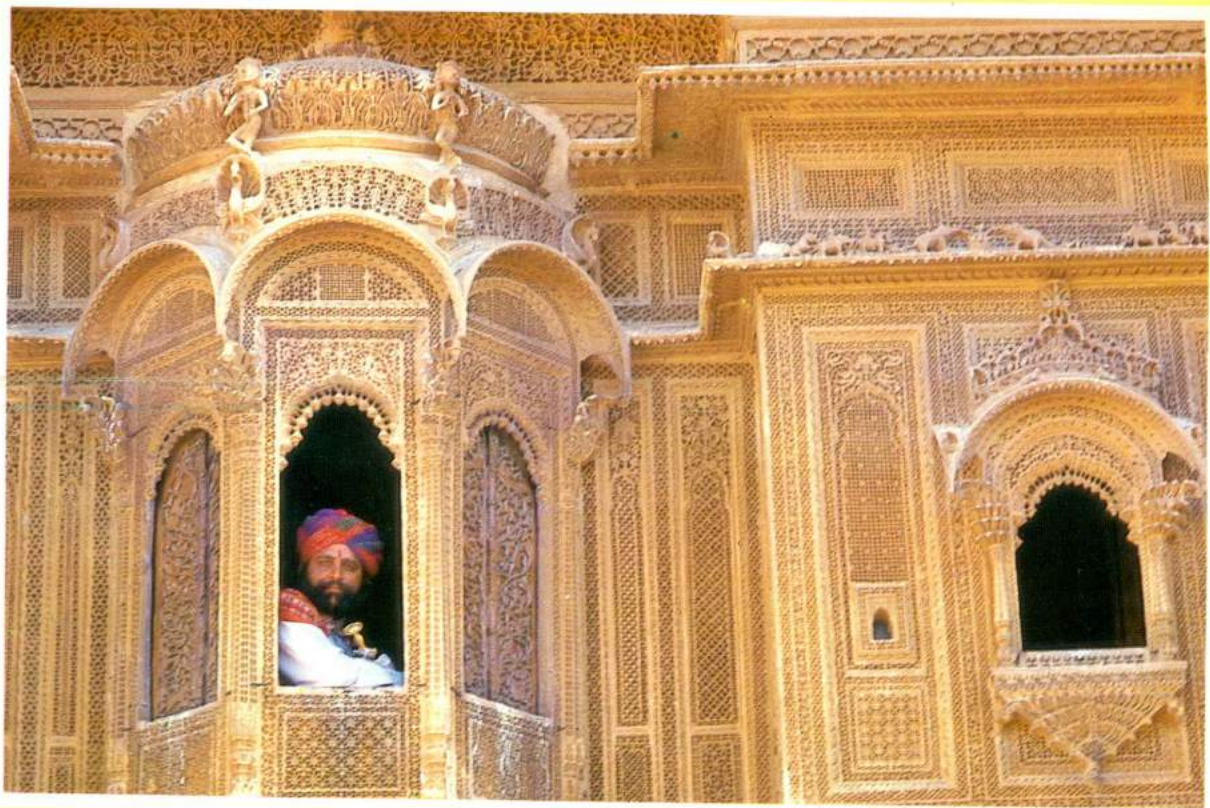




NATIONAL ACTION PLAN FOR TOURISM





Exquisitely carved haveli

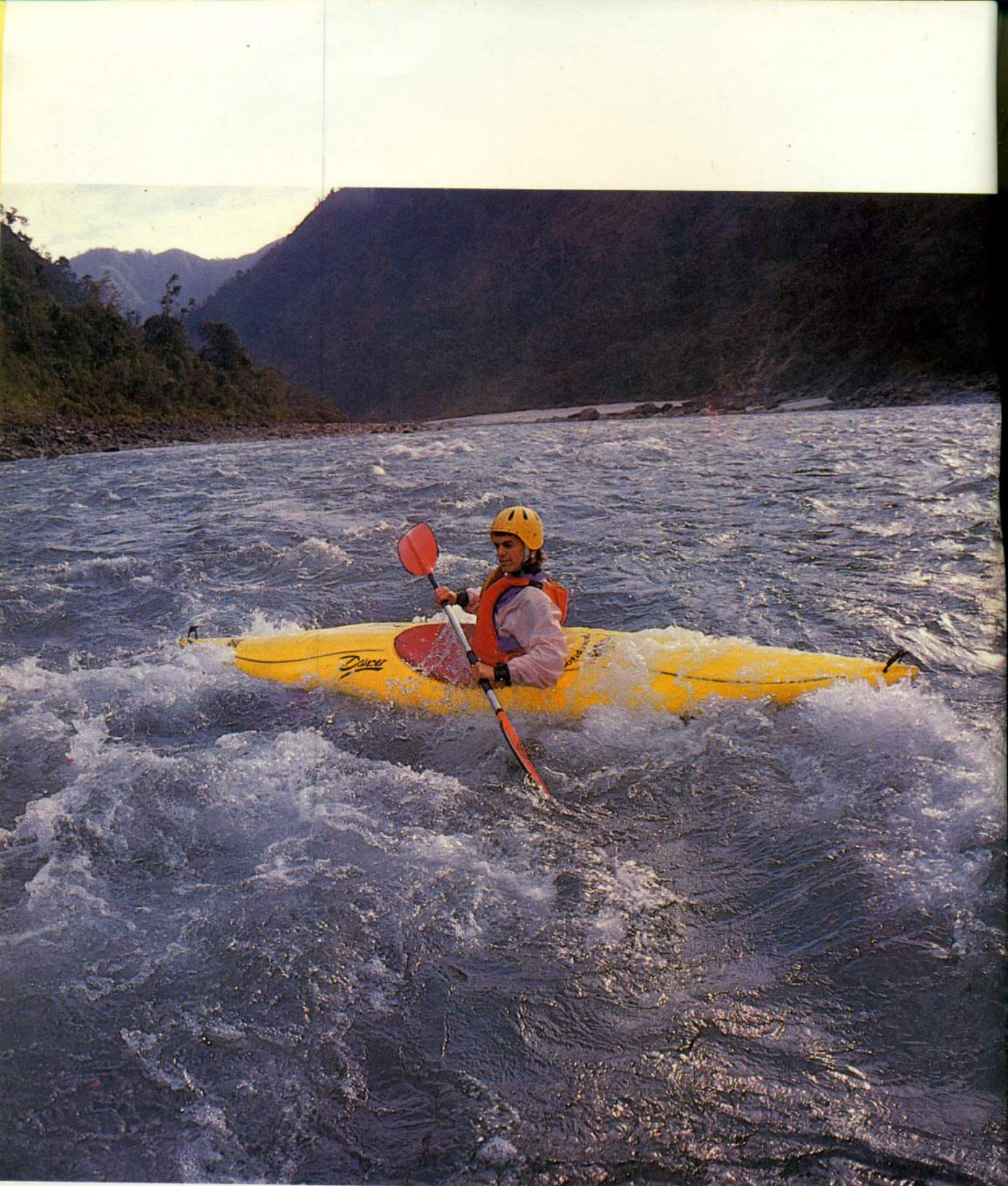


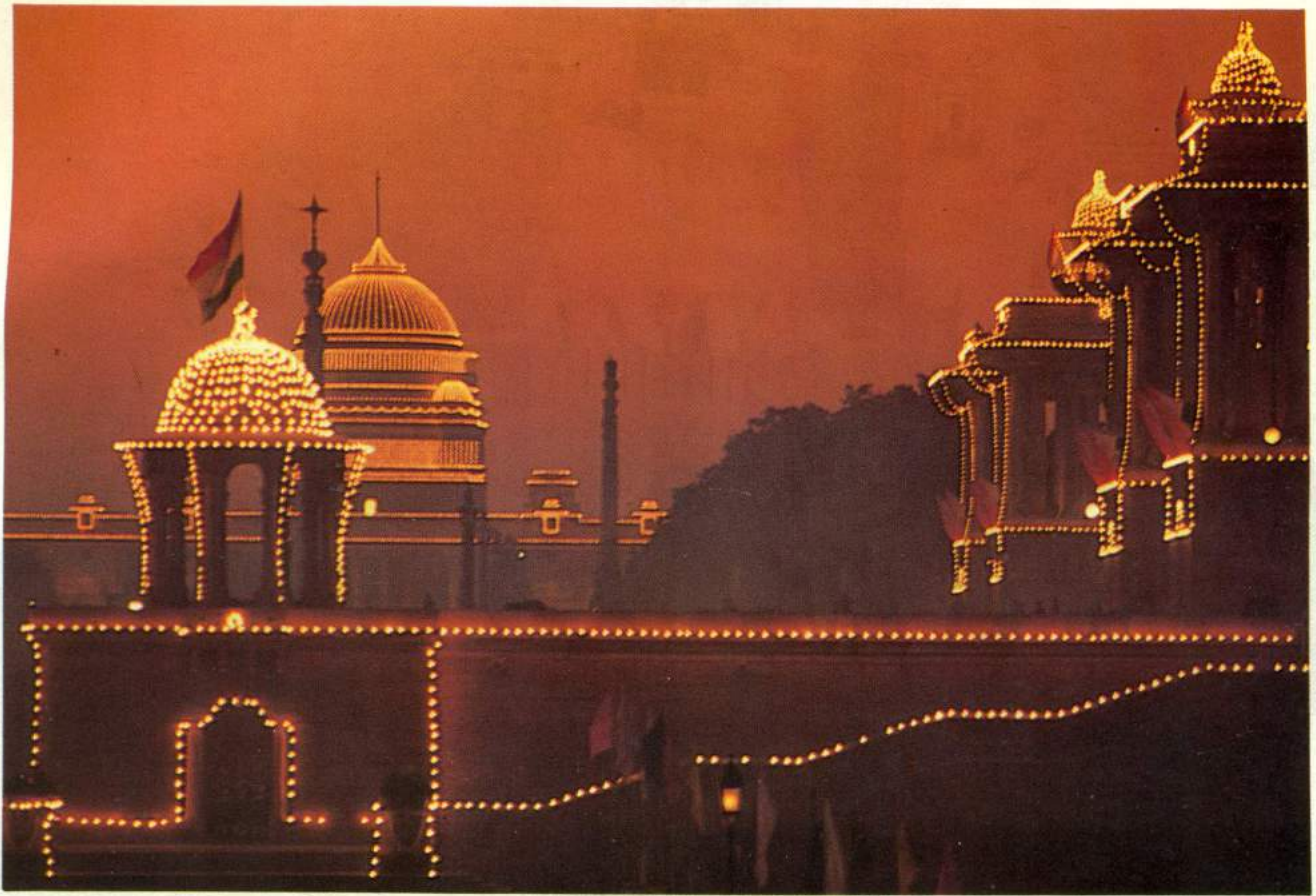
NATIONAL ACTION PLAN FOR TOURISM

MAY 1992
**GOVERNMENT OF INDIA, MINISTRY OF CIVIL AVIATION
AND TOURISM**

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Regal splendour



Sas Bahu Temple Gwalior

Tourism has, today, emerged as the fastest growing industry in the world. In 1990, the number of world travellers was 429 million who spent over US\$ 249 billion. Direct employment in the industry was 112 million persons and indirect much more. While accurate statistics are not available, the figure of domestic tourists in the country was estimated at 62.3 million during 1990. Tourist arrivals in the country during the same period were 1.71 million, earning for the country Rs. 2440 crores in foreign exchange. During 1991-92 foreign exchange earnings are provisionally estimated at Rs. 3300 crores. The tourism industry in India generated in 1989-90 direct employment of 5.5 million persons and another 8 million who were employed indirectly. Given these dimensions of international tourism and the potential which exists in the country, there is tremendous scope for accelerated growth of tourism industry in the country.



OBJECTIVES

2. The objectives of the new Action Plan for Tourism are delineated below :-

a) Socio-economic development of areas

Tourism conferred considerable socio-economic benefits to the community thereby uplifting the quality of life. It can further foster development even in areas where other economic activities would be difficult to sustain.

b) Increasing employment opportunities

