

Tourism Industry - An Economic Outlook

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W.Sunitha

Assistant Professor, Department of Economics

Nesamony Memorial Christian College, Marthandam, Tamil Nadu, India

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Abstract

The present study deals with the impact of the tourism industry on economic development. The study of the tourism industry has drawn the attention of scholars and researchers at national and international levels. This is because tourism has become an integral part of human life. This is the oldest and fast-growing industry. It makes human life happy and frees from family as well as professional burdens. So the people of all categories, whether rich or poor, young or old, give importance to tourism. Tourism not only provides pleasure, entertainment, direct experience, knowledge but also changes our life style. It also causes socio-economic and cultural changes in many ways. Further, it has been a source o employment, income and cultural changes. Hence, this study focuses on the impact of tourism on economic outlook at the macro level.

Keywords: Tourism, Tourist Arrivals, E-Tourist Visas, Foreign Exchange Earnings, Ministry of Tourism Schemes, Preference of Tourist.

Introduction

Generally, people travel from one place to another for many reasons and all the reasons this trend makes tourism a great phenomenon. As a result, Tourism is a major contributing sector in the modern globalized economy. In terms of employment and income generation. World Travel and Tourism Council (WTTC) has identified tourism as the world's most rapidly growing industry. A tourist spends billions of dollars in countries they visited. Tourism occupies a prominent place in the ever-changing modern world. It, a growing industry, denotes the voluntary movement of the people from the place of resident and work to a distant destination in search of rest, relaxation and also for a new experience.

Tourism – A World Scenario

India is one of the beautiful countries in the world. It has a long civilization which is more than five thousand years old. The sub continent of India lies in south Asia between Pakistan, China, and Nepal. It is bordered by the world's highest mountain chain in the north. Further south plateaus, tropical rain forests and sandy deserts borders by the palm-fringed beaches side by side added to the country's staggering tropical variations. Cultural diversity, the result of the co-existence of several religious as well as local traditions, is another attractive feature. The towering temples of South India, easily identified by other sculptured pillars and towers (gopuras), are associated with a great many crafts and performing arts of the region.

Significance of the Study

The study of the tourism industry from an economic point of view is very important, especially in the materialistic society. Tourism stands 7th Largest Tourism Economy in the World and 9th Largest in cultural resources and

business travel in the world. A direct contribution of travel & tourism to GDP is forecasted to become USD194.7bn in FY2028. Travel & Tourism investment expected to raise to USD 85.2bn in FY 2028 58.5 percent growth forecast in Foreign Tourist Arrivals on e-Tourist Visa. Increase in Tourism employment opportunities by 2.1 percent pain in the next ten years. Above all, it is the hidden industry that changes the social, cultural, political and economic life.

Objectives of the Study

The main aim of the present study to analyze the tourism industry from an economic point. However, it is undertaken with the three objectives as given below.

1. Growth of tourism industry in terms of tourists.
2. Employment or income opportunities in the tourism industry.
3. An emerging trend in the tourism industry.

Methodology

This study uses both primary and secondary data for analytical purposes. For primary data have been collected to analyze the emerging trends in tourism. It helps to know the different views of tourist in the globalized society. For the purpose, the researcher conducted a personal interview on 150 respondents (tourists). The secondary data have been obtained from published and non-published documents.

Month-wise Foreign Tourist Arrivals in India, Last Three Years

Weather condition at different tourist destinations is one of the important determinants of tourist arrivals. In the past, seasonal variations have been observed in FTAs to India. The following table depicts the month-wise arrival of foreign tourists between 2016 and 2018.

