

**ROLE OF THE TOURISM SECTOR IN THE GROWTH OF INDIA'S ECONOMY****Dr.Asha Shivaji Patil**

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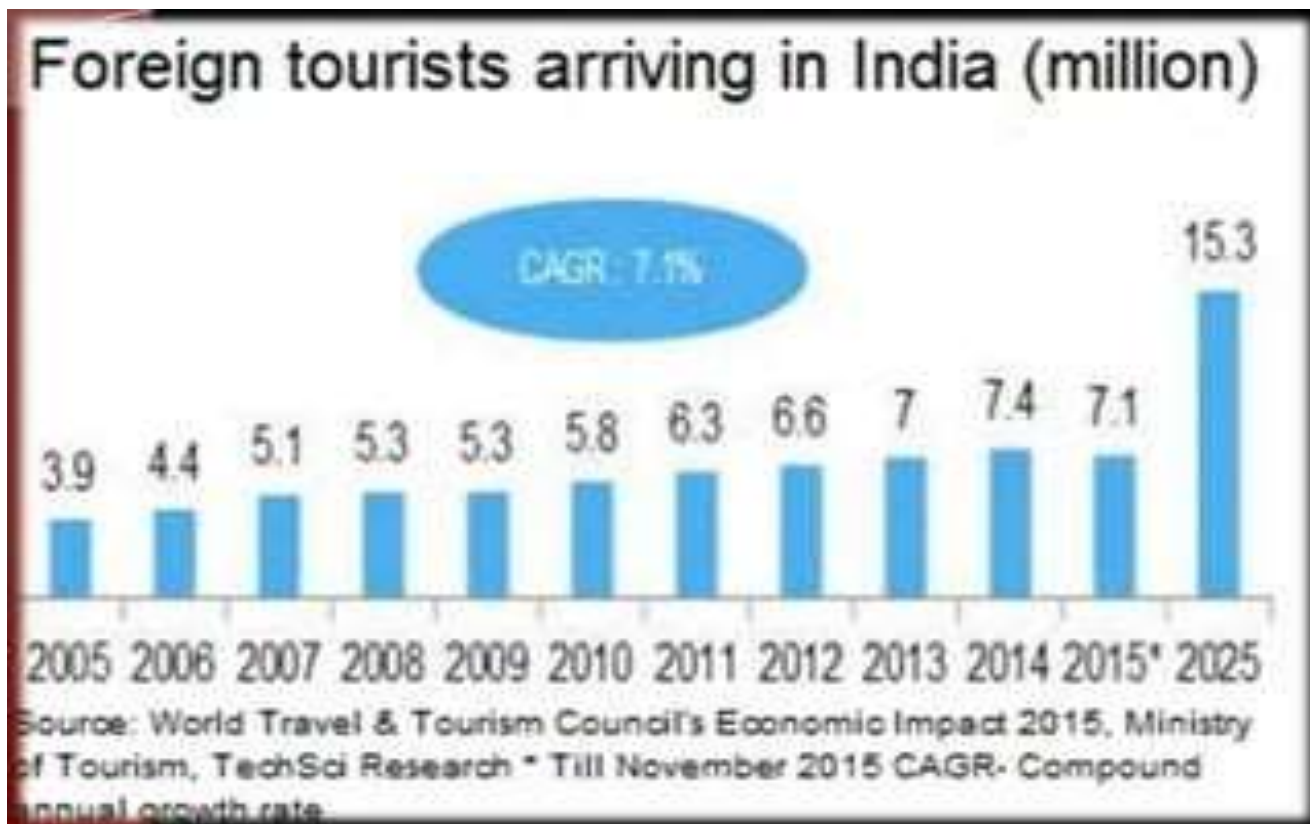
**Abstract.** This Paper aims to assess the significance of tourism as a key sector within the service industry in India and its influence on the nation's comprehensive economic growth. The tourism sector in India is expanding rapidly, showcasing immense potential for creating jobs and generating substantial foreign income, while also contributing to the nation's overall economic and social progress. It has emerged as the quickest-growing sector within the service industry, offering significant opportunities for further expansion. The primary goal of this document is to explore how tourism plays a role in the development of various multi-use infrastructure that benefits the local community, including transportation systems, healthcare facilities, sports centers, and upscale dining options for international guests. The enhancement of infrastructure has, in turn, led to the growth of other directly productive sectors. Nonetheless, the development of the tourism industry in India comes with its own set of advantages and disadvantages. This Paper seeks to offer a detailed examination of both the significant developments and the positive and negative effects of the tourism industry in India.

