

# Growth of Tourism Industry in India

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## ABSTRACT

Tourism in India is economically significant and is growing speedily. The Travel & Tourism Competitiveness Report 2017 gave 40th rank to India out of 136 countries overall. On the basis of price competitiveness, out of 136 countries, The report ranks India's tourism sector on 10th position. It considers that India has very well developed air transport facilities (ranked 32nd), especially considering phase of development of India, and rational rail and road transport infrastructure (ranked 29th). India also got high marks on natural and cultural resources (ranked 9th).

The Ministry of Tourism drafts national policies for the promotion and progress of tourism. In the process, the Department of Tourism come in association with other stakeholders in the sector together with government of states, Many Central Ministries/agencies, Union Territories and the council of the private sector. Intensive efforts are being made to promote new forms of tourism such as rural, cruise, medical and eco-tourism.

This paper includes the history of tourism industry in India and its continuous development at present. Travel was concentrated only on business and religious purpose in India but now it has taken brilliant new forms which are now being considered by international tourists from whole world.

This paper has covered the present scenario of Indian tourism industry, its status in country's economy, major Challenges related to it as well as their remedies.

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## 1. Introduction

"We must welcome these friendly visitors from abroad for economic reasons, for tourism brings foreign exchange, but even more so because this leads to greater understanding and mutual appreciation. There is nothing that world needs today than this mutual understanding."

- Jawaharlal Nehru

Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business or other purpose. UNWTO defined

The Macmillan Dictionary explains that tourism is such a business which provide services to people who travel for their holiday. Wikipedia defines Tourism as travel for recreational, leisure or business purposes. The OECD glossary of statistical terms says tourism includes activities of travelling of persons and staying in places outside of their natural location for not more than one consecutive year. Tourism may be for the reasons of vacation, business and other purposes but it may not be related to the exercise of an activity compensated from within the place visited.

Over many years, tourism activity has qualified continued increase and multiple diversification in direction to be one of the fastest growing field of income generation in the world. Tourism sector has already reached at the place of flourishing global industry by means of the supremacy and it is also affecting developing countries in both positive and negative ways. For the very same reason it has reached to the fourth place in the comparison of largest industries in the global economy.

Likewise, in countries like India, which is still in developing stage, tourism has turn into one of the strong pillar of the financial system. It contribute a large proportion of the National wealth and also provide employment opportunities at a large scale. Tourism Industry in India has Great capability for its further extension and diversification. However, there are pros and cons involved with its development as well.

Development of tourism is completely dependent on strategies and plans which should work in direction of increase/develop/encourage tourism for a country (place). The more effective strategy will be, more benefit country will receive in economic as well as non economic terms. Strategies for development of tourism sector should involve targets of making the visit extremely pleasant and comfortable and providing such experience to tourists which can not be copied by other competitors.

## 2. Review of Literature

Research article named SWOT Analysis of Indian Tourism Industry suggested Medical Facilities, Festivals, historical monuments natural resources have been strength, whereas Safety, Security, Maintenance and Cleanliness, Information, Communication and Infrastructure have been taken as weakness of Indian tourism industry. Proper transportation facilities, primary health care, handicraft and local craft sales facilities are few of the essential steps government of India needs to take to encash the opportunity for tourism industry (Bhatia, A. 2013)

Study on Spain and Italy showed bidirectional relationship between tourism expansion, economic growth and export growth reinforcing each other since economic growth causes

exports and tourism inbound in the long run.(Jiménezl.C.et.al.2010)

Exploration of Impact of Tourism on Indian Economy confirm that Tourism can be seen as strong influensor of economic growth globally. Tourism industry of India at present is experiencing a period of strong growth, influenced by, growth in number of foreign tourist able to spend high, the mushrooming Indian middle class and harmonized government campaigns to promote 'Incredible India'. This growth is resulting in employment generation, strength to small and medium handicraft industry and growth in overall GDP.(Dayananda K.C., Leelavathi D.S., 2016) India is a developing country. It is going in direction of contemporary economic growth with the help of revolution of the economy on the basic structural level. Tourism can be seen as one of the vehicle for this economic growth. Tourism industry has frontward and rearward connections with sectors like hotels, food and beverages transport, education and training, banking and finance etc, India is all set to harvest full potential of this vivacious sector (Kakkar, L.2012)

