COMPARATIVE TOURISM STUDY

- SIKKIM 2012

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SikkimOnline.info Map 2.0
Peak
Base / Camp
Road
Capital town
Sub District Town
Holy Place (Temple or Gumpa)
Lake
Train route
Hill top
N
Map of Sikkim 2.0
Gyamtshona Lake
Choptra
Chamoyummo 6836m
Gurudongmar lake (5518m)
Cholamu (5100m)
Gyagong
Donkia La (5518m)
Chorten Nymala (5820m)
Lachsi 6431m
Kanchenjau 6919m
Pauhunri 7130m
Rokeha (5823m)
Chopta Valley
Yumey Samdong 4625m
Chorten Nyima Peak (6919m)
Lugriak La
Sebu La
Goma
Muguthang
Jongsong Peak (7419m)
Lambo River
Thangu 4200m
Langpo Peak 6949m
Thieu La
Yatango
Talam
The Pyramid 7132m
Yumthang
Thangchung La
Jakthang
Chang Himal 6750m
Tent Peak 7342m
Green Lake
Yabuk 3669m
Tallem
Zema
Lachung River
Katto 4200m
Keshong La
Chungalung (3492m)
Kambachen 7902m
Lama Ongdim 5867m
Lachen 2735m
Kanchenjunga (8598m)
Mt. Siniolchu 6888m
Lachung 2625m
Kanchenjunga (High Altitude) National Park, North & West Sikkim Area : 1784 sq kms.
Jannu 7710m
Mt. Simvo 6815m
Forked Peak 6100m
De nag 5060m
Memphurang 4571m
Mt. Kabru 7315m
Goecha La 4997m
Tholung Gumpa 2488m
Mt. Pandim 6708m
Zemathang 4783m
Dzongu
Chungthang
Latong Tenga 4511m
Rathong Glacier 6680m
Mt. Jupono 5932m
Mt. Tinchinkhang
Takung River
HMI
Samiti lake 4418m
Kabur (4820m)
Thangsing 3778m
Mangan 1280m
Rathong
Gyathang
Dzongri 3939m
Endong (3685m)
Rang Peak 5571m
Tshoka (2742m)
Longlong (4719m)
Rangrang
Simugupehurbi 5064m
Jichu Drake 6794m
Kirsong 3733m
Bakhim (2437m)
Orma La
Phensang
Keyongsla Alpine Senctuary
Lenkabui 3326m
Dikchu
Phodong
Nathu la
Pong merong 4178m
15th Mile
Changu
Khecheopari Lake
Yoksum 1708m
Makha
Tista River
Farmbong Lho Sanctuary, Area : 5176 ha
Memmioichu (3668m)
Tsomgo Tso
Jelep la (4375m)
Pemayangtse 2105m
Peling
Tashiding
Gangtok
Kepup
Bitang Tso
Bathang (4582m)
Rumtek
Tadong
Lam Pokhari
Gyalshing 1552m
Ranipool
Gnathang
Maenam (3242m)
Singalila Range
Uttaray
Dentam
Rabongla 2009m
Legship
Tarku
Phalluk La (3225m)
Timi
Singtam
Pakyong
Lampokhari
Lingtam
Rachela
Bon Monastery
Damthang
Rongli
Auritar
Pangolakha
Songar
Soreng
Reshi
Rorathang
Rinchenpong
Tendong (2645m)
Rongli River
Rhenock
Phushrey lake
Hilley 2744m
Rangit River
Namchi 1524m
Sabarkum
Varsey 3049m
Molley
Raman
Nayabazar
Majhitar
Pedong
Sandakpur 4536m
Jorthang
Singla
Rimbik 2286m
Delo
Algarah
Lava 2184m
Badamtam
Rangpo
Rambam
Lebong
Chitre
Kalimpong
Samthar
Loleygaon 1516m
Maney
Bhangjang 1960m
Darjeeling
Teesta
Rathi River
Samtche Bhutan
Ghoom Batasi
Sukia pokhari
Sonada
Kurseong
Chalsa
Tin Dharia
Baag pool
Birpara
Phuntsholing
Sukuna
Map Not to Scale
www.sikkimonline.info
To Siliguri
Jaldapara Wildlife sanctuary
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A. Overall scenario

a) Snapshot of Sikkim

Sikkim the once remote, inaccessible and mystical Himalayan kingdom has today transformed into one of the prime tourism destinations of North East India. Sikkim emerged from a being a feudalistic monarchy when it joined the Indian Union in 1975 and became the 22nd State of India. It became the eighth and youngest state to join the North Eastern Council (NEC) in December 2002. With an area of 7096 Sq Km and a population of 6.1 lakhs (2011 census) it is the smallest state in the NEC.

Sikkim lies between 27'04' 46" and 28'07' 48" North latitude and 80'00' 58" and 88'55' 25" East longitude. It is bounded by three countries -China (Tibetan plateau and Chumbi valley) on the North and North-East, Bhutan in the South-East, and Nepal in the West and by the Darjeeling district of Bengal in the South. It is divided into four districts North South, East and West with the North being the least populated and the East the most populated. Annual temperatures vary between 0-30°C with average annual rainfall being around 2,500mm. It is predominantly mountainous, with many glaciers, lakes and rivers and a great variation in climate and vegetation. These physical attributes bless the state with tremendous biodiversity, diverse agro-climatic topography, natural beauty and hydropower potential. Sikkim is also known for its peaceful environment, its friendly people and a rich and diverse cultural and religious heritage. There are diverse ethnic groups and subgroups viz.- Nepali (Rai, Limbu, Tamang, Gurung, Mangar, Newar, Bahun, Chhetri, Sunuwar), Bhutia Sherpa, Lepcha and plainsmen (Marwari & Bihari) . Principal languages spoken are Nepali, Limbu, Bhutia, Lepcha and Hindi. The dominant religions are Hindu, Buddhist and Christian with a small number of animists and nature worshipers All these natural and cultural factors contribute to making tourism, hydropower and agro-horticulture priority growth sectors of the state economy. However, at the same time the physical attributes also put considerable restraints on the state in terms of accessibility and in the development of agriculture and industries.

Although the majority of its population depends upon agriculture for their livelihood, the cultivable land area available is less than 15% of the total area of the state and even this is declining with rapid urbanization and changing land use. 82 % of the land is under official control of the Forest Department. This makes the state extremely food deficient and dependant on food imports. Any development strategy has also to ensure protection of the fragile mountain ecology and so therefore the state has taken strong policy measures to ensure protection of its forest and biodiversity. The development parameters of the state have shown rapid improvement over the past few decades and its growth rate ranks much above the all India average. Its per capita income of Rs 48, 937 (2010 – VMW Analytical Services) ranks it second in the NE and way above the national average. Literacy rates have gone above 80%. School educational infrastructure is strong though quality of education and the drop-out rate is a cause of concern. A central University and several leading private universities have been established in the state. Health indicators are far better than the national average. Infrastructure development in terms of road connectivity, air, rail links, telecommunication and power are in a fast growth track – an airport, a rail link and the widening of the National

highway 31A to Sikkim and upto the Chinese border is under implementation. In terms of occupancy, there is a shift from the primary to the tertiary sector which is indicative of developmental growth. Industrial growth which had shown decline has improved with the setting up of several pharmaceutical units by leading names in the industry. The hydro-power sector is seeing massive investment from private and public sector developers to generate over 5,000MW of power from around 30 different power projects. Since the 1990s tourism has seen tremendous growth with tourism arrival figures currently touching numbers equal to the state population. The state is continuously bagging the best performing state award in Tourism.

The state has had a steady political leadership with the present Government entering its fourth successive term of governance. This has been a key contributing factor to the rapid growth rate and forward looking and innovative policies of the state. In a recent poll ranking government performance, the State has been ranked 2nd amongst all the Eastern and North Eastern states. This rapidly developing and changing economic environment with the physical constraints, has thrown up its own set of challenges. Although Sikkim has a relatively small population, the decadal growth rate of 12.36% when viewed against the habitable land available is a cause for concern. Development has also brought about rapid urban migration and growth. Since the last two decades, there has been a negative growth rate in agricultural labour and only marginal increase in cultivators. Declining agricultural labour, reducing cultivable land, coupled with recent decline due to disease and other factors in the major cash crops especially large cardamom have heightened the need for innovative and technology backed approaches to agricultural development that require new skill sets. Though the Government is still the major employer in the state, and the Government job the most coveted, there is a realisation that this role is no longer tenable. The current unemployment figure is estimated to be around 20,000 and growing. However the majority of the jobs in the service sector and the upcoming industries are being held by persons from outside the state. Trade and commerce to a large extend have traditionally been owned by “plainsmen”. This implies a lack of basic skills and qualifications and entrepreneurship amongst local candidates Therefore there is increasing focus on capacity building, skill and entrepreneurship development particularly for farm and non-farm sector in the rural areas and for the growing service sector (particularly in the hospitality industry) to enable youth to take up the jobs being created and to promote self employment.

SOME STATE SYMBOLS

Top Left: State Bird- Blood Pheasant

Top Right: State Animal- Red Panda

Bottom Left: State Tree- Rhododendron

Bottom Right: State Flower- Dendrobium Nobile

Sikkim's Vision 2015

* 100% literate State
* 5000MW of Power Generation
* Poverty-Free State
* Total Organic State
* Self-Reliant State

b) Sikkim Tourism overview.

i. Sikkim's Success Story

The last two decades has seen a phenomenal growth in tourism in Sikkim. From a mere 61,000 domestic and 6000 foreign tourists in 1991 the State has witnessed a steady growth in arrivals to 7 lakh domestic tourists and 20,500 foreign arrivals in 2010. This amazing success story can be attributed to a number of factors:

1. **Rich natural endowments.** The immense range of biodiversity packed within a small geographical area and having climatic zones ranging from tropical to temperate to alpine, provides the tourist visitor with a fascinating feast of nature. There are around 4,500 species of flowering plants, 36 species of Rhododendrons,16 species of conifers, 550 species of orchids, 28 species of bamboos, 362 species of ferns and allies, 9 species of tree ferns, 424 species of medicinal plants, 144 species of mammals , 550 species of birds, over 600 species of butterflies and 48 species of fish. The state is also blessed with extremely beautiful landscapes. Towering above all is the mighty and sacred Mt. Khangchendzonga, the guardian deity of Sikkim and the third highest mountain peak in the world – an icon of Sikkim. Besides these there are numerous other Himalayan peaks many of them sacred and many unclimbed, countless glaciers and holy lakes notable being Tsomgo and Menmecho in the East, Khecheopalri and Karthok in the West and Gurdongmar, Green Lake and Tso Lhamu in the North. From the glaciers and mountains flow down crystal clear waters that form numerous rivers and streams – the most notable being the Teesta and the Rangeet. The landscape is rich with verdant and virgin forests, alpine meadows and deep valleys. There are also many holy caves and sacred groves that dot the landscape. The snows are a major source of attraction for the tourists. Sikkim has arguably the closest access to snows in the Tsomgo Lake–Nathula Circuit for the entire South East Asian landscape. Springtime brings about a riot of colour with miles of flowering rhododendron forests and flowering alpine meadows. For the nature lover, for that breath of fresh mountain air in respite from the sweltering heat of the plains, for peace and tranquility of mind – far from the madding crowd, for the avid adventure seeker or nature specialist- Sikkim offers it all -in the richest of platters.

