

Impact of tourism in India

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Abstract:

This paper highlights India is great as a popular tourist destination in the world, driven by the focus on innovation and creating value for tourists. Traveling and Tourism has been an undivided part of Indian Culture & Tradition. Tourism Industry is the most vibrant section activity and a multibillion industry in India. Developing country like India tourism has become one of the major sectors of the economy, contributing to a large proportion to gross domestic product and employment opportunities. Travel and tourism perform an important role in India's economy; compared with other nations, as per the UNWTO Barometer India ranks 40th in terms of International Tourists Arrivals in terms of its tourism sector's contribution to the gross domestic product. Tourism can offer observed and unobserved assistance to a nation's economy. Tourism is one of the fastest increases in size service industries in the country with great capacity for its further spread and multiformity. Tourism industry plays a prime role in any country's economic development. It helps significantly to the country for creating the employment opportunities to the big number of people. There is also a need to enhancement the government's prelude to make India proliferate in tourism and installation in the global market. It has rich source in tourism for the installation of the brand. Sure it has been launched the unreliable India to make tourism superior.

Keywords: impact on economy, economic growth, foreign tourist, Tourism Industry, Demonetisation.

Introduction

Tourism plays an important role in employment generation and economic growth of the country. It is accepted as the potent engine for inclusive social economic progress at universal level through its forward and backward linkages and ability to create employment in the economy. Tourism sector has a very high employment potential with approximately 90 jobs creation per Rs. 10 lakhs of investment. There is high scope for profuse employment generation and related activities in the form of accommodation projects, food oriented projects, amusement parks and water sports etc.

Tourism sector is one of the largest employment generators in India and plays a very significant role in promoting inclusive growth of the less-advantaged Chap sections of the society and poverty eradication. The main objective of the tourism policy in India is to position tourism as a major engine of economic growth and harness its direct and multiplier effect on employment and poverty eradication in a sustainable manner by active participation of all segments of the society Apart from Marketing and promotion, the focus of tourism development plans is also on integrated development

of tourism infrastructure and facilities through effective partnership with various stakeholders. The role of Government in tourism development has been defined from that of a regular to that of a catalyst.

Abroad Tourist Faces Brunt of Demonetization

On 8 November, 2016, Prime Minister Narendra Modi shocked the country by withdrawing high denomination currency (INR 500 and INR 1000) as legal tenders. The move was made with a purpose to detect the black money hide by tax evaders, drug cartels, traffickers and else. New currency INR 500 and INR 2000 notes were proposed but the move has caused much pain to the regular man and a number of sectors in the country have been affected by the failure to replace the old currencies in adequate measure. It seemed obvious that real estate and retail business would be affected in the short term. The fallout of the demonetisation now looks to have spilled over into the tourism business as well.

Two ways Impact of Tourism in India

It in India has various positive and negative impacts on the Indian economy. These impacts are-

Positive Impacts

1. Generating Income and Employment
3. Source of Foreign Exchange Earnings
4. Preservation of National Heritage and Environment
5. Developing Infrastructure
6. Promoting Peace and Stability

Negative Impacts

1. Undesirable Social and Cultural Change
2. Increase Tension and Hostility
3. Creating a Sense of Antipathy
4. Adverse Effects on Environment and Ecology

Employment and Economic Development

Tourism in India has a strong relevance to economic development, cultural growth and national integration. As mentioned earlier, India is a vast country of great beauty and diversity and her tourist potential is equally vast. With her rich cultural heritage as superbly manifest in many of the architectural wonders caves and prehistoric wall paintings, her widely varied topography ranging from the monotonous plains to the loftiest mountains of the world, her large climatic variations ranging from some of the wettest and the driest as well as from the hottest and the coldest parts of the world, beautiful long beaches on the sea coast, vast stretches of sands, gregarious tropical forests and above all, the great variety of the life-style, India offers an unending choice for the tourist.

Domestic Tourism

Domestic tourism is an important segment of the overall tourist scenario although no reliable data are available in this regard. It is relatively easy to keep record of foreign tourists as they are registered at entry points like international airports which are not possible in case of domestic tourists. It may be emphasised here that domestic tourism is no less pronounced than the foreign

tourism. In fact, domestic tourists far outnumber foreign tourists. This is by far the largest segment of market with a potential of 20 crore local tourists travelling annually. It is domestic tourism which fosters a sense of unity in the otherwise diverse environment of the country and contributes to national integration. Even if 10 per cent of the population travels outside the native state, it involves a massive movement of over 10 crore people who develop the feeling that they are travelling within their own country.

