



## The Role of Tourism in Economic Growth

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### Abstract

The tourism Industry has emerged as one of the largest and fastest growing economic sectors globally. As per the World travel & Tourism council Tourism Industry has contributed 9.2% to total GDP of the economy. So, it is necessary to study the growth in national and foreign tourist. The paper exposes the economic viability of the Indian tourism industry by employing secondary data taken from various national and international reports, Journals, books and Magazines. Governments have a role to play in building good road, Communications, infrastructure etc. There are many steps and campaigns initiated by government as a result Tourism Industry is delivering such a growth. It is limitless Industry with immense growth potential having clear remarkable positive impact on economic and social aspect of Indian economy. Tourism in India is a sun rise Industry, an employment generator, a significant source of foreign exchange for the country and an economic activity that help local and host communities. India is a county known for its lavish treatment to all visitors, no matter where they come from its visitor friendly traditions, varied life styes and cultural heritage and colorful fairs and festivals held abiding attractions for the tourists. The other attractions include beautiful beaches, forests and wildlife and Landscapes for ecotourism; 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. 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. India has evidenced sustainable and inclusive economic growth due to the wide expansion of tourism sector. There is also a need to increase the government's role to make India flourishing in tourism and established in the global market. India has rich source in tourism for the establishment of the brand. This paper is to examine the importance of educational Tour for economy. Educational Field tour increase student's role in tourism and economy growth. Geography is the spatial science, its real knowledge get in the Field tour. Tourism is an integral part of human life now-a- days the tourism Industry has a greater importance. Tourism Industry is also important source of foreign exchange charming in India.

**Keywords:** Economic sector, Tourism, Growth, Infrastructure, educational tour.

## INTRODUCTION

Tourism is an integral part of human life. It is a situation where person from one country, or region to other region and country for a short run period, is included in the concept of tourism. Now-a day the tourism industry has a greater importance. India has a great heritage of historical place like the Taj Mahal, Various Forts, Natural sites National Park, Lakes etc. The number of foreign tourists visited to India which has given foreign exchange earning to the Country. Here, we have focused the economic growth and performance of the Indian tourism industry. We have also analyzed the causal analysis of the Indian tourism industry for overall development of the Indian economy. National tourism policy 2022

(draft) and its implications are important in this context. The new policy is a holistic framework for sustainable and responsible growth of the tourism sector in the country. Tourism has emerged as a key driver of economic growth. Tourism can generate resource for conservation of cultural and natural heritage and have huge potential to make positive contribution to sustainable development goals.

### Objectives of the Study

- To Know the oftourism industry of the country
- To study the growth and performance of tourism industry in India
- To study the trend of foreign tourist arrival in India
- To identify the problems of tourism industry in India and suggest remedies

### Methodology

This research paper is mostly based on secondary data sources. We have collected secondary data required for this paper from Reports of the Ministry of Tourism, Govt. of India 2021, India Tourism Statistics at a Glance 2022, Statistical Handbook of India, and other related information has been collected from the policy papers as well as research papers published in various journals. All collected data was analyzed with the help of trend line analysis.

## REVIEW

### • Indian Tourism Policy

In India, the Central Government and State Government have announced separate tourism policy concern to their state time to time. Punjab, Delhi, Tamil Nadu, UP, Karnataka, Maharashtra, MP, Kerala, Rajasthan, and West Bengal are the important states where tourism industry has developed. The National Tourism Policy 2022 is part of the vision of New India on high trajectory of growth and prosperity. The Policy aims at Improving framework conditions for tourism development in the country, The Policy shall be applicable for 10 years from the date of notification unless extended further. The vision of the Policy is “to transform our tourist destinations to provide world class visitor experience making India one of the topmost destinations for sustainable and responsible tourism.”

