

# TOURISM IN INDIA

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## ABSTRACT

In 1947, immediately after independence, the focus of development in India was on key areas like agriculture, housing, industry, irrigation, infrastructure and other social sectors. So in the field of tourism, India has been a late starter and has started getting attention in the last two decades only. The phenomenal explosion of international and domestic tourism is an inevitable by-product of the prosperity that India has achieved in recent times. It been duly recognized in National Tourism Policy, 2002 that Tourism not only generates employment but also upgrades human skills. The infrastructure created for Tourism can be used by all other sectors of the economy. Therefore, development of Tourism must not be viewed in isolation and the states must adopt an integrated approach and action plan for its development. Presently, as far as approach for development of Tourism in India is concerned, there are many areas which lack emphasis like inadequate awareness about tourist spots, no surveys and studies relating these tourists spots, no norms and standards for the planning and development of these tourist spots, neglect of heritage tourism, neglect of traditional arts, craft & culture, ineffective marketing, inadequate tourism infrastructure etc. In this paper an effort has been made to highlight the present scenario of Tourism in India and hurdles that comes in the way for the development of Sustainable Tourism and its related infrastructure. It further highlights the initiatives taken by the Government itself, for attracting foreign incentives and to encourage private sector as well to act as a facilitator by providing supportive infrastructure facilities.

**Keywords:** Tourism, Sustainable Tourism, Tourism Development, India, Infrastructure

## INTRODUCTION

Tourism in today's world is no more a luxury or sightseeing. It is motivated by the natural urge for new experience, adventure, education and entertainment regarding different cultures, life styles and environments. This natural urge is enhanced with recent advances in transportation and information technology in the 21st century and has made tourism industry to undergo a significant change. Now even a common man has attained the status of a tourist and enabled to

reach even the remotest parts of the earth. Tourism Industry has given birth to a number of secondary and tertiary activities, provided new career opportunities in hospitality, leisure and surface transport, gainfully employing thousands of people and fetching several crores of rupees in foreign exchange year after year.

### **World's Scenario**

The earnings from tourism have made it one of the world's largest industries and the fastest growing sectors of global trade. According to the World Tourism Organization (WTO), the year 2006 saw more than 842 million international tourist arrivals and the tourism receipts were around US \$ 682 billion. The World Travel and Tourism Council (WTTC) latest figures for 2006 indicated that travel and tourism had generated 234 million direct and indirect jobs worldwide, i.e. 8.7% of the global employment. This accounts for 10.7% of the global Gross Domestic Product (GDP), 12.8% of global exports, and 9.4% of global capital investment. According to the same estimate, the global travel and tourism activity is expected to increase by 4.7% between 2007 and 2016. By 2016, it is projected that total travel & tourism activity is expected to post a demand of economic activity of US \$12118 billion and 9% of the total employment.

### **Indian Scenario**

The WTO forecast indicates an increasing tourism preference towards East Asia, the Pacific, West Asia and South Asia, although Europe and America still remain the world's foremost tourism destinations commanding 77% of the global market. East Asia/Pacific achieved the highest rate of growth of 15% in tourism and travel in 21st century followed by West Asia and South Asia. In Asia, China has emerged as a leading tourist destination and is poised to become the world's top tourist destination by 2020. The WTTC has identified India as one of the world's foremost tourist growth centres in the coming decade with 65.8% of regional Tourism receipts. India is expected to achieve the fastest rate of growth of economic activity which is likely to be generated by travel and tourism, at 9.7 per cent over the next 10 years. Also, the largest employment creation after China is expected to take place in India over the same period. The growth in 'visitor exports' and spending by international tourists, is likely to be the fastest in India at 14.3 per cent per annum over the next decade. It is estimated that tourism in India could contribute Rs. 8,50,000 crores to the GDP by 2020 ( approx. 1800 million USD)

Presently, India has 0.8% share of world tourist market. In 2006, country witnessed 4.51 millions as International Tourists and 367 millions as domestic Tourists, thus contributing around 10.7 million direct and 24.4 million indirect employments. All this had a 5.3% overall contribution of GDP out of which 2 % is the direct contribution of Tourism. On the whole, the WTTC forecast for India is promising, subject to key policy issues that affect the growth of the sector being addressed.

