

## **A Study On The Growth And Presentation Of Tourism In India**

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### **ABSTRACT**

Tourism industry is the fastest growing sector today in the India and a major contributor to the national economy. The study is an attempt to examine the growth and performance of Tourism in India over a period of time using tourist arrival number. Simple Trend analysis has been employed in the study to meet the objectives. Secondary data from the year 1997 to 2013, collected from the Ministry of Tourism, has been examined thoroughly. The study depicts that there is a continuous increasing trend in the inflows of foreign as well as domestic tourist arrivals in the country. Furthermore, in the Foreign Exchange Earning has also been marked a significant growth over a period of 17 years. The study observed that the National Tourism Policy-2002, has been a significant impact on the growth of FTAs and DTAs, and FEEs in India, especially after the year 2002-03. The report from World Travels and Tourism Council predicts that there will be a remarkable increase in the tourist inflows and FEEs in one decade from 2013 to 2023. Therefore, the necessary steps should be taken in this regards for the sustainable development and maintenance of tourism, so that to meet the increasing demand of tourism in the nation.

**Keywords:** Tourism, FTAs, DTAs, India, Growth, Trend Analysis

### **1. INTRODUCTION**

Tourism industry is a major contributor to the economy of India. The recent development and strategic plans for the development of Tourism in India result in the inflow of tourism to the nation. Sport tourism and Medical tourism has been coming up with new and strongest aspect of tourism in the country. It has been noted that, the tourism in India provide and fulfills all the expectations of visitors since it poses a diversified nation with all geographical to socio-cultural aspects in every corner all over the land. Tourism industry is the fastest growing sector today in the world. Its rapid growth and development contributed in the socio-economic development of the Nation. One of the chief reasons that governments support and promote tourism throughout the world is that it has positive impact upon economic growth and development (Ivanov, and Webster, 2006). Tourism, in particular, has contributed in several important ways to the positive performance of the average small economy (Sr, M.V and Crores, 2003). Tourism sector is not only a growth engine but also an employment generator of the nation. Nevertheless, it is the number of tourist arrival which defines the present status and future prospects of tourism (Rizal and Asokan, 2014). In this context, the present study examines the growth and performance of Tourism in India over a period of time using tourist arrival number.

## **2. OBJECTIVES**

- To examine the growth, performance of tourism industry in India.

## **METHODOLOGY**

### **DATA AND SOURCES**

The present study is based on secondary data and information on the Tourism industry. It has been collected from various reports, books, journals and other official sources. Further, for the detailed study on the tourism status and performance of tourism, Annual report-2011, 2012, 2013, 2014 of Ministry of Tourism, Government of India has been thoroughly used. The study covers the period from 1997 to 2013. The data on tourist arrival, both domestic and foreign, has been collected from the year 1997 to 2013.

### **STATISTICAL TOOLS USED**

This study is both descriptive and analytical in nature. Simple Trend Analysis has been used to examine the growth and performance of Tourism in India. While examining the trend and performance of tourism in India for the year 1997 to 2013, only the Foreign Tourist arrivals (FTAs), Domestic Tourist Arrivals (DTAs) and the Foreign Exchange Earning (FEE) has been employed in this study. Trend Analysis has also been employed further for the comparative status of Foreign and Domestic tourism in India and comparative study between states. Simple mathematical tools such as percentage and averages have been used to describe the collected data and information for a simple and clear understanding to the readers. Furthermore, to examine the state-wise performance of tourism in India, a comparative analysis has been carried out.

## **RESULTS AND DISCUSSION**

The Ministry of Tourism designs national policies for the development and promotion of tourism. In the process, the Ministry consults and collaborates with other stakeholders in the sector including various Central Ministries/agencies, state governments, Union Territories and the representatives of the private sector. Concerted efforts are being made to promote new forms of tourism such as rural, cruise, medical and eco-tourism (Ministry of Tourism, 2010). The Ministry also maintains the Incredible India campaign which is most strategic campaign by the Ministry of Tourism for the sustainable (Social, economic and environmental) development of tourism throughout the country. 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 of India is economically important and is growing rapidly. The World Travel & Tourism Council (2012) calculated that the tourism industry in India generated 6.4 trillion or 6.6 percent of the nation's Gross Domestic Product (GDP) in 2012. It supported 39.5 million jobs, 7.7 percent of its total employment. The sector is predicted to grow at an average annual rate of 7.9 percent from 2013 to 2023. This gives India the third rank among countries with the fastest growing tourism industries over the next decade (World Travel and Tourism Council, 2013). India has a large medical tourism sector which it is expected to grow at an estimated rate of 30 percent annually to reach about Rs. 95 billion by 2015.

