

MICE Tourism in India, 2009-10

Study Commissioned by the
Ministry of Tourism, Government of India

National Council of Applied Economic Research
11, I. P. Estate, New Delhi, 110002

STUDY TEAM

Project Leader

Poonam Munjal

Senior Advisor

Ramesh Kolli

Core Research Team

Rachna Sharma

Amit Sharma

Monisha Grover

Praveen Kumar

Shashi Singh

ACKNOWLEDGEMENT

We would like to thank the officials of The Ministry of Tourism (MoT) for their valuable inputs during the project review meetings and presentations. In particular, we are immensely grateful to Dr. R.K. Bhatnagar (ADG, Market Research, MoT) and Shailesh Kumar (Deputy Director, Market Research, MoT). The study also benefited immensely from the important inputs from Shri Parvez Dewan (Secretary, MoT) and Shri Girish Shankar (Addl. Secretary, MoT) apart from the other officials of State Tourism Departments.

CONTENTS

Study Team	i
Acknowledgement	iii
List of Tables	vi
List of Figures	vii
1. Introduction	1
Context of the study	1
Objectives of the study	3
Structure of the report	4
2. Review of literature	5
3. Data source	9
International Passenger Survey	9
Profile of Inbound tourists	10
4. Survey findings	15
Methodology for deriving “composite value of importance”	18
Methodology for deriving “composite value of satisfaction level”	32
References	41
Appendix tables	43

LIST OF TABLES

Table 1:	Estimated number of International Tourists by Regions and Category	10
Table 2:	Percentage distribution of foreign tourists by gender	11
Table 3:	Per cent distribution of foreigner tourists by category and by purpose of travel	13
Table 4:	Per cent distribution of tourists giving ranks by motivational factors	16
Table 5:	Per cent distribution of tourists by different ranks	17
Table 6:	Composite value of importance for “Monuments, Forts, Palaces and Museums” by countries of residence	23
Table 7:	Composite value of importance for “Hill stations, mountains, beaches, scenic places” by countries of nationality	24
Table 8:	Composite value of importance for “Religious places” by countries of nationality	25
Table 9:	Composite value of importance for “Medical treatment, yoga, meditation & spiritual healing” by countries of nationality	26
Table 10:	Composite value of importance for “Other Motivational factors” by countries of nationality	27
Table 11:	Per cent distribution of tourists responding to level of satisfaction by motivational factors	29
Table 12:	Per cent distribution of tourists by different responses of satisfaction level	31
Table 13:	Composite value of satisfaction level for “Monuments, Forts, Palaces and Museums” by countries of residence	35
Table 14:	Composite value of satisfaction level for “Hill stations, mountains, beaches, scenic places” by countries of nationality	36
Table 15:	Composite value of satisfaction level for “Religious places” by countries of nationality	37
Table 16:	Composite value of satisfaction level for “Medical treatment, yoga, meditation & spiritual healing” by countries of nationality	38
Table 17:	Composite value of satisfaction level for “Other Motivational factors” by countries of nationality	39
Table A1:	Number of tourists responding to each rank by motivational factors	45
Table A2:	Number of tourists responding to each level of satisfaction by motivational factors	46

LIST OF FIGURES

Figure 1:	Percentage distribution of foreign tourists by age-group	12
Figure 2:	Composite value of importance for “Monuments, Forts, Palaces and Museums” by age-groups	19
Figure 3:	Composite value of importance for “Hill stations, mountains, beaches, scenic places” by age-groups	19
Figure 4:	Composite value of importance for “Religious places” by age-groups	20
Figure 5:	Composite value of importance for “Medical treatment, yoga, meditation & spiritual healing” by age-groups	20
Figure 6:	Composite value of importance for “Other Motivational Factors” by age-groups	21
Figure 7:	Composite value of satisfaction level for “Monuments, Forts, Palaces and Museums” by age-groups	32
Figure 8:	Composite value of satisfaction level for “Hill stations, mountains, beaches, scenic places” by age-groups	33
Figure 9:	Composite value of satisfaction level for “Religious places” by age-groups	33
Figure 10:	Composite value of satisfaction level for “Medical treatment, yoga, meditation & spiritual healing” by age-groups	34
Figure 11:	Composite value of satisfaction level for “Other Motivational Factors” by age-groups	34

1. INTRODUCTION

Context of the study

1.1 Tourism is one of the fastest growing sectors in the world with total international tourist arrivals witnessing a significantly high growth in recent decades, particularly after year 2000. According to the United Nations World Travel Organisation (UNWTO), despite occasional shocks, worldwide international tourist arrivals have shown virtually uninterrupted growth from 25 million in 1950 to 278 million in 1980 to 528 million in 1995 and breached 1 billion mark, at 1,035 million, in 2012. The following year saw this number growing to 1087 million, recording a growth of 5 per cent. The growth in international tourist arrivals for South Asia has been even larger. From 6.1 million arrivals in 2000, the number of international tourist arrivals grew to 15.2 million in 2013, marking the compounded annual growth rate (CAGR) of 7.3 per cent (UNWTO, 2014).

1.2 Among the various purposes of travel, like business, leisure, social, religious, education, medical, shopping etc, business trips are showing an interesting upward trend, worldwide. This largely owes to the significant growth in the trips undertaken for attending or participating in meetings, conferences, seminars, workshops etc. Such tourists are popularly known as MICE tourists. The acronym MICE stands for meetings, incentives, conferences and exhibitions. The MICE component of tourism is also called Meetings industry.

1.3 Over the past decades, Meetings industry has been recognized as a significant market segment and an important contributor to national economies. It not only gives a boost to economy in the form of income generation, but creates huge employment opportunities in related hospitality service providing sectors like accommodation, food and beverage, conventions service, transportation, tourism and entertainment.

1.4 Other than the economic and employment benefits, MICE tourism offers many other benefits to the economies such as business opportunities, dissemination of education and providing of trainings (Peters & Jones, 1996). Peters and Jones also argue that since there is no peak season for MICE tourism, it is also beneficial for offsetting the low time for hotels, restaurants, travel agencies and so forth when the leisure tourism is not at its peak. Thus, this highly potential form of tourism contributes high value added to the tourism industry.

1.5 According to the Country and City Rankings 2012 of The Association Meetings Market 2012, a product of International Congress and Convention Association (ICCA), more than 11,150 association events were identified by ICCA members in 2012, which is about 1000 more than identified in the previous year (ICCA, 2012). In the recent years, China and India have emerged as new markets for Meetings industry. They have increased their capacity for holding large conventions, with major destinations being Beijing, Shanghai, New Delhi, Mumbai, Bangalore and Chennai. The Country of City Rankings 2012 places India at 25th position with 150 meetings hosted in 2012. India shares this position with Poland, Singapore and Thailand. As compared to this, India's ranking in 2011 was 33rd, with 105 meetings during the year. Among Asia Pacific and Middle East countries, India occupies an impressive 5th position (up from the 8th rank in 2011), followed by Japan with 341 meetings in 2012, China with 311 meetings, Australia playing host to 253 meetings and Republic of Korea hosting 229 meetings.

