CHAPTER II

INDIAN TOURISM INDUSTRY – AN OVERVIEW

2.1 INTRODUCTION

Tourism industry in India is on a great boom at the moment. India has tremendous potential to become a major global tourist destination and Indian tourism industry is exploiting this potential to the hilt. Travel and tourism industry is the second highest foreign exchange earner for India and the government has given travel and tourism organizations export house status.

The buoyancy in the Indian tourism industry can be attributed to several factors. Firstly, the tremendous growth of Indian economy has resulted in more disposable income in the hands of middle class, thereby prompting increasingly large number of people to spend money on vacations abroad or at home. In second, India is a booming IT hub and more and more people are coming to India on business trips. In third, aggressive advertising campaign "Incredible India" by Tourism Ministry has played a major role in changing the image of India from that of the land of snake charmers to a hot and happening place and has sparked renewed interest among foreign travellers. Travel and
tourism industry's contribution to Indian industry is immense. Tourism is one of the main foreign exchange earners and contributes to the economy indirectly through its linkages with other sectors like horticulture, agriculture, poultry, handicrafts and construction. Tourism industry also provides employment to millions of people in India both directly and indirectly through its linkage with other sectors of the economy. According to an estimate total direct employment in the tourism sector is around 20 million. Travel and tourism industry in India is marked by considerable government presence. Each state has a tourism corporation, which runs a chain of hotels/ rest houses and operates package tours, while the central government runs the India Tourism Development Corporation\(^1\).

2.2 TOURIST ATTRACTIONS

India abounds in tourism potential in throughout the country. It consists of hills, forests, mountains, rivers and seas. For the tourists, India has two special attractions like wildlife and a wealth of ancient monuments. It remains and relics of the prehistorically civilatin, the temples, sculptures and holy sites associated with Buddha, the Hindu temples and caves at Ellora, Elephanta, Khajuraho, Khandagiri, Udagiri and Tanjore. The monuments, palaces and forts of Muslim rule – the exquisite Tajmahal- and the remains of European rule like the Portuguese forts and churches at Goa, Diu and Bandel and the British forts and residencies at Chennai, Surat and Lucknow and the beauty spots on the Himalayas are all tourist attractions\(^2\).

\(^1\) http://www.iloveindia.com/economy-of-india/tourism-industry.html.
India is located in the southern part of Asia. The southern part of the country is a peninsula. India is a land of diversities. It has a variety of physical features. The country is broadly divided into five physical divisions. They are the Himalayan mountain ranges, Indo-Gangetic plain and the Brahmaputra Valley, plateaus of the South-Central India and the Deccan plateau, Great Indian Desert and the Coastal plains.

Indian tourism authorities should organize package and circuit tourism in a big way for attracting tourist to Indian islands. This will provide employment of the locals, improving their economy and the nation of much needed foreign exchange. The tourism authorities should attend to the water and electricity needs of the islands besides caring for proper ecology of the small and isolated and islands as the tourists affect that. Over the zealous tourists remove life forms from the reef for souvenir (shells, shell jewellery and ornaments).

India is gaining importance as a tourist destination with rich resources. The Ministry of Tourism formed with effect from 12th May 1986, remainder under the charge of Minister of Cabinet rank till 14th July 1987. Thereafter, a Minister of state for civil aviation was assigned independent charge of Ministry of Tourism. With effect from 15th February 1988, the Ministry was again placed under the charge of a Cabinet Minister assisted by a minister of state.

The Government of India has declared tourism as an industry and has been extending a number of monetary and tax incentives to the promoters of these establishments like hotels, trade links, travel agencies etc. which serve the
building up of tourism industry. Concessions given are in the form of soft loans, capital subsidy, differed payment of sales tax, waiver of luxury tax, electricity tariff concession, capital subsidy for generators, special tourism area concessions, gas connection priority, exemption from the customs tax for hotel and travel trade equipment, etc. The state governments and also the private promoters have been found to utilize these concessions and incentives extended to the tourist industry by the central government³.

