TOURISM & HOSPITALITY
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EXECUTIVE SUMMARY

### Contribution to GDP above world average
- India ranked 7th among 184 countries in terms of travel & tourism's total contribution to GDP in 2017. India’s foreign exchange earnings (FEEs) from tourism increased by 20.8 per cent during CY 2017 to reach US$ 27.693 billion. During January-April 2018 FEEs from tourism increased 17.4 per cent year-on-year to US$ 10.62 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
- The travel & tourism sector in India accounted for 8 per cent of the total employment opportunities generated in the country in 2017, providing employment to around 41.6 million people during the same year. The number is expected to rise by 2 per cent annum to 52.3 million jobs by 2028.

### 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.

### 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, with arrivals through e-visa increasing 57.2 per cent to 1.697 million during CY 2017. During January-April 2018 arrivals through e-visa increased 57.9 per cent year-on-year to 918,792.

*Note: CY - Calendar Year*

*Source: World Travel & Tourism Council’s (WTTC’s) Economic Impact 2018, Ministry of Tourism*
ADVANTAGE INDIA
By 2020, medical tourism industry of India is expected to touch US$ 9 billion.

10.177 million foreign tourists visited India in CY 2017, witnessing increase of 15.6 per cent from CY 2016.

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

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

The country’s big coastline is dotted with a number of attractive beaches

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.

The Visa on Arrival scheme was extended to 150 countries in 2015

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, 13 thematic circuits in the country have been selected for development of tourism infrastructure.

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

Source: World Travel & Tourism Council’s (WTTC’s) Economic Impact 2018, Ministry of Finance, Aranca Research
MARKET OVERVIEW
EVOLUTION OF THE INDIAN TOURISM AND HOSPITALITY SECTOR

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

Pre-1990

- 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

1990–2000

- 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

2000–05

- The government has undertaken various marketing initiatives to attract tourists
- The National Medical & Wellness Tourism Promotion Board formed in 2015.
- 12 Institutes of Hospitality Management sanctioned in north-east states in August 2016.
- 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.

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

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 a number of independent travel agents & many online businesses. They also sell associated products such as insurance, car hire & currency exchange.

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.

- **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.

- **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.

- **Luxury tourism**: One of the biggest contributors to the tourism industry. India being a religious hub for different cultures attracts a large number of tourists every year.

- **Pilgrimage 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.

- **Eco-tourism**: 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.

*Source: Dun and Bradstreet’s Report on Tourism in India*
RISING CONTRIBUTION TO INDIA’S GDP

- India ranked 8th in the world in 2017 in terms of absolute direct contribution of travel & tourism sector’s 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.

Notes: CAGR – Compound Annual Growth Rate, E - Estimated, F - Forecast
Source: World Travel & Tourism Council’s (WTTC’s) Economic Impact 2018
In CY2017, foreign tourist arrivals in India stood at 10.177 million, and reached 3.88 million in January-April 2018, showing a growth rate of 10.8 per cent 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.

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, *up to March 2018
Source: Ministry of Tourism
Tourism is an important source of foreign exchange in India similar to many other countries.

During 2017, India earned foreign exchange of US$ 27.69 billion from tourism. Foreign Exchange Earnings (FEEs) in April 2018 were US$ 2.39 billion, showing an year-on-year growth rate of 8.2 per cent.

Foreign exchange earnings (FEEs) from tourism in India witnessed growth at a CAGR of 9.97 per cent during 2006-17.

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: * up to April 2018

Source: Ministry of Tourism, Economic Times
DOMESTIC CONSUMERS TO LEAD GROWTH

Share of tourists by expenditure (2017)

- Domestic spending: 12.80%
- Foreign visitor spending: 87.12%

Expected share of tourists by expenditure (2026)

- Domestic spending: 16.50%
- Foreign visitor spending: 83.50%

Domestic travel revenues are estimated at Rs US$ 186 billion in 2017 and are anticipated to further increase to US$ 405.8 billion by 2028.

