

Chapter - 2

Introduction

1.1. Survey on Hotels and Restaurants in Nagaland.

The Department of Economics & Statistics, Government of Nagaland is the Designated Nodal Department for collection, compilation, analysis of statistics relating to various sectors in the state. Over the years, the Department has been conducting surveys and studies on subjects of importance for planning and development purposes by considering data needs and relevance. The hotel & Restaurant industry in Nagaland thrives largely due to the growth in travel and tourism industry, which not only provides employment opportunities to the unemployed but also contributes a significant source to the state economy. Nagaland is endowed with unique ecosystem, natural scenic beauty and has rich cultural heritage which attract tourists and subsequently benefits the hotel & restaurant industry. The booming of tourism industry has cascading effect on the state economy.

This is one of the project funded by “Support for Statistical Strengthening”(SSS) Scheme under Ministry of Statistics & Programme Implementation to strengthen the Statistical System in the State.

The core objectives of the SSS scheme are as under:-

- a. Improving the coordination and Management of Statistical Activities in the States/UTs
- b. Human Resource development.
- c. Investing in Physical Infrastructure, including Information Technology, and
- d. Improving Statistical Operations, especially those supporting the cause of improvement in the quality and dissemination of statistical data.

The immediate need of the survey is to develop methodologies for improving SDP (State Domestic Product) and DDP (District Domestic Product) for robust estimation of SDP and DDP. Keeping this in mind, the Department of Economics and Statistics conducted survey on Hotel & Restaurants in the State to study this sector and its impact on the economy with regard to employment and income generation. The survey started in the month of January 2020. Field work, submission and scrutiny of data and Data entry were completed in the month of March 2020. The Survey covered all the 11 districts of Nagaland. Some Officials in the Directorate were entrusted to supervise and monitor the progress of the survey. At the District level, the District Economics & Statistics Officer in their respective districts supervised the enumerators for data collection.

1.2 Definitions:

1. **Hotel:** A hotel provides temporary lodging, accommodation with or without arrangements for meals, other prepared food and refreshments. Such accommodation may be provided in furnished or in unfurnished rooms. Hotels may also provide room service, lounge facilities, conference room, entertainment and other facilities. However, Homestay, Guest house & hostels run by educational institutions and other private agencies are excluded from the purview of the survey.

2. **Restaurant:** A restaurant is generally an eating place where prepared meals, other food and refreshments and snacks are sold for immediate consumption without any provision for lodging. Bakeries, ice-cream parlours and Hostel mess and canteens run by educational institutions, factories, hospitals, companies etc. are excluded from the survey.

3. **Tea and Snack Stall:** Tea and snack stalls provide tea, coffee, drinks and Snacks only and are functioning in permanent structures. Those shops which do not have a fixed/permanent structure and selling eateries are not included in the Tea and snack stalls.

4. **FSSAI:** The Food Safety and Standards Act, 2006 was enacted to:(i) Consolidate multiple laws in the country relating to food safety.(ii)Establish a single point reference system(iii)Establish the **Food Safety and Standards Authority of India (FSSAI)**. It is an integrated food law that lays down standards and guidelines for consumer safety, Protection of consumer health and regulation of the food sector.

5. **Nagaland shops and Establishments Act 1986:-** The Act Provides for regulation of conditions of work and employment in shops and commercial establishments/establishments for public entertainment or amusement such as Hours of work, Leave, Wages, Employment of children and Women, Health & Safety and Offences, Penalties and Procedures. Under the Act, there is a provision that every employer shall be obligated to register his shop and Establishment. The registration shall be renewed every twelve months. On any registration, a certificate shall be issued to the employers by the chief inspector of shops and establishments or by persons entrusted for such matters.

6. **Beverages:-**It includes any potable liquid to consume, usually excluding water. Beverages may include tea, coffee, milk, juice, soft drinks etc.

7. **Rent:** - is any payment to an owner or factor of production in excess of the costs needed to bring that factor into production. Property (such as a house) rented or for **rent**, usually a fixed periodical return made by a tenant or occupant of property to the owner for the possession and use thereof especially: an agreed sum paid at fixed intervals by a tenant to the landlord.

