

Economic Aspect of Indian Tourism Industry with Special Reference to Foreign Tourist Arrivals and International Tourism Receipts

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Abstract

This research study has analyzed the economic aspects of Indian Tourism, mainly Foreign Exchange Earnings, Foreign Tourist Arrivals and International Tourism Receipts. In this research paper researcher focused to know about the tourism statistics for economic growth of India. Secondary data was used to study the FTA, FEE and ITR. Researcher collected secondary data from ministry of tourism official sites, previous literatures and research papers. Researcher has used a statistical tool like Percentage Share and also used graphs, charts for knowing the trend of ITR and FTA. . This study is descriptive in nature.

Keywords: Indian Tourism, economic aspect, FTA, FEE and ITR.

Introduction

In recent years, Indian tourism industry has grown day by day. When we talk about 1951, that time the number of foreign tourist arrivals were only seventeen thousand but in 2018 it has gone up to 10.56 million approximately. It shows huge growth of this industry. According to Foreign Exchange Earnings, this industry got third position in the country. This industry also employs large number of human resources. Which indicates its economic aspect. World travel and tourism council also declared India as biggest growth centres in the globe.

Indian tourism plays vital role as econometric factor worldwide. Due to its importance, there is a need to work for the development of this industry. Foreign tourist spend lots of money which generate international tourism receipts, which is helpful in increasing the foreign exchange earnings and government revenue. So its economic role in India is clear.

Aim of the Study

Aim of this research study is to know about the economic aspect of Indian Tourism Industry. For this researcher wanted to find if tourism is helpful to increase the foreign exchange earnings in India or not.

Objectives of the study

Objectives of this research study are-

1. To know about the trend of ITR in India during 2014 to 2018.
2. To study the month wise FEE from Tourism in India in the year of 2018.
3. To study the share of India according to Foreign Tourist Arrivals during 2014 to 2018.

Review of Literature

1. Anitha K.P. and Dr. B. Chandrashekara (2018) analyzed and studied the Karnataka tourism industry's challenges and future prospects. At the end they also given suggestion that for sustainable development of Karnataka tourism industry, there is need to make effective tourism policy.
2. Dr. Nitasha Sharma (2018) examined the relationship between GDP and Tourism's receipt through Augmented Dickey Fuller method in her research paper in the time period of 1991-2017 and found that impact of tourism earnings on economic growth of India.
3. Dr. Shekhar Upadhyay, Dr. Alka Awasthi, Dr. Priyanka Rawal (2017) described in their paper that Foreign Exchange Earnings, Tourist Arrivals, policies and other schemes related to this industry. They also



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studied trend analysis of Foreign Tourist arrivals and Foreign Exchange Earnings during 2013 to 2016.

4. Veena Rani and Rajendra Kumar (2016) described importance of tourism in economic growth of India in their research paper. For this, they focused on to studying the contribution of tourism in employment, Gross Domestic Product, Foreign Exchange Earnings which are variables of development of economy.

Hypotheses

H₀1

There is no significant growth in International Tourism Receipts in India during 2014 to 2018.

H₀2

There is no significant growth in the share of India according to Foreign Tourist Arrivals in world and Asia & the pacific region during 2011 to 2018.

Research Design

Descriptive methodology has been used for achieving the stated objectives of the study. Secondary data has been used for collecting the

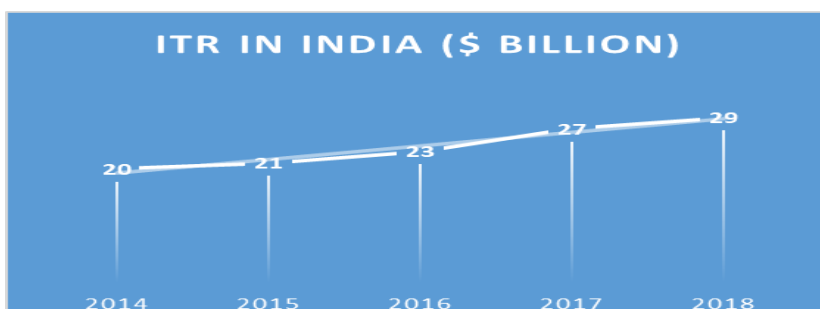
qualitative and quantitative information related to this research study. Researcher has chosen India as universe for present research. Secondary data collected through Ministry of tourism’s site, research papers, and literature and tourism statistics at a glance 2019 report. For achieving the research objectives, researcher used statistical tool like trend analysis and percentage and also drew graph and chart for ease.

Data Analysis

Study of International Tourism Receipts in India during 2014-2018

Foreign tourist arrival is increasing on par with the development in tourism industry. Therefore there is also increase in international tourism receipts. To achieve the first objective of this research study, the researcher has demonstrated the trend analysis of International tourism receipt in India during 2014-2018 using the graph 1.1. In 2014, International Tourism Receipt in India was 20 Billion USD, in 2015, it was 21 Billion USD, in 2016, it was 23 Billion USD, in 2017, it was 27 Billion USD and in 2018, it was 29 Billion USD.

