EXECUTIVE SUMMARY

<table>
<thead>
<tr>
<th>Contribution to GDP above world average</th>
</tr>
</thead>
<tbody>
<tr>
<td>• According to WTTC, India ranked third among 185 countries in terms of travel &amp; tourism's total contribution to GDP in 2018. During 2019, FEEs from tourism increased 4.8 per cent* y-o-y to Rs 1,94,881 crore (US$ 29.96 billion).</td>
</tr>
<tr>
<td>• In India, the sector's direct contribution to GDP is expected to grow by 7.1 per cent per annum during 2018-28.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Creating higher employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>• As of 2019, 4.2 crore jobs were created in the tourism sector in India, which was 8.1 per cent of the total employment in the country.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Higher investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Travel &amp; tourism’s contribution to capital investment in India is projected to grow 6.7 per cent per annum during 2018–28.</td>
</tr>
<tr>
<td>• Under the Swadesh Darshan scheme, 77 projects have been sanctioned worth Rs 6,035.70 crore (US$ 863.60 million).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Increasing visitor export</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Contribution of visitor export to total export is estimated to increase 5.5 per cent per annum during 2018–2028.</td>
</tr>
<tr>
<td>• International tourists arrival is expected to reach 30.5 billion by 2028.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New visa reforms</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Electronic tourist authorisations, known as e-Tourist Visa, launched by the Government of India, has resulted in increase in number of tourist visa issued in the country. The facility was extended to citizens of 169 countries as of December 2019.</td>
</tr>
<tr>
<td>• During 2019, a total of 29,28,303 tourists arrived on e-Tourist Visa, registering a growth of 23.6 per cent.</td>
</tr>
</tbody>
</table>

**Note:** CY - Calendar Year, FEE – Foreign Exchange Earning, * - Increased in US$ terms  
**Source:** World Travel & Tourism Council's (WTTC’s) Economic Impact 2019, Ministry of Tourism
ADVANTAGE INDIA
ADVANTAGE INDIA

- By 2020, medical tourism industry of India is expected to touch US$ 9 billion.
- During 2019, 10.89 million foreign tourists arrived in the country.
- International tourist arrivals are expected to reach 30.5 million by 2028.
- Prime Minister Narendra Modi urged people to visit 15 domestic tourist destinations in India by 2022.

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

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

- 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-Tourist Visa facility offered to 169 countries as of December 2019.

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

**Source:** World Travel & Tourism Council’s (WTTC’s) Economic Impact 2019, Ministry of Finance
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
- 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
- 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
- The Government has undertaken various marketing initiatives to attract tourists
- E-tourist Visa launched – 4 million tourists arrived in India in 2018 through this facility
- Travel and tourism sector accounted for 8.1 per cent of total employment opportunities in India in 2019
- In November 2018, India attained third position in the world tourism sector after China and US

Source: WTTC, Ministry of Tourism
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

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

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

- **Adventure tourism**: 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.

- **Medical tourism**: 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.

- **Eco-tourism**: 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.

- **Luxury tourism**: The luxury travel market in India is expected to grow at rate of 12.8 per cent during 2015-25, the highest in comparison with any other BRIC country.

- **Heritage tourism**: 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 & Bradstreet’s Report on Tourism in India
India ranked eighth in the world in 2018, contributing almost US$ 247 billion to the country’s GDP. It is the third largest foreign exchange earner for the country.

India was ranked 34 in the Travel & Tourism Competitiveness Report 2019 published by the World Economic Forum.

The tourism & hospitality sector’s direct contribution to GDP is expected to reach Rs 12.68 trillion (US$ 194.69 billion) in 2028.

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

Total earning from the sector in India stood at US$ 28.6 billion in 2018, and it is targeted to reach US$ 50 billion by 2022.

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

**Source:** World Travel & Tourism Council’s (WTTC’s) Economic Impact 2019
FOREIGN ARRIVALS ARE RISING

- During 2019, foreign tourist arrivals (FTAs) in India stood at 10.89 million, achieving a growth rate of 3.20 per cent y-o-y.
- Growth in tourist arrivals has been due to flexible Government policies, developed rail & road infrastructure, ease in availability of e-Tourist Visa to foreign tourists. In 2019, arrivals through e-Tourist Visa increased by 23.6 per cent y-o-y to 2.9 million.
- The Government is working to achieve 1 per cent share in world's international tourist arrivals by 2020 and 2 per cent share by 2025.
- In 2020*, FTAs in India stood at 2.46 million.

