



**TOURISM IN INDIA- ITS CONTRIBUTION IN FOREIGN EXCHANGE
EARNINGS, GDP AND EMPLOYMENT**

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Abstract

India is a developing country with second highest population and demographic dividend. Large population can be our strength if it is educated and well employed. In last few years we have observed dismal growth of agriculture and our constant growth of manufacturing sector. Service sector is growing fast but it is unable to absorb unemployed population. Hence it is very important to find out other ways to create employment for youth. Tourism is one such area which can generate foreign exchange, develop other ancillary services, generate employment, train human resources, and reduce regional imbalances. Hence this paper tries to analyze the situation, problem and prospects of tourism sector in India.

Introduction

India is only country in the world which possesses huge range of bio-diversity as well as cultural and lingual diversity. Each state of India has lot to offer to tourists coming from various corner of globe. It has immense capacity to create large scale employment, diverse employment, employment to highly skilled to unskilled person. Few states with less regional resources can benefit out of this sector. From Jammu and Kashmir to Kanyakumari we have diversified and rich culture. But at the same time it is important to work on tourism infrastructure, easing of visa process, providing and assuring quality standard in services by tourism service providers, check on malpractices and fraud by government. It is the responsibility of Ministry of tourism to develop and augment necessary changes for the development of tourism in India.

Objective

- To understand the situation of tourism in our country.
- To evaluate the foreign exchange earnings from tourism.
- To analyze contribution of tourism in GDP of India.
- To discuss the problems related to tourism in India.

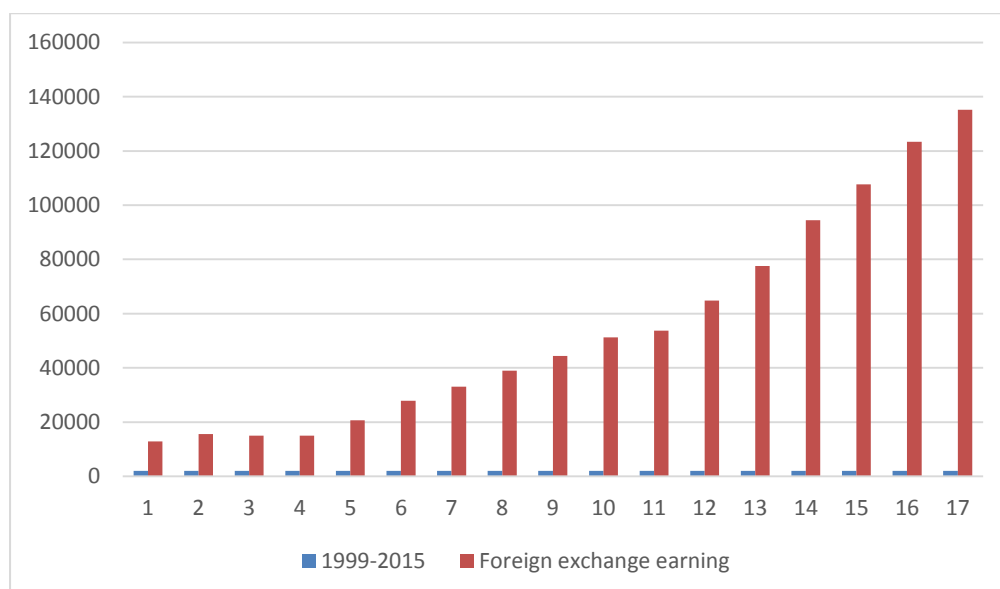
Review of Literature

Leena Kakkar and sapna (2012) studied about the impact of tourism on Indian economy. They have described India as the hub of tourist place and about culture of India. Dr T. Subhash (2015) believes that the contribution of tourism in GDP has increased significantly in few years. He considered it as key driver for growth engine, and as a sunrise industry which helps the local communities to earn their living and develop potentials lying in their region. Government efforts to develop tourism and shaping up travel and tourism industry are discussed. Robert jan Baken and Bhagentula Suresh focused on Indian tourism policy and potential role of india in tourism. They concluded that lack of reliable statistics and meaningful qualitative research has made the overall picture of Indian tourism patchy and unclear. Latif ahmad mir (2014) discussed the economic viability of Indian tourism industry in India and about its potential to develop and strengthen inclusive economic development. Indian economy has huge population to feed. The established sectors are unable to absorb more people and create income. Hence it becomes very necessary to find out such sunrise industries which can generate income as well as employment. Tourism is one such sector which can be counted for this.

