



INDIAN TRAVEL TO EUROPE

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CONTENTS

	Page
Map of India showing states and main cities	5
Introduction	
General note	6
Indian tourism	6
Key influences on outbound travel	8
economic factors	8
foreign exchange	8
air transport capacities	9
social, lifestyle and employment changes	9
Market size and characteristics	
Overall market size	11
Regional destinations	12
Regions of origin	13
Trip purpose	14
business travel	17
leisure travel	18
travel to visit friends and relatives	19
youth travel and travel for educational purposes	20
Indian Travel to Europe	
Market size estimates	20
Regulatory procedures/visas	23
Length of stay	24
Seasonality	24
Expenditure	26
Characteristics of Indian Travel to Europe	
Identity of travellers	27
social classes, occupations and remuneration patterns	27
who is travelling?	28
Types of leisure travel	30
Travel preferences and characteristics	31
booking patterns	31
value-for money	32
activity and entertainment	32

Indian Travel to Europe

the kudos factor	33
food and drink requirements	33
attitude to credit	33

The travel trade

Structure of the travel trade	34
Major players	34
Travel marketing and distribution	37

Conclusions

Prospects for Indian outbound travel to 2005	39
Europe's competitiveness	40
Prospects for Indian travel to Europe	41

Appendices

Appendix A - The Indian economy	43
Income distribution	44
Economic prospects	45
Appendix B - Current air transport capacities - India to Europe	46
Appendix C - Arrivals in major destinations	50
Appendix D - Principal travel agents and tour operators	51
Appendix E - Public holidays in India	54
Appendix F - European tourist sites in Indian package tours	56

Map of India showing states and main cities



NB Three leading cities in India have new names. Mumbai is the former city of Bombay, Chennai was formerly known as Madras, and Kolkata was previously known as Calcutta.

Introduction

General note

India is a vast country with almost 1,000 million inhabitants. It contains a huge diversity of peoples, cultures, regions, economic characteristics and areas of prosperity and poverty. Any brief review of the country, such as is contained in this report, can be very misleading if national approximations or averages are taken as reflecting typical regional or local features. It is very important in this report for those concerned with the marketing of their countries, regions or cities as destinations for Indian tourists to bear in mind the need for targeted and careful preparation.

For example, while some of India's states, such as Bihar, are very much poorer on average than others, such as Delhi, it will be possible to find pockets of prosperity in Bihar just as extreme poverty may be found in Delhi. While the bulk of international travel demand comes from India's main cities such as Mumbai and Delhi, there is also evidence of small towns and rural areas generating such demand. Those already engaged in tourism marketing in India operate targeted campaigns by various means, and it is important to recognise the need to do so and to examine closely the segment of the market and/or the regions in which success is most likely to occur before embarking on such campaigns. A study such as is contained in this brief report should be used as a general guide only.

Indian tourism

There are no specific measures of the importance of tourism in the Gross Domestic Product (GDP) of India, but it is clear that domestic tourism is far greater in volume than foreign tourism. It is from domestic tourism that the larger impact on India's economy is thus likely to be derived.

Statistical measures of domestic travel indicate that, in 1998, there were some 167 million arrivals recorded in states within India by Indian nationals. Of these, the largest states in terms of domestic arrivals were Andhra Pradesh and Uttar Pradesh, both of which recorded 39 million arrivals, followed by Tamil Nadu with 20 million and Karnataka with 12 million.

On the international scene, given the absolute size of India and its enormous geographical, historical and cultural diversity, there are relatively few foreign visitors. Between 1990 and 1999 foreign arrivals in India rose by 45%, an average annual rate of 4.25%. Most of this increase came from countries other than India's two populous immediate neighbours, Pakistan and Bangladesh. Excluding these two countries, arrivals increased during the period by 52%, an annual average of 4.8%.

In 1998 India's share of global tourism was relatively small. The country recorded just 0.38% of global international tourist arrivals and 0.62% of global international tourism receipts. For a country containing 16% of the world's population and which is also said to be the fifth largest economy in the world, such totals are quite modest.

Table 1
International tourist arrivals and departures in India, 1990-99
('000)

	Arrivals from Pakistan and Bangladesh	Arrivals from elsewhere	All international arrivals	Departures of Indians abroad	Domestic arrivals
1990	377	1,330	1,707	2,281	na
1991	442	1,236	1,678	1,943	na
1992	433	1,435	1,868	2,162	na
1993	322	1,443	1,765	2,273	na
1994	324	1,562	1,886	2,735	na
1995	362	1,762	2,124	3,056	136,644
1996	364	1,924	2,288	3,464	140,120
1997	400	1,974	2,374	3,726	159,877
1998	384	1,975	2,359	3,811	166,928
1999	457	2,025	2,482	3,883	na

Source: Government of India, *Tourist Statistics*; Ministry of Tourism data

Despite the fact that there have been greater numbers of Indians travelling abroad throughout the 1990s than there have been international arrivals in India, the country has consistently maintained a positive balance on its tourism balance of payments account. However, at the end of the 1990s there was evidence of an acceleration in outpayments on the part of Indians travelling abroad (partly fuelled by changes in the foreign exchange regulations - see next section), and there are now indications that, if current trends continue, India could soon see its first deficit on its tourism account.

Table 2
Balance on India's foreign travel account, 1991-2000
(US\$ mn)

	Earnings	Expenditure	Balance	3-year moving average		
				Earnings	Expenditure	Balance
1991	1,842	-434	1,408	-	-	-
1992	2,295	-470	1,825	2,099	-459	1,639
1993	2,159	-474	1,685	2,242	-571	1,671
1994	2,272	-769	1,503	2,338	-746	1,591
1995	2,582	-996	1,586	2,562	-893	1,669
1996	2,831	-913	1,918	2,768	-1,084	1,684
1997	2,890	-1,342	1,548	2,890	-1,323	1,567
1998	2,949	-1,713	1,236	2,944	-1,599	1,345
[% change 1998/91]	[60.1]	[294.7]	[-12.2]	[40.3]	[248.4]	[-17.9]
1998/99	2,993	-1,743	1,250	2,993	-1,865	1,128
1999/2000	3,036	-2,139	897	-	-	-

Sources: Calendar years, *Balance of Payments Yearbook 1999*, International Monetary Fund; Fiscal years, *Foreign Trade and Balanced of Payments, July 2000*, Centre for Monitoring Indian Economy

Compared with the country's total revenues from exports, in 1998/99 India earned US\$3.0 bn from foreign tourists and spent US\$1.7 bn on overseas travel themselves.

The resulting surplus on the tourism account of US\$1.3 bn was just 3.4% of total export revenue in that year, suggesting that the international element of India's tourism industry does not have a major economic impact. On the other hand, there is no doubt that the Indian government wishes to promote India as a tourism destination and there is clearly massive potential to be exploited in future.

Key influences on outbound travel

Economic factors

As Appendix A shows, India's economy has been one of the fastest-growing in the world during the last ten years. Real rates of economic growth – which have averaged around 5.4% a year for the past ten years and almost 6.5% for the past five years – have been very impressive by international standards. However, even these rates of growth are inadequate to lift from deprivation the estimated 40% of India's 1 billion people who still live in poverty – broadly defined as living on less than US\$1 per day. Nonetheless, economic progress has helped to create a proportionately small but absolutely quite large “middle class”. Estimates suggest that those whose incomes permit them, within India, to have a purchasing power sufficient to be so categorised may well number between 60 and 100 million people in 2000. Of these, research suggests that around 25 million have incomes which are sufficient for them to travel abroad should they wish to do so, and it also appears that this group is increasing numerically quite rapidly.

An important driving force has been the steady move towards economic liberalisation in India. While many are impatient for faster progress, the decade of the 1990s has seen dramatic changes in the nature of the Indian economy and its interface with the rest of the world. Considerable foreign investment has been attracted, and some high technology industries have made substantial inroads into India's employment scene, especially in the area of information technology but also in areas such as communications and pharmaceuticals. Perhaps the most obvious group to have emerged as a result of such developments has been the well-educated and well-remunerated young “technocrats” of the IT industry, but there has also been an upsurge in prosperity on the part of other groups such as small, self-employed businessmen and traders who have benefited directly from economic liberalisation. This latter category has emerged as a key element in Indian outbound travel, both to short- and long-haul destinations.

Foreign exchange

Illustrative of the more liberal approach to economic management in India has been the progressive easing of restrictions on the allocation of foreign exchange to Indian nationals during the 1990s. The “Basic Travel Quota” (BTQ as it is known) allowed Indians only US\$500 a year until 1996 for leisure travel purposes. Although many travellers up to that date were reported as having private access to offshore funds which allowed some travellers to call at intermediate countries to collect their funds before travelling on to their final destination, these restrictions nonetheless constrained international travel demand for obvious reasons. Between 1996 and June 2000 the allocation was raised to US\$3,000 per person, a sum which was raised again

in June 2000 to US\$5,000 a year. For business travellers and those going abroad for other non-leisure reasons, such as for medical treatment, attending conferences etc., the allocation now stands at US\$25,000 per person per year. In effect, the changes made during 2000 have removed virtually all constraints on international travel resulting from foreign exchange allocation policies.

Furthermore, the process by which the system is administered has now been greatly simplified, with the central bank – the Reserve Bank of India – delegating the administration of the system to authorised foreign exchange dealers in the commercial banks.

Indians can pay for international transport services in rupees, but are required to meet all other costs of travel, such as accommodation, in foreign currency. The Indian travel trade believes that the reforms to the system which are now in place have been a major source of stimulus to India's outbound travel market.

Air transport capacities

As Appendix B sets out in more detail, during the last few years there have been shortages in the availability of airline seats out of India on key routes. These have been caused by two factors, (i) the retrenchment which has taken place by the national airline, Air India, which has made it difficult for the airline to fulfil its part of reciprocal route rights and (ii) the slow pace of liberalisation within the air transport sector.

During the course of 2000, however, there were signs that these constraints were easing. Available seat capacity rose by 45% in the year to November 2000, coupled with other developments which have improved capacity. Indian Airlines, the other state-owned airline which traditionally served only domestic routes, now serves regional international routes to South East Asia and the Arabian Gulf as well, and the Indian government has authorised code-sharing with foreign airlines in an attempt to improve matters. The best-publicised example of the latter is the service between London and Delhi which commenced in mid-2000 by the UK's Virgin airline, under a code-sharing agreement with Air India.

New services are also under development, the most prominent of which is the plan for the USA's United Airlines to re-establish its round-the-world service through Delhi in April 2001. This will offer a daily B747 aircraft in both directions – via London to the USA in the westbound direction, and to the USA via Hong Kong eastbound. Each of these services will add an annual equivalent of over 150,000 seats (although not all of that capacity will be available for sale within India for obvious reasons).

Social, lifestyle and employment changes

Coupled with India's economic reforms and partly caused by the increasing internationalisation of the economy have been some significant social and lifestyle changes which have also fuelled demand for international travel. Younger members of Indian society who live and work in middle class households have been exposed to far greater international influences, notably through television, than their predecessors. Where television in the 1980s was state-controlled and there were few sets, there are

now over 50 channels and TV ownership is more widespread. There could be as many as 300 million people with regular access to television. International channels, and especially those of American origin, create demand for international travel by the very nature of the scenes and settings which they display.

Coupled with this has been an increasing exposure to international brands and consumer products which, coupled with the return to India of well-educated workers and/or students who have been abroad has brought with it demand for and increased awareness of such brands and lifestyles within India itself. Some of these trends have been replicated and reinforced by the establishment within India of international brands such as TGI Fridays and some of the better-known international hotel brands.

The Internet, which the Indian Market Research Bureau estimates is already available to 380,000 households (at an average household size of around 6 persons, this means exposure to almost 2.5 million people) is another element in diffusing more widely a broad knowledge of international trends, fashions and destination data. Forecasts suggest that Internet access and usage will grow very rapidly within India in the next few years, very much along the same lines as has happened in so many other countries. Again, young people exert an important influence here. They learn computer skills at school, are familiar with the growing number of Internet cafes, and are prone to applying pressure on their parents to participate in the services they see, including, of course, travelling to the places they see through this and other media.

The Indian film industry has also created demand for international travel. India's film industry has an enormous audience within the country, and also makes many of its films in international locations. The first such location to benefit was Switzerland where Indian film makers sought to re-create the same type of atmosphere which was once available to them in Kashmir but became inaccessible due to that region's political difficulties. Swiss tourism authorities state that the film industry in effect did its early marketing for them by showing their country to so many within India. New locations now being used include Hungary, Austria, Scotland and New Zealand. While the evidence is incomplete, there are some indications that visitors to Hungary and New Zealand are increasing quite sharply.

In summary, there are rapid and profound changes taking place within that segment of Indian society which is able to afford international travel. These are the better-off, increasingly better-educated and typically younger people who are challenging the traditional way of doing things. In India's close-knit family society, this is creating demand for more family leisure travel, as well as introducing new categories of traveller, such as those double-income households where, very much as in other countries, the raising of a family is postponed and two people are able to generate an income and have the time necessary to indulge their rising interest in exploring other countries.

Market size and characteristics

Overall market size

India's outbound travel market is small relative both to the country's potential and to that of other large generating countries in the region. It has nevertheless created great interest both among the travel trade in India and in destinations overseas in view of the recent strength of the country's economic performance, the expanding middle class and the potential anticipated in a country with such a large population coupled with the relative immaturity of its travel market.

