

DELHI CONFERENCE 2007

**WORLD
TRAVEL &
TOURISM
COUNCIL
INDIA INITIATIVE**



WTTC, India Initiative (WTTCII) is an organization committed to making Travel and Tourism work for the benefit of the country and society. Our task would not be possible without the backing and support of our Members all of whom have made a commitment to work together to overcome the barriers to the growth of the sector. Leading Travel and Tourism companies of international acclaim have pledged solidarity to our initiatives.

Members

P. R. S. Oberoi
Chairman
The Oberoi Group

Vivek Nair
Vice Chairman & Managing Director
Hotel Leelaventure

Vikram Madhok
Managing Director
Abercrombie & Kent

SSH Rehman
Executive Director Hotel, Travel, Tourism & Foods
ITC Limited

Sunder Advani
Chairman & Managing Director
Advani Hotels & Resorts

Nakul Anand
Divisional Chief Executive
ITC Hotels

V Thulasi Das
Chairman & Managing Director
Air India

Naresh Goyal
Chairman
Jet Airways

Ankur Bhatia
Managing Director
Amadeus India

Vijay Mallya
Chairman & CEO
Kingfisher Airlines

Harsh Neotia
Chairman
Ambuja Realty Development Ltd

Himmat Anand
COO – Inbound Division
Kuoni Destination Management

Robert Hennin
VP & Country Manager
American Express

Arjun Sharma
Managing Director
Select Holiday Resorts

Priya Paul
Chairperson
Apeejay Surrendra Park Hotel

Raymond N. Bickson
Managing Director & CEO
Taj Hotels, Resorts & Palaces

Peter Kerkar
Group CEO
Cox & Kings India Pvt Ltd

Jyotsna Suri
Chairperson & Managing Director
The Grand Group of Hotels

Rajeev Talwar
Group Executive Director
DLF Group

Nalini Gupta
President & Head – Travel Businesses
Thomas Cook India Ltd.

Maurice Flanagan
Group Managing Director, CBE
Emirates

Office Bearers

Nakul Anand
Chairperson

Rathi Vinay Jha
Secretary General

Ritu Chatrath
Executive Assistant

The **WTTC, India Initiative (WTTICII)** was launched in February 2000 to raise awareness on the crucial role of Travel and Tourism in the development and growth of the economy of India.

The India Initiative invites key players of the industry to come together with a shared vision on ways to promote the sector. Under the patronage of Mr. P.R.S. Oberoi, Mr. Krishna Kumar, Mr. Lalit Suri and with the active support of industry leaders, the India Initiative identified priorities in a Manifesto – The Tourism Imperative and India: Impact of Travel and Tourism on Jobs and the Economy.

Across the years the Council has successfully organized Retreats and Conferences to bring together all stakeholders to deliberate on issues of concern for the development of tourism in India. The Council is also engaged in an ongoing dialogue with the Government of India to outline strategies that need to be employed to leverage the real potential of the Travel and Tourism sector.

Mission

The potential of the Travel and Tourism sector can be fully realized only if a supportive regulatory framework is in place. No single aspect of travel and tourism can succeed without increasing co-operation between the Government and the private sector.

Such co-operative endeavors, within a supportive regulatory framework, are vital to the development of a sustainable Travel and Tourism industry. WTTICII aims to advance this endeavor and to work together with private and public organizations to achieve these objectives.

The Vision

Our vision of the Travel and Tourism sector is one of partnership between all stakeholders delivering consistent results that match the needs of our economy, our Governments, both state and central, and local communities with the need of business based on:

- The recognition of Travel and Tourism as a top priority;
- Balancing economic goals with the people, the culture and the environment; and
- A shared pursuit of long-term growth and prosperity.

Managing Growth

Saturday, July 21, 2007

Kamal Mahal, ITC Maurya, New Delhi

The Programme

Introduction - *Rathi Vinay Jha*, Secretary General, WTTC, India Initiative

Incredible India - incredible potential, *Nakul Anand*, Chairperson, WTTC India Initiative

Outcome of 7th Global Travel & Tourism Summit, Lisbon, *Jean-Claude Baumgarten*, President, WTTC London

Inaugural Address, *Ambika Soni*, Union Minister for Tourism and Culture

Session I: Tourism - an engine for growth

Lead Speakers:

India Tourism - a sustainable future, *Christy Fernandez*, Secretary, Ministry of Tourism

Growth- an aviation perspective, *R K Singh*, Joint Secretary, Ministry of Civil Aviation

Moderator - *Chandan Mitra*, Editor and Managing Director, The Pioneer

Session II: Challenges and way forward

Panelists:

Amitabh Kant, Principal Secretary, Industries & Commerce, Government of Kerala

Arjun Sharma, Managing Director, Le Passage to India

Himmat Anand, Chief Operating Officer, Kuoni Destination Management

Rajiv Talwar, Group Executive Director, DLF Group

Ranu Das, Chief Executive Officer, Fairwood Consultants

Moderator - *Bachi Karkaria*, Consulting Editor and Columnist, The Times of India

Concluding remarks:

Dilip Cherian, Consulting Partner, Perfect Relations

Delhi Conference 2007

With India's amazing diversity of tourism products it is hardly surprising that the subcontinent is often called the planet's most multidimensional country. India's cultural pluralism, rich traditions in arts and crafts, flora and fauna attract travelers across the world. Despite the many attractions that it offers to visitors, the Travel and Tourism sector in India still suffers from some basic constraining issues that need to be addressed if it's true potential is to be realized.

