



ROLE OF TOURISM IN INDIA'S ECONOMIC DEVELOPMENT: A STUDY OF UTTAR PRADESH

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Abstract

Tourism is considered as one sector that shall drive economic growth, contribute foreign exchange, enhance employability and result in community development. Tourism industry in India has outshone as a main factor of economic development. The most important dimension of tourism is the cultural exchange among various nationalities. It may also help in socio-cultural linkages at the national and international level. Indian tourism Industry has played its share in the Gross Domestic Product (GDP) of the country along with foreign exchange earnings and creating job opportunities. The present paper deals with the growth of foreign tourist arrivals and foreign exchange earnings into India through the study of Indian tourism industry. It also examines the share of the Indian Tourism Industry in the World. The paper also explores that there has been tremendous growth in tourism in India because of the policies of the government and support from all levels. The study also suggests some measures for the scope of tourism in India, which can help in shaping our society.

Keywords: *Indian Tourism Industry, Foreign Tourist Arrivals, Foreign Exchange Earnings, Economic Development.*

Introduction

Tourism is often described as the fastest growing industry of the world. Tourism has been making efforts for India's economic - social development because it provides unlimited job opportunities at national as well as local level. It has the potential to stimulate other economic factors through its forwards and backward linkages and ability to create more employment due to its multiplier effect on the economy.

The Indian tourism industry has emerged as one of the key drivers of growth among the services sector in India. As any economy matures, in the process of development, it makes a transition from agriculture to manufacturing and from manufacturing to services. In different stages of economic growth, the relative importance of these sectors changes in terms of employing people and their relative contribution to GDP.

Tourism is the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited. The World Tourism Organization defines tourists as people who "travel to and stay in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited". Tourism has become a popular global leisure activity. In 2014, there were over 7679099 international tourist arrived in India, with a growth of 10.2% as compared to 2013. This ranks India as the 38th country in the world in terms of foreign tourist arrivals.

Tourism industry acts as a powerful agent of both economic and social change. It stimulates employment and investment, modifies economic structure and makes positive contributions towards balance of payments. The money spent by the foreign tourists in a country is turned over several times. In the process, the total income earned from tourism is a number of times more than the actual spending. The multiplier effect of tourism receipts is completely recognized as spreading to secondary and tertiary spheres of the economic activities of a nation. It encompasses economic, social cultural, educational and political significance. Marketing and promotion are of vital importance in tourism because of the competitive nature of the industry both within and between the generating countries. Tourism creates direct, indirect and induced employment. The present paper analyse the growth of foreign tourist arrivals and foreign exchange earnings into India through the study of Indian tourism industry. It also examines the share of the Indian Tourism Industry in the World. The paper also explores that there has been tremendous growth in tourism in India because of the policies of the government and support from all levels.

Objectives

The objectives of the present study are:

- To analyses the growth of foreign tourist arrivals, foreign exchange earnings in India directly from the Tourism Industry.
- To study the growth of tourism industry in Uttar Pradesh.
- To suggest measures for increasing the growth of foreign tourist arrivals and to increase foreign exchange earnings in India.



Methodology

The research paper is descriptive in nature. The study was based on a range of secondary data collected from various government sources such as the Ministry of Tourism, the Government of India, the World Tourism Organization and other relevant websites. The attempt is to be made to present a comprehensive picture of Indian Tourism Industry.

Indian Tourism Industry: An Overview

India is a vast country with a history that goes back 5000 years. Its vast geographical diversity, rich culture and heritage, fair and festivals, snow capped lofty mountains, vast coastline, and other singular attractions that span the entire country offer tremendous potential for Indian tourism. It enables the international traveller to understand and experience India's cultural diversity first hand. Tourism in India has seen exponential growth in the recent years. India is one of the most preferred destinations for both overseas and domestic travellers. According to official estimates the Indian tourism industry has outperformed the global tourism industry in terms of growth in the volume of foreign tourists as well as in terms of revenue. The main reason for the growth in tourism in India is the tremendous progress made by the Indian economy. Though it must be said that infrastructure is still a constraint. To sustain the current growth the government should invest in infrastructure like transport, accommodation, better roads, health and hygiene etc. There has been a remarkable growth over the years in foreign tourist arrival to India due to the various efforts made, including promoting India through the "Incredible India" campaign in overseas markets. This global campaign had attracted the attention of tourism industry observers as well as tourists. Foreign tourist arrivals (FTAs) in India increased from 2.65 million in 2000 to 7.68 million in 2014. It is clear from Table: 1 and Figure: 1.

