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*India races to catch up in the international
tourism industry*

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Foreign guests and Indians with a growing taste for travel

India's tourism, aided not least by the country's sustained economic upsurge, is continuing to signal double-digit growth rates. In 2006 the Golden Triangle with the Taj Mahal, the beaches of Goa, the Backwaters of Kerala, the temples of Mahabalipuram and the sub-continent's other attractions lured more visitors than ever before. What is making fewer headlines, although many other countries are feeling the benefit, is that the Indians are themselves travelling increasingly and spending more and more abroad. Many people may be surprised to learn that already in 2005 roughly the same number of Indians visited Germany, world champion travellers, as Germans did the sub-continent – a good 130,000 people.

After hefty growth rates last year, the signs for inbound and outbound tourism point to continued growth in 2007. India's international economic importance and importance for tourism is continuing to increase substantially, Bernhard Steiner, Director General of the Indo-German Chamber of Commerce, told the India Forum at the ITB conference in 2006. And the same applies today, said Steiner a few days before the start of ITB Berlin 2007, at which India is one of the partner countries. "The country is one of the world's most interesting boom regions."

A growing economy and flourishing tourism: 4.4 million guests

India's economy is growing year on year at between eight to ten per cent, and foreign investments are rising. In 2006 foreign trade with Germany reached 10 billion euro for the first time, according to the Chamber of Commerce in Mumbai, formerly Bombay. Steiner lists India's advantages: a very well educated middle class and many ambitious young people, particularly in the high-tech sector. These are now represented throughout the world in high positions. "Without the Indians" says the economics expert, "Silicon Valley would have to close down."

When the economy is booming, tourism also grows, says Ashok Kumar Mishra, Secretary at the Ministry of Tourism in India. But he believes that the country's advertising campaigns, too, are playing their part, as are many public and private initiatives. According to a forecast by the World Travel and Tourism Council (WTTC), over the next 10 years India will be among the fastest growing countries in the world, with an annual growth rate of 8.6 per cent. "Our current growth rates in tourism exceed this", says Mishra. Tourism, in the Ministry's view, has also benefited particularly from the liberalization of aviation and easing of regulations on foreign investment. In 2006 4.4 million guests from around the world visited the sub-continent, an increase of 13 per cent, according to the World Tourism Organization (UNWTO). And Giriraj Singh Kushwaha, Europe Director of Indiatourism in Frankfurt, reported that the number of guests arriving from Germany last year climbed from 130,000 to an estimated 140,000, and he is optimistic that this upward trend will continue in 2007.

Successful rivals are waiting as India makes its way up

Whatever the jubilation at this growth in tourism, one of the reasons why tourism is booming now is the country's failure in the past to advertise its attractions abroad. For a long time the tourism industry was like Sleeping Beauty, waiting to

awaken from a long sleep. The focus was on developing the agricultural sector and industry. Holidaymakers who visited Maharashtra, Kerala, Tamil Nadu and Orissa 20 years ago, for example, could scarcely believe how few other foreign guests they encountered in this fascinating country.

India's tourism figures have not yet put it among the leaders in Asia. The competition is not lying dormant and a number of rivals are already enjoying great success. India is currently recording only about a third of the number of foreign visitors that Thailand is receiving and has fewer visitors than South Korea (Republic of Korea). Differentials in value added and income between India and the Republic of China or Japan continue to be very large. According to UNWTO, the People's Republic of China leads the field in Asia with just under 50 million arrivals in 2006.

International recognition for "Incredible India" campaign

According to the World Tourism Barometer published by UNWTO in Madrid in February, India's "Incredible India" campaign has contributed to the steady rise in the country's profile and has had a very positive effect on stimulating demand. It lists further reasons for success as generally improved tourism products, the expansion of aviation and the many new low cost carriers. According to UNWTO, spending by tourists in India rose from 6,170 billion US dollars in 2004 to 7,478 billion UN dollars in 2005. There was a 19 per cent increase up to September 2006.

Expansion of hotel and airport capacity

High growth rates alone are not everything. India's tourism minister, Ambika Soni, is anxious to avoid frantic growth to ensure that the infrastructure including the transport system and hotels can keep pace with demand. Kerala is a case in point. The efforts of the regional tourism authority to showcase the state on the Arabian Sea around the world as a must-see destination have been and continue to be very successful. But initially the number of guests grew faster than the number of hotel rooms. In some places there were not enough rooms to cope with demand. Two years ago the regional press reported that marketing successes could create problematic situations. Currently the number of midrange and luxury class hotel rooms in Kerala is increasing by 15 per cent a year, according to Jose Dominic, President of the Kerala Travel Mart (KTM) Society. Anyone landing at Trivandrum International Airport a few months ago could see that the airport was operating at the limits of its capacity. In general expansion of hotels, roads and airports is progressing. Airport privatization is to be speeded up.

