



Department of Industrial Policy  
and Promotion (DIPP)

Ministry of Tourism

# Tourism & Hospitality Sector

**Achievements Report**

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**MAKE IN INDIA**

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# Table of Contents



03  
Policy Initiatives  
& Investments

9  
Skill Development

6  
Creation of World Class  
Tourism related  
Infrastructure

7  
Development of  
Niche Tourism

9  
Ease of Doing  
Business

7  
Growth in Tourist  
Footfalls

8  
Other Initiatives



# Tourism & Hospitality



## Introduction

Tourism & Hospitality Sector (including Travel and Hospitality services such as hotels and restaurants) has been universally recognized as an agent of development and an engine for socio-economic growth. According to WTTC's India Benchmarking Report 2015, every **USD 1 million in Travel and Tourism spending in India generates USD 1.3 million in GDP.**

During 2014-16, the Government has undertaken various initiatives through policy interventions and by enabling infrastructure development to make 'Incredible India' a 'must revisit, must experience' destination. As a result of these initiatives, the sector has registered a phenomenal growth in domestic tourism, foreign tourist arrivals, foreign exchange earnings, and employment opportunities.

- As per the Travel & Tourism Competitiveness Index 2015 of the World Economic Forum, India's rank climbed up 13 Places to 52 in 2015 from 65 in 2013.<sup>1</sup>
- The UNWTO Tourism Barometer (Volume 14, May 2016) currently ranks India at #40 in terms of global tourist footfalls.<sup>2</sup> The goal is to increase India's share in world tourist arrivals from the present 0.68% to 1% by 2020, and further increase it to 2% by 2025.

## Policy Initiatives & Investments

### FDI Policy

- 100% FDI is permitted through automatic route for all construction development projects such as construction of hotels and resorts, recreational facilities, city and regional level infrastructure. Although FDI in sector is subject to lock-in period of three years based on certain conditions, special dispensation has been given for construction of hotels and resorts, recreational facilities, hospitals, educational institutions, Special Economic Zones, old age homes and investment by Non Resident Indians. Furthermore, conditions regarding minimum capitalization and area restriction have also been removed.

### e-Visas

- In **November 2016**, the e-Tourist Visa (eTV) scheme, which was launched on November 27, 2014 for nationals of 43 countries, was renamed to e-Visa scheme with three sub-categories i.e. 'e-Tourist Visa', 'e-Business Visa' and 'e-Medical Visa'.
- Prior to the launch of the scheme, the e-TV facility was available for nationals of 12 countries only.

**As of January 2017, 161 countries are covered under the scheme.**



- **This facility is now available at 16 airports and 5 major ports in the country.** The Government of India, w.e.f. November 2015, has **revised the e-Tourist Visa (e-TV) fee** in four slabs of 0, USD 25, USD 48, and USD 60. Previously eTV application fee was USD 60 for all the countries.
- **Bank charges have been reduced from USD 2 to 2.5 % of the e-TV fee**, which at the highest slab works out to USD 1.5 as compared to USD 2 earlier. There is no bank charge for zero visa fees.
- The visa will be valid for 60 days and can be applied upto 4 months ahead of visit.
- At present on an average 3,500 e-Tourist Visas are being granted daily to foreign nationals. The e-tourist visa scheme has attracted large number of tourists from countries like U.S, Germany, U.K among others.

- **142.5% increase in foreign tourist arrivals on e-visa in a year.**
- **Around 10.8 lakh tourists arrived on e-Tourist Visa in 2016 compared to 4.45 lakh in 2015.**

- **Foreign Exchange Earnings (FEEs) from tourism in rupee terms during FY 2016-17 (Jan- Dec, 2016) were INR 1556 billion with a growth of 15.2% as compared to the FEE of INR 1351 billion during FY 2015-16 (Jan- Dec, 2015).**
- **26.2% increase in Foreign exchange earnings from INR 2.3 trillion in year 2012-14 to INR 2.9 trillion in year 2014-16**

#### **Service Exports from India Scheme (SEIS)**

In Foreign Trade Policy 2015-20, Served from India Scheme (SFIS), has been replaced with Service Exports from India Scheme (SEIS).

