

THE CONTRIBUTION OF TOURISM TO ECONOMIC GROWTH IN INDIA

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ABSTRACT

Tourism development is highly considered as an important tool in promoting economic growth. Developing countries have taken a high effort to increase the economy through the development of international tourism. This article aims to explain the relation between tourism and economic growth and to explore how investment on tourism helps to the growth of economic situation of a country. Tourism is an element export for developing countries like India. It is the most significant source of foreign exchange after petroleum products. In India tourism sector plays a very important role in the development of Indian Economy. It contributes to the development of employment generation, Gross Domestic Product and Foreign Exchange earnings in tremendous and significant way.

KEYWORDS: *Developing Countries, Indian Economy, Exchange Earnings, Tremendous.*

INTRODUCTION

Tourism development is highly considered as an important tool in promoting economic growth. Developing countries have taken a high effort to increase the economy through the development of international tourism. This article aims to explain the relation between tourism and economic growth and to explore how investment on tourism helps to the growth of economic situation of a country. Tourism is an element export for developing countries like India. It is the most significant source of foreign exchange after petroleum products. In India tourism sector plays a very important role in the development of Indian Economy. It contributes to the development of employment generation, Gross Domestic Product and Foreign Exchange earnings in tremendous and significant way.

Tourism sector is considered as the backbone for the following sectors like hospitality, transportation, travel, resorts, hotels, home stays, Boat houses, street vendors, spices shops, tour operators and tourist guides. Every year Central and State Government invests a huge amount for the development of tourism sector in India. It makes tourism sector is an important drives of Employment growth, Increase of individual and National Income, Increases the Balance of Payment and Foreign Exchange Earnings. It improves the people's standard of living. India has throughout season. India has a wide variety of tourist attraction. This attraction invites local and

foreign people to travel and enjoy. It develops the socio economic benefits to the economic growth.

Tourist Arrivals in India

India is a big and beautiful country. It has very unique destination for domestic and foreign travelers. It is blessed with great values. The saying “Atithi Devo Bhava” express the hospitality of tourists. The simple style of villages and architectures attracts tourist towards to India. India is known for its culture and unique style of geography. Most of the people travel to India to learn Yoga mediate and spend time at Ashrams. The historical architectural catches the eyes of foreign tourists.

REVIEW OF LITERATURE

Dr. Rajashri Ramesh Chavan & Dr. Sarang Shankar Bhola (2014), “**Indian Tourism Market: An Overview of Emerging Trends and Development**” Have noted that, Indian tourism is growing with leaps and bounds and have a great potential to be develop as a world class tourist destination. There is significant improvement in growth of arrival of tourist and their Foreign exchange earnings. They are also responsible for monitoring the progress of implementation of field projects in their respective jurisdictions. ‘AtithiDevoBhavah’ (Guest should be treated like God)’, a nationwide campaign aims at sensitizing key stakeholders towards tourists, through a process of training and orientation. With success of first online campaign, subsequently many more campaigns have been launched and website has been revamped to www.incredibleindia.org.

[R. Revathi](#) (2015) “**Potentials and Prospects of Rural Tourism in Thanjavur District.**” Has noted tourism basically means movement of people travel from one place to another for relaxing themselves from their unchanging life. Among all the developing countries, Indian Tourism is richly potent with a wide variety of climate as well as a wonderful land. It was perceived from the inflow of tourist that maximum tourist come to visit Thanjavur during the month of October to January.

Alex Raja. M & Dr. A. Venketeswaran (2019), “**Economic Situation of Tourism in India**” Have said that, the economic situation of a country is decided by service sectors. India attracts foreign tourist; they spend their currency in India. It helps India to develop its economic situation. Foreigners visiting India for centuries. Ministry of tourism has taken many steps to develop the tourism sector in India. Visa on Arrival (VOA) has attracted many people to visit India. It made people to visit India easy. Foreign Tourist Arrival (FTA) in India during 2015, 2016, 2017 and up to June 2018. It explains how the Government policies and Political situation destroys the tourism.

Statement of the Problem

Developing countries like India are also gradually developing as a global tourist destination. In India, tourism has established itself as the largest service industry in the country. The government of India under the banner of Ministry of Tourism along with private players has been deeply involved in almost all the aspects of tourism promotion including the building of hotels, tourist resorts, etc. As the private sector matured over time, the government is trying to shed many of its responsibilities like hotels and running of airlines lately. During the period of 2015, 2016, 2017 and 2018 the Indian economy is going down and down. It is found that it is very important to bring the economy higher. This research study aims to find a solution for economic development India via tourism.

Objective of the Study

- To study the foreign tourist arrivals in India
- To study Foreign Exchange earnings from tourism in India

- To study the contribution of tourism to economic growth

RESEARCH METHODOLOGY

This research study is based on secondary data, which was collected for the various purposes. Secondary data were collected from different journals, articles, report of the Government, World Tourism Organization and Tourism Development Organization.

