

Analysis of Tourism in Rajasthan



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Abstract

Tourism is “activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes.” The state of Rajasthan has emerged as most visited destination for international and domestic tourist. Rajasthan with its rich historical culture and heritage, coupled with colorful fairs, festivals and events like Camel Safaris, Pushkar Fair, Desert Festivals etc, has become one of the favorite destination in the world. The paper tries to study the trends in the flow of tourists to Rajasthan at major tourist spots and see the tourist arrival according to the seasons. It also examines the share of Hotel and Restaurant Industry in total Gross State Domestic Product (GSDP) of Rajasthan and tries to see the relationship between income from Hotel and Restaurant Industry and arrival of tourists in the state.

Keywords: Tourism, Economic Development, Flow of Tourists, Foreign Tourist Arrival, Gross State Value Added (GSVA), Gross State Domestic Product (GSDP).

Introduction

Tourism is “activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes.” It may also be defined as the activities of persons identified as visitors. A visitor is someone who is making a visit to a main destination outside his/her usual environment for less than a year for any main purpose (including) holidays, leisure and recreation, business, health, education or other purposes....This scope is much wider than the traditional perception of tourists, which included only those travelling for leisure. (UNWTO statistics Guidelines: 2010).

Rajasthan is one of the most culturally vibrant states of India. Also known as the “Land of Kings”, Rajasthan is the largest state of India, with 10.4% of total national territory. It is located in the west of India. The Thar Desert stretches across Rajasthan. Rajasthan is well known across the world for its palaces, forts, chivalry, valor, colour, cuisine, and vibrant culture. Famous tourist sites include the ruins of the Indus Valley Civilization at Kalibangan, the Dilwara Temples, a Jain pilgrimage site, Mount Abu, a hill station in the ancient Aravalli mountain range, the Keoladeo National Park, a World Heritage Site known for its bird life, Jaipur, the capital of Rajasthan, also known as Pink City and the cities of Jodhpur, Udaipur, Bikaner, Kota and Ajmer.

Rajasthan’s Tourism industry has direct and indirect impact on financial, social and cultural life of people and is an important economic activity. This industry contributes in the economy in form of foreign exchange earnings, regional development, promotion of local handicrafts and artisans, infrastructure development and increasing standard of living.

There have been huge revenue collection from tourism in Rajasthan for a long time. During the calendar year 2017, the number of tourist visits in Rajasthan increased to 475.27lakh (459.17 lakh domestic and 16.10 lakh foreign).

Objectives of the Paper

1. To examine the potential of tourism in fostering economic development of Rajasthan.
2. To study various factors affecting tourism in Rajasthan.
3. To study the trends in the flow of tourists in Rajasthan.
4. To estimate Gross Income of Hotel and Restaurants Industry in and its relationship to total tourist arrival in the state.
5. To project the tourist arrival in the state in coming years.
6. To suggest ways for improvement of tourism industry as a perspective tool of economic development in Rajasthan

Review of Literature

The review of tourism literature reveals a range of impacts related to tourism development, the tourism-community interaction and resulting

influences. Actually, the tourist volume forecasting is based on a bundle of techniques such as statistical or econometric models that rely on historical data to forecast future tourist activities by assuming ceteris-paribus the economic environment. Therefore, these methods might not be so accurate since they primarily focus on long-term horizons such as yearly or quarterly, instead of monthly either weekly data (Yang *et al.*, 2015).

Rivera (2016) considered the information gathered by Google Trends as a source for predicting the number of hotel nonresident registrations in Puerto Rico.

A study of tourist satisfaction plays important role in marketing and promoting tourism products and services and in return contributing to the economy. Monika Jingar(2015) in her paper "A study of the factors influencing the tourist satisfaction in Rajasthan" tried to show the significance of tourism industry in economic development in today's business development.

Seema Choudhary and Dr. S.B. Yadav (2018) in their paper "Role of Tourism in Economic Development of Rajasthan" gives the perspective of tourism in economic development in Rajasthan and identified the factors influencing the growth of tourism and identifies the challenges and opportunities of tourism development in Rajasthan.