However, accurate data on its total volume are in short supply and tend to conflict with each other to some degree. Taking a variety of sources - official figures from the Ministry Tourism, as well as analyst's estimates, air departure figures and estimates from trade sources - it is generally estimated that the size of the total market consists of somewhere between just under 4 million and just under 5 million travellers. The most cautious estimate - which represents the only formal source of data - are the official figures of the Indian government. According to these, there were 3.9 million people leaving India in 1999. These include departures for all purposes - leisure, business, VFR, education, religion, work etc. - but no breakdowns are available. Other sources believe both the number and the rates of growth (see below) to be somewhat larger.

Table 3
Indian travel abroad, 1990-1999

	Departures (‘000)	% change on previous year
1990	2,281.4	1.0
1991	1,942.7	-14.8
1992	2,162.3	11.3
1993	2,273.3	5.1
1994	2,734.8	20.3
1995	3,056.4	11.8
1996	3,463.8	13.3
1997	3,725.8	7.6
1998	3,810.9	2.3
1999	3,882.9	1.9

Source: Ministry of Tourism, Government of India.

According to the Ministry figures, and as Table 3 demonstrates, there was, with the exception of 1991, consistent growth in the volume of outbound travel throughout the 1990s. This averaged 6.1% a year over the decade, expanding at a marginally higher rate in the second half, at 6.2% a year – although it appears that growth tailed off towards the end of the period. Growth over the decade, of course, takes no account of the different market segments within the overall figure - and it is probably here that the greatest opportunity for varying assessments of the dynamics of the market

originate. Figures for the first half of 2000 suggest that this rate of just over 6% has remained consistent and, if it continues throughout the year, should result in some 4.1 million departures for 2000.

The rates of growth reflected in the government figures are generally more modest than those reported by the trade and other industry observers. Many suggest growth rates of 15%-20%, although more generally these apply to leisure travel specifically, rather than to the market as a whole. Since the pure leisure market is likely to account for only around 35% of the total outbound market, it is quite possible for this growth to be achieved within the overall growth figures.

Regional destinations

There are four main regional destinations for outbound travel from India:

- short-haul trips to Asia and South East Asia, which are based on a mixture of business and leisure travel as well as some VFR and travel for work related purposes;
- medium-haul travel to the Middle East, which contains large numbers travelling for work as well as significant numbers of VFR travellers and some leisure travel; and
- long-haul travel to Europe, notably the UK, on the one hand and North America, notably the USA, on the other, both of which have a good mix of business and leisure travel as well as substantial numbers of people visiting friends and families in the UK and USA.

In view of the lack of accurate data, it is difficult to be precise about the size and share of total outbound travel accounted for by each of the different regions. Relative to many origin countries, intra-regional travel is not as important as might be expected, and is estimated to account for something under half of all outbound travel. This is the result of the large numbers of people travelling to the Middle East, as well as the important place taken by the USA and UK - influenced particularly by the large numbers travelling to visit family and friends within the overall market.

Table 4 shows Indian travel to different regional destinations based on World Tourism Organization arrivals' data. Recognising the fact that this is based on partial information only - since many countries include Indian arrivals in an "other Asia" category - and cannot for obvious reasons be directly compared to outbound figures, it nevertheless provides some insight into the shape of regional distribution. There is a suggestion that Europe's share of Indian travel is declining slightly, mainly in the face of growing demand for North America.

Table 4
Estimates of the share of Indian arrivals by destination region, 1995 and 1998
 (%)

Destination region	1995	1998
Asia	45.3	44.1
Middle East	22.5	24.6
Europe	18.4	15.7
North America	9.0	10.5
Africa	3.4	3.4
Pacific	1.1	1.5
South America	0.3	0.3
Total	100.0	100.0

Source: World Tourism Organization

Around 20 countries have in excess of 20,000 visitors from India each year. Singapore, Kuwait and the USA are the front runners, having over 200,000 Indian arrivals, and a further five countries (UK, Bahrain, Thailand, Dubai and Nepal) have over 100,000. Among this top destination league, the only countries in Europe which record substantial numbers of Indian arrivals are the UK, Switzerland and Italy - although it is believed that France, Germany and Spain would also be included if arrivals' data were available. Appendix C shows the main destinations for Indian arrivals.

Regions of origin

Not surprisingly it is the main metropolitan regions of India which generate the greatest volume of travel abroad. Mumbai, India's commercial and financial centre, Delhi, the capital and centre of government and Chennai in the south, located in one of the country's more prosperous regions, are all key centres for outbound travel. Other cities, notably the fast-expanding centres of the IT industry in Bangalore and Hyderabad are also fuelling the growth in outbound travel.

Travel is not only from the cities, however, and there are many small towns and rural communities in which there are pockets of wealth and from which substantial numbers of small businessmen and traders originate. Rajasthan, for example, is the centre of the jewellery and carpet trades, generating both business travel among the region's exporters and also leisure travel from those running successful business enterprises. In Gujarat, one of the more affluent states, there are active diamond-cutting businesses which again stimulates demand for international travel from businessmen for both business and leisure travel - or, frequently, a combination of the two. Maharashtra state, which contains the major cities of Mumbai and Pune, is a rich agricultural area and this too generates high travel demand at the end of a successful farming season.

For international travel, the demand is, of course, funnelled into the main cities that have international airports. In terms of ports of departure, Mumbai - serving both the inhabitants of the city as well as the communities of Maharashtra and Gujarat - is by

far the largest, with 1.8 million departures in 1998. Delhi is under half that size, with over 870,000, and Chennai and Trivandrum are around half that again, with about 400,000 departures. Growth has been greatest out of the small regional airport of Calicut (an increase of departures of 28% between 1996 and 1998), followed by Trivandrum (14%) which serves the thriving Kerala market, Calcutta (13%) and then Mumbai (10%).

According to government figures, which relate to 1996/97 (the last year for which data are available) and which, in view of the recent dynamism of the market since then, can be taken as no more than general guidelines (in addition to the fact that there have recently been some significant changes in state delineations), most outbound travellers originate in the state of Maharashtra. The region accounts for just over one-fifth of all travellers (23%). The Delhi region and Kerala in the south - with Cochin and Trivandrum within its borders - are the next major states of origin and each accounted for about 15% of total outbound travel. Table 5 shows demand from the states generating the largest number of outbound travellers.

Table 5
Departures of Indians abroad by state of residence, 1996/97^a

State of residence	Main cities	Departures abroad ('000)	% of total
Maharashtra	Mumbai, Pune	675.4	22.7
Delhi	Delhi	457.5	15.4
Kerala	Cochin, Trivandrum	448.2	15.1
Tamil Nadu	Chennai	243.4	8.2
West Bengal	Calcutta	191.3	6.4
Assam	-	124.4	4.2
Karnataka	Bangalore	119.6	4.0
Punjab	-	117.3	3.9
Uttar Pradesh	Kanpur, Lucknow	113.7	3.8
Gujarat	Ahmadabad	108.9	3.7
Andhra Pradesh	Hyderabad	99.4	3.3
All other	-	278.1	9.3
Total	-	2,977.5	100.0

^a based on Oct-Sep year; figures may not therefore be comparable with calendar or fiscal year totals shown elsewhere in this report.

Source: Tourist Statistics 1998, Ministry of Tourism, Government of India, from Pacific Asia Travel Association (PATA) report on *India Outbound*.

Trip purpose

Indian outbound travel has traditionally been based on a strong business and VFR market, with the leisure element playing a fairly minimal role. It has also included a large amount of work-related travel, some travel for educational reasons among the upper echelons of society, and pilgrimage travel to Mecca and other religious sites.

While all elements are still present, the composition of various segments within this overall market has not only grown but also taken a fairly radical shift in the last five years.

The International Passenger Survey (IPS) of 1996/97 is the latest comprehensive analysis of the whole market that has been undertaken and its results can, therefore, provide only a broad picture of the market's shape, particularly in view of the changes brought about by the recent rapid growth of certain segments. Its results must also be treated with caution because of the overlap in reasons for travel - primarily business and leisure combined, but also leisure and VFR travel. This aspect of combining different purposes of travel within one trip is particularly a feature of travel in Asia, and is especially the case in India. Punitive tax laws, an entrepreneurial business system and the historical difficulty of obtaining foreign exchange have also meant that the reasons for travel provided by survey respondents were frequently opportunistic. While taxes have been reduced and there is now virtually no impediment to travel as a result of foreign exchange restrictions, old habits die hard. In addition, there is frequently a significant overlap, particularly among the business community, in business and leisure travel.

According to the 1996/97 IPS, just under one-third (29%) of all outbound travel was for business related purposes. Visiting friends overseas was the next major segment of travel, accounting for a further 20% of the total. Holiday travel was only third in importance and accounted for just 17%. This was followed by those who were going abroad to work (13%) and a further 13% were joining family overseas. Other categories that were defined showed small shares (2%) for religious and student travel.

While these shares provide a broad snapshot of the whole market, in a country as large and varied as India such generalisations can be misleading. As can be seen from Table 6 below, there are huge variations state by state, and even within states - with the extremes stemming from the large cities to rural communities and great wealth to absolute poverty - there is great diversity of reasons for travel among the travelling universe. Nevertheless, it is apparent that West Bengal and Maharashtra have a high share of their outbound markets travelling for leisure purposes (30% and 27% respectively), while in Kerala, Assam and Punjab the proportion is minimal. In Assam, Karnataka, Delhi and Gujarat, business was the most important reason for travel abroad and in fact there is a consistently high share for business in all the top states for outbound travel. VFR travel was the main reason for travel from West Bengal, Uttar Pradesh and Punjab and significant - although not the most important reason - in Delhi and Kerala. The significance of how employment overseas affects the pattern of outbound travel is reflected in the breakdown of travel from Kerala - where employment abroad can also be seen to generate large numbers of visits from friends or relatives joining family.

Table 6
Trip purpose of outbound travel by major generating regions, 1996-97
 (% of total)

Region of origin	Leisure/Holiday	Joining family	Visiting friends	Employment	Business	Religion	Studies	Other	Total
Maharashtra	26.8	12.7	18.2	13.4	21.6	1.4	3.3	2.6	100.0
Delhi	16.8	7.6	24.0	9.4	34.8	1.5	4.1	1.8	100.0
Kerala	7.5	21.9	20.9	20.7	21.4	3.2	1.4	3.0	100.0
Tamil Nadu	14.7	13.4	10.7	12.0	31.8	0.6	1.6	15.2	100.0
West Bengal	29.7	7.9	32.9	3.5	20.9	2.6	0.0	2.5	100.0
Assam	7.6	4.5	20.6	5.0	60.3	0.3	1.4	0.3	100.0
Karnataka	14.6	11.0	13.4	11.3	43.0	1.5	2.4	2.8	100.0
Punjab	8.0	8.8	38.9	15.5	26.9	0.0	1.3	0.6	100.0
Uttar Pradesh	18.1	5.9	25.4	17.8	22.9	2.1	2.7	5.1	100.0
Gujarat	10.1	18.2	15.0	19.1	34.1	1.1	0.8	1.6	100.0
All regions	17.0	12.7	20.3	13.4	29.1	1.5	2.4	3.6	100.0

Source: International Passenger Survey, Department of Tourism, Government of India from PATA report on *India Outbound*.

Table 7 shows the relative importance of different countries for leisure and business travel from India. Singapore is clearly the market leader in both categories. Elsewhere, while mainly the same destinations feature in each top-twelve league, their rankings vary quite considerably. For leisure travel, Singapore is followed in importance by Thailand, the UAE and Nepal, while for business travel next in line are the UK, Germany and Hong Kong. It is noteworthy that European destinations take the fifth, sixth, tenth and twelfth positions in the holiday ranking and second, third and eighth positions in business. Among the countries listed - the UK, Germany, France and Italy - Europe accounted for 19% of all business travel and 16% of all holiday travel.

Table 7
Top destinations of Indian holiday tourists and business travellers^a, 1996-97

Destination	% of total Indian holiday tourists	Destination	% of total Indian business travellers
Singapore	15.0	Singapore	11.0
Thailand	11.0	UK	8.0
UAE	9.0	Germany	6.0
Nepal	9.0	Hong Kong	6.0
UK	7.0	Thailand	5.0
France	5.0	Sri Lanka	5.0
Hong Kong	3.0	Bangladesh	4.0
USA	3.0	France	4.0
Bangladesh	3.0	Bangladesh	4.0
Germany	2.0	Nepal	4.0
Sri Lanka	2.0	USA	3.0
Italy	2.0	Japan	3.0
Others	28.0	Others	36.0
Total	100.0	Total	100.0

^a By port of disembarkation

Source: International Passenger Survey, Department of Tourism, Government of India.

By destination, countries in Europe generally do not collect Indian arrivals' data by purpose of visit and only the UK collects this information on a regular basis. The UK is something of a special case, because of the colonial heritage and the large number of Indians who are resident in the UK (engendering a significant amount of VFR travel) and the pattern there is, therefore, unlikely to be reflected in other countries in Europe. In Germany, for example, there is significant business travel but there is unlikely to be the same proportion of VFR travel, while the market for Switzerland is largely leisure, with virtually no VFR. The findings within the UK, which are shown in the following table are nevertheless helpful – particularly when taken in conjunction with the expenditure patterns shown in Table 12 – in showing the situation in the continent's main destination for Indians. It appears that over the last three years, holiday visits have increased at the expense of a decline in VFR travel, which may reflect the reported upsurge in leisure travel and also the effects of foreign exchange liberalisation.

