

TOURISM INDUSTRY



**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

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This industry specific research report is for wide circulation among experts to receive valuable suggestions and necessary supports for further improving the manuscript. Experts are encouraged to email their suggestions and contribute any material which they think could value add the manuscript to research@icsi.edu.

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PREFACE

In the liberalized economic policy regime, the corporate sector has been assigned a major role as the driver of growth and development of the Indian economy. This has resulted in a number of changes, especially in the regulatory framework applicable to specific industry sectors. As an economy is consist of different industries like agriculture, service, engineering, manufacturing etc., it provides impetus to the economy i.e. employment generation, production of goods and services, income distribution in the whole economy.

With the intent to further enhance the competitiveness of India's services sector and to boost productivity with the creation of new employment opportunities, the Central Government has focused attention on 12 sectors in the economy as 'Champion Sectors' i.e., IT & ITeS, Tourism and Hospitality, Financial, Accounting and Finance, Transport and Logistics, Construction and Related Engineering, Communication, Education, Medical Value Travel, Audio Visual, Legal and Environmental.

As part of its support to government's policy initiatives, the Institute has started an initiative by projecting Company Secretary as 'Corporate Saviour' - a person who can be relied upon by stakeholders i.e., Corporates, Promoters, Shareholders, Government and Regulators.

With this basic objective, the institute has initiated the process of developing industry specific knowledge through research, creating awareness among the members about the contribution the Company Secretary can make in specific industry, capacity building of members in the specific industry, securing recognitions for members in specific industry sector, and sensitisation of regulatory authorities about the contribution the Company Secretaries can make in specific industry.

For conducting the detailed analysis in a structured manner, a format is designed with four sections, Section-I covering the industry profile, Section-II Business Scenario, Section-III legal framework and Section-IV Contribution of Company Secretary in employment and in practice. The research publications in all the industry sector are based on exploratory research.

I wish to express my sincere thanks and gratitude to CS Ahalada Rao V, Vice-President, the ICSI for his efforts in guiding and finalizing industry specific publications.

I also appreciate Dr. Prasant Sarangi, Director (Research), and Dr. Tapas Kumar Roy-Assistant Director, the ICSI-Research Cell for doing in-depth study of Tourism Industry and

bringing out this research publication, under the guidance of CS Sonia Bajjal, Director, Professional Development, Prospective Planning and Studies and Dr. S.K. Dixit, Mentor, Research Cell.

I am sure this research publication will prove to be of immense value to professionals, corporates and researchers. The research is an ongoing process, and I welcome the readers to give suggestions to make this research publication more comprehensive.

I wish all the readers a happy reading

New Delhi

Date: August 23, 2018

CS Makarand Lele

President

The Institute of Company Secretaries of India

TABLE OF CONTENTS

Section No.	Title of the Section / Sub Topics	Page Number
1	Introduction	1
	1.1 Introduction	1
	1.2 SWOT Analysis	3
	1.3 Types of Investment	7
	1.4. Tourism Finance Corporation of India (TFCI)	10
	1.5 Foreign Direct Investment in Indian Tourism Industry	12
	1.6 Types of Tourism	13
2	Business Scenario	15
	2.1 History	15
	2.2 Geographic Scenario	15
	2.3 The Economic Scenario	22
	2.4 Government Initiatives	32
	2.5 Comprehensive Risk Management System	34
	2.6 Tourism Policy in India	36
	2.7 Road Ahead	40
3	Legal Framework	41
	3.1 Legal Framework	41
	3.2 Specific Laws Applicable to Travel & Tourism Industry	42
	3.3 General Laws Applicable to Travel & Tourism Industry	48
	3.4 Recent Initiative of Ministry of Tourism and the Outcome thereon	50
4	Contribution of Company Secretary	52
	4.1 Primary Role	53

	4.2 Opportunities of Company Secretary (in Practice) in Global Legal Platform with Reference to Tourism Industry	54
	4.3 Role of Company Secretary At Global Platform (General)	58
	4.4 Suggestions to Ministry of Tourism (MOT) to Boost Indian Tourism	59
	4.5 Conclusion	62
	Bibliography	64
	Annexure-1	65
	Annexure-2	72

SECTION 1

INTRODUCTION

“Out of the future that is not yet, into the present that is just beginning, back to the past that no longer is” – St. Augustine¹

1.1 INTRODUCTION

Tourism is an important socio-economic activity. It provides enormous scope for economic development of a particular area. According to Ziffer (1989), “Tourism involves travelling to relatively undisturbed or uncontaminated natural areas with the specific object of studying, admiring and enjoying the scenery and its wild plants and animals, as well as any existing cultural aspects (both past and present) found in these areas.”

In India, temple towns, historical monuments and sea beaches were traditionally sought out as tourist attractions. But now the fabric of tourism is changing rapidly as nature, heritage, and recreational destinations are gaining more importance. In this background, eco-tourism has of late become a top attraction for the tourists.

The importance of tourism to economic development has been recognized widely due to its contribution to the balance of payments, GDP and employment. In last few years, Indian tourism industry has been growing at a rapid pace and it has vast potential for generating employment and earning large amount of foreign exchange.

Tourism activities are considered to be one of the major sources of economic growth. It can be regarded as a mechanism of generating employment as well as income in both formal and informal sectors (Khalil, 2007). Travel and tourism is the world’s largest industry and job creator across national and regional economies (Aliquah, 2010). The speedy growth of tourism causes an increase of household incomes and government revenues through multiplier effects, improvements in the balance of payments, and growth of the tourism industry itself. (Kareishan, 2010).

Travel and tourism has not only become one of the world’s largest industry but also keeps growing consistently every year (Gupta and Gupta, 2007). The international tourist arrivals have shown an uninterrupted growth. As per the data, the number of FTAs in January 2018 was 1.06 million, compared to 900,000 in January 2017 and 800,000 in January 2016.

1. Karen A. Ziffer-Ecotourism

The international tourism receipts have increased from US\$ 475.3 million in the year 1990 to US\$ 2311.0 million in the year 2016. Tourism industry is contributing 6.23 percent in the GDP of the country (WTO, 2010). India was ranked eleventh in the Asia Pacific region with respect to international tourist arrivals and 40th overall in the year 2010 (WTO, 2010). It is expected to be the second largest employer in the world by 2019 (WTTC, 2009). Indian tourism industry is growing and it has vast potential for generating employment and earning a large amount of foreign exchange.

Tourism is a major engine of economic growth and an important source of employment & foreign exchange earnings in many countries including India. It has great capacity to create large-scale employment of diverse kinds – from the most specialized to the unskilled, and hence can play a major role in the creation of additional employment opportunities. It can also play an important role in achieving growth with equity and sustainability.

The ways how the industry works for Economic Development is represented through the following diagram :

ATTRACTIONS

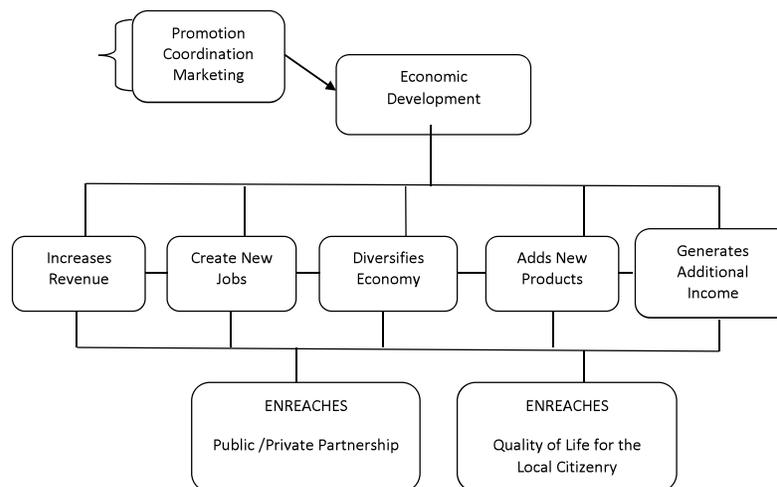


Figure-1: Tourism as an Economic and Commercial Activity a Flow Chart

The Ministry of Tourism is the nodal agency for the formulation of national policies and programmes and for the coordination of activities of various Central Government Agencies, State Governments/UTs and the Private Sector for the development and promotion of tourism in the country.

Therefore, we can start with an analysis of definitions and statistics. Subsequently, we will deal with:

- The growth potential of tourism in India;
- The growth potential of Indian (international) Tourism;
- Role of National Tourism Authority, and
- Role /Support required from World Travel and Tourism Council (WTTC) for promoting National Tourism.

In 2016, there were 1.235 billion international tourist arrivals worldwide, with a growth of 4% as compared to 1.186 billion in 2015². The top 10 international tourism destinations in 2016 were:

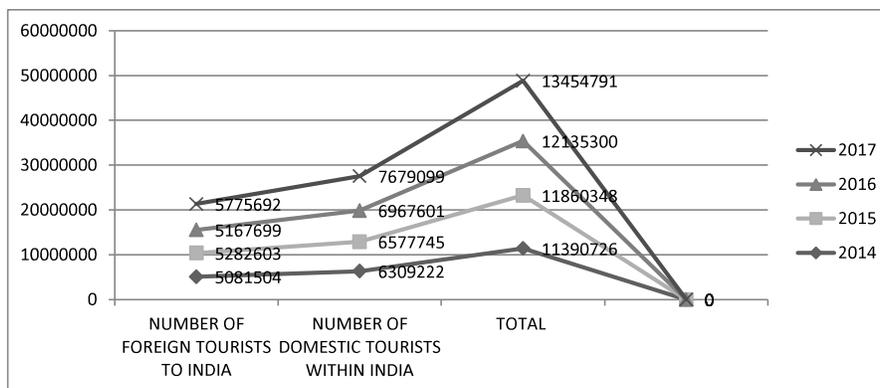


Figure-2: Growth potential of Indian Tourism (Source: Ministry of Tourism)

From the above diagram it is clear that with the passage of time the number of tourist visiting India including domestic tourists is increasing significantly. Therefore, occupying an extra portion of the chunk attracting the Global Tourists will lead Indian Economy from developing to developed one in future.

1.2 SWOT ANALYSIS

To review the performance, to find the loopholes as well as provide solutions to them for Tourism Industry, particularly in India, scope is there of conducting a SWOT Analysis³.

A SWOT analysis (alternatively SWOT matrix) basically signifies a structured planning method used to evaluate the Strengths, Weaknesses, Opportunities and Threats involved in a project or in a business venture. A SWOT analysis can be carried out for a product, place, industry or person. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favourable and unfavourable to achieve that objective.

2. https://en.wikipedia.org/wiki/World_Tourism_rankings

3. <https://www.omicsonline.org/open-access/a-review-of-indian-tourism-industry-with-swot-analysis-2167-0269-1000196.php?aid=69120>

SWOT Analysis is an important technique of environmental analysis too. By SWOT, we can observe the impact of each environmental sector like economic, political and social on the organization. As a summarized depiction of the environmental factors and their impact on future conditions, the profile is a convenient means by which attention of top management can be drawn to the most critical factors and their potential impact on the strategy of the firm as a whole, and key aspects of its operations. The logic behind this technique is that an effective strategy maximizes a business' strengths and opportunities on the one hand and minimizes its weaknesses on the other.

The details of the words opportunities, threats, strengths and weaknesses are as follows:

OPPORTUNITIES

An opportunity is a major favourable situation in the Industry/ Organization's environment. Opportunities an Industry could represent an improved buyer and supplier relationships, identification of a previously overlooked market segment, enjoying the benefit of technological changes, changes in regulatory framework and in competitive circumstances, etc.

As far as Tourism Industry in India is concerned the opportunities are more hands-on role from the Government of India in terms of framing policies; allowing entry of added multinational companies into the country, giving home country a worldwide perception; these besides as well as development of domestic tourism is one of the factors of the growth of the tourism industry. A pioneer initiative by Ministry of Tourism, Government of India has been taken that would help tap into the full prospective of tourism; a countrywide promotion that aims at sensitizing key stakeholders towards tourists, through a process of training and orientation; the Commonwealth Games 2010 in New Delhi was the largest ever event in India's sporting history. International players of different sports from across the world visited to take part in CWG 2010. This resulted in India's place on the world map as a 'sporting nation' having the competence to host a major sporting event. Major advance for the Indian tourism industry since many foreign tourists visited to see the games as well as sights. Definitely, CWG was a key source of income for the Government (Approx. 1500 crores).

THREATS

Unfavourable situation in the Industry environment is a major threat to the individual organizations. Major elements that could represent threats to the industry may be entrance of a new competitor, slow market growth, increased bargaining power of key buyers or suppliers, technological changes and changing regulations, etc.

The threats relates to Tourism Industry consist of aggressive strategies adopted by other countries like China, Australia, Singapore in promoting their tourism its impact

on Indian tourism; Tourist often ignored, Cheated and rudely dealt with spoils the image of country. These incidents considerably reduce the foreign tourist arrivals in India; Crime rates growing in the country ranging from insignificant thefts to serious murder cases; diseases in recent years such as Dengue, Chikungunya and Swine Flu are causing the tourists to stay away from visiting various parts of the country; Food problems plague the tourists; lack of basic infrastructure and accommodations for tourists in rural areas of the country; Women particularly western women get harassed by the local men making the place unsafe for them and aged tourists.

Understanding the key opportunities and threats facing an Industry helps managers in identifying realistic options from which they can make an appropriate strategy.

INDIAN TOURISM INDUSTRY AT A GLANCE FROM SWOT PERSPECTIVE

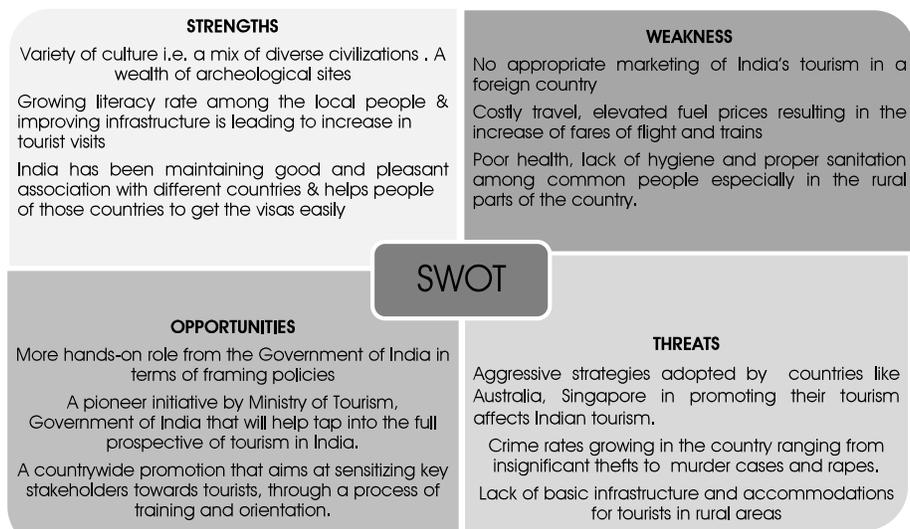


Figure-3: SWOT Analysis: Indian Tourism Industry

STRENGTHS

Strength is a comparative advantage or edges over our competitors. The skill, available resources, goodwill, market leadership and buyer/seller relationships are the examples of strengths of an industry. India's geological location is a culmination of forests, deserts, and mountains and beaches. A variety of culture, i.e., a mix of diverse civilizations and their traditions; a wealth of archeological sites; Indian tourism is known for its heritage and monuments; India has a corporation to administer support issues related to tourism; country of prosperous heritage and traditions having an enormous and varied history; Places of prehistoric civilization and settlements dating back to numerous centuries

present in India; unity in Diversity, i.e., multicultural people staying collectively in the same country. One of the best growing economies of the world; Growing literacy rate among the local people and improving infrastructure leading to increase in tourist visits. India has been maintaining good and pleasant association with different countries which helps the people of those countries to get the visas easily to visit India.

WEAKNESSES

A weakness is a limitation or deficiency in resources, skills and capabilities that impede effective information. Facilities, financial resources, management capabilities, marketing skills and brand image and lack sufficient infrastructure could be the causes of weakness. An intolerant attitude among certain sections of the people also affect tourism. In Indian Tourism Industry the areas of weaknesses are improper.

There is no appropriate marketing of India's tourism in foreign lands. Loss of local culture as well as the loss of traditional environmental awareness is one of the negative impacts of uncontrolled tourism; Costly travel, elevated fuel prices resulting in the increase of fares of flight and trains, the major means of transport for the tourists, lapses in security and safety, incidents of flaunt and harassment of tourists in some places, gap between requirement and supply of manpower.

These are reasons impede the follow of foreign tourists as well as that of the domestic. Insufficient standard hotels in the country leading to the crisis of accommodation for the visiting tourists there is lack of proper care infrastructure; poor health, lack of hygiene and proper sanitation among common people especially in the rural parts of the country; Incidents of local people harassing and torturing the visiting tourists especially the foreign tourists in diverse parts of the country; and regular progress of different parts of the country all these limitations keep the foreigners at bay

Tourism and Travel organization in the present day is mode of life of all individuals. Tourism is considered as one of the principal industries in India, as it receives approximately 465.6 million domestic and worldwide tourists each year. India has the prospective to be the No.1 tourist destination in the world provided: our strengths are maintained as it is and in fact, we have to increase our standards. Our weaknesses should be minimized if it is not possible to wipe them away completely we should make fine use of our opportunities. And last but not the least. The government has to strive for these but it is not impossible to get rid of our weaknesses. Madhya Pradesh bagged the Best Tourism State Award in 2012. A wish to break from routine or to look forward to an enhanced life, travel has forever remained a constant joy ever since intelligent lifestyle came into being.

India has a dazzling future in the area of tourism and has a kaleidoscope of tourist attractions and marvelous handicraft lifestyle product to offer to visitors. Realizing this Government of India is giving intense attention to build up facilities to attract tourists from world over. The venture in the present scenario requires capable and confident manpower which has entire knowledge of the complicated technicalities involved in the soft working of this industry.

Parallely, Indian Tourism Industry needs enhancement in terms of behaviour, honesty foremost influential factors like politeness, humility, willingness to help and accept people has promoted their tourism. The above behavioural traits have to be strengthened and toughened in India. Indian Tourism Industry is grossly underutilized or unexploited in case of Tourism development.

The Government should gives sops like Tax holiday, Special packages to visit such areas where the Tourists go radically. The Governments must step in the role of supervisor, facilitator in order to support private investment in it. A Task Force needs to be made comprising members from tour operators & concerned Ministries which could come out with holistic and reasonable approach to gauge this opportunity of rolling Indian Tourism Industry in the present time.

