

Sector	Project Title
Tourism	Construction of Multiplexes, entertainment zones, recreation centres, theme parks at land parcel in Indore region

### Project Description

The Indian tourism sector has witnessed significant growth during 2002 to 2009. The Foreign Tourist Arrivals (FTAs) increased from 2.38 million to 5.11 million during this period and the Foreign Exchange Earnings (FEEs) from tourism rose from US\$ 3460 million in 2002 to US\$ 11394 million in 2009. The contribution of travel and tourism to India's GDP is expected to be at 6.0% (US\$ 67.3 billion) in 2009 and 6.9% in 2010.



This rise in tourism has been driven by the immense potential for tourism and travel sector in India through:

- Pilgrim & spiritual tourism
- Cultural & heritage tourism
- Wildlife and adventure tourism
- Business tourism
- Medical tourism and other areas

Multiplexes, entertainment zones, recreation centres, theme parks have played an important role in attracting tourists. The proposed project envisages building of tourist facilities of similar kind in the following land parcels at Madhya Pradesh:

1. Indore (Rau)
2. Indore (Machla)

These tourism facilities would include weekend resorts, amusement parks, golf courses, 3-4-5 star hotels, concept / theme hotels, multiplexes, entertainment zones, recreation centres and theme parks at the above places.

### Project's Value Proposition

- India is a country of rich cultural heritage. It is one of major tourist attractions of the country and a favourite amongst foreign as well as domestic tourists. The number of foreign tourists arriving in India in year 2009 was more than 4 million. The proposed project is expected to take advantage of the ready market of tourists.
- India is ranked 24<sup>th</sup> as per the Travel and Tourism Competitiveness Report 2009 by the World Economic Forum for its cultural resources, with many World Heritage sites, both natural and cultural, rich fauna, and strong creative industries in the country.
- Tourism in India could contribute Rs 8500 billion to the GDP by 2020. India has the potential to become the number one tourist destination in the world with the demand growing at 10.1 % per annum. India's travel & tourism is expected to achieve annualized real growth of 8.8% in total travel & tourism demand to INR 7,027.7 billion (US\$90.4 billion) in 2014. The proposed project is

expected to help augment the tourism infrastructure to cater to such increasing demands.

- Capital Investment spending on Travel & Tourism is expected at US\$ 34.7 billion in 2010 which is the 10<sup>th</sup> highest for an individual country in the world. The real GDP growth for travel and tourism economy is expected to achieve an average of 7.7 per cent per annum over the next 10 years. Hence there exists excellent growth opportunities for such projects.
- Land area for the development of these facilities is already identified by the government and is readily available.
- India's GDP is expected to grow at 7.3% annually through 2025. Indian household income is expected to triple in next two decades rising to Rs. 320000 from present Rs. 115000 by 2025. Discretionary spending by Indian consumer is expected to be at 70% of total spending by 2025.<sup>1</sup> Therefore, spending on recreation, leisure, tourism etc is expected to rise thereby leading to an increase in demand for such facilities.

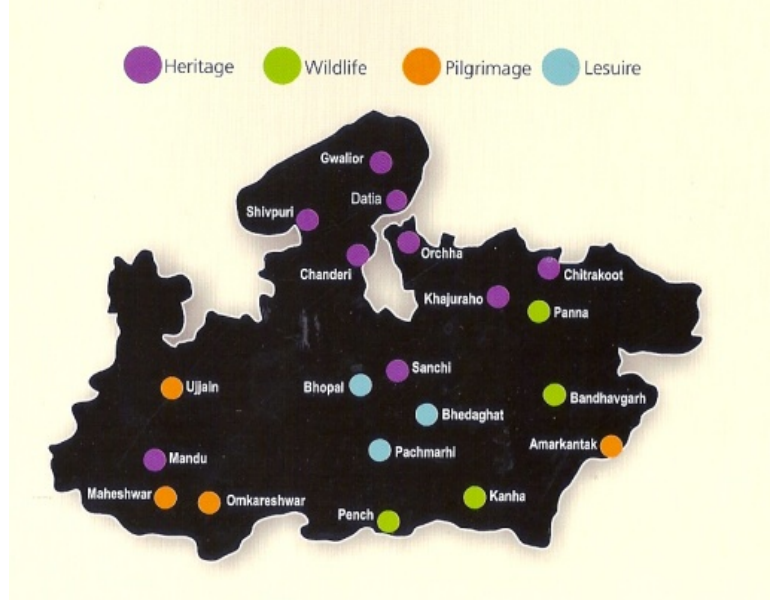
MP's value proposition

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<sup>1</sup> [http://origin.mckinsey.com/mgi/publications/india\\_consumer\\_market/images/India\\_Interactive1.swf](http://origin.mckinsey.com/mgi/publications/india_consumer_market/images/India_Interactive1.swf)