**Keywords: Tourism, Demand; Foreign Exchange; Forecasting,**

**Introduction** India, a nation steeped in history, culture, and natural beauty, has emerged as a vibrant and diverse tourist destination on the global stage. The country's tourism industry is a tapestry woven from its rich heritage, geographical diversity, and a plethora of experiences it offers to visitors. From the bustling streets of its cities to the serene landscapes of its rural areas, India beckons travelers with an array of attractions, making tourism a pivotal contributor to its economy. Tourism stands as a significant pillar of India's economy, generating substantial revenue, fostering job creation, and driving infrastructure development. The industry's economic contribution is particularly noteworthy for its capacity to uplift local economies in various regions across the country. The tourism industry in India has experienced remarkable growth over the years, contributing significantly to the nation's economy. The statistics indicate that tourism generated a substantial amount of revenue, contributing to the country's GDP. The projection of the sector contributing \$250 billion to the GDP by 2030 underscores the expected continued growth of the industry. This infusion of capital can uplift local economies, create jobs, and encourage investment in related sectors such as hospitality, transportation, and healthcare. The tourism sector in India is a key driver of the nation's economy, significantly contributing to Gross Domestic Product (GDP), fostering job creation and income growth, and enhancing foreign currency earnings. Indeed, the Indian tourism industry is among the fastest-growing sectors in the country. India offers a wide range of cultures, a deep history, stunning natural landscapes, and a warm hospitality. It acts as a cultural and artistic center for people worldwide and a hub for scientific and technological advancements. It's no wonder India is one of the top tourist destinations in Asia. This is largely attributed to the 'Incredible India' campaign. Launched in its first year, the campaign led to a 16% increase in foreign tourist arrivals. It shattered the outdated perception that India was underdeveloped or lacked adequate infrastructure, showcasing India's true essence and the stories of love, warmth, and excitement waiting at every turn. The campaign has been a boon for small



businesses, boosting demand for handmade pottery, jewelry, and other crafts. It has also revived traditional skills that might have otherwise been lost. This has improved the livelihoods of many families across the country, despite challenges like language barriers, which are common but easily overcome. India has made significant strides in maintaining cleanliness in public areas, with stricter laws and higher fines. The campaign focuses on preserving historical sites and providing tourists with the best experiences that blend ancient history with modern life. The future of the campaign looks promising, with its positive economic impact further highlighting its significance. The campaign aims to present India in its authentic form, showcasing how we, as a diverse nation, live and coexist harmoniously. It's time to dispel stereotypes and embrace new beginnings. India is a large market for travel and tourism. It offers a diverse portfolio of niche tourism products - cruises, adventure, medical, wellness, sports, MICE, eco-tourism, film, rural and religious tourism. India has been recognized as a destination for spiritual tourism for domestic and international tourists. India ranked 34 in the Travel & Tourism Competitiveness Report 2019 published by the World Economic Forum. As per the Startup India data, the travel and tourism industry has close to 1500 startups that comprise of companies providing platforms that enable planning and booking of travel services or assist travel service providers with technology solutions. This includes companies offering services that enable users to discover and book travel-related services such as transportation, accommodation, facility management, tours, ticketing and activities through online



portals.



