

Economic Contribution of Tourism Industry Towards Society

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Abstract

Tourism is an activity that is mainly carried out for recreational and leisure purposes. Now India is one of the fastest growing outbound travel markets in the world and has geared up to emerge as the second fastest growing tourism economy in the world by 2015 with projected 8.8% growth. The growth in tourism sector is expected to rise further in the coming decades as the sector is expanding fast. Present paper highlights the role of tourism industry in social and economical development of country, the role of Hotel and Aviation Industry in increasing the foreign exchange in India, to know the areas which offers tourism related employment, to measure the effectiveness of different schemes and programmes initiated by Government to increase the tourist inflow and economic benefits of tourism industry. To measure all above objectives, data and information has been collected through secondary sources including Books, Magazines, Journals, E-Journals, Internet, Reports of WTO, Ministry of Tourism, and World Travel and Tourism Council etc. To analyse all these facts three research questions have been prepared:- a) is tourism industry a boon or a curse to the society? b) are initiatives taken by government to increase the tourist inflow and to remove the challenges before tourism industry in India, sufficient or need some amendments? c) do increased economic benefits of tourism industry has created a place for India on world tourism map or not? After analyzing all the facts it can be concluded that tourism industry is expanding day by day and contributing a lot towards the economic development of society by providing employment opportunities and huge increase in foreign exchange earning. Though it has some negative sides too but this problem can be eliminated by the joint efforts of government, tourism organizations, media, and of course local communities.

Key Words:- Economic- Development, Foreign- Investment, Visitor- Investment, Ministry of Tourism, Foreign - Exchange, Infrastructure Development. Tourist- Traffic

Introduction

Tourism activity is not a new phenomenon for Indians. In recorded history there have been instances whereby one is able to know that man has been travelling throughout the ages. In 19th century people have seen travelling for the purpose of trade and commerce. Throughout history, traders and merchants have travelled to far off lands in order to trade with other nations and tribes. Then after people have started journeys to seek knowledge and to explore the unexplored land.

During the middle ages the practice for travelling for religious purposes became a well established custom in many parts of the world. It served as a powerful means of forging unity and understanding between peoples from widely different regions. Besides this the introduction of Railways and Ships in 19th century and introduction of air transport and motor car in 20th century gave a boom to the development of tourism industry.

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India is a country which is known for its lavish treatment to all visitors, no matter where they come from. It is entertaining its visitors with its varied attractions which include beautiful beaches, forests, wild life, landscapes, snow, river, mountain peaks, technological parks, science museums, centres of pilgrimage, heritage trains, hotels, yoga, ayurveda and natural health resorts. The Indian handicrafts particularly, jewellery, carpets, leather goods, ivory and brass work are the main shopping items of foreign tourists. The facts vindicate that nearly forty per cent of the tourist expenditure is done on the shopping of such items.¹

Objectives:-

- to explore the role of tourism industry in social and economical development of country.
- to know the different positive and negative impacts of tourism industry.

- to explore the role of Hotel and Aviation Industry in increasing the foreign exchange and tourist inflow in India.
- to know the areas which offers tourism related employment.

-to measure the effectiveness of different schemes and programmes initiated by Government

- to increase the tourist inflow and economic benefits of tourism industry.

Research Questions:-

- Is tourism industry a boon or a curse to the society?
- Are initiatives taken by government to increase the tourist inflow and to remove the challenges before tourism industry in india, are sufficient or need some amendments?
- Do increased economic benefits of tourism industry has created a place for India on world tourism map or not ?

Tourism has various social, economical, cultural, psychological and environmental impacts on larger social fabric of society. The facet of these impacts may be positive or negative. On the one hand tourism industry is helping in socio-economic development of India; on the other hand it is degrading the culture, environment and belief system of the society.

Impacts of Tourism

Several negative as well as positive impacts of tourism are witnessed. These impacts are seen in society, economy, culture

Tourism industry is playing a significant role in the social, economical, cultural and environmental development of society. Tourism industry is one of the world's fastest growing economic sector and largest employer of manpower helps in earning multi-billion dollar annually by attracting a billion of people from one destination to another. This is evident from the fact that international tourist arrivals has doubled from the year 1995 (565.4 million) to the year 2010(1006.4 million). It is expected to reach to 1.56 billion by 2020, with the largest rate of increase in developing countries including India. It is expected to provide more than 251.6 million jobs by 2020. According to UN World Tourism 6-7% of the world's total jobs directly and

Positive Impacts of Tourism			
Economic Impacts	Social Impacts	Cultural Impacts	Environmental Impact
Generates Income	Conservation of natural resources	Foster good International Relations	Conservation of Sensitive Areas and Habitat is directly financially contributed by tourism.
Provide Employment Opportunities	Helps in avoidance of migration of the Local population	Strengthen mutual harmony & Serve as a force supporting to restore peace	Contribution to Govt Revenues
Source of Foreign Exchange Earnings	Facilities developed for tourism can Benefit residents	Civic involvement & pride is also encouraged by tourism	Improved environmental Management & Planning
Infrastructure Development	Raises local awareness regarding the financial Value of natural and Cultural sites	Conservation of culture, traditions, handicrafts, cuisines, art, folksongs etc.	Raising environmental awareness
Enhance educational facilities	Generates opportunities of employment for local people.	Brings Pride in cultural traditions	Protection & preservation of Environment

and environment. Some of these positive impacts are as follows:-

millions more indirectly comes through the multiplier effect of this sector.²

In India, tourism has made significant contribution to the Indian economy by providing an increase in foreign exchange earning, creating more employment opportunities and infrastructure development. It is clear from the tourism statistics that international tourist arrival has increased from 5.11 million in 2009 to 5.58 million with a growth rate of 8.1% in 2010 and foreign exchange earning has increased from US \$11394 million in 2009 to 648.89 billion in 2010. Approximately 705 million domestic tourists have visited different states /UTs of India in 2010. Share of India in world tourist arrival and world tourism

receipts is 0.58% and 1.24% respectively.³ It is also expected that tourism demand will grow at an annual growth rate of 8.8% over the next ten years.

