TOURISM & HOSPITALITY
Table of Content

- Executive Summary .................................. 3
- Advantage India ...................................... 4
- Market Overview .................................... 6
- Recent Trends and Strategies ....................... 16
- Growth Drivers ....................................... 19
- Opportunities ...................................... 28
- Industry Associations ............................... 32
- Useful Information .................................. 34
EXECUTIVE SUMMARY

Contribution to GDP above world average
- According to WTTC, India ranked 3rd among 185 countries in terms of travel & tourism’s total contribution to GDP in 2018. During 2018, FEEs from tourism increased 4.70 per cent* year-on-year to US$ 28.59 billion. FEEs during January 2019 was US$ 2.55 billion.
- In India, the sector’s direct contribution to GDP is expected to grow by 7.1 per cent per annum during 2018-28.

Creating higher employment
- As of 2017-18, 81.1 million people were employed in the tourism sector in India which was 12.38 per cent of total employment in the country.

Higher investments
- Travel & tourism’s contribution to capital investment in India is projected to grow 6.7 per cent per annum during 2018–28.

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

New Visa Reforms
- Electronic tourist authorisations, known as E – Tourist Visa, launched by the Government of India have resulted in increase in number of tourist visa issued in the country. The facility has been extended to citizens of 166 countries, as of December 2018.
- During January 2019, arrivals through e-tourist visa increased by 21.10 per cent year-on-year to 0.29 million.

Note: CY - Calendar Year, FEE – Foreign Exchange Earning, * - Increased in US$ terms
Source: World Travel & Tourism Council’s (WTTC’s) Economic Impact 2018, Ministry of Tourism
By 2020, medical tourism industry of India is expected to touch US$ 9 billion.

During 2018, 10.56 million foreign tourists arrived in the country.

International tourist arrivals are expected to reach 30.5 million by 2028.

India has a diverse portfolio of niche tourism products – cruises, adventure, medical, wellness, sports, MICE, eco-tourism, film, rural & religious tourism

In January 2017, Federation of Indian Chambers of Commerce & Industry (FICCI) announced the launch of India Travel Tech Launchpad.

India offers geographical diversity, attractive beaches, 30 World Heritage Sites and 25 bio-geographic zones

The country’s big coastline is dotted with several attractive beaches

A 5-year tax holiday has been offered for 2,3- and 4-star category hotels located around UNESCO World Heritage sites (except Delhi & Mumbai)

Under the Swadesh Darshan scheme, 15 thematic circuits in the country have been selected for development of tourism infrastructure.

E-visa facility offered to 166 countries, as of December 2018.

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

MARKET OVERVIEW
EVOLUTION OF THE INDIAN TOURISM AND HOSPITALITY SECTOR

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

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

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

- The government has undertaken various marketing initiatives to attract tourists
- E-tourist visa launched, and 1.697 million tourists arrived in India in 2017 through this facility.
- Travel and Tourism sector accounted for 8 per cent of total employment opportunities in India in 2017.
- In November 2018, India attained third position in world tourism sector after China and US.

Source: WTTC, Ministry of Tourism, TechSci Research
SEGMENTS OF TOURISM AND HOSPITALITY

Accommodation and catering
- Accommodation could be hotels & motels, apartments, camps, guest houses, lodge, bed & breakfast establishments, house boats, resorts, cabins & hostels. In addition, tourists also require catering facilities, which includes include hotels, local restaurants, roadside joints, cafeterias & retail outlets serving food & beverages.

Transportation
- Comprises airline companies, cruise services, railways, car rentals & more. A tourist’s choice of transport would depend on the travel budget, destination, time, purpose of the tour & convenience to the point of destination.

Attractions
- Another major component of the travel & tourism industry is ‘attractions’ such as theme parks & natural attractions including scenic locations, cultural & educational attractions, monuments, events & medical, social or professional causes.

Travel agents
- A fragmented sector with several independent travel agents & many online businesses. They also sell associated products such as insurance, car hire & currency exchange.
- Business travel agencies specialise in making travel & accommodation arrangements for business travellers & promoting conference trades.

Tour operators
- Offer customised tours, including travel, accommodation & sightseeing

Source: Dun and Bradstreet’s Report on Tourism in India
EMERGING TOURISM AND HOSPITALITY SEGMENTS

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

One of the biggest contributor to tourism industry. India being religious hub for different cultures attracts many tourists every year.

Vast variety of flora & fauna in various states is a major factor behind their growing popularity as tourist destinations. Thenmala in Kerala is the 1st planned ecotourism destination in India.

