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Ministry of Tourism & Culture
Department of Tourism
Market Research Division**

**Final Report
Part – A: Main Report
(Comprising of Part-A & B of the Draft Report)**

On

**20 YEARS PERSPECTIVE PLAN FOR
SUSTAINABLE TOURISM DEVELOPMENT
IN THE STATE OF SIKKIM**

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CHAPTER - I

1.0 INTRODUCTION

1.1 The Department of Tourism, Ministry of Tourism & Culture, Govt. of India has commissioned Horizon Industrial Consultancy Services to prepare 20 years perspective plan for sustainable development of tourism in the State of Sikkim. The Sikkim state comprises of 4 districts.

1.2 Horizon has completed the study and a draft report was submitted to DOT / the government of Sikkim on May 31, 2002. In the light of the comments / suggestions received, Horizon has since finalized the report.

1.3 Specific objectives of the study are:

- a) To assess the existing tourism scenario in the State of Sikkim with respect to existing traffic levels and inventory of:
 -
 - i) Natural resource
 - ii) Heritage and other socio-cultural assets
 - iii) Quantitative / demographic factors like population, employment, occupation income levels etc.
- b) To review the status of existing development / investment plans of schemes for the development of tourism in the region.

- c) To list and evaluate existing / potential tourist destinations & centres and to categorise them on the basis of inventory of attractions, infrastructure availability, degree of popularity, volume of traffic flow etc.
- d.) To analyse and categorise existing /potential destinations & centres, as a stand alone destination, part of a circuit and/or as major attractions for special interests groups, etc.
- e.) To assess the existing infrastructure levels at identified destinations / center in terms of quality of roads / transportation facilities, civic amenities, enroute transit facilities, boarding and lodging facilities etc.
- f.) To broadly assess traffic flow to identified destinations & centers for assessment of infrastructure requirements taking into account past growth trends, suggested linkages and integration, future expected developments including likely investments by the State and investment climate/incentive for the private sector, etc.
- g.) To attempt and arrive at an indicative cost configuration of likely investment on infrastructure development under different heads and to prioritise investment needs by drawing up a phased investment plan covering the next 20 years.
- h.) To identify the existing as well as new tourism projects including projects for expansion / augmentation, upgradation of facilities and services at specific destinations & centers, which have potential for development.

- i.) To undertake product conceptualization cum feasibility exercise inter-alia for identified projects covering aspects like locational evaluation, schematic product planning & conceptualization including quantification of individual product parameters, assessment of overall investment levels and of project viability cum feasibility study exercises etc.
- j.) To prepare an action plan for implementation of identified potential development schemes / projects / products and for development of infrastructure in conformity with the policy objectives & guidelines provided by the concerned state / central agencies / departments and the requirements of national development and funding agencies. The overall development plan has taken into account WTO's Bali declaration on tourism development.

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CHAPTER II

METHODOLOGY AND APPROACH

2.1 Our approach and methodology for this study can be broadly divided into three stages. This segmentation into three stages is merely to have a better insight into the modalities of the proposed study. These stages, however, have not been and intended as mutually exclusive independent segments. There have been quite a few activities, which are common to two or the three stages. These stages are also not expected to confirm to any strict chronological order sequence, though they essentially represent these different phases of the study.

2.2 The three stages are: -

Stage I : Preliminary and Exploratory Research

As the name suggests, this stage involved the preparatory exercise involving finalisation of information checklist(s), questionnaires, information sources etc. This stage of preliminary and exploratory research was essentially a stage where the parameters of the actual field study were identified and determined. This stage could also be viewed as the pre-survey phase. The typical activities to be conducted in **stage 1** were:

- Collection of secondary data w.r.t demographic profile of the population of region.
- Compilation of socio-cultural assets / aspects affecting tourism.

- Inventory of natural resources, flora & fauna of the region.
- Study of existing travel & transportation linkages
 - Study of existing tourist traffic levels
 - Study of existing investment plans, circuit development plans/ schemes etc.

2.3 The above mentioned data / statistics were collected by a team of trained researchers. The identified sources of data / information for this stage were inter-alia –

- i. Directorate of Census
- ii. State Labour Bureau
- iii. Employment Exchange
- iv. Directorate of art and culture
- v. Office of Director of Tourism
- vi. District Gazetteers
- vii. District Collector Office
- viii. Town Planning Department
- ix. Zoological & Botanical Survey Reports
- x. Transport Authority
- xi. Environment Ministry / Department
- xii. Archaeological Survey
- xiii. Published documents, books & other aspects relevant to Sikkim.

2.4

Stage II: Field Study And Primary Data Collection

This Stage involved the actual field study and site visits. It is significant to mention that **Stage II** became meaningful as the basic data inputs as mentioned in **Stage I**, were collected. However, some data/ information inputs pertaining to Stage I, was collected / reconfirmed during the actual execution of Stage II. Stage II, primarily, included the following key activities:

- Actual site visits/ observations and inspections of different identified / potential sites of the State.
- **Primary data collection through structured interviews among the following respondent segments:**
 - i. Visitors / tourists at identified centres
 - ii. Tour operators / travel agents at identified centre
 - iii. Hoteliers / accommodation providers at identified centres.
- Detailed in-depth interviews with experts and opinion leaders at identified study centers/other places.
- Re-visits to prioritised sites for development w.r.t locational evaluation cum market study, schematic product planning and conceptualisation and assessment of investment and estimated returns. Field study was conducted by the Principal Consultant assisted by a team of trained researchers.

2.5 Stage III: Analysis And Preparation Of Perspective Plan

After the relevant data / information was collected and the offerings of the entire region evaluated by way of actual physical inspection and prioritisation etc. (In Stage I & II), next Stage in the methodology was to synthesise and analyse the host of data / information.

Indicative structure of the analysis would be:

- SWOT analysis of the destination from the perspective of Tourism promotion
- Tourism potential assessment of identified tourist circuits, stretches & centres w.r.t:
 - a. Tourist attractions and offerings
 - b. Strength & Weaknesses of tourism offerings
 - c. Past tourist inflow trends
 - d. Profile of visitors / tourists
- **Categorization of centres based on the degree of suitability as :**
 - a. A popular tourist destination
 - b. A Tourist destination
 - c. A potential tourist attraction
 - d. A part of package / itinerary
 - e. A viable investment opportunity
- **Assessment of existing tourist traffic flow w.r.t**
 - a. Volume of domestic and foreign tourists
 - b. Profile of tourists
 - c. Seasonality load factor
- **Estimation / projection of tourist inflow to identified centres and prioritisation for development taking into account :**

- Past trends
- Market potential for existing circuits / areas / centres
- Potential for penetration of new market segment

Assessment of existing infrastructure

- Basic infrastructural facilities
- Tourist facilities like board and lodging facilities, information centres, wayside facilities, transportation , telecom etc.
- Development strategies for the identified individual centres
- Recommended short term infrastructure development plans taking into account the existing gaps, suggested expansions / augmentations and additional infrastructure needs.
- Preparation of project profiles for identified prioritized projects.

Assessment of broad investment / cost configuration on

- i. Infrastructural facilities
- ii. Tourism projects

Recommended Action Plan for development of tourism and implementation in terms of

- i. Prioritising the centres / circuits on the basis of suitability, co-ordinated integrated development and socio – economic factors.
- ii. Activity based development plan including identification of role and agency for implementation.
- iii. Suggested marketing and promotion measure for marketing circuits / identified projects
- iv. Strategy for development of trained human resources

- 2.6 A unique feature of the study is that the Horizon team had the benefit of discussions and interactions with all most all the stake holders namely the government officials at different levels, tourism related associations like TAS, Sikkim Hotel and Restaurants Association, NGOs, local people in select centers, experts and other knowledgeable persons etc. These interactions and dialogues have given us an insight into the tourism potential and plan of action for the sustained development of tourism on a long -term perspective, having regard to the ground reality of the state and the concerns of the participants in the development process.

Acknowledgement

- 2.7 A list of persons/experts with whom Horizon Team has had the benefit of discussions and valuable suggestions is given in Annx. 1. We express our profound thanks to each one of them for their valuable support at various stages to the study and operationally meaningful suggestions on specific components of the tourism development strategy.
- 2.8 However, special mention may be made to the consistent and unstinted support extended by Shri Karma Gyatso, I.A.S, Principal Secretary and Commissioner, Department

of Tourism, Govt. of Sikkim, Shri P.K.Dong, Managing Director, Sikkim Tourism Development Corporation Limited and his colleagues in STDC, Ms. Jyotsana Subba, Deputy Director, Planning and Development Department, Government of Sikkim, who was kind enough to make available to us various statistical and other economic inputs required for the study. The unique and instant inspiration and other strategic support extended by young and dynamic OSD of Sikkim Tourism, New Delhi, Shri G.P.Upadhaya, I.A.S. kept up our spirit high and enabled us to prepare the draft report and finalise the same on time.

- 2.8 It was a pleasure indeed to have the benefit of discussions with, and valuable suggestions from, Dr. Ashok Lahiri and his colleague Mr. Saumen Chattopadhyay, the architect of “Sikkim The People’s Vision”. Dr. Mahendra P. Lama, the Principal Author of “Sikkim Human Development Report” and Economic Advisor to the Chief Minister of Sikkim & Professor of South Eastern Studies, Jawaharlal Nehru University. The policy framework and the strategy outlined for the tourism development in the State were drawn in the broad contours of findings and vision provided in these two

monumental works. Ms. Jaya Jaitley, a noted Political & Social Activist, who was instrumental in conceiving and putting in place the highly successful and historical Delhi Hatt spared her valuable time to discuss and provide a positive guideline for setting up a similar Hatt at a suitable location in Sikkim including a copy of the concept paper on “Delhi Hatt”. She was also kind enough to extend her co-operation and necessary support to translate this concept into real project in the state of Sikkim if the Government of Sikkim so desires.

2.9 Shri Inder Sharma, Chairman Emiratus, Sita Word Travels India Ltd. spared his valuable time to share with us his long experience in tourism and the said input on various aspects of tourism development particularly on marketing have been incorporated in our study. We had the opportunity to meet and discuss with Shri V. Suresh, CMD and Shri. P.K.Garg, Executive Director, HUDCO who very kindly offered their expertise and collective experience in promoting eco-friendly building materials and architectural styles suitable to hilly areas like Sikkim. Shri. Jose Dominic, Chairman, Casino Group of Hotels and one of the pioneers of eco tourism in the country, spared a few valuable minutes with us for

crystalising our thoughts on eco tourism and its relevance to the state of Sikkim. Last but not the least Shri Mukhchund Dubey, IFS, (Retd), currently Deputy Chairman, Sikkim Planning Commission, gave us a clear guidance and his perspective regarding the sustainable tourism development in Sikkim in general and identification of source markets in particular based on his long and distinguished career in Indian Foreign Service which took him to almost all the important countries of the world.

2.10 Needless to add we are grateful to various officials of the Department of Tourism, Government of India, particularly Shri. J.Dash, Joint Director General, Department of Tourism, Shri. D.D.Mathur, Deputy Director, MRD and his colleagues for sharing their valuable experience and guiding us in the preparation of this report at different stages of the study.

None of them is however responsible or accountable for any omissions and final recommendations contained in this study.

2.11 It may also be mentioned here that all data- information relating to the state of Sikkim is from concerned ministries / departments of the State. And unless otherwise mentioned,

the source is concerned departments / divisions of the State Government.

CHAPTER III

ECONOMIC SCENARIO: AN OVERVIEW

- 3.1 The Fifth Five Year Plan Document (1976-7 to 1980-1- which was Sikkim's first post-merger plan period) stated that: -
- Sikkim has entered upon an era of intensive development after the historic constitutional change of April 1975, through which the state joined the mainstream of national life, becoming the 22nd State of the Indian Union. Switch-over from a monarchical system to democratic government has naturally generated great enthusiasm and rising expectations in the people of the State. The back-log of development that has to be made up in order to reach the level of other similarly placed States in the Union has rendered the task of planned development extremely difficult and challenging but at the same time an exciting adventure... Nevertheless the rural population of Sikkim, who have fought bravely for the changing of the old order and who have sacrificed in the past, have to be provided at least the national minimum needs.
- 3.2 The Sikkim faced constraints and disadvantages at the time of its merger with the Union of India in 1975. Poverty was rampant, literacy only 17%, immunization of children 30%,

food grains production 60,000 tonnes per year, power generation at 3 MW were all too far below to meet the need and demand of the people.

3.3 The Government's proactive roles have paid dividends in transforming Sikkim as one of the most performing States in terms of human development and in fostering peace, security and communal harmony among the people. The Human Development Report and the People's Vision have set a new road map for consolidation of the 9th Plan achievements as well as for efficient economic arrangement and management in the State for coming 10th Plan.

3.4 Major achievements of Sikkim during the last ten years and its position in various indicators of economic social progress have been pithily put by the Chief Minister, Shri Pawan Chamling, in his 2002-2003 Budget Speech delivered on the 31st March 2002, thus:

- a) The literacy rate stands at 69.80% as against the All India average of 65%.
- b) The infant mortality rate at 49 for every thousand as against the national average of 72.

- c) The human development index shows an appreciable upswing from 0.504 in 1991 to 0.532 in 1998.
- d) The annual growth rate recorded during the first three years of the Ninth Plan was 7.6% and the per capita income index recorded a growth rate of 4% per annum.
- e) About of 90% of villages are electrified.
- f) Drinking water facilities have been made available to 85% identified rural habitants.
- g) Suitable measures to consolidate our policy of private sector participation have been taken up earnestly.

3.5 “Our policy approach to development in the past had been impeded to some extent because we were, by and large, engaged in tackling historical needs, battling and at best even solving political problems, addressing social issues or remedying environmental imbalances. These problems that beset us before are now things of the past. We now are a more politically matured State today, economically well positioned and socially more integrated and mobilized amidst an atmosphere happily steeped in peace and tranquility. In other words, we are better positioned on the threshold for the much needed “take-off”.

3.6 “All these have been reflected in the 10th Plan commencing from the year 2002-2003 itself and which has been prepared against the backdrop that called for salient changes to suitably meet the changing scenario and circumstances. The State is now firmly in place to meet the challenges brought about by the reform process the country as a whole has been advocating and practicing since the early nineties. Sikkim is perhaps one of the few states in the country where it has been able to generate and garner a total political and social consensus on the need for reforms along with its chosen strategies for such reforms so as to achieve the ultimate objectives of the reform process. The two landmark reports viz. “Sikkim Human Development Report 2001” and “Sikkim: The People’s Vision” have placed before us a long-term mission and a well-charted road map along with a well-defined agenda for sectoral and sub-sectoral reforms”.

3.7 **Growth Trends:** During the 90s the Gross Domestic Product as per the 1993-94 series at constant prices rose from Rs. 377.00 crores in 1993-94 to Rs. 540.00 crores in 1999-2000. The per capita income has increased from Rs. 8.000/- to Rs. 10.000/- during the same period. The table 3.1 shows that the State's economy is growing at an average rate of 7% per

annum and the per capita is growing at the rate of 3.5% per annum.

Table 3.1
ESTIMATES OF NET STATE DOMESTIC PRODUCT AND PER
CAPITA INCOME OF SIKKIM AT CONSTANT PRICES.

Year	NSDP (In Lakhs)	Per Capita NSDP (In Lakhs)	% Change over Previous Year	
			NSDP	1% Income
1993-94	33694	7550		
1994-95	32874	7113	(-) 2.43	(-) 5.79
1995-96	36533	7633	11.13	7.31
1996-97	40851	8236	11.82	7.90
1997-98	46984	9125	15.01	10.79
1998-99(P)	50371	9440	7.21	3.45
1999- 2000(P)	51426	9816	7.45	3.98

3.8 The sectoral percentage distribution of the State income as per the three broad classifications of economy (Table 3.2) show that the primary sector has either retarded or stagnated and is growing at an average rate of 2-3% annually. There was a sharp growth in the economy between 1996 to 1998 because of improvement in both the secondary and tertiary sectors. Almost 50% of the State income comes from tertiary sector with "Public administration" alone contributing considerably to the extent of 30%.

Table 3.2
ESTIMATE OF NET DOMESTIC PRODUCT OF SIKKIM BY
BROAD SECTOR ECONOMY AT CURRENT AND
CONSTANT (1993-94) PRICES.

Year	Sectoral composition of NSDP at current price (in percentage)			Sectoral composition of NSDP at constant (in percentage)		
	PRIMARY	SECONDARY	TERTIARY	PRIMARY	SECONDARY	TERTIARY
1993-94	38.36	17.56	44.08	38.36	17.56	44.08
1994-95	38.03	16.87	45.10	37.58	16.87	45.55
1995-96	39.41	18.80	41.79	36.46	19.82	43.72
1996-97	39.54	17.39	43.07	35.75	19.59	44.66
1997-98	36.52	20.20	43.27	32.45	22.60	44.95
1998-99(P)	26.67	17.39	55.95	31.13(Q)	19.95(Q)	48.92(Q)
1999-2000(P)	25.51	19.73	54.75	29.78	21.86	48.37

3.9 The thrust of the Ninth plan was to accelerate the pace of development by strengthening the core sectors of economy for tackling poverty and deprivation and to improve the quality of lives of the people. A greater stress was laid on the human development issues and empowerment of people through education, skill development, and health care and by creating strong interface between the State and the local bodies. Sikkim faced a severe fiscal stress in the midst of the Ninth plan on account of the implementation of third Pay Commission recommendations. With increased market borrowings the State's BCR deteriorated considerably.

However grants from Finance Commission and additional resource mobilization efforts have helped the State to control its fiscal deficit subsequently. The gross fiscal deficit was as high as 19.4% in 1998-99, which came down to 11.3% in 1999-2000 and to 5.9%, in 2000-01. The deficit is estimated to be at 3.5% in 2001-02. The literacy rate as per 2001 census is 69.80%. The Infant Mortality Rate (IMR) stands at 49 per thousand. 90% of the villages are electrified and 85% of the identified habitations covered with potable water supply. The human development index stands 0.532 (1998) as against 0.504 in 1991.

Table 3.3
Human Development Index and Its component

Year	District	Life Expectancy Index	Literacy Index	Enrolment Ratio Index	Educational Attainment Index	Per Capita	Human Development Index
	State	0.625	0.569	0.436	0.525	0.214	0.454
	North	0.478	0.535	0.351	0.473	0.221	0.391
1991	East	0.69	0.651	0.458	0.587	0.228	0.501
	West	0.647	0.456	0.423	0.445	0.205	0.432
	South	0.653	0.541	0.433	0.505	0.203	0.454
	State	0.65	0.674	0.476	0.608	0.253	0.504
	North	0.498	0.657	0.382	0.565	0.252	0.439
1995	East	0.715	0.748	0.5	0.665	0.269	0.55
	West	0.672	0.587	0.462	0.545	0.238	0.485
	South	0.678	0.638	0.472	0.583	0.242	0.501
	State	0.663	0.738	0.448	0.641	0.292	0.532
	North	0.512	0.73	0.362	0.607	0.282	0.467
1998	East	0.73	0.806	0.47	0.694	0.31	0.578
	West	0.687	0.666	0.436	0.589	0.271	0.516
	South	0.692	0.696	0.446	0.613	0.282	0.529

Source: p.37 Sikkim Human Development Report, 2001

3.10 The Ninth plan outlay of the State was fixed at Rs. 1600 crore however the revised plan support fell short of the overall approved outlay by around 20%. Now the approved plan stands at Rs. 1265 crore as shown below (including Non-plan Gap, Retiring debt etc.)

Table 3.4
Sectoral Distribution Ninth Plan Outlay (In lakhs)

Sl.. No.	Department	Approved Outlay	9th Revised Outlay	Plan % to total Revised
1.	Agri. A Allied	20540.00	12031.00	9.51
2.	Rural Development	5450.00	4561.74	3.61
3.	Spl. Area Programme	-	1694.00	1.34
4.	Irrigation/Flood Control	4100.00	2812.00	2.22
5.	Energy	34300.00	17181.00	13.58
6.	Industries & Minerals	7000.00	3249.00	2.57
7.	Transport	16000.00	15813.00	12.50
8.	Science A Tech.	1100.00	453.00	0.36
9.	General Economic Services	5375.00	2603.40	2.06
10.	Social Services	61635.00	55053.00	43.52
11.	General Services	4500.00	2677.50	2.12

3.11 Approved outlay for the Annual Plan 2001-02 was Rs. 300.22 crores. The capital outlay constitutes 65% of the total plan expenditure for the same period. Greater emphasis is laid on the development of road connectivity and the power sector in the current year.

3.12 Sectoral issues and 10th Plan: With the release of Sikkim Human Development Report and the People's Vision by the Prime Minister in the 1st week September 2001, the State

has laid a firm foundation to enforce the instruments of good governance and sound practices in the administration. The State has a vision to empower the people economically, socially and politically democratic decentralization and by forging strong partnership with all agents in development like the PRIs and NGOs. The State signed the MOU with GOI in 1999 and is pursuing the stated objectives. The formation of the State Planning Commission and constitution of Cabinet –Sub Committees to look into the reforms in various sectors are significant events that will guide the State to take on new challenges of the 10th Plan.

3.13 The core sectors of priority in the Tenth Plan will be Agriculture and infrastructure sectors. There will be greater synergy among other economic and social sectors to promote coordinated implementation of development programmes for generation of employment opportunities. The targeted poverty alleviation programmes like housing, water supply, nutrition, primary health care, primary education, etc. are expected to receive greater attention.

3.14 The broad objectives of the 10th Plan will be to enhance GSDP growth 10% and raise the standards of living of the

people. There will be an integrated approach Agricultural sector concentrating more on research and cooperation with ICAR and other agencies of development, post harvest/marketing technology, conservation through effective watershed management and human resource development activities.

3.15 The total road connectivity in the State is around 2447 kms that includes the BRO managed roads. The emphasis will be more on adding new roads to villages and upgrade and stabilize the existing one in the State. Similarly the Power Sector is being reformed and a new power development corporation has already been constituted to facilitate power generation and distribution.

3.16 The present generation of Power is only 35% of the installed capacity of 40 MW. The shortfall is a serious constraint for the development of industry in the State. The lack of 132 KVA and 66 KVA transmission lines across the State is another constraint, which has prevented the State from taking its share of power from central grid. These problems are being adequately addressed in the 10th Plan.

3.17 Better health and quality education is taken as the State's

multi purpose strategy for human development with the objective of reducing poverty, removing discrimination, developing social cohesiveness and increasing the growth and productivity of the individuals. The State has laid sufficient stress in technical education in the State. During 9th Plan an engineering college and a medical college was opened in the private sector. However the progress in human development has been uneven. The disparity between the urban and the rural has widened in respect of poverty, literacy, health coverage and other facilities. There will be an endeavour to achieve 100% enrollment and 100% immunization of children in the 10th Plan. The problems of dropout, quality of education, sex ratio and couple protection etc are being given special attentions. Educational Board for the State is expected to be constituted during the 10th Plan.

3.18 Gangtok city is being remodeled to transform it into the city of festivals and cultural glory. A lot of infrastructures, tourist amenities etc. were developed in and around Gangtok, including the upgradation of health facilities to cater to the need of the people, national and international tourists. The broad targets set for the 10th Plan are given in table 3.5 :

Table 3.5
10th Plan Targets

		Current	Proposed
1.	GSDP	7%	10%
2.	Per Capita Income	13.800	18.000
3.	Poverty	40%	15%
4.	Literacy	69.68%	85%
5.	IMR	49 per 1000	20 per 1000
6.	Food grain	1.00,000 tonnes	1.15,000 tonnes
7.	Forest Cover	44%	Consolidation/ Conservation
8.	Rural electrification	90%	100%

3.19 With the proposed reforms plan in the administration on the lines of recommendation of NDC and with additional thrust in the core sectors of Agriculture and infrastructure the State looks forward to achieving all the set objectives of the 10th plan.

3.20 Considering the current trends in fiscal situations the aggregate plan resource for the 10th Plan has been worked at around Rs. 2200.00 crores without taking into account the additional resource mobilization and EAP.

10th Plan projection		(Rs. In crore)	
Sl. No.	Items	9th Plan	10th Plan
1.	SOR	(-) 77.76	109.12
2.	Central Assistance	1233.72	2098.33
3.	Aggregate/Revised outlay	1261.1	2207.45(Aggregate)

3.21 The State is aware that it must achieve the above goals in order to raise the living standard of the people. The sectoral reform will continue and the role of Private investor/strategic

partners will be amply harnessed to trigger growth in industry. The State has redefined its role to provide greater attention to social and economic infrastructures on one hand and create an environment of opportunity and enterprise to individuals on the other. It is poised to make its mark as one of the progressive of the Union Government constituents with equity and social justice imbued with a sense of perfect harmony and peace as basic traits of its people.

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CHAPTER IV

INDUSTRY SCENARIO

HISTORICAL BACKGROUND

4.1 The existence of craftsmanship based traditional Sikkimeese cottage industries dates back to several centuries. The dexterity and skill the Lepchas showed in bamboo-craft, woodwork, spinning of loom and weaving traditional textures have been well recorded with handsome tribute in contemporary history. On the other hand, the Bhutias excelled in ancient Tibetan practice of carpet and rug weaving with muted shades and brilliant colours of pure vegetable dyes. The Nepalese are famous for the craftsmanship of their metalwork, silverware and woodwork. Many of these products are very exclusive, as a result of which they cannot be easily brought to the market place. Governmental patronage helped to sustain these traditional practices in a very important way.

4.2 The carpets were woven in the Maharaja's factory and two weaving schools at Lachung and Lachen were also set up to support it. The Palden Thondup Institute of Cottage Industries, set up at Gangtok in 1957, trained a large number of Sikkimese boys and girls in local handicrafts

including carpentry, handmade paper, carpet, doll making and handloom and weaving. This process was consolidated during various plan periods.

4.3 For a village craftsman, who is essentially a cultivator, this traditional activity was primarily undertaken during the lean season for earning an additional income. But for the town-based trainees, these activities were not profitable because they could not produce quality products and hence did not fetch a remunerative price. The most crucial handicap has been the very limited market, in Sikkim, for all these products, adversely affecting the growth of the industry.

4.4 The industrial sector was thus not well developed in Sikkim during the pre-merger period (i.e. 1975). Distillation of wines and liquors was one of the first modern industries established at Singtam in 1955, providing employment to 30 managers and 150 labourers by the Third Plan period. This distillery was equipped with the state-of-the-art equipment and served both domestic and overseas markets. The other undertaking that for years was the Government Fruit Preservation Factory also set up at Singtam in 1956. This factory utilized the ample orange production in the State,

cutting down wastage in transit and storage locally, and eliminating middlemen. It also added value by providing incentives to farmers to bring additional acreage under horticulture.

- 4.5 Immediately after the merger, all the four districts were declared as being industrially backward. The Directorate of Industries, which was established in 1976, attempted to create a conducive policy environment. Largely based on a Techno-economic Survey by the Union Ministry of Industry (1974), this Directorate undertook significant measures such as the promotion of a viable system of incentives and subsidies, financial and technical support and industrial training.

Recent Trends

- 4.6 The data supplied by the Industry Department show that there are 1360 units, which have been granted provisional registration from 1976 onwards. Out of these less than 300 Small Scale Industries (SSI), tiny units, have begun to function. Over 70 percent of these units are located in the East district.

TABLE 4.1—REGISTERED SMALL SCALE INDUSTRIES

Period	East	North	South	West	SSI/Tiny Units Total
1975/76-79/80	7		2	1	10
1980/81-84/85	7		4	2	13
1985/86-89/90	56	1	14	9	80
1990/91-94/95	84	2	18	11	115
1995/96-98/99	60		13	6	79

The allocation of funds to industrial sector during the various plan periods is depicted in table 4.2:

**TABLE 4.2 —SIKKIM PLAN ALLOCATION: INDUSTRIAL SECTOR
(1954-2002)**

Sectors	I plan*	II Plan	III Plan	IV Plan	V plan	VI Plan	VII Plan	VIII Plan	IX Plan
Total Plan Outlay (Rs million)	32.4	63.7	97.1	203.6	401.0	1478	2824	7245	16028
Share of Industrial Sector (in percent)	4.3	0.5	6.7	3.5	6.6	4.2	4.0	3.85	4.24

4.7 The contribution of the manufacturing sector to the State's income shows a declining trend. According to the data provided by the Central Statistical Organisation, the contribution of the manufacturing sector to the Net State Domestic Product (NSDP) in Sikkim has shown a secular

drop from 5.7 percent in 1980-1 to 2.2 percent in 1995-6, even though in absolute terms, it increased from Rs. 27.9 million to Rs 100.03 million during the same period. The share of industry has declined partly because the NSDP has recorded over 9-fold increase in absolute terms as against 3.5 fold increase of the manufacturing sector during the same period. In other words, the growth rate in industry has been significantly lower than the growth rate in other sectors.

- 4.8 To attract investment in industries, more liberalized incentives were enunciated in 1991 (Notification No. 27/DI/89-90 (III)/7452 dated 13 March 1991). Under this, industrial units were available for subsidy on: captive power generating set, cost of transformer and power line, consultancy services, power, interest on working capital, registration fee of promotion councils— Bureau of Indian Standards, Commodity Boards, Chambers of Commerce— publicity and advertisement, study tour and in-plant training, price preference, concession on sales tax, deferment of excise duty, special incentives for high value low volume production units and units utilizing local raw materials.

The Industrial Policy (1996) provided several concessions and incentives designed to attract investors (Government of Sikkim, 1996). Some of the incentives are:

- State capital investment subsidy: This is provided on a graded level, i.e. depending on the scales of operation, to both new and old units carrying out modernization and expansion activities. For the thrust areas, subsidy varies from 10-20 percent and for the non-thrust areas from 5-15 percent of total capital investment in plant and machinery.
- Subsidized interest on working capital: This is provided for five years for interest in excess of 14 percent of the interest payable by industrial units on the working capital loan obtained from banks. Depending on the scale of operation, the amount varies from Rs. 15, 000 to Rs. 1,10,000 or actual difference in interest whichever is less thrust areas and Rs. 10,000 to Rs. 100,000 in non-thrust areas.
- Exemptions from State and Central sales tax. This will be provided for 7 years from the date of actual commercial production.
- Price preference: This is 10-15 percent (over the rates quoted on same quality of product from outside Sikkim) to industrial undertakings established in Sikkim on the purchase made by various State Government departments and organizations.
- Subsidy on captive power generating sets. This is provided to the thrust area industries to the extent of 30

percent (maximum Rs 1,25,000) and 25 percent (maximum Rs 1,00,000).

- Subsidy on power consumption. This is provided to the extent of total reimbursement of the first Rs 50000 power consumption per annum of the unit and then on pro rata basis. The thrust area industries receive a subsidy of 30 percent in power tariff.

4.10 Besides the above incentives, there are well laid out subsidies, consultancy services, study tours and in-plant training, registration fees of promotion councils, and some services provided by the Bureau of Indian Standards, Commodity Boards and Chambers of Commerce and Industry.

4.11 However, there has not been any visible impact of these provisions on the industrial proposals and actual setting up of industries.

This can be attributed to:

- Serious budgetary constraints thereby limiting any meaningful implementation of the incentives.

- Many key departments are not actually complying with the provisions of this scheme thereby making the newer approaches redundant.
- The entrepreneurs from outside the State find it very difficult **to** furnish documents like domicile residential certificates.
- Land laws do not permit alienation of land to outsiders.
- The inadequacy and delay in getting working capital, many a times leading to the closure of the units and increase in non-performing assets.
- Poor social and industrial infrastructure, most crucially power.
- Lack of a mechanism within the government to monitor and evaluate the implementation of policies. As a result, most of the incentives have remained on paper.

Policy interventions and suggestions

4.12 The Task Force recommendations of May 1999 do indicate the changing face of policy interventions in the industrial sector of the State. Some recommendations are:

4.13 The State Government must persuade the primary sector into generating surpluses so that purchasing power can

come into the hands of the rural masses and in turn fan industrial growth. This route will involve a maximum number of people.

- It is estimated that Sikkim needs to generate about 6500 jobs per annum in order to tackle the unemployment problem on a sustained basis. This can be achieved through a policy mix that will generate 2000 jobs each in agriculture and service sectors, 1000 in animal husbandry and 1500 in the industrial sector.
- In order to reach the incentives and subsidies extended under the new industrial policy, 1996 adequate budget provisions and effective disbursement is necessary.
- The policy for the investors has to **be very** clear and investor-friendly.
- The land laws in Sikkim need to be relaxed to enable entrepreneurs to acquire land to set up industrial units.
- Upgradation of Bagdogra Airport as a national and international airport for both tourists and transportation of high value, low volume goods is necessary.
- Gearing up of the Commercial Banks is necessary to make the much needed adequate and timely working capital available to the industrial units.

- Setting up of Central Public Sector Undertakings (PSUs) along with the strengthening of the existing State PSUs by infusing additional funds is required.
- Improvement in industrial and social infrastructure to attract new industrial units by industrialists from outside as well as Non Resident Indians (NRIs) is needed.
- Downsizing of State PSUs through Voluntary Retirement Scheme and Golden Handshake will make them economically viable.
- Tea development should be taken on a war footing in areas identified by TRA especially through Small Growers Scheme.
- Setting up a yarn bank to provide woolen and cotton yarn to the weavers at a reasonable price, which will encourage self-employment ventures among trained carpet weavers, is necessary.

Tenth Plan Objectives

4.14 In the Tenth Five-Year Plan, Department of Industries is expected to play a major role as a facilitator. The major objectives of the Tenth Five Year Plan will are: -

- (a) Simplification of procedures for opening up industries in Sikkim with a view to attract both internal and outside investors with long time viable projects.
- (b) Creation of an atmosphere conducive to industrial growth taking into consideration the availability of natural resources and local social economic environment. Maintenance of the "Green State" image, while promoting industrial activities.
- (c) Rehabilitation of sick industries with comprehensive assistance and guidance from Department of Industries and privatization/disinvestment in the select private sector undertakings.
- (d) Enrichment of the agriculture sector through the establishment of appropriate linkages between agricultural and agro based industries.

- (e) Ensuring balanced regional development through promotion of Khadi, Village, Cottage. Tiny, Small and Ancillary industries.
- (f) Promotion of traditional handloom, handicrafts and artisan sector by providing adequate support in the form of common facilities like service centers, cheap raw materials, technical input, marketing network, skill development etc.
- (g) Development of tourism as an industry.
- (h) Development of Sikkim as a major center for manufacture and marketing of tea.
- (i) Pro-active participation of all concerned Government Agencies to facilitate industrial growth.
- (j) Rapid development of basic infrastructure facilities like setting up growth centers, IID etc.
- (k) Encouraging self-employment ventures and identification of avenues for the same.
- (l) Human Resources Development through appropriate skill and entrepreneurship development program, behavioural training etc. at District, Sub-division and Panchayat Levels to meet the emergent skill requirement of the State.

(m) Encouraging joint ventures between local entrepreneurs and industrialists from outside the State.

(n) Formation of suitable mechanisms for attracting and encouraging the growth of capital formation in the State.

(o) Setting up of Food Park and Export Processing Zone with the financial assistance from the Ministry of Food Processing and Ministry of Commerce.

4.15 Since outsiders are not allowed to purchase land in Sikkim as per the local laws, Government have already declared Rangpo-Gangtok, Melli-Jorethang and Jorethang-Rishi as industrial corridors whereby the lands will be acquired by the Government and will be leased out on long term basis to the investors.

4.16 Thrust areas of investment for the Tenth Five Year Plan have been identified and the State will encourage eco-friendly industries only which are not detrimental to local cultural heritage and some of which are as follows: -

(a) Agro based industries including horticulture and floriculture;

(b) Minor forest based industries;

- (c) Animal husbandry and dairy products;
- (d) Tourism related industries;
- (e) Information Technology including knowledge based industries;
- (f) Precision oriented high value low volume products;
- (g) Hydel power,
- (h) Tea;
- (i) Education; and
- (J) Hospitality etc.

4.17 The task in the Tenth Five Year Plan will be really challenging and the Industries Department has to play a major role to create employment opportunities to a large number of local unemployed youth through the industrial sector. The objective of the Industries Department could be achieved only if suitable plan allocations at least 8-10% is made under the sector. The industrial policy of North Eastern States should be extended to Sikkim and suitable plan allocation be made. Industrial sector will have to attract investment Rs. 400-450 crores in the Tenth Five Year Plan which will create employment opportunities to more than 6500 persons, besides its multiplier effect on the economy in general and labour market in particular.

4.18 During the 10th Plan Period, it is proposed to set up a Handloom and Handicraft Development Corporation of Sikkim whereby the products of these sectors will be marketed more effectively in the national and international markets. The marketing and production aspects of the Directorate will be taken up by the Corporation on a commercial basis. Further, various other schemes of the Commissionerate of the handloom and Handicraft applicable to Cooperatives will be taken advantage of. Therefore, to set up the Corporation and as a part of its equity, an outlay of Rs. 300.00 lakhs has been proposed for the Annual Plan 2002-2003.

10) **Public Sector Units**

10th Plan : Rs. 1000.00 lakhs

Annual Plan 2002-03 : Rs. 200.00 lakhs

4.19 From the 10th Plan a change is proposed for the funding pattern of the various public sector enterprises and units under direct government control. A lump sum provision is being proposed for the public sectors for their modernization, expansion, diversification and rehabilitation. Each proposal will be thoroughly scrutinized by the Industries Department,

if necessary, with the help of outside consultants. As far as rehabilitation is concerned, it will be a one-time settlement only. A system of MOU between the Industries Department and the various Public Sector Undertakings will be introduced.

- 4.20 To achieve the above objectives, an outlay of Rs. 1000 lakhs is proposed in the Public Sector Units and units under direct government control.

10) Tea Development.

10th Plan	:	Rs. 200.00 lakhs
Annual Plan 2002-03	:	Rs. 50.00 lakhs.

- 4.21 The new industrial policy has identified the Tea Industry as one of the thrust areas of the government. Temi Tea is one of the quality teas in the world. It will be the effort of the Government to expand tea production and manufacture in the State. Therefore, a Tea Development Corporation of Sikkim is to be formed in place of the Tea Board of Sikkim, it will be responsible for running Temi Tea Garden, identifying and starting new gardens and for encouraging small growers in tandem with the schemes of the Tea Board of India.

Therefore, an outlay of Rs.200 lakhs for expansion of the tea industry in Sikkim has been proposed-

11) Sikkim Industrial Development & Investment Corporation Ltd. (SIDICO).

10th Plan : Rs. 500.00 lakhs

Annual Plan 2002-03 : Rs. 50.00 lakhs.

4.22 SIDICO was established with the twin functions of State Financial Corporation and Industries Development Corporation. Due to the poor recovery rate of the Corporation, it was not able to service the debts of IDBI and SIDBI towards repayment of loan. Further, with the discontinuation of matching contribution by IDBI from 1991-92 the Corporation depended solely on the State Government's equity support. To bail out the Corporation from its present financial difficulties, a joint study was conducted by WEBCON and the report has been submitted and implemented. With the announcement of new industrial policy it is expected that SIDICO will have to play a very important role in the promotion of new industries in the State as also in the rehabilitation of existing sick units. SIDICO will also utilize its funds for undertaking a number of promotional activities such as preparation of well designed brochures for outside industrial/business groups, organizing

industrialist meet, advertisement and publicity. Therefore an outlay of Rs. 500 lakhs is proposed as equity participation in the 10th Plan Period.

4.23 Proposed sector wise allocation of funds during the Tenth Plan is given in Table below:

(Rs. in lakhs)			
Sl. No.	Particulars	Proposed Outlay 10th Plan	Proposed Annual Outlay for 2002-03
I	Village & Small Industries	Actual Figure	Actual Figure
1.	Dir. and Adm.	100.00	30.00
2.	Ind. Ests/ Growth Centers	300.00	100.00
3.	Incentives to Industries	1000.00	400.00
4.	E.D.P.	30.00	5.00
5.	D.I.C.	250.00	50.00
6.	Information And Publicity	100.00	25.00
7.	Khadi & Village Inds.	824.00	120.00
8.	Consum. Indus.	50.00	10.00
9.	D.H.H.	1260.00	300.00
10.	P.S.U.	1000.00	200.00
11.	Tea Dev.	200.00	50.00
12.	S.I.D.I.C.O.	500.00	100.00
	Total	5614.00	1390.00

4.24 However the Industrial Policy of 1996 has shown that, incentives and sales tax concessions have not produced desired impact due to built-in constraints of the state particularly because of the lack of local entrepreneurship and adequate flow of outside private investment.

Keeping in view the new economic policy framework sweeping the world over, the government is moving towards a pro-investor approach of encouraging the private sector into industry, by formulating clear and simple guidelines for the thrust areas. Procedures for setting up enterprises are being streamlined. The focus is expected to be on promoting industries, which are essentially eco friendly, utilization of raw materials and concentrate on value added products. Service-related industries, such as tourism and information technology, will be given high priority.

4.25 A revised industrial policy is under the consideration of the government. It will be hopefully announced shortly. The major contours of the revised industrial policy are understood to be: -

- Creating the enabling framework in which private capital will be encouraged to set up business in the state; the message to be transmitted is “Sikkim is open for business”;
- Setting up regulatory mechanisms so that private capital can enter infrastructure development;

- Expanding vocational training programmes in schools and colleges in line with industry needs;
- Setting up industrial estates with accompanying services to help entrepreneurs from outside Sikkim circumvent issues of land leasing. Apart from attracting private entrepreneurs to set up business, industrial parks with their own captive mini-power plants, industrial water supply, roads, street lighting and sanitation will contain the negative environmental effects of industrialization.

4.26 The industrial sector is thus poised to play its limited role in the years ahead. This will prove the way for development of business tourism as well in the state.

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CHAPTER V

TOURISM SCENARIO

5.0 Since the end of the Second World War, tourism has emerged as one of the world's largest industries with a growth rate in excess of 5 percent per annum over the past twenty years. International tourism flows across frontiers in the year 2000 reached 698 million while receipts from tourists reached US\$ 595 billion (including receipts from international transport fares.) Estimates prepared by the World Tourism Organization indicate that global domestic tourism flows are at least ten times greater than international tourism flows indicating that there were at least 6,980 million domestic arrivals in 2000.

5.1 Tourism accounts for 11% of the global GDP and 8% of the world trade and employment (Table 5.1). In most countries with a large population, domestic tourism is the foundation of a viable and sustainable tourism industry, which tends to be more focused on rural destinations. With a growing interest in the intangible culture of different countries (i.e. lifestyles, cuisine, ceremonies, music, religious beliefs, traditions,

customs, and history), there is a strong potential to encourage international tourism to the rural areas as well.

Table 5.1
Economic indicators of World Tourism

Share of World	% Of Total (2000)
GDP	11.0
Employment	8.0
Exports	7.9
Capital Investments	9.4

Source: Ministry of Tourism, Govt. of India

5.2 India's share of global international tourism at 2.64 million foreign arrivals through its borders in the year 2000 is relatively small in volume (about 0.38 percent) but almost twice as high in terms of US\$ receipts (about 0.69 percent) (Table 5.2).

Table 5.2
International / Domestic Tourist Arrivals

Year	Tourist Arrivals (India)	Tourist Arrivals (World) in millions	Percentage Share of India
1995	2,123,683	565.4	0.38
1997	2,374,683	618.2	0.38
1999	2,481,928	650.0	0.38
2000	2,641,157	698.3	0.38

Source: Ibid

5.3 On the other hand, India's share of global domestic tourism is much higher (around 4.6 percent of estimated global domestic tourism). While the proportion of global US\$ receipts from international tourism increased from 0.57 percent in 1990 to 0.69 percent in 2000, this compares with a share of 1.37 percent in 1981. In contrast, India's neighbours in South and South-East Asia have more effectively utilized tourism for economic growth and employment creation.

5.4 A forecasting study undertaken by the World Tourism and Travel Council estimated that in 2001, tourism accounted for 10.7 percent of global Gross Domestic Product, 207.1 million jobs; US\$ 1,063.8 billion in export value, and US\$ 657.7 billion in capital investment. A study on the economic impact of tourism conducted by the WTTC estimated that in 2001, the consumption activity arising from domestic and international tourism contributed 5.3 percent of India's Gross Domestic Product. Tourism also sustains 25 million equivalent full time jobs or 6 percent of

India's workforce, and contributes more than US\$ 3 billion in gross foreign exchange receipts. Separate estimates prepared by the Department of Tourism using a multiplier based on 1980 research suggests that the actual employment generation effect of (direct & indirect) tourism in India is around 42 million (includes full time/part time/casuals).

5.5 The WTTC study further indicates that between 2001 and 2011:

- global Gross Domestic Product will increase from 10.7 percent to 11 percent;
- global employment contribution will increase from 207.1 million to 260.4 million jobs or 9 percent of total global employment;
- the global value of tourism related exports will increase from US\$ 1,063.8 billion to US\$ 2,538.3 billion or 12.8 percent of global export value; and
- global capital investment in tourism will increase from US\$ 657.7 billion to US\$ 1,434 billion or 9.3 percent of global investment.

5.6 Forecast data from the World Tourism Organization shows that the share of tourism volumes and related

receipts, Gross Domestic Product, employment, and export earnings is expected to ***move away from the developed countries towards the less developed countries as a result of favorable economic, motivational, technological and policy factors.***

Table 5.3
Forecast Change in the Share of International Tourism Arrivals between Developed and Developing Regions

Regions	2000	Shared	2010	Share %	%AAG
Developed Regions of the World	528	78.45%	730	69.79%	3.29%
Less Developed Regions of the World	145	21.55%	316	30.21%	8.10%
Total	673	100.00%	1046	100.00%	4.51%

Source: WTO Forecasts

5.7 WTTC's status paper, "The India Imperative" has analyzed India tourism in the light of the latest Tourism Satellite Accounting Research TSA (2001) and projections for the year 2011 subject to addressing key policy issues highlighted in the paper, WTTC has identified India *as one of the foremost growth centers in the world in the coming decade*

- The development priorities of the Government of India up to 2012 are to place the economy on a significantly higher growth path that will deliver greater economic benefits in the context of the new global economic and security order, but also enhance human well-being, achieve social equity, sustainability, and efficiency. To achieve this overall

development goal, the Government of India has embarked upon a strategy that involves a radical departure from past policies, and institutional arrangements in order to optimize and release the potential of its natural, human, financial, and technical resources.

5.8 Tourism is seen to be a priority sector because it is:

- able to maximize the productivity of India's natural, human, cultural, and technical resources, and are sustainable development.
- labor intensive and cottage or small industry based, providing employment that is of a high quality thus contributing to higher quality of life;
- capable of being primarily focused on rural areas with appropriate and relatively low cost programs;
- has extensive forward and backward economic linkages that build overall income, employment (especially for women, youth, and disabled persons bringing greater social equity, and justice), investment, and raises central, state, and local government revenue;
- is able to deliver significant levels of hard currency as an export industry;
- able to promote understanding, peace, and contribute to national unity and regional stability.

5.9 There is great potential for creating enormous number of new jobs through travel and tourism. The

employment potential is the highest in the tourism sector as compared to any other sector and India has the potential to more than triple its travel and tourism jobs. The tourism industry has a very strong linkage to socio-economic progress of the country. It has a very high revenue capital ratio. It is estimated that an investment of Rs.1 million creates 47 direct jobs and 11 indirect jobs, which far surpasses the employment potential from Agricultural and Industrial sector.

Recent Trends

- 5.10 The year 2000 with worldwide excellent economic performance produced almost 50 million more tourist arrivals worldwide to reach a total of 699 million. This represented an increase of 7.4% over the previous year. There were excellent performances particularly from East Europe (26.1% increase of international tourist arrivals), East Asia and Pacific (14.7%), the Middle East (12.9%) and South Asia (11%). This flow of tourists generated US\$ 476 billion worldwide corresponding to average receipt per arrival of US\$ 680. The year 2001 saw a steady deterioration in economic conditions and major falls in share prices. Consumer and business confidence slid. Many Governments responded with a sequence of interest

rate cuts. International Institutions such as the IMF and OECD revised their economic growth projections for 2001-2002 downwards because of the weakening economic climate. The world economy is slowly but surely on a recovery path.

5.11 The Indian tourism was adversely affected after the 11th September events. The international tourist arrivals in the country in the year 2001 is estimated to be 2.54 million as compared to 2.65 million in the year 2000, thus showing a decline of 4.2% as against a growth of 6.7% achieved in 2000. A comparative picture of the international tourist arrivals during 2000 and 2001 is indicated below:

Table 5.4

Recent Trends in tourist arrivals in India.

Country	Tourist Arrivals		% Change
	2000	2001	
Countries other than Pakistan & Bangladesh	21,80,039	20,53,208	-5.8
Pakistan	54,902	52,762	-3.9

Bangladesh	4,14,437	4,31,312	4.1
Total	26,49,378	25,37,282	-4.2

Source: Department of Tourism, GoI

5.12 The year 2001 being an entirely different year for the tourism industry, mainly because of the global economic slow down and the 11th September effect, an analysis of the tourist arrivals is given for the two period- the first being the period from January 2001 to August 2001 and the second being September 2001 to December 2001. In the first segment the tourism industry was affected by the general economic slow down and the second segment had the combined effect of general slow down and the after effect of the 11th September incident, the latter having an over-riding effect on the tourist arrivals to the country.

