

ANALYSIS AND APPRAISAL OF FOREIGN TOURIST ARRIVALS AND ECONOMIC GROWTH OF INDIAN TOURISM INDUSTRY

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Abstract: Tourism is an activity of great socio-economic importance, as it facilitates economic growth and development of the region with social and cultural intermixing. It promotes cultural understanding among societies throughout the world in a positive sense, while severe ecological and cultural deteriorations, lack of cultural uniqueness are the negative results of tourism. The world is changing very rapidly; motives of humans have been changed totally, industrialization, modernization and technological advancements have transformed the aspirations of man; now peoples are moving efficiently all around the globe in search of unknown, peace, leisure, and adventure. Benefits of liberalization and globalization are providing pace and energy to the tourism and related activities. India, one of the oldest civilizations of the world with its socio-cultural uniqueness, vast physiographical theatre, highest levels of natural biodiversity, is the obvious and evident destination of tourists. Historical monuments, great cultural diversities and marvelous cuisines, etc. also attract peoples towards India from all around the world. Tourist influx in India is in abundance. Total tourists were 2.65 million in the year 2000 which increased to 7.68 million in the year 2014. The total increase was about 2.9 times with 7.90 per cent of compound annual growth rate (CAGR) from the year 2000 to 2014. Presently, the country is cultivating the benefits of rising tourism industry with severe socio-economic disparities, and environmental and infrastructural constraints. All these must be regularized and should be according to the norms of sustainable tourism development. The paper evaluates and investigates the trends of foreign tourist influx in India and analyzes the receipts by foreign tourist arrivals, and also focuses on the relations between them so that plans and policies must be implemented accordingly and optimum and sustainable tourism development must be promoted in near future.

Keywords: analysis and appraisal, cultural intermixing, economic growth, foreign tourist arrivals, socio-economic importance, sustainable tourism.

Introduction

Tourism is the act and process of spending time away from home in pursuit of recreation, relaxation, and pleasure, while making use of the commercial provision (Britannica Encyclopedia, 2015). Modern advancements have given the pace to the tourism and transformed it into an industry. Tourism has become the fashion of the modern societies (Bajpai, Yadav & Pandey, 2015). Travel & Tourism's impact on the economic and social development of a country can be enormous; opening it up for business, trade and capital investment, creating jobs and entrepreneurialism for the workforce and protecting heritage and cultural values (WTTC

Travel & Tourism Economic Impact, 2015). History of tourism in India is as old as the Indian civilization itself. India is the center of world famous heritage and cultural sites viz., The Taj, Ajanta and Ellora, exotic sites of Khazuraho, Ghats of Varanasi, Temples of Mathura and Vrindavan, etc. and many more and the hotspot of some famous and UNO recognized biodiversity sites. Indian glory and wealth attracted European and Greeks crossing the land between Asia and Europe. Establishment of India Tourism Development Corporation (ITDC) in the year 1966 played a major role in tourism development in India. Various five year plans provided pace in Indian tourism industry. The Sixth Plan (1980-85) was

a major landmark in the history of Indian Tourism in which 'Tourism Policy' of the country was announced. After that tourism has taken the status of an industry in the country. Tourism has direct, indirect and dynamic effects and also it is important to note that tourism can also have negative impacts on local livelihoods and economies (Ashley, C. et al., 2007). Travel & Tourism generated US\$7. 6 trillion (10% of global GDP) and 277 million jobs (1 in 11 jobs) for the global economy in 2014. The direct contribution of Travel & Tourism to GDP in 2014 was INR2, 478.2bn (2.2% of GDP). This is forecast to rise by 7.6% to INR2, 667.5bn in 2015. (WTTC Travel & Tourism Economic Impact, 2015). Development of the tourism is linked to the social and economic status of the nations and vice-versa. Development of proper vehicular parking, efficient travel amenities, and well furnished roads and railways, world class lodging and hospitality conditions, inexpensive, hygienic and good quality food, fresh and clean drinking water, etc. are the requisites (Yadav,

