

India is safe; inbound tourism must focus on leisure, business, medical & adventure segments; domestic tourism on middle aged: FICCI Tourism Survey

NEW DELHI, April 9, 2013. India's inbound tourism strategy needs to be tailored to the leisure segment, business travel, medical and adventure tourism and domestic tourism should be targeted at the middle age segment (35-50 years) to cash in on the rising disposal incomes and increased propensity to travel, a quick survey by FICCI reveals.

The survey findings released to the media today by **Dr. (Ms.) Jyotsna Suri, Vice President and Chairperson of FICCI's Tourism Committee**, show that a bulk of the respondents (37%) saw the potential growth in inbound tourism in the Leisure segment. Business travel and Medical tourism came second with Adventure Tourism, the third.

The respondents are of the view that India's tourism should target the Middle Age Segment (35-50) to accelerate its growth. The strategy, hence, should be to capitalize on the growing disposable incomes on travel and entertainment.

The survey received 480 written and telephonic responses from tourism industry professionals in hotels of all categories, tour operators, travel agents, airlines, investors and tourism associations.

Dr Suri said fifty five (55%) per cent of the respondents felt that there will be a moderate impact of the slowdown on tourism over the next six months on tourism, forty five (45%) per cent opined that there would be no impact.

She said to discuss some of the findings of the survey and for targeting potential consumers of tourism products from across the globe and India, **FICCI along with the Department of Tourism, Government of Rajasthan and Ministry of Tourism, Government of India is organizing the sixth 'Great Indian Travel Bazaar 2013' (GITB) from 14th to 16th April in Jaipur, Rajasthan.** GITB is a landmark event and the largest international tourism mart of the country which is widely attended by the industry from India and abroad.

The FICCI survey reveals that the industry feels let down by the Union Budget 2013-14 proposals as these have had no impact on tourism. In fact, around 45 per cent said the Budget impacted the industry negatively due to major unmet and long standing demands such as declaration of tourism as an industry, export industry status and inclusion of hotels as infrastructure.

The silver lining is that 46 per cent of the respondents were confident of the foreign tourist arrivals to go up in the coming six months. Their optimism stems from the fact that Foreign Tourist Arrivals to India have grown by 2.1% in January and February 2013 and in during these two months, the Foreign Exchange Earnings from tourism rose by 19.8% in rupee terms and by 11.4% in dollar terms.

It was remarkable and extremely encouraging to note that 83% of the respondents were of the view that the current environment of safety and security for the foreign travellers in India was totally safe. A small minority was skeptical on this point.

As regards the air fare structure, a majority (75%) of the respondents felt that the air fares for foreign tourist movement in the country were expensive as compared to India's competing destinations. Said Dr Suri, this must be noted as cheap air connectivity is imperative for augmenting foreign tourist arrival.

It was positive to note that majority of the respondents (66%) found the hotel tariff to be expensive but not burdensome.

A food for thought for the tourism industry as majority (56%) of the respondents found the state of air connectivity to tourist destinations as satisfactory but could be better.

As for hygiene and sanitation, both have been rated (by 91% of the respondents) as very important for choosing India as a destination.

Asked which countries can India partner with for joint tourism programmes, the respondents listed the following in order of priority:

1. China
2. Sri Lanka
3. Nepal
4. Germany
5. Australia
6. Japan and Thailand
7. The UK

The respondents listed out what is required for the growth of Inbound Tourism in India that is not being provided today by the stakeholders in tourism. These are:

- Neat and clean hotels in remote places
- Budget hotels
- Last mile road connectivity catering to smooth and seamless travel
- Security and safety for tourists
- Visa on arrival for at least all western countries
- Better infrastructure in Tier II cities
- Knowledgeable guides
- Greater awareness on accessibility
- To look at new markets
- More thrust on promotion of India in mainland China and Latin American countries
- Promoting destinations collectively
- Recognizing tourism as an Industry and grant it export industry status

Dr. Suri said that the Government of India needs to work towards meeting the critical demands of the tourism industry that contributes an estimated Rs. 94,487 crore towards foreign exchange, around 6.4% to the GDP and 7.8% towards total employment.

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