Analysis and Interpretation

Foreign Tourist Arrivals in India

India is a special place for domestic and foreign travelers. India is a very big country in Asia. It has great values. The nature and hospitality are appreciated by foreign tourists. A huge number of tourists arrive to India to learn Yoga, meditation, Ayurveda and to spend time at ashram. The historical places and architectures of the country attract more and more tourists to India.

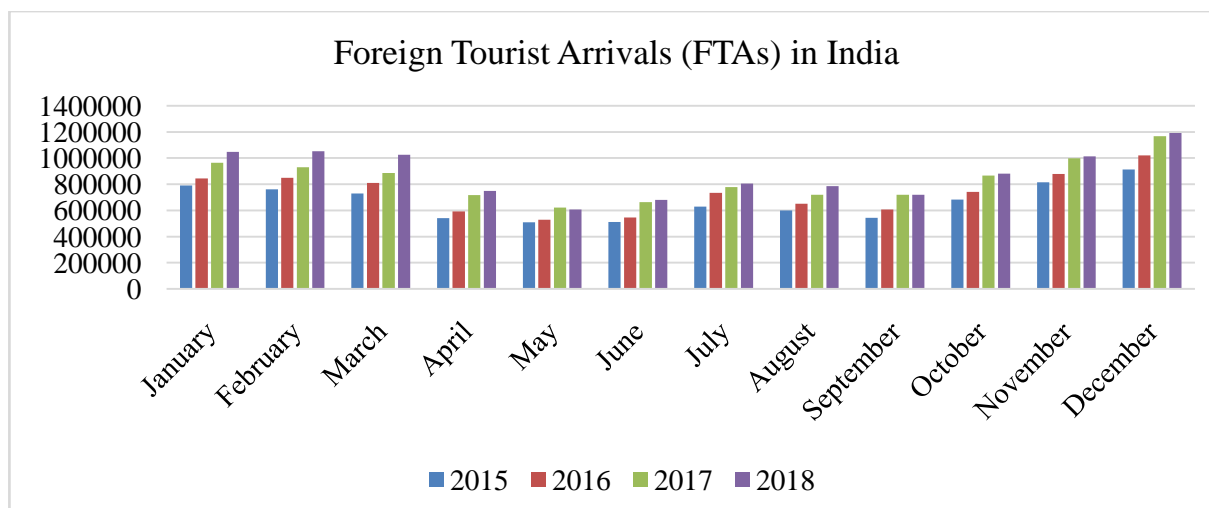
TABLE 1: FOREIGN TOURIST ARRIVALS (FTAS) IN INDIA

Month	2015	2016	2017	2018
January	790854	844533	964109	1047948
February	761007	848782	931025	1052766
March	729154	809107	885936	1025830
April	541551	592004	717899	749477
May	509869	527466	622408	606043
June	512341	546972	663470	681279
July	628323	733834	779309	806255
August	599478	652111	719129	784814
September	542600	608177	719964	719121
October	683286	741770	866976	881763
November	815947	878280	997738	1012128
December	912723	1021375	1167840	1191147
Total	8027133	8804411	10035803	10558571

Source: Annual Report of Ministry of Tourism, Government of India

The above data is taken from Ministry of Tourism's monthly reports during the last four years starting from 2015 to 2018. It is a full picture of foreign tourist arrivals in India. This information gives us a comprehensive overview on the trends and growth made during each month of each year. It gives clear and definite view of foreign tourist entrances in India. In the year 2018 the total number of tourist visited in India stood at 10558571. It is approximately 10.05 Million. In 2017 it was 10035803. When comparing with the previous years 2016 and 2015 are 8804411 and 8027133.

The following graph clearly shows seasonality in the arrival patterns of FTAs in India as the number of FTAs in India remains considerably high in first three and last three months, that is January, February, March and October, November, December.



Foreign Exchange Earnings from Tourism in India

Earnings from Foreign Exchange is the result of consumption expenditure i.e. payments made from goods and services. Foreign Tourist brings their currency for their expense which helps to develop the economy. Though India is not on top in number of foreign tourist arrivals, the amount of money spent by foreign tourists on per-capita basis is more than any other country. Business visitors from other country and their stays make more income to India. It is the main source of Foreign Exchange Earnings. The investments on Hotels, Air Transport, basic infrastructures and facilitation systems contribute more foreign exchange earnings. In India various spices, handicraft, jewels, carpets, leather goods, and Brass works are the main shopping items of Foreign Tourists. They are also attracted by Yoga, Meditation, Education, Ayurveda Treatments, Adventure and sports activities. The following tables and figures show Foreign Exchange Earnings in India from 2015 to 2018.