Impact of international tourism in India can be divided into economic, social, cultural and environmental.(Shiji O.2016) Rise of individual disposable income, economic growth of India, government guideline and bylaws on FDI and along with this, most valuable, strong prehistoric culture and traditional values are those central factors which attract tourist from every corner of the world. Now a days medical tourism and adventure tourism in India are gathering attention by global audiences. tourism industry of India has huge potential to be a major pillar of country's economy and employment generation. So it is very important to understand to pulse of this sector and clearly identify the factors which can give maximum satisfaction to international travelers.(Jaganathan GS, Srinivasulu Y, 2014)

Tourism, is not only flourishing in its classic form but also introducing many new motives and resulting into various subcategories such as sports tourism, youth tourism, heritage tourism, medical tourism etc. Hence tourism industry can be considered as a just right mean to achieve comprehensive growth of society .It helps to showcases the decorated legacy of our country. This sector also puts positive impact on the development of local communities and poverty alleviation. Incredible India program promises to attract and engage maximum tourists. It efforts to capture the hearts of millions tourists coming to the country .along with it, Development of quality infrastructure is also being the means to harness full tourism potential of India. It require coordinated efforts by government and private sector to develop proper facilities related with all aspects of tourism and en-cash the benefit out of it.( Sangeetha R., 2012)

Studies on domestic and foreign tourist arrival in India shows that foreign tourists are generally independent travelers and such travelers interact more closely with the local people during the course of their stay so there should be availability of foreign language tourist guides and tour operators. more publicity about the destination and attractive package tours should be done. More number f information outlets should be

set for timely and proper information to our international guests.pre paid auto and taxis at the destination, facility for smooth banking and wider acceptance of credit cards should be promoted. These above mentioned factors and others like proper safety, hygiene, handicraft and textile availability etc may be used as major attributes to attract large numbers of foreign travelers to India.(Bhagya Lakshmi K, 2012)

### 3. Objective of Study

- 1.To analyze the growth of tourism sector in India and find out major growth drivers.
- 2.To discover main constraints of tourism industry
- 3.To study new emerging forms in Indian tourism industry.

### 4. Research Methodology

The nature of paper is exploratory and diagnostic. Research has considered analysis of secondary data about tourism industry of India, collected from various National and International research articles, official website of Ministry of tourism, Government of India etc. Number of foreign and domestic tourist visiting various places of country have also been analyzed.

### 5. Development Of Tourism In India

In the year 1945, for The very first time cognizant and planned efforts were taken to promote tourism industry in India. For the same, firstly, Government appointed a committee. Sir John Sargent was chairperson of that committee. He was the then Educational Adviser to the Government of India (Krishna, A.G., 1993). Afterward, the progress of tourism industry started to be in a planned manner in 1956 which was also coinciding with the Second Five Year Plan. The approach has come from specific planning of single unit facilities in the Second and Third Five Year Plans. A completely new period started with Sixth five year plan when tourism began to be measured a major instrument for amalgamation of society, art and culture as well as financialgrowth.

After the 80's, tourism activity in our country gained its actual speed, Thanks to Government of India for taking many significant steps. Inline with the same, A National Policy on tourism was introduced in 1982.following it, in the year 1988, an all-inclusive plan was drafted by the National Committee on Tourism for a sustainable growth in tourism. Afterwards, In 1992, a National Action Plan and in 1996 the National Strategy for tourism promotion was drafted. In 1997, the *New Tourism Policy* was drafted.It was the result of recognition of the roles of Central and State governments, public sector undertakings and the private sector in the direction of the enlargement of tourism industry. Experts and stakeholders of tourism industry highlighted the requirement of combined efforts by local,non governmental bodies, Panchayati Raj institutions and local youth for creation of tourism facilities and expansion of tourism at grass root level.

### 6. Tourism Industry in India : Present Status and Future prospect

The direct contribution of Travel & Tourism to GDP was INR5,943.3bn (USD91.3bn), 3.7% of total GDP in 2017, increased by 7.6% in 2018, and to rise by 7.1% pa, from 2018-

2028, to INR12,677.9bn (USD194.7bn), 3.9% of total GDP in 2028.

In 2017 Travel & Tourism directly supported 26,148,000 jobs (5.0% of total employment). This raised by 2.8% in 2018 and expected to rise by 2.1% pa to 33,195,000 jobs (5.3% of total employment) in 2028.

Visitor exports generated INR1,777.1bn (USD27.3bn), 5.8% of total exports in 2017. This grew by 8.8% in 2018, and will grow by 5.5% pa, from 2018-2028, to INR3,316.4bn (USD50.9bn) in 2028,

Travel & Tourism investment in 2017 was INR2,706.1bn, 6.3% of total investment (USD41.6bn). It rose by 6.7% in 2018, and rise by 6.7% pa over the next ten years to INR5,546.3bn (USD85.2bn) in 2028, 6.1% of total.