8. **Leased:** - a contract by which one conveys real estate, equipment, or facilities for a specified term and for a specified rent

9. **Finance:-**is defined as the management of money and includes activities such as investing, borrowing, lending, budgeting, saving, and forecasting. Financial Aspect projects how much start-up capital is needed, sources of capital, returns on investment, and other financial considerations. It looks at how much cash is needed, where it will come from, and how it will be spent.

10. **Repair and Maintenance:** - means work required to keep existing improvements in their existing operational state. This does not include any modification that changes the character, scope, or size of the original structure, facility, utility or improved area.

11. **Expenditure:** Expenditure is funds used by a business, organisation, or corporation to attain new assets, improve existing ones or reduce liability. In other words, it's the use of a resource in the operations of business.

12. **Income:** Income is the revenue a business earns from selling its goods and services or the money an individual receives in compensation for his or her labour.

13. **Opening Stock:** can be described as the initial quantity of any product/ goods held by an organization during the start of any financial year or accounting period.

14. **Closing Stock:** Closing stock or inventory is the amount that an Organization still has on its hand at the end of a financial period. This inventory may include products which are getting processed or are produced but not sold.

15. **Working Capital:** Working Capital means the total capital locked up in stock of food, refreshments, drinks and other materials for use of the enterprise and amount receivable and amount payable.

16. **Total capital locked up** also includes various stores and spares, other provisions for raw vegetables and other items, soft drinks, crockery, cutlery, glassware and other utensils, blankets and other furnishing materials of durable and semi-durable nature excluding fixed assets. Convert the stock in terms of Money.

17. **Amount Receivable** is the amount which the Company owes from the Customer for selling its goods or for providing the Services and is classified as current asset e.g. Customers unpaid Bills. Whereas, **Amount payable** is the amount owed by the company to its supplier when any goods are purchased or services are availed and is classified as Current liability.

18. **Fixed assets:** Fixed assets include the assets of the units Vehicles, Machinery and Equipments, Other fixed assets like furniture and all other equipments, new or used, that have a normal economic life of more than one year from the date of purchase regardless of their use. The value of the assets, whether fully paid or not, owned by the unit is determined on the basis of monetary value the asset can fetch in the present condition.

19. **Total Emoluments:** This include salaries, wages and allowances etc., bonus paid and value of benefits, if any, provided to all non-hired employee

1.3. The Survey excludes the following sectors

1. Home stay, guest house & hostels managed by educational institutions and other private agencies.
2. Bakeries, ice-cream parlours and Hostel messes and canteens run by educational institutions, factories, hospitals, companies etc.
3. Government Hotels and Restaurants, Government Guest house, Perennial and Seasonal Private Guest House.
4. Government office canteen, educational managed canteen (Private and Government) and Hospital Canteen (both Private and Government).
5. Government Ownership and Government managed Hotels and Restaurants.
6. Those shops which do not have a fixed/permanent structure and selling eateries are excluded in the Tea and snack stalls.

1.4. Objectives of the survey

The main objective of the Survey is to ascertain:

- i. The total number of Hotels, Restaurants and Tea & Snacks stalls separately.
- ii. The activities of these enterprises.
- iii. Employment generation and number of migrant labourers in this sector.
- iv. The monthly and annual income and expenditure of these enterprises.

1.5. Participants

- i. Directorate of Economics & Statistics
- ii. District Economics & Statistics Office
- iii. Media.
- iv. Staff & Owners of Hotels, Restaurant & Tea and Snacks Stall

