

## Role of Tourism Industry in India's Development

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### Abstract

The tourism industry of India is economically important and grows rapidly. The World Travel & Tourism Council calculated that tourism generated INR6.4 trillion or 6.6% of the nation's GDP in 2012. It supported 39.5 million jobs, 7.7% of its total employment. The sector is predicted to grow at an average annual rate of 7.9% from 2013 to 2023. This gives India the third rank among countries with the fastest growing tourism industries over the next decade. India has a large medical tourism sector which is expected to grow at an estimated rate of 30% annually to reach about 95 billion by 2015. This paper discusses how India is emerging as a popular tourist destination in the world, driven by the focus on innovation and creating value for tourists. It aimed change the attitude and behavior toward foreign tourists by stressing on the aspect that a guest has been held in high esteem in India since ancient times. It also examines the impact of India's economic growth on tourism, Contributors to economic growth, Role of Tourism industry in India's GDP, Foreign versus Domestic Tourists. The paper also explores that there has been a tremendous growth in tourism in India because of the policies of the government and support from all levels. Tourism is considered to be an economic bonanza. It is a multi-segment industry. While gauging the positive economic effects of tourism, we study its contribution to the generation of national income, expansion of employment opportunities, rising of tax revenue, generation of foreign exchange .and transformation of regional economy. 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 potpourri 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 different parts of the country offer wide variety of interesting places to visit.

**Keywords:** Employment opportunities; Foreign versus domestic tourists; GDP; Tourism industry

### Introduction

Throughout the world, tourism brings money to cities and countries. Tourism also provides jobs for the local residents, further benefiting the destination. India has realized the profits available from this sector. Thanks to its growing economy and promoting itself as a culturally rich and diverse nation, India's tourism industry now brings billions of dollars into the economy each year. 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.

Words are few to explain the beauty of India. India is a country with diversified culture and traditions. The natural beauty of India, festivals, dresses, heritage sites of India are very popular among tourists. These things fascinate travelers to come here. India has so many scenic blessed places like Kerala, Darjeeling, Goa, Kashmir, Shimla(I am just having few names) and Manali. These places are very popular. These places are prime attraction of travelers from across the world .There are also so many other places worth visiting ., like Delhi Kutub Minar /Agra Tajmahal/Hyderabad Charminar and Salarjung museum /Chennai a city of fine arts / Bangalore., Known as the Garden City for its lush landscape, lakes and temperate climate, it aptly represents India's marriage of past and present,/ kerala known as god's own country/ Kolkata was arguably second only to London in administrative importance in the British Empire. Home of luminaries like Rabindranath Tagore, Amartya Sen, Mother Teresa, and Satyajit Ray, the city is often referred to as the "cultural capital of India" etc. The Government of India has established the Ministry of Tourism in order to boost Tourism in India. The Ministry of Tourism has undertaken many projects to showcase India as a perfect Tourist destination and create a visitor-friendly image of the country. The major steps taken by the Government were the Atithi Devo Bhavah Campaign which

gave a widespread message of "honour your Guest as he is always equivalent to God" and the Incredible India Campaign which was incredibly successful in creating a colorful and a gorgeous image of our country as a perfect holiday destination. Dr. K. Chiranjeevi, Hon'ble Minister for State for Tourism (IC) launched the Ministry of Tourism's Incredible India 2013 Calendar. The attractive Calendar is based on the theme "Find What You Seek" as part of Phase II of the Incredible India campaign, which was launched during World [1].

Travel Mart (WTM), London 2012. This was mainly because of extensive Publicity Campaigns in which the IT industry played a remarkable role.

### 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, Magazines, Books, Economic journals and Internet etc.

### Initiatives by the government for tourism promotion

**Hunar se rozgar' programme:** A special initiative was launched in 200910 for the create ion of employable skills among youth belonging

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to economically weaker sections of the society in the age group of 18-25 years (upper age limit raised to 28 years in November, 2010) with the basic objective to reduce the skill gap affecting the hospitality and tourism sector and to ensure the spread of economic benefit of tourism to the poor. The programme offers short duration courses of 6 to 8 weeks which are fully funded by the Ministry of Tourism

