

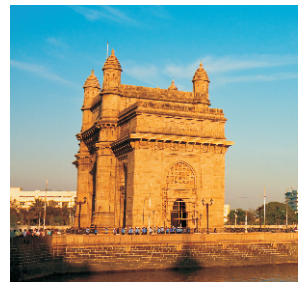


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# 2013 INDIA STATE RANKING SURVEY

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## State Ranking Survey 2013

*"Bureaucracy is more people doing less things, and taking more time to do them worse."* – Evan Esar

The State Ranking Survey, conducted for the first time by HVS in 2009, was the first-ever initiative to assess the competitiveness of various states within India from the hospitality industry's viewpoint. In our inaugural report, our objective was to apply an analytical approach in order to identify the gaps in the Travel and Tourism industry, and highlight initiatives or inattention by the different state governments in India. That this effort will encourage the state governments and the political leadership therein to take a more favourable stance towards the industry has always remained our conviction. It is indeed a positive reaffirmation to see that a number of state governments have implemented constructive measures and shown commendable progress, evident from the latest rankings revealed in this report. Five years hence, HVS is pleased to present its third edition – State Ranking Survey 2013.

Although India has made some headway in the recent past, it still has a long way to go in order to establish itself as a pro-tourism nation and be able to fully capitalise on the huge potential of the burgeoning Travel and Tourism industry. Better infrastructure, lower taxes, single-window clearances and regulation policy reforms have been some of the long-standing demands of the industry, and it is imperative that the government responds and takes concrete steps in this direction.

The State Ranking Survey focuses on one component of the Travel and Tourism industry – hotels – and aims to identify the best performing states in India when viewed from the prism of the hospitality business. In the first survey in 2009, we had employed nine key parameters for evaluation and had subsequently added two more in 2011 to present a more accurate assessment. We continue with these 11 criteria in the present edition, to ensure a consistent and comparable assessment of the states' performance.

The 11 criteria were assessed based on data collected from a range of reliable sources. Each parameter was further assigned a specific weight commensurate with its individual impact on the hotel industry. The methodology used in deriving each of these rankings has been explained in greater detail later in this report.

Table 1 outlines the defined sample set of states covered in this survey. The analysis accounts for 29 states including Delhi but omits the Union Territories in order to avoid any probable distortion of data.

**Table 1 - Defined Sample Set of States**

1) Andhra Pradesh	11) Jharkhand	21) Orissa
2) Arunachal Pradesh	12) Karnataka	22) Punjab
3) Assam	13) Kerala	23) Rajasthan
4) Bihar	14) Madhya Pradesh	24) Sikkim
5) Chhattisgarh	15) Maharashtra	25) Tamil Nadu
6) Goa	16) Manipur	26) Tripura
7) Gujarat	17) Meghalaya	27) Uttar Pradesh
8) Haryana	18) Mizoram	28) Uttarakhand
9) Himachal Pradesh	19) Nagaland	29) West Bengal
10) Jammu and Kashmir	20) Delhi*	

\* Does not include Gurgaon, NOIDA, Ghaziabad and Faridabad

Table 2 presents the 11 identified parameters used to determine the actual ranking index and their respective weights, corresponding to their impact on the hospitality industry.

**Table 2 - Identified Parameters and Assigned Weights**

Parameters	Assigned Weight	Impact
Luxury Tax on Hotels	25	High
State Expenditure on Tourism	25	High
Tourist Arrivals	20	High
Presence of Branded Hotel Rooms	10	Medium
GSDP Per Capita	10	Medium
Effectiveness of Marketing Campaign	10	Medium
Urbanisation	10	Medium
Road and Railway Infrastructure	10	Medium
Aircraft Movement	10	Medium
Literacy Rates	5	Low
Intangible Aspects	15	Medium
<b>Total</b>	<b>150</b>	

Each of these parameters has been discussed in detail below.

### Luxury Tax on Hotels

Luxury Tax is a state subject, and varies from state to state. It has been one of the most elusive enigmas of our industry, with constant tussles and endless dialogues having been exchanged between the state tourism secretaries and hospitality federations on one end, and the state finance ministries on the other, but hitherto failing to yield any effective results. In India, not only is the rate of taxation different in different states, the basis for computation of taxes also varies. So, while certain states charge Luxury Tax on actual tariff, others use published tariff as the basis of calculation. This makes the entire issue largely ambiguous in the minds of the consumer, even the discerning and the well-travelled, since hotels across the world have taxes applicable on actual room tariff. Additionally, when taxes are applied on published tariffs, it drives up the total cost of travel borne by the consumer, the effective tax outgo being substantially higher.

At a time when the hospitality industry is reeling under the effects of an economic slowdown, high domestic interest rates, escalating costs and record inflation, the government should consider rationalisation of the tax structure, which would help hotels clock higher revenues and profit margins. Unfortunately, Luxury Tax on hotel rates, with its present amorphous nature, has a crippling effect on industry players, besides serving as a deterrent for consumers.

In order to assess the performance of the 29 sample states in this parameter, the Effective Tax Rate was calculated. This was computed assuming a published tariff of ₹10,000 with a 25% discount to derive the actual tariff. Points were allotted based on seven point-brackets or tax ranges that were developed and can be seen in Table 3. Table 4 illustrates our scoring for the Luxury Tax applied by the different states.

**Table 3 - Methodology for Luxury Tax on Hotels**

Assumptions	Range	Points
Published Tariff	10,000	No tax
Discount	25%	1-5%
Actual Tariff	7,500	6-9%
		10-12%
		13-15%
		16-20%
		Above 20%
		25
		21
		18
		15
		11
		7
		4

**Table 4 - Point Allocation for Luxury Tax on Hotels**

	Luxury Tax	Calculated On	Effective Tax Rate	Points	Rank 2013	Rank 2011	Rank 2009	Variance (11-13)	Variance (09-13)
Arunachal Pradesh	0.0%	-	0%	25	1	1	1	0	0
Jammu & Kashmir	0.0%	-	0%	25	1	1	1	0	0
Manipur	0.0%	-	0%	25	1	1	1	0	0
Mizoram	0.0%	-	0%	25	1	1	1	0	0
Nagaland	0.0%	-	0%	25	1	1	1	0	0
Odisha	0.0%	-	0%	25	1	1	1	0	0
Sikkim	0.0%	-	0%	25	1	1	1	0	0
Uttar Pradesh	5.0%	Actual Tariff	5%	21	8	9	8	1	0
Uttarakhand	5.0%	Actual Tariff	5%	21	8	9	8	1	0
Andhra Pradesh	5.0%	Published Tariff	7%	18	10	11	12	1	2
Gujarat	6.0%	Published Tariff	8%	18	11	12	13	1	2
Punjab	8.0%	Actual Tariff	8%	18	11	8	15	-3	4
Bihar	10.0%	Actual Tariff	10%	15	13	14	16	1	3
Haryana	10.0%	Actual Tariff	10%	15	13	25	8	12	-5
Madhya Pradesh	10.0%	Actual Tariff	10%	15	13	14	16	1	3
Maharashtra	10.0%	Actual Tariff	10%	15	13	14	16	1	3
Rajasthan	10.0%	Actual Tariff	10%	15	13	14	16	1	3
Tripura	10.0%	Actual Tariff	10%	15	13	14	16	1	3
West Bengal	10.0%	Actual Tariff	10%	15	13	14	16	1	3
Himachal Pradesh	10.0%	Actual Tariff	10%	15	13	14	25	1	12
Assam	12.0%	Actual Tariff	12%	15	21	26	13	5	-8
Goa	12.0%	Actual Tariff	12%	15	21	14	8	-7	-13
Karnataka	12.0%	Actual Tariff	12%	15	21	23	24	2	3
Jharkhand	12.5%	Actual Tariff	13%	11	24	13	23	-11	-1
Kerala	12.5%	Actual Tariff	13%	11	24	24	22	0	-2
Delhi	10.0%	Published Tariff	13%	11	26	27	29	1	3
Chhattisgarh	10.0%	Published Tariff	13%	11	26	14	27	-12	1
Tamil Nadu	12.5%	Published Tariff	17%	7	28	27	25	-1	-3
Meghalaya	20.0%	Actual Tariff	20%	7	29	29	27	0	-2

Source: HVS Research

Most tourism heavy states such as Goa, Delhi, Kerala and Tamil Nadu continue to capitalise on the industry by levying high rate of Luxury Tax in order to ensure that their economies directly benefit from travel and tourism. Notwithstanding the change in rankings, states such as Assam, Delhi, Haryana, Karnataka, Kerala and Tripura have witnessed a somewhat positive transition towards lower luxury taxes since 2009, which is certainly a welcome measure. On the contrary, Chhattisgarh, Jharkhand, Goa, Gujarat and West Bengal have increased their Luxury Tax slabs over the last five years. Arunachal Pradesh, Jammu & Kashmir, Manipur, Mizoram, Nagaland, Odisha and Sikkim continue to levy no Luxury Tax on hotel rooms.

