

## TOURISM INDUSTRY OF INDIA – AN OVERVIEW

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### ABSTRACT

Tourism has been a major social phenomenon all over the world and the world tourism is considered as a significant factor in the economy of many nations. India is no exception to this. The diversity of India is such that each part of the country offers certain unique cultural experiences that are distinct from the rest of the nations. India, has emerged as a major tourist destination and as a result, the tourism sector is one of the largest employment generators of the country which plays a very significant part in the promotion of inclusive growth. India is the one of the beautiful countries in the world which attracts a large portion of tourists worldwide. There are 38 World Heritage sites in India that are recognized by the United Nations Educational, Scientific and Cultural Organization (UNESCO) as of August 2019. The Travel and Tourism Competitiveness Report 2019 ranked India 16th out of 140 countries overall. India improved its ranking by 6 places over the 2017 report which was the greatest improvement among the top 25% of countries ranked. The Ministry of Tourism maintains the Incredible India campaign focused on promoting the tourism in India. As a measure to boost tourism, the Indian Government implemented a new visa policy in November 2014, called "visa on arrival" at 28 international airports, by acquiring an Electronic Travel Authorization online before arrival, without having to visit an Indian consulate or visa center. In April 2015, the scheme was renamed "e-Tourist Visa" (or "e-TV") to avoid confusion. India offers several forms of tourism viz. adventure, medical, wellness, sports, eco-tourism, films, rural and religious tourism etc. which are extremely innovative as well as appealing to its tourists. Keeping in view these facts, through the present article an attempt has been made to analyze the present scenario of tourism industry in India with special reference to tourist arrivals, foreign exchange earnings from tourism, accommodation facilities available for tourists, and government initiatives to accelerate tourism industry in India.

### Keywords:

Tourism, Tourism Industry, Tourists, Government of India

### INTRODUCTION

Tourism has become one of the major players in international commerce, and represents at the same time one of the main sources of income for many developing countries. According to United Nations World Tourism Organization (UNWTO) in 2017 international tourist arrivals grew 5% in 2018 to reach the 1.4 billion mark. At the same time, exports earnings generated by tourism have grown to US\$ 1.7 trillion. UNWTO forecasts, by 2030 international tourist arrivals to reach 1.8 billion. The contribution of tourism to economic well-being depends on the quality and the revenues of the tourism offer.

India is one of the largest markets for travel and tourism. It offers a diverse portfolio of niche tourism products - cruises, adventure, medical, wellness, sports, eco-tourism, films, rural and religious tourism. India has been recognized as a destination for spiritual tourism for domestic and international tourists. India was ranked 34th in the Travel & Tourism Competitiveness Report 2019 published by the World Economic Forum. India ranked 3rd among 185 countries in terms of travel & tourism's total contribution to GDP in 2018. The launch of several branding and marketing initiatives by the Government of India such as 'Incredible India!' and 'Athiti Devo Bhava' has provided a focused impetus to growth. The Indian government has also released a fresh category of visa - the medical visa or M visa, to encourage medical tourism in the country. Incredible India 2.0 campaign was launched in September 2017. In September 2018, the Indian government launched the 'Incredible India Mobile App' to assist the traveler to India and showcase major experiences for travelling. The Government has also been making serious efforts to boost investments in tourism sector. In the hotel and tourism sector, 100 per cent FDI is allowed through the automatic route.

As per the ministry of tourism, government of India, India ranks 23<sup>rd</sup> in the world for tourist arrival and shares 1.23% among total international tourist arrival in the world in the year 2019. Also India ranks 12<sup>th</sup> in world tourism receipts and shares 2.03% of international tourism receipts for the year 2019. In Asia and Pacific region India ranks 8<sup>th</sup> with 4.97% share among total international tourists arrival for the year 2019, in terms of tourism receipts India ranks 6<sup>th</sup> with 6.78% share among total international tourism receipts. (Source : Report on India Tourism Statistics 2020, Ministry of Tourism, Government of India)

It is recorded that in the year 2019 out to 1,09,30,355 total tourist visited to India 57.1% visited for leisure holidays and recreation, 14.7% visited for business and professionals purpose, 12.7% visited for Indian Diaspora, 6.4% visited for medical purpose, and rest 9.2% visited for other purposes. In the year 2019, maximum about 23.58% tourists visited from Bangladesh, followed by 13.83% from United States, 9.15% United Kingdom, 3.36% Australia, 3.22% Canada, 3.11% China (main), 3.06% Malaysia, and 3.03% Sri Lanka.