## BEST PERFORMING BIG STATES TOURISM

RANK 2022	STATE	SCORE OUT OF 140	RANK 2021
<b>1</b>	<b>KERALA</b>	<b>90.5</b>	<b>1</b>
<b>2</b>	<b>ASSAM</b>	<b>84.5</b>	<b>3</b>
<b>3</b>	<b>GUJARAT</b>	<b>83.1</b>	<b>2</b>
<b>4</b>	<b>MAHARASHTRA</b>	<b>83.0</b>	<b>4</b>
<b>5</b>	<b>UTTARAKHAND</b>	<b>82.6</b>	<b>6</b>
<b>6</b>	<b>ODISHA</b>	<b>76.8</b>	<b>8</b>
<b>7</b>	<b>RAJASTHAN</b>	<b>76.4</b>	<b>5</b>
<b>8</b>	<b>BIHAR</b>	<b>76.0</b>	<b>9</b>
<b>9</b>	<b>PUNJAB</b>	<b>73.5</b>	<b>7</b>
<b>10</b>	<b>HARYANA</b>	<b>72.2</b>	<b>11</b>
<b>11</b>	<b>HIMACHAL PRADESH</b>	<b>71.6</b>	<b>10</b>
<b>12</b>	<b>KARNATAKA</b>	<b>66.7</b>	<b>16</b>
<b>13</b>	<b>MADHYA PRADESH</b>	<b>66.3</b>	<b>13</b>
<b>14</b>	<b>TAMIL NADU</b>	<b>66.1</b>	<b>12</b>
<b>15</b>	<b>TELANGANA</b>	<b>65.0</b>	<b>14</b>
<b>16</b>	<b>WEST BENGAL</b>	<b>64.5</b>	<b>15</b>
<b>17</b>	<b>UTTAR PRADESH</b>	<b>62.3</b>	<b>17</b>
<b>18</b>	<b>ANDHRA PRADESH</b>	<b>59.5</b>	<b>18</b>
<b>19</b>	<b>CHHATTISGARH</b>	<b>57.0</b>	<b>20</b>
<b>20</b>	<b>JHARKHAND</b>	<b>55.7</b>	<b>19</b>

(Source <https://www.indiatoday.in/magazine/state-of-the-states/story/20221226-best-performing-states-in-tourism-buzzing-again-2310125-2022-12-16>)

### OBJECTIVE OF THE STUDY

- To evaluate role of tourism as one of the service industry in India.
- To analysis impact of development of tourism industry in the India.
- To give suggestions on the basis of findings of the study

**Research Methodology** Some secondary data have been obtained from journals; reports of the national survey and various publication. The information thus obtained was analyzed, interpreted



and tabulated. This research study is explanatory in nature. Though the study is comprehensive yet there is scope for further research.

**IMPACT OF TOURISM IN INDIA** Tourism industry in India has several positive and negative impacts on the economy and society. These impacts are highlighted below.

**Generating Income and Employment:** Tourism in India has emerged as an instrument of income and employment generation, poverty alleviation and sustainable human development.

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

**.Source of Foreign Exchange Earnings:** Tourism is an important source of foreign exchange earnings in India. This has favorable impact on the balance of payment of the country. The tourism industry in India generated about US\$100 billion in 2008 and that is expected to increase to US\$275.5 billion by 2018 at a 9.4% annual growth rate.

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**Preservation of National Heritage and Environment:** Tourism helps preserve several places which are of historical importance by declaring them as heritage sites. 4. Developing Infrastructure: Tourism tends to encourage the development of multiple-use of infrastructure that benefits the host community, including various means of transports, health care facilities, and sports centers. 5. Promoting Peace and Stability: Tourism industry can also help promote peace and stability in developing country like India by providing jobs, generating income & diversifying the economy.

**The Multiplier Effect:** The flow of money generated by tourist spending multiplies as it passes through various sections of the economy.

**Regional Development:** The underdeveloped regions of the country can greatly benefit from tourism development. Many of the economically backward regions contain areas of high scenic beauty and cultural attractions.

**Economic Value of Cultural Resources:** Tourism provides monetary incentives for the development of many local crafts and culture, thus it has an effect on the income of the local artisans and artists .

**Promotion of International Understanding:** Tourism can also become an effective tool to develop a better understanding and interaction amongst people of different countries.

#### **Challenges faced by the Tourism Sector in India**

**Awareness:** Despite promotional campaigns by the Government, the awareness regarding India as a tourist destination remains low. Even among domestic tourists, the choice is limited to few popular destinations which remain overcrowded, while many other potential places receive low footfalls of tourists. The information portals and centres are poorly managed. There is lack of promotional campaigns in foreign countries. The absence of online branding campaigns fail to provide information to attract tourists.