Note: CY – Calendar Year, E- Estimated, T-Target, FTAs – Foreign Tourist Arrivals, CAGR upto 2019, *- till March 2020
Source: Ministry of Tourism
Tourism is an important source of foreign exchange in India similar to many other countries.

During 2019, India earned foreign exchange of US$ 29.96 billion from tourism, recording a y-o-y growth of 4.80 per cent. Foreign exchange earnings (FEEs) from tourism in India witnessed growth at a CAGR of 8.96 per cent during 2007-2019.

In 2020*, India earned US$ 6.15 billion in foreign exchange of from tourism.

Note: FEE – Foreign Exchange Earnings, *- till March 2020
Source: Ministry of Tourism, Economic Times
DOMESTIC CONSUMERS TO LEAD GROWTH

Share of tourists by expenditure (2019)

- Domestic spending: 87.20%
- Foreign visitor spending: 12.80%

Expected share of tourists by expenditure (2028F)

- Domestic spending: 88.85%
- Foreign visitor spending: 11.15%

- Domestic travel revenue is estimated at Rs US$ 215.38 billion in 2019 and is anticipated to further increase to US$ 405.8 billion by 2028F.

Note: F - Forecasted

Source: World Travel & Tourism Council's Economic Impact 2019
Share of revenue from leisure travel to total tourism stood around 94.8 per cent in 2019.

Leisure travel spending reached US$ 234.16 billion in 2019 and is expected to reach US$ 432.3 billion by 2028F.

Business travel revenue was US$ 12.84 billion in 2019 and is projected to increase to US$ 24.4 billion by 2028F.

Note: F-Forecasted

Source: World Travel & Tourism Council’s (WTTC’s) Economic Impact 2019
### MAJOR COMPANIES ACROSS SEGMENTS

**Company** | **Segment** | **Revenue (US$ millions)** | **Other major players**
--- | --- | --- | ---
[MakeMyTrip](https://www.makemytrip.com) | Online booking | 448 | FY17 | 675 | FY18 | 486 | FY19 | Yatra.com, cleartrip.com, travelocity.com, travelchacha.com, ixigo.com
[Hotel Booking](https://www.tajhotels.com) | Hotel | 382 | FY17 | 410 | FY18 | 658 | FY19 | ITC, Oberoi, Marriott
[Travel Specialists](https://www.coxandkings.com) | Tour operators | 1,121 | FY17 | 1,009 | FY18 | 828 | FY19 | SOTC, Raj Travels

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
</table>
| **Online travel operators** | ▪ Over 70 per cent of air tickets are now being booked online in the country.  
▪ Several online travel & tour operators have emerged in India and are customized options to consumers. |
| **Wellness tourism**    | ▪ The widespread practice of Ayurveda, yoga, siddha and naturopathy complemented with 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 and increase cruise ships to 1,000.  
▪ Zen cruises launched its premiere cruise line, Jalesh Cruises, and started its cruise service in India in April 2019.  
▪ In November 2019, Chipsan Aviation introduced helicopter services from Willingdon Island, Cochin Port. |
| **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 have been encouraged with adequate acknowledgement of its adverse effects on the environment.  
▪ Besides providing unique rewarding experiences, responsible conduct of camping can be a major source of economic opportunity in remote areas as well as an instrument of conservation. |

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

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

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

### Branding
- The launch of several branding and marketing initiatives by the Government of India like Incredible India and Athiti Devo Bhava provides a focused impetus to growth.
- The Government has launched Incredible India 2.0 campaign to market specific promotional plans.

### M-visa
- Indian Government has also released a fresh category of visa, the medical visa or M-visa, to encourage medical tourism in India.

### Data analytics and Artificial Intelligence
- Companies have started using data analytics to create a 360-degree profile of their customers.
- Makemytrip have started using AI powered chatbots. 25 per cent of its post-sales requests are now serviced by chatbots.

### Spiritual tourism
- India has long been known as the seat of spiritualism and India's cosmopolitan nature is best reflected across its pilgrim centres.
- India has been recognised as a destination for spiritual tourism for domestic and international tourists.

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

- More than half of Ministry of Tourism’s 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 under 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.
- By 2029, India’s tourism sector is expected to reach Rs 35 trillion (US$ 488 billion) with a growth of 6.7 per cent and accounting for 9.2 per cent of the total economy.

