

## ***CHAPTER-9***

# ***PROBLEM AND PROSPECTS OF TOURISM DEVELOPMENT IN GUJARAT***

The ongoing chapter highlights the problems and future prospects of tourism development in Gujarat. The nature & concept of problems and prospects will be discussed under ten headings. In past few years Gujarat as a state has been on the move. Gujarat has certainly come a long way from where it was. The journey of Gujarat has been marked by several vital transformations. Earlier economy of the state was use to be driven by textiles while today a wide array of industries such as salt, diamonds, pharmaceuticals, chemicals and the most important Tourism, a new economic industry for the market.

## **9.1 INFRASTRUCTURE DEVELOPMENT AND MAINTENANCE:**

Because of the rapid growth in the tourists in the state there is a tremendous pressure on the existing infrastructure facilities in the state. Therefore, clear need for world class infrastructure to sustain the rapid growth especially for tourism. The state government is promoting more of private sectors for their participation in infrastructure development. As a result, large numbers of projects are already under government & private partnership. Gujarat Infrastructure Development Board (GIDB), took initiative and pioneered many PPP initiatives and become most admirable infrastructure development agency in India. It was the first state to successfully implement the policy for private sector participation in ports. It has replicated its success in the ports sector and extended it to power, rail and road infrastructure as well as social sectors like hospitals and education. The four important like Road, Railways, Airports, Accommodations, Hospitals & public utility services, are the main infrastructure which attracts the tourists at larger scale.

The vision document of government of Gujarat includes 5 points:

- 1. Development of road links for key tourists destinations in Gujarat*
- 2. Development of international airports near key tourist destinations*
- 3. Connecting Gujarat to all parts of India by rail*
- 4. Focusing on the core and linkage infrastructure*
- 5. Investing in strategically focused capacity to support development priorities.*

Transport is most visible important physical infrastructure for any tourist place. It is the only way through which the two way comfort and economy can be communicated between two regions. In terms of tourism it has many destinations

which can attract tourist from all over the state and the world. During study it was found that increase in the road & railway length has a direct relationship on increasing number of tourist arrivals. The following table -87 & Table-88, indicate this relationship:

**Table-87**

	<b>ROAD TRANSPORT INFRASTRUCTURE IN GUJARAT</b>								
<b>Years</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Total Tourist Arrival*</b>	<b>61652</b>	<b>79805</b>	<b>76120</b>	<b>10678</b>	<b>12343</b>	<b>14123</b>	<b>15807</b>	<b>170112</b>	<b>19811</b>
	<b>17</b>	<b>94</b>	<b>13</b>	<b>877</b>	<b>328</b>	<b>031</b>	<b>535</b>	<b>47</b>	<b>936</b>
Total Road Length In India (in km)	2601957	2669996	2962463	3014063	3119924	3174620	3571510	3682439	3790342
Total Road length in Gujarat (in km)	142755	143660	143419	144777	145631	146630	153521	155614	156188
Total length of National Highway in Gujarat	2354	2356	2647	2867	3244	3244	3245	3262	3245
India total national highways	58115	65569	65569	66590	66590	66754	70548	70934	70934
Total length of State Highway in Gujarat	19176	19176	18863	18702	18625	18447	18460	18421	18421
Length of Surface road	128751	129981	129715	131123	131672	132321	138742	140991	141565
Total surface road India	1491359	1526055	1596450	1637722	1693500	1745270	2141302	2249611	2341480

**Source:** Road and Buildings Department, Government of Gujarat, Gandhinagar pg 20 (Basic Transport Statistics Gujarat 2009-10)

**Source:** Basic Road Statistics of India 2003-08 & 2008-09 to 2010-11

**Source:** Road and Buildings Department, Gujarat State, Gandhinagar

**Source:** Material supplied by TRW,M/o Road Transport & Highways, Road Transport pg 57

**Source:** Socio Economic Review of Gujarat State- 200-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13.

**Table-88 (Growth of Length of Railways in Gujarat)**

<b>Years</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Total Tourist Arrival*</b>		<b>6165</b>	<b>7980</b>	<b>76120</b>	<b>10678</b>	<b>12343</b>	<b>14123</b>	<b>15807</b>	<b>17011</b>	<b>19811</b>
		<b>217</b>	<b>594</b>	<b>13</b>	<b>877</b>	<b>328</b>	<b>031</b>	<b>535</b>	<b>247</b>	<b>936</b>
Total Length of Railways (in km)	5310	5186	5186	5188	5188	5309	5251	5328	5000	5271
Broad Gauge	2089	2459	2643	2736	2984	3100	3100	3193	3186	3382
Meter Gauge	2345	1940	1756	1665	1417	1422	1364	1364	1192	1205
Narrow Gauge	876	787	787	787	787	787	787	771	622	684

From 2002 to 2007 : Western Railway, Mumbai

From 2008 to 2011: Railway Board, New Delhi.

