CHAPTER -II

Conceptual Frame Work 
and the Growth of 
Tourism In India
2.1 INTRODUCTION

The origin of the world ‘tourist’ dates back to A.D.1292. It has come from the word ‘tour’ a derivation of the Latin word ‘tornus’ meaning a tool for describing a circle or a turner’s wheel. It reveals the fascination of man and his urge to discover the unknown, to explore new and strange places and to seek the changes of environment and a strong will to undergo new experiences. In the first half of the seventeenth century the term was used for traveling from place to place, a journey, an excursion, a circuitous journey touching the principal parts of a country or a region. ‘The 19th century dictionary defines ‘tourist’ as a “person who travels for pleasure of traveling, out of curiosity, and because he has nothing better to do”. The term ‘tourist’ in the sense of a pleasure tour is, however, of recent origin. In the early nineteenth century, the term ‘tourist’ assumed a meaning of ‘one who makes a tour or tours, especially one who does this for recreation or who travels for pleasure, object of interest, scenery or the like.”

The international union of official Travel Organization (IUOTO), now called World Tourism Organization (WTO) has defined Tourist as a temporary visitor staying for at least 24 hours in a country visited when the purpose of the journey can be classified under one of the following headings:

(a) leisure-recreation, holiday, health, study, religion and sports, or

(b) business, family, mission, meetings.

Travellers staying less than 24 hours according to WTO are ‘excursionists’. According to the National Tourism Resources Review Commission which published its work in 1973, the term ‘domestic tourist’ means- “someone who travels away from his home for a distance of at least 50 miles (one way) for business, pleasure, personal affairs or any other purpose except to commute to work whether he stays overnight or returns the same day”

According to the definition of the committee of statistical experts of the League of Nations in 1973, a foreign tourist is described as – “any person visiting a country, other than that in which he usually resides, for a period of at least 24 hours”.

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2.2 TOURISM CONCEPT

'Tourism traces all movement of people outside their community for all purpose except migration or regular daily work. The most frequent reasons for this movement are for holiday but it will also include, for example attendance at conferences and movement of sporadic or infrequent business purpose. Tourism comprises all visitor-related services. It comprises of all the activities relating to travel, hotels, transportation and all other components including promotion that serves the needs and wants of travellers.

In the Sanskrit literature, there are three terms for tourism derived from the root ‘atna’ which means going or leaving home for some other place. The three terms are:

(i) Paryatna: which means going out for pleasure and knowledge.
(ii) Desatna: which means going out of the country primarily for economic gains.
(iii) Trithatna: which means going out to places of religious merits.

'It is a social movement with a view to rest, diversion and satisfaction of cultural needs. “Tourism is” exploration of all that is unknown in all spheres of human activity and in all aspects of nature. It is also the search for rest, response for health, quietitude in a congenial and comfortable atmosphere.'

2.3 TYPES OF TOURISTS

The vacation tourist: The vacation or the holiday tourist is the most common and popular tourist. He is immensely affected by changes in price, and is easily influenced by skilled and aggressive marketing effort. This type of tourist is resort oriented. The vacation tourist market has been regarded as highly seasonal.

The business tourist: In recent years the market of this type of tourist has increased greatly. The choice of destination of business tourist is generally determined by the nature of his business. The marketing efforts will not influence much the choice of the business tourist. As in the case of the vacation tourist who has proved to be very sensitive to price changes, the demand for business tourism is relatively price-inelastic. The demand will tend to be big-city oriented.
visits are of shorter duration and relatively frequent. The trade fairs, conventions, exhibitions, conferences and similar other events attract this kind of tourism.

