Study to assess Hotel Rooms /Accommodation in 50 Major Tourist centers & Metro cities in India

Final Report

Ministry of Tourism
Government of India

By

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1.1. Overview

This chapter presents an overview on the background on which the study was conducted. The need that had for conducting the study, the objective, scope of work and deliverables for which the study was conducted. In simpler words, this chapter presents the background for the study

1.2. The Need for the Study

The year 2004-05 saw tourism emerging as one of the major sectors for growth of Indian economy, with the total earnings from the tourism sector reaching US$4810 Mn. As per WTTC estimates, the contribution of tourism in GDP reached 4.9%.

Similarly during the last year, tourism industry registered a growth rate of 24% in foreign tourist arrivals, which has been the highest in last 10 years. This was achieved against a worldwide trend of decline for the period under consideration.

Witnessing the ensuing boom in the foreign as well as domestic tourist arrivals, the Ministry of Tourism in particular as well as different State Tourism Departments have started realizing the potential and have started investing in tourism projects as well as products.

Secondly and most importantly for India is to gear itself up for the upcoming Commonwealth games to be hosted by India in 2010 by which time the country has to be prepared in terms of additional and good surfaced road lengths, transport infrastructure, required airports and air strips, hygienic and clean environment, water and sanitation arrangements, security , hygienic and fresh food & beverages and at the same time the most crucial being required number of rooms for the purpose of accommodation to the domestic as well as international tourists. As an essential pre-requisite, focus has primarily shifted to improvement of tourist infrastructure at important destinations/ circuits, particularly with regard to improvement of hotel infrastructure. Keeping this in mind Ministry of Tourism, Government of India, had entrusted ACNielsen ORG-MARG to assess the demand – supply gap of rooms in the major Metro cities and 50 prime tourist destinations of India.

1.3. Terms of Reference

The broad terms of reference as laid down by the Ministry of Tourism are as indicated below:-

- Adequacy of hotel room accommodation in India, existing and under development, both in the public and private sector for dealing with the current levels of tourist traffic with an estimation of oversupply/ shortfall in hotel room capacity in Metro cities and in 50 major tourism centres
- Estimated future requirements of hotel accommodation, category wise and destination wise, commensurate with the future needs of foreign and domestic tourists in 2010 and 2015, considering two scenarios i.e. one based on the existing growth of tourist traffic trends and second with a target of 15 million foreign tourists by 2010 and 25 million foreign tourists by 2015

Identification of constraints and bottlenecks impeding the growth of hotel accommodation with specific reference to the Central, State and local laws, rules and regulations hampering such development and making suitable recommendations for augmenting the inventory of hotel rooms in key destinations in the country and also pro – active policies in the area of allotment of land, changes in land use etc.

Comparative analysis of availability of approved hotel accommodation in India vis a vis the hotel accommodation of comparable standards in competing tourism destination countries in the region viz. Indonesia, Malaysia, Thailand, Philippines, Singapore and China

Review of tariff structures of hotel accommodation of comparable categories in India and competing tourism destination countries

Emerging tourism trends in the Asia – Pacific region and its impact on demand for rooms in India

1.4. Study Objective

The objective of the aforesaid study was to assess the requirement of hotel rooms/ accommodation in the Metro Cities and 50 major tourist centers in India, identify constraints / impediments (if any) and suggest recommendations to enable Indian inventory of hotels one of the best in the Asia pacific region.

1.5. Deliverables

To attain the aforesaid objective, the deliverables were as indicated below:-

Earmarking and freezing top 50 tourist destinations based on the domestic as well as foreign tourist arrivals for the last 3 years.

Preparation of list of hotels of different categories (approved & unapproved) as well as other accommodation units available in that particular destination / center across different identified centers. Thus arrive at the existing accommodation capacities currently available.

Assessment of proposed / likely new projects (announced or under construction) of various groups/chains, public / private as well as other accommodation units in the earmarked locations and its proposed date of completion.

Estimation of future capacity requirement in accommodation - destination wise as well as category wise based on :-

Existing growth of tourist traffic trends

With a target of 15 million foreign tourists by 2010 and 25 million by 2015

Demand – supply gap of accommodation units of different categories in the earmarked locations, keeping in mind the considerations as indicated above

Identification of constraints and bottlenecks hindering growth of hotel accommodation/other accommodation units and how to solve the same in specific locations with particular reference to

Central policy

State rules and regulations

Land availability & allotment
Land use patterns
Local laws & bylaws

Preparation of suitable recommendations for augmenting inventory of hotel rooms in key destinations in the country with focus on pro – active policies and framework.

Comparative review of tariff rates across different categories and approved hotel accommodation as well as unapproved in India vis a vis other Asia pacific countries like Indonesia, Malaysia, Thailand, Philippines, Singapore as well as China from available sources.

Comparative depiction of emerging tourism trends in the Asia – pacific countries vis a vis India

Comparative accommodation capacities in different categories in the Asia pacific countries

1.6. Locations covered

The locations covered during the study have been indicated in the Table below:-

Table 1.1: Locations covered during primary survey

North		East	
Delhi	Allahabad	Kolkata	Patna
Jammu- Katra	Manali	Puri - Bhubaneshwar	Ranchi
Srinagar	Dehradun – Mussourie	Darjeeling	Shillong
Varanasi	Nainital	Siliguri	Gangtok
Agra	Mathura	Digha	Gaya/ Bodhgaya
Shimla	Haridwar- Rishikesh	Guwahati	
Lucknow	Amritsar		
South		**West**	
Chennai	Madurai	Mumbai	Udaipur
Bangalore	Hampi	Pune	Jodhpur
Hyderabad	Calicut	Aurangabad	Jaisalmer
Mysore	Ponndicherry	Ahmedabad/ Baroda	Indore
Cochin	Vizag	Goa	Bhopal
Ooty	Vijaywada	Khajuraho	Raipur
Trichy	Kanyakumari	Ajmer/ Pushkar	Jaipur
Thiruvanathapuram/ Kovalam			

1.7. Methodology adopted in conducting the study

The methodology adopted at various stages in conducting the study has been elaborated in the ensuing paragraphs.

The study was carried out combining data from secondary (wherein information was procured from various published information) as well as primary sources (wherein face to face interview as well as e mail communications were carried out with the identified respondent categories).

In the secondary research, review of published information (from articles, online sources, books) was undertaken. The aim was to find out information about prime chain hotels in India and in the Asia Pacific Region. Additionally, Ministry of Tourism, Tourism Department of the State Governments (in which 54 locations fell) as well as in house studies (carried out for Ministry of Tourism titled "Collection of Domestic Tourism Statistics for the State of Rajasthan, Uttaranchal, Uttar Pradesh, Orissa and Karnataka" for the year 2005) were tapped to churn requisite information (elaborated below)

In primary research, 4157 accommodation units, 54 civic bodies, Federation of Hotel and Restaurants Association of India, 5 Tourism Boards of Asia Pacific Countries (Indonesia, Phillipines, Thailand, Singapore and Malaysia) and 32525 Tourists (Both Domestic as well as Foreign). The location wise no. of tourists interviewed has been provided in the Annexure. In addition to this, Ministry of Tourism officials at the Centre and at the regional level were also contacted. The primary survey was carried out in between September 2006 and November 2006.

1.7.1. Definitions Followed

The Hotel industry in India can be classified into 3 major types:-

Starred - Hotels which have acquired classification from Ministry of Tourism under the different star categories viz. 1 Star, 2 Star, 3 Star, 4 Star, 5 Star, 5 Star Deluxe, Heritage, Heritage Classic, Heritage Grand.

Approved (Awaiting Classification) Hotels - Hotels which have acquired approval from Ministry of Tourism but not classified into any star categories

Licensed Units - Hotels/Establishments which have acquired approval/license from local municipal authorities/police license to conduct boarding and lodging facilities NOT including Paying Guest Accommodation, Dharmashalas, Lodges, Dormitories

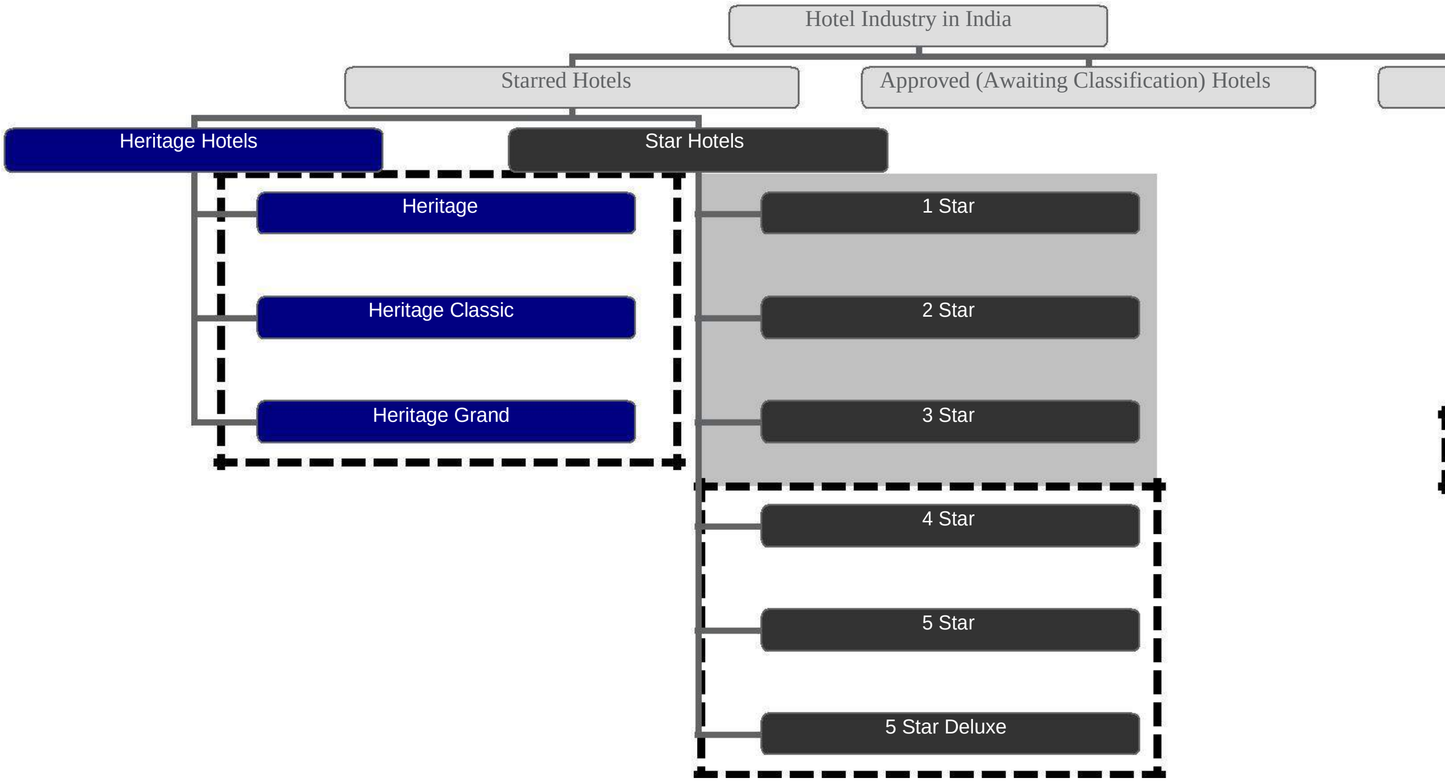
The definitions that have been followed in this report are elucidated below and illustrated in the next page:-

Luxury - Hotels having Heritage classification and those which have classification of 4 Star, 5 Star and 5 Star Deluxe has been defined as a Luxury accommodation unit

Budget - Hotels having classification between 1 Star – 3 Star has been defined as a Budget accommodation unit.

Others – Includes approved (awaiting classification) as well as licensed units indicated above.

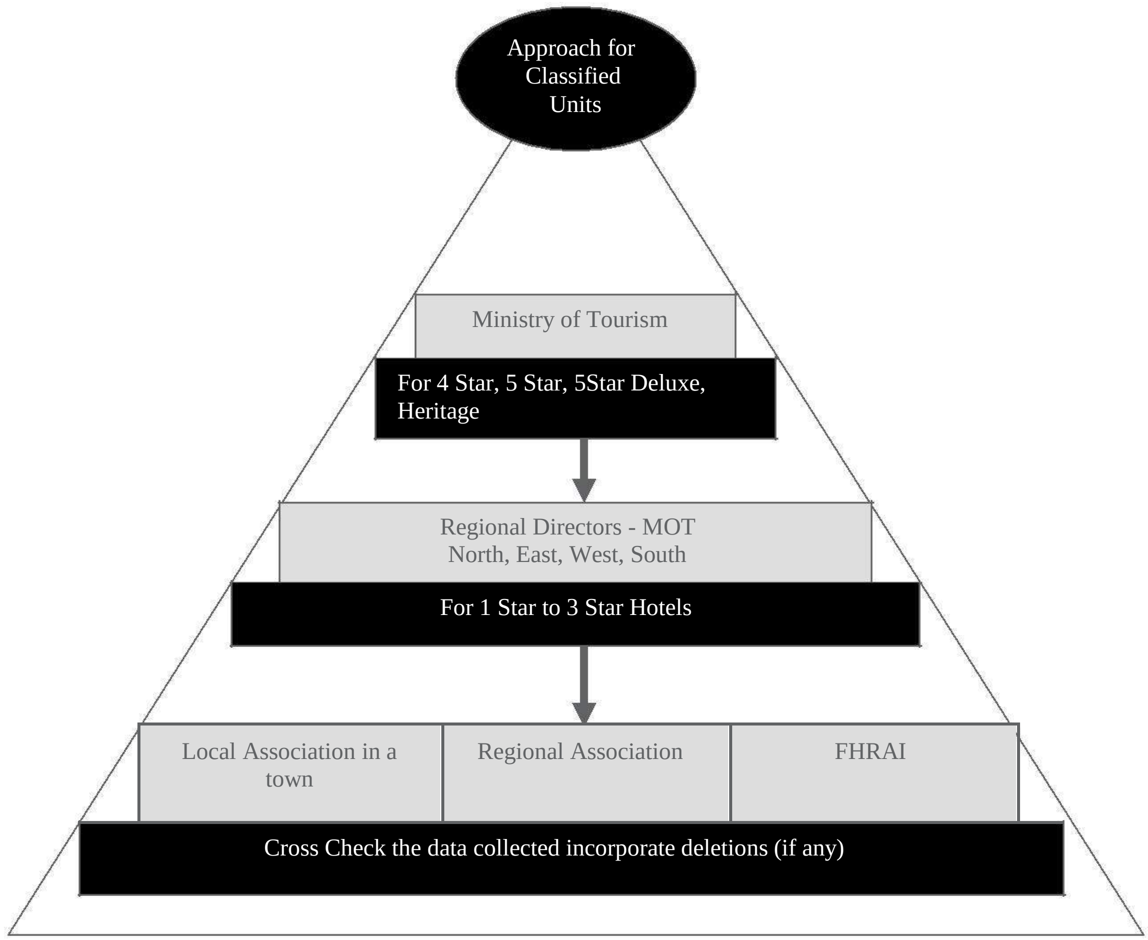
The aforesaid definitions have been followed in describing current and future demand supply scenario.


Hotel Industry in India
Starred Hotels
Approved (Awaiting Classification) Hotels
Heritage Hotels
Star Hotels
Heritage
Heritage Classic
Heritage Grand
1 Star
2 Star
3 Star
4 Star
5 Star
5 Star Deluxe

1.7.2. Assessment of supply scenario of accommodation units across 54 locations

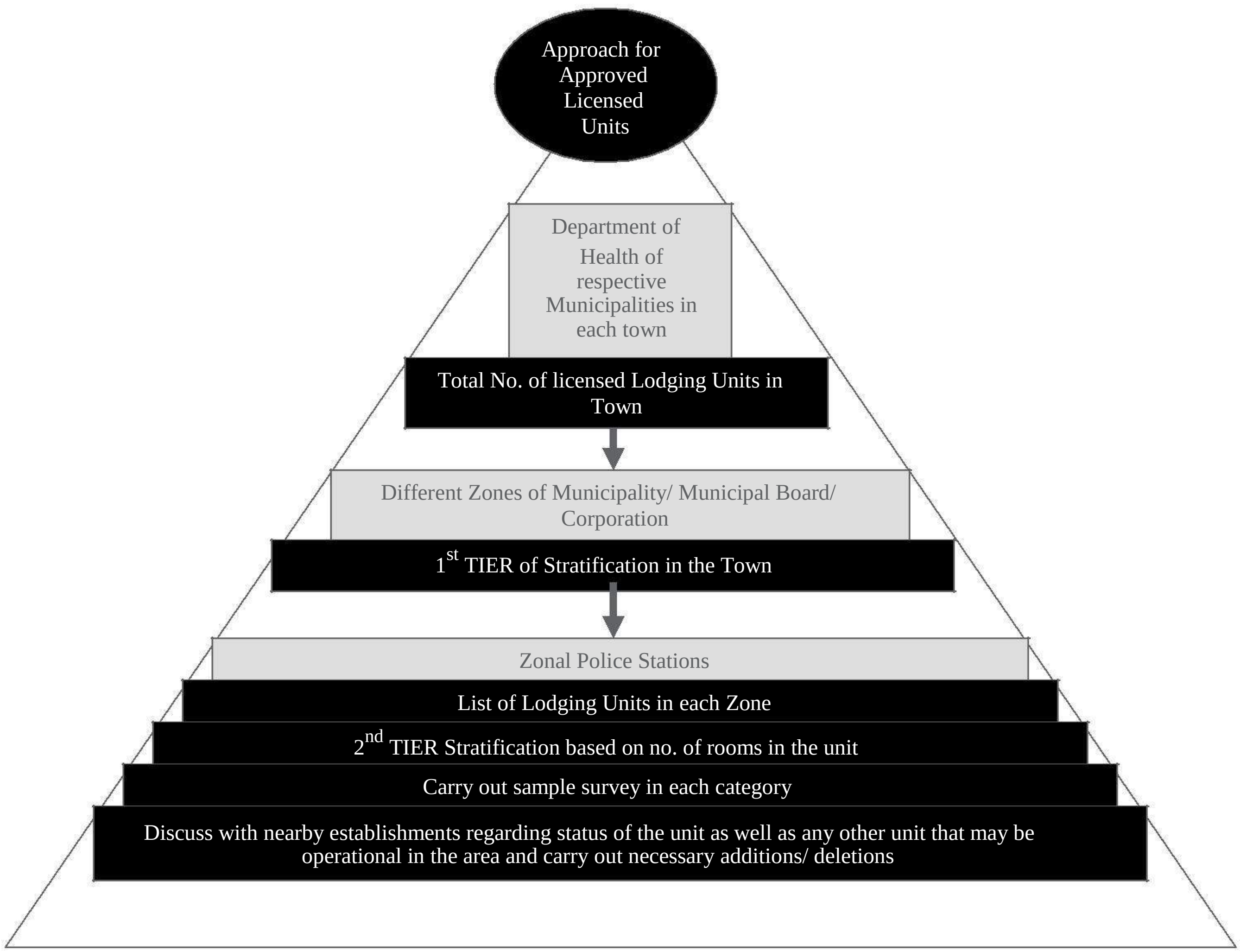
A dual approach was taken in order to arrive at the total supply in the 54 locations.

For the Classified Units – List of 4 Star, 5 Star and 5 Star Deluxe as well as Heritage Hotels were collected from Ministry of Tourism. Following this, The Regional Directors of each zone were contacted to generate comprehensive list of 1 star, 2 star as well as 3 star hotels in the respective zones. The data so collected was then cross checked from FHRAI, Regional Association, Local Association (in a particular town) and in case of non- functional unit, the same was deleted from the list. A pictorial depiction of the entire process has been indicated below. Each of the classified units were covered in the primary survey.



For the Approved/ Licensed Units – A separate approach was taken for the Approved as well as the Licensed units. The Department of Health of respective Municipalities/ Municipal Board/ Corporation was approached to begin with. Following this, different zones of Municipality, Municipal Board was approached and no. of accommodation units and no. of rooms in each unit was collected from them. This formed the first level of stratification of the town. This was followed by visit to the Zonal Police Stations from where a list of lodging units within the zone was procured. This was followed by a 2nd

level of stratification, in which the units were stratified on the basis of no. of rooms. A sample survey was carried out next to check whether the unit was in running condition or not. This was done for each strata. The total no. of sample checks carried out in each town has been provided in the Annexure. While carrying out sample checks, nearby business establishments were tapped to ascertain the status of the unit (whether operational / non operational) and get an idea whether any other accommodation unit was operating in the locality or not. Accordingly the requisite additions and deletions were carried out. No. of units in which sample checks have been carried out has been provided in Annexure. A pictorial depiction of the entire process has been indicated below



1.7.3. Parameters governing demand scenario – collating feedback from domestic and foreign tourists

The feedback from domestic and foreign tourists interviewed at different identified locations (Pls. refer Table A1 in Annexure for location wise no. of tourist interviews) were helpful in arriving at location wise demand figures. The interviews were carried out at the prime tourist destinations in the earmarked locations. The major parameters gathered from the tourists were as follows:-

Percentage of Tourists requiring accommodation in Hotels – This parameter was gauged from the response received from the query put forward to the tourist, asking him/ her as to where he is staying in the town:- Whether in an accommodation unit or along with friends & relatives. The tourists availing accommodation in an accommodation unit was further queried to get know-how of the preferences and behavior, while the interview of the respondents revealing that they were staying with friends and relatives were terminated. This indicator gave a fair idea of the total demand of rooms in the particular location.

Preference of Accommodation Units – The tourists were asked about the accommodation type (viz. Luxury, Budget Others) they preferred staying in (irrespective of where they had put up) at the location interviewed. The same indicator was of utmost importance in determining the demand of different category of rooms.

Average No. of persons per room – The tourists availing accommodation in a Hotel were asked as to how many members of their family/ group were staying in a particular room. The response was vital in calculating the actual demand of rooms. Response from all the tourists (separately for domestic & foreign) were collated and an average value was worked out for a particular location. (please refer table below for details)

Average No. of bed nights per visitor at the location – The tourists availing accommodation in a Hotel were asked about the no. of bed nights they are willing to spend at the accommodation unit they were staying in. This indicator was helpful in determining the demand of rooms.