Bajpai & Pandey, 2015). The direct contribution of Travel & Tourism to GDP is expected to grow by 7.2% pa to INR5, 339.2bn (2.5% of GDP) by 2025. (WTTC Travel & Tourism Economic Impact, 2015). Contrary to these tourism activities also caused various social and economic crimes, socio-economic disparities, infrastructural problems, cultural degradation, biodiversity and environmental constraints. Tourism and environment are intricately related. The increasing tourism activities in a tourist destination often result in overuse and degradation of the environment and resources of tourism, which in turn lead to a decline in the growth of tourism, and loss of tourism value of the destination (Joshi, & Dhyani, 2009). Tourists are demanding the greening of tourism. Traditional mass tourism has reached a stage of steady growth. In contrast, ecotourism, nature, heritage, cultural, and "soft adventure" tourism are taking the lead and are predicted to grow rapidly over the next two decades (Pratt, L. & UNEP, WTO; UNWTO. 2011).

STUDY AREA:

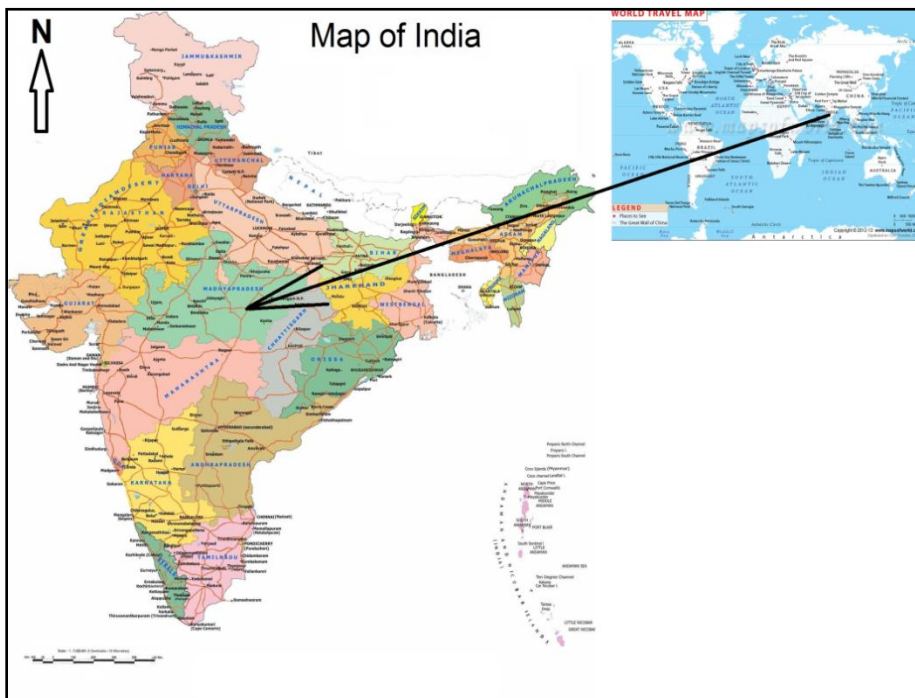


Fig. 1: Location Map of Study Area

India is a land of countless diversities, one can easily notice these diversities in diverse peoples, religion and culture. The mainland of the study area lies between 8° 4' N and 37° 6' N latitudes and 68° 7' E and 97° 25' E longitudes, while the southernmost tip of the Nicobar touches the parallel of 6° 45' N. India commands a total geographical area of 32, 87, 263 sq.km, which is roughly 0.57 per cent of the area of the whole earth and 2.4 per cent of the total area of the land hemisphere. According to the census of India 2011 the total population of the country is 1,21,01,93,422 with a sex ratio of 940 females per thousand males (Census, 2011). India has a lot of potential in the sense of tourism and it can offer a lot to its peoples and also to the peoples throughout the globe. The Country is endowed with Mighty Himalayas in the North to the sunny and beautiful beaches in the South; from exquisite natural and cultural beauty in the East to the marvelous beauty of the West. Colorful festivals and exotic food in India and vicinity have attracted people from time immemorial.

OBJECTIVES: The main objectives of the research paper are as follows:

- 1.To study and analyze the temporal trends of foreign tourist arrivals in India.
2. To compare the world and Indian tourism receipts, its trends and growth patterns.
3. To calculate the co-relation among international tourist arrivals in the world and India and received receipts from them, evaluate the impacts and predict future requirements of optimum and sustainable tourism activities in India.