Foreign tourist arrivals in India during the January to August 2001 and the corresponding figure for 2000

Table 5.5

Comparative picture of tourist arrivals Jan-August 2000 and 2001.

Month	Foreign Tourist Arrivals 2000 2001		Percentage change 2001/2000
January	253666	283750	11.9
February	257403	262306	1.9
March	234606	248965	6.1
April	188132	185338	-1.5
May	139575	151098	8.3
June	161613	176716	9.3
July	186843	224232	5.4
August	1634787	196517	5.2
Total	1634787	1729122	5.8

Source: Ibid

Tourist arrivals : September – December 2000 and 2001

Foreign tourist arrivals in India during the September to December 2001 and the corresponding figure for 2000

Source: Ibid

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projected average annual growth rate in the international tourist arrivals of 4.1% in the period up to 2020 as per the forecast made by the WTO in their “Tourism 2020 Vision”.

5.14 However, the post September, 11 scenario with a negative growth rate of 20.3% as compared to the corresponding period of the year 2000 has severely affected the Indian tourism.

Table 5.7
Region-wise tourist arrivals.

Regions	Percentage share in total Arrivals		Arrival in 2001(Number)
	2000	2001	
North America	16.3	16.5	417747
Central and South America	0.9	0.9	21925
Western Europe	33.1	32.3	819973
Eastern Europe	1.9	1.5	38863
Africa	3.6	3.6	90962
West Asia	3.6	3.8	96424
South Asia	25.4	26.5	672133
South East	5.6	5.5	139975

Asia			
East Asia	5.6	5.1	130464
Australasian	2.6	2.6	66104

Source: Ibid

5.15 North America, Western Europe and South Asia regions taken together account for almost 75% of the total international arrivals to India. A comparison between the year 2000 and 2001 indicates that there has been no perceptible change in the relative share of different regions in the total arrivals except in the case of Europe where it has gone down from 35% in 2000 to 33.8% in 2001 and in South Asia where it has gone up from 25.4% in 2000 to 26.5% in 2001. As compared to the previous year, there has been decline in arrivals from all regions except from the West Asia.

Nationality-Wise Arrivals

5.16 Nationals of United Kingdom with an estimated arrival figure of 405472 continued to occupy the first position in the tourist arrivals to India during 2001 and accounted for 16% of the total tourist traffic as against the arrival figure of 432624 and share of 16.3% in 2000. This was followed by USA with 329147 tourist arrivals constituting 13%. Other major countries whose relative shares in the total traffic were significant include Sri Lanka (4.4%), France (4.0%),

Canada (3.5%), Japan (3.2%), Germany (3.2%) and Malaysia (2.3%).

5.17 In terms of arrivals from these countries in 2001 as compared to 2000, it is observed that there has been decline to the extent of 6.3% from U.K., 5.5% from U.S.A, 12.7% from Sri Lanka, 17.9% from Japan, 4.6% from Germany and 4.4% from Malaysia while there has been a positive growth of 2.4% from France and 5.5% from Canada.

5.18 Government of India has since announced National Tourism Policy 2002. The critical components of the same are:

- Position tourism as a major engine of economic growth;
- Harness the direct and multiplier effects of tourism for employment generation, economic development and providing impetus to rural tourism;
- Focus on domestic tourism as a major driver of tourism growth.
- Position India as a global brand to take advantage of the burgeoning global travel and trade and the vast untapped potential of India as a destination;

- Acknowledges the critical role of private sector with government working as a pro-active facilitator and catalyst;
- Create and develop integrated tourism circuits based on India's unique civilization, heritage, and culture in partnership with states, private sector and other agencies;
- Ensure that the tourist to India gets physically invigorated, mentally rejuvenated, culturally enriched, spiritually elevated and 'feel India from within'.

5.19 The policy document takes into consideration seven key areas that will provide the thrust to tourism development. These are: Swagat (Welcome), Soochana (Information), Suvidha (Facilitation), Suraksha (Safety), Sahyog (Cooperation), Samrachana (Infrastructure Development), and Safai (Cleanliness).

5.20 The overall goal and strategy for the development of the tourism industry is to ensure that its development is closely tied to the national development priorities of the country. In this context the Government of India's vision for the development of the tourism sector is:

“Achieve a superior quality of life for India’s peoples through Tourism which would provide a unique opportunity for physical invigoration, mental rejuvenation, cultural enrichment and spiritual elevation.”

5.21 To achieve the overall vision for the development of tourism, the National Tourism Policy 2002 lays down the following five key strategic objectives:

1. Positioning and maintaining tourism development as a national priority activity;
2. Enhancing and maintaining the competitiveness of India as a tourism destination.
3. Improving India’s existing tourism products and expanding these to meet new market requirements;
4. Creation of world-class infrastructure;
5. Developing sustained and effective marketing plans and programs.

5.22 The 20 years perspective plan for sustainable tourism development for the state of Sikkim has been designed and viewed within the national policy framework and strategy for achieving the overall objective underlined therein.

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CHAPTER VI

TOURISM: CONCEPTUAL FRAMEWORK

6.0 INTRODUCTION

6.1 The terms of references provided by the Department of Tourism, Govt. of India to Horizon bring into sharp focus the proposed study and recommendation there-from should be focused on sustainable development of tourism. It is therefore useful to give a brief understanding of the concept as a starting point of the study.

6.2 Sustainable development is now being recognized as an essential approach to achieving development goals without depleting natural and cultural resources or degrading the environment. In the landmark study, Our Common Future, the 1987 report from the World Commission on Environment and Development to the United Nations General Assembly eloquently defined a sustainable development society as one that “meets the needs of the present without compromising the ability of future generations to meet their own needs.”

6.3 At the United Nations Conference on Environment and Development, popularly known as the Earth Summit, held at Rio de Janeiro in June 1992, the sustainable development approach was further elaborated and actions were taken on fundamental environmental and developmental issues at the global level.

- 6.4 **Benefits of Sustainable Tourism Development**
- 6.5 Ecology and economy including tourism are becoming ever more interwoven — locally/ regionally/ nationally and internationally — into a web of cause and effect.
- 6.6 Most successful tourist destinations today depend upon clean physical surroundings/ protected environments and often the distinctive cultural patterns of local communities. Destinations that do not offer these attributes are suffering a decline in quality and tourist use. Local communities suffer from impaired environmental quality/ loss of cultural identity and a decrease in economic benefits. It is the responsibility of local planners to ensure that resources are wisely managed today so that they are available for future generations.
- 6.7 Fortunately when adapted to the local environment and society through careful planning and management, tourism can be a significant factor in conserving the environment. That is because an environment of scenic beauty and interesting features/ vegetation/ wildlife and clean air and water offers many of the resources that attract tourists. Tourism can help justify conservation and in fact subsidize conservation efforts.
- 6.8 Equally important are planning and developing tourism to conserve an area's cultural heritage. Archaeological and historical places/ distinctive architectural styles/ local dance/ music/ drama/ ceremonies/ arts and crafts/ dress/ customs and value systems all comprise the culture of an area. This cultural heritage offers attractions

for tourists and can either be selectively conserved and enhanced by tourism or degraded by it/ depending on how tourism is developed and managed. Essential in any type of development is maintaining the unique sense of historic/ cultural and community identity of each place around the world. The concept of sustainable development has been set forth by the World Conservation Union (WCN) as follows:

- 6.9 "Sustainable development is a process which allows development to take place without degrading or depleting the resources which make the development possible. This is generally achieved either by managing the resources so that they are able to renew themselves at the same rate at which they are used, or switching from the use of a slowly regenerating resource to one, which regenerates more rapidly. In this way, resources remain able to support future as well as current generations."

Three main principles of sustainable development

- Ecological sustainability ensures that development is compatible with the maintenance of essential ecological processes, biological diversity and biological resources.
- Social and cultural sustainability ensures that development increases people's control over their lives, is compatible with the culture and values of people affected by it, and maintains and strengthens community identity.

- Economic sustainability ensures that development is economically efficient and that resources are managed so that they can support future generations.

The Benefits of Sustainable Tourism

Sustainable tourism is defined as a model form of economic development that is designed to:

- Improve the quality of life of the host community,
- Provide a high quality of experience for the visitor, and
- Maintain the quality of the environment on which both the host community and the visitor depend.

6.10 Sustainable tourism encourages an understanding of the impacts of tourism on the natural, cultural, and human environments. It ensures a fair distribution of benefits and costs.

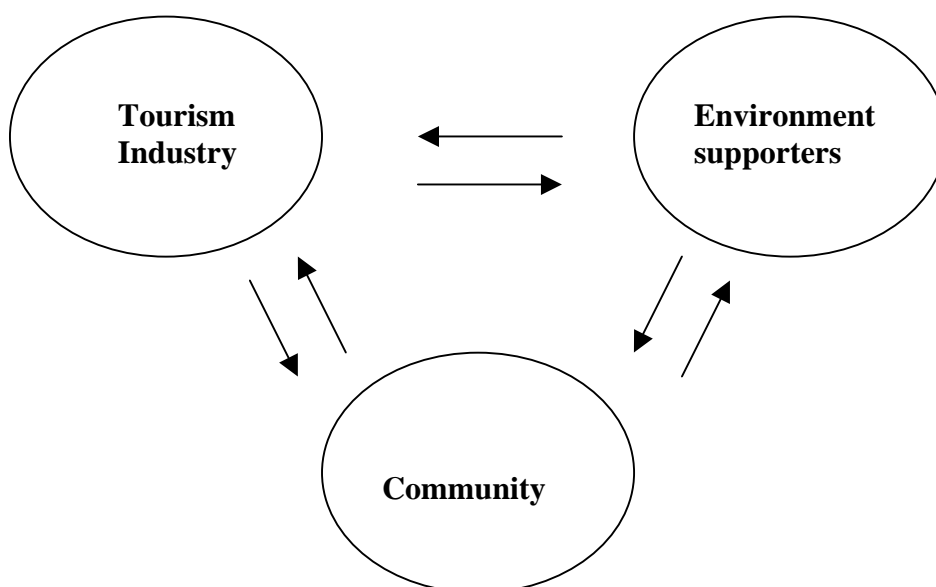
6.11 Tourism generates local employment, both directly in the tourism sector and in various support and resource management sectors.

6.12 Nature tourism encourages productive use of lands, which are marginal for agriculture, enabling large tracts to remain covered in natural vegetation.

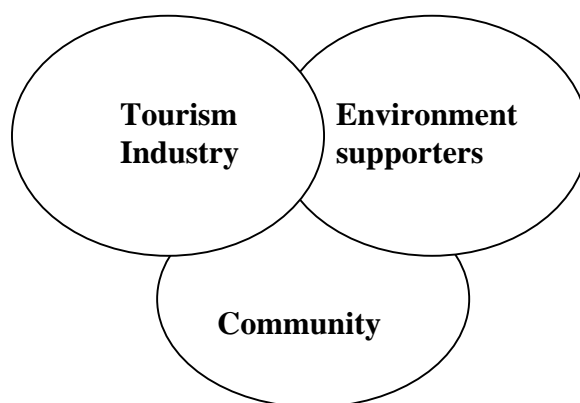
6.13 Cultural tourism enhances local community esteem and provides the opportunity for greater understanding and communication among peoples of diverse backgrounds.

- 6.14 Environmentally Sustainable tourism demonstrates the importance of natural and cultural resources to a community's economic and social well-being and can help to preserve them.
- 6.15 Sustainable tourism monitors, assesses and manages the impacts of tourism, develops reliable methods of environmental accountability, and counters any negative effect.
- 6.16 Major players, collectively as well as individually, in the sustainable development tourism may be graphically presented as in Fig 1, while Fig 2 indicate the relationship between carrying capacity and sustainable development.

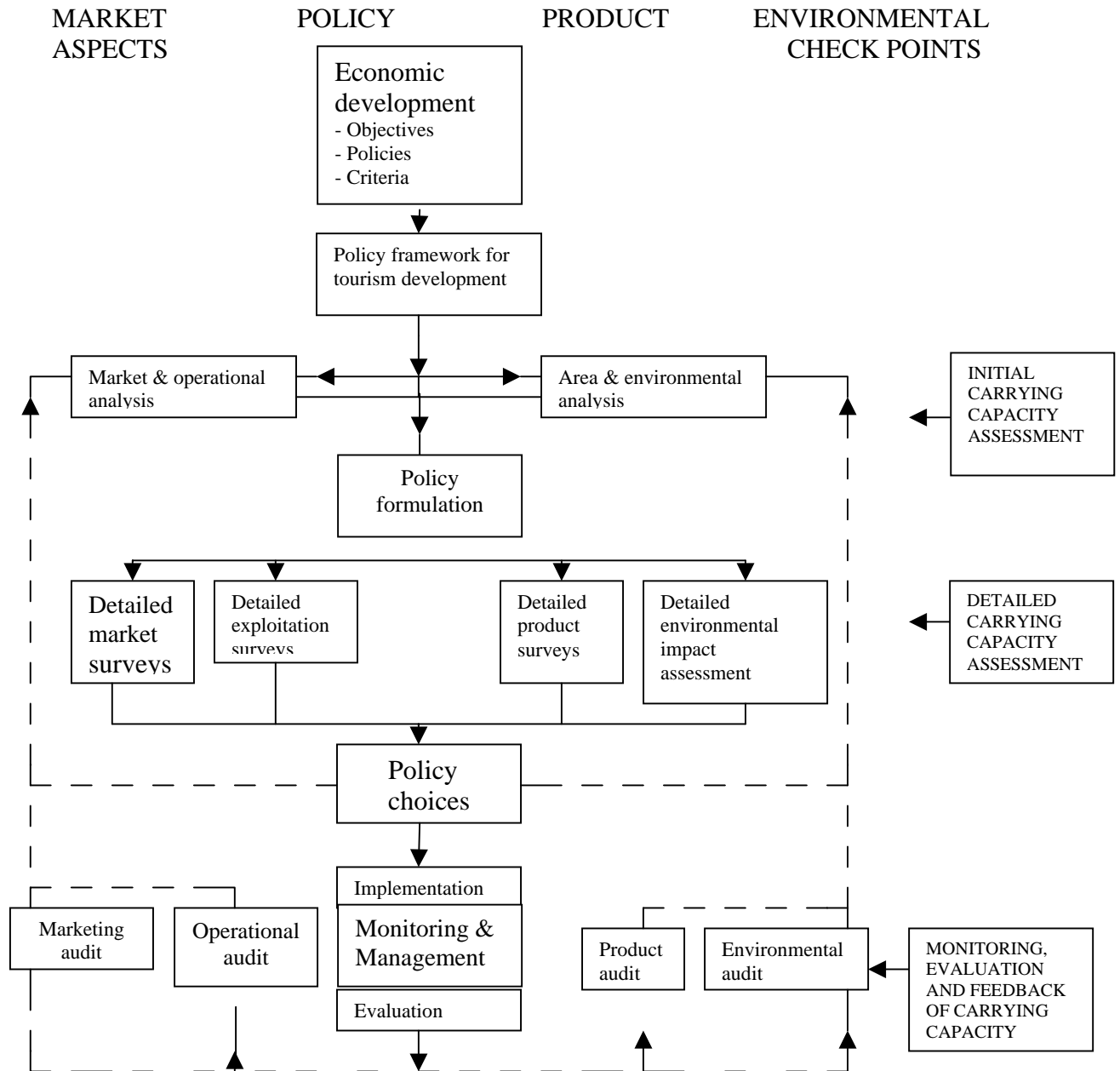
**Figure 1 : Partners for Sustainable
Tourism Development**



OLD STYLE TOURISM



**Figure-2 : Carrying Capacity And Sustainable
Tourism Development**



6.17 Preparing Development Plans: an overview.

- 6.18 Tourism planning in the context of overall land use planning provides the basis for achieving integrated, controlled and sustainable tourism development. Tourism planning must consider the various components of tourism development within the framework of the tourist markets and the local environment natural, built and socioeconomic.
- 6.19 Planning is carried out according to a systematic process of setting objectives, survey and analysis, formulation of the plan and recommendations, and implementation, followed by continuous management.
- 6.20 Tourism planning takes place at various levels ranging from the macro national and regional levels to the various micro local planning levels. At the local level, tourism plans are prepared for resorts, cities, towns and villages and various special forms of tourism to be developed in an area. Plans must also be prepared for development of tourist attraction features and organization of tourist activities. At the local level, determination and adoption of tourist facility development and design standards are essential to ensure that facilities are appropriately sited and designed with respect to the local environmental conditions and desired character of the development. Even though local plans may be prepared independently, it is essential that they fit into the context of national and regional plans. The macro level of tourism development provides the framework for developing tourism at the community level. Some planning principles are presented for each of the various types of planning described in this section. In addition, some general principles

are important to understand in order to achieve sustainable tourism development. These are described below. Community participation in the planning and development of tourism is a basic principle that should be followed, as well as concern for broader environmental and economic issues.

6.21 Principles for Sustainable Tourism

- 6.22 Sustainable tourism development can fulfill economic, social, and aesthetic needs while maintaining cultural integrity and ecological processes. It can provide for today's hosts and guests while protecting and enhancing the same opportunity for the future. That's the good news. But sustainable tourism development also involves making hard political choices based on complex social, economic, and environmental trade-offs. It requires a vision, which encompasses a larger time and space context than that traditionally used in community planning and decision making. The local planner can use the following principles as basic guidelines when attempting to incorporate this broader vision into local policies and practices.
- 6.23 Tourism planning, development and operation should be part of conservation or sustainable development strategies for a region, a province (state) or the nation. Tourism planning, development and operation should be cross-sectoral and integrated, involving different government agencies, private corporations, citizens groups and individuals thus providing the widest possible benefits.
- 6.24 Agencies, corporations, groups and individuals should follow ethical and other principles, which respect the culture and

environment of the host area, the economy and traditional way of life, the community and traditional behavior, leadership and political patterns.

- Tourism should be planned and managed in a sustainable manner, with due regard for the protection and appropriate economic uses of the natural and human environment in host areas.
- Tourism should be undertaken with equity in mind to distribute fairly benefits and costs among tourism promoters and host peoples and areas.
- Good information, research and communication on the nature of tourism and its effects on the human and cultural environment should be available prior to and during development, especially for the local people, so that they can participate in and influence the direction of development and its effects as much as possible, in the individual and the collective interest.
- Local people should be encouraged and expected to undertake leadership roles in planning and development with the assistance of government, business, financial and other interests.
- Integrated environmental, social and economic planning analyses should be undertaken prior to the commencement of any major projects, with careful consideration given to different types of tourism development and the ways in which they might link with existing uses, ways of life and environmental considerations.

- Throughout all stages of tourism development and operation, a careful assessment, monitoring and mediation program should be conducted in order to allow local people and others to take advantage of opportunities or to respond to changes.

6.25 Towards Eco-Tourism

The global tourism scene has undergone a major transformation over the past 30 years. According to experts, it was the “sea sand and the beach” that attracted tourists in the 1970s. However, by the 1980s the focus shifted to “cultural tourism”, which involves visits to historical sites and cultural spots. It is still in vogue now as well. Then the interest shifted to nature. Due to consistent efforts and articulation of environmentalists coupled with growing concern of various stakeholders in tourism development including NGOs, the emphasis is being gradually shifted to eco-tourism particularly because of its relevance and imperative need for protecting fragile character of the environment in its specific stations like mountains, hills, flora and fauna etc. This scenario is more pronounced in the case of Sikkim. The Mission statement of Sikkim tourism is to make Sikkim a premier eco-tourism destination in India. In the words of the Hon’ble Chief Minister of Sikkim, Pawan Chamling, eco-tourism is construed as a means to develop the rural economy of the state.

- 6.26 The year 2002 has been declared the International Year of Eco-Tourism (IYE) by the United Nations. The year was formally launched in New York on January 28 by the World Tourism Organisations and the United Nations Environment Programme (UNEP). However, there is a view that sudden

growth in tourism may not necessarily work in the interests of both local and indigenous people in destinations in the countries of the South.

- 6.27 For instance, Tourism Concern, an educational NGO based in the United Kingdom, while supporting sustainable and responsible tourism, points out that the problems of unsustainable tourism development cannot be solved by promoting eco-tourism, which is a small niche market and also, by its very nature, necessitates the development of tourism infrastructure and facilities in environmentally fragile and sensitive areas. This could be fraught with difficulties if demand for eco-tourism grows significantly.
- 6.28 The policy frame work drawn and the strategy suggested in the study is to achieve the long term vision of eco-tourism in the State and make the state as an eco-tourism zone within the overall contours of a balanced development of tourism focusing on basic infrastructure needs and connectivity requirements. As a corollary connectivity and marketing of the product-mix should receive priority attention at the same time recognizing the fact that it is neither desirable nor practicable to sharply increase the flow of tourists to the state. In other words we believe that first phase, say next five years or so, should be construed to be a phase for building up need based infrastructure for eco-tourism with all its dimensions by implementing various projects and schemes in hand as discussed elsewhere in the study.
- 6.29 The Government of India has announced National Tourism Policy 2002. A broad policy framework and strategies have been outlined therein. The Policy Paper inter-alia states that

“India is a region of the world’s greatest bio-diversity, with a variety of unique natural locales, and is therefore, a perfect candidate for eco-tourism. In this context, eco-tourism should be made a priority tourism product for India with the focal points located in the Himalayas, Northeastern States etc.....”

- 6.30 It is against this backdrop the 20 years perspective plan for sustainable development of tourism is being formulated by Horizon for the state of Sikkim. Since the ultimate Mission is to prepare the State of Sikkim and place it on the world eco-tourism map, an attempt has been made to discuss in detail various aspects of eco-tourism, indicate operational guidelines, plan of action, phased manner of development of eco-tourism in the state, identification of most ideal districts, destinations as eco-tourism zone in the first phase.
- 6.31 We have elaborated in detail in Sikkim Tourism Vision. At the end of the study, ‘Sikkim Tourism Vision 2022’ presents in detail elements of this vision, Vision Tourism Strategy and Plan of action for achieving the vision and the targets indicated therein.

Roles of various stakeholders in supporting Sustainable Tourism:

A check-list

This checklist describes what can be done to support sustainable tourism by government, non-governmental organizations (NGOs), the tourism industry and individual tourists.

What can government do?

- Government can incorporate sustainable tourism development in the planning process by:
- Working with inter-governmental organizations (IGOs),
- Undertaking research into the environmental, cultural, and economic effects,
- Establishing economic models to help define appropriate levels and types of economic activities for natural and urban areas,
- Developing standards and regulations for environmental and cultural impact assessments,
- Monitoring and auditing existing and proposed tourism developments, and
- Implementing regional environmental accounting systems for the tourism industry.
- Government can include tourism in land use planning to minimize conflict with traditional uses of land and Ensure that carrying capacities of tourism destinations reflect sustainable levels of development and are monitored and adjusted appropriately.
- Government can develop design and construction standards which will ensure that tourism development projects are sympathetic to local culture and natural environments.
- Government can develop adequate tools and techniques to analyze the effect of tourism development projects on

heritage sites and ancient monuments as an integral part of cultural and environmental impact assessment.

- Government can enforce regulations to prevent illegal trade in historic objects and crafts, unofficial archaeological research, erosion of aesthetic values, and desecration of sacred sites.
- Government can create tourism advisory boards that involve indigenous populations, the general public, industry, NGOs, and others, and include all stakeholders in the decision making process.
- Government can promote and support sustainable tourism development by:
 - Developing educational and awareness programmes for the public,
 - Briefing all governmental departments involved in tourism or any related department such as natural Resources, historic preservation, the arts, and others,
 - Ensuring that tourism interests are represented at major environmental and economic planning meetings, and
 - By including a policy of sustainable tourism development in all national and local tourism development agreements.

What can be done by non-governmental organizations, which represent and protect the interests of the public?

- NGOs can participate in sustainable tourism advisory boards at all levels of government and industry. This could include assessment of regional, as well as site-specific, development plans and the appropriate mix and location of different land use designations.
- NGOs can seek local support for appropriate sustainable tourism development and oppose inappropriate tourism development.
- NGOs can promote the involvement of local residents in sustainable tourism research and data collection.
- NGOs can become involved in educating the public about the economic importance of sustainable tourism development, the need for a secure resource base (particularly natural landscapes), and appropriate behaviour on the part of government, the tourism industry and tourists.
- NGOs can monitor impacts of tourism on the local culture and environment, equity participation in local tourism development, impacts of other sectors of the economy on sustainable tourism, and government and industry commitments to sustainable tourism.

What can be done by the tourism industry, which delivers products and services to the tourist?

- The tourism industry can protect the biosphere; for example, by minimizing and eliminating use of herbicides

on golf courses and artificial snow on ski hills, and by supporting parks and reserves at key sites.

- The tourism industry can ensure sustainable use of land, water, and forests in tourism development activities.
- The tourism industry can reduce and dispose appropriately of wastes; for example, by recycling, reusing and reducing wherever possible, and by having high standards for sewage treatment and waste disposal.
- The tourism industry can adopt energy efficiency practices; for example, by maximizing the use of solar power, wind power and other appropriate sources when possible.
- The tourism industry can minimize health risks; for example, by avoiding hazardous locations such as those near malarial swamps, active volcanoes, and nuclear sites.
- The tourism industry can undertake green marketing; for example, by promoting tourism which minimizes adverse environmental and cultural impacts, and by informing and educating tourists about the impacts of their presence.
- The tourism industry can mitigate damage; for example, by replacing or restoring degraded environments and compensating for local adverse effects.

- The tourism industry can provide complete and credible information to tourists.
- The tourism industry can incorporate environmental values into management decisions; for example, by ensuring environmental representation at the executive level on boards and other management groups.
- The tourism industry can conduct regular environmental audits; for example, by conducting independent assessments of environmental performance of the entire business operations including water quality, carrying capacity, energy consumption, environmental aesthetics, and waste disposal.

What can be done by individual tourists, the ultimate users of the environment?

- Individual tourists can choose businesses, which have the reputation of ethical and environmental responsibility.
- Individual tourists can learn about and respect the human and natural heritage of the host communities, including the geography, history, customs, and current local concerns.
- Individual tourists can travel in a culturally and environmentally sensitive manner, refraining from inappropriate behaviour, which negatively affects the host community or degrades the local natural environment.

- Individual tourists can refrain from purchasing or using those products, services and transportation which endanger the local ecology and culture.
- Individual tourists can practice minimal impact travel.
- Individual tourists can support resource conservation activities in the host countries.

**The respective roles of the public and private sectors
need to be determined in plan implementation**

The role of the government at all levels is a critical one with respect to several functions:

- Deciding tourism development policy and preparing and adopting tourism plans (or reviewing and taking action on plans prepared by others).
- Programming development including the coordination of respective public and private sector projects.
- Developing major infrastructure, including access to the tourism area.
- Developing and conserving public tourist attractions such as nature parks, cultural centers and organizing festivals and special events.
- Providing incentives to encourage private sector investment in tourism when and where needed.

- Expediting some marketing and promotion of tourism for the destination.
- Adopting and administering regulations on the licensing and quality control of tourist facilities and services.
- Adopting and administering land use and environmental protection regulations.
- Providing education and training of persons to work in tourism (or establishing standards for private sector education and training programmes) and providing public tourism awareness programmes.

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CHAPTER--VII

SIKKIM- A BRIEF PROFILE



7.0 INTRODUCTION

7.1 Sikkim is a small state in the North-Eastern Himalayas, surrounded by vast stretches of Tibetan plateau in the North, the Chumbi valley of Tibet and the kingdom of Bhutan in the East, Darjeeling district of West Bengal in the South and the kingdom of Nepal in the West.

7.2 Sikkim was merged into Indian Territory in 1975 and became the 22nd state of the country. The third highest mountain Kanchenjunga that perceived by the Sikkimeese as their protective deity lies in its northeast. With an area of 7096 sq. km measuring approximately 113 km from North to South and 64 Km from east to west, the elevation ranges from 440 m to over 8540 m above sea level. It lies between 27 00'46" and 28 07'48" North latitude and 88 00'58" East Longitude.

7.3 As per 2001 population census, Sikkim having population of 5,40,293, shares just 0.05 % of the total population of the nation and in area it covers 0.02% of the total geographical area of the country. Sikkim has 4 districts viz., North, East, South and West.

7.4 The capital, Gangtok, situated in the East district, recorded a population growth pattern as given in Table 2.1.

Table 2.1
Population Growth Trends of Gangtok

Census Year	Population	Growth Rate (%)
1951	2744	-
1961	6848	149.56
1971	13308	94.33
1981	36747	176.13
1991	25025	(-) 46.85
2001	29000	15.88

7.5 It may be seen that there is a negative growth rate in 1991 over the previous decade 1981. The reason behind this is the demarcation of areas- the places which were considered as urban areas in 1981 has been re-demarcated as rural area in 1991 population census.

- 7.6 Demographic profile of the state is given in Annexure 1.
- 7.7** The state being a part of the inner ranges of mountains of Himalayas has no open valleys, and no plains but varied elevation ranging from 300 to 8583 m consisting of lower hills, middle and higher hills, alpine zones and snow bound land. The highest elevation of 8583 m is at the top of the Mt. Kanchenjunga.
- 7.8** Sikkim has an average annual rainfall that varies from 1300mm (at about 300m elevation) to 4300 mm (at 200 m elevation), and 60-75% of rainfalls during the monsoon season, i.e. June through September. The average maximum temperature at this time varies from 21-37 °C and the average minimum temperature from 13 degree to 23 degree Celsius. The humidity remains very high during this period (85-97%).
- 7.9** Sikkim is rich in cultural diversity with distinctive ethnic groups such as Lepcha, Bhutias, and Nepalese. It has different festivals, dances and ways of living. The Lepchas were the original settlers and are located in Dzongu (north district). Later arrivals to the area included Bhutia from Tibet who, subsequently, became the Chogyal (king) ruler, of the state and the later immigrants Nepalese from Nepal.

7.10 Sikkim is a center of biodiversity, due to the variety of landscape and climatic condition, which range from tropical to alpine. There are about 6,000 plant species (4,000 are flowering species). The alpine areas are known for their richness in medicinal herbs (100 species), Rhododendrons (35 species and 48 varieties) and primulas, while the temperate and sub-tropical belts are habitat for over 400 orchid species. The diversity of fauna is equally impressive, with as many as 1,400 butterfly species, 12 moths, 550 birds, 140 mammals, 39 reptiles, 9 amphibians and 16 fish species.

7.11 Sikkim is under increasing biotic pressure and in order to protect the habitats and the biodiversity of the area, the State government has declared one National Park and 4 Wildlife Sanctuaries as Protected Areas accounting for 13% of its geographical land area.

Physical Features:

7.12 A map of Sikkim elsewhere in study depicts important physical features and places in the State surrounded by three countries, Sikkim has a 220 kilometers long border with Tibet, 100 kilometers with Nepal, 30 kilometers with Bhutan and 80 kilometers with West Bengal.

7.13 Sikkim may have a small size, but this is amply compensated by formidable physical features. They are the physical features like the rivers and mountains that define the boundaries of the state with its neighbours. The edge of the Tibetan plateau more or less demarcates the northern border of Sikkim with Tibet. The eastern boundary with Tibet is represented by the Chola range whereas the border with Bhutan is constituted by the Pangolia range. In the west the Singalila range forms the watershed as well as the border between Nepal and Sikkim. Parts of the rivers Rangit, Tista, Ramam and Rangpo-chu combine to define the border of Sikkim with West Bengal. The terrain of Sikkim is so rugged that from the air looks as though a giant plough had been carelessly run through it. Sikkim is a land of monumental mountains that seem to touch the heavens. These mountains form a part of the long range – the mighty Himalayas. The Kanchendzonga, the third highest mountain in the world, majestically towers over all the mountains in its vicinity like a god surrounded by smaller deities. The Kanchendzonga, serene and tranquil in its presence like a saint in transcendental meditation, can be seen from almost any part of Sikkim, thrusting its mighty shoulders high above the lush verdant valleys.

7.14 Because of the relatively low latitude of Sikkim and its proximity to the Tropic of Cancer, the snow line above which permanent snow is found is about 20,000 ft. Habitations are found till altitudes of 17,000 ft. This is in sharp contrast to Europe where the highest mountain, Mt. Blanc is at an altitude of only 15,000ft but remains perennially under the cover of snow. Walling in Sikkim on the northern, eastern and western borders, the mountain ranges form the watershed of the rivers. Criss- crossing the topography are gushing streams and brooks that plummet down into the deep green valleys as tributaries of rivers that meet the Tista.

7.15 Mountains, Glaciers and Passes

7.16 Sikkim has a very rugged topography and flat lands are difficult to come by. The towering mountains that define this paradise of nature also create a barrier to efficient agriculture. These mountains that fall directly in the path of the monsoon clouds make the state one of the wettest in the country. In some areas the peaks are as jagged as primitive spearpoints and in others they look like the top of ice cones. There are even mountains that have the shapes of huge canyons like the one facing the Lonak valley towards Thangu. The two principal mountain ranges are the razor edged Singilela on the Western border that defines the boundary between Sikkim and Nepal and the undulating Chola

on the East forms a part of the border between Sikkim and Tibet. These ranges form an almost impregnable barrier. The boundary between Sikkim and Bhutan **is** defined by the low altitude Pangolia Range in the south eastern part of the state.

7.17 Most of the peaks above 20,000 ft lie towards the western border of Sikkim. On the western border lies the third highest mountain of the world- the Kanchendzonga, 28,168 ft high- the very name suggests majesty and challenge. Other peaks that stand at altitudes of above 20,000 ft are Kabru, which is also the second highest mountain in the state, Siniolchu, Pandim, Rathong, Kokthang, Talung, Kanglakhang, Simvo and Jonsang. On the eastern border the most imposing peak is Paunhri, at an altitude of about 22,000 ft. The other imposing mountains that are slightly less than 20,000 ft are Masthonangye, Yabukjakchen, Narsing and Lamaongden. Most of these peaks can be seen from almost any part of Sikkim, including Gangtok and present a spectacular scene.

7.18 Through the center of Sikkim runs another mountain ridge in the north to south direction. This mountain ridge separates the Tista and Rangit Valley and ends at the confluence of the two rivers. The peaks of this ridge are Tendong at 8,500 ft and Maenam at 10,500 ft. Most of the peaks of Sikkim have remained unsealed because the Sikkimese consider them sacred

and feel that they will lose their sanctity if climbed. From the Sikkim side, Kanchendzonga has been scaled a few times but the climbers have returned back a few feet from the summit in deference **to** the religious feelings of the Sikkimese. Kanchendzonga itself means Houses of the Five Treasures and it is believed that holy treasures have been kept by the Gods on the summit.

7.19 The gnarled topography of Sikkim tends, however to smoothen out in the upper reaches of the Tista river in the Lachen Valley. From a place called Gaigong, the mountains give way to flat plateau with an altitude of almost 18,000 ft on which are situated the lakes of Gurudogmar and Cholamu. This small windswept plateau which juts into Sikkim from Tibet looks like a desert but has the climate like that of the poles.

7.20 A glacier, simply put, is a slow moving river of ice. It flows from high mountain peaks through rocky valleys, carrying off unmelted snow that has compacted over many years into a solid, creeping ice stream. Glaciers also carry with them rocks and debris and these are deposited in the form of small mountains called moraines. It is said that some thousand years ago the whole of North Sikkim was covered with glaciers as the

area abounds in many ancient moraines. For instance Lachung is at the base of an ancient terminal moraine.

7.21 There are many glaciers in Sikkim but the most important ones are the Zemu Glacier, Rathong Glacier and the Lonak Glacier in North Sikkim.

7.22 The mountain ranges are interspersed with passes, which can be used to cross from one side to another. On the eastern Chola range the most important passes are the Nathula and Jeleppla both at an altitude of about 14,500 ft and Bhutan at an altitude of about 13,000 ft - the first two lead to the Chumbi valley in Tibet and the third to Bhutan. Another important pass on this range that also leads to the Chumbi valley is the Chola pass which was used by the Chogyals to go to Tibet from Tumlong the then state capital.

7.23 At Nathu La, the Chinese and Indian troops face each other almost at breathing distance. It was in the news quite a lot when skirmishes between the two countries occurred on this pass in 1967. Jeleppla was used by Younghusband to attack Tibet in 1903 and to commemorate this the path through Jeleppla is called the Younghusband track. Nathula and Jeleppla

passes formed a part of the trade route between India and Tibet till 1962.

7.24 On the west between the border of Sikkim and Nepal, the most important pass is Chiwabhanjang which has an altitude of 10,300 ft. It is from this pass that the Nepalese used to attack Sikkim during the last century. The other pass on the west is Kang la.

7.25 In the north one of the important passes are Chorten Nyimala, which at 19,000 ft is also the highest usable pass in Sikkim, and Kongra-la. Lungnala connects the Lachen valley to the Lonak valley in North Sikkim. Donkiala pass is another pass in North Sikkim that links up the Lachen valley to the Lachung valley. From Donkiala pass, the Tibetan plateau seems arid and lunar and lifeless but looks breathtakingly beautiful and is broken here and there by small hills. It is difficult to comprehend that such a vast stretch of flat land at so high an altitude can exist. Just below the pass, the flat land is studded with emerald lakes including the Cholamu from which the Tista takes its birth.



Lakes

7.26 On the face of it, one would not expect to find lakes on such a rugged terrain. But surprisingly, Sikkim does have lakes though not very large in size. These lakes are both spring fed as well as river fed. They also form the source of many rivers.

7.27 On the highway between Gangtok and Nathu-la, 34 kilometers from Gangtok lies the serene Changu (Tsomgo) Lake at an altitude of about 12,400 ft. Two other lakes nearby are the Bidang cho and the Menmecho. Kechopari lake is another well-known lake that lies on a bifurcation of the route between Gyalshing and Yoksum. The highest concentration of lakes is on the Western border north of Chiwabhanjang towards the Base Camp. Laxmipokhari, Lampokhari, Majurpokhari, twin lakes of Ram-Laxman are a few of the lakes in this area. Dud Pokhari and Samiti Lake are two other lakes situated in this area. Gurudogmar, which is the largest and probably the highest in Sikkim and Cholamu are some other beautiful lakes and are in North Sikkim. Another spectacular lake located in North Sikkim towards the eastern border is Sima Choka.

Rivers

7.28 One of the rivers that almost flows right across the length of Sikkim is the Tista snaking through the deep gorges taking tributaries as it goes. Its major tributary is the Rangit, which originates from the Rathong Glacier and meets it at the border between Sikkim and West Bengal. The river Ramam a tributary

of Rangit, apart of the river Rangit itself and Rangpo chu a tributary of Tista define the Southern border between Sikkim and West Bengal. Tista originates from the Lake Cholamu where it is hardly a stream. No one can imagine that this innocuous looking stream would transform into a thundering mighty river less than a hundred kilometers downstream. From an altitude of almost 18,000 ft the Tista plummets down in less than 80 kms to 5,000 ft at Chungthang - a veritable waterfall. From Chungthang onwards till the border with West Bengal the Tista descends just another 3,000 ft over a course of about a 100 kms. The other smaller tributaries of the Tista river are Zemu chu, Lonak chu, Lachung chu. Talung chu, Bakcha chu. While the river Tista flows in the North-South direction its tributaries tend to flow in the South West or South East directions. The valleys of the rivers towards the North of Sikkim are wide and concave shaped, perhaps because of the presence of glaciers millions of years ago, but on moving southwards these valleys transform into deep V-shaped gorges.

7.29 During the monsoons the otherwise innocuous looking rivers of Sikkim become swollen, swift, muddy and dangerous. The rivers are narrow, very steep and full of rocks and hence are not navigable and also not fordable although only some of the smaller streams can be crossed on foot during the winter.

Human settlements usually exist much above the level of the rivers and hence even if Hooding takes place life and property remain safe. However the Tista River as it approaches the border between Sikkim and West Bengal becomes quite wide and clear of rocks and it is possible to raft across it. The Tista finally joins the Bramaputra in Bangladesh.

- 7.30** The rivers are fed by snow melting on the mountains as well as rain that accumulates in the catchments areas during the monsoons. The rivers of Sikkim are perennial and do not dry out even during the winters. Because of their natural steep gradient, these rivers have a potential of generating thousands of megawatts of electricity. Only a part of this energy has been tapped through a few mini-hydel projects of a few megawatts each. However, two big hydroelectric projects are coming up on the Rangit and the Tista rivers.

Hot springs

- 7.31** Sikkim has many hot springs known for their medicinal and therapeutic value. The most important are the ones located at Phurchachu (Reshi), Yumthang, Borang, Ralang, Taram-chu and Yumey Samdong. All these hot springs have high sulphur content and are located near the riverbanks. The average temperature of the water in these hot springs is 50 degrees Celsius.

Waterfalls

- 7.32** The verdant green landscape of Sikkim is broken here and there by waterfalls that leap out of the hillsides to the valley floors in plumes of white. Waterfalls are found almost all over Sikkim but there is a profusion of them in North Sikkim specially on the road between Mangan and Lachung as well as in the Dzongu area. Most of the waterfalls are perennial and are spring water fed but there are many that derive their water from melting snow. Except for a few all the waterfalls are unnamed.

Geology & Mineral Resources

- 7.33** Sikkim is said to have been under the ocean millions of years ago and therefore the rocks are meta-sedimentary in nature. The northern, eastern and western borders of the state mainly consist of hard gneissose rocks whereas in the central and southern parts the ground consists of thin and salty half-schistose rocks. The land below 10,000 ft is quite fertile and fit for agriculture. Alluvial soil is found in abundance on riversides making them ideal places for growing crops. During the last century, extensive mining of copper used to be done on the hillside below Pakyong at Pachekhuni but these mines have now been depleted of their copper content and abandoned. Copper is found in Rangpo and is being mined for the last 30 years by the Sikkim Mining Corporation. Dolomite, Limestone and graphite have been found in abundance in West Sikkim and are being

now commercially exploited. Marble in sizable deposits has been found in Chungthang and Changu but has yet to be exploited commercially. Traces of other metals and minerals like Mica, coal, iron and precious stones also exist but these are not found in quantities that would make them commercially viable.

Climate

7.34 Small though it may look, one would be surprised to learn that Sikkim possesses all the climates right from the tropical to the tundras. So much so, it is possible to drop from the arctic heights to the tropical lowlands within a matter of a couple of hours. On most parts of the northern, eastern and western borders the earth is blanketed with snow almost throughout the year because of high altitudes. Elevations of 16,000 ft and above remain snowbound throughout the year whereas places as low as 8,000 ft come within the snowline during the winters. Move to the southern border and you will find altitudes plummeting down to as low as sea level full of rich tropical forests. Even the climate on two opposite sides of a hill can vary considerably.

7.35 Places in Sikkim with a moderate altitude (4,000 ft to 10,000 ft) have a more or less good climate. During the spring (March - May) and autumn (September - November), the weather is particularly pleasant. During the monsoons (June - August),

there are torrential rains sometimes for days together and in winters (December - February) it tends to get rather cold.

Temperatures

- 7.36** The temperatures that a particular place experiences vary considerably with altitude. At places of low altitude, like Singtam, Rangpo and Jorethang, the temperatures vary between 4 degrees Celsius to 35 degrees Celsius. Places like Gangtok with moderate altitudes of about 6,000 ft experience temperatures between 1 degrees Celsius and 25 degree Celsius whereas at altitudes above 10,000 ft, the temperature never rises above 15 degrees Celsius and remains much below the freezing point during the winters and great part of the spring and autumn. Because of the moderate to low temperatures, woolens are required in Sikkim almost throughout the year.

Rainfall

- 7.37** Sikkim is perhaps the rainiest place in India. Because of the proximity of Sikkim to the Bay of Bengal and the fact that the mountains of the state come directly in the path of the monsoon clouds, most parts of Sikkim experience torrential rains during summers. So much so that even a small depression over the Bay of Bengal triggers off a downpour in Sikkim. Even during spring and autumn moisture laden clouds formed due to local evaporation, continue to batter a greater part of Sikkim. It is

only during October to March that there is hardly any rain and the weather remains more or less clear.

7.38 Rainfall however varies considerably from place to place because of the hill features. The northern border of Sikkim experiences comparatively low rainfall because the monsoon clouds dry out by the time they hit the northern barrier. For the sake of comparison, Gangtok registers an average of 325 cm rainfall per annum whereas Muguthang in the extreme north experiences an average rainfall of only 60 cm per annum. Most of Sikkim does not experience high intensity winds. However, at many hilltops and passes, winds and blizzards having high speeds blow.

7.39 Sightseeing of places in the four districts of Sikkim with impressive mountain views, rich cultural landscape in Sikkim also form a major attraction for the domestic and foreign visitors.

Rafting / Kayaking

7.40 The two rivers of Sikkim Teesta and Rangit provide ideal conditions for rafting and Kayaking. Commercial rafting is conducted in both the rivers by local operators and domestic tourists form the major market for this activity. Other adventure

tourism activities include trekking, which is mostly concentrated in the western part of Sikkim in and around the Kanchenjunga National Park. Other protected areas in the different parts of Sikkim form a major tourist destination. Two of these sanctuaries are rhododendron sanctuaries, while others are wildlife and alpine sanctuary. A very important destination is the Tsomgo Lake for domestic visitors located inside the Alpine Wildlife Sanctuary. Mountaineering expeditions are also operational but very few in number as it involves complicated time consuming permit procedure and expensive royalty fees structure. Until 1980, the State hosted only 1, 000 visitors which had increased fivefold by 1990, and it is expected that by the end of the decade it may reach 400, 000 tourists per year.

Connectivity

7.41 Indian nationals do not require any permit to visit unrestricted areas in Sikkim, like Gangtok, Rumtek, Pemayanste, Yoksum, Phodong etc. However to visit restricted areas under army control, like Changu and Yumthang, Indian Nationals are required to obtain an inner-line permit (ILP) from the Sikkim Police at Gangtok. The travel agent can arrange the ILP within a few hours. Besides Changu and Yumthang, Indian Nationals are not normally permitted to visit other restricted places in Sikkim. Only under special circumstances visits to other restricted

places in Sikkim is permitted but permission is required to be sought from the Home Department, Government of Sikkim.

7.42 Although the Dzongu area of Sikkim does not fall in the restricted area, a permit from the North District Collectorate at Mangan is required to visit it. Foreign nationals would require an Inner Line Permit besides their visa to visit any part of Sikkim. Indian Embassies abroad, representatives of Government of Sikkim at Delhi, Calcutta and Siliguri and some other offices have been authorised to issue these permits to foreigners. Foreign nationals are permitted to visit Gangtok, Rumtek, Phodong and Pemayanste and other specified areas on the basis of their visas for a period totalling fifteen days. They are also permitted to trek to many areas in Sikkim provided they are in a group of four or more. They are also permitted to visit the Changu Lake and the Yumthang valley provided they are in groups.

How To Get To Sikkim And Other Places From Siliguri

7.43 The primary means of communication within Sikkim is by road. Sikkim is well connected to rest of the country by rail and air through Siliguri in West Bengal, which is about 115 kms from Gangtok and forms the railhead of Sikkim. To get to Sikkim one should reach Siliguri first. Siliguri has two railway stations: the

New Jalpaiguri Railway station on the Broad Gauge and the Siliguri Junction on the Meter Gauge Railway line. New Jalpaiguri Railway station in Siliguri is connected to almost all parts of India by train. Details of train connections are given in Annexure 6.1. There are four daily trains to Delhi which cover the distance in about 20/30 hours. These trains originate from Guwahati. Many daily trains are also available for Kolkata covering the distance in about 10 hours. Southbound trains to Kochi, Thiruvananthapuram, Chennai, Bangalore and Mumbai are also available although these are not daily. The airport of Siliguri is known as Bagdogra. Daily Indian Airline and Jet Airways flights for Delhi, Kolkata, Guwahati are available. There is a daily Helicopter Service between Bagdogra and Gangtok.

7.44 Many buses both State Government and Private ply the route between Siliguri and Gangtok and some other important places in Sikkim. Buses to Gangtok are available from 6.30 am to 3.30 pm from bus stands of the Sikkim Nationalised Transport (SNT), opposite the Siliguri Junction and the Tenzing Norgay Bus Terminal also opposite the Siliguri Railway Junction. Private taxis can also be hired to travel to Sikkim. From Siliguri, buses to Darjeeling (80 kms), Kalimpong (70 kms), Phunsoling (150 kms), Guwahati (480 kms), Kolkatta (600 kms) and some other important places in Bihar, West Bengal and Assam are available.

7.45 From Siliguri, Darjeeling falls on a different route than Gangtok. From Darjeeling the usual two routes to Gangtok are the shorter and steep road via Peshoke and the longer one via Mongpoo. The shorter route can only be negotiated by small vehicles. For reaching Kalimpong from Siliguri the usual route is to take the road for Gangtok till Tista from where a bifurcation branches to that town. As can be seen from the road maps, these places can also be reached by other routes, which are used only when the shorter routes are blocked due to landslides or some reason or the other.