Usage of the aforesaid parameters in arriving at the demand in a particular location has been elaborated in 1.7.4. Location wise findings in relation to the aforesaid parameters from domestic as well as foreign tourists have been depicted in the Tables 1.2 and 1.3 respectively:-

Table 1.2: Findings from the primary survey – Domestic Tourists

Locations	Percentage of Domestic tourists requiring accommodation (All figures in Percentages)	Average Bed nights/ visitor	Average No. of persons/ room	Percentage distribution of preference of accommodation			
				Luxury	Budget	Others	Total
Delhi	51	2.51	2.01	44.45	21.35	34.20	
Jammu/ Katra	80	2.89	4.12	0.00	44.87	55.13	100.00
Srinagar	90	2.01	2.11	1.22	43.62	55.16	100.00
Varanasi	70	1.98	2.75	5.87	40.12	54.01	100.00
Agra	75	1.45	2.55	6.85	40.23	52.92	100.00
Shimla	90	2.25	3.21	0.00	37.85	62.15	100.00
Lucknow	70	1.35	2.10	7.21	28.65	64.14	100.00
Allahabad	60	1.82	2.75	0.00	37.79	62.21	100.00
Manali	95	2.32	3.31	0.00	36.87	63.13	100.00
Dehradun/ Mussourie	95	2.12	2.62	2.12	44.15	53.73	100.00
Nainital	95	2.11	3.15	0.00	23.84	76.16	100.00
Mathura	80	2.31	2.49	0.00	36.15	63.85	100.00
Haridwar/ Rishikesh	70	2.10	2.78	0.00	54.21	45.79	100.00
Amritsar	80	1.22	2.25	5.15	40.31	54.54	100.00
Kolkata	70	2.10	2.25	5.06	40.25	54.69	100.00
Puri /Bhubneshwar	90	2.23	3.55	2.12	26.15	71.73	100.00
Darjeeling	80	2.36	3.25	3.25	49.85	46.90	100.00
Siliguri	70	2.14	2.30	0.00	40.25	59.75	100.00
Digha	90	2.24	1.50	0.00	0.00	100.00	100.00
Guwahati	70	1.49	1.80	2.35	55.71	41.94	100.00
Patna	70	1.14	3.12	2.04	46.23	51.73	100.00
Ranchi	75	1.21	2.78	3.11	37.15	59.74	100.00
Shillong	70	1.12	2.09	2.16	30.23	67.61	100.00
Gangtok	90	2.05	2.60	4.01	65.15	30.84	100.00
Gaya/Bodhgaya	80	1.11	3.48	0.00	35.12	64.88	100.00
Mumbai	70	2.11	3.22	15.20	44.21	40.59	100.00
Pune	75	2.01	3.00	3.02	12.14	84.84	100.00
Aurangabad	80	1.11	3.28	8.16	15.21	76.63	100.00
Ahmedabad/ Baroda	70	2.12	3.17	16.10	46.12	37.78	100.00
Goa	100	2.89	3.62	31.21	45.12	23.67	100.00
Khajuraho	95	1.15	2.70	9.14	64.12	26.74	100.00
Ajmer/ Pushkar	100	2.13	3.36	0.00	36.94	63.06	100.00
Jaipur	70	2.21	3.18	15.87	39.15	44.98	100.00
Udaipur	80	2.21	2.70	9.18	36.02	54.80	100.00
Jodhpur	70	1.12	3.40	5.23	34.95	59.82	100.00
Jaisalmer	70	1.24	2.40	2.39	48.91	48.70	100.00
Indore	70	1.56	2.26	3.15	44.87	51.98	100.00
Bhopal	85	2.16	2.46	0.00	44.26	55.74	100.00
Raipur	90	1.06	2.05	1.05	65.12	33.83	100.00
Chennai	70	1.25	2.78	22.01	65.32	12.67	100.00
Bangalore	85	1.12	3.81	2.06	55.81	42.13	100.00
Hyderabad	80	2.11	3.41	2.05	34.65	63.30	100.00
Mysore	70	1.98	2.81	0.00	45.78	54.22	100.00

Table 1.2 (Contd.): Findings from the primary survey – Domestic Tourists

Locations	Percentage of Domestic tourists requiring accommodation (All figures in Percentages)	Average Bed nights/ visitor	Average No. of persons/ room	Percentage distribution of preference of accommodation			
				Luxury	Budget	Others	Total
Cochin	70	2.32	2.71	6.12	47.85	46.03	100.00
Ooty	95	2.11	3.62	2.97	41.25	55.78	100.00
Trichy	85	2.01	2.38	0.00	44.75	55.25	100.00
Thiruvananthpuram / Kovalam	75	1.15	2.60	35.84	36.84	27.32	100.00
Kanyakumari	74	1.23	3.02	0.00	25.78	74.22	100.00
Madurai	100	1.12	2.01	0.00	42.81	57.19	100.00
Hampi	100	1.14	1.61	0.00	0.00	100.00	100.00
Calicut	70	1.16	1.21	3.90	18.12	77.98	100.00
Pondicherry	70	1.26	2.14	0.00	44.64	55.36	100.00
Vizag	70	1.22	1.65	0.00	35.12	64.88	100.00
Vijaywada	70	1.30	1.21	0.00	34.78	65.22	100.00

The findings from the foreign tourists have been indicated below

Table 1.3: Findings from the primary survey – Foreign Tourists

Locations	Percentage of Foreign tourists requiring accommodation (All figures in Percentages)	Average Bed nights/ visitor	Average No. of persons/ room	Percentage distribution of preference of accommodation			
				Luxury	Budget	Others	Total
Delhi	100	3.12	1.72	77.7	21.05	1.88	
Jammu/ Katra	100	2.11	1.00	4.15	50.62	45.23	100.00
Srinagar	100	1.33	1.21	20.85	64.87	14.28	100.00
Varanasi	100	2.87	1.23	64.25	21.22	14.53	100.00
Agra	100	3.12	1.52	68.12	20.05	11.83	100.00
Shimla	100	3.21	1.25	24.57	61.12	14.31	100.00
Lucknow	100	2.12	1.51	44.87	29.22	25.91	100.00
Allahabad	100	2.01	1.03	0.00	73.15	26.85	100.00
Manali	100	3.21	1.15	0.00	55.15	44.85	100.00
Dehradun/ Mussourie	100	2.19	1.76	15.12	48.23	36.65	100.00
Nainital	100	1.45	1.38	0.00	60.21	39.79	100.00
Mathura	100	3.15	1.76	0.00	49.23	50.77	100.00
Haridwar/ Rishikesh	100	1.22	1.55	0.00	75.12	24.88	100.00
Amritsar	100	1.12	1.38	55.14	21.12	23.74	100.00
Kolkata	100	2.45	1.11	50.21	15.23	34.56	100.00
Puri /Bhubneshwar	100	3.12	1.24	55.12	35.27	9.61	100.00
Darjeeling	100	2.24	1.00	0.00	44.85	55.15	100.00
Siliguri	100	1.35	1.00	0.00	42.36	57.64	100.00
Digha	100	1.25	1.00	0.00	0.00	100.00	100.00
Guwahati	100	1.01	1.20	12.15	64.75	23.10	100.00
Patna	100	1.12	1.04	50.05	47.69	2.26	100.00
Ranchi	100	1.35	1.15	40.15	44.81	15.04	100.00
Shillong	100	1.36	1.15	65.23	24.32	10.45	100.00
Gangtok	100	2.16	1.20	65.15	31.15	3.70	100.00
Gaya/Bodhgaya	100	2.12	1.15	0.00	64.15	35.85	100.00

Table 1.3 (Contd.): Findings from the primary survey – Foreign Tourists

Locations	Percentage of Foreign tourists requiring accommodation (All figures in Percentages)	Average Bed nights/ visitor	Average No. of persons/ room	Percentage distribution of preference of accommodation			
				Luxury	Budget	Others	Total
Mumbai	100	2.23	1.50	89.75	2.15	8.10	
Pune	100	1.04	1.85	18.24	36.93	44.83	100.00
Aurangabad	100	1.52	1.15	62.23	22.14	15.63	100.00
Ahmedabad/ Baroda	100	1.46	1.36	42.15	32.05	25.80	100.00
Goa	100	3.89	1.40	76.22	8.15	15.63	100.00
Khajuraho	100	1.24	2.01	40.15	35.19	24.66	100.00
Ajmer/ Pushkar	100	3.12	1.22	26.28	38.21	35.51	100.00
Jaipur	100	3.01	1.50	83.14	7.07	9.79	100.00
Udaipur	100	3.12	1.82	54.12	36.15	9.73	100.00
Jodhpur	100	3.21	1.00	55.29	32.04	12.67	100.00
Jaisalmer	100	3.26	2.10	37.65	29.16	33.19	100.00
Indore	100	1.72	1.20	44.85	32.19	22.96	100.00
Bhopal	100	1.35	1.00	42.81	28.14	29.05	100.00
Raipur	100	2.31	1.30	39.12	43.22	17.66	100.00
Chennai	100	2.13	1.50	82.22	15.06	2.72	100.00
Bangalore	100	2.14	1.35	71.06	15.04	13.90	100.00
Hyderabad	100	2.45	2.10	42.15	26.15	31.70	100.00
Mysore	100	2.31	1.50	30.23	34.77	35.00	100.00
Cochin	100	3.12	1.75	65.15	25.18	9.67	100.00
Ooty	100	3.06	1.14	25.05	25.23	49.72	100.00
Trichy	100	3.12	1.12	50.15	25.15	24.70	100.00
Thiruvananthpuram / Kovalam	100	2.15	1.75	80.23	18.15	1.62	100.00
Kanyakumari	100	2.31	1.62	0.00	78.26	21.74	100.00
Madurai	100	2.31	1.41	0.00	75.21	24.79	100.00
Hampi	100	2.31	1.06	0.00	0.00	100.00	100.00
Calicut	100	2.06	1.05	63.95	26.78	9.27	100.00
Pondicherry	100	2.34	1.12	14.85	39.26	45.89	100.00
Vizag	100	2.14	1.20	86.85	11.24	1.91	100.00
Vijaywada	100	2.31	1.04	0.00	75.24	24.76	100.00

1.7.4. Methodology adopted for demand calculation (average and peak) at a particular location

Calculation of average demand at a particular location – The sequential steps have been indicated in the ensuing paragraphs

Step 1:- The no. visitors to the particular location in the year 2005 was sourced from various sources as indicated in the Table below.

Table 1.4: Domestic and Foreign tourist visits to identified locations

Locations	Visitors 2005		
	Domestic	Foreign	Total
Delhi *	2061782	1511893	3573675
Jammu / Katra *	7239481	44345	7283826
Srinagar #	1679079	17606	1696685
Varanasi **	603930	97455	701385
Agra #	1342820	117737	1460557
Shimla #	1757307	64752	1822059
Lucknow #	219522	16367	235889
Allahabad **	413343	1897	415240
Manali	1641007	67933	1708940
Dehradun/Mussourie **	1050245	2210	1052455
Nainital #	530854	6666	537520
Mathura #	82466	9913	92379
Haridwar/ Rishikesh **	7886593	19160	7905753
Amritsar #	154202	2750	156952
Kolkata #	2825799	479251	3305050
Puri /Bhubneshwar **	2207667	27389	2235056
Darjeeling #	416395	17957	434352
Siliguri #	1578417	76926	1655343
Digha #	2264550	79188	2343738
Guwahati #	1157380	22450	1179830
Patna #	1487940	1856	1489796
Ranchi #	145779	3915	149694
Shillong #	325428	4591	330019
Gangtok #	222044	9520	231564
Gaya/Bodhgaya #	297155	37001	334156
Mumbai #	3131099	1918382	5049481
Pune #	2348324	248446	2596770
Aurangabad #	313110	30460	343569
Ahmedabad/ Baroda #	2250901	18849	2269750
Goa	1965343	336803	2302146
Khajuraho #	145987	67211	213198
Ajmer/ Pushkar #	1523600	63312	1586912
Jaipur #	1198000	387295	1585295
Udaipur #	566076	173804	739880
Jodhpur #	385109	90201	475310
Jaisalmer #	177236	99439	276675
Indore #	227554	3366	230920

Table 1.4 (Contd.): Domestic and Foreign tourist visits to identified locations

Locations	Visitors 2005		
	Domestic	Foreign	Total
Bhopal #	1706658	31348	1738006
Raipur #	324495	912	325407
Chennai #	2098551	291354	2389905
Bangalore **	1426416	680215	2106631
Hyderabad #	1398215	678911	2077126
Mysore **	1400367	39206	1439573
Cochin #	1021944	108773	1130717
Ooty #	2198552	60676	2259228
Trichy #	1099276	24271	1123547
Thiruvananthpuram / Kovalam #	96227	6813	103040
Kanyakumari #	1923733	42474	1966207
Madurai #	1374095	30338	1404433
Hampi **	118547	13085	131632
Calicut #	1546795	12636	1559431
Pondicherry #	483441	35519	518960
Vizag #	1631391	138578	1769969
Vijaywada #	978834	15431	994265
Total	74651060	8388836	83039896

* - Implies compilation from Statistical data of MOT

- Implies compilation from State Tourism Departments

** - Implies usage of ACNielsen ORG-MARG Study data commissioned by Ministry of Tourism titled "Collection of Domestic Tourism Statistics for the State of Uttaranchal, Rajasthan, Karnataka, Uttar Pradesh and Orissa

Step 2:- From statistical compilations of Ministry of Tourism, the cumulative annual growth rates for the respective states were calculated for the period 2002 – 05 and 2002 - 06 respectively. Year on year growth rates were also calculated (Refer Tables A3 and A4 in the Annexure) to get an idea of the trends in domestic tourist visits in the States.

Table 1.5: Domestic and Foreign tourist visits to different States 2002-06

STATE/ U.T.	2002		2003		2004		2005		20
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Dome
Andhra Pradesh	60487370	210310	74138729	479318	89440272	501019	93529554	560024	1117
Arunachal Pradesh	4372	187	2195	123	4740	269	3005	289	
Assam	1953915	6409	2156675	6610	2288093	7285	2467652	10782	27
Bihar	6860207	112873	6044710	60820	8097456	38118	8687220	63321	77
Goa	1325296	271645	1725140	314357	2085729	363230	1965343	336803	20
Gujarat	5735286	34187	7640479	37534	7748371	21179	8076102	47107	115
Haryana	6426763	85281	5903196	84981	5399099	66153	5913394	59353	60
Himachal Pradesh	4958917	144383	5543414	167902	6345069	204344	6936840	207790	76
Jammu & Kashmir	4570583	7821	5748846	24330	6881473	40242	7239481	44345	76
Karnataka	8678670	59545	11175292	249908	27194178	530225	30470316	545225	361
Kerala	5568256	232564	5871228	294621	5972182	345546	5946423	346499	62
Madhya Pradesh	4903242	67319	5968719	92278	8619486	145335	7090952	160832	110
Maharashtra	9802527	768935	11272906	986544	13392212	1218382	14276097	1448656	166
Manipur	89633	221	92923	257	93476	249	94299	316	1
Meghalaya	268609	3146	371953	6304	433495	12407	375901	5099	4
Mizoram	29417	259	35129	279	38598	326	44715	273	
Nagaland	14263	657	5605	743	10056	1084	17470	883	
Orissa	3289205	23279	3701245	25020	4125536	28817	4632976	33310	52
Punjab	317904	7558	1150015	4589	361568	7312	431036	4353	3
Rajasthan	8300190	428437	12545135	628560	16033896	971772	18787298	1131164	234
Sikkim	159342	8566	179661	11966	230719	14646	251744	16523	2
Tamil Nadu	39873160	804041	40213060	901504	42279838	1058012	43213128	1179316	583
Tripura	260586	2602	257331	3196	260907	3171	216330	2677	2
Uttaranchal	10606504	45070	10835241	55228	11720570	62885	14215570	75995	166
Uttar Pradesh	71490000	710000	80020000	817000	88360000	974000	95440947	1174597	1055
Chattisgarh	1058565	993	1256407	1150	1897200	3000	324495	912	3
Jharkhand	313134	2244	398342	3223	461486	4375	2042723	6035	20
West Bengal	8844232	529366	11300763	705457	12380389	775694	13566911	895639	158
Andaman & Nicobar	90629	5101	85826	4142	105004	4578	30225	2147	1

Table 1.5 (Contd.): Domestic and Foreign tourist visits to different States 2002-06

STATE/ U.T.	2002		2003		2004		2005		20
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Dome
Chandigarh	554948	13706	567259	17057	599448	16137	614176	23284	7
Daman & Diu	595449	6569	447825	3274	399800	4111	394914	6164	4
Delhi*	1228059	543036	1430546	693827	1866552	839574	2061782	1511893	22
Dadra & Nagar Haveli	452100	202	447825	136	532016	168	526142	1226	4
Lakshadweep	6173	912	4604	682	3889	1285	6908	941	
Pondichery	480522	20094	500111	25559	558445	32053	574099	36009	6
Grand Total	269598028	5157518	309038335	6708479	366221248	8296983	390466168	9939782	4609

Source: Statistical compilation of Ministry of Tourism

Table 1.6: Cumulative Annual Growth Rate 2002 - 05/2002 - 06

STATE/ U.T.	CAGR 2002-05			STATE/ U.T.	CAGR 2002-06	
	Domestic	Foreign			Domestic	Foreign
Andhra Pradesh	15.64%	38.61%		Andhra Pradesh	16.58%	33.58%
Arunachal Pradesh	-11.75%	15.62%		Arunachal Pradesh	39.86%	34.23%
Assam	8.09%	18.93%		Assam	9.11%	12.79%
Bihar	8.19%	-17.53%		Bihar	3.18%	-6.86%
Goa	14.04%	7.43%		Goa	11.32%	8.78%
Gujarat	12.09%	11.28%		Gujarat	19.11%	26.57%
Haryana	-2.74%	-11.38%		Haryana	-1.62%	-5.55%
Himachal Pradesh	11.84%	12.90%		Himachal Pradesh	11.53%	18.17%
Jammu & Kashmir	16.57%	78.32%		Jammu & Kashmir	13.73%	55.80%
Karnataka	51.99%	109.21%		Karnataka	42.91%	70.70%
Kerala	2.21%	14.21%		Kerala	3.02%	16.51%
Madhya Pradesh	13.09%	33.68%		Madhya Pradesh	22.39%	29.03%
Maharashtra	13.35%	23.51%		Maharashtra	14.15%	21.11%
Manipur	1.71%	12.66%		Manipur	6.88%	7.49%
Meghalaya	11.85%	17.47%		Meghalaya	10.57%	8.04%
Mizoram	14.98%	1.77%		Mizoram	14.74%	13.91%
Nagaland	6.99%	10.36%		Nagaland	1.32%	11.13%
Orissa	12.10%	12.69%		Orissa	12.35%	13.87%
Punjab	10.68%	-16.80%		Punjab	2.72%	125.07%
Rajasthan	31.30%	38.21%		Rajasthan	29.69%	29.91%
Sikkim	16.47%	24.48%		Sikkim	16.40%	20.44%
Tamil Nadu	2.72%	13.62%		Tamil Nadu	9.98%	6.56%
Tripura	-6.02%	0.95%		Tripura	-3.01%	5.68%
Uttaranchal	10.25%	19.02%		Uttaranchal	11.96%	17.29%
Uttar Pradesh	10.11%	18.27%		Uttar Pradesh	10.23%	16.97%
Chattisgarh	-32.57%	-2.80%		Chattisgarh	-23.44%	2.45%
Jharkhand	86.85%	39.07%		Jharkhand	60.76%	18.12%
West Bengal	15.33%	19.16%		West Bengal	15.63%	17.18%
Andaman & Nicobar	-30.65%	-25.06%		Andaman & Nicobar	6.93%	15.41%
Chandigarh	3.44%	19.32%		Chandigarh	6.15%	16.47%
Daman & Diu	-12.79%	-2.10%		Daman & Diu	-8.83%	-2.93%
Delhi*	18.85%	40.68%		Delhi*	16.18%	38.09%
Dadra & Nagar Haveli	5.19%	82.41%		Dadra & Nagar Haveli	1.40%	62.25%
Lakshadweep	3.82%	1.05%		Lakshadweep	38.84%	23.80%
Pondichery	6.11%	21.46%		Pondichery	7.96%	23.19%
All India	13.14%	24.45%		All India	14.35%	21.94%

Step 3:- Growth rates of tourist visits at the earmarked locations were arrived at drawing nuances from the calculated Cumulative Annual Growth Rates as indicated in the previous step. The growth rates taken for arriving at the 2006 figures at the earmarked locations (except for Delhi and Goa, for which actual tourist visits in the year 2006 was available) have been indicated in the Table below.

Table 1.7: Growth rate used for 2006 projections

STATE/ U.T.	Growth Rates used for 2006 projections	
	Domestic	Foreign
Andhra Pradesh	16.18%	38.09%
Arunachal Pradesh	13.73%	21.94%
Assam	13.73%	21.94%
Bihar	10.23%	16.97%
Gujarat	11.53%	18.17%
Haryana	10.23%	16.97%
Himachal Pradesh	10.23%	16.97%
Jammu & Kashmir	13.73%	21.94%
Karnataka	11.96%	17.29%
Kerala	11.96%	17.29%
Madhya Pradesh	10.23%	16.97%
Maharashtra	11.96%	17.29%
Manipur	10.00%	21.94%
Meghalaya	15.63%	17.18%
Mizoram	12.35%	13.87%
Nagaland	15.63%	17.18%
Orissa	15.63%	17.18%
Punjab	15.63%	17.18%
Rajasthan	9.11%	12.79%
Sikkim	8.00%	10.00%
Tamil Nadu	14.35%	18.12%
Tripura	10.57%	8.04%
Uttaranchal	16.40%	20.44%
Uttar Pradesh	3.18%	10.00%
Chattisgarh	14.15%	21.11%
Jharkhand	14.15%	21.11%
West Bengal	14.15%	21.11%
Andaman & Nicobar	19.11%	26.57%
Chandigarh	11.32%	8.78%
Daman & Diu	22.39%	29.03%
Dadra & Nagar Haveli	29.69%	29.91%
Lakshadweep	29.69%	29.91%
Pondichery	29.69%	29.91%

Step 4:-Applying the aforesaid growth rates (State growth rate was applied on the destinations) to tourist visits in the year 2005, tourist visits to each earmarked location for the year 2006 was arrived at. The figures have been indicated below.