### **FOREIGN TOURISTS ARRIVAL IN INDIA**

Almost 11 million foreign tourist arrivals were reported across India during the year 2019. India offers a diverse portfolio for travel and tourism. The industry is one of the largest service industries across the south Asian country. Under the Swadesh Darshan scheme, over 70 projects valued at around 863 million dollars were sanctioned. E-visa facility was also offered to around 170 countries starting December 2019. (Source : Statista.com)

**Table - 1: Foreign Tourist arrival in India 2010 - 2019**

Year	Foreign Tourists Arrivals	%age Change over the years
2010	57,75,692	-
2011	63,09,222	9.24
2012	65,77,745	4.26
2013	69,67,601	5.93
2014	76,79,099	10.21
2015	80,27,133	4.53
2016	88,04,411	9.68
2017	1,00,35,803	13.99
2018	1,05,57,929	5.20
2019	1,09,30,355	3.52

Source :- Department of Market research and Statistics, Ministry of Tourism, Government of India.

The trend of tourist arrival in India from 2010-2019 is showing an increasing trend (Table 1). During the year 2010 about 57,75,692 tourists visited to India which has increased by 9.24% during the year 2011. Subsequently the tourists arrival in India has increased every year during the period of 2010-2019.

### **DOMESTIC TOURIST ARRIVAL TO ALL STATES/UTS IN INDIA, 2010-2019**

In 2019, over 2.3 billion domestic tourist visits were made across India, an increase from the previous year. Furthermore, an exponential rise in the local tourist visits was seen from the year 2010 to the present across the country. Social media usage has played a significant role in giving domestic tourism a boost. With an increase in the number of social media users, travelers use online platforms for posting pictures and sharing information on the places they visited. Keeping up to date with the trending travel destinations, the cheapest travel and budget hotels are on the mind of every traveler. (Source : Statista.com)

**Table - 2: Domestic Tourist arrival to all States/UTs in India 2010 - 2019**

Year	Number of Domestic Tourist visits (in Million) to States/UTs	%age Change Over the previous Year
2010	747.70	-
2011	864.53	15.6
2012	1045.05	20.9
2013	1142.53	9.3
2014	1282.80	12.3
2015	1431.97	11.6
2016	1615.39	12.8
2017	1657.55	2.6
2018	1853.79	11.8
2019	2321.98	25.3

Source :- Department of Market research and Statistics, Ministry of Tourism, Government of India.

The trend of domestic tourist arrival in India from 2010-2019 is showing an increasing trend (Table 2). During the year 2010 about 747.70 million tourists

from various states and UTs visited in India which has increased by 15.6% during the year 2011. Subsequently the tourist arrival in India has increased every year during the period of 2010-2019 and it was observed about 25.3% increase in domestic tourist arrival in the year 2019 which was 11.8% in the year 2018. A huge decadal growth was observed in domestic tourists arrival in India which is approximately 310.54% of tourists visited in the year 2010 to 2019.

### **FOREIGN EXCHANGE EARNING OF INDIA:**

As per the report of Economic Times, arrivals of overseas tourists in India and the country's foreign exchange earnings from them grew at the slowest pace a decade in 2019, government data showed. Tourism industry experts and airline executives attributed the slowdown to multiple factors, including street protests over the new citizenship law and elevated levels of pollution in northern India, including Delhi. Several countries had issued travel advisories to their citizens over both issues. About 10.89 million foreign tourists visited to India during the year 2019, an increase of 3.1% from the year before.

**Table - 3: Foreign Exchange Earnings of India 2010 - 2019**

Year	Foreign Exchange Earnings (in Rs. Cr. )	%age Change over the years
2010	66,172	-
2011	83,036	25.49
2012	95,607	15.14
2013	1,07,563	12.51
2014	1,20,367	11.90
2015	1,34,844	12.03
2016	1,54,146	14.31
2017	1,77,874	15.39
2018	1,94,882	9.56
2019	2,11,661	8.60

Source :- Department of Market research and Statistics, Ministry of Tourism, Government of India.

As per the table 3 it is clear that the foreign exchange earnings in India were of Rs. 66,172 Cr. in the year 2010 which has increased by 25.49% in the year 2011 and increased gradually and recorded Rs. 2,11,661 Cr. in the year 2019. On the basis of the information, it can be inferred that there is a tremendous growth in the foreign exchange earnings of India from tourism industry.

### **INDIA'S SHARE IN INTERNATIONAL TOURIST RECEIPTS IN WORLD, AND ASIA & THE-PACIFIC REGION, 2010-2019**

Asia-Pacific continues to increase in importance for the global industry as the fastest-growing travel and tourism region. In 2017, it was both the second-largest destination for international visitors and boasted the second-largest volume of international tourist receipts. Moreover, the region is the biggest source of global outbound tourist spending, with most of this spent on

intraregional travel. Based on GDP figures, Asia-Pacific also has the largest aggregate domestic travel market.