2. **Rich historical, cultural, and religious heritage**. Sikkim till the 1970s was steeped in mystery and intrigue and a place not visited by many. Ruled by the Namgyal dynasty since 1742 it is perhaps the last kingdom to accede to the Indian Union when the 12th Chogyal Palden Thondup Namgyal was forced to abdicate in 1975. The Chogyal no longer reigns but interest in his historical lineage and the feudal legacy of his rule still remains. A whiff of the charm of the old "Shangrila" still continuess. The old laws of the kingdom are still protected under article 371F of the Constitution. There are still many religious festivals associated with the Chogyal like the *Bhumchu* water drawing ceremony held every year in Tashiding Monastery and the *Pang-toed Chham* (dance) at Tsuglakhang palace monastery that still continue to be observed. The stone Norbugang throne at Yuksom where the first Chogyal was consecrated is a major attraction. Gurupadmasambhava - the lotus born -who established Vajrayana Buddhism and the highest form of Dzogchen teachings in the 8th Century is revered as the patron saint of

Sikkim. Recently the Government has constructed the highest metal statue of Guru Padmasambhava in the world at Samdruptse in Namchi which imposing presence draws many visitors to this 'must see' site. Sikkim has a rich history of Buddhism with many ancient and important monasteries located here and different lineages of Budhism being practiced. Amongst the famous monasteries is the Rumtek Monastery – one of the most important seats of the Karma Kagyu lineage outside Tibet, Dubdi Monastery in Yuksom the oldest monastery in Sikkim, Pemayangtse and Sanga Choeling Monastery of Pelling, the Tashiding Monastery of West Sikkim, the Enchey Monastery in Gangtok, the Phodong Monastery in North Sikkim, and the Tholung Monastery in Dzongu. There is a Buddhist religious circuit established which includes a tour of these monasteries and other holy Buddhist sites which attracts both locals and outside the state devotees - many from Bhutan. The Sikkimese Buddhist circuit also draws many foreigners who seek to learn and practice the religion and its meditation techniques. Located in Gangtok is the Namgyal Institute of Tibetology which houses many precious manuscripts and artifacts related to Tibetan Buddhism and promotes research in the same. Apart from the Bhutias, Sikkim is also the home of the Lepcha's the primitive and original tribe to inhabit *Nye-mae-el* or 'paradise' or *Bayul Demazong* or the "Hidden valley of Rice". The Lepchas were allocated a reserve meant only for them by the Chogyal in Dzongu in North Sikkim. Originally animists and nature worshippers who had their own system of using shaman priests named *Boongthing* and *Mon* the Lepchas present an intriguing ancient culture and civilization. Besides the Lepchas, the Limbus, Rais (Kirats), Gurungs, Mangars, Newars and the Chhetris, Bahuns and other Nepali subgroups have preserved their traditional cultures and traditions which provide an interesting ethnic basket for the visitor interested in local culture. The Lepchas with their excellent Bamboo craftwork and weaving designs, the metal work of the Nepalese, the traditional rug and carpet making skills and wood carving work of the Bhutias are much in demand by tourists. The Department of Handloom and Handicrafts has a network of training centres to encourage these traditional crafts and thereby provide employment to the youth.

3. **Easy accessibility, good location and adequate linkages.** Traditionally Sikkim formed part of the Nepal-Darjeeling-Kalimpong-Bhutan circuit which helped it establish itself in the early period of tourism development. Sikkim lies in the gateway to the North East and is geographically placed in an advantageous position as the easternmost of the NE states. It thus becomes a natural first choice for tourists visiting the North East. It is well served by air linkages to Bagdogra and train services to New Jalpaiguri around four hours away from the capital Gangtok. The air and train linkages will be augmented further with the completion of the new airport at Pakyong (1 hr from Gangtok) to be completed by 2013 and the proposed rail line upto Gangtok due by 2015-17. Further there is a five-seater daily helicopter service to and from Bagdogra to Gangtok. Helicopters can also be chartered by tourists for mountain flights and for visiting the districts. Helipads have been set up in all the four district headquarters. The Bagdogra airport infrastructure has been upgraded, new parking aprons have been added with capacity to park six planes at a time. Five airlines operate around 10 flights daily with direct flights or interconnecting flights to the cities of Delhi, Kolkata, Guwahati, Chennai, Hyderabad,

Mumbai Ahmedabad and Pune. Air traffic has substantially increased and there is a need to further upgrade the airport. Around 60,000 passengers per month pass through the airport. The airport status has also been upgraded to international level with Druk Air operating flights to Bangkok from here. Night flights are also on the anvil.
The National Highway 31A which links Sikkim to Siliguri is being upgraded to a two-lane highway which shall go all the way to the Chinese border. Although currently due to the ongoing expansion works the foremost grouse of tourists has been the poor quality of roads – this complaint is likely to go away once the highway expansion works are completed. The state has an excellent system of roads that link the state capital to all the district headquarters and practically all the minor towns in the districts. Bus and taxi services are adequate. With the recent re-opening of the ancient trade route through Nathula with the Tibetan Autonomous Region (TAR) of China, tourism in Gangtok has been given a major boost. The Changu (Tsomgo) Lake – Nathula package has become a must do item for tourists visiting Gangtok and a very high sell item for local travel agents operating from Gangtok. This May season there was an average of around 1000 tourist taxis visiting Changu Lake each day (i.e. around 10,000 visitors per day). The 75 vehicles permitted per day to Nathula was obviously grossly overbooked and inadequate to meet the demand. Revenue earnings from permits issued to visitors to Tsomgo lake totalled 60.44 lakhs in 2008-09

4. **An oasis of peace and hospitality in a region of conflict**. Sikkim has the positive image of being the most peaceful state in the North-East and one of the most peaceful hill destinations in the Himalayan region. This has been one of its most high selling points. For the past two decades so Sikkim has indirectly benefitted from the insurgency conflicts that shook most of the North-Eastern States and the Jammu and Kashmir region as well as the Gorkhaland agitation in the Darjeeling Hills of West Bengal and the Maoist movement in Nepal. Sikkim with its added natural attractions became the obvious choice for people who were looking to get to a hill destination in India with a guarantee of no strikes and violence. This peaceful atmosphere is a result of a deliberate attempt by the state Government to maintain law and order, peace and communal harmony within the State and with its neighbours. Law and order is strictly enforced in the State. Crime rates are one of the lowest in the region, strikes are a rarity and the traffic police maintain a strict vigilance and enforcement of traffic rules. A visitor can safely walk around in Sikkim at the latest hours of night without any fear of being mugged. Even during the Gorkhaland agitation the State managed to keep the NH31A open most of the time inspite of strikes in the neighbourhood through negotiation, law enforcement and injunctions from the Supreme Court. At times of crisis such as landslide blockages (especially on the Nathula been very forthwith in extending a helping hand to the distressed tourists, thereby contributing to a very positive image for the State. Another factor is the inherent friendly, and hospitable nature of the Sikkimese. All these measures go a long way in creating a very safe and secure environment for the tourist.

5. **Strong private investment and initiative**. One of the discernable features of tourism development in Sikkim has been the high level of initiative taken by the private sector in promoting tourism and in making monetary investments. Most hotel infrastructure and transport services are privately owned. In fact almost all the State owned hotels have been leased out to private players and even the wayside amenities and cafeterias and tourist huts in trekking areas have been leased out to local citizens and organisations. The tourism boom has resulted in massive and continuous investment by the private sector into hotels, restaurants, taxis and other hospitality related services. Earlier the investments were in the lower and middle segments, but of late there has been a growing movement into the luxury segments with many starred hotels and resorts coming up. Growing income levels especially after the 5th Pay Commission hike, and increased lendings from the banks have contributed to this trend. The Travel Agents Association of Sikkim (TAAS) along with the Sikkim Association of Adventure Tour Operators (SAATO) and Sikkim Hotels & Restaurants Association (SHRA) exert a strong influence on the Government in matters of policy and the interest of their members. The Government essentially is engaged in the design and implementation of the Centrally Sponsored Schemes which is infrastructure development of tourism sites, capacity building of stakeholders and the funding of festivals and fairs and marketing initiatives. It has in a way stuck to the adage that Government should not be in the business of "business". The area of major shortcoming by the government and where the trade requires the most help, is in the area of marketing which is still below needed levels in -particular for the overseas market.

6. **Strong and stable Government with progressive policies.** A major contribution to the tourism boom has been the presence of a stable, proactive Government with consistent and positive policies and initiatives. The State had long ago recognized the importance of tourism for Sikkim and its role in bringing about economic development and social equity and thereby declared it as a thrust industry. In fact the Hon Chief Minister has declared a Tourism Mission Statement along these lines. The emphasis on ecotourism for sustainable development and the promotion of village tourism and homestays were pioneering. These have been supplemented by the "green" initiatives of the Government such as the banning of plastic bags, the banning of grazing in protected areas, the State Green Mission, the State Organic Mission etc. The declaration and maintenance of 8 Protected Areas comprising of 1 National Park and 7 Wildlife sanctuaries that comprise almost 31% of the land area of the State has helped to conserve the rich biodiversity of the state which is essentially its competitive advantage. The Government has also laid strong emphasis for capacity building of youth – particularly for the hospitality industry. A recent government initiative has been the closing up of a section of MG Marg – main thoroughfare in Gangtok town and creating a vehicle free strolling and sitting area for tourists with flower gardens and fountains – a unique idea and investment that has won many praises by the visiting tourists. The unprecedented construction of the world's tallest statue of Guru Padmasambhava at Samdruptse by the government has created a striking landmark image that has become an iconic tourist attraction. The creation of *Chaar dhaam* a religious monuments

complex at Solophok Namchi with miniature models of Hindu pilgrimage temples of India and a tourism complex has been awarded the "Most Unique and Innovative Tourism Initiative" Award by MoT for 2010-11 and given a new dimension to the usual concept of "religious tourism". Sikkim has also been extremely proactive and successful in preparing tourism schemes and getting these approved by the Ministry of Tourism. An examination of Chart I (in the next page) shows that from 2008-09 to 2010-11 Sikkim emerged as the state with the highest number of projects sanctioned by the MoT (53 Nos.) and of the highest value (132.62 crores) amongst all the North Eastern States. Even if one were to compare Sikkim's position in this regard with the other mountain states of the Western Himalayas, Sikkim is tipped by the State of Jammu and Kashmir only. Uttarakhand's status in this regard is relatively poor.

CHART I

STATE- WISE NUMBER OF CENTRALLY SPONSORED PROJECTS AND AMOUNTS SANCTIONED

		2008-09		2009-10		2010-11		TOTAL 3 YEARS	
	NEC STATES	**No. of Projects**	**Amount Sanction -ed**	**No. of Project s**	**Amount Sanction -ed**	**No. of Projects**	**Amount Sanction -ed**	**No. of Project s**	**Amount Sanction -ed**
1	Arunachal Pradesh	13	31.47	14	36.54	13	32.26	**40**	**100.27**
2	Assam	4	21.08	7	22.76	4	23.55	**15**	**67.39**
3	Manipur	9	29.44	9	27.14	8	39.4	**26**	**95.98**
4	Meghalaya	7	17.14	7	14.73	9	22.53	**23**	**54.4**
5	Mizoram	4	3.18	7	24.06	9	11.51	**20**	**38.75**
6	Nagaland	11	25.4	13	24.6	10	29.1	**34**	**79.1**
7	Tripura	6	3.61	13	20.67	12	40.73	**31**	**65.01**
8	Sikkim	20	66.78	19	42.36	14	23.48	**53**	**132.62**
	OTHER HILL STATES								
1	Himachal Pradesh	10	34.58	6	23.95	12	34.98	**28**	**93.51**
2	Jammu & Kashmir	28	43.42	31	49.75	20	56.17	**79**	**149.34**
3	Uttarakhand	2	44.68	1	0.55	8	29.78	**11**	**75.01**

Source: India Tourism Statistics 2010: Ministry of Tourism

ii. **Sikkim Tourist arrivals**. The tourist arrivals for Sikkim started showing significant growth from the early 1990s. The boom years were from 2002-2006 when growth rate touched as high as 48% (2004-2005). The average annualized growth rate from 1994 to 2011 works out to be 11.1% for both domestic and foreign combined. The average annualized growth rate for domestic tourists (11.37%) is higher than that for foreign

tourists (9.21%). The percentage growth rate for 2009-10 was 13.7% for domestic and 17.1 for foreign tourists. The percentage share of Sikkim in Domestic and Foreign tourist arrivals for 2009-10 as compared with the rest of the Indian States was 0.1% (both domestic & foreign) and its ranking was 25th for domestic and 22nd for foreign. The year 2011 saw a significant dip in tourist arrivals due to the effects of the September 2011 earthquake which affected the autumn and winter arrivals significantly.