Table 1.8: Visitors to locations - 2006

Locations	Visitors to Locations 2006		
	Domestic	Foreign	Total
Delhi	2237130	1974836	4211966
Jammu / Katra	8233462	54074	8287536
Srinagar	1909617	21469	1931086
Varanasi	665712	113993	779705
Agra	1480190	137717	1617907
Shimla	1959924	76517	2036442
Lucknow	241979	19144	261124
Allahabad	455628	2219	457847
Manali	1830215	80276	1910492
Dehradun/Mussourie	1175854	2592	1178446
Nainital	594344	7819	602163
Mathura	90902	11595	102498
Haridwar/ Rishikesh	8829830	22473	8852302
Amritsar	169622	3353	172976
North Zone	29874410	2528078	32402489
Kolkata	3267471	561586	3829058
Puri /Bhubneshwar	2480314	31188	2511502
Darjeeling	481478	21042	502520
Siliguri	1825124	90142	1915265
Digha	2618499	92792	2711292
Guwahati	1262817	25321	1288139
Patna	1606975	2042	1609017
Ranchi	166698	4624	171323
Shillong	359826	4960	364786
Gangtok	258459	11466	269925
Gaya/Bodhgaya	320927	40701	361629
East Zone	14648589	885865	15534454
Mumbai	3574150	2323352	5897502
Pune	2680612	300893	2981505
Aurangabad	357415	36890	394305
Ahmedabad/ Baroda	2681048	23857	2704905
Goa	2035154	380414	2415568
Khajuraho	178673	86722	265396
Ajmer/ Pushkar	1975957	82249	2058205
Jaipur	1553686	503135	2056821
Udaipur	734144	225789	959933
Jodhpur	499448	117180	616628
Jaisalmer	229857	129181	359039
Indore	278503	4343	282846
Bhopal	2088779	40448	2129227
Raipur	371060	934	371994
West Zone	19238487	4255388	23493875

Table 1.8 (Contd.) : Visitors to locations - 2006

Locations	Visitors to Locations 2006		
	Domestic	Foreign	Total
Chennai	2307986	320489	2628476
Bangalore	1925662	1020323	2945984
Hyderabad	1630039	822229	2452268
Mysore	1890495	58809	1949304
Cochin	1052807	126731	1179538
Ooty	2398180	66744	2464924
Trichy	1199090	26698	1225788
Thiruvananthpuram / Kovalam	99133	7938	107071
Kanyakumari	2098408	46721	2145129
Madurai	1498863	33372	1532235
Hampi	160038	19628	179666
Calicut	1593508	14722	1608231
Pondicherry	521923	43756	565679
Vizag	1901875	168982	2070857
Vijaywada	1141125	18817	1159941
South Zone Total	21419132	2795959	24215091
Total 54 locations	85180618	10465290	95645908

Step 5:- After arriving at no. of visitors for a particular location, the parameters collected from the primary survey of domestic as well as foreign tourists were utilized in arriving at the demand for a particular town. The formulae used for arriving at the demand figures were as indicated below

No. of visitors per annum × proportion of visitors requiring accommodation = No. of visitors requiring accommodation per annum

No. of visitors requiring accommodation per annum × Average bed nights per visitor during the year = No. of Bed nights required/ annum

No. of Bed nights required per annum/ No. of persons in a room/ 365 = Average No. of rooms required per day

Average No. of rooms required per day × Preference of Accommodation Unit = Demand for no. of rooms in an accommodation unit of a particular type

The detailed workings along with example for a particular centre viz. Pune, has been presented in the Table below. Similar methodology was adopted for other centres.

Table 1.9: Calculation Methodology adopted in arriving at Demand – An example for Pune

Sl. No.	Parameter					Formula	Pune
1	No. of visitors during the year	(a)	Domestic				2680612
		(b)	Foreign				300893
2	Proportion of visitors during the year requiring accommodation	(a)	Domestic				0.75
		(b)	Foreign				1.00
3	Average bed nights per visitor during the year	(a)	Domestic				2.00
		(b)	Foreign				1.00
4	Average no. of persons per room	(a)	Domestic				3.00
		(b)	Foreign				1.85
5	Proportion of preferences for Luxury, budget or others	(a)	Domestic	(i)	Luxury		0.03
				(ii)	Budget		0.12
				(iii)	Others		0.85
		(b)	Foreign	(i)	Luxury		0.18
				(ii)	Budget		0.37
				(iii)	Others		0.45
6	No. of visitors requiring accommodation per year	(a)	Domestic			(1)(a) x (2)(a)	2010459
		(b)	Foreign			(1)(b) x (2)(b)	300893
7	No. of bed nights required per year	(a)	Domestic			(6)(a) x (3)(a)	4020918
		(b)	Foreign			(6)(b) x (3)(b)	300893
8	Average No. of rooms required per day	(a)	Domestic			(7)(a) / (4)(a) / 365	3672
		(b)	Foreign			(7)(b) / (4)(b) / 365	446
9	Average No. of rooms required per day by type of hotel	(a)	Domestic	(i)	Luxury	(8)(a) x (5)(a)(i)	110
				(ii)	Budget	(8)(a) x (5)(a)(ii)	441
				(iii)	Others	(8)(a) x (5)(a)(iii)	3121
		(b)	Foreign	(i)	Luxury	(8)(b) x (5)(b)(i)	80
				(ii)	Budget	(8)(b) x (5)(b)(ii)	165
				(iii)	Others	(8)(b) x (5)(b)(iii)	201
		(c)	Dom + For	(i)	Luxury	(9)(a)(i) + (9)(b)(i)	190
				(ii)	Budget	(9)(a)(ii) + (9)(b)(ii)	606
				(iii)	Others	(9)(a)(iii) + (9)(b)(iii)	3322
				(iv)	Classified	(9)(c) [(i)+(ii)]	796
				(v)	Total	(9)(c) [(i)+(ii) + (iii)]	4118

Step 6:- After arriving the average demand of rooms by different categories, it was the turn for Peak demand calculation. For this, a major output from the primary survey i.e. peak season of tourist arrival at a centre and refusal of accommodation requests by different category of hotels was taken into consideration. For this, the verbatim response received from the front office of the concerned hotels regarding no. of refusals made in the peak season was collated for all hotels belonging to a particular category and the mean value of refusal rates were taken to arrive at the refusal rate for a particular location. The location wise refusal rate has been provided in the Table below.

Table 1.10: Centre wise refusal rates in different category of Hotels

Locations	Luxury	Budget	Others
Delhi	36.12	29.31	9.15
Jammu/ Katra	24.22	10.24	4.12
Srinagar	6.23	11.32	3.15
Varanasi	10.15	12.06	5.23
Agra	45.31	35.21	5.04
Shimla	4.01	10.24	6.21
Lucknow	4.29	25.31	20.18
Allahabad	0.00	10.25	4.16
Manali	0.00	10.11	15.23
Dehradun/ Mussourie	8.97	5.17	10.22
Nainital	0.00	10.31	15.40
Mathura	0.00	6.03	16.25
Haridwar/ Rishikesh	0.00	7.21	15.26
Amritsar	6.22	8.15	5.23
Kolkata	26.85	10.21	5.24
Puri /Bhubneshwar	11.24	12.24	8.21
Darjeeling	20.15	10.24	5.16
Siliguri	0.00	5.21	5.35
Digha	0.00	0.00	5.11
Guwahati	7.24	5.15	5.12
Patna	7.23	5.22	5.22
Ranchi	5.00	4.19	4.21
Shillong	5.21	4.21	9.32
Gangtok	10.11	5.16	5.36
Gaya/Bodhgaya	0.00	5.23	5.12
Mumbai	45.22	16.22	35.34
Pune	46.12	20.12	10.24
Aurangabad	50.32	11.06	5.16
Ahmedabad/ Baroda	10.12	12.18	5.11
Goa	55.24	55.23	65.23
Khajuraho	25.14	30.23	60.22
Ajmer/ Pushkar	4.06	25.41	20.24
Jaipur	43.22	10.24	55.54
Udaipur	47.12	30.22	70.12
Jodhpur	48.16	50.15	55.24
Jaisalmer	41.05	50.23	60.15
Indore	46.22	48.44	48.26
Bhopal	44.21	44.26	46.29
Raipur	43.33	42.16	47.25
Chennai	65.15	45.26	52.16
Bangalore	72.14	52.16	32.22
Hyderabad	75.21	50.22	30.19
Mysore	68.44	52.16	5.33

Table 1.10 (Contd.): Centre wise refusal rates in different category of Hotels

Locations	Luxury	Budget	Others
Cochin	58.40	11.03	5.21
Ooty	65.29	45.22	6.24
Trichy	70.23	25.27	20.15
Thiruvananthpuram / Kovalam	51.05	55.43	4.16
Kanyakumari	0.00	10.33	15.22
Madurai	0.00	5.06	10.19
Hampi	0.00	0.00	0.00
Calicut	55.22	45.15	55.19
Pondicherry	58.34	45.31	55.24
Vizag	50.12	40.11	55.18
Vijaywada	0.00	50.06	70.12

Step 7:- Applying these refusal rates on the supply – the peak demand was calculated.

E.g.:-

Peak demand for Pune Luxury =

Supply for Pune Luxury × refusal rate in Luxury = 512 * 1.4612 = 748

Peak demand for Pune Budget =

Supply for Pune Budget × refusal rate in Budget = 326 * 1.2012 = 392

In certain instances, wherein the average demand was way higher than the supply, the peak demand was coming lower than average. In such cases, the average demand was considered as the Peak demand.

1.7.5. Arrival at projection factors for 2007-2015

As indicated in Table 1.7, the projection factors (for forecasting future trends of foreign tourist visits at the earmarked locations) was worked out separately for domestic and foreign tourists till the year 2015. The 2002-06 CAGR figures were considered the base figures and in the same certain adjustments were done for too high or too low growth figures. Reference was drawn from y-o y growth figures for a particular state (Pls. refer Annexure). The projection factors used for the year 2007-10 and 2011 – 2015 and the adjustments made in the same have been indicated in Tables 1.10 and 1.11 below.

Table 1.11: Projection factors used for forecasting foreign tourist visits for 2007-2015 period

Locations	Projection factor 2007-10	
	Domestic	Foreign
Delhi	16.18%	38.09%
Jammu / Katra *	13.73%	21.94%
Srinagar *	13.73%	21.94%
Varanasi	10.23%	16.97%
Agra	10.23%	16.97%
Shimla	11.53%	18.17%
Lucknow	10.23%	16.97%
Allahabad	10.23%	16.97%
Manali	11.53%	18.17%
Dehradun/Mussourie	11.96%	17.29%
Nainital	11.96%	17.29%
Mathura	10.23%	16.97%
Haridwar/ Rishikesh	11.96%	17.29%
Amritsar **	10.00%	21.94%
Kolkata	15.63%	17.18%
Puri /Bhubneshwar	12.35%	13.87%
Darjeeling	15.63%	17.18%
Siliguri	15.63%	17.18%
Digha	15.63%	17.18%
Guwahati	9.11%	12.79%
Patna **	8.00%	10.00%
Ranchi	14.35%	18.12%
Shillong	10.57%	8.04%
Gangtok	16.40%	20.44%
Gaya/Bodhgaya *	3.18%	10.00%
Mumbai	14.15%	21.11%
Pune	14.15%	21.11%
Aurangabad	14.15%	21.11%
Ahmedabad/ Baroda	19.11%	26.57%
Goa	11.32%	8.78%
Khajuraho	22.39%	29.03%
Ajmer/ Pushkar	29.69%	29.91%
Jaipur	29.69%	29.91%
Udaipur	29.69%	29.91%
Jodhpur	29.69%	29.91%
Jaisalmer	29.69%	29.91%
Indore	22.39%	29.03%
Bhopal	22.39%	29.03%
Raipur ##	14.35%	2.45%
Chennai *	9.98%	10.00%
Bangalore #	35.00%	50.00%
Hyderabad	16.58%	21.94%
Mysore #	35.00%	50.00%

Locations	Projection factor 2011- 2015	
	Domestic	Foreign
Delhi	16.18%	30.00%
Jammu / Katra	13.73%	21.94%
Srinagar	13.73%	21.94%
Varanasi	10.23%	16.97%
Agra	10.23%	16.97%
Shimla	11.53%	18.17%
Lucknow	10.23%	16.97%
Allahabad	10.23%	16.97%
Manali	11.53%	18.17%
Dehradun/Mussourie	11.96%	17.29%
Nainital	11.96%	17.29%
Mathura	10.23%	16.97%
Haridwar/ Rishikesh	11.96%	17.29%
Amritsar	2.72%	21.94%
Kolkata	15.63%	17.18%
Puri /Bhubneshwar	12.35%	13.87%
Darjeeling	15.63%	17.18%
Siliguri	15.63%	17.18%
Digha	15.63%	17.18%
Guwahati	9.11%	12.79%
Patna	3.18%	10.00%
Ranchi	14.35%	18.12%
Shillong	10.57%	8.04%
Gangtok	16.40%	20.44%
Gaya/Bodhgaya	3.18%	10.00%
Mumbai	14.15%	21.11%
Pune	14.15%	21.11%
Aurangabad	14.15%	21.11%
Ahmedabad/ Baroda	19.11%	26.57%
Goa	11.32%	8.78%
Khajuraho	22.39%	29.03%
Ajmer/ Pushkar	29.69%	29.91%
Jaipur	29.69%	29.91%
Udaipur	29.69%	29.91%
Jodhpur	29.69%	29.91%
Jaisalmer	29.69%	29.91%
Indore	22.39%	29.03%
Bhopal	22.39%	29.03%
Raipur	14.35%	2.45%
Chennai	9.98%	6.56%
Bangalore	14.35%	21.94%
Hyderabad	16.58%	18.00%
Mysore	14.35%	15.00%

Table 1.11 (Contd.): Projection factors used for forecasting foreign tourist visits for 2007-2015 period

Locations	Projection factor 2007-10	
	Domestic	Foreign
Cochin	3.02%	16.51%
Ooty *	9.98%	10.00%
Trichy *	9.98%	10.00%
Thiruvananthpuram / Kovalam	3.02%	16.51%
Kanyakumari *	9.98%	10.00%
Madurai *	9.98%	10.00%
Hampi #	35.00%	50.00%
Calicut	3.02%	16.51%
Pondicherry	7.96%	23.19%
Vizag *	16.58%	21.94%
Vijaywada *	16.58%	21.94%

Locations	Projection factor 2011- 2015	
	Domestic	Foreign
Cochin	3.02%	16.51%
Ooty	9.98%	6.56%
Trichy	9.98%	6.56%
Thiruvananthpuram / Kovalam	3.02%	16.51%
Kanyakumari	9.98%	6.56%
Madurai	9.98%	6.56%
Hampi	14.35%	16.00%
Calicut	9.98%	6.56%
Pondicherry	7.96%	23.19%
Vizag	16.58%	12.00%
Vijaywada	16.58%	12.00%

* indicates growth rates of foreign tourists were moderated since growth rates were very high

** indicates growth rates of both domestic and foreign tourists were moderated using YOY growth rates

# indicates moderation of growth rates for both domestic and foreign tourists, using YOY rates, which were very high

indicates moderation of negative / very low growth rates for domestic tourists

Table 1.12: Moderation of Projection factors – Steps taken

Situations	Locations for which taken (Original CAGR figures for the State)	Steps Taken
Calculated growth rate of foreign tourists were too high or too low	Jammu – Katra/ Srinagar (55.80%), Hyderabad Vizag, Vijaywada (33.58%) Chennai, Ooty, Trichy (6.56%)	Moderated using All India CAGR figures (21.94%) for 2002-06
Growth rate of both domestic and foreign tourists were	Patna (Domestic : 3.18%, Foreign : -6.86%) Amritsar (Domestic : 2.72%,	Moderated using YOY growth rates Patna (Domestic 9.11%, Foreign : 12.79%) Amritsar (Domestic 10%, Foreign 21.94%)

	Extremely low or very high	Foreign : 125.07%)	
	High growth rates for both domestic and foreign tourist arrivals	Bangalore, Mysore, Hampi (Domestic – 42.91% and Foreign – 70.70%)	Moderated using YOY Growth rates Domestic – 35% Foreign – 50%
	Growth rates for domestic tourists were very low/ negative	Raipur (Domestic: -23.45%)	Moderated with all India figures (14.35%)

1.7.6. Estimating demand supply scenario at all India level

For estimating the All India Demand, an blow up factor from 54 location to represent an All India estimate has been worked out keeping in mind the availability of hotel and hotel rooms in the classified category as per the Ministry of Tourism statistics.

To arrive at the blow up factor the following secondary database is considered.

Table 1.13: Arriving at the Blowing up factor

City/ Centre	No. of hotels - classified		No. of rooms in hotels classified	
	2004	2005	2004	2005
Agra	22	7	2061	966
Ahmedabad/ Baroda	31	15	1462	1215
Ajmer/ Pushkar	3	3	126	120
Allahabad	4	2	119	47
Amritsar	9	5	356	178
Aurangabad	7	2	317	186
Bangalore	34	12	2641	1353
Bhopal	11	4	470	199
Calicut	15	8	528	323
Chennai	83	51	6099	4125
Cochin	46	24	2046	1057
Darjeeling	15	4	388	98
Dehradun/ Mussoorie	19	5	761	199
Delhi	82	41	9803	5216
Digha	2	1	67	40
Gangtok	5	1	161	28
Gaya/ Bodhgaya	5	2	235	105
Goa	96	49	7426	4248
Guwahati	9	3	440	130
Hampi/ Hospet	0	0	0	0
Haridwar/ Rishikesh	2	1	124	56
Hyderabad	50	29	3878	3279
Indore	8	8	418	515
Jaipur	34	28	2104	1969
Jaisalmer	6	1	272	67
Jammu/ Katra	6	1	296	44
Jodhpur	13	6	599	230
Kanyakumari	4	3	233	160
Khajuraho	5	4	294	358
Kolkata	30	14	2751	1880
Lucknow	6	3	972	220
Madurai	8	5	368	225
Manali	4	4	107	95
Mathura	2	2	49	68
Mumbai	126	63	10778	7215

Table 1.13 (Contd.): Arriving at the Blowing up factor

City/ Centre	No. of hotels - classified		No. of rooms in hotels classified	
	2004	2005	2004	2005
Mysore	10	3	579	140
Nainital	9	1	305	28
Ooty	10	5	579	318
Patna	7	3	417	216
Pondicherry	4	4	217	217
Pune	51	20	2548	1405
Puri/ Bhubaneswar	18	4	893	270
Raipur	1	1	13	13
Ranchi	8	2	266	61
Shillong	4	1	165	50
Shimla	7	6	256	350
Siliguri	6	2	244	79
Srinagar	8	1	750	125
Thiruvananthapuram	23	18	1140	736
Trichy	6	0	285	0
Udaipur	19	12	698	977
Varanasi	12	6	816	390
Vijaywada	12	11	678	533
Vizag	11	11	753	695
Total of 54 cities	1028	522	70351	42817
All India	1892	1190	97770	67613
Ratio of 54 cities and all-India	0.54	0.44	0.72	0.63

Source: MOT Statistics 2005

For the calculation purposes the consultant has taken 2005 figures into account i.e. the multiplier factor is 0.63 for estimating the All India figures.

1.7.7. Estimating Foreign Tourist arrivals 2010 and 2015

In estimating the foreign tourist arrivals for the year 2010 and 2015 the published figures of Ministry of Tourism was taken into consideration. Foreign tourist arrivals and visits were considered and it's ratio (Arrivals/ Visit) was calculated separately for the year 2005 and 2006. The total foreign tourist arrivals to 54 locations (As per Table 1.4 and using projection factor to arrive at 2006 figures) was calculated next. It was coming 84% for the year 2005 and 91% for the year 2006. The total foreign tourist visits for the year 2010 and 2015 was summed up and using the average ratio for the year 2005-06, All India visit figures were arrived at. Using ratio of visits (54 / All India), the foreign Tourist arrivals for the year 2010 (9.8 Mn) and 2015 (28 Mn) was arrived at.

Table 1.14: Estimating foreign tourist arrivals in the year 2010 and 2015

Sl	Year	Steps	2005	2006
1	Foreign Tourists Arrivals - All India (Source Ministry of Tourism)		3920000	4430000
2	Foreign Tourist Visits (Source Ministry of Tourism)		9939782	11403976
3	Ratio (Arrivals/ Visits)	1/2	0.3944	0.3885
4	Total Foreign Tourist visits 54 Locations	Refer Table 1.4	8388836	10465290
5	Ratio of Visits (54 Locations/ All India)	4/2	0.844	0.918
6	Derived Foreign Tourist Arrivals (54 Locations)	1*5	3308346	4065357

Table 1.14: Estimating All Indian foreign tourist arrivals in the year 2010 and 2015

Sl	Year	Steps	2010	2015
1	Estimated Tourist Visits		28438179	82782339
2	Ratio (Arrivals/ Visits)	Average of Step 3 of Table 1.14	0.3914	0.3914
3	All India Visits	7*8	11130703	32401007
4	Ratio of visits (54/ All India)	Average of Step 5 of Table 1.14	0.881	0.881
5	Total All India Foreign Tourist Arrivals	9*10	9806150	28545288

2.1. Overview

The Chapter attempts to present an in depth analysis of the current status of accommodation units in selected locations across the country

2.2. Status of Accommodation Units– India at a glance

Presently there are around 8701 hotels (which includes the Starred, Approved/ Awaiting Classification as well as the Licensed Units) spread all across the 54 locations in which the primary survey was carried out.. The total room strength in theses hotels is 173987.

2.2.1. No of Hotels in different categories

Category wise break up of hotels across different zones has been indicated below.