**FOREIGN TOURIST ARRIVALS IN INDIA FROM THE YEAR 1997 TO 2013(IN MILLIONS)**

| SL. NO. | YEAR | FOREIGN TOURIST ARRIVALS | PERCENTAGE CHANGE |
|---------|------|--------------------------|-------------------|
| 1       | 1997 | 2.37                     | 3.8               |
| 2       | 1998 | 2.36                     | -0.7              |
| 3       | 1999 | 2.48                     | 5.2               |
| 4       | 2000 | 2.65                     | 6.7               |
| 5       | 2001 | 2.54                     | -4.2              |
| 6       | 2002 | 2.38                     | -6.0              |
| 7       | 2003 | 2.73                     | 14.3              |
| 8       | 2004 | 3.46                     | 26.8              |
| 9       | 2005 | 3.92                     | 13.3              |
| 10      | 2006 | 4.45                     | 13.5              |
| 11      | 2007 | 5.08                     | 14.3              |
| 12      | 2008 | 5.28                     | 4.0               |
| 13      | 2009 | 5.17                     | -2.2              |
| 14      | 2010 | 5.78                     | 11.8              |
| 15      | 2011 | 6.31                     | 9.2               |
| 16      | 2012 | 6.58                     | 4.3               |
| 17      | 2013 | 6.97                     | 5.9               |

Source (i) Ministry of Tourism, Government of India, 2013-14.

(ii) Bureau of Immigration, Government of India, 1997-2013

**TABLE NO 1**

Table 1 depicts the number of foreign tourist arrivals in India from the year 1997 to 2013. It has been calculated that the average annual growth rate of FTAs in India from the year 1997 to 2013 is 11.41 percent. The percentage change has also been observed increasing upto 5.9 percent in the year 2013 from 3.8 percent in the year 1997. However, the percentage change was high in the year 2004 with 26.8 percent. It was examined that this massive growth in tourist flow was a result of National Tourism Policy-2002. It was then followed by the year 2003 and 2007 with 14.3 percent each. In the year 2006 it was 13.5 percent and in 2005 (13.8) respectively.

Percentage change was negative in the year 2001 (-4.2) and 2002 (-6.0) respectively. But after the year 2003, it has been a significant improvement. It is said that National Tourism Policy-2002, has marked its achievement. After the National Tourism Policy-2002, there has been a remarkable increase in Tourist arrival in the country. According to provisional statistics 7.42 million foreign tourists arrived in India in 2014, an increase of 7.4 percent from 6.96 million in 2013. This ranks India as the 38th country in the world in terms of foreign tourist arrivals.

According to the Travel and Tourism Competitiveness Report 2013, India ranked 65th out of 144 countries overall the globe. 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). Some other aspects of its tourism infrastructure remain somewhat underdeveloped however. The nation has very few hotel rooms per capita by international comparison and low ATM penetration (World Economic Forum, 2013).

#### **FOREIGN EXCHANGE EARNING FROM TOURISM IN INDIA FROM THE YEAR 1997 TO 2013**

| <b>SL. NO.</b> | <b>YEAR</b> | <b>FOREIGN EXCHANGE EARNING (IN CRORES)</b> | <b>PERCENTAGE CHANGE</b> |
|----------------|-------------|---------------------------------------------|--------------------------|
| 1              | 1997        | 10511                                       | 4.6                      |
| 2              | 1998        | 12150                                       | 15.6                     |
| 3              | 1999        | 12951                                       | 6.6                      |
| 4              | 2000        | 15626                                       | 20.7                     |
| 5              | 2001        | 15083                                       | -3.5                     |
| 6              | 2002        | 15064                                       | -0.1                     |
| 7              | 2003        | 20729                                       | 37.6                     |
| 8              | 2004        | 27944                                       | 34.8                     |
| 9              | 2005        | 33123                                       | 18.5                     |
| 10             | 2006        | 39025                                       | 17.8                     |
| 11             | 2007        | 44360                                       | 13.7                     |
| 12             | 2008        | 51294                                       | 15.6                     |
| 13             | 2009        | 53700                                       | 4.7                      |
| 14             | 2010        | 64889                                       | 20.8                     |
| 15             | 2011        | 77591                                       | 19.6                     |
| 16             | 2012        | 94487                                       | 21.8                     |
| 17             | 2013        | 107671                                      | 14.0                     |

Source (i) Ministry of Tourism, Government of India, for 2011, 2012, 2013 & 2014.  
(ii) Reserve Bank of India for 1997 to 2010.