Charts II & III in the next page depicts the annual tourist arrivals separately for domestic and foreign tourists. (Note figures for 1992-93 were not available).

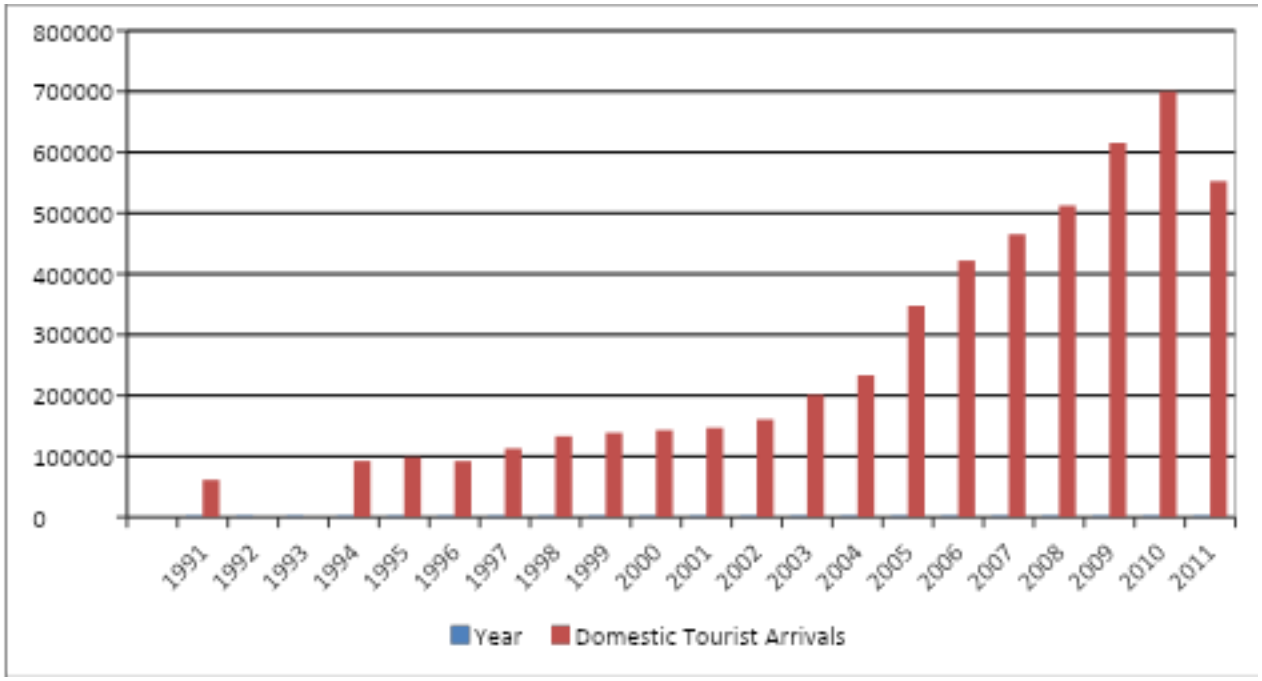

CHART II

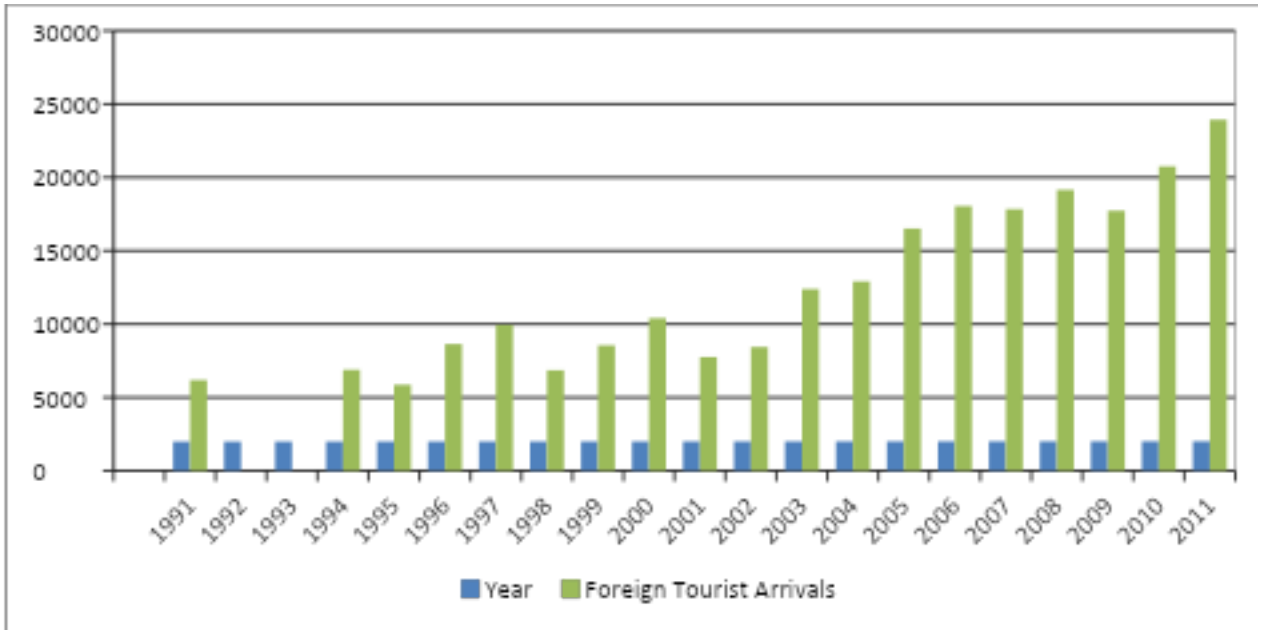

CHART III
SIKKIM DOMESTIC AND FOREIGN TOURIST ARRIVALS
Source: Department of Tourism, Government of Sikkim

It will be noticed that the volume of foreign traffic is significantly low. In terms of percentage to the total number of tourists it is hardly 4% of total arrivals. Neither the tour operators nor the Government has laid any emphasis on making serious attempts to woo the foreign tourist. The boom in domestic tourism being significant a sense of complacency has crept in and it appears that the tourism stakeholders are content to make do with the domestic tourists. Besides Indian visitors are willing to go for the higher priced hotels and services also. The phenomenon of booming domestic arrivals is in part also due to the significant rise in disposable incomes of the Indian middle class. On the other hand the present flow of foreign visitors are mainly in the lower budget and middle segments with hardly any visitors in the upper luxury segment for which the infrastructure development is yet to happen.

Regional arrivals comparision

In terms of comparision of tourist arrivals in the region CHART IV below shows the tourist arrivals for 2008-09 and 2009-10 the NE states as well as for the mountain states of the Western Himalayas. Sikkim leads in terms of number of foreign visitors for the NE region (around 39% share) and is second to only Assam in terms of domestic tourists (around 11% share). However if one were to compare Sikkim's arrival figures with the Western Himalayan states then its traffic volumes pales in comparision. Its growth performance is however matching and if one were to consider the relatively recent entry of Sikkim into the industry and the size of the state then it is doing very well.

CHART IV

STATE WISE DOMESTIC & FOREIGN TOURIST VISITS FOR NE REGION AND FOR WESTERN HIMALAYAN STATES

		2008-09		2009-10		% Growth 2010/09	
	NEC STATES	DOMESTIC	FOREIGN	DOMESTIC	FOREIGN	DOMESTIC	FOREIGN
1	Arunachal Pradesh	195147	3945	227857	3395	16.8	-13.9
2	Assam	3850521	14942	4050924	15157	5.2	1.4
3	Manipur	124229	337	114662	389	-8.2	15.4
4	Meghalaya	591398	4522	652756	4147	10.4	-7.6
5	Mizoram	56651	513	57292	731	1.1	42.5
6	Nagaland	20953	1423	21094	1132	0.07	-20.4
7	Tripura	317541	4246	342273	5212	7.8	22.8
8	Sikkim	615628	17730	700011	20757	13.7	17.1
	OTHER HILL STATES						
1	Himachal Pradesh	11036572	400583	12873986	453616	16.6	13.2
2	Jammu & Kashmir	9234862	54475	9973189	48099	8	-11.7
3	Uttarakhand	21934567	106470	30206030	127258	37.7	19.5

Source: India Tourism Statistics 2010: Ministry of Tourism

Monthly tourist inflows.

The following charts depict the month wise tourist inflows:

CHART V STATISTICS OF TOURIST ARRIVAL IN THE STATE OF SIKKIM

DOMESTIC TOURISTS
(INCLUDED UNRECORDED 25%)

MONTH	2005	2006	2007	2008	2009	2010	2011	2012
JAN	14245	17887	22286	24035	30395	40160	42314	30258
FEB	16100	18550	23465	26098	35883	48420	50652	29642
MAR	26100	41593	47465	51018	55965	60560	62438	33421
APR	43702	61084	70684	76539	85669	87172	89238	50698
MAY	70744	80052	86448	99625	108778	116641	124323	
JUN	30480	32912	34025	35172	63905	68236	69784	
JULY	13760	17268	19462	22010	26992	27021	29540	

AUG	14382	20628	21428	22628	35826	37180	38964	
SEP	22738	25028	25295	26910	41285	53624	13943	
OCT	35396	39834	43218	49456	44865	59582	9682	
NOV	33480	35899	38215	43018	43720	48764	8326	
DEC	26523	31208	33213	35864	42345	52651	13249	
TOTAL	347650	421943	465204	512373	615628	700011	552453	144019

FOREIGN TOURIST

MONTH	2005	2006	2007	2008	2009	2010	2011	2012
JAN	721	789	866	910	696	984	1436	1904
FEB	1082	1262	1286	1106	1053	1320	1065	2406
MAR	2280	1981	2225	2406	2184	2605	2423	3199
APR	2198	3124	2386	2411	2544	3036	2615	3939
MAY	1351	1445	1058	1857	1335	1593	2875	
JUN	611	488	631	393	429	830	643	
JULY	372	471	549	453	646	680	553	
AUG	625	741	811	864	846	979	873	
SEP	991	1372	1230	1330	1275	1678	1415	
OCT	3053	2961	3106	3386	2925	2780	4286	
NOV	2313	2198	2471	2867	2406	2410	3323	
DEC	921	1217	1218	1171	1391	1862	2438	
TOTAL	16518	18049	17837	19154	17730	20757	23945	11448

Source: Government of Sikkim, Department of Tourism

It will be noticed that there are two very distinct tourist seasons for domestic tourists with inflows peaking between March to June and from September to December. This gives an eight month peak flow which is a more recent development from the earlier peak seasons of four months of April, May, September and October. In the case of Foreign tourists the peak periods are from March to April and October to November.

Composition of Foreign Visitors 2009

Inner Line Permit issued to 793 foreign nationals from Sikkim House Delhi. The country wise breakup is as follows: American: 104, UK: 47, Canadian:16, Italy:5, France: 62, Japan: 324, Tibetan: 6, German:41, Czech Republic:13, Spain:17, Kreean:1, Australia:49, Netitherland:7, Norway: 6, Swetzerland:8, Denmark:4, Austria:7, Sweden:145, Isreal:7, Croatia: 1,Thailand:1, Columbia:5. Chile:3, Bulgaria:3, Afganistan:4, Cambodia:4, Mangolia:2, Iraq:3, Fiji:10, Mauritius:1, Uzbekistan:3, Yemen:3, Tajikstan:5, Philippines:2, Singapore:1.

3. Trekking permit issued to 80 foreign nationals, and country wise breakup is as follows: British:55, America:4, Japanese:10, Swiss:1, French:8, German:2.