The Ministry of Tourism works as the nodal agency in India. It maintains the "*Incredible India*" campaign and works for development and promotion of tourism. honorable Prime Minister Shri Narendra Modi launched Make in India campaign and tourism found its place in that campaign too. Make in India campaign is focused for skill development and job generation in India by using human resources and all other resources available in country. Tourism industry also helps to generate many jobs in hotels, hospitality, food and beverages, adventure sports etc.

Government has taken many initiatives to boost international tourist arrivals such as e-visas and visa on arrival, along with infrastructure development. Encouraging results can be seen out of these initiatives. UDAN scheme which is focused for regional air connectivity sounds very promising to give further boost to industrial growth. In October 2018, Statue of Sardar Vallabhbhai Patel, also known as 'Statue of Unity', was inaugurated as a tourist attraction. With a height of 182 metre It stands as the tallest statue in the World. It is believed that this beautiful creation of Indian artists will be mile stone to boost the tourism sector in the country and put India on the world tourism map.

Serious efforts by Indian Government can be very easily seen to boost investments in tourism sector, 100 per cent FDI is allowed through the automatic route in the hotel and tourism sector. For 2, 3 and 4 star category hotels located around UNESCO World Heritage sites (except Delhi and Mumbai) A five-year tax holiday has been offered.

## 7. Various Tourist Attractions in India:

India is known for its lavish treatment to all visitors, no matter where they come from. India proudly has over 30 World Heritage Sites which are spread across the nation. They are completely diverse and each site offers something unique to the tourist to enjoy. Along with this, because of its visitor-friendly traditions, colorful fairs and festivals, varied life styles, and cultural heritage, India gives life time experience to its international visitors. Not only this, in more modern terms, the existence of greatly skilled medical doctors and comparatively economical (as compared to other countries) medical facilities with high-class hospitals has given birth to "medical

tourism. Where on one side Beautiful beaches of country, forests, wild life and landscapes are apt for eco-tourism; on the other side snow, river and mountain peaks attract adventure tourism. Technological parks and science museums are encouraging science tourism. whereas centers of pilgrimage and worship are standing tall for spiritual tourism. heritage, trains and hotels support heritage tourism in country. Yoga, ayurveda and natural health resorts and hill stations also attract millions of domestic and international tourists. Along with the tourist destinations, The Indian handicrafts specially, jewelry, carpets, leather goods, ivory and brass work are the main shopping items of foreign tourists. Many surveys say that nearly forty per cent of the tourist expenditure on shopping is spent on such items.

## 8. Major forms of tourism

### Ecotourism

It is an emerging concept in India. Ecotourism comprises concept of traveling to those places which are famous for their natural beauty and social culture. It is equally important to make sure not to damage the ecological balance. Indians worship and conserve nature. It is obvious that India has enormous destinations for ecotourism. Ecotourism is best way for tourists to de-stress and rejuvenate. Kerala, Lakshadweep Islands, the Himalayan region, north-east India, Andaman and Nicobar Islands and many more are globally renowned places which make unavoidable option for ecotourism.

### Heritage Tourism

India's glorious past, history of bravery, royalty and cultural diversity make a perfect blend. Various temples, palaces, monuments, and forts that can be found everywhere in the country attracts millions of tourists each year to its heritage tourist attractions. To encash this tourism potential, Government of India in cooperation with Ministry of Tourism encourage heritage tourism with offering of several benefits to the Indian states as Rajasthan, Madhya Pradesh, that are particularly famous for attracting tourists.

### Pilgrimage Tourism

India is surely the definitive destination of all kinds of pilgrims following any reliance around the world. values and faiths of religions are mingled with the air, soil and the sky of India because All religions like Hinduism, Buddhism, Jainism, Islam, Christianity and Sikhism are the integral part of Indian culture and heritage. There are numerous sacred destinations in India which are visited by millions of tourists for their religious importance including Kedarnath, Badrinath, Vaishnodevi etc.

### Adventure Tourism

This is also newly emerging form of Indian tourism. This involves exploration of remote areas and exotic locales and engaging in various activities. Destination like Ladakh for trekking, Sikkim and Himalaya. Himachal Pradesh and Jammu and Kashmir for the skiing facilities are famous among tourists. Whitewater rafting is also catching on in India and tourists flock to places such as Uttanchal, Assam, and Arunachal Pradesh for this adrenalin-packed activity.

