Chapter -1

TOURISM : HISTORICAL PERSPECTIVE
# Contents

<table>
<thead>
<tr>
<th>i.</th>
<th>Historical Background</th>
<th>13</th>
</tr>
</thead>
<tbody>
<tr>
<td>ii.</td>
<td>Definition</td>
<td>18</td>
</tr>
<tr>
<td>iii.</td>
<td>Benefits</td>
<td>25</td>
</tr>
<tr>
<td>iv.</td>
<td>Growth of International tourism in India from 1993 to 2004</td>
<td>29</td>
</tr>
<tr>
<td>v.</td>
<td>Foreign Exchange earning from tourism from 1993 to 2004</td>
<td>31</td>
</tr>
</tbody>
</table>
Tourism: Historical Perspective

Historically, people have been travelling from a very ancient period. But travel in the beginning was simple because there were no frontiers so there were no travel formalities. Later on innovations during Neolithic age changed the nature of travel around 3500 BC when Sumerians invented the wheels and from that date this wheel hasn’t stopped and reduced the large distance to a matter of hour. Earlier travel was not undertaken for the pleasure or for holidays, it was related to the trade, exchange of goods and commerce thus early travelers were traders and merchants though some were Pilgrims, Scholars and curious people.

Travellers from distant land moved in large numbers and explored many places for the purpose of commerce. Contacts developed between traders of different lands led to increase in trade and commerce and these contacts or relations later developed into cultural relations. People then understood each other’s way of life. Some of the earliest travelers probably were the Phoenicians. They were probably the first real travelers in the modern sense who were also credited with the invention of money. Earlier both India and China were famous as the countries of immense wealth where trade and commerce flourished. Although trade and commerce continued to be strong force for many travelers to undertake journeys to a different and distant land.

Another strong force for the movement was to seek knowledge and to explore new lands. The earliest travelers from the distant lands to the Indian soil were the Persians. Due to this, Persian influence can be seen in the court of Chandragupta Maurya. Great traveler and a devout Chinese Buddhist Hieun-tsang came to India around 633AD with the mission of collection and translation of ancient Buddhist scriptures. Later on travel for religious purpose assumed a great importance in India Emperor Ashoka traveled a lot to spread doctrines of Buddha. Through his travel he set special memorials at each spot and also rest houses for the travelers. His daughter and son also traveled a lot to spread Buddhism. Harshawardhana was another traveler who was greatly influenced by the Buddhist scriptures and he built inns and dharamshalas for the travellers.

When Alexander the great reached India he found well maintained roads covered with shady trees along the royal highway of 1920 km long and about 19 meters wide. People traveled in chariots, palanquins, bullock carts, on horses camel and elephants.
The first medieval traveler to reach the Asia was probably the Jewish Scholar-
Benjamin of Tudela, who left Saragossa in the year 1160 AD. He wrote a detailed
account of his journey. Another famous traveler Ibn Batuta traveled through Africa
and west Asia, Sindhu, Indonesia, China, India, Maldives and Ceylon. Similarly Marco Polo undertook his journey to Persia, Afghanistan and China, and
way back to home he stopped in Sumatra, Java, India and Ceylon. In 1498 Vasco da
Gama discovered the sea route from Western Europe to India.

In the sixteenth and seventeenth centuries many European monks, travelers and
adventurers visited India in search of knowledge and adventure but the concept of
pleasure travel is associated with Roman Empire. Romans were the first pleasure
travelers. Wherever they went they built the network of roads, published the travel
literature showing routes and names of roads and the distance between various places.
The Romans traveled during holiday occasions, particularly the famous Olympic
games, to Spa and to seaside resorts for pleasure. Later on the Spa’s having medicinal
baths and various forms of entertainments too were extremely popular with the
travelers. Thus concept of pleasure travel was very common in the Europe. The
seaside resorts developed as an alternative to the original inland spa thus by the year
1865 number of seaside resorts were developed in Britain, France, Italy, Central
Europe and this development was a result of a demand for vacation travel. Now the
Spa’s and seaside resorts ease the way for the modern pleasure travel.

