

# **Prospect of Tourism Industry in India**

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## **Abstract**

Tourism is travel for recreational business trip, business purpose, and leisure, usually of a limited duration. Tourism industry is commonly associated with trans-nation travel but maybe also refer to travel to another location within the same country. Tourism industry is a important engine of economic growth and significance source of foreign exchange earning in our country. Travel and tourism industry is the second highest foreign exchange earner for India. It is also a major contribution to the national integration process of the India and encourages presentation of national as well asocial cultural environments. Indian tourism industry rank seventh in the world in term of its total contribution of the country gross domestic production (GDP) shows a report by the world travel and tourism council.

In this journal paper the prospectus of Indian tourism industry has been calculated from secondary sources such as Ministry of tourism, Government of India, (2022), Market research division, Compound annual growth rate, (CAGR) and Trend analysis have been calculated. Result shows that tourism is the largest service industry in India, with a contribution of compound annual growth rate (CAGR) was increase in international tourism arrival and also increases in foreign exchange earnings. Tourism in India is the industry was the culture, tradition, or heritage of the country in utilize in profit making. It is the platform to growth nation legacy. Economical tourism plays a big role is hiking the GDP and to provide direct and indirect resources of employment opportunities to the people. Through the finding we can conclude that the major service sector of tourism where in strong prospects for growth which result in suitable development of the tourism industry and nation.

**Keywords:** - Tourism industry, Tour and Travels, Economic Development, Exchange Reserve, Accommodation Sector.

## **Introduction**

India was a late starter in this field and the Indian government did not realize its economic importance till the 1970's. In present time, tourism industry has been given the status of an export industry by the Indian minister of tourism and planning commission. In present, tourism is a major source of income for many sectors and companies and affects the economy of both the source and host countries, in some situations being of vital importance. The important factor of tourism industry is that it employs a large number of people or generates employment opportunities particularly in remote or backward places. It also contributes to the economic development of a place and a country as a whole. Due to the increase of domestic, national and international tourist arrivals to India, the Indian planners have given high priority to the expansion of contribution and infrastructure facilities.

## **Review of Literature**

**(Murugaiyanand Sasijeyanthi, 2017)**

In this research paper, explain the tourism industry is the main story of Macao's economy, tourism is travel for pleasure, also the theory and practice of turning, the business of attracting, entertainment tourism, accommodation or the business of operating tours. Domestic tourism is an important for Indian and foreign tourists. Hence the present study concentrates the demographic profile of the domestic tourist in Mumbai districts. The various statistical tools used by the respondent are percentage analysis, chi-square test and so on.

**(Sharma, 2019)**

International tourism has a constructive effect on the economics of the country including growth of employment, trade, tour and travels, small and medium industries, etc. The government should concentrate over developing and promoting domestic, national and foreign tourists get fascinated by the unique culture of rural and urban areas that include variety of cuisine and different living standards. Tourist destinations in rural areas should be developed in such a way that their original and unique does not get harmed. The rural areas are unique lucrative in respect of foreign tourism. Villages that contain cultural significance

places should be well connected with city and should be promoted on international platform to attract large number of Indian, domestic and foreign tourist.

**(Campos, Galvez, Fernandez & Guzman, 2020)**

Cultural acknowledgement and commitment is given to such place which gets consideration as whole heritage sites by UNESCO. Managing tourism as such places become an incredible responsibility of authorities, heritage place and area requires a differentiated tourism plan for specific segment of heritage tourist. This is not only involves an analysis of the socio demographic variables, but also an analysis of the perception that the tourist has of the momenta historical heritage visited, as well as their motivation, their interest or their expectation.

**(Masood H. Siddique and Shalini N. Tripathi, 2021)**

Mentioned that tourism industry and hospitality have become key global economic activities as expectation with regard to our of leisure time have evolve picnic, holiday trip. While the growth in tourism has been impressive India's share in hotel global tourism arrival and earning is quite in signification. It is an accepted fact that India has tremendous potential for development of tourism industry.

## **Objectives of the Study**

The objectives of the study are follows:

1. To know the genesis and history of tourism industry in India.
2. To identify the possibilities of tourism industry from 2004 to 2022 in India.

