

CHAPTER -27

HOTELS

27.1 Tourism Scenario: Global economic crisis during 2008 affected the tourism industry world wide. The same year added to the downturn of hotel industry in India on the account of increased safety concerns, triggered by the Mumbai terror attack at Hotel Taj in Mumbai. Globally weak macroeconomic scenario, the European sovereign debt crisis, geo-political turmoil in the Arab countries, high interest rates, inflation coupled with muted domestic corporate performance have sapped the hotel industry. Subsequently, the Indian hospitality industry, somewhat recovered with domestic traveller spearheading its growth. The improving demographics, rising affluence and spending propensity of Indians along with current under penetration throw up significant growth opportunity for Indian hotel industry in the long run . The optimism about the Indian growth story and potential demand led to spate of new property announcements by Indian and international hospitality majors – keen to increase their presence in the Indian market. However, with the economic slowdown, supply has outpaced demand, suppressing pricing power and reducing occupancies. Law and order concerns, specially issues relating to women safety and infrastructure issues have somewhat impacted the Foreign Tourist Arrivals in India. Overall, financial year 2013/14 saw a marginal improvement in nationwide occupancies, thus breaking a three-year downward trend, as per HVS Survey. HVS trend reports predict early upswing for the hotel industry due to improved business climate on the count of political and economic stability after the assumption of new government. Corporate travellers are the key demand drivers for hotels as they account for around 60% of guests, according to the Federation of Hotel & Restaurant Associations of India's survey of 2012-2013. In the recent past, growth, in both business travelers and foreign tourists has been muted.

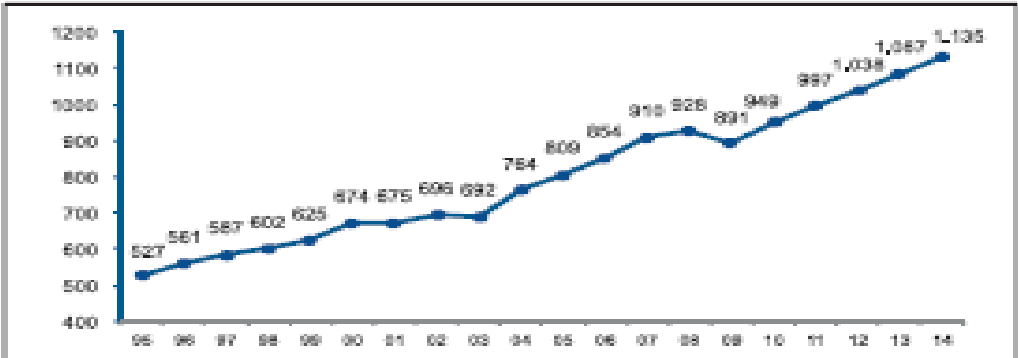
27.2 Footfalls are crucial to hotel industry since they affect revenue realized and occupancy rates reflected by indicators like ARRs (Average Revenue Realizations), AOR(Average Occupancy Rates) ,RevPAR (Revenue per available room) etc . Hence increased flow of tourists strengthening the demand side is always a good news for the industry as it increases their pricing capability. Year 2011 saw some developments in this regard with tourists flow picking up worldwide (more rapidly in India) though the revenue realizations of the hotel industry remained constrained. Despite the upheavals, foreign tourist arrivals (FTA) to India grew by 8.9% to about 63 lakh tourists while international tourist arrivals grew by 4.4% to 980 million travellers during 2011.Growth rate in FTA's in case of India almost halved to 4.3 % during 2012 (nearly equalling the world average i.e 4%) and somewhat improved to about 10.2 % during 2014 .Efforts like visa on arrival and e-visa applications with an aim to boost inbound tourism levels were initiated recently. But revenue realizations has remained constrained with average occupancy being range bound in past few years.

27.3 International tourism propelled ahead in 2014 as the number of international tourists (overnight visitors) grew 4.4% with an additional 48 million more than in 2013, to reach a new record total of 1,135 million. This caps five consecutive years of above growth since the global economic crisis of 2009. With a 4.4% increase, international tourism once again exceeded UNWTO's long-term forecast of 3.8% annual growth for

the period 2010 to 2020 – reflecting the the sector’s strong and consistent performance in spite of the global challenges the world faced in 2014, including a slow global economic recovery, the geographical conflicts and the ebola scare in West Africa. The America’s (+8%), Asia and Pacific (+5%) and the Middle East (+5%) registered the strongest growth, while Europe (+3%) and Africa (+2%) grew at a slightly more modest pace. By subregion, North America (+9%) saw the best results, followed by North-East Asia, South Asia, Southern and Mediterranean Europe, Northern Europe and the Caribbean, all increasing by 7%.

