

AN ENTHUSIASTIC AUDIENCE PARTICIPATES IN THE DEBATE



An important feature of the *Business Standard* Rajasthan Round Table was the lively question-answer session that followed the address by Chief Minister Vasundhara Raje

match [Tamil Nadu]. So you are not losing. You will not even be revenue-neutral. In fact, you are going to be revenue-positive, because you are only allowing eligible assets. For instance, in Tamil Nadu, they do not allow buildings as an asset in terms of refund of tax. They do not allow some other machinery and equipment. It is only eligible assets. But it's a huge incentive, because all the industries are around and we are able to supply tyres to them.

Moderator: I think this is competitive federalism you are talking about. Mrs Gupta, can you respond to this?

Veenu Gupta: I think Mr Bajoria, you probably need to look at the policy more closely, because we have a provision for a customised package. And in the customised package the kind of incentive you are talking about is possible. So if you invest ₹400 crore, or if you provide employment to 400 people, then that enterprise becomes eligible for the customised package and there 100 per cent of eligible fixed capital investment is allowed at VAT reimbursement. We have granted these kinds of packages to several industries. So it is possible.



MORE FISCAL INCENTIVES WILL MEAN MORE MOVS WILL BE CONVERTED INTO PROJECTS

AK BAJORIA
DIRECTOR & PRESIDENT, JK TYRE

Moderator: Do you think once GST is launched, which looks likely by next April, Rajasthan's attractiveness will increase, because it's right now a consumption state mainly? It is not a manufacturing state.

Veenu Gupta: No. It is a manufacturing state in many sectors. If you look at auto, if you look at textiles, at handicrafts, gem and jewelry, there are several sectors in which it is a leading manufacturing state. And as far as GST is concerned, what is it that industry is looking at? Industry looks at the policy framework, it looks at the political leadership, it looks at the infrastructure, and of course, the fiscal incentives. Right now, there is a lot of competition among states as far as fiscal incentives are concerned. So if we offer something, then there are two other states who say, 'okay we will offer you this-plus'. So what GST would do is that, as far as fiscal incentives are concerned, it would to a great extent be a leveller. And thereafter the actual strengths of the state would come into play — in terms of infrastructure, in terms of ease of doing business, in terms of handholding.

Moderator: That's right. Mr Agrawal, you head CII in Rajasthan. What is your assessment of the way things are panning out in Rajasthan? And there is always this concern that investments are happening, but probably jobs are not getting created. Are there any issues on getting skilled people in the state? What more does the government need to do to address these issues?

Rajat Agrawal: The single-window approval scheme is working reasonably well, but for MSMEs the investment has to be below ₹10 crore. The committee is chaired by the collector, the district magistrate of that district. They are really busy people. Here the heads of all 12 departments relevant to industry also have to be present. So things get delayed. Our suggestion from CII is that the GM of the District Industries Centre and commissioner (industry) should take charge of that. This will really help the smaller investors. Second, initiatives should be launched to spread awareness of all the portals that the government has launched. Third, getting electrical connections should be made much simpler — right now, small entrepreneurs have to fill in a 16-page form. Also, stamp duty should be rationalised, and automatic land conversion can be made as per the master plan. In Andhra Pradesh, land-use conversion from agriculture to industrial is automatic after 20 days.

Moderator: That can be streamlined, you're saying.

Gajendra Singh: That is why I said that we need to interact more often — because, until

the patient goes to the doctor and tells him the problem, how will the doctor know what the illness is? We will sit down and try to sort these issues out.

Moderator: Mr Nair, you head a travel company, HolidayIQ. The chief minister talked about the new focus on tourism and, of course, Rajasthan is well-known for its tourism initiatives. What do you think is missing, or what do you think needs to be done?

Hari Nair: I run an online tourism portal. We are actually the first travel community in India. Indian travellers participate in this forum, give reviews, and provide advice to other travellers who want to plan vacations in India. And we noticed three things. One is that tourism in India in the future is going to be about Indians, not about foreigners.

