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Uttar Pradesh

a new growth driver of tourism investment in India

August 2018

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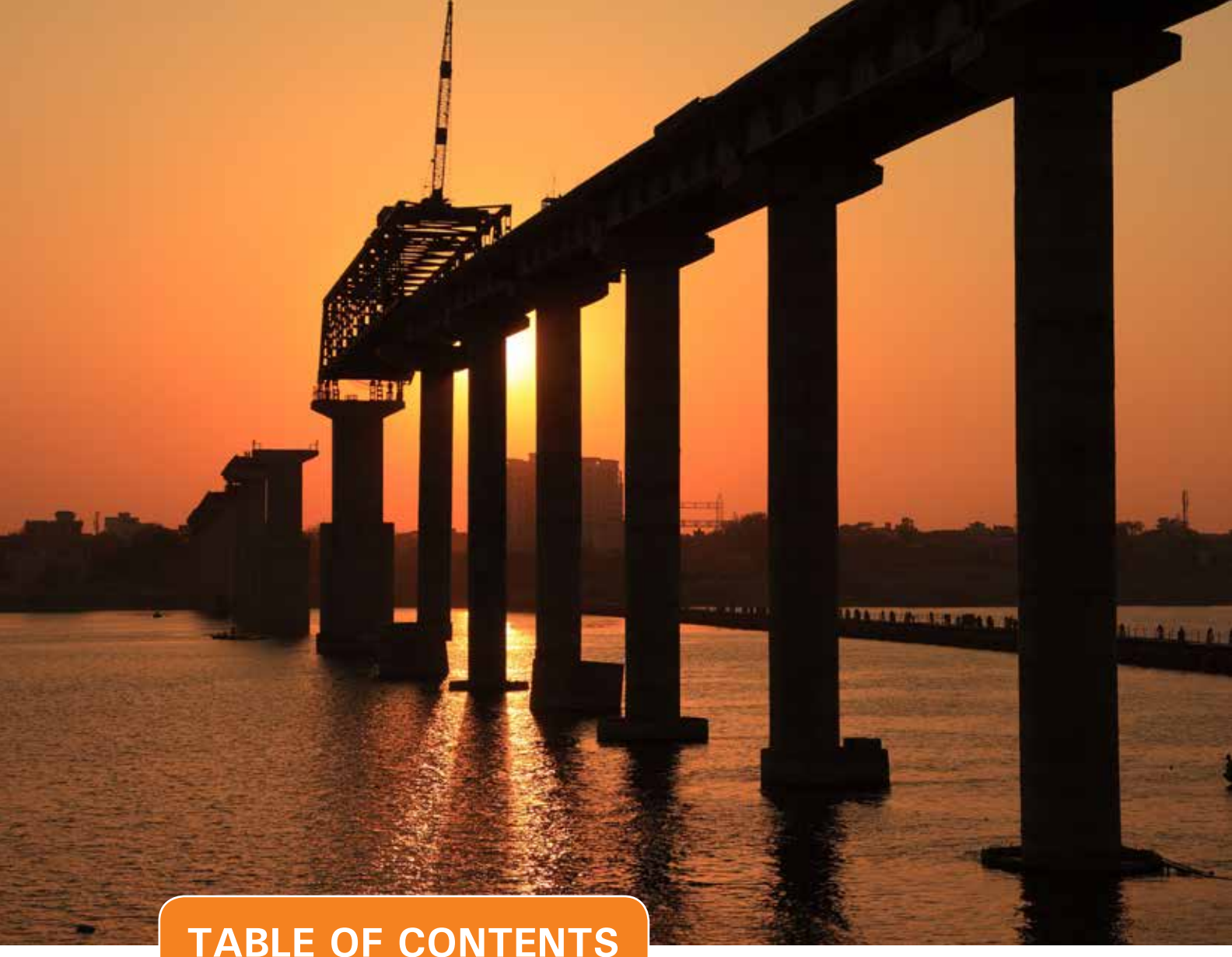


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Executive Summary

Tourism infrastructure is the basis of tourism development, as well as a base for utilization of destination resources. The importance of tourism infrastructure is reflected in the fact that it can contribute to increasing the efficiency of production and distribution of tourism services, and, in some cases, such as remote destinations, even increase the supply of tourism services. Infrastructure is defined as the provision of public safety, transportation services, medical systems, financial systems, education systems, and other services involved in the population's, as well as in tourists' demand. As a component of the regional tourism product, tourism infrastructure is of special importance for long-term tourism growth and the general progress of tourist destinations in providing the required services to tourist.

Uttar Pradesh is one of the most preferred tourist destinations both for inbound as well as domestic travelers due to its unique offering which includes Rich Cultural Heritage to Adventure and Sports, a strong Religious destination to handicraft and culinary. As per the available statistics it can be concluded that the Tourism Department is growing at a healthy scale of approximately 10% over the last year.

Tourism industry has been acknowledged for its offerings to economic growth and social development

By way of new innovations and rising tourist footfalls which is being witnessed in the recent time. In order to maintain that momentum, Government of India has taken up many ambitious schemes keeping in mind the local level need and engagement for promoting the tourism industry. In response to the different schemes announced by the Government of India, Uttar Pradesh Government has taken few Initiatives for Tourism Infrastructure Development in the State

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and list of few completed infrastructure project under different government of India scheme. Recently completed projects of Varanasi under PRASAD Scheme of the Ministry of Tourism, Government of India:

S. No.	Description of activity
1	Tourism Development of Buddha Theme Park at Sarnath
2	Tourism Development of Sarang Nath Kund at Sarnath
3	Development of Ghat at Markandey Mahadev, Kaithi, Varanasi
4	Integrated Tourism Development of Markandey Mahadev Temple campus, Kaithi, Varanasi
5	Development of Gurudham Temple, Varanasi

The ongoing project of Varanasi & Mathura under PRASAD Scheme of the Ministry of Tourism, Govt. of India are stated below:

S. No.	Description of activity
1	Sound & Light Show (SEL) at Sarnath, Varanasi
	Mathura -Vrindavan:
2	I. Tourism Development of Theme Park, Akbarpur
	II. Tourism Development of Jai Kund, Jait
	III. Tourism Development of Chandra Sarovar, Chaumuha
	IV. Tourism Development of Krishna Sarovar
3	Development of Tourist Facilitation Centre in Mathura-Vrindavan

The proposed projects of Varanasi under PRASAD Scheme of Ministry of Tourism, Govt. of India:

S. No.	Name of Scheme	Recommended Amount (in INR Lakh)
1	Integrated Tourism Development of Varanasi under PRASAD Scheme	6282.00
2	Cruise Boat Project between Assi Ghat and Raj Ghat at Varasani	1071.00

The state Tourism Department is also working on recently sanctioned projects under Swadesh Darshan Scheme of the Ministry of Tourism, Govt. of India:

S. No.	Description of activity
1	Tourism Development of Shringverpur, District-Allahabad
2	Tourism Development of Chitrakoot
3	Tourism Development of Shravasti
4	Tourism Development of Kapilvastu
5	Tourism Development of Kushinagar

Recently sanctioned project under Heritage Circuit, Spiritual Circuit-I & II of Swadesh Darshan Scheme of Ministry of Tourism, Govt. of India is stated below:

Description of activity
Tourism Development of 94 various sites in 34 Districts of Uttar Pradesh has been sanctioned by MoT, GoI under Heritage Circle, Spiritual Circle-I & II of Swadesh Darshan Scheme

The sanctioned project under Ramayana Circuit of Swadesh Darshan Scheme of Ministry of Tourism, Govt. of India:

Description of activity
Integrated Tourism Development of Ayodhya (Dist. Faizabad) under Ramayana Circuit of Swadesh Darshan Scheme

The proposals sent to Ministry of Tourism Government of India under Swadesh Darshan Scheme and other schemes:

S. No.	Description of activity
1	Integrated Tourism Development of Naimisharnya Spiritual Circuit
2	Integrated Tourism Development of Gorakhpur-Devipatan Spiritual Circuit
3	Integrated Tourism Development of Govardhan Teerth (Mathura) under PRASAD Scheme
4	Development of water sports complex at Ramgarh Taal, Gorakhpur
5	Integrated Tourism Development of Garhmukteshwar, Hapur

The development of Infrastructure is a prerequisite to gain higher tourist numbers as well as tourism receipts, and requires the combined effort of the community, tourists and private and public sectors with a regulation and monitoring mechanism in place. .

Taking a look at the various steps undertaken by the different stakeholders as well as collated data , FICCI – MRSS suggests the following steps to maintain the momentum of the most important cornerstones of support services in the country

i) **Initiate Deep Involvement with the Private Sector players – allow deeper engagement** - Owners can play a vital role to development of the tourism industry in India and have the potential to create new destination hotspot for attracting new tourists from abroad.

ii) **Showcase investors the value in investing in Uttar Pradesh**– The investors have to be lured into India by showcasing the rich cultural heritage and introducing new concepts conceived off/ implemented. While ROI will be an important factor in this, the investors would also like to choose India based on the lucrative incentives and long term association it is going to enjoy with the State.

iii) **Exploit the Digital Channel to disseminate investment/ marketing success stories** – The Country has a wide array of Digital Channels, which can be leveraged to disseminate the success stories.

iv) **Leverage the power of data** – Data and analytics are the mainstay of future. This needs to be leveraged and a dedicated insight session needs to be undertaken in order to provide relevant inputs to the state strategy team to streamline/ tweak campaigns and attract more tourists to the State.

v) **Emulate Success stories of nearby States** – Success stories of nearby states can be emulated, and can be replicated in small areas to start with. The Governance machinery needs to act in a concerted manner to achieve this.



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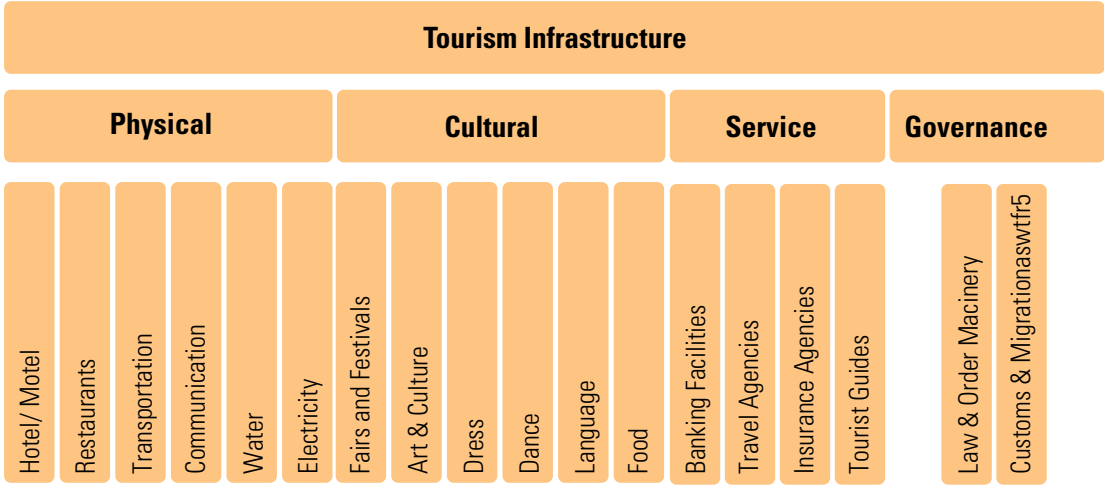
Introduction

"Tourism has been a major growth industry globally for over five decades. Factors contributing to this growth include the growth of incomes and wealth, improvements in transport, changing lifestyles and consumer values, international openness and globalization, increased time for leisure, immigration, special events, education, information and communication technologies, destination marketing and promotion, improved general and tourism infrastructure and so on".

Infrastructure is the basis of tourism development, as well as a base for utilization of destination resources. The importance of tourism infrastructure is reflected in the fact that it can contribute to increasing the efficiency of production and distribution of tourism services, and, in some cases, such as remote destinations, even increase the supply of tourism services. For tourists to be able to reach some tourist destinations there should be the developed transport infrastructure, which is a precondition for consuming other tourism services of the destination itself. The arrival of tourists enhances the efficiency of human resources at the destination, as tourists require certain services in order to feel better during their stay at the selected tourist destination. In particular, there is an increase in the demand for infrastructure services in terms of water supply, waste disposal, communication and electricity supply, as the necessary elements for comfortable functioning of tourists at the selected destination. Infrastructure is defined as the provision of public safety, transportation services, medical systems, financial systems, education systems, and other services involved in the population's, as well as in tourists' demand. As a component of the regional tourism product, tourism infrastructure is of special importance for long-term tourism growth and the general progress of tourist destinations in providing the required services to tourist.