**Visa on arrival:** Considering the importance of Visa facilities in enhancing tourist inflow, the facility of „Long Term Tourist Visas“ of five years duration with multiple entries, carrying a stipulation of 90 days for each visit, has been introduced on a pilot basis for the nationals of the 18 selected countries. The findings of an evaluation study conducted by this

Ministry has reinforced the belief that the presence of the facility of “Visa on Arrival” (VoA) significantly influences the tourists’ travel plans to any country. During 2012, a total number of 16,084 VoAs (Visa on Arrival) were issued as compared to 12,761 VoAs during the corresponding period of 2011, thereby showing a growth of 26%. Efforts are on to extend the VoA facility for the nationals of more countries

### Types of tourism in india

India is a country which witnesses a lot of diversity pertaining to its ecology, mythology, history, its geographical diversity in terms of mountains, planes and plateaus and also the medicinal diversity teaching us the Science of Life (Ayurveda). India showcases a variety of tourism options which includes Ecological Tourism, Pilgrimage Tourism, Historical Tourism, Adventure Tourism, Medical Tourism and an upcoming Ayurveda Tourism. So Tourism in India could be broadly classified on the basis of above mentioned categories [2]

**Leisure tourism:** Leisure time can be defined as “free time”, not doing any work. It is that time to do things that you normally have no time for in your daily life. Leisure tourism includes a holiday with the following:

- o Relaxation: Sleep, relax, reading, walk on the beach, taking a scenic drive
- o Sport activities: hiking, swimming, surfing, running
- o Visit places of interest and local attractions Visiting friends and relatives
- o Shopping for goods that will be used by the tourist.

**Business tourism:** Business tourism can be defined as “travel for the purpose of business”.

Business Tourism can be divided into three sections:-

- (a) Trading for goods to be resold on a wholesale basis.
- (b) Conduct business transactions

eg. visiting a client, contract negotiations.

- (c) Attending a conference, exhibition or event associated with their business.

**Ecological tourism:** The rich diversity in the flora and fauna with a blessing of the beautiful natural attractions has encouraged Ecological Tourism in India. The forests cover on the Andaman and Nicobar islands, Orissa, Meghalaya and the Malabar Coast;the Kaziranga and Jim Corbette wildlife sanctuaries;the mountain ranges in North India and the Hill Stations such as Shimla, Kulu, Manali, Ooty;the Paradise on Earth, Kashmir, the beautiful beaches at Goa and the backwaters of Kerala and much more is nothing but a feast for all nature lovers

**Pilgrimage tourism:** India has a very strong mythological background and is also known as the LAND OF GODS AND GODDESS. India being the most culturally developed country and the birthplace of many saints, poets and philosophers has marked growth in Pilgrimage Tourism since ancient times itself. Kedarnath, Badrinath, Amarnath, the Golden Temple at Amritsar, Dwarka, Dargahs and Masjids at Delhi and Ajmer, churches and temples at Goa are some of the common tourists’ attractions pertaining to Pilgrimage tourism [3]

**Historical tourism:** India is a land which gave birth to many legendary rulers and warriors creating a glorious historical background. Every city or place in India has a story to tell about its history. The common tourists’ attractions for the same include the Taj Mahal at Agra, the beautifully carved Ajanta Ellora and Khajuraho caves, the forts at Delhi, Rajasthan and Maharashtra, one of the oldest and historical cities of India “Madurai” and many more [4].

**Medical tourism:** Medical Tourism is an upcoming kind of tourism in India. Due to low cost and efficient medication facilities more number of people all over the world considers India to be a better option for medication purpose. The later part of the paper studies Medical Tourism.

**Ayurveda and yoga tourism:** Ayurveda may be regarded as the “Science of Life” which was developed long ago in 600 BC. India has witnessed an overall growth in tourist arrivals due to the upcoming; Ayurveda Tourism. The state of Kerala in South India is the popular destination of Ayurveda Tourism. The main focus of Indian Yoga is nothing but simple ‘yogasanas’ and meditation which rejuvenates one’s mind, body and soul. There are many Ashrams in India encouraging Yoga Tourism. The mountain ranges of the Himalayas, Rishikesh, Kedarnath, Gangotri of northern India are some of the places where one can get eternal peace and satisfy their spiritual quest and are the prefect destinations for Yoga Tourism.