Other observations of inflows

In the absence of detailed documented information regarding the composition of tourist inflows, interviews were conducted with key stakeholder representatives to get an understanding of the tourist visitor to Sikkim. The following were the findings:

a. The major tourist arrivals coming into the state come in groups of 5-10
b. The number of free independent travelers (FITs) is not very high in the state.
c. The bulk of tourists coming in are in the age group 40 and above. This speaks of lack of tourist products to attract the younger population.
d. The tourist budget in the state is around 1200-1700 ($24-$34) per day. This includes lodging and transport. This is a clear indicator of the quality of tourists coming into the state.
e. Sikkim receives domestic tourists primarily from: West Bengal with Delhi, Gujarat, Rajasthan and Bangalore being the other places from where tourists come in.
f. International visitors are generally from Japan, Germany, UK, USA and Australia.
g. Bulk of the tourist that comes into the state comes primarily for:
    - Recreational/ scenic beauty
    - Adventure and Trekking
    - Nature/Wildlife Tourism
h. Role of Leave Travel Concession (LTC)
    - The Tourism Department believed that of all the NE that an employee can avail LTC for, Sikkim is a more likely choice because of the various products the state has to offer.
    - It attracts more LTC tourists because of its proximity to Kolkata and Siliguri.
    - About 10% of the domestic tourists coming in the state use LTC.
    - LTC is given state wise and they will be shifting it other states which will bring down the business.
    -

iii. Tourist attractions

a. Major Attractions
    - Nathu-La Pass

Nathu La is a an ancient mountain pass in the Eastern Sikkim Himalayas. It connects Sikkim with China's Tibet Autonomous Region. The pass, at 4,310 m (14,140 ft) above mean sea level, forms a part of an offshoot of the ancient Silk Road.

- **Tsongmo Lake**

  Tsongmo Lake or Changu Lake is a pristine glacial lake in East Sikkim, some 40 kilometres (25 mi) away from Gangtok at altitude of 3,780 m (12,400 ft).

- **Yumthung Valley**

Yumthang Valley is a grazing pasture surrounded by the Himalayan mountains in the North Sikkim district close to the tribal village town of Lachung. It is at an elevation of 3,575 metres (14,000) above msl at a distance of 150 km from the state capital Gangtok. It is covered with snow during winter and early spring. The Singba Rhododendron Sancturary lies adjacent to it.

There are hot springs located across the valley.

- Pelling (for the view of Kanchenjunga range)
  Pelling is a town in the district of West Sikkim. Pelling is nestled at an altitude of 2,150 m (7,200 feet). The town is located at a distance of 10 km from the district headquarters of Geyzing.

- Samdrupste Statue near Namchi
  The world's largest statue (at 118 feet) of the Buddhist Padmasambhava, also known as Guru Rinpoche, the patron saint of Sikkim, is on the Samdruptse hill (The Wish Fulfilling well) opposite Namchi. It was completed in February 2004.

b. Newly opened attractions:

- **o** Siddheswar Char-Dham at Solophok, Namchi
  A newly constructed pilgrimage cum tourist centre of the Hindu deity Lord Shiva. It contains the temples of the four most important shrines of India.

- o Srijunga Statue

- **Paragliding and mountain biking as a sport is coming up in the state for adventure sport lovers.**

- **Casinos in the deluxe hotels. S kkim is the only state in India where Casinos have been allowed to operate inland. Licenses have been granted to two casinos. This opens an entirely new sector and is drawing great crowds.**
- Banjhakri Falls near Gangtok

c. Upcoming attractions:
    - Lord Buddha Park : Ravangla is coming up
    - Statue of Chenrezig: West Sikkim at Sangacholing

- North Sikkim: Reclining Buddha
- Sky Walk at Bhaledunga: near the
- Yangang: under RMBD: MICE (Meetings, incentives, conferences, and exhibitions)Tourism

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1. Sikkim has some established circuits catering to needs of various types of tourists:
    - Buddhist Circuit:
        i. Pemayangtse- Sangacholing- Khecheopalri- Dubdi- Hongri- Sinon- Tashiding- Ralong-
        ii. Samdruptse-Rumtek- Enchey- Institute of Tibetology-Phodong- Tholung
    - Pilgrimage Circuit (Other faiths)
        i. Siddheshwar Char Dhaam, Solophok
        ii. Sai Temple Daramdim and Shirdi Sai Temple
        iii. Ganesh Tok and Hanuman Tok, Gangtok
    - General Sightseeing near major towns like Gangtok, Namchi etc.
    - Major Trekking Circuits:
        i. Monastic Trek
        ii. Rhododendron Trek
        iii. Khangchendzonga Trek
        iv. Coronation Trek
        v. Khedi Trek
    - Interstate/ International Circuits:
        i. Darjeeling-Sikkim-Kalimpong
        ii. Nepal-Darjeeling-Sikkim-Bhutan

    Of the above circuits, the one coming through/or going to Darjeeling has been really beneficial for tourism in Sikkim and has been one of the reasons of growth in Sikkim tourism numbers. Darjeeling is one of the oldest tourist attractions in the North Bengal reason and this is one of the primary reasons for growth of tourism in Sikkim.

e. Issue:
    - Though mountaineering has lot of a potential, there has been issue of opening up of more sites for mountaineers as majority of them are not open to scaling due to various restrictions – the two main reasons being security restrictions imposed by the Ministry of Home affairs and monitored by the Army and the fact that many peaks like Mount Khangchendzonga have been declared sacred and there is a ban in the climbing of such peaks. This is an area where the Sikkim Government can look into. For foreigners trekking and mountaineering are prime attractions in Sikkim- there are many peaks for which there is no ban but these lie in restricted areas. The process of getting clearances from the Central Government and the Army and the Indian Mountaineering Federation (IMF) which monitors and issues the permits for climbing the peaks is cumbersome and lengthy. Besides the Department of Forests Government of Sikkim charges a very high fee structure for peaks . All these impediments need to be removed and streamlined if a steady foreign exchange revenue stream is to be generated. A good example is neighboring Nepal where mountaineering is the key revenue earner.
    - There is also a recurring issue of permits needed to visit various areas. All foreigners entering Sikkim need an Inner Line Permit which is normally given for 15 days on arrival. This has been extended to 30 days but needs to be extended further and the issue of allowing multiple entry into India/Sikkim also needs to be addressed. Foreigners and Indians require Restricted Area permits to visit designated areas of Sikkim like Tsomgo lake and north Sikkim. There is much scope in such permits to be relaxed so that more people can actually come and increase tourism.

B. Policy Scanning

In the area of policy it is a matter of surprise that Department of Tourism of Sikkim does not to date have an approved Tourism policy in place. It is not that efforts were not made in this direction. Over the years the following documents have been prepared:

1. Tourism Master Plan of Sikkim 1997-2011 prepared by the Tata Economic Consultancy Services (TECS)
2. 20 Years Perspective Plan for Sustainable Tourism Development in the State of Sikkim prepared for the Ministry of Tourism by Horizon Industrial Consultancy Services, New Delhi in 2002.
3. Sikkim Tourism Mission 2015- declared by the Hon. Chief Minister of Sikkim
4. Sikkim Tourism Master Plan prepared by MasterConsult Services Singapore through the Building & Construction Authority of Singapore and submitted on June 2011
5. Sikkim Ecotourism Policy 2011 prepared under the JICA assisted Sikkim Biodiversity and Forest Management Project by the Forest Environment & Wildlife Department and launched on 26th January 2012.
6. Draft Sikkim Tourism Policy 2010 posted on the website of Sikkim Tourism.

In trying to find out the impacts of the above documents it was revealed by the newly appointed Secretary Tourism that in most cases the policies were not implemented or implemented in selective parts only. The first was a 15 year Masterplan the first of its kind prepared for the Government by TECS. No digital copy was available for review. However it was informed that the Masterplan was never implemented mainly due to a lack of funds and also because on the changing of the Departmental heads the policy never got taken up for implementation by subsequent incumbents. This seems to be a regular issue with regard to policy. There seems to be a lack of consistency in adoption and pursuance of policy documents and also in budgeting and obtaining funds for their implementation. The second document appears to have been commissioned by the MoT. It is a lengthy 372 page document more descriptive and narrative and having very little recommendations of substance. Only the draft copy was available. The departmental officials do recollect the interactions with the document writers, but there is no evidence to suggest whether the document was finally approved and adopted. A copy of the document can be accessed at the following web-link:
http://tourism.gov.in/writereaddata/CMSPagePicture/file/Primary%20Content/MR/Pplan/sikkim%20part-A.pdf

The Sikkim Tourism Mission Statement is posted on the official website of the Department and is attributed to the Honorable Chief Minister.
http://www.sikkimtourism.travel/Webforms/General/DepartmentStakeholders/pdfs/Tourism_Mission_2015.pdf However it is an extremely poorly worded document without any sense of purpose or objective and from our interactions with the department it was never seriously taken up nor was any specific funding earmarked for it.

In a similar vein the Draft Sikkim Tourism Policy 2010 which was also prepared around the same time as the Mission statement, lacks coherence and clarity and is unacceptably lengthy. It has been posted on the Sikkim Tourism Website, for the past year for suggestions and comments

but has not been finalized. It can be accdessed at :
http://www.sikkimtourism.travel/Webforms/General/pdf/Sikkim_Tourism_Policy_10.pdf
We were given to understand that the document is undergoing review and rewriting, but it was not clear when the revised version would be ready and formally approved. Under the circumstances it is meaningless to review the draft document.

The Sikkim Ecotourism Policy 2011 and the Sikkim Tourism Master Plan prepared by MasterConsult Services Singapore are the only two policy documents in serious contention of implementation.

The Ecotourism Policy has been prepared by consultants under the Japan International Cooperation Agency project titled the Sikkim Biodiversity & Forest Management Project.(SBFP) and followed some level of stakeholder consultation in the four districts. It was recently launched in January this year and the first steps have only just begun to identify the intervention villages and to commence capacity building of local stakeholders. The document lays down the objectives of the policy, defines ecotourism in the context of Sikkim and the principles thereof and elaborates on several strategies to fulfill the objectives. It calls for the creation of a Sikkim Ecotourism Council and an Ecotourism Directorate –primarily under the Control of the Forest Department. It also lays down certain guidelines to be followed by the different types of stakeholders. The Ecotourism Policy, long overdue, is the first serious attempt to create a policy document that addresses the need for responsible and sustainable tourism for conserving the environmentally fragile natural heritage of Sikkim. Its implementation is adequately funded through the JICA project and its implementation period is 10 years. Some concepts such as zoning are commendable. Such a policy document should be the cornerstone of tourism policy in Sikkim. However the fact that it is being implemented by the Forest Department, while the Tourism Department though consulted was not given the final ownership of the document – may result in roadblocks given the traditional one-upmanship between these departments. Also it being implemented in project mode, the policy may not have sustainability once the project is over. However it is too early to comment and judge the efficacy of the policy and its impacts at this stage. The Policy can be accessed from this weblink:
http://www.sbfpjica.org/docs/ET%20POLICY/ET_Policy_book_Pages_20-01-12%5B1%5D.pdf

The Sikkim Tourism MasterPlan prepard by MasterConsult Singapore was an offshoot of the initial MOU signed between the Government of Sikkim and the Building & Construction Authority (BCA) of Singapore to undertake various projects in Sikkim particularly with the Urban Development & Housing Department for the city planning of Gangtok. It was prepared in consultation with various stakeholders of the industry. The Masterplan in effect creates a long-term tourism positioning strategy for Sikkim based on eight strategic thrusts with various recommendations, programmes and initiatives for each group. The Masterplan has been prepared in a lucid, simple and objective manner and has the purpose of steering the development of tourism in Sikkim so that tourism brings about long term economic and social benefits to the Sikkimese people in a sustainable and responsible manner. The overall strategic vision proposed is “Sikkim as a leading Himalayan tourist destination for quality natural, cultural and spiritual experiences” The emphasis is on ‘quality’ to differentiate the ‘Sikkim Tourism Experience’ from is counterparts in other Himalayan destinations. An implementation schedule has also been

prepared with three time frames for implementation – immediate (6 months), urgent (one year) and important (three years).

