

E-Credible India: New Visa Power!

Jitendra Singh

*Assistant Professor, Nims School of Hotel & Tourism Management, Nims University Jaipur
(Rajasthan)*

ABSTRACT

Beginning in January 2010, India instituted a visa on arrival program for 11 countries (New Zealand, Finland, Luxembourg, Japan, Indonesia, the Philippines, Singapore, Cambodia, Laos, Myanmar, and Vietnam). One provision of the visa which introduced some difficulties was that the visa only allowed for a single entry in a 60 days period. However, positive results did occur as a result of the program. In 2010, the combined arrivals from these 11 countries increased 10.6%, with arrivals increasing from all but Myanmar. This program is estimated to have accounted for 3.7% of the combined growth in arrivals from these markets in 2010. A report by World Travel and Tourism Council says the country's economic contribution from tourism in the country is expected to grow by 7.3% in 2014 which will outperform the general economy by 2.5 percentage points. December 2014 registered a growth of 421.6 per cent with 14,083 e-visas issued as compared to 2,700 in the same month of 2013. Similarly, January saw a growth of 1214.9 per cent with 25,023 tourists availing e-visas as compared to 1,903 during January 2014.

With Indian emerging as big globetrotters and spenders on overseas travel, industry pundits estimate that the number of Indians travelling abroad will touch 50 million by 2020 and their spending will cross \$28 billion by then, up from 15 million and \$15 billion in 2013.

Keywords: WTTC, e-visa, e-tourist, Ministry of Home Affairs, Airports Authority of India, G20 economies, VoA (Visa-on Arrival)

INTRODUCTION

The flow of people across national borders is governed by the entry policies of sovereign States. There is no international law or agreement that requires States to have open borders. While the non-binding Universal Declaration of Human Rights declares that citizens should have the right to freely exit and re-enter their home countries, there is no such standard that declares citizens of a foreign State have the right to freely enter the sovereign territory of another. States have, therefore, the sovereign right to control the access of foreign nationals to their territories - notably by means of visa policies - which they have the authority to determine freely, unilaterally, or in cooperation with other States

THE FUNCTIONS OF VISAS

- a. Security
 - b. Immigration control
 - c. Limitation of entry, duration of stay and activities
 - d. Revenue generation
 - e. Reciprocity
 - f. Carrying capacity / control of demand
- a. Security:** In an era of globalisation and increasing movement of people, States are confronted with the challenge of balancing national security and immigration concerns on one hand, while promoting economic activity and fostering political relations on the other. Visas play an important regulatory role that both physically and economically protects a nation's citizens and its visitors. Policy makers overwhelmingly list security as the top priority of visa policies. By requiring visas, the State is afforded the time and opportunity to deny undesirables access to the border before any attempt to enter the country. This allows the State to deny access to potential physical security threats (e.g. someone who wishes to do harm to citizens of the State), threats to public health (e.g. preventing the spread of

disease), and/or threats to the political health or social stability of the State. The border is the last physical line of defence against security threats from outside the State. Yet, even if a visa is granted, the State may still deny entry at the border.

- b. Immigration control:** Visa policy also allows States to protect the national labour force by preventing illegal immigrants or grant access to high value foreign labour which in turn promotes the economic welfare of the State. There is also a further security concern among policy makers in that illegal immigration has been often associated with illicit activities and social tensions. Among the major concerns are visitors overstaying or otherwise violating the terms of their visa (e.g. working in the host country while on a student visa)
- c. Limitation of duration of stay and activities:** In addition to the validity period of a visa, the visa can restrict the allowable number of entries during the validity period of the visa. Visas may also stipulate how long the holder may stay in the issuing country which may range from days to the entire validity period of the visa. Visas can also restrict the allowable activities of the holder of the visa, for example the holder of a tourist or student visa is typically restricted from working in the issuing country.
- d. Revenue generation:** The issuing of visas also provides a means of raising revenue for the State. While the costs of administering the visa program can be considerable, they can be outweighed by the revenue stream from visa fees.
- e. Reciprocity:** Visa policy can also be defined by a country's law or national prerogatives. In some cases, a country will impose a visa on another because the other country requires a visa of the issuing country's citizens – a policy known as 'reciprocity'. In addition, visas can be used as an incentive to encourage support of a country's foreign policy or retaliation in the case of disagreement.
- f. Carrying capacity / control of demand:** Countries furthermore use visas to limit the number of tourists to their country for capacity reasons. These include avoiding the destruction of the physical, economic, or socio-cultural environment and an unacceptable decrease in the quality of visitors' satisfaction