Table 8
Purpose of visit of Indians visiting the UK, 1997-99
 (% share of total visits)

Purpose of visit	1997	1998	1999
Holiday	31.0	33.7	41.0
Business	28.8	29.7	27.9
VFR	27.2	23.4	20.8
Study	0.5	0.6	1.1
Miscellaneous	12.5	12.0	9.3
Total	100.0	100.0	100.0

Note: Totals do not add due to rounding

Source: International Passenger Survey, UK

The following section describes the main categories of Indian outbound travel.

Business travel

The composition of the business travel market has changed over the last five years. Traditionally the bulk of this market consisted of small businessmen and traders travelling primarily intra-regionally in South and South East Asia to conduct business in such countries as Taiwan, South Korea and Singapore. This was primarily small-scale businesses, dealing with suppliers and customers, but was nevertheless a large and very well-resourced - if frequently poorly recorded - market.

This segment still forms a major component of the business travel market, but in recent years it has been supplemented by large numbers of white collar workers from the more formal, salaried sector. Because it is new and because of its rapid growth, this segment has attracted the greatest attention among industry observers. The growth of the economy coupled with the development of successful Indian companies and the establishment of a large number of multi-national groups in India has meant that international business travel has flourished as a result. The burgeoning IT sector

particularly, but also such areas as pharmaceuticals, telecommunications and the financial sector, have been fuelling growth as their executives attend meetings at regional headquarters or head offices as well as attend training sessions both regionally and in the USA and Europe. There are, of course, specific regional pockets that are fuelling this expansion. The "Silicon Triangle" of Bangalore, Hyderabad and Chennai as well as the thriving business community in Mumbai and - more recently - Delhi are particularly important in this respect.

The expanding economy has also brought about a proliferation of travel for meetings, incentives and conferences. These relate primarily to dealer incentives as a reward for meeting or surpassing sales targets but increasingly staff incentives as a means of motivating performance and loyalty have begun to feature. Such incentives have also become more sophisticated in recent years so that, for example, conferences on board cruise ships have become especially popular and MICE travel to Australia has been expanding quite rapidly. This segment of travel has not only grown *per se* but it is also worth noting that it has, in addition, introduced international travel to some people who have never previously been abroad and is thus helping to create a new confidence for first-time travellers.

According to American Express, business travel is growing at a rate of some 7-8% a year. It notes in its first *Survey of Business Travel Management* that companies in India spent, on average, Rs 16.45 mn (approximately US\$460,000 at 1997 exchange rates) on travel and entertainment in 1997 and, of this, around a third was accounted for by international travel. When it comes to expenditure on air travel, the international segment, unsurprisingly, accounts for a much larger share, as does expenditure on accommodation abroad - 47% and 41% of the totals respectively. The services sector was by far the highest spender both at home and overseas.

Leisure travel

Leisure travel, although still a relatively small proportion of overall travel, is the segment of the market that is most dynamic and which is reported by the trade to be growing at the rate of some 15%-20% a year. In the past, travel for holiday purposes was broadly the preserve of the ultra-rich who had bank accounts abroad or those who could combine leisure travel with a business trip. Foreign exchange restrictions limited leisure travel and certainly made it virtually impossible for long haul holidays to be undertaken in any significant numbers. With the increase in the foreign exchange allowance, coupled with economic growth and the sociological changes referred to above, leisure travel has been burgeoning. While there are no accurate data to reflect the changes overall, growth in the leisure market to the UK (an annual average of 11% between 1993 and 1998 compared with 7% for the market as a whole) and Singapore (an annual average of 15% between 1995 and 1999, compared with 11% for the market as a whole) illustrate the point.

Because leisure travel is still in its infancy, it manifests the general characteristics of a relatively immature market. There is, as a result, a progression in destination choice. For first time travellers, quasi-domestic destinations such as Nepal and Sri Lanka offer the greatest familiarity and comfort. Indian travellers are conservative in their tastes (see section on Food and Drink Requirements) and destinations that offer some cultural familiarity as well as the ability to find familiar food appeal to those

embarking on travel abroad for the first time. The next step in the progression is travel to South East Asia - particularly Singapore, Thailand and Malaysia - where the lifestyles and cultures in these destinations also provide some familiarity. Those travelling on package holidays frequently want to include as much as possible in one trip and holidays combining two or more countries are especially popular for this type of traveller.

It is often only after several trips within the region that long haul leisure travel is undertaken. In the past the UK was top of the "wish list" but this has now been superseded by the USA. However, Europe is not as expensive as travel to North America, and there are still more package holidays organised there as a result. For the first time traveller to Europe, holidaymakers will again want to include several countries and all the prime cities and sites in their itineraries. It is *de rigueur* to include some countries or well known icons – Switzerland or the Tower of London, for example – in any itinerary. Generally, it is only after holidays have been taken in these more traditional destinations that the more experienced travellers venture to destinations such as Australia (where growth rates are rapid) and therefore in Europe potentially to less traditional destinations.

Although the bulk of the leisure travel market is still relatively immature, there is now also a segment of the market who are experienced travellers. This group has the affluence and experience to seek products and destinations more typical of the mature traveller and is generally sufficiently confident to select and plan an FIT trip. Thus visitor numbers to more unusual destinations such as Hungary, New Zealand and Israel - although still small in absolute terms - as well as those selecting niche products - such as soft adventure or cruising in Alaska - are reported to be increasing quite sharply.

The general immaturity of the market means that first time travellers to any region tend to prefer an organised package in order to generate confidence and ensure their comfort in unfamiliar surroundings and with unfamiliar products. In particular, inexperienced travellers want to know that their religious and culinary habits can be taken care of, as well as to feel the security of being cocooned in a generally Indian environment.

Travel to visit friends and relatives

Travel to visit friends and relatives abroad is clearly the result of the number of Indians who have either settled abroad permanently or are working abroad on medium or long term contracts. The Indian diaspora is enormous and as a result VFR travel has always been a high component of the country's overseas travel market. There are now large Indian communities in many countries, notably in the UK, the USA and the Middle East, but also in countries such as South Africa and Canada.

Indians have travelled abroad to work for different reasons and from different regions at different times over the last 50 years and this affects the pattern of VFR travel that is generated. Thus, for example, there has been a significant number of people from Kerala going to work in the Middle East and this means that there is a strong two-way flow in travel from/to this state to countries such as Saudi Arabia or the UAE.

In the past, as a broad generalisation, people travelling overseas for work purposes were unskilled or semi-skilled blue-collar workers. There has also been a large exodus of people to set up shops and small businesses in countries such as the UK, where there are also significant numbers working in the country's health services.

A rather newer phenomenon, in addition to the continued flow of manual workers to work in areas such as construction and other blue-collar trades, is the large number of white collar professional workers, particularly from India's thriving IT sector. Countries overseas - notably the UK, Germany and the USA - have been wooing skilled workers in the technology field and some have been easing immigration procedures and allocating special permits in their efforts to attract their skills. This in turn is generating VFR travel among the more affluent sectors of society - either through their own resources or through remittances from abroad.

The nature of VFR travel is of course rather different from that of other forms of leisure travel but nonetheless its impact on destination countries is not insignificant. Visits to family tend to be of much longer duration and, although the impact on the accommodation sector may be small, other tourism services may benefit quite substantially. In particular, while the main stimulus for travel may be VFR, a leisure trip is frequently added onto the visit. Indian communities tend to be very tight knit, and as a result this not only stimulates travel from the immediate members of the family but also from other relations and friends.

Youth travel and travel for educational purposes

There has always been some travel educational travel overseas at post-graduate level among those at the top of the social tree. This was, primarily, to the UK and USA, although there has also been some travel to Singapore. However, the educational market has been accelerating in recent years and now includes, in addition to the important markets to the UK and USA, Australia - where the growth over the last five has been very rapid.

There is great prestige attached to an education abroad, with the USA providing the greatest kudos. While most students go abroad for post-graduate education, there is now also a market for those going overseas following their schooling for a first degree and/or management studies.

There is little in the way of "gap year" travel from India equivalent to the trends in Europe and North America and such youth travel as there is relates to trips made by the children of more affluent families. In general, young people travelling abroad still do so with their parents as part of a family group.

Indian travel to Europe

Market size estimates

It is not possible to provide definitive figures for the current or recent past market for Indians travelling to Europe. The only major European countries for which reliably-sourced arrivals' data exist are the UK, Switzerland, Italy and Belgium. In particular,

some of the most important European tourism destination countries such as France, Germany, Denmark, Sweden, Austria, Ireland, Spain and the Netherlands do not distinguish arrivals from India from those of “other Asia” or similar umbrella designations.

For the countries which have signed the Schengen Agreement (Austria, Belgium, France, Germany, Greece, Italy, Luxembourg, Netherlands, Portugal and Spain), visas are issued in India to permit Indian nationals to visit European countries which are members. In addition to Indians who wish to visit only one country on their trip to Europe and who would therefore mainly seek a visa from that country, for those on a multi-country trip Schengen visas are issued at embassies and consulates within India according either to the principal country visited or to the first country of destination. Unfortunately, these embassies have not made statistical data available on the number, type etc. of such visas issued, nor does the European Commission collate or publish such data. It is thus not possible to use data on visas issued to indicate the volume of travel. (Further information on the procedure for the issue of Schengen visas is contained in the next section). Countries such as the UK and Switzerland, which are outside the provisions of Schengen, do make visa data available and also publish straightforward arrivals data for Indians.

Various other data are available which provide some help in assessing magnitudes and trends (these are discussed below), but it is inevitable that a good deal of estimation is used to indicate current and recent volumes and trends.

National data for Indian arrivals in European countries, such as are available, are summarised in the following table.

Table 9
Arrivals in selected European countries from India, 1995-99

Arrivals in:	1995	1996	1997	1998	1999	% change 1999/95
Albania	16	133	na	na	na	na
Belarus	176	221	214	291	na	65.3 ^a
Belgium	8,538	8,428	12,027	10,558	13,979	63.7
Bulgaria	2,283	1,551	1,944	2,055	1,755	-23.1
Czech Republic	5,010	5,235	4,941	5,634	na	12.5 ^a
Estonia	na	1,522	2,264	3,308	1,148	-24.6 ^b
Finland	2,773	2,688	2,855	2,945	2,819	1.7
Hungary	3,759	3,838	3,999	5,285	5,847	55.5
Iceland	124	112	137	200	272	119.4
Italy	na	48,365	44,794	46,867	47,491	-1.8 ^b
Malta	837	834	722	1,203	1,319	57.6
Poland	3,494	3,851	4,515	4,246	na	21.5 ^a
Romania	1,362	1,537	1,141	1,051	3,160	132.0
Switzerland	36,555	37,276	42,190	55,102	64,514	76.5
Turkey	7,213	7,787	8,797	10,754	10,332	43.2
Ukraine	12,314	387	11,831	5,493	na	-55.4 ^a
UK	163,000	141,000	184,000	175,000	183,000	12.3

^a 1998/95; ^b 1999/96;

Sources: World Tourism Organization; National Tourist Offices

The above figures do not permit either an accurate estimate of the total market size for Europe from India to be made, nor do they allow a general assessment of the rate of growth in travel from India to Europe. The discussion in Appendix A of income distribution and its effect on international travel demand suggests that possibly 12% of households in India which can theoretically afford international travel are currently able to afford long-haul travel. As a hypothesis, if that 12% is applied to the number of Indians who actually travelled to all foreign destinations in 1999, that would imply a total of 470,000 long-haul travellers to all destinations in that year.

Since not all of these would have travelled to Europe, the implication is that the current size of the Indian market to Europe is less than this figure, but there is very little basis on which to estimate what the total might be. By common consent, the UK is the biggest European destination for Indian tourists, and accounted for 183,000 Indian visitors in 1999. Figures in the preceding table show that Switzerland and Italy both receive substantial numbers of Indian visitors, while Germany and France (on which there are no data at all) are probably next in importance. Of course, many (and possibly most) Indians who visit Europe go to more than one country on their trips (especially those on holiday who tend to tour and often take inclusive packages or customised tours to do so). Thus adding all the arrivals data together will substantially overstate the true numbers.

Imperfect though any estimate must be, the evidence which exists suggests that the total size of the Indian travel market to Europe at the end of the last decade might be in the range of 300,000 - 400,000 visitors per year, but it must be emphasised that these figures should be treated with great caution.

Countries of substantial size for Indian visitors in the above table and which also have data for all the years in the table - Belgium, Italy, Turkey and Switzerland (excluding the UK - see below) - suggest that growth since 1995 has been erratic. In the case of Italy, there has been a small decline in arrivals numbers since 1996. In the other three cases, growth has varied between 43% and 77% over the period, suggesting a rapid rise on an annual average basis. Three countries for which the tourism figures are regarded as being reasonably reliable - Switzerland, Belgium and Finland - together with the UK, registered an average annual increase in arrivals from India of 5.8% over the period 1995-99. Excluding the UK (since the sheer scale of its arrivals from India obviously affects this calculation) the growth rate would be just over 14% a year over these five years, reflecting reports from the travel trade in India of burgeoning travel abroad.