Table 1 Month-wise Foreign Tourist Arrivals in India, Jan 2016 – June 2018

Month	2016	2017	2018(P)	Percentage (%) Change	
				2017/16	2018/17
January	844533	964109	1047948	14.2%	8.7%
February	848782	931025	1052766	9.7%	13.1%
March	809107	885936	1025830	9.5%	15.8%
April	592004	717899	749477	21.3%	4.4%
May	527466	622408	606043	18.0%	-2.6%
June	546972	663470	681279	21.3%	2.7%
July	733834	779309		6.2%	
August	652111	719129		10.3%	
September	608177	7199641		8.4%	
October	741770	866976		16.9%	
November	878280	997738		13.6%	
December	1021375	1167840		14.3%	
Total(Jan-June)	4168864	4784847	5163343	14.8@	7.9@
Total(Jan-Dec)	8804411	10035803		14.0%	

P: Provisional, @ Growth Rate over January-June of the previous year

Source: (i) Bureau of Immigration, Government of India, for 2016, 2017 & 2018

Table 1 indicates that there are fluctuations in the month wise arrival of foreign tourists. However, the arrival of tourists shows a rise in January, February and March months in all years taken for analysis, 2016 – 2018. The number of Foreign Tourist Arrivals (FTAs) in India during 2017 increased to 10035803

as compared to 8804411 in 2016. The growth rate in FTAs during 2017 over 2016 was 14.8% as compared to 7.9% from 2018 over 2017 January to June.

Major Airport-wise of Foreign Tourist Arrivals

Travel by ‘air’ is the most preferred mode of transport because airways are speedy and fast

transport. When a foreign tourist arrives particular spot, they are used other kinds of transport.

Table 2 Major Airport-wise of Foreign Tourists Availing e-Tourist Visas During 2017 and Jan-June 2018

S. No	Names of Airport	2017	% share	Jan-June,2018	% Share
1	New Delhi	751339	44.3	478492	43.1
2	Mumbai	328936	19.4	205465	18.5
3	Dabolim (Goa)	134842	7.9	88104	7.9
4	chennai	113415	6.7	75508	6.8
5	Bengaluru	89514	5.3	72110	6.5
6	Kochi	74462	4.4	41739	3.8
7	Hyderabad	44857	2.6	26602	2.4
8	Kolkata	43616	2.6	30353	2.7
9	Trivandrum	26912	1.6	16131	1.5
10	Amritsar	23586	1.4	14671	1.3
11	Others	65696	3.9	60565	5.5
Total		1697175	100.0	1109740	100.0

Source: Ministry of Tourism, Government of India for 2017-2018.

Air travel has been the most preferred mode of travel for the FTAs over the years. In 2017, 1697175 foreign tourist arrivals in India through air transport. The majority of the tourist used the air port is New Delhi, accounting for above 44.3% share of foreign tourists in 2017 and 43.1 percent in 2018 and the next level is Mumbai, i.e.19.4 percent in 2017 and 18.5 percent in 2018 respectively.

Worldwide e-Tourist Visas

Tourism is not related to a single country. It is an entertainment sector to all kinds of people in all parts of the world. However, the number of tourists may differ from country to country — the table given below shows the arrival of tourists in e-Tourist visas in major countries of the world.

Table 3 Major Countries Availing e-Tourist Visas in 2017 and Jan-June, 2018

S.No	Country of Nationality	2017	% Share	Jan-June, 2018	% share
1	United Kingdom	305954	18.0	193615	17.4
2	United States of America	202508	11.9	126013	11.4
3	France	93964	5.5	62612	5.6
4	china	91509	5.4	62429	5.6
5	Germany	76295	4.5	50660	4.6
6	Russia	88604	5.2	52348	4.7
7	Australia	72647	4.3	44604	4.0
8	Canada	64289	3.8	51636	4.7
9	Republic of Korea	47805	2.8	26834	2.4
10	Spain	40896	2.4	18011	1.6
11	Singapore	34690	2.0	20024	1.8
12	UAE	34134	2.0	13093	1.2
13	Oman	32702	1.9	28092	2.5
14	Thailand	32179	1.9	31290	2.8

15	South Africa	30201	1.8	16992	1.5
16	Others	448798	26.4	311487	28.1
Total		1697175	100.0	1109740	100.0

Source: Ministry of Tourism, Government, of India for 2017-2018.

