

Sector Development Strategy

Tourism Infrastructure

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 **IL&FS** INFRASTRUCTURE DEVELOPMENT
CORPORATION LIMITED



Presentation Outline

- Background
- Tourism in India – Key Potential & Issues
- Tourism Investment Requirements
- Our Vision
- Approach & Project Development Process
- Approach beyond Project Development
- Why Public Private Partnership ?
- Benefits of PPP in Tourism Sector
- Project Development Strategy
- Tourism Sub-Sector & Products
- IL&FS IDC Opportunities
- Select Ongoing Projects
- Select Success Stories

Background

- JBIC ranked India as the fifth most attractive investment destinations.
- Conde Nast Traveler, one of the world's most celebrated travel magazines ranked India amongst the top 10 tourist destinations of the world.
- Tourism is one of the third largest net earner of foreign exchange for the country and also one of the sectors, which employs the largest number of manpower.
- India has significant potential for becoming a major global tourist destination.

In South-Asia India has :

- 65.8% of the Regional Tourism Receipts
- The phenomenal explosion of domestic tourism from 1990 to 2000 accounts for growth rate of 230 %.
- It is estimated that tourism in India could contribute Rs. 8,50,000 crores to the GDP by 2020 (approx. 1800 million USD)

Tourism in India

- 0.8% share of world market
- Tourists (2005)
 - International 3.97 million
 - 367 million (domestic)
- Employment
 - Direct - 10.7 million
 - Indirect – 24.4 million
- Export earnings ~ US \$ 9.6 bn 2006
- Contribution to GDP
 - Direct 2%
 - Overall 5.3%



Tourism in India : Key Potential

- Adventure Tourism
- Pilgrimage Tourism
- Nature & Wildlife Tourism
- Recreation & Leisure Tourism
- Cultural Tourism

Tourism in India : Key Issues

- Regional Linkages, Access & Connectivity (Plains & Hills)
- Accommodation Infrastructure – High end as well as affordable
- Basic Civic Infrastructure
- Tourist Amenities
- Financial Resources
- Service Delivery & Hospitality
- Untapped Infrastructure Potential
- Institutional & Regulatory Issues

Tourism Investment Requirements

The tourism sector in India requires an approx. of Rs. 229658 Crores (56014 USD mn) of investment over a period of 20 years.

Region	Short Term (1-5 years)	Medium Term (6-10 years)	Long Term (11-20 years)	Total Investment Requirements (In Crores)
North	25820.37	56499.53	72727.48	155047.38
North East	1773.85	1628.60	1076.84	4479.29
East	3049.12	5183.68	23458.00	31690.80
West	4397.03	3956.76	9041.69	17395.48
South	2743.03	3294.36	3015.32	9052.71
Central	3685.28	7614.24	692.61	11992.13
Total	41468.68	78177.17	110011.94	229657.79
	10114.31	19067.60	26832.18	56014.10

Crores
USD mn

Broad estimates based on State Tourism Perspective Plans :Connectivity Infrastructure, Tourism Infrastructure, Tourism Products, Capacity Building, Promotion & Marketing

Our Vision

“Enhance the Tourism potential of India by Integrated Development of Tourism Infrastructure by tapping tourism potential along key tourism circuits and leverage the sectoral & product development through Public Private Partnership to achieve sustainable and economic development ”

Approach

Project Development & Promotion Partnership (PDPP)

- Identification of key development needs & potential projects
- Integrated Development through Project Development
- Phased implementation
 - Potential benefits to be staggered
 - 6-12 m, 1-3 years, more than 3 years

Project Development Process

- Project concept
- Technical & Financial Evaluation
- Statutory & Regulatory Approvals
- Approvals for various grants & subsidies
- Development of various contracts
- Setting up of a Project Company (SPV)
- Setting up of a Project Development Fund (PDF)

Project Development Process

Track 1

PROJECT DEVELOPMENT

- Techno-Economic Assessment (Detailed Feasibility Report)
- Environmental Impact Assessment (EIA)
- Legal : Contracts and Documentation
- Policy: amendments and notification
- Contractual and Institutional Framework

Track 2

DEVELOPER SEARCH

- Expression of Interest
- Request for Proposal (RFP)
- Pre-Bid Conferences
- Proposal Evaluation
- Finalisation of Developer
- Finalisation of Agreements

Track 3

MARKETING

- One-to-one meetings
- Direct Mailers
- Media release
- Road Shows
- Investor's Conferences
- Facilitating Consortia formation

Government Approvals, Facilitation & Decision Making

Approach Beyond Project Development

- Vendor Development
- Interaction with FIs
- Bid Documents & Bid Process Management
- Selection of Operator
- Facilitation for financial closure
- Hand holding during implementation

Why Public Private Partnership ?

