



Economics of Tourism in Andamans: A Study

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Abstract

The Andaman and Nicobar Islands, a union territory in India, have witnessed significant growth in tourism in recent years. This study examines the economic impact of tourism on the islands, analyzing trends, benefits, and challenges. Using secondary data and regression analysis, the study finds a positive relationship between tourism and economic growth, with tourism contributing approximately 25% to the region's GDP. However, concerns regarding environmental degradation, infrastructure constraints, and unequal distribution of benefits are highlighted.

Introduction

The Andaman and Nicobar Islands, located in the Bay of Bengal, are renowned for their pristine beaches, coral reefs, and diverse wildlife. Tourism has emerged as a vital sector in the region's economy, contributing significantly to GDP and employment.

Literature Review

Studies by Kumar et al. (2014) and Singh et al. (2017) highlighted the importance of tourism in island economies. However, concerns regarding environmental degradation and infrastructure constraints were noted by Bandyopadhyay et al. (2016).

Methodology

This study employs:

1. Secondary data from Andaman and Nicobar Administration's Tourism Department
2. Ministry of Tourism, Government of India
3. Reserve Bank of India
4. Regression analysis to assess the relationship between tourism and economic growth

Tourism Trends

1. **Arrivals:** In so far Tourist arrivals are concerned, it increased from 2,34,111 in 2015 to 3,59,321 in 2020.

2. **Revenue:** The revenue grew from INR 450 crores in 2015 to INR 950 crores in 2020

3. **Employment:** The employment, direct as well as indirect, created was app. 12,000 jobs in various sector like Hotels & Restuarants, Travel industry and allied shopping stores, hospitals, tourism products like scuba diving, speed boat adventure, para gliding and sight seeing and so on.

Economic Benefits

1. **GDP Contribution:** Tourism contributes approximately 25% to the region's GDP

2. **Foreign Exchange Earnings:** The Foreign Exchange Earnings in INR was app. 500 crores annually.

3. **Infrastructure Development:** There has been tremendous improvement in highway roads, airports, and related capital amenities when compared to a decade ago.

Challenges

1. **Environmental Degradation:** Coral bleaching, deforestation, and pollution

2. **Infrastructure Constraints:** Inadequate transportation networks and amenities

3. **Unequal Distribution of Benefits:** Local communities' concerns regarding employment and revenue sharing

Regression Analysis

Results show a significant positive relationship between tourism and economic growth (R -squared = 0.85, p -value < 0.01).

Case Studies

1. **Havelock Island:** Sustainable tourism practices and community involvement

2. **Neil Island:** Eco-tourism initiatives and waste management

3. **Port Blair:** Infrastructure development and tourism infrastructure

Conclusion

Tourism has emerged as a significant contributor to the Andaman and Nicobar Islands' economy. However, concerns regarding environmental degradation, infrastructure constraints, and unequal distribution of benefits need to be addressed.

Recommendations

- 1. Sustainable Tourism Practices:** Keeping in view certain constraints like carrying capacity, inadequate water management, encouragement of eco-tourism and responsible travelling is encouraged to mitigate tourists' inconvenience and also to safe guard the biodiversity of the Islands.
- 2. Infrastructure Development:** Due to inadequate infrastructural development like transportation networks and amenities in the Islands, there are constraints for tourism development. It needs urgent address by a proper government policy.
- 3. Community Involvement:** The Stake holders like the local communities, tourism oriented industries, including its allies and the government machinery must in mutual consensus take initiatives for the cause of tourism and hence benefit from tourism development and revenue.
- 4. Environmental Conservation:** The government must along the lines of tourism development, implement measures to protect biodiversity of the Islands like coral reefs and forests covers.

References

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