Table: 1, Foreign Tourist Arrivals (FTAs) in India, 2000-2014

Year	Number (millions)	% change
2000	2.65	6.7
2001	2.54	-4.2
2002	2.38	-6.0
2003	2.73	14.3
2004	3.46	26.8
2005	3.92	13.3
2006	4.45	13.5
2007	5.08	14.3
2008	5.28	4.0
2009	5.17	-2.2
2010	5.78	11.8
2011	6.31	9.2
2012	6.58	4.3
2013	6.97	5.9
2014	7.68	10.2

Source: India Tourism Statistics 2014, Ministry of Tourism, GOI

Table: 2, Top 10 Source Countries for Foreign Tourist Arrivals (FTAs) in India in 2014

S.No	Source Country	FTAs (in Million)	Percentage (%) Share
1	United States	1118983	14.57
2	Bangladesh	942562	12.27
3	United Kingdom	838860	10.92
4	Sri Lanka	301601	3.93
5	Russian Federation	269832	3.51
6	Canada	268485	3.50
7	Malaysia	262026	3.41
8	France	246101	3.20
9	Australia	239762	3.12
10	Germany	239106	3.11
Total top 10 Country		4727318	61.56
Others		2951781	38.44
Grand Total		7679099	100.00

Source: India Tourism Statistics 2014, Ministry of Tourism, GOI



Table-2 reveals that the majority of the tourist arrivals are from the USA with 1118983 Million which comprises 14.57 % followed by Bangladesh with 942562 Million comprising of 12.27 %, UK with 838860 Million comprising of 10.92 % and Sri Lanka 301601 Million comprising of 3.93% in the foreign total tourist arrivals in India in 2014. The tourism industry in India is thus considerably substantial and very vibrant, and the country is fast becoming a major global destination.

Table: 3, Share of Top 10 States/UTs of India in Number of Foreign Tourist Visits in 2014

Rank	State/UT	Foreign Tourist Visits in 2014	
		Number	Percentage Share (%)
1	Tamil Nadu	4657630	20.6
2	Maharashtra	4389098	19.4
3	Uttar Pradesh	2909735	12.9
4	Delhi	2319046	10.3
5	Rajasthan	1525574	6.8
6	West Bengal	1375740	6.1
7	Kerala	923366	4.1
8	Bihar	829508	3.7
9	Karnataka	561870	2.5
10	Haryana	547367	2.4
Total of Top 10		20038934	88.8
Others		2528716	11.2
Total		22567650	100.0

Source: India Tourism Statistics 2014, Ministry of Tourism, GOI

Table: 4, Share of Top 10 States/UTs of India in Number of Domestic Tourist Visits - 2014

Rank	State/UT	Domestic Tourist Visits in 2014	
		Number	Percentage Share (%)
1	Tamil Nadu	327555233	25.6
2	Uttar Pradesh	182820108	14.3
3	Karnataka	118283220	9.2
4	Maharashtra	94127124	7.3
5	Andhra Pradesh	93306974	7.3
6	Telangana	72399113	5.6
7	Madhya Pradesh	63614525	5.0
8	West Bengal	49029590	3.8
9	Jharkhand	33427144	2.6
10	Rajasthan	33076491	2.6
Total of top 10 States		1067639522	83.3
Others		214312733	16.7
Total		1281952255	100.0

Source: India Tourism Statistics 2014, Ministry of Tourism, GOI

Share of top ten states and union territories in terms of number of foreign tourist visits and domestic tourist visits in 2014 are represented in Table 3 & 4 respectively. Tamil Nadu occupies first place in terms of foreign tourist visits as well as domestic tourist visits. Uttar Pradesh is at third place in terms of foreign tourist visits and at second place in terms of domestic tourist visits in 2014.

