



PROBLEMS AND PROSPECTS OF TOURISM DEVELOPMENT IN INDIA: AN ANALYSIS

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Abstract

Today tourism is the largest service industry in India Tourism is a major engine of economic growth and an important source of foreign exchange earnings in many countries including India tourism play a major role in creation of employment opportunities. In this study trends in the foreign and domestic tourist arrivals to India; the distribution of Foreign Exchange Earnings through tourism sector; diagnosis the country wise & state wise tourist arrival in India .and evaluate the scheme wise plan Allocation and expenditure of tourism by the government. This study uses secondary data are collected from government published sources, etc., It is found that he share of India in International tourist arrivals progressively increased from 0.59 per cent to 0.64 per cent; Foreign Tourist Arrivals rose from 2.48 million to 8.03 million; Tourism makes a significant contribution to India's foreign exchange earnings, which grew from Rs.12951 crores to Rs.135193crores; The share of India in world earnings from Tourism registered an increase from 1.34 per cent to 1.61 per cent ;The number of Domestic tourists in India rose from 191 million in 2009 to 1432 million and tourism sector accounts for 2.4% of total direct employment with the estimated indirect employment its share will raise to 6% of overall employment

Keywords: *Tourism, Tourist Arrivals, Foreign Tourist, Foreign Exchange Earnings.*

Introduction

Tourism has become one of the world's major industries plays a pivotal role in socio-economic development and fasters international understanding as a part of "Global Village Concept". It has emerged as an instrument for employment generation, infrastructure improvements, poverty Alleviation and sustainable human development. The earnings from tourism occupy an important place in the national income of a country. The money paid by the tourist after a long series of transfer over a given period of time, passes through all sectors of the national economy, stimulating each in turn throughout the process. Thus tourist expenditure not only supports many Industries directly but also helps indirectly many other industries, which supply goods and services to the tourist industries. Creation of infrastructure for tourist not only benefits the tourists but also serve the other sectors of the economy like industry and agriculture. The benefits from infrastructure investments, justified primarily for promotion of tourism the Developments of, airports, roads, water supply and other public utilities may be widely shared by the other sectors of the economy. Besides the domestic tourists and visitors, businessmen and residents also use tourist facilities such as hotels, Restaurants, museums, clubs, sport complexes, public transport, tourists also Contribute to tax revenue both directly and through sales taxes and indirectly through property, profits and income taxes. Tourism provides employment.

Tourism is major engine of economic growth and an important source of foreign exchange earnings in many countries including India, it has great capacity to create large scale employment of diverse kind-from the most specialized to the unskilled and hence can play a major role in creation of additional employment opportunities. Tourist want a holistic experience visit to historical Monuments, Museums and exposed to culture makes this possible. Activities like Entertainment, Sports, Dance, Music, Festivals, Adventure, Cuisine, Education, Health and Business enhance their expedience with the advancement of Transport; Communication an improvement in general economic well-being, the demand for tourism has increased concomitantly. The Travel & Tourism Competitiveness Report 2013 ranks India 65th out of 144 countries overall. The report ranks the price competitiveness of India's tourism sector 20th out of 144 countries. It mentions that India has quite good air transport (ranked 39th), particularly given the country's stage of development, and reasonable ground transport infrastructure (ranked 42nd). Some other aspects of its tourism infrastructure remain somewhat underdeveloped however. The nation has very few hotel rooms per capita by international comparison and low ATM penetration. The World Tourism Organization reported that India's receipts from tourism during 2012 ranked 16th in the world and 7th among Asian and Pacific countries.

Now a days tourism is widespread throughout the world, millions of people travel to different countries all year round seeking rest, new experience, and impressions. In addition, tourism has become quite a profitable business, which also brings benefits to a country's economy. Researches witnessed that tourism has three major impacts on the destination which tourists usually visit; these are mainly economic, environmental, and socio-cultural in nature. However, some impacts have been attributed to tourism though they may in fact originate elsewhere. Instead, more appropriate sources may be the media, the advertising and fashion industries, new industrial development, urbanization, modern agriculture, mining and forestry projects, and government and military activity. But while all these factors can be described as frequent features of modern



societies, it is widely believed that travel and tourism do generate impacts, including economic ones. The most important positive economic effects of tourism are to increase in budget revenues, production expansion, stimulation of investments, and improvement in the population's welfare. Among the negative effects of tourism, the most important impacts are inflation, financial leakage, infrastructure costs, and economic dependence. In contrary, tourism can have some negative economic effects, including leakage, decline of traditional employment and seasonal unemployment, in construction, banking, design and transport companies. The Ministry of Tourism designs national policies for the development and promotion of tourism. In the process, the Ministry consults and collaborates with other stakeholders in the sector including various Central Ministries/agencies, state governments, Union Territories and the representatives of the private sector. Concerted efforts are being made to promote new forms of tourism such as rural, cruise, medical and eco-tourism. The present study tries to analyse the problems and prospects of tourism in India.