Table 3 shows that the visit to tourists in e-Tourist visas to different parts of the world. In the year 2017 United Kingdom used e-tourist visas share is 18.0 percent and 2018 17.4 percent, and the United States of America used e-Tourist visas is 11.9 percent and 2018 11.5 percent. These two countries are used e-Tourist visas at the top level. But there was a little difference in the number of tourists used e-Tourist visas from other countries. While comparing the percentage of tourists used e-Tourist, France and China, it stands the third level and the next is Russia, i.e. 5.5 Percent and 4.7 percent, respectively.

Foreign Exchange Earnings

Foreign Exchange Earnings from tourism are the receipts of the country as a result of consumption expenditure, i.e., payments made for goods and services acquired by foreign visitors in the economy out of the foreign currency brought by them. One of the major sources of Foreign Exchange is tourism. It earns a lot of foreign exchange for every country. The foreign exchange earnings from Tourism from 2000 to 2018 January to June are as given in the following table.

Table 4 Foreign Exchange Earnings(FEEs), in Rs. Crore, from Tourism in India, 2000-2018(till June)

Year	FEEs from Tourism in India (in Rs. Crore)	Percentage (%) Change Over the Previous Year
2000	15626	20.7
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
2012	95607	15.1
2013	107563	12.5
2014	120367	11.9
2015	134844	12.0
2016 ^{#2}	154146	14.3
2017 ^{#2}	177874	15.4
2018 ^{#1} (Jan-June)	95713	12.2 [@]

#1:Provisional estimates, @ Growth Rate over Jan-June, 2017 #2:Revised estimates

Source: (i) Reserve Bank of India, for 2000-2015,

(ii) Ministry of Tourism, Government, of India for 2016-2018.

Tourism continues to play an important role as a foreign exchange earner for the country. As per

the monthly estimates prepared by the Ministry of Tourism, FEEs from tourism in India in 2016 in

terms were 154146 crores as compared to 177874 crores in 2017, registering a growth of 15.4 % in 2017 over 2016.

Accommodation

Accommodation is one of the basic needs of any tourism activity. Travelers and tourists need lodging for rest, while they are on tour. Accommodation in the form of low budget lodges/hotels to world-class luxury hotels is available at all the major tourist destinations to provide the tourist a home away from

home. These are establishments that provide a place for the tourist to stay, i.e., lodging facilities which are paid for the duration of the stay by the tourist. There are various types of accommodation which are being used by tourists regularly. Travel agents and tour operators generally include one of the following types of accommodation in the itinerary. The Ministry of Tourism has adopted a system of approving and classifying the hotels based on the facilities and services provided by them.

Table 5 Several approved Hotels and Hotel Rooms in the country, as on 31-05-2018

S.No	Category of Hotels	No. of Hotels	No. of Rooms
1	One Star	6	236
2	Two Star	43	955
3	Three Star	442	15619
4	Four Star	253	14611
5	Five Star	158	19791
6	Five Star Deluxe	160	35672
7	Apartment Hotels	1	126
8	Guest House	5	73
9	Heritage Hotels	14	238
10	Bed & Breakfast Establishment	720	3576
Total		1802	90897

Source: Ministry of Tourism, Govt, of India for 2018.

Tour Operators

The numbers of Travel Trade service providers in the country during 2018 are given following. As on 31st May 2018, 195 Travel Agents, 467 Inbound Tour Operators, 133 Domestic Tour Operators, 102 Tourist Transport Operators and 47 Adventure Tour Operators were registered with the Ministry.

Table 6 No. of Operators in the Country Recognized by Ministry of Tourism as 31-05-2018

S.No.	Operator	Nos.
1	Travel Agent	195
2	Inbound Tour Opeator	467
3	Tourist Transport Operator	102
4	Adventure Tour Operator	47
5	Domestic Tour Operator	133
Total		944

Source: Ministry of Tourism, Govt, of India for 2018.