METHODS AND MATERIALS:

The data used in the present study are secondary in nature and collected from different sources. Various informative resources such as Books, Reports, Articles, and Research papers etc. have been concerned. Comparative analysis of total tourist arrivals in the world and India has done. Co-relation, Percentage Growth, Percentage Share, and Compound Annual

Growth Rate (CAGR) has been calculated to analyze the data and draw the results.

RESULTS, EXPLANATIONS AND EVALUATIONS:

Table1. shows the trends of foreign tourist arrivals in India for the year 2000 to 2014. The analysis of the data of foreign tourist arrivals in the study span i.e., for the last 15 years from 2000 to 2014; it is clear that foreign tourist arrivals are showing the increasing trends for 2.65 million in the year 2000 to 7.68 million in the year 2014. The year 2001, 2002 and 2009 are showing the negative growth trends whereas, all the remaining years viz. the year from 2003 to 2008, 2010 to 2014 are showing the positive growth trends of foreign tourist arrivals in India. More particularly from the year 2003 to 2007 and the year 2010 and 2014 have shown double digit growth (Table1. & Fig. 2). The reason behind this tremendous growth mainly links with the flourishing tourism industry in India, tourism plans and policy implementations by the government, rapidly growing Indian economy, availability of easily accessible and affordable tour, travel and accommodation facilities, and heavy investments in tourism and related activities to enhance the quality of tourism activities and services. The year 2008 witnessed a sudden drop in the foreign tourist arrivals in India whereas, the year 2009 showed negative growth from its previous year these trends are the result of worldwide recession. In the year the global drop of tourist was - 3.71 per cent, whereas in India drop was only - 2.18 per cent, it shows that Indian tourism industry was affected by the global recession but not as the conditions were severe in the overall world tourism industry.

There is a high degree of positive co-relation (.995) between the world and Indian foreign tourist arrivals, which shows that Indian tourism industry is directly influenced by world tourism trends. But in the year 2002 world tourist arrivals increased positively with 2.9 per

cent of growth rate of its previous year 2001, while the Indian tourist arrivals decreased by -

6.03 per cent from 2.54 million to 2.38 million in the year 2001 to 2002, respectively.

Table 1: International Tourist Arrivals and Growth Trends in India and World; (2000-2014)

Year	Foreign Tourists Arrivals in India (in million)	International Arrivals in World (in million)	Tourist Percentage Share of India	World of Growth (in %)	Growth in India (in %)
2000	2.65	683.3	0.39	7.80	6.70
2001	2.54	683.4	0.37	0.01	-4.23
2002	2.38	703.2	0.34	2.90	-6.03
2003	2.73	691.0	0.39	-1.73	14.34
2004	3.46	762.0	0.45	10.27	26.82
2005	3.92	798.0	0.49	4.72	13.34
2006	4.45	846.0	0.53	6.02	13.49
2007	5.08	894.0	0.57	5.67	14.26
2008	5.28	917.0	0.58	2.57	3.96
2009	5.17	883.0	0.59	-3.71	-2.18
2010	5.78	948.0	0.61	7.36	11.77
2011	6.31	994.0	0.63	4.85	9.24
2012	6.58	1039.0	0.63	4.53	4.26
2013	6.97	1087.0	0.64	4.62	5.93
2014	7.68	1133.0*	0.68	4.23	10.21
CAGR	7.90%	3.68%			

Source: Indian Tourism Statistics, 2014 & Calculated by the Author, * Provisional

Note: Data may slightly differ due to rounding off.

Percentage share of foreign tourist arrivals in India are increasing continuously, but the growth is steady. It increased from 0.39per cent in 2000 to 0.68 per cent in the year 2014 during the study span. But the year 2001and 2002 are exception, in which percentage share of foreign tourist arrivals in India decreased from its previous years (Table 1. & Fig. 3).