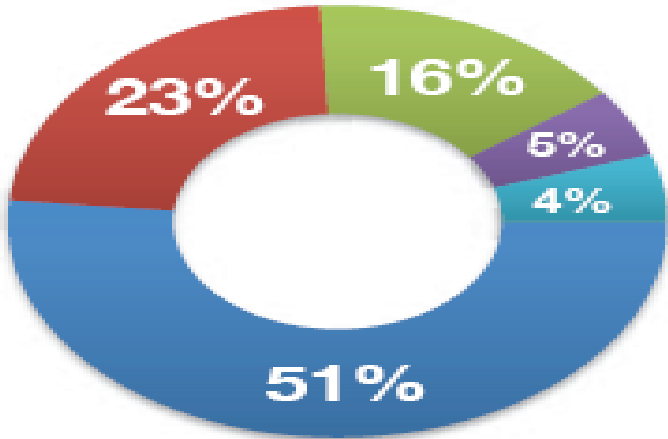
World: Inbound Tourism
International Tourist Arrivals

(million)



Source: World Tourism Organization (UNWTO) ©

International Tourist Arrivals, 2014



- Europe - 584 million
- Asia & the Pacific - 263 million
- Americas - 182 million
- Africa - 56 million
- Middle East - 50 million

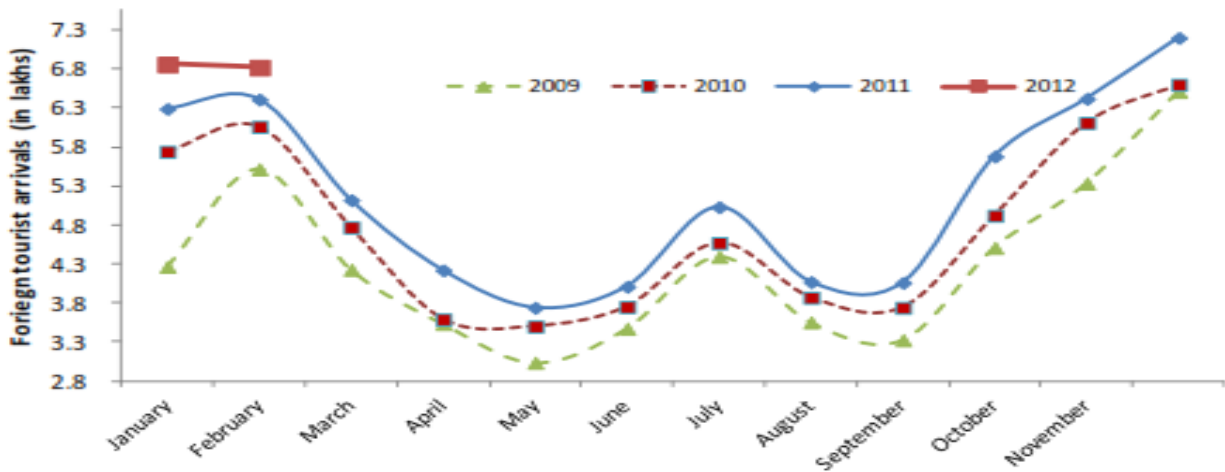
The growth in arrivals was followed closely by that of receipts from international tourism which reached an estimated US\$ 1,245 billion (euro 937 billion) in 2014, an increase of 3.7% in real terms (taking into account exchange rate fluctuations and inflation). Aside from international tourism receipts (the travel item of the Balance of Payment), tourism also generates export earnings through international passenger transport services (rendered to non-residents). The latter amounted to an estimated US\$ 221 billion in 2014, bringing total exports from international tourism up to US\$ 1.5 trillion, or US\$ 4 billion a day on average. In terms of receipts, Europe, which accounts for 41% of worldwide international tourism receipts, saw an increase in tourism earnings in absolute terms of US\$ 17 billion to US\$ 509 billion (euro 383 billion). Asia and the Pacific (30% share) saw an increase of US\$ 16 billion, reaching US\$ 377 billion (euro 284 bn). In the Americas (22% share), receipts increased by US\$ 10 billion to a total of US\$ 274 billion (euro 206 bn). In the Middle East (4% share), tourism receipts increased by an estimated US\$ 4 billion to US\$ 49 billion (euro 37 bn) and in Africa (3% share) by US\$ 1 billion to US\$ 36 billion (euro 27 bn). By subregion, Northern Europe, Southern and Mediterranean Europe, North-East Asia, Oceania, South Asia, Caribbean, Central America, South America and the Middle East showed fastest growth in relative terms, all recording +5% or over in receipts.