## **Sampling and Methodology of the Study**

The present article journal paper is based on both primary and secondary data sources. I have collected secondary data required from this research paper for this paper from report of the ministry of tourism statistical handbook of India, government of India 2022, Indian tourism statistics at a glance 2022, and other related important information has been collected from the policy paper. As well as research papers published in various journals collected secondary data was analysis with the help of trend line analysis done in the following aspect are foreign tourist arrival (FATS) foreign exchange earnings (FEE'S), domestic and foreign tourist visit

where the base data observed for the period 19 years from 2004 to 2022 from the website compound annual growth rate (CAGR).

### **Compound Annual Growth Rate (CAGR)**

The compound annual growth rate (CAGR) is a businessman or investment from that is used to refer the man yearly growth rate of an investment over a certain period of time usually longer than one year. The formula for calculating compound annual growth rate is

$$\text{CAGR} = (\text{End Value}/\text{Start Value}) ^ (1/ \text{period}) -1$$

### **Discussion and Result**

#### **Growth of Tourism Industry in India**

A growth of tourism industry in India since 2004 to 2022 is continually growing in respect of number of international tourist’s arrival and foreign exchange earnings. According to the tourism industry annual report of 2017-2018 the progress of tourism industry is shared in

**Table no-1**

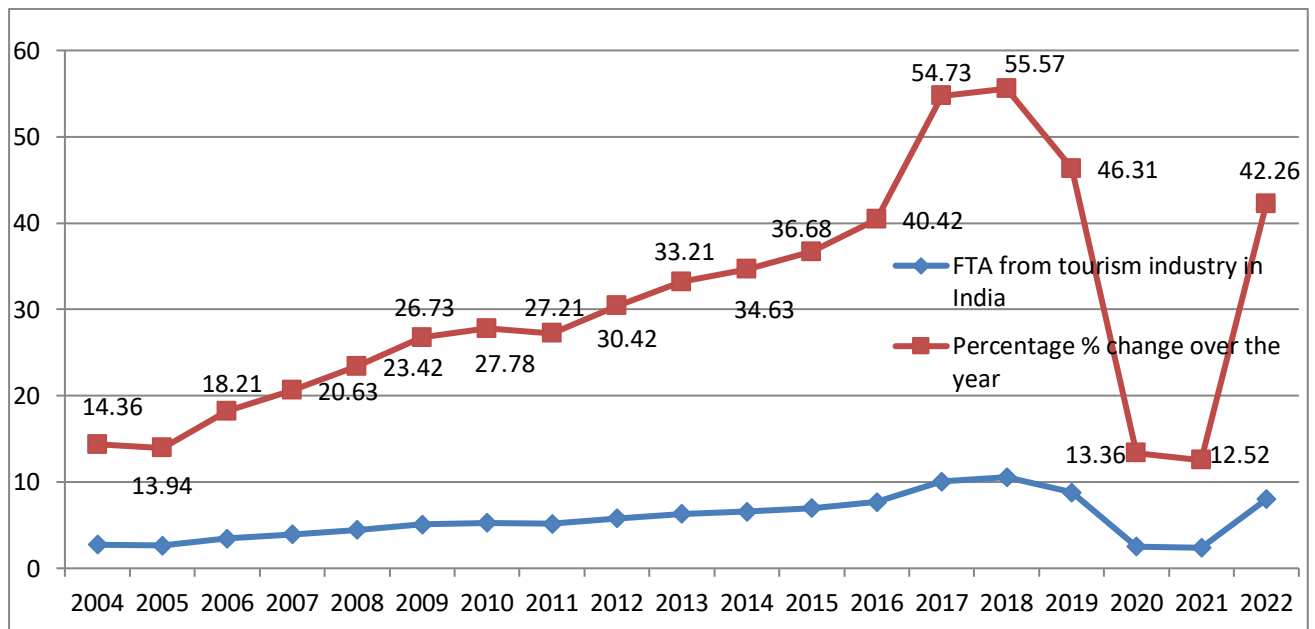
<b>Table no. 1 Foreign Tourist Arrivals (FTA’s) in India 2004 to 2022</b>		
<b>Year</b>	<b>FTA’s from tourism in India (in millions)</b>	<b>Percentage (%) Change over the year</b>
2004	2.73	14.36
2005	2.65	13.94
2006	3.46	18.21
2007	3.92	20.63
2008	4.45	23.42
2009	5.08	26.73
2010	5.28	27.78
2011	5.17	27.21
2012	5.78	30.42
2013	6.31	33.21
2014	6.58	34.63
2015	6.97	36.68

2016	7.68	40.42
2017	10.04	54.73
2018	10.56	55.57
2019	8.80	46.31
2020	2.54	13.36
2021	2.38	12.52
2022	8.03	42.26

Source Indian Tourism Statistics at a Glance 2022.