**Source:** Socio Economic Review of Gujarat State, 2012-13

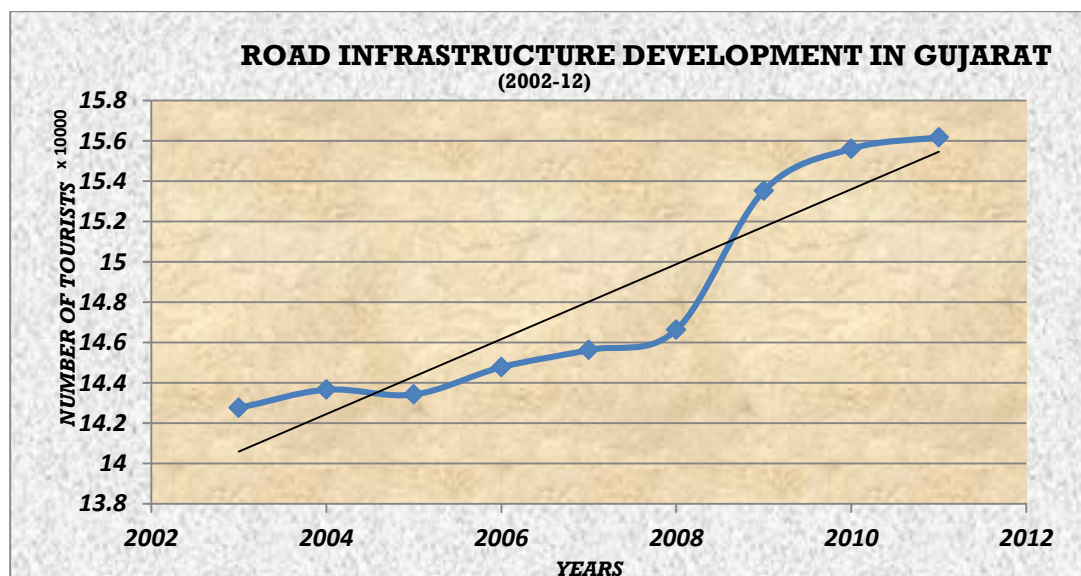
**Graph-162**



**Graph-163**



**Graph-164**



From the *Graph-162, 163, 164*, the concluding remarks can be made out. In terms of railway length there is a fluctuating growth has been observed. Since, 2002-2006 there was no or negative growth seen while thereafter up to 2009 there was positive growth. In 2010 there was sudden decrease in length obtained. However, it might be due to large scale conversion of meter gauge into broad gauge. Recently in 2011 again there was improvement observed. In terms of tourist arrival there was little fall in 2010 observed. In terms of Road length there was positive growth since 2003-2011 was obtained in the *Graph-164*. The road infrastructure development has recently gain importance since 2009 onwards. The graph indicates excellent confirmation towards increase in road length which was under suppression from 2004 to 2009. If we look at the comparative analysis then it is clear that development of road and railways definitely boosted the tourism growth in Gujarat. Surely the road development is up to the mark but in terms of maintenance of roads is not well recognized during the survey. Most of the tourists and residents at key tourist destinations are agreed that the conditions are good only at highways while the internal roads are still in bad conditions (discussed in chapter –VIII). Further the Plan worked out a scheme to setup a metro rail network at an estimated cost of Rs. 4300 crores. This is being done by joining hands with the private sector on the basis of build-operator-transfer (BOT). This might boost tourist arrivals especially internationals.

In terms of airport infrastructure Gujarat has better situation than all neighbouring states. In terms of leading number of airports Gujarat is at the top as compare to contemporary top destination for tourists, namely Rajasthan, Kerala, and Goa. Gujarat has total 9 airports, one international while 8 (*total 12 while 4 are non-operational*), domestic while Rajasthan has no international airport while only 5 domestic airports. Kerala and Goa each has one international airport while in domestic airport Kerala has only 3 and Goa has none. Looking to the figure Gujarat must attract international tourists but the situation is contradictory. Even if Gujarat leads in no. of airports compared with key tourist cities, it has not been able to attract foreign tourists as compared to Rajasthan, Kerala and Goa. Gujarat leads in domestic tourist arrivals compared with other key tourism states mentioned above. It might be due to out of all domestic airports the 4 of them are non-operating or not others are too not well maintained. Gujarat government has kept proposal to make Vadodara Airport to convert into international airport, but still no development seen so far.

Another most important tourism infrastructure to attract international and domestic tourist is the world class accommodation facilities. Tourists from abroad are ready to pay but the class is not up to the mark. If we compare the Five Stars category and up hotels in Gujarat it accounts only 6 as compare to 20 in Rajasthan, 10 in Kerala and 16 in Goa. Comparatively in number of rooms in Five Stars and up hotels, the state is lacking behind as 525 in Gujarat, 2126 in Rajasthan, 888 in Kerala & 2434 in Goa. This under developed accommodation facility is again a great hindrance in tourism growth in Gujarat. There is need of more attentions towards star accommodation facilities. Other than these the basic service facilities such as toilets, bathrooms, sitting furniture's are other areas where government must look attentively. The conditions of public utility service infrastructure are in worst conditions, even if they are there are not properly maintained and stinking far away. The negative impacts of all these services are well accepted by the tourists as well residents as per the researchers survey analysis. While the other state government made successful efforts in developing tourism within their states, the relative inability of the Gujarat state to harness it full potential to attract tourists may be attributed to little care for infrastructure development.