1.6 The World City rankings place New Delhi at 46th position, with 48 meetings held in 2012. In 2011, New Delhi played host to 37 meetings and occupied 56th position in World city rankings. Among Asia Pacific and Middle East countries, the rank of New Delhi is 13th. Mumbai, another popular destination in India, hosted a total of 19 meetings in 2012 and stood at 117th position in world ranking and 25th position in Asia Pacific and Middle East countries ranking (ICCA, 2012).

1.7 However, very little official statistics are available to estimate the size of MICE/Meetings industry in India. Even worldwide, this component of tourism is under-researched. In the past, Ministry of Tourism commissioned a research study to the Indian Institute of Management, Bangalore to understand the scenario in the global and Indian conventions industry and to identify the opportunities as well as domestic constraints for the Indian conventions market. The study made use of quantitative and qualitative analysis of both primary and secondary sources of information to highlight the key strengths and weaknesses of the Indian conventions industry.

Objectives of the study

1.8 Although the plausible data that can give an estimate of the size of MICE tourism in India are not available, but the keen interest of the Ministry of Tourism (MoT) to obtain such estimate prompted them to commission National Council of Applied Economic Research (NCAER) to prepare a report on MICE tourism in India using the data collected in the International Passenger Survey (IPS) 2010-11. This is part of the “3-year integrated plan for Preparation of regional Tourism Satellite Accounts (TSAs) for all states and UTs of India and two research topics for each year” that was commissioned to NCAER by MoT in Oct 2013.

1.9 The present study attempts to provide some insights on Meetings industry or MICE tourism using the data collected in the IPS. The IPS was primarily conducted to feed into the Tourism Satellite Account for India but since MICE has been identified as one of the missions of business tourism, we can obtain a brief profile of MICE industry and MICE tourists. The study also attempts to give an estimate of the size of MICE industry in India, based on certain assumptions. This is further used in estimating the contribution of MICE tourism in Indian tourism economy and also in the overall economy with respect to GDP and employment.

Structure of the report

1.10 This report is presented in four chapters. The brief outline of the study, its objectives and the chapterisation scheme are discussed in the present chapter. Chapter 2 presents the concepts and definitions. Chapter 3 describes the data source and provides the results of the IPS survey pertaining to MICE tourism. The estimation of size of MICE tourism and its contribution in India's GDP and employment are presented in the concluding chapter.

2. CONCEPTS AND DEFINITIONS

1.11 In this chapter, we present the basic concepts and definitions of terms used in this report. Unless specified, most of these have been sourced from UNWTO publication, International Recommendations for Tourism Statistics (IRTS, 2008).

Tourism

1.12 Tourism refers to the activity of visitors. A visitor is a traveller taking a trip to a main destination outside his/her usual environment for less than a year, for any main purpose (business, leisure or other personal purpose) other than to be employed by a resident entity in the country or place visited.

Main purpose of a trip

1.13 The main purpose of a trip is defined as the purpose in the absence of which the trip would not have taken place. The main purpose of a trip is one of the criteria used to determine whether the trip qualifies as a tourism trip and the traveller qualifies as a visitor. If the main purpose is to be employed and earn income (compensation for the labour input provided), then the trip cannot be a tourism trip and the individual taking the trip cannot be considered as a visitor (even though it is outside his/her usual environment and for less than 12 months), but as an “other traveller”. By this criterion, travellers crossing the administrative region’s border on a regular basis in order to work there, including under a short-term basis to work in that region (seasonal workers in agriculture, construction, hotels, restaurants and other services, as well as other workers) are excluded from visitors.

1.14 The UNWTO Recommended Methodological Framework (TSA:RMF, 2008) recommends following categories as characterising the main purpose of visit for tourists:

- Leisure, recreation and holidays
- Visiting friends and relatives
- Business and professional (including for study)
- Health treatment
- Religion, pilgrimage, and
- Other (e.g., airline or ship crews, transit travellers, etc.)

These purposes of travel are briefly described as follows:

- **Business** - This category includes trips of employees of Government, public or private organisations or of self-employed people, trips for installation of equipment, inspection, purchase and sale for enterprise; for attending conferences, congresses, trade fairs and exhibitions; for delivering lectures or concerts; for participation in professional sport activities, etc.
- **Holidaying, leisure and recreation** - This category includes sightseeing, attending sporting and cultural events, non-professional active sports, adventure sports, recreational activities, cultural activities, holidays at beaches and hill stations, summer camps, dining out, visiting spas and other establishments specialized in well-being, fitness except in the context of a medical treatment (in which case the purpose would be health & medical), etc.
- **Social (including visiting friends and relatives, attending marriages, etc.)** - This category includes visiting friends and relatives, attending marriages/ any other family events/ other social functions, visiting home towns, visits to arrange short-term caring for the baby, sick or old; etc.
- **Pilgrimage & religious activities** - This category includes attending various religious meetings and events, and undertaking pilgrimages to different places of worship or holy places.
- **Education & training** - This category includes trips to join short-term courses (less than six months) following particular programs of study, education and research programming, acquiring specific skills through formal on-the-job training including paid study, etc. For example, the trip of a professional academician (e.g. college lecturer/school teacher) for acquiring a certain academic qualification would come

under this category. However, if his trip primarily involves delivering academic lectures then the purpose of his trip was reported not as education and training but as business.

- **Health & medical** - This category includes trips to spa, fitness and health resorts, treatments and cures, ayurvedic and other health resorts of traditional medicines, etc., for getting short-term (less than six months) medical treatment.
- **Shopping** - This category includes purchasing of consumer goods for own personal use or as gifts but not for resale or for use in a future productive process (in which case the purpose would be business). For example, in many places in our country people visit some nearby city/town or market place primarily for the purpose of purchasing consumer goods during festivals like Puja, Diwali, Eid, Christmas, etc. or during social functions like marriages, birthdays, etc., in their households. For such trips the purpose was taken as shopping. But if a shopkeeper undertakes a trip to a city/town to make wholesale purchase for retail selling then the purpose of his trip was taken as business and not shopping.
- **Others** - This category includes purposes which are not indicated elsewhere. For example, making a trip to render some social service, such as attending a blood donation camp to donate blood, comes under this category.

