

Chapter 26

Tourism

"The traveler sees what he sees, the tourist sees what he has come to see."

— GK Chesterton

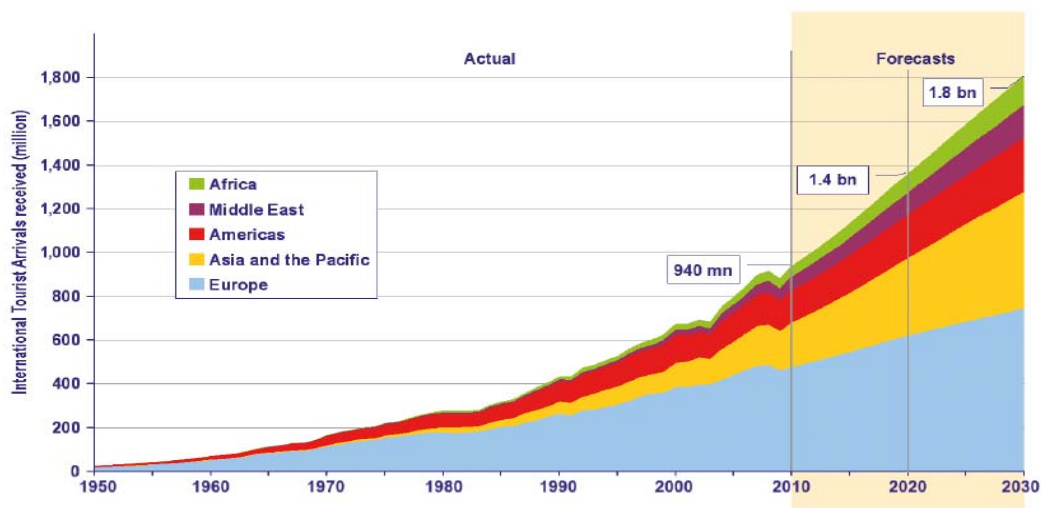
26.1 Background : From nomadic existence to present day economies, people have always been on the move . Be it explorers suddenly discovering a route (e.g. Vasco Da Gama) or a continent, travellers documenting history of countries (e.g. Hiuen Tsang) , believers going on a pilgrimage (Canterbury Tales , Chaar Dhaam Yatra), people visiting relatives , visiting countries/cities for medical treatment, leisure or business, or those travelling distances , fired merely by the zest to travel , people have crisscrossed the globe integrating cultures and systems.

26.2 However, the tourism in the present day, has become increasingly significant & organised (industry) as more and more people with increased disposable income, higher propensity to spend and changing social mores trot cities and countries due to variety of reasons . Along with the evolution of tourism, its definition has also formalised over the years and in the present parlance a **visitor** is considered to be a traveller taking a *trip* to a main destination outside his/her *usual environment*, for less than a year, for any main purpose (business, leisure or other personal purpose) other than to be employed by a resident entity in the country or place visited. A visitor (**domestic, inbound or outbound**) is classified as a **tourist** (or overnight visitor), if his/her *trip* includes an overnight stay, or as a same-day visitor (or excursionist) otherwise. A **traveller** on the other hand is someone who moves between different geographic locations, for any purpose and any duration. The visitor is a particular type of traveller and consequently **tourism is a subset of travel**. However, "Tourism" refers to all activities of visitors, including both "tourists (over-night visitors)" and "same-day visitors".

26.3 Growth in Tourism : As per United Nation World Tourism Organization (UNWTO) despite occasional shocks, international tourist arrivals have shown virtually uninterrupted growth – from 25 million in 1950, to 278 million in 1980, 528 million in 1995, and 1,087 million in 2013 and the same is likely to reach 1.8 billion by 2030.

26.4 The outlook for Travel & Tourism, as per World Travel & Tourism Council WTTC, in 2014 is also very positive, with Total Travel & Tourism GDP growth forecast to reach 4.3%. Much of this growth is being driven by higher consumer spending as the recovery from recession gathers pace and is becoming firmly established. Tourists are expected to spend more per trip and stay longer on their holidays in 2014.