Source: E- Estimated
Source: World Travel & Tourism Council’s Economic Impact 2017, Aranca Research
RISING REVENUES FROM LEISURE AND BUSINESS SEGMENTS

- Share of revenues from leisure travel to the total tourism revenue stood around 94.6 per cent in 2017.
- Leisure travel spending reached US$201.7 billion in 2017 and is expected to reach US$ 432.3 billion by 2028.
- Business travel revenues were US$11.6 billion in 2017 and are projected to increase to US$ 24.4 billion by 2028.

Note: E- Estimated

Source: World Travel & Tourism Council’s (WTTC’s) Economic Impact 2018, Aranca Research
## 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>MakeMyTrip</td>
<td>Online booking</td>
<td>FY16: 448, FY17: 675</td>
<td>Yatra.com, cleartrip.com, travelocity.com, travelchacha.com, ixigo.com</td>
</tr>
<tr>
<td>Taj Hotels</td>
<td>Hotel</td>
<td>FY17: 382, FY18: 410</td>
<td>ITC, Oberoi, Marriott</td>
</tr>
<tr>
<td>Thomas Cook</td>
<td>Tour operators</td>
<td>FY16: 272, FY17: 270</td>
<td>SOTC, Raj Travels</td>
</tr>
</tbody>
</table>

**Note:** (1) Highlights revenues are in billion  
**Source:** Respective company websites
RECENT TRENDS AND STRATEGIES
<table>
<thead>
<tr>
<th>NOTABLE TRENDS IN THE TOURISM INDUSTRY IN INDIA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Online travel operators</strong></td>
</tr>
<tr>
<td>▪ Over 70 per cent of air tickets are now being booked online in the country</td>
</tr>
<tr>
<td>▪ A number of online travel &amp; tour operators, which provide better prices &amp; options to consumers, have emerged in India</td>
</tr>
<tr>
<td><strong>Wellness tourism</strong></td>
</tr>
<tr>
<td>▪ The widespread practice of ayurveda, yoga, siddha &amp; naturopathy that is complemented by the nation’s spiritual philosophy makes India a famous wellness destination.</td>
</tr>
<tr>
<td><strong>Cruises</strong></td>
</tr>
<tr>
<td>▪ 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.</td>
</tr>
<tr>
<td><strong>Adventure</strong></td>
</tr>
<tr>
<td>▪ 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</td>
</tr>
<tr>
<td>▪ Part of India’s tourism policy, almost every state has definite programme to identify &amp; promote Adventure tourism</td>
</tr>
<tr>
<td><strong>Camping sites</strong></td>
</tr>
<tr>
<td>▪ Promotion of camping sites has been encouraged with adequate acknowledgement of its adverse effects on environment</td>
</tr>
<tr>
<td>▪ 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</td>
</tr>
<tr>
<td><strong>Spiritual tourism</strong></td>
</tr>
<tr>
<td>▪ India has been known as the seat of spiritualism &amp; India’s cosmopolitan nature is best reflected in its pilgrim centres</td>
</tr>
<tr>
<td>▪ India has been recognised as a destination for spiritual tourism for domestic &amp; international tourists</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Description</th>
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| **Marketing strategy** | - Players are using innovative marketing strategies to succeed in this sector. For example:  
  - The Goa Tourism Development Corporation (GTDC) is planning to organise familiarisation trips or “fam” trips for international tour operators to showcase Goa as a tourist destination. It has also planned to promote Goa in international markets through the print & electronic media. Benefits such as priority reservation & Indian rail pass for train travel are also being extended to foreign tourists  
  - Incredible India 2.0 campaign and ‘Adopt a Heritage’ were launched in September 2017. A digital calendar for Incredible India was launched by the Ministry of Tourism in January 2018. |
| **One stop solution** | - Players are trying to ensure convenience for their customers by providing all services available on a single portal. For example, makemytrip.com & a host of other websites provide a comprehensive basket of offerings which include outbound & inbound travel for leisure & business trips, hotels & car booking, holiday packages within India or abroad, etc |
| **Multiple channels** | - Players are opting for many channels to maximise sales & ensure convenience for their customers. For example, Thomas Cook & Kuoni India launched their online portals to compete with others. On the other hand, makemytrip.com is planning to go for the offline channel to complement its existing portal & has already launched mobile apps for maximising sales. |
| **Branding**          | - The launch of several branding & marketing initiatives by the Government of India such as Incredible India! & Athiti Devo Bhava provides a focused impetus to growth |
| **M-visa**            | - Indian government has also released a fresh category of visa – the medical visa or M visa, to encourage medical tourism in India. Indian medical tourism is expected to reach USD8 billion by 2020 |
| **E – Tourist Visa**  | - In March 2018, a total of 246,000 foreign tourists arrived on e-Tourist Visa, in comparison with 146,000 foreign tourists in March 2017, registering a growth of 68.8 per cent over previous year. |

*Source: Make in India, Company websites, Aranca Research, Ministry of Tourism*
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.