Meetings, Incentives, Conferences and Exhibitions (MICE)

1.15 Meetings, Incentives, Conferences and Exhibitions (MICE) are all closely related in the sense that they all involve people coming together at one place, for a common purpose and for a short period of time. They all form part of business tourism. However, there is a lack of clarity regarding the exact definitions of each of these MICE components. The broad categorisations, which are accepted by the industry, are those of International Congress and Convention Association (ICCA) and Union of International Associations (UIA, or Union Association Internationale (UAI) in French speaking regions).

1.16 According to the ICCA (International Congress & Convention Association), the definitions of the meeting, conference and exhibitions are as follows (WTO, 2006):

Meeting

1.17 Meeting is a general term that indicates the coming together of a number of people in one place, to confer or carry out a particular activity. Frequency can be on an ad hoc basis or according to a set pattern, as for instance annual general meetings, committee meetings, etc.

1.18 The international meetings market is also analysed by the UIA. However, the criteria of the UIA meetings differ from the criteria ICCA uses. For the purpose of its annual statistics, “international meetings” are defined by the UIA to include either one or both of the following criteria:

- Meetings organised or sponsored by International Organisations that are included in the UIA’s Yearbook of International Organisations; and with at least 50 participants, or number of participants unknown.
- Meetings not organised or sponsored by International Organisations but nonetheless of significant international character, notably those organised by national organisations and national branches of international organisations; and at least 40 percent of the participants are from countries other than the host country; and at least 5 nationalities are represented; and lasting at least 3 days, or unknown duration; and with either a concurrent exhibition or at least 300 participants.
- Meetings not organised or sponsored by “International Organisations” but nonetheless of significant international character, notably those organised by national organisations and national branches of international organisations and At least 40 percent of the participants are from countries other than the host country and at least 5 nationalities are represented and Lasting at least 2 days, or unknown duration and With either a concurrent exhibition or at least 250 participants. All meetings counted under the second criteria are also counted under the third but the reverse is, equally logically, not true.

1.19 Excluded from UIA figures are:

- Purely national meetings, as well as those of an exclusively religious, didactic, political, commercial or sporting nature
- Meetings with strictly limited participation
- Corporate and incentive meetings.

1.20 Whilst there is a considerable overlap between the events considered by ICCA and UIA for their statistics, the most important difference from a marketing point of view is that UIA's events include those which are held in a fixed location, whereas all of ICCA's events must rotate between at least three countries.

Incentive

Incentive is a meeting event which is part of a programme and which is offered to its participants to reward a previous performance.

Conference

This is a participatory meeting designed for discussion, fact-finding, problem solving and consultation. As compared with a congress, a conference is normally smaller in scale and more select in character - features which tend to facilitate the exchange of information. The term "conference" carries no special connotation as to frequency. Though not inherently limited in time, conferences are usually of limited duration with specific objectives.

Exhibition

Exhibition refers to the events at which products and services are displayed.

3. MICE TOURISM – SURVEY FINDINGS

1.21 As mentioned earlier, the MICE tourism in India suffers from the lack of credible data that can throw some light on extent of MICE tourism in India. However, the present study attempts to derive some basic statistics on the profile of MICE tourists in India using the data of International Passenger Survey (IPS, 2010-11).

About IPS, 2010-11

1.22 The Indian Statistical Institute (ISI), Kolkata conducted the IPS for the year 2009-10, targeting foreign nationals visiting India, non-resident Indians (NRIs) visiting India and Indian residents travelling abroad. The principal objectives of the survey were to identify the tourists as foreign tourists – persons of Indian origin (PIOs) and others – and non-resident Indians; to estimate the total number of tourist arrivals in India and the number of outbound tourists to various countries; to assess the detailed expenditure pattern of the foreign tourists visiting the country; to evaluate the performance of existing tourist facilities in India and to estimate the average duration of stay of foreign tourists in India including country-wise details.

1.23 In addition to this, demographic, economic and social profiles of foreign tourist visiting India, the leading purposes for which the trips were undertaken and the motivational factors responsible for attracting them to India can also be obtained from the IPS.

1.24 The survey identifies attending meetings, conferences, exhibitions etc as one of the main missions for which business trip was taken. Hence, some information on MICE tourists can be obtained from this survey.

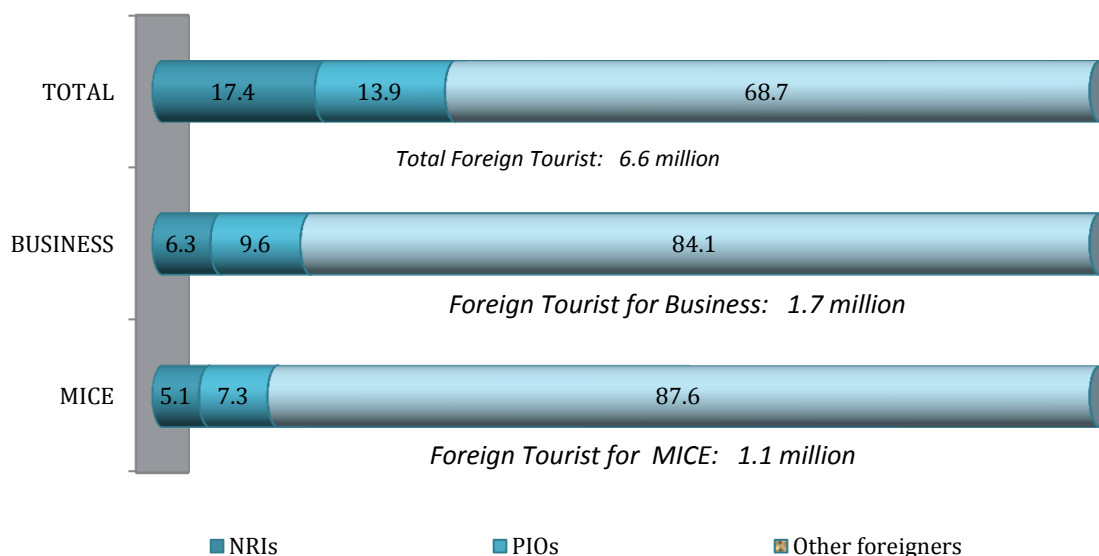
1.25 The ISI adopted stratified sampling methodology for selecting ports (exit points) at which the passengers going out of India were interviewed face-to-face. Two different

questionnaires were developed, one for collecting information on the foreign residents (NRIs, PIOs and others) and the other one for surveying outbound Indian residents. *Foreign Resident/NRI Survey* covered 13 ports, namely four international airports – Chennai, Delhi, Kolkata and Mumbai; 4 other airports - Ahmedabad, Bangalore, Cochin, Hyderabad and 5 land check-posts – Attari, Haridaspur, Ghojdanga, Munabao and Sonauli. *Outbound Indian Resident Survey* was conducted for 11 ports out of which four are international airports – Chennai, Delhi, Kolkata and Mumbai, 4 other airports - Ahmedabad, Bangalore, Cochin, Hyderabad and three land check-posts – Haridaspur, Ghoadanga and Munabao.

