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ROLE OF TOURISM INDUSTRY IN INDIA ECONOMY

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ABSTRACT

This paper explains how tourism sector is significant for Indian economy. Developing country like India tourism has become one of the major sectors of the economy, contributing to a large proportion to GDP and employment opportunities. Tourism is one of the fastest growing service industry in the country with great potentials for its further expansion and diversification. It helps significantly to the country for creating the employment opportunities to the large number of people. Tourism in India is a sun rise industry, an employment generator, a significant source of foreign exchange for the country and an economic activity that helps local and host communities.

Key Words: Tourism, Indian economy, GDP, Employment Opportunities

Introduction

Tourism has become the world's largest industry, generating wealth and employment opportunities. Tourism has become an important factor all around the world. Travel & Tourism is an important economic activity in most countries around the world. As well as its direct economic impact, the industry has significant indirect and induced impacts. Indian Tourism offers a collection of different cultures, traditions, festivals, and places of interest. There are a lot of options for the tourists. India is a country with rich cultural and traditional diversity. This aspect is even reflected in its tourism. The growth in the tourism industry is due to the rise in the arrival of more and more foreign tourists and the increase in the number of domestic tourists.

Statement of the problem

The tourism industry is one of the largest segments under the services sector of the Indian economy. The tourism sector in India is successful due to an increase in foreign tourist arrivals and a larger number of Indians travelling to domestic destinations. Tourism Industry has contributed extremely in the flourishing graph of India's economy by attracting a huge number of foreign and domestic tourists travelling for professional as well as holiday purposes. India has a rich source in tourism sector to influence GDP, employment, image, foreign investments, new projects and the like to make our position comfortable in globally.

At this juncture the researcher is interested to study about role of tourism industry in India.

Objectives of the study

- To understand the opportunities in tourism industry
- To know the impacts of Tourism industry in India Economy

Research Methodology

The present study is based on the secondary data. This paper is prepared with the support of secondary sources like Magazines, Newspapers, Books, Economic journals, Reports, Thesis, Ministry of Tourism, Internet, etc.

Opportunities in Tourism Industry

Tourism industry is one of the largest segments under the service sector of the Indian economy. Tourism industry has strong relevance to economic development, cultural growth and national integration. The tourism industry has helped growth in other sectors as diverse as horticulture, handicraft, agriculture and construction. Tourism is the second largest foreign exchange earner in India. The tourism industry employs a large number of people, both skilled and unskilled. Hotels, travel agencies, transport including airlines benefit a lot from this industry. It generates foreign exchange. It promotes cultural activities.

Tourism Satellite Account provides the direct and indirect contribution of tourism in the employment of the country. According to 3rd TSA, the estimates of employment generated in the economy due to tourism during the year 2013-14, 2014-15, 2015-16, 2016-17 and 2017- 18 is provided in the following table:

	2013-14	2014-15	2015-16	2016-17	2017-18
Share in Employment (in %)	11.90	12.09	12.38	12.19	12.38
Direct (in %)	5.19	5.27	5.40	5.32	5.40
Indirect (in %)	6.71	6.82	6.98	6.87	6.98
Employment (million)	67.2	69.6	72.3	75.9	81.1

Source : ITS Glance 2018

Tourism creates jobs, both through direct employment within the tourism industry and indirectly in sectors such as retail and transportation. The tourism industry also provides opportunities for small-scale business enterprises, which is especially important in rural communities, and generates extra tax revenues, such as airport and hotel taxes, which can be used for schools, housing and hospitals. Tourism, particularly nature and ecotourism it helps promote conservation of wildlife and natural resources such as rain forests, as these are now regarded as tourism assets.

The impacts of Tourism industry in India Economy

Foreign Tourist Arrivals (FTAs)

The FTA in India during Jan-Nov 2018 was 93.67 million (Provisional) with a growth of 5.6 % over corresponding period of 2017. As far as tourism is concerned, the year 2017 was a remarkable year for India as it received more than 10 million tourists for the first time in history, registering 14% growth in 2017 over 2016.