- Hotel & Tourism sector has received cumulative FDI inflow of US$ 13.21 billion between April 2000 and December 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. Taj & Shangri-La entered into a strategic alliance to improve their reach and market share by launching loyalty programmes 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 will develop 17 iconic tourist sites in India into world-class destinations as conveyed in the Union Budget 2019-20.

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

- Rising income 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$ 2,175 in 2019-20. It is expected to reach US$ 3,277.28 by 2024.

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

![GDP Per Capita at Current Prices (US$)](chart)

CAGR 6.84%
INCREASING SPENDING ON TOURISM

- Domestic expenditure on tourism has grown significantly.
- It is expected to reach US$ 405.84 billion by 2028 from being at US$ 179.33 in FY16.

Note: F – Forecast, *at real 2017 prices converted at USD = INR 65.12
Source: WTTC - Travel & Tourism Economic Impact 2019
## GOVERNMENT INITIATIVES

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Swadesh Darshan</strong></td>
<td>- Based on specific themes, Government has identified 15 circuits which include Krishna Circuit, Buddhist Circuit, Himalayan Circuit, Northeast Circuit, Coastal Circuit, wildlife circuit and tribal circuit.&lt;br&gt;- So far, 77 projects for an amount Rs 6,035.70 crore (US$ 836.60 million) have been sanctioned under the Swadesh Darshan Scheme since FY15.&lt;br&gt;- Under Budget 2020-21, the Government has allotted Rs 1,200 crore (US$ 171.70 million) for the development of tourist circuits under Swadesh Darshan for entire Northeast.</td>
</tr>
<tr>
<td><strong>Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive (PRASHAD)</strong></td>
<td>- National Mission on Pilgrimage Rejuvenation &amp; Spiritual Augmentation was implemented by the Ministry for enhancing the facilities and infrastructure provided at pilgrimage centres across the country.&lt;br&gt;- Under Budget 2020-21, the Government has allocated Rs 207.55 crore (US$ 29.70 million) for the development of tourist circuits under PRASHAD.&lt;br&gt;- As of now, a total of 28 projects have been sanctioned for an amount of Rs 840.02 crore (US$ 120.19 million) under this scheme.</td>
</tr>
<tr>
<td><strong>National Tourism Policy 2015</strong></td>
<td>- Formulation of National Tourism Policy 2015 was initiated to encourage Indian citizens to explore their own country as well as position the country as a ‘Must See’ destination for global travellers.&lt;br&gt;- Under Union Budget 2020-21, Rs 590 crore (US$ 84.42 million) has been allocated for promotion and publicity of various programmes and schemes of the Tourism Ministry.</td>
</tr>
<tr>
<td><strong>Statue of Unity</strong></td>
<td>- 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 metres.&lt;br&gt;- 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 were increased by additional two hours and the place was equipped with E-bike tours.&lt;br&gt;- Over 29 lakh tourists visited the Statue of Unity since it was inaugurated, resulting in a revenue of Rs 82.51 crore (US$ 11.81 million).</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Special Boards</th>
<th>The Ministry has set up Hospitality Development &amp; Promotion Board to monitor and facilitate hotel project clearances/approvals.</th>
</tr>
</thead>
</table>
| **Tourist Police** | In March 2018, Ministry of Tourism initiated State Governments/Union Territory (UT) administrations of India to deploy tourist police.  
                   | In November 2019, Nagaland deployed a separate tourist police. |
| **Tax Incentives** | An investment-linked deduction under Section 35 AD of the Income Tax Act is in place for establishing new hotels under 2-star category and above across India, thus permitting a 100 per cent deduction in respect of the whole or any expenditure of capital nature.  
                   | In 2019, the Government reduced GST on hotel rooms with tariffs of Rs 1,001 (US$ 14.32) to Rs 7,500 (US$ 107.31) per night to 12 per cent and those above Rs 7,501 (US$ 107.32) to 18 per cent to increase India’s competitiveness as a tourism destination. |
| **Safety and Security Initiatives** | Ministry of Tourism launched a 24x7 toll free multilingual tourist information helpline in 12 languages to provide information related to travel in India.  
                             | Ministry of Tourism issued guidelines on Safety and Security for States/UTs along with tips for travelers.  
                             | Launched social media awareness campaign in the spirit of ‘Atithidevo Bhava’ to develop importance of good conduct and behavior towards tourists.  
                             | Initiative to conduct constant dialogue with States/UTs for drawing ideas for development and promote tourism. |

Source: World Travel & Tourism Council, Union Budget 2020 – 21
### TOURISM POLICY AND INITIATIVES GIVE A BOOST TO THE INDUSTRY… (2/2)

<table>
<thead>
<tr>
<th>Source: World Travel &amp; Tourism Council</th>
</tr>
</thead>
</table>

**Incentives from Ministry of Tourism**
- Assistance in large revenue-generating projects.
- Support to public private partnerships (PPP) in infrastructure development such as viability gap funding.
- Under budget 2019-20, Government introduced a Tax Refund for Tourists (TRT) scheme similar to countries like Singapore to encourage tourists to spend more in India and boost tourism.