- SEIS applies to 'Service Providers' located in India instead of 'Indian Service Providers.'
- SEIS provides for rewards to all Service providers of notified services, who are providing services from India, regardless of the constitution or profile of the service provider.
- The rate of reward under SEIS would be based on net foreign exchange earned.
- **The present rates of reward for tourism and travel-related services are 3% and 5%.**
- The reward issued as duty credit scrip is freely transferable and usable for all types of goods and service tax debits on procurement of services / goods.



## Major Investments & FDI Inflows

The Hotel & Tourism sector is among the **top ten sectors** attracting highest FDI equity inflows in FY 2015-16, accounting for 3.3% share of total FDI equity inflows.

FDI equity inflow in the sector **increased by 72% in FY 2015-16 to USD 1.33 billion** as compared to USD 777 million in FY 2014-15.

- FDI equity inflow during April 2014- March 2016 was USD 2.1 billion.
- FDI equity inflow during FY 2016-17 (April- December 2016) was USD 707 million.

### Major Investment in Hotel & Tourism sector since April-2014 are as below:

Foreign Collaborator	Country	Indian Company	FDI Equity Inflows (USD million)
Softbank Group Capital Limited	United Kingdom	Oravel Stays Private Limited	119.25
Goldman Sachs Investments Holdings (Asia	Mauritius	Samhi Hotels Pvt Ltd	104.73
APG Strategic Real Estate Pool N.V.	Netherlands	Lemon Tree Hotels Ltd	93.15
Fairbridge Capital (Mauritius) Ltd	Mauritius	Thomas Cook (India) Limited	82.84
Dunearn Investments (Mauritius) Pte Ltd	Mauritius	Devyani International Limited	78.11
NLS Mauritius Llc	Mauritius	Coffee Day Enterprises Limited	54.45
Blue Chandra Pte Limited	Singapore	Samhi Hotels (Ahmedabad) Pvt Ltd	42.15
Emerging Markets Investment Fund 1a	Mauritius	Orbit Corporate And Leisure Travels Pvt	41.46
KKR Mauritius PE Investments II Ltd	Mauritius	Coffee Day Enterprises Limited	41.08
Divatz Ltd	Cyprus	Ireo Hospitality Company Pvt Ltd	39.38
YUM Asia Franchise PTE Limited	Singapore	Yum Restaurants (India) Pvt Ltd	38.12
QSR Asia PTE Ltd	Singapore	Burger King India Pvt. Ltd	37.07
Standard Chartered Private Equity	Mauritius	Coffee Day Enterprises Limited	36.3
Emerald City	Netherlands	Tata Starbucks Ltd.	29.04



# Creation of World Class Tourism related Infrastructure



## Swadesh Darshan

**Swadesh Darshan** (Integrated Development of Tourist Circuits on Specific Themes) scheme was launched by the **Ministry of Tourism on March 9, 2015** for the development of theme based tourist circuits to cater to both mass and niche tourism.

- **Thirteen theme tourist circuits, viz** North-East India Circuit, Buddhist Circuit, Himalayan Circuit, Coastal Circuit, Krishna Circuit, Desert Circuit, Tribal Circuit, Eco Circuit, Wildlife Circuit, Rural Circuit, Spiritual Circuit, Ramayana Circuit and Heritage Circuit (**launched in the month of December 2015**) have been identified for development under this Scheme.
- **Five Pan India Mega Circuits** have also been identified, namely, Ramayana-Krishna-Buddhist Mega Circuit, Himalayan & Adventure Circuit, World Heritage Circuit, Coastal and Wild Life Circuits, to showcase India as the Land of Buddha and destination for Spiritual and Adventure Tourism.

- **Under Swadesh- 51 projects worth INR 42.7 billion underway for 28 States and Union Territories covering 12 thematic circuits since its launch in January 2015.**

## PRASAD

The National Mission for Pilgrimage Rejuvenation and Spiritual Augmentation Drive (PRASAD) scheme, was launched by Ministry of Tourism on **March 9, 2015** for the development and beautification of pilgrimage sites to tap the growth of domestic tourists driven by spiritual/religious sentiments. The scheme seeks to augment tourism infrastructure at places of pilgrimage to provide better facilities to pilgrims/tourists and enhance their experience.