Tourism industry generates employment, directly and indirectly, for about 13-14 million persons. Employment opportunities should be at least double the present level before the turn of the century.

c) Developing domestic tourism especially for the budget category

Domestic tourists form the bulk of world tourist traffic. In India also, facilities for domestic tourists will be improved and expanded particularly the budget category so as to ensure an affordable holiday for them

d) Preservation of national heritage and environment

Tourism would be developed in a manner that our cultural expression and heritage are preserved in all its manifestations including support to arts and crafts. Preservation and enrichment of environment should also form an integral part of tourism development.

e) Development of international tourism and optimisation of foreign exchange earnings

International tourism contributes substantially to foreign exchange earnings and keeping in view the country's requirements, tourism will be so developed that foreign exchange earnings increase from Rs. 2440 crores to Rs. 10,000 crores by the end of the century.

f) Diversification of the tourism product

While retaining the traditional image of cultural tourism that India enjoys, diversification of the tourism product would continue, particularly in the field of leisure, adventure, convention and incentive tourism, thereby responding to the changing consumer needs.

g) Increase in India's Share in world tourism

Presently the foreign tourist arrivals in India constitute only about 0.4% of the total foreign tourists movement all over the world. One of the objectives of the action plan would be to increase India's share to 1% within the next five years.



Victoria Memorial, Calcutta.