2.3 SIGNIFICANCE AND GROWTH OF TOURISM IN INDIA

India is one of the fastest growing tourism countries in the world. 6.1 percent to the gross national product (GNP), providing employment to over 27 million people directly and indirectly representing 5.7 percent of the total employment in the country. Tourism industry has grown substantially in the last three decades in India. The central and state governments are aiming at positioning tourism as a major engine of economic growth and harnessing its direct and multiplier effects for employment and poverty eradications in an environmentally sustainable manner. The plan schemes of the government essentially relate to infrastructure development, product development, human resources development, promotion and marketing, information technology, research, monitoring and evaluation.

Since most of the infrastructural components and delivery systems are within the purview of the State governments or private sector, the

infrastructure for tourism is being developed by providing financial assistance and incentives by the central government to the state governments. In order to provide quality services to the tourists, the Ministry of tourism grants recognition to travel agents, tour operators, adventure and domestic tour operators in the country. Tourism mainly integrates the people of different countries and it helps to understand the cultural, social and economic aspects between countries and the people. Education and training are vital for enhancing the links between tourism and employment generation.⁴

2.4 FOREIGN TOURIST ARRIVALS IN INDIA

India’s performance in tourism sector has been quite impressive. During the period 2002 to 2009, the country witnessed an increase in foreign tourist arrivals from 2.38 million to 5.11 million. Due to global slowdown, terrorist activities, H1N1 influenza pandemic, etc, growth rate in foreign tourist arrivals during 2009 fell by 3.3 percent. The year witnessed a contraction in global tourism by 4.3 percent. Foreign exchange earnings from tourism increased from `150.64 billion in 2002 to `549.60 billion in 2009. The growth rate in earning in 2009 vis-a-vis 2008 was 8.3 percent.

The Travel and Tourism industry in India accounted for approximately 6 percent of GDP and 30.5 million jobs (including direct and indirect) in 2008. The Travel and Tourism Competitiveness Report 2009 brought out by World Economic Forum, ranks India as 11th in the Asia-Pacific region and

62nd overall in a list of 133 assessed countries in 2009, up three places since 2008. In terms of travel, India stands 9th in the index of relative cost of access (ticket taxes and airport charges) to international air transport services, having almost the lowest costs in the world. The arrival of tourists to India from the year 2000 to 2010 is indicated in table 2.1 given below.

TABLE 2.1

FOREIGN TOURIST ARRIVALS IN INDIA FROM 2000-2010

<table>
<thead>
<tr>
<th>Year</th>
<th>Foreign Tourist Arrivals in India (in million)</th>
<th>Percentage change over the previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>2.65</td>
<td>6.7</td>
</tr>
<tr>
<td>2001</td>
<td>2.54</td>
<td>-4.2</td>
</tr>
<tr>
<td>2002</td>
<td>2.38</td>
<td>-6.0</td>
</tr>
<tr>
<td>2003</td>
<td>2.73</td>
<td>14.3</td>
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<td>2005</td>
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<tr>
<td>2008</td>
<td>5.37</td>
<td>15.7</td>
</tr>
<tr>
<td>2009</td>
<td>5.11</td>
<td>-3.3</td>
</tr>
<tr>
<td>2010</td>
<td>5.58</td>
<td>9.3</td>
</tr>
</tbody>
</table>

Source: Ministry of Tourism, Govt. of India, for 2010 & 2011.

Table 2.1 depicts that the arrival of foreign tourist in India over the past eleven years from 2000 to 2010 is showing wide fluctuations. During certain years there is increase in the arrival of foreign tourists while during some years there is decline in the arrival of foreign tourists. During 2001 and 2002 there is considerable reduction in the arrival of foreign tourists to India. The growth in international tourist arrivals to India achieved a 14.3 per cent growth with arrival
of 5.08 million tourists in 2007. A similar growth was registered in 2006 when over 4.45 million foreigners visited the country. During 2009 foreign tourists were 5.11 million as compared to 5.28 in 2008, registering a fall of 3.3 percent. There were a total of 5.58 million foreign visitors in India during 2010 as compared to 5.11 million in 2009, registering a 9.3 per cent growth.

