

INDIAN TOURISM IN GLOBAL PERSPECTIVE

Badar ALAMIQBAL

Monarch University ZUG (Switzerland)

dr.iqbal@monarch-university.ch

Abstract

Tourism is fast growing sector in the world. It is sine-quo-non for generation revenue, foreign exchange and employment for every country of the world. Its development could also bring balanced regional development. This paper is an attempt in this direction. The areas covered are tourism global perspective, Indian scenario and state-wise development of tourism.

Key Words: Foreign exchange; dimensional activity; revenue generation; employment generation

JEL Classification: Z02

I.INTRODUCTION

Tourism has been a major social phenomenon of societies all over the world. It is driven by the natural urge of every human being for new experiences, and the desire to the both educated and entertained. Tourism today is a leisure activity of the masses. People today travel to national and international destinations to break the regular monotony of life. They are mainly attracted by either the scenic beauty of its nature or by fascinating leisure, sports and adventure activities offered by the destination (Bhatia, 2013). Over the last two decades, Travel & Tourism has played a more and more important role in the economic development of many countries. Increased travel across the globe has been driven by growth in real incomes; greater amounts of leisure time; improved and highly accessible transportation systems; ongoing globalization of business linkages, including supply chains; highly effective communication systems that facilitate marketing; and a significant number of new tourism services (Turner and Sears, 2013). Tourism is four dimensional activity. First, it is environment friendly. Second, it generates employment in the country. Third, it brings substantial amount of foreign exchange to country's exchequer, fourth it further generates revenue for the country's economy and fifth it creates most effective and efficient backward and forward linkages among different components of Tourism sector.

Tourism has emerged as one of the world's largest service industries with sizeable economic benefits and immense opportunities. With the emergence of technological advancement, and competitiveness in service-based industries the tourism sector is playing a vital role in contributing to improve gross domestic product (GDP) and creation of employment across the world economy (Mishra and Padhi, n.d.). It is one of the leading job creators in the world. The industry employs more than 98 million people directly, representing over 3 percent of all employment. When indirect and induced impacts are

included, the industry contributes to around one in every eleven jobs worldwide (Turner and Sears, 2013). While tourism generates a significant amount of foreign exchange earnings that also contribute to the economic growth of developed countries (Fayissa, Nsiahand Tadasse, 2007)

Tourism is an important and flourishing industry in the world and it is termed as a useful measure for employment generation, poverty alleviation and sustainable human development in India. The objective of present paper is to investigate the status and development of tourism globally and Indian context. It also examines the trends of Foreign Tourist Arrivals in India which is followed by state-wise analysis.

Despite turmoil in different parts of the world, global tourism registered an increase of 4.3 per cent in the first eight months of 2015, fuelled by strong inflows into Europe. Tourism destination world over has got nearly 810 million tourists from January and August 2015, 33 million more than the same period of 2014. Europe and Caribbean and Oceania have emerged as the most popular tourism destinations. There has been a continuous increase in the global tourist arrivals since 1995 and this has touched upon an all-time high figure in four digits or an increase of more than 2.14 times between 1995 and 2014.

Except African region, there has been a positive change in the international tourist arrivals between 2014 and August 2015. The Europe has emerged out the most popular tourists' destination in first 8 months of 2015. It is seen that the highest increase has been taken place in case of Europe. The significant thing is that the rise in the tourist arrivals in case of Europe is higher than the world average figure of 4.3 per cent during the period under review. This is attributed to the positive and productive measures taken by the Government and corporates in the Europe.

The most pertinent trend to be pointed out here is that Europe maintained high growth rate on the one hand and on the other side has biggest share in the global tourist arrivals. This means that Europe is the most favoured tourist destination in the world with a

relative share of 51.2 per cent of global tourists, and then comes Asia and Pacific with a share of 23.3 per cent. The most significant trend is that there are huge disparities in the relative share of tourist arrivals in the world as a whole.

Another emerging trend is that during the period of 2005 and 2014, yearly average of Asia and Pacific is highest followed by Africa, Middle East, Americas and the lowest average growth rate is in case of Europe i.e. 2.8 per cent. The most astonishing trend is that the cumulative average of Europe is much lower than global yearly growth rate. Among the emerging economies, China and India have started the year 2015 with double digit growth between January and July 2015. India has great potential and opportunities for the promotion of tourism. However India has failed in capitalizing the existing potential and opportunities.