The common interest tourist: This segment comprises visits to relatives and friends, and visits for the purpose of education, for pilgrimages, etc. Demands for this type of tourism will be relatively price-elastic. The common interest tourist will not be easily influenced by the promotional efforts. The average length of stay of this type of tourist will be relatively longer. Because of his friends and relatives, he will not be a significant user of hotel and other such types of accommodation. The visits will not be frequent and expenditure relatively little on his stay as compared with other two groups.³

2.4 TOURIST PREFERENCES

The Travelling preferences of a tourist may be of the following:

❖ Sightseeing: - i.e. scenery, photography and natural beauty
❖ Pleasure: - i.e. relaxation, camping, night life (dancing clubs, casinos) spa, resorts, amusement parks etc.
❖ Heritage: - i.e. Movements, architecture, museum, etc
❖ Adventure: -i.e. trekking, rock climbing, water sports, aero sports, angling etc
❖ Eco-tours: - i.e. jungle activities, camps, flora and fauna, safari parks etc.
❖ Coastal: - i.e. coastal line, long beaches etc
❖ Cultural: -i.e. History and culture, customs and traditions. Festivals and fairs, religion, etc.
❖ Pilgrimage: -i.e. Visit to holy places. Visit to pious persons etc
❖ Way of life: - i.e. Arts and crafts, traditional music, classical and folk dances etc.
❖ Others: - i.e. Health, education, sports, business, family mission, exhibitions, meetings etc.

2.5 OTHER CONCEPTS

Domestic tourism: Domestic tourism includes those traveling within their own country. Domestic tourism does not involve use of foreign currency nor causes
any balance of payment problem. When people travel to a country other than their own different economic and political system, the movement becomes international tourism.4

Mass tourism: Mass tourism is the huge scale human leisure moment for short time period of non work. The last three decades have witnessed an explosion of traffic from certain tourist markets escalating the economic value of world tourism.5

MICE Tourism: MICE Tourism is for business travellers who opt destination for meetings, Incentives, Conferences and Exhibitions.6

2.6 EVOLUTION OF TOURISM

Primarily tourism and travel was only confirmed to rulers or kings of the nations and some enterprising man travelled in search of god or for pilgrimage purposes. The ancient well-known travellers in the ancient history of the world was Gautam Buddha, Alexander, the Aryans, Adishankara, Hiven Tsang, Fa-Hein, Ibnbatuta and Albruni. The concept of modern tourism is relatively new in its approach. With the growth of science and technology, economic abundance and revolutionary changes that have been taken place in the field of transportation and communication have contributed massively to the development of tourism trade all over the world. Now the whole world has become a global village. The modern airplanes, ships, railways and motorcars have broken the barriers of the distances and the latest in the line of expansion is the advent of the information technology. Modern tourism is based upon a desire to make around of the places of interest, religious, spiritual, natural, monument, ancient sites, historical sites, beautiful places of pilgrimage and all the places of curiosity.

‘Not only did the volume of tourist traffic multiplied during later half of 20th century, even the travel patterns have witnessed changes from unorganized, convention pilgrimage and/or cultural travel in the earlier times to highly technological, advanced, recreational and special-interest travel, from mass unplanned tourism in the recent past to alternative independent travel and sustainable tourism in the present times. In fact, the whole concept of tourism has been transformed from the Mass, Rigid and Package Tourism (MSRP) to the
present neo tourism, which is Flexible, Segmented and Diagonally Integrated (FSDI). The ongoing speedy innovations and advances in the tourism industry have led to the provisioning of quality tourism services making travel easier and more comfortable steadily and day by day. The evolution of tourism from the age of ‘Grand Tour’ to the current ‘Mass International Tourism’ has given rise to changes in all the spheres of life’. Further ‘tourism has always flourished in peace as it is a peace time activity’.8

2.7 TOURISM INDUSTRY

With the passage of time tourism has grown into a full-fledged industry. Tourism primarily is a service industry because it does not produce goods but renders services to various classes of people. In view of their special nature and complexity of their contribution to the tourism product, they may be described as tourists industry. ‘This industry is a complex aggregation of many industries which together satisfy the various needs of the travellers, where every penny spent by the traveler contributes to the prosperity and the development of the travel industry. Tourism is probably a rare instance of an industry earning foreign exchange without exporting national wealth and further, it is the only smokeless industry that can generate sizable foreign exchange’.9

The agencies, organizations or businesses in the travel industry are:

1. Direct Providers of Services. E.g.: airlines, hotel, ground transportation, travel agents, restaurants and retail shops.

