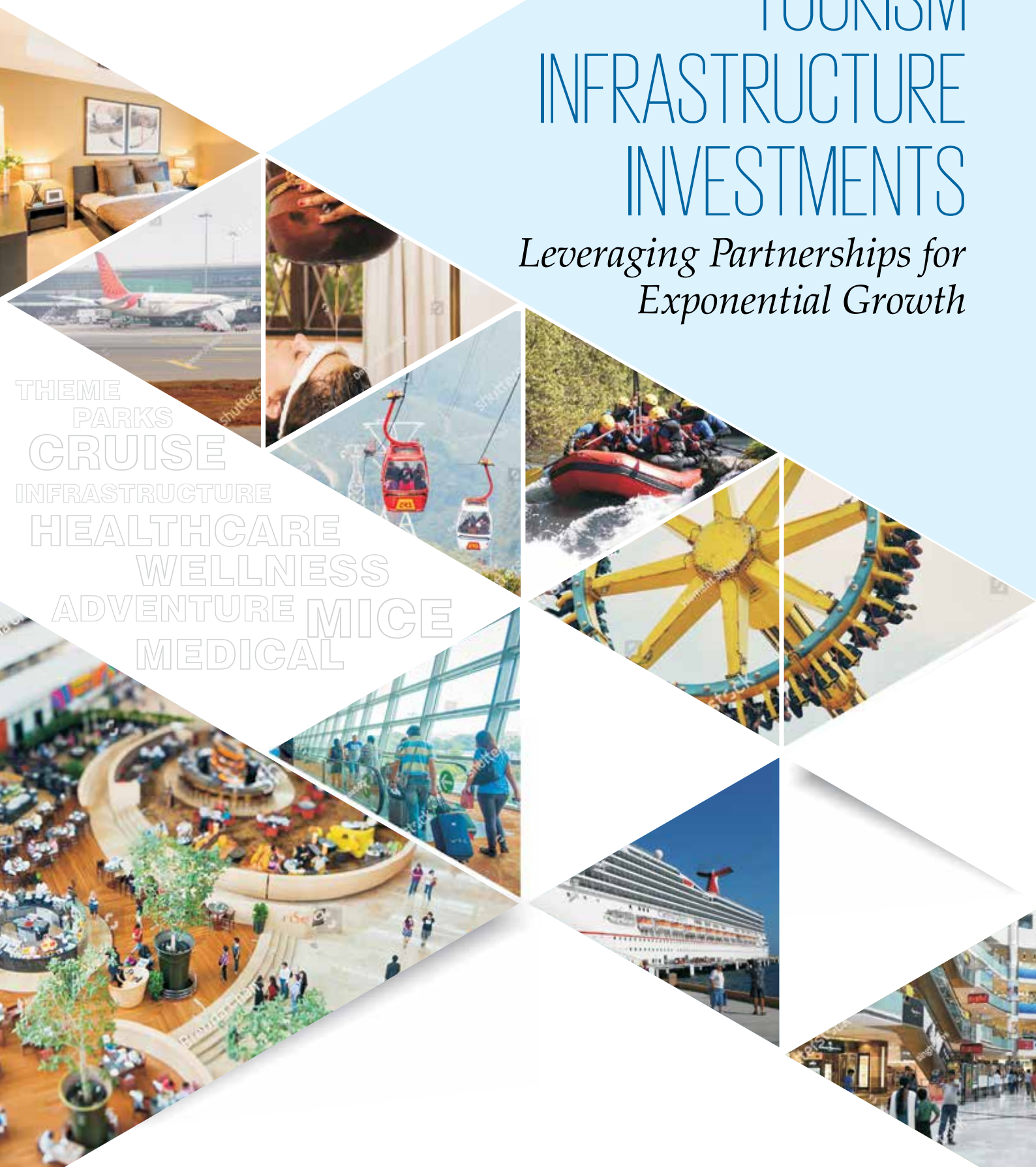
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TOURISM INFRASTRUCTURE INVESTMENTS

Leveraging Partnerships for Exponential Growth



TITLE	**Tourism Infrastructure Investments:** Leveraging Partnerships for Exponential Growth
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FOREWORD

The Tourism sector has enormous potential to lead the socio-economic transformation of 'New India'. Primarily driven by remarkable natural beauty, rich history & cultural heritage, and unique traditional values, the sector has witnessed exponential growth in niche sub-sectors such as MICE, medical and wellness, religious and adventure, amongst others.

The sector has been on a steady growth trajectory over the last decade to become the 7th largest in the world in terms of total contribution to the country's GDP. In 2017, Tourism generated USD 234 billion, equivalent to 9.4% of India's GDP, and employed 41.6 million people. After the historic jump to the 40th position in the WEF Travel and Tourism Competitiveness Index 2017, India crossed the 10 million mark in Foreign Tourist Arrivals for the first time ever during 2017. India's price-competitive offerings and increasing disposable income have been a significantly contributor towards growth of the sector.

The Government has taken several progressive measures such as simplified e-Visa and immigration procedures, 24x7 Multi-lingual Tourist Helpline, Swachh Paryatan Abhiyan, Guidelines for Adventure Tourism and Incredible India Roadshows, amongst others towards focused development of the sector. Strengthening of infrastructure and connectivity in India's North East Region has led to surge in inbound tourism in the region, which is expected to grow at 10-12% during 2019. Further, initiatives such as 'Adopt a Heritage' and development of 10 prominent sites as 'Iconic Destinations' will serve as pilot projects and a replicable model for other major tourism destinations.

However, to fully actualize the true economic potential of tourism, sustained efforts to augment and modernize tourism infrastructure in the country are required. Multifaceted approach towards development of accommodation, connectivity, wayside amenities and recreational zones infrastructure is vital for the holistic development of the sector. This will require large capital expenditure which needs to be driven by a partnership-led approach. Involvement of private sector will be critical to not only boost infrastructure, but also help in curating new tourism products. Emerging PPP mechanisms like Hybrid Annuity Model have shown success in areas like urban infrastructure and highways. Such institutional mechanisms must be explored to catalyze private capital into tourism infrastructure.

I am pleased to present the YES BANK - FICCI Knowledge Report **'Tourism Infrastructure Investments** – *Leveraging Partnerships for Exponential Growth'* which highlights the foremost areas for developing a robust tourism infrastructure and provides key recommendations. I am confident that this publication will promote meaningful dialogue between all stakeholders towards transforming the sector as the leading driver of India's socio-economic growth.

Thank You.

Sincerely,

Rana Kapoor
Managing Director & CEO YES BANK
Chairman YES Global Institute



FOREWORD

Travel & Tourism garnered 4.5% of the world's total investment in 2017, and according to World Travel & Tourism Council, India is also on a high growth trajectory, projected to grow by an estimated CAGR of 7.1% in terms of GDP contribution over next decade. The Indian tourism industry has bucked the global fluctuations and remained on a steady growth path for over a decade, which is evident from the fact that Foreign Tourism Arrivals (FTAs) have outperformed industry expectations and crossed the 10 million mark for the first time.

The recent Union Budget reflects the Government's confidence in the sector to maintain this growth momentum, and we can expect 'sustained sunshine' for this sunrise sector in times to come through the overall positive measures announced by the government to boost infrastructure, connectivity and rural growth.

In order to capitalize on this huge potential, we need to ramp up infrastructure creation and human capital development to carve a niche in the highly competitive international tourism market. Indian hospitality industry has emerged as one of the key industries driving the growth of the service sector and thereby, the Indian economy. The Indian hotel market is projected to grow to around USD 13 billion by 2020. Through a multi-modal focus on Air, Road and Rail, we can expect significant improvements in last mile connectivity.

Niche tourism activities like community based tourism, rural tourism and ecotourism also stand well poised to benefit from budgetary appropriations on improving rural infrastructure, skill development and diversifying livelihood opportunities.

I am pleased to present the FICCI - YES BANK Knowledge Report ***'Tourism Infrastructure Investments – Leveraging Partnerships for Exponential Growth'*** which highlights the key facts and figures pertaining to the tourism sector, potential areas of development and suggestive recommendations to establish India as a global tourism hotspot.

Sincerely,



Dr. Jyotsna Suri
Immediate Past President, FICCI
Chairperson, FICCI Tourism Committee and
Chairperson & Managing Director, Lalit Suri Hospitality Group



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Executive Summary



Executive Summary

Travel & Tourism has evolved as one of the key enablers of socio-economic growth globally as it stimulates engagement & collaboration of different stakeholders including tourists, community, governments and businesses across the tourism value chain. Travel & Tourism investment in 2017 was INR 2,706.1bn, 6.3% of total investment (USD 41.6bn). Which is expected to rise by 6.7% in 2018, and rise by 6.7% pa over the next ten years to INR 5,546.3bn (USD 85.2bn) in 2028, 6.1% of total.

Tourism industry is globally acknowledged for its important contributions to economic growth and social development with new innovations and rising tourist footfalls being witnessed in the recent decade. This is evident from several key indicators as highlighted below:

Table 1: Global Tourism Key Indicators (2017)

10.4%	Travel & Tourism GDP as a percentage of global GDP
4.6%	Direct Travel & Tourism GDP growth in 2017
1/10	Jobs supported by Travel 7 tourism. This is 9.9% of global employment
1/5	Of all global net jobs created in the last decade have been within the Travel & Tourism sector

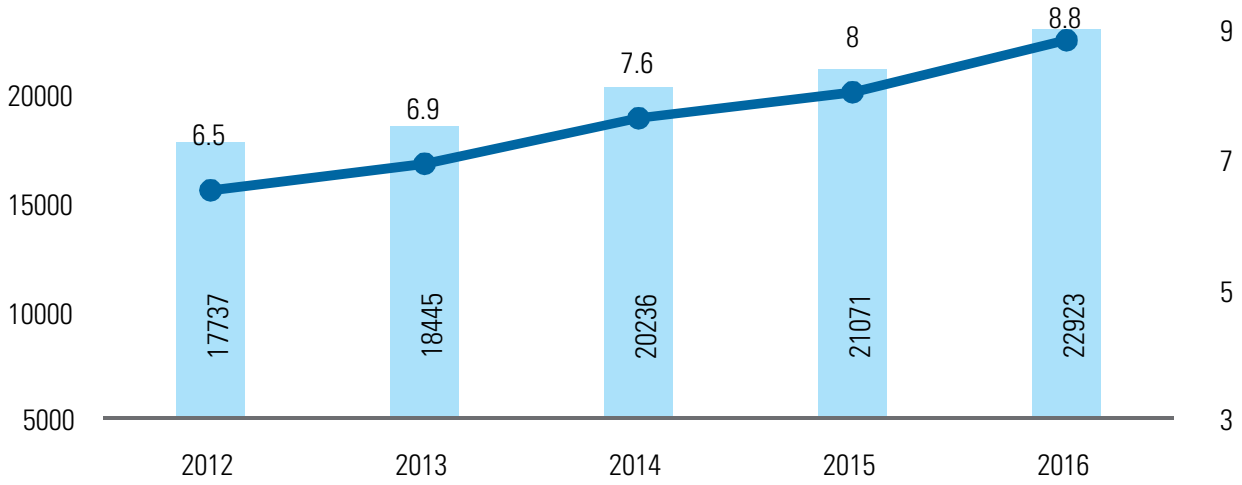
Source: Economic Impact 2018, WTTC

The contribution of travel and tourism industry in the world GDP stands at about 10.4% and in most nations with advanced travel & tourism, this industry contributes more than 13% to their respective GDPs. According to World Travel & Tourism Council, India is also on a high growth trajectory' projected to grow by an estimated CAGR of 7.1% in terms of GDP contribution over next decade.

The Government of India has designated to promote **2018 as the 'Year of Adventure in India'.**

Tourism sector is also one of the major sources of Forex, also termed as Foreign Exchange Earnings (FEEs). FEEs during 2017 were USD 27.69 bn with a growth of 17.0% over 2016. In 2017, Foreign Tourist Arrivals (FTAs) in India crossed the 10 million mark for the first time, standing at 10.1 mn with a growth of 15.6% over 2016. The Government of India has set out a target to increase India's share of FTAs in international tourist arrivals to 1% of global tourist arrivals by 2020 and 2% by 2025.

Figure 1: Foreign Tourism Arrivals and Foreign Exchange Earnings



Source: India Tourism Statistics 2017

The Ministry of Tourism (MoT), Government of India is the apex Government nodal agency for the tourism sector in India responsible for introducing various growth oriented policy measures, formulating schemes and programs, coordinating with private and Government agencies, and marketing and promotion of tourism in the country and abroad. Other related ministries also support the MoT in its endeavour to establish India as a leading global tourist destination.