- Domestic expenditure on tourism is expected to rise due to the growing income of households

- A number of niche offerings such as medical tourism & eco tourism are expected to create more demand

- Hotel & Tourism sector has received cumulative FDI inflows of US$ 10.90 billion from April 2000 to December 2017.

- 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.

- 100 per cent FDI is allowed under the automatic route in tourism & hospitality, subject to applicable regulations & laws

- 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, DIPP, Aranca 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$ 1,749.16 in 2017. It is expected to reach US$ 3,273.85 by 2023, implying a compounded annual growth rate of 7.47 per cent during 2012-23.

**Note:** *estimates after 2013

**Source:** International Monetary Fund, World Economic Outlook Database, April 2018
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
Source: WTTC - Travel & Tourism Economic Impact 2018
### GOVERNMENT INITIATIVES

**Swadesh Darshan**
- Based on specific themes, government has identified 13 circuits which includes Krishna Circuit, Buddhist Circuit, Himalayan Circuit, North East Circuit & Coastal Circuit
- Tajmahotsav: the 10 day celebration provide a platform to experience India’s arts, craft, culture, cuisine, dance & music.
- Under Budget 2018-19, the government allotted Rs 1,250 crore (US$193.08 million) for Integrated development of tourist circuits under Swadesh Darshan and Pilgrimage Rejuvenation and Spiritual Augmentation Drive (PRASAD).

**Pilgrimage Rejuvenation and Spiritual Augmentation Drive (PRASAD)**
- National Mission on Pilgrimage Rejuvenation & Spiritual Augmentation was implemented by the Ministry for enhancing the facilities provided & infrastructure at pilgrimage centres of all cities
- In March 2018, total amount sanctioned by the Ministry of Tourism for this scheme was Rs 5638.87 crore (US$ 868.87 million) since 2014-15.

**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, USD14.87 million was allocated for promotion & publicity of various programmes & schemes of the Tourism ministry.

*Source: Union Budget, Aranca Research*
## TOURISM POLICY AND INITIATIVES GIVE A BOOST TO THE INDUSTRY

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Description</th>
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<tbody>
<tr>
<td>Special Boards</td>
<td>The Ministry has set up a Hospitality Development &amp; Promotion Board, which will monitor &amp; facilitate hotel project clearances/approvals</td>
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<td>Tourist Police</td>
<td>In March 2018, Ministry of Tourism initiated State Governments/Union Territory administrations of India to deploy Tourist Police</td>
</tr>
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<td>Tax Incentives</td>
<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>
<tr>
<td>Safety and Security Initiatives</td>
<td>Ministry of Tourism launched a 24x7 Toll Free Multilingual Tourist Infor-Helpline on 1800111363 or 1363 in 12 languages which will provide information relating to travel in India</td>
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<tr>
<td></td>
<td>Ministry of Tourism issued guidelines on Safety and Security for States/UTs along with tips for travelers</td>
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<td></td>
<td>Launched Social Media Awareness Campaign in the spirit of ‘Atithidevo Bhava’ to develop importance of good conduct and behavior towards tourists</td>
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<td></td>
<td>Initiative to conduct constant dialogue with State/UTs for drawing ideas for development and promotion of tourism</td>
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</tbody>
</table>

**Source:** World Travel & Tourism Council, Union Budget 2015 – 16, Aranca Research
TOURISM POLICY AND INITIATIVES GIVE A BOOST TO THE INDUSTRY

