



TOURISM - A MAJOR GENERATOR OF ECONOMIC SPILL: AN OVERVIEW

Dr. R. Uma Devi, M. Com., MBA, Ph. D.
Dr. S. R. K. Govt. Arts College
Yanam, Puducherry (UT)

Assistant Professor of Commerce
Pondicherry University
India

A well-managed tourism industry is truly a magic bullet. Besides its earnings and jobs, it builds a positive image for the country.

Abstract:

With the advancement of transport, communication and improvement in general economic well being the demand for tourism has increased concomitantly. Today tourism with its rapid growth rate is not only a big business but is also the world's fastest growing industry. Tourism industry is of paramount concern for India's economy as it is a major source of foreign exchange earnings and it can help cored adverse trade balances and regional imbalances and create employment opportunities to give a direct stimulus to the socio-economic development of the economy. The basic materials for tourism industry are culture, heritages, natural vegetation, beaches, parks, monuments and sculptures, etc. which India possesses abundantly and can be exploited for the betterment of the economy. On the above backdrop, present study was undertaken to evaluate the growth of tourism industry and its impact on the overall growth of the economy.

Keywords: Progress, Foreign and Domestic Tourists and Foreign Exchange Earnings

1. CONCEPTUAL FALLACY

Today tourism is one of the main economic activities in the world. It generates an important investment and it can contribute to the economic growth and the social progress of the developing countries not only for its economic spill but also when favoring and encouraging the performance of activities that assist the demand of the tourists like lodging, feeding, transport, amusement, the knowledge of traditions, attractions and of the culture, among other, with the consequent generation of direct and indirect job positions; In addition it attracts national and foreign investment and it impels the regional infrastructure by means of the urbanization and construction of new and improved communication means.

Tourism has been pivotal in social progress as well as an important vehicle of widening socio-economic and cultural contacts throughout human history. The motivations for tourism

include social, religious and business interests. The basic human thirst for new experience and knowledge has become stronger, as communication barriers are overcome by technological advances. Progress in air transport and development of tourist facilities has encouraged people to venture out to the foreign lands.

Tourism considered as a significant and vital instrument for economic development and employment generation, particularly in remote and backward areas. It is the largest service industry globally in terms of gross revenue as well as Foreign Exchange Earnings (FEE). It plays an important and effective role in achieving the growth with equity objectives that set forth. In India tourism is growing at alarm rate with a capacity to capitalize the service sector and provide sustainable growth.

An important feature of Indian tourism industry is its contribution to national integration and preservation of natural as well as cultural environments and enrichment of the social and cultural lives of people.

2. REVIEW OF LITERATURE

Tourism has gained importance as the fastest growing industry in the world, particularly because of multifarious benefits, it ensures to the destinations, to the tourists themselves to the global geo- political environment as a whole. Various empirical studies focus on investigating the relationship between tourism development and economic growth.

Charles, William and Var (1973) laid stress that in a developing country emphasis should be made to increase the purchasing power of its community by the establishment of a tourism industry. Economist Intelligence Unit (1973) reveals that tourism earns foreign exchange and contributes positively to the balance of payments, generate employment, increase standards of living and provide linkage effects with other sectors of the economy. Kapoor (1976) in his study on tourism as an instrument of economic development observed that the tourism presents a vast potential and is considered the industry whose development ensures the simultaneous development of other related industries. Ummat (1979) concluded that Tourism Industry will become the biggest industry of the world with an increase in Global Gross National Product (GNP) at 4.8 per cent to US \$ 109,00,000, and Per capita income will touch US \$ 1,700. Mishra, Sharma and Acharya (1981) highlighted that tourism is an important activity in India and the growing importance assigned to tourism depicts the country's earnestness to attract more and more tourists from every part of the world. India's tourism infrastructure is modern and several agencies are engaged in setting up a sound base for the development of the tourism in the country.

Balaguer and Cantavella-Jorda (2002) examine the role of tourism's long-run economic development in Spain. Eugenio-Martin et al. (2004) investigate the relationship between tourism and economic growth for Latin American countries from 1985 until 1998 and realized that the tourism sector is conducive to economic growth in medium- and low-income countries. However, in South Korea, the tourism-led economic growth hypothesis did not hold according to the research of Oh (2005) who investigated the causal relations between tourism growth and economic expansion for the Korean economy.