1.3 TYPES OF INVESTMENT⁴

Investment in the tourism industry implies that capital and goods could be created that are capable of producing other goods or services for earning higher profits in the private sector or regional revitalization and economic growth for public purposes. Now the question is who is investing in Tourism Industry? Government has setup Tourism Finance Corporation of India (TFCI) which is the nodal agency to invest and monitor the development and policy matters of Tourism Industry in India. TFCI is also working with the private investment agencies in PPP Model. Analyzing the treat of investors in Tourism Industry, there are three types of investors' class.

Basically, Tourism investors include Strategic Investors (SI), Construction Investors (CI), and Financial Investors (FI).

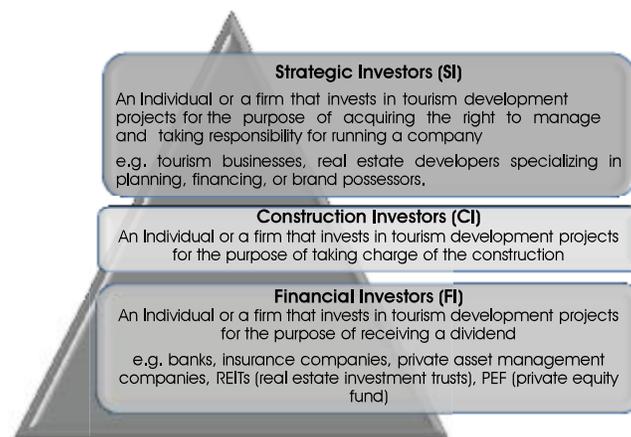


Figure-4: Investment Pattern: Indian Tourism Industry

4. http://english.visitkorea.or.kr/enu/invest/info/busin_underst.jsp

Investment by Investor Type:

The Investment in Tourism Sector in India is accumulating through Multivariate Private Agencies and directly from the Government. Analyzing the pattern of investor apart from Government sources, we broadly tabled the different classes in following categories:

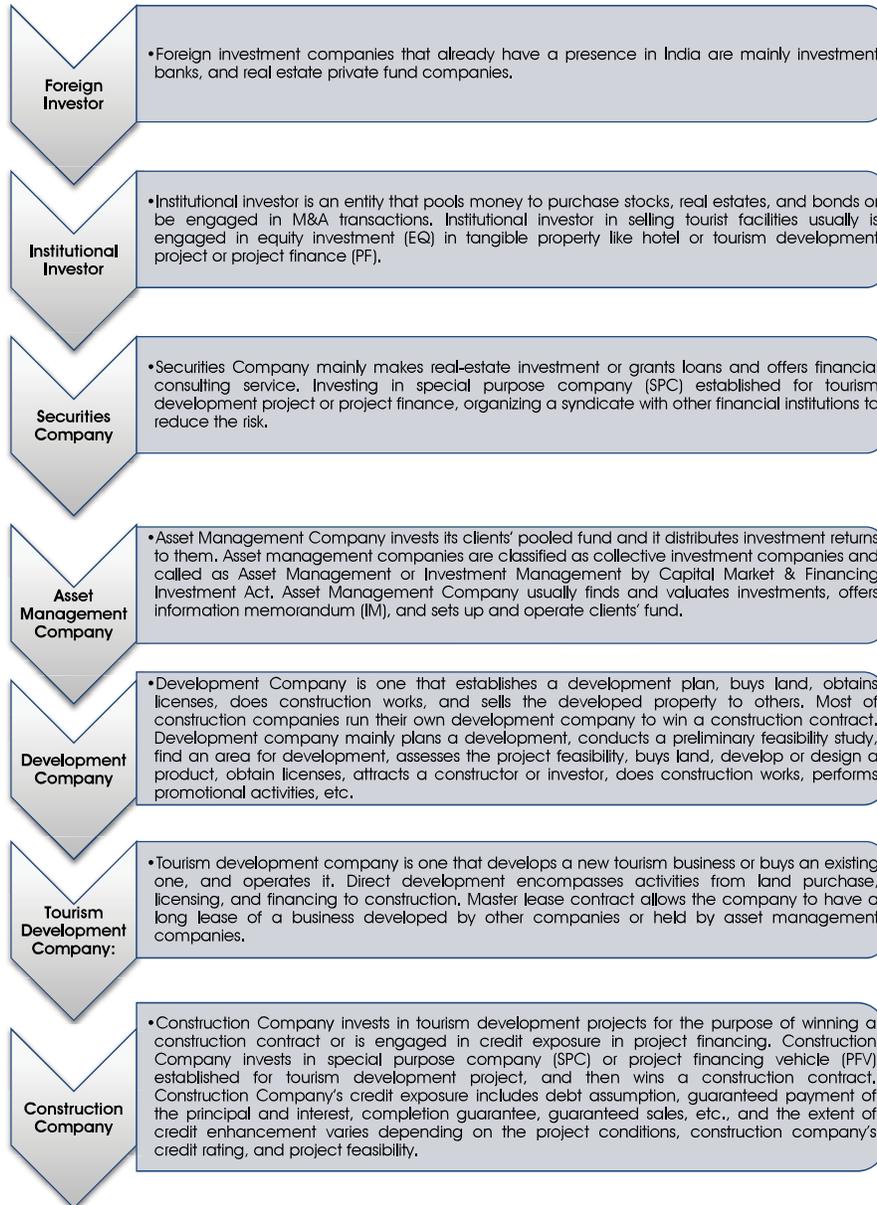


Figure-5: Type of Investors: Indian Tourism Industry

Financing Methods in Tourism Industry:

The companies as mentioned above irrespective of type make investments in two broad categories. The brief details of the same are placed below:

A. Project Finance (PF)

1) Outline of Project Finance:

Project finance is the financing of projects based on the assets of the project like its cash flows rather than the credit rating of a developer. Generally, a Special Purpose Company (SPC) is established for a project, thereby securing the independence of the project from business owners. Capital supply is made in forms of share participation or loaning and financial expenses are paid by the business owner. Other investors are in charge of damage (taking over principal and interest) until the termination of business. Financing of a project consists principally of equity allocating this to equity investors including a business owner.

2) Project Finance Structure:

The typical project finance structure is generated from an investment contract between strategic investors of a special purpose company (SPC) and financial investors, and especially it is natural to secure the rights to the business after signing of an enforcement agreement with the government for investments in social overhead capital (SOC).

B. Syndicated Loan:

1) Outline of Syndicated Loan:

A syndicated loan is provided by a group of lenders and is structured, arranged, and administered jointly by multiple financial institutions (e.g. commercial banks or investment banks) known as lead arrangers to share the risk involved.

* A syndicated loan is usually arranged when several financial institutions are engaged in large-scale lending while a lead arranger joins a group of lenders, especially when it is essential to fund large projects.

Recent Trends of Investment:

Travel & Tourism investment in 2017 was INR2,706.1bn, 6.3% of total investment (USD41.6bn). It should rise by 6.7% in 2018, and rise by 6.7% pa over the next ten years to INR5,546.3bn (USD85.2bn) in 2028, 6.1% of total.

Many companies, both domestic and international, have invested in India's tourism sector in the last two years like US-based Vantage Hospitality Group and Lalit Suri Hospitality Group. The Thai firm Onyx Hospitality and Kingsbridge firm have set up a joint venture to open 7

hotels in the country by 2018. Goldman Sachs, New-York based multinational investment banking fund, has invested Rs 255 crore in Vatika Hotels. ITC is planning to invest about Rs 9,000 crore in the next few years to expand its hotel portfolio to 150 hotels.

1.4. TOURISM FINANCE CORPORATION OF INDIA (TFCI):

All India Financial / Investment Institutions and Nationalized Banks promoted a Public Limited Company in 1989 under the name of “**Tourism Finance Corporation of India Ltd (TFCI)**” to function as a specialized All India Development Financial Institution which would cater to the financial needs of tourism industry. The core objectives of TFCI are to help India in exploring the potential of tourism as an engine for economic growth including generation of employment opportunities, showcase Indian tourism treasure to the world through creation of Tourism Infrastructure, make India a preferred destination for globe-trotters by expanding the horizon of tourism and to make long-term resources available for the creation / development of Tourism Infrastructure.

TFCI is the only institution in the country to fund tourism projects exclusively, with more than 27 years of existence. Corporate spanning across varied sectors, e.g., hotel, infrastructure, manufacturing, services and other diversified sectors are the main clients of TFCI. Details of TFCI’s Products and Services are given below :

Tourism Project Financing:

FICI provides all forms of financial assistance for new projects, for the project related to and expansion, diversification, renovation of modernization in tourism, sector services sector and related activities, facilities and services. The projects where the TFCI is providing services are shown in the following table :

Tourism Projects							
Hotels & Resorts Service Apartments	Restaurant Chains	Theme / Amusement Parks	Multiplexes and Entertainment Centers	Education and Sports]	Rope-ways / Safari Parks	Convention Halls	Travel and Tour Operating Agencies

Figure-6: Tourism Projects: Indian Tourism Industry

Other Financing:

TFCI provides all forms of financial assistance for new projects, expansion, diversification, renovation/modernization of existing projects in industrial/manufacturing sector, real-estate sector on selective basis, services sector and related activities, facilities and services.

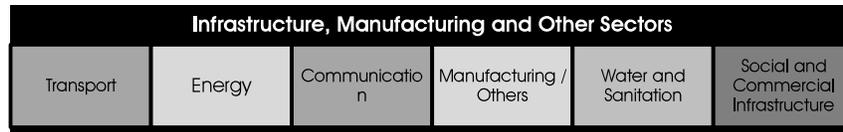


Figure-7: Sectors Associated with T & T: Indian Tourism Industry

Advisory Services:

TFCI provides high-quality research and Consultancy services to the tourism industry in general and to the investors in particular. In line with this, TFCI has been providing Consultancy services to different central and state agencies by undertaking broad-based assignments to cover macro & micro level tourism-related studies / exercises to facilitate identification, conceptualization, promotion / implementation of specific tourism-related projects & for taking policy-level decisions with respect to investment and infrastructure augmentation, etc. Besides, TFCI has been providing specific project-related services to various private sector clients. It has also undertaken appraisal of individual projects for various state government agencies / individual clients.

Project related Services for Private Sector:

- Site evaluation studies.
- Market-potential assessment for tourism projects.
- Techno-economic feasibility studies.
- Loan / Equity syndication services.
- Financial restructuring of project proposals, review and appraisal.
- Project implementation and monitoring services.
- Pre-opening technical and facility planning services.
- Other project-related services include assistance in finalization of arrangements for lease / transfer of management, franchise tie-ups, selection of design / project/ architectural consultants, etc.

Institutional Services for Central and State Governments:

- Tourism-potential studies and identification of tourism circuits.
- Preparation of tourism-development Master Plans for state / travel circuit / destination.
- Tourist profiles and image-rating studies.
- Tourist-flow surveys to assess destination draws, infrastructure gaps and defining agenda for development.

- Carrying out accommodation and other infrastructure assessment, augmentation improvement studies.
- Sustainable tourism development, environment impact assessment studies carrying capacity of studies of wild-life sanctuaries, national parks and other sensitive / critical areas.
- Transaction advisory services for PPP projects.

1.5 FOREIGN DIRECT INVESTMENT IN INDIAN TOURISM INDUSTRY⁵:

Foreign direct investment (FDI) is an investment made by an organization/entity in one country in an industrial/business activity in another country. FDI can take place in the form of establishing new business operations from scratch or acquiring existing business assets in the other country. FDI includes mergers and acquisitions, building new facilities, expansion of existing production capacity, etc. FDI usually involves control/participation in management, joint-venture, management expertise and technology transfer. It excludes investment through purchase of securities or portfolio foreign investment, a passive investment in the securities of another country, e.g., shares and bonds.

In order to stimulate domestic and international investments in the tourism sector, the Indian Government allows 100 percent foreign direct investment (FDI) in its tourism industry for the construction of hotels and similar projects and operations, which includes airport expansion projects (subject to the approval of the Foreign Investment Promotion Board (FIPB)). In addition, a five -year tax holiday is granted to organizations that set up hotels, resorts and convention centres at specific destinations (subject to certain conditions). Various international hospitality companies such as Hilton, Accor and the InterContinental Hotels Group have already announced major venture plans in India over recent years, and the hospitality division is expected to see an additional US\$11.41 billion in inbound investments over the next two years.

FDI Equity Inflows in Hotel & Tourism Sector from 2000-01 to 2016-17⁶

India has seen lots of volatility in the annual FDI inflows in Hotel & Tourism Sector during the period 2000-01 to 2016-17.

Table-1: FDI Equity Inflows in Hotel & Tourism Sector from 2010 to 2017(In UD\$ Millions)

Year		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Amount	421.5	753	308	993	3,259	486	777	1,333	916

Source : Ministry of Tourism (2017). Trends of Eq-Foreign Direct Investment(FDI)

5. <https://www.india-briefing.com/news/foreign-direct-investment-indian-tourism-6153.html/>

6. <https://community.data.gov.in/fdi-equity-inflows-in-hotel-tourism-sector-from-2000-01-to-2016-17/>

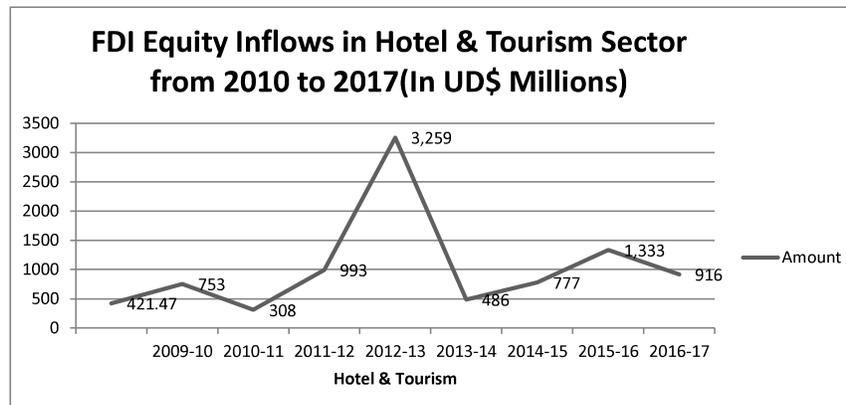


Figure-8: Equity Inflow Hotel & Tourism: Indian Tourism Industry

We have seen a decline of -31.26% in FDI inflows in Hotel & Tourism Sector to \$ 916.13 million during 2016-17 over 2015-16. We have seen a growth of 71.52% in FDI inflows in Hotel & Tourism Sector to \$ 1332.69 million during 2015-16 over 2014-15. We have seen a growth of 59.75% in FDI inflows in Hotel & Tourism Sector from \$ 486.38 million during 2013-14 to \$ 777.01 million during 2014-15.

The amount of FDI in Hotel & Tourism Sector was \$ 308.05 million in 2010-11. It decreased by \$ 444.97 million as compared to 2009-10. In percentage terms, the decrease was -59.09%. The share of FDI in Hotel & Tourism Sector in total FDI in India was 1.44% in 2010-11.

The maximum annual growth in FDI in Hotel & Tourism Sector of \$ 2266.19 million was recorded in the year 2012-13 during the period under consideration. The maximum annual growth in percentage terms in FDI in Hotel & Tourism Sector of 228.25% was recorded in the year 2012-13 during the period under consideration. The maximum share of FDI in Hotel & Tourism Sector in total FDI in India of 14.53% was recorded in the year 2012-13 during the period under consideration.

1.6 TYPES OF TOURISM

Medical Tourism: Medical tourism refers to the practice, when you are travelling from your home country (typically a greater developed country) to a lesser developed nation, of projecting medical care at a lower price. This is a fast-growing industry in India because of India's lower prices for key health care treatments (prices are typically up to 30 percent lower in India as compared to the that of United States and the United Kingdom).

India's medical tourism industry is estimated to increase to around US\$20 billion over the next few years, and India has promoted it by way of providing tourists with personal healthcare services. It is projected that the total marketplace for medical tourism will

reach US\$2 billion by 2015, and this sector is expected to grow at an estimated rate of 30 percent annually until 2015. An estimated 150,000 foreign tourists travel to India for low-priced healthcare procedures each year.

Rural Tourism: Rural India has much to present to humanity as an ancient civilization rich in arts, crafts and culture. Thousands of overseas tourists visit rural areas in Rajasthan, Gujarat and south India every year. Exports of local handicraft have boomed as a result, with exports from Rajasthan reaching nearly US\$1 million in 2009. India's handicrafts exports jumped 17.5 percent year-on-year between 2011 and 2012 to US\$2.7 billion.

In addition, the union tourism ministry and the United Nations Development Programme (UNDP) have launched tourism projects for the development of rural tourism in India. The UNDP plans to donate US\$2.5 million to the project in addition to assist with capacity building, and increasing participation from NGOs, local communities and artisans.

Adventure Tourism: This sector of tourism has seen increased attention because of India's vastly different geography and climate. Either on land, in water or in the air, you can enjoy whatever form of adventure you may desire. India's hilly regions present many opportunities for mountaineering, rock-climbing, trekking, skiing, skating, mountain-biking and safaris, and the rivers that flow from these mountains are ideal for river rafting, canoeing and kayaking.

As a bonus, the ocean is not far from there and is easily accessible, providing many chances for adventure in the form of diving and snorkelling.

MICE Tourism: Meeting, Incentive, Conferencing and Exhibition (MICE) tourism in India offers the businessperson the latest and fastest growing type of international business tourism. This sector caters to a variety of trade meetings, international conferences and conventions, events and exhibitions, and has gradually captured the interests of major hotel brands. Worldwide MICE tourism accumulates over US\$280 billion annually, and, of this, the Asia-Pacific region alone earns US\$60 billion. India earns about US\$4.8 billion yearly through MICE tourism. To capitalize, the Ministry of Tourism has initiated expansion in this sector by investing a total of INR 2 billion to encourage tourism in major cities in India.

SECTION-2

BUSINESS SCENARIO

2.1 HISTORY

The business scenario in India has undergone a paradigm shift over the years. The wide varieties of Indian businesses offer immense opportunities for the upcoming and the growing sectors, such as Automobiles & Auto Components, Financial Services, Food Industry, Gems and Jewelry, Healthcare, Information Technology, Insurance, IT enabled, Services, Media & Entertainment, Oil & Gas, Real Estate, Retail, Steel, Textiles, Telecommunications, Tourism & Hospitality, etc. With these numerous sectors at the bay, the scope of doing business in India has grown in magnitude.