The first public milestone in the history of the Indian tourism sector is the establishment of Indian Tourism Development Corporation (ITDC) in 1966. On the Basis of this, majority of the states have given the facilities through ITDC separately. The first Tourism policy was announced in 1982 in India. This policy was launched for the action plan for the tourists’ arrival and necessary facilities to provide them. The government of India has appointed Committee on National Tourism in 1988. This committee has focused on public sector to develop tourism sector in India. The committee has recommended preparing a plan for Tourism development in each state. The mission of the Policy is “to create an enabling policy framework and strategic planning partnership with Central, State and Local Governments and Industry Stakeholders to improve framework conditions for tourism in the Country, support tourism industries, strengthen tourism support functions and develop tourism sub sectors.”

- ❖ To enhance the contribution of tourism in Indian economy by increasing the visitation, stay and spend and making India a year-round tourist destination,
- ❖ To create jobs and entrepreneurial opportunities in tourism sector and ensure supply of skilled work force,
- ❖ To enhance the competitiveness of tourism sector and attract private sector investment,
- ❖ To preserve and enhance the cultural and natural resources of the country,

To ensure sustainable, responsible and inclusive development of tourism in the country

The main guiding principle of the Policy is to promote sustainable, responsible and inclusive tourism, which will cut across all the initiatives under the policy to make India one of the top most destinations for sustainable and responsible tourism.

The Policy aims to use technology for several initiatives under the policy and aims to help the tourism industry make the most of the opportunities presented by the digital economy.

### • Tourism Sector

For the purpose of understanding the facts about the Tourism industry we have reviewed some important research papers related to Tourism sector;

**Shalini N. Tripathi & Masood H. Siddiqui (2010)** mentioned that tourism and hospitality have become key global economic activities as expectations with regard to our use of leisure time have evolved, attributing greater meaning to our free time.

According to **Lok Sabha Secretariat (2013)**, the role of the Government in tourism development has been redefined from that of a regulator to that of a catalyst. Apart from marketing and promotion, the focus of tourism development plans is now on integrated development of enabling infrastructure through effective partnership with various stakeholders.

**Ashish Nag (2013)** mentioned that the Ministry of Tourism in any country seeks ways to promote and develop tourism in the country. Tourism Industry Growth in any country is prone to the changing economic conditions. In the event when a country is passing through a low phase or an individual's job is at stake, not many people choose to travel.

**Anushree Banerjee (2014)** stated that the major issues that are restraining the industry from achieving high economic value are shortage of qualified personnel, shortage of tourism training institutes, shortage of well qualified trainers, working conditions for the employees. Policies which can help the employees to work in supportive environment are also a point of concern.

### Growth of Tourism Industry in India

A growth of Tourism industry in India since 2001 to 2021 is continually growing in respect of number of foreign tourists' arrivals and foreign exchange earnings. According to the annual report of tourism industry of 2001-21, the progress of Tourism industry is shown in the Table No-1.

Table No1 indicates the growth of foreign tourists' arrival in India. If we consider the trends in foreign tourists arrivals in India since 2001 to 2021 there is continuous growth.

**Table No-1**

Foreign Tourist Arrivals (FTAs) in India, 2001-2021		
Year	FTAs from Tourism in India (in Million)	Percentage (%) change over the
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

Foreign Tourist Arrivals (FTAs) in India, 2001-2021		
Year	FTAs from Tourism in India (in Million)	Percentage (%) change over the
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
2015	8.03	4.5
2016	8.80	9.7
2017	10.04	14.0
2018	10.56	5.2
2019	10.93	3.5
2020	2.74	-74.9
2021	1.52	-44.5