Lee and Chien (2008) empirically investigated that the causality between tourism and economic growth is bidirectional. Furthermore the study found the structural breakpoints which is corresponding to critical economic, political or tourist incidents. Lee and Chang (2008) used to examine the long-run relationship between tourism development and economic growth for OECD and non-OECD countries, including those countries in Asia, Latin America and sub-Saharan Africa for the period between 1990 and 2002. They find that tourism has a greater impact on GDP in non-OECD countries than in OECD countries. Narayan et al (2010) use panel data for the four Pacific Island countries to test the long-run relationship between real GDP and real tourism exports. They find support for panel co integration and the results suggest that a 1% increase in tourism exports increases GDP by 0.72% in the long run and by 0.24% in the short run.

Kumar (1992) concluded that economic activity as a means to earn foreign exchange, but also is medium of social and cultural development, generator of employment and also as promoter of employment and also a promoter of goodwill and friendship among the nations. Banda (1994) examined that a country's reputation is a significant factor of determining the tourism industry. The success or failure in this industry is no doubt attributed to the changing patterns of global trends. Davar and Davar (1994) suggested there is a vast scope for increasing the business turnover and their attaining a reasonable standard of investment intensity. In conclusion, it seems that there is a clear empirical consensus in the literature that tourism promotes economic growth.

3. DATABASE & METHODOLOGY

Tourism has emerged as a dominant economic factor of international horizon, with its economic and all other advantages, tourism can certainly play a determining role in the development of backward economies like India. In fact, it is the high time for India to go ahead with tourism development programmes. On this backdrop, present study has been undertaken with the following objectives:

1. To study the scenario and growth of tourism industry

2. To evaluate the Opportunities and General Impacts of Tourism Industry in India
3. To evaluate the present trends and performance of tourism industry in India
4. To analyze the role of tourism industry in the progress of the economy
5. To explore the achievements and measures taken by the Government of India in respect to tourism sector
6. To explore the problems and challenges faced by the tourism industry and to recommend suggestions towards accelerating the development of tourism industry

For accomplishing the above objectives, secondary data has been utilized which can be collected from Publications of Government of India, Indian Tourism Development Corporation, Publications of Directorate of Economic and Statistics, Financial accounts of ITDC and Department of Tourism and Existing literature and other scholarly works. The data was presented through tables, diagrams and figures in order to make the study simple and attractive. Interpretation of data is based on rigorous exercises aiming at the achievement of the study objectives and findings of the existing studies.

4. ANALYSIS

Tourism is not only a growth engine but also an employment generator. Tourism in India is important for the country's economy and is growing rapidly. According to the Economic Survey 2011-12, the sector has the capacity to create large scale employment both direct and indirect, for diverse sections in society. It provides 6-7 % of the world's total jobs directly and millions more indirectly through the multiplier effect as per the UN's World Tourism Organization (UNWTO). The World Travel and Tourism Council calculated that tourism generated 16.91 lakh crore (US\$240 billion) or 9.2% of India's GDP in 2018 and supported 42.673 million jobs, 8.1% of its total employment. The sector is predicted to grow at an annual rate of 6.9% to 32.05 lakh crore (US\$450 billion) by 2028 (9.9% of GDP).

Tourism stimulates other economic sectors through its backward and forward linkages and cross-sectoral synergies with other sectors such as agriculture, horticulture, poultry, handicrafts, transport, construction etc. It leads to additional income, employment generation and poverty alleviation. It enhances the national and state revenues, business receipts, employment, wages and salary income; buoyancy in Central, State and local tax receipts can contribute towards overall socio-economic improvement and accelerated growth in the economy. It is multi-sectoral activity characterized by multiple services provided by a range of suppliers include airlines, surface transport, hotels, basic infrastructure and facilitation systems, etc. Tourism offers potential to exploit synergies across a large number of sectors such as agriculture, horticulture, poultry, handicrafts, transport, construction - the sectors,

where growth of income has favorable impact on poverty alleviation. Thus, the growth of tourism cannot be attained unless the related sectors are addressed simultaneously.

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country. During 2018, FEEs from tourism increased 4.70 per cent* year-on-year to US\$ 28.59 billion. FEEs during January 2019 were US\$ 2.55 billion.