Tourism protects and maintains the natural and cultural resources of the country, helps in avoidance of migration of the local population, and brings about improvement in the economic and socio cultural level of the local community. It serve as a tool to financial protection of natural areas and increase their economic importance and raise awareness regarding environmental values.

Social interaction between tourist and host community enhances the mutual appreciation, tolerance, understanding, awareness, family bonding, learning, respect and likings. Where as on the one hand residents of the host country get an education about the outside world while sitting at home on the other hand they availed the facilities of schools, libraries, healthcare institutions, and internet cafe, contributed by tourism industry.

On the one hand tourism industry is helping in socio-economic development of India; on the other hand it is degrading the culture, environment and belief system of the society by giving birth to several social problems like increased use of narcotics and drugs, sex tourism, child labour, seasonal employment, commercialization of cultural products, environmental degradation, increased pollution, extinction of rare species and increase in the price of commodities.⁴

Role of Tourism Industry In Economic Development of India

Travel and Tourism contributes to be one of the world's largest industries. 2011 was one of the most challenging years ever experienced by the global travel & tourism industry. Despite political upheaval, economic uncertainty and natural disasters, the industry's direct contribution to world GDP grew by nearly 3% to US\$ 2 trillion and directly generated 1.2 million new jobs. This was supported by a 3% increase in visitor exports to US\$ 1.2 trillion, with almost 3% growth in capital investment, which rose to over US\$0.7 trillion.⁵

Economic Contribution of Travel & Tourism Industry

The direct contribution of Travel & Tourism to GDP reflects the internal spending on Travel & Tourism (total spending within a particular country on T&T by residents and non-residents for business and leisure purposes) as well as government 'individual' spending (spending by government on Travel & Tourism directly linked to visitors, such as cultural or recreational).

The direct contribution of Travel & Tourism to GDP is calculated from total internal spending by netting out the purchases made by the different tourism sectors. The direct contribution of Travel & Tourism to GDP in 2011 was INR 1,689.8bn (1.9% of GDP). It is expected that it will rise up to 7.6%

to INR 1,818.5bn in 2012. This primarily reflects the economic activity generated by industries such as hotels, travel agents, airlines and other passenger transportation services. But it also includes the activities of the restaurant and leisure industries directly supported by tourists. The direct contribution of T&T to GDP is expected to grow by 7.7% pa to INR 3,805.2bn (1.9% of GDP) by 2022.⁶

The total contribution of Travel & Tourism includes its wider impacts on the economy. The indirect contribution includes the GDP and jobs supported by Travel & Tourism investment spending (such as purchase of new aircraft and construction of new hotels), Government collective spending (such as tourism marketing & promotion, aviation, administration, security services etc.) and Domestic purchases of goods and services by the sectors dealing directly with tourists (including purchases of food and cleaning services by hotels, of fuel and catering services by airlines and IT services by travel agents).

The total contribution of Travel and Tourism to GDP was INR 5,651.0bn in 2011 (6.4% of GDP) and is expected to grow by 7.3% to INR 6,062.3bn (6.5% of GDP) in 2012. It is forecast that it will rise by 7.8% pa to INR 12,891.2bn by 2022 (6.5% of GDP).⁷

The induced contribution measures the GDP and jobs supported by the spending of those who are directly or indirectly employed by the Travel & Tourism industry.

Visitor Exports and Investment

Visitor exports are a key component of the direct contribution of Travel & Tourism. In 2011 India generated INR 801.4bn in visitor exports. In 2012, this is expected to grow by 3.5%, and the country is expected to attract 6,504,000 international tourist arrivals. It is expected that by 2022, international tourist arrival will increase to total 11,276,000, generating expenditure of INR 1,382.6bn, with an increase of 5.2% pa. In the year 2011, Travel & Tourism has attracted a capital investment of INR 1,253.9bn. This is expected to rise by 12.3% in 2012, and rise by 7.5% pa over the next 10 years to INR 2,903.9bn in 2022.⁸

In the year 2011 the Travel & Tourism Industry has generated 24,975,000 directly (5.0% of total employment) and this is forecast that it will grow by 3.0% in 2012 by providing jobs to 25,733,500 people (5.0% of total employment). By 2022, Travel & Tourism will account for 30,198,000 jobs directly, an increase of 1.6% pa over the next 10 years. The total contribution of T&T to employment was 39,352,000 jobs in 2011 (7.8% of total employment). This is forecast to rise by 2.8% in 2012 to

40,450,500 jobs(7.9% of total employment).By 2022, Travel & Tourism is forecast to support 47,911,000 jobs(8.% of total

employment), an increase of 1.7%pa over the period.⁹

Negative Impacts of Tourism

Economic Impacts	Social Impacts	Cultural Impacts	Environmental Impacts
About 80% of total expenditure made by tourist, goes directly to the travel related businesses not to the local businesses and workers.	Loss of traditional life style, habits & beliefs.	Commodification of travel products.	Depletion of natural resources.
-Import leakage occurs when host country is unable to supply the goods &	Increased use of drugs and narcotics	Standardization of products	Land degradation

services, demanded by the tourist.			
An export leakage Occurs when an Overseas investor Financing the resort & hotels take their Profit back to their Own country.	Generation of social crimes	Commercialization of cultural products, rituals & folksongs etc.	Increase in pollution
Hike in product Price	Local residents tend to shun the work they used to do earlier	Loss of authenticity	Destruction & alteration of eco-systems
Tourism dependent Economies have to Face enormous Risk of over reliance On tourism	Rise of the price of real estate	Irritation due to tourist behaviour	Extinction of rare species
Tourism is seasonal In character.	Influence of Western culture	Adaptation to tourist demand	Global Warming