**Source:** (i) Bureau of Immigration, Govt. of India, for 2001-2021

### • Foreign Exchange Earnings from Tourism Sector

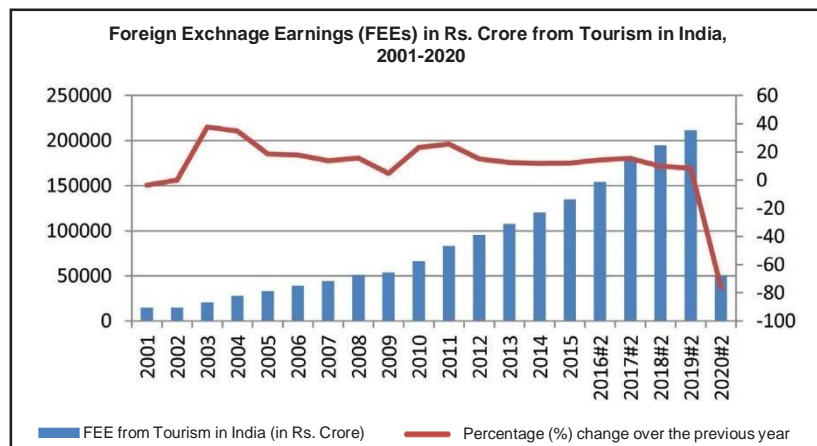
It is necessary to consider the economic significance of tourism industry in India. The total fees collected from the foreign tourist arrival in India and the changes in it since 2001 to 2019 gradually increased from 2.54 million to 10.93 million. It indicates that tourism industry has given continuously foreign earnings to India. The details regarding the FEE from Tourism in India and its changes per year have shown in the Table No 2.

Table No – 2

Foreign Exchange Earnings (FEEs) in Rs. Crore from Tourism in India,2001-020		
Year	FEE from Tourism in India (in Rs. Crore)	Percentage (%) change over the previous year
2001	15083	-3.5
2002	15064	-0.1
2003	20729	37.6
2004	27944	34.8
2005	33123	18.5
2006	39025	17.8
2007	44362	13.7
2008	51294	15.6
2009	53754	4.8
2010	66172	23.1
2011	83036	25.5

Foreign Exchange Earnings (FEEs) in Rs. Crore from Tourism in India,2001-020		
Year	FEE from Tourism in India (in Rs. Crore)	Percentage (%) change over the previous year
2012	95607	15.1
2013	107563	12.5
2014	120367	11.9
2015	134844	12.0
2016	154146	14.3
2017	177874	15.4
2018	194881	9.6
2019	211661	8.6
2020	50136	-76.3

Source: (i) Reserve Bank of India, for 2001 – 2017  
(ii) Ministry of Tourism, Govt. of India, for 2018-2021



Source: (i) Reserve Bank of India, for 2001 – 2017  
(ii) Ministry of Tourism, Govt. of India, for 2018-2021

Table No. 2 shows the foreign exchange earnings of tourism industry of India since 2001 to 2020. If we observed the Twenty years data shown in the table, seven years i.e. 2003, 2004, 2005, 2006, 2010 and 2011 the percentage of change over the previous year is higher than the previous year. The trends in the foreign exchange earnings are shown in the figure 2.