1.26 Stratified random sampling was adopted for the selection of passengers at each of the selected ports for the survey. A total of 40,672 foreign resident passengers and 9,139 outbound Indians were surveyed at the aforementioned exit points across the country. The total number of foreign tourists departing from the exit points during 2010-11 is estimated at 66,03,897.

Profile of MICE tourists

1.27 The size of MICE tourism in India can be obtained by arriving at the number of tourists travelling for business trip and whose main mission of undertaking business trip is attending meetings, conferences, exhibitions etc. The IPS survey reveals that of the total 40,672 foreigners interviewed at the 13 exit points, 14,764 were those who visited India for business purposes. Of these, as much as 10,627 were MICE tourists who visited India with the mission of attending meetings, conferences, seminars, workshops etc. The estimated number of MICE tourists is 11.49 lakh. The sample and estimated number of MICE tourist arrivals in India during 2010-11 are presented in the Appendix Table A1. The following figure (Figure 1) gives the per cent distribution of total tourists, business tourists and MICE tourists by type of tourists. Of the total inbound tourists, 68.7 per cent were foreign nationals but this proportion is much higher at 87.6 per cent in the case of MICE tourists. Hence, most of the MICE tourists arriving India are the foreign nationals (other than PIOs).

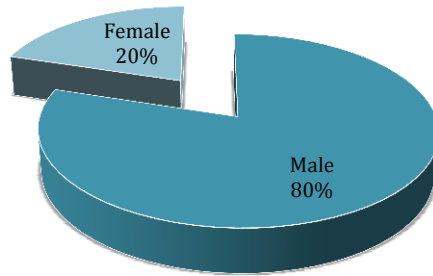
Figure 1: Per cent distribution of tourists by their type

Source: NCAER's computation using IPS data

1.28 Of the total trips undertaken by the inbound tourists, about one-fourth were business oriented (Appendix Table A2). Within business trips, close to 70 per cent trips were undertaken with the mission of attending meetings, conferences etc (Appendix Table A3). Hence, the size of MICE tourism in total inbound tourism is about 17 per cent.

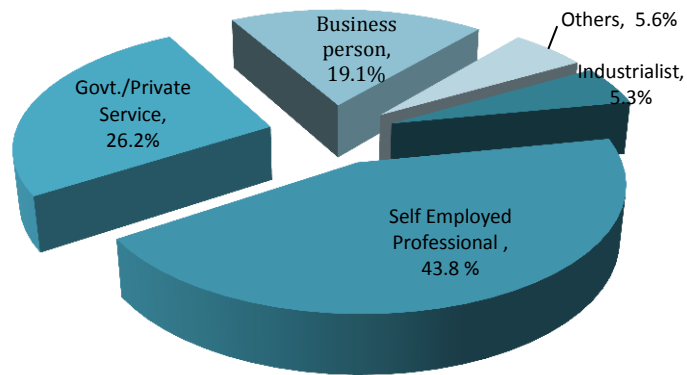
1.29 The gender break-up of MICE tourists indicate that most of the MICE tourists (79.8 per cent) were male tourists (Figure 2). The distribution by occupation reveals that 43.8 per cent of the MICE tourists were self-employed professionals (this includes chartered accountants, doctors, lawyers, engineers, consultants etc.), 26.2 per cent belonged to government or private (mostly private) service and 19.1 per cent were businessmen (Figure 3). Age-distribution indicates that almost all MICE tourists belong to, quite logically, working age group (Figure 4). Appendix Tables A4, A5 and A6 present the distribution of all types of MICE tourists by gender, occupation and age-group.

Figure 2: Distribution of MICE tourists by gender



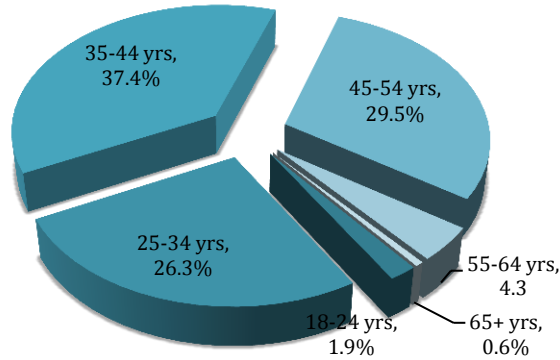
Source: NCAER's computation using IPS data

Figure 3: Distribution of MICE tourists by occupation



Source: NCAER's computation using IPS data

Figure 4: Distribution of MICE tourists by age-groups



Source: NCAER's computation using IPS data

1.30 The country-wise distribution of MICE tourists is given in Table 1 (the absolute numbers are presented in Appendix Table A7). This table indicates that the maximum number of MICE tourists (19.9 per cent) come from United States of America. This is followed by UK with 12 per cent. Top 15 countries make up for the 76 per cent of the total MICE tourists arriving in India.

Table 1: Per cent distribution of types of MICE tourists by their country of residence

Country	NRIs	PIOs	Other foreigner	Total
Top 15 countries	79.4	79.2	76.2	76.5
1 United States of America	14.3	10.6	21.0	19.9
2 United Kingdom	9.6	6.7	12.6	12.0
3 United Arab Emirates	22.0	13.4	5.7	7.1
4 Germany	1.7	2.2	6.3	5.8
5 Singapore	8.6	4.2	4.8	5.0
6 Malaysia	6.7	11.0	4.0	4.7
7 France	3.1	1.3	3.9	3.6
8 China	5.8	4.1	3.1	3.3
9 Japan	1.8	2.7	3.1	3.0
10 Thailand	1.2	2.3	2.5	2.4
11 Sri Lanka	0.8	15.9	1.1	2.2
12 Switzerland	-	0.3	2.2	2.0
13 Australia	0.4	1.0	2.1	2.0
14 Canada	2.7	2.5	1.8	1.9
15 Hong Kong	0.7	1.2	1.8	1.7
Others	20.6	20.8	23.8	23.5
Total	100.0	100.0	100.0	100.0

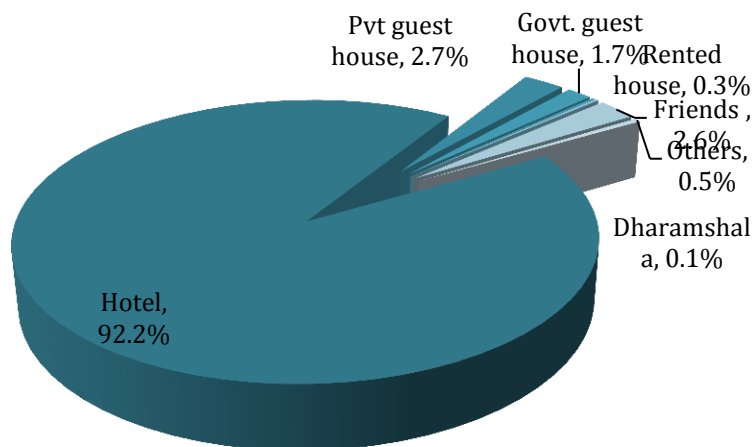
Source: NCAER's computation using IPS data

1.31 The IPS data also collected the preference pattern of inbound tourists. These data reveal that a huge proportion (92.2 per cent) of MICE tourists preferred “Hotel” for accommodation (Figure 5). For this distribution by type of tourists, refer to Appendix Table A8). Also, almost all of MICE tourists (97.4 per cent) were satisfied by the availability of preferred accommodation (Appendix Table A9) and also for the accommodation itself (Appendix Table A10).