### State Expenditure on Tourism

In order to gauge the importance placed on travel and tourism by the states, expenditure on tourism versus the states' total expenditure has been calculated. Tables 5 and 6 present our point allocation criteria and ranking of the states for this evaluation parameter.

The national average expenditure on tourism for the 29 states has seen a positive growth over a five-year period, up from 0.10% in 2008-09 to 0.18% in 2012-13.

Sikkim, which has been featuring in the top three in the last five years and currently tops the list, has trebled its tourism spend since 2009 in pure percentage terms. Goa, currently at number two, has increased its tourism spend from 0.2% in 2009 to 1.04% in 2013 – a

**Table 5 - Methodology for State Expenditure on Tourism**

Range	Points
Above 0.55%	25
0.41% - 0.55%	20
0.26% - 0.40%	15
0.10% - 0.25%	10
Below 0.10%	5

whopping 420% increase. Although not having altered its state tourism expenditure by a sizeable margin, Jammu & Kashmir continues to be a steady contender in this parameter with its sustained focus on tourism, securing its spot amongst the best three. Uttarakhand stands strong at number four with 0.3% of its fund allocation to tourism, up from 0.17% in 2009.

The biggest 'mover' has been Punjab, with a considerable increase in its tourism spend and a movement up the ranks by 14 places, from 29<sup>th</sup> in 2009 to 15<sup>th</sup> this year. Punjab is followed by Karnataka, up 12 ranks in five years, although it has slipped one place since the last survey. Kerala, Meghalaya, Delhi, Himachal Pradesh and West Bengal have also shown positive improvement over the five-year period. Having said this, it is a little distressing to learn that the budgetary allocation for tourism in all these states is lower than the national average of 0.18%, the highest being Kerala at 0.15% and the lowest being West Bengal at 0.03%.

**Table 6 - Point Allocation for State Expenditure on Tourism**

	Revenue Expenditure (₹ in lakh)*		Capital Expenditure (₹ in lakh)**		Total State Expenditure (₹ in lakh)			Tourism Spend as a % of Total Expenditure	Points Obtained	Rank 2013	Rank 2011	Rank 2009	Variance (11-13)	Variance (09-13)
	All Sectors	Tourism	All Sectors	Tourism	All Sectors	Tourism								
Sikkim	35,700	131	55,281	1,538	90,981	1,669	1.83%	25	1	1	2	0	1	
Goa	71,166	498	179,131	2,109	250,297	2,606	1.04%	25	2	3	3	1	1	
Jammu & Kashmir	245,909	746	115,086	1,504	360,995	2,250	0.62%	25	3	2	1	-1	-2	
Uttarakhand	157,171	511	191,270	534	348,441	1,045	0.30%	15	4	4	4	0	0	
Kerala	516,054	2,017	1,030,331	297	1,546,384	2,313	0.15%	10	5	9	7	4	2	
Karnataka	805,300	892	933,319	1,582	1,738,618	2,473	0.14%	10	6	5	18	-1	12	
Gujarat	722,881	188	1,587,052	2,405	2,309,932	2,593	0.11%	10	7	6	12	-1	5	
Nagaland	52,306	71	110,573	111	162,879	181	0.11%	10	8	13	6	5	-2	
Meghalaya	59,644	243	160,008	1	219,652	244	0.11%	10	9	14	15	5	6	
Delhi	226,979	348	107,381	1	334,360	349	0.10%	10	10	20	13	10	3	
Himachal Pradesh	159,692	200	65,624	17	225,316	217	0.10%	10	11	16	18	5	7	
Maharashtra	1,365,592	4,653	3,654,330	0	5,019,922	4,653	0.09%	5	12	7	9	-5	-3	
Chhattisgarh	284,194	416	963,166	280	1,247,359	696	0.06%	5	13	12	12	-1	-1	
Bihar	609,593	157	248,364	261	857,956	418	0.05%	5	14	17	18	3	4	
Punjab	411,667	259	1,233,764	383	1,645,431	641	0.04%	5	15	28	29	13	14	
Arunachal Pradesh	42,035	147	884,282	210	926,318	358	0.04%	5	16	8	5	-8	-11	
Madhya Pradesh	635,435	409	2,487,444	790	3,122,879	1,199	0.04%	5	17	19	14	2	-3	
Mizoram	41,687	60	188,792	14	230,479	74	0.03%	5	18	18	10	0	-8	
Odisha	414,320	268	1,659,355	370	2,073,675	638	0.03%	5	19	15	18	-4	-1	
West Bengal	837,194	490	2,447,538	400	3,284,732	890	0.03%	5	20	27	25	7	5	
Rajasthan	622,192	245	1,522,890	320	2,145,082	565	0.03%	5	21	21	18	0	-3	
Uttar Pradesh	1,529,636	223	3,122,364	981	4,652,000	1,204	0.03%	5	22	23	25	1	3	
Manipur	61,396	58	247,409	18	308,805	76	0.02%	5	23	11	11	-12	-12	
Assam	362,989	425	2,492,622	214	2,855,611	639	0.02%	5	24	26	25	2	1	
Haryana	397,835	28	906,505	220	1,304,340	248	0.02%	5	25	25	25	0	0	
Tamil Nadu	982,139	501	2,986,132	239	3,968,271	741	0.02%	5	26	22	16	-4	-10	
Jharkhand	278,006	111	1,265,793	155	1,543,798	266	0.02%	5	27	10	7	-17	-20	
Andhra Pradesh	1,123,424	186	745,978	0	1,869,402	186	0.01%	5	28	29	18	1	-10	
Tripura	58,952	22	190,671	0	249,623	22	0.01%	5	29	24	18	-5	-11	

Source: RBI - State Finances : A Study of Budgets 2012-13

\*Revenue Expenditure - incurred in the course of regular business transactions and availed during the same accounting year.

\*\*Capital Expenditure - incurred for acquiring a fixed asset or one which results in increasing the earning capacity and is availed in multiple accounting years.

On the downside, Jharkhand disappoints with its dismal performance, slipping 20 places since 2009, its tourism expenditure having declined from 0.14% to a meagre 0.02% at present. With the state government directing all its efforts to tackle the growing menace of terrorism, extremism and insurgency, tourism is understandably not in its list of priorities.

Of the seven North-eastern states, four states – Tripura, Manipur, Mizoram and Arunachal Pradesh – have been on a downhill journey since 2009, each having dropped by 8 to 12 ranks. The Southern states of Tamil Nadu and Andhra Pradesh recite the same story, each having lost 10 places in five years. Both have reduced their tourism budgetary provisions by only 0.01% since 2009, but owing to the significant improvement by competitor states, the fall in rankings has been quite drastic.

Despite Maharashtra having the nation's highest revenue and capital expenditures earmarked for a state, it shows diminishing concern towards the tourism sector having reduced its tourism spend from 0.17% in 2009 to 0.15% in 2011 and further down to 0.09% this year.