ROLE OF TOURISM IN ECONOMIC DEVELOPMENT

Tourism has emerged as a key sector of the world economy and has become a major workforce in global trade. It has been making a revolutionary and significant impact on the world economic scenario. Tourism has been identified as the major export industry in the world. The multifaceted nature of this industry makes it a catalyst to economic development and helps balanced regional development. It is a low capital, labour intensive industry with economic multiplier and offers an opportunity to earn foreign exchange at low social cost.



Table: 5, Foreign Exchange Earnings (FEEs) from Tourism in India, 2000-2015

Year	Foreign Exchange Earnings (FEEs)			
	FEE from Tourism in India (in Rs. Crore)	Percentage (%) change over the previous year	FEE from Tourism in India (in US\$ million)	Percentage(%) change over the previous year
2000	15626	20.7	3460	15.0
2001	15083	-3.5	3198	-7.6
2002	15064	-0.1	3103	-3.0
2003	20729	37.6	4463	43.8
2004	27944	34.8	6170	38.0
2005	33123	18.5	7493	21.4
2006	39025	17.8	8634	15.2
2007	44360	13.7	10729	24.3
2008	51294	15.6	11832	10.3
2009	53700	4.7	11136	-5.9
2010	64889	20.8	14193	27.5
2011	77591	19.6	16564	16.7
2012	94487	21.8	17737	7.1
2013	107671	14.0	18445	4.0
2014	123320	14.5	20236	9.7

Source: India Tourism Statistics 2014, Ministry of Tourism, GOI

The Foreign Exchange Earnings through foreign tourists are presented in Table-5. It is crystal clear that the foreign earnings have increased from Rs.15626 Crores in 2000 to Rs.123320 Crores in 2014, recorded a positive and spectacular compound annual growth rate of 14.5% in 2014. But in US dollar terms, the quantum of foreign exchange earning has also been increased from US\$ 3460 Million in 2000 to US\$ 20236 Million in 2014. There was a higher instability noticed in the quantum of foreign exchange earnings both in terms of dollars and monetary value.

Table: 6, Contribution of Travel and Tourism to GDP and Employment in India, 2000-2014

Year	% Share in GDP	Employment	
		% Share in Employment	Employment Growth (%)
2001	7.3	9.6	-16.5
2002	8.3	10.6	12.3
2003	8.8	11	6.3
2004	8.7	11	1.4
2005	7.0	9.3	-13.1
2006	7.1	9.3	1.9
2007	7.2	10.1	10.4
2008	7.2	8.3	-16.4
2009	6.7	7.8	-4.4
2010	6.5	7.6	-0.8
2011	6.6	7.8	3.8
2012	6.5	7.7	0.5
2013	6.6	7.5	-0.2
2014	6.8	7.6	2.5

Source: World Travel and Tourism Council

The analysis shows that the contribution of travel and tourism as percentage share of GDP have almost constant with few exceptions over the period of time. It is 7.3% in 2001 which slightly decreased to 6.6% in 2014. The data shows that the share of travel and tourism in employment has remained in between 7.6% in 2014 and 9.6% in 2001. The percentage growth of employment has declined and registered erratic trend over the period. It is clearly emerged from the analysis that though contribution of travel and tourism to GDP and employment remained encouraging over the period of time.



Tourism Industry in Uttar Pradesh

Uttar Pradesh is one of the largest states of India. It poses a very rich historical heritage which has given this state a large number of places of tourist attraction. It is situated in the northern part of the country and is one of the most fascinating states of India. Taj Mahal, one of the Seven Wonders of the World, is located in the state of Uttar Pradesh at Agra. Uttar Pradesh is India's most populous state with a population of over 190 million people. It is divided in 71 districts with Lucknow as its capital. It is bounded by Nepal on the North, Himachal Pradesh on the North West, Madhya Pradesh on the South, Haryana on the West, Rajasthan on the Southwest and Bihar on the East. Uttar Pradesh attracts large number of tourists. Owing to its rich and varied culture, monuments, ancient places of worship, its monasteries make Uttar Pradesh an immense tourism delight and a centre of attraction for visitors coming to the state. The important tourist cities are Agra, Fatehpur Sikri, Allahabad, Sarnath, Gorakhpur, Varanasi, Lucknow, Kanpur and Mathura having religious as well as architectural importance.