International Tourist Arrivals and Growth Rates



Source: UNWTO and ICRA Estimates

Foreign Tourist Arrivals in India



Source: Ministry of Tourism, Government of India, and ICRA Estimates

Large Global brands remain committed to India

27.4 With 740 million domestic travelers (in 2011) and over 6.3 million FTAs, India, after China, is considered one of the most lucrative hotel markets in the world and has the second largest construction pipeline in Asia. Growing affluence and the increasing role India is expected to play in the global economy are likely to drive both leisure and business travel in the coming years. For most global hotel majors, a significant part of their hotel pipeline is centred on faster growing developing markets like India. India has an estimated 1, 70,000 hotel rooms of which around 60,000 are branded. Even with the expected addition of another 60,000 hotel rooms (across segments) over the next three to five years, the industry is expected to fall short of meeting the long term demands of an economy growing at 7-9% p.a.

India has often been cited as one of the most lucrative albeit difficult markets to develop properties. Bureaucratic red tape, corruption, multiple licenses, complex approval procedures, exorbitant land cost, all of which leads to a long development cycle of 3-5 years adds to the cost. The average development cycle for India in the premium segment is around 0.5-1 year longer than for the general Asia pacific region¹. Despite all this, India houses all the big hotel groups (top ten hotel majors listed in the table below) in the world under multiple brands/prices. Of the top twenty global brands (in terms of number of hotels), around 18 brands are already present in India.

For a global hotel major, a local developer with hands on experience in navigating the Indian real estate market is a positive. For bulk of the development, international hotel majors are banking on a seasoned local developer with whom they have developed properties in the past. IHG however recently took a 24% stake (around 30 million USD) in Duet India Hotels Group to build 19 Holiday Inn Express hotels over the next five years. Carlson bought out its long term local development partner RHW Hotel Service while the Choice group proposes to consolidate its position in India by buying

out its Indian development JV partners. From the perspective of the Indian property owner/developer, particularly with a number of first time hotel developers entering the market, the association with a strong management partner from the planning stages is imperative. A brand tie up in the early planning stages provides clear cut plans for construction, room specifications, floor plans, dining facility and a globally appealing décor. Further, for an inexperienced developer, the presence of a reputed management partner provides experience and a global distribution reach. The hotel, being part of a global brand, provides an international traveler an expectation yard stick with which to judge rooms prior to booking them. Some of the recent announcements by global hotel majors for their proposed expansion plans in India are captured in the table below.