### Wildlife Tourism

India has conserved its nature as religion. Many rich forest filled with gorgeous and exotic wildlife species – some of which that are even endangered and very rare. Makes India Perfect for wildlife tourism. Places like Sariska Wildlife Sanctuary, Keoladeo Ghana National Park, and Corbett National Park are Mecca for Wildlife and nature lovers

### **Medical tourism**

Health care is one of the biggest concern of all. India provides world class health care in terms of surgical procedures and general medical attention with extremely competitive prices. This has been possible with unending hard work of scientists, doctors along with the constant support of government and related institutions. It offers a wonderful opportunity to avail medical facilities and visit exotic location of country.

### **Wellness Tourism**

Ayurveda, Yoga, Naturopathy are integral part of Indian culture. This country has given completely natural ways of medication and therapies to heal and rejuvenate one's body and senses. It also helps to achieve a balanced, stress free life. These methods of treatment proves best in natural environment. This combination of medication and nature encourages wellness tourism. This travel promotes a healthier and less stressful lifestyle structure for every individual.

### **Disaster tourism**

Disaster is an avoidable for mankind in world. There may be nature or human behind cause of disaster. These disasters and its footprints it leave behind are integral part of human civilization. The glorious history of India has witnessed many disasters as well, which has shaken world and given valuable experiences for a better and improved life. The painful incidence now attract many curious visitors who want to come to disaster affected places as researchers, innovators, story tellers etc. Kedarnath, Bhuj are some place where tourist come with curiosity about natural disaster taken place years ago.

## **9. Impact of Tourism**

Tourism helps in art and culture exchange and results in economic development. Tourism gives varied impacts on host country. commonly we can divide these multiple impacts in majorly three categories as Economic Impacts, Social and Cultural Impacts and Environmental Impacts. Economic impacts are direct, indirect and induced. These impacts are related with employment opportunities, investment in various sectors, Infrastructure development, investment in handicraft industry, tax revenue increment, opportunities and contribute to income and standard of living of the people. Effects which are straight away related with tourists spending are Direct effects. On the other hand indirect effects are changes in the economy as result of the secondary rounds of purchases made in the direct spending. But the induced effects are related to the changes in the economy as a result of income received from the tourist expenditure (either directly or indirectly).

Preservation of local art, and handicraft, harmony and understanding between different group of people in the world, Investment for conservation of heritage, increase in amenities like park, recreation facilities, improvement in quality and

standard of living etc can be taken as positive Social and cultural impacts of tourism. But at the same time, tourism puts negative impact too on society and culture. hammering of inhabitant individuality, clashes of cultures, social anxiety like increased demand for resources, barring of locals from natural resources, spying and ethical issues like sex tourism or child labour.

Impact of Tourism on the natural environment is equally important. Exhaustion of natural resources, pollution and physical impacts like marina development, loss of biodiversity, construction activities and trampling are major negative effects of irresponsible tourism. Preservation of wildlife and natural destinations reminds positive impacts. Thus whether positive or negative, tourism is essentially modifying the world at an amazing rate.

## **10. Major Constraints in front of Indian Tourism Industry:**

Even after encouraging statistics from travel and tourism industry as its economic contribution, The major restraint in the development of tourism in India is the un-availability of adequate infrastructure including inadequate air seat capacity, poor accessibility to tourist destinations, accommodation and untrained manpower in sufficient number.

Poor visitor experience, particularly, due to poor hygienic conditions and incidents of touting and harassment of tourists in some places are yet to be treated.

The problem of Kashmir has not been solved. Due to many terrorist activities known to all, tourist have lost their interest in this beautiful place. Quality of Indian catering services, guides services, unavailability of required safety measures for adventure activities are also important factors which leave tourists appalled. Damaged roads cause inconvenient transportation, although many specialized services have been introduced as palace on wheels, but these services are very less in numbers to cater millions of tourist coming in country. and above all, the degrading environment and increased pollution of the Indian subcontinent is also harming natural beauty of country at a very fast pace.. If these issues will not be solved at priority bases, we would lose tourists to the United States of America, Mauritius, Singapore, Thailand, Hong-kong, and Japan. These countries make sure to offer entertainment, good quality rooms, and transportation, liquor, as well as food, at the most competitive prices. They are also adhere to international tourism norms in terms of catering, hospitality, and hygiene. We do not follow any norms and this leads to aversion on the part of the tourists from India.

## **11. Remedies against Constraints**

Although there are several drawbacks in country regarding the utilization of full potential of tourism industry, major remedies are being used to overcome with these setbacks.

It is fortunate to note that hotel management and tourism have become serious subjects as well as vocations. The government as well as the private institutions has launched many courses in tourism as well as hotel management.