By the end of fifteenth century, Italy was Europe’s economic and cultural leader.
There was fully developed network of roads and a full-scale urban system. A growing
number of young noblemen were being sent abroad to complete their education in
France and Italy; new wealthy and educated people visited other countries for
historical and cultural reasons. The thirty years of the eighteenth century from 1763 to
1793 were the golden years for the tourism because the number of tourists had
multiplied. Many poets, authors and intellectuals visited Italy and other countries to
broaden their knowledge and to learn new arts and crafts. These golden years paved
the way for the popular tourism of the nineteenth and twentieth centuries.

The introduction of annual holiday in Europe was another factor that pushed many
people to travel in large numbers. The term holiday is derived from the holy days and
associated with religious observance. In the present day a holiday means a rest from
the daily routine and a time for leisure and recreation. The concept of modern annual
paid holiday is an outcome of Industrial revolution because growth and development of travel has a close link with the growth and development of the society. In nineteenth century a great technological development i.e. advent of railways took place in England, then in Europe and America, which resulted in the growth of travel in general. Carrying of goods from industrial center to the center of trade and commerce further gave wings to the industrialization and eased the travel of the passengers from the place near to their residence to pleasure spots and it was within the reach of many people. Thus resulted in to the development of short day trips. Later on, railway offered excursion tour to the public at special fare. Ultimately on Thomas Cook gave birth to the organized rail travel. In 1841 he organized the rail travel for 570 passengers at a specially reduced return fare (Midland countries railway), then he arranged a number of trips on fully commercial basis. In year 1855 he organized the first all-inclusive tour to the Paris exhibition. Introduction of railway into England opened the door for many neighbouring countries to introduce railways into their countries. Consequently railway tracks were laid in France, Austria and Switzerland and America. It was estimated that in the year 1881 the railway carried out over 600 million passengers. All of them however were not excursionists. In 1870s in America G.M Pullman developed the Pullman coaches with luxury furnishing and fine dining facilities that led to the development of travel with comfort and pleasure. In India too construction of railways took place in the same century. After a long negotiation, construction work was given to an English company M/s Faviel & Fowler and on 16th April 1853 first train run over 33 km between Bombay to Thane had taken place in India. From that little start India is now the world’s second largest railway system under one management. During the 19th century in America sailing ships were built and thus use of the ships as a cruise started in the nineteenth century. In the second half of nineteenth century development of Industrial societies took place and as a result growth in travel was recorded. Societies developed into North America and Western Europe gave rise to the thinking of travel for purely rest and relaxation and thus the concept of modern day tourism had it seeds in the development of industrialized societies of Western Europe and North America. Industrial revolution led to the emergence of working class. This working class was the group of the large-scale migrants from the countryside to towns and cities. Thus the sudden increase in
population in towns and cities made them worse with crowded and busy life. This resulted into the emergence of need to escape from the routine work to get some relief. The prosperous and well to do people faced towards the various resorts (seaside or hills) for rest and recreation. To cater to the increase in number of such people a number of resorts had been developed. Many pleasure zones were developed near the large cities and towns of Europe e.g. French Rivera in Nice.

Later on industrialization brought better working conditions and increases in material wealth for a large number of working class and enabled them to avail holidays for relaxation and pleasure. Thus more holiday resorts developed. Increases in the purchasing power and disposable income are the two important factors, which stimulate the growth of pleasure zones. By the end of century many resorts were developed to cater to the increasing need of the holiday seekers.

By the turn of twentieth century there were witnessed changes in mental attitudes towards pleasure seeking, recognized value of travel for education, increase in material wealth with social status, an increase in the need to find relief from daily routine work, improvement in passenger transport system. All these factors produced a fertile ground for the development of tourism on a large scale. Up to the first quarter of the century pleasure travel was essentially a luxury commodity within the reach of affluent and rich class having free time and considerable purchasing power. This class emerged as a result of increasing prosperity through industrialization and urbanization. However a large working class was still not benefited. Tourism could flourish in peaceful atmosphere only. During World War I there was a considerable decline in tourist travel all over the world but it was temporary and after the war it reached its previous level. Gradual development of mass communication system i.e. presses and radio widened the knowledge and created interest in the people to know about other countries and culture. This attitudinal change was a positive sign for the tourism development and created an atmosphere for flourishing the tourism. In the year 1929 Switzerland, Italy, Austria, Spain, Great Britain received a considerable number of tourists. In the twentieth century motorized private vehicles and public road transport as well as improved road conditions resulted into the tremendous growth of tourism. Europeans developed the holiday habits, as they preferred to move with motorcar. With the attention paid to the recreation of the working class people, few factories provided paid holidays to their workers in some countries of the west.
This introduction of concept of annual paid holidays led to the development of mass tourism. By the year 1939 in UK some eleven million people were covered by the **Holidays With Pay Act (1938)**. When fourteen countries mostly European had enacted general legislation on paid holidays, soon afterwards tourism recorded an extraordinary growth. Paid holidays are now established all over the world and in some countries a minimum of one to three weeks of holidays are specified either by law or by collective agreement between the employer and worker. Now a days world wide more than 500 million wage earner are entitled to paid holidays, which consists of 50 percent of Europe, less than 30 percent of the Americans and rest of the Asia and Pacific.

