

Present Scenario of Tourism in India and Trends in its Crucial Indicators

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Abstract—*Manila Declaration on World Tourism in 1980, recognized Tourism as an activity essential for the life of the nations. In the present scenario, Tourism is regarded as, one of the most globalised activity as it has been its direct effect on Social, Cultural, educational and economic sectors of the societies. Tourism as a chain of economic activities has a noteworthy role in enhancing the Economic structure of any country and its communities. The role of tourism has been addressed by planners and saw it as a source of income with higher taxation receivable amounts, currency absorption and improvements of social infrastructure that can lead to societal development. The performance of Indian tourism sector is outstanding. In 2017 the Foreign Tourist Arrivals (FTAs) grew up to 10.40 million with a Foreign Exchange Earnings (FEEs) of \$27,310 million. In the same year total contribution to GDP was 6.9% pa and total share direct & indirect to employment was 8 percent.*

The enduring ability of the tourism sector to advance economic growth and development makes important to catch the present scenario of the tourism industry of India. The study will try to gauge out the crucial indicators which have their pivotal effect on tourism, such as foreign tourist arrivals, foreign exchange earnings, total contribution of travel and tourism to GDP, and total contribution of travel and tourism to employment. The time series data will take the period of 2000 to 2017. The study is entirely based on secondary sources of data collected from the data base of India stat, and the report of Ministry of Tourism, Govt. of India. Besides these, help of books, journals, magazines, reports, periodicals, and published surveys related to the tourism industry will also be taken into account.

Keywords: *India; Tourism; Foreign Exchange Earnings; Employment; GDP.*

1. INTRODUCTION

Tourism an activity, which human beings carry out from a very long time. It has been accepted as vital agent for social, educational, spiritual and economic progress. To describe the meaning of tourism industry is not simple, as it is a composite industry, made up of diverse businesses, to deliver all facilities to travellers. As per the definition of UNWTO definition "Tourism comprises the activities of persons traveling to and staying in places outside their usual environment for not more

than one consecutive year for leisure, business and other purposes". The importance of Tourism and its widespread effects were recognized in the Manila Declaration (1980). It is considered as the life of the Nations because of its cogent effects on all economic sectors, through Multiplier and Investment effects. It affects the economy of the source as well as host countries. It is a significant, source of income generation for many countries as well (Ranjan et al., 2016). In India Tourism turns into a predominant leisure activity for both domestic as well as foreign tourists. The activities of these domestic and foreign tourists has both incoming and outgoing implications on a country's balance of payments. In 2017, travel and tourism continued the position of world's largest economic sectors. It created prosperity through creation of jobs and promotion of exports. In their report namely global economic impact of Travel & Tourism, showed that tourism accounted 10.4% of world GDP and 9.9% of total employment, (WTTC, 2018).

2. REVIEW OF LITERATURE

Nicole Vaugeois (2000) the service industry especially of tourism is a viable alternative for developing the economies of many third world economies. Jimenez, et al. (2009) that tourism is an important channel to enhance economic growth. Khatik, et al (2012) tourism industry in India is growing and it has vast potential for generating employment and earning large amount of foreign exchange. (Ohlan, 2017) tourism rouse economic growth earning foreign exchange reserves, stimulates investments promotes industrial development through spill over effects and creates jobs and enhance earnings.

3. OBJECTIVES

- The first objective of the paper is to Present Scenario of Indian Tourism.
- The second objective of the study is to gauge out the crucial indicators of tourism.

4. RESEARCH METHODOLOGY

The impact of Tourism on the Indian economy can be predicted by a dynamic aspects. In order to provide clear understanding of the above mentioned ideas, this study mainly uses the secondary data sources, collected from various organisations like World Travel and Tourism Council, Ministry of Tourism-GOI and data base of India Stat. In addition to these, data have also been composed from other trustworthy sources like reports of Ministry of Tourism & Statistics, Survey Reports of the government and other type of articles, journals and newspapers. The data analysis has been done through Micro soft excel and the trend line for the indicators is also draw by it.

