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A Study on Growth of Tourism Industry in India

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Abstract: Tourism is the largest industry in the world and has the potential to assist significant number of people especially the unskilled labour force. It plays an important role in sustaining national economy. Certain characteristics of tourism such as its labour intensive nature, inclusion of women and unskilled workforce, its dependence on the natural and cultural assets, largest source of foreign exchange earning etc., has forced nations to explore their tourism potential with a view to earn profit out of it. The importance of tourism has been increasingly realized because of its social, economic, political cultural and aesthetic implications. Economic importance of tourism could be studied in relation to its contribution to increase in income, foreign exchange earnings, employment, return on investment, conservation of resources etc., tourism as an industry is of vital importance as a tool for rapid economic development in developing countries. More and more attention is therefore given to the development of this industry. This paper is an attempt to analyze trend and growth of foreign tourist and domestic tourist arrivals, to analyze foreign exchange earnings from tourism and recent policy measures to boost number of tourist arrivals in India.

Keywords: Foreign and Domestic Tourists Arrivals, Foreign Exchange Earnings, e-tourist visa scheme.

I. INTRODUCTION

Tourism is a major phenomenon of the modern society, which has emerged as an economic activity of an immense global importance. Tourism has found a niche for itself as an effective, instrument for generating employment, earning revenue and foreign exchange, enchanting environment preservation of the culture and tradition and there by facilitating overall development.

II. TOURISM PRODUCT

A tourism product can be defined as the sum of the physical and psychological satisfaction it provides to tourists during their traveling en route to the destination. The tourist product focuses on facilities and services designed to meet the needs by individual providers of services like hotel Companies, airlines, travel agencies, etc. The basic determinants of success in the field of tourism can be grouped in to the following broad sectors.

- * Attractions
- * Accessibility
- * Accommodation
- * Amenities

Attraction

Of these four basic components of a tourist product, attraction is very important. Unless there is an attraction, the tourist will not be motivated to go to a particular place. Attractions are those elements in a product, which determine the choice made by particular tourist to visit one particular destination rather than another. The attractions could be cultural, like sites and areas of archaeological interest, historical buildings and monuments, flora and fauna, beach resorts, mountains, national parks or events like trade fairs, exhibitions, arts and music festivals, games, etc. However, the attractions tourism is, to a very large extent, geographical in character. Location and accessibility (whether a place has a coastal or inland position and the ease with which a given place can be reached) are important.

Accessibility

It is a means by which a tourist can reach the area where attraction is located. Tourist attraction of whatever type would be of little importance if their locations were inaccessible by the normal means of transport. A Tourist in order to get to his destination needs some mode of transport. This mode may be a motorcar, a coach, an aeroplane, a ship or a train, which enables him to reach his predetermined destination. If tourist destinations are located at places where no transport can reach or where there are inadequate transport facilities, they become of little value. The tourist attractions, which are located near the tourist-generating markets and are linked by a network of efficient means of transport, receive the maximum number of tourists.

Accommodation

The accommodation and other facilities complement the attractions. Accommodation plays a central role and is very basic to tourist destinations. World Tourism Organization in its definition of a tourist has stated that he must spend at least one night in the destination visited, to qualify as a tourist. This presupposes availability of some kind of accommodation. The demand for accommodation away from one's home is met by a variety of facilities.

Amenities

Facilities are necessary aids to the tourist center. For a seaside resort, facilities like swimming, boating, yachting, surf riding, and other facilities like dancing, recreation and other amusements are important for every tourist Center. Amenities can be of two types; natural, e.g. beaches, sea-bathing, possibilities of fishing, opportunities for climbing, trekking, viewing, etc. and man-made, e.g. various types of entertainment and facilities which cater to the special needs of the tourists. Excellent sandy beaches, sheltered from sunshine with palm and coconut trees and offering good bathing conditions form very good tourist attractions. Certain other natural amenities such as spacious waters for the purpose of sailing, or the opportunities for fishing and hunting are also very important.

This study is not only covered infrastructural facilities like accommodation, transportation and communication, but also emphasized the latest break-through in communications such as the use of web sites, tele-booking, computerized reservation system in the sphere of tourism.

The major objectives of the study is to study the trend of foreign and domestic tourist arrivals in India, to analyse foreign exchange earnings from tourism in India and to analyse recent initiatives taken by the government to develop tourism industry in India.