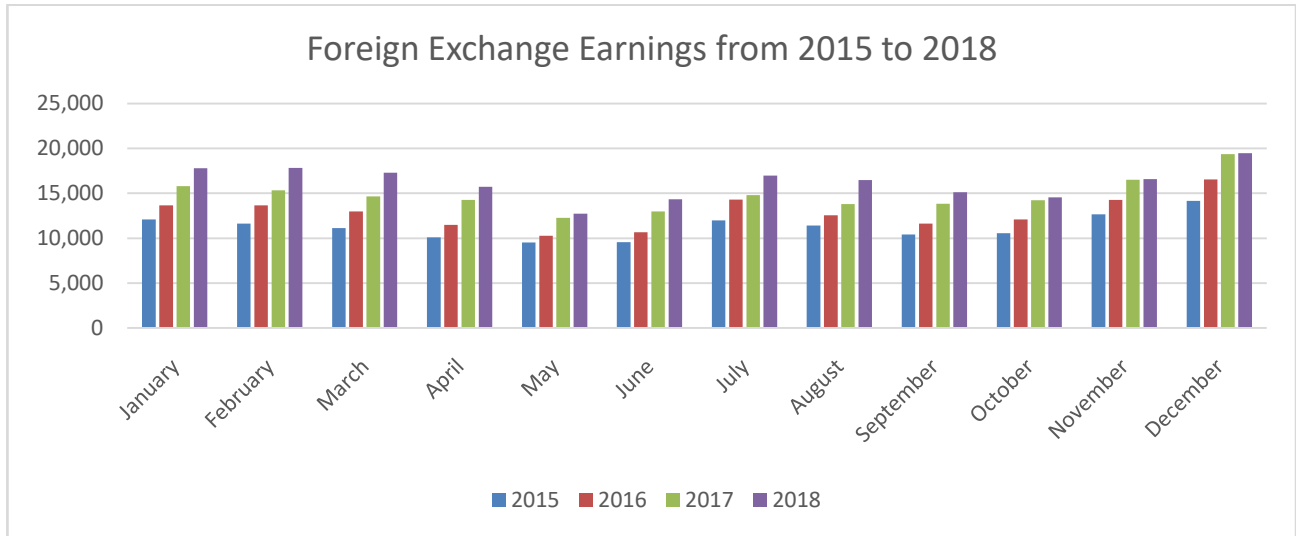
TABLE 2: MONTH-WISE FOREIGN EXCHANGE EARNINGS (FEES), IN INR CRORE, FROM TOURISM IN INDIA, FROM 2015, 2016, 2017 AND JUNE 2018

Month	FEE from tourism (in INR Crores)			
	2015	2016	2017	2018
January	12,100	13,671	15,799	17,805
February	11,642	13,661	15,353	17,817
March	11,133	12,985	14,667	17,294
April	10,091	11,495	14,260	15,713
May	9,505	10,260	12,255	12,742
June	9,564	10,677	12,971	14,342
July	11,982	14,285	14,796	16,970
August	11,411	12,553	13,811	16,467
September	10,415	11,642	13,840	15,135
October	10,549	12,100	14,213	14,561
November	12,649	14,259	16,528	16,577
December	14,152	16,558	19,381	19,469
Total	1,35, 193	1,54,146	1,77,874	1,94,892

Source: Ministry of Tourism, Govt. of India

The above table explains the Foreign Exchange earnings is increasing every year in 2015 it was 1,

35,193 INR corers. In 2018 it was 1, 94,892 INR corers. It is expected to grow more in the following years. Foreign Exchange Earnings is one of the best earning for Indian economy.



Contribution of Tourism in India

Tourism industry plays as a very important source of Gross Domestic Product. Direct contribution of travel and tourism to Gross Domestic Product mainly consists of Gross Domestic Product generated by industries which includes travel agencies, Hotels, Airlines and other passenger services which directly deal with tourists.

Indian tourism sector has very strong association with socio economic prosperity. The employment potential of tourism sector in India is higher than any other sector. Studies shows that tourism volumes like GDP, employment and export earnings are expected to move from the developed countries and towards the developing countries as a result of favorable economic, motivational, technological and policy factors.

Employment is always featured as an important element of development policy in India. Effective generation of employment opportunities in a country enhances the standard of living. It encourages the economic growth contributing to increased national income.

CONCLUSION

Tourism sector is one of the fastest growing service sector in the World. It plays as an important instrument for the growth of economic in the World. As the study says India is a unique and perfect tourist place for both domestic and foreign tourists. India has wide variety of flora, fauna, tourist destination, health and wellness centers, eco-tourism centers, adventure activities, heritage, culture and educational institution attracts both domestic as well as foreign travelers towards India. The high number of tourist arrivals brings Indian economy higher and higher. The growth of Tourism sector results in employment generation, Foreign Exchange Earnings, expansion of infrastructure facilities, socio-economic growth and increasing the contribution of GDP. India has evidenced sustainable and inclusive economic growth due to the wide expansion of tourism sector.

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