Figure 1: Tourism in India



4.1. General Impacts:

- ❑ **An instrument of 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.
- ❑ **Source of Foreign Exchange Earnings:** Tourism is an important source of foreign exchange earnings in India. 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.
- ❑ **Preservation of National Heritage and Environment:** Tourism helps preserve several places which are of historical importance by declaring them as heritage sites. Likewise, tourism also helps in conserving the natural habitats of many endangered species.
- ❑ **Developing Infrastructure:** Tourism tends to encourage the development of multiple-use infrastructure including various means of transports, health care facilities, and sports centres, hotels and high-end restaurants that cater to foreign visitors which in turn induced the development of other directly productive activities.
- ❑ **Promoting Peace and Stability:** The tourism industry can also help to promote peace and stability in developing country like India by providing jobs, generating income,

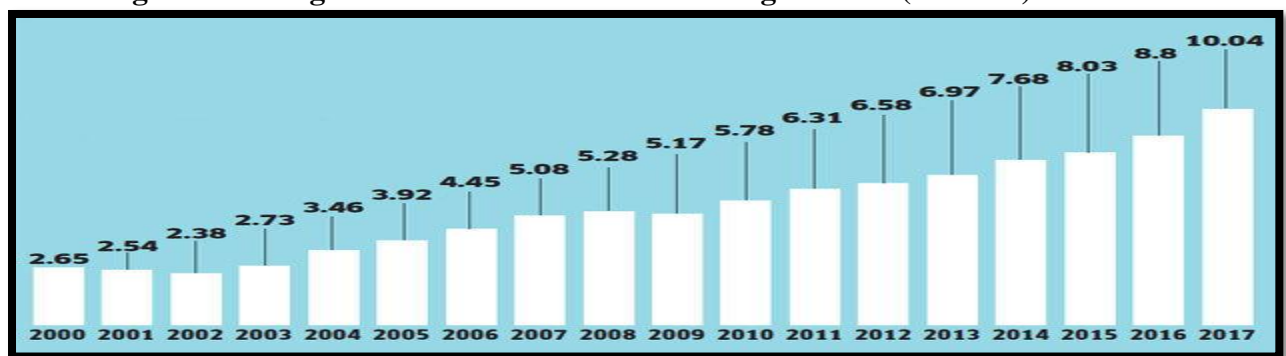
diversifying the economy, protecting the environment, and promoting cross-cultural awareness.

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.

Table 1: Foreign Tourist Arrivals in India (2007–2017)

Year	Arrivals (In Millions)	Percentage Change
2007	5.08	14.32
2008	5.28	4.02
2009	5.17	-2.2
2010	5.78	11.8
2011	6.31	9.2
2012	6.58	4.32
2013	6.97	5.9
2014	7.68	10.2
2015	8.03	4.5
2016	8.80	9.7
2017	10.04	14.0

Figure 2: Foreign Tourist Arrivals are increasing in India (Millions)



Source: Indian Tourism Development Corporation

As of 2017-18, 81.1 million people are employed in the tourism sector in India which was 12.38 per cent of total employment in the country. The Government of India has set a target of 20 million foreign tourist arrivals (FTAs) by 2020 and doubles the Foreign Exchange Earnings as well.

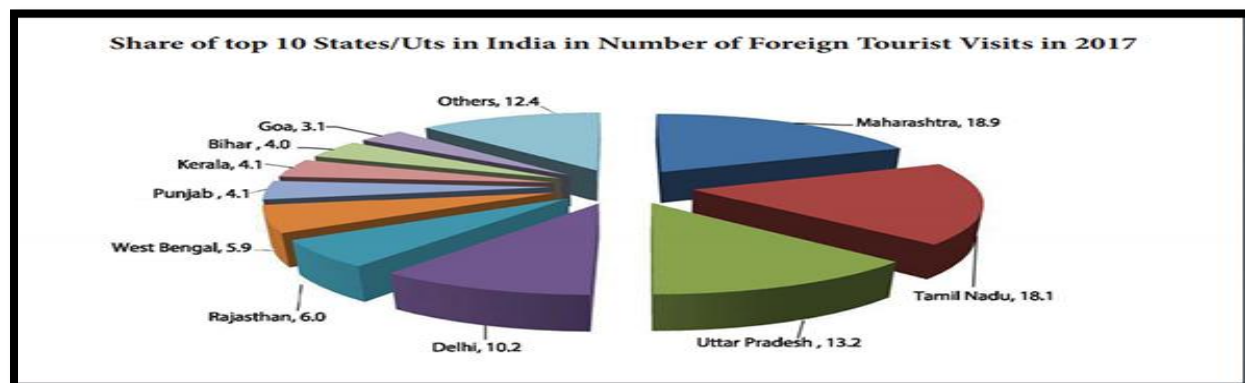
Table 2: Share of Top 10 States/UTs of India in Number of Foreign Tourist Visits in 2017

S. No	State/UT	Number	Percentage (%) Share
1	Maharashtra	5078514	18.9
2	Tamil Nadu	4860455	18.1
3	Uttar Pradesh	3556204	13.2
4	Delhi	2740502	10.2
5	Rajasthan	1609963	6.0
6	West Bengal	1574915	5.9
7	Punjab	1108635	4.1
8	Kerala	1091870	4.1
9	Bihar	1082705	4.0
10	Goa	842220	3.1