Journey From Siliguri To Gangtok

7.46 From Siliguri, a straight plain road takes one to the foothills of Himalayas a distance of about 20 kms. The road crosses a railway crossing just before the climb to the hills begins. The meter gauge line connects Siliguri to Guwahati but now only a few trains ply on this route with all important trains running on the broad gauge section through New Jalpaiguri. Just slightly ahead of the railway crossing, the railway line crosses a long bridge over the river Tista. From here the road -the National Highway 31 A- is serpentine and for most the part runs along the river Tista. A further 5-kms uphill and one reaches Sevoke which has a huge bridge called the Coronation Bridge over the

Tista. This bridge was constructed in 1937 and connects West-Bengal to Assam.

7.47 About five kilometres ahead is the landslide scarred Derrick about a thousand precarious dizzying feel above the river Tista. The landslide on this spot was activated in 1962 and continues to cause roadblocks especially during the monsoons. Two kilometres away take one to Lohapul located on the Rieng river. At a place called Tista, the road crosses over the river Tista by a concrete bridge. The concrete bridge here which was similar to the Coronation bridge was washed away by floods in October 1968. Slightly ahead of Tista a road bifurcates Kalimpong which is 14 kilometres from there. Four kilometres away from Tista, is Melli from where Tista river can be crossed by the Jawaharlal Nehru Bridge (the longest bridge in Sikkim) to South Sikkim - to Jorethang and onwards to Pemayantse and Yoksum. On the Sikkim side of Melli is located the brewery which produces the famous Dansberg beer.

7.48 However if one wants to reach Gangtok the journey on the National Highway has to be continued. The Tista river runs just below the road for most part of the journey. The river looks to be tranquil but its water has strong under-currents and vehicles that have plunged accidentally into it have never been traced. The National Highway enters Sikkim at a place called Rangpo which is on the West Bengal - Sikkim border. At Rangpo is

situated the distillery that manufactures the famed Sikkim whiskies and wines. Rangpo has a hotel run by the Tourism Department and it offers good food and snacks. Another drive of 12 kms away is Singtam. At Singtam river Tista is left behind and the road now runs side by side with its tributary Rongi-chu. The road passes through a small tunnel -the only one in Sikkim. Located there are the Fruit Preservation Factory and three mini-hydel projects generating a few megawatts each.

7.49 The oldest of these is the Jali Power House constructed in the early 60s. The next small town is Ranipul, 16 kilometres away from Singtam. Till Ranipul the road never touches any place above an altitude of 2,000 ft. But from Ranipul to Gangtok, there is a steep climb of almost 4,000 ft in a distance of just 10 kms. From Gangtok, besides the bus services for Siliguri, there are also buses available for Darjeeling and Kalimpong in West Bengal.

7.50 Travelling within Sikkim by road or trekking is an experience in itself. The journey from Siliguri to Gangtok changes one physical location but travelling from Gangtok onwards to some rural area carries one back in time by a hundred years. There are roads to almost every nook and corner of the state.

7.51 Even seemingly inaccessible places have been covered by roads - which are sheer engineering feats. Most of the roads are metalled but some are in a bad shape and travelling on these gives one the feeling of riding a horse that has gone berserk. Roads continue to be built bringing modern amenities to the doorsteps of the villages. The serpentine roads of Sikkim wend their way through the riversides, passes on mountains, thick forest and cultivated terraces. Sometimes the roads almost seem to touch the swirling river waters.

7.52 Driving in Sikkim is a pleasure with the beautiful scenery, Road signs and slogans of the Border Roads Organisation like-"Rest a While", "Better Late Than Never", and the seductive one like "Be gentle on my curves" remind one to take it easy and relax. Sadly one also comes across a number of memorials to the brave but unsung roadbuilders who lost their lives while converting this impenetrable land into a readily accessible area. Even for people

staying in Sikkim, travelling in the state is always a sort of a new experience.

7.53 Because of narrow serpentine roads, which are usually steep, it takes almost double the time to cover the distance as it would in the plains. Even on very good roads, it is usually never possible to do more than 40 kms per hour and where the roads are really bad, speed can be slowed down to as less as 10 kms per hour. As a rule of thumb, while calculating travel time based on distance, 30 kms per hour should be taken as the average.

7.54 Buses of the Sikkim Nationalised Transport (SNT) ply within various places in Sikkim. The Tourism Department of the Government of Sikkim and many travel agencies organise conducted tours to the Yumthang hot springs in North Sikkim and the Changu Lake. Private taxis can also be hired to all the places of tourist interest at rates that have been fixed by the Tourism Department. As distances are small traveling within Sikkim is not expensive especially if it is done in groups. Tourists are permitted to take their private vehicles to all parts of Sikkim except restricted areas like Changu and Yumthang for which Government approved taxis have to be availed. During the monsoons, due to heavy rainfalls, road communication is frequently disrupted because of landslides and it is always safe to first check up with the Tourist Information Centre or Sikkim

Nationalised Transport about the condition of the road before making a move.

7.55 Taxis abound in Gangtok although distances within the town are rather short. Unfortunately, Gangtok does not have a public transport system like a city bus service worth the name. Because of the hilly terrain it is not possible to ply rickshaws and ordinary bicycles in Sikkim although two wheelers like motorcycles and scooters are widely used as a means of conveyance here.

7.56 Bagdogra is connected by regular Indian Airlines flights- (Delhi, Guwahati, Kolkata), Jet Airways – (Delhi, Guwahati, Kolkata). The details of the flights and train services from different destinations are given in annexure.

7.57 There is a Helicopter service from Bagdogra to Gangtok and vice-versa. It is very popular with high-income group. There are a few other helicopter services linking various destinations within Sikkim. Their name and tariff thereof are given below :

1. “Khangchendzonga~Flights”

(Rs. 25,000/- for 04 pax)

2. “Yumthang~Flight”

(Rs. 18,750/- for 05 pax)

3. “West~Sikkim~Flight”

(Rs. 16,250/- for 05 pax)

4. “Gangtok~Flight”

(Rs.6,000/- for 05 pax)

5. “Chartered~Flights”

(Rs. 700/- per flying minute)

7.58 An airport at Bagdogra is under construction, which will be followed up with a full-fledged Airport at Bagdogra that would facilitate charters and raise its status as an International Airport, thus augmenting frequencies and number of flights to and from Bagdogra. The tourist arrivals, both domestic and foreign are thus expected to improve sharply with the proposed air connectivity facilities.

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CHAPTER VIII

TOURIST RESOURCES

- 8.0 There is more to Sikkim than just natural beauty. Sikkim does provide a wide potential in tourism that has yet largely remained unexploited. The perennially snow-capped mountains, lush green topical and temperate forests, gurgling streams and the rich flora and fauna are all there for the tourist to savour.
- 8.1 Sikkimese hospitality tangibly manifests itself in the intricately designed welcome gates with pagoda type roofs that are normally located at the entrances of monasteries and important public buildings. Wayside resting sheds, which Sikkim abounds in, also have curved roofs and pillars around with painted dragons curl themselves. So much so that even public buildings, powerhouses and other structures tend to look like huge pagodas in a true blend of typical Tibetan and modern architectures.
- a. Besides the natural beauty that one continuously beholds while in Sikkim, there are many places that deserve a special mention. These are given below.

Gangtok

- 8.2 Straddling a ridge, Gangtok has a cosmopolitan flavour and a lively mix of cultures and has undergone rapid modernization in the last two decades or so. Being the capital of a state, it contains all modern facilities. There are good schools, a railway out agency, an Indian Airlines Counter, cinema halls, a well-equipped hospital, fast food centres and telephone booths for making outstation calls, sending faxes, E-mail facilities etc.

- 8.3 With expansion, Gangtok town is literally spilling downwards with huge buildings precariously clinging to the hillside. It is in fact becoming a concrete jungle with trees vying for space in the town area. Big hoardings advertise products, including some exhorting "Practice of Safe Sex and Use of Condoms to prevent Aids". A banner elsewhere announces the opening of an Internet Cafe.
- 8.4 An imposing manmade landmark of Gangtok is the 200 ft high TV tower, which overlooks the town and is situated near the Enchey Monastery below Ganesh Tok. The Main Market, which has hotels, restaurants, curio, garment, footwear and grocery shops lines the Hat Mahatma Gandhi Marg.

Research Institute of Tibetology

- 8.5 About a kilometre downhill from the main market of Gangtok, amidst a small forest of oak, magnolia and birch trees stands the Institute of Tibetology. The building accommodating the Institute is an example of Tibetan architecture. It is world-renowned and is one of the few of its kind. Its library is well stocked with rare books and documents on Buddhism. There are about 30 thousand volumes, mostly xylographs, (xylographs are documents that are printed using wooden slabs that have the matter embossed on them in the reverse) translations of the original teachings of the Lord Buddha, and treatises by distinguished Buddhist scholars from different parts-of the world. The museum at the Institute consists of rare collection of antiques like statues, coins and Thankas, which are scrolls with paintings on them. It is a premier institute in the world that conducts research in the language and culture of Tibet. It has on its faculty eminent scholars. The library and museum of the

Institute are open to the public on all days including holidays and Sundays. An entry fees of Rs 2/- is charged.

- 8.6 The foundation stone of the Institute was laid in February 1957 by the Dalai Lama and it was inaugurated by Pandit Jawaharlal Nehru in October 1958.



Phurba-Chorten

- 8.7 Just adjacent to the Research Institute of Tibetology, a few hundred feet away, on a small hillock is located this huge and towering religious monument which is in the form of a stupa. The periphery of the chorten is surrounded by 113 small prayer wheels with the mystic mantra "Om Mane Padme Hum" in Tibetan inscribed on them. The Chorten was built by Late Trul Shik Rimpoche, who was the head of the Nyingma Order, and late Chogyal of Sikkim Tashil Namgyal in the mid forties to invoke the Gods to keep peace and tranquility in the state. Placed inside the Chorten are complete sets of Kanjur holy books, relics, complete mantras and other religious objects. A small chorten known as Jhang Chub Chorten was built besides the Phiirba Chorten in the memory of Trul Shik Rimpoche who passed away in 1962...

- 8.8 Just at the beginning of the steep road leading to the Chorten there is a rock, which is known as the “To Da Bu” or Stone Horse. The area surrounding the Chorten is therefore also known as To Da Bu. For the Buddhists, gods loom large in art as they do in belief and in the monastery close by. There are huge statues of Guru Padmasambhava and Guru Snong Zisil Gnon the latter being the incarnate of the former. Nearby there is a school of Buddhist studies.

Government Institute of Cottage Industries (GICI)

- 8.9 This institute is located at about a kilometer uphill from the main market of Gangtok. It was established in 1957 with the purpose of promoting the manufacture and sale of local handicrafts, carpets and furniture. An emporium at the institute sells handicrafts, Thankas that are scrolls with paintings, hand carved foldable wooden tables known as Choksees and exquisitely woven woolen carpets, masks and dolls. Hand made paper is another unique novelty of the Institute and is made from the bark of a tree Algeri. The paper is used extensively for invitation cards and letter-pads.



Deer Park

- 8.9 This park, established in the late fifties, is located adjacent to the new Secretariat and is also called the Rustonji Park so named after one of the Dewans of the Chogyal of Sikkim and the author of the book “Enchanted Frontiers”. The park has a big open

enclosure in which different types of deer can be seen. There are also a few cages in which some animals native to Sikkim have been kept.

- 8.11 A big statue of Lord Buddha commemorating his preaching of the noble truths in the deer park at Sarnath adorns the park premises. A butter lamp perpetually burns in front of the statue, which is surrounded by flowers of the most exotic variety.

White Hall

- 8.12 The White Hall only has historical value and is situated on the Ridge. It is a two storeyed structure and has typical British architecture and was built in 1932. It is so called not because it is painted white but because it was built in memory of the first Political Officer of Sikkim, Claude White. There is an Officers' Club and a badminton court in the White Hall.

The Ridge

- 8.13 The Ridge is a small stretch of plain and flat road above the town of Gangtok. It is just about fifteen minutes walk from the main market. The Ridge has the White Hall and the Chief Minister's official residence, known as the Mintogang, meaning "blossomed crowned hilltop" on one end and the beautifully designed Palace Gate with a pagoda rooftop on the other end. A statue of Nehru, the late Prime Minister of India, adorns the roundabout above White Hall. Situated on the Ridge is also a resting shed using Tibetan architecture. The ridge is lined with plants and trees. Flower shows, which attract tourists from all over the world are held just below the Ridge.
- 8.14 From the ridge, the road winding its way up along the Chola range towards Nathula can be clearly seen. During 1967 (not

1962, when this border was quiet), a confrontation broke out between India and China at Nathula.

Tsuk-La-Khang Monastery

- 8.15 This monastery is located in the Palace premises near the Ridge in Gangtok. It is two storied and was used during royal functions like weddings and coronations. The Phang Labsol and the Lossang festivals are celebrated in the ground adjacent to the monastery once every year with the performance of the Chaams or the masked dances.



Enchey Monastery

- 8.16 This monastery is located just adjacent to the Tourist Lodge (Siniolchu Lodge) and the TV Tower about a kilometre uphill from the White Hall. The monastery is located in a dense wood and one can see the Kanchendzonga range over the crown of trees.
- 8.17 Lama Druptob Karpo is supposed to have built a small hermitage at this spot after he flew here from Maenaro Hill more than two hundred years ago. During the reign of Sidkcong Tulku, a monastery was built here in 1901 in the form of a Chinese. Pagoda. The monastery follows the Nyingma Order and the main puja and dances are held here on the 18th and 19th of

the twelfth month of the Tibetan calendar which corresponds to the month of January.

Ganesh Tok & Pinetum

- 8.18 Ganesh Tok is located on the hill adjoining the TV Tower. A small temple of God Ganesh nests on the hilltop at an altitude of 6,500ft. a panoramic view of Gangtok town and the Raj Bhawan Complex can be obtained from here. All the snowy peaks on the western border including the mighty Kanchendzonga are visible from here and present a breath-taking scene. A small cafeteria is operational for the convenience of the visitors.
- 8.19 Just adjoining the Ganesh Tok is a pinetum garden containing pine trees. A walk on the footpath amongst the pine trees is refreshing.

Himalayan Zoological Park

- 8.20 The park is located exactly across the road opposite Ganesh Tok and covers an area of 205 hectares. This area is also known as Bulbuley and extends almost upto Hanuman Tok. Although a 3 kms long jeepable road runs right through the park, vehicles are not allowed in. There is a paved cement path that passes by fenced open air enclosures housing the red pandas, barking deer, bears and other animals of Sikkim in a semi natural habitat. As the enclosures encompass a huge area the animals are sometimes not easily visible and one has to be patient to get a sight of them. Making noise drives away the animals to take refuge behind bushes.

Hanuman Tok

- 8.21 Situated about five kilometres uphill from White Hall on a bifurcation road of the Gangtok Nathula Highway, is a temple of God Hanuman at an altitude of 7,200 ft. On selected points on the road to the temple, breath-taking views of Gangtok and the

adjoining rolling hills can be seen. From the temple itself, the snowy peaks of Kanchendzonga present a panoramic picture. One also gets a bird's eye view of the Selep waterworks, which supplies drinking water to the Gangtok town, a few hundred feet in altitude below Hanuman Tok.

8.22 The temple at Hanuman Tok is spick and span being maintained by a unit of the Indian Army. As one offers prayers, the statue of Lord Hanuman gazes down at the devotee.

8.23 A short distance before the staircase leading to the Hanuman Temple the cremation ground of the erstwhile royal family of Sikkim. The cremation ground has stupas and chortens each marking the place where the mortal remains of the departed souls were consigned to the flames.

Tashi View Point

8.24 Situated about six kilometers away from Gangtok to the North Sikkim Highway, this place offers an astounding view of the Kanchendzonga snowy range. On the opposite hill, the Phodong and the Labrang monasteries can be seen. A resting shed and a small cafeteria situated at Tashi View Point provides shelter and other amenities to the tourists. A park above the View Point is a good place to enjoy a picnic.

M.G. Marg Main Market

8.25 Every major town in India has a Mahatma Gandhi Road and Gangtok is no exception. Slightly less than a kilometre in length, the road is flat and is lined with shops, which constitute the Main Market and downtown of Gangtok. Overlooking the M.G. Marg is the Statue of Unity which depicts the meeting of the Bhutia Chieftan Khye Bumsa with the Lepcha leader Thetong Tek and his wife Ngo-kong-ngol. Almost midway, is the bust statue of Mahatma Gandhi. The market has hotels, restaurants

and shops selling all types of consumer goods. There are many liquor shops and bars too: literally Bacchus' backyard. The shops are open by 8 am and close by 7 pm. This market is closed on Tuesdays.

Lal Bazar

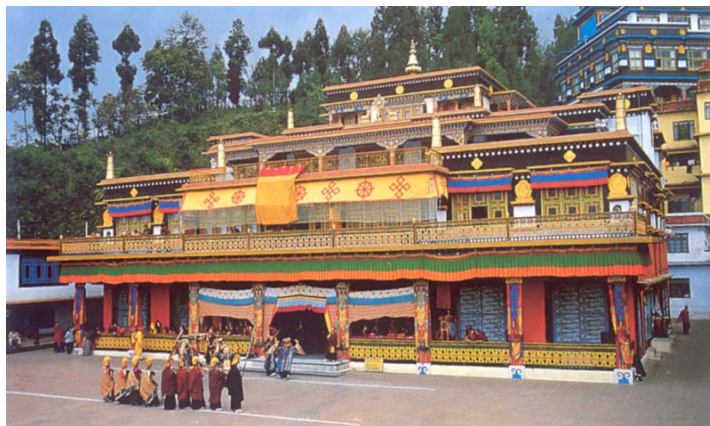
- 8.26 Located just below the Main Market a few minutes walk away, is an open space market encircled with shops. This market was built in 1956 and named thus in honour of J. Lal, a Dewan of the Chogyal. If one is interested in seeing how different cultures - old and new as well as diverse - blend together here in Sikkim, then a visit to the Lal Bazar on Hat Day that is Sunday is a must. Villagers in bakhus (Bhutia dress), daura-saurals (Nepali dress) and Bihari businessmen in dhotis brush shoulders with urbanites sporting jeans and chic fashions communicating with each other in Bhutia, Lepcha, Nepali and Hindi over the blare of both Indian and Western songs - a seemingly Tower of Babel!
- 8.27 The wares on sale are equally diverse- from local cottage cheese, incense sticks to the latest electronic gadgets. The smell of fish, spices, cheese and vegetables permeates the air. A visit to the Lal-Bazar on Sundays is almost a weekly ritual, carrying a couple of bags and purchasing vegetables and fruits in the jostling crowd. Even persons holding high positions have no qualms about carrying their own vegetable bags once they are in the Lal-Bazar which transcends all classes and distinctions. This market along with the market on the Lal Bazar road that connects it to M.G. Road is closed on Thursdays.

Outside Gangtok



The Ipecac Garden

8.28 This garden is located at a distance of about 14 kms downhill from Gangtok, 2 kms from Ranipool. The area covered by this garden is six acres. The garden has been named so because of the plant Ipecac that is grown here. Besides this plant, this garden also contains a wide variety of other flora including numerous types of orchids and medicinal plants. A large green house also accommodates many other species'. The garden is a very popular picnic spot. One has to take a taxi to reach this place.



Rumtek Monastery

- 8.29 The monastery is at a distance of 23 kms from Gangtok. In fact it is located on the hill facing Gangtok. The present monastery was constructed by His Holiness, the Gyalwa Karmapa in 1960s. Gyalwa Karmapa was the sixteenth Karmapa and came to settle in Sikkim in the late fifties when the Chinese invaded Tibet. He passed away in 1981.
- 8.30 The Kargyugpa Sect of Buddhism has its origins in Tibet in the twelfth century. It is said that after the first Karmapa spent many years meditating in cave, ten thousand fairies came to congratulate him and each offered a strand of hair. These strand of hair were woven into a black hat. This black hat came to be passed down and is still at the Rumtek Monastery. It is said that unless held with the hand, or kept in a box, it will fly away. It was worn by the Karmapas on ceremonial occasions.
- 8.31 The monastery is certainly the largest in Sikkim and is an example of fine Tibetan architecture. The Main Monastery is three storied and has a large prayer hall on the ground floor lined with small tables, which the monks use to keep their religious books to read during prayers. The prayer hall is intricately decorated with Statues, wall paintings, thankas and tubular silk banners. On the first floor are the living quarters of the last Karmapa. The top floor has a terrace and a small stupa. The monastery is surrounded by a courtyard and the living quarters of the lamas. A flight of stairs from just outside the Main Monastery Complex takes you to the Nalanda Institute for Higher Buddhist studies. You are greeted by a huge painting of Lord Buddha just outside the Nalanda Institute: for the Buddhists gods loom large in art as they do in belief.
- 8.32 Just adjacent to it is a small hall that has a stupa that contains the bone and ashes of the Sixteenth Karmapa. The stupa is

surrounded by small statues of all the earlier Karmapas. On the same level as the Nalanda Institute is a small two-storied building, in which the Gyalwa Karmapa used to reside during the summers. A few metres ahead is an aviary containing the most exotic birds. The Gyalwa Karmapa had a special liking for birds and dogs.

- 8.33 About half a kilometer uphill from the aviary is a hermitage in which monks go into complete seclusion for meditation for period's upto 3 years.
- 8.34 A fifteen minutes walk downhill from the Main Monastery takes one to the old Rumtek Monastery, which was first built in 1730 by the ninth Karmapa but was destroyed due to a fire and had to be reconstructed to its present state.
- 8.35 The main puja or dances of Rumtek also called the Tse-Chu Chaams are held on the 10th day of the 5th month of the Tibetan calendar around June. Dances called the Kagyat are also held on the 28th and 29th day of the tenth month of the Tibetan calendar.
- 8.36 There is a regular bus service to Rumtek and taxis are also abundantly available. Whereas the bus fare to Rumtek from Gangtok is about Rs 12/- one way, hiring a taxi to Rumtek and back would cost about Rs 350/-. In-expensive accommodation is offered in the few hotels around the monastery. There are also a couple of shops and one or two teashops. Half a kilometer before the Main Monastery is the Shambala Tourist Resort, which provides modern amenities in typical rural settings with tourist huts, built in traditional Lepcha, Bhutia and Nepali

style. Five kilometers away towards Sang is the Martam Village Resort, which also has a very traditional setup.

The Nehru Botanical Garden

- 8.37 This garden is located just half a kilometer before the Rumtek Monastery on the highway. A mixture of well-tended tropical and temperate plants and trees can be found here. A huge greenhouse containing many species of orchids has been constructed within the garden. For children there is even a small playground with a merry-go-round, swings and a see-saw. A cemented footpath winds its way through the garden and is good for taking a relaxed stroll. The sprawling town of Gangtok can be seen on the hill opposite. The garden is indeed an ideal picnic spot.

Changu (Tso-Mgo) Lake

- 8.38 A lake at 12,310 ft! Impossible you will say but it is a fact. Changu lake is situated 35 kilometers from Gangtok on the Gangtok - Nathula highway which forms a part of the old trade route from India to China. Before 1962, caravans of mules carrying goods used to ply on this route. The stretch of the route just below Karponang, 15 kms from Gangtok was particularly dangerous. Its steepness resulted in many mules slipping to their death into the ravine below. Karponang is at an altitude of 10,000 ft: an ascend of 5,000 ft from Gangtok in less than 15 kms.
- 8.39 Slightly less than 10 kms away from Karponang is 15th Mile or Kyongnosia, which lies on a saddle on the Chola Range and from where a panoramic view of part of Gangtok and other surrounding hills can be obtained. From here onwards to the Changu Lake, one loses sight of the Kanchendzonga range. The road has less gradient and the vegetation adopts an alpine

nature. About a kilometer ahead of Kyongnosia and about five minutes walk from the roadside is the Tseten Tashi cave, which is about twenty feet high and so named after a naturalist of Sikkim who was also the Private Secretary to the Chogyal. There is passage within the cave that leads to its top.

8.40 Changu Lake, which is hardly 20 kms away from the famous Nathula Pass and about 400 kms from Lhasa, falls in the restricted area and hence an Inner Line Permit, which can be obtained from the Police through the Tourism Department or travel agent, is required by visitors to visit this place. Foreign nationals are also permitted to visit this lake. Photography is now allowed and in fact parts of a few Hindi films have been shot here. Its cool, placid water harmonises with the scenic beauty around which is doubled by its reflection in the lake. A small temple of Lord Siva is constructed on the lakeside. Primula flowers and other alpine vegetation grow around the lake, which has an average depth of 50 ft, lend a pristine beauty to this place. A footpath along the lake takes one to a resting shed - a walk of about half a kilometer. During the winter months the lake becomes frozen. The lake itself derives its water from the melting snow on the mountains around. The river Lungtze Chu originates from this lake and meets the Rangpo-chu further down its course.

8.41 During the olden times, lamas used to study the colour of the water of the lake and forecast the future. If the waters of the lake had a dark tinge, it foreshadowed a year of trouble and unrest in the state. The lake has a few rainbow trout and if you are lucky you may catch a glimpse at them.

8.42 The Department of Tourism conducts package tours by bus to this lake at selected months of the year. A bus ticket to Changu Lake and back costs Rs 150/-. Taxis from Gangtok can also be hired to Changu. A small cab in which not more than 3 passengers are permitted can be hired for Rs 550/- to Changu and back. Hiring of a jeep, which can accommodate upto, 7 passengers will cost about Rs 900/-. Private vehicles are not permitted to the lake. Rides on yaks and mules are also offered at the lake site. Tea and Snacks are available at the dozen of temporary stalls during the tourist season only. Some of the stalls even keep film rolls and offer jackets, snowboots and gumboots on hire.

8.43 Because of the high altitude, heavy woolens are required to be worn here throughout the year. There is no facility of accommodation for the tourist. It is advisable to visit the lake before noon as usually during the afternoons the weather becomes inclement. Those with breathing problems should avoid exerting themselves too much because of the scarcity of air at this altitude.

Menmecho Lake

8.44 This is another beautiful lake located twenty kilometers ahead of the Changu Lake. Quite big in size, it lies cradled between the mountains below the Jelepla pass and is also the source of the river Rangpo-chu which meets, the Tista at Rangpo. Like the Changu Lake, it also derives its water from the melting snow around especially from the stream that originates just below the Jelepla pass. The lake is famous for its trout and a farm to cultivate these fish also exists nearby. Accommodation for the visitors coming here is available at the dak bungalow and tourist lodge near the lake.

Tourists are not yet permitted to visit this area.

Kabi Longstok

- 8.45 Twenty kilometers on the way to North Sikkim, before Phodong, is Kabi Longstok where the treaty of brotherhood between the Lepcha chieftain, Tetong Tek and the Tibetan chief Khye Bumsa was signed. The spot where the treaty was signed is marked by a memorial stone and lies amidst the shadows of tall trees and cardamom fields. Slightly ahead is a small monastery.

Phodong Monastery, Lalyng Monastery and Tumlong Palace ruins

- 8.46 All these three are located within an area of one square kilometer and about 40 kilometers from Gangtok on the North Sikkim Highway.
- 8.47 'Phodong Monastery which belongs to the Kargyupa Sect (Karmapa), is situated about a kilometer uphill by ajecpable road that bifurcates from the North Sikkim Highway. Phodong monastery was built by the Chogyal Gyurmed Namgyal somewhere in the first quarter of the eighteenth century. The main annual puja is performed on the 28th and 29th day of the tenth month of the Tibetan calendar when the religious Chaams or dances are also demonstrated.
- 8.48 Another kilometer uphill from Phodong Monastery on the same jeepable road is the Labrang Monastery, which was built about, one hundred years later but belongs to the Nyingmapa sect. Just below the road between Phodong Monastery and Labrang Monastery are the ruins of the third capital of Sikkim Tumlong. In the beginning of the nineteenth century, the capital of Sikkim was shifted from Rabdanste to Tumlong, which then remained the capital for almost ninety years.

- 8.49 There are many buses plying on the route on which Phodong lies. Taxis are also readily available for Phodong from Gangtok. Cheap accommodation can be had at Phodong Bazar.

Chungthang

- 8.50 Situated about 100 kms away from Gangtok on the way to Yumthang the small town of Chungthang in North Sikkim surrounded by high mountains that seem to touch the sky. At an altitude of about 5,600 ft, Chungthang lies at the confluence of the Lachen Chu (Tista) and the Lachung Chu. From here also the road bifurcates for the Lachen and Lachung valleys.

- 8.51 The spot worth visiting at Chungthang is the rock on which legend has it, Guru Padmasambva rested and the imprint on it is said to be his footmark. There is a small opening in the rock, which remains filled with spring water. Adjacent to the rock there is a small stretch of land where paddy grows, defying the conditions which are not conducive to the growth of this crop here. It is said that while here Guru Padmasambva had sprinkled a handful of grains on this spot and paddy has grown here ever since.

Yumthang Hot Springs

- 8.52 Photographs of the natural scenes of Switzerland and Yumthang valley look so similar that it is difficult to distinguish between them. Yumthang, which is at an altitude of 12,000ft is situated about 135 kms from Gangtok in North Sikkim. But going there is like traveling 135 years back in time - it is so remote and almost untouched by the vagaries of civilization. It is well known for its hot springs to reach which one has to walk a few hundred yards from the road and across a pedestrian bridge on the River Lachung. For the convenience of bathers a hut with two pools in which the hot spring water collects has been constructed. Hot

water rich in sulphur emanates from a spring just behind the hut and is diverted to the pools. It is difficult to imagine that water so hot in its natural form could be found in a place so cold.

- 8.53 Yumthang is now open to foreigners and has also caught the fancy of film-makers and a part of some movies have been shot here.
- 8.54 Although Yumthang itself is located on a flat valley and is near the tree-line, the surrounding mountains seem to touch the heavens. The route to Yumthang from Lachung - adjoining the Singba Forest Reserve -has a very picturesque landscape and is lined with rhododendrons which bloom at their best in May. What is particularly interesting about the rhododendrons of the Yumthang valley is that they bloom in different colours unlike those in other parts of Sikkim, which are usually red.
- 8.55 Tourists require an Inner Line permit, which can be obtained with the help of the travel agent to visit this place. During the tourist season, the Tourism Department organises package tours to Yumthang. Tours to Yumthang are also organised by some local travel agents. Blue Sky Tours and Travels particularly specialises in package tours to North Sikkim and also has many resorts in the Lachung area. Visitors are not permitted to take their private vehicles to Yumthang. Yumthang has a Forest Department Rest House but tourists are normally accommodated at the Tourist Lodge named Yaksey 6 kms from Lachung towards Yumthang. Yumthang itself has no population and the few yakherders around are nomadic.

- 8.56 Another 23 kms ahead of Yumthang are the hot springs of Yumey- Samdong on the river Sebu-chu at the foot of the mountain on which lays the Donkiala pass that connects the Lachung valley to the Lachen valley.

Phurchachu Reshi Hot Springs

- 8.57 These hot springs are located about 25 kms from Gyalshing near Reshi on the River Rangit.'One has to walk about ten minutes from the highway across the River Rangit by a pedestrian bridge to reach the hot springs. The water of these springs has medicinal value as it contains sulphur and can cure some skin diseases. People from all over the state and neighbouring Darjeeling come here during the winter months and spend days together lying submerged in the Soothing water of the hot spring. There are a couple of trekkers' huts for the convenience of the tourists.
- 8.58 These springs are also considered very holy as one of the four holy caves is located here. This holy cave is called the Kadosang phu or cave of the occult 'fairies and lies on the south of the four cardinal points.

Kechopari Lake

- 8.59 Kechopari Lake at an altitude of about 6,000 ft is located on a bifurcation on the road between Gyalshing and Yoksum. Kechopari means the Wishing Lake. The water in this lake is placid and crystal clear. Not even a leaf can be seen floating on the water surface although there is a beautiful dense forest above the lake. It is said that if a leaf drops on the surface of the water it is picked by a bird. A trekkers' hut has been built near the lake for the convenience of the tourists.

Pemayanste Monastery, Rabdanste Pala'e Ruins and Sanga Chelling Monastery

- 8.60 Pemayanste monastery at an attitude of about 7,000 ft, is situated about 6 kms from Gyalshing town. It is the most important monastery of the Nyingmapa order and was first built as a small temple in the late seventeenth century by Latsun Chembo. Later during the reign of the third Chogyal Chakdor Namgyal, Jigme Pawo who was the third reincarnate of Latsun Chembo extended and rebuilt the structure in the form of a big monastery. The main hall of the monastery has an area of about 1,500 square feet.
- 8.61 The monastery houses numerous religious idols and other objects of worship, most of which are priceless because of their antiquity. On the top floor of the monastery there is a wooden sculpture portraying the Mahaguru's Heavenly Palace Sangthokpalri. The main festival of the monastery is on the 28th and 29th day of the 12th month of the Tibetan calender, normally corresponding to the month of February. Rabdanste, which is a couple of kilometers from Gyalshing bazar and near the Pemayanste Monastery, was the second capital of Sikkim and was established in the late seventeenth century by the second Chogyal of Sikkim. It was abandoned towards the end of the eighteenth century because of the threat posed by the Nepalis and the capital was shifted to Tumlong. The Rabdanste Palace is in ruins and one has to trek about two kilometers from the main road near Pemayanste Monastery through a thick forest to reach it. The chortens around the palace have however withstood the elements of nature. The ruins are now being preserved by the Archaeological Survey of India and have been declared as a monument.

8.62 Sanga Chelling Monastery, considered the oldest in Sikkim, lies amidst a thick forested hill top opposite the Pemayanste Monastery towards the west. About a kilometer ahead of Pemayangtse on the road to Yoksum is the small village of Felling and it is from here that one starts walking to this monastery. The track is wide and moderately steep and it takes about half an hour to reach the monastery from Pelling.

8.63 Just adjacent to the Pemayangtse Monastery is Mount Pandim Hotel suite for the upper class tourist. For tourists on a low budget, cheap but comfortable accommodation is available at the Gyalshing bazar. Daily bus services are available from Gangtok for Gyalshing.

Tashiding Monastery

8.64 This is another important monastery belonging to the Nyingmapa order and is about 40 kms. Carved skillfully on stone plates surrounding the monastery are holy Buddhist mantras like "Om Mane Padme Hum" by the master craftsman Yanchong Lodil.

8.65 The monastery was built in 1717 by Ngadak Sempa Chembo during the reign of the third Chogyal Chakdor Namgyal. The sacred ceremony of Bumchu is held here at midnight of the 14th and 15th of the first Tibetan month. There is a bus service from Gyalshing to Tashiding. A trekkers hut is available for the tourist at Tashiding.

Four Great Caves

8.66 These caves are some of the lesser-known places of interest and lie in the four different directions. These caves are Laringvigphu (old cave of God's hill) in the north, Kahdosangphu (cave of the

fairies) in the south, Pephu (secret cave) in the east and Dechenphu (the cave of happiness) in the west.

- 8.67 Laringvigphu is considered as the most holy and it is a three days walk from Tashiding. Dechenphu is also equally inaccessible and lies near Zongri Kahdosangphu lies at Reshi hot springs on the Jorethang-Gyalshing highway. To reach the hot spring and the cave one has to walk about ten minutes from the highway across the river Rangit by a pedestrian suspension bridge. Pephu lies near Sangmoo, which is situated five kilometers away from Rabongia or the highway between Singtam and Rabongia. One has to walk about half an hour downhill from Sangmoo to reach the cave, which lies between the Tendong and Maenam mountains. Its cavern is said to extend to both the Tendong and Maenam hilltops. Its height varies from five feet to one hundred feet.

Tea

- 8.68 Sikkim tea, which is mainly grown in Temi Tea Estate, is famous the world over and carries a big premium in the world market. The tea is characterized by its exotic taste and flavour and costs about Rs 100/- a kilogram. It sells by the brand name of "Solja" and "Kanchendzonga" and it is a good idea to carry a few packets back home.

Big Cardamom or Bari Elachi

- 8.69 Cardamom or Elachi grows in abundance in Sikkim and costs about Rs 150/- a kilogram. A few hundred grams should be purchased.

Handicraft And Jeweller Shops

- 8.70 Besides the Government Institute of Cottage Industry, The Blue Sky Gift Shop(Ph 23330) and Mandala Handicrafts Centre (26562) adjacent to the Tourism Information Centre, Sikkim Art Emporium (Ph 27106) at the Metro Point and Snow-white on M.G. Marg all stock a variety of Sikkimese Handicrafts.
- 8.71 Traditional Sikkimeese jewellery can be bought from chandra Jewellers (Ph 22962) on the Lal-bazar Road. A variety of the famous "Dragon Sets" are available here.

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CHAPTER IX

TREKKING IN SIKKIM & OTHER ATTRACTIONS

9.1 Trekking in Sikkim can be a wonderful experience. Major trek routes are given below.

1. **Gangtok town six hour trek**
2. **Tashi View Point - Tinjure (Jandi Dahra) trek**
3. **Yoksum - Zongri route**
4. **Base Camp -Boktak- Laxmipokhari-Garakhet Trek**
5. **Phalut-Singelila-Chiwabhanjang route**
6. **Hilley-Varsey- Chiwabhanjang route**
7. **Damthang-Tendong Trek**
8. **Rabongia to Maenam Bhaledunga trek**
9. **Tolling Monastery trek**
10. **Lachen-Green Lake Trek**
11. **Thangu-Muguthang-Chorten-Nyimala-Green Lake trek**
12. **Zadong-Donkiala pass-Cholamu Trek**
13. **Thimphu**

9.2 Taramchu hotspring 8,000 ft is a two-hour walk from the Taramchu bridge (12 kms. Ahead of Chungthang) towards Lachen.

9.3 Lashar Valley 13,000 - 15,000 ft can be reached by

trekking in the North East direction from Thangu in North Sikkim. A moderately steep climb that takes about three hours takes one to Phalung 15,000 ft.

Rafting In Sikkim

- 9.4 Rafting is another form of adventure sport in Sikkim. Only the Tista and Rangit rivers offer long stretches which are ideal for safe rafting. On the river Tista, river rafting can be done from Chungthang to Melli. On the Rangit, the river is safe for rafting from Legship downwards. Both these stretches have now been opened for foreigners.

Mountain-Biking In Sikkim

- 9.5 Mountain hiking is an adventure that has been recently introduced in Sikkim. Most of the roads in Sikkim are negotiable by mountain-bikes. This sport is definitely poised to become popular in Sikkim in the near future.

Folk dances of Sikkim

- 9.6 Folk dances and songs are an ingrained part of Sikkimese culture. Most of the dances relate to the beauty of the natural surroundings, some depict the harvest season and others are performed for good luck and prosperity. Many of the musical instruments that accompany the dances are unique to Sikkim. Some of the popular dances are described below:

- i) Nepali Folk Dance Maruni**
- ii) Nepali Folk Dance Tamang Selo**
- iii) Lepcha Folk Dance Zo-Mal-Lok**

iv) Bhutia Folk Dance Tashi Sabdo

v) Tibetan Yak Dance

Hindu festivals

9.7 Nepali Hindus constitute the majority community in the state. Some of the colorful festivals that they celebrate are:

i) Dasain

ii) Tihar

iii) Saraswati Puja

iv) Magh Sakranti

v) Janamastami

vi) Vishwa Karma Puja

The Haat Day and Weekend Holidays

9.8 The Haat Day (Market Day) has a special significance in Sikkim. Different towns have their own Haat Day: Gangtok on Sundays, Namchi on Friday when farmers from nearby villages come to the town square to sell their produces.

9.9 Important Buddhist Festivals & Symbols

After Buddha attained Nirvana, differences of opinion arose in the religion causing the formation of new sects. Finally in about 100 AD a split took place and caused the formation of two schools, which later became known as the Hinayana (Southern) and the Mahayana (Northern).

9.10 Tibetan Buddhism is divided into the Red and Yellow sects. The Red Sect comprises of the Nyingma, Kargyu and Sakya lineages

and the Yellow Sect consists of the Gelugpa lineage. Whereas the Nyingma Sect is associated with Guru Padmasambhava, the founders of Kargyu and Sakya are said to be Marpa and Sakya Muni respectively. The sects and the lineages are differentiated from each other by the rituals performed, monastic discipline and the founder. However the differences tend to blur with rituals of one lineage overlapping the other.

- 9.11 The Tibetan sacred books are called the Kanjur and the Tanjur. The Kanjur correspond to the teachings of the Buddha whereas the Tanjur are related to the teachings of the Bodhisattvas. Each year of the Buddhist calendar is named after an animal.

Buddhist Festivals

Saga Dawa

- 9.12 This is the Triple Blessed Festival and is considered as the holiest of the holy Buddhist festivals. On this day in different years of his life, Lord Buddha took birth, achieved Enlightenment and passed away attaining Nirvana; three important events celebrated in the festival of Saga Dawa. This festival is held on the full moon of the 4th month of the Buddhist calendar around the end of May and early June.

Lhabab Dhuechen

- 9.13 This festival symbolizes the Descent of Buddha from the heaven of the thirty-three gods after visiting his mother. Dhuechen means festival, Lha means heaven and Bab means descent.

Drukpa Teshi

- 9.14 This festival celebrates Buddha's first preaching of the four Noble Truths to his first five disciples in a deer park at Sarnath. The first is the Noble Truth of suffering. The Second Noble Truth is the truth of the origin of suffering Karma and Delusion and their causes. The third Noble Truth is the cessation of the suffering or the attainment of Nirvana. The fourth Noble Truth is the truth of the Eight Fold Path leading to Nirvana. The day falls on the fourth day (Teshi) of the sixth Tibetan month (Drukpa). This festival is held on the 4th day of the 6th month of the Buddhist calendar around August.

PhangLhabsol

- 9.15 This festival is quite unique to Sikkim. In this festival the snowy range of Kachendzonga is worshipped for its unifying powers. On this day, the guardian deity is portrayed by masked Lama dancers as a fiery red-faced deity with a crown of five skulls, riding a snow lion. This festival is held on the 15th day of the 7th month around the end of August.

9.16 Losoong

Losoong marks the end of the harvest season and also the end of the tenth month of the Tibetan Year. Chaam dancing at the

monasteries at Palace (Tsulakhang), Phodong and Rumtek, archery competitions and festivities mark the event. Men become gods during the dances and don attires with mystical symbols. The dances symbolise the exorcizing of the evil spirits of the year and the welcoming of the good spirits of the New Year.

Lossar

- 9.17 It is the Tibetan New Year and is marked with lot of gaiety and festivity. It falls normally in the month of February.

Bumchu

- 9.18 This festival is held at the monastery at Tashiding in the month of January or February. During the festival, the pot containing the Holy water is opened by the lamas of the monastery. The level of water in the pot foretells the future for the forthcoming year. If the water is to the brim, it prophesies bloodshed and disturbances. If the pot is almost dry it signifies famine and if it is half full, it foretells a year in which peace and prosperity will prevail. Bum in fact means "pot or vase" and chu means "water". A part of the holy water is distributed amongst the gathering of devotees and the pot is replenished with river water and sealed at the end of the festival to be opened only in the next Bumchu.

The Kalchakra Puja

- 9.19 The ultimate aim of attaining Nirvana or Buddhahood is known as the Kalchakra Puja. The Dalai Lama is presently the ultimate authority in teachings of Kalchakra Puja, which His Holiness performs to initiate the disciples. His Holiness holds the Kalchakra Mass Initiation Puja usually once in three years and the latest one was held at Siliguri in Dec 96 attracting devotees from all over the world.

Images And Symbols

- 9.20 Monasteries and many buildings in Sikkim are richly decorated with symbols and icons. These symbols are painted or embossed on the walls or on Tankas. These paintings may depict the life of Buddha or some Tibetan saint, the Wheel of Life or a deity surrounded by lesser deities.

Wheel of Life

- 9.21 The wheel of life is one of the purest Buddhist emblems. This emblem can be seen in the entrance of almost all monasteries. This emblem is also widely depicted on Thankas or religious scrolls.
- 9.22 The circular form of this wheel symbolises the ceaseless worldly existence. This wheel is held in the clutches of a monster with its claws and teeth and signifies the passionate clinging of the people to exist in this world. The hub of the wheel contains a cock, a snake and a pig. The cock signifies lust or desire, the

snake signifies anger and the pig symbolizes ignorance and stupidity. These are shown in the center of the wheel as it is said that they are the root cause of the trouble on earth.

9.23 In the intermediate circle of the wheel of life, the five worlds are drawn as advised by Lord Buddha. The rim between the intermediate world and the innermost circle of ignorance, lust and envy is drawn in half white and half black. White area symbolises good deeds and black symbolises bad or evil deeds. People going upwards in white portion represent people who have performed good deeds in their life time and are now going to take rebirth in the world of gods. People going in the black portion indicate hell or the world of animals.

9.24 In the intermediate circle there are five parts that of which the two upper parts symbolise heavenly and human worlds. The remaining three worlds in the lower part symbolise sinful deeds leading to a world of animals, ghosts and hell. Outer most circle shows 12 phases of life.

9.25 FAUNA

- i) Yaks**
- ii) Shapi**
- iii) Blue Sheep**
- iv) Tibetan Wildass**
- v) Red Panda**

PARKS & SANCTUARIES

9.26 In order to protect the rich flora and fauna of Sikkim from the poacher, the Government has established parks and sanctuary.

- i) **Kanchendzonga National Park**
- ii) **Fambong Lho Wildlife Sanctuary**
- iii) **Maenam Wildlife Sanctuary**
- iv) **Singba Rhododendron Sanctuary**
- v) **Kyongnosia Alpine Sanctuary**
- vi) **Varsey Rhododendron Sanctuary**

Some Medicinal Plants Of The Sikkim Himalayas

- 9.27 Nardostachys grandiflora**, commonly known as Spikenard and Jatamasi in Nepali. It is a perennial shrub about 40 cm in height and thrives above 12,000 ft. It finds a wide spectrum of uses as a tonic, antispasmodic, diuretic, laxative. Its roots are used to prevent epileptic fits. The roots are also used as incense especially for religious offerings.
- 9.28 Aconites**, commonly known as Monkshood and Bikh locally is found at altitudes between 7,000 ft and 13,000 ft. Growing to an height of about 3 ft, they are very poisonous. Their roots are however effective against rheumatism and fever but care has to be taken to administer the correct dosage.
- 9.29 Artemisia vulgaris**, commonly known as Indian Wormwood and Titopati locally grows upto altitudes of 6000 ft. Attaining a height of about 4 ft, their leaves are used as an antiseptic.

Piper longum, commonly known as Long Pepper and locally as Pipla grows on the foothills of the Himalayas upto an altitude of 3000 ft. It is a creeping herb. Its fruits are used as a tonic and a medicine for diseases like asthma. The roots are used as an antidote to snake bites.

9.30 Picrorhiza kurrooa, known as Kutki locally grows at altitudes ranging between 10,000 ft and 16,000 ft. It grows to a height of about half feet and its roots are used as a purgative and have also been found effective against malaria.

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CHAPTER X

TOURISM TRAFFIC VOLUMES / PATTERNS/ TRENDS

10.1 Tourist arrivals in Sikkim, both domestic and foreign, have witnessed substantial increase in recent years. From 98,555 in 1995 the domestic tourist arrival has gone up to 2,03,306 in 2001 registering an average growth rate of 8.65 during the said period. It may however be noted that there have been year-to-year fluctuations in the tourist inflow. From 98,555 in 1995 it shot up sharply to 1,12,869 in 1997 and sharply went up to 1,33,158 in 1998. Since then a consistently upward trend has been registered.

Table 10.1

Years	Domestic	Foreign	Total
1995	98555	5866	104221
1996	92159	8642	100801
1997	112869	9952	122821
1998	133158	6854	140012
1999	138785	8554	147339
2000	143105	10409	153514
2001	203306	31028	234334

Source: Department of Tourism, Govt. of Sikkim

10.2 Month wise arrivals indicate that April, May, June and October appear to be the peak season. There have been reasonably satisfactory inflows during the months of March, August, July to December as well.

- 10.3 The foreign tourist arrivals have not shown any steady trend during the period 1995-2001. From 5886 in 1995 it went up to 8642, rose to 9952 in 1997 further down to 6854 in 1998 but went up sharply to 8554 in 1999 and further up to 10409 in 2000, going up to 31028 in 2001. The foreign tourist arrivals have also shown the same seasonal trends as in the case of domestic tourists. The average annual growth rate has been around 11% during the period 1995 to 2001.
- 10.4 Major source markets for domestic tourists were West Bengal, Maharashtra, Delhi and Gujarat. The share of other states appears to be only marginal.
- 10.5 Sikkim attracted tourists from Western Europe, U.S.A, UK, Japan etc. though the total number is still very nominal at 31028 in 2001 as against 10409 in 2000. The share of Sikkim in the total foreign tourists is only marginal. Its share in total domestic tourists at 0.07% of the total domestic tourists is also insignificant. These facts bring into sharp focus the great potential that exists for tourism development in the state, which is the subject matter of the study.