2. Support services to direct suppliers. E.g.: specialized services such as tour organizers, hotel management firms, travel research organizations and travel trade publications. There may be other services too, such as food service contractors, laundry services, etc.

Developmental Organizations: that include planners, government organizations, financial institutions, vocational training institutes, etc. they do not cater to day-to-day needs of travellers. Their plans may take years to fructify, such as the development of a resort, shopping complex for tourists or training of the staff for tourism-related enterprises.10
2.8 IMPORTANCE OF TOURISM

Tourism today is an important factor with international dimensions – as a component of national economics, as a contributor to receive expenditure and balance of payment of different countries, as a means for earning foreign exchange, as a provider of employment, as a powerful factor of development. International travel is a big business and superlative foreign exchange earner. It is a stimulant to other trade and capital investment and serves to reduce the dollar gap. Tourism can serve as an effective instrument in integrating this world into a single universe. This service sector is paying an ever-increasing role in global economy. Also it strengthens national integrity and promotes international understanding by intensifying socio-cultural exchanges among people from different regions and countries. It encompasses economic, cultural, educational and political significance.

Tourism is a painless procedure for transfer of real resources from industrially capital surplus developed countries to low-income developing countries. It is a very important source for maximizing scarce foreign exchange earnings for not only developing countries but of many developed countries of the world. It is a highly labour-intensive industry offering employment to both the semi-skilled and the unskilled. Being a service industry it creates employment opportunities for the local population. Tourism enables the wealth earned in one part of the country to be transferred in part to another.

Tourism also makes a tremendous contribution to the improvement of social and political understanding. Travel fosters a better rapport between people with different life styles. Personal international contacts have always been an important way of spreading ideas about other cultures. Tourism is thus an important means of promoting cultural exchanges and international cooperation. The experiences gained through travel have a profound effect upon the life of the individual as well as upon society as a whole. Travel exercises a very healthy influence on international understanding and appreciation of other people’s style of life. Tourism thus is a highly complex phenomenon. It is an important human activity of great significance in addition to its economic significance. As a mass phenomenon of an essentially social nature, tourism can no longer be viewed as a
fringe activity. Both in the use it makes of time and space and its relationship with the production of goods and services, tourism has become one of the pivotal concerns of nations and of the international community.11

2.9 EFFECTS OF TOURISM:

The multi-dimensional effects of tourism industry are:

2.9.1 Social Front:

Positive effects: Widening of social opportunities, setting up of the nation's social life, promotion of inter-regional and intra-regional understanding, creation of national identity and national integration are some of the important positive effects of tourism industry on social transformation.

Negative effects: Tourism industry may bring disastrous results if not planned properly and found not in consistent with the social norms. In addition, the large influx of tourists may result in social problems such as dishonesty, cheating, violence, crimes, frustration, dissatisfaction and corruption and development of inferiority complex among the local population.

2.9.2 Cultural Front:

Positive effects: Revival and strengthening of cultural heritage is found to be an outstanding benefit of tourism industry. The development of tourism industry helps in protecting the monuments and cultural heritages.

Negative effects: The Western culture influences youths of Eastern which may likely to result in confusion in their minds resulting into turmoil or conflict with the traditional segments of the society.

2.9.3 Environment Front:

Positive effects: With the development of tourism industry, we find ample scope for making the environment pollution free. The tourist centres like national parks, hill stations, wild life, bird sanctuaries, gardens etc. help in maintaining the ecological balance.
Negative effects: There are possibilities of environment pollution due to a large influx of tourists to relatively small areas.

2.9.4 Economic Front:

Positive effects: Tourism is considered to be an economic bonanza. It is a multi-segment industry. While gauging the positive economic effects of tourism, we study its contribution to the generation of national income, expansion of employment opportunities, rising of tax revenue, generation of foreign exchange and transformation of regional economy.