Table- 1 Estimates and Forecasts

India	2011	2011	2012	2022		
	INRbn	% of Total	Growth	I N R b n	% of Total	Growth
Direct contribution to GDP	1,689.8	1.9	7.6	3,805.2	1.9	7.7
Total contribution to GDP	5,651.0	6.4	7.3	12,891.2	6.5	7.8
Direct contribution to Employment	24,975	5.0	3.0	30,198	5.1	1.6
Total contribution to Employment	39,352	7.8	2.8	47,911	8.0	1.7
Visitios Exports	801.4	3.8	3.5	1,382.6	2.0	5.2
Domestic Spending	3,703.1	4.2	8.3	8,710.3	4.4	8.1
Leisure Spending	3,335.4	3.8	8.6	7,554.3	3.8	7.6
Business Spending	1,181.3	1.3	4.1	2,562.2	1.3	7.6
Capital Investment	1,253.9	5.1	12.3	2,903.9	4.4	7.5

Source-Report of World Travel and Tourism Council on Economic Impact of Tourism In India , 2011-12

Table- 2 The Economic Contribution of Travel & Tourism

India(INRbn,real 2011 prices	2009	2010	2011	2012(Expected)	2022(Forecast)
Visitors Exports	674.7	730.6	801.4	829.2	1382.6
Domestic Expenditure	3268.1	3415.8	3703.1	4009.9	8710.3
Internal Tourism Consumption	3954.2	4157.9	4516.8	4853.0	10122.1
Purchases by Tourism Providers,Including imported goods	-2478.9	-2603.3	-2827.0	-3034.5	-6316.9
Direct contribution of T&T to GDP	1475.3	1554.6	1689.8	1818.5	3805.2
Domestic Supply Chain	2260.4	2381.8	2589.1	2786.2	5830.1
Capital Investment	1136.8	1145.6	1253.9	1407.6	2903.9
Government Collective Spending	76.0	80.8	84.5	88.3	163.0
Imported Goods from Indirect Spending	-792.4	-833.6	-892.0	-1009.7	-1807.0
Induced	834.4	857.7	925.7	971.4	1996.1
Total Contribution of T&T to GDP	4990.5	5186.9	5651.0	6062.3	12891.2
Direct contribution of T&T to Employment	24644.4	24143.0	24974.9	25733.7	30197.9
Total Contribution of T&T to Employment	38044.1	37786.8	39351.9	40450.7	47911.4
Expenditure on outbound travel	542.3	583.3	690.0	742.0	1612.3

Source-Report of World Travel and Tourism Council on Economic Impact of Tourism In India , 2011-12

Table-3

Foreign Tourist Arrivals (FTAs) and Foreign Exchange Earnings (FEE) from Tourism in India during 2011 and comparative figures of 2010 and 2009					
Foreign Tourist Arrivals (Nos)					
Month	Foreign Tourist Arrivals (Nos.)			Percentage Change	
	2009	2010 (R)	2011	2010/09	2011/10
January	481308	568719	623885	18.2%	9.7%
February	489787	552152	635527	12.7%	15.1%
March	442062	512152	550051	15.9%	7.4%
April	347544	371956	437792	7.0%	17.7%
May	305183	332087	355333	8.8%	7.0%
June	352353	384642	412336	9.2%	7.2%
July	432900	466715	513853	7.8%	10.1%
August	369707	422173	444548	14.2%	5.3%
September	330707	369821	401995	11.8%	8.7%

October	458849	507093	562873	10.5%	11.0%
November	541524	608178	636762	12.3%	4.7%
December	615775	680004	715364	10.4%	5.2%
Total	5167699	5775692	6290319	11.8%	8.9%
Foreign Exchange Earnings (in Rs. Crore)					
Month	Foreign Exchange Earnings (in Rs. Crore)			Percentage Change	
	2009 #	2010 #	2011 #	2010/09	2011/10
January	4598	5593	5777	21.6%	3.3%
February	4547	6646	7653	46.2%	15.2%
March	4437	5507	5522	24.1%	0.3%
April	4061	4518	5724	11.3%	26.7%
May	3249	4358	5047	34.1%	15.8%
June	3801	4751	5440	25.0%	14.5%
July	4983	5444	7116	9.3%	30.7%
August	4115	4620	5734	12.3%	24.1%
September	3798	4678	5748	23.2%	22.9%
October	4806	5219	7019	8.6%	34.5%
November	5523	6516	7941	18.0%	21.9%
December	7042	7039	8870	0.0%	26.0%
Total	54960	64889	77591	18.1%	19.6%
Foreign Exchange Earnings(in US\$ million)					
Month	Foreign Exchange Earnings (in US\$ million)			Percentage Change	
	2009 #	2010 #	2011 #	2010/09	2011/10
January	941	1215	1273	29.1%	4.8%
February	923	1434	1684	55.4%	17.4%
March	867	1209	1227	39.4%	1.5%
April	811	1013	1290	24.9%	27.3%
May	669	951	1124	42.2%	18.2%
June	796	1020	1213	28.1%	18.9%
July	1028	1163	1603	13.1%	37.8%
August	851	992	1264	16.6%	27.4%
September	785	1015	1208	29.3%	19.0%
October	1028	1175	1424	14.3%	21.2%
November	1185	1448	1566	22.2%	8.1%
December	1510	1558	1688	3.2%	8.3%
Total	11394	14193	16564	24.6%	16.7%
@ Provisional Estimates # Advance Estimates R: Revised					

Table-4

Share of Top 10 Countries of the World and India in International Tourist Receipts in 2010