**Infrastructure and Safety:** Many popular destinations lack air connectivity, especially in the hilly regions. Moreover, there is lack of proper hygienic facilities in many places. Lack of cleanliness is off-putting to many tourists. In addition there are safety concerns especially among foreign visitors because of few cases of harassment. Poor experience of some tourists leads to bad word-of-mouth information impacting perception of potential tourists.



**Communication:** Many tourists face communication problem while in India. This makes them dependent on tourist guides or travel operators to curate their travel in India.

**Lack of Skilled Manpower:** There is dearth of skilled manpower especially multi-lingual tour guides or hotel staff. The sector is dominated by small unorganized players who can't spend on skilling their employees or sensitizing them to cultural values of the foreign tourists. This impacts tourist experience.

**Depletion of Natural Resources:** Tourism development can put pressure on natural resources when it increases consumption in areas where resources are already scarce. (i) Water resources: Water, especially fresh water, is one of the most critical natural resources.

The tourism industry generally overuses water resources for hotels, swimming pools, golf courses and personal use of water by tourists. This can result in water shortages and degradation of water supplies, as well as generating a greater volume of waste water.

**Visa Process:** The Government had started the e-visa process (online) which has led to increase in foreign tourists. However, the visa-on-arrival facility is limited to very few countries, limiting foreign tourists.

**Currency Fluctuations:** Another issue is the fluctuations in the currency exchange rates. The inability to know the value of a currency means that long-range tourism prices are especially hard to predict and the fallout from this monetary instability is already impacting multiple tourism support systems. Although the coronavirus crisis has short-term destructive effects on the tourism industry, it is challenging the practices of the tourism industry and is drawing attention to a succession of issues like poor risk management in the travel industry, viral globalization, and travel of diseases with tourists to cross borders.

### **Suggestions for Development of Tourism Industry in India**

There is a need to developed tourism industry 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.

**Infrastructure:** The Government has been increasing investments in strengthening of the country's road and rail networks and promoting port development is a significant driver for the growth of the Tourism sector. The Adarsh Station Scheme is helping modernize railway stations, while the Regional Connectivity Scheme – UDAN (Ude Desh ka Aam Nagrik), is helping make air travel more economical and widespread to hitherto unserved routes. The Swadesh Darshan and PRASHAD schemes aim to stimulate growth in niche tourism segments such as religious, heritage, wellness, medical, adventure, MICE, wildlife etc. Under the Swadesh Darshan Scheme, the Government has launched several theme based circuits like Buddhist circuit which covers destinations associated with the life of Lord Buddha.

**Promotional Campaign:** Promotional activities such as the Incredible India 2.0 campaign focuses on niche tourism products including yoga, wellness, luxury, cuisine wildlife among others. "Find the Incredible You" Campaign focuses on the promotion of niche tourism products of the Country on digital and social media.

**Information Helpline:** The government has introduced the concept of e-tourist and e-medical visas which has helped increase inbound tourists to the country. Additional initiatives such as Atithi Devo Bhava, a 24x7 multi-lingual Tourist Helpline, among others have helped improve the safety and security of tourists. On a pilot basis, an 'Incredible India Helpline' has been set up to guide the tourists.



**Safety:** The Ministry of Tourism has adopted a code of conduct for safe tourism, which contains a set of guidelines to encourage tourism activities to be undertaken with respect to basic rights like dignity, and safety of both tourists and local residents, in particular women and children.

**Investment:** The government allows 100% Foreign Direct Investment in the Travel and Tourism sector through the automatic route to increase investments across the sector. More recently, the GST rate cut on hotel room tariffs across the board has been a positive move for the industry and is expected to boost the sector's competitiveness globally.

**Cleanliness and Hygiene:** Major cleanliness campaign has been launched under the Swachh Bharat movement for protecting and preserving the sanctity of monuments of national heritage. The Ministry of Tourism has also launched awareness campaign to ensure cleanliness of surroundings and help create a Swachh Bharat, Swachh Smarak.