The luxury travel market in India registered a growth rate of 12.8 per cent in 2015, the highest in comparison with any other BRIC country.

A wide range of adventure sports are covered under this category with specialised packages. The activities include mountaineering, trekking, bungee jumping, mountain biking, river rafting & rock climbing.

Tourists seek specialised medical treatments, mainly ayurvedic, spa & other therapies. The primary purpose is achieving, promoting or maintaining good health & a sense of well-being.

Tourists visit India for its cultural heritage in various cities. The country’s rich heritage is amply reflected in the various temples, majestic forts, pleasure gardens, religious monuments, museums, art galleries, urban & rural sites.

Source: Dun and Bradstreet's Report on Tourism in India
India ranked 7th in the world in 2017 contributing US$ 234 billion in terms of absolute direct contribution of travel & tourism sectors to its GDP.

It is the 3rd largest foreign exchange earner for the country.

The tourism & hospitality sector’s direct contribution to GDP in 2017, was Rs 5.94 trillion (US$ 91.27 billion). This is expected to reach Rs 12.68 trillion (US$ 194.69 billion) in 2028, implying a CAGR of 7.23 per cent during 2012-28.

According to 2018 report of the World Travel and Tourism Council (WTTC), India was ranked third in the tourism sector.

India generated revenue of about US$ 247 billion in 2018.

**Note:** CAGR – Compound Annual Growth Rate, E - Estimated, F - Forecast, Update expected in June 2019

**Source:** World Travel & Tourism Council's (WTTC's) Economic Impact 2018
During 2018, foreign tourist arrivals (FTAs) in India stood at 10.55 million, achieving a growth rate of 5.20 per cent year-on-year. FTAs in January 2019 stood at 1.10 million, up 5.30 per cent compared to 1.05 million year-on-year.

Growth in tourist arrivals has been due to flexible government policies, developed rail & road infrastructure, ease in availability of e-visas to foreign tourists. During January 2019, arrivals through e-tourist visa increased by 21.10 per cent year-on-year to 0.29 million.

The Government of India has set a target of 20 million foreign tourist arrivals (FTAs) by 2020 and double the foreign exchange earnings as well.

The Government of India is working to achieve 1 per cent share in world’s international tourist arrivals by 2020 and 2 per cent share by 2025.

Note: CY – Calendar Year, E- Estimated, T-Target., FTAs – Foreign Tourist Arrivals, CAGR upto 2018
Source: Ministry of Tourism
Tourism is an important source of foreign exchange in India similar to many other countries.

During 2018, India earned foreign exchange of US$ 28.59 billion from tourism, recording a year-on-year growth rate of 4.70 per cent. FEEs during January 2019 was US$ 2.55 billion.

Foreign exchange earnings (FEEs) from tourism in India witnessed growth at a CAGR of 9.35 per cent during 2007-18.

The number of tourists from India is expected to reach 50 million by 2020, according to the World Trade Organization. This rapid increase in outbound tourism from India is going to benefit forex providers in the country.

Note: FEE – Foreign Exchange Earnings
Source: Ministry of Tourism, Economic Times
DOMESTIC CONSUMERS TO LEAD GROWTH

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

Note: E- Estimated
Source: World Travel & Tourism Council’s Economic Impact 2019
RISING REVENUES FROM LEISURE AND BUSINESS SEGMENTS

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

Source: World Travel & Tourism Council’s (WTTC’s) Economic Impact 2019, TechSci Research

Note: E- Estimated
## MAJOR COMPANIES ACROSS SEGMENTS

<table>
<thead>
<tr>
<th>Company</th>
<th>Segment</th>
<th>Revenue (US$ millions)</th>
<th>Other major players</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>FY17</td>
<td>FY18</td>
</tr>
<tr>
<td>makeMytrip.com</td>
<td>Online booking</td>
<td>448</td>
<td>675</td>
</tr>
<tr>
<td>Taj Hotels Resorts and Palaces</td>
<td>Hotel</td>
<td>382</td>
<td>410</td>
</tr>
<tr>
<td>Thomas Cook</td>
<td>Tour operators</td>
<td>1,373</td>
<td>1,771</td>
</tr>
</tbody>
</table>