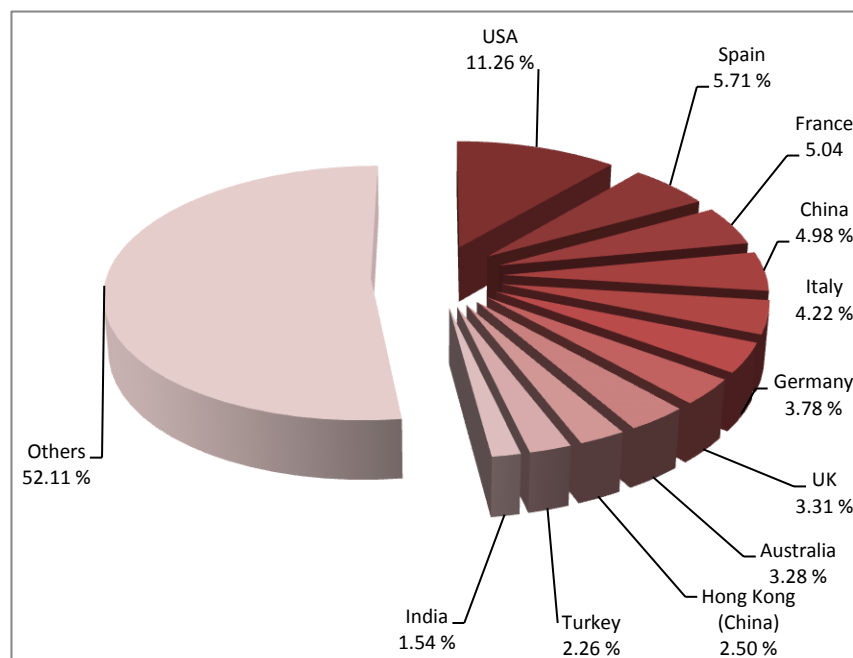
Country	International Tourist Receipts (P) (in US \$ billion)	Percentage (%) Share
USA	103.5	11.26
Spain	52.5	5.71
France	46.3	5.04

China	45.8	4.98
Italy	38.8	4.22
Germany	34.7	3.78
UK	30.4	3.31
Australia	30.1	3.28
Hong Kong (China)	23	2.5
Turkey	20.8	2.26
Total of Top 10 Countries	425.9	46.34
India #	14.2	1.54
Others	478.9	52.11
Total	919	100

(P) Provisional

Source: UNWTO Tourism Highlights 2011 Edition

Figure-1



From the above tables and charts it is clear that foreign tourist arrival and foreign exchange earning is increasing day by day in India. In the year 2009 the total foreign tourist arrival was 516 million which has reached up to 629 million in the year

2011. Whereas the foreign exchange earning in the year 2009 was 54960 crore which has reached up to 77591 crore in the year 2011. The reasons which are responsible for increasing foreign tourist traffic and foreign exchange earnings in India may be

described as, India is considered as a economical as well as business cum pleasure destination, opening of the sectors of economy to private sectors, attracting foreign investment, open skies policies of aviation sector which has led to better connectivity with many countries with India, liberal government policies and tourism promotion measures initiated by tourism organizations.

Below given charts clearly depicts that not only foreigners but also millions of domestic tourist are attracted towards different tourist destinations of India and are travelling to different states and union territories to explore culture, to seek knowledge and for medical treatment. In the year 2009 about 668.8 million domestic tourist have visited different states of India. This figure has rose up to 740.21 million in the year 2010. Figure -3 rightly depicts that in the year 2010 the state Maharashtra is visited by maximum number (28.5%) of total foreign tourist. Then Tamil Nadu and Delhi have received 15.7% and 10.6% of total foreign tourist respectively. In the case of domestic tourist arrival the state Andhra Pradesh has received 21.0% of total domestic tourist arrival. Then comes the Uttar Pradesh and Tamil Nadu which has received 19.6% and 15.1% of total Domestic tourist arrival in the year 2010 respectively. This increase has been seen as a direct outcome of rapidly increasing purchasing power of the middle class , better road connectivity, evolving life style, hike in salaries and liberal government policies.

Aviation Industry

Aviation as an important sector of Travel Industry is playing a significant role in economic development of world. Oxford Economics has estimated that over 5.5 million workers are employed directly in the industry worldwide and generating around US\$425bn. It further enhances efficiencies through economies of scale, increased competition and innovation, and access to wider pools of human resources. In particular, the benefits to society of expenditure on research and development by the aerospace industry are very significant, adding 70% to GDP year after year for every dollar initially invested.

The aviation sector has undergone a significant structural transformation over the past decade, with the birth of a new airline model, the low-cost carrier (LCC). With their focus on no-frills, point-to-point services, LCCs have had a significant impact on the demand for airline travel, making it affordable for a much wider segment of the population in all key world regions. To make Tourism sector in India more attractive the Government has launched a scheme of 'Visa on Arrival' from January 2010 for citizens of five countries, namely Cambodia, Indonesia, Vietnam, Philippines, Laos and Myanmar from January 2011.

Percentage Share of Top 10 States/Uts of India in FTA

TABLE -5
Share of Top 10 Countries of the World and India in International Tourist Arrivals in 2010

Rank	Country	International Tourist Arrival in million	percentage Share
1	France	76.8	8.17
2	USA	59.7	6.35
3	China	55.7	5.93
4	Spain	52.7	5.61
5	Italy	43.6	4.64
6	UK	28.1	2.99
7	Turkey	27	2.87
8	Germany	26.9	2.86
9	Malaysia	24.6	2.62
10	Mexico	22.4	2.38
	Total of Top 10 Countries	417.5	44.42
	India #	5.6	0.59
	Others	516.9	54.99
Total		940	100

(P) Provisional
Excludes nationals of the country residing abroad
Source: UNWTO Tourism Highlights 2011 Edition