**Assistance to States:** Financial assistance to states, including places of religious importance, for various tourism projects in consultation with them subject to availability of funds, inter-se priority, liquidation of pending utilization certificates and adherence to the scheme guidelines.

**Digital Database:** In September 2021, the Government launched NIDHI 2.0 (National Integrated Database of Hospitality Industry), a scheme which will maintain a hospitality database comprising accommodation units, travel agents, tour operators and others. NIDHI 2.0 will facilitate digitalization of the tourism sector by encouraging hotels to register themselves on the platform.

**Skilling:** The Ministry of Tourism has introduced the Incredible India Tourist Facilitator (IITF) and Incredible India Tourist Guide (IITG) Certification Programme to create an online learning platform of well-trained tourist facilitators and guides across the country.

**The Ministry of Tourism** had launched an initiative called SAATHI (System for Assessment, Awareness & Training for Hospitality Industry) by partnering with the Quality Council of India (QCI) in October 2020. The initiative was focused on effective implementation of guidelines/SOPs issued with reference to COVID-19 for safe operations of hotels, restaurants, and other units.

The government should take adequate steps to develop infrastructure including adequate air seat capacity, accessibility to tourist destinations, accommodation and trained manpower in sufficient number. More campaign should be under taken by the government to create environment awareness among its citizens. The government should take necessary steps to create more employment opportunities by providing multi-dimensional activities based on tourism.

**'Foreign Language Proficiency Class'** should be set up at the potential tourist destinations to equip the local people who are desirous of learning such languages for easy communication with the foreign tourists for the effective marketing of the local products and services to them.

Awareness sessions to be organized for giving an insight about tourism and its benefits.

**Women empowerment** can be achieved through helping women for developing small shops and providing them raw material at reasonable costs.

**Taking help of Corporate for the maintenance of religious places** – Corporate can help the city in increasing the tourism by proper maintenance of religious and tourist places under CSR activity. Continuously updating of the City website – It becomes a good and authentic source of information for the new visitors. Thus a proper care shall be taken to keep the website updated. Further the helpline numbers given shall also be kept active.

**CONCLUSION** The tourism sector plays a crucial role in the development of nations and the gathering of information for this thesis, various surveys were conducted. We have details from a questionnaire-based survey that aided in achieving our goals and enhancing tourism growth while minimizing its impact on tourist spots. In this research, we initially explored the current state of



tourism in the study area through a review of various research papers and by collecting information from tourist spots regarding their issues, peak hours, and seasons. Based on this, we proposed solutions. Understanding the current situation of tourism in the study area was the first step. This involved reviewing different research papers and collecting information from tourist spots about their problems. Additionally, we gathered data on peak hours, seasons, and other relevant factors. This information was then used to design proposals. The conservation, management, and development of historical tourist sites are crucial for preserving their historical significance and ensuring that future generations can appreciate them. It's also vital to raise public awareness about these sites and inform visitors about government schemes and policies related to tourism activities. To assess the impact, we first needed to identify the problems, whether they were positive or negative, and understand how these impacts affected the sites. Often, tourists visit popular tourist spots without realizing the impact they have on these beautiful places. Through thorough research of academic papers and books, we were able to determine the impacts of any site and take measures to mitigate them, achieving this third objective. During our visits to various tourist spots in both urban and rural areas, we discovered various aspects that each site had, including periods of high visitor traffic. Managing such crowds requires proper infrastructure, and we added questions about crowd management to our survey. We also collected feedback on crowd issues, which led to concerns about the existing facilities and measures taken to control crowd sizes. Based on public feedback and the development of infrastructure and information centers, we aimed to beautify these sites, make business operations easier, and promote tourism development. This approach fully met our objectives. Each city has its own tourist spots, some of which are hidden gems. The fifth objective was to identify these hidden spots, improve them, and raise awareness among the public about these lesser-known tourist attractions. This could be achieved through social media, promotional videos, and the establishment of information centers. By highlighting these spots, we aimed to increase their tourist value. This research was a comprehensive study that not only identified potential tourist spots for future development but also aimed to enhance the tourism experience by making these spots more accessible and attractive.

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