### Tourist Arrivals

A state's actual performance in the number of tourist arrivals per year is one of the best indicators of its tourism attractiveness and consequently the demand generated. On a countrywide level, there has been an upward trend in tourist arrivals across the board. According to the World Travel & Tourism Council's (WTTC) *Economic Impact 2013 – India* report, the number of domestic tourist visits in 2012 (1,036 million) registered an increase of close to 20% over 2011. International tourist arrivals, on the other hand, were recorded at 6.6 million in 2012, an increase of 4.3% over the previous year.

Our ranking methodology accounts for both international and domestic tourist arrivals, with equal weights given to both. Table 7 explains the methodology of ranking and Tables 8 and 9 present the overall rankings for this parameter.

**Table 7 - Methodology for Tourist Arrivals**

Rank	Points
1 to 5	10
6 to 10	8
11 to 15	6
16 to 20	4
21 to 25	2

Tamil Nadu and Uttar Pradesh have topped the rankings over the last five years, while Maharashtra has moved up three places since 2009 to join these states at the number one spot, on the back of a steady increase in both domestic and international tourist arrivals. Interestingly, Tamil Nadu has, for the first time, outperformed Uttar Pradesh in domestic tourist arrivals, whilst Andhra Pradesh continues to see a large influx of domestic visitors, especially to the pilgrim city of Tirupati.

Remarkably, both Jharkhand and Chhattisgarh have shown steady improvement, having moved up by 5 and 4 spots respectively in each of the last two editions of our survey. Although Jharkhand performs well in both domestic and international tourist visitations, it is primarily an improvement in domestic tourist numbers in case of Chhattisgarh. Bihar and Himachal Pradesh have also shown noteworthy progress since our first survey.



**Table 8 - Domestic and International Tourist Arrivals**

State	Domestic Tourists	Rank	State	International Tourists	Rank
Andhra Pradesh	206,817,000	1	Maharashtra	5,120,000	1
Tamil Nadu	184,136,000	2	Tamil Nadu	3,561,000	2
Uttar Pradesh	168,381,000	3	Delhi	2,345,000	3
Karnataka	94,052,000	4	Uttar Pradesh	1,994,000	4
Maharashtra	66,330,000	5	Rajasthan	1,451,000	5
Madhya Pradesh	53,197,000	6	West Bengal	1,219,000	6
Rajasthan	28,611,000	7	Bihar	1,096,000	7
Uttarakhand	26,827,000	8	Kerala	793,000	8
Gujarat	24,379,000	9	Karnataka	595,000	9
West Bengal	22,730,000	10	Himachal Pradesh	500,000	10
Bihar	21,447,000	11	Goa	450,000	11
Jharkhand	20,421,000	12	Andhra Pradesh	292,000	12
Punjab	19,056,000	13	Madhya Pradesh	275,000	13
Delhi	18,495,000	14	Haryana	233,000	14
Himachal Pradesh	15,646,000	15	Gujarat	174,000	15
Chhattisgarh	15,036,000	16	Punjab	143,000	16
Jammu & Kashmir	12,427,000	17	Uttarakhand	124,000	17
Kerala	10,076,000	18	Jammu & Kashmir	78,000	18
Odisha	9,052,000	19	Odisha	64,000	19
Haryana	6,799,000	20	Jharkhand	31,000	20
Assam	4,511,000	21	Sikkim	26,000	21
Goa	2,337,000	22	Assam	17,000	22
Meghalaya	680,000	23	Tripura	8,000	23
Sikkim	558,000	24	Meghalaya	5,000	24
Tripura	361,000	25	Arunachal Pradesh	5,000	24
Arunachal Pradesh	317,000	26	Chhattisgarh	4,000	26
Manipur	134,000	27	Nagaland	2,000	27
Mizoram	64,000	28	Manipur	700	28
Nagaland	35,000	29	Mizoram	700	28

Source: Ministry of Tourism, Government of India, 2012

**Table 9 - Point Allocation for Tourist Arrivals**

States	Points Obtained			Rank 2013	Rank 2011	Rank 2009	Variance (11-13)	Variance (09-13)
	Domestic	International	Total					
Tamil Nadu	10	10	20	1	1	1	0	0
Uttar Pradesh	10	10	20	1	1	1	0	0
Maharashtra	10	10	20	1	1	4	0	3
Karnataka	10	8	18	4	5	4	1	0
Rajasthan	8	10	18	4	4	1	0	-3
Andhra Pradesh	10	6	16	6	5	4	-1	-2
West Bengal	8	8	16	6	5	7	-1	1
Delhi	6	10	16	6	5	8	-1	2
Madhya Pradesh	8	6	14	9	9	8	0	-1
Gujarat	8	6	14	9	9	8	0	-1
Bihar	6	8	14	9	9	13	0	4
Himachal Pradesh	6	8	14	9	9	13	0	4
Uttarakhand	8	4	12	13	13	8	0	-5
Kerala	4	8	12	13	13	8	0	-5
Jharkhand	6	4	10	15	20	20	5	5
Punjab	6	4	10	15	13	22	-2	7
Haryana	4	6	10	15	18	16	3	1
Jammu & Kashmir	4	4	8	18	16	16	-2	-2
Odisha	4	4	8	18	18	18	0	0
Goa	2	6	8	18	16	13	-2	-5
Chhattisgarh	4	0	4	21	25	25	4	4
Assam	2	2	4	21	20	18	-1	-3
Meghalaya	2	2	4	21	23	22	2	1
Sikkim	2	2	4	21	20	20	-1	-1
Tripura	2	2	4	21	23	22	2	1
Arunachal Pradesh	0	2	2	26	25	25	-1	-1
Manipur	0	0	0	27	27	27	0	0
Mizoram	0	0	0	27	27	27	0	0
Nagaland	0	0	0	27	27	27	0	0

Surprisingly, Goa, one of the country's most popular tourist destinations, has been the worst performer, having fallen two places since 2011 and five places since 2009. The trend, unfortunately, is also evident in other tourism-rich states such as Rajasthan, Andhra Pradesh, Kerala, Uttarakhand and Jammu & Kashmir, with the consolidated tourist arrival rankings deteriorating over the last five years.

## Number of Branded Rooms

The number of branded hotel rooms in a market is indicative of its perceived economic potential, tourism demand and anticipated business potential. The market entry strategy for any international or domestic brand encompasses a cautious judgement of multiple criteria, the most important being the overall market attractiveness defined by the market size, existing and future demand generators, growth potential, and other macro-economic factors. Consequently, brands' choices reflect the states' perceived economic position and hospitality competitiveness.

Tables 10 and 11 present our point allocation criteria and ranking for the number of existing branded rooms in each state.

**Table 10 - Methodology for Number of Branded Rooms**

Rank	Points
1 to 3	10
4 to 6	8
7 to 9	6
10 to 12	4
13 to 15	2

Delhi continues to surge ahead of the competition by virtue of being the country's capital, a significant port of entry/exit for tourists as well as an important business destination. Goa ranks second, indicative of brands' eagerness to have a flag in this popular leisure destination. Haryana, which relies heavily on the ascent of Gurgaon, retains its third spot and is expected to advance further in the forthcoming years.

Up by eight ranks, Punjab has shown the biggest improvement, having increased its branded supply from just 3 hotels in 2009 to 18 hotels in 2013. Andhra Pradesh, Uttar Pradesh and Gujarat have also witnessed steady growth and greater penetration of branded hotel rooms.

With negligible or no addition to their branded hotel pipeline Sikkim, Tripura and Himachal Pradesh have suffered the steepest slump, with the other states rapidly increasing their inventory and pushing these states further down in their rankings.