Graph 1.1



Source: Tourism Statistics at a glance 2019 report
Share and Rank of India in world regarding International Tourism Receipt
Graph 1.2



Source: Tourism Statistics at a glance 2019 report
Graph 1.3



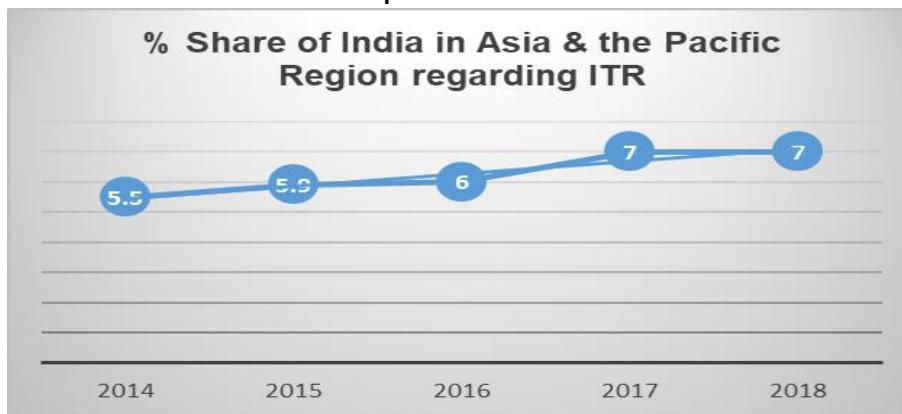
Source: Tourism Statistics at a glance 2019 report

Interpretation

According to graph 1.2, in 2014, India's present share in ITR in the world was 1.6%, in 2015, it was 1.7%, in 2016, it was 1.8%, in 2017, it was 2% and in 2018, it was 2%.

According to graph 1.3, in 2014, India's rank in ITR in the world was 15, in 2015, it was 14, in 2016, it was 13, in 2017, it was 13 and in 2018, it was 13.

**Share of India in Asia & the Pacific Region regarding International Tourism Receipt
Graph: 1.4**



Source: Tourism Statistics at a glance 2019 report

Interpretation

According to graph 1.4, in 2014, India's present share in ITR in the Asia and the Pacific

Region was 5.5%, in 2015, it was 5.9%, in 2016, it was 6%, in 2017, it was 7% and in 2018, it was 7%.

1. Study of Month wise FEE and percentage change in FEE in India through Tourism in the year of 2018

Month	FEE from Tourism in India in 2018 (₹ Crore)	% change in FEE from Tourism in India
January	17755	12
February	17757	16
March	17222	17
April	15620	10
May	12753	4
June	14398	11
July	16976	15
August	16492	19
September	15150	10
October	14701	3
November	16584	0.3
December	19474	0.5

Source: Tourism Statistics at a glance 2019 report

Explanation

To achieve the second objective of this research study, researcher has showed 2018's month-wise Foreign Exchange earnings through tourism and to find the real growth in FEE, researcher has used percentage change method.

In January, FEE was Rs.17755 crore, In February, it was Rs.17757 crore, In march, it was Rs.17222 crore, In April, it was Rs.15620 crore, In May, it was Rs.12753 crore, In June, it was Rs.14398 crore, In July, it was Rs.16976 crore, In August, it was Rs.16492 crore, In September, it was Rs.15150 crore, In October, it was Rs.14701 crore, In November, it was Rs.16584 crore, In December, it was Rs.19474 crore.

In January, percentage change in FEE was 12%, In February, it was 16%, In march, it was 17%, In April, it was 10%, In May, it was 4%, In June, it was 11%, In July, it was 15%, In August, it was 19, In September, it was 10%, In October, it was 3%, In November, it was 0.3%, In December, it was 0.5%.

Study the share of India in World and Asia pacific region according to Foreign Tourist Arrivals during 2014 to 2018

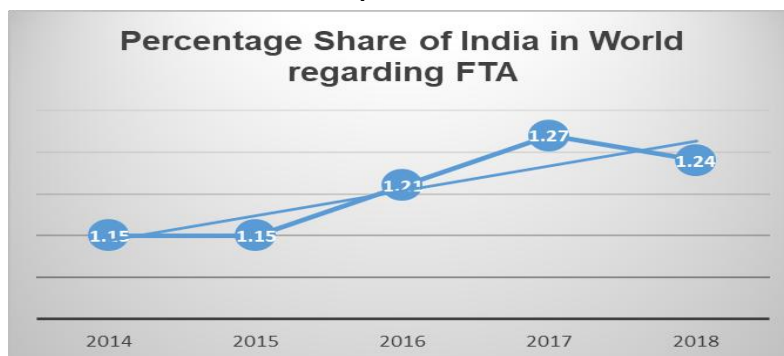
To achieve the third objective of this research study, researcher has studied the share of India according to Foreign Tourist Arrivals during 2014 to 2018.