Negative effects: There are a few negative effects with the growing flow of foreign tourists. There are possibilities for smuggling which in addition to the other side effects brings a contraction in the tax revenue of the government. Thus the exchequer is adversely affected. Further, tourism industry necessitates adequate development of infrastructural facilities like the development of roads, expansion in transportation and communication services, availability of power facilities, establishments of different categories of hotels and motels etc. this requires huge investment of funds, which is difficult amidst financial and other constants. Besides, the harmful side-effects of cultural influences affect the efficacy of particularly the younger generations since they develop a habit of evading the social and organizational responsibilities which affect the nature and quality of their performance and behaviour.

Thus, the tourism industry may pave ways for socio-cultural and economic emancipation. The magnitude of positive contribution of this industry to the various fronts would depend upon the development pattern. If we plan scientifically, implement timely, act intelligently and tactfully, perform excellently, behave decently and develop optimally, the performance graph would be at peak.

2.10 MARKETING MIX

Tourist marketing mix's is largely a complex group of several factors intervening to achieve the marketing 'end product' which is increased effectiveness in demand output in relation to supply and marketing investment by tourist enterprises. Marketing mix helps the marketing manager of an enterprise
whether individual or firm or an official tourism organization to understand where 
marketing action can be initiated to improve the acceptability of a tourist product 
and stimulate the demand within the market. A tourist enterprise with a 
combination of specific activities can achieve the best possible results. It can 
decide which specific activity to use, how it is to be used, when and where to use 
and what resources to be allocated to them. A judicious mixture of activities at the 
appropriate time would give the enterprise to achieve its set marketing objectives.

The various tools are to be mixed in such a way that the enterprise obtains 
the optimal use of financial and manpower resources available at its disposal.

The variables or P's used to describe marketing mix are:

- Product.
- Price
- Promotion
- Place.
- People
- Physical Evidence
- Process (customer involvement variables)

The different components or elements of the mix may be seen as co-
operating with or replacing each other as complements or substitutes.12

A marketer develops a sequence for the introduction and application of 
each input in its overall marketing strategy.

2. Distribution : Tour operators, travel agents
3. Price : commission to Wholesalers, Commission to Retailers
4. Advertising : January mid to May mid
5. Selling : Tour Operator, Travel Agents.13
2.11 WORLD TOURISM:

Travel and tourism will be one of the world's highest growth sectors in the 21st century. Tourism, according to experts would capture the global market and become the largest industry in the world. The economic potential of tourism development is almost unlimited and tourism is becoming an increasingly important industry on a world wide scale. The statistics and projections point to an era of unprecedented growth of tourism around the world. The World Tourism Organization statistics indicate that the tourism industry will only continue to grow from strength to strength. From 70 million in the year 1960 the international tourist arrivals worldwide have increased to 720 million by 2000 which is more than the entire population of the United States and Europe put together.14 ‘Between them they spent some 2000 billion U.S. Dollars which amounts to approximately 8 percent of world exports in the same year.15

‘WTO has further estimated that international tourism arrivals world wide would be 1.5 billion by the year 2020. World travel and tourism GDP is forecast to increase in real terms at 3% per annum in the decade 2010. In the same period employment in travel and tourism is expected to grow at 2.6% per annum.16 World travel and tourism is expected to generate US $4494.5 billion of economic activity in the year 2001 growing to 9285.9 US $ millions by 2011. It is expected to grow by 4% in real terms between 2001-2011. It is expected to contribute US $1381.5 billions to GDP rising up to US $2654.4 billions by 2011 i.e., 4.2% of the total GDP. In 2001, the total employment in travel and tourism industry is about 207.1 million jobs (9% of total employment or 1 in every 11 jobs and would grow up to 260.4 million jobs in 2011. Travel and Tourism is expected to generate US $1063.8 billion i.e., 12.9% of total exports in 2001, growing to US $2583.3 billions or 12.5% of total exports by 2011.17

During 2002 and 2003 global travel and tourism sector has faced multiple challenges in different pockets. Acts of terrorism (9/11 attack on WTO and bomb explosions in Bali, Indonesia) and outbreak of SARS in far East Asia dampened the spirits to great extent. Several airlines had to bear the consequences of reduced air travel, hotels faced drastic reductions in their occupancy rates and tourism-dependent economies experienced a negative growth.18
Although there have been temporary set backs in the number of tourists movements due to increase in fuel costs and territorial crisis, tourism has withstood the change of circumstances in national and international economies better than other sectors of the economy.\(^{19}\)