Foreign Exchange Earnings (FEEs) Foreign Exchange Earnings has shown a growth of 19.1% in US Dollar term against 50 a modest growth of 7.5% world-wide during 2017. India received US \$ 27.31 billion during 2017 as FEEs through tourism and the same in Rupee term was Rs.1,77,874 crore with a growth of 15.4% . During Jan-Nov in 2018, FEEs was Rs. 1,75,423 crore with a growth of 10.7% over the corresponding period of previous year.

A statement giving FTAs in India and FEE from tourism for the years 2014 to 2018(Jan - Nov) is given below:

Foreign Tourist Arrivals and Foreign Exchange Earnings during the years 2014-2018 (Jan-Nov):

Year	Foreign Tourist Arrivals (in nos.)	Percentage Change Over Previous Year	Foreign Exchange Earnings (in Rs. crore)	Percentage Change Over Previous Year	Foreign Exchange Earnings (Billion US\$)	Percentage Change Over Previous Year
2014	7679099	10.2	120367	11.9	19.700	7.1
2015	8027133	4.5	134844	12.0	21.013	6.7
2016	8804411	9.7	154146	14.3	22.923	9.1
2017	10035803	14.0	177874	15.4	27.310	19.1
2018(Jan- Nov)	9367424	5.6	175423	10.7	25.838	6.4

As per the report of 3rd Tourism Satellite Account for India (TSAI) prepared in 2018 for the reference year 2015-16 (using new base year, 2011-12 figures of CSO) and subsequent estimation using them for the years, viz. 2013-14 and 2014-15 , the estimates of contribution of tourism to GDP is as given below:

	2013-14	2014-15	2015-16
Share in GDP (in %)	5.68	5.81	5.20
Direct (in %)	3.06	3.14	2.70
Indirect (in %)	2.62	2.67	2.50

Foreign Tourist Inflow to India during January, 2019

Ministry of Tourism compiles monthly Foreign Tourist Arrivals (FTAs) & FTAs on e-Tourist Visa on the basis of information received from Bureau of Immigration (BOI).The

following are the important highlights regarding FTAs and FTAs one-Tourist Visa during the month of January, 2019:

Foreign Tourist Arrivals (FTAs)

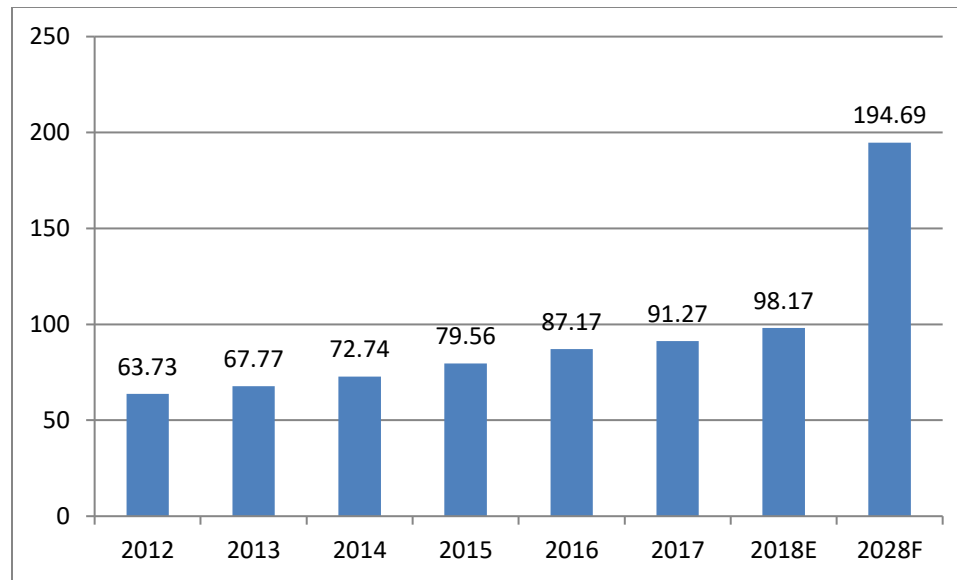
- FTAs in January 2019 were 11,03,380 as compared to 10,47,948 in January 2018 registering a growth of 5.3%.
- The percentage share of Foreign Tourist Arrivals in India during January 2019 among the top 15 source countries was highest from Bangladesh (18.38%) followed by USA (14.73%), UK (10.57%), Canada (4.49%), Australia (3.83%), Russian Fed (3.64%), China (2.74%), France (2.59%), Germany (2.54%), Malaysia (2.53%), Sri Lanka (2.40%), Japan (2.08%), Rep. of Korea (1.81%), Nepal (1.65%) and Afghanistan (1.62%).
- The percentage share of Foreign Tourist Arrivals in India during January 2019 among the top 15 ports was highest at Delhi Airport (28.06%) followed by Mumbai Airport (17.12%), Haridaspur Land Check Post (8.14%), Chennai Airport (6.77%), Bengaluru Airport (5.61%), Goa Airport (5.31%), Kolkata Airport (4.96%), Cochin Airport (3.19%), Ahmedabad Airport (2.97%), Hyderabad Airport (2.56%), Gede Rail Land Check Post (2.03%), Ghojadanga Land Check Post (1.59%), Trivandrum Airport (1.31%), Amritsar Airport (1.19%) and Tiruchirappalli Airport (1.15%).

