



# TOURISM & HOSPITALITY



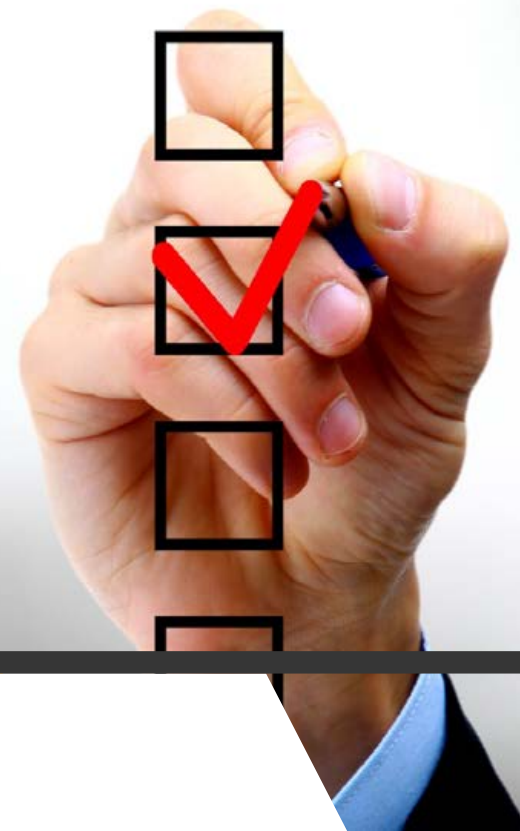
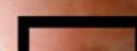
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**December 2019**

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## Contribution to GDP above world average

- According to WTTC, India ranked 3rd among 185 countries in terms of travel & tourism's total contribution to GDP in 2018. During 2018, FEEs from tourism increased 4.70 per cent\* year-on-year to US\$ 28.59 billion. FEEs during the period January-November 2019 were Rs 1,88,364 crore (US\$ 26.95 billion).
- In India, the sector's direct contribution to GDP is expected to grow by 7.1 per cent per annum during 2018-28.

## Creating higher employment

- As of 2019, 4.2 crore jobs were created in the tourism sector in India which was 8.1 per cent of total employment in the country.

## Higher investments

- Travel & tourism's contribution to capital investment in India is projected to grow 6.7 per cent per annum during 2018–28.
- Under the Swadesh Darshan scheme 77 projects have been sanctioned of worth Rs 6,035.70 crore (US\$ 863.60 million).

## Increasing visitor exports

- Contribution of visitor exports to total exports is estimated to increase 5.5 per cent per annum during 2018–2028.
- International Tourists arrival are expected to reach 30.5 Billion by 2028.

## New Visa Reforms

- Electronic tourist authorisations, known as E-Tourist Visa, launched by the Government of India have resulted in increase in number of tourist visa issued in the country. The facility has been extended to citizens of 166 countries, as of December 2018.
- During January-November 2019, a total of 25,51,211 tourist arrived on E-Tourist Visa registering a growth of 23.8 per cent.

**Note:** CY - Calendar Year, FEE – Foreign Exchange Earning, \* - Increased in US\$ terms

**Source:** World Travel & Tourism Council's (WTTC's) Economic Impact 2018, Ministry of Tourism

# ADVANTAGE INDIA



- By 2020, medical tourism industry of India is expected to touch US\$ 9 billion.
- During 2019 (till November 2019), 9.66 million foreign tourists arrived in the country.
- International tourist arrivals are expected to reach 30.5 million by 2028.
- Prime Minister Narendra Modi urged people to visit 15 domestic tourist destinations India by 2022.

**Robust demand**

- India has a diverse portfolio of niche tourism products – cruises, adventure, medical, wellness, sports, MICE, eco-tourism, film, rural & religious tourism
- In January 2017, Federation of Indian Chambers of Commerce & Industry (FICCI) announced the launch of India Travel Tech Launchpad.

**Attractive opportunities**

## ADVANTAGE INDIA

- India offers geographical diversity, attractive beaches, 30 World Heritage Sites and 25 bio-geographic zones
- The country's big coastline is dotted with several attractive beaches
- Ministry of Tourism is promoting Buddhist Circuit to increase India's share in global tourism market

**Diverse attractions**

- A 5-year tax holiday has been offered for 2,3- and 4-star category hotels located around UNESCO World Heritage sites (except Delhi & Mumbai)
- Under the Swadesh Darshan scheme, 15 thematic circuits in the country have been selected for development of tourism infrastructure.
- E-visa facility offered to 169 countries, as of December 2019.

**Policy support**

*Note: UNESCO – United Nations Educational, Scientific and Cultural Organisation, MICE – Meetings, Incentives, Conferences, and Exhibitions, CY – Calendar Year*

*Source: World Travel & Tourism Council's (WTTC's) Economic Impact 2018, Ministry of Finance, TechSci Research*



# MARKET OVERVIEW



# EVOLUTION OF THE INDIAN TOURISM AND HOSPITALITY SECTOR

- The National Tourism Policy was announced in 1982
- The government formulated a comprehensive plan in 1988 to promote tourism

- A national policy on tourism was announced in 2002, focusing on developing a robust infrastructure
- Online travel portals & low-cost carrier airlines gave a boost to domestic tourism

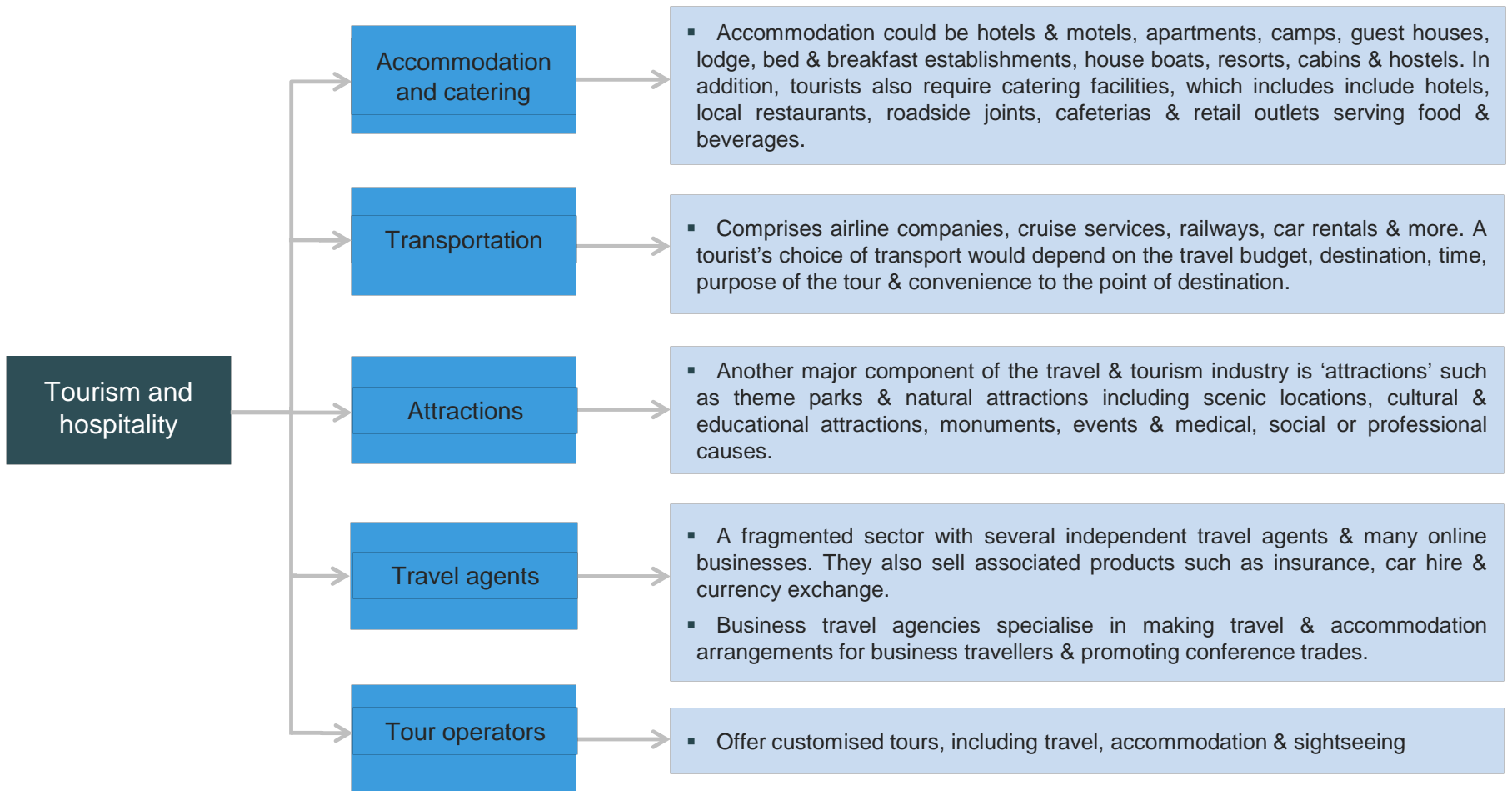


- Various states in India declared tourism as an industry
- The government stressed on private-public partnership in the sector
- Government policies give a fillip to the hotel industry