### • State wise Scene of foreign Tourist Arrivals in India

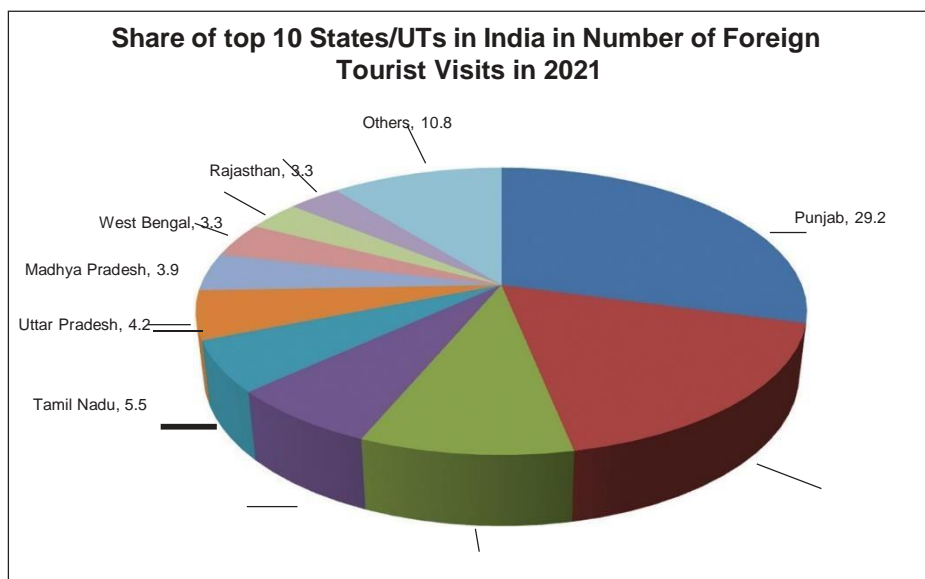
There are 10 top states in India where the foreign tourists visit every year. These states are of Punjab, Maharashtra, Delhi, Karnataka, Kerala, Tamil Nadu, UP, Madhya Pradesh, West Bengal, Rajasthan. The number of domestic and foreign tourists' visit frequently visits to the important places to these states. The total number of foreign tourists visits to these states in 2021 shown in the Table No. 3.

**Table No – 3**

Share of Top 10 States/UTs of India in Number of Foreign Tourist Visits in 2021			
Rank	State/UT	Foreign Tourist Visits in 2021	
		Number	Percentage Share (%)
1	Punjab	308135	29.2
2	Maharashtra #	185643	17.6
3	Delhi #	100178	9.5
4	Karnataka	72487	6.9
5	Kerala	60487	5.7
6	Tamil Nadu	57622	5.5
7	Uttar Pradesh	44737	4.2
8	Madhya Pradesh	41601	3.9
9	West Bengal	34828	3.3
10	Rajasthan	34806	3.3
	Total of Top 10	940524	89.2
	Others	114118	10.8
	<b>Total</b>	<b>1054642</b>	<b>100.0</b>

**Source:** State/ UT Tourism Departments.

#: Data for 2021 is estimated by applying all India growth rate for 2021/19 on 2019 data



**Source:** State/ UT Tourism Departments.

Table No3 indicates the share of 10 important states of India in respect of the development of tourism industry. Punjab, Maharashtra, Tamil Nadu, Delhi and UP are the four most important states which contributes 62.6% of foreign tourists arrival in 2021. Remaining states are also important regarding foreign tourists visits. The share of these 10 states about 89.2% in total tourists' arrival in India.

### Indian Tourism Industry-A Global Scene

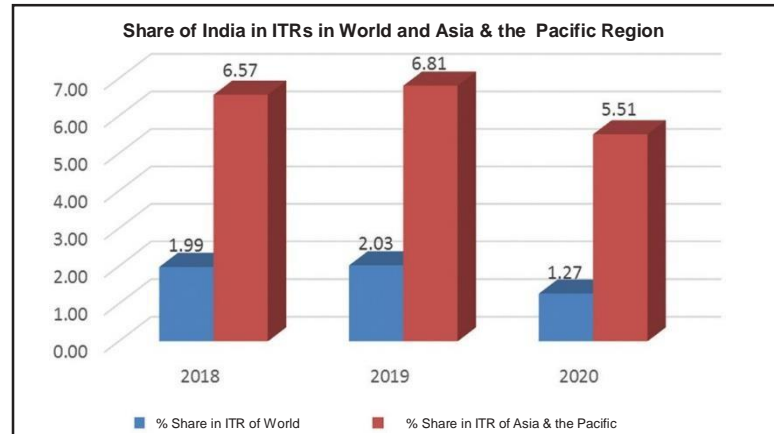
In 2005, India's share was 1.1% of the world market travel and tourism market. The government of India has given inspiration to tourism industry since 1991. This industry has modernized the facilities to be provided to the foreign tourists so since new economic policy India's share in international tourism market has increased. The share of India's international Tourism receipts in the world and Asia and Pacific region during the period of 2005 to 2021 is shown in the Table No 4.

