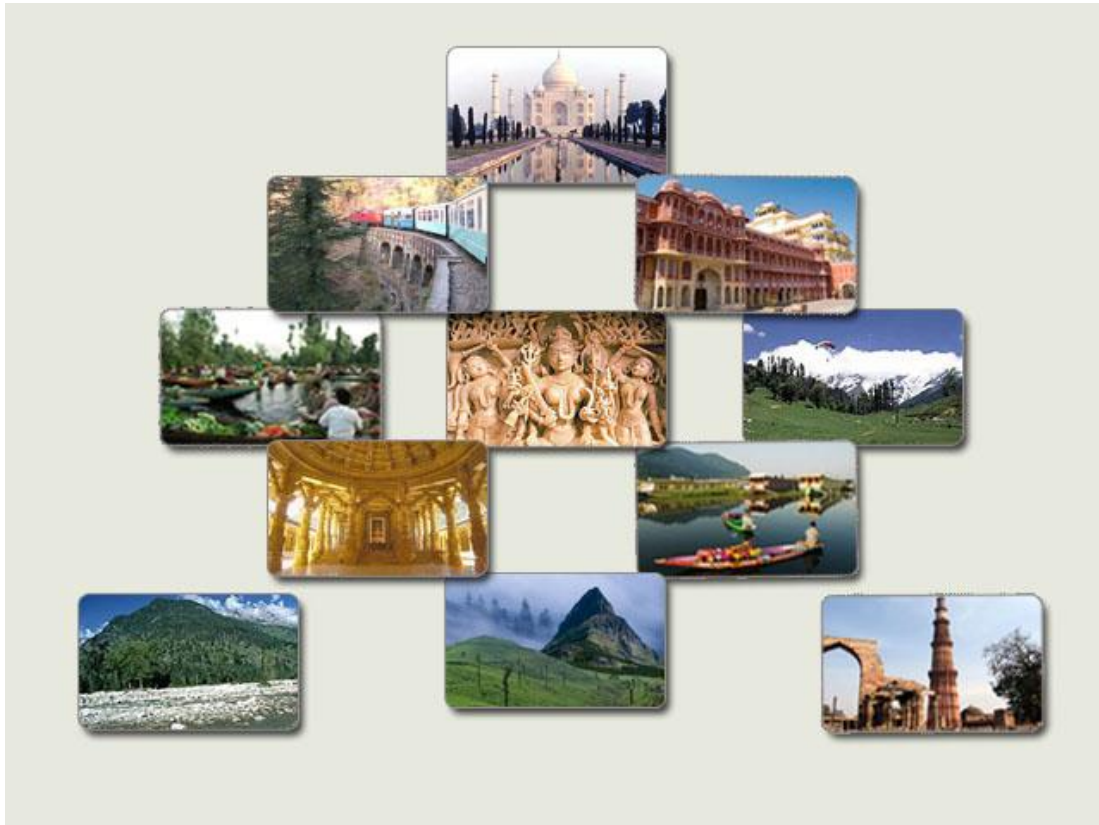


# Report on Tourism in India: An Institutional and Private Sector Perspective



Prepared by



India China Economic and Cultural Council  
印度中国经济文化促进协会

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# 1: INTRODUCTION

Tourism is a significant contributor to economic growth. The tourism sector's direct contribution to the GDP of India in 2011 was estimated at US\$ 32.7 billion. It registered a compounded annual growth rate (CAGR) of 13 per cent during the period of 2006-11. Total contribution increased to US\$ 76.7 billion in 2011 from US\$ 56.3 billion in 2009. Foreign Tourist Arrivals (FTAs) during the period of 2011-2012 also registered a steady growth. The growth rate in FEE in rupee terms in April 2012 over April 2011 was 17.8 per cent (Source: Ministry of Tourism.). Given these statistics, it is very clear that tourism in India has become a blooming industry growing at an accelerated rate. The projections for the 12<sup>th</sup> Plan period in terms of revenue and employment generation are quite encouraging. The factors responsible for the growth in the tourism sector and regulatory environment that supports this industry is complex and needs to be understood both at the National, State Level and local level.

## 1. INSTITUTIONAL MECHANISM ON TOURISM AT THE NATIONAL LEVEL

At the national level, the institutional mechanism on tourism consists of:

- i. The Ministry of Tourism (MoT)
  - ii. The Directorate General of Tourism as the nodal officer in-charge and responsible for all key functions of the Ministry.
- i) **Ministry of Tourism and its key role and functions:**

At the national level, the Ministry of Tourism functions as the nodal agency for the development of tourism in the country. It plays a crucial role in coordinating and supplementing the efforts of the State/Union Territory Governments, catalyzing private investment, strengthening promotional and marketing efforts and in providing trained manpower resources. Thus essentially, all significant matters related to national planning on tourism and its promotion are undertaken by the Union Ministry of Tourism. The Table below summarizes the key functions of the Ministry-

All Policy Matters including:	Planning Co-ordination with other Ministries, Departments, and State/UT Governments	Development and Outreach of Tourism	Assistance	Other Functions
Development Policies. Incentives. External Assistance. Manpower Development. Promotion & Marketing. Investment Facilitation.	Regulation of; Standards. Guidelines Publicity & Marketing: Policy. Strategies. Co-ordination.	Research, Analysis, Monitoring and Evaluation International Co-operation and External	International Bodies. Bilateral Agreements. External Assistance.	Foreign Technical Collaboration legislation and Parliamentary Work establishment matters, overall Review of the Functioning of the Field Offices, vigilance Matters, Official Language: Implementation of

				Official Language Policy, VIP References, Budget Coordination and Related Matters, Plan Coordination, Integrated Finance matters, Overseas Marketing (OM), Welfare, Grievances and Protocol
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**ii) The Directorate General of Tourism and its key role and functions:**

The Directorate General (DG) of Tourism works directly under the Ministry and is the nodal agency for the functional and implementation aspects of the tourism plans and policies. The DG plays the key role on the following aspects:

1. Assistance in the formulation of policies by providing feedback from the field offices
2. Monitoring plan projects and assisting in plan formulation
3. Co-ordinating the activities of the field offices and their supervision
4. Regulation in:
  - I. Approval and classification of hotels, restaurants, Incredible India Bed & Breakfast (IIB&B) units
  - II. Approval of Travel Agents, Tour Operators and Tourist Transport Operators, etc.
5. Inspection and Quality Control of:
  - I. Guide service
  - II. Complaints
6. Infrastructure Development:
  - I. Providing incentives
  - II. Tourist facilitation and information
  - III. Field publicity, promotion & marketing
  - IV. Hospitality programmes
  - V. Conventions & conferences
7. Human Resource Development:
  - I. Developing HRD Institutions
  - II. Setting standards and guidelines
8. Publicity & Marketing:
  - I. Policy

- II. Strategies
- III. Coordination
- IV. Supervision
- 9. Assistance for Parliamentary Work
- 10. Establishment matters of the Directorate General of Tourism as well as of the Ministry of Tourism

**COORDINATION AT CENTRE AND STATE LEVEL FOR DEVELOPMENT OF TOURISM**

India’s tourism policy specifies the responsibility for tourism development as a common endeavour of all agencies vitally concerned with tourism at central and state levels, including public and private sector enterprises; airlines, railways and road transport systems; municipal and local bodies as well as cultural and educational institutions.

As mentioned before, the Ministry of Tourism is the nodal agency for the development of tourism and it coordinates with the other concerned ministries, such as Railways, Civil Aviation, Road Transport & Highways, Food Processing and Urban Development; State/Union Territory Governments and Local Bodies.

**Inter-Ministerial Coordination**

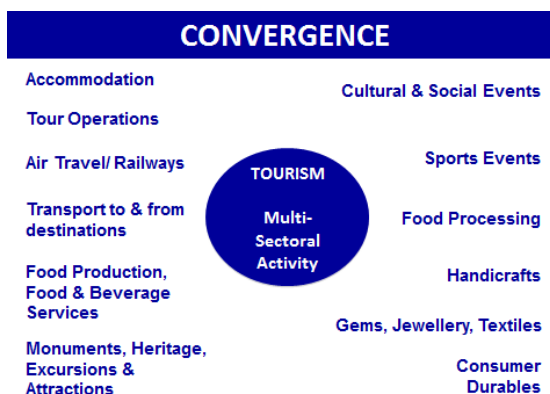
Ministry of Tourism interacts with other Central Govt. Ministries, such as Railways, Civil Aviation, Road Transport & Highways, Food Processing and Urban Development, and also the concerned State Governments, to achieve convergence and synergy with their programmes so that the impact of investment in these destinations is maximized.

To achieve a higher level of coordination between various Ministries on issues of tourism development, an Inter Ministerial Coordination Committee for Tourism Sector (IMCCTS) has been set up under the chairmanship of Principal Secretary to the Prime Minister. Its members include Secretaries of various Ministries.

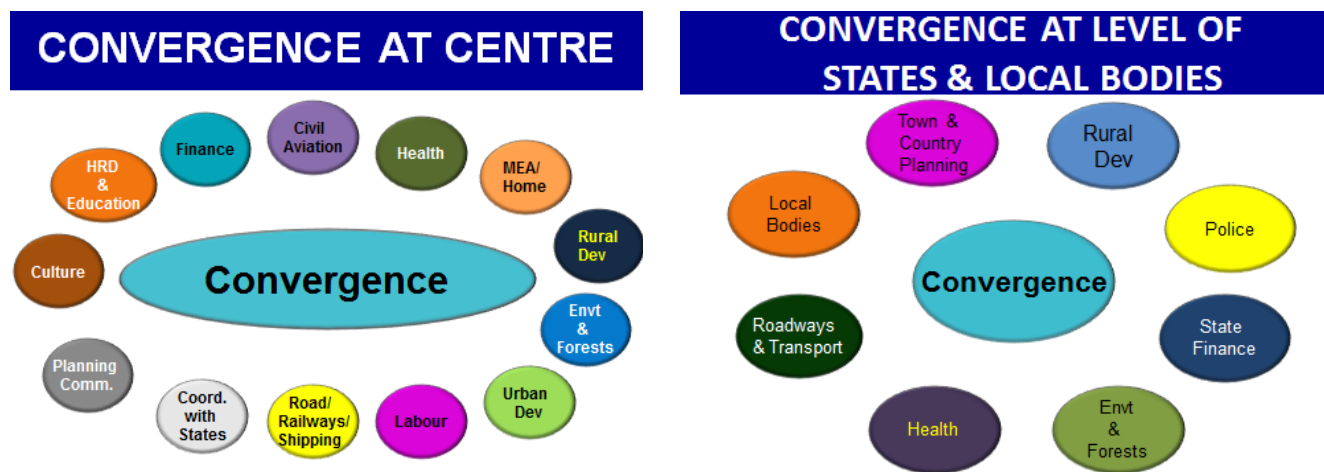
Then there are two sub-committees which looks after the different sectors of tourism:

- A Committee consisting of Member Secretary, Planning Commission, Culture Secretary, Secretary (Environment and Forests), Secretary (Rural Development) and Secretary (Tourism) which identifies the potential of tourism in rural, eco and cultural sectors in the country and reports to the Ministry of Tourism.
- A coordination Committee consisting of Joint Secretaries of Ministry of Home Affairs, External Affairs to resolve day to day visa related complaints.

