

# TOURISM DEVELOPMENT AND ITS IMPACT ON THE INDIAN ECONOMY

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## ABSTRACT

Man, by nature, has never been satisfied by sitting at one place and never been contented by confining his whole life to his place of birth. So traveling is a natural instinct of man since times immemorial. Travel and Tourism is the world's largest industry in terms of employment and second to oil industry in terms of turnover. Home to a population of more than a billion and one of the world's fast-growing economies, India is a prime spot for tourism, no matter your end goal or primary interest. With dozens of languages, landscapes and cultural lineages, there is no succinct way to describe what you'll find when you arrive in India. This being said, you should keep several aspects of tourism in India in mind prior to your visit, your itinerary notwithstanding.

Tourism is the largest service industry in India. Government figures show tourism contributes 6.6 percent of GDP and accounts for 7.7% percent of jobs. The World Travel & Tourism Council has predicted that tourism in India will continue to sustain steady growth. The Ministry of Tourism is the primary driving force behind tourism development in India, and it manages many of the country's tourism enterprises. From bustling modern metropolises to ancient temples, the high peaks of the Himalayas to the warm waters of the Arabian Sea, India is a colorful and diverse country popular with tourists from all over the world. Historic sightseeing, adventure travel and cultural vacations are all popular forms of tourism in India, and many of the country's top destinations enjoy international renown. The Ministry of Tourism, Government of India, through its 14 offices overseas endeavors to position India in the tourism generating markets as a preferred tourism destination, to promote various Indian tourism products vis-à-vis competition faced from various destinations and to increase India's share of the global tourism market.

**Keywords:** Domestic tourist, foreign tourist, travel and tourism industry.

## Introduction

Tourism is not only a growth engine but also an employment generator. According to the Economic Survey 2011-12, the sector has the capacity to create large scale employment both direct and indirect, for diverse sections in society, from the most specialized to unskilled workforce. It provides 6-7 per cent of the world's total jobs directly and millions more indirectly through the multiplier effect as per the UN's World Tourism Organization (UNWTO).

The importance of tourism as a creator of job opportunities can be understood from the fact that in India every one million invested in tourism creates 47.5 jobs directly and around 85-90 jobs indirectly. In comparison, agriculture creates only 44.6 jobs and manufacturing a mere 12.6 jobs. Moreover tourism is the third largest foreign exchange earner after gems and jewellery and readymade garments.

India is a land of contrasts, with pristine beaches, mountains and fertile valleys, rainforest and desert. It caters to almost every conceivable type of vacation, including nature and eco-tourism, adventure tourism, beach tourism and cultural tourism. Tourism development is planned and implemented by central and regional government agencies, although issues such as inadequate infrastructure, poor hygiene and tourist harassment have hampered efforts. Tourism was recognized as a potential instrument for economic development during the 1950s. Tourism development was taken up by the government with a series of five-year plans, and in 1966, the India Tourism Development Corporation ([attindiatourism.com](http://attindiatourism.com)) was set up to promote India as a tourism destination. Tourism development gathered momentum during the 1980s, with the formulation of a National Policy on Tourism and the creation of the Tourism Finance Corporation ([tfciltd.com](http://tfciltd.com)) to fund tourism projects. In 1988 the government produced a comprehensive plan for achieving sustainable growth in tourism, which was followed up by a National Action Plan for Tourism in 1992.

The tourism industry of India is economically important and growing rapidly, the World Travel & Tourism Council calculated that tourism generated INR6.4 trillion 6.6% of the nation's GDP in 2012. It supported 39.5 million jobs, 7.7% of its total employment. The sector is predicted to grow at an average annual rate of 7.9% from 2013 to 2023. This gives India the third rank among countries with the fastest growing tourism industries over the next decade. India has a large medical tourism sector which is expected to grow at an estimated rate of 30% annually to reach about Rs 95 billion by 2015.