## **9.2 INSTITUTIONAL DEVELOPMENT IN TOURISM OF GUJARAT**

The main purpose of this study is to find out the role of institutions & its influence on tourism development in the state of Gujarat. Increased network between governmental and non-governmental organizations can play an important role in tourism development with their specific tourism development objectives. Emergence of collaborative actions and associational networks both results in a strong institutional thickness. However, despite of this much broad support to this industry a little work is done towards this area. The institutional thickness and institutional capacity started to be taken as crucial factors in addition of other classical factors of growth for clusters (HILAL ERKUS-OZTURK, 2010). This development does not only help in regional economic and social development but also local economic development too. There is an immediate need of institutional development in Gujarat tourism. Tourism associations in Gujarat are vary not only at national but also at local levels, depending on the different interest groups. The Hotel groups, tourism companies &

environmental groups comes together to contribute tourism development in Gujarat & while some of these associations are supported by the central government institutions, others are civil initiative launched by tourism businesses. The growing demand to develop tourism is also reflected in the wide range of development institutions supporting projects and programs. The first national level institution initiated by Ministry of Tourism by commissioning National Council of Applied Economics Research (NCAER) to undertake India's first Tourism Satellite Account (TSA). Subsequently, the first domestic tourism survey was conducted following a household approach (*India Tourism Statistics, 2005*). The different institutions later also included, such as *Central Statistical Organization, Ministry of tourism, Indian Institute of Tourism & Travel Management (IITTM), Ministry of Labour, Indian Hotel Industry Survey, (FHRAI), Planning commission, Industrial Financial Corporation of India, National Council for Hotel Management and Catering Technology (NCHMCT), Institute of Hotel Management (IHMs), State Financial Corporations of Loan and the Reserve Bank of India*. The combining effect of all these institutions has brought India one the world tourism map.

In Gujarat the Tourism Corporation of Gujarat Limited (TCGL) is the first institution established to ensure easy flow of tourists in the state. The TCGL assume a catalytic role focused on acting as clearing house of information, production and distribution of promotional literature, policy advice etc. it also assists entrepreneurs and agencies in tourism sector and helping to alleviate their difficulties. The promises made in the Gujarat tourism policy 2003-10 about institutional establishment to ensure human resource development, social development are still waiting for their result. Gujarat tourism also put tenders so many times to attract private institutions to take interest in number of projects such as Heritage and tourism projects.

Gujarat has always believed that it is the infrastructure which will drive the growth in various sectors of economy and social well beings to ensure positive growth of tourism. Therefore it is the first state in India to call a legal framework for PPP in infrastructure sector- The Gujarat Infrastructure Development Board (GIDB). Its immense role in putting Gujarat at wealthiest position in terms of infrastructure development can't be avoided. With private participation a number of ports, roads, railways, and other required infrastructure have been taken as targets to develop. It also looking forward to take up projects for development of other institutions such as Educations institutions, multi level parking projects, Bus terminals, hospitals and



trainings and so on. It is also planning to take up projects regarding the development of convention centers at Surat & Vadodara, development of air strips for enhancing connectivity between the tourist destinations with the help of PPP model.

The State Financial Institution (SFI) combined with infrastructural institution made an important contribution in creating conducive environment for Industrial entrepreneurs. So far, SFI has been confined to hotels only. The other institutions which are working in this field are Information and Communication Technology (ICT), which is to offer enhancing efficiency in public accessibility through e-governance. It also enhances the e-marketing of tourism services, projects etc to general public and to the world. Gujarat Industrial Development Corporation (GIDC) also took up the apparel projects to set up Software and Technology Park at Surat. One of the most drawbacks in Gujarat tourism development is the lack of proper water supply. Looking to this fact the government has constitute, Water Users Association (WUA) for the management of canals. The other institutions which are contributing in Human Resource Development & social well being of locals are IIM-A, National Institute of Design (NID), National Institute of Fashion Technology (NIFT), The Entrepreneurship Development Institute of India (EDI). The recent declaration of Tourism University declared by Honorable PM Shri Narendra Modi, will also be one of the beneficial institution towards tourism development. The Vibrant Summits are also held to attract the investments in different sectors from all over the world.

The final conclusion could be in the form of appreciation to Gujarat government for their great efforts in setting up different institutions which are going to help directly or indirectly to tourism sector. Using PPP modes and attracting global investors will definitely boost indirect opportunity in tourism sector. It has a great prospect in future tourism growth provided that if these institutions are ensuring their share purely to tourism development. In general no above mention sector are working purely for tourism development. Gujarat also must include some non-governmental organizations which will be proved to be good in terms of maintaining relation between locals, government and tourists. The private or public travel agencies should be under the charge of a full time member who is adequately trained, experienced in matter regarding ticketing, itineraries, transport, accommodation facilities, currency, customs regulations and travel and tourism related services. There should be Diploma or Degree holders in travel and tourism from recognized institutions such as IITTM or Institutions approved by AICTC. Hotel development institutions must be encouraged



to take care of tourists and their changing dimensions of requirements. The courses related to tourism development and management studies can be made avail in University and College level educations systems.

### **9.3 AVAILABILITY OF LAND FOR TOURISM DEVELOPMENT**

The availability of land is a primary requirement of any project. Gujarat has immense potentiality of un-trapped land resources. If we look at the population resource relationship then comparatively the situations is far better than any of the state of India. The vast potential of coastline, vast desert of Kutch, wide range hills & forests, wetlands, long length river banks etc., are still in pure virgin state. So in terms of land availability there is no question mark. Only the things are there is how to use these resources.