Tourism Schemes

The Government aims at positioning tourism as a major engine of economic growth and harnessing its direct and multiplier effects for employment and poverty eradication in an environmentally sustainable manner. The Plan Schemes of the Ministry of Tourism essentially relate to the following:

Table 7 Scheme-Wise Outlay of Ministry of Tourism 2017-18 and 2018-19 (Rs. In Crore)

S. No	Name of Schemes	2017-18		2018-19
		BE	RE	BE
A	Centrally Sponsored Schemes (CSS)			
1	Infrastructure Development of Destination and Circuits UT PLAN	10.0	10.0	5.00
B	Central Sector Schemes (CS)			
1	Overseas Promotion and Publicity including Market Development Assistance	300.00	295.00	454.24
2	Assistance to IMHs/FCIs/IITM/NCHMT	95.00	90.00	85.00
3	Domestic Promotion and Publicity including Hospitality	110.00	90.00	135.00
4	Capacity Building for Service Providers	65.00	46.95	30.00
5	Computerization and Information Technology	30.00	24.16	25.50
6	Assistance for Large Revenue Generating Projects	2.99	0.01	1.00
7	Incentives to Accommodation Infrastructure	0.01	0.01	0.01
8	Externally Aided Projects	0.02	0.01	0.01
9	Assistance to Central Agencies for Infrastructure Development	70.00	72.98	70.00
10	Market Research including 20 years perspective plan	6.00	10.99	4.00
11	Capital Outlay on Public works (Bharat Paryatan Bhawan)			
12	Bharat Paryatan Bhawan (Major Works)	1.07	1.07	0.01
13	Swadesh Darshan-Integrated Development of Tourist Circuits on Specific Themes	959.91	950.00	1100.00
14	National Mission for Pilgrimage Rejuvenation and spiritual Augmentation Drive (PRASAD)	100.00	100.00	150.00
	Total – Plan (CSS & CS)	1750.00	1691.18	2150.00

Source: Ministry of Tourism, Government of India for 2017-2019.

Table 7 displays the number of tourism projects and amount sanctioned by the Ministry of Tourism to various State Governments/UT Administration during the period 2017-18 and 2018-19.

Emerging Trend in Tourism

It is important to note that tourists change their preferences about the mode of transport, accommodation, and food and entertainment these days. Hence, the present study attempts to discern the views of tourists.

Preference of Tourists

Mode of Arrival

The tourists are coming from various places through the ways of transport by Train, Road transport and airways.

Table 8 Mode of Arrival

Mode	Frequencies	Percentage
Road transport	46	30.66
Air transport	35	23.33
Rail transport	69	46

Purpose of Visit

Every visit had a purpose for various reasons. They are depicted in the following table.

Table 9 Purpose of Visit

Purpose	Frequencies	Percentage
Leisure	35	23.33
Entertainment	98	65.33
Direct experience	12	8
No. response	5	3.33

Mode of Accommodation

The tourists are coming from various places. More accommodation facilities are available in tourist places. The following table shows it clear about the mode of accommodation.

Table 10 Mode of Accommodation

Mode	Frequencies	Percentage
A/C Hotels	118	78.66
Non A/C Hotels	32	21.33

Food

Food is one of the basic needs of every people. It's the dynamic society people not only like nutritious food but also a modern variety of food. The following table clearly shows that the need for tourist food items.

Table 11 Food

Food	Frequencies	Percentage
Vegetarian Food	27	18
Non-vegetarian Food	123	82

Conclusion

Tourism Industry, as an engine of economic growth, is an emerging industry in the invisible sector. Tourism is a fountain of national wealth. Our economy is largely dependent upon tourism because it creates employment opportunities besides earning foreign exchange. The analysis carried out so far indicates that the tourism development schemes introduced by the Tourism Department as well as the state government are not sufficient, through

Author Details

W.Sunitha, Assistant Professor, Department of Economics, Nesamony Memorial Christian College, Marthandam, Tamil Nadu, India, **Email ID:** sunithakaladharan1984@gmail.com.

there is some improvement. If the above-mentioned suggestions are carried out in a true sense, certainly, the tourism industry will emerge as a growth-oriented and foreign exchange and employment generating sector.

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