## **Review of Literature**

G. Sudarshan Reddy (2012) in his study reveal that food and transport facilities are found to be good for majority of the respondents. Majority of the pilgrims are disappointed in terms of stay, information, public relations, devotee relationship management, provision for feedback etc. Hence he suggested the temple authorities concerned must encourage pilgrimage tourism by ensuring the necessary infrastructure by treating devotees as their valuable customers.

Nimi Dev R and Gabriel Simon Thattil (2006) in his study express that tourism as an industry is a high priority one in terms of employability, exchange earnings and eco-friendliness. The coastal belt of Kerala provides the right setting for beach tourism and there are spots like 'Varkala Beach' which combines beach tourism and pilgrimage tourism.

H. C. Honnappa and K. G. Ramakrishna (2006) in his research article analyze that tourism is a surplus generating activity. It is a low cost business and it provides employment to the organized labour as well as unorganized labour. Unorganized labour provides fundamental services such as food, shelter, transportation, daily needs and tourist guide at the tourist centers.

G. Satyanarayana and M. Reddi Ramu (2006) view that there is a great tourist potential remained unexplored in Talakana and Madanapalli Horsley Hills suffer for want of modern infrastructure facilities. With the necessary modern infrastructure and appropriate media certainly these two places in the district will attract a good number of both domestic and foreign tourists and thus push up the economy of the district through the tourist proceeds.

S. P. Kanaga Anbuselvam and N. Namasivayam (2005) evaluate that International tourist arrivals and International tourism receipts are the two yard sticks used to measure the tourism index in any country. Foreign tourist arrivals in terms of share in the national arrivals is encouraging, there is scope for improvement matching the potential.

## **Objectives of the study**

1. To understand the concept and importance of tourism industry.

2. To study the positive and negative impacts of tourism on the Indian economy.
3. To focus on the carrier opportunities available in tourism industry.
4. To offer some suggestions for the development of tourism in India.

### **Research Methodology**

The present study is based on secondary data and the methodology for secondary source of data collection includes journals, newspapers, books and internet. The study is an effort to explore the Indian tourism industry, by studying the various aspects of tourism. It focuses on the importance of tourism industry, the current trends in Indian tourism industry and impacts of tourism on the Indian economy. The article also focuses on tourism business and the carrier opportunities available in tourism industry.

### **Importance of Tourism in India**

"Incredible India", the marketing slogan that attracts tourists to India from around the globe, also reports incredible results for its marketers. Indian tourism, stimulated by nonstop flights from Europe and North America, continues to develop new markets. And via low cost domestic airlines, Indians themselves fuel growth as they discover their country. Tourism in India is a large industry. The World Travel and Tourism Council calculated that tourism generated INR 6.4 trillion or 6.6% of the nation's GDP. It was responsible for 39.3 million jobs, 7.9% of its total employment. The GDP of the tourism sector has expanded 229% between 1990 and 2011. The sector is predicted to grow at an average annual rate of 7.7% in the next decade. This gave India the fifth rank among countries with the fastest growing tourism industry. As per the ASSOCHAM report; India has a large medical tourism sector to which is expected to grow at an estimated rate of 30% annually to reach about 9,500 crore by 2015. According to the World Economic Forum's The Travel & Tourism Competitiveness Report 2013, India is ranked 11th in the Asia Pacific region and 65th overall, gaining three places since the last edition. As with China, India is well assessed for its natural resources (ranked 9th) and cultural resources (24th), with many natural and cultural World Heritage sites, rich fauna, many fairs and exhibitions, and strong creative industries. India also has quite good air transport (ranked 39th), particularly given the country's stage of development, and reasonable ground transport infrastructure (ranked 42nd), although the quality of roads (85th) and of ports (79th) require further improvement. In addition, India remains a relatively price competitive destination (20th), even in the regional context. However, some aspects of its tourism infrastructure remain somewhat underdeveloped (ranked 95th), with very few hotel rooms per capita by international comparison and low ATM penetration. ICT infrastructure also remains somewhat underdeveloped and underexploited (111th). Another area of concern is the policy environment, which is ranked 125th because of the long time and high cost required to start a business, a restrictive visa policy (132nd).