Tourism policy of Gujarat 2003-10 proposes the idea of Land Bank Scheme under the methodology of infrastructure development approach. Under this scheme government is facilitating and promoting tourism growth by attracting private firms who is showing keen interest. The investor must approach the Commissioner of Tourism along with project for approval. They allot the land on long term lease basis or on lease rent or sale price of land fixed in a manner to make the project viable and the same time protecting the interest of government. Further on the basis of size of the project and its importance the concessions are being provided either on lease and its tenure or on the rate to be charged for government land and on stamp duty and registration fee on land transaction for the tourism project.

For systematic development government is also identifying Special Economic Zones for the purpose of tourism projects like hotels, resorts, restaurants and other amenities. Here also PPP model are encouraged and supported. Government also proposes the river bank and canal bank development as tourist spot with motels, shelters with fast food joints, themes base restaurants and shopping centers. Boating and yachting will another attraction. However, these policies are now old and how much development has been implemented have no record such. However, the scheme provides details of admissible components but does not highlights criteria for selection of the projects, identification of supplementary infrastructure of the existing tourism infrastructure. The success of Sabarmati river front projects indicate an excellent work

carried out by the government. More privatization of all these amenities has a greater impact on the cost of stay for a tourist. Most of the tourist places do not have specialized zones for particular amenities except some shopping complexes. Further government should also look out new plans to develop amenities in Kutch deserts because the vast potential of desert is still untouched. For example the long distance between Bhuj to Narayan Sarovar becomes too tidy and hectic. Most of the wetlands are still remains not notified which can be a great tourist zone like Nal Sarovar, Thol Lake, Wadhvana etc. for the bird watchers. The vast coastline of Gujarat are still looks deserted despite of strong proposals are been carried out. The highest percentage of tourist arrival belongs within Gujarat and OIS origin, so the projects must be accordingly sanctioned, looking to their basic need fist, while for the international tourists the priority must be given much in those areas where they are preferring more. So finally it can be concluded that despite of this immense opportunity of availability of land Gujarat still did not utilized it potentiality.

#### **9.4 INVESTMENT OPPORTUNITIES IN TOURISM**

Gujarat is now developing as a tourism hub among the other states of country. Gujarat is the only state in India to emerge as a 'Investor Friendly' even in World Economy Downturn. As the growth engine with business resources, offers tremendous opportunities for investment as it is the most preferred location for industrial investment in the country. Gujarat has become a top investment destination with investment of 22% of total share by other states in India. Several Geographical factors make Gujarat to invest depending on investment environment they are, Availability of all type of Natural Resources (sweet to salt, peak to valley, humid to desert, scrub to evergreen); Human Resource (high professional to unskilled); Policy Measures and Incentives; Economy attractions (safe investment and fetch assured returns); Stable Leadership and Growth Policies (progressive and reform oriented policies); Enhancing Investment (Gujarat model, model of growth etc.); Partnering Strength (PPP model encouraged). Speaking to media in Mumbai, former health and tourism minister Shri J.N. Vyas said, "Gujarat has immense potential to become a marketing tourism infrastructure projects in Gujarat". There are many opportunities for investment among industries like hotel, apartment hotel, beach sports, entertainment and well being tourism. Medical tourism also, seen as having a high growth opportunity because of

the availability of high quality, low-cost surgeries in Gujarat hospitals. There is no question about where to invest, the question is how much to invest in different sectors of tourism. Gujarat is a popular religious and spiritual destinations witness long queues and heavy rush especially during festivals. Budget hotels and accommodation facilities provide a potential investment opportunity. According to the data of 2011-12 the total amount of investment in various types of accommodation sector at suggested Dakor-Utkantheswar Fagvel-Chamapner- Pavagadh circuit alone are follows:

- *Star rated (3/4) leisure, adventure and entertainment park cum resort at Utkantheswar allows total indicative cost Rs. 2000 million, while the public fund share is Rs. 500 and private investment share is Rs. 1500 million.*
- *Star rated (3/4) leisure, adventure, ecotourism resort at Balasinor allows total indicative cost Rs. 150 million, while the public fund share is Rs. 37 and private investment share is Rs. 113 million.*
- *Economic accommodation facilities at Balasinor allows total indicative cost Rs. 5 million, while the public fund share is Rs. 1 and private investment share is Rs. 4 million.*
- *Development off star rated (3/4) leisure resort / hotel at Dakor, Champaner allows total indicative cost each Rs. 600 million, while the public fund share is each Rs. 150 and private investment share is each Rs. 450 million.*
- *Economic accommodation facilities at Champaner, allows total indicative cost Rs. 25 million, while the public fund share is Rs. 6 and private investment share is Rs. 19 million.*

The above data indicates the percentage share of private investors which are almost 3 fold higher than public sectors investments. Because of lack of data it could not be possible to mention the total investment of public and privates investors in past years. So researchers just limited his study only on above mention example of investment. Overall there is no doubt in that the Gujarat is becoming a central destination for global investment and in future it might speed up. But the change in Government & so policies might cause some investment fluctuation in future.

