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## BITB launches independent conclave: India Tourism Summit takes off

**B**ITB has been conceived as an industry platform for a diverse exchange at different levels. There is the traditional B2B level, the new-age B2B level and we are also developing meaningful B2C within certain target groups like the golfing community, wedding planners etc. We also have another platform within BITB, which is the Conclaves. This is built around bringing senior leadership to provide serious thought processes on trending issues in the marketplace. We successfully ran 6 BITB Conclaves at the first edition of the BITB expo in October 2016.

BITB Conclaves also run as independent events with a sharp focus of their own. We recently concluded one such Conclave, the India Tourism Summit in March 2017. We are seeing it as a quarterly commitment. So, from January to March, in the last week of March we did the India Tourism Summit. In the second quarter, April to June, we are doing Indian Outbound Summit. In the third quarter, we will be co-planning the BITB Conclaves along with the BITB expo in September and then the last one for the year in December. In that pattern, the commitment of BITB to providing a meaningful platform for industry continues.

At India Tourism Summit and at future BITB Conclaves, as we were able to do at the BITB Conclaves running parallel to the BITB expo, our first endeavour is to do something new, trending, and something meaningful, and bring in a new angle for what tourism can be for India.

At the India Tourism Summit, we brought new idea and new sets of speakers. Even if there was an existing player who has spoken at other industry platforms, we approached him differently to say something differently. And in many ways, the fruit of the pudding is in the eating. So, if you take up a hospitality panel discussion, the panellists were quick to accept that never before had they been asked to participate in a discussion on how they could drive India's tourism. It is normally always the other way around. Here they were being asked to do more. Another key session on 'Joining the Dots' aimed at understanding how to bring cohesiveness in the efforts taken by various ministries for augmenting tourism and travel in the country. Through serious engagement with industry leaders, we also took stock of issues hampering regional connectivity and growth of aviation sector in India. Make in India in tourism was also discussed at length, among other sectors. In this issue, we bring you highlights of the India Tourism Summit. Also, there is detailed coverage of the recently concluded HICSA in Mumbai.

*Navin Berry*

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### SK MISRA

Chairman, ITRHD

In recent years, there has been a growing recognition that this impact need not be limited to well-known circuits or golden triangles but can also result in tremendous gains for rural areas as well.

”



### V K DUGGAL

Former Governor, Manipur

The outreach of tourism is total. It pans into each and every area, be it employment, or economic activity. Economic activity at the smaller scale, the medium scale, and at the large scale. It touches every person's life in some form or the other.

”



### AMITABH KANT

CEO, NITI Aayog

All the requirements for tourism are available now. There is no rational reason why India's tourism should not grow in the coming years. The only thing in infrastructure that you actually lack is great MICE centres.

”



### ASHOK LAVASA

Finance Secretary of India

An issue which plagues the tourism sector which we have still not been able to resolve is the issue of multiplicity of authorities which are dealing with various issues. This becomes a barrier to integrated growth of infrastructure and tourism.

”



### DEEP KALRA

Founder and CEO, Makemytrip

I think it is working well but it is very early days. Time will tell. The proof of the pudding is in the eating. I think the tricky part will come when the headiness goes away. It is the honeymoon period. When the stock settles down, and it will, people will start saying that the rosy picture is not that rosy. Things will get tough.

”



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**At the recently concluded India Tourism Summit in New Delhi, the following view was shared in the opening remarks. These are reproduced for a larger dissemination.**

**T**here are a lot of summits happening all over the time in the country, in various disciplines and endeavours, but somewhere, tourism was getting a miss. We thought it was a good idea that tourism should have a summit of its own, but the challenge for us was to do something differently. Lot of people within the industry seem to tire off with too many events, too many discussions – and somewhere, the drift has become that nothing will ever change, and therefore our idea was to attempt bringing that change! We did a seminar, the first one possibly in the country, way back in 1976, at the Claridges in New Delhi and it was called ‘the seminar on tourism policy’. I do not have a copy of it; we did bring out a booklet on the recommendations. I did have a copy. And, I feel some of those recommendations mentioned then, way back in 1976, still stand true. One of our then delegates, who is around, but not at this event, Inder Sharma, will perhaps recall this. But coming back to now, the expanding contours of what we have called new-age tourism and how these will drive things differently?

Going back to the basics, as the UNWTO has described tourism which is meant to

However, when we see the world picture, just as much, tourism is all forms of travel, and these are collectively dubbed tourism.

In the case of India, we have tended, at least within the industry, that tourism is only leisure Inbound group travel. But today I see a lot of emphasis, and I am sure we all see that, new-age drivers to tourism, there are new impulses to tourism. There are a lot of people coming to India for education, as

I think tourism is increasingly going to mean a state of mind, a state of readiness in a given destination. That given destination must have its law and order intact. It must have a sense of security. There must a sense of wholeness to that city. I think a lot of us in the recent past who have been complaining that we need infrastructure, but actually saying we need a sense of wholeness to that destination so that we can get more tourists. I think visitors are coming, but they are not necessarily tourists in our traditional sense of coming for sightseeing, or for monuments, and therefore being serviced by a tour operator.

So, there are these challenges. There is the online challenge. The reach of India has increased manifold, with the penetration of international online companies. The rates and the outreach will only grow, giving rise to many more travellers from across the globe. **TF**



**NAVIN BERRY**  
CHIEF EDITOR, CROSS SECTION MEDIA

In recent years, events such as Jaipur Literary Festival have started drawing ten to fifteen thousand people, and they are all coming for the Literary Festival. Many of them are coming from overseas; many of them are coming from within the country. But somewhere in our understanding of tourism, we have yet not begun to include many of these impulses to tourism. We are also looking at, to my mind, at tourism as a mindset. It is something very holistic.

# BITB honours visionary leaders and organisations for their impact on tourism in India



**Vimala Bissel, Founder, FabIndia receives the award from SK Misra, in presence of Nikhil Sahni, V K Duggal and Navin Berry.**



**Arun Arora, GM, Institutional Sales and Gaurav Jain, Head of Corporate, Institutional and Fleet Sales, Maruti Suzuki India receive the award from V K Duggal.**



**Dr. A K Tyagi receives the award for Haldiram from Nikhil Sahni, in presence of V K Duggal.**



**Pushpa Bector, Executive VP and Head, DLF Premium Malls receives the award for DLF Mall of India from SK Misra, in presence of Nikhil Sahni, V K Duggal and Navin Berry.**



# Tourism in rural India can address social and financial problems: S K Misra

**S K Misra, Chairman, ITRHD, in his keynote address shared his experiences of how proper planning and coordination, coupled with strong local involvement could alter the sagging fortunes of villages. He batted for better infrastructure in nation's hinterland and urged the government to examine the feasibility of 'SMART villages' concept, at least on a pilot basis before nationwide implementation. Excerpts from his insightful address:**

By **TF BUREAU**

“We have been focussing on the beaten track for too long and it is time that we moved in different directions. When we talk of the rural sector or rural development our first thoughts go back to Gandhi and I would like to start with a quote by him. “Just as the Universe is contained in its cells, so is India contained in its villages.”

This is as true today as it was in Gandhi's time. Ask any Indian where he or she came from and chances are that you'll be given the name of an ancestral village even if the speaker has been residing in a city for 3 generations. Unfortunately, adequate attention has not been given to the challenges of meeting the needs of the rural areas. Only recently have we started to see increasing political recognition of the fact that India's overall development is linked with extent to which the rural sector is brought under the mainstream and is able to contribute substantially to the national economy.

### Rural areas face daunting challenges

Those of us who work and live in our modern, urban areas, hardly realise, that 700 million of our fellow citizens still reside in rural areas or that there are more than 600,000 villages and countless small settlements scattered throughout our 29 states and 7 union territories. And in spite of the romanticised nostalgia that many of us feel for our rural origins and despite the beauty of the areas itself, more than 30% of the rural population suffers from poverty and an estimated 15 million rural families are both poor and landless. This has led to urban areas getting more and more clogged as rural citizens flee their traditional habitat in search of what they hope will be a better life in the city. Ironically as they are escaping the lack of civil infrastructure, the mass exodus is helping to add to the woes of the cities which are increasingly suffering from pollution, shortages of resources and facilities like housing, development of slums and sanitary conditions etc. In the process not only does the gap between the rural and the urban sectors widen but problems increase on both the sides.

Rural areas suffer greatly from this migration. Traditional crafts are decimated as their skilled practitioners leave for urban employment that waste their finely-honed talents but at least provides a more dependable income. In village after village, the younger generation leaves in search of greener pastures and the age-old attachment to the soil gives way to frustration and despondency.

In turning to employment in industrial units, construction and low-level service jobs in the city, the transplanted villager not only loses a sense of identity and confidence but often begins to suffer health problems. One study in-fact has concluded that the migration in to urban areas is associated with an increase in obesity and diabetes, which drive other risk factors. It should be obvious therefore, that there is urgent need to come to grips with the urban-rural divide as it threatens to reach alarming proportions. Some corrective measures have been adopted by the government in recent years but those of us who work in villages, do not see any significant change for the better.

### Time to examine 'SMART village'

What is really needed is a direct, co-ordinated and comprehensive approach to rural problems. For instance, the smart cities program that has been launched by the government with much fan-fare is a very commendable initiative. At the same time a 'SMART village' project must also be launched, even on a pilot basis, to begin with. It would inspire confidence amongst the residents, lead to community involvement and overall regeneration. We all recognise the great impact that tourism can have on development.

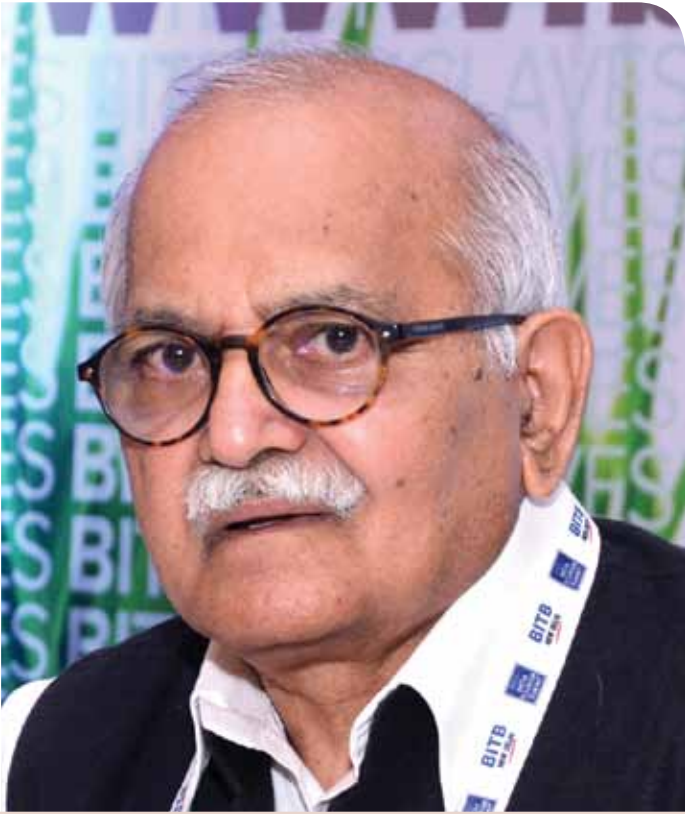
In recent years, there has been a growing recognition that this impact need not be limited to well-known circuits or golden triangles but can also result in tremendous gains for rural areas as well. Both international and domestic tourists are increasingly looking for experiences of ultimate luxury and the authentic experience of the rural life has a growing appeal. Our rural areas may suffer from poverty and lack of many things but are often extremely rich in one particular asset, that is heritage. In the rural context, heritage does not mean only monuments and architecture but encompasses crafts, music, performing arts, cuisines, rituals, history, natural environment, agriculture., lifestyle and other resources, both tangible and in-tangible. There is much talk of alternate and rural tourism but the ground reality is that most of the potential remains unexplored.

There is a need for an overall change in our mindset. At present, rural tourism does not figure actively in state tourism policy. It does find mention in the policy document of the Government of India but what has been the result? Most of these initiatives in this direction are emerging from the private sector with only a small number of exceptions by some state governments. One such private initiative demonstrates the potential and needs to be mentioned. Pandurang Taware, founder of Maharashtra's Agri Tourism Development Corporation (ATDC), and can be regarded as a true pioneer in the field. Established in one village, Baramati, in 2005, ATDC has in the short time grown to encompass 500 trained farmers and 152 agri-tourism locations in the state.

The concept of agri-tourism indicates agriculture and traditional culture with a pollution free environment thus providing a personal experience of the rural lifestyle. ATDC offers visitors the opportunity to experience local agriculture practices while also becoming acquainted with an authentic rural lifestyle, local music, food, dances, rituals, festivals and arts and crafts. It is a way for Urban Indians to discover their real or symbolic roots as well as a way for foreigners to experience another reality. If the lessons learnt from this brilliant initiative are to be applied on a broader canvas there is need for a comprehensive and well-co-ordinated policy taking various stakeholders on-board.

### A holistic approach, local involvement needed

Holistic approaches need to be developed ranging from infrastructure, training programs, finding local leadership that can add to the catalyst for change, the involvement of women and, of course, financing. Tourism automatically brings in economic benefits to society, primarily in regards to increased development but also in opening up economic potential for related activities in the area. Today these benefits are mostly accrued to urban areas and well known tourist areas. If a deep thrust can be given to promoting and developing tourism in rural areas, it can be one of the most effective instruments of rural re-generation. Although, many private individuals are taking up the challenges on their own initiatives, developing a truly comprehensive and nationwide movement requires a supportive, effective and meaningful co-ordination between many agencies concerned including the central government, central government ministries and state government departments of rural development. In addition, panchayats and other local bodies need to be involved. There is a vast vacuum waiting but if we can evolve our rural communities and tourism activities on a large scale, it will be a win-win situation for both the tourist industry and for the millions living in the villages.



**SK MISRA**  
CHAIRMAN, ITRHD

The role of government should primarily be that of a facilitator. Insuring a steady flow of funds where required, developing policy initiatives, organising training programs, developing infrastructure, particularly in regard to connectivity, drainage, assured power supply and adequate publicity and finances to keep the momentum going. Once the basic requirement have been met and the momentum established, local residents will take up the task with great enthusiasm. If basic facilities are ensured, tourists who desire to see the authentic India will start coming in much larger numbers. Repeat visits and new clients will be acquired by word of mouth. In addition to the revenue and employment generated by local hosts, many other direct and in-direct benefits and opportunities will accrue. The rich resources of our diverse rural areas can cater a variety of special interests, be it religious, anthropological, agricultural and so forth. Farm tourism constitutes a special category of its own.

### Tourism and social implications

With increased income, better living conditions, easy accessibility, urban centres for marketing products and availing of other products, the incentive to move from their rural homes will no longer exist. In the long run, rural tourism can make a significant contribution to arresting migration, making the villages attractive to their residents and might even result in some reverse migration. India is hundreds and thousands of villages and promotion of tourism in rural areas should necessarily be selective. Each and every village will not qualify. Those villages that are unique in some aspect and offer basic level of infrastructure will be more suited. The basic requirements of success would be having something for the visitors to see, experience, do or buy. Another aspect is to have clean, hygienic and comfortable places to stay and eat with basic sanitary facilities. In my view the most essential elements in planning for rural destinations would include the following:

- Creativity and innovation are essential.
- Activities, attraction and adventure can encourage visitors to stay longer.
- Culture and heritage are the strongest magnus.
- Partnership and collaboration are essential if rural areas are to benefit.

Establishing a rural tourism network will have a synergistic effect, benefiting all players. Once tourists start coming, local initiative combined with governmental support will ensure further augmentation of facilities, traction and activities including the development of social development measures in the fields of health, education

The role of government should primarily be that of a facilitator. Insuring a steady flow of funds where required, developing policy initiatives, organising training programs, developing infrastructure, particularly in regard to connectivity, drainage, assured power supply and adequate publicity and finances to keep the momentum going. Once the basic requirements have been met and the momentum established, local residents will take up the task with great enthusiasm.

and employment. Proximity to existing tourist destinations will be an added advantage as most foreign tourists with limited time at their disposal and perhaps a limited budget also would be attracted to spend an extra day or two to get an authentic experience, if they can do so easily. The catalytic effect of tourism over the course of time makes itself felt and this should subsequently be a motivating factor for policy makers. Of course, one should not expect wonders as results will not flow overnight. Development, particularly of the infrastructure, takes time. When the concerned villages take on a different colour, it will not go unnoticed and will motivate neighbouring villages to create attractions so that they also avail of the benefits. This spin off effect will bring in more villages in the fold. The experience of many foreign countries, both developed and developing, points in the same direction.

### New technologies could aid our efforts

Tourism and rural development can be seen as two sides of the same coin. There is urgent need however for all stake holders to join hands and evolve strategies that remove bottlenecks and roadblocks and create new avenues for long terms sustainable tourism.

Co-ordination is the key to success in any major activity but in the field of tourism sadly, it has not achieved the desired results despite constant talks and recommendations being made regarding the need for a co-ordinating body at the highest level.

It is certainly not impossible to achieve this provided we have the right people at the right place who are sufficiently motivated to move away from the beaten track.

The scenario today is not what it was even 10 years back. We have many positive factors in our favour, especially new technologies and digital revolution that allows us to communicate freely across the globe. Looking to the future, in states that have not taken up the initiative, a small number of pilot projects will demonstrate the potential. These will need to be well planned with inputs from relevant agencies such as agricultural universities, banking agencies, NGOs and concerned corporates. They need to include training programs, infrastructure development, adequate and timely funding as well as simplification. Tours of selected group of farmers and other successful projects could provide inspiration. To give greater focus to this concept, each state government may consider a rural tourism development corporation with a co-ordination group comprising other relevant groups and agencies and a specially designated officer from the Ministry of Tourism. ” **TF**





# Industry must become more vocal and active in taking the lead: Amitabh Kant

Amitabh Kant, CEO, Niti Aayog minced no words, alleging that the industry was failing in pushing the government on the tourism front. Calling the industry passive and silent, he pointed out how government’s inadequate destination marketing was not been highlighted by the industry. Excerpts of his discussion with Navin Berry, Chief Editor, Cross Section Media follows:

By PRIYAANKA BERRY

**NB: Do you see the possibility of a marketing fund for the industry?**

**AK:** I think it is a very good idea and you should take this forward. My view is that in the tourism sector the government doesn't perform and the private sector only talks. You must walk the talk and when you do that the government will meet you half way through.