Earlier Studies

There have been a number of studies available at Macro Level on the prospects, positive and negative impact of tourism, viz Mathieson & Wall, (1982); Cooper, Fletcher, Gilbert & Wanhill, (1993); Chandra Raba (2002) ; Deivamani et al., (2003); Dhulasi Birundha et al., (2003); Kala (2003); Soundara Pandian et al., (2003) Mani (2003) Robert Ingakaran et al., (2004) Bagri & Amitabhishra (2004) Bansal & et al., (2004) Mrinmoy K. Sharma (2004) Carter (2004) Kandari and Ashish Chandra (2004) S. Hussain Ashraf et al., (2004) M. Rajadurai (2006) G. Paramasivan et al., (2008) Mohamed Iiyas (2008) Oscar Braganza & et al., (2008) S. Revathy (2008) D. Anbalagan (2008) Guledgudda & et al., (2010) E. John Suriya Kumar (2010) Saravanan et al., (2011) K. Suganya (2011) R.M. Patil (2011); C.K.Kotravel Bharathi (2014) , Kumar and Hussain (2014) to mention a few.

Objective of the Study

The present study mainly aims to trace the source wise trends in arrivals of tourists in India; to explore the amenities available to promote tourism in India; to analyse the socio-economic aspects of tourism in India; to study the schemes for tourism development in India and to suggest government measures to improve tourism in India.

Methodology

The present study is descriptive in nature since it tries to describe the problems and prospects of tourism in India. It is purely based on secondary data relating to the arrivals of Foreign and Domestic tourists, Foreign Exchange Earnings from tourism, tourism development schemes which were collected from various authorized Govt. publications from the Ministry of Tourism, New Delhi. To fulfill the objectives of the study, simple tabulation method is followed.

Results and Discussion

The data on foreign and domestic tourist arrivals in India, state and country wise tourist arrivals in India, foreign exchange earnings through tourism services in India and the major tourism development schemes enunciated by the governments have been analysed

Foreign Tourist Arrivals to India

It is very obvious to observe from the analysis that there is an increasing trend registered in the number of foreign tourist arrived to India. It has been increased from 2.48 million in the year 1999 to about 8 million in 2016. Further it is noted that except in the years 2001 and 2009 in all the years the rate of change was attributed to positive. It is appreciable to note that in the year 2004 the maximum of 26% of annual growth rate was registered. Though the number of tourists visited India has been continuously increased in absolute term, the rate of change was not uniform, a Zig-Zag pattern of trend was registered. This may be mainly due to various pull and push factors of tourism development. (see **Table 1**)

Foreign tourist arrivals by Source Country

The country wise incidence of tourist arrivals to India has been given in the Table 2. It is known from the table that the majority of tourists come from the countries like United States, Bangladesh, United Kingdom, Sri Lanka, Canada, Malaysia, Australia, Germany, France and Japan and other countries. Among these countries, the maximum number of tourists i.e. 15 % come from United States followed by Bangladesh (14%), UK (11%), Less than 4 % each come from the countries, Sri Lanka, Canada, Malaysia, Australia, Germany; Less than 2% of the total tourists come from France and Japan. These ten countries account to about 62 % of the total foreign tourists and countries account to 38% of the tourists.



Table 1: Year Wise Foreign Tourist Arrivals (FTAs) in India

S. No	Year	FTAs in India (in Millions)	% change
1	1999	2.48	5.2
2	2000	2.65	6.7
3	2001	2.54	-4.2
4	2002	2.38	-6.0
5	2003	2.73	14.3
6	2004	3.46	26.8
7	2005	3.92	13.3
8	2006	4.45	13.5
9	2007	5.08	14.3
10	2008	5.28	14.3
11	2009	5.17	-2.2
12	2010	5.78	11.8
13	2011	6.31	9.2
14	2012	6.58	4.3
15	2013	6.97	5.9
16	2014	7.68	10.2
17	2015	8.03	4.5

Growth Rate Over Jan-June 2015

Source: Ministry of Tourism, Govt of India, 2016.