Therefore, the Government has had a huge role in the transformation of the Indian Business scenario. To better the possibilities and take exhaustive advantage of the business opportunities, the Government already has introduced major changes. These changes were in terms of macroeconomic reforms, tax reforms, finance reforms and relaxing of the capital market.

In following lines, we will assess Geographic and Economic Scenario Foreign Tourist Arrivals (FTAs) in Indian Tourism Industry.

2.2 GEOGRAPHIC SCENARIO

Tourism Industry, in particular, is growing very fast. It has vast potential for generating employment and earning large amount of foreign exchange besides giving a fillip to the country's overall economic and social development. By 2030 it will be nearly two billion people, spending just over \$2 trillion, in all corners of the world. As per the report of UNWTO around two billion people, experiencing new cultures, are sharing new friends, creating new businesses round the globe and these two billion people providing jobs and an income for 400 million people globally. By 2030, Travel & Tourism will be 11% of the world's economy. Each and every person who travels will play a part in this story of growth, adventure and experience.

2.2.1 Foreign Tourist Arrivals (FTAs) in India from different Regions of the World:

Foreign Tourist Arrivals (FTAs) in India from different regions of the world from 2014 to

2016 clearly show that FTAs in India have been increasing from all regions. The growth was maximum from Eastern Europe (22.64%) followed by South Asia (12.76%), Australia (11.79%), Central and South America (11.15%), East Asia (11.12%), West Asia (8.20%), North America (7.98%), Western Europe (7.94%), south East Asia (6.54%) and Africa (2.9%).

The Following Figure gives the details of FTAs in India during the last three years from all the regions:

Table-2: Foreign Tourist Arrivals (FTAs) in India from Different Regions of the World, 2014-2016

Region/Country	Number of Arrivals			Percentage Share			Percentage Change	
	2014	2015	2016	2014	2015	2016	2015/ 14	2016/ 15
South Asia	1694857	1946207	2194555	22.07	24.25	24.93	14.8	12.9
Western Europe	1860580	1880203	2029412	24.23	23.42	23.05	1.1	7.9
North America	1387468	1494930	1614178	18.07	18.62	18.33	7.7	8
South East Asia	685805	700298	746069	8.93	8.72	8.47	2.1	6.5
East Asia	546792	555770	617563	7.12	6.92	7.01	1.6	11.1
West Asia	413678	417616	451842	5.39	5.2	5.13	1	8.2
Eastern Europe	422278	331051	406002	5.5	4.12	4.61	-21.6	22.6
Australia	286294	312101	348908	3.73	3.89	3.96	9	11.8
Africa	280754	293569	301264	3.66	3.66	3.43	4.6	2.9
Central & South America	69926	70831	78730	0.91	0.88	0.89	1.3	11.2
Not Classified elsewhere	30667	24557	14988	0.39	0.32	0.19	-19.9	-39
Grand Total	7679099	8027133	8804411	100	100	100	4.5	9.7

Source: Bureau of Immigration, Govt. of India

The percentage share in FTAs in India during 2016 was the highest in South Asia (24.93%), followed by Western Europe (23.05%), North America (23.33%), South East Asia (8.47%), East Asia (7.01%), Eastern Europe (4.61%), Australia (3.96%), Africa (3.42%), and Central & South America (0.89%).

2.2.2 Foreign Tourist Arrivals (FTAs), Arrivals of Non-Resident Indians (NRIs) and International Tourist Arrivals (ITAs):

The Foreign Tourist Arrivals (FTAs) in India continued to grow from 5.78 million in 2010 to 8.80 million in 2016. During the year 2016, FTAs in India registered a growth of 9.7% over that of 2015.

Table-3: Inbound Tourism: Foreign Tourist Arrivals (FTAs), Arrivals of Non-Resident Indians(NRIs) and International Tourist Arrivals (ITAs) 2000-2017(till June)

Year	FTAs in India (in Million)	Percentage (%) change over previous Year	NRIs arrivals in India (in Million)	Percentage (%) change over previous Year	International Tourist arrival in India (in Million)	Percentage (%) change over previous Year
2010	5.78	11.8				
2011	6.31	9.2				
2012	6.58	4.3				
2013	6.97	5.9				
2014	7.68	10.2	5.43		13.11	
2015	8.03	4.5	5.26	-3.15	13.29	1.4
2016	8.8	9.7	5.77	9.7	14.57	9.7
2017(P) Jan- Nov	10.18	15.6				

(P) Provisional estimates of Ministry of Tourism

Source: Bureau of Immigration, Govt. of India

The figure of FTAs for the year 2017 is more encouraging where the growth rate estimated is 15.6%, which was 9.7 % in the previous year.

2.2.3 FTAs in India according to Gender:

Table-3 gives the gender-wise distribution of FTAs in India during the period 2010 to 2016. The reporting of gender-wise breakup of the FTAs has been 100%.

Table-4: FTAs in India according to Gender 2010-2016

Year	Arrivals	Gender Distribution (%)	
		Male	Female
2010	5775692	59.3	40.7
2011	6309222	59.4	40.6
2012	6577745	58.7	41.3
2013	6967901	58.8	41.2
2014	7679099	59	41
2015	8027133	59.3	40.7
2016	8804411	59.4	40.6

Source: Bureau of Immigration, Govt. of India

The figure shows that Female FTAs in most of the year is ranging between 40-50% as compared to Male FTAs which is between 51-60% over the years.

2.2.4 Seasonality of FTAs in India:

Weather condition of different tourist destinations is one of the important determinations of tourist arrivals.

Table-5: Lean and Peak Months of FTAs in India from Top 15 Countries during 2016

Sl No	Nationality	Lean Month(% share)	Peak Month(% Share)
1	Bangladesh	June(4.0%)	December(12.7%)
2	USA	September(5.1%)	December(14.4%)
3	UK	Novenber(6.8%)	December(9.6%)
4	Canada	May (4.3%)	December(13.3%)
5	Malaysia	April (6.3%)	December(11.4%)
6	Sri Lanka	June(5.6%)	August(13.0%)
7	Australia	May(4.3%)	December(18.9%)
8	Germany	June(4.6%)	November(11.6%)
9	China	June(5.7%)	November(11.0%)
10	France	May(4.7%)	February(12.3%)
11	Russia Fed	June(1.5%)	December(18.7%)
12	Japan	June(6.5%)	November(10.5%)
13	Singapore	April(6.7%)	December(13.3%)
14	Nepal	May(6.7%)	October(9.9%)
15	Afghanistan	June(4.6%)	December(11.4%)

Source: Bureau of Immigration, Govt. of India

The peak and lean months for the arrival of tourists from Top 15 source markets for India during 2016 are presented in Table-5. For 8 countries, namely, the USA, the UK, Bangladesh, Canada, Australia, Malaysia, Russia and Singapore December was the peak month. Peak month for each of these countries accounted for more than 10% of the FTAs except for the UK and Nepal for which peak month accounted for 9.6% and 9.9%, respectively.

2.2.5 Age Group-wise distribution of FTAs:

Table-6 gives the percentage distribution of FTAs in India according to their age group during 2010- 2016. The proportion of FTAs in different age group has not changed much during the period in consideration.

Table-6: FTAs in India according to Age Group 2010-2016

Year	Arrivals	% Distribution by Age-Group (in years)						
		01-2014	15-24	25-34	35-44	45-54	55-64	65 % above
2010	5775692	10	8.3	17.4	21.1	19.9	13.8	9.5
2011	6309222	10.5	7.9	16.6	21.2	19.7	13.7	10.5
2012	6577745	11	8	16.5	21	19.8	13.9	9.9
2013	6967901	9.5	8.7	19.1	21	20	14	7.7
2014	7679099	9.2	8.5	18.9	21	20.1	14	0.3
2015	8027133	9.4	8.5	19.2	21.2	20	13.8	7.9
2016	8804411	9.5	8.5	19.2	21.1	19.9	13.8	8

Source: Bureau of Immigration, Govt. of India

In 2016 the highest number of FTAs in India was 33-44 years age group (21.1%) followed by the age group of 45-54 years (19.9%) and 25-34 years (19.2%). The lowest number of FTAs during the same period accounted in the age group of 65 and above (8%).

2.2.6 FTAs in India according to purpose:

As per the report of Ministry of Tourism the details of region-wise FTAs in India during 2016 are given in the following table-7.

Table-7: Distribution of Region-wise FTAs in India according to Purpose 2016

Location	Arrivals	Business and Professional	Leisure Holiday and Recreation	Medical	Indian Diaspora	Others
North America						
Total	1614178	10.3	52.3	0.06	33.69	3.65
Central & South America						
Total	78730	16.94	74.57	0.08	6.06	2.35
Western Europe						
Total	2029412	20.59	57.53	0.06	18.53	3.29
Eastern Europe						
Total	406002	14.69	78.99	2.57	2.02	1.72
Africa						
Total	302164	17.28	42.51	16.3	14.58	9.33
West Asia						
Total	451842	8.73	70.9	15.02	2.73	2.62
South Asia						

Total	2194555	7.61	72.37	13.15	3.1	3.77
South East Asia						
Total	746069	12.62	69.7	0.4	12.46	4.82
East Asia						
Total	617563	50.75	43.61	0.04	4.01	1.58
Australia						
Total	348908	9.98	50.23	0.32	36.67	2.8
Not Classified Elsewhere	14988	12.78	60.04	0.62	8.29	18.28
Grand Total	8804411	15.58	61.48	4.85	14.54	3.55

Source: Bureau of Immigration, Govt. of India

Note-1: The Purpose-wise and Nationality-wise distribution of Foreign Tourist Arrivals (FTAs) in India has been worked out on the basis of 7441867 records for which information related to visas were available from the Bureau of Immigration. The Visa Type has been clubbed together to derive the propose are as follows:

Purpose	Visa Type
Business and Professional	Business, Conference, Employment and Official
Leisure Holiday and Recreation	Pilgrimage and Tourist
Medical	Medical, Medical Attendant and Medical X
Indian Diaspora	ICO, PIO, Entry and Universal
Others	Art Surrogacy, Diplomatic, Journalist, Long Term, Meeting Friends and Relatives, Missionary, Mountaineering, Research, SAARC, Sports, Student, Transfer of visa, Transit, UN, Visit/Visitor and others / Miscellaneous.

Note-2: Country Composition

North America	Canada, USA
Central & South America	Argentina, Brazil, Mexico, Others
Western Europe	Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, UK, Others)
Eastern Europe	Eastern Europe (Czech Republic, Hungary, Kazakishistan, Poland, Russia Federation, Ukraine, Others)
Africa	Egypt, Kenya, Mauritius, Nigeria, South Africa, Sudan, United Republic of Tanzan, Others
West Asia	Bahrain, Iraq, Israel, Oman, Saudi Arabia, Turkey, the United Arab Emirates, Yemen, Others
South Asia	Afghanistan, Bangladesh, Bhutan, Iran, Maldives, Nepal, Pakistan, Sri Lanka

South East Asia	Indonesia, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam, Others
East Asia	China, Japan, Republic of Korea, Taiwan, Others
Australia	Australia, New Zealand, Others

2.2.7 Top 15 Countries for FTAs in India:

Table-8 gives the percentage share of top 15 source countries for India during 2015 and 2016. The top 15 tourist generating countries for India during 2015 and 2016 were mostly the same with minor changes in the ranking of some countries:

Table-8: Top 15 Source Countries for FTAs in India during 2015 & 2016

Rank in 2015	Country	FTAs in India in 2015	% Share in 2015	Rank in 2016	Country	FTAs in India in 2016	% Share in 2016
1	USA	1213624	15.12	1	Bangladesh	1380409	15.68
2	Bangladesh	1133879	14.13	2	USA	1296939	14.73
3	UK	867601	10.81	3	UK	941883	10.7
4	Sri Lanka	299513	3.73	4	Canada	317239	3.6
5	Canada	281306	3.5	5	Malaysia	301961	3.43
6	Malaysia	272941	3.4	6	Sri Lanka	297418	3.38
7	Australia	263101	3.28	7	Australia	293625	3.33
8	Germany	248314	3.09	8	Germany	265928	3.02
9	France	230854	2.88	9	China	251313	2.85
10	Japan	207415	2.58	10	France	238707	2.71
11	China	206322	2.57	11	Russian Federation	227749	2.59
12	Russian Federation	172419	2.15	12	Japan	208847	2.37
13	Nepal	154720	1.93	13	Singapore	163688	1.86
14	Singapore	152238	1.9	14	Nepal	161097	1.83
15	Pakistan	124924	1.56	15	Afganistan	123330	1.4
Total Top 15 Countries		5829171	72.62	Total Top 15 Countries		6470133	73.49
Other Countries		2197962	27.38	Other Countries		2334278	26.51

Grand Total		8027133	100	Grand Total		8804411	100
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Source: Bureau of Immigration, Govt. of India

FTAs in India from Bangladesh were highest (15.68%) during 2016, whereas the USA turned to second highest position in 2016 from highest in 2015. The share of FTAs from Top 15 countries during the year 2016 was 73.49% as compared to that of 72.62% in 2015.

According to a recent report by the World Economic Forum (WEF), India has achieved the 52nd rank among the list of 141 countries worldwide as per the Travel & Tourism Competitiveness Index (TTCI) 2015. It is also a great achievement that the country has moved up 13 notches to the 52nd position as compared to 2013. The top 10 countries are Spain, France, Germany, the US, the UK, Switzerland, Australia, Italy, Japan and Canada whereas in emerging countries list we have China (17th), Brazil (28th), Russia (45th), South Africa (48th) and India (52nd).

This shows that though India has moved up in the global list to a great extent, its position is still not better than its emerging market peers like China, Brazil, Russia and South Africa. India has still a long way to go.

2.3 THE ECONOMIC SCENARIO:

The analysis of World Industry GDP Growth (Sector-wise in percentage) reveals encouraging figures as far as Travel and Tourism Industry is concerned. The summary of the same is presented below :

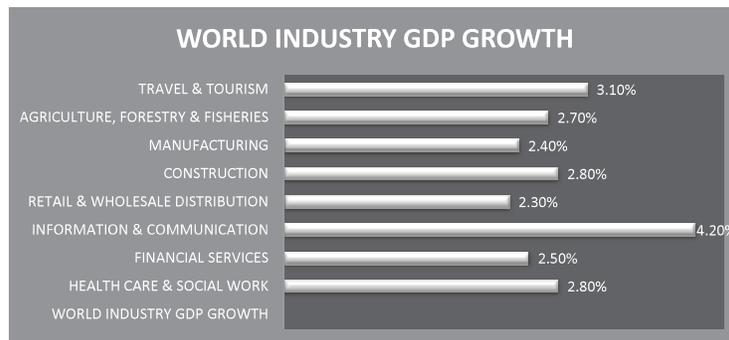


Figure-9: World Industry GDP Growth

(Source: Compiled from Investment Report- World Bank, 2018)

Therefore, there is ample scope of revenue generation from the Travel & Tourism (T & T) Sector from the economic point of view. As one of the world's largest economic sectors, Travel & Tourism creates jobs, drives exports, and generates prosperity across the world. The Annual Analysis of the global economic impact of Travel & Tourism shows that the sector

accounts for 10.4% of global GDP and 313 million jobs, or 9.9% of total employment in 2017. In following paras, we will discuss the same in detail:

2.3.1 Direct Contribution of Travel & Tourism (T & T) to Global GDP:

On the basis of real time data available from 2012 onwards till date as far as worldwide growth of GDP, we will find an encouraging able figure which is placed below:



*E=Estimated; **F=Forecast

Figure-10: Contribution of T & t to GDP (Global)

Real GDP contribution of T & T or Gross Domestic Product (GDP) at constant 2017 prices in the year 2016-17 is likely to attain a level of 91.27 billion USD as against the Provisional Estimate of GDP for the year 2017-18 of 98.17 billion USD, released by World Travel and Tourism Council in its Economic Impact Report 2018. As per the report, there will be a significant growth of GDP at 194.69 Billion USD by 2028 which is around 300 percent growth as compared to the year 2012.

2.3.2. The Economic Contribution of Travel & Tourism: Real 2017 Prices

The overall growth in GDP during 2017-18 is estimated at 6.5 per cent. With GDP at current prices in the year 2017-18 is likely to attain a level of Rs. 166.28 lakh crore, as against Rs. 151.84 lakh crore in 2016-17 showing a growth rate of 9.5 per cent. Direct contribution of Travel & Tourism to GDP is has steadily increased over the years with a little deviation in the year 2013 (Table- 9).

TABLE-9: THE ECONOMIC CONTRIBUTION OF TRAVEL & TOURISM: REAL 2017 PRICES

INDIA (INR bn, real 2017 prices)	2012	2013	2014	2015	2016	2017	2018E	2028F
1. Visitor Exports	1159.8	1231.3	1336.6	1429.3	1578.1	1777.1	1934.1	3316.4
2. Domestic Expenditure (including Government individual spending)	8570.5	9087.7	9730.5	10668	11678	12114	13000	26428
3. Internal Tourism Consumption (= 1+2)	9730.3	10319	11067	12.98	13256	13891	14934	29744
4. Purchases by Tourism Providers, including imported goods (supply chain)	-5580.5	-5906	-6330.2	-6916.5	-7579.8	-7947.9	-8540.9	-17066
5. Direct Contribution of Travel & Tourism to GDP(=3+4)	4149.8	4413.1	4736.9	5181.2	5676.6	5943.3	6392.7	12678
Other Final Impacts (indirect & induced)	5255.7	5589.1	5999.2	6561.9	7189.3	7527.2	8096.3	16057
6. Domestic Supply Chain								
7. Capital Investment	2192.9	2306.1	2416.5	2598.3	2648.1	2706.1	2888.3	5546.3
8. Government Collective Spending	108.9	114.7	122.6	128.4	150.6	169.9	188.4	367.9
9. Imported Goods from Indirect Spending	-2236	-2354.4	-2467	-2650.2	-2703	-2766.1	-2951	-5687.6
10. Induced	1207.6	1276.3	1381.1	1465.7	1573.3	1659.3	1771.8	3092.1
11. Total Contribution of Travel & Tourism to GDP (=5+6+7+8+9+10)	10679	11345	12189	13285	14535	15240	16387	32053

The table as presented above shows some important figures as far as total contribution of T & T to gross domestic product as well as considering the factors such as Capital Investment, Imported Goods from indirect spending, etc. which affect to find GDP. It can be seen from the figures that, trend of total contribution of T & T to the GDP of India is steadily increasing and the projected GDP contribution will be around three times in 2028 compared to the same for the year 2012. This could be considered as a very positive sign of improvement of Tourism Industry.