If you don't do this, you will have the demise of tourism because the government is incapable of doing consistent and professional marketing over a long period of time. If you want to create a brand, it should be done by the private sector. A lot of capacity is now being created in terms of hotels, infrastructure and rooms, now you need about a 100x of professional marketing than what is happening right now. You need a huge penetration of brand India across markets and across the digital world. India must become the top most recall market amongst travellers which is not there right now. So you have created infrastructure and you have created rooms, now you have to ensure that the demand grows rapidly and that these rooms are filled and you create even more hotel rooms in the next lot.

**NB: From the days when you were in the Ministry say 17 years ago, now the whole canvas has changed many**

a great believer in earnings. You should target in terms of earnings to achieve a 5x growth in the next 3 years. It is also possible to enhance your per capita earnings. Its hugely possible to give a big thrust. Not in terms of numbers but in terms of value. Because now you have opened up the gates for electronic tourist visas. That is a huge move forward.

All the requirements for tourism are available now. There is no rational reason why India's tourism should not grow in the coming years. The only thing in infrastructure that you actually lack is great MICE centres. You need more convention centres. Which we have initiated. We are creating one of the biggest convention centres in Dwarka that is 5 mins from the airport and connected with 2 metros. Also, Pragati Maidan is being redone. MICE tourism will take a quantum jump. We at NITI Aayog are in the stage of planning for opening up the islands. We are doing 5 in Lakshadweep and 5 in Andaman and the next phase will have 20 more. The concept is a sustainable



AMITABH KANT  
CEO, NITI AAYOG

Today I feel the private sector doesn't make adequate sound. You should make a hue and cry. The priority of the government is growth with job creation. The multiplier impact of tourism is so immense and there is no other sector that can create such jobs. We haven't tapped the job creation potential of the tourism sector at all. My view is that there are 5 key areas where tourism needs to focus on.

”

I think the industry must have a greater voice to tell the government that it is miserably failing in doing destination marketing.

**fold. The current department of tourism is virtually at the same level as it was during your time. It hasn't grown in terms of numbers of people or professionalism. Do you something mega happening on this front with consultants or an enlarged tourism ministry?**

**AK:** The new General Financial Rules in government allows you a lot of freedom. In DIPP, I had taken on a lot of outside professional bodies that assisted and supported me in a vast range of areas. Here, in NITI Aayog, I have hired a lot of young professionals and a lot of consultants. These are young people from Harvard, Wharton and Oxford, they bring in all the life into NITI Aayog and they are the ones driving things. Same thing I did in DIPP; I had World Bank, KPMG working with me. It is good to stay lean and thin as a body but it should have the ability and flexibility to work with the best professionals from around the world which the present rules permit. So, I don't know why this is not being done.

**NB: How do see travel and tourism panning out?**

**AK:** See I am not a great believer in the numbers game. So, I won't say that from 8 million you want to go to 15 million or so on but I am

and holistic development. The other thing is to relax the CRZ in a manner to develop beach destinations. Rest is all marketing and incentivizing the private sector to contribute to the resources. With GST, tourism should be at the lowest level. If you want tourism to be a job creator, then it should be at the lowest level.

**NB: You mentioned the 160 countries where we have the E-Visas, has it produced the required numbers already or you expect it to take longer or are there other things that we need to do along with the roll out that are not happening?**

**AK:** The government has put out the policy framework. There might be some teething problems and those can be sorted out. Any facility is as good as or as bad as you market it. People around the world are not aware that you have an electronic visa facility. You need to market it aggressively. For this lack of awareness, I blame the private sector more that I blame the government.

**NB: We all know you are the creator of Incredible India which ran beautifully for first 3-5 years and now it has gone into a bit of a dormant phase. What would**

**you do if today you were given charge of Incredible India as a campaign, as a means of education and bringing in more numbers?**

**AK:** I never look back but only look ahead. Today I feel the private sector doesn't make adequate sound. You should make a hue and cry. The priority of the government is growth with job creation. The multiplier impact of tourism is so immense and there is no other sector that can create such jobs. We haven't tapped the job creation potential of the tourism sector at all. My view is that there are 5 key areas where tourism needs to focus on. One is marketing and promotion of E-Visas; improve the quality of infrastructure; you need to open up the MICE market and open up the beaches which have a huge potential; you need great amount professional and world class marketing in all areas; you need to focus on skill development and ensure that in GST you have the lowest level of taxes.

**NB: Many a times you said that you blame the industry for not doing certain things. Many of us including me think at times that the industry should take up a bigger challenge as a whole rather than their individual projects.**

**AK:** I think the industry must have a greater voice to tell the government that it is miserably failing in doing destination marketing. As group and as an industry I never hear your voice that the government isn't doing enough. I have been Secretary DIPP and I have interacted with every single industry; the tourism industry is the most passive and silent.

**NB: The sense I have always got is that whenever the industry is looking to meet the government it is regarding some tax reduction or the like. We have not gone seeking any broader picture.**

**AK:** I am a great well-wisher of the travel and tourism sector. It has huge potential for growth and growth in jobs. You need to work with many more states. You need 10-12 champion states in travel and tourism which is missing. After Rajasthan and Kerala, I thought you would have many more state which would create jobs through tourism. You need to work with Chief Ministers. Government has given 42% allocation to the states. The states have to make this their number 1 priority.

**NB: On this, my suspicion is that the government machinery is terribly vulnerable to the incumbent in power. You have a Secretary, he goes and the whole policy and priority is changed. There is no consistency in terms of endeavour, in terms of policy and objectives. Kerala success story is also due to continuity in thought process.**

**AK:** Kerala has continuity all throughout. You need to have continuity. The Kerala private sector is very vibrant unlike in Delhi. Their dynamism we don't see here. See the Kerala Travel Mart – supported by the government but totally driven by the private sector.

**NB: Do you think something like this is possible on the national level?**

**AK:** Yes, absolutely, why not?





# Multiplicity of authority barrier to growth of integrated infrastructure: Ashok Lavasa

In probably a first in recent years, the Finance Secretary of India speaks to the tourism industry at India Tourism Summit that took place last month in Delhi, on his take of Indian tourism as an industry. In the present government, he has already served three key portfolios. He was secretary, Civil Aviation and then the Environment Secretary and in both these sectors there was a fair amount of work done that has or will impact tourism going forward.

By PRIYAANKA BERRY

“I would like to make a few observations on the role and importance of tourism in the current context. We always refer to travel and tourism, and I was asking myself what is the distinction between a traveller and a tourist and I felt that perhaps a traveller is someone who wants to go from one place to another but a tourist is someone who wants to spend time, he wants to discover that place and understand different cultures and lifestyles.

The way the world is moving today, particularly the wave which people are calling anti-globalization, I ask how is it going to impact tourism? And I felt that what is happening in the world, the protectionist tendencies can provide a great opportunity for tourism. It is the tourism industry that can create a tourist attraction out of a wall and it is the tourism industry that can create a tourist attraction even out of wall that is damaged. The brilliance and the creativity of the tourism industry is about packaging and taking a product to the world in a manner that they find it attractive and want to experience.

Now there are a number of statistics to show how tourism is

contributing to the economic growth in countries and this shows that tourism is a sector that has a direct impact on economic growth and on employment generation and an indirect and induced impact which is far greater than the direct impact. In the current context where global tourism has been growing about 3.9% or so, the Indian tourism industry is forecast to grow at a much higher rate and this is what people also say about the general growth about the Indian economy as well. The way tourism growth has taken place in India, whether it is in terms of investments, or growth in arrival of foreign tourists, it is in the multiplication of domestic tourism, where India has grown immensely. Whatever be our grievance about the slow pace of growth but I would feel that India has grown a lot. I recall



ASHOK LAVASA  
FINANCE SECRETARY OF INDIA

We have still not been able to resolve the issue of multiplicity of authorities which are dealing with various issues. This becomes a barrier to integrated growth of infrastructure and tourism. Perhaps countries where a lot of progress in tourism has been made, my sense is that many of the local authorities are responsible for managing tourist attractions. In India, the situation is not that. It is not just the Taj that is to be preserved only but also how you get there and the entire experience around it.

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Atithi Devo Bhava has to seep into our citizens' sensibility and sensitively and only can we hope that India becomes a major destination.

in 1993, when I was in tourism and even the earlier days when people like Mr. Misra were in tourism, India was still talking of a million foreign tourist arrivals per year and now there are months in which you get almost that number. Along with this, there are some challenges which have come and we need to address those. For example, take the case of river rafting. 20 years ago, people hardly considered going for river rafting but now adventure tourism has grown in a rapid way and this has brought issues such as safety and environment to the fore. Now, unless we address these issues we will not have a holistic development of tourism.

The way tourism industry would grow is not only by direct intervention but you must look at the entire approach of the government. Such as *Swachh Bharat Abhiyan*, to improve the image of India. Another thing to emphasise is that resources that India has, finance is only one of the resources, others are heritage


and natural resources. How are you able to not only present these resources but also preserve them is very critical. Without preserving, we are looking at a very myopic approach.

The beauty of tourism is in its ability to connect with the local population. If there is a disconnect between what you are providing to an outsider who is visiting that place and the quality of the life in the area where that resource is located, the wider the disconnect the more problems you will have in promoting tourism. It is the responsibility of the government and the tourism industry to narrow this disconnect.

There is no better industry than tourism which is all inclusive and this slogan that we use of *Atithi Devo Bhava*, if it is going to remain just a spiritual statement, it will not help at all. I think this has to seep into civil consciousness. How do you make your citizens tourist friendly and not citizens who will scribble on noticeboards, or worse

responsible for managing tourist attractions. In India, the situation is not that. It is not just the Taj that is to be preserved only but also how you get there and the entire experience around it.

If you look at the allocation of the Ministry of Tourism and think that is the only investment that the government is making to promote tourism that would be a slightly unfair way of looking at it because of the holistic way of looking at it. You should keep in mind the various other programmes that the government runs and investments it makes and policies and schemes that are handled by other ministries that contribute to the development of tourism. Even if you limit yourself to the allocation to tourism, this year for example, there is a 16% growth in allocation to tourism. This is a big step which the government has taken.

I do believe that whether you see tourism an industry or not but there is a lot of industry in tourism. 

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## A mechanism for joint secretary level inter-ministerial interaction critical: V K Duggal

V K Duggal, after an extensive discussion with panelists, recommended some measures for 'Joining the Dots'. Excerpts:

### On Tourism

The outreach of tourism is total. It pans into each and every area, be it employment, or economic activity. Economic activity at the smaller scale, the medium scale, and at the large scale. It touches every person's life in some form or the other.

### On need for regular inter-ministerial meet to sensitize bureaucrats about the needs of tourism industry

All ministries are connected to tourism. I think Joint Secretary level interaction can be extremely productive. They have more time and understanding of the whole thing. They can push it in their ministries.

### On heritage tourism

One thing is fairly certain. When it comes to organising large events in the country, we have attained enough expertise. Some practical issues have been raised. Where museums are concerned, I think there is a general level of satisfaction. Where monuments are concerned, it is not only, within the precincts of the monument, it is the approach to, and the environment of the monument which also has to be looked at.

### Challenges and the way forward:

► **Formal structure for Joint Secretary level interaction:** There is a need to create a structure so that such an interaction takes place on a regular basis on a functional level. A meeting of various joint secretaries, chaired by Secretary (Tourism)

► **Multiplicity of authorities:** It comes into play. That is the problem we will have to address.

► **Liberalised policy on commercial usage of monuments:** Sensible and desirable level of liberalised policy where the commercial use of your ancient heritage is concerned. Not only palaces of Maharajahs who are converting them into hotels, but monuments as well. It creates publicity and you are forced to keep it clean.

► **Coordination among ministries:** There is a need for coordination between Ministry of Tourism and other ministries which can play a significant role in growth of tourism in the country.

► **Turf battle or ministerial priorities:** Challenges remain. It could be priorities of those ministries and departments; it could be turf battle. **TF**



V K DUGGAL  
FORMER GOVERNOR, MANIPUR

There is a need for sensible and desirable level of liberalised policy where the commercial use of your ancient heritage is concerned. Not only palaces of Maharajahs who are converting them into hotels, but monuments as well. It creates publicity and you are forced to keep it clean. There is a need for coordination between Ministry of Tourism and other ministries which can play a significant role in growth of tourism in the country.

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## Promoting indigenous sports will help tourism and culture: Rajvir Singh, JS, Ministry of Sports

Rajvir Singh highlights the untapped potential of indigenous games in attracting domestic and international tourists.

Unfortunately, we are not doing much to promote sports. Sports, in most of the leading countries, and I was reading their curriculum, is a mandatory activity in the school – and half of the European countries teach sports, some as competitive and some as participative, and team sport is compulsory in Europe and the USA. Not many of our school children play team sports. It is very important. I quote a report that by 2030, India will have its one-third of population affected by lifestyle diseases.

In Europe, when people go for tourism activities, they will take their bicycles along with them. Not many in India, I believe, do it. We have a lot of fun sports in India, indigenous, all across the country and they are dying a slow death.

Sports tourism in the modern sense can attract a lot of people, if we package it properly. The Ministry of Sports has been holding many events. But it was for the first time, and we in the sixty-eighth year of our republic, a conference of Ministers of culture, sports and tourism, of states and the centre, was held in Kachchh at the behest of the Prime Minister. It was done to promote sports, and through that culture, as well as, tourism.

I was Deputy Secretary, Agriculture in 2004, looking after a division called

coordination. In one department, if there are 11 divisions, people do not know what the other division is actually doing. Not many people would be knowing that FIFA Junior World Cup is being held in India. 24 teams will be participating in that event, and it will be held across six different venues. Delhi, of course, is one of them. Goa is already a tourist destination. Others are Kochi, Mumbai, Goa and Guwahati. We will also write to the Secretary, Culture and tourism, as well, that we are hosting and these are venues. We will also be organising 'Himalayan Region Games'. We were planning of holding them in the last week of April, but now they have been rescheduled for November. I wrote to 11 Himalayan states, and countries, consisting of Nepal, Afghanistan, Bhutan, Myanmar and Thailand – which will be participating, about the Games.

There are many indigenous sports, like Jallikattu in Tamil Nadu. It is a popular sport. We need to encourage such activities. A calendar of these events can be drawn up by the department of sports. We have not done that till now. The snake boat race in Kerala, bullock cart race in Tamil Nadu, buffalo race which has been banned in Karnataka, and you must have heard of the Rai Kilapur Rural Olympics. It attracts millions of people, including from abroad. A calendar of these



RAJVIR SINGH  
JOINT SECRETARY, MINISTRY OF SPORTS

There are many indigenous sports, like Jallikattu in Tamil Nadu. It is a popular sport. We need to encourage such activities. A calendar of these events can be drawn up by the department of sports. We have not done that till now. The snake boat race in Kerala, bullock cart race in Tamil Nadu, buffalo race which has been banned in Karnataka, and the Rai Kilapur Rural Olympics. It attracts millions of people, including from abroad.

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events can be drawn and sports can become a vehicle to grow itself, as well as facilitate growth in other sectors.

Sports is going to grow as a real-time

event, on a real-time basis, as a real-time entertainment industry in times to come. So, we need to promote sports and through that tourism and culture. **TF**



# AYUSH addressing lack of credibility, accreditation of yoga schools, says Ajeet Sharan

**Phoney Yoga instructors, ill-managed centres and complicated visa processes have all curtailed the growth of Ayurveda, wellness and yoga tourism in the country. Secretary AYUSH shared some important steps undertaken by the ministry to bring more standardization and quality in offerings. Excerpts from his address:**

**A**YUSH, for those who are not really aware about, is an acronym for Ayurveda, Yunani, Siddha, homeopathy and naturopathy. I will focus on Ayurveda and Yoga, because to my mind they have the biggest tourism potential, and to my mind we have not yet scratched the surface. Starting with yoga, of course, after the International Day of Yoga's announcement two years back, there is tremendous interest in yoga, and in coming to India to learn yoga. We have a large number of people coming from across the world. They are not novices, mind you, and they come from far a place as Peru and Chile in South America.

So, are we prepared to receive these people who come here to learn yoga? Absolutely not. There are many issues. **Visa hurdles:** Till recently, they could not come to India on tourist visa, and if they were coming on a student visa, they had to come through structured, approved, and accredited programs. So, there was no way for people to fudge and come for tourist destinations, and, clandestinely, come in a way, try and enrol in a yoga program.

With great difficult, we have managed to get yoga as one of the purposes for obtaining a tourist visa. Here again, if one has to stay for more than six months which many of these tourists do, because they are serious yoga students, they have to go back to Nepal, or Bhutan to get their visa renewed. We have tried that with the home ministry, but I do not know why they cannot get that renewed in India – and it gives a bad name. At one level, we are trying to get them to learn yoga, and on another level, we are trying to make things so much difficult for them.

**Lack of credibility and need for classification:** A person sitting in San Francisco signs up for a yoga program based on the website of that centre, and when they come here they find just a hole in the wall. Rishikesh alone has over 200 yoga centres. Rishikesh and Mysore are



**AJEET SHARAN**  
SECRETARY, AYUSH, INDIAN SCHOOL OF MEDICINE

two of the biggest centres for yoga learning in the country, but there is absolutely no infrastructure there.

Tourists feel cheated and file a police complaint. It leaves a bad taste in everybody's mouth. So, we are initiating a centre for accreditation of yoga centres. It is not going to be easy. We need cooperation from state governments'. Maybe, draw a leaf out of what Kerala has done in terms of classification of Panchkarma centres. There they have classified them among Platinum, Gold, Silver etc. based on some kind of categorization. I think it will go a long way in improving the credibility of the system, as far as learning yoga is concerned.

**Certification of yoga teachers:** Till recently, we had no way of categorising

whether the yoga teacher was good or bad. Yoga learning was happening in the most unstructured manner. Most teachers had a Sanskrit background, or at most an eight-month diploma from some place, and they call themselves teachers. There was no way of knowing the level of proficiency of the teacher. Fortunately, it has been sorted out. We have together a system of certification of yoga instructors. It is a four-level certification where Ministry of AYUSH, along with the Quality Council of India have put together this in place. There is a process of online registration, followed by an online exam. Till date, I think we have certified about 2000 yoga teachers – level one and two. Very soon, in the next six months, this level should cross 15,000. Swami Ramdev

**Rishikesh alone has over 200 yoga centres. Rishikesh and Mysore are two of the biggest centres for yoga learning in the country, but there is absolutely no infrastructure there. Tourists feel cheated and file a police complaint. It leaves a bad taste in everybody's mouth. So, we are initiating a centre for accreditation of yoga centres. It is not going to be easy. We need cooperation from state governments.**

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has a target of one lakh. I am fairly certain that he will achieve the target of having one lakh certified yoga instructors.

