

## **CHAPTER - IV**

### **HISTORY OF TOURISM IN INDIA**

#### **Tourism in the early period**

The history of tourism developed mainly through indirect sources in the early period. In India, in the early days of agricultural abundance, export of cash crops created an important trade link. Manufacture of iron-ore into steel for weaponry was another important item of trade by the later Vedic period. Tools and textiles were other renowned Indian products. Contemporary Greek and Hebrew scholars have noted the wonder of India and her fabled wealth. Owing to the predominance of trade routes over – land crossing between Asia and Europe, trade tours were an important development in this period.

In the early days, pilgrimage or pilgrim travel assumed great importance. Ashoka the great, travelled a great deal in his eagerness to spread the doctrines of Buddha. Throughout his travels, from Pataliputra to Lumbini on to Kapilavastu and Sarnath and finally to Gaya, Emperor Ashoka had special memorials set up at each spot and also rest houses where travellers could rest. Trees were planted along the road sides so that the traveller would be protected from the harsh sun shine. Harsha was another great emperor who gently influenced by the Buddhist scriptures, built institutions and Dharamsalas for the travellers. Rest houses were built in towns and villages. A number of monasteries were also built for the pilgrims. This shows that travel facilities were much improved and travel was not a cumbersome experience.

Brahmin villages evolved into centres of learning attracting scholars. At this time the Buddhist Sanga established the tradition of pilgrimage, when monks went from village to village and court preaching the value of the middle-path. Rest houses were provided for the travellers. Monasteries also attracted the monks, middlemen and laymen.

The Arthashastra reflects the protection given to merchants and their high status in the Indian society. Insurance and safe passage for goods, regulation of prices, weights and measures and the use of gold, silver and copper as rates of exchange also indicate a well developed mode of trade and travel.

Some of the first foreigners to visit India, were perhaps the Persians. There is much evidence of caravans of Persians visiting India, in the inscriptions dating to the rein of the Persians King Darius. There is also reference to trade, commerce and cultural exchanges between Persia and India. During the rein of Chandragupta Maurya, Persian customs have been practiced in the courts. Hieun-tsang, a devout Chinese Buddhist journeyed to India in 633 AD, his journey to India was hard and perilous. His mission was to collect and translate ancient Buddhist scriptures. Several expeditions crossed from Greece via Persia or Mesopotamia to India. Greek accounts reveal that in India, chariot roads were well laid out and horses, elephants and camels were a common mode of transport. Trees for shade, wells, rest houses and security were also well organised.

One of the most important developments of this era owing to the emergence of trade and commerce, was the emergence of communication and accommodation. When Alexander the Great reached India, it is said that he found good roads which were well maintained covered with shady trees. Marco Polo was another great traveller who in the 13<sup>th</sup> century passed

through India on his way back from China. All travellers were much interested in seeing India and her fabled riches for themselves. This proves that India was a rich and prosperous country in those days. In the works of Mark Twain, he had aptly put it as, “\*\*\*\*\*”... Of splendour and rags..... There is only one India..... The one land that all men desire to see and having seen once by even a glimpse..... will not give that glimpse for the shows of the rest of the world put together....”.

The Arthashastra also reveals the importance of the travel infrastructure for the state, classification of routes and types of vehicles. This is an indication that there was a well developed mode of travel in India for the military, the commercial traveller and the civilian. Travel on inland waterways was also under state protection and regulation.

In cities, bazaars provided access to goods brought from the hinterland. Travellers were accommodated in overnight places of stay, known as serais at the city gates where all services were provided to them. State regulations insisted on travellers carrying with them a note for safe passage from one territory to the other. Entertainment and dancing halls were allowed, gambling was licensed and was a source of income for the state.

Travelling for pleasure on the rivers and to the hills was a tradition started by the royal courts. However such movement attracted all those who had business at the court to move with it from the heat and dust of the cities to the calm and serenity of the retreat. During the rule of the Mughals, the emperors travelled extensively and contributed towards resort development. Even today the remains of the past like the mile stones, serais and a network of roads and paths that make all corners of this vast country accessible.

With the fall of the great empires, there was a set back in trade and commerce. This reduced the mobility of the people with the exception of pilgrims. The sea side resorts hill stations and spas which were the centres of recreation and pleasure were hardly ever used by the early medieval period. Over the years, however the scenario changed and a complex character of tourism emerged. The growth of modern technology, rising incomes and improved facilities contributed to the emergence of modern tourism.

## **Tourism in the modern period**

The Rail network in India placed the needs for recreation within the reach of an increasingly large number of people who had leisure time and the means to enjoy it. Air India came into existence with the enactment of Air Corporations Act on 1<sup>st</sup> August 1963, when the entire air transport industry in India was nationalised. At the time of nationalisation, Air India operated four weekly flights on the India/UK route and three flights fortnightly on the India/Nairobi route. Today, it has an extended network of air routes linking all the five continents of the globe. Air India organises special programmes to give a wide publicity for projecting India. Soon, Indian Airlines began, with a view to establishing an air transport network to link the remotest places in India. Today, Indian Airlines has expanded its wings to nearby countries as well. They have introduced many schemes and offers like the Discover India package, \* . Leave Travel Concessions encouraged domestic tourism. Concessions for the youth and students also promoted travel within the country.

In the early 1960's The ITDC (India Tourism Development Corporation) was started to provide western comforts to International visitors. The ITDC played a major role as a catalyst in developing a modern superstructure (eg, The Ashoka group of hotels) for International tourists. The government set up infrastructure to promote tourism by establishing Air India and tourism promotion offices in London and Frankfurt. The tourism cell in the Ministry of Aviation was upgraded into a department. The private sector was invited to establish luxury facilities for the high spending tourist. The first pioneer in this field was Mohan Singh Oberoi, who began his career in the hotel business with the Clarks Hotel in Shimla and the Grand Hotel in Calcutta.