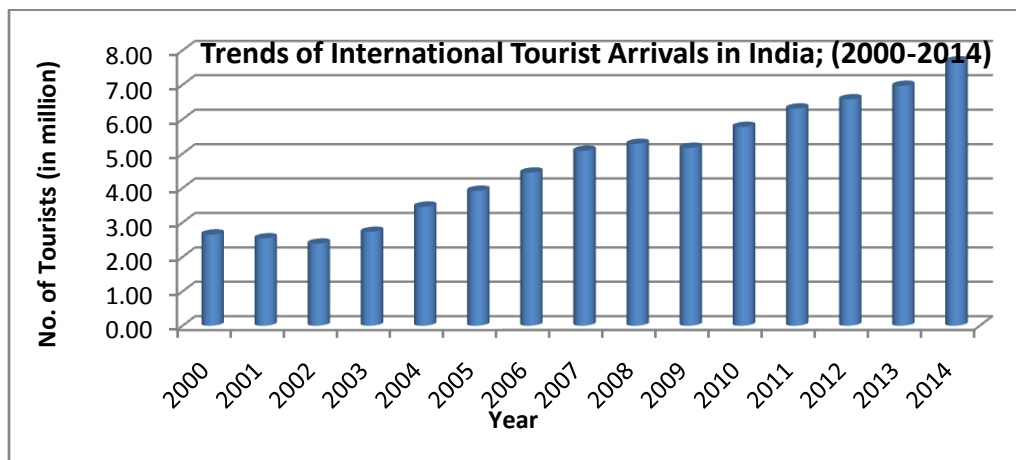


Fig. 2: Trends of Foreign Tourist Arrivals in India; (2000-2014)



Fig. 3: Trends of Foreign Tourist Arrivals in India against World; (2000-2014)

Table 2. shows the month-wise foreign tourist arrivals in India for the year 2012, 2013 and 2014. The calculated average of month-wise foreign tourist arrivals depict that the average highest foreign tourist arrivals are in the month of December, ranks 1st; January is on 2nd and February is in 3rd position. So it can be predicted that foreign tourists mostly, prefer winter to visit India; as the maximum tourist

come to India from cold weather countries, so they prefer to come in the winter months to abstain from the hot sticky summers in India during the rest of the year. Another reason is that in most of the European and American countries severe cold climatic conditions prevails in these months, so; they prefer to dedicate this time to tourism activities.

Table 2: Month-wise Foreign Tourist Arrivals in India; (2012-2014)

Month	Foreign Tourist Arrivals			Percentage Share			Average Monthly Percentage Share from 2012-2014
	2012	2013	2014	2012	2013	2014	
January	681002	720321	757786	10.35	10.34	9.87	10.19
February	681193	688569	755678	10.36	9.88	9.84	10.03
March	606456	639530	690441	9.22	9.18	8.99	9.13
April	447581	450580	535321	6.80	6.47	6.97	6.75
May	374476	417453	465043	5.69	5.99	6.06	5.91
June	433390	451223	502028	6.59	6.48	6.54	6.54
July	485808	506427	568871	7.39	7.27	7.4	7.35
August	445632	486338	575750	6.77	6.98	7.5	7.08
September	411562	453561	509142	6.26	6.51	6.63	6.47
October	556488	598095	668398	8.46	8.58	8.7	8.58
November	701185	733923	765497	10.66	10.53	9.97	10.39
December	752972	821581	885144	11.45	11.79	11.53	11.59
Total	6577745	6967601	7679099	100.00	100.00	100.00	100.00

Source: Indian Tourism Statistics, 2014 & Calculated by the Author

Note: Data may slightly differ due to rounding off.

Table 3: Indian and World Tourism Receipts (in US\$ billion); (2000-2014)

Year	World Tourism Receipts (in US\$ billion)	Foreign Tourism Receipts by India (in US\$ billion)	Percentage Share of India
2000	475.3	3.46	0.73
2001	463.8	3.20	0.69
2002	481.9	3.10	0.64
2003	529.3	4.46	0.84
2004	633.2	6.17	0.97
2005	679.6	7.49	1.10
2006	744.0	8.63	1.16
2007	857.0	10.73	1.25
2008	939.0	11.83	1.26
2009	853.0	11.13	1.30
2010	931.0	14.19#	1.52
2011	1042.0	16.56#	1.59
2012	1117.0	17.74#	1.59
2013	1198.0	18.44#	1.54
2014	1249.0*	20.24#	1.62
CAGR	7.14%	13.45%	