India, which accounts for the majority of South Asia's travel and tourism GDP, remains the sub-region's most competitive travel and tourism economy, moving up six places to rank 34th globally. From a sub-regional perspective, the nation has better air (33rd) and ground and port infrastructure (28th), international openness (51st) and natural (14th) and cultural resources (8th). Compared to global benchmarks, the country can also add price competitiveness (13th) to its roster of strengths. However, India still needs to enhance its enabling environment (98th), tourist service infrastructure (109th) and environmental sustainability (128th). (Source: Tourism Competiveness Report for 2019, World Economic Forum)

**Table - 4: India's Share in International Tourist Receipts in World, and Asia & the Pacific Region 2010 - 2019**

Year	International Tourist Receipts (in US \$ Billion)		Foreign Exchange Earnings in India (in US \$ Billion)	% age Share and Rank of India in World		%age Share and Rank of India in Asia and the Pacific	
	World	Asia and the Pacific		%age Share	Rank	%age Share	Rank
2010	931.0	255.3	14.490	1.56	17 <sup>th</sup>	5.68	7 <sup>th</sup>
2011	1042.0	289.4	17.707	1.70	18 <sup>th</sup>	6.19	8 <sup>th</sup>
2012	1117.0	329.4	17.971	1.61	16 <sup>th</sup>	5.46	7 <sup>th</sup>
2013	1198.0	360.2	18.397	1.54	16 <sup>th</sup>	5.11	8 <sup>th</sup>
2014	1252.0	359.0	19.700	1.57	15 <sup>th</sup>	5.49	7 <sup>th</sup>
2015	1217.0	355.6	21.013	1.73	14 <sup>th</sup>	5.91	7 <sup>th</sup>
2016	1246.0	370.8	22.923	1.84	13 <sup>th</sup>	6.18	7 <sup>th</sup>
2017	1347.0	396.1	27.310	2.03	13 <sup>th</sup>	6.89	7 <sup>th</sup>
2018	1457.0	436.4	28.586	1.97	13 <sup>th</sup>	6.55	7 <sup>th</sup>
2019	1478.0	443.1	30.058	2.03	12 <sup>th</sup>	6.78	6 <sup>th</sup>

Source: - Department of Market research and Statistics, Ministry of Tourism, Government of India.

As per the table 4 it is clear that the international tourist receipts for whole world were US\$ 931 billion which as increased consistently and recorded US\$ 1478 billion in the year 2019. On the other hand side the international tourists receipts for Asia and Pacific were US\$ 255.3 billion which also increased consistently over the years, and recorded US\$ 443.2 billion in the year 2019. India's foreign exchange were US\$ 14.490 billion in the year 2010 which was 1.56% of international tourist receipts for whole world and it was recorded US\$ 30.058 billion in the year 2019 which was 2.03% of international tourist receipts for whole world. India's rank was 17<sup>th</sup> in percentage share of international tourism receipts for world in the year 2010 which has consistently reformed and observed 12<sup>th</sup> rank in the year 2019. If we talk about India's share in international tourists receipts among Asia and the Pacific it was observed that India hold 5.68% share in the year 2010 which has increased up to 6.78% in the year 2019. India's rank was 7<sup>th</sup> among Asia and the Pacific in international

tourists receipts which was reformed and observed 6<sup>th</sup> in the year 2019. India's position is consistently reforming and India hold a good place in competition with leading travel and tourism countries in the world. World economic forum in its report has appreciated India's efforts in the area of encouragement to travel and tourism for tourists.

### **ACCOMMODATION FACILITY FOR TOURISTS IN INDIA:**

In recent years, the tourism industry in India has been one of the preferred choices for domestic as well as international travel. The country has seen a boom in the tourism industry in recent years and is expected to be the second largest employer within the sector worldwide by 2019. In 2015, there were over eight million tourist arrivals in the south Asian country. To provide a holistic visit to the culturally diverse nation, there are ample numbers of hotels spread across the country. The number of hotel rooms across the nation was over 2.54 million in 2018 which includes the public as well as private hotel properties in the country. The national capital region of Delhi had the highest supply of rooms with over 14 thousand in 2018. (Source: Statista.com)

**Table – 5: Number of approved Hotels and Hotel Rooms in India, as on 01-04-2020**

Sr. No.	Category of Hotels	Number of Hotels	Number of Rooms
1	One Star	7	209
2	Two Star	23	688
3	Three Star	527	17518
4	Four Star	419	19652
5	Five Star	205	25278
6	Five Star Deluxe	178	40080
7	Heritage Hotels	64	1919
	Total	1423	105344

Source: - Department of Market research and Statistics, Ministry of Tourism, Government of India.

Table – 5 shows that as on 01<sup>st</sup> April 2020 there were total 1423 approved hotels having 1,05,344 rooms in different categories of hotels in India. These properties belong to government and only government takes care of these properties. Beside that there are so many private hotelier firms in India who provides best class hotel services to various domestic and international tourists.