Table 2.1: Category wise no. of Hotels in 54 Locations

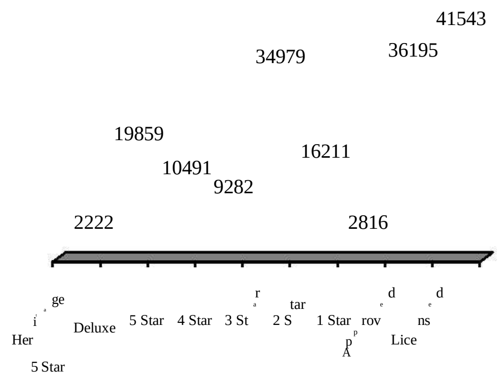
Type	Total
Heritage	54
5 Star Deluxe	81
5 Star	79
4 Star	102
3 Star	290
2 Star	163
1 Star	48
Unclassified/ Approved	369
Licensed	7515
Total	8701

There is wide variation in the number of hotels in different categories. The maximum number of hotels is in the Licensed category comprising 55% of the total share of accommodation units in the surveyed 54 locations. This is followed by approved/ unclassified hotels which comprise 27% of the total accommodation units in those locations. The mid-segment hotels (Budget Hotels) i.e. 3 star, 2 star and 1 star comprise 14% of the total share. The heritage, 5 star deluxe, 5 star and 4 star hotels (Premium Segment) together comprise only 5% of the total share. It is evident from the percentage break up of accommodation units that at present the luxury category of hotels comprise only a minor share in the hospitality industry with middle and lower segment of hotels comprising the majority of available accommodation units for the tourists

2.2.2. No. of Rooms by category of Hotels

The no. of rooms available in the 54 locations in different categories are as follows:-

Fig. 2.1: No. of Rooms in different categories of Hotels



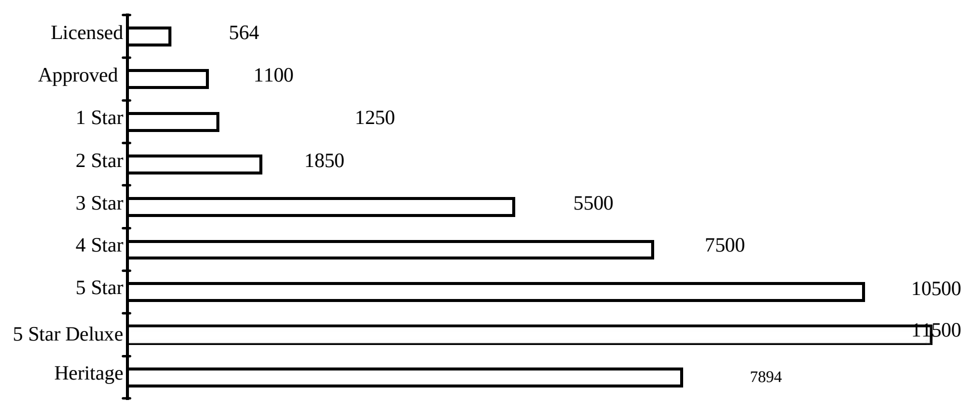
Source: ACNielsen ORG-MARG Primary Survey

It is evident from the chart that there is wide disparity in the number of rooms in the various categories of hotels. The maximum number of rooms is in the licensed category of hotels (41543) followed by Approved category (36195). The least number of rooms are available in the heritage category hotels (2222), which is not surprising since they are marketed as exclusive establishments for luxury travelers. Amongst the starred category of Hotels, maximum no. of rooms are available in 3 star categories.

2.2.3. Average Tariff / Hotel Category

The tariff in the different category of hotels varies widely according to the type of rooms. The tariff varies on the basis of size of rooms (whether single, double or suite), bed capacity and services rendered. The average tariff in the various categories of hotels are as indicated below:-

Fig. 2.2: Category wise tariff across Hotels



Source: ACNielsen ORG-MARG Primary Survey

On an average, the 5 star deluxe hotels charge the maximum tariff (with average tariff being Rs. 10475/-) followed by heritage (average tariff: Rs. 7894/-) and 5 star hotels (average tariff: Rs. 7450/-). The average tariff in licensed hotels is lowest (with average tariff being around Rs.564/-).

2.3. Status of Accommodation Units – North Zone at a glance

The northern zone of the country has a number of locations which are prime tourist attractions. Moreover, the administrative centre (i.e. New Delhi) of the country is also located in the north zone. At present there are around 2787 hotels in north zone with a total capacity of 40742 rooms. The status of accommodation units across identified locations in the north zone is given in table below:

Table 2.2: Category wise no. of Hotels in North Zone

Type	North
Heritage	7
5 Star Deluxe	26
5 Star	20
4 Star	17
3 Star	45
2 Star	27
1 Star	10
Unclassified/ Approved	222
Licensed	2413
Total	2787

In the north zone, the maximum number of hotels/accommodation units can be found in Delhi (21%) followed by Manali and Dehradun/Mussorie (20%) while Srinagar has the least number of hotels/accommodation units (2%).

2.3.1. No of Hotels in different categories – North Zone

The category wise break-up of hotels in north zone is given in table below:

Table 2.3: Category wise no. of Hotels in North Zone

Locations	Category of Hotels/Accommodation Units									
	Heritage	5 Star Deluxe	5 Star	4 Star	3 Star	2 Star	1 Star	Approved	Licensed	Total
Delhi	0	21	9	8	9	7	8	42	482	586
Jammu / Katra	1	0	0	2	1	2	0	3	96	105
Srinagar	1	0	2	0	0	1	0	1	45	50
Varanasi	1	2	2	0	6	2	1	25	215	254
Agra	0	2	4	1	4	1	0	7	132	151
Shimla	2	0	0	2	2	1	1	14	127	149
Lucknow	0	0	3	0	6	1	0	16	96	122
Allahabad	0	0	0	0	2	1	0	7	65	75
Manali	0	0	0	0	2	1	0	70	216	289
Dehradun/Mussourie	0	1	0	1	4	4	0	10	247	267
Nainital	1	0	0	0	2	4	0	5	194	206
Mathura	0	0	0	0	4	0	0	11	59	74

Table 2.3 (Contd.): Category wise no. of Hotels in North Zone

Locations	Category of Hotels/Accommodation Units									Total
	Heritage	5 Star Deluxe	5 Star	4 Star	3 Star	2 Star	1 Star	Approved	Licensed	
Haridwar/ Rishikesh	1	0	0	0	1	1	0	6	373	382
Amritsar	0	0	0	1	2	3	0	5	66	77
Total	7	26	20	15	45	29	10	222	2413	2787

Source: ACNielsen ORG-MARG Primary Survey

The maximum number of hotels in north zone is of approved category but (around 2413) followed by unstarred hotels (222). The lowest number of hotels is of heritage category (7).

2.3.2. No. of Rooms by category of Hotels -– North Zone

The break up of number rooms in the different category of hotels in north zone is shown in table below

Table 2.4 : Category wise break-up of rooms in north zone

Locations	Category wise Number of rooms									
	Heritage	5 Star Deluxe	5 Star	4 Star	3 Star	2 Star	1 Star	Approved	Licensed	Total
Delhi	0	6068	1112	614	364	231	195	108	11092	19784
Jammu / Katra	40	0	0	122	58	57	0	58	768	1103
Srinagar	125	0	143	0	0	50	0	24	360	702
Varanasi	24	244	191	0	163	47	40	78	1720	2507
Agra	0	635	530	124	320	15	0	87	1056	2767
Shimla	26	0	0	70	60	17	30	67	1016	1286
Lucknow	0	0	238	0	261	16	0	67	752	1350
Allahabad	0	0	0	0	55	20	0	89	520	684
Manali	0	0	0	0	21	35	0	75	1728	1859
Dehradun/Mussourie	0	90	0	60	112	107	0	69	1976	2414
Nainital	28	0	0	0	98	56	0	78	1552	1812
Mathura	0	0	0	0	108	0	0	43	472	623
Haridwar/ Rishikesh	19	0	0	0	47	26	0	45	2984	3121
Amritsar	0	0	0	41	56	65	0	56	528	746
Total	262	7037	2214	1031	1723	742	265	944	26556	40742

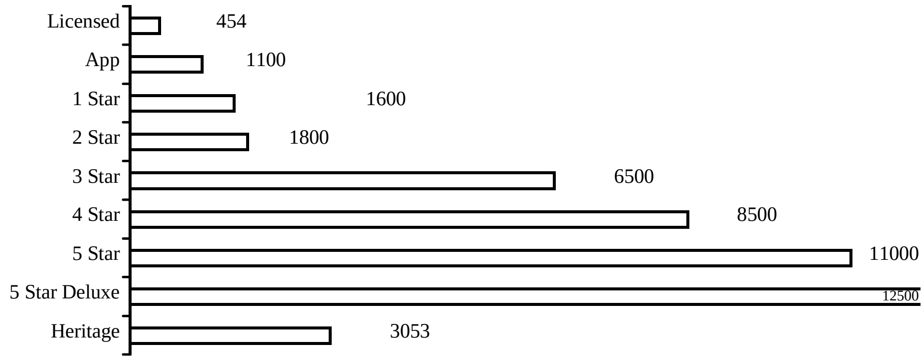
Source: ACNielsen ORG-MARG Primary Survey

The total number of rooms in the identified locations is 40742, out of which, Delhi has the maximum share of rooms (19784). The approved hotels have the highest number of rooms across all destinations followed by 5 star deluxe, 5 star hotels and 3 star hotels

2.3.3. Average Tariff / Hotel Category – North Zone

The average tariff per room for different category of hotels is depicted in figure below:

Fig. 2.3: Category wise tariff across Hotels – North Zone



Source: ACNielsen ORG-MARG Primary Survey

On an average, 5 star deluxe hotels (with average tariff being Rs. 6668/-) charge the highest tariff per room followed by 5 star and heritage hotels

2.4. Status of Accommodation Units – East Zone at a glance

The east zone of the country has a number of destinations of immense natural beauty. At present there are around 734 hotels in east zone with a total capacity of 9928 rooms. The status of accommodation units across identified locations in the east zone is given in table below:

Table 2.5: Category wise no. of Hotels in East Zone

Type	East
Heritage	5
5 Star Deluxe	4
5 Star	4
4 Star	12
3 Star	33
2 Star	14
1 Star	4
Unclassified/ Approved	52
Licensed	606
Total	734

2.4.1. No of Hotels in different categories – East Zone

The category wise break-up of hotels in east zone is given in table below

Table 2.6: Category wise no. of Hotels in East Zone

Locations	Category of Hotels/Accommodation Units									
	Heritage	5 Star Deluxe	5 Star	4 Star	3 Star	2 Star	1 Star	Approved	Licensed	Total
Kolkata	1	4	2	2	5	8	4	12	135	173
Puri /Bhubneshwar	1	0	1	4	6	1	0	1	130	144
Darjeeling	2	0	0	0	4	2	0	2	89	99
Siliguri	0	0	0	0	2	1	0	3	14	20
Digha	0	0	0	0	0	0	0	9	12	21
Guwahati	0	0	0	2	3	0	0	2	58	65
Patna	0	0	1	1	2	1	0	1	56	62
Ranchi	0	0	0	1	4	1	0	3	27	36
Shillong	0	0	0	1	2	0	0	8	34	45
Gangtok	1	0	0	1	2	0	0	7	30	41
Gaya/Bodhgaya	0	0	0	0	3	0	0	4	21	28
Total	5	4	4	12	33	14	4	52	606	734

The maximum number of hotels in east zone are approved hotels (around 606) followed by unstarred hotels (52). Some of the locations in the eastern zone such as Digha are lacking any type of starred accommodations

2.4.2. No. of Rooms by category of Hotels -– East Zone

The break up of number rooms in the different category of hotels in east zone is shown in table below

Table 2.7: Category wise break-up of rooms in East zone

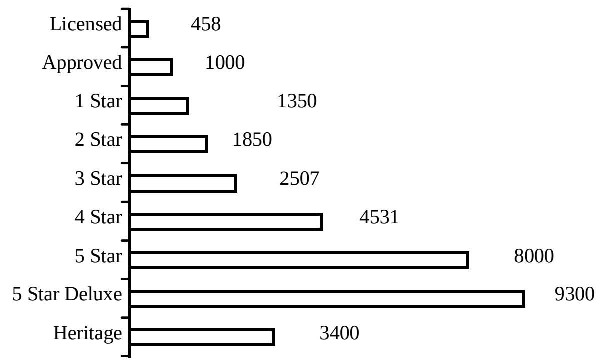
Locations	Category wise Number of rooms									
	Heritage	5 Star Deluxe	5 Star	4 Star	3 Star	2 Star	1 Star	Approved	Licensed	Total
Kolkata	269	852	332	176	263	246	110	45	1080	3373
Puri /Bhubneshwar	34	0	59	285	327	32	0	12	1040	1789
Darjeeling	81	0	0	0	133	26	0	23	712	975
Siliguri	0	0	0	0	76	36	0	45	112	269
Digha	0	0	0	0	0	0	0	56	96	152
Guwahati	0	0	0	144	134	0	0	56	464	798
Patna	0	0	75	39	102	32	0	12	448	708
Ranchi	0	0	0	25	106	35	0	27	433	626
Shillong	0	0	0	40	49	0	0	45	272	406
Gangtok	25	0	0	46	63	0	0	87	240	461
Gaya/Bodhgaya	0	0	0	0	169	0	0	34	168	371
Total	409	852	466	755	1422	407	110	442	5065	9928

The total number of rooms in the identified locations is around 9928 (approx.), out of which, Kolkata has the maximum share of rooms (around 3373). The Licensed have the highest number of rooms across all destinations followed by 3 star, 5 star deluxe and 4 star hotels.

2.4.3. Average Tariff / Hotel Category – East Zone

The average tariff per room for different category of hotels is depicted in figure below:

Fig. 2.4: Category wise tariff across Hotels – East Zone



Source: ACNielsen ORG-MARG Primary Survey

On an average, 5 star deluxe hotels (with average tariff being Rs. 9300/-) charge the highest tariff per room followed by 5 star and heritage hotels

2.5. Status of Accommodation Units – West Zone at a glance

The west zone of the country includes destinations which are important commercial centers and also are major tourist attractions for both domestic and foreign travelers. At present there are around 2848 hotels (starred and approved) in west zone with a total capacity of 66489 rooms. The status of accommodation units across identified locations in the west zone is given in table below.

Table 2.8: Category wise no. of Hotels in West Zone

Type	West
Heritage	35
5 Star Deluxe	36
5 Star	34
4 Star	39
3 Star	106
2 Star	69
1 Star	18
Unclassified/ Approved	20
Licensed	2491
Total	2848

Source: ACNielsen ORG-MARG Primary Survey

2.5.1. No of Hotels in different categories – West Zone

The No. of Hotels in different categories in the West Zone is as indicated below:-

Table 2.9: Category wise no. of Hotels in West Zone

Locations	Category of Hotels/Accommodation Units									
	Heritage	5 Star Deluxe	5 Star	4 Star	3 Star	2 Star	1 Star	Approved	Licensed	Total
Mumbai	0	19	6	12	27	32	5	9	520	630
Pune	1	2	3	7	3	3	6	0	178	203
Aurangabad	0	0	3	0	2	0	0	0	0	5
Ahmedabad/ Baroda	0	0	3	5	18	3	4	0	122	155
Goa	0	11	4	5	16	16	2	0	367	421
Khajuraho	0	1	1	0	3	0	0	0	56	61
Ajmer/ Pushkar	1	0	0	0	3	1	0	0	231	236
Jaipur	10	3	11	3	10	5	0	0	305	347
Udaipur	12	0	1	0	5	3	0	0	181	202
Jodhpur	5	0	2	3	3	4	0	0	211	228
Jaisalmer	4	0	0	1	6	0	0	1	110	122
Indore	0	0	0	1	2	0	0	6	98	107
Bhopal	2	0	0	1	4	1	0	2	67	77
Raipur	0	0	0	1	4	1	1	2	45	54
Total	35	36	34	39	106	69	18	20	2491	2848

Source: ACNielsen ORG-MARG Primary Survey

The maximum number of hotels in west zone is of licensed category (around 2491) followed by 3 star hotels (around 106)

2.5.2. No. of Rooms by category of Hotels -– West Zone

The break up of number rooms in the different category of hotels in west zone is shown in table below

Table 2.10: Category wise no. of Rooms in West Zone

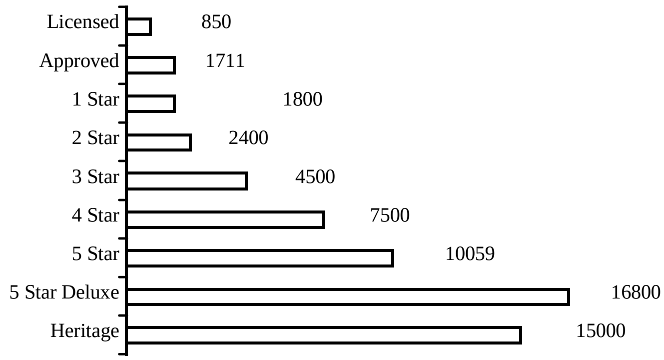
Locations	Category wise Number of rooms									
	Heritage	5 Star Deluxe	5 Star	4 Star	3 Star	2 Star	1 Star	Approved	Licensed	Total
Mumbai	0	7123	1598	1233	1987	2169	756	47	7777	22690
Pune	35	134	129	214	113	104	109	0	1424	2262
Aurangabad	0	0	220	0	108	0	0	0	0	328
Ahmedabad/ Baroda	0	0	892	236	456	93	54	0	1263	2994
Goa	0	2587	1298	678	1267	378	48	0	10536	16792
Khajuraho	0	94	94	0	218	0	0	0	448	854
Ajmer/ Pushkar	53	0	0	0	152	26	0	0	1848	2079
Jaipur	350	406	1154	227	559	243	0	0	2440	5379
Udaipur	463	0	143	0	257	192	0	0	1448	2503
Jodhpur	221	0	184	174	126	134	0	0	1688	2527
Jaisalmer	107	0	0	40	266	0	0	9	1609	2031
Indore	0	0	0	87	412	0	0	78	1609	2186
Bhopal	113	0	0	47	161	18	0	56	1591	1986
Raipur	0	0	0	55	110	20	41	43	1609	1878
Total	1342	10344	5712	2991	6192	3377	1008	233	35290	66489

The maximum number of rooms is in the licensed category of hotels. Across the various destinations, Mumbai has the maximum number of rooms (all categories included) in the west zone.

2.5.3. Average Tariff / Hotel Category – West Zone

The average tariff per room for different category of hotels is depicted in figure below

Fig. 2.5: Category wise tariff across Hotels – West Zone



Source: ACNielsen ORG-MARG Primary Survey

On an average, 5 star deluxe hotels (with average tariff being Rs. 20350/-) charge the highest tariff per room followed by heritage hotels and 5 star hotels. There is wide gap between the tariffs charged by luxury hotels and budget hotels (3 star, 2 star and 1 star).

2.6. Status of Accommodation Units – South Zone at a glance

The south zone of the country includes destinations which are important business centers especially for the IT industry. The status of accommodation units across identified locations in the south zone is given in table below

Table 2.11: Category wise no. of Hotels in South Zone

Type	West
Heritage	7
5 Star Deluxe	15
5 Star	21
4 Star	34
3 Star	106
2 Star	53
1 Star	16
Unclassified/ Approved	75
Licensed	2005
Total	2332

Source: ACNielsen ORG-MARG Primary Survey

There are a total of 2332 hotels across 15 locations in the south zone. The highest number of hotels is in Bangalore followed by Chennai, and Hyderabad. Hampi, which is a world heritage site, lacks any kind of accommodation facilities.

2.6.1. No of Hotels in different categories – South Zone

The category wise break-up of hotels in south zone is given in table below

Table 2.12: Category wise no. of Hotels in South Zone

Locations	Category of Hotels/Accommodation Units									Total
	Heritage	5 Star Deluxe	5 Star	4 Star	3 Star	2 Star	1 Star	Approved	Licensed	
Chennai	1	4	4	9	20	4	1	23	286	352
Bangalore	0	5	2	3	12	17	1	2	678	720
Hyderabad	1	2	4	2	12	2	0	3	219	245
Mysore	1	0	0	0	2	1	0	6	76	86
Cochin	1	1	3	4	17	4	0	2	95	127
Ooty	0	2	3	5	8	1	2	8	67	96
Trichy	0	0	0	3	6	2	2	2	45	60
Thiruvananthpuram / Kovalam	0	0	1	3	5	3	0	1	87	100
Kanyakumari	0	0	0	0	1	0	0	2	68	71
Madurai	0	0	0	0	2	0	0	1	65	68
Hampi*	0	0	0	0	0	0	0	0	0	0
Calicut	2	0	1	4	3	5	6	12	56	89
Pondicherry	0	0	0	0	3	2	0	2	104	111
Vizag	1	1	3	1	6	4	1	2	92	111
Vijaywada	0	0	0	0	9	8	3	9	67	96
Total	5	15	21	34	106	53	16	75	2005	2332

Source: ACNielsen ORG-MARG Primary Survey

The maximum number of hotels in south zone is of Licensed hotels (around 2005) followed by 3 star hotels (106).

2.6.2. No. of Rooms by category of Hotels -– South Zone

The break up of number rooms in the different category of hotels in south zone is shown in table below

Table 2.13: Category wise break-up of rooms in south zone

Locations	Category wise Number of rooms									Total
	Heritage	5 Star Deluxe	5 Star	4 Star	3 Star	2 Star	1 Star	Approved	Licensed	
Chennai	25	1678	627	928	6347	467	83	567	4290	15012
Bangalore	0	982	486	456	2137	3145	61	78	10170	17515
Hyderabad	20	448	674	232	2478	189	0	145	6570	10756
Mysore	54	0	0	0	98	40	0	74	608	874
Cochin	17	96	325	214	816	164	0	93	760	2485
Ooty	0	120	200	160	20	45	34	98	502	1179
Trichy	0	0	0	86	180	45	62	30	360	763
Thiruvananthpuram / Kovalam	0	0	57	200	241	169	0	22	696	1385
Kanyakumari	0	0	0	0	76	0	0	27	544	647
Madurai	0	0	0	0	134	0	0	14	520	668

Source: ACNielsen ORG-MARG Primary Survey

Table 2.13: Category wise break-up of rooms in south zone

Locations	Category wise Number of rooms									Total
	Heritage	5 Star Deluxe	5 Star	4 Star	3 Star	2 Star	1 Star	Approved	Licensed	
Hampi	0	0	0	0	0	0	0	0	0	0
Calicut	74	0	112	167	128	120	101	117	347	1166
Pondicherry	0	0	0	0	201	78	0	30	832	1141
Vizag	19	93	263	110	498	206	26	34	710	1959
Vijaywada	0	0	0	0	370	228	66	78	536	1278
Total	209	3417	2744	2553	13724	4856	433	1407	27445	56828

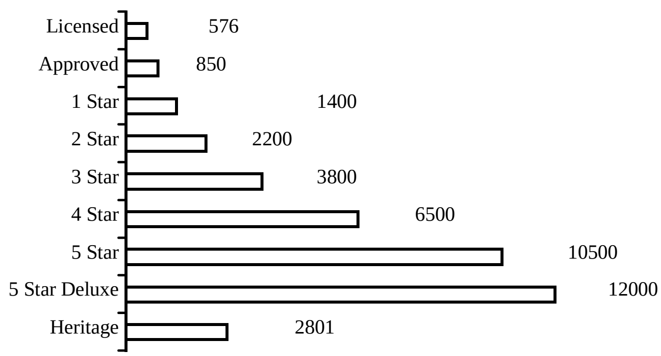
Source: ACNielsen ORG-MARG Primary Survey

The maximum number of rooms is in approved category of hotels. Across the various destinations, Bangalore has the maximum number of rooms (all categories included) in the south zone

2.6.3. Average Tariff / Hotel Category – South Zone

The average tariff per room for different category of hotels is depicted in figure below

Fig. 2.6: Category wise tariff across Hotels – South Zone



Source: ACNielsen ORG-MARG Primary Survey

On an average, 5 star deluxe hotels (with average tariff being Rs. 6881/-) charge the highest tariff per room followed by 5 star and heritage hotels.

