

# Impact of e-Tourist Visa Scheme on Indian Tourism Market

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**Abstract**—The tourism sector has started playing a vital role in international commerce and business. India is a beautiful and diverse tourism destination and its glorious monuments, nature, culture, etc. magnetize many of the tourists from all over the globe. India has the tremendous travel and tourism market. According to World Travel and Tourism Council report, India has placed at 7<sup>th</sup> rank in the world in terms of its total contribution to the country's GDP. As per the report, the tourism sector has generated Rs 14.1 trillion in 2016 which is equal to 9.6% of the Indian GDP. In the last three years, NDA government has undertaken several initiatives to provide a further boost to the Indian tourism market through various schemes like Swadesh Darshan, PRASAD, e-Tourist Visa etc. E-Tourist visa is one of the important initiations by the central government to enhance the foreign tourists and strengthening the tourism market in India. On 27<sup>th</sup> November 2014, Electronic Travel Authorization scheme has brought by the central government and the scheme was renamed to e-tourist visa on 15<sup>th</sup> April 2015. The present study is an evaluation study which identifies the impact of e-tourist visa scheme on foreign tourist arrivals and changes in total foreign exchange earnings in Indian Tourism Market. The study will help to the central government for the advancement of the scheme based on the present performance.

**Keywords:** *Tourism market, e-tourist visa, Indian Government, foreign tourists, Foreign Exchange Earnings, Foreign Tourist Arrivals.*

## 1 INTRODUCTION

The tourism sector has started playing a vital role in international commerce and business. India is a beautiful and diverse tourist destination and its glorious monuments, nature, culture, etc. magnetize many of the tourists from all over the globe. India has the tremendous travel and tourism market. According to World Travel and Tourism Council report, India has placed at 7<sup>th</sup> rank in the world in terms of its total contribution to the country's GDP. As per the report, the tourism sector has generated Rs 14.1 trillion in 2016 which is equal to 9.6% of Indian GDP. In the last three years, NDA government has undertaken several initiatives to provide a further boost to the Indian tourism market through various schemes like Swadesh Darshan, PRASAD, e-Tourist Visa etc. E-Tourist visa is one of the important initiations by the central government to enhance the foreign tourists and strengthening the tourism market in India. On 27<sup>th</sup> November 2014, Electronic Travel Authorization scheme has brought by the central government and the scheme was renamed to e-tourist visa on 15<sup>th</sup> April 2015.

## 2 REVIEW OF LITERATURE

*Dr. Shekhar Upadhyay (2016)*<sup>1</sup>: The author concluded that the introduction of e-visa shows the government intention towards the development of tourism sector in India. The author has mentioned that short term e tourist visa helped in increasing the number of travelers to India from abroad. The study also suggested that the fee paid must be made in multiple currencies and staff should be trained properly. *Dr. Mona and DK Jayswal (2016)*<sup>2</sup>: The study concluded that e-visa removed the barriers between tourist and visa process and made easy to get

the visa. It was registered positive growth by comparing with the previous year (2014) with regarding foreign tourist arrivals in India. This scheme will be helpful to the nation to earn more foreign exchange earning in future. *Singh Pradeep (2015)*<sup>3</sup>: The study has focused on the implementation of the e-tourist visa and its mandatory in the tourism sector in India. He concluded that the e-tourist visa was implemented in suitable time and this effort increases the tourist arrivals growth to 1024% during 2015.

## 3 STATEMENT OF THE PROBLEM

In the last three years, NDA government has undertaken several initiatives to provide a further boost to the Indian tourism market through various schemes like Swadesh Darshan, PRASAD, e-Tourist Visa etc. E-Tourist visa is one of the important initiations by the central government to enhance the foreign tourists and strengthening the tourism economy in India. Therefore, there is a high need to examine the impact of e-tourist visa scheme on foreign tourist arrivals and total foreign exchange earnings. The study will help to the central government for the advancement of the scheme based on the present performance.

#### 4 OBJECTIVES OF THE STUDY

1. To study the theoretical background of the e-Tourist Visa scheme.
2. To examine the impact of e-tourist visa scheme on Foreign Tourist Arrivals.
3. To identify the impact of e-tourist visa scheme on total tourism earnings (FEEs) in India tourism market.

#### 5 SCOPE OF THE STUDY

The scope of the present study is restricted to examine the performance of e-tourist visa scheme in Indian tourism sector. It is also extended to identify the changes took place in the Indian tourism earnings after the several reforms by NDA government for last 3 years.

#### 6 PERIOD OF THE STUDY

The period of the study is during 2014 – 2016.

#### 7 RESEARCH METHODOLOGY

The study is based on the secondary data. The *secondary data* has collected from Indian Tourism Ministry annual reports, Tourism Press Notes, Finance reports and Indian Brand Equity Foundation reports. The data has tested using various statistical tools like pie charts, bar graphs, etc.

