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WHILST THE WTTC INDIA INITIATIVE HAS EVOLVED ENORMOUSLY SINCE ITS INCEPTION IN FEBRUARY 2000, OUR PRINCIPAL GOAL REMAINS UNCHANGED – TO RAISE AWARENESS OF THE CRUCIAL ROLE THAT TRAVEL & TOURISM PLAYS IN THE INDIAN ECONOMY.

The WTTC India Retreat has proved to be a successful vehicle for communicating this message and I am grateful to the participants of the first three Retreats for making this possible. There is no doubt that the success of these events is due to the commitment of the delegates who, not only agree to spend a weekend locked in debate, but also play a crucial role in unraveling what needs to change in order for Travel & Tourism to flourish in India.

Readers of this report will not be surprised to learn that our decision to hold the third Retreat in the State of Jammu & Kashmir was not one that was taken lightly. Security issues were discussed at length and a number of our guests had strong reservations.

However, I think I speak for everybody involved when I say that, once there, we were all convinced that this was an extremely apt and pertinent location for discussing the economic importance of Travel & Tourism. After all, the State of Jammu & Kashmir was formerly one of India’s most popular tourism destinations and yet currently tourists are few and far between. Mr Omar Abdullah, President of the National Congress and keynote speaker at this Retreat explained to us that everything had changed extremely rapidly. People who had previously relied on Travel & Tourism suddenly found that they had no income and handicrafts that had been sold in abundance within Jammu & Kashmir, became items for export.

This was how the people of this beautiful State came to realise the extent to which they had relied on Travel & Tourism for their livelihood.

So what better place than Srinagar for recognising the economic and job-creating importance of Travel & Tourism?

I am extremely grateful to the Chief Minister of Jammu & Kashmir, Mufti Mohammad Sayeed, who acted as the Patron of this Retreat and whose support was a source of enormous encouragement.

Moving onto the business agenda of the Retreat, I am delighted to highlight two recent steps which were the direct result of our discussions in Srinagar:
1. The decision to release a WTTC White Paper on Civil Aviation.
2. The decision to make the State of Jammu & Kashmir a WTTC Partner State.

I hope that these steps and the recommendations offered in this report demonstrate our commitment to Travel & Tourism. It is our firm belief that this industry can provide an important tool for tackling some of the economic, social and environmental challenges facing India today.
The WTTC India Initiative: The Members

The WTTC INDIA INITIATIVE IS BACKED BY TWENTY-THREE KEY PLAYERS FROM SOME OF THE MOST INFLUENTIAL TRAVEL & TOURISM COMPANIES IN THE WORLD.

In joining this Initiative each Member has made a personal commitment to work towards overcoming the barriers to tourism growth in India, irrespective of their individual business needs.

It is our belief that through coming together and speaking with one voice, we are better positioned to advance the cause of Travel & Tourism in India.

The Members of the WTTC India Initiative are:

Mr Vikram Madhok*
Abercrombie & Kent

Mr Sunder G Advani
Advani Hotels & Resorts (India) Ltd

Mr Ankur Bhatia*
Amadeus India Pvt Ltd

Mr K L Muralidhara*
American Express

Mr Harsh Neotia
Ambuja Cement Eastern Ltd

Mr Shiv Kumar Jatia
Asian Hotels Ltd

Mr K Roy Paul
Air India

Mr Lalit Suri*
The Grand Group of Hotels

Mr Maurice Flanagan*
Emirates

Mr Arjun Sharma
Select Holiday Resorts

Mr Himmat Anand
Sita World Travel

Mr Chandan Kashikar*
Six Continents Hotels

Mr R K Krishna Kumar*
The Taj Group

Mr Adi J Katgara
Travel Corporation India Pvt Ltd

Mr Ashwini Kakkar*
Thomas Cook (India) Ltd

Maharana Arvind Singh Mewar
Historic Resort Hotels Ltd

Mr Vivek Nair
Hotel Leelaventure Ltd

Mr Sunil Arora
Indian Airlines

Mr Nakul Anand
ITC Hotels

Mr Naresh Goyal
Jet Airways

Maharaja Gaj Singh of Jodhpur
Maharaja Heritage Resorts

Mr P R S Oberoi*
The Oberoi Group

Ms Priya Paul
The Park Hotels

Mr Uttam Kumar Bose
Sahara Airlines India

* Also Global Members
PROGRAMME

DAY 1 - FRIDAY, 5 SEPTEMBER 2003

12.35 Participants arrive at Srinagar Airport on Flight 9W 603
13.15 Participants check-in at InterContinental The Grand Palace, Srinagar
13.30-15.00 Buffet Lunch
   Hosted by Mr Jean-Claude Baumgarten, President, WTTC
15.00-17.30 Leisure time for Shikara ride or walk by the Dal Lake
17.30 Participants assemble for Tea in Chinar Bagh
18.00 Inaugural Session commences in Durbar Hall
   Introduction
   Mr Yogesh Chandra, Secretary General, WTTC India Initiative
   Welcome Address
   Mr Lalit Suri, Chairman & Managing Director, The Grand Group of Hotels
   Presidential Address
   Mr Jean-Claude Baumgarten, President, World Travel & Tourism Council
   Address by Chief Guest - The Chief Minister of Jammu & Kashmir
   Mufti Mohammad Sayeed
   Inaugural Address
   Dr Karan Singh, Member of Parliament
   Presentation by Department of Tourism
   Government of Jammu & Kashmir
20.30 Cocktails and Dinner
   Hosted by Mr M Y Khan, Chairman, Jammu & Kashmir Bank

DAY 2 - SATURDAY 6 SEPTEMBER 2003

07.30-09.30 Breakfast at Chinar Café
09.45-10.00 Delegates assemble in Durbar Hall
10.00-10.05 Opening Remarks on the Retreat Agenda
   Mr Yogesh Chandra, Secretary General, WTTC India Initiative
10.05-10.30 Presentation - Progress Through Partnership Amongst People
   Mr Suhel Seth, CEO, Equus Red Cell Advertising
10.30-11.00 The Impact of Tourism on the State Economies
   Mr Jairam Ramesh, Secretary, All India Congress Committee
11.00-11.30 Tourism and Jammu & Kashmir
   Mr Omar Abdullah, President, National Conference
12.00-13.30 Reflections on morning Session - Questions and Answers
   Anchored by Mr Suhel Seth, CEO, Equus Red Cell Advertising
13.30-14.30 Luncheon at Chinar Bagh
   Hosted by Mr Suhel Seth, CEO, Equus Red Cell Advertising
14.30-16.00 Break-out sessions to cover the following topics:
   1. Aviation/Taxation
   2. Marketing of tourism
   3. How tourism impacts the state economies
   4. Infrastructure (particularly roads and railways)
   5. Development of Gateways (airports, ports and marinas)
16.00-18.00 Working Group Presentations to be followed by open debate
   Anchored by Mr Suhel Seth, CEO, Equus Red Cell Advertising
18.00-18.30 Valedictory Address
   Mr N K Singh, Member, Planning Commission
18.30-18.45 Closing of Retreat
   Mr Jean-Claude Baumgarten, President, World Travel & Tourism Council
20.30 Cocktails and Theme Dinner (Black and White)
   Hosted by Mr Lalit Suri, Chairman & Managing Director, The Grand Group of Hotels
Aviation/Taxation

The principal issue of concern for this working group was the price of travel. In that respect, the group made the following recommendations:

**Aviation**

- Civil Aviation should be treated as an employment generator and used as an ‘economic activity engine’. Such an approach would enable the country to exploit the direct and indirect economic benefits of civil aviation. The cost of domestic flights should be lowered. Airlines should recognise that while, lowering fares will inevitably lead to a reduction in revenues from each traveller, this would quickly be counteracted by an increase in the number of travellers. The final result would benefit everybody – the tourist, the airline, the hotelier, the taxi driver and the guide.

- WTTC would need to convince the Ministry of Finance of the indirect economic benefits of aviation. The cost of Air Travel tax.

**Taxation**

We should appeal for a lowering of the cost of:

- Aviation Turbine Fuel; and
- landing and navigation charges.

We should also highlight the need:

- For the elimination of Inland Air Travel tax.
- To review the Route Dispersal Guidelines.