Due to World War II economic destruction and political instability occur and affected the growth of travel and tourism but again it got climbed to its previous level in post World war period.

During the period of ten years from 1955-1965 the number of tourist arrival in some sixty-five countries increased threefold i.e. from 51 million to over 157 million. In the year 1976 there were 220 million international tourist arrivals in the world. This period of ten years from 1965-1976 was a period of high economic and technological development in most of the industrialized countries, which earlier suffered during the World War II. Many developing countries too benefitted from this growing trend of tourism in developed countries. Though due to energy crisis at the end of 1973 there was a steep fall in tourist movement but it got a boost again.

The late twentieth century period can thus be termed as a period that is responsible for introducing a phenomenon called “Mass Tourism”. Now tourism has become a part of the lifestyle and consumption pattern. Development of air transport leads to a growth of international tourism. Long distance was now matter of minutes and hours.

Further improvement in the speed, safety and comforts provided by the new civil aircrafts gives boost to international as well as intra regional tourism. Introduction of lower fare schemes with maximum facilities resulted in the increased traffic and has given the birth to package holidays. International tourism as today is largely shaped by air travel. In some countries introduction of all-inclusive tours (travellers are carried on charter flights at rates substantially below the normal scheduled service fares.) was another reason for the development of mass tourism. Further rising per
capita income and rise in prosperity had increased the purchasing power and majority of people were engaged in a phenomenon called tourism.

Now-a-day variety of holiday packages of short duration and long duration are available to the people. Travel for pleasure that was considered, as a luxury has now become a normal activity and a part of lifestyle. India because of its economical packages, rich biodiversity, cultural diversity, heritage and natural beauty etc. has now become a hot spot for tourism.

**Definitions of Tourism**

Over the years the definition of tourism has undergone a change alongwith the historical changes. Tourism like any other economic activity creates a demand and provides a market for a number of other normal industries According to G Janta tourism could be divided into two sectors, the dynamic sector and the static sector. The dynamic sector includes the activities of tour operators, travel agents, transporters and other ancillary services of the static sector look after ‘the sojourn’ part of tourism-the demand for accommodation, food and refreshment.

The word “tourism” is related to “tour” which is derived from the Latin word “Tornos” means a tool for describing a circle or turners wheel. In 1643 the term was first used in the sense of going round, a journey start from the principal place to another places and ends at the principal place.\(^5\)

Tour is Hebrew word. It derives its meaning from the Hebrew term ‘Torah’ means learning, studying and search. “Torah” is the name given to the Jewish Law – the book that defines the Jewish way of life.\(^6\)

A tour is an attempt by the traveler to discover something about a place he visits. A tourist wants to himself about which he had heard from others.

In Sanskrit literature there are three terms having the word ‘atna’ which means going or leaving home for some other place. These three terms are –

1. Paryatana – means going out for pleasure and knowledge.
2. Desatana – means going out of country primarily for economic gains.
3. Tirthatana – means going out to the places of religious fulfillment.
But the definition adopted by the International Association of Scientific Expert in Tourism (AIEST) is given by the Swiss professors Hunziker and Krapf, which is as follows-

"Tourism is the sum of the phenomenon and relationship arising from travel and stay of non residents, in so far as they do not lead to permanent residence and are not connected with any earning activity" This definition however exclude day trips, business trips etc., it emphasis travel and stay.

In the view of the scholar, Tourism, in simple words, is the temporary movement of the people from a well known (domiciled) place to a strange place in search of pleasure to satisfy their urge either related to sex, money, religion, learning, health, adventure, education or spirituality or related to the fun just the way they enjoy. The money they earned at the domiciled place spent on the strange places they visit, to buy the desired services or the things and thus strengthen the economy of that place characterises tourism. Thus tourism is like blood in the world economy because it has direct as well as indirect effects on almost every sector of the society of a nation (social, cultural, educational, economic, ecological etc.) and no other industry has such multidimensional impacts.