## **THE PROGRESS OF TOURISM IN INDIA**

(Development through successive five year plans)

Although India had a good amount of tourism activity when it became independent over 50 years ago, tourism as a subject did not figure in the Constitution of India, except that some of its components were mentioned in the central or state lists. There was also no allocation for tourism development during the First Five Year Plan. However, during the Second Five Year Plan (1956-61) tourism became a constituent of the Planning process with a token allocation of Rs.3.36 crores for both Central and State sectors put together. The development approach during the second plan was mainly on creating isolated facilities in important tourist centres. The Third Plan witnessed the beginning of an era for the development of activities connected with tourism, particularly adventure tourism, by the establishment of a winter sports complex at Gulmarg in Kashmir. The India Tourism Development Corporation (ITDC) was set up in 1966 to develop tourism infrastructure and promote India as a tourist destination.

The approach during the Fourth and Fifth Plan was expansion and improvement of tourist facilities with a view to promote 'Destination traffic' as distinct from transit traffic. Integrated development of selected tourist centres like Kovalam, Gulmarg, Goa, Kullu-Manali etc., received much attention and became the symbolic models of resort tourism in India. Cultural Tourism was emphasised with development of Buddhist Centres and heritage monuments in India through master plans.

The Sixth Plan (1980-85) was a major landmark in the history of Indian Tourism. The first ever 'Tourism Policy' of the country was announced during 1982 which specified the development objectives and provided an action plan based on 'Travel Circuit' concept to maximise the benefits of tourism.

The development of tourism was stated as a plan objective during the Seventh Five Year Plan (1985-90) and the sector was accorded the status of an industry. It thus became the watershed plan for Indian tourism. The National Committee on Tourism set up by the Govt. in 1986 to evaluate the economic and social relevance of tourism in India and to draw up a long measure for ensuring accelerated growth of tourism. On the basis of these recommendations a package of incentives were made available for tourism industries and the Tourism Finance Corporation of India (T.F.C.I) was set up to finance tourism projects.

“The development Plan for tourism during the Eighth Plan (1992-97) was based on the National Action Plan for tourism” presented in the Parliament on 5<sup>th</sup> May, 1992. It proposed to achieve diversification of tourism product, accelerated growth of tourism infrastructure, effective marketing and promotional efforts in the overseas markets and removal of all impediments to tourism. A major component of the Action Plan was the development of all inclusive 'Special Tourism Areas' and intensive development of selected circuits. The Action Plan did not specify the infrastructural requirements and the investments needed to meet the targets and source of funding for the same. 'The Tourism Synergy Programme' enlisting the activities and infrastructure components to be provided by various agencies including the private sector and State Governments was thus prepared in 1993. It was further modified and converted into a 'National Strategy for the

Development of Tourism' during 1996. The documents were aimed at achieving greater realisation of the importance of tourism, a consensus on the developmental needs, positive contribution of all the infrastructural departments on a coordinated manner, high plan allocations and introduction of new schemes for accelerated development of tourism.

The Department of Tourism also constituted special Task Force for the promotion of Schemes/projects for the development of Tourism in the North Eastern States, Sikkim, J& K, Arunachal Pradesh and Hill districts of Uttar Pradesh and West Bengal, Senior Officers of the Department along with representatives of respective State Governments and industry visited these areas and action plans for North Eastern States, Jammu & Kashmir were prepared. In order to give boost to foreign exchange earnings, employment and income generation through tourism activities, Expert House status was granted to tourism units in the Ninth Five Year Plan. Govt. also called for effective coordination of Public & Private efforts so as to achieve synergy in the development of tourism in India. In developing tourism, it was to be ensured that the sites are conserved and the environment is not degraded.

**Major thrust areas in the Ninth Plan included:-**

- i) Development of selected tourist places/areas for integrated infrastructure development. Since most of the infrastructural components and delivery systems are within the purview of the State Governments or Private sector the infrastructure for tourism is mainly to be developed by providing financial assistance to State Govts./Union Territories and by providing various incentives to private entrepreneurs.



- ii) **Product Development** – Diversification of tourism to include holiday and leisure tourism. India has an image which identifies the country as only a cultural tourist destination. But hardly a serious attempt has been made to present its diverse attractions nor developed properly to bring it to tourists acceptable standard. A conscious policy has adopted for the diversification and improvement of tourism product of India including cultural tourist attractions. These included :
- a) Promotion of festivals and fairs, rural craft melas etc. ;
  - b) Refurbishment of monuments and Heritage buildings;
  - c) Flood lighting and Sound & Light Shows ;
  - d) Development of pilgrim centres;
  - e) Development of specific circuits through external aid;
  - f) Exploring new source markets in regions and countries having cultural affinity;
  - g) Launching of national image building and marketing plans in Key markets;
  - h) Providing inexpensive accommodation in different tourist centres;
  - i) improving service efficiency in public sector corporation.
- iii) **Human Resource Development** – Human resource development to meet the needs of tourism industries is a major responsibility of the central govt. It was decided to be achieved through the services of :
- a) National Council for Hotel Management and Catering Technology;
  - b) Indian Institute of Tourism & Travel Management;
  - c) Indian Institute of Skiing and Mountaineering;
  - d) National Institute of Water Sports Goa ;
  - e) Guide Training Courses;
  - f) Training of Trainees in collaboration with Department of Personnel & Training. All such training will provide updated knowledge about emerging trends in the tourism field about its various segments and improved in the efficiency of the service providers.

- iv) **Promotion and Marketing:** India is a multi-destination country with a variety of tourist attractions and facilities. It, however, suffers from the problems of economic under development including inadequate basic infrastructure, lack of hygiene, cleanliness in public places etc., on the other hand there is fierce competition in tourist generating market from several nations for attracting a large share of the traffic to their countries. Thus special emphasis was put to strengthen its promotional and marketing efforts to maintain its existing market share as also to penetrate into new markets like Korea, South Africa, Israel, C.I.S Countries. Steps were taken to undertake Market Research and marketing segmentation analysis. The publicity efforts of the overseas field offices are to be supplemented and integrated with the efforts of Indian Missions and other agencies abroad. Air India, Indian Airlines sales offices abroad also to supplement the efforts of the Ministry of Tourism.