II. FOREX EARNINGS

Tourism has been a source of foreign exchange earnings to the countries across the world. In 2000-01 global tourism earnings were amounted to US \$ 475 million and this figure has touched upon a level of US \$ 1159 million in 2013-14. This means an increase of more than 2.4 times. In case of India, country's foreign exchange earnings from tourism were US \$ 34.6 million in 2000-01 and in 2013-14, the tourism earnings went up to US \$ 184.5 million i.e. a rise of more than 5.3 times. This indicates that rise in tourism earnings has been much higher than the global tourism earnings. In the year 2000-01 the relative share of India's tourism in global tourism earnings was less than 1 per cent i.e. 0.73. In the year 2013-14 India relative share in global tourism earnings increased to 1.59 i.e. an increase of 0.86 per cent. Accordingly India's place in global ranking has improved considerably i.e. 16th rank in 2013-14 from 36th place in 2000-01. But the fact is that India has failed in tapping its potential and opportunities and world ranking is not according with country's existing potential and opportunities.

Indian Scenario:

India had 6.97 million foreign tourists in 2013-14 and the country's relative share in the total foreign tourist traffic in the world stood at 0.64 per cent. This sector has contributed US \$ 7.64 trillion in India's total GDP. The sector has further created 36.7 million jobs to people in 2014. During the year 2013-14 tourism investments in the country amounted to US \$ 2.11 trillion which means the sector accounted for 6.2 per cent of the total investment made out in the country. By the end of the year 2015-16, the contribution of tourism in the country's total GDP would be US \$ 8.22 trillion and the figure for the jobs would be 37.4 million.

India has been having a continuous rising trend in global tourist arrivals between 2001 and 2013-14. In the year 2013-14, India had attracted foreign tourists 2.65 million and this figure has gone to 6.97 million, an increase of 163.3 per cent or more than 2.63 times.

Accordingly, the relative share of India has improved from 0.39 per cent to 0.64 per cent in the global tourist arrivals. Similarly, India's ranking has also improved from 50th to 41th during the last 14 years.

The most alarming as well as astonishing trend is that India has not been among the top ten tourism destination in the world. As a result, there has been slow growth in the tourist arrivals in India. In 2010 India attracted 5.8 million tourists and this figure went up to a level of 7.4 million in 2014 { **Chart 1** }.

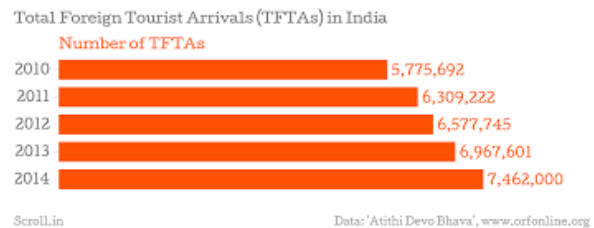


Fig. 1

There has been an overall increase of 29.3 per cent between 2010 and 2014. This means a rise of 5.9 per cent per year during the last five years. In order to ensure a gradual and steady increase in the tourist arrivals in India, the government of India, Ministry of Tourism is working really hard planning promotional activities.

Recent Trends in Forex Earnings:

Forex earnings from tourism have been rising continuously for the last five years i.e. between 2010 and 2014. These earnings have been inching up during the past five years, supported by the increasing number of overseas visitors. Foreign tourists' arrival to India witnessed a rise of 4.3 per cent in the last 10 months (Jan.-Oct.) of 2015. The increase must be reflected in terms of foreign exchange. But the trend is different. The earnings from tourism registered a decline of 2.4 per cent and the figure amounted to US \$ 15.93 billion during the last 10 months. The decrease compares unfavourably with 10 per cent earnings growth in terms of dollars during the last 10 months of 2014.

If we take into consideration the weaker rupee, the rise in rupee terms should at least have been higher to the rise in tourists' arrivals in the country. However, the earnings from tourism in terms of rupee have shown a rise of 2.5 per cent in the last 10 months of 2015.

III. STATE-WISE ANALYSIS:

The potential and opportunities of tourism has been confined to India's 10 major states wherein the majority of foreign tourists are attracted. These are namely: Maharashtra, Tamil Nadu, Uttar Pradesh, Delhi, Rajasthan, West Bengal, Kerala, Bihar and Haryana. These states are trying hard to attract more foreign tourists so that they could generate more revenue, employment and foreign exchange earnings. When we analyse data of 10 states in terms of foreign

tourists, then we find some very interesting facts and trends { **Table 6** }.

1. In the year 2013, the largest influx of foreign tourists was in Maharashtra with a figure of 4.2 million tourists;

2. The Tamil Nadu attracted 4 million tourists;

3. The third place was of Delhi with a figure of 2.3 million tourists.

4. The lowest tourists flow was in case of Goa just 0.5 million.

5. The most astonishing fact and trend is that those states which are having great potential and opportunities of tourism such as Bihar, Goa Kerala the influx of foreign tourists was at very low ebb. This means these states have failed in attracting the foreign tourists and the potential and opportunities were not capitalized.