Training for taxi drivers and travel guides

According to the motto of its campaign, which in Sanskrit reads "Atithi Devo Bhava" – "Guest is God", the tourism ministry in New Delhi wants workers in the sector to treat customers better than kings. Over 26,000 taxi drivers, travel guides and restaurant managers are being specially trained in hospitality, attentiveness and service, with the first phase of the training being staged in cities such as New Delhi, Mumbai, Jaipur and Goa. Over six per cent of India's workforce now works in the tourism industry. The government is also supporting the creation of jobs in rural tourism through local crafts, traditional folklore and culture. It is hoped that

by 2010 a total of 25 million new jobs will have been created in tourism, according to a report by the eTurboNews media service in New Delhi.

The Indians are coming – growing outbound tourism

India is one of the fastest growing outbound travel markets in the world. In 2005 some 7.2 million Indians travelled abroad. By 2004 the figure had risen to 6.2 million, according to the Pacific Asia Travel Association (PATA). This puts India in fourth position in terms of foreign travel behind Japan, China and South Korea. With a population of over 1.1 billion people and GDP growth of over eight per cent per year, India, as Nancy Cockerell, The Travel Business Partnership's Editorial Director, told a PATA workshop in Hongkong in September 2006, offers enormous potential for future growth of outbound travel. By as early as 2008 it is likely that Indians will be spending more than four billion US dollars on foreign travel. The country's middle classes number an estimated 300 million. And, said Cockerell, these people are beginning to demand higher quality when they travel.

Steinrücke, director of the Chamber of Commerce, says: "For Germany, too, the country is becoming an increasingly important source market." The German hotel and tourism industry must, he says, prepare for this. He reports that India's outbound tourism to Germany has risen exceptionally steeply. According to figures from DZT, the German National Tourist Board, some 131,000 Indians made business trips to or visited friends and family in Germany in 2005, making Germany the second most important market in Europe after Great Britain (272,000 arrivals). DZT figures indicate that they stayed an average of 11 nights and spent 121 euro per day.

Air travel: tough competition – declining prices – breakneck growth

The Indian air travel market is defined by growing competition and more low cost carriers as well as mergers of airlines. At the same time international airlines are considerably expanding their routes. The national carriers, Air India and Indian Airlines, which are to merge, offer lower prices, for example, to Great Britain and Thailand. In each case it is the customer who benefits. Airports, airlines and fleets have been considerably enlarged and modernized, Robert J. Aaronson, Director General of the Airports Council International (ACI), told "Aerodrome India" in New Delhi last December. The fleet of the Indian airlines, he reported, currently numbers 270 aircraft; 480 are to be delivered and brought into service within the next seven years. Aaronson also quoted an example of this breakneck growth: in August 2004 there were 34 non-stop services between India and Great Britain each week. Two years later, in August 2006, the figure had risen to 121.

Lufthansa's services to India have almost tripled in seven years

Air traffic between Germany and India is also experiencing tremendous growth. The number of Lufthansa flights almost tripled between 2000 and 2007. Spokesman Boris Ogursky says: "Lufthansa now has 45 non-stop flights from Frankfurt and Munich to India a week, more flights between Europe and India than

any other carrier". Since December the German airline flies to six destinations: Mumbai, Delhi, Hyderabad, Bangalore, Chennai (formerly Madras) and Kolkata (formerly Calcutta). "Lufthansa has plans for further expansion in India", says Ogursky. "The market has a lot of potential. Since 2004 Lufthansa and Air India have offered customers 402 flights a week under a codeshare arrangement." Lufthansa, he reports, regard the merger of Air India and Indian Airlines very positively since it will strengthen their position in the Indian market. Sri Lankan Airlines, too, is looking to increase its services to its bigger neighbour in the course of the year to over 100 flights a week, according to Nicky Samarasinghe, Director of Sri Lankan Airlines for Germany and Italy. The airline currently serves 10 destinations in India. It hopes that new destinations in the schedule such as Goa in the south will encourage travellers from Germany to fly to India via Colombo.

Goa: the wealthy and pensioners are coming – Condor has healthy bookings

The first hippies arrived in India's smallest state on the Arabian Sea in the Sixties, the first German package tourists in the Eighties. Since then countless Bollywood stars, too, have been building luxury villas in Goa. Today Condor's planes are also full of pensioners who spend a few winter months there to take advantage of the agreeable climate and favourable prices. "Since Condor is the only airline in Europe to offer non-stop flights to Goa, the demand from international guests too is very high", says spokeswoman, Nina Dumbert. The company flies there twice a week. "Tourism has become the most important branch of our economy", says Goa's deputy tourism director, Pamela Maria Mascarenhas.