2.5 DOMESTIC TOURIST ARRIVALS IN INDIA

Since 1995, India’s share of the world market has remained virtually stagnant at 0.38 percent, while domestic tourism has grown at a phenomenal rate and India now accounts for 4.6 percent share of domestic tourism worldwide. In terms of tourism receipts, India has shown relative buoyancy because of the interest shown by visitors in traditional handicrafts items and particularly in diamonds. The tenth plan visualize a mutually supportive role for tourism and handicrafts by encouraging. The arrival of domestic tourists over the past 11 years from 2000 to 2010 is exhibited in table 2.2.

| TABLE 2.2 |
| DOMESTIC TOURIST ARRIVALS IN INDIA FROM 2000 TO 2010 |
| Year | Domestic Tourists Arrivals in India (in million) | Percentage change over the previous year |
| 2000 | 220.11 | 15.4 |
| 2001 | 236.47 | 7.4 |
| 2002 | 269.60 | 14.0 |
| 2003 | 309.04 | 14.6 |
| 2004 | 366.27 | 18.5 |
| 2005 | 391.95 | 7.0 |
| 2006 | 462.31 | 18.0 |
| 2007 | 526.56 | 13.9 |
| 2008 | 562.98 | 6.9 |
| 2009 | 650.04 | 15.5 |
Table 2.2 shows that the arrival of domestic tourist visits to all states in India over the past 11 years from 2000 to 2010. During certain years there is increase in the arrival of domestic tourists, while during some years there is decrease in the arrival of domestic tourists in all states of India. In 2009, the number of domestic tourist visits was 650.04 million as compared to 562.98 million in 2008, with a growth rate of 15.5 per cent. The tourist’s visits in case of domestic visitors also grew by 10.7 percent in year 2010 to 740 million as compared to 650.04 million in 2009.

### 2.6 DEVELOPMENT OF TOURISM IN INDIA

India being a vast and diverse country has something to offer to everyone. The traditional treatment of a visitor in India is based on the mythological concept of “Atithi Devo Bhavah” (Guest is God). This is the latest mantra of the Indian tourism sector. The Tenth plan approach to the sector is also aimed at ensuring that the tourist to India gets “physically invigorated mentally rejuvenated, culturally enriched, spiritually elevated and feels India within him.

The tourism ministry, through the Indian tourism offices abroad, undertakes a series of promotional activities in tourist generating markets for increasing the number of tourists visiting India. The beauty and its ancient monuments, the best and rhythm of its folk and classical dances that have come

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down the ages almost unchanged, its colourful crowded bazaars contrasting with the peace and grandeur of the snowcapped mountain tops, the quit backwaters of Kerala and their beautiful beaches and above all its well-meaning, charming people. These are few of the countless facets of India which are timeless in their appeal.

The development of tourism in India is a fascinating subject. Tourism thrives on the history of the country. In fact, tourism cannot be isolated from history much less in a country like India whose cultural heritage has a wealth of attractions. The following are the efforts of the Government to promote tourism in India.

2.6.1 The Sargent Committee

The first conscious and organized efforts to promote tourism in India was made in the year 1945, when a committee was set up by the Government of India under the chairmanship of Sir John Sargent, the then Educational Adviser to the Government of India. The main objective of committee was to survey the potentialities of developing tourist traffic in the country.

2.6.2 Tourist Traffic Section

It was to look after a large number of travel trade subjects which included development of both internal and external tourist traffic, legislative matters, five years plans, travel agencies, hotels and rest houses, facilitation, tourist statistics and monthly reports. It also dealt with international conferences on tourism and references relating to UN and its agencies, co-ordination with
railways, establishments of tourist bureaus in states and development of tourist spots and the training of guides.