## GSDP Per Capita

The most conclusive determinant of economic activity in a state, the Gross State Domestic Product (GSDP) is indicative of three crucial factors comprising the state economy: expenditure, output, and income. As a measure of the economic well-being of a state, the GSDP per capita reveals demand for consumer goods and services, and the standard of living of its people. The travel and tourism industry is susceptible to a wide range of internal and external forces and a detrimental economic situation can greatly undermine demand. Consequently, GSDP per capita – a critical evaluation criterion, was introduced as a ranking parameter in 2011 and continues to be one of the fundamentals for our comparison.

Tables 12 and 13 illustrate our point allocation methodology and the ranking of the states based on GSDP per capita.

Goa and Delhi continue to hold the top spots in this parameter, while we have a surprise entrant in the third position – Sikkim, which has risen eight places since the last survey. Resultantly, Haryana and Maharashtra have been pushed one place down in the ranking despite showing progress in their per capita figures. Both Rajasthan

**Table 11 - Point Allocation for Number of Branded Rooms**

	No. of Branded Rooms	State Area (Sq Km)	Branded Rooms per 100 Sq Km	Points Obtained	Rank 2013	Rank 2011	Rank 2009	Variance (11-13)	Variance (09-13)
Delhi	11,338	1,483	764.5	10	1	1	1	0	0
Goa	4,507	3,702	121.7	10	2	2	2	0	0
Haryana	5,634	44,212	12.7	10	3	3	4	0	1
Kerala	2,827	38,863	7.3	8	4	4	3	0	-1
Tamil Nadu	8,883	130,058	6.8	8	5	6	6	1	1
Maharashtra	18,864	307,713	6.1	8	6	5	7	-1	1
Karnataka	9,972	191,791	5.2	6	7	7	5	0	-2
Punjab	1,660	50,362	3.3	6	8	8	16	0	8
West Bengal	2,324	88,752	2.6	6	9	9	11	0	2
Andhra Pradesh	6,811	275,045	2.5	4	10	11	15	1	5
Gujarat	4,618	196,024	2.4	4	11	15	14	4	3
Uttarakhand	1,065	53,483	2.0	4	12	10	8	-2	-4
Rajasthan	5,419	342,239	1.6	2	13	13	13	0	0
Uttar Pradesh	3,439	240,928	1.4	2	14	14	17	0	3
Sikkim	81	7,096	1.1	2	15	12	9	-3	-6
Tripura	100	10,486	1.0	0	16	17	10	1	-6
Himachal Pradesh	492	55,673	0.9	0	17	16	12	-1	-5
Jharkhand	378	79,714	0.5	0	18	19	19	1	1
Madhya Pradesh	1,246	308,245	0.4	0	19	18	18	-1	-1
Odisha	307	155,707	0.2	0	20	20	20	0	0
Jammu & Kashmir	406	222,236	0.2	0	21	22	21	1	0
Assam	119	78,438	0.2	0	22	21	22	-1	0
Bihar	46	94,163	0.0	0	23	23	24	0	1
Arunachal Pradesh	20	83,743	0.0	0	24	24	23	0	-1
Chhattisgarh	0	135,191	0.0	0	25	25	25	0	0
Manipur	0	22,327	0.0	0	25	25	25	0	0
Meghalaya	0	22,429	0.0	0	25	25	25	0	0
Mizoram	0	21,081	0.0	0	25	25	25	0	0
Nagaland	0	16,579	0.0	0	25	25	25	0	0

Source: HVS Research, 2013

and Nagaland have also performed better, having moved up five places since 2011.

It is disappointing that some of the biggest economies in the country have taken a plunge in this year's rankings. While Andhra Pradesh, West Bengal and Karnataka have dropped 1-2 places, the worst regression has been shown by Tamil Nadu and Punjab with a three-rank drop. Furthermore, Uttar Pradesh, which ranks second highest in terms of absolute value of output amongst all states, has one of the nation's lowest per capita incomes, ranking 28<sup>th</sup> in this parameter.

**Table 12 - Methodology for GSDP Per Capita**

Range	Points
100,000 or more	10.0
75,000 - 99,999	7.5
50,000 - 74,999	5.0
25,000 - 49,999	2.5

### Effectiveness of Marketing Campaign

Destination marketing is an amalgam of strategically co-ordinated activities that facilitate the achievement of the tourism policy and guide the tourism impact optimisation and maximisation of benefits for the state. Since marketing involves a comprehensive framework of multiple strategies, it is indeed difficult to evaluate all of them. Therefore, we have limited our focus to the assessment of the state tourism websites. This is under the premise that the information-intensive nature of the tourism and travel industry suggests an important role for web technology in the promotion and marketing of tourist destinations. With travel purchases and reservations being one of the fastest growing segments of the Internet community, a well-designed website can facilitate planning of a range of tourism and travel services and help ensure that the right choices are made, resulting in a more enjoyable experience for the tourist. The content of tourism destination websites is particularly important because it directly influences the perceived image of the destination and creates a virtual experience for the tourist.

For our rankings, we have used Alexa.com, a subsidiary company of Amazon.com, which tracks traffic on all websites and is considered an international benchmark for website ratings.

**Table 13 - Point Allocation for GSDP Per Capita**

	GSDP* (₹ in crore)	Population (2011)	GSDP Per Capita (₹)	Points Obtained	Rank 2013	Rank 2011	Variance
Goa	35,932	1,457,723	246,494	10.0	1	1	0
Delhi	310,736	16,753,235	185,478	10.0	2	2	0
Sikkim	8,616	607,688	141,783	10.0	3	11	8
Haryana	305,405	25,353,081	120,461	10.0	4	3	-1
Maharashtra	1,199,548	112,372,972	106,747	10.0	5	4	-1
Gujarat	611,767	60,383,628	101,313	10.0	6	6	0
Kerala	315,206	33,387,677	94,408	7.5	7	7	0
Punjab	258,006	27,704,236	93,129	7.5	8	5	-3
Uttarakhand	94,159	10,116,752	93,072	7.5	9	10	1
Himachal Pradesh	63,812	6,856,509	93,068	7.5	10	9	-1
Tamil Nadu	665,312	72,138,958	92,226	7.5	11	8	-3
Arunachal Pradesh	10,859	1,382,611	78,540	7.5	12	14	2
Andhra Pradesh	655,181	84,665,533	77,385	7.5	13	12	-1
Karnataka	460,607	61,130,704	75,348	7.5	14	13	-1
Mizoram	6,991	1,091,014	64,078	5.0	15	15	0
Nagaland	12,272	1,980,602	61,961	5.0	16	21	5
Rajasthan	416,755	68,621,012	60,733	5.0	17	22	5
West Bengal	532,329	91,347,736	58,275	5.0	18	16	-2
Chhattisgarh	139,515	25,540,196	54,626	5.0	19	17	-2
Meghalaya	16,173	2,964,007	54,565	5.0	20	18	-2
Tripura	19,910	3,671,032	54,235	5.0	21	19	-2
Jammu & Kashmir	65,344	12,548,926	52,071	5.0	22	23	1
Odisha	215,899	41,947,358	51,469	5.0	23	20	-3
Jharkhand	142,165	32,966,238	43,124	2.5	24	24	0
Madhya Pradesh	309,687	72,597,565	42,658	2.5	25	26	1
Assam	126,544	31,169,272	40,599	2.5	26	27	1
Manipur	10,410	2,721,756	38,247	2.5	27	25	-2
Uttar Pradesh	679,007	199,581,477	34,022	2.5	28	28	0
Bihar	246,955	103,804,637	23,790	0.0	29	29	0
<b>Average</b>	273,624	41,616,005	80,480	-	-	-	-

\*GSDP of 2011-12 at Current Prices (as on 1.8.2013)  
Source: Census of India 2011 and Directorate of Economics Statistics of respective State Governments 2011-12

Table 14 illustrates our methodology for point allocation and Table 15 presents the Alexa ranking of the individual state tourism websites and accordingly our comparative ranking based on this criterion.