The specific elements of promotional efforts abroad to include: a) Advertising; b) Printing of brochure in local languages; c) Brochure support; d) Joint advertising with Tour Operators/Travel Agents; e) Promotion of Charters; f) Production of promotional aids; g) Multi-vision presentations; h) Festival of India; i) Production of films and audio-visuals in local languages; j) Trade Posters; k) Active P.R; l) Seminars/Tourism Talk Shows; m) direct mail and correspondence; n) Participation in Tourism Trade Fairs; o) Media Relations and Hospitality programme; p) Continuous Market Research and analysis; q) Road shows at strategic centres; r) Regional Promotions with State Tourism delegations; s) Special thematic promotions – Ayurveda, MICE etc.

**v) Coordination**

Tourism compresses the activities of persons travelling to and staying in places outside their usual environment for a not more than one consecutive year for leisure, business and other purposes. These persons invariably seek a pleasant and delectable experience on their trips. The most desired tourism product should be :

- \* an environment of peace and friendly
- \* an assurance of safety and security
- \* an affordable host society
- \* our industry and a govt. that provide the requisite services with a smile
- \* absence of extortion and hostility
- \* accessible tourist attractions
- \* an integrated system of physical infrastructure that does not fail. These include – a) international seat capacity; b) internal transport system; c) hotel & restaurants; d) entertainment and recreated avenues; e) Shopping & Communication facilities; f) Well preserved monuments with tourist amenities; g) basic amenities like drinking water, toilets snack bars etc., at the tourist sites.

Just like raw materials get converted into finished products by moving through various machines in a processing system, the different components of tourism supply should be so organised that the expectations of the tourist while planning the trip get converted into full satisfaction and pleasant memories on his/her return. Thus it will need a perfect coordination and linkages in the availability and performance of all components of tourism infrastructure.

Tourism development is thus a composite subject and does not necessarily mean the development of only the tourism facilities like hotels, restaurants, recreational activities will be meaningful only if the area has the minimum basic amenities and infrastructure like road, water, electricity, sewerage, telecom facilities etc. This aspect was given importance in the Tourism 'Synergy' programme. Subsequently the State Governments were requested to prepare Master Plans for development of Tourism based on the same concept.

This approach was initiated in the 8<sup>th</sup> Five Year Plan period but reinforced in the Ninth Year Plan for effective implementation.

## **VI MONITORING**

The Plan projects assisted by the Ministry of Tourism are presently being monitored through a series of interactions with the respective State Government officers, field inspections and Minister Level Meetings. The details of the mechanism include –

- a) Central financial assistance to any project is approved only after assessing its feasibility and desirability.
- b) The details of each project approved for assistance including the dates of sanction, release already made physical progress etc., are stored in the computer and they are reviewed in detail with each individual state every year at the time of discussion for the prioritisation of projects.
- c) The release of each installments of fund in respect of sanctioned projects are based on the actual utilisation of funds already released.
- d) The Regional Offices of Ministry of Tourism make field inspections of the projects in their respective jurisdiction.

- e) The progress of project sanctioned by the Ministry of Tourism are also reviewed at the level of Minister/Secretary/Additional Secretary during their visits to respective States and at the time of Tourism Ministers Conference and Zonal Meetings of State Ministers. All the projects are monitored at appropriate levels time to time and this process is continued till completion.

Thus in course of the Ninth Plan period (1997-2002) each year of the Plan period in a systematic manner tourism development in the country was drawn up with special incentives.

### **Budget 2001-2002**

Tourism was accorded priority in the Budget 2002 – The much-hyped priority accorded to the tourism sector in Budget was also accompanied by promise of implementing “a comprehensive tourism development package”. Said the finance minister Yashwant Sinha: “Six tourism circuits would be identified for development to international standards”. What is more significant is that Sinha also said that “special Purpose Vehicles (SPVs) will be permitted to raise resources from both public and private sectors for infrastructure development in these circuits”. The hospitality industry is anxiously waiting for the circuits to be identified but is willing to give the Department of Tourism (DoT) time to define and delineate the circuits as they will extend over more than one state. The initial allocation for each circuit will be Rs.25 crore from the department’s funds and the rest will come from the states, the civic authorities and, of course, the private sector through the SPVs.

Giving an idea of what the development entails, she says: “First of all, there will be a complete revamp of the infrastructure building exercise”. It is not just infrastructure, she emphasises, but the overall development of cities, their environs, connectivity and so on. Equally significant is the emphasis DOT is laying on the relevance of the circuits to the markets where they will be promoted. In other words, development and marketing will go hand in hand.

Although there is no details about the six circuits are sources in the DoT have been sharing with media persons the regions that are likely to be finally chosen. Of course, one circuit – the Buddhist – spread over Bihar and UP is a safe bet where the department has already committed an expenditure of Rs.20 crore and other agencies like the Airport Authority of India (which has already completed the extension of the runway is and working on a new terminal building at Bodhgaya airport) and a special road fund is being utilised.

The second circuit under consideration, according to sources, also has some Buddhist interest and will largely cover Himachal and adjoining states where the attractions will include Kullu, Manali, Lahaul Spiti and Leh. The third circuit will have a heritage appeal, largely covering Gujarat will include Ahmedabad, Dholavira, Rajkot, Dwarka, Porbunder (Mahatma Gandhi’s birthplace), Somnath, Girnar and Palitana. The fourth one is said to be in the south, spread over Chennai, Mahabalipuram (since renamed Mamalapuram), Kanchipuram, Thiruvannamalai, Ginjee and Pondicherry.

Kerala, which is now an avant garde state in tourism, may make a complete circuit offering Palaghat, Kochi, Kottayam, Kumarakom and its backwaters and Thiruvananthapuram. The sixth circuit is rightly to be in the northeast,

where a lot of spade work has already been done by the state governments. On offer will be Guwahati, Shillong, the wildlife sanctuary of Kaziranga and Tawang.