#### 8 e-TOURIST VISA

Initially, Government of India has launched the Tourist Visa on Arrival<sup>1</sup> (TVOA) scheme in January 2010 for the citizens of five countries France, Japan, Luxembourg, New Zealand and Singapore and the scheme was extended to six more countries in the year 2011. The Indian government was introduced Visa on Arrivals enabled by Electronic Travel Authorization (ETA) facility on November 27, 2014 for the citizens of 43 countries. In order to avoid the confusion, TVOA scheme was renamed to “*e-Tourist Visa*” in April 2015. The Government extended this Scheme to the citizens of Guyana and Sri Lanka in January 2015 and April 2015, respectively. Further, the scheme was extended to 31 countries in June 2015 and 36 countries in August 2015 arriving at 16 airports in India. The Government of India has extended for citizens of 37 more countries w.e.f. 26<sup>th</sup> February 2016 taking the total to 150 countries. Presently, the facility e-visa has been made available to citizens of 161 countries arriving at 24 airports in India.

**Use of e-Tourist Visa:** The e-tourist<sup>2</sup> visa enables the tourists to apply for an Indian Visa from her/his home country online without visiting the Indian Mission and also pay the visa fee

online. This facility is available to Foreigners whose aim of visiting India is recreation or sight-seeing or casual business visit etc. and not valid for any other purpose. This will valid for 60 days to stay in India from the approval date. This visa can be availed maximum two times in a calendar year. e-Visa fee was the US \$ 50 and bank charges of 2.5% addition to it.

#### 9 IMPACT e-TOURIST VISA ON FTAs

Table 1 shows the Foreign Tourist Arrivals (FTAs) during 2014 to 2016. It can be understood that the high growth rate 1040.4% was registered in 2015 compared to 92.4% in 2014. This high growth rate is an outcome of e-Tourist Visa introduction on 27<sup>th</sup> November 2014 for 43 countries. It is also observed that the low growth rate registered in 2016 compared to 2015. It can be concluded that Foreign Tourist Arrivals through e-Tourist Visa scheme is increasing every year.

**Table 1**  
FTAs through e-Tourist Visa during 2014-16

| YEAR | FTAs (No.) | GROWTH RATE |
|------|------------|-------------|
| 2014 | 39046      | 92.4%       |
| 2015 | 445300     | 1040.4%     |
| 2016 | 1079696    | 142.5%      |

Source: Statistic reports, Ministry of Tourism- India

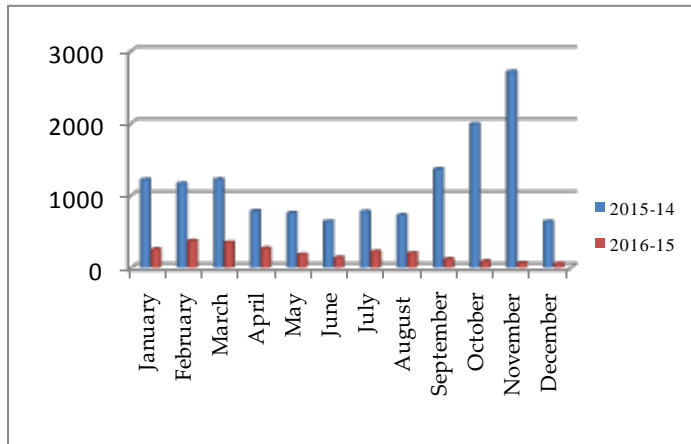
FTAs through e-Tourist Visa month wise Growth Rate is shown in Chart 1. e-Tourist Visa scheme was introduced on 27<sup>th</sup> November 2014 for 43 countries. Due to the scheme, it was registered a high growth rate every month in 2015. The extension of the scheme for other countries caused to increase the high growth rate at every month in 2015. It is observed that the low growth rate registered at every month in 2016 compare with the previous year 2015. It is found that more foreign tourists are arriving into India during November to February months in every year due to cool climate.

<sup>1</sup> Marketing research and Statistic, month wise reports, Ministry of Tourism- India

<sup>2</sup> Press Information Bureau of India, Ministry of Tourism - dated 22<sup>nd</sup> May 2016.

**Chart 1**

e-Tourist Visa: Month wise FTAs Growth Rate



Source: Month wise reports, Ministry of Tourism- India

**e-Tourist Visa FTAs Proportion with Total FTAs:** Below Table - 2 narrates the Foreign Tourist Arrivals through e-Tourist Visa proportion with Total FTAs into India in 2015. The total FTAs is 80,27,233 whereas the FTAs through e-Visa is 4,45,300 which means only 5.54 percentages of total FTAs. Hence, it is concluded that e-Tourist Visa scheme has *very less impact* on Total Foreign Tourist Arrivals into India in 2015.

