



Recent Trends in Indian Tourism

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ABSTRACT

This paper attempts to explore the future possibilities and opportunities that lie ahead of the tourism industry. A research of the past performances and the policy papers on tourism industry of India have been studied to gain insight into this topic. Upcoming blog authored by travelers and other writers have also been noted to tap the present tempo of the travel market. The twelfth five year plan on the tourism estimated the schemes and policies for increasing the scope for development. Understanding these policies and enumerating these will help the industrial sector and new entrepreneurs to take advantage of the schemes accordingly. The past reports on the tourism sector also reveals the various niche tourism sectors that the government have been focusing on and the tax holidays and financial assistance so provided that will help these types of tourism to grow sustainably.

KEYWORDS : Trends in Tourism, Tourism India, Scenario of Indian Tourism, Recent Trends in Indian Tourism

INTRODUCTION

Tourism in the present time has assumed great significance in terms of employment, socio-economic benefits, national income and means to make cultures and heritages sustainable. The World Travel & Tourism Council calculated that tourism generated INR6.4 trillion or 6.6% of the nation's GDP in 2012. It supported 39.5 million jobs, 7.7% of its total employment. The sector is predicted to grow at an average annual rate of 7.9% from 2013 to 2023. This gives India the third rank among countries with the fastest growing tourism industries over the next decade. As per UN's World Tourism Organization it provides 6-7% of the world's total job. Besides, it is also a major source of foreign exchange providing over eighty thousand crore rupees annually. The contribution of travel and tourism industry grew by 3.1% in 2013, providing US\$2.2 trillion to world gross domestic product (GDP) and creating 101 million jobs. This makes tourism a major and important topic of discussion in the present world scenario. Tourism also supports other sectors like agriculture, transport, hospitality, education, banking and many more.

To define 'Tourism' in this constantly evolving environment is a difficult task. The OECD glossary of statistical terms defined tourism as 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. Literally tourism may be defined as the movement of a person or groups of individuals from their place of residence to another place to gain experience either for recreation, business, leisure or other purposes. Today tourism is not only limited to vacations with family and friends but has diversified beyond imagination. It is trying to build experiences that are exquisite and authentic. With the increasing demand for new and innovative tourism, the branches of it are increasing day by day.

Tourism in India can be classified into various types with the latest five year plan emphasizing on niche tourism areas like Cruise, Adventure, Medical, Wellness, Golf, Polo, Eco- Tourism and Film Tourism.

II REVIEW OF LITERATURE

Various articles showing the recent trends have been written which adds a lot of insight into this topic. Some of their contents have been inserted below.

A report by Xola (a consulting agency on tourism), in its report on the recent trends in the tourism financial flows highlighted the 'unglobalised' nature of FDI in tourism. There is relatively poor flow of funds internationally. FDI in tourism only contributes 1-2% of the total outward flows from largest source countries and a relatively smaller portion of inward FDI stocks for largest host countries. Besides it also put

the potential of increasing the flows in the near future by concentrating interest on this sector.

A report by Robin Amster, November 2013, stated the six upcoming trends in tourism. It elaborated the concept of creative tourism and how 'consumption of experience' showcases the better status of individuals than mere holding of material goods. It also revealed the importance of both the senior citizen and the age group of eighteen years to thirty years as the 'big' consumers of the industry. Lastly the growth of multigenerational tourism and the impetus that luxury travel is gaining are both very important trends to be noticed.

In the Euromintor's World Travel Market global trends report, India has been named as the travel social shake up. This means that the increased use of social media among the not-so-internet-friendly users of the country has given the ministry a base to expand the potential of tourism industry. All the major five star and above hotels have tapped this medium to their advantage.

Need of the Study: In order to invest and boost the tourism sector, a proper scenario prevailing at present in India should be available. As of now nothing as such is available and one has to go through numerous resource materials to be able to understand the various plans and schemes of the government that could be taken to advantage.

Highlights showcasing the Present Scenario of Tourism in India: Before entering into details of the discussion the prevailing situation of Indian tourism should be understood through the following statistics:

The Travel & Tourism Competitiveness Report 2013 ranked India at the 65th position out of 144 countries. 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).

As per the UNWTO World Tourism Barometer, December 2013, India's rank in the World Tourism Receipts during 2012 as 16th and rank in international tourist arrivals was 41. India ranked 7th among Asia and the Pacific Region in terms of tourism receipts during 2012.

India is currently ranked 12th in the Asia Pacific region and 68th overall in the list of the world's attractive destinations.

India ranks 38th in terms of foreign tourist arrival (FTA) with an average of over 6 million tourists arriving annually here.