In the year 2014 the facts and trends were changed a lot and the scenario was as follows:

1. Tamil Nadu state emerged at the top replaced Maharashtra as a top attracting destination, and the tourists flow has also increased to a level of 4.7 million;

2. The states of Maharashtra ranked second and its volume of foreign tourists has also increased to 4.4 million;

3. Uttar Pradesh replaced Delhi as third largest states in terms of foreign tourists and there was an increase in the number of tourists;

4. Haryana replaced Goa as the 10th largest attracting state in terms of foreign tourists.

5. The most disturbing trend is that states namely- Rajasthan, West Bengal, Kerala; Bihar and Karnataka remained at the same rank as they occupied in 2013;

6. Another alarming trend is that the Goa state did not figure in India's top ten destinations of tourism, accordingly. The tenth place was occupied by Haryana.

7. The influx of foreign tourists has recorded a decline in case of Karnataka.

The state of Uttar Pradesh has the world's most famous wonder namely TajMahal which has emerged the biggest tourists attraction generating substantial amount of revenue and foreign exchange. Uttar Pradesh top domestic tourism destinations are Allahabad, Mathura, Ayodhya in addition to Agra and Varanasi.

Domestic Tourism:

The vital segment of Indian tourism is domestic tourism. There has been a continuous increase in the domestic tourism. In the year 2000-01, India's domestic tourism was 220.11 million and this figure reached a level of 1145 million in 2013-14, witnessing an increase of more than 5.2 times. The most significant trend is that growth rate of domestic tourists was on the increase between 2004-05 and 2009-10. But between 2009-10 and 2013-14 the growth rate is gone down and this is to be examined.

The State of Tamil Nadu has the largest share in the total domestic tourists in 2013-14. Uttar Pradesh

comes next to Tamil Nadu followed by Andhra Pradesh, Karnataka, Maharashtra and Madhya Pradesh. The most significant thing is that other known states of the country namely Bihar, Himachal Pradesh and Jammu and Kashmir have not been figuring the most attracting state of the country. The remaining states of the country have a very meagre share i.e. 13.31 per cent in the country's total domestic tourists.

Tourism Competitive Ranking:

According to WEF's Tourism Competitiveness Report for the Year 2015, India has been placed at number 52, up 13 notches, on world list of nations in terms of tourism competitiveness. But the most striking feature is India places worse than its emerging economies or BRICS countries namely- Brazil (28), Russia (45), China (17), and South Africa (48). The list has been topped by Spain.

The world's most popular tourism destinations are confined to Europe and North America which also includes Canada. Hence, global tourists' influxes have been taking in Europe. The most astonishing trend is that only Japan from Asian region has been figuring the top ten tourism destination. Even China has not been on global map of major tourism destinations.

Main Features of the Survey:

The WEF's Survey, 141 nations are ranked across 14 dimensions or parameters, has been revealing how well 141 countries could deliver sustainable economic and social benefits through their respective tourism sector. Here is given below where India standing and what is its place in different components required for promotion tourism in the country:-

- a) Price competitiveness 08
- b) Cultural Resources and Business Travel 10
- c) Natural Resources 17
- d) Air Transport Infrastructure 35
- e) Ground and port infrastructure 50
- f) International Openness 69
- g) Prioritisation of Tourism 96
- h) Health and Hygiene 106
- i) Business Environment 107
- j) Tourist Service Infrastructure 109
- k) Human Resource & Labour Market 111
- l) ICT Readiness 114
- m) Safety and Security 129
- n) Environmental Sustainability 139

The above Survey has been showing a very gloomy picture of Indian travel and tourism sector. When India is a member of BRICS economic group then India has to make a lot of concerted efforts to come at par with other member countries namely-Brazil, China Russia and South Africa who have done much better than India.

Domestic Air Traffic:

Another component of India's tourism sector is domestic air traffic which has registered an increase of 19 per cent in August 2015. India's domestic air traffic

has touched upon a figure of 67.6 lakh passengers. The passenger load factor in August 2015 has, however, witnessed a decline trend as against the last month and this is because of the end of tourist season. Indigo has maintained its top place and the carrier take out 23.9 lakh passengers. Among other carriers, the Jet Airways served nearly 16 lakh passengers. Spice Jet and Go Air flew 8.3 lakh and 4.5 lakh passengers respectively in August 2015. Spice Jet clocked the largest seat factor or occupancy rate in August 2015. In regard to the market share, Indigo has the largest share of 35.3 per cent of the total tourist traffic and Jet Airways accounted for nearly 23 per cent of the total tourists' traffic. Spice Jet constituted 12.3 per cent of the total domestic traffic and the lowest share was of Go Air with a figure of 8.1 per cent. The third place is occupied by Air India with a figure of nearly 17 per cent of the total domestic traffic. The second highest occupancy rate has been attained by Jet Airways with a figure of nearly 81 per cent.