The Masterplan is well thought out and excellently prepared document perhaps a bit too simplistic, However the fear is that like other such documents it may not get implemented or it may just be implemented in parts, whereas the document clearly emphasizes the need for implementation in toto. The key impediments would be getting adequate funding and lack of departmental and political leadership for its implementation. The state does not have adequate funding for tourism from its own resources and is heavily dependent on central funds and all of these are bound by the parameters of the schemes under which these are released and cannot be used for implementation of such a comprehensive policy. A copy of the Singapore Masterplan is attached at the Annexures.

When asked, departmental officials stated that the Sinagapore policy was under active consideration for implementation. It was also stated that with regard to all the other policy documents that have so far been made, the department is using a pick and choose mechanism for their implementation taking out portions only for use as and when funding is available. Recently the Department has prepared a set of proposals and budget for adoption in the 12th five year plan. This is pending approval.

Current policies and strategies

In the absence of a written down policy, the strategy of the tourism department through talks and interviews with current key officials appears to be:

a) Recognition of Tourism as a key economic driver and thrust area and its capacity for employment generation.

b) Development of Tourism infrastructure throughout the state

c) Focus on village tourism to divert tourist congestion from Gangtok- and major circuits like Pelling, Lachen-Lachung and Yumthang to the villages so that the benefit sharing trickles down to local communities. Building of homestay rooms and infrastructure by cluster for homestay operators.

d) Capacity of stakeholders in hospitality management, and travel trade.

e) Development of newly created religious –tourism circuits and giant religious statues and monuments like the Solophok- Assangthang-Samdruptse circuit with the Guru Padmasambhava statue, the Shirdi temple and the Chaardham Shivaji temple comples, and the 130 ft Budhha statue at Ravongla.

f) Close working with the hospitality industry by close liaison with the trade bodies like TAAS, SAATO SHRA, etc.

g) Marketing through participation in trade fairs and publication of brochures and promotional materials, advertisements etc.

h) Holding of festivals and events promoting tourism

i) Giving private sector the major role in tourism service investment and avoiding the conduct of tourism business by the department.

j) Recognition of the need to target quality foreign tourists and high end domestic tourists and create appropriate infrastructure and marketing strategies for this target group.

i) Recognition of the potential for marketing its significant mountain and snow assets for the development of quality mountaineering and high altitude trekking and evolving a strategy for the same.

In conclusion it can be said that in the area of policy Sikkim Tourism suffers from a serious lack of intent in adopting a long term policy and a strategic vision and master plan. Although the political leadership has clearly flagged tourism as one of its principal economic drivers, its translation into effective action is severely hampered by the absence of clearcut policy. Such an adhoc default mechanism may work as long as the tourist arrivals continue to flow, but it must be realized that tourism is a competitive business. As the North Eastern States, the Darjeeling district and other disturbed mountain destinations become more peaceful and competitive, as the novelty of the Sikkim experience wears off, the absence of a comprehensive planned approach will adversely affect tourism not maintain the numbers and tourist inflows are likely to peak and plateau off – perhaps even decline. Also with regard to foreign tourists where marketing is much more competitive, unless there is a focused and planned approach on quality and competitiveness, the numbers are unlikely to see any appreciable change and is likely to stagnate at the current low levels.

C. Major Promotional Programmes and impact

There have not been many major and exceptional promotional programmes undertaken by the Government. The critical issue in this regard is adequate funding. Some of the regular promotional programmes are:

- **Holding of various tourism festivals and events**. These are essentially packaged tourism boosters positioned to heighten a location's attractions or a key attraction. Generally these are lacking proper marketing and positioning and focus on tourists – rather than locals. Some over the years have narrowed down to more of a local event. To be truly effective these need the international/national media hype and draw of the type that the Hornbill Festival of Nagaland has come to generate. Some of these are:

i) **Gangtok Flower Show**. Gangtok is the venue for the Flower Festival. The flower festival begins with the Orchid Show in March during which competitions are held in different sections. The imaginative display of flowers in a large glass house at the Flower Exhibition Centre near the White Hall Complex is popular with both tourists as well as locals and attracts a large number of visitors daily. A similar festival is also held at Namchi, South Sikkim every year. **Impact:** the Flower show is a major success and a must see item for any tourist visiting Gangtok/Namchi- It show cases the beautiful Cymbidium orchids of Sikkim – a major export item and other seasonal flowers. It has become a regular annual feature which many look forward to.

ii) **Gangtok Food and Culture Festival** December is the month for the annual Gangtok Food and Culture Festival organized by the Sikkim Tourism department. Sikkim's multi-cultural cuisine, along with traditional music and dance performances are presented for the tourist. Food stalls decorated in ethnic style are put up in the Titanic park at MG Marg and a cultural show is presented in the huge set erected opposite the Tourism and Civil Aviation Department. The first day usually begins with a carnival

that moves across town. **Impact.** Moderate Attracts locals and tourists alike. Being in the lean season it is a bit of a booster attraction for the tourists.

iii) **Hee Bermiok Heritage & Tourism Festival.** A tiny hamlet in West Sikkim, Hee Bermiock hosts the annual Heritage & Tourism Festival on the 10th to the 13th of May, showcasing the indigenous and traditional culture of the state. Organized by the Hee-Bermoik Tourism Development Cultural and Heritage Conservation Society, with the gleaming Khangchendzonga at the backdrop, the festival transports visitors at least three decades back where the entire community worked together in the fields and community dance and songs were the only form of entertainment. Traditional houses of many local communities are put up and inside these houses and inside these houses, local cuisine and brew is offered to the visitors. The Festival has a string of attractions lined up with traditional food and drinks stalls to delight the palate. The organizers have also provided the tourists and visitors with home stay and camping facilities at Gufa Dara. **Impact:** Declining. Initially drew large crowds and tourists. Of late the percentage of tourists have declined and it has become more of festival for local inhabitants. Needs better promotion and revamping.

iv) **Khangchendzonga Tourist festival** Named after the guardian deity of Sikkim, Khangchendzonga Festival is held from 24th of December to 26th of December every year at Pelling, West Sikkim. It offers a host of fun activities like white-water rafting on the Rangit, kayaking, promotional trekking, mountain biking, sightseeing, traditional sports and bird- watching. The festival also includes Flower exhibitions, traditional crafts and ethnic food and costume stalls**. Impact:** Moderate offers a good package of attractions to the winter tourist. Needs better promotion.

v) **Lampokri Tourism Festival.** The Lampokhari Tourism Festival is held during end of March and early April, around the time of the Hindu Festival Ramnawami. The major attraction of the Festival is adventure sports. There is the leisurely boating in the Lampokhari Lake, horse riding around the Lake, traditional archery competition and short treks to nearby hilltops and viewpoints. For the more adventurous, there is rock climbing and paragliding.The festival offers visitors traditional cultural shows, flower exhibition and local ethnic cuisine. The festival is aimed at promoting the diverse aspects of the area to produce a holistic package showcasing its potential for tourism.**Impact:** Low/Moderate. Tends to be more of a festival for locals than for tourists. Needs better marketing and positioning.

vi) **Mangan Music festival**. A three day music festival is held at Mangan in North Sikkim from the 12th to the 14th of December every year. Bands from the region as well as from the Northeast states entertain the huge gathering and compete for the main prize. Mountains, music and the cold weather create an enthralling event. Other attractions include an exhibition cum sale of local handicrafts, a presentation of traditional cultural songs and dances and a food festival. **Impac**t: Good draw for music lovers, However the festival is yet to draw appreciable number of visitors from outside the state. Needs better marketing and positioning.

vii) **Namchi Mahotsav**. Namchi, district headquarters of South Sikkim is the destination for thousands of tourists who come here in October each year for the annual Namchi Mahotsav, a unique festival showcasing the traditional culture of Sikkim. Stalls of ethnic handloom and handicrafts are put up along with traditional houses and traditional foods of the three indigenous communities. **Impact**: Good. Being held

during the festival season of Dashera- draws large crowds. Here again visitor composition is overwhelmingly in favour of locals rather than tourists.

viii) **Ravangla Festival**. A five day festival "Rabong Discovered" is held at Ravangla from 8th to 12th of April every year at Cho-Zo Lake area. The festival hosts an exhibition cum sale of handicrafts from Sikkim, other North Eastern states and Bhutan as well as a food festival held amidst the woods surrounding the lake. Also held are cultural, music and fashion shows. Adventure sports like mountain biking, horse riding and boating are also conducted as well as package tours to some of the tourist sites of the area. **Impact**: Good. Being held at the beginning of the tourist season it offers a good package of attractions for the tourists. Needs more marketing efforts.

ix) **Sikkim Snow and Culture Festival.** This is a recent event created to counter the loss in tourist inflows and negative publicity generated by the September 2011 earthquake. Primarily organized by the travel agent associations and supported by the Sikkim Government the festival was held from 14th – 29th February 2012. Focus on "snow as a USP. Activities included mountain bike rally, trekking, paragliding, bird watching, skiing, rock climbing, camping, rafting, hiking exhibitions, competitions, sale of art, paintings, crafted locals in villages to promote them and their talent and cultural events like folk dancing, folk singing and rock concert and a singing competition followed by performances by stars like Amit Paul of Indian idol fame. The event was widely publicized though various media. **Impact**. Good. Though it did not make immediate changes in the arrival figures it drew considerable crowds and boosted the tourism industry morale. Ultimate longer time effect was positive and this year inspite of initial reservations, tourism inflows in May was considerable. Now it is proposed to hold the festival as an annual event, focusing on the "snow" attractions of Sikkim.

- **Attending of tourism fairs and events – India and abroad-** Sikkim has been regularly participating in all leading domestic tourism fairs and festivals as well as prominent international fairs, like WTM London and ITB Berlin.

i) The Travel & Tourism Fairs (TTF) conducted by MoT Sikkim has been a regular participant in the TTFs and has won several awards in theses fairs also. Held in Delhi, Mumbai, Chennai, Kolkata, Bangalore, Ahmedabad, Surat, Pune Hyderabad the fairs have helped in promoting Sikkim tourism though exposure and participation of travel agents and tourism officials. This has helped in getting access to new markets such as South India which hitherto had relatively low share of domestic arrivals. Sikkim has also regularly participated in the **SATTE** trade fair in Delhi

ii) ITB Berlin and WTM London. Although Sikkim tourism department officials and some travel trade members have been regularly attending these fairs the impact on foreign tourism arrivals have been negligible. Primarily it is because it has not been able to produce the high level quality brochures and packages that could be sold to the leading tour operators of Europe. Also because there is an inherent lack of top quality tourism infrastructure that could attract the highend tourists of Europe.

Publicity materials and advertisements and promotions In addition Sikkim Tourism has been releasing advertisements and articles featuring various aspects of the State in the leading travel and tourism magazines of the country. Sikkim tourism has also published a large number of brochures, posters, coffee-table books and other publicity materials for distribution through its offices both in Sikkim and outside for information. The year 2010 was declared the International Year of Tourism and consisted of year long events and festivals. Sikkim Tourism also used Radio Mirchi to advertise through theFM channel about information of Sikkim destinations.in the cities of Hyderabad, Ahmedabad and Chennai for one month in March 2009.