Domestic tourism has increased considerably during the last couple of decades. The improved economy and greater exposure through mass media have developed increasing awareness among the people about tourism; a new dimension to their life style. Larger income, longer holidays coupled with certain incentives given by public and private organisations to their workers, have contributed a lot in infusing interest among the hitherto stay-at-home people to look around for a place for an annual or biannual visit with family members.

Employment Opportunities in Tourism

Tourism in India has vast employment potential, much of which still awaits exploitation. At present about 20.44 million persons are directly employed by hospitality services. This is about 5.6 per cent of the total work force of the country. By 2015, it would provide 25 million jobs. In addition, the industry provides indirect employment to about 40 million persons. Further, it is interesting to note that the employment generation in proportion to investment is very high in tourist industry. According to one estimate, an investment of Rs.10 lakh creates 89 jobs in hotel and restaurant sector as against 44.7 jobs in agriculture and 12.6 in manufacturing industries. The ratio further increases if one takes into account the ancillary services associated with hotels and restaurants. Another important aspect of employment in tourism is that it employs a large number of women, educated and uneducated, as well as skilled and unskilled. In fact, women are greater in number than men in hotels, airline services, travel agencies, handicraft making and cultural activities, etc. Tourism is a labour-intensive industry and is likely to offer more jobs in the coming years. And since most of the natural beauty and wildlife are to be found in non-urban areas, rural people could find employment as guides and transporters; with proper training. More jobs in rural areas would also help reduce continuous migration of people to towns.

Hotel Accommodation

The hotel sector forms the key segment of tourism industry. Most of the foreign exchange earned by tourist industry is accounted for by hotel segment. Realising the importance of hotel segment, the Government has taken initiatives to encourage hotel industry by providing tax benefits and other incentives. The Industrial Policy has now placed the hotels and tourism related activities as a priority industry. Foreign investment and collaborations are now facilitated under the new economic policy. The Department of Tourism classifies functioning hotels under the star system into various categories from one to five-star deluxe and Heritage (Heritage Classic, Grand and Heritage Renaissance) and Apartment Hotels from three stars to five star deluxe.

Foreign Tourist Arrivals and Foreign Exchange Earnings

13.6% growth in Foreign Tourist Arrivals (FTAs) in December 2016 over the same period in 2015. USA accounts for highest share of tourist arrivals followed by Bangladesh and UK in December 2016. Rs.16, 805 crore Foreign Exchange earned through tourism in December 2016. Ministry of Tourism compiles monthly estimates of Foreign Tourist Arrivals (FTAs) on the basis of Nationality-wise, Port-wise data received from Bureau of Immigration (BOI) and Foreign Exchange Earnings (FEEs) from tourism on the basis of data available from Reserve Bank of India. The following are the important highlights regarding FTAs and FEEs from tourism during the month of December, 2016.

Table A: FTAs, FEEs in India 2014 to 2016

year	FTAs in India (in million)	FEEs in US\$ million, from Tourism in India (in US\$ million)	FEEs Tourism in India (in Crore)
2016	10.7	23146	155650
2015	8.03	21071	135193
2014	7.68	20236	123320

Source: India Tourism Statistics at a Glance 2015-16.

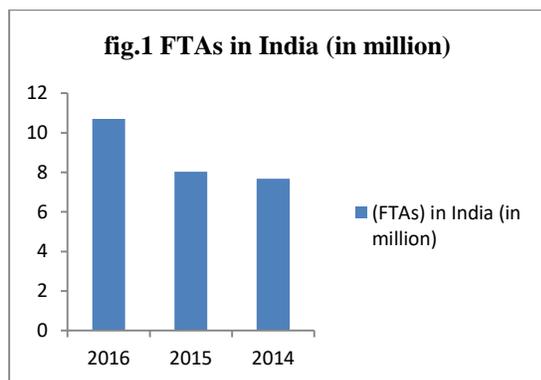
FTAs: Foreign tourist arrivals

FEEs: Foreign Exchange Earnings

Foreign Tourist Arrivals (FTAs)