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Tourism infrastructure can be broadly divided into the following sub – structures as depicted in the figure below:-



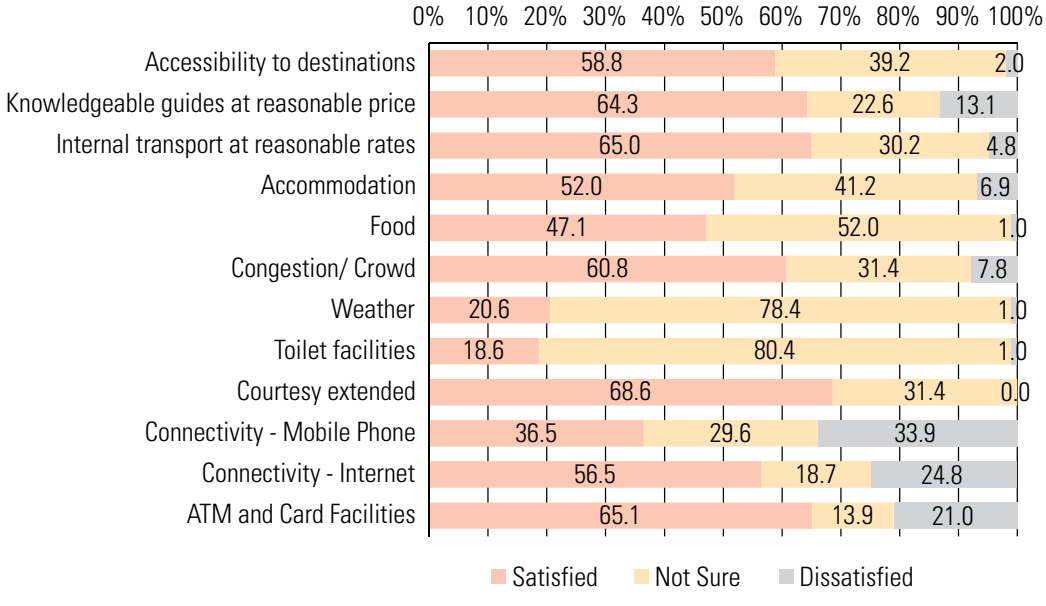


2

The State of affairs in India

India has a plethora of destinations which serves a multitude of themes. The state of affairs in India in terms of the infrastructure touch points can be summed up from the many primary surveys taken up by FICCI - MRSS in relation to infrastructure amenities in different states.

Feedback of Foreign Tourists



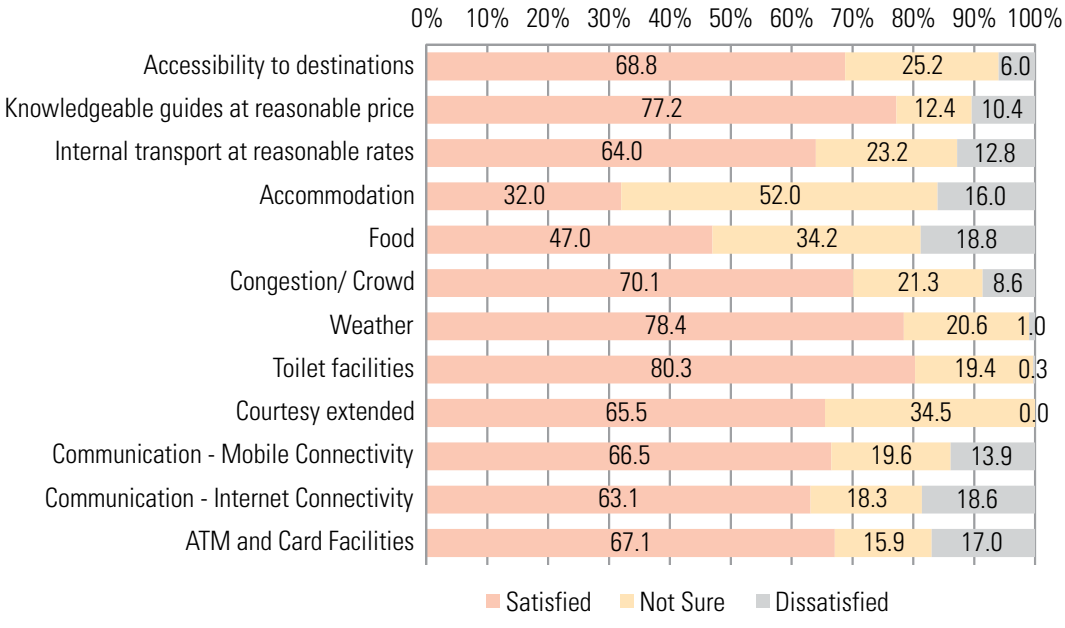
All figures in percentage

Source: MRSS Primary Survey

Base: 300 Foreign respondents at major exit points

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Feedback of Domestic Tourists



Source: MRSS Primary Survey

All figures in percentage

Base: 300 Foreign respondents at major exit points

Be it domestic or foreign tourists, the ask for better infrastructure is perpetual. What is encouraging here is the fact that India is faring well as far as tourism infrastructure is concerned. Yet there are a few stark areas for improvement as well.



3

Transitory trends in Indian Infrastructure – Past, Present and Future

Transitory trends can be observed in relation to infrastructure in recent times. The changes have been depicted in the table below

Table 1: Transition in Tourism infrastructure in India

Infrastructural Amenities	Past	Present	Future
Accommodation Facilities	• Predominantly Government owned • Booking mode predominantly offline, scanty online	• Predominantly privately owned • Booking mode predominantly online	• Digital footprint to increase • Budget / Affordable options/ home stays to increase
Air Connectivity	• Predominantly trunk routes • Inadequate Airport infrastructure • Air travel for the privileged few • Low cost carriers made entry	• Tier 2 and Tier 3 cities are well connected with metros • Air Travel affordable • Low Cost Carriers command leading position	• Airport infrastructure to be beefed up • Small towns of touristy importance to have better international connectivity along with important domestic locations
Rail Connectivity	• Well connected • Trains were only faster option available for the common man • Online booking started making entry	• Well connected • Large no. of trains introduced • Airlines competing with Trains in terms of connectivity and affordability	• Better coaches • Improved service • Timeliness • Cleanliness

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Infrastructural Amenities	Past	Present	Future
Road Connectivity	• Only major highways connecting • Golden Quadrangle and Delhi Mumbai Freight Corridor, the only major ones worth mention • Road Transport only mature down south	• Highways growing at brisk pace, especially after 2014 • After 2009, Pradhan Mantri Gram Sadak Yojana laid foundation of connecting Rural with Urban India. • Road transport quality and infrastructure picked up in all corners of the country	• Better stretches of Highways in the National as well as Domestic spaces • Safe, secure speedy highways to ensure smoothest flow of traffic • Interspersed network to enable smoothest flow of traffic

Infrastructural Amenities	Earlier	Now	Future
Restaurants & Eateries	• Selected Branded Restaurants • Selected type of cuisines available for selected taste • Little differentiation available	• Evolution of chain outlets • Cuisines and tastes to tickle every taste bud • Online and App based food delivery on Mobile network backbone • Innovation and differentiation available at every step	• Online ordering to increase more and more • To be more internet dependant • Evolution of world food and fusion food • Innovation to be the buzzword of the day.
Tourist information	• Predominantly physical modes - tourist offices and travel agents	• Predominantly online modes • Goes beyond "transaction" to a "consistent service"	• To move towards personal customized solutions. Thanks to technology
Trade & Services	• Available but at a lower scale	• Available at major nook and cranny	• To further proliferate and have footprint in rural India

Infrastructural Amenities	Earlier	Now	Future
Sports, Leisure & Entertainment	• Handful of them available though not for each age group	• Variety of them available to suit each age group	• To grow in the same pace as current times
Niche Tourism	• Did not exist or existed meekly as a concept	• India has evolved leadership in a few niche tourism products	• To evolve in accordance with the world. Thanks for the bountiful resource availability