2.7 Planned expansion plan – overall at a glance

The hotel industry is presently undergoing rapid growth particularly in the luxury category. International hotel chains such as Six Continents, Carlson Hospitality and Marriott are looking to increase their capacity in India, one of the fastest growing hospitality markets across the globe. A host of mid-market and budget hotel brands like Accor are also chalking entry plans for the market. After a 30-year exclusive association with ITC, Sheraton, the top brand of global hotelier Star wood Hotels & Resorts, is coming out on its own. Star wood has begun talks with other hotel developers to lend the well-established Sheraton and its sub-brands. Star wood is planning to introduce four points by Sheraton (a moderately priced hotel chain) and its luxury hotel brands-St Regis and the luxury collection in India. Its other brands that have a presence in the country include Le Meridien and Westin.The US hotelier is in advanced negotiations with Royal Palms to manage its 283-room, Rs 160 crore properties under the four points by Sheraton brand. The hotel in Mumbai's Goregaon suburb is expected to roll out the red carpet to guests in December.

Royal Palms are setting up a 100 room villa hotel in the Goregaon complex and also plan to build hotels in Hyderabad and Kolkata.

Aiming to ride the boom in demand for hotel rooms in India, US based Perot group company Hill wood is setting up a joint venture with the Gupta group of Asian Hotels to establish a chain of up market hotels under the Clarion brand.

The new joint venture company Inovoa Hotels & Resorts, plans to invest Rs 450 crore in India to set up four-star Clarion hotels across the country. Three Clarion hotels in Delhi (NCR), Bangalore and Pune are proposed to come up by 2009. It is alongside scouting for sites in other cities, and additional investments would be made for more Clarion hotels across the country. It is proposed to add more rooms in Chennai, Mumbai and Jaipur in the next five years. In Noida – Delhi NCR has earmarked 14 sites to set up 5 star hotels, three 4 star hotels and five 3 star hotels in Noida. All the 5 star hotels will be located in the new sectors along the Noida-Greater Noida expressway. There will be three of these hotels in Sector 96, one in sector 97 and two in sector 98. The 4 star hotels will be located in sectors 62 and 63 and, the 3 star hotels will come up in sectors 72,124,101,105 and 135. All these hotels are expected to be operational by 2009. The Oberoi Group under its 'Oberoi Hotels & Resorts' brand is planning 5 new projects in Goa, Bangalore, Khajuraho and Gurgaon. Moreover, it is also planning 2 new hotels in Mumbai and Hyderabad uder its Triden Hilton brands. All these hotels are expected to be operational by 2008/2009. Some of the Major Projects have been listed in the table below:

Table 2.14 Location wise Major up coming projects and expansions

Location	New Projects	Expansions
Mumbai	• Four 3 star hotels with total room strength of 366 within 2007/2008 • Four 5 star hotels with an room capacity of 1323 rooms	• 3 hotels planning for room expansion
Pune	• Two 5 star hotels within 2007	• 100 rooms expansion within 2007
Udaipur	• Five new 5 star hotels by Radisson, Lela Group, ITC, Le Meridien and Oberoi • Two new 4 star hotels (Inder Residency and Goverdhan Villa)	• Laxmi Vilas Palaxce Grand is increasing 88 rooms by 2008 • Hotel Lake End (Alka Group) planning to add 50 rooms by 2008 • Hotel Lake Pichola increasing 80 rooms by 2007
Jaipur	• Five new hotels in 5 star category by 2008 (Hotel Raddison, Hyatt Regency, Shiv Vilas, Quality & Comfort)	• Four existing hotels planning to add more rooms by 2008 (total capacity addition would be 114
Jaisalmer	• Trident Hilton to start new hotel by 2009 (with 137 room capacity)	• 200 room expansion by existing hotels by 2009
Jodhpur	• Clark International to open new hotel by 2008 (36 rooms) • Park Plaza to open new hotel by 2008 (50 rooms) • ITC Group to open new hotel by 2008 (88 rooms) • Venture Resorts to open new hotel by 2008 (45 rooms)	• Three existing Hotels planning to add a total of 76 rooms by 2007/2008
Chennai	• Fortune Park Hotel to open by 2007 (129 rooms) • Quality & Comfort to open new hotel by 2007 (84 rooms) • Leela Group planning to open new hotels within 2 years time.	
Bangalore	• Fortune Park Hotels to open new hotel by 2007 (86 rooms) • Hilton to open new hotel (300 rooms)	• Leela Hotels to add 144 rooms

Location	New Projects	Expansions
	Shangri La to open new hotel (370 rooms) Radisson to open new hotel (350 rooms) Carlson to open new hotel (156 rooms)	
Kolkata	Marriot Courtyard Hotels to open new hotel by 2009 (256 rooms) Intercontinental Hotels to open new hotel by 2008 (264 rooms) Hilton Group to open new hotel (2106 rooms) Bengal Ambuja to open new hotel by 2008 (140 rooms)	
Hyderabad	Marriot Curtyard Hotels to open new hotel by 2009 (150 rooms) Oberoi Hotels is planning open new hotel Leela Group to open new hotel (300 rooms)	Park Hotels to add 49 rooms by 2008
Ahmedabad/Baroda	Sarovar Park in planning to construct 3 star hotel within 2008	100 room expansions by 3 existing 4 star hotels within 2007
Puri/Bhubaneshwar	2 new hotels (4 star) within 2008	200 room expansions by 2 hotels within 2008
Delhi (NCR)	Eight 5 star hotels with an room capacity of 2000 rooms by 2009 Three 4 star hotels with an room capacity of 342 rooms Seven 3 star hotels with an room capacity of 524 rooms Service Appts – Tri star and Hilton with 240 rooms In Faridabad & Ghaziabad land for 7 hotels has been auctioned	Retreat Hotel – 25 rooms Crown Plaza – 80 rooms

Source: Primary and Secondary Research

2.8 Rules, Regulations & Bye Laws – Issues &Constraints

During the field study and interactions with different officials it was observed that the land laws as well as the rules and regulations were different across different locations - metros, mini metros and tourist destinations also.

At the business centers, metros ,entry points the real estate prices are very high which creates a major bottleneck for any group/chain of hotelier to think of setting up an property . In such cases its necessary for the different governing departments – state / central to provide some tax relief's as well as land on lease basis.

Certain tourist destinations – Kerala, Rajasthan, M.P.,U.P. etc should look into the local bye –laws w.r.t. the setting up /allotment of hotel plots , increase of FAR for hotel plots.

As per discussions with local authorities eg in Chennai the following is the situation

Minimum Plot Frontage---4.5-7.0 meters
Maximum FSI- 1.50
Maximum plot Coverage-65 percent

In case of Hyderabad, following was the situation

Plot area in Sq.mtrs.	Maximum permissible coverage
(a) Below 500	As per minimum building setbacks as at item – 4 below.
(b) 500 & below 2000	50%
(c) 2000 & above	1000 sq.mtrs. or 40% of the plot area whichever is higher.

a. <u>Minimum setbacks on remaining sides:</u>

Plot size in Sq.mtrs.	Minimum setback in Mtrs.	
	Rear	Sides
Up to 50	1.00	0.50
50 and upto 100	2.00	1.00
100 and upto 150	2.00	1.25
150 and upto 200	2.00	1.25
200 and up to 300	2.00	1.50

In Mumbai the maximum permissible FSI in RTD Zone shall be 0.2. The FSI shall be calculated on the gross area of the plot.

Where the owner surrenders to the Planning Authority, or an agency nominated by it, free of cost, any land for arterial roads, access roads, social facilities and amenities, public utilities and services an additional incentive FSI of 0.2 of the land so surrendered shall be permissible.

In case of Rajasthan JDA/UITs/Municipal Bodies /Gram Panchayats and Collectors of

each district shall identify and reserve adequate land (create land bank for hotels) for setting up of hotels. Within this land Bank of hotels there shall be separate hotel land identified and reserved for the following categories of hotels namely (i) Budget hotels, 1/2/3 Star Hotels (ii) Mid-Market hotels (4 Star Hotels) (iii) Luxury hotels 5 Star / 5 Star deluxe & above.

The maximum land areas that can be provided to various categories of hotels shall be as follows:-

HOTEL CATEGORY	MAXIMUM LAND AREA
(i) Budget hotels (1/2/3 star)	1200 Sq. Mtr.
(ii) 4 Star Hotels	6000 Sq. Mtr.
(iii) 5 Star / 5 Star Deluxe Hotels and above categories.	Upto 18000 Sq. Mtr.

New Hotels in Existing areas :- Higher FAR within the scheme area upto twice vis-à-vis what may be presently admissible under Building Bye laws may be permitted subject to condition that over all FAR of the scheme area shall not exceed 1 (One)

New Hotels in New Areas :- Higher FAR for hotel Buildings within the area identified for township development under New Township Policy up to twice vis-à-vis what may be presently admissible under Building Byelaws may be permitted subject to condition that overall FAR of the Township area shall not exceed 1

A number of approvals/ clearances are required for any new set up, as per discussions with existing as well as potential groups interested in setting up property are looking for an single window clearance system, currently there are more than 10/15 clearances involved

Besides the availability of land, viable locations within a city the running cost for an establishment is also a major concern – high power tariffs, water charges, taxes are very high.

In case of an hotel the land cost is the major bottleneck for a new property as it constitutes app. 35-45% in the total project cost, hence FSI provided to the hotels is a major concern. So the price of the plot as well as its location is a major constraint for setting up new properties as the cost per room otherwise shall be very high which shall not be viable for the owner.

This law states that individuals or companies cannot hold more than 500 sq. metre of land in one city. Companies skirt it by buying land under different ventures. But it's a major deterrent for several foreign investors

In many states, stamp duty rates for land and development activity are as high as 13-14.5 per cent. This has, for a long time, induced people to disclose lower property values on paper.

Developers in Delhi need more than 30 clearances for a residential project. In Pune, the next six months' demand for office space is at 4 million sq. ft, but only 2 million sq. ft has been found.

Meanwhile, land prices have increased, forcing some companies like Cognizant to drop plans to set up shop in the city.

Tamil Nadu is one state that has speeded up clearances. Two new cells will now clear projects of up to Rs 100 crore and beyond.

The only way to ease land supply in the capital and also in other metros is to reclassify plots of more than one acre in the vicinity of the airport as hotel plots, wherever appropriate. Another solution to the land price problem for hotels would be to allow hoteliers to buy and aggregate smaller commercial plots into larger hotel-worthy plots.

Floor-space indices in India should be reviewed in the light of the modern construction designs and technology.

Then, varied construction rules across states are also a problem for hoteliers looking to standardise their product. In Delhi and Gurgaon, the fire departments insist that a corridor should be five-feet wide, whereas the Chennai fire department wants it to be eight-feet wide. Hence, the variation in cost of each room in different states. Also, high costs spoil the economics of a hotel. A high-cost hotel has to charge very high rates over a long period to generate a return for investors. That hurts the hotel's competitiveness.

The government should also make available to hoteliers, the government land available in the central business district (CBD) in cities across India to promote quality hotels.

While the government is also interested in promoting tourism and offering various incentives to different sectors, the hotel industry alone has not been given the real impetus for growth. For example, in air-conditioning, which is an absolute necessity for a hot country like India, the government should extend the benefit of lower electricity tariff, which they extend to other industries

3.1. Overview

The Chapter attempts to present the current and future demand considering the tourist flow at the 54 identified locations. The future demand has been presented on two scenarios (i) considering growth at current rate and (ii) considering target of 25 Million foreign tourist arrivals by the year 2015. Details of the calculation methodology adopted has been depicted in Chapter 1.

3.2. Average demand scenario across 54 locations in 2006

In the 54 identified locations, 181596 rooms are required per annum out of which 99140 are in the classified category.

Table 3.1: Average Demand in 54 Locations

Locations	No. of Rooms required currently considering average demand				Grand Total
	Luxury	Budget	Total Classified	Others	
Delhi	9110	2826	11936	1519	13455
Jammu/ Katra	12	5883	5895	7136	13031
Srinagar	58	2024	2082	2488	4570
Varanasi	546	529	1075	611	1686
Agra	651	848	1499	1011	2510
Shimla	135	1619	1754	2182	3936
Lucknow	54	108	162	210	372
Allahabad	0	206	206	324	530
Manali	0	1577	1577	2386	3963
Dehradun/ Mussourie	50	1092	1142	1338	2480
Nainital	0	261	261	793	1054
Mathura	0	93	93	145	238
Haridwar/ Rishikesh	0	6893	6893	5854	12747
Amritsar	14	81	95	111	206
Total North Zone	10630	24040	34670	26108	60778
Kolkata	2005	3731	5736	3538	9274
Puri /Bhubneshwar	198	1076	1274	2788	4062
Darjeeling	23	441	464	431	895
Siliguri	0	1443	1443	2147	3590
Digha	0	0	0	9960	9960
Guwahati	47	1161	1208	855	2063
Patna	26	521	547	586	1133
Ranchi	10	62	72	91	163
Shillong	17	114	131	252	383
Gangtok	57	345	402	158	560
Gaya/Bodhgaya	0	207	207	217	424
Total East Zone	2383	9101	11484	21023	32507
Mumbai	9195	2178	11373	2610	13983
Pune	190	606	796	3322	4118
Aurangabad	104	68	172	222	394

Table 3.1(Contd.): Average Demand in 54 Locations

Locations	No. of Rooms required currently considering average demand				Grand Total
	Luxury	Budget	Total Classified	Others	
Ahmedabad/ Baroda	569	1574	2143	1300	3443
Goa	3593	2253	5846	1541	7387
Khajuraho	77	179	256	90	346
Ajmer/ Pushkar	152	1493	1645	2373	4018
Jaipur	2625	997	3622	1203	4825
Udaipur	698	860	1558	831	2389
Jodhpur	582	438	1020	320	1340
Jaisalmer	214	271	485	293	778
Indore	19	171	190	196	386
Bhopal	64	1921	1985	2435	4420
Raipur	7	317	324	166	490
Total West Zone	18089	13326	31415	16902	48317
Chennai	1457	1471	2928	294	3222
Bangalore	3172	1405	4577	1175	5752
Hyderabad	1148	1455	2603	2231	4834
Mysore	74	1266	1340	1471	2811
Cochin	505	981	1486	853	2339
Ooty	236	1620	1856	2293	4149
Trichy	104	1104	1208	1338	2546
Thiruvananthpuram / Kovalam	53	38	91	25	116
Kanyakumari	0	598	598	1332	1930
Madurai	0	1102	1102	1349	2451
Hampi	0	0	0	0	0
Calicut	171	554	725	2311	3036
Pondicherry	38	363	401	439	840
Vizag	718	1019	1737	1741	3478
Vijaywada	0	919	919	1571	2490
Total South Zone	7676	13895	21571	18423	39994
Total 54 Locations	38778	60362	99140	82456	181596

Major demand seems to be in the Budget category of Hotels, which is about 60.9% of the total classified demand

3.3. Average demand for Accommodation unit from domestic and foreign tourists across 54 locations in the year 2006

The average demand from the domestic tourists have been elaborated in the Table below

Table 3.2: Average Demand in 54 Locations – from domestic tourists

Locations	Average Demand Per Day - Domestic				Grand Total
	Luxury	Budget	Total Classified	Others	
Delhi	1758	821	2579	1328	3907
Jammu / Katra	0	5724	5724	6996	12720
Srinagar	45	1983	2028	2479	4507
Varanasi	55	368	423	496	919
Agra	121	692	813	917	1730
Shimla	0	1291	1291	2107	3398
Lucknow	21	87	108	191	299
Allahabad	0	197	197	321	518
Manali	0	1239	1239	2110	3349
Dehradun/Mussourie	49	1088	1137	1335	2472
Nainital	0	248	248	784	1032
Mathura	0	66	66	117	183
Haridwar/ Rishikesh	0	6858	6858	5842	12700
Amritsar	10	79	89	109	198
Total North	2059	20741	22800	25132	47932
Kolkata	292	3217	3509	2339	5848
Puri /Bhubneshwar	77	999	1076	2766	3842
Darjeeling	23	383	406	360	766
Siliguri	0	1303	1303	1954	3257
Digha	0	0	0	9642	9642
Guwahati	40	1123	1163	842	2005
Patna	23	518	541	586	1127
Ranchi	4	55	59	89	148
Shillong	7	110	117	250	367
Gangtok	20	327	347	156	503
Gaya/Bodhgaya	0	77	77	144	221
Total East	486	8112	8598	19128	27726
Mumbai	678	1989	2667	1853	4520
Pune	110	441	551	3121	3672
Aurangabad	21	39	60	201	261
Ahmedabad/ Baroda	540	1552	2092	1282	3374
Goa	1392	2021	3413	1078	4491
Khajuraho	18	127	145	53	198
Ajmer/ Pushkar	0	1270	1270	2162	3432
Jaipur	329	803	1132	926	2058
Udaipur	119	474	593	724	1317
Jodhpur	15	108	123	186	309
Jaisalmer	5	112	117	112	229
Indore	11	166	177	192	369
Bhopal	0	1879	1879	2392	4271
Raipur	5	315	320	165	485
Total West	3243	11296	14539	14447	28986

Table 3.2 (Contd.): Average Demand in 54 Locations – from domestic tourists

Locations	Average Demand Per Day - Domestic				Grand
	Luxury	Budget	Total Classified	Others	Total
Chennai	435	1284	1719	257	1976
Bangalore	26	740	766	555	1321
Hyderabad	44	772	816	1390	2206
Mysore	0	1179	1179	1384	2563
Cochin	103	826	929	791	1720
Ooty	109	1493	1602	2039	3641
Trichy	0	1052	1052	1286	2338
Thiruvananthpuram / Kovalam	32	33	65	24	89
Kanyakumari	0	454	454	1291	1745
Madurai	0	989	989	1311	2300
Hampi	0	0	0	312	312
Calicut	118	532	650	2304	2954
Pondicherry	0	265	265	324	589
Vizag	0	928	928	1724	2652
Vijaywada	0	830	830	1541	2371
Total South	867	11377	12244	16533	28777
Total 54 Locations	6655	51526	58181	75240	133421

58.7% of total classified demand is coming from the domestic tourists and approximately 88.6% of the demand is in the Budget category

Table 3.3: Average Demand in 54 Locations – from Foreign tourists

Locations	Average Demand Per Day – Foreign				Grand Total
	Luxury	Budget	Total Classified	Others	
Delhi	7352	2005	9357	191	9548
Jammu / Katra	12	159	171	140	311
Srinagar	13	41	54	9	63
Varanasi	491	161	652	115	767
Agra	530	156	686	94	780
Shimla	135	328	463	75	538
Lucknow	33	21	54	19	73
Allahabad	0	9	9	3	12
Manali	0	338	338	276	614
Dehradun/Mussourie	1	4	5	3	8
Nainital	0	13	13	9	22
Mathura	0	27	27	28	55
Haridwar/ Rishikesh	0	35	35	12	47
Amritsar	4	2	6	2	8
Total North	8571	3299	11870	976	12846
Kolkata	1713	514	2227	1199	3426
Puri /Bhubneshwar	121	77	198	22	220
Darjeeling	0	58	58	71	129
Siliguri	0	140	140	193	333
Digha	0	0	0	318	318
Guwahati	7	38	45	13	58
Patna	3	3	6	0	6
Ranchi	6	7	13	2	15
Shillong	10	4	14	2	16
Gangtok	37	18	55	2	57
Gaya/Bodhgaya	0	130	130	73	203
Total East	1897	989	2886	1895	4781
Mumbai	8517	189	8706	757	9463
Pune	80	165	245	201	446
Aurangabad	83	29	112	21	133
Ahmedabad/ Baroda	29	22	51	18	69
Goa	2201	232	2433	463	2896
Khajuraho	59	52	111	37	148
Ajmer/ Pushkar	152	223	375	211	586
Jaipur	2296	194	2490	277	2767
Udaipur	579	386	965	107	1072
Jodhpur	567	330	897	134	1031
Jaisalmer	209	159	368	181	549
Indore	8	5	13	4	17
Bhopal	64	42	106	43	149
Raipur	2	2	4	1	5
Total West	14846	2030	16876	2455	19331

Table 3.3(Contd.) : Average Demand in 54 Locations – from Foreign tourists

Locations	Average Demand Per Day – Foreign				Grand Total
	Luxury	Budget	Total Classified	Others	
Chennai	1022	187	1209	37	1246
Bangalore	3146	665	3811	620	4431
Hyderabad	1104	683	1787	841	2628
Mysore	74	87	161	87	248
Cochin	402	155	557	62	619
Ooty	127	127	254	254	508
Trichy	104	52	156	52	208
Thiruvananthpuram / Kovalam	21	5	26	1	27
Kanyakumari	0	144	144	41	185
Madurai	0	113	113	38	151
Hampi	0	0	0	124	124
Calicut	53	22	75	7	82
Pondicherry	38	98	136	115	251
Vizag	718	91	809	17	826
Vijaywada	0	89	89	30	119
Total South	6809	2518	9327	2326	11653
Total 54 Locations	32123	8836	40959	7652	48611

41.3% of total classified demand is coming from the domestic tourists and approximately 78.4% of the demand is in the Luxury category

3.4. Peak demand scenario across 54 locations for the year 2006

The calculated peak demand across 54 locations have been indicated in the Table below:-

Table 3.4: Peak Demand in 54 Locations

Locations	Peak Demand Per Day				Grand Total
	Luxury	Budget	Total Classified	Others	
Delhi	10609	3654	14263	1658	15921
Jammu / Katra	201	5883	6084	7136	13220
Srinagar	285	2024	2309	2488	4797
Varanasi	546	529	1075	1892	2967
Agra	1873	848	2721	1201	3922
Shimla	135	1619	1754	2182	3936
Lucknow	248	327	575	1004	1579
Allahabad	0	206	206	634	840
Manali	0	1577	1577	2386	3963
Dehradun/Mussourie	163	1092	1255	2254	3509
Nainital	0	261	261	1881	2142
Mathura	0	115	115	599	714
Haridwar/ Rishikesh	0	6893	6893	5854	12747
Amritsar	44	131	174	615	789
Total North	14104	25158	39263	31784	71047

Table 3.4 (Contd.): Peak Demand in 54 Locations

Locations	Average Demand Per Day - Domestic				Grand
	Luxury	Budget	Total Classified	Others	Total
Kolkata	2066	3731	5797	3538	9335
Puri /Bhubneshwar	420	1076	1496	2788	4284
Darjeeling	97	441	538	773	1311
Siliguri	0	1443	1443	2147	3590
Digha	0	0	0	9960	9960
Guwahati	154	1161	1315	855	2170
Patna	122	521	643	586	1229
Ranchi	254	147	401	253	654
Shillong	42	114	156	347	503
Gangtok	78	345	423	345	768
Gaya/Bodhgaya	0	207	207	217	424
Total East	3235	9186	12421	21808	34229
Mumbai	14455	5709	20164	10589	30753
Pune	748	606	1354	3322	4676
Aurangabad	331	120	451	222	673
Ahmedabad/ Baroda	1242	1574	2816	1328	4144
Goa	7084	14426	21509	4851	26360
Khajuraho	235	284	519	718	1237
Ajmer/ Pushkar	152	1493	1645	2373	4018
Jaipur	3061	997	4058	3795	7853
Udaipur	892	860	1752	2463	4215
Jodhpur	858	438	1296	2620	3916
Jaisalmer	214	400	614	2591	3205
Indore	127	612	739	2501	3240
Bhopal	231	1921	2152	2436	4587
Raipur	79	317	396	2433	2828
Total West	29708	29755	59463	42242	101705
Chennai	5381	10019	15399	7390	22790
Bangalore	3312	8130	11442	13550	24992
Hyderabad	2407	4006	6414	8742	15156
Mysore	91	1266	1357	1471	2828
Cochin	1033	1088	2121	897	3018
Ooty	793	1620	2413	2293	4706
Trichy	146	1104	1250	1338	2588
Thiruvananthpuram / Kovalam	388	637	1025	748	1773
Kanyakumari	0	598	598	1332	1930
Madurai	0	1102	1102	1349	2451
Hampi	0	0	0	0	0
Calicut	548	554	1102	2311	3413
Pondicherry	38	405	443	1338	1782
Vizag	728	1019	1747	1741	3488
Vijaywada	0	996	996	1571	2567
Total South	14866	32545	47411	46072	93483
Total 54 Locations	61913	96644	158558	141906	300464

The table indicates a more or less similar scenario with approx. 53% of the total demand coming from the classified category, 61% of the aforesaid classified demand is from the Budget category of Hotels.