Total of Top 10	23545983	87.6
Others	3340655	12.4
Grand Total	26886638	100.00

Source: State/ UT Tourism Departments

Figure 3: Share of Top 10 States/UTs of India in Number of Foreign Tourist Visits in 2017



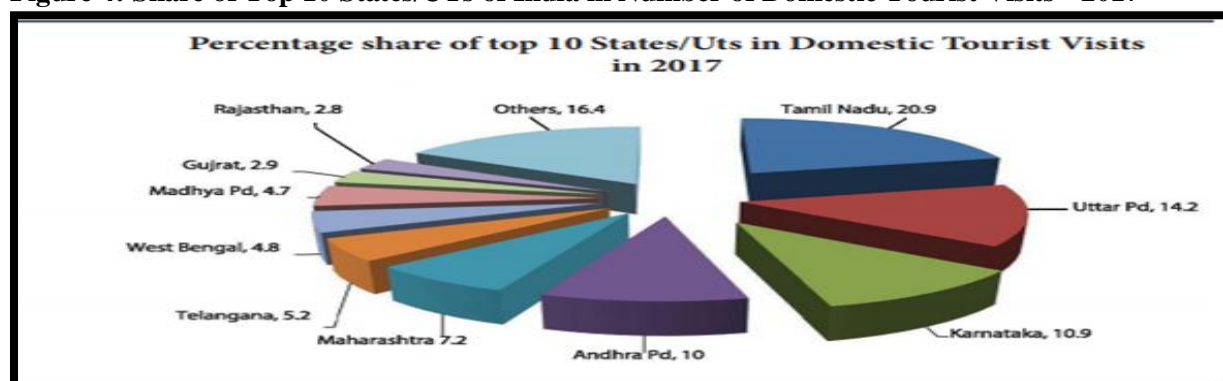
The number of FTAs in February 2018 was 1.05 million as compared to FTAs of 956,000 in February 2017 and 849,000 lakhs in February 2016.

Table 3: Share of Top 10 States/UTs of India in Number of Domestic Tourist Visits - 2017

S. No	State/UT	Number	Percentage (%) Share
1	Tamil Nadu	345061140	20.9
2	Uttar Pradesh	233977619	14.2
3	Karnataka	179980191	10.9
4	Andhra Pradesh	165433898	10
5	Maharashtra	119191539	7.2
6	Telangana	85266596	5.2
7	West Bengal	79687645	4.8
8	Madhya Pradesh	78038522	4.7
9	Gujarat	48343121	2.9
10	Rajasthan	45916573	2.8
Total of Top 10		1380896844	83.6
Others		271588513	16.4
Grand Total		1652485357	100.00

Source: State/ UT Tourism Departments

Figure 4: Share of Top 10 States/UTs of India in Number of Domestic Tourist Visits - 2017



Over 10 million foreign tourists arrived in India in 2017 compared to 8.89 million in 2016, representing a growth of 15.6%. Domestic tourist visits to all states and union

territories numbered 1,036.35 million in 2012, an increase of 16.5% from 2011. Worldwide, Delhi is ranked 28th by the number of foreign tourist arrivals, while Mumbai is ranked 30th, Chennai 43rd, Agra 45th, Jaipur 52nd and Kolkata 90th.

Total contribution by travel and tourism sector to India's GDP is expected to increase from Rs 15.24 trillion (US\$ 234.03 billion) in 2017 to Rs 32.05 trillion (US\$ 492.21 billion) in 2028. India was ranked 7th among 184 countries in terms of travel & tourism's total contribution to GDP in 2017. Travel and tourism is the third largest Foreign Exchange Earner (FEE) for India.

Table 4: Foreign Exchange Earnings from tourism in India (2007–2017)

