

## **Minutes of the Workshop "Tourism-The Driving Force of State Economy" held on 17th July 2011 at Swosti Premium Ltd, Bhubaneswar**

In order to boost State Economy through Tourism, Hotel and Restaurant Association of Orissa organized a State Level Workshop on "Tourism-The Driving Force of State Economy" in association with Orissa Tourism. The event was inaugurated by Sri Pyari Mohan Mohapatra, Member of Parliament (Rajya Sabha) and graced by Sri Prafulla Samal, Minister of Tourism & Culture, Sri Debi Prasad Mishra, Minister of Forest & Environment and Sri Maheswar Mohanty, Minister of Panchayatiraj.

The workshop started with the opening remarks by noted Sr. Journalist of 'Economic Times' Sri Nageshwar Patnaik who conducted the proceedings of the workshop. Sri Patnaik said that the culture of a country or a state is identified and shaped by its tourism potential. But surprisingly it is the most neglected sector characterized by lack of decisiveness, apathy and improper allocation of priorities. At the outset lauding the efforts by HRAO, Sri Patnaik signaled rich dissemination of opinions and ideas in the consultation workshop and said the encouraging presence of Hon'ble MP and Hon'ble ministers having prominent portfolios like Panchayatiraj, Forest & Environment and Tourism & Culture will result in substantial value addition in the process of evolving a sound tourism policy favoring the measure stakeholders while driving primary growth factors related to the industry.

### **Introduction of Guests by Sri A. Talukdar**

The workshop got an auspicious beginning with lighting of the lamp of wisdom by the eminent dignitaries of the workshop. Introduction of Guests was rendered by Sri A. Talukdar, Vice President of 'The Crown'. Sri Talukdar depicted that the presence of Sri Pyarimohan Mohapatra who adorns the position of a Hon'ble Member of the Parliament's Standing Committee on Transportation, Tourism & Culture and Sri Debi Prasad Mishra, Hon'ble Minister who added immense value to tourism department by his incessant thrust on quality parameters are quite inspiring. He also recounted that Sri Mishra during his tenure was quite close to the stakeholders, as he knew all major actors in the sector by name. Introducing Sri Maheswar Mohanty and Sri Prafulla Samal, Hon'ble Ministers as potential facilitators in the state's growth process Sri Talukdar voiced for the expectation of the members of HRAO towards an enriching and participatory workshop.

### **The Theme**

The deliberation on the theme 'Tourism-The Driving Force of State Economy' started with a well-framed video on high potential of Indian Tourism sector by PATA India. The video highlighted the major achievements of the tourism sector in carving out 24 million Jobs while maintaining the livelihood of around 17 million people. It was also highlighted that 11.1% of worldwide employment was generated alone by the tourism sector. The focus of the video was that tourism in India has been a vehicle of restoration and conservation, installing national pride and promoting the nature and simultaneously paving path for numerous employment opportunities. The key message in the video was to expand connectivity through widely liberalizing Indian Skies and creating hubs in major tourist destinations.

### **Presentation by Sri JK Mohanty, Chairman, HRAO**

Delivery the inaugural speech, Sri JK Mohanty, Chairman, HRAO expressed his sincere thanks to the dignitaries to grace the event and urged that today while Foreign tourists inflow to Orissa has remain stagnant at 40,000 level Andhra Pradesh, our neighbouring state attracted 3,23,000 International Tourist & 155 lakh domestic tourists during the year 2010.

Projecting a comparative figure of Foreign Tourist arrivals and Foreign Exchange earnings in India he said that according to information released by Ministry of Tourism Govt. of India, The Foreign Tourists Arrivals during the month of March 2011 was 5.07 lakh as compared to Foreign Tourist Arrivals of 4.72 lakh and 4.42 lakh, during the month of March 2010 and March 2009 respectively. There has been a growth of 7.47% in March 2011 as compared to a growth of 6.7% registered in March 2010.

Foreign Tourist Arrivals during the period January-March 2011 were 17.37 lakh with a growth of 11.1% as compared to the Foreign Tourist Arrivals of 15.63 lakh with a growth of 10.6% during January-March 2010.