3.5. All India Scenario in 2006

The All India scenario indicates that the total supply in the classified category is in tune of 1Lakh 33 Thousand rooms. Considering average demand the gap seems to be in the tune of 20000 in this category , which increases to 1,18, 000 considering the peak demand.

Table 3.5: 54 Locations and All India – At a glance

Sl. No.	Calculations	Present Supply			Current Demand - 2006		
		Classified	Others	Total	Classified	Others	Total
1	Average in 54 locations				99140	82456	181596
2	Peak in 54 locations	84259	89728	173987	158558	141906	300464
3	Ratio of no. of rooms in classified hotels - 54 locations vis a vis All India (Avg of estimates for 2004 and 2005 - based on Tourism Statistics published by Ministry of Tourism in 2005	0.63					
4	Ratio of peak demand and average demand (2/1)				1.5993	1.7210	
5	Average Demand - All India (1/3)				157365	130883	288248
6	Peak Demand - All India (5X4)	133744	142425	276170	251679	225248	476927

4.1. Overview

This chapter highlights the future trends in demand across 54 locations in the year 2010 and 2015 respectively.

The projected demand for 2010 & 2015 has been based on two scenarios.

The first scenario is on the existing growth rate for the years 2010 & 2015

The second scenario is based on target foreign tourist arrivals of 15 million by 2010 & 25 million by 2015.

4.2. Projected tourist traffic arrivals to 54 locations in the year 2010 – considering current growth rate

Applying growth rates and adjusted growth rates (elaborated in Chapter 1) to the tourist visit figures in the year 2006, the following figures were derived for the identified locations.

Table 4.1: Visits in 54 Locations– At a glance

Locations	Tourist Arrivals		Total
	Domestic	Foreign	
Delhi	4075836	7180918	11256754
Jammu / Katra	13774715	119557	13894272
Srinagar	3194820	47467	3242287
Varanasi	982846	213391	1196238
Agra	2185329	257801	2443131
Shimla	3032537	149207	3181744
Lucknow	357254	35838	393092
Allahabad	672682	4154	676835
Manali	2831842	156537	2988379
Dehradun/Mussourie	1847588	4906	1852493
Nainital	933877	14797	948674
Mathura	134207	21706	155913
Haridwar/ Rishikesh	13874070	42530	13916600
Amritsar	248344	7414	255758
Total North	48145946	8256223	56402170
Kolkata	5841090	1058840	6899930
Puri /Bhubneshwar	3951836	52435	4004272
Darjeeling	860713	39674	900386
Siliguri	3262679	169958	3432637
Digha	4680956	174955	4855911
Guwahati	1789776	40980	1830756
Patna	2186272	2989	2189261
Ranchi	285020	9002	294023
Shillong	537826	6758	544584
Gangtok	474465	24126	498591
Gaya/Bodhgaya	436618	59590	496208
Total East	24307251	1639308	25946559

Table 4.1(Contd.) : Visits to 54 Locations– At a glance

Locations	Domestic	Foreign	Total
Mumbai	6068430	4998447	11066878
Pune	4551323	647339	5198662
Aurangabad	606843	79364	686207
Ahmedabad/ Baroda	5396318	61227	5457545
Goa	3125288	532663	3657951
Khajuraho	400907	240378	641285
Ajmer/ Pushkar	5589892	234260	5824152
Jaipur	4395308	1433028	5828336
Udaipur	2076860	643091	2719951
Jodhpur	1412915	333752	1746668
Jaisalmer	650256	367934	1018190
Indore	624905	12038	636944
Bhopal	4686798	112115	4798913
Raipur	634438	1029	635467
Total West	40220481	9696667	49917148
Chennai	3376666	469229	3845895
Bangalore	6396097	5165383	11561480
Hyderabad	3010885	1768939	4779824
Mysore	6279292	297721	6577013
Cochin	1185864	233527	1419391
Ooty	3395176	97719	3492895
Trichy	1697588	39089	1736677
Thiruvananthpuram / Kovalam	111662	14627	126289
Kanyakumari	2970779	68405	3039184
Madurai	2121985	48860	2170845
Hampi	531569	99364	630933
Calicut	1794901	27128	1822029
Pondicherry	709119	100772	809891
Vizag	3513001	373616	3886617
Vijaywada	2107800	41603	2149403
Total South	39202384	8845981	48048365
Total 54 Locations	151876062	28438179	180314241

4.3. Projected demand of rooms in 54 locations in the year 2010 – considering current growth rate

In 2010, 59% of the total demand would be in the classified category and 53% of the total classified demand would be in the Budget category. The Table below elucidates the location wise scenario.

Table 4.2: Projected demand in 2010 –Scenario 1

Locations	Average Demand Per Day – Year 2010 at current growth rate				Grand Total
	Luxury	Budget	Total Classified	Others	
Delhi	29937	8786	38722	3115	41837
Jammu / Katra	28	9927	9955	12014	21969
Srinagar	105	3409	3514	4167	7681
Varanasi	1001	845	1846	948	2794
Agra	1171	1313	2485	1528	4013
Shimla	262	2638	2901	3407	6307
Lucknow	93	168	261	318	579
Allahabad	0	307	307	480	787
Manali	0	2576	2576	3803	6379
Dehradun/Mussourie	80	1717	1797	2103	3900
Nainital	0	414	414	1248	1662
Mathura	0	148	148	225	373
Haridwar/ Rishikesh	0	10842	10842	9202	20043
Amritsar	23	119	142	163	305
Total North	32701	43208	75909	42722	118631
Kolkata	3753	6720	10473	6444	16916
Puri /Bhubneshwar	327	1721	2048	4444	6492
Darjeeling	41	795	836	778	1613
Siliguri	0	2593	2593	3858	6451
Digha	0	0	0	17835	17835
Guwahati	68	1653	1721	1215	2936
Patna	35	709	744	797	1541
Ranchi	19	107	126	156	282
Shillong	25	170	196	376	572
Gangtok	114	636	751	291	1041
Gaya/Bodhgaya	0	296	296	303	599
Total East	4383	15399	19782	36497	56279
Mumbai	19474	3784	23258	4775	28033
Pune	360	1103	1462	5731	7193
Aurangabad	214	130	343	387	731
Ahmedabad/ Baroda	1162	3182	4344	2628	6972
Goa	5220	3428	8648	2304	10952
Khajuraho	203	427	631	222	853
Ajmer/ Pushkar	434	4226	4660	6717	11377
Jaipur	7471	2822	10292	3408	13700
Udaipur	1984	2441	4425	2355	6780
Jodhpur	1658	1246	2904	908	3812

Table 4.2 (Contd.) : Table 4.2: Projected demand in 2010

Locations	Average Demand Per Day -2010				Grand Total
	Luxury	Budget	Total Classified	Others	
Jaisalmer	608	770	1377	832	2209
Indore	46	387	433	441	875
Bhopal	178	4333	4511	5487	9998
Raipur	10	541	551	283	834
Total West	39022	28819	67842	36477	104319
Chennai	2133	2153	4286	431	4717
Bangalore	16015	5823	21838	4984	26822
Hyderabad	2456	2897	5353	4377	9730
Mysore	377	4357	4734	5038	9772
Cochin	858	1215	2073	1005	3078
Ooty	341	2300	2641	3259	5900
Trichy	152	1566	1718	1897	3615
Thiruvananthpuram / Kovalam	76	46	122	28	151
Kanyakumari	0	853	853	1887	2740
Madurai	0	1566	1566	1911	3477
Hampi	0	0	0	1667	1667
Calicut	231	640	871	2609	3480
Pondicherry	87	585	672	706	1378
Vizag	1588	1916	3504	3221	6725
Vijaywada	0	1730	1730	2912	4642
Total South	24314	27647	51961	35933	87894
Total 54 Locations	100419	115074	215493	151629	367122

4.4. Projected tourist traffic arrivals to 54 locations in the year 2015 - considering current growth rate

The tourist arrivals in the year 2015 at the 54 locations considering current rate of growth has been indicated in the Table below.

Table 4.3 : Visits to 54 Locations 2015 – At a glance

Locations	Tourist Arrivals		Total
	Domestic	Foreign	
Delhi	8627274	26662245	35289519
Jammu / Katra	26209445	322334	26531779
Srinagar	6078853	127974	6206827
Varanasi	1599502	467250	2066751
Agra	3556443	564492	4120935
Shimla	5233168	343816	5576983
Lucknow	581401	78472	659873
Allahabad	1094734	9095	1103829
Manali	4886833	360706	5247538
Dehradun/Mussourie	3250271	10889	3261160
Nainital	1642873	32845	1675718
Mathura	218410	47528	265938
Haridwar/ Rishikesh	24407221	94407	24501628
Amritsar	284007	19989	303996
Total North	87670433	29142043	116812476
Kolkata	12073871	2339365	14413236
Puri /Bhubneshwar	7073988	100385	7174373
Darjeeling	1779143	87653	1866796
Siliguri	6744147	375498	7119645
Digha	9675806	386540	10062346
Guwahati	2767716	74804	2842520
Patna	2556712	4814	2561526
Ranchi	557258	20700	577958
Shillong	888849	9948	898797
Gangtok	1013839	61143	1074981
Gaya/Bodhgaya	641535	95971	737506
Total East	45772864	3556821	49329685
Mumbai	11761317	13023722	24785040
Pune	8820988	1686677	10507666
Aurangabad	1176132	206787	1382919
Ahmedabad/ Baroda	12937151	198882	13136033
Goa	5342642	811331	6153973
Khajuraho	1100965	859701	1960666
Ajmer/ Pushkar	20508593	866786	21375379
Jaipur	16125817	5302342	21428159
Udaipur	7619731	2379499	9999230
Jodhpur	5183804	1234915	6418719
Jaisalmer	2385706	1361390	3747096

Table 4.3 (Contd.): Visits to 54 Locations 2015 – At a glance

Locations	Tourist Arrivals		Total
	Domestic	Foreign	
Indore	1716105	43055	1759160
Bhopal	12870811	400975	13271785
Raipur	1240423	1162	1241584
Total West	108790183	28377225	137167408
Chennai	5433212	644697	6077909
Bangalore	12505351	13926226	26431578
Hyderabad	6483574	4046904	10530478
Mysore	12276980	802675	13079655
Cochin	1376076	501364	1877440
Ooty	5243098	157378	5400476
Trichy	2621549	62953	2684502
Thiruvananthpuram / Kovalam	129572	31403	160975
Kanyakumari	4587710	110167	4697877
Madurai	3276936	78690	3355626
Hampi	1039298	267893	1307191
Calicut	2082803	58243	2141046
Pondicherry	1039854	285901	1325754
Vizag	7564818	658439	8223256
Vijaywada	4538889	73319	4612208
Total South	70199722	21706250	91905972
Total 54 Locations	312433202	82782339	395215541

4.5. Projected demand of rooms in 54 locations in the year 2015 - considering current growth rate

In 2010, 62% of the total demand would be in the classified category and 53% of the total classified demand would be in the Luxury category. The Table below elucidates the location wise scenario.

Table 4.4: Projected demand of rooms in 2015 –Scenario -1

Locations	Average Demand Per Day - 2015				Grand Total
	Luxury	Budget	Total Classified	Others	
Delhi	105780	30164	135945	7695	143639
Jammu / Katra	74	19167	19241	23105	42346
Srinagar	223	6559	6783	7944	14726
Varanasi	2147	1544	3691	1665	5356
Agra	2464	2301	4766	2586	7352
Shimla	605	4923	5528	5964	11492
Lucknow	187	296	483	538	1021
Allahabad	0	509	509	784	1293
Manali	0	4826	4826	6875	11700
Dehradun/Mussourie	142	3024	3166	3703	6869
Nainital	0	740	740	2204	2944

Table 4.4(Contd.): Projected demand of rooms in 2015

Locations	Average Demand Per Day - 2015				Grand Total
	Luxury	Budget	Total Classified	Others	
Mathura	0	268	268	396	665
Haridwar/ Rishikesh	0	19103	19103	16197	35300
Amritsar	40	142	182	193	375
Total North	111663	93568	205230	79848	285078
Kolkata	8218	14028	22246	13641	35887
Puri /Bhubneshwar	610	3097	3707	7960	11667
Darjeeling	85	1658	1743	1627	3370
Siliguri	0	5397	5397	8026	13423
Digha	0	0	0	36952	36952
Guwahati	109	2573	2681	1885	4566
Patna	43	831	874	932	1806
Ranchi	41	213	255	307	561
Shillong	39	280	320	622	941
Gangtok	275	1375	1649	623	2273
Gaya/Bodhgaya	0	462	462	460	922
Total East	9420	29914	39334	73035	112368
Mumbai	49973	7605	57578	10342	67919
Pune	812	2374	3186	11395	14581
Aurangabad	533	294	827	781	1608
Ahmedabad/ Baroda	2851	7677	10528	6339	16867
Goa	8349	5800	14149	3818	17967
Khajuraho	694	1292	1986	695	2681
Ajmer/ Pushkar	1605	15525	17131	24663	41793
Jaipur	27612	10370	37983	12526	50509
Udaipur	7332	8989	16321	8648	24970
Jodhpur	6134	4601	10735	3342	14077
Jaisalmer	2248	2837	5085	3069	8154
Indore	144	1076	1221	1220	2441
Bhopal	638	11995	12633	15168	27801
Raipur	18	1056	1075	552	1627
Total West	108944	81493	190437	102559	292996
Chennai	3080	3400	6480	680	7160
Bangalore	43113	13879	56992	12072	69064
Hyderabad	5608	6435	12044	9669	21712
Mysore	982	8804	9786	10136	19922
Cochin	1727	1691	3418	1279	4697
Ooty	457	3564	4021	5058	9079
Trichy	245	2423	2668	2934	5602
Thiruvananthpuram / Kovalam	127	63	190	34	223
Kanyakumari	0	1331	1331	2918	4249
Madurai	0	2429	2429	2955	5384

Table 4.4(Contd.): Projected demand of rooms in 2015

Locations	Average Demand Per Day - 2015				Grand Total
	Luxury	Budget	Total Classified	Others	
Hampi	0	0	0	3724	3724
Calicut	365	784	1149	3041	4190
Pondicherry	245	1167	1412	1399	2811
Vizag	2799	4047	6846	6923	13769
Vijaywada	0	3649	3649	6246	9895
Total South	58748	53666	112414	69068	181482
Total 54 Locations	288775	258641	547415	324510	871925

4.6. Projected demand of rooms in 54 locations in the year 2010 - considering target foreign tourist arrivals

In 2010, considering a target of 15 mn foreign tourist arrivals, 65% of the total demand would be in the classified category and 57% of the total classified demand would be in the Luxury category. The Table below elucidates the location wise scenario.

Table 4.5: Projected demand of rooms in 2010 – Scenario 2

Locations	Average Demand - 2010 considering target foreign tourist arrivals (No. of Rooms)				Grand Total
	Luxury	Budget	Total Classified	Others	
Delhi	53613	15243	68856	3730	72586
Jammu/ Katra	52	10238	10290	12288	22578
Srinagar	131	3490	3621	4184	7805
Varanasi	1816	1112	2928	1139	4067
Agra	2050	1572	3622	1684	5306
Shimla	495	3205	3700	3537	7237
Lucknow	149	204	353	350	703
Allahabad	0	322	322	485	807
Manali	0	3159	3159	4280	7439
Dehradun/ Mussourie	82	1724	1806	2109	3915
Nainital	0	436	436	1263	1699
Mathura	0	192	192	272	464
Haridwar/ Rishikesh	0	10900	10900	9221	20121
Amritsar	31	122	153	167	320
Total North Zone	58419	51919	110338	44709	155047
Kolkata	6615	7578	14193	8446	22639
Puri /Bhubneshwar	507	1836	2344	4477	6821
Darjeeling	41	892	933	896	1829
Siliguri	0	2827	2827	4181	7008
Digha			0	18366	18366
Guwahati	78	1707	1785	1234	3019
Patna	39	713	752	797	1549
Ranchi	29	118	148	160	308
Shillong	38	175	213	379	592

Table 4.5 (Contd.): Projected demand of rooms in 2010 – Scenario 2

Locations	Average Demand - 2010 considering target foreign tourist arrivals (No. of Rooms)				Grand Total
	Luxury	Budget	Total Classified	Others	
Gangtok	183	669	852	295	1147
Gaya/Bodhgaya	0	465	465	398	863
Total East Zone	7530	16980	24510	39629	64139
Mumbai	35702	4144	39847	6218	46065
Pune	512	1417	1929	6113	8042
Aurangabad	371	186	557	428	985
Ahmedabad/ Baroda	1229	3233	4462	2669	7131
Goa	7949	3716	11665	2879	14544
Khajuraho	348	554	902	312	1214
Ajmer/ Pushkar	818	4788	5606	7249	12855
Jaipur	13262	3310	16572	4105	20677
Udaipur	3445	3414	6860	2625	9485
Jodhpur	3088	2078	5166	1246	6412
Jaisalmer	1134	1171	2306	1289	3595
Indore	65	401	466	451	917
Bhopal	336	4436	4772	5593	10365
Raipur	12	543	555	284	839
Total West Zone	68273	33391	101664	41461	143125
Chennai	3459	2395	5854	479	6333
Bangalore	30122	8804	38926	7766	46692
Hyderabad	4559	4199	8758	5980	14738
Mysore	711	4746	5457	5428	10885
Cochin	1514	1468	2982	1106	4088
Ooty	506	2465	2970	3589	6559
Trichy	286	1633	1919	1964	3883
Thiruvananthpuram / Kovalam	111	54	165	29	194
Kanyakumari	0	1040	1040	1940	2980
Madurai	0	1712	1712	1960	3672
Hampi			0	2223	2223
Calicut	318	677	995	2621	3616
Pondicherry	163	784	947	941	1888
Vizag	2995	2094	5089	3254	8343
Vijaywada		1905	1905	2971	4876
Total South Zone	44744	33976	78720	42251	120971
Total 54 Locations	178966	136265	315232	168050	483282

4.7. Projected demand of rooms in 54 locations in the year 2015 - considering target foreign tourist arrivals of 25 Mn

In 2015, 60% of the total demand would be in the classified category and 48% of the total classified demand would be in the Luxury category. The Table below elucidates the location wise scenario.

Table 4.6: Projected demand of rooms in 2015 – Scenario 2

Locations	Average Demand - 2015 (No. of Rooms)				
	Luxury	Budget	Total Classified	Others	Grand Total
Delhi	77639	22489	100129	6964	107092
Jammu/ Katra	73	19151	19224	23091	42315
Srinagar	222	6555	6777	7943	14720
Varanasi	2571	1683	4254	1764	6018
Agra	2922	2436	5358	2667	8024
Shimla	696	5145	5841	6015	11855
Lucknow	216	315	530	554	1085
Allahabad	0	517	517	787	1304
Manali	0	5054	5054	7061	12115
Dehradun/ Mussourie	143	3027	3170	3706	6876
Nainital	0	751	751	2211	2962
Mathura	0	292	292	420	712
Haridwar/ Rishikesh	0	19131	19131	16207	35338
Amritsar	40	142	182	193	374
Total North Zone	84521	86688	171208	79583	250791
Kolkata	9320	14358	23679	14413	38091
Puri /Bhubneshwar	740	3180	3920	7984	11904
Darjeeling	85	1695	1780	1672	3453
Siliguri	0	5487	5487	8150	13638
Digha	0	0	0	37156	37156
Guwahati	117	2617	2734	1901	4635
Patna	47	835	882	932	1814
Ranchi	44	216	261	308	569
Shillong	54	286	341	624	965
Gangtok	276	1375	1651	623	2275
Gaya/Bodhgaya	0	641	641	561	1202
Total East Zone	10684	30692	41376	74325	115701
Mumbai	48727	7577	56305	10231	66535
Pune	800	2350	3151	11366	14516
Aurangabad	521	289	810	778	1589
Ahmedabad/ Baroda	2797	7636	10433	6306	16739
Goa	11475	6129	17605	4476	22081
Khajuraho	524	1144	1668	589	2257
Ajmer/ Pushkar	1101	14788	15889	23964	39854
Jaipur	20011	9729	29740	11610	41350
Udaipur	5415	7711	13126	8293	21420
Jodhpur	4257	3509	7767	2898	10665
Jaisalmer	1556	2310	3866	2469	6335
Indore	122	1061	1183	1209	2392

Locations	Average Demand - 2015 (No. of Rooms)				
	Luxury	Budget	Total Classified	Others	Grand Total
Bhopal	452	11874	12327	15043	27370
Raipur	21	1059	1080	553	1634
Total West Zone	97782	77168	174949	99787	274736
Chennai	4717	3699	8417	740	9157
Bangalore	39477	13111	52588	11355	63943
Hyderabad	6036	6700	12736	9995	22730
Mysore	930	8744	9674	10076	19749
Cochin	1965	1783	3747	1316	5063
Ooty	698	3723	4422	5377	9798
Trichy	375	2488	2863	3000	5863
Thiruvananthpuram / Kovalam	140	65	205	34	239
Kanyakumari	0	1512	1512	2969	4481
Madurai	0	2571	2571	3002	5573
Hampi	0	0	0	3581	3581
Calicut	396	797	1193	3046	4239
Pondicherry	214	1084	1297	1301	2598
Vizag	3919	4188	8108	6948	15056
Vijaywada	0	3788	3788	6292	10080
Total South Zone	58866	54253	113119	69030	182149
Total 54 Locations	251853	248800	500653	322724	823377

Table 4.7: Projected demand of rooms in 2010 and 2015 – Scenario 1

Sl. No.	Calculations	Present Supply			Current Demand			Demand in 2010 (Considering current growth rate of domestic & foreign tourists)		
		Classified	Others	Total	Classified	Others	Total	Classified	Others	Total
1	Average in 54 locations	84259	89728	173987	99140	82456	181596	215493	151629	367122
2	Peak in 54 locations				158558	141906	300464			
3	Ratio of no. of rooms in classified hotels - 54 locations vis a vis All India (Avg of estimates for 2004 and 2005 - based on Tourism Statistics published by Ministry of Tourism in 2005	0.63								
4					1.5993	1.7210				
5	Average Demand - All India (1/3)	133744	142425	276170	157365	130883	288248	342053	240680	582733
6					251679	225248	476927			
								208309		

Table 4.8: Projected demand of rooms in 2010 and 2015 – Scenario 2

Sl. No.	Calculations	Present Supply			Current Demand			Demand in 2010 (Considering 15 Million Foreign Tourist Arrivals)			Dem milli
		Classified	Others	Total	Classified	Others	Total	Classified	Others	Total	Class
1		84259	89728	173987	99140	82456	181596	315232	168050	483282	5
2	Peak in 54 locations				158558	141906	300464				
3		0.63									
4	Ratio of peak demand and average demand (2/1)				1.5993	1.7210					
5	Average Demand - All India (1/3)	133744	142425	276170	157365	130883	288248	500368	266746	767114	7
6					251679	225248	476927				
								366624			6

5.1. Overview

The Asia Pacific countries, especially Malaysia, Singapore, Thailand, Indonesia and Phillipines have seen rapid growth in the tourism sector, with increasing inflow of foreign tourists in the recent times. This has been due to the recognition of the importance of tourism industry to the economy by these countries which has resulted in aggressive marketing campaigns and swift tourism infrastructure development to be adopted by them. The hospitality industry in these countries has been one of the direct beneficiaries of the growth in tourism sector and has also contributed to the tourism industry in terms of support facilities and services. The Chapter attempts a qualitative assessment of the trends in hospitality industry in selected Asia Pacific countries (Malaysia, Singapore, Thailand, Philippines and Indonesia).