Ministry of Tourism	• Budget 2018-19 allocation of INR 2,250 Cr for Integrated development of tourist circuits under Swadesh Darshan & PRASAD schemes • Proposed creation of Five Special Tourism Zones, anchored on SPVs in partnership with the States • 17 islands has been identified to be developed as tourism growth zones and Island Development Agency (IDA) has been constituted, • The government has allowed 100 per cent FDI under the automatic route in the tourism and hospitality sector, including tourism construction projects • Creation of Hospitality Development and Promotion Board to monitor and facilitate the clearances for hotel projects • Financial Assistance to North Eastern States for development of tourism infrastructure • Tourism and hospitality is included as one of the 25 focus sectors under the government's 'Make in India' initiative, which aims to 'transform India into a global design and manufacturing hub
Ministry of Civil Aviation	• Policy Support through Civil Aviation Policy 2016 • Regional Connectivity Scheme UDAN introduced for stimulating regional connectivity • Implementation of new Radars, ADS-B, operationalization of ATM Automation Systems across the country to enhance safety and efficiency of aircraft operations • Creation of Air Cargo Logistic Promotion Board • Identified 24 airports for development of Common User Domestic Air Cargo Terminals • Liberalization of Foreign Direct Investment • Approved development of 19 greenfield airports across the country under PPP model • Encouragement to Seaplanes operations for tourism in conjunction with Helicopter services • Launch of dedicated Airline Service to North East states

Ministry of Railways	• Plan to introduce dedicated trains for domestic and international tourists, catering to customers belonging to all income groups. • Agreement with UNESCO for setting up a rail link between neighboring countries including Bhutan, Nepal, Bangladesh and Myanmar. • Launched Aastha Circuit Tourist train to promote religious tourism in the country. • Indian Railway Catering and Tourism Corporation Ltd (IRCTC) has decided to launch two new circuits of its flagship luxury train Maharaja Express • 100% FDI in railway infrastructure • Launched India's first semi high speed train Gatimaan Express • The government has proposed to introduce the 'Coach Mitra' facility for travellers to lodg all coach-related complaints, and also plans to fit all railway coaches with bio-toilets.
Ministry of Shipping	• Prepared Action Plan for Development of Cruise Tourism in India • Revised the SoPs for hassle free entry and exit of cruise passengers at various major ports in the country • Developed new cruise terminals at Mormugao Port and Chennai Port. • Cruise tourists are arriving with e-visa are exempted from the requirement of biometric enrolment for the major 5 ports viz. Mumbai Port, Mormugao Port, New Mangalore Port, Cochin Port and Chennai Port for three years too 2020. • Development of 78 lighthouses in the country as centers of tourism under Public Private Partnership (PPP) • Sagar Mala project to modernize India's Ports • Establishment of Technical & Heritage Maritime Museum at Muttom Lighthouse • Relaxation in cabotage law, lifted restrictions on foreign registered vessels on transportation of loaded or empty containers between Indian ports.
Ministry of Road Transport & Highways	• 100% FDI in the road sector allowed under the automatic route in the road and highways sector • Adoption of Hybrid Annuity Model for encouraging private sector participation in implementation of highway projects • Formulated a 7 phase programme, 'National Highway Development Project' for boosting transport infrastructure across the country • Special Accelerated Road Development Programme for the NE Region • Launched infrastructure developmental programmes like 'Bharat Nirman', 'Bharat Mala', 'Setu Bharatam' development of way side amenities at 33 identified locations
Ministry of Environment, Forest & Climate Change	• MoEFCC plays a pivotal role in development of niches like Ecotourism and Wildlife Tourism through various policies and developmental initiatives like Integrated Ecotourism Plan for Districts • Agreement with 22 countries on multifarious environmental issues of mutual concern • Introduced online submission of applicants for Environment, CRZ and Forest approval to ensure transparency • Launch of Green India Mission with the vision of enhancing India's tree cover to 33% by 2022
Ministry of External Affairs	• Organized special Pravasi Bhartiya Divas in Singapore to commemorate 25th Anniversary of ASEAN-India relations • Liberalization of E-Visa to extend its eligibility from tourism to include business and medical purposes and expanding its coverage to 161 countries • All embassies across the world promote different tourist destinations of the Country • Flagship publication "India Perspective" provides an insight into India's culture and tradition along with elements of contemporary India
Ministry of Culture	• Launched "Adopt a Heritage Project" to engage public sector companies, private sector companies, and corporate citizens/individuals in creating world class tourist facilities at various natural/cultural heritage sites, monuments and other tourist sites • Archaeological Survey of India has identified 100 monuments as 'Adarsh Smarak' for up gradation of existing amenities like Wi-Fi, cafeteria, interpretation centre amongst others • Launch of Project Mausam to establish cross cultural linkages and revive historic maritime cultural & economic ties with 39 Indian Ocean Countries • Initiated project to introduce 2D virtual tours and digital guide at Gandhi Heritage Sites • Organized Island Tourism Festival 2017 at Andaman & Nicobar Islands

Source: Websites of respective ministries 2016

Furthermore, various leading state governments have taken aggressive steps to attract inbound tourists like signing of agreements with private investors, participation in international tourism fairs, investment in product development and rigorous marketing and promotion amongst other initiatives to attract inbound tourism.

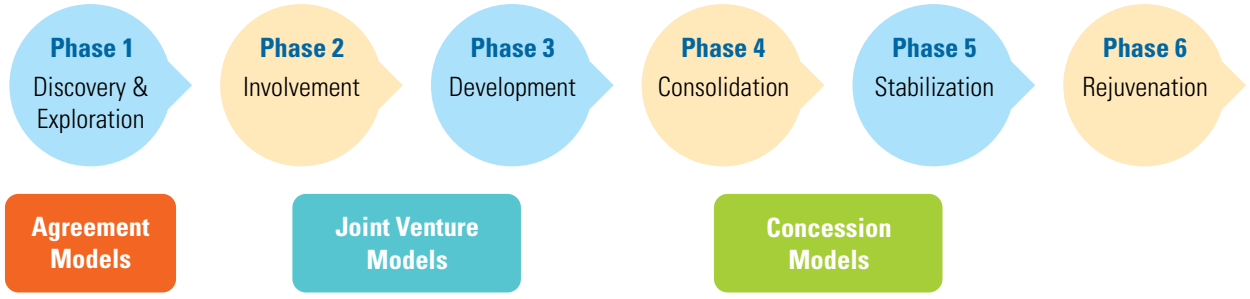
Leveraging PPP

Infrastructure development remains one of the key proponents of socio-economic prosperity, but in a burgeoning population scenario, it is not possible for the government to accrue all necessary funds as well as technical capability, and therefore involvement of the private sector becomes imperative to maintain the growth momentum while ensuring social welfare.

The focus of Government to involve priate sector will boost emerging themes like Cruise & Coastal tourism, Sports & Adventure, Religious, Medical & Wellness, Amusement & Theme parks and MICE Tourism.

From tourism's perspective, PPP bridges the otherwise divergent policies: first, the necessity to curb public expenditures and contain public budgets; and second, the drive to improve competitiveness and efficiency in the service and operation of the tourism industry. Mapping this with the life cycle of a tourist destination, we can explore different PPP models as highlighted in the figure below.

Figure 2: Indicative PPP Models in Tourism Destination Lifecycle (Source: Butler)



PPP is also critical for the success of Sustainable tourism models in Urban, Rural or Natural landscapes. Sustainable tourism relies on the development and delivery of quality visitor experiences that do not degrade or damage any of the property's natural or socio-cultural values and visitor attraction.

Road Ahead

As a global growth engine, tourism offers opportunities for both skilled and unskilled segments of the labour force, and the spillover benefits have the potential to promote sustained, inclusive growth. With rising demand for tourism products – both mainstream and offbeat, many new destinations have emerged that are competing fiercely to garner larger footfalls, and many businesses within destinations are also competing.

Infrastructure development is a prerequisite to gain higher tourist numbers as well as tourism receipts, and requires the combined effort of the host community, tourists and private and public sectors. The public sector needs to set up the planning, regulation and monitoring systems that use public spending as a catalyst to attract capital investment from the private sector, which would be primarily interested in areas that enhance the competitiveness and economic appeal of the destination. The following suggestive measures can accelerate growth of tourism infrastructure in the country.

1. **Tourism Specific Ease of Doing Business (EoDB) Rankings:** 'EoDB Tourism State Rankings' can be introduced with comprehensive parameters for assessment of State initiatives. A uniform format can be introduced for collection and publishing of tourism data and statistics across states and districts to facilitate easier decision making by investors and also measure impact of initiatives of various states and other stakeholders.

2. **Private Sector Participation for O&M of Existing Government Infrastructure:** There is a large inventory of tourism infrastructure owned by state tourism departments as well as interconnected sectors like forest bungalows, many of which boast of exquisite locations that are lying idle or have further potential to upscale and attract more visitors, thereby also becoming self-sustainable. The private sector can be roped in to operate, improve or refurbish such properties and thus also boosting the room inventory.

3. **Promote Smart and Frugal Infrastructure:** As we expect tourism models to uplift communities, creation of modern infrastructure will be pivotal towards attracting tourists, even more so in remote and offbeat locations. Currently, the minimum project cost for tourism projects to qualify for infrastructure status is INR 200 Cr, which is under consideration to be lowered to INR 50 Cr. However, if this entry barrier can be further lowered, or a separate incentive scheme can be carved out for smaller projects, it will encourage private players to participate in small infra.

4. **Promote MICE Sector:** While MICE sector has experienced growth in the Indian sector in the past decade, India still has less than 0.5% share of the world meetings and conventions market. Developing more world-class exhibition centres can enable India to attract global conventions and meetings in tourism as well as other sectors.

5. **Incentivize Private Sector Participation:** Government/(s) should incentivize private players to invest in unserved/ under-served tourism projects. The incentive pattern can be friendlier for attracting more innovative tourism projects vis-a-vis run-of-the-mill projects. For instance, interest subvention scheme can be introduced for small tourism projects like community homestays, RO-RO and boat operators. Additional incentives, like additional interest subvention post COD, can be provided to projects (incl. new Hotels and resorts) at tourist destinations with limited tourist facilities and connectivity.

6. **Online Repository of Land Banks:** Availability of suitable land is one of the main concerns for investing in tourism projects, especially when it comes to sustainable tourism infrastructure in fragile areas. The states need to develop land bank outlining the land parcels available for tourism projects, which are made accessible over an interactive web platform with the support of Ministry of Tourism. This will enable investors to assess the preliminary viability of their projects basis the nature of land parcel/ select the appropriate land parcel suitable to the proposed project.

7. **Medical and Wellness Tourism:** Over the past few years, the government's efforts to promote and position Yoga and traditional Indian wellness therapies has paid dividends with World Yoga Day being observed globally on June 21 each year. India holds a competitive advantage in offering these products and services, and is also one of the most competitive destinations offering specialized treatments at low costs. Need of the hour now is to attract investments to create supporting infrastructure that can help reap dividends of this global movement led by India, as well as further consolidate offerings in allopathic healthcare and advanced medical procedures.

8. **Coastal Area Development:** Blessed with almost 7,500 km of coastline, beaches/ Coastal tourism forms one of the top tourism themes in India and is also a preferred theme for foreign tourists visiting India. To leverage on this coastal advantage of India, priority can be accorded for identifying a minimum of 100 coastal destinations/ beaches and develop the basic tourism infrastructure in addition to ensuring cleanliness at these locations. In the Konkan coastline for instance, a community based Konkan Inclusive Tourism Ecosystem (KITE) can be developed wherein Modern Fishing Villages can sustain their traditional livelihoods with income augmentation from tourist activity, and the same can be replicated in other key coastal areas.

9. **Leveraging MSME funds:** India's immense cultural and natural heritage is managed and conserved by local communities and small entrepreneurs whose business models now require scale-up through capital infusion, capacity building and skill building support. Convergence of Government Schemes with organizations like NABARD, SIDBI among others can be channelized into developing tourism infrastructure in rural and hinterland areas.

10. **Technology for Infrastructure Assessment and Management:** Today's technologies give us clear insights and easy to use tools to advance sustainable and inclusive growth, and go far beyond cashless transactions and reservations. Data analytics can provide insights into consumer spending and movement trends which can further facilitate municipalities on crowd management and urban planning. Enabling a cashless ecosystem for tourists, introducing value added products like Incredible India Travel Card, application of GIS and emerging technologies, like Artificial Intelligence (AI) are some possible areas of intervention.

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1. Travel & Tourism Outlook



Travel & Tourism Outlook

1.1. Global Tourism Scenario

Tourism industry is globally acknowledged for its important contributions to economic growth and social development with new innovations and rising tourist footfalls being witnessed in the recent decade. This is evident from several key indicators as highlighted below:

Table 2: Global Tourism Key Indicators (2017)

10.4%	Travel & Tourism GDP as a percentage of global GDP
4.6%	Direct Travel & Tourism GDP growth in 2017
1/10	Jobs supported by Travel 7 tourism. This is 9.9% of global employment
1/5	Of all global net jobs created in the last decade have been within the Travel & Tourism sector

Source: Economic Impact 2018, WTTC

Travel & Tourism investment in 2017 was INR 2,706.1bn, 6.3% of total investment (USD 41.6bn). Which is expected to rise by 6.7% in 2018, and rise by 6.7% pa over the next ten years to INR 5,546.3bn (USD 85.2bn) in 2028, 6.1% of total. As a worldwide export category, tourism ranks 3rd after chemicals and fuels and ahead of automotive products and food. In many developing countries, especially island and mountain nations, tourism is the top export category.

World Tourism Organization (UNWTO) states that the international arrivals worldwide have more than doubled in last 2 decades, since 1995, rising from 531 million to 1322 million in 2017.

Figure 1: International Tourist Arrivals Globally (in mn)

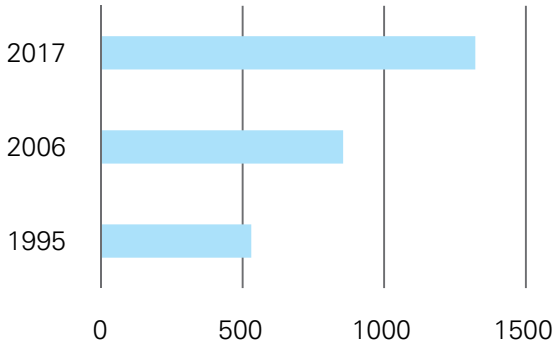
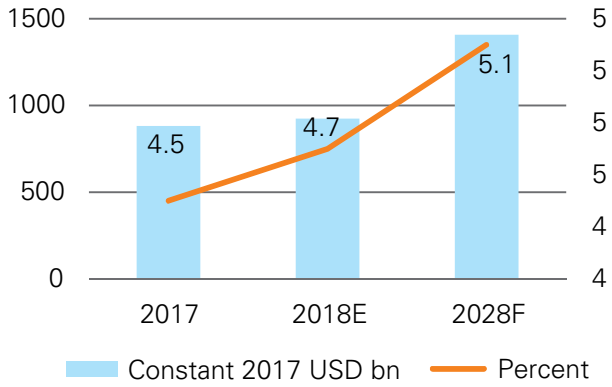


Figure 2: Contribution of Tourism to Investment (in USD Bn)



An ever-increasing number of cities and destinations worldwide have opened up and invested in tourism, turning it into a key driver of socio-economic progress through the creation of jobs and enterprises, export revenues, and infrastructure development. In addition to visitors spends, tourism stimulates the engagement and collaboration between different communities and stakeholders including tourists, locals, governments and businesses throughout the tourism value chain.