Foreign Exchange Earnings during the month of March 2011 were Rs.5522 crore as compared to Rs.5507 crore and Rs.4437 crore in March 2010 and March 2009 respectively. The growth rate in Foreign Exchange Earnings in Rupee terms in March 2011 over March 2010 was 0.3% as compared to 24.1% in March 2010. The lower growth rate in Foreign Exchange Earnings in March 2011 over March 2010 was due to high base and quite high growth rate (24.1%) in March 2010. Foreign Exchange Earnings from tourism in rupee terms during January-March 2011 were Rs.18952 crore with a growth of 6.8% as compared to the Foreign Exchange Earnings of Rs.17746 crore with a growth of 30.7% during January-March 2010. Foreign Exchange Earnings in USD terms during the month of March 2011 were Rs.1227 million as compared to Foreign Exchange Earnings of USD 1209 million during the month of March 2010 and USD 867 million in March 2009. The growth rate in Foreign Exchange Earnings in USD terms in March 2011 was 1.5% as compared to the growth of 39.4% in March 2010. Foreign Exchange Earnings from tourism in terms of USD during January-March 2011 were USD4184 million with a growth of 8.4% as compared to USD3858 million with a growth of 41.3% during January-March 2010. The lower growth rate in Foreign Exchange Earnings in March 2011 was due to high base and quite high growth rate (39.4%) in March 2010. These figures have been derived from the Travel Gazette India Magazine (May 2011 issue) through the Ministry of Tourism Govt. of India.

He pointed out few things for which foreign exchange earnings from Tourism has become a remote dream in Orissa :

- # Lack of proper infrastructure in important tourist places of the State, luxury coaches, houseboats, lack of promotion in Eco Tourism, Adventure Tourism, Heritage, Wildlife tourism etc.
- # Lack of a Tourism Policy in the State and there are no plans or targets for achieving anything at any level.
- # Due to non-availability of land in important tourist places, the HRAO had suggested for provision of a land bank to the Tourism Department but again this requires a coordinated effort between the revenue and land department which has also not happen.
- # Lack of international airport while Kerala has 4 international airports today Orissa is yet to have one.
- # Puri being the centre of attraction as a major tourist destination of the State has not been able to attract high end tourists as the beach condition has always been pathetic. The Municipality always claiming shortage of funds and no other department has been given the responsibility of keeping Puri safe and clean.
- # Honble Chief Minister's dream project Samuka Project which Hon'ble Chief Minister had announced in the year 2001 is yet to take shape inspite of all good intentions, the files are being processed since last 10 years.
- # Condition of the beach at Gopalpur is also pathetic and tourists who used to visit gopalpur are finding Vizag Beach much more attractive with world class hotels.
- # Eco & Forest Tourism – In spite of Orissa having a large potential for Eco Tourism in places like Satkosia Gorge, Koraput, Satapada, Chilika, Phulbani, Debrigarh, Tikarpara etc, we have not been able to tap the Eco Tourism Segment.

Sri Mohanty urged that, out of 1,50,000 hotel rooms approved by the Ministry of Tourism, Orissa has less than 1000 rooms under approved category. As the Govt. of India has now planned to give approval to additional 2,00,000 hotel rooms under star category, it is time for the Oriyas to improve the brand image of our State in the field of tourism by adding more world class hotels.

Expressing his thanks to present Government for pushing the brand image of the State by attracting huge investments in the field of steel and power sector, but tourism is one area where we can attract double that investment. At a recent presentation made to the Prime Minister by Mr. Subodh Kant Sahay, Union Minister of Tourism, Govt. of India, for an investment of every 10.00 lakhs, manufacturing industries employ 18 people, agriculture 45 people but tourism gives employment to 78 people.

According to the information of the Ministry of Tourism Govt. of India in the 12th Five Year Plan plans to provide 25.9 million jobs in the tourism sector, which will result in foreign exchange earning worth 15.7 billion dollars. The Ministry is also planning to double its tourist traffic from the current 0.5% to 1% in the 12th Five Year Plan. Realising the importance of this high labour intensive industry, the Ministry of Tourism has demanded infrastructure status for the tourism sector where hoteliers can get huge loans from banks at low rate of interest. While the outlay required for the strategy in the 12th Five Year plan is 9450 crores from the Government private investment is expected to be around 28,000 crores. The Ministry of Tourism has identified 35 destinations to be developed and 20 tourism parks across the country. An approach will be made to carryout the activity within the gambit of the PPP model and we want Orissa to take advantage of the proposed plans of the ministry of Tourism.