Dr Zivadin says, "It is a social movement with a view to rest, diversion, and satisfaction of cultural needs."^7

According to Ziffer (1989), "Tourism involves traveling to relatively undisturbed or uncontaminated natural areas with the specific object of studying, admiring and enjoying the scenery and its wild plants and animals, as well as any existing cultural aspect (both past and present) found in these areas."^8

The League of Nations in 1937 recommended that tourism covers the social activity of those who travel for a period of twenty-four hours or more in a country other than the one a person usually lives in. However the limitation to this definition was that it excluded domestic and emphasized only on international tourism.
The Rome conference on tourism in 1963 adopted the recommendation to replace the term “tourist” with the term visitor and defined tourism as a “visit to a country other than ones own or where one usually resides and works” for the following reasons:

I. Tourism- The activity of temporary visitors staying at least 24 hours for leisure, business, family, mission or meeting.

II. Excursion – The activity of temporary visitor staying less than 24 hours but excluding people in transit.

This definition also excluded the domestic tourist, although it did recognize the day visitor.

The tourism society of Britain in 1976 defines “Tourism is the temporary, short term movement of people to destinations, outside the places where they normally live and work and their activities during their stay at these destinations, including day visits and excursions.

AIEST in 1981 refined this concept and said “Tourism may be defined in terms of particular activities selected by choice and undertaken outside the home environment. Tourism may or may not involve overnight stays away from home.

Primault define tourism as “Exploration of all that is unknown in all sphere of human activity and in all aspects of nature. It is also the search for rest response for health quitted in a co genial and comfortable atmosphere.9

Tourism is a service-based industry comprising a number of tangible and intangible components. The tangible elements include transport, foods and beverages, tours, souvenirs and accommodation, while the intangible elements involve education, culture, and adventure or simply escape and relaxation.

Tourism can be defined as the act of travel for the purpose of recreation and the provision of services for this act. A tourist is someone who travels at least fifty miles from home, as defined by the World Tourism Organization.
A more comprehensive definition would be that tourism is a service industry, comprising a number of tangible and intangible components. The tangible elements include transportation systems - air, rail, road, water and now, space; hospitality services - accommodation, foods and beverages, tours, souvenirs; and related services such as banking, insurance and safety & security. The intangible elements include: rest and relaxation, culture, escape, adventure, new and different experiences.

Much sovereignty, along with their respective countries and states, depend heavily upon travel expenditures by foreigners as a source of taxation and income for the enterprises that sell (export) services to these travelers. Consequently the development of tourism is often a strategy employed either by a Non-governmental organization (NGO) or a governmental agency to promote a particular region for the purpose of increasing commerce through exporting goods and services to non-locals.

Sometimes Tourism and Travel are used interchangeably. In this context travel has a similar definition to tourism, but implies a more purposeful journey.

The term tourism is sometimes used pejoratively, implying a shallow interest in the societies and natural wonders that the tourist visits.

Hunt and Layne (1991) acknowledge the problems of defining travel and tourism. They say that travel was the most accepted term until 1987 and that since that time tourism is the accepted term used to "singularly describe the activity of people taking trips away from home and the industry which has developed in response to this activity."

Other experts, such as Gunn (1994) believe that tourism "encompasses all travel with the exception of commuting" and that it is more than just a service industry.

McIntosh and Goeldner (1986) say that "tourism can be defined as the science, art, and business of attracting and transporting visitors, accommodating them, and graciously catering to their needs and wants". They also introduce the notion that tourism is interactive in that they believe that "tourism may be defined as the sum of the phenomena and relationships arising from the interaction of tourists, business
suppliers, host governments, and host communities in the process of attracting and hosting these tourists and other visitors.

D'Amore (1987), Taylor (1988), and Dann (1988) say that tourism is not only an interactive process but also a vehicle for world peace.

Nash (1989), on the other hand, views tourism as a "form of imperialism" - a dichotomy of have and have-nots with lesser-developed countries serving the pleasures of the more developed countries.

Shames and Glover (1989) combine this duality by positing the notion that the "service experience" of tourism is a "social experience: and as such involves "human interaction" whose "nature or form is determined by the culture or cultures of the interacting individuals"

The evolved definition of Smith and Eadington (1992) simply states "tourism is in fact a significant social institution".