5.2. Available Accommodation facilities

The countries have developed a wide range of facilities which include starred hotels, serviced apartments and boutiques. The luxury category of hotels (5 star deluxe, 5 star and 4 star) in these countries particularly in Malaysia and Singapore have developed in significant numbers. Moreover, one of the innovative segments in the hospitality sector of these countries (particularly Malaysia, Philippines and Singapore) is the serviced apartments and boutiques

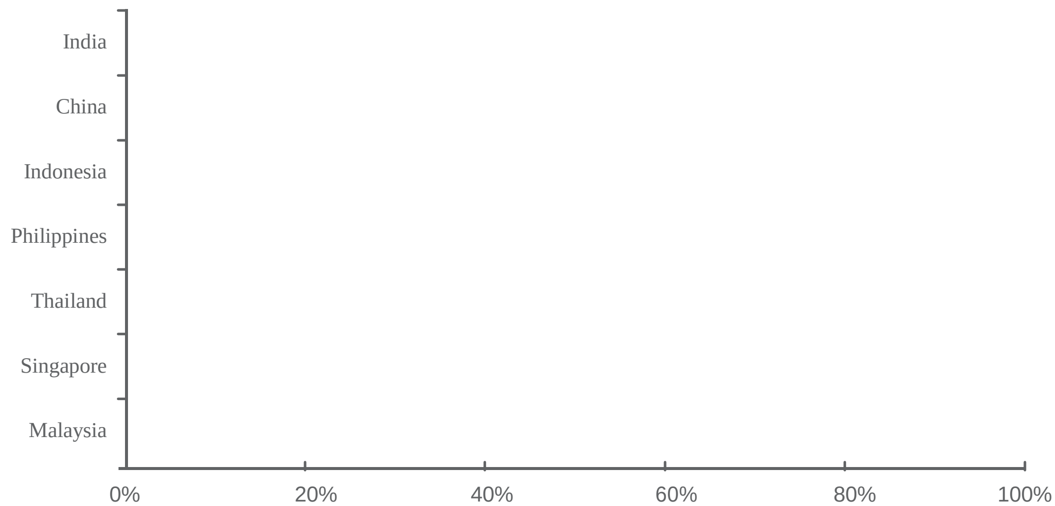
Country	1 Star	2 Star	3 Star	4 Star	5 Star	Others	TOTAL
Malaysia	14	97	153	167	598	849	1878
Singapore	0	45	40	96	73	5	259
Thailand	0	0	655	199	119	0	973
Philippines	0	0	94	18	68	40	220
Indonesia	0	3	12	117	143	0	275
China	276	1339	895	157	67	2466	5200
Total	290	1484	1849	754	1068	3360	8805

(Source: Secondary Data)

Country	1 Star	2 Star	3 Star	4 Star	5 Star	Others	TOTAL
Malaysia	1400	9700	22950	28390	149500	42450	254390
Singapore	0	4500	6000	16320	18250	375	45445
Thailand	0	0	98250	33830	29750	0	161830
Philippines	0	0	14100	3060	17000	3000	37160
Indonesia	0	300	1800	19890	35750	0	57740
China	41400	200850	179000	31400	23450	221940	698040
Total	42800	215350	322100	132890	273700	267765	1254605

(Source: Secondary Data)

Fig. 5.1: Inventory of Rooms – India vis a vis Asian Countries



	Malaysia	Singapore	Thailand	Philippines	Indonesia	China	India
5 Star	70.54	40.49	18.38	49.77	61.92	4.93	41.81
4 Star	13.4	36.21	20.9	8.96	34.45	6.6	8.7
3 Star	10.83	13.31	60.71	41.28	3.12	37.6	27.37
2 Star	4.58	9.98	0	0	0.52	42.19	17.38
1 Star	0.66	0	0	0	0	8.7	4.74

5.3. Tariffs offered by categories in different countries

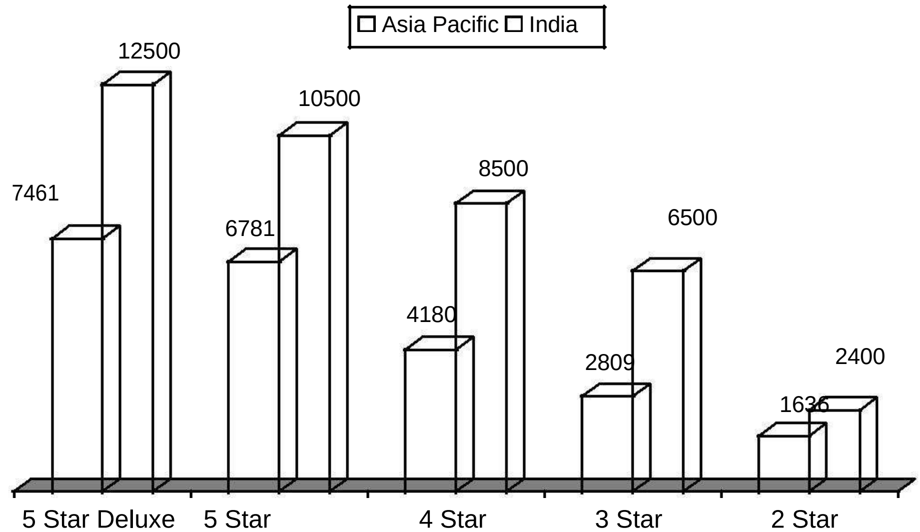
The average tariff structure per room for various categories of hotels in different countries is as follows:

Table 5.1: Tariffs offered by Asia Pacific Countries in different category of Hotels

Country	Average Tariff Structure (in INR)						
	5 Star Deluxe	5 Star	4 Star	3 Star	2 Star	Serviced Apartments	Boutique
Malaysia	5279	4089	2731	2000	1481	3245	NA
Singapore	8675	7755	5736	3596	2220	NA	5512
Thailand	7955	7109	3618	1961	370	NA	NA
Phillipines	5655	5062	2576	2028	1481	3773	NA
Indonesia	9745	9891	6241	4462	2632	NA	NA

The tariff structure varies widely in the different countries. On an average, Malaysia, Singapore and Thailand, the three major countries which attract the bulk of tourists in Asia Pacific region have very competitive tariffs in the 5 star deluxe, 5 star and 4 star hotel segments. Comparing the three countries it is seen that Malaysia has the lowest rates in the luxury segment. Moreover, the hotel industry in these countries offer customized economic packages to the various categories of travelers. A comparison of hotel tariffs 5 star, 4 star, 3 star and 2 star category of hotels) with Indian hotels is depicted below:

Fig. 5.2: Tariffs – Asia Pacific Vis a vis India



There is wide difference in the tariff structure of India and Asia Pacific countries. The tariffs in all categories in the Asia Pacific countries are comparatively lower than Indian tariffs. There is wide gap in the tariff structure of 5 star deluxe and 5 star hotels with Asia Pacific hotels charging lower tariffs. The Asia Pacific countries are luring away potential tourists to India with highly competitive prices and attractive packages

Chapter 6
Conclusions

6.1 Overview

The conclusion and recommendation based on the study findings have been presented in the Chapter. It intends to provide certain strategic insights that might be taken in order to help the Indian Hotel Industry achieve new heights of success.

6.2. Conclusions

The Tourist flow for domestic and international traffic is seasonal in nature except for certain locations like Mumbai, Delhi, Bangalore, Chennai, Hyderabad, Pune, Indore and Ahmedabad, where Business tourists are substantial in the overall tourist traffic flow, thus creating a need for availability of rooms throughout the year across different types.

With the introduction and addition of new low cost carriers linking metros with Tier I and Tier II cities, the frequency of travel has increased but the duration of stay has reduced significantly, thus creating a need for budget rooms.

Out of the 3 types of accommodation units viz. premium and Luxury, Budget and Others, which includes unstarred and approved Hotels, different locations across zones have different set ups, tariffs as well as occupancy levels. From the study it is evident that the budget hotels are more in demand compared to the approved category of hotels i.e. licensed Lodging and Boarding which are existing in different room capacities in all the locations and are being preffered by the domestic tourists to a great extent as well as the foreign tourists and religious as well as hill stations.

Business / Trade Cities i.e. Mumbai, Pune, Bangalore, Hyderabad, Chennai, Vizag, Indore, Ahmedabad as well as entry points i.e. Delhi and Mumbai are the major locations, wherein new projects as well as expansion of existing properties are coming up. Goa, which was earlier a seasonal destination an All year destination as the tourist flow due to increase in no. of flights as well as different kinds of tourists like package tours, corporates, etc. is increasing keeping in mind the growing fringe benefits being offered.

In cities such as Bangalore, Pune, umbai, Hyderabad,, with booming IT, Biotech and outsourcing business alongwith SEZ's, the ARR are souring at $132 to $232, which is expected to touch $275, clearly indicates the scarcity of rooms are driving the prices, which is not so in similar destinations in Asia – Pacific.

6.3. Recommendations

The study findings indicates certain areas of concern which needs to be addressed amicably to make India a leading nation in terms of available accommodation facility. These are as follows:-

- Introduction of Budget Hotels rather than addition of capacities in premium and luxury hotels
- Rationalisation of Tariffs in line with the Tariffs being offered by the Hotels of similar categories in Asia- Pacific

Currently each location has a different Landlaws and Bye laws (FSI and FAR are different), which impacts the Hotelier in terms of Room Configuration and thus has a bearing on the project cost, which is translated into different tariffs for the same category. Though this is a State subject, the Centre as well as Ministry of Tourism, which is the approving body, should come out with certain legislation to solve/ standardize the issue.

Renewal of classification should incorporate certain incentives (based on certain norms) to lure the disinterested lot of hoteliers back to renew their categories on a regular basis.

Annexure

Table A – 1: No. of Tourists interviewed during primary survey

Location	No. of Tourists interviewed	
	Domestic	Foreign
Delhi	910	768
Jammu / Katra	450	21
Srinagar	700	97
Varanasi	284	46
Agra	631	55
Shimla	825	30
Lucknow	103	8
Allahabad	125	70
Manali	771	32
Dehradun/Mussourie	421	73
Nainital	155	97
Mathura	39	5
Haridwar/ Rishikesh	374	173
Amritsar	52	22
Total North Zone	5840	1497
Kolkata	902	650
Puri /Bhubneshwar	350	26
Darjeeling	196	8
Siliguri	741	36
Digha	464	37
Guwahati	544	11
Patna	659	41
Ranchi	58	12
Shillong	135	20
Gangtok	78	31
Gaya/ Bodhgaya	115	42
Total East Zone	4242	914
Mumbai	1471	901
Pune	435	350
Aurangabad	147	14
Ahmedabad/ Baroda	356	155
Goa	922	158
Khajuraho	69	31
Ajmer/ Pushkar	715	30
Jaipur	563	182
Udaipur	266	82

Location	No. of Tourists interviewed	
	Domestic	Foreign
Jodhpur	181	42
Jaisalmer	83	47
Indore	78	30
Bhopal	682	134
Raipur	122	31
Total West Zone	6090	2187
Chennai	987	835
Bangalore	740	649
Hyderabad	657	319
Mysore	458	218
Cochin	480	51
Ooty	433	28
Trichy	313	215
Trivandrum / Kovalam	558	423
Kanyakumari	603	320
Madurai	445	215
Hampi	243	291
Calicut	426	306
Pondicherry	227	17
Vizag	466	365
Vijaywada	282	185
Total South Zone	7318	4437
Grand Total	23490	9035

Table A – 2: Sample Check of Licensed Units in different Towns

Location	Sample Check of Licensed/ Approved Accommodation Units
Delhi	222
Jammu / Katra	77
Srinagar	36
Varanasi	138
Agra	106
Shimla	61
Lucknow	38
Allahabad	52
Manali	86
Dehradun/Mussourie	99
Nainital	78
Mathura	47
Haridwar/ Rishikesh	60
Amritsar	26
Total North Zone	1126
Kolkata	11
Puri /Bhubneshwar	4
Darjeeling	4
Siliguri	14
Digha	11
Guwahati	6
Patna	4
Ranchi	5
Shillong	9
Gangtok	10
Gaya/ Bodhgaya	8
Total East Zone	86
Mumbai	311
Pune	57
Aurangabad	51
Ahmedabad/ Baroda	59
Goa	9
Khajuraho	37
Ajmer/ Pushkar	49
Jaipur	72
Udaipur	311

Table A – 2 (Contd.): Sample Check of Licensed Units in different Towns

Location	Sample Check of Licensed/ Approved Accommodation Units
Jodhpur	84
Jaisalmer	80
Indore	80
Bhopal	80
Raipur	80
Total West Zone	1049
Chennai	86
Bangalore	203
Hyderabad	131
Mysore	61
Cochin	76
Ooty	54
Trichy	36
Trivandrum / Kovalam	70
Kanyakumari	54
Madurai	52
Calicut	45
Pondicherry	83
Vizag	74
Vijaywada	54
Total South Zone	1079
Grand Total	3340

Table A – 3: State wise growth rate on a Y-O-Y basis – 2002 – 03, 2003-04

STATE/ U.T.	Growth percentage 2002-03	
	Domestic	Foreign
Andhra Pradesh	22.57	127.91
Arunachal Pradesh	-49.79	-34.22
Assam	10.38	3.14
Bihar	-11.89	-46.12
Goa	30.17	15.72
Gujarat	33.22	9.79
Haryana	-8.15	-0.35
Himachal Pradesh	11.79	16.29
Jammu & Kashmir	25.78	211.09
Karnataka	28.77	319.70
Kerala	5.44	26.68
Madhya Pradesh	21.73	37.08
Maharashtra	15.00	28.30
Manipur	3.67	16.29
Meghalaya	38.47	100.38
Mizoram	19.42	7.72
Nagaland	-60.70	13.09
Orissa	12.53	7.48
Punjab	261.75	-39.28
Rajasthan	51.14	46.71
Sikkim	12.75	39.69
Tamil Nadu	0.85	12.12
Tripura	-1.25	22.83
Uttaranchal	2.16	22.54
Uttar Pradesh	11.93	15.07
Chattisgarh	18.69	15.81
Jharkhand	27.21	43.63
West Bengal	27.78	33.26
Andaman & Nicobar	-5.30	-18.80
Chandigarh	2.22	24.45
Daman & Diu	-24.79	-50.16
Delhi*	16.49	27.77
Dadra & Nagar Haveli	-0.95	-32.67
Lakshadweep	-25.42	-25.22
Pondichery	4.08	27.20

STATE/ U.T.	Growth percentage 2003-04	
	Domestic	Foreign
Andhra Pradesh	20.64	4.53
Arunachal Pradesh	115.95	118.70
Assam	6.09	10.21
Bihar	33.96	-37.33
Goa	20.90	15.55
Gujarat	1.41	-43.57
Haryana	-8.54	-22.16
Himachal Pradesh	14.46	21.70
Jammu & Kashmir	19.70	65.40
Karnataka	143.34	112.17
Kerala	1.72	17.28
Madhya Pradesh	44.41	57.50
Maharashtra	18.80	23.50
Manipur	0.60	-3.11
Meghalaya	16.55	96.81
Mizoram	9.88	16.85
Nagaland	79.41	45.90
Orissa	11.46	15.18
Punjab	-68.56	59.34
Rajasthan	27.81	54.60
Sikkim	28.42	22.40
Tamil Nadu	5.14	17.36
Tripura	1.39	-0.78
Uttaranchal	8.17	13.86
Uttar Pradesh	10.42	19.22
Chattisgarh	51.00	160.87
Jharkhand	15.85	35.74
West Bengal	9.55	9.96
Andaman & Nicobar	22.35	10.53
Chandigarh	5.67	-5.39
Daman & Diu	-10.72	25.57
Delhi*	30.48	21.01
Dadra & Nagar Haveli	18.80	23.53
Lakshadweep	-15.53	88.42
Pondichery	11.66	25.41

Table A – 3: State wise growth rate on a Y-O-Y basis – 2004 – 05, 2005-06

STATE/ U.T.	Growth percentage 2004-05	
	Domestic	Foreign
Andhra Pradesh	4.57	11.78
Arunachal Pradesh	-36.60	7.43
Assam	7.85	48.00
Bihar	7.28	66.12
Goa	-5.77	-7.28
Gujarat	4.23	122.42
Haryana	9.53	-10.28
Himachal Pradesh	9.33	1.69
Jammu & Kashmir	5.20	10.20
Karnataka	12.05	2.83
Kerala	-0.43	0.28
Madhya Pradesh	-17.73	10.66
Maharashtra	6.60	18.90
Manipur	0.88	26.91
Meghalaya	-13.29	-58.90
Mizoram	15.85	-16.26
Nagaland	73.73	-18.54
Orissa	12.30	15.59
Punjab	19.21	-40.47
Rajasthan	17.17	16.40
Sikkim	9.11	12.82
Tamil Nadu	2.21	11.47
Tripura	-17.09	-15.58
Uttaranchal	21.29	20.85
Uttar Pradesh	8.01	20.60
Chattisgarh	-82.90	-69.60
Jharkhand	342.64	37.94
West Bengal	9.58	15.46
Andaman & Nicobar	-71.22	-53.10
Chandigarh	2.46	44.29
Daman & Diu	-1.22	49.94
Delhi*	10.46	80.08
Dadra & Nagar Haveli	-1.10	629.76
Lakshadweep	77.63	-26.77
Pondichery	2.80	12.34

STATE/ U.T.	Growth percentage 2005-06	
	Domestic	Foreign
Andhra Pradesh	19.44	19.57
Arunachal Pradesh	456.71	110.03
Assam	12.20	-3.78
Bihar	-10.50	34.15
Goa	3.55	12.95
Gujarat	42.93	86.25
Haryana	1.80	14.32
Himachal Pradesh	10.60	35.51
Jammu & Kashmir	5.62	3.93
Karnataka	18.79	-7.28
Kerala	5.47	23.68
Madhya Pradesh	55.16	16.01
Maharashtra	16.60	14.20
Manipur	24.06	-6.65
Meghalaya	6.82	-15.92
Mizoram	14.03	59.71
Nagaland	-13.97	13.48
Orissa	13.10	17.51
Punjab	-17.89	4355.16
Rajasthan	25.00	7.87
Sikkim	16.18	9.10
Tamil Nadu	35.01	-12.09
Tripura	6.62	21.22
Uttaranchal	17.24	12.22
Uttar Pradesh	10.59	13.14
Chattisgarh	12.10	19.96
Jharkhand	2.37	-27.62
West Bengal	16.52	11.43
Andaman & Nicobar	291.99	321.56
Chandigarh	14.71	8.30
Daman & Diu	4.17	-5.39
Delhi*	8.50	30.62
Dadra & Nagar Haveli	-9.15	14.19
Lakshadweep	232.09	127.63
Pondichery	13.70	28.50

Annexure A-4

Projected Demand of rooms in 2010 considering 10mn FTA

Sl. No.	Calculations	Present Supply			Current Demand			Demand in 2010 (Considering 10 Million Foreign Tourist Arrivals)			Dem milli
		Classified	Others	Total	Classified	Others	Total	Classified	Others	Total	Class
1		84259	89728	173987	99140	82456	181596	217720	151996	369716	5
2	Peak in 54 locations				158558	141906	300464				
3	Ratio of no. of rooms in classified hotels - 54 locations vis a vis All India (Avg of estimates for 2004 and 2005 - based on Tourism Statistics published by Ministry of Tourism in 2005	0.63									
4					1.5993	1.7210					
5		133744	142425	276170	157365	130883	288248	345587	241263	586851	8
6	Peak Demand - All India (5X4)				251679	225248	476927				

								211843			7

Projected demand of rooms in 54 locations in the year 2010 - considering target foreign tourist arrivals of 10 mn foreign tourist

In 2010, considering a target of 10 mn foreign tourist arrivals, 58% of the total demand would be in the classified category and 45% of the total classified demand would be in the Luxury category. The Table below elucidates the location wise scenario.