Second, the real growth in tourist numbers is coming from the smaller, second tier cities of India. Jaipur on the basis our data is the fastest growing tourism-origin market — not where people go, but where tourists actually originate from and go to other places. So, the larger point here is that the smaller or second tier cities of India will drive tourism demand in the future. And the third sort of corollary to that is that the product needs to become relevant for a more youthful demographic. A large number of people in India are below 35, and that is reflected in the tourism product they want.

By and large, the reviews suggest that Rajasthan does well in what people are looking for, except in two areas. One, people said they rated Rajasthan lower than other states. Now, let's go beyond that. The review said, on activities, Rajasthan consistently rates below what I would consider to be your competitor states in the tourism product. I am not sure if it can be easily fixed by public policy, but I certainly believe it can be fixed by entrepreneurs getting out there

and thinking about what needs to be done. Adventure tourism and the desert have interesting branding opportunities. See how the Sahara is utilised for creating tourism products.

The second point which is very interesting is, Rajasthan did not fare well on weekend getaways. Weekend getaways are driving the market for leisure travel in India. It is no more the one-week holiday or the 10-day holiday that is driving the market. It is the two-day holiday and the one-day holiday that is driving the market. So Rajasthan has an option — in fact, therefore, an opportunity — to recreate some parts of its tourism product to be much, much sharper: shorter, sharper focused products to the Delhi market, to the Ahmedabad market, where these are all potential markets that can have a weekend getaway to Rajasthan. Weekend getaways mean that you have to be within 200-300 km of the city you are targeting. So, if you are targeting Ahmedabad, if you are targeting some of the other cities around, you should incidentally be targeting Jaipur as well, for holidays within Rajasthan.

Moderator: I think Hari, the three points that you made were excellent. I think Mr Singh would like to respond.

Gajendra Singh: Mr Nair, of the 470 MoUs signed during Resurgent Rajasthan, 220 were for tourism alone. So I was quite surprised. Basically, one of the fastest growing sectors is religious tourism. And as you rightly said, activities. But what all are the activities now? As you talk about the desert, you need ballooning, you need ATVs, this is what is not there. You come to Jaipur, and what do you see? You see Amer, you go to the City Palace and you go to some restaurants and eat Rajasthani food. Go to Chokhi Dhani and then there is nothing more to do. So you are very right that adventure tourism is something that has to be developed. And our advantage of course is that we have the desert, we have lakes, we have mountains, we have wildlife, we have the tiger. And we have very nice roads. I think Rajasthan has scratched only the surface at the moment.

Moderator: I think we have got a nice overview of the issues affecting Rajasthan's industry and tourism challenges. The discussion on tourism



Participants in the Round Table welcome Rajasthan Chief Minister Vasundhara Raje on her arrival at the venue

thing was really eye-opening.

Gajendra Singh: Rajasthan actually can survive on tourism alone. That is the vast potential which is there.

Moderator: But I still didn't get an answer on the question about skilled people. Is there any perspective on Rajasthan's skill challenge? Mrs Gupta, would you have something on it? Is that an issue?

Veenu Gupta: There is this huge mission that has been set up for skill development, RSLDC. And there are several partners. One of the best things that has happened in this state is that industry is coming forward. We now have a training school set up by Honda. We also have training programmes being conducted by Saint Gobain. Some of these big enterprises are setting up their own skilling centres primarily in order to get skilled people to supply to other industries. So the effort is to encourage more and more industries to set up skilling facilities of this kind. And the state government is fully supporting them.

Moderator: What roles can industry play in improving apprenticeship and skilling? They are all connected issues.

A K Bajoria: JK Tyre has adopted two ITIs in Rajasthan. And we have been running them for the last four years. We have been able to take over the management. We have tweaked the courses to suit our requirement as well as that of the industries all around Udaipur and Rajsaman. And wherever we get requests, we try to introduce those courses. We have set up a large university about 28 km from Jaipur — J K Lakshmi Pat University — where we have invested ₹210 crore in the last three years. Our objective is to take this much further.