Table 2: Major Country Wise Tourists Arrivals to India in 2015

S. No	Country	2011			2015		
		Million	Share in %	Rank	Million	Share in %	Rank
1	United States	1.004	15.97	1	1.214	15.12	1
2	Bangladesh	0.395	6.34	3	1.134	14.13	2
3	United Kingdom	0.791	12.57	2	0.8,68	10.81	3
4	Sri Lanka	0.305	4.85	4	0.299	3.73	4
5	Canada	0.255	4.05	5	0.281	3.50	5
6	Malaysia	0.218	3.46	8	0.273	3.40	6
7	Australia	0.186	2.96	10	0.263	3.28	7
8	Germany	0.253	4.02	6	0.248	3.09	8
9	France	0.237	3.36	7	0.231	2.88	9
10	Japan	0.189	3.01	9	0.207	2.58	10
11	Total of Top 10	3.837	60.98	--	5.012	62.52	--
12	Other Countries	2.453	39.02	--	3.,009	37.48	--
Grand Total		6.310	100	---	8.027	100	--

Source : Bureau of Immigration Govt of India,2016

Domestic Tourist Distribution

The year wise number of domestic tourists visited the tourism spot in India is taken for analysis. It is clear from the analysis that it has tremendously increased from 191 million in 1999 to 1432 million in 2015. Further it is known from the analysis that though it has continuously increased absolutely, the trend is not found uniform throughout the period. The maximum rate of change was registered in the year 2012 accounts to 20 % annual growth rate from the previous year in one side and the minimum rate of change was registered in the year 2008, i.e. 6.8%. However, it is to be appreciable that no negative trend is registered over the period of time.(Vide Table 3)



Table 3: Number of Domestic Tourist visits to all states/ UTs in India

S. No	Year	No of DTVs (in million) to states / UIS	% Change
1	1999	190.67	13.4
2	2000	220.11	15.4
3	2001	236.47	7.40
4	2002	269.60	14.0
5	2003	309.04	14.6
6	2004	366.27	18.5
7	2005	392.04	7.0
8	2006	462.44	18.0
9	2007	526.70	13.9
10	2008	563.03	6.9
11	2009	668.80	18.8
12	2010	747.70	11.8
13	2011	864.53	15.6
14	2012	1045.05	20.9
15	2013	1142.53	9.3
16	2014	1282.80	12.3
17	2015	1431.97	11.6

Source : State / UT Tourism Departments.

Note : (i) DTVs Figure of 2014 has been revised.

(ii) Figures for Delhi & Maharashtra have been estimated.

Table 4: State / UT Wise Number of Tourist Arrivals in India

S. No	State/UT	2012	2013	2014	2015
1	Andaman Nicobar	17538	14742	17235	14674
2	Andhra Pradesh	292822	69552	66333	237854
3	Assam	17546	17638	21537	24720
4	Bihar	1096933	765835	829508	923737
5	Chandigarh	34130	40124	28365	29538
6	Arunachala Pradesh	5135	10846	5204	5705
7	Chhattisgarh	4172	3836	7777	6394
8	Dadra and Nagar Haveli	1234	1582	1799	1797
9	Daman and Diu	4607	4814	4620	5858
10	Delhi	2345980	2301395	2319046	2379169
11	Goa	450530	492322	513592	541480
12	Gujarat	174150	198773	235524	284973
13	Haryana	233002	228200	314757	303118
14	Himachala Pradesh	500284	414249	389699	406108
15	Jharkhand	31909	45995	154731	167785
16	J and K	78802	60845	86977	58568
17	Karnataka	595359	636378	561870	636502
18	Kerala	293696	858143	923366	977479
19	Lakshadweep	580	371	514	1173
20	Madhya Pradesh	275930	280333	316195	421365
21	Maharashtra	2651889	4186343	4389098	4408916
22	Manipur	749	1908	2769	3260
23	Meghalaya	5313	6773	8666	8027
24	Mizoram	744	800	921	798
25	Nagaland	2489	3304	2585	2769
26	Odisha	64719	66675	71426	66971
27	Puducherry	52931	42624	73291	10153
28	Punjab	143805	204074	255449	24236
29	Rajasthan	1451370	1437162	1525574	1475311



30	Sikkim	26489	31698	49175	38479
31	Tamil Nadu	3561740	3990490	4657630	4684707
32	Telangana	NA	153966	75171	126078
33	Tripura	7840	11853	26688	34886
34	Uttar Pradesh	1994495	2054420	2669735	3104062
35	Uttarakhand	124555	97683	101966	105882
36	West Bengal	1219610	1245230	1375740	1489500

Source : Ministry of Tourism, Govt of India.