*Source: Respective company websites*
RECENT TRENDS AND STRATEGIES
### NOTABLE TRENDS IN THE TOURISM INDUSTRY IN INDIA

| **Online travel operators** | - Over 70 per cent of air tickets are now being booked online in the country  
- Several online travel & tour operators, which provide better prices & options to consumers, have emerged in India |
| **Wellness tourism** | - The widespread practice of Ayurveda, yoga, siddha & naturopathy that is complemented by the nation’s spiritual philosophy makes India a famous wellness destination. |
| **Cruises** | - Government of India has estimated that India would emerge with a market size of 1.2 million cruise visitors by 2030-31. The government is planning to set up five cruise terminals in the country.  
- As of January 2019, Zen cruises announced its plan to start cruise services in India starting April 17, 2019. |
| **Adventure** | - Adventure tourism is one of the most popular segments of tourism industry. Owing to India’s enormous geo-physical diversity, it has progressed well over the years. Moreover, the government has recognised Adventure Tourism as a Niche Tourism product to attract tourists with specific interest.  
- Part of India’s tourism policy, almost every state has definite programme to identify & promote Adventure tourism. |
| **Camping sites** | - Promotion of camping sites has been encouraged with adequate acknowledgement of its adverse effects on environment  
- Besides providing unique rewarding experiences, responsible conduct of camping can be a major source for both additional economic opportunities in remote areas as well as an instrument of conservation |

*Source: Incredible India, Economic Times, News sources*
## STRATEGIES ADOPTED

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>One stop solution</strong></td>
<td>Players are trying to ensure convenience for their customers by providing all services available on a single portal. For example, makemytrip.com &amp; a host of other websites provide a comprehensive basket of offerings which include outbound &amp; inbound travel for leisure &amp; business trips, hotels &amp; car booking, holiday packages within India or abroad, etc.</td>
</tr>
<tr>
<td><strong>Multiple channels</strong></td>
<td>Players are opting for many channels to maximise sales &amp; ensure convenience for their customers. For example, Thomas Cook &amp; Kuoni India launched their online portals to compete with others. On the other hand, makemytrip.com is planning to go for the offline channel to complement its existing portal &amp; has already launched mobile apps for maximising sales.</td>
</tr>
<tr>
<td><strong>Branding</strong></td>
<td>The launch of several branding &amp; marketing initiatives by the Government of India such as Incredible India! &amp; Athiti Devo Bhava provides a focused impetus to growth. The Government of India has launched the Incredible India 2.0 campaign to market specific promotional plans.</td>
</tr>
<tr>
<td><strong>M-visa</strong></td>
<td>Indian government has also released a fresh category of visa – the medical visa or M visa, to encourage medical tourism in India. Indian medical tourism is expected to reach US$ 8 billion by 2020.</td>
</tr>
<tr>
<td><strong>Data Analytics and Artificial Intelligence</strong></td>
<td>Companies have started using data analytics to create a 360-degree profile of their customers. Makemytrip has also started using AI powered chatbots. 25 per cent of its post-sales requests are now services by these chatbots.</td>
</tr>
<tr>
<td><strong>Spiritual tourism</strong></td>
<td>India has been known as the seat of spiritualism &amp; India's cosmopolitan nature is best reflected in its pilgrim centres. India has been recognised as a destination for spiritual tourism for domestic &amp; international tourists. In March 2019, Rs 720 crore (US$ 103.02) had been allocated by Uttar Pradesh towards strengthening the infrastructure for tourism.</td>
</tr>
</tbody>
</table>

*Source: Make in India, Company websites, Ministry of Tourism, KPMG – Expedition 3.0, VC Circle*
GROWTH DRIVERS FOR THE TOURISM MARKET

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

- Domestic expenditure on tourism is expected to rise due to the growing income of households.
- Several niche offerings such as medical tourism & eco tourism are expected to create more demand.
- RCI, Global vacation exchange has 103 properties in 2018 and added 16 new resorts in India.

- Hotel & Tourism sector has received cumulative FDI inflows of US$ 12.35 billion between April 2000 and March 2019.
- International hotel brands are targeting India. Carlson group is aiming to increase the number of its hotels in India to 170 by 2020.

- Hospitality majors are entering into tie ups to penetrate deeper into the market, such as Taj & Shangri-La entered into a strategic alliance to improve their reach & market share by launching loyalty programme aimed at integrating rewarded customers of both hotels.

- A web based Public Service Delivery System (PSDS) had been launched by the Ministry of Tourism to enable all the applicants seeking approval for hotel projects and track their applications online on a real time basis.
- The Government of India will develop 10 prominent sites in India into iconic tourist destinations, as per Union Budget 2018-19.
- Campaigns such as Incredible India & Athithi Devo Bhava were launched to harness the tourism industry’s potential.