District wise Arrivals

10.6 It was mentioned earlier the total tourists arrival in Sikkim during the year of 2001 was 2,34,334 persons. From the discussions with knowledgeable people in tourism industry like tour operators, travel agents, hoteliers etc. it is understood that almost 70% of the tourists visit East Sikkim particularly Gangtok while the balance is distributed among the other three districts of the State more or less in equal proportion. On the said basis the district wise break up of tourist arrivals is estimated as follows:

Table 10.3

District wise break up of Tourist Arrivals

District	% Share of total Arrivals	Tourist Arrivals (No. Of Persons)
East Sikkim	70	178276
South Sikkim	10	24468
West Sikkim	15	23802
North Sikkim	5	7788
Total (in 2001)		2,34,334

Projected Tourist Arrivals

10.7 On the basis of past growth rate in tourist arrivals, the incremental tourist inflow due to various development schemes which are being formulated / under implementation as also the promotional efforts to develop tourism in the state on the suggestions / projects being taken up for implementation as recommended by Horizon in the perspective plan for the state, the projected tourist arrivals are as follows:

Table 10.4

Projected Tourist Arrivals in Sikkim: 2002-2022

Year	Domestic	Foreign	Total
2002	161615	8533	170148
2003	177777	9386	187163
2004	195555	10325	205880
2005	215110	11357	226467
2006	236621	12493	249114
2007	260283	13742	274025
2008	286311	15116	301427
2009	314942	16628	331570
2010	346437	18291	36482
2011	381080	20120	401200
2012	438242	23138	461380
2013	503979	26608	530587
2014	579576	30599	610175
2015	666512	35189	701701
2016	766489	40468	806957
2017	881462	46538	928000
2018	1013682	53519	1067201
2019	1165734	61547	1227281
2020	1340594	70778	1411372
2021	1541683	81395	1623078
2022	1772935	93605	1866540

10.8 From 2002 to 2011 a growth rate of 10% is assumed, while 2012 to 2022, a higher growth rate of 15% is assumed. It is our conviction the marketing and promotions drive should generate results and tourist inflow will be accelerated after the take off when all development efforts, connectivity etc. are in place.

10.9 Based on qualitative factors and an assessment of the spread of tourist attractions assumptions have been made regarding the district wise distribution of tourist's visits that is likely to emerge given our strategy for dispersal. The share of different districts in tourist change over time for domestic and foreign tourist visits.

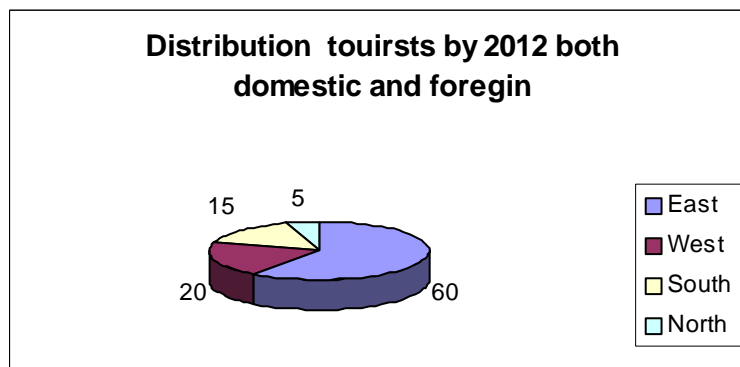
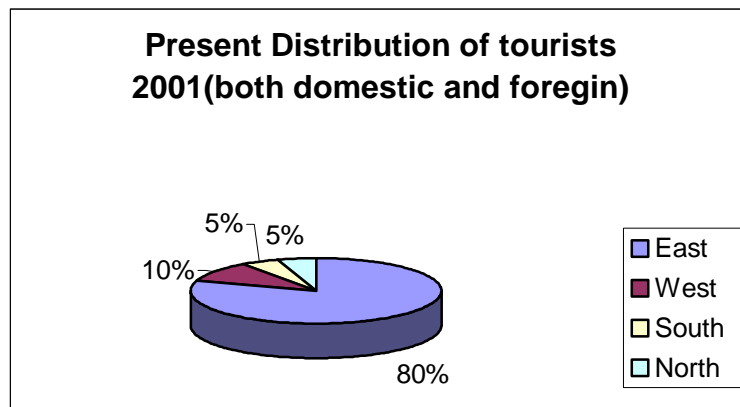
Table 10.5

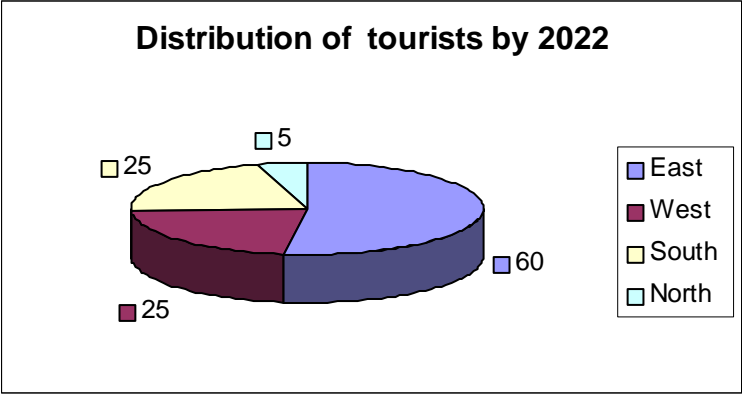
Breakup of Projected Tourist Arrivals

Distribution of District wise tourist arrivals (both Domestic and Foreign)				
				(Figures in brackets as%)
Year	East	West	South	North
2001	123744(80)	15468(10)	7734(5)	7734(5)
2012	276828(60)	92276(20)	69207(15)	23069(5)
2022	1119924(60)	466635(25)	466635(25)	93327(5)

10.10 It may be noted here that the percentage of tourist visits for all four districts taken together are greater than 100. This is

because some tourists visit more than one district, and their visits are counted in both districts.





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CHAPTER XI

ANALYSIS OF TOURIST SURVEY RESULTS

11.0 A Survey of tourists was carried out at the Divisional Head Quarters of Sikkim during the period of April 2002 by a well-trained and experienced team of Horizon. The basic objective of the exercise was to assess the visitor's perception about various facilities and services, their purpose of visit, average stay, spending patterns and inclination to patronize various facilities and services proposed.

11.1 A summary of general opinion on accommodation facilities expressed by tourists contacted during the survey is presented below:

- Provision of hotels with better service, hygiene & more indoor activity oriented facilities
- Need for hotels of different categories - 5-Star, Deluxe, Budget - to suit the need of a heterogeneous tourist market with provision of facilities for booking accommodation at the major tourist generating markets.
- New hotels to come up away from the crowded Gangtok, but having basic amenities, blending with

the ambience of the surroundings and with service standards matching the tariff.

- More Resort type accommodation.
- Lack of accommodation facility at places like Lachen, Lachung, Yumthang, Pemayangtse, Pelling, Yuksam.
- More accommodation required in North Sikkim and better accommodation in West Sikkim

11.2 A summary of general opinion expressed by tourists on restaurant services and food availability at Sikkim is presented below :

- Need for more fast food restaurants with emphasis on hygiene and food quality.
- Among the domestic tourists, need for quality food provision for Gujaratis. Marathi **and** Punjabi - the emerging high spending quality conscious tourist markets.
- Necessity of having speciality restaurants such as - Vegetarian, Punjabi, South Indian, Chinese, etc.
- Opening up of snack bars offering tea, hot snacks, **ice creams, etc.**
- Focus on maintaining hygiene, increasing food variety, improving service and regulating prices.

Need for cafeterias at different attractions;

11.3 A summary of opinion expressed by tourists on transport services at Sikkim is highlighted below:

- Need for better, inexpensive and efficient transportation linkage between Bagdogra and Gangtok.
- Air link to be provided up to Gangtok,
- Promote 'Panoramic Mountain Flights' from Gangtok for view of the Himalayan ranges as done in Nepal.
- Urgent need of deluxe bus services from Gangtok to major tourist attraction and also from Siliguri/Bagdogra to Gangtok.
- Parking facilities to be appropriately located providing way for pedestrian movement

Sikkim As A Tourist Destination

11.4 The findings reveal,

- 45 per cent of the domestic and 35 per cent of the foreign tourist respondents had rated Sikkim to be as a very good destination – basically impressed by the clean environment, beautiful snow capped mountains, exotic flora and fauna, mystic culture and above all hospitable people.

- The survey does indicate that with improvements in tourist facilities related to accommodation, restaurants, transportation, entertainment, information dissemination. etc. Sikkim can certainly be categorized as a good tourist destination. Only 20 per cent of the respondents had indicated their unwillingness to visit the state again but with the implementation of the recommendations given in the Perspective Plan this figure can certainly be brought down.

Willingness To Visit Sikkim Again

11.5 The tourists were also asked to give their opinion on hygiene, environment and pollution aspects experienced during their visit to Sikkim. The summary of this opinion is presented below :

- Vehicular exhaust to be strictly checked and anti-pollution norms to be enforced.
- Clean and hygienic 'Public Conveniences' facility to be provided at the major tourist Attractions.
- To keep the city clean, adequate garbage management with provision of dustbins at strategic locations of high tourist density.
- Focus should be on promoting Eco-tourism.

Expenditure Analysis

- 11.6 The main objective of undertaking an exercise on expenditure pattern of tourists visiting Sikkim, is to identify the contribution of tourism towards the economy of the state.
- 11.7 To begin with, five heads were identified under which a tourist would be expected to spend. They were,
- a) Accommodation
 - b) Food and Beverages
 - c) Transport
 - d) Shopping
 - e) Entertainment
- 11.8 Since the respondents targeted were those who were towards the fag end of their journey and about to exit from Sikkim, it would not have been possible to get an accurate response as to the total expenditure incurred by them under various heads for their entire length of stay. Keeping this into consideration they were asked to give their response on the expenditure incurred by them (and their family) for the preceding day. Having known the family size of the respondent, the database for expenditure pattern was created on the unit value of Expenditure per tourist per day (PAX). The database was subsequently subjected to cross

tabulation w.r.t. Income and geography to identify the expenditure pattern for tourist segments based on the attribute of income and geography.

Travel Agent Perception

11.9 The objective of designing a questionnaire and contacting the travel agents, a vital link between the tourists and the destination was

- To understand the markets and type of clients being handled by the agencies
- To understand the type of packages on Sikkim being offered by the agencies and the type of tourists availing these packages.
- To understand the travel agents' views and assessment of Sikkim as a tourist destination, and their suggestions for improving the same.

11.10 The survey was targeted towards the active and more prominent travel agencies of Sikkim, as well as those travel agencies operating in Darjeeling, Delhi, Mumbai and Calcutta.

- 11.11 The packages presently offered by the travel agencies can be broadly segregated under three broad categories viz.
- Sight seeing
 - Adventure Tourism
 - Pilgrimage Tours
- 11.12 The packages have been so designed as to cover the important attractions of the state i.e., Tsomgo lake and Rumtek Monastery in the East, Yumthang Valley of North and Pemayangtse Monastery, Tashiding Monastery, Hilley - Versay Rhododendron trail of West Districts.
- 11.13 Packages available on adventure related activities are categorised on the basis of type of activity i.e.,
- Trekking
 - River Rafting
 - Nature Trails
 - Mountain Biking
 - Mountaineering Expeditions
- 11.14 Trekking activity is the most widely popular package, especially the Yuksam-Dzongri trek trail, the only trek trail of the state for which route permits are made available to

foreigners. Since the trail lies under the restricted area zone, foreigners wishing to undertake the trek are required to have a trek permit given by the Department of Tourism, should be accompanied by a recognised travel agent and need be in a minimum group size of four. However, the rule is considerably relaxed for Indian trekkers as they do not need a permit nor are they required to be accompanied by a travel agent.

11.15 Travel agents had opined that such rules should be at par both for Indian and foreign trekkers but such distinctions do exist, and have been instituted keeping in mind strategic location. This is all the more necessary to safeguard the fragile environment of high altitude trekking areas. If the trekkers are accompanied by travel agents then the onus of trek discipline lies on them and the damage to the environment can be minimized if not eliminated.

11.16 The profile of the trekkers, as perceived by the travel agents, is mostly foreigners in the middle age group of 35-50 years from USA, Germany, United Kingdom, Switzerland, etc. Indian trekkers routed through travel agents are very few in

number but are mostly youths from colleges, youth associations and adventure clubs.

11.17 The working of a travel agency involves linkages with various segments of tourism industry. These range from tourists, transport, accommodation, entertainment, service providers, other travel agencies, etc. Specific to our analysis the travel agents of Sikkim were asked to indicate their arrangements with travel agencies of Nepal, Bhutan and other Indian cities. A summary of these is presented below:

- Majority of them do have some arrangement with travel agencies in Nepal, Bhutan or other Indian cities.
- The arrangement varies from agency to agency. Typically it is based on mutual understanding of client handling and marketing of packages offered by them.
- The preference of the agencies is to handle groups, however, the working of the agency and the itinerary of the package availed by the tourist client is adequately modified as per his needs.

- Since marketing involves high expenditure, the marketing efforts by the travel agents are restricted to brochures, FAM visits of travel writers, inviting travel agents from tourist markets, direct contact with other agencies during off-season, through word of mouth, advertisement in travel journals, direct mailers, etc.

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CHAPTER-XII

SWOT ANALYSIS OF SIKKIM-FROM PERSPECTIVE OF TOURISM DEVELOPMENT

- 12.1 A SWOT analysis (acronym for Strengths, Weaknesses, Opportunities and Threats) of Sikkim was carried out to understand the inherent opportunities, challenges and constraints to tourism promotion in the state. The SWOT analysis being strategic to the entire planning process was aimed at highlighting vital areas and providing clear direction to the planning efforts.
- 12.2 It was desired that SWOT be carried out by involving various knowledgeable stake holders from the tourism industry to view tourism development in a holistic manner by identifying key areas which appear vital to these stake holders. Since major investment and project promotion efforts would primarily originate from these stakeholders, this was also desirable. Accordingly select respondents which included Hoteliers, Government officials including Honourable Advisors to the State Government, Tour operators, Tourism planners etc. who were aware of the state were identified for conducting the SWOT analysis.
- 12.3 The methodology for carrying out the SWOT analysis was through the ETOP model (acronym for Environmental Threats and Opportunities Profile). In this model various parameters, which affect tourism development, were first evolved based on the Consultants' own experience and discussions with various knowledgeable people and stake

holders. The parameters were generated as part of the “Unaided expert interviews” conducted during the first phase of our study.

12.4 These parameters were carefully worded so that they do not by themselves hint at being a Strength or Weakness. The respondents had to give their opinion on a rating scale for each parameter, identifying it was a Major / Minor strength or Major / Minor Weaknesses. In addition to such identification, they had to express their opinion on the degree of relevance, the parameter had in relation to the study objective, (they could assign each parameter as “Very Important” and “Not so important”). In case the respondents felt that a particular parameter was neither a Strength nor a Weakness, that parameter would be assigned ‘Nil’ marks.

12.5 As per the ETOP model, a parameter, which is rated as a “strength” or as a “Weaknesses”, can get a maximum score of 40 and –40 respectively.

Table 12.1 Comments and Ratings on individual Parameters

Parameter	Rating and Comments
(a) Historical importance of Sikkim	This parameter was rated as a “Strength” by all the respondents with some qualifying it as a ‘Major strength’ and others as a ‘good Strength’. However all the respondents were unanimous that the factor is “Very important” from the study perspective. The factor got an overall rating of + 27.5 which translates into a key strength that must be taken into account while planning a strategy for tourism

	promotion.
(b) Mix of Tourism Products at Sikkim	The respondents had unanimous views on this parameter. All the respondents thought of the parameter as a “Major Strength”. Some respondents thought that though Sikkim had a good mix of tourism resources, they were not being exploited/ promoted. The parameter got an aggregate score of +27.5, implying that it was as “Significant Aspect”.
(c) Cultural and Traditional assets including existing festivals, Melas, Events etc.	This parameter has been rated as a “Major Strength” by most of the respondents. It is a fact that there are many significant traditional festivals, events that could be exploited for promotion of the tourism in the state. Most of the Sikkim festivals / events which were part of the tradition during the earlier days of Buddhism and still continue to observe. The factor received an overall rating of + 30 on the rating scale and is viewed as a “Significant Strength” which must be addressed.
(d) Accessibility & connectivity to other cities	This parameter has been rated as a “Weakness” by most respondents except a few who considered it as a “Minor Weakness”. Half the respondents were of the opinion that the factor was “Very important” for tourism promotion whereas others thought of it as “not so important”. Overall, the factor received a rating of –18.75 and Weakness.
(e) Proximity to Nepal / Bhutan/ China	This factor was rated as a “Major / Minor Strength” by most of the respondents. A few

	<p>respondents however rated it as a “Minor Weakness”. This is because Sikkim is the gateway to Nepal, Bhutan, China and also legal hurdles / restrictions / permit requirements hamper the free flow of goods and services including tourists both the ways.</p>
(f) Existing Accommodation infrastructure	<p>Most of the respondents were of the opinion that there are good “value for money” accommodations available at Sikkim. The cost of the accommodation is cheaper than comparable accommodation in other Holiday destinations. Therefore it is Strength. A couple of respondents have however rated at this factor as a “Minor Weakness” as they felt that quality of accommodation of upmarket leisure tourists was not available. Overall this factor received a rating of + 15.75 on the rating scale. Though the factor was perceived as strength it was not considered very significant to tourism promotion.</p>
(g) Seasonality / Climatic factors	<p>Most of the respondents believed that the state has either strong summer or winter seasons. The tourist arrival pattern shows some variation in arrivals in certain months, these were primarily on account of climatic factors of Sikkim is a “Strength” and has been rated so by the respondents. The factor received an overall score of + 17.15 on the ETOP model. However most of the respondents believed that this factor was very significant</p>

	for the purpose of Tourism promotion.
(h) Other required infrastructure in terms of Roads, Shopping facilities, Transportation, Civic amenities etc.	This factor received a mixed response from the respondents. Though overall, the respondents rated it as a “Major Weakness” it was not significant to deter tourism promotion activities. The factor received an overall score - 27.5 and was perceived as a “Major Weakness” and a significant deterrent to tourism promotion.
(i) Dominance of Monasteries and Cultural Centers of historical importance.	The respondents were unanimous on this parameter. Overall the factor received a score of 27.5, thereby implying that it is a “Major Strength”.
(j) Existing tourism Circuits connecting Sikkim as a Buddhist Circuit / Asia Pacific State (k) Existing tour packages connecting Sikkim	Interestingly, this parameter was viewed as a felt need by most respondents with a majority of them categorizing it as a “Strong Point”. The general view of the respondents was that once tourism attractions got developed, Sikkim can be best sold as a “Stand alone / Buddhist Center / Asia Pacific Region.
(l) Perception as a Weekend/ Day visit destination.	This factor was critical to assess the perception of Sikkim by various stake holders and the confidence of various stake holders in promoting tourism in the state. All the respondents agreeing that this perception was a Weakness with majority of respondents agreed that the perception was a “Major Weakness”. The factor received an overall score of -28.75 and needs to be effectively addressed in the tourism development

	strategy.
(m) Asian “eco-tourism zone”/ Buddhist Culture/ ambience as a Tourist Attraction	Most of the respondents were of the view that it can be a major strength to development of tourism in Sikkim. The ambience and Buddhist connection give the state a unique advantage and effectively provides as a shield against competition from other competing states. Interestingly, while all the respondents were unanimous that promotion of Buddhist culture / ambience would be the right strategy for attracting foreign tourists, some respondents were of the view that even the domestic tourists would be attracted by this uniqueness. Overall the factor received a score of +21.5 and is perceived as a “Major Strength” which should be exploited in the tourism promotion strategy. This concept is not popularly known. But who are familiar and articulated expressed the view that Sikkim should give top most priority to “eco-tourism” and should be a major component of the product-mix of the state. A score of 27.5 was arranged to this respect.

12.6 Based on the above analysis, critical factors (both Strength and Weakness) which should be addressed while planning for tourism promotion have been identified. All factors which received an aggregate score of more than 3 (on a rating scale 0-4) for addressed degree of importance and also secured

more than (+) 5 (on rating scale of 0-10) for Strength / and less than (-) 5 (on rating scale 0- (-) 10) for Weakness, have been categorized as Critical factors.

12.7 On this basis the key Strengths and Weakness have been identified as follows: -

Strengths

1. Historical importance of Sikkim
2. Value for money accommodation infrastructure.
3. Buddhist Culture / ambience as a tourist attraction.
4. Eco / Adventure Tourism.

Weaknesses

Connectivity / poor basic infrastructure like roads, expensive travel costs due to absence of public / private transport system.

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CHAPTER XIII

TOURISM INFRASTRUCTURE

A. ACCOMMODATION FACILITIES

- 13a.1 The number of hotels, especially belonging to budget category, has been increasing in Sikkim at a very rapid rate. The hotel survey conducted by Bureau of Economics and Statistics in 1992 indicated a total capacity of 1934 beds in 93 hotels and 269 beds in 119 guesthouses.
- 13a.2 However, the data received from the Sikkim Hotel and Restaurant Association (SHRA) which may be treated as more up-to-date since 90% establishments operating hotel or restaurant business are members of this Association, indicate there are at the moment 267 hotels providing 7578 beds in Sikkim. Out of these hotels, about 58% are located in Gangtok at present.

The breakup of hotel accommodation in the state is given in Table 13a.1:

Table 13a.1: BED CAPACITY IN SIKKIM

Town/ Area	Number of Hotels	Number of Beds
East Sikkim- Gangtok Aritar Rangpo	158	5499
West Sikkim- Pelling / Pemayangtse Yuksom Geyzing	45 12	1200 180
North Sikkim- Lachung / North Sikkim Chungthang/ Singhik	25 4	250 38
South Sikkim- Rabongla Namchi Jorethang	5 7 11	90 70 242
TOTAL	267	7578

Star Hotels :

- 13a.3 Out of the above, the number of hotels which have officially received Star Categorization are four. They are Hotel Norkhill (4 Star), Tashi Deiek (4 Star), Hotel Tibet (3 Star) and Central Hotel (3 Star). The other hotels which are also of star category standard are Chumbi Residency in Gangtok and Hotel Mount Pandim of STDC in Pemayangtse, West Sikkim.

Hotel Tariff Range:

- 13a.4 The price range of hotels in Sikkim during peak season varies as follows:

Tariff Range

Price range	% of hotels in the range
Rs 150 to 200	40%
Rs 250 to 400	30 %
Rs 500 to 800	20 %
Rs 900 to 3000	10%

Seasonality

- 13a.5 The peak season months for East, West and South Sikkim has been assumed as 150 days corresponding to the months of mid-March to Mid-June, and September and October. For North Sikkim, peak season months are March and April, September and October translating into 120 peak season days.

Tourist Arrivals

- 13a.6 Statistical data over the past 8 years indicated average peak season domestic tourist arrivals of 60 % of the total domestic arrivals in a year and the corresponding average foreign tourist arrival of 65 %.
- 13a.7 It may however be mentioned that the Government of Sikkim and tourism industry are making joint efforts through various promotional measures to attract tourists during off season, especially during winter season, which is quite pleasant for tourism activities like trekking, rafting, photography, etc.
- 13a.8 Further, the Government of Sikkim, Government of West Bengal and Darjeeling Gorkha Hill Council have a meeting forum at the Ministers level for joint promotion of tourism to the Eastern Himalaya region covering Darjeeling hill areas, Sikkim and Dooars in north Bengal. For example, the Teesta-Tea Tourism Festival held in December with the assistance of Government of India is one of the promotion events to promote this region jointly, particularly the winter season.

Stay Duration

Table 13a.2

Average Stay of Tourists.

District	Domestic Tourists	Foreign Tourists
East	4-5 days	3.0 days
West	1-5 days	1-5 days
South	1 day	1 day
North	2-3 days	2-3 days

Occupancy Rate

- 13a.9 The occupancy rate of hotel varies from hotel to hotel, depending on individual hotel's management efficiency, particularly in the area of marketing. For instance, hotels which are managed more professionally are reportedly having average occupancy rate of more than 40%, but hotels which depend purely on tourist season and have no marketing programme are reported to have an average annual occupancy of 25 %.

(f) Room Structure

Room Type	% Share
Standard Rooms	35
Deluxe	40
Dormitory Type	20
Luxury Suites	05

13a.10 Composition of tourist expenditure in Sikkim as given below.

	Foreign	Domestic
Accommodation and food	43.7 %	48.0 %
Transport	35.4 %	32.9%
Shopping	15.5%	16.7%
Entertainment	5.4 %	2.9%

- 13a.11 This may be contrasted with the data for composition of tourist expenditure at the national level.

	Foreign	Domestic
Hotels and Restaurant	52.6%	31.0%
Other transport	9.3%	24.7%
Railways	4.3%	11.4%
Shopping	26.1 %	22.4%
Other services	7.6%	2.5%

Employment

- 13a.12 Sikkim Hotels and Restaurant Association has estimated employment of 3000 persons in hotels, the Travel Agents Association of Sikkim has estimated employment of 150 persons in travel agencies. There are about 2500 taxis running on the road at present in Sikkim. That means about 2500 drivers and may be 1000 cleaners. That is, about 7000 persons are directly employed in the various segments of tourism.

Manpower Development

- 13a.13 92 per cent of hotels are owned by the private sector. However, a majority of them have been leased out to people from outside the state under a power of attorney agreement.
- This is mainly because the local hotel owners are not exposed to hotel business; and trained managers and trained staff are not easily available locally.
- 13a.14 At present, there are three institutions providing vocational education and training to those desiring a career in tourism:

- The Sikkim Government College has a degree course in tourism and aims to train personnel for travel industry.
- Food Craft Institute, although called Institute of Hotel Management, provides a one and half year training course in various crafts of hotel operation.
- Cottage industries providing training in handicrafts.

13a.15 Besides these, the Tourism Department organises from time to time training courses for Guides, Taxi-Drivers, Travel Agents, etc. It has, therefore, been increasingly realised that training facilities for development of man power, especially for development of managerial skills, needs to be given top priority in the tourism development programme of Sikkim. Up gradation of the present Food Craft Institute to the national level of Institute of Hotel Management for giving a three-year diploma course in hotel management will go a long way to add quality education in hospitality industry.

13a.16 The Ministry of Tourism may think of setting up an Institute of Travel and Tourism Management in Sikkim in the lines of the Tourism Management Institute at Gwalior for serving the interest of tourism industry of North East.

Demand And Supply Gap

Demand Estimation

13a.17 An attempt was made earlier to project tourist arrivals during the reference period of our study (vide Table No.4.4). On the basis of occupancy rate (65%), Double Occupancy ratio (2), and average number of days stay (3.54) for domestic tourists and for foreign tourists

average duration of stay is assumed at 4 days and keeping the projected tourist arrivals the accommodation requirements for the reference period has been arrived at as follows. The requirements of rooms have been estimated both for domestic and foreign tourists separately on keeping the aforesaid variables in view. The estimated requirements accordingly has been arrived at as follows:

Table No. 13a.3 - Estimates of accommodation requirements.

	Total Projected Year Room Demand	Total Supply of Rooms	Total Accommodation Gap
2002	1278	750	528
2003	1405	850	555
2004	1546	850	696
2005	1701	850	851
2006	1871	850	1021
2007	2058	850	1208
2008	2263	850	1413
2009	2490	850	1640
2010	2739	850	1889
2011	3013	850	2163
2012	3465	850	2615
2013	3984	850	3134
2014	4582	850	3732
2015	5269	850	4419
2016	6060	850	5210
2017	6968	850	6118
2018	8014	850	7164
2019	9216	850	8366
2020	10598	850	9748
2021	12188	850	11338
2022	14016	850	13166

13a.18 The demand supply gap has been estimated at 1208 rooms in the year 2007, 2615 rooms in the year 2012 and 13166 rooms in the year 2022. Part of this gap is expected

to be filled in by guest houses and other offerings by the households in select areas as is the practice in Ladakh, Rajasthan and other tourist places. This has got some built in advantages both for the local community and for tourists, while the locals earn reasonable amount by letting out premises to select acceptable tourists, the tourists get the advantage of getting reasonably inexpensive accommodation with state of art hygiene and sanitary facilities. They also get the opportunity to mix up socially and learn local culture and customs, besides enjoying the popular cuisine of the area. Tourist can enjoy the artwork and the skill displayed by the artisans engaged in different handicrafts of the locality. This will be a rich experience, which will be carried by the tourists and will have a demonstration effect to attract more tourists to the State.

- 13a.19 A break up of accommodation requirements for different income levels have been attempted which indicate that 20% in the quality/ high spending segment having a tariff range of 1500 and above. Another 40% for the budget segment specifically targeted towards domestic tourists having a tariff range of 750 and above. The rest can come in the economy class. Out of the quality segment room requirements around 500 rooms are proposed in the various projects identified by Horizon.

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CHAPTER XIIIIB

Roads and bridges

- 13b.1 Sikkim depends entirely upon the road transportation system for the movement of goods and people from one place to another within or outside the State. There is no other means of transport like railways, waterway, etc. except helicopter service, which also depends on weather conditions. The road network is the sole medium of transportation for the State and its importance in the State does not need further emphasis.
- 13b.2 At the time when the first Seven Year Plan was launched well before Sikkim became a part of India, there were only 19kms. of rough road from Rangpo to Gangtok and ten kilometers of road around the Capital. What are now District Headquarters and few other important towns were connected by tracks with the Capital. Apart from these, there were mule tracks, which served as trade routes to Tibet.
- 13b.3 With the advent of developmental works and with the increase in population the need for wider roads with smooth curves was necessary so that heavy vehicles can also ply on it for transportation of essential commodities and people

could also travel from one place to another through transport vehicles at reasonable rate. The achievement of this objective involved widening of narrow roads, smoothening the steep gradient and improving the acute angles and blind curves. The low capacity bridges along these roads should be permanent and higher capacity bridges and some by strengthening the existing bridges so that the capacity increased for higher loads. With these objectives in view, special emphasis was given for improvement of low cost roads and bridges and construction of new roads in new areas from the Fifth Plan onwards.

Phases Of Construction :

Improvement Of Low Cost Roads:

- 13b.4 The first phase of the work consisted of widening of the road and adjustment of grade and geometries. On completion of the first phase work, these roads were useful as fair weather roads. Once the virgin hilly slopes were disturbed due to widening of the roads, the hilly slopes were destabilized due to which protective works had to be provided. In addition to this, proper drainage system had to be provided lest the untamed run off water inflicted severe damages to the road formation. In order to

strengthening the road formation Water Bound Macadam had to be laid so that the threat of damage to the road formation was minimized. By means of macadam, skidding of the vehicles in muddy and slushy earthen road is avoided. These works are the second phase of works so far as the up gradation programme is concerned. Once the 2nd phase work is complete the final phase of black topping is taken up.

New Roads

- 13b.5 The construction of new roads to bring about inter village connectivity and to reach remote and inaccessible villages of the state, construction of new roads are being done duly confirming to the standard specifications laid down by the Indian Road Congress so far as the width, grade, geometries and capacity of bridges are concerned. The sequence of construction of a new road is similar to the 3 phases of construction as described above for improvement of low cost roads. In the case of new roads the entire formation width obtained by hill cutting whereas the improvement is done by partial cutting as and where widening is required. In keeping with the ethics of Civil Engineering practice for road construction sufficient time gap is given while constructing

the three phases of work as all these works cannot be taken up simultaneously.

13b.6 The schemes to replace the low capacity or weak bridges along these roads by permanent bridges or strengthening of existing weak bridges are listed under the major head 'Replacement'. The schemes to complete the remaining phases of works in the new roads being at intermediate stages, the construction of bridges along these new roads and proposals to commence new roads by earthen cutting duly restricting the kilometers at an affordable limit for matching it within the available fund are placed under the major head.

13b.7 The importance of road communication for all round development is second to none. Road communication is directly linked with the prosperity of the State and overall development in different fields. Keeping this vital aspect in view and as per the guidance and directives of Government of India, a Master Plan for 20 years (1980 AD to 2000 AD) was prepared, the main theme of which was to provide accesses to most of the villages in the State by 2000 AD for which an investment of Rs. 400 crores at 1979 price level

was the initial estimated amount. This was, however, revised duly restricting the period for 15 years i.e. from 1985 AD to 2000 AD. The target was also lowered for tiding over the financial crunch and the estimated cost was reduced and fixed at Rs. 209 crores at 1980 price level.

13b.8 The following were the main objectives of the Master Plan:

- a) Construction of 20 kms of link road for minor connectivity.
- b) Construction of Bridges on new roads.
- c) To upgrade 220 kms of low cost roads which are narrow with steep bridges and non-standard geometrics for the movement of heavy vehicles.
- d) To replace bridges of low axle load carrying capacity along low cost roads by permanent bridges.

Ninth Plan Period

13b.9 Highlights of the Ninth Plan period are given below:

A. Up-gradation of low cost roads.

- a) Up-gradation of 528.50 kms or non standard roads.
- b) Providing protection and drainage to 267 kms of the above road.
- c) Black topping of 67 kms of the above road.

B. Construction of New roads.

- a) Completion of 158 kms of new roads or link roads upto earthen level.
- b) Providing protection, drainage and macadam to 56 of the above roads.
- c) Construction of 2 major suspension RCC bridges.

C. Replacement/Strengthening of weak bridges along low cost roads.

- a) Replacement of weak suspension bridge over Teesta River at Singtam and Dikchu and along Sikkim Wok road.
- b) Reinforcement of 4 weak suspension bridges.
- c) Replacement of causeway into culverts.

13b.10 During the Tenth Plan the following important low cost roads are proposed to be improved and surface strengthened.

Tenth Plan (2002-2007)

13b.11 In the Tenth Five Year Plan period special thrust will be given to :

- a) Upgradation of all the existing low cost roads.

- b) Replacement / strengthening of bridges which have low capacity.
- c) Completion of all the new roads, which are in intermediate stages of construction.
- d) Construction of bridges in new roads, which are already, completed upto earthen level.
- e) Upgradation of infrastructure and equipment for greater operational efficiency.
- f) Consolidation and completion of the task under taken during the Ninth Plan period.
- g) Construction of Annex building for office accommodation.

Activities:

13b.12 In order to achieve the objectives, the following activities are categorized as per the details given below.

A. REMOVAL OF DEFICIENCIES(including Upgradation)

Tenth Plan – 2002-2007 Rs. 2200.00 Lakhs

Annual Plan – 2002-2003 Rs. 440.00 Lakhs

REMOVAL:

Resurfacing W.B.M. – BT

Earthen – B.T.

1.Damthang-Namchi- 13 1. Melli Phong-26 LungchopSalangdang-4

2. Geyzing-Pelling - 10 2. SBS - 13 Vok Omchu - 3

3. Sirwani-Pabong- 15 3. Melli-Turuk-13

Tarku**Sadam**

4. Pakyong Machong-11 4. Sikkip Vok – 8

5. DSM - 22 5. Gyalshing Sakyong-6

6. Sang Khamdong - 16.6 Hee Village Rd. - 3

Dipudara

7. Nayabazar Zoom - 6.7 7. Jali Power House

Sumin - 5

8. Ravangla Yangang – 16 8. DSM – Gour - 8

9. Gyalshing Tintek - 29 9. DSM Hee Gyathang – 1

10. Dentam Pelling - 20 10. Tintek Dikchu - 15

11. Lingdok Dikchu

mines - 3 11. Toong Shipgyer - 6

12. Penlong Lingdok - 13 12. Gour Santok – 2

---- 13. Lower Samdong Bazar- 4

147 14. Golopchu Bey - 5

125

App. Roads

Namchi - 27

Jorethang - 10

Geyzing - 12.50

Kaluk - 17

Station - 50

Singtam - 9

Pakyong - 19

Mangan - 35

Sub Division IV - 9.50 / 189

13b.13 Bridges

Upgradation: Kayamchu Suspension Bridge over Lingthem-Lingdem.

2. Replacement (including State Highways & Bridges)

13b.14 The State being a hilly terrain every road construction is to be provided with varying spans. While negotiating hilly terrain the road alignment has to cross a number of streams, rivers and gorges. In many roads which are in earthen formation bridges will have to be constructed. The list of important major and minor bridges to be constructed in the Tenth Plan are given below :

MINOR BRIDGES TO BE TAKEN IN TENTH PLAN (important bridges) only

13b.15 A number of bridges on Earthen roads are proposed to be constructed during Plan period. These bridges are proposed to be constructed in respect of the following roads.

1. Construction of steel bridge over Pheyang Khola

Along Bermoik Legship Road	15 mtrs.
(Mahatma Srijunga Road)	

2. Construction of Steel bridge over Reshi Khola along

Sribadam Deythang road	20 mtrs.
------------------------	----------

3. Construction of steel bridge over Konabar Khola

Along Utteray Sopakha Road 40 mtrs.

4. DIRECTION AND ADMINISTRATION.

TENTH PLAN (2002-2007) Rs. 585.00 Lakhs.

ANNUAL PLAN (2002-2003) Rs. 120.00 Lakhs.

Table XIIIb-4

Following table indicates the outlay proposed during the tenth plan period

(Rs. in Lakhs)

<u>SCHEMES</u>	10TH PLAN CONTENT	OF WHICH CAPITAL	ANNUAL PLAN	OF WHICH CAPITAL CONTE
1. Removal of Deficiency	2200.00		440.00	
2.replacement (Highway and bridges)	275.00		55.00	
3.Expansion	1980.00		400.00	
4. Direction and Administration	585.00		120.00	
5. Additional Facilities	4170.00		1830.00	
6. Road Machineries and Equipments	720.00		145.00	
7. P.M.G.Y	8800.00		1760.00	
8. Maintenance and Repair	5000.00		1000.00	
TOTAL	23730.00	23145.00	5750.00	5830.00
9. Connectivity (IVC)	2781.00	2656.72	1701.04	1676.04
Grand Total	26511.72		7451.04	7506.04

13b.16 Having regard to the importance of roads network in the overall economic development of the state in general and the need for connectivity for the growth of tourism in particular, we are of the

considered view for allocation of adequate funds and timely release of the same will go a long way in improving the construction / replacement / repair of roads at various stages / locations.

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CHAPTER-XIII-C

Water Supply and Sanitation

13c.1 This chapter briefly explains existing water supply system in the state, various schemes under implementation, tenth plan strategy and ninth plan outlays for different schemes etc. An idea for harvesting of rainwater has also been mooted.

- State of Sikkim solely depends upon "Surface Water Sources".
The basic Water Supply System consists of tapping of water (sources) located at higher reaches and transporting the same through gravity main to the Lower Reaches at consumer points, Towns, Bazaars and villages.

13c.2 Major administrative divisions are:

- Capital Town of Gangtok.
- 7 numbers of notified other Urban towns, namely:
 - Jorethang
 - Namchi
 - Naya Bazar
 - Rongpo
 - Singtam
 - Mangan
 - Gyalsing

Gangtok Water Supply Works:

13c.3 Source of Gangtok Water Supply is the Rateychu rivulet, which is located at an altitude of 8200 ft. This rivulet originates from Lake Tamze (altitude 12,500 ft.) which is about 52 Km away from

existing Water Treatment Plant at Selep (altitude 6800ft.). The distance between the Head Work and Selep Water Treatment Plant is 17 Km. The track passes through hilly and vulnerable terrain.

- 13c.4 Till recently about 13.60 million liters of water was being transported from the source to Selep through 3 number of 6" dia and one number of 8" dia Raw Water Trunk Mains. In 1999-2000, 14" dia Trunk Main was completed, thereby boosting the availability of raw water to 36.36 million liters daily.
- 13c.5 The Selep Water Treatment Plant presently has treatment capacity of only 13.36 million liters daily. Expansion of treatment facilities to accommodate entire volume of raw water is being presently taken up at the cost of Rs. 500.00 lakh. This work is slated to be completed within 2002-03.
- 13c.6 Existing demand of water is estimated at 27.00 million liters per day, therefore, presently quantum of water being brought from the source is sufficient, however, there is a pressing need to increase the capacity of many water main lines to facilitate transport of water to various water deficient areas.

13c.7 Due to existing shortcomings in the system, the Department has to resort to Intermittent Supply Intern, Water Demand for year 2001 was estimated to be approximately 40.90mld, therefore, as against the supply of 36 mid is not adequate.

Sewerage works at Gangtok:

13c.8 Gangtok is the only town of its category to have full-fledged Sewerage System. Of the three-phased Gangtok sewerage Scheme, First Phase was implemented during 1978-79. The system today caters to approximately 25,000 people. Gangtok Town Sewerage System tends timely implemented and has been an immense help for the community. It is also helping to keep River Rongni Chu from being excessively polluted.

13c.9 Sewage Treatment Plant is well maintained. It consists of Primary Treatment Units (Grit Chambers and Primary Sedimentation Tanks), Secondary Treatment Units, e.g. Bio Filters and Tertiary Units (Clarifiers). Solid waste is treated through the Sludge Digester.

13c.10 Apart from Gangtok town, Water Supply System in seven other urban towns including three District Administrative Centers is looked after by the Public Health Engineering Department. The

towns are growing rapidly as tourists as well as commercial centers. Namchi, Pelling, Ravangla, Yuksom to attract large numbers of tourists. Therefore, there is a need for augmentation of Water Supply Systems in these Towns.

10th Plan Strategy:

1.General:

13c.11 10th Plan formulation is guided by the immediate need to PREPARE LONG TERM BLUE PRINT, which should guide the state in fulfilling long term as well as short term needs. At higher level, Water Policy is put together to allow: identification and quantification of Water Resources, development of these water resources, their allocations for different uses and most of all, their protections and conservations. The following broad based targets are therefore set for the 10th Plan Development activities related to Water supply, sewerage and sanitation works in the state:

Table XIII- 1

9th plan outlay and 10th plan proposals

S.No.	Budget Head	Annual		Proposed (Rs. In lakhs)		
		9 th Plan Outlay	9 th Plan Actual	Plan Outlay 2001-02	10 th Plan Proposals	Annual Outlay 2002-03
1.	Dir.&Adm.	200.00	278.64	68.00	504.57	93.19
2.	Other Bazaar WS Schemes -Plan	854.86	551.00	70.00	1195.16	239.03
3.	Other Bazaar WS Schemes -PMGY	0.00	68.11	50.00	1718.02	343.60
4.	Rural Marketing Centers WS Schemes -PMGY	409.28	210.81	50.00	1476.28	295.26
5.	Gangtok WS Scheme.	613.57	778.08	100.00	2410.19	482.04
6.	Namchi WS Scheme.	82.67	107.00	22.00	1445.72	289.14
7.	Pakyong WS Scheme.	370.00	247.20	100.00	439.82	87.96
8.	Sewerage Works	319.72	224.00	38.00	1439.17	287.83
9.	CSS-AUWSP -ARWSP	0.00	115.68	57.84	549.99	110.00
		0.00	0.00	0.00	253.13	50.83
10.	NABARD Schemes	0.00	230.00	100.00	810.93	162.19
11.	Non-Lapsable* Schemes	0.00	265.00	265.00	1832.19	366.44
12.	EAP Schemes	0.00	0.00	0.00	799.83	159.97
13.	BADP Schemes	0.00	0.00	0.00	125.00	25.00
Total:::~::~:		2850.00	2810.52	655.84	13167.81	2625.84

13c.12 Gangtok water supply schemes:

10th plan and annual plan proposals :

9 th Plan Outlay	9 th Plan actual	Outlay 2001-02	10 th Plan Proposed	2002-03 Proposed
=====	=====	=====	=====	=====
409.28	210.81	50.00	1476.28	295.26
=====	=====	=====	=====	=====

13c.13 Gangtok is expanding very rapidly. Priority works include rectification of its age old distribution and fire fighting systems. As the present augmentation work which was actually designed to be constructed in 2021, had to be carried out way ahead of time, it is obvious, in order to avoid near future water shortage, further augmentation will have to be planned and implemented now:

Specific programs are :

- Construction of Distribution system including Fire

Fighting Systems in 14 crucial Zones:

- Kazi Road
- Tibet Road
- Old Market
- New Market
- Lalmarket
- Nam Nam Area
- Old West Point School Area
- Deorali Area
- Forest Colony Area
- Upper Sichey Area
- Diesel Power House Area
- Below Palzor Stadium Area
- Rajbhawan Area

13c.14 Namchi water supply schemes:

10th plan and annual plan proposals :

9 th Plan Outlay =====	9 th Plan actual =====	Outlay 2001-02 =====	10 th Plan Proposed =====	2002-03 Proposed =====
82.67	107.00	22.00	1445.72	289.14
=====	=====	=====	=====	=====

13c.15 Namchi is developing very rapidly as a commercial, educational and tourist center. This is also one of the important places in the State. The priority works include, revamping of distribution system and long term planning for augmentation of town's water supply system.

13c.16 Urban sewerage works:

10th plan and annual plan proposals:(Rs. in Lakhs)

9 th Plan Outlay =====	9 th Plan actual =====	Outlay 2001-02 =====	10 th Plan Proposed =====	2002-03 Proposed =====
319.72	224.00	38.00	1439.17	287.83
=====	=====	=====	=====	=====

13c.17 Rapid development and urbanization of Gangtok necessitates coverage of more such developing but un-sewered areas with existing Sewerage System. Therefore, the priority works include extension of existing system. It is also proposed to construct Sewerage system for rapidly developing some of the Notified Towns as mentioned below:

13c.18 Pakyong water supply scheme:

10th plan and annual plan proposals: (Rs. in Lakhs)

9 th Plan Outlay =====	9 th Plan actual =====	Outlay 2001-02 =====	10 th Plan Proposed =====	2002-03 Proposed =====
370.00 =====	247.20 =====	100.00 =====	439.82 =====	87,96 =====

13c.19 Augmentation of Pakyong Bazaar Water Supply system was a long felt need. It has been sanctioned at the cost of Rs. 370.00 lakhs only. The project is already under progress and is expected to be completed shortly. The project work consists of laying of raw water main from source to main reservoir, construction of a new complete water treatment plant and construction of a reservoir.

13c.20 The town will also subsequently require revamping of its water distribution system.

13c.21 CSS Schemes -

Under auwsp:

10th plan and annual plan proposals (Rs. in Lakhs)

9 th Plan actual =====	Outlay 2001-02 =====	10 th Plan Proposed =====	2002-03 Proposed =====
115.68 =====	57.84 =====	549.99 =====	110.00 =====

13c.22 Under arwsp:

10th plan and annual plan proposals

10 th Plan Proposed =====	2002-03 Proposed =====
253.13 =====	50.83 =====

- The PHE Department is responsible for construction and maintenance of very large nos. of Rural Water Supply Systems. These include peripheral sub-urban areas and many villages. In fact, it is estimated the Department caters to almost over 40% of State population, most of which is rural population.
- In view of above, it is felt pertinent that the Department should avail central fund earmarked for Rural Water Supply systems or ARWSP.

13c.23 The program has a target to cover 500 habitations (both P. C. & F. C category) during the 10th Plan period are as follows.

The proposed break up of state's plan under this program for 10th Plan period are as follows:

(a) Direction and Administration	: 150.00 lakhs
(b) Rural Water Supply	: 4500.00 lakhs
(c) Operation & Maintenance	: 500.00 lakhs
(d) Fund for Zilla Panchayat	: 600.00 lakhs

- (e) Sub-Mission Projects : 600.00 lakhs
- (f) Construction of Office, quarters and transit accommodation : 500.00 lakhs
- (g) I. E. C. Programme : 100.00 lakhs
- (h) Purchase of Vehicles : 50.00 lakhs

Urban Drainage And Sanitation:

13c.24 Absence of proper drainage network particularly in Gangtok has been the frequent cause for damage of life and property. As and when cross drains are blocked along the National Highway rainwater can be seen flowing through the Highway itself. There has been severe disturbance on the existing natural drains due to human intervention. Since the natural surface absorption of rainwater through vegetation has greatly reduced, the volume of run-off has been gradually increasing necessitating diversion or introduction of new drainage network for the expansion of the existing ones. The drainage system in all the towns is very necessary.

Water Supply and Sanitation: (Rs. in Lakhs)

Schemes	10th Five Year Plan 2002-07	Annual Plan 2002- 03
1. PHE Sector	13167.81	2625.84
2. RDD Sector	6101.00	1600.00
3. UDHD Sector	500.00	100.00
Total :	19768.81	4325.84

Harvesting Of Rain Water

- 13c.25 Portable water is available in almost all the towns and villages of the state. However, reportedly there is occasional shortage of water in some months in certain parts of the south and west districts. This problem can partly be solved if effective and concerted efforts are made to collect the water during the rainy season and scientifically filtered and stored.

State of Sikkim normally has an average annual rainfall that varies from 1300mm (at about 300m elevation) to 4300 mm (at 200 m elevation), and 60-75% of rainfalls during the monsoon season, i.e. June through September. It varies from area to area from 821.1mm in Thangu to 3494.5mm in Gangtok. Sikkim gets a rain virtually throughout the year though the quantum varies from month to month.

