



Role on tourism industry in growth and employment generation of India

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Abstract

The travel and tourism industry has emerged as one of the largest and fastest growing economic sectors globally. As per World Travel & Tourism Council Tourism Industry has contributed 9.2 % to total GDP of the economy and has shown 6.9% of growth in the year 2020. India is estimated to contribute 250 Bn USD GDP from Tourism, 137 Mn jobs in the Tourism sector, \$56 Bn in Foreign Exchange Earnings and 25 Mn foreign arrivals are expected to be achieved by 2030. Governments also have a role to play in building good road and communications' infrastructure, in curbing corruption, and creating political stability - all of which create a country which tourists are more likely to want to visit. There are many steps and campaigns initiated by government as a result Tourism Industry is delivering such a growth It is a limitless industry with immense growth potential having clear remarkable positive impact on economic and social aspects of Indian economy.

Keywords: tourism development, employment generation, growth, GDP, employment

Introduction

Tourism is an integral part of human life. It is a situation where person from one country, or region to other region and country for a short run period, is included in the concept of tourism. Now-a-days the tourism industry has a greater importance. According to the World Economic Forum's Travel and Tourism Competitiveness Report 2013, India ranks 11th in the Asia Pacific region and 65th globally out of 140 economies ranked on travel and tourism Competitiveness Index. Tourism Industry is also important source of foreign exchange earning in India. India is a country known for its lavish treatment to all visitors, no matter where they come from Its visitor friendly traditions, varied life styles and cultural heritage and colorful fairs and festivals held abiding attractions for the tourists. The other attractions include beautiful beaches, forests and wild life and landscapes for eco-tourism; snow, river and mountain peaks for adventure tourism; technological parks and science museums for science tourism; centers of pilgrimage for spiritual tourism; heritage, trains and hotels for heritage tourism. Yoga, Ayurveda and natural health resorts and hill stations also attract tourists. The Indian handicrafts particularly, jewelry, carpets, leather goods, ivory and brass work are the main shopping items of foreign tourists. It is estimated through survey that nearly forty per cent of the tourist expenditure on shopping is spent on such items. Despite the economic slowdown, medical tourism in India is the fastest growing segment of tourism industry, according to the market research report "Booming Medical Tourism in India". The report adds that India offers a great potential in the medical tourism industry. Factors such as low cost, scale and range of treatments provided in the country add to its attractiveness as a medical tourism destination.

Steps taken by government

The Ministry of Tourism has launched the 24x7 Toll Free Multi-Lingual Tourist Info-Helpline on the toll free number 1800111363/short code 1363 in 12 Languages including Hindi and English in February 2016, to facilitate and assist

domestic and foreign tourists in terms of information relating to Travel in India and to provide a sense of safety and security. The languages handled by the Tourist Helpline include ten International languages besides English and Hindi, namely, Arabic, French, German, Italian, Japanese, Korean, Chinese, Portuguese, Russian and Spanish.

To overcome the aspect of seasonality and to promote India as 365 days destination The Ministry of Tourism has taken the initiative of identifying, diversifying, developing and promoting niche products of the country. Niche Tourism Products helps to attract tourists with specific interest, and to ensure repeat visits for the unique products in which India has a comparative advantage. Some niche products are identified by the Ministry which include Cruise, Adventure, Medical, Wellness, Golf, Polo etc.

"Swachh Paryatan Mobile App" was launched by Dr. Mahesh Sharma and operated by the Ministry of Tourism for 25 AdarshSmarak Monuments has been also made available for Windows Phones and iPhone. Earlier it was available for Android Phones only. This mobile app is being monitored by the Project Monitoring Unit of Swachh Bharat Mission in Ministry of Tourism This mobile app enables a citizen to take photograph of garbage at the monument and upload the same along with his/her remarks. The application then sends an SMS to the ASI Nodal Officer concerned with the monument upon receipt of which the Nodal Officer gets the garbage cleared/removed. The Nodal Officer thereafter sends confirmation about the redressal of the complaint through an SMS to the complainant.

Methodology

The present study is based on the secondary data published by various agencies and organizations. The present study makes use of data and information provided by, UNWTO, Ministry of Tourism, Ministry of Statistics and Programme Implementation, Newspapers, Magazines, Books, Economic journals and Internet etc.

India’s balance of payments with respect to travel and tourism

It is very essential to focus on India’s Balance of payment with respect to Travel and Tourism Sector. Travel receipts are principally determined by the number of foreign tourists visiting India during the period, social and political environment in India and abroad, cost conditions and so on. Even though gross receipts from travel and tourism have shown a steady rise, there has been a deceleration in the rate of net receipts. This is because of a rise in payments under balance of payments account. This could be attributed to the fact that more and more of Indians are taking up foreign travel.