This, coupled with the growing wealth and affordability for travel has triggered a rapid rise in demand for travel & tourism globally. Asia and the Pacific witnessed exceptional performance in international tourism in 2016, recording a strong 9% increase in arrivals, well above the global average of 6.8% . By region, South Asia recorded an 8% increase in international tourist arrivals, mainly driven by India (+10%), the sub regions top destination .

1.2. Indian Tourism Scenario

India, with its vast geographical and cultural diversity is an emerging hotspot for global tourists as it offers wide range of tourist attractions from the Himalaya to oceans. According to the World Travel and Tourism Council, India ranked 7th amongst 185 countries in term of travel and tourism sector's total contribution to GDP in 2017. Tourism industry in the year 2017 contributed 9.4% of the GDP and generated 8% of the total employment in the country, thus making it a one of the largest industries in service sector.

The market share of emerging economies increased from 30% in 1980 to 45% in 2016, and is expected to reach 57% by 2030, equivalent to over 1 billion international tourist arrivals

(UNWTO Tourism Highlights 2017)

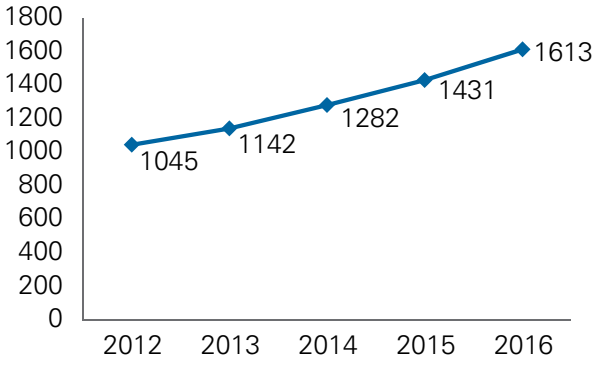
Table 2: Forecast for the Indian Tourism Industry

India	2017		2028 (forecasted)	
	USD Bn (constant prices)	% of total	USD Bn (constant prices)	% of total
Direct contribution to GDP	91.3	3.7	194.7	3.9
Total Contribution to GDP	234	9.4	492.2	9.9
Total Contribution to Employment (000 jobs)	41,623	8	52,279	8.4
Visitor Exports	27.3	5.8	50.9	5.1
Capital Investment	41.6	6.3	85.2	6.1

Source: WTTC Economic Impact 2018, India

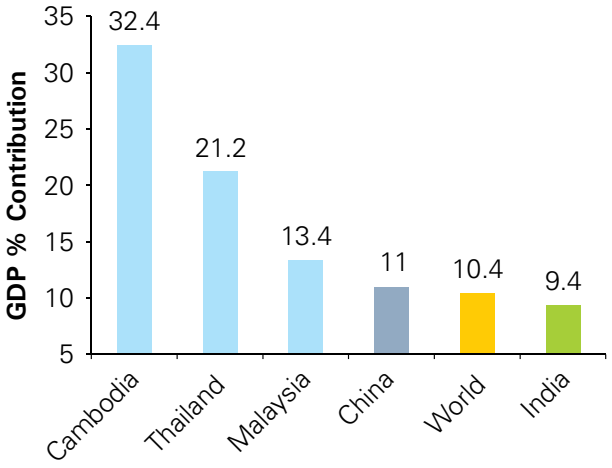
The contribution of travel and tourism industry in the world GDP stands at about 10.4% and in most nations with advanced travel & tourism, this industry contributes more than 13% to their respective GDPs. According to World Travel & Tourism Council, India is also on a high growth trajectory, projected to grow by an estimated CAGR of 7.1% in terms of GDP contribution over next decade.

Figure 3: Domestic Tourist Visits (Million)



Source: India Tourism Statistics 2017

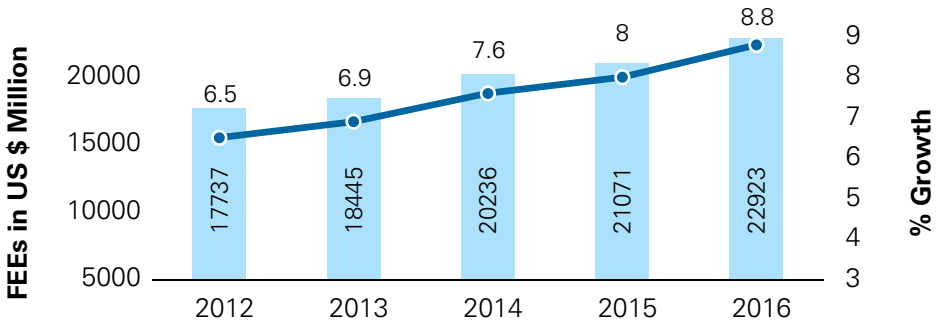
Figure 4: GDP Contribution of Travel & Tourism industry in 2017 (%)



Source: Economic Impact Report, WTTC 2018

Tourism sector is also one of the major sources of Forex, also termed as Foreign Exchange Earnings (FEEs). FEEs during 2017 were USD 27.69 bn with a growth of 17.0% over 2016. While Foreign Tourist Arrivals (FTAs) in the year 2017 were 10.1 mn with a growth of 15.6% over 2016. The Government of India has set out a target too increase India's share of FTAs in international tourist arrivals to 1% by 2020 and 2% by 2025.

Figure 5: Foreign Tourism Arrivals and Foreign Exchange Earnings



Source: India Tourism Statistics 2017

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2. Key Government Initiatives to boost Tourism Infrastructure in India



Key Government Initiatives to boost Tourism Infrastructure in India

2.1. Central Government Initiatives

Ministry of Tourism	• Budget 2018-19 allocation of INR 2,250 Cr for Integrated development of tourist circuits under Swadesh Darshan & PRASAD schemes • Proposed creation of Five Special Tourism Zones, anchored on SPVs in partnership with the States • 17 islands has been identified to be developed as tourism growth zones and Island Development Agency (IDA) has been constituted, • The government has allowed 100 per cent FDI under the automatic route in the tourism and hospitality sector, including tourism construction projects • Creation of Hospitality Development and Promotion Board to monitor and facilitate the clearances for hotel projects • Financial Assistance to North Eastern States for development of tourism infrastructure • Tourism and hospitality is included as one of the 25 focus sectors under the government's 'Make in India' initiative, which aims to 'transform India into a global design and manufacturing hub
Ministry of Civil Aviation	• Policy Support through Civil Aviation Policy 2016 • Regional Connectivity Scheme UDAN introduced for stimulating regional connectivity • Implementation of new Radars, ADS-B, operationalization of ATM Automation Systems across the country to enhance safety and efficiency of aircraft operations • Creation of Air Cargo Logistic Promotion Board • Identified 24 airports for development of Common User Domestic Air Cargo Terminals • Liberalization of Foreign Direct Investment • Approved development of 19 greenfield airports across the country under PPP model • Encouragement to Seaplanes operations for tourism in conjunction with Helicopter services • Launch of dedicated Airline Service to North East states

Ministry of Railways	• Proposed Foreign Rail Technology Cooperation Scheme • Plan to introduce dedicated trains for domestic and international tourists, catering to customers belonging to all income groups. • Agreement with UNESCO for setting up a rail link between neighboring countries including Bhutan, Nepal, Bangladesh and Myanmar. • Launched Aastha Circuit Tourist train to promote religious tourism in the country. • Indian Railway Catering and Tourism Corporation Ltd (IRCTC) has decided to launch two new circuits of its flagship luxury train Maharaja Express • 100% FDI in railway infrastructure • Launched India's first semi high speed train Gatimaan Express • The government has proposed to introduce the 'Coach Mitra' facility for travellers to lodg all coach-related complaints, and also plans to fit all railway coaches with bio-toilets.
Ministry of Shipping	• Prepared Action Plan for Development of Cruise Tourism in India • Revised the SoPs for hassle free entry and exit of cruise passengers at various major ports in the country • Developed new cruise terminals at Mormugao Port and Chennai Port. • Cruise tourists are arriving with e-visa are exempted from the requirement of biometric enrolment for the major 5 ports viz. Mumbai Port, Mormugao Port, New Mangalore Port, Cochin Port and Chennai Port for three years too 2020. • Development of 78 lighthouses in the country as centers of tourism under Public Private Partnership (PPP) • Sagar Mala project to modernize India's Ports • Establishment of Technical & Heritage Maritime Museum at Muttom Lighthouse • Relaxation in cabotage law, lifted restrictions on foreign registered vessels on transportation of loaded or empty containers between Indian ports.
Ministry of Road Transport & Highways	• 100% FDI in the road sector allowed under the automatic route in the road and highways sector • Adoption of Hybrid Annuity Model for encouraging private sector participation in implementation of highway projects • Formulated a 7 phase programme, 'National Highway Development Project' for boosting transport infrastructure across the country • Special Accelerated Road Development Programme for the NE Region • Launched infrastructure developmental programmes like 'Bharat Nirman', 'Bharat Mala', 'Setu Bharatam' development of way side amenities at 33 identified locations
Ministry of Environment, Forest & Climate Change	• MoEFCC plays a pivotal role in development of niches like Ecotourism and Wildlife Tourism through various policies and developmental initiatives like Integrated Ecotourism Plan for Districts • Agreement with 22 countries on multifarious environmental issues of mutual concern • Introduced online submission of applicants for Environment, CRZ and Forest approval to ensure transparency • Launch of Green India Mission with the vision of enhancing India's tree cover to 33% by 2022
Ministry of External Affairs	• Organized special Pravasi Bhartiya Divas in Singapore to commemorate 25th Anniversary of ASEAN-India relations • Liberalization of E-Visa to extend its eligibility from tourism to include business and medical purposes and expanding its coverage to 161 countries • All embassies across the world promote different tourist destinations of the Country • Flagship publication "India Perspective" provides an insight into India's culture and tradition along with elements of contemporary India
Ministry of Culture	• Launched "Adopt a Heritage Project" to engage public sector companies, private sector companies, and corporate citizens/individuals in creating world class tourist facilities at various natural/cultural heritage sites, monuments and other tourist sites • Archaeological Survey of India has identified 100 monuments as 'Adarsh Smarak' for up gradation of existing amenities like Wi-Fi, cafeteria, interpretation centre amongst others • Launch of Project Mausam to establish cross cultural linkages and revive historic maritime cultural & economic ties with 39 Indian Ocean Countries • Initiated project to introduce 2D virtual tours and digital guide at Gandhi Heritage Sites Organized Island Tourism Festival 2017 at Andaman & Nicobar Islands

2.2. State Government Initiatives

Andhra Pradesh

Tourism Potential	• Religious: Tirupati, Srisailam, Annavaram, Srikalahasti • Hills and Valley: Aaraku, Horsley hills, Gandikota, Lambasingi • Rivers & Backwater: Papikondalu, Dindi backwaters, Coringa • Beaches: Rushikonda, Bheemili, Manginapudi, Suryalanka, Chirala • Sanctuary & wildlife: Srisailam, Pulicat, Kolleru and Nellapatu • Caves: Belum caves, Borra caves, Undavalli caves, Yaganti
Policy Highlights	• Fiscal incentives: • Automatic land conversion, 100% reimbursement of registration and stamp duty, Reduce rate of energy tariff, Investment subsidy based on investment size. • Non fiscal incentives: • Complimentary / linkage infrastructure for eligible projects, Single desk approvals, marketing supports, special incentives for all incentives over USD 33 Million • Land lease policy: • Land Lease Policy is applicable for tourism projects where land requirement is less than 10 Acres • Lease period – 33 years+ 33 years • Upset price- 2% of basic market value • Conditional land lease agreement
Key Initiatives	Government of Andhra Pradesh has planned many tourism initiatives by envisaging following tourism projects • **INS Viraat**: The project is envisaged to be developed in PPP mode. The project will be developed to have 5 star hotel, convention center, gaming zone and museum. • **Havelock Bridge**: Havelock Bridge is located in Rajahmundy. It is one of the biggest bridges with length of 2.7 km that connects east and west Godavari districts. The project is envisaged to be developed with project components such as walkway, shopping zone and view point. • **Development of Bhavani Island and its neighboring island**: The seven island group has 700 acres earmarked for development of entertainment zone, eco zone, wellness resort and retreat zone. It is proposed to have amphitheater, botanical gardens, retail node and wellness and eco resort. The project shall be developed through PPP mode. • **Tourism Development at Madhurwada, Vishakhapatnam**: Government of Andhra Pradesh is planning to develop Madhurwada, Vishakhapatnam in to a tourist destination with 5 star hotel, amusement park, resort and hotels, international convention center and family entertainment center.