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

**E–tourist Visa**
- The number of tourists arriving on e-Tourist Visa grew 23.6 per cent y-o-y to 2.36 million in 2019.
- Foreigners travelling to India on e-Tourist Visa will receive a pre-activated BSNL SIM card loaded with talk-time and data.

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

- In November 2019, memorandum of understanding (MoU) was signed between India and Finland to strengthen co-operation in the field of tourism.
- In November 2019, TAJ opened a new hotel in Tirupati under religious tourism segment.
- In September 2019, Japan joined the band of Asian countries, which included Taiwan and Korea among others, to enter the Indian tourism market.
- In August 2019, MakeMyTrip launched an initiative “#MyIndiaMyTrips” to assist Indian travellers to plan their travel and explore the best of India.
- Hilton plans to add 18 hotels pan India by 2021 along with 15 operational hotels under its brands – Hampton, Hilton Garden Inn, Conrad, Hilton Hotels & Resorts and DoubleTree by Hilton.
- As of April 2019, Radisson Hotel Group, a global hospitality firm, had plans to double its portfolio of hotel in India to 200 by 2022.
- 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.
- Indian Hotels Company (IHCL) expanded its portfolio by adding 24 hotels with an inventory of over 2,800 keys in FY20.
- Amatra Hotels and Resorts, a wholly-owned subsidiary of Amatra Group Holdings, and SDN BHD Malaysia plans to increase the number of keys in its Indian properties to 250 by the end of March 2020.

Note: E – Estimated, F- Forecast
Source: World Travel & Tourism Council’s Economic Impact 2018, 2017
In November 2014, the Government introduced e-Tourist Visa to facilitate arrival of nationals from 43 countries. As of December 2019, the facility was extended to 169 countries.

The e-Tourist Visa is part of e-Visa facility which 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 137.14 per cent during 2014-19 to reach 2.93 million tourists in 2019.

Tourist arrivals through e-Visa stood at 0.83 million in 2020*.

**Note:** P- Provisional, *-Till March 2020

**Source:** Ministry of Tourism
OPPORTUNITIES
NICHE SEGMENTS OFFER GOOD OPPORTUNITIES

<table>
<thead>
<tr>
<th>Medical tourism</th>
<th>Cruise tourism</th>
<th>Rural tourism</th>
<th>Ecotourism</th>
</tr>
</thead>
<tbody>
<tr>
<td>- The presence of world-class hospitals &amp; skilled medical professionals makes India a preferred destination for medical tourism.</td>
<td>- Cruise is one of the most dynamic &amp; fastest growing segments in the global leisure industry.</td>
<td>- The potential for development of rural tourism in India is high as most of its population reside in rural areas.</td>
<td>- India is often termed as the hotspot for bio-diversity and its rich natural heritage is unparalleled in many ways.</td>
</tr>
<tr>
<td>- India’s earning from medical tourism could exceed US$ 9 billion by 2020.</td>
<td>- Government of India has estimated that India would emerge with a market size of 1.2 million cruise visitors by 2030-31.</td>
<td>- This can benefit the local community economically and socially and facilitate interaction between tourists and locals for a mutually enriching experience.</td>
<td>- Such valuable resource base gives impetus for the practice of variety of alternate tourism forms &amp; many of which are already in existence.</td>
</tr>
<tr>
<td>- Tour operators are teaming up with hospitals to tap this market.</td>
<td>- Moreover, India is looking to take advantage of its 7,500 km coastline to tap growth potential of the cruise tourism segment.</td>
<td>- For example: National parks, wildlife sanctuaries and biosphere reserves.</td>
<td></td>
</tr>
</tbody>
</table>

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

**Uttar Pradesh** – Attracted 288.7 million tourists (14.14 per cent) in 2018
- Domestic Tourists: 285.07 million
- Foreign Tourists: 3.78 million
- Major attractions – Taj Mahal, Agra Fort, Fatehpur Sikri and Sarnath

