

A STUDY OF TOURISM SECTOR AND ROLE IN INDIAN ECONOMY

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ABSTRACT:

Change is a law of nature. At the same time, human is a mobile animal by birth. Since ancient times, humans have been attracted to new places and for some reason, humans have always had a travel. Along with this, human being travels with the aim of enriching his life. The tourism industry started to grow due to human activities. Tourism in India has been around since the British era. Considering the importance of the tourism business, the Government of India has prioritized the development of tourism in a phased manner. Recognizing the importance of tourism, every state, region, city, rural area in India is promoting its tourism business and its development is taking place at a very fast pace. We can see this development not only in cities but also in rural areas. In modern times it appears to have developed as an independent national international industry. Importance of tourism industry as a means of economic development and creation of employment opportunities.

Keywords:- Tourism, Tourism Economy, Indian Economy, Tourism, Hospitality, Employment, GDP

INTRODUCTION :

From time immemorial, we have seen that natural factors have induced humans to travel through. Along man is also seen traveling due to new creativity, curiosity, interest and need for the purpose of enriching his life. We can see the growth of the tourism industry only through human travel. Tourism industry is growing very rapidly as the major business after agriculture. In modern times, tourism has emerged as a rapidly developing and globally important industry.

This earns the country foreign exchange, foreign exchange is very important to strengthen the economic position of the country. At the same time, the tourism industry is an industry that promotes service industries, provides self-employment, provides employment to the unemployed, promotes social and economic development. Due to the tourism industry, the development of tourist places, historical places, rural as well as urban areas is achieved. At the same time, we see an increase in national unity. Due to tourism, things like snow-capped mountain peaks, pristine beaches, pristine forest areas have come into the tourism sector and we can see that they have become a first class economic power. The development of tourism is not only the development of the tourist center but it is the development of the entire country, state, region. Overall, the impact of tourism on economic, social, cultural and environmental factors can be seen. The World Travel and Tourism Council calculated that tourism generated ₹16.91 lakh crore (US\$210 billion) or 9.2% of India's GDP in 2018 and supported 42.673 million jobs, 8.1% of its total employment.

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REVIEW OF LITERATURE:

Ivanov, S., & Webster, C. (2007) presented methodology for measuring contribution of tourism to an economy's growth which is tested with data for Cyprus, Greece and Spain. This methodology was compared with Tourism Satellite Account, Computable General Equilibrium models and econometric modeling of economic growth and the results suggested that tourism has a significant impact of the economy of a country leading to a significant positive increase in the GDP of a country.

Sharma et al. (2012) examined FDI in Indian Tourism Industry, its flow in Indian Tourism Industry and its impact on economy of India and it was found from this study that FDI plays an important role in expanding tourism sector in India. This study also recommended steps for increasing and making proper use FDI in India

Ohlan, R. (2017) investigated relationship between tourism and economic growth in India by considering relative importance of financial development over the period of 1960-2014. It also investigated both short run and long-run effects of inbound tourism on economic growth in India. The investigation carried out during this study indicated the presence of a long run one-way Granger-causation running from tourism to economic growth. It suggested that plan for attracting more international tourists should be promoted by government, policies should be executed that advance enthusiastic and prudent talent management so as to increase employment in this sector and steps should be taken to ensure proper security of women tourists.

Mishra et al. (2011) search that Tourism is considered as an efficient tool for promoting economic growth of a country. There is a broad potential for generating employment and earning foreign exchanges through tourism which can give a huge boost to the economy. A relationship amongst GDP, foreign tourist arrivals and foreign exchange earnings from tourism in India was investigated using popular time series methodologies. Searching from this relationship shows that tourism has a positive impact on the economy and hence in the GDP grows.

Neeta Baporikar (2017), found that tourism plays an essential role in socio-economic development. It fosters international understanding, trust among people and brings many social benefits. According to United Nations World Tourism Organization, travel and tourism can be part of the solution to world complications of poverty employment and sustainability. Today, tourism has grown to become a major social and economic force and it is a well-known fact. Hence, it certainly is an activity of global importance and significance. With sufficient nature's gift, one of the oldest culture and civilization India as tourist destination is in an enviable position to locus itself as one of the best global destination by adopting innovative and comprehensive tourism policies.

Navjot Sandhu, (2021), examined that Small tourist firms occupy an important place within the Indian tourism industry and make a significant contribution towards gross domestic production.