The present paper is based on secondary data which have been collected from various sources like published and unpublished sources, government official web sites, magazines, journals and news paper.

Being a vast country, India provides a variety of attractions for tourists' interest for the both Indian as well as foreigners all over the world. India has enormous tourism is a well-known facts, world-known historical monuments, temples, snow-covered mountains beautiful beaches, highly diversified wildlife and rich cultural heritage speak volumes of our immense potential.

Tourism industry in our country serves as an important means to increase economic growth, raise quality of life, create employment and improve the overall balance of payment position by helping to offset deficit in other sectors. The following figures explain that the trend value of foreign tourists and domestic tourist arrivals in India during 2001-2016. It gives a clear picture about the continuous growth of tourist arrivals in India and the figures show that the tourist arrivals took a sharp increase from 2003 to 2016 and this trend is expected to remain permanently because of the initiatives taken by the government like e-tourist visa and other facilities.

Figure:1

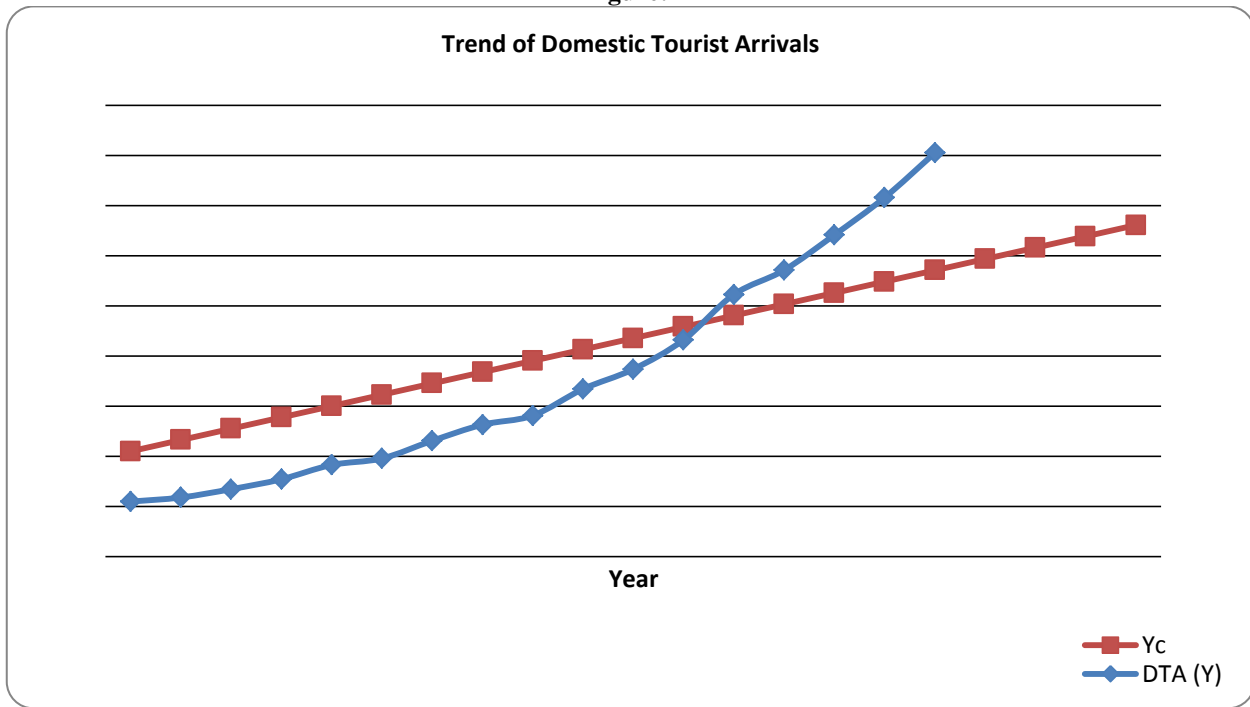
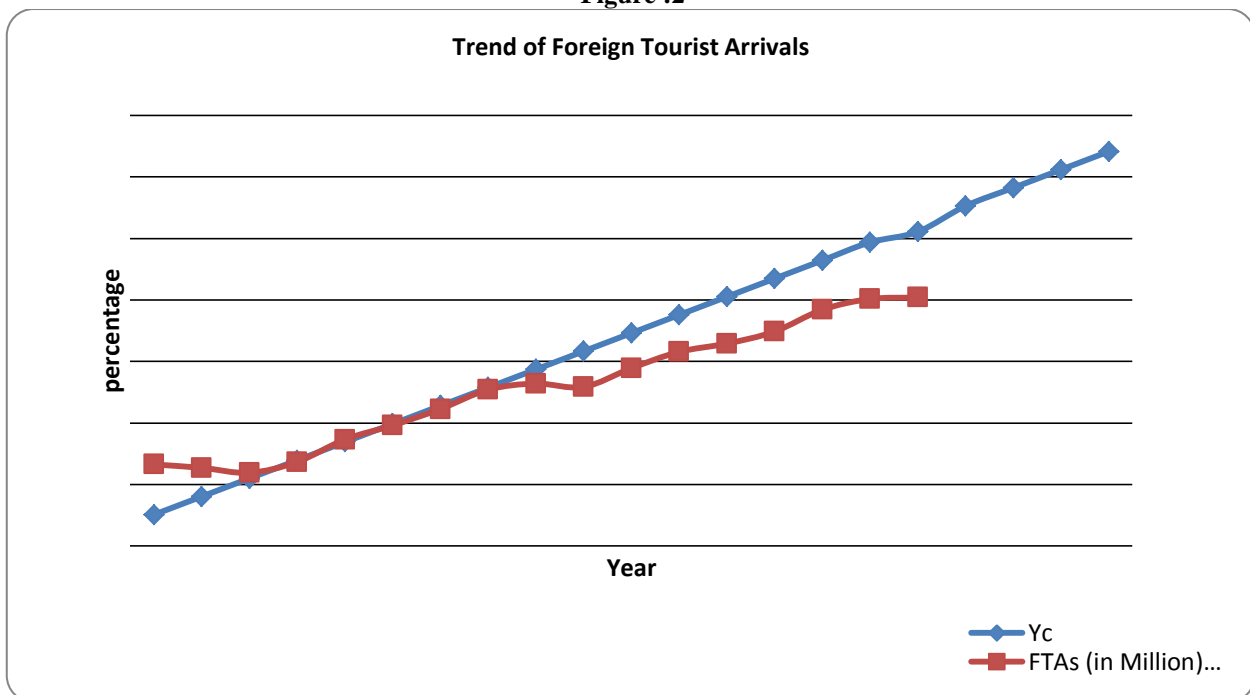


