



## Tourism - Strength to Indian Economy

### KEYWORDS

Economy, Employment, Opportunities, Tourism, Impact

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### ABSTRACT

*The purpose of this paper is to project how tourism sector is strength for Indian economy. Developing countries like India tourism has become one of the inevitable sectors of the economy, contributing to a large proportion to GDP and employment opportunities. It is one of the fastest growing service industry in our country with great potentials for further expansion and diversification. Tourism industry plays a pivotal role in our country's economic growth. It helps significantly to the country for creating employment opportunities to large number of people. Moreover, it is also one of the important engine to attract more foreign exchanges with its potential. India should focus to have liberal policies, relaxation in taxes, comprehensive package and so on to trigger tourist and foreign investment. There is also a need to increase government's role to make India sign in tourism and established in world market. Because India has rich source in tourism for the establishment of the brand. Moreover the backbone of India's tourism sector is Incredible India campaign which helps to make tourism better.*

### Introduction

The tourism sector of Indian economy is at present experiencing a huge growth. The tourism sector of Indian economy has become one of the major industrial sectors under the Indian economy. Tourism has become the world's largest industry, generating wealth and employment, opening the minds of both visitors and the visited to different ways of life. India has strong signs of becoming one of the emerging giants in world tourism. The most imperative factors for successful tourism development include product enhancement, marketing, regulations and human resource development. India's tourism is one of the flourishing sectors in terms of its scope. Tourism in India is growing continuously to generate employment and earn large amount of foreign exchange in order to stabilise the country's economic and social development. It also helps in preserving and sustaining the diversity of the India's natural and cultural environments. We should develop tourism industry with government supports, new initiations, actions and plans to influence foreigners to sustain our position strongly. This paper explains the impact of tourism in Indian economy.

### Statement of the Problem

The growth in the tourism industry is due to the rise in the arrival of more and more foreign tourists and the increase in the number of domestic tourists. Indian Tourism offers a potpourri of different cultures, traditions, festivals, and places of interest. The different parts of the country offer wide variety of interesting places to visit. India's rich history and its cultural and geographical diversity make its international tourism appeal large and diverse. It presents heritage and cultural tourism along with medical, business, educational and sports tourism. The tourism industry is one of the largest segments under the services sector of the Indian economy. Tourism in India is an important driver and very important source of foreign exchange earnings. In India, the sector's direct contribution to Gross Domestic Product (GDP) is expected to grow at 7.8 per cent per annum during the period 2013-2023. The tourism sector in India is signing due to an increase in Foreign Tourist Arrivals (FTA) and larger number of Indians travelling to domestic destinations.

### Objectives of the Study

1. To Study various opportunities in tourism industry
2. To understand the prospects of tourism industry
3. To know the different forms of tourism industry
4. To assess the positive impacts of tourism in India

### Methodology

This paper is based on secondary source only. It is compiled from

secondary sources like newspapers, reports, magazines, dissertations, thesis and the like.

### Opportunities in Tourism industry

India's size and massive natural, geographic, cultural and artistic diversity offers enormous opportunities for the travel and tourism industry. The promotion and aggressive marketing measures undertaken by the government is expected to aid influx of tourists. The industry would also benefit from introduction of new forms of tourism and development. Medical tourism in India has gained considerable popularity in recent years. India has a major cost advantage in this field compared with other countries. In addition to cost advantages, Indian healthcare industry offers state-of-the art equipment, technological advancement, qualified and experienced medical personnel and a blend of modern and traditional medicines. Thus, medical tourism has immense potential in India. Opportunities also exist in ecotourism, adventure tourism, and cruise tourism. Eco-tourism is increasing in popularity, evident in the development of eco-friendly hotels and tour packages. With increasing environment awareness and consciousness among tourists and given efforts undertaken by the government and private players, the ecotourism segment is expected to record handsome growth in the coming years. India holds immense potential in adventure and cruise tourism. India's greatest adventure tourism assets are Himalayas and mighty rivers. The peak period for adventure tourism is the "lean period" of cultural tourism. Development of adventure tourism can make India a round-the-year tourist destination. The cruise industry is one of the most promising industries in India. However, strong efforts need to be made to develop this industry. Other forms of tourism such as agri-tourism, pilgrimage tourism, heritage tourism, and MICE tourism also hold enormous potential.

### Prospects in Tourism Industry

Healthy economic growth recorded in past few years, especially in the services industry, has led to increase in business travel. Higher disposable income and affordability have increased domestic leisure travel in India. Foreign tourist arrivals in India have also grown. However, the industry has shown signs of recovery in the first half of 2010. This is a clear indicator that the long-term prospects for the Indian travel and tourism industry are bright. India is expected to witness increased tourist activity both in the business and leisure segments in the coming years. India has been identified as one of the fastest-growing countries in terms of tourism demand. The tourism and hospitality industry is one of the largest segments under the services sector of the Indian economy. Tourism in India is a key growth driver and a significant source of foreign exchange earnings.