5. PRESENT SCENARIO OF INDIAN TOURISM

In India, Tourism has emerged as one of the largest industry among the services sector with ample economic paybacks and enormous scope. It provides the stimulus to the development of other sectors such as agriculture, manufacturing, transport, accommodation etc. (Mishra et al. 2011). With the advent of technological development, and competitiveness in service-based industry, Tourism service in India is playing a vital role in contributing to gross domestic product (GDP), Foreign Exchange Earnings and creation of employment. In 2017 the Foreign Tourist Arrivals (FTAs) grew up to 10.40 million, with a Foreign Exchange Earnings (FEEs) of \$27,310 million. In the GDP, contribution of Tourism was 6.9%, in employment (direct as well indirect) share was 8 percent (Annual Report of Ministry of tourism Govt. of India). In the present scenario tourism is one of the vibrant sector in Indian economy. It is not only a significant contributor to these main macro-economic variables (such as GDP, foreign exchange, Employment) but serves as a cushion for the balance of payment of the country. It is an alluring tool for the economic growth and helps India to move away from the dependency of disguised un-employed agriculture sector. Tourism is considered as smokeless & non-polluting industry and can be accounted as the backbone for the other related services such as Transport, Travel,

Table 1 Share of tourism in employment from 1995-2017.

Year	% Share of total Employment	% Growth
1995	12.2	2.42
1996	11.8	-1.47
1997	12.4	5.65
1998	12.4	1.08
1999	12.4	1.62
2000	12.0	-1.71
2001	9.8	-15.51
2002	10.8	13.04
2003	11.2	7.01
2004	11.1	1.80
2005	9.4	-13.93
2006	9.4	0.69
2007	10.3	9.21

2008	8.5	-17.41
2009	8.0	-5.09
2010	7.8	-2.08
2011	7.9	2.75
2012	7.9	1.12
2013	7.9	1.35
2014	7.9	2.47
2015	7.9	1.58
2016	8.0	2.27
2017	8.0	2.68
Source: WTTC		

Communication, Accommodation, Recreation and Entertainment Institutions, Handicrafts business, etc. (Verma, 2011). Thus by identifying the prominence and worth of the Tourism sector for the economy. Indian Government has opened the doors for major nations of the world under the scheme of Visa on Arrival. Govt. also financed amply for the expansion in this sector under different programmes like Incredible India Campaign and visa on arrival scheme. These programmes showed the partially successful results on increase in foreign tourist arrivals over the last decade, courtesy (Mishra, et al 2013).

6. TRENDS OF CRUCIAL INDICATORS

Tourism is an organized industry with very large dimensions and benefits that scattered over large segments of the economy. It stimulates the growth of other economic sectors through multiplier and spill- over effects. The foremost economic benefits that can be obtained from well flourished tourism industry include total contribution of tourism to GDP, income generation, employment generation, generation of foreign exchange and other benefits to local industries, better standard of living, and a balanced regional development.

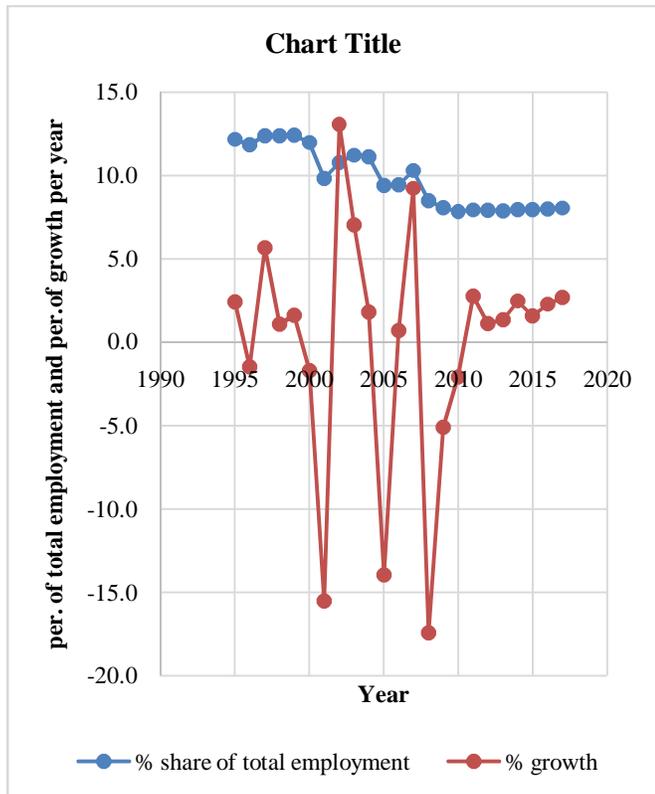
7. EMPLOYMENT GENERATION

In world, no nation can underestimate the role of tourism in removing the unemployment problem. Tourism generates both direct and indirect employment. It creates jobs of unskilled to the highly specialized in the industries like construction, transportation, farming and food supply. At the global level tourism accounts near about 7 percent to the total employment. In 2017, Indian tourism industry accounted 8.03 percent shown in the table.