**Karnataka** – Attracted 214.50 million tourists (10.75 per cent) in 2018
- Domestic Tourists: 214.30 million
- Foreign Tourists: 0.50 million
- Major attractions - Mysore Palace, Hampi, Coorg, and Jog falls

**Maharashtra** – Attracted 124.27 million tourists (7.40 per cent) in 2018
- Domestic Tourists: 119.19 million
- Foreign Tourists: 5.08 million
- Major attractions – Ajanta and Ellora Caves, Shirdi, Ashtavinayak and Matheran

**Andhra Pradesh** – Attracted 195 million tourists (9.87 per cent) in 2018
- Domestic Tourists: 194.76 million
- Foreign Tourists: 0.27 million

**Tamil Nadu** – Attracted 391.97 million tourists (20.84 per cent) in 2018
- Domestic Tourists: 385.90 million
- Foreign Tourists: 6.07 million
- Major attractions – Meenakshi Temple, Brihadeeswarar Temple, Yelagiri Hills, Hogenakkal Falls and Vivekananda Memorial

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

| Low-cost airlines | - Growth in low-cost airlines is expected to lower tourism cost and increase domestic spending on tourism. Low-cost flights under Ude Desh ka Aam Naagrik (UDAN) scheme are expected to connect underserved regions in the country and promote domestic tourism.  
- Under RCS-UDAN scheme, approximately 34,74,000 passengers were flown and 335 routes were awarded during 2019, covering 33 airports (20 unserved, 3 underserved, 10 water aerodromes). |
|-------------------|-------------------------------------------------------------|
| Increase in international flight operators | - The market is likely to become more competitive due to the entry of an increasing number of international flight operators expected to offer improved services to tourists. JVs such as Air Asia and Tata SIA is already serving the Indian skies.  
- Players like Etihad and Vistara have entered the country in the last few years. |
| Increasing number of airports | - The Airport Authority of India aims to start operating 250 airports across the country by 2020. As of 2019, there were 132 operational airports in India. |
| Higher investments | - In the Union Budget 2018-19, the Government proposed to develop 10 prominent sites into iconic tourist destinations. |
| Higher passenger traffic | - In FY19, domestic air traffic and International air traffic in India increased 14.1 per cent and 3.4 per cent y-o-y, respectively. By 2020, passenger traffic at Indian airports is expected to increase to 450 million people. |

*Source: World Travel & Tourism Council*
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 (Fiscal Year)

<table>
<thead>
<tr>
<th>Year</th>
<th>INR</th>
<th>INR Equivalent of one US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004–05</td>
<td>44.95</td>
<td></td>
</tr>
<tr>
<td>2005–06</td>
<td>44.28</td>
<td></td>
</tr>
<tr>
<td>2006–07</td>
<td>45.29</td>
<td></td>
</tr>
<tr>
<td>2007–08</td>
<td>40.24</td>
<td></td>
</tr>
<tr>
<td>2008–09</td>
<td>45.91</td>
<td></td>
</tr>
<tr>
<td>2009–10</td>
<td>47.42</td>
<td></td>
</tr>
<tr>
<td>2010–11</td>
<td>45.58</td>
<td></td>
</tr>
<tr>
<td>2011–12</td>
<td>47.95</td>
<td></td>
</tr>
<tr>
<td>2012–13</td>
<td>54.45</td>
<td></td>
</tr>
<tr>
<td>2013–14</td>
<td>60.50</td>
<td></td>
</tr>
<tr>
<td>2014–15</td>
<td>61.15</td>
<td></td>
</tr>
<tr>
<td>2015–16</td>
<td>65.46</td>
<td></td>
</tr>
<tr>
<td>2016–17</td>
<td>67.09</td>
<td></td>
</tr>
<tr>
<td>2017–18</td>
<td>64.45</td>
<td></td>
</tr>
<tr>
<td>2018–19</td>
<td>69.89</td>
<td></td>
</tr>
<tr>
<td>2019–20</td>
<td>70.49</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Reserve Bank of India, Average for the year

### Exchange Rates (Calendar Year)

<table>
<thead>
<tr>
<th>Year</th>
<th>INR Equivalent of one US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>44.11</td>
</tr>
<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>
<tr>
<td>2019</td>
<td>69.89</td>
</tr>
</tbody>
</table>
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.