2.3.3 The Economic Contribution of Travel & Tourism: Nominal Prices:

The nominal GDP are calculated at market or government exchange rates. The parameters used for calculating the GDP in real remain same. The World Travel and Tourism Council have calculated the GDP in Nominal price which is shown in the following table:

Table-10: THE ECONOMIC CONTRIBUTION OF TRAVEL & TOURISM: NOMINAL PRICES

INDIA (INR bn, nominal prices)	2012	2013	2014	2015	2016	2017	2018E	2028F
1. Visitor Exports	963.4	1089.3	1237.7	1340.5	1519.8	1777.1	2053.6	5748.4
2. Domestic Expenditure (including Government individual spending)	7119.2	8039.4	9010.6	10005.1	11247	12114	138.3	45808
3. Internal Tourism Consumption (=1+2)	8082.5	9128.7	10248	11346	12766	13891	15857	51557
4. Purchases by Tourism Providers, including imported goods (supply chain)	-4635.5	-5224.7	-5861.9	-6486.5	-7299.6	-7947.9	-9068.8	-29582
5. Direct Contribution of Travel & Tourism to GDP (=3+4)	3447	3904	4386.4	4859.1	5466.7	5943.3	6787.9	21975
Other Final Impacts (indirect & induced)	4365.7	4944.4	5555.4	6154	6923.6	7527.2	8596.8	27831
6. Domestic Supply Chain								
7. Capital Investment	1821.5	2040.1	2237.8	2436.8	2550.2	2706.1	3066.9	9613.6
8. Government Collective Spending	90.4	101.4	113.5	120.4	145	169.8	200	637.8
9. Imported Goods from Indirect Spending	-1857.4	-2082.8	-2284.5	-2485.5	-2603.1	-2766.2	-3133.5	-9858.5
10. Induced	1003.1	1129.1	1278.9	1374.5	1515.1	1659.3	1881.3	5359.7
11. Total Contribution of Travel & Tourism to GDP (=5+6+7+ 8+9+10)	8.870.4	10036.2	11288	12459	13998	15240	17400	55559

Source: Report of World Travel & Tourism Council-2018

It is necessary to mention here that the direct contribution of Travel & Tourism to GDP

reflects its 'internal' spending on Travel & Tourism (total spending within a particular country on Travel & Tourism by residents and non-residents for business and leisure purposes) as well as government's 'individual' spending, spending by government on Travel & Tourism services directly linked to visitors, such as cultural (e.g., museums) or recreational (e.g., national parks).

The direct contribution of Travel & Tourism to GDP is calculated to be consistent with the output, as expressed in National Accounting, of tourism-characteristic sectors such as hotels, airlines, airports, travel agents and leisure and recreation services that deal directly with tourists.

From the table, it can be seen that the GDP in nominal price is also steadily in an increasing order over the period, and it will become a huge amount of 55559 billion in 2028 (projected).

2.3.4 The Economic Contribution of Travel & Tourism: Growth % on GDP

Table-3 shows the contribution of percentage growth of Travel & Tourism on GDP in India. The real growth rate is calculated by considering the values of all final goods and services produced within a country in a given year. From the table it is clear that over the year there will be no such significant changes in the growth rate, though the growth was maximum in 2016.

TABLE-11: THE ECONOMIC CONTRIBUTION OF TRAVEL & TOURISM: GROWTH

INDIA (Growth in %)	2012	2013	2014	2015	2016	2017	2018E	2028F
1. Visitor Exports	5.9	6.2	8.6	6.9	10.4	12.6	8.8	5.5
2. Domestic Expenditure (including Government individual spending)	6.1	6	7.1	9.6	9.5	3.7	7.3	7.4
3. Internal Tourism Consumption (=1+2)	6.1	6.6	7.2	9.3	9.6	4.8	7.5	7.1
4. Purchases by Tourism Providers, including imported goods (supply chain)	5.5	5.8	7.2	9.3	9.6	4.9	7.5	7.2
5. Direct Contribution of Travel & Tourism to GDP(=3+4)	6.9	6.3	7.3	9.4	9.6	4.7	7.6	7.1
Other Final Impacts(indirect & induced)6. Domestic Supply Chain	6.9	6.3	7.3	9.4	9.6	4.7	7.6	7.1
7. Capital Investment	9.4	5.2	4.8	7.5	1.9	2.2	6.7	6.7

8. Government Collective Spending	5.5	5.3	6.9	4.7	17.3	12.8	10.9	6.9
9. Imported Goods from Indirect Spending	13	5.3	4.8	7.4	2	2.3	6.7	6.8
10. Induced	3.8	5.7	8.2	6.1	7.3	5.5	6.8	5.7
11. Total Contribution of Travel & Tourism to GDP (=5+6+7+8+9+10)	5.8	6.2	7.4	9	9.4	4.8	7.5	6.9

Source: Report of World Travel & Tourism Council-2018

Note: 2012-2017 Real Annual Growth adjusted for Inflation (%); 2018-2028 Annualized Real Growth adjusted for Inflation (%).

2.3.5 Per Capita Income:

The per capita net national income during 2017-18 is estimated to be Rs 111,782 showing a rise of 8.3 per cent as compared to Rs. 103,219 during the period 2016-17 with the growth rate of 9.7 percent. The per capita income in real terms (at 2011-12 prices) during 2017-18 is likely to attain a level of Rs. 86660/- as compared to Rs. 82269/- for the year 2016-17. The growth rate in per capita income is estimated at 5.3 per cent during 2017-18, as against 5.7 per cent in the previous year. The increase in per capita income increases the purchasing power of the individual. Therefore, it is expected that this will push the development of Travel of Tourism.

2.3.6 Gross Value Added (GVA) at Basic Prices

The estimated growth in GVA for Travel and Tourism Sector during 2017-18 is placed at 8.7 percent as compared to the growth of 7.8 percent in 2016-17. The key indicators of this sector are the hospitality segment, transport, communication and services related to broadcasting, etc. with the growth. The tables 12 and 13 derived below show the contribution of trade, hotels, transport, communication and services related to broadcasting, which constitutes the Travel and Tourism Industry, estimated by first advance estimates of Gross Value Added by economic activities at basic price in 2011-12 and current price, respectively.

**Table-12: First Advance Estimates of GVA at
Basic Price by Economic Activity
(At 2011-12 prices) (Rs. crore)**

Industry	2015-16	2016-17 (PE)	2017-18 (1st AE)	Percentage change over previous year 2016-17 2017-18	
1. Agriculture, forestry & fishing	1,617,208	1,696,175	1,732,371	4.9	2.1
2. Mining & quarrying	324,740	330,485	339,972	1.8	2.9
3. Manufacturing	1,872,115	2,019,227	2,112,345	7.9	4.6
4. Electricity, gas, water supply & other utility services	224,447	240,590	258,672	7.2	7.5
5. Construction	879,782	894,668	927,085	1.7	3.6
6. Trade, Hotels, Transport, Communication and Services related to Broadcasting	1,989,161	2,143,956	2,329,801	7.8	8.7
7. Financial, real estate & professional services	2,298,798	2,429,638	2,606,602	5.7	7.3
8. Public administration, defence and Other Services	1,284,263	1,430,002	1,564,473	11.3	9.4
GVA at Basic Price	10,490,514	11,185,440	11,871,320	6.6	6.1

Source: Draft National Estimates for 2017, Gol.

All these Geographic and Economic Indicators are enough to convince that the Travel and Tourism Sector is having an ample scope to grow in the coming years.

Table-13: First Advance Estimates of GVA at Basic Price by Economic Activities
(At current prices)

Industry	2015-16	2016-17	2017-18	Percentage change over previous year	
				2016-17	2017-18
1. Agriculture, forestry & fishing	2,175,547	2,372,085	2,438,546	9.0	2.8
2. Mining & quarrying	296,253	301,921	341,843	1.9	13.2
3. Manufacturing	2,064,820	2,257,413	2,422,101	9.3	7.3
4. Electricity, gas, water supply & other utility services	321,651	342,422	368,269	6.5	7.5
5. Construction	1,006,403	1,041,343	1,109,608	3.5	6.6
6. Trade, Hotels, Transport, Communication and Services related to Broadcasting	2,294,364	2,519,999	2,825,708	9.8	12.1
7. Financial, real estate & professional services	2,631,120	2,889,048	3,186,115	9.8	10.3
8. Public administration, defence and Other Services	1,668,486	1,945,683	2,205,463	16.6	13.4
GVA at Basic Price	12,458,642	13,669,914	14,897,653	9.7	9.0

2.3.7 Total Contribution to GDP 2016–2027 (Global Statistics)- Country-wise

Travel & Tourism has been out pacing the global economy for the past six years, which is reflected in the growth figures of individual countries as well. Several countries have shown especially dramatic growth in visitor exports over this period of time.

At the country level, the fastest growing larger Travel & Tourism countries are expected to be China, India, Thailand, and Indonesia. By 2027, China is expected to have overtaken the USA in terms of total Travel & Tourism GDP, domestic Travel & Tourism spending and investment. However, the USA is expected to remain on top in terms of direct Travel & Tourism GDP, visitor exports and business travel spending:

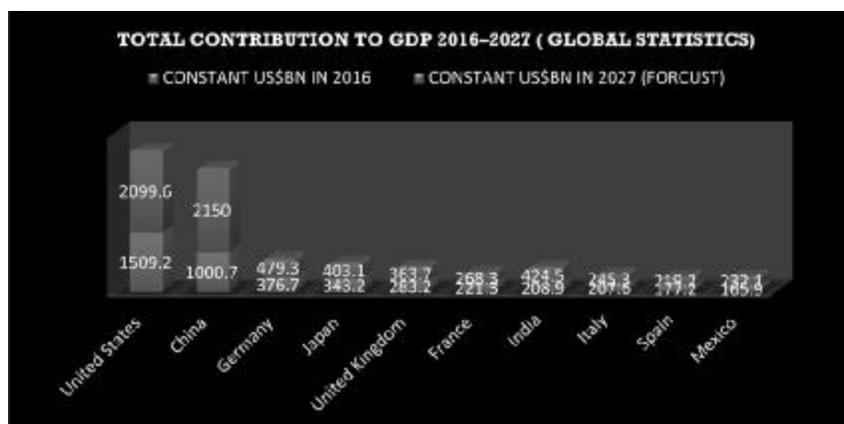


Figure-11: Total Contribution to GDP 2016–2027 (Global Statistics)- Country-wise

India is expected to establish itself as the fourth largest Travel & Tourism economy by 2027, both in terms of direct and total GDP, only behind China, the USA and Germany.

Apart from the countries named above, Thailand is expected to continue its fast-paced growth and become the third largest market for visitor exports by 2027, taking over Spain which is expected to drop to fourth place. Other notable countries expected to move up the Travel & Tourism GDP rankings considerably by 2027 include Qatar, UAE, and Vietnam

2.3.8 FDI Inflow

As per the report of Ministry of Tourism placed in the Parliament in 2016-17 the Foreign Exchange Earnings from tourism were at \$27.7 billion, witnessing a growth of 20.8 per cent over 2016. Following table represents the FEEs of India from 2000-2017:

Table-14: FDI Inflow: Foreign Exchange Earnings (FEEs) in US\$ million, from Tourism in India 2000-2017 (till June)

Year	FEE from Tourism in India (in US\$ Millions)	Percentage (%) change over the Previous Year
2000	3460	15
2001	3198	-7.6
2002	3103	-3
2003	4463	43.8
2004	6170	38.2
2005	7493	21.4
2006	8634	15.2
2007	10729	24.3
2008	11832	10.3

2009	11136	-5.9
2010	14193	27.5
2011#1	16564	16.7
2012#1	17737	7.1
2013#2	18445	4
2014#2	20236	9.7
2015#2	21071	4.1
2016#2	22923	8.8
2017#2(Jan-Jun)	13230	22.3@
#1: Provisional estimate (based on Provisional FTAs), @: Growth Rate over Jan-Jun, 2016		
#2: Revised estimate (Based on the Final FTAs received from BOI)		
Source: (1) Reserve Bank of India, for 2000-2010		
(2) Ministry of Tourism, Govt. Of India, for 2011-2017		

The report of Economic Survey 2018 shows that Foreign Exchange Earnings (FEEs) from tourism grew 20.8 per cent to \$27.7 billion in 2017, helped by the initiatives taken by the government for the sector.

Therefore, it is high time to think of gaining the highest level of expertise to beat the global competition and capture this sector professionally to earn a larger amount of the foreign exchange in days to come.

We can quote here the words of David Scowsill, President and CEO, WTTC. He said: "India is a tremendous Travel and Tourism economy and I am pleased to see the sector GDP is growing. However, we believe that these numbers could be even higher, and that the positive impact of our sector could be more wide-ranging. India has a huge potential to increase its international visitors and, in doing so, it can create more jobs and drive economic growth"⁷

Foreign Tourist Arrivals (FTAs) stood at 8.8 million and FEEs were at \$22.9 billion in 2016.

As per the provisional data of Ministry of Tourism, foreign tourist arrivals (FTAs) stood at 10.2 million during 2017, a growth of 15.6 per cent.⁸

2.3.9 Indian National Departures

Visitor exports generated INR1,777.1bn (USD27.3bn), 5.8% of total exports in 2017. The

7. <https://economictimes.indiatimes.com/topic/World-Travel-and-Tourism-Council>

8. <https://www.financialexpress.com/budget/economic-survey-2018-forex-revenue-from-tourism-touches-27-7-billion/1034836/>

forecast is that it will grow by 8.8% in 2018, and grow by 5.5% pa, from 2018-2028, to INR3,316.4bn (USD50.9bn) in 2028, 5.1% of total.

2.3.10 Domestic Tourism:

Domestic tourism continues to be an important contributor to the sector. As per the data furnished by State/UT Governments and other information available with the Ministry of Tourism, the domestic tourist visits during the year 2016 were 1613.6 million as compared to 1432 million in 2015, and significant growth is seen every year with an increase of per capita income of Indian Nationals.

2.3.11 Employment

Direct Contribution

In 2017 Travel & Tourism directly supported 26,148,000 jobs (5.0% of total employment). This is expected to rise by 2.8% in 2018 and rise by 2.1% pa to 33,195,000 jobs (5.3% of total employment) in 2028.

Total Contribution

In 2017, the total contribution of Travel & Tourism to employment, including jobs indirectly supported by the industry was 8.0% of total employment (41,622,500 jobs). This is expected to rise by 3.1% in 2018 to 42,898,000 jobs, and rise by 2.0% pa to 52,279,000 jobs in 2028 (8.4% of total).

2.4 GOVERNMENT INITIATIVES

As per the Travel and Tourism Competitiveness Index released by the World Economic Forum in April 2017, India ranks 40 in among 136 economies across the world, up 12 places since 2015. In the last three years, the government has launched several key projects as well as continued some old projects of the previous government to boost the travel and tourism sector. Among its top initiatives are Swachh Bharat Campaign, electronic visa (E-visa), digital application, and Ude Desh Ka Aam Nagrik Scheme (UDAN) among others. Initiatives such as sanctioning visa on arrival (VoA) and extending electronic travel authorization (ETA) to more countries, developing a mobile application for tourists and introducing the Incredible India multilingual tourist helpline have definitely helped in progress and socio-economic growth.

Focus on international destinations has been an integral part of the tourism ministry's agenda and it has released several campaigns in international and domestic markets to promote various tourism destinations and products of India to increase foreign tourist arrivals and domestic visits within the country. The Government of India has launched several branding and marketing initiatives such as 'Incredible India' and 'Athiti Devo Bhava',

which have provided a focused drive to growth. Moreover, 'Incredible India 2.0' aims at showcasing the country as a spiritual and wellness destination; with this, the country is poised to emerge as an important wellness destination in South Asia. In addition, the liberalization of the visa regime has facilitated entry of foreigners into India for tourism, business and medical purposes. E-visa for nationals of 163 countries has been a game changer and given a big boost to foreign tourist inflow.

Simultaneously, the Ministry is also focused on consolidating domestic tourism within India. In February 2017, the state governments of Chhattisgarh, Gujarat, Karnataka, Rajasthan and Uttarakhand signed 86 MoUs worth Rs 12196.7 crore for developing tourist destinations in their respective states. In addition, with government policies, such as 'Make in India' and 'Startup India' there's more demand for travel across smaller cities. Further, the latest scheme of UDAN is aimed at giving further impetus to both domestic and inbound tourism and it acts as a booster for business and leisure travel.

Some sectors which are interlinked with Travel and Tourism include:

(a) Infrastructure Sector

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from the Government for initiating policies that would ensure time-bound creation of world-class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development. In 2016, India jumped 19 places in World Bank's Logistics Performance Index (LPI) 2016 to rank 35th amongst 160 countries. The Government of India is taking every possible initiative to boost the infrastructure sector and is expected to invest highly in it, mainly making highways, renewable energy and urban transport, during 2018.

(b) NBFC Sector

Despite sluggish economic growth, slowdown in demand and sharper bank focus on retail loans, NBFCs have been gaining market share across major asset classes. Present in the competing fields of vehicle financing, housing loans, hire purchase, lease and personal loans NBFCs have emerged as key financial intermediaries for small-scale and retail sectors, thereby forming an essential part of shadow banking in India. NBFCs are the third largest segment in the Indian financial system after commercial banks and insurance companies and account for 9% of the total financial assets. Moreover, small and medium enterprise loans account for 10.5% share in the overall credit of NBFCs in FY17. In case of banks, MSE loans accounted for a mere 5.2%. However, NBFCs cannot access low-cost deposits like their banking peers. As such, NBFCs depend on issuing NCDs, CP and short/medium term bank borrowings for liquidity. As per CARE ratings report, for systemically

important NBFCs, the liability mix comprised borrowings by way of NCDs (49%), bank loans (22%) and commercial paper (10%) and balance by way of other current liabilities.