All the above studies have proved very useful to researchers and inspired them to focus on economic aspect of tourism and stress on improving tourism industry in Rajasthan.

Travel & Tourism Economic Impact

Tourism is one of the sectors that contribute to the development of the city, state and country as a whole. This sector brings opportunities to the state and its people by providing employment opportunities through several sectors like food and beverages, accommodation, Travel guides and transportation services. Besides, this sector also encourages new development that focuses on the infrastructure such as road, railways, water services and sewerage. Consequently, it also increases the tourists' accessibility while travelling to a particular destination. Tourism industry is a significant contributor to the economy. The impacts are as below:

The Direct Impacts

Represents the GDP generated by activities that directly deal with tourism sectors such as hotels, travel agents, airlines and tour operators, catering, entertainment, recreation, transportation as well as restaurants and other travel related activities.

The Indirect Impacts

The impacts which are due to the activities undertaken by the tourism sector. These include the

benefits realized by the supply chain the purchase of domestic goods and services, as inputs to the production of their final outputs, by enterprises within the tourism sector. i.e. printing/ publication, utilities financial services, sanitation services, furnishings and equipment suppliers, security services, rental car manufacturing, transportation administration, tourism promotion, ship building, aircraft manufacturing, resort development, glass products, iron 7 steel etc.

The Induced Impacts

Represents the wider contribution of tourism through the expenditures of those who are directly or indirectly employed by the tourism sector or we may say they are generated as wages that are spend within the state's economy like food & beverage supply, retailers business services, wholesalers, computers, utilities, manufacturers, housing, personal services etc.

Potential of Tourism in Rajasthan

Tourism is one of the most flourishing industries in the Rajasthan, making a significant contribution to the state GDP. Every year, millions of people from across the globe travel miles and miles away from their homes, in order to see the distant lands and experience their culture. According to people likes and dislikes tourism in the state of Rajasthan can be categorised as Heritage, Spiritual, Adventure, Cultural, Wildlife & Eco – Tourism, Desert Tourism and MICE Tourism.

Various Factors Affecting Tourism in Rajasthan

Rajasthan attracts tourists with its famous tourist destinations where they find good hospitality in cities like Jaipur, Udaipur, Jodhpur, Ramthombore etc and years of History and Culture of Rajasthan is a well-known factor attracting a tourist. The State is known for its Entertainment which comes in form of music, dance, puppetry and desert festivals. Besides this the State's Location and Accessibility and Infrastructure attracts tourists in large number. Rajasthan has a good infrastructure with a total road length of 2,17,707 km and railway track length of 5,898 km and has more than 1600 accommodation sites providing a decent accommodation facility. The attractive and easy available holiday packages , safety and security, good medical facilities and its famous luxury trains like Palace on Wheels and Royal Rajasthan also attracts tourist in large number.

Tourist Arrival in Rajasthan

The growth rate of tourism in the state of Rajasthan is increasing annually and it increased from 2.85 crore to 4.75 crore from the year 2011 to 2017. The table 1 shows the tourist arrival in Rajasthan from year 2011 to 2017 and table 2 shows the tourist arrival in the state according to financial year.

Table 1: Tourist arrival in Rajasthan

Years	Domestic	Percentage Variation	Foreign	Percentage Variation	Total	Percentage Variation
2011	27137323		1351974		28489297	
2012	28611831	5.43	1451370	7.35	30063201	5.52
2013	30298150	5.89	1437162	-0.98	31735312	5.56
2014	33076491	9.17	1525574	6.15	34602065	9.03
2015	35187573	6.38	1475311	-3.29	36662884	5.96

2016	41495115	17.93	1513729	2.60	43008844	17.31
2017	45916573	10.66	1609963	6.36	47526536	10.50

Source: Rajasthan Tourism Department Annual Progress Report 2017-18.