From the table below it is perceived that the share of tourism in employment shows the declining trend from the 1995-2017. In the initial years of the analysed time period (1996-2004) its contribution remained above 10 percent. However after 2004 the contribution falls below 10 percent and remained constant during last two years i; e 2016-17. Same scene is presented in figure first below.

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Source: Authors Own plot

Fig. 1

The investment requirement in the tourism projects is very less as compared to the projects in manufacturing sector. Though it turns a major source of employment generation and a positive point for eradication of unemployment and poverty if it pays a special attention.

8. FOREIGN EXCHANGE EARNINGS

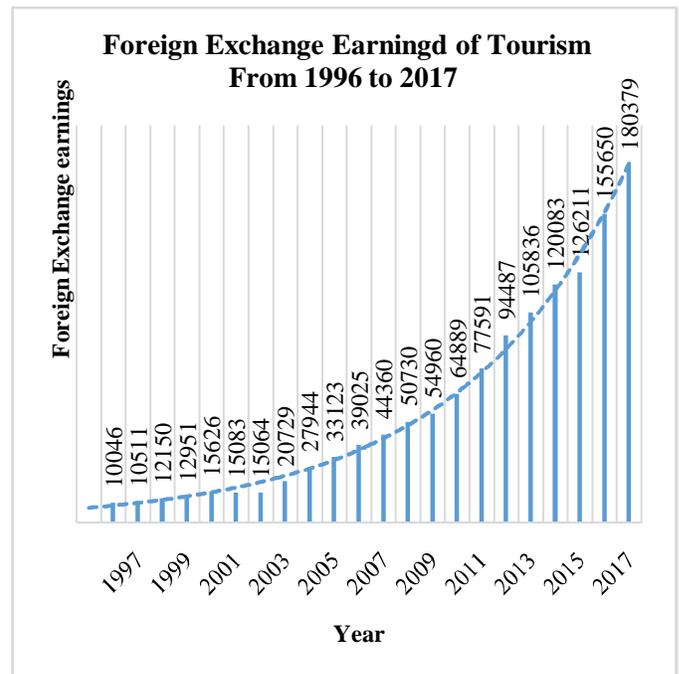
Foreign exchange earnings are a pre-requisite for the economic growth of any country. The field of services trade has been largely unexplored and it offered a unique opportunity to the developing economies to meet their increasing demand for foreign exchange. Now a days Tourism turns an easiest way to earn foreign exchange as the foreign traveller must have to exchange their currency into local currency for expenses. Foreign Exchange Earnings (FEE) has a vast impact on the national economy and plays a major role in other aspects of the country's growth and development, especially the creation of jobs (Khatik & Nag, 2012). The foreign exchange earnings of Indian tourism industry from 1996 to 2017 are presented in table below.

Table 2

Year	Rs. in Crore	%age Change
1996	10046	19.2
1997	10511	4.6
1998	12150	15.6
1999	12951	6.6
2000	15626	20.7
2001	15083	-3.5
2002	15064	-0.1
2003	20729	37.6
2004	27944	34.8
2005	33123	18.5
2006	39025	17.8
2007	44360	13.7
2008	50730	14.4
2009	54960	8.3
2010	64889	18.1
2011	77591	19.6
2012	94487	21.8
2013	105836	12
2014	120083	11.5
2015	126211	2.3
2016	155650	15.1
2017	180379	17

Source: Ministry of Tourism govt. of India

Fig. 2



Source: Authors own Plot

Figure 2 shows that foreign exchange earnings from tourism in India during the period 1996-2017, in corers. It is clearly depicted from the figure that FEEs have increased considerably from the first year of the study period, i; e 1996 to last year i; e 2017. In 1996 the amount of Foreign Exchange was 10046 crore which increases to 180379 crore in 2017. The

percentage of annual growth rate during these years also increases, except in year 2001 and 2002. The foreign exchange earnings shows an exponential trend line that shows earnings rises continuously at increasingly rates. The main reason behind this is the increasing growth pattern in foreign tourist arrivals. These tourists like to stay here for longer durations, make expenses on travelling, accommodation, food & beverage, handicrafts, paintings, and other goods & services of India's unique creativity.