In India, the sector's direct contribution to gross domestic product (GDP) is expected to grow at 7.8 per cent per annum during the period 2013-2023. The tourism sector in India is flourishing due to an increase in foreign tourist arrivals (FTA) and a larger number of Indians travelling to domestic destinations. The role of the Indian government, which has provided policy and infrastructural support, has been instrumental in the growth and development of the industry. The tourism policy of the government aims at speedy implementation of tourism projects, development of integrated tourism circuits, special capacity building in the hospitality sector and new marketing strategies. India's tourism industry is experiencing a strong period of growth, driven by the burgeoning Indian middle class, growth in high spending foreign tourists, and coordinated government campaigns to promote 'Incredible India'. In fact India has a rich source in tourism sector to influence GDP, employment, image, foreign investments, new projects and the like to make our position comfortable in globally.

### Different Forms of Tourism

Tourism industry has contributed enormously in the flourishing graph of India's economy. Tourism industry is the backbone of any country's economic position. It raises the living conditions of the citizens of the country. It will be helpful in raising the GDP of the country. Self-employment gives a new boost to the country. Infrastructure development is another advantage of tourism industry. Cultural exchange is also possible only through tourism. There are different types of tourism. The recent trend is moving toward niche segments of tourism:

#### MICE Tourism

MICE (Meetings, Incentives, Conferences and Exhibitions) tourism is also one of the fastest growing in the global tourism industry. It largely caters to business travelers, mostly corporates. It caters to various forms of business meetings, international conferences and conventions, events and exhibitions. Hong Kong, Malaysia and Dubai are the top destinations for MICE tourism. India is also present in this segment. India has also world-class convention centers like The Ashok, New Delhi, Hyderabad International Convention Centre, Hyderabad, Le Meridian, Cochin and the like are forerunners in the Indian MICE tourism industry.

#### Wildlife Tourism

Wildlife tourism, one of the fastest segments of tourism, involves travel to different locations to experience wild life in natural settings. To tap the potential of wildlife tourism, the government has launched some wildlife packages for travelers. Wildlife Tourism in India includes wildlife photography, bird watching, jungle safari, elephant safari, jeep safari, jungle camping, ecotourism etc.

The country offers immense opportunities for wildlife tourism. The strong heritage of wildlife in India comprises more than 70 national parks and about 400 wildlife sanctuaries including bird sanctuaries. In a bid to preserve the natural habitat, the Ministry of Tourism has launched an initiative, "Tigers: Our Natural Beauties".

#### Rural Tourism

Rural tourism showcases rural life, art, culture and heritage of rural locations, benefitting the local community economically and socially as well as enabling interaction between the tourists and locals for a more enriching tourism experience. Rural tourism is multi-faceted and may entail farm/agricultural tourism, cultural tourism, nature tourism, adventure tourism, and ecotourism. India's rural, geographical and cultural diversity enables to offer a wide range of tourism products and experiences.

#### Eco Tourism

Ecotourism, also known as ecological tourism which is travel to natural areas to appreciate the cultural and natural history of the environment to create economic opportunities. It involves travel to destinations where flora, fauna and cultural heritage are primary

attractions. Ecotourism also minimizes wastage and the environmental impact through sensitized tourists. It is home for wealth of ecosystems and well protected and preserved. The basic principles of ecotourism are minimize the impact, build environmental and cultural awareness and respect, provide positive experiences for both visitors and hosts, provide direct financial benefits for conservation and so on. Some most popular ecotourism locations in the country are Rishikesh, Kerala and Puducherry. Ecotourism consists of Eco parks, Eco places, Eco fauna, Eco flora, Eco destinations, Eco trivia, Eco treks and Eco adventures

#### Medical Tourism

Medical tourism also known as health tourism has emerged as one of the important segments of the tourism industry. Travelers typically seek services such as elective procedures as well as complex specialized surgeries such as joint replacement (knee/hip), cardiac, dental, and cosmetic surgeries. Psychiatry, alternative treatments, and convalescent care are also available.

#### Wellness Tourism

Wellness tourism is regarded as a sub-segment of medical tourism. India with widespread presence of Ayurveda, Yoga, Siddha, and Naturopathy, complemented by its spiritual philosophy, is a well-known wellness destination. Wellness tourism includes ayurvedic therapies, spa visits, and yoga meditation. The government is promoting this form of tourism with publicity and promotional activities.

#### Adventure Tourism

Adventure tourism refers to performance of acts, which require significant efforts and some degree of risk or physical danger. The activities include mountaineering, trekking, bungee jumping, mountain biking, river rafting, and rock climbing. India with its diverse topography and climate offers tremendous scope for adventure tourism.

#### Heritage Tourism

It is oriented toward cultural heritage of the tourist location. It involves visiting historical or industrial sites, religious travel or pilgrimages. India is well known for its rich heritage and ancient culture. The country's rich heritage is amply reflected in the various temples, majestic forts, pleasure gardens, religious monuments, museums, art galleries and urban and rural sites which are citadels of civilization.