**Adventure tourism:** Due to its geographical diversity India is one of the finest places for Adventure Tourism. Mountaineering, skiing, trekking in the ranges of Himalayas, Camel safaris in Rajasthan, River rafting in the Ganges near Rishikesh, Rock climbing, Wind rafting and much more of an adventure for every adventure lover is bestowed by India upon its Tourists.

**Sports tourism:** Sports tourism refers to international travel either for viewing or participating in a sporting event. Examples include international sporting events such as the Olympics, world cup (soccer, rugby, and cricket), tennis, golf and Formula 1 Grand Prix.

**Wildlife tourism:** Wildlife tourism is the observation of wild (non-domestic) animals in their natural environment or in captivity. It includes activities such as photography, viewing and feeding of animals. This form of tourism offer tourists customized tour packages and safaris and is closely associated with eco-tourism and sustainable-tourism. Other minor forms of tourism include Slum tourism, Luxury tourism, Agritourism, Geo-tourism, culinary tourism and many more. Tourism is also a profitable industry for the following sectors: accommodation venues, tour guides, recreation, attractions, events and conferences, food and beverage, transportation and the travel trade.

### Tourist attractions in india

India is a country known for its lavish treatment to all visitors, no matter where they come from. Its visitor-friendly traditions, varied life styles and cultural heritage and colorful fairs and festivals held abiding attractions for the tourists. The other attractions include beautiful

beaches, forests and wild life and landscapes for eco-tourism; snow, river and mountain peaks for adventure tourism; technological parks and science museums for science tourism; centers of pilgrimage for spiritual tourism; heritage, trains and hotels for heritage tourism. Yoga, Ayurveda and natural health resorts and hill stations also attract tourists.

The Indian handicrafts particularly, jewelry, carpets, leather goods, ivory and brass work are the main shopping items of foreign tourists. It is estimated through survey that nearly forty per cent of the tourist expenditure on shopping is spent on such items.

Despite the economic slowdown, *medical tourism* in India is the fastest growing segment of tourism industry, according to the market research report "Booming Medical Tourism in India".

The report adds that India offers a great potential in the medical tourism industry. Factors such as low cost, scale and range of treatments provided in the country add to its attractiveness as a medical tourism destination [5].

### Domestic tourism flows in india

Domestic tourism continued to grow at a double-digit rate in 2012. The growth was driven by rising numbers of people travelling across the country for pilgrimage, wildlife, sightseeing, photography and adventure sports holidays. Figure 1 shows the total contribution of travel and tourism to employment. Some of the other factors also include wider economic growth of the country, rising disposable incomes, formal employment with leave entitlement etc. Domestic tourism also witnessed growth due to increased marketing efforts through television commercials, tour operators and agents of various states highlighting the best tourism experiences on offer. Domestic tourism is expected to grow at a CAGR of 11% in the forecast period in terms of number of trips. The number of holiday takers overall is expected to increase at a CAGR of 5%, boosting domestic tourism. Additionally, disposable incomes will rise, enabling locals to take more trips annually. Furthermore, the weakness of the Indian rupee against the dollar and other currencies will encourage locals to take trips within the country, where their purchasing power will be stronger. (Over 30% Indian tourists are Gujarat's: Tourism ministry) Gujarat comes in ninth place when it comes to attracting tourists from other Indian

states and it is nowhere among the top 10 with regards to foreign tourist visits. However, the state takes the top slot when it comes to travelling outside, be it within the country or to international locations, followed closely by Maharashtra. Both, Gujarat and Maharashtra are front runners for offering tourists to domestic and international circuits. Of the overall tourists from India visiting domestic as well as international destinations, nearly 30-40 per cent are from Gujarat. Considering this penchant of Gujarati's for travel, Gujarat Chief Minister Narendra Modi had said during his visit to West Bengal, "Gujarat was never a tourist destination, but Gujarati's are the best tourists." Apart from Gujarat and Maharashtra, Delhi and West Bengal send the highest number of tourists to various outside destinations. According to tourism ministry data, the number of outbound tourists from India to international destinations increased by 6.7 per cent to 14.92 million in 2012 over the previous year. The ministry data also states that the total number of domestic tourist visits in 2012 was 1.036 billion, that is to say over 1.036 billion domestic tourists travelled to different parts of the country during 2012, up from 850 million travelers in 2011 [6].

