standards and ensure threshold infrastructure and other facilities.
- The present imbalance between managers and craft persons can be corrected by establishing new FCI and IHMs. The proposed new FCIs (20) and IHMs (4) should give about 2000 additional diploma / degree holder in hotel management and crafts. The suggested night shifts at the existing IHMs / FCIs should augment the numbers by another 2500.
- The industry should offer better salaries and perks to those who hold degrees / diplomas or certificates in food craft, to attract more numbers and better talent.
- Efforts should be made to upgrade the IHMs / FCIs set up with central assistance as state of the art institutes, comparable to the best institutions world over. This will stimulate academic excellence and qualify in other institutions in the field, attract talent and eventually lend a quality to the service extended by the industry.
- A concerted campaign should be launched by the Government in association with the industry to instill pride in the profession. Media should be involved in a big way.
- IHMs and FCIs should focus on training of trainees.

10. Monitoring, Research & Statistics

For the objective of planning and policy formulation there is a need for strong data base on tourism to monitor the impact of Government policies facilitating investment and creating awareness about the economic impact of tourism like income creation, its contribution to GDP, employment generation etc. Keeping in view the existing system and shortcomings in collection/compilation of tourism statistics in all the three forms of tourism i.e. Inbound Tourism, Outbound Tourism and Domestic Tourism, as also the importance for timely and reliable statistics, following recommendations were made.

Sub-Strategy-1

Inbound Tourism

- Reduce the time lag in processing of data on foreigners (tourists) arrival, and make available nationality-wise data on a monthly basis to the Ministry of Tourism with a time lag of three months.
- The annual disaggregated data on foreigners (tourist) arrival may be made available within a time lag of four months.
- For arriving out at the duration of stay of foreign nationals in India, a system should be introduced, which is based on the matching of the information in the arrival/departure cards.
- Review of the existing practice and/ or response from the Authorized Dealers for estimating the travel receipts in the BOP statistics in consultation/ association with the Ministry of Tourism and other concerned agencies, as has been the practice in the past.

Sub-Strategy-2

Outbound Tourism

- Introducing a system of capturing data from the Embarkation cards of Indian nationals going abroad, with details like purpose of visit, country of final destination, and also profile of Non-resident Indians visiting India, etc.

Sub strategy-3

Domestic Tourism

- State Tourism Departments to prepare a new scheme “**Strengthening of Statistical Machinery and Market Research**” for their State Plans during the 11th Five Year Plan for improving system of collection of tourism data and for conducting surveys/studies of interest in States/UTs.
- Tourism Departments of States/UTs should involve State Department of Economics & Statistics by the and take their help in development of a sound data base on tourism statistics;
- Ministry of Tourism should study the existing system of tourism data collection in each State and organize periodical training programmes in data collection strategies for building

the capacity of the State Tourism Departments. Training of State Tourism officials should be a continuous process.

- Publication of data on visitors to Wildlife Sanctuaries and Parks.

Sub-Strategy-4

Other Statistics

- Strengthening present system of collection of data on occupancy in classified hotels and seeking assistance of industry associations in this regard.
- Building-up of a comprehensive database of the approved hotels, travel agents, tour operators, etc., to be made available on the website of the Ministry;
- The Archaeological Survey of India should also provide data on total entry fee collected from foreigners and Indians separately, in addition to number of visitors to centrally protected monuments and the time lag in compilation of this information may be brought down to three months from the close of the calendar year;
- The Archaeological Survey of India and the Ministry of Tourism and Culture may also explore possibility of getting data on visitors to State protected monuments.

Sub-Strategy-5

Survey / Studies

- Ministry of Tourism should undertake surveys of short duration on specific aspects of domestic and foreign tourists on a continuing basis, while large-scale multi-subject surveys may be undertaken once in five years.
- Studies for measuring the economic impact of Tourism in terms of direct and indirect contribution to GDP and employment through system of Tourism Satellite Accounts should be undertaken once in five years. In the intervening years, these estimates should be developed using suitable models.
- Considering the significance of day tourism in the country, studies for estimating the volume and economic impact of same day visitors in important tourist centers need to be undertaken.
- The forecasting studies undertaken by the Ministry of Tourism, such as, those for the estimation of hotel room requirements in different centers should take into account the current situation and planned international events, like the Commonwealth Games scheduled to be held in Delhi in 2010, and such studies should form part of an ongoing process.

Sub-Strategy-6

Monitoring of Infrastructure Projects

- Introducing a web enabled monitoring system of infrastructure projects with the help of NIC.