A Taste of the Wild



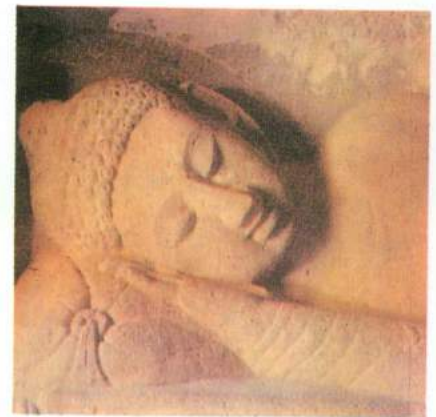
◀ Jogi Mahal Ranthambore



Gair dancers



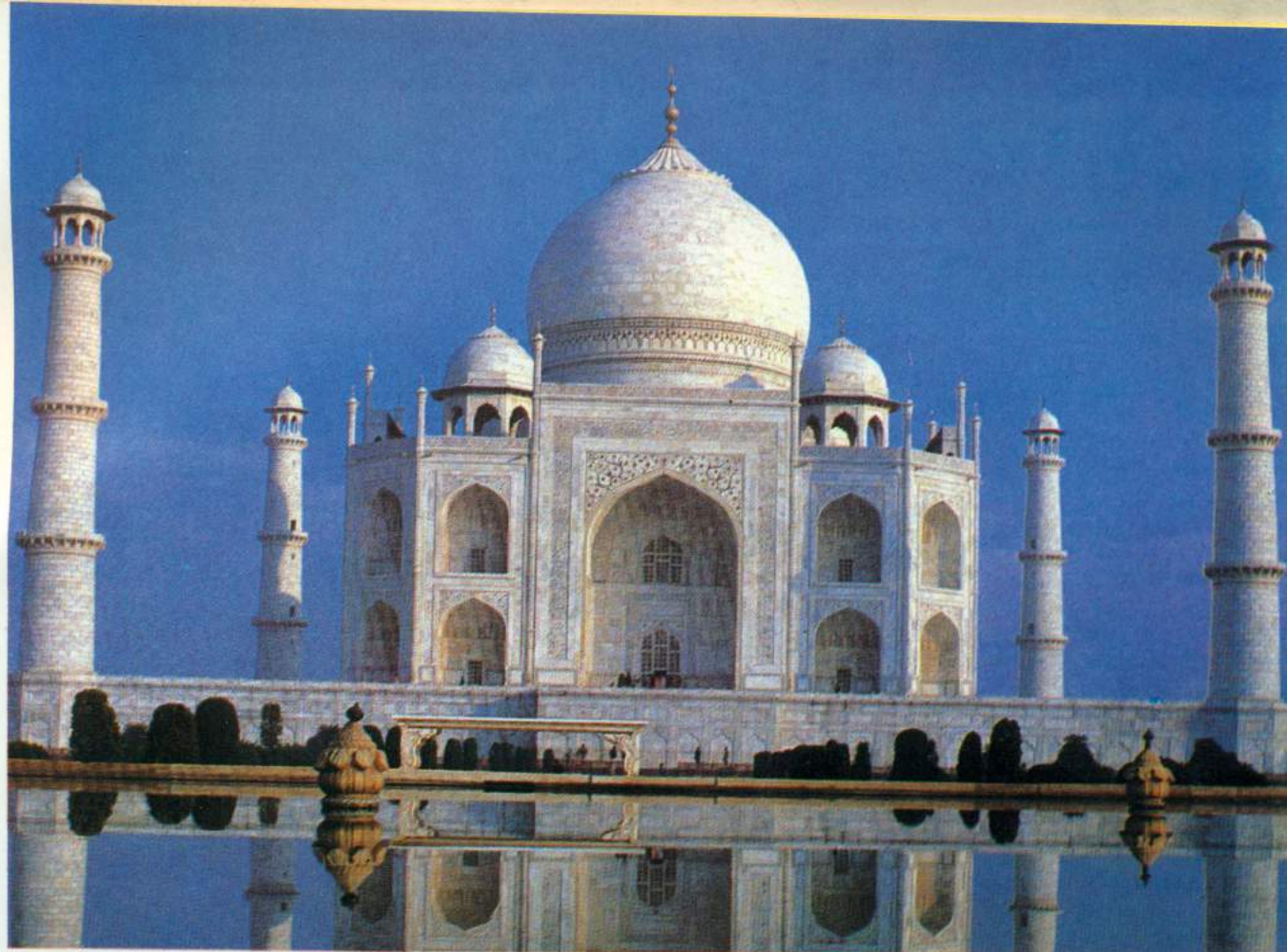
Entrance Gate – Meenakshi Temple Madurai



Buddha is nirvana position – Ajanta

STRATEGY FOR DEVELOPMENT

3. The strategy for achieving the objectives is outlined below :-
 - Improvement of tourism infrastructure.
 - Developing areas on a selective basis for integrated growth along with marketing of destinations to ensure optimal use of existing infrastructure.
 - Restructuring and strengthening the institutions for development of human resources.
 - Evolving a suitable policy for increasing foreign tourist arrivals and foreign exchange earnings.