The UK is a special case. First, it is home to the largest expatriate Indian community in Europe; second, it has a long and unique historical relationship with India; and third, the UK government is especially vigilant about the risks of extensive illegal immigration which suggests that the granting of visas is very strictly controlled. It may well be that the visa system constrains the rate of growth in tourist arrivals from India as a result. For whatever reason, UK arrivals data shown no sign of the rapid expansion in Indian outbound travel that has been reported by other European countries and by the Indian travel trade in recent years.

From the data which are available, it appears that tourist arrivals in European countries from India (including, of course, those travelling on business and VFR trips as well as pure holidaymakers) have been growing at little more than 4% a year since the mid-1990s, although there is a wide variation in results by country. In Switzerland, for which good data exist and which, according to the Swiss national tourist office representative in India, has virtually no VFR traffic from India and is therefore more of a pure holiday destination, the rate of growth averaged over 15% a year in 1995-1999, consistent with opinion in the Indian travel trade that leisure traffic has been rising at annual rates approaching 20% in recent years. On the other hand, in Italy there appears to have been a decline in Indian arrivals over that same period.

Firm conclusions on the rate of growth in the Indian market for Europe are thus hard to draw. Indian outbound travel, according to government data, is increasing by just over 6% a year; it appears that long-haul travel to Europe is growing more slowly than that, (although it should be emphasised that the UK has a major influence on the conclusions drawn from the data in the above table and that may not be the picture in countries such as France and Germany where no data exist).

Regulatory procedures/visas

For non-Schengen countries in Europe, the process of obtaining visas for Indians to visit those countries is relatively straightforward in that applications need to be made, either by the traveller or, as is the case commonly in India, by the tour operator concerned in organising a package, at the embassy, high commission or consulate concerned. Most major European countries have consular offices in Mumbai, Chennai (Madras) and Calcutta in addition to their embassies or high commissions which are all in Delhi. Most travellers in India will be aware that this process takes time. In many cases, travellers who do not reside in those cities either have to apply and obtain their visas by post in advance of travel, or have to present themselves in person at the relevant office by travelling to one of the main cities suitably in advance.

The Schengen Agreement countries operate a different system. National visas can still be issued to those wishing to visit only one country; for those wishing to visit more than one country, a single Schengen visa suffices. National visas are the only ones which can be issued for more than 90 days' validity; Schengen visas are limited to 90 days, but may be issued either in a single entry or multiple entry form. The principle operated by the signatories to the Schengen Agreement is that the first or principal country of destination on a multi-country trip is the one to whose embassy the traveller needs to apply. Once the visa has been obtained, the traveller is permitted - subject to the precise terms of the visa - to enter any country which is a signatory to the agreement.

Tour operators report that their clients rarely have difficulties in obtaining visas for European countries. It appears, however, that the process is far more rigorous (and therefore possibly more off-putting) for those intending to come to Europe on an FIT leisure trip. Although few data are available, an example of the acceptance rate for visa applications is available for Spain. In 1999 the Spanish Embassy in New Delhi issued 743 tourist visas against a total demand of 923.

Length of stay

Length of stay data for Indians travelling to Europe are, with the exception of the UK, almost non-existent. Since Europe is a long-haul destination, the overall length of visit is invariably not less than ten days and more generally two or more weeks. It is, however, impossible to make generalisations bearing in mind the different profiles of reasons of travel to different countries – the proportional size of the VFR or leisure markets in a given destination for example - as well as the immaturity of the leisure market generally – resulting in a short length of stay in any one country as a result of intensive multi-destination trips. Thus, for leisure travellers on group inclusive tours, the overall length of stay in Europe may be quite long – two or three weeks – but for any given country the number of days spent there may be quite few (generally two or three days, but ranging from just a few hours to five days).

The Indian market to the UK is, as indicated above, something of a special case. This has meant that the high number of VFR visitors increases the average length of stay, as well as in all probability having an impact on the length of stay of business and leisure travellers (because of the dual reasons for purpose of visit in so many cases). However, as Table 10 shows, the shortest length of visit is that spent by holidaymakers, while business travellers spend over two weeks (although there are sharp variations year by year) – with the trip length generally increasing sharply over the last five years. The VFR market, unsurprisingly, spends the longest period of time in the country – generally about one month. In 1999 over 32% of all visits were of 15+ nights, a further 16% were between eight and 14 nights, and 23% were between four and seven nights long.

Table 10
Length of stay of Indians visiting the UK, 1994-98
 (No of nights)

Purpose of visit	1994	1995	1996	1997	1998	1999
Holiday	15.7	10.6	10.6	9.9	13.4	11.7
Business	9.4	11.3	10.7	13.1	19.9	23.5
VFR	40.9	28.5	33.6	29.1	30.9	30.9
Total (incl. others)	19.7	15.3	17.8	17.7	20.4	19.9

Source: International Passenger Survey, Office for National Statistics, UK.

As far as leisure travel is concerned, independent travellers generally spend longer in one country than those on package tours. In Switzerland, for example, FITs are reported to spend seven to ten nights in the country, while those on group tours spend just four to five.

Seasonality

For total outbound travel from India, there are very few seasonal fluctuations. According to the Ministry figures, July, September and December are the peak times, but in reality there is very little monthly difference. This picture, however, reflects the

fact that people travel at different times for different purposes and to different destinations at different times of year, and this evens out the peaks and troughs.

For leisure travel, however, the picture is different. There are three distinct periods when Indians choose to take their holidays:

- during the school holiday periods. These vary slightly according to different regions within India, but are generally from mid-April to mid-June in western and southern India and the beginning of May to the beginning of July in the north. The family market is the strongest market for holiday travel - often involving the extended family - and as a result it is important for Indians to be able to travel when the children are on holiday;
- at the time of Diwali, celebrating the Hindu New Year, which takes place every year at the end of October/beginning of November – the exact dates vary year by year. While many Indians prefer to stay at home for the Diwali festival, the holiday extends over a five-day period so trips are taken before or after the main celebrations. Generally, however, holidays taken at this time are for no more than a week and as a result tend to be short haul; and
- the Christmas/New Year period. This is also, of course, an important time for VFR travel.

For travel to Europe, the Indian holiday market will generally opt for the summer months when countries are at their most attractive. The cold and grey of a European winter holds little appeal for most Indians and the main season is therefore from April to August. However, there is a very small market for winter travel and in Switzerland, for example, there is reported to be the emergence of some travel to see the mountains during the winter months (but generally not to go skiing).

Very few countries in Europe have collected data on seasonality of arrivals, and none by purpose of visit which would be the most useful. Such information as is available is shown in Table 11.

Table 11
Seasonality of travel to selected destinations, 1999
(% of total)

Destination	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Estonia ^a	14.1	27.7	43.9	14.3
Finland ^b	18.6	27.7	29.4	24.2
Portugal ^b	17.4	31.3	27.1	24.3
Turkey ^a	12.8	24.9	39.8	22.4
UK ^c	12.9	37.6	29.1	20.3

^a arrivals; ^b nights; ^c visits.

Source: Respective National Tourist Offices

There are no statutory holiday entitlements in India, although 30 days' holiday is usual for those working in offices. There are three national holidays to celebrate the

state - 26 January (Republic Day), 15 August (Independence Day) and 2 October (Mahatma Gandhi's Birthday). There are also another 14 public holidays relating to religious occasions, as well as some 30 restricted or optional holidays. Each person generally takes only two or three of the latter. India's main holidays in 2001 are listed in Appendix E.

Expenditure

There are virtually no data available from European countries on expenditure patterns by Indian visitors. The data for the UK - the main exception to this - are reproduced in Table 12.

Table 12
Expenditure data for Indians visiting the UK, 1993-99

	1993	1994	1995	1996	1997	1998	1999	% change 1999/98	Average annual % change 1999/93
Visitors ('000)	124	125	163	141	184	175	183	4.6	6.7
Total expenditure (£ mn)	68	102	124	90	127	140	143	2.1	13.2
Expenditure per visit (£)	548	816	761	638	690	800	781	-2.4	6.1
Expenditure per visit (£)								1998/97	1998/93
Business visitors	720	1,021	1,196	870	1,113	1,462	na	31.4	15.2
Holiday visitors	486	707	627	545	386	458	na	18.7	-1.2
VFR visitors	393	593	405	382	460	585	na	27.2	8.3
Expenditure per night (£)									
Business visitors	54	109	106	82	85	73	na	-14.1	6.2
Holiday visitors	36	45	59	52	39	34	na	-12.8	-1.1
VFR visitors	11	14	14	11	16	19	na	18.8	11.6

Source: International Passenger Survey, UK

Although these data refer only to the one country, they give some indication of the value of Indian tourists in gross expenditure terms. Business visitors spend the greatest amount on a trip to the UK and also the highest amount per night spent in the country. Holiday and VFR visitors spend considerably less per visit. When expressed in terms of expenditure per night spent in the UK, the business visitor is very much more valuable than the holiday visitor and typically around five times more valuable than those visiting friends and relatives. This is to be expected and reflects, of course, the different average lengths of stay.

Across Europe as a whole there is no firm basis on which to assess the value of the Indian market. Hypothetically and based on the analysis of visitor numbers and the value of the average Indian visit to the UK, there could be 300,000 - 400,000 visits worth perhaps US\$1,000 per visit, which would suggest a market value of US\$300-400 mn a year (around 15% - 20% of total expenditure by Indians abroad) but, as with total visitor numbers, such estimates can be only very approximate and cannot be proven.

Characteristics of Indian travel to Europe

Identity of travellers

Social classes, occupations and remuneration patterns

Clearly it is only those at the upper end of the social scale who, for the reasons explained above, are able to contemplate any form of international travel at all and long haul travel is feasible for only a small proportion of this segment. Because of the difficulties of the dual economy which operates within India, social class definitions are broken down by socio-economic criteria based on a combination of employment and income. It is those in divisions A and the upper end of B who are generating demand for travel with, in the main, long haul travel available only to Group A - although in a country where there are so many variations in income and lifestyle and where there is frequently little transparency, there will, of course, be exceptions.

Group A is categorised as those in business, industry, the self employed or those working as executives. It is sub-divided into (a) A1 for those with higher educational qualifications (a college education, or graduate or post-graduate qualifications) who are also in senior executive positions, employing small numbers of people in their own businesses, or who are employed as professionals and (b) A2 which embraces those who have a college or better educational training as well as self-employed professionals and more junior executives.

The Indian Market Research Bureau estimates that there are 53 million urban households in India and, of these, two-thirds of the A1 and A2 classes travel within India and 1.4% travel internationally. In the B1 and B2 groups, the respective percentages are 61% and 0.4%.

The Indian travel trade is in broad agreement that the main demand for international travel has traditionally come from India's business community and that this still remains the case – although it is believed that there could be greater growth from the employed sector. Businessmen and entrepreneurs in a wide range of small businesses – the jewellery trade, manufacturing or agriculture for example - typically employing some 15 to 30 people, make up the single most important component of outbound travel, but many of those travelling may well be combining both business and leisure, or indeed VFR and leisure. This group is generally not regarded as the most sophisticated of travellers.

Remuneration levels for the business community are probably the most difficult to assess. This is a sector in which there has traditionally been a lack of transparency and endemic under-recording of incomes for tax avoidance purposes; it is also a group which deals mainly in cash, primarily for the same reason, and traceable means of payment such as credit card transactions and cheque payments also tend to be avoided. However, while there are no definitive figures, informal estimates suggest that it is not uncommon for those within this category to have annual incomes of well above Rs 1mn.

International travel also comes from the professions – typically doctors, lawyers or teachers/lecturers at the top of their profession – and from the senior managerial end of the employed sector. Within the latter, frequent mention is made of the young, well educated and successful employees of major Indian or multi-national companies – particularly in the IT sector – whose number have increased rapidly within the last five years. This group may well have a starting salary of Rs 30,000 a month, rising quickly to an income of Rs 100,000 a month, a figure which would enable them to travel internationally for leisure purposes on a regular basis.

Table 13 sets out the traveller profile of a major European airline whose passengers are either visiting Europe as a primary destination or are in transit for the USA. While this may by no means be a typical example of Indian travel to Europe generally – that of Air India, for example, would be likely to be very different – it does nevertheless provide some insight into the types of traveller visiting the continent.

Table 13
Passenger profile of travellers to Europe from India, 1999-2000

Occupation/travel type	Departing from Mumbai (% of total)	Occupation/travel type	Departing from Delhi (% of total)
Multi-national employees	33	Multi-national employees	25
Software industry employees	16	Visiting friends and relatives	20
Visiting friends and relatives	15	Exporters	15
Diamond trade	9	Software industry employees	10
Emigrants	6	Students	10
Unspecified	5	Emigrants	10
Attending trade fairs	4	Public sector employees	5
Entertainment	4	Unspecified	5
Ships' crew	3		
Offshore workers	3		
Students	2		
Total	100	Total	100

Source: Major European airline, from PATA report on *India Outbound*.

Who is travelling?

There is enormous diversity in a country as large and varied as India in the profile of the long haul travel market. As has been shown, this is made up primarily of the owners of small businesses, the professional classes and those at the upper end of the employed sector. Within or part of these broad groupings, there are various sub-groups, as described below. Clearly these are not the only categories – and in a

market that is changing as rapidly as India, different groupings will inevitably emerge as the market matures – they are nevertheless of interest at the present time.