‘All this points to a fact that tourism today is a great economic force. Its status as a major economic activity has been well established by almost all the nations of the world.\(^ {20}\)

2.12 TOURISM IN INDIA

Tourism thrives on the history of the country. Throughout her history, India has always had a special fascination for the rest of the world. Not only did she attract a series of invaders starting with Alexander, but also great thinkers, scholars and administrators like Buddha, Ashoka and Chandragupta. Unlike today, great many people in the past travelled to India primarily in search of knowledge and spiritual solace. Travellers also came exclusively for the trade and commerce purposes. ‘Travel in India in the distant past was not a thing of pleasure as it is the case now. It was, however, the opening of new trade routes which gave a big boost to travel with of without purpose. Travellers from distant lands started coming to India in large numbers. Travel became easier and more regulated. As a result of the opening of the trade routes, early travellers made contacts with India. Trade relations matured into cultural relations and better understanding of each other’s way of life.\(^ {21}\)

‘India’ is the one country under the sun that is endowed with an imperishable interest for alien prince and alien peasant, for lettered and ignorant, wise and fool, rich and poor, bonded and free and on land that all men desire to have seen and having seen once by even a glimpse would not give that glimpse for the shows of all the globe combined. This sums up the relationship of history with tourism and how these two put together contribute towards the development of the country’s economy.\(^ {22}\)

The vast Indian subcontinent encompasses a diversity of geographical conditions, climate, scenery and people, which provides a strong base for the development of tourism. A seasonal change in India is more than a change of
India is large enough to provide any season or climate at any time of the year. India has the bestowed by nature with magnificent land forms, vegetation, wild life and wild beaches. ‘India is a land of all seasons and for all reasons. ‘For tourists in India there is much to see and wonder at.23

India’s glorious traditions and rich cultural heritage are linked with the development of tourism. Few countries in the world provide such varied interests to a visitor. ‘In India, tourism has created direct or indirect employment for some seventeen million people. It generates earnings for hoteliers, travel agents, taxi drivers, craftsmen, souvenir-sellers, transporters, airlines, tourist guides and shoemakers. Some Rs 1000 crore worth of handicrafts are sold every year to tourists, taking the benefit of tourism to the villages where our craftsmen live and work. In certain parts of India, tourism is the only industry – Kashmir, for instance and now Himachal Pradesh and Goa. Or, consider Khajuraho. Tourism has transformed this once impoverished, obscure and backward village into a thriving tourist centre. By the year 2010, India can earn Rs 30,000 crore from tourism according to the government of India’s estimates. In the year 2000, it earned Rs. 14,415 crore.24

2.13 GROWTH OF TOURISM IN INDIA.

India started taking interest in the modern concept of tourism rather late in the day. The economic and social advantages of tourism which were being fully exploited by many countries, especially in the west, came to be recognized in India only in the ‘sixties’. Although considerable time and attention were devoted to the development of tourism traffic immediately after independence, it was only about fifteen odd years later that tourism received the priority it richly deserved. It also envisaged creation and development of integrated tourism circuits based on India’s unique civilization heritage and culture in partnership with states, private sectors and other agencies. In the 7th year plan 1985 -90 tourism gets considerable attention in the plan document with a stated intention of faster development of tourism, according to the status of industry. During the operation of 8th plan, considering tourism as an industry with a very high potential for employment generation, much importance was focused on tourism. There onwards there is no looking back in implementing the strategies to promote tourism. The national
tourism policy 2002-07 emphasized the role of private sector in the tourism development since then the policy gave direction to position India a global and to take advantage of burgeoning global travel and trade and vast untapped potential of India.