1.32 With respect to the type of hotel preferred by MICE tourists, it is observed that maximum (31.1 per cent) number of MICE tourists prefer 4-star or luxurious hotel accommodation (Figure 6). This is followed by 3-star (or very comfortable) and 5-star (very luxurious) hotel accommodation which are preferred by 24.7 and 22.3 per cent of

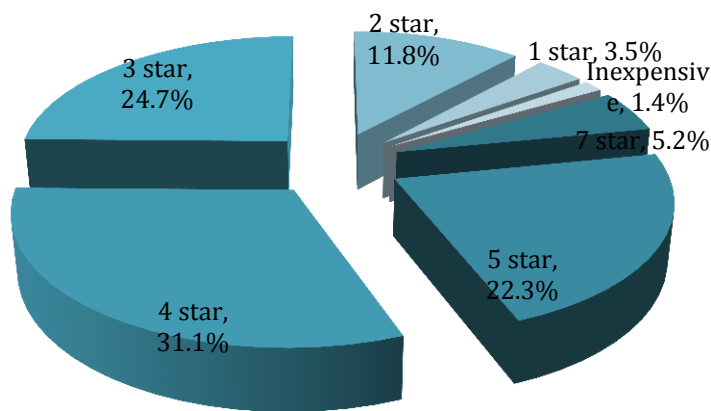
MICE tourists coming to India. This per cent distribution by type MICE tourists is presented in Appendix Table A11.

Figure 5: Distribution of MICE tourists by type of accommodation preferred



Source: NCAER's computation using IPS data

Figure 6: Distribution of MICE tourists by type of hotel preferred



Source: NCAER's computation using IPS data

Estimation of MICE expenditure

In Inbound Tourism

1.33 As stated earlier, MICE tourists constitute 17 per cent of the total inbound tourists. However, expenditure incurred by MICE tourists is just 2.7 per cent of total inbound tourism expenditure. In value terms, the expenditure incurred by inbound MICE tourists is estimated at Rs. 2666 crore. As followed in the preparation of Tourism Satellite Account, here too the expenditure numbers have been price adjusted so that the reference year conforms to that of TSA's.

1.34 Albeit a small proportion of total inbound tourism expenditure, MICE expenditure is a huge 72 per cent of the expenditure incurred by total inbound business tourists.

1.35 The per cent distribution of expenditure incurred by MICE tourists by items reveals that the only major expense incurred by them is on accommodation, across all the types of MICE tourists – NRI, PIO or Other foreign tourists.

1.36 The share of expenses incurred on accommodation is 94.5 per cent of the total expenditure. About 3 per cent is spent on travel agencies and other supporting transport activities. Only 1.4 per cent of the total expenditure is incurred on Tourism connected products or shopping goods. The following table (Table 2) presents the per cent distribution of expenditure incurred by MICE tourists by tourism products and services.

1.37 The actual expenditures incurred by all inbound tourists and by MICE tourists are presented in Appendix Tables A12 and A13 respectively. Appendix Table A14 presents the share of MICE tourism expenditure in total inbound tourism expenditure by items.

Table 2: Per cent Distribution of MICE related inbound tourism expenditure by types of MICE tourists and by products

Industries	Non-Resident Indians	Foreigner PIO	Foreigner Others	Total International Demand
A 1. Tourism characteristic products	98.72	95.26	98.75	98.57
1 Accommodation services/Hotels	90.71	82.92	95.31	94.49
2 Food and beverage serving services/Restaurants	3.00	2.75	.72	.91
3 Railway passenger transport services	.00	.02	.00	.00
4 Road passenger transport services	.57	.05	.02	.04
5 Water passenger transport services	.00	.00	.00	.00
6 Air passenger transport services	.11	.33	.07	.08
7 Transport equipment rental services	.02	.04	.03	.03
8 Travel agencies and other reservation services/ Supporting and auxiliary transport activities	4.31	8.78	2.57	2.96
9 Cultural and religious services	.00	.00	.00	.00
10 Sports and other recreational services	.00	.04	.00	.00
11 Health and medical related services	.00	.34	.04	.05
A.2 Tourism connected products	1.28	4.74	1.25	1.43
12 Readymade garments	1.24	4.57	.43	.68
13 Processed Food	.00	.00	.01	.01
14 Tobacco products	.00	.12	.01	.02
15 Beverages	.00	.01	.16	.15
16 Travel related consumer goods	.00	.00	.12	.11
17 Footwear	.04	.00	.02	.02
18 Soaps, cosmetics and glycerin	.00	.00	.00	.00
19 Gems and jewellery	.00	.03	.48	.44
20 Books, journals, magazines, stationery etc.	.00	.00	.02	.02
Total	100.00	100.00	100.00	100.00

Source: NCAER's computation using IPS data

In Domestic Tourism

1.38 Unlike IPS, the Domestic Tourism Survey (DTS, 2008-09) did not capture any data on MICE tourism. This survey did identify the purposes of travel but does not identify the MICE component within business tourism. Hence we have estimated the MICE expenditure in domestic tourism using the assumption that the share of MICE tourism expenditure in overall business tourism expenditure in domestic tourism is the same as that in inbound tourism.

1.39 Of the total domestic tourism expenditure, the expenditure incurred by those travelling for business purpose is Rs. 18,000 crore. The share of MICE expenditure in inbound business expenditure is 72 per cent. Assuming that the share of MICE expenditure in domestic tourism expenditure is also 72 per cent, the MICE expenditure in domestic tourism works out to be Rs. 12,997 crore. This is 3.3 per cent of the total domestic tourism expenditure.

In Outbound Tourism

1.40 As done for Inbound Tourism, the expenditure incurred by MICE related outbound tourists is also estimated using the data of IPS survey which was conducted on Outbound Indian Residents. This survey too identifies the MICE component within business tourism.