### **Business Tourism in India**

India beckons not only the leisure traveler, but the business traveler as well. With nonstop flights from several U.S. cities, travel to India has never been easier, resulting in a business tourism boom. Companies increasingly choose India for business meetings and international organizations select cities for convention sites, from cosmopolitan Mumbai on the coast, to Delhi, India's capital city. The tourism industry generally defines business tourism as trips that bring together groups for four purposes---meetings, incentives, conventions and exhibitions, commonly known as MICE. It also includes individual business travel. Business travel revenues include expenditures for accommodation, meals, transportation and

entertainment. As an emerging market, India business tourism is "projected to become the fifth fastest growing business travel destination from 2010-2019," according to TRIFAC, an Indian government-affiliated state agency.

According to the World Travel and Tourism Council, an international tourism trade organization, travel & tourism investment in 2012 was INR 1,761.4bn, or 6.2% of total investment. It should rise by 5.5% in 2013, and rise by 6.5% p.a. over the next ten years to INR 3,491.2bn in 2023. The sector employs thousands of people in the hotel business and contributes to other hospitality businesses like restaurants and attractions. Business generated from the Indian domestic market generates most of the revenue, but the industry also focuses on the international market, showcasing India to the world. While business tourism grows, the Indian hotel industry experiences difficulty in keeping up with demand and coupled with leisure tourism expansion, occupancy rates are high. As a result, room rates can be expensive and bookings for larger groups need to be made well in advance of travel. In addition, large hotels outside the major centers can be difficult to find, and may not meet international standards. Tourism officials work to expand facilities and open new venues, such as facilities near remote game parks.

### **Indian Tourism industry**

Tourism in India is the largest service industry with a contribution of 6.6% to the national GDP and 7.7% of the total employment in India. In 2012, total Foreign Tourist Arrivals (FTA) in India were 5.78 million and India generated about 200 billion US dollars in 2008 and that is expected to increase to US\$375.5 billion by 2018 at a 9.4% annual growth rate. The majority of foreign tourists come from USA and UK. Kerala, Tamil Nadu, Delhi, Uttar Pradesh and Rajasthan are the top five states to receive inbound tourists. Ministry of Tourism is the nodal agency to formulate national policies and programmes for the development and promotion of tourism. In the process, the Ministry consults and collaborates with other stakeholders in the sector including various Central Ministries/agencies, the state governments and union territories and the representatives of the private sector. Concerted efforts are being made to promote new forms of tourism such as rural, cruise, medical and eco-tourism. The Ministry of Tourism also maintains the Incredible India campaign. In 2011, total Foreign Tourist Arrivals (FTA) in India were 6.18 million and Foreign Exchange Earnings stood at US\$ 16.691 billion (Global rank-17) up 17.6% from previous year figure of US\$ 14.193 billion (5.58 million FTAs in 2010). The top ten States in terms of number of FTAs (in millions) during 2011 were Maharashtra (4.8), Tamil Nadu (3.4), Delhi (2.2), Uttar Pradesh (1.9), Rajasthan (1.4), West Bengal (1.2), Bihar (0.97), Kerala (0.73), Karnataka (0.57) and Himachal Pradesh (0.48).

India's Foreign Exchange earnings grew by an astonishing 14.1% (CAGR) during 2001-10 out-pacing global average 7.7%. Owing to steady decade-long growth India's share in world Foreign exchange earnings has gone up from 0.64% in 2002 to about 1.72% in 2011. The top ten States in terms of number of domestic tourist visits (in millions), during 2011, were Uttar Pradesh (155.4), Andhra Pradesh (153.1), Tamil Nadu (137.5), Karnataka (84.1), Maharashtra (55.3), Madhya Pradesh (44.1), Rajasthan (27.1), Uttarakhand (25.9), West Bengal (22.3) and Gujarat (21.0). The contribution of top 10 States was about 85.3% to the total number of domestic tourist visits during 2011. The percentage shares of top 5 States were Uttar Pradesh (18.3%), Andhra Pradesh (18%), Tamil Nadu (16.2 %), Karnataka (9.9 %) and Maharashtra (6.5 %). According to World Travel and Tourism Council, India will be a tourism hot-spot from 2009 to 2018, having the highest 10-year growth potential. India's rich history and its cultural and geographical diversity make its international tourism appeal large and diverse. It presents heritage and cultural tourism along with medical, business and

sports tourism. India has one of the largest and fastest growing medical tourism sectors. In anticipation of huge demand driven by inbound and domestic travel and current scarcity of rooms, hotels continued to add capacity at a fast rate. In 2011, travel accommodation witnessed the entry of many foreign players who foresaw huge demand for budget hotels and subsequently planned to launch their brands in India.