Table 2: Tourist arrival in Rajasthan

Year	Total Tourist Arrival	Percent Variation
2011-12	29155350	
2012-13	30417666	4.33
2013-14	32221265	5.93
2014-15	35128376	9.02
2015-16	37899760	7.89
2016-17	44692013	17.92
2017-18	47526536	6.34

Source: Calculated from monthly tourist arrival in the state from Annual Progress Reports of Rajasthan Tourism Department

Gross State Value Added (GSVA) of Hotel and Restaurants in Rajasthan

Gross State Value Added (GSVA) is the measure of the value of goods and services produced in an area, industry or sector of an economy. It provides a value for the amount of goods and services that have been produced in a state, minus the cost of all inputs and raw materials as intermediate consumptions that affect directly to that

production. It is important because it is used in calculation of Gross State Domestic Product (GSDP) and Net State Domestic Product (NSDP) of a state. Since Hotel and Restaurants Industry contributes directly to the tourism industry and hence it is important part of Tourism Sector. The GSVA of Hotel and Restaurants in Rajasthan and its percentage contribution to the economy is given table 3.

Table 3: Gross State Value Added (GSVA) of Hotel and Restaurants in Rajasthan and Their Percentage Contribution in Economy

Years	Current Prices	Percentage Share	Rs in Crore	
			Constant (2011-12) prices	Percentage Share
2011-12	2755	0.66	2755	0.66
2012-13	2979	0.63	2698	0.62
2013-14	3250	0.62	2706	0.59
2014-15	3412	0.58	2631	0.53
2015-16 **	3666	0.57	2709	0.51
2016-17*	4085	0.58	2864	0.51
2017-18 #	4599	0.59	3124	0.52
2018-19 (AE)	5135	0.59	3424	0.53

**Revised Estimates 3rd, *Revised Estimates 2nd, # Revised Estimates 1st, AE-Advance Estimates

Source: Directorate of Economics and Statistics

Gross State Domestic Product (GSDP) of Hotel and Restaurants in Rajasthan

Gross State Domestic Product, or GSDP, is the total value of goods and services produced during any financial year within the geographical boundaries of a state. Also called the state income, GSDP is always calculated or estimated in monetary terms, and is instrumental in the evaluation of per capita income. While GDP gives a good estimate of the entire nation's output, SDP provides more detailed economic details about subnational territories. The GSDP of Hotel and Restaurants in Rajasthan is not directly calculated since the sector wise product tax and subsidy is not available. An attempt is made to calculate Gross State Domestic Product (GSDP) and Net State Domestic Product (NSDP) at current and constant prices of Hotel and Restaurants in Rajasthan.

Methodology for Estimation of Gross State Domestic Product and Net State Domestic Product of Hotel and Restaurants in Rajasthan

- Gross State Value Added (GSVA) for Hotel and Restaurants was obtained from Directorate of Economics and Statistics.
- To calculate Gross State Domestic Product (GSDP) Product Tax is added to GSVA and Subsidy is subtracted from the value.
- GSDP for Hotel and Restaurants is not separately available since Product Tax and Subsidy is not available for all sectors separately so to calculate
- Product Tax
As the tax is not equal for all the sectors so ratio from State Budget of CGST to total indirect tax was calculated and its average was used that is 70 percent. The 70 percent Product tax in estimates was allocated to the secondary and tertiary sector in proportion of their share and adjusted weight and remaining 30 was allocated to all the sectors in proportion from their total value.

5. For Subsidy
State subsidy was allocated to all the sectors in proportion from their total value.
6. Now Gross State Domestic Product(GSDP)= Gross State Value Added (GSVA) + Product Tax-Subsidy
7. Net State Domestic Product(NSDP)= Gross State Domestic Product(GSDP)- Consumption of fixed Capital (CFC) where
8. Consumption of fixed Capital (CFC) = Gross State Value Added (GSVA) - Net State Value Added (NSVA)

The GSDP and NSDP at current and constant (2011-12) prices is given below:

Estimation of Gross State Domestic Product and Net State Domestic Product at Current prices of Hotel and Restaurants Industry in Rajasthan

(Rs in Lakh)

