

GANGTOK DECLARATION ON TOURISM AND THE HOSPITALITY SECTOR

The Fourth Sectoral Summit of the North Eastern Council to review the Tourism and the Hospitality Sector in the North-East was held at Gangtok on 27-28 April 2007.

2. The Tourism sector holds the highest promise for generating large employment and income-augmentation opportunities spreading and reaching down to all segments of society in all States of the North-East Region(NER). Capital costs are modest compared to large industrial investments and gestation periods are short. Moreover, as is being recognized by the hospitality industry all over India, the people of North-East are exceptionally well-endowed, in terms of personal and social characteristics and a long tradition of hospitality in their homes and communities, for employment in the hospitality industry. Therefore, the tourism sector should be a thrust area for NEC intervention during the Eleventh Plan Period. State governments in NER must take full advantage of Ministry of Tourism schemes and NEC/NLCPR funding for tourism development and promotion, especially for infrastructure related to the tourism and the hospitality sector. To this end, State governments must prioritize tourism, including addressing priority issues such as making land available, upgrading expertise to prepare project proposals, and minimizing delays in implementing projects. The involvement of communities through panchayats and village development boards, as also of the private sector, is of the essence for the development of the tourism and the hospitality industry.

3. The single most inhibiting factor is the perception of NER as being ridden with insurgency, militancy and terrorism. This perception is so much at variance with ground realities that projecting a true and nuanced picture of the vast swathes in NER of total peace and tranquility, impeccable law and order, and iron-clad security for the tourist is as essential for the development and promotion of tourism in NER as for investment in other sectors of development.

4. Poor connectivity has been a major impediment to the development of tourism in NER. But there is now a concerted drive to rapidly augment all kinds of connectivity within NER and between NER and the rest of India, as

well as the world at large, particularly South-East Asia. The Government of India will be investing about Rs. 50,000 crore on the construction of road and highways in the North-East in the next five years. The rail network is being substantially augmented. National waterway-II (the Brahmaputra River) will shortly be made fully operational from Sadiya to Dhubri and the Barak River is expected to be shortly declared as National Waterway-VI. The Kolodyne River through Mizoram and up to Sittwe in Myanmar is being developed. Already, the density of civil airports in NER is the highest in India and recent GOI policies had led to about 226 flights a week between NER and the rest of the country. Intra-region connectivity is now the watchword and plans are in hand to reach a target of nearly 600 flights a week within the region during the first half of the Eleventh Plan period. There is , moreover, a new emphasis on power generation which is expected to render NER surplus in power during the current Eleventh Plan period. Every effort will be made to ensure that transmission and distribution systems are directed toward 'Power to the People'.

5. It is particularly significant to note that hotels(two-star category and above), and adventure and leisure sports, including ropeways, have been included in the new North-East Industrial and Investment Promotion Policy, 2007 (NEIIPP) effective 1.4.2007 which has extended fiscal incentives to the service sector. Not only has the hospitality sector thus been rendered virtually tax-free but also eligible for generous capital subsidies and interest subsidies. Detailed notifications under the NEIIPP, 2007 would be notified by the Department of Industrial Promotion and Policy, hopefully within the next few weeks.

6. The major issues that emerged and conclusions arrived at during the Fourth Sectoral Summit are detailed below:

Issues:

- i) The target groups for tourism promotion are both domestic and foreign tourist, with the highest priority being accorded to the domestic sector and particularly targeted at States like Gujarat and West Bengal which generate a high proportion of domestic tourism. It is also important to target potential segments of society such as government servants holidaying on Leave Travel Concessions(LTC).
- ii) Tourism in NER should be constructed around four concentric circles:-
 - (a) State-based, that is, intra-State tourism .

- (b) Multi-State tourism, based on clearly identified multi-State tourism circuits.(Given the geographical location of Sikkim, it may develop, in the first instance, multi-State links with West Bengal, particularly the Darjeeling Gorkha Hills Area).
- (c) Pan regional tourism involving the development of linkages within NER and between NER and other regions of the country, particularly the eastern region.
- (d) International tourism with connectivity from within NER to neighbouring and other foreign countries. For the promotion of international tourism, it has to be recognized and promoted that South-East Asia begins in North-East India.

(iii) At an all India level, the small domestic tourist traffic has increased from 250 million to 400 million, of which foreign tourist traffic is estimated at no more than 2 to 3 million per annum. This requires that the thrust of NER tourism development should be on domestic tourist, while, of course, also tapping into the international traffic

(iv) Bengalese and Gujaratis are known to be a great travelers; hence they should be the target of promotional efforts.

(v) To promote tourism, relaxation and liberalization of the ILP/RAP/PAP regimes should be undertaken on a State-wise basis in consultation with the States concerned.

(vi) For attracting domestic tourists, the emphasis should be on developing Dharamshalas, one room accommodation, low costs/low budget hotels, youth hostels and accommodations along rivers and near centuries.

7. It was agreed that each State would draw up annual and perspective State Plans for Tourism related to (a) and (b) above. On the basis of these State Plans, and in consultations with the States and the Ministry of Tourism, NEC and the Ministry of DoNER will attempt to draw up annual and perspective plans for the development and promotion of (c) and (d).

8. It was further agreed that the Ministry of DoNER will initiate a broad-spectrum dialogue with the Ministry of External Affairs (and other Ministries concerned) to address both the opportunities and challenges of international tourism to NER. The specific priorities in these area are:

- (i) Tourism cooperation with government agencies and corporate tour operators in the five countries having land frontiers with NER and South-East Asia.
- (ii) Training of tourist office personnel in India and abroad, as also Indian Foreign Service and other Civil Servants on tourism promotion to the North-East.