**Table 14 - Methodology for Effectiveness of Marketing**

Rank	Points
1-3	10
4-6	8
7-9	6
10-12	4
13-15	2

There has been a positive transformation in the overall performance of India's state tourism websites, with the average Alexa rankings having improved over a five-year period, from 700,800 in 2009 to 578,719 in 2013. Although Incredible India, the country's official tourism campaign website, is still somewhat lagging in its ranking as compared to 2009, it has shown significant improvement since the last edition of this survey, up from 100,778

in 2011 to 59,399 this year. The Incredible India tourism campaign has generated significant global inbound travel; however, the message must constantly evolve and innovative marketing initiatives be developed for the campaign to stay competitive in the global marketplace.

While Bihar and Kerala continue to occupy the top two positions, the biggest movers in this criterion have been Delhi, Andhra Pradesh and Mizoram. It is interesting to note that all three states have launched new tourism websites that have evidently attracted greater online traffic.

### Urbanisation

The process of a society's transformation from a predominantly rural to a predominantly urban population is defined as *Urbanisation*. 'Urban' in India is defined as a human settlement with a minimum population of 5000 people, with a minimum of 75% of the male working population engaged in non-agricultural activities and a population density of at least 400 people per sq km.

The figures have been drawn from the last Census of India in 2011, and hence the rankings remain unaltered from the last edition of this survey.

**Table 15 - Point Allocation for Effectiveness of Marketing**

	Official Website	Alexa Overall Ranking	Points Obtained	Rank 2013	Rank 2011	Rank 2009	Variance (11-13)	Variance (09-13)
Bihar	http://bstdc.bih.nic.in/	22,907	10	1	2	1	1	0
Kerala	http://www.keralatourism.org/	49,025	10	2	1	3	-1	1
Delhi	http://www.delhitourism.gov.in/delhitourism/index.jsp	94,986	10	3	11	5	8	2
Maharashtra	http://www.maharashtratourism.gov.in/	104,138	8	4	3	6	-1	2
Rajasthan	http://www.rajasthantourism.gov.in/	105,784	8	5	7	2	2	-3
Madhya Pradesh	http://www.mptourism.com/	127,130	8	6	4	13	-2	7
Gujarat	http://www.gujarattourism.com/	127,172	6	7	10	8	3	1
Himachal Pradesh	http://himachaltourism.gov.in/	141,767	6	8	9	10	1	2
Goa	http://www.goa-tourism.com/	156,934	6	9	8	18	-1	9
Andhra Pradesh	http://www.aptdc.gov.in	182,009	4	10	13	14	3	4
Karnataka	http://www.karnatakaholidays.net/	211,144	4	11	6	12	-5	1
Tamil Nadu	http://www.tamilnadutourism.org/	214,916	4	12	5	21	-7	9
West Bengal	http://www.westbengaltourism.gov.in/wb/	240,789	2	13	17	4	4	-9
Uttar Pradesh	http://www.up-tourism.com/	358,859	2	14	14	16	0	2
Odisha	http://www.orissatourism.gov.in/	453,442	2	15	18	9	3	-6
Mizoram	http://tourism.mizoram.gov.in/	483,361	0	16	25	26	9	10
Uttarakhand	http://uttarakhandtourism.gov.in/	563,651	0	17	12	11	-5	-6
Haryana	http://www.haryanatourism.gov.in/	586,644	0	18	19	15	1	-3
Sikkim	http://sikkimtourism.gov.in/	606,902	0	19	20	19	1	0
Jammu & Kashmir	http://www.jktourism.org/	739,521	0	20	15	23	-5	3
Meghalaya	http://megtourism.gov.in/	803,687	0	21	22	17	1	-4
Jharkhand	http://www.jharkhandtourism.in/	903,379	0	22	27	25	5	3
Assam	http://www.assamtourism.org/	915,623	0	23	24	7	1	-16
Arunachal Pradesh	http://www.arunachaltourism.com/	1,139,846	0	24	26	22	2	-2
Chhattisgarh	http://www.chhattisgarhtourism.net/	1,148,160	0	25	16	28	-9	3
Tripura	http://tripuratourism.nic.in/	1,267,932	0	26	28	24	2	-2
Punjab	http://www.punjabtourism.gov.in/	1,330,255	0	27	23	27	-4	0
Manipur	http://manipur.nic.in/tourism.htm	1,624,910	0	28	21	20	-7	-8
Nagaland	http://www.tourismnagaland.com/	2,077,991	0	29	29	29	0	0
<b>Average</b>		<b>578,719</b>						
<b>Incredible India</b>	http://www.incredibleindia.org/	<b>59,339</b>						

Source: Alexa.com, November 2013

Tables 16 and 17 present a percentage-wise listing of the urban population of each state along with our ranking methodology.

**Table 16 - Methodology for Urbanisation**

Range	Points
80% and above	10
65% - 79%	8
50% - 64%	6
35% - 49%	4
20% - 34%	2

Though the national urbanisation proportion has shown an improvement by four percentage points since the 2001 census, it is still relatively low at 31% (as per the 2011 Census). This increase in urbanisation, however, has not been uniform across states. For instance, urbanisation in Kerala grew by over 20 percentage points, which is more likely explained by reclassification than by migration, while there was hardly any change in states such as Himachal Pradesh.

Among all states, Delhi is the most urbanised with 97% urban population followed by Goa with 62% of the population living in urban areas. At the other extreme are Himachal Pradesh, Bihar,

**Table 17 - Point Allocation for Urbanisation**

	Population	Urban Population	As a % of Total Population	Points Obtained	Rank 2013
Delhi	16,753,235	16,333,916	97.5%	10	1
Goa	1,457,723	906,309	62.2%	6	2
Mizoram	1,091,014	561,977	51.5%	6	3
Tamil Nadu	72,138,958	34,949,729	48.4%	4	4
Kerala	33,387,677	15,932,171	47.7%	4	5
Maharashtra	112,372,972	50,827,531	45.2%	4	6
Gujarat	60,383,628	25,712,811	42.6%	4	7
Karnataka	61,130,704	23,578,175	38.6%	4	8
Punjab	27,704,236	10,387,436	37.5%	4	9
Haryana	25,353,081	8,821,588	34.8%	4	10
Andhra Pradesh	84,665,533	28,353,745	33.5%	2	11
West Bengal	91,347,736	29,134,060	31.9%	2	12
Uttarakhand	10,116,752	3,091,169	30.6%	2	13
Manipur	2,721,756	822,132	30.2%	2	14
Nagaland	1,980,602	573,741	29.0%	2	15
Madhya Pradesh	72,597,565	20,059,666	27.6%	2	16
Jammu & Kashmir	12,548,926	3,414,106	27.2%	2	17
Tripura	3,671,032	960,981	26.2%	2	18
Sikkim	607,688	151,726	25.0%	2	19
Rajasthan	68,621,012	17,080,776	24.9%	2	20
Jharkhand	32,966,238	7,929,292	24.1%	2	21
Chhattisgarh	25,540,196	5,936,538	23.2%	2	22
Arunachal Pradesh	1,382,611	313,446	22.7%	2	23
Uttar Pradesh	199,581,477	44,470,455	22.3%	2	24
Meghalaya	2,964,007	595,036	20.1%	2	25
Odisha	41,947,358	6,996,124	16.7%	0	26
Assam	31,169,272	4,388,756	14.1%	0	27
Bihar	103,804,637	11,729,609	11.3%	0	28
Himachal Pradesh	6,856,509	688,704	10.0%	0	29

Source: Census of India 2011



Assam and Odisha, which are amongst the least urbanised states in India. Although Mizoram appears at number three, it is not an accurate representation of actual urban development, since the state's population is concentrated in and around a few cities while the rest of the state is mainly hills and valleys.

In terms of absolute number of persons living in urban areas, Maharashtra leads with about 51 million people, which is 14% of the total urban population of the country. Uttar Pradesh accounts for a little over 44 million followed by Tamil Nadu with 35 million.