The family market is undoubtedly the most prominent. Whereas in the past, parents frequently travelled without their children, there has been a change and now the children are more normally included in the trip. Indian families are probably more tightly-knit than their counterparts in the West and as a result the group frequently consists of six or more people and often includes the extended family, close friends or groups of families.

A relatively new and growing market is that of the young, **double-income families** who have no children – the “double-income no kids, or dinks” market. As in the West, some couples in India concentrate on building their careers and delay starting their families until their late 20s/early 30s. This group tends to be well-educated, earning good salaries, and has often had some experience of travel – either when they were children travelling with their parents or travelling for business. They also tend to be more sophisticated and “international” in their outlook than many other groups, and frequently travel is on an FIT basis. The country’s economic expansion has, of course, fuelled the growth of this group – with sectors such as the IT, financial and pharmaceutical industries at the forefront. As a result, this group tends to originate from the south of the country, notably the Silicon Triangle focusing on Bangalore, Hyderabad and Chennai, as well as from the commercial centre of Bombay and, to a lesser extent, from Delhi.

Single, well-educated working women are another group that have begun to emerge as travellers in the new shape of the Indian outbound market – a group that could well emerge to mirror the office ladies group in travel from Japan. Women professionals are beginning to do well in Indian businesses and to hold good management positions. They earn good salaries and are thus giving rise to demand for overseas travel. This group is beginning to become quite significant among Indian travellers to countries such as Hong Kong and it seems likely, therefore, that it is only a question of time before long-haul travel will feature more prominently. It is worth noting that, for the time being, there does not appear to be an equivalent group of young male travellers.

The retired market is also emerging as a group interested in overseas travel. While there has traditionally been such a market to visit friends and relatives overseas, there is now also a pure leisure market from the retired sector who have both the money and time on their hands. Their travel is very often done with the encouragement of their children and they tend to travel in small groups of two or three couples, often on an organised tour. However, there is also still an important VFR market among the older generation who visit not only the large diaspora of Indians resident around the world but also who visit their children working on short and medium term contracts – here again those working in the IT sector in Europe (and the USA) are important.

As elsewhere in the world, **the honeymoon market** is becoming a growth segment in its own right and it is increasingly fashionable for Indian newly-weds to opt for a honeymoon overseas. For this group, although they may be first-time travellers, the tendency is to opt for a single destination – Mauritius, for example, is especially popular, as is cruising. Among the better-off, there is a small segment who are currently choosing Europe for their honeymoon.

At the current time and with the economic expansion that is fuelling outbound travel, there is clearly a large number of first-time travellers who generally prefer to select Asia for their first trip abroad. However, as this market matures, the number of more experienced travellers who will be widening their horizons and opting for long haul travel will also expand.

Types of leisure travel

In the leisure travel market, group inclusive tours (GIT) and fully independent travel (FIT) are both reported to be growing fast. Package travel is estimated by the travel trade in India to account at present for a relatively small proportion of all outbound leisure travel: the split is generally regarded as probably no more than 20% GIT and around 80% FIT. Again there are quite sharp variations by destination, however, with Switzerland, for example, reporting a 60:40 mix in favour of group tours (this is doubtless because Switzerland is included in virtually all package tours which feature “Europe”).

For India’s emerging tourist market, the package tour provides the comfort and security often sought by the inexperienced traveller. This is generally the case for many tourism origin markets in the early stages of development, but it is especially important for the Indian traveller who often has strict social or religious requirements, particularly for the preparation of food (see section on Food and Drink Requirements below) and therefore prefers to be confident that in unfamiliar surroundings his/her needs are going to be taken care of. Many of these travellers may have travelled abroad only a few times before, generally in Asia, and an organised tour helps to cushion the unfamiliarity and strangeness of a first-time trip to Europe. This group comes, particularly from the small business community, as well as consisting of better paid employees such as senior bank officials or school or college lecturers, and is primarily made up of families across a fairly wide age range. Very few GIT tourists take a repeat trip.

Package tours to Europe tend to be “whistle-stop” *par excellence*. The Indian traveller likes to pack in as much as possible into his/her itinerary, seeing all the well-known sights and attractions, and to feel that they are getting as much for their money as possible (see also section on The Kudos Factor below). Since the group tourist is frequently a first-time traveller to Europe, this is likely to involve a trip taken at a breathtaking pace through the continent’s major cities and countries. Just a few of the main icons of each country will always be included in the itinerary – the Jungfrau, Zurich and Lake Lucerne in Switzerland, Paris and Nice in France, or Amsterdam, a windmill, and a clog and cheese factory in the Netherlands, for example (Appendix F lists the principal sites in Europe chosen by Indian package tourists).

A trip to Europe is regarded as expensive and group tourists tend not to spend a great deal of money on shopping. Three-star hotels are used by most operators.

While there are a few shorter tours featured, the trips offered by the main operators generally last between 15 and 20 days and involve eight or nine countries. These tend to be the mainstream Western European countries and frequently include Austria, Belgium, Germany, Luxembourg, the Netherlands, Italy, France, Switzerland and the

UK. Time spent in most countries is no more than two or three days, although for the more popular ones – Switzerland, France and Italy – this may be four or five. For the less popular destinations – Austria, Belgium or Luxembourg, for example – one sightseeing stop passing through the country may be all that is involved. Generally only a couple of days is allocated within the tour to time spent in the UK – it is felt that since this is a country in which Indians feel most at home and have least language difficulties, group tourists may arrange their own programme at the end of a continental European tour (something that would be inconceivable in mainland Europe) or additional “add-ons” in the UK may be offered by the tour operator. Informal estimates suggest that some 35-45% of those going on an organised tour will have relatives in the UK. The countries of the former Eastern Europe are not as yet featured in the programmes of India’s main tour operators.

The FIT market is also growing rapidly and to some extent this reflects the growth of a more experienced, internationally-orientated traveller. This segment generally comes from the ranks of senior management in the expanding services and manufacturing sector, such as IT, pharmaceuticals and the financial sector, or professionals such as doctors and lawyers at the top end of their professions. It is a market which enjoys a good lifestyle at home and is discerning in what it requires on holiday. FIT travellers are generally couples or groups of couples only, rather than families travelling with children and parents. They may well have been to Europe before and the pace of travel will not be as hectic as that for the GIT traveller. Fewer countries, or maybe only one, will be included in the holiday and it will not necessarily include the main tourist sights. Less mainstream destinations such as Hungary, Turkey and the Czech Republic may also be selected. With the emergence of a group of more sophisticated travellers, there is now also the embryonic signs of niche travel in soft adventure (paragliding and bungee jumping, for example, are not available in India), skiing or cruising in Alaska.

Travel preferences and characteristics

While it is difficult to be categorical about a market as large and diverse as India, with the variety of languages, cultures and lifestyles that it encompasses, there are a number of features which appear broadly to hold true and which help to inform the market’s travel habits and preferences. These include the following aspects:

Booking patterns

Indians do not like to book far in advance of taking a holiday, partly through an innate tendency not to commit themselves until they need to and partly through a desire not to commit resources before absolutely necessary. No data are available for booking lead times for trips to Europe but, demonstrating this tendency, for travel to Singapore in 1999, for example, Indians booked just 3.6 weeks in advance and to Hong Kong the equivalent figure was 1.2 months. A decision to make a trip may in fact be made up to a year in advance, but still it is likely that the booking will not be made until a month or two before the time of travel. Equally, travel may be utterly spontaneous, such as a trip which a farmer may decide to take at the end of a successful harvest.

Value-for-money

Regardless of how much money an Indian traveller has, he is concerned that he receives good value-for-money. Thus, as indicated above, first-time travellers going on multi-destination trips want to pack as much as possible into their itinerary, visit as many countries as possible and see all the major sights and attractions, to ensure that they are getting good value. Tour operators report that there are certain attractions that just have to be included in an itinerary or the traveller will feel that he is not getting what he has paid for. Equally, more affluent travellers or FIT travellers may well have plenty of money to spend but nonetheless want to feel that they are getting good value for it.

Activities and entertainment

Indians are generally spectators rather than participators – thus they will prefer to watch beach activities rather than join in – but they still like to be fully occupied when they are travelling. They enjoy sightseeing and visiting all the places they have heard about and it is important to be kept busy. They also like to go to family shows and to have plenty of entertainment and they particularly enjoy gambling.

Shopping generally is very important to the Indian market and they love the opportunity to spend time doing this. According to American Express, 71% of travellers listed shopping as a priority. Although there is now an increasing range of goods available in India compared with a few years' ago, Indians still relish the opportunity to shop away from home. There has, however, been a shift in tastes of late and what used to be a preference for low-cost items has now moved towards more expensive electronic gadgets, jewellery and designer goods. Indians can be very high spenders – in Singapore, for example, this market spends the largest amount per head of all visitors. Having said that, it appears that for the group tourist in Europe at least, expenditure on shopping is not great. It tends to be souvenirs and trinkets rather than expensive items, although there is some interest in purchasing diamonds in Amsterdam. As Table 12 shows, in the UK overall expenditure is quite low for all categories of visitor, although this does not break out the shopping element separately.

It is worth mentioning that the Indian cruise market, although still in its infancy, has seen an explosion of growth over the last three or four years and is currently one of the most dynamic sectors of India's outbound tourism market. A relatively short cruise appears to offer many of the facets that appeal to the Indian market at the current stage of its development – a number of different destinations, plenty of shows and entertainment on board and, for a sector which has caught the imagination of public and trade alike, a significant amount of kudos. Cruises in South East Asia have also become particularly popular for incentive trips and for honeymoons and this market, too, is booming. As far as Europe is concerned, it is unlikely that at this stage of the sector's development in India, the Indian market would want to come Europe specifically to take a cruise. However, to tap the enthusiasm that cruising is engendering, one tour operator has introduced cruising in the Mediterranean as part of a package tour. The cruises last just two or three days, and the itineraries typically include Spain/Italy or Italy/Greece.

The kudos factor

Travel is very much a status symbol in India and the kudos factor is very important in influencing where Indians choose to travel and what they want to see. Indians love to tell their friends where they have been and what they have seen and generally to be seen to be “keeping up with the Joneses”. The cinema plays an important part in influencing tastes and Indians like to impress their friends by having visited places that people have seen on films. Switzerland, for example, which has been featured in a large number of Indian films since Kashmir became unviable for filming, has become a very popular destination largely for this reason.

A trip to Europe carries with it considerable prestige and is regarded as far more impressive than a trip to South East Asia. However, it loses out to the USA which takes the No.1 slot in status terms. The UK, which used to carry considerable kudos with the older generation is now regarded as rather old-fashioned among younger travellers, and hence a visit does not carry quite the same kudos as it used to.

Food and drink requirements

Social and religious considerations have an important and practical impact on the travel habits of many Indians. Generally, Indians tend to be very conservative in their tastes, particularly those from the business communities in rural areas such as Gujarat and Rajasthan, and familiar food is very important to them. Many Indians are strict vegetarians and teetotal. In addition, there are some sects such as the Jains where food has to be prepared strictly in accordance with their religion – the Jains cannot, for example, eat anything grown underground. It is important, therefore, for Indians to be able to find food which is familiar to them and which has been prepared in the correct fashion.

Some ten years' ago, tour operators introduced the travelling Indian kitchen to their package tours to Europe. This is, in effect, a kitchen caravan which goes on tour with the group and provides true Indian cuisine cooked to cater to specific requirements. Now, some tour operators have developed the concept further and in some cases have arranged with hotels to base Indian chefs in the hotels who cater specifically for the groups. Some tours are advertised as specifically for pure vegetarians and Jains. In any event, most tour operators make a point of providing Indian food, or indicating Indian restaurants, where possible.

In general, many inexperienced Indian travellers are rather unadventurous when they travel and they therefore prefer, as far as possible, to be surrounded by an Indian-style insulating layer. Thus, some operators arrange Indian guides, who will speak local Indian languages and understand their group's requirements, to look after them and provide them with confidence in unfamiliar surroundings.

Attitude to credit

Accompanying the social and lifestyle changes that have taken place in India over the past five years has come a change in the attitude to credit and saving. Borrowing was traditionally not part of the Indian way of life, but with an increase in materialistic attitudes, probably coupled with chasing goals that were never attainable during

periods of inflation, has come a mindset change over attitudes to financing. First on the list for borrowing would be white goods, but credit has now entered the arena as a means of paying for holidays. In addition to traditional bank and credit agency borrowing, several of the tour operators now offer credit facilities to prospective clients.

The travel trade

Structure of the travel trade

By the standards of mature travel markets, the travel trade within India (from the standpoint of outbound travel at least), is at an early stage of development. The travel agency and tour operator sectors (and there is a considerable functional overlap between the two) comprise mainly small, independently owned and operated units. These serve only geographically local markets, whether for business or leisure travel, or both, with the great bulk of their business being in the sale of discounted travel – and especially air tickets. There are very few companies within the trade with anything approaching national coverage (those few that do have such a claim are listed in Appendix D and are discussed below).

In 1998 (the latest year for which data are available), there were 1,136 IATA-approved travel agents, a 25% increase on 1997. In addition, it is estimated that there are between three and four times as many unapproved agencies. There is an unsurprising concentration of travel agencies in India's major cities, with Mumbai and Delhi being especially important but with secondary cities such as Calcutta, Chennai (formerly Madras), Hyderabad, Bangalore, Cochin, Ahmadabad also attracting increasing interest.