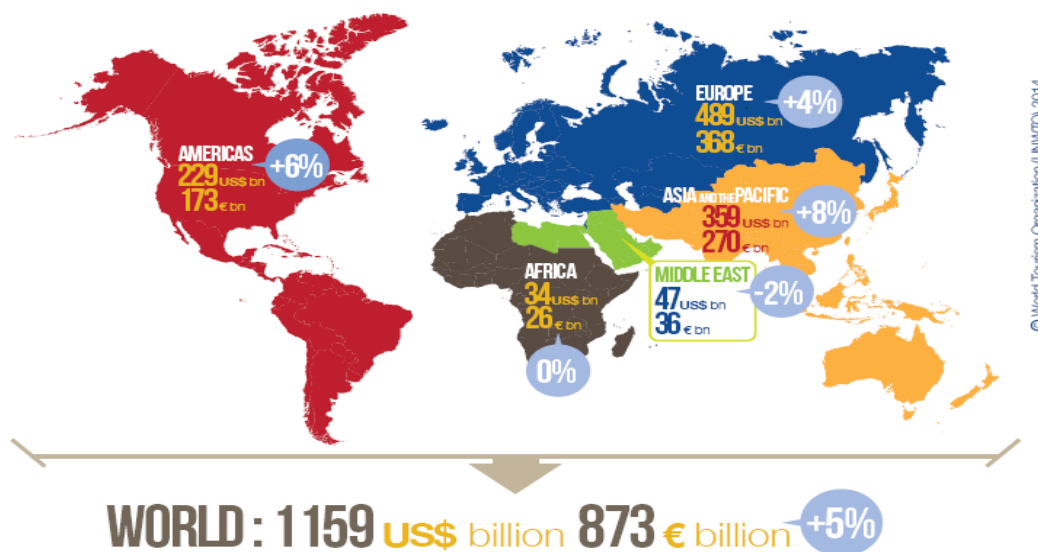
UNWTO Tourism Towards 2030: Actual trend and forecast 1950-2030



26.5 Total export earnings generated by international tourism in 2013 reached US\$ 1.4 trillion. Receipts earned by destinations from international visitors grew by 5% to reach US\$ 1159 billion, while an additional US\$ 218 billion was earned by international passenger transport.



INTERNATIONAL TOURISM RECEIPTS 2013



Source : World Tourism Organization

26.6 International tourism receipts reached US\$ 1,159 billion worldwide in 2013, recording annual growth of 7.5 % and in absolute terms an increase of US\$ 81 billion (euro 34 billion, comparatively less due to the depreciation of the dollar) from US\$ 1078 billion (euro 839 billion) in 2012. In absolute terms, receipts in destinations

around the world increased by US\$ 81 billion (euro 34 billion, comparatively less due to the depreciation of the dollar) from US\$ 1078 billion (euro 839 billion) in 2012. **Asia and the Pacific continues to be the fastest growing region, while Europe takes biggest share** Asia and the Pacific with 248.1 million international tourist arrivals witnessed annual growth rate of 6.2 % in case of Foreign Tourist Arrivals (FTA's) and a higher annual growth rate in case of international tourism receipts which reached US\$ 358.9 billion an annual growth of 9.1 %. **Europe**, which accounts for 42% of all international tourism receipts, saw the biggest growth in 2013: up US\$ 35 billion to US\$ 489 billion (euro 368 billion). Destinations in **Asia and the Pacific** (accounting for 31% of all tourism receipts) increased earnings by US\$ 30 billion to US\$ 359 billion (euro 270 bn). In the **Americas** (20% share), receipts increased by US\$ 16 billion to a total of US\$ 229 billion (euro 173 bn). In the **Middle East** (4% share) total tourism receipts are estimated at US\$ 47 billion (euro 36 bn) and in **Africa** (3% share) at US\$ 34 billion (euro 26 bn).