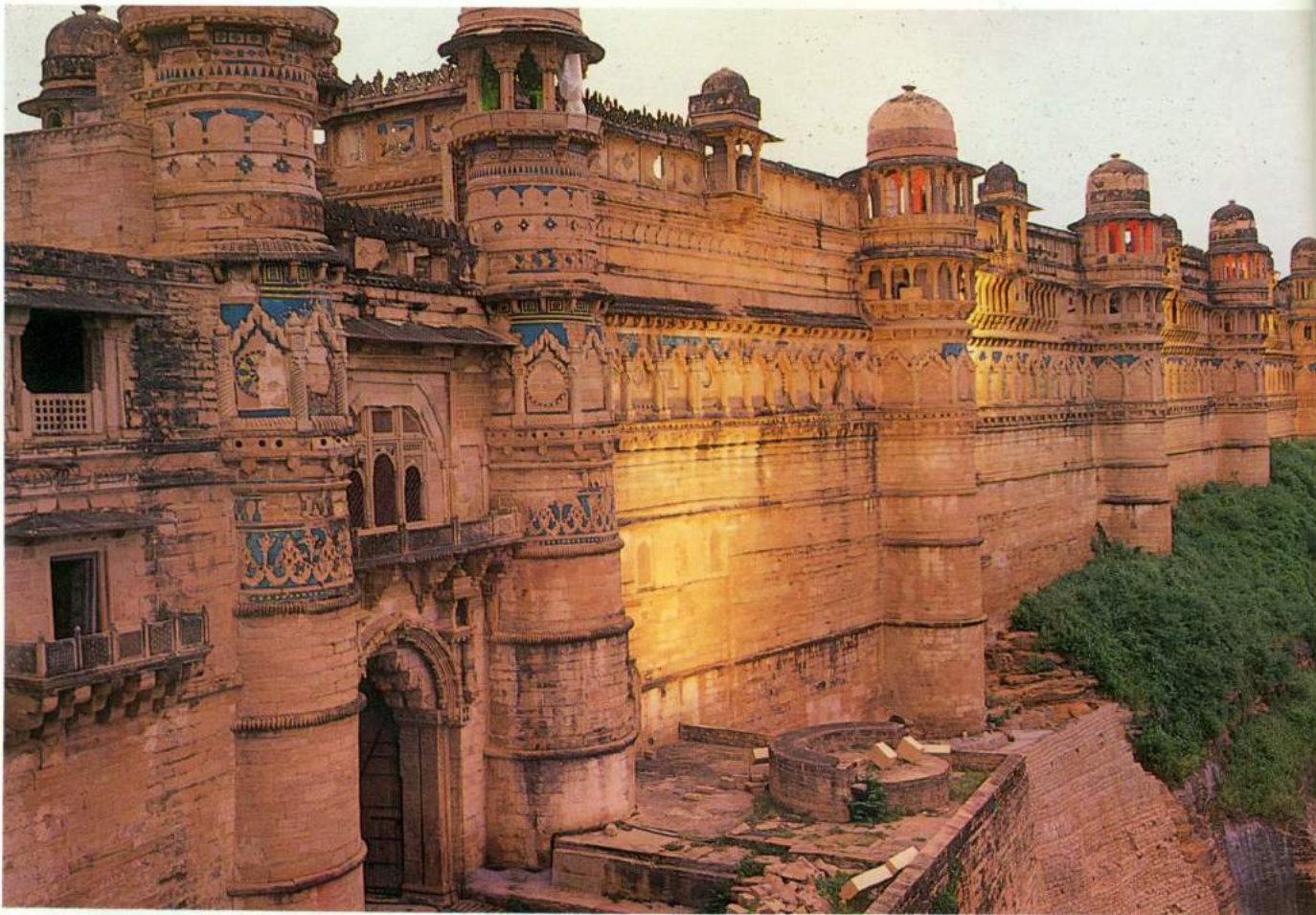
The famous Taj Mahal

IMPROVEMENT OF TOURIST INFRASTRUCTURE

4. The State has made substantial contribution in the service sector which is best left to private initiative and investment. The policy now would be to encourage private investment, both domestic and foreign, for accelerated growth. The role of Ministry of Tourism would be to conceptualise and deal with policy issues mainly.

Accommodation

5. Hotels form an important and vital segment of the tourism infrastructure in the country. It has been estimated that the present capacity of 44,405 hotel rooms in the approved category needs to be at least doubled in the next three years. The Government has already initiated steps in this direction. Fiscal concessions had been given under Section 80 HHD of the Income Tax Act whereby 50% of the income earned on account of the foreign exchange earnings of a hotel are exempt from income tax and the remaining 50% also exempt if reinvested in the tourism industry. This has had a positive impact on the pace of growth of hotels. However, this trend is particularly noticeable in metropolitan cities and commercial cities than in tourist destinations per se. In order to stimulate growth at tourist places also, the Government has given a concession that hotels set up in rural areas, hill stations, pilgrim centres and specified tourist destinations will be exempt from expenditure tax and 50% of income tax for ten years.



Gwalior Fort

6. The Government is also giving an interest subsidy on loans for construction of hotels. It is 1% for loans upto 75 lakhs for 4-5 star hotels and 3% for all other approved hotels. **The interest subsidy to all 4-5 star hotels and all hotels in the metropolitan cities will now be discontinued. In special areas and specified destinations, however, the interest subsidy will be increased to 5% for all 1, 2 and 3-star hotels to stimulate their growth.**

7. There are a large number of palaces, big and small, and havelies which can be very conveniently converted into hotels. Many of these are in a state of disrepair and their conversion into hotels will assist in preservation of this national heritage. It has, therefore, been decided to encourage the growth of these heritage hotels. In relaxation of their norms, the Tourism Finance Corporation of India will now advance loans for heritage hotel projects of Rs. 50 lakhs and above. **The Government will also give an interest subsidy of 5% on loans advanced for construction of new heritage hotels. A new scheme will be launched whereby this category of hotels will also be given a capital subsidy of Rs. 5 lakhs or 25% of the cost, whichever is less.** For havelies located in rural areas, there is an added incentive of 10 year holiday from expenditure tax and 50% from income tax. It is hoped that these concessions will spur a rapid growth of heritage hotels in the country.



Ancient statues

Encouraging Domestic Tourism

8. Measures are afoot to facilitate domestic tourism. A new scheme for development of camping sites will be started specially for the low budget tourists. Central assistance is being provided to enable State Tourism Development Corporations investing in tented accommodation and other facilities necessary for setting up adventure camps. A scheme of Paying Guest Accommodation will also be introduced in as many places as possible to provide affordable and hygienic accommodation, both for domestic and foreign tourists. Similarly, classification rules will be suitably altered to recognise apartment hotels as these also provide affordable holidays to the domestic tourists. Further, rules will be amended to provide for recognition to tour operators engaged in domestic tourism. In fact, it will be prescribed that all recognised tour operators/travel agents do a certain percentage of their turnover in domestic tourism. These measures will, no doubt, give a fillip to growth of low-budget tourism.

Pilgrim Tourism

9. Pilgrim flows account for a very large percentage of domestic tourism. Infrastructure facilities for tourists for pilgrim centres need to be substantially improved. For this purpose, the Central Government will earmark a sum of Rs. 5.00 crores as Central assistance every year to enable State Tourism Development Corporations/private entrepreneurs to set up or improve accommodation facilities, way-side amenities and transport systems at important pilgrim centres.

Crafts Villages

10. The Surajkund Crafts Mela and Shilpgram, Udaipur, have been a tremendous draw with the tourists. Looking at the success of these centres, the Department intends to set up Crafts Villages in different parts of the country and provide a boost to the traditional handicrafts of these regions.

Fairs and Festivals

11. The fairs and festivals not only reflect the vast cultural heritage of India but have over the years become big attractions for tourists. These have been identified by the Ministry of Tourism and assistance given to develop and publicise them to attract even foreign tourists. Fairs like Pushkar Fair, Sonapur Cattle Fair, Kite Festival, Alleppey Boat Race, Dussehra Festival in Mysore and Kulu and others have already become a big attraction for tourists. Ministry will give liberal financial assistance to develop these traditional fairs and festivals all over the country and promote them aggressively in the international markets.