The Indian Association of Tour Operators has some 900 members, of which 60% deal with inbound travel and 40% with outbound (although there is a 25% overlap between the two). Again, most of these are small and focus on local markets only.

National tourist offices (NTOs) have barely begun to recognise India as a country worthy of their detailed attention. In 2000 there are just twelve NTOs with a presence in India, and not all of those maintain a full office. Only three European countries – the UK, Austria and Switzerland – have any regular representation in India.

Major players

The two 'national' (i.e. state-owned) airlines, Air India and Indian Airlines, have perhaps the most prominent presence and highest brand awareness within India's travel trade. Both now operate internationally, and both therefore sell tickets through their own outlets as well as through the country's travel agency network. However, with minor exceptions, the airlines sell mainly airline tickets only (Indian Airlines commenced some tour operations in its own right in 2000 but this is at a relatively early stage), and thus do not feature as major players in the broader travel sector.

There are two principal associations of travel agents in the country - the Travel Agents Association of India (TAAI), and the Association of Indian Travel Agents (AITA). For the purposes of this report, data have been drawn from the former.

The TAAI was founded in 1951, and has as its members the most important travel agents/tour operators in the country. As of July 2000 there were some 728 active and associate members of the TAAI, as summarised in the following table.

Table 14
Travel agent members of the Travel Agents Association of India as at July 2000
 (No of member offices)

	Active member	Associate member	Total
All India	575	153	728
Of which in:			
- Delhi	151	21	172
- Mumbai	121	23	144
- Chennai	50	16	66
- Bangalore	31	18	49
- Calcutta	32	11	43
- Ahmadabad	26	4	30
- Sub-total	411	93	504
% of total	71.5	60.8	69.4

Source: Travel Agents Association of India

The two most important locations for TAAI members are Delhi and Mumbai. New members accepted by the TAAI for membership between April 1999 and July 2000 show the fastest growth in Delhi and Chennai (which added 32 and 20 active and associate members respectively in this period compared with just 14 in Mumbai).

Despite the fact that the travel industry in India remains largely dominated by small scale operations, in recent years there have been signs of major international companies moving in in order to secure a position in this developing market. Industry consolidation has been taking place in much the same way as has characterised developments in more mature markets. As a result, some of India's leading travel companies have become part of, or at least have become closely associated with major international brands. Most Indian companies which have entered into such arrangements have retained their own national brands and identities, however.

Developments of this type have included the take-over by the Swiss company, Kuoni, of SOTC and SITA World Travel – two of India's most prominent travel groups, Thomas Cook's acquisition of the Travel Corporation of India (TCI) and the purchase by Carlson Wagonlit of Indtravels. It seems unlikely that these will be the only such deals, especially as India's potential as a travel market becomes better known.

The leaders in the field of assembling and selling outbound travel, especially leisure travel, to the Indian market are Cox & Kings, Thomas Cook (India) Ltd., Travel Corporation (India) Ltd (TCI), SOTC, SITA World Travel and Raj Travels and Tours.

Mid-size and/or growing operators include Club 7, STIC, International Travel House (ITH), Beacon, and Space Travels, and there are also a host of smaller companies.

The five leading companies are as follows:-

- **Thomas Cook (India) Ltd** has been operating in India for over 100 years. The international Thomas Cook Group owns 40% of the Indian company, with the State Bank of India holding 15% and the remaining share held by the public. Some 60% of Thomas Cook's turnover is from foreign exchange and travellers cheque sales, and it has around 40% of this market. The remaining 40% of turnover comes from travel related services. In 1999 Thomas Cook had sales of US\$15.5 mn and showed a net profit of US\$4 mn.
- **Travel Corporation India (TCI)**, a long-established, family-run Indian company, is in the process of being purchased by Thomas Cook, at a price of US\$26.5 mn. The merger of these two groups creates the country's largest travel operation, with a combined turnover of Rs1,000 crore (US\$220 mn). TCI is the market leader in inbound tour operations, but also has outbound and business travel divisions. Its strength rests on the large number of branches it has in 28 cities throughout the country.
- **Kuoni** has emerged as another major player, having moved into India through acquiring two on-going operations rather than developing a new company from scratch. Some five years ago it purchased Bombay-based **SOTC**, and followed this by acquiring the family-run **SITA World Travel (India) PVT Ltd.** in early 2000, for a purchase price of US\$35 mn. There is a good fit between the two companies, since SITA is strong in inbound, business and incentive travel, whereas SOTC's focus is outbound leisure, particularly package tours. SOTC has 26 offices throughout India and SITA has 17 in addition to five abroad and two associate offices in Nepal and Sri Lanka. Kuoni/SOTC/SITA has turnover of around Rs 500 crore (US\$110 mn), but is bigger than Thomas Cook in the leisure market.
- **Cox & Kings**, although long-established in India, was a late entrant to organising outbound tours. It began by representing overseas operators as their General Sales Agent (GSA), and introduced its own tours in 1995. It is now well established among the leaders and was reportedly the number two in volume terms in 1999. It claims to offer the largest selection of holiday products in India and that it has been increasing its sales volume at over 100% a year. It has a good distribution network within the country, with 25 GSAs and over 400 travel agents promoting the company's products to local clients. The company is a large player in the business travel market and claims to be the market leader for incentive travel to overseas destinations. Cox & Kings organises tours to Europe, the USA, the Far East, as well as Dubai, South Africa and Australia.
- **Raj Travels & Tours** has a narrower focus than most of the other major players, focusing on inclusive tours for the generally well-off Gujarati market. It also has a small amount of inbound and domestic business. The company has offices throughout India, but no overseas offices. It offers tours to Europe, the USA and the Far East, as well as a small programme for Australia, New Zealand, South

Africa, Kenya and Mauritius. The number one destination for the company is Europe, for which Raj has around 4,000 clients a year. Around 50% of its clients are businessmen and their families on holiday, 20% are FIT who are generally managerial level employees, 10% are incentive groups and the rest miscellaneous.

- An example of a typical second tier operator is Calcutta-based **Club 7**. Established some ten years' ago, the privately-owned company operates tours and customised programmes within the region as well as to Europe, Egypt, Africa (Kenya and South Africa) and Australasia.

Further details about these and other leading travel companies are presented in Appendix D.

Travel marketing and distribution

An important aspect of marketing travel services and especially foreign destinations within India is the need to educate the market. As far as European destinations are concerned, some are relatively well-known – notably the UK, Switzerland and Austria. Those Indians who may either have been to Europe or are within the social and economic groups able to contemplate such a trip are likely to be aware of Europe's main attractions, but at the same time the bulk of the target market may not be well aware of the main points of interest in less-visited European countries.

Travel marketing in India is mainly carried out by national tourist offices (NTOs), airlines, travel agents and tour operators. NTOs make use of direct press advertising (mainly in the leading newspapers and the emerging "lifestyle" magazines), editorial press coverage from travel journalists who may have been invited on familiarisation trips by the NTO concerned, and by the direct marketing of their destination to India's travel trade. It is worth emphasising, however, that with so few NTOs active in India, there are major gaps in this type of coverage – leading European countries such as France, Germany, Spain and Italy as yet have no representation in the country for example.

Airlines mainly sell through travel agents throughout India. Their marketing is largely based on traditional advertising, either in the press or on radio and television.

Travel agents and tour operators active in the marketing of outbound travel use direct database marketing where they have been able to build up mailing lists of Indians living in the types of household susceptible to international travel. Advertising is also widely used, mainly in the national newspapers and, within that group, mainly in those which publish in English. A list of the main newspapers and magazines which have been used for this purpose is given in Table 15, although it should be emphasised that new magazines are appearing all the time and that, given India's enormous size, there may well be local and regional print media which are not included on this list.

Table 15
Some leading English-language publications in India^a

Newspapers		
Title	National circulation	National readership
Deccan Chronicle	na	1,000,000
Deccan Herald	na	1,043,000
Economic Times	350,000	685,000
Hindustan Times	594,000	na
Indian Express	361,000	na
New Indian Express	329,000	1,935,000
Sunday Mid-Day	117,000	na
Sunday Statesman	na	na
Sunday Times of India	1,483,000	As Times of India above
The Hindu	685,000	2,191,000
The Statesman	na	na
The Telegraph	248,000	786,000
Times of India	1,480,000	3,526,000
Weekly Magazines		
India Today ^b	na	5,953,000
Fortnightly Magazines		
Femina	na	1,027,000
Woman's Era	96,000	1,125,000
Monthly Magazines		
Cosmopolitan	na	359,000
Debonair	90,000	na
Elle	31,000	na
New Woman	77,000	na
Savvy	118,000	223,000
Society	na	184,000

^a Circulation and readership figures are generally for 1997, 1998 or 1999 as published by the source quoted below

^b Also published weekly in Hindi (readership 5,872,000), Malayalam (1,663,000), Tamil (1,069,000) and Telugu (1,422,000)

Source: *Press Handbook 1999-2000*, The Indian Newspaper Society

India's print media is extensive, with many hundreds of newspapers and magazines serving local and regional markets, and language groups, in addition to the main national press listed above. Of particular importance to the travel trade are The Times of India (and The Sunday Times), and The Hindustan Times. Lifestyle magazines, based on subjects such as cookery, home furnishings or perhaps fashion, are beginning to emerge in India and are targeted at the better off households (and priced accordingly) which contain just those economic and social groups likely to demand international travel. Most of these magazines will have either a regular travel section or will feature occasional travel-related pieces which are used by destinations for marketing purposes and for informing their market more closely about the destination concerned.

The Internet is beginning to feature among India's travelling classes as a source of information, although not yet as a means of either reservation or payment. Internet

marketing is thus another area which destinations should now be using. The probability is that Indians with international travel experience – those which are most likely to travel to Europe since few first-time travellers would venture that far – are in many cases already users of the Internet and are likely to be better informed about destinations and choices as a consequence. Internet usage among the young from the more prosperous households is increasingly common, and fits in well with India's burgeoning reputation within the electronic and information technology industries.

Conclusions

Prospects for Indian outbound travel to 2005

It is difficult to predict the number of Indians likely to go abroad for the next few years because there is no agreed total of current or recent past international travel on which to base such projections. The figure of almost 4 million departures in 1999 (see section on Overall Market Size) is not universally agreed by the travel trade but is the only official figure available.

There is no doubt about the potential for the Indian market. Perhaps no more than one fifth of those who can afford to travel abroad are currently doing so (although it would be wrong to assume that all those who can afford to do so actually want to do so – many may not). Nonetheless, these figures indicate clearly the potential that exists.

The recent rapid expansion in leisure travel abroad – which tour operators and travel agents in India estimate has been rising at around 20% a year in the past few years – could continue in the context of the potential which exists. However, there are also signs that the rate may slow down for economic reasons. As discussed below, the real purchasing power of the Indian rupee abroad rose rapidly in the latter half of the 1990s but is forecast to fall in the first years of the current decade. Second, the foreign exchange liberalisation which took place after 1996 has now been completed and no further major effects can be expected from this source (although the June 2000 changes will continue to influence the market for 12 to 18 months). Third, analysts suggest that there may be some constraints on the general rate of Indian economic growth in the next few years as the pace of reform may slacken and the provision of essential infrastructure may be slower than required to maintain recent momentum.

However, for the period to 2005 there is every reason to believe that outbound travel will continue to increase at rates which, if not as rapid as in the past few years, will nonetheless exceed global averages. Research suggests that, in 2000, there may have been 1.4 – 1.6 million Indians travelling abroad primarily for leisure purposes (i.e. excluding pure business travel, working contracts abroad and other non-leisure purposes but including the majority of “visiting friends and relatives” – VFR – travel). If that market were to grow at a sustained rate of, say, 10% a year to 2005, the Indian outbound leisure market would total 2.3 – 2.6 million by that date. At an annual average of 7.5% growth per year, the totals for 2005 would be 2.0 – 2.3 million. Such rates of growth, sustained over a period as long as five years, would be very high by international standards. It is perhaps more likely that growth rates in the

immediate future might exceed this average but might also decline quite rapidly after a year or two.

Despite the uncertainties, however, it seems likely that the Indian outbound leisure market will rise beyond 2 million people a year in the next few years. Other types of travel can be expected to grow more slowly, with pure business travel perhaps broadly following the rate of expansion in the Indian economy. VFR travel should receive further stimulation from the new wave of overseas contract work in the IT sector, especially in Germany and the USA. Overall, the Indian outbound travel market offers many destination countries a sufficiently interesting prospect to justify direct marketing initiatives among selected groups within India.

Europe's competitiveness

One of the more important economic influences on demand for travel to Europe is the real value of the Indian rupee in European destination countries. While transport services for foreign travel can be purchased in rupees in India, accommodation and other associated travel costs abroad have to be paid for in foreign exchange. On foreign exchange markets, the nominal value of the Indian rupee has fallen steadily over recent years and continues to slide downwards against major international currencies.

However, the market exchange rate only partly indicates the real value of the rupee abroad. In order to calculate its "real purchasing power", it is necessary to take into account, on a country pair basis, the relative rates of price inflation within India compared with individual country destinations. Travel Research International's own model monitors these trends and enables short-term forecasts to be made. Table 16 summarises the changes which have taken place for the Indian currency in most of the major countries of Europe since 1996, and also shows the predicted trend to the end of 2001.