### Travel and tourism's growth

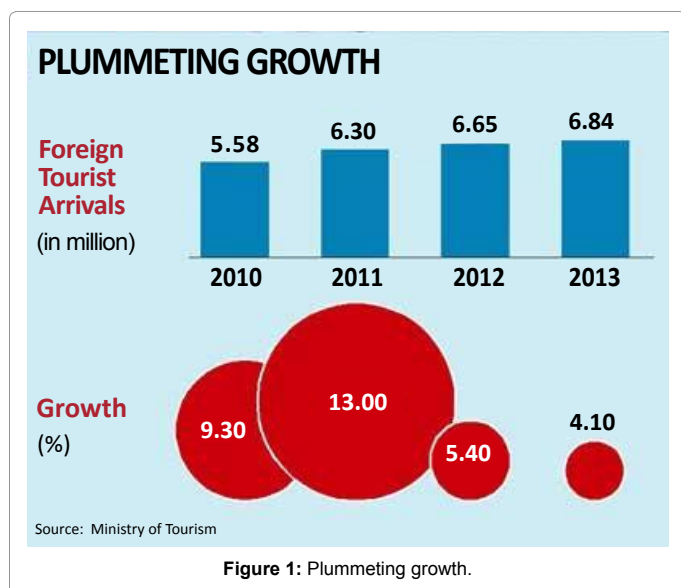
Tourism is not only a growth engine but also an employment generator. According to the Economic Survey 2011-12, the sector has the capacity to create large scale employment both direct and indirect, for diverse sections in society, from the most specialized to unskilled workforce. It provides 6-7 per cent of the world's total jobs directly and millions more indirectly through the multiplier effect as per the UN's World Tourism Organization (UNWTO).