Tourism is a multi-sectoral activity. For its development, active involvement of all the agencies is required. Some of the sectors which are linked with the tourism sector are presented.



As the tourism projects are basically implemented at the State/U.T. level, convergence among various Ministries/ Organizations is done at Central as well as State level. A tentative list of organizations at Central and State level which are involved in this convergence exercise is given below:



Specific assistance provided by some of the Ministries at Central level is illustrated below:

**Part One - Development of Infrastructure**

Ministry of Road, Transport & Highways	Improving connectivity of key destinations through National Highways
Ministry of Civil Aviation	Improving Air Connectivity at Key Destinations
Ministry of Defence	Better utilization of Defence Airport/ Strips
Ministry of Railways	Up-gradation of Railway Stations, Improving Rail Connectivity

**Part Two – Facilitation for Tourists and Stakeholders**

Ministry of Home Affairs	Extension of Visa on Arrival to more countries and more airports
Ministry of External Affairs	Visa regulations & Service Delivery
Reserve Bank of India	Inclusion of hotels in infrastructure lending list
Ministry of Finance	Rationalization of Taxes
Ministry of Railways	Rationalization of operational charges (Haulage) levied by Ministry of Railways on Luxury Trains
Ministry of Rural Development	Convergence with Anti-poverty & Self Employment Programs
Ministry of Environment & Forest	Preparation of Eco Tourism Policy Assessment of carrying capacity of Eco sensitive Zone for sustainable tourism

The Department of Tourism in each state has responsibility for implementation of tourism projects funded by the Department of Tourism, Government of India and the project identified by them under their respective state tourism policy.

### Development of Tourism Infrastructure:

Infrastructure such as accommodation, restaurants, built attractions; tours and transport are primarily developed by private sector. Private investors require good airport and road infrastructure and the availability of affordable basic service such as power, water, sewerage, electricity and telecommunication, make tourism investment economically viable.

For the integrated development of tourism infrastructure in the country Ministry of Tourism has appointed a National Level Consultant (NLC) to identify important circuits/ destinations. The NLC, in addition to identifying the infrastructure gaps in the identified circuits, also estimate the investment required for bridging these infrastructure gaps. While estimating the investment required the NLC takes into account the fund available from other Ministries at the Central and State level for creation of the identified infrastructure. On the pattern of NLC, Ministry of Tourism funds the selection of State Level Consultant (SLC) which prepares the Detailed Project Report (DPR), facilitate the involvement of the private sector, monitor the implementation of the projects, etc. The NLC at the Centre and SLC at the State level facilitate the convergence among various Ministries/Organizations at Central and State level.

Proper air, rail or road connectivity to important tourist destination is very important. Ministry of tourism in collaboration with other ministries such as civil aviation, road transport and highway, railways coordinate for the development of connectivity infrastructure of tourist destination.

Currently, Ministry of Tourism in collaboration with Ministry of Railways is developing a channel for connecting the tourist destinations, as rail is most preferred mode of transport for domestic tourist.

**Identification of Tourist Circuits** is on the basis of their tourism potential and significance attached to the site. States/ U.Ts identify the important tourism destinations/ circuits which can be covered under the convergence. The perspective plan, vision plans and the tourism policy of the state form the basis for prioritizing the circuits. Development of the circuit begins with pre-feasibility study. A tourist circuit can be limited to a particular state or it can be a regional circuit covering more than one state/UT. The regional circuit with destinations covered in more than one state/UT is liable for discussion and finalizing in the regional consultation meetings.

After consultations among stakeholder states and after formal approval of the circuit by Ministry of Tourism the detailed Project Report (DPR) of particular components and implementation of components of the circuit lies with the concerned state governments with their respective jurisdiction.

Public funding of schemes comes from the Ministry of Tourism (GOI), State Tourism department's funds, various other government schemes like Jawaharlal Nehru National Urban Renewal Mission (*JnNURM*), Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT), Environmental Improvement Schemes, Financial Commission Grants, and Local Body Funds etc.

State/UTs have appointed a State Level Project Management Agency (SLPMA) for each State/UT for the preparation of Detailed Project Report. The role and duties assign to SLPMA are, preparation of detailed project reports, bid process and selection of implementing agencies, assisting bidders in financial closer in PPP projects, establishing project monitoring system for monitoring and evaluation of sanctioned projects, to interact intensively with state government and its authorities to get the sanctioned tourism projects completed in given time frame.

Government also encourages people's participation in tourism development including Panchayati Raj institutions, local bodies, Co-operatives, non-governmental organizations and enterprising local youth to create public awareness and to achieve a wider spread of tourist facilities. However, focused attention is given for the integrated development of identified centers with well-directed public participation.



**Public Private Participation in Tourism**

The 2002 Tourism Policy encourages private participation in tourism infrastructure development. The Policy envisages that the Government aims to achieve necessary linkages and synergies in the policies and programs of all concerned Departments/agencies by establishing effective co-ordination mechanisms at Central, State and District levels. The focus of national policy, is to develop tourism as a common endeavor of all the agencies vitally concerned with it at the Central and State levels, public sector undertakings and the private sector.

A constructive and mutually beneficial partnership between the public and the private sectors through all feasible means is an absolute necessity for the sustained growth of tourism. It is, therefore, the policy of the Government to encourage emergence of such a partnership. This will be achieved by creating a Tourism Development Authority consisting of senior officials of the Government and tourism experts and professionals from the private sector. The Policy envisages a role clarity for the government and private sector and identifies areas where partnership can be build.

Role of the Government	Role of the Private Sector
Provide basic infrastructural facilities including local planning and zoning arrangements.	Build and manage the required tourist facilities in all places of tourist interest.
Plan tourism development as a part of the overall area development strategy.	Assume collective responsibility for laying down industry standards, ethics and fair practices.
Create nucleus infrastructure in the initial stages of development to demonstrate the potential of the area.	Ensure preservation and protection of tourist attractions and give lead in green practices.
Provide the required support facilities and incentives to both domestic and foreign investors to encourage private investment in the tourism sector.	Sponsor maintenance of monuments, museums and parks and provision of public conveniences and facilities.
Rationalize taxation and land policies in the tourism sector in all the States and Union Territories and in respect of land owned by Government agencies like Railways.	Involve the local community in tourism projects and ensure that the benefits of tourism accrue to them in right measure.
Introduce regulatory measures to ensure social, cultural and environmental sustainability as well as safety and security of tourists.	Undertake industry training and man-power development to achieve excellence in quality of services.
Ensure that the type and scale of tourism development is compatible with the environment and socio-cultural milieu of the area.	Participate in the preparation of investment guidelines and marketing strategies and assist in database creation and research.
Ensure that the local community is fully involved and the benefits of tourism accrue to them.	Facilitate safety and security of tourists
Facilitate availability of trained manpower particularly from amongst the local population jointly with the industry.	Endeavour to promote tourism on a sustained and long term perspective.  Collaborate with Govt. in the promotion and marketing of

<p>Undertake research, prepare master plans, and facilitate formulation of marketing strategies.</p> <p>Organize overseas promotion and marketing jointly with the industry.</p> <p>Initiate specific measures to ensure safety and security of tourists and efficient facilitation services.</p> <p>Facilitate the growth of a dynamic tourism sector.</p>	<p>destinations</p>
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**Funding for Tourism Development**

Ministry of Tourism grants Central Financial Assistance to State Governments/Union Territory (UT) Administrations for tourism projects which are prioritized every year in consultation with them, subject to availability of funds, inter-se priority and adherence to the scheme guidelines.

There is no earmarking of funds for States/UTs.

The Government facilitates larger flow of funds to tourism infrastructure and to create a Tourism Development Fund to bridge critical infrastructural gaps. Priority is given for development of tourist infrastructure in selected areas of tourist importance and for those products which are considered to be in demand in the existing and future markets so that limited resources are put to the best use.

## 2. Heritage Tourism

India has always been famous for its rich heritage and ancient culture. So the onset of heritage tourism in India was long anticipated. India's glorious past and cultural diversity make a potent blend which attracts millions of tourists each year to its heritage tourist attractions. The government of India and the Ministry of Tourism and Culture encourage heritage tourism in India by offering several benefits to the Indian states that are particularly famous for attracting tourists.

India's rich heritage is amply reflected in the various temples, palaces, monuments, and forts that can be found everywhere in the country. This has led to the increase in India's heritage tourism.

### HERITAGE SITES IN INDIA

The Archaeological Survey of India (ASI), as an attached office under the Department of Culture, Ministry of Tourism and Culture, is the premier organization for the protection of the cultural heritage of the nation. Maintenance of ancient monuments and archaeological sites and remains of national importance is the prime concern of the ASI. Besides it regulate all archaeological activities in the country.

The Archaeological Survey of India (ASI) under the provisions of the AMASR Act, 1958 protects monuments, sites and remains of national importance by giving a two-month's notice for inviting objections, if any in this regard.

After the specified two-month's period, and after scrutinizing the objections, if any, received in this regard, the ASI makes decision to bring a monument under its protection.