According to the World Travel and Tourism Council, India is the second fastest growing travel and tourism economy in the World. Following SARS in Southeast Asia, conflict in Iraq and weak global economy, tourism industry suffered a major setback in the past 3 years and now is staging to come back after a robust recovery. The set back led to a drop of 1.2 per cent in tourists inflows. Now there is a visible change in the trend, which is that US and Europe have become expensive destinations and hence opportunity has been fallen on India as an alternative destination. It will be a great opportunity to attract more foreign tourists. In recent years India has given increasingly greater emphasis on the development of tourism and travel related activities. The tourism industry in India is fast growing in terms of employment generation. Revenues generation and for its immense national and regional development.

'Tourism in India has grown substantially over the last three decades. Foreign tourist arrivals in India recorded an increase of 13.3 per cent during the year 2005 as compared to the year 2004. India’s share in the world tourism market during the year 2005 was 0.49 per cent, as against 0.44 per cent in 2004. Foreign exchange earnings during the year 2005 were Rs 33123 crores as against Rs 27944 crores in 2004. India has seen a slight jump in international tourist arrivals, up from 2.48 million in 1999 to 2.80 million in 2003.

Domestic tourism plays a vital role in achieving the national objectives of promoting social and cultural cohesion and national integration. Its contribution to generation of employment is very high. During the year 2004, about 366 million domestic tourist visits were made. With the increase in income levels and emergence of a powerful middle class, the potential for domestic tourism has grown substantially during the last few years.
2.13.1 Foreign Tourist Arrivals

According to the Union Ministry of Tourism, there has been an impressive growth in foreign tourist arrivals in the recent years. India's share in international tourist arrivals was 0.34 per cent in 2002 and increased to 0.49 per cent during 2005. The increasing trend has been maintained over the last three years and international tourist arrivals touched 3.92 million in 2005. The World Travel and Tourism Council have identified India as one of the foremost growth centres in the world in the coming decade. Domestic tourism is estimated to be much higher than international tourism and has also been rising rapidly. A total of 5.08 million tourists visited India in full year 2007 with an increase from 4.45 million in 2006.

Table 2.1: Foreign Tourist arrivals in India

<table>
<thead>
<tr>
<th>Year</th>
<th>FTA's (in million)</th>
<th>Percentage (%) change over the previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>2.36</td>
<td>-0.7</td>
</tr>
<tr>
<td>1999</td>
<td>2.48</td>
<td>5.2</td>
</tr>
<tr>
<td>2000</td>
<td>2.65</td>
<td>6.7</td>
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<tr>
<td>2001</td>
<td>2.54</td>
<td>-4.2</td>
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<tr>
<td>2002</td>
<td>2.38</td>
<td>-6.0</td>
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<tr>
<td>2003</td>
<td>2.73</td>
<td>14.3</td>
</tr>
<tr>
<td>2004</td>
<td>3.46</td>
<td>26.8</td>
</tr>
<tr>
<td>2005</td>
<td>3.92</td>
<td>13.3</td>
</tr>
<tr>
<td>2006</td>
<td>4.45</td>
<td>13.5</td>
</tr>
<tr>
<td>2007</td>
<td>5.08</td>
<td>14.3</td>
</tr>
</tbody>
</table>

Source: www.incredibleindia.org

After the September 11, 2001, incident at the World Trade Centre, New York and the subsequent developments leading to Afghan War, Indo-Pak border tension and terrorist attack on some places in India got a set back in the year 2001 and 2002. So there was consistently negative growth during such period. However a revival trend has been observed thereafter. There is a recorded growth of 14.3% in the year 2003-2004 in comparison to the year 2002 and it has grown substantially thereafter.
2.13.2 Foreign Exchange Earnings

Tourism is a priority sector in our economy accounting for around 5.8% of India’s GDP. It is the third largest foreign exchange earner and has one of the highest employment investment ratios. Every additional investment of Rs 1 million has the potential to generate 47 jobs and every direct job created leads to the creation of 11 indirect jobs. Travel and tourism in India are expected to generate Rs.1,564 billion making India the 22nd largest tourism market in the world. It is projected to grow at an annual rate of 9.1 per cent through 2011. It accounts for 5.3 per cent of the GDP and 6 per cent of all employment.