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**Aviation/Taxation**

**RECOMMENDATIONS**

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**Aviation/Taxation**

**The Working Group**

**Chairman**
Mr Saroj Datta

**Rapporteurs**
Mr Alok Sharma

**Delegates**
Mr S K Misra
Mr V Subramanian
Ms Anjana Maheshwari
Mr Sanjeev Talwar
Mr Chandan Mitra
Mr Rohit Bansal
Mr Prithviraj Chavan

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**Aviation/Taxation**

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Conclusions and Recommendations

Marketing of Tourism

The Working Group
Chairman
Mr Nakul Anand
Rapporteur
Ms Ragini Chopra
Delegates
Mr Amitabh Kant
Mrs Renuka Chowdhury
Ms Padma Kumari
Ms Tavleen Singh
Mr Karan Thapar

RECOMMENDATIONS
The working group looked at the problem of marketing in terms of both the external message and the internal challenge. They made the following comments and recommendations:

External Marketing of India
With regards to the external marketing of India, the group posed three questions:
1. How successful was the Incredible India Campaign?
2. What makes India a unique and distinctive destination?
3. How could India be distinguished from neighbouring destinations?

As a result of these discussions, they recommended that it was necessary to:
- Enhance awareness of India as a tourism destination.
- Create an India brand that strongly attracts consumers.
- Members of Parliament who had participated in the Retreats could also raise awareness both with Central Government and in their States, as well as among elected representatives and opinion makers.
- The media could address crucial economic and development issues through comments and articles.
- Awareness programmes could be created for schools, colleges and discussion fora.

However, the group felt that these goals could not realistically be reached without a huge commitment in terms of time and money. As a means of raising money they made the following suggestions:

- A special tax of 1,000 Rupees could be levied on the outbound tourist. This was likely to generate as much as 450 Crores. This fund could then be used solely for the purposes of an integrated communications strategy to build Brand India.
- The private sector could be allowed access to the Brand India Fund, currently managed by the Ministry of Commerce, and to the Special India Investment Fund, created and managed by the Ministry of Finance.

The Internal Challenge
- Once lured to India, it was important that the brand lived-up to people’s expectations.
- In order to do this, it was necessary to invest in a number of factors including infrastructure, hygiene, airports and aviation.
- Industry leaders should work together in partnership with the Governments.
- In order to gain support from the Government - both Central and State – WTTC should continue to raise awareness of the importance of Travel & Tourism as a creator of jobs and economic prosperity.
Conclusions and Recommendations

Tourism & the State Economies

The Working Group

Chairman
Maharana Arvind Singh Mewar

Rapporteur
Mr Rajeeva Swarup

Delegates
Ms Bachi Karkaria
Mr Himmat Anand
Mr Dinesh Trivedi
Begum Noor Bano
Mr D K Beri

RECOMMENDATIONS

This Working Group felt that Tourism was the only industry that boosts every State economy. They were encouraged to note that most of the State Governments were fully aware of this fact as well as of the other benefits of Travel & Tourism. Prior to making specific recommendations, they identified six ways in which Travel & Tourism benefited the States:

1. By generating employment:
   - Tourism is one of the largest generators of employment.
   - It generates jobs for every age, gender and skill level.
   - It provides opportunities for self-employment.

2. Through the ‘chain effect’:
   - Tourism is an engine for economic growth.
   - It benefits everybody, not just the person who sells the holiday. Money spent by the tourist filters down from the top and typically thirteen people will benefit. Examples include the taxi driver, the guide, the man selling the camera film or the postcards.

3. By generating revenue.

4. By encouraging sustainable development.

5. By encouraging the development of underdeveloped regions.

6. By helping to establish an image and brand for the State.

Hence, the recommendations of the group were that Travel & Tourism should:

- Be universally accepted on the Government agenda for development.
- Be made an integral part of public policy, with a comprehensive Master Plan.
- Have commensurate budgetary allocations.
- Sensitise all stakeholders.
Conclusions and Recommendations

Infrastructure

RECOMMENDATIONS

The Working Group reviewed the recommendations that had been made at the Goa Retreat in February 2003. It was found that many of these recommendations were still valid and the following assessment was made:

1. Civil Aviation
- Initiatives should be undertaken for promoting an Open Skies Policy and to encourage healthy competition in this sector.
- It was noted that airports are windows into a country, state and city. Indian airports should therefore be refurbished to global standards and provide travellers with a highly efficient service.

2. Railways
- There should be an increase in tourist trains.
- The Government should consider the possibility of allowing the private sector to operate on certain routes.
- Infrastructure should be improved.
- Entertainment and luxury services should be introduced such as catering, ayurvedic treatment and massage.
- Overseas tour operators and travel agents should have access to the railway reservation system and have global connectivity for on-line bookings.