#### Positive Impacts of Tourism in India

##### Preservation of National Heritage and Environment

Tourism helps preserve several places which are of historical importance by declaring them as heritage sites. The places like Taj Mahal, Qutab Minar, Ajanta and Ellora temples, etc, would have been places of national heritage and need to be preserved.

##### Source of Foreign Exchange Earnings

Since, tourism is significant source of foreign exchange earnings in India and this has favourable impact on the balance of payment of the country. The tourism industry in India is generated larger foreign investments.

##### Promoting Peace and Stability

The tourism industry can also help promote peace and stability in our country in the form of protecting the environment, diversifying the economy, promoting cross-cultural awareness generating income and providing jobs. However, we need to agree there are challenges like adoption of regulatory frameworks, mechanisms to reduce crime and corruption, etc., must be addressed.

##### Generating Income and Employment

Tourism sector is in pivotal place to make employment opportunities and income generation. Because it has emerged as an instrument of income, employment generation, poverty alleviation and sustain-

able human development. It contributes 6.23 per cent to the national GDP and 8.78 per cent of the total employment in India. Almost 20 million people are now working in the India's tourism industry.

### Developing Infrastructure

Tourism tends to motivate the development of multiple-use infrastructure like transports, health care facilities, sports centers, hotels and high-end restaurants to foreign visitors. The development of infrastructure has in turn induced the development of other directly productive activities.

### Tourist Attractions in India

India is a country known for its lavish treatment to all visitors, no matter where they come from. Its visitor-friendly traditions, varied life styles and cultural heritage, colourful fairs and festivals held abiding attractions for the tourists. The other attractions include beautiful beaches, forests and wild life and landscapes for eco-tourism, snow, river and mountain peaks for adventure tourism, technological parks and science museums for science tourism, centres of pilgrimage for spiritual tourism, heritage, trains and hotels for heritage tourism. Yoga, ayurveda and natural health resorts and hill stations also attract tourists.

The Indian handicrafts particularly, jewellery, carpets, leather goods, ivory and brass work are the main shopping items of foreign tourists. It is estimated through survey that nearly forty per cent of the tourist expenditure on shopping is spent on such items.

Despite the economic slowdown, medical tourism in India is the fastest growing segment of tourism industry, according to the market research report "Booming Medical Tourism in India". The report adds that India offers a great potential in the medical tourism industry. Factors such as low cost, scale and range of treatments provided in the country add to its attractiveness as a medical tourism destination.

### Initiatives to Boost Tourism

Some of the recent initiatives taken by the Government to boost tourism include grant of export house status to the tourism sector and incentives for promoting private investment in the form of income tax exemptions, interest subsidy and reduced import duty. The hotel and tourism related industry has been declared a high priority industry for foreign investment which entails automatic approval of direct investment up to 51 per cent of foreign equity and allowing 100 per cent non-resident Indian investment and simplifying rules regarding the grant of approval to travel agents, tour operators and tourist transport operators.

Moreover, the campaign 'Visit India Year 2009' was launched at the International Tourism Exchange in Berlin, aimed to project India as an attractive destination for holiday makers. The government joined hands with leading airlines, hoteliers, holiday resorts and tour operators offered them a wide range of incentives and bonuses.

### Future Prospects

According to the latest Tourism Satellite Accounting (TSA) research, released by the World Travel and Tourism Council (WTTC) and its strategic partner Oxford Economics in March 2009:

- 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, employing 40,037,000 by 2019.
- 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 US\$ 94.5 billion in the travel and tourism sector in 2019.
- India is projected to become the fifth fastest growing business travel destination from 2010-2019 with an estimated real growth rate of 7.6 per cent.

### Conclusion

Tourism industry in India is growing and it has vast potential for generating employment and earning large amount of foreign exchange besides giving a fillip to the country's overall economic and social development. But much more remains to be done. Eco-tourism needs to be promoted so that tourism in India helps in preserving and sustaining the diversity of the India's natural and cultural environments. Tourism in India should be developed in such a way that it accommodates and entertains visitors in a way that is minimally intrusive or destructive to the environment and sustains & supports the native cultures in the locations it is operating in. Moreover, since tourism is a multi-dimensional activity, and basically a service industry, it would be necessary that all wings of the Central and State governments, private sector and voluntary organizations become active partners in the endeavour to attain sustainable growth in tourism if India is to become a world player in the tourism industry. The growth in the tourism industry is due to the rise in the arrival of more and more foreign tourists and the increase in number of domestic tourists. Indian Tourism offers a potpourri of different cultures, traditions, festivals, and places of interest. The different parts of the country offer wide variety of interesting places to visit. India's rich history and its cultural and geographical diversity make its international tourism appeal large and diverse. It presents heritage and cultural tourism along with medical, business, educational and sports tourism.

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