Bihar

Tourism Potential	• UNESCO World Heritage Sites: Mahabodhi Temple Complex at Bodh Gaya, Nalanda • Buddhist attractions: Bodhgaya, Rajgir, Nalanda, Patna, Vaishali , Lauriya Nandangarh, Lauriya Areraj, Kesariya, Vikramsila • Nature & Wildlife: Rajgir,Vikramsila, Kanwar Jheel Sanctuary etc
Policy Highlights	• Establishment of Tourist Security Force • Preparing and Implementing Master Plans for Integrated Development and Marketing of Identified Circuits • Upgrading and Augmenting of Accommodation, Catering and Recreational Facilities: • Establishing and Strengthening Institutions for the Development of Human Resources • Effective Marketing of Destinations both in the Domestic and International Market • 100% Exemption in Stamp Duty, Registration Fee, Electricity Duty and Conversion Charges • Luxury Tax exemption for seven years
Key Initiatives	• Organization of mega events like Prakashotsava and Kalachakra • The State Government has extended air connectivity to Gaya • Participated in leading international tourism marts at Mauritius, London, etc • The State Govt. has planned two mega religious tourism circuits (Buddhism & Jainism), two mega theme parks based on the life of Buddha and Mahavir (to be constructed at Bodh Gaya and Rajgir) and eight mega centres for educational, cultural and religious tourism (Bodh Gaya, Rajgir, Patna city, Vaishali, Nalanda, Vikramasila, Ashok Dham, Munger. • A fortnight-long Pitripaksha mela, held every year at Gaya, attracts large number of domestic as well as international tourists



Chhattisgarh

Tourism Potential	• Waterfall: Chitrakote Waterfall, Tirathgarh Waterfall, Rani Dah Waterfall, Ghatarani Waterfalls • Nature & Wildlife: Indravati National Park, Achanakmar Wildlife Sanctuary, Barnawapara Wildlife Sanctuary, Sitanadi Wildlife Sanctuary, Kanger Valley National Park • Pilgrimage and Heritage: Buddha Viharas in Sirpur, Rajim, Mainpat, Champaranya, Bhoramdeo Temple, Danteshwari Temple
Policy Highlights	• Promote new ideas in tourism like time shares, eco-tourism, adventure tourism and rural tourism • The policy has outlined that the key focus areas of the state Government are going to be: o Infrastructure and institutional development o Tourism Product Development o Marketing • Boost infrastructure development through public-private partnerships and encouraging private investment • The State Govt. will provide a grant of up to 15%, not exceeding INR 20 lakhs for the tourism projects in STAs • Identified specific areas that have natural attractions and develop them into ecotourism attractions that will include wildlife areas, camping and trekking facilities. • Proper and scientific upkeep of historical and archaeological monuments will also be undertaken.
Key Initiatives	• Union Govt. has approved INR 99.94 Cr government has for development of tribal tourism circuit in the State. The anticipated completion time of this project is 2019-20. • Agreement with the Ministry of Civil Aviation to boost regional air connectivity within the State. • Chhattisgarh Tourism Board has planned to take series of initiatives for developing 'Highway Tourism' in the State. • Intensive promotional campaign ranged from digital and social media platforms to engage with domestic and international tourists.



Delhi

Tourism Potential	• Delhi, national capital of India is a fusion of two different cultures – Old Delhi and New Delhi. Old Delhi is famous for its rich Mughal culture, alleys, and British architectural structures, whereas, New Delhi was built by British Raj and is famous for several modern buildings like the President's House, the Secretariat, India Gate, Parliament House and other tree-lined avenues. • Presence of 3 UNESCO World Heritage Sites – Humayun's Tomb, Qutub Minar and Red Fort complex. • Major circuits – Golden Triangle, Buddhist circuit and Satluj Circuit,
Policy Highlights	• New Tourism Policy, which aims at conservation of rich cultural heritage and develop Delhi as the world-class cultural heritage tourism destination, is on the anvil. It will provide platform for active participation of the private sector so as to develop tourism as a major source of employment and revenue generation.
Key Initiatives	• Single window online clearance system for organizing events in Delhi is operational in the state, the process will further be simplified for Film Shooting Facilitation and establishment of restaurant & hospitality industry also. • Delhi government has sanctioned INR 30 crore for Brand Delhi project and Delhi Festival and INR 10 crore for development of Tourism Infrastructure in 2016-17. • Phase-I of Garden of Five Senses tourism project at Said-ul-Ajaib has been completed. Existing facilities at Boat House, Bhalsawa lake are being upgraded and Water Sports equipment will be provided. Possession of Sanjay lake, Mayur Vihar has been taken over from DDA and Water Sports activities have commenced there. Similarly possession of Shahadara lake is being taken and Water Sports activities like Bungee Jumping, Jetties, Shikara, water scooters etc. will be started there in near future. • 30 de-notified monuments have been restored in Mehrauli Area and work on remaining 04 monuments is likely to be completed. Further, work of installation of 167 signages throughout Delhi has been completed. Construction of heritage trail in Mehrauli block and in Old Delhi has also been taken up. • Tourism Department organizes cultural festivals like Jahan-e-Khusrau, Garden Tourism, Qutub, Mango, Ananya festivals.



Manipur

Tourism Potential	• Manipur is considered as tourist's paradise due to its wealth of flora, fauna and rich culture • Key tourist destinations include: • The Keibul Lamjao National Parkon the bank of the Loktak Lake: Presence of rare antlered deer • The Indian National Army Memorial at Moirang • The Siroy National Park at Ukhrul • Loktak Lake, the biggest fresh water lake in North East
Policy Highlights	• Tourism Policy 2014 adopted the following strategies to make Manipur the most favored tourist destination: • Establishment of inter-departmental and inter-agency linkages • Effective coordination and cooperation with neighboring states • Prioritization of projects for both destinations and infrastructure • Immediate priority on creating world class accommodation and infrastructure • Effective promotion, publicity and marketing of tourism • Follow sustainable and responsible tourism practices • Organize comprehensive programme for capacity development and hospitality promotion in consultation with stakeholders. • Coordinate with PWD to develop seamless connectivity and encourage adventure tourism.
Key Initiatives	• Implementation of Loktak Tourism/Wildlife Circuit and Adventure Tourism Circuit • Japan announced plans to build a war museum at Maiba Lokpa in Bishnupur District • The Ministry of Tourism has sanctioned INR 485.64 lakhs for development of Manipur Adventure and Allied Sports Institute Complex at Kairao, Imphal East District • Development of tourist circuits at Imphal, Moirang, Khongjom and Moreh under North East Circuit of Swadesh Darshan Scheme at a cost of INR 8,966 lakhs • Organized Sangai Festival 2017 to promote the best the State has to offer in terms of art and culture, handlooms, handicrafts, fine arts, indigenous sports, cuisines and music, and scenic natural beauty.



Odisha

Tourism Potential	• UNESCO World Heritage Site: Sun Temple, Konark • Heritage and Culture: Shree Jagannath temple, Udayagiri, Pushpagiri Vihara, Ratnagiri • Nature & Wildlife: Chilika Lake, Bhitarkanika, Gahirmatha, Nandankanan • Beaches: Puri, Gopalpur, Chandipur, Ramachandi, Balighai, Baliharachandi.
Policy Highlights	• Encourage domestic & foreign private investment to participate in joint venture or in Public Private Partnership (PPP) mode for development of long term infrastructure in the tourism sector • Identification of suitable land parcels in important tourist locations for development of tourism projects • Highest priorities shall be accorded to ensure healthy & sanitary conditions in all important pilgrim centres & tourist locations beaches • For speedy clearance of Tourism Projects single window clearance authority has been created which will issue deemed approvals • Interest Subsidy of 5% per annum subject to maximum of INR 1 crore for 5 years • Capital Investment Subsidy ranging from 20%-30% subject to a limit of INR 15 Crore • 100% exemption in Stamp Duty on purchase of land • 100% reimbursement of the land conversion charges • 100% reimbursement of entry tax on acquisition of plant & machinery till the date of commercial operation • 75% of the actual expenditure incurred on accommodation in hotels of Odisha during film shooting shall be reimbursed subject to a ceiling of INR 10 Lakh
Key Initiatives	• Agreement with Air-Asia to commence direct international flights to Malaysia, to promote in bound tourism in Southeast Asia • Introduction of new tour packages such as Coastal Trek, Jagannath Trail, Weekend Gateways, Cycle Tours, Coastal Cruise, amongst others • Promotion of cruise tourism by introducing modern cruises ships and holiday packages to harness the potential of vast coastline • Participation at world's leading travel trade show ITB Berlin 2018 • Identification of 35 destinations close to nature for promoting nature tourism.



Punjab

Tourism Potential	• Presence of 3 RAMSAR Wetlands – Harike Wetlands, Kanjli Wetlands and the Roopnagar Wetlands and 2 National Wetlands - Ranjit Sagar and Nangal • Circuit Touring – Heritage Circuit, Mughal Circuit; Maharajah Circuit; Sufi circuit; Amritsar Circuit; the Patiala Trail, the Ludhiana Circuit; the Chandigarh Circuit; the Nature Circuit; the Ferozepur Circuit (comprising the Indo-Pak frontier trail).
Policy Highlights	• Collaboration with multilateral agencies such as UNWTO, ADB for technical assistance • Single window clearance for film shootings • Separate State Culture policy to promote heritage and culture of the state. • The policy deals with various aspects of tourism, including human resource development, marketing and promotion, rural tourism and infrastructure development, medical tourism, heritage tourism and film tourism. • The policy envisages investment promotion in the field of tourism through an investment portfolio for the information and motivation of potential investors. The state government's investment portfolio would include projects pertaining to accommodation, transport, organization of conducted tours, conferences and conventions, and related fields. • Focus on Infrastructure and Superstructure Development • Marketing and promotion campaigns would be primarily thematic in nature and based on themes such as "Trace your Roots", "Punjab Retreat", "Taste Punjab", "Punjab in Style", "Festive Punjab", and "Punjab Agritours", Out of India road shows. • The State would continue to provide fiscal and monetary incentives to the investors such as treating tourism at par with other industries (tourism as an industry).
Key Initiatives	• Launch of Bed & Breakfast Scheme and PURE Dhaba Scheme • Infrastructure Development and investment program for tourism assisted by ADB is being implemented in state • Amritsar got sanctioned INR 69.31Cr under National Heritage City Development and Augmentation Yojana (HRIDAY) scheme and INR 6.45 Cr under National Mission on Pilgrimage Rejuvenation and Spiritual Augmentation Drive (PRASAD) scheme



Rajasthan

Tourism Potential	• Rajasthan lies on elementary location of the Golden Triangle and has presence of 3 UNESCO World Heritage Sites - Keoladeo National Park, Jantar Mantar, Hill Forts of Rajasthan. • 09 prominently identified Tourism circuits - Desert Circuit; Mewar Circuit; Vagad Circuit; Dhundhar Circuit; Godwar Circuit; Merwara-Marwar Circuit; Brij-Mewat Circuit; Shekhawati Circuit and Hadoti Circuit.
Policy Highlights	• Exemption from land conversion charges and development charges • Land Allotment in Urban and Rural areas at DLC Rates • 25% additional exemption from payment of stamp duty chargeable on the instrument of purchase or lease of more than 100 years old heritage property in the state • B2B and B2C marketing strategy • 50% exemption on Conversion Charges • Film Shooting Regulation Simplified - Grant of Permission in 15 days with waiver of all fees • All registered Tourism Units will directly become training partners under the Employment Linked Skill Training Program
Key Initiatives	• A single window clearance system (SWCS) for investment approvals is operational in the state and the Bureau of Investment Promotion (BIP) set up to focus on investments above INR 13 Cr. • The State Government is encouraging JVs and contract management of private heritage properties as well as identifying heritage government properties to award on a lease basis. • Development of Eco-tourism in Hanumangarh, Udaipur, Chittor, Pali, Jaipur, Kota and Dholpur in PPP mode. • Launch of new tourism marketing campaign 'Jane kya Dikh Jaye' revamping the brand image of Rajasthan Tourism • The State operates famous luxury tourist trains such as Royal Rajasthan on Wheels and Palace on Wheels, which connect some of Rajasthan's key tourist destinations to other states. • Various projects sanctioned under Swadesh Darshan scheme are Desert Circuit (INR 63.96 Cr); Krishna Circuit (INR 91.45 Cr); Spiritual Circuit (INR 93.90 Cr) and Heritage circuit (INR 99.60 Cr) and project approved under PRASAD scheme is Integrated development of Pushkar/Ajmer (INR 40.44 Cr)



Tamil Nadu

Tourism Potential	• Achieved the hat-trick of being the top tourist destination states as per Ministry of Tourism statistics • 5 UNESCO recognized World Heritage Sites - Great Living Chola Temples – Brihadeeswaram Temple (Gangaikonda), Airavateshwarar Temple (Darasuram) and Brihadeeswarar Temple (Thanjavur), Group of Monuments at Mammallapuram and Nilgiri Mountain Railway at Ooty • Chennai has been recently included in the UNESCO Creative Cities Network for its rich musical tradition • Various cities has been selected as the Smart Cities under Smart Cities Mission which opens the opportunity for the tourism development
Policy Highlights	• Soft Loan at the rate of interest of 0.1% p.a. for first five years to pay Sales Tax by the investors of Tourism Projects • Capital Subsidy of 10% for Tourism Projects like Amusement Park, Golf Course, Rope Car and Boat House subject to the max of INR 01 crore • Capital Subsidy of 10% for Construction of Hotels subject to the max of INR 25 lakhs (for 1 star), INR 50 lakhs (for 2 star) and INR 01 crore (for 3 star and above) • Identifying and developing lesser known tourist centres to decongest the popular destinations • Encouraging private investment in tourism • Setting up of Tourist Security Organization
Key Initiatives	• Eight beaches in five districts of Tamil Nadu have been identified for integrated development of coastal theme tourists circuits • Mahabalipuram has been identified as one of the iconic tourist destinations among 10 prominent tourists sites in the country • Conducting Hot Air Balloon Festival (January), Sail & Surf Festival (January, Pongal Tourist Festival (January), Summer Festival (at all important hill stations in May), World Tourism Day (September), Tea & Tourism Festival (November – December), Indian Dance Festival (at Mamallapuram from Decemebr to January), etc. every year to attract inbound tourists • Tie-up arrangements have been made with makemytrip.com, yathra.com and travelguru.com for online booking of TTDC Hotels and Tours • Setting up of Tourist Information Centres at Airports, Railway Stations, Bus Stands and outside places like Bengalluru Railway Junction, Hyderabad, Thiruvananthapuram, Ahmedabad and Bhubaneshwar • Operation of helicopter services at important tourist destinations and launch of sea-plane service are few of the innovative projects under anvil