- The government has undertaken various marketing initiatives to attract tourists
- E – tourist visa launched, and 2.4 million tourists arrived in India in 2018 through this facility.
- Travel and Tourism sector accounted for 8 per cent of total employment opportunities in India in 2017
- In November 2018, India attained third position in world tourism sector after China and US.

Source: WTTC, Ministry of Tourism, TechSci Research

# SEGMENTS OF TOURISM AND HOSPITALITY

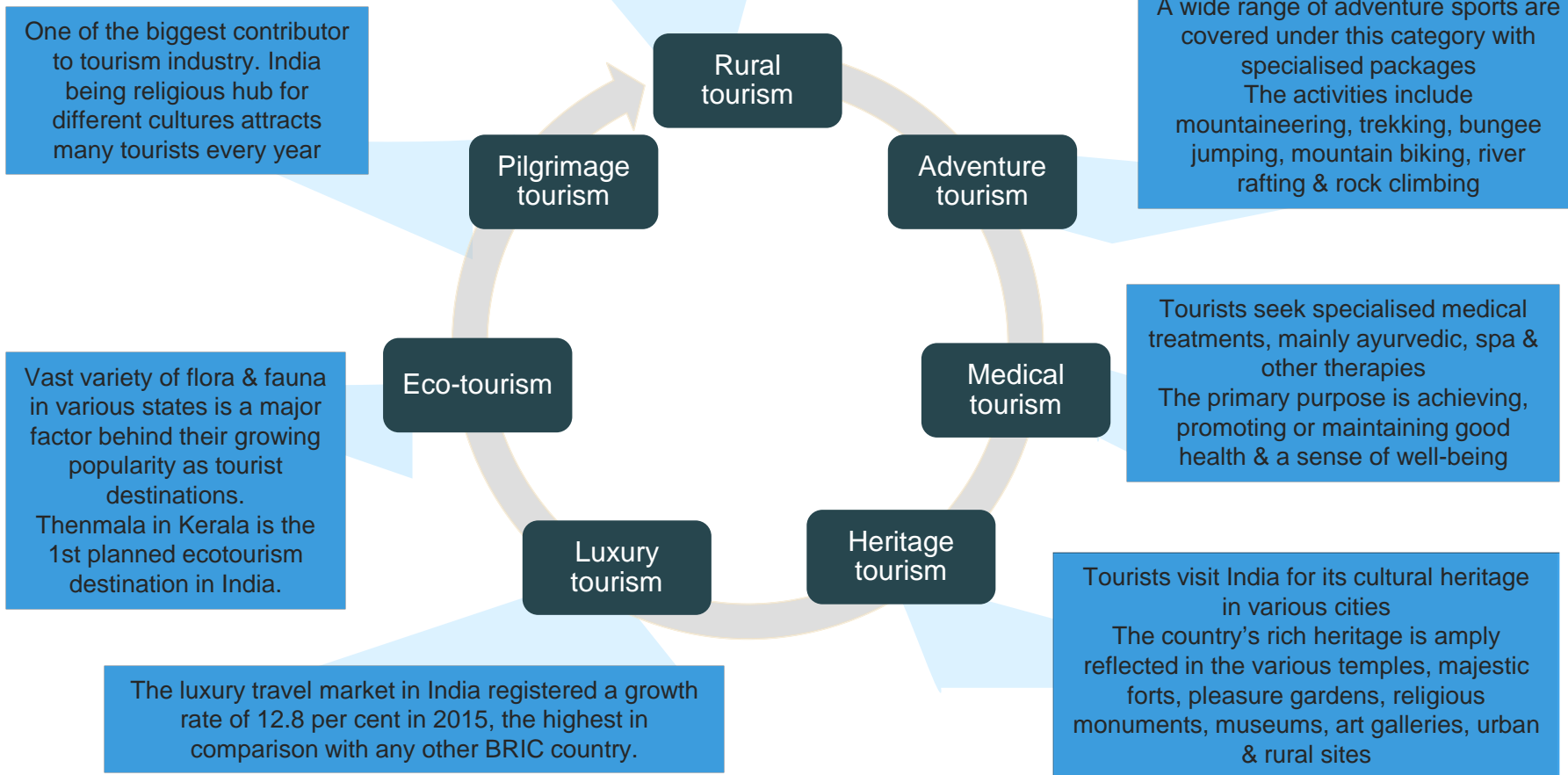


Source: Dun and Bradstreet's Report on Tourism in India



# EMERGING TOURISM AND HOSPITALITY SEGMENTS

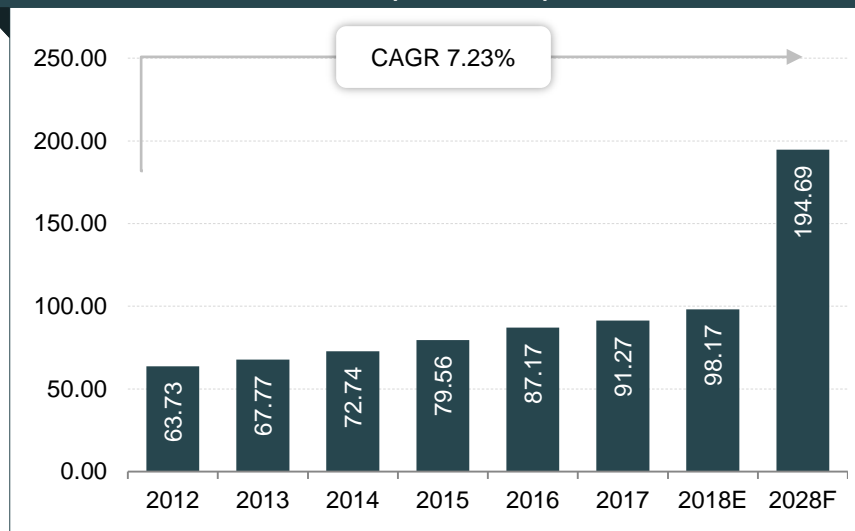
The aim is to develop interest in heritage and culture; & promote visits to village settings to experience & live a relaxed & healthy lifestyle



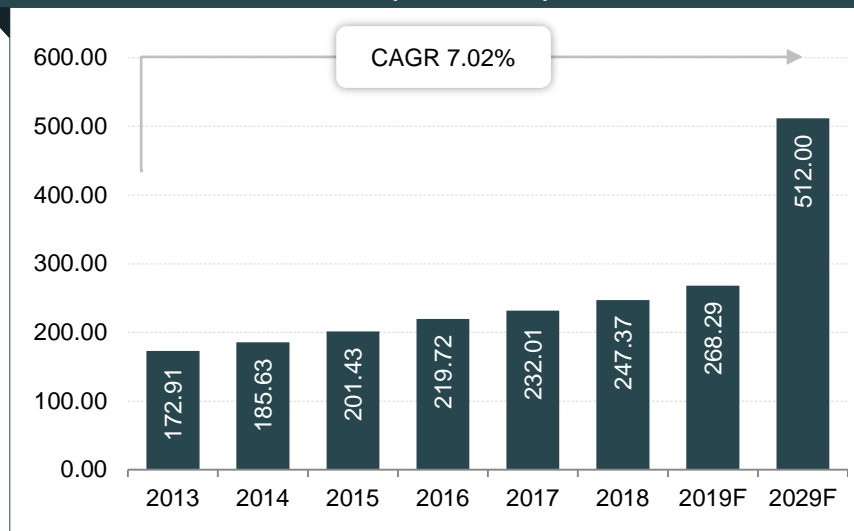
Source: Dun and Bradstreet's Report on Tourism in India