**TABLE NO 2**

Table 2 shows the Foreign Exchange Earnings (FEEs) by tourism industry in India for the period of seventeen years from 1997 to 2013. The FEEs has also been marked an increasing trend in last 17 years. It increased from 10511 Crores with a percentage change of 4.6 in the year 1997 to 107671 Crores in the year 2013 with a percentage change of 14.0 over last year. The average annual growth rate of FEEs was 54.37 percent. The percentage change has been marked high in the year 2003 (37.6) and 2004 (34.8). It was due to the obvious reason of maximum inflows of foreign tourists in these years as compared to the other years. The World Tourism Organization reported that India's receipts from tourism during 2012 ranked 16th in the World and 7th among Asian and Pacific countries (Press Information Bureau, Government of India, 2014).

**NUMBER OF DOMESTIC TOURIST VISITS (DTVS) TO ALL STATES/UTS IN INDIA  
FROM THE YEAR 1997 TO 2013**

| SL. NO. | YEAR | DOMESTIC<br>TOURIST VISITS<br>(IN MILLIONS) | PERCENTAGE<br>CHANGE |
|---------|------|---------------------------------------------|----------------------|
| 1       | 1997 | 159.88                                      | 14.1                 |
| 2       | 1998 | 168.20                                      | 5.2                  |
| 3       | 1999 | 190.67                                      | 13.4                 |
| 4       | 2000 | 220.11                                      | 15.4                 |
| 5       | 2001 | 236.47                                      | 7.4                  |
| 6       | 2002 | 269.60                                      | 14.0                 |
| 7       | 2003 | 309.04                                      | 14.6                 |
| 8       | 2004 | 366.27                                      | 18.5                 |
| 9       | 2005 | 392.01                                      | 7.0                  |
| 10      | 2006 | 462.32                                      | 17.9                 |
| 11      | 2007 | 526.56                                      | 13.9                 |
| 12      | 2008 | 563.03                                      | 6.9                  |
| 13      | 2009 | 668.80                                      | 18.8                 |
| 14      | 2010 | 747.70                                      | 11.8                 |
| 15      | 2011 | 864.53                                      | 15.6                 |
| 16      | 2012 | 1045.05                                     | 20.9                 |
| 17      | 2013 | 1145.28                                     | 9.6                  |

Source (i) Ministry of Tourism, Government of India, 2013-14.

**TABLE NO 3**

Table 3 reveals the number of Domestic Tourist Visits (DTVs) to all the states and Union Territories (UTs) in India for the last seventeen year from 1997 to 2013. Similar to Foreign Tourist Arrivals, the Domestic Tourist Arrivals has also been increasing in a significant manner throughout the country. It has been calculated that, the average annual growth rate of DTAs in India from the year 1997 to 2013 was 36.26 percent. It shows a continuous increase in the inflow of domestic tourists from 159.88 Million in the year 1997 to 1145.28 Million in the year 2013. Comparing to the year 2013 growth, the Domestic tourist arrivals to all the states and Union Territories of India in 2012 was 1,036.35 million and an increase of 16.5 percent from 2011. The percentage change of DTAs has been marked high in the year 2012 with 20.9

percent. It was followed by the year 2009 and 2004 with 18.8 percent and 18.5 percent respectively.

**TOP 10 STATES AND UTS OF INDIA IN NUMBER OF DOMESTIC TOURIST VISITS  
IN THE YEAR 2013**

| SL. NO. | STATE/ UTS     | DOMESTIC TOURIST VISITS |         |
|---------|----------------|-------------------------|---------|
|         |                | NUMBER                  | % SHARE |
| 1       | Tamil Nadu     | 244232487               | 21.3    |
| 2       | Uttar Pradesh  | 226531091               | 19.8    |
| 3       | Andhra Pradesh | 152102150               | 13.3    |
| 4       | Karnataka      | 98010140                | 8.6     |
| 5       | Maharashtra    | 82700556                | 7.2     |
| 6       | Madhya Pradesh | 63110709                | 5.5     |
| 7       | Rajasthan      | 30298150                | 2.6     |
| 8       | Gujarat        | 27412517                | 2.4     |
| 9       | West Bengal    | 25547300                | 2.2     |
| 10      | Chhattisgarh   | 22801031                | 2.0     |
| 11      | Others         | 172534312               | 15.1    |

Source (i) Ministry of Tourism, Government of India, 2013-14.