11. ALLOCATION FOR 11th PLAN

Comments on the proposals for ongoing schemes for 2007-08:

1. **Externally Aided Projects:** These include Buddhist centers in Bihar, Uttar Pradesh and Maharashtra (places like Bodhgaya, Ajanta-Ellora, etc). Since consultancy / implementation charges to the projects are an ongoing activity, the scheme is proposed to be continued in the 11th Plan.
2. **Assistance to Hotel Management Institutes in the Country:** There are 24 Institutes of Hotel Management and 11 Food Craft Institutes in the country under the Ministry of Tourism. The MoT proposes to establish IHMs and FCIs in N.E. region and newly created States to create more employment opportunities. There is need to establish more Food Craft Institutes in the country to meet the growing demand from the hospitality sector. The scheme is proposed to be continued in the 11th Plan.
3. **Capacity building for service providers:** The scheme is an ongoing one aimed to train guides and other service providers in the unorganized sector. The guidelines for the scheme have been revised recently to include NGO's for conducting the programmes. There is need to continue the training programmes to provide better services to the tourists.
4. **Overseas Promotion and Publicity:** Overseas Promotion and Publicity is an ongoing priority scheme to sustain, increase and to attract tourists from existing major and potential new markets to the country. With the increase in tourist traffic, both foreign and domestic, the tempo of publicity and promotion has to be maintained. There is need for continuous publicity of tourism products in the international markets, especially in the light of competition from neighbouring countries.
5. **Domestic Promotion and Publicity:**
This is an ongoing scheme to promote tourism products to attract domestic travelers.
6. **Incentives to Accommodation Infrastructure:** Under the ongoing scheme incentive will be in the form of one time capital grant of 10% of the total principal loan taken from designated financial institutions or up to Rs 25 lakhs to one star, Rs 50 lakhs to two star, and Rs 75 lakhs to three star and the heritage category projects whichever is less. Since accommodation infrastructure is the most important factor in tourism development and there is significant gap demand and supply, this scheme is to be continued.
7. **Construction of building for IISM at Gulmarg (J&K Package):** An expenditure of Rs 4.00 crore was incurred for this purpose in 2004-05 and an outlay of Rs 6.00 crore is available for 2005-06. Since the building and other infrastructure facilities required for the institute are yet to be completed the scheme is proposed to be continued for first two years of the 11th Plan.

8. **Market Research, including 20 years Perspective Plan:** Under this ongoing scheme, the Ministry of Tourism carries out various studies and survey relating to tourism. Since research work is a continuing process the scheme is proposed to be continued in the 11th Plan.
9. **Assistance for large Revenue generating projects:** One of the highlights of the new tourism policy is the active public and private partnership. Under this ongoing scheme support in the form of grant to act as a catalyst will be provided to large revenue generating projects through the State Tourism Development Corporations, Tourism Finance Corporation of India or the State Industrial Development Corporations and the State Financial Corporations. The guidelines of the Scheme have been revised recently and project proposals are under consideration of the MoT. The scheme may be continued in the 11th Plan also.
10. **Computerization and Information Technology:** This is an ongoing scheme for up gradation of information system and usage of IT in tourism development. The scheme to continued in the 11th Plan.

II. CENTRALLY SPONSORED SCHEME

1. Infrastructure Development for Destination and Circuit:

The objective of this ongoing scheme is to provide world-class tourist infrastructure facilities at the identified circuits/destinations and rural sites.

I. NEW CENTRAL SCHEMES PROPOSED FOR 11TH PLAN

i) Creation of Land Bank for Hotels Scheme

There is a shortage of hotel accommodation all over the country, and especially in metros, in view of increased growth in tourist arrival. The present availability of 10,000 hotel rooms even in Delhi falls far short of the current demand as well as the future demand based on trend in tourist arrival and the spurt likely to take place in connection with the 2010 Commonwealth Games.

The Ministry has been advising land owning agencies and the State Governments to create land banks for hotels and get the hotel constructed on identified sites through PPP mode based on land cost being Government's equity contribution. In pursuance of the objective, the MoT has been requesting L&DO of Ministry of Urban Development (MoUD) to identify suitable sites for hotels in Delhi. L&DO has now identified three sites, which they propose to hand over to MoT on a consideration of payment of Rs. 22 lakh per acre. This proposal of MoUD presents to MoT, an opportunity to create land bank and promote hotels in PPP mode. The requirement is to put in place a new Central Sector plan scheme to create land bank in 11th Plan. It is proposed that this land so allotted could be handed over on a long-term lease to ITDC for a token amount of Rs. 100/- with the direction to get the

hotel projects implemented on these plots by 2008 in PPP mode through Build, Own, Operate and Transfer (BOOT) method by the highest bidders who will pay annual rental amounts to ITDC. ITDC could arrive at a minimum reserve price for this bid based on a calculation to be undertaken by them with the help of the experts in this regard. ITDC will follow all codal formalities & competitive bid procedure with open tendering process for this. A certain fixed percentage of rental revenue earned by ITDC through this venture could be transferred to Tourism Promotion Fund to be set up in ITDC. This fund could be used for tourism promotion of Ministry's campaign and with the approval of the Secretary, Ministry of Tourism and by involving the Financial Advisor of the Ministry. Proposed outlay for scheme for 2007-08 is Rs 10.00 crore. This scheme is recommended for 11th Plan.