Projected demand of rooms in 2010

Locations	Luxury	Budget	Total Classified	Others	Grand Total
Delhi	30465	8930	39395	3128	42523
Jammu/ Katra	28	9934	9962	12020	21983
Srinagar	106	3411	3517	4167	7684
Varanasi	1019	851	1870	953	2823
Agra	1191	1319	2510	1532	4042
Shimla	268	2651	2919	3410	6328
Lucknow	95	169	263	319	582
Allahabad	0	307	307	480	787
Manali	0	2589	2589	3814	6402
Dehradun/ Mussourie	80	1717	1797	2104	3901
Nainital	0	415	415	1249	1663
Mathura	0	149	149	226	375
Haridwar/ Rishikesh	0	10843	10843	9202	20045
Amritsar	23	120	143	164	307
Total North Zone	33275	43403	76678	42767	119445
Kolkata	3817	6739	10556	6488	17044
Puri /Bhubneshwar	331	1724	2054	4445	6499
Darjeeling	41	797	838	780	1618
Siliguri	0	2598	2598	3865	6463
Digha	0	0	0	17847	17847
Guwahati	68	1654	1722	1216	2938
Patna	35	709	744	797	1541
Ranchi	19	107	126	156	283
Shillong	26	170	196	377	572
Gangtok	116	637	753	291	1044
Gaya/Bodhgaya	0	300	300	305	605
Total East Zone	4453	15435	19888	36567	56454
Mumbai	19836	3792	23628	4807	28435
Pune	363	1110	1473	5739	7212
Aurangabad	217	131	348	388	736
Ahmedabad/ Baroda	1164	3183	4347	2629	6975
Goa	5281	3435	8716	2317	11033
Khajuraho	207	430	637	224	861
Ajmer/ Pushkar	442	4239	4681	6729	11410
Jaipur	7600	2833	10433	3423	13856
Udaipur	2017	2462	4480	2361	6840
Jodhpur	1690	1265	2955	915	3870

Jaisalmer	619	778	1398	842	2240
Indore	47	388	434	441	875
Bhopal	182	4335	4517	5489	10006
Raipur	10	541	551	283	834
Total West Zone	39675	28921	68597	36588	105185
Chennai	2163	2158	4321	432	4753
Bangalore	16330	5890	22220	5047	27267
Hyderabad	2503	2926	5429	4413	9842
Mysore	384	4366	4750	5047	9797
Cochin	872	1221	2093	1007	3101
Ooty	345	2303	2648	3266	5914
Trichy	155	1567	1722	1898	3621
Thiruvananthpuram / Kovalam	77	47	123	28	152
Kanyakumari	0	857	857	1888	2745
Madurai	0	1569	1569	1912	3481
Hampi	0	0	0	1679	1679
Calicut	233	641	874	2610	3484
Pondicherry	88	590	678	711	1389
Vizag	1620	1920	3539	3222	6761
Vijaywada	0	1734	1734	2914	4648
Total South Zone	24769	27788	52558	36074	88632
Total 54 Locations	102172	115548	217720	151996	369715

Executive Summary

E1. Objective of the Study

The objective of the aforesaid study was to assess the requirement of hotel rooms/ accommodation in the Metro Cities and 50 major tourist centers in India, identify constraints / impediments (if any).

E2. Deliverables

To attain the aforesaid objective, the deliverables were as indicated below:-

Earmarking and freezing top 50 tourist destinations based on the domestic as well as foreign tourist arrivals for the last 3 years.

Preparation of list of hotels of different categories (approved & unapproved) as well as other accommodation units available in that particular destination / center across different identified centers. Thus arrive at the existing accommodation capacities currently available.

Assessment of proposed / likely new projects (announced or under construction) of various groups/chains, public / private as well as other accommodation units in the earmarked locations and its proposed date of completion.

Estimation of future capacity requirement in accommodation - destination wise as well as category wise based on

Existing growth of tourist traffic trends

With a target of 15 million foreign tourists by 2010 and 25 million by 2015

E3. Methodology adopted in conducting the study

The methodology adopted at various stages in conducting the study has been elaborated in the ensuing paragraphs.

The study was carried out combining data from secondary (wherein information was procured from various published information) as well as primary sources (wherein face to face interview as well as e mail communications were carried out with the identified respondent categories).

In the secondary research, review of published information (from articles, online sources, books) was undertaken. The aim was to find out information about prime chain hotels in India and in the Asia Pacific Region. Additionally, Ministry of Tourism, Tourism Department of the State Governments (in which 54 locations fell) as well as in house studies (carried out for Ministry of Tourism titled “Collection of Domestic Tourism Statistics for the State of Rajasthan, Uttaranchal, Uttar Pradesh, Orissa and Karnataka” for the year 2005) were tapped to churn requisite information (elaborated below)

In primary research, 4157 accommodation units, 54 civic bodies, Federation of Hotel and Restaurants Association of India, 5 Tourism Boards of Asia Pacific Countries (Indonesia, Phillipines, Thailand, Singapore and Malaysia) and 32525 Tourists (Both Domestic as well as Foreign). The location wise no. of tourists interviewed has been provided in the Annexure. In addition to this, Ministry of Tourism officials at the Centre and at the regional level were also contacted. The primary survey was carried out in between September 2006 and November 2006.

Definitions Followed

The Hotel industry in India can be classified into 3 major types:-

Starred - Hotels which have acquired classification from Ministry of Tourism under the different star categories viz. 1 Star, 2 Star, 3 Star, 4 Star, 5 Star, 5 Star Deluxe, Heritage, Heritage Classic, Heritage Grand.

Approved (Awaiting Classification) Hotels - Hotels which have acquired approval from Ministry of Tourism but not classified into any star categories

Licensed Units - Hotels/Establishments which have acquired approval/license from local municipal authorities/police license to conduct boarding and lodging facilities NOT including Paying Guest Accommodation, Dharmashalas, Lodges, Dormitories

The definitions that have been followed in this report are elucidated below and illustrated in the next page:-

Luxury - Hotels having Heritage classification and those which have classification of 4 Star, 5 Star and 5 Star Deluxe has been defined as a Luxury accommodation unit

Budget - Hotels having classification between 1 Star – 3 Star has been defined as a Budget accommodation unit.

Others – Includes approved (awaiting classification) as well as licensed units indicated above.

E4. Findings

No of Hotels in different categories

Category wise break up of hotels across different zones has been indicated below.

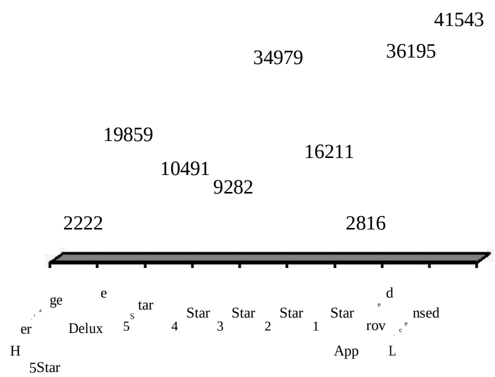
Table E1 Category wise no. of Hotels in 54 Locations

Type	Total
Heritage	54
5 Star Deluxe	81
5 Star	79
4 Star	102
3 Star	290
2 Star	163
1 Star	48
Unclassified/ Approved	369
Licensed	7515
Total	8701

No. of Rooms by category of Hotels

The no. of rooms available in the 54 locations in different categories are as follows:-

No. of Rooms in different categories of Hotels



Source: ACNielsen ORG-MARG Primary Survey

Table E2 Average Demand in 54 Locations

Locations	No. of Rooms required currently considering average demand				Grand Total
	Luxury	Budget	Total Classified	Others	
Delhi	9110	2826	11936	1519	13455
Jammu/ Katra	12	5883	5895	7136	13031
Srinagar	58	2024	2082	2488	4570
Varanasi	546	529	1075	611	1686
Agra	651	848	1499	1011	2510
Shimla	135	1619	1754	2182	3936
Lucknow	54	108	162	210	372
Allahabad	0	206	206	324	530
Manali	0	1577	1577	2386	3963
Dehradun/ Mussourie	50	1092	1142	1338	2480
Nainital	0	261	261	793	1054
Mathura	0	93	93	145	238
Haridwar/ Rishikesh	0	6893	6893	5854	12747
Amritsar	14	81	95	111	206
Total North Zone	10630	24040	34670	26108	60778
Kolkata	2005	3731	5736	3538	9274
Puri /Bhubneshwar	198	1076	1274	2788	4062
Darjeeling	23	441	464	431	895
Siliguri	0	1443	1443	2147	3590
Digha	0	0	0	9960	9960
Guwahati	47	1161	1208	855	2063
Patna	26	521	547	586	1133
Ranchi	10	62	72	91	163
Shillong	17	114	131	252	383
Gangtok	57	345	402	158	560
Gaya/Bodhgaya	0	207	207	217	424
Total East Zone	2383	9101	11484	21023	32507

Locations	No. of Rooms required currently considering average demand				Grand Total
	Luxury	Budget	Total Classified	Others	
Mumbai	9195	2178	11373	2610	13983
Pune	190	606	796	3322	4118
Aurangabad	104	68	172	222	394
Ahmedabad/ Baroda	569	1574	2143	1300	3443
Goa	3593	2253	5846	1541	7387
Khajuraho	77	179	256	90	346
Ajmer/ Pushkar	152	1493	1645	2373	4018
Jaipur	2625	997	3622	1203	4825
Udaipur	698	860	1558	831	2389
Jodhpur	582	438	1020	320	1340
Jaisalmer	214	271	485	293	778
Indore	19	171	190	196	386
Bhopal	64	1921	1985	2435	4420
Raipur	7	317	324	166	490
Total West Zone	18089	13326	31415	16902	48317
Chennai	1457	1471	2928	294	3222
Bangalore	3172	1405	4577	1175	5752
Hyderabad	1148	1455	2603	2231	4834
Mysore	74	1266	1340	1471	2811
Cochin	505	981	1486	853	2339
Ooty	236	1620	1856	2293	4149
Trichy	104	1104	1208	1338	2546
Thiruvananthpuram / Kovalam	53	38	91	25	116
Kanyakumari	0	598	598	1332	1930
Madurai	0	1102	1102	1349	2451
Hampi	0	0	0	0	0
Calicut	171	554	725	2311	3036
Pondicherry	38	363	401	439	840
Vizag	718	1019	1737	1741	3478
Vijaywada	0	919	919	1571	2490
Total South Zone	7676	13895	21571	18423	39994
Total 54 Locations	38778	60362	99140	82456	181596

Major demand seems to be in the Budget category of Hotels, which is about 60.9% of the total classified demand

All India Scenario in 2006

The All India scenario indicates that the total supply in the classified category is in tune of 1Lakh 33 Thousand rooms. Considering average demand the gap seems to be in the tune of 20000 in this category , which increases to 1,18, 000 considering the peak demand.

Table E3. 54 Locations and All India – At a glance

Sl. No.	Calculations	Present Supply			Current Demand - 2006		
		Classified	Others	Total	Classified	Others	Total
1	Average in 54 locations				99140	82456	181596
2	Peak in 54 locations	84259	89728	173987	158558	141906	300464
3	Ratio of no. of rooms in classified hotels - 54 locations vis a vis All India (Avg of estimates for 2004 and 2005 - based on Tourism Statistics published by Ministry of Tourism in 2005	0.63					
4	Ratio of peak demand and average demand (2/1)				1.5993	1.7210	
5	Average Demand - All India (1/3)				157365	130883	288248
6	Peak Demand - All India (5X4)	133744	142425	276170	251679	225248	476927

E5. Demand Scenario

Projected tourist traffic arrivals to 54 locations in the year 2010 – considering current growth rate

Applying growth rates and adjusted growth rates (elaborated in Chapter 1) to the tourist visit figures in the year 2006, the following figures were derived for the identified locations.

Visits in 54 Locations– At a glance

Locations	Tourist Arrivals		Total
	Domestic	Foreign	
Delhi	4075836	7180918	11256754
Jammu / Katra	13774715	119557	13894272
Srinagar	3194820	47467	3242287
Varanasi	982846	213391	1196238
Agra	2185329	257801	2443131
Shimla	3032537	149207	3181744
Lucknow	357254	35838	393092
Allahabad	672682	4154	676835
Manali	2831842	156537	2988379
Dehradun/Mussourie	1847588	4906	1852493
Nainital	933877	14797	948674
Mathura	134207	21706	155913
Haridwar/ Rishikesh	13874070	42530	13916600
Amritsar	248344	7414	255758
Total North	48145946	8256223	56402170
Kolkata	5841090	1058840	6899930
Puri /Bhubneshwar	3951836	52435	4004272
Darjeeling	860713	39674	900386
Siliguri	3262679	169958	3432637
Digha	4680956	174955	4855911
Guwahati	1789776	40980	1830756

Patna	2186272	2989	2189261
Ranchi	285020	9002	294023
Shillong	537826	6758	544584
Gangtok	474465	24126	498591
Gaya/Bodhgaya	436618	59590	496208
Total East	24307251	1639308	25946559
Locations	Domestic	Foreign	Total
Mumbai	6068430	4998447	11066878
Pune	4551323	647339	5198662
Aurangabad	606843	79364	686207
Ahmedabad/ Baroda	5396318	61227	5457545
Goa	3125288	532663	3657951
Khajuraho	400907	240378	641285
Ajmer/ Pushkar	5589892	234260	5824152
Jaipur	4395308	1433028	5828336
Udaipur	2076860	643091	2719951
Jodhpur	1412915	333752	1746668
Jaisalmer	650256	367934	1018190
Indore	624905	12038	636944
Bhopal	4686798	112115	4798913
Raipur	634438	1029	635467
Total West	40220481	9696667	49917148
Chennai	3376666	469229	3845895
Bangalore	6396097	5165383	11561480
Hyderabad	3010885	1768939	4779824
Mysore	6279292	297721	6577013
Cochin	1185864	233527	1419391
Ooty	3395176	97719	3492895
Trichy	1697588	39089	1736677
Thiruvananthpuram / Kovalam	111662	14627	126289
Kanyakumari	2970779	68405	3039184
Madurai	2121985	48860	2170845
Hampi	531569	99364	630933
Calicut	1794901	27128	1822029
Pondicherry	709119	100772	809891
Vizag	3513001	373616	3886617
Vijaywada	2107800	41603	2149403
Total South	39202384	8845981	48048365
Total 54 Locations	151876062	28438179	180314241

Projected demand of rooms in 54 locations in the year 2010 – considering current growth rate (Scenario –1)

In 2010, 59% of the total demand would be in the classified category and 53% of the total classified demand would be in the Budget category. The Table below elucidates the location wise scenario.

Table E4: Projected demand in 2010

Locations	Average Demand Per Day – Year 2010 at current growth rate				Grand Total
	Luxury	Budget	Total Classified	Others	
Delhi	29937	8786	38722	3115	41837
Jammu / Katra	28	9927	9955	12014	21969
Srinagar	105	3409	3514	4167	7681
Varanasi	1001	845	1846	948	2794
Agra	1171	1313	2485	1528	4013
Shimla	262	2638	2901	3407	6307
Lucknow	93	168	261	318	579
Allahabad	0	307	307	480	787
Manali	0	2576	2576	3803	6379
Dehradun/Mussourie	80	1717	1797	2103	3900
Nainital	0	414	414	1248	1662
Mathura	0	148	148	225	373
Haridwar/ Rishikesh	0	10842	10842	9202	20043
Amritsar	23	119	142	163	305
Total North	32701	43208	75909	42722	118631
Kolkata	3753	6720	10473	6444	16916
Puri /Bhubneshwar	327	1721	2048	4444	6492
Darjeeling	41	795	836	778	1613
Siliguri	0	2593	2593	3858	6451
Digha	0	0	0	17835	17835
Guwahati	68	1653	1721	1215	2936
Patna	35	709	744	797	1541
Ranchi	19	107	126	156	282
Shillong	25	170	196	376	572
Gangtok	114	636	751	291	1041
Gaya/Bodhgaya	0	296	296	303	599
Total East	4383	15399	19782	36497	56279
Mumbai	19474	3784	23258	4775	28033
Pune	360	1103	1462	5731	7193
Aurangabad	214	130	343	387	731
Ahmedabad/ Baroda	1162	3182	4344	2628	6972
Goa	5220	3428	8648	2304	10952
Khajuraho	203	427	631	222	853
Ajmer/ Pushkar	434	4226	4660	6717	11377
Jaipur	7471	2822	10292	3408	13700
Udaipur	1984	2441	4425	2355	6780
Jodhpur	1658	1246	2904	908	3812

Projected demand in 2010

Locations	Average Demand Per Day -2010				Grand Total
	Luxury	Budget	Total Classified	Others	
Jaisalmer	608	770	1377	832	2209
Indore	46	387	433	441	875
Bhopal	178	4333	4511	5487	9998
Raipur	10	541	551	283	834
Total West	39022	28819	67842	36477	104319
Chennai	2133	2153	4286	431	4717
Bangalore	16015	5823	21838	4984	26822
Hyderabad	2456	2897	5353	4377	9730
Mysore	377	4357	4734	5038	9772
Cochin	858	1215	2073	1005	3078
Ooty	341	2300	2641	3259	5900
Trichy	152	1566	1718	1897	3615
Thiruvananthpuram / Kovalam	76	46	122	28	151
Kanyakumari	0	853	853	1887	2740
Madurai	0	1566	1566	1911	3477
Hampi	0	0	0	1667	1667
Calicut	231	640	871	2609	3480
Pondicherry	87	585	672	706	1378
Vizag	1588	1916	3504	3221	6725
Vijaywada	0	1730	1730	2912	4642
Total South	24314	27647	51961	35933	87894
Total 54 Locations	100419	115074	215493	151629	367122

Projected demand of rooms in 54 locations in the year 2015 - considering current growth rate (Scenario –1)

In 2010, 62% of the total demand would be in the classified category and 53% of the total classified demand would be in the Luxury category. The Table below elucidates the location wise scenario.

Table E5: Projected demand of rooms in 2015

Locations	Average Demand Per Day - 2015				Grand Total
	Luxury	Budget	Total Classified	Others	
Delhi	105780	30164	135945	7695	143639
Jammu / Katra	74	19167	19241	23105	42346
Srinagar	223	6559	6783	7944	14726
Varanasi	2147	1544	3691	1665	5356
Agra	2464	2301	4766	2586	7352
Shimla	605	4923	5528	5964	11492
Lucknow	187	296	483	538	1021
Allahabad	0	509	509	784	1293
Manali	0	4826	4826	6875	11700
Dehradun/Mussourie	142	3024	3166	3703	6869
Nainital	0	740	740	2204	2944

(Contd.): Projected demand of rooms in 2015

Locations	Average Demand Per Day - 2015				Grand Total
	Luxury	Budget	Total Classified	Others	
Mathura	0	268	268	396	665
Haridwar/ Rishikesh	0	19103	19103	16197	35300
Amritsar	40	142	182	193	375
Total North	111663	93568	205230	79848	285078
Kolkata	8218	14028	22246	13641	35887
Puri /Bhubneshwar	610	3097	3707	7960	11667
Darjeeling	85	1658	1743	1627	3370
Siliguri	0	5397	5397	8026	13423
Digha	0	0	0	36952	36952
Guwahati	109	2573	2681	1885	4566
Patna	43	831	874	932	1806
Ranchi	41	213	255	307	561
Shillong	39	280	320	622	941
Gangtok	275	1375	1649	623	2273
Gaya/Bodhgaya	0	462	462	460	922
Total East	9420	29914	39334	73035	112368
Mumbai	49973	7605	57578	10342	67919
Pune	812	2374	3186	11395	14581
Aurangabad	533	294	827	781	1608
Ahmedabad/ Baroda	2851	7677	10528	6339	16867
Goa	8349	5800	14149	3818	17967
Khajuraho	694	1292	1986	695	2681
Ajmer/ Pushkar	1605	15525	17131	24663	41793
Jaipur	27612	10370	37983	12526	50509
Udaipur	7332	8989	16321	8648	24970
Jodhpur	6134	4601	10735	3342	14077
Jaisalmer	2248	2837	5085	3069	8154
Indore	144	1076	1221	1220	2441
Bhopal	638	11995	12633	15168	27801
Raipur	18	1056	1075	552	1627
Total West	108944	81493	190437	102559	292996
Chennai	3080	3400	6480	680	7160
Bangalore	43113	13879	56992	12072	69064
Hyderabad	5608	6435	12044	9669	21712
Mysore	982	8804	9786	10136	19922
Cochin	1727	1691	3418	1279	4697
Ooty	457	3564	4021	5058	9079
Trichy	245	2423	2668	2934	5602
Thiruvananthpuram / Kovalam	127	63	190	34	223
Kanyakumari	0	1331	1331	2918	4249
Madurai	0	2429	2429	2955	5384

(Contd.): Projected demand of rooms in 2015

Locations	Average Demand Per Day - 2015				Grand Total
	Luxury	Budget	Total Classified	Others	
Hampi	0	0	0	3724	3724
Calicut	365	784	1149	3041	4190
Pondicherry	245	1167	1412	1399	2811
Vizag	2799	4047	6846	6923	13769
Vijaywada	0	3649	3649	6246	9895
Total South	58748	53666	112414	69068	181482
Total 54 Locations	288775	258641	547415	324510	871925

Table E6: Projected demand of rooms in 2010 and 2015 –Scenario – 1

Sl. No.	Calculations	Present Supply			Current Demand			Demand in 2010 (Considering current growth rate of domestic & foreign tourists)		
		Classified	Others	Total	Classified	Others	Total	Classified	Others	Total
1	Average in 54 locations	84259	89728	173987	99140	82456	181596	215493	151629	367122
2	Peak in 54 locations				158558	141906	300464			
3	Ratio of no. of rooms in classified hotels - 54 locations vis a vis All India (Avg of estimates for 2004 and 2005 - based on Tourism Statistics published by Ministry of Tourism in 2005	0.63								
4	Ratio of peak demand and average demand (2/1)				1.5993	1.7210				
5		133744	142425	276170	157365	130883	288248	342053	240680	582733
6					251679	225248	476927			
								208309		

Projected demand of rooms in 2010 and 2015 – Scenario 2

Sl. No.	Calculations	Present Supply			Current Demand			Demand in 2010 (Considering 15 Million foreign tourist arrivals)			Demand i[n …] 25 Milli[on …]
		Classified	Others	Total	Classified	Others	Total	Classified	Others	Total	Classified
1	Average in 54 locations	84259	89728	173987	99140	82456	181596	315232	168050	483282	500653
2	Peak in 54 locations				158558	141906	300464				
3		0.63									
4	Ratio of peak demand and average demand (2/1)				1.5993	1.7210					
5		133744	142425	276170	157365	130883	288248	500368	266746	767114	794687
6	Peak Demand - All India (5X4)				251679	225248	476927				
	Shortage in classified category considering current supply							366624			660943