### Road and Rail Infrastructure

Transport policies and infrastructure development influence the quality, capacity, extensiveness and efficiency of transport, which contributes to the competitiveness of the tourism industry. Although India ranks amongst the highest in the world by the sheer size of road and railway networks, the growth in rail and road infrastructure has not been commensurate with demand, leading to huge capacity constraints. While the intent of the government may be in the right direction, there are multiple roadblocks that continue to hamper any move to accelerate development of road and railway infrastructure. Funding constraints, land acquisition issues, delays related to identification and awarding of projects, difficulty in securing environmental clearances and shortage of skilled labour are some of the major reasons leading to time and cost overruns. Since, tourism in India is primarily domestic in nature with a heavy reliance on road and rail, there exists a dire need for a range of immediate interventions – from policy actions to regulatory reforms – in order to remove these roadblocks and accelerate infrastructure development and project implementation.

To suitably compare the states against this parameter, we have taken into account the total road length (surfaced road) and total railway route length per 100 sq km of area within the state. Tables 18-21 present these criteria.

**Table 18 - Methodology for Road and Rail Infrastructure**

Rank	Points
1 to 5	5
6 to 10	4
11 to 15	3
16 to 20	2
21 to 25	1

Across two consecutive surveys, Delhi tops the overall leader board, emerging as number one in both railway and road infrastructure this year. Punjab has shown considerable improvement in road infrastructure, having moved up four places and hence ranks a joint first overall in this parameter. Similarly, Odisha, Maharashtra and West Bengal have performed better due to a boost in their road infrastructure figures.

Tamil Nadu, on the other hand, has fallen four places and now ranks 6<sup>th</sup>, although it still counts among the top 25% of states in India in terms of road and rail connections. Haryana and Gujarat at 9<sup>th</sup> and Andhra Pradesh at 16<sup>th</sup> have also dropped considerably in this year's rankings.

**Table 19 - Road Infrastructure**

	Road Length per 100 sq km of area (Km)	Points Obtained
Delhi	1,413.5	5
Kerala	284.0	5
Goa	203.4	5
Punjab	152.1	5
Tripura	135.4	5
West Bengal	130.2	4
Uttar Pradesh	123.6	4
Tamil Nadu	121.8	4
Maharashtra	110.4	4
Karnataka	93.4	4
Nagaland	93.3	3
Haryana	85.3	3
Gujarat	72.2	3
Bihar	60.7	3
Himachal Pradesh	59.7	3
Sikkim	58.0	2
Rajasthan	57.0	2
Andhra Pradesh	56.6	2
Uttarakhand	49.9	2
Assam	48.2	2
Chhattisgarh	47.4	1
Madhya Pradesh	38.9	1
Odisha	37.7	1
Manipur	36.5	1
Mizoram	33.2	1
Meghalaya	31.5	0
Jharkhand	20.5	0
Arunachal Pradesh	17.1	0
Jammu & Kashmir	6.4	0

Source: Ministry of Road Transport and Highways, Transport Research Wing, 2012

**Table 20 - Rail Infrastructure**

	Railway Route Length per 100 sq km of Area (Km)	Points Obtained
Delhi	12.4	5
West Bengal	4.5	5
Punjab	4.3	5
Bihar	3.8	5
Uttar Pradesh	3.7	5
Haryana	3.5	4
Assam	3.1	4
Tamil Nadu	3.0	4
Kerala	2.7	4
Gujarat	2.7	4
Jharkhand	2.6	3
Andhra Pradesh	1.9	3
Goa	1.9	3
Maharashtra	1.8	3
Rajasthan	1.7	3
Karnataka	1.6	2
Madhya Pradesh	1.6	2
Odisha	1.6	2
Tripura	1.4	2
Chhattisgarh	0.9	2
Uttarakhand	0.6	1
Himachal Pradesh	0.5	1
Jammu And Kashmir	0.1	1
Nagaland	0.1	1
Mizoram	0.0	1
Manipur	0.0	0
Arunachal Pradesh	0.0	0
Meghalaya	0.0	0
Sikkim	0.0	0

Source: Railway Board, Ministry of Railways, 2012

**Table 21 - Point Allocation for Road and Rail Infrastructure**

	Points Obtained			Rank 2013	Rank 2011	Variance
	Road	Rail	Total			
Delhi	5	5	10	1	1	0
Punjab	5	5	10	1	2	1
Kerala	5	4	9	3	2	-1
West Bengal	4	5	9	3	6	3
Uttar Pradesh	4	5	9	3	2	-1
Tamil Nadu	4	4	8	6	2	-4
Goa	5	3	8	6	6	0
Bihar	3	5	8	6	6	0
Tripura	5	2	7	9	11	2
Maharashtra	4	3	7	9	12	3
Haryana	3	4	7	9	6	-3
Gujarat	3	4	7	9	6	-3
Karnataka	4	2	6	13	12	-1
Assam	2	4	6	13	12	-1
Andhra Pradesh	2	3	5	15	12	-3
Rajasthan	2	3	5	15	16	1
Nagaland	3	1	4	17	17	0
Himachal Pradesh	3	1	4	17	19	2
Madhya Pradesh	1	2	3	19	19	0
Uttarakhand	2	1	3	19	19	0
Chhattisgarh	1	2	3	19	17	-2
Odisha	1	2	3	19	23	4
Jharkhand	0	3	3	19	19	0
Sikkim	2	0	2	24	25	1
Mizoram	1	1	2	24	23	-1
Manipur	1	0	1	26	25	-1
Jammu & Kashmir	0	1	1	26	25	-1
Meghalaya	0	0	0	28	25	-3
Arunachal Pradesh	0	0	0	28	29	1

**Aircraft Movement**

The Indian aviation sector has changed rapidly over the last decade with the sector showing tremendous growth supported by structural reforms, airport modernisation, entry of private airlines, adoption of low fare-no frill models and improvement in service standards. The industry has grown at a 16% CAGR in passenger traffic terms over the past decade and air travel is gradually being transformed into a mode of mass transportation. With a growing middle- and higher-income population, favourable demographics, economic growth, higher disposable incomes, rising aspirations of the middle class, and overall low penetration levels (less than 3%), there remains strong long-term growth potential.<sup>1</sup> However, the domestic aviation sector continues to operate in a high-cost environment due to high taxes on aviation turbine fuel, high airport charges, significant congestion at major airports, dearth of experienced commercial pilots, inflexible labour laws and overall high cost of capital. While most of these factors are not under direct control of airline operators, the problems have compounded due to industry-wide capacity additions, much in excess of actual demand.

The total aircraft movement is reflective of all the factors that an airline would take into consideration in its decision-making process for flying certain routes, and is a good indicator of overall airport infrastructure. Tables 22 and 23 illustrate the aircraft movement across states and present our scoring methodology and rankings for this parameter.

**Table 22 - Methodology for Aircraft Movement**

Range	Points
> 200,000	10
150,000 - 199,999	8
100,000 - 149,999	6
50,000 - 99,999	4
< 50,000	2

**Table 23 - Point Allocation for Aircraft Movement**

	Total Aircraft Movement*	Points Obtained	Rank 2013	Rank 2011	Rank 2009	Variance (11-13)	Variance (09-13)
Maharashtra	290,234	10	1	1	1	0	0
Delhi	280,713	10	2	2	2	0	0
Tamil Nadu	144,879	6	3	3	3	0	0
Karnataka	114,548	6	4	4	4	0	0
Andhra Pradesh	108,932	6	5	6	5	1	0
West Bengal	100,981	6	6	5	6	-1	0
Kerala	81,686	4	7	7	7	0	0
Gujarat	47,237	2	8	8	8	0	0
Assam	33,535	2	9	9	9	0	0
Jammu & Kashmir	27,752	2	10	12	12	2	2
Goa	26,804	2	11	10	11	-1	0
Rajasthan	26,345	2	12	11	10	-1	-2
Uttar Pradesh	26,049	2	13	13	13	0	0
Madhya Pradesh	21,503	2	14	14	14	0	0
Odisha	14,220	2	15	15	15	0	0
Bihar	11,486	2	16	16	19	0	3
Chhattisgarh	10,496	2	17	19	18	2	1
Punjab	9,167	2	18	17	17	-1	-1
Tripura	9,042	2	19	21	16	2	-3
Manipur	6,990	2	20	18	20	-2	0
Jharkhand	5,302	2	21	20	21	-1	0
Haryana	0	0	22	21	22	-1	0
Arunachal Pradesh	0	0	22	21	22	-1	0
Himachal Pradesh	0	0	22	21	22	-1	0
Meghalaya	0	0	22	21	22	-1	0
Mizoram	0	0	22	21	22	-1	0
Nagaland	0	0	22	21	22	-1	0
Sikkim	0	0	22	21	22	-1	0
Uttarakhand	0	0	22	21	22	-1	0