We have written to states to include yoga certification as a mandatory requirement when they have to employ a yoga teacher. This common certification will be a much better thing.

Similarly, we are going ahead with the accreditation of large yoga schools – where people come for a more structured program. We have certified Sri Sri Centre in Bengaluru. I think there are about 15-20 major yoga centres in the country, and in the course of the next few months we will be able to accredit these yoga centres.

## Ayurveda:

There are similar issues. I think in terms of value addition proposition, probably, Ayurveda has much more to contribute, even more than yoga, because people come here for two things: for wellness, and for serious medical treatment. A large number of patients come over for Ayurvedic treatment and, unfortunately, these are people who have lost hope of recovery from all other systems, and this is their last resort.

Issue, unfortunately, is more here on the supply side. There are only eight NABH accredited Ayurveda hospitals in the country. There are a few hospitals that are accredited, and those are also concentrated in the south which can provide serious treatment. But the potential is huge. People from across the world can come here and seek treatment for diseases.

## Wellness:

It is a very big segment. I recently visited a hospital in Trivandrum. It had a capacity of 180 rooms. I was, probably, the only Indian visitor there. There were visitors from Europe, and staying there for a minimum of 15 days. That is the kind of contribution Ayurvedic tourism can make for the country.

So, potential is huge. Challenges are there, but they can be addressed by cooperation with state governments. **TIF**

# Bharat Mala has significant ramifications for tourism; focus on wayside amenities, says Leela Nandan

**Apart from boosting existing road networks, the ministry intends to create last-mile connectivity, and coastal connectivity through an ambitious project – Bharat Mala. Also in the pipeline is construction of a number of wayside amenities on 33 locations, across 9 states in the country through the PPP model. Excerpts from her address:**

**W**hile I was in tourism, I recollect the number of meetings we used to seek with Road Transport and Highways Ministry, simply to push two-three key issues which are core to the entire debate about tourism. One is infrastructure, connectivity, especially last-mile connectivity to destinations and monuments. The other was the need for wayside amenities, because of all the transportation happening through roads.

## Bharat Mala has taken a holistic overview on infra augmentation

On the one, I will tell you that the argument is same as it was all those years ago. When we look at the entire business of identifying National Highways for upgradation and expansion, we really look at the term called PCU – passenger carry units. So, the volume of traffic is something that determines how they will be expanded and upgraded, and there is a lot of engagement with state governments. That was the case earlier. It continues now. So, I feel that we need to keep doing advocacy with states, and within the states it has to be PWD and transport department. These are the departments

within state governments which will interact and bring proposals, and make sure that these proposals are mainstreamed in the ministry's plans. That notwithstanding, we are embarking upon an ambitious national program called Bharat Mala – where we are trying to take into account coastal connectivity, ports and border connectivity.

So, tourism does find a significant mention in our Bharat Mala plans. Hence, it is all the more required that there is interaction with state governments, so that the ones which are urgently required to upgraded are posed to the central government.

## Wayside amenities:

I am happy to share that the Ministry has come out with a very pro-active policy, having identified 33 locations, across nine states in the country which are along National Highways. Wayside amenities will be developed on the PPP model, so that either there are combined wayside amenities for cars and buses, or only for truckers, or only for cars. These would include restrooms, eating facilities and Wi-Fi etc. This policy has been approved and rolled out. These 33 places will be put-out for bidding very soon. We hope that



**LEELA NANDAN**  
JOINT SECRETARY, ROAD TRANSPORT AND HIGHWAYS

**I am happy to share that the Ministry has come out with a very pro-active policy, having identified 33 locations, across nine states in the country which are along National Highways. Wayside amenities will be developed on the PPP model, so that either there are combined wayside amenities for cars and buses, or only for truckers, or only for cars. These would include restrooms, eating facilities and Wi-Fi etc.**

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amenities will come up very soon, and we hope that tour operators and individual tourists will benefit from this pro-active stance of the Ministry.

We really need to be connecting on a regular basis. 'Joining of Dots' should

not be confined to this dialogue, but should continue beyond it, so that issues that have emerged after this discussion is taken forward by us in our respective ministries, and we can factor them in our plans. **TIF**



# Government serious on expansion of aviation infrastructure and connectivity: Arun Kumar

The Ministry of Civil Aviation has plans of adding more teeth to air-connectivity, especially in tier-2 and tier-3 cities. While congestion at available airports is an issue, it is an international phenomenon and new airports are being added to address it, he said.

I will talk about two types of tourism that we can envisage – domestic and international. On the domestic front, our job is to join the dots. Provide the ecosystem, environment that people can fly. So, encouraging airlines and building more airports are some of the things that we are currently doing. The domestic traffic growth in India, at the moment, is around 25%, except for the blip in the month of February when it came down to 17%, for 21 months it was growing at 25%. In the last five years, 60 million to 110 million is the growth in numbers, making us one of the largest domestic markets in the world.

most liberal regimes in the world, and we have allowed our country to be connected with the world, as much as possible. Emirates, Qatar and all the other big airline companies are flying 9-10 destinations into the USA and in India while the USA is geographically three times bigger than India. **Policy of 18 destinations:** It is also a sound policy initiative for promoting tourism. We allowed this to SAARC and ASEAN countries, and here the growth has been phenomenal. Singapore and Bangkok have been connected to these 18 destinations. If you remove a couple of airports from these 18 destinations, other are our top airports,

The cabinet has sanctioned 4,500 crores for promoting smaller airports which could include places like Pondicherry and Jaisalmer.

On the international front, our numbers have also swollen to 55 million. If you add the two, it makes it to 175 million – sixth or seventh largest market in the world.

#### Policies on the international front:

**Open Sky:** Open Sky means no limitation on traffic rights, and any number of flights can be mounted on both sides. We have offered it to around sixty countries. I am happy to share that we have, so far, signed Open Sky agreement with 14 countries. Spain, Netherlands, Serbia, Sri Lanka and Greece are some of them. We already have Open Sky agreement with the USA and the UK.

India's bilateral traffic regime is one of the

like Ahmedabad, Goa, Lucknow and Jaipur. They are all having tourism, and helped us connecting destinations like Gaya and Varanasi.

As far as I am concerned, there is a case for expanding this list. It could be Madurai, Coimbatore, or any other destination. It can be examined. Basically, we are facilitating flying from SAARC and ASEAN countries.

Other than that, we have significant connectivity with the Middle East. There too, we have very liberal bilaterals; we have given more than a lakh seat to the UAE.

So, we have very liberal bilateral regime, but it has hurt us a little, in terms of not allowing our hubs to grow.



ARUN KUMAR  
JOINT SECRETARY, MINISTRY OF CIVIL AVIATION

We have been building airports. Kapil Kaul remains very concerned about the constraints facing Indian airports, but I will just submit that all the big airports, all over the world, are constrained. In fact, in Europe, they have pricing based on the congestion level at the airport. Delhi airport is getting congested, but with the UP elections getting over, we expect another airport to come in Delhi as well. Mumbai will have another airport in 4-5 years.

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#### On the domestic front

It has been phenomenal. We have been building airports. Kapil Kaul remains very concerned about the constraints facing Indian airports, but I will just submit that all the big airports, all over the world, are constrained. In fact, in Europe, they have pricing based on the congestion level at the airport. Delhi airport is getting congested, but with the UP elections getting over, we expect another airport to come in Delhi as

well. Mumbai will have another airport in 4-5 years.

The cabinet has sanctioned 4,500 crores for promoting smaller airports which could include places like Pondicherry and Jaisalmer etc. So, we are connecting the dots; we are building the infrastructure. Our airlines are robust. We are adding 50-60 aircrafts every year. So, we have huge capacity and I guess we, on our part, will try our best and do our best for tourism. **TIF**

# MoUD will demonstrate success in SMART cities mission before replicating the model: Kumar Vinay Pratap

SMART CITIES mission is an expensive exercise and has its limitations. Therefore, the ministry plans to execute projects and demonstrate success before implementing them on a larger scale. Excerpts of Kumar Vinay Pratap's speech at the gathering:

I am going to talk about three flagship missions undertaken by the MoUD: Swaccha Bharat Mission, SMART CITIES mission, and HRIDAY (Heritage Development and Augmentation Yojana). All these missions have an externality, in terms of returns that they will produce for tourism. We have not directly consulted Ministry of Tourism, or the tourism industry while drawing these missions.

There are a lot of misgivings about the SMART cities mission. The mission was

developed as a SMART city.

So, the idea is to start small, demonstrate success, and replicate within the city and across cities within the nation.

As I said, you develop these areas with developed country infrastructure, because it is very important to demonstrate success. We spend a lot of money, but do not get much in return. So, there has been a new thinking in this regard.

In terms of connection to tourism in SMART cities, each of the SMART city

Several national programs have major implications on tourism. Swaccha Bharat Abhiyaan touches every part of the country.

HRIDAY mission is directly related to tourism. 12 cities have been selected to improve infrastructure and access to the heritage sites – and, obviously, there will be returns in terms of tourism.

brought in 2015, its tenure is till 2020, and the government of India is putting in rupees 50000 crores on the mission. That is a very small sum with regard to the requirement. Like the government is planning on developing 100 SMART CITIES. 60 have been declared till now, but the areas of cities are very small, because it costs a lot of money. For Delhi, area under NDMC is being

proposal for these 60 cities that we have received have proposals about developing the core city area. For example, the proposal of NDMC talks about the making Connaught Place pedestrian only. It would be a no-vehicle area, and come up around March 2018.

#### Swaccha Bharat Mission:

It was launched in 2014. The idea is that



KUMAR VINAY PRATAP  
JOINT SECRETARY, MINISTRY OF URBAN DEVELOPMENT

There are a lot of misgivings about the SMART cities mission. The mission was brought in 2015, its tenure is till 2020, and the government of India is putting in rupees 50000 crores on the mission. That is a very small sum with regard to the requirement. Like the government is planning on developing 100 SMART CITIES. 60 have been declared till now, but the areas of cities are very small, because it costs a lot of money.

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our cities are not too clean. So, we have to bring about better measures for solid waste management; waste to energy projects, and waste to compost; and to make our cities open defecation free. That is a major issue in India. We are the open defecation capital of the world. So, it extends to all 4041 towns and cities which have been declared in India. Unlike the SMART city mission, it covers the entire canvas. We have had some success. Maharashtra and Gujarat have already

been declared open defecation free.

It requires a lot of behavioural changes. You can put in money, but unless people realise it themselves, these changes will not happen.

#### HRIDAY Mission:

Directly related to tourism, 12 cities have been selected to improve infrastructure and access to the heritage sites – and, obviously, there will be returns in terms of tourism. **TIF**



# ASI planning to restore and conserve all monuments under its ambit, says P L Sahu

The Ministry of Culture is planning to conserve and restore over 3,600 monuments falling under its jurisdiction. In a bid to ensure global standards, it has undertaken several projects under the public-private partnership model. P L Sahu, Joint Secretary, Ministry of Culture addressed the gathering, informing the audience about ministry's initiatives and how it would positively impact travel and tourism in the country. Excerpts of his speech follows:

**On the thriving examples of community development in the country.**

I want to begin with talking about a meeting that was held a couple of months back in Kutch. The meeting was attended by about 300 officials from the state government, the central government, ministers of state as well as central governments, who came together to have a coordinated approach for tourism. The beauty of this confluence is that the tourism ministry brought out the report of the summit which was shared with everybody and time was given to every ministry from, both state and centre, to work out a strategy for development of tourism.

I personally went to Kutch twice and I can vouch for the fact that it is one of the best examples of community development. My first visit, I saw for myself the poverty in that part of the country. Now, if you go there you can see for yourself that there is a thriving 150 crore business running there.

**On the ministry's vision to preserve and**

**We have introduced the system of 100 Adarsh Monuments where world class facilities will be provided.**

**promote Indian cultural heritage**

Coming back to culture, the vision of the culture ministry is to preserve, conserve and promote our cultural heritage. To use the cultural legacy of the country for soft power, diplomacy and of course, to promote culture, both tangible and intangible. I will restrict myself to the tangible cultural heritage of the country because it directly impacts the tourism sector. By tangible I mean the great and ancient monuments that we have which are maintained by the Archaeological Survey of India and the museums, where the tourism footfall is quite large. Taking in to account some of the statistics, we have roughly 50-60

million people visiting the monuments in the country and roughly 20 million tourists visiting the museums. We have 7 museums as well as about 44 site museums of the ASI, we have about 25 science centres and all of these make for about 20 million visitor footfalls.

**On the work undertaken by the ministry to see through the vision of preserving and promoting Indian Culture**

Talking about what we do in the ministry to promote art and culture, as mentioned before I will stick to the tangible part, particularly the work of the Archaeological Survey and the museums. If you look at our cultural heritage, the outstanding universal values of the cultural heritage of India, we have 35 cultural and natural sites in India today which have the world heritage tag given by UNESCO. Looking at 2007-2012, not a single heritage site of India was actually inscribed and if you now look at 2014 onwards, 12 of these sites are now inscribed. This also

includes the intangible heritage culture. For example, Yoga has now been inscribed. So, out of the 35 cultural heritage centres or sites in India, we have about 27 cultural sites and about 8 natural sites, for which we take support from the ministry of environment and forests and process the files for giving them the cultural heritage tag. What we have done actually in the ministry in the past couple of years is that we tried to improve the legal framework on which we can work as well as founding a national committee which includes the best available experts to work with and we asked the experts to create dossiers. So, we are working really hard to



**P L SAHU**  
JOINT SECRETARY, MINISTRY OF CULTURE

On the monuments side, we have now started adopting some of the best practices available in the world today. We are using the Public-Private Partnership model to do conservation work. Some of these sites that this model has been implemented in have seen footfalls grow as much as 20%. There are many other things on which we are working. The government has allocated 350 crores to protect and create boundaries around the monuments.

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convert more and more of these sites in to global sites.

**World's best practices and PPP model to better conserve heritage**

On the monuments side, we have now started adopting some of the best practices available in the world today. We are using the Public-Private Partnership model to do conservation work. Some of these sites that this model has been implemented in have seen footfalls grow as much as 20%. There are many other things on which we are working. The government has allocated 350 crores to protect and create boundaries around the monuments. We have just made a must-see portal where information about the best state as well as ASI protected monuments is available for tourists. We have introduced e-ticket

facilities as well as cashless facilities at the monuments. We have around 116 ticketed monuments in the country. There are 17 festivals of India which we organise abroad which is a record in itself.

This year to showcase our art and culture we organised Sanskriti Mahotsava and Bharat Rang Mahotsava by the National School of Drama. We are going to hold the 7th edition of the Theatre Olympics in the country which is a huge achievement in the global forum. We have introduced the system of 100 Adarsh Monuments where world class facilities will be provided. India has about 3 lack monuments in the country and the ASI just has 3,686 of those monuments under its protection. We are coming up with a scheme to restore or conserve all of these monuments. **THE**

## Delegates come together for a comprehensive overview on tourism, network on the sidelines







## Tourism, wellness and hospitality key sectors for ‘Make in India’: Atul Chaturvedi

A multi-pronged effort to make processes simpler, infrastructure more robust and approach more in tune with global times was already underway, iterated Atul Chaturvedi, Joint Secretary, DIPP. He detailed how the government was proactively addressing key lacunae by working on removing bottlenecks. Excerpts of his speech:



**ATUL CHATURVEDI**  
JOINT SECRETARY, DIPP

There are a number of things that are happening on this front. There are 21 new cities, six industrial corridors, and top of that corridor is the Delhi-Mumbai industrial corridor, in the offing. All these are being planned to ensure that we provide plug-and-play kind of a facility to the investor. Delhi-Mumbai industrial corridor is the biggest infrastructure project happening anywhere in the world. It is a 110 billion US dollars’ investment opportunity.

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**On making processes simpler**  
‘Make in India’ is basically a pillar of a new and resurgent India and there are several new things that we are looking at. At the top of the agenda is obviously new processes. We are looking at processes that are coming in the way to making any investment, and how do we do away with those hurdles. Therefore, the whole aspect of ease of doing business becomes very important.

A number of things have been taken up at the national level and at the state level. Amitabh Kant mentioned about state rankings and ‘name and shame’ and how it is going to change the ground situation with reference to ease of doing business is something we are looking at.

Second is the new sectors. As I mentioned that in Make in India we are looking at 25 new sectors

body, World Bank or any other international organisation, they have been talking about India being one of the most open economies of the world.

### A new approach

Third is the new approach. We are looking at several other things, other than Make in India. The PM is talking about Digital India, Skill India and how these things go together to make the right kind of investment to motivate investors, who come and make in India. These national initiatives are an important aspect of a new approach to make in India.

### Infrastructure

There are a number of things that are happening on this front. There are 21 new cities, six industrial corridors, and top of that corridor is the Delhi-Mumbai industrial corridor, in the offing. All these are being planned to ensure that we provide plug-and-play kind of a facility to the investor.

**FDI and rewriting FDI policies is a key component of the ‘Make in India’ initiative. India is one of the most open economies.**

‘**M**ake in India’ was conceived when the government realised that how complex and complicated we had made India with reference to doing business and making any investment in India. The story with reference to manufacturing was missing and how do we bring that into focus was the idea behind ‘Make in India’.

Therefore, 25 focus sectors were thought off and, among those 25 sectors, tourism and wellness were also two sectors. Whatever is being done with the help of all the sectoral ministries and departments, with the help of state governments and private industry, is towards tourism, wellness and hospitality sectors.

and how do we bring about right kind of investments, policies and processes. How do we become a part of the global chain and how do we supply to world? So we are trying to bring in the right technology and processes.

FDI and re-writing of the FDI policies is a key part of the ‘Make in India’ initiative. That is why world over, whether it is a UN

Delhi-Mumbai industrial corridor is the biggest infrastructure project happening anywhere in the world. It is a 110 billion US dollars’ investment opportunity. That is the kind of investment that is going to happen in this particular corridor. The SMART cities projects, which consists of around 100 cities, has also being launched simultaneously. **TF**

**MAUREEN LEIBL, Director, Muse India Heritage Concepts**

## Carefully organised and developed museums and monuments can have a massive impact on tourism

“**T**he need to re-invigorate our museums is widely acknowledged but it is a major issue that requires serious discussion and inputs from many people more qualified than I am. However, I can unequivocally confirm that museums throughout the world have a strong impact on tourism and a quick search on Google will give dozens of studies and research papers giving back up documentation and statistics. I will quote just one source here, the national museum director’s council of the UK, which has said that, tourism is an important part of the UK economy and the 5th largest industry in the UK. Museums and galleries are key drivers of British tourism and play a significant role in attracting visitors and in building the British brand overseas.