## TOURISM OUTLAYS

The allocations for tourism from the First Plan onwards and the Percentage allocation for tourism in relation to the total plan on play is as depicted in the following table.

I.	<b>Five Year Plans</b>	<b>Tourism (Rs. in crore)</b>	<b>Percentage to total Plan outlay</b>
	First Plan (1951-56)	Not mentioned	-
	Second Plan (1956-61)	3.36	-
	Third Plan (1961-66)	4.001 (approx.)	0.11
	Fourth Plan (1969-74)	25.00	0.30
	Fifth Plan (1974-77)	23.62	0.121
	Sixth Plan (1980-85)	72.00	0.15
	Seventh Plan (1985-90)	138.68	0.15
	Eighth Plan (1992-97)	272.00	0.11
	Ninth Plan (1997-2002)	486.00	0.11
II.	<b>Annual Plans</b>	<b>Tourism (Rs. in crore)</b>	<b>Percentage of total Plan outlay</b>
	1990-91	83.00	0.21
	1991-92	90.00	0.21
	1992-93	81.00	0.17
	1993-94	87.20	0.14
	1994-95	103.51	0.13
	1995-96	102.70	0.13
	1996-97	130.00	0.17
	1997-98	180.35	0.20
	1998-99	160.50	0.15
	1999-2000	160.50	0.16
	2000-2001	135.00	0.11
	2001-2002	150.00	0.11

**Source:** Five Year Plan documents – Planning Commission of India/Dept of Tourism

**Note:** Outlay includes Budgetary Support (BS) plus Internal Extra Budgetary Resources (IEBR)



## CHAPTER – V

### **TOURISM DEVELOPMENT**

#### **NEW FORMS OF TOURISM**

Since the Eighth Five Year Plan, some of the new forms of tourism were introduced which were over and above the usual cultural tourism, religious tourism or leisure Tourism. These were briefly as under and during the Ninth Five Year Plan lot of work initiated to have focussed promotions on all these special interest holidays.

#### **Business Tourism**

Business executives and technicians have to offer travel to different places on account of their business. Such visits can be for installation of equipment, inspection of goods, attending business meetings conferences, participation in travel fairs and exhibitions, marketing of products. Since the opening of the Indian Economy for overseas investments, this became a growing segment in India since 1991. More and more business people have been coming to India for business purpose and adding business with pleasure in their India sojourn. Convention facilities, car rental and thus tourism took a big boost with the growth of this segment.

#### **Incentive Tourism**

Incentive travel has emerged as a popular means of rewarding the employees for special achievements and contributions by several business houses specially Multinational Companies, Insurance Companies, Banks, Pharmaceutical firms, Engineering Houses. The employees are given free tickets or holiday packages to selected

destinations all paid by the company. These are given as added perks to keep the interest of the executives who are the achievers for the company. The executives also get holiday on company account and some time it is given for the whole family with attractive packages including shopping vouchers. The incentive tour market has become very attractive for the tour operators as it generally includes up market rates with people who are out to enjoy the best. In the Ninth Five Year Plan, this segment has been referred to as MICE – Meetings, Incentives, Conferences and Exhibitions. Special C.D.Rom has also been brought out to boost this segment.

### **Indigenous and Natural Health Tourism**

Excessive stress at the work place and mechanics of life in big and crowded cities make people run to unknown places and unwind themselves. These are generally in the forms of weekend trips to nearby quiet resorts or long haul travel to the interiors of natural environments. They are looking for peace.

India has an ancient healing system called Ayurveda – knowledge of life – This system combines naturopathy with various natural therapies which is very invigorating Yoga lessons are added in these therapies. These have no side effects but very much rejuvenating. All around the World there is now a greater interest in this Indian Traditional Medicine System and in the Tourism Marketing this Rejuvenation packages have been added Kerala, Goa, Karnataka, Tamil Nadu have developed quite a number of resort with Ayurveda packages which are getting world wide attention.

Similarly around the metropolitan cities within 200-300 km distance. Weekend resorts have come up. From Delhi one can visit Ananda Resort near Rishikesh or from Kochi to Munnar or Spice Village or neighbourhood of Mumbai places like Lonawala, Mahabaleshwar, near Jaipur – Mandwa or near Bangalore – Jindal, Soukya etc.

### **Eco-friendly Tourism/ Back to nature**

a) Hills, Island in the Sun, walk on the nature trail etc., are the places where new breed of tourists are keen to visit. The material well-being achieved by the modern day people with various technical developments in the 21<sup>st</sup> Century. Such developments have also helped to extend holiday satisfaction. But many people are looking for clear water, clean air, clean beaches. Quite distinct from the resort tourists are the wanderlust tourists who like to move around lesser known places, unknown places (away from the crowd of holidayers) meet new people, experience environment, see and appreciate unusual customs traditions, festivals and local food. They also prefer mountaineering, river rafting, surfing, skiing, scuba diving etc. They like to travel to destinations where pollution is nil, activity oriented offering maximum excitement, natural environment and adequate facilities. This also covered Adventure tourism with varied adventure tourism activities.

### **b) Wildlife Tourism**

Viewing wildlife in its natural environment is very popular and special interest tourism. These tourists are driven to forests and wildlife park by their desire to be with nature and to have glimpse of their favourite animals in their natural habitat.

Groups of such tourists also include Bird Watchers. There is special emphasise to promote wildlife tour packages as India has unique wildlife heritage in Tigers, Single horned Rhinos, Asiatic Lions, varied reptiles etc., and good number of wildlife resorts have been developed.

**c) Spiritual tourism/ Pilgrimage tourism**

Places of Worship have been the biggest centres of attractions of pilgrims for several parts of the World since ancient times. Pilgrim tourism constitutes a large percentage (over 70%) of domestic tourism in India. Places like Vaishnodevi, Tirupathi, Ujjain, Allahabad, Ajmer, Sabarimala, Madurai, Mathura, Shirdi attract lakhs of tourists every year.