Source: Make in India, DPIIT, TechSci Research
RISE IN INCOME AND CHANGING DEMOGRAPHICS BOOSTING DEMAND

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

Note: * Estimates after 2013
Source: International Monetary Fund, World Economic Outlook Database, April 2019
Domestic expenditure on tourism has grown significantly; in 2017, it reached Rs 12.11 trillion (US$ 186.03 billion).

It is expected to reach Rs 26.43 trillion (US$ 405.84 billion), implying a Compounded Annual Growth Rate of 7.29 per cent between 2012-28.

Note: F – Forecast, E – Estimated, *at real 2017 prices converted at USD = INR 65.12, Update is expected in May 2019

Source: WTTC - Travel & Tourism Economic Impact 2018
## GOVERNMENT INITIATIVES

| Swadesh Darshan                                                                 | • Based on specific themes, government has identified 15 circuits which includes Krishna Circuit, Buddhist Circuit, Himalayan Circuit, North East Circuit, Coastal Circuit, wildlife circuit & tribal circuit.  
  • So far 73 projects have been sanctioned under the Swadesh Darshan Scheme since FY15. During 2018-19, a total of six projects worth Rs 304.3 crore (US$ 42.18 million) were sanctioned under the Swadesh Darshan scheme. Four new projects for Rs 190.46 Crores are sanctioned under the tourism infrastructure development schemes, Swadesh Darshan and PRASHAD in the states of Meghalaya, Gujarat and Uttar Pradesh recently.  
  • Under Budget 2018-19, the Government of India allotted Rs 1,400 crore (US$ 200.3 million) for development of tourist circuits under Swadesh Darshan for eight north-eastern states. |
| Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive (PRASHAD) | • National Mission on Pilgrimage Rejuvenation & Spiritual Augmentation was implemented by the Ministry for enhancing the facilities provided & infrastructure at pilgrimage centres of all cities  
  • Under Interim Budget 2018-19, the Government of India allotted Rs 160.50 crore (US$ 22.25 million) for development of tourist circuits under PRASHAD. |
| National Tourism Policy 2015 | • Formulation of National Tourism Policy 2015 that would encourage the citizens of India to explore their own country as well as position the country as a ‘Must See’ destination for global travellers  
  • Under Union Budget 2017, US$ 14.87 million was allocated for promotion & publicity of various programmes & schemes of the Tourism ministry. |
| Statue of Unity | • Statue of Sardar Vallabhbhai Patel, also known as ‘State of Unity’, was inaugurated in October 2018. It is the highest standing statue in the world at a height of 182 metre.  
  • It is expected to boost the tourism sector in the country and put India on the world tourism map. In February 2019, the visiting hours has been increased by two more hours and has been equipped with e-bike tours.  
  • The total revenue generated till January 29, 2019 is Rs 18.47 crore (US$ 2.55 million) and revenue of Rs 50 crore (US$ 6.93 million) is estimated annually. |

*Note: National Mission on Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive
Source: Union Budget, TechSci Research*
## TOURISM POLICY AND INITIATIVES GIVE A BOOST TO THE INDUSTRY… (1/2)

<table>
<thead>
<tr>
<th>Special Boards</th>
</tr>
</thead>
<tbody>
<tr>
<td>- The Ministry has set up a Hospitality Development &amp; Promotion Board, which will monitor &amp; facilitate hotel project clearances/approvals</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tourist Police</th>
</tr>
</thead>
<tbody>
<tr>
<td>- In March 2018, Ministry of Tourism initiated State Governments/Union Territory administrations of India to deploy Tourist Police</td>
</tr>
<tr>
<td>- In November 2018, Nagaland deployed a separate tourist police.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tax Incentives</th>
</tr>
</thead>
<tbody>
<tr>
<td>- An investment-linked deduction under Section 35 AD of the Income Tax Act is in place for establishing new hotels in the 2-star category and above across India, thus permitting a 100 per cent deduction in respect of the whole or any expenditure of a capital nature</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Safety and Security Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Ministry of Tourism launched a 24x7 Toll Free Multilingual Tourist Infor-Helpline in 12 languages which will provide information relating to travel in India</td>
</tr>
<tr>
<td>- Ministry of Tourism issued guidelines on Safety and Security for States/UTs along with tips for travelers</td>
</tr>
<tr>
<td>- Launched Social Media Awareness Campaign in the spirit of ‘Atithidevo Bhava’ to develop importance of good conduct and behavior towards tourists</td>
</tr>
<tr>
<td>- Initiative to conduct constant dialogue with State/UTs for drawing ideas for development and promotion of tourism</td>
</tr>
</tbody>
</table>