There are at present more than 3650 ancient monuments and archaeological sites and remains of national importance. These monuments belong to different periods, ranging from the prehistoric period to the colonial period and are located in different geographical settings. They include temples, mosques, tombs, churches, cemeteries, forts, palaces, step-wells, rock-cut caves, and secular architecture as well as ancient mounds and sites which represent the remains of ancient habitation.

For the maintenance of ancient monuments and archaeological sites and remains of national importance the entire country is divided into 24 Circles. The organization has a large work force of trained archaeologists, conservators, epigraphist, architects and scientists for conducting archaeological research projects through its Excavation Branches, Prehistory Branch, Epigraphy Branches, Science Branch, Horticulture Branch, Building Survey Project, Temple Survey Projects and Underwater Archaeology Wing.

## CLASSIFICATION OF HERITAGE SITES

Heritage sites in India are classified into the following categories:

### **On the Basis of Religion:**

**1) Buddhist monuments:** Between the 5th century BC and 12th century AD, Buddhism proved to be dynamic system of beliefs being renowned and accepted not only in India but also in countries like China, Japan, Bhutan, Vietnam, Tibet, Cambodia, Ceylon, Burma, Sri Lanka etc. Having its genesis in India, Buddhism has its adherents all cross the globe. Devotees and tourists flock to India in hordes to pay a visit to the significant Buddhist sites that remain scattered all over the country.

Buddhist monuments in India are a big draw for tourists and pilgrims from all over. States like Bihar, Madhya Pradesh, Andhra Pradesh, Uttar Pradesh, Maharashtra and Orissa are replete with Buddhist sites. These monuments are firstly significant pilgrimages for devotees and secondly they are also a window to Buddhist art and architecture in India.

**2) Jain Monuments:** The Jain monuments refer to various statues and temples built by the Jains. The monuments vary in size and have been built all over India. They represent holy places of worship for the Jains, and while there is ongoing construction of these monuments, most of them are centuries old. The monuments represent an important aspect of Jain worship.

**3) Hindu or Brahmanical monuments:** Mostly temples fall under this category. Hindu temple architecture combines harmony and symmetry with a high degree of outer adornment. Elements are designed to have correct proportions and exert a positive influence on their surroundings. What makes the architecture as a whole so beautiful is the way the small details harmonize and mix with the massive architecture.

**4) Muhammadan Monuments:** Most of the heritage sites in India fall under this category. One of the wonders of the world i.e. "Taj Mahal" is a Muhammadan monument build by Mughal emperor Shah Jahan in memory of his third wife Mumtaz Mahal. The major Muhammadan monuments includes; Mosque, Tomb, Palace and Fort. Islamic monuments in India is a result of successive invasion of India and rise of Islam as a religion. Islamic monuments also include forts build by the Muslim rulers. Red Fort the huge sandstone structure is considered to be one of the wonderful Islamic work of art in India.

## CONSERVATION AND PRESERVATION OF HERITAGE SITES:

The 'Ancient Monuments and Preservation Act, 1904' was passed with the prime objective to ensure the proper upkeep and repair of ancient buildings in private ownership excepting such as those used for religious purposes. From the first decade of the last century therefore many monuments could be taken up for conservation.

One of the foremost conservators, J. Marshall who laid down the principles of conservation was also instrumental in preserving a number of monuments some of which are now under the World Heritage List. The conservation work of stupas at Sanchi earlier lying in a maze of ruins gave the site its pristine looks. The conservation processes had now become quite formalized and the later workers in the field were acquiring cumulative knowledge of several generations. Even before Independence, thus, the Archaeological Survey of India had developed significant expertise so much as that it was invited for conservation work in other countries. Some of the outstanding examples of such works are that of Bamiyan in Afghanistan and later in the Angkor Vat of Cambodia.

### **Chemical Preservation**

The Archaeological Survey of India's Science Branch is responsible mainly for the chemical conservation treatment and preservation of some three thousand five hundred ninety three protected monuments besides chemical preservation of museum and excavated objects countrywide.

The real challenge before them is to plan the necessary measures of conservation with a view to assure the survival of these built cultural heritage and unique symbols of our civilizations for centuries to come, with as little intervention as possible but without altering or modifying in any way the authenticity of their original character. To ensure the stability as well as proper conservation of our cultural heritage, there is a need to give more thrust to the scientific research in conservation options must be based on a preliminary investigation which includes the knowledge of physical nature of the object (constituent materials, architectural characteristics, production techniques, state of decay) and of the factors which induce or could induced its decay. In other words, as in the case of medical study the field of conservation therapy to be based on a correct diagnosis.

The role of scientific discipline is vital to both these steps of conservation activities. Accordingly, a specific objective of scientific research activities in conservation being carried out by the Science Branch is aimed to study:

- Material deterioration process
- Basic studies of intervention technologies
- Basic studies on materials
- Diagnostic technologies

### **The treatment strategies for cultural heritage are conceived according to the following principles:**

They must assure reversibility, i.e. if technically possible, use materials whose effect can be reversed.

Not prejudice a future intervention whenever one may become necessary.

Not hinder the possibility of later access to all evidence incorporated in the object.

They must maintain authenticity, i.e. allow the maximum amount of existing historical material to be retained ensure harmony with original design and workmanship (in colour, tone, texture, form and scale).

Do not allow new additions to dominate over the original fabric, but respect its archaeological potential, and meet the test of authenticity in design, material, workmanship or setting and in the case of cultural landscape their distinctive character and components.

**The main activities of the Science Branch that fall under head CHEMICAL PRESERVATION**

Chemical treatment and preservation of about 3650 centrally protected monuments including 19 centrally protected world heritage monuments.

Chemical treatment and preservation of museum exhibits and excavated objects Scientific and technical studies as well as research on material heritage of different building material to study the causes of deterioration with a view to evolve appropriate conservation measures in order to improve the state of preservation of our built cultural heritage and physical heritage as well.

Chemical conservation of monuments and heritage sites abroad.

Technical assistance to state protected monuments as well as built cultural heritage under the control of trusts in the form of deposit works.

To impart training on chemical conservation to the students of Post Graduated Diploma in Archaeology, from Institute of Archaeology, Red Fort, Delhi.

To organize public awareness programme and workshops/seminars with regard to scientific conservation works.

## 3: POLICY FRAMEWORK ON TOURISM IN INDIA

The First National Policy on tourism was announced in 1982. The Tourism Policy of 1982 had limitations in as much that it did not take into account the role of the private sector and foreign investment. The 1982 Policy also did not lay adequate emphasis on domestic tourism and product development. The Policy was formulated in an environment of a closed economy. Over a span of 20 years, several policy initiatives were taken to promote tourism at a much wider scale than previously. On the recommendations of the National Tourism Committee in 1986 (Yunus Committee), the Planning Commission decided to set up a separate financial institution for the development of tourism.

### **National Action Plan and Strategy on Tourism, 1992:**

In 1992, a National Action Plan was prepared and in 1996 the National Strategy for the Promotion of Tourism was drafted. In 1997, the *New Tourism Policy* recognised the roles of Central and State governments, public sector undertakings and the private sector in the development of tourism. The need for involvement of Panchayati-Raj<sup>1</sup> institutions, local bodies, non-governmental organisations and the local youth in the creation of tourism facilities has also been recognised. The other important recommendations of the NTC in 1986 were also adopted and continue to be in operation during the 12<sup>th</sup> Plan period.

### **National Tourism Policy, 2002:**

National Tourism Policy, 2002 is the key guiding document for current planning on tourism in India. The core objective of the NTP, 2002 is to position tourism as a major engine of economic growth and to harness its direct and multiplier effects for employment and poverty eradication in an environmentally sustainable manner.

#### **Other key objectives of the National Tourism Policy are:**

- The policy proposes the inclusion of tourism in the concurrent list of the Constitution to enable both the central and state governments to participate in the development of the sector.
- No approval required for foreign equity of up to 51 per cent in tourism projects. NRI investment up to 100% allowed.
- Automatic approval for Technology agreements in the hotel industry, subject to the fulfillment of certain specified parameters.
- Concession rates on customs duty of 25% for goods that are required for initial setting up, or for substantial expansion of hotels.
- 50% of profits derived by hotels, travel agents and tour operators in foreign exchange are exempt from income tax. The remaining profits are also exempt if reinvested in a tourism related project.

#### **Early efforts on tourism policy in India:**

The first conscious and organized effort to promote tourism in India was made in 1945. The development of tourism was taken up in the planning process since the Second Five-Year Plan in 1956, but, the Sixth Five Year Plan marked the beginning of a new era when tourism began to be considered as a major instrument for social integration and economic development. However, it was only after the 80s that tourism activity gained momentum. Several

<sup>1</sup> Panchayati Raj is a system of governance in which gram (village) Panchayats are the basic units of administration. It has three levels: village, block and district. Mahatma Gandhi advocated Panchayati Raj, a decentralized form of Government where each village is responsible for its own affairs, as the foundation of India's political system. State governments adopted this during 1950s and 60s as laws were passed to establish Panchayats in various states.

**The Strategic Action Plan on Tourism, 2012:**

Due to significant increase in tourism related activities and its impact on national and local economy, Ministry of Tourism launched a Strategic Action Plan (SAP), 2012. SAP is expected to give a boost to the tourism sector by specific and strategic focus on number of areas that need attention of the national and state governments. The SAP is a comprehensive document that identifies key priority areas for the development and planning for the next five years and draws a sector wise strategic action plan for each of these sectors

**Strategic Action Plan on Tourism, 2012**

The core objectives of the Plan are to develop tourism infrastructure in the country with niche products and take measures for increasing the visibility of Indian Tourism Sector, development of HRD infrastructure with quality human resource in the hospitality sector, development of hotel accommodation requirements and standards and facilitation of quality services in the tourism industry. The priority development goals under the SAP are:

1. Development of Tourism Infrastructure
2. Monitoring of tourism infrastructure projects
3. Accommodation for tourists
4. Publicity and Marketing
5. Human Resource Development
6. Approval of travel trade establishments & rationalization of taxes
7. Developing new tourism products

The SAP also takes into account the need for effective monitoring that would be required for the strategic development of these areas and lays down a monitoring mechanism consisting of both state and central level government institutions. Branding, market studies and surveys for the qualitative development of tourism. The SAP lays down a comprehensive plan for the implementation of above mentioned priorities for the tourism sector.