India's rich culture and heritage has been one of the major attractions for the international tourists who visit our country to experience different cultures, traditions and customs. At important tourist centres there are no structured arrangements for organising cultural evenings which could provide an experience or a glimpse of Indian culture to the visiting foreign tourists. It will be the endeavour of the Government to have a tie-up with the zonal



Young monks



Cultural Centres for making arrangements at important tourist destinations to organise cultural evenings, son-et-lumieres, craft bazars, food plazas and fairs & festivals all round the year. Such activities will be organised in coordination with the Department of Culture and Archaeological Survey of India.

Road Transport

12. The other important segment of tourist infrastructure is road transport. The Government will be importing coaches for Buddhist circuit in Uttar Pradesh and Bihar as also 300 air-conditioned units for the travel trade at concessional duties over the next two years. This will ensure that the tourist coaches are adequately equipped to meet the needs of the tourists. It is recognised that international quality luxury coaches/cars are essential for facilitating tourist movement to different parts of the country. Unfortunately, most of the existing transport units are now old and outlived the utility and need to be replaced. Government will introduce some suitable scheme by which this important felt need in tourism can be fulfilled.



Elephant March – Kerala



Dussera festival, Mysore

Travel Trade

13. Travel Agents and tour operators constitute an important segment of tourism industry. Looking to the size of the country, it is imperative to encourage the travel trade in such a fashion that more and more people could come within the fold of travel trade. **It would be the endeavour of the Government to streamline and liberalise rules and procedures for recognising travel agents and tour operators.**

Facilitating tourist movement

14. Government has announced liberalised charter policy and the Director General (Civil Aviation) automatically grants permission expeditiously for charter flights in keeping with the guidelines prescribed. Charter flights have significantly added to tourism traffic to the country and it is hoped that they will be disbursed to tourism destinations in different parts of the country. The recently introduced air taxi scheme will augment the efforts of the national carriers and facilitate movement of tourists within the country. Foreign tourists are greatly attracted to travelling by the railways and the Palace-on-Wheels in Rajasthan has been an unqualified success. **Government has recently announced a new tourist train on the lines of the Palace-on-Wheels to operate in the coming tourist season between Goa and Mysore.** Efforts will also be made to encourage tourist movement by water transport. The private sector will be encouraged to introduce cruises both river runs and along the coastal stretches.

Foreign Investment

15. 'Hotels and Tourism related industry' have been listed at item 4 in Appendix III of the new Industrial Policy which provided for automatic approval of foreign investment in equity upto 51%. With this liberalisation, it is imperative that special efforts are made to attract foreign investment in the tourism sector. The Government has set up a Committee under the chairmanship of the Principal Secretary to the Prime Minister to negotiate with parties abroad for investment in the country. Another **Sub-Committee to service this main Committee will be set up in this Ministry chaired by Secretary (Tourism) to obtain and concretise foreign investment in the tourism sector.**

Convention Tourism

16. Convention and Conference Tourism has assumed a great significance. In order to encourage convention tourism it would be desirable to set up fully integrated convention complexes in the country so that more and more international conferences and conventions could be attracted to India. **It would be the endeavour of the Government to set up a convention city with all facilities of international standard.**



Konark chariot wheel



Manipuri dancer

to industries catering to export production. The selected Special Tourism Areas would have identifiable boundaries notified by the State Governments where land would be allotted for hotels and tourism related industries at concessional rates to prospective investors according to the Master Plan prepared. A Special Area Development Authority would be constituted by the State Governments to administer the Special Tourism Area with full delegation of powers under different statutes of the State Government. The Special Area Development Authority would prepare the Master Plan for the area and provide single window clearance facility to the investors. The State Government would provide basic infrastructure in terms of roads, transport, bus terminals, wayside amenities, electrical grids, water supply, law and order and municipal services. The Central Government would provide infrastructural support such as airports and airline services, railway stations, communications network and post/telegraph/ banking services. Both the Central and State Governments would grant exemption from specified Central/State Taxes and freeze rates on water and electric supply for at least 10 years in order to attract investments.

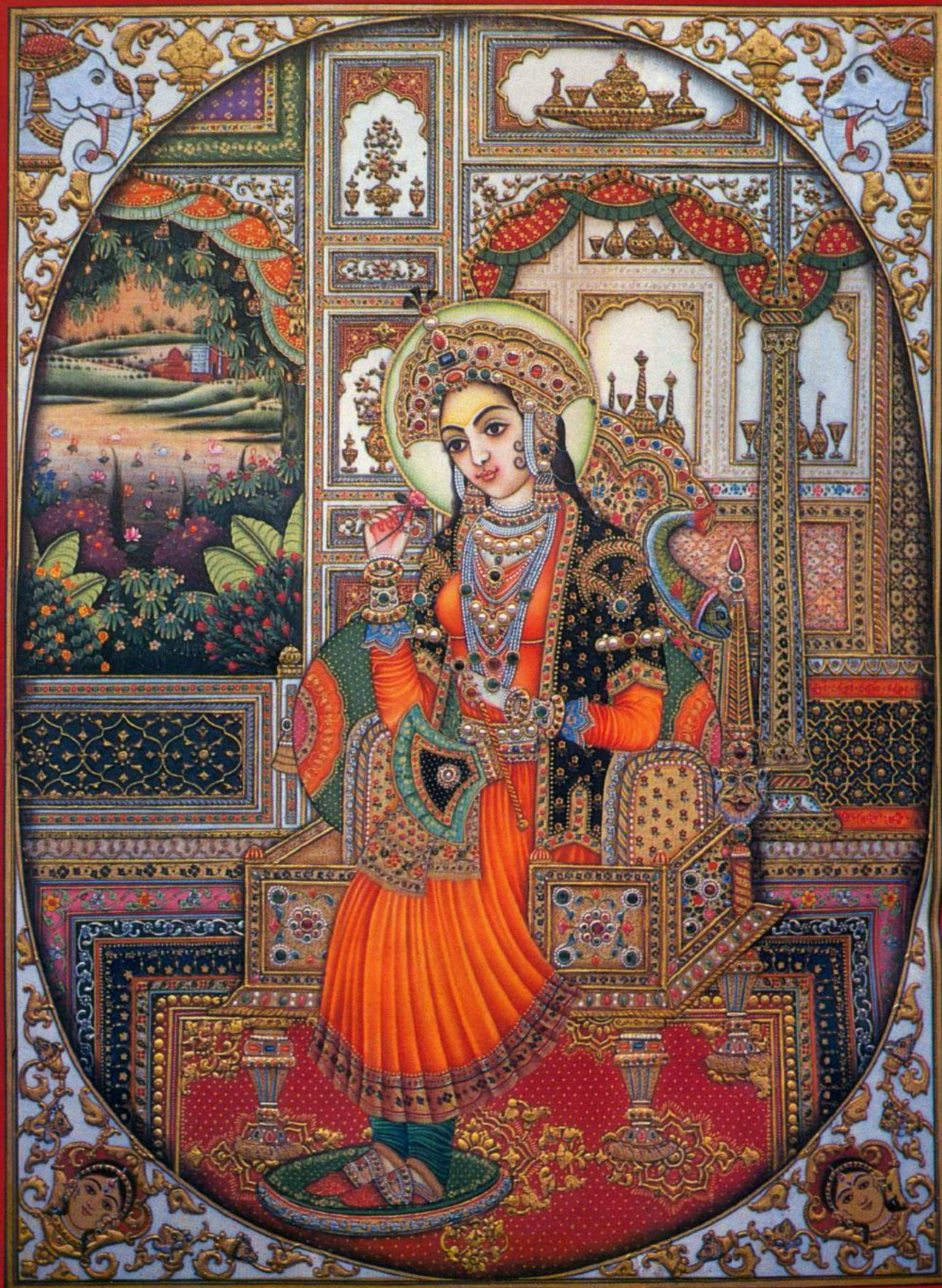
19. The scheme for setting up of select Special Tourism Areas was approved in a resolution adopted by the Conference of State Tourism Ministers held in New Delhi on 10th December, 1991. A copy of the Resolution adopted is at Annexure-II.