(c) Real-Estate Sector

With a general upswing in the economy, the Indian real estate sector has also witnessed growth with rise in the demand for residential spaces in particular. India's real estate market is expected to reach US\$ 180 billion by 2020 from US\$ 126 billion in 2015. The Government of India has been supportive to the real estate sector. The Government has also allowed FDI upto 100 per cent for townships and settlements development projects and real-estate projects within the Special Economic Zone (SEZ). Government of India's Housing for All initiative is expected to bring US\$ 1.3 trillion investments in the housing sector by 2025. Under Union Budget 2018-19, Pradhan Mantri Awas Yojana (PMAY) (Gramin) was allocated Rs 33,000 crore (US\$ 5.10 billion), while the urban programme of the scheme was allocated Rs 31,500 crore (US\$ 4.87 billion). The scheme is expected to push affordable housing and construction in the country and give a boost to the residential real-estate sector. Lately, the sector has seen a major revamp with the implementation of Real Estate Regulation & Development Act (RERA), which has introduced transparency and accountability for developers and increased consumer confidence especially in distressed ongoing projects. In addition, the GST and the Benami Property Act will also have a major impact on how developers run their businesses. The government has also released draft guidelines for the investments by Real Estate Investment Trusts (REITs) in non-residential segment, which is likely to push investment in commercial office-space sector too.

The growth in India's tourism, infrastructure, industrial/manufacturing, real estate and services sectors is expected to result in opportunities for TFCI to expand its business at a steady rate in near future.

2.5 COMPREHENSIVE RISK MANAGEMENT SYSTEM⁹:

There should be comprehensive risk management system in all the new business proposals associated with the Industry as Travel & Tourism is purely a Service Sector. The risk assessment process would involve judgment being made of the commitment, reliability, resilience and financial/other capability of the prospective customer. This may include an examination of industry scenario, client's track record, financial history, competitive position, skills of promoters, etc.

Risk Identification

Identification of risk is the first step in the Risk Assessment System. The versatile risk inherent in all proposal is a function of certain risk factors, some of which are specified below:-

9. <http://www.tfciltd.com/CorporatePolicy/CRM%20POLICY%202018-19.pdf>

Financial Risk

This would include assessment of the entity's overall financial strength based on the performance and financial indicators, as derived from its financial statements- historical and projected.

Some of the key parameters would be:

- FACR
- DER
- Current Ratio
- Total outside Liability /Tangible Net Worth (TOL/ TNW)
- PBDIT (Profit before Depreciation, Interest, Tax)/Interest
- Profit after Tax (PAT)/Net Sales
- Break-Even Analysis & Profitability Ratios
- Return on Capital employed (ROCE)
- Internal Rate of Return

While assessing the overall financial strength of the unit, the static ratios and future prospects of the unit would be considered. The industry comparison of the above ratios will also be made.

Business Risk

Business risk analysis assesses the business fundamentals of the unit, the competitive market position in the industry and its operational efficiency. Key factors would include its geographic reach, distribution and selling arrangements, capacity utilization, nature of the technology employed. The business risk associated with the unit would be reflected in its financial risk ratios and their comparison with the industry average, which are covered under financial risk parameters.

Industry Risk

This relates to the industry of which the unit is a constituent. The unit/ firm will be subject to the risk factors to which the industry is exposed. In assessing the industry risk, the key parameters would be competition, entry barriers, cyclicalities, industry outlook, regulatory risk/ government policies and other contemporary issues.

Management Risk

It involves evaluation of the management of the enterprise, their risk philosophy, competence and past track record. The key parameters are the integrity (corporate governance), managerial competence and commitment, credibility (ability to meet

the sales/income and profit projections), payment track record, management system, capability of the management to bail out the entity in case of distress, and the structure and length of relationship with TFCI. While some subjectivity that may creep in while evaluating these parameters, should be minimized.

Transaction Specific Risk/Security Risk

The risk parameters would be tenor of the facility, nature of the security, value of the security and type of the charge over the security.

Fair Practices Code

This code has been developed:

- To promote good, fair and trustworthy practices by setting standards in dealing with customers;
- To ensure transparency in the Company's dealings with its customers;
- To ensure compliance with legal norms in matters relating to recovery of advances;
- To enable customers to have better understanding of what they can reasonably expect of the services offered by the Company;
- To reckon with market forces, through competition and strive to achieve higher operating standards;
- To strengthen mechanisms for redressal of customer grievances.

2.6 TOURISM POLICY IN INDIA:

In the early days of independent India, quite rationally, the Government didn't pay much attention to tourism. During the first fifty years of independent India the portion of international tourists visiting India has not been more than 0.4%

The first public milestone in the history of tourism was the creation of the Indian Tourism Development Corporation (ITDC), in 1966. This federal organization was meant to develop tourist infrastructure and services.

• Tourism: 1980's:

The first significant policy initiatives were forged in the early 1980s. With the prospect of hosting the Asian Games of 1982, the Indian Government had to start thinking about accommodating, transporting and entertaining the large number of visitors attracted by the event. This awakened a serious public interest in tourism, which was enhanced by the

fact that tourism was India's largest net earner of foreign currency. The public interest was translated into the Tourism Policy of 1982 which provided an action plan based on the development of so-called tourism circuits (Singh, 2001: 143-44).¹⁰

In the 1980s, the growing public interest in tourism resulted in the recognition of tourism as an export industry (including the implied tax exemptions) and the creation of a special public tourism finance corporation (1987). These initiatives were thought to openly and explicitly invite private investors and entrepreneurs to participate in tourism development.

• **Tourism: 1990's:**

The Ministry of Civil Aviation and Tourism, Govt of India had framed an action plan for Socio Economic Development of areas, increasing employment, developing domestic tourism, preservation of national heritage, etc in 1991 for the next five years but most of these plans remained within papers. In 2002, when the action plan was finally translated into a tourism policy, the Tourism Policy officially became a joint central-state government concern. The new policy itself, however, was designed by the Central Government. To a large extent, it was like old wine in new bottles.

• **Tourism Policy (2002):**

In more practical terms, the policy aims at increasing the number of domestic and international tourists. In order to do this, the government proposes to diversify the Indian tourism product and substantially improve the quality of (tourism) infrastructure, marketing, visa arrangements and air travel. The aforementioned tourism-as-a-development-tool largely concerns domestic tourism, which in this capacity is conceptually linked to 'sustainable' rural development. As far as international tourism is concerned the Indian Government mainly wants to target the 'high-yielding variety' of tourists.

According to the Indian Tour Operators Promotion Council (ITOPC), during the period 2001-2006 the number of foreign tourists in India had nearly doubled (to some 4.4 million). It is claimed to have risen to some 0.45% in 2004 (GOI 2004). In fact, since the independence the budget outlays for tourism have always been very small (less than 0.2%).

Influencing public policy is one of the most important activities any industry would pursue. Businesses, non-profit organizations and other groups in all industries attempt to influence public policy with the intent to benefit their particular missions, goals and objectives. Since this is true, tourism entities must have a clear awareness of policy in order to compete. Understanding public policy, and how to influence it, is also critical as tourism continues to increase in political, social and economic importance.

10. Singh, S. (2001) Indian Tourism: Policy, Performance and Pitfalls. in: Harrison, D. (ed.) Tourism and the Less Developed World, Issues and Case Studies. Oxon: Cabi.

The public policy process intimidates many tourism professionals. They often feel less knowledgeable about the issues and are unclear how to approach members of the government to discuss important issues¹¹. By developing a strong base at the local level, the tourism industry can facilitate a two-way communication process – informing local issues to industry members, and to the political decision makers at the central level informing the important policy issues affecting tourism and their communities.

The primary factor which one should always to maintain is to attract tourists and to develop this industry can follow the diagram given below:

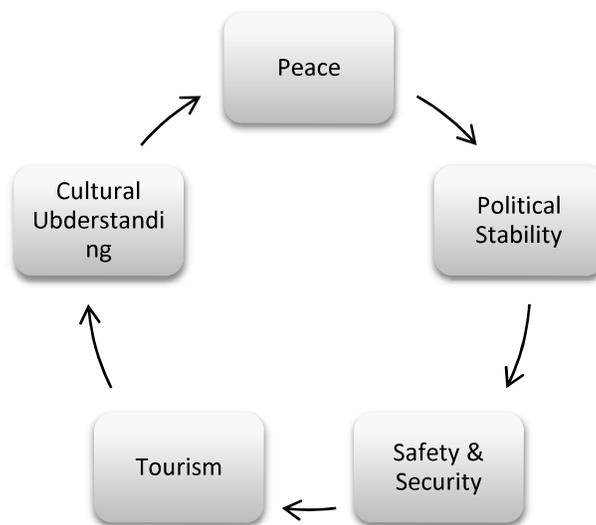


Fig-12: Tourism Development Cycle (Basic)

The positive implications for enhancing understanding of the need for tourism policy and planning are tremendous. To that end, this study will be included in a range of scholarly input, applying history to today's situation and looking far into the future to provide a solid foundation for tourism policy as the industry continues to progress with the help of professionals like Company Secretaries and the like.

11. Hawkins, D. (1996). Investing in Human Resources: An Essential Sustainable Tourism Development Strategy for the Middle East and North Africa Region. Presentation, Seminar on Sustainable Tourism Development in the Middle East and North Africa, Amman, Jordan.

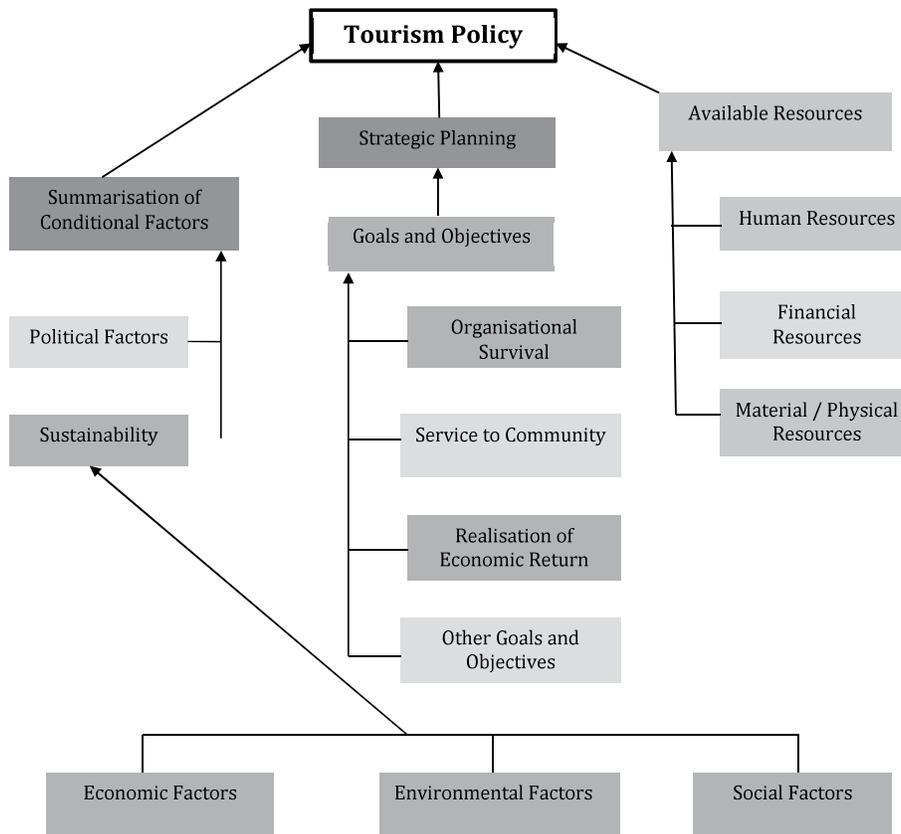


Fig-13: Tourism Policy Development Process

By exploring the future of tourism in the context of tourism policy and planning yesterday and today, we hope to offer current and future businesspersons, politicians, managers, students and academics an insight into key international trends and issues¹²

We are confident that Ministry of Tourism, government tourism organizations like ITDC, private bodies and professionals associated with this field will find, through this work, informative areas assisting them in persevering in their efforts to build more prosperous, just, equitable decision-making as far as this sector is concerned. The study can also be the guiding force in framing the Tourism Policy analyzing the each and every component affecting the sector.

12. Evans, J. (1993). Tourism Graduates: A Case of Over-Production. *Tourism Management*, August, 243–246.

2.7 ROAD AHEAD

India fares much better as a business destination due to its economic growth. It still remains a highly price-competitive destination. The recent changes in its visa regime with the introduction of visa on arrival can give a great boost to the international arrivals. This sector has emerged as one of the key drivers of growth in India. The tourism industry in India is an important employment generator and an important source of earning foreign exchange for the country. It has a huge growth potential. India has great potential to benefit from the reforms and infrastructural growth initiatives undertaken by the new government. The major concerned areas as health and hygiene, security and safety of tourists should be given more emphasis in the coming years. India is projected to be number one for the growth in the wellness tourism sector in the next five years. There are large areas which need to be tapped from the tourists, point of view. The growth and development of the tourism industry should be made more and more environmental friendly. According to the World Travel and Tourism Council (WTC), Indian tourism will be one of the most rapidly growing industries in the world.

SECTION-3

LEGAL FRAMEWORK

3.1 LEGAL FRAMEWORK

To understand the Legal Framework of Travel and Tourism Industry one should have understanding of the components involve with the industry itself. There are eight basic components / sectors of Tourism Industry:

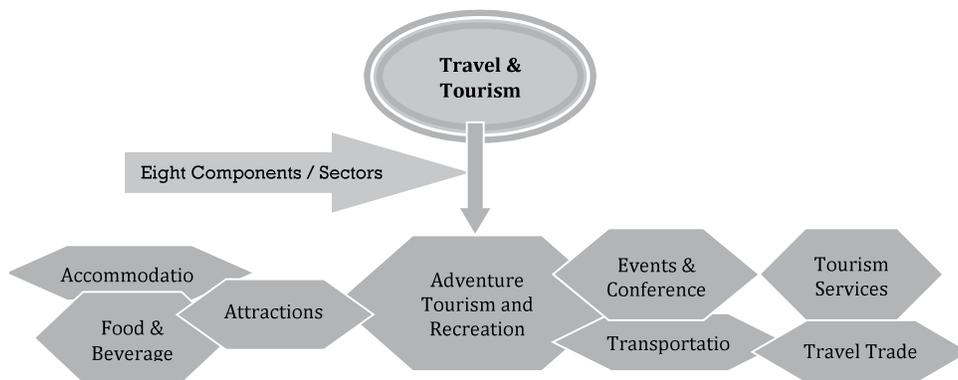


Figure-14: Travel & Tourism prime Components

- **Accommodation:** This is the most vital component of the tourism product and the tourist destinations. There are approximately 65 hotels in Nassau, with 8,688 rooms. In The Bahamas there are 270 hotels with 14,797 rooms.
- **Food & Beverage:** This is the fastest growing sector in tourism.
- **Adventure Tourism and Recreation:** These include golf and tennis, outdoor adventure and recreation; marine facilities and bone-fishing lodges.
- **Transportation:** This is a major component of tourism and is divided into three categories: air, ground and water. Airlines are used by many tourists and are national, regional or international. Ground transportation includes taxis, car rentals and tour buses. Water transportation is done primarily by cruise lines and ferries.
- **Attractions:** Tourist attractions are natural (Preacher caves, blue holes; cultural

(Junkanoo), heritage (historical buildings-Pompey Museum, forts, old churches, 66 Steps) leisure (casinos) or man-made (Atlantis Theme Park).

- **Travel Trade:** This as an important sector using wholesalers, tour operators and travel agents who package the travel experiences. The packages consist of different elements of the travel such as air and ground transportation, accommodation, meals, entertainment as well as other activities.
- **Events and Conferences:** This sector is a major reason for travel and is classified in the three groups, special events, meetings and conventions and trade shows.
- **Tourism Services:** The Ministry of Tourism works with strategic partners to organize the tourism industry. It deals with marketing services, research and information management, resource development. Services are provided by proprietors, government agencies, quasi-government agencies and non-governmental agencies (NGOs).

Applicability of Laws pertaining to any industry including Travel & Tourism be segregated into two in following ways:

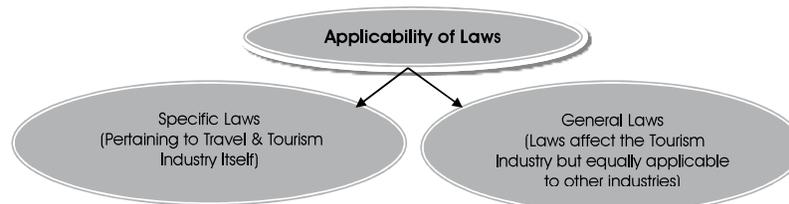


Figure-14: Applicability of Laws: Travel & Tourism Industry

Legal framework on tourism helps one to understand the legal and regulatory framework in the Travel and Tourism Sector. Broadly speaking the framework consists of following segments

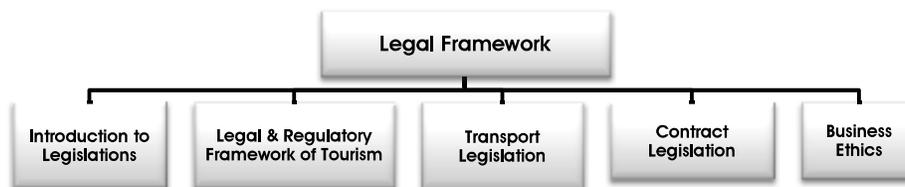


Figure-15: Travel & Tourism Legal Framework

3.2 Specific Laws Applicable to Travel & Tourism Industry

- **Introduction to Legislation:** Concept; Principles and role of legislation in tourism;

National Tourism Policy - objectives and consistency. Export procedures and documentation- Legal Framework governing exports; Export documentation: Mandatory Documents for Export- Commercial and regulatory Documents, Multimodal Transport Documentation; Export incentives-EPCG, Duty drawbacks, duty exemption schemes, tax incentives; Procedures and documentation for availing incentives ;Trading Houses-Export and trading houses schemes – criteria, procedures and documentation; Policy and procedures for EOU/FTZ/EPZ/SEZ units , Inco terms and its usage. Import procedure and documentation- Types of Imports, Need for Licensing, Types of Licensing, Import Procedures and Documentation

- **Legal and Regulatory Framework in Travel and Tourism:** Relating to consumer protection; health; safety and security of travel and tourism customers. Legal Liability and Risk Management: Legal liability concepts; owner and director liability; guide and leader liability; risk assessment and controlling; risk mitigation; risk financing and insurance.
- **Transport Legislation:** Surface; sea and air transport laws in relation to carriage of passengers.
- **Contract legislation in relation to Travel and Tourism customers:** Contract Act & Partnership Act ; Sale of goods Act, Consumer Protection Act & Companies Act :
- **Business Ethics in Travel and Tourism Sector:** CSR policy for travel and tourism businesses; corporate responsibility to shareholders versus stakeholders; personal versus social responsibility; stakeholder theory; determinants of social Responsibility of individuals and social groups; role of governance system. Emergence of corporate governance code; development of corporate governance code; development of Indian corporate governance.