9. CONTRIBUTION TO GDP

In India, tourism industry have main economic importance for environmental sustainability and eradication of poverty. With rapid growth this is termed as the engine of development and contribution to the process of inclusive growth.

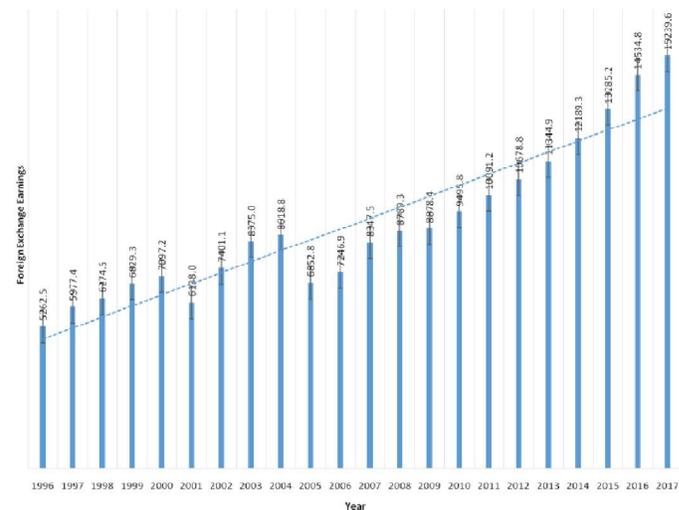
Table 3: Total contribution of Tourism to GDP

YEAR	Total GDP	Percentage of tourism to GDP	Percentage growth
1996	5262.5	13.1	7.8
1997	5977.4	14.2	13.6
1998	6274.5	14.0	5.0
1999	6829.3	14.3	8.8
2000	7097.2	14.0	3.9
2001	6138.0	11.7	-13.5
2002	7401.1	13.5	20.6
2003	8375.0	14.3	13.2
2004	8618.8	13.6	2.9
2005	6852.8	9.9	-20.5
2006	7246.9	9.6	5.8
2007	8347.5	10.1	15.2
2008	8789.3	10.0	5.3
2009	8878.4	9.6	1.0
2010	9495.8	9.2	7.0
2011	10091.2	9.2	6.3
2012	10678.8	9.2	5.8
2013	11344.9	9.2	6.2
2014	12189.3	9.2	7.4
2015	13285.2	9.4	9.0
2016	14534.8	9.5	9.4
2017	15239.6	9.4	4.8

Source: WTTC

Due to this affluent nature, it increase exports, boost taxes and stimulate capital investment and become a leading contributor to the gross domestic product (GDP) of the nation. Table 3 shows the contribution of tourism in GDP of India from 1996- to 2017. From the table it is clearly depicted that contribution of tourism to GDP from 1996 till 2004 remain above 12 percent. However 2004 onwards contribution of tourism almost remain at steady rate, despite temporary ups and downs.

In fig. 3, it is witnessed that the total contribution of travel and tourism to real GDP in India is exhibiting a linear trend over the years. The reason is the significance that is gained by tourism sector of India in both the private and public sector.



Source: Authors own plot

Fig. 3: Total Contribution of Tourism to Real GDP, 1996 to 2017

10. FINDINGS AND SUGGESTIONS

From the present scenario of Tourism industry in India and the analysis of its trends. It is confronted that the nation owns significant potential to become a favourite tourist destination world-wide. The performance of this industry is looked well, even in the contribution of overall macro-economic variables. But as per the potential that India exists in this industry this share is not enough. So, some measure kind of initiatives are needed, like to provide the access of visa on arrival scheme to the more countries. By looking at the incidences that happens with tourists day by day major kind of initiates regarding the security of the foreign as well domestic tourists should be taken, so that the fame that India have does not ruin.

11. CONCLUSION

To sum up, Indian tourism has vast potential for generating employment and earning large sums of foreign exchange besides giving a fillip to the country's overall economic and social development. Much has been achieved to make the industry competitive but much more remains to be done. As tourism is a multi-dimensional activity, with more forward and backward linkages with spill over and multiplier effects. It would be necessary that all sections of the Central and State governments, private sector and voluntary organizations become active partners in the endeavour to attain sustainable growth in tourism. So that India will become a world player in the tourist industry.

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