Share of India in World according to Foreign Tourist Arrivals

Year	Percentage Share of India in World regarding FTA	Rank of India in World regarding FTA
2014	1.15	24
2015	1.15	24
2016	1.21	26
2017	1.27	26
2018	1.24	25

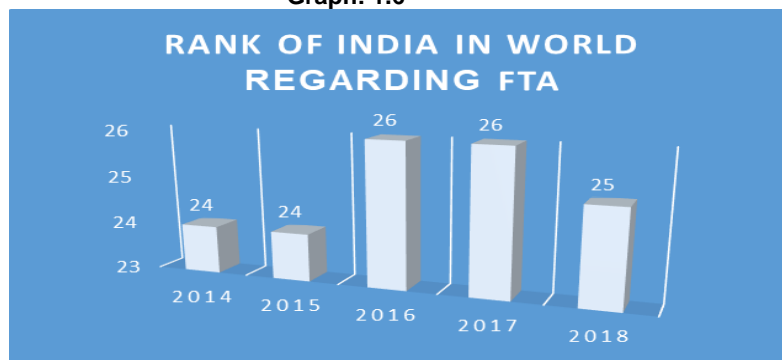
Source: Tourism Statistics at a glance 2019 report

Graph: 1.5



Source: Tourism Statistics at a glance 2019 report

Graph: 1.6



Source: Tourism Statistics at a glance 2019 report

Interpretation

According to graph 1.5, in 2014, India's present share in FTA in the world was 1.15%, in 2015, it was 1.15%, in 2016, it was 1.21%, in 2017, it was 1.27% and in 2018, it was 1.24%. It shows continuous growth in percentage share of FTA.

According to graph 1.6, in 2014, India's rank in FTA in the world was 24th, in 2015, it was 24th, in 2016, it was

26th, in 2017, it was 26th and in 2018, it was 25th. It shows continuous growth in rank of FTA.

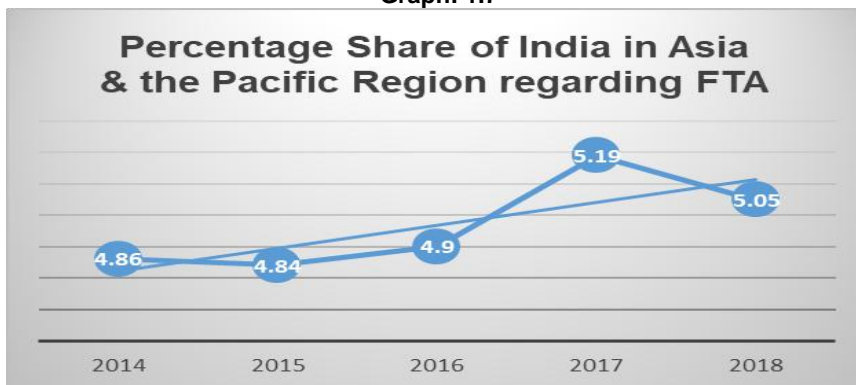
Note

Data of 2018 is approximated, therefore India's decrease in percentage share is not considered.

Share of India in Asia and the Pacific Region according to Foreign Tourist Arrivals

Year	Percentage Share of India in Asia & the Pacific Region regarding FTA	Rank of India in Asia & the Pacific Region regarding FTA
2014	4.86	8
2015	4.84	7
2016	4.9	8
2017	5.19	7
2018	5.05	7

Source: Tourism Statistics at a glance 2019 report
Graph: 1.7



Source: Tourism Statistics at a glance 2019 report
Graph: 1.8



Source: Tourism Statistics at a glance 2019 report

Interpretation

According to graph 1.7, in 2014, India's present share in FTA in the Asia and the Pacific Region was 4.86%, in 2015, it was 4.84%, in 2016, it was 4.9%, in 2017, it was 5.19% and in 2018, it was 5.05%. It shows continuous growth in percentage share of FTA.

According to graph 1.8, in 2014, India's rank in FTA in the Asia and the Pacific Region was 8th, in 2015, it was 7th, in 2016, it was 8th, in 2017, it was 7th and in 2018, it was 7th. It shows continuous growth in rank of FTA.

Note

Data of 2018 is approximated, therefore India's decrease in percentage share is not considered.

Results and Findings

1. Through trend analysis researcher found the continuous growth in International tourism receipt in India during 2014 to 2018 time period.
2. According to ITR, India's percentage share and rank both are increasing in world and Asia & the Pacific Region during 2014-2018.
3. Foreign Exchange Earning is increasing day by day but when researcher study month wise % change in FEE, found that Jan to march was the peak month regarding Foreign Tourist Arrivals.
4. According to FTA, India's percentage share and rank both are increasing in world and Asia & the Pacific region during 2014-2018 time period.

Through above result and findings, researcher rejected the both hypotheses and

accepted the alternative hypotheses. Which are **H₁** - There is significant growth in International Tourism Receipts in India during 2014 to 2018. **H₂** - There is significant growth in the share of India according to Foreign Tourist Arrivals in world and Asia & the Pacific region during 2011 to 2018.

Conclusion

It can be concluded that in present time tourism industry play important role in the economic growth of India. Everyone is accepting its economic importance. Through tourism any country can create their brand in world wide. Tourism helpful in earning the foreign exchange, increasing the GDP, providing the employment and establishing the brand. In this research paper, researcher only focuses on ITR and FTA. In both factor, tourism has shown growth.

Acknowledgement

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