- **Infrastructure Development**
  The department of Tourism has embarked on a major programme for creation of tourism infrastructure throughout the state. This has been an ongoing effort using the CSS projects scheme funded by the MoT. This has included development of local tourist circuits including Buddhist, pilgrim and religious circuits, development of tourism infrastructure, development of tourist trekking trails, the construction of the Indian Himalayan Centre for Adventure and Ecotourism at Chemchey, development of ethnic heritage centres, development of community parks and water gardens, construction of flower show pavilions, construction of car parks, pony tracks, meeting halls, tourist heritage centres, view towers, development of ancient ruins, interpretation and meditation halls, software workplans under CBSP, development of Rural Tourism Villages, development of lakes and caves, construction of Yatri Niwas, development of cultural centres, development of High Altitude trekking routes, development of Heliports, development of camping sites, software development under CBSP scheme, setting up of foodcraft institute and development of modern wayside amenities etc. Indeed a total of 85 such projects were sanctioned by the MoT against which a total of Rs. 232.393 crores has been released till date since 2004.

- **Capacity Building.**
  The department run Institute of Hotel Management (IHM) in Sajong Rumtek runs certificate and diploma courses for the hospitality industry. Recently they have undertaken training of homestay operators for village tourism by integrating it with the *Hunar se Rojgar* Capacity building scheme funded by MoT. The training includes food production, house keeping, communication skill and personal hygiene. Two batches of trainees from villages totaling over 150 youth have undertaken the course.
  Capacity building is also being undertaken by the State Institute of Capacity Building through its livelihood schools which impart training for drivers and on tourism. The department of Capacity Building also sends students on regular sponsored trainings on Wellness tourism (spa). The Indian Himalayan Centre for Adventure and Ecotourism at Chemchey also undertakes Adventure training courses for youth which empowers them with skills as adventure guides. The placement figures from these trainings have been very high.

D. Management of Government Properties.

As already stated the State government has taken a policy decision to lease out its government properties to private parties and local organizations. This was in view of the earlier losses

incurred by these units. This has resulted in practically all the properties like hotels, tourist lodges and even cafeterias and wayside amenities and trekking huts being leased out by the government. This has saved the Government from significant losses and also added a steady revenue stream with minimum management hassles. The hotel properties are under the direct control of the State Tourism Development Corporation who collects the revenue directly. The key properties leased out include Hotel Norkhil Gangtok, The Siniolchu Tourist Lodge Gangtok, Hotel Mayur Gangtok, The Tourist Lodge Pelling

E. Homestay & Ecotourism Models

Background and history

The Ecotourism concept was ushered into Sikkim and the region in the year 2002 with the hosting of the South Asian Regional Conference on Ecotourism (SARCE 2002) by UNDP,the International Ecotourism Society (TIES) and ECOSS. From the ecotourism ecotourism models showcased which included the Sirubari Village of Pokhara Nepal and the Periyar Tiger Resort, a keen interest was generated amongst local village communities. This ultimately resulted in the setting up of Community run Homestays in the Villages of Kewzing in South Sikkim, Yuksom in West Sikkim, Pastanga in East Sikkim and Dzongu in North Sikkim. The strategy adopted was simple, identification of suitable villages- villages with closely clustered houses were preferred, formation of a community based organization to manage the tourism activities and their capacity building for organisation development, sensitizing the villages regarding the nuances of ecotourism, recording of ecotourism assets, identification of homestay operators and other service providers within the villages, and the training and capacity building of these homestay operators, guides, cooks etc in hospitality management culinary and other necessary skills. Trainings were based on participatory methods like Appreciative Participatory Planning and Action (APPA) and managerial techniques like SWOT analysis. Training also included exposure visits to other homestay sites and the creation of products and itineraries, including handicraft products, cultural dances and song groups, waste management, and hygiene. Marketing was linked to websites, and to travel agents.

Within a year or two the sites had their first visitors. Kewziing soon became a very popular ecotourism destination (they even revived the old Bhutia tradition of the *Dotho* or hot stone bath), while Yuksom was successfully able to host delegates to the International Year of Mountains held there in 2002. Subsequently it has become popular with trekkers coming for the Yuksom-Dzongri-Goechela trek. Pastanga was able to build very strongly on its cultural tradtions of the Rai Community which it showcased to the visitors. In Dzongu the homestays were initially hampered with the involvement of the community in anti dam protests. Subsequently some private entrepreneurs took it upon themselves to develop homestays individually and now there are some good success stories there including that of Mr Gyatso Lepcha of Mayallyang Homestay (http://www.mayallyang.com/) doing very well. Last year he was booked so heavily that he had to deliberately take the months of June and July off to rest and tend to his orange orchards. Amongst his guests last year was the Crown Prince of Norway and his family.

Apart from these four initial sites, village homestays and village tourism has taken off in many new places, like Darap, Khecheopalri, detam, Soreng, Okhrey, Ribdi Bhareng, Rinchenpong, Hee Gaon and Hee Bermiok, and Kaluk in West Sikkim. In South Sikkim, Maniram Bhanjyang,Lingee Payong and Yangyang are some of the places where hoemstays have developed.

Models
Over the years Currently the ecotourism models being followed pursued in various models. These being:

1.**Community Based Village tourism** model as in Kewzing, Pastanga, Yuksom, Lingee Payong and Rey Mindu where management and control and the benefits lies with the community. The experience is unique as one lives closely with the host family and observes/partakes in their daily life. These have been mainly promoted by NGOs such as ECOSS, Khangchendzonga Conservation Committee (KCC), WWF, Voluntary Health Association of Sikkim and other Community Based Organisations (CBOs)

2.**Individual homestays or semi resorts** run by single families such as that of Mayal Lyang Homestay of Gyatso Lepcha in Passindang Dzongu, the Dhungey Farmhouse in Hee Gaon, (www.**dhungay**homestay.com) the Bon Farmhouse in Kewzing (www.sikkim**bonfarmhouse**.com) and the Yangsum Farm run by Mr Thendup Bhutia in Rinchenpoong. (www.**yangsumfarm**.com)These are essentially homestays resulted from traditional homes/farmhouses converted into homestays and managed by individuals/single families. Although the major benefits go to the individual owner, there is still some benefits which pass on to the local community through the use of guides, cooks, porters etc, food items like milk, meat and vegetables locally procured, and engagement of local group for cultural items. Reduced. Experience of living with a family is diluted as the frequency and closeness of interaction is reduced.

3. **Village resorts or luxury lodges** located in rural areas. These are several roomed buildings or cottages built in village settings, with high end facilities –emphasis on the natural village settings and engaging paid employees. Closeness of family interaction is further reduced. Some though lesser benefits accrue to the local community. These include resorts like the Teen Talay and Bamboo resort of Rumtek http://www.sikkimresort.com/, and www.bamboo**resort**.com, the Ghonday resort Kaluk (**ghondayresort**.com) The Mandarin Resort Kaluk The Cherry resort Temi (government owned) http://www.cherryresort.com/

4. **Government promoted Homestays**. There is another category of homestays evolving. These are the government promoted homestays funded by the Government through the Tourism department under a recently conceived programme with funds from the 13th Finance Commission. The scheme involves the construction of a two roomed homestay with attached toilets and baths and funiture like beds, mattresses etc for every homestay household. The budget is Rs 7.5 lakhs per homestay. The target is 700 households (Rs. 80crores total outlay) with 200 households being covered in the first phase (Rs 20 lakhs). The food and catering services will be provided by the homestay owner who shall also be trained in culinary skills in the Institute of Hotel Management. It is not clear how the marketing, system of bookings and other service provisions will be carried out and also the extent of role of the community. It is also not clear as to how the process of selection of households is being carried out– we were told that it is being done by recommendation through area MLAs. It is now too early to judge the success of this model.
Aside from the above there are no other prominent models in Sikkim- the model having long term lease out of traditional/heritage houses to private investors and their renovation to high

quality standards as being practiced in Uttarakhand has not been tried out. Club Mahindra holidays has however tied up with some homestays like Kewzing for marketing of their homestays on a profit sharing basis. In some cases elements of voluntourism using students to undertake social service projects in the village are being carried out. This has much scope for development.

Other observations

- The state government has realized the potential of the same as is marketing it aggressively with its banner reading, "Ultimate eco-tourism destination". To further facilitate this idea an Eco-Tourism Policy has also been prepared and launched by the forest department of the state under the JICA funded Sikkim Biodiversity and Forest Management Project. This has been discussed at length under "Policy Scanning"

a. Homestays are more popular with the foreign tourists than the domestic tourists and Germany followed by the UK are countries from where a large number of tourists come. As far as the domestic tourists go a lot of people from the southern states have showed interest and the demand is slowly going up from the domestic sector.
b. The volume of traffic is high in summers and also during the festival season (Puja/Dusshera).
c. Current Practices of the State:
    - Dzongu, Kewzing Yusksom, Uttarey, Darap Cherry Village, Hee Bermiok, Lachen , Kabi and Himalayan homestays are some that are being promoted on the Sikkim Tourism website.
    - The JICA assisted project with the FEWMD is running in the state and under it some international consultants have been brought in to help developed market linkages. The project has also provisions of development of certain wildlife areas. An ecotourism policy has also been developed under it the details of which have been discussed under the Policy Scanning section.
d. Some of these homestays and country resorts have been adopted by hotels, co-operative organizations etc and facilitate capacity building and promotion of the same. Eg: Cherry Guest House adopted by Mayfair Resorts.
e. The proper dissemination of information of these events is done through:
    - Marketing Cell in place: under the JICA Project
    - Participation in Tourism Marts: SATTE (Dec 2011) JICA consultant being present and TTF through the State Tourism Development Cooperation (STDC)
    - Encouraging stakeholders to participate internationally
    - FAM (Familiarization) Tours
    - Printing of brochures
f. **Issues:**
    - Till recently (when the Government stepped in), the households had to bear the cost of development of the homestay infrastructure. No bank funding has been made available for supporting homestays in fact inspite of NABARD involvement in rural tourism pilot projects, no bankable model has been developed. Banks cite problems of collateral and uncertainty of revenue streams.
    - The Community model is hard to sustain given the dynamics of village community life. Generally the more influential and more well off families get to play a greater role or to influence decisions –they are the ones who can also afford to provide the homestay infrastructure.

- There is a need to strengthen the broadband connectivity to various areas so that they can be made capable on taking direct bookings.
- There are no quality checks for such accommodation options. The Tourism department has submitted a proposal to the government for establishing a system of registration and grading of homestays and setting up of homestay standards.
- Majority of the Homestays in Sikkim are more expensive than in other parts of the world. Foreign visitors have remarked that in some cases the services do not match the price paid. Such high pricing can be due to the fact that tourist flows are seasonal and volumes low and the efforts of providing service in remote areas high.
- Homestay accommodation does mainly not cater to the tourists who come on a shoe string budget but to families or economy group tourists.
- A lot of owners still rely on farming as their primary source of income. Others have government jobs and some also run travel agencies. This dilutes the time and attention devoted for delivery of services.
- Homestays require longer gestation period than other economic activities for training, construction of infrastructure, learning the ropes and marketing
- Issue of environmental degradation
- Lack of awareness about the advantages and the prospects of Tourism in remote areas.
- Ecofriendly Code of conduct for visitors should be strictly implemented as it can go a long way in sustaining environment.
- Researchers required in the field. Serious research is required to examine the various models of ecotourism being followed and the intervention from the Government, NGO and private players to determine best practices and to identify gaps and shortcomings.

g. **Gaps in Marketing**

- Lack of information, motivation and sensitization of the officials manning the Tourist Information centre in Gangtok and other tourism offices regarding homestays availability and their inability to answer customer queries regarding the homestays. On a test check during this survey it was found that the officials found it easier to discourage homestay enquiries and divert them instead to hotels and lodges/resorts.
- Innovative marketing campaigns like university tie ups are being practiced in some parts of the state. Yuksom and Hee Gaon for example have regular annual visitors from Singapore universities.
- Lack of national presence and awareness about such concepts is still an issue that the government has not been able to fully address.
- Putting up homestays etc on google maps etc is an area where government can intervene.
- The recent declaration of the state as a disaster state due to the September earthquake discouraged tourists
- Government to regulate and incentivize better people.