# RISING CONTRIBUTION TO INDIA'S GDP

**Direct Contribution of Travel and Tourism to GDP at Real 2017 Prices (US\$ billion)**



**Total Contribution of Travel and Tourism to GDP at Real 2018 Prices (US\$ billion)**



- India ranked eighth in the world in 2018 contributing US\$ 247 billion in terms of absolute direct contribution of travel & tourism sectors to its GDP. It is the 3rd largest foreign exchange earner for the country.
- India was ranked 34<sup>th</sup> in the Travel & Tourism Competitiveness Report 2019 published by the World Economic Forum.
- The tourism & hospitality sector's direct contribution to GDP in 2017, was Rs 5.94 trillion (US\$ 91.27 billion). This is expected to reach Rs 12.68 trillion (US\$ 194.69 billion) in 2028, implying a CAGR of 7.23 per cent during 2012-28.
- According to 2018 report of the World Travel and Tourism Council (WTTC), India was ranked third in the tourism sector
- Total earning from the sector in India stood at US\$ 28.6 billion in 2018 and is targeted to reach US\$ 50 billion by 2022.

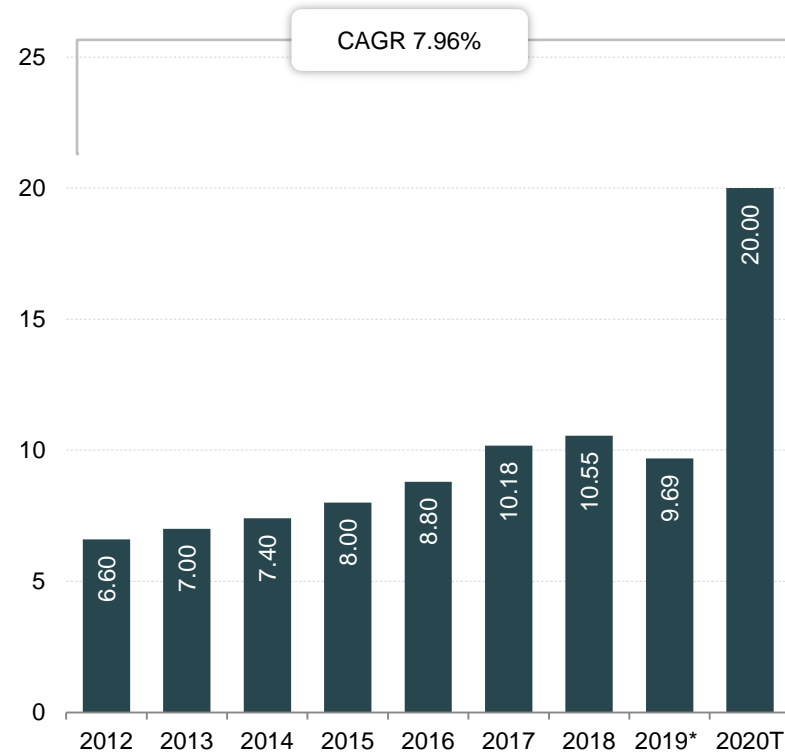
**Note:** CAGR – Compound Annual Growth Rate, E - Estimated, F -Forecast,

**Source:** World Travel & Tourism Council's (WTTC's) Economic Impact 2019

# FOREIGN ARRIVALS ARE RISING

- During 2018, foreign tourist arrivals (FTAs) in India stood at 10.55 million, achieving a growth rate of 5.20 per cent year-on-year.
- By 2025, Foreign Tourist Arrivals are expected to increase the 7 per cent of CAGR in India.
- Growth in tourist arrivals has been due to flexible government policies, developed rail & road infrastructure, ease in availability of e-visas to foreign tourists. As of November 2019, arrivals through e-tourist visa increased by 23.8 per cent year-on-year to 2.5 million.
- The Government of India has set a target of 20 million foreign tourist arrivals (FTAs) by 2020 and double the foreign exchange earnings as well.
- The Government of India is working to achieve 1 per cent share in world's international tourist arrivals by 2020 and 2 per cent share by 2025.
- During January-November 2019, Foreign Tourist Arrivals (FTAs) were 96,69,633 with the growth of 3.2 per cent.

Foreign tourists arriving in India (million)



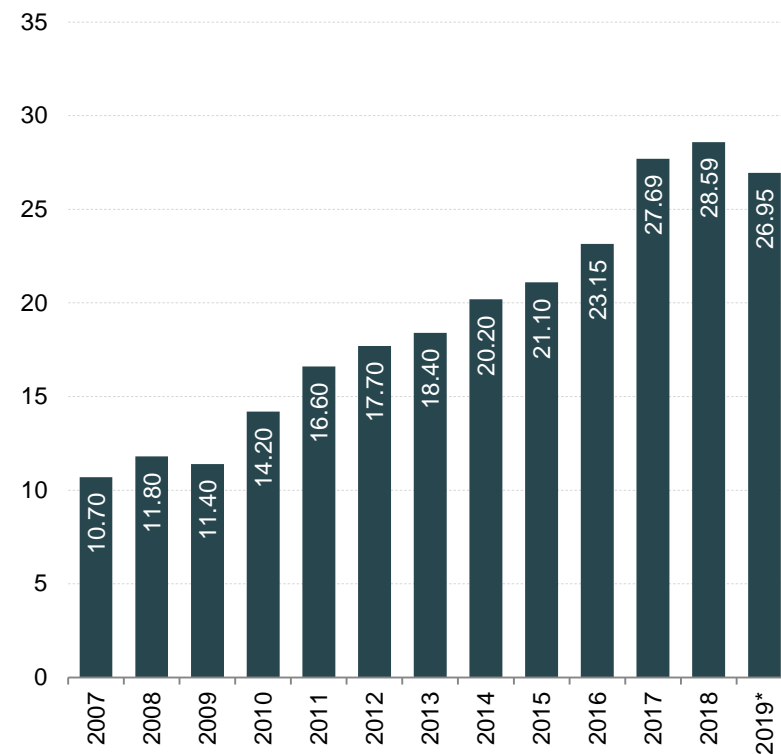
*Note: CY – Calendar Year, E- Estimated, T-Target., FTAs – Foreign Tourist Arrivals, CAGR upto 2018, \*- till November 2019*

*Source: Ministry of Tourism*

# RISE IN FOREIGN EXCHANGE

- Tourism is an important source of foreign exchange in India similar to many other countries.
- During 2018, India earned foreign exchange of US\$ 28.59 billion from tourism, recording a year-on-year growth rate of 4.70 per cent. Foreign exchange earnings (FEEs) from tourism in India witnessed growth at a CAGR of 9.35 per cent during 2007-18.
- The number of tourists from India is expected to reach 50 million by 2020, according to the World Trade Organization. This rapid increase in outbound tourism from India is going to benefit forex providers in the country.
- As of November 2019, Foreign Exchange Earnings (FEEs) were Rs 1,88,364 crore (US\$ 26.95 billion) with the growth of 7.4 per cent from previous year during same.