Table-6

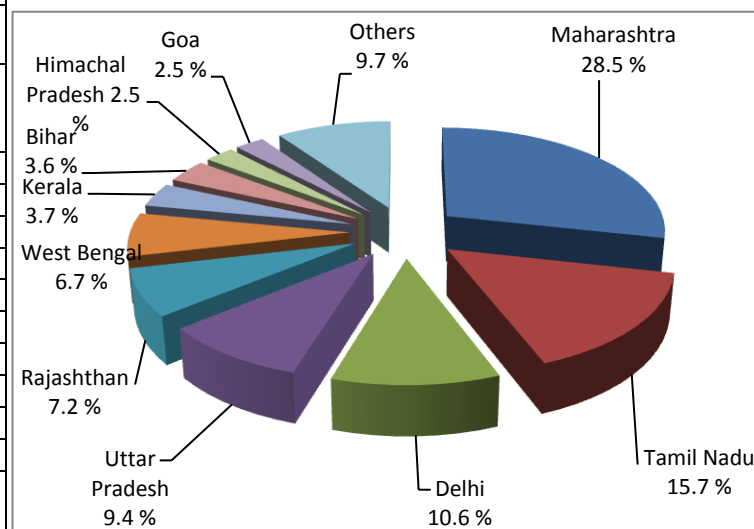
No. Of Domestic Tourist Visits to all States/Uts

In India-2005-2010

Year	No. of Domestic Tourist visits(in million)to states/Uts	Percentage change over the previous year
2005	391.95	7
2006	462.31	18
2007	526.43	13.9
2008	563.03	7
2009	668.8	18.8
2010(P)	740.21	10.7

Source-State/Uts Tourism Departments

Figure-2



Hotel Industry

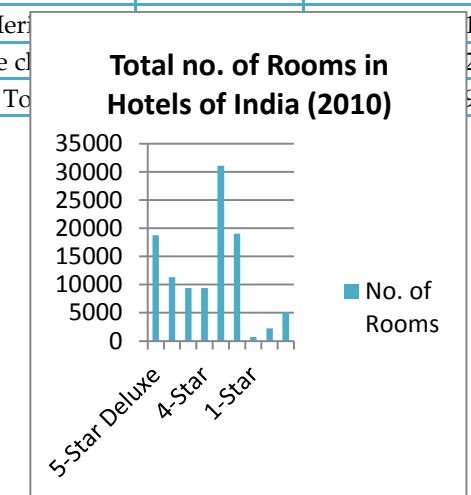
Hotel Industry is witnessing continued momentum due to the increased number of foreign tourist arrivals together with the growth of domestic tourism in the country. The Indian Hospitality industry contributes around 2.2 percent of India's GDP. The Industry is expected to reach INR 230 billion growing at a compound growth rate of 12.2 percent. The Industry also witnessed an increase in the number of hotel rooms with a growth 5% during the last three to four years. In the next two years, a total investment of US\$12.2 billion (INR545.2 billion) is expected that will add over 20 new international brands in the hospitality sector. To attract budget tourist in India government is planning to develop budget hotels in the country. In this series various budget category hotels like Ginger Hotels, Lemon Tree Hotels, Sarovats, and Fortune hotels have been established.¹⁰

Hotels in India are broadly classified into 7 categories (five star deluxe, five-star, four star, and three star, two star, and one-star and heritage hotels) by the Ministry of Tourism, Government of India, based on the general features and facilities offered. The ratings are reviewed every five years. 2010 As of December (latest available figure) there are following number and category of hotels.

Entry of international brands through joint ventures and tie-ups is likely to enhance the service levels and will narrow demand-supply gap of rooms. Currently, according to industry estimates, there are only 1,05,000 hotel rooms in India. The growth for hotels is also likely to come from proliferation of Special Economic Zones.

Table- 7: Demand for Hotels and Rooms with their Classification (2010)

Star Category	No. of Hotels	No. of Rooms
5-Star Deluxe	82	18764
5-Star	92	11332
5-Star	132	9401
4-Star	132	9401
3-Star	704	31039
2-Star	587	19031
1-Star	212	695
Heritage		16
To be developed		27
Total		973