## **9.5 EMPLOYMENT GENERATION**

Tourism, being a service industry, it has a significant effect on those areas which has surplus labour, because for this sector the skilled & efficient human

resources are extremely important. It has a great effect on local population employment. There is a positive relationship between the growth of tourism and increasing employment advantages. This also helps in minimize the extremities of poverty. In the field of construction, advertisement & management (of infrastructural facilities) of tourist centers, a large number of professional & unprofessional (skilled, semi skilled and unskilled) are required. The proper utilization of these available human resources could be an asset for tourism development & side by side further prediction of employment.

Gujarat's tourism industry is one of the most diverse products on the global scene. To develop and promote tourism as an 'Engine of economic growth' and to bring Gujarat on the national and international tourist map, tourism shall be attentive to overall sustainable economic growth with ensuring employment generation. As the State is growing rapidly in tourism sector, there is good chance for the development of employment generation opportunity. Tourism sector is having highest employment potential industry with approximately 90 jobs creation per Rs.10 lacs investment. With the policy proposal by the Gujarat Government with the large investment potential of the state large employment opportunity shall be created. Infrastructure is an important determinant for economic development & State thus offers a high scope for profuse employment generation & related activities in the form of accommodation projects, food oriented projects, amusement parks and water sports, etc. As per the latest annual report of the Union Ministry of Labour and Employment, Gujarat provided jobs through the exchanges to 2.14-lac people during 2009, as against that to 3.09-lac in the entire country and the maximum percentage goes to tourism industry. Now the State Government has decided to develop eight tourism-hubs for an all-round growth of tourism sector in Gujarat, which would definitely increase more employment opportunities. The Government is also trying to encourage service-oriented projects like travel operation, tour operation, transport operation, etc. The practical approach of the government of Gujarat in the form of strategic planning and consistent and positive policy initiatives has been a major boom for the employment sector. Further the local shops and artisans will be in benefit due to high selling of their products. This is almost 10 years on, there is only marginal increase in employment generation is seen. Most of the employment in Gujarat tourism industry is indirect and no achievement made till now in terms of direct employment. During the survey it was found that the private business employment has flourished somewhat while the public employment is

lacking in their number and professionalism too. The private boom of private hotel industry has brought a significant change in employment generation capacity. One of the positive causes for such low level of employment generation in government sector might be credited to high range of wages such as an executive class can earn 11,000 to 40,000 per month while lower assistants, clerks etc earn very low wages per month ranging from 5000 to 2000. The bottom level employees are mostly on fix rate that is ranging from 2500 to 2800/month. Even the delay of wages also could be one of the reason for less opportunity of employment in public sector. According to one of the study approximately 50% of employees (as on January 2011), belongs to unskilled group who are mostly on fix wages are monthly or per day (*Shodhganga.*). From the above discussions it is clear that there is a big different in the target directed and the target achieved in terms of employment generation in Gujarat.

## **9.6 MANAGEMENT IN TOURISM**

Tourism management is a management philosophy that helps the organizations to achieve its covered objectives by integrating the resources of an organization. The management by objective (MBO) is a comprehensive managerial system that integrates many key managerial activities in a systematic manner, consciously directed towards the effective and efficient achievement of organizational objectives. In other words it is a technique in which superiors and subordinates define goals for the subordinates through a democratic process of cooperation and the goals of the organization are achieved through the willful actions of subordinates, who are motivated to achieve their individual or section goals with passion and commitment.

Increasing demand of tourism sector in the state and increasing interest in tourism as a sustainable way of development boost the need for management of tourism and its impact. To manage the tourism in Gujarat the Government has formulated some objectives and goals which is nothing but a proper and legal framework of management through policy formulations and implementations. Tourism management planning involves stakeholders, baseline information, notification, decision making, approval, implementation, monitoring & evaluation. All of the above involvement is necessary to create the common vision of regional development through tourism which helps in avoid conflicts and strengthen commitment. None of the policy objective ever completely achieved but it needs to be updating by keeping

in view the changing dimensions of tourism industry. To achieve the basic goals of the policies the state government is did all possible work during last seven years. Out of all involvement in tourism management the Government is lacking in implementation, monitoring and evaluation. Still the lots of projects are waiting for environmental and local people approval and if approved then waiting for stakeholders to invest. Most of the projects are taking long time to complete due to financial and proper management planning inadequacy. One of the biggest strength of Gujarat is people, ITs and industries, which are still remain semi-dormant. The government must look into the matter and should draw a systematic evaluation of all ongoing projects.

### **9.7 MARKETING STRATEGIES IN TOURISM**

The literal meaning of the tourism marketing is the application of the principles and techniques of selling tourism product in the field of tourism. The systematic strategies can be built on the needs and expectations of the market to optimize the use by local authorities the factors and elements that contribute to the enhancement of attractions and tourist services or offered by a given tourist place. Better will be the marketing strategies the better will be the growth of the product. Today marketing efforts are far more important than production and sales, so if the country has enough facilities and possess potential of tourism but does not consider the marketing techniques, doubtlessly that country won't be successful in growing a developing its tourism industry (*Lamsoo, 2013*). The scheme of Market Development Assistance (MDA), administered by the Ministry of Tourism, GOI, provides financial support to approved tourism service providers (such as hoteliers, travel agents, tour operators, tourist transport operators etc.) for undertaking the following tourism promotional activities abroad: Sales-cum-study tour; Participation in fairs / exhibitions & Publicity through printed material.