We already have about 1,800 boys and girls undergoing management courses, engineering courses and general aptitude courses where we invite industry batches of ten and twenty. We give short-term training of one week, two weeks, and so on. We also have a government-approved R&D laboratory. We have started giving courses like any other engineering college with the help of Udaipur University, where we train tyre engineers, rubber engineers and polymer engineers who are immediately employable and who are not getting employment after

passing out from the normal engineering courses. So I think we are certainly making a difference.

Moderator: That makes sense. Mr Kajaria?

Ashok Kajaria: Skilling, I would say, is not an issue. Skilled manpower is very much available. I think instead of more education, what is needed is on-the-job training — after 30 days a man should be able to run a machine. If a man is put in a job, after 30 days should be able to run that machine.

Moderator: And you don't see it as a problem?

Ashok Kajaria: Not at all.

Moderator: That is very encouraging, actually. Mr Agarwal?

Rajat Agrawal: I want to add here that under the aegis of CII we have already adopted 36 ITIs, and we are running them with relevant courses. And a few of the ITIs are in great demand throughout the industry. Skilling is reasonably good in Rajasthan. And, as rightly said by Mr Kajaria, on-the-job training is the best training and we keep faith in that.

Moderator: We are coming to the close of the session. Mr Nair, coming to service sector skilling, you do complain even when you go to European countries — you do complain about hotel services. And in India we are relatively better off. I think. Is that a problem in Rajasthan, or do you think there is scope for improvement? From your industry perspective?

Hari Nair: Correct. Once again, I would like to comment on this not so much from a Rajasthan perspective but what we see across India. I am sure it will have relevance here as well. I want to connect this to a larger trend and that trend is accommodation. You see, a big part of the tourism experience that somebody carries back lies in how you handle the accommodation experience, by and large, right? And



RAJASTHAN NEEDS TO DEVELOP MORE WEEKEND GETAWAYS FOR INDIAN TOURISTS

HARI NAIR
CEO, HOLIDAYIQ

what we have seen in accommodation in India is that there is going to be in the future an increasing challenge for formal accommodation to come in, especially in newer destinations, new places where hotels have to get built, and it will take a certain amount of time for hotels to get built, and so on. So we believe that a lot of accommodation that is going to come to tourism in India in the short run is going to be what I call informal accommodation of the homestay varieties, the guesthouses, and so on, and so forth. And there is sound economics that will drive that process.

If that is the case, then actually I think there is a skilling problem there. And I think that is something that makes sense to try and solve. And the skilling is not of a mega type. It is very, very simple, how to make a bed, how to keep the bathrooms clean. It is just housekeeping stuff, by and large. A little bit of presentation on the food side. So these are not complex problems to solve, but highly meaningful problems to solve in terms of sheer impact on employment that you will generate across the state. So I was wondering, while we have an ITI structure which is very manufacturing industry-oriented, maybe we need to create a parallel structure like that for tourism in a very simple way, which does not need a lot of infrastructure.

In fact, I have been talking to one of the state governments in the North-East, where I am trying to tell them that if you have homestays ready, make them the places around which you do the training. So you bring 20 different people to one homestay, and let's say it's a homestay that does the job well. Then they become the champions to improve things around that region, and so on. So we can think a little imaginatively, a little differently. So that is how I would think about skilling. I think there is an opportunity, because it doesn't require a lot of upgradation. I think it is just basic stuff.

Moderator: Well, it's time to bring this session to a close. It was in my view a very interesting session with very clear takeaways. I, for one, found that industry sees the need for more promotion of what the government is doing, and the government is more keen on engaging with industry and even recognises the service sector opportunities that Mr Nair very beautifully explained. So, I think we can end this discussion on a positive note. Once again, I thank all of you for having taken valuable time off for being part of this panel.