Years	GSVA	Product Tax	Subsidy	GSDP	CFC	NSDP
2011-12	275494	26699	8874	293319	12114	281205
2012-13	297921	34015	12063	319872	13207	306665
2013-14	325009	39188	12135	352062	10017	342045
2014-15	341197	44779	13647	372329	37662	334667
2015-16 **	366595	50106	13634	403068	42486	360582
2016-17*	408517	54352	17825	445045	46951	398094
2017-18 #	459854	61230	20080	501005	52851	448154
2018-19 (AE)	513540	72337	23722	562155	59021	503134

**Revised Estimates 3rd,*Revised Estimates 2nd, # Revised Estimates 1st, AE-Advance Estimates

Estimation of Gross State Domestic Product and Net State Domestic Product at Constant (2011-12) prices of Hotel and Restaurants Industry in Rajasthan

(Rs in Lakh)

Years	GSVA	Product Tax	Subsidy	GSDP	CFC	NSDP
2011-12	275494	25280	8245	292529	12114	280415
2012-13	269759	30084	10484	289358	12447	276911
2013-14	270638	32869	10022	293485	13251	280234
2014-15	263103	37003	11131	288974	33097	255877
2015-16 **	270910	42729	11547	302092	37959	264133
2016-17*	286438	45404	14839	317003	41345	275658
2017-18 #	312443	49673	16236	345879	45099	300781
2018-19 (AE)	342405	56717	18522	380600	49423	331177

**Revised Estimates 3rd,*Revised Estimates 2nd, # Revised Estimates 1st, AE-Advance Estimate

Correlation

Correlation is a statistical technique that can show whether and how strongly pairs of variables are related. Logically the Tourist arrival Gross State Domestic Product of Hotel and Restaurant are correlated but we don't know in which direction and how strongly they are related so to test that we find correlation between the two.

Taking Tourist arrival as (X) and GSDP of Hotel and Restaurant as (Y) we find the correlation between the two.

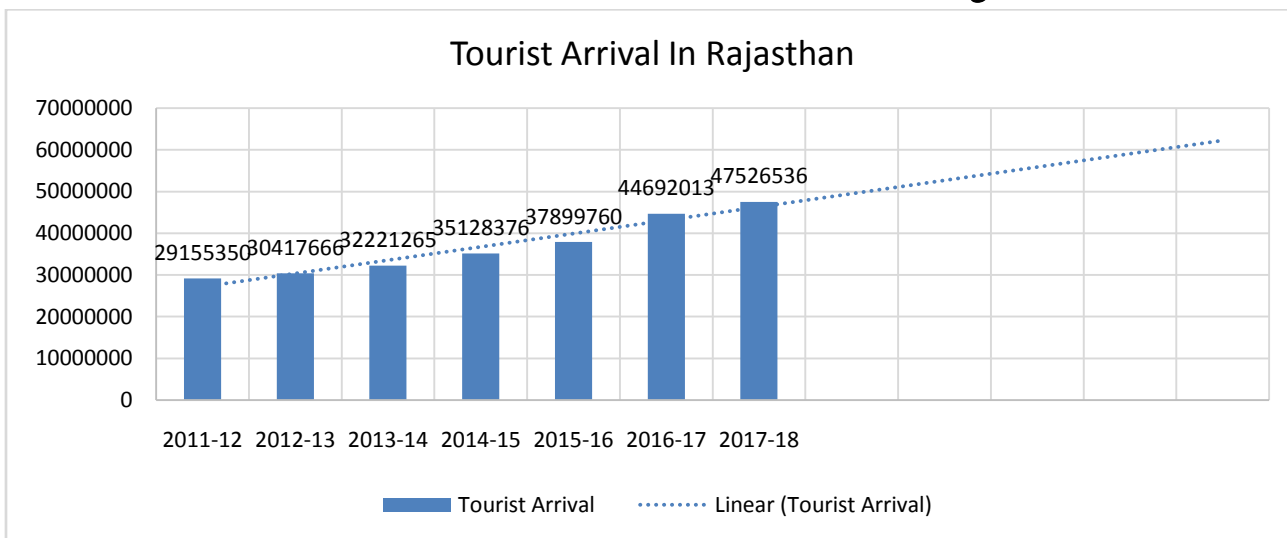
- Correlation (r) = 0.91

It shows that the correlation is highly significant. It indicated a strong positive linear

relationship between number of tourist arrival in the state and Gross Income of Hotel and Restaurant industry which means improving the tourism will result in increase in state income.