Legislative Aspects of HRM:

- Trade Unions Act- 1926
- Industrial Disputes Act- 1947
- Disciplinary Procedure – Payment of Wages Act- 1936 – Employees Provident Fund Act- 1952 – Payment of Bonus Act- 1965 - Payment of Gratuity Act- 1972.

Forex Management:

To acquaint with foreign exchange markets and management in order to operate in an increasingly global business scenario: Regulation and Management of foreign exchange: FEMA - realization and repatriation of foreign exchange; Foreign Exchange Rules in India.

Legal Aspects of Medical Tourism:

Certification and Accreditation in Health and Medical Tourism, Ethical, Legal, Economic and Environmental issues in Health and Medical Tourism. Role of the National Accreditation Board for Hospitals & Healthcare (NABH) and Joint Commission International (JCI).

Shipping (Cargo) Regulations:

Merchant Shipping Carriage of Cargo Rules, 1995 – Understanding the role of the Director General of Shipping, Commerce and Customs in the Implementation of National Law like the Merchant Shipping Act Indian COGSA. Multi model Transportation goods act, Customs act, National foreign trade policy International Conventions / regulations and codes relating to - Bulk cargo – Customs procedures (Unified Customs Protocol),

Dangerous Goods and Live Animal Regulations:

Growing international trade calls for an understanding of dangerous goods and live animal regulations. Study of dangerous goods and live animal regulations is required for safe transportation of dead loads.

(A) Dangerous goods regulations – Manual (IATA)

(B) Live Animal Regulations – Manual (IATA)

Event Laws & Permissions:

Permissions required for holding an event, general details, police permissions, traffic police, ambulance, fire brigade, municipal corporation, Indian Performing Rights Society (IPRS), Phonographic Performing License, Entertainment Tax, Permissions for open ground events, license for serving liquor.

Law relating to Management of Tourism in Tribal Areas:

Legal Issues of Tribes in India

- Role and functions of ICPB and ICCA.
- Roles and functions, of UFTAA, ASTA, TAAI, IATO, ATAOL, ADTOI, IAAI, FIYTO, TAFI
- Organization of importance- ASI, UNESCO, INTACH, ICCROM, ITRHD; Heritage of National importance- UNSECO World Heritage Sites in India
- National and International Organizations (ATTA, UIAA, IMF, ATOAI, PADI, WPGA etc), its code of conducts.

Setting up Travel Agency & Tour Operation Unit:

Essential Requirements for Starting Travel Agency & Tour Operation Business, Cost Management, Procedures for Obtaining Recognition.

3.2.1 Ministry of Tourism, Government of India (GoI):

The Ministry of Tourism is the nodal agency for the formulation of National Policies and programmes and for the coordination of activities of various Central Government Agencies, State Governments/UTs and the Private Sector for the development and promotion of tourism in the country. This Ministry is headed by the Union Minister of State for Tourism (Independent Charge).

The administrative head of the Ministry is the Secretary (Tourism). The Secretary also acts as the Director General (DG) Tourism. The office of the Director General of Tourism {now merged with the office of Secretary (Tourism)} provides executive directions for the implementation of various policies and programmes. Directorate General of Tourism has a field formation of 20 offices within the country and 14 offices abroad and one subordinate office/project i.e. Indian Institute of Skiing and Mountaineering (IISM)/ Gulmarg Winter Sports Project. The overseas offices are primarily responsible for tourism promotion and marketing in their respective areas and the field offices in India are responsible for providing information service to tourists and to monitor the progress of field projects. The activities of IISM/GWSP have now been revived and various Ski and other courses are being conducted in the J&K valley.

The Ministry of Tourism has under its charge a public sector undertaking, the India Tourism Development Corporation and the following autonomous institutions:

- Indian Institute of Tourism and Travel Management (IITM) and National Institute of Water Sports (NIWS)
- National Council for Hotel Management and Catering Technology (NCHMCT) and the Institutes of Hotel Management.

As mentioned the Ministry of Tourism functions as the nodal agency for the development of tourism in the country. It plays a crucial role in coordinating and supplementing the efforts of the State/Union Territory Governments, catalyzing private investment, strengthening promotional and marketing efforts and in providing trained manpower resources.

As a nodal agency this Ministry formulate national policies and programmes for the development and promotion of tourism. In the process, the Ministry consults and collaborates with other stakeholders in the sector including various Central Ministries/agencies, the State Governments/ Union Territory Administrations and the representatives of the private sectors.

3.2.2 India Tourism Development Corporation Limited (ITDC)

ITDC came into existence in October 1966 and has been the prime mover in the progressive development, promotion and expansion of tourism in the country. Broadly, the main objectives of the Corporation are:

- To construct, take over and manage existing hotels and market hotels, Beach Resorts, Travellers' Lodges/Restaurants;
- To provide transport, entertainment, shopping and conventional services;
- To produce, distribute, tourist publicity material;
- To render consultancy-cum-managerial services in India and abroad;
- To carry on the business as Full-Fledged Money Changers (FFMC), restricted money changers etc;
- To provide innovating, dependable and value for money solutions to the needs of tourism development and engineering industry including providing consultancy and project implementation.

The authorized capital of the Corporation is Rs 75 crores and the paid up capital as on 31.3.2005 was Rs 67.52 crores. 89.9748% of the paid up equity capital of the Corporation is held in the name of President of India. The Corporation is running hotels, restaurants at various places for tourists, besides providing transport facilities. In addition, the Corporation is engaged in production, distribution and sale of tourist publicity literature and providing entertainment and duty free shopping facilities to the tourists. The Corporation has diversified into new avenues/innovative services like Full-Fledged Money Changer (FFMC) services, engineering related consultancy services etc. The Ashok Institute of Hospitality & Tourism Management of the Corporation imparts training and education in the field of tourism and hospitality.

Presently, ITDC has a network of eight Ashok Group of Hotels, six Joint Venture Hotels, 2 Restaurants (including one Airport Restaurant), 12 Transport Units, one Tourist Service Station, 37 Duty Free Shops at International as well as Domestic Customs Airports, one Tax Free outlet and two Sound & Light Shows.

Besides, ITDC is also managing a hotel at Bharatpur and a restaurant at Kosi on behalf of the Department of Tourism. In addition, it is also managing catering services at Western Court, Vigyan Bhawan, Hyderabad House and National Media Press Centre at Shastri Bhawan, New Delhi.

The Ministry of Tourism itself has a scheme for granting approval to hotel projects from the point of view of this suitability for international tourists. A classification committee set up by the Ministry classifies the functioning hotels under the star system into six categories from star one to five star deluxe. Similarly, the Ministry has a scheme of approving Travel Agents, Tour Operators, Adventure Tour Operators and Tourist Transport Operators; the idea being to encourage quality, standard and service in these categories so as to promote Tourism in India. This is a voluntary scheme open to all bonafide agencies. Some of these are as follows:

Travel Agents: A Travel Agent is one who makes arrangements of tickets for the travel by air, rail, ship, passport, visa, etc. It may also arrange accommodation, tours, entertainment and other tourism related activities.

Inbound Tour Operator: An inbound tour operator is one who makes arrangements for transport, accommodation, sightseeing, entertainment and other tourist related activities.

Tourist Transport Operator: A tourist transport operator organization is one, who provides tourist transport like cars, coaches, boats, etc. to tourist for transfer, sightseeing, and journey to tourist places, etc.

Adventure Tour Operator: An adventure Tour Operator is one who is engaged in activities related to adventure tourism in India, namely water sports, aero sports, mountaineering, trekking, and safari of various kinds etc. in addition to that he may also make arrangements for transports, accommodation, etc.

The Ministry has to maintain a strong liaison with the executional / functional arms which are as under:

1. Archaeological Survey of India (ASI),
2. India Tourism Development Corporation (ITDC),
3. India Convention Promotion Bureau (ICPB),
4. Port Trust of India,
5. Tourism Finance Corporation of India (TFCI),
6. Experience India Society, etc.

Apart from above Ministry of Tourism is in constant dialogue with Industry associations namely:

1. Federation of Indian Chambers of Commerce and Industry (FICCI),
2. PHD Chamber of Commerce & Industry (PHDCCI),
3. Associated Chambers of Commerce & Industry of India (ASSOCHAM),
4. Confederation of Indian Industry (CII),
5. Travel Agents Association of India (TAAI),
6. Indian Association of Tour Operators (IATO),
7. Indian Tourist Transport Association (ITTA),
8. Association of Domestic Tour Operators of India (ADTOI),

9. Adventure Tour Operators of India (ATOI), Federation of Hotel & Restaurant Association of India (FHRAI),
10. Hotel Association of India (HAI),
11. Indian Heritage Hotel Association (IHHA),
12. Federation of Associations of Indian Tourism and Hospitality (FAITH), and
13. All India Resort Development Association (AIRDA)", etc.

3.3 General Laws Applicable to Travel & Tourism Industry

The Tourism Industry has to comply with a gamut of laws not confined within the Sector itself but the laws within the jurisdiction of other ministries. The sustainability and success of Tourism Industry is purely dependent on other ministries such as:

1. Ministry of Culture,
2. Ministry of Civil Aviation,
3. Ministry of Urban Development,
4. Ministry of Road Transport & Highways, Railways, etc. and
5. Various State/Union Territory Governments.

3.3.1 Laws pertaining to Ministry of Culture:

The Ministry of Culture is the vast repository of Indian heritage in which Tourism Industry is highly depending on. For example, the National Archives of India is the custodian of the records of enduring value of the Government of India. Established on 11 March 1891 at Calcutta (Kolkata) as the Imperial Records Department, the National Archives of India is the custodian of the records of enduring value. It is the biggest archival repository in South Asia. Therefore, the professional dealing with the Tourism Industry must have to be acquainted with the following Laws which determine the success of Tourism Industry,

- The Treasure Trove Act, 1878
- The Ancient Monuments Preservation Act, 1904
- The Ancient Monuments and Archaeological Sites Remains Act, 1958
- The Ancient Monuments and Archaeological Sites Remains Rules, 1959
- The Antiquities and Art Treasures Act, 1972
- The Antiquities and Art Treasures Rules, 1973

3.3.2 Laws Pertaining to Ministry of Civil Aviation Civil Aviation:

The Ministry of Civil Aviation of Government of India is the nodal Ministry responsible for the formulation of national policies and programmes for development and regulation of Civil Aviation and for devising and implementing schemes for the orderly growth and expansion of civil air transport. Its functions also extend to overseeing airport facilities, air traffic services and carriage of passengers and goods by air. The professional associated with Tourism Industry should know the genesis of following laws to address the issue related to Domestic and International Tourists.

- The Anti-Hijacking Act, 2016
- Tokyo Convention Act, 1975
- The Foreign Aircraft Exemption from Taxes and Duties on Fuel and Lubricants Act, 2002
- The Airports Economic Regulatory Authority of India Act, 2008

3.3.3 Laws pertaining to Ministry of Urban Development:

The Ministry of Housing and Urban Affairs (MoHUA), Government of India, is the apex body for formulation and administration of the rules and regulations and laws relating to the housing and urban development in India.

- The Real Estate Act 2016
- The Street Vendors Act 2014

3.3.4 Laws pertaining to Ministry of Road Transport & Highways, Railways, etc.:

The Ministry of Road Transport and Highways is the apex body for the formulation and administration of the rules, regulations and laws relating to road transport, and transport research in order to increase the mobility and efficiency of the road transport system in India. Road transport is a critical infrastructure for economic development of the country. It influences the pace, structure and pattern of development. In India, roads are used to transport over 60% of the total goods and 85% of the passenger traffic. Hence, development of this sector is of paramount importance for the India and accounts for a significant part in the budget. The growth of Tourism Industry is purely dependent on this Ministry. Therefore the professional associated with this sector have to know the laws applicable to the Ministry of Road Transport & Highways.

- The Carriage by Road Act, 2007 and Rules
- The Control of National Highways (Land and Traffic) Act, 2002

- The Central Road Fund Act, 2000 and Rules
- National Highways Fee (Determination of Rates and Collection) Rules
- Notifications on National Highways
- National Highways Tribunal Rules
- The National Highways Authority of India (Amendment) Act, 2013
- The National Highways Authority of India Act 1988
- Notifications regarding Automotive Industry Standards
- National Highways Rules 1957
- The National Highways Act, 1956
- The Road Transport Corporations Act, 1950

3.4 Recent Initiative of Ministry of Tourism and the Outcome thereon:

Tourism Sector¹³ : Tourism in India has witnessed steady growth over the past few years, aided by the rising purchasing power of the expanding middle class and the shift from foreign to domestic tourism. The Travel & Tourism industry has been a major contributor to the economic growth of the Country. It is fundamental in creating employment and generating income for both skilled and unskilled labour. The industry contributed 9.3% of the total employment (both direct and indirect) in 2016. The industry is expected to generate 13.45 million jobs across sub-segments such as Restaurants (10.49 million jobs), Hotels (2.3 million jobs) and Travel Agents/Tour Operators (0.66 million). The Ministry of Tourism proposes to help the industry meet the increasing demand of skilled and trained manpower by providing hospitality education to students as well as certifying and upgrading skills of existing service providers.

India's Travel & Tourism sector has also been the fastest growing among the G20 countries, growing by 8.5% in 2016. Govt. has also made serious efforts to boost investments in the tourism sector by allowing 100% FDI through the automatic route. The Tourism and Hospitality Sector is among the top 10 sectors in India to attract the highest Foreign Direct Investment (FDI). During the period April 2000- March 2017, the Hotel and Tourism Sector attracted around US\$ 10.14 billion of FDI, according to the data released by the Department of Industrial Policy and Promotion (DIPP). As per industry experts, mid-hotel segment in India is expected to receive investments of Rs 6,600 crore (US\$ 990 million) excluding land over next five years, with major hotel chains like Marriott, Carlson Rezidor and ITC planning to set up upscale, budget hotels in state capitals and tier-II cities.

13. <http://www.ficiltd.com/CorporatePolicy/CREDITPOLICY2018-19.pdf>

While an assortment of influences had repressed the Indian hospitality sector's endeavours to grow from 2009 to 2016, the sector has finally woken up after a longish nap. During 2017, the nationwide occupancy was the highest since 2008, countrywide average room rates (ARRs) clocked a clear and measurable increase over several preceding years and the overall supply-demand scale is now tilted squarely in favour of growth in demand outpacing new supply. The country for the first time witnessed 10 million foreign tourist arrivals in 2017. The rising purchasing power of the Indian middle class has aided the exponential growth of domestic tourism, and helped in narrowing the gap between lean and peak seasons. Further, today's discerning travellers do not shy away from spending on upscale or luxury hotels in such destinations. The hospitality industry is now in its second year of the much-awaited up-cycle and, it is time for industry stakeholders and investors to grab the opportunity and boost their performance. The markets are looking strong; the proposed supply is minimal and, demand is more than likely to continue growing.

As per HVS Survey-2017, the expected future additional inventory in 11 major markets (across categories-only branded) is lower at around 57,000 rooms for the next 5 years. Therefore, with increasing demand on the back of improvement in economic activities and lower room additions, major markets are expected to sustain/improve the ARR's going forward and grow at an average of 4.5% p.a. Also, the occupancy is expected to inch up to an average of about 66% by the end of FY 21 as compared as with 63.4% in FY16. Accordingly, the hotel industry is expected to see an increase in revenue at the rate of about 11-13% CAGR over the 5 year period FY 17-FY 21.

GST Implications on Hotel Industry:

Notably, the much-awaited GST was rolled out on 1st July 2017, under which the Indian hospitality industry stands to benefit from homogeneous and uniform taxes, in addition to easy utilization of Input Tax Credit (ITC). Hotels having centralized registration will have to get registered in each state whether providing hotel services on own account or through an agent (franchise). The GST Council decided that the 28% tax would be imposed on hotel rooms with a tariff of Rs 7,500 and above. Rooms with tariffs between Rs 2,500 and Rs 7,500 shall attract 18% tax rate. Under GST regime, the overall tariffs for premium hotels (four star and above) have seen an increase, which has impacted the demand, though marginally.

SECTION-4

CONTRIBUTION OF COMPANY SECRETARY

In the light of Economic Developments in recent years stakeholders of companies, particularly in the services sector, are increasingly concerned with the conduct of the affairs of the company and therefore it is essential that best practice is adhered to at all times and evidence is available to demonstrate the same. The requirement for higher standards in Tourism Industry can be further evidenced by the Ministry of Tourism and other Global Regulatory Bodies by introducing a series of corporate governance codes including fitness and probity standards for certain pre-approval controlled functions or persons who perform controlled functions. Controlled functions include "ensuring, controlling or monitoring compliance by a regulated service provider with its relevant obligations.

Therefore, the role of Company Secretaries in Employment may be presented as per the following diagram:



Fig: 7: Role: Company Secretary

While the monitoring of compliance in the services sector has traditionally been outsourced with the introduction of these new standards there is more caution in the provision of such services which are in the future more likely to be laid at the feet of the Company Secretary. It is true to say that the role of the Company Secretary also includes keeping

the Board informed of new legislation and how it applies to them. With this increased focus on corporate governance, the role of the Company Secretary has been extended such that the secretary is now seen as the guardian of the company's compliance with legislative requirements and best practice.

4.1 PRIMARY ROLE

As far as Tourism Industry is concerned a Company Secretary primarily has to perform the following role:

Governance and Regulatory Compliance:

- Review all corporate governance arrangements or developments which might impact the Board.
- Ensure that the Board is fully briefed on all governance matters.
- Provide advice and guidance to the Board on all matters of governance, statutory requirements, laws, regulations risk, compliance, duties and responsibilities.
- Monitor changes in relevant legislation and advise the Board
- Ensure that board and management remains compliant with applicable standards of corporate governance and has the necessary infrastructure to support the governance rationale and governance framework.
- Develop and oversee the systems that ensure the company complies with all applicable codes, in addition to its legal and statutory requirements.
- Manage and compile content of the governance report of the Annual Report
- Ensure implementation of board deliverables as agreed with the shareholder.