- **In the first phase, 13 cities, viz,** Amritsar, Kedarnath, Ajmer, Mathura, Varanasi, Gaya, Puri, Dwarka, Amravati, Kanchipuram, Vellankanni, Guwahati and Patna have been identified for infrastructure development under PRASAD.

- **Under PRASAD- 25 projects worth INR 4.1 billion underway** at Amaravati, Amritsar, Ajmer, Ayodhya, Badrinath, Belur ( West Bengal), Dwarka, Deoghar, Gaya, Guruvayoor, Hazratbal, Kamakhya, Kanchipuram, Katra, Kedarnath, Mathura, Omkareshwar, Patna, Puri, Somnath, Srisailam, Trimbakeshwar Varanasi, Tirupathi and Vellankani.



## Growth in Tourists Footfalls

### Foreign Tourist Visits

- **Foreign Tourist Arrivals (FTAs)** during the period January- December, 2016 were 88.9 lakh with a growth of 10.7% as compared to the FTAs of 80.27 lakh in January-December, 2015.
- 14.6 million foreign tourist arrivals in 2012-14 as compared to 16.9 million foreign tourist arrival in 2014-16.
- **Foreign tourist visits (FTVs)** to the States/

### Domestic Tourist Visits to States/UTs:

- **Domestic Tourist Visits (DTV) to the States/ UTs was 1432 million in 2015, as compared to 1282.8 million in 2014, registering a growth of 11.63%.**

Top Foreign Tourist Destination		Top Domestic Tourist Destination	
State	%	State	%
Tamil Nadu	20	Tamil Nadu	23.3
Maharashtra	19	Uttar Pradesh	14.3
Uttar Pradesh	13.3	Andhra Pradesh	8.5
Delhi	10.2	Karnataka	8.4
West Bengal	6.4	Maharashtra	7.2
Rajasthan	6.4	Telangana	6.6
Kerala	4.2	Madhya Pradesh	5.4
Bihar	3.9	West Bengal	5
Karnataka	2.9	Gujarat	2.5
Goa	2.4	Rajasthan	2.5

## Development of Niche Tourism

### Medical & Wellness Tourism

- Between **January-June 2016, 96,856 Medical Visas were issued** highlighting the continued growth in this space.
- In an effort to further promote the medical and wellness sector in India, **in June 2016**, the list of permissible activities under e-Tourist visa was expanded to include “Attending a Short Term Yoga Program” and “Short Duration Medical Treatment under Indian Systems of Medicine.”

### Golf Tourism

**Golf Tourism:** Eight golf events, have been approved by IGTC during the FY 2015-16 (till December 2015), and INR281.71 lakhs released for the same.

### Adventure Tourism

During the FY 2015-16(up to 31st December 2015), the Ministry has released an amount of INR 64.59 lakh, to Indian Institute of Skiing & Mountaineering (IIS&M) and INR 47.06 lakh for Indian Mountaineering Foundation (IMF) for activities related to Adventure tourism

### Cruise Tourism

**A Task Force on Cruise Tourism** with Secretary (Tourism) as the Chairman and Secretary (Shipping) as the Co-Chairman was constituted on November 24, 2015, to develop the vast coastline of the country and promote Cruise Tourism.



