



## TOURISM IN INDIA: A FACT FILE

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### ABSTRACT:

*The Tourism and Hospitality industry is that the largest industry globally in terms of sales and interchange earnings. it's conjointly one in all the most important employment generators within the world. The driving forces of this tourism belong the recreational, information seeking, non secular and tourism interests of individuals round the world. The human urge for brand spanking new expertise, adventure, and recreation plays the role of a catalyst for the expansion of this tourism. It conjointly has the potential to stimulate alternative sectors within the economy due to the cross - synergistic edges and its backward and forward linkages*

*that maketourism and welcome each a cause and consequence of economic development within the Indian context, the story is not any completely different. Despite the few types of ebb and flows and also the political uncertainty that the full economy is facing, this tourism is poised for future property growth and appears to stabilize and grow any within the close to future.*

**KEYWORDS** : recreational, information seeking , political uncertainty.

### INTRODUCTION

The Indian tourism and hospitality industry has emerged jointly of the key drivers of growth among the services sector in India. The third-largest sub-segment of the services

sector comprising trade, repair services, hotels and restaurants contributed nearly US\$ 187.9 billion or twelve.5 per cent to the Gross Domestic Product (GDP) in 2014-15, whereas growing the quickest at eleven.7 per cent Compound Annual rate of growth (CAGR) over the amount 2011-12 to 2014-15. Tourism enterprise in Indian has vital potential considering the wealthy cultural and historical heritage, selection in ecology, terrains and places of natural beauty unfold across the country. Tourism enterprise is additionally a doubtless giant employment generator besides being a big supply of exchange for the country.

The tourism is predicted to get thirteen.45 million jobs! Across sub-segments like Restaurants (10.49 million jobs), Hotels (2.3 million jobs) and Travel Agents/Tour Operators (0.66 million). The Ministry of tourism enterprise plans to assist the tourism meet the increasing demand of mean and trained hands by providing cordial reception education to students likewise as certifying and upgrading skills of existing service suppliers. Indian has moved up thirteen positions to 52nd rank

from sixty fifth in tourism enterprise Travel competitive index@.

The Indian commercial enterprise and welcome trade is one amongst the most important segments beneath the services sector of the Indian economy and offers the foremost various merchandise globally. The country’s made history, cultural heritage, diversity of faith, sort of landscapes and medication fascinate each, budget and luxury travelers. Commercial enterprise in Republic of India has registered vital growth over the years that are LED by rising incomes, increasing affordability, growing aspirations, increasing economic process, and a growing airline trade at the side of improvement in travel-related infrastructure. The trade holds huge potential for the Indian economy and it will give impetus to different industries through backward and forward linkages this sector contributes around 6.23% to the national gross domestic product and 8.78 maximize the entire employment of the country. The direct contribution to the gross domestic product destroyed US\$ 30.95 in 20121 and is anticipated to rise to ~US\$ 40.8 Bn this year. The market size of the commercial enterprise and welcome trade stood at ~US\$ 117.70 Bn. The trade grew at a CAGR of 36.50% throughout 2009-2013 and growing at a forecasted CAGR of 15.15%, it's expected to become a ~US\$ 418.90 Bn trade by 2022.

**MARKET SIZE**

- The range of Foreign traveler Arrivals (FTAs) has adult steady within the last 3 years reaching around 7.103 million throughout January–November 2015 (4.5 per cent growth).
- The range of FTAs in Nov 2015 was 815,000, registering a rise of 6.5 per cent over Nov 2014.
- Foreign Exchange Earnings (FEEs) from touristy throughout January-November 2015 were Rs one, 12,958 large integer (US\$ 16.94 billion), registering a growth of one per cent over same amount last year.
- The range of tourists inbound on e-Tourist Visa throughout the month of Gregorian calendar month 2015 reached a complete of 56,477 registering a growth of 1987.9 per cent or ~21 times as compared to a pair of,705 tourists in Gregorian calendar month 2014.
- Online edifice bookings in Republic of India are expected to double by 2016 owing to the increasing penetration of the web and sensible phones#.