Source: Indian Tourism Statistics, 2014, UNWTO World Tourism Barometer, October, 2015& Calculated by the Author

* Provisional, # Advance estimates of Ministry of Tourism



Fig. 4: Trends of Indian and World Tourism Receipts (in US\$ billion); (2000-2014)

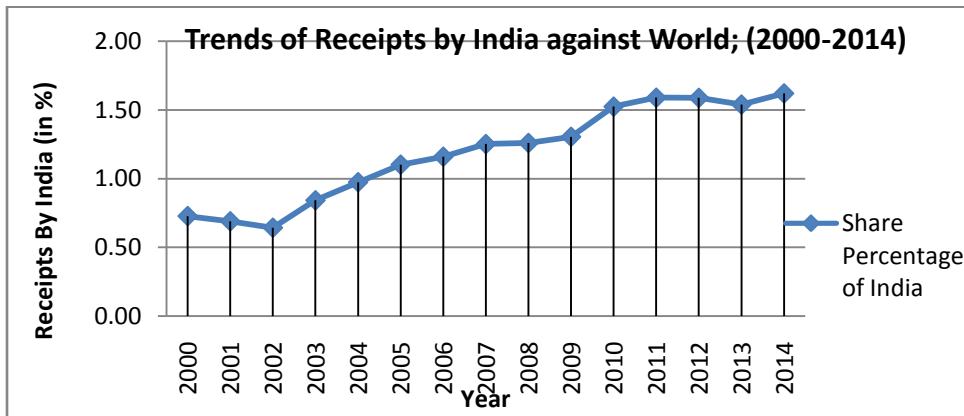


Fig. 5: Trends of Receipts by India against World; (2000-2014)

From table 3. it is clear that foreign tourism receipts by India are also increased continuously from the year 2003 to 2014. The only exceptions are the year 2001 and 2002 in which decline has been recorded from its previous years. The total receipts increased by 5.8 times from 3.46 US\$ to 20.24 US\$ in the year 2000 to 2014 respectively (Table 3. & Fig. 5). Foreign tourist arrivals are affecting Indian economy positively in terms of money and foreign exchange. The percentage share of Indian foreign receipts of tourism is increasing continuously from 0.73 per cent (year 2000) to 1.62 per cent in the year 2014 with only exceptions of year 2001 and 2002. The cause behind this increase in foreign receipts is mainly due to increased number of foreign tourist arrivals in India. The co-relation (.994) between both them shows a high degree of positive co-relation between them. The other factors which influence heavy foreign receipts are availability of world class amenities, good economic status of tourists, will to spend money, and also the nature and purpose of tourism. In recent, availability of cheap and advanced medical facilities in India has opened new vistas of medical tourism.

CONCLUSIONS:

The study reveals the trends of foreign tourist arrivals and the fee receipts/foreign exchange received by these tourists in India from the year 2000 to 2014 and also the relation between both them. The CAGR for tourist arrivals in India is 7.90 per cent as compared to world of

only 3.68 per cent from 2000 to 2014. While, the CAGR of received receipts of India increased by 13.45 per cent annually, much higher than the world of only 7.14 per cent. It shows that country is receiving a good quantity of foreign tourist every year and also earning good amount of foreign exchange in the result. At the same time increasing tourism activities are resulting in overuse and degradation of the environment and resources of the country. Destruction of heritage sites, deterioration of natural settings and biodiversity, socio-economic, and developmental imbalances and related crimes are more prevalent, which in turn may lead to turn down in the growth of tourism, and loss of tourism value and receipts. All these must be checked and plans and policies must be implemented according to the international norms with a conservative approach towards physio-cultural environment and tourism sites. Green tourism must be facilitated in the country. Low levels of energy consumption, reduced use of Green House Gases, proper waste management, water management, controlled use of fossil fuels, conservation of biodiversity and cultural heritage are requirements of the present for future sustainable tourism. There must be some awareness programs for tourists the about the importance and uniqueness of heritage sites and environmental values. All these can make India a much better destination for tourism and the benefits of flourishing Indian tourism

industry may be cultivated in full with the upkeep of heritage sites and ecology.

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