India's reputation and strength as a multi-experience destination needs to be complemented with well-developed infrastructure, creative and consistent destination management, friendly and flexible regulatory policies and skilled personnel that can take our hospitality to a completely new level. The Tourism industry is the largest service industry globally in terms of gross revenue as well as foreign exchange earnings. India needs to tackle its fundamental constraints to have a significant share in the global growth pie. The Conference organized by WTTC India Initiative (WTTTCII) focused on these issues.

The Conference titled "Managing Growth" was inaugurated by Ambika Soni, Union Minister for Tourism and Culture. Over 100 participants were present at the conference including senior government officials, members of parliament, policy makers, media heads, council members, and industry. The discussions focused on where the sector is and what more needs to be done to showcase Incredible India as the brand destination addressing the challenges and ways to move ahead.

Conference Report

According to the WTTC's latest findings, 842 million international tourist arrivals were recorded last year of which India's share was only 0.52%. This shows that while the growth



in tourism in India has been impressive, India's share in global tourist arrivals and earnings needs an upward thrust. Fundamental constraints need to be resolved for a larger global growth volume.

Rathi Vinay Jha, Secretary General, WTTC India Initiative, in her introductory speech said, "We need to learn from global best practices to make our product a truly incredible experience." The President, WTTC London, **Jean Claude Baumgarten** shared the outcome of the 7th Global Travel and Tourism Summit held in Lisbon earlier in the year.

In his presentation, **Nakul Anand**, Chairperson, WTTC, India Initiative, brought forth the key message, that with the incredible potential of our country coupled with the potential of the people of India, there is no other option but to grow. "Tourism is a creator of wealth, business opportunities and income multiplier. It is a catalyst for employment with the unique potential to create employment for different skill sets contributing to all sections of society and a preserver of the environment," he said. He pointed the absence of a world-class composite experience despite world-class products. He emphasized that, "The future belongs to India and there is a need for a definite mind shift towards tourism from an "Elitist Activity" to an "Economic Activity", touching the lives of the common man." His presentation outlined the need for the Government to elevate Travel and Tourism to a strategic national level and create an empowered forum to bring together various stakeholders to craft a unified strategy under the aegis of a body similar to The National Manufacturing Competitiveness Council. He also pointed out that the Industry must raise quality standards at all levels, actualizing the Incredible India experience. Expansion of markets in harmony with the ecology to improve yields and social value is a step to balance economics with people, culture and the



environment. In conclusion he suggested that the Government and Industry should work in tandem to remove growth impediments – infrastructure, sustainability, legislation and growing health and security concerns.

Ambika Soni, Minister for Tourism and Culture, underlined the vital aspects of how to receive, incorporate and give a complete experience to visitors. In her inaugural address, Ambika Soni highlighted how tourism in India has grown in the last few years, not only in terms of demand but also in products. Several new circuits and destinations have been developed, road and railways are being upgraded to meet the international traveler's demands, airports are undergoing major transformation and focus is also on international marketing and promotion of Incredible India as a brand destination. She strongly felt that each visitor must feel a good reason to come back to India. The Minister felt that with her team and Industry's participation and partnership, they can deliver good results. "The incredible potential of India is in different languages, customs, culture, traditions, food habits, etc. India has given birth to major religions of the world," she said. "The exponential growth in the Tourism sector is creating vast opportunities for the Industry. Creation of world-class tourism infrastructure is the key to unleashing the full potential of this sector. Viable and lasting public-private partnerships is the need of the hour," she added.

However, to position and maintain tourism development as a national priority activity, a lot more still needs to be achieved. To strengthen India's reputation as a multi-experience destination, there is an urgent need to develop our infrastructure; ensure creative and consistent destination management; introduce friendly and flexible regulatory policies; and enhance human resource training facilities in the organized as well as the unorganized



sector and bring tourism in India to a new level. She emphasized on the fact that Managing Growth is all about partnerships.

The first session, moderated by **Dr. Chandan Mitra**, Editor and Managing Director, The Pioneer, focused on tourism as an engine for growth. Speakers for the session from the Ministry of Tourism and Ministry of Civil Aviation touched upon macro issues and policies for growth in the respective sectors. They also highlighted the economic benefits of advancing this sector.