During the Eight Year Plan Nineteen Pilgrim Centres in 12 states and 2 circuits in UP were identified for development. These included:-

<u>State</u>	<u>Centre</u>
Assam	Kamakshya
Bihar	Boghgaya & Patna
Gujarat	Dwaraka–Palitana & Dodwarda (near vapi)
Himachal Pradesh	Paonta Saheb & Jawalaji
Jammu Kashmir	Mata Vaishnodevi
Karnataka	Gulbarga & Sringeri
Kerala	Guruvayur
Madhya Pradesh	Ujjain
Maharastra	Shirdi, Nanded Jyotiba (in Kolhapur Dist.)
Orissa	Jagannath Temple
Rajasthan	Ajmer Shareef
Tamil Nadu	Rameshwaram

- Uttar Pradesh
- i) Badrinath-Kedarnath,  
Gangotri-Yamunotri
  - ii) Barsana –Nandgaon  
Vrindavan-Gowardhan

A planned development on these circuit have already been initiated and continued during the Ninth Five Year Plan period.

**Heritage Tourism:**

India with vast cultural and religious heritage and varied natural attractions has immense potential of growth in the tourism sector. 25 travel circuits and destinations have already been identified for development through joint efforts of the Central govt., the State govt., and the private sector. State Govt., of Kerala, Tamil Nadu, Orissa and Maharastra and Union Territory Administration of Damam & Diu have also declared Bekel Beach, Puri, Konark, Sindhudurg, Muttakahu, Mammallapuram & Diu as special tourist areas for integrated development of all tourist circuits of the country with the involvement of all infrastructural development State Govt., and the Private Sector.

Refurbishment of Archaeological Survey of India monuments has been taken up to boost heritage tourism involving local authorities, trusts etc., in the restoration, preservation of tourist attractions and maintenance of the surroundings and providing world class tourist facilities, amenities and landscaping of area around important monuments in a phased manner.

**Rural Tourism/ village tourism:**

Rural tourism has been identified as one of the priority areas for development of Indian Tourism. The rural tourism experience should be attractive and sustainable for the host community. The rural experience must capture the uniqueness of the Indian village with its traditional way of life and livelihood against the backdrop of rural India. It must also provide tourism facilities in terms of accessibility, accommodation, sanitation and security etc. Sustainable tourism activity in the rural area must harmonise well with host community. While benefiting the community economically it must stand with the social fabric and improve the quality of life in the village.

**Sports Tourism**

A number of countries and destinations have high class facilities for certain kind of sports activities and they become destinations by virtue of those specific sports. People who are interested in such sport rush towards that destination. Austria, France are known for Ski holidays, South Africa, Scotland, Portugal are popular with Golf Holidayers, Red Sea area and Maldives are known for Scuba diving etc. Golfers are keen to visit those countries specially Japanese where golfing facilities are available. India offers excellent opportunity for such golfing holidayers. Central Ministry of tourism had extended financial support to the State Govts. from Eighth Five Year Plan to promote this specialised sport and some new Golf Resorts were developed in Delhi, Noida and improved in facilities in the existing ones. Angling, skiing, water sports are also being actively promoted by the State Govts., with infrastructural facilities developed through proper planning.

### **Social Tourism**

Come back to your root and explore the country of your origin was actively promoted since the beginning of the Eighth Five Year Plan. India has good number of people settled overseas popularly known as N.R.Is and they have strong family ties in India specially those who have been separated from their friends and relatives due to work or other reasons. With special packages worked out with the National carrier, India Tourism & Private hotel chains, they were motivated to visit their hometowns during their holidays. Many of them also visit India for social functions like Marriage, Birthday functions, festivals etc. They mainly travel to discover their roots and get themselves familiarised with the environment in which their ancestors had lived. UK, USA, CANADA, SOUTH AFRICA, SINGAPORE, MALAYSIA, were targeted to attract N.R.I's visit to India.

### **Shopping Tourism**

The trend for collection of souvenirs typical to the country and scores of handicrafts jewellery items by tourists are globally increasing. In fact some counties are projecting themselves as Shopping Destination only, India is an excellent destination for Shopping with each state has something unique to offer. There are tourists from Eastern Europe and Central Asian countries also mainly visit India for Shopping. This segment was given boost by supporting State Govt., to organise festival and fairs, craft Melas and shopping festivals. Most of the Tourism oriented festivals like Pushkar Mela, Suraj Kund Craft Mela, Taj Mahotsav, Lucknow Festival etc., show case various Indian handicrafts and thus become big attraction for shoppers.

Thus during the Ninth Five Year Plan there were real efforts to diversify the Indian Tourism Product and to bring a change about the perception of India just from Cultural Destination to MULTI Tourism faceted destination.

### **Regional Circuits Tourism**

Tourism is a natural product that is not limited by particular state or regional boundaries. Tourist normally visit various tourist places which suit their requirements accessibility and distance parameters. The tourist circuit therefore extend over several states and include many destinations. A typical tourist who visit India has a minimum itinerary covering two or three states and sometimes even more. In order to meet the needs of this feature of Indian Tourism, it is necessary to have a coordinated approach for the development of regional circuits. State Govt., were requested to look into this aspect and identify regional circuits for development keeping in view the requirement of the tourists and utilising favourable climate for private investment during the Tourism Ministers Conference held in September, 2001 in New Delhi.

### **Heritage Hotels:**

In the National Action Plan of Tourism 1992 the Department of Tourism had envisaged a special category of hotels known as Heritage Hotels. Consequently a new classification standard under Heritage Hotels was introduced which covers the functioning/ proposed Palaces Havelis Castles, Forts or Residence built prior to 1950 converted into hotels. The basic idea was not only to create additional infrastructure by way of rooms available but also to conserve and preserve the country's rich heritage which otherwise might be lost forever due to



vagaries of time and nature, due to financial inability of the owners to maintain these buildings. These units reflect the ambience and lifestyle of the bygone era and have become a instant success. A few State Govt., have identified properties which are available for conservation into heritage hotels. In Rajasthan alone there are as many as too properties which have become functional as hotels.