**Chart no.1**

**Foreign Tourist Arrivals (%)**



**Table No. 1**

Indicate the growth of foreign tourist’s arrival in India. If we consider the trends in foreign tourists arrival in India since 2004 to 2019 there is continues growth but after the arrival of covid-19 the tourists arrival in India has decreased very much in 2020, due to which the tourism industry suffered a lot.

The figure number -1 depicts the trend line in foreign tourist’s arrival. From the compound annual growth result express during 2006 the change of growth rate was high of 18.21% and during 2005; the change is growth rate was very low of 13.94 during study period.

## Foreign Exchange Earnings from Tourism Sector

It is necessary to consider the economic significance of tourism industry in India. The total amount collected from the international tourist's arrival in India and the changes in it since 2004 to 2022 gradually increased from 20729 in rupees to 194842 in rupees in since 2018. It indicates has given continuously foreign earning to India. But after arrival covid-19 in India foreign exchange rate very low because foreigner tourists not come visit in India because of which the Indian government had to suffer a lot. In the year 2022, tourist started coming back to India, due to which there was a fast improvement in foreign exchange and tourism industry was also benefitted. The details regarding to FEE from tourism in India and its changes per year have shown in table no. 2.

<b>Table no. 2 Foreign Exchange Earning from Tourism Sector (in Rs. in Crore)</b>		
<b>Year</b>	<b>F.E.E. from Tourism in India</b>	<b>Percentage (%) Change over the year</b>
2004	20729	37.60
2005	15626	-24.62
2006	27944	78.83
2007	33123	18.53
2008	39025	17.82
2009	44362	13.68
2010	51294	15.63
2011	53754	4.80
2012	66172	23.10
2013	83036	25.49
2014	95607	15.14
2015	107563	12.51
2016	120367	11.90
2017	177874	47.78
2018	194882	9.56
2019	154146	-20.90

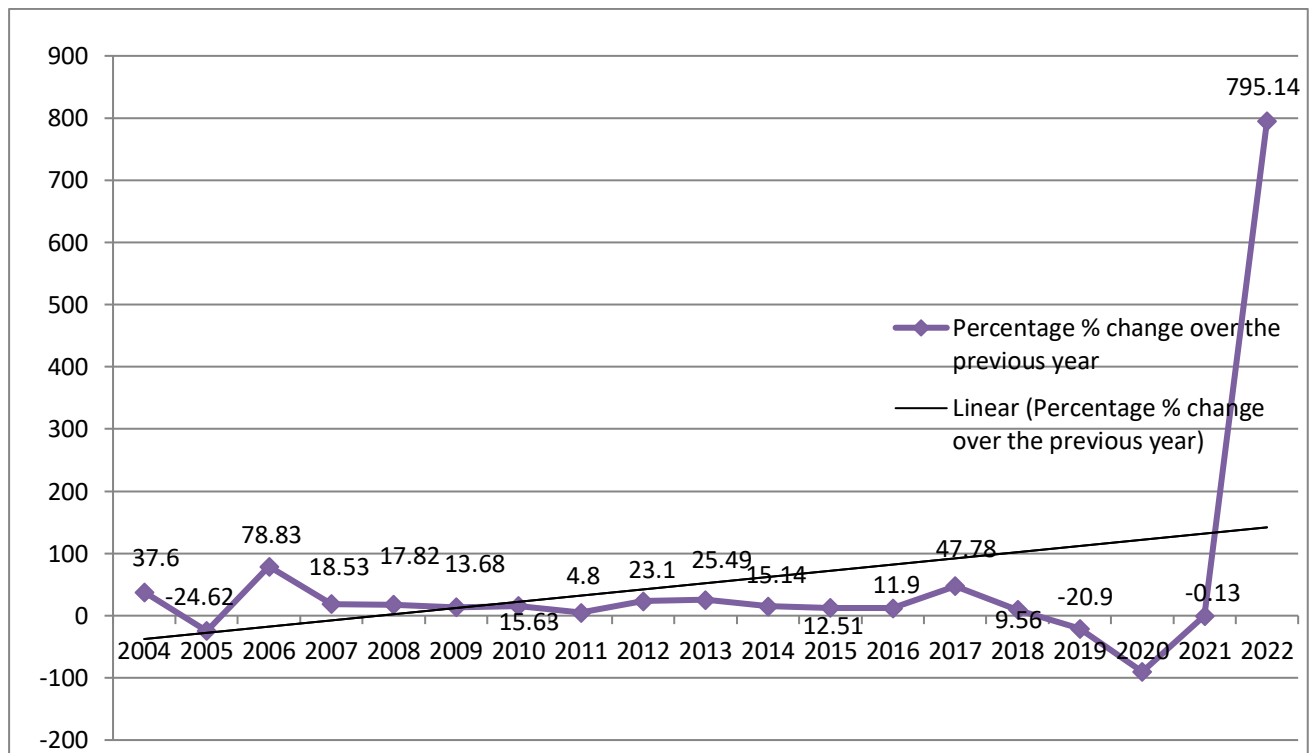
2020	15083	-90.22
2021	15064	-0.13
2022	134844	795.14