All these definitions indicate that tourism has expanded in its range and scope. The concept of tourism has broadened to include all forms of the phenomenon of leisure activity.

Tourism comprises the 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 not related to the exercise of an activity remunerated from within the place visited.

Tourism is different from travel. In order for tourism to happen, there must be a displacement: an individual has to travel, using any type of means of transportation.

Three criteria are used simultaneously in order to characterize a trip as belonging to tourism. The displacement must be such that:

- It involves a displacement outside the usual environment: this term is of utmost importance.
• **Type of purpose:** the travel must occur for any purpose different from being remunerated from within the place visited: the previous limits, where tourism was restricted to recreation and visiting family and friends are now expanded to include a vast array of purposes;

• **Duration:** only a maximal duration is mentioned, not a minimal. Tourism displacement can be with or without an overnight stay.

**Mass Tourism**

Mass tourism did not really begin to develop until two things occurred.

a) Improvements in communication allowed the transport of large number of people in a short space of time to places of their interest.

b) Greater numbers of people began to enjoy the benefits of leisure time

However it was with economical air travel in combination with the package tour that international mass tourism developed afterwards.

In recent year holidays or vacations have become more popular due to increase in people's disposable income. Typical combinations are a package to the typical mass tourist resort, with a winter skiing vacation or weekend break to a city or national park. Thus Mass tourism is a large-scale movement of tourists and development of a standardized product.

Earlier tourism was a privilege enjoyed exclusively by the wealthy but now it is not a luxury. It is a basic right for all people. Concept of paid holidays has given birth to mass tourism. The amount of leisure time available in developed countries and in metropolitan cities of the developing countries has been increasing. People want to spend this time for holidaying Mass tourism is an indicator of profound economic and cultural change.

When large number of people participates in tourism, it is called Mass tourism. It is essentially a quantitative motive and is based on the proportion of population participating in tourism or as the value of tourist activity.\(^\text{10}\)

Mass tourism involves the movement of large number of tourists with relatively little surplus income. Mass tourism depends on the availability of free time. More free time makes the people long to spend it in holidaying outside their homes and this led to growth in mass tourism.
Ageing of population with disposable income has further added to the demand for tourism. Changes in transport technology: by air as well as by land and sea, have accelerated travel at economical prices with special care and comfort. This has brought about boost in demand for holidays tours. Growth of a number of companies who sell package tours at a relatively low cost further promoted the phenomenon called the mass tourism.

The factors contributory to the growth of mass tourism can thus be identified as listed below:

1. Sustained prosperity and consequent rise in the income of the people.
2. Easing of travel regulations.
3. Increase in the paid leisure time.
4. Rise in educational standard.
5. Reduction in the size of the family.
6. Development of good communication system.
7. Development of variety of accommodation.
8. Development of good transport system.
10. Monotony of work life in an industrialized society.
11. Growth in the number of international conferences. Many companies organized conference for their employees/ dealer’s meet in Hill stations.
12. Fear of terrorism in Kashmir valley has led to shifting of tourists towards peaceful Himachal.
13. Today every leading Newspapers and news magazine has a travel page. Tour operators and travel agencies are promoting tourism as a part of the benefit of rising income level of the growing Indian middle class.
14. Availability of economical tour packages marketed by tour and traveling agencies
15. Increased competition among the various airlines.
16. Availability of economical air fares coupled with accommodation and sightseeing’s.

In short availability of 3 A’s – Accessibility, Accommodation, and Attractions resulted into mass tourism.
Benefits of Tourism

Personal Value

- Millions of people regard their travel-days as some of the most important days in their lives. These are the special days they have saved for and dreamed about.
- The pleasure trip becomes a form of reducing tension and is therefore vital during times of personal stress and national crisis.
- Visiting natural areas provides opportunities for private contemplation ("getting centered") and multiple unique experiences that are unattainable elsewhere.

Increased Knowledge & Concern

- Improved knowledge of other people, areas, and natural resources will always lead to a greater understanding of and concern for these people, areas, and natural resources.
- Travel is a means of raising the level of human experience and achievements in areas such as education, research, and artistic activity.