Board and Committee Administrative Support:

- Convene meetings in compliance with regulatory requirements, including notice of meetings, agenda-preparing meeting packs, dissemination of information, coordinating attendance at meetings and minute-taking, etc.
- Ensure company policies are kept current and approved, and that company members are aware of their implications.
- Deal with correspondence, collating information and writing reports, ensure decisions made and actions from meetings are communicated to the relevant company stakeholders.
- Positively support the implementation of all board, committee and CEO decisions.

Company Records and Policy Maintenance:

- Oversee the storage, maintenance, and retrieval of corporate documents to ensure secure access and safe-keeping.
- Review meeting-materials prior to presentation, and ensure compliance with the company's document retention policy.
- Establish and maintain relationships with key stakeholders, Board, Committee Members, external regulators and advisors.
- Communicate and engage relevant stakeholders on directions and decisions taken by the business.
- Policy and charter maintenance, compilation and implementation.

In Tourism Industry, Management of Human Resources is very important. A Company Secretary may become the guiding force in Human Resources Management like Advising on Industrial and Labour Laws; Manpower planning and development; Performance appraisal; Remuneration Strategies following the applicable laws of land; Audit of the HR function; Office Management, Work Studies and Performance standards; Maintaining Industrial relations; Preparation of Project Reports and Attaining Cultural Integration.

In exercise of the powers conferred by section 410 of the Companies Act, 2013, the Central Government hereby constitutes the National Company Law Appellate Tribunal for hearing appeals against the orders of the National Company Law Tribunal with effect from the 1st day of June, 2016. Establishment of NCLT/NCLAT shall offer various following opportunities to Practicing Company Secretaries as they have been authorized to appear before the Tribunal/ Appellate tribunal:

- Compromise and arrangement,
- Sick companies,
- Winding up, (only Notified sections)
- Reduction of capital, etc.
- Act as Company representative in all other related matters.

4.2 OPPORTUNITIES OF COMPANY SECRETARY (IN PRACTICE) IN GLOBAL LEGAL PLATFORM WITH REFERENCE TO TOURISM INDUSTRY

Now-a-days the Practicing Company Secretaries are taking a lead role as Counsel of various Corporates to appear before the other Quasi-judicial Bodies such as Competition

Commission of India, Securities Appellate Tribunal, Registrar of Companies, Consumer Forums, Telecom Disputes Settlement and Appellate Tribunal Tax Tribunals, etc.

A Company Secretary may contribute significantly in Arbitration and Conciliation Services like Advising on arbitration, negotiation and conciliation in commercial disputes between the parties; Acting as Arbitrator Conciliator in Domestic and International Commercial disputes; Drafting Arbitration Conciliation Agreement / Clause.

As an advisor / Consultant a Company Secretary is competent to provide Financial Market Services to the Tourism Industry in the area of Public Issue, Listing and Securities Management in issue of shares and other securities in India and abroad, Listing / De-Listing of securities; private placement of securities; Buy-back of shares; Raising of Funds from International Markets – ADR / GDR / ECB; Acting as Compliance Officer under Listing Agreement; Compliance Officer for various Capital Market Intermediaries.

The Travel & Tourism Industry is not confined within a defined geographical parameter. The growth of the sector only be possible once it connects with the every corner of the world.

Therefore the Company Secretary is competent to widely contribute in International Trade and World Trade Organization Services like Advising on all matters related to IPRs and TRIPs Agreement of WTO, Anti – dumping, safeguard duties and countervailing duties; International Commercial Arbitration; Foreign Trade Policy and Procedures; Intellectual Property Licensing and drafting of Agreement; Acting as Registered Trade Mark Agent of all industrial Sectors including Tourism



Being the Service Industry the success of Tourism sector depends upon absolute utilization of Information Technology. Information Technology services like Advising on IT related IPR; Maintaining Statutory Records in electronic form; E-filing of Forms/Documents; Compliance with Cyber Laws and Conducting Board Meetings through Video – Conferencing and Tele-Conferencing, Company Secretary is the best Professional to handle all these.

United Nations World Tourism Organization issued the Global Code of Ethics for Tourism in 1999 (the “Code”). This noteworthy document is increasingly becoming known by the international community, especially by stakeholders active in the tourism sector. Moreover, its recognition was further legitimized by the endorsement of the United Nations General Assembly¹⁴. Although the Code explicitly holds itself as a voluntary instrument, it is now significantly implemented by countries all over the world, which raises the interesting question of its legal status.

The Global Code of Ethics for Tourism merits further discussion also because it introduces a dispute settlement mechanism. Article 10(3) of the Code states: “The same stakeholders should demonstrate their intention to refer to any dispute concerning the application or interpretation of the Global Code of Ethics for Tourism for conciliation to an impartial third body known as the World Committee on Tourism Ethics.”¹⁵ Hence, the Global Code of Ethics for Tourism creates a World Committee on Tourism Ethics (the “World Committee”), and furthermore, it lays down procedural rules for the settlement of disputes.

The Global Code of Ethics for Tourism contains the following (See Annexure-1 for details):¹⁶

Article 1 : Tourism’s contribution to mutual understanding and respect between peoples and societies.

Article 2 : Tourism as a vehicle for individual and collective fulfilment.

Article 3 : Tourism, a factor of sustainable development.

14. G.A. Res. 56/212, U.N. Doc. A/RES/56/212 (Feb. 28, 2002), available at <http://ethics.unwto.org/sites/all/files/docpdf/unresolutiona-res-56-2122001.pdf>. See also Note by the Secretary-General, Implementation of the Global Code of Ethics for Tourism, U.N. Doc. A/65/275, ¶ 3 (Aug. 10, 2010), available at <http://ethics.unwto.org/sites/all/files/docpdf/unga2010statusreportgceta-65-275en.pdf> (Report of the UNWTO submitted via the UN Secretary-General to the UN General Assembly concerning the implementation of the Global Code of Ethics for Tourism) [hereinafter Implementation of the Global Code of Ethics for Tourism].

15. World Tourism Organization, Global Code of Ethics for Tourism, WTO G.A. Res. A/RES/406(XIII), 13th Sess., Sept. 27–Oct. 1, 1999, art. 10(3) (Oct. 1, 1999), available at <http://ethics.unwto.org/sites/all/files/docpdf/unwtoreolutiona-res-406xiii1999.pdf> [hereinafter Global Code of Ethics for Tourism].

16. Global Code of Ethics for Tourism, UNITED NATIONS WORLD TOURISM ORGANIZATION, <http://ethics.unwto.org/en/content/global-code-ethics-tourism> (last visited Apr. 7, 2015).

Article 4 : Tourism, a user of the cultural heritage of mankind and a contributor to its enhancement.

Article 5 : Tourism, a beneficial activity for host countries and communities.

Article 6 : Obligations of stakeholders in tourism development.

Article 7 : Right to tourism.

Article 8 : Liberty of tourist movements.

Article 9 : Rights of the workers and entrepreneurs in the tourism industry.

Article 10 : Implementation of the principles of the Global Code of Ethics for Tourism.

The Global Code of Ethics for Tourism contains nine principles summarized in the ten articles mentioned above. To some extent, the articles have a rather idealistic tone and are clearly addressed at the wide stakeholder community involved in tourism activities.¹⁷

For example, Article 7 even refers to a “universal right to tourism,” which “must be regarded as the corollary of the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay, guaranteed by Article 24 of the Universal Declaration of Human Rights and Article 7d of the International Covenant on Economic, Social and Cultural Rights.”

The World Committee on Tourism Ethics was mentioned at the creation of the Global Code of Ethics for Tourism in Santiago in 1999, and was also authorized to establish its own Rules of Procedure.¹⁸ The task of the Committee to settle a dispute by conciliation is an important one. It is stipulated in the Global Code of Ethics for Tourism, which states that “[t]he same stakeholders demonstrate their intention to refer any disputes concerning the application or interpretation of the Global Code of Ethics for Tourism for Conciliation to an impartial third body known as the World Committee on Tourism Ethics.”¹⁹

In the event of a dispute concerning the interpretation or application of the Global Code of Ethics for Tourism, two or more stakeholders in tourism development may jointly submit the matter of such a dispute (hereinafter “the matter”) to the World Committee on Tourism Ethics (“the Committee”) as the body of the World Tourism Organization competent to settle such questions.²⁰

17. Implementation of the Global Code of Ethics for Tourism, *supra* note 2, § 50 (“The nine principles set forth in the Code provide clear guidelines and recommendations that are both policy-driven and action-oriented for all tourism stakeholders, while the tenth is monitored and administered by the World Committee on Tourism Ethics.”).

18. Global Code of Ethics for Tourism, *supra* note 19, ¶ 3 (see the annex protocol of implementation).

19. Global Code of Ethics for Tourism, *supra* note 3, art. 10(3).

20. Procedures for Consultation and Conciliation, *supra* note 131, ¶ 1, at 2 (footnote omitted).

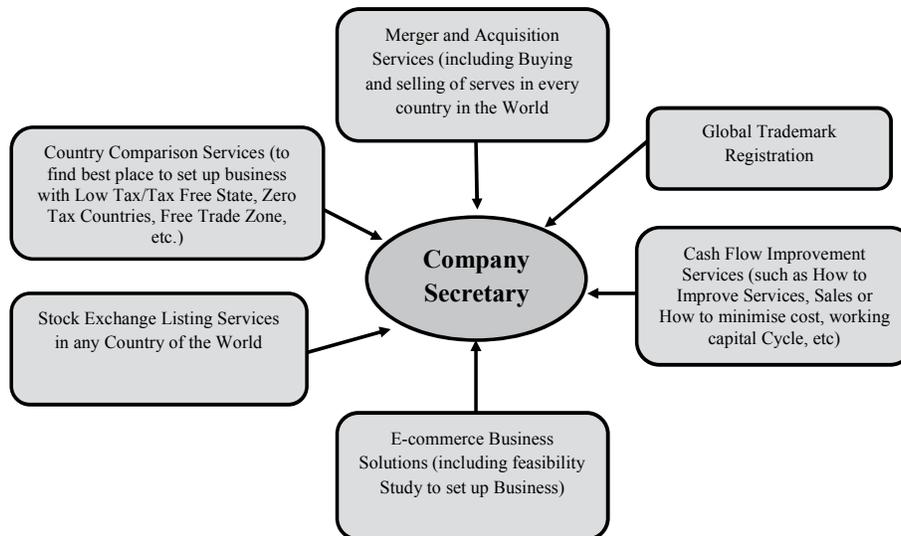
The term 'stakeholders' mentioned above has been explained in the Consultation and Conciliation Procedure, as follows:

For the purpose of the Code, the term "stakeholders in tourism development" includes: national governments; local governments with specific competence in tourism matters; tourism establishments and tourism enterprises, including their associations; institutions engaged in financing tourism projects; tourism employees, tourism professionals and tourism consultants; trade unions of tourism employees; travellers, including business travellers, and visitors to tourist destinations, sites and attractions; local populations and host communities at tourist destinations through their representatives; other juridical and natural persons having stakes in tourism development including non-governmental organizations specializing in tourism and directly involved in tourism projects and the supply of tourism services.

4.3 ROLE OF COMPANY SECRETARY AT GLOBAL PLATFORM (GENERAL):

Company Secretaries may provide following services for Travel and Tourism Industry at Global platform:

Merger and Acquisition Services (including Buying and selling of serves in every country in the world); Global Trademark Registration ; Stock Exchange Listing Services in any Country of the World; E-commerce Business Solutions (including feasibility Study to set up Business); Cash Flow Improvement Services (such as How to Improve Services, Sales or How to minimize cost, working capital cycle, etc); Country Comparison Services (to find best place to set up business with Low Tax/Tax Free State, Zero Tax Countries, Free Trade Zone, etc.)



All the areas as mentioned above add considerable value to a business, but making sure

that each stage of the transaction process from valuation to negotiation and completion is successful demands considerable experience and knowledge. Being Governance Professional Company Secretaries therefore, can play a significant role. The global economy means that these opportunities can arise anywhere in the world. The global reach means that we, the Company Secretaries, can provide services on the ground wherever the clients need them.

4.4 SUGGESTIONS TO MINISTRY OF TOURISM (MOT) TO BOOST INDIAN TOURISM:

A. Implementing Whistle-blowing Mechanism

Purpose & Scope

The different Stakeholders of Travel & Tourism should have the opportunity to report their concerns within the Ministry of Tourism relating to illegal conduct, conflicts of interest, unscrupulous activities or other malpractices that are against public interest, a breach of laws or regulations locally or overseas.

Therefore, the Ministry of Tourism may structure a whistle-blowing framework, through which the following parties may report concerns without any fear of reprisal to the ministry for necessary action with the conformity that the identity of the whistle-blower will be protected and kept utmost confidential.

- a. Officers in the Board;
- b. Vendors or contractors dealing with officers on the Board under the procurement process;
- c. Stakeholders; or
- d. The general public.

These parties may report concerns within the Board relating to illegal conduct, conflicts of interests, unscrupulous activities or other malpractices that are against public interest, a breach of laws or regulations locally or overseas.

B. Other Suggestions

1. To take support and expertise from the Professionals like Company Secretaries to design Long Term Planning and Legal Compliances.
2. To provide for effective marketing and advertisement of India as a global tourist destination through promotional campaigns that project the Country as a whole and not merely a combination of states.
3. Proper transportation facilities: Families from different strata need facilities like

bus, cars, and trains to approach their favourite destinations. Major distances are covered by trains or planes. Sufficient transport facilities exist and additional facilities can be made for the same based on the individual's requirements. India's transportation system is also in need of a serious overhaul. Although cars and trucks traverse India's roads, laws for operating vehicles are widely ignored. Often the result is pure chaos, as cars, trucks, bicycles and rickshaws drive opposing traffic rules and ignore traffic lights to get where they need to go. Fatal car and truck accidents are not uncommon. For a tourist visiting India, the experience of traveling along India's lawless roadways can induce cardiac arrest. While India also has an extensive railway system, due to overcrowding and poor maintenance, this mode of transportation is not comfortable. Trains are frequently so crowded that people sit on the roofs of the moving trains or hang out of the windows. While a rare breed of adventurous tourist may find traveling on India's trains exciting, the majority of tourists might find using India's railways highly inconvenient. India needs to enforce its traffic laws and reduce overcrowding in trains so that visiting tourists have an easier time traveling from place to place.

4. Proper accommodation facility: While an international tourist is in India he/she needs to be provided with good quality accommodation at reasonable prices in nearby localities of tourist spots.
5. The educational nature of heritage sites should not be forgotten. Theatres showing educational videos about the heritage site and its history should be available and the price cost should be included in the tour costs.
6. Food and restaurants: Food and restaurants are required at tourist sites. The restaurants should be able to serve a variety of global cuisines to suit all tastes; there can be a little stress on local food and flavours. Restaurants should be able to supply mineral water to the health-conscious tourist of the day.
7. Adequate and hygienic toilets, bathrooms and urinal facilities are required at the heritage sites. These facilities also need maintenance and they should be clean and odour free.
8. Primary Health Care: Every tourist spot should be equipped with a primary healthcare centres to provide first aid and amenities to minimize stress and get some relief, from fatigue.
9. Handicraft and local crafts sales facilities: A tour is probably a time when the tourist is brought close to local handicrafts and local craftsmen. Adequate space for having shops to sell Indian handicrafts, garments and traditional items must be provided.
10. Amusement Parks and secondary entertainment facilities: Now-a-days the tourists

want to enjoy more and that too by spending least of their time. This opportunity can be availed by the Ministry of Tourism by building good amusement parks and shopping complexes near the famous tourist spots. It will not only promote tourism but also lead to employment generation for a large number of people.

11. Bank and ATM facilities: Most tourist locations require Bank and ATM facilities. Nationalized banks can be directed to provide ATM facilities nearby heritage/ tourist sites.
12. Persons performing unclean acts can be fined for such purposes. Indian tourism department should frame surveillance and penal code that should authorize the specific persons at respective tourist spots to impose and collect penalties and fines from those who damage the tourist spots or make the environment clean.
13. Incentive to explore the heritage: The government of India is recommended to design such tourism packages which cover a large number of tourist spots at discounted prices. It will provide an incentive to the tourists to visit more tourist places in a single visit to India. It will help in the flourishing of tourism industry.
14. Another issue with an adverse effect on India's tourism is its widespread environmental pollution. Air quality throughout India is notoriously bad, since there are no curbs on emissions and law enforcement to prevent gross polluters. Most days, the air in big cities such as Mumbai has a red tinge to it, causing watery eyes and cough. Respiratory infections are common, especially among sensitive individuals or those suffering from allergies. Additionally, air pollution is beginning to show its effects on prominent tourist landmarks, such as Agra's Taj Mahal. In recent years, toxic air has damaged the ancient marble of the monument, jeopardizing its beauty and requiring significant repair. Measures should therefore be initiated for strict enforcement of provisions of Environmental Protection Act and the latest amendments made therein.
15. As India's population grows, forests are cleared to make room for more housing and development. The destruction of these forests leads to a loss of habitat for many of India's famed fauna, such as Bengal tigers, Asian elephants and Indian ring-neck parrots. If India does not make greater efforts to reduce this loss of habitat, tourists searching for safari like encounters with the animals made famous in Rudyard Kipling's "Jungle Book" will be out of luck. India needs to preserve ecotourism by protecting its forests and the animals that inhabit them.
16. India's Government should be cognizant of the different types of tourists who may want to visit India tourists, history buffs or those seeking meditative retreats. India

- should take advantage of the West's intrigue with Indian culture, including yoga, ayurvedic medicine, Hinduism and meditation, and market herself accordingly.
17. Coastal development: Development of coastlines and management of water resources will give a new impetus to tourism, tremendous boost to the development of flora and fauna and multiply our domestic and export income through sea food, fisheries and a variety of flora .This can be done with the expert guidance of consultants, hoteliers, industrialists and businessmen.
 18. Single window facility should be provided for booking rooms in city hotels and other tourism related services. Indian Government should Improve & change the image of Kashmir valley: Germany was the first country to change the caution notice to its citizens against travelling to Kashmir. They also went on to state that "foreigners were not a target for militants in Indian-held Kashmir". The government should urge other countries to change their travel advisories and market Kashmir as an adventure destination for the tourists.
 19. The Government of India has to put in an extra effort to provide adequate safety to foreign tourists, especially the female visitors.
 20. Similar entry fees at tourist spots: It is a common practice in India to charge much higher entry fees at major tourist spots from foreign tourists in comparison to Indians. Although it is major revenue generating source for the Government of India still the price discrimination, if not abolished, should be minimized.
 21. Development of North-east states: Efforts should be made for the promotion of heritage of north-eastern states of India, which have a great potential to attract foreign tourists because of their rich natural beauty.
 22. VoA scheme: In an attempt to push inbound arrivals in India the Government should extend VoA (Visa on Arrival) scheme to more and more nations. India currently issues VoA to 14 countries viz: Japan, Indonesia, The Philippines, Cambodia, Laos, Vietnam., Singapore, Myanmar, Finland, New Zealand, Luxembourg, France, Germany and Russia.