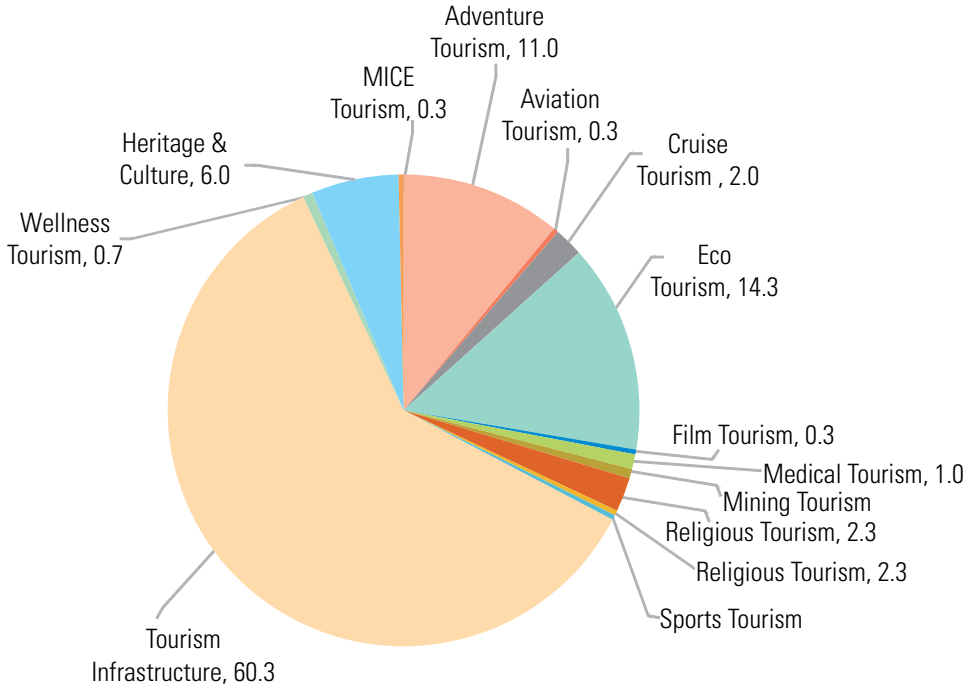
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4

Available sectors for Tourism Investment

As per Incredible India Tourism Investors Summit, held between 21 -23 September 2016 in New Delhi, India showcased all the investment possibilities across States. An analysis of the types of investment opportunity available indicates the facts as depicted in the chart below.



Source : Incredible India Tourism Investors Summit

It can thus be discerned from the chart above that majority of the investments are envisaged in the arena of Tourism infrastructure followed by eco tourism and adventure tourism. This is followed by Heritage and Culture and Religious tourism, in each of which Uttar Pradesh has a major role to play.



5 Specific initiatives to boost infrastructure by the Central Ministries

The Ministry of Tourism, Government of India has taken up few pragmatic steps to improve the overall development of tourism industry which largely depends of availability of infrastructure so that the tourist can enjoy hassle free travel and comfort in stay. The following schemes launched by the government to boost both in inbound and domestic tourism sector.

Ministry of Tourism Initiatives
Theme based circuits are being developed under the Swadesh Darshan Scheme. A total number of 11 projects have been sanctioned during 2017-18 for a total amount of Rs.824.80 Crore.
Holistic development of identified pilgrimage destinations is being undertaken under the 'National Mission on Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive' (PRASHAD) Scheme.
Ministry of Tourism has recently launched the 'Adopt A Heritage' project. Heritage sites are being offered for adoption by the public sector, private sector and individuals to become 'Monument Mitras' for developing amenities and facilities at these sites under this programme.
Creation of 'Special Tourism Zones' anchored on Special Purpose Vehicles (SPVs) in partnership with the States was announced in the Budget for 2017-18. Creation of Special Tourism Zones would lead to overall development of the areas.
Ministry of Tourism launched "Incredible India 2.0 Campaign" which marks a shift from the present generic promotions being undertaken across the world, to market specific promotional plans and product specific creatives, with greater focus on digital presence and social media.
Ministry of Tourism has sanctioned an amount of Rs. 2499.98 Lakh for developing tourist amenities at Madgaon, Karmali and Thivim railway stations in Goa considering the importance of the Konkan Rail route from tourism angle.

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5.1 Initiatives taken up the Uttar Pradesh Government – Current status

In response to the different schemes announced by the Government of India, Uttar Pradesh Government has taken few Initiatives for Tourism Infrastructure Development in the State and list of few completed infrastructure project under different government of India scheme. Recently completed projects of Varanasi under PRASAD Scheme of the Ministry of Tourism, Government of India:

S. No.	Name of Scheme	Sanctioned Amount (in INR Lakh)
1	Tourism Development of Buddha Theme Park at Sarnath	231.23
2	Tourism Development of Sarang Nath Kund at Sarnath	262.82
3	Development of Ghat at Markandey Mahadev, Kaithi, Varanasi	428.61
4	Integrated Tourism Development of Markandey Mahadev Temple campus, Kaithi, Varanasi	273.21
5	Development of Gurudham Temple, Varanasi	74.03
	Total	**1269.90**

The ongoing project of Varanasi & Mathura under PRASAD Scheme of the Ministry of Tourism, Govt. of India are stated below:

S. No.	Name of Scheme	Sanctioned Amount (in INR Lakh)
1	Sound & Light Show (SEL) at Sarnath, Varanasi	770.34
	Mathura -Vrindavan:	
2	I. Tourism Development of Theme Park, Akbarpur	1493.09
	II. Tourism Development of Jai Kund, Jait	
	III. Tourism Development of Chandra Sarovar, Chaumuha	
	IV. Tourism Development of Krishna Sarovar	
3	Development of Tourist Facilitation Centre in Mathura-Vrindavan	935.76
	Total	**3199.19**

Recently sanctioned projects under Swadesh Darshan Scheme of the Ministry of Tourism, Govt. of India:

S. No.	Name of Scheme	Sanctioned Amount (in INR Lakh)
1	Tourism Development of Shringverpur, District-Allahabad	2416.81
2	Tourism Development of Chitrakoot	4528.55
3	Tourism Development of Shravasti	4084.93
4	Tourism Development of Kapilvastu	4095.04
5	Tourism Development of Kushinagar	1817.25
	Total	**16942.58**

Recently sanctioned project under Heritage Circuit, Spiritual Circuit-I & II of Swadesh Darshan Scheme of Ministry of Tourism, Govt. of India:

S. No.	Name of Scheme	Sanctioned Amount (in INR Lakhs)
1	Tourism Development of 94 various sites in 34 Districts of Uttar Pradesh has been sanctioned by MoT, GoI under Heritage Circle, Spiritual Circle-I & II of Swadesh Darshan Scheme	18045.00