- 13c.26 The harvesting of rainwater has become quite popular in different parts of the country. The technique used, popularization of the scheme etc. can be obtained from the Central Water Commission, New Delhi and or other regional offices of the same organization. Some of the other Organisations like Delhi Jal Board also have taken steps to implement the scheme.

13c.27 To sum up, to avert the water crisis in the state, the programmes/schemes outlined in the 10th plan should be taken up and implemented with all seriousness. The most inexpensive and down to earth idea of rainwater harvesting scheme should be popularized and be taken up with a strict time frame. The popular NGOs/Panchayat Raj Institutions should be co-opted to give the required momentum.

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CHAPTER XIII D

POWER

13d.1 The sustained and quality supply of power is an important element in tourism development. Frequent power failure, fluctuations etc. lead to irritation to the tourists, though invariably stand by arrangements through DG sets are made as a part of the hotel infrastructure. An attempt has been made in the following paragraphs to examine the power situation in the state and the future plans to expand the capacity as well as improve the distribution network.

13d.2 The state has an installed capacity of 39.20 MW as given in Table XIIIId.1

Table XIIIId- 1

Installed Capacity in Power Projects (In MW)

Capacity	Installed (MW)	Firm
Ronglichu (Stage-I) Jali Power House	2.10	1.20
Lower Lagyap Hydel Project	12.00	5.50
Ronglichu (Stage-II)	2.50	1.20
Rimbi (Stage-I)	0.60	0.30
Rimbi (Stage-II)	2.50	1.20
Rohtak Micro Hydel Scheme	0.20	0.10
Lachen Micro Hydel	0.10	0.05
Lachung Micro Hydel	0.20	0.10
Mayongchu HEP	4.00	2.00
Upper Rongnichu	8.00	4.00
Kalej Khola HEP	2.00	1.00
Diesel Power House, Gangtok	4.00	Stand By
Diesel Power House, LLHP	1.00	Stand By
Total	39.20	22.00

13d.3 Though the power sector has consistently received a relatively higher share in the plan outlay (9.2% in the First plan (1954-61), 10% in Fifth Plan (1974-9) and 19.4 % in the Ninth Plan (1997-2002) amounting to Rs 2840 million in the last 24 years, the rate of increase in the power output has not kept pace with the rapidly increasing demand which at present is of the order of 15-20 percent per year. The estimated peak shortfall has increased almost three fold from 5.7 MW in 1988-99 to 14.03 MW in 1997-98. The annual growth rate of this shortfall (12.32%) has been almost double (6.85%) that of installed capacity.

Schemes spilled Over to the Tenth Five Year Plan

13d.4 The following schemes have been spilled over to the Tenth Five Year Plan for implementation:

- 1. Peurey Micro-hydel Scheme (2x100 K.W):**
- 2. Lachungchu Stage-11 (2x1.5 MW):**
- 3. Mangley Hydel Project (2x500 K.W):**

New Schemes to be taken up during the Tenth Five Year Plan

13d.5 The proposed new generation schemes to be developed with the MNES subsidy support for the capacity addition in the

Tenth Five Year Plan are Reli chu, Rongli chu, Ringyang chu, Chatten chu, Rongli chu-II, Taram chu and Roy Chu micro hydel projects.

District-wise power projects envisaged in the Tenth Plan are as follows:

North District:

1. Taramchu 6 MW
2. Chhattenchu: 1 MW
3. Lemachu : 3 MW .

East District:

1. Raychu Micro Hydel Project 500 KW
2. Ronglichu -1 3 MW.
3. Ronglichu – II capacity not available

West District:

1. Upper Rimbi Chu: 1 MW.
2. Rellichu: 4 MW
3. Ringyangchu: 1MW

13d.6 Projects proposed to be developed by the Sikkim Power Development Corporation are given below:

1.	RoIepHEP	25 MW
2.	KalongHEP	25 MW
3.	Chakhungchu HEP	25 MW
4.	TolungchuHEP	15 MW
5.	Lower Chuchachen	15 MW
6.	DliupiDanra (Upper Ralong)	12 MW
7.	Bakchacliu	08 MW
8.	<u>Kalcz-11</u>	<u>03 MW</u>
	<u>Total</u>	<u>126MW</u>

Renovation Scheme

13d.7 The Department is not in a position to attend to the routine maintenance and periodical renovation on all the installations owned by the Department due to the reasons like unproductive expenses on wages and salaries and huge pending liabilities. The existing power stations are not in a position to generate even partly due to inadequate funds for purchase of spares and carry out repairs and renovations. Accordingly, the Government issued instruction to the Department to complete the ongoing works speedily together

with renovation and re-strengthening of the power stations in operation.

13d.8 The scheme aims at restoring the installed capacities of generating units and in some cases maximizing. The capacities of old power plants through renovation, modernization and strengthening of structures. The Department has to take up renovation of the following old power plants, which are in operation for a couple of years in depreciated capacities.

- 1. Lower Lagyap Hydel Project (2x6 MW)**
- 2. Power stations on Rongnichu cascade (13 MW)**
- 3. Mayongchu Hydroelectric Project-. (2x2MW)**
- 4. Lachung Micro-hydel (2x100 KW)**
- 5. Chatten Micro-hydel scheme (2x50 KW)**

13d.13 The State government has drawn up well-conceived plans for (a) augmenting power generation and distribution (b) proper maintains of the system (c) regional balances in the power generation and distribution. We are inclined to suggest that utmost priority should be given to up-gradation and modernisation of old plants. A timely and effective implementation of various schemes with adequate

mobilization of resources from different agencies including external sources and encouraging private entrepreneurs to step in, to put the state on a sound footing on the sustained generation and distribution of quality product. The proposed reforms in the power sector should also be given appropriate attention and urgency. Any slippage will have a very deleterious effect on the economy of the state and its efforts on promoting tourism. Any laxity and inadequate flow of funds will have serious implications in the power situation of the state.

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CHAPTER XIV

Managing Environmental and Socioeconomic Impacts

An Overview

- 14.1 The relationship between the environment and tourism is a very close one. As emphasized in the sustainable development approach to planning tourism/ environmental and socioeconomic impacts should be considered throughout the planning process so that negative impacts are prevented or at least mitigated and positive ones reinforced. Also specific projects should be subject to an environmental impact assessment (EIA) to ensure that they will not generate any serious problems. In addition to being integrated into the planning and development process, these impacts need to be continuously monitored and managed so that any negative impacts that arise can be detected and remedied before they become serious.
- 14.2 If carefully planned and managed/ tourism can help conserve the environmental and cultural heritage of an area. Based on accumulated experience in many tourism areas/ techniques are already developed and available to manage impacts/ although these always need to be adapted to the local area.

- 14.3 A basic principle in environmental management is maintaining the carrying capacities of the tourism area or of specific attraction features and development sites within the area. Also fundamental is provision of adequate infrastructure to serve tourism/ as well as general community needs. With respect to cultural conservation/ it may be worthwhile to establish a socio cultural programme, which provides a structured approach to conserving specific aspects of the area's cultural heritage.
- 14.4 Special efforts often need to be made to enhance the economic benefits of tourism to the local community. Maximizing local inputs of the goods and services that are used in tourism so that this sector is well integrated into the local economy and substantially benefits the community is especially important. It is also important to encourage local ownership and management of tourist facilities and services, although this is not always completely possible. Expansion of local shopping opportunities and increasing local tourist attractions and activities are ways of increasing tourist expenditures in an area.

Managing Environmental Impacts

14.5 The three main aspects of the tourism-environment relationship are:

- Many features of the environment are attractions for tourists.
- Tourist facilities and infrastructure constitute one element of the built environment.
- Tourism development and tourist use of an area can generate environmental impacts.

14.6 Although environmental impacts have been considered throughout the planning of the area and in the EIA of specific projects^ there still needs to be continuous monitoring and management of these impacts to ensure that no serious problems result from tourism development.

14.7 Even with the accumulation of considerable understanding about environmental impacts, it is usually difficult for a management plan to anticipate all the types or extent of negative impacts that may occur. Necessary remedial measures should be taken to maintain or improve overall environmental quality of a project.

- 14.8 Figure lists several specific factors, which can lead to negative impacts and possible mitigation measures. Depending on the characteristics of the local tourism areas/ there may also be other types of factors/ impacts and measures. For example/ it is essential that adequate sewage and solid waste disposal systems be developed in tourism areas (as well as other types of development areas) to ensure that water pollution is prevented.

Managing Negative Impacts

- 14.9 The guiding principle for sustainable tourism development is to manage the natural and human resources so as to maximize visitor enjoyment and local benefit while minimizing negative impacts upon the destination site, community and local population. This requires an objective assessment of potential negative impacts and a thoughtful analysis of how this potential can be controlled. The following chart identifies many tourism development factors and their negative impacts, and suggests mitigating or corrective action. Corrective action is based upon the assumption that the negative impact has already occurred. Better planning earlier in the process obviously would be even more desirable.

Factor involved	Negative impact on environmental Quality	Possible mitigation or corrective action
Overcrowding	<ul style="list-style-type: none"> • environmental stress on humans • changes in animal behavior in wildlife areas 	<ul style="list-style-type: none"> • limit visitor access • expand carrying capacity
Over development	<ul style="list-style-type: none"> • creation of rural slums • habitat loss • destruction of vegetation • land scars and watershed interference • aesthetic impact of power lines 	<ul style="list-style-type: none"> • disperse visitors to other areas and attractions • upgrade and rehabilitate • apply land use planning and zoning regulations
Noise pollution	<ul style="list-style-type: none"> • irritation to wildlife, local residents and visitors 	<ul style="list-style-type: none"> • conduct awareness campaign • establish regulations • limit visitor access • conduct awareness campaign • establish regulations • provide litter containers at appropriate places • conduct awareness campaigns • establish regulations • increase surveillance • consider altering take-off and landing patterns • establish land use controls near airports • increase availability of public transportation • limit access • establish or improve enforcement regulations • restrict access and use • implement environmental education programme
Litter	<ul style="list-style-type: none"> • wildlife depends upon garbage • aesthetic clutter • health hazards 	<ul style="list-style-type: none"> • conduct awareness campaign • establish regulations • provide litter containers at appropriate places • conduct awareness campaigns • establish regulations • increase surveillance • consider altering take-off and landing patterns • establish land use controls near airports • increase availability of public transportation • limit access • establish or improve enforcement regulations • restrict access and use • implement environmental education programme
Vandalism	<ul style="list-style-type: none"> • mutilation and destruction of facilities • loss of irreplaceable historic and cultural treasures 	<ul style="list-style-type: none"> • conduct awareness campaigns • establish regulations • increase surveillance • consider altering take-off and landing patterns • establish land use controls near airports • increase availability of public transportation • limit access • establish or improve enforcement regulations • restrict access and use • implement environmental education programme
Airport noise	<ul style="list-style-type: none"> • environmental stress to humans and animals 	<ul style="list-style-type: none"> • consider altering take-off and landing patterns • establish land use controls near airports • increase availability of public transportation • limit access • establish or improve enforcement regulations • restrict access and use • implement environmental education programme
Over crowded roads	<ul style="list-style-type: none"> • environmental stress to humans and animals 	<ul style="list-style-type: none"> • increase availability of public transportation • limit access • establish or improve enforcement regulations • restrict access and use • implement environmental education programme
Off-road driving	<ul style="list-style-type: none"> • soil, vegetation and wildlife damage 	<ul style="list-style-type: none"> • limit access • establish or improve enforcement regulations • restrict access and use • implement environmental education programme
Powerboats	<ul style="list-style-type: none"> • disturbance of wildlife, especially during nesting season • noise pollution 	<ul style="list-style-type: none"> • restrict access • implement environmental education programme • install or modify trails • restrict access and use • implementation environmental education program • environmental education and awareness campaign • legal restrictions
Fishing and hunting	<ul style="list-style-type: none"> • competition with natural predators • resource depletion 	<ul style="list-style-type: none"> • restrict access • implement environmental education programme • install or modify trails • restrict access and use • implementation environmental education program • environmental education and awareness campaign • legal restrictions
Foot safaris	<ul style="list-style-type: none"> • disturbance of wildlife • trail erosion 	<ul style="list-style-type: none"> • implementation environmental education program • environmental education and awareness campaign • legal restrictions
Souvenir collection	<ul style="list-style-type: none"> • removal of endangered natural items such as coral, shells, horns, rare plants • disruption of natural processes 	<ul style="list-style-type: none"> • environmental education and awareness campaign • use alternative fuels • environmental education and awareness campaign
Firewood collection	<ul style="list-style-type: none"> • habitat destruction • mortality of small wildlife 	<ul style="list-style-type: none"> • environmental education and awareness campaign • use alternative fuels • environmental education and awareness campaign
Unauthorized feeding of wildlife	<ul style="list-style-type: none"> • behavioural changes and dependency 	<ul style="list-style-type: none"> • environmental education and awareness campaign
Construction of billboards	<ul style="list-style-type: none"> • spoils the view 	<ul style="list-style-type: none"> • establish regulations

PROPOSAL FOR 10th FIVE-YEAR PLAN

- 14.10 Ecology & Environment programme in Sikkim envisages ecological restoration of fragile eco-system and the control & abatement of air and water pollution in a scientific manner. The main thrust is on integrating various development activities having a bearing on the ecological balance and the potential resources of the areas, through the biological and light engineering measures with a multidisciplinary approach. The rapid urbanisation and the increasing population of the locality have been causing a threat to the ambient air and water quality of these towns. As such, regular monitoring of pollution parameters is must to minimise them effectively.

SIZE OF THE PLAN: Financial : Rs. 520.00 Lakhs

Physical : (i) Biological 497 Ha.
(ii) Engineering 1722 Cubic Metres

ENVIRONMENTAL EDUCATION TRAINING & EXTENSION

10th Five Year Plan Proposed Outlay Rs. 10.00 Lakhs

Annual Plan 2002-2003 Rs. 2.00 Lakhs

- 14.11 Environmental education is a vital means of drawing mass support for environmental conservation. It is important to work programmatically with the local people in order to bring about environmental awareness and motivation at every level of society. Seminars, Workshop, film-show,' competition-exhibition and eco-trail programme have been proposed to be organised at various places with an active support of NGOs, voluntary organisation and Institutions. An emphasis has been given to the technical personnel of this Division to

provide them with a training courses of short period to make them sharpening in modern technology relating to environmental conservation. A provision of Rs. 10.00 lakhs has been projected in this plan period for implementation of programme including the purchase of tools & plants, tent and equipments etc.

WETLAND CONSERVATION

10th Five Year Plan Proposed	Rs. 93.00 Lakhs
Annual Plan 2002-2003	Rs. 18.00 Lakhs
Physical Target (i) (BioLogical)	273 Ha.
(ii) (Engineering)	715 Cubic Metres

- 14.12 The Wet Land areas in the form of lake and other water bodies. Located in higher altitude, acts as a source of water supply for all the living beings. In view of the ecological and environmental importance of the region, efforts have been made towards the implementation of conservation measures of these areas by providing necessary protection. Suitable silviculture treatment and supplementing the stock by artificial regeneration. The salvation of lake in high altitude areas is the primary objective to keep such water bodies in its original shape and sizes. For this purpose, silt detention structure is required to be constructed all around the lake so that the silt is checked from going down into the fake. The cleaning and removing of the siltation from the lakes is the next operation to execute salvation work manually: There are number of lakes in Sikkim, out of which, 150 numbers have been identified so far. The programme shall be implemented all over the areas under North, South, West and East

Districts to enable to achieve the physical target of 273 Ha. of biological measures and 715 cubic meter of engineering measures respectively. Under the programme, a provision of Rs. 93.00 lakhs has been projected in the 10th five -year plan.

TREATMENT OF CATCHMENT AREAS OF URBAN DRINKING WATER SUPPLY

10th Five Year Plan Proposed Outlay	Rs. 76.00 Lakhs
Annual Plan 2002-2003	Rs. 15.00 Lakhs
Physical Target (i) Biological	146 Ha.
(ii) Engineering	585 Cubic Metres

- 14.13 This scheme aims at the restoration of degraded catchment areas of water sources for supply of drinking water to the urban areas. Rateychu forms the major water source for supply of drinking water to Gangtok and the neighbouring areas. Apart from this, other catchment areas of water sources located in South, West and North Districts have been proposed to be taken up during this plan period. Hence, the provision of Rs. 76.00 lakhs has been proposed for implementation of this programme at various places with an aim to achieve the physicals target of 146 ha. of biological measures and 585 cubic meter of light engineering measures respectively.

ECOLOGICAL STABILITY OF HILL SLOPES

10th Five Year Plan Proposed Outlay	Rs. 23.00 Lakhs
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Annual Plan 2002-2003	Rs. 5.00 Lakhs
Physical Target (i) Biological	30 Ha.
(ii) Engineering	230 Cubic Metres

- 14.14 The hill slopes are subjected to significant erosion and landslides. This scheme aims to improve the natural drainage system and hill sloped by means of planting soil binding species and light engineering structure. The increasing population and mushrooming of buildings in urban areas have resulted an adverse affect on natural waterways and hill slopes, which are fairly responsible for choking the drainage line and environmental degradation. Thus, a provision of Rs. 23.00 lakhs has been proposed under this scheme with an aim to achieve the physical target of 30 ha. of biological measures and 230 cubic metres of light engineering measures during the 10th five year plan.

TREATMENT OF CATCHMENT AREA IN RURAL IRRIGATION PROGRAMME

10th Five Year Plan Proposed Outlay	Rs. 25.00 lakhs
Annual Plan 2002-2003	Rs. 5.00 Lakhs
Physical Target (i) Biological	48 Ha.
(ii) Engineering	192 Cubic Metres

- 14.15 This programme is envisaged to provide support to the catchment areas of irrigation systems and springs, perennial water sources of rural areas for the benefit of the rural population for their cultivation and livelihood. The programme is meant to drive the farmers towards development of agro-forestry activities in village common

land and barren wetland. The programme shall be concentrated in South, West and East District, for which the provision of Rs. 25.00 lakhs has been proposed to be provided during this plan period. About 48 ha. of biological measures and 192 cubic meter of light engineering measures has been reflected in the physical target

ECO-DEVELOPMENT OF URPBAN AREAS

10th Five-Year Plan Proposed Outlay Rs. 50.00 Lakhs

Annual Plan 2002-2003 Rs. 10.00 Liakhs

- 14.16 This is a programme proposed to be carried out in urban townships and other such areas for creation of green belt with an object to provide sink for CO₂, city-noise and also to provide aesthetic beauty of the surroundings. The programme includes the landscaping, beautification, plantation of ornamental plants and pollution tolerant species, creation of Eco-Park etc., which will be undertaken as per the site condition. The provision of Rs. 50.00 lakhs has been proposed under this programme for achieving the physical target of 18 ha during this plan period.

BOTANICAL GARDEN AT RUMTEK

10th Five Year Plan Proposed Outlay Rs. 74.00 Lakhs

Annual Plan 2002-2003 Rs. 15.00 Lakhs

- 14.17 This programme consists of propagation and ex-situ conservation of several varieties of Orchids, Rhododendrons and associate plants with an aim to educate the people about the richness of the floral wealth of the Eastern Himalayas. This garden has also become a tourist spot. The proposed developmental activities includes extension of garden, renovation of existing glass houses, landscaping,

turfing, construction of bridle path, toiletries, resting sheds, compound fencing and purchase of tools & equipments etc. required for upkeep of the garden. Under this scheme, a provision of Rs. 74.00 lakhs has been projected in the financial target of 10th five-year plan.

GERM PLASM BANK

10th Five Year Plan Proposed Outlay Rs. 10.00 lakhs

Annual Plan 2002-2003 Rs. 2.00 Lakhs

- 14.18 The germ plasm bank has been proposed to be created for preserving the genetic materials of the species of the plants that are peculiar to this region, especially those of medicinal value and others. Propagation and rehabilitation of threatened plant species is also being undertaken. Rare species of *Raphifedilum*, *Dendrobium*, *Vanda*, *Cymbidium*, *Calanthe*, *Coelogynae* etc. have been preserving and being propagated. The provision, of Rs.10.00 lakhs has been reflected in the financial target of this plan period.

PREVENTION OF AIR & WATER POLLUTION

10th Five Year Pfan Proposed Outlay Rs. 69.00 Lakhs

Annual Plan 2002-2003 Rs. 12.00 Lakhs

- 14.19 This scheme envisages regular monitoring of pollution of ambient air & water (both potable as well the water eco-system) in order to enforce the laws relating to the Pollution Control. The proposed activities are monitoring of lake & river system, monitoring of air & water quality of townships and industrial discharges, up-gradation of laboratory, purchase of chemical & glasswares, purchase of new set of computer with dot-matrix printer for processing of data and

regular publication of reports & Journals etc. For all this, the provision of Rs. 69.00 lakhs has been projected in the financial target during this plan period.

14.20 A statement has been prepared showing the break-up of financial target year wise land attached herewith for reference.

14.21 These need-based schemes should receive priority allocation of funds and early implementation so that environment is protected and flora and fauna is well maintained.

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Summary of proposed outlay in the 10th plan
Sector: Ecology And Environment

Sl. No.	Name of Scheme	10 th Five year Plan			Annual plan 2002-2003			Remarks
		Physical	Financial		Physical	Financial		
		Cubic Metres	Area in Ha.	Rupees in Lakhs	Cubic Metres	Area in Ha.	Rupees in Lakhs	
1.	Direction& Administration	-	-	90.00	-	-	15.00	
2.	Environmental Education, Training & Extension	-	-	10.00	-	-	2.00	
3.	Wetland Conservation	715	273	93.00	-	-	18.00	
4.	Treatment Catchment Areas of Urban Drinking Water Supply	585	146	76.00	-	-	18.00	
5.	Ecological Stability of Hill Slopes	230	30	23.00	-	-	5.00	
6.	Treatment of Catchment Area of Rural Irrigation Programme	192	48	25.00	-	-	5.00	
7.	Eco Development of Urban Areas	-	-	50.00	-	-	10.00	
8.	Jawaharlal Nehru Botanical Garden at Rumtek	-	-	74.00	-	-	15.00	
9.	Germ Plasm Bank	-	-	10.00	-	-	2.00	
10.	Preservation of Air, Water and Pollution	-	-	69.00	-	-	12.00	
	TOTAL	1722	497	520.00	-	-	147.00	

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CHAPTER XV

REVIEW OF TOURISM PROGRAMS AND PROJECTS

- 15.1 Tourism is an important industry in Sikkim with a high potential. Due to geographical condition of the state there is not much scope for industrial activities but the abundance of tourist resources makes it an ideal place for promotion of tourism and desired socio-economic development with equity and social justice. It was mentioned elsewhere, high Himalayas including the Kanchenjunga, the third highest peak in the world, the rich flora and fauna blended with bio-diversity, monasteries and distinct culture of the three ethnic communities are some of the unique tourist attractions which require an optimum mix of marketing and promotion.
- 15.2 The Government of Sikkim has recognized the importance of tourism in the Socio-Economic development of the state and has accorded a high priority for its development. The state has been recipient of the National award from the Ministry of Tourism for the Best Tourism performing State in the North East. The Hon'ble Chief Minister, Shri Pawan Chamling, was conferred with an award of "Green Chief Minister" by the

Environmental Association of India. The state is known for peace and tranquility. Tourism in Sikkim is being developed with a long-term vision. Most praiseworthy is its unusually amiable people and tourist friendly taxi drivers.

Ninth Plan in Retrospect.

15.3 For the Ninth Five-Year Plan against Rs. 60 Crore outlay proposed by the State Tourism Department only an amount of Rs. 40 Crore was approved. Of this actual disbursement was Rs. 17.33 Crores i.e. 43% of the outlay. Since the fund received did not match the projects proposed, almost 50% of the projects were postponed.

15.4 During the Ninth Five-Year Plan the Ministry of Tourism, Government of India, sanctioned a total of 95 schemes with the estimated cost of Rs 1467.33 lakhs. Three schemes namely construction of the statue of Guru Padma Sambhava at Samdruptse. Development of Lake at Tsomgo and feasibility study of Ropeway from Namchi to Samdruptse, at a cost of Rs 193.90 lakhs were projected under State Plan.

15.5 It is revealed that the projected cost of Rs 1467.33 Lakhs indicated above and duly sanctioned by the Government of India is exclusive of the project prioritized during 2001-2002

for Rs 7.00 crores. This means the Department was left with only Rs 767.00 lakhs of Central Component of fund for actual implementation. The schemes mainly consisted of construction of Wayside Amenities, Tourist Lodge, Tourist Information Centre, tourist conveniences, purchase of adventure sports equipment, Fairs & Festivals, development of waterfalls, development of trekking trails etc.

15.6 Hence, as against the anticipated central fund of Rs 687.00 lakh the Department could execute scheme to the extent of Rs 258.24 lakhs only. Similarly as against the 95 schemes sanctioned only 9 (nine) schemes could be completed. The performance of the Department for achieving the physical and financial target was thus far low said to be due to the following reasons: -

- (a) In several cases the Central Assistance received and credited to the State exchequer was not released to the implementing departments for execution of the schemes in time.
- (b) It is needless to mention that for the construction of tourism assets and infrastructure within the four districts of the State, the Department of Tourism has to entirely depend upon the sister organizations like

the Department of Forest & Environment, UD & HD and other departments. Besides this, the private holdings also need to be acquired for location of some of the amenities.

- 15.7 The diversion of forest-land for non-productive sector is not permissible under the Forest Conservation Act. The laws are very stringent and the Tourism Department has to go through a very long process to get the forest land for the purpose. Even for the utilisation of the private holding the local landowners are very rigid and the acquisition procedure is very cumbersome for issuing notifications and ultimate acquisition. The Urban towns are congested and no adequate spaces are available for creation of amenities like Tourist toilets. To get a suitable land at different towns to meet the requirement of the tourists, the concerned department has to undertake exhaustive survey to identify the land. Apart from this, even in case of ongoing projects the Forest Department Officials posted in the districts interfere with the work in progress obstructing the agencies to stop the work as long as they do not receive specific instruction from their superiors.

Tenth Plan Scheme

15.8 The status of Centrally Sponsored Schemes implemented in the 9th Five Year Plan and the investment proposed for the development of each attraction centers are projected at annexure and also on the basis of anticipated level of investment foreseen for each District. The outlay proposed by the Department of Tourism for the development of Attraction Centres and Infrastructures for the Tenth Plan is Rs.3537.33 Lakhs of which Rs.2392.84 Lakhs is the Central Component and Rs.748.21 Lakhs is required under Plan fund during the 10th Five Year Plan to meet up the State share. The Tourism Projects proposed to be implemented during the 10th Five Year Plan are proposed to be financed as under: -

1. Centrally Sponsored Schemes

Central component (CSS) - 75%

2. State Government (Plan fund) - 25%

15.9 The strategy in the 10th Five Year Plan for implementation of Centrally Sponsored Scheme is, therefore, to identify the various tourism projects like, TIC, Tourist Lodge, Yatri Niwas, Public conveniences, Wayside amenities, Trekking Trails, Water sports activities, publicity brochure, adventure sports equipment, etc., tourist circuits, to meet the

requirement and need of the tourists. Existing attraction centers will be provided with upgraded facilities on phased manner over the Five-year period duly prioritizing the schemes requiring immediate upgradation based on the tourist flow to the destination. The schemes so provided will be finalized after completing all formalities for transfer of ownerships before the execution of the projects so that launching of the implementation will not get delayed.

Basic Objectives of the Plan

- 15.10 The basic objective of the plan will be to identify the South and West District as the Tourist destination so that the gradual dispersal of the tourists could take place. The duration of the tourist stay in Sikkim is for a short period of 2-3 days only. Hence, for the extension of their stay the development of the Tourist Infrastructure as suggested above is justified in relation to the plan proposal.

C.S.S. Projects

- 15.11 The 57 schemes under Centrally Sponsored Schemes which are incomplete are being spilled over to the Tenth Five Year Plan for completion as they are useful to provide basic

amenity to the tourists during their visit to the different destinations. The major projects are as under:-

1. Tourist Lodge - Chungthang,
2. Yatri Niwas - Tashiding,
3. Getaway scheme - Temi
4. Upgradation of Siniolchu Tourist Lodge - Gangotk
5. Trekkers hut at Yuksom base camp - Yoksum
6. Base Camp - Ravongia
7. Tourist Lodge - Namchi
8. Hot spring - Yumthang.

15.12 Having regard to need based requirement of these facilities in various tourist destinations, we recommend that these spilled over projects should be taken up on a priority basis and completed at the earliest without further loss of time to avoid cost over run.

Construction of the Annex

15.13 The existing Tourism Department building was constructed long back when the space required for the officers and staff was low. Over the years new officials and staff have been recruited without any corresponding arrangement for their office accommodation. The creation of the Engineering Cell headed by the Superintending Engineer requires a complete set of staffing with office accommodation facility. To meet the

requirement of this Cell it is proposed to utilize the vacant space adjoining to the existing building for constructing a separate block of four stories with at least ten rooms. Tentatively, a sum of Rs 25.00 lakhs has been earmarked for the construction of the proposed building during the Tenth Five Year Plan.

- 15.14 For over all general administration set up a provision of Rs 1135.00 lakhs is proposed in Tenth Five Year Plan.

Food Craft Institute - Rs 225.00 lakhs

- 15.15 The Institute of Hotel Management established in 1991 as a Food Craft Institute with sponsorship from Government of India was handed over to the Tourism Department in 1995-96 and the Institute has been running with annual grant provided to them by the Department. Till now 485 students from the State and other parts of India have passed out from the Institute and have found employment in hotel industry in India and abroad. The National Council for Hotel Management and All India Council for Technical Education have approved and granted affiliation to conduct one and half years Diploma and three years Diploma courses in Hotel management at par with other National institutes with effect

from 2001-2002. Hence, upgradation of assets and equipment to provide full-scale services needs to be done.

A provision of Rs 225.00 lakhs has been made for the Institute.

Helicopter Operation - Rs 30.00 lakhs

- 15.16 One of the biggest problems in development of tourism in Sikkim is the connectivity. Sikkim is a land-lock mountainous State. The nearest airport and railhead are located at 120 kms away from Gangtok. It takes about 4 (four) hours from airport and railway station to reach there.
- 15.17 Besides the distance, the roads often get disrupted due to landslides, especially during monsoon season, thereby cutting off Sikkim completely from the rest of the country. Further, many of beautiful tourist spots in remote areas are not easily accessible by roads.
- 15.18 Therefore, considering the above difficulties the Government of India, Ministry of Home Affairs has approved a helicopter service of 5-seater for Sikkim by subsidizing the cost of operation by 75%. This service has been in operation for

almost three years. Rs 30.00 lakhs has been provided for upkeep of Helipad for the operation of Helicopter Service.

Promotion & Publicity Rs 500 lakhs

15.19 The Information and Publicity has a very important role to play in projecting the State as a unique tourist destination: In the Ninth five-year plan more emphasis was given to the promotion of Tourism through giving wide publicity.

15.20 The current promotional mix comprises of production of brochures, handouts, audio-visual material, display of hoardings, participation in fairs, conferences, seminars, organizing events and adventure tourism programme. The main elements of the proposed promotional mix are: -

- Print and Distribution
- Media Advertising
- Overseas Representation
- Tourism Exhibitions
- Sales Promotions
- Events
- Public Relations

15.21 Publicity is an important function of the Tourism Department to disseminate information on the Tourism

potential of the State through various media. Realizing the need to project the correct image of the State, it is necessary to produce quality brochures, release of advertisement, produce visual media all of which require professional touch. The Department proposes to have all these produced through engagement of media consultant of repute.

Adventure Tourism - 60.00 Lakhs

- 15.22 Sikkim is a popular Adventure destination. The existence of the world third highest peak along with a host of virgin peaks lure many adventure seekers to this State. The renowned Singalila trail is being opened for the trekker and the existing KanchenDzonga trails is being developed. White Water Rafting is also being promoted on Teesta & Rangit Rivers. For the promotion of adventure tourism a provision of Rs. 60.00 lakhs has been made in the 10th five year plan.

Fairs and Festival - Rs.200.00 Lakhs

- 15.23 The Department of Tourism has been regularly participating in various tourism related fairs & marts held in India and abroad. The current endeavor is proposed to be stepped up by promoting various themes of Sikkim. One of the major events as envisaged is the international flower festival in March 2003. For these events a provision of Rs.100.00 Lakhs has been made in the tenth plan.

Provision for celebrations of the following annual events has also kept.

- Eastern Himalaya Tourist Festival
- Flower Show at Gangtok
- Flower Show at Namchi
- World Tourism Day

15.24 During the fair & festival various non-governmental organizations, association and clubs organise various activities to preserve cultural and religious heritage. The Department as such gives grant-in-aid to these Organisation.

Publicity-Rs.200.00 Lakhs

15.25 Print and distribution is currently the major promotional effort by the Department of Tourism, many of whose publications and videos have been well received both in the market place and by the travel trade in general. Some of these publications are,

- Sikkim an adventure odyssey
- Glimpses of Sikkim
- Your Guide to Gangtok
- Welcome to North Sikkim
- Sikkim Tsomgo the sacred Lake
- Sikkim Land of Mystic Splendors

15.26 The Department has produced above brochures on various tourist attractions and destinations improving and upgrading of information. This is being done each year with the objective of giving the update data /information to the tourist.

15.27 Often these publications run out of stock and tourists are not provided with the information they are looking for. Thus there is a need to have more literature available for distribution in the markets. Other print and distribution programme envisaged are: -

- Production of travel agents manual.
- Production of sightseeing brochures for both high spending and budget category tourists.
- Production of trekking manuals.
- Video Films
- Exhibition materials.

Information - Rs.40.00 lakhs

15.28 The department has outstation offices in Delhi, Siliguri and Calcutta. These offices not only disseminate information on Sikkim but also maintain liaison offices and travel trade outfits. Tourist Information Center at Gangtok is presently located within main office. The office has been functioning

with bare minimum facilities. The department proposes to install required facilities including the latest information gazette.

5452 - CAPITAL OUTLAY - Rs 925.00 lakhs

Samdruptse Project - Rs 350.00 lakhs

- 15.29 Samdruptse in South Sikkim has been identified as an ideal place for installation of the Statue of Guru Padma Sambhava from the tourist point of view. For installation of the statue a high level committee has already been constituted which is working out the modalities and other details to maintain the religious significance intact. The project is already underway. The cost of the project is likely to exceed Rs. 8.00 crores. A provision of Rs. 400.00 lakhs is reflected under the Tenth Five Year Plan. This project is to be spilled over to the Eleventh Five Year Plan for its completion.

Development of Tsomgo Lake - Rs 100.00 lakhs

- 15.30 One of the major tourist attractions in East Sikkim is Tsomgo Lake. For its development a project costing Rs 203.00 Lakhs has already been approved. The project envisages shifting of existing temporary shops down slope of the lake which would be away from the present location and to relocate them as per the layout and plan. The area development is already under progress including the leveling

of the land. The construction of the car park, shops and toilets are being taken up. The Border Roads Organisation as the implementing agency will assume the responsibility for its construction work. For completion of the project Rs 100.00 lakhs is proposed in the Tenth Five Year Plan. To make this project operational the project is carried over to the Tenth Five Year Plan.

**Construction of Artificial Lake at Uttarey
West Sikkim - Rs 200.00 lakhs**

- 15.31 The Department of Tourism, with a view to establish a new destination in West Sikkim as a means of gradual dispersal of the tourists has proposed the development of artificial lake at Uttarey. The process of acquisition of land for the purpose of construction of the lake has already been completed and Department has also released the amount towards the compensation for acquiring the land and property against total requisition of Rs. 85.15 lakhs as per the compensation statement received from the Collectorate, West. The Mines and Geology Department, Government of Sikkim has carried out the soil survey and certified the stability of the land. For implementing the project a provision of Rs 200.00 lakhs is made in the Tenth Five Year Plan.

Ropeway at Namchi - Rs 100.00 lakhs

- 15.32 The Government has proposed to install ropeway between Namchi, South District headquarter to Samdruptse where the statue of Guru Padma Sambhava is being installed. The idea for the installation of the ropeway, (4 to 5 Kms) is that to take tourists along the district headquarter Namchi to Guru Padma Sambhava's statue, at Samdruptse. The feasibility study is being made by a firm from Calcutta. For this purpose a sum of Rs. 100.00 lakhs is reflected in the Tenth Five Year Plan. This project has the potential to add to the existing attraction of Namchi town.

Acquisition of Land for Institute

of Hotel Management - Rs 125.00 lakhs

- 15.33 In the Tenth Five Year Plan, it is proposed to acquire land and build a full-fledged institute for which the Government of India will be funding the construction cost. The land will also be utilized for Institute of Eco-tourism and Adventure Wing. The State Government will have to provide land and Upgradation facility. A provision of Rs. 125.00 lakhs is required for this purpose.

Chemchey Resort Project

- 15.34 The State Government has taken a decision to develop a self-contained resort at Chemchey village in the South District. This also goes well with the goal to develop Namchi town as

an independent tourist destination. While investment for the project is estimated to Rs.11.00 crores for first phase of the scheme, Rs.50.00 lakhs is earmarked in the Tenth Five Year Plan. The land acquisition and compensation of payment has been completed.

These are all need-based projects in the overall interest of the development of tourism in the state. The liberal attitude adopted by the Govt. of India in regard to Sikkim can be expected to continue and sufficient funds should be allocated for their implementation to avoid time and cost overruns. However the state government should be held responsible and accountable to the timely implementation of the projects and financial discipline to adhere to schedules and other conditions stipulated by the concerned central government agencies.

15.35 All these projects are more or less by and large on the basis of the recommendations of the TCS.

15.36 Appropriate coordination and cooperation of concerned state government departments is very essential to complete various programmes and projects mentioned above. We suggest that a high level committee under the chairmanship

of Chief Secretary and consisting of Secretary-equivalent rank official of the concerned department and Principal Secretary cum commissioner Tourism as Member Secretary of the said Committee may be constituted for monitoring of the implementation of the projects for their timely completion to avoid pit falls observed during the ninth plan. This committee will also monitor the progress of CSS Projects as well. Its recommendation/observation should be put before the cabinet from time to time for information and guidance, as the cabinet may deem necessary in the overall interest of the tourism development.

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CHAPTER XVI

Projects and Programmes: Investment Requirements

- 16.1 The Govt. of Sikkim had commissioned Tata Economic Consultancy Services (TECS) to prepare a Master Plan covering the period 1995-2012. TECS submitted the report covering various aspects of the tourism development in the state. A key component of the study was identification of specific projects / schemes based on the perception of TECS and the accepted policy framework of the government of Sikkim. The important projects identified and the investment requirements are given in Annexure 15.1.
- 16.2 The government has since implemented/ is implementing most of the projects identified by the TECS. These include the projects, which have been posed to the Planning Commission for funding during the Tenth Plan Period. Vide Annexure 15.2.
- 16.3 In view of the need based nature of these projects and many of them are on going schemes under different stages of planning and implementation, we believe it is not desirable to give them up in midway and or alter them. Hence we recommend that they should be taken up and implemented within the time frame suggested by TECS and accepted by the Government of Sikkim though spill over cannot be ruled out. In view of various developments since the TECS report and the need for growing importance of the balanced development, the policy focus and action plan require a re-look.

- 16.4 As the Hon'ble Chief Minister and Minister In-charge of Finance mentioned in his 2002-2003 Budget Speech of 23 March 2002 "the two landmark reports viz. "Sikkim Human Development Report 2001" and "Sikkim: The People's Vision" have placed before us a long-term mission and a well-charted road map along with a well-defined agenda for sectoral and sub sectoral reforms". In respect of the tourism sector, Sikkim: The People's Vision, has stated as follows:
- 16.5 "Tourism is a human-resource intensive activity; it is a major source of jobs at varying levels of skills. The wide range of climatic zones in the state and its diverse cultural, religious and ecological base could—if tourism targets the right kind of traveler—expand the industry to a year-round business. The very high trickle-down effects of tourism means that an expansion in the industry will not only increase incomes of those directly employed, but will provide a tremendous boost to allied sectors such as transport, telecommunications, retailing, etc. The indirect and induced benefits could, in fact, be several multiples of the direct benefits of tourism development.
- 16.6 "Appropriate and effective development of tourism in **Sikkim** could help alleviate poverty as well as remove some of the regional disparities. For example, careful promotion of tourism in the North District, which is least developed and has most of the high-altitude land, would certainly enhance development in the region.
- 16.7 "Tourism development should be **sustainable** and undertaken with an environment impact analysis at every stage. Otherwise, expanding the industry could prove

counterproductive: the wrong type of development, such as over-construction for example, could create landslides and deprive the region of its rich flora and fauna. The next phase of tourism development has to be based on a new administrative culture, which is more responsive to environmental needs. The opening of Nathu La can be expected to increase not only the passage of goods from the country to Tibet but also the flow of tourists traveling to Tibet, including Lhasa and Manas Sarovar.

16.8 “Sikkim can expect to benefit from both. But, the quantum of benefit will depend upon how the state positions itself for providing facilities such as good all-weather roads, motor repair shops, gas stations, hotels, restaurants and rest houses. Transit tourists will be tempted to spend a few extra days in Sikkim if tourist facilities such as conducted tours, comfortable accommodation and awareness about Sikkim's natural beauty can be created.

16.9 “In several areas, such as Pelling and Mangan, the government will have to act as a catalyst for creating transit facilities. First and foremost, is the need for rapid transportation of the traveler from the plains to the transit facilities in the State. The modern tourist will be loath to spend a day commuting from Bagdogra to her destination in Sikkim. The widening and improvement of NH 31A and the development of an alternative road from Siliguri to Gangtok is a prime necessity in this regard. Second, in tourist centers such as Pelling, the government has to attract private hoteliers of repute to set up world-class facilities for world-class tourists. These facilities may have to include cottages with modern-day comforts, restaurants

with gourmet and local cuisine, shopping and entertainment facilities, pony rides and guided treks. Given the lumpiness and long gestation period of such investments, the government may have to think of making land available on Concessional lease, and even taking up an equity stake in such ventures.

- 16.10 “Third, the private investor in such transit centers will have to be encouraged to build toll roads, with generous government assistance from the nearest connecting point on NH 31A, to rapidly transport the visitor to the destination. Last but not least, the full potential of tourism benefits will accrue to the state only if the government promotes the training of the local people in acquiring such tourism-related skills as knowledge of language of the tourists, how to be a guide, hoteliering and cooking”.
- 16.11 The broad contours of the tourism policy and the plan of action proposed in the years ahead were also spelt out by Shri Gyalshing Karma Gyatso, Principal Secretary and Commissioner, Tourism, Government of Sikkim in his paper presented at the Eco Tourism Conference held at Gangtok during the month of January 2002. (Annexure)
- 16.12 Our approach: to develop eco tourism in select areas ideally suited for such an exclusive activity and build on the advantages of other areas where basic tourism infrastructure and facilities are planned and underway. Keeping in view these two objectives we have recommended elsewhere in the study (Chapter Eco-Tourism) exclusively for Eco-Tourism.

- 16.13 During the course of our field study, discussions with officials in the concerned government Departments of the state and other experts in the tourism and allied industries, we have identified need based programs and projects for implementation during the perspective plan period. We have had the privilege of going through the Master Plan commissioned by the State Government. The need for regional dispersal, projected tourist inflow the existing infrastructure facilities, capacity building for implementing the projects etc., have also been kept in view in estimating the investment requirement and phasing thereof.
- 16.14 Due to clear logic and economic and financial reasons we are not in favour of discontinuing and or halting any scheme/ project midway, which is neither in the interest of the State nor the stakeholders. All the same we are of the considered view that on going projects should be completed on an urgent footing with additional inputs and organizational restructuring, take up and implement those projects / schemes which are essential to move faster towards the sustainable development of tourism in general and eco tourism in particular. We are however; constrained to add the eco tourism perse is not a practicable proposition and basic connectivity and minimum infrastructure facilities is a sin- quo-non to reach that objective.
- 16.15 It was noted an earlier chapter that 57 centralist sponsored schemes during various stages of implementation which can easily be spilled over during the 10 Five Year Plan 2002-2007.

16.16 A break up of projects, phasing of investments district wise, is given in Annexure 16.3.

16.17 Besides the aforesaid scheme / project of the State Department Tourism, STDC, has proposed the following schemes and proposal with an outlay of Rs. 750 lakhs:

TABLE XVI-1

**Plans of STDC for Tenth Five-Year Plan
Plans / Projects**

Development of New Products		(Rs. In Lakhs)
1.	Development of a tourist resort in rural areas in a district @ Rs. 300.00 lakhs per resort. The project will be integrated basis with other Departments like Roads, PHE, Power and RDD.	300.00
2.	Construction of Tourist Lodge / Restaurant / Cafeterias in potential tourist spot where Private sector feels shy to invest at present.	100.00
3.	Improvement of existing products (i) Expansion of the Rangpo Tourist Lodge	100.00
4.	Strengthening of Organization structure. Strengthening the organization structure at head office including training of personnel, introduction of EDPs, market research and marketing of its facilities.	250.00
TOTAL		750.00

16.18 As mentioned elsewhere, the paid up capital of STDC has to be stepped up sharply at least to a level of Rs. 15 crore to raise its debt equity ratio to meet the requirement of financial institutions for taking up commercially viable projects on its own and or in association with private sector by providing equity to select projects and promoters to perform its promotional role as a catalyst in investment activity in the tourism sector.

Year wise investments during the Tenth Plan period is given in Table XVI 2.

Table XVI-2.

Consolidated statement showing the requirement of funds for the Tenth Plan Period. (Rs. in Lakhs)

Head of account	2002-03	2003-04	2004-05	2005-06	2006-07	Total
Dir & Adm. 3452-01-102-41 Dir & Adm. 3452-80-001-Dir & Adm.	186.20	250.80	244	227	227	1135
000044 FCI	37	49	49	45	45	225
460062 Hel. Op	5	7	6	6	6	30
Pro. & Pub.	82	110	108	100	100	500
000047 IMS	0.80	1.20	1	1	1	5
5452-01-101-Dev. Projects	152	203	200	185	185	925
000050-STDC State Share	123	165	162	150	150	750
Total	586	786	770	714	714	3570

- 16.19 The other projects identified by the Horizon team are given in Table XVI-4. The project profiles, including the breakup of the cost, means of financing, possible agencies for funding, suitable form of ownership / management (public/private/ joint/assistant sector) are also given.
- 16.20 A list of appropriate overseas sources of funds, multilateral, bilateral funding agencies have also been given therein.
- 16.21 Based on the projects identified by Horizon, projects posed to the Planning Commission by the State Government and on going schemes the phasing of investment during the 20-year perspective plan beginning from 2002 is indicated below:

Table: XVI-3**Phasing of Investments**

Phasing of Investment				(Rs.in lakh)
	(2002-2007)	(2007-2012)	2012-2017	2017-2022
Private Sector	10392.3	10392.3	20784.6	27712.8
Joint Sector	793.25	793.25	793.25	793.25
Govt. (including outlay posed 10th five year plan)	3715.00	743.00	1486.00	1486.00
	14900.55	11928.55	23063.85	29992.05
	18.7%	14.9%	28.9%	37.5%

16.22 Proportionate share of total investments are envisaged high in the first 5-year period (2002-2007) due to this period covers the project already posed to the Planning commission by the State Govt. It is expected that the State will create minimum basic tourist infrastructure as catalysts for further investment in the private sector in the subsequent phases. This is also in line with current thinking on economic liberalization and privatization policies.

16.23 As mentioned above these projects have to be implemented in the public, joint, assistant and private sectors depending upon the size of the projects and investment requirements. The source of funding will be influenced mainly by the size and the nature of the project. Since the State government does not appear to be in a position to raise required equity

component of the project cost it is suggested that the Central Government should constitute a special vehicle to support the state by granting long-term funds either in the form of equity or grant.

16.24 It may also be mentioned that some of the international institutions, for instance, Japan Bank for International Cooperation (JBIC) expects the borrower to meet the project cost from its own sources but subsequently would be reimbursed by the JBIC. Since the financial position of Sikkim is not comfortable, the Govt. of India may consider providing a bridging loan facility to the state till the disbursement / reimbursement is made by JBIC. This is the only way Sikkim can avail of JBIC loan, which is very attractive. The interest rate being 1.8 percent and the grace/repayment period being 10 years / 30 years respectively. The Govt. of India also should create a technical assistance fund for capability building of the state and or funding the feasibility studies/ project reports as per the standards / norms of the international financial institutions.

16.25 Some of the infrastructure projects like another parallel road to NH31A, railway network, up gradation of Bagdogra

Airport, construction of Helipads in select divisional headquarters of different districts of Sikkim should be funded through the budgetary allocation of the Union Government and or other sources to the respective nodal agencies like National Highway 7 Authority, Railways, civil aviation etc.

16.26 As mentioned elsewhere, the borrowing capacity of the STDC has to be raised which will be possible only through a substantial increase in its equity capital base. STDC is expected to play a critical role in promoting various projects in the state by way of reasonable equity contribution in the projects promoted by the private entrepreneurs. This also calls for sharp increase in the equity capital base of the corporation. Since the budgetary allocation of the state is unlikely to contribute substantially to the share capital of STDC, the proposed special vehicle window may be opened for the proposed equity capital support.