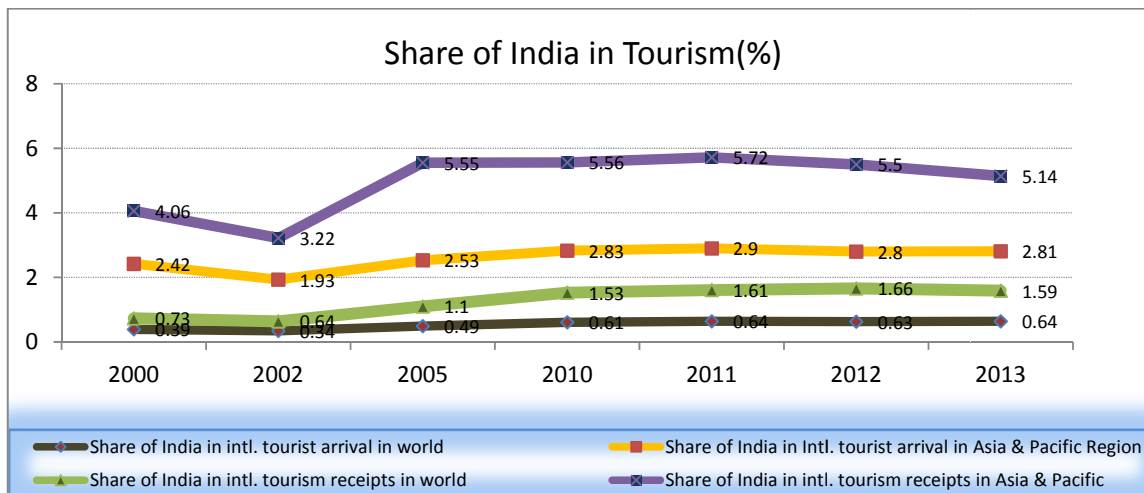
26.7 In relative terms, **Asia and the Pacific** (+8%) recorded the largest increase in receipts, followed by the **Americas** (+6%) and **Europe** (+4%). China , Russia and Brazil account for half the worlds increase in tourism expenditure.

Region	International Tourist arrivals(millions)			International Tourism Receipts (billion USD)		
	2012	2013	13/12 (%)	2012	2013	13/12(%)
India	6.58	6.97	5.9	17.74	18.44	4
Asia Pacific	233.6	248.1	6.2	329	358.9	9.1
World	1035	1087	5.0	1078	1159	7.5

Data Source : UNWTO



26.8 Share of India in Tourism: As per the provisional data for 2013 released by UNWTO, share of India in FTAs in World has marginally increased to 0.64 % (from 0.63% in 2012) retaining the same share as in 2011. However, in case of Asia Pacific Region the share remained at the same level (2.8%) as in 2012 , down marginally from 2.9% in 2011. As compared to 2012, share of India in international tourism receipts has gone down to 1.59 % and the share in receipts considering Asia Pacific region has gone down to 5.14 %.



26.9 Importance of Tourism Sector: As per UNWTO Tourism Highlights, 2013, tourism today is a key driver of socio economic progress through export revenues, the creation of jobs and enterprises and infrastructure development. It accounts for about 9 percent of GDP (direct, indirect and induced impact) , one in eleven jobs, exports worth US \$ 1.4 trillion (i.e. about 6 % of world exports) .

26.10 Role in Indian Context : As per “Travel & Tourism - Economic Impact 2014 India”, World Travel & Tourism Council , in case of India the direct contribution of Travel & Tourism to GDP was INR2,178.1bn (2.0% of total GDP) in 2013, and is forecast to rise by 7.5% in 2014, and to rise by 6.4% pa, from 2014-2024, to INR4,346.4bn (2.1% of total GDP) in 2024. On the other hand the total contribution of Travel & Tourism to GDP was INR6,631.6bn (6.2% of GDP) in 2013, and is forecast to rise by 7.3% in 2014, and to rise by 7.0% pa to INR13,983.0bn (6.8% of GDP) in 2024. Also, in 2013 Travel & Tourism directly supported 22,320,000 jobs (4.9% of total employment) in India . This is expected to rise by 2.5% in 2014 and rise by 2.1% pa to 28,081,000 jobs (5.1% of total employment) in 2024. However, the total contribution of Travel & Tourism to employment, including jobs indirectly supported by the industry, was higher at 7.7% of total employment (35,438,500 jobs). This is expected to rise by 2.7% in 2014 to 36,409,000 jobs and rise by 1.9% pa to 43,837,000 jobs in 2024 (7.9% of total).