*Source: World Travel & Tourism Council, Union Budget 2015 – 16, TechSci Research*
## Tourism Policy and Initiatives Give a Boost to the Industry… (2/2)

### Incentives from Ministry of Tourism
- Assistance in large revenue-generating projects.
- Support to Public Private Partnerships in infrastructure development such as viability gap funding.
- Under budget 2019-2020, government introduced a Tax Refund for Tourists (TRT) scheme like in countries such as Singapore to encourage tourists to spend more in India and boost tourism.

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

### E – Tourist Visa
- The number of tourists arriving on e-tourist visa grew by 21.7 per cent year-on-year to 0.12 million during the month of May 2019.
- Foreigners travelling to India on e-tourist visa will receive a BSNL SIM card which will be pre activated and loaded with talktime and data.

### India Tourism Mart 2018
- In September 2018, first ever India Tourism Mart (ITM 2018), was organised. It was a three-day event in which all the stakeholders of the industry came together to interact and transact business.

---

**Source:** World Travel & Tourism Council, TechSci Research
CONTINUED GROWTH IN INVESTMENTS IN THE TOURISM SECTOR

- India’s tourism sector attracted capital investments of US$ 47.8 billion in 2017 and expected to reach US$ 95.3 billion by 2028.
- Berggruen Hotels is planning to add around 20 properties under its mid-market segment ‘Keys Hotels’ brand across India, by 2018.
- Hilton plans to add 18 hotels pan India by 2021, along with 15 operational hotels under its brands namely Hampton, Hilton Garden Inn, Conrad, Hilton Hotels & Resorts & DoubleTree by Hilton.
- As of April 2019, Radisson Hotel Group, global hospitality firm plans to double its portfolio of hotel in India to 200 by 2022.
- In 2018, Marriott International plans to add 20 more properties to its existing portfolio of 98 hotels in India.
- Louvre Hotels Group, world’s fifth largest hotel group, plans to increase its business in India to 10-15 per cent by 2021 from 5-7 per cent, as of September 2018.
- Collective government spending in India on travel and tourism is expected to reach Rs 367.9 billion (US$ 5.85 billion) in 2028 from Rs 169.8 billion (US$ 2.81 billion) in 2017.
- In September 2018, the Indian government launched the ‘Incredible India Mobile App’ to assist the traveller to India and showcase major experiences for travelling.
- Oyo Rooms is planning to invest about Rs 1,400 crore (US$ 200 million) towards capital expenditure, technology and leadership in its Indian and South Asia business over 2019.
- Airbnb Inc, largest home-sharing platform has invested about US$ 200 million in OYO’s Series E funding round.

Note: E – Estimated, F- Forecast , Update is expected around July 2019
In November 2014, the Government of India had introduced e-tourist visa to facilitate arrivals of nationals from 43 countries. As of December 2018, the facility has been extended to 166 countries.

The e-tourist visa is a part of the e-visa facility which also includes e-business visa, e-conference visa, e-medical visa and e-medical attendant visa.

Tourist arrivals through e-tourist visa increased at a CAGR of 179.12 per cent during 2014-18 to reach 2.37 million tourists in 2018. In 2019 (up to May), 1.23 million tourists have arrived through the facility.

**Note:** P- Provisional

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

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

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

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

*Source: Ministry of Tourism, BMI, TechSci Research*
LEADING STATES/UTs IN TERMS OF TOURISTS

**Uttar Pradesh** – Attracted 237.53 million total tourists (14.14 per cent) in 2017
- Domestic Tourists: 233.98 million
- Foreign Tourists: 3.56 million
- Major attractions – Taj Mahal, Agra Fort, Fatehpur Sikri & Sarnath

**Karnataka** – Attracted 180.48 million total tourists (10.75 per cent) in 2017
- Domestic Tourists: 179.98 million
- Foreign Tourists: 0.50 million
- Major attractions - Mysore Palace, Hampi, Coorg, Jog falls

**Maharashtra** – Attracted 124.27 million total tourists (7.40 per cent) in 2017
- Domestic Tourists: 119.19 million
- Foreign Tourists: 5.08 million
- Major attractions – Ajanta & Ellora Caves, Shirdi, Ashtavinayak & Matheran