It is also an eye-opener that while India receives 600 million foreign tourists, 650 million Indian tourists visit foreign countries. On an average, Indians spent Rs.6,722 while travelling overseas, compared to Rs.4,136 while travelling within their country in the year 2010. Indians ranks 6th among the top high spenders in the world.

Nationality	Average price paid per room when travelling within own country HOME	Average price paid per room when travelling abroad AWAY
USA	5,221	7,309
Russia	7,507	7,302
Japan	6,861	7,093
China	6,174	6,764
Australia	6,386	6,754
<b>INDIA</b>	<b>4,136</b>	<b>6,722</b>
UK	5,885	6,721
Ireland	4,919	6,620
New Zealand	3,854	6,149
France	4,916	6,144
Germany	5,218	6,051
Singapore	8,252	6,005
South Africa	6,458	3,983

(Source – Travel Gazette India – May 2011 issue)

Sri Mohanty said that, it only shows that Indians have a lot of surplus money to visit foreign countries. If we can develop infrastructure and our tourism potential of international standard we too can tap this huge bulk of Indian travelers going abroad. Countries like Sri Lanka, Turkey, Great Britain, Thailand, Singapore, and Australia are already claiming that their highest tourist arrivals are from India and still growing. Most of these countries have already opened sales office in India and have started marketing their countries aggressively in India. If India can contain half of the 650 million people travelling abroad our present capacity will have to be doubled. According to a release from from the Ministry of Tourism, Govt. of India, India would develop river and sea borne luxury cruise lines along the 7,000 km coast line of India. **Orissa having a 480 km long coastline should take advantage of the new policy of the government of India.**

The Ministry of Tourism is also focusing on Rural, Agri and Eco friendly tourism. Orissa has plenty of opportunities in this field. This is the only **Pollution Free Industry that can give maximum employment to the people of our State**. Today our earnings from tourism is very low compared to states like Delhi, Jaipur, Agra, Kerala, Tamilnadu, Andhra Pradesh etc because of poor inventory of accommodation. While Jaipur city alone has 22000 approved star category rooms, Goa having 42000 rooms, Kerala more than 25000 rooms in approved category, huge number of projects are now under construction in various states, the lowest being in Orissa.

Figures of 2009			
SI No	Star Category	No. of Projects	Total No. of Rooms
1	ANDAMAN & NICOBAR	4	159
2	ANDHRA PRADESH	58	4985
3	ASSAM	7	320
4	CHANDIGARH	3	359
5	DAMAN & DIU	1	175
6	DELHI	30	2489
7	GOA	16	1526
8	GUJARAT	28	2033
9	HARYANA	46	4376
10	HIMACHAL PRADESH	14	878
11	JAMMU & KASHMIR	3	194
12	JHARKHAND	1	102
13	KARNATAKA	20	1504
14	RAJASTHAN	48	2915
15	SIKKIM	1	54
16	TAMIL NADU	58	5272
17	UTTAR PRADESH	23	2056
18	UTTARANCHAL	17	880
19	WEST BENGAL	71	6401
20	KERALA	254	8967
21	MADHYA PRADESH	12	649
22	MAHARASHTRA	175	22303
23	ORISSA	3	158
24	PONDICHERRY	12	514
25	PUNJAB	14	830

He said 'it has been found that when an Oriya student studies abroad or an Oriya works abroad they are regarded as the best. Why cannot we do the same inside our State. We have already proved that we have been able to attract the highest investments in steel, mining and power sector we can do the same in the tourism sector if the government turns its attention to the importance of this sector. Since there are important decision makers here, I am sure they can suggest ways in which the tourism industry can turn around and Orissa can be the leader in the field of tourism with its rich natural resources in beaches, temples, wild-life, forests, dances, architecture, rivers etc'.