State / UT Wise Tourist Arrivals

The data on State wise number of tourists arrived in India during recent years witnessed that the tourism attraction is comparatively impressive in the states like Bihar, Delhi, Maharashtra, Rajasthan, Tamil Nadu and West Bengal in one side and it is not impressive in the Mizoram, Manipur, Lakshadweep, Arunachal Pradesh, Chhattisgarh, Meghalaya and Nagaland on the other. It is also known that in 2014, vast change was registered in the state Bihar (829508) and very meager change was registered in the state Delhi, in Maharashtra and Punjab, Rajasthan and Tamil Nadu, Uttar Pradesh small change is witnessed while in Karnataka the number of tourist visitors has decreased that is 636378 to 561870. In the year 2015, tourist visitors in Andhra Pradesh and Bihar while in Delhi, Kerala, Puducherry, Tamilnadu, Uttar Pradesh and West Bengal only a small increase is registered during the period. The overall distribution of state wise tourist arrivals in India is found satisfactory (Refer Table 4)

Tourists Departure from India

Similarly, Indians are also interested to visit other countries, the information on year wise departure of Indian tourists to foreign countries infers that the number of Indian people going abroad as tourist has been increasing alarming rate. It has been increased from 3.73 million to 14.21 million during the study period. Further it is observed that it has been increasing in absolute term but relatively no uniform pattern of change has been registered. The impressive rate of change was registered in the years from 2004 to 2008 and in 2010 in one side and in the year 2009 the minimum of only less than 2% of annual change over the previous year was registered. However, there is a negative rate of growth registered over the period of time which shows Indian people are also attributed with visiting foreign places.(see Table 5)

Table 5: Year Wise Tourist from India to Other Countries

Sl. No	Year	Indian Tourists (in Millions)	% change
1	1997	3.73	7.6
2	1998	3.81	2.3
3	1999	4.11	8.0
4	2000	4.42	7.3
5	2001	4.56	3.4
6	2002	4.94	8.2
7	2003	5.75	8.3
8	2004	6.21	16.1
9	2005	7.18	15.6
10	2006	8.34	16.1
11	2007	9.78	17.3
12	2008	10.87	11.1
13	2009	11.07	1.8
14	2010	12.93	13.4
15	2011	14.21	9.4

Source: Ministry of Tourism, Govt of India , 2016

Foreign Exchange Earnings

It is a fact that Indian Tourism is a significant sector which contributes significantly to the country's GDP and Foreign Exchange Earnings. The analysis on the year wise Foreign Exchange earnings from tourism sector reveals that the FEE has been fabulously increased from Rs.12951 Crs in 1999 to Rs.73065 Crs in 2016. Further it is also known from the Reports of Ministry of Tourism, Govt of India that her foreign exchange earnings through tourism grew by 27.8 per cent year-on-year in April 2017 to Rs 14,692 crore, as per data released by the ministry of tourism. In April 2016, FEEs recorded a growth of 13.9 per cent to Rs 11,495 crore. During January-April 2017, FEEs grew by 17.5 per cent to Rs 61,002 crore, compared to the corresponding period previous year. However, April 2017 saw a growth of 23.5 per cent in foreign tourist arrivals compared



to April 2016. During January-April 2017, the total number of foreign tourist arrivals stood at 3.58 million, registering a growth of 15.4 per cent in the corresponding period previous year. (Refer Table 6)

Table 6: Foreign Exchange Earnings from Tourism in India

S. No	Year	FEEs From Tourism in India (in crore)	% change
1	1999	12951	6.6
2	2000	15626	20.7
3	2001	15083	-3.5
4	2002	15064	-0.1
5	2003	20729	37.6
6	2004	27944	34.8
7	2005	33123	18.5
8	2006	39025	17.8
9	2007	44360	13.7
10	2008	51294	15.6
11	2009	53700	4.7
12	2010	46889	20.8
13	2011# ¹	77591	19.6
14	2012# ¹	194487	21.8
15	2013# ²	107671	14.0
16	2014# ²	23320	14.5
17	2015# ¹	135193	14.5
18	2016# ¹	73065	14.1

#¹ : Provisional estimates (based on provisional FTAs),

@ : Growth Rate over Jan – June, 2015.

: Provisionally revised estimates (based on final FTAs received from BOI).

Source : Reserve Bank of India, for 1999-2010.

Ministry of Tourism, Govt of India for 2011-2016.