Market Size of the Industry in India over the last decade ( \$ In Bn )



**Indian Tourism and Hospitality Industry**



**Accommodation and Catering:** This segment is highly fragmented and it is further divided in two broad sub segments namely; Restaurants and Hotels. It is the largest segment of the industry and it is mostly dominated by the unorganized sector

**Tourist Destinations:** This segment comprises India's vast array of tourist destinations varying from world heritage sites to beautiful scenic destinations and extravagant festivals among other attractions

**Events:** It is the newest segment of the industry and it is driven by the rising trend of concerts, youth festivals and weekenders in the country.

**Travel and Tour Formats:** This segment works under two broad categories; Offline Mode and Online Mode and it comprises various tour and travel formats such as Eco-tourism, Medical tourism, Adventure tourism etc.

## Major Achievements

### Market

- In 2014, International tourist arrivals in India reached a record 1.14 billion, which is 51 million more than in 2013. Inbound tourism has been showing remarkable improvement in recent years.
- This has also led to a growth trend in Foreign Exchange Earnings (FEE).
- In November 2014, India expanded the visa-on-arrival scheme from 12 countries to 43 countries. It is in process of rolling out for 150 countries.
- Hospitality, a major segment of tourism, has grown by 10-15 per cent in 2015 with the change in Government.
- The tourism sector is among the top 15 sectors in India to attract the highest foreign direct investment (FDI).

### Employment

In 2014, the tourism industry contributed Rs. 7.64 trillion and 36.7 million jobs to the Indian economy. By the end of 2015, this sector will contribute 7% of India's GDP and almost 9% of total employment.

### Investments

The tourism and hospitality sector is among the highest 15 sectors in Indian to draw in the very best Foreign Direct Investment (FDI). Throughout the amount Apr 2000-September 2015, the edifice and tourism enterprise sector attracted around US\$ 8.48 billion of FDI, per the information discharged by Department of commercial Policy and Promotion (DIPP).

With the increase within the variety of worldwide tourists and realizing India's potential, several corporations have endowed within the tourism enterprise and welcome sector. A number of the recent investments during this sector area unit as follows:

- Fairfax-owned Thomas Cook has non inheritable Swiss tour operator Kuoni Group's tourism in Indian and metropolis for regarding Rs 535 large integer (US\$ 80.3 million) so as to rescale inward tour tourism
- US-based Vantage welcome cluster has signed a franchise agreement with India-based Miraya edifice Management to ascertain its mid-market brands within the country.
- Goldman Sachs, New-York based mostly international investment banking fund, has endowed Rs 255 large integer (US\$ thirty 8.3 million) in Vatika Hotels.
- Japanese conglomerate SoftBank can lead the Rs 630 large integer (US\$ ninety 4.5 million) funding spherical in Gurgaon based mostly OYO Rooms.
- Make My Trip can acquire the travel coming up with web site Mygola Associate in Nursing its assets for an covert total, and can along look to specialize in innovating the web travel section.

## GOVERNMENT INITIATIVES IN 2014-2015

The Government of Asian country has put aside Rs. five hundred large integers for the primary part of the National Heritage town Development and Augmentation Yojana (HRIDAY). The cities lined within the initial part Varanasi, Amritsar, Ajmer, Mathura, Gaya, Kanchipuram, Velankanni, Badami, Amaravati, Warangal, Puri and Dwarka.