2.6.3 Tourist Administration Section

Tourist Administration Section was to deal with administration work relating to tourist offices both in India and abroad, budget, delegation of financial powers to tourist offices, opening of new tourist offices in India and abroad and periodical inspection of tourist offices.

2.6.4 Tourist Publicity Section

It was to deal with publication of the tourist literature such as pamphlets, guide books and posters, issue of advertisements and participations in exhibition and fairs.

2.6.5 Tourist Distribution Section

It was to deal with the distribution of tourist publicity literature in India and abroad.

2.6.6 Tourist Information Section

Tourist offices were opened in Delhi, Mumbai, Calcutta and Chennai. By the year 1955, nine such offices were opened. The functions of the tourist offices in India included supply of up to date information on places of tourist interests to tourists after they had arrived in India, keeping in touch with all the segments of travel trade, assisting the tourists in the clearance of various travel formalities, distribution and display of tourist literature and periodic inspection of various facilities available for tourists. In addition to attending to
foreign tourists, the tourists, the tourist offices were also to cater the needs of domestic tourists.\(^6\)

### 2.7 ROLE OF ITDC IN TOURISM DEVELOPMENT

Tourism in India has taken rapid strides since 1966 when ITDC was set up. ITDC’s most significant success has come from the growth it has stimulated all over the country, ITDC broke new ground and extended the frontiers of Indian tourism. It was in the city of Bangalore that the first major step in this direction was taken. The opening of the Hotel Ashok gave the southern region a tremendous boost. A whole new experience of India has opened to international tourism, and private enterprise, following ITDC’s lead came forward to build hotels in the south.\(^7\)

The ITDC was on the threshold of introducing `day- return` tours between Mamallapuram and Kancheepuram, and Pondichery, besides longer duration tours to the Navagrah temple and hill stations. The ITDC was engaged in up-grading its duty –free shops to provide them not only a new look but also reflect traditional culture.\(^8\)

### 2.8 TOURISM AND FIVE YEAR PLANS

Under the different Five Year Plans the Indian Government had been taking consider efforts to develop tourism industry in the country.

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2.8.1 First Five Year Plan

The first five year plan covered the period 1951-56. At that time tourism was not a conspicuous economic activity and that tourism was not given a specific allocation. However many promotional schemes for tourism were take up. During this period tourist promotion offices in India were established at 9 places. During the period foreign tourists arrivals registered a compound growth of 8.6 percent per annum and foreign exchange earnings from tourism registered 10 percent growth.

2.8.2 Second Five Year Plan

The second plan (1956-61) recognized tourism as a significant industry and made a small, but specific allocation for tourism. A modest allocation of Rs. 3.36 crore was made for the development of tourism infrastructure.

2.8.3 Third Five Year Plan

The third plan (1961-66) made an allocation of Rs. 8 crore, again a small allocation, considering the vastness of the industry. During this plan period infrastructural facilities that were commissioned during II plan were completed. Ten percent annual growth in earnings and 2 percent growth in foreign tourists arrivals took place during the period.

Annual plans were adopted for 1966-67 and 1968 -69. During the three annual plan periods total of Rs. 7 crore were allotted for the tourism sector. The Indian Tourism Development Corporation (ITDC) was set up. Ministry of
Tourism and Civil Aviation was established, with two full fledged departments, viz., Department of Tourism and Department of Civil Aviation. Tourists arrivals registered a growth of 6 percent per annum during the period.

2.8.4 Fourth Five Year Plan

The broad approach of IV plan was to expand and improve tourist facilities with a view to promoting destination traffic as distinct from transit traffic. An outlay of `36 crores was proposed for tourism including `25 crore for the central programmes and `11 crores for the states. The provision in the central sector included `14 crores for the department of Tourism and `11 crores for the ITDC. Foreign tourists arrival registered substantial growth, about 15 percent compound annual growth during the period.