Economic Benefits

- Every country now views tourism as an important factor in national prosperity
- It has been said that each dollar invested in the tourism industry creates more jobs than each dollar invested in an automobile factory.
- Reports show that the tourism dollar is shared by over seventy distinguishable types of enterprises in just two rounds of spending.
- Tourism is characterized by the existence of a large number of very small businesses that support & are supplementary to the industry. As tourism flourishes so do they. Plus, not only does the tourist contribute financially to a specific area through direct expenses, but also there is a multiplier effect as those tourist dollars are spent on other indirect expenses related to the trip. The
dollars from tourism quickly filter down to a broad cross-section of the population so that the entire community shares the benefits of tourism.

One of the major benefits to the economy is the Multiplier effect that is a basic economic concept, refers to changes in the level of activity that brings further changes in the level of other activities throughout the economy. When an injection of expenditure into an economy leads to an increase in national income more than the original injection, this is the multiplier effect. In other words, the multiplier effect is the effect from continuous re-spending of incomes.

What is the multiplier? The multiplier indicates how many times that the injection of original spending circulates through a local economy. As a result of re-spending, it benefits the local people. According to "Tourism: Economic, Physical and Social Impacts", "tourists expenditures in a destination creates new incomes and outputs in the region which, in turn, produce further expenditures and incomes.

The income multiplier considers three levels of impact created by the change in tourist expenditure, which includes direct spending, indirect spending and induces spending. Let us look at the illustration in the following Example

**Direct impact**
A tourist stays in a hotel and eats at the food establishment there. The tourist pays for the hotel accommodation, food and beverages. (This is the tourist’s initial spending in a hotel, which creates direct revenue to the hotel).

**Indirect impact**
Upon receipt of the tourist dollars, the process of re-spending begins. The hotel makes payments to its employees, suppliers, and so on. (This is the indirect effect of the tourist’s initial expenditure, which creates additional income and employment for the local economy).

**Induced impact**
The employees receive incomes and consume on goods and services. The supplier replenishes its stock makes payments of wages to their employees etc. (This is
induced effect of the tourist’s initial expenditure, which creates further economic activities.

To calculate the income multiplier, one of the simplest ways is to add "direct, indirect and induced spending" then divide by the direct spending as shown below

Direct + Indirect + Induced Expenditure/Direct Expenditure

For example direct expenditure is $500
Indirect expenditure is $300
Induced expenditure is $150

The multiplier = ($500 + $300 + $150)/ $500 = 1.9

Because the circulation of spending usually involves more "rounds of spending" in the induced sector and the income will continue to generate in each stage until the spending becomes negligible thus it should be greater than 1.9

Promotion & Protection of Natural & Cultural Areas

- The creation & preservation of wildlife sanctuaries and parks as well as national monuments and other cultural resources are often encouraged when tourism begins to be a force in the society.
- Nature–based tourism provides unique, regional experiences that create an awareness of the special value of the natural areas visited.
- When properly managed, nature-based tourism is a way of offering low-impact experiences that bring unending benefits to tourist & ultimately to the resource itself through efforts to preserve its quality.

Growth of international tourism in India from 1993-2004

“If I were to look over the whole world of find out the country most richly endowed with all wealth, power and beauty that nature can bestow- in some parts a very paradise on earth – India.”

Max Muller, Indologist
The land of India is bestowed with a tremendous variety of tourist resources yet the country attracts only 0.38% share of the world tourism market and ranked on 53rd in global position on tourist arrivals in 2004. Though India figures among the 'top ten destinations' listed by Conde Nast Traveller and among the ‘top five destinations’ for individual travelers among 134 countries according to Lonely Planet. Yet despite a concerted campaign to attract foreigners to India, there were more Indians (4 millions) traveling abroad in 2003 than foreign tourist arrivals to India (2.78 millions). Compare these figures with the world leader France which had 80 million tourist arrivals in the year 2003 and China which had 43 million tourist arrivals in the same year. This brings to light where India actually stands and what it needs is to make rigorous campaign to attract tourists from the foreign lands.

Examining the international tourist arrivals from 1993-2004 we may find that it is increasing each year except a few.