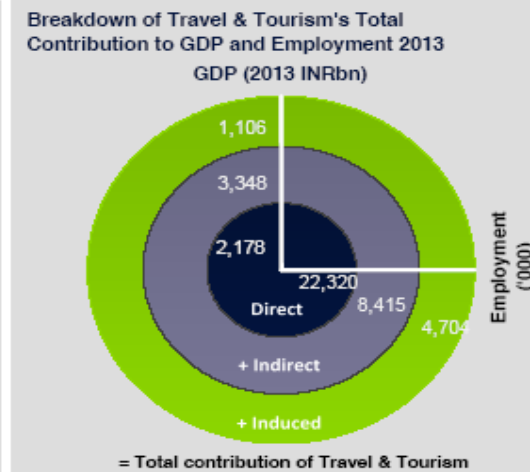
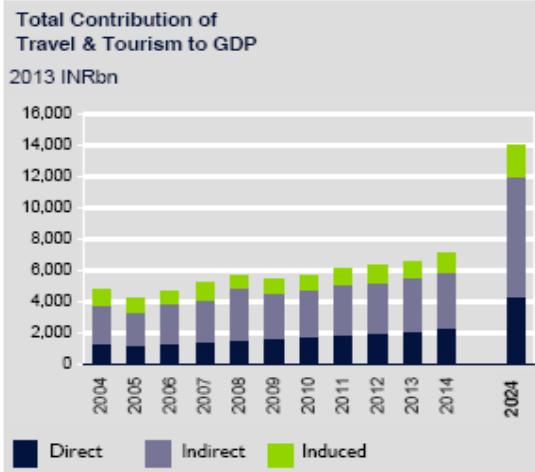
26.11 Visitor exports generated INR1,110.9 bn (4.1% of total exports) in 2013. This is forecast to grow by 2.9% in 2014, and grow by 4.3% pa, from 2014-2024, to INR1,745.8bn in 2024 (2.1% of total). Travel & Tourism investment in India during 2013 was INR1,938.7bn, or 6.2% of total investment. It is expected to rise by 9.8% in 2014, and rise by 6.5% pa over the next ten years to INR3,981.3bn in 2024 (6.4% of total).

¹All values are in constant 2013 prices & exchange rates

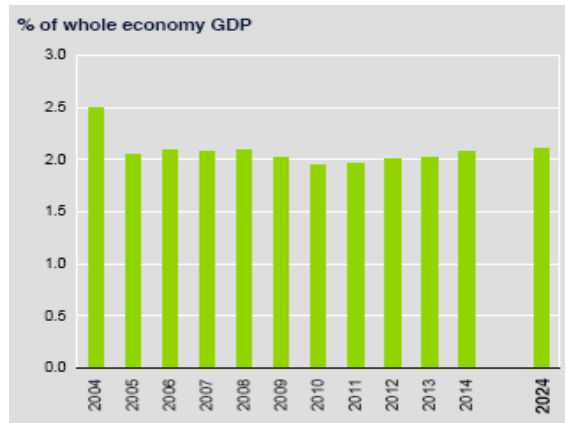
WORLD RANKING (OUT OF 184 COUNTRIES):

Relative importance of Travel & Tourism's total contribution to GDP

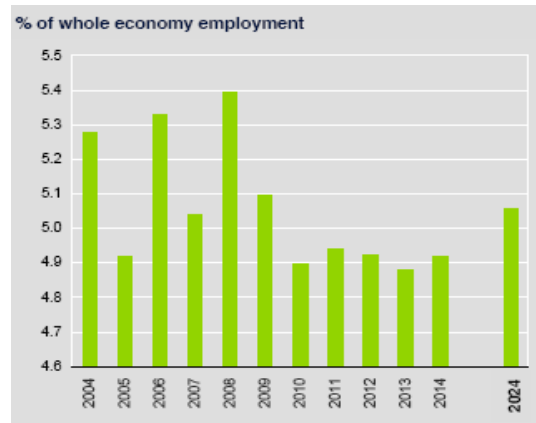
13 ABSOLUTE Size in 2013	135 RELATIVE SIZE Contribution to GDP in 2013	28 GROWTH 2014 forecast	8 LONG-TERM GROWTH Forecast 2014-2024
---------------------------------------	--	--------------------------------------	--