Expansion plans for global hotel majors in India

	Brands present in India	Existing hotels	Planned hotels (Est.)	By	Some of the development partners for India	Expansion Category	New brands being launched in India
InterContinental Hotels Group	Holiday Inn Hotels & Resorts, Crowne Plaza, Intercontinental	12	~150	2020	Deut Hotels (with equity infusion), Nama Hotels	Mid market	Holiday Inn express
Wyndham Hotels	Ramada, Days Inn, Dream	14	~60-70	2017	Chatwal group, non-exclusive	Mid	Howard Johnson
Group	Brands present in India	Existing hotels	Planned hotels (Est.)	By	Some of the development partners for India	Expansion Category	New brands being launched in India
Marriott International	Courtyard, Renaissance, JW Marriott, Marriott, Marriott Hotels and Convention Centre, Marriott resort & Spa, Marriott executive apartments	18	~80-100	2015	development agreement with Unique Mercantile India Private Limited SAMHI Hotels Private Limited-a hotel and investment company	Across segments	Fairfield, Ritz
Hilton Worldwide	Hilton Hotels & Resorts, Hilton Garden Inn, Double Tree by Hilton, Hampton by Hilton	8	~50-60	2016	Eros Resorts & Hotels	Luxury/ premium and mid market	Hilton's full-service brands-Hilton and Double Tree, as well as its mid-market, focused-service Hilton Garden Inn and Hampton. The company also plans to introduce its luxury Conrad and Waldorf Astoria brands
Accor Group	Ibis, Mercure and Novotel	13	~90-100	2015	Exclusive agreement with Interglobe Enterprises Limited (with equity infusion) for Ibis properties. Formule 1 properties to be owned by Accor. Non exclusive agreements with Shree Naman developers and Brigade group	Luxury, mid scale and budget	Formule 1, Sofitel and Pullman
Choice Hotels International	Quality, Comfort, Clarion	27	~100	Next 5-7 yrs	Royal Indian Raj International Corporation (RIRIC)	Mid market	Sleep Inn, Cambria Suites, Econo Lodge
Best Western international	Best Western, Best Western Plus	34	~66	2017	-	3/ 4 and 5 star	Best Premier
Starwood Hotels	ITC luxury Collections, Le Meridian, Westin, Four Points by Sheraton, Sheraton Hotels & Resorts, Aloft	33	~50-60	2015	Non-Exclusive Master Agreement with D.I.H (Cyprus) Limited (an affiliate of Duet India Hotels Ltd.) and JHM Interstate Hotels India Pvt. Ltd, Jaguar Buildcon Private Limited	Across segments	St. Regis, W
Carlson group	Radisson Blu, Country Inn & Suites, Park Inn, Park Plaza	46	100 hotels (20% of the group's contracted pipeline)	2015	Country Development and Management Services (CDMS), a joint venture between Carlson and Chanakya Hotels; Real estate firm Pioneer Urban Land and Infrastructure.	Mid market and premium	Regent
Hyatt Hotels Corporation	Hyatt Regency, Grand Hyatt, Park Hyatt	8	~50	-	-	Premium	Hyatt Place, Hyatt House (extended stay)

Source: Industry and ICRA Estimates

27.5 Domestic demand in case of India continues to be higher. Intra regional travel is expected to have been supported by a weaker Rupee making outbound travel costlier. Additionally this is expected to have driven higher inbound traffic into the country. Despite incremental room inventory in several markets, occupancies have remained range bound for several years in a row and the average rates have declined.



27.6 The year 2014 witnessed a growth of 10.6% in FTAs in India, which is higher than the medium growth rate of 4.7% witnessed in International Tourist Arrivals, globally. FTAs during 2014 were 77.03 lakh as compared to the FTAs of 69.68 lakh during 2013. The Foreign Exchange Earnings (FEEs) from tourism in rupees terms during 2014 were Rs.1,20,083 crore with a growth of 11.5%.

With the objective of visa facilitation, the Government of India launched the Tourist Visa on Arrival (TVoA) enabled with Electronic Travel Authorisation (ETA) Scheme on 27.11.2014 for nationals of 43 countries to travel to India for tourism for a short stay of 30 days whose objective of visiting India is recreation, sight-seeing, short duration medical treatment, casual business visit, casual visit to meet friends or relatives etc.

Industries defined in National Accounts, such as air transport, hotels & restaurants, etc. produce the same output irrespective of whether it is consumed by tourist or non-tourist. While the total output of these industries is captured by the National Accounts, it is only the consumption by tourists that defines the tourism economy, which is not readily available in the National Accounts. To assess the specific contribution of tourism, the need for a Tourism Satellite Account (TSA) thus arises.

Year	Contribution of Tourism in GDP of the Country(%)			Contribution of Tourism in Employment of the Country (%)		
	Direct	Indirect	Total	Direct	Indirect	Total
2009-10	3.68	3.09	6.77	4.37	5.80	10.17
2010-11	3.67	3.09	6.76	4.63	6.15	10.78
2011-12	3.67	3.09	6.76	4.94	6.55	11.49
2012-13	3.74	3.14	6.88	5.31	7.05	12.36