In addition, it was necessary:
- To focus on efficiency, reliability of schedules, safety and hygiene.
- To expand facilities at stations for waiting and stranded passengers.

These recommendations were considered critical, especially bearing in mind that 1.4 Crore passengers travel on trains in India every day.

3. Roads
- Prioritise six or seven important tourist areas for intensive infrastructure development. Government/private sector investment should be concentrated in these areas until infrastructure reaches international standards.
- A percentage of the national earnings from tourism should be set aside for infrastructure improvement.

In conclusion, this Working Group reminded delegates that Mr N K Singh, Chairman of the Planning Commission, had informed the delegates of an earlier Retreat that a fund existed specifically for tourism development. This fund had been mentioned by the Prime Minister, during his Independence Day address from the Red Fort.

It was noted that the Five Year Plan for the Tourism Development Fund had an allocation of 3,000 Crores for the development and promotion of tourism. This was an opportunity to ensure that this fund was adequately spent.

4. Urban Sector
- It was felt that this sector needed to be included under Infrastructure.
- Drainage, sewage, sanitation and water were of particular concern and it was recommended that these issues should be addressed urgently.

In conclusion, this Working Group reminded delegates that Mr N K Singh, Chairman of the Planning Commission, had informed the delegates of an earlier Retreat that a fund existed specifically for tourism development. This fund had been mentioned by the Prime Minister, during his Independence Day address from the Red Fort.

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Conclusions and Recommendations

The Development of Gateways

RECOMMENDATIONS

This Working Group made the following recommendations:

- We should choose quality over quantity, and start by developing a few of the gateways to international standards, eg:
  - A category airports – Delhi and Bombay. These should be benchmarked against the best international airports such as Singapore and Hong Kong.
  - B category airports – These should be benchmarked against other international airports.
  - Hub/spoke configuration – eg at places like Jaipur, Aurangabad, etc.
  - We should develop New Delhi as the international transit hub for Asia.
  - Other alternative gateways should also be developed.

Sea
Currently all our ports are geared essentially for cargo. We need to develop port handling facilities for cruise ships,
- East – Chennai
- West – Mumbai
- South – Cochin

Road
- Roadlink to China?
- Roadlink through Pakistan?
- Asian roadlink through North East to Myanmar, Thailand and Vietnam.

Rail
- Rail-link through Pakistan?
- Asian roadlink through North East?
- General upgradation of existing key rail terminus.
- Energising rail tourism through surplus land development, special rail tourism circuits and private sector participation in railway station management.
The Group Photograph

Sitting (from left): Tahleen Singh, Chandan Mitra (MP), Karan Thapar, Suhel Seth, Meenakshi Singh, Jyotsna Suri
Kumika Chowdhury (MP), Vandana Chandra, Begum Noor Bano (MP), Mrs Ashwani Kumar, Anjana Maheshwari
Mrs V Subramanian

Sitting 2nd Row (from left): Satya Sheela Chavan, Poojita Chowdhury, Naazneen Karmali, Bachi Karkaria
N K Singh, Prithviraj Chavan (MP), V Subramanian, Dineshbhai Trivedi (MP), Ashwani Kumar (MP)
Jean-Claude Baumgarten, Lalit Suri (MP), Amitabh Kant, Ragini Chopra, Dr Sanjay Baru, Rabindra Seth

3rd Row (from left): Major S S H Rehman, Aquil Karmali, Sanj Datta, Alok Sharma, D K Beri, Nakul Anand
Ajoy Mitra, M Ashraf, Himmat Anand, Rajeeva Swarup, Satish Jacob, G S Dhar, Rohit Bansal
Marianne Thompson-Hill, Sanjeev Talwar, Yogesh Chandra
The Next Step

SECTION 3
ON 7 SEPTEMBER 2003 THE WORLD TRAVEL & TOURISM COUNCIL INDIA INITIATIVE DETERMINED THAT THE STATE OF JAMMU & KASHMIR WOULD BENEFIT FROM A PARTNERSHIP WITH WTTC. IN LINE WITH THIS DECISION, THE DECLARATION BELOW WAS SIGNED BY THE WTTC PRESIDENT, JEAN-CLAUDE BAUMGARTEN AND PRESENTED TO MUFTI MOHAMMAD SAYEED, CHIEF MINISTER OF JAMMU & KASHMIR.