Table 2

e-Tourist Visa Proportion with Total FTAs in 2015

| Month        | Total FTAs       | FTA through e-Tourist Visa | e-TV FTAs proportion with Total FTA (%) |
|--------------|------------------|----------------------------|---|
| January      | 7,90,854         | 25023                      | 3.16                                    |
| February     | 7,61,007         | 24985                      | 3.28                                    |
| March        | 7,29,154         | 25851                      | 3.54                                    |
| April        | 5,41,551         | 19139                      | 3.53                                    |
| May          | 5,09,869         | 15659                      | 3.07                                    |
| June         | 5,12,341         | 15557                      | 3.03                                    |
| July         | 6,28,323         | 21476                      | 3.41                                    |
| August       | 5,99,478         | 22286                      | 3.71                                    |
| September    | 5,42,600         | 31729                      | 5.84                                    |
| October      | 6,83,286         | 56477                      | 8.26                                    |
| November     | 8,15,947         | 83501                      | 10.23                                   |
| December     | 9,12,723         | 103617                     | 11.35                                   |
| <b>Total</b> | <b>80,27,133</b> | <b>445300</b>              | <b>5.54</b>                             |

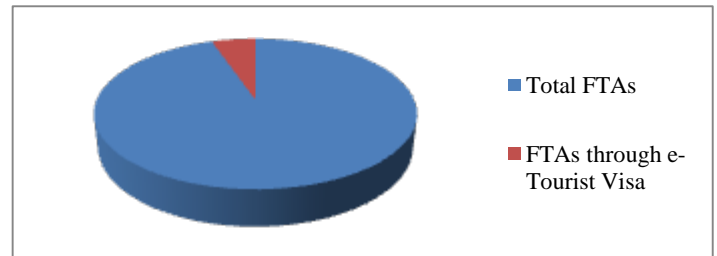
Source: Tourism statistic reports, Ministry of Tourism- India

Below Chart 2 shows the e-Tourist Visa Foreign Tourist Arrivals proportion with Total FTAs into India in 2015. After the

observation of the below chart 2, it is concluded that e-Tourist Visa scheme has *very less impact* on Foreign Tourist Arrivals in 2015.

Chart 2

e-TV FTAs proportion with Total FTA in 2015



Source: Tourism statistic reports, Ministry of Tourism- India

The below Table 3 describes the e-Tourist Visa Foreign Tourist Arrivals proportion with Total FTAs into India in 2016. The total FTAs is 88, 04,411 whereas the FTAs through e-Visa is 10,79,696 which means only 12.26 percentage of total FTAs. Hence, it is concluded that e-Tourist Visa scheme has *a little impact* on Foreign Tourist Arrivals in 2016. But, the e-TV proportion with Total FTA in 2016 is increased to 12.26% over 5.54% in previous year.

Table 3

e-Tourist Visa Proportion with Total FTAs in 2016

| Month        | Total FTAs       | FTAs Through e-Tourist Visa | e-TV FTAs proportion with Total FTAs (%) |
|--------------|------------------|-----------------------------|--|
| January      | 8,44,533         | 88162                       | 10.43                                    |
| February     | 8,48,782         | 117210                      | 13.80                                    |
| March        | 8,09,107         | 115677                      | 14.29                                    |
| April        | 5,92,004         | 70045                       | 11.83                                    |
| May          | 5,27,466         | 43833                       | 8.31                                     |
| June         | 5,46,972         | 36982                       | 6.76                                     |
| July         | 7,33,834         | 68487                       | 9.33                                     |
| August       | 6,52,111         | 66097                       | 10.13                                    |
| September    | 6,08,177         | 68809                       | 11.31                                    |
| October      | 7,41,770         | 105268                      | 14.91                                    |
| November     | 8,78,280         | 136876                      | 15.58                                    |
| December     | 10,21,375        | 162250                      | 15.88                                    |
| <b>Total</b> | <b>88,04,411</b> | <b>1079696</b>              | <b>12.26</b>                             |

Source: Tourism statistic reports, Ministry of Tourism- India

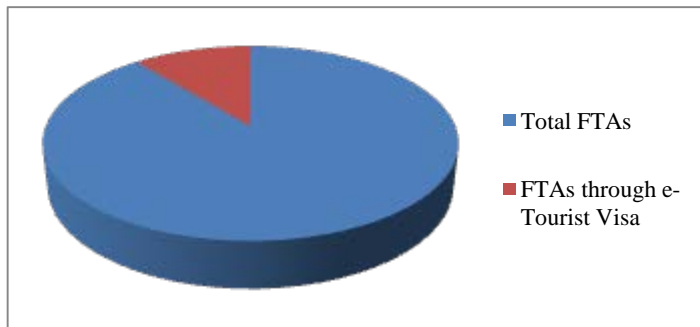
Chart 3 shows the e-Tourist Visa Foreign Tourist Arrivals proportion with Total FTAs into India in 2016. After the observa-

tion of the below chart 3, it is concluded that e-Tourist Visa scheme has *a little impact* on Foreign Tourist Arrivals in 2016.

cluded that the foreign exchange earnings in tourism market remain *unchanged with the e-Tourist Visa scheme*.