I should mention here that in Jodhpur, where I do most of my work, we are seeing such an increase in domestic visitors. Domestic tourism seems to be a growing thing here and in fact just recently I was looking at our visitor’s book and I found some very interesting comments from some domestic tourists. One person said “My wife and I travelled all over the world. We love to visit museums and monuments and

after today I can hold my head up high because we have a monument that can match any other in the world.” Another young man who was an NRI said that “I have lived in America for so many years and have always been ashamed when people ask me about museums in India. After coming to Mehrangarh fort, I now know what I can talk about.”

This is the impact that carefully organised and developed museums and monuments can really have. I think on this issue, it might be very good to organise a museums and tourism summit in India in the future. To give our cultural policy specific road maps that can be followed to increase the role and impact of our museums in general as well as there still unexploited potential to effect tourism. On the subject of souvenirs, I can speak with more authority. This small company that I established in the late 1990s, Muse India Heritage Concepts, focuses on projects that fall under the category of cultural commerce, primarily museum shops. Shops have been staple of the museum experience in most parts of the world for a long time but when I became involved in this in the late 90s, it was an unknown concept in India.” **TF**



**MAUREEN LEIBL**

I think on this issue, it might be very good to organise a museums and tourism summit in India in the future. To give our cultural policy specific road maps that can be followed to increase the role and impact of our museums in general as well as there still unexploited potential to effect tourism.

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STEVE BORGIA, Co-founder, EcoTourism Society of India

# It is all about one big dream for a beautiful idea called India and we need to do it together. Let us unleash India

“We keep talking about India as a very incredible country but it is also very unlimited. Many worlds in one country. I established my first rural tourism project after my stint in UN and I found a whole world in one village. After 20 years, we are talking about Make In India but things have already been getting made here so maybe we need to rename the campaign, ‘Remake In India’. We speak in about 2000 languages; write in 50; introduced the art of counting to the world; introduced air-mail to the world 12 years after the British introduced postal services, and a whole lot to come.

**Development can destroy, too!** Ancient cultures, practices, lifestyle, history etc. are being a part of people and land even today. There are cultures, 450-500 years old, which are practiced year after year without a break in many villages. India travelled, created monuments, festivals and experiences as old as the human civilisation. India is the only country that can sell emotion today. I hope the revolution continues and I think it is time we go in for a second revolution because without a revolution nothing happens in our country and I think the day should start today. What really went wrong? I think things went terribly wrong in the last 100 years. We have smashed monuments, stolen artefacts, threatened regions, lost villages, lost cultures and so forth. 3 years ago, I took a group of my friends from Rajasthan to a place called Chettinad, Tamil Nadu, and showed them a typical house in the village.

Today the mansion which is a typical house over there lies in ruins. The doors have gone to Singapore, Mumbai and Delhi. The windows have gone. You can re-cycle and use every bit of these houses. Development too destroys. You want to broaden a road, kick 100 temples, break statues, cut trees but innovation from our side can reverse such destructions after protest. There is a beautiful temple, nearly 150 years old, on the Tanjore belt. The temple got broken and the statues were thrown away. I protested and took the concerned people to court but could not stop. Finally, I had to buy those statues and put them in one of my palace hotels. The Madras Central Prison, an 1837, 7 tonne gate. Produced in Birmingham and shipped all the way to India by the British. Just because my CM was locked there for a day, she decided that prison shall not stay. She broke the prison and gave it to a dealer. I had to buy the door and now it is in my museum in Mahabalipuram. Similarly, one of the best palaces ever built in the southern part of India, called the Mint palace, crafted in Shekhawati by Rajasthani sculptors. Each stone brought to Chennai and set by Chettinad craftsman. A four-story beautiful palace. Somebody needed that pathway to gain entrance for a shopping mall they were building and the palace was broken. I got a stay but could not stop it, came to Supreme Court and lost. Finally, I had to end up buying that palace, remove it stone by stone and carry it 400 kms. away and it was kept in my garden. I did not know what to do. Finally, we erected it in the village and it has now become



STEVE BORGIA

Tourism in India is not about what you see but how you see it. Infrastructure and service are the areas which need to be looked into. If you believe this can happen then let us setup a responsible tourism promotion council. A pan-India organisation, headed by area experts supported by a bureaucrat. It is all about one big dream for a beautiful idea called India and we need to do it together.

the lobby of one of my hotels. So, there is a reversion process. There are dark buildings, condemned and broken. You do not care for them and they go bad and finally it is deemed non-liveable and broken. Yercaud, we say there is no water. The amount of construction the place has seen, of-course there will be no water. Then it is deemed not good for human living and is thrown. Labour goes away, coffee plantations die. So, what we did is that I created a hotel inside a 100-acre coffee plantation without cutting a single tree. The hotel had 100 rooms, was located in a hill station, has a beautiful water treatment plant and a sewage treatment plant. Now I have water in that single hotel to irrigate 600 acres of the coffee plantation. We produce the best

coffee called Tipperary and I export it to England. The Tipperary coffee has a premium right from the days of the East India Company. The hotel got awarded the 6th best idea for greening the world, by fortune magazine, and the 3rd best idea, incidentally, was the Amazon forest. Thanks to rural poverty, many villages have been abandoned. So, I picked up 3 beautiful villages, restored them and launched something called The Rural Tourism Society of India, way back in 1990. When I came back from the UN and was wondering what to do in India, I found a big opportunity and today that hotel has 125 rooms. All those villages have been converted in to a beautiful hotel. Not only the per capita income went up two times and now they say it is a village in a

hotel. Now, we have to look at selling products where you can hear, touch and feel India.

**Responsible Tourism Promotion Council could address the lacuna** The tourists must be taken as close as possible and given experiences like these. We need to give them immersion experiences. Teach them to ride bullock carts, give them licences to ride bullock carts; teach them to drink coconut water with palm leaves; give them native food but give them excellent stay quality. We need to take the style to total nativity. If we can manage to achieve these things, then finally people will want to listen to our story. All that we need is a story to tell, history to connect and a wiz-kid to sell. In the good old days, there was no wi-fi, no brochures and yet the whole world came here. They took so much, yet we have so much to offer. Now, India is a natural niche market. The past is a product and it will be the future. Add responsibility to it and India will be an unprecedented country which is unique, interesting and having a price advantage. Take tourism to under developed regions and sustainable tourism will automatically come in. Tourism in India is not about what you see but how you see it. Infrastructure and service are the areas which need to be looked into. If you believe this can happen then let us setup a responsible tourism promotion council. A pan-India organisation, headed by area experts supported by a bureaucrat. It is all about one big dream for a beautiful idea called India and we need to do it together. Let us unleash India.”

RAKESH MATHUR, Former President, ITC WelcomHeritage & EC Member, Indian Heritage Hoteliers Assc

# Tourism in India is essentially about heritage. But what have we done about it?

“Let me tell you that I only discovered my country after I joined welcome heritage. I used to be flying in and out of big cities and it was only later that I went and saw what this country is all about and what is the fabulous resource of heritage that we have. Tourism to India is essentially about heritage. But what have we done about it? How many people over here know that in the state of Assam, between Guwahati and a town called Margherita, there are about 18 golf courses in 21 tea estates with about 18 beautiful country homes which are all dying a slow death. These are all heritage homes built during the early 20th century. Similarly, I can give you an example of places like Jageshwar or places like Patal Bhuvaneshwar. Heritage homes in these cities are selling space to display election posters because they do not have the resources to maintain them. This is an actual fact. Therefore, there is a disease somewhere we need to address urgently. I will stick to heritage hotels as a lot has been said about rural tourism etc. as you cannot de-link all these. Heritage hotels are mostly essentially located in rural areas. Nothing can be maintained or sustained till it is financially productive or profitable. Let us start with that premise. What are the problems of heritage hotels? The answer is very basic and there is no rocket science over here. Let me begin with the problems and then I will also sug-

gest some quick solutions. Firstly, the cost of restoration and conversion is so high. I think everybody understands that these buildings were made hundreds of years ago, and therefore the entire infrastructure, if it needs to be revived, the cost is much more expensive than setting up a new hotel. The second problem is that the title deeds are not clear. Most of these heritage assets belong to what we call royalty and they were responsible for giving title deeds to others. In many cases, they did not give title deeds even to themselves. So, they actually have no papers, this is an actual fact. Now, where do you get these title deeds from? And if you do not have the title deeds, you are not eligible for any loans. Change of land use. We have had cases where because some properties are being converted to hotels, the governments are insisting that you apply for CLU from domestic to commercial. Now, these are large land banks. The moment you say that you have to pay commercial fees for change of land use, it becomes totally unviable and unproductive. Most of them are rural based and because of issues like lack of infrastructure, electricity, water problems, sewage problems, drainage problems and of course lack of skilled man power in rural areas. There is a very interesting, small but very significant thing that we have been talking about for the last so many years. The bars and the restaurants in these hotels are not commercial. They do not have a



RAKESH MATHUR

We need to give them considerations in thing like CLU and bar licenses and so on and so forth. We need a consistent luxury tax policy across all states. We need to create an equity fund through some special purpose vehicle of about 100 crores whereby they can get investment support as I said a lot of them cannot entitle themselves to loans.

walk-in customer. It does not make any sense for a hotel owner in a village to pay license fee as per commercial bar rates. Lack of resources to market individual holdings just because they do not fit global norms and of course lack of individual resources to impact the environment. What are the solutions? I think we need to constitute a national heritage hotels and tourism promotion board to formulate policy along with the Indian heritage hotel association and it should be common to all the states because currently policies vary from state to state. We need to package incentives and subsidies to incentivise them to revive their properties

and give them tax holidays. We need to give them considerations in thing like CLU and bar licenses and so on and so forth. We need a consistent luxury tax policy across all states. We need to create an equity fund through some special purpose vehicle of about 100 crores whereby they can get investment support as I said a lot of them cannot entitle themselves to loans. Since we spoke about domestic tourism being important, most heritage hotels are connected through roads and every time you build a new highway, it becomes a high street with building on both sides. No modern, western or

enlightened country allows buildings on highways and travelling on these roads is dangerous. We need to make road travel a lot safer in these places. The railways for some reason reduced the number of first class cabins and bogies. Can we not introduce a nice air conditioned tourist chair car in every train across the country to encourage the discerning traveller to go to these places? And of-course we need to do something to introduce skill training institutes in these areas which will lead to local employment generation. As far as marketing is concerned, we need a central fund to promote heritage hotels. You can use the heritage hotels association as a nodal body. We have just come up with a concept of the Indian heritage festival and mart where I think we need government support. This is a very different concept where the buyer instead of coming to a stall where the owner is sitting and trying to sell experiential tourism, we are taking the buyer to hotels where they can actually experience. We have created 27 circuits and I would request that something be done to promote this kind of an initiative. Lastly, I want to add one more point, that a lot of heritage buildings and cities are occupied by the government and are dying a slow death. We should do something to convert them in to heritage tourism assets. You can build new offices and convert these in to some kind of tourism asset including hotels.”



# Andhra presents its case as the Best kept Secret among Indian destinations

**Srikant Nagulapalli, Secretary Tourism, Andhra Pradesh was recently at India Tourism Summit as the partner state. He made a presentation on how the new state of Andhra, for all your familiarity with it, was offering green field opportunities for hotel investment. Below is an excerpt from his presentation.**

By **ANAGAT CHOUDHARY**

“**A**ndhra Pradesh is a new state with an old name. The state is about 1,000 kms long on the east coast of India and is closest to South-East Asia. After the bifurcation of the state, we have identified tourism as one of the major drivers of the state economy and accordingly certain policy frame work and targets have been set for implementing the tourism policy. The state has targeted about 8% of the GDP share as far as tourism is concerned with about a million jobs in the next 10 years.

## **Pro-active policies and a government that understands the importance of tourism**

A very good tourism incentive policy has been put in place which is ranked the best in the country by WTTC 2 years ago. The state has also been ranked number one in ease of doing business this year. We have a very pro-active CM, Chandrababu Naidu, and the kind of importance that is given to the tourism industry is immense. In the last 2 years, we have seen about two thousand new hotel rooms added and we still have a lot of shortage of hotel rooms because all the 5-star hotel rooms got left behind in Hyderabad. Unfortunately, we did not get a share of those hotels so we have to build these hotel rooms afresh.

## **Investment promotion and creating associations top agenda**

The tourism policy currently focuses primarily on increasing footfalls and we have a target of about 50 lakh footfalls by 2029. We are already in the top four in terms of domestic arrivals and this is primarily because of religious tourism. Andhra Pradesh has the highest footfalls in terms of the temples. We have the best managed temples in the country. The current focus of the policy is on investment promotion and unfortunately, when the state got bifurcated we never had any tour operators. So, we are now in the process of creating associations for tour operators in Vizag, Amravati, Tirupati and Anantpur with each of these areas linked to an international airport. We have a lot of incentives which are being given to these tour operators to

participate in domestic as well as international marts as part of creating the demand for the products that they have. This state is divided in to about 5 hubs with 30 priority destinations. When we are attending most of these national or international marts, the feedback that we are getting from them is that they would like to come here for the culture and heritage of the state. So that is what we intend to convert in to products and sell. When we were a united state we never felt the need to promote or market our tourism assets but after the bifurcation we saw that we have very beautiful assets in terms of having the largest tiger reserve in the country in Srisaillam, which very few people are aware of, we have a location in Karnool which is one of the two places where human beings have evolved over the last 2 lakh years.

## **Vizag a growing MICE destination**

Many such products exist but we have major challenges in terms of the international airport, e-visa and things like that. Apart from that the new capital is also becoming a destination for many of the international tourists, especially Amravati because of its 2500 years old history. This is the 5th time that location is becoming the capital of a political entity. That is a place from where Buddhism got exported from our country to the Far East. Incidentally this story was narrated by the Japanese Prime Minister to our Chief Minister when he met him first, three years ago. Vizag is again fast becoming a MICE destination where we are having a lot of business travellers that are coming in. These travellers are tending to stay back for a couple of extra days and extending the stay. We have a lot of opportunity there in creating good tourism products or enhancing the value of the existing products. We currently have a pipeline of about 14,000 crores investment which has been signed up by way of about 113 MoUs and each of these MoUs we track on an



**SRIKANT NAGULAPALLI**  
SECRETARY TOURISM, ANDHRA PRADESH

This year we have targeted about 1500 crores with the focus being on hotel resorts and water sports because of the large number of water bodies and very long coast line... The state has identified 2 locations as special tourism zones where we have, taking from the recent budget announces, worked on the basic concepts. That is another area where a lot of investors have expressed interest.

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almost weekly basis with escort officers. This year we have targeted about 1500 crores with the focus being on hotel resorts and water sports because of the large number of water bodies and very long coast line. A number of water sport operators are setting up their shop in Andhra Pradesh. In the last 1 year itself we have 15 locations where these facilities are being setup. Vijayawada and Amravati, we have the Krishna river where we have one of the largest islands in fresh waters. These are almost 4,500 acres of islands located between two cities. This is another location where a lot of investors have visited in the last 2-3 months and are setting up about 10 locations to create a route for operating jetties. Another focus area that we have is Konaseema which is similar to the back waters in Kerala. Probably quite different in terms of the culture, food and heritage. That is another location that we will be focussing on in the near future.

## **Special Tourist Zones in the offing**

The state has identified 2 locations as special tourism zones where we have, taking from the recent budget announces, worked on the basic concepts. That is another area where a lot of investors have expressed interest. We have some properties of tourism development corporation which we are more or less privatising and almost 50% of the privatisation has been completed. We intend to withdraw from these properties and move the tourism development corporation to different areas. Also, a large number of PPP projects are being undertaken. We have identified around 60 land parcels and most of them are available on our website. The project ideas, information and memorandum for the same are on the website as well. Apart from this, in the next 4-5 months, we will be setting up a unique anti-submarine aircraft museum. ” **TF**

## **RAJEEV KOHLI, Joint Managing Director, Creative Travels**

# Government must talk to us as equals, throw away archaic policies

## **On what it would take for an Indian tour operator to acquire a global foot print**

When PM Modi launched his Make in India program, we in the tourism industry were very excited but now 3 years later, we sit in a position of extreme disillusionment, despair and apprehension for our future. We as an industry have always approached the government as a partner in their efforts. Make in India has made us proud as a nation. The concept is wonderful and the passion evokes thrills. But for tourism, it has unfortunately offered little opportunity or hope for any turnaround. The government touts double digit increases in tourism arrivals but anyone has studied economics or statistics will know that numbers are not absolute and can tell any tale one wishes to spin. Where it is a fact that absolute arrivals have increased, digging deeper in to the details shows that our key source markets are in a spiralling decline.

## **Dichotomy between government intentions and actions**

Growth has come from the likes of Sri Lanka, Nepal and Bangladesh.

These are source markets that add little value to the real stakeholders and sellers of travel in our country and little to our coffers. The Make in India policy wants to encourage the inflow of investment in to India. Yet, the only industry that probably has the highest net retention of dollars in the economy has the weakest administrative support. We have allowed international companies to come in to India to setup their footprints and to acquire or eradicate Indian players. Multi-nationals have filled in the coffers of online portals that have deliberately embarked on a mission to remove local competition through predatory pricing or unfair practices. We have done a lot for foreigners to come and invest yet, I as an Indian player have no support to expand my footprint overseas. We recognise competition, we welcome investment but we ask that we as Indian players have the same right to do what others can do across the world.

## **India an expensive destination to sell**

We have many brilliant profession-

als who can take Indian tourism further, only if we had the support and guidance to do so. The Make in India policy wants to increase employment yet, I find our industry is retrenching manpower. The government wishes to grow tourism, they want us to achieve the vision of twenty million arrivals, our targets keep on increasing and yet the environment we are operating in, as an industry, has not changed.