#### **HRAO's Proposal to the Government**

# To be able to compete with our neighbouring states, the HRAO has already submitted a proposal to the State government that by the year 2014 we need additional 4000 rooms in the 3 star category and 2000 rooms in the five star category. This would need an investment of around Rs.3000 crores. The additional 5,000 rooms can generate income of 3000 crores in the 3 star category and 2000 crores in the five star category. Apart from this the addition 5000 rooms would give direct and indirect employment to 1,50,000 people which no other pollution free industry can give. The rooms must be spread out across the state as our state is filled with flora and fauna in all the districts. Unless we put the product in place first, we cannot sell Orissa aggressively.

To produce 150,000 trained work force, we need to open up a large number of Hotel Management Institutes throughout the State. We should not concentrate only in the golden triangle of Puri-Konark & Bhubaneswar.

# As we find there is shortage of senior level officials in the department of tourism, we propose under the Principal Secretary of Tourism, there should be a Director Tourism in charge of administrative affairs and a separate post of Director be created towards promotion and campaigning to develop in-bound tourism with a target. Unless a target is given, nobody will deliver.

- # **Orissa Travel Mart:** Orissa Travel Mart should be started as an annual event to bring in tour operators, travel writers etc., to see Orissa and sell Orissa.
- # **Land Bank:** We also once again propose that the State Tourism Department should create a land bank in discussion with the Revenue Department and allot land in important tourist places to prospective entrepreneurs with good track record. Huge acres of land are being given to entrepreneurs putting up projects in steel, power, education sector, but unfortunately, tourism sector has not been taken seriously by the government, although the industrial policy says tourism is a priority sector.
- # **Master Plan for Tourism Development:** We request Hon'ble Minister for Tourism to take experts to formulate a 10 year road map and give clarity in the intentions of state government for promoting Orissa. He concluded his speech by saying that time has come for the industry and the government to join hands and aggressively work in close cooperation for development of Orissa Tourism.

#### **Address by Sri Benjamin Simon, President, TAAO**

The keynote presentation on 'Tourism' was followed by presentation on 'Travel Trend' by senior members of the Tour Operators' fraternity. Initiating the deliberation Mr. Benjamin Simon reacted to the large-scale indifference towards Orissa prevailing in the tourism mainstream. He started with expressing displeasure over the promotional video prepared by Pacific Asia Travel Association (PATA) that has significantly undermined the tourism potential of Orissa, Mr. Simon said that while sizable amount of time has been spent in narrating the tourism prominence of Kerala & Rajasthan, Orissa has been overlooked as only a shadow image of Odissi Dance for a negligible duration has been projected to depict the tourism potential of an endowed state like Orissa. He stressed that tourism is the future of Orissa as this is the only sector that promises unbounded worldwide employment. He stated that there is a dire need of showcasing the state of Orissa in the Asian & Global panorama. He emphasized on the growing importance being attached to 'Religious- Heritage & Cultural Tourism and insisted that it's high time to initiate the direct Baranasi-Bhubaneswar flight and coordinate for regular train connectivity in the aforesaid route to channelize the foreign tourists to Orissa on a large scale. Comparing Kathmandu with more potential cultural destinations of Orissa, Mr. Simon expressed his discontentment for inherent bottlenecks hindering the pace of our tourism. Because of our inability to unfurl the sail and catch the wind of progress, states like Jharkhand, Chhatisgarh and Uttarakhand are marching ahead while we still lag behind. Reaffirming his faith in functional and symbolic brand building of Orissa Mr. Simon reiterated that unless we become a 'Brand' how we can create a market for us to sell the facets of tourism. He concluded with urging the government to harness the tourism potential of unexplored places like Satkosia and likewise. Along with basic connectivity he called for combined efforts in raising basic amenities like 'Public Toilet' and 'Eateries' in the connecting highways and routes adjacent to popular tourist destinations. He also highlighted on the emerging needs of cultural platforms in the religious destinations to showcase the socio cultural heritage of various parts of Orissa.

#### **Address by Sri Srikant Mishra**

Participating in the deliberation and dissemination process in the workshop, Mr. Shrikanta Mishra said that so far we have not been able to project Orissa as a 'Brand' in the Travel & Tourism sector. This has largely been due to lack of projecting the tribal inhabited destinations as the potential pockets for developing 'Eco-Tourism', 'Tribal Tourism' and 'Wildlife Tourism'. Harping upon the Foreign Tourists' mindset that has been generally allergic to presence of extremism and Maoist elements, Shri Mishra said several campaigns need to be made for making a paradigm shift both in tourist destinations and attitudinal aspects.