Dr. Christy Fernandez, Secretary, Ministry of Tourism, stated that the Tourism sector is poised for qualitative and quantitative growth. The Incredible India campaign has had remarkable success in marketing the destination. He called for regional cooperation, better connectivity and for the harmonization of policies for movement of tourists within the country. Dr. Fernandez reassured the participants that the Tourism Ministry was working towards giving an industry status to the Tourism sector. He emphasized that tourism is an opportunity for poverty alleviation and the benefits of tourism should reach every possible family in the country. "Government initiatives, such as, rural tourism and tourism development programs are useful. But, if we continue to adopt a 'business as usual' pattern, the growth in the Tourism sector will not sustain," he said. Dr Fernandez suggested that WTTCII India should lobby for a tourist friendly administration and governance system.

Commenting on the tremendous employment and growth opportunities, **R.K. Singh**, Joint Secretary, Ministry of Civil Aviation stressed on the steps being taken to meet the challenges in the aviation sector. He mentioned that ATF pricing was a key priority area. High taxation induces higher operating cost of the airlines in India as ATF cost in India is 35% - 40% higher as compared to 15% - 20% globally. "Regulations have to be simplified. The process



Delhi Conference 2007

is already on to bring it in sync with global best practices,” he said. Liberalizing of the investment regime, MRO facilities, ground handling, flying training institutes, etc. would be implemented in the Civil Aviation policy, which the Government is planning to announce very soon. He concluded that regional connectivity will give impetus to domestic tourism and development of hubs will change the aviation scenario in India by 2010.

Session two, a panel discussion, was moderated by **Bachi Karkaria**, Consulting Editor and Columnist, The Times of India. The discussion followed by the question and answer session was interactive and focused on the four core concern areas of infrastructure, human resource development, destination management and visitor’s experience, and legal and regulatory issues. Talking on the positioning for the future, **Amitabh Kant**, Principal Secretary, Industries and Commerce, Government of Kerala, stressed on the need for a paradigm shift in Travel and Tourism. Travel aspirations will become a basic need and Asian countries will be the future growth drivers. He mentioned that positioning has to be done with focus on demographics, the changing preferences of the Indian urban middle class, which will change the way mobile telephony, Internet applications usages and airlines and airports operate radically.

Arjun Sharma, Managing Director, Le Passage to India, pointed out the fact that tourism, which, is a significant contributor to the economy is not considered as an industry and still lacks a planned approach. The sector faces lack of adequate communication and coordination with the different departments of the Government like Urban Ministry, Land Authorities, Foreign Affairs and Taxes, etc. Internet and low cost carriers would change the business of tourism. He added that the lack of experiential engagement for the tourists may lead to India missing out its share of visitors.



Himmat Anand, Chief Operating Officer, Kuoni Destination Management, pointed out the lack of quality human resources to match tourist expectations. “There are about 40,000 people who leave the Armed Forces every year, out of which, 9000 belong to the Officer category. XLRI and MDI are running 6-8 months executive MBA courses for such officers. The industry must give consideration to this immediate talent and use these ex-service officers for various activities in the industry,” he said. The country has many institutions but the quality of education, curriculum and faculty are still not up to global standards. He said, “The Tourism industry loses people to other service sectors such as BPOs and the answer to such challenges would be to focus on the potential talent in smaller cities.”

Speaking at the occasion **Rajeev Talwar**, Group Executive Director, DLF Limited, said, “There needs to be more sensitization and the Government has to be open to financial structures as there is a huge incentive for growth.” He outlined the tremendous opportunity that lies in the MICE Tourism segment. He emphasized the private sector’s tremendous investment opportunity. The incentives for growth and product development and land policies must be unlocked to achieve the true potential of the Tourism industry in India.

Ranu Das, Chief Executive Officer, Fairwood Consultants, addressing the subject of seamless experience for tourists from arrival to departure and stressed that convenient access is most essential for greater tourist movement. To enable customer satisfaction he reiterated the need for a nodal information source where security, information, access, infrastructure, accommodation, food, shopping must be made available to the consumer in a much easier way. “The emphasis on domestic tourism has to be understood. We have a huge potential here. Infrastructure that caters to the domestic tourists also has to be kept in mind,” he said.

Growth in the Tourism sector has seen the upward curve in the last few years, but we still have miles to go. In the core focus areas there is a need to create backward and forward linkages along with cross sector synergies. Indian tourism has potential to grow at a consistent rate only when it is free of all constraints - infrastructure, financial, regulatory and human resources. The Conference deliberations were a step forward and the goal must be to work together on these ideas to realize the full economic impact of the world’s largest generator of wealth and jobs - Travel and Tourism.

WTTCII reiterates its commitment to champion the cause of tourism and continue to engage in advocacy with the Government, all stakeholders and industry to ensure that the sector receives its equitable significance in India.

We thank our sponsor:



ITC-WELCOMGROUP
Hotels, palaces and resorts



World Travel & Tourism Council, India Initiative
219, Second Floor, Naurang House
Kasturba Gandhi Marg, New Delhi 110 001
Tel: 011 23753711, Fax: 011 23753712
Website: www.wttc.org Email: executiveassistant@wtctii.org