## Madhya Pradesh - “Hindustan ka Dil” (Heart of India)

- MP is called the “Heart of India” considering the tourism attractiveness of the state.
- Madhya Pradesh is bordered by 5 states - Gujarat, Maharashtra, Rajasthan, Uttar Pradesh and Chhattisgarh which makes it equally close to major tourist destinations from the North, South, East and West.
- Madhya Pradesh is home to extremely rich and diverse tourist attractions in Heritage, Wildlife, Pilgrimage, Leisure and Medical Tourism.
- Madhya Pradesh is home to religious / cultural heritage of Hinduism, Buddhism, Jainism and Islam
- Madhya Pradesh is endowed with natural beauty of spectacular mountain ranges, meandering rivers and miles and miles of dense forest.
- Madhya Pradesh has moderate climate, beautiful landscape, good law and order situation that add value to the attractions
- There are around nine major heritage locations in MP which are a great tourist attractions
- There is more than two fold increase in the total tourist arrivals in MP in period just 4 years. Tourism sector has consistently contributed more than 16% to the NSDP of MP for the past 5 years.
- The present size of tourism industry in MP is Rs. 197.91 billion.



## Connectivity of Indore

- **Air** - Devi Ahilyabai Holkar Airport in Indore is just 10 km from city centre. Indore is air connected to major cities in India by public and private domestic airlines. Indore is connected to places like Jaipur, Mumbai, Delhi, Bangalore, Bhopal and Chennai. International travelers can get connecting flights to Indore from Delhi or Mumbai airport.
- **Road** - Indore is well connected by state road transport public bus services. Regular bus services are available from Ujjain, Bhopal, Delhi and Mumbai to Indore. Super fast and Deluxe A/C buses are also available in these routes.
- **Rail** - Indore Junction Railway Station is an important railway station in Western railway zone. It is

well connected to all major railway stations in India. Direct train services are available to Bhopal, Pune, Delhi and many other cities

### **Economic development of Indore**

- As Madhya Pradesh geographically represents the heart of India, Indore is in all senses the heart of Madhya Pradesh. Indore is the commercial capital of the state and a hub for all major business activities in the western part of Madhya Pradesh.
- In recent years as the state has progressed, the city of Indore has grown many folds and has huge business potential to offer. Major corporate and business houses including foreign investors have already invested huge sums of money in concurrent projects going on in and around Indore. Major initiatives are being taken for attracting investors to enjoy the privileges of a developing centre.
- Indore provides the industries with complete civic and industrial infrastructure. Bulk of Indore's trade comes from Large, Mid and Small scale manufacturing industries. These industries range from Automobile to Pharmaceutical and from Petroleum Refineries to Textile. Indore's major sources of income are those from Textile, Education and metal works industries. Major industrial areas surrounding the city include the Pithampur Special Economic Zone and the Sanwer Industrial belt having about 2000 factories of various sizes. Pithampur is also known as the Detroit of India.
- Cosmopolitan city Indore is playing a pivotal role in the business and commerce of Madhya Pradesh. The city after traversing centuries, is poised to become a software and industrial hub, and suitable for inclusion in the coveted category of software city.
- The economic development of Indore has led to an increase in its population. It also led to increase in spending power and standard of living of its middle and upper class population.

### **Policy Initiatives**

Madhya Pradesh State Tourism Development Corporation Ltd. is developing a new Tourism policy with a focus on promoting investments in tourism sector in the State. The upcoming policy will have provisions for providing excellent support / incentive to the developers / investors in Madhya Pradesh.

### **Project Specification**

- Facilities: These identified land parcels are available on lease for period of 90 years for construction, operation & maintenance of tourism related facilities like:-
  - Weekend resorts (with spas)
  - Amusement, theme & water parks
  - Golf courses
  - Construction of 3-4-5 star hotels
  - Concept / theme hotels
  - Multiplexes
  - Entertainment zones
  - Recreation centres
- Location: The size and specification of the land parcels is as under:

- Indore (Rau) – Khasra no. 807,  
Size of this land parcel: 11.319 hectares  
Indore - Khasra no. 1094/1/K,  
Size of this land parcel: 14.554 hectares
- Indore (Machla) – Khasra no. 121/1/1  
Size of this land parcel: 11.135 hectares
- **Project Cost:** The project cost is estimated to be around **Rs.500 Million for each facility.**

#### Project Contacts

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