The sanctioned project under Ramayana Circuit of Swadesh Darshan Scheme of Ministry of Tourism, Govt. of India:

S. No.	Name of Scheme	Recommended Amount (in INR Lakh)
1	Integrated Tourism Development of Ayodhya (Dist. Faizabad) under Ramayana Circuit of Swadesh Darshan Scheme	13330.55

The proposed projects of Varanasi under PRASAD Scheme of Ministry of Tourism, Govt. of India:

S. No.	Name of Scheme	Recommended Amount (in INR Lakh)
1	Integrated Tourism Development of Varanasi under PRASAD Scheme	6282.00
2	Cruise Boat Project between Assi Ghat and Raj Ghat at Varasani	1071.00

The proposals sent to Ministry of Tourism Government of India under Swadesh Darshan Scheme:

S. No.	Name of Scheme	Amount (in INR Lakh)
1	Integrated Tourism Development of Naimisharnya Spiritual Circuit	11543.00
2	Integrated Tourism Development of Gorakhpur-Devipatan Spiritual Circuit	13948.00
3	Integrated Tourism Development of Govardhan Teerth (Mathura) under PRASAD Scheme	23355.00

Recently proposed projects under State Sector:

S. No.	Name of Scheme	Recommended Amount (in INR Lakh)
1	Development of water sports complex at Ramgarh Taal, Gorakhpur	7100.00
2	Integrated Tourism Development of Garhmukteshwar, Hapur	10000.00
	Total	17100.00

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5.2 Tourism Circuits of Uttar Pradesh:

To enhance the tourist flow and engage them for specific activities the following circuits have been further improved or in different stages of improvement in terms overall infrastructure development. There is tremendous opportunity for the investor to set up accommodation unit of different scale and amusement and other logistic facilities so that tourist inflow can be increased.

S. No.	Tourism Circuits	Place
1	The Buddhist Circuit	Kapilvastu, Sarnath, Kushinagar, Kaushambi, Shravasti, Sankisa
2	The Ramayana Circuit	Ayodhya, Chitrakoot, Shringverpur
3	The Adhyatmik Circuit	Gorakhpur, Balrampur, Ghazipur, (Hathiyaram, Bhudkura), Goriya, (Mathura), Sant Ravidas Sthal & Kabir Chaura (Varanasi)
4	Wildlife & Eco Tourism Circuit	Dudhwa, Pilibhit, Katarniaghat.
5	The Krishna/Braj Circuit	Mathura, Vrindavan, Goverdhan, Gokul, Barsana, Nandgaon
6	The Shakti Peeth Circuit	Vindhyavasini Devi (Vindhyachal), Pateshwari Devi Devipatan (Balrampur), Vishalakshi Devi (Varanasi), Kadavasini (Kaushambi), Alopi Devi (Allahabad), Lalita Devi (Naimisharanya), Jwala Devi (Sonbhadra), Shakumbhari Devi (Saharanpur), Shivani Devi (Chitrakoot), Kaatyayini Devi (Mathura)
7	The Bundelkhand Circuit	Charkhari (Mahoba), Chitrakoot, Kalinjar, Jhansi, Deogarh, Lalitpur
8	The Mahabharat Circuit	Hastinapur (Meerut), Kampilya (Farukkhabad), Ahichhtra (Bareilly), Barnava (Baghpat), Mathura, Kaushambi, Gonda
9	The Jain Circuit	Deogarh, Hastinapur (Meerut), Vahelna (Muzaffarnagar), Baghpat, Varanasi, Bateshwar, Kampil (Farrukhabad), Ahichhtra (Bareilly), Kaushambi, Ayodhya (Faizabad)
10	The Sufi/Kabir Circuit	Jayas (Amethi), Maghar (Sant Kabir Nagar), Salim Chishti Dargah (Fatehpur Sikri), Dewa Sharif (Barabanki)

The state Tourism Department is also in process for the Development of Theme based Tourism which has been stated below:

Religious Tourism

- Strengthening and up-gradation of civic amenities and facilities at religious tourist destinations across the state.
- Creation of tourist facilitation centres to enhance the visitor experience at religious destinations. These centres will be set up in the next two years at Gorakhpur, Mathura, Vrindavan, Vindhyachal, Ayodhya, Naimisharanya, Varanasi, etc.

Cultural Tourism

- To promote culture exchanges, the Department will release annual calendar for all religious/cultural events and organize events with the objective to promote tourism and establish Uttar Pradesh as a brand.
- The Department will form a special task force with experts/consultants to organize cultural events, food festivals and other art based festivals.

Heritage Tourism

- Recently recognized by UNESCO as the 'Intangible Cultural Heritage of Humanity', 'Kumbh' will be promoted extensively in the national and the international markets.
- The Department will work with architects and Archaeological Survey of India (ASI), to undertake restoration projects of sites at Kushinagar, Kapilvastu, Sarnath, Sravasti, Lucknow, Agra, Fatehpur Sikri, Barsana, Gokul, Nandgaon, Vrindavan, Goverdhan, Ayodhya, Kashi, Naimisharanya, Chitrakoot, Vindyachal, Devipatthan, Tulsipurand other under developed potential tourist sites in the state.

Eco Tourism

- In coordination with the Uttar Pradesh Forest Corporation (UPFC), the Department will provide civic and tourist amenities in national parks and wildlife sanctuaries, to ensure visitor satisfaction.
- Nature Interpretation Centres, Nature Camps, Boating and Nature Tour Programs will be organized and managed at centralized level in Lucknow.
- Bird Sanctuaries at Nawabganj, Hastinapur, Sur Sarovar, Ranipur Sanctuary (Banda), Kaimoor Sanctuary (Mirzapur), Samaspur Sanctuary (Rae Bareli), Surha Taal Sanctuary (Ballia) and Patna Sanctuary (Etch) to be promoted.

Wellness Tourism

- The Department will identify specialized centres for AYUSH: Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homeopathy, and will collaborate with them for setting up their units in Uttar Pradesh
- The Department will organize International Yoga Conclave and promote wellness centres to draw more traffic and position Uttar Pradesh as a wellness tourist destination.

MICE Tourism

- The Department will allocate a special budget for programs elevating and bringing Meetings, Incentive Travel, Conventions and Exhibitions (MICE) tourism to Uttar Pradesh.

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- The Department will engage and build corporate tie ups with the companies which organize such meetings that will further increase the earnings.

Adventure Tourism

- The Department will facilitate creation of training institutes and adventure sports academy.
- The Department will leverage multiple opportunities arising from the varied topography that Bundelkhand, Sonbhadra, Chitrakoot, Ramgarh Tal, etc. offers to tourists and create a unique proposition for various adventure sports like paragliding, zip-lining, etc.

Craft, Handloom &Textile Tourism

- Textile tourism circuits will be developed to promote the indigenous art by linking it to major tourist destinations.
- Shilpgrams and Shilp Bazaars will be established across the state to promote UP's rich Handicraft legacy.