Direct Contribution of Travel & Tourism to GDP



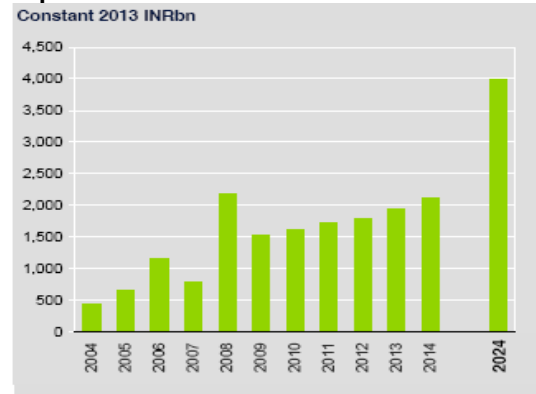
Direct Contribution of Travel & Tourism to Employment



Visitor Exports & International Tourist Arrivals



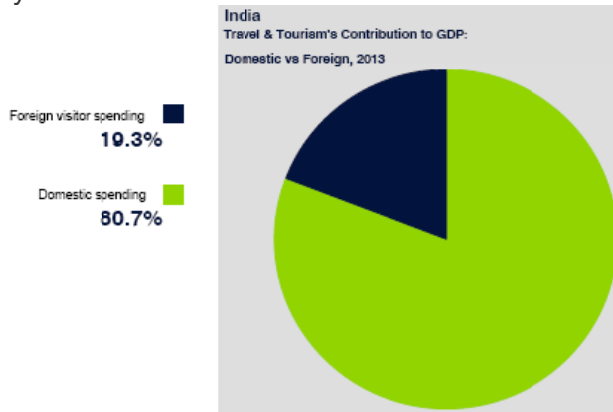
Capital Investment in Travel & Tourism



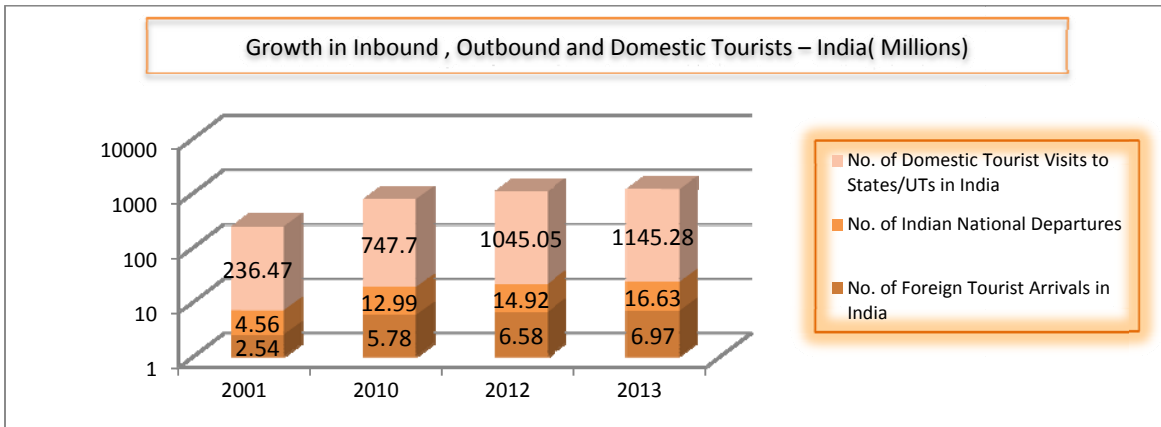
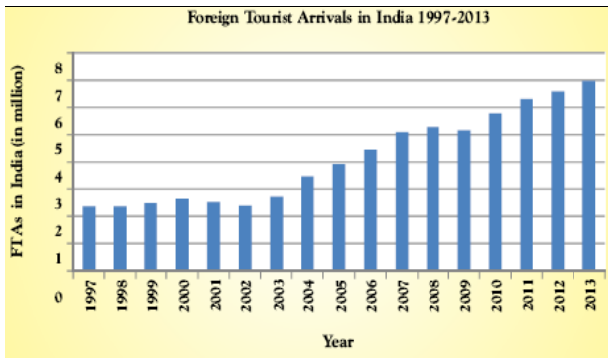
Source : Travel & Tourism - Economic Impact 2014 India , World Travel & Tourism Council