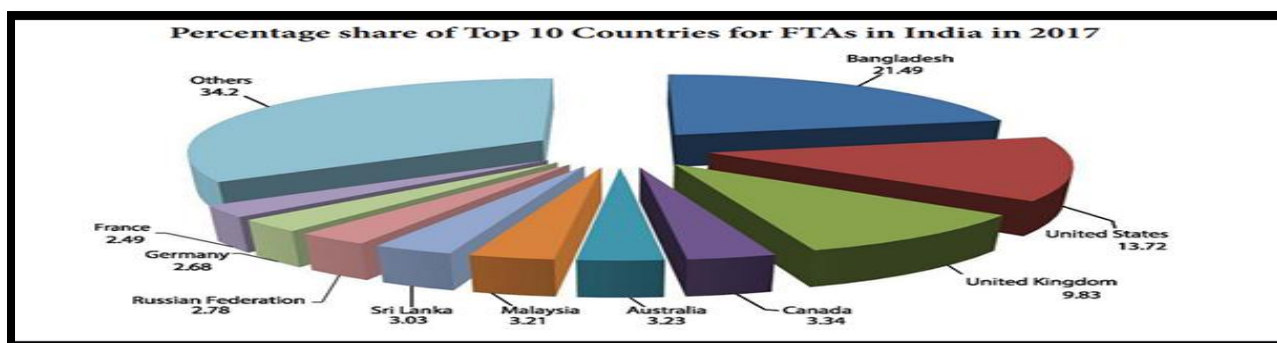
Year	Earnings (US\$ million)	% Change	Earnings (₹ crores)	% Change
2007	10,729	24.3	44,360	13.7
2008	11,832	10.3	51,294	15.6
2009	11,136	-5.9	53,700	4.7
2010	14,193	27.5	64,889	20.8
2011	16,564	16.7	77,591	19.6
2012	17,737	7.1	94,487	21.8
2013	18,445	4.0	107,671	14
2014	20,236	9.7	123,320	14.5
2015	21,071	4.1	135,193	8.8
2016	22,923	9.1	154,146	14.3
2017	27,310	19.1	177,874	15.4

During 2018, foreign tourist arrivals (FTAs) in India stood at 10.56 million, achieving a growth rate of 5.20 per cent year-on-year. FTAs in January 2019 stood at 1.10 million, up 5.30 per cent compared to 1.05 million year-on-year.

Table 5: Source countries for Foreign Tourist Arrivals in India in 2017

Rank	Country	Number	Share in %
1	Bangladesh	2,156,557	21.49
2	United States	1,376,919	13.72
3	United Kingdom	986,296	9.83
4	Canada	335,439	3.34
5	Australia	324,243	3.23
6	Malaysia	322,126	3.21
7	Sri Lanka	303,590	3.03
8	Russia	278,904	2.78
9	Germany	269,380	2.68
10	France	249,620	2.49
Total of top		106,603,074	65.80
Other countries		3,432,729	34.20
Grand total		10,035,803	100

Figure 5: Source countries for Foreign Tourist Arrivals in India in 2017



During 2018, FEEs from tourism increased 4.70 per cent year-on-year to US\$ 28.59 billion. Foreign Tourist Arrivals (FTAs) increased 5.20 per cent year-on-year to 10.56 million in the same period. Foreign tourist arrivals for medical purpose increased from 427,014 in 2016 to 495,056 in 2017(P). During 2018, arrivals through e-tourist visa increased 39.60 per cent year-on-year to 2.37 million. During January 2019, arrivals through e-tourist visa increased by 21.10 per cent year-on-year to 0.29 million.

4.2. Government Policy & Initiatives

The launch of several branding and marketing initiatives by the Government of India such as '*Incredible India!*' and '*Athiti Devo Bhava*' has provided a focused impetus to growth. The Indian government has also released a fresh category of visa - the medical visa or M visa, to encourage medical tourism in the country. Incredible India 2.0 campaign was launched in September 2017. The Government of India is working to achieve one per cent share in world's international tourist arrivals by 2020 and two per cent share by 2025.

The Government has also been making serious efforts to boost investments in tourism sector. In the hotel and tourism sector, 100 per cent FDI is allowed through the automatic route. A five-year tax holiday has been offered for 2, 3 and 4 star category hotels located around UNESCO World Heritage sites (except Delhi and Mumbai). Total FDI received by Indian hotel & tourism sector was US\$ 12 billion between April 2000 and December 2018.

The travel & tourism sector in India accounted for 8 % of the total employment opportunities generated in the country in 2017, providing employment to around 41.6 million people during the same year. The number is expected to rise by 2 % annum to 52.3 million jobs by 2028.

International hotel chains are increasing their presence in the country, as it will account for around 47 % share in the Tourism & Hospitality sector of India by 2020 & 50 % by 2022. During the period April 2000 to December 2018, the hotel and tourism sector attracted around US\$ 12 billion of FDI, according to the data released by Department for Promotion of Industry and Internal Trade (DPIIT).