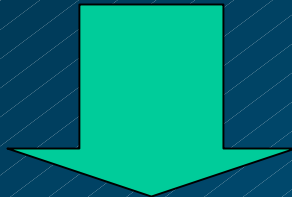
“ PPPs enable the public sector to benefit from commercial dynamism, the ability to raise finances in an environment of budgetary restrictions, innovation and efficiencies, harnessed through the introduction of private sector investors who contribute their own capital, skills and experience ”

Benefits of PPP in Tourism Sector

- Acceleration of Infrastructure Provision
- Faster Implementation
- Value for Money
- Partnership Building
- Enhanced Public Management
- Genuine Risk Transfer
- Output Specification
- Asset Performance & Reduced Costs
- Performance-Related Reward
- Private Investment Promotion
- Improved Quality of Service

Project Development Strategy

- Tourism Circuits
- Destination Development
- Sectoral Development
- Product Development



- Market Understanding
- Concept Development
- Infrastructure & Other Facilities
- Sustainability Issues
- Local Involvement

Overall Strategy

- Geographical Spread
 - Critical mass of projects
- Sub-Sectors
 - Identification of sub-sectors geographically
- Focus on Delivery
 - Concept
 - Pre-feasibility
 - Market linkages including Potential Consultants, Developers, Operators, Financial Institutions

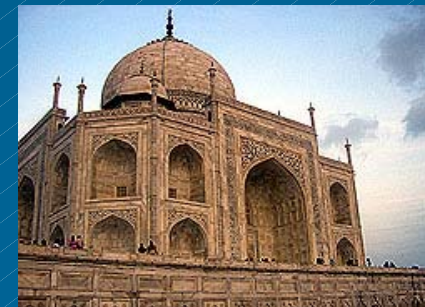
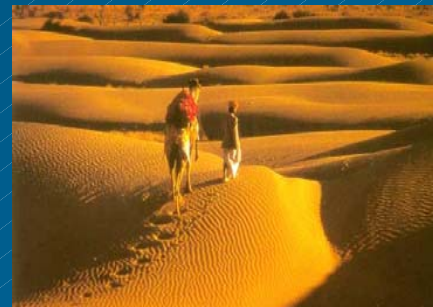
Tourism Sub-Sectors & Products

Sub-Sectors:

- Access & Connectivity Infrastructure
- Basic Tourism Infrastructure
- Integrated Circuit Development
- Destination Infrastructure & Development
- Rural & Community Tourism

Products :

- 5-Star Hotels, Resorts, Budget Accommodation, Deluxe Accommodation
- Circuit – Access & Connectivity Development
- Amusement Parks, Destination Development
- Trolleys/ Ropeways, Skating Rinks
- Souvenir Malls/ Shopping Hubs
- Golf Courses, Highway Amenities
- Water Skiing, White Water Rafting, Kayaking & Canoeing
- Coastal Tourism Development
- Nature Parks/ Theme Parks
- Health Resorts



IL&FS IDC Opportunities

Opportunities :

- Partnership with Government
- Partnership with Private Sector

Core Areas :

- Recreational & Leisure Tourism
- Cultural & Heritage Tourism
- Adventure & Nature Tourism
- Health Tourism
- Hill Development

Project Experience:

- International Convention Centre Complex at Thiruvananthapuram
- Budget Hotels in North East India
- International Convention Centre, Hyderabad
- Jal Mahal, Jaipur
- Quila Nabha
- Solang Nala Ropeway
- Dehradun Convention Centre & Five Star Hotel

Select Ongoing Projects

- Budget Hotel Projects (North East India, Uttarakhand etc)
- Uttarakhand Air Connectivity
- Ropeway Projects in Uttarakhand, Meghalaya etc.
- Tourism Destination at Tehri Dam
- Ski Resort
- New Tourism Development in Bodoland
- Tourist Rest Houses in Kumaon Hills
- Sea / River Cruises in Andhra Pradesh
- Southern Splendour Luxury Train in Andhra Pradesh
- Ananthgiri Eco-Tourism Development Project in Andhra Pradesh
- Sri Ram Sagar Destination Development in Andhra Pradesh
- Vizag Beach Development in Andhra Pradesh
- International Convention Centre, Jaipur, Rajasthan

Select Success Stories

- Jal Mahal Integrated Tourism Project (Jaipur, Rajasthan)
- Development of Tijara Fort, Rajasthan
- Development of Ropeways, Mt. Abu & Udaipur, Rajasthan
- Albert Hall Museum (O&M), Rajasthan
- Rural Tourism Rajasthan (18 Rural Destinations)
- Conservation of Quila Nabha, Punjab
- Redevelopment of Rajinder Kothi as Heritage Hotel, Punjab
- Agartala Budget Hotels
- Assam Budget Hotels
- Guwahati Budget Hotel
- Solang Nala Ropeway Project, Himachal Pradesh
- International Convention Centre, Hyderabad
- International Convention Centre, Thiruvananthapuram
- Convention & Trade Centre, Bhopal
- 5 Star Hotel & Convention Centre, Dehradun
- Crowbrough Hotel, Shillong

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Thank You !