International travel partners also say that India is a fascinating country and culture yet, we are a painful and expensive destination to sell. We no longer excite sellers of travel overseas. For Make in India to make a difference in our lives, the government needs to be prepared to talk to us as equals, not talk down to us. We need to collectively be prepared to throw away all archaic policies of our tourism administration and start from scratch. Times have changed and what has not worked for a decade is unlikely to work in the future. We need to be prepared for change. The private sector has embraced change and wants more. Is the government prepared



**RAJEEV KOHLI**

to match our pace? The private sector can do only so much with its limited resources. It is time to treat us as equals and take our passion for our country as the power to drive the Indian economy and the Make in India program. We are the only sector

that can generate the amount of employment needed to eradicate poverty. We are the only sector in the Indian economy that can add significant growth to our foreign exchange reserves. We are the only sector that can truly make the lion roar. **TF**

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Speaking at the Indian Tourism Summit 2017, panellists discussed a host of issues facing the aviation industry. They, at length, examined the role of aviation in making tourism seamless. There seemed an underlying converge on the need for boosting infrastructure and catering to market demand, rather than creating it.

# Aviation: Seamless in sync with Tourism

## Numbers look good if supply-side constraints like bilaterals, infra can be addressed: Kapil Kaul

By ANAGAT CHOUDHARY

**O**n the forecast of the travel and tourism sector decreasing the disparity between inbound and outbound.

Foreign nationals coming in to India in 2006 were 4.4 million and the outbound was 8.4 million. These numbers went up to 6.3 million and 13.99 million, respectively, in 2011.

In 2016, there were 8.89 million inbound tourists and about 20 million outbound ones. The forecast is 13.2 million inbound tourists and 33.2 million outbound tourists by 2021. The 10-year forecast, which is for 2026, is 17.3 million inbound and about 50.8 million outbound tourists. This is where the growth number are and these are extremely significant. There are supply side constraints so if we remove obstacles like bilaterals, infrastructure etc. These number look quite exciting. These are unconstrained forecasts so they assume only incremental liberalisation of bilaterals. Our thought is that bilaterals are not going to be expanded, as much as we would like so, that could create some impact on the growth numbers. Airlines will be better able to plan and deploy capacity and launch more convenient routes if the ministry of tourism can report statistics.

It is a big issue, statistics by country of residence or nationality. If you look at the February 2017 numbers, we were doing a forecast for the next 5 years, re-looking at these numbers, the growth numbers from tourism is about 13.7%, but when you build around and take Bangladesh and Pakistan out, the number is 6-7%. So, if you take a 13%

forecast and one point five or two multiples, you get high twenties. But the number would be different if you do 6-7%. So, that is the importance of data and if you have to get reliable forecasting done, we have requested the ministry to ensure that the statistics can be reported by country of residence as well as nationality. Planning will also be assisted by monthly foreign visitor arrival data which can be split in to air and non-air so that it becomes extremely focussed in terms of understanding how traffic flows are coming. This is primarily the selected trends for outbound markets in India, South-East Asia and the UAE. South-East Asia and the UAE are the two most popular outbound destinations.

The USA is the leading long-haul destination. Let us look at what is the growth curve for the outbound markets from India on selected markets in 2016. Some of the markets like Australia, Eastern Europe are the fastest growing markets. Obviously, the base is smaller so their growth effect is larger. These two are followed by Africa, Canada and Western Europe and when we talk about Western Europe, it excludes UK.

These numbers will be different from some of the tourism arrivals in these countries because there is traffic which goes by land and that is something that could be factored in but these are the outbound numbers from India. I would like to quickly share the inbound numbers. We could not qualify the 2016 numbers so here are some of the 2015 numbers. The US, UK and Western Europe are the key contributors to foreign investors and together account for 40% of visitations or visitor arrivals. West Asia is



KAPIL KAUL  
CEO – SOUTH ASIA, CAPA

I would like to emphasise this and we are doing some research and understanding the visitations that come in from China and Australia. These are two big markets where in the next 5-7 years we will see a significant growth but obviously, India receives very less Chinese travellers largely because of strategic visa and other issues but that is going to change. Chinese visitors that go to Sri Lanka and Maldives are in much higher number.

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the fastest growing in-bound region but the emerging action is in the East. I would like to emphasise this and we are doing some research and understanding the visitations that come in from China and Australia. These are two big markets where in the next 5-7 years we will see a significant growth but obviously, India receives very less Chinese

travellers largely because of strategic visa and other issues but that is going to change. Chinese visitors that go to Sri Lanka and Maldives are in much higher number. So, if you have to look at the inbound paradigm, the look east strategy, making visas affordable and getting wealthy Chinese to come to India would be interesting. **TIF**

# Intend to make IGI an aviation hub; Terminal 1D to be operational in 2 years, says Rommel Valles



ROMMEL VALLES  
HEAD, STAKEHOLDER MANAGEMENT, GMR AIRPORTS, GMR GROUP

Our airline marketing team does in-depth homework so they are well aware even to the extent of the kind of aircraft they want to fly. For us, whether it is inbound or outbound, we are very happy as long as customers use the airports. We are very keen on making Delhi a hub for airlines because we now have a national carrier which has operations out of Delhi.

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### On the state of infrastructure of the Delhi Airport

At the moment, there is renovation happening at the airport. By the year 2026, we expect a 100 - million passengers using the Delhi Airport. Right now, the capacity is only for 60 million passengers. With the expansion of Terminal 1, we are re-visiting the master plan and in Terminal 1-D, we

homework so they are well aware even to the extent of the kind of aircraft they want to fly. For us whether it is inbound or outbound, we are very happy as long as customers use the airports. We are very keen on making Delhi a hub for airlines because we now have a national carrier which has operations out of Delhi.

With the expansion of Terminal 1, we are re-visiting the master plan.

are extending the departures as well as the arrivals. The renovation is expected to be done with in another 2 years' time.

We are very happy with tourism whether it be inbound or outbound. In view of the inbound we have an airline marketing team that attends the road conferences where we connect with a number of airlines. We do our homework and tell them about India and Delhi and the possibilities of coming in to Delhi. Our airline marketing team does in-depth

### On plans for Aerocity

Basically, we have 5,100 acres of land and 5% of that can be developed. So, the first 45 acres are developed and we have the hotels around there. I believe the next 45 acres are also going to be developed and they are looking at bits. At one time, there were rumours that they were talking of a hospital over there but I do not think that is true. It is basically going to be leisure travel related development wherein the F&B sector is going to come up. **TIF**





## Tourism and aviation are unalienable; AI has ramped up connectivity, says Pankaj Srivastava

### On subdued growth in outbound due to insufficient capacity

First of all, let me just talk about what airlines can do for tourism. I would like to put it across in one line by saying that what blood does for the body, airlines do for tourism. I mean to say that we are the connecting tissue. We connect people from biggest parts, whether it is international

much smaller than the inbound, that is because we have not factored in the huge domestic traffic within India. If you look at those domestic tourism figures, our domestic tourism is far ahead of the inbound. Air India has recognised the fact that connectivity is vital for development of tourism, besides the economy and the VFR traffic. With that in mind, what we have

Vienna with effect from April of 2016 and before we started our flights, Austrian Airlines had their flights from the last 20 years in this country. But the model that the airline was using was that they carried passengers from India to Vienna and only 20% of that was actually bound for Austria and the rest were bound onwards. This did not do much good for Austrian tourism. So, when Austria decided

**When Austria decided to pull out of this market, we stepped in and we started flights to Vienna which were operating thrice a week.**

or domestic, to their destinations. That is why the importance of airlines come in the development of tourism. With regard to the outbound, I must say that though outbound figures are looking

done is that in the past about 3 years, we have connected as many as eleven international destinations on our network. I will give you an example of a flight into Austria. We started flying to

to pull out of this market, we stepped in and we started flights to Vienna which were operating thrice a week. We have been carrying a 90% load factor on these flights since day 1. Out of all



**PANKAJ SRIVASTAVA**  
COMMERCIAL DIRECTOR, AIR INDIA

**Air India has recognised the fact that connectivity is vital for development of tourism, besides the economy and the VFR traffic. With that in mind, what we have done is that in the past about 3 years, we have connected as many as eleven international destinations on our network.**

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the passengers that are going in, 85% of the passengers are bound for tourism purposes in Austria

and countries around Austria. This has given a lot of impetus to Western and Central Europe. **TIF**

## Our focus is now on catering to the demand rather than creating supply: S. Biswas



**S. BISWAS**  
ED (ARCH), AIRPORTS AUTHORITY OF INDIA

**Wherever there is a gap, we are working on filling it up. However, there is a demand from the airlines, we are going to meet it. What has been happening is that in the past we have developed airports which have never been used. So, now our focus has changed to developing what is already there.**

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### On the shortage of infrastructure and the infrastructure development plan in terms of increasing capacity

The AAI (Airport Authority of India) has already developed 94 airports till date out of which 72 are airports with scheduled operations. There are 22 airports which have been developed but there no flights operating out of them. Our focus is that wherever there are capacity constraints in terms of things like terminal building capacity, we are going ahead with development of these things. We are developing interactions with the airlines as well to find out what are their requirements so that we can meet the expectations and we have allocated ₹70,500 crores for a period of the next 5 years for various developments.

For example, we are going to invest around ₹2,100 crores for upgrading the terminal building at the Chennai Airport. Similarly, we are doing the same with many other airports in the country. We have facilities and infrastructure which are not getting connected by the airlines due to their own reasons. Under the Regional Connectivity Scheme, the government has said that 50 new airports are set to be connected. Within 6 months, we are going to connect 45 airports out of which around

18 airports will be airports out of which no flights were operating earlier. The remaining 27 airports already have the infrastructure and now will become operational. Hopefully we will be able to cater to these needs because the government mandate is that by December 2018, 50 airports have to be operational through regional connectivity. We are going to get more than half a dozen new airline players to come up and be associated with the RCS (Regional connectivity scheme).

If you look at Agra, there are no airlines operating there right now. Fortunately, we are going to now get connected thanks to the RCS. If we talk about Jaipur, we are going to develop a terminal building which has seven times the capacity of the current terminal building. Our profile has been changed. Wherever there is a gap, we are working on filling it up. However, there is a demand from the airlines, we are going to meet it. What has been happening is that in the past we have developed airports which have never been used. So, now our focus has changed to developing what is already there. New airports will come as and when the need arises or the airline's demand. Under the RCS, it is the airlines which need to come forward and let us know their requirements. **TIF**

## AirAsia has made travel more affordable in the region: Suresh Nair, GM, India & South Asia, Air Asia Berhad

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### On the massive Air Asia network being built around countries and how it is impacting the outbound and inbound.

I usually do not discuss my products in such gatherings and tend to focus more on the topic but in this case, there are a couple things I would want to share. AirAsia is maybe the top most airline in the world which is really catering to the tourist market, specifically the leisure travel market. From our networks across APAC, you can see sectors on which we have really built up business. The way we have built up boosts inbound as well as outbound. We started from all these smaller towns and built up the business there. Now, we are the only carrier flying in to Goa from the east. Now the tourist traffic if you see, many of them are going from one beach to another beach.

In terms of the composition of our traffic, I would say that it is an 80-20 outbound to inbound percentage and we have the ability to make that increase.



**SURESH NAIR**  
GM, INDIA & SOUTH ASIA, AIR ASIA BERHAD

**In terms of the composition of our traffic, I would say that it is an 80-20 outbound to inbound percentage and we have the ability to make that increase. As and when the Indian market also opens up, there will be more facilities.**

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As and when the Indian market also opens up, there will be more facilities. We have seen that markets, where we have put in capacity, have grown to take up that capacity. What we have done is that we have opened up various markets in this

region and made inbound travel affordable. We offer our low fares all over the network. We had an India month across the network last year. Our in-flight magazine, called 360, promotes different destination across our entire network. **TIF**





# Inadequate airport infra challenge in boosting regional connectivity: Ankur Bhatia

While the supply side is expected to remain robust in the coming years, with a large number of new aircrafts to be rolled out, inadequate airport infrastructure will be a bigger concern in India’s bid to boost its air connectivity into tier-2 and tier-3 cities. Kapil Kaul in conversation with Ankur Bhatia. Excerpts from the discussion.

By PRIYAANKA BERRY

**K**K: When you look at the whole tourism landscape and how to make it competitive, one of the key things will be to make sure that connectivity is well spread across the country covering all the key destinations. The need is for affordable, safe and regular connectivity and to make that happen there are a lot of initiatives that the government has taken since 2004. We had the first regional policy that came into effect in about 2004, where the government gave a lot of concessions to the airlines. Unfortunately, in a period of about 10 years, a lot of airlines started and had to fold-up because of viability challenge. In the last two-three years, if there is anything that this government has really focussed on aggressively is the need to build regional connectivity. The National Civil Aviation Policy which is approved by the government has a tremendous emphasis on regional connectivity and it focusses on the need to make to make it viable.

person takes multiple flights we are looking at about 30-40 million people going in the air in the country for domestic routes. The population who has the potential and can afford to fly is approximately 300 million people. This is the middle class which is actually growing 10% on a year on year basis. The reason that they do not fly is because the places they want to fly to are not connected by air. So, they use a train or go by road. There is a gap here. If you look at mature economies across the world, like intra-Europe and intra-US, the number of air passengers are much greater in the regional connectivity space.

Unfortunately for India, we have not been able to take off just yet. There are many reasons for this. Airlines have started flying just because they have availability of aircrafts and they haven't done a feasibility of those aircrafts on those specific routes. We did some calculations for the regional space where you are looking at average aircraft capacity of 70-80 passengers, India requires as of today about a 1000 planes just to take care of the existing demand right now for regional connectivity.

The problem which I see from an aviation point of view is that our airport



ANKUR BHATIA  
EXECUTIVE DIRECTOR, BIRD GROUP

Unfortunately for India, we have not been able to take off just yet. Airlines have started flying just because they have availability of aircrafts and they haven't done a feasibility of those aircrafts on those specific routes. We did some calculations for the regional space where you are looking at average aircraft capacity of 70-80 passengers, India requires as of today about a 1000 planes just to take care of the existing demand right now for regional connectivity.

I think you will agree with me that the aviation model for low cost carrier is not a passenger model but a financial model and I think that is true for all the successful low cost carriers across the globe. Capitalization is not an issue with regard to regional airlines.

**Why has regional connectivity in India failed to take off? Is it a business model issues, or a viability issues, or undercapitalised of airlines when they start? Do companies misread the market? Is it policy and infrastructure? Today we have just under 50 aircrafts in the regional space and there is no Regional Aircraft Order. If India has to get its connectivity competitiveness in place, we need to ensure that the dependence on top 10-15 airports which holds 80% of the market needs to be taken off. I heard during the Summit some of the regional hotels and heritage hotels. If we can't get regular and reliable connectivity to these hotels I think tourism, both domestic and international is not going to take off. It's going to hurt regional integration and it going to hurt almost every aspect of economy.**

**We speak with Ankur Bhatia, Executive Director, Bird Group on the challenges and nuances of regional connectivity in India. He has immense knowledge on the whole landscape of travel and tourism in the country.**

**AB:** The number of people we fly in the Indian skies is approximately 100-110 million, of which you do individually, that is one

infrastructure is not ready to take these 1000 planes and I think that is the biggest hurdle and drawback. This is true both for metros like Delhi and Mumbai and also for the regionals airports such as Chandigarh, Lucknow and Amritsar. A lot of them are on the brink of capacity in terms of parking and slots. There is a huge issue in terms of infrastructure that is there. If we want to leap-frog in aviation and if we want to get to the point of flying 400 million people I think what is very important is that we push and get those numbers coming in from regional aviation.

**KK: If we go one by one and list out the aspects that are important from the prospect of making it viable. If we look at a business mode, is an 80 seater model viable?**

**AB:** From an entrepreneur point of view, when you look at this model I think the only thing which does not attract you is that you will fly 3 times over to reach that number of 180 passengers as you would flying a A320 or a 737. Having said that, with GST coming in, the issue of over tax ATF would get sorted out, but it is volume game. Unless you don't have those volumes you will not be able to make money on this network. Again, re-emphasizing that when you want

to put in 50 planes in a year, can those planes be accommodated at the existing airports? If you were to do a model which is small such as 5-15 planes, I don't think you make money on that. That is more putting a brand out here. It is not viable unless you are ramping up to at least 200-300 planes in the next 4-5 years.

**KK: I wanted to understand that you work with all the OEMs and the leasing companies, one of the biggest problems is getting an aircraft on lease. How do we sort out this acquisition problem?**

**AB:** I think you will agree with me that the aviation model for low cost carrier is not a passenger model but a financial model and I think that is true for all the successful low cost carriers across the globe. Similarly, when you talk to manufactures and you talk of those volumes, India is where you can get those volumes, you will be able to get to that financial leasing or sale and lease back model. Again, the question is that you can't scale up like what you would do in a national airline to go to 100 planes because you require three times more passengers to get that. One option is to activate alternative airport, there is Juhu, Safdarjung Airport etc which would be less costly to get started with.

**KK: I wanted to talk about undercapitalization. One of the biggest problems is that airlines in India start with very little money and then they close. What do you think would be a minimum capitalisation that is required to make a regional airline work?**

**AB :** If you look at the business model in terms of financing there are various models available. There are international airlines as credible partners. But of course you can't start an airlines with 10-15 crores. Depending on what agreements you can have with the manufacturers, that is critical input that will impact the capitalization and once that is sorted out, I don't think this is a bottleneck.

**KK: You think the regulatory environment is from a safety, security and policy making perspective more aligned to making a regional airline work?**

**AB:** From my point of view as a trade person and also from CII, we have been pushing governments to look at regional and that is the way forward. Yes, there is a focus but unfortunately unless they put in the money where it is required in upgrading the infrastructure we will have a tough game to play.

**KK: Are you still interested to look at it?**

**AB:** Of course, as long as there is viability. We understand the business and do everything else except fly planes. We are at all the big airports, we have the largest distribution network in the country responsible for 60% of all distribution in the marketplace, we are the largest ground handling company with our Partner. This will always remain interesting in my life, because I don't think unless and until we upgrade these airports how this becomes a viable business model.





# New drivers of new-age tourism

We are talking about new drivers of tourism and of course we can spend a few weeks trying to identify those new drivers, as there are so many important ones, will function the other way round, where the need for employment is the driver.

**SUMAN BILLA, Joint Secretary, Ministry of Tourism**

## Close to clinching with the ministry of environment and forest, looking at a 20 metres offset from the beach subject to a coastal management plan

“Just to put it in perspective, if you look at the numbers, which are always a good place to start from, we do about 8 million plus international inbound into India. And if you look at a city state like Dubai, it does close to 13 million. If you look at those numbers, I think it is a shame that a country like India, with all of the variety that we have and the tourism products that we have, we only manage to attract about 8 million. I think that there is absolutely no doubt that we are going to grow and that we are going to grow robustly and there is big potential because we are at the bottom of the barrel and there is only one way to travel, which is up. So, when we travel up what we need to be clear about is the route that we are going to take. One, I think we need to be responsible to our communities, our environment and everything else because assuming that growth is a given, we need to chart out a path that is harmonious with the society and with the environment at large. The second is, if we need to grow, the growth is not going to come from one segment alone. The growth has to come from several areas and all of those engines that we have whether it is heritage whether you are talking about medical whether it is wellness, wildlife, adventure, all of these engines need to fire in concert to make that number happen.