Table 16
Changes in the real purchasing power of the Indian rupee in major European countries, 1996-2001
 (%)

Destination country	Change in value 1996-99	Change in value 1999-2001
Austria	29.9	-11.0
Belgium	29.1	-11.5
Cyprus	18.2	-7.0
Denmark	21.8	-12.2
Finland	28.3	-12.1
France	28.7	-11.2
Germany	29.5	-11.5
Greece	22.6	-9.7
Italy	21.9	-12.8

Netherlands	26.2	-12.9
Norway	23.4	-13.8
Portugal	24.4	-13.0
Russia	54.5	0.0
Spain	27.1	-12.9
Sweden	33.7	-13.3
Switzerland	31.3	-9.7
Turkey	5.5	-7.6
UK	-2.6	-11.9
Mean values of above	25.2	-10.8

Source: Travel Research International's Real Exchange Rate Competition Model

Between 1996 and 1999 the real value of the Indian rupee in Europe rose, on average, by around a quarter. During this period there were some notable variations in major destination countries such as the UK, for example, where there was a slight decline in the rupee's real value, and in Russia where the real value of the rupee rose by over 50%. Nonetheless, in most destinations - and especially in those which are now part of the euro zone - the underlying trend for Indian travellers was positive throughout this period. Such influences can only have been a help in stimulating travel from India to the European continent.

Looking forward to the end of 2001, however, the picture is markedly different. The real exchange rate model predicts an average deterioration in the real purchasing power of the rupee in Europe of around 11%, again with some interesting variations between destination countries. Russia is again noticeable in that there should be little change over the period, while countries such as Cyprus, Greece, Switzerland and Turkey are predicted to suffer a somewhat less marked deterioration for Indians than the average across the continent. While a decline of this order over two years is not dramatic, it is obviously less helpful than the previous period of rising real purchasing power has been. These predictions suggest that growth in demand for travel from India may be moderated somewhat as a result.

Prospects for Indian travel to Europe

Indian travel to destinations outside the Indian/South East Asian region, data deficiencies notwithstanding, is already a greater proportion of total outbound travel than is typical for most travel origin markets. While most origin markets are dominated by travel to adjacent countries within the same region, this is not so for India. This is mainly because of the Indian diaspora, notably in the UK and USA and the consequential strength of the VFR market. Indian travel to Europe is directly affected by these influences due to the special position of the UK.

In future, it likely that Indian demand for travel to European destinations will grow steadily rather than rapidly. This is partly because Indian outbound travel overall will come under the influence of some economic constraints in the next few years and partly because the travel market will show signs of maturity in due course. Pure

leisure travel may grow more rapidly than total travel, but growth rates can nonetheless be expected to slow down before long.

Nonetheless, within the context of the underlying potential for the expansion of international travel from India, Europe can expect to see growth continuing in the longer term, and is also likely to see a diversification of destinations within Europe. At present, the key tourism countries in Europe for Indian visitors are Switzerland (where arrivals have been growing very fast), Italy, France and the UK. Because long-haul travel for family groups from India is obviously expensive, repeat group visits seem to be relatively few, but at the same time the better off are likely to want to diversify their destinations as time goes by. Where Paris, Rome, London and the Swiss Alps have been the first choice, it may well be that Scandinavia, Greece, Prague and countries such as Scotland and Hungary (where recent Indian films have been made) will see growth in future.

For European destinations, two conclusions seem to be key. First, it should be remembered that much of the Indian market remains poorly informed about countries in Europe. There remains a need for educational promotion for many destinations which have yet to attract visitors from India in any number. Second, and related to this point, few national tourist offices from Europe have representation in India. While it may be hard to justify the costs of opening a discrete office in India immediately, there is already a case for many countries to undertake direct destination marketing through other means, such as the appointment of a suitable agent or local representative, the use of the broadcast and/or print media and so on.

Finally, this study suggests that there is a case for European countries to pay closer attention to the Indian travel market in general in order to benefit from the undoubted potential. A helpful first step would be for national tourist offices and/or national statistical services to analyse Indian arrivals, expenditure, length of stay and other relevant measures separately and thereby improve the statistical knowledge base and enable more informed judgements to be made in future.

Appendix A

The Indian economy - recent trends and future prospects

During the decade of the 1990s, India has been one of the world's fastest growing economies. Real economic growth for the decade to 1999 averaged 5.4%, with a marked acceleration taking place - to an average of 6.5% a year - in the latter half of the period.

This has been an impressive performance. However, it is thought that much higher rates of growth - approaching 10% a year in real terms - would be necessary in order to lift from poverty the 400 million Indians who live on less than US\$1 per day. There is no sign that such rates of growth will be able to be achieved in the immediate future.

Table A1
Change in Real GDP in India, 1990/91 -1999/2000
(%)

1990/91	5.4
1991/92	0.8
1992/93	5.3
1993/94	6.2
1994/95	7.0
1995/96	7.3
1996/97	7.5
1997/98	5.0
1998/99	6.8
1999/2000	6.0

Sources: Reserve Bank of India *Bulletin*, April 2000; Central Statistical Organisation

In interpreting the importance of macro-economic performance indicators, it is important to remember the great size and diversity of the country. Local and regional economic fortunes can vary widely from the national averages and consequently these general figures can give only a very broad view of the underlying trends in the economy. The most prosperous states (based on 1996/97 regional income figures which are the latest available) are Delhi, Goa, Punjab, Maharashtra (which includes Mumbai), Haryana, Gujarat, Tamil Nadu and Arunachal Pradesh. The poorest are Orissa, Jammu and Kashmir, Tripura and Bihar but, just as there are pockets of extreme poverty in the better-off states, so there will be found pockets of prosperity in the poorest. Research indicates that, while demand for international travel is concentrated in the larger cities and more prosperous regions, there is also evidence of such demand coming from poor rural areas and small towns, especially in the area of VFR travel.

Income distribution

Assessing that part of India's population with the income to be able to afford international travel is hampered by a lack of data. India's National Council of Applied Economic Research (NCAER) carried out a survey in 1995 of the better off segments of India's society which gives some idea of the magnitude of this market. At that time there were 1.1% of households with annual incomes above Rs 200,000 (what may be termed as the Indian "middle class" or above). This equated to 1.84 million households in 1995/96 which, with an average household size of around 6 persons, would imply that 11 million Indians could be called "middle class" five year's ago. In the mid-1990s that income group was expanding rapidly. Trends since then indicate that, by the end of the decade, there could well be as many as 30 million people in this category. Given the systematic and widespread under-reporting of income levels and the prevalence of cash trading which reflect a tradition of avoiding high marginal rates of tax, it is estimated that, in reality, this middle class could number between 60 and 100 million.

However, it is also clear that a household income of Rs 200,000 a year (the approximate equivalent of US\$4,400 at market rates of exchange in late 2000), is unlikely to be adequate to enable regular international travel to be undertaken. It is more likely, based on analysis of travel prices and in discussion with India's leading tour operators and national tourist office representatives, that household incomes in the range of Rs 300,000- Rs 500,000 a year represent the threshold for the international travel market. (Note that, within India, these incomes buy far more real goods and services than they would in industrialised countries. Thus, while an income of Rs500,000 a year translates into a relatively modest US\$11,100 at late-2000 market exchange rates, the World Bank estimates that such an income would be the equivalent of US\$45,000 in real purchasing power terms within India). Although data deficiencies make it difficult to be precise, Travel Research International's work in India suggests that there are of the order of 25 million people - the equivalent of some 4 million households - with this level of income.

However, the majority of those who can afford international travel will not be in the income bracket which enables them to contemplate long haul destinations such as Europe. Most travel to destinations closer to home, such as South East Asia and the Arabian Gulf. Again, data deficiencies make it impossible to be precise about how many people fall into this category. Travel trade sources in India believe that household incomes of at least Rs 1,200,000 a year are necessary to enable long-haul travel to take place. In 1995/96, the NCAER survey suggested that there were 106,000 households in this group, about 12% of the total of those households falling into the general category of those who travel abroad to all destinations.

Of the 25 million people currently in India who can afford international travel, and if the mid-1990s ratio of 12% were still to apply – and this may have risen slightly – then 3 million people would represent the potential long-haul travel market at the present time. Given that some of these will choose North American destinations and others may select destinations in the South Pacific such as Australia and New Zealand, both of which have seen an increasing level of interest on the part of Indian outbound travellers, the potential market for travel to Europe would only represent a proportion of this 3 million. Although all these estimates can be little more than

speculation, it is tentatively suggested that there may be around 1.5 million people who currently represent India's potential travel market to Europe.

Economic prospects

While it is clear that there is enormous potential within the country, and forecasters expect that India will be able to continue to achieve rates of real economic growth similar to those achieved during the 1990s, there are also some areas of concern. It has been suggested that the Indian government needs to accelerate the rate at which it carries out economic reforms and in particular the loosening of the state's reins of control via the privatisation of state-owned enterprises. Investment in key areas of infrastructure, such as electricity generation, needs to be speeded up. Some international businesses which operate in India have suggested that foreign investment will not achieve its potential unless such problems are tackled successfully. In October 2000 it was reported that India's receipts of foreign direct investment (FDI) in 1999 totalled US\$2.6 bn, compared with US\$63.4 bn in China for that same period, a country with which India often compares itself.

Coupled with such concerns about India's capacity to sustain high real rates of growth are indications that other economic factors may slow down the rate of growth in outbound travel, especially the discretionary elements such as pure leisure and VFR travel. The section on Competitiveness Trends in the main report comments on the prospects for the real purchasing power of the rupee abroad which suggests that the first years of the new decade may well be less favourable than the last five years of the old. Nonetheless, it should also be pointed out that economic influences on the travel market may be somewhat less direct than in countries where the travel market has reached greater levels of maturity. India's outbound market is in its infancy and there do seem to be many people with the financial ability to travel abroad who have not yet done so. This may sustain faster rates of growth for the next few years than the underlying economic indicators might seem to support.

Appendix B

Current air transport capacities - India to Europe

India in recent years has been suffering from a shortage of airline seats, according to members of the country's travel trade. This has been due primarily to difficulties experienced by the national airline, the government-owned Air India, which has seen a reduction in the number of routes which it serves due to financial pressures. Since Air India enjoys automatic reciprocal rights to operate on routes agreed under bilateral terms but has been unable to do so in some cases due to lack of capacity itself, this, it is claimed, has hampered the expansion of capacity on key routes. Coupled with generally slow progress in liberalising the country's air transport system, it has been claimed that this has restrained the growth of international travel, especially for leisure purposes.

During the course of 2000, however, there were signs that matters were improving. The traditionally domestic-only airline - Indian Airlines (also state-owned) - has extended its services to medium-haul international destinations in South East Asia and the Arabian Gulf. The government has authorised the development of code-share flights with foreign carriers - the most publicised example of which was the commencement of a London-Delhi service in mid-year by Virgin of the UK, code-sharing with Air India. Also, government announcements of the intention to privatise Air India and to open the air services system to somewhat greater operating freedoms have persuaded some airlines that things are improving and that restrictions are being relaxed.

In April 2000, an annual equivalent of some 7.5 million international airline seats were being operated, a total which had risen to over 8 million by November. In the previous year, the total number of seats operated was 11.1 million in both directions (5.5 million each way, which indicates that there has been a rapid expansion by November 2000 of some 45%).

Data on the apparent capacity of scheduled flights leaving India as at 1 November 2000 - using the pattern of weekly flights at that time to estimate annual equivalents - are available from the *Official Airlines Guide*. Such data can only be approximate, however, due to the difficulty of varying seat configurations by aircraft type, the fact that some seats are on flights which do not originate in India and which therefore may not entirely be for sale in India, and particularly because destinations are related to where the flight terminates rather than to where passengers may ultimately be heading. Passengers who may well be in transit (e.g. Indians travelling to Europe on airlines such as Emirates and Gulf Air and who change planes and flights in locations such as Bahrain and Dubai) do not show up in this kind of analysis.

With these qualifications in mind, the following series of tables summarises current air transport capacities to Europe from India, based on scheduled international services and within the context of the total range of flights leaving the country. Table B1 estimates that there were some 8.5 million seats available on all aircraft leaving India on an annual basis as at the beginning of November 2000. (As explained above, not all of these may be for sale to passengers originating their journeys in India.) In

terms of direct flights, around 20% of available seats - some 1.7 million a year - are destined for Europe, the second largest continental destination after the Middle East. Such data are not helpful, however, in estimating traffic volumes to Europe because, in addition to those Indians in transit in the Middle East for European destinations, there are also many Indians who are in transit through Europe for destinations in North America.

Table B1
Summary of air services out of India by destination region, November 2000

Destination	No of flights per week	Annual equivalent seats ('000)	% share
Middle East	215	2,810	32.9
Europe	99	1,670	19.6
South East Asia	113	1,490	17.4
South Asia	142	1,380	16.2
North America	26	430	5.0
Far East	27	390	4.6
Africa	22	280	3.3
Oceania	7	90	1.1
Total	651	8,540	100.0

Source: Official Airlines Guide, October 2000

Table B2 examines in more detail the pattern of direct scheduled flights from India to Europe. The UK and Germany are the two largest destinations in terms of the capacity offered, with Switzerland, the Netherlands, France and Russia also offering relatively large numbers of seats. However, as indicated above, airports such as those in London, Frankfurt, Moscow and Amsterdam have high levels of transit business for Indians travelling to North America. Also, airlines such as KLM, Austrian Airlines and Swissair all report high levels of transit traffic from India bound for other destinations within Europe, especially the UK, while transit services in the Arabian Gulf supply Indian visitors to Europe from those points also. Firm conclusions about the volume of air traffic based on air service capacities are therefore impossible to draw.