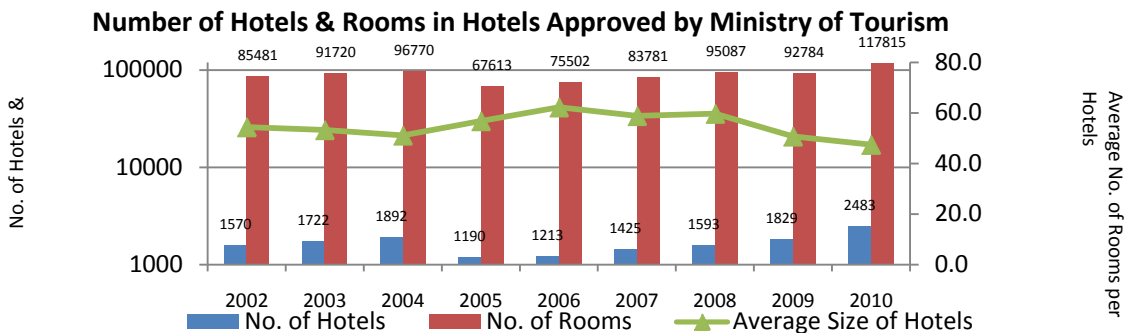
27.7 **Supply Pipeline:** Supply side continues to be strong .Over the past few years a number of projects have materialised though quite a few are in the pipeline. Some

argue that the rapid increase in supply has affected the Occupancy (AORs) & Revenue Realizations (ARRs) & RevPARs. With more than a billion domestic tourist visits and about 7 million FTAs, India, after China, is considered one of the most lucrative hotel markets in the world and has the second largest construction pipeline in Asia. Large Global brands, consequently, remain committed to India. As per HVS survey, on a nationwide basis, branded and/or organized supply grew at a CAGR of 17.8% over the past five years. Demand for these rooms grew at 17.6% for the same period. Resultantly, India-wide occupancies moved from 59.3% in 2011/12 to 57.8% in 2012/13 and have closed at 58.9% in 2013/14. In 2013/14, branded hotel supply surpassed the 100,000 rooms milestone. Nationwide existing supply recorded 103,855 rooms as of March 31, 2014, an increase of around 10.2% (9,600 branded rooms) over the previous year. Supply – in the years going forward – is expected to grow by under 10% in 2014, about 12% in 2015 and approximately 11% in 2016.



Source: Cushman & Wakefield Hospitality Research

27.8 As per information maintained by Ministry of Tourism, number of rooms increased by 27 % during 2010 compared to the previous year whereas the increase was about 38 % compared to 2002. The increase in number of hotels was more at 36% (2010 over 2009) and 58% (2010 over -2002). The total number of approved hotels during 2012 & 2013 was 1376 and 1257 respectively with about 76567 and 75353 rooms.



Note : Since the data pertains to approved hotels , which is voluntary, the same may not provide much meaningful insight into the dynamics of Indian Tourism Industry on the whole.

27.9 Financial Performance of Hotel Industry: As per WTTC, revenues gained from domestic tourism in India rose by 5.1% in 2013 and was expected to increase by 8.2% in 2014. The amount that international visitors spent in India rose by 6.2% in 2013 but was forecast to slow to a 2.9 % growth rate in 2014.

27.10 Hotel Industry is characterized by seasonality with industry peaking during the second half of the fiscal. The muted RevPAR (revenue per available room) growth has been on account of subdued ARRs, while occupancies remained stable despite the incremental supply in several markets. As per HVS survey report, average Room Rates, went down from Rs 6,032 in 2011-12 to Rs 5,773 in 2012-13 and are at Rs 5,531 for the period of April 1, 2013 to March 31, 2014

27.11 HVS Survey reports that due to market volatility, hotels across positioning and price points have dropped rates in a bid to gain business over the last two to three years and 'rate wars' have led to some surprising decisions being made by respectable and globally recognised brands. In 2013/14, the overall weighted occupancy across categories (58.9%) increased by 1.9% over 2012/13; however, average rate (Rs 5,531) dropped by 4.3% over the previous year resulting in a decline in RevPAR by 2.5% to Rs 3,260 in the same time period. Moreover, hotels across all categories witnessed a year-on-year increase in weighted occupancy, except for the four-star segment, which registered a marginal decline of 0.1%. On the other hand, weighted average rate across all categories exhibited a decline apart from the two star segment, which grew by 7.7%.