Table 7: Scheme Wise Allocation and Expenditure on Tourism Development in India (Rs in Crs)

S. No	Name of Schemes	BE	RE	Expenditure
A	Centrally sponsored schemes (CSS)			
1.	Infrastructure Development for Destination and Circuits UT Plan	37.00	10.00	10.00
B.	Central Sector Schemes (CS)			
1.	Overseas Promotion and Publicity including Market Development Assistance Assistance to IHMS/FCIs / IITTM / NCHMT	330.00	185.55	164.69
2.	Domestic Promotion and Publicity including Hospitality	165.00	95.00	95.00
3.	Capacity Building for Service Providers	142.00	131.45	128.24
4.	Computerisation and Information Technology	88.05	50.00	50.05
5.	Assistance for Large Revenue Generating Projects	7.00	2.30	1.01
6.	Incentives to Accommodation Infrastructure	1.00	0.00	0.00
7.	Externally Aided Project	0.10	0.53	0.10
8.	Assistance to Central Agencies for Infrastructure Development	0.05	0.67	0.62
9	Market Research including 20 years Perspective Plan	49.25	11.00	11.00



10.	Capital Outlay on Public Works (Bharat Paryatan Bhawan)	10.75	10.50	10.31
11	Bharat Paryaton Bhawan	0.00	0.00	0.00
12	Swadesh Darshan –	10.00	3.00	3.00
13	Integrated Development of Tourist Circuits on Specify Themes	553.01	310.00	309.55
14	National Mission for Pilgrimage Rejuvenation and Spiritual augmentation Drive (PRASAD)	110.00	40.00	39.99
15	Total – Plan (CSS & CS)	1503.25	850.00	823.56
16	Including Authorization	86.50	73.98	804.97

Measures on Tourism Development

The Government has taken a number of measures through Centrally Sponsored Scheme (CSS) and Central Sector Scheme (CS) to promote tourism sector in the country, Under the CSS Infrastructure Development for Destination and Circuits UT Plan the Government has spent about Rs.10.00 Crores in the year 2016. Under the CS a number of programmes have been introduced for which about Rs.823.56 have been spent. It is to be appreciated that the Tourism Ministry got 70% hike in the union budget with an allocation of Rs.1, 590 Crs, to focus on Infrastructure Development & Promotion and Publicity Initiatives. The budget 2016 – 2017 has earmarked Rs.1500 Crs under plan and Rs.90 Crs under non – plan needs. As per the revised estimates, Rs.932 Crs was given to the Ministry. Further for 2016 – 2017, the Government has allocated Rs.900 Crs for Infrastructure Development with over 700 Crs for Swadesh Darshan Scheme and Rs. 100 Crs Prasad Scheme. Under Swadesh Darshan Scheme, theme – based tourism circuits have been indentified for Infrastructure Development across the country. While Prasad’s objective is to augment religious and spiritual tourism is the country. The Government has also allocated about Rs.413crs for promotion and publicity activities in India & abroad, including market development assistance, to woo tourists. Among other allocations, the Government has earmarked an amount of Rs.160 Crs for Training & Skill Development in the tourism sector. (Vide Table 7)

Conclusion

The major observations from the analysis are the share of India in International tourist arrivals has progressively increased from 0.59 per cent to 0.64 per cent; Foreign Tourist Arrivals rose from 2.48 million to 8.03 million; tourism makes a significant contribution to India’s foreign exchange earnings, which grew from Rs.12951 crores to Rs.135193crores; The share of India in world earnings from Tourism registered an increase from 1.34 per cent to 1.61 per cent ; and the number of Domestic tourists in India rose from 191 million in 2009 to 1432 million and Tourism sector accounts for 2.4% of total direct employment. Including estimated indirect employment its share will raise to 6% of overall employment. Further, based on the recent report of World Travel and Tourism Council (WTTC), it is projected that the demand for travel and tourism in India is expected to grow by 8.2 per cent between 2010 and 2019 and will place India at the third position in the world. India’s travel and tourism sector is expected to be the second largest employer in the world. Capital investment in India’s travel and tourism sector is expected to grow at 8.8 per cent between 2010 and 2019. The report forecasts India to get capital investment worth USD 94.5 billion in the travel and tourism sector in 2019. India is projected to become the fifth fastest growing business travel destination in the period 2010-2019 with an estimated real growth rate of 7.6 per cent. To conclude, though the tourism sector in terms of foreign tourist arrivals and foreign exchange earnings are gradually grown, it is not impressive. Hence, it is fond hope that if the governments’ schemes on tourism promotion are effectively implemented the tourism industry in India will shine and wider prospects are found to this sector.

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