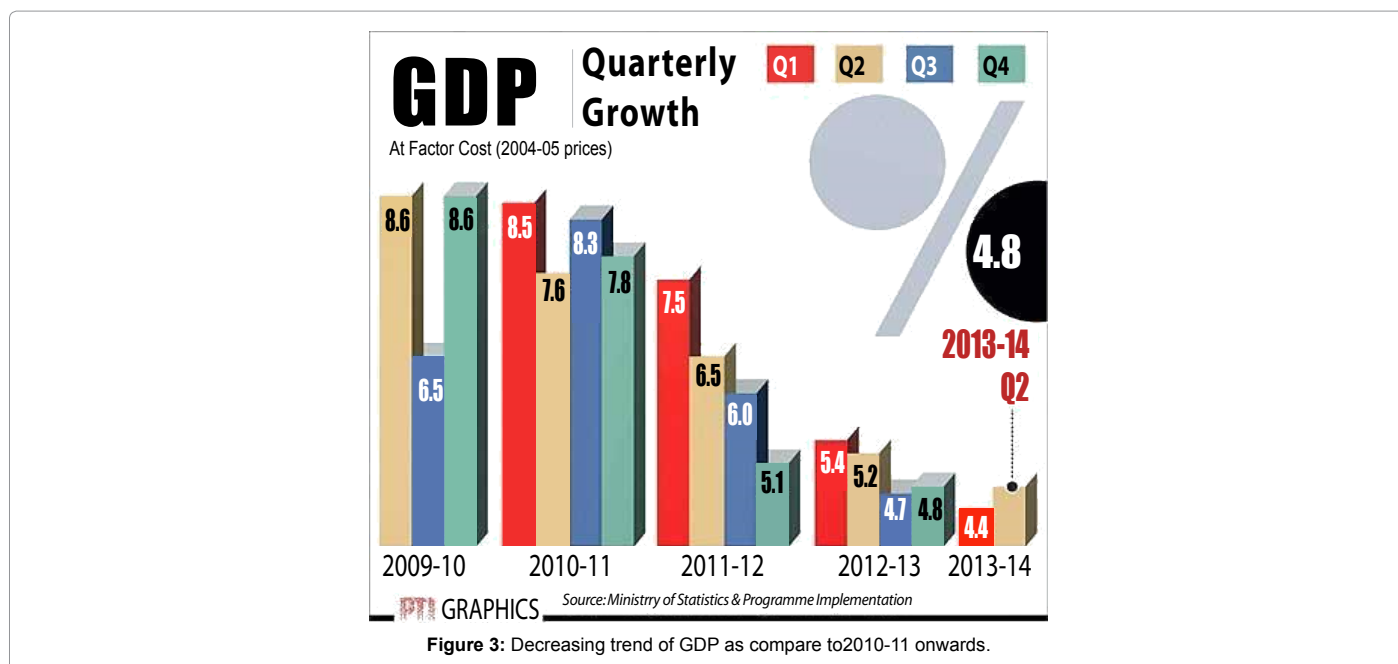
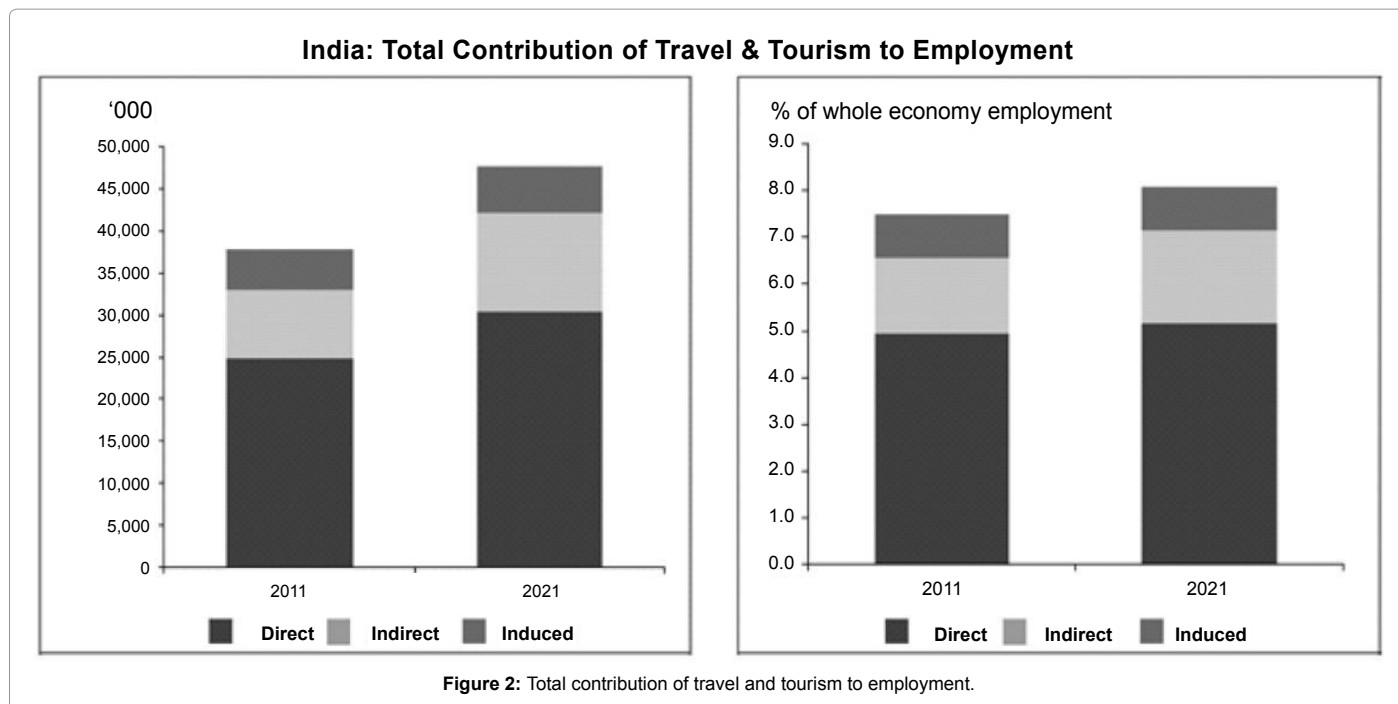
Completely skipping India because of so many incidents of rape and molestation that came to light last year," he said. The travel companies were hoping that because of the rupee depreciation, inbound tourism would get a major boost in 2013. Figure 2 shows the Plummeting growth of Foreign Tourist Travels. However, as challenges persist, most are now pinning their hopes on 2014. "In the last one year, inbound tourism has not grown to our expectations due to sluggish economic climate in source markets. We believe this will change and Indian tour operators will reap the benefits of this revival. Another factor that will help India is the depreciation of the rupee by 12 per cent, which will boost inbound tourism in the 2014-15 seasons," said Arup Sen, director (special projects), Cox & Kings. Figure 3 shows the decreasing trend of GDP as compared to 2010-11. Foreign exchange earnings from tourism in 2013 grew 2.2 per cent to \$18.1 billion, compared to a growth of seven percent in the previous years [7].

