

Tourism

- Opportunities
- Applicable laws/regulatory policies.
- Tax benefits/ incentives
- Current projections in Budget

I Introduction

Tourism has been a major social phenomenon of the societies all along. It is widely acknowledged that tourism is one of the world's largest and fastest-growing industries. India a country with tremendous diversity has a lot to offer in terms of tourism and related activities. In other words heritage site, cultural attractions, beaches, health & wellness like yoga & ayurvedic, Indian cuisine provides for huge potential for the tourism sector in India. As the Travel and Tourism industry holds tremendous potential for India's economy it is included among the Core Sectors of the Indian Economy.

II Opportunities

The opportunities in tourism in India range from constructing high quality accommodation facilities, operating tours and travel circuit to the development of specialized tourisms like history tourism, adventure tourism, medical tourism (ayurveda and other forms of Indian medications), spiritual tourism, beach tourism, eco tourism etc. The government is making tremendous effort in the areas of investment and infrastructure with an overall aim to boost the tourism industry. At the present growth rate, the sector is very healthy and the boom will continue. By 2020, Tourism in India could contribute Rs 8,50,000 crores to the GDP. (Source- WTTC).

India's tourism industry is thriving due to an increase in foreign tourists arrivals and greater than before travel by Indians to domestic and abroad destinations. Domestic tourists are also fueling the industry's revival. Aggressive advertising campaign "Incredible India" by the government has also had contribution in changing India's image from that of a land of snake charmers, and sparking new interest among overseas travellers.

In India, the tourism industry has the potential to grow at a high rate and ensure consequential development of the infrastructure. It has the capacity to stimulate other economic sectors through its backward and forward linkages and cross-sectional synergies with sectors like agriculture, horticulture, poultry, handicrafts, transport, construction, etc.

It is fast turning into a volume game where an ever-burgeoning number of participants are pushing up revenues of industry players (hotels, tour operators, airlines, shipping lines, etc). Thus, the tourism sector is expected to perform very well in future and the industry offers an interesting investment opportunity for long-term investors.

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Foreign tourist in-flow has risen more 20% and targeted to grow 10 million foreign tourist arrivals & 500 million domestic tourists by 2010.

Growth is expected in the following areas:

Medical tourism:

Medical tourism has gained momentum in India over the past few years. Tourists from all over the world have been thronging India to avail themselves of cost-effective but superior quality healthcare in terms of surgical procedures and general medical attention. It is expected that medical tourism in India will hold a value around US\$ 2 billion by 2012.

A new Category of Medical Visa has been introduced which can be given for a specific purpose to foreign tourist coming to India for medical treatment. This visa which is initially issued to a patient with a companion for a period of one year can be extended upto three years after fulfilling certain conditions and recommendations from the accredited medical authorities and concerned visa authorities.

Adventure tourism:

As a kind of tourism in India, adventure tourism has recently grown in India. This involves exploration of remote areas and exotic locales and engaging in various activities. For adventure tourism in India, tourists prefer to go for trekking to places like Ladakh, Sikkim, and Himalaya. Himachal Pradesh and Jammu and Kashmir are popular for the skiing facilities they offer. Whitewater rafting is also catching on in India and tourists flock to places such as Uttranchal, Assam, and Arunachal Pradesh for this adrenalin-packed activity.

Pilgrimage tourism:

India is famous for its temples and that is the reason that among the different kinds of tourism in India, pilgrimage tourism is increasing most rapidly.

Eco tourism:

Among the types of tourism in India, ecotourism have grown recently. Ecotourism entails the sustainable preservation of a naturally endowed area or region. This is becoming more and more significant for the ecological development of all regions that have tourist value.

Cultural tourism:

India is known for its rich cultural heritage and an element of mysticism, which is why tourists come to India to experience it for themselves.

Wildlife tourism:

India has a rich forest cover which has some beautiful and exotic species of wildlife – some of which that are even endangered and very rare. This has boosted wildlife tourism in India.

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Growth is also expected in the following allied sectors:

- Agriculture
- Horticulture
- Poultry
- Handicrafts
- Transport
- Construction
- Hotels etc.

III Regulatory policy

The nodal agency for the development of tourism in India is the Ministry of Tourism. This plays a crucial role in formulating national policies and incentives for promotion of tourism.

The ministry, in order to develop tourism in India in a systematic manner and to facilitate investment (both foreign and domestic) into the sector, has made several policy announcements and incentives. The most important being the **National Tourism Policy 2002** which aims to position India as a global brand to take advantage of the burgeoning global travel trade and the vast untapped potential of India as a destination.

Keenly aware of the unfolding boom in the tourism industry, the Indian government is lending a hand to the growth of the industry. To boost tourism of various kinds in India the tourism of ministry has recently launched a campaign called **'Incredible India!'** in order to encourage different types of tourism in India.

FDI in this sector is permitted up to 100 per cent on the automatic route.

IV Incentives

Tourism has been recognized as one core sector of Indian economy & accordingly the govt. is a taking initiative to boost this sector however no specific tax incentives and no specific projections in the current budget for the tourism sector.

V. Conclusion.

Overall this industry outlines huge investment opportunities in terms of infrastructure, accommodation and diversified tourism products. The government measures including promoting India through the 'Incredible India' campaign in overseas markets along with the embedded advantages of investing in India provide numerous opportunities to the investors in the tourism sector.



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The tourism sector in India is making a major contribution in the growth of national economy and this sector recorded a double digit growth in the number of foreign tourist arrivals and foreign exchange earnings in the recent past.