**2.1. FINANCIAL AND NON FINANCIAL POLICY MEASURES IN THE TOURISM INDUSTRY:**

*In India, tourism has been declared as a priority sector for foreign direct investment.* The horizons for foreign investment in the tourism sector have been widened and it has been eligible for automatic approval of foreign direct investment up to 51 per cent of the equity. Higher foreign equity participation in specific cases is also allowed on a case-by-case basis. Non-resident Indian investment of up to 100 percent is allowed. Automatic approvals are given for foreign technology agreements and management contracts within specified parameters. Several Incentives and the status of Industry to tourism have been given by central and state governments. The specific examples of financial and non financial measures are given below.

<b>Infrastructure Subsidy</b>	One star to three star categories hotels which is outside metropolitan cities gets 3% interest subsidy and a 5% subsidy is available for such hotels projects if they are located within the travel circuits and destinations identified for intensive development under the National Action Plan for Tourism.
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<b>Income Tax Exemption</b>	As a fiscal incentive, 50 per cent of the foreign exchange profits derived by hotels, travel agents and tour operators are exempt from income tax. The balance in foreign exchange is also exempt provided it is reinvested in tourism projects.
<b>Incentives for Pilgrimage and Rural Tourism</b>	Pilgrimage places Hotels, rural areas and hilly areas hotels are allowed an income tax exemption of 50 per cent on their profits. Hotels located in other areas are allowed a 30 per cent exemption. This advantage is not for those hotels which are located in metropolitan cities.
<b>Incentives for Import of Special Items</b>	Imports of special items for the hotel industry are permitted, subject to import entitlement. Concessional customs duty rates are charged for imports of specified goods required in the initial setting up or substantial expansion of hotels.
<b>Concessional Duty Rates over identified export capital goods</b>	For hotels, Restaurants, Travel agents and tour Operators an Export Promotion Capital Goods Scheme has been introduced. Under the scheme, capital goods can be imported at a concessional duty rate of 10 per cent, subject to the fulfillment of an export obligation over a period of time

## 2.2. SPECIFIC FISCAL AND FINANCIAL POLICY MEASURES:

During the 12<sup>th</sup> Plan Period, Government of India undertook number of initiatives for promoting the Tourism Sector. Tax Benefits for the promotion of tourism related industries and services constituted an important component. There are various Tax benefits and incentives that are being provided to the Tourism Industry. These are the following:

### a. Five Year Tax Holiday for the Hotels located in UNESCO world heritage sites:

The star rated Hotels in India are being provided five year tax holiday under the new scheme of the Government of India with effect from 01.04.2008. As per this provision the two, three and four star category Hotels are being provided tax exemption to a certain period i.e. till 31.03.2103. These Tax Holidays are not available to the hotels located in Mumbai and Delhi. However, Tax Holidays will be available to all hotels of 2, 3 & 4 star category to all the Hotels located in all UNESCO declared world heritage sites.

### b. Special Tax Incentives under the Income Tax Act, 1961

Two Star Hotels in India are being provided special Tax benefits under the Income Tax Act. These Tax Incentives are given under Section 35 AD of the IT Act, 1961. The Section 35 AD may be mentioned here for the convenience.

**35AD. Deduction in respect of expenditure on specified business.-** (1) *An assessee shall be allowed a deduction in respect of the whole of any expenditure of capital nature incurred, wholly and exclusively, for the purposes of any specified business carried on by him during the previous year in which such expenditure is incurred by him*

This provision allows for the tax benefits to be given to certain businesses. Government of India, as per this provision announced (in 2010-2011), that 2 star hotels all over India are being given 100% deduction in respect of the whole or any expenditure of capital nature. This exemption under the Income Tax Act does not include the cost of land, goodwill and financial instruments. This allows 100% deduction in respect of all or any expenditure incurred during the financial year.

c. **Luxury Tax:**

Levy of luxury tax on hotel accommodation is a State subject. The State Governments/UTs have the power to levy luxury tax on hotel tariff. It can be observed that the taxes range from 4% to 20%. In many States, the levy of luxury tax is on printed tariff as against the actual tariff paid by the visitor. The actual tax rates shoot of up to 30% as the tariff charged can be substantially less than printed tariff, particularly in the lean season. The Chart below provides the description of luxury tax levied by different state governments:

d. **State Specific Exemption from the Luxury Tax below a certain threshold:**

In addition to the various tax exemptions as shown in the table below, the State Governments/UT Administrations have also specified a threshold limit below which the luxury tax is exempted. The details available in various reports reveal that these exemption limits are as low as Rs.200 per day. In the budget of F/Y 2011-12, a service tax of 10% (with an abatement of 50%) on hotels having a tariffs above Rs.1000 has been imposed.

**Structure of taxes being levied on the hospitality sector 11th five year plan period**

Sl. No.	State	Luxury Tax	Actual/Printed rate	Threshold limit	Vat On Food Item	Vat On Liquor	Service Tax
1.	Andaman & Nicobar Islands	N.A	N.A	N.A	N.A	N.A	Accommodation Charge @ 5.15% Per Year Restaurant Charge @ 3.09% Per Year W.E.F. 01.05.2011
2	Arunachal Pradesh	Nil	Nil	Nil	12.5%	20%	10.3% On 60% Of Capital Amount For Banquet, Conf. Room, Etc.
3	Assam	Rs.300 To Rs.1000	Printed Rate	Rs.300/-	5%	27%	-Do-
		@5%					
		Rs.1000 To Rs.2000					
		Rs.2000+					@12%
4	Meghalaya	20%	Printed	No Exemption	12.5%	Nil	-Do-

5	Sikkim	Nil	Nil	Nil	12.5%	Nil	-Do-
6	Orissa	N.A	N.A	N.A	13.5%	Nil	5.15% On
7	West Bengal	5% For Room Rent Up To Rs. 3000/- And 10% Above Rs. 3000/-	Na	Na	13.5%	23%	10.3%
8	Bihar	5% For Room Rent Or More Per Day But Less Than Rs.1000 Per Day	Na	Na	13.5%	50%	Na
		10% Of The Rent Of Rs.1000 And Above Per Day					
8	Punjab	4%	On Actual Tariff	Rs.200/-	13.75%	No Vat On Liquor	
9	Haryana	10%	On Actual Tariff	Rs.1999/-	13.13%	26.25%	
10	Rajasthan	10%	On Actual Tariff	Rs.2999/-	14% On Food For 3 Star & Above	20% On Liquor	
			On Actual Tariff		5% On Food For 2 Star & Below Including Un-		
11	Uttarakhand	5%	On Actual Tariff	Rs 999/-	13.5% On Food	32.5% On Liquor	32.5% On Liquor
12	Himachal Pradesh	10%	On Actual Tariff	Rs 999/-	5% On Food	13.75% On Soft Beverages	13.75% On Soft Beverages
13	Delhi	10%	On Printed Rates	Rs 999/-	12.5% On Food	20% On Liquor	20% On Liquor
14	Uttar Pradesh	5%	On Actual Tariff	Nil	13.5%	Nil	10.3%
15	Chandigarh	4%	On Actual Tariff	Nil	16.84%	Nil	5.15% On Room

16	Jammu &	Nil	Nil	Nil	13.5% On Food	Nil	Nil
17	Tamil Nadu	12.5%	On Printed Rates	Rs.1000/-	12.5%	58% Vat On Imported	10.3% Of 60% Of The Turn Over
18	Puducherry	Nil	--	--	2% On Food	Nil	10.3% On Banquets
					12.5% On Soft Drinks & Mineral Water		
					4% On Fresh Juices		
					8% On Ice Cream		
					12.5% On Pastries		
					15% On Cigarettes		
19	Kerala	7.5%	Actual Tariff	Rs.200/- To Rs.499/-	12.5% On All Hotels With Turnover Of Rs. 5 Lakh And Above.	Nil (10.1% Of Turnover On Sales Value Will Be Paid By The Hotelier)	10.36 %
		12.5%	Actual	Rs. 500/-			
20	Andhra Pradesh	5 %	Printed Tariff	Rs.300/-	No Vat Below Rs.5.00 Lakh	Nil	10.3% Of 60% Of The Turnover For Banquets
					4% For Turnover Of Rs.5.00 Lakh To Rs150.00 Lakh		
					14.5% Vat For Turnover Above Rs.150.00 Lakh.		
21	Karnataka	12%	Actual Tariff	Rs.2000/- & Above	13.5%	Nil	6.49% On Banquets
		8%	Actual Tariff	Rs.1000/- To Rs.1999/-			
		6%	Actual Tariff	Rs.600/- To Rs. 999/-			

22	Maharashtra	Rs.750/-To Rs.1200/- 4.4%	Actual Tariff	Rs.750/-	12.50%	12.50%	
		Above Rs.1200/- 10%					
27	Daman & Diu	Nil	-	-	4%	20%	5.5%
28	Dadra Nagar & Haveli	Nil	-	-	4%	20%	5.5%

### 2.3. SPECIFIC NON FINACIAL POLICY MEASURES

#### a. External Commercial Borrowing (ECB)

Hotels in India are also eligible for availing what are known as External Commercial Borrowing (ECB) facility up to US \$ 100 million for setting up new hotel projects.

#### b. Relaxed credit norms and reduced interest rates for Hotels

Hotels in India are being encouraged in the form of providing a special relaxation on real estate value known as Commercial Real Estate where a hotel project will be entitled to avail credit at the relaxed norms and reduced interest rates

#### c. Taxes on Food & Beverages

The consumption of food and beverages by domestic and international tourists is significant and thus calls for a certain tax regime which has been imposed by the Government of India. As per the current tax structure it can be seen that VAT on food item ranges from 5% to 16.84% in various states. Similarly, VAT on liquor varies from 13% to 58%. In addition, from budget of 2011-12, a service tax of 10% (with an abatement of 70%) on air conditioned restaurants has been imposed. The Table –I above provides the details of VAT applicable on food items and liquor in different states.