**Table 1:** Contribution of Travel and Tourism to GDP and Employment

Contribution	World Average (%)	India (%)	World Rank
Contribution of Tourism and Travel Economy to GDP	10.7	5.3	140
Contribution of Tourism and Travel Industry to GDP	4.2	2.5	124
Contribution of Travel and Tourism Economy Employment	8.7	5.6	140
Contribution of Travel and Tourism Industry Employment	3.1	2.9	111
Contribution of Tourism and Travel exports to total exports	12.8	9.5	31
Contribution of Tourism and Travel to tourism receipts	5.2	11.8	29

Source : WTTC, Department of Tourism, Government of India (2006).

### Nature of Indian Tourism

According to predictions made by industry stakeholders, the tourism sector in Asia over the next 10 years is projected to grow at a higher rate than most other regions and the world average as a whole. It is felt that India should capitalize on this great window of opportunity by evolving a tourist friendly tax regime in the region. The events around the globe and in the subcontinent have had their impact on the flow of overseas visitors to India. But, in the last 15 years, visits by the domestic tourists have grown by more than 300 million. From a figure of 63 million in 1990 it stood at 382 million in the year 2005. This phenomenal explosion of domestic tourism is an inevitable by-product of the prosperity that India has achieved. Domestic tourism in India is also fuelled by a number of factors like important pilgrim sites of different religions are scattered throughout the country.

India's cultural heritage and eco-tourism potential are the major consumer preferences of the international tourists. A striking feature of Indian tourism is the average length of stay of foreign tourists in the country. The estimated average length of stay for tourists is 31 days, which is amazing when compared to international average. The long length of stay indicated the character of the average foreign visitor as serious minded and exploratory; justifying the fact that India has a vast variety to offer to the tourists.

Another important feature of the Indian tourism industry is its contribution to national integration, preservation of natural as well as cultural environments and enrichment of the social and cultural lives of people. Domestic tourists visiting different parts of the country every year return with a better understanding of

the people living in different regions of the country. Tourism also encourages preservation of monuments and heritage properties and helps the survival of arts forms, crafts and culture since historical monuments are a big source of attraction to tourists visiting India. Archaeological Survey of India (ASI) manages over 3500 monuments in India.

There is a demand that Association of South East Asian Nations (ASEAN) and Indian tourist packages should be integrated so that tourists coming from Europe should go over to ASEAN destinations after covering Indian tourist attractions. Similarly, international tourists visiting ASEAN countries can come over to Indian destinations. In a survey conducted by travel and leisure magazine, two Indian hotels at Jaipur and Agra find a place in world's 100 best hotels. The Ananda resort in the Himalayas has been rated as the world's number one spa by the popular travel and tourism magazine "Conde Nast Traveller". The New Delhi-Agra-Jaipur golden triangle is still a hot favourite for international tourists.

### **Hurdles to Growth of Tourism in India**

Tourism is one economic sector in India that has the potential to grow at a high rate and can ensure consequential development of the infrastructure of the destinations. It has the capacity to capitalize on the country's success in the services sector and provide sustainable models of growth. But the major constraint in the expansion of international tourist traffic to India is poor visitor experience, particularly, due to inadequate infrastructural facilities, including inadequate air seat capacity, inaccessibility to tourist destinations, poor accommodation and lack of trained manpower in sufficient number, unhygienic conditions and incidents of touting and harassment of tourists in some places. Other inadequacies that act as hurdle in the growth of tourism directly or indirectly are as follows:

- i. Levy of tax on tourism and tourists that are not only high but also unconscionable.
- ii. Excessive clearances to be obtained from numerous agencies of the Central and State Governments for tourist related infrastructure.
- iii. Difficulties in obtaining land for hotel projects.
- iv. Restrictions on movement of tourists and tourist vehicles.
- v. Lack of adequate security to foreign tourists to go around without fear of bodily harm or loss of belongings.
- vi. Inadequate human resource development leading to the visitor being treated more as an intruder than as an honored guest.

## Initiatives by the Government

Tourism development in India has passed through many phases. At government level the development of tourist facilities was taken up in a planned manner in 1956 coinciding with the Second Five Year Plan (1956-61). The Sixth Plan (1980-85) marked the beginning of a new era when tourism began to be considered a major instrument for social integration and economic development. But it was only after the 80's that tourism activity gained momentum when government took several significant steps. The potential of tourism in a globalize environment was brought out in 1982 for the first time in the Tourism Policy of India that perceived the role of this sector as a major engine of growth and sought to integrate it with all other sectors that are related to it in a major way through a well defined and fully integrated national programme. Later in 1988, the National Committee on Tourism formulated a comprehensive plan for achieving a sustainable growth in tourism.