### Travel and tourism's contribution to GDP

Travel and tourism play an important role in India's economy; compared with other nations, India ranks 14th in the world in terms of its tourism sector's contribution to the GDP. At time of publication, the World Travel and Tourism Council predict India will sustain the fifth largest amount of growth in the tourism sector of any country. Tourism can offer direct and indirect aid to a nation's economy. Direct benefits include economic support for hotels, retail shops, transportation services, entertainment venues and attractions, while indirect benefits include government spending on related infrastructure, plus the domestic spending of Indians employed in the tourism sector. The share of Travel & Tourism spending or employment in the equivalent economy-wide concept in the published national income accounts or labour market statistics. Table 1 shows Travel & Tourism Total Contribution to GDP in 2014.

Of India. Visitor exports are compared with exports of all goods and services Domestic Travel & Tourism spending is compared





with GDP Government individual Travel & Tourism spending is compared with total government spending Internal Travel & Tourism consumption is compared with total internal consumption (i.e. total domestic spending plus total export). Table 2 shows Travel & Tourism Total Contribution to GDP in local currency units in 2014 in India. Leisure Travel & Tourism contribution to GDP is compared with total GDP Business Travel & Tourism contribution to GDP is compared with total GDP Travel & Tourism capital investment spending is compared with all fixed investment spending [8].

**Impacts of tourism on the economy**

Tourism can bring many economic and social benefits, particularly

in rural areas and developing countries, but mass tourism is also associated with negative effects. Tourism can only be sustainable if it is carefully managed so that potential negative effects on the host community and the environment are not permitted to outweigh the financial benefits. Tourism industry in India has several positive and negative impacts on the economy and society. These impacts are highlighted below [9].

**Positive impacts**

1. **Generating Income and Employment:** Tourism in India has emerged as an instrument of income and employment generation,



YEAR	India - Travel & Tourism Total	
	Contribution to GDP - 6.8(% share)in	
	2014	
	Value	Change,%
2014	6.8	3.03%
2013	6.6	1.54%
2012	6.5	-1.52%
2011	6.6	1.54%
2010	6.5	-2.99%
2009	6.7	-6.94%
2008	7.2	0.00%
2007	7.2	1.41%
2006	7.1	1.43%
2005	7	-19.54%
2004	8.7	-1.14%
2003	8.8	

Table 1: India - Travel & Tourism Total Contribution to GDP - 6.8(% share) in 2014.

YEAR	Value
2014	8,488.30
2013	7,416.10
2012	6,385.10
2011	5,686.40
2010	4,768.50
2009	4,130.70
2008	4,014.10
2007	3,475.70
2006	2,953.60
2005	2,499.60
2004	2,738.80
2003	2,429.10

Table 2: India - Travel & Tourism Total Contribution to GDP – LCU (local currency units) 8,488.3 bn in 2014.

poverty alleviation and sustainable human development. It contributes 6.23% to the national GDP and 8.78% of the total employment in India. Almost 20 million people are now working in the India's tourism industry.

**2. Source of Foreign Exchange Earnings:** Tourism is an important source of foreign exchange earnings in India. This has favorable impact on the balance of payment of the country. The tourism industry in India generated about US\$100 billion in 2008 and that is expected to increase to US\$275.5 billion by 2018 at a 9.4% annual growth rate.

**3. Preservation of National Heritage and Environment:** Tourism helps preserve several places which are of historical importance by declaring them as heritage sites. For instance, the Taj Mahal, the Qutab Minar, Ajanta and Ellora temples, etc. would have been decayed and destroyed had it not been for the efforts taken by Tourism Department to preserve them. Likewise, tourism also helps in conserving the natural habitats of many endangered species.

**4. Developing Infrastructure:** Tourism tends to encourage the development of multiple-use infrastructure that benefits the host community, including various means of transports, health care facilities, and sports centers, in addition to the hotels and high-end restaurants that cater to foreign visitors. The development of infrastructure has in turn induced the development of other directly productive activities.