#### d. Passenger and Road Transport Taxes:

International and domestic tourists move around the destinations in tourist coaches/ cars. Many of the popular tourist circuits require inter-state movements. To illustrate, the golden triangle circuit of Agra-Delhi-Jaipur cover 4 states of Delhi, Haryana, Uttar Pradesh and Rajasthan. While moving across these 4 states, the tourist vehicles have to pay road and passenger taxes. The tax structure varies from state to state. The taxes can be levied per seat basis or per k.m. basis. They could be calculated on per day, weekly, monthly or quarterly basis. According to an estimates made by Indian Tourist Transport Association (ITTA), for a 3 day package between Delhi, Agra and Jaipur, the total rate and passenger tax paid is 23% of the package cost.

#### e. Taxes on Air Travel

As per the current trends and samples available from various travel agencies it is ascertained that multiple taxes are levied on air ticket as follows:

- i. Fuel surcharge varying from Rs.1850 to Rs.2500/-.
- ii. Transaction charge varying from sector to sector.

- iii. New service tax of Rs.185/-.
- iv. Passenger service tax
- v. Airport Tax/User development fee which varied from Rs.200 to Rs.400/- depending on port of departure.
- vi. Service tax (0.62% of basic fare charged from the travel agents/tour operator services)

In addition, individual states are levying Air Turbine Fuel (ATF) charges which are available. The ATF ranges from 20 to 38% in various states. This tax increases the cost of the services delivered by the airlines and is reflected in basic fare.

#### f. Taxes Levied on Goods & Services Tax (GST)

The GST regime has been started recently in April 2012. As per the GOI policy, the idea behind GST is that the introduction of GST at the Central level will not only include comprehensively more indirect Central taxes and integrate goods and service taxes for the purpose of set-off relief, but may also lead to revenue gain for the Centre through widening of the dealer base by capturing value addition in the distributive trade and increased compliance.

#### g. Inclusion of Hotels in the Infrastructure Lending List of the Reserve Bank of India:

The Reserve Bank of India had accepted a long pending request for classifying the hotel sector as the Classified Real Estate (CRE) category. The Hospitality Industry, it is estimated, in order to bridge the present shortage of 1.68 Lakh rooms in classified hotels and 2.84 Lakh in unclassified accommodation units would require huge investment during 12th Plan (2012-17). This even after taking into consideration that approximately 20, 000 rooms which are under various stages of implementation and would be added to the market in the next 3 to 4 years. With this investment, the Hotel Sector can create more infrastructures, especially in smaller cities, Beach Resorts, Heritage Sites, Rural Tourism Sites and most importantly, help in creating employment and livelihoods in these respective areas, thus bestowing externalities on society.

## 2.4. SECTOR SPECIFIC POLICES AND PLANS

### *Rural and Domestic Travel Development Plan And Marketing*

The Tourism Policy 2002 postulates that rural tourism is the foundation of a sustainable tourism industry for the country. The Policy realizes that the growth of global tourism is dependent on domestic tourism, which needs to be more focused on rural destinations. The Policy further realizes that with the growing interest of different countries in the intangible culture and cuisine of rural India, there is strong potential for encouraging international tourism to rural areas.

### *Schemes and Programs to promote Rural Tourism:*

With the objective of showcasing rural life, the Ministry of Tourism started a scheme in 2002-03 to promote rural tourism. The objective of the Scheme is to showcase rural life, art, culture and heritage at rural locations and in villages, which have core competencies in art & craft, handloom, and textiles as an asset base in the natural environment. The promotion of village tourism is also aimed at generating revenue for the rural

Demand For Special Tax Exemption from Service Tax vide Notification No.17/2000 – Service Tax dated July 7, 2009

**Deemed Export Status / Exemption From Para 63, Service Tax Act, 1994 like Exporters who earn in Convertible Foreign Exchange:** Exporters who earn in convertible foreign exchange are exempted from Service Tax vide Notification No.17/2000 – Service Tax dated July 7, 2009 which covers service provided by an agent located outside India and enters into agreement with the exporter for which service commission is paid to the agent abroad. However, the foreign exchange earned by the inbound tour operators who are approved by the Ministry of Tourism, Govt. of India is also not exempted from the Service Tax. This has been put up for consideration in the 12<sup>th</sup> Plan Period.

communities through tourist visits, thereby controlling the exodus from rural to urban areas. The Scheme consists of what is known as Hardware (HW) and Software (SW). HW constitutes infrastructure development and SW constitutes capacity building exercises. The HW components of the rural tourism projects (RTPs) have been provided funds from the plan scheme 'Product/ Infrastructure development for destinations and circuits' (PIDDC). The SW components of RTPs have been funded from GOI-UNDP Endogenous Projects scheme. As at 28 February 2011, rural tourism sites in 28 States/Union Territories have been sanctioned by the Ministry of Tourism. The Village Level Council (VLC) is the interactive forum for local community participation in work plan implementation of the projects, further supported by other community-level institutions.

### **Rural Travel Development Plan and Development of roads for connecting rural tourist destinations**

For the promotion of rural tourism the Policy has a special focus on the development of connectivity to rural areas. As roads, railways and waterways serve as connections to culturally rich rural destinations, the development of these has been realized as an important measure within the Policy. In addition to this, there is an emphasis on the creation of integrated circuits. The States have been requested to create integrated tourism development circuits for the creation of world class infrastructure in the circuit areas.

Realizing that the development of inter-state highways and the improvement of rural roadways directly supports tourism, the central and state government have been carrying out the development of roadways at an enhanced pace. The Ministry of Road Transport and National Highways collaborates with the Ministry of Tourism in this regard. After the launch of the National Highway Authority of India (NHAI), a new thrust has been added to the development of inter-state roads that lead to world heritage sites and destinations of tourism significance.

### **Marketing for the development of Rural Tourism:**

Marketing for rural and domestic tourism is being done with a competitive bent. The current marketing tools that have been identified in the policy and which are being used constitute the following:

- Developing a national and state marketing brand that cannot be held by a competitor. Examples include Incredible India, and Heart of Incredible India (MP Tourism) Brands.
- Marketing for tourism also includes undertaking extensive qualitative and quantitative market research program in the target source markets.
- Implementation of cost effective marketing and promotion programs is also carried out with the help of state and private sector participation.
- Of special significance is the implementation of village tourism programs that primarily target urban tourists and international market.
- Marketing is also conducted by establishing an effective and ongoing market representation presence in the travel trade, in source markets.
- Development of internet portals in local languages and to connect a chain of suppliers with these portals is also one of the strategies that is being followed in the promotion and marketing.

**Policy Focus on Rail Tourism:**

Railways have a tremendous potential to promote rural and domestic tourism. The unqualified success of the “Palace on Wheels” is an example to supporting this contention. Railways provide a unique experience of the indigenous flavor of the country to the domestic and international tourist alike, at an affordable rate. Realizing this uniqueness, the following measures have been taken by the railways so as to help in the development of tourism:

- *Introduction of special tourist trains* with a present itinerary and with private sector participation. In these trains coaches will be owned by the private entity that will design, build, manage and market the product. To promote financial viability and investment, accelerated depreciation is allowed for the private investor.
- *Railway Hotels*: In order to economize travel and for marketing rural destinations, Indian railways has initiated the construction of 100 railway hotels serving specific tourist centers. The Private sector is incentivized to run and operate these hotels on a long-term basis.
- *Heritage railway hotels*: Indian railways own a number of heritage structures. These structures are also being promoted as heritage accommodation places. Examples include Lucknow railway station and Church gate Mumbai.
- *Tapping the potential of Hill railways*: The government is making all necessary efforts to tap the tourist potential of heritage hill railways of Darjeeling, Nilgiri, Matheran, Kangra and Shimla which are also listed as UNESCO world heritage sites.
- *Special services in fast trains*: More tourist services in fast trains such as Rajdhani and Shatabdi are planned for the promotion of domestic tourism.
- *Waterways*: In addition to roadways and railways, the potential of 7,000 km of India’s coastline is also being explored for the development of domestic tourism. A circuit comprising Mumbai, Goa, Lakshadweep, Kochi, Colombo and the Maldives has been identified by the cruise operators in India to explore the travel potential for tourists.



## 4: STANDARDS AND CERTIFICATION

The Ministry of Tourism plays a central role in the development of Guidelines and standards for different stakeholders in the tourism industry. The Directorate of Tourism is another designated agency of the Ministry that plays a crucial role in setting standards for the star rating of hotels. Standards for different stakeholder and Hotels bring the major stakeholders in the tourism industry within the classification and rating of hotels. The Hospitality Promotion and Development Board (A crucial arm of the Ministry of Tourism) plays an important role in establishing standards for various stakeholders in the tourism industry.

### **Hotel and Restaurant Approval and Classification Committee (HRACC)**

To conform to the specified standards, the Ministry of Tourism through a dedicated institution by the name Hotel and Restaurant Approval and Classification Committee (introduced in 1994) classifies hotel and restaurants on the basis of facilities and standards that these places offer from the point of view of suitability for international tourists. The Ministry of Tourism (HRACC) classifies hotels under the star system in seven categories, from One to Five Star, Five Star Deluxe and Heritage Hotels.

### **Guidelines for the ‘Approval of Hotel Projects’ and also for the ‘Classification of Star Category Hotels’ 2009**

The Ministry of Tourism has formulated guidelines for the approval and classification of star categories for hotels. These guidelines establish the following protocols for star rated hotels and restaurants

- i) Issues related to eco-friendly
- ii) Energy saving measures
- iii) Security and safety concerns.

Some of the new features include the following:

- (i) Measures and facilities to address the requirements of the differently-abled persons
- (ii) Existing classified hotels and new projects have to adopt environmentally friendly practices.
- (iii) Segregation of smoking and non-smoking areas in hotels has to be made in order to comply with other requirements of the provisions under “The Cigarettes and other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003.”
- (iv) Classified hotels require implementing measures to address the safety and security concerns viz. X-ray machines for baggage, CCTV, under-belly scanners for vehicles, verification of staff & service providers, hand and baggage scanners, etc. To expedite the ongoing process of classification/re-classification of functioning hotels in one to three star categories, five Regional Committees have also been set up in Delhi, Mumbai, Kolkata, Guwahati and Chennai to conduct inspection.

**Formulation of Results Framework Document for the effective classification of hotels:**

In order to process applications for classification of hotels in a time-bound manner, the Ministry of Tourism has committed, in its Results Framework Document (RFD), to ensure that all cases of classification are inspected within three months from the date of application, if complete in all respects. Through this mechanism, it is ensured that there is no delay in conducting the inspections. On the basis of these guidelines and the RFD the following are the standards and criteria in place.

