

***India to host the 7<sup>th</sup> Annual Global Spa & Wellness Summit for the first time in October***

**Cost, credibility and consistency are the mainstay for the wellness industry**

**NEW DELHI, August 5, 2013.** For the first time, India will host the seventh edition of the Annual Global Spa & Wellness Summit (GSWS) in Gurgaon from October 4 -8, 2013, said **Mr. Girish Shankar, Additional Secretary, Ministry of Tourism**, while addressing ***FICCI's 5<sup>th</sup> Wellness conference on 'Wellness in India – Sustainable Growth & Future Roadmap'***.

He said that in India wellness tourism can flourish by following 3Cs namely, cost, credibility and consistency. India offers competitive pricing attracting foreign travelers to the country and it needs to continue. There are a large number of service providers in India but there is a need to ensure their credibility and allow only accredited players in the sector. Consistency is another major factor, as many players are taking the franchisee route hence, consistency of quality and service must be made uniform at all centres.

Mr. Shankar said that the Ministry of Tourism is only a facilitator because the wellness industry is driven by the private sector. The Ministry is helping the private industry players by formulating guidelines, sensitizing the consumers by running awareness programmes and providing market development assistance. The Ministry is also running a string of road shows across the globe to promote wellness tourism besides endorsing it at the international platforms.

On the occasion, **Mr. Shankar released a FICCI-PwC report on 'Imperatives for growth - The wellness industry'**.

According to the report, the wellness industry is expected to touch 1 trillion INR by 2015, growing at CAGR of 15%-17%, from the level of 700 billion INR in 2012. This represents a growth of more than 18% over the previous year. Products continue to comprise a majority share of 55% to 60% of the total market share.

Despite the slowdown in economic growth in 2012, the wellness industry has shown little signs of downturn as consumer spend on wellness products and services continue to be resilient. While industry prospects still remain bright, companies are fine-tuning their business and operating model in order to drive sustained revenue growth and ensure profitability. However, the challenges that players face to achieve sustained revenue and profit growth can stymie the future growth potential of the industry, if unaddressed.

There have been some corrective measures undertaken by the government, regulatory bodies and industry players. However, factors such as low consumer awareness and execution challenges around certification have limited the industry from achieving its desired results. Collective action from multiple stakeholders such as industry leaders, investors, the government and infrastructure and service providers to the wellness industry, can be a panacea for the challenges in the sector and enable it to live up to its trillion rupee potential.

**Mr. Dilip Chenoy, MD&CEO, National Skill Development Corporation (NSDC)**, stated that the government policies need to ensure that the working population is skilled to meet the requirements of the industries. He also pointed out that the 50 per cent of this industry is fragmented and there is scope to bring it under the ambit of organized sector.

Highlighting some of the initiatives of NSDC, Mr. Chenoy said that NSDC is in the process of setting up sector skill councils. NSDC has also initiated project 'Udaan' with the aim to help the youth of Jammu and Kashmir, who are seeking to enhance and grow their careers. The Corporation also facilitated Indian professionals to showcase their talent at the WorldSkills Competition in various categories.

**Ms. Naina Lal Kidwai, President, FICCI**, pointed out that one of the other major contributions and expectations from the wellness industry is its capability to generate massive employment opportunities. Wellness services in India are projected to have potential for generating over 3 million jobs by 2015. Therefore, the need for skill development, training centers, accredited and certified courses became vital for the wellness industry to meet these growth projections successfully.

"We, at FICCI, believe that despite many initiatives a lot more needs to be done by both the regulators as well as by the industry for a holistic development and growth of wellness industry. The need for accreditation of wellness courses; lack of skilled workforce, consistency in quality of products and services, tax and duty reductions are some of the impediment of growth and need further attention," Ms. Kidwai added.

**Mr. Sandeep Ahuja, Chairman, FICCI - National Wellness Committee and MD, VLCC Healthcare Ltd.**, said that the biggest challenge for the sector is fragmentation. The sector also lacked skilled manpower, and there is an urgent need to skill the workforce. Retaining skilled human capital is another hurdle for the industry, he added.

**Ms. P Rashmi Upadhy**, Associate Director, PricewaterhouseCoopers Pvt. Ltd., made a presentation on FICCI-PwC knowledge paper underling the challenges that the wellness industry is facing today. While players are developing strategies to control costs and arrive at optimal cost structures, managing input costs continue to be a challenge due to the limited capability of the players to pass on these costs to the customers.

The wellness industry continues to face a talent crunch. This paucity of skilled talent has resulted in high manpower costs and attrition levels. This may result in a 'war for talent', unless active measures are taken to create credible and accessible training infrastructure, she added.

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