2.8.5 Fifth Five Year Plan

The fifth plan made a provision of `2362 crore for the Department of tourism and `17.12 crore for the Department Corporation. In the state sector an outlay of `32.21 crore was made, making the total outlay to `73.95 crore. The outlay in the V plan was more than double the amount provided for in the IV plan.

2.8.6 Sixth Five Year Plan
During the VI plan, the major objectives of the investment in the tourism sector were to optimize the use of existing capacity and to increase substantially tourist accommodation in the public and private sectors. An outlay of `187.46 crore had been made in the plan for 1980-85 which included `115.46 crore for the state sector. Of the central sector share, `30 crore were provided to the Department of Tourism and the balance to the ITDC. Investment of the tune of `5100 crore in Indian railways, `2252 crore in the Airways and `4625 crore in the roadways was decided upon. This would help the tourism industry.

2.8.7 Seventh Five Year Plan

For the seventh plan period, the aim was to achieve an annual growth rate of 7 percent in the tourists arrivals. An outlay of `326.16 crore was provided in the seventh plan 1985-90 which include `138.68 crore in the central sector and `187.48 crore in the state sector.

2.8.8 Eighth Five Year Plan

The eighth plan had as its thrust acceleration on the overall growth of tourism. During the five–year period the centre spent `425.87 crore on a diversified spectrum of services including adventure tourism, wildlife and beach resort development.

2.8.9 Ninth Five Year Plan
The plan approach would be to concentrate on a few selected centre and circuits to achieve a balanced development of infrastructure in an integrated manner. The Planning Commission has approved an outlay of `511.32 crore as budgetary support during the five year period, ending 31st March 2002⁹.

2.8.10 Tenth Five Year Plan

The tenth plan objective is to integrate tourism with the socioeconomic objectives of the plan by creating 3.6 million jobs a year through the promotion of domestic and international tourism and to enhance India’s share of international arrivals from 0.38 percent to at least 0.62 percent by 2007. The New Tourism Policy 2002, introduced in this plan period. The tenth plan target of the creation of 18 million jobs through tourism requires substantial investments of `38,800 crore at the rate of 47 jobs per one million rupees of investment, both from the public and the private sector. The central sector outlay for tourism during the 10th five year plan is `2,900 crore¹⁰.

2.8.11 Eleventh Five Year Plan

Though the working group on Tourism for Eleventh Five Year Plan has recommended a target of 10 million international tourist arrival by 2011,

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the vision document presently being drafted by Mote visages achievement of this target by 2010. As per this strategy, target for the year 2011 will be 10.25 million. This target is proposed to be achieved through diversification of principal source markets, improving the infrastructural facilities such as airports, roads, civic amenities at the tourist destination, increasing the air seat capacity and connectivity, vigorous publicity, etc. For the domestic tourism, the target to be achieved in 2010 and 2011 will be 725 million and 812 million respectively assuming an annual growth rate of about 12 percent over the level of 461 million domestic tourist visits in 2006.

To achieve the above goals, suitable measure would be taken for:

- Positioning and maintaining tourism development as a National priority activity.
- Enhancing and maintaining the competitiveness of India as a tourist destination
- Improving India’s existing tourism products further and expanding these to meet new market requirements.
- Creation of world-class infrastructure.
- Developing strategies for sustained and effective marketing plan and programmes.
- Developing human resources and capacity building of service provider.

2.9 TOURISM INDUSTRY IN TAMIL NADU

Tamil Nadu is the land of the Tamils and it has a history that dates back to several thousand years. It is a land where traditions and culture blend and

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continue to live in harmony. The state abounds in monuments and temples that are ancient and each has its own story of religious, artistic and cultural accomplishment and specialty waiting to be heard\textsuperscript{12}.

Tamil Nadu is a window to the modern south as much as it is an archive of ancient legacies. Yet amazingly, for all its modernity, Tamil Nadu retains its old-world charm. The blend of the ancient and the new and the picturesque is truly remarkable. It is the land that has seen the rise and fall of many ancient kingdom– the Cholas, the Pandyas, the Pallavas and many others, each leaving behind indelible cultural treasures from Chennai, the capital and gateway to Tamil Nadu.