**Guidelines for approval of Stand Alone Restaurants**

The Ministry of Tourism has formulated guidelines to ensure quality and standards of food in standalone restaurants so as to serve international tourists authentic food and a variety of cuisines, particularly cuisines of different States in the country that extend an enriching tourism experience.

**Guidelines for Apartment Hotels**

With a view to providing standardized, world class services to tourists, the Ministry has introduced a voluntary scheme for the classification of fully operational Apartment hotels in the five star deluxe, five star, four star and three star categories.

**Guidelines Approval of Guest Houses**

The Ministry reviewed and revised the guidelines for the approval of Guest Houses during December 2009 to meet certain standards of cleanliness, hygiene and upgraded facilities and practices. The revised guidelines have been aimed to address the changing requirements and safety and security concerns. Emphasis has been laid on measures for Cleanliness, Health, Hygiene and Pest Control. Guest Houses and other types of accommodation units can fall under such a scheme if they meet certain standards of facilities and services.

**Voluntary Scheme for Approval and Classification of Timeshare Resorts**

In view of the growing popularity of vacation ownership for leisure holidays and family holidays of tourist accommodation, known as Timeshare, the Ministry has introduced a voluntary scheme for classification of Timeshare Resorts (TSRs) into three-star, four star and five star categories.

**Incredible India Bed & Breakfast/Home stay Scheme**

This scheme offers foreign and domestic tourists an opportunity to stay with an Indian family and enjoy the warm hospitality and a taste of Indian culture and cuisine in a clean and affordable place. With a view to encouraging the growth of such establishments and also to simplify the procedure of approvals, the Ministry of Tourism has recently reviewed the scheme and has simplified the guidelines by amending certain protocols.

### **Prior Approval of Convention Centers**

Meetings, Incentives, Conferences and Exhibitions (MICE) are important segments of the tourism industry. In order that the Convention Centers cater to international standards, the Ministry of Tourism grants approval to Convention Centers satisfying certain criteria.

### **Voluntary Scheme for Classification of Tented Accommodation**

To meet the increasing demand of tourists for camping facilities and tented accommodation, the Ministry of Tourism has introduced a voluntary scheme for project approval and classification of operational tented accommodation in two categories, viz. Standard and Deluxe.

### **Parameters to rate the Hotels in India**

In India hotels are rated by The Hotel & Restaurant Approval & Classification Committee (HRACC), which falls under the umbrella of the Ministry of Tourism. The committee is further divided into two wings, one that assesses one to three star hotels and another that assess three to five star hotels. The committee is made up of eight members from various sub-sectors in the hospitality industry including one nominee each from the department of tourism in the Central government, the state tourism department, tour operators, travel agents, a hotel management institute, a nominee from the hotel industry who is considered a specialist in the hospitality industry and an FHRAI member. The committee contacts a hotel that has applied for classification and books a time to visit. The assessment takes around three hours where the committee usually has a meal in one of the restaurants and inspects the hotel grounds. They assess the hotel based on 17 broad categories, which have a further 108 sub-categories. On a very general level, some points that are considered in establishing a standard are food services, entertainment, view, room variations such as size and additional amenities, spas and fitness facilities, hygiene, ease of access and location.

## 5. Tour Guides in India

Tourism as a phenomenon and also as a means of socio-economic good is becoming increasingly important for communities and administrative leadership who are aggressively promoting it. Like any other product growth of tourism depends upon tourist satisfaction. Guides play a vital role in bringing satisfaction to tourists visiting a country, region and state. The opportunity of direct interaction with the tourists makes them all the more responsible for projecting the correct image of the country/region, giving factually correct information about the destination, ensuring the safety and well being of the tourists as well as pleasant and satisfying stay for them during their visits.

Authorities responsible for promoting and facilitating tour guiding have over time come up with mechanisms to control tour guide operations and behaviour. Authorities have issued terms and conditions regulating the conduct and performance of approved guides. A code of ethics for Tourist Guides has also been issued by Ministry of Tourism, Government of India. Given the controlled mechanism for tour guiding in India, it is required by law that tour guides must obtain a license before they can accompany a tourist/ tourist groups. Having completed their training and before getting a license, they must sign a detailed terms and conditions accepting the regulation for conduct and performance of approved guides.

Guides in India operate generally as independents. They are trained and are given license by governments and/or their agencies. They are engaged by tour companies and government tourist departments for various interpretation assignments. They are directed and controlled by government regulations on one hand while on other they must address business aspirations of travel and tour companies who are the most important gateways for these guides. Professional interpretation and ethics are rendered vulnerable given the network partners' business interests, business relationships, and also financial returns which to a large extent depend upon the previous two variables. Given the conflicting business interests and government expectations guides often find it difficult to address customer satisfaction in an ethical manner. This inherent conflict faced by tour guides that adversely affect their performance.

### 4.1 Work scenario for tour guides in India

In India there is a three-tier system for guides. At the local level municipal bodies license guides for a particular site/city. State tourism departments or their tourism development boards license state level guides. These guides can operate with the precincts of a given state (province). At the apex level are the Regional Level Guides who are licensed by the Ministry of Tourism, Government of India. These guides can operate on inter-state circuits but are restricted to their regions- the entire country being divided into five regions- north, south, east, west and north-east. Ministry is also contemplating having national level guides- but not as of now.

There could be fulltime or part time guides. Select scholars, linguist and proven experts from the fields of Indian history, architecture, and culture can become part time guides. Since there is a shortage of guides speaking languages like Chinese, Russian, Korean, Thai, Arabic, Hungarian, Polish, Hebrew, etc., linguists with specialised training or expertise in these languages can become part time guides and are allowed to hold regular employment in any other field other than in shopping establishments. Both guides and the operators

do not prefer a full time employment. For the operators they might not have enough work for a particular type (language) of guide and similarly a guide would like to make optimum use of his capacity by taking assignments from different companies. Whatever may be the code of conduct and restrictions, most guides enjoy and earn when they accompany groups.

To become a regional level guide a person must be a graduate, be at least 20 years of age, fluent in English and preference is given to candidates who know a foreign language other than English. Candidates must be a bonafide residents of the region in which they plan to guide tours. Guides must get training and must pass the exam before they can be licensed to operate in a particular region. As of now, this training is a 16 week programme with 6 weeks of contact classes and 10 weeks of field work. Periodically they must also participate in refresher courses. On successful completion of the course candidates are issued licenses by Regional India tourism Offices.

The fees that guides can charge is determined from time to time by Tourist Guide Federation of India (TGFI), in consultation with IATO (Indian Association of Tour Operators)/TAAI (Travel Agents Association of India) representatives. There is a strict guideline forbidding tour guides to indulge in canvass business of any kind on behalf of the business houses, travel agents, hoteliers, paying-guest houses, shop-keepers, transport operators, etc. nor he/ she would accept commission from them. Guides are also not allowed to enter into any business arrangements with any of the establishments either by way of partnership or on commission basis (this, however may not be the practice). Guides are obliged not to refuse any assignments given to them by the tourist offices of the central/ state governments or other agencies such as travel agents/ tour operators/ hoteliers, etc.

#### **4.2. Safety, security and well being of guides:**

Tour guides in India are a vulnerable lot. There is hardly any statutory provision that ensures equitable and just working conditions for tour guides across the country.

Some of the issues faced by the tour guides in India are listed below:

- There is no job security. Guides are loosely attached to tour operators and travel agencies on an assignment basis. Further there is a lot of seasonality of demand in this trade and guides are at times out of job for almost 4 to 8 months in different cases. There is always a fear of poor tourist season.
- Another important concern is low remuneration. Though guide fees are determined by their association in consultation with tour operators' and travel agents' association, yet at times there are reports of guides being not fairly remunerated.
- By the very nature of their job of travelling with tourists, at times on long itineraries, makes them vulnerable. Being loosely associated with travel and tour companies, there is no protection in terms of life and medical insurance and/or provident funds.
- There are no pension schemes for guides who have served the industry for long.
- There is no grievance-redress mechanism for the tour guides

### **4.3. Tour Guide Associations**

There isn't any national level association for tour guides in India although there are few regional level associations:

***Approved Tour Guides' Association (ATGA)***, was formed in 1995 to bring all the Ministry of Tourism approved guides operating in the state of Tamil nadu under one roof and promote tourism in South India. The members of ATGA are qualified professionals trained by the Ministry of Tourism, Govt. of India.

***Tourist Guide Association*** – It is a group of tourist guides and tour escort who are authorized, licensed and trained by ministry of tourism, government of India. Their area of operation is whole of north India and they are affiliated with World Federation of Tourist Guides Association.

***Tourist Guides' Federation of South India***, was founded in 2007 at Madurai. It represents all the Government of India approved Guides and their associations from Andhra Pradesh, Karnataka, Kerala and Tamilnadu. There are more than 200 hundred Guides working with them. TGFSI is also affiliated to the World Federation of Tourist Guides Associations (WFTGA).

## 6: Tourism Organizations

Over the years a number of organisations have emerged in tourism. They have played a vital role in tourism policy formation, planning, promotion, infrastructure and resort development, protecting the rights of tourists, negotiations, etc. Factors like importance of tourism in generating foreign exchange, employment prospects, national interests and at times the stage of development have determined the need for such organisations and accordingly influenced their growth and functions.

These organisations exist in Public Sector as well as Private Sector and at different levels i.e. national, state and local. For example, Indian Tourism Development Corporation, Maharashtra State Tourism Department Corporation or a Tourism club in a district of Kerala, A recent addition has been of some NGO's devoting full time to issues concerning tourism like the Equations in Bangalore.

Different segments of the industry also have their own organisations to defend and promote their rights like the Travel Agents Association or Tourist Guides Association.

### 5.1 Industry Associations

In India there are various industry associations that take care of tourism industry as a whole. Apart from industry there are also stakeholder specific bodies which include the Travel Agents Association of India (TAAI), the Indian Association of Tour Operators (IATO), the Federation of Hotel & Restaurant Associations of India (FHRAI), etc. These associations act as a connection between the stakeholders, which are primarily private enterprises, and the government. These associations are actively working towards seeking better privileges, policies, and concessions for the sector. These associations, through their own research facilities, are abreast of the latest trends, government policies/notifications, safety standards, guidelines, procedures, etc. This information is continuously passed on to their members and helps them to match the standards and government regulations.