Many Indian and international agencies are playing major role to promote and regulate air travel around the world including India. The Indian Government and Tourism Ministry are also providing best support them. The contribution of the private industries has also multiplied. professionalized point of view and approach can be seen by major players in India to achieve concrete results in this fastest growing industry.

Extending e-Tourist Visas to more countries revamping of existing schemes such as Hunar se Rozgar tak, introducing an Incredible India Tourist Helpline, creation of a Mobile Application for Tourists, , and undertaking various skill development initiatives such as setting up of Indian Culinary Institute, approval of new Institutes of Hotel Management etc are resulting as successful moves taken so far by government Major transformations that have already taken palced may be summed up as follow -

**1) World class tourism related infrastructure:** Development of theme based tourist circuits under Swadesh Darshan Scheme is resulting better service to both mass and niche tourism . Aim of these circuits is to develop world class infrastructure which can support and promote cultural and heritage value of the country and enhance the tourist attractiveness, more than 25 projects for around Rs. 2500 crore have been sanctioned for 21 States and Union Territories in previous years..

The National Mission for Pilgrimage Rejuvenation and Spiritual Augmentation Drive (PRASAD) scheme, focuses on expansion and beautification of pilgrimage sites. Idea behind the strategy is to tap the growth of domestic tourists driven by spiritual/religious sentiments as India is a religious country since ages.

**2) Internet Facility:** Trivago, Go- Ibibo, GooglePay, make my trip and many more are such websites and applications have not only opened door for information but have also offered convenience, transparency and safety to their users in every deal they make. Internet based processes have given un matched ease in finding right place to visit, place to stay, best shopping destinations and everything you can think for while visiting a tourist place.

**3) Introduction of a Mobile App:** A mobile application called Swachh Paryatan was launched in February, 2016, with idea of giving platform to citizens to report any hygiene issues at various tourist destinations across the country. After that, In September 2018, 'Incredible India Mobile App' was introduced to assist the traveler to India and showcase major experiences for travelling. These apps have given better connectivity to travelers with administration and helped to make the system more transparent. It has helped to credibility of Indian tourism industry.

**4) Multilingual Tourist Helpline:** A 24x7 Toll Free MultiLingual Tourist Helpline is working with ten international languages besides English and Hindi,

namely, Arabic, French, German, Italian, Japanese, Korean, Chinese, Portuguese, Russian and Spanish to assist tourists coming from various parts of world. This helpline works with aim to help the guests of country regarding any sort of problem they may have while visit.

**5) Development of Adarsh Smarak:** India has many destinations recognized by UNESCO as world heritage sites. It directly upgrades rank of India in world tourism. To conserve and preserve such tourist destinations, ASI is working with Adarsh Smarak Abhiyan. This scheme aims to provide tourist facilities including Wi-Fi, security, signage, encroachment free area, interpretation centres showing short films about the importance of monuments Leh Palace (Leh), Humayun's Tomb (New Delhi), Red Fort, (Delhi), Shore Temple (Mahabalipuram), Elephanta Caves (Mumbai), Taj Mahal (Agra), Rani-ki-Vav (Gujarat) are few such places which have been included in this scheme.

**6) Skill development:** Tourism & Hospitality sustained millions of direct, indirect, and induced jobs in India, which is more than the jobs created in banking, automotive manufacturing, chemicals manufacturing, education, financial services, and mining sectors.

## 12. Conclusion

With continuous increase in world's economy ( thanks to globalization) and revolutionary growth of Information technology, Tourism has become the world's largest industry contributing in increase of jobs and income in host countries and one of the important source of foreign exchange earnings. It helps in opening the minds of visitors to different ways of life and creating harmony between different religions and cultures. The tourism industry in India is substantial and vibrant due to natural and manmade tourist destinations and facilities to visitors. Tourism helps in preserving and sustaining the diversity of the India's natural, cultural and historical environments. The country is fast becoming a major global destination. Today, tourism has emerged with many new and creative concepts which require the support of the government to develop at its best. There is a need to disseminate development strategies with dedicated policies. Effective implementation of the policies will help in the growth of the industry overall. Since it is a multi-dimensional and service oriented industry, all divisions of the Central and State governments, private sector and charitable organizations need to become vigorous partners in the effort to attain sustainable growth in tourism of the country. Tourism in India should be taken with responsibility by all stakeholders and local public because destinations which attract tourists are not only important as income generation sources, but also inseparable part of India's Identity. Forts which are evidences of glorified history, temples, which have seen growth of religion, beaches and forest which are natural homes for many species have to be visited in such a way that it accommodates and entertains visitors with minimal intrusive or destructive to the environment.

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