The amount of foreign direct investments (FDI) inflow into the hotel

and tourism sector during April 2000 to April 2013 was worth US\$ 6,664.20 million

Other than this the tourism today has changed to creative tourism and is more experiential. Innovative and upbeat are the 'words' for tourism today. Glamping- (glamorous camping) is the new form of camping where people go for camping without the hardships of it. It adds lots of luxury to make 'camping' an enjoyable experience. Staycation instead of vacation is where the citizens don't travel to far off places but stick to their cities and discover parts of their city itself. Untravelling is a travel journey where one discovers places not travelled to much. Or it can be put as these places are not travel destinations at all. An example is Spiti in Himachal Pradesh. Volunteering is another new form of tourism that combines tour with volunteering. This satisfies the travelers need to travel as well as making him/her conscious about the contribution that can be made while touring.

With the rapid development of 'e-tourism or electronic tourism' as termed in various blogs, it has democratized the tourism industry. With a click it is possible to actually book a holiday plan without encountering any hazard or delay. This is a major change in the concept and is sharply in contrast to the traditional approach to holiday planning.

But in order to plan successfully for the road ahead, a look into the past regarding the policies and the performance during the last ten years.

III METHODOLOGY

Objective the Study: The objective of this paper is to outline the present scenario of tourism prevailing in India. This paper also attempts to enumerate the changes that have taken place in the tourism policies of India since the past five years.

Research Method: This research paper mainly involves the study of secondary data. Publications in journals and newspaper have been studied to gain insight into the trends of the tourism industry. Besides the five year plans for the tourism sector have been looked up to enumerate the changes in the objectives of the Ministry of tourism, India.

IV DATA ANALYSIS

Outlook towards Tourism during the Initial Five Year Plans: There has been a paradigm shift in the way tourism is developed today. Tourism today focuses more on conservation, ecological benefits and sustainability than merely on increasing tourist arrivals and profit making. Till 1956 tourism was not considered as a very crucial sector that would aid economic development. Development of tourism was actually taken up seriously from the second five year plan. Unit-wise development was looked into during these plans. It was only in the sixth five year plan that tourism was recognized to be of importance in the socio-economic scenario. In the following table the activities that were initiated to develop this sector is detailed:

Year	Activities
1966	Establishment of India Tourism development Corporation
1982	National Policy on Tourism was announced
1989	Development of Tourism Finance Corporation
1992	National Action Plan for tourism was prepared
1996	National strategy for Tourism was formulated
1997	A draft of New Tourism Policy was made

Table 1: A time graph on the development initiatives by the Ministry of Tourism

The policy is now being revised for further changes. This policy aims to include the roles and duties of the public and the private sectors, the Panchayati Raj, the local bodies and authorities, the local people and the central and state government in the development and improvement of the tourism sector.

The Past Performance of the Industry: From the five year plans and the policy papers it was studied that in the tourism sector itself there has been shift in the focus areas from time to time, sometimes prioritizing the employment sector or the image branding or the domestic tourist arrival. This study will help the readers to better understand

present policies on tourism.

The tenth five year plan stressed on the following areas:

Positioning tourism development as a priority activity of the nation.

Enhancing the competitiveness of the country as a special destination in the world map

Ensure that the tourist feel physically invigorated, mentally rejuvenated, culturally enriched, spiritually elevated and "feel India from within".

Create world class infrastructure

Better civic administration and good governance

Domestic tourist was given major importance for revenue generating activities

It also set out to tap the huge employment generating and economy improving capacity of tourism

The central financial assistance to the states was not able to create a world class infrastructure due poor distribution of the funds and the projects being isolated and spreading throughout the length and breadth of the country. Rural, heritage and eco tourism were identified as major tourism sectors. The circuits were professionally planned. The regions and local bodies were given authority to look into these sectors for improving and in turn benefiting from the advantages so derived. Capital incentives up to 10% of the loan were provided to boost starting up of hotels. Human resource development was made through the betterment and development of IITTM, IHM and NCHM&NCT. Research and development on aviation industry aiding tourism, the rural tourism in Kerala and the importance of other niche products in tourism have helped in throwing light on numerous concepts of tourism.

The foreign exchange earnings as seen from the table below reveal the predicted growth and performance estimation from this sector.

(c) Foreign Exchange Earnings by India from Tourism

Year	Foreign Exchange Earnings (in US\$ million)	% Change over previous year
2002	2923	(-) 3.9
2003	3533	(+)20.9
2004	4769	(+)35.0
2005	6731	(+)20.2
2006*	6768	(+)18.1
Growth in 5 years i.e., 2006 over 2001: 122% (end of 9th Plan to end of 10th Plan)		
*: Predicted.		

Table 2: FEE by India from Tourism

Source: Report of Working Group on Tourism, XI Five Year Plan, Page 12

The contribution of this period to GDP was nearly 6% enhancing its importance in the economy.