Table: 6, The Indian & foreign tourist who visited important tourist places in U.P.

Year	Indian	Foreigners	Total (in Lacs)
2010	1447.55	23.24	1470.79
2011	1554.30	26.39	1580.69
2012	1683.81	29.89	1713.70
2013	2265.31	32.06	2297.37
2014	1828.20	29.10	1857.30

Source: www.uptourism.gov.in

Number of Indian and foreign tourist who visited important places in Uttar Pradesh are presented in Table: 6. In 2010 total 1447.55 lacs Indian tourist visited which increase to 1828.20 lacs in 2014. The number of foreign tourist visited was increase from 23.24 lacs in 2010 to 29.10 lacs in 2014. The Uttar Pradesh Tourism Department, has undertaken certain policies to promote tourism in the state. The objectives of the Tourism Development Policy are – Providing economic benefits to the local population and enhancing employment opportunities; Improving and diversifying tourism products base; Increasing the hotel capacity etc.

Problem of Tourism in India

Although the Government is making rigorous efforts to develop the tourism industry but there are certain barriers which are hindering its overall development. Tourism is a major source of foreign exchange and these barriers hamper the growth of tourism industry. Still Indian tourism industry does not have the desired and well developed infrastructural facilities. Government regulations in India frustrate tourists and tour operators alike, with ever-shifting visa rules that can leave visitors in the lurch and create inconsistent enforcement. Numbers of national as well as international airports are very less. Those airports which are operating do not have sufficient facilities for the tourists. They are not fully equipped for providing the basic facilities to the foreign tourists. The deteriorating condition of the roads is another problem faced by the tourists. There is a scarcity of luxurious hotels, proper and hygienic restaurants, well equipped shopping malls and outlets displaying branded products are some of the reasons. Efficient human resource and trained guides are also a problem faced by tourists. The tourists also fear due to safety and security reasons. They even resist in coming because of the fraud and misbehaviour with them. Terrorism has made vulnerable disaster to the tourism industry. Bomb blast and other terrorist activities have created a fear in hearts of the tourists and they are unable to visit with mental peace and stability.

Suggestions for Improvement

Tourism is the biggest industry in the world from turnover point of view. In India, tourism is a late started industry. After the independence, the Government started taking plans to organize and develop the tourism destinations scattered all over the country. Some of the steps taken by Government are:

- Plans preservation of cultural, heritage and environment at tourist destinations to attract more tourists.
- Development of infrastructure to meet the present and future needs of tourist.
- Government Started different types of luxurious trains like Palace on Wheels, Royal Orient or Deccan Queens.
- Government initiated overseas offices at different countries to promote India as a tourism destination.
- Proper coordination between the states and central tourism departments been ordered to develop the destinations.
- Different packages to attract for those destinations attracting more tourists.
- Developed different Tourism Circuits like Golden Triangle or Buddhist Circuit to attract more tourists.

Thus for overall improvement of the tourism sector, it is important that the visitors' attraction and satisfaction requires maximum improvement and focused attention on a priority basis. Efforts should be made to provide good shopping



opportunities, volume of operations, entertainment facilities, air connectivity, transport connectivity and long time packaged tours at lower price. There should be proper law and order situation at the tourist destinations. Efforts should be made to ensure uninterrupted power supply for the comfort of the tourists. Well trained and efficient human resources should be employed at every level to provide polite and courteous hospitality to the tourists. Further there should be coordination among the tourism department and the various agencies like the transport, airways, hotels and associates.

Conclusion

Tourism has emerged as one of the fastest growing industries in the world and registers its importance in India not only economically but also in providing a source of income, employment, and it also brings needed infrastructural improvements which may help in regional development. Tourism is a perfect vehicle for inclusive growth of society as it showcases the heritage of the nation and positively contributes to the development of local communities and poverty alleviation. As on one hand tourism is seen as an economic option and on the other side the greater social and human effect. Incredible India's promise of enthralling and engaging tourists will continue to capture the hearts of millions as the tourism industry of the country puts its best foot forward. The future of tourism in India is certainly bright but we do have a long road ahead.

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