Projection

The correlation shows that there is linear relationship between the two hence we can project the incoming tourist arrival for coming years. The graph below shows the tourist arrival in Rajasthan and also projects the tourist arrival for 2023-2024 which is estimated to be 654 lakh which shows an increment of 41.89% over 2017-18.



Contribution of Tourism in Obtaining Economic Development of Rajasthan Eradicate Poverty

Tourism can stimulate economic growth at local and national levels and promote the growth of agriculture, industry and service sectors. It can also provide a wide range of employment opportunities. Alsotourism business and tourists can purchase goods and services directlyfrom the poor or enterprises directly employing the poor. This, in turn, creates opportunities for micro, small and medium sized enterprises inwhich the poor can participate. Domestic tourism in Rajasthan can spreadthe development to or regions and remote rural areas that may not bebenefited from other types of economic development.

Development of Infrastructure

Tourism helps in the development of infrastructure through the constructionof roads and tracks to different areas of tourist attraction.

Ensure Environmental Sustainability

Tourism can generate financial resources for conservation of the naturalenvironment. It raises awareness about environmental conservationand promotes waste management, recycling and biodiversity conservation.

Development of a Global Partnership for Development

It contributes to the socio-economic development of Rajasthan throughforeign exchange earnings and the creation of job opportunities. Tourismcan stimulate the development of the transport infrastructurewhich can stimulate access to and from different places. It can reducethe burden on the public exchequer through implementation of publicprivate initiatives. It creates decent and productive work for the youths of Rajasthan. Also the infrastructure agencies pay an important role in integratingtourism enterprises into global tourism markets.Although Rajasthan has the potentiality of developing tourism in a bigway and foster economic development.

Recommendations

Keeping in view the region’s colourful culture, Rajasthan has a huge potential in tourism which needs to be developed further. Some of the potential areas are Improving Intra State Air connectivity, Special desert tours for enthusiasts who want to know about the culture and history of the region need to be developedand EncourageCorporate Sponsorship for Heritage buildings for which Government already has in placed concessions and subsidies and Conversion of palaces into heritage hotels. The state also need to improve on its sanitation of public space and ease of travel around the state. Along with this the state should provide easy online payment and reservation facilities as to attract more number of tourist.

Conclusion

In this paper the data available from the reliable secondary data have been considered. According to the World Travel and Tourism Council, India will be a tourism hotspot from 2009-2018, having the highest 10-year growth potential. The most important economic feature of activities related to the tourism sector is that they contribute to three high-priority goals of developing countries: foreign-exchange earnings, the generation of income and employment Foreign exchange earnings, and contributions to government revenues, take place at the macro or national level, whereas the generation of employment and income, and regional development occur at sub-national levels. It is important to note that with the exception of earning foreign exchange, other impacts can be gained from tourism activity. It is observed that on the basis of result that

1. Gross State Value Added (GSVA) of Hotel and Restaurants in Rajasthan shows an increasing trend from 2011-12.
2. Share of Trade, Hotel and Restaurant industry in Gross State Domestic Product of Rajasthan at Current Prices stood at an average of 12% of total GSDP.
3. Share of Hotel and Restaurant industry alone in Gross State Domestic Product Of Rajasthan at

Current Prices stood at an average of 0.67 % of total GSDP.

4. Tourist arrival and GSDP of Hotel and Restaurants in Rajasthan are highly positively correlated.
5. By 2023-2024 the tourist arrival in Rajasthan is estimated to be 654 lakh.
6. The tourist arrival in Rajasthan by 2023-24 shows an increment of 41.89% over 2017-18.

Hence, tourism can be of considerable significance to the state as well as national economy. The importance of Tourism, as an instrument of economic development and employment generation, particularly in remote and backward areas, has been well-recognized the world over. Hence, tourism can be termed as a perspective tool of economic development in Rajasthan.

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