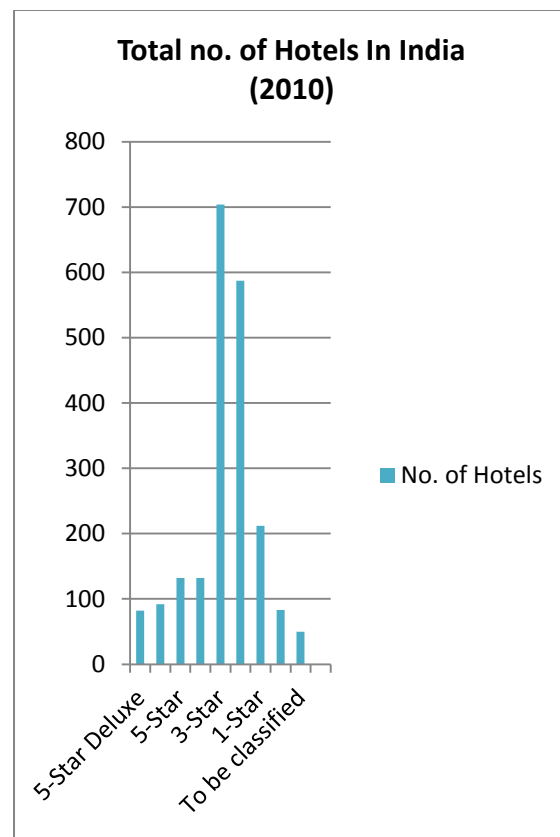


Figure-4

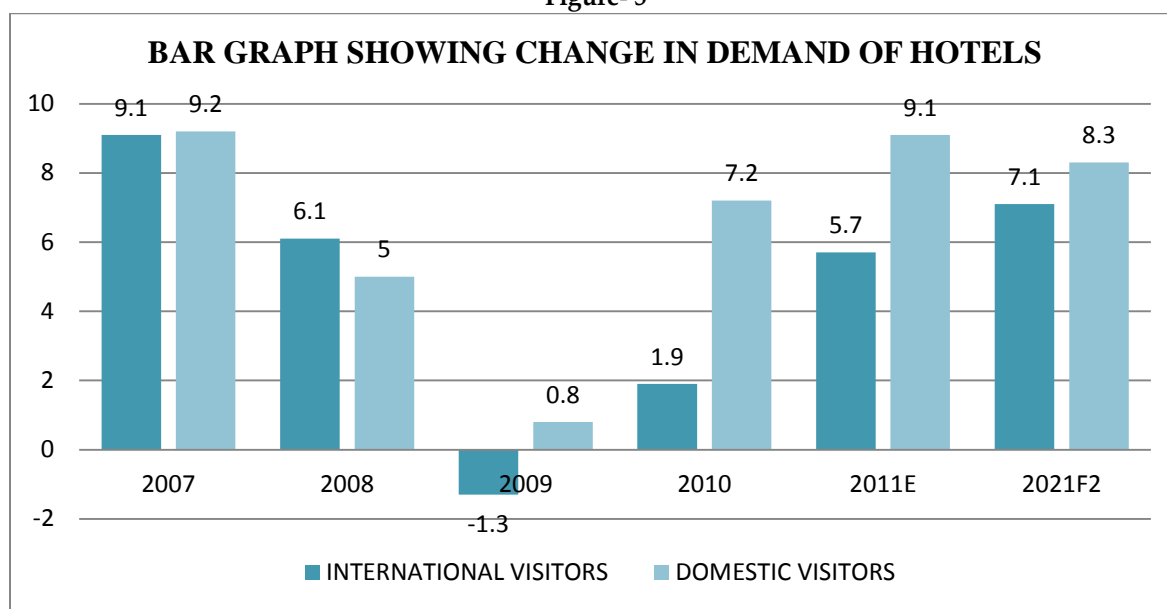
The above figure clearly depicts that the total number of rooms and the total number of hotels are maximum at the three star classifications i.e. 704 and 31039. The same is minimum in the one star hotel i.e. 212 and 695 and heritage hotel classification i.e. 83 and 216.

Table -8 : GROWTH OF VISITORS IN HOTELS

YEAR	INTERNATIONAL VISITORS	DOMESTIC VISITORS
2007	9.1	9.2
2008	6.1	5.0
2009	-1.3	0.8
2010	1.9	7.2
2011E	5.7	9.1
2021F2	7.1	8.3

Source: www.ministryoftourism.com

Figure- 5



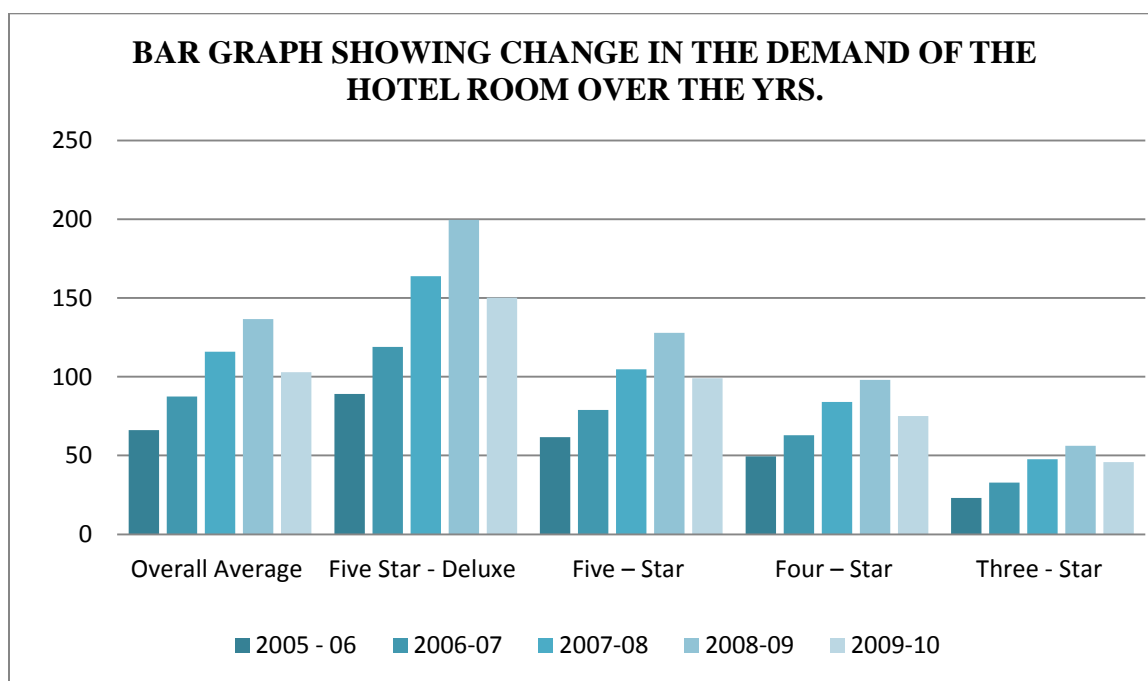
The above figure shows the growth and demand for hotels in India. These visitors are inclusive of international as well as domestic tourists. The figure shows the contribution of the hotel industry to the GDP of India. The Indian Hospitality sector is expected to show a healthy growth in the medium term. Strong economic growth, increased FDI, greater emphasis on tourism development, favourable Government policies, impending 2010 Commonwealth games, 2011 Cricket World Cup and other international events, will be the major drivers for the growth. There exists a lot of scope for growth in tourism sector. According to the Ministry of Tourism, the contribution of tourism to India's GDP is only 5.9 per cent as compared to the worldwide average of 11 per cent.¹¹

Table - 9: Statistical Data – Indian Hotel Industry

Size of the Hotel Industry	USD 3.8 Billion
Share of premium segment in the overall hotel market (2010)	USD 2.3 Billion
Expected growth rate from 2011 to 2012	12 percent
Key Players	Indian Hotels, Leela Ventures, ITC Hotels, Oberoi Hotels, Bharat Hotels, ITDC, Kamat Hotels.
<u>Rooms</u>	
Current Supply	About 110,000 hotels rooms
Current Demand	About 150,000 hotels rooms

Source: www.ministryoftourism.com

Figure -6



The growth of the Hotel Industry is largely due to the rising business opportunities, strong economic performance and cross border investments. India has currently base of 110,000 hotels rooms and still face the shortage of 150,000 rooms. There is a mismatch between demand and supply, leading to higher occupancies and average room rates. Occupancy rates across India have improved from 52 percent in 2005 to 67 percent in 2009. The demand for the five stars- deluxe hotels have been increasing.