#### **Address by Sri Jasbir Singh Hura, EC Member, HRAO**

Shri Jasbir Singh Hura opined that instead of only highlighting the stipulated few tourist destinations in the golden triangle, we must look beyond and explore the unexplored and underutilized places of tourism significance. He gave examples of 'Hirakud Dam' and 'Sital Sashthi Festival' of Sambalpur and said because of our lacking in proper projection, such potential places and events are not getting the attention they deserve. He commented that ironically BBSR-Sambalpur Intercity Express carries promotional stickers of Jharkhand Tourism but nowhere have we found any campaign of Orissa Tourism.

## **Deliberations - Open House Discussion**

### **Sri K.P. Krishnan, Hotel Vijaya, Cuttack**

Mr. K.P.Krishnan, MD, Hotel Vijaya, Cuttack suggested that destinations of historic significance like Netaji's birth-place & Barabati fort in Cuttack need to be relooked at by administrative agencies and civil society organizations for being transformed as widely sought after tourist places.

**Sri Girish Swain, Asst. Professor of ASBM** opined that tourism can never be regarded as a government's responsibility only as it's ideally the combined moral commitment of the society, corporate and the intelligentsia.

### **Sri Gagan Sarangi, Secretary, Orissa Tour Operator's Association**

Shri Gagan Sarangi, Secretary of Orissa Tour Operator's Association thrust upon a shift from generic focus of tourism to sectoral focus like 'Eco Tourism', 'Tribal Tourism' or 'Wildlife Tourism'. He urged upon proper coordination of various line agencies of government to augment efforts in this regard.

### **Sri Timir Patnaik, Nabagunjara Travels**

Shri Timir Patnaik from Naba Gunjara Travels put forward the idea that the Secretary or Principal Secretary should continue for a longer tenure at a stretch to actualize the envisioned change within a stipulated time frame. He also urged for an early release of Tourism Policy.

### **Sri V. Santosh Kumar, Jt. Secretary, HRAO**

Concluding the open house discussion, Shri V. Santosh Kumar from HRAO suggested that revamping of Govt. norms like allowing entry of Tourist buses in the day time up to Lord Jagannath's temple and proper projection of places like Similipal and Bhitarkanika will create a market for Orissa Tourism.

### **Address by Sri Debiprasad Mishra, Hon'ble Minister, Forest & Environment**

Participating in the discussion and highlighting the potential of Orissa's tourism sector, Hon'ble Minister for Forest & Environment Shri Debi Prasad Mishra started his speech with thrust on connectivity. He said along with two major airport infrastructures at Bhubaneswar and Jharsuguda those have potential for running full fledged as international Airports, the 17 well-situated Airstrips including Mayurbhanj and Keonjhar those can be converted in to Tourist friendly international civil aviation hubs. He also agreed with the suggestion of creating a Land Bank to promote enterprising Hoteliers. Shri Mishra informed the members that India's premier natural Biological Park 'Nandan Kanan' will soon be added with innovative 'Night Safari' and 'Deer Safari' projects to attract Tourists. Such steps need to be supported through Public Private Partnership mode in augmenting connectivity and infrastructural base. He said that Govt. is serious about development of Eco Tourism & Wildlife Tourism for which plans are there creation of Eco development board. He also requested hoteliers and tour operators project their problems while taking tourists to Bhitarkanika and Similipal etc.

### **Address by Sri Maheswar Mohanty, Hon'ble Minister, Panchayatiraj**

Hon'ble Minister for Panchayatiraj, Shri Maheswar Mohanty said that Orissa has tremendous potential those need to be promoted properly to boost the economic prospective of travel and tourism sectors. For this purpose he pressed upon to identify marketability of products. He fully supported the ten year 'Road Map' for evolving a robust tourism policy along with scope for interim and mid term evaluation in every three years or regular intervals as deemed suitable looking at the need of the hour.

The Hon'ble Minister also gave an innovative proposal to facilitate joint efforts and coordination among Tourism and Works Department for preserving the cultural legacy and heritage sites belonging to the state. He concluded his speech by focusing on accelerated awareness drives to promote sensitivity towards a tourist friendly culture in Orissa.