The main difficulty being faced by the promoters is shortage of funds. The Ministry of Tourism is already extending interest subsidy which amount to Rs.25 lakhs or 25% of the project cost which over is less. The Govt. of India also is giving benefits under Income Tax Act 80 IA4(11).

Central Ministry of Tourism had written to the State govt. and also discussed at Tourism Ministers Conference about various problems which are faced by Heritage hotel owners like exemption of conversion charges for limited period, expeditions, power, water connections as most of such properties are located in rural areas, some concessions under sales tax and excess duty to help in getting competent architecture, landscape experts, tax advisories and assistance for marketing.

### **The Heritage Hotel category**

The Heritage hotels have been sub-classified in the following categories:-

Heritage – The category covers hotels in Residences/Havelis/Hunting Lodges/Castles/Forts/Palaces prior to 1950 but after 1935.

Heritage Classic-This category covers hotels in Residences/Havelis/Hunting Lodges/Castles/Forts/Palaces built prior to 1935 but after 1920.

Heritage grand – This category covers hotels in Residences/Havelis/Hunting Lodges/Castles/Forts/Palaces built to 1920.

Till the year 1999, as many as 50 properties have been classified as Heritage Hotels providing a room capacity of 1372 rooms.

Heritage Hotels have become India's unique selling point and these properties are based for Incentive Holidays to give unique experience to the holidayers.

## **NATIONAL TOURISM POLICY - 1997**

### **(HIGHLIGHTS)**

Recognising its importance as an instrument of economic development, a comprehensive tourism policy highlighting the objectives of tourism and development in the country was promulgated by the Government during 1982. The policy envisaged the conversion of the many attractions of India for tourism into a reality through well planned, well defined and fully integrated national programmes. It specified the responsibility for tourism development as a common endeavor of all the agencies vitally concerned with tourism at Central and State levels including public and private sector enterprises, airlines, railways and road transport systems; municipal and local bodies as well as cultural and educational institutions. Further it provided an action plan based on a travel circuit concept to maximise the benefits of tourism. The plan proposed achieved intensive development of selected circuits, dispel the tendency of concentration in a few urban centres, encourage the diversification of tourist areas which hold many tourist attractions. Manpower development and training were also given due weightage to ensure efficient services and effective management of tourist facilities.

Tourism was recognised as a industry by 1986 and became eligible for several incentives and facilities including tax incentives, subsidies, priorities in the sanctioning of loans by the State Financial Institutions and preference for providing electricity and water connections. Many other incentives came based on the report submitted by the National Committee on Tourism in 1988. It was one of the most comprehensive reports on tourism development in India. The report carried forward the underlying thread of

1982 Tourism Policy – i.e., the need for a national consensus on the role and tourism development in the country. Some of the important recommendations in the Report included –

1. Tourism Plans to be integrated with over all plans of the country and with Area Development Plans.
2. The setting up of a standing committee of Tourism Ministers for an integrated approach to tourism development and also to effectively motivate the State Governments.
3. The need for re-arranging the existing organisational structure of Department of Tourism and the need for a n apex body called the National Tourism Board.

The report thus had the guiding force for subsequent revision of the Tourism Policy. In 1991 tourism was also declared as a priority sector for foreign investment. In order to take advantage of the liberalized economic regime and the developments taking place around the world, a new National Tourism Policy was drafted and the same was discussed during the last held Tourism Ministers Conference in September 2001. The same is under the consideration of the Government.

The highlights of the Draft National Tourism Policy:

- ◆ Emphasis on board areas such as Welcome (Swagat), Information (Suchna), Cooperation (Sahyog) and infrastructure development (Samvedana).
- ◆ It identifies domestic tourism, inbound tourism and, inbound tourism and outbound tourism and seek to provide adequate focus on domestic tourism along with inbound tourism.
- ◆ The Policy emphasizes the poverty alleviation and employment generation aspects of tourism.

- ◆ The preservation and protection of our national resources environment and ecology is included as one of the objectives of tourism development.
- ◆ The Policy recognizes that tourism should become a major avenue for the people of India and other countries to see, feel, admire its magnificent attractions and achievements.
- ◆ The Policy recognizes the information gap in understanding the economic and social significance of tourism and creation of awareness about benefit of tourism.
- ◆ A comprehensive definition of tourism product is now included in the Policy.
- ◆ The Policy recognizes the roles of Central and State Govts, Public Sector Undertakings and private sector in the development of tourism are clearly differentiated.
- ◆ The involvement of Panchayat Raj institutions, local bodies, non-governmental organisations and the local youth in the creation of tourist facilities for domestic tourists is recognised in the policy i.e., community participation in tourism development.
- ◆ Diversification of the tourism product to supplement the main stream of cultural tourism is recognised.
- ◆ Sustainable development of tourism within the carrying capacity of the area is advocated.
- ◆ Need for improving facilitation services is recognized which included upgradation of airports, air services to remote areas with small aircrafts, railway links to major tourist centres, special tourist trains road transport facilities and improvement of amenities like internal roads, electricity, water supply etc., in tourist destinations.

- ◆ The need for a package of physical and financial incentives for the establishment of new enterprises and their wider spread is realized.
- ◆ Foreign collaborations and investment in the private sector are encouraged.
- ◆ The need for imposing plan restrictions and educating the people to reduce the adverse impacts of tourism development has been highlighted.
- ◆ The adoption of new technology in the tourism sector is emphasized.
- ◆ Creation of Tourism Development Fund.
- ◆ Tourism development authority.
- ◆ Construction of Paryatan Bhavan to bring all facilities to the tourists under one roof.
- ◆ The Action Plan for implementation of the policies lay emphasis on the creation of awareness, ensuring effective coordination by setting up of a Tourism Board Industry & Trade involving Panchayati Raj Institutions for the creation of tourism facilities, focus on the development of eco-tourism in the North East, implementing integrated, intensive development of tourist destinations on the basis of carrying capacity and local aspirations, providing a package of assistance and facilitation services to domestic and foreign investors etc.