6 Policy thrust for Infrastructure development in Uttar Pradesh

Uttar Pradesh, the shimmering jewel of the Northern India has embarked on a new journey to strengthen the tourism infrastructure like most of the States. In order to attract more investment, the following policy has been implemented with significant financial incentives. A number of schemes have been institutionalized in order to attract the investors. A synopsis has been presented in the Table below. The pre-requisites for applying for incentives have been mentioned in the annexure.

Table 3: Types and Description of Incentives

Incentives Type	Description				
Tourism Circuits Eligible for Incentives	The Ramayana Circuit, The Braj Circuit, Buddhist Circuit, Wildlife Eco – Tourism Circuit, Bundelkhand Circuit, Mahabharat Circuit , The Shakti Peeth Circuit, The Aadhyatmmik Circuit, The Sufi / Kabir Circuit, The Jain Circuit				
	No of units in each location (varying between 5-10 units) are eligible for interest subsidy				
Fiscal Incentives	**Eligible Capital Investment (except land cost)**	**Capital Investment (In Rs. Crs.)**	**Percentage of subsidy against fixed capital investment**	**Minimum Ceiling of Subsidy (In Rs. Crs.)**	**Other Conditions**
	Establishment of New Hotel	10-50	15%	7.5	
		>50	15%	10	
	Establishment of New Budget Hotel	2-10	15%	1.5	Location where 10 units are eligible
		2-10	20%	1.75	Location where 5 units are eligible

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Incentives Type	Description				
	Eligible Capital Investment (except land cost)	**Capital Investment (In Rs. Crs.)**	**Percentage of subsidy against fixed capital investment**	**Minimum Ceiling of Subsidy (In Rs. Crs.)**	**Other Conditions**
Fiscal Incentives	New Resort	10-50	15%	7.5	
		Above 50	15%	10	
	New Sports Resort	1	10%	1	Only on Equipment cost
	New Tented Accommodation	0.2	20%	0.5	Only on successful permanent installation
	New Wellness Centre	2-50	15%	7.5	
		Above 50	15%	10	
	New Convention Centre	Up to 50	15%	7.5	
		Above 50	15%	10	
	Adventure tourism, Cruise Tourism, Houseboat	1	10%	1	Creation of Infrastructure & installation of permanent facility
	Light and Sound/ Laser Show	1	25%	2.5	Investment in equipment cost only
	New Theme Park	2	10%	1	Creation of infrastructure along with installation of equipment
Interest Subsidy to eligible tourism units in tourism circuits	If bank loan amount is not more than Rs 5 Crs. Interest subsidy is to be awarded @ 5% of the loan amount with max amount of Rs. 25 lakhs/ annum.				

Incentives Type	Description				
	Eligible Capital Investment (except land cost)	**Capital Investment (In Rs. Crs.)**	**Percentage of subsidy against fixed capital investment**	**Minimum Ceiling of Subsidy (In Rs. Crs.)**	**Other Conditions**
Stamp duty exemption	Eligible Tourism Units will qualify for 100% exemption of stamp duty and registration fee on sale/ lease/ transfer of land				
Conversion and land development charges	Land Use Conversion and development charges will be waived off for all new tourism units				
Support for Sustainable Tourism for carrying out energy audit	Assistance to be provided to eligible units upto 75% of the cost of carrying out Energy Audit by recognized institutions.				

Incentives Type	Description		
Incentive for promotion of innovation	The policy proposes promotion of technological innovation by providing • Technology introduced for the first time in the State • Significant leveraging of information Technology • Technology products having negligible carbon footprint		
	Project Cost	No. of people directly employed	Incentive Amount
	10 – 50 Crs	50	10 lakhs
	1 -10 Crs	30	5 lakhs
Support for marketing and promotion	• All tourism service provider with the State Tourism department to be eligible for this incentive • 50% of the space rent actually paid subject to max of 30000 per national event or INR 60000/- per international event subject to a ceiling of 2 events per annum		
Skill Development	• Reimbursement of 100% of hospitality related course fees for upto 10000/ person/ course • Training of tourist guides (registered with Department) with a stipend of Rs 5000. The reimbursement shall be limited to 100 participants in 3 years		
Incentive for ICT Enablement	• Promotion of Usage of ICT in the tourism sector. Financial Assistance for conducting such events would be provided subject to a maximum of INR 5 lakhs • Tourist service provider providing Audio / Video Guide will be eligible for one time assistance of 25% of the cost of equipments or INR 25 Lakhs, whichever is less		

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Incentives Type	Description
Assistance for Research in Tourism/ Hospitality Industry	• INR 10 lakhs shall be provided (maximum of 3 studies in a year) to recognized Travel Associations/ Hotel Association/ Chambers of Commerce Other trvel and hospitality bodies to carry our market research exercises.
Employment Generation Subsidy	• 75% subsidy for male Workers and 100% subsidy for female workers of FPF expenditure (Employers Contribution). The workers have to be domicile in the State for a period of 5 years
Special Incentive for Disabled	• Payroll assistance of Rs. 500/ worker/ month for units employing disabled workers
Support to Eco Tourism	• 100% reimbursement for achieving the standards and certifications from ecotourism society of Indiafor up to an amount of INR 1 lakh subject to a maximum of 2 units/ year
Support for reviving scarce art, music, craft, folk dance and cuisine	• An assistance of INR 5 lakhs. Recommendation to be provided by the committee constituted under the Chairmanship of District Magistrate of Specific District

Key Civil Aviation Policy, Uttar Pradesh

Kushinagar Airport

- The expected project cost is INR 354 Cr to be developed under PPP model.
- It will be pursued on Design-Build-Finance-Operate-Transfer (DBFOT) basis.
- Airport will have a runway of 3,200 meters and estimated to serve 250,000 tourists annually.
- The State has already acquired 550 acres of land for the project.

Following are the key investment opportunities offered by the state in the aviation sector:

New airports/airstrips and upgradation:

- Scope for development of greenfield/brownfield airports.
- Amended AAI Act allows Public-Private Partnership (PPP) model for development of Greenfield airports through 100% FDI automatic route.
- Airport Authority of India to develop the airstrips into no-frills airports.

Cargo hubs and MRO facilities:

- State Government aims at facilitating setting up MRO facilities at existing airports or at new locations such as near the proposed Jewar Airport at Gautam Buddha Nagar District.
- With upcoming inland waterways on Ganges between Allahabad and Haldia (Kolkata), airports at Allahabad and Varanasi will have potential for air cargo boom.