VISAS AND TOURISM

While visa policies are aimed mostly to fulfil these functions, they also produce an impediment to travel and tourism, a sector which is an engine of growth for these economies. The costs to visa applicants, both the direct monetary cost and indirect costs such as wait times and travel expenses associated with obtaining a visa, are often a deterrent to would-be travellers and divert demand to other destinations. Wait times have become particularly detrimental as many destinations are increasingly implementing streamlined processes and travel booking windows have significantly shortened. For example, a 2010 report, "Europe: Open for Business?" issued by the European Tour Operators Association (ETOA), concluded "...Europe is losing business because of administrative inefficiency in visa processing." While fully recognizing the sovereign right of States to control the access of foreign nationals to their territories, the goals of this report are to: "Security is job number 1." "...both for the country and the industry." "Easy and hassle-free availability of visas is one of the basic ingredients for attracting foreign tourists."

- a) Quantify the potential impacts of visa facilitation policies and procedures on tourism demand and job creation in the G20 economies; and
- b) Identify policy opportunities that would facilitate travel to G20 destinations while preserving the critical functions of visas.

TOURIST ARRIVALS: HAS E-VISA HELPED?

The decrease in numbers from Japan, New Zealand, Philippines and Indonesia suggests that the e-visa system has resulted in no tourism boom. The number of tourists availing of electronic tourist visa (e-TV) from Japan, New Zealand, Singapore, the Philippines and Indonesia could tell a story the government might have missed. These countries were among the 12 moved from a visa-on-arrival (VoA) platform (which enabled tourists to land in India without any prior paperwork) to e-TVs (for which a tourist has to complete the paperwork in his home country but which helps in grant of tourist visa within 96 hours).

Data on tourists from these countries show after the e-visa facility was extended; the number of arrivals has dropped for four of the five countries named. While the number of tourists from Japan, New Zealand, the Philippines and Indonesia during December 2014 to April 2015 declined, compared to the previous period (when visa on arrival was applicable), the number of tourists from Singapore has risen marginally. Under the VoA policy, these were among the countries accounting for a considerably large number of tourists to India, with healthy year-on-year growth

Table: 1

Country	VOA 2012-13 (Dec-Apr)	2013-14 (Dec-Apr)	Tourist Arrivals (e-TV) 2014-15 (Dec-Apr)
Japan	3,329	2,718	1,987
New Zealand	1,796	2,246	2,201
Singapore	979	1445	1540
Philippines	1,118	1,539	1,461
Indonesia	1,247	1,538	950
Finland	564	607	911
Vietnam	102	102	238
Myanmar	54	169	201
Luxembourg	73	77	105
Cambodia	67	67	18
Laos	04	07	06

SPECIOUS GROWTH

Table: 2

Month	2013(VoA)	2014(e-TV)	% Change
December	2,700	14,083	421.6
January	1,903	25,023	1,214.9
February	1,980	24,985	1,161.9
March	1,958	25,851	1,220.3
April	2,167	19,139	7,83.2

(Source: Ministry of Tourism, **VoA**: Visa- on Arrival, **e-TV**: Electronic Tourist Visa)

Some countries with a lower base, such as Cambodia and Laos, have shown a decline in tourist numbers in December 2014-April 2015 (this coincided with a switch from visa-on-arrival to e-visa). However, Finland, Vietnam, Myanmar and Luxembourg, countries with a low base of tourists to India, have shown an increase after the visa was introduced. But the tourism ministry maintains there's been 1,000 per cent year-on-year growth in tourist numbers in three of the five months since introduction of the e-visa regime. The government data is based on a comparison between tourist arrivals from the 12 countries that had a visa-on-arrival system till November 2014 with those from 46 countries for which e-visa has been allowed subsequently. An expert said introduction of e-visa "hadn't led to a boom in tourism through government numbers suggested so".

The e-TV facility was introduced in India in November 2014 for 46 countries, now grown to 76 countries. Official data, suggesting a 1,000 per cent rise in tourist numbers, fallaciously compares the visa on arrival and e-tourist visa platforms. The confusion extends to nomenclature, too. E-tourist visas were earlier called Tourist Visa on Arrival enabled by Electronic Travel Authorisation; politicians and bureaucrats often termed these 'tourist visa on arrival'. The confusion in the name led to deportations, too. "There have been many instances in which people had to be deported because of the assumption of the new policy being the same as the VoA (visa on arrival) policy. A friend from New Zealand flew down after the VoA policy had been scrapped. As he was without the required paperwork, he was deported, 'said Subhas Goyal, president Indian Association of Tour Operators. Since then these visas were renamed e-tourist visa and the VoA facility was formally scrapped.