Telangana

Tourism Potential	• Heritage: Charminar, Qutub Shahi Tombs, Paigah Tombs, Falaknama Palace, Chowmahalla Palace, Golconka Fort, Khammam Fort, Warangal Fort and Bhongir fort • Religious: Ramappa Temple, Bhadrachalam, Alampur Jogulamba Temple, Medak Church, Keesara Temple, Basara, Thousand Pillar Temple and Yadigirigutta Temple • Forest and Recreation: Nehru Zoological Park, Etunagarm wildlife sanctuary, Nagarjuna – Srisailam Tiger Reserve and Pocharam sanctuary • Nature: Kuntala waterfalls, Pochera waterfalls, Laknavaram, Bogatha waterfalls, Mallela Thertham waterfall and Ananthagiri hills
Policy Highlights	• The State Government is coming up with the New Tourism Policy to encourage investments in the Tourism and Hospitality Sector
Key Initiatives	Government of Telangana is planning the following circuits for overall tourism development: • Hyderabad Heritage Circuit: The Qutb Shahi Heritage Park, located close to famous Golkonda Fort in Hyderabad shall be developed as Hyderabad Heritage Circuit. The park contains tombs and mosques constructed by various rulers of Qutb Shahi dynasty during 16th – 17th centuries making it a unique necropolis in India. • Tribal circuit in Jayashankar Bhoopalapally district: This circuit covers the major Tirbal belts. The region is blessed with a soothing river, beautiful lakes, dense forests, a wildlife sanctuary, tribal culture, pilgrimage, heritage structures and architectural monuments, a fi ne blend of new and old. The tribal circuit includes the following places- Mulugu (Tribal), Laknavaram (Tribal), Medaram (Tribal), Tadvi (Tribal & Wildlife), Damarvi (Tribal & Eco Tourism) • Eco-tourism circuit at Nagarkurnool District: This circuit includes the following destinations- Somasila riverside (Religious), Akkamahdevi caves (Eco tourism), Uma Maheshwaram Temple (Religious), Mannur (Eco Tourism), Farahbad (Eco tourism), Mallela Theertham waterfalls (Eco tourism) and Srisailam (Religious) • Tribal & Eco-tourism Circuit in Adilabad, Nirmal and Kumarambheem-Asifabad Districts: This circuit includes the following places – Dichpally (Heritage), Shyamgadh fort (Heritage), Koratikal waterfall (ecotourism), Kuntala waterfall (Eco Tourism), Mysterious caves (religious & ecotourism)



Uttarakhand

Tourism Potential	• Presence of some highly distinctive Himalayan mountain villages and towns set amidst outstanding scenery (e.g. Dharchula, Munsiyari, Bageshwar) • Existing range of trekking paths and circuits (e.g. Sankri, Gangotri, Dodital and Yamunotri, Hem Kund and Valley of Flowers • National parks and Wildlife sanctuaries of International repute (e.g. Corbett, National Park, Nanda Devi Wildlife Sanctuary) with wide range of wildlife, including tiger, Asiatic elephants, leopard, bear etc • Presence of renowned religious destinations like Gangontri, Yamunotri, Kedarnath, Badrinath, Rishikesh, Haridwar, Nanda Devi, etc
Policy Highlights	Uttarakhand Tourism Policy 2018 (draft) to be launched shortly. Salient features include: • Alignment of Tourism to Sustainable Development Goals (SDGs) • Integrated Tourism Development • Focus on Development of Alternate and Niche products with special focus on community tourism • Adherence of Disaster Risk Management in Tourism Planning • Addressing shortage of hotel rooms through service apartment • Emphasis on Human Resource & Skill Development • Lucrative Incentives & Concessions
Key Initiatives	• The State Govt. is working on developing the entire tourism infrastructure of the State especially around Tehri Dam. • Focus on Gramin Paryatan Uthan Yojana to help villagers in generating products and services to promote tourism. • Planned construction of ropeway from Ranibagh in Haldwani to Jyolikote to Nainital covering an aerial distance of 14 kms. • Planned to develop 13 theme based tourist spots i.e. one in each district in the State to bolster the image of Uttarakhand as preferred tourist destination



West Bengal

Tourism Potential	• West Bengal is the only State in the country to have the icy snow bound Himalaya in the north, Bay of Bengal at its south and temperate plains and plateaus covering the remaining region • UNESCO World Heritage Sites: Darjeeling Himalayan Railway, Sundarbans National Park • Visva-Bharati founded by Asia's first Nobel Laureate Rabindranath Tagore is a pilgrimage for education and culture
Policy Highlights	• Strategies will be adopted for optimal use of existing resources to achieve a responsible and beneficial balance in the long term • New destinations are to be identified with backward and forward linkages and develop these into proper tourism products • Increase the availability of branded hotel accommodation room in the State to 10000 by 2020 • State Capital Investment Subsidy ranging from 7.5%-25% subject to a limit of INR 175 lakhs • 50%-70% reimbursement of Stamp Duty and Registration fee • Waiver of electricity duty for a period of 5 years • 50%-75% of the annual interest liability on term loan borrowed from Financial Institution subject to a max limit of INR 30 lakhs for 7 years.
Key Initiatives	• Preparation of a comprehensive database of all tourism facilities within the State including hotels, resorts, tour operators amongst others to facilitate certification and standardization • Launched 'Atithi Bondhu' initiative where 200 young people from Hospitality Schools are endorsed on web following to guide tourists • Planned to set up around 49 helpdesks or kiosks at different locations, right from the prominent tourist destinations to important transit points • Released Homestay Tourism Policy 2017 to offer alternative livelihood option for local communities • The State Govt. has identified 11 potential tourism sites in the State to be developed in PPP mode



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3. Tourism Infrastructure in India: Current Scenario and Opportunities

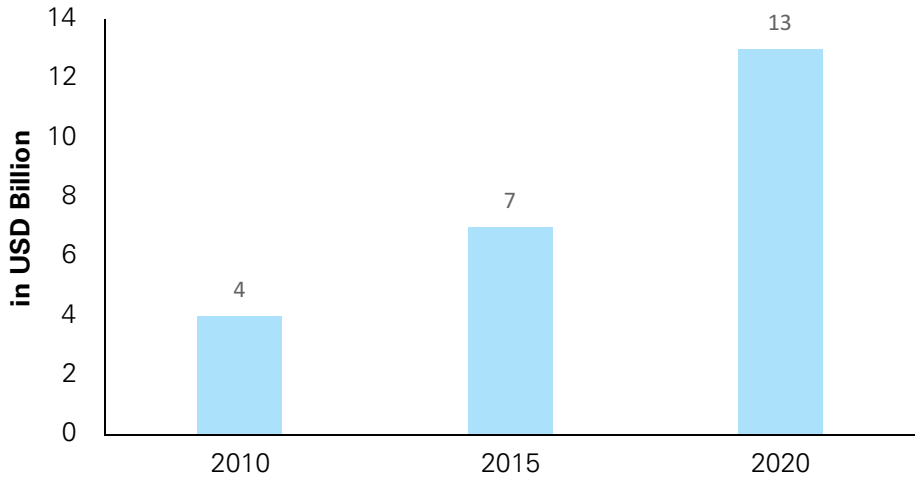


Tourism Infrastructure in India: Current Scenario and Opportunities

3.1 Market Analysis

Indian hospitality industry has emerged as one of the key industries driving the growth of the service sector and thereby, the Indian economy. The Indian hotel market is projected to grow to around USD 13 Bn by 2020.

Figure 5: Value of Hotel Market in India

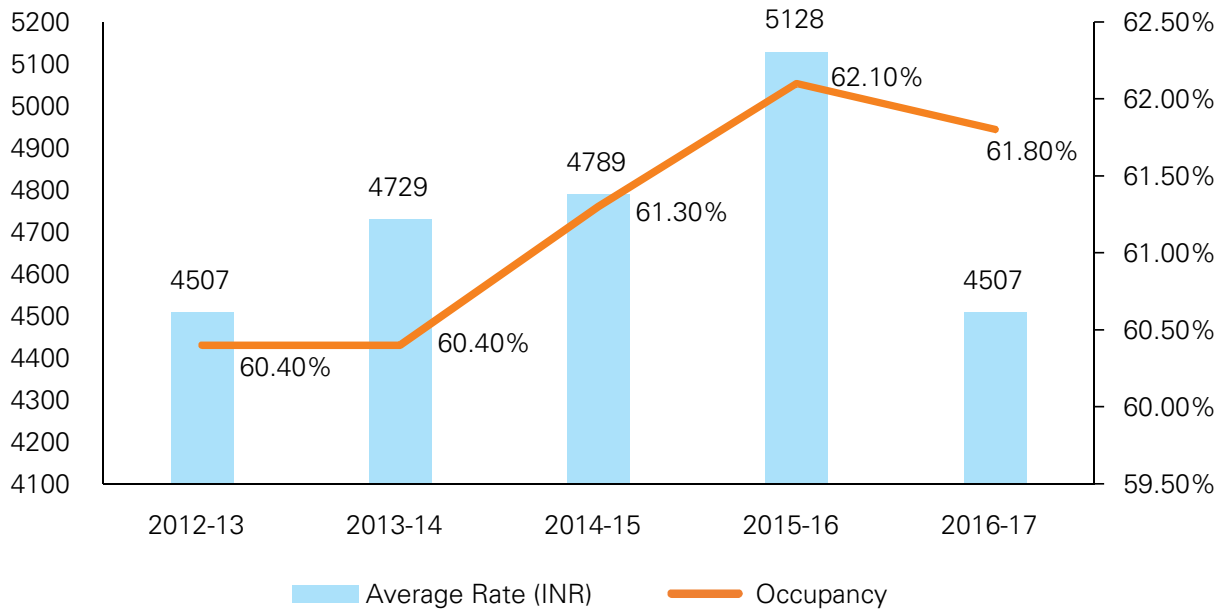


Source: https://www.statista.com/statistics/750881/india-hotel-market-size/

Further, as per World Travel & Tourism Council's 2018 report, the industry contribution to capital investment in India was INR 2706.1 Bn in 2017 and is projected to grow 6.7 per cent per annum in next ten years to INR 5546.3 Bn by 2028, higher than the global average of 4.5 per cent.

Despite increase in private sector investment, Indian hotel industry observed decline in average room rate and room occupancy in 2016-17 which is largely attributed to lower participation of hotels in the Five-Star Deluxe and Five-Star categories in India .

Figure 6: Occupancy and Average Rate (2012-13 to 2016-17)



Source: Hotelivate.com

3.2 Emerging Themes

3.2.1 Cruise and Coastal Tourism

Globally, cruise tourism is one of the most dynamic and fastest growing sectors in leisure industry. India with its vast and long coastline, unexplored islands could be a high potential tourist destination for inbound cruise tourists. India is emerging as hotspots for cruise tourism and there has been a steady increase in the number of ships and cruise passengers calling on Indian ports over the past few years, as against 55 cruise ship calls in the year 2003-04, the number of cruise ship calls increased to 166 in the year 2016-17. Further, the number of cruise passengers also increased from 28,000 in the year 2003-04 to 1,91,835 passengers in the year 2016-17 . Further, recently Mumbai Port has made a debut as home port for the luxury cruise liners.

Strengths	Weaknesses	Opportunities	Threats
✓ Over 7,500 km of coastline ✓ Of the various international ports in India, 5 major ports are presently handling cruise passengers ✓ The ports are strategically located on the East and West coast of India	✓ Infrastructure for accommodating international cruise liners	✓ Fast growing component of leisure travel segment worldwide with enormous potential to earn forex ✓ Increasing spending in Cruise tourism by domestic tourists ✓ E-Visa extended to cruise passengers at major ports in India	✓ Weaker market positioning as cruise tourism hotspot when compared to the top cruise destinations in Asia & South Pacific, Carribean, Australia & New Zealand

Government Initiatives

- ✓ A joint Task Force on Cruise Tourism has been constituted by the Ministries of Tourism and Shipping under the Chairmanship of Secretary (Tourism) with Secretary (Shipping) as Co-chairman to promote cruise tourism in India. A road map for developing cruise tourism in India will be prepared
- ✓ Government also provides Central Financial Assistance to States/ UTs/ Central Agencies for development of Cruise/ River Cruise Tourism projects and currently project proposal for Development of Malanad Malabar cruise tourism under Coastal Circuit theme of Swadesh Darshan Scheme is under consideration.
- ✓ As per the recent announcement, Government has allowed foreign flag vessels carrying passengers to call at Indian ports without securing a license from the Director General of Shipping till February 5, 2024.
- ✓ Administration of UT of Puducherry is working aggressively to promote Puducherry as cruise tourism destination by developing land and port infrastructure.
- ✓ For Holistic Development of Islands, a newly constituted Islands Development Agency (IDA) was set up on June 01, 2017 with a vision to develop India's maritime economy while preserving the natural eco-system and addressing the security concerns. A total 26 islands have so far been identified for holistic development in a phased manner. 18 Projects, both in Andaman & Nicobar and Lakshadweep, have been identified for implementation, out of which 7 Projects are ready for launch through PPP. After implementation of these projects, investment of about Rs. 650 crore is expected from the private sector. Further, restricted area permit regime to be relaxed for tourism promotion in these islands .