**Chart 3**

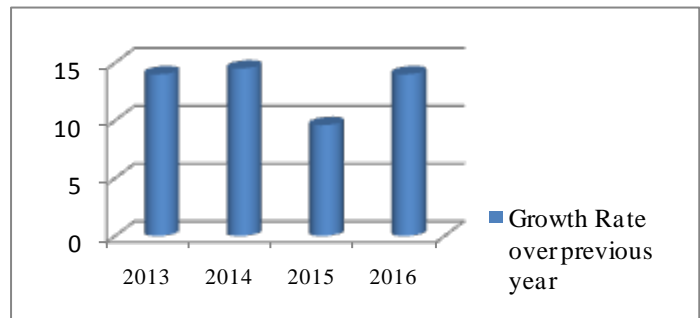
e-Tourist Visa Proportion with Total FTAs in 2016



Source: Tourism statistic reports, Ministry of Tourism- India

**Chart 4**

FEEs Growth Rate over Previous year



Source: Tourism statistic reports, Ministry of Tourism- India

### 10 CHANGES ON TOURISM EARNINGS

The changes on Total Foreign Exchange Earnings after the introduction of e-Tourist Visa (e-TV) were shown in Table 4. It can be seen that the growth rate of FEEs is 14.5% in 2014 (in which year e-TV introduced) whereas the same is decreased to 9.6% in 2015 and 14% in 2016. Therefore, it is concluded that the foreign exchange earnings in tourism economy remain *inelastic with the e-Tourist Visa scheme*.

**Table 4**

Changes on Foreign Exchange Earnings during 2014-16

| YEAR | FEE (IN RS. CRORE.) | GROWTH RATE OVER PREVIOUS YEAR | REMARKS                        |
|------|---------------------|--------------------------------|--------------------------------|
| 2013 | 107671              | 14%                            | -                              |
| 2014 | 123320              | 14.5%                          | INTRODUCTION OF E-TOURIST VISA |
| 2015 | 135193              | 9.6%                           | DECREASED FEEs                 |
| 2016 | 154146              | 14.0%                          | DECREASED FEEs                 |

Source: Tourism statistic reports, Ministry of Tourism- India

Chart 4 demonstrates the FEEs Growth Rate over Previous year during 2013 to 2016. The FEEs growth rate was 14.5% in 2014 (when e-TV introduced) whereas the same is decreased to 9.6% and 14% in 2015 and 2016 respectively. After the observation of the below chart 4, it is concluded that it is con-

### 11 FINDINGS AND CONCLUSIONS

- It is observed that the FTAs into India through e-Tourist Visa (e-TV) scheme recorded at high *growth rate* i.e. 1040.4% in 2015 over 2014. Because the government extended the scheme from 43 -113 countries in 2015.
- Foreign Tourists Arrivals through e-TV *growth rate* is decreased to 142.5% in over 1040.4% in 2015. Because the government extended the scheme for 37 countries only (113 to 150 countries) in 2016.
- It is found that Foreign Tourist Arrivals through e-Tourist Visa scheme is increasing every year.
- During 2015, total Foreign Tourist Arrivals into India is 80,27,133 whereas only 4,45,300 tourists were used the e-Tourist Visa scheme which is equal to 5.54%. Therefore, it is concluded that e-Tourist Visa scheme has *very less impact* on Total Foreign Tourist Arrivals into India in 2015.
- During 2016, total Foreign Tourist Arrivals into India is 88,04,411 whereas 10,79,696 tourists were used the e-Tourist Visa scheme which is equal to 12.26%. Therefore, it is concluded that e-Tourist Visa scheme has *less impact* on Total Foreign Tourist Arrivals into India in 2016. But, it is an appreciable figure (12.26%) over previous year 5.54%.
- During 2014, e-Tourist Visa was introduced and total Foreign Exchange Earning was Rs. 123320 crore with 14.5% growth rate. It is found that the growth rate in FEE is decreased to 9.6% in 2015 and 14% in 2016. Therefore, it is concluded that foreign exchange earnings in tourism market remain *unchanged with the e-Tourist Visa scheme*.

### 12 SUGGESTIONS

After the above discussion, it is suggested that the Central Government has to review the scheme ones again to bring the scheme very close to more foreign tourists. Although the two years period is not enough to come to the final decision the Government has to monitor the scheme performance at very close for the next two years and should take the decision to advance the e-Tourist Visa scheme for the enlargement of Indian tourism market.

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