Further north in the state of Maharashtra with its metropolis of Mumbai and the centre of the Bollywood film industry, things are more businesslike and brisker. Bhushan Gagrani, Managing Director of the Maharashtra Tourism Development Corporation, is seeking to ensure that visitors to the big city and business guests get to know the attractions of the surrounding area. "Today there is better cooperation between state bodies and the private sector. We are working well together. In some places there is a shortage of new hotels," says the director, who wants to further open up the 720-kilometre coastline and 400 or so historic forts to tourism.

Luxury hotels in demand – rising prices in the Golden Triangle

Luxury tours are very much in demand today, including round trips in the north and in the Himalayas with nightstops in palace hotels, as well as trips by exclusive boat through the Backwaters in Kerala, complete with cook and butler. In the Golden Triangle comprising the cities of New Delhi, Jaipur and Agra, demand has led to a shortage of good quality rooms.

German operators are also reporting that prices are rising. As of now India has some 100,000 tourist-class hotel rooms. To cover growing demand and to have a share of a lucrative business international hotel chains and brands such as Accor, Ibis, Regent, Radisson, Marriott and Shangri-La are planning new and additional investments. Homegrown companies too, like Oberoi and TAJ Hotels, are expanding. "Competition is revitalizing business and doing India good. We are very

pleased with how well we are doing," says Gev Patel, Director of Sales for TAJ Hotels Resorts and Palaces. The company, which is part of the Tata Group, has 73 hotels, 56 of them in India, and wants to expand further.

Something for everyone: one night for 8 or 400 dollars

India's strength is that there is something to suit every taste and every pocket. Even the Ayurveda movement has long since embraced exclusivity. At Kalari Kovilakom in Kerala, for example, a maximum of 18 guests seeking purity and harmony for nature, body and soul are looked after by some 50 members of staff. In the former Maharajah's Palace traditional Ayurveda healing therapies are offered as they have been for centuries. Dr. Jouhar Kanhirala, a doctor at the centre, reports that German tourists in particular are interested in authentic treatments both there and in India in general. One day at Kalari Kovilakom can cost up to 400 US dollars.

Ginger Hotels, part of the TAJ Group, is a new chain established for businesspeople and cost-conscious travellers which offers rooms from as little 25 US dollars. In Periyar Park in Kerala, home to tigers and elephants, many families offer home stay, benefiting from a tax exemption if they rent out fewer than six rooms. "This brings us all extra income," says Sujatha Murali. A tourism pioneer, she offers five decent rooms in her Mickey's Cottage at prices starting at 10 US dollars.

Getting a visa to be made easier

If it were not for the fact that most of India's source markets are subject to a visa requirement, tourism growth rates might look quite different. Tour operators complain that in some places getting a visa is too slow and bureaucratic and that this also leads to cancellations. "This is a problem tour operators are having throughout India with incoming tourism", reports the trade paper "Express Travel World". There are complaints that in the high season a number of Indian embassies in Europe do not have enough staff to process visas quickly enough. "The average tourist spends around 2,000 US dollars in India", says R. Parthiban, Director of Swagatham Tours and Travel. If tourists cancel their trip because of visa problems, this also, he says, means financial losses for travel agents, incoming operators and the Indian economy. Tourism minister, Ambika Soni, wants to ensure that tourists do not have to wait longer than 36-48 hours for their visa. She also told the Kerala Travel Mart (KTM) 2006 that multiple visas would be issued to promote travel to India.

German operators in a positive mood

Many German tour operators are reporting a growth in India business and have expanded their range of products. Dertour's product manager, Klaus-Peter Betz, reports a double-digit increase in winter travel to India. Their bestseller is the Golden Triangle, while the Rajasthan tour "In the tracks of the Maharajahs" is also very popular. Thomas Cook Reisen is delighted at the growing demand for wellness and Ayurveda packages. "We are in general very happy with the way bookings for India are going", says Director, Gisela Sökeland. Stefanie Berk, Director at Neckermann Fernreisen, reports that Rajasthan with all the highlights of the North and the Southern India route in combination with Goa are in great demand.

TUI reinstated India in its winter programme two years ago. "Currently bookings are still lagging behind our expectations, but we can certainly see potential in this multi-faceted country", reports spokeswoman, Alexa Hümer. Airtours product manager, Jödis Scherer, reports that the luxury hotels in the north as well as the new wellness hotels and luxury safari lodges are particularly popular. Gebeco, according to a spokesman, has been experiencing an upward trend in bookings for India trips for some years and expects this to continue in 2007. Less well-known regions are to be added to the programme to tempt returning guests. New offers in Gebeco's programme include an 18-day adventure by motorcycle through the original Rajasthan. Dr. Tigges is offering for the first time a study tour including a trip on the luxury "Deccan Odyssey" train through the Central Indian plateau, the cradle of temple culture.