A few leading foreign chains and domestic players including Starwood Capital and Carlson Hotels are adding capacity to increase supply in the budget segment. Addition of huge capacity is likely to create a supply demand mismatch resulting in intensive competition in the near future.

### **Foreign Tourist Arrivals (FTAs) and Foreign Exchange Earnings (FEE)**

#### **Month Wise Foreign Tourist Arrivals in Different Years**

Government took several initiatives to promote Indian tourism industry due to this effort, the arrivals of foreign tourist and foreign exchange earnings increased over a period of time. Table 1 reveals the month wise arrivals of foreign tourist in India in different years. During the year 2012, December has been the peak month for FTAs in India followed by November, February, January, March, October, July, April, August, June, September and May has been the leanest month. The shares of January, February, March, June and November in FTAs during 2012 have increased as compared to 2011. However, from the table it is clear that the highest foreign tourist arrived in all sample years in the month of January – March and October - December.

FTAs during the Month of December 2012 were 7.50 lakh as compared to FTAs of 7.37 lakh during the month of December 2011 and 6.80 lakh in December 2010. There has been a growth of 1.7% in December 2012 over December 2011 as compared to a growth of 8.4% registered in December 2011 over December 2010. FTAs in India during 2012 were 66.48 lakh with a growth of 5.4%, as compared to the FTAs of 63.09 lakh with a growth of 9.2% during the year 2011 over 2010.

### **Foreign Tourist Arrivals (FTAs) and Foreign Exchange Earnings (FEE) from Tourism in India during December 2012 and comparative figures of 2011 and 2010**

**Table 1: Month Wise Foreign Tourist Arrivals in Different Years**

Month	Foreign Tourist Arrivals (Nos.)			Percentage Change	
	2010	2011®	2012®	2011/10	2012/11
January	5,68,719	6,22,713	6,81,002	9.5%	9.4%
February	5,52,152	6,27,719	6,81,193	13.7%	8.5%
March	5,12,152	5,35,613	6,06,456	4.6%	13.2%
April	3,71,956	4,46,511	4,47,581	20%	0.2%
May	3,32,087	3,83,439	3,74,476	15.5%	-2.3%
June	3,84,642	4,05,464	4,33,390	5.4%	6.9%
July	4,66,715	4,75,544	4,85,808	1.9%	2.2%
August	4,22,173	4,28,490	4,45,632	1.5%	4.0%
September	3,69,821	4,17,478	4,11,562	12.9%	-1.4%
October	5,07,093	5,59,641	5,56,488	10.4%	-0.6%
November	6,08,178	6,69,767	7,01,185	10.1	4.7%
December	6,80,004	7,36,843	7,52,972	8.4%	2.2%
Total	57,75,692	63,09,222	65,77,745	9.2%	4.3%

Source: Bureau of Immigration and Ministry of Tourism, GOI.

## Month Wise Foreign Exchange Earnings in Different Years

For the FEE's, Tourism is the most important sector in the country. Table 2 reveals that month wise foreign exchange earnings in different years. FEEs in US\$ terms during the month of December 2012 were US\$ 1.93 billion as compared to FEEs of US\$ 1.69 billion during the month of December 2011 and US\$ 1.56 billion in December 2010. The growth rate in FEEs in US\$ terms in December 2012 over December 2011 was 14.4% as compared to the growth of 8.3% in December 2011 over December 2010. FEEs from tourism in terms of US\$ during 2012 were US\$ 17.74 billion with a growth of 7.1%, as compared to US\$ 16.56 billion with a growth of 16.7% during the year 2011 over 2010.