**5. Promoting Peace and Stability:** Honey and Gilpin [10] suggests that the tourism industry can also help promote peace and stability in developing country like India by providing jobs, generating income,

diversifying the economy, protecting the environment, and promoting cross-cultural awareness. However, key challenges like adoption of regulatory frameworks, mechanisms to reduce crime and corruption, etc, must be addressed if peace-enhancing benefits from this industry are to be realized.

### Negative impacts

**1. Undesirable Social and Cultural Change:** Tourism sometimes led to the destruction of the social fabric of a community. The more tourists coming into a place, the more the perceived risk of that place losing its identity. A good example is Goa. From the late 60's to the early 80's when the Hippy culture was at its height [11], Goa was a haven for such hippies. Here they came in thousands and changed the whole culture of the state leading to a rise in the use of drugs, prostitution and human trafficking. This had a ripple effect on the country.

**2. Increase Tension and Hostility:** Tourism can increase tension, hostility, and suspicion between the tourists and the local communities when there is no respect and understanding for each other's culture and way of life. This may further lead to violence and other crimes committed against the tourists. The recent crime committed against Russian tourist in Goa is a case in point.

**3. Creating a Sense of Antipathy:** Tourism brought little benefit to the local community. In most *all-inclusive package tours* more than 80% of travelers' fees go to the airlines, hotels and other international companies, not to local businessmen and workers. Moreover, large hotel chain restaurants often import food to satisfy foreign visitors and rarely employ local staff for senior management positions, preventing local farmers and workers from reaping the benefit of their presence. This has often created a sense of antipathy towards the tourists and the government.

**4. Adverse Effects on Environment and Ecology:** One of the most important adverse effects of tourism on the environment is increased pressure on the carrying capacity of the ecosystem in each tourist locality. Increased transport and construction activities led to large scale deforestation and destabilization of natural landforms, while increased tourist flow led to increase in solid waste dumping as well as depletion of water and fuel resources. Flow of tourists to ecologically sensitive areas resulted in destruction of rare and endangered species due to trampling, killing, disturbance of breeding habitats. Noise pollution from vehicles and public address systems, water pollution, vehicular emissions, untreated sewage, etc. also have direct effects on bio-diversity, ambient environment and general profile of tourist spots.

### Results and Discussion

Environmental degradation, (Pollution) due to tourism should be taken into consideration while promoting tourism. Eco-friendly tourism should be promoted. Wildlife environment should be taken into consideration while promoting tourism. Because Wildlife viewing puts stress on animals and has changed their behavioral patterns. Noise and commotion created by tourists have adverse effect on their behavioral pattern. Litter, impact on tourism should be taken into consideration while promoting tourism. Because the most common impact of tourism is litter, and its effect is almost instant. By employing local people to help clean it up, making their lives slightly easier and more comfortable.

Aggressive advertisement campaigns on the tourist destinations should be made to attract more and more tourist. Airport procedures should be simplified. In nutshell if one wants to enjoy nature one must

preserve it, otherwise all the exotic destinations will become extinct and the world will not be a beautiful place to live in. Eco friendly tourism should be promoted all over the world and if marvels of nature should be preserved, tourism should take into account the principle and process of sustainable consumption.

## Conclusion

India could be a country with varied culture and traditions. The natural fantastic thing about India, festivals, dresses, heritage sites of India area unit extremely popular among tourists. Kerala, Darjeeling, Goa, Kashmir, Shimla (I am simply having few names) and Manali area unit best scenic places in India. Commercial enterprise business in India has large potential for generating employment and earning great amount of interchange besides giving a positive stimulus to the country's overall economic and social development. Promotion of touristy ought to be done in order that commercial enterprise in India helps in protective and sustaining the variety of the India's natural and cultural environments. commercial enterprise in India ought to be developed in such means how some way the way the simplest way} that it accommodates and entertains guests in an exceedingly way that's minimally intrusive or harmful to the setting and sustains & supports the native cultures within the locations it's operational in. commercial enterprise could be a multi-dimensional activity, and essentially an industry. All wings of the Central and State governments, non-public sector and voluntary organizations ought to become active partners within the endeavour to realize property growth in commercial

enterprise if India is to become a world player within the commercial enterprise business.

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