**Foreign Exchange Earnings from tourism in India  
(US\$ billion)**

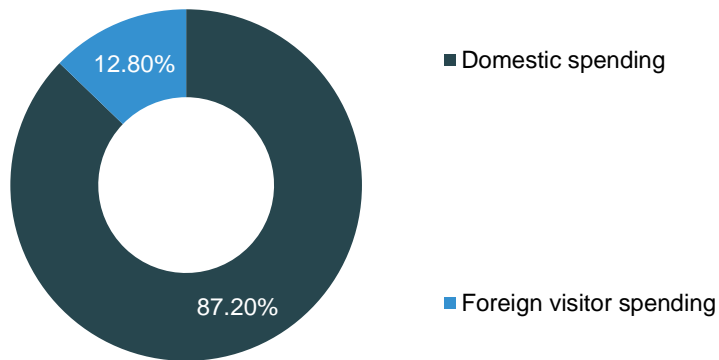


**Note:** FEE – Foreign Exchange Earnings, \* - till November 2019

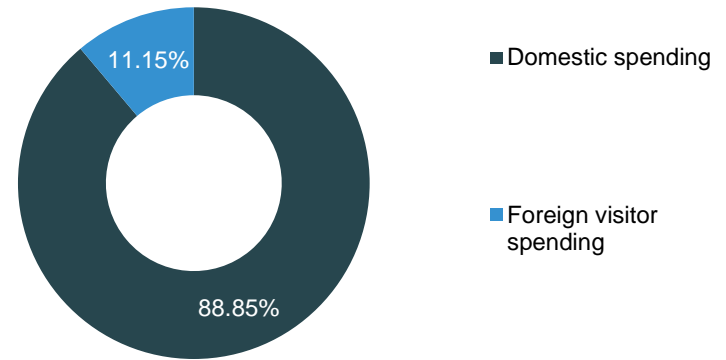
**Source:** Ministry of Tourism, Economic Times

# DOMESTIC CONSUMERS TO LEAD GROWTH

### Share of tourists by expenditure (2018)



### Expected share of tourists by expenditure (2028E)



- Domestic travel revenues are estimated at Rs US\$ 215.38 billion in 2018 and are anticipated to further increase to US\$ 405.8 billion by 2028E

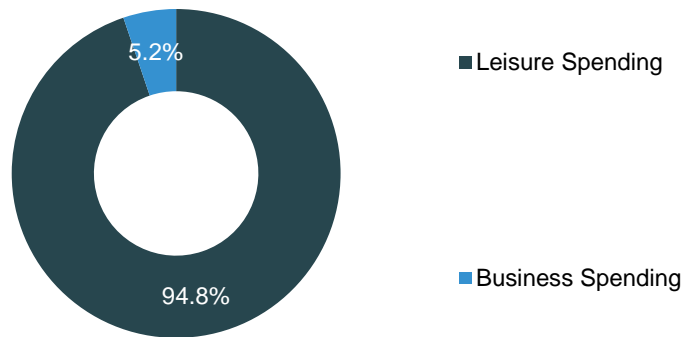
*Note: E- Estimated*

*Source: World Travel & Tourism Council's Economic Impact 2019*

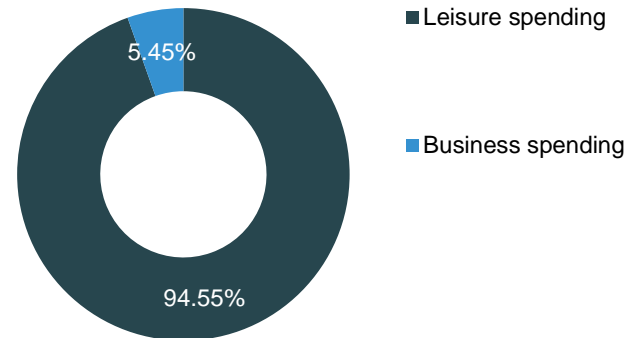


# RISING REVENUES FROM LEISURE AND BUSINESS SEGMENTS

Segment –wise revenue share (2018)



Expected segment-wise revenue share (2028E)

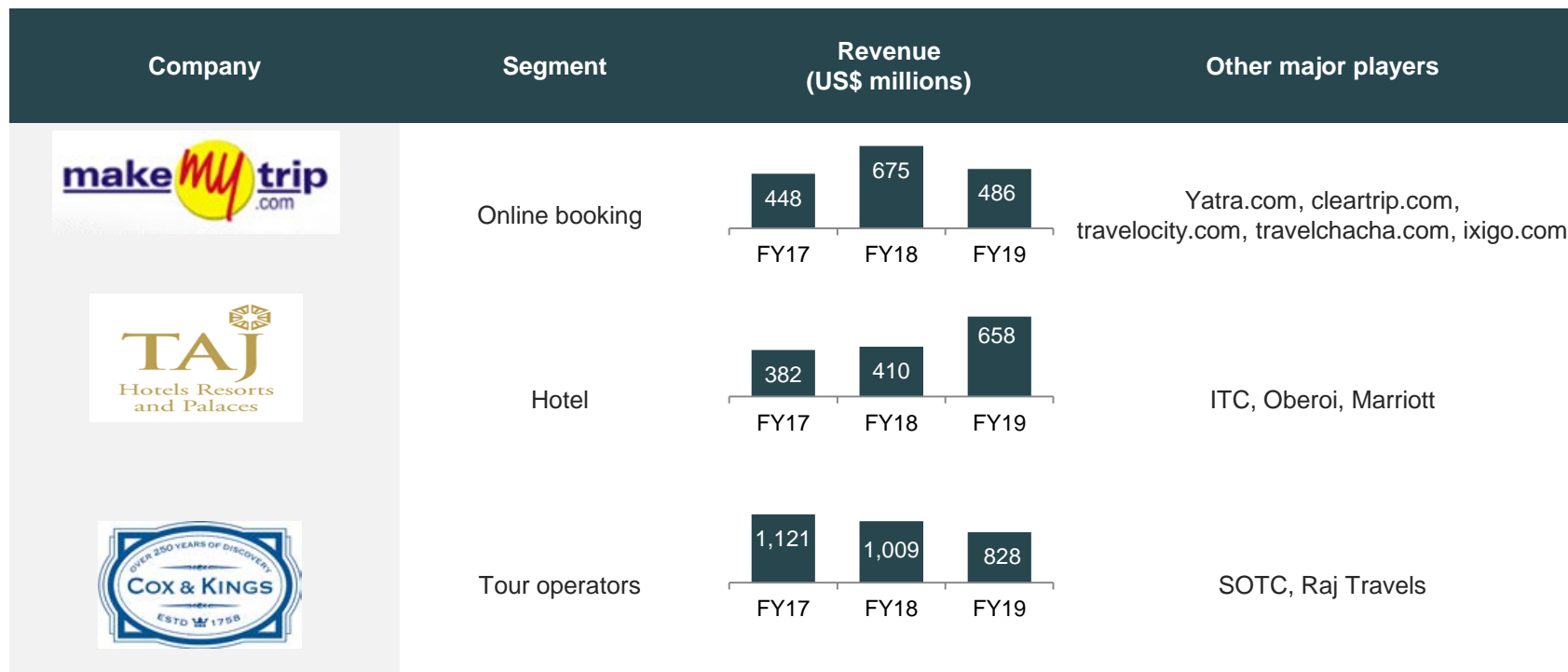


- Share of revenues from leisure travel to the total tourism revenue stood around 94.8 per cent in 2018.
- Leisure travel spending reached US\$ 234.16 billion in 2018 and is expected to reach US\$ 432.3 billion by 2028E.
- Business travel revenues were US\$ 12.84 billion in 2018 and are projected to increase to US\$ 24.4 billion by 2028E.