FTAs on e-Tourist Visa

- During the month of January, 2019 total of 2,90,967 tourist arrived on e-Tourist Visa as compared to 2,40,209 during the month of January, 2018 registering a growth of 21.1%.
- The percentage shares of top 15 source countries availing e-Tourist Visa facilities during January, 2019 were highest from UK (17.25%), followed by USA (11.81%), China (6.44%), France (5.35%), Canada (5.32%), Australia (4.28%), Germany (4.22%), Russian Fed.(3.63), Italy (3.42%), Oman(2.63%), Thailand (2.20%), Malaysia (2.18%), Israel (1.48%), Rep. of Korea (1.35%), and Spain (1.33%).
- The percentage shares of top 15 ports in tourist arrivals on e-Tourist Visa during January 2019 were highest from New Delhi Airport (37.9%) followed by Mumbai Airport (19.8%), Dabolim (Goa) Airport (9.4%), Chennai Airport (7.0%), Bengaluru Airport (6.7%), Kochi Airport (4.1%), Kolkata Airport (2.7%), Hyderabad Airport (2.3%), Trivandrum Airport (1.8%), Ahmedabad Airport (1.5%), Gaya Airport (1.2%), Amritsar Airport (1.0%), Tirchy Airport (0.8%), Jaipur Airport (0.7%) and Mormugao Seaport (0.6%).

Rising contribution of tourism industry to India's GDP

Direct Contribution of Travel and Tourism to GDP at Real 2017 Prices (US\$ billion)



E – Estimated ; F – Forecast

- India ranked 8th in the world in 2017 in terms of absolute direct contribution of travel & tourism sector's to its GDP.
- It is the 3rd largest foreign exchange earner for the country.
- The tourism & hospitality sector's direct contribution to GDP in 2017, was Rs 5.94 trillion (US\$ 91.27 billion).
- This is expected to reach Rs 12.68 trillion (US\$ 194.69 billion) in 2028, implying a Compound Annual Growth Rate of 7.23 per cent during 2012-28.
- According to 2018 report of the World Travel and Tourism Council (WTTC), India was ranked third in the tourism sector India generated revenue of about US\$ 234 billion in 2018.

Conclusion

Tourism has become the world's largest industry, generating wealth and employment, opening the minds of both visitors and the visited to different ways of life. Tourism sector plays a very important role in the way of providing employment opportunities. It is one of the important foreign exchange earning industries has manifested great potential of growth under liberalized Indian economy. Today, tourism has become more inclusive of new concepts which require the support of the government to develop and flourish. There is a need to propagate these concepts with dedicated policies formed for the development of tourism. Effective implementation of the policies will help in the growth of the industry overall.

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