4.2.1. Government Initiatives

The Indian government has realized the country's potential in the tourism industry and has taken several steps to make India a global tourism hub. Some of the major initiatives planned by the Government of India to give a boost to the tourism and hospitality sector of India are as follows:

- Statue of Sardar Vallabhbhai Patel, also known as 'State of Unity', was inaugurated in October 2018. It is the highest standing statue in the world at a height of 182 meter. It is expected to boost the tourism sector in the country and put India on the world tourism map.
- The Government of India is working to achieve 1 % share in world's international tourist arrivals by 2020 and 2 % share by 2025.
- Under Budget 2019-20, the government allotted Rs 1,160 crore (US\$ 160.78 million) for development of tourist circuits under Swadesh Darshan.
- Under Budget 2019-20, the government allotted Rs 160.50 crore (US\$ 22.25 million) for development of tourist circuits under Swadesh Darshan.

4.2.2. Achievements

Following are the achievements of the government during 2017-18:

- During 2018-19, a total of seven projects worth Rs 384.67 crore (US\$ 54.81 million) were sanctioned under the Swadesh Darshan scheme.
- As of July 2018, 14 states had deployed tourist police. In November 2018, Nagaland also deployed a separate tourist police in the state.

India's travel and tourism industry has huge growth potential. The tourism industry is also looking forward to the expansion of E-visa scheme which is expected to double the tourist inflow to India. According to a joint study conducted by Assocham and Yes Bank, India's travel and tourism industry has the potential to expand by 2.5 % on the back of higher budgetary allocation and low cost healthcare facility.

- The travel and tourism industry contributed a total of \$124.8 billion to GDP in India in 2015 - this accounted for approximately 6% of India's total GDP.
- A study in 2014 found that India was one of the fastest-growing tourism destinations worldwide. Placed eleventh in the list, the direct contribution of travel and tourism to GDP in India was expected to grow an average of 6.4% annually between 2014 and 2024.

- Tourism in India provides 40 million jobs. The sector is expected to grow at an annual average growth rate of 7.9% till 2023, making India the third fastest growing tourism destinations over the next decade.
- The industry provided more than 23.5 million jobs in 2015. Over 7.7% of Indian employees work in the tourism industry.
- The 2011 Kumbh Mela was the largest gathering of people with over 75 million pilgrims. The gathering was so huge that the crowd was visible from space.
- The largest source market for visitors to India was the US, followed by Bangladesh and the UK. Outbound travel from India is also forecasted to reach 1.41 million in 2020.
- Tourist arrivals in India increased to 8,91,000 in November from 7,54,000 in October, 2016. It averaged 4,26,846.43 from 2000 until 2016, reaching an all-time high of 9,13,000 in December, 2015 and a record low of 1,29,286 in May, 2001.

The Travel and Tourism Competitiveness Report for the year 2017, ranked India 40th out of 136 countries overall. The report ranks the price competitiveness of India's tourism sector 10th out of 136 countries. It mentions that India has quite good air transport (ranked 32nd), particularly given the country's stage of development, and reasonable ground transport infrastructure (ranked 29th). The country also scores high on natural and cultural resources (ranked 9th). 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. 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 private sector representatives. Concerted efforts are being made to promote niche tourism products such as rural, cruise, medical and eco-tourism. The Ministry of Tourism maintains the Incredible India campaign focused on promoting the tourism in India.

4.3. Opportunities in the Tourism Sector

A country like India is blessed with combination of culture, great historical back ground & landscape. India is extremely famous for its historical mountains, caves, monuments, hills, etc. and also for rich cultural heritage. Many tourists love to come and appreciate its beauty.

- ❖ **Scenic Beauty:** India is a land of great tourism potential. From Kashmir to Kanyakumari, from Arunachal Pradesh to Gujarat, every region has its own uniqueness and flavour - be it cold/hot desert, rivers, forests, islands each landform bound to mesmerize tourists.

Apart from the natural landscapes, the cultural heritage spread across the country also offers huge potential for the development of tourism in the country.

❖ **Birthplace of Religions:** India is the birthplace of three religions – Hinduism, Buddhism and Jainism. The vast landscape has innumerable sacred and religious tourist places which are bound to attract tourists from across the South East and East Asian countries.

❖ **Domestic Tourists:** India offers a minimum of potential 1.25 billion tourist visits if the right policies and the infrastructure are in place.