Gujarat tourism also has been adopting same strategies but in aggressive manner. Gujarat- as state that was nowhere on the tourist map of India until a few years back, (*Soni D., 2013*) is now being depicted as a great competitor among the other states of India. The credit of this achievement goes to aggressive marketing strategies by the government of Gujarat.

As being one of the important destinations for business tourism the state has the skill in marketing the tourism product. They know and understand the demand of

both potential demand and how to meet it. As a part of promoting rural and heritage tourism Kutch has been promoted as a active rural tourism destination. The state tourism offering, subsidies, man power training and marketing assistant to locals to improve these projects. The special cell has been developed to attract and facilitate film producers to shoot in Gujarat. TCGL also set up a stall at the Cannes Film Festival. The Tourism Information Bureau (TIB) opened at Jaipur and 14 new Tourist Reception (TRCs) opened at ST bus stations. Websites started in 7 different languages. MOU signed with WB, TN, Rajasthan, Kerala, UP and Himachal Pradesh will further strengthen the qualitative marketing. Development of event based tourism by giving taglines according to the type of events like Kankaria Carnival, International Kite Festival, Khel Mahakumbh, Pravasi Bhartiya Diwas and so on. The Gujarat Brand Tourism Ambassador, Mr. Amitabh Bachchan's credibility is very strong because people have watched his journey through life. The main reasons of choosing Mr. Bachchan were to ensure attention, press coverage, free of cost campaign and higher degree of recall. The tagline 'Khushboo Gujarat Ki' or the 'Fragrance of Gujarat', has further opened the door of tourism for the world tourists. Mr. Bachchan has so far promoted the Kutch region, Dwarka, Somnath and Gir National Park, Ambaji, Saputara and Adalaj Step wells and as a result these places has seen an increase in tourist arrivals, including a 30% rise in foreign travelers. (said by Mr. Kamlesh Patel, Chairman of TCGL). Advertisement through TV, radio, print, travel magazines of repute and the campaign has run on channels such as CNN, Sky News etc, been presented. However, the campaigning through TV media and New Papers, are not up to the mark. I am everyday news reader and I didn't saw any newspaper who is continuously publishing about Gujarat Tourism. The other marketing strategies also adopted by GOG, such as Joint Promotion (promotion with Goa and other like tourism), Road shows & Metro train banding. There are four clear cut marketing and promotional strategies are adopted by the GOG:

- i. Allocating large sums of money on marketing and promotion of the state*
- ii. Focus on international markets like Europe, US, SE Asia, Middle East.*
- iii. Initiating focused marketing efforts directed at the media and tour operators in select markets.*
- iv. Direct interaction with the key international players like Marriot, Four seasons, Ramada, Radisson for entry in Gujarat (Trip advisors).*



Over all the effective marketing is the key to the problems of development of tourism. Marketing strategies in Gujarat are no doubt are of world class, but the effective marketing is not up to the mark. None of the marketing strategies are advertising towards the tourism product they serve. No clear cut allotment of funds for separate marketing and advertising tourism products. Marketing strategy must be framed aiming to foreign tourist groups, OIS tourists, and Local tourists and guests. Rural tourism marketing need more strong strategy because in this area the efforts are effortless. Still a long way is there to achieve the goal to attract international tourists provided that if it succeeded in infrastructure development and its maintenance.

### **9.8 HUMAN RESOURCE DEVELOPMENT**

Human Resource Development finds a central position in sustainability oriented tourism development initiative. Over the years, there has been change in the demand and supply pattern of human resources for the travel Industry, amidst the demand in favour of more educated and specialized personals. It has been the efforts towards human resource development by the Ministry of Tourism, India to put in place a system of training and professional education with necessary infrastructural support which is capable of generating manpower sufficient to meet the needs of the tourism and hospitality industry, both quantitatively and qualitatively. As of now, there are 29 Institutes of Hotel Management (IHMs), comprising 21 central IHMs and 8 state IHMs and 5 Food Craft Institute (FCIs), which have come up with the support of the Ministry. These institutes were set up as autonomous societies with specific mandate to impart or conduct hospitality education or training in reception skills. Also the training programs in the field of Hotel Management, catering and Nutrition begin with the establishment with four institutes of Hotel Management, Catering Technology and Applied Nutrition were set up at New Delhi, Mumbai, Chennai and Kolkata. In 1982 various programs were reoriented keeping in view the professional workforce requirements of the country's fast expanding accommodation and catering industry. In order to harness the resources MoT also established the National Council for Hotel Management and Catering Technology (NCHMCT) in the year 1982. The main objectives were to advise the government on coordinated development of hotel management and catering education; to implement international development in area of HRD for hospitality sector; to standardize courses and infrastructure requirements

for institute imparting education and training in hospitality management; to prescribe educational and other qualifications, experience, etc for member of staff in the affiliated institutes and organize faculty development programs & to award Certificates and Diplomas in Hospitality and Hotel Administration.