**Table 2: Month Wise Foreign Exchange Earnings in Different Years (in US\$ billions)**

Month	Foreign Exchange Earnings (in US\$ billions)			Percentage Change	
	2010#	2011#	2012#	2011/10	2012/11
January	1.215	1.273	1.681	4.8%	32.1%
February	1.434	1.684	1.729	17.4%	2.7%
March	1.209	1.227	1.559	1.5%	27.1%
April	1.013	1.290	1.305	27.3%	1.2%
May	0.951	1.124	1.023	18.2%	-9.0%
June	1.020	1.213	1.158	18.9%	-4.5%
July	1.163	1.603	1.512	37.8%	-5.7%
August	0.992	1.264	1.306	27.4%	3.3%
September	1.015	1.208	1.219	19.0%	0.9%
October	1.175	1.424	1.538	21.2%	8.0%
November	1.448	1.566	1.776	8.1%	13.4%
December	1.558	1.688	1.931	8.3%	14.4%
Total	14.193	16.564	17.737	16.7%	7.1%

Source: Bureau of Immigration and Ministry of Tourism, GOI.

## Domestic Tourist Visits during 1991 – 2012

Table 3 presents the statistics on domestic tourist visits to various States and Union Territories (UTs) during the years 1991 to 2012. There has been a continuous increase in domestic tourist visits, with the compound annual growth rate (CAGR) of domestic tourist visits to all States/UTs from 1991 to 2012 being 13.96%. The year 2012 witnessed a growth of 19.9 % in domestic tourist visits over the year 2011, which is higher than the growth of 13.8% in the year 2011 over 2010.

**Table 3: Domestic Tourist Visits to States/ Union Territories (UTs), 1991 -2012**

Year	Tourist Visits	Annual Growth Rate	Year	Tourist Visits	Annual Growth Rate
1991	66670303	-	2002	269598028	14.0%
1992	81455861	22.2%	2003	309038335	14.6%
1993	105811696	29.9%	2004	366267522	18.5%
1994	127118655	20.1%	2005	392014270	7.0%
1995	136643600	7.5%	2006	462321054	17.9%
1996	140119672	2.5%	2007	526564478	13.9%
1997	159877208	14.1%	2008	563034107	6.9%

1998	168196000	5.2%	2009	668800482	18.8%
1999	190671034	13.4%	2010	747703380	11.8%
2000	220106911	15.4%	2011	864532718	15.6%
2001	236469599	7.4%	2012	1036346657	19.87%

Source: Bureau of Immigration and Ministry of Tourism, GOI.

## Impact of Tourism on India

Tourism industry in India has several positive and negative impacts on the economy and society. These impacts are highlighted below.

### Positive Impacts

**1. Generating Income and Employment:** Tourism in India has emerged as an instrument of income and employment generation, poverty alleviation and sustainable human development. It contributes 6.23% to the national GDP and 8.78% of the total employment in India. Almost 20 million people are now working in the India's tourism industry.

**2. Source of Foreign Exchange Earnings:** Tourism is an important source of foreign exchange earnings in India. This has favourable impact on the balance of payment of the country. The tourism industry in India generated about US\$100 billion in 2008 and that is expected to increase to US\$275.5 billion by 2018 at a 9.4% annual growth rate.

**3. Preservation of National Heritage and Environment:** Tourism helps to preserve several places which are of historical importance by declaring them as heritage sites. For instance, the Taj Mahal, the Qutab Minar, Ajanta and Ellora temples, etc, would have been decayed and destroyed had it not been for the efforts taken by Tourism Department to preserve them. Likewise, tourism also helps in conserving the natural habitats of many endangered species.

**4. Developing Infrastructure:** Tourism tends to encourage the development of multiple-use infrastructure that benefits the host community, including various means of transports, health care facilities, and sports centers, in addition to the hotels and high-end restaurants that cater to foreign visitors. The development of infrastructure has in turn induced the development of other directly productive activities.