Table 2.2: Foreign Exchange Earnings (FEE) (in US$ Million) through tourism in India.

<table>
<thead>
<tr>
<th>Year</th>
<th>FEE (in US $million)</th>
<th>Percentage (%) change over the previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>2948</td>
<td>2.0</td>
</tr>
<tr>
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<tr>
<td>2000</td>
<td>3460</td>
<td>15.0</td>
</tr>
<tr>
<td>2001</td>
<td>3198</td>
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</tr>
<tr>
<td>2002</td>
<td>3103</td>
<td>-3.0</td>
</tr>
<tr>
<td>2003</td>
<td>4463</td>
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<tr>
<td>2004</td>
<td>6170</td>
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<tr>
<td>2005</td>
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<tr>
<td>2007</td>
<td>10729</td>
<td>24.3</td>
</tr>
</tbody>
</table>

Source: www.incredibleindia.org

The foreign exchange earnings through tourism in India was 3460 US million dollars in 2000 which was increased to 10729 US million dollars in 2007.
Table 2.3: Foreign Exchange Earnings (FEE) from Tourism in India

<table>
<thead>
<tr>
<th>Year</th>
<th>FEE (in Rs. Crore)</th>
<th>Percentage (%) change over the previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>12150</td>
<td>15.6</td>
</tr>
<tr>
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</tr>
<tr>
<td>2000</td>
<td>15626</td>
<td>20.7</td>
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<tr>
<td>2001</td>
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</tr>
<tr>
<td>2002</td>
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</tr>
<tr>
<td>2003</td>
<td>20729</td>
<td>37.6</td>
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<tr>
<td>2004</td>
<td>27944</td>
<td>34.8</td>
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<td>2006</td>
<td>39025</td>
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<tr>
<td>2007</td>
<td>44360</td>
<td>13.7</td>
</tr>
</tbody>
</table>

Source: www.incredibleindia.org

The foreign exchange earnings through tourism in India was 15626 crore rupees in 2000 which was increased to 44360 crore rupees in 2007.

The report “Indian Tourism industry analysis” by RNCOS provides an insight into the Indian Tourism market. According to the report, India represents one of the most potential tourism markets in the world. It has expanded rapidly over the past few years and underpinned by the government support, raising income level and various international sports events. The Indian tourism industry will contribute to grow at the fastest pace in the coming years. However the industry may have to cope up with several challenges which will limit its growth.

Key Findings:

- India is expected to see an influx of 10 million international tourists by 2010, up from just 5 million in 2007.
- Andhra Pradesh, Uttar Pradesh, Tamil Nadu, Karnataka and Rajasthan are the leading tourism destinations in India in terms of total tourist arrivals.
- India has been promoting its health care tourism by providing the visitors with private health care facilities. It is expected that the total market for medical tourism will reach US$ 2 Billion by 2012 representing a CAGR of 60.69%.
• Personal disposable income during 2002-07 grew at a CAGR of 14.16% thereby dividing domestic as well as outbound tourism.

• Indian outbound tourist flow is expected to increase at a CAGR of 13.30% over the 5 year period spanning from 2008 to 2012.

• India's share in the global tourism is expected to reach 1.5% by 2010.

• The growth in India's tourism market is expected to serve as a boom driving the growth of several associated industries including hotel industry, medical tourism industry and aviation industry.

Important facts about Tourism, 2007

I. India

• No. of foreign tourist arrivals in India 5.08 million
  Annual growth rate 14.3%

• No. of Indian Nationals going abroad 9.78 million
  Annual growth rate 17.3%

• No. of domestic tourist visits to all state's/UT's 526.57 million
  Annual growth rate 14.0%

• Foreign exchange earnings from tourism
  i. In INR terms Rs 44360 crore
     Annual growth rate 13.7%
  ii. In US$ terms US$ 10.73 billion
     Annual growth rate 24.3%