If we have to move up from attracting 0.68% of international tourist arrivals in to India to 1% by 2020 and double it to 2% by 2025, I think we need to just focus. I think we need to get it across the border and get moving. This is not a difficult task because I think the biggest challenge that we have is that we need to find that lever to unleash the potential of the entrepreneur. I remember about 20 years ago, nobody could have thought that India would be doing so well in the power sector. We thought we would always be a power deficit country but several states today are power surplus. The key really lies in how we structure a system where the entrepreneur is able to open up, play and bring in business to the country.

So, the first thing we need to

look at is to look at the structure within which the ministry operates and that is something that we have been talking about for some time. In the ministry itself, we have the policy making and the executive functions which are both rolled in to one. So, perhaps there is a great case to have the executive functions, keep that nimble, get the private sector and let them have a seat at the table to kind of see as to how we can really push the agenda on a time bound basis rather than to get encumbered in a bureaucratic process. And the second big thing that is really staring at us in the face is the development in the digital space. Not many people know and at several times when I meet tour operators, they come and tell me that business is not happening. It is not that business is not happening because India is not slowing down as all the numbers are to the contrary. What you should be looking at is look at how your digital counterparts are doing because anything that can be commoditised, is getting commoditised whether it is hotel rooms, whether it is flight tickets or whether it is activities, everything is getting commoditised, bundled together, sold and cross sold at very attractive prices. So, unless we are able to look at what the digital space is doing and how it is transforming the business and unless most of us are able to walk that path and adapt to that change, I think there is going to be a lot of redundancy in the sector and that is something we need to work on.

Another element is even in the way that we approach our traditional marketing and campaigning. Print is almost dead and TV is getting there and I think digital is the new way to go because for a country like India, where we have a number of products, it is very difficult to put it all together in to a thirty second montage on a film or say, in a single photograph in a newspaper. So, I think the way to do it is actually to do a digital campaign where you are able to track people onto yourself and target them based upon their interests. The other is social media and I think it is really transforming the way we do things because



SUMAN BILLA

people today are not really worried about what they own, it is not the possession but the experiences that people have and I think that is transforming. All of us need to make that change onto communicating well with the world on what it is that we are all doing.

Fourth and important is, if you look at the way the number are, we get 0.68% of the world's tourist arrivals but if you look at the revenue that we generate, it is almost 1.7%. So, your earning is oversized in comparison to the number of tourists that you get. What does this mean? It means two things. One, we are getting tourists which are either at the very high end, who are doing the palace hotels, bubble tourism, chauffeur driven cars etc. or we are getting the backpackers and the youngsters who are the lower end of the spectrum. I think there is a huge market in the middle.

People who travel with their families to stay in 100\$ per night kind of hotels and that is a piece that we are completely missing out on. If we have to grow our numbers robustly and in the long term, in a way that makes sense substantively, we will have to target this segment. There are two things here. One is the way we finance our debt and how speculative that can be. And the other is land reservation itself because a hotel can never compare with any other real estate

development in terms of returns. Unless you assume that a hotel is necessary for the development of a city because it is intrinsic to it and then you reserve the land as such, you are never going to be able to get more hotels. We definitely need more in that 100\$ bracket.

One of the things that we have done is the electronic tourist visa and I think that is phenomenal. We have eased the system as it were and that is that unlocking that pin-point. The other one that is going to come up big time is going to be the GST because whatever happens, if we are going to be pitched anywhere between 26-32% of tax as of today, I think that you are going to be hugely uncompetitive anywhere because the moment anybody realises that a quarter of what you are going to pay is going to go for taxes, it makes it unviable, especially for large movements like MICE etc.

MICE is going to be a big driver because I think on the MICE front there are two things we need to know. One, there is a study by ITB which says that 52% of all travel is happening because of MICE and two, we have a lot of world class facilities in MICE and I think the facilities that we have can actually hold over 90% of the conferences that happen in the world. So, there are two things that can be done here. One, we have a convention promotion bureau but we need

Only few of the beaches are developed and the problem with developing beaches is that you have CRZ regulations, which means that you are 200 metres away from the high tide line. So, one of the things that we have been working on, and are close to clinching with the ministry of environment and forest, is that we might be looking at a 20 metres offset from the beach subject to a coastal management plan.

to take a more active position in getting some of the best and the biggest conventions in to the country. If we get ten of them in the next 3 years, I think that will by itself set the ball rolling. The second thing that we need to do is to create a corpus or a challenge fund. If somebody is going and bidding, how do we sweeten the deal on a matching basis maybe with the states and the centre to make that happen.

The other change that is coming, and I am jumping the gun here a little bit, is that one of the elements that we have beautiful beaches in peninsular India which are hugely unexploited. Only a few of the beaches are developed and the problem with developing beaches is that you have CRZ regulations, which means that you are 200 metres away from the high tide line, effectively you are watching the sea through your binoculars. So, one of the things that we have been working on, and are close to clinching with the ministry of environment and forest, is that we might be looking at a 20 metres offset from the beach subject to a coastal management plan. We are going to be looking at a 20 metres offset for the islands as well. That is going to open up a huge opportunity for developments on the beaches and islands.

Lastly, one big mover that is now happening is the bread and breakfast piece because we are around 200 classified hotel rooms short in this country. If we have to actually make good that supply side loss and if you are growing at 10-11% every year, you need to be building up the supply side and I think there is a huge vacuum there. How much ever you promote your hotel industry it is going to take time for them to measure up. What we need to do is to look at the bed and breakfast and the homestay piece which are very critical. A lot of online aggregators have done a salutary work in getting these things going. There is a need for accrediting home stays across the country on a singular unified guideline and secondly accrediting the aggregators themselves. To my mind these are some of the big drivers that are going to play out in the next few years.” **TF**





# Tourism moot the way forward

many. The scope is really vast. And one amongst the so many drivers of tourism, the potential of employment generation, which is a really nt generation is now going to catapult tourism. Reported by Anagat Choudhary

**CHETAN KAPOOR, Research Head, Phocuswright India**

## Mobile is the breeding ground for innovation; companies are doing everything to go up or down the funnel

“To begin with, a lot of the audience must be wondering what a research company is doing at an event filled with policy makers and stakeholders? The more I thought about it, the appropriate answer to that is, sometimes when a lot of you are focussed on your day to day tasks, you tend to have the blinders on and as a result miss out on the bigger picture and the larger opportunities. Even some of the trends that are out there which could potentially impact or even influence your businesses. What I was looking to present here is some of the findings that we have captured as part of the various industry surveys that we do. The point is to ultimately bring it down to figure out what are some of the top drivers increasingly for the travel and tourism industry.

The market place that we are a part of globally is worth 1.3 trillion dollars and it includes all of the flights, accommodations, ground transfers, cruises and even other forms of in-destination activities as well. Within this 1.3 trillion dollars, the Indian travel market is worth around 30 billion dollars. It is a fragment of the global travel opportunity but one of the fastest growing travel markets in the world. How do we come to some of this data? Every year Phocuswright works with hundreds of companies, tourism boards, travel companies etc. and we feel industry surveys as well as consumer surveys to come across some of the data points.

Firstly, we need to take a step back and look at the world that we are in. There is a lot of uncertainty around our travel industry which also while it is uncertain for some markets, it is an opportunity for others. If you look at events like the Syrian refugee crises, Brexit, multiple terror attacks across Europe, while these events have definitely affected travel and tourism to some degree in those markets, on the other side we also have events or decisions which further deter travel to certain markets as well. In this scenario, Asia and even India in itself is not insulated but at the same time, we are at a relatively sound footing and thus that is where some of

our advantages lie.

Around certain decisions in the US, we did a quick dip-stick survey of European travellers, one of the key source markets of tourism in America, about their decision now to travel to the US, post elections and surprisingly anywhere between a fifth to a third of European travellers are less likely to visit the country at this point. This market in itself becomes an opportunity for other destinations to tap on. Speaking of outbound travel, a lot of the industry stakeholders look at GDP per capita as a strong indicator of travellers in those markets looking to travel and particularly outbound. Over the last 3-4 years we have done several consumer surveys across Asia and we have discovered various appetites for outbound

### When you look at the universe of mobile users in India, it is predominantly young millennials.

travel. Of-course, domestic travel is primary and almost all travellers do domestic travel but markets such as Australia, Malaysia and China, almost one in two travellers is now going outbound and that truly is the opportunity that India could also tap in to. Specific to Indian travellers going outbound, one in every three Indian online traveller is now going outbound as well and that is opportunity for other DMO's to tap in to as well.

The second trend is what we call the funnel revolution. If you look at the typical search shop by pattern, it is more or less like a funnel. A lot of inspiration and intent happens at the top and as shoppers convert in to researching and ultimately go in to buying, they typically go through these kind of websites, if not entirely through them. During our last consumer survey for India, we realised that close to 60% of Indian travellers are now using search engines to search for travel. One in two are shopping on websites focussed on travel and ultimately one in two travellers are



CHETAN KAPOOR

During our last consumer survey for India, we realised that close to 60% of Indian travellers are now using search engines to search for travel. One in two are shopping on websites focussed on travel and ultimately one in two travellers are now buying travel online. When you look at this whole funnel, what we increasingly also see that the lines are blurring.

some of the fast-growing markets, be it inbound or outbound, companies need to go where the travellers are and by that I mean mobile. So, when you look at how consumers are booking or rather the percentage of travel being booked online, while China is already ahead of the rest of the world with almost one in two digital bookings now happening on mobile, India is just around touching a quarter of that.

What we cannot also ignore and particularly around the travel funnel is Google's move. Google is now moving closer to the bottom of the funnel. One of the reasons why they are doing it is that because they are challenged by the whole eco-system. As consumers or even the industry moves from desktop to mobile and within mobile the whole universe changes to apps, chat-bots, AI and more guarded networks, the question still remains that what would you do if you were forced to find out new means to capture and rather retain your customers? Google in one of its ways in addition to bringing on flights and hotels as part of meta-search online is also moving in to destination inspiration content. One of the products that they have released in the recent past is Google destination where they are partnering with companies to curate some of the

content around the destination and therein ultimately lead to more quality shoppers going through the sites. Even when you are within destinations, Google is now trying to be a part of it through Google trips. When we speak of the things to do ultimately a destination is as good as the products and the activities that it has to offer. Historically the tours and activities market has been overwhelmingly offline and very fragmented but when you look at it from outside in, it is actually very significant.

We recently concluded a global study around tours and activities and now truly place this category as the third biggest travel segment after flights and hotels. As we know a lot of these activities are booked in-destination be it shopping or purchasing tickets to local activities or even going on an excursion. A lot of these bookings increasingly, especially amongst the FIT audience, happen at the destination itself but at the same time this is changing. You have got some of the travel industries biggest names now trying to make in-destination activities bookable online which is further going to streamline some of these experiences and also, how travel companies are going to offer them as part of the post booking experiences. Of course, I will like to add that Airbnb is also launching trips including in Delhi. As a conclusion, while there is a lot of uncertainty in certain parts of the world, it is opportunity for the other markets. Funnel revolution is all about how the digital travel search or buy behaviour is changing and companies are trying to do everything and trying to move up as well as down the funnel. Mobile of-course is something that cannot be ignored, especially with the advent of artificial intelligence and chat-bots which will further add to personalisation in to pre, as well as post travel booking. Google, again, stirring up the pot and rattling the snake and trying to create products to remain relevant. And lastly, activities which have started to be essential elements for building destination brands. These are some of the top drivers when you look from outside in.” **TE**



SANJAY KOTHARI , Chairman, Public Enterprises Selection Board

## Industry must create jobs to assume the stature it longs and deserves

“Left tourism in 2012 and this probably is the first session that I am attending after having left. What I find really amusing and interesting is we dealt with all these subjects while I was a part of the industry and we continue to deal with the same subjects today, with the same enthusiasm and vigour. We are a population of 132 crores and 65% of the population is below 35 years of age. This is a big challenge for the country. This is a liability that can become an asset provided we train the youth and we train

four years of constant efforts from France and Mexico, specially the Mexican president. The resolution said that tourism contributes 9% to GDP, is the fastest growing economic activity and creates 8% employment, with each job in the tourism sector estimated to create up to two jobs in other sectors. The resolution went on to read that ‘we therefore encourage that the G20 recognises the role of travel and tourism as a vehicle for job creation, economic growth and development and commit to travel facilitation as a conduit for job



SANJAY KOTHARI

The second biggest manpower requirement in this country is for vehicle drivers. Drivers could be trained and this job would provide huge benefits to the trade and the general public. There are so many restaurants in the country. A lot of people are doing part time jobs as waiters but very few of them are trained professionals. Why can we not train these people in bulk?

Looking at the Indian scenario, at present we have 10 million youngsters becoming eligible for jobs.

them professionally. Looking at some other figures, if you have heard the budget speech, tourism was given impetus because it has employment generation potential. Let me take you back to 2012. From 2008-12, at the UNWTO forum, we were trying that somehow tourism can find a place in G20, which is one of the most powerful bodies in the world. In that G20, a resolution got passed at Merida with three to

creation and global growth.’ Looking at the Indian scenario, at present we have 10 million youngsters becoming eligible for jobs. This means that there is an urgent need to create 10 million jobs. On the face of it we have the H1B1 Visa problem and companies laying off people. At present Zomato laid off 10% of their employees whereas OLA laid off around 700 people from

its workforce. There is yet another forecast which is coming which says that 64,900 people are about to be laid off in the next five years. Now, the figures in the first six months of 2016 were very dismal. If one wants to associate with the ministries, one must create employment and prove their worth. If we look at the whole scenario, direct employment in 2009-10, in India, was 4.37% whereas indirect

employment was 5.8%. There are a number of jobs in the industry which the government will have to look at. Guides, for example. We are terribly short of guides in the country but are fighting cases within the ministry, with the trade as well as with the courts almost everywhere in the country. Why cannot all the stake holders just sit together and resolve this issue?

The second biggest manpower requirement in this country is for vehicle drivers. Drivers could be trained and this job would provide huge benefits to the trade and the general public. There are so many restaurants in the country. A lot of people are doing part time jobs as waiters but very few of them are trained professionals. Why can we not train these people in bulk? There are so many such areas that can be looked in to. In my last job, I have been going to villages. When I went to a village I was surprised to hear people telling me that they had no jobs as the men had all migrated to the cities and the women had no work. Why can we not create jobs for such people? If you want to be heard and want your sector to be important, you have to create jobs. What Y2K bought was IT professionals followed by drivers and then housekeepers. Passing the buck from X to Y would be the easiest solution but allow me to tell you that whatever I have learned in tourism, is being used by me vis-à-vis my CSR in the public-sector undertaking. If somehow, we can create employment potential in our villages, the dream that this country will be one of the most powerful economies by 2030, will come true. ”

RAJA NATESAN, CEO, UniGlobe Travels, South Asia

## Drivers of change must align themselves together to create effective and efficient outcomes

From what I know, the last 10-15 years we have been pretty much asking the same set of questions in terms of the drivers, in terms of what is happening in the corporate space, in terms of whether it is going to be the demise of the travel agent, are we actually growing or not and so forth. I want to therefore take a fundamental step back and ask the question as to why there is change in terms of anything? I am not even restricting myself to corporate travel or even travel or even anything else that happens in the world at large. I just want all of us to go right back to the millennia when humans actually lived in caves. Right from that point in time there has constantly been this

need to be superior. If one were to just recall history, it all started with superiority shown in terms of real muscle. Then it went to what I would call military might. Then it goes onto commercial might which is followed by information. At some point in time, information will hopefully translate in to knowledge and beyond that in to wisdom but as of now everybody seems to be quite happy in the assurance that everybody has access to truckloads of information, if I can call it that. That in itself seems to be somehow driving a certain amount of change. If you look at the driver for change in the corporate world, maybe even fifteen years ago the corporate world would look at the travel agencies and be delighted to



RAJA NATESAN

In India, the difference is in the way that it is accepted here. In the last 10 years we have still been talking about how good it was 30 years ago, there is still talk about why there isn't a unified front in order to get everybody together on the same page. There are 20 different forums talking 20 different languages. There is an inability to quickly adapt to what is new technology. And most importantly, decisions seem to taken with a short-term view.

of driving efficiency, in every one of these spaces. Strategically, drivers of change have to all pull in one direction so that they result in efficiency and effectiveness for everyone involved. So, the question that I want to ask is that, are the present drivers of change more opportunistic than strategic? I find that there is a fundamental difference in the way big drivers of change have been accepted in the western world compared to the way they have been accepted in the eastern world, specifically India. If there are new technologies and changes in the western market, very quickly the players tend to re-group and accept that this is not something that is going to change and therefore as a group they pretty much pull in one



### T&E sees an increase in budget in the Asian region

Surveys shows that the markets in the Asian region are increasing their T&E budget for the coming year.

Results of a survey conducted by East & Partners Asia Corporate Travel & Entertainment Programme for the first quarter of 2017 have shown a positive outlook for most corporates which fall under the T&E market. Most of the countries in Asia under the T&E market have shown an increase in their T&E budget. A number of upcoming Southeast Asian Corporates are believed to be increasing their budget in the coming year. India and China have come up as have come up with the highest increases in their T&E budgets. The budget increase as not come as a surprise for these countries as they are fast becoming global leaders in terms of business travel. Conferences and Event are the primary spend in the total budget across the entire region. Markets across the region have increased their spend on Normal Business Travel and a decrease in the spend on Conferences and Events over the last quarter.

get a booking done in 30 minutes. Today the same scenario has been completely reversed, where even with all kinds of technology, it is still not enough for a travel agency. In-fact even an online travel company finds it extremely difficult to find any kind of loyalty as far as a customer is concerned. Why is it that despite there being technological revolutions, and I am talking about revolution in every aspect of the travel industry including corporate space, we do not have the driver pull in one direction? It seems to be more of a diffusion rather than driving together. For this I just want to take a simple example from corporate travel itself. If you look at just corporate travel and you can expand it to whatever universe, including the government, there are typically five players in the corporate travel space. There is of course the traveller himself, then there is the corporate travel

Drivers of big change must take a long-term view and adopt new technologies to remain relevant.

agency, there is the corporate admin manager who looks after all the needs of a corporate traveller, then there is the CFO and there is the supplier. Now if you just look at technology driving all these five different players in the corporate space, you will find that the needs of each of these corporate players is different. So, what the traveller needs is very different from what the travel manager is trying to get the traveller which is very different from what the CFO needs and so on. This is clearly not all pulling in the same direction and it is happening despite there being phenomenal revolutions in terms

direction. In India, the difference is in the way that it is accepted here. In the last 10 years we have still been talking about how good it was 30 years ago, there is still talk about why there isn't a unified front in order to get everybody together on the same page. There are 20 different forums talking 20 different languages. There is an inability to quickly adapt to what is new technology. And most importantly, decisions seem to taken with a short-term view. Whenever there is a driver of big change, it is essential that one look at how it will become the long-term view as well. ”



**GB SRITHAR**, Regional Director, South Asia & Middle East, Singapore Tourism

## over the course of the last 5 decades or more, our role has also been shaped by the demands of the time

It is wonderful to have an opportunity to be present at such a summit where there are some deep questions being asked of the industry. The comments that I am making are precisely as a friend offering our experiences managing the tourism affairs in Singapore.