Aircraft manufacturing/assembling:

- Given the huge demand factors, local ecosystem and favorable policy support, aircraft/helicopters manufacturing or assembling has immense potential in the state.
- The State Government aims to incentivize aircraft manufacturing/assembling by reimbursing the corresponding S-GST (State GST) receivable to Govt. of Uttar Pradesh for 10 years up to a maximum of 10 units such assembly units.
- In case airlines purchase aircraft/helicopter, which is manufactured or assembled in Uttar Pradesh and deployed primarily at routes in Uttar Pradesh (where at least Pradesh), for at least five years, will be eligible for concessions and incentives as per Industrial Investment & Employment Promotion Policy of UP 2017 (IIEPP 2017) on plant and machinery for acquisition cost of aircraft, as per eligibility.

Connectivity to Non-RCS airports

- Attractive incentives under Civil Aviation Policy 2017 and strong demand factors makes inter connectivity of the 3 non-RCS airports in UP - Lucknow, Gorakhpur and Varanasi airports an attractive investment option.

Heliports and Helipads

- The State already has 68 helipads which is the 4th highest number in India.
- With helicopter service becoming an attractive mode of transit in tourism, particularly for religious tourism in the state which attracts high passenger traffic, investments in heliports and helipads in the state is an attractive investment option.
- The state seeks investments to connect all tourist destinations with helicopter service including Lucknow, Ayodhaya, Varanasi, Prayag, Naimisharanya, Chitrakoot, Kushinagar, Mathura and Vrindavan.
- As a potential logistic and business support infrastructure, heliport & helipads in key industrial hubs such as Mathura, Meerut, Agra etc. offer immense potential. It can also have a possible spillover effect of decongesting the nearby airports.

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Business Aviation

- The state is one of the leading business destinations and the second largest economy of India. It hosts the highest number of MSMEs in the country and is home to several leading industrialists and businessmen. With an increased economic and business activity across the State, business aviation has immense growth potential in Uttar Pradesh.

Aerotropolis

- There is an immense potential for developing township, aviation-linked and other business hubs, logistic hubs and aerospace parks around key airports in Uttar Pradesh complementing the vision of Smart Cities in the State. The proposed Greenfield Jewar international airport can be one such destination with large land bank and industrial agglomeration around the region and Chola in Bulandshahr.



7

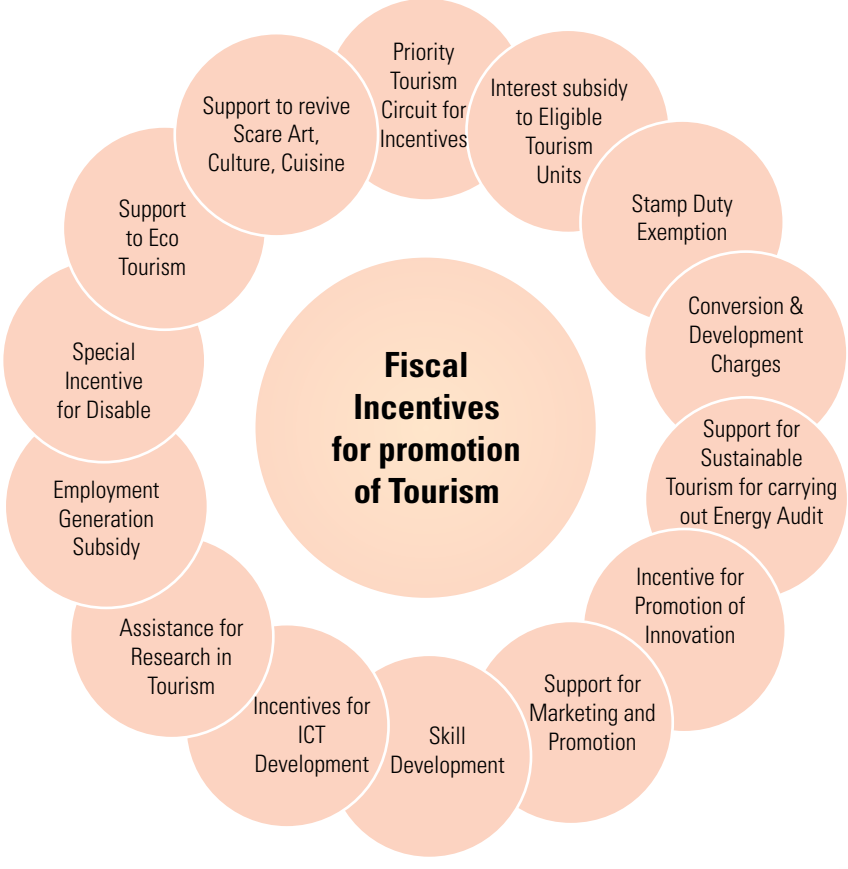
Fiscal Incentives

The proposed fiscal incentives under the new policy are as indicated below:-

7.1. Tourism Circuit for Incentives

The tourism circuits having special emphasis and automatically qualifying for fiscal incentives during the policy period 2018-2023 are as follows:-

Fig 15: Snapshot of Fiscal Incentives



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8 FICCI - MRSS 5 Point Roadmap for Tourism Infrastructure Development

Taking a look at the various steps undertaken by the different stakeholders as well as collated data FICCI – MRSS suggests the following steps to maintain the momentum of the most important cornerstones of support services in the country

1) Initiate Deep Involvement with the Private Sector players – allow deeper engagement - owners can play a vital role to development of the tourism industry in India and have the potential to create new destination hotspot for attracting new tourists from abroad. Such partnerships bring together stakeholders with different objectives and skills, and resources in a formal or informal voluntary partnership to improve the attractiveness of a regional destination, its productivity, associated market efficiency, and the overall management of tourism.

2) Showcase investors the value in investing in Uttar Pradesh– The investors have to be lured into India by showcasing the rich cultural heritage and introducing new concepts conceived off/ implemented. While ROI will be an important factor in this, the investors would also like to choose India based on the lucrative incentives and long term association it is going to enjoy with the State.

3) Exploit the Digital Channel to disseminate investment/ marketing success stories – The Country has a wide array of Digital Channels, which can be leveraged to disseminate the success stories.

4) Leverage the power of data – Data and analytics are the mainstay of future. This needs to be leveraged and a dedicated insight session needs to be undertaken in order to provide relevant inputs to the state strategy team to streamline/ tweak campaigns and attract more tourists to the State.

5) Emulate Success stories of nearby States – Success stories of nearby states can be emulated, and can be replicated in small areas to start with. The Governance machinery needs to act in a concerted manner to achieve this.