RESEARCH METHODOLOGY:

The present study is based on the secondary data published by various agencies and organizations. The present study makes use of data and information provided by, UNWTO, Ministry of Tourism, Ministry of Statistics and Programme Implementation, Newspapers, Research paper and Articles, Magazines, Books, Economic journals and Internet etc.

OBJECTIVES OF THE RESEARCH:-

- 1) To study the current status of tourism.
- 2) To explore the growth of India's income while studying tourism as a fast growing industry.

DEFINITION OF TOURISM:-

According to WTO, tourism is a social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes.

India has embraced the tourism sector as an economic industry. It is seen that a very important place has been given to tourism development through the establishment of different organizations related to tourism as well as through the five-year plan. The government of the country continuously works to provide facilities for the service of tourists. This has given importance to service industries dependent on tourism. At the same time, many related businesses such as passenger services, hotel services, entertainment services, health services, transport service guides have been developed to provide goods and services. This provided employment to many unemployed people. Due to tourism, the flow of domestic and foreign tourists has increased. Tourism is when a tourist travels from one place to another for educational, medical, recreational, religious, cultural, natural, historical, employment purposes. Due to this, the culture of other countries is known and the information about the buying and selling of the goods and also about the food is obtained.

Some states in India attract more foreign as well as domestic tourists. As a result, the tourism sector plays an important role in the economic development of the state. The tourism industry contributes to a large amount of economic income. While studying the tourism sector in India, the number of foreign tourists is as follows.

TABLE 1

Top 8 International Check Posts for Foreign Tourist Arrivals (FTAs) in India in 2021

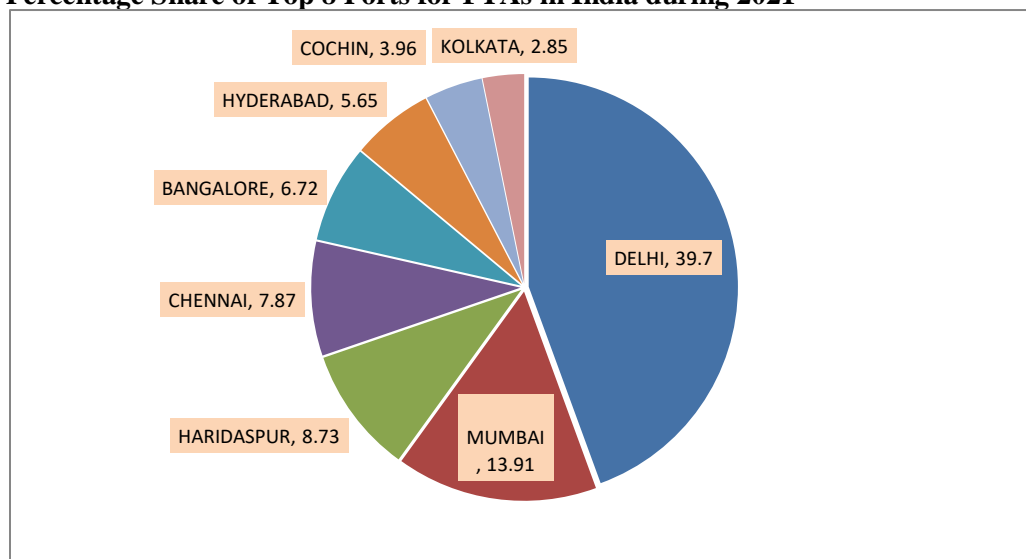
| S.No . | International Check Posts | FTAs | Percentage Share |
|--------|---------------------------|---------|------------------|
| 1 | DELHI | 606238 | 39.70 |
| 2 | MUMBAI | 212428 | 13.91 |
| 3 | HARIDASPUR | 133371 | 8.73 |
| 4 | CHENNAI | 120197 | 7.87 |
| 5 | BANGALORE | 102629 | 6.72 |
| 6 | HYDERABAD | 86249 | 5.65 |
| 7 | COCHIN | 60540 | 3.96 |
| 8 | KOLKATA | 43506 | 2.85 |
| | Total top 8 | 1365158 | 86.55 |
| | Others | 161956 | 13.45 |
| | G.Total | 1527114 | 100.00 |

Source: Bureau of Immigration, Govt. of India

In top 8 International Check Posts for Foreign Tourist Arrivals (FTAs) in India in 2021, Delhi is 39.70%, following Mumbai 13.91%, Haridaspur 8.73%, Chennai 7.87%, Bangalore 6.72%, Hyderabad 5.65%, Cochin 3.96%, Kolkata 2.85%, Others 13.45% are given

Chart No.1 :

Percentage Share of Top 8 Ports for FTAs in India during 2021



Tourism is a major business that earns foreign exchange and due to foreign tourists, a large increase in foreign exchange can be seen.