The associations act as a forum for the members to raise their concerns and suggest policies to the government for the betterment of the industry. They are aggregates of industry that make representation to the government in such a way that the public sector listens. The travel and tourism segment creates not only foreign exchange but also offers huge employment opportunities, so the industry players need to have a say when it comes to policy formulation on issues like taxation, infrastructure, etc. The team structure at associations is generally consisting of Private Industry players and industry experts (academic). For example in the Hotel Association of India (HAI), the executive committee consists of hotel owners on one hand and hard-core professionals of hotel managers on the other i.e. from Industry veterans to budding hoteliers.

#### ***Funding Source of Tourism Associations:***

These associations sustain themselves in three major ways:

- Sponsorship of events – by private and government industry players including state tourism departments, travel agents, airlines, etc
- Membership fee

- Government/Private funds for undertaking industry studies, consulting assignments, skill development assignments, organizing events, etc

**Award Functions:** The Ministry of Tourism, Government of India presents National Tourism Awards to various segments of the travel and tourism industry every year. These awards are presented to State Governments / Union Territories, classified hotels, heritage hotels, approved travel agents, tour operators and tourist transport operators, individuals and other private organizations in recognition of their performances in their respective fields and also to encourage healthy competition with an aim to promote tourism.

The selection of the awardees is made by Committees constituted for the purpose and the decision of the Ministry of Tourism is final and binding. Those organizations which have received first award in the same category for three out of the last five years are not considered to contest for the award.

### **5.1.1 ROLE, FUNCTIONS AND MEMBERSHIP DETAILS OF DIFFERENT ASSOCIATIONS IN THE TOURISM INDUSTRY**

#### **Travel Agents Association of India (TAAI)**

##### ***Role and Functions:***

- The primary purpose is to protect the interests of those engaged in the industry and also to promote the industry in order to ensure growth of the industry.
- The association also works towards safeguarding the travelling public from exploitation by unscrupulous and unreliable operators.
- It constantly aims at improving the standard of service and professionalism in the industry so as to cater to the needs of the travelers and tourists from within India and overseas.
- Engaged in promoting mutual co-operation among the different segments of the travel and tourism industry
- It constantly liaises with different government bodies in order to make sure no activity is detrimental to the travel industry



##### ***Membership Criteria:***

The membership spot of TAAI is multi-faceted with Active, Allied and Associate members comprising of IATA accredited Travel Agencies, Airlines and General Sales Agencies, Hotels and Tour operators.

The membership criteria for each category differs as the Active members (travel agent) need to be an IATA Agent; whereas the Inbound Tour Operators must be recognized by the Department of Tourism, Government of India.



**Membership Fee:**

Active member	Branch Associate Member:	Allied Associate Member	Overseas Associate Member
Rs. 6,618/- as Entrance and Rs. 6,618/- as an Annual Fee	Rs. 3,309/- as Entrance and Rs. 3,309/- as an Annual Fee	Rs. 3,309/- as Entrance and Rs. 3,309/- as an Annual Membership Fee	Rs. 7,268/- as Entrance and Rs. 8,923/- as an Annual Fee

**Indian Association of Tour Operators (IATO)*****Role and Functions***

- The IATO works towards promoting, encouraging and assisting in the development of tourism throughout the country and to take initiatives to secure the welfare of the Tourism Trade in all respects.
- Organizes overseas promotions
- Assist students by scholarship to pursue higher education, study and research particularly in the field of development of tourism and international brotherhood both in India and outside the country
- Communicates with Chambers of Commerce, Public Bodies in India, Government departments and various foreign and local associations and corporations, companies and concerns and promotes measures in the interests of the travel trade and nominates members to act on them. Encourage and promote friendly feelings among the tour operators and travel agents on all subjects involving their common good and benefit

***Membership Criteria***

The membership is open to organisations of good professional reputation and standing who have been connected with Tourism and/or travel industry for at least one year.

However, there are certain other conditions also as per the category of membership:

i) *Active Members*

Eligibility for this category includes:

- A firm or company having an established place of business in India,
- Recognized by the Department of Tourism as a tour operator/travel agent for a minimum period of one year, and
- Its major substantial part of activity of promotion of tourism and foreign exchange earnings in a year is minimum Rs. 10,00,000/-

ii) *Allied Members*

Any firm or company, which is regularly engaged or associated with the tourism and travel industry and is recognised by the state or central government or by their trade association such as carrier companies, hoteliers, caterers, excursion agents, transport contractors, forwarding and clearing agents, shipping companies, state tourist organisations and trade publications.

iii) Other categories of members include :

- Overseas Allied Members,
- Associate Members, and
- Honorary Members

**Membership Fee:**

Fees include membership fees, annual subscription and monthly lunch charge and service tax.

Active Member: Delhi/NCR	Active Outside:	Allied Member: Delhi/NCR	Allied Outside:
Rs.13,788	Rs. 11,030	Rs.13,236	Rs.10,479

**Federation of Hotel & Restaurant Associations of India (FHRAI)**

***Role and Functions***

- The FHRAI works towards encouraging, promoting and protecting by lawful means the interests of the Hotel and Restaurant Industry.
- Considers policies, guidelines, legislations, by-laws and regulations that affect the Industry and discuss with Government authorities and initiate, support or oppose by lawful means legislations or regulations by various means.
- Advise and inform members about national and international matters pertaining to the Industry and disseminate statistical and commercial information through surveys and research.
- Assists in affording training facilities for the Hospitality sector.
- Convene national and international conferences in the interest of the Hospitality Industry.
- Provides an interface between the Hospitality Industry, Political Leadership, Academics, International Associations and other stake holders
- Committed to the progress of the Industry through various activities including education and training, research and publication, Annual Convention to promote interaction with Government officials, political leaders and stake holders of the Industry.



***Membership Criteria***

*FHRAI Hotel Membership*

- Must be a member of one of FHRAI’s Regional Associations.

- Must be a functioning establishment in operation.
- Must have minimum 10 rooms or the qualifying criterion of the Regional Association.
- If the hotel is under construction, only associate membership can be approved. This can be converted to hotel membership once it starts operations.
- Must have a restaurant in the hotel.
- Must have all the relevant Municipal/Police or any other required licenses with current validity.
- A restaurant in a hotel can also become a separate restaurant member (One restaurant can become member for hotel with 25-100 rooms and two restaurants can become members for hotel above 101 rooms)

*FHRAI Restaurant membership*

1. Must be a member of one of FHRAI’s Regional Associations.
2. Must be a restaurant under operation.
3. Must have minimum 25 covers.
4. Must have all the relevant Municipal/Police or any other required licenses with current validity.
5. A Restaurant within the hotel (who is FHRAI member) can also apply for separate membership. One restaurant can be a member for a hotel with 25-100 rooms and two restaurants can be members for hotels with more than 101 rooms. Such restaurant members are also entitled to two FHRAI discount cards like any other member.

*FHRAI Associate membership*

1. Must be a member of one of FHRAI’s Regional Associations.
2. Must be associated with the hospitality industry in some way.
3. Only Companies, firms and such entities can become a member, not individuals
4. Hotels under construction can apply for associate membership. This can be converted to hotel membership instantly after the hotel starts operations.

**Membership Fee**

Annual membership fees depend on the number of rooms (hotels) and the number of seats (restaurants)

Associate membership	5 Star	4-Star and 3-star, Heritage	2-Star, 1-Star, and unclassified	Restaurants (more than 200 seats)
Rs.14,140.4	Rs10,990	Rs7,325	Rs. 5,850	Rs.17,609.40

**Indian Association of Amusement Parks & Industries (IAAPI)**

***Role and Functions***

- IAAPI promotes, encourages, protects and safeguards the interests of the amusement park industry.
- Conducts various activities including training programs, annual meets, trade show and publishes its quarterly industry journal "Thriller" to give an update on all the various happenings in the amusement industry.



- An apex body representing the interests of a diverse range of amusement, leisure and entertainment businesses in India
- Influences decision of the policy makers, investors and the fraternity which should lead in an ever growing amusement industry.

### ***Membership Fee***

	Entry fee	Annual subscription		
		1 year	3 years	5 years
Ordinary members	Rs.2,500	Rs. 5,000	Rs. 12,000	Rs. 17,000
Associate Indian	Rs. 2500	Rs. 4000	Rs. 10,000	Rs. 15,000
Foreign associates	US\$ 70	US\$ 100	US\$ 270	US\$ 375

### **Travel Agents Federation of India (TAFI)**

#### ***Role and Functions***

- TAFI safeguards the interests of the travelling public and maintains high ethical standards within the travel trade.
- Works on communication and awareness about regulations.
- Protect the interests of those engaged in the industry.
- Ensure compliance of Rules, Regulations and Guidelines sent by the Consulates, Government Authorities, Airlines etc.
- Regulates the Indian travel business keeping close coordination with the set of strong business ethics and code of conduct.



#### ***Membership Criteria:***

The Membership of "The Travel Agents Federation of India is open to all persons who agree with the aims and objects of "The Travel Agents Federation of India

#### ***Membership Fee***

The entrance fee for all members is Rs 5,000. The annual subscription fee is as follows:

<b>Chartered Members</b>	<b>Active Members</b>	<b>Allied Members</b>	<b>Associate Members</b>	<b>Affiliate Members</b>	<b>Overseas Allied Members</b>
Rs. 3,125	Rs. 3125	Rs. 1563	Rs. 1563	Rs. 1563	Rs. 2500

## Association of Domestic Tour Operators of India (ADTOI)

### *Role and Functions:*

- ADTOI co-ordinates with the Ministry of Tourism and other related Central and State Ministries in their endeavour to create three essential pre-requisites for Domestic Tourism Development in the areas of improvement of facilities :- "SUVIDHA, SURAKSHA and SOOCHNA". (Facilities, Protection and Information)
- Establishes relations between tour operators, travel agents and related persons and organizations in the tourism industry.
- Formulates a uniform code of conduct to govern the procedure of booking, confirmations, payments, refunds, cancellations, no-shows, changes, pre-ponements and postponements, retention charges, commission and discounts.
- Establishes channels of communication and liaison with the Department of Tourism, Govt. of India, State and other public and private bodies; and takes all necessary steps to promote and develop domestic tourism in India.
- The association also promotes environment protection, cultural exchange and national integration in the territory of India.
- It educates the traveller about the importance of eco-friendliness and promotes the cause of a pristine and clean environment
- It aims to consolidate the efforts of all those tour operators who are actively **engaged in the promotion of "Domestic Tourism" in the country.**



### *Membership Criteria:*

As per the membership criteria of ADTOI, industries/organizations who are involved in following activities can become member of ADTOI:

- Regional Tourist Corporation
- Travel Portals
- Hotels & Resorts
- Railways & Airlines
- Tourism Institutes
- Tourism Expo Companies

Membership Fee: Fee includes Annual subscription, admission fees and service tax.