4.4. Problems & Challenges faced by Tourism Industry in India

Despite the above mentioned attractions that India offers for tourists, the path to a well developed tourism is beset with a number of challenges which are as follows:

- **Business Hurdles:** Government regulations in India frustrate tourists & tour operators for ex; Change in VISA policies which create inconsistent enforcement. Many other nations in order to earn more foreign exchange have started offering VISA on arrival to the tourists
- **Safety and Security:** Safety and security of tourists, especially of the foreign tourists, is a major roadblock to the tourism development. Molestations and rapes of foreign women tourists are indeed a big stigma that India has to strive hard to get rid of. Guaranteeing safety to women tourists is very important for clearing the air regarding the perception of India being an unsafe place for women.
- **Accessibility:** Majority of the tourist spots in the country are not accessible to poor, women and elderly. This is because of high costs of travelling, poor connectivity and a series of permissions required for various reasons.
- **Security Concerns:** Today terrorism is the biggest threat for tourist traveling to India. Incidents like 2008 Mumbai attack, German bakery attack in Pune, serial blast in Mumbai locals etc. have created a fear in the mind of tourists looking at India as a tourist destination.
- **Lack of Infrastructure:** It is a major challenge for the Indian tourism sector. Tourism-associated economic and social infrastructure – hotels, connectivity, human resources, hygiene, health facilities, etc are largely under developed in India. The prime reason for this apathy is the poor allocation of financial resources. It should be noted that in the Budget 2017-18, the government has allocated only Rs 1840 crore for a promising sector like tourism.

- **Lack of Ecological Tourism:** The old fashioned concept of showcasing only India's historical heritage and monuments is changing and people around the world are more interested in ecotourism where they want to see the local flora and fauna.
- **Environmental Damage:** Mass tourism is also not a good idea for many secluded areas in the Himalayan region because these remote places are facing problems of maintaining ecological balance. Tons of waste and plastic bags clog beautiful streams and piles of filth can be found en route to many tourist destinations.
- **Cultural tourism:** It is also important because many foreigners want to experience life in Indian villages, but India's villages are not open to tourism.
- **Corruption in the Medical System:** Medical tourism is a new and lucrative area and increasing numbers from neighboring countries are coming to India for medical treatment. Hence care should be taken that there are no cases of malpractice in the private hospitals and Indian healthcare remains inexpensive and reliable.
- **Lack of overseas marketing and engagement:** India has only 14 tourism promotion offices abroad, located in countries which are its principal sources of revenue. The world over, it is a country's network of embassies and consulates that acts as the permanent promoter of external interests. They can do more to market India as a tourism destination.
- **Concerns about Industry Growth:** Concerns about the potentially negative impact of tourism here include economic boons for some areas but not others and resulting migration of workers, underemployment caused by seasonal work, inflation as tourists drive up prices and preferences given to tourists for supplies such as water rations.

4.5. Measures & Suggestions

Over the years, there are many steps taken to improve tourism in India and to make it a memorable tour for foreign tourists but still there are few problems faced by tourists that should be taken care of. In order to fight against these threats & obstacles, the following steps can be taken:

1. Conducting susceptibility study
2. Developing risk teams
3. Analyzing the types of threats
4. Developing a simple probability chart
5. Categorizing your threats by grouping & developing suitable threat guidelines etc

In October 2017, the Union Ministry of Tourism in collaboration with other central ministries, state governments and stakeholders successfully organized "Paryatan Parv" across the country. The 21 day program was organized with the objective of drawing focus on the

benefits of tourism, showcasing the cultural diversity of the country and reinforcing the principle of “Tourism for All”.

4.6. Present status of tourism sector in India

- India’s tourism sector witnessed a growth of 4.5 per cent in terms of foreign tourist arrivals (FTAs) with 8.2 million arrivals in 2015, and a growth of 4.1 per cent in foreign exchange earnings (FEEs) of USD 21.1 billion. While in 2016, FTAs were 8.9 million with growth of 10.7 per cent and FEE (USD terms) were at US\$ 23.1 billion with a growth of 9.8 per cent. In 2015, the domestic tourist visits to States/UTs was pegged at 143 crores in 2015.
- For creation of tourism infrastructure, two major schemes have been implemented - Swadesh Darshan (Integrated Development of Theme-Based Tourist Circuits) and PRASAD (Pilgrimage Rejuvenation and Spiritual Augmentation Drive).
- The government has been promoting niche tourism products to promote India as a 365 days destination that include cruise, adventure, medical, wellness, golf, polo, etc.
- Other key initiatives include – signing of MoUs and agreements with various countries for promotion of tourism, promotion of tourism research, Swachh Pakhwada as part of the Swachh Bharat Mission, etc.
- As a result of these efforts, India could improve its position by 12 places in the Travel and Tourism Competitiveness Index 2017. In the biennial index prepared by the World Economic Forum (WEF), India was placed at the 40th position among the 136 countries surveyed.