\*Denotes number of take-offs and landings (one flight constitutes two movements)  
Source: Airports Authority of India (Traffic News - Annexure IIC), 2013 (Data from Apr-12 to Mar-13)

The rankings have not seen much alteration since the last edition of this report. Maharashtra, Delhi and Tamil Nadu continue to be the top three. In fact, the three main airports in each of these states – Indira Gandhi International, Chhatrapati Shivaji International and Chennai International Airport, accounted for 42% of the aircraft movement across all airports in India. Andhra Pradesh, with its award-winning Rajiv Gandhi International Airport, comes back in the top five after five years, surpassing West Bengal.

Haryana is the only state that witnesses high levels of economic activity mainly in Gurgaon but does not have its own airport. This is because of its proximity to New Delhi, thereby benefitting from the Indira Gandhi International Airport.

**Literacy Rate**

Literacy level and education attainment are vital indicators of development in a society. Although a pertinent factor, the literacy rate of a state's population only has an indirect correlation with tourism. Consequently, it has been assigned the least weightage in all our 11 ranking parameters. Tables 24 and 25 present our scoring methodology along with the ranking of the states.

The figures have been drawn from the last Census of India in 2011, and hence the rankings remain unaltered from the last edition of this survey.

**Table 24 - Methodology for Literacy Rate**

Rank	Points
1 to 5	5
6 to 10	4
11 to 15	3
16 to 20	2
21 to 25	1

Table 25 - Point Allocation for Literacy Rate

	Literacy Rate	Points Obtained	Rank 2013
Kerala	93.90%	5	1
Mizoram	91.60%	5	2
Tripura	87.80%	5	3
Goa	87.40%	5	4
Delhi	86.30%	5	5
Himachal Pradesh	83.80%	4	6
Maharashtra	82.90%	4	7
Sikkim	82.20%	4	8
Tamil Nadu	80.30%	4	9
Nagaland	80.10%	4	10
Manipur	79.80%	3	11
Uttarakhand	79.60%	3	12
Gujarat	79.30%	3	13
West Bengal	77.10%	3	14
Punjab	76.70%	3	15
Haryana	76.60%	2	16
Karnataka	75.60%	2	17
Meghalaya	75.50%	2	18
Odisha	73.50%	2	19
Assam	73.20%	2	20
Chhattisgarh	71.00%	1	21
Madhya Pradesh	70.60%	1	22
Uttar Pradesh	69.70%	1	23
Jammu & Kashmir	68.70%	1	24
Andhra Pradesh	67.70%	1	25
Jharkhand	67.60%	0	26
Rajasthan	67.10%	0	27
Arunachal Pradesh	67.00%	0	28
Bihar	63.80%	0	29

Source: Census of India 2011

On a national level, there has been a marked improvement in the proportion of literates in the last decade. Literates in 2011 constituted 74% of the total population, as compared to 65% in 2001. Kerala with 93.9% ranks first, followed by Mizoram and Tripura at second and third position with 91.6% and 87.8% literacy rate respectively. Bihar with its 63.8% literacy rate ranks last, even after having achieved a significant 26.3% increase since 2001.

### Intangible Aspects

This parameter captures the intangible aspects that support or hinder travel and tourism in the state. By giving it a 10% weight, we have tried to limit the impact of a subjective assessment to the best possible extent. The three key factors that shaped our decision to gauge these intangible aspects are (a) law and order conditions and safety and security for residents (b) availability of qualified human resources for travel and tourism and (c) the political stability of the state.

Table 26 presents our assessment of the intangible aspects for all states.

Gujarat, Rajasthan and Tamil Nadu have been the consistent forerunners in this parameter for two consecutive State Ranking Surveys – 2011 and 2013. Maharashtra and Jammu & Kashmir have risen up the ranks due to gradually recovering law and order in these states in the last two years.

Table 26 - Point Allocation for Intangible Aspects

	Points Obtained	Security (5)	HR (5)	Political Stability (5)	Rank 2013
Gujarat	15	5	5	5	1
Rajasthan	15	5	5	5	1
Tamil Nadu	15	5	5	5	1
Himachal Pradesh	13	5	3	5	4
Madhya Pradesh	13	5	3	5	4
Sikkim	13	5	3	5	4
Uttarakhand	13	5	3	5	4
Maharashtra	13	5	5	3	4
Punjab	13	3	5	5	4
Karnataka	11	3	5	3	10
Delhi	11	1	5	5	10
Assam	11	3	3	5	10
Meghalaya	11	3	3	5	10
Odisha	11	3	3	5	10
Jammu & Kashmir	11	3	3	5	10
Kerala	9	5	1	3	16
Haryana	9	1	3	5	16
Arunachal Pradesh	9	3	3	3	16
Mizoram	9	3	1	5	16
Tripura	9	3	1	5	16
West Bengal	9	3	3	3	16
Chhattisgarh	9	1	3	5	16
Uttar Pradesh	7	1	3	3	23
Goa	7	1	5	1	23
Bihar	7	1	1	5	23
Manipur	7	1	3	3	23
Nagaland	7	1	1	5	23
Andhra Pradesh	6	2	3	1	28
Jharkhand	5	1	1	3	29

Goa takes the biggest hit, falling 22 places over a five-year period. Crime in this idyllic tourist hotspot has risen alarmingly, with mafia and drug cartels, human trafficking, child prostitution, murder and sexual assaults against foreign tourists. This disturbing fact and frequent changes in Goa's political administration have earned poor scores for the state in the *security* and *political stability* parameters. The situation in Delhi is also disconcerting, with escalating crime rates; 2012 alone witnessed a whopping 23.43% and 10.45% increase respectively in rape and molestation cases in the state. Likewise, the deterioration of law and order situation in Haryana and Uttar Pradesh, with countless reported incidents of rape, murder and other criminal offences have led to a major drop in the states' rankings. Andhra Pradesh continues to suffer low scores in both the aforementioned parameters due to the ongoing Telengana dispute.

### Consolidated Rankings

Table 27 presents the consolidated rankings across parameters.

### The Biggest Movers

Tables 28 and 29 present the biggest movers over a five-year period and a three-year period respectively.