1.41 The Outbound Tourism expenditure refers to only pre-trip expenditure incurred by the Indian residents travelling abroad. In the case of MICE related outbound tourists, major pre-trip expenditure is incurred on accommodation and travel related consumer goods. The table below (Table 3) gives the actual expenditure and per cent share of each item of expenditure in total MICE related outbound tourism expenditure.

1.42 It may be noted that in the case of inbound tourism, MICE tourism expenditure is 2.7 per cent of the total inbound tourism expenditure, but in the case of outbound tourism, MICE tourism expenditure is 7.1 per cent of the total outbound tourism expenditure. The

MICE tourists are 18 per cent of total outbound tourists. The share of MICE expenditure in total outbound expenditure by items is given in Table A15.

Table 3: Per cent Distribution of MICE related and total outbound tourism expenditure by products

Industries	MICE related Outbound tourism expenditure	Total Outbound Tourism Expenditure
A 1. Tourism characteristic products	79.9	86.7
1 Accommodation services/Hotels	65.5	28.6
2 Food and beverage serving services/Restaurants	7.5	7.5
3 Railway passenger transport services	0.9	1.4
4 Road passenger transport services	3.0	39.4
5 Water passenger transport services	0.1	0.4
6 Air passenger transport services	1.0	7.8
7 Transport equipment rental services	0.3	0.1
8 Travel agencies and other reservation services/ Supporting and auxiliary transport activities	0.6	0.6
9 Cultural and religious services	0.0	0.0
10 Sports and other recreational services	0.0	0.6
11 Health and medical related services	1.1	0.4
A.2 Tourism connected products	20.1	13.3
12 Readymade garments	1.5	5.9
13 Processed Food	0.1	0.0
14 Tobacco products	0.0	0.0
15 Beverages	0.0	0.1
16 Travel related consumer goods	17.2	5.9
17 Footwear	0.3	0.6
18 Soaps, cosmetics and glycerin	0.1	0.0
19 Gems and jewellery	0.9	0.6
20 Books, journals, magazines, stationery etc.	0.1	0.1
Total	100.0	100.0

Source: NCAER's computation using IPS data

Contribution of MICE tourism in economy

1.43 The following table presents the MICE expenditure in Inbound, Domestic and Outbound tourism, which is derived using the methodology as described in previous section.

Table 4: MICE related tourism expenditure by types of tourism

1	Total Tourism Expenditure (2+3+4) (Rs. Lakh)	50278885
2	- Inbound	9967885
3	- Domestic	39296100
4	- Outbound	1014900
5	MICE related Tourism Expenditure (6+7+8) (Rs. Lakh)	1637825
6	- Inbound	266567
7	- Domestic	1299706
8	- Outbound	71553
9	MICE as per cent to Total Tourism Expenditure (%)	3.3
10	- Inbound	2.7
11	- Domestic	3.3
12	- Outbound	7.1

Source: NCAER's computation using IPS data

1.44 Since there are is no recommended methodology for estimating the contribution of MICE tourism in overall GDP and employment of a country, we have used some approximations to arrive at both direct and indirect share of MICE tourism. According to the Second TSA, 2009-10, the share of tourism sector in GDP is 3.68 per cent. And the above table shows that share of MICE tourism expenditure in total tourism expenditure is 3.26 per cent. Therefore, the imputed estimate of the share of MICE in GDP is 3.26 per cent of 3.68 per cent of GDP, which works out to be 0.12 per cent.

1.45 The tourism output multiplier is 1.8518 (Second TSA, 2009-10). Assuming the same multiplier for MICE tourism, the direct and indirect contribution of MICE tourism is

estimated at 0.22 per cent. It may be noted here that this might be an underestimation since the backward linkages of a specific industry within tourism, that is, MICE, might be stronger than that of overall tourism industry. Also, this does not include any imputed expenditure, which might be significant, particularly as far as government tourism expenditure (or Tourism Collective Expenditure) and tourism investment (Gross Fixed Capital Formation) is concerned. However, these cannot be estimated due to the lack of data.

1.46 Similarly, share of total tourism employment in overall employment is 4.37 per cent. Hence, the imputed estimate of share of MICE related employment in overall employment is 3.26 per cent of 4.37 per cent of employment, that is, 0.14 per cent.

1.47 The direct and indirect share of MICE employment in overall employment works out to be 0.33 per cent, given that tourism employment multiplier is 2.3256. The following table summarises these estimates:

Table 5: Contribution of MICE tourism in GDP and employment, 2009-10

India's GDP (Rs. crore)	6457351
Tourism Direct GVA or TDGVA (Rs. Crore)	237768
Share of Tourism in GDP (%)	3.68
Total Tourism Expenditure (Rs. Crore)	502789
MICE related Tourism Expenditure (Rs. Crore)	16378
Share of MICE in Tourism (%)	3.26
MICE share in GDP (%)	0.12
Output multiplier	1.8518
MICE share in GDP-direct and indirect (%)	0.22
Employment (lakh numbers)	5355.39
Tourism Direct Employment (lakh numbers)	234.2
Share of Tourism in employment (%)	4.37
Share of MICE in Tourism (%)	3.26
MICE share in employment (%)	0.14
Employment multiplier	2.3256
MICE share in employment-direct and indirect (%)	0.33

Source: NCAER's computation using IPS data

4. CONCLUDING REMARKS

1.48 India is a country that offers various categories of tourism. These include history tourism, adventure tourism, medical tourism (ayurveda and other forms of Indian medications), spiritual tourism, beach tourism (India has the longest coastline in the East) and now MICE tourism.

1.49 India has witnessed a rapid growth in MICE industry, especially after economic liberalization. World-class convention centers and hotels have been developed to host the international meetings, conferences etc. This is an ideal way to not just show-case our infrastructure but also promote other types of tourism in India.

1.50 Given the increasing popularity of MICE industry in India, it is imperative that its role and contribution in economy be assessed and quantified. This study, as part of another study “Second Tourism satellite Account of India”, estimates the share of MICE tourism in overall tourism in in overall economy with respect to GDP and employment.

1.51 The study reveals that MICE industry contributes 0.12 per cent to GDP and 0.14 per cent to employment as its direct share. On including the indirect share (obtained using tourism output and employment multiplier), MICE industry contributes 0.22 per cent to GDP and 0.33 per cent to employment.

1.52 However, there is still lot to be done in order to attract more and more international MICE tourists. Development of state-of-the-art convention centers, hotels, transportation facilities are essential to attract international MICE tourists to India.