ii) Equity Contribution to ITDC

ITDC has overcome from disinvestments scenario and after continuous losses for several years, from 2003-04 have started showing profits but has been unable to invest in up-gradation of its existing properties. In the absence of any major renovation in earlier years, ITDC properties are in bad condition and are unable to compete with other hotels in the respective cities. So, to make these hotels up to the acceptable levels, ITDC has worked out a revitalization plan of Rs. 237.85 crore during the 11th Plan. An amount of Rs. 199.15 crore has been earmarked for renovation of the existing hotels. Considering Commonwealth Games, it has become essential to up-grade Delhi based hotels during 2007-08 and 2008-09, an expenditure of Rs. 185.15 crore out of Rs. 199.15 crore is proposed for Ashok Hotel, Samrat Hotel and Janpath Hotel. Rs. 146.70 crore is proposed to be spend for Ashok Hotel, New Delhi for up gradation of all the 550 rooms. The MoT has proposed that 50% cost of renovation of Ashok Hotel (Rs. 73.35 crore) may be provided as budgetary support as ITDC is not having its internal resources to meet such a huge expenditure. Balance 50% of the cost is proposed to be arranged through market borrowings. After renovation of hotels, ITDC is expecting its profits to shoot up from 2009-10 with increase in Average Room Recovery Rate. Only, Ashok Hotel is expecting ARR of Rs. 6800/- approximately in 2009-10 with average occupancy level of 75%. Turnover is also expected to increase to almost double of what is as on date. This proposal as a scheme is recommended for inclusion in the 11th Plan.

iii) Assistance to Central Agencies for Tourism Infrastructure Development

The objective of new scheme is proposed to extent assistance to central agencies for the works relating to monuments and other places under the control of ASI, Port Trust Authorities etc. so that world-class tourist facilities would be created in such places. These projects could include illumination and maintenance of important monuments in the

country under ASI or infrastructure development for Cruise terminals under Port trust etc. Since, the ownership of these assets lie with the central agencies like ASI, Port Trust Authorities etc. therefore, it is important that these agencies are also made responsible for the implementation of required infrastructure development projects. The existing Centrally Sponsored Scheme of “Product/Infrastructure development for Destinations and Circuits” does not provide for such arrangement where the financial assistance could be extended directly to these Central Agencies who in turn could implement the projects successfully and also ensure its proper maintenance. This proposal is recommended as a new scheme for 11th Plan.

SUMMARY OF PLAN FUNDS REQUIRED FOR DIFFERENT
SCHEMES FOR 11TH FIVE-YEAR PLAN

Sl. No.	Name of the Schemes	11 th Plan Outlay (Rs. in Crore)
I	CENTRALLY SPONSORED SCHEME	
1	Product/ Infrastructure Development for Destinations and Circuits.	2500.00
II	CENTRAL SECTOR SCHEMES	
1	(a) Externally Aided Projects (b) UNDP Endogenous Projects.	30.00 10.00
2	Assistance to IHMs/FCIs/IITTM/NIWS.	300.00
3	Capacity Building for service providers.	90.00
4	Overseas promotion & Publicity.	1000.00
5	Domestic Promotion and Publicity including Hospitality.	400.00
6	Incentive to Accommodation Infrastructure.	100.00
7	Construction of building for IISM at Gulmarg, Kashmir.	10.00
8	Market research including 20 yrs Perspective Plan.	40.00
9	Assistance for Large Revenue Generating projects.	200.00
10	Creation of Land Bank for hotels	50.00
11	Equity contribution to ITDC	73.00
12	Assistance to Central Agencies for Tourism Infrastructure Development	200.00
13	Computerization and Info. Technology.	100.00
	Total (CS Schemes)	2603.00
	Grand Total (CSS & CS)	5103.00

No.18/1/06-T
Government of India
Planning Commission
(Tourism cell)

Yojana Bhavan, Sansad Marg,
New Delhi – 110001.
Dated: 20.03.2006

**Subject: Steering Committee on Tourism for the Formulation of the Eleventh Plan
(2007-2012).**

In the context of the Eleventh Five Year Plan (2007-2012) for Tourism, it has been decided to constitute a Steering Committee on Tourism. The composition and terms of reference of the Steering Committee would be as follows:

1.Composition

1.	Shri Anwarul Hoda, Member, Planning Commission	Chairman
2	Secretary, Ministry of Tourism, New Delhi	Member
3	Secretary, Ministry of Civil Aviation, New Delhi	Member
4	Secretary, Ministry of Culture, New Delhi	Member
5	Secretary, Ministry of Environment and Forests, New Delhi	Member
6	Secretary, Department of Road Transport & Highways, New Delhi	Member
7	Secretary, Department of Revenue, New Delhi	Member
8	Secretary, Department of Youth Affairs and Sports, New Delhi	Member
9	Secretary, Ministry of Health, New Delhi	Member
10	Member, Railway Board, New Delhi	Member
11	Additional Secretary, Ministry of External Affairs, New Delhi.	Member
12	Joint Secretary, Ministry of Tourism, New Delhi	Member
13.	Adviser (Transport), Planning Commission, New Delhi	Member
14.	Managing Director, Air India, Mumbai	Member
15.	Managing Director, Indian Airlines, New Delhi	Member
16.	Representative of FICCI, New Delhi	Member
17.	Representative of CII, New Delhi	Member
18	Shri M.P. Bezbaruah, Permanent Representative, WTO, New Delhi	Member
19.	Representative of Hotel Association of India (HAI), New Delhi	Member
20.	Representative of Indian Association of Tour Operators (IATO), New Delhi	Member
21.	Representative of Federation of Hotel & Restaurant Assoc. of India, New Delhi	Member
22.	Representative of Adventure Tour Operators Association, New Delhi	Member
23.	Representative of Tourist Transport Operators Association, New Delhi	Member
24.	Representative of Travel Agents Association, New Delhi	Member
25.	Shri Ashwini Kakkar, Chairman, WTTC, Indian Initiative. D.	Member
26.	Shri Cyrus Guzder, Chairman & MD, AFL, Pvt., Ltd., Mumbai	Member
27	Shri Jose Dominic, MD, Hotel Casino, Cochin	Member
28	Shri Raymond Bickson, MD, Taj Group of Hotels, Mumbai	Member
29	Shri Bittu Sehgal, Environmentalist, New Delhi	Member
30	Shri Ranjit Barthakur, Eco-tourism, Kaziranga, Assam	Member
31.	Adviser (Tourism) Planning Commission, New Delhi	Member

2. **Terms of reference**

- (i) To review tourism development activities in the Tenth Plan and suggest measures to speed up the process of development in Eleventh Plan.
 - (ii) To formulate an integrated strategy/approach to tourism development in collaboration with Ministries/Departments/Agencies, whose activities impinge on tourism development, such as:
 - (a) The Ministry of Civil Aviation for further augmenting air seat capacity on major international sectors connecting India and for up gradation of major airports to facilitate the flow of tourists.
 - (b) The Ministry of Home Affairs for improving facilitation services, liberalizing the system for issue of visa/permit, streamlining the process of migration clearance, customs clearance and prevention of touting and misguiding of tourists.
 - (c) The Ministry of Finance for rationalizing tourism related taxes to make the end product competitive.
 - (d) The Ministry of Environment and Forests for developing eco-tourism.
 - (e) The Ministry of Youth Affairs & Sports for Adventure Tourism.
 - (f) The Ministry of Road Transport & Highways for improved connectivity to heritage sites and other tourist destinations.
 - (g) The Ministry of Culture for maintenance of monuments with active private participation and entry charges.
 - (h) Ministry of Health for Health tourism
 - (iii) To examine the need to continue Government of India Overseas Tourist Offices in the context of effective overseas publicity being possible through internet and the electronic media.
 - (iv) To review the incentives and other concessions given to the tourism industry (hotel, travel agents and tourist transport operators etc.) and to suggest modifications therein.
 - (v) To identify measures to encourage domestic tourism in the light of high volume of outbound tourism.
3. The Chairman of the Steering Committee may co-opt officials or non-officials as members, if considered necessary.
4. The non-official members of the Steering Committee will be paid TA/DA at the rate applicable to Grade I Officers of the Central Government for attending meeting of the Steering Committee.
5. The Steering Committee will submit its report by 31.8.2006.
6. Shri R.P. Chandran, Director (Tourism), Room No.314-A, Yojana Bhavan, New Delhi (Telephone No. 23096714), will be the Nodal Officer for this Steering Committee for all further communications.

(K.K. CHHABRA)
Under Secretary to the Govt. of India

To:

Chairman and all Members of the Steering Committee on Tourism.

Copy to:

1. PS to Deputy Chairman, Planning Commission.
1. PS to Minister of State (P&PI).
2. PS to all Members, Planning Commission.
3. Sr. PPS to Member- Secretary, Planning Commission.

4. Ministry of Finance (Plan Finance).
5. Administration (General), Planning Commission.
6. Accounts-I Branch, Planning Commission.
7. Information Officer, Planning Commission.
8. PA to Dy. Secretary (Admn.).

(K.K. CHHABRA)
Under Secretary to the Govt. of India