The government of India has initiated a national action plan in 1992 for tourism to improve the tourist flow by providing proper infrastructure at the tourist sites. In 1996 the National Strategy for Promotion of Tourism was drafted. In 1997, a new draft tourism policy in tune with the economic policies of the Government and the trends in tourism development was published for public debate. The draft policy is revised as National Tourism Policy 2002. The Policy aims at taking advantage of the tourism potential of all sectors, starting with spatial physical diversity of mountainous ranges to desert stretches in different regions in the country, the man-made attractions of historical interest, heritage buildings to crafts and culture of the people as tourism products. In this context, it also seeks to use the tourism route to create as much skilled and unskilled employment as possible. The policy recognizes the roles of Central and State governments, public sector undertakings and the private sector in the development of tourism. The need for involvement of Panchayati Raj institutions, local bodies, non-governmental organizations and the local youth in the creation of tourism facilities has also been recognized. The National Tourism Policy attempts to:-

- i. Position tourism as a major engine of economic growth;
- ii. Harness the direct and multiplier effects of tourism for employment generation, economic development and providing impetus to rural tourism;
- iii. Focus on domestic tourism as a major driver of tourism growth.
- iv. Position India as a global brand to take advantage of the increasing global travel trade and the vast untapped potential of India as a destination;
- v. Acknowledges the critical role of private sector with government working as a pro-active facilitator and catalyst;

- vi. Create and develop integrated tourism circuits based on India's unique civilization, heritage, and culture in partnership with States, private sector and other agencies; and
- vii. Ensure that the tourist to India gets physically invigorated, mentally rejuvenated, culturally enriched, spiritually elevated and "feel India from within".

Also, the overall fund allotment for the Tourism Industry in the 10th Five year plan was Rs.2900 crores as against Rs.750.00 crores in the 9th Five year plan period. According to the working group report for 11th five-year plan; the proposal is to spend Rs. 9290 crores to boost the growth in this sector.

The important initiatives taken by the government to improve the flow of foreign tourists and thereby increasing the country's share in the world tourism included the following:

- i. Direct approach to consumers through Electronic and Print media through the "Incredible India" Campaign.
- ii. Centralized Electronic Media Campaign.
- iii. Direct co-operative marketing with tour operators and wholesale overseas.
- iv. Greater focus in the emerging markets particularly in the region of China, North East Asia and South East Asia.
- v. Participation in Trade fairs and exhibitions.
- vi. Optimizing Editorial PR and Publicity.
- vii. Use of Internet and Web Marketing.
- viii. General Tourist Publications.
- ix. Re-enforcing hospitality programmes including grant of air passages to invite media personnel and tour operators on familiarization tours to India to get firsthand knowledge on various tourist potentials.
- x. Focusing on growth of hotel infrastructure particularly budget hotels.
- xi. Enhancing connectivity through augmentation of air capacity and improving road infrastructure in major tourist attractions.

The other major development that took place was the setting up of the India Tourism Development Corporation in 1966 to promote India as a tourist destination. Tourism Finance Corporation was also established in 1989 to finance tourism projects. Altogether, 24 Government-run Hotel Management and Catering Technology Institutes and 12 Food Craft Institutes are there for imparting specialized training.

The organizations involved in the development of tourism in India are the Ministry of Tourism with its 21 field offices within the country and 18 abroad, Indian Institute of Tourism and Travel Management, National Council for Hotel Management and Catering Technology, India Tourism Development Corporation, Indian Institute of Skiing and Mountaineering and the National Institute of Water Sports. The Department of Tourism has a scheme of approving Travel Agents, Tour Operators, Adventure Tour Operators and Tourist Transport Operators.

The Department of Tourism approves hotel projects from the point of view of their suitability for international tourists. Various incentives and benefits are linked to such approvals. The Hotel and Restaurant Approval and Classification Committee (HRACC), with representatives from Department of Tourism, Government of India, State Governments and hotel and travel industry associations, set up by the Department of Tourism; classify the functioning hotels under the star system into six categories from one to 5-Star Deluxe. A new category of Heritage Hotels has also been introduced since 1994. The Department also re-classifies these hotels after every four years to ensure that these hotels maintain the requisite standards.

Till the end of March 2006, there were 1934 hotels with 103973 rooms on the approval list of the Department of Tourism. The break-up of these hotels by different star categories is as given in Table 2.

**Table 2:** Different Categories of hotels as per Department of Tourism

Star Category	No. of Hotels	No. of Rooms
5-Star Deluxe	82	18764
5-Star	92	11332
4-Star	132	9404
3-Star	704	31039
2-Star	587	19031
1-Star	212	6950
Heritage	83	2216
To be classified	50	5127
<b>Total</b>	<b>1934</b>	<b>103973</b>

Source: Ministry of Tourism, Government of India (2006).