TABLE 2
Estimates of Foreign Exchange Earnings (FEEs) in Rs. Crore from Tourism in India, 2011-2020

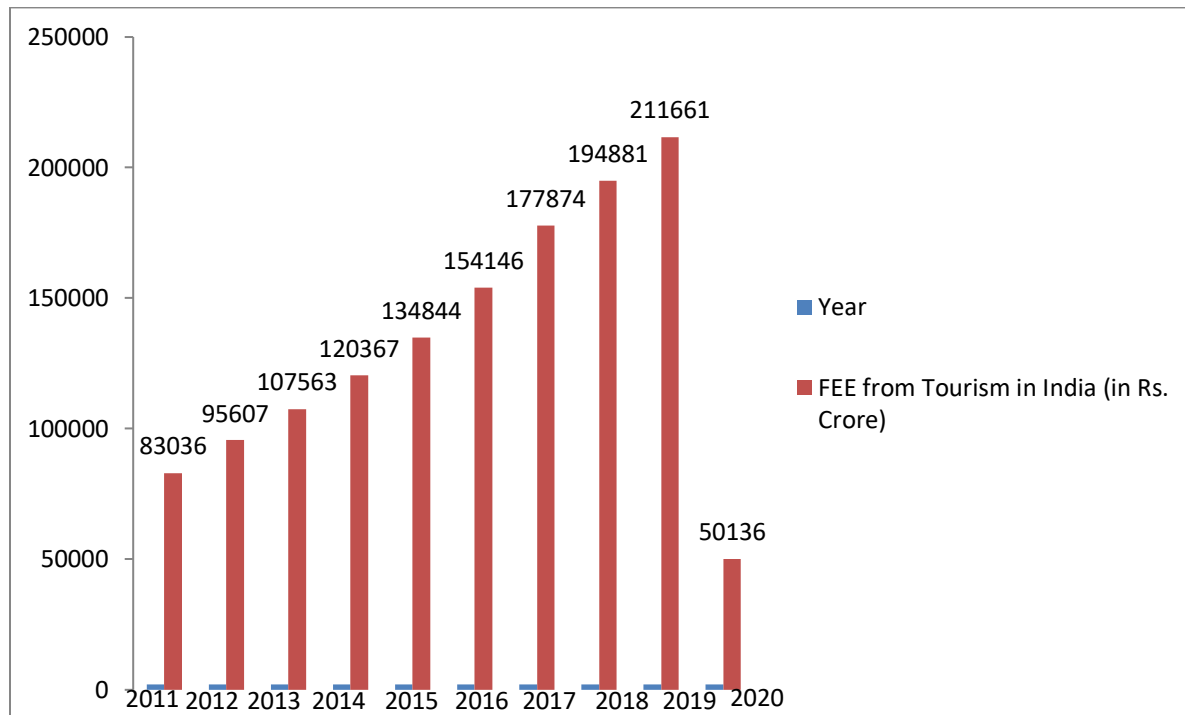
| Year | FEE from Tourism in India (in Rs. Crore) | Percentage (%) change over the previous year |
|------|--|--|
| 2011 | 83036 | 25.5 |
| 2012 | 95607 | 15.1 |
| 2013 | 107563 | 12.5 |
| 2014 | 120367 | 11.9 |
| 2015 | 134844 | 12.0 |
| 2016 | 154146 | 14.3 |
| 2017 | 177874 | 15.4 |
| 2018 | 194881 | 9.6 |
| 2019 | 211661 | 8.6 |
| 2020 | 50136 | -76.3 |

Source: (i) Reserve Bank of India, for 2011 – 2017
(ii) Ministry of Tourism, Govt. of India, for 2018-2020

Estimates of Foreign Exchange Earnings (FEEs) in Rs.Crore from Tourism in India,during year 2011 in 25.5%, Following 2012 year in 15.1%

Chart No. 2 :

Foreign Exchange Earnings (FEEs) in Rs. Crore from Tourism in India, 2011-2020



The geographical personality of India, which is full of diversity and cultural heritage, is very favorable for the development of the tourism industry. Various customs, traditions, culture, caste, religion leave their mark on the foreign tourists, along with the historical inscriptions, sculptures, monuments, paintings, music, literature, dance, tourist places, forests, animals and birds, herbs, natural structures, as well as diversity of food in India it attracts foreign tourists.