### **Government Incentive for the growth of the Tourism Sector in India.**

In order to give boost to foreign exchange earnings, employment and income generation through tourism activities, Export House Status was granted to tourism units in the Ninth Five Year Plan. The Government has called for effective coordination of public and private efforts so as to achieve synergy in the development of tourism in India. In developing tourism, it was to be ensured that the sites are conserved and the environment is not degraded. The major thrust areas in the Ninth Five Year Plan (1998-2002) are as follows,

1. Indigenous and Natural Health Tourism
2. Rural and Village Tourism
3. Pilgrim Tourism
4. Adventure Tourism
5. Heritage Tourism
6. Youth and Senior Citizens Packagers

## **CHAPTER - VI**

### **TOURISM DEVELOPMENT THROUGH FINANCIAL ASSISTANCE TO STATE / UNION TERRITORY GOVERNMENTS AND PRIVATE ENTREPRENEURS**

#### **(A) STATE GOVERNMENTS/ UNION TERRITORIES**

The infrastructural components and delivery systems in India are within the purview of the State Governments or Private Sector. Hence infrastructure of tourism is mainly being developed by providing financial assistance to State Governments and Union Territories or by providing various incentives to private entrepreneurs.

At present, projects are taken up for financial assistance under the normal funding pattern or under 'Equity Pattern' under the normal funding pattern central financial assistance is granted for the projects up to the amount prioritised for the particular project. This normally covers the building, internal electrification, internal water supply etc. All projects of developmental nature are covered under normal funding. All commercial viable projects and projects of State Tourism Development Corporations are assisted under the 'Equity Scheme' under which 28% cost of the project is provided by the Ministry of Tourism, 12% by the State Govt. or State Tourism Development Corporation and the balance 60% of the cost is made by loans from Financial Institutions. However, equity



system has not been very popular and not many State Govts., have come forward to utilise this scheme.

The criteria for grant assistance to the State Governments for development of Tourism include – (i) The Demand Criteria i.e., the number of popular tourist destinations in the State/Union Territory and volume of tourist traffic to these places; (ii) The ..... criteria i.e, the feed back received from the overseas offices, travel intermediaries and tourists regarding shortage of tourist facilities in respective centres; (iii) Past performance and capacity criteria i.e., the capacity of the State/Union Territory to absorb assistance and input from the State Govts to complete the project in time; (iv) the unique attraction of the State; (v) The destinations and circuits identified in the National Action Plan for intensive development of tourism.

Most of the State Govts under the directives from the Central Tourism Ministry are in the process of preparing Master Plans. Based on the identification of facilities in the Master Plan, Central financial assistance will be decided. However, in its developmental programme, no specific funds are ear marked on a state-wise basis.

The amount of assistance thus depend on the priorities assigned to tourism by the respective State/Union Territories Govts and their capacity to absorb the assistance. The State/Union Territory Governments which are more active n tourism developments thus receive a better share of financial assistance.

The Central Financial Assistance for tourism development has been instrumental for the creation of tourist facilities, particularly for the domestic and budget tourists and opening up remote areas with tourism potential. The assistance also had the effect of catalyzing large plan allocations by the State/Union Territory Governments for tourism development. Central Financial assistance facilities created through the demonstration effect of establishing commercial viability of such progress and thereby inducing the private sector to put up larger projects. The projects completed include Yatri Nivas, Tourist Complexes, Tourist Lodges, Tourist Hostels, Wayside amenities, Pilgrim Sheds, Health Resorts, Tented Accommodation, Trekking Huts, Sound & Light Shows, Adventure Tourism & Sports equipment etc. Such assistance has also helped to provide basic amenities like drinking water, toilets, refreshment centres at the tourist sites. Such facilities now provide better environment for the growth of both domestic and inbound tourism.

**STATE-WISE PLAN BUDGET ALLOCATION IN TOURISM SECTOR  
DURING FIRST FOUR YEARS OF THE NINTH PLAN IS AS UNDER:-  
(Rs. in crores)**

<b>Sr. No.</b>	<b>States/U.Ts</b>	<b>1997-98 Actual</b>	<b>1998-99 (RE)</b>	<b>1999-2000 (RE)</b>	<b>2000-01 (RE)</b>
1.	Andhra Pradesh	1.41	25.00	25.00	15.10
2.	Arunachal Pradesh	1.94	0.92	1.36	2.51
3.	Assam	3.36	4.41	3.44	3.05
4.	Bihar	1.00	0.50	1.50	1.05
5.	Goa	3.41	3.40	3.42	3.25
6.	Gujarat	3.50	13.00	24.50	29.00
7.	Haryana	4.03	4.00	2.00	2.00
8.	Himachal Pradesh	11.14	10.40	10.39	5.63
9.	J & K	34.19	34.78	33.94	30.03
10.	Karnataka	8.56	10.00	6.71	8.50
11.	Kerala	34.98	36.00	34.20	30.50
12.	Madhya Pradesh	3.03	1.15	1.95	3.36
13.	Maharashtra	2.64	13.83	14.15	66.27
14.	Manipur	1.59	0.75	0.95	0.75
15.	Meghalaya	1.08	1.50	1.90	3.30
16.	Mizoram	0.66	0.63	1.33	2.31
17.	Nagaland	0.71	2.50	3.00	2.68
18.	Orissa	3.30	4.30	1.05	2.66
19.	Punjab	0.31	2.68	0.55	0.46
20.	Rajasthan	12.35	7.20	2.00	3.10
21.	Sikkim	2.08	2.61	3.00	4.60
22.	Tamil Nadu	2.91	2.86	2.19	1.86
23.	Tripura	0.87	0.55	0.64	0.97
24.	Uttar Pradesh	67.36	42.87	14.16	4.50
25.	West Bengal	3.41	0.92	4.50	3.78
26.	Andaman & Nicobar	5.83	7.00	6.50	5.54
27.	Chandigarh	0.58	0.51	0.85	0.70
28.	Dadra & Nagar Haveli	0.85	0.79	0.85	0.89
29.	Delhi	2.47	1.81	0.82	0.17
30.	Daman & Diu	1.42	1.90	1.55	2.80
31.	Lakshadweep	0.68	0.49	0.51	0.54
32.	Pondicherry	3.46	2.75	5.04	4.93
<b>Total</b>		<b>225.11</b>	<b>242.01</b>	<b>213.75</b>	<b>246.79</b>