Indian tourists on an average spend 16 per cent of their respective annual income on undertaking tourism activities. Major chunk of the Indian tourists prefer to save for that one big vacation in every year. This is a healthy and encouraging trend the same must be maintained.

What is needed to be done?

In order to sustain and enhance the relative share in the global tourism map, Indian Government has to organise marquee festivals and events. It should explore and then develop theme based operations. For this the Government has to create basic tourist infrastructure in a big way. There is also a need for preserving country's heritage and nature especially in the states of Himachal Pradesh and Jammu and Kashmir. There is a further need to promote tourism through effective and efficient use of social media.

In order to promote tourism for accelerating economic development of Indian economy, there is an increment of 33 per cent in the Budget outlay for

Tourism Ministry for the fiscal year 2015-16.. Country's heritage locations namely- Hampi, the Elephanta Caves and Varanasi Ghats among other destinations will get special attention on their development as was announced in the budget 2015-16. Hence, if these are carried out in the right perspective and spirit, then India could emerge among major destinations of the world.

IV. CONCLUSION

Today, Tourism is an emerging as well as a leading sector in the world and is now considered by some as the number one industry. Demographic, socio-structural and socio-cultural developments have always led to changes in tourist demands, and service providers in tourism are faced with a substantial need to adjust. These constant challenges have expanded and intensified considerably in the first few years of the new millennium. War and tourism, extreme weather, the ongoing internationalization of tourism and the ageing of society (increasingly prominent in public awareness) have emphatically demonstrated the latent vulnerability of tourism as a boom industry (Patel, 2011). The present study found that Tourism sector is plays a pivotal role in the economic growth and development globally as well as in India. It further reveals that the number of foreign tourist arrival and trends in Passenger Load Factor has been increased in India. The future of tourism in India is certainly bright but there is a long road ahead. Development of quality infrastructure will be the key to India's harnessing her full tourism potential. The Ministry of Tourism has been very supportive to the fraternity efforts, and now visa on arrival is slowly becoming a reality (Sangeetha, 2012). Hence, tourism has emerged as a key sector of the world economy and has become a major workforce in global trade. It has been making a revolutionary and significant impact on the world economic scenario as well as in India.

V. REFERENCES

1. Arunmozhi, T. &Panneerselvam, A. (2013). Types of Tourism in India. *International Journal of Current Research and Academic review*, 1 (1), 84-88Retrieved from- www.journals.excellentpublishers.com
2. Bhatia, A. (2013). Swot Analysis of Indian tourism Industry. *International Journal of Application or Innovation in Engineering & Management (IJAIEM)*, 2 (12)Retrieved from: www.ijaiem.org
3. Fayissa, B., Nsiah, C. &Tadasse, B. (2007). The Impact of Tourism on Economic Growth and *Development in Africa, Department of economics and finance working paper series*. Retrieved from:<http://www.mtsu.edu/econfin/docs/working-papers/TourismAfricawp.pdf>
4. Mishra I, M. &Padhi, P.K. (N.d.) Emergence of Tourism in the Sustainable Growth of India : An empirical analysis. *Research in Commerce and Management* Retrieved from: www.abhinavjournal.com
5. Patel, R. (2012). India's tourism industry- progress and emerging issues. *ArthPrabhand: A Journal of Economics and Management*, 1 (5)Retrieved from <http://www.pinnaclejournals.com>
6. Sangeetha, R. (2012). Scope of Tourism: Indian Perspectives. *International Journal of Innovative Research in Science, Engineering and Technology*, 1(2)Retrieved from www.ijrset.com
7. www.weforum.org/docs/TTCR/2013/TTCR_Chapter1.5_2013.pdf
8. The Travel & Tourism Competitiveness Report 2013, Retrieved from:http://www.weforum.org/docs/TTCR/2013/TTCR_Chapter1.5_2013.pdf
9. UNWTO world Tourism Barometer January 2015, Retrieved from: http://dxtqtq4w60xqpw.cloudfront.net/sites/all/files/pdf/unwto_barom15_01_january_excerpt_1.pdf
10. A brief Report on Tourism in India , January 2015