27.12 Consequently, the nationwide RevPAR decreased in 2013/14 with the four-star segment registering the maximum decline (5.9%), followed by the five-star deluxe segment (1.7%) and three-star segment (1.5%). This downswing could be attributed to these three categories adding close to 65% of the new supply in 2013/14. After registering a drop of approximately 2% in 2012/13 over 2011/12, the two-star category registered the highest RevPAR growth in 2013/14 (12.7% over the previous year), owing to roundly 8% annual increase in average rates, highlighting the acceptance of branded economy and budget hotels across the country.

27.13 Further, it is expected that hotel companies will continue to face muted revenue growth, stagnated profitability and elevated credit risk in 2014-15 driven by lower demand growth and supply-side pressures.

Distribution of Hotels (Approved by Ministry of Tourism) :

27.14 **Categories of Hotels:** In general, to be called a hotel, an establishment must have minimum of six letting bedrooms, at least three of which must have attached (ensuite) private bathroom facilities. Although hotels are classified into 'Star' categories (1-Star to 5 Star), there is no standard method of assigning these rating, and

compliance with customary requirements of voluntary. In India there were 1233 approved hotels as on 31st Dec 2014 with about 79.5 thousand rooms.

27.15 One Starred hotels provide a limited range of amenities and services, but adhere to a high standard of facility-wide cleanliness whereas two-Starred hotels generally provide good accommodation and better equipped bedrooms, each with a telephone and attached private bathroom. There were about 41 One Star & 80 two star government approved hotels with about 1,193 and 1,902 rooms respectively. Their share in total number of approved hotels was 6 and 10 % respectively whereas the share in total number of rooms was 3 & 4 % respectively.

27.16 Three-Star hotels usually have more spacious rooms and add high class decoration and furnishing and color TV. They also offer one or more bars or lounges. With more than half hotels in the category, three star hotels occupied the largest share (44%) and accounted for more than a third (39%) in terms of total rooms.

27.17 Four Star hotels are much more comfortable and larger. It provides excellent cuisine (table d'hôte and a lacerate), room service, and other amenities. Four star hotels comprised 11 % of the total approved hotels and about 10% of total rooms in various categories.

27.18 Five-Star hotel offers most luxurious premises, widest range of guest services, as well as swimming pool and sport and exercise facilities. They (including Five Star Deluxe Hotels, 92 five star hotels and 106 five star deluxe hotels) comprised about 17% of approved hotels and about 45 % (nearly 35,651 rooms) of total number of rooms in India.

27.19 Heritage Hotels:

'Heritage Hotels' cover running hotels in palaces/castles/forts/havelies/hunting loges/ residence of any size built prior to 1950. The facade, architectural features and general construction should have the distinctive qualities and ambience in keeping with the traditional way of life of the area. The architecture of the property to be considered for this category should not normally be interfered with. Any extension, improvement, renovation, change in the existing structures should be in keeping with the traditional architectural styles and constructional techniques harmonizing the new with the old. After expansion/renovation, the newly built up area added should not exceed 50% of the total built up (plinth) area including the old and new structures. For this purpose, facilities such as swimming pools, lawns etc. will be excluded. Heritage Hotels will be sub-classified in the following categories:

Heritage:

This category will cover hotel in Residences/Havelies/Hunting Lodges/Castles/Forts/ Palaces built prior to 1950. The hotel should have a minimum of 5 rooms (10 beds).

Heritage Classic:

This category will cover hotels in Residences/Havelies/Hunting Lodges/Castles/Forts/Palaces built Prior to 1935. The hotel should have a minimum of 15 room (30 beds).