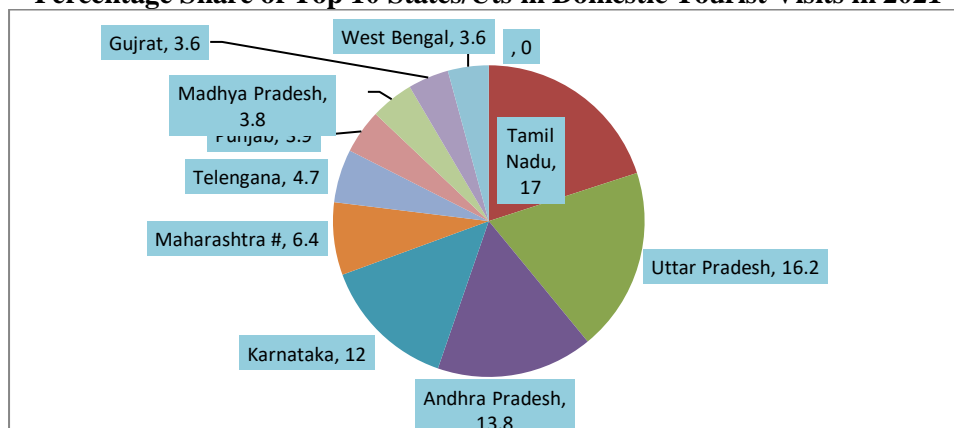
Share of Top 10 States/UTs of India in Number of Domestic Tourist Visits in 2021

| Rank | State/UT | Domestic Tourist Visits in 2021 | |
|------|------------------------|---------------------------------|---------------------|
| | | Number | Percentage Share(%) |
| 1 | Tamil Nadu | 115336719 | 17.0 |
| 2 | Uttar Pradesh | 109708435 | 16.2 |
| 3 | Andhra Pradesh | 93277569 | 13.8 |
| 4 | Karnataka | 81333659 | 12.0 |
| 5 | Maharashtra # | 43569238 | 6.4 |
| 6 | Telangana | 32000620 | 4.7 |
| 7 | Punjab | 26640429 | 3.9 |
| 8 | Madhya Pradesh | 26640429 | 3.8 |
| 9 | Gujrat | 24525210 | 3.6 |
| 10 | West Bengal | 24325984 | 3.6 |
| | Total of top 10 States | 576271930 | 85.0 |
| | Others | 576271930 | 15.0 |
| | Total | 576271930 | 100.0 |

Source: State/ UT Tourism Departments.

We know that India is beautiful country. It has beauty with different places and culture. Top 100 destinations of world India have top popular in the world. in top 10 state of India in Number of Domestic Tourist Visits during the year 2021 Tamil Nadu 17% , following U.P. 16.2%, Andhra Pradesh 13.8%, Karnataka 12%, Maharashtra 6.4%, Telangana 4.7%, Punjab 3.9%, Gujrat & West Bengal 3.6% are given below.

**Chart No 3 :
Percentage Share of Top 10 States/UTs in Domestic Tourist Visits in 2021**



ACTIONPLAN FOR TOURISM DEVELOPMENT

1. There is a large number of things that are useful for tourism in India and there is a need to present them in a more attractive way to the tourists. In short, marketing needs to be organized.
2. Planning tourism, developing infrastructure, making employment attractive by giving concessions to the unemployed, accommodating women in this industry by giving concessions so that they will be economically empowered and promoting tourism business in rural areas.
3. Students should be given information about tourism from schools and colleges. So that the tourism business gets a boost.
4. Importance should be given to cleanliness in tourist places. Roads in remote areas should be developed. So that the communication will be good and the number of tourists will increase.
5. While increasing the tourism business, special attention should be paid to ensure that tourism does not suffer. So trained people should be appointed in this field.
6. A special festival should be organized to increase the number of tourists. Tourism places should be promoted and disseminated

CONCLUSION:

If the above measures are taken, the tourism sector will increase and this sector will flourish. For that, this responsibility is important not only of the government but also of the society.

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