Employment Opportunities in Travel & Tourism

Working in the Travel and Tourism industry is all about making traveling an enriching and enjoyable experience for every individual by providing quality services. This industry is the largest foreign exchange earner and it provides employment to millions of people. Employment opportunities exist in both the

public and the private sector in this industry. In the public sector, you can work in the Directorates and Departments of tourism of the center and the state, guides etc. In the private sector, on the other hand you can secure a job in a travel agency, hotel, airline, transport agency or a cargo company. Since this industry is a relatively new one, there are not a huge number of experienced individuals. Hence, you can move up the ladder fast and establish your own agency after a few years.

The Career Options

- **Travel Agencies:** These institutions facilitate travel and other services for all individuals traveling for vacations or business purposes. Providing information about the destination, hotel ratings, the cheapest and the fastest mode of transport, visas, foreign exchange etc. is the job of a travel agent. Travel agencies are divided into roughly four departments- the Accounts, Tours,

Travel and Cargo. A course in travel and tourism will help you to get a suitable job. You can be a:-

- Travel Agent
- Tour Operators
- Travel – Information Centre Supervisor
- Reservation Clerk
- Travel Guide
- Travel Information Assistant etc.

Tourism Department: This department consists of:-

- Reservation and counter staff
- Sales and marketing staff,
- Tour planners,
- Tour guides,
- Information assistants and
- Officers in the Directorate and Department of tourism.

These officers for the Directorate and Department of tourism are chosen from the civil services and their job is to promote and plan tourism. Information assistants provide knowledge concerning destinations and plan itineraries. They are selected through a competitive exam which is held by the Staff Selection Commission. Guides too are divided into three categories namely regional, state and local. In order to be a guide, you must have knowledge about history, art, architecture and language.

Hotels: Hotels provide travelers with food and accommodation services. This service industry requires skilled and professional individuals and its manpower requirements are vast. Jobs related to front office, operations, house keeping, food and beverages, accounting, management and public relations are available. A course in hotel management would help you to get a suitable job. You can be a:-

- Manager Hotel
- Reservation Clerk/ Receptionist
- Night Auditor
- Cashier
- Travel Clerk
- Sales Representatives
- Lodging Facilities Manager etc.
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Transport: Transport refers to means of traveling from one place to another. Air, railways, road and sea are the basic categories that transport is divided into:-

a) Road transport: Coaches and tourist cars provide scope for self employment. Drivers with good conversation skills and

knowledge of different languages are ideal for this job. You can be a:-

- Sales Rental Agent
- Reservation Agent
- Automobile Rental Clerk
- Bus Attendant
- Interstate Bus Dispatcher
- Dispatcher Clerk

b) Airlines: This sector of the travel and tourism industry is in great demand. The ground staff and the airlines need smart and presentable professionals with a degree in hotel management or travel and tourism.

- Traffic assistants
- Reservation and counter staff,
- Air hostess & flight pursuers,
- Sales and marketing staff
- Flight Attendant
- Airline Food Service
- Airline Lounge Receptionist
- Flight Dispatcher
- Crew Scheduler
- Airport Attendant
- Airport Manager
- Flight Information Expediter
- Station Manager
- Cargo Clerk etc.

c) Cruise Lines: Jobs most readily available to people with a background in tourism and hospitality include those that are directly related to passenger service and well-being. Training in the hospitality management and a back-ground in food and beverage preparation are essential for personnel in charge of all dining room facilities aboard ship. You can be a:-

- Documentation Supervisor
- Cargo Checker
- Booking Supervisor
- Chief Steward/ Stewardess
- Social Director/Public Relation Officer

d) Rail Transport:- This Department Consist of:-

- Documentation Billing Clerk
- Interline Clerk
- Passenger Rate Clerk
- Baggage and Mail Agent
- Dispatcher clerk
- Reservation Clerk
- Train Clerk
- Rail Road Dining Car Steward/ Stewardess etc.

Time share companies: These companies own/manage holiday resorts with time shares owned by different members of these companies. It leads to another set of companies which provide services relating to sale/transfer/exchange of these time shares with an international network of resorts. You have the option of working with resort owning companies or time share exchange companies.

Holiday consultants: This is a relatively new career option in the travel and tourism industry. These professionals provide all the information to their clients. They sell the holiday, plan the itinerary, make the travel plan, book the tickets and provide all the other details which are required.

Banks: Banks require people to assist tourists and travelers on foreign exchange. Usually MBA professionals are preferred for this job. Banks help in hotel and ticket bookings also.

Challenges before Tourism Industry

From the all above description it is clear that tourism industry is growing day by day in the world and India is sharing a major part of world tourism receipts and world tourism traffic and has proved successful in maintaining its place on world tourism map. Though India shares only 1.24 % of international tourist receipts and 0.59% of international tourist traffic but this contribution can not be neglected. The major constraint in the expansion of international tourist traffic to India is non-availability of adequate infrastructure including adequate air seat capacity, accessibility to tourist destinations, accommodation and trained manpower in sufficient number. Poor visitor experience, particularly, due to inadequate infrastructural facilities, poor hygienic conditions and incidents of touting and harassment of tourists in some places are factors that contribute to poor visitor experience.¹³

Different Schemes and Programmes initiated by Government to Promote Tourist Infrastructure and to Increase Tourist Inflow:

Different components of infrastructure like airport, railways, waterways, roads and other amenities like electricity, supply of water, sewage drainage, and other facilities like accommodation, recreational facilities, restaurants and shopping facilities etc. plays an important role in tourism infrastructure. As all these components create the foundation of tourism industry the Government of India and Ministry of Tourism with the help of state and U.T. Governments are

launching and developing various development schemes to improve the present situation of infrastructure in India.