1.6 Area of Coverage-48 Towns / Urban Areas

| Sl No. | District/ Town | No. of Hotel Covered | No. of Restaurant Covered | No. of Stall Covered |
|-------------------------|------------------|----------------------|---------------------------|----------------------|
| Mon District | | | | |
| 1 | Mon Town | 5 | 22 | 23 |
| 2 | Aboi Town | | 4 | 2 |
| 3 | Tobu Town | | 4 | 2 |
| 4 | Naganimora Town | | 6 | 6 |
| 5 | Tizit Town | | 9 | 5 |
| Dimapur District | | | | |
| 6 | Dimapur Town | 55 | 121 | 13 |
| 7 | Chumukedima Town | 3 | | |
| 8 | Medziphema Town | | 41 | |
| Kiphire District | | | | |
| 9 | Kiphire Town | 2 | 8 | 1 |
| 10 | Pungro Town | | | 1 |
| Kohima District | | | | |
| 11 | Kohima Town | 22 | 83 | 56 |
| 12 | Sechu Zubza | | 13 | 1 |
| 13 | Jakhama Town | | 3 | 4 |

| | | | | |
|----------------------------|-------------------|---|----|----|
| 14 | Botsa Town | | 6 | 2 |
| 15 | Tseminyu Town | | 3 | 6 |
| 16 | Chiephobozou Town | | 4 | 1 |
| Longleng District | | | | |
| 17 | Longleng Town | 2 | 2 | 4 |
| Mokokchung District | | | | |
| 18 | Mokokchung Town | 5 | 38 | 13 |
| 19 | Tuli Town | 2 | 7 | 3 |
| 20 | Chantongya Town | | 3 | 5 |
| 21 | Mangkolemba Town | | 4 | |
| 22 | Ongpangkong Town | | 6 | |
| Peren District | | | | |
| 23 | Peren Town | 2 | 3 | 15 |
| 24 | Jalukie Town | 3 | 7 | 10 |
| 25 | Tening Town | | 2 | 2 |
| 26 | Ahthibung Town | | | 1 |
| Phek District | | | | |
| 27 | Phek Town | 6 | 15 | 16 |
| 28 | Pfutsero Town | 1 | 9 | 2 |
| 29 | Chizami Town | 1 | 1 | 3 |
| 30 | Chozuba Town | | 3 | 3 |
| 31 | Zuketsa Town | | 1 | |
| 32 | Meluri Town | | 4 | 3 |
| Tuensang District | | | | |
| 33 | Tuensang Town | 4 | 15 | 17 |
| 34 | Noklak Town | | 1 | 4 |
| 35 | Longkhim Town | | 2 | 1 |
| 36 | Chare Town | | 6 | 3 |

1.7. Methodology

The survey study is based on Primary data collected directly from respondents using schedules and interviews from all the 11 districts of Nagaland. The details of establishments such as year of establishment, type of ownership, nature of activity, facilities, employment, financial aspects etc. were collected from these institutions through direct enquiry method by the Enumerators under the supervision of District Economics and Statistics Officer in their respective Districts.

1.8. Limitations

1.8.1. Some of the Hotels and Restaurants in some districts were not covered in the survey due to non cooperation from the management and also non availability of proper record. However, best efforts were made to ensure data reliability and accuracy during data collection.

1.8.2. Due to paucity of time and lack of resources, the survey could not cover rural areas and only those Hotels, Restaurants & Tea & Snacks Stalls located in urban area were captured.

1.8.3. Financial Aspects on expenditure and income were captured for only two financial years i.e. 2017-18 and 2018-19.

1.8.4. In the working capital section, total capital locked up, opening stocks and closing stocks could not be captured due to non maintenance of proper record .As such, the opening and closing stocks was replaced by opening and closing balance.

1.8.5. In some of the establishments, the owner did not employ any staff and instead worked as self –employed .Hence, there might be some variation in the Employment Section.

1.8.6. The survey could not be completed in the stipulated time due to sudden outbreak of COVID-19 pandemic crisis.

1.9. Presentation

The survey findings presented in the following report are categorised into three Sectors

1. Section – I Hotels
2. Section – II Restaurants
3. Section – III Tea & Snacks Stalls
4. Section – IV List of Tables

Statement below presents the number of Units covered by type.

| SI No. | Type | Number of units |
|----------|--------------------|-----------------|
| 1 | Hotels | 127 |
| 2 | Restaurants | 514 |
| 3 | Tea & Snack Stalls | 273 |
| 4 | Total | 914 |