India-bound flights had been instructed not to let people board without e- tourist, Mr.Goyalsaid. According to documents reviewed by Business Standard, in the five months since the introduction of e-visas, about 32,000 tourists from the US alone visited India. Together, the 12 countries in the now-defunct VoA list sent about

19,000. In 2013, India recorded about seven million foreign tourist arrivals, with over a million from the US. The government's 1,000 per cent increase in figures can be simply traced to the addition of countries with a history of higher tourist inflow to the e-TV list. "The e-tourist visa performs the role of a facilitator; it is not a means unto itself for increasing foreign tourist arrivals. Unless the country's infrastructure and tourism is promoted to international standards, it will not amount to much. Since a large portion of the tourists from Japan were solo female travellers and female groups, Japan's marked decline in particular could be attributed to the perception of India being unsafe," said an analyst.

In the past five months, the top five countries in terms of tourist arrivals are the US, Germany, Russia, Australia and Ukraine. But documents reviewed by this newspaper show 14 per cent of those from the US who were granted e-visas to India have dropped their plans. Germany follows with 12 per cent; nine per cent of Russians decided against visiting India after e-visa approval. "The new e-tourist visa policy encourages the impulse of travelling to India at a moment's notice," says Parvez Dewan, former tourism secretary, under whom the e-visa policy was formalised. Perhaps that is the only silver lining, as foreign tourist arrivals invariably translate into foreign exchange inflow.

E-TOURIST VISA FACILITY IS AVAILABLE FOR HOLDERS OF PASSPORT OF FOLLOWING COUNTRIES

Table: 3

S.No.	Name of Country	S.No.	Name of Country
1.	Anguilla	39.	Luxembourg
2.	Antigua & Barbuda	40.	Marshall Islands
3.	Australia	41.	Mauritius
4.	Bahamas	42.	Nauru
5.	Barbados	43.	Nicaragua
6.	Belize	44.	Mexico
7.	Brazil	45.	Micronesia
8.	Cambodia	46.	Montenegro
9.	Canada	47.	Montserrat
10.	Cayman Island	48.	Myanmar
11.	Chile	49.	Nauru
12.	Cook Islands	50.	New Zealand
13.	Costa Rica	51.	Nicaragua
14.	Djibouti	52.	Niue island
15.	Dominica	53.	Norway
16.	Dominican Republic	54.	Oman
17.	Ecuador	55.	Palau
18.	El Salvador	56.	Palestine
19.	Estonia	57.	Papua New Guinea
20.	Fiji	58.	Paraguay
21.	Finland	59.	Philippines
22.	France	60.	Republic of Korea
23.	Georgia	61.	Republic of Macedonia
24.	Germany	62.	Russia
25.	Grenada	63.	Saint Christopher and Nevis
26.	Guyana	64.	Samoa
27.	Haiti	65.	Singapore
28.	Honduras	66.	Solomon Islands
29.	Indonesia	67.	Sri Lanka
30.	Israel	68.	Thailand
31.	Japan	69.	Tonga

32.	Jordan	70.	Tuvalu
33.	Kenya	71.	UAE
34.	Kiribati	72.	Ukraine
35.	Laos	73.	USA
36.	Latvia	74.	Vanuatu
37.	Liechtenstein	75.	Vatican City-Holy See
38.	Lithuania	76.	Vietnam

On 27 November 2014 the Electronic Travel Authorisation facility became operational for citizens of over 40 eligible countries, including those who are eligible for visa on arrival. ETA is issued for tourism, visiting friends and family, short duration medical treatment and business visits. The scheme was renamed to e-Tourist Visa (e-TV) on 15 April 2015 to avoid confusion.

The application for e-Tourist Visa must be made minimum 4 days in advance of the date of arrival. Visa is valid for 30 days from the date of arrival and can be obtained twice in a calendar year. e-TV is issued for a non-refundable fee of USD 60 plus bank fees.

E-TOURIST VISA ALLOWS ARRIVAL AT THE FOLLOWING 09 AIRPORTS

Table: 4

S.No.	Airport	State
1.	Bengaluru	Karnataka
2.	Chennai	Tamil Nadu
3.	Delhi	Delhi
4.	Goa	Goa
5.	Kochi	Kerala
6.	Kolkata	West Bengal
7.	Mumbai	Maharashtra
8.	Hyderabad	Andhra Pradesh
9.	Thiruvananthapuram	Kerala

Citizens of the following 76 countries and territories who hold ordinary passports are eligible to obtain the e-Tourist Visa (unless they are of Pakistani origin).

UPCOMING EXTENTION

The facility was planned to be extended to citizens of the following 31 countries (unless they are of Pakistani origin) on 15 June 2015. As of June 30, the announced changes have not yet been implemented. On June 30 the Government announced that the plan will be implemented "soon".