According to the policy framework of Gujarat tourism the Human resource development is one of the important chosen methodology to achieve the goal of tourism growth and providing employment. There was a increasing demand for trained personals in various departments of Hotel Management, tour and travel and Food Crafts and to fulfill that Government encourages the private sectors to set up Institute of Hotel Management and Food Crafts. Such institutes has been on priority projects and provided land at subsidized rates to the private sector and ensuring fast track clearance. The courses offered in such institutes are according to the national standards. Government is also encouraging these institutes to provide world class trainings to compete with the world tourism market. some of the world class institutions provides Bachelor and Diploma degree courses in Tourism and Hotel Management Courses, such as Asia Pacific Institute of Management (APIM), which offers Bachelor in Catering Science & HM, Bachelor in HM and Catering Technology, BBA in H & TM, Bachelor in International Hospitality Administration, Diploma in HM Course, BBA in Air Travel and Management, Major Diploma in T & Airlines Management (MTA), Diploma in Cabin Crew and Air Hostess Management and so many other foundation level courses. The other institute which provide MBA degrees are Sahyog College of Management Studies (Annamalai) & GESTO Culinary and Hospitality Academy. Like there are many institutes providing masters degree in Hospitality and Hotel Management & Travel and Tourism Management in Gujarat. However, looking to the availability of all above educational infrastructure there should be huge flow of professionals in Gujarat tourism Industry, but during the survey there was no such professionalism observed. During the survey it was observed that most the personals who are appointed are not the professionals but transferred from other official branches. They do not know even how to behave with the tourists and operators. Very short term trainings were given to them which is not enough to tackle this eve changing large size of tourist arrivals at various centers. However I also have felt negative responses from officials during my visit at different destinations especially at Dwarka. If the Gujarat tourism department would look into the matter deeply then the things could be better in terms of hospitality development.

## 9.9 **ACCOMMODATION / HOTEL INDUSTRY**

The hotel industry in India and the state of Gujarat is on boom. Since declaration of 2006 as a tourism year there is a record growth of accommodation facility at most of the tourist places in India and Gujarat. Unprecedented growth of which in turn has also resulted in tremendous growth in accommodation facilities. Comfortable hotels and accommodation facilities play a very important role in popularizing any tourist destination. Perhaps this is accommodation that provides most comfort journey to tourists from diverse economical background. at reasonable rate To make homely environment for tourists. The five star hotels can cater to the needs of affluent visitors, small and medium range hotels and lodging houses are available for use by a middle class traveler. In general the tourism accommodation play as a important tool for tourism development.

Accommodation is the largest and arguably the most important sub-sector of the tourism industry. It is large and highly diverse. Together with the transport industry, accommodation industry caters for international tourists, regional tourists and locally based tourists. Growing needs of increasing tourists impels the government to take action plan to establish new accommodation facilities by inviting private and public stakeholders to invest in that. In turn the Ministry of Tourism, India commissioned in 2002, provide one time upfront subsidy scheme at national and state level accommodation facility. To encourage the growth of budget hotel accommodation for promotion of tourism in the country, the scheme of '*Incentive to Accommodation Infrastructure*' was introduced during 10<sup>th</sup> plan to provide incentives to new approved hotel projects in 1 to 3 star and heritage basic categories in the country except the four metropolitan cities of Delhi, Mumbai, Kolkata and Chennai. The incentive in the form of 10% of the total principal loan taken from designated financial institutions or up to Rs. 25 lacs to one star, Rs. 50 lac to two star and Rs. 70 lac to three star and the heritage basic category projects, whichever is less. According to 2007 data (January) total 999.68 lacs (H & R. Division, MoT) of subsidy released and maximum break up in subsidy found in Kerala that is 60.28% availed by 40 unit, while Gujarat share only 5.49% availed by only 3 units<sup>1</sup>. Gujarat has come up with huge potential market for investment opportunity. ***Policy 2010*** came up with

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<sup>1</sup> Final Report on Evaluation of the Scheme "Incentives to Accommodation Infrastructure in India", submitted to Ministry of Tourism- Govt. of India (June 2007), prepared by Tourism Finance Corporation of India Limited, New Delhi.

supportive policies, which highlights enabling investors to avail benefits. The related benefit in accommodation industry are provision of concession in interest subsidy, VAT on natural gas, no luxury tax on rooms up to tariff of INR 500 (from INR 501 to INR 2000- 4% & above INR 2000 per room- 6%), electricity duty reduced to 25% from earlier 35% & VAT on food reduced to 4% against about 12% in most other states. These incentives and subsidies are availed only for those who provide serviced accommodation not for non-serviced accommodation like free home, second home, rented home & rented room. These incentives make investments in hotels restaurants and entertainment facilities very attractive. There are also increase in budgetary allocations to promote tourism sector i.e. increase of 35 in 2005-06 to 200 crore in 2011-12<sup>2</sup>. Looking forward for a great opportunity for global and national investors in boosting accommodation services in Gujarat, which will leads Gujarat as one of the largest competitor in tourism development. Gujarat is now home of 4 Toran Hotels, namely Hotel Girnar (Junagadh), Toran Gandhi Ashram (Ahmedabad), Toran Hill Resort (Saputara), Toran Tourist Bunglow (Dwarka), 25 heritage hotels, 91 registered hotels, and 2 homestay<sup>3</sup>. Increased tourist inflow is believed to raise room occupancy ratio in the state thereby generating more business for hotels. *"Room occupancy ratio at the star-category hotels will see sharp increase from 60 per cent at present to more than 75 per cent during festive months,"* said Somani, who is also the president of Gujarat Hotels and Restaurants Association.