**5. Promoting Peace and Stability:** Honey and Gilpin (2009) suggests that the tourism industry can also helps to promote peace and stability in developing country like India by providing jobs, generating income, diversifying the economy, protecting the environment and promoting cross-cultural awareness. However, key challenges like adoption of regulatory frameworks, mechanisms to reduce crime and corruption, etc. must be addressed if peace-enhancing benefits from this industry are to be realized.

### Negative Impacts

**1. Undesirable Social and Cultural Change:** Tourism sometimes led to the destruction of the social fabric of a community. The more tourists coming into a place, the more perceived risk of that place losing its identity. A good example is Goa. From the late 60's to the early 80's when the Hippy culture was at its height, Goa was a haven for such hippies. Here they came in thousands and changed the whole culture of the state leading to a rise in the use of drugs, prostitution and human trafficking. This had a ripple effect on the country.

**2. Increase Tension and Hostility:** Tourism can increase tension, hostility, and suspicion between the tourists and the local communities when there is no respect and understanding for each other's culture and way of life. This may further lead to violence and other crimes committed against the tourists. The recent crime committed against Russian tourist in Goa is a case in point.

**3. Creating a Sense of Antipathy:** Tourism brought little benefit to the local community. In most all-inclusive package tours more than 80% of travellers' fees go to the airlines, hotels and other international companies, not to local businessmen and workers. Moreover, large hotel chain restaurants often import food to satisfy foreign visitors and rarely employ local staff for senior management positions, preventing local farmers and workers from reaping the benefit of their presence. This has often created a sense of antipathy towards the tourists and the government.

**4. Adverse Effects on Environment and Ecology:** One of the most important adverse effects of tourism on the environment is increased pressure on the carrying capacity of the ecosystem in each tourist locality. Increased transport and construction activities led to large scale deforestation and destabilisation of natural landforms, while increased tourist flow led to increase in solid waste dumping as well as depletion of water and fuel resources. Flow of tourists to ecologically sensitive areas resulted in destruction of rare and endangered species due to trampling, killing, disturbance of breeding habitats. Noise pollution from vehicles and public address systems, water pollution, vehicular emissions, untreated sewage, etc. also have direct effects on bio-diversity, ambient environment and general profile of tourist spots.

### **Carrier in tourism industry**

Travel and tourism is one of the biggest economic engines on the planet, representing 255 million jobs in virtually all countries on all continents. Travel and tourism together, in which air transport plays a crucial role, may not only be sustainable but actually a primary driver of green growth. It is also often a primary driver behind environmental, landscape and heritage protection and it helps foster dialogue and exchanges between cultures. The travel industry is highly diverse and is made up of many sectors. Travel and tourism supports employees in other industry sectors, such as construction, manufacturing and finance. 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. In the last six years, it has created 11 million jobs and has the potential to create another 37 million jobs (estimated by the NSSO, Ministry of Tourism) of the 120 million projected requirement by 2020.

### **Major hurdles in development of tourism in India**

1. Lack of infrastructural facilities is the major impediment for the development of tourism in India. The last-mile connectivity leading to all tourism destinations is an urgent need in the present context.
2. A proper mix of all four P's is essential while marketing the product. The new products of the tourism are to be introduced in proper time and the stakeholders are to be properly educated.
3. Long pending demands of the hoteliers in heritage places such as consideration of this sector under infrastructure category, treatment of electricity tariffs, post-sanction hassles faced by the hospitality sector with the government are also hindering the development of this sector.
4. Lack of institutional infrastructure is another impediment in the development of tourism in India.
5. Working of the single window system is not up to the expectations of the investors of the tourism sector.



## Suggestions

The following suggestions have been made to improve the tourism sector in India to attract more number of foreign as well as domestic tourists.