FOREIGN EXCHANGE EARNING FROM TOURISM (in Rs Crore) (1999-2015)

Year	Foreign exchange earning	% change
1999	12951	6.6
2000	15626	20.7
2001	15083	-3.5
2002	15064	-0.1
2003	20729	37.6
2004	27944	34.8
2005	33123	18.5
2006	39025	17.8
2007	44360	13.7
2008	51294	15.6
2009	53700	4.7
2010	64889	20.8
2011	77591	19.6
2012	94487	21.8
2013	107671	14.0
2014	123320	14.5
2015	135193	9.6

Source: Ministry of tourism



The data and diagram reveals that there is continuous increase in Foreign exchange earnings, which can actually help country to solve the problem of deficit in its revenue from other sources.

CONTRIBUTION OF TOURISM IN GDP AND EMPLOYMENT OF COUNTRY

Year	Contribution in GDP(in %)			Contribution in Employment (in %)		
	Direct	Indirect	Total	Direct	Indirect	Total
2009-10	3.68	3.09	6.77	4.37	5.86	10.17
2010-11	3.67	3.09	6.76	4.63	6.15	10.78
2011-12	3.67	3.09	6.76	4.94	6.55	11.49
2012-13	3.74	3.14	6.88	5.31	7.05	12.36

Source: Ministry of India

Contribution of tourism in GDP directly has marginally increased from 3.68 % to 3.74% in 2009-10 to 2012-13. Even the total contribution has small increase from 6.77% to 6.88% during the same period. Contribution in employment from 2009-10 to 2012-13 has increased from 10.17% to 12.36%. Looking to this statistics we can say that there is lot of scope with tourism sector for development. There are few problems which need to be addressed by government to improve the contribution of tourism in GDP as well as employment.

Problems Need To Be Addressed

- **Improper infrastructure:** As per the World Economic Forum's Travel and Tourism Competitiveness Report 2013 for 140 world economies, India's air transport infrastructure, ground transport infrastructure and tourism infrastructure have been ranked 39, 42 and 95 respectively indicating extensive scope for improvement. Moreover the physical infrastructure (such as Water, electricity, telecommunication, transportation),

urban infrastructure, need improvement. The poor infrastructure has been a foremost reason why the international tourist has been capering the country.

- **Safety and Security of Tourists:** Safety and security of tourists is of supreme importance in any country as it majorly influences the inflow of foreign tourists in the country. Tourists are being attacked again and again and female are tortured to high extent. This definitely create atmosphere of panic among tourists even the domestic tourists avoid the places where they feel that their security and safety is at stake. As per World Economic Forum's Travel and Tourism Competitiveness Report 2013 India has ranked as low as 74 amongst 140 global economies. Though Government has tried a lot to enhance security and safety of tourists and one of the prominent steps is setting up of tourist police force. Most of the states have now special tourist police.
- **Access and connectivity:** To connect India's tourism potential, numerous efforts are being taken for opening new destination and exploring novel places These destinations are inadequately connected to cities as well as infrastructure facilities such as air, road connectivity and hospitality services. This remains a major hurdle for the development of tourism
- **Indecorous Facilities:** Amenities at various tourist locations and route need to be improved these include basic amenities such as drinking water, well maintained and clean waiting rooms and toilets, first aid . Hygiene, transportation, shopping area etc.
- **Skilled Human resource:** Availability of skilled manpower is a major challenge faced by the travel and tourism industry, to stain growth in the travel and tourism industry. Untrained, unprofessional, greedy staff creates lot of bad impression on foreign tourists.
- **Information & communication:** - Hindi and English are the official languages of the republic of India are yet the government of India has given 22 languages of the 8th schedule the status of official languages. Because of multilingual country, tourist faces lot of problem in communicating with localities. Many times important information's and guidelines are displayed in local languages which create lot of problems.
- **Lack of promotion:** - marketing of good tourist place is very important. Lack of advertisement and knowledge create loss of fuss among tourists. Even our rich vulture, diversified cuisine is not publicized properly.
- **Bank and ATM facilities:** - Most tourist locations do not have Bank and ATM facilities. At many places ATM do not work or suffer cash crunch.

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