The growth of accommodation service, no doubt will attract large number of tourists not only from local but also national and internationals. During the survey most of the hoteliers did not responded in favour of any tax benefit or rebate provided by government. This might be either due to non-awareness about benefits or willingly not accepting the govt. policy due to fear of lowering down their spontaneous profits. 90% of surveyed Hotels did not reveal the truth while 10% agreed upon luxury tax benefit. 50% of 2-3 star hotels strongly denied any benefit however, rather complaining about government officers asking spontaneous money during festive seasons. The only things Government must take care of the haphazard fluctuation in cost of stay at most of the important tourist locations. The private owners are charging huge cost of stay during in season or weekends, irrespective of their quality of

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<sup>2</sup> Services Sector Profile Financial Services, Tourism & IT/ITeS, Vibrant Gujarat 2013, Sector Profile, Slide-44.

<sup>3</sup> <http://www.gujarattourism.com/hotel/view/1>

services. There is no check on that and that leads to less number of night stay at the destination. Most of the tourist complaints about high cost make them to have more of leisure type of tourism, just go and come back before night. The tariff wars between hotels are on rise during in season. The policy should take care of all above mentioned issues. Overall, the future prospects of tourism development in terms of growth of service providing infrastructure is looking bright.

### **9.10 THE ROLE OF GUJARAT GOVERNMENT**

Tourism brings with its rich, seasonal injections of exposure, excitement and foreign exchange. This imports increase greatly the attractiveness of the sector, inspiring destinations around the region to invest in tourism promotion. Due to the high return from this industry creates excitement around tourism and it calls and unit people from all parts of the society. However, for all of the rich rewards of tourism there are also great risks and these risks are real, immediate, penetrating and potentially irreversible. Some of the clear cut risks are - risks to the environmental sustainability; risk to greater economic stability; risks to local culture; risk to social value systems and many others. The greater risk prevails in tourism sector if the proper systematic & proper formulations are not done. It is fundamentally believed that to enable the tourism sector to truly work for destination, clear, visionary, focused leadership of by Government is vital. The role of Government is necessary part of tourism enhancement and management.

As the Gujarat government took the control on strategic decision to embrace tourism as a key driver of social and economic growth something was very interesting starts to happen. With this decision a state make a pledge to open its doors to the world, hosting curious minds and hearts of people of all type of life on its home soil. The energy generated by tourism is as a result of a vision, an inspiring view of what the destination can become as a result of tourism. Underlying this vision must, however government embraces a clear, comprehensive plan that is, how the destination will grow and developed. The low arrivals of international tourists and huge arrivals of domestic flow in back periods, impels the state to initiate a separate department of tourism. The TCGL has been established in 1978 which was entrusted with the task to undertake and developing tourism related commercial activities. The Corporation is presently engaged in a variety of activities such as creation of lodging and boarding facilities for the tourists and other aspects of tourist facilitation arranging

cultural festivals, organizing exhibitions and producing and distributing maps, posters, brochures and pamphlets. To incentivize tourism as a sector, a number of policies and schemes have been formulated. Looking to its foreign exchange capacity building activity it declares tourism as an industry which enables to obtain benefits from tourism. The dynamic and growth oriented Government of Gujarat is determined to develop tourism as a key industry to make it an important contributor to the state's economic and social growth and to offer a right blend of business and pleasure. The methodology to achieve above aims also well formulated like active participation of private, national and international cooperate bodies to bring in their expertise and investment with supportive Govt. policies and facilitation. Government will offer the most conducive environment for the industry to grow. The detail about the each and individual target and methodology to achieve is already explained in the chapter six. Over the years, the number of tourists has increases to Gujarat substantially, largely due to the development in infrastructure undertaken by the Corporation. In fact, the efforts in promoting infrastructure the corporation won such prestigious awards such as National Tourism Awards-2005-06 for Best Kept Tourism Monument- Champaner and Excellence in Publication. A special appreciation letter to Chief Secretary from Jt. Secretary, Ministry of Tourism, Govt. of India, for "Extremely well produced literature" and "Great job done by Gujarat Tourism". It also received Best Tourism Film Award of Govt. of India during the Tourism year 2006 for the tourism field "Glimpses of Glory". It received National Tourism Award of Best Tourism Friendly Monument for Champaner-Pavagadh Archaeological Park in 2007. It received award for Best ethnic tourism pavilion in SATTE-2007 in New Delhi and also for various tourism fairs & exhibitions of excellence and tourism promotion. It also received award for Best Tourism Film for "DHOLAVIRA- A FUTURIC METROPOLIS OF THE PAST", by Ministry of Tourism, Government of India. Gujarat Received "Best Tourism Pavilion" award on 19<sup>th</sup> April, 2008 at Asia's biggest Tourism and Travel Exhibition- SATTE-2008, held at New Delhi. From above discussions I can conclude that the policy framework of Gujarat government is of no doubt of world class and if the things goes better, irrespective of hurdles then there will be no competitor of Gujarat among other states of India.