Key Destinations

- ✓ **Mumbai** – Being the gateway to India of Cruise Tourism, the commercial capital of India has witnessed consistent rise in the number of cruise ships coming to the port. During the last cruise season (between October – May), 37 cruise ships visited Mumbai and 59 are scheduled to visit this season.
- ✓ **Chennai** – The capital city of Tamil Nadu, the two-time top ranked Tourist State in terms of the tourist visits has made a mark as the emerging cruise tourist destination with the development of a cruise terminal. The newly-developed cruise terminal at Chennai Port received its first visitor in April 201 when Viking Sun, a luxury cruise liner on a 141-day world tour from Miami to London, docked in the city.
- ✓ **Cochin** – Known as the 'Queen of the Arabian Sea', Cochin Port has witnessed rise in cruise vessel arrivals from 37 in 2015-16 to 46 in 2016-17. Cochin Port is planning to develop a Marina & International Cruise Terminal at Ernakulam Wharf and the development is expected to boost the cruise tourism.
- ✓ **Mangalore** – The chief port city of Karnataka has been witnessing steady growth in cruise traffic over the years. Mangalore Port handled 28 vessels carrying 30,346 passengers in 2016-17 against 23 vessels carrying 19,000 passengers in 2015-16.
- ✓ **Goa** – Tourism is one of the core sectors of the Goan economy and attracts a lot of foreign as well as domestic tourists. Upgradation of cruise terminals shall definitely lead to an increase in inbound foreign tourist arrivals, and also create opportunities to capture economic value from outbound cruise tourism.
- ✓ **Vishakhapatnam** – Known as the 'Jewel of the East Coast' and the principal commercial hub of State of Andhra Pradesh, Vizag can boast its presence of the long beaches and close proximity to areas of natural beauty such as Kambalakonda Wildlife Sanctuary, Araku Valley, and Borra Caves. It is one of the busiest port in India in terms of the cargo handled and with the development of cruise terminal of international standards, it is expected that Vizag will emerge as a major cruise tourist destination.

Recommendations

- ✓ Develop important attractions in the locations along the shore line of the country and ensuring threshold infrastructure for tourist connectivity and convenience.
- ✓ Leveraging the "Sagarmala" program for developing a cruise tourism ecosystem with world-class terminals.

3.2.2 Adventure Tourism

- ✓ Adventure Tourism is one of the emerging segments of travel in India as country's varied geographical and climatic conditions offers excellent opportunity for adventure sports. The Ministry of Tourism extends Central Financial Assistance to State Governments/Union Territory Administrations for the development of tourism projects including Adventure Tourism.
- ✓ The immense scope of adventure tourism in India is largely because of its diverse topography and climate. In recent times, the popularity of adventure tourism has increased profoundly. Adventure sports such as river rafting, rock climbing, mountaineering, trekking, skiing, snow climbing, scuba diving and angling can be undertaken at multiple location in India. The trans Himalayan region, the Garhwali and Kumaon mountains, the Western Ghats, deserts of Rajasthan, Andaman and Lakshadweep islands are some of the most popular destination for adventure tourism.

Strengths	Weaknesses	Opportunities	Threats
✓ Varied geography, offers round-the-year activities ✓ Add-on products - Architecture, Culture, Cuisines, Festivals etc.	✓ Safety and Security guidleines and best practices ✓ Training and certification infrastructure ✓ Rescue and evacuation facilities	✓ Tourist saturation in Nepal drawing foreign tourists to Indian Himalayas ✓ Fast growing segment among youth of the country	✓ Many adventure zones are in ecologically and culturally sensitive areas where prudence in infrastructure development needs to be practiced

Key Government initiatives

- ✓ The Ministry of Tourism has recognized 'Adventure Tourism' as a 'Niche Tourism' product to promote India as a 365-days Adventure destination. A Task Force on Adventure Tourism has been set up in October 2016 to act as a forum for resolving issues related to development and promotion of Adventure Tourism in the country.
- ✓ The Ministry of Tourism has decided to promote 2018 as the 'Year of Adventure in India'. Adventure Tourism is regularly highlighted for promotion as part of the Incredible India Campaign in print, electronic, online and outdoor media in India and abroad as well as at the major travel trade exhibitions.
- ✓ Ministry of Tourism alongwith ATOAI has formulated India Adventure tourism Guidelines, Version 2.0 – 2018.
- ✓ Central Financial Assistance is being extended to various State Governments/ Union Territory Administration for development of Tourism Infrastructure in destinations including Adventure Tourism destinations
- ✓ The Government of India has given security clearance for opening of 104 additional peaks in Jammu and Kashmir (Leh Area) subject to stipulations and clearances form State Govt., Home Ministry and other concerned agencies. The opening of the additional peaks will help in positioning the Indian Himalayas as Adventure tourism destination

- ✓ The Ministry of Tourism has launched the Swadesh Darshan Scheme for Integrated Development of Theme-Based Tourist Circuits for development of tourism infrastructure in the country including for the Wildlife Circuit under which following two projects worth INR 187.89 Crore has been allotted

3.2.3. Sports Tourism

- ✓ Sports tourism is witnessing 10-12 per cent growth as Indians are showing more enthusiasm for visiting a country to attend sports event. Globally sports tourism is a multi-billion dollar industry. According to estimates, global sports tourism was worth USD 7 billion in 2017. While it is a mature industry overseas, in India it is in infancy (stage) and hence lies ample opportunities.
- ✓ There has also been a shift in the interest for other sporting events. While Indians traditionally travelled to destinations like Australia, New Zealand, Sri Lanka and England to watch cricket matches. However, over the last 10 years there is a growing interest to watch the Olympics, the Soccer World Cup and Grand Prix Formula One motor events.

Strengths	Weaknesses	Opportunities	Threats
✓ Large pool of players as well as captive audience ✓ Rich sporting history and legacy	✓ Training and education facilities for sports professionals ✓ Limited multipurpose arenas	✓ Growing Sports Culture among youth ✓ Rising purchasing power parity	✓ Outbound destination attracting Indian audience

Key Government initiatives

- ✓ The Indian government has turned its attention to developing the sports sector as a strategy to create jobs, generate revenue, and attract investment into the country, aside from nurturing sports talent.
- ✓ To infuse sports culture and achieve sporting excellence in the country and to encourage sports all over the country, Khelo India Scheme has been revamped and launched with specific verticals for development of sports at community, school and university levels with a budget outlay of US$ 262 million.
- ✓ The Ministry of Tourism who have initiated preparation of a Golf Tourism Policy to promote India as a golf tourism destination.
- ✓ The National Sports Development Fund (NSDF) was established in November, 1998 with the aim of promotion of sports and game in the country, and is now looking to tap funds under the new CSR rules.

Key Government initiatives

- ✓ Major arena/ sports centers should be developed along with bidding for international championships of other sports like World Cups, U-19s etc. to promote well diversified development of sports
- ✓ Upscale PPP model where the government can provide institutional and financial support for the building of infrastructure and the private sector will manage and maintain its operations
- ✓ Introduce various commercial aspects, such as selling the Naming Rights, Hospitality Packages and branding inside the stadiums, to make these facilities financially sustainable

Key destinations in India:

State	Destination
Jammu & Kashmir	Leh, Sangam, Zanskar, Chilling, Spituk, Nimo, Lamayuru, Markha, Stok Kangri, Nubra, Sam, Tsomoriri, Sonamarg, Pahalgam, Srinagar, Kargil, Gulmarg, Yusmarg, Doodhpathri, Veriag, Kokerag, Manasbal, Lolab, Gurez, Pangong, Hemis National park.
Himachal Pradesh	Kullu, Manali, Solang Valley, Bir Billing, Dharamshala, and LahaulSpiti, Chamba, Kangra, Kufri, Narkanda, Hanuman Tibba, Rohtang Pass, DeoTibba and Chandrakhani Pass, Chil&Dalhousi
Uttarakhand	Rishikesh, Mussoorie, Pithoragarh, Nainital, Dhanaulti, Naukuchiatal, BedniBugyal, Auli, Mundali, Munsiyari, DayaraBugyal, Jim Corbett National Park, Raja ji National park, HarKi-Doon& Kana Tal.
Maharashtra	Chandrapur, Alibag (Kashid), Kolad, Tarkarli, Ganpatiphule, Kamshet, Punchgani, MalshegGhat, Karjat, Mahableshwar, Matheran, Panhala Fort, Chikhaldhara, Rajmachi
Madhya Pradesh	Bandhavgarh, Panchmarhi, Kanha National park, Shivpuri, Pench, Panna, Satpura, Kerwa lake, Orchha, Pipariya, Bargi dam, Jabalpur, Betwa, Narmada river side, Bhopal &Tikamgarh
Goa	Calangute, Mogore, Candolin, Palolim, Novem, Arpora, Divar island, Bagha, Grande island, Sao George island, Arambol, Benaulim, Chapora river, Valpoi river, Choraopomburpa, Dudhsagar fall Mullem national park, Cotigaon wildlife, Monkey beach, Britona & Bhagmalo
Kerala	Kochi, Thiruvananthapuram, Munnar,Varkala Beach, Payyambalam Beach and Alappuzha Beach, Agasthyakoodam, Eruthavoor, Thenmala,Periyar wildlife sanctuary, Wayanad wildlife sanctuary, KovalamVagamon, Varkala, Idukki, Kozhikode, Ponmudi & Kasargod.
Karnataka	Bangalore, Mysore, Mangalore, Ramanagara, Dandeli, Coorg, Gokarna, Karwar, Anthrange, Bheemeshwari, Devarayanadurga, Madhugiri, Nandi hills, Shivaganga, Mullayanagiri, Brahmagiri, Tadiyadamol, Dubare, Murudeshwara, Malpe & Murudeshwar
Arunachal Pradesh	Nam-da-pa, Bomdila,-Tawang, Kameng, Sepa, Bhalukpung, Subansiri, Sing, Dibang, Along, Daporijo, Pasighat&Mechhuka
Assam	Bhalupung, Kaziranga National Park, Nameri, Manas National Park, Samuri, Dibrugarh, Tezpur, Bhoroli, Kapili, Ninging, Dhubri, Hajo, Saulkuchi, Barpeta, Guwahati, JiaBhoroli, Cachar Hills, Karbi Hills, Kamakhya Hills, Orang National Park, Sonai Rupai Wildlife Sanctuary, Milroy Sanctuary, Laokhowa Wildlife Sanctuary, Pobitora Wildlife Sanctuary, Namber Wildlife Sanctuary &Pani Dihing Wildlife Sanctuary.
Sikkim	Dzongory, Lavataru in North Sikkim, Green Lake, Banjari Waterfalls, Rangpumali, Sleep Junky, RangpoMalli, FambongLho, Kanchendzonga, Pemayangtse, Khechopalri, Yuksum, Tsokha, Dzongri, hangshing, Zemathang, Chaurigang, Tashiding, Varsey, Yangang, Rabongla, Sang & Sikip, Makha, Sirwani, Bardang & Goechala

Suggestive Recommendations:

- ✓ Safety and security is a major concern area that needs to be ensured for any adventure destination. Towards this all Adventure destinations need to be equipped with adequate safety measures including availability of emergency response teams for prompt action, air services for evacuation etc.
- ✓ Capacity building and training of locals and stakeholders for disaster management
- ✓ A dedicated help line needs to be setup for handling emergencies that ensured confidence of adventure enthusiasts
- ✓ Most of the adventure destinations are in remote locations hence it is imperative to involve the community for developing various support systems, such as Home Stays

3.2.4 Religious Tourism

- ✓ Religious tourism is one of the earliest forms of tourism. The idea of the religious pilgrimage begins almost since the dawn of history when human beings have traveled to holy sites. Globally, cities such as Jerusalem, Rome and Mecca continue to attract millions of visitors
- ✓ India, being the centre of four major religions *viz* Hinduism, Sikhism, Buddhism and Jainism, has been in connect with almost all the major religions of the world. Further, with presence of major religious centres like, Tirupati, Amarnath, golden temple, Char-Dham, Bodhgaya, Jama Masjid amongst others, religious tourism in India is also on upswing and majorly contributing towards inbound as well as domestic tourism in India.
- ✓ Nowdays, religious travel & tourism has developed into a much larger and more segmented market. Today's religious travel includes multiple sub-niches that range from the luxury pilgrimage market to backpacking and from religious institutional travel to volunteer-oriented experiences meant to help those in some form of need.

SWOT Analysis

Strengths	Weaknesses	Opportunities	Threats
✓ Resilient to economic undulations ✓ Presence of more than 50 very important religious destinations of international repute in India. Most of these temples celebrate Indian festivals on large scale, that in itself are a must-visit.	✓ Need for standardization: not every destination has standard infrastructure facilities to cater to international tourists, ✓ Religious destination need to be featured more in marketing & promotional activities	✓ Religious travel cuts across all demographies, ✓ Product diversification: Most of these destinations have strong potential of developing other tourism offerings around the temples prolonging tourists stay, ✓ Providing direct connectivity from foreign locations to key religious destinations.	✓ Few of the locations fall under ecologically sensitive zones, hence need caution in development ✓ Mass pilgrimage events such as Kumbh melas, if not managed properly may lead to large scale pollution and depletion of natural resources. ✓ Neighboring countries such as Nepal, Cambodia, Sri Lanka have launched targeted promotional campaigns to promote religious tourism.