Growth opportunities for sacred and health tourism

One of the areas India is focusing on at ITB Berlin 2007 is sacred and health tourism. "There is still a lot of potential for trips to famous sacred places in our country, as well as stays including affordable treatments and operations in international-standard clinics" says Dr. Singh Sikand, tourism advisor and lecturer in religious tourism at the Universities of Frankfurt am Main and Mainz. "Through our company "HBC Tourism Consulting" we advise companies about new products in this branch", says Dr. Sikand. In his view wellness tourism is "slowly becoming a little old hat. Body massage alone is not enough". Religion is enjoying a renaissance worldwide, he says, which is one of the reasons why there is such a high demand for trips to sacred places such as the historic Sikh temples, providing a high level of service and customer care. At ITB Berlin 2007 he will be moderating a conference (on 7 March) on "India - Travel Trends".

ITB Berlin finds resonance in India's media

India is "in" in Germany, particularly since shortly after the Frankfurt Book Fair in October 2006 when India was guest of honour under the motto "Today's India". And at ITB Berlin 2007, too, India is in the spotlight as a partner country, a decision which has found wide resonance in India's media, not only in newspapers such as the "Economic Times" and "Asian Age", but also in the internet media and trade press. In the run-up to and during ITB Berlin Deepika Unni, Messe Berlin's representative in Mumbai, expects huge coverage in India's media.

The voices of Indian exhibitors

Bhushan Gagrani, Managing Director of Maharashtra Tourism Development Corporation: "At the last ITB Berlin we had many productive discussions and made many good contacts. We hope to do even more business in 2007."

Pamela Maria Mascarenhas, deputy tourism director for Goa: "If tourism continues to grow like this, more and more delegates will of course come from Goa to ITB Berlin each year. It's a very good fair. We have signed many contracts here."

Gev Patel, Director of Sales, TAJ Hotels Resorts and Palaces, a visitor to ITB Berlin for many years: "Business is good. But we're disappointed because our company wasn't able to get enough space at ITB Berlin. Often there are not enough taxis. Tegel airport is too small."

India's online travel market at the Travel Technology event

India's online travel market is still very small, but is poised for huge growth. This subject will be discussed at the Travel Technology event at the ITB, which will look at a recent PhoCusWright study "Special Marketplace Report: India". "Online bookings accounted for only two per cent of the total holiday and business travel market in 2005, an extremely low percentage," explains the author of the report, Ram Badrinathan, Senior Market Analyst with PhoCusWright, India. But he believes the sector is poised for rapid growth. "For 2006 we anticipate growth in online trips of around 170 per cent to a value of 796 million US dollars. That is equivalent to 5.1 per cent of total bookings", says Badrinathan.

India in the frame at many events – more exhibitors

India has a bigger presence at ITB Berlin this year than ever before. A total of 50 exhibitors from the private sector and 106 co-exhibitors have registered – more than last year. For the second time the country has a hall to itself (5.2b) occupying almost 3,000 square metres. This year there is a particular spotlight on sacred and health tourism. Minister Ambika Soni is to speak at the opening ceremony at 19.00 h in the ICC Berlin on 6 March 2007, Tourism experts and politicians will be attending the India Forum from 11.00 to 13.00 h on 7 March 2007 for a question and answer session. The Business Travel Days will be showcasing India's business travel market from 13.00 to 13.45 h on 8 March 2007. India as partner country will feature prominently at the presentation of the ITB Book Awards on 11 March 2007 from 17.00 h.

Information on the internet:

Incredible India: www.incredibleindia.org
India Tourism Germany: www.india-tourism.de
Ministry of Tourism, New Delhi: www.tourism.gov.in
Indo-German Chamber of Commerce: www.indo-german.com

Deutsche Zentrale für Tourismus: www.deutschland-tourismus.de
Pacific Asia Travel Association (PATA): www.pata.org
World Tourism Organization (UNWTO): www.unwto.org
World Travel and Tourism Council (WTTC): www.wttc.org

Airports Council International (ACI) : www.airports.org
Lufthansa: www.lufthansa.com
Condor: www.condor.com
Air India: www.airindia.com
Sri Lankan Airlines: www.srilankan.aero

TAJ Hotels: www.tajhotels.com
Ginger Hotels: www.gingerhotels.com
Ayurveda Resort: www.kalarikovilakom.com