List of Memorandum Signed by the Uttar Pradesh Government

S. No.	Company Name	Investment Intent (INR Cr)	Estimated Employment	Location	Project Details
1	CIDB Holdings Sdn. Bhd.	5000	10,000	Garhmukteshwar	Development of a world class Spiritual City at Garhmukteshwar, along with Rejuvenation of River Ganga
2	K.C Infrabuild Pvt. Ltd.	1500	2000	Kushinagar, Sarnath, Shravasti, Kaushambi, Naimisharanya, Ayodhya, Vrindavan	5 star & budget hotels, connected with helicopter service
3	Essel Infra Projects Ltd.	1000	100	Mathura / Varanasi / Ayodhya	Theme Based Entertainment Park
4	Sustainable Smart Solutions Pvt. Ltd	1000	1500	Varanasi	Smart Waterways
5	Highrise Hospitality Pvt. Ltd.	1000	2500	Multiple locations	Hotel under its brand name 'Beetle Smartotels'
6	Uma Hospitality Ventures LLC	400	500	Ayodhya / Kashi / Mathura / Prayag	Hotel
7	Fidelis Promoters Pvt. Ltd.	300	1000	Amausi Industrial Area, Lucknow	5 Star Hotel (Carlson Redizor)
8	PHD Chamber of Commerce	300	400	Varanasi	Sansritik Sankul:Theatre, Handloom, Handicraft
9	Pharmanza Herbal Pvt Ltd	250	200	Lucknow	Eco- Medical Tourism
10	Bloom Inn Pvt. Ltd.	200	400	Agra	Five Star Hotel

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S. No.	Company Name	Investment Intent (INR Cr)	Estimated Employment	Location	Project Details
11	Mahindra Holidays & Resorts India Ltd.	200	300	Varanasi	100 Room Luxury Resort
12	Sustainable Smart Solutions Pvt. Ltd	200	1000	Varanasi	Kashika Spiritual cum Entertainment & Film Production Tourism Complex
13	Bhagya-nagar Entertainment & Infra Development Company Pvt. Ltd.	200	2000	Noida / Greater Noida	Mini India Tourism Park
14	Lallooji & Sons	200	750	Garmukteshwar	Tented Accommodation on lines of Rann Utsav
15	Lallooji & Sons	200	750	Dudhwa	Tented Accommodation on lines of Rann Utsav
16	Mall Hotel Limited	155	350	Varanasi	Crowne Plaza Hotel
17	U P Hotels Ltd.	150	200	Lucknow	Expansion and Upgradation of the Current 5 Star Hotel
18	ASLS Real Estate Developers Pvt. Ltd.	150	250	Lucknow	Creating One Stop Destination for Mall, Cinema and Hotel
19	Theme Adventure & Resorts Pvt. Ltd.	140	400	Agra	Adventure / Theme Park
20	Granite Hill Properties Pvt Ltd	137.15	60	Noida	Hotel
21	Lotus Trans Travel Private Limited	135	250	Gorakhpur / Kushinagar / Sravasti	Five Star Hotel & International Convention Centre

S. No.	Company Name	Investment Intent (INR Cr)	Estimated Employment	Location	Project Details
23	MD Projects Pvt. Ltd.	110	80	Lucknow	Development of a Resort
24	Contine-ntal Develo-pers	110	200	Gorakhpur	Hotel
25	Uma Hospitality Ventures LLC	100	150	Ayodhya	Hotel
26	Knotes India Pvt Ltd	100	320	Varanasi	Star Hotel
27	Khandel-wal Cables Ltd	100	500	Mathura	Business Centre
28	Shree NathJi Bakers Pvt Ltd	100	1000	Varanasi	Hotel
29	Kriti Group of Compa-nies	100	250	Lucknow	Hotel
30	Sincere Develo-pers Pvt. Ltd.	90	180	Agra	Hotel & Convention Centre
31	JHV Construc-tion (Hilton)	81	200	Azamgarh Road	Development of a Hotel on Varanasi-Azamgarh Road
32	HLA Hotels Ltd. (Holiday Inn)	80	200	Azamgarh Road	Development of a Hotel on Varanasi-Azamgarh Road
33	Khodal Corporation Pvt Ltd	79	250	Mathura	Toy train and road tram project

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S. No.	Company Name	Investment Intent (INR Cr)	Estimated Employment	Location	Project Details
34	M/s Anahita Hospitality LLP	75	140	Lucknow	Planning to establish a luxurious club with 5 star environment spread over 5 acres with 54 guest rooms, 1 banquet hall, conference hall and restaurants
35	Amko Exports	70	350	Ghaziabad	Export of made ups at UPSIDC
36	Khandelwal Cables Ltd	60	200	Mathura	Anandyog kendra
37	Sanu Builders Pvt. Ltd.	50	270	Agra / Ayodhya / Varanasi	World Class Holistic Resort, Hotel
38	Deep Awadh Hotels	50	200	18 Station Road, Lucknow	5 Star Hotel
39	Deep Distilleries & Breweries Pvt. Ltd. (Ramada Encore)	50	200	Kanpur Road, Lucknow	Hotel
40	Vrinda Eco Garden Ltd.	50	100	Mathura	Wellness Center
41	Khandelwal Cables Ltd	50	200	Mathura	Arogyam
42	Sikka Infraheights Pvt Ltd	38.63	100	Muzaffarnagar	Hotel
43	Nataraj Sai Hotels LLP	35	100	Jhansi	Hotel cum Entertainment Centre
44	Abhinav Exotic Resort	35	300	Muzaffarnagar	Resort & theme village
45	Shiva Construct-ions	30	12	Ayodhya	Ayodhya Darshan Water Resort
46	Sikka Promoters Pvt Ltd	28.51	60	Bareilly	Hotel

S. No.	Company Name	Investment Intent (INR Cr)	Estimated Employment	Location	Project Details
47	Beehive Hotel Pvt. Ltd.	25	50	Kanpur Road, Lucknow	Development of an Entertainment Zone
48	Sansar Infratech	25	75	Aligarh	Hotel/Multiplex
49	Lunar Educare Pvt Ltd	25	250	Lucknow	Wellness Center
50	Nordic Cruiseline Pvt. Ltd.	25	150	Varanasi	Luxury Cruise Boat Service on River Ganga
51	Namaste Airport Services Pvt. Ltd.	25	200	Muzaffarnagar	Rural tourism & wellness resort
52	M/s Shri Balaji Hospitality	20	200	Shahjahanpur	Banquets, resort, kitty party, conference hall, 70 rooms, roof, restaurant, swimming pool, bar, etc.
53	Om Sons Holiday Inn Pvt Ltd	15	100	Moradabad	Hotel Holiday Regency
54	Sustainable Smart Solutions Pvt. Ltd.	10	150	Varanasi	Hybrid Solar Boat Solutions
55	Lunar Educare Pvt Ltd	10	200	Lucknow	Wellness Center
56	Praveen Kumar Surana Company	8	50	Kanpur	Hotel/Restaurant
57	Anshul Buildcon Pvt Ltd	6	50	Kasganj	Hotel Industry
58	Visitworld Holiday	0.5	10		Development of Inbound Tourism
59	Apco Infratech Private Ltd	350	600	Lucknow	Construction of Hotel
60	Awasthi Hotels & Resorts	150	250	Lucknow	Construction of Hotel

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S. No.	Company Name	Investment Intent (INR Cr)	Estimated Employment	Location	Project Details
62	Praveen Kumar Surana	10	50	Lucknow	Construction of Hotel
63	Lexus Hospitality	350	-	Lucknow	Construction of Hotel

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