4.5 CONCLUSION

Travel & Tourism Industry has emerged as an important instrument in the economic development of Indian economy, particularly in remote backward rural areas. Due to its strong backward and forward linkages it generates employment in different profiles and thus increases living standard of people who are directly or indirectly linked with this economically profitable activity. The Indian tourism has a clear bright future because the demand for travel and tourism in India is expected to grow by 8.2 per cent between

2010 and 2019 and will place India at the 3rd position in the world. Besides huge foreign exchange earnings and escalation of world class infrastructure development India's travel and tourism sector is expected to be the 2nd largest employer in the world, employing 40,037,000 by 2019. Keeping in view its socio-economic impacts on Indian tourism the need of hour is that supply of those products and services that attract foreigners must regularly be upgraded to meet the changing needs of the market, which is necessary for continuous in flow and optimum satisfaction of tourists.

The Researcher wants to conclude that tourism can be used as a catalyst for socio-economic development if Government and other people involved in the industry pursue sustainable development its in a comprehensive and planned manner and formulate appropriate market demanding policies.

The Researcher believes that after its completion this study will definitely show the "Ministry of Tourism a way to achieve its vision, "Promoting tourism in India and making the country a major tourist destination with a view to providing a better quality of life to its people". The document also be helpful to the people and professionals as far as employability is concerned. The study reveals specific observation on : Strategic Information Requires by the Industry and Target Marketing pertaining to Travel & Tourism.

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ANNEXURE-1:

Sustainable Tourism

Global Codes of Ethics for Tourism

[Article 1] Tourism's contribution to mutual understanding and respect between peoples and societies

1. The understanding and promotion of the ethical values common to humanity, with an attitude of tolerance and respect for the diversity of religious, philosophical and moral beliefs, are both the foundation and the consequence of responsible tourism; stakeholders in tourism development and tourists themselves should observe the social and cultural traditions and practices of all peoples, including those of minorities and indigenous peoples and to recognize their worth;
2. Tourism activities should be conducted in harmony with the attributes and traditions of the host regions and countries and in respect for their laws, practices and customs;
3. The host communities, on the one hand, and local professionals, on the other, should acquaint themselves with and respect the tourists who visit them and find out about their lifestyles, tastes and expectations; the education and training imparted to professionals contribute to a hospitable welcome;
4. It is the task of the public authorities to provide protection for tourists and visitors and their belongings; they must pay particular attention to the safety of foreign tourists owing to the particular vulnerability they may have; they should facilitate the introduction of specific means of information, prevention, security, insurance and assistance consistent with their needs; any attacks, assaults, kidnappings or threats against tourists or workers in the tourism industry, as well as the wilful destruction of tourism facilities or of elements of cultural or natural heritage should be severely condemned and punished in accordance with their respective national laws;
5. When travelling, tourists and visitors should not commit any criminal act or any act considered criminal by the laws of the country visited and abstain from any conduct felt to be offensive or injurious by the local populations, or likely to damage the local environment; they should refrain from all trafficking in illicit drugs, arms, antiques, protected species and products and substances that are dangerous or prohibited by national regulations;
6. Tourists and visitors have the responsibility to acquaint themselves, even before their departure, with the characteristics of the countries they are preparing to visit; they must be aware of the health and security risks inherent in any travel outside their usual environment and behave in such a way as to minimize those risks;»

[Article 2] Tourism as a vehicle for individual and collective fulfilment

1. Tourism, the activity most frequently associated with rest and relaxation, sport and access to culture and nature, should be planned and practised as a privileged means of individual and collective fulfilment; when practised with a sufficiently open mind, it is an irreplaceable factor of self-education, mutual tolerance and for learning about the legitimate differences between peoples and cultures and their diversity;
2. Tourism activities should respect the equality of men and women; they should promote human rights and, more particularly, the individual rights of the most vulnerable groups, notably children, the elderly, the handicapped, ethnic minorities and indigenous peoples;
3. The exploitation of human beings in any form, particularly sexual, especially when applied to children, conflicts with the fundamental aims of tourism and is the negation of tourism; as such, in accordance with international law, it should be energetically combatted with the cooperation of all the States concerned and penalized without concession by the national legislation of both the countries visited and the countries of the perpetrators of these acts, even when they are carried out abroad;
4. Travel for purposes of religion, health, education and cultural or linguistic exchanges are particularly beneficial forms of tourism, which deserve encouragement;
5. The introduction into curricula of education about the value of tourist exchanges, their economic, social and cultural benefits, and also their risks, should be encouraged;

[Article 3] Tourism, a factor of sustainable development

1. All the stakeholders in tourism development should safeguard the natural environment with a view to achieving sound, continuous and sustainable economic growth geared to satisfying equitably the needs and aspirations of present and future generations;
2. All forms of tourism development that are conducive to saving rare and precious resources, in particular water and energy, as well as avoiding so far as possible waste production, should be given priority and encouraged by national, regional and local public authorities;
3. The staggering in time and space of tourist and visitor flows, particularly those resulting from paid leave and school holidays, and a more even distribution of holidays should be sought so as to reduce the pressure of tourism activity on the

environment and enhance its beneficial impact on the tourism industry and the local economy;

4. Tourism infrastructure should be designed and tourism activities programmed in such a way as to protect the natural heritage composed of ecosystems and biodiversity and to preserve endangered species of wildlife; the stakeholders in tourism development, and especially professionals, should agree to the imposition of limitations or constraints on their activities when these are exercised in particularly sensitive areas: desert, polar or high mountain regions, coastal areas, tropical forests or wetlands, propitious to the creation of nature reserves or protected areas;
5. Nature tourism and ecotourism are recognized as being particularly conducive to enriching and enhancing the standing of tourism, provided they respect the natural heritage and local populations and are in keeping with the carrying capacity of the sites;

[Article 4] Tourism, a user of the cultural heritage of mankind and contributor to its enhancement

1. Tourism resources belong to the common heritage of mankind; the communities in whose territories they are situated have particular rights and obligations to them;
2. Tourism policies and activities should be conducted with respect for the artistic, archaeological and cultural heritage, which they should protect and pass on to future generations; particular care should be devoted to preserving and upgrading monuments, shrines and museums as well as archaeological and historic sites which must be widely open to tourist visits; encouragement should be given to public access to privately-owned cultural property and monuments, with respect for the rights of their owners, as well as to religious buildings, without prejudice to normal needs of worship;
3. Financial resources derived from visits to cultural sites and monuments should, at least in part, be used for the upkeep, safeguard, development and embellishment of this heritage;
4. Tourism activity should be planned in such a way as to allow traditional cultural products, crafts and folklore to survive and flourish, rather than causing them to degenerate and become standardized;

[Article 5] Tourism, a beneficial activity for host countries and communities

1. Local populations should be associated with tourism activities and share equitably

in the economic, social and cultural benefits they generate, and particularly in the creation of direct and indirect jobs resulting from them;

2. Tourism policies should be applied in such a way as to help to raise the standard of living of the populations of the regions visited and meet their needs; the planning and architectural approach to and operation of tourism resorts and accommodation should aim to integrate them, to the extent possible, in the local economic and social fabric; where skills are equal, priority should be given to local manpower;
3. Special attention should be paid to the specific problems of coastal areas and island territories and to vulnerable rural or mountain regions, for which tourism often represents a rare opportunity for development in the face of the decline of traditional economic activities;
4. Tourism professionals, particularly investors, governed by the regulations laid down by the public authorities, should carry out studies of the impact of their development projects on the environment and natural surroundings; they should also deliver, with the greatest transparency and objectivity, information on their future programmes and their foreseeable repercussions and foster dialogue on their contents with the populations concerned;

[Article 6] Obligations of stakeholders in tourism development

1. Tourism professionals have an obligation to provide tourists with objective and honest information on their places of destination and on the conditions of travel, hospitality and stays; they should ensure that the contractual clauses proposed to their customers are readily understandable as to the nature, price and quality of the services they commit themselves to providing and the financial compensation payable by them in the event of a unilateral breach of contract on their part;
2. Tourism professionals, insofar as it depends on them, should show concern, in co-operation with the public authorities, for the security and safety, accident prevention, health protection and food safety of those who seek their services; likewise, they should ensure the existence of suitable systems of insurance and assistance; they should accept the reporting obligations prescribed by national regulations and pay fair compensation in the event of failure to observe their contractual obligations
3. Tourism professionals, so far as this depends on them, should contribute to the cultural and spiritual fulfilment of tourists and allow them, during their travels, to practise their religions;

4. The public authorities of the generating States and the host countries, in cooperation with the professionals concerned and their associations, should ensure that the necessary mechanisms are in place for the repatriation of tourists in the event of the bankruptcy of the enterprise that organized their travel;
5. Governments have the right – and the duty - especially in a crisis, to inform their nationals of the difficult circumstances, or even the dangers they may encounter during their travels abroad; it is their responsibility however to issue such information without prejudicing in an unjustified or exaggerated manner the tourism industry of the host countries and the interests of their own operators; the contents of travel advisories should therefore be discussed beforehand with the authorities of the host countries and the professionals concerned; recommendations formulated should be strictly proportionate to the gravity of the situations encountered and confined to the geographical areas where the insecurity has arisen; such advisories should be qualified or cancelled as soon as a return to normality permits;
6. The press, and particularly the specialized travel press and the other media, including modern means of electronic communication, should issue honest and balanced information on events and situations that could influence the flow of tourists; they should also provide accurate and reliable information to the consumers of tourism services; the new communication and electronic commerce technologies should also be developed and used for this purpose; as is the case for the media, they should not in any way promote sex tourism;

[Article 7] Right to tourism

1. The prospect of direct and personal access to the discovery and enjoyment of the planet's resources constitutes a right equally open to all the world's inhabitants; the increasingly extensive participation in national and international tourism should be regarded as one of the best possible expressions of the sustained growth of free time, and obstacles should not be placed in its way;
2. The universal right to tourism must be regarded as the corollary of the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay, guaranteed by Article 24 of the Universal Declaration of Human Rights and Article 7.d of the International Covenant on Economic, Social and Cultural Rights;
3. Social tourism, and in particular associative tourism, which facilitates widespread access to leisure, travel and holidays, should be developed with the support of the public authorities;

4. Family, youth, student and senior tourism and tourism for people with disabilities, should be encouraged and facilitated;

[Article 8] Liberty of tourist movements

1. Tourists and visitors should benefit, in compliance with international law and national legislation, from the liberty to move within their countries and from one State to another, in accordance with Article 13 of the Universal Declaration of Human Rights; they should have access to places of transit and stay and to tourism and cultural sites without being subject to excessive formalities or discrimination;
2. Tourists and visitors should have access to all available forms of communication, internal or external; they should benefit from prompt and easy access to local administrative, legal and health services; they should be free to contact the consular representatives of their countries of origin in compliance with the diplomatic conventions in force;
3. Tourists and visitors should benefit from the same rights as the citizens of the country visited concerning the confidentiality of the personal data and information concerning them, especially when these are stored electronically;
4. Administrative procedures relating to border crossings whether they fall within the competence of States or result from international agreements, such as visas or health and customs formalities, should be adapted, so far as possible, so as to facilitate to the maximum freedom of travel and widespread access to international tourism; agreements between groups of countries to harmonize and simplify these procedures should be encouraged; specific taxes and levies penalizing the tourism industry and undermining its competitiveness should be gradually phased out or corrected;
5. So far as the economic situation of the countries from which they come permits, travellers should have access to allowances of convertible currencies needed for their travels;

[Article 9] Rights of the workers and entrepreneurs in the tourism industry

1. The fundamental rights of salaried and self-employed workers in the tourism industry and related activities, should be guaranteed under the supervision of the national and local administrations, both of their States of origin and of the host countries with particular care, given the specific constraints linked in particular to the seasonality of their activity, the global dimension of their industry and the flexibility often required of them by the nature of their work;
2. Salaried and self-employed workers in the tourism industry and related activities

have the right and the duty to acquire appropriate initial and continuous training; they should be given adequate social protection; job insecurity should be limited so far as possible; and a specific status, with particular regard to their social welfare, should be offered to seasonal workers in the sector;

3. Any natural or legal person, provided he, she or it has the necessary abilities and skills, should be entitled to develop a professional activity in the field of tourism under existing national laws; entrepreneurs and investors - especially in the area of small and medium-sized enterprises - should be entitled to free access to the tourism sector with a minimum of legal or administrative restrictions;
4. Exchanges of experience offered to executives and workers, whether salaried or not, from different countries, contributes to foster the development of the world tourism industry; these movements should be facilitated so far as possible in compliance with the applicable national laws and international conventions;
5. As an irreplaceable factor of solidarity in the development and dynamic growth of international exchanges, multinational enterprises of the tourism industry should not exploit the dominant positions they sometimes occupy; they should avoid becoming the vehicles of cultural and social models artificially imposed on the host communities; in exchange for their freedom to invest and trade which should be fully recognized, they should involve themselves in local development, avoiding, by the excessive repatriation of their profits or their induced imports, a reduction of their contribution to the economies in which they are established;
6. Partnership and the establishment of balanced relations between enterprises of generating and receiving countries contribute to the sustainable development of tourism and an equitable distribution of the benefits of its growth;

[Article 10] Implementation of the principles of the Global Code of Ethics for Tourism

1. The public and private stakeholders in tourism development should cooperate in the implementation of these principles and monitor their effective application;
2. The stakeholders in tourism development should recognize the role of international institutions, among which the World Tourism Organization ranks first, and non-governmental organizations with competence in the field of tourism promotion and development, the protection of human rights, the environment or health, with due respect for the general principles of international law;
3. The same stakeholders should demonstrate their intention to refer any disputes concerning the application or interpretation of the Global Code of Ethics for Tourism for conciliation to an impartial third body known as the World Committee on Tourism Ethics.

Source: World Tourism Organization, 1999

ANNEXURE-2

Organizations associated with Tourism Industry:

- 1. World Travel and Tourism Council:** The World Travel and Tourism Council (WTC) is unique in its structure as it is the only organization representing the private sector in the global context of the travel and tourism industry. It is comprised of business leaders from around the world who are presidents, chairs and CEOs of 100 of the world's foremost travel and tourism companies representing almost all sectors of the industry.
- 2. United Nations World Tourism Organization:** The UNWTO, as part of the United Nations, is the leading international organization in the field of travel and tourism and is headquartered in Madrid, Spain.
- 3. Organisation for Economic Cooperation and Development:** The Organisation for Economic Cooperation and Development (OECD), located in Paris, France, is bipartite in its structure. It serves as a forum in which governments work together to focus effectively on the challenges of interdependence and globalization through economic, social and environmental segments. In its efforts to 'underpin multilateral cooperation', OECD produces global research data, analyses and forecasts to enable economic growth and stability, strengthen trading systems, expand financial services and cross-border investments and promote best practices on the international forefront.
- 4. Asia-Pacific Economic Cooperation (Tourism Charter):** APEC Tourism Charter constitutes the basis for APEC tourism cooperation. The Charter reflects a collective commitment to improve the economic, cultural, social and environmental well-being of APEC member economies through tourism. It establishes four key policy goals and an agreed process for realizing sustainable development and enhancement of quality and quantity of tourism.
- 5. Caribbean Tourism Organization:** In 1989, the Caribbean Tourism Organization (CTO) emerged from its predecessors, the Caribbean Tourism Association founded in 1951 and the Caribbean Tourism Research and Development Centre founded in 1974. The CTO, headquartered in Barbados, is an international development agency and the official body for promoting and developing tourism throughout the Caribbean. This organization provides information and assistance to its member countries and non-governmental members in order to achieve sustainable development.
- 6. Southeast Tourism Society:** The Southeast Tourism Society (STS), headquartered in Atlanta, Georgia, is just one example of a regionally based tourism organization found in the United States as well as in other countries. STS is a non-profit membership organization, which started in 1983 and represents the interests of tourism industry members in twelve states: Alabama, Arkansas, Florida, Georgia,

Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia.

- 7. East Asia Inter-Regional Tourism Forum:** East Asia Inter-Regional Tourism Forum was founded in Gangwon Province, Korea in 2000 in order to pursue for peace and prosperity through exchanges in diverse fields, and ten member provinces are currently participating. Additionally, it is the only one international tourism association in East Asia, led by local governments.
- 8. Global Tourism Economy Research Centre:** Global Tourism Economy Research Centre, inaugurated in October 2011, is an independent, non-profit international research organization with a special purview on tourism & travel development in Asia as it relates and contributes to positive and sustainable global economic growth. Attuned to what is happening in the region through research and exchange platforms, the Center will openly share with government bodies and travel and tourism-related stakeholders how Asia's development will positively impact the globe. The Centre's unique and prescient insight on the tourism economy and its progressive and unique approach to aggregating and analyzing research from global authoritative bodies seeks to deliver solutions and advance ideas that will lead to the sustainable development of travel and tourism, in the region and around the world.
- 9. Monitoring Centre for UNWTO Sustainable Tourism Observatories:** Monitoring Centre is a specialized organization in sustainable tourism monitoring under the auspices of UNWTO. And it is under the overall responsibility of Sun Yat-Sen University in administrative and legal terms. The Centre was established in 2010 to facilitate the establishing, managing and monitoring process of the existing and future sustainable tourism observatories in China and possibly in the Asia-Pacific region.
- 10. World Tourism Cities Federation:** World Tourism Cities Federation (WTCF) is a non-governmental, non-profit international tourism organization voluntarily formed by well-known tourism cities and tourism-related institutions around the world under the initiative of Beijing. Established on 15 September 2012 in Beijing, WTCF has its headquarters and secretariat based in Beijing, and takes Chinese and English as its official languages. WTCF aims to increase the appeal of tourism cities as international destinations, enhance the quality and efficiency of their services, boost the brand image of tourism cities and promote balanced economic and social progress in tourism cities and regions.
- 11. International Hotel & Restaurant Associations:** The IH&RA is the only international trade association exclusively devoted to promoting and defending the interests of the hotel and restaurant industry worldwide. It is a non-profit organization and is officially recognized by the United Nations. IH&RA monitors and lobbies all international agencies on behalf of the hospitality industry.