Year	Total Share of Tourism in GDP
2002-03	5.83%
2003-04	5.90%

Table 3: Contribution of Tourism to GDP of India

During the eleventh five year plan the objectives were:

To increase tourist arrivals both domestic and international of seven hundred sixty million and ten million by the end of the plan periods

To increase the accommodation capacity to at least two lakh rooms.

The objectives of the previous plan period was again reinforced in order to keep up the momentum of the effort and continue with the schemes

To increase the interest of the tourist from merely looking up tour proposals to actually participating the tourism industry.

From eight schemes of infrastructure development in the previous plan, it was merged to just two in the eleventh plan period which are integrated development of tourist circuit and product development.

Policies for land use plan, investors meet, and financial assistance were made and executed during this time, giving sufficient boost to the industry.

During this period 'Tourist Visa on Arrival' was introduced from five countries i.e. Finland, Singapore, Luxembourg, Japan and New Zealand. This is again an important step in creating a tourism friendly environment. Five year tax holiday was declared for all hotel (2,3 and 4 star hotels) in all UNESCO declared World Heritage Destinations. External Commercial Borrowings up to 100 million US dollars had been provided for starting up hotels. Credit rates for lending had also been delinked by RBI to provide them at normal and lenient rates.

The Road Ahead (12th five year Plan): Twelfth five year plan mainly focuses on 'pro-poor' tourism. The objective of this plan is mainly to trickle down the benefits from the development of this sector to the grass-root level. The advantages so derived maybe in the nature of social, economic, cultural or environmental factors.

The policy adopts a range of strategies to achieve its end. This includes a mix of promotion, branding and formal tie-ups with agencies to create an image for Indian tourism. This plan also attempts to identify and establish links between all the stakeholders and create a 'whole government agenda'. This agenda will seek to create awareness among all the government bodies, authorities and the people making them realize the role of that tourism plays in the development of the economy as a whole. If people starts to realize its effects they will generally become participative. This can be achieved through the inclusion of the Panchayat and local communities at various levels.

The basic target of this plan is to achieve 1 percent higher rate of FTA (foreign tourist arrival) and better rate of growth in the tourism sector. This is planned with the backdrop of a positive growth outlook in the growth of the economy. To achieve the above target a lot of focus has been thrown on developing the infrastructure, human resource and the technological amenities. Various schemes to improve the skilled labor force 'Hunar se rozgar', providing aids to the educational and vocational institutes in tourism have been planned. Similarly for the development of the infrastructure, hygiene and sanitation, branding and promotion, circuit planning, destination beautification, exploration of new areas for development of new circuits, niche tourism etc has been schemed.

On the financial incentives front the following recommendations were made:

- The luxury tax should be limited to 4%
- Rates were subsidized and multiplicity reduced for the Aviation sector
- Hotels have been planned to be included in infrastructure building scheme
- An estimated rupees fifty crores have been assigned for statistical and research work

V CONCLUSION

Summary of Findings: This paper highlights the basic changes in the outlook in the objectives of the ministry towards tourism and how the changes in the industry can be harnessed by various sectors for development. The following are the findings of the study:

Tourism today has become more experiential emphasizing more on creating experiences that are varied and unique.

Investing in tourism today has to be wisely planned that should benefit the environment and the people at the basic outset.

There is huge scope for development of the private sector as both investment and interest is lacking. Provision for hundred percent direct investments from foreign companies through the direct route in the hotel and tourism related industry makes this sector all the more attractive.

Reduced tax rates and more incentives will only aid to more development of hotels and air travel facilities.

PPPP is the new concept for investment i.e. public-private-people partnership.

Rapid development of the e-market for tourism or e-tourism has enabled quick reservation and planning for vacation by reducing time consumption and availing tour plans at a click.

Scope for further Research: This research being mainly exploratory in nature, it actually opens a whole field for further investigation and inquiry, not only just the dynamic nature of the tourism industry but also related topics on rural tourism, ecotourism etc.

Conclusion: Yet to be tapped, yet to be explored and yet to be fully developed is the state of tourism industry in India. In spite of huge planning and formulation of policies it is yet to gain importance as a major revenue generating sector. This study attempted to show the future of tourism by understanding the policies and the performance of the industry in the past. The present policies and the financial incentives so planned for the current plan period will give industrial undertakers the interest to increase their participation in the industry either through allied work or direct investment in the products of the sector. Unawareness and lack of proper understanding of the policies often leads to poor communication of knowledge and execution of the plans. As seen in mostly all the plans of the past ten years, private participation is very much essential. FDI in this sector also needs to be increased. Just promotion and branding will not be enough. It would require more tax incentive schemes, slashing of rates of interests on loans, subsidies and aids to start ups.

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