<table>
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<tr>
<th>Incentives from Ministry of Tourism</th>
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<tbody>
<tr>
<td>• Assistance in large revenue-generating projects.</td>
</tr>
<tr>
<td>• Support to Public Private Partnerships in infrastructure development such as viability gap funding.</td>
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<tr>
<td>• Schemes for capacity-building of service providers.</td>
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<tr>
<th>Project Mausam</th>
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<tr>
<td>• Under ‘Project Mausam’ the Government of India has proposed to establish cross cultural linkages &amp; to revive historic maritime cultural &amp; economic ties with 39 Indian Ocean countries. In 2015, Government of India linked China Silk Road project with Project Mausam.</td>
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<tr>
<th>E – Tourist Visa</th>
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<tr>
<td>• Since April 2017, the facility has been made available to citizen 161 countries.</td>
</tr>
<tr>
<td>• Year-on-year growth of 68.8 per cent was registered during the month of March 2018.</td>
</tr>
<tr>
<td>• 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.</td>
</tr>
</tbody>
</table>

Source: World Travel & Tourism Council, Aranca 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.
- International hotel chains are increasing their presence in the country, as it will account for around 47 per cent share in the Tourism & Hospitality sector of India by 2020 & 50 per cent by 2022, increasing from 44 per cent in 2016.
- 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.
- In 2018, Marriott International plans to add 20 more properties to its existing portfolio of 98 hotels in India.
- 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 December 2017, the World Bank agreed to provide US$ 40 million for the development of tourism facilities in Uttar Pradesh.

Note: E – Estimated, F- Forecast
GROWTH IN VISA ON ARRIVAL

- In June 2016, the Indian government approved 150 countries under the Visa on Arrival scheme to attract additional foreign tourists.
- The Visa on Arrival scheme registered an average growth of 133.90 per cent over 2010–16.
- Indian government has also released a fresh category of visa – the medical visa or M visa, to encourage medical tourism in India. Foreign tourist arrivals for medical purpose increased from 184,298 in 2014 to 427,014 in 2016.

Source: Ministry of Tourism, Aranca 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.
- 201 thousand medical tourists arrived in India in the 2016 as compared to 134 thousand in 2015.

### 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, Aranca Research*
LEADING STATES/UTs IN TERMS OF TOURISTS

**Delhi** – Attracted 28.69 per cent of foreign tourists visiting India in September 2017

**Major attractions** – Qutub Minar, Red Fort, Humayun’s Tomb, India Gate, Jantar Mantar & Jama Masjid

**Maharashtra** – Attracted 6.9 per cent of foreign tourists visiting India in 2016

Major cities to visit – Amravati, Kolhapur, Mumbai & Nashik

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

**Uttar Pradesh** – Attracted 13.9 per cent of domestic tourist visits in 2016.

Major cities to visit – Agra, Allahabad, Ayodhya, Lucknow, Fatehpur, Meerut and Varanasi

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

**West Bengal** – Attracted 4.5 per cent of domestic tourist visits in 2016.

Major attractions – Victoria Memorial, Sunderbans, Cooch Behar Palace, Darjeeling Himalayan Railway, Hazarduari Palace, Adina Mosque, Shantiniketan, Bishnupur Terracotta Temples, Dakshineswar Kali Temple

**Tamil Nadu** – Attracted 20.1 per cent of total domestic visits in India in 2016.

Major cities to visit – Chennai, Coimbatore, Kanyakumari, Madurai, Ooty, Rameswaram & Salem

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

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**Note:** As per latest data available

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
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<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 May 2018, the number of operational airports in the country was estimated to be 100.</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 26 per cent year-on-year in April 2018, maintaining double digit growth for 44th consecutive month. 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, Aranca Research*
### 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
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
- USD: 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 INR</th>
<th>INR Equivalent of one US$</th>
</tr>
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<tbody>
<tr>
<td>2004–05</td>
<td>44.81</td>
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<td>2013–14</td>
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<td>2014–15</td>
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<td>2015–16</td>
<td>65.46</td>
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<tr>
<td>2016–17</td>
<td>67.09</td>
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<td>2017–18</td>
<td>64.45</td>
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</table>

### Exchange Rates (Calendar Year)

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<th>Year</th>
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<td>2005</td>
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<td>2006</td>
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<td>2016</td>
<td>67.21</td>
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<td>2017</td>
<td>65.12</td>
</tr>
</tbody>
</table>

*Source: Reserve Bank of India*
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