Direct flight capacities to Europe will be enhanced in 2001 by the re-introduction of United Airlines' daily round-the-world service which will operate in each direction and will link Delhi with London as part of the global routing. Further capacity may well also be added by Virgin which is interested in raising its twice weekly frequency to at least three flights a week on the London-Delhi route, while there is interest on the part of other European airlines in increasing flight frequencies to India as the market expands and as more flexibility is introduced into the bilateral traffic rights process by the Indian authorities.

Table B2
Analysis of air traffic capacity out of India to Europe, late October 2000

Destination country	Destination city	Flights per week	Annual capacity	Country totals	
				Weekly flights	Annual seats
Austria	Vienna	4	64,480		
	Vienna	1	15,080	5	79,560
Belgium	Brussels	2	32,240		
	Brussels	2	30,160	4	62,400
Denmark	Copenhagen	5	62,400	5	62,400
France	Paris	7	105,560		
	Paris	1	21,320		
	Paris	2	33,280	10	160,160
Germany	Frankfurt	3	63,960		
	Frankfurt	7	149,240		
	Frankfurt	5	106,600	15	319,800
Italy	Milan	6	74,880	6	74,880
Netherlands	Amsterdam	3	49,920		
	Amsterdam	7	101,920	10	151,840
Russia	Moscow	2	24,440		
	Moscow	2	24,440		
	Moscow	3	37,440		
	Moscow	1	16,120		
	Moscow	1	12,480		
	Moscow	2	24,960	11	139,880
Switzerland	Zurich	7	112,840		
	Zurich	7	116,480	14	229,320
UK	London	3	48,360		
	London	9	191,880		
	London	7	149,240	19	389,480
Total Europe		99	1,669,720	99	1,669,720

Source: Official Airlines Guide, October 2000

Almost half of all outbound international flights to all destinations depart from Mumbai, with a further 25% from Delhi. For scheduled flights to Europe, the balance is different, however, with 44.3% of all seats leaving from Mumbai and another 43.7% from Delhi - giving an almost equal split between the two. Chennai and Calcutta account for the balance, with Chennai accounting for 7.8% and Calcutta for 4.2%.

While Mumbai and Delhi can be expected to continue to dominate the air transport market out of India, the Indian government has recently designated a further seven airports as having international status. These are Ahmadabad, Amritsar, Bangalore, Cochin, Goa, Guwahati (in Assam, north east India) and Hyderabad. Cities such as Bangalore and Hyderabad are the locations of some of India's fast-growing high

technology industries which include many international companies, and as such may be expected to generate international travel demand. In other cases, it may be some time before many international services actually start operating, but in the longer term it is to be expected that some of these new airports will see direct connections to Europe commencing. Cochin, for example serves the state of Kerala which generates a lot of international VFR travel.

Appendix C

Arrivals in major destinations

The following table shows the major destinations for Indian outbound travel. While it is not comprehensive, since some countries do not separate out arrivals from India within their totals but simply include them in the “other Asia” category, the main countries which do record arrivals are shown below.

Table C1
Major destinations for Indian outbound travel, 1998-99
('000 arrivals)

	1998	1999	% change 1999/98
Singapore	243.7	288.4	18.3
Kuwait	215.1	Na	na
USA	211.0	228.1	8.1
UK	175.0	183.0	4.6
Bahrain	172.0	Na	na
Thailand	147.6	164.0	11.1
Dubai	127.1	158.3	24.6
Nepal	143.2	140.6	-1.8
Hong Kong	93.0	107.4	15.4
Pakistan	67.1	Na	na
China (PRC)	65.7	84.2	28.2
Switzerland	55.1	64.5	17.1
Bangladesh	57.9	62.9	8.6
Italy	46.9	47.5	1.3
Canada	42.2	47.8	13.3
Indonesia	40.9	30.1	-26.4
Korea (ROK)	40.6	43.8	7.9
Sri Lanka	37.4	42.3	13.1
Malaysia	33.8	46.5	37.6
Japan	33.3	35.9	7.8
Australia	29.5	33.6	13.9
Russian Fed.	25.1	23.4	-6.8
Egypt	23.7	28.9	21.9
South Africa	23.1	Na	na
Philippines	20.9	18.6	-11.0
Kenya	20.8	Na	na
Jordan	17.3	24.1	39.3

Source: Respective national tourist offices; World Tourism Organization; PATA.

Appendix D

Principal travel agents and tour operators

By the standards of more mature travel markets, the travel trade in India is relatively under-developed. Few travel agents have networks of branches - most are individually-owned and operate in local markets only. Major travel agents/tour operators are still relatively few in number, but at this level there has been considerable investment in India on the part of major international groups. The distinction between travel agents and tour operators in the realm of the major groups is also blurred, since most offer both types of service.

This appendix lists the main travel companies in India as at mid-2000, but readers should be aware that, as India's travel market grows, there is scope for further expansion in this sector. New names may well appear in the coming years as a consequence.

In addition to the two travel agents' associations mentioned in the main text, there is also the **Indian Association of Tour Operators (IATO)**. The majority of IATO's members handle inbound business and, while most of the leading outbound tour operators are IATO members, not all are. For further information, the association may be contacted at:-

Indian Association of Tour Operators,
404 Padma Towers II,
22 Rajendra Place,
New Delhi 110 008
Tel: 011 573 8803/011 575 0034
Fax: 011 575 0028

Leading tour operators and travel agents

American Express Travel Related Services

Bhilwara Bhavan,
40-41 Community Centre,
New Friends Colony,
New Delhi 110065
Tel: 011 631 8108
Fax: 011 631 8124

Club 7

4 Girans Avenue,
Calcutta 700017
Tel: 033 240 4140/240 4261
Fax: 033 247 4946/240 2807

Cox & Kings (India) Ltd.,

Grindlays Bank Building,
270/272 Dr. D. N. Road,
Mumbai 400001
Tel: 022 207 3066
Fax: 022 207 3068

Everett Travel Service,

C11 Connaught Place,
(Rajiv Chowk),
New Delhi 110001
Tel: 011 332 1117/1217/9319
Fax: 011 332 6748/373 1976

Govan Travels Ltd.,
Hansalaya Building,
12th Floor,
Barakhamba Road,
New Delhi 110001
Tel: 011 331 3744/3268/2201
Fax: 011 331 3303

Indtravels Ltd.,
408-410 Somdutt Chambers II,
9 Bhikaji Cama Place,
New Delhi 110066
Tel: 011 616 8097/617 0266/618 8733

International Travel House Ltd.,
T2 Community Centre,
Sheikh Sarai Phase I
New Delhi 110017
Tel: 011 623 0848/0381-88
Fax: 011 622 5113/4543

Mercury Travels Ltd.,
Jeevan Tara Building,
Parliament Street,
New Delhi 110001
Tel: 011 336 2008/2091/0602/5994
Fax: 011 334 4068/373 2013

Orient Express Ltd.,
70 Janpath,
New Delhi 110006
Tel: 011 332 2142/335 2825
Fax: 011 332 5198

**Pearl International Tours and
Travel Pvt Ltd.,**
204 Rohit House,
3 Tolstoy Marg,
New Delhi 110001
Tel: 011 372 5858/5826-37
Fax: 011 331 4109/336 2451

P & O Travel (India) Ltd.,
10th Floor,
Hemkunt Tower,
98 Nehru Place,
New Delhi 110019
Tel: 011 622 9000/648 0565-67
Fax: 011 622 9004

Rosenbluth International,
India Steamship House,
2 Old Court Street,
Calcutta 700001
Tel: 033 248 4165/3779/9232
Fax: 033 248 0589/8906

Shree Raj Travels & Tours Ltd.,
Chowpatty View,
S. V. P. Road,
Opp. Sukh Sagar,
Opera House,
Mumbai 400007
Tel: 022 367 3000/6226/2424/2425
Fax: 022 364 5001

Sita World Travel India) Ltd.,
4 Malcha Marg,
Shopping Centre,
Diplomatic Enclave,
New Delhi 110021
Tel: 011 611 1122
Fax: 011 687 0123

SOTC Kuoni Travel (India) Ltd.,
Vaswani Mansion,
120 Dinshaw Vachha Road,
Churchgate,
Mumbai 400020
Tel: 022 288 5701-4
Fax: 022 288 5706/285 5842

STIC Travels Pvt. Ltd.,
Chanderlok Building,
1st Floor,
West Wing,
36 Janpath,
New Delhi 110001
Tel: 011 332 2033/331 1447
Fax: 011 371 2710

Thomas Cook (India) Ltd.,
Thomas Cook Building,
Dr. D. N. Road,
Fort,
Mumbai 400001
Tel: 022 204 8556-8
Fax: 022 287 1069

Indian Travel to Europe

Travel Corporation of India Ltd.,
Chander Mukhi,
Nariman Point,
Mumbai 400021
Tel: 022 202 1881
Fax: 022 202 9424

Trade Wings PVT Ltd.,
32 Chowringhee Road,
Calcutta 700071
Tel: 033 299531-35/296467

Appendix E

Public holidays in India

The following table shows dates for the major public holidays in India during 2001, as well as a list of restricted holidays. The main holidays are national holidays and include the three holidays celebrating the Republic (Republic Day, Independence Day and Mahatma Gandhi's Birthday) and a further 14 celebrating religious festivals. The restricted holidays are taken through choice and a government employee, for example, would take no more than two or three of these a year. The relevance of these days varies by state and religion – thus, for example, the Parsi New Year is celebrated primarily in Bombay where the Parsi community lives.

Table E1
Public holidays in India, 2001

Main holidays	
New Years Day	1 January
Republic Day	26 January
Idu'l Zuha (Bakrid)	6 March
Muharram	5 April
Mahavir Jayanti	6 April
Good Friday	13 April
Easter Monday	16 April
Budha Purnima	7 May
Milad-Un-Nabi or Id-e-Milad (birthday of Prophet Mohammed)	5 June
Independence Day	15 August
Mahatma Gandhi's Birthday	2 October
Dussehra (Vijaya Dasami)	26 October
Diwali (Deepavali)	14 November
Guru Nanak's Birthday	30 November
Idu'l Fitr	17 December
Christmas Day	25 December
Boxing Day	26 December
Restricted holidays	
Guru Govind Singh's Birthday	2 January
Makara Sankranti	14 January
Pongal	14 January
Basanta Panchami/Shree Panchami	29 January
Guru Ravidas' Birthday	8 February
Maharishi Dayanand Saraswati Jayanti	17 February
Maha Shivratri	21 February
Holi (Holikadahana)	9 March
Holi (Dolyatra)	10 March
Chaitra Sukhladi/Gudi Padava/Ugadi Cheti Chand	26 March
Vaisakhi	13 April
Mesadi	14 April
Vaisakhadi/Bahag Bihu	14 April
Vishu	14 April
Rath Yatra	23 June
Raksha Bandhan	4 August
Janamashtami	12 August

Indian Travel to Europe

Parsi New Year	21 August
Ganesh Chaturthi/Vinayaka Chaturthi	22 August
Onam	31 August
Hazarat Ali's Birthday	1 October
Dussehra (Maha Saptami)	23 October
Dussehra (Maha Astami)	24 October
Dussehra (Maha Navami)	25 October
Maharishi Valmiki's Birthday	1 November
Naraka Chaturdasi	14 November
Govardhan Puja	15 November
Jumat-UI-Vida	14 December
Guru Teg Bahadur Martyrdom Day	19 December

Appendix F

European tourist sites frequently included in Indian package tours

Austria

Innsbruck

Belgium

Brussels

Manikin Pis statue
St. Michael's Cathedral
Grand Place
Atomium

France

Paris

Eiffel Tower
Arc de Triomphe
Champs Elysées
Lido nightclub
Notre Dame
Les Invalides
L'Opéra
Louvre
Bateaux Mouches
Disneyland

South of France

Central Square and Flower market, Nice

Germany

Rhine cruise
Cologne Cathedral
Heidelberg

Italy

Venice

Grand Canal
St. Mark's Square
Bridge of Sighs
Murano glass showrooms
Doges Palace

Rome

Coliseum
Trevi Fountain
St. Peter's Cathedral
Forum

Florence

Leaning Tower of Pisa
Lake Como
Isle of Capri

Luxembourg

Grand Place
Notre Dame Cathedral

Monaco

Monte Carlo

Netherlands

Amsterdam city
Clog, cheese and diamond factories
Windmills
Madurodam

Switzerland

Mt. Santis
Appenzelle
Luzerne
Mount Titlis
Mt. Pilatus
Zurich
Schaffhausen
Interlaken
Junfrauoch
Trummelbach falls
Schilthorn

UK

London

Buckingham Palace
Westminster Abbey
Piccadilly Circus
Trafalgar Square
St. Paul's Cathedral
Tower Bridge
Madame Tussauds waxworks