Key Government Initiatives

- ✓ Ministry of Tourism, Government of India has launched two infrastructure development schemes i.e. PRASAD and Swadesh Darshan.
    - o PRASAD (National Mission on Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive), aims at developing infrastructural facilities at 25 religious places in the country. 23 projects worth INR 687.92 crore have been sanctioned so far under the scheme.
    - o **Integrated Development of Tourist Circuits around Specific Themes - SWADESH DARSHAN:** For the development of tourism infrastructure in the country, the Ministry of Tourism has launched the Swadesh Darshan – Integrated Development of Theme Based Tourist Circuits Scheme. Spiritual Circuit, Buddhist Circuit, Ramayana Circuit and Krishna Circuit are part of the 15 thematic Circuits identified for development in the country.
- ✓ **Assistance to central Agencies:** The objective of the scheme is to ensure development of tourism infrastructure by the concerned central agencies like Archaeological Survey of India, Port Trust of India, ITDC, Ministry of Railways, etc. who own the assets, through Central Financial Assistance provided by the Ministry of Tourism, Govt. of India.
- ✓ National Mission for Clean Ganga (NMCG) has been launched by the Government of India with a budget outlay of INR 20,000 Cr to clean up the River and develop public and tourist amenities at key locations along the riverbank.
- ✓ Government of India has started Aastha Circuit trains covering various religious places on February 2017. It offers all inclusive tour packages on different itineraries of varying duration, decided by Indian Railway Catering and Tourism Corporation Ltd. (IRCTC)

Key Destinations:

- ✓ Already there are world famous religious sites in India attracting inbound tourists and contributing to regional economy. Some of prime destinations are Golden Temple (Amritsar), Bodh Gya (Bihar), Venkateswara Temple (Tirupati), Jama Masjid (Delhi) and many more.
- ✓ Visualizing importance of religious and spiritual tourism, Ministry of Tourism started Swadesh Darshan scheme for integrated development of Theme Based Tourist Circuits under which Spiritual Circuit (INR 678 Cr), Buddhist Circuit (INR 361.97 Cr), Ramayana Circuit (INR 202.76 Cr) and Krishna Circuit (INR 188.8 Cr) are identified for development of religious tourism in the country. Key destinations identified under these circuits are:

SPIRITUAL CIRCUIT

State	Project Name
Kerala	Development of Sabarimala - Erumeli-Pampa-Sannidhanam, Development of Sree Padmanabha Arnamula-Sabrimala.
Manipur	Development of Shri Govindajee Temple, Shri Bijoy Govindajee Temple – Shri Gopinath Temple – Shri Bungshibodon Temple – Shri Kaina Temple, Manipur.
Bihar	Integrated Development of Kanwaria Route: Sultanganj – Dharmshala- Deoghar. Development of Jain Circuit: Vaishali-Arrah-Masad-Patna-Rajgir-Pawapuri-Champapuri Development of Mandar Development Hill & Ang Pradesh under Spiritual Circuit theme of Swadesh Darshan Scheme.
Uttar Pradesh	Development of Spiritual Circuit (Shahjahanpur-Allahabad-Basti- Ahar-Aligharh-Kasgunj-Sarosi-Pratapgarh-Unnao-Kaushambi- Mirzapur-Gorakpur- Kairana- Doamriyagunj- Bagpat-Barabanki- Azamgarh) Development of Spiritual Circuit –II (Bijnor- Meerut- Kanpur- Kanpur Dehat- Banda- Ghazipur- Salempur- Ghosi-Balia- Ambedkar Nagar- Aligarh- Fatehpur- Deoria- Mahoba- Sonbhadra- Chandauli- Mishrikh- Bhadohi)
Rajasthan	Development of Spiritual Circuit– Churu (Salasar Balaji)– Jaipur (Shri Samode Balaji, Ghatke Balaji, Bandheke Balaji)- Alwar (Pandupole Hanumanji, Bharathari)- Viratnagar (Bijak, Jainnasiya, Ambika Temple)- Bharatpur (Kaman Region)- Dholpur (Muchkund) – Mehandipur Balaji- Chittorgarh (Sanwaliyaji)
Puducherry	Development of Spiritual Circuit in Puducherry under Swadesh Darshan Scheme

BUDDHIST CIRCUIT

State	Project Name
Madhya Pradesh	Development of Buddhist Circuit in Sanchi-Satna-Rewa-Mandsaur-Dhar
Gujarat	Development of Buddhist circuit: Junagadh- Gir-Somnath- Bharuch-Kutch- Bhavnagar- Rajkot- Mehsana in Gujarat
Bihar	Construction of Cultural Centre adjacent to Maya Sarovar on the western side at Bodhgaya, Bihar
Uttar Pradesh	"Development of Buddhist Circuit – Srawasti, Kushinagar, & Kapilvastu.
Andhra Pradesh	Development of Buddhist Circuit: Shalihundam-Thotlakonda- Bavikonda- Bojjanakonda- Amravati- Anupu in Andhra Pradesh

KRISHNA CIRCUIT

State	Project Name
Haryana	Development of Tourism Infrastructures at places related to Mahabharata in Kurukshetra, Haryana.
Rajasthan	Development of Govind Dev ji temple (Jaipur), Khatu Shyam Ji (Sikar) and Nathdwara (Rajsamand) in Rajasthan.

RAMAYANA CIRCUIT

State	Project Name
Uttar Pradesh	Development of Chitrakoot and Shringverpur Development of Ayodhya under Ramayana Circuit

Suggestions:

1. Develop spiritual tour packages coupled with diversified product offerings and adopt spiritual marketing strategies for enhancing brand value among religiously-targeted global population.
2. While most of religious destinations have large arrivals on a daily basis, however the numbers of tourism avenues around these are largely limited. Regions around key religious destinations could be developed with other tourist attraction (Eg: MICE, Wellness, Amusement Park etc.) that can improve the socio-economic development of the region with increased tourist spending.
3. Convergence of schemes like UDAN and PRASAD for strengthening tourist infrastructure such as providing last mile connectivity from major cities.

3.2.5 Medical & Wellness Tourism

- ✓ India is fast developing into a Medical & Wellness tourism hub of Asia owing to its superior quality healthcare services offered at affordable prices coupled with dedicated policy framework of Government to promote medical tourism.
- ✓ Globally medical tourism market is estimated to touch a market value of USD 40 bn by 2020 and Indian medical tourism industry is expected to touch USD 09 billion by 2020 .
- ✓ Rising disposable incomes, self-awareness on personal wellbeing and increased air connectivity has encouraged market for wellness services, tourists seeking specialized medical treatments, mainly ayurvedic, spa & other therapies look forward to India as preferred destination.
- ✓ With India being the second largest exporter of alternative Medicines (AYUSH- Ayurveda, Unani, Siddha & Homeopathy), there is no doubt that India can emerge as a hotspot for Wellness Tourism due to its availability of facilities in health-restorative cum alternative treatments through a combination of ayurveda, yoga, acupuncture, herbal massages, nature therapies, and other ancient Indian healthcare therapies.

SWOT Analysis

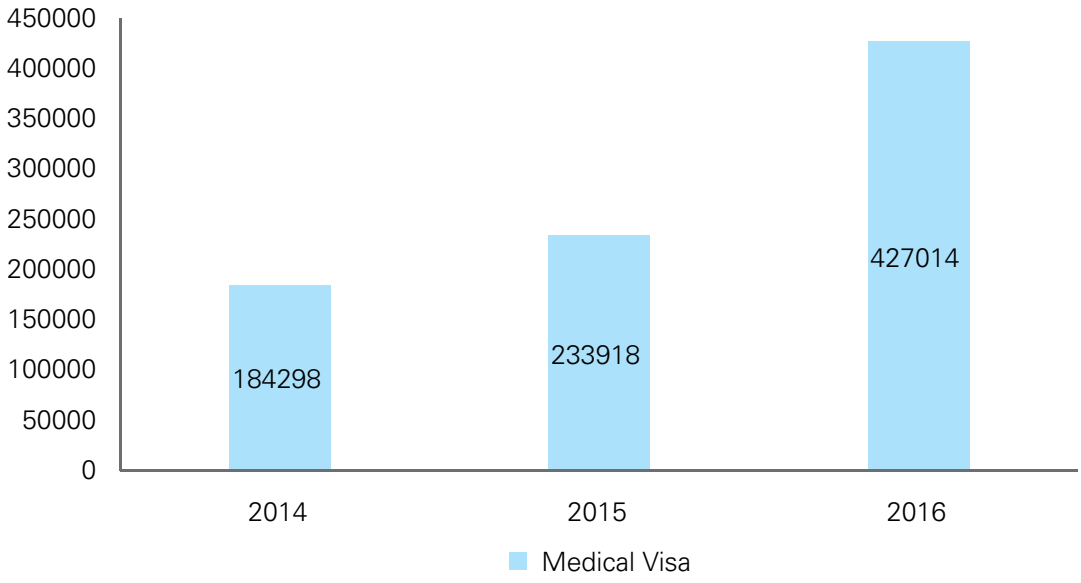
Strengths	Weaknesses	Opportunities	Threats
✓ Presence of world-class hospitals & skilled medical professionals offering high quality yet affordable treatment facilities ✓ Strong presence of advanced healthcare and world class medical technologies, ✓ Inherent knowledge of ancient medical and wellness practices ✓ Among top exporter of alternative medicines	✓ Need for international accreditation standards ✓ Need for greater co-ordination between various service providers such as airline, hotels, travel agents and hospitals ✓ Need for skilled manpower in the Medical tourism value chain	✓ Medical hubs through PPP mode can be created to boost medical tourism. ✓ Rising disposable incomes and health consciousness has encouraged market for wellness tourism ✓ Increasing demand for healthcare services from developed countries like US & UK	✓ Competition from neighboring countries like Thailand & Singapore

Government Initiatives

- Establishment of National Medical and Wellness Tourism Promotion Board for promotion of medical & wellness tourism in India. Further, to promote wellness tourism government has set up a dedicated Ministry of AYUSH with an aim of promoting India as the Global Capital of AYUSH.
- Medical and Medical attendant visa has been introduced to streamline and ease the travel process for Medical Tourists. The e-tourist visa regime has also been expanded to include medical visits as well.
- Government is in process to set up facilitation counters at the major airports of Delhi, Mumbai, Chennai, Kolkata, Hyderabad and Bengaluru for tourists arriving on Medical Visas.

Triple entry for those Availing e-Medical Visa

Figure 7: Number of FTAs in India on Medical Visa



- The Ministry offers financial assistance in form of Marketing Development Assistance for Publicity and organizing Wellness & Medical Tourism Promotional events/workshops/seminars to accredited Medical and Wellness Tourism Service Providers and Chambers of Commerce, etc.
- A film on Medical Tourism has been produced in association with BBC and is used at various platforms for promotional purposes.
- The Department of Commerce and Services Export Promotion Council (SEPC) has launched a Healthcare Portal www.indiahealthcaretourism.com in English, Arabic, Russian and French languages as a single source platform providing comprehensive information to medical travellers on the top healthcare institutions in the country.

Key Destinations

- **Chennai** – The gateway of South India has already established itself with the availability of the quality and affordable hospitals and the availability of the various treatment facilities.
- **Delhi NCR** – The National Capital Region is home to leading Medical Chains and draws in captive clientele from Asian and African nations

- **Hyderabad** – Government of Telangana is contemplating an integrated medical tourism hub in Hyderabad on the lines of T-Hub in the field of information technology.
- **Kerala** – Known as God's Own Country, it is highly regarded as the birthplace of Ayurveda and the rich biodiversity in the Western Ghats.
- **Mumbai** – The financial capital of India is also one of the leading destination of the medical tourism due to the well-connected infrastructure, state-of-the-art health care facilities, well-trained medical professionals and low cost of delivery.
- **North East** – With increase in connectivity, states like Sikkim, Meghalya and Arunanchal Pradesh which are home to natural hot springs, lush green forests and blissful waterfalls has potential to emerge as leading destinations for world class wellness centers.
- **Uttarakhand** – Known as the 'Devbhumi', it has the presence of hot springs which have the potential to be developed into wellness tourism destinations, complete with high-end spa facilities and yoga and meditation retreats.
- Other emerging wellness tourism destinations include **Karnataka, Himachal Pradesh, Uttar Pradesh and Haryana.**

Recommendations

- Aggressively branding wellness program in places like North East Region, Uttarakhand and Kerala on **'International Yoga Day'** under Incredible India 2.0 campaign will increase chances of tourism infrastructure development,
- Development of medi-cities and centres of excellence on PPP mode,
- Framework to standardize accreditations of hospitals and other medical & wellness service providers to ensure the service standards and quality,
- Focused thrust on making India a brand in medical tourism or MVT (Medical Value Travel) through road shows and branding efforts through all Indian embassies,
- Stakeholder consortium including Ministry of AYUSH, Ministry of Tourism and other national & international tourism organizations for promoting India as a global medical and wellness tourism destination by showcasing the strengths of AYUSH systems,
- Provision of special incentives for setting up AYUSH based wellness centers across all major tourism destinations in India.

3.2.6 Amusement & Theme Parks

- The Indian Amusement & Theme Park industry has been growing at a compounded annual growth rate (CAGR) of more than 17.5% with annual revenue of approx. INR 17 billion and estimated to grow to at least INR 40 billion by 2020.
- Amusement Parks in India attract over 30 million (3 crore) visitors annually. Children & Youth visit the park either in school groups or with families and constitutes 25% of park visitors. Adults constitute the remaining 75% as they either visit with their families or in corporate groups .
- More than 155 Amusement/theme parks of various sizes exist in India with 10 to 15% of those falling in category of large parks. Currently, one million footfall is observed at over half-a-dozen Indian theme parks in a year which is estimated to grow exponentially due 60% urbanization growth rate of Indian cities .
- In recent years, the private sector has infused large capital in entertainment business. Adlabs Entertainment splurged Rs 1,650 crore to set up its theme park Imagica in 2014 which is till date the largest investment so far in this industry. The Indian theme parks are majorily owned by family run businesses and are focused on wholesome entertainment for Indian families.