16.27 The indicative project profiles with basic details of cost configuration, other financial indicators, source of funds, preferred ownership/ management are given in Part-C of the report.

16.28 Horizon will consider taking up the assignment on a turnkey basis which will cover Market feasibility, cost configuration, profitability projections and cash flow

statements; identifying appropriate sources of funding and negotiate with the identified financial institution/s for funding the projects based on the existing norms of the concerned institution/s on a fee based manner.

Table XV 4
SUMMARY OF ESTIMATED INVESTMENTS FOR TOURISM & RELATED PROJECTS AND INFRASTRUCTURE AUGMENTATION

(Rs. in Lakhs)					
Sl.No.	Project	Estimated Investment	Sector	Proposed Sources of funding	Nature of Security
A. DIRECT TOURISM RELATED PROJECTS					
1.	Miniature Village	1395	Joint	TFCI/ Commercial Banks	First Charge
2.	Four Eco Resorts	2720	Private	TFCI/ Commercial Banks/ Foreign Financial Institutions	First Charge/ Govt. Guarantee
3.	Integrated Resort Complex at Chemchey	1103	Joint	TFCI/ Commercial Banks	First Charge
4.	Ropeway Project	1050	Private	TFCI/ Commercial Banks	First Charge
5.	Art and Crafts Village	140	Govt.	C.S.S.	
6.	Residential School	2500	Private	Overseas Institutions	Govt. / Bank Guarantee
7.	Wayside Amenities with modern facilities including Internet, Fax, telephone etc./ Setting up Tourist information Center / Viewpoints	770	Govt.	C.S.S.	
8.	Construction of Paryatan Bhavan in Gangtok	300	Govt.	C.S.S.	
9.	Investment outlay required for creation of Rooms to meet Projected Demand	53172	Private	TFCI/ Commercial Banks / Foreign Financial Institutions	First Charge/ Bank Guarantee/ Govt. Guarantee

10.	Renovation/ Modernization/ refurbishing of Tourism Assets	2000	Govt.	Overseas Institutions	Govt. Guarantee
11.	Highway Restaurant	185	Private	SIDBI/ Commercial Banks	First Charge
12.	Convention Center	5000	Private/ Joint	TFCI/ Foreign Financial Institutions	First Charge/ Govt. Guarantee
13.	Funds requirements for Tourism Projects posed to Planning Commission during the 10 th Plan Period including STDC requirement	4320	Govt.	Govt. of India, Plan Allocation	
B. ENTERTAINMENT					
1.	Entertainment Complex with Bowling and other recreational facilities	535	Private	TFCI/ Commercial Banks/ Foreign Financial Institutions	First Charge/ Govt. Guarantee
2.	Amusement Park Project	1120	Private	TFCI/ Commercial Banks	First Charge/ Govt. Guarantee
3.	Musical Fountain cum Entertainment Complex	1350	Joint	TFCI/ Commercial Banks	First Charge
4.	Sound & Light Show at Rabdinse Ruins and also laying of way steps and fencing on the lines of Vaishno Devi	200	Govt.	C.S.S.	
5.	Sound & Light Show at/ near Gangtok	200	Govt.	C.S.S.	
6.	Casino, Video Games, Quiz & other popular games/ activities	200	Private	Banks	First Charge
7.	Performing Arts & Culture Center – Folk Dance, Cultural Events, Discourses on Heritage & Culture, Monasteries etc, films on Monasteries, Tourist	350	Private/ Joint	TFCI/ Commercial Banks	First Charge

	Attractions with their significance & Socio-Cultural importance				
8.	Health Club consisting of Solar Heated Swimming Pool, Tennis Court, Badminton Court, Modern Gymnasium, Steam/ Sauna Bath, Jacuzzi, Skating Ring etc.	200	Private	SIDBI/ Commercial Banks	First Charge
9.	Water Park: Wave Pools, Interactive Play system, Body Slides, Kids Play/ Slides, Tube Slides	200	Private	SIDBI/ Commercial Banks	First Charge
C. OTHER TOURISM DEVELOPMENT AND EMPLOYMENT GENERATION / POVERTY ALLEVIATION PROJECTS					
1.	Film City Project	8000	Private	Overseas Institutions/ IDBI	Govt. Guarantee/ First Charge
2.	Village Tourism (37 Village Panchayats i.e. 25% of the existing Panchayats to be covered in the first phase)	370	Govt.	C.S.S.	
3.	Sikkim Hatt	200	Govt.	Directorate of Handicrafts, Govt. of India	
4.	Showrooms & Cuisines of Sikkim in Selected Centers like Mumbai, Bangalore, Chennai, Delhi	1000	Govt./Private through Franchise	Govt. of India / Commercial Banks	First Charge
D. CAPABILITY BUILDING					
1.	National Institute for Adventure & Eco Tourism	6000	Govt.	Grants from GoI/ International Financial Institutions	
2.	Institute of Hotel Management & Catering	1500	Govt.	Grants from GoI/ International Financial Institutions	

3.	Institute of Tourism and Travel Management	1500	Govt./Private	Govt. / Banks/ International Financial Institutions	First Charge
4.	Training Institute for Tourist Guides, Hotel Staff, Travel Agents and others concerned with hospitality sector	150	Govt. / Private	Grants from GoI / Term Loan from Banks	First charge
E. STUDIES					
1.	USP of Sikkim: A Tourist Perspective	10	Govt.	Department of Tourism, Govt. of India	
2.	Tourist Satisfaction Study	10	Govt.	Department of Tourism, Govt. of India	
3.	Sikkim as a Tourist Destination: General Perception & Awareness in India and Abroad (Source Markets)	20	Govt.	Department of Tourism, Govt. of India	
4.	Product Development & Promotion with a focus on Brand Image Building	25	Govt.	Department of Tourism, Govt. of India	
5.	Income levels and Expenditure Patterns of Tourists to Sikkim	10	Govt.	Department of Tourism, Govt. of India	
6.	Census of Hotels with facilities in Sikkim	5	Govt./ SHRA	Department of Tourism, Govt. of India	
7.	Market Survey in Select Source Markets in India and Abroad	100	Govt.	Department of Tourism, Govt. of India/ Foreign Financial Institutions as Grant	
8.	Carrying Capacity in Gangtok	10	Govt.	Department of Tourism, Govt. of India	
9.	Carrying Capacity in Select Tourist Attractions and Eco-Tourism Destinations	10	Govt.	Department of Tourism, Govt. of India	

F. CONNECTIVITY					
1.	Luxury Buses (Bagdogra / Gk, NJP/ Gangtok)	80	Private/ SMT/ STDC	Banks	First Charge
2.	Improvement in Transport linkages form Kolkata, Darjeeling, Bodhgaya, Patna etc. by Additional / New trains, Luxury Buses, Economy Class buses etc.	750 crore	To be funded by multilateral agencies like IBRD / ADB and / or by nodal agencies concerned like Railways, Airport Authority of India, National Highway Authority etc.		
3.	Alternative Road Netwosrk to NH31A				
4.	Modernization / Expansion of NH31A upto Kolkata				
5.	Additional Berths in Existing Trains passing through NJP				
6.	Additional/ New Trains from Bangalore, Mumbai, Chennai, Delhi, Hyderabad				
7.	Extension of Rail Network to Sikkim (Rangpo)				
8.	Conversion of Bagdogra Airport as an International Airport				
9.	Additional Flights from Kolkata, Delhi and Bangalore				
10.	Additional Helicopter services from / to Bagdogra from / to Divisional Headquarters of Sikkim				
11.	Timely Completion of Sikkim Airport at Pakyong				
G. R & D CENTER					
1.	R & D Center for increasing				

	application of eco-friendly building materials, technology and other allied activities, Cost effective and fuel efficient materials and methods in hospitality industry, other research studies on relevant subjects to the tourism sector	200	Public	Department of Tourism, Govt. of India	
Total Investment Outlay		98960			

16.29 Cost configuration and phasing of investment for the 20 year period in short, medium and long term with the sector wise breakup is given below:

Cost configuration and Phasing of Investment for the 20 year period (Rs. in Lakhs)				
Subject	Short	Medium	Long	Total
	2002-07	2007-2012	2012-22	
a) Basic Infrastructure	25000	25000	25080	75080
b) Tourism Infrastructure (Accommodation, Product Development)	44200	44250	44423	132873
c) Human Resources Development	300	250	365	915
d) Marketing, Publicity and Promotion	1050	1400	1885	4335
e) Others (Incentive & Subsidy)	100	80	85	265
Grand Total	70650	70980	71838	213468

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CHAPTER XVII

SOURCES OF FUNDING FOR TOURISM RELATED PROJECTS

- 17.1 Viable tourism related projects are being funded by multilateral, bilateral and domestic financial institutions. These institutions provide term loans, equity, guarantee etc. on market driven rates and conditions. However, a few of them consider providing grants also to very deserving and on a selective basis.
- 17.2 A list of such institutions is given in annexure 16.1. The information includes full addresses of the respective institutions, contact addresses, general terms and conditions, types of assistance available etc.
- 17.3 The multilateral institutions include World Bank, International Finance Corporation and Asian Development Bank.
- 17.4 The request for funding from the aforesaid institutions will have to be normally routed through the Department of Economic Affairs, Ministry of Finance, Govt. of India, New Delhi. A close liaison and active support of Department of Economic Affairs is therefore essential to achieve the desired results.
- 17.5 The bilateral institutions include:
Australian Agency for International Development (Aus AID),
Department for Development Cooperation, Austria,
Belgian Administration for Development Cooperation (BADC)
Belgium, Canadian International Development Agency (CIDA)
Canada, Danish International Development Agency (DANIDA)
Denmark, La Caisse Francaise De Development (CFD) France,
Kreditanstalt Fur Wiederaufbau (KfW) Germany,

German Investment and Development Company (DEG) Germany, Directorate General For Development Cooperation (DGCS) Italy, Japan International Cooperation Agency (JICS) Japan, Japan Bank for International Cooperation (JBIC) formally known as OECF The Netherlands Development Finance Company (FMO) Netherlands, Norwegian Agency for Development Cooperation (NORAD) Norway, Spanish Agency for International Cooperation (AECI) Spain, Swedish International Development Cooperation Agency (Sida) Sweden, Overseas Development Administration (ODA) United Kingdom, Commonwealth Development Corporation (CDC) UK. United States Agency for International Development (USAID) USA.

17.6 Domestic institutions include Tourism Finance Corporation of India (New Delhi), Industrial Development Bank of India (Mumbai), Small Industry Development Bank of India (Lucknow), North Eastern Development Finance Corporation Limited (NEDFi) (Guwahati) and Commercial Banks.

17.7 Normally all financial institutions provide loans on market driven rates and conditions. They expect an acceptable debt equity ratio determined on a case-to-case basis. Since the Government of Sikkim is not comfortably placed to raise its own equity to meet the debt equity norms of the funding agencies, a special vehicle window should be thought of to support and provide necessary equity to the projects, which are posed to these institutions for funding, in those projects which are not normally taken up by the private sector. The fact is that in the absence of local financially resourceful entrepreneurs, the state will have to play a catalyst role for a reasonable period of time. Even in the case of projects promoted by private entrepreneurs the state or through its institutions like the Sikkim Tourism Development Corporation will have to chip in equity either as

joint sector or assisted sector partners. Thus, the equity base of STDC will have to be appropriately raised to play its due role as a developmental agency in the field of tourism and related activities. Detailed study of restructuring of STDC is being taken up separately in this regard.

- 17.8 We believe that the Govt. of Sikkim deserves a special treatment because of a variety of reasons, which have been very well highlighted in the Sikkim Human Development Report in the following words:
- 17.9 “Sikkim has been the most significant geographical entity in the conservation process in the Eastern Himalayas. It provides i) military security ii) environmental security and iii) continues to forego a huge opportunity cost for economic development. Therefore, Sikkim's plan expenditure and revenue budgets should be examined in a different perspective. This proposition sounds abstract and impractical. However, this debate has to be initiated as it carries the critical issue of sustainability and the staggering cost to be borne by Sikkim and the people of the State.
- 17.10 “Firstly, it has been one of the very geo-strategically significant border posts of India and has a huge concentration of security and military forces. Besides the other issues related to carrying capacity, the physical burden of these forces as a pressure on land and other natural and manufactured resources are quite gigantic. This definitely needs to be taken into consideration. All these incur a huge development and environmental cost to the State, which many other States in India do not have to incur. In the absence of any meaningful economic valuation of these costs, there has been a tendency to over exploit physical and

other resources of the State without any systematic replenishment. This has started raising the critical question of sustainability. There should have been a major chunk of funding to compensate these invisible costs. However, this is hardly reflected in the development budget of Sikkim”.

17.11 “Secondly, the onus of protecting and conserving the significant portion of the critical eastern Himalayan region and its environment, including the mountain range, has fallen on the people and the government of Sikkim. The protection of biodiversity and the forward and backward linkages emanating from it to the entire Himalayan community and the plains land have never been quantified. As a result, many quarters are not able to appreciate the work Sikkim and Sikkimese are doing for the sustainability of the region. One way to recognize this service to the nation building process is to supplement the State resources partially for the upkeep of the hills and the Himalayan region. There has, however, been no additional outlay on rendering this service, very vital to the entire process of sustainable development in the country as a whole”.

- “The appropriate valuation of positive externalities of conservation is very vital for Sikkim. This involves describing the values of these externalities, whether in terms of value to human or some intrinsic value of all living things. The point to drive home is the fact that the value of conserving them is greater than the benefits derived from conversion. The emerging concept of total economic value (TEV) in environmental economics is considered to be the best measure to express the full range of benefits—both tangible and intangible—provided by the forests. In the total economic value, besides the other components one has to look into both direct and indirect use values. This TEV exercise should

be initiated both for assessing and understanding the costs involved in the conservation efforts made by the State. This can be a major basis for the Special Category State like Sikkim to get a special annual package primarily to partially compensate for what it has been doing in the area of conservation and sustenance”.

- 17.12 “And finally, the very topography of Sikkim, and the fact that it is landlocked coupled with its agro-climatic variations have made it impossible for the State to accomplish an array of interventions making the process of economic development very limited. At times it has been a Hobson's choice for the State to opt for a major development intervention as the long run cost, particularly, in terms of environmental security is higher than the short run benefit. This has forced Sikkim to function in a very constricted development space where the degree of manoeuvrability is very limited. In other States, the interventions by policy makers and politicians are not constrained by the factors that characterize the Sikkim Himalayas.”
- 17.13 The fact that the United Nations Development Program was closely associated with the project also brings into sharp focus the relevance and objective aspect of the aforesaid recommendation.
- 17.14 The following are the international funding agencies, which provide, inter alia, grants on merit of the project based on their own judgment and evaluation of the proposal on a case-to-case basis:

1. THE OPEC FUND FOR INTERNATIONAL DEVELOPMENT (OPEC)

Loans, technical assistance, grants in support of technical assistance operations, and research and similar activities.

2. ASIAN DEVELOPMENT BANK (ADB)

Technical assistance is provided for the preparation and execution of development projects and is typically grant-financed. Equity investment and selective loans are destined to the private sector.

3. ARAB FUND FOR ECONOMIC AND SOCIAL DEVELOPMENT

Soft loans, grants

4. AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT (Aus AID)

Grants, technical assistance including provision of equipment and services

5. BELGIAN ADMINISTRATION FOR DEVELOPMENT COOPERATION (BADC)

Grants, technical cooperation activities, project investment, capital participation and subsidies in connection with education and training purposes.

6. CANADIAN INTERNATIONAL DEVELOPMENT AGENCY (CIDA)

All Canadian ODA is provided on a grant basis. Types of assistance include: technical assistance; the provision of goods and services; lines of credit.

7. DANISH INTERNATIONAL DEVELOPMENT AGENCY (DANIDA)

All grants, technical assistance including related operations and services.

8. DEPARTMENT FOR DEVELOPMENT COOPERATION

All grants; technical assistance including education and training.

9. NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION (NORAD)

Soft loans, grants, guarantees and mixed credits.

10. SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY (Sida)

Grants and credits.

11. OVERSEAS DEVELOPMENT ADMINISTRATION (ODA)

Grants and technical assistance, including provision of equipment, training and research and similar activities.

12. UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)

Grants to governmental and non-governmental organizations (NGOs) or private voluntary organizations, including technical assistance and provision of equipment to support project activities. Assistance may also be available indirectly through USAID-funded programmes such as the Biodiversity Support Program.

- 17.15 It may also be mentioned that most of agencies are having their offices in New Delhi including the respective embassies. This should facilitate a close and effective liaison by the Sikkim Tourism office in New Delhi with the concerned agencies and the Department of Economic Affairs. We also strongly recommend that the Sikkim government should identify a select few agencies which are providing grants besides the loans for

tourism related projects and try to have one to one dialogue at the headquarters of the said agencies through proper diplomatic and official channels with active support and guidance of the Department of Economic Affairs, Ministry of Finance, New Delhi. Such approaches will also be useful as a part of tourism promotion of the state, as almost of these countries are high tourist spenders in the world as brought out elsewhere in the study.

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CHAPTER - XVIII

PROJECTED ECONOMIC & SOCIAL BENEFITS OF TOURISM FOR SIKKIM

- 18.1 Tourism is basically a social activity, which has an economic benefit. It is considered an activity essential to the life of nations because of its direct effects on the social, cultural, educational & economic sectors of the nation & also international relations. The various social & economic benefits accruing to the region due to tourism activities include preservation & development of places of cultural interest, local area development & direct & indirect employment, increase in foreign exchange earnings for the country & greater economic activity.

Economic Benefits of Tourism:

- 18.2 The economic value of tourism is measured by estimating its contribution to the national income & employment and the tax revenues accruing to the economy. The economic benefits in this chapter are measured in terms of output (direct & indirect), income & employment generated from different industry segments comprising:

- Hotels & restaurants
- Travel agents & tour operators
- Passenger transport services
- Entertainment establishments
- Sales outlets
- Guide services

- 18.3 Tourism constitutes a demand for services & consumer goods that would not have been produced otherwise. The benefits arising to the society can be classified as direct, indirect & incidental benefits

Direct Benefits

- 18.4 The money spent by tourists is received by the different segments of the tourism industry, which provide various services required by the tourists. These receipts form the direct output of the industry. These are directly proportional to the number of tourist arrivals & their length of stay in the region.

Indirect Benefits

- 18.5 Tourism also has an indirect economic benefits arising from a chain of inter-industry spending initiated by the expenditure by the tourism industry on its own inputs. Thus, a flow of money finds its way into the economy through the multiplier effect. Indirect output arises from the payment of wages & salaries to the employees in the tourism sector, purchases of goods by the tourism industry, etc. The indirect outputs are estimated by multiplying the direct output by an appropriate multiplier. The net value added by the tourist is the income accruing to the economy. This is calculated on the basis of an appropriate income multiplier. These multipliers give the direct as well as indirect income to the economy as a result of tourist expenditure.

Assumptions & Methodology

- 18.6 This section explains the assumptions & methodology adopted in the calculation of direct & indirect output, income & employment generated.

Tourist Projections

- 18.7 The tourist projections for the next twenty years have been made on the basis of past trends & the proposed development efforts. The rationale for the assumed to growth of 10% upto 2011 and 15% for the next ten years has been explained elsewhere in the study The year-wise tourist arrivals have been calculated based on the same. The total number of tourists (both domestic & International) projected to visit Sikkim in the next twenty years, is given in the table XVIII-1.

Table XVIII-1

Projected Tourist Arrivals to Sikkim

Year	Domestic	International	Total
2002	161615	8533	170148
2003	177777	9386	187163
2004	195555	10325	205879
2005	215110	11357	226467
2006	236621	12493	249114
2007	260283	13742	274025
2008	286311	15116	301428
2009	314942	16628	331570
2010	346437	18291	364727
2011	381080	20120	401200
2012	438242	23138	461380
2013	503979	26608	530587
2014	579576	30599	610175
2015	666512	35189	701701
2016	766489	40468	806957
2017	881462	46538	928000
2018	1013682	53519	1067200
2019	1165734	61547	1227280
2020	1340594	70778	1411372
2021	1541683	81395	1623078
2022	1772935	93605	1866540

Tourism Receipts

- 18.8 The receipts from tourism spending, which is the direct output of tourism have been calculated as follows:

Annual Tourism Receipts = Annual tourists Arrival x Avg. Expenditure Per Day. x Avg. Duration of Stay

- 18.9 The table below presents the projected average daily expenditure of the domestic & international tourists visiting Sikkim over the next twenty years.

Table XVIII - 2

Projected Average Daily Expenditure (Rs.)

<i>Year</i>	<i>Domestic</i>	<i>International</i>
2002	800	1000
2003	840	1050
2004	882	1103
2005	926	1158
2006	972	1216
2007	1021	1276
2008	1072	1340
2009	1126	1407
2010	1182	1477
2011	1241	1551
2012	1303	1629
2013	1368	1710
2014	1437	1796
2015	1509	1886
2016	1584	1980
2017	1663	2079
2018	1746	2183
2019	1834	2292
2020	1925	2407
2021	2022	2527
2022	2123	2653

- 18.10 The average expenditure figure for domestic tourists is taken as Rs. 800 per day & the corresponding figure for international tourists is Rs. 1000 per day in the year 2002. These figures have been increased @ 5% in the next twenty years i.e. till the year 2022. The average duration of stay is shown below:

Table XVIII- 3

Years	Domestic Tourists' Avg. Stay	International Tourists' Avg. Stay
2002-2011	3.54 days	4.0 days
2012-2022	5 days	5 days

NB: The increased avg. stay duration in later years is on account of the impact of the proposed developments taking place in the State of Sikkim in line with the tourism perspective plan recommendations.

Multipliers

- 18.11 Indirect Output, total income & employment generation have been calculated based on the multipliers listed in table below. These multipliers have been taken from a 1992 United Nations ESCAP sponsored study, "The Economic Impact of Tourism in India".

Table XVIII- 4

Economic Multipliers in Tourism Sector

Multiplier	Domestic	International
Indirect Output	1.050	1.069
Income - output multiplier	0.903	0.930
Employment/Output	13.62	17.33

Calculation of Output

18.12 The indirect output has been calculated as follows:

Indirect Output = Direct Output x Indirect Output Multiplier

The total output comprises the sum of direct & indirect output

Calculation of Income

18.13 Total Income (direct & indirect) accruing to the economy has been derived using the income/output multiplier given below. The total income has been calculated as follows:

Total Income = Direct Output x Income/Output Multiplier

Employment Generation

18.14 The incremental employment generated due to increased tourists' arrivals has been arrived at as follows:

Total Employment = Direct Output x Employment/Output Multiplier

Projected Economic Benefits

18.15 Table represents the estimated total output for Sikkim due to increased tourism activity in the next twenty years :

Table XVIII-5**(In Rs. Million)**

	Direct Output		Indirect output		Total Output	
Year	Domestic	International	Domestic	International	Domestic	International
2002	457.69	34.13	480.58	36.49	938.27	70.62
2003	528.64	39.42	555.07	42.14	1083.71	81.56
2004	504.61	45.53	529.84	48.67	1034.45	94.20
2005	705.22	52.59	740.48	56.22	1445.69	108.81
2006	814.52	60.74	855.25	64.93	1669.77	125.67
2007	940.77	70.15	987.81	75.00	1928.59	145.15
2008	1086.59	81.03	1140.92	86.62	2227.52	167.65
2009	1255.02	93.59	1317.77	100.05	2572.78	193.63
2010	1449.54	108.09	1522.02	115.55	2971.57	223.65
2011	1674.22	124.85	1757.94	133.46	3432.16	258.31
2012	2855.40	188.44	2998.17	201.45	5853.58	389.89
2013	3447.90	227.55	3620.29	243.25	7068.19	470.79
2014	4163.34	274.76	4371.51	293.72	8534.84	568.48
2015	5027.23	331.77	5278.59	354.67	10305.82	686.44
2016	6070.38	400.62	6373.90	428.26	12444.28	828.88
2017	7329.99	483.75	7696.49	517.12	15026.47	1000.87
2018	8850.96	584.12	9293.51	624.43	18144.46	1208.55
2019	10687.53	705.33	11221.91	754.00	21909.44	1459.32
2020	12905.20	851.68	13550.45	910.45	26455.65	1762.13
2021	15583.02	1028.41	16362.17	1099.37	31945.20	2127.78
2022	18816.50	1241.80	19757.33	1327.49	38573.83	2569.29

18.16 The income earned by the economy is the net value addition to the economy & has been calculated on the basis of the income multipliers given in the earlier Table. Table below presents the estimated income to the State of Sikkim due to tourism.

Table XVIII- 6**Projected Income Generated Per Annum**

Income Generation (Rs. Million)			
Year	Domestic	International	Total
2002	413.30	31.74	445.04
2003	477.36	36.66	514.02
2004	551.35	42.34	593.69
2005	636.81	48.91	685.72
2006	735.51	56.49	792.00
2007	849.52	65.24	914.76
2008	981.20	75.36	1056.55
2009	1133.28	87.04	1220.32
2010	1308.94	100.53	1409.47
2011	1511.82	116.11	1627.93
2012	2578.43	175.25	2753.68
2013	3113.45	211.62	3325.07
2014	3759.49	255.53	4015.02
2015	4539.59	308.55	4848.14
2016	5481.55	372.57	5854.13
2017	6618.98	449.88	7068.86
2018	7992.42	543.23	8535.65
2019	9650.84	655.96	10306.80
2020	11653.39	792.07	12445.46
2021	14071.47	956.42	15027.89
2022	16991.30	1154.88	18146.18

Projected Employment Generation

- 18.17 The estimates of employment generated have been made on the basis of the employment multipliers presented in the earlier table. The estimates of the incremental employment generated due to domestic & international tourists are presented in the next table. It is estimated that by the year 2022 tourism will generate additional employment for more than 2,77,801 persons. Please see table below

Table XVIII-7**Employment Generated**

<i>Year</i>	<i>Domestic</i>	<i>International</i>	<i>Total</i>
2002	6234	591	6825
2003	7200	683	7883
2004	8316	789	9105
2005	9605	911	10516
2006	11094	1053	12146
2007	12813	1216	14029
2008	14799	1404	16204
2009	17093	1622	18715
2010	19743	1873	21616
2011	22803	2164	24967
2012	38891	3266	42156
2013	46960	3943	50904
2014	56705	4762	61466
2015	68471	5750	74221
2016	82679	6943	89621
2017	99834	8383	108218
2018	120550	10123	130673
2019	145564	12223	157788
2020	175769	14760	190528
2021	212241	17822	230063
2022	256281	21520	277801

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CHAPTER XIX

ECOTOURISM

- 19.1 Sikkim is a gift of nature with all its beauty and ambience. It is bestowed with rare flora and fauna, alpine vegetation and a variety of attractions. Trekking facilities are also many. The entire state is naturally positioned for development of eco-tourism. Since some development works have already been initiated and are in different stages of implementation, it is not desirable to disturb the on going activities and projects. Even for sustained development of eco tourism a maximum connectivity and other infrastructure are essential. Hence, a two-pronged approach is suggested namely certain areas should be declared as eco tourism zone and the other areas should be developed in a balanced way.
- 19.2 Our careful study and analysis of various factors suggest that North District should be developed as Eco Tourism Zone. It accounts for 60% of the area, has one of the most beautiful and pristine ambience supplemented by rare alpine vegetation. It has a low population density of 7 per Sq. Km. as majority of the land area is under forest cover and Himalayan Ranges. Above all it is fragile in nature and is not much development activity has taken place or initiated so far.
- 19.3 The other areas, which could be developed as eco-tourism zones in the state are:
- Tsangu Lake
 - Yumthang
 - Chungthang
 - Dentam

19.4 What is eco tourism?

This chapter is devoted to deal with this concept, operational guidelines and policy framework of the Govt. of India in this regard.

Eco-tourism: Definition

19.5 The activities of persons travelling to and staying in places outside their usual place of residence for not more than one consecutive year for leisure, business and other purposes constitute tourism. Such visits for being close to nature to enjoy its enormous creations, both biotic and abiotic, in a most environment-friendly manner, without any adverse impact on the ecosystem, is particularly known as eco-tourism.

19.6 According to the World Tourism Organisation (WTO), “tourism that involves travelling to relatively undisturbed natural areas with the specified object of studying, admiring and enjoying the scenery and its wild plants and animals, as well as any existing cultural aspects (both of the past or the present) found in these areas” is defined as eco-tourism. Nature tourism (eco-tourism) is distinguished from mass tourism or resort tourism by having a lower impact on the environment and by requiring less infrastructure development.

19.7 The key elements of eco-tourism include a natural environment as the prime attraction, an optimum number of environment-friendly visitors, activities which do not have any serious impact on the ecosystem and the positive involvement of the local community in maintaining the ecological balance.

- 19.8 Eco-tourism can take many forms and magnitudes. For example, 'losing' oneself in a beautiful natural forest or landscape-watching animals, birds and trees in a forest, corals and marine life in sea, engaging in trekking, boating or rafting, wandering amongst sand dunes-these are some of the common forms of eco-tourism.

Though the concept has gained importance only recently, India has been experiencing various forms of eco-tourism all through the ages.

Ecotourism Resources In India

Biosphere Reserves

- 19.9 Sikkim is bestowed with Biosphere reserves are multipurpose protected areas, for preservation of the genetic diversity and integrity of plants, animals and microorganisms in representative ecosystems. Specific facilities are discussed below.

Mountains and Forests

- 19.10 The great Himalayas and other mountain ranges in the state, along with the snow-clad slopes, forests and rivers, have become great attractions for ecotourists. The country has an area of about 752.3 lakh hectares notified as forestland and of this about 406.1 lakh hectares are classified as Reserve forests and 215.1 lakh hectares as Protected Forests.



Flora and Fauna

- 19.11 Sikkim has about 45,000 species of plants, a great variety of fauna, numbering a little over 65,000 known species, including birds, reptiles, mammals, amphibians and fish.
- 19.12 In order to protect and preserve these genetic constituents, India has created a number of National Parks and 421 Wildlife Sanctuaries in different parts of the country. Some of these which have already become popular with tourists are Kaziranga and Manas in Assam; Jim Corbett in Uttar Pradesh; Keoladeo Ghana, Ranthambore and Sariska in Rajasthan; Kanha and Bandhavgarh in Madhaya Pradesh; Bandipur in Karnataka and Simlipal in Orissa.

Water Resources

- 19.13 The Arabian Sea, the Indian Ocean and the Bay of Bengal brace the sides of the Indian subcontinent except for the northern boundary. The land mass of India is crossed by several rivers and dotted by lakes at many places. These water bodies provide attractive opportunities for watersports.

Policy And Planning

- 19.14 The national policy on tourism stipulates that tourism should become unifying force nationally and internationally, fostering better understanding through level. It should also help to preserve, retain and enrich our world-view and life-style, our cultural expressions and heritage in all its manifestations. The prosperity that tourism brings should strengthen and cause accretion, rather than damage, to our social and cultural values and depletion of our natural resources.
- 19.15 Realisation of these policy objectives particularly in the context of eco-tourism would involve a selective approach, scientific planning, effective control and continuous monitoring. The development process itself should meet the following cardinal principles:
- i) It should be involve the local community and lead to the overall economic development of the area.
 - ii) It should identify the likely conflicts between resource use for tourism and the livelihood of local inhabitants and attempt to minimize such conflicts.
 - iii) The type and scale of tourism development should be compatible with the environment and socio-cultural characteristics of the local community and
 - iv) It should be planned as a part of the overall area development strategy, guided by an integrated land-use plan and associated with commensurate expansion of public services.
- 19.16 The biospheres, mangroves, coral reefs, desert and mountains, which form the core resources for ecotourism, are fragile ecosystems: Hence decisions for the development of tourism in

such areas have to be based on a thorough understanding of local resources, social and economic factors and other characteristics.

- 19.17 The objectives of tourism development in any specified area, as well as the intended beneficiaries, dependency and scale of development have to be decided on the basis of these factors and discussions and negotiations with those most directly concerned.
- 19.18 The development of physical infrastructure for tourism should be preceded by the preparation of an inventory of resources and a zoning / management plan to ensure preservation and public use of valuable natural sites.
- 19.19 Whenever destruction or serious alteration of areas of high primary productivity like wetland, seagrass beds, coral reefs or rainforests is contemplated, benefits and costs should be carefully assessed before planning tourism development activities. Further, planning and promotion of tourism should be undertaken as a component part of an integrated, comprehensive resource management plan founded on sound ecological principles.
- 19.20 The Tourism Management Plan should also establish standards for resort development, covering among others, the style and locations of structures, treatment of sewage and control of litter, preservation of open spaces and public use of fragile areas. It should further lay down procedures to ensure that sewage is not directed to the beach or the ground water and solid waste is systematically collected and disposed of suitably. Adequate precautionary measures should also be taken to avoid noise

pollution. It should also specify methods and material for construction activities and minimize any possible adverse impact on local environment.

- 19.21 Physical planning and design should integrate community services including availability of potable water, transportation and tourism. Transportation and access should also be integrated with other purposes such as industry and trade as communities are the tennini for air, land and water access. Physical planning for all travel modes, especially modern tour buses, also needs to be integrated between segments outside and inside the area of attraction.

Operational Guidelines

- 19.22 The key players in the ecotourism business are the Government, both central and at state levels, the local authorities, the developers and the operators, the visitors and the local community. Each one of them has to be sensitive to the environment and local traditions and follow a set-guidelines for the successful development of tourism. In addition, non-governmental organisations and scientific/ research institutions also have to play a key role in the development of eco-tourism.

19.23 The Government

- ❖ The management Plan for each area should be prepared by professional landscape, architects and urban planners, in consultation with the local community as well as others directly concerned.
- ❖ Integrated planning should be adopted to avoid inter-sectoral and cross-sectoral conflict.
- ❖ The architectural programme for ecotourism centres should include controlled access points and cabins,

roads, self-guided nature trails, transportation options, interpretive centres, signs, observation towers and blinds, adequate but unpretentious lodging and dining facilities, docks, garbage disposal facility and other utilities as per requirement. If needed, suitable living quarters and facilities for project personnel have to be provided.

- ❖ Structures creating visual pollution, unaesthetic values and non-compatible architecture, should be controlled and temporary structures using local building material and benefiting the local environment should be encouraged.
- ❖ Exclude developments in geologically unstable zones and define development and buffer zones after proper environmental impact assessments.
- ❖ Establish standards, building codes and other regulations.
- ❖ Specify environmental, physical and social carrying capacities to limit development activities.
- ❖ Ensure continuous monitoring of adverse effects of tourism activities and initiate suitable corrective measures.
- ❖ Recognise and award quality labels to ecotourism operators.
- ❖ Provide visitor information and interpretation services covering particularly-(i) what to see, (ii) how to see, (iii) how to behave. It can be by way of brochures, leaflets, specialised guides, visitor information centers etc.

- ❖ Prepare and widely distribute codes of conduct to all visitors.
- ❖ Launch training programmes on ecotourism to tourism administrators, planners, operators and general public.

19.24 Developers, Operators and Suppliers

- ❖ Respect and follow the planning restrictions, standards and codes provided by the government and local authorities.
- ❖ Implement sound environment principles through self-regulation.
- ❖ Practice environmental impact assessment for all new projects and conducts regular environmental audit for all ongoing activities leading to development of environmental improvement programmes.
- ❖ Be sensitive to conservation of environmentally protected or threatened areas, species and scenic aesthetics, achieving landscape enhancement wherever possible.
- ❖ Ensure that all structure unobtrusive and do not interfere, with the natural ecosystem to the maximum extent.
- ❖ Recognise the optimal environmental capacity and sociological use limits of the site in creating tourist facilities. They should also take into account safety and convenience of tourists.

- ❖ Buildings should be designed strictly on functional and environmental considerations and avoid over construction.
- ❖ Local material and designs should be used in all construction to the extent possible.
- ❖ Physical planning, architectural design and construction of tourist facilities should employ eco-friendly techniques like solar energy, capture and utilization of rain water, recycling of garbage, natural cross-ventilation instead of air-conditioning, a high level of self sufficiency in food generation through orchards, ecological farms, aquaculture and such.
- ❖ Energy and water-saving practice should be employed to the extent possible. Fresh water management and controlled sewage disposal should also be practiced.
- ❖ Control air emissions-both chemical pollutants and noise.
- ❖ Control and reduce environmentally unfriendly products such as asbestos, CFCS, pesticides and toxic, corrosive, infectious, explosive or flammable material.
- ❖ Respect and support historic or religious objects and sites.
- ❖ Provide information and interpretive services to visitors especially on attractions and facilities, safety and security, local customs and traditions, prohibitions and regulations and self-conduct and behavior.

- ❖ Ensure adequate opportunities to visitors for communion with nature and native cultures.
- ❖ In marketing ecotourism products, customers should be given correct information, as the visitors who appreciate ecotourism products usually belong to environmentally aware groups.
- ❖ Training and research programmes should include environmental issues.
- ❖ Prepare tourists to minimize possible negative impact while visiting sensitive environments and cultures before their visit.
- ❖ Ensure safety and security of visitors and inform them of precautions to be taken.
- ❖ Exercise due regard for the interest of the local population, including their history, tradition and culture and future economic development.
- ❖ Involve the local community to the extent possible in various activities and vocations.

19.25 The Visitors

- ❖ Help conserve habitats of flora and fauna and any site, natural or cultural, which may be affected by tourism.
- ❖ Make no open fires and discourage others from doing so. If water has to be heated with scarce firewood, use as

little as possible. Where feasible, use kerosene or fuel-efficient wood stoves.

- ❖ Remove litter, burn or bury paper, and carry back all non-degradable litter.
- ❖ Keep local water clean and avoid using pollutants such as detergents in streams or springs. If no toilet facilities are available, try to relieve yourself at least 30 meters away from water resources and bury or cover the waste.
- ❖ Plants should be left to flourish in their natural environment and avoid taking away cuttings, seeds and roots.
- ❖ Leave the campsites clean after use. Remember that another party will be using the same campsite after your departure.
- ❖ Help guides and porters to follow conservation measures. Do not allow cooks/ porters to throw garbage in streams or rivers.
- ❖ Respect the natural and cultural heritage of the area and follow local customs.
- ❖ Respect local etiquette and wear loose clothes. Kissing in public is disapproved of.
- ❖ Respect privacy of individuals and ask permission and use restraint in taking photographs of local inhabitants.
- ❖ Respect holy places-do not touch or remove religious objects.
- ❖ Strictly follow the guidelines for personal safety and security and always take your own precautions and safety measures.

19.26 The Destination Population / Host Community

- ❖ Realise and respect the value of the environment, the flora and fauna, the monuments and the cultural heritage.
- ❖ Practice conservation of nature and culture as a way of life.
- ❖ Establish guidelines to protect valuable local resources and foster tourism management.
- ❖ Realise and react to the potential threat of investors who see opportunities in development but lack sensitivity to local values.
- ❖ Become effective nature guides and conservationists of natural areas by enhancing the practical and ancestral knowledge of the natural features of the area.
- ❖ Be friendly with the visitors and help them to practice eco-tourism codes.

19.27 Non-Governmental Organisations / Scientific & Research institutions

- ❖ Create awareness, amongst all concerned, about the importance of sound eco practices in tourism development.
- ❖ Motivate the local community to increase their involvement in sustainable tourism activities.
- ❖ Organize training programmes to prepare the local people for taking up various vocations relating to eco-tourism.

A case study in Biodiversity and Eco-tourism

19.28 The state of Sikkim has gained some experience in organizing and managing a well planned bio diversity and eco tourism project namely Sikkim Bio-diversity and Eco-Tourism Project as is brought out in the following case study.

Project Overview

- 19.29 The Himalayan state of Sikkim contains the world's third highest mountain peak (Khangchendzonga: 8,545 m), revered as the protective deity of Sikkim and renowned for its rhododendrons and other flowering species. Sikkim, which was only recently opened to tourism, is one of the two most biodiverse areas in India. Threats to Sikkim's biodiversity include agricultural land conversion, road construction, over collection of NTFPs, and fuel wood collection. A hydroelectric project is also underway.
- 19.30 To counter these threats and build on the opportunity to provide benefits to local communities, the project team is working with a local association of trekking businesses (TAAS) to strengthen community-based ecotourism opportunities at three sites around Khangchendzonga National Park. These sites include the Yuksom-Dzongri Trekking Trail and the settlements of Lethang and Cho-jo around Kecheopalri Lake. This project is particularly timely as the state government is eager to promote tourism through the development of policies that minimize the problems that neighboring states have • experienced as a result of the rapid development of the tourism sector.

Accomplishments

- 19.31** In its first year of implementation, the project has established itself as a significant presence in Sikkim. The project is increasingly recognized and sought as a key contributor to sustainable tourism development efforts in the state, both in terms of field activities and policy development.

- 19.32 The project has assisted stakeholders in developing and endorsing a Code of Conduct for Eco-tourism, which will also serve as a marketing tool. It has also given enterprise and conservation training to over 200 people in seven professions associated with nature based tourism, assisted stakeholders in carrying out several locally-identified conservation activities linked to nature-based tourism, and influenced several policy decisions in public-sector tourism development. Throughout, the emphasis has been to develop local capacity to design and manage project activities.

Success Stories

- 19.33 In the project, training of key stakeholders in mountain-based tourism is seen as a critical activity in linking biodiversity conservation and income-generation from tourism. Project staff and volunteers from TAAS and the Sikkim Mountaineering Institute held a two-day training course for trek porters and pack animal operators in Yuksam, the start of the major trek. Over 80 local people attended the session.
- 19.34 Project staff was called for a meeting with the Government of Sikkim (GoS) Department of Tourism to discuss a letter received from visitors to the state. While trekking in the Yuksam-Dzongri area, a group of Indian tourists had asked a porter to cut wood for a campfire, but the porter refused. When asked why, the porter replied that **it** was not in his interest nor in the interests of long-term conservation of the area to cut vegetation and that a recent training course, run by a tourism project, in which he had participated had stressed this point. In response the trekkers wrote a letter to the Chief Minister of Sikkim suggesting that if people wanted

an example of responsible trekking, Sikkim was the place to visit.

- 19.35 Within Sikkim, the incident generated considerable interest in GoS circles where the importance of training was often discussed in a strategy for sustainable tourism development in the state. The GoS's immediate response was to offer financial support and personnel for a trek cooks' training in July, which was taken up by the project.

Challenges

- 19.36 In a state where central and state governments have traditionally been the source of development and conservation support, complementary efforts based in the private sector are new and very different ways of conducting business. The challenge during the first year was to bring public and private sector stakeholders together in a way that would foster constructive dialogue and lead to results. At the same time it was important to empower stakeholders, especially local communities at the project sites, to take action themselves instead of depending entirely on government. Through the use of a workshop with small discussion groups dialogue was facilitated between private and public sectors, and assisted stakeholders in producing a Code of Conduct for Eco-tourism. The forum and Code enabled TAAS to successfully lobby GoS for extra kerosene supplies to reduce the use of fuel-wood on treks.
- 19.37 At the primary project site, Yuksam, participatory appraisal and planning focusing on eco-tourism catalyzed a portion of the population to carry out conservation activities, such as clean-ups and tree planting, connected with site enhancement. Participants in training courses have paid fees

to attend, an idea that initially met with resistance, but was gradually accepted as courses gained a reputation for quality and for meeting a need in the tourism sector. The challenge in coming years will be to build upon these efforts, and increase participation in both public and private sectors.

- 19.38 The goal of the Sikkim Biodiversity and Eco-tourism project (SBE) was biodiversity conservation through increased capacity and actions of stakeholders to conserve the natural resources on which tourism incomes depend. Primary threats to biodiversity from tourism were fuel-wood use and grazing by pack animals. Additional environmental threats from trekking tourism included poor garbage management. The project was part of a larger effort supported by the Biodiversity Conservation Network to test the hypothesis that enterprises based on the continued availability of biodiversity can generate economic incentives to conserve those resources on which incomes depend.
- 19.39 The project was a joint effort of The Mountain Institute and the **G.B.** Pant Institute of Himalayan Environment and Development. Project collaborators included the Travel Agents Association of Sikkim and local organizations and communities at the sites.
- 19.40 Sikkim Biodiversity and Eco-tourism (SBE), was designed to generate incentives to conserve at more than one operational scale. Communities at the sites were not the primary focus, since there were other stakeholders, such as the commercial private sector and government, who played a key role in tourism revenue generation and use of natural resources in the state. The approach acknowledged the role of the market, tried to

generate incentives based on value-addition to existing tourism services and products, and attempted to address government actions that either encouraged private enterprise or retained control within the state apparatus. Working with local communities, the private sector and government SBE used participatory strategies to:

1. Increase community and private sector conservation
2. Increase economic returns from eco-tourism services and enterprises
3. Contribute to policies that meet conservation and eco-tourism goals

19.41 Key achievements during the first three years of operation include:

An overall reduction in fuel-wood consumption of 60% by tourism service providers and entrepreneurs since 1996 due to increased use of alternatives promoted by the project. Communities and trek operators have improved site appearance by reducing and managing levels of garbage. Grazing impacts at the key trekking sites have been studied and participatory monitoring is underway, prior to developing grazing plans. Community-based institutions have emerged (Khangchendzonga Conservation Committee) and been strengthened (Khecheopalri Holy Lake Welfare Committee) to plan and continue conservation activities at the sites.

19.42 Since the start of the project there has been an increase of between 40% to 50% in the number of households at the project sites participating in tourism-related activities. Of this increase, approximately 25% can indeed be attributed to the impact of project activities, primarily through training courses and enterprise support (porters, guides, vegetable growers). Overall

revenue to TAAS operators operating along the Yuksam-Dzongri trail has increased by 17% since 1996, and to target stakeholders at Yuksam, Tshoka and Khecheopalri from tourism-related activities by 50%. Notable achievements include a base daily rate increase of 30% for porters and pack-animal operators primarily as a result of training given by the project.

- 19.43 Participation by the private sector and local communities in policy discussions has increased, as the Government of Sikkim adopts project models of consultation and decision-making. The Government of Sikkim has also actively sought and acted upon technical assistance given by project staff, e.g. refining tourism development proposals.
- 19.44 Since there had been little prior study of biodiversity in the project sites, there was considerable investment of staff and project resources in collecting and establishing base-line data. Staff and collaborators have made great strides in establishing baseline data for this "hot-spot" that provide the foundation for assessing the impact of current and future activities, and guiding policy development.
- 19.45 Study findings indicate that the hypothesis is a useful basis for planning conservation actions at a variety of scales. Stakeholders can and do take conservation actions because their incomes depend on the continued availability of the resource. However, as this and other projects have shown, key factors that strengthen this approach and which need to be addressed in future programs include:
 - Stakeholder decision-making power over resource management
 - Availability of alternatives to the resources under threat
 - Stakeholder capacity and interest to monitor resource status
 - Lobbying for enabling policies.

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CHAPTER - XX

MARKETING AND PROMOTION

Positioning Strategy

- 20.1 The unique Buddhist connection, adventure and eco tourism, and scenic beauty blessed with flora and fauna have been perceived as a major strength of tourism attractions of Sikkim. The other strength of the state is its multi-season potentiality. Its proximity to Kolkata, which is its major feeder center, is another strength. The inherent pull of well-reputed historically known monasteries is a decisive contributing factor.

Identification of USP

- 20.2 With the above backdrop, the study probed into various possibilities / potentialities of tourism development in the state and the following market positioning is recommended.
- a)** For target visitors of foreign origin, Sikkim can be promoted with a USP (Unique Selling Promotional) of Buddhist connection. Additional promotional prop could be the unique character of the state for adventure/ eco tourism.
 - b)** For target visitors in the domestic long haul market, the state can have the USPs of
 - Culture, adventure, nature
 - A leisure and holiday destination with excellent flora and fauna.

Circuit Development

- 20.3** For the present, Sikkim primarily has to be seen as a stand-alone destination offering a unique combination of various products of tourist interest. These include culture, nature and adventure tourism products. Pelling and Namchi are expected to emerge stand-alone circuits in the near future. The ultimate aim is to develop as a part of Buddhist Circuit and an eco-tourism destination in the country.

Extension of Buddhist Circuit

- 20.5 A number of trains including Rajdhani halt at New Jalpaiguri station at represent for onward journey to Gangtok and other parts of Sikkim. The nearest Railway station is Patna, which is in the Buddhist route indicated above. It is therefore suggested that this route should be extended to Sikkim because of its Buddhist connections and a number of well-known unique monasteries. The train from Bodhgaya should be extended to New Jalpaiguri to give a meaning to the Buddhist route. All the benefit available to the Buddhist circuit should be extended to Sikkim as well.

Source Markets

- 20.6 Source markets comprise of domestic as well as foreign tourists. Domestic tourism has depicted consistently upward growth trends in recent years going up from 63 million in 1990, 210 million in 2000, its reflected in Table XX-1.