**Table 27 – Consolidated Rankings**

Weight	Luxury Tax on Hotels		State Expenditure on Tourism		Tourist Arrivals		Presence of Branded Hotel Rooms		GSDP Per Capita		Effectiveness of Marketing Campaign		Urbanisation		Road and Railway Infrastructure		Aircraft Movement		Literacy Rates		Intangible Aspects		Total		Rank 2013	Rank 2011	Rank 2009	Variance (11-13)	Variance (09-13)
	25	25	25	20	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	5	15	150	1	3					
	11.0	10.0	10.0	16.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	5.0	11.0	113.0	1	3	6	2	5		
Maharashtra	15.0	5.0	8.0	20.0	10.0	8.0	4.0	4.0	4.0	8.0	8.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	4.0	4.0	13.0	104.0	2	1	4	-1	2		
Goa	15.0	25.0	10.0	8.0	10.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	2.0	5.0	7.0	102.0	3	2	3	-1	0			
Gujarat	18.0	10.0	4.0	14.0	10.0	6.0	4.0	4.0	4.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	2.0	3.0	3.0	93.0	4	7	9	3	5			
Karnataka	15.0	10.0	6.0	18.0	7.5	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	2.0	2.0	11.0	89.5	5	4	12	-1	7			
Kerala	11.0	10.0	8.0	12.0	7.5	10.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0	9.0	89.5	5	6	2	1	-3			
Tamil Nadu	7.0	5.0	8.0	20.0	7.5	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	6.0	4.0	15.0	88.5	7	4	1	-3	-6			
Sikkim	25.0	25.0	2.0	4.0	10.0	0.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	0.0	4.0	13.0	87.0	8	9	8	1	0			
Uttarakhand	21.0	15.0	4.0	12.0	7.5	0.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	0.0	3.0	13.0	80.5	9	8	7	-1	-2			
Jammu & Kashmir	25.0	25.0	0.0	8.0	5.0	0.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	11.0	80.0	10	10	5	0	-5			
Punjab	18.0	5.0	10.0	10.0	7.5	0.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	2.0	3.0	13.0	78.5	11	11	15	0	4			
West Bengal	15.0	5.0	6.0	16.0	5.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	6.0	3.0	9.0	78.0	12	14	13	2	1			
Rajasthan	15.0	5.0	2.0	18.0	5.0	8.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	0.0	15.0	77.0	13	13	11	0	-2			
Andhra Pradesh	18.0	5.0	4.0	16.0	7.5	4.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	6.0	1.0	6.0	74.5	14	15	10	1	-4			
Himachal Pradesh	15.0	10.0	0.0	14.0	7.5	6.0	0.0	0.0	0.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	0.0	4.0	13.0	73.5	15	17	17	2	2			
Uttar Pradesh	21.0	5.0	2.0	20.0	2.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	7.0	73.5	15	12	19	-3	4			
Haryana	15.0	5.0	10.0	10.0	10.0	0.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	0.0	2.0	9.0	72.0	17	16	21	-1	4			
Madhya Pradesh	15.0	5.0	0.0	14.0	2.5	8.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	13.0	65.5	18	18	15	0	-3			
Odisha	25.0	5.0	0.0	8.0	5.0	2.0	0.0	0.0	0.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	11.0	63.0	19	20	17	1	-2			
Bihar	15.0	5.0	0.0	14.0	0.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	0.0	7.0	61.0	20	19	19	-1	-1			
Mizoram	25.0	5.0	0.0	0.0	5.0	0.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	0.0	5.0	9.0	57.0	21	21	22	0	1			
Nagaland	25.0	10.0	0.0	0.0	5.0	0.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	0.0	4.0	7.0	57.0	21	23	22	2	1			
Tripura	15.0	5.0	0.0	4.0	5.0	0.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	5.0	9.0	54.0	23	23	28	0	5			
Arunachal Pradesh	25.0	5.0	0.0	2.0	7.5	0.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	0.0	0.0	9.0	50.5	24	22	14	-2	-10			
Manipur	25.0	5.0	0.0	0.0	2.5	0.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	7.0	47.5	25	26	25	1	0			
Assam	15.0	5.0	0.0	4.0	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	2.0	11.0	47.5	25	27	26	2	1			
Chhattisgarh	11.0	5.0	0.0	4.0	5.0	0.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	9.0	42.0	27	28	27	1	0			
Meghalaya	7.0	10.0	0.0	4.0	5.0	0.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	0.0	2.0	11.0	41.0	28	29	29	1	1			
Jharkhand	11.0	5.0	0.0	10.0	2.5	0.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	0.0	5.0	40.5	29	25	24	-4	-5			

**Table 28 – Biggest Movers: 2009 to 2013**

	Rank 2013	Rank 2009	Variance (09-13)
<b>Karnataka</b>	5	12	7
Delhi	1	6	5
Gujarat	4	9	5
Tripura	23	28	5
Punjab	11	15	4
Uttar Pradesh	15	19	4
Haryana	17	21	4
Andhra Pradesh	14	10	-4
Jammu & Kashmir	10	5	-5
Jharkhand	29	24	-5
Tamil Nadu	7	1	-6
Arunachal Pradesh	24	14	-10

**Table 29 – Biggest Movers: 2011 to 2013**

	Rank 2013	Rank 2011	Variance (11-13)
<b>Gujarat</b>	4	7	3
Delhi	1	3	2
West Bengal	12	14	2
Himachal Pradesh	15	17	2
Nagaland	21	23	2
Assam	25	27	2
Arunachal Pradesh	24	22	-2
Tamil Nadu	7	4	-3
Uttar Pradesh	15	12	-3
Jharkhand	29	25	-4

### The Top Five

**Delhi**, which ranked third in our last survey, is at number one this year. Overall it has been a remarkable leap for the state, having moved up five ranks in five years. Home to the country's capital, the state has shown significant progress over 2011, achieving the highest scores in seven out of 11 parameters, besides improving considerably in three more. The state has made a reduction in Luxury Tax on hotels as well as increased its budgetary provisions for State Expenditure on Tourism from 0.06% to 0.10%. It has done well in its tourism marketing campaign with the popularity of the state's tourism website going up by 8 ranks since 2011. Regrettably, Delhi has slipped six places in the Intangible Aspects parameter, on the back of a rising trajectory of criminal incidents.

Last year's winner, **Maharashtra** slips one place and ranks second in this survey. Although scoring full points in only two parameters – GSDP per capita and Aircraft Movement, the state has performed moderately well across the board. Additionally, the Intangible Aspects parameter has also seen an improvement. However, reductions in the state tourism spend and a lower ranking of the state tourism website have brought down the overall score for the state.

Scoring full marks in four parameters and improving its budgetary allocation for tourism expenditure, Goa continues to feature in the

top three. However, a drop in scores in Tourist Arrivals and Intangible Aspects offsets this improvement, in a way that the overall score remains almost the same as 2011. With Delhi entering first place and it raising the overall benchmark score by 8%, Goa's rank goes down to number three. The state continues to take a hit because of the growing concerns of safety and security. Goa is one of the most attractive tourist destinations in the country, but there is an inherent difficulty in land acquisition for new investments. Given the sociological and political structure in Goa, lobbies play a major role when it comes to any kind of investment in the state. Lack of clarity in land titles, tedious paperwork and a complex regulatory environment discourage an investor from entering Goa. Furthermore, in order to attract private investors, good connectivity, better infrastructure and better public management are pre-requisites.

**Gujarat** has shown commendable improvement and is the biggest mover amongst all states since the last survey. The state has moved up from seventh right at number four. Over a five-year period the state has jumped forward by five places. Increased supply of branded hotel rooms, a higher per capita income and a better ranking of its state tourism website have all contributed to this achievement. Although it has scored the highest in only two criteria, the state has consistently performed well across all parameters. The only drop has been in terms of Road and Railway Infrastructure. This is because the state's progress has not been in tandem with some other states that have significantly upgraded their infrastructure facilities.

At number five, we have the two southern states **Kerala** and **Karnataka**. Considering its performance since 2009, it has predominantly been an uphill journey for Karnataka. While the state has dropped one position from the last survey, it has moved up seven ranks since 2009. The state has scored higher in terms of Tourist Arrivals and GSDP per capita, but has lost marks on the Effectiveness of Marketing Campaign and Intangible Aspects. Although there are no highest scores achieved in any of the parameters, Karnataka scores reasonably well in most and hence manages to secure a place in the top five. Kerala, on the other hand, had taken a dip in 2011, and is hopefully on a path to recovery, having moved up from 6<sup>th</sup> to 5<sup>th</sup> position this year. With an effective marketing campaign and the highest literacy rate, the states scores full marks in these two parameters. Having increased the per capita income and with no deterioration in any of the parameters, vis-a-vis last year, Kerala has rightfully re-entered in the top five.





## About HVS

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