Figure :2



III. ECONOMIC IMPACT OF TOURISM IN INDIA

Tourism has major economic significance for a country. The receipts from international tourism are a valuable source of earning for all countries. Visitor spending generates income for both public and private sectors, besides affecting wages and

employment opportunities. Although tourism is sensitive to the level of economic activity in the tourist-generating countries, it provides more fixed earnings than primary products. The income from tourism has increased at a higher rate than rate than merchandise export in a number of countries especially in countries having a low industrial base. The major economic benefit in promoting the tourism industry is in the form of earning foreign exchange. Income from these foreign exchange earnings adds to the national income and, as an invisible export, may offset loss of the visible trading account and be of critical importance in the overall financial reckoning.

Without any doubt, tourism is growth and drastically reducing unemployment in our country. Currently, it is the largest foreign exchange earner for our country. The development of the tourism industry on a priority basis is the need of the hour.

The following table explains the foreign exchange earnings by Indian tourism during the year 2001-2015.

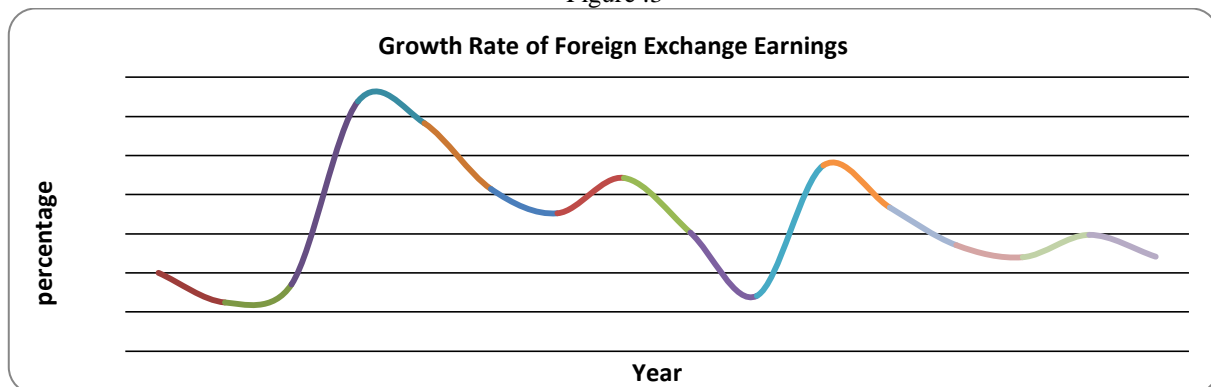
Table.1 Foreign Exchange Earning from Indian Tourism