Source Indian Tourism Statistics at a Glance 2022.

The above table indicates the growth of foreign exchange earning in India. If we consider the trends in foreign exchange earning in India since 2004 to 2020 there is continuous growth. The figure no. 1 depicts the trend line in foreign exchange earnings. From the compound annual growth result express that during 2006 the change of growth rate was high of 78.83 percent and during 2005 the change of growth rate was very low of -24.62 during study period.

**Chart no. 2**

### Foreign Exchange Earnings (%)



### State Wise Scene of Foreign Tourists Arrival in India

There are top 10 states in India where the foreign tourist visited every year. These states are of Tamil Nadu, Maharashtra, Uttar Pradesh, Delhi, Rajasthan, West Bengal, Punjab, Kerala,

Bihar and Goa. The number of foreign tourist visit frequently visit to the important place to this states. The total number of foreign tourist visit to these states in 2018 shown in the Table no. 3

### **Share of top 10 States /UT's of Indian in Number of Foreign Tourist Visits in 2022**

<b>Rank State / UT</b>	<b>Number</b>	<b>Percentage Share %</b>
Tamil Nadu	6074345	21.0
Maharashtra	5078514	17.6
Uttar Pradesh	3780552	13.1
Delhi	2740502	9.5
Rajasthan	1754348	6.1
West Bengal	1617105	5.6
Punjab	1200969	4.2
Kerala	1096407	3.8
Bihar	1087971	3.8
Goa	933841	3.2
Total of top ten states	25364524	87.9
Other States	3507630	12.1
<b>Total</b>	<b>28872154</b>	<b>100</b>

Source Indian Tourism Statistics at a Glance 2022.

**Table no. 3:** Indicates the share of ten important states of Indian in respect of the development of the tourism industry. Tamil Nadu, Maharashtra, Uttar Pradesh and Delhi are the four most important states which contribute 61.2% of foreign tourist arrival after covid-19 in 2022. Remaining states are also important regarding foreign tourists visit. The share of this ten states about 87.9% in total tourist arrival in India.

### **Summary and Conclusion**

- It is identified that the foreign tourist arrival in India. From the compound annual growth result express that during 2006 the change of growth rate as high of 18.21 percent and during 2005 the change of growth rate very low of 13.94 during the study time period.



- It is captured that the trend line in foreign exchange earnings. From the compound annual growth result express that during 2006 in the change of growth rate was high of 78.83 percent and during 2005 the change of growth rate was very low of -24.62. It is find that the share of ten important states of India in respect of the development of tourism industry. Tamil Nadu, Maharashtra, Uttar Pradesh and Delhi are the four most important states which contribute 61.2% of foreign tourist arrival in after covid-19 in 2022.
- It is finding that the share of 10 important states of India is respect of the development of tourism industry. Tamil Nadu, Maharashtra, U.P. and Delhi are the four most important states which contribute of 61.2% of foreign tourist arrival after Covid-19 in 2022.

Tourism in India is the industry was the culture, heritage and tradition of a country is utilized in profit making way. It is platform to expose national legacy. Economically tourism plays a big role in hiking the Gross Domestic Production (GDP) and to provide direct and indirect employment opportunities to the Indian public. Through the finding we can conclude that the main service sector of tourism where in strong growth and prospects which result in sustainable development of our country.

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