Active member	Affiliate member	Associate member	Overseas (Nepal/Bhutan)	Others
Rs. 6,180	Rs.5,618	Rs.5,618	Rs.7,865	US\$ 123

## Adventure Tour Operators Association of India (ATOAI)

- ATOAI promotes national integration, international welfare and goodwill.
- It assists students with scholarships to pursue higher education, study and research in the field of Development of Adventure Tourism in India
- It conducts seminars, group discussions, course of studies and cultural meetings, to promote adventure tourism in India.
- It also encourages and promotes interaction within the adventure tour operator fraternity and with other travel agents on all subjects involving their common good and benefit.
- It promotes equal opportunity for all visitors to enjoy adventure tourism and travel facilities without distinction of race, colour, creed or nationality.
- Undertakes such welfare activities as the members cannot take individually.
- Promotes adventure tourism in India and creates awareness overseas about the potential of adventure tourism in India
- Takes the initiative to secure the welfare of the Adventure Tourism Trade.



### Membership Criteria

The membership of the Association is open to persons of good professional reputation who have been connected with the industry of Tourism/Adventure Tourism or Travel

### Membership Fee

Active Member		Allied & Associate Members	
Admission Fee	Annual Subscription Fee	Admission Fee	Annual Subscription Fee
Rs. 2,500	Rs. 2,500	Rs. 1500	Rs. 2500

**Procedure to become a Travel Agent:**

**To become a travel agent one has to become a member of Travel Agents Federation of India that is open to all who agree with the aims and objects of TAFI. Below is the procedure to become a member.**

1. Every application for membership of the Federation for any category, shall be made in writing by such Individual, Firm, Association or Limited Company in such form and shall contain such particulars as may be prescribed by the Managing Committee from time to time.
2. Every such application for membership shall be proposed by one Chartered or Active member, not being a member of the Managing Committee / Chapter Committee, and seconded by another Chartered or Active member, not being a member of the Managing Committee / Chapter Committee.
3. All applications for membership of the Federation wherein a Chapter exists shall be routed through the Chapter Committee of the Chapter along with their recommendations.
4. The Managing Committee shall be at liberty to decide the procedure for inducting an individual, firm Association or company as a member to the said Federation.
5. The Managing Committee's decision regarding admission of a member shall be final and the Managing Committee may or may not assign any reason for rejecting an application.

### **5.1.2 Tourism Divisions of Different Chamber of Commerce and Industry in India**

There are 4 major Chamber of Commerce and Industry in India, namely; FICCI, CII, ASSOCHAM and PHD Chamber of Commerce and Industry. The main goal of these organizations is to further the interests of businesses and they play a catalytic role in economic development of the country. They work very closely with government on policy issues, enhancing efficiency, competitiveness and expanding business opportunities for industry through a range of specialized services and global linkages. They also provide a platform for sectoral consensus building and networking.

All these organizations have a separate division on Tourism Industry aimed to provide a platform for different stakeholders in the Tourism Industry to come together in order to develop the sector. They are involved in sector specific business policy consensus building, and business promotion and networking. For this they regularly organizes B2B Meets, Promotional Events, Research Studies etc.

#### **Objectives of Tourism Division**

The objective of the Tourism Division is to:

- Explore possibilities of enhancing tourism between **India and other countries** through **Expositions and Conferences**.
- Take up **issues concerning tourism development/ concerns of the industry** with relevant authorities especially with regard to tourism infrastructure, taxation, marketing etc. in various states in the country.
- Lobby the Government to help in active participation in decision making, prior to the enacting of new laws and policies.
- Promote tourism-related business through useful interaction between business enterprises and government, organizing regular meetings and cultural and social activities.
- Act as a voice for private players within the government space and ensure a fair regulating mechanism from the government end.
- Promote and communicate government regulations and standards to ensure professional attitudes from industry players.
- Maintain close connections and constant interaction with other Tourism Associations in other countries thus increasing their international networking with professional bodies.
- To become active in other lawful acts, as is necessary for and/or incidental to the attainment of the aims and objectives of the society

**Mission:** To focus on initiatives to promote tourism; create awareness about the economic relevance of tourism, to position tourism as a national priority and suggest steps for enhancing India's competitiveness as a tourist destination.

**Vision:** To promote Tourism as an engine of Inclusive Growth across India with a special focus on North Eastern Region.



**Responsibilities:**

- Interact with Central and State Governments for faster growth of tourism sector.
- Assist the State Governments in formulation of the State Tourism Policies.
- Assist the State Governments in marketing of the tourist destinations through Expositions and Conferences.
- Coordinate efforts for tourism development with other ministries such as civil aviation, road transport, railways, finance and urban development.

**Recent Initiatives**

- Conference on Educational Travel & Ecotourism: Expanding Horizons on 29th September 2011, New Delhi
- 1st India Heritage Tourism Conclave 2011 on 23rd November at India Habitat Centre
- The Conference on Rajasthan: The Heritage Corridor on 15th April, 2012 at Jaipur
- Journey Through Religious Bihar: A Curtain Raiser on 4th May, 2012, New Delhi
- Destination Himachal: Shimla Mega Mart – 2012 : Unforgettable Himachal: Opportunities Unlimited, 3-7 June, 2012 at Shimla
- Jharkhand: A Rediscovered Tourists' Paradise on August 18, 2012 at Ranchi

**International Cooperation of Associations**

International Co-operation association is one of the important association of the Ministry of Tourism, which engages in various consultations and negotiations with the international organisations such as United Nations World Tourism Organization (UNWTO); Economic and Social Commission for Asia and the Pacific (ESCAP); Bay of Bengal Initiative for Multi Sectoral Technical and Economic Co-operation (BIMSTEC); Mekong-Ganga Co-operation (MGC); Association of South East Asian Nations (ASEAN) and South Asian Association for Regional Co-operation (SAARC) and South Asian Sub-regional Economic Co-operation (SASEC).

This Division holds consultations and negotiations with other countries for signing of Agreements / Memorandum of Understanding (MoU) for bilateral/multilateral cooperation in the field of tourism, organizes Joint Working Group Meetings with other countries and attends Joint Commission Meetings in coordination with the Ministries of Commerce, Culture, External Affairs, Civil Aviation, Finance, Petroleum, etc. for development and promotion of tourism.

## 7: Conclusion and Recommendations

### Conclusion:

Thus we see that Tourism in India has come a long way from being a non industry to being one of the fastest growing and promising sector in terms of its contribution to GDP and also being the largest sector from employment generation standpoint. This has happened due to number of policy and regulatory measures that government of India adopted from time to time, the first being the declaration of tourism as an industry. By virtue of this declaration, the private investment in the sector grew manifold. A number of market based approaches to attract private sector investment were adopted. The guidelines for tenders and open competitive bidding processes affirmed the faith of the private players in the industry and government at the national and state level adopted a mix of fiscal and financial policies to provide incentives for the promotion of tourism. The trend gradually interested state governments and each state has started to have its own tourism policy. India being a vast country with natural and historical diversity and richness, every state has its peculiarity and stage of development. Given these local realities each state packages its uniqueness and invited the private players to invest in the development of the tourism sector. Currently almost all states in India have their own tourism policy and tourism is one of the major contributors to their SGDP. (except the North Eastern states).

### Recommendations:

From the detailed analysis of number of aspects related with tourism, Tourism development in India has number of lessons to offer. These need to be understood in detail, however are summarized here for brevity.

**Policy and Regulatory aspects:** It took long time for government of India to have a comprehensive policy on tourism. It was recently in 2002 that government of India could draft a comprehensive policy on tourism. However the policy is still considered to be in evolving stage as number of aspects required for tourism have not been addressed adequately. The 12<sup>th</sup> Five year Plan of the Planning Commission of India has listed and recommended a number of additional policy measures that need to be taken care of for the development of tourism.

On regulatory regime, India does not have any national regulation on tourism. Development of tourism is scattered through number legal instruments at the national, sub-national, local and municipal level. Primarily tourism sector is governed through norms and standards in the hospitality industry. The local laws for development of civic amenities and infrastructure apply to tourism activities as well. There is thus a need for special attention to have more robust policy and regulatory framework to promote tourism to realize its full potential.

### Quality Control on hospitality and hotel Industry:

Though guidelines and standards for rating of hotels and resorts are available and are applied, there is no third party monitoring and check to ensure that these standards are actually met. There are instances where the hotel industry enjoys monopoly and there have been complaints in the services. There is thus a need to have quality control mechanism.

**Sustainability aspects:**

Though tourism offers lot to the economy and to the people, it has serious negative impact on natural resources, specially water resources. The sheer amount of water consumed by hotels in India is shocking with no regulation to control the abstraction of ground water. This leads to inequity where local citizens in a town may not have water but the five star hotels offers plenty of water to waste. Other impacts of tourism in ecology and environment need to be met with strict regulations. In areas of absolute scenic beauty where there has been no human interference earlier, tourism activities have caused havoc. This needs to be dealt with seriously with appropriate regulation and citizen monitoring.

**Rural to benefit from Tourism:**

Though there are claims that tourism has given lot of support to the rural economy to grow, a part of it might be true but the support is not substantial. There are examples of local artisans or craft men being absorbed in the chain of facilities but the return to their services or art is hard bargain with hotels being economically being strong to dictate terms. There is thus a need to ensure equity so that rural people benefit from tourism.