**TABLE NO 4**

**TOP 10 STATES AND UTS OF INDIA IN NUMBER OF FOREIGN TOURIST VISITS  
IN THE YEAR 2013**

| SL. NO. | STATE/ UTS    | FOREIGN TOURIST VISITS |         |
|---------|---------------|------------------------|---------|
|         |               | NUMBER                 | % SHARE |
| 1       | Maharashtra   | 4156343                | 21.3    |
| 2       | Tamil Nadu    | 3990490                | 19.8    |
| 3       | Delhi         | 2301395                | 13.3    |
| 4       | Uttar Pradesh | 2054420                | 8.6     |
| 5       | Rajasthan     | 1437162                | 7.2     |
| 6       | West Bengal   | 1245230                | 5.5     |
| 7       | Kerala        | 858143                 | 2.6     |
| 8       | Bihar         | 765835                 | 2.4     |
| 9       | Karnataka     | 636378                 | 2.2     |
| 10      | Goa           | 492322                 | 2.0     |
| 11      | Others        | 2013308                | 15.1    |

Source(i) Ministry of Tourism, Government of India, 2013-14.

**TABLE NO 5**

Table 4 and table 5 shows the top 10 states and UTs of India in terms of number of Domestic and Foreign Tourist Visits for the year 2013. It is clear from the table that Tamil Nadu was in first position with the total number of domestic tourist visits of 244322487. Uttar Pradesh and Andhra Pradesh were in second and third position. But according to the Ministry of Tourism report 2012, Maharashtra was in the first position in the 2012 among all these 10 states. And in just the period of two years Tamil Nadu has remarkably seized the first position. Domestic tourists visited the states Uttar Pradesh, Andhra Pradesh and Tamil Nadu most frequently (Ministry of India, 2012). The medical tourism and educational tourism are the two strongest and continuously rising prospects of tourism industry in the state of Tamil Nadu.

While, in terms of Foreign Tourist visits (FTVs), Maharashtra was in the first position with total of 4156343 number of foreign tourist visit in the year 2013. Tamil Nadu was in the second position (3990490) and Delhi in third position (2301395) respectively. Chennai, Delhi, Mumbai and Agra have been the four most visited cities of India by foreign tourists during the year 2011. Worldwide, Chennai is ranked 38 by the number of foreign tourists, while Mumbai is ranked at 50, Delhi at 52 and Agra at 66 and Kolkata at 99. The most represented countries are the United States (16 percent) and the United Kingdom (12.6 percent). In the year 2011, the states of Maharashtra, Tamil Nadu and Delhi were the most popular states for foreign tourists.

### **3. CONCLUSION AND SUGGESTIONS**

Tourism industry in India is economically important and is growing rapidly over a period of time. Especially there has been marked a significant growth after the National Tourism Policy-2002. India is rich in history, cultural and geographical diversity, which makes it one of the most visited and international tourism destination. Along with the heritage and cultural tourism, Tourism in India also presents the medical, business, educational and sports tourism. According to World Travel and Tourism Council prediction, it is expected to grow at an average annual rate of 7.9 percent from the year 2013 to 2023. As far as Foreign Tourist arrival is concern, the average annual growth rate of FTAs in India has been calculated at 11.41 percent from the year 1997 to 2013. The FEEs has also been marked an increasing trend in last 17 years. It increased from 10511 Crores in the year 1997 to 107671 Crores in the year 2013. The average annual growth rate of FEEs in India for the period of 17 years from 1997 to 2013 was 54.37 percent. Further, the study also shows a positive trend in the inflow of domestic tourists from 159.88 Million in the year 1997 to 1145.28 Million in the year 2013 with an average annual growth rate of 36.26 percent. It has been observed from the study that there is wider prospect of tourism in India and expected to have a more inflow of tourists in the nation. In this context, the sustainable tourism policy and planning is needed for the development and management of tourism in the coming future and also to meet the requirement of tourism.

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