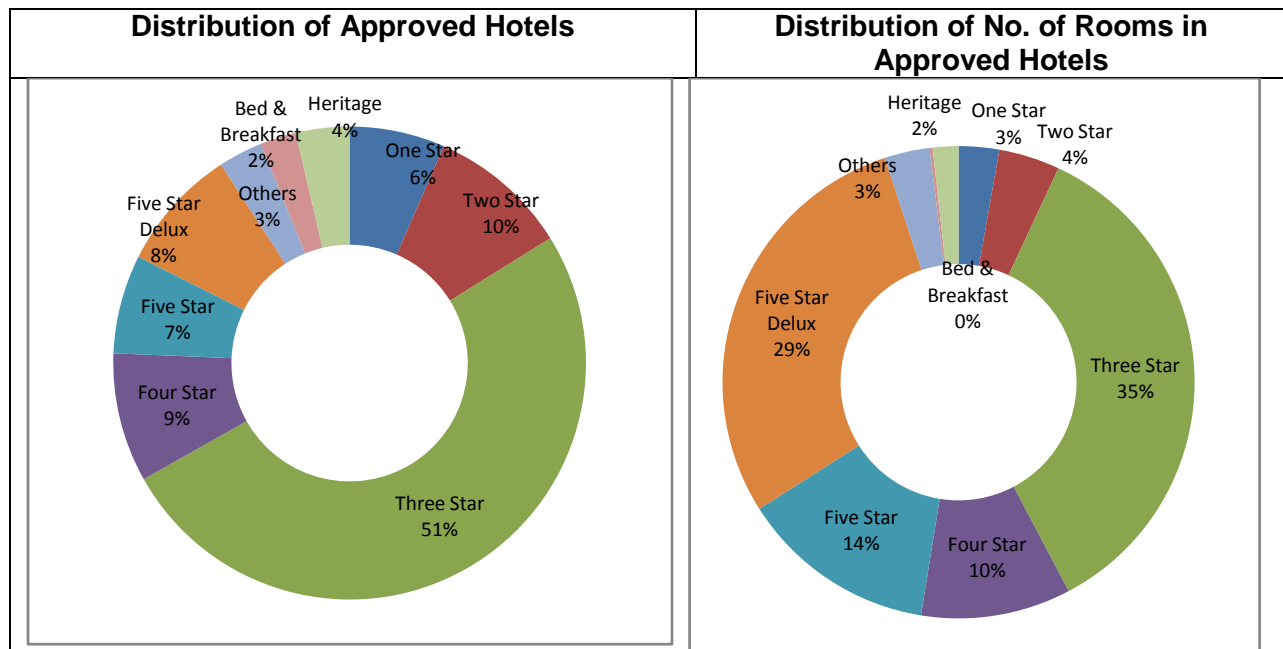
Heritage Grand:

This category will cover hotels in Residence/Havelies/Hunting Lodges/Castles/Forts/Palaces built prior to 1935. The hotel should have minimum of 15 rooms (30 beds).

Room & Bath Size:

No room or bathroom size is prescribed for any of the categories. However, general ambience, comfort and imaginative readaptation would be considered while awarding sub-classification 'classic' or 'grand'.

27.20 Bed & Breakfast (B&B) Establishments usually smaller size and family run home based facilities have also grown rapidly with the growth in budget conscious traveler. Thirty One such establishments with 158 rooms featured in the list approved by Ministry of Tourism.



27.21 **Government Initiatives:** Ministry of Tourism has taken several steps to encourage tourism in India. Increase in tourism infrastructure has been high on its agenda.

27.22 India, as per UNCTAD, continues to be the second most favourable destination for investment after China. The plan of **Five Year Tax Holiday** is already in

place for 2, 3 and 4 Star hotels that are established in specified districts declared as 'World Heritage Sites' by UNESCO

27.23 **Visa on Arrival** : Government of India has launched the [Tourist Visa on Arrival \(TVOA\) Scheme](#). Initially, in January 2010, this Scheme was introduced for citizens of five countries, Finland, [Japan](#), [Luxembourg](#), [New Zealand](#) and [Singapore](#). In January 2011, the TVOA Scheme was extended to citizens of six more countries, viz. [Cambodia](#), [Indonesia](#), [Vietnam](#), [Philippines](#), [Laos](#) & [Myanmar](#). List of countries to which visa on arrival facility is being extended has increased over the years. The government of India extended visa-on-arrival scheme for South Korea for which ministry has started receiving data w.e.f 15th April, 2014. Further inclusion of other countries is expected to maintain the growth of the number of FTAs in to the country, allowing the country to become a major tourist destination. The number of VoAs issued under the Scheme, during January- October 2014 were Japan (4,373), South Korea (4,243), New Zealand (3,263), Singapore (3,027), the Philippines (2,996), Indonesia (2,450), Finland (865), Myanmar (327), Vietnam (216), Cambodia (109), Luxembourg (108) and Laos (18).

27.24 To promote the Hotel Industry, the Government approved the setting up of a '**Hospitality Development and Promotion Board (HDPB)**' for hotel projects. It will address the constraints faced by the hotel industry in obtaining multiple clearances, from the Central and State Government agencies. In some cases as many as 65 or more clearances/approvals are required by hotel projects which vary from state to state. Not only this, construction of hotels is primarily a private sector activity which is capital intensive and has a long gestation period.