h. Trainings:

- Training has been given to the owners in past and is being done presently by some NGOs working in the field of Eco-Tourism. Such NGOs help in promotion also and help business by way of referrals.
- A seven day Training programme is now being imparted by the institute of Hotel Management under the Hunar se Rojgar scheme for training of homestay operators in food production, house keeping, communication skill and personal hygiene.
- Guides trainings are being conducted by travel associations, NGOs, and Livleihood schools and also the the Chemchey institute.

i. **Motivation** The people that start these homestays start them because:
   - They are advised by some experts who see a potential
   - They are educated and unemployed in many cases
   - Additional Source of income is/ was required due to increasing family sizes or displacement from your current location
   - Want to pursue their passion and convert this into livelihood.

j. **Organic cuisine**. Consumption of locally produced organic goods not only is appealing to the tourists, it also saves on the cost and energy required to carry products from other parts. Tourists also savour the opportunity to pluck their own food from the vegetable gardens attached to the homestay.

k. Safety:
   - Village resorts meet basic fire fighting norms and in one particular resort there were windows at each floor which can be doubled up as escape routes in case of emergency.
   - Homestay are made awareness about reporting any serious illness or crime to nearest police station or village authorities.
   - Issue: Medical facilities are restricted to the normal Government facilities available in the village- in most cases doctors are not readily available in the village. However villagers are advised to keep vehicles and contact numbers of doctors handy for emergencies. Most villages are linked by proper roads and vehicles are generally available in the villages for emergencies.. There is a need for the Government to institutionalize the availability of doctors for emergencies relating to tourists in villages.

l. Infrastructure:
   - Better footpaths/trails on village roads will go a long way in providing comforts to guests.These are being done in some cases.
   - Bad condition of Roads. Conditions of roads need to be improved if village tourism is to take off.
   - Issue of permits needs to be facilitated for restricted areas like Dzongu.
   - Airport is an issue as connectivity is hampered.
   - Power during winters tends to get erratic and sustainable space warming in cold locations during winter needs to be looked into. Use of solar lights, solar water heating and passive solar design needs to be promoted.
   - Solid Waste Management is an issue. The Zero waste management concept should be used for SWM. And linkages provided for removal of waste from villages.
   - Building up of a common area like a community hall where various households of a community engage and learn. These can also serve as interaction and

communication centres as well as marketing point for local products for the tourists.

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m. Differences in Community and Private models of homestays:

	Community Model Homestay	Private model homestay
Pros	● Supplementary Income for households ● Overall development of the community in terms of livelihoods options, skill development etc. ● Prevalence of equity as allotments of tourists made on roster methodology. ● Direct involvement of more people leads to division of work. ● Option of opening up other livelihoods that tourism like auxiliary activities like poultry, dairy , pan dukan etc.	● Supplementary Income ● Ad-hoc employment opportunities to people around during peak season. ● Better quality services offered due to greater personal investment. ● Higher income can be generated as risk is higher.
Cons	● No one wants to work pro-bono for the community administration ● Overall rise in wages of the area during peak season time. ● Over exposure may dilute traditions and lifestyles ● Construction may hit the environmental integrity. ● Difficult to maintain models due to village dynamics. ● Standardization of quality is a task. Capacity to invest differs from one another.	● Farming (primary source of income) is taking a back seat and if this continues the USP might be lost. ● Construction of more rooms might have an impact on the environment around. ● Over exposure may dilute traditions and lifestyles. ● Sharing of income might not be done on equitable basis.

Case Studies

a. Samdruptse and Chaar Dhaam
   - Both the places are manmade attractions and both are sites of religious interest
   - Samdruptse is a Buddhist site whereas Chaar Dhaam is a recreation of all the major pilgrimage places of the Hindu Faith
   - These two sites have been developed in order to strengthen the religious circuit in the state. It is a novel concept that has an inbuilt tourism potential.
   - These two sites not only attract local tourists, they are increasingly becoming major hits with out of state tourists as well.
   - Such site development leads to:
     i. Development of adjoining areas
     ii. Livelihood Generation
     iii. Creation of Assets
     iv. Infrastructure development around the site.
   - Both these sites had a marginal fee either for entry or taking in a camera and such receipts is used to maintain the place and also fund the regular expenses.
   - The carrying capacity of both these places was pretty high and have been planned to cater to a bigger audience than it currently does.
   - Development of such sites is always a debatable issue as it always has impacts on environment. But here is where the benefit analysis needs to be done.

b. Dhunge Guest House
   - This guest house is nestled on top of a hill near Dentam.
   - The owner of the establishment started this establishment in order to generate additional household income.
   - The primary source of income still remains farm activities.
   - The rooms were very comfortable and also had an attached bathroom for the guests.
   - People who are looking for real village experience might not find it very suitable to have urban settings in place. On the contrary there might be people who would expect some basic level of services as they are paying a decent amount for the services.
   - Food was not served to us with the family and there were special utensils for us. Again a factor that might not go very well for people looking for experience.
   - The hospitality was really top notch and all the members in the household were extremely friendly.
   - There is always a lurking danger of the homestay business becoming the primary bread earner of the family. The owner has now also started booking trekking tours, and has also started providing camping services. Tomorrow he may stop his agricultural activities.
   - Over exposure and excess commercialization of the idea might work against it and might kill the goose that lays golden eggs. A balance needs to be struck

F. Inter-departmental coordination

There are 5 departments directly or indirectly engaged in tourism activities. These are:

i) Tourism
ii) Forest, Environment & Wildlife Management

iii) Rural Management & Environment Management
iv) Culture
v) Urban development & Housing

Coordination between the Tourism and Forest Department was the most problematic. Primarily because all the natural tourism assets lie in the forest area for which permission of the forest department is necessary for any activity. Also in earlier days the tourism department had built tourist huts in now protected areas, whose lease renewals became a bone of contention between the two departments. Further many new areas have subsequently been declared as PAs or the existing status of some Protected Areas have been upgraded to National Park level with consequent further restrictions. With so much of land under forest control (82%) problems are bound to surface.

- There is no body to co-ordinate between various departments and whatever interaction happens between various department happens through direct interface as there is no agency to coordinate work between various departments
- The first step taken by the Government (recently) to smooth edges between Forest and Tourism was the awarding of both the portfolios to the same minister. This has eased the problems to a large extent.
- The Tourism Department of Sikkim, Culture Department and the Forest Department co-ordinate respectively
- Eco-Tourism: Feasibility analysis from the department in consistency with laws and policies. Clearances have to be taken from the Centre. In some cases TD transfers implementation to FD and in some cases TD develops after getting clearances
- FD official in TD to give permits for trekkers.
- Financially little interaction with CD, For events outside the state representation from CD is takenf for promotional events-, promotion is where the co-ordination happens. Fairs and festivals is where CD is involved.
- Public-Private Partnerships (PPP) is not a very prevalent practice in the state as government is a fairly new player in the field. The Khangchendzonga Resort in Ranka was built by the RMDD using Central funds, was handed over to the Tourism Department and subsequently it was leased out on PPP basis. The success or failure cannot be measured as enterprise but its success or failure t is a a recent development. There is no running or proposed PPPs to improve the basic infrastructure of the state which is an area that can be addressed
- Tour operators and government/ tour operators and stake holders
    - Issue that tour operators face:
        i. Delhi agents get permit but locals do not get from the Home Department.
        ii. Local agents only bring in 30% of the 7 lakh tourists and thus the money does not really stay in state.
        iii. No incentives for the tour operators.
        iv. Lack of training to tour operators
        v. As there is a shortage of trained guides, training should be made available. Training to these guides can include basic medical training, bird watching etc.

G. Marketing Strategy

A detailed report on marketing plans was available only for 2008-09. (Source: Sikkim Tourism Annual report 2008-09). The following report will provide an idea about the publicity campaigns for 2008-09 and the marketing strategy adopted for the year 2009-10:

The Information and Publicity section's main motive is to promote the brand name of Sikkim Tourism at national and international markets.Out of the total budget allotted of Rs.80, 00,000 for publicity under 2008-09 the following were undertaken:

A. Fairs and Festivals

1. Travel and Tourism Fairs : Kolkatta, Hyderabed and Chennai
2. SATTE : New Delhi
3. Rabong Discovered : April
4. Namchi Mahotsav : October
5. World Tourism Day and Stakeholders meet : 26-27 Sept' 2008
6. Khangchendzonga Tourist Festival l : 23-25 December 2008
7. Gangtok Winter Festival : 30-31 December 2009
8. Hee Bermiok Festival : May
9. Aritar Lamphokri Mahotsav : April

B. Publicity

Advertisements were released in various national and international. Also in journals and in- flight magazines. Advertisements were released in the local newspapers and magazines too. Brochures were printed to be distributed through all tourist information centers and also at Travel and Tourism Fairs at national and international markets.

The following awards were received by Sikkim TOURISM for the year 2008-09

1. Best State for Tourism Related Programme 2007-08 awarded by MOT, GOI
2. Emerging Tourism State 2008 awarded by Today's Traveler Platinum Award
3. Best Adventure Tourist Destination 2008 awarded by PATWA
4. Best Adventure Tourist Destination 2008 awarded by Safari India

PUBLICITY FOR 2009-10

Publicity of the brand name Sikkim Tourism is of utmost importance and on account of the decline in the inflow of tourists due to the global recession and the disturbance in neighboring Darjeeling District of West Bengal and aggressive marketing was embarked upon to promote Sikkim in regions unexplored. The Government has declared 2010 as INTERNATIONAL TOURISM YEAR and the publicity and promotion for the same Was planned in the financial year 2008-09. It was decided that the most beneficial activity would be attending travel fairs where there are large number of tour operators and travel agents. Sikkim Tourism pays 75% of the stall charges and the other 25% is to be supported by the participating stake holders. Dissemination of information of our destinations through electronic media like FM and television was resorted to by using the Radio Mirchi Channel to advertise in the three cities of Ahmedabad, Chennai and

Hyderabad for one month each in March 2009. Release of advertisements only through widely circulated magazines especially during the international fairs. The Media Plan for 2009-10 was as follows:

Fairs to attend

1. Travel and Tourism Fairs - Mumbai Feb 2010, Kolkata 11-13th July 2009
   - Chennai Jan 2010, Hyderabad 3-5th July 2009
   - Bangalore Ahmedabad 31st July-2nd, August 2009.

2. International Tourism Bourse (ITB) - Berlin 11-15th March '2009

3. World Travel Mart - London 9-12th November 2009

4. International Travel Expo - Hong Kong 11-14th June 2009

5. ITB Asia - Singapore 21-23rd October 2009

6. Arabian Travel mart - Dubai, UAE 5-8th May 2009

7. Top Resa - Paris 22-25th September 2009

8. Great Indian Travel Bazaar - Jaipur 19-21st April 2009

The State Tourism Development Corporation was given the task of planning for participation in the trade fairs in Kolkata.

I & P Section deals with Printing of Flyers and Brochures of Sikkim destinations and events of the Year of Tourism. It was decided that the budget allotted for publicity will be utilized only for publicity purpose and not for giving grants to various committees and advertisements within the state. Because of such a practice earlier there is huge backlog of committed liabilities which is resulting in bad publicity of Sikkim. To make the Year of Tourism a success, publicity for the same should be the top priority and the budget allotted for the same should not be utilized for conducting festivals within the state.

The Sikkim Tourism Offices in New Delhi and Kolkata are responsible for the promotion and Marketing of Sikkim. For the year 20080-09 the Delhi office attended the following: Participation in Fares and exhibition:

a) Participated in FICCI from 21st to 23rd April'2008
(b) Participated in ITM from 5th to 7th December 2008
(c) Participated in ADTOI Convention from 16th and 17th January 2009 and SATTE from 23rd to 25 th April 2009.