**Eight tourist circuits, on National Waterway 1 and National Waterway 2, identified for cruise tourism.**

National Waterway 1 (River Ganga)	Major Religious Attractions/Places
Allahabad Circuit	Kumbh Mela, Triveni Sangam, All Saints Cathedral, Patalpuri Temple and Akshaya Vat, Hanuman Mandir, Chitrakoot
Varanasi Circuit	The Ghats, 'Ganga Aarti', Dev Dipawali, Kashi Vishwanath Temple, Sankat Mochan Hanuman Temple, Gyanvapi Mosque, Shri Guru Ravidass Janam Sthan.
Patna Circuit	Harmandir Sahib, Mahavir Hanuman Mandir, Patan Devi Temple, Padri-ki-Haveli, Bodhgaya, Gaya, Nalanda, Rajgir, Vaishali.
Bhagalpur Circuit	Bateshwar Sthan, Vaasupujya Bhagwan Mahavir Jain Mandir, Mandar Hill, Sultanganj, Deoghar.
Kolkata Circuit	Ganga Sagar, Belur Math, Dakshineswar Temple, Pareshnath Jain Temple, Kalighat Temple, Nakhoda Mosque, St. Paul's Cathedral, St. Andrews Church, Old Nizamati Mambara, Katra Masjid
National Waterway 2 (River Brahmaputra)	Major Religious Attractions/Places
Guwahati Circuit	Kamakhya Temple, Navagraha Temple, Bhuvaneshwari Temple, Basistha Ashram Temple, Hayagriba Madhaba Temple, Umananda Temple
Tezpur Circuit	Da Parbatia, Bamuni Hill, Agnigarh, Bishwanath Ghat (Shiva Dol)
Neamati Circuit	Sivasagar, Majuli Island

**Other Initiatives**

- Promoting the North-Eastern Region: The International Tourism Mart is organized every year in North-Eastern States with the objective to highlight the tourism potential in the region. The 4th International Tourism Mart was organized from 14-16 October, 2015 at Gangtok in Sikkim. 52 foreign delegates from 23 countries participated in ITM - 2015. **The 5th International Tourism Mart will take place in Imphal, Manipur from 23-25 November, 2016.**
- **Adarsh Smarak:** ASI has identified 100 monuments to be developed as Model Monuments. These monuments would be provided necessary tourist facilities including Wi-Fi, security, signage, encroachment free area, interpretation centres showing short films about the importance of monuments and signboards of Swachh Bharat Abhiyan.
- **The Biennial International Buddhist Conclave** is organised with the objective of showcasing the rich Buddhist Heritage of the country and encourage inbound tourism to the Buddhist sites. **The International Buddhist Conclave of 2016, was held in Varanasi, Sarnath and Bodhgaya from October 2- 5, 2016.**





### Ease of Doing Business Initiatives

- A **Web-based Public Delivery System has been set up** for recognition of Travel Trade Service Providers and for classification of hotels in order to ease the process of filing applications by Travel Trade Service Providers seeking recognition from the Ministry.
- A mobile application called Swachh Paryatan was launched on February 22, 2016, which will let citizens report any hygiene issues at various tourist destinations across the country.
- The Ministry of Tourism launched the 24x7 Toll Free Multi-Lingual Tourist Helpline in 12 languages on February 8, 2016 and can be accessed on Toll Free Number 1800-11-1363 or short code 1363.

### Skill Development

During the last two financial years and until Sept,30 2016, **1.85 lakh persons** were imparted training under Hunar se Rozgar Tak & Skill Testing and Certification schemes of the Ministry.

### Setting up of New Tourism Colleges

- **Institutes of Hotel Management:**
  - **During the FY 2015-16**, in-principle approval has been accorded for the setting up of three new State Institutes of Hotel Management (SIHMs) i.e., one each at Ramnagar (Uttarakhand), Jhalawar (Rajasthan) and Sawai Madhopur(Rajasthan) with the Central Financial Assistance of INR 16.5 crores.

- The Ministry of Tourism till August 2016, has sanctioned **12 Institutes of Hospitality Management** in the North Eastern States.
- Out of these Central Institute of Hotel Management, Guwahati, Central Institute of Hotel Management, Shillong, State Institute of Hotel Management, Gangtok and Food Craft Institute, Nawgaon are operational.
- **Food Craft Institutes (FCI):**
  - Ministry has accorded approval for setting up of Food Craft Institute at Khajuraho in Madhya Pradesh, and has sanctioned Central Financial Assistance of INR475.00 lakhs.
  - During the FY 2015-16, in-principle approval has also been accorded for setting up of two Food Craft Institutes (FCI) at Dholpur and Baran (Rajasthan) with the Central Financial Assistance of INR 7.50 crores.
- **Indian Culinary Institute at Tirupati and its Centre at Noida:** An Indian Culinary Institute has been set up at Tirupati and the first academic session commenced in September with a 3-year BSc course in Culinary Arts. It offers 30 seats for the first academic batch of 2016-2019.

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