*Note: E- Estimated*

*Source: World Travel & Tourism Council's (WTTC's) Economic Impact 2019*

# MAJOR COMPANIES ACROSS SEGMENTS



Source: Respective company websites

# RECENT TRENDS AND STRATEGIES



# NOTABLE TRENDS IN THE TOURISM INDUSTRY IN INDIA

Online travel operators	<ul style="list-style-type: none"><li>▪ Over 70 per cent of air tickets are now being booked online in the country</li><li>▪ Several online travel &amp; tour operators, which provide better prices &amp; options to consumers, have emerged in India</li></ul>
Wellness tourism	<ul style="list-style-type: none"><li>▪ The widespread practice of Ayurveda, yoga, siddha &amp; naturopathy that is complemented by the nation's spiritual philosophy makes India a famous wellness destination.</li></ul>
Cruises	<ul style="list-style-type: none"><li>▪ Government of India has estimated that India would emerge with a market size of 1.2 million cruise visitors by 2030-31. The government is planning to set up five cruise terminals in the country.</li><li>▪ As of January 2019, Zen cruises announced its plan to start cruise services in India starting April 17, 2019.</li><li>▪ In November 2019, Chipsan Aviation introduced helicopter services from Willingdon Island, Cochin Port.</li></ul>
Adventure	<ul style="list-style-type: none"><li>▪ Adventure tourism is one of the most popular segments of tourism industry. Owing to India's enormous geo-physical diversity, it has progressed well over the years. Moreover, the government has recognised Adventure Tourism as a Niche Tourism product to attract tourists with specific interest.</li><li>▪ Part of India's tourism policy, almost every state has definite programme to identify &amp; promote Adventure tourism.</li></ul>
Camping sites	<ul style="list-style-type: none"><li>▪ Promotion of camping sites has been encouraged with adequate acknowledgement of its adverse effects on environment</li><li>▪ Besides providing unique rewarding experiences, responsible conduct of camping can be a major source for both additional economic opportunities in remote areas as well as an instrument of conservation</li></ul>

Source: Incredible India, Economic Times, News sources

# STRATEGIES ADOPTED

## One stop solution

- Players are trying to ensure convenience for their customers by providing all services available on a single portal. For example, makemytrip.com & a host of other websites provide a comprehensive basket of offerings which include outbound & inbound travel for leisure & business trips, hotels & car booking, holiday packages within India or abroad, etc

## Multiple channels

- Players are opting for many channels to maximise sales & ensure convenience for their customers. For example, Thomas Cook & Kuoni India launched their online portals to compete with others. On the other hand, makemytrip.com is planning to go for the offline channel to complement its existing portal & has already launched mobile apps for maximising sales.

## Branding

- The launch of several branding & marketing initiatives by the Government of India such as Incredible India! & Athiti Devo Bhava provides a focused impetus to growth
- The Government of India has launched the Incredible India 2.0 campaign to market specific promotional plans.

## M-visa

- Indian government has also released a fresh category of visa – the medical visa or M visa, to encourage medical tourism in India. Indian medical tourism is expected to reach US\$ 8 billion by 2020

## Data Analytics and Artificial Intelligence

- Companies have started using data analytics to create a 360-degree profile of their customers.
- Makemytrip has also started using AI powered chatbots. 25 per cent of its post-sales requests are now services by these chatbots

## Spiritual tourism

- India has been known as the seat of spiritualism & India's cosmopolitan nature is best reflected in its pilgrim centres
- India has been recognised as a destination for spiritual tourism for domestic & international tourists
- In March 2019, Rs 720 crore (US\$ 103.02) had been allocated by Uttar Pradesh towards strengthening the infrastructure for tourism.

Source: Make in India, Company websites, Ministry of Tourism, KPMG – Expedition 3.0, VC Circle



# GROWTH DRIVERS



# GROWTH DRIVERS FOR THE TOURISM MARKET

- More than half of the Ministry of Tourism's Plan budget is channelised for funding the development of destinations, circuits, mega projects as well as rural tourism infrastructure projects.
- Tourism Ministry is currently developing several theme-based tourist circuits of Swadesh Darshan Scheme to promote tourism.

Infrastructure

- Domestic expenditure on tourism is expected to rise due to the growing income of households
- Several niche offerings such as medical tourism & eco tourism are expected to create more demand.
- By 2029, India's tourism sector is expected to reach Rs 35 trillion (US\$ 488 billion) by 2029 with a growth of 6.7 per cent and accounting for 9.2 per cent of the total economy.

Growing demand

## Growth drivers

- Hotel & Tourism sector has received cumulative FDI inflows of US\$ 12.96 billion between April 2000 and June 2019.
- International hotel brands are targeting India. Carlson group is aiming to increase the number of its hotels in India to 170 by 2020.
- Hospitality majors are entering into tie ups to penetrate deeper into the market, such as Taj & Shangri-La entered into a strategic alliance to improve their reach & market share by launching loyalty programme aimed at integrating rewarded customers of both hotels.

Rising FDI

A web based Public Service Delivery System (PSDS) had been launched by the Ministry of Tourism to enable all the applicants seeking approval for hotel projects and track their applications online on a real time basis.

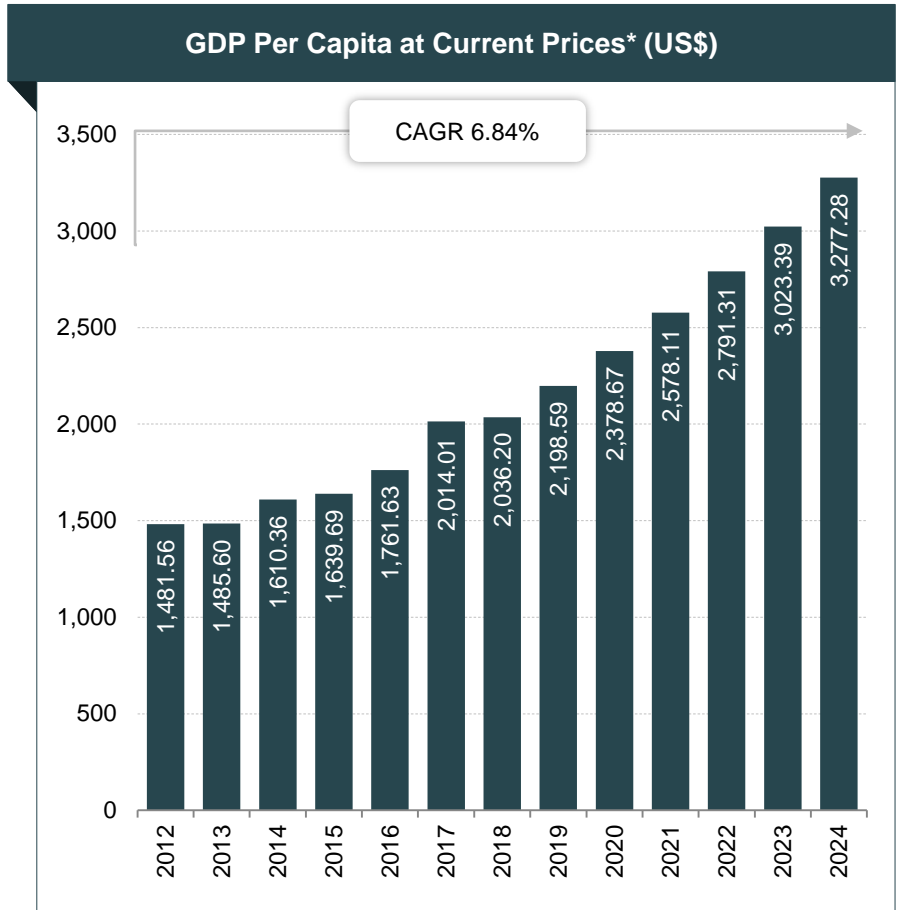
- The Government of India will develop 17 iconic tourist sites in India into world-class destinations, as per Union Budget 2019-20.
- Campaigns such as Swadesh Darshan, theme-based tourist circuits were launched to harness the tourism industry's potential

Policy support

Source: Make in India, DPIIT, TechSci Research

# RISE IN INCOME AND CHANGING DEMOGRAPHICS BOOSTING DEMAND

- Rising incomes mean a steady growth in the ability to access healthcare & related services
- India's GDP Per Capita at current prices is estimated to have reached US\$ 2,036.20 in 2018. It is expected to reach US\$ 3,277.28 by 2024, implying a compounded annual growth rate of 6.84 per cent during 2012-24.
- As of April 2019, OYO has created over 100,000 direct and indirect jobs in India and expects to double the number by 2020.



