

Need to focus on creating quality infra to boost tourism: Tourism Secy. Vinod Zutshi

DIPP to set up Investment Desk and Invest India to channelize investment in tourism sector

2-day FICCI Tourism Investors Meet gets underway

NEW DELHI, 28 July 2016: To harness the enormous investment opportunities offered by the tourism sector, the Department of Industrial Policy & Promotion (DIPP) and Invest India are setting up an investment desk. The emphasis so far has been on attracting tourists but now the time has come to focus on creating quality infrastructure and filling the gaps on the supply side to allow tourists to have a fulfilling experience.

This was stated here today by **Mr. Vinod Zutshi, Secretary, Ministry of Tourism, Govt. of India**, at the second edition of FICCI's '**Tourism Investors Meet 2016**'.

In his keynote address, **Mr. Zutshi said** that for the tourism sector to flourish there was a need to develop the core infrastructure of the country which included rail, road, air and waterways. He added that a Task Force was being created by the Ministry of Tourism, Civil Aviation and Railways to improve the connectivity to tourist destinations.

He said that there was immense scope of investment in the hospitality sector as there was a shortage of almost 190,000 rooms at present. He added that the government has been facilitating the private sector investors by improving ease of doing business, introducing single window clearance, business friendly policies and creation of land banks for investors.

However, Mr. Zutshi said that there is still a need to bring on board the state governments. Some states have been proactive and have introduced policies for promoting tourism but other states too need to realize that besides attracting tourists, investing in infrastructure was equally important.

Mr. Zutshi said that the government was planning to organize 'Incredible India Tourism Investors' Summit 2016' in September to showcase the plethora of investment opportunities in areas of infrastructure development, both from India and overseas. The main objective of the summit is to position the Indian tourism sector for attracting large investments and presenting to the investors tangible investment-ready projects in different states of India.

On the occasion, the dignitaries released the FICCI-YES Bank knowledge paper on '**Investment in Tourism Infrastructure: Unleashing the Growth Potential**'.

Mr. Ramesh Abhishek, Secretary, DIPP, Govt. of India, said that the government has been able to ease the process of construction permits and custom clearance. The government realizes that adopting right policies would result in double digit growth of GDP for the next three decades and would allow the tourism sector to grow. He added that state portals have also been developed for making the processes transparent.

Mr. Abhishek said that the private sector should encourage and promote start-ups and incubators in the tourism sector. He added that the government realizes that the laws in the start-up space have not been able to keep pace with innovation and these were creating obstacles for start-ups. Hence the government was trying to become a partner of the private sector rather than a regulator.

Mr. Suman Billa, Joint Secretary, Ministry of Tourism, Govt. of India, said that the hospitality sector had been brought under the infrastructure segment which would enable the sector to grow. However, the threshold for the hotels which is at present INR 200 crore needs to be brought down to INR 50 crore to meet the deficit in hotel rooms and allow middle level players to enter the market.

Mr. Billa said that the investment landscape was changing in India with the 'Make in India' initiative. There was improvement in ease of doing business, land banks were available for investors and handholding was being done for investors. He added that there has been a change in the mindset and with infrastructure development in the country, investments are coming in.

Dr. Jyotsna Suri, Immediate Past President FICCI, Chairperson, FICCI Tourism Committee and Chairperson & MD, Lalit Suri Hospitality Group, said that the Ministry of Tourism and various states are ensuring that the right strategic initiatives are taken to guide stakeholders in making the right investment decision, and FICCI has been working on Tourism Infrastructure development for the last four years. She added that this year at TIM more than 600 meetings have been pre-scheduled between 72 buyers and seven sellers. These numbers indicate a substantial increase from the last year which witnessed around 350 meetings and 52 buyers.

In his presentation, **Mr. Nikhil Sahni, Senior President – Government Banking & Strategic Government Advisory, YES BANK Ltd,** said that the tourism sector offered ample opportunities for investment and if the status of export industry was accorded to it the sector could grow phenomenally. Also, intelligence and tourist research should be encouraged and efforts should be made to make India a safe destination for tourists. He added that focus should be on improving tourism infrastructure, seamless travel and connectivity and promoting state-owned tourism units.

Dr. A Didar Singh, Secretary General, FICCI also shared his perspective.

FICCI MEDIA DIVISION