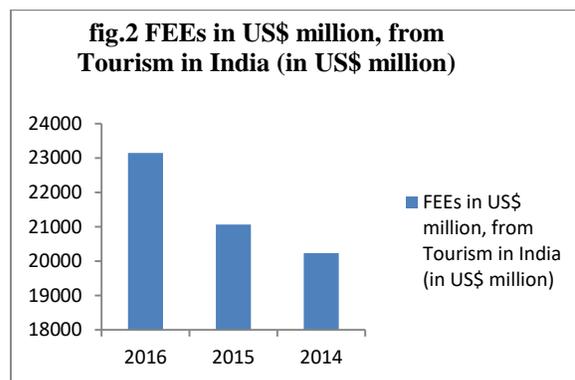
- ❖ FTAs during the Month of December, 2016 were 10.37 lakh as compared to FTAs of 9.13 lakh during the month of December, 2015 and 8.85 lakh in December, 2014. There has been a growth of 13.6% in December, 2016 over December, 2015.
- ❖ FTAs during the period January- December, 2016 were 88.90 lakh with a growth of 10.7% as compared to the FTAs of 80.27 lakh with a growth of 4.5% in January- December, 2015 over January- December, 2014.
- ❖ The Percentage share of Foreign Tourist Arrivals (FTAs) in India during December, 2016 among the top 15 source countries was highest from USA (18.33%) followed by , Bangladesh (13.02%), UK (11.71%), Australia (5.43%), Russian Fed (4.18%),Canada (4.13%), Malaysia (3.38%), Germany (2.80%), China (2.53%), Sri Lanka (2.25%), Singapore (2.12%), France (2.01%), Japan (1.79%), Afghanistan (1.38%) and Nepal (1.34%)
- ❖ The Percentage share of Foreign Tourist Arrivals (FTAs) in India during December 2016 among the top 15 ports was highest at Delhi Airport (27.77%) followed by Mumbai Airport (19.80%), Haridaspur Land check post (7.16%), Chennai Airport (7.13%), Goa Airport (5.64%), Bengaluru Airport (5.43%), Kolkata Airport (4.31%), Cochin Airport (4.17%), Hyderabad Airport (3.42%), Ahmadabad Airport (3.11%), Trivandrum Airport (1.81%),

Gede Rail (1.59%), Trichy Airport (1.59%), Amritsar Airport (1.06%), and Gaya Airport (0.84%).



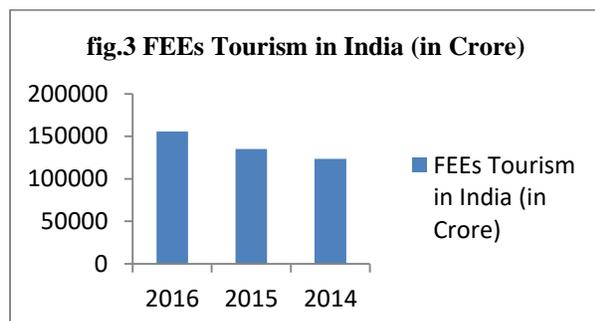
Source: India Tourism Statistics at a Glance 2015-16.
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(FTAs: Foreign tourist arrivals)



Source: India Tourism Statistics

(FEEs: Foreign Exchange Earnings)



Source: India Tourism Statistics at a Glance 2015-16.

(FEEs: Foreign Exchange Earnings)

Foreign Exchange Earnings (FEEs)

- ❖ FEEs during the month of December, 2016 were Rs.16,805 crore as compared to Rs. 14,152 crore in December, 2015 and Rs.12,988 crore in December, 2014.
- ❖ The growth rate in FEEs in rupee terms during December, 2016 over December, 2015 was 18.7% as compared to the growth of 9.0% in December, 2015 over December, 2014.
- ❖ FEEs from tourism in rupee terms during January- December, 2016 were Rs. 1,55,650 crore with a growth of 15.1% as compared to the FEE of Rs. 1,35,193 crore with a growth of 9.6% during January- December, 2015 over January- December, 2014.

- ❖ FEEs in US\$ terms during the month of December, 2016 were US\$ 2.475 billion as compared to FEEs of US\$ 2.126 billion during the month of December, 2015 and US\$ 2.069 billion in December, 2014.
- ❖ The growth rate in FEEs in US\$ terms in December, 2016 over December, 2015 was 16.4% compared to the growth of 2.8% in December, 2015 over December, 2014.
- ❖ FEE from tourism in US\$ terms during January- December, 2016 were US\$ 23.146 billion with a growth of 9.8% as compared to the US\$ 21.071 billion with a growth 4.1% during January- December, 2015 over January- December, 2014.

Conclusion

Tourism is a prime driver of economic growth globally. India's tourism industry is experiencing a durable period of growth, driven by the expand Indian middle level class, growth in high level spending external tourist and coordinated government expedition to promote Indian tourist. For a developing country similar India which is on the path of current economic growth through structural transformation of the economy, tourism is the right conveyance. Tourism department is not only a general contributor to the rise of the economy but a producer of employments occasion as well. Various preparation have also been taken by the Tourism Ministry of India, the tourism minister's of various states and the private players to transform India into a economical tourist destination in the world. We hope that Indian tourism will have huge impact and will be a global leader by the every year.

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