Table XX- 1

Growth of Domestic Tourism

(In million)

Year	Domestic
1990	63
1996	140
1997	160
1998	174
1999	191
2000	210

Source: Department of Tourism, Govt. of India

20.7 The domestic tourist arrivals have grown by 3.3 times during the last decade. The major players in this market are Andhra Pradesh, Gujarat, Maharashtra, Karnataka, Rajasthan, Uttar Pradesh, Delhi etc. Uttar Pradesh attracted 23.9% of the total domestic traffic followed by Andhra Pradesh (22.9%), Tamil Nadu (10.9%), Karnataka (8.6%), Gujarat (5.4%) and Maharashtra (3.9%). The share of other states is less than 5% of the total. Delhi had the distinction of attracting 21% of the foreign tourists. The share of Sikkim is hardly 0.1% and 0.2% in the total of domestic and foreign tourist arrivals respectively. The state wise domestic and foreign tourist visits during the last three years is given in Annexure.

20.8 As mentioned elsewhere in the study West Bengal constitutes a major chunk of the domestic tourist arrivals in the state of Sikkim. The shares of other states are marginal. The very low percentage contribution of the domestic tourists to Sikkim as also a large number of tourist arrivals to other states, indicate

the potential for attracting substantial number of domestic tourists to the state.

- 20.9 On the aforesaid basis and keeping in view possible attractions with unique product mix and USP has indicated in the beginning of the chapter, the domestic source markets may be identified as Maharashtra, Karnataka, Tamil Nadu, Andhra Pradesh and Delhi. Of course, the neighbouring states of Uttar Pradesh, Bihar, and North Eastern States could also be other major source markets, besides continuously higher inflow from West Bengal.
- 20.10 As regards foreign markets, the basic policy objective and marketing strategy should be to attract high spending tourists to the state. Table __ indicates world's top fifteen tourism spenders. The United States, Germany, United Kingdom and Japan top the list with spending ranging from US\$ 31billion to 65 billion per year. These four countries were account for one third of total international tourism expenditure. They are followed by France, Italy, Canada and the Netherlands, each of these countries spends between US\$12 billion and 17 billion adding up to 12% of the total international tourist expenditure.
- 20.11 Incidentally, it may be mentioned that more or less these countries account for a major chunk of foreign tourist arrivals to India.

Table XX - 2**Tourist arrivals from top fifteen countries to India**

<u>Nationality</u>	Number		% Change	% To the Total	
	<u>1999</u>	<u>2000</u>	<u>2000/99</u>	<u>1999</u>	<u>2000</u>
U.K.	345085	354217	2.6	17.1	16.5
U.S.A.	251926	309309	22.8	12.5	14.4
Sri Lanka	120072	128444	7.0	5.9	6.0
Canada	82892	98259	18.5	4.1	4.6
Australia	73041	90456	23.8	3.6	4.2
France	85891	89565	4.3	4.2	4.2
Germany	85033	84989	-0.1	4.2	4.0
Japan	79373	79167	-0.3	3.9	3.7
Malaysia	52613	57927	10.1	2.6	2.7
Italy	50677	52529	3.7	2.5	2.5
Singapore	53310	49198	-7.7	2.6	2.3
Netherlands	48820	45398	-7.0	2.4	2.1
Switzerland	34824	31402	-9.8	1.7	1.5
South Africa	23909	26502	10.8	1.2	1.3
Israel	23417	25005	6.8	1.2	1.2
Others	614148	620559	1.0	30.3	28.8
Total	2025031	2152926	6.3	100.0	100.0

Source: W.T.O

- 20.12 Keeping in view the product mix of Sikkim, these countries may perhaps be classified as those having (a) significant Buddhist influence, (b) countries with a propensity for eco nature tourism, (c) adventure tourism, (d) general tourist attractions. Japan, Sri Lanka, Thailand, Singapore etc. can be included in (a), besides Indonesia, Malaysia etc. could also be added as potential Buddhist influence market. Of course, West European countries particularly, Germany and France are also potential source markets for Buddhist influence and other cultural and religious activities. Nationals of these countries patronize Sikkim though on a modest scale.
- 20.13 Australia, U.S.A., U.K., France, Germany, Switzerland, Italy, Netherlands etc. will constitute source markets for eco adventure tourism. Japan and China stand on separate footing for cultural and pilgrimage visits. Sikkim has similarity with

Switzerland is an important factor to be kept in mind when designing specific marketing and promotion strategy.

- 20.14 Japan and India have a long-standing tradition profound interchanges from time immemorial, and have nurtured a close bond of friendship since the establishment of their diplomatic ties in April 1952. The year 2002 marks an important milestone in the historic ties between the two countries, as they celebrate the 50th anniversary of their diplomatic relations. Both governments are determined to make this a meaningful and fruitful year for our bilateral ties, by renewing their commitment to working ceaselessly for a still higher level of cooperation in all aspects of the two countries' multi-faceted and broad-based relationship.
- 20.15 Because of the great potential in the Japanese market, a detailed analysis of the characteristics of this market has been attempted in the following pages. We believe a selective and specific market oriented approach will generate and sustain the results.
- 20.16 There is an opinion that the Japanese pilgrim market is dying because the pilgrims are generally old but there is evidence against this. An NHK (the Japan Broadcasting Organisations)'s survey shows that percentage of those who believe in God or Buddha (distinguishing one from another has little meaning) was 51% in 1973 and 55% in 1988. This means there was a slight increase in the percentage of religious people. This trend has reportedly been maintained in the subsequent years as well.
- 20.17 As the people become old, they tend to become religious and the percentage of those who believe in God or Buddha by age group has been almost constant for 15 years. This indicates that the pilgrimage market will not die in the future.

- 20.18 As the post war baby-boomers will reach retirement age at the beginning of the next century, the aged population in Japan is expected to expand rapidly and this will be favourable for the Buddhist Circuit in India.
- 20.19 Another feature of the Japanese tourist is the peak season of overseas travel in Japan is July, August and September as these are the months for the Summer Vacation and there is also a small peak in March corresponding to the Spring Vacation although its seasonality is less remarkable than domestic travel. This factor should be kept in view when marketing / promotion policy is framed and implemented.
- 20.20 The influence of travel agents and group tour of the Japanese travelers are also equally critical for tapping this source market.
- 20.21 It was revealed in a recent Japanese Market Survey that 93% of the respondents who want to visit India also want to visit the Buddhist sector. 53% of respondents give “to see its Buddhist Sector” as a motive for the travel to India, which shows strong influence of Buddhism on Japanese people.

The Pilgrimage Organizers' Views on India

- 20.22 India bound market in Japan is divided into two segments i.e. general interest tourists and Buddhist pilgrims. The former segment tends to use package tours while the greater part of the latter consists of group tours organized by Buddhist society, sects and priests.
- 20.23 Every Buddhist Societies describe their motivations to travel to India and the Buddhist Sector as something spiritual such as

“to reach a state of mind like which Buddha had attained” or “to feel as if one’s soul was purified”. They seem to regard the pilgrimage as a method of asceticism.

The Marketing Plan

20.24 The following characteristics of the Japanese market should be kept in mind when tapping the same:

- The number of overseas tourists as well as tourists to India are relatively small compared with the GDP per capita and the Japanese overseas travelers.
- The amount of travel spending per Japanese tourist is relatively large.
- Growth rate of Japanese overseas tourists has been higher than the world average in the past decades.
- Single women are one of the largest and the most important segment in the Japanese market.
- Share of women travelers particularly in the middle and old age groups is small though their growth rate is higher than that of men.
- Length of overseas travel is relatively short. Two thirds of tourists travel less than 11 days but this might be extended to two weeks in the future.
- Seasonal fluctuation is moderate compared with European market. August and March are the peak season.
- Schools and universities have holidays from February to March and from middle of July to September.
- Ratio of using travel agents and group tours is relatively high, 93% and 58% respectively.
- Important information on choosing destinations are from “friends”, “brochures”, “travel guidebook”, “travel agents”, “newspapers and general magazines”, “tourist office”, “advertising on newspaper and magazines”, “travel

magazines”, “TV and radio programs” in descending numerical order.

- Japanese tourists (old people in particular) prefer colorful itineraries.
- Sanitary condition, security condition, and comfort are important for the Japanese market and the wilderness does not appeal much to the market.
- Middle and old aged men with freelance profession or self employment as well as single female office workers in their 30s tend to travel to unfamiliar and expensive destinations like India including the Buddhist Circuits.

20.25 Role Of Travel Trade

- Vast numbers of people have interest in India but their wishes to travel to India are hardly realized.
- Young people and single working women are particularly interested in India and its Buddhist Sector.
- The travel environment in India is underestimated.
- Those who have visited India see it as being more secular, lively, cheerful, people are kind, familiar, safe, climate is good and food is fine, compared with those who have not visited India.
- Young people who have visited India are impressed with its liveliness while old people are impressed with its nature.

20.26 Competitor Destinations

1. China

Destinations with strong “cultural and historical” image are some European countries and China. Considering the type of tourism resources, China could be the most formidable rival of India since it has many Buddhism – related tourism resources. Besides, Japanese market has awareness that the Buddhism in

Japan came from China and actually there are the temples that are the origins of Buddhist sects in Japan. Unlike many of the Buddhist temples in India, the temples in China are “alive” and presumably give favourable impressions to tourists. Cheaper tour prices are another strength over India. As of now, Chinese tourist arrivals in India are very marginal. Having regard to the travel boom in that country, increasing trade relations-cultural ties of long standing, we believe this is a potential market for development. The opening of direct flights between India and China would also facilitate comfortable travels of the people of these two ancient civilizations.

2. Thailand

The considerable number of people have “friendly” image on Thailand and this shows the good national image of Thailand and is strength of Thailand over India. Like in China, Buddhist temples are in use and have religious atmosphere. Tour prices are lower than to India. Travel environment is probably the best of all destinations with Buddhist tourism resources as Thailand boasts of many luxurious hotels.

However, few people regard temples in Thailand as pilgrimage sites. Buddhism in Thailand is Theravada and is different from Mahayana Buddhism in Japan. This could be a reason that Buddhist temples in Thailand do not attract many Japanese religious groups aside from pleasure tourists.

3. Indonesia

Borodbudur temple is world famous and is reportedly in far better condition than the Buddhist temples found in India. However, it lacks in religious atmosphere and holiness of the site is less, since the temple is viewed as a marvelous ancient ruin rather than a pilgrimage site.

4.Nepal

Nepal is considered to have a favourable image due to its people but the principal image is of Himalayan mountains and the country does not have a strong image as a Buddhist destination. As a holy site of the Buddhist Circuit is in Nepal, it would be a combined destination rather than a competitor.

5. Sri Lanka

Sri Lanka is a Buddhist country and has many temples as well as world famous Buddhist Sectors. These resources have much potential but the civil war in the country is the fatal drawback for tourism at this time.

MARKET CHANNELS AND PARTICIPATION OF TRAVEL INDUSTRIES IN THE PROMOTION ACTIVITIES

20.27 There are about 9000 wholesalers and travel agencies in Japan, more than 90% of which are small companies whose function is limited to retailing.

Classification of Group Tours in Japan

20.28 One of the characteristics of the Japanese travel market is its unique classification of group tour market. Group tours are divided into two categories in terms of how the groups are formulated. Most of the travel agencies in Japan have sections, which specializes in each category. The two categories are defined as follows:

a) Package Tours

They are group tours like those commonly found in Western countries, and are organized by tour wholesalers or travel agents. Participants are collected through brochures, posters and sometimes newspaper advertisements and no qualification is necessary to participate in this type of tour.

a) Organized Group Tours

They are group tours organized by non-travel organizations. Only the members of the organization are qualified to participate in the tour. Participants are collected by the “organizer” through his personal relationship and in-house newsletters. Many of special interest groups also fall into this category. Travel agencies only make travel arrangement based on the organizers’ requests.

In recent years, travel agents have come to use organizers as “channels” for selling their tours. This type of tours are called “in-house package tours” in which travel agents’ role in planning tours is more important than traditional Organized Group Tours. However, since the qualification of participation is limited to the members, it could be recognized as a variation of Organized Group Tours.

Local Operators in India

20.29 Local tour operators in India have much influence on the travel trade in source markets. Wholesalers and travel agents in Japan get information from the local operators and sometimes they use the model itineraries sent from India. Therefore, pushing the local operators on the Indian side to sell the Buddhist Circuit would be an effective promotion activity.

20.30 They are also important to conduct “familiarization visits” as they sometimes could provide free or discounted transportation and tour arrangement for the visits.

Hoteliers

20.31 In Tokyo there are representatives offices of international hotel chains that have accommodation in the project area and they could be cooperative to anything that could be expected to increase their occupancy rate. Like other travel industries, free

or discounted accommodation might be offered for familiarization visits or other promotion activities.

- 20.32 At present, there are only a few hotels of international chains in the Buddhist Circuit. However, most of the Buddhist pilgrimage tours also visit Delhi and Agra. This will be a good incentive for the hotel chains that have their accommodation only in the Golden Triangle to cooperate with the promotion activities for the Buddhist Circuit.

Buddhist Sects/Organisations

- 20.33 Buddhist sects, organizations and individual Buddhist priests have been organizers of most of the pilgrimage tours to India. Participants of a tour are collected by priests through his personal relationship, or through newsletters of organizations.

- 20.34 Buddhist sects in Japan have a hierarchical system with one large headquarter temple and several intermediate temples and innumerable branches. Tours organized by the headquarters could gather participants from all the sect members while tours organized by branch temples gather participants only from the temples' supporters. Generally speaking, the headquarters of the old Buddhist sects have less influence over their branches. New Buddhist sect formed after the Meji Restoration (such as Soka Gakkai and Rissho Kosei Kai) gave more effective and active organizations and accordingly, the headquarters' role to organize pilgrimage tours is more important than with the old sects.

- 20.35 Many Buddhist sects periodically hold conferences principally in their headquarter temples. It might be possible to attract these conferences to India through promotion activities.

Prospect

- 20.36 Growth rate of general interest tourists has been higher than the pilgrim market. At current stage, this type of tourists

principally flows into the Golden Triangle but the Buddhist trail would also be expected to be favored by this demand.

20.37 As shown in the market survey, Japanese market has much interest in the Buddhist Sector in India and this shows the potential of the Buddhist Sector for general interest tourism. The volume of potential general interest tourists is considered to be far larger than the pilgrim market.

20.38 Average length of general interest package tours from Japan to India is 8/9 days but it could be extended to two weeks in the future. From that point, it is quite reasonable to expect wholesalers/ travel agents to extend their tour itineraries beyond the Golden Triangle to some of the Buddhist Circuit in UP, Bihar and further to Sikkim.

Characteristics of the Market

20.39 The Japanese market consists 70 to 80% of tourist demand to the Buddhist Circuit and **as** a pilgrimage is sometimes regarded as asceticism, these tourists are more prepared to a poor travel environment.

20.40 Pilgrimage is made in groups organized by Buddhist priests, sects or organizations and most of the participants are over 40. Their average age is far older than that of general interest tourists to India.

20.41 Pilgrims observed in the Circuit at present were **very pious** and this is unlike the vast majority of Japanese Buddhists.

20.42 There is no substitutable destination and market competition is not so tough as for general interest tourism. Pilgrims would like to cover as many as holy sites in the Buddhist Circuit if it is possible.

- 20.43 Short sight-seeing are made after the completion of the pilgrimage schedule and many pilgrimage groups will also visit Agra.
- 20.44 The growth rate of the market is lower than that for general interest tourists.
- 20.45 The market is considered to be monopolized by "niche" travel agencies and because of its moderate growth rate, few travel agents have interest in this market.
- 20.46 Special interest tourism in Japan is dependent on so-called "organized group tours". Those who are interested in this type of tourism tend to have high educational background and income.
- 20.47 Very few wholesalers/travel agencies can arrange this type of tour as it requires higher skill than general interest tourism.

The Marketing Plan for the Buddhist Circuit

1. Target Markets

- 20.48 Target markets of the Buddhist Circuit are identified as follows in terms of immediate, short term and long term strategy.

0 Immediate

Buddhist Pilgrimage

o Short Term

General Interest Tourists

(Principally, students, single working women, wealthy "country hunters")

Special Interest Groups

o Long Term

Conferences and Conventions

2. Promotion Policy

i. Importance of Attracting General Interest Tourists

Since the growth rate of pilgrimage groups is relatively low and the potential volume of general interest tourists is huge, to aim at the increase of general interest tourists will be inevitable.

ii. Selection of a Center for General Interest Tourists

20.49 It is not realistic to expect general interest tourists to cover all the holy sites. To appeal to general interest tourists, selection of a center consisting of a few Buddhist sites which are acceptable for them and its intensive promotion is considered to be important.

iii. Special Interest Tourism

20.50 Since the greater part of these tourists are in organized groups, it can be promoted through the travel trade. However, the tourist office's cooperation with the travel trade will make a contribution to the promotion of this type of tourism.

4. Promotion Activities in Japan

i. Public Relations

a. Public Speaker Evening

20.51 These events are expected to serve to awaken public interest in the Buddhist Circuit. They are sometimes publicized by the general press and this also acts as a promotion of the Circuit. Those involved in the travel industry such as wholesalers/travel agents, airline companies, etc. could financially cooperate with the events.

20.52 Travel agents regard this type of events as an ideal opportunity to distribute their tour brochures to potential tourists and are cooperative.

b. Exhibition on Buddhism and the Buddhist Sector

20.53 Exhibitions held in department stores would serve to promote the Circuit. A merit of this type of exhibitions is its cost

effectiveness as department stores make the promotion of events by their own expense and the tourist office would only have to help them to arrange the exhibits.

- 20.54 Possible themes for the exhibitions would be Buddhist art, the spread of Buddhism from India to Japan through the Silk Trade Route, history of pilgrimage to India and so on. There are many photojournalists who have published books on India and their photos would also be suitable for the exhibitions.

c. Destination Campaign

- 20.55 This is a popular promotion activity conducted with the collaboration of tourist office, wholesaler/travel agents, airline companies, representative offices of hotels and local tour operators.

For the Buddhist Circuit, along with these cooperators, the Nepal government tourist office would be a possible cooperator.

Production of special brochures, poster as well as more budget for various promotion activities are the principal activities but the details should be discussed between these cooperators.

Advertising

a. Journalist Familiarization Visits

- 20.56 These are one of the most cost effective ways to advertise the Buddhist Circuit to potential tourists as well as the travel trade. Press reports in travel magazines, newspapers and general magazines have the same effect.

b. Cooperation with TV film Shooting

- 20.57 There are many TV programs in which foreign countries are introduced to the general public. For example, many programs on the Silk Trade Route have been seen on television and TV quiz shows of worldwide topics have also been popular in Japan. The Buddhist Circuit could appeal to the staff from TV

stations but it is essential to advertise the attractiveness of the trail to the proper persons.

20.58 They could be contacted through travel agencies and accordingly, keeping good relations with the travel trade is important for this promotion activity. Since the Silk Trade Route programs have been successful, emphasis on the Buddhist Circuit as a part of the route might be an idea.

20.59 Since TV stations in Japan probably do not have many connections in India, arrangement of interviews and permission for film shooting in various sites would be appreciated. There have been many precedents that tourist office and travel industries paid all the expense of film shooting team but efforts should be made to cut down the expense. As the cost to advertise on mass media is very expensive and Japanese people are surrounded by so much advertisement, this type of publicity is more cost effective than normal advertisements.

iii. Promotion Activities for Potential Organizers

20.60 It is basically a travel agents' role to appeal to and stimulate the potential organizers of group tours to India but support from the tourist office would be appreciated by the travel agents.

a. Religious Groups and Individual Priests

20.61 There seems to be many experienced pilgrims and organizers who have had a bitter experience in India. As the travel environment has improved and will further improve in the years ahead, brochures and documents that prove the current travel environment will be appreciated by travel agents.

20.62 Travel agents have on their customer lists, details of those who made pilgrimage to India in the past. It may be effective if the name of the tourist office is used to encourage travel agents to send letters to their customers to suggest a revisit to India.

b. Conferences and Conventions

- 20.63 The organizations of conferences and conventions requires special skills from travel agents but those agents who are specialized in the pilgrimage market are likely to be not very skilled in this type of market. In the seminars for the travel trade, lectures on this subject might be appreciated.

c. Educational Institutions

- 20.64 Many of the organizers of special interest groups are contacted through educational institutions. There is a market opportunity for individual tourists as well as excursion trip by students with a professor in their charge because both students and teachers have long Spring and Summer holidays. If some of the public speaker evenings as discussed in the public relation section, are held at universities, this would be a very effective way to stimulate potential organizers and tourists.

d. Enthusiasts of India

- 20.65 There are many Japanese people who are enchanted with India and to organize a club or society of those people would be useful for conducting the various promotion activities. They would be utilized as organizers of special interest tours, guest speakers for public lectures, exhibitors of the photos taken in India and other various activities.
- 20.66 To establish a club/society, a direct approach by the tourist office to some famous or popular Indian enthusiasts would be necessary and if he agrees to be the organizer, the members would be collected through his connections.
- 20.67 The tourist office may have to issue newsletters and to host meetings from time to time but the network formulated by the club/society would be of good value for the tourist office.

i. Workshop for the Tour Operators in India about the Buddhist Circuit and its Customers

- 20.68 Tour operators in India send travel information overseas to make promotion of India for increasing their business. The information on travel in India is appreciated by wholesalers/travel agents in source markets and has a significant influence on them. Furthermore, wholesalers/travel agents in source markets sometimes use of ready-made itineraries sent from India, or ask Indian operators for appropriate itineraries.
- 19.69 From these points, to attract attention of tour operators in India to the Buddhist Circuit would have a great effect on the development of tourism. The same promotion activities for the travel trade in Japan such as familiarization visits and audiovisual presentations would also serve this purpose.
- 20.70 Regular direct flights between Tokyo and Kolkata and other international flights touching Kolkata should also facilitate international travelers and improve the connectivity to Sikkim. The proposed up-gradation of Bagdogra as a SAARC International Airport and making it as a hub of air connections to other South East Asian countries and Asia Pacific region are all indicative of tourist development potential and the marketing effort called for to tap the source markets.
- 20.71 The aforesaid techniques of marketing and promotion can be used with suitable adaptation to the relative source market / product mix proposed to be marketed like eco-tourism, adventure-tourism, leisure / business tourism etc.
- 20.72 To sum up broadly the marketing strategy should embrace the following:

- Differentiate Sikkim from the competing destinations including developing a unique market position, image and brand that cannot be held by a competitor;
- Undertake an extensive qualitative and quantitative market research program in the target source markets;
- Identify and assemble a highly attractive product offering tailored to the interests of each source market, and develop and implement on-going cost-effective promotion programs in each source market in partnership with the private sector of the tourism industry in the State and the source markets. Of special importance is the formulation and implementation of a village tourism program that would be primarily targeted at the domestic urban market in India but which could also attract the international market;
- Establish an effective and on-going market representation presence with the travel trade in each source market;
- Establish an Internet portal in various languages to service the information, product description, and product sales requirements of the target market segments in each source market, and to connect these directly with the preferred suppliers.
 - ◆ And finally not the least creates a brand image, which should capture the essence of tourism product of the state to appeal to the target market and its clients. It should convey what makes Sikkim unique and unmatched in the tourism world.
- An extensive program of market research in source market is essential to:
 1. establish the present image of Sikkim as a destination in relation to its competitors;

2. the ensemble of products likely to be of interest to the markets in each primary source country;
3. issues such as pricing, concerns about security, health, safety, and quality, basic information on how to arrange a trip to Sikkim including permit issuances, currency, and telecommunications, transportation services; and
4. The influence of media, Internet portals, and the buying behaviour of the customer.

20.73 Build up a brand image

To create an appropriate brand image and positioned the state with that brand image in the domestic and identified international market. Since Sikkim as a lot of similarity with Switzerland as also a number of Swiss tourists are attracted to the state, it is for wider discussion whether the state could be marketed as, ***“Sikkim - Switzerland of Asia blessed with unique Buddhist heritage and culture”***.

20.74 The government of Sikkim with active financial and other support of the government of India may commission research studies immediately to tap the identified source markets to give much needed momentum to the tourist flow to the state and put Sikkim as an eco-tourism zone in the world tourism map.

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CHAPTER XXI

ORGANISATIONAL SET UP AND STRUCTURAL REFORMS

- 21.1 The Department of Tourism is the administrative authority for development of tourism and allied matters. Department is headed by Principal Secretary and a team of officials and staff as is the practice elsewhere in the country. It is responsible for formulating and implementing overall policy, planning and implementation of various schemes and projects for sustained development and promotion of tourism in the state.

Administrative Set Up

- 21.2 The Department has a main Administrative Head Office at Gangtok and out-station offices at Siliguri, Calcutta and Delhi. The overall activities of the Department have been divided amongst the following sections:

1. Administrative Section
2. Accounts Section
3. Centrally Sponsored Schemes
4. Statistical Section
5. Adventure Wing
6. Information, Publicity and Hospitality Section
7. Tours and Travel Section
8. Management of Hotels, Restaurant and Way-side Amenities
9. Permit Cell

1. The Administrative Section deals with general office administration and personnel management of the

Department apart from day-to-day administrative function beside the policy matters.

2. The Accounts Section deals with financial management of the Department.
3. The Central Sponsored Schemes Section deals with all the Schematic Plans under the normal State budget and CSS and Project.
4. The Adventure Wing of the Department looks after the activities relating to Promotion and Development of Adventure Tourism such as trekking, rafting, mountain biking, winter sports including maintenance and running of the Trekker's Huts and Trails.
5. In the dissemination of information and organizing tourism promotion activities, Information and Publicity Section of the Department plays a vital role with three out –station offices at Siliguri, Delhi and Calcutta.
6. The Hospitality Section of the Department has been transferred to Sikkim Tourism Development Corporation (STDC).
7. The Tours and Travels Section deals with No Objection Certificates (NOC) for registration of hotels and travel agencies and their recognition and also issue of permit to tourists visiting Nathu La from May 2000.
8. The Civil Aviation Section manages the Helicopter Service introduced in the state since November 1998.

Information And Publicity

- 21.3 The Information and Publicity has a very important role to play to project the State as a unique tourist destination. This objective is slowly but surely being achieved through the

dissemination of information, promotional activities and marketing.

21.4 PROMOTIONAL ACTIVITIES/INFORMATION DESSEMINATION

1. The Department has produced many brochures on various tourist attractions and destinations. Improving and updating of information carried by these brochures, is another important function of the concerned cell in the DOT of the State. This is being done each year with the objective to give the upto date information to the tourists. The highlight of this year is production of black and white brochure titled – ***“Sikkim – The Land of Mystic Splendor”*** from the Printing Department, Government of Sikkim.
2. World Tourism Day is being celebrated each year on the 27th September, which practice on awareness about the tourism potential in the State. During 2000-2001 the celebration was organised by STDC for the disadvantaged children. There were 45 such children. Joy ride by Helicopter was given to them which included gifts etc. on the spot Quiz contest and Painting Competition were also held at Paljor Stadium amongst various schools. Prizes were all sponsored and no fund was utilized from the Government.
3. Teesta Tea Tourism Festival- This Festival was held from 24th December to 10th January 2001 in the state of Sikkim. The main objective to organise this festival was to create awareness of winter attractions to Sikkim both at the national and international levels and thereby increase tourist traffic during winter season and to create a spirit of regional co-operation among the government and private sectors for promotion of tourism. Street carnivals, religious festivals and archery competitions were the highlights. Water sports were

also conducted in the Teesta and Rangit-with competitions at the national level was held.

4. Maghey Mela – The Department of Tourism participated in Maghey Mela at Jorethang on 14-15 January 2001 to create awareness of tourism amongst the locals and the promotion of ethnic tourism.
5. Tourism & Travel Fair at Mumbai - The Tourism & Travel Fair held during January 2001 at Mumbai was participated by the Department of Tourism to promote Sikkim, as a fair amount of tourist traffic comes from the State of Maharashtra and therefore more dissemination of information was required.
6. WTM, London – This was held in London during November 2000 in which the Department of Tourism participated to project Sikkim as a tourist destination and to disseminate information on the State in international market. The said exhibition was attended by Commissioner-cum – Principal Secretary. A number of press conferences were conducted with the Travel Trade and the media. Copies of the Himalayan Travel Journal were freely distributed. Business was exchanged and aggressive marketing was done. By and large the response was very encouraging and in the years to come it should have a tremendous multiplying effect.
7. Tourism Orientation Programme in East Sikkim- The Tourism Department had organised a Tourism Orientation Programme for transport operators, taxi drivers, hoteliers and tour operators. Travel Agents Association of Sikkim at Gangtok on 18th –20th August 2000. The main objective of the Orientation Programme was to impress upon transport operators, taxi drivers, hoteliers and tour operators that they are the key players of the tourism industry, to motivate them

to enhance their professionalism and to show them the importance of public relation and customer service in their profession. The course covered technical, operational, safety measures, first aid and human relationship. It was for the first time an Orientation Course on “Traditional Local Food” was organised in Sikkim for the hoteliers. The course was followed by practical demonstration by an expert.

8. Tourism Orientation Programme in West Sikkim- As a part of the training programme for human resource development in the tourism sector, the Tourism Department had organised a Tourism Orientation Programme for transport operators, taxi drivers, hoteliers and tour operators of South and West Sikkim on 8th & 9th February 2001 at Pemayangtse.

Adventure Wing

- 21.5 Sikkim is a popular adventure destination. The existence of the World's third highest peak along with a host of yet virgin peaks lure many adventure seekers to the State. The activities of this wing include review facilities existing and introduce new and interesting routes / trails besides maintaining / upgrading facilities like Trekkers Huts and Trails. The most significant Singhalila Trail in West Sikkim was surveyed during 1999-2000.
- 21.6 White Water rafting is another popular sport for the tourists. This is usually promoted on River Teesta starting from Bardang to Tarkhola and River Rangit. The equipment procured by the Department is leased out to Tour Operators for promotion of this sport.

- 21.7 KanchenDzongso Conservative Committee (KCC) an active Non-Governmental Organisation (NGO) from West Sikkim involved in the environment protection conducted Cleaning Drive at Khanchenjunga trail and removed the litters collected for disposal at Yuksam Base Camp. This organisation has published “Do’s and Don’t’s” about the manner that should be borne in mind by the trekkers while undertaking the trekking at the ecologically fragile areas.
- 21.8 Also hired out tents and other adventure equipment to the party / parties and collected revenue for the Department Regular water sports events are held on the Teesta and Rangit rivers.
- 21.9 A Motor car and Motor Cycle Rally called “Orchid Challenge Rally 2000” was organised by the NORTH EAST MOTOR SPORTS ASSOCIATION (NEMA) supported by Ministry of Tourism Government of India and Department of Tourism Government of Sikkim. The basic objective of the Rally was to get the glimpse of the rich cultural and traditional part of Sikkim. The rally covered the route Gangtok. Tashi View Point- Ganesh Tok, the ridge, Rumtek, Temi Tea Garden, Damthang, Namchi, Kitam and Melli and Sikkim and thereafter it headed towards Jaldapara via Kalimpong and culminated in Guwahati via Shillong on 27th September 2000 – The World Tourism Day. This gave a lot of publicity to the State.
- 21.10 The Adventure Wing has repaired all the huts on the Kanchenjunga Trail, and many more are on the anvil. Another activity undertaken by Adventure Wing was the Annual Cleaning Drive at Tsomgo Lake. This is routinely

being done each year to protect the place from environmental degradation due to human interferences. The exercise has been reportedly very effective.

- 21.11 An objective of evaluation of its overall performance of the Department of Tourism seems to suggest that keeping in view the general administrative constraints underlying any government department, it has done remarkably a good job in complying with the mandate given to it. Professionalisation and operational flexibility will no doubt add to its efficacy and efficiency.
- 21.12 It may be noted that the performance of the department in general and implementation of various projects and programs is hampered to some extent due to lack of appropriate mix of personnel and multi disciplinary professionals particularly. The move to create an Engineering cell within the Department of tourism during this Tenth Plan period is a step in the right direction. Earlier the Cell is set up the better for accelerating the process of project implementation and monitoring. The Cell should however be given operational flexibility, responsibility and accountability.
- 21.13 One of the key areas of responsibilities of the tourism department will continue to be tourism promotion and marketing. The department should therefore be adequately strengthened by inducting qualified and experienced marketing professionals with a multi disciplinary orientation. Various information centers set up in different places like Delhi, Mumbai, Chennai, Bangalore, Kolkata (proposed in the study.) etc. should also be appropriately strengthened

with induction of professionals with marketing orientation. Having regard to the need for economy in expenditure and fiscal discipline, the possibility of avoiding necessary training and orientation courses for the existing staff may also be explored to achieve the aforesaid objective.

21.14 Sikkim Tourism Development Corporation Limited was set up in 1998-1999 to promote a new thrust to tourism development activities. The main objectives of the STDC inter alias was to create and take over and manage tourist facilities such as hotels, restaurants, helicopter service, souvenir shops, surface transport etc. Currently the following properties are being managed by STDC;

- Hotel Mount Pandim
- Siniolchu Tourist Lodge
- Rangpo Tourist Lodge
- Blue Sheep Restaurant
- Bagdogra Guest House
- Movables of Hotel Mayur

21.15 The Helicopter service is also being managed by STDC. The financial performance of STDC is satisfactory in as much as it has earned a net profit of Rs. 0.22 lakhs during 1998-1999 and 3.28 lakhs during 1999-2000. The Helicopter service is also financially satisfactory.

21.16 We however feel that there is considerable scope for organizational restructuring and financial reengineering so as to enable it to take up the challenging task ahead as envisaged in the perspective plan. A diagnostic study is being

done separately in this regard at the instance of the department of tourism.

- 21.17 The paid up capital of STDC as on date is only Rs. 231.12 lakhs. This was also the value of assets transferred to STDC in respect of the hotel properties mentioned above. In other words, there was no cash infusion to STDC. This low capital base impinges its borrowing capacity to expand its operations. All these aspects will be examined separately and plan of action for strengthening it both financially and organizationally will be dealt with in the proposed diagnostic study.
- 21.18 The tourism development is not confined to Department of Tourism perse. An effective and action oriented coordination with and cooperation of other connected departments like PWD, Urban Housing Department, Department of Environment and Forest, Archaeological Survey of India, Department of Planning, Finance etc. are very critical and decisive. Compared to other states, we are told that there is a degree of cooperation and understanding amongst concerned departments to achieve the common objective of tourism development in the state.
- 21.19 In the context of globalisation and economic liberalization, the state is also moving towards privatization to streamline the industrial and other units. Some of the properties have been given on lease to the private sector. However, having regard to the absence of required local entrepreneurship, we are of the view that the state will have to accept the responsibility of leadership and active facilitator for the

sustained development of infrastructure facilities like hotels, resorts, connectivity, etc. at least for some more years to come.

- 21.20 The state / Department of Tourism will have to take up and or support the private entrepreneurs in setting up some of the projects identified in the study. The projects, which can be developed in the private sector, joint/ assistant sector and public sectors have been identified in the study. Of course, it is not a watertight division and there is sufficient flexibility for interse changes envisaged in the set up on a case-to-case basis.

HRD

- 21.21 There is an imperative need for strengthening the Human Resource Development effort in the state in general and in the field of tourism in particular. As the tourism sector is expected to emerge as a key player for creating employment and generating income to alleviate the laudable objective of poverty alleviation a need based education reforms and training of the young employment aspirant has to be systematically organized and put in to practice within a reasonable time frame.
- 21.22 Viewed thus, the proposal of setting up a full fledged institute of catering and tourism and adventure and eco tourism should be expedited. A regular entrepreneur development program with focus on tourism and allied activities should also be launched in all administrative division of the state. In company training programs may be

imparted in the existing network of hotels and other infrastructure available.

21.23 With the increased tourism activity in the state and in view of availability of good training infrastructure at Sikkim and the need for trained manpower to successfully man the proposed tourism projects /products /initiatives/ activities there is a need to augment / provide good manpower development and training facilities at Sikkim.

21.24 CTS / institutes should organise relevant short duration work shops and training programmes for the following levels:-

- i. Tourism planning and development workshop for government officials connected with travel and tourism activity.
- ii. Tourism / travel marketing PR and promotion workshop for travel / hospitality functionaries in the government as well as private sector
- iii. Travel guide orientation programmes.
- iv. Orientation programmes for travel agents, tour operators, taxi operators, auto rickshaw drivers / owners.
- v. Orientation program for all relevant functionaries in private as well as public sector, for effective management of tourism products.
- vi. Setting up of a National Institute for Adventure and Eco-Tourism in Sikkim.

REGUALTORY FRAMEWORK

- 21.25 The scarcity of usable land makes it imperative that there are well-formulated laws to govern its use. A key task for the government is to formulate a land use plan for the next 50 years. The plan will have well demarcated areas and within these areas Sectoral development should be planned with a 15-20 years time frame. Land for this purpose should be acquired and put to use only according to land use pattern prescribed.
- 21.26 Much of the recent buildings in Gangtok and other towns have been based on materials and styles of the largest cities of the plains. Apart from being inappropriate for the climate and topography of the state they impinge on the aesthetic of the serene Himalayan landscape. Building rules could be revised to promote a return to traditional building styles and materials, which are more in harmony with the surrounding, landscape and also serve to preserve and promote a pride in the culture of the region.
- 21.27 The Govt. of Sikkim had issued a notification (Forest Notification number 2375/F) as early as 1954 recognising the fact that building activities can pose a major hazard. It specifically ordained there are no constructions of buildings whether temporary or permanent is permitted along either side of the road without obtaining the prior sanction of the Darbar in writing. Persons acting in contravention of this order are punishable with fine, which may extend to Rs. 100 and the structure will be liable to be moved without any

claim for compensation. This order is being flatly and blatantly being violated as is evident from the mushroom growth of buildings in and around Gangtok and elsewhere in the state.

21.28 The government had announced a clear-cut policy as early as 1970 regarding protecting endangered species. According to the said notification (number 1744/Forest dated 30th July 1970) no person shall export or attempt Lycopodium outside the territory of Sikkim without a permit issued by the Conservator of Forests, Government of Sikkim or any other Officer duly authorised by him. Any person who contravenes or abets the contravention of the provisions of this notification are liable to punishment including imprisonment. LYCOPODIUM should be protected. This notification should be enforced strictly and forcefully by the concerned department.

21.29 Hotels of different capacities and facilities have virtually sprung up in different parts of the state particularly at Gangtok and Pelling. There does not appear to exist any standards and norms for setting up these accommodation units except simple registration with the department of tourism. In view of scarcity of land the need for maintaining accepted hygienic standards above all environmental protection and preservation, there should be mechanism or organizational set up for granting approvals for hotels, restaurants etc. Appropriate specifications like number of rooms, size of rooms, minimum facilities required etc. should be specified for approval more or less in line with the guidelines of the department of Tourism, Govt. of India.

Besides approval should be made mandatory from environmental authority, town planning etc. At the same time these permissions / approvals should not lead to bureaucratic delays and harassment.

21.30 A standing committee consisting of all the concerned departments may be constituted for screening and taking a view on each application. A copy of the application may be sent to all the concerned departments and their comments sought and received well before the consideration of the proposal by the proposed standing committee. Thus delays at different departments/ levels are avoided and decision process is facilitated and made quicker.

21.31 The Sikkim Tourism Development Corporation (STDC) may be designated as the nodal agency working under the overall administrative jurisdiction of the department of tourism. The Principal Secretary, Tourism and the Managing Director, STDC, shall be the chairman and vice chairman respectively of the standing committee. The Chairman shall co opt experts from the industry / academia on a case-to-case basis. The secretariat of this committee shall be in the STDC. An appropriate cell with competent staff drawn from the existing strength of the STDC may be constituted for the said purpose. Monitoring and further follow up may also be assigned to the cell in association with statistical wing of the department of tourism.

21.32 Environmental assessment may be made compulsory for all the projects with the minimum investment of Rs. 1 crore and above. The guideline contained in the resolution- of the

Department of Forest, Environment & Wildlife, Govt. of Sikkim, should be strictly enforced and any violation of the said guidelines should be made punishable.

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CHAPTER XXII

SIKKIM TOURISM VISION 2022

22.1 Emerging from the analysis of the existing tourism infrastructure and other factors influencing the development of this critical segment of the economy of the state, we have made an attempt to present Sikkim Tourism Vision 2022 to various stakeholders and others concerned in this field of economic activity for a meaningful debate at different levels and sensitise the whole issue in a proper perspective. Briefly put, these are:

- To make tourism the state's core competency sector and decisive source of employment and income generation for the benefit of the local populace.
- To promote and market unique Sikkimeese tourism products at national and international levels thereby making the state as a premier global destination for eco-tourism including adventure tourism, rich Buddhist heritage and leisure & pleasure tourism destinations for every age group and faith.
- To promote sustainable and eco-friendly tourism in the state based on carrying capacity of the specific destinations and attractions.
- To conserve and preserve the art, culture and heritage of the state and improve the lifestyles and standards of living of the people of the state.

- To develop tourism to optimize its benefits without damaging the national assets and socio cultural patterns.
- Balanced development that respects the state's unique geographical location and preserve the integrity of its environment.
- To Develop integrated tourists centers that stimulates regional economic development not only in tourism but also agricultural, industry, arts & crafts.
- To diversify the State's range of tourism facilities and to spread the benefits of tourism development to various regions.
- To increase the social benefits of tourism to investments in education, manpower training and development programs.
- To increase community benefits by targeting employment opportunities for locals and by promoting integrated community health and environmental management programs.
- To increase local inhabitants awareness of the development objectives through their active participation in the growth process.
- To develop tourism in rural areas that have major attractions and where alternative sources of employment are limited.
- To rationalize, simplify and bring under one umbrella the tourism related regulatory framework in consistent with the

long-term and sustained development of tourism in the state and also the overall policy framework of the government.

- Correction of any existing environmental and socio-economic problems, strengthening of traditional lifestyles and prevention of any future adverse impact. Balanced urbanization that minimizes social cause.
- To incorporate measures in the integrated program to ensure protection of the flora and fauna and other natural and cultural resources of the state.
- To improve the connectivity and other basic tourism infrastructure like roads, drinking water supply, electricity, power supply, sewage and sanitation systems, signages, transport network like roads, rail and air.
- To accept and define the role of government as a catalyst and facilitator for the growth of the tourism sector within the broad framework of the National Tourism Policy, 2002 announced by the Govt. of India in May 2002.

22.2 Vision Targets

- To increase earnings from tourism at least at the rate of 10% per annum.
- To achieve an annual rate of growth of 10% in foreign tourist arrivals during the period 2002-2012 and 15% during the subsequent period of the perspective plan.

- To create employment opportunities for 1500 persons per annum.
- To add 200-quality accommodation spread over in the four districts of the state except Gangtok.
- To innovate and promote at least one new tourism product (eco/ adventure tourism) and new destination every year.

22.3 Strategy

- To elevate tourism as the economic and employment priority of the state by using tourism as the vehicle of growth for physical, social and economic development of the state.
- To promote sustainable tourism development with a focus on eco tourism and conservation and preservation of heritage.
- To ensure quality services in all sectors of tourism in the form of people friendly regulation and monitoring.
- To develop infrastructure through private sector and private public partnership, the government acting as facilitator and catalyst.
- To concentrate on development of basic infrastructure by coordinating with all the related departments.

- To create sufficient quality human resources in the field of tourism within the state and strengthen its institutional mechanism.
- To identify source markets and launch a well planned marketing campaign in the markets so identified.
- To create an appropriate brand image and position the state with that brand image in the domestic and identified international market. Since Sikkim has a lot of similarity with Switzerland as also a number of Swiss tourists are attracted to the state, it is for wider discussion whether the state could be marketed with the brand as, “Sikkim - Switzerland of Asia blessed with unique Buddhist heritage and culture”.

22.4

Action Plan

- The Department of Tourism, Govt. of Sikkim jointly with State Tourist Development Corporation should function as the nodal agency in coordinating all the activities related to tourism being undertaken by other agencies.
- Include tourism in the public education system to induce awareness on benefits in promoting this economic activity.
- Prepare area development plans for all the tourism destinations and regulate the development accordingly. Also assess the carrying capacity of all tourist centers.

- Enact tourism conservation and preservation act to regulate stakeholder friendly planning restrictions.
- Encourage industry associations to draw up code of conducts of their members within the overall regulatory framework of the state.
- To take up studies on carrying capacity assessment for all the major destinations.
- To involve local people in the planning and implementation stages of all the projects.
- To make environmental impact assessment for all the major projects as a pre requisite for approval.
- Allow only the units approved by the Department of Tourism to function in the name of tourism in the state.
- Introduce and enforce legislation for the approval of tourism units such as accommodation, restaurants, tour operation, tourist transport operation, amusement parks, home stays etc. as a symbol of quality.
- Ensure only approved units will find place in the publicity material published by the Department of Tourism and be eligible for incentives, if any offered by the Department of Tourism from time to time.
- Gradual withdrawal of government from direct ownership and management of all tourism business activities in a phased manner having regard to the specific and unique

role of the public sector in the state as a catalyst and facilitator of tourism development.

- Scout for joint venture /assistant sector projects with major hotel chains in the country.
- Evolve a clear-cut strategy to coordinate all departments and private sectors who are having eco tourism resources and provide synergy for its fast and smooth development.
- Market eco-tourism products of the state abroad as a distinct product.
- Prepare proper and monitoring mechanism for eco tourism products.
- Evolve strategies to attract private investment in eco tourism and other tourism related projects.
- Evolve strategies to empower local people to benefit from tourism development projects.
- Initiate regular manpower development and training programs in eco tourism to the locals.
- Formulate specific eco tourism strategy through participatory planning process.
- Coordinate with other states, Govt. of India and international tourism bodies like WTO, WTTC and funding agencies like ADB, UNDP, JBIC etc. for seeking financial assistance in tourism development.
- Professionalise the functions of the state DOT and STDC.

- Set up and strengthen planning, marketing and information wings of the Department of Tourism.
- Restructure and reengineer S.T.D.C.
- Enact tourism conservation and preservation act to regulate the development in the identified tourism zones and ensure quality services in all major sectors of the industry.
- Focus on high spend domestic tourism and international tourists rather than spreading the available resources widely without any tangible result.
- Identify the source markets and carry out intensive market research through qualified consultants.
- To strengthen collection of statistics on tourist arrivals, tourist profiles, expenditure pattern for each district and bring out periodically the results for review and action.

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Annexure

TRAIN TIMINGS AT NEW JALPAIGURI

TRAIN NO.	TRAIN/EXP/MAIL	ARR	DEP	DAYS
2436 UP	Rajdhani Express (Via Lko)	1015	1025	2/6
2424 UP	Rajdhani Express (via CNB)	1015	1025	3/4/5
2423 DN	Rajdhani Express	1230	1240	1/4/5
2435 DN	Rajdhani Express	1230	1240	2/4
4056 UP	Brahmaputra Mail	0340	0410	Daily
4055 DU	Brahmaputra Mail	2225	2250	do
5622 UP	North East Express	0940	0955	do
5621 DN	North East Express	1710	1725	do
3147 UP	North Bengal Express	1845	1855	1/4/6
5610 UP	Avad Assam Express	1855	1910	Daily
5609 DN	Avad Assam Express	0505	0520	Do
4084 UP	Sikkim Mahananda Express	1450	0000	Do
4083 DN	Sikkim Mahananda Express	1215	1215	Do
3143 UP	Darjeeling Mail	0815	0000	Do
3144 DN	Darjeeling Mail	1850	2005	Do
3D UP	DHT Toy Train	-	0900	Do
3141 UP	Teesta-Torsa Express	0415	0430	Do
3142 DN	Teesta-Torsa Express	1530	1545	Do
5959 UP	Kamrup Express	0530	0545	Do
5960 DN	Kamrup Express	1630	1645	Do
5657	Kanchanjanga			Do

UP	Express	1810	1825	
5658 DN	Kanchanjanga Express	0745	0800	Do
2345 UP	Sarai Ghat Express	0200	0210	1/4/5
2346 DN	Sarai Ghat Express	0235	0245	2/5/6
3147 UP	Uttar Banga Express	1010	1020	2/4/7
3148 DN	Uttar Banga Express	1820	1830	2/4/7
3149 UP	Kanchan Kanya Express	1010	0000	1/3/5
3150 DN	Kanchan Kanya Express	1830	1830	1/3/5
5652 UP	Lohit Express	1430	1445	5
5651 DN	Lohit Express	2100	2115	1
5645 UP	Ghy. Dadar Express (Via Kir)	0235	0250	1/5
5646 DN	Ghy. Dadar Express	0215	0230	1 / 4
5647 UP	Ghy. Dadar Express (via BGP)	0615	0630	7
5648 DN	Ghy. Dadar Express (via BGP)	2300	2315	2
5623 UP	Cochin Express	0205	0220	5
5624 DN	Cochin Express	1445	1500	5
5625 UP	Ghy Bangalore Express	0205	0220	1/6
5626 DN	Ghy Bangalore Express	1445	1500	2/5
5627 UP	Ghy Trivandraum Express	0220	0235	3
5628 DN	Ghy Trivandraum Express	1445	1500	3
5629 UP	Ghy Chennai Express	2245	2300	3/6
5630 DN	Ghy Chennai Express	2300	2315	1/5

FLIGHT SCHEDULES EX-BAGDOGRA
(DEPARTURE FROM BAGDOGRA)

FLT NO.	TIME	DAY
INDIAN AIRLINES		
DELHI		
IC 879	1240	1,3,5
GUWAHATI		
IC 879	1240	1,3,5
KOLKATA		
IC 722	1140	1,3,5
KOLKATA		
IC 722	1555	4,7
JET AIRWAYS		
DELHI		
9W 602	1415	1,3,5
GUWAHATI		
9W 601	1235	1,4,6,7
GUWAHATI		
9W 618	1410	1,5,6
KOLKATA		
9W 618	1240	1,2,6

(ARRIVALS)

FLT NO.	TIME	DAY
INDIAN AIRLINES		
DELHI		
IC 879	1635	1,3,5
GUWAHATI		
IC 879	1330	1,3,5
KOLKATA		
IC 722	1235	1,3,5
KOLKATA		
IC 722	1650	4,7
JET AIRWAYS		
DELHI		
9W 602	1640	1,3,5
GUWAHATI		
9W 601	1325	2,4,6,7
GUWAHATI		
9W 618	1500	1,5,6
KOLKATA		
9W 618	1710	1,2,6

List of Funding Institutions with Relevant Details

INTERNATIONAL FINANCE CORPORATION (IFC)

HEADQUARTERS

1850 I (Eye) Street, NW
Washington, DC 20433, USA
Tel: (1-202) 477 1234
Fax: (1-202) 477 6391

Contact

Mr. Maurice Desthuis-Francis
Manager, Tourism Unit
Technical and Environment
Department
Tel: (202) 473 0369/473 8843/ 473 0393
Fax: (202) 334 8705/ 676 0365

TYPES OF ASSISTANCE AVAILABLE FOR TOURISM

Loans, equity participation, mobilized funding via syndications with other commercial banks. Financial and technical advice are provided.