TOURISM OFFICE, SIKKIM HOUSE, KOLKOTA The Tourism Office, Kolkata is putting all the efforts in promoting Tourism in Sikkim by way of Advertising/Publicity in the local dailies and Travel Magazines like, BHRAMAN SANGI, SANADA/TATHA

KENDRA which are very popular among the different communities staying in Bengal. The office has been regularly publishing and issuing press releases to the national dailies like, THE STATEMAN, TIMES OF INDIA relating to the upcoming new tourist destination about Sikkim. They have been regularly holding meetings with the travel agents and tour operators based in Kolkata who are selling Sikkim as a holiday destination. They provide up to date information to the tourists. Some unknown destinations a few years back have become very popular these days due to their efforts All the publicity have been done as a goodwill gesture by the media without any charges. They have been regularly forwarding paper cuttings of publicity materials to the concerned authority for reference and record. Kolkata Tourism Office has been regularly deputing the Electronic Media/Press Media/Travel Agents to cover the major tourism Events in Sikkim. The events covered by the popular channel "AKASH BENGLA" in the year 2008 were Hee-Bermoik Tourism Festival and Pang Lhabsol. All these events were covered free of cost. Only some amounts towards travelling, Food & Lodging for Press Reporters and Technicians were paid.. The coverage was telecasted in the Bengali Channel "AKASH BANGLA' for about a week one hour in the morning and one hour at evening. The response was very good. Lots of people visited the office and enquired about the places like HeeBermoik/Uttarey/Aritar/Namchi/North Sikkim etc. The Office has been handling both International & domestic tourists. Tourists visiting the office for information are being guided properly for preparing itinerary for the entire trip to Sikkim for about 10/15 days right from boarding the train from Sealdah to NJP or Flight from Dum Dum to Bagdogra and then to Gangtok by road, so that the tourist does not face any problem while holidaying In Sikkim. Tourists are also thoroughly briefed about accommodation, transport and package tour to restricted areas like North Sikkim and Nathula. It is to be pointed out that Bengalis constitute the bulk of the domestic tourists visiting Sikkim.

Foreign tourists are being issued the Inner Line Permit for their visit to Sikkim across the table after verifying their passport details. There has been tremendous increase of foreign tourists visiting the office in recent years.

The Kolkata Office represented Sikkim in the TTFs held at Kolkata (twice) Chennai, Hyderabad (twice) and Ahmedabad during 2008-09.

H. National & International Campaigns.

Selection Process. Generally it is officials of the Tourism department along with the Minister Tourism and selected members of the Travel trade associations like TAAS, SAATO, SHRA, etc that represent the state in participating in National & International Trade Fairs. 75% of the stall charges are borne by the Department and the balance by the private participants. The Department also assists in the printing and publication of brochures and publicity materials. Travel costs are borne by the department. Of late the STDC officials including the Chairman has been foremost in representing the Department in the trade fairs. They also sponsored the trips of village tourism representatives for participation in TTFs for the sake of publicity and exposure.

I. Financial Policy

Taxation regime Hotels and Restaurants and Travel agents

- **VAT**. A 12.5% VAT is payable on food and other non bottled beverages. There is no VAT on served alcoholic beverages. For establishments with a small turnover there is a concept of Comosite VAT which is fixed by the department on a declared annual turnover at a fixed rate without having to keep detailed books of account.

- **Environmental** Cess. An environmental Cess of 1% is payable on the gross turnover.

- **Service Tax.**
  Payable @ 10 % + Educational Cess of 3% wef 1st May 2011 on net room rent rates for the financial year 2011-12 and earlier. The basic rate has now gone up to 12% wef the current financial year. There is a 50% abatement on room rates and so the net rate works out to be 5.15% for FY2011-12. Under the new rates for the current financial year the net rate works out to be 6.18%. For banquets the rate is 12% + 3% Cess giving a net rate of 12.36%. Wef July 2012 the abatement rate for room rents has been reduced to 40% giving a net effective rate of 7.42%. Service tax is not levied on food and beverages but any other seerv ice such as laundry, car rentals etc is taxable.

  Service tax for Travel agents is 10% + 3% cess for financial year 2011-12 and earlier and 12% +3% for current financial year. There is also an abatement rate of 50% to 70% which is rather complicated.

  Service Tax was till recently a very controversial issue. This Central Tax though introduced in 2006 for the Travel agents and transporter services, had not been paid by the local Travel agents and even when the Service tax on room rents was introduced in 2011 the hoteliers initially refused to pay it.. When demand notices started being served the industry woke up and started protesting the tax on the basis of the industry being a fledgling one and the inherent high cost of operations etc, difficulty in maintaining books and understanding the procedures. A joint action committee was formed and petitions made to the Finance minister through parliamentary representatives for waiver of the tax to support the industry. However though the matter is still under petition, the hotel industry has started paying Service tax wef 1st May 2011. The travel agents have as yet not paid service tax and are waiting the outcome of a meeting called at the end of June 2012 by the Central department on the matter. The travel agents have demanded a waiver till the current financial year.
  .
  Income Tax. Income tax for Sikkimese citizens (individuals only) who held "Sikkim Subject" certificates prior to merger with India in 1975 is totally exempt as per the Finance Act 2009.

J.ADVENTURE SPORTS ACTIVITIES.

Mountaineering

Sikkim is blessed with world famous Himalayas and offers plethora of scope for adventure sports like mountaineering. Among the variety of adventure sports,

mountaineering in Sikkim is gaining immense popularity year-by-year. Jopuno, Tinchenkhang, Frey's Peak, Lamo Angden and Byrmkhangse are the popular peaks of Sikkim where mountaineering is allowed. One can undertake mountaineering in these peaks with special permits from the concerned authority.May to October is the ideal season for mountaineering in Sikkim.

I. As per the notification of the Government of Sikkim, Home Department, the following peaks have been declared open for Alpine Expedition with effect from 17th September, 2005.

	Name of the Peak	Location	Grade
1.	Frey's Peak (5830 meters)	Chaurigang, West Sikkim	AD+
2.	Lama Wangden (5868 meters)	Lachen, North Sikkim	AD
3.	Brumkhangse (5635 meters)	Yumthang, North Sikkim	D

II. The permit for these Alpine Expeditions is issued by the Home Department. The royalty shall be paid under the Revenue Head of Forest, Environment and Wildlife Management Department.
III. The following royalty shall be levied for the expedition
(a) For foreign expedition team: US $350 per team of up to four members, US $500 per team of up to eight members and US $75 for every additional member. (b) For domestic expedition team: Rs. 15,000/-

Link to Gazette Notification on Alpine peaks

http://www.sikkimtourism.travel/Webforms/General/AdventureSports/pdf/gaz2006_no_83.pdf

Permit

1. Any proposal for undertaking a mountaineering expedition in the Sikkim Himalaya must, in the first instance, be submitted to the Indian Mountaineering Foundation (IMF) at Delhi, which is the apex body authorised by the Union Government to deal with all such cases. The application to the IMF must be made on the prescribed form by the alongwith all the requisite supporting documents. The IMF will, thereafter, refer the proposal to the State Government and to the Ministry of Home Affairs and the Ministry of Defense in the government of India.
2. Foreigners entering Sikkim are required to be in possession of Inner Line Permits besides valid passports and visas to enter Sikkim which is inside after the proposal is given clearance by the Ministry of Home Affairs, Government of India.

3. Most of the areas in Sikkim are close to the International Border and the clearance of the Ministry of Defense is also mandatory or else the Military units may not permit access.
4. There are several peaks including Mt. Khangchendzonga which have been declared as "sacred" and the State Government does not permit scaling of such peaks under any circumstances.
5. To summarise. the proposal to undertake mountaineering will have to be cleared by the following:-
   a) Indian Mountaineering Foundation, New Delhi
   b) Ministry of Home Affairs, Govt. of India,New Delhi.
   c) Ministry of Defense, Govt. of India, New Delhi
   d) State government of Sikkim.

Procedure

The applicant is required to apply to the IMF at new Delhi in the prescribed format with the requisite supporting documents at least three months prior to the date of actual commencement of the expedition.

State Government Clearance

The clearance of the State Government is accorded in two stages :-

- Proposals referred to the State Government by the IMF will be examined by the Home Department, Government of Sikkim at Gangtok and if approved, stage one clearance will be issued and intimation sent to the Ministry of Home Affair's and IMF and the Office of the Resident Commissioner of Sikkim at and Delhi.
- Once the proposal has been cleared by IMF, Ministry of Home Affairs and Ministry of Defense the applicants are required to contact the office of the Resident Commissioner, Sikkim House, 12 Panchsheel Marg, Chanakyapuri, New Delhi for obtaining the final clearance. At this stage, the applicants will be required to pay the fees prescribed by the State Government of Sikkim and to sign an undertaking to the effect that they will abide by all the terms and conditions prescribed. On fulfillment of conditions laid down, the Resident Commissioner of Sikkim at New Delhi will issue the final clearance on behalf of the State Government.
- Fees levied by the Wildlife Wing of the State Forests Department for entry into Khangchendzonga National Park (KNP) and Wildlife Sanctuaries : (Mountaineering/trekking expeditions are required to pay fees as applicable if their routes fall within the parks and sanctuaries).

GUIDELINES FOR REGISTRATION AS AN APPROVED TRAVEL AGENT/TOUR OPERATOR

http://www.sikkimtourism.travel/Webforms/General/RegistrationForms/FORMSI_V/guidelinesReg.pdf

Form III Application for registration of a travel agent/Tour operator

http://www.sikkimtourism.travel/Webforms/General/RegistrationForms/FORMSI_V/Form_III.pdf

NOTICE

SUBJECT:- RELAXATION OF RESTRICTED/ PROTECTED AREA REGIME IN SIKKIM

The foreigners who wish to visit Sikkim are required to obtain the Inner Line Permit from one of the following authorities, namely:-

The permit are issued free of cost.

1. Ministry of Home Affairs, Government of India, Lok Nayak Bhawan , New Delhi.

2. All Foreigners Registration Officers.

3. All Indian Mission Abroad.

4. Immigration Officers at Airports at Mumbai, Kolkata, Chennai and New Delhi.

5. Deputy Director, Tourism Department, Government of Sikkim, Pradhan Nagar , SNT Complex, Siliguri , West Bengal.

6. Assistant Director, Tourism Department, Government of Sikkim. Panchasheel Marg. Sikkim House, New Delhi .

7. Assistant Director, Tourism Department, Government of Sikkim 4/1Middleton Street, Kolkata . Tele. Fax No. 033 22817905.

8. Assistant Director, Tourism Department, Government of Sikkim, Sikkim Tourism Office, Rangpo , East Sikkim.

9. Assistant Director, Tourism Department, Government of Sikkim, Melli, Near Melli Police

Check Post, South Sikkim.

10. Residence Commissioner, Government of Sikkim, Sikkim House, New Delhi.

11. Deputy Commissioner, Darjeeling, West Bengal.

12. Deputy Secretary/ Under Secretary, Home Department, Government of West Bengal, Kolkata.

The nationals of Pakistan, Bangladesh, China, Myanmar and Nigeria will not be issued permit without the prior approval of the Ministry of Home Affairs, Government of India, New Delhi.

The foreign nationals should bring Xerox copy of Pass Port and valid visa for India alongwith one pass port size photograph and fill up the prescribed Application Form for Inner Line Permit available in the office of the Sl. No. 5, 6, 7, 8 and 9 above and obtain the Inner Line Permit.

The Protected Area Permit under the Foreigners' (Protected Area) Order, 1958 will be issued from the office of the Assistant Director, Sikkim House, New Delhi and Assistant Director, Tourism Department, Government of Sikkim, M.G. Marg. Gangtok in a group of two or above through the Travel Agents registered with Tourism Department, Government of Sikkim.

The following are the helplines and Telephone numbers for any assistance- namely 03592 – 204408/ 221634.

The Inner Line Permit will be issued to the foreigners visiting Sikkim for a period of 30 days initially extendable to another spell of 30 days