Table No 1.1 brings to fore that the tourists arrivals in India in absolute terms doubled during the decade 1993-2004. From 17,64,830 in 1993 the number of foreign tourists to India jumped to 33,67,980 registering a percentage increase of 190.9%. But this period is marked with striking fluctuations from 1996-1998. The yearly increase of 12.6 percent in 1995 dropped to 7.7% in the subsequent year 1996 and further to 3.8% in 1997. There was a decline in 1998 when the foreign tourist arrivals in India dropped to 23,58,629 as compared to 23,74,094 in the previous year 1997. The high level of insurgency in the Kashmir valley “The paradise of the world” is attributed to this sharp decline in tourist arrivals from 1996 through 1998. However, there was resurgence of foreign tourist arrivals in subsequent years, which show a percentage yearly increase of 5.2 percent in 1999 and 6.7 percent in 2000. The year 2001 marks a watershed in the history of tourism on account of terror entering enter into the industry through 11 September episode. The industry badly suffered and the number of tourists coming to India registers a decrease of -4.2 and -6.0 percent in the year 2001 and 2002 respectively. Revival started from the year 2003 when the tourist inflow into India rose by 15.3 percent and further by 25.3 percent in the year 2004.
## International Tourist arrivals in India from 1993 to 2004

Table No 1.1

<table>
<thead>
<tr>
<th>Years</th>
<th>Arrivals</th>
<th>Percentage change</th>
</tr>
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<tbody>
<tr>
<td>1993</td>
<td>1764830</td>
<td>---</td>
</tr>
<tr>
<td>1994</td>
<td>1886433</td>
<td>6.9</td>
</tr>
<tr>
<td>1995</td>
<td>2123683</td>
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<tr>
<td>2003</td>
<td>2750290</td>
<td>15.3</td>
</tr>
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<td>2004</td>
<td>3367980</td>
<td>25.3</td>
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</table>

**Source:** Ministry of Tourism, Government of India, New Delhi.
Graphical presentation of International tourist arrivals

Source: Ministry of Tourism, Government of India, New Delhi
Foreign Exchange earning from tourism from 1993-2004

Tourism has born as an important invisible earner of foreign exchange all the time. Every tourist brings the foreign currency and spends it in the country he visits. Table No1.2 presents the foreign exchange earning together with annual percentage change during the last ten years through tourism in India.

Table 1.2

<table>
<thead>
<tr>
<th>Years</th>
<th>Foreign Exchange (In Crores)</th>
<th>Percentage change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>6465.72</td>
<td>---</td>
</tr>
<tr>
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<td>7129</td>
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<tr>
<td>1995</td>
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<tr>
<td>1998</td>
<td>12150</td>
<td>15.6</td>
</tr>
<tr>
<td>1999</td>
<td>12951</td>
<td>6.6</td>
</tr>
<tr>
<td>2000</td>
<td>14238</td>
<td>9.9</td>
</tr>
<tr>
<td>2001</td>
<td>14344</td>
<td>0.7</td>
</tr>
<tr>
<td>2002</td>
<td>14195</td>
<td>-1.0</td>
</tr>
<tr>
<td>2003</td>
<td>16429</td>
<td>15.7</td>
</tr>
<tr>
<td>2004</td>
<td>21828</td>
<td>32.8</td>
</tr>
</tbody>
</table>

Source- Ministry of Tourism, Government of India, New Delhi.
Table No 1.2 brings to fore that the foreign exchange earning by India in absolute terms increased more than threefold during the decade 1993-2004. From 6465.72 crores in 1993 and this figure jumped to 21828 crores registering a percentage increase of 237.5%. But this period is marked with striking fluctuations from 1997-2001. The yearly increase of 19.2 percent in 1996 dropped to 4.6% in the subsequent year 1997. In the year 1998 it rose by 15.6 percent but again in 1999 it is dropped by 6.6 percent. In the year 2000 India earned a foreign exchange of 14238 crores and thus registered a growth of 9.9 percent over the previous year. The year 2001 marks a watershed in the history of tourism on account of terror enter into the industry through 11 September episode. The industry badly suffered and the number of tourists coming to India decreased in a big way. As a result India earned 14344 crores as a foreign exchange. Further in the year 2002 foreign exchange earning by India show a negative trend, it is declined by -1 percent and thus India earned a foreign exchange of 14195 crores. Revival started from the year 2003 when the tourist inflow into India increased and foreign exchange earning registered a growth of 15.7 percent and further by 32.8 percent in the year 2004.

**Fig. 1.2**

Foreign exchange earning from International tourism from 1993 to 2004

Graphical presentation of foreign exchange earning by India

Source- Ministry of Tourism, Government of India, New Delhi.
References


6. Ibid., p 23.