Product Infrastructure Development for Destination and Circuits Scheme:

To develop high standard infrastructure facilities, a large number of mega projects have been sanctioned by government in different states of India. In the financial year of 2010-11 a total no. of 136 projects have been sanctioned by government in different parts of India and a huge amount of Rs. 72,879.90 lakhs have been sanctioned for the same. In the financial year of 2011-12, under the scheme of Product Infrastructure Development for Destination & Circuits, a total no. of 58 projects have been sanctioned in 19 states of India.¹⁴

Central Financial Assistance for IT Scheme:

Keeping in view the advantage of computer technology or IT sector Ministry of Tourism, Government of India has launched a scheme named “Central Financial Assistance for IT”, for developing various tourism information facilities with interactive touch screen kiosks and audit guides, setting up of mobile multimedia tours, setting up of information kiosks at 10 selected major cities of India, and for providing facilities for internet online reservation and information to tourists. In the year 2010-11 a total no. of 8 mega projects have been sanctioned under the CFA scheme, and an amount of Rs. 189.710 lakhs has been sanctioned for the same. Further in the year 2011-12 four projects have been sanctioned to provide instant information services to the tourists and an amount of Rs. 77.050 lakhs has been sanctioned by the Ministry of Tourism, Govt. of India. Out of which Rs. 69.350 lakhs has been released for the effective implementation of the programme.

Capacity Building for Service Providers Scheme:

In order to facilitate high standard infrastructure and superstructure in India, Ministry of Tourism has launched another Scheme “Capacity Building For Service Providers” to develop various software work plan and Rural Tourism Project in different states of India.

In the year 2010-11 a total no. of 7 mega projects have been sanctioned under the CBSP scheme, and an amount of Rs. 174.910 lakhs has been sanctioned for the same. Further in the year 2011-12, six projects have been sanctioned to develop software work plan and rural tourism projects in different states of India and an amount of Rs. 179.850 lakhs has been sanctioned by the Ministry of Tourism, Govt. of India. Out of which Rs. 143.890 lakhs has been released for the effective implementation of the programme.

Scheme for Assistance for Large Revenue Generating Projects

In order to remove all shortcomings and to bring in private sector, corporate and institutional resources as well as techno-managerial efficiencies, it is proposed to promote large revenue generating projects for development of Tourism infrastructure.

In the financial year 2008-09 two large revenue generating projects, one in Rajasthan and one in Tamil Nadu has been sanctioned and an amount of Rs.750.000 lakhs and Rs.802.700 lakhs respectively has been released for the same. In order to bring out the private, corporate and institutional support for infrastructure development, one large revenue generating project In Delhi has been sanctioned in the year 2009-10 and for which an amount of Rs.1,237.000 lakhs has been sanctioned and released by the government of India.¹⁵

Foreign Investment:

Government of India has allowed 100% Foreign Investment under the automatic route in the Hotel and Tourism Related Industry. The terms hotel includes restaurants, beach resort and other tourism complexes and the term tourism related industry includes travel agencies, tour operating agencies, transport organizations and other event organizing agencies.

Visa on Arrival Scheme:

To make Tourism sector in India more attractive the Government has launched a scheme of 'Visa on Arrival' from January 2010 for citizens of five countries, viz. Finland, Japan, Luxembourg, New Zealand and Singapore visiting India for tourism purposes. The Government has now extended this scheme for the citizens of six more countries, namely Cambodia, Indonesia, Vietnam, Philippines, Laos and Myanmar from January 2011. In this order 5774 VoAs were issued during the period January to June.¹⁶

Scheme for the Development of Emerging Tourism Products:

Now the main concern of Ministry of Tourism and Government of India is to develop infrastructure for Rural Tourism, Golf Tourism, Cruise Tourism, Adventure Tourism, Sustainable Tourism, Well-ness Tourism, and Medical Tourism etc.

By developing rural tourism the Ministry of Tourism intends to help the local community economically and socially. On 28 February 2011, 169 rural tourism sites in 28 states/ UT have been sanctioned by the Ministry of Tourism.

To promote Golf- Tourism in India the Ministry of Tourism has organized a workshop "Promotion of Golf-Tourism" in New Delhi in January 2011.

Cruise Tourism is emerging as one of the most dynamic segment of the tourism industry. With an objective of making India attractive as cruise tourism destination, to develop infrastructure facilities and to attract right segment of the foreign tourists to cruise shipping in India a policy "Cruise Shipping Policy of the Ministry Of Shipping" was approved by the Government of India on June 28, 2008.

The Ministry of Tourism has included the promotion of wellness Tourism as new initiatives. The Marketing Development Assistance Scheme (MDA) administered by the Ministry of Tourism provides financial support to Wellness Tourism Service Providers accredited by State Governments till the guidelines of AYUSH-NABH for accreditation are finalized. As per the report 'Domestic Tourism in India', 2008-09' released by the National Sample Survey office on October 20, 2010, trips for health and medical purposes formed 7% of overnight trips in the rural population and about 3.5% in the urban population.

Recently, the Ministry of Tourism has sanctioned INR 1.2 million under the Marketing Development Assistance (MDA) Scheme to 10 Medical Tourism Service Providers during 2010.¹⁷

Conclusion:

Tourism in India has vast potential for increasing foreign investments, foreign exchange earning, for generating employment, besides contributing towards the economic and social development of the society. Central and State government with the help of private sector and voluntary organizations are working towards improving the status of infrastructure including increasing air seat capacity, increasing trains and railway connectivity to important tourist destinations, four-laning of roads, and availability of accommodation by adding heritage hotels and 7 star hotels. Though India shares only 1.24 % of international tourist receipts and 0.59% of international tourist traffic but this contribution can not be neglected. After analyzing all the facts it can be concluded that tourism industry is expanding day by day and contributing a lot towards the economic development of society by providing employment opportunities and huge increase in foreign exchange earning. Though it has some negative sides too but this problem can be eliminated by the joint efforts of government, tourism organizations, media, and of course local communities.

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