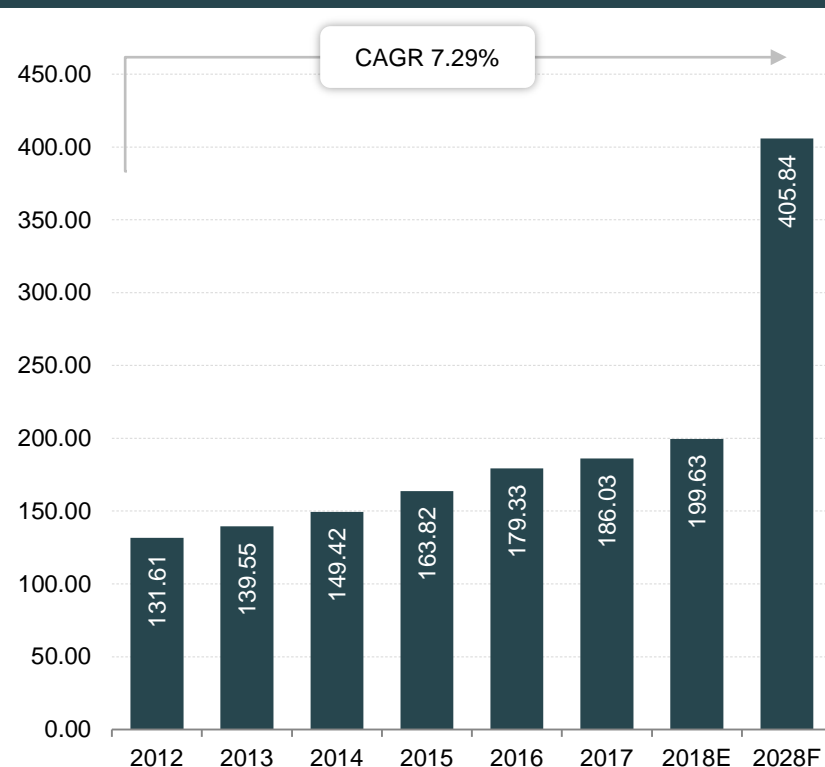
*Note: \* Estimates after 2013*

*Source: International Monetary Fund, World Economic Outlook Database, April 2019*

# INCREASING SPENDING ON TOURISM

- Domestic expenditure on tourism has grown significantly; In 2017, it reached Rs 12.11 trillion (US\$ 186.03 billion),
- It is expected to reach Rs 26.43 trillion (US\$ 405.84 billion), implying a Compounded Annual Growth Rate of 7.29 per cent between 2012-28.

Domestic Expenditure on Tourism \* (US\$ billion)



**Note:** F – Forecast, E – Estimated, \*at real 2017 prices converted at USD = INR 65.12

**Source:** WTTC - Travel & Tourism Economic Impact 2019

<p>Swadesh Darshan</p>	<ul style="list-style-type: none"> <li>▪ Based on specific themes, government has identified 15 circuits which includes Krishna Circuit, Buddhist Circuit, Himalayan Circuit, North East Circuit, Coastal Circuit, wildlife circuit &amp; tribal circuit.</li> <li>▪ So far 77 projects for an amount Rs 6,035.70 crore (US\$ 836.60 million) have been sanctioned under the Swadesh Darshan Scheme since FY15.</li> <li>▪ Under Budget 2019-20, the Government of India allotted Rs 1,106 crore (US\$ 158.25 million) for development of tourist circuits under Swadesh Darshan for eight north-eastern states.</li> </ul>
<p>Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive (PRASHAD)</p>	<ul style="list-style-type: none"> <li>▪ National Mission on Pilgrimage Rejuvenation &amp; Spiritual Augmentation was implemented by the Ministry for enhancing the facilities provided &amp; infrastructure at pilgrimage centres of all cities</li> <li>▪ Under Budget 2019-20, the Government of India allotted Rs 160.50 crore (US\$ 22.25 million) for development of tourist circuits under PRASHAD.</li> <li>▪ As of now, total number of 28 projects have been sanctioned for an amount of Rs 840.02 crore (US\$ 120.19 million) under this Scheme.</li> </ul>
<p>National Tourism Policy 2015</p>	<ul style="list-style-type: none"> <li>▪ Formulation of National Tourism Policy 2015 that would encourage the citizens of India to explore their own country as well as position the country as a ‘Must See’ destination for global travellers</li> <li>▪ Under Union Budget 2019-20, US\$ 82.27 million was allocated for promotion &amp; publicity of various programmes &amp; schemes of the Tourism ministry.</li> </ul>
<p>Statue of Unity</p>	<ul style="list-style-type: none"> <li>▪ Statue of Sardar Vallabhbhai Patel, also known as ‘State of Unity’, was inaugurated in October 2018. It is the highest standing statue in the world at a height of 182 metre.</li> <li>▪ It is expected to boost the tourism sector in the country and put India on the world tourism map. In February 2019, the visiting hours has been increased by two more hours and has been equipped with e-bike tours.</li> <li>▪ Over 29 lakh tourists visited the Statue of Unity since it was inaugurated resulting in revenue of Rs 82.51 crore (US\$ 11.81 million).</li> </ul>

**Note:** National Mission on Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive

**Source:** Union Budget, TechSci Research



# TOURISM POLICY AND INITIATIVES GIVE A BOOST TO THE INDUSTRY... (1/2)

Special Boards	<ul style="list-style-type: none"><li>▪ The Ministry has set up a Hospitality Development &amp; Promotion Board, which will monitor &amp; facilitate hotel project clearances/approvals</li></ul>
Tourist Police	<ul style="list-style-type: none"><li>▪ In March 2018, Ministry of Tourism initiated State Governments/Union Territory administrations of India to deploy Tourist Police</li><li>▪ In November 2018, Nagaland deployed a separate tourist police.</li></ul>
Tax Incentives	<ul style="list-style-type: none"><li>▪ An investment-linked deduction under Section 35 AD of the Income Tax Act is in place for establishing new hotels in the 2-star category and above across India, thus permitting a 100 per cent deduction in respect of the whole or any expenditure of a capital nature.</li><li>▪ In 2019, Government reduced GST on hotel rooms with tariffs of Rs 1,001 (US\$ 14.32) to Rs 7,500 (US\$ 107.31) per night to 12 per cent; those above Rs 7,501 (US\$ 107.32) to 18 per cent to increase India's competitiveness as a tourism destination.</li></ul>
Safety and Security Initiatives	<ul style="list-style-type: none"><li>▪ Ministry of Tourism launched a 24x7 Toll Free Multilingual Tourist Infor-Helpline in 12 languages which will provide information relating to travel in India</li><li>▪ Ministry of Tourism issued guidelines on Safety and Security for States/UTs along with tips for travelers</li><li>▪ Launched Social Media Awareness Campaign in the spirit of 'Atithidevo Bhava' to develop importance of good conduct and behavior towards tourists</li><li>▪ Initiative to conduct constant dialogue with State/UTs for drawing ideas for development and promotion of tourism</li></ul>

Source: World Travel & Tourism Council, Union Budget 2015 – 16, TechSci Research

# TOURISM POLICY AND INITIATIVES GIVE A BOOST TO THE INDUSTRY... (2/2)

## Incentives from Ministry of Tourism

- Assistance in large revenue-generating projects.
- Support to Public Private Partnerships in infrastructure development such as viability gap funding.
- Under budget 2019-20, government introduced a Tax Refund for Tourists (TRT) scheme like in countries such as Singapore to encourage tourists to spend more in India and boost tourism.

## Project Mausam

- Under 'Project Mausam' the Government of India has proposed to establish cross cultural linkages & to revive historic maritime cultural & economic ties with 39 Indian Ocean countries. In 2015, Government of India linked China Silk Road project with Project Mausam.

## E – Tourist Visa

- The number of tourists arriving on e-tourist visa grew by 23.8 per cent year-on-year to 2.55 million in 2019 (till November 2019).
- Foreigners travelling to India on e-tourist visa will receive a BSNL SIM card which will be pre activated and loaded with talktime and data.

