Tourism and Hospitality Sector in Odisha

The state of Odisha is a clear blend of religions, cultures, spiritualities, nature and art. Odisha bears several temples and astounding monuments which attracts tourists from different parts of the world. The state has the presence of many Buddhist hot spots like Mukteshwar temple, Odisha State Museum with lot of Buddhist sculptures, Khandagiri and Udaygiri Jain caves, Ashok Rock Edicts in Dhauli, Lalitgiri (archaeological site of Buddhist monastery), Kayam Hill Buddhist caves and so on. The fact that Odisha is a popular tourist destination is also visible from the fact that over the years the revenue earned from tourism has increased considerably. There is an increasing trend in spending an average duration of a trip to Odisha for both domestic and foreign investors. The Bhubaneswar airport known as the Biju Patnaik Airport is the only major airport located in Bhubaneswar, the capital city of Odisha. This airport is well connected to the cities of Kolkata, Mumbai, Chennai, Delhi, Rajpur etc through regular flights. According to the Airport Authority of India the Bhubaneswar airport has been accorded with the status of international airport as the required customs and immigration service facilities are present but as of now no international airline has approached them to start international flight services.

In order to meet the growing demand of tourists for accommodation, Government of Odisha accorded industrial status to the hotel sector for the first time in the country so as to attract investors to increase the capacity of hotel rooms and beds at tourist centers in 1980. The importance of hotel industry for creating different categories of employment was duly endorsed and government provided land and financial support for the hotelier like Oberoi, Taj, Swosti, Prachi group of hotels and other entrepreneurs to build all categories of hotel in the state. In 1985 the Hotel and Restaurant Association of Orissa (HRAO) was established which is the largest body made up of tour operators and travel agents, travel trade owners and professionals’ hotels and tourism educational institutions in Odisha. The members of the association operate in close cooperation with each other with one common motive of promotion of tourism industry of Odisha.

The Trade and Hotel industry sector has been growing consistently since 1950-51. The share of this sector in State domestic product increased from 4.85 percent in 1950-51 to 12.7 percent in 2008-09 in 1999-00 base. The share of the trade and hotel industry sector in real GSDP has increased from 10.83 percent in 2004-05 to 12.58 percent in 2009-10 at 2004-05 prices.

Both hotel and tourism industry go hand in hand. So the growth of tourism depends on the development of hotel industry. From 1999 to 2009, the number of hotel rooms has grown at an annual rate of 6 percent, and number of tourists visiting the state has grown at the rate of 10 percent. It, therefore, follows that the growth of this sector and its contribution to the tourist sector is founded on higher rate of capacity utilization.

The Government of Odisha is giving high priority to the development and promotion of both tourism and hotel industry. In the 10th Five Year Plan almost Rs 38.45 crore public fund was spent on the tourism sector. In the first three years of the 11th Plan from 2007-08 to 2009-10, Rs 89.94 crore has been spent for this purpose. So in Odisha approximately 320 tourist centers have been identified for their development and promotion.

Over the last 20 years, the number of hotels has increased significantly with a compound annual growth of 5.4 percent. Some of the popular brands of hotel industry present in Odisha are Hotel Kalinga Ashok, Hotel Sishmo, The Trident, The Swosti Group, the Mayfair, Kamat Hotel, The Oberoi, Toshali Sands and Resorts etc. There are also some major upcoming hotel projects in the state of Odisha. Firstly the WelcomeHeritage, which is a joint venture between ITC Hotels and Maharaja of Jodhpur, plans to set up a
hotel in Odisha. Secondly, the BMR Group’s INR 1 billion plan is looking forward to set up two boutique hotels in Odisha.

The Government of Odisha has taken several steps in promoting tourism in the state. Some of the major activities by the department such as a tourism policy have been formulated by the Government for encouraging private investors. Also the Central Government has declared the “Hotel and Tourism-related Industry” eligible for the automatic approval of foreign technological agreements and for 51 percent foreign equity holdings, subject to certain norms, wherein NRIs (non-resident Indians) are allowed to hold up to 100% equity. The state is also building tourist units under the Odisha Tourism Development Corporation and Tourism department. At present, there are 43 tourist units with close to 600 rooms and 1440 beds.

Investment opportunities in tourism sector can be categorized into four branches i.e. beach tourism which involves investment in eco-resorts, beach resorts, water sports and hotel projects; Cruise tourism which is investment in floating hotels and restaurants and also there are river cruise operating on Mahanadi; Eco tourism (40 percent of land under forest) where investment can be made in forest resorts, safaris and adventure sports and finally the Health tourism centers and amusement parks where there is ample investment opportunities at Konark Bhubaneswar, Koratpur and Puri.

For further information contact:

HOTEL & RESTAURANT ASSOCIATION OF ORISSA
AFFILIATED MEMBER OF * FH&RAI * H&RAEI & UCCI
105, JANPATH, BHUBANESWAR - 751001, ORISSA
Ph.: 0674-2535777/2535771
Cell : 8895883469
Fax : 0674-2535781/2535794
E-mail: hraoorissa@indiatimes.com / hsplbbs@sancharnet.in

DEPARTMENT OF TOURISM
Government of Odisha, Paryatan Bhawan
Lewis Road, Bhubaneswar-751014
Phone - 91 674 2432177, Fax - 91 674 2430887
E-mail: ortour@orissatourism.gov.in
Website: www.orissatourism.gov.in

******************************************************************************