Contribution of travel and tourism to GDP in India

Travel and Tourism industry plays as a very important source of Indian Gross Domestic Product. Total contribution of Travel and Tourism to Gross Domestic Product is comprised of direct contribution of Travel and Tourism to Gross Domestic Product, domestic supply chain, capital investment, government collective spending, imported goods from indirect spending and induced contribution. Direct contribution of Travel and Tourism to Gross Domestic Product mainly consists of Gross Domestic Product generated by industries which includes hotels, travel agents, airlines and other passenger service with directly deal with tourists. It also comprises of activates of restaurants and leisure industries that deal directly with tourists. It comprises of internal tourism consumption and purchase by tourism providers including imported goods. The internal tourism consumption is the total revenue generated within a country by industries that deal directly with tourists. This does not include spending abroad by residents. It comprises of visitor exports and domestic expenditure. Visitor’s export refers to the expenditure of the international tourists within the country for the purpose of both business and leisure trips. Domestic expenditure refers to expenditure of the residents of the country, within a country for both business and leisure trips. Purchase by tourism providers including imported goods refers to the spending of tourists on goods native to that land and also spending on the goods that are imported to that particular place. Value for money and quality matters a lot in purchasing of goods. Domestic supply chain refers to purchase made on domestic goods and services directly by different industries. Capital investment includes spending of industries which are involved in travel and tourism. This also involves spending by other industries on certain assets of tourism such as accommodation, passenger transport equipments, restaurants and leisure facility for specific use of tourism. Government collective spending refers to expenditure made in support of general tourism activity. It includes visitor’s information services, administrative services, tourism promotion etc.

Contribution of travel and tourism to employment in India

In India tourism sector has very strong linkage with socio-economic prosperity. The employment potential of tourism sector in India is higher than any other Sector. UNWTO studies shows that tourism volumes and related receipts like GDP, employment and export earnings are expected to move away from the developed countries and towards the less developed countries as a result of favorable economic, motivational, technological and policy factors.

Table 1: Employment Generation in the Economy due to Tourism Industry

Year	Total Share in Employment (in %)	Employment (in million)
2015-16	12.38	72.69
2016-17	12.19	75.94
2017-18	14.78	76.52
2018-19	14.85	78.55
2019-20	15.34	79.86

Source: 3rd Tourism Satellite Account for India prepared in 2015 for the reference 2019-20.

Employment share in major sector in India

Employment has always featured as an element of development policy in India. Effective generation of employment opportunities in a country enhance the standard of living encouraging the economic growth contributing to increased national income. Indian economy and employment is structured mainly in three important sectors wise segregation which includes Primary sector or Agriculture sector, Industrial sector or Secondary sector and Tertiary sector or Service sector. The following table shows employment percentage share of major sector in India.

Conclusion

Tourism sector plays a vital role in the way of helping poor countries to provide employment opportunities in an increasing rate. It is one of the important foreign exchange earning industries has manifested great potential of growth under liberalized Indian economy. There is also a need to increase the government’s role to make India flourishing in tourism and established in the global market. Tourism is the second largest foreign exchange earner in India. The tourism industry employs a large number of people, both skilled and unskilled. It promotes national integration and international brotherhood. India has fascinated people from all over the world with her secularism and her culture. There are historical monuments, beaches, places of religious interests, hill resorts, etc. that attract tourists. Every region is identified with its handicraft, fairs, folk dances, music and its people. The Departments of Tourism promotes international and domestic tourism in the country. The Tourism Advisory Board recommends measures for promotion of tourist traffic in India. Indian tourism is adversely affected by terrorism, tours and pollution. Sincere efforts could help to further develop the Indian tourism industry. It acts as a powerful instrument for economic growth. India is a unique and perfect destination for both domestic and foreign visitors. India’s wide variety of flora, fauna, tourist destinations, health and wellness centers, eco-tourism spots, adventure activities, culture, heritage, educational institution etc attract both domestic as well as foreign tourists towards it. The increase in the tourist arrivals have resulted in the rapid growth of tourism sector in India. The growth of tourism sector has resulted in employment generation, foreign exchange earnings, expansion of infrastructure facilities, capital investment, socio-economic growth, increasing in the contribution to GDP and so on. India has evidenced sustainable and inclusive economic growth due to the wide expansion of tourism sector.

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