Year	FEE (in US \$million)	Growth rate
2001	3198	--
2002	3103	-2.97
2003	4463	43.83
2004	6170	38.25
2005	7493	21.44
2006	8634	15.23
2007	10729	24.26
2008	11832	10.28
2009	11136	-5.88
2010	14193	27.45
2011	16564	16.71
2012	17737	7.08
2013	18445	3.99
2014	20236	9.71
2015	21071	4.13

Source: Ministry of Tourism

The above table shows that the foreign exchange earnings from tourism in India during 2001-2015. There has been uninterrupted growth in the foreign exchange since the year 2001. In the year 2002 there was a slight change in the earnings, after there was a continuous growth in foreign exchange earnings. The observation being made in the context with the inflow of tourists in India is the increase in the volume of foreign exchange. This with regard to the overall increase in the volume of foreign exchange does not reflect the proportion of the increase in the total exchange reserve of India.

Figure :3



IV. MAJOR INITIATIVES

The government of India has taken various initiatives through policy interventions and by enabling infrastructure development to make 'Incredible India'. As a result of these initiatives, the sector has registered a phenomenal growth in domestic tourists, foreign tourist arrivals, foreign exchange earnings and employment.

Hundred percent FDI is permitted through automatic route for all construction development projects such as construction of hotels, resorts, recreational facilities, city and regional infrastructure.

The e-tourist visa scheme previously known as Tourist Visa on Arrival enabled with the Electronic Travel Authorization, was launched on 27th Nov 2014 for nationals of 43 countries. Before to launch the scheme the e-TV facility was available for nationals of 12 countries only. On Feb 2016, 150 countries are covered under the scheme. This facility is available at 16 airports namely Delhi, Mumbai, Chennai, Kolkata, Hyderabad, Bangalore, Thiruvananthapuram, Kochi, Goa, Varanasi, Gaya, Ahmedabad, Amritsar, Trichy, Jaipur and Lucknow. The percentage shares of top 10 source countries availing e-tourist visa facilities during 2016 are as follows:

Table:2 Percentage shares of top ten countries & the percentage share of top 10 ports in tourist arrivals on e-TV in 2016

Countries	% share	Ports	% share
USA	23.2	New Delhi	42.15
UK	14.1	Mumbai	22.94
China	6.9	Bangalore	9.95
Australia	5.6	Chennai	9.80
France	4.1	Hyderabad	3.76
Germany	4.0	Kochi	3.52
Canada	4.0	Kolkata	2.72
Singapore	2.6	Ahmedabad	1.16
Malaysia	2.5	Trichy	1.15
Spain	2.4	Trivandrum	1.08

Source: Ministry of Tourism, Annual Report 2016

Ministry of Tourism has set up a Web-based Public Delivery System for Recognition of Travel Trade Service Providers and for classification of hotels in order to ease the process of filling applications by Travel Trade Service Providers seeking recognition from the ministry. This is also to bring transparency in granting the approvals.

The Ministry of Tourism launched a mobile application called Swachh Paryatan on 22nd Feb 2016, which will let citizens report any hygiene issues at various tourist destinations across the country.

The Ministry of Tourism launched Toll free Multilingual Tourist Helpline in 12 languages on 8th Feb 2016.

V. CONCLUSION

In modern times tourism plays an extremely vital role in the economic, social, cultural development of any country. It acts as a powerful agent of both economic and social change. It stimulates employment and investment and modifies economic structure and make positive contribution towards balance of payments. As already discussed, tourism has emerged as one of the world's largest industries and fastest growing sector of the economy. However, tourism is plagued by a number of factors like government apathy, poor infrastructure, lack of professionalism, low priority accorded to tourism. Because of these factors, India has failed to explore its vast tourism potential. It is time to redesign many of our tourism packages and undertake an aggressive media, policy to promote tourism.

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