Domestic, Inbound and Outbound Tourism:
Recovery of tourism sector in India has been led by domestic tourists

Domestic travel spending generated 80.7% of direct Travel & Tourism GDP in 2013 compared with 19.3% for visitor exports (ie foreign visitor spending or international tourism receipts). Domestic travel spending is expected to grow by 8.2% in 2014 to INR 5,037.8bn, and rise by 6.7% pa to INR9,657.3bn in 2024. Visitor exports are expected to grow by 2.9% in 2014 to INR1,143.6bn, and rise by 4.3% pa to INR1,745.8bn in 2024.



Source : Travel & Tourism - Economic Impact 2013 India , World Travel & Tourism Council

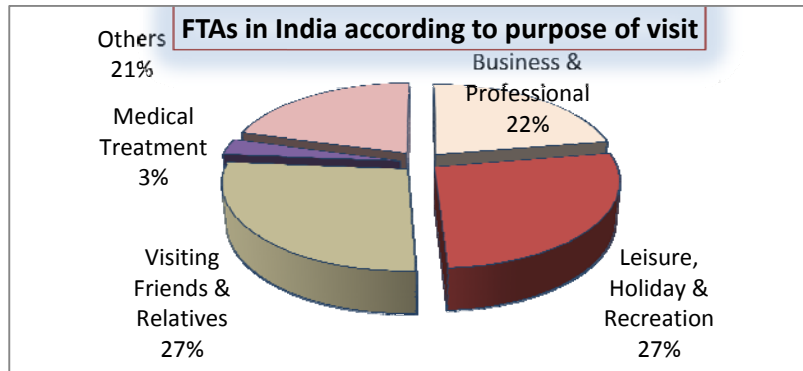


Source : India Tourism Statistics 2013 , Ministry of Tourism

26.12 Inbound Tourism: Pronounced seasonality has been observed in case of foreign tourist arrivals in India and the purpose of visit of foreign nationals has also diversified over the years.

26.13 Purpose of visit: As per 2012 data released by Ministry of Tourism, about 27.2% of FTAs in India during 2012 were for the purpose of 'visiting friends & relatives' followed by the purpose of 'leisure, holidays and recreation' (27.1%) and 'business and professional' (22.5%). The highest proportion of visitors in the

business and professional category were from China (64.4%) followed by Japan (60%).



Source : India Tourism Statistics 2012, Ministry of Tourism

26.14 Country wise spread of Inbound tourists: During recent years USA(15-16%) , UK(12-15%) and Bangladesh(7-9 %) accounted for about one third of all inbound tourists visiting India and these countries sent 1.08 million, 0.81 million and 0.52 million tourists to India during 2013. Sri Lanka, Canada, France, Germany , Australia, Japan , Malaysia & Russian Federation also send significant number of tourists (about 3-5 % in each case).

26.15 Seasonality in Foreign Tourist Arrivals in India: As per the monthly information received from Bureau of immigration (during last few years), most of the foreign tourists arrivals are witnessed in winter season with December accounting for maximum share (around 11-12 %) and May witnessing least number of FTAs (around 6 %).



26.16 Outbound Tourism : The number of Indian nationals' departures from India during 1991 was 1.94 million, which rose to 13.99 million in 2011 with a compound annual growth rate of 10.95 % . The annual growth rate dipped to 1.8 % in 2009

after global financial crisis (in 2008) but picked up thereafter and was about 17.4 % in 2010 & 7.7 % in 2011. During last two years i.e. 2012 and 2013 also outbound tourism has increased at annual rate of 6.7 and 11.4 respectively as 14.92 & 16.63 million Indian nationals departed for foreign countries. Singapore, Kuwait, Thailand, Malaysia & USA are the top five destinations followed by China, Hong Kong, Saudi Arabia and UK.