## India Tourism Mart 2019

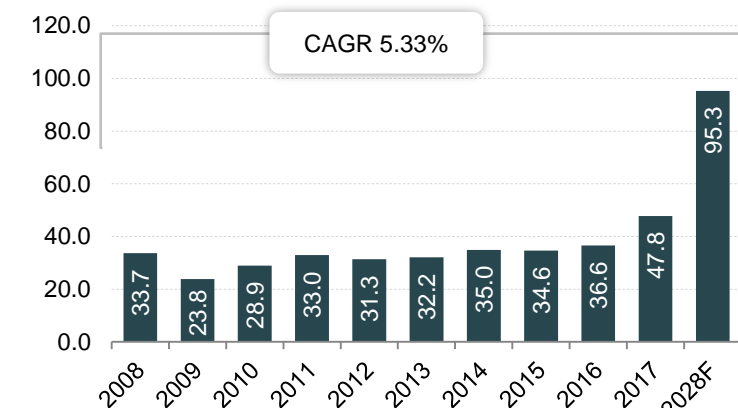
- In September 2019, second session of India Tourism Mart (ITM 2019), was organised. It was a three-day event organised by FAITH (Federation of Associations in Indian Tourism and Hospitality) and the Ministry of Tourism, Government of India.
- 160 exhibitors from across the country the industry came together to interact and transact business.

Source: World Travel & Tourism Council, TechSci Research

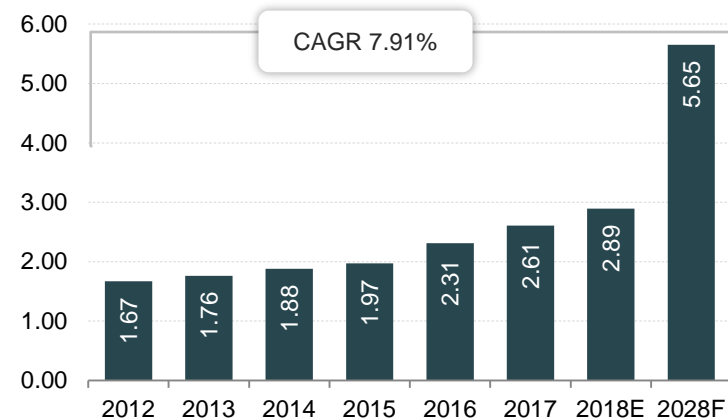
# CONTINUED GROWTH IN INVESTMENTS IN THE TOURISM SECTOR

- India's tourism sector attracted capital investments of US\$ 47.8 billion in 2017 and expected to reach US\$ 95.3 billion by 2028.
- In November 2019, Memorandum of Understanding (MoU) signed between India and Finland approved by Cabinet in order to strengthen the cooperation in the field of Tourism
- In November 2019, TAJ opens new hotel in Tirupati under religious tourism segment.
- In September 2019, Japan joins a band of Asian countries, including Taiwan and Korea among others to enter into the Indian tourism market.
- In August 2019, MakeMyTrip launched an initiative “#MyIndiaMyTrips” to assist Indian travellers to plan their travel and explore the best of India.
- Hilton plans to add 18 hotels pan India by 2021, along with 15 operational hotels under its brands namely Hampton, Hilton Garden Inn, Conrad, Hilton Hotels & Resorts & DoubleTree by Hilton.
- As of April 2019, Radisson Hotel Group, global hospitality firm plans to double its portfolio of hotel in India to 200 by 2022.
- Louvre Hotels Group, world's fifth largest hotel group, plans to increase its business in India to 10-15 per cent by 2021 from 5-7 per cent, as of September 2018.
- Oyo Rooms is planning to invest about Rs 1,400 crore (US\$ 200 million) towards capital expenditure, technology and leadership in its Indian and South Asia business over 2019.
- Airbnb Inc, largest home-sharing platform has invested about US\$ 200 million in OYO's Series E funding round,

**Capital investments in the tourism sector (US\$ billion)**



**Collective government spending on tourism (US\$ billion)**

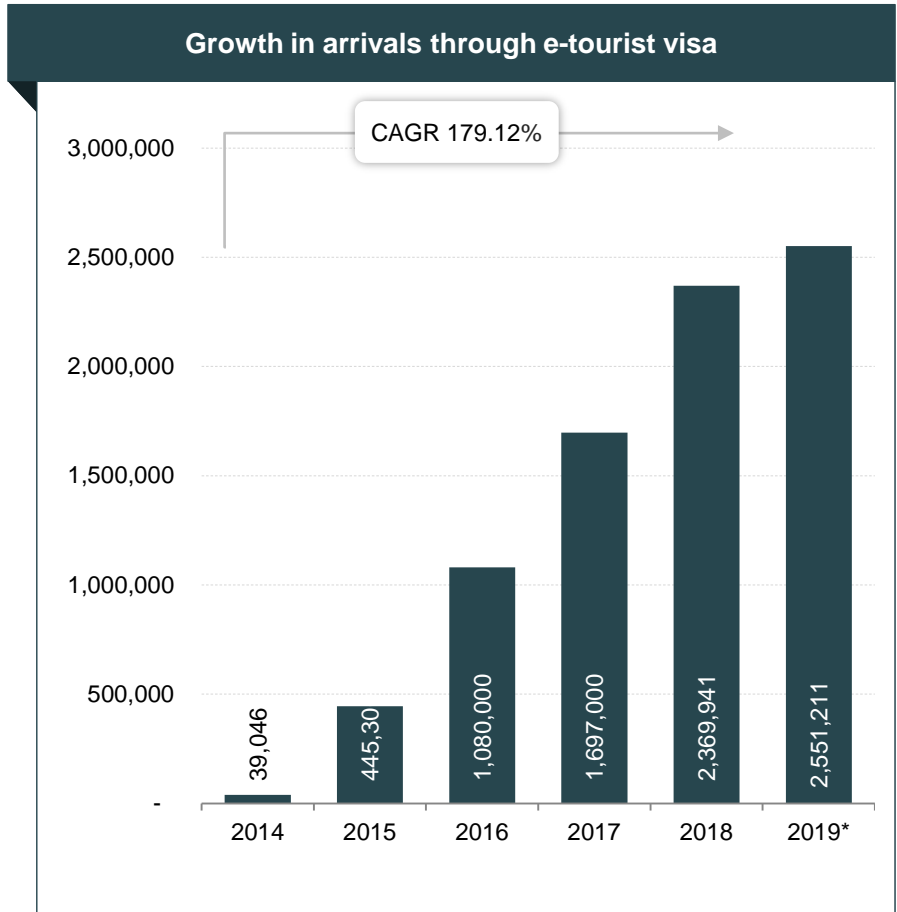


Note: E – Estimated, F- Forecast

Source: World Travel & Tourism Council's Economic Impact 2018, 2017, TechSci Research

# GROWTH IN ARRIVALS THROUGH E-TOURIST VISA

- In November 2014, the Government of India had introduced e-tourist visa to facilitate arrivals of nationals from 43 countries. As of December 2019, the facility has been extended to 169 countries.
- The e-tourist visa is a part of the e-visa facility which also includes e-business visa, e-conference visa, e-medical visa and e-medical attendant visa.
- Tourist arrivals through e-tourist visa increased at a CAGR of 179.12 per cent during 2014-18 to reach 2.37 million tourists in 2018. In 2019 (up to November 2019), 2.55 million tourists have arrived through the facility.



*Note: P- Provisional, \*-Till November 2019*

*Source: Ministry of Tourism*

# OPPORTUNITIES



# NICHE SEGMENTS OFFER GOOD OPPORTUNITIES

## Medical tourism

- The presence of world-class hospitals & skilled medical professionals makes India a preferred destination for medical tourism
- India's earnings from medical tourism could exceed US\$ 9 billion by 2020
- Tour operators are teaming up with hospitals to tap this market
- Foreign tourist arrivals for medical purpose increased from 427,014 in 2016 to 495,056 in 2017(P).