1. The Government has launched 'Project Mausam' that proposes to ascertain cross cultural linkages and to revive historic cultural and economic ties with 39 ocean countries.
2. There are going to be a memo of understanding (MoU) between Asian country and Asian country for strengthening cooperation in tourism.
3. Rs. 100 large integer has been allotted for National Mission on pilgrim's journey Rejuvenations and religious Augmentation Drive (PRASAD).
4. Rs.100 atomic number 24 allotted for reconstruction of broken tourism infrastructure in J& K by the tourism ministry.
5. The National pointers for safety and security of tourists have been developed.
6. Ministry of tourism has tied-up with Ecole hotelkeeper Diamond State metropolis, European country, the primary part of that has already started, for rising quality of welcome Education.
7. In August 2014, Comprehensive property tourism Criteria for has been launched in India for 3 necessary sectors – Accommodation, Tour Operators and Beaches, Backwaters, Lakes, Rivers.

## Major factors for the growth of tourists in India

### Domestic tourists

- Evolving lifestyle
- Increase in the purchasing power of the middle class
- Better roads connectivity

### International tourists

- Value for money
- Many tourism-cum-pleasure destinations
- Success in the Incredible India and other marketing campaigns
- Reforms in the aviation sector
- Visa on arrival
- Foreign Direct Investments

## Types of Tourism in India

Due to its vastness and diversity, India offers various tourism options such as:

- Rural Tourism
- Cruise Tourism
- Adventure Tourism
- Leisure Tourism
- Eco Tourism
- Wellness and Health Tourism

## Major Gaps in India's Tourism Sector

The tourism and competitiveness index was calculated on the basis of 14 major dimensions which revealed how sustainable economic and societal development can be achieved through the travel and tourism sector in many countries. In India, the major factors which have brought down the overall ranking are the infrastructural gaps in the following:

- Tourism-specific infrastructure (109th)
- Bad quality of roads
- Health and hygiene (106th)
- Information, Communications and Technology readiness (114th)
- Unsettling safety and security situation
- Impact of crime and violence (97th)
- Environmental sustainability (139th)

### Road Ahead: Prospects of India's Tourism

India's travel and commercial enterprise trade has large growth potential. The medical commercial enterprise market in Republic of India is projected to succeed in US\$ three.9 in size this year having mature at a CAGR of twenty seven per cent over the last 3 years, consistent with a joint report by FICCI and KPMG. Also, flow of medical tourists is predicted to cross 320 million by 2015 compared with 85 million in 2012. The commercial enterprise trade is additionally trying forward to the enlargement of E-visa theme that is predicted to double the traveler flow to Republic of India. Rating agency ICRA Ltd estimates the revenue growth of Indian building trade strengthening to Sep 11 % in 2015-16.

Republic of India fares far better as a tourism destination because of its economic process. It still remains an extremely price-competitive destination. The recent changes in its visa regime with the introduction of visa on arrival will cause an excellent boost within the international arrivals. This sector has emerged joined of the key drivers of growth in Republic of India. The commercial enterprise trade in Republic of India is a vital employment generator and a vital supply of interchange for the country. It's an enormous growth potential. Republic of India has nice potential to profit from the reforms and infrastructural growth initiatives undertaken by the new government. The foremost involved areas like as health and hygiene, security and safety of tourists ought to run additional stress within the returning years. Republic of India is projected to be preferred for growth within the eudemonia commercial enterprise sector within the next 5 years. There area unit giant areas which require to be tapped from the traveler purpose of read. The expansion and development of the commercial enterprise trade ought to be created additional and additional environmental friendly. Consistent with the planet Travel and commercial enterprise Council (WTTC), Indian commercial enterprise is one amongst the foremost quickly growing industries within the next few years.

### CHALLENGES

The potential of the tourism and hospitality industry in India is vast. However, at the same time, the industry faces various challenges, of which the most critical is lack of proper infrastructure and low occupancies among others there are many other challenges that bar the growth of this sector, but the good news is, these challenges can be converted into opportunities. If the infrastructure of the industry gets better, it will not only result in the growth of travel and but will also benefit the allied sectors such as domestic transport (surface and air), market for handmade products and the F&B sector. The various challenges that the industry faces are as under.

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