References

Deborah, P. and Barry Jones (1996). 'Measuring the MICE industry', BTR Conference paper 96.1: *Bureau of tourism Research, Australia*

ICCA (2012): The International Association Meetings Market. '*Country and City Rankings 2012*'

ISI, Kolkata (2010): Unit level data of International Passenger Survey, 2009-10

UNWTO (2006): Measuring the Economic Importance of the Meetings Industry, Developing a Tourism Satellite Account Extension, Madrid

UNWTO (2014): world Tourism Barometer, Madrid

APPENDIX TABLES

Table A1: Sample and estimated number of business and MICE tourists by type of visitors, IPS, 2009-10

	Sample foreign tourists visiting India			Estimated foreign tourists visiting India		
	Total	Business	MICE	Total	Business	MICE
NRIs	3137	587	338	1148234	104832	58721
PIOs	3119	852	552	917277	160918	84317
Other foreigners	34416	13325	9354	4538387	1410541	1006106
Total	40672	14764	10244	6603897	1676292	1149144

Source: NCAER's computation using IPS data

Table A2: Per cent distribution of foreigner tourists by category and by purpose of travel

	NRIs	PIOs	Other foreigners	All foreigners
Business	9.1	17.5	31.1	25.4
Leisure	37.3	36.0	36.8	36.8
Social	41.2	9.9	13.7	17.9
Religious	2.4	3.3	3.7	3.4
Education & training	1.8	13.2	3.8	4.8
Health & medical	1.3	2.4	6.2	4.8
Shopping	0.1	0.2	0.2	0.2
Games & sports	0.5	0.4	0.3	0.4
Jobs on foreign deputation	0.8	0.7	1.7	1.4
Invited by India on specific assignment	3.9	15.7	1.2	3.7
Others	1.5	0.6	1.3	1.2
Total	100.0	100.0	100.0	100.0

Source: NCAER's computation using IPS data

Table A3: Per cent distribution of business tourists by category and by mission for which business trip was undertaken

	NRIs	PIOs	Other foreigners	All foreigners
No response	0.7	0.0	0.3	0.3
Installing equipment, inspection, purchase & sales for an enterprise outside India	32.8	13.7	18.9	19.3
Meetings, conferences, congresses, seminars, workshops, etc.	56.0	52.4	71.3	68.6
Trade fairs or exhibitions	7.3	2.6	5.9	5.7
Professional sports	0.8	0.3	0.9	0.8
Government missions	0.6	0.5	0.5	0.5
Missions relating to UN and its organs	0.0	0.0	0.1	0.1
Others	1.8	30.5	2.1	4.8
Total	100.0	100.0	100.0	100.0

Source: NCAER's computation using IPS data

Table A4: Per cent distribution of types of MICE tourists by gender

	NRIs	PIOs	Other foreigners	All foreigners
Male	87.3	82.7	79.2	79.8
Female	12.7	17.3	20.8	20.2
Total	100.0	100.0	100.0	100.0

Source: NCAER's computation using IPS data

Table A5: Per cent distribution of types of MICE tourists by occupation

Occupation	NRIs	PIOs	Other foreigners	All foreigners
Industrialist	5.3	15.2	4.4	5.3
Self Employed Professional	34.7	24.5	46.0	43.8
Govt./Private Service	19.9	23.5	26.8	26.2
Business person	30.4	29.9	17.5	19.1
Others	9.7	6.9	5.3	5.6
Total	100.0	100.0	100.0	100.0

Source: NCAER's computation using IPS data

Table A6: Per cent distribution of types of MICE tourists by age-groups

Age category	NRIs	PIOs	Other foreigners	All foreigners
18-24 yrs	1.8	1.0	2.0	1.9
25-34 yrs	29.5	31.0	25.7	26.3
35-44 yrs	44.6	41.5	36.6	37.4
45-54 yrs	19.5	20.8	30.8	29.5
55-64 yrs	3.5	5.5	4.3	4.3
65+ yrs	1.0	0.2	0.6	0.6
Total	100	100	100	100

Source: NCAER's computation using IPS data

Table A7: Number of MICE tourists by type and by country of residence

Country	NRIs	PIOs	Other foreigner	Total
Top 15 countries	46620	66764	766198	879582
1 United States of America	8410	8923	211067	228400
2 United Kingdom	5618	5663	127043	138325
3 United Arab Emirates	12898	11306	57610	81814
4 Germany	972	1837	63861	66670
5 Singapore	5075	3577	48251	56903
6 Malaysia	3954	9247	40316	53517
7 France	1809	1066	38768	41644
8 China	3431	3417	31365	38213
9 Japan	1038	2238	30752	34029
10 Thailand	729	1910	25385	28023
11 Sri Lanka	488	13368	11518	25374
12 Switzerland	-	267	22569	22836
13 Australia	226	839	21432	22497
14 Canada	1583	2113	18534	22229
15 Hong Kong	389	994	17726	19109
Others	12101	17554	239908	269563
Total	58721	84317	1006106	1149144

Source: NCAER's computation using IPS data

Table A8: Per cent distribution of MICE tourists by type of accommodation preferred

Type of accommodation preferred	NRIs	PIOs	Other foreigners	All foreigners
Hotel	73.8	79.2	94.3	92.2
Private guest house/ youth hostel	4.1	8.5	2.2	2.7
Govt. guest house/ hostel	0.2	6.2	1.4	1.7
Dharamshala	0.0	0.1	0.1	0.1
Rented house	0.5	0.4	0.3	0.3
Friends & relatives	18.8	3.3	1.6	2.6
Others	2.6	2.3	0.2	0.5
Total	100.0	100.0	100.0	100.0

Source: NCAER's computation using IPS data

Table A9: Per cent distribution of MICE tourists by availability of preferred accommodation

Availability of accommodation preferred	NRIs	PIOs	Other foreigners	All foreigners
Yes	98.5	99.1	97.2	97.4
No	1.5	0.9	2.8	2.6
Total	100.0	100.0	100.0	100.0

Source: NCAER's computation using IPS data

Table A10: Per cent distribution of MICE tourists by satisfaction level for accommodation

Satisfaction with preferred accommodation	NRIs	PIOs	Other foreigners	All foreigners
Satisfied	95.0	99.0	97.1	97.2
Unsatisfied	1.6	0.9	1.3	1.3
No comments	3.4	0.1	1.5	1.5
Total	100.0	100.0	100.0	100.0

Source: NCAER's computation using IPS data

Table A11: Per cent distribution of MICE tourists by type of hotel preferred

Type of hotel preferred	NRIs	PIOs	Other foreigners	All foreigners
7 star	3.4	15.7	4.5	5.2
5 star	23.5	30.0	21.6	22.3
4 star	24.2	17.3	32.6	31.1
3 star	30.6	15.0	25.1	24.7
2 star	13.8	5.9	12.2	11.8
1 star	2.9	15.3	2.5	3.5
Inexpensive	1.6	0.8	1.4	1.4
Total	100.0	100.0	100.0	100.0