The table excludes hotels in the unorganized sector that have a significant presence across the country and cater primarily to economy tourists.

### Incentives for the Private Sector

In order to achieve sustained growth of tourist facilities in the private sector and to ensure high standards of quality in their services, several incentives are given

to private sector by the Central as well as State Governments. Few of them that need mentioning are as follows:

- i. Interest subsidy of 3% on loan taken from financial institution is available to 1 to 3 star categories of hotel projects outside the metropolitan cities of Mumbai, Kolkata, Delhi and Chennai.
- ii. A subsidy of 5% is available to hotel projects if they are located in the Travel Circuits and Destinations identified for intensive development as per National Action Plan for Tourism.
- iii. Heritage hotel projects are given higher rate of interest subsidy of 5%. Recently, financial institutions such as ICICI, IDBI and SIDBI have also been included in the scheme in addition to Tourism Finance Corporation of India (TFCI), Industrial Finance Corporation of India (IFCI) and State Finance and Industrial Corporation.
- iv. As a fiscal incentive, 40% of profits derived by hotels, travel agents and tour operators in foreign exchange are exempted from income tax. The balance amount of profits in foreign exchange is also exempted provided it is reinvested in tourism projects.

## **CONCLUSION**

To sum up, Indian tourism has vast potential for generating employment and earning large sums of foreign exchange besides giving a fillip to the country's overall economic and social development. Much can be achieved by way of increasing air seat capacity, increasing trains and railway connectivity to important tourist destinations, four-laning of roads connecting important tourist centers and increasing availability of accommodation by adding heritage hotels to the hotel industry and encouraging paying guest accommodation. But much more remains to be done. Since tourism is a multi-dimensional activity, and basically a service industry, it would be necessary that all wings of the Central and State governments, private sector and voluntary organizations become active partners in the endeavor to attain sustainable growth in tourism if India is to become a world player in the tourist industry. Following are the few measures that can be used for enhancing India's Competitiveness as a Tourist Destination.

The need for physical infrastructure is there right from entry into the country to modes of transport to destinations (airways, roadways, railways or waterways), to urban infrastructure such as access roads, power, water supply, sewerage and telecommunications. This underscores the need for inter-sectoral infrastructural schemes and programmes that could support tourist destinations.

In order to enhance India's competitiveness as a tourist destination, there is a need to simplify the visa procedure and consider strategies for the speedy issue of visas including electronic visas and visas on arrival. As air capacity available

to India is woefully short during the peak travel months, ranging from October to March, there is an urgent need to open India's skies to increase air capacity to help enhance tourism. Additional seat capacity from the major tourism generating destinations can significantly benefit the national economy and can act as booster to tourism. In order to improve the standard of facilities and services at the international and national airport, more professional management agencies can be employed.

The plan for the road system in the country covering both inter-state highways and improvements to rural roads directly supports tourism development since 80% of passengers in India travel by road. There is an urgent need to construct and improve highways linking the 22 world heritage sites and places of tourist significance. For this, coordination between Ministry of Road Transport and National Highways is required.

Indian Railways is an enormous asset to the development of the tourism and hospitality industry in the country. The railways hold a special fascination for foreign tourists who wish to travel India. For the vast majority of domestic tourists also, rail is the most affordable means of travel linking the length and breadth of the country. Introduction of special tourist trains with pre-set routes and private sector participation need to be encouraged. Following are some of the areas that also need special attention:

- i. India has a vast array of protected monuments with 22 world heritage sites, 16 of which are monuments. The integrated development of areas around these monuments provides an opportunity for the development of culture tourism in India. Cultural and heritage tourism need to be expanded.
- ii. For the development of beach and coastal tourism, a number of sites on the west coast of India need to be identified for the development as beach resorts.
- iii. India's great wildlife variety has not yet been developed as a tourist attraction. Wildlife sanctuaries and national parks should become an integral part of the Indian tourism product with best tourist facilities.
- iv. Many India's fairs and festivals such as the Pushkar mela, the Desert Festival at Jaisalmer, the Kumbh Mela etc. are already well established and popular among domestic as well as foreign tourists, can be promoted as unique products of India.
- v. Shopping for traditional crafts especially in these fairs and festivals need to be recognized as an integral part of tourism. The development of various shopping centers along the lines of village haats such as Dilli Haat and Shilpgram can be developed.

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