II. World

• No. of international tourist arrivals 903 million
  Annual growth rate 6.6%

• International tourism receipts US$856 billion
  Annual growth rate 15.4%

III. Asia and the Pacific region

• No. of international tourist arrivals 184.3 million
  Annual growth rate 10.4%

• International Tourism Receipts US$188.9 Billion
  Annual growth rate 20.7%

IV. India's Position in world

• Share of India in International Tourist Arrivals 0.56%

• India's rank in world Tourist Arrivals 42

• Share of India's in International Tourism Receipts 1.25%

• India's rank in world Tourism Receipts 20
V. India's position in Asia and Pacific Region

- Share of India in Tourist Arrivals: 2.76%
- India's rank in tourist Arrivals: 11th
- Share of India in Tourism receipts: 5.68%
- India's rank in tourism receipts: 6th

VI. The forecasting study undertaken by the World Tourism and Travel Council (WTTC) further indicates that between 2001 and 2011.

- Global gross domestic products will increase from 10.7% to 11%
- Global employment contribution will increase from 207.1 million to 260.4 million jobs or 9% of total global employment.
- Global value of tourism related exports will increase from US$ 1063.8 billion to US$ 2538.3 billion or 12.8 % of global export value.
- Global capital investment in tourism will increase from US$ 1434 billion or 9.3 % of global investment.

2.14 PROBLEMS AND PROSPECTS

2.14.1 PROBLEMS:

Indian tourism industry has not developed to its full potential. It is facing many serious problems both manmade and natural, like inadequate infrastructural facilities, lack of transport facilities, lack of availability of skilled labour and on the natural fronts are flood, draught and other natural calamities. The issues involving in tourism development are international, national, regional and local in nature and generally raise questions regarding the ethics of tourism development. Someone who travels particularly to the strange location finds an unfamiliar environment not only geographically but also socially and culturally. The travellers face problems for which a solution must be focused if the trip is to be made fully enjoyable and rewarding.

The impacts of increasing tourist's traffic in the state are on the following aspects:

- Destruction of coastal line.
- Air pollution.
- Threat to the wildlife.
- Increase in cost of products affects localites.
- Problems with litter, sewage, disposal, fire, erosion due to accommodation and camping sites.
• Inadequate infrastructure facilities lead to overloading which causes supply failure, pollution and health hazard.
• Traffic congestion, traffic problem and the lack of parking space.
• Increase in crime rate.
• To achieve the foreign induced desire, the wrong doings among youngsters of localities - decline in moral values of the local people.
• Ecology disturbances.

Mass tourism has an adverse effect on the social behaviour and religious sentiments, the tradition as well as culture of the people of Karnataka.

2.14.2 PROSPECTS

Travel and tourism has been transformed over the last few decades globally. More and more destination choices are emerging, options that appeal to a wide cross section of people are increasing, networking across sector is on the rise and innovations are the order of the day. In a midst of this transformation, it is time that the industry takes a close look at the challenges facing it.

The twenty first century is to usher in a new age, qualitatively different from the preceding one. The various changes which emerge are likely to have a direct effect on tourism in future include:

• growth of world population at extremely fast pace and increase in average length of life to over 80 years;
• growth in per capita income reaching extremely high levels in industrialized countries
• growth in incomes in the developing countries
• technological advances in transportation systems resulting in comparatively lower transport costs
• widespread automation of productive processes leading to availability of more leisure time to be used for leisure activities like travel and tourism
• great advances in information technology as a result of widespread use of computers resulting in greater desire for information
• worldwide shift in rural population to urban centres
• Greater educational opportunities to people in developing countries leading to increased curiosity about other places.

All the above factors are going to have profound effect and influence in the tourist market of the future. Tourist activity will trend to expand in the years ahead. 27

Tourism is a multidimensional activity in relation to the local residents. 'By developing tourism families are not disrupted as people living in tourist areas get jobs nearer to their homes. Migration to urban areas is reversed. Tourism brings entertainment and cultural activities to areas where such enterprises would not have been viable but for the influx of rich tourists. The local residents can share the facilities developed for tourists. Tourism leads to redistribution of wealth from rich areas to poor areas'. 28 The tourism planner must keep in view the social impacts on the host community and prepare master plan for minimizing such problems. 29
REFERENCES