26.17 Emerging trends in Tourism in India :

- **Medical/ Health Tourism :** world-class medical treatment at lowest cost, has really got attention in the overseas market. Many state governments like Kerala, Andhra Pradesh, Uttaranchal, and Karnataka have been showcasing their medical tourism segment in certain focused market like the Gulf and African regions. Kerala is a world tourist destination and part of the reasons lies with the well-known stress-releasing therapies of famed Ayurvedic research centers. The climate along with the blessing of nature has turned Kerala into the ideal place for ayurvedic, curative and rejuvenating treatments. Naturopathy, Yoga & Meditation are also offered in other places like Rishikesh in Uttarakhand. Business in allopathic treatment has also picked up significantly with some private sector hospitals mulling over the idea of hiring translators /interpreters for the foreigners who seek treatment in their hospitals.

- **Spiritual Tourism :** The most popular spiritual tours for Hindus are those that are centered on holy Ganges River. Badrinath, Kedarnath, Haridwar, Gangotri, Yamunotri, Allahabad, Varanasi. Jaganath temple at Puri, Bhubaneswar, Konark in Orissa, Mata Vaishnodevi of Jammu and Kashmir, are some of the important pilgrim centers in north India. There are many spiritual sites in South India as well which dates back beyond the 10th century. Rameshwaram, Mahabalipuram, Madurai Meenakshi temple in Tamilnadu and Tirupati in Andhra Pradesh are some pilgrim centers. Every year millions of tourists, both domestic and international, visit these places. India is special to Buddhists all over the world. The country is dotted with places that are associated with the life and times of Gautam Buddha; Lumbini-the birthplace of Buddha, Saranath where Buddha delivered his first sermon, Buddha Gaya where lord Buddha attained enlightenment and Vaishali where he delivered his last sermon and announced his nirvana. A lot of tourists from Japan & other South & east Asian countries with significant number of Buddhists visit these places. The followers of Islam have many mosques and shrines of Sufi Saints, like Moin-Uddin Chisti and Nizamuddin Aulia. For Christians, spiritual tours to Goa among other place like Mumbai and Kolkata are must. Among the most popular sites in Goa is the church of Our Lady of Rosary, the Rachel Seminary, and Church of Bom Jesus. In addition to pilgrim centers there are personalities like the Satya Sai Baba, Osho, Shirdhi and others. The Golden Temple in Amritsar, the Hemkund Sahib, and Gurunanak Devji Gurudwara at Manikaran, which is also known for its hot water springs with healing properties, the holy city of Patna Sahib and Anandpur Sahib are important for Sikhs. The Jain temples of Dilwara and Mount Abu in Rajasthan, the Gomateswara temple at Karnataka, draw thousands of Jain followers. Even small communities like the Bahais have their own Lotus Temple at Delhi.

- **MICE Tourism :** Meetings, incentives, conferences & exhibitions (MICE) industry is extensively and rapidly growing and is largely associated with travel for business purpose. With the Indian economy opening up and government restrictions loosening, Mumbai, Bangalore, Hyderabad, Chennai, Delhi and Kolkata are assuming importance as major centres of business activity in the country. The important conference centers are New Delhi, Mumbai, Jaipur, Kovalam, Chennai, Bangalore, Agra, and Goa where popular convention tours offer exciting possibilities. Incentive travel has emerged as a popular means of rewarding the employees' achievements and contributions, by several business houses especially multinational companies, Insurance Companies, Banks, Pharmaceuticals Firms, etc. Employees are given free tickets or holidays packages to select destinations all paid by company. These are given as added perks to keep up the interest of the executives who are the high performers of the company. Incentive tours market has become fast growing sector within the tourism industry.