27.25 Including recognition of various home owners by classifying their facilities as 'Incredible India **Bed and Breakfast establishments**' under 'Gold' & 'Silver' category, Ministry of Tourism has promoted several tourism driving concepts which also led to overall growth in this sector: **Rural Tourism**: It is aimed at promoting rural India in an effort to sustain rural traditions and pristine environments and has proved to be a great getaway option for urban tourists. **Cruise Tourism**: It is aimed at providing world-class infrastructure and related facilities at various ports and attract foreign tourists for cruise shipping in India. **Eco-Tourism**: It is aimed at preserving, retaining and enriching natural and cultural resources for environmental protection and community development. **Adventure Tourism**: Financial assistance is being provided to State/ Union Territories to set up facilities for trekking, rock climbing, mountaineering, aerobics, winter/ water sports, wildlife viewing etc. **Medical Tourism**: Lower cost of treatment and alternative systems like ayurveda etc also attract a lot of tourists.

27.26 **Challenges**: While in the longer term, the industry would benefit from structural reforms such as better infrastructure, improved law and order situation (encouraging foreign tourist arrivals) and if it is granted the infrastructure status; in the near term the industry need to remain focused on cost control by trimming frills and

curtailing non essential expenditures to improve the bottom-line

27.27 Manpower Issues The current supply of skilled/ professionally trained manpower is estimated to be a very dismal 8.92% to the total requirement as per a study commissioned by the Ministry of Tourism. 12th Five Year Plan (2012 – 2017) looks at creating Food Craft Institutes, with short term programs to train the non – managerial workforce.

27.28 Hotel Development Cost : Development costs have been a challenge for most developers looking to build a hotel in India as land costs accounts for 30%- 50% of the total development cost, while the same equates to about 15-20% internationally.

ESTIMATED COSTS OF CONSTRUCTION PER ROOM (INR)				
CATEGORY	BUDGET	MID-SCALE	UPSCALE	LUXURY
City Hotels	25,00,000 - 30,00,000	50,00,000 - 70,00,000	70,00,000 - 100,00,000	90,00,000 - 150,00,000
Resorts	25,00,000 - 30,00,000	50,00,000 - 70,00,000	70,00,000 - 90,00,000	90,00,000 - 150,00,000
Serviced Apartments		40,00,000 - 60,00,000		80,00,000 - 100,00,000
COMMON ADDITIONAL EXPENSES				
FF&E Cost	10,00,000 - 15,00,000	15,00,000 - 20,00,000	20,00,000 - 25,00,000	35,00,000 -40,00,000
Pre-Opening Expenses	1,00,000 - 1,50,000	2,00,000 - 2,50,000	3,00,000 - 3,50,000	3,50,000 -4,00,000

Source: Cushman & Wakefield Hospitality Research

27.29 Competition from other Asian Countries: India's closest competitors in the growth and development of travel and hospitality are mostly within the region of Asia. Countries such as China, Thailand, Singapore, Malaysia and Indonesia have been witnessing equally impressive and strong growth trends of their tourism sectors. In a survey by Travel & Tourism Competitiveness Index of 2011 that ranks various nations based on sub index ratings of Travel & Tourism regulatory framework, Travel & Tourism environment and infrastructure, Travel and Tourism Human, Cultural, and natural resources, India has fallen from its rank of 62 in 2009 to 68 in 2011 in Global Ranking. In terms of Travel & Tourism regulatory framework, India finished a dismal 114th. On the parameter of Travel and Tourism infrastructure, it was ranked 68th. India's crowning glory was the parameter of Travel and Tourism human, cultural and natural resources where it was ranked 19th. As per the ranking, although India faces issues on regulatory framework and infrastructure, it has an enormous amount of potential with respect to human, cultural and natural resources.

COMPETITIVE RANKING						
	INDIA	CHINA	THAILAND	SINGAPORE	MALAYSIA	INDONESIA
Asia Pacific (Regional Rank)	12	9	10	1	7	13
World -2011 Rank	68	37	41	10	35	74
World -2009 Rank	62	43	39	10	32	81

Source: Travel & Tourism Competitiveness Index 2011

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