Table: 5

S.No.	Name of Country	S.No.	Name of Country
39.	Argentina	17.	Peru
40.	Armenia	18.	Poland
41.	Aruba	19.	Portugal
42.	Belgium	20.	Saint Lucia
43.	Colombia	21.	Saint Vincent & The Grenadines
44.	Cuba	22.	Slovenia

45.	Guatemala	23.	Spain
46.	Hungary	24.	Suriname
47.	Ireland	25.	Sweden
48.	Jamaica	26.	Tanzania
49.	Malaysia	27.	Timor -Leste
50.	Malta	28.	Turks and Caicos Islands
51.	Magnolia	29.	United Kingdom
52.	Mozambique	30.	Uruguay
53.	Netherlands	31.	Venezuela
54.	Panama		

China: Indian Prime Minister Narendra Modi on May 15 2015 announced an upcoming extension of the e-Tourist Visa facility for tourists from China

The facility was also planned to be expanded to 7 new airports — **Ahmedabad, Amritsar, Gaya, Jaipur, Lucknow, Tiruchi and Varanasi**. This also has not yet been implemented.

Eligibility

1. International Travellers whose sole objective of visiting India is recreation, sightseeing, casual visit to meet friends or relatives, short duration medical treatment or casual business visit.
2. Passport should have at least six months validity *from the date of arrival in India*. The passport should have at least two blank pages for stamping by the Immigration Officer.
3. International Travellers should have return ticket or onward journey ticket, with sufficient money to spend during his/her stay in India.
4. International Travellers having Pakistani Passport or Pakistani origin may please apply for regular Visa at Indian Mission.
5. Not available to Diplomatic/Official Passport Holders.
6. *Not available to individuals endorsed on Parent's/Spouse's Passport i.e. each individual should have a separate passport.*
7. *Not available to International Travel Document Holders*

E-VISAS BOOST TOURISM

Modi's overseas visits to strengthen international relations and trade have received extensive media exposure, resulting in heightened visibility for foreign destinations, and hence a potential inspiration to Indian tourists," said Shibani Phadkar, leisure travel (outbound) head, Thomas Cook India. The travel services firm saw 35% increase to destinations in Europe and the Australia-New Zealand belt.

1. 5.11 Lakh foreign tourists arrived in India in May 2015 compared to 4.68 lakh in May 2014, a growth of 9.2%
2. 33.32 lakh foreign tourist arrived in India in January-May 2015 compared to 32.15 lakh in January-May 2014, a growth of 3.6%
3. 1.10 lakh foreign tourists arrived on e-visa in January-May 2015 compared to 9,841 in January-May 2014, a growth of 1,024%
4. 15,659 foreign tourists arrived on e-visa in May 2015 compared to 1,833 in May 2014, a growth of 754%

TOP SOURCE COUNTRIES THAT AWAILED E-VISA

Foreign exchange earnings were \$1.39 billion in May 2015 compared to \$1.2 billion in May 2014, a growth of 15%. Foreign exchange earnings were \$8.2 billion in January-May 2015 compared to \$7.8 billion, a growth of 4%.

Table: 6

S.No.	Country	Availed E-Visa Share (Figure in %)
1.	USA	37.8

2.	Germany	9.4
3.	Australia	9.0
4.	Russian Federation	5.9
5.	Republic of Korea	4.3
6.	UAE	3.5
7.	Mexico	3.2
8.	Ukraine	3.0
9.	Japan	2.9
10.	Singapore	2.4

(<http://timesofindia.indiatimes.com/business/india-business/Globetrotting-Modi-e-visas-boost-tourism>)

CONCLUSIONS

An extensive analysis of case studies reveals that visa facilitation has historically increased international tourist arrivals of affected markets by 5-25% following the implementation of policy changes. The actual gain depends largely on the specific visa facilitation actions taken and the markets affected. UNWTO and WTTC commissioned Tourism Economics to develop a model to estimate the potential gains that the G20 economies can realize through the implementation of visa facilitation policy reforms over the period 2013-2015. The model is based on the benefits observed in historic policy changes in relevant case studies. In a low impact scenario, the G20 stands to gain 20 million additional international tourists by 2015. This would generate an additional income of US\$38 billion in international tourism receipts (exports) and create 560,000 additional jobs directly in the tourism sector. In the high impact scenario, the G20 would gain 112 million additional international tourists by 2015, representing US\$206 billion in additional receipts and creating 3.1 million additional direct tourism-related jobs. The two scenarios indicate gains in tourist arrivals of 3% and 16%, respectively and an increase in international tourism receipts of 4% and 21%, above the baseline forecast in 2015. Total job creation (including direct, indirect and induced impacts) would total 940,000 in the low impact scenario and 5.1 million in the high impact scenario by 2015

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