So, actually Singapore Tourism Board started as Singapore Tourist Promotion Board in the year 1964. For those who are aware of Singapore's history, you will realise that Singapore became independent in 1965. So, we

Our vision for Singapore is a 'vibrant and inspiring destination' that we are proud of. Our mission is to 'shape a dynamic tourism landscape for Singapore in partnership with industry and community.' Singapore tourism's role is that we have multiple roles. We are promoters which promote the country. We are regulators who regulate the hotel industry and the travel agents. We also have a planning role where we are champions for the tourism industry, so we plan for the long-term development of the



GB SRITHAR

We have been fortunate in that regard as a lot of initiatives taken up by us bring in the partners on-board. We do not own the product but we work closely with them. These partnerships are one of the main reasons why today our Singapore tourism board advertisements or promotions always carry our Singapore stake holders. The stake holders over here being hotels, attractions, MICE facilities etc.

**We have been focussed on public-private partnership from day one of our inception.**

actually had the Singapore Tourist Promotion Board organised by the government of the day, realising the potential of tourism as a very important and economically contributing agency. We are a statutory board, sitting under the ministry of tourism and industry and we consider ourselves an economic development agency. If you look at our vision and mission statements, I think they encapsulate our spirit.

country's tourism. We do precinct development where we go in and talk to various associations like Little India Shopkeeper's Association and the China Town Business Association and we work in partnership with them to develop what we call place management. Another role that we play is industry development. It is about employability of the people who are coming in to the industry. We look at

how to manage a sector that can continuously give better opportunities and employment to graduates out of universities. Finally, we do an operations role as well. Sometimes we do organise major events like F1.

So, I think over the course of the last 5 decades or more, our role has also been shaped by the demands of the time. When we started, we were basically promoting Singapore as a brand. At the beginning, as we were in the

middle of South East Asia, we were 'Surprising Singapore.' We wanted to welcome tourists coming in to the country and feel that Singapore had its own identity. After this we became, 'New Asia Singapore', as that was a time when Asia was becoming very important. This was followed by 'Uniquely Singapore' and now our current branding is 'Your Singapore'. You can say that as a brand we have evolved over-time and what we have been very focussed on since day 1 has been

the private public partnership.

We have been fortunate in that regard as a lot of initiatives taken up by us bring in the partners on-board. We do not own the product but we work closely with them. These partnerships are one of the main reasons why today our Singapore tourism board advertisements or promotions always carry our Singapore stake holders. The stake holders over here being hotels, attractions, MICE facilities etc. These are some of the stakeholders we work most closely with. How we are structured is that we are under the ministry of trade and industry but we also have an independent board composition where the members are, except for my CEO, brought in to the board for their expertise. Whether it be a particular field or a particular region. They sit on the board giving guidance and passing the plans that are brought to the table. The board of directors has a very important role apart from the Ministry of Trade and Industries, to shape the direction and plans of the Singapore Tourism Board. We have a mix array of people from various verticals who are able to give inputs from their knowledge of running industries and giving some direction to some of the plans that the board comes up with. **TIF**

**NIKHIL SAHNI**, Group President, Government Banking & National Head - Branch Banking, YES BANK

## Hospitality industry must be given infrastructure status for banks to be able to finance projects

The only circuit in India which is of relevance globally is the golden triangle. I do not think that we have really developed that sector. The government from its own side has launched the Videsh Darshan scheme with an allocation of around 1500 crores. So why have these not taken off? I will give you a very small example. The Buddhist tourism circuit in India is perfect but maybe one of the reasons it does not work is because it is spread across 2 states. Co-operative federalism over here can really help. I will give an example from

Europe. I had an opportunity to visit a country called Ireland where I visited Dublin. When I reached the Dublin airport, I was aware of the history between Northern Ireland and Republic Ireland and that they were arch enemies. What I noticed, despite that, was that one can, by purchasing a very simple and non-expensive licence and travel directly to Belfast. Two different countries, who are not on the best of terms, decided to make it simple because they understood that this is what tourists will get to do. The middle segment in India



NIKHIL SAHNI

Unfortunately, as a banking community, we find it very difficult to finance these hotels as they do not have infrastructure status. Today a hotel to claim infrastructure status must be 200 crores in size. This is ridiculous as you will not have a lot of projects worth 200 crores. This industry needs to be given infrastructure status at the earliest so that banks can come up and finance these projects.

frankly quite surprising to me as I do not understand what it is that we include in amusement parks. In the US for 319 million people, which is one-fourth the size of our country whose 65% of the population is below 35, they have 400 amusement parks. We possibly do not have a mega-amusement park policy. For creation of circuits there need to be creation of activity and I do not know why we have not looked at this as an option. Singapore happens to have looked at it brilliantly as every time one visits that country, there is something new to look forward to. Similar is the case with Dubai and Abu-Dhabi. I was absolutely astonished to see a completely indoor amusement park in Abu-Dhabi which is promoted by the Ferrari World located there. I think this is something that needs

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is looking for options and they are looking for ideas as well as activities. Activities was mentioned as a very essential aspect. I think in terms of centre-state coordination and partnership between states, I am yet to see a lot of developments. I have not heard about too many partnerships between states and maybe it is time that there is a tourism partnership which also contributes to the overall development of the country at large. I think that is something that will specifically contribute to the developments of circuits.

Given the growth in tourism that India is looking at, the country requires nearly 1,80,000 rooms. The idea is that a large chunk of these rooms need to be in tier-2 and tier-3 towns and are mid-market hotels. Unfortunately, as a banking community, we find it very difficult to finance these hotels as they do not have infrastructure status. Today a

hotel to claim infrastructure status must be 200 crores in size. This is ridiculous as you will not have a lot of projects worth 200 crores. This industry needs to be given infrastructure status at the earliest so that banks can come up and finance these projects. Banks would be very happy to finance these projects if there is a suitable and long enough time-frame allowed for the borrowing entity to pay.

Dubai has a Bollywood amusement park. Which brings me to the amusement park concept. A country of 132 crore people only has 120 amusement parks which was

**A country of 132 crore people only has 120 amusement parks which is frankly quite surprising to me.**

to be looked at from a policy perspective because if you develop activity, that is when you will be able to give a boost to tourism so my request or rather advice would be that we should at least look at a mega-amusement park policy and encourage investment. Everyone in the world is looking at India and with this kind of growth they would be interested to see if we have a policy and we quickly need to strike a deal, get someone in and all sorts of issues like connectivity, seasonality etc. that tend to come up should be looked in to and resolved. **TIF**



# Ensuring operational success of the merger is the real challenge: Deep Kalra

Deep Kalra, Founder and CEO, MMT was at his candid best. In an exclusive one-on-one with Chetan Kapoor, Research Analyst, Phocuswright, he opened up on the big merger – which has taken the online marketplace by storm. While stocks have soared to record high, indicating that the financial world has taken to the merger, the larger challenge, to his understanding, is going to be ensuring the operational success in the coming months, a task more complicated than generally perceived.



**DEEP KALRA**  
FOUNDER AND CEO, MAKEMYTRIP

It took a long time, but by October we stitched a deal. Finally, we had a deal where we got a 100% of Golbibo, 100% of RedBus, close to 100 million dollars from them to balance of the cash on the balance sheet. In return, they got 40% of MMT – which is, obviously, very precious. The market has given it big thumbs up. It is 3 billion dollars plus now. We do not get carried away with market cap, but I am just saying from a financial point of view that we have got a thumbs up.

”

are most reliable, we are the best and because they have a good experience with us. That is how great brands are built. But when someone is discounting 80 cents to a dollar, by 20-30%, people change their preferences. That is the reality of life. In travel space, they say, the three most important things are price, price, and price. They know we are selling someone else's product, except for the holiday package that we put together. When people get the same deal at a cheaper rate, your most loyal customer move, and that was painful. So, finally we said let us try to project and look out for the next 2-3 years to understand how it is going to look out. I did have a chat with the CEO of Naspers, and it did not really go anywhere. Then, I think, fate has a way as well. We were lumped together, all the OTAs, in the infamous service tax case. I was meeting Ashish of Golbibo in court, and at least that is one area you are on the same side for something.

It took a long time, but by October we stitched a deal. Finally, we had a deal where we got a 100% of Golbibo, 100% of RedBus, close

everyone into this. So, I spent a good couple of hours painting a picture of what we can do together, because now we are not fighting that daily street fight; we are not spending all our energies and all our money in the daily street fights and battles with our competitors. So, let us build something which is special. Let us build products that have not been seen anywhere else in the world. Let us not fall in the trap of copying. Let us not talk about Artificial Intelligence (AI), let us do AI. Let us do incredible personalisation, so that everyone who comes to us will see a different interface on the basis of what you have done in the past. All of these things, interesting stuff are in the works. If you have done anything with us, even if it is one click, forget purchase, I know something about you and you have a mobile app, I know where you are. I know what you have done; what you are interested in, and why should I serve you the same interface as someone else.

Anyways, we got people aligned. We agreed on a set of projects that are interesting for us, but said that 18 people will not be enough. So, we invited the next 200 people and we have got them involved with real projects, not theoretical. The brief I gave was what would you do in this team if you did not have to fight your competitor day in and day out. What would you do to build something special for 2020 when you have all the resources, as we had all the money. I said, let us think about that make company

By **SHASHANK SHEKHAR**

**CK:** How do you see the blending of both companies, cultures and supply-technology to begin with?

**DK:** You have gone for the jugular right away. The rationale behind this merger is fairly straight forward. It became painfully clear to me, and to some of my colleagues, too, that the heavy discounting war was going on for a long period of time. It does not happen too much on the airlines side, because airlines are very specific that you cannot discount their product which is a good thing. I like that. I like to play fair and square, because we have seen the gain in those kinds of markets.

In the hotel space, you take away chains like The Taj and others, who are also equally particular about their pricing, and they should be as they are great brands and they do not want their brand to be diluted, but only 10% of the hotel inventory in the country is chains which are established. There are newer chains coming up, which I am sure we will talk about. The rest of the inventory in the country, thankfully for us, is actually very fragmented, and is individual and independent properties. Now, those are the places where OTAs like us can add a lot of value, and I do not think that most of these properties are really bothered about whether you are discounting or not, so long as you are doing it from your own pocket. They want to see their rooms get filled.

It became painfully clear that this discounting was not going to stop. We were not the first aggressor. We never discounted, actually, in airfares. We have built a decent market share; we are 17% of the domestic market as MakeMyTrip alone, of everyone flying. Flights works quite smoothly. It has an easy interface. Everything works well, because airlines are high-tech.

When it comes to hotels, the price war was started largely by Golbibo. They played to their advantage – which is they had very deep pockets and they were private. They were 100% owned by Naspers and Tencent, together. When you are private, you are not really answerable to the market on a quarterly basis. So, you can do whatever you think is right, and we are seeing this in every segment. People say they only see this on the internet and they say it is not fair. I say, even though, we are not doing it, all is fair in love and war. And this is war. Whether it is corporate war or whatever. You are not doing anything illegal. You have got the money and you are doing it. What is the difference between this and what Jio is doing right now.

You talk to Airtel and the painful statement that Gopal Vittal put out recently, he said please put your money in Fixed Deposit, instead of putting your money in Telecom right now. You will get 1% return on capital. That is what it is right now. It has become so hard. Of course, they have made money in the past, but the reality is that Jio is playing with financial muscle. And, they spent somewhere around, people say, 10 billion dollars, or 15 billion on capex. They are saying that they are going to exercise that muscle.

I can tell you that no other market in the world, except India and Japan where a public company CEO can go ahead and bet the bank. Literally! And no one will ask a question. It is only here. You cannot do that in North America. You cannot do that in Europe. People ask a hundred questions. Why are you doing this? Again, that is the way this game is played. So, once it became clear, and I did validate it that these guys were not giving up – and we competed. I think after three quarters, and for three quarters we did not discount at all. We said we are not discounting on hotels; we are not discounting on our profits. We have got to go, and we are answerable to the market; we are on path to profitability; we had made 10 million dollars in 2012. Kingfisher pushed us back in the red. We had come out, breaking even on a quarterly basis. I was stuck to that path, but the market did not like it. MMT is listed in the US on NASDAQ; they did not like it. They said your hotel pre-eminent position is being challenged. I am being very frank on this because it is quite interesting to unravel all of this. We said we are way ahead in the airlines space, but the reality is that hotel is where the game is, in our OTA space. The most valuable OTA in the world is the group called PRICE-LINE which owns Booking.com, Agoda and others. They only sell hotel rooms effectively. One metasearch company called Kayak is worth 85 billion dollars. Expedia is not even 20 billion now. People do not know that. So, it is a big gap. CTRIP is worth 25 billion dollars which is in China, and has a very similar model like ours which is multi-service.

We decided to compete and we bled for the next 3-4 quarters. We spent a lot of money. We raised 180 million dollars from CTRIP last January. It is a lot of money, almost 1000 crores. We started spending that, but it was going nowhere. It was painful. We said you cannot build a great business like this. We want to solve customer's issues. We want people to come to us not because we are the cheapest, but we want them to come to us again and again, because we

**We have got to make it work from an operational point of view. That is the real challenge. I underestimated some of the challenges pertaining to mergers and acquisitions.**

to 100 million dollars from them to balance of the cash on the balance sheet. In return, they got 40% of MMT – which is, obviously, very precious. The market has given it big thumbs up. It is 3 billion dollars plus now. We do not get carried away with market cap, but I am just saying from a financial point of view that we have got a thumbs up. We have got to make it work from an operational point of view. That is the real challenge. It has been two months since we have got the approval.

**CK:** What are some of the early steps that you have taken as part of your integration?

**DK:** I underestimated some of the challenges pertaining to mergers and acquisitions. It is not easy. It is very tricky, especially when you want to retain people. For every individual, no matter what level he or she is at, their universe is in them. They do not get the other mumbo-jumbo, except for some very senior people who get the big picture.

We get that and that is why we got professional help. We have got an ex-partner at McKenzie. She is helping us with the process.

My point was that I needed to align everyone to the bigger picture, and the bigger picture here was what can we do together. Why is this merger important for them? For Naspers, it is great. For my shareholders, too, it is great. The value has gone up by three times. But why does it matter to the individual. I tried to get into their shoes. It is not the same why it matters to me as a shareholder; why it matters to those who have a good amount of stock, so we have 350-400 people who have some stock in the company. That part helps, but that only helps till your stock is doing well. After a while, they get very savvy about it. They say, that is done, but a thinking professional does not come to work because how much they are earning. I do not think so. I think it is a by-product. We come to work because we enjoy it.

So, it had to be exciting. I spent a lot of time with Ashish and Rajesh, painting a bigger picture, a bigger canvas of what we can do together. Why should not we become larger, global, even put a market cap to it. Whatever! And I said I am going to really immerse

cross-functional teams.

I am very aware of the fact that everyone will not be there. I told the leaders that I will be pleasantly shocked if all 18 of us are in the room after one year. Some of them will check out and I wanted them to know that it was perfectly ok. Company is larger than an individual, but you will be wishing away a great opportunity. You are secure. So, address the security issue. There is no insecurity and each one of you is in the company. Then we identified top 100 people from each company and ringfenced them, or handcuffed them, whatever you want to call it. Provided them more stock option, etc. And we have been very open about it. Now, let us build something special. Then I said do not get caught up with one thing that is what happens to my job title and who do I report to. Something has to change. I started from the top. Except me, everyone was going through some change in title; both Ashish and Rajesh are giving up their fiefdoms. Both were running their companies, and now they are going to have a narrower, but deeper, double brand.

So, I think it is working well but it is very early days. Time will tell. The proof of the pudding is in the eating. I think the tricky part will come when the headiness goes away. It is the honeymoon period. When the stock settles down, and it will, people will start saying that the rosy picture is not that rosy. Things will get tough. There will be someone else coming down the line. We know that there are great companies which are waiting to come in there.

We are very pragmatic, I can tell you. And, if there is an elephant in the room, I am going to be the first one to call it out. There is no point in saying that let us talk about something else. That is the elephant in the room. We spent many hours talking about reporting styles.

The conclusion I came to is that we make a fuss about the company culture. We are very proud of our culture. We have been one of the best companies to work, like Inter-Globe – in the top ten. It is a great place to be for a young company. Feels great, but let me tell you that every company feels that their culture is great.  





Andhra Pradesh

**A WALK AMONG THE CLOUDS**

**AT ARAKU VALLEY**

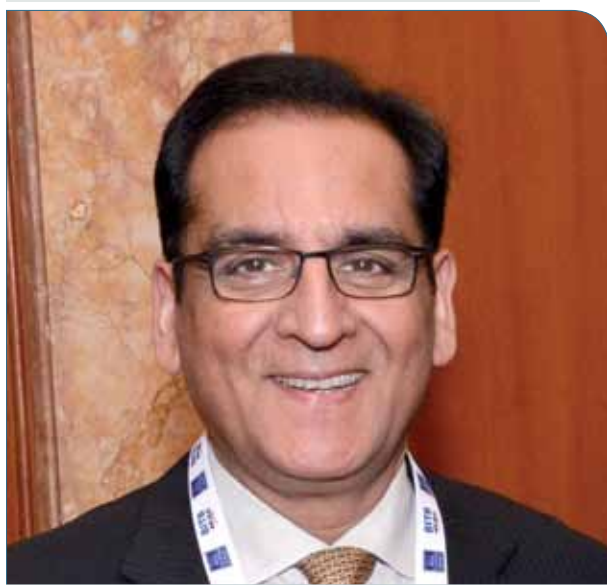




# Hospitality as driver

**K.B. KACHRU, Principal Advisor, Carlson Rezidor India**

## Focussing on mid-markets is necessary to build numbers



K.B. KACHRU

Industry must take some responsibility, so should the government. They must also take some responsibility and there has to be a close working relationship between the two. There were some other examples given in previous sessions and I was amazed. There is a place between Guwahati and some town called Margherita, I am not very familiar with it, I believe in those 19 kilometres there are 19 golf courses, and nobody has heard of them.