- **Adventure & Wild Life Tourism:** Water sports, elephant safari, skiing, yachting, hail-skiing, gliding, sailing, tribal tours, orchid tours, scaling the high peaks of Himalayas, trekking to the valley of flowers, riding the waves in rapids, and camel safari in the deserts are breath taking opportunities for nature enthusiasts. Ladakh, the Garwal hills, the Himachal hills, Darjeeling, Goa, Lakshadweep, Andaman and Nicobar, Jaisalmer and wildlife sanctuaries and reserves are some of the places that offer adventure tourism. Indian Mountaineering Federation, Ministry of Tourism and State Governments are trying to improve trekking facilities and ensure safety and protection of travellers. Foreign expedition groups have to request the Indian Mountaineering Foundation (IMF) to book the required peak and IMF confirms the peak, by charging the royalty depending upon the number of persons and height of peak. Ministry of Defence, Home Ministry, Ministry of External Affairs are also involved in this process. White-water sports are popular in Rishikesh, Manali, Zaskar, Teesta and Beas . Central Ministry of Tourism has extended support to import inflatable rafts, canoes, kayaks, and accessories to boost water sports. Lakshadweep and Andaman have been promoted for scuba diving and windsurfing. Chilka Lake in Orissa, Kollam in Kerala, Bhopal Lake in Madhya Pradesh, Dal Lake in Kashmir are some of the places where facilities have been provided for water sports. Mountain ranges of Kashmir Valley, Shimla, Kullu Manali, Dalhousie, Palampur in Himachal Pradesh, Nainital-Almora-Kausani in Kumaon hills of Uttar Pradesh, Pachmarhi in Madhya Pradesh, Darjeeling, Shillong are important for their snow-dusted peaks, lakes, parks and hot springs. Back waters of Kerala, coastal stretches of Goa, national parks and bird sanctuaries spread all across also draw considerable number of nature lovers.

- **Heritage & Culture Tourism:** India is well known for its rich syncretic tradition. The Sultanate and Moghul empires built many historical monuments and mosques during their reign, all over the country. Red Fort, Fatehapur Sikri, Jama Masjid, Taj Mahal, Charminar etc., bear testimony to the blend of the Indian and Islamic traditions of architecture. The Rajputana culture of Rajasthan along with its Forts and Palaces spread across Jaipur, Jodhpur, Jaisalmer etc draw large number of tourists each year. Every year, a large number of foreigners visit the holy city of Pushkar during the cattle fair held in winters. Monuments build by Britishers like India Gate, gateway of India are also popular as are the rock cut temples and caves of Ajanta and Ellora and plethora of other monuments.

(26.17 is largely based on “Emerging Dimensions in Tourism : India Specific” by Venugopalan T)

26.18 Data Sources :

- The **Ministry of Tourism** brings out an Annual Publication called " India Tourism Statistics " every year giving details of international and domestic tourism, including details about the classified hotels etc. In addition a small brochure called “Tourism Statistics at a Glance” is also brought out, giving updated and latest key statistical data . The Ministry also estimates month wise Foreign Tourist Arrivals (FTAs) figures and Foreign Exchange Earnings (FEE) from tourism, and this is brought out within a time lag of just 4-5 days.
- Ministry of Tourism receives information on Foreign Tourist Arrivals & Indian Nationals’ Departures to other countries from **Bureau of Immigration**. However the information on domestic tourism statistics is maintained by **statistical cells in Tourism Department of respective States/UTs**. Besides these Ministry of Tourism has also commissioned State Tourism Surveys in some States to augment the available data.
- Information on worldwide tourism is maintained by **United Nations World Tourism Organization** UNWTO. The same is available country wise and region wise. UNWTO also brings out several publications like UNWTO Tourism Highlights, Yearbook of Tourism Statistics etc.

Note : Performance of hospitality sector (hotels) & government initiatives to promote tourism may be seen in the chapter on Hotels.

References:

- UNWTO Tourism Highlights, 2013 edition & Press Note PR No. 14034, May 2014
- Travel & Tourism - Economic Impact 2014 India , World Travel & Tourism Council
- Emerging Dimensions in Tourism : India Specific by Venugopalan T
- India Tourism Statistics at a Glance 2013 , Ministry of Tourism.