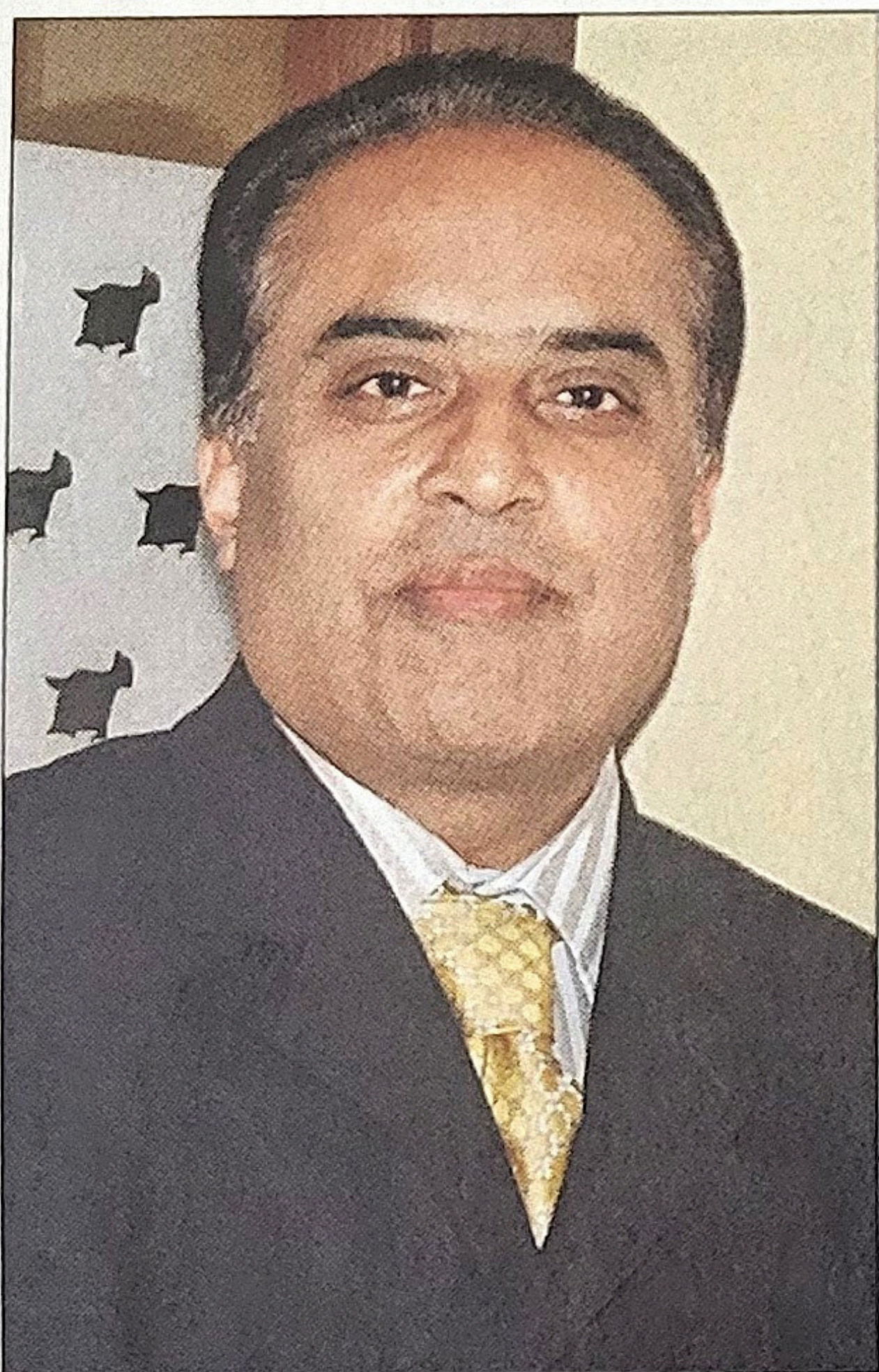


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WITH A WIDE VARIETY OF PRODUCTS TO OFFER, INDIA'S INBOUND TOURISM POTENTIAL IS IMMENSE AND STILL UNTAPPED



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The travel and tourism industry bounced back from the global economic slowdown of last year with 2011 poised to show a positive growth number. As a matter of fact, travel and tourism is one of the largest industries globally, both in terms of size and employment (\$5.4 trillion and 8.6 per cent of the global workforce). In India, contrary to popular belief, it creates more jobs than the traditional industries of agriculture and automobiles and accounts for 5.9 per cent of GDP, making it the largest contributor after the oil and gas industry. And yet, the Indian travel and tourism industry is not a mainstream industry; its full potential is yet to be recognised by the government. The scope of travel and tourism is truly immense: in the last six years, it has created 11 million jobs and has the potential to create another 37 million jobs (estimated by the NSSO, Ministry of Tourism) of the 120 million projected requirement by 2020.

For India, tourism to grow rapidly and significantly, we need to address some key areas of concern: infrastructure, promotion and marketing at domestic and international levels, skill development, tourism-related education, professionalisation of services management, service providers' skill enhancement and the addressing of general hygiene and sanitation concerns. An increased synergy among ministries for the benefit of tourism and simplification of the tax structure, needs to be looked into.

Glancing at the economic imperative of tourism, I believe travel has the potential to spread its wings beyond

monument visits. Apart from mitigating challenges of the red corridor, tourism also generates a new source of livelihood, jobs, growth of remote areas, preservation of local skills, enterprise development at the micro level and sustainable environment management.

India's full growth potential is yet to be realised, when we compare it with other major tourist destinations. For example, the hotel capacity in India is 95,000 rooms against 4.8 million in the US and 1.2 million in China. Even though our aviation sector has liberalised, we have 91 airports across India, compared to 293 and 1445 in China and the US respectively. Looking at the growing middle class and its increased spending capacity, there is huge growth potential for Indian domestic and outbound markets.

India tourism accounts for 5.1 million tourist arrivals compared to China which had 50.9 million arrivals in 2009. We also have micro concerns, which are related to the visitor numbers. For instance, Goa has 40 pristine beaches compared to just 17 in Phuket; and yet, Goa's foreign tourist arrivals are only 0.3 million against 3.5 million in Phuket. Our product base is larger than other competing nations, but we still lag behind. The key to larger growth numbers is going to be a laser beam approach to promote our destinations through planned packaging in specific markets.

The future of tourism in India is certainly bright but we do have a long road ahead. Development of quality infrastructure will be the key to India's harnessing her full tourism potential.