Various infrastructural schemes taken up with the central financial assistance scheme during Plan period. One fact must be accepted that implementation of the projects are generally very slow and there are many projects which are still pending completion.

Details of the projects sanctioned during first 4-years of Ninth Plan

<b>Year</b>	<b>Number of Project</b>	<b>Amount Sanctioned</b>	<b>Amount Released</b>
<b>1997-1998</b>	259	50.44	22.35
<b>1998-1999</b>	365	89.68	39.36
<b>1999-2000</b>	397	92.21	30.95
<b>2000-2001</b>	337	77.48	24.34

Source: Ministry of Tourism – Five Year Plan Documents

The State-wise details of projects sanctioned amount released during the first 4-years of Ninth Plan is at Annexure II

Sr. No	State/U.Ts	1997-1998			1998-1999			1999-2000			2000-2001		
		No. of Projects sanctioned	Amount sanctioned	Amount Released	No. of projects sanctioned	Amount Released	Amount Sanctioned	No. of Projects sanctioned	Amount sanctioned	Amount Released	No. of projects Sanctioned	Amount sanctioned	Amount released
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Andhra Pradesh	12	206.70	69.70	10	244.08	87.85	14	222.22	60.48	7	141.00	42.30
2.	Assam	14	288.88	94.20	15	457.95	146.14	17	357.35	92.76	12	298.35	101.27
3.	Arunachal Pradesh	9	271.00	82.50	6	216.31	65.65	11	239.28	70.20	7	76.73	23.09
4.	Bihar	11	234.07	88.37	11	237.29	96.19	5	87.71	21.00	10	314.96	94.47
5.	Chhattisgarh	-	-	-	-	-	-	-	-	-	3	115.28	36.75
6.	Goa	8	144.62	56.76	14	324.98	147.67	11	279.82	70.08	9	89.54	27.91
7.	Gujarat	7	111.84	41.90	15	439.57	125.84	19	327.64	102.42	19	510.85	122.96
8.	Haryana	6	98.62	66.27	13	348.15	196.45	9	238.33	136.90	6	112.63	46.86
9.	Himachal Pradesh	5	119.00	65.50	10	318.00	174.50	17	691.79	353.55	19	397.29	127.84
10.	J & K	10	293.35	198.45	6	192.85	108.00	16	306.43	176.38	11	419.93	161.86
11.	Jharkhand	-	-	-	-	-	-	-	-	-	6	206.49	61.92
12.	Karnataka	13	407.48	168.74	38	890.70	335.02	19	489.30	147.37	19	489.30	147.37
13.	Kerala	11	282.00	150.00	13	653.05	187.95	19	772.28	240.31	7	407.85	122.65
14.	Madhya Pradesh	9	131.85	55.37	18	471.01	244.29	16	431.08	156.54	12	243.21	76.27
15.	Maharastra	12	169.84	50.14	18	496.27	208.50	30	1003.69	212.98	8	185.43	70.81

1	2	3	4	5	6	7	8	9	10
	Manipur	5	186.10	56.35	8	140.49	41.40	10	229.00
17	Meghalaya	5	97.70	30.55	5	120.48	37.50	6	80.72
18.	Mizoram	6	142.45	82.72	8	203.34	137.95	13	297.23
19.	Nagaland	3	113.90	93.36	11	230.54	97.60	16	302.90
20.	Orissa	28	552.05	180.00	6	178.60	56.30	19	301.90
21.	Punjab	6	52.87	15.72	7	241.29	220.15	8	175.00
22.	Rajasthan	14	137.33	77.25	22	436.28	151.70	12	131.22
23.	Sikkim	11	73.20	42.70	15	136.03	61.42	13	118.98
24.	Tamil Nadu	7	59.74	22.86	17	316.20	163.85	27	531.95
25.	Tripura	8	126.68	83.04	9	169.21	105.50	7	340.76
26.	Uttaranchal	-	-	-	-	-	-	-	-
27.	Uttar Pradesh	13	221.10	81.07	33	789.55	423.61	36	749.58
28.	West Bengal	7	125.76	35.00	12	211.13	108.12	6	194.01
29.	Andaman & Nicobar	1	60.00	60.00	4	162.50	49.50	1	32.37
30.	Chandigarh	-	-	-	3	54.23	20.82	4	68.44
31.	Dadra Nagar Haveli	1	5.20	2.60	2	20.00	6.00	1	30.00
32.	Delhi	8	229.86	150.86	13	223.89	104.43	5	24.50
33.	Daman & Diu	4	60.17	17.25	-	-	-	-	-
34.	Lakshadweep	1	5.00	2.50	1	29.00	13.80	-	-
35.	Pondicherry	4	35.64	12.83	2	15.00	12.00	10	163.89
	<b>Total</b>	<b>259</b>	<b>5044.00</b>	<b>2234.56</b>	<b>365</b>	<b>8967.97</b>	<b>3935.60</b>	<b>397</b>	<b>9221.37</b>

**No. of Projects Sanctioned**      **1358**  
**Amount Sanctioned**              **Rs. 30981.70**  
**Amount Released**                 **Rs. 11699.04**