### **GOVERNMENT INITIATIVES TO BOOST UP TOURISM INDUSTRY IN INDIA**

Tourism is a top FDI sector in India, attracting more than US\$10.48 billion (Rs 681.2 billion) in foreign investments in the last decade. India has liberalized its FDI policy in recent times, and now allows 100 percent FDI under the automatic route in tourism and hospitality; 100 percent FDI in tourism construction projects, including the development of hotels, resorts, and recreational facilities; and, 100 percent FDI in the AYUSH sector, which is relevant for the wellness and medical tourism segments. India's federal budget for 2018 announced the

'Incredible India 2.0' initiative to develop the country's hospitality sector through investments in tourism infrastructure.

The Swadesh Darshan and Pilgrimage Rejuvenation and Spirituality Augmentation Drive (PRASAD) programs aim to propel investments in tourism. 13 theme based tourist circuits are being developed under the US\$109 million (Rs 7.8 billion) Swadesh Darshan scheme. Further, US\$15.4 million (Rs 1 billion) in federal funding is available for the beautification and maintenance of pilgrimage centers under the PRASAD scheme. To improve the suitability of these projects, public-private-partnerships (PPP) have been introduced under both initiatives. Companies may provide state governments with proposals, which if approved, will guarantee them government funding and tax rebate. (Source: [www.india-briefing.com](http://www.india-briefing.com))

**Table – 6: Scheme wise outlay of Ministry of Tourism in the year 2019-20 and 2020-21**

SN	Name of Schemes	2019-20 Budget Expenditure (Rs. in Cr.)	2020-21 Budget Expenditure (Rs. in Cr.)
1	Asstt. To Central Agencies for Tourism	91.00	80.00
2	Viability Gap Scheme for Revenue Generating Tourism Project	10.00	30.00
3	PIDDC	5.00	5.00
4	Swadesh Darshan	1106.00	1200.00
5	PRASHAD	160.50	207.55
6	Capacity Building for Service Provider	38.00	60.00
7	Asstt. To IHM/FCI/IITM/NIWS/NCHMCT	82.89	70.00
8	Domestic Promotion & Publicity including Hospitality	129.50	140.00
9	Overseas Promotion and Publicity including MDA	446.20	450.00
10	Market Research	5.00	9.66
11	Incentive to Accommodation Infrastructure	0.01	0.00
12	Buddhist Centre (EAP)	0.01	0.00
13	Champion Service Sector Scheme	1.00	123.00
14	Construction of Paryatan Bhawan	0.01	0.00
Total		2075.12	2375.21

Source: - Department of Market research and Statistics, Ministry of Tourism, Government of India.

From table – 6 it is clear that government has employed a great effort to boost up the tourism industry of the country. The overall budgeted expenditure has increased from Rs. 2075.12 crore in the year 2019-20 to Rs. 2375.21 crore in the year 2020-21. A huge increase can be seen in champion service sector scheme where budgeted expenditure was Rs. 1 crore in the year 2019-20 and it was increased to Rs. 123 crore in the year 2020-21. Also the area of market research was taken into consideration and the budget allocated to market research was of rs. 9.66 crore in the year 2020-21 which was Rs. 5 crore in the year 2019-20. The budget of Swadesh Darshan Program has also increased in the year 2020-21

upto Rs. 1200 crore which was Rs. 1106 crore in the year 2019-20. On the basis of this data we can say that the government has taken huge steps to accelerate the tourism industry of India.

## CONCLUSION

Tourism industry of India is playing a great role in the development of employment, standard of living, economic status, and educational level of the people of the country. Tourism is a great source of income for the people of India as it is rich with natural beauty, religious places, adventure, and health perspective. Tourism industry of India has created huge number of jobs for its people. Also the tourism is a great source of learning about new culture, language, skills, traditions and new trends. Huge number of folk artists, crafters is earning their living from the tourism industry of the country and local art and craft of India is creating place in the global market. As the tourism industry is one of the major contributors in the economy of the state, the government must take more initiatives for the infrastructure development and growth of tourism industry.

The infrastructure facilities in India are not up to the mark as required. There is a great need of tourist information centers at various tourist destinations in order to facilitate the tourists as per their requirements. The government must take new steps to move tourists towards the rural destinations of the country so they can take experience of rural culture, art and craft of rural people of India. Hence, the government must launch new programs to encourage the rural tourism in India. The administration must also take into consider the new concepts of tourism such as health tourism, eco-tourism, wild life tourism, medical tourism etc. and work upon these emerging areas in order to increase the tourism potential in rural India. So the more number of domestic and foreign tourists can attract towards the various tourism destinations of the country. The accommodation facility for the tourists must be strengthening, so the tourist can have a proper stay arrangement throughout the country. The government and tourism administration must take new initiatives for development of tourist destinations and spots in those states having least flow of tourists.

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