The selection of Special Tourism Areas would be done by the Central Government in consultation with those State Governments who are willing to offer the maximum facilities for the successful functioning of such Special Tourism Areas.

Special efforts will be made to attract foreign investment in these areas.

20. **A scheme for giving Assistance for Specified Tourism Areas (ASTA) will be started to provide financial assistance for equity and other tourism related activities in such areas as are specified by the Government.**

21. **The Government will lay special emphasis on the development of island tourism in places such as the Andamans and Lakshadweep.** A decision has recently been taken to selectively open out some of the islands for tourism purposes. This will be done keeping in mind the carrying capacity and the need to preserve the environment. The emphasis will be on high value low volume tourism traffic to the selected islands and the facilities to be provided would blend with the natural beauty of the islands.





Mountainside covered with flowers, Sikkim

RESTRUCTURING AND STRENGTHENING INSTITUTIONS FOR MANPOWER DEVELOPMENT

22. At present there are 15 institutions of Hotel Management and Catering Technology and 16 Foodcraft Institutes in the country. The combined turnover of trained personnel is estimated at 8,500 in the accommodation and hospitality sector as against the annual requirement of 28,000 trained personnel. The Government will, therefore, restructure and strengthen the training programme to meet this shortfall.

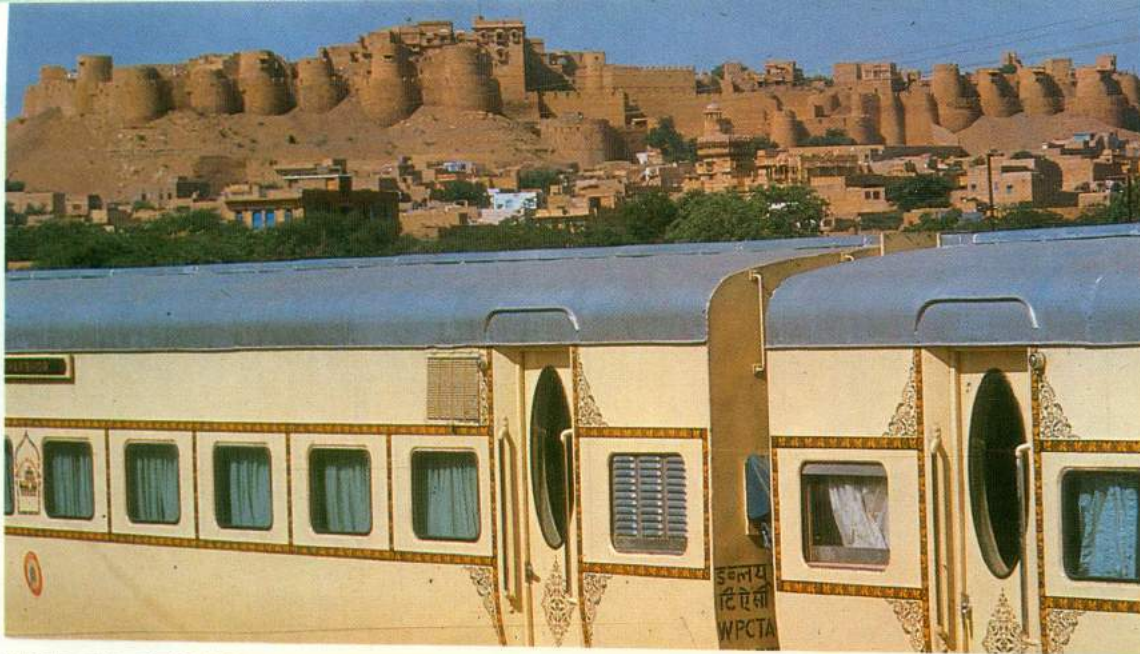
23. The Foodcraft Institutes which provide general training to the students have served a useful purpose in the initial years. There is an urgent need to supplement these activities with certain specialised Institutes like Chef Training Institutes. **A National Culinary Institute will be set up to meet the requirements of trained manpower in the country and the region.**

24. The Institutes of Hotel Management and Catering Technology have fulfilled an important need and students from these Institutes find ready employment in the hotel industry. However, a survey has shown that these students take up jobs mainly in the metros. Consequently the hotel industry in the smaller places does not get trained manpower. **To correct this imbalance, regional institutes would be set up. Students will be admitted on regional basis and encouraged to take up jobs in these areas.**

25. The Indian Institute of Tourism and Travel Management will be strengthened both in staff and equipment to become the premier institution for providing trained manpower for the travel trade in the country. National Universities will also be involved in this effort and would be given financial and other assistance for introducing tourism courses in the country.



Water Sports, Goa



Travelling the royal way on Palace-on-Wheels, Jaisalmer fort in the back drop

MARKETING AND OVERSEAS PUBLICITY

26. In the field of marketing and overseas publicity, the Department will coordinate its activities with Air-India and other agencies operating in foreign countries to obtain optimum results. Emphasis will now be on direct promotion by way of going directly to the consumer. Familiarisation tours; joint promotion with departmental stores and other organisations; and assistance to tour operators promoting India will constitute the major planks of the publicity strategy.

The marketing of India as a generalised destination has obvious drawbacks since foreign travellers do not get indepth focus of local tourist attractions. A major change in strategy is specific destination marketing which concentrates on specified circuits/ destinations in the overseas publicity programme. This year, for example, through special concentration on South India, tourism flows were increased by almost 35% to South Indian destinations and helped diversify tourism away from the traditional destinations.