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### On change in the hospitality landscape in Goa and elsewhere, and an overview on the mid-market

First of all, it must be complimented that this panel is not discussing usual things, like taxes and licenses, and the problems that we have been discussing for the last twenty years. Probably, I have been hanging around for a longer time, but we are discussing real things. We are focussing on where we ought to be; what should we do, and what are the challenges.

Talking about Goa, markets are changing and even for an international company, for us and others like Marriott, are focusing on tier-2 and tier-3 leisure destinations. We have four hotels in Goa and all of them are mid-market, mid-market upscale hotels. We are not there in the luxury segment at all. I feel, if you really want numbers, we want to move from eight million to sixteen million, then we have to focus in the mid-market and upscale. I mean that is the market to focus on, if we really want numbers. Otherwise, we will just go to the absolute upper niche and we will be struggling at the budget line.

It is predicted, I read a report somewhere, that in the next five years there would be fourty percent growth in the mid-market segment vis-à-vis the luxury segment – which is only pegged at 6.5%.

We have to start accepting and acknowledging that there is a shift towards the mid-market and unless we focus on this market, I do not think we will get our numbers.

### On the possibility of looking at the bigger picture of the unorganised sector, and how they can be brought mainstream

I have no doubt that there would be a posi-

tive shift towards the organised, but to say that the segment will be over, my answer is no. That is not going to happen. I would like to stretch it a little bit. I think going back to your stance of the need for a mid-market, we need to start focussing on what we need to do to really move up the economy segment, upper-end of the economy and the mid-market segment.

#### On ADRs

There is no justification why our ADR is not improving in line with what is happening. Deep Kalra, I think, explained the whole thing on a much bigger canvas. He said that hotels are their target area where they are making more money than airlines, because they are discounting. So, I think taking cue from what Sanjay said, I think it is high time that we consolidate and start behaving, at least, in the direction of getting more mature in this field.

#### On industry taking the responsibility of promoting international inbound

Industry must take some responsibility, so should the government. They must also take some responsibility and there has to be a close working relationship between the two. There were some other examples given in previous sessions and I was amazed. There is a place between Guwahati and some town called Margherita, I am not very familiar with it, I believe in those 19 kilometres there are 19 golf courses, and nobody has heard of them. We do not know. Nobody has marketed them. The state government has a role. The central government has a role, and whatever the industry can do. But if you expect only hotel companies to come and promote India, I am afraid I am being blunt, I do not think it is going to happen. It can happen by being together.”

TF

**MANAV THADANI, Chairman, HVS - APAC**

## Domestic leisure travel fuelling numbers, trend set to continue



MANAV THADANI

I am an owner as well. I think owners will spend money where they think they will get returns on what they are investing in. I think one interesting phenomenon for India, and since we are at the tourism summit, I have to say that leisure travel in India, overall, is up – and it is being fuelled by domestic tourism to a larger extent than international which is a very good thing, because international numbers are very low.

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### On AsiaPac. How hotels are doing in the neighbouring countries; their business, ARR and more:

First of all, comparing India to the Asian continent, I think that similarities are there in many countries right now. I do follow some of the other countries. Singapore, Thailand and Indonesia are all struggling in ways similar to India – where occupancies have been doing very well, but the rate movement has not really happened. I think other than Japan and Philippines which are having good years, I do not know the details as to why they are having good years, but just the basic overriding numbers are strong in those markets. I think most other markets have somewhat struggled. Closer to home, why we thought things will do well and why they have not is partly is occupancies have done well.

In the past when rates started crossing 70%, rates used to go up by 10-12%. Rates used to go up by double-digits. Today, many markets when they have crossed that 70% threshold, and in some cases even mid to high seventies, the growth rate is not in the double-digit bracket. It is happening, but in single-digits. Very few markets are seeing that. So, in terms of RevPAR, you should have still grown in double-digits in many other markets. But there are markets where that has not happened. It has been very uneven, and that is the disappointment, I think, with owners. There was a lot of expectation that it would happen and it has not really taken place.

#### On whether owners are receptive to the idea of spending money on destination marketing

I am an owner as well. I think owners will spend money where they think they will get returns on what they are investing on. I think one interesting phenomenon for India, and since we are at the tourism summit, I have to say that leisure travel in India, overall, is up – and it is being fuelled

by domestic tourism to a larger extent than international which is a very good thing, because international numbers are very low. So, if you ask Rohit (fellow panellist) and he has got some leisure hotels that are heritage properties – those are doing very well. If you ask the Oberoi's, those hotels in the leisure segment are doing very well, compared to ten years ago where leisure markets used to struggle, and business hotels used to do well. Today, it is practically reversed. If you have got a good property at a good location, in terms of leisure, and you are providing that experiential travel, those hotels are doing very well.

Domestic tourism has got into every market. Jaipur may not be as interesting to may as Coorg, or a hotel outside of Delhi, but it all about accessibility.

#### On Goa

Goa is an evergreen market. You have got so many rooms coming in, and you can build ten more hotels; you would want to go to Goa and try the new hotel out.

#### On pushing tourism

Recently, I was a part of the government council, actually it was headed by Amitabh Kant, and he invited few of us and one of the suggestions that came forward was that, of course you have the Incredible India 2.0 which is being launched and how can that money be spent, but one of the suggestions that was bought was that why can every guest pay ten rupees – I am just putting a number – every time he checks in a hotel, and you put that into a corpus. So, money spent by people staying in Delhi will be collected and utilized in Delhi. The government can then match that fund to promote a particular destination. It has happened in many other global cities, whether it Singapore, whether it is New York city.”

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# of new-age tourism

DILIP PURI, Founder, Indian School of Hospitality

## Skill development in the hospitality industry will impact the larger service sector



DILIP PURI

We do not foster that spirit of innovation, creativity and entrepreneurship in the way we run our curriculums, at least in hospitality. That is my sense of where we are today. I think bringing that in will foster that spirit again. Entrepreneurship, innovation and bringing these people into our industry will make and create products and experiences which will better attract the tourism market, and that is another role I see hospitality playing. Today, when we speak about hospitality as an industry, I think it encompasses all other allied businesses – think aviation, cruise liners, retail and luxury. Hospitality per se, from an education perspective, training perspective, brings about the best in terms of customer service front-facing businesses – which is now not restricted to hotels.

”

### On how the unorganised sector can become a part of the larger framework

I think they are already getting organised. I mean think what social media does. What TripAdvisor does. Today, whether you are staying in a guesthouse or you are staying in an OYO, or you are staying in a five-star luxury, the opportunity for the customer to share those experiences to determine whether people will go back to that guesthouse or that hotel is in itself a certain amount of quality and standardization. If you are going and booking a guest house, and still review whether someone has stayed there, if it is not good you will not stay there.

So, if you are talking about the unorganised sector, that sector is self-organising. You take the example of OYO. OYO is aggregating that sector. OYO and other such players. And, this is the example all over the world. Today, after many years of legislation, AirBnB is almost regulated like a hotel company in the United States. The big companies fought saying why would the lodging tax be different for this kind of hotel accommodation. So, my answer to the question is that organising is self-organising. It does not necessarily need massive amounts of regulation to be able to do that. And, this sector is organising itself better with better guarantee of quality experiences. You will see more and more tourists at the lower end of the market, the backpackers if you like, use these types of products.

And, that is the answer to our discussion that how can the industry support tourism without necessarily having too much regulation, and kind of self-regulating itself in a way.

### On the need for the organised sector to handhold the unorganised sector in becoming more corporate in nature

They do not need big chains and big hotels to help them do that. I think, as you see improvements in quality of skilling the workforce, and it begins to happen, you will not see the need for big hotels and chains to step in and handhold the smaller guy. The smaller guy lands up doing probably a more profitable job of running his business, because he is running it himself. He is closer to his customer, but I would like to believe that the sector in the future, for our country, will be a far more significant player in courting tourists, domestic and

international, and in growth of tourism than us big brands.

### On the need for skilled manpower and where it will come from

To be clear, what I am setting out to do is in more higher education space, bringing in more international quality into our hospitality and education. But to answer the question, it is already happening. There is a genuine belief that the 'Skill India' mission can become a bandwagon for people to upscale and provide the talent needed at the level. That is where the employment is going to come from, because these millions and millions of guesthouses and hotel rooms in tier-2,3,4 and 5 markets, they all need a better quality of skill talent then they certainly have. So, I think there is already a move towards that. And people who are truly entrepreneurial in their spirit, setting up a small business or a guest house can be really lucrative for an entrepreneur. I have, in my research, found out that students want to come and do a four-year program in hospitality not to work in hotels, but to become entrepreneurs. We do not foster that spirit of innovation, creativity and entrepreneurship in the way we run our curriculums, at least in hospitality. That is my sense of where we are today. I think bringing that in will foster that spirit again. Entrepreneurship, innovation and bringing these people into our industry will make and create products and experiences which will better attract the tourism market, and that is another role I see hospitality playing.

### On the trend of trained hospitality professionals taking to other sectors, and whether that trend has ceased off late

No, it has not. I do not think it should. Today, when we speak about hospitality as an industry, I think it encompasses all other allied businesses – think aviation, cruise liners, retail and luxury.

Hospitality per se, from an education perspective, training perspective, brings about the best in terms of customer service front-facing businesses – which is now not restricted to hotels. We train and educate, and what I want to do, is not hospitality as we understand it as hotels. It is a whole larger sector in the services industry which I am talking about. ”

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One of the key sessions in the recently concluded India Tourism Summit was dedicated to deciphering how the hospitality industry could drive tourism. The role of destination promotion, creating new products, and the need for adequate skill enhancement to take on the challenges emanating in a dynamic marketplace, and more, came under scrutiny by a heavyweight panel which included senior industry leaders. One of the most important takeaways of the session was the need for creating more cohesion between the industry and government to promote destinations – which would in turn drive tourism. Also, in focus was how to hone the art of storytelling for taking India to the global tourism marketplace. We bring you excerpts from the proceedings...



**ROHIT KHOSLA, Senior Vice President—Operations, Taj Hotels Resorts and Palaces**

## We will see room rates heading north as industry heads towards more maturity on ADRs

### On leisure and Indian domestic market, and also about the foreign leisure market

As far as the foreign tourist market is concerned, there is a section that continue to travel, and India has a lot of interest in key markets. So, I would not say that foreign tourist market is declining, but what I would say is that domestic tourism and travel is increasing. So, I would not say that we need to be extremely concerned that the numbers are dropping. In fact, the government has taken some great initiatives like e-visa. So, there is a reporting of higher number of tourist arrivals. I would not say that it is going down but domestic is growing far better than international inbound.

there you would find a lot of stress as far as tourism figures and leisure destination figures are concerned, but that is getting supported by MICE and weddings etc. If you look at individual sector, let us say Coorg, or Corbett, or Bekal, or Guwahati. Even if I look at these sectors, we look at these sectors, there is not too much of supply.

We see that where there is not too much of supply, we are doing reasonably well over there, and the figures are looking up.

### On whether the trend is same with hotels that are more international footfalls driven, compared to domestic driven

There are certain destinations that have been developed over a period of time, and coming



ROHIT KHOSLA

If you look at individual sector, let us say Coorg, or Corbett, or Bekal, or Guwahati. Even if I look at these sectors, there is not too much of supply. We see that where there is not too much of supply, we are doing reasonably well over there, and the figures are looking up.

### Some people like to play the role of follower, but there are people who play leaders.

Coming to what Manav was talking about, we do find that our properties dealing with leisure business are definitely doing better. We are able to drive their rates better than in business locations.

And, I guess a lot of it is to do with the competitive scenario. It is the demand-supply situation, wherein in certain leisure destinations we find that supply is still not that much. Specific destinations tend to drive up. If we look at the Rajasthan sector, we look at Jaipur as a city. Jaipur has had a huge influx of supply, so

back to the topic of motivating hospitality to drive tourism, you are aware that Taj has worked very hard to develop Goa as a destination. It developed the destination and promoted it internationally. There was a lot of international inflow, and that spread over to domestic. Therefore, now what is happening is that while international footfalls are dropping, domestic tourism has increased. Once the destination takes up and becomes prominent, obviously, domestic travellers have higher access to it

and they are able to utilise it, and enjoy the destination more. That is what makes the difference.

### On Goa and driving numbers through hospitality

Goa was put on the tourism map through a concerted effort so many years ago, and promoting it in different tourism fairs, such as ITPO, WTM, and all the other international fairs. We started off with getting so many chartered flights, and we all know what has happened to the charter business. We also know what has happened to the business from the countries where the charters used to originate from. There has been a decline those economies, so source markets have dried up. That, however, does not mean that interest in destinations like Goa has

gone down. It is just that economies of travel is not working out for certain people.

If I have to take Rajasthan, that is also a very important tourist destination, or if we take Kerala, the interest over there for international tourism is very high, and hotel companies continue to work with government agencies like FAITH, WTTTC, and others to jointly promote 'Incredible India', working with the MoT to develop destinations. We work with state tourism boards as well.

For example, we opened a new hotel in Guwahati, in ITB recently. Assam tourism had a booth and they were promoting the state, with Kaziranga and other destinations, but Taj played a key role over there to say that there are large domestic players who are also setting up

footprints. Therefore, it is important for promoting Assam as a tourist destination in the international market. We are playing our role. We realise that we have made significant investments there, so it becomes important for us to promote the destination.

### What it means to be more mature in terms of ADRs

I think we talk about it being fragmented and I totally agree. In fact, there is a very high level of frustration, and Manav echoes my feeling that when you are growing double-digit in terms of volumes and occupancies then why are you scared of taking up your rates. And, I think it is for a couple of industry leaders to take a call and what really happens is that everybody follows. As we go ahead, we will see this happening. I think it already happening. We are already seeing the indications of that – leading hotel companies becoming firm on their rates – and I am quite confident that right now we are at the cusp where the demand was much lesser than the supply, and today we are at a situation where the demand is growing more than the supply. So, obviously, rates will grow, some people try to test the market, and some people like to play the role of follower, but there are people who play leaders. And I think they will influence the market. Give it this year. I think 2017-18 is a year where people will look at the maturity of the market, and look at growing the rates, and I think 2018-19 will be the year which will show you the results that actually the market and the industry has matured. 

**SANJAY SHARMA, Market VP, North India and Nepal, Marriott**

## We need to start behaving like an unfragmented market; must hone the art of storytelling

### On branding exercise and large inventory and how it pans out in increasing tourism numbers in India, domestic and international

The take on this is very simple. Marriott International today is more or less the largest operator in India, not only in terms of brands and also in terms of room count. The sheer fact that we are in every segment of the market is in itself a testimony that we are not looking at only particular segment of the market. The merger with Starwood, by taking over a bigger portfolio of luxury into the Marriott portfolio where in certain markets we had more upper upscale only available, now with thirty brands, and specifically going back to India, with 15-16 brands already operational and few more coming in the near future, we want to create space in every market segment... to bring in more business into the country. To create more tourism for the country, and bring in discipline into the market. I think the need of the hour is that we have been talking too long and bragging ourselves being a fragmented market. The big change that today is needed is that a one big step where we start saying that we are no more a fragmented market. We want to work towards making it a mature market, and a mature market will only happen when there is a certain amount of discipline that comes into the market segments.

Taking cue from what Manav said, as soon as you hit the 70%

occupancy, depending on demand and supply, there is no logic of growing only in single digit, in terms of your ADR. That does not make any business logic, neither as an operator nor as an owner. Why you have a single-digit growth is because you have a fragmented market. It is a rat race. You are not ready to take risks, and you still continue to operate and everyone tries to see that they do not lose their market share.

Do we continue to worry about our market share, or do we continue to worry about our quality? Improving our stature in the market, bringing in more quality for tourism, and improving the tax structure for the government? If rates go up, taxes also go up. The government will have more resources to spend.

### On creating a larger canvas of tourism in the country

There is something coming in my mind and I think it is, probably, a little bit interesting for me to put this across. I think we have been too busy creating headlines that we have had so many millions of travellers coming into the country on e-visa. We have created a lot of headlines that we have had sixteen percent growth, and 20 percent growth, in our tourism numbers, but I think in my opinion and a lot of opinion makers that I talk to, we have failed in creating trendlines rather than headlines. We need to start creating trendlines for tourism, and those trend lines come from areas when you have a story to tell.



SANJAY SHARMA

The big change that today is needed is that a one big step where we start saying that we are no more a fragmented market. We want to work towards making it a mature market, and a mature market will only happen when there is a certain amount of discipline that comes into the market segments.

We are not good storytellers at the moment. We need to become better storytellers. I will give you one small example. There is a very beautiful festival in Punjab which I came across recently in Anantpur Sahib and it is called Hola Mohalla. It is one of the most fascinating events on planet Earth. Unfortunately, even if you go through whole of Punjab, it is not being marketed the way it should have been. Whereas a joint promotion strategy of promoting it as an event and creating a story behind it as an event in every state which happens. The government has been doing regulatorily what they are supposed to be doing, but

may be, we should start thinking of how we can create more events in every state and create a story behind them to try and weave them into a tourism blanket for the country. People go to a particular place for a reason. They go once in a lifetime to go see a monument, but they go again and again to be a part

of an event. This is something which we need to address.

### On working in tandem with the government to promote tourism

Let me give you an example of something similar what we are saying that what can be done and what is being done. This unknown turf between Delhi and Gurgaon, a huge investment came, called DIAL – and with a humongous number of rooms, almost 3000 rooms in the plan which will eventually come. There was only one way to co-exist and work along with everyone. What we did along with other partners who are competitors, we created a consortium to drive MICE into DAIL. So, there is a consortium of nine hotels, and everyone wants to be a part of it. Actually, the first big fruit of the consortium was they

### The big change that is needed is that we need to start saying that we are no more a fragmented market.

marketed together and brought in the largest ever MICE convention happening in April in DIAL. That is the first step. Rohit was mentioning that Taj will market Lucknow. I take a cue from here, election tourism in India is incredible. To me, who would think out of the box? Election tourism in India. 



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