The signing of the Declaration affirms that WTTC is confident that despite the current conflict in the State, Jammu & Kashmir continues to have enormous potential as a tourist attraction. It is important to recognize that a resurgence in Travel & Tourism would bring new hope for the people and the economy.

MR N K SINGH
Member
Planning Commission of India

WTTC is grateful to Mr N K Singh, Member of the Planning Commission for agreeing to give the Valedictory Address in Srinagar.

Mr Singh was not only able to offer the wisdom that comes from his experience and position in Government but also, having attended the two earlier Retreats, he was familiar with the work of WTTC and therefore able to assess its progress.

In the summing up of his address, Mr N K Singh made the following recommendations.

- The industry should aim to reposition India both externally and internally. The Ministry of Finance India Investment Fund could be used for this purpose.
- The private sector should provide the government with a study of the impact of taxation on the Travel & Tourism industry. This should include a comparison to neighbouring destinations and an analysis of the benefits of the rollbacks affected recently.
- The hotel industry should request a restructuring of the current debt in line with the benefits introduced for the textile industry.
- The Travel & Tourism industry should maximize benefits from the development of the Prime Minister’s quadrilateral roads project.
- The private sector should push for a reformed Civil Aviation Policy.
- The private sector should offer to help the Ministry of Tourism to plan how to best use their allocated resources in the coming years.
The Conclusion

THERE IS NO DOUBT THAT INDIA IS RAPIDLY BECOMING A MAJOR PLAYER IN THE TRAVEL & TOURISM INDUSTRY, BOTH AS A KEY POTENTIAL TOURISM DESTINATION FOR BUSINESS AND LEISURE TRAVELLERS, AND AS A GENERATOR OF SUBSTANTIAL NUMBERS OF TRAVELLERS TO OTHER DESTINATIONS.

At the end of our fourth year in India, WTTC remains convinced that the fastest and most effective way to move forward is to form a partnership between the private and public sectors. By working together we are in a better position to deliver consistent results that match the needs of economy, local authorities and communities with those of business. The WTTC Retreat is now established as an important forum for facilitating this as it brings together senior Members of India’s Parliament and Government, leaders from the Indian tourism industry and key media from the region.

The WTTC Retreat is recognized for promoting the cause of Travel & Tourism and the Srinagar Retreat was no exception. Held in the beautiful but troubled State of Jammu & Kashmir, it quickly became apparent that this was the perfect setting for discussing the Retreat theme – The Impact of Travel & Tourism on the State Economies.

WTTC research shows that in 2003 Travel & Tourism is expected to generate 3.7 per cent of world GDP and 67,441,000 jobs, while the broader Travel & Tourism Economy is expected to total 10.2 per cent of GDP and 194,562,000 jobs. In India alone it is predicted to generate 2.0 per cent of GDP and 11,093,100 jobs, while the broader Travel & Tourism economy is expected to total 4.8 per cent of GDP and 23,839,800 jobs.

Certainly in Srinagar the economic impact of Travel & Tourism was clear from the speech of the keynote speaker, Mr Omar Abdullah who spoke of the devastating impact of the loss of tourism on the local economy. “Once we were home to wave after wave of visitors. Tourists came not just for a few days or weeks but stayed for months on end in houseboats and cottages in Srinagar Gulmarg and Pehelgam as well as in other parts of Jammu & Kashmir. Tourism provided the entire valley with employment and income. It was like a gift from God. And then, we began taking everything for granted. And it all changed.”

It was this sentiment and the on-ground realities facing the State which encouraged us to invite Jammu & Kashmir as the fourth WTTC Partner State. The signing of the Srinagar Declaration demonstrates the commitment of WTTC India to helping the people of Jammu & Kashmir to reposition their region as a tourist attraction.

The next WTTC India Retreat will be held in Kolkata from 13-15 February 2004 and will focus on the issue of regional tourism. We are delighted to announce that the Kolkata Retreat will be hosted by Mr Nakul Anand, Managing Director, ITC Hotels at the ITC Sonar Bangla, Kolkata. We are confident that this next Retreat will give us the opportunity to further our discussions and to tackle some of the outstanding issues that continue to form barriers to tourism development.