- India currently have lower park-to-population ratio, with 155 parks for a 1.3 billion population, which register more than 50 million footfalls annually, indicating the growth potential in theme parks in India.
- General trend in the industry shows that amusements parks in India target kids and youth from middle income segments with occasional promotional offers for the low income groups. The parks receive visitors mostly from local/primary market with few visitors from tertiary market as well. The parks get their revenue mainly from entry tickets and F&B with other, less contributing, sources being rentals and merchandizing.Government initiatives
- Various state policies emphasizes upon undertaking an effort for developing Projects such as entertainment parks and provide various concessions and incentives for developing projects in tourism sector.
- Infrstructure development through last mile connectivity.
- Push for Public Private Partnerships, the sector presently is on a verge of transition with industry players making investments in technology as well to develop products/themes that significantly enhance customer experience and participation. For instance, augmented reality and virtual reality have become areas of significant interest and investment in the recent times.
- Gujarat Infrastructure Development Board has prepared concession agreement model under PPP for the development of tourism sector projects in Gujarat

Suggestive Recommendations

- Availability of Power and water supply.
- The concept of a theme-park holiday is still not very widespread; thus fewer resorts cater specifically to parks. Hence more publicity and marketing push needed.
- Currently Indian parks earn only through ticket sales, hence parks need to set up retail outlets, selling theme-based merchandise and souvenirs, in line with international peers.
- Need to develop hotels around the theme parks as they are instrumental in converting one day outings into multiple day stays for larger groups and families. Such as Wonderla has a resort at its Bengaluru park and plans to set up one at its Kochi park

3.2.7 MICE Tourism

- The global MICE industry generated revenue of USD 752 bn in 2016, and is expected to grow at a CAGR of 7.5% to reach USD 1,245 bn by 2023 .
- Globally MICE contributes 54% to the global travel market with North America having the largest market share followed by Europe and Asia Pacific . Asia-Pacific is expected to be the fastest growing segment with highest CAGR of 8.6% during 2017-23 , owing to the rapid growth in the business travel sector in recent decades.
- Furthermore, economic growth, regional cooperation, intellectual development, and high penetration of internet & technology in the developing countries like India are expected to boost the market growth in the region. Penetration of IoT supports both travelers and travel operators in managing different operations related to business travel such as planning, booking, and being updated with the current status of their travel program.
- India is in the process of upgrading its MICE (Meetings, Incentives, Conferences & Exhibitions) facilities. A large number of world class Convention Centres are now available in India. According to the International Congress & Convention Association (ICCA) Statistics Report 2016, India ranked 31st in the Worldwide Rankings and 7th in Asia Pacific & Middle East Rankings with 143 major meetings being conducted in the country.

Strengths	Weaknesses	Opportunities	Threats
✓ India's strategic location and round the year destination ✓ Variety of destinations & varied products to enhance MICE product ✓ Well-connected infrastructure with 31 international airports & 5 cruise ports and presence of 08 major metro cities & 99 smart cities. ✓ Known for consumer spending towards lavish wedding.	✓ Late starters and not evenly spread state of art MICE facilities, ✓ Non-compliance to International Standards ✓ Need for large conventional facilities such as Davos ✓ Need for quality accommodations at wedding destinations	✓ India being a land of diverse tourist attractions have the potential to become leading destination for MICE Tourism and prime wedding tourism destination. ✓ Can earn large revenue and generate new employment opportunities ✓ India can offer state of art facilities at very price competitive	✓ Competition from the South East, Middle East and East Asian Nations. ✓ Competitors have first mover advantage and can price the product effectively

Government Initiatives

- The Ministry of Tourism extends Central Financial Assistance (CFA) to the State Governments and Union Territory Administrations for developing tourism and tourism related infrastructure including Convention centres, cultural centres etc., under relevant schemes for projects submitted by them including funding for PPP projects under Large Revenue Generating (LRG) Projects,
- India Convention Promotion Bureau at the National Level is formed for promotion of MICE Tourism while convention Promotion Boards being set up at state levels.
- The Ministry of Tourism proposes to provide a single window clearance for organizing meetings and conventions in India,
- Under MDA scheme, Ministry of Tourism provides financial assistance towards bidding for International Conferences / Conventions, and provides financial support on winning the bid,
- The Government also proposes to promote MICE facilities across all the major regions of India and encourage it under "Smart Cities".
- Visa facilitation.

Recommendations

- Construct new convention and exhibition centers and spread MICE facilities evenly,
- Develop a holistic approach to promote MICE Tourism - Improve air and road connectivity further
- Promote India as prime MICE Destination through aggressive marketing like road shows and participation at the International Events
- Inviting International Convention Organizers for FAM Tours in order to acquaint them with the facilities and amenities available in India
- Provide facilities to stakeholders in the form of Marketing Development Assistance for effective marketing.

3.3 Leveraging Private Sector Participation: New and Emerging Partnership Models

Infrastructure development remains one of the key proponents of socio-economic prosperity, but in a burgeoning population scenario, it is not possible for the government to accrue all necessary funds as well as technical capability, and therefore involvement of the private sector becomes imperative to maintain the growth momentum while ensuring social welfare.

In the Indian context, during 2007-12, private sector contributed 36.6% in the overall infrastructure investment, leading to infrastructure investment rising from ~5% of GDP during 2002-07 to ~7% of GDP during 2007-12, and settled at 5.6% of GDP during 2013-17 . An evolved Public Private Partnership (PPP) model that can take into account the complexity of coordination and accountability in infrastructure projects is the most resource efficient way for the government to facilitate private investment into infrastructure projects.

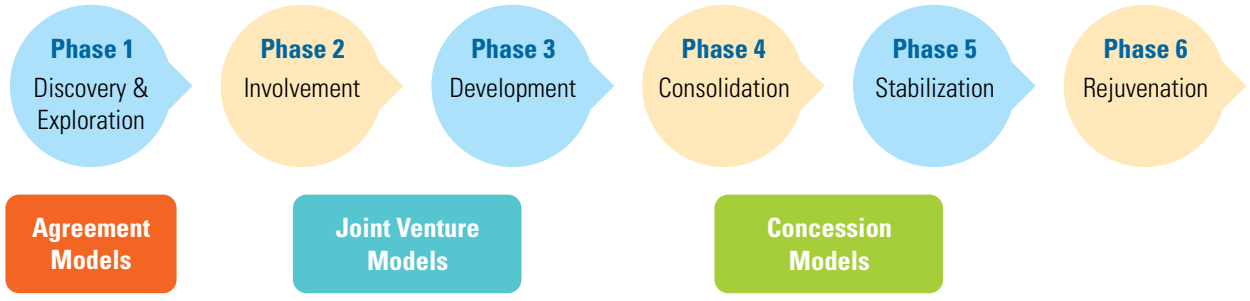
In the past, PPP models have experiences challenges in taking of due to lack of clarity in concessionaire agreements and operational frameworks. However, the learning curve has also been steep, and we are seeing a resurgence in PPP models, especially across large infrastructure projects like Highways where innovative models like the Hybrid Annuity Model (HAM) have revived the interest of private sector and financial institutions in undertaking large projects.

By taking a more commercial approach, governments can focus on building a pipeline of transactions that generate jobs while better understanding the drivers of growth and the impacts of negative policies, procedures, and business conditions. The government has taken due cognizance of adopting a market-driven orientation, and is taking a slew of measures to raise investor confidence and build a positive climate for tourism infrastructure investment and development.

Opportunities for PPPs in tourism can be applied across a huge span of activities, like historical monuments, natural parks, museums, hotels, entertainment events, and theme parks.

From tourism's perspective, PPP bridges the otherwise divergent policies: first, the necessity to curb public expenditures and contain public budgets; and second, the drive to improve competitiveness and efficiency in the service and operation of the tourism industry. Mapping this with the life cycle of a tourist destination, we can explore different PPP models as highlighted in the figure below.

Figure 2: Indicative PPP Models in Tourism Destination Lifecycle



Source: Butler (1980)

PPP is also critical for the success of Sustainable tourism models in Urban, Rural or Natural landscapes. Sustainable tourism relies on the development and delivery of quality visitor experiences that do not degrade or damage any of the property's natural or socio-cultural values and visitor attraction.

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4. Road ahead to unleash the tourism potential through Infrastructure Development



Road ahead to unleash the tourism potential through Infrastructure Development

As a global growth engine, tourism offers opportunities for both skilled and unskilled segments of the labour force, and the spillover benefits have the potential to promote sustained, inclusive growth. With rising demand for tourism products – both mainstream and offbeat, many new destinations have emerged that are competing fiercely to garner larger footfalls, and many businesses within destinations are also competing.

Infrastructure development is a prerequisite to gain higher tourist numbers as well as tourism receipts, and requires the combined effort of the host community, tourists and private and public sectors. The public sector needs to set up the planning, regulation and monitoring systems that use public spending as a catalyst to attract capital investment from the private sector, which would be primarily interested in areas that enhance the competitiveness and economic appeal of the destination. The following suggestive measures can accelerate growth of tourism infrastructure in the country.

1. **Tourism Specific Ease of Doing Business (EoDB) Rankings:** 'EoDB Tourism State Rankings' can be introduced by the Ministry of Tourism and NITI Aayog with comprehensive parameters for assessment of State initiatives. A uniform format can be introduced for collection and publishing of tourism data and statistics across states and districts to facilitate easier decision making by investors and also measure impact of initiatives of various states and other stakeholders.

2. **Private Sector Participation for O&M of Existing Government Infrastructure:** There is a large inventory of tourism infrastructure owned by state tourism departments as well as interconnected sectors like forest bungalows, many of which boast of exquisite locations that are lying idle or have further potential to upscale and attract more visitors, thereby also becoming self-sustainable. The private sector can be roped in to operate, improve or refurbish such properties and thus also boosting the room inventory. PPP models can be explored towards the same like those adopted in National Parks in the US.

3. **Promote Smart and Frugal Infrastructure:** As we expect tourism models to uplift communities, creation of modern infrastructure will be pivotal towards attracting tourists, even more so in remote and offbeat locations. Currently, the minimum project cost for tourism projects to qualify for infrastructure status is INR 200 Cr, which is under consideration to be lowered to INR 50 Cr. However, if this entry barrier can be further lowered, or a separate incentive scheme can be carved out for smaller projects, it will encourage private players to participate in small infra like homestays.

4. **Promote MICE Sector:** While MICE sector has experienced growth in the Indian sector in the past decade, India still has less than 0.5% share of the world meetings and conventions market. Developing more world-class exhibition centres can enable India to attract global conventions and meetings in tourism as well as other sectors.

5. **Incentivize Private Sector Participation:** Government/(s) should incentivize private players to invest in unserved/ under-served tourism projects. The incentive pattern can be friendlier for attracting more innovative tourism projects vis-a-vis run-of-the-mill projects. For instance, interest subvention scheme can be introduced for small tourism projects like community homestays, tour operators, RO-RO and boat operators. Additional incentives, like additional interest subvention post COD, can be provided to projects (incl. new Hotels and resorts) at tourist destinations with limited tourist facilities and connectivity.

6. **Online Repository of Land Banks:** Availability of suitable land is one of the main concerns for investing in tourism projects, especially when it comes to sustainable tourism infrastructure in fragile areas. The states need to develop land bank outlining the land parcels available for tourism projects, which are made accessible over an interactive web platform with the support of Ministry of Tourism. This will enable investors to assess the preliminary viability of their projects basis the nature of land parcel/ select the appropriate land parcel suitable to the proposed project.

7. **Medical and Wellness Tourism:** Over the past few years, the government's efforts to promote and position Yoga and traditional Indian wellness therapies has paid dividends with World Yoga Day being observed globally on June 21 each year. India holds a competitive advantage in offering these products and services, and is also one of the most competitive destinations offering specialized treatments at low costs. Need of the hour now is to attract investments to create supporting infrastructure that can help reap dividends of this global movement led by India, as well as further consolidate offerings in allopathic healthcare and advanced medical procedures.

8. **Coastal Area Development:** Blessed with almost 7,500 km of coastline, beaches/ Coastal tourism forms one of the top tourism themes in India and is also a preferred theme for foreign tourists visiting India. To leverage on this coastal advantage of India, priority can be accorded for identifying a minimum of 100 coastal destinations/ beaches and develop the basic tourism infrastructure in addition to ensuring cleanliness at these locations. In the Konkan coastline for instance, a community based Konkan Inclusive Tourism Ecosystem (KITE) can be developed wherein Modern Fishing Villages can sustain their traditional livelihoods with income augmentation from tourist activity, and the same can be replicated in other key coastal areas.

9. **Leveraging MSME funds:** India's immense cultural and natural heritage is managed and conserved by local communities and small entrepreneurs whose business models now require scale-up through capital infusion, capacity building and skill building support. Convergence of Government Schemes with organizations like NABARD, SIDBI among others can be channelized into developing tourism infrastructure in rural and hinterland areas.

10. **Technology for Infrastructure Assessment and Management:** Today's technologies give us clear insights and easy to use tools to advance sustainable and inclusive growth, and go far beyond cashless transactions and reservations. Data analytics can help small entrepreneurs establish credit to scale their business, or insights into consumer spending trends which can further facilitate municipalities on crowd management and urban planning. Enabling a cashless ecosystem for tourists, introducing value added products like Incredible India Travel Card, application of GIS and emerging technologies, like Artificial Intelligence (AI) are some possible areas of intervention.

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