5. CONCLUSION

Today, tourism is one of the largest and dynamically developing sectors of external economic activities. It is an activity of global importance and significance and a major force in the world economy. It is an important generator of economic spill and represents one of the main economic activities in the world. Its high growth and development rates, considerable volumes of foreign currency inflows, infrastructure development, and introduction of new management and educational experience actively affect various sectors of economy, which positively contribute to the social and economic development of the country as a whole. Most highly developed western countries, such as Switzerland, Austria, and France have accumulated a big deal of their social and economic welfare on profits from tourism. According to recent statistics, tourism provides about 10% of the world’s income and employs almost one tenth of the world’s workforce.

Despite the recent growth of the tourism sector in the country, India’s share in international

tourist arrivals is a meager 0.50%, while the share in the global international tourism receipts is around 1.30% only. Tourism not only creates jobs in the tertiary sector, it also encourages growth in the primary and secondary sectors of industry. Hence, it is high time, the government should encourage the participation of the private sector in a big way for the all round development of the tourism sector that has the potential to act as the key driver of inclusive growth.

It's considered that tourism's actual and potential economic impact is astounding. Many people emphasize the positive aspects of tourism as a source of foreign exchange, a way to balance foreign trade, an "*Industry without Chimney*" - in short, *Manna from Heaven*. It has the capacity to impact negatively upon host environments and cultures - the raw materials of many tourism products, but it can also promote peace and help alleviate poverty.

REFERENCES:

1. Acharya, Ram, Civil Aviation and Tourism Administration in India: A Study in Management. New Delhi: National Publishing House, 1981.
2. Agarwal, A.P. Holiday Resort of Himachal Pradesh, New Delhi. Nest and Wings (India), 1991.
3. Agreement between the Government of India and Government of France providing for De Facto.
4. Anand, MM, Tourism and Hotel Industry in India, New Delhi: Prentice Hall of India, 1976.
5. Banda. N., Tourism and Development London: Cambridge University Press, 1994
6. Bansal, Tourism Development Principles and Practices, New Delhi, Sterling, 1995.
7. Bhattacharya, Vivek. Economics of Tourism in India. Commerce, 29 November, 131. 3367, 1975, p.895.
8. Chandrasekaran. Profile of Indian Tourism. Economic and Political Weekly, October, 10, 16, 41, 1980.
9. Das, Manoj, India: A Tourist Paradise, New Delhi, Sterling, 1985.
10. Dutta, Ella. Falling Under Spell of Goa. Southern Economist, Jan. 1, 1981, Vol.19, No.17.
11. Government of India, Ministry of Transport. Report of the Adhoc Committee on Tourism, 1963. New Delhi: Government of India, Ministry of Transport, 1963, Himachal Pradesh Tourism Development Corporation Limited, Annual Reports, 1991-92 to 1995-96.
12. Gupta, V.K. Tourism in India, New Delhi: Gian Publishing House, 1987.
13. <http://turism-satunare-transcarpathia.ro/en/ethnic-tourism>
14. <http://unstats.un.org/unsd/tradeserv/IRTS%202008%20edited%20whitecover.pdf>
15. http://www.indianembassy.org/policy/PIO/Introduction_PIO.html Ibid, February 15, 1995.
16. Kapoor N.M. Tourism as an Instrument of Economic Development with Special Reference to Himachal Pradesh. M.PMI. Dissertation in Economics, Shimla, H.P.University, 1975.

17. Kumar, Performance Evaluation of Himachal Pradesh Tourism Development Corporation Ltd. M.Phil. Dissertation in Public Administration. Shimla: H.P. University, 1992.
18. Laxman, Ram. The Pricked Balloon. Capital September 29. 1980.
19. Mishra, R.P, Sharma, 5.5. And Acharya Ram. World Tourism, Jaipur: Delta International, 1981.
20. Negi, Jagmohan. Tourism and Travel: Concepts and Principles New Delhi: Gitanjali Publishing House, 1990.
21. Seth, P.N. Successful Tourism Management. New Delhi: Allied Publishers 1985.
22. Sharma, K.K. Tourism in India (Centre-State Administration) Jaipur; Classic Publishing House, 1991.
23. Singh, Tejvir, Smith, Valone L., Fish. Mary and Richter Linda K. Tourism Environment Nature Culture Economy. New Delhi: liner India Publication, 1992.
24. Smith, Stephen, L, J. Tourism Analysis, A Hand Book, London Longman, 1989.
25. Wander, S.A. & Van Erden, J.D (1980)"Estimating the Demand for International tourism Using Time Series Analysis" in D.E. Hawkins, E.L. Shafer & J.M. Rovelstad eds.
26. Wikipedia