Source: NCAER's computation using IPS data

Table A12: Expenditure incurred by all Inbound tourists by items of expenditure (Rs. Lakh)

Industries	Non-Resident Indians	Foreigner PIO	Foreigner Others	Total International Demand
A 1. Tourism characteristic products	750971	1145810	5672563	7569344
1 Accommodation services/Hotels	180553	444075	2729971	3354600
2 Food and beverage serving services/Restaurants	203154	205805	1066151	1475111
3 Railway passenger transport services	9955	35584	81258	126797
4 Road passenger transport services	82993	96959	337164	517115
5 Water passenger transport services	15123	768	8376	24268
6 Air passenger transport services	76827	166828	523115	766770
7 Transport equipment rental services	16618	36833	97965	151416
8 Travel agencies and other reservation services/ Supporting and auxiliary transport activities	11043	19964	134100	165107
9 Cultural and religious services	14872	34876	87370	137118
10 Sports and other recreational services	75067	85059	178486	338612
11 Health and medical related services	64765	19058	428607	512431
A.2 Tourism connected products	714996	329025	1354520	2398542
12 Readymade garments	192359	102437	427850	722645
13 Processed Food	16322	12123	55582	84026
14 Tobacco products	1952	12886	12720	27557
15 Beverages	12504	69829	131890	214223
16 Travel related consumer goods	8853	4384	40886	54123
17 Footwear	18630	13573	70330	102533
18 Soaps, cosmetics and glycerin	2327	1135	7356	10818
19 Gems and jewellery	375652	87572	458294	921518
20 Books, journals, magazines, stationery etc.	86398	25086	149613	261097
Total	1465967	1474835	7027084	9967885
No. of tourists	1148234	917277	4538387	6603897
Expenditure per tourist (Rs.)	127672	160784	154837	150939

Source: NCAER's computation using IPS data

Table A13: Expenditure incurred by Inbound MICE tourists by items of expenditure (Rs. Lakh)

	Non-Resident Indians	Foreigner PIO	Foreigner Others	Total International Demand
A 1. Tourism characteristic products	9479	13426	239865	262769
1 Accommodation services/Hotels	8706	11674	231432	251812
2 Food and beverage serving services/ Restaurants	288	387	1742	2417
3 Railway passenger transport services		3	4	7
4 Road passenger transport services	55	7	50	112
5 Water passenger transport services				
6 Air passenger transport services	10	45	156	211
7 Transport equipment rental services	2	6	65	73
8 Travel agencies and other reservation services/ Supporting and auxiliary transport activities	418	1247	6310	7976
9 Cultural and religious services			11	11
10 Sports and other recreational services		5	1	6
11 Health and medical related services		52	93	145
A.2 Tourism connected products	117	632	3049	3797
12 Readymade garments	113	608	992	1713
13 Processed Food		1	25	26
14 Tobacco products		17	26	43
15 Beverages		2	388	390
16 Travel related consumer goods			318	318
17 Footwear	4		52	55
18 Soaps, cosmetics and glycerin				
19 Gems and jewellery		4	1202	1207
20 Books, journals, magazines, stationery etc.			46	46
Total	9595	14058	242913	266567
No. of tourists	58721	84317	1006106	1149144
Expenditure per tourist (Rs.)	16340	16673	24144	23197

Source: NCAER's computation using IPS data

Table A14: Share of MICE tourism expenditure in Total Inbound Expenditure by items (%)

Industries	Non-Resident Indians	Foreigner PIO	Foreigner Others	Total International Demand
A 1. Tourism characteristic products	1.26	1.17	4.23	3.47
1 Accommodation services/Hotels	4.82	2.63	8.48	7.51
2 Food and beverage serving services/Restaurants	.14	.19	.16	.16
3 Railway passenger transport services	.00	.01	.00	.01
4 Road passenger transport services	.07	.01	.01	.02
5 Water passenger transport services	.00	.00	.00	.00
6 Air passenger transport services	.01	.03	.03	.03
7 Transport equipment rental services	.01	.02	.07	.05
8 Travel agencies and other reservation services/ Supporting and auxiliary transport activities	3.78	6.25	4.71	4.83
9 Cultural and religious services	.00	.00	.01	.01
10 Sports and other recreational services	.00	.01	.00	.00
11 Health and medical related services	.00	.27	.02	.03
A.2 Tourism connected products	.02	.19	.23	.16
12 Readymade garments	.06	.59	.23	.24
13 Processed Food	.00	.01	.04	.03
14 Tobacco products	.00	.13	.21	.16
15 Beverages	.00	.00	.29	.18
16 Travel related consumer goods	.00	.00	.78	.59
17 Footwear	.02	.00	.07	.05
18 Soaps, cosmetics and glycerin	.00	.00	.00	.00
19 Gems and jewellery	.00	.01	.26	.13
20 Books, journals, magazines, stationery etc.	.00	.00	.03	.02
Total	.65	.95	3.46	2.67
No. of tourists	5.11	9.19	22.17	17.40

Source: NCAER's computation using IPS data

Table A15: Share of MICE tourism expenditure in Total Outbound Expenditure by items (%)

Industries	MICE related Outbound tourism expenditure (Rs. Crore)	Total Outbound Tourism Expenditure (Rs. Crore)	MICE as per cent to total Outbound Tourism Expenditure (%)
A 1. Tourism characteristic products	572	8803	6.5
1 Accommodation services/Hotels	468	2905	16.1
2 Food and beverage serving services/Restaurants	54	762	7.1
3 Railway passenger transport services	6	145	4.4
4 Road passenger transport services	21	3994	0.5
5 Water passenger transport services	1	37	1.9
6 Air passenger transport services	7	791	0.9
7 Transport equipment rental services	2	7	27.2
8 Travel agencies and other reservation services/ Supporting and auxiliary transport activities	4	65	6.4
9 Cultural and religious services		0	0.0
10 Sports and other recreational services		56	0.0
11 Health and medical related services	8	42	19.5
A.2 Tourism connected products	144	1345	10.7
12 Readymade garments	10	601	1.7
13 Processed Food	1	2	20.9
14 Tobacco products		1	7.0
15 Beverages		8	0.4
16 Travel related consumer goods	123	602	20.4
17 Footwear	2	59	3.2
18 Soaps, cosmetics and glycerin	1	3	20.8
19 Gems and jewellery	7	62	11.0
20 Books, journals, magazines, stationery etc.	1	7	8.2
Total	716	10149	7.1
No. of tourists	1913050	10842124	17.6
Expenditure per tourist (Rs.)	3740	9360	

Source: NCAER's computation using IPS data