Tamil Nadu is also the home of Carnatic music and Bharatha Natyam, a legacy of temple songs and dances handed down through the centuries, the home of many sately school of art and architecture, and of great cultures and philosophies, gloriously ancient, a proud preserver of India’s traditions, now magnificent, modern and splendid\textsuperscript{13}.

Tamil Nadu, a tropical state in southern peninsular India is encompassed by the Bay of Bengal on the east, Western Ghats Mountains on the west, the Indian Ocean on the south and the Deccan Plateau on the north. The topography of Tamil Nadu is delightfully varied and diverse. Of the 130058 sq.km. land area, 17.6 percent is covered with forest area. The flora and fauna found in these forest and lands are spectacular. There are 5 National Parks and 17 Wildlife Sanctuaries in Tamil Nadu. 123 plants have been identified in Tamil

\textsuperscript{12}http://www.tamilnadutourism.org/.

\textsuperscript{13}Department of Tourism., (2003), “Tourist Map of Tamil Nadu”, Chennai, December.
Nadu by the Botanical survey of India as endangered. Forest and hills of Tamilnadu could be explored by trekking, hang-gliding and other adventure sports. The valleys are ideal playground for gold\textsuperscript{14}. Tamilnadu boasts of several ideal locations to attract the visitors, who have concern on preservation of ecology. The eco-friendly areas of Tamilnadu are for exploring the nature at its best and to be a part of it.

2.10 TOURISTS ARRIVALS IN TAMIL NADU

Despite the downturn, tourist arrivals in the State have registered a significant increase, more than 626 lakh domestic tourists and over 20 lakhs foreign tourists visited the State in 2008. This represented a 23.4 per cent increase over that of the previous year. The length of average stay of the domestic tourist was four to five days. This figure was seven days in the case of a foreign tourist. After the Centre began issuing medical visas with validity of up to one year to patients and their attenders, the number of medical tourists arriving in the State in 2008 has more than doubled; from 3,307 in 2007 to 7,307 in 2008. In 2006, the figure was 566.

The department was in the process of improving facilities in most locations and entering into tie-ups with private agencies where required. TTDC had franchised 24 hotels and seven restaurants to private hoteliers for 10 to 15 years. It had purchased modern boats at a cost of ` 90 lakhs. They had helped the TTDC to augment revenue from boathouses and register a revenue growth of 30

\textsuperscript{14} The Department of Tourism., (1998), \textit{“Rendezvous with the Nature - The Wild Life ,Tamil Nadu”}, Chennai, March, pp.2-3.
per cent in 2008-09 (` 7.74 crore) compared to the previous year. TTDC had
earned the distinction of being the first State tourism corporation to introduce
online booking of its tours and hotels. The earnings from bookings had increased
from ` 14.97 lakhs in 2004-05 to ` 138.7 lakhs in 2008-09\(^\text{15}\).

\[
\text{TABLE 2.3}
\]

\text{TOURIST ARRIVALS IN TAMIL NADU FROM 2000-2010}

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic tourists arrival in Tamil Nadu (in lakhs)</th>
<th>Foreign tourist arrival in Tamil Nadu (in lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>229.82</td>
<td>7.86</td>
</tr>
<tr>
<td>2001</td>
<td>238.12</td>
<td>7.73</td>
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<tr>
<td>2002</td>
<td>246.61</td>
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<td>2009</td>
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<td>23.7</td>
</tr>
<tr>
<td>2010</td>
<td>1030</td>
<td>28.05</td>
</tr>
</tbody>
</table>

Source: Ministry of Tourism, Govt. of India, for 2010 & 2011.
From the table 2.3 it is clear that there is an increase in the arrival of domestic and foreign tourists in Tamil Nadu over the past eleven years from 2000 to 2010. 1030 lakhs domestic tourists and 28.05 lakhs foreign tourists visited the State in 2010.