**Tamil Nadu** – Attracted 349.92 million total tourists (20.84 per cent) in 2017
- Domestic Tourists: 345.06 million
- Foreign Tourists: 4.86 million
- Major attractions – Meenakshi Temple, Brihadeeswarar Temple, Yelagiri Hills, Hogenakkal Falls & Vivekananda Memorial

**Andhra Pradesh** – Attracted 165.71 million total tourists (9.87 per cent) in 2017
- Domestic Tourists: 165.43 million
- Foreign Tourists: 0.27 million
- Major attractions – Prasanthi Nilayam, Tirumala, Arunchala, Tirupati

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

**Source:** Ministry of Tourism
**AIRLINES INDUSTRY SET TO FLY HIGHER**

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low-cost airlines</td>
<td>Growth in low-cost airlines is expected to lower tourism costs &amp; increase domestic spending on tourism. Low cost flights under the Ude Desh ka Aam Naagrik (UDAN) scheme are expected to connect under served regions in the country and promote domestic tourism.</td>
</tr>
<tr>
<td>Increase in international flight operators</td>
<td>The market is likely to become more competitive due to the entry of an increasing number of international flight operators expected to offer improved services to tourists. JVs such as Air Asia and Tata SIA are beginning services in India and can provide better services. Some new players that have entered the country are Etihad &amp; Vistara.</td>
</tr>
<tr>
<td>Increasing number of airports</td>
<td>The Airports Authority of India aims to start operating 250 airports across the country by 2020. As of December 2018, there were 102 operational airports in India.</td>
</tr>
<tr>
<td>Higher investments</td>
<td>In the Union Budget 2018-19, the government has proposed to develop 10 prominent sites into iconic tourist destinations.</td>
</tr>
<tr>
<td>Higher passenger traffic</td>
<td>Domestic air traffic in India increased 2.62 per cent year-on-year in January-May 2019. International air traffic of India has more than doubled in a decade to reach 65.47 million in 2017-18. By 2020, passenger traffic at Indian airports is expected to increase to 450 million people.</td>
</tr>
</tbody>
</table>

*Source: World Travel & Tourism Council, TechSci Research*
INDUSTRY ASSOCIATIONS
### Federation of Hotel & Restaurant Associations of India (FHRAI)

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

### Hotel Association of India (HAI)

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

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

### Exchange Rates (Fiscal Year)

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

### Exchange Rates (Calendar Year)

<table>
<thead>
<tr>
<th>Year</th>
<th>INR Equivalent of one US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>45.33</td>
</tr>
<tr>
<td>2007</td>
<td>41.29</td>
</tr>
<tr>
<td>2008</td>
<td>43.42</td>
</tr>
<tr>
<td>2009</td>
<td>48.35</td>
</tr>
<tr>
<td>2010</td>
<td>45.74</td>
</tr>
<tr>
<td>2011</td>
<td>46.67</td>
</tr>
<tr>
<td>2012</td>
<td>53.49</td>
</tr>
<tr>
<td>2013</td>
<td>58.63</td>
</tr>
<tr>
<td>2014</td>
<td>61.03</td>
</tr>
<tr>
<td>2015</td>
<td>64.15</td>
</tr>
<tr>
<td>2016</td>
<td>67.21</td>
</tr>
<tr>
<td>2017</td>
<td>65.12</td>
</tr>
<tr>
<td>2018</td>
<td>68.36</td>
</tr>
</tbody>
</table>

*Source: Reserve Bank of India, Average for the year*
India Brand Equity Foundation (IBEF) engaged TechSci Research to prepare this presentation and the same has been prepared by TechSci Research in consultation with IBEF.

All rights reserved. All copyright in this presentation and related works is solely and exclusively owned by IBEF. The same may not be reproduced, wholly or in part in any material form (including photocopying or storing it in any medium by electronic means and whether or not transiently or incidentally to some other use of this presentation), modified or in any manner communicated to any third party except with the written approval of IBEF.

This presentation is for information purposes only. While due care has been taken during the compilation of this presentation to ensure that the information is accurate to the best of TechSci Research and IBEF’s knowledge and belief, the content is not to be construed in any manner whatsoever as a substitute for professional advice.

TechSci Research and IBEF neither recommend nor endorse any specific products or services that may have been mentioned in this presentation and nor do they assume any liability or responsibility for the outcome of decisions taken as a result of any reliance placed on this presentation.

Neither TechSci Research nor IBEF shall be liable for any direct or indirect damages that may arise due to any act or omission on the part of the user due to any reliance placed or guidance taken from any portion of this presentation.