### **Address by Prafulla Samal, Hon'ble Minister, Tourism & Culture**

Hon'ble Minister for Tourism & Culture Shri Prafulla Samal started his speech with imposing faith in the leadership ability of Shri Pyarimohan Mohapatra in guiding the State Tourism Policy as an esteemed Member in the Parliament's Standing Committee for Transportation, Tourism & Culture. Hammering on the deep cultural artifacts in Orissa symbolizing 'tourist friendly attitude' Shri Samal said that the time has come to stage a deep rooted cultural transformation to trace back our great heritage and tradition of excellence in hospitality.

Giving a comparative analysis of various productive sectors, the Hon'ble Minister pointed out that although sectors like agriculture and manufacturing are important, the prevalent competition warrants prioritization of tourism as a primary driver of social and economical growth. Agreeing to the needs projected by HRAO the Minister agreed that Orissa needs at least 5000 rooms in hospitality sector in the immediate future. Shri Samal concluded with reiterating his department's success in identifying 320 successful tourist destinations those will be coming to limelight in near future. He concluded his speech by giving thanks to HRAO Chairman & Members for organizing this kind of workshop.

**Address by Sri Pyarimohan Mohapatra, Hon'ble MP, Rajya Sabha**

The highlight of the workshop was the thought provoking address by Shri Pyarimohan Mohapatra, Hon'ble Member of Parliament (Rajya Sabha) and Esteemed Member of Parliament's Standing Committee on Transportation, Tourism and Culture, who started with the historical analysis of Tourism Department in Orissa. Before 1973 there was no directorate for tourism as it was placed under Home Department along with I & PR Deptt. So when there was no specific Tribal Development Agency in Orissa catering to the need of impoverished communities, Tourism started as a different department encompassing the tribal pockets to invite flow of foreign exchange in to our country. He cautioned that while chalking out the new projects concerning tribals like 'Eco Tourism' and 'Tribal Tourism' appropriate measures should be taken to upgrade their quality of life as Tourism can't develop at the cost of tribals.

In the process of his deliberation, Shri Mohapatra pointed out that a highly ambitious project in the golden triangle zone, initiated by Mrs. Gandhi in 1984 could not be implemented due to narrow political bigotry, nepotism and lack of foresight. That project if ever completed would have generated 5 lacs employment opportunities across the state. He appreciated the views shared by Mr. Jasbir Singh Hura for development of Western Orissa Tourism and also the suggestions from Mr. Benjamin Simon. He said that Government is working on development of Tourism Infrastructure at Cuttack. He suggested that more importance to be given for Budget Hotels & Domestic Tourists.

As a Member of the Parliament's Standing Committee on Transportation, Tourism and Culture, he consented to take up expansion of highways and modernization of the Airport for upgrading to world class Airport. He said that State Government is considering to give concession on ATF to attract other Airlines to operate from Bhubaneswar and efforts are on to upgrade Jharsuguda & Jeypore airstrip. Till the period it has been declared as an International Airport it should be functioning as a hub, he suggested. He also assured that the Secretary and Director of Tourism will be chosen to perform on a sustained tenure of preferably 3 years. He emphasized on formation of core group taking representatives from tourism industry and conducting meeting at regular interval in department of Tourism for development of Tourism in the state.

In his summing up address Shri Nageshwar Patnaik expected that proper coordination and appropriate allocation of priorities would be the characteristic contribution of the taskforce that will be formed comprising of eminent subject and management experts. He also proactively suggested that the experts committee will be guiding the 10 years long-range strategic plan by their longstanding experience and thoughtful contribution.

The Workshop among others was attended by Director Tourism, Collector Khurda, Commissioner CMC, Secretary PKDA, GM OSFC, Govt. Officials, Principals of Hotel & Tourism Management Institutions. Members of Hotel & Restaurant Association of Orissa, Tour Operators and Print & Electronic Media. It ended with a formal vote of thanks proposed by Srinibash Subudhi, Vice Chairman, HRAO. Dignitaries and delegates were treated with luncheon hosted by the organizers.

**N.B. : Memorandum received from Hotel Association of Puri and Ganjam District Hotel Association was presented to Sri Prafulla Samal, Minister, Tourism & Culture.**



Secretary General, HRAO