2.11 TAMIL NADU TOURISM DEVELOPMENT CORPORATION (TTDC)

The Tamilnadu tourism development corporation set up in 1973 has engaged in raising infrastructure for promotion of tourism industry in the state. As a commercial concern this Corporation has been running a chain of hotels and restaurants in Tamilnadu which cater to the needs of the foreign and domestic tourists as well. The TTDC has good co-ordination with the tourism departments of other states and tourism trade organizations for better liaison for the successful conduct of tours in other parts of the country.  

2.12 EMPLOYMENT GENERATION

The direct employment in the sector during 1997-98 was about 9.8 million persons. It accounts for about 2.4 percent of the total labour force. Tourism also encourages preservation of monuments and heritage properties and helps the survival of art forms, crafts and culture. India is a multi destination country with a variety of tourist attractions and facilities.

“No Hotels – No Tourism” is the slogan. Hotel industry depends on the expansion of tourism. Hotel industry is directly linked with tourism so much so that it is responsible for about 50 percent of the foreign exchange

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earnings from tourism. The hotel and catering industry is an important sector of the tourist infrastructure of the country. Hotels have a direct impact on rural development and employment generation. The industry has used handlooms, handloom carpets and handicraft, art facts for decoration. It encourages substantial investments in shops and arcades in hotels. Textile, furnishing, furniture, machinery, food stuffs, breweries, crockery and handicrafts are some of the industries directly benefited. The industry also requires the services of professionals like architects, accountants, contractors and interior decorators\(^\text{17}\).

The contribution of the travel and tourism economy to employment is expected to rise from 49,086,000 jobs in 2010, 10 percentage of total employment or 1 in every 10 percentage jobs to 58,141,000 jobs, 10.4 percentage of total employment or 1 in every 9.6 jobs by 2020\(^\text{18}\).

### 2.13 FOREIGN EXCHANGE EARNINGS

Tourism is one of the third largest net earners of foreign exchange for India, recording earnings of USD10.73 billion in 2007, up 24.3 percent year on year. In 1951, international tourism arrivals stood at around 17,000, but have now gone up to 5.08 million in 2007. This sector is also one of the sectors that provide huge employment opportunities\(^\text{19}\).

#### TABLE 2.4

**FOREIGN EXCHANGE EARNINGS FROM TOURISM IN INDIA**

**(2000-2010)**


<table>
<thead>
<tr>
<th>Year</th>
<th>Foreign Exchange Earnings in India (in crore)</th>
<th>Percentage change over the previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>15626</td>
<td>20.7</td>
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<tr>
<td>2001</td>
<td>15083</td>
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<td>2002</td>
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<td>2007</td>
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<td>14.4</td>
</tr>
<tr>
<td>2009</td>
<td>54960</td>
<td>8.3</td>
</tr>
<tr>
<td>2010</td>
<td>64889</td>
<td>18.1</td>
</tr>
</tbody>
</table>

Source: Ministry of Tourism, Govt. of India, for 2010 & 2011.

Table 2.4 shows the foreign exchange earnings in India over the past eleven years from 2000 to 2010. During the year 2010 the growth rate in foreign exchange from tourism was `64889 crore as compared to `54960 crore in 2009. This worked out to a growth rate of 18.1 per cent as compared to 2009, and 8.3 per cent during 2008 as compared to 2007.

2.14 CONCLUSION

India has a perfect blend of culture, tradition, historical and religious significance, river side picnic spots as well as hill top location with scenic beauty nearby. Thus the country has vast potential for the growth of tourism, fulfilling the expectation of tourists with diversified interests. The opportunities for employment generation and growth in business activities need to be capitalized. The roles of the government centre, state and local
administration are vital in planning, promoting and sustaining tourism schemes.

Accordingly, the schemes should also take care to involve the local people and private institutions. Thus a pragmatic effort with the participation of people will certainly make India a prime centre in the tourism map of world.