In many countries tourism trade fairs have become an annual feature where different segments of tourism industry inter-act with one another and the tourism product is sold to wholesalers and retailers. Often a large number of consumers also participate in such trade fairs. In order to promote tourism to India a **tourism trade fair could be held once in three years where the indigenous industry and foreign travel agents / tour operators could fruitfully interact.**

The Government have introduced tourist information service – **TOURNET** in their domestic offices and certain selected countries. **It is proposed to make available a computerised multi-lingual tourist information service which could be installed at different outlets like airports, hotels and trade counters apart from the tourist offices of Government of India.** The service could give instant information on mode of transport, food, accommodation, places of interest and cost of services in different languages to the tourists visiting the country.



Charminar Hyderabad.

SUMMARY OF THE ACTION PLAN

27. Based on the prescriptions contained in the foregoing paragraphs, a summary outline of the Action Plan for Tourism proposed to be implemented, is indicated in the subsequent paragraphs.

28. The items which pertain to the Ministry of Tourism are as below:-

- a) Creation of Special Tourism Areas as notified zones for intensive investment and development.
- b) Starting the Scheme for giving Assistance for Specified Tourism Areas (ASTA) for providing finances for tourism and tourism related industry in specified areas/circuits.
- c) Special category of Heritage Hotels/health resorts to be created and provided.
 - technical/consultancy help
 - loans from financial institutions
 - interest subsidy
 - marketing and operational expertise
- d) Tourist trains to be started on important tourist routes based on the success of the Palace-on-Wheels.
- e) River cruises to be operated in specified circuits.
- f) Revamping of foreign offices to make them more accountable in terms of specified targets.
- g) Information revolution; information system to be revamped to provide positive projection of India in all leading markets.
- h) Special airline/hotel packages for selected tourist destinations.
- i) Provision of information counter for airlines, trains, hotels, tourist information at major international airports.



Tug of war, Pushkar

29. Items which pertain to other Ministries :-

- a) Tourist facilities at major international airports
 - Immigration
 - Customs
 - Luggage
 - Money changing facilities
 - Airport coaches/taxis
- b) Liberalized charters through announced policy and automatic clearance.
- c) Open sky policy for routes on which Air India does not operate or operates in a limited fashion.

ANNEXURE I

CIRCUITS-CUM-DESTINATIONS IDENTIFIED FOR INTENSIVE DEVELOPMENT

Travel Circuits

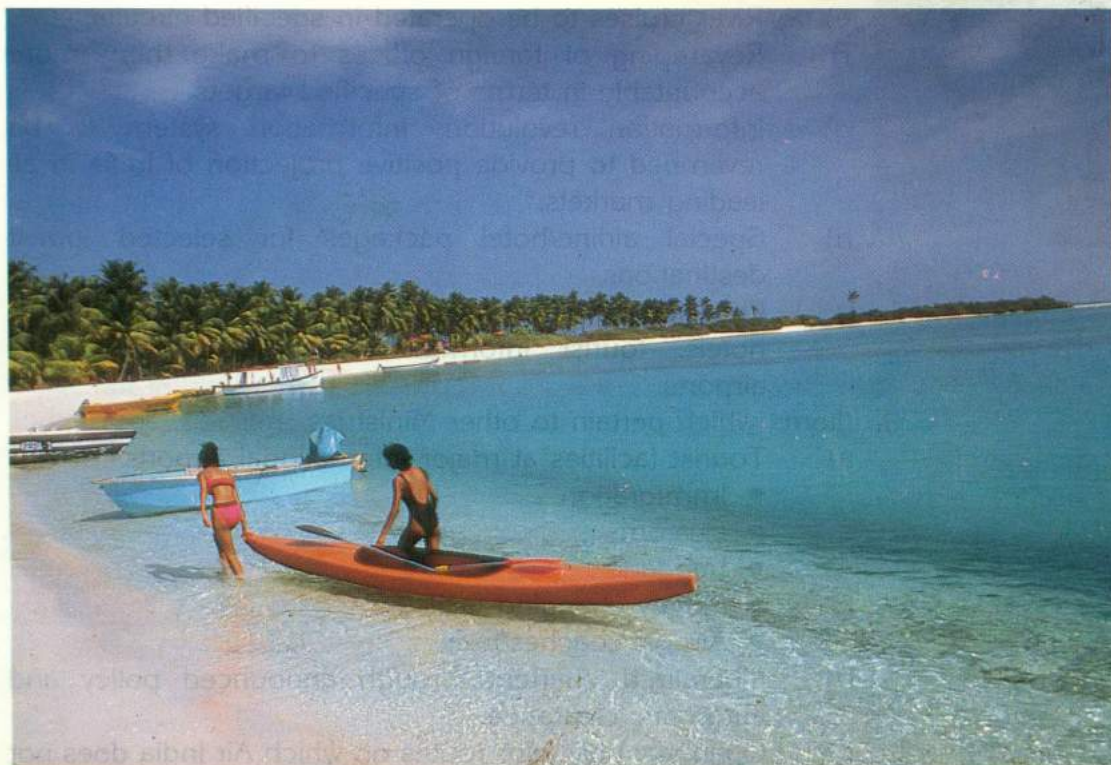
1. Kulu-Manali-Leh
2. Gwalior-Shivpuri-Orchha-Khajuraho
3. Bagdogra-Sikkim-Darjeeling-Kalimpong
4. Bhubaneswar-Puri-Konark
5. Hyderabad-Nagarjunasagar-Tirupati
6. Madras-Mamallapuram-Pondicherry
7. Rishikesh-Narender Nagar-Gangotri-Badrinath
8. Indore-Ujjain-Maheshwar-Omkareshwar-Mandu
9. Jaisalmer-Jodhpur-Bikaner-Barmer

Destinations

1. Lakshadweep Islands
2. Andaman Islands
3. Manali (Solang-Nalah)
4. Bekal Beach
5. Muttukadu Beach
6. Kangra (Pong Dam)



Shivpuri Tourist Village



Sun, sand and sea—Lakshadweep

RESOLUTIONS ADOPTED BY THE STATE TOURISM MINISTERS' CONFERENCE ON 10TH DECEMBER 1991 AT NEW DELHI

The State Tourism Ministers met on 10th December 1991 under the chairmanship of Union Minister of Civil Aviation and Tourism, Shri Madhavrao Scindia, with a view to providing a major boost for development of tourism in the country. Consequent to the detailed discussions on various issues, the following recommendatory resolutions were made :-

SPECIAL TOURISM AREA

(a) The State Governments should consider development of Special Tourism Areas in consultation with the Ministry of Tourism, Government of India.

- Prior approval of the Ministry of Tourism will have to be sought before actual implementation of the project.
- The Special Tourism Areas will have identifiable boundaries to be notified by the State Governments.
- Land would be allotted for hotels and tourism related industry at concessional rates to prospective investors according to the Master Plan prepared.