## Cruise tourism

- Cruise shipping is one of the most dynamic & fastest growing segments of the global leisure industry
- Government of India has estimated that India would emerge with a market size of 1.2 million cruise visitors by 2030 – 31
- Moreover, India is looking to take advantage of its 7,500Km coastline to tap growth potential of the cruise tourism segment.
- The construction of cruise terminal in Chennai was started in April 2018.
- The cruise terminal in Mumbai has been allocated Rs 1,000 crore (US\$ 155.55 million).
- India is also expected to receive around 950 cruise liners annually by 2022.

## Rural tourism

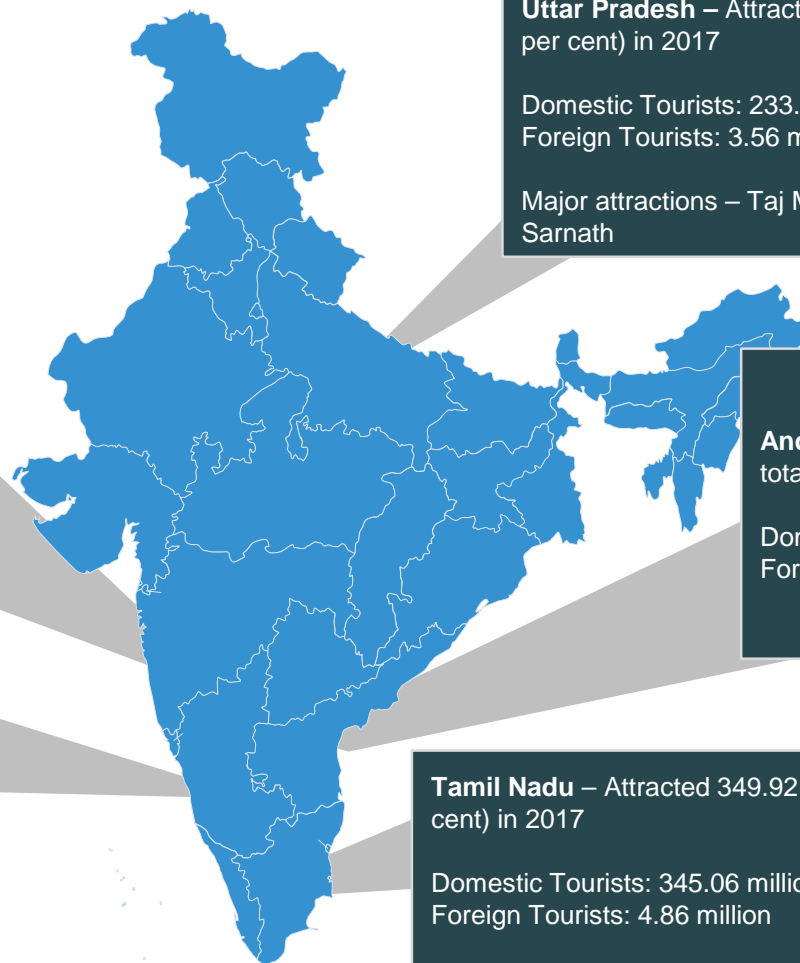
- The potential for the development of rural tourism in India is high as most of its population resides in rural areas
- This can benefit the local community economically & socially, and facilitate interaction between tourists & locals for a mutually enriching experience

## Ecotourism

- India is often termed as hotspot of bio-diversity & this rich natural heritage is unparalleled in many ways.
- Such valuable resource base gives impetus for the practice of variety of alternate tourism forms & many of which are already in existence.
- For example: The national parks, wildlife sanctuaries & biosphere reserves

Source: Ministry of Tourism, BMI

# LEADING STATES/UTs IN TERMS OF TOURISTS



**Maharashtra** – Attracted 124.27 million total tourists (7.40 per cent) in 2017

Domestic Tourists: 119.19 million  
Foreign Tourists: 5.08 million

Major attractions – Ajanta & Ellora Caves, Shirdi, Ashtavinayak & Matheran

**Karnataka** – Attracted 180.48 million total tourists (10.75 per cent) in 2017

Domestic Tourists: 179.98 million  
Foreign Tourists: 0.50 million

Major attractions - Mysore Palace, Hampi, Coorg, Jog falls

**Uttar Pradesh** – Attracted 237.53 million total tourists (14.14 per cent) in 2017

Domestic Tourists: 233.98 million  
Foreign Tourists: 3.56 million

Major attractions – Taj Mahal, Agra Fort, Fatehpur Sikri & Sarnath

**Andhra Pradesh** – Attracted 165.71 million total tourists (9.87 per cent) in 2017

Domestic Tourists: 165.43 million  
Foreign Tourists: 0.27 million

**Tamil Nadu** – Attracted 349.92 million total tourists (20.84 per cent) in 2017

Domestic Tourists: 345.06 million  
Foreign Tourists: 4.86 million

Major attractions – Meenakshi Temple, Brihadeeswarar Temple, Yelagiri Hills, Hogenakkal Falls & Vivekananda Memorial

*Note: All the figures of tourist arrivals are Provisional, Data is expected in Nov 2019*

*Source: Ministry of Tourism*



# AIRLINES INDUSTRY SET TO FLY HIGHER

## Low-cost airlines

- Growth in low-cost airlines is expected to lower tourism costs & increase domestic spending on tourism. Low cost flights under the Ude Desh ka Aam Naagrik (UDAN) scheme are expected to connect under served regions in the country and promote domestic tourism.
- Under RCS-Udan scheme, approximately 34,74,000 passengers were flown, and 335 routes awarded during the year 2019 covering 33 airports (20 unserved, 3 underserved, 10 water aerodromes).

## Increase in international flight operators

- The market is likely to become more competitive due to the entry of an increasing number of international flight operators expected to offer improved services to tourists. JVs such as Air Asia and Tata SIA are beginning services in India and can provide better services
- Some new players that have entered the country are Etihad & Vistara.

## Increasing number of airports

- The Airports Authority of India aims to start operating 250 airports across the country by 2020. As of 2019, there were 132 operational airports in India.

## Higher investments

- In the Union Budget 2018-19, the government has proposed to develop 10 prominent sites into iconic tourist destinations.

## Higher passenger traffic

- In 2018-19, domestic air traffic and International air traffic in India increased 14.1 per cent and 3.4 year-on-year, respectively. By 2020, passenger traffic at Indian airports is expected to increase to 450 million people.

Source: World Travel & Tourism Council, TechSci Research

# INDUSTRY ASSOCIATIONS



## Federation of Hotel & Restaurant Associations of India (FHRAI)

Address: B-82, 8th Floor, Himalaya House,  
23, Kasturba Gandhi Marg,  
New Delhi – 110001  
Phone: 91-11- 40780780  
Fax: 91-11- 40780777

## Hotel Association of India (HAI)

Address: B 212–214  
Som Dutt Chamber-I,  
Bhikaji Cama Place,  
New Delhi – 110 066  
Phone: 91-11-2617 1110/14  
Fax: 91-11-2617 1115

# USEFUL INFORMATION



- Direct contribution: Spending on accommodation, transportation, attractions and entertainment
- Indirect contribution: Travel and tourism investment spending, and government collective travel and tourism spending
- Induced contribution: Spending of direct and indirect employees
- GOI: Government of India
- CAGR: Compound Annual Growth Rate
- INR: Indian Rupee
- US\$: US Dollar
- Wherever applicable, numbers have been rounded off to the nearest whole number

# EXCHANGE RATES

## Exchange Rates (Fiscal Year)

Year INR	INR Equivalent of one US\$
2006–07	45.29
2007–08	40.24
2008–09	45.91
2009–10	47.42
2010–11	45.58
2011–12	47.95
2012–13	54.45
2013–14	60.5
2014-15	61.15
2015-16	65.46
2016-17	67.09
2017-18	64.45
2018-19	69.89

## Exchange Rates (Calendar Year)

Year	INR Equivalent of one US\$
2006	45.33
2007	41.29
2008	43.42
2009	48.35
2010	45.74
2011	46.67
2012	53.49
2013	58.63
2014	61.03
2015	64.15
2016	67.21
2017	65.12
2018	68.36

Source: Reserve Bank of India, Average for the year

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