Table No – 4

Share of India in International Tourist Receipts (ITRs) in World, and Asia & the-Pacific Region, 2005-2021							
Year	International TouristReceipts(in US \$ billion)		FEE in India (in US\$ billion)	Percentage (%) shareand rank of India inWorld		Percentage (%) share and rank of India in Asia andthe Pacific	
	World	Asia and the Pacific		% Share	Rank	% Share	Rank
2005	679.6	135.0	7.493	1.1	22nd	5.55	7th
2006	744.0	156.9	8.634	1.16	22nd	5.5	7th
2007	857.0	187.0	10.729	1.25	22nd	5.74	6th
2008	939.0	208.6	11.832	1.26	22nd	5.67	6th
2009	853.0	204.2	11.136	1.31	20th	5.45	7th
2010	931.0	255.3	14.490	1.56	17th	5.68	7th
2011	1042.0	289.4	17.707	1.7	18th	6.19	8th
2012	1117.0	329.4	17.971	1.61	16th	5.46	7th
2013	1198.0	360.2	18.397	1.54	16th	5.11	8th
2014	1252.0	359.0	19.700	1.57	15th	5.49	7th
2015	1217.0	355.6	21.013	1.73	14th	5.91	7th
2016	1246.0	370.8	22.923	1.84	13th	6.18	7th
2017	1346.0	396.0	27.310	2.03	13th	6.90	7th

Share of India in International Tourist Receipts (ITRs) in World, and Asia & the-Pacific Region, 2005-2021							
Year	International TouristReceipts(in US \$ billion)		FEE in India (in US\$ billion)	Percentage (%) shareand rank of India inWorld		Percentage (%) share and rank of India in Asia andthe Pacific	
	World	Asia and the Pacific		% Share	Rank	% Share	Rank
2018	1440.0	435.2	28.586	1.99	13th	6.57	7th
2019	1483.0	441.4	30.058	2.05	13th	6.81	6th
2020	546.0	126.2	6.959	1.30 (P)	12th	5.25 (P)	3rd
2021	602.0 (P)	97.1(P)	-	-	-	-	-

Source: UNWTO Barometer of May 2022, P: Provisional



Source: UNWTO Barometer of May 2022, P: Provisional

## CONCLUSION

Tourism industry has been developed in India after post reform period. The study of this industry reveals the situation of foreign tourists' arrivals in India during the period of 2005 to 2021. The trends and major findings of this paper are as follows;

- There are 10 important states in India where foreign tourists visits. They are of Punjab, Maharashtra, Delhi, Karnataka, Kerala, Tamil Nadu, UP, M.P. West Bengal and Rajasthan.
- The share of top ten states in India in respect of foreign tourists' visits was 89.2 percent in 2021.
- India's share in the world market of travel and tourism has also increased from 1.1% to 2.05% during the period of 2005 to 2019.
- One of the important features of the progress in India's rank in the world has also developed from 22th rank to 12th rank.
- We also observed that the share and rank of India's tourism sector towards Asia and pacific countries has reached up to the 3rd rank
- Recent study conducted in 2022 focused on the major issues related to the development of tourism industry and enhancing the foreign capital to India.
- National tourism policy 2022 has given different facilities and recommendations for the development of tourism sector.

## Suggestions

- The different study on tourism sector reveals the need of changes to be made for the development of travel and tourism sector.
- The studies conducted by the researchers reveals that the facilities to be provided by the government to these centers
- The central and state governments should provide qualified personnel and related facilities to develop tourism sector in India.
- It is necessary to arrange training program by the human resource ministry to develop the manpower involved in the tourism sector.
- The Central Government and state governments has announced Tourism Policy time to time for the improvement of tourism sector in India.

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