(b) In each Special Tourism Area, a Special Area Development Authority would be constituted by the State Governments :

- With full delegation of powers under different statutes of the State Government
- Provide single window clearance facility to the investors
- The Authority would prepare a Master Plan within 6 months for development of Special Tourism Areas.

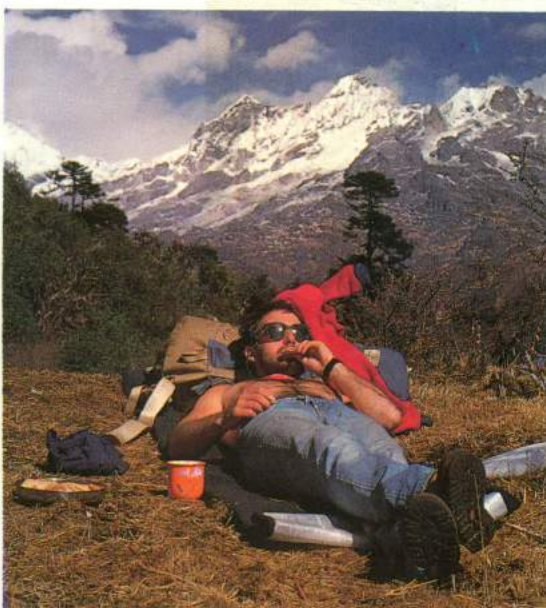
(c) The State Government should provide basic infrastructure in terms of roads, transport network, bus terminals, wayside amenities, electrical grids, water supply, law and order and municipal services.

(d) The State Governments should freeze the rates on water and electricity supply at least for 10 years in such areas.

(e) The State Governments should exempt all projects connected with hotels and tourism related industry being set up in the Special Tourism Areas from all State and local body taxes for a period of at least 10 years.

(f) The Central Government should provide infrastructural support as required for development of Special Tourism Areas such as :

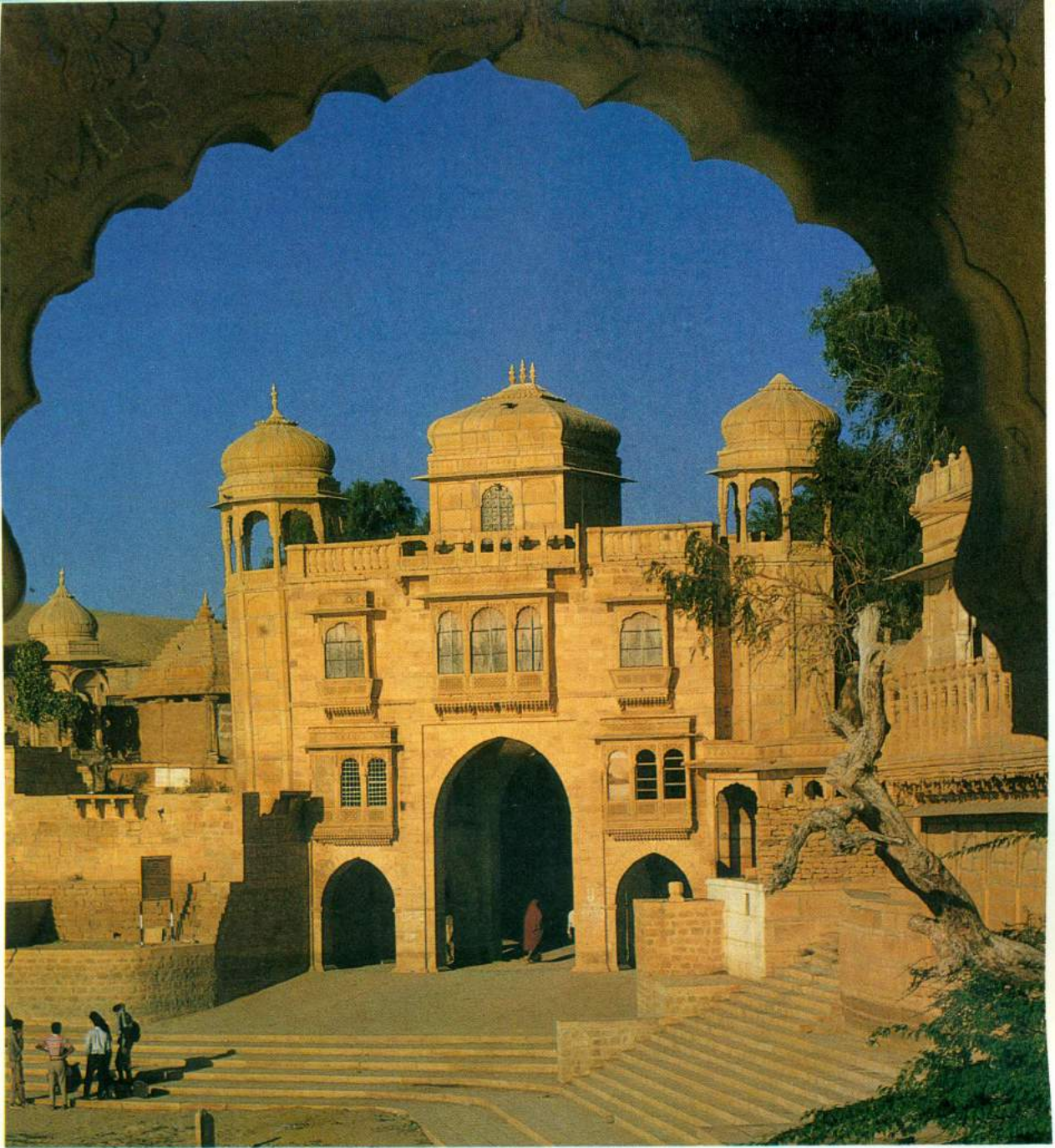
- Airports and airline services
- Railway stations
- Communication network
- Post/telegraph services/banks



Relaxing after an exhausting trek



Movement is the rhythm of life



Garisar Tank, Jaisalmer

- (g) The Central Government should consider granting exemption from specific central taxes, and providing fiscal incentives in the shape of capital subsidy, interest subsidy, etc. for development of capital intensive tourism projects.
- (h) The Central Government should set up a **Tourism Development Fund** for providing equity support to investors in such areas for capital intensive projects.
- (i) The Central Government should provide special clearance for all projects being set up in Special Tourism Areas from the environmental angle.
- (j) India Investment Centre/Embassies/Government of India Tourist Offices to give wide publicity of such areas to foreign investors.
- (k) At National level a Coordination Committee should be set up with representatives from the State Governments, private trade and the Government of India for coordinating all matters related to the Special Tourism Areas.



Silhouette of Khajuraho temples

Back Cover : Spectacular Sound & Light show at Gwalior Fort

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