TERMS OF FUNDING

Market Terms

FURTHER INFORMATION

IFC combines the characteristics of a multilateral development bank and a private merchant bank. Unlike most multilateral institutions, IFC does not require government guarantees for its financing.

Loan maturities for tourism projects may extend up to 12 years or longer in exceptional cases. Interest rates are set at commercial levels.

IFC makes equity investments only if appropriate arrangements exist for the repatriation of capital and earnings.

Total debt and equity financing provided by IFC cannot exceed 25 per cent of total project costs or 40 per cent in the case of an expansion or refurbishment.

Loan syndications are arranged with international commercial banks.

IFC also uses a variety of credit enhancement methods to introduce private sector companies into foreign and local capital markets. In addition, the Corporation offers a full array of advisory services and technical assistance. It also plays a significant role in the process of privatization.

To date, IFC has invested in over 100 tourism projects (mainly hotels and resort villages) in its developing member countries, aggregating a total of close to US \$ 600 million. The tourism portfolio has grown at an average annual rate of 23 per cent over the past five years representing 5.5 per cent of the Corporation's total portfolio.

THE OPEC FUND FOR INTERNATIONAL DEVELOPMENT (OPEC)

HEADQUARTERS

P.O. Box 995,
A-1011 Vienna, Austria
Tel: (431) 51 564-0
Fax: (431) 513 9238

CONTACT

Mr. Abdelkar Benamara
Director
Research and Information

TYPES OF ASSISTANCE AVAILABLE FOR TOURISM

Loans, technical assistance, grants in support of technical assistance operations, and research and similar activities.

TERMS OF LENDING

Soft loans only.

FURTHER INFORMATION

Although the OPEC fund is not involved directly in the tourism sector, the fund's assistance has supported, infrastructure projects (airport, railway and

road projects) and a number of technical assistance operations that have benefited tourism in recipient countries. It makes financial contributions to other development financing institutions whose work benefits developing countries and their tourism sectors. All OPEC Fund activities are dedicated to the assistance of developing countries. OPEC countries are not eligible for Fund assistance. Three-fourths of the Fund's assistance has been directed to the least developed countries.

Generally, the government of the eligible developing country requests a loan from the Fund (usually through the Finance Minister). Soft loans are provided at a very low interest rate, ranging from 2 to 3 per cent in most cases.

The Fund also extends lines of credit to national development banks to finance small-and medium-sized enterprises, including the private sector.

ASIAN DEVELOPMENT BANK (ADB)

HEADQUARTERS

6 ADB Avenue, 1501 Mandaluyong
Metro Manila,
P.O. Box 789
0980 Manila, Philippines
Tel: (632) 711 3851
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Concessional loans, equity investment and technical assistance.

Direct: without specific minimum; no on-lending to banks but developing member countries governments may on-lend at a higher interest rate.

TERMS OF LENDING

Soft loans through: (1) Ordinary Capital Resources (OCR) with a pool- based variable lending rate (which is adjusted on 1 January and 1 July each year and is currently 6.11 per cent for the multi-currency window). OCR loans are repayable over 25 years including a grace period during the project implementation; (2) Asian Development Fund (ADF) with a repayment period of 40 years and an administrative charge of 1 per cent. The Bank also provides loans to the private sector without government guarantee.

FURTHER INFORMATION

ADF, which supplements OCR, along with ADB's special funds, is designed to provide assistance to the poorest of the Bank's developing member countries.

ADF's address:

*Asian Development Fund
c/o ADB, 2330 Roxas Blvd.
PO Box 789, Passay City
2800 MANILA
Philippines
Tel: (632) 834 444*

Technical assistance is provided for the preparation and execution of development projects and is typically grant-financed. Equity investment and selective loans are destined to the private sector.

Financing of tourism and tourism-related projects is a relatively new undertaking for the Bank. As of March 1995, ADB has committed a total of US \$ 51.5 billion in loans and for 1344 projects of which only one loan of US \$ 10.4 million in January 1992 was for tourism infrastructure development and a US \$ 9.3 million combined equity investment and loan was approved for a hotel development.

AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT (Aus AID)

HEADQUARTERS

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CANBERRA, ACT 2601
Australia
Tel: (616) 276 4000
Fax: (616) 276 4880

CONTACT

Mr. Mike Edwards
Director
International Section
Commonwealth Department of Tourism
GPO Box 1545
CANBERRA, ACT 2601
and/or the Embassy of Australia in the country.

AusAID is the principal agency responsible for the administration of Australia's official development cooperation, which focuses on the countries of the South Pacific and South East Asia. In addition, Australia has more limited development assistance programmes in a number of developing countries of Africa and other parts of Asia. The assistance is provided mainly through country programmes aimed at promoting sustainable economic and social development of recipient countries in keeping with Australia's foreign policy, humanitarian and commercial interests. Long-term strategies for the major recipients of Australia's aid are agreed with the partner countries during annual high-level consultations.

TYPES OF ASSISTANCE AVAILABLE FOR TOURISM

Assistance in the tourism sector is provided for tourism and tourism related infrastructure.

Types and terms of assistance are: grants, technical assistance including provision of equipment and services.

FURTHER INFORMATION

Tourism is not a priority sector within the framework of the Australian Official Development Assistance (ODA). Only 0.01 percent of total ODA financial resources was extended to the tourism sector during the 1988-1994 fiscal period. However, the AusAID assistance provided in support of economic infrastructure and services had had a beneficial effect on tourism development in many recipient countries..

Tourism-related considerations are often taken into account, where appropriate, in the design of projects. Identification of natural areas and cultural sites of high conservation value are usually undertaken in all project development. Recently/ Australia's overseas development cooperation policy has been updated in the light of the United Nations Conference on / Environment and Development (UNCED) global plan of action to achieve sustainable development. The aid programme provides a flexible vehicle for the

provision of Australian expertise; technology and other resources to assist the recipient countries achieve their ecological sustainable goals (ESD). The ESD policy will be implemented and monitored by AusAID.

Should assistance in sustainable tourism development be requested it would certainly be considered. For example, AusAID committed a grant of US \$ 500,000 to Kiribati for hotel construction in 1988 and a grant of US \$ 100,000 to Fiji for tourism development in 1992. It also helped fund representatives from the region to an eco-tourism conference in 1994.

DEPARTMENT FOR DEVELOPMENT COOPERATION

HEADQUARTERS

Bundesministerium für Auswärtige
Angelegenheiten
Ballhausplatz, 2
1014 VIENNA
Austria
Tel: (43-1) 53115-4432
Fax: (43-1) 53185-270

CONTACT

Mr. Wolfgang Lapuh
Division VII/ A/ 5
Department for Development Cooperation

The Department for Development cooperation is the head institution for the implementation of bilateral development assistance financed from the Government budget. It manages a number of programmes and activities that contribute to the achievement of Austrian foreign policy objectives coherent with those of the European Union in the field. These main objectives are aimed at sustainable development, economic growth, democracy, preservation of the environment and investing in welfare and education in developing countries. The Department for Development Cooperation bears responsibility for the official development aid policy and programme coordination. Assistance is made available mainly on a government-to-government basis within the framework of country programmes. Nevertheless, there are windows for non-governmental organizations (NGOs), national and international institutions, consultancy companies and private initiative.

TYPES OF ASSISTANCE AVAILABLE FOR TOURISM

Assistance in the tourism sector is provided for tourism-related activities and infrastructure.

Types and terms of assistance are: all grants; technical assistance including education and training.

FURTHER INFORMATION

Austrian aid in the tourism sector is extended to the following priority countries: Bhutan, Costa Rica, Pakistan and Uganda and, to a lesser extent to an unspecified number of other least developed countries (LLDCs).

More than US \$ 6 million were allocated for these purposes in 1993. In the tourism education and management sector, the Department for Development Cooperation works closely with the Institute of Tourism and Hotel Management (Salzburg), the International Institute of Tourism and Management (Krems), Horwath Consulting Company, ATC-Austrian Tourism Company and others.

BELGIAN ADMINISTRATION FOR DEVELOPMENT COOPERATION (BADC)

HEADQUARTERS

Rue Brederode, 6
1000 BRUXELLES
Belgique
Tel: (32-2) 500 6211
Fax: (32-2) 500 6585

CONTACT

Mr. R.Lenaerts
Administrator General
Headquarters
and / or Belgian diplomatic mission in the country

BADC is a federal governmental institution responsible for managing and coordinating over two-thirds of Belgian development cooperation activities. Its main objectives are to support the self-help efforts of developing countries in strengthening their abilities to achieve economic independence and to solve social problems combining development and environmental protection. The underlying principle to achieve these goals is that the recipient country should assume greater responsibilities. To date, about 130 developing countries in

Africa/ Asia and Latin America benefit from Belgium's development aid. BADC is financed directly by the Government and works together with the Ministries of Foreign Affairs and External Trade and reports directly to the State Secretary for Development Cooperation.

TYPES OF ASSISTANCE AVAILABLE FOR TOURISM

Assistance in the tourism sector is provided for tourism/ tourism-related activities and infrastructure.

Types and terms of assistance are: grants, technical cooperation activities, project investment, capital participation and subsidies in connection with education and training purposes.

FURTHER INFORMATION

Currently, BADC pursues an "aid concentration policy" to avoid geographical fragmentation. In future, Belgian development cooperation programmes will concentrate on some 20 countries. Preference will be given to a regional approach by grouping several neighbouring countries forming a uniform geographical and cultural entity. Recently, BADC has been radically re-organized in order to enable it to carry out its tasks faster and more efficiently. Along with structures responsible for direct, State-to-State assistance, a new Directorate General in charge of indirect cooperation through multilateral institutions, non-governmental organizations (NGOs), universities, private companies, etc., has been established. The indirect assistance is paid wholly or partially by the Belgian Government. In 1993, FB (Belgian Francs) 8 billion were channelled through indirect development cooperation.

Belgium places special emphasis on ensuring sustainable development in recipient countries. Special attention is, therefore, paid to environmental impact of any tourism or tourism-related project, which falls under the responsibility of BADC.

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY (CIDA)

HEADQUARTERS

200 Promenade du Portage
Hull, Quebec
Canada K1A 0G4
Tel: (1-819) 997 6133
Fax: (1-819) 953 6356

CONTACT

Policy Branch
Headquarters
Tel: (1-819) 997 5456
Fax: (1-819) 953 5469
and / or the Embassy of Canada in the country

CIDA is a governmental agency responsible for administering about 80 per cent of Canadian Official Development Assistance (ODA). Its overall objective is to support the efforts of developing countries in strengthening their abilities to solve economic and social problems in harmony with the natural environment, with emphasis on poorer developing countries. CIDA's assistance is provided to over 100 countries.

CIDA is financed directly by the Government and operates closely with the Department of Foreign Affairs, Departments of Finance and Environment, a few other departments. CIDA is responsible to the Parliament through the Minister of Foreign Affairs.

TYPES OF ASSISTANCE AVAILABLE FOR TOURISM

Assistance in the tourism sector is provided for tourism-related infrastructure and activities.

Types and terms of assistance are: all Canadian ODA is provided on a grant basis. Types of assistance include: technical assistance; the provision of goods and services; lines of credit.

FURTHER INFORMATION

CIDA objectives are pursued through mainly government-to-government assistance and partnership activities carried out in collaboration with non-governmental organizations (NGOs) and the Canadian private sector.

DANISH INTERNATIONAL DEVELOPMENT AGENCY (DANIDA)

HEADQUARTERS

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Denmark
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Fax: (45-33) 92 0790

CONTACT

Mr. Anders Serup Rasmussen
Adviser
Ministry of Foreign Affairs
and / or Danish Embassy in the country

DANIDA, an integral part of the Danish government, is responsible for Denmark's development assistance. By July 1994, the Danish Government had selected 20 programme countries: Bangladesh, Benin, Bhutan, Bolivia, Burkina Faso, Egypt, Eritrea, Ethiopia, Ghana, India, Kenya, Mozambique, Nepal, Nicaragua, Niger, Tanzania, Uganda, Zambia, Zimbabwe and Vietnam. For each programme country, a country strategy is drawn up and guidelines are set for the overall allocation of bilateral assistance concentrating on a limited number of sectors and cross-cutting themes. The main aim of DANIDA, based on the new "Strategy for Danish Development Policy Towards the Year 2000", is to assist developing countries in their efforts to achieve sustainable development through socially balanced economic growth, and to promote equal and free opportunities for the individual. Provisions will be maintained for the allocation of assistance to countries in Central and Eastern Europe and former USSR. Such transitional assistance will be provided for a limited period only.

ASSISTANCE AVAILABLE FOR THE TOURISM SECTOR

DANIDA has not provided direct support to tourism. However, it has provided assistance for tourism-related infrastructure and technical assistance operations that have benefited tourism in recipient countries.

Types and terms of assistance are: all grants, technical assistance including related operations and services.

As an important element of technical cooperation, aid programmes are supported by the provision of DANIDA advisers assigned by the Government on a bilateral basis, private consultants, bilateral development projects and

volunteers via Danish NGOs as well as vigorous fellowship programmes as an important vehicle in local capacity building.

Research is supported by financing projects carried out by Danish researchers (about US \$ 4.6 million). Another programme is financing the Center for Development Research in Denmark (US \$ 2.3 million in 1993) and a separate programme for research assistance is supporting cooperation between research institutions in Denmark and developing countries with the annual cost of about US \$ 6 million. The Danish Investment Guarantee Scheme may guarantee Danish companies against losses incurred in connection with direct investment in developing countries within a limit of US \$ 385 million.

Capital investments and know-how are facilitated through the Industrial Fund for Developing Countries (IFU). As of the end of 1993, IFU has participated in 236 projects in 62 countries.

La CAISSE FRANCAISE DE DEVELOPPEMENT (CFD)

HEADQUARTERS

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75379 Paris CEDEX 08
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Fax: (33-1) 4742 7514

CONTACT

Communication and Information Department or CFD local office
and/or French Embassy in the country

ABOUT THE INSTITUTION

CFD currently has its local offices in 34 foreign countries, 3 offices in French overseas territories and 6 offices in French overseas departments and territorial collectivities.

CFD group's mainstream activity is funding economic and social development with special emphasis on protection of the environment. CFD is present in about 70 developing countries in sub-Saharan Africa, the Maghreb, Asia, the Indian Ocean, the Pacific and the Caribbean.

ASSISTANCE AVAILABLE FOR TOURISM

Financial assistance in the tourism sector is provided for tourism and tourism-related infrastructure.

Types and terms of lending are: loans on various terms, subsidies, shareholdings, and technical assistance.

CFD GROUP annual commitments for operations in foreign countries usually amount to about 8 billion French francs (US \$ 1,650 million approximately). Around 1 per cent is destined for the "hotels and tourism" sector. CFD GROUP financial and technical assistance extended in support of infrastructure projects has contributed greatly to the development of the tourism sector in the recipient countries.

Funding conditions are subject to change each year and are generally as follows: subsidies are granted for all types of activity to the least developed countries. Almost all subsidies are granted to States. The ultimate recipient, in this case, is a public enterprise. Loans on improved terms (PCA) provide finance in the least-developed countries for projects to be carried out by enterprises in the commercial public sector without government endorsement: repayment period - 17 years including a 6-year grace period; interest rate - about 2 per cent. Loans on ordinary terms (PCO) destined to middle-income countries to States or to public/semi-public enterprises with State's endorsement: repayment period - 14 years; grace period - 5 years; interest rate 3 to 5 per cent. Loans close to the market rate (PPM) are provided to the commercial public sector without the State's endorsement: repayment period - 7 to 12 years including 0 to 5 years grace period; interest rate - close to the market rate.

Window for private enterprise: repayment period - 3 to 12 years; grace period - 0 to 5 years at the market rate. These loans are mainly channeled by PROPARCO through local banks or direct to businesses. Second-window loans are provided by CFD on market terms with specific guarantees; CFD also provides finance for small businesses and individual loans or a single loan through an intermediary such as NGO, cooperative, etc.

KREDITANSTALT FUR WIEDERAUFBAU (KfW)

HEADQUARTERS

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60325 Frankfurt am Main
Germany
Postfach 11 11 41
60046 Frankfurt am Main
Germany
Tel: (49-69) 7431-0
Fax: (49-69) 7431 2944

CONTACT

For Asia and the Pacific: Regional
Tel: 7431-2839; and/or the Embassy of Germany in the country.

ABOUT THE INSTITUTION

KfW was founded in 1948 to handle funds provided to Germany under the Marshall Plan. Today, in its capacity as the German Federal Government's development bank, KfW operates in about 100 developing countries, the Commonwealth of Independent States (the former USSR) and countries of Central and Eastern Europe. KfW performs on behalf of the Ministry for Economic Cooperation and Development thus, playing an important role in German Official Development Assistance (ODA). Eighty per cent of its capital is held by the Federal Government and twenty per cent by the Federal States. The Bank's balance sheet total is more than DM 250 billion (US \$ 180 billion approximately).

KfW also carries out financial cooperation activities on behalf of the German Federal Government and in cooperation with the German Agency for Technical Cooperation (GTZ). KfW puts special emphasis on social and economic infrastructure, the financial sector, protection of the environment and on support to sectoral and structural adjustment.

ASSISTANCE AVAIABLE FOR THE TOURISM SECTOR

Financial assistance in the tourism sector is provided mainly for tourism-related infrastructure.

Types and terms of lending are: soft loans, grants, guarantees, consultancy services and training.

For more than 30 years, KfW has been supporting developing countries in the implementation of various projects. To date, more than 3,000 projects in more than 90 developing countries have been financed with DM 75 billion committed from the Federal Budget by the end of 1994. Although KfW has not provided direct financial support to tourism projects, its assistance extended in support of economic and social infrastructure development has had a beneficial effect on the tourism sector in many developing countries.

KfW's contractual partner in financial cooperation is usually the government of the developing country, which appoints a public or private institution for executing and operating a project.

GERMAN INVESTMENT AND DEVELOPMENT COMPANY (DEG)

HEADQUARTERS

DEG
Belvederestrasse, 40
D-50933 Köln (Müngersdorf)
Postfach 45 03 40, D-50878 Köln
Germany
Tel: (49-221) 49 86-0
Fax: (49-221) 49 86-290

CONTACT

Mr. Rolf Grunwald
Head of Sectoral Operations
Infrastructure/Tourism/Equity Investments
Tel: (49-221) 49 86-439

DEG is the financing institution among the development cooperation organizations of the Federal Republic of Germany, which is in charge of supporting private enterprises in developing countries in Africa, Asia and Latin America as well as in reform countries in Central and Eastern Europe (partner countries). To date, DEG operates in about 80 partner countries. It is organized and acts as a private company, though the sole shareholder is the Federal Government represented by the Ministry of Economic Cooperation and Development. DEG's subscribed capital is of DM 1.2 billion (US \$ 900 million approximately). The company's financial resources are own funds (paid-in capital) and,

increasingly, funds raised on the capital markets. DEG only co-finances investments that are profitable, environmentally sound and render an effective contribution to economic development in the country of investment.

DEG cooperates with German and foreign partners. As partners, they must have the technical know-how as well as the financial and management capabilities to ensure the co-financed firm's long-term competitiveness. DEG is active in all economic branches.

ASSISTANCE AVAILABLE FOR THE TOURISM SECTOR

Financial assistance in the tourism sector is provided for hotels and holiday villages, tourism-related infrastructure, tourism development and tourism finance companies.

Types and terms of lending are: long-term loans, equity-type loans, equity participation, and guarantees within the scope of project finance.

Terms of financing are market-oriented with regard to the individual project and country risks.

DEG's financial services may be used for new business ventures as well as for expansion, rationalization and modernization investments, but never for straight refunding schemes. Equity capital is provided in local currency, loans are provided in D-Marks or US dollars.

DEG provides consultancy services to clients in Germany and abroad in planning and implementing cooperation and investment projects in the partner countries. This consultancy draws on DEG's many years of financing experience and investment know-how.

Consultancy for business covers: preparation of feasibility studies and drafting of financing schemes, financial engineering, company assessments, privatization and restructuring. Consultancy services for government institutions comprise: macroeconomic analyses to improve the general conditions for private enterprise, preparation of investment guides and sectoral studies, development of concepts and strategies for privatization, implementing schemes to promote business cooperation, sometimes with DEG experts in situ.

As of March 1995, DEG's overall project portfolio stood at DM 2.4 billion. The tourism sector's share was 8 per cent or about DM 200 million, invested in 25 project companies spread over 15 partner countries.

DIRECTORATE GENERAL FOR DEVELOPMENT CO-OPERATION (DGCS)

HEADQUARTERS

Ministero degli Affari Esteri
DGCS
Piazzale della Farnesina, 1
00186 ROMA
Italy
Tel: (396) 36911/3235916
Fax: (396) 369141

CONTACT

Mr. Claudio Spinedi
Counsellor
DGCS
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and/or Technical Cooperation Unit/Italian
Embassy in the country

ABOUT THE INSTITUTION

DGCS, a central body within the Ministry for Foreign Affairs, undertakes to carry out, either directly or indirectly, activities necessary for the implementation of bilateral programmes and initiatives financed by the Government. Development cooperation is an integral part of Italian foreign policy with the basic objectives to provide assistance for sustainable development, economic and social independence and equality and with the wider goal of alleviating poverty in developing countries. Priority is given to integration of women in the development process and to environmental aspects of development. Environmental impact evaluation is required for all projects.

ASSISTANCE AVAILABLE FOR THE TOURISM SECTOR

Financial assistance in the tourism sector is provided for tourism, tourism-related activities and infrastructure.

Types and terms of assistance are: grants, soft loans, mixed credits, equity financing in joint ventures and education and training.

All developing countries are eligible for assistance but priority is given to the least developed, Mediterranean and Middle East countries. The Minister of Foreign Affairs carries overall responsibility for aid policy and program coordination and chairs the Interministerial Committee for Economic

Programming (Comitato Interministeriale per la Programmazione Economica - CIPE) which is responsible for setting out general guidelines for development cooperation and determines geographical and sectoral areas of assistance. Development cooperation on a bilateral basis is financed mainly through soft loans or in conjunction with grants, mixed credits and other financial means.

Assistance is made available mainly on a government-to-government basis within the framework of country programming. However, there are windows for non-governmental organizations and private initiative. Italian firms can be granted concessionary credits for partial financing of their venture capital share in joint ventures with partners from the recipient country or other countries. Developing countries' access to the resources available for soft loans is primarily determined on the basis of project rather than country consideration. The present lending terms for soft loans are the following: repayment period at 30 years including a grace period of 12 years; annual interest rates of 1 per cent. Italian soft loans are usually tied. No soft loan can be granted to developing countries with a per capita income over US \$ 2,555. The application for the credit must originate from the recipient country. It is first examined, from the technical and financial viewpoint, by the Central Technical Unit of DGCS.

The estimated financial assistance through DGCS in 1995 for tourism projects is about US \$ 1 million and US \$ 1.5 million for tourism education and training activities.

JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)

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CONTACT

Mr. Yoshiro Minato
Director
Public Relations Division
Tel: (81-3) 3346-5056
Fax: (81-3) 3346-5032
or representative office and/or the Embassy
of Japan in the country

JICA has 49 overseas representative offices.

Since its inception in 1974, JICA has administered Japan's Government-based development assistance, primarily technical cooperation programmes.

JICA is the principal governmental agency for the administration of Official Development Assistance (ODA), carrying out more than 50 per cent of Japan's technical cooperation activity. Its annual budget was around 170 billion yen (US \$ 1,935 million approximately) in FY 1994. The institution is financed directly by the Government.

JICA acts in accordance with the principles underlying Japan's ODA Charter: assisting self-help efforts by developing countries to attain sustainable economic growth.

Although JICA is not a funding organization, the assistance it provides in terms of technology transfer, know-how and institution building is very important for recipient countries to achieve their development goals in all sectors of the national economy. JICA cooperates with many international and national development institutions and is responsible to the Japanese Ministry of Foreign Affairs.

Assistance in the tourism sector is provided for tourism, tourism-related activities and infrastructure.

Types and activities are:

1. Technical cooperation through: (a) training in Japan;
- (b) dispatch of Japanese experts; (c) provision of equipment;
- (d) project-type technical cooperation (combination of (a), (b) and (c) above); (e) development studies;

2. Support for Grant Aid Program (conducting a basic design study and expediting execution of Grant Aid projects);
3. Dispatch of Japan Overseas Cooperation Volunteers.

JICA provides assistance on a bilateral basis to developing countries in Asia, Africa, Latin America, Middle East, Oceania and, lately, to many countries of Central and Eastern Europe.

More than 20 countries received JICA's assistance in the field of tourism in fiscal year 1992. For instance, development studies on tourism were completed in Tanzania and Greece and studies in the tourism sector are being undertaken in Kenya and Panama.

JAPAN BANK FOR INTERNATIONAL COOPERATION (JBIC)

REPRESENTATIVE OFFICE IN INDIA

3rd Floor

DLF Centre

Sansad Marg

New Delhi – 110 001

Tel: 3714362-63

Fax: 3715066

JBIC has come into being with effect from October 1, 1999 with the merger of the Overseas Economic Cooperation Fund (OECF) and The Export Bank of Japan. JBIC has dual functions, Overseas Development Assistant operations and International Financial Operations.

JBIC provides ODA loans in various forms including socio infrastructure development and economic stabilization projects. ODA loans carry very low rate

of interest of about 2-2.6%. It provided loans to Delhi Mass Rapid Transport System Project (II) and Simhadri Thermal Power Station Project (II) at 1.8% per annum with repayment / grace period of 30/10 years respectively.

Outline of JBIC ODA Loan Procedure

The basic outline of the ODA loan procedure is as follows:

1. Loan Request

The Government of India (DEA) requests the Government of Japan for ODA loan through the Embassy of Japan, accompanied by Detailed Project report (DPR) based on the feasibility study.

DEA coordinates and collects requests from various State Governments across the country on an annual basis. DEA after short listing the projects makes an official request for the ODA loans to the Embassy of Japan. The request for the loan needs to be made along with the necessary detailed project documents justifying the necessity, techno-economic feasibility, various environmental and administrative clearances as well as clearly indicating the priority of the project in the State and Central Government Plan. It should be noted that proposals based on feasibility studies done by Japan International Cooperation Agency (JICA) are preferred for JBICS's ODA loans.

2. Examination and Appraisal of Project

Documents furnished through DEA are studied by the Economic Planning Agency, the Ministry of Foreign Affairs, the Ministry of Finance and the Ministry of International Trade and Industry of the Government

of Japan. JBIC New Delhi Office conducts an initial review of the proposed projects, from various aspects viz, maturity, priority, technical feasibility, appropriateness for ODA loan etc.

Proposed projects are reviewed by JBIC through a fact-finding mission from the Head Office in Tokyo. This mission collects basic data and information with regard to the project proposal for further examination by the Japanese Government. Based on the results of the fact-finding and discussions between the two governments, the appraisal mission from the Head Office is dispatched to conduct appraisal of projects short-listed by JBIC, which includes site survey and also discussion with officials of the Government of India and the respective executing agencies. The mission conducts detailed study of the project taking into consideration the technical, financial, environmental and social institutional aspects and also the capability of the executing agency. The results of appraisal mission are reported to the Government of Japan for their decision on the projects.

3. Exchange of Notes and Loan Agreement

The Japanese Government normally announces its intention to provide loans to India, which is called prior notification or pledge. When agreement has been reached on key points of the loan including the amount and name of the project, terms and condition, the Government of

Japan and Government of India sign an Exchange of Notes' confirming the Agreement.

Following the Exchange of Notes' and the subsequent loan negotiations, the Loan Agreement is signed between JBIC and the Government of India. The Loan Agreement describes in detail the legal rights and obligations of all parties concerned in relation to the purpose, scope, content, loan amount, duration, and procurement and disbursement procedures.

A specimen copy of the application for financial assistance from JBIC is given in annexure.

***THE NETHERLANDS DEVELOPMENT FINANCE COMPANY
HEADQUARTERS***

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For correspondence:
P.O. Box 93060
2509 AB THE HAGUE

C

Drs F.A.J. Baneke
Company Secretary
Headquarters

The FMO is the Dutch development bank whose mission is supplementing the Government's development cooperation efforts in developing countries by promoting private enterprise and initiative. This "structure company" was founded in 1970 as a joint venture between the Government of the Netherlands

and the Dutch private sector. The State holds 51 per cent of the shares. The remainder are held by the leading national banks, principal trade union federations, Dutch companies and individuals. The State acts as guarantor of last resort which gives special potential to the Company. The State also contributes considerable sums annually into FMO's Development Fund which stood at NLG (Netherlands guilder) 400 million (US \$ 255 million approximately) at the end of 1994 and will reach a total of over NLG 1 billion by the year 2000 (US \$ 640 million approximately). The Government is represented by the Ministers of Finance and Development Cooperation through the FMO Supervisory Board. This structure leaves FMO ample scope to operate efficiently, with due financial and institutional independence.

Financial assistance is provided mainly in the form of long- term finance for private companies acting in the tourism sector.

Types and terms of lending are: long-term loans, share participation, guarantees within the scope of project finance; terms of lending are market-oriented without government guarantee but with regard to the individual project and country risks; financial assistance varying from subsidies to soft loans may be provided under Investment Promotion and Technical Assistance (IPTA) programmes.

Over the past 24 years FMO has provided financing totaling NLG 2.4 billion in the form of loans and share participation to 374 companies and financial institutions in 56 developing countries.

In addition to investment finance, FMO also contributes to the IPTA activities which are financed from the Development Cooperation budget and are targeted at companies in developing countries. FMO also receives an annual contribution from the Economic Affairs budget to be used for Similar activities in the countries of Eastern Europe. Most of these contributions are for technical cooperation, feasibility studies', education and training. Applications for these facilities should come either from the Netherlands companies for their relevant activities in target countries or directly from local firms.

FMO also has a Small Enterprise Fund destined to enhance financial service **to** small- and medium-sized enterprises in developing countries. This Fund also receives contributions from the Government which enables FMO to grant loans denominated in local currencies.

Improvements in portfolio quality and increasing the flow of financial resources to developing countries together with strict compliance with the agreed investment criteria, social welfare, employment and environment will constitute the FMO policy in the near future.

***Spanish AGENCY FOR INTERNATIONAL COOPERATION
(AECI)***

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Fax: (34-1) 583 8141/583 8544

Director of Cabinet
AECI Headquarters
and/or Spanish Embassy in the country

AECI is one of the principal governmental institutions responsible for administering Spain's official development cooperation which strategically focuses on supporting a self-sustained economic growth of developing countries placing emphasis on the improvement of productive sectors of their economies. AECI carries out a number of programmes and activities all over the world that contribute to the improvement of economic relations between Spain and developing countries and to the promotion of Hispanic culture.

The Agency directs its efforts at, inter alia, institution building, human resources development, nature and culture conservation projects and sustainable tourism development in the recipient countries.

AECI is financed directly by the Government and is responsible to the Secretary of State for International Cooperation and, through him, to the Minister of Foreign Affairs.

Assistance in the tourism sector is provided for tourism and tourism-related activities and covers, among others, the following activities:

- (a) training activities addressed to staff of local institutions responsible for tourism-related matters; advice and assistance to the local institutions on tourism policy matters, especially on tourism promotion, marketing, planning, hotel classification, etc.;
- (b) assistance in the formulation of "integrated tourism plans for the countries as a whole or for specific areas;
- (c) technical studies intended for encouraging Spanish (or international) investments and/or co-investments in tourism-related infrastructures;
- (d) development of pilot-projects on tourism quality standards;
- (e) technical and financial support to congresses, seminars and workshops on tourism-related matters;
- (f) provision of technical publications and other materials related to tourism activities;
- (g) granting fellowships for studies in Spain on tourism matter.

SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY (Sida)

HEADQUARTER

Sida
Sveavägen 20
S-105 25 STOCKHOLM
Sweden
Tel: (46-8) 698 5000
Fax: (46-8) 20 8864

CONTACT

Mr. Lars Ekengren
Head
Department for Infrastructure and Economic
Cooperation and/or Development
Cooperation Office/Swedish Embassy in the country

Sida has development cooperation offices for Southern Africa, administered by Regional Department I in: Botswana, Lesotho, Mozambique, Namibia, South Africa, Zambia and Zimbabwe; for Eastern and Western Africa, administered by Regional Department II in: Angola, Ethiopia, Guinea-Bissau, Kenya and Tanzania; for the Middle East and Asia, administered by Regional Department EG in: Bangladesh, India, Laos, Sri Lanka and Vietnam; and for Latin America, administered by Regional Department IV in: Nicaragua, Guatemala (Regional Assistance Officer for Central America) and Bolivia (Regional Assistance Officer for Latin America).

ABOUT THE INSTITUTION

Established in 1965 and reorganized in 1995, Sida is a central coordinating agency responsible for all Swedish bilateral development cooperation. To date, Swedish bilateral assistance reaches more than 100 countries. Sweden has long-term programmes of bilateral development cooperation with some 20 countries, most of which are in Africa. Sida's role in the overall aim of Swedish development assistance is to provide "help to self-help" with emphasis on coordination and evaluation of development efforts.

Sida is responsible to the Ministry of Foreign Affairs and is financed directly by the Government.

Financial assistance in the tourism sector is provided for tourism-related infrastructure and activities.

Types and terms of assistance are: grants and, sometimes, credits.

FURTHER INFORMATION

Sida's involvement in the tourism sector is exclusively indirect through, mainly, tourism-related infrastructure (telecommunications, water and electricity supply, etc.) and in some countries, through tourism-related activities such as various cultural projects. Recipients of Sida's assistance must meet, among others, environmental impact assessment (EIA) requirements. Development assistance provided via non-governmental organizations (NGOs) is continually increasing.

As a result of the reorganization undertaken by the Government in 1995 Sida administers all development cooperation including that earlier delegated to the Swedish Agency for International Technical and Economic Cooperation (BITS) and the Swedish International Enterprise Development Corporation (SWEDECORP) which ceased to exist as independent institutions. Sida's activities now include, **inter alia**, technical assistance, international seminars and development assistance credits (soft loans with 80 per cent grant element) and promotion of competitive enterprises in developing countries. The Agency is responsible for the coordination of all cooperation activities with countries in Eastern and Central Europe. The former SAREC (Swedish Agency for Research Cooperation with Developing Countries) and Sandol (an education centre for development issues) also form part of Sida.

OVERSEAS DEVELOPMENT ADMINISTRATION (ODA)

HEADQUARTES

94, Victoria Street
LONDON SW1E 5JL
United Kingdom
Tel: (44-171) 917-7000
Fax: (44-171) 917-0019

CONTACT

Information Department
(Room V556)

Tel: (44 171) 917 0603

or geographical department concerned at
the ODA Headquarters and/or the Embassy
of the United Kingdom in the country

The ODA is the aid wing of the British Foreign and Commonwealth Office. It manages aid given by the United Kingdom to around 150 developing countries as well as that given to the States of Central and Eastern Europe and the former Soviet Union.

The purpose of the aid programmes is to promote sustainable economic and social development in developing countries. The assistance is mainly oriented towards the poorest developing countries. The ODA works in partnership with the governments of recipient countries and with international organizations.

The ODA also handles Britain's contribution to the international effort to tackle global environmental problems, finances projects related to empowering women, and provide assistance for those affected by disasters.

The ODA is financed directly by the Government and is responsible to the British Parliament through the Minister for Overseas Development.

Assistance may be provided for tourism and tourism- related infrastructure. Types and terms of assistance are: grants and technical assistance, including provision of equipment, training and research and similar activities.

FURTHER INFORMATION

The United Kingdom gives about 55 per cent of its aid bilaterally and on a highly-concessional basis.

Various tourism projects have been completed in about twenty recipient countries.

In addition to its direct, bilateral aid, Britain contributes to many projects undertaken by non-governmental organizations (NGOs) and local agencies and organizations.

The Commonwealth Development Corporation (CDC) borrows from the ODA in order to provide loans, equity funds and help with management of a broad range of private enterprises in more than fifty developing countries including those operating in the tourism sector.

Additional information is available from the following address:

*Library
ODA
Abercrombie House
Eaglesham Road
East Kilbride
GLASGOW G75 8EL
Scotland
Tel: (44-41) 0135584 -3160
Fax: (44-41) 0135584/3599/3246*

COMMONWEALTH DEVELOPMENT CORPORATION (CDC)

HEADQUARTER

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CONTACT

Mr. Sean Magee
Associate Director
Corporate Relations Department
and/or representative office/United
Kingdom Embassy in the country

The CDC currently has its overseas representative offices in Barbados, Cameroon (London Office), Costa Rica, Cote d'Ivoire, Ghana, India, Indonesia, Jamaica, Kenya, Malawi, Malaysia, Mozambique, Nigeria, Pakistan, Papua New Guinea, Philippines, South Africa, Swaziland, Tanzania, Thailand, Zambia and Zimbabwe.

ABOUT INSTITUTION

CDC's constitution and powers are laid down in the Commonwealth Development Corporation Acts, which define its purpose as to assist overseas countries in the development of their economies. Since 1969, CDC has been able to operate in any developing country, subject only to Ministerial approval.

Financial assistance in the tourism sector is provided for tourism, tourism-related infrastructure and tourism promotion activities.

Types and terms of lending are: loans and equity investments at market terms without government guarantee; financial advice and consultancy services are provided.

CDC provides assistance to private sector companies (around 90 per cent of its activities) and public sector utilities in support of privatization. Environmental impact assessment (EIA) or environmental study is required before the Corporation is able to provide assistance.

Financing provided by CDC usually does not exceed 30 percent of total project cost. The repayment period depends on the project but is normally from 5 to 10 years.

Although CDC is operating primarily in the productive sector, tourism stands high on the agenda. The following are recent examples of financing in the tourism sector:

- New safari lodges in the Ngorongoro and Lake Manyara game parks and a tented camp in the Serengeti, Tanzania;
- Tourist hotels in Barbados, Dominican Republic, Kenya, Mauritius, Zanzibar, Zimbabwe; business hotel in Zambia, **etc.**

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)

HEADQUARTERS

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CONTACT

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and/or field office/
USA Embassy in the country

ABOUT THE INSTITUTION

USAID is **an** independent federal government agency that provides foreign assistance, including humanitarian aid, to advance the political and economic interests of the United States. The Agency manages a number of programmes

and activities all over the developing world that encourage economic growth, protect the environment, build democracy, stabilize population and protect health, and provide humanitarian and postcrisis assistance. USAID is the primary entity within the Government of the

Financial assistance for activities impacting on the tourism sector is provided for tourism-related infrastructure and ecotourism activities as part of economic development and environmental programmes.

Types and terms of assistance are: grants to governmental and non-governmental organizations (NGOs) or private voluntary organizations, including technical assistance and provision of equipment to support project activities. Assistance may also be available indirectly through USAID-funded programmes such as the Biodiversity Support Program.

USAid's assistance is provided mainly through central, country and regional programmes on a bilateral or multilateral basis, and through NGOs. Regional Bureaus are Africa, Asia and the Near East, Latin America and the Caribbean, and lately, Europe and the New Independent States (the former Soviet Union).

Some of the major initiatives that the Agency has launched as part of this effort are aimed at: financial management improvements to speed up delivery service, streamlining the procurement system, developing new approaches for awarding grants and contracts, and streamlining project approval. In addition, more attention will be paid to environmental aspects of development within the framework of the assistance the Agency provides.

Assistance in the tourism area will be primarily in the field of nature tourism or ecotourism, which is a promising means of advancing social, economic and environmental objectives in developing countries. It offers countries new opportunities for small enterprise investment and employment and increases the national stake in protecting their biological resources.

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Annexure

IMPLEMENTATION OF PROJECTS IN THE NINTH FIVE-YEAR PLAN

Sl. No.	Year	No. of Projects Sanctioned	Amount Sanctioned	Amount Received by the State Govt.	Projects Completed	Incomplete Projects	Remarks
1	1997-98	10	10	130.2	6	4	
2	1998-99	20	20	201.5	2	18	
3	1999-2000	9	9	89.75		9	
4	2000-01	26	26	429.47		26	
5	2001-02	30	0	NIL	NA	NA	
	TOTAL	95	65	293.04	57	57	

International Tourism Receipts

	<u>International Tourism Receipts</u> (US billion)					<u>Market Share</u> (%)		<u>Growth Rate</u> %		<u>Average Annual</u> <u>growth (%)</u>
	<u>1990</u>	<u>1995</u>	<u>1998</u>	<u>1999</u>	<u>2000*</u>	<u>1995</u>	<u>2000*</u>	<u>99/98</u>	<u>00*/99</u>	<u>00*/95</u>
World	263.4	406.2	442.5	455.4	475.8	100	100	2.9	4.5	3.2
Africa	5.3	8.1	9.9	10.3	10.7	2	2.2	3.6	3.7	5.7
North Africa	2.3	2.7	3.3	3.5	3.6	0.7	0.7	5.3	2.7	5.5
West Africa	0.6	0.7	1	1		0.2		4.4		
Central Africa	0.1	0.1	0.1	0.1		0		44		
East Africa	1.1	1.9	2.3	2.6	2.7	0.5	0.6	11.8	5.4	7.1
Southern Africa	1.2	2.6	3.3	3.1		0.6		-5.2		
Americas	69.2	99.7	117.2	122.4	136.4	24.5	28.7	4.4	11.5	6.5
North America	54.8	77.5	88.2	92.3	104.2	19.1	21.9	4.6	12.9	6.1
Caribbean	8.7	12.2	15	15.8	17.2	3	3.6	5.4	8.9	7.1
Central America	0.7	1.6	2.3	2.7	2.9	0.4	0.6	20.9	7	13.1
South America	4.9	8.4	11.8	11.6	12.1	2.1	2.5	-1.7	4.5	7.5
East Asia and the Pacific	39.2	74.5	70.7	75.2	82.5	18.3	17.3	6.4	9.6	2
North-East Asia	17.6	33.5	36.7	37.6	41.1	8.3	8.6	2.3	9.3	4.2
South-East Asia	14.5	27.9	20.9	23.9	27.2	6.9	5.7	14.2	13.8	-0.5
Oceania	7.1	13.1	13	13.7	14.1	3.2	3	5.5	2.9	1.6
Europe	143.2	212.8	231.7	233.1	231.5	52.4	48.6	0.6	-0.7	1.7
Northern Europe	24.7	32.6	35.7	35.2	35.1	8	7.4	-1.5	-0.2	1.5
Western Europe	63.2	82	79.5	82.6	80.2	20.2	16.9	3.9	-2.9	-0.4
Central / Eastern Europe	4.8	22.7	29.1	26.1	26	5.6	5.5	-10.2	-0.6	2.8
Southern Europe	44.6	65.8	75.8	79.1	77.5	16.2	16.3	4.3	-2	3.3
East Mediterranean Europe	5.9	9.7	11.5	10.1	12.6	2.4	2.7	-12.8	25.6	5.4
Middle East	4.4	7.6	8.8	9.8	9.7	1.9	2	12.4	-1.6	4.8
South Asia	2	3.5	4.3	4.6	5.1	0.9	1.1	7.1	11.1	8

**INVESTMENT (OUTLAY) REQUIRED FOR ATTRACTION DEVELOPMENT PROGRAMME
DURING THE 10th FIVE YEAR PLAN PERIOD
WEST DISTRICT**

Sl.No.	Attraction	Investment	Phase-I 1997-2001		Phase-II 2002-2006		Phase-III 2007-2012		Remarks
			C.S.	S.S.	C.S.	S.S.	C.S.	S.S.	
1	Khecheopalri	10	-	-	7.5	2.5	-	-	
2	Changey Water Falls	12	-	-	9	3	-	-	
3	Famrang Water Falls	12	-	-	9	3	-	-	
4	Rimbi Water Falls	10	-	-	7.5	2.5	-	-	
5	Kathok Lake, Yoksum	15	-	-	11.25	3.75	-	-	
6	Tashiding Monastery	5	-	-	3.75	1.25	-	-	Under Progress
7	Sangacholing Monastery	5	-	-	3.75	1.25	-	-	
8	Dubdi Monastery	2	-	-	1.5	0.5	-	-	
9	Phurchachu Hot Spring	92.86	-	-	69.65	23.21	-	-	
10	Yatri Niwas, Tashiding	57.12	12	-	30.84	14.28	-	-	Under Progress
11	Acclimatisation Centre cum Trekkers Hut at Tsoka	15	-	-	11.25	3.75	-	-	
12	Upgradation of Dzongri Base Camp	50	-	-	37.5	12.5	-	-	
13	View Tower at Chakung Durpin Dara	18	-	-	13.5	4.5	-	-	
14	Lepcha Museum at Daramdin	30	-	-	22.5	7.5	-	-	
15	Mangim, Hee Bermoik	10	-	-	7.5	2.5	-	-	
16	Sherpa Model Village, Ribdi Okhrey	10	-	-	7.5	2.5	-	-	
17	Tourist Information Counter at Reshi	12	-	-	9	3	-	-	
18	View Tower at Reesum Dara (Rinchenpong)	12	-	-	9	3	-	-	
TOTAL		377.98	12		271.49	94.49			

Annexure

**INVESTMENT (OUTLAY) REQUIRED FOR ATTRACTION DEVELOPMENT PROGRAMME
DURING THE 10th FIVE YEAR PLAN PERIOD**

SOUTH DISTRICT

Sl.No.	Attraction	Investment	Phase-I 1997-2001		Phase-II 2002-2006		Phase-III 2007-2012		Remarks
			C.S.	S.S.	C.S.	S.S.	C.S.	S.S.	
1	Ralong Hot Spring	25	-	-	18.75	6.25		-	Completed
2	Rafting Base at Simchuthang	25	-	-	18.75	6.25		-	Under Implementation
3	Flower Show Pavillion, Namchi	40	-	-	30	10		-	
4	Tourist Lodge, Namchi	84	-	-	63	21		-	
TOTAL		174			130.5	130.5		325.75	

Annexure

**INVESTMENT (OUTLAY) REQUIRED FOR ATTRACTION DEVELOPMENT PROGRAMME
DURING THE 10th FIVE YEAR PLAN PERIOD**

NORTH DISTRICT

SI.No.	Attraction	Investment	Phase-I 1997-2001		Phase-II 2002-2006		Phase-III 2007-2012		Remarks
			C.S.	S.S.	C.S.	S.S.	C.S.	S.S.	
1	River side R. Bakcha Chu	16.2	-	-	12.15	4.05	-	-	
2	Bridge-BS: Water Fall	10	-	-	7.5	2.5	-	-	
3	Tarum Hot Spring	25.3	-	-	18.98	6.32	-	-	
4	Kabi Lingchok	30	-	-	22.5	7.5	-	-	
5	Tumlong Palace Restoration	20	-	-	14.75	5.25	-	-	
6	Tourist Lodge at Lachen	40	-	-	30	10	-	-	
7	Tourist Lodge at Thangu	40	-	-	30	10	-	-	
8	Development of Water Fall cum Cafeteria at Lachen	30	-	-	22.5	7.5	-	-	
9	Lepcha Cultural Centre and other infrastructure at Dzongu	30	-	-	22.5	7.5	-	-	
	TOTAL	241.5			180.88	60.62			

