

Economic Aspects of Sustainable Tourism Development in India

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Abstract: Tourism sector is one of the fastest growing sector in India. This service industry contributes 6.2% to the country's GDP and 8.78% of the total employment of the nation. The tourism sector has emerged as one of the key drivers of economic growth among the services sector in India. This service industry is economically very important for rapid growth and development. This paper tries to analyze the significance of Tourism industry of India. Mainly secondary sources of data have been used to arrive at a logical conclusion. It is expected that the findings obtained from the study will be helpful for the policy makers and the researchers in understanding and analyzing the growing importance of this service industry in the economic development of India.

Key Words : Service sector , GDP , Tourism , employment.

I. Introduction :

Tourism industry plays an important role in the economic development around the world. Both in developed and developing countries the prime concerns are the creativeness of the individuals towards entrepreneurial business. In economic and social change the tourism industry acts as a catalyst. In employment generation this industry has an indispensable role. Entrepreneurship has a key role in the development of tourism industry regionally , nationally and globally. Not only does the tourism industry spearhead economic growth , it also improves the standard of living with its capacity to create large scale employment of diverse kind.

II. Objectives :

The main objectives of this paper are

- 1) To analyze the growing importance of tourism sector in India.
- 2) To discuss the importance of tourism industry for economic development of India.

Methodology:

This paper “ Economics Aspects of Sustainable Tourism in India” uses mainly descriptive method of study. The data are collected mainly from the secondary sources. The sources of secondary data are journals , Websites of the Ministries of the Government of India , Various reports of the Government of India etc.

III. Importance of Tourism Industry:

- 1) Contribution to the Gross domestic Product of India.
- 2) Employment Generation.
- 3) Leads to balanced regional development.
- 4) Facilitates the basic infrastructure facilities.
- 5) Foreign exchange earning.

- 6) With the active participation of entrepreneurs new and new tourism related business activities will come up.
- 7) Cultural exchange.
- 8) Enhances multiplier effect.

Constraints for sustainable Entrepreneurship in Tourism:

- 1) **Lack of basic amenities:** It is very important to satisfy the tourists with basic amenities like accommodation , resting huts , eating places clean toilet etc. In our country it stats as a major challenge for the tourism industry.
- 2) **Lack of infrastructure facilities :** lack of proper infrastructure facilities is one of the major obstacles in the way of development of this industry.
- 3) **Lack of information :** Information also plays an important role to attract the tourists. Lack of sufficient formation often fails to attract the tourists for a particular destination.

Entrepreneurship and Tourism Industry in India

Tourism industry has become a major source of revenue for the Government of India. This industry contributes a significant percentage to the GDP of India. Tourism entrepreneurship has gained momentum today. The main employment opportunities or scope which are the outcome of entrepreneurship in tourism industry are...

- 1) Various kinds of jobs related with infrastructure development . For example we can tell about road building , airport , health etc.
- 2) Travel or tourist agencies providing travel and tourism related services to the public.
- 3) Transportation plays a key role in travel and tourism industry. Tourism industry needs transport to take tourists from one place to other place.

- 4) Recreational tourism includes some kind of recreational activities , or participating in a sport or cultural event as spectator.
- 5) Recruitment software that tourist may no dealing with them directly such as banking , insurance etc.

Promotion of entrepreneurship in the tourism industry of a country reduces unemployment, encourages innovative ideas and development , enhancing productivity and creativity etc . From previous studies it has been found that for development of tourism sector and there by to increase the national income of a country the main instrument is the entrepreneurship.

V. Foreign Tourist Arrival (FTAs) and Nor Resident India(NRIs) arrival:

year	FTAs	NRIs
2016	8.8 million	5.77 million
2017	10.18 million	5.51 million
2018	10.56 million	5.71 million

Source : Annual Report , Ministry of Tourism.

During 2018 FTAs was 10.56 millions and NRIs was 5.77 million. In recent three years an increasing trend was observed regarding FTAs and NRIs.

Contribution of Tourism in the GDP of the country.

Year	% Contribution to the GDP
2005	7.0
2006	7.1
2007	7.2.
2008	7.2
2009	6.7
2010	6.5
2011	6.4
2012	6.5
2013	6.6
2014	7.5
2015	7.0

Source : World Travel and Tourism Report

It has been seen from the table that tourism industry contributes a significant percentage in the GDP of India. From 2005 to the year 2008 it shows an increasing trend. However in the year 2009 and 2010 this contribution decreased to 6.7 and 6.5 % respectively. From 2011 onwards it starts increasing.

Contribution of Tourism industry towards employment generation

Year	Share in employment (%)	Employment / Jobs (Millions)
2013-14	11.90	67.2
2014-15	12.09	69.6
2015-16	12.38	72.3

2016-17	12.19	75.9
2017-18	22.38	81.1

Source: Annual Report , 2018-19 , Ministry of Tourism

One of the key parameters of development, inclusiveness, sustainability is the employment generation. The above table shows the share of employment and no of employees in the tourism sector. In recent five years we have seen an increasing trend of the share of employment from the tourism sector. However it marginally decreased in the year 2016-17 from 12.38 to 12.19 % . IN 2013-14 the no of persons involved in this industry was found to be 67.2 millions and in 2017-18 the increased to 81.1 million

Foreign Exchange Earning From Tourism of India

Foreign exchange earning from the tourism is the result of payment made from the consumption of good and services by the foreign visitors in the economy from the foreign currency brought by them.

Year	Foreign Exchange earning From Rupee
2015	1,35,193 Cr
2016	1,54,146 Cr
2017	1,80,379 Cr
2018	1,94,892 Cr

Source : Annual Report, Ministry of Tourism

The above table shows that in the year 2015 , Foreign exchange earning in India was 1,35,193 Cr. This figure changed to Rs 1,54,146 Cr in the year 2016 and 1,80,379 in the year 2017. In 2018 the foreign exchange earning from tourism industry of India was Rs 1,94,892 Cr with a growth of 9.6 % over the previous year.

VI. Major Findings:

- 1) Entrepreneurship is a boon for tourism industry.
- 2) In the recent years an increasing trend is found regarding Foreign tourist arrival and Non Resident Indian arrival.
- 3) The role of tourism industry towards the national income of our country is significant.
- 4) Regarding employment generation tourism industry plays a vital role. The no of persons employed in this industry is increasing day by day.
- 5) The role of tourism sector in foreign exchange earning is inevitable.

VII. Suggestive Measures :

- 1) Promotional activities should be increased to attract the tourists for a particular destination in collaboration with the government.

- 2) The necessary steps should be taken to develop a tourist destination with the help of local community.
- 3) Adequate infrastructure should be made to boost up the tourism industry.
- 4) The image of our country should be protected as safe and secure tourist destination.

VIII. Conclusion :

Tourism sector is one of the fast growing sector globally. Entrepreneurs and entrepreneurship encourages the business environment of an economy. We have a seen that tourisms sector contributes a significant percentage of GDP of India. The growth of tourism sector results employment generation, expansion of infrastructure facilities , foreign exchange earning, socio economic development etc. To sustain the industry it requires long term vision of the government , proper and adequate budgetary allocation , training programmes , promotional activities , research and planning process etc.