1. **Bureaucratic Delays:** The major hurdle to start any industry in India is the bureaucratic delays. Many industries will close before they come into operation due to this specific reason. An entrepreneur has to submit a number of documents at various levels. This problem is not only related to hotel industry, but also to other sectors. Setting up of a quasi-regulatory body with industry representation can solve this type of hurdle. The body should act as a facilitator between the prospective investor and the government to tackle the post-sanction hassles faced by the entrepreneurs, so that it is possible to improve the investment environment in the tourism sector.
2. **Management Of Off Seasons:** Yet another problem faced by the tourism sector is the off-season problem. The tourism is a seasonal one. The variants of tourism like adventure, cruise, wildlife, beach, etc. will attract the visitors in certain seasons only. The slash of room rent and discounts offered in off seasons affects the economic conditions of the hotelier. Therefore, uniform applicability of luxury tax on accommodation during off season needs to be slashed.
3. **Institutional Infrastructure:** The success of the hospitality sector is dependent upon the quality of HR working in that sector. Retention of skilled force is the challenging factor for the tourism industry. Abundant graduates should be added to this sector every year. Hence, institutions offering education in hospitality need to be established in the country.
4. **Rural Tourism:** A little attention has been given in the new tourism policy towards rural tourism. Improvement and investment in this sector certainly helps in the upliftment of the economic conditions of the rural poor. Rural tourism showcases the rural life, art and heritage. Exposure of this sector enables in enriching experiences between tourists and rural people. Therefore, in order to boost this segment, a separate policy is needed. However, the following suggestions have been made to improve the rural tourism.
  1. Craft training centers need to be established at the Gram Panchayat level to train the rural youth.
  2. Rural talents to be identified with proper machinery. A proper training should be given to them in the hospitality sector also.
  3. Rural food and its importance in the fast food culture needs to be introduced in the home stays.
  4. A separate outlets for rural tourism needs to be provided at government sponsored festivals like District level cultural fests, heritage fests, etc.
5. **Promotional Activities:** The existing promotional methods are not enough to propagate rural tourism. Hence, proper promotional activities are needed in marketing this product. The encouragement of rural tourism will improve the socio-economic benefits and thereby, enable to put a stop to the exodus of the people from rural to urban areas.
6. **Strengthening Of The Single Window System Of Clearing The project:** Single window system of clearing the projects is essential in the present context. The investor usually wants to get clearance for their projects as early as possible. The bureaucratic system should be free from post-sanction hurdles. In order to make this mechanism more active and meaningful, proper guidelines to the departments, involved in this mechanism with regard to leaving up of powers to single window

agency is the need of the hour. Such a system is required so that the single window system of clearing the projects may give expected results. Hospitality is primarily labour intensive. Every dependent will observe the developments in this sector. The policy decisions of the State or Union will certainly affect the investors as well as the dependents of this sector. Therefore, it is the responsibility of the concerned state government to introduce a proper policy in this direction. New avenues of marketing are to be introduced by the policy makers to propagate the tourism products at the right time and in the right direction.

## **Conclusion**

Tourism holds immense potential for the Indian economy. It can provide impetus to other industries through backward and forward linkages and can contribute significantly to GDP. With the increasing globalization and opening of our economy to the world, travel and tourism in India is getting a great impetus. It is of the major upcoming industries, which has a great potential for growth along with earning a huge amount of foreign exchange for the country.

This industry provides large number of jobs in diverse areas through its various related fields. The scope of travel and tourism is truly immense: India's tourism is thriving, owing to a huge surge in both business and leisure travel by foreign and domestic tourists and is expected to generate approximately US\$ 275.5 billion by 2018. A World Travel and Tourism Council (WTTC) report says that by 2020, tourism in India could contribute Rs.8,50,000 crores to the GDP. India has yet to realize its full potential from tourism. The Travel and Tourism industry holds tremendous potential for India's economy. It can provide impetus to other industries and create millions of new jobs.

Once you arrive in India, the massive extent of the nation might overwhelm you, especially if you choose to rely on private car transport and its developing highway network to get around. India has a vast and expansive railway network, one leftover largely from its days as a British colony, which provides safe and cheap but sometimes sluggish and often delayed transport nationwide. If you've got a little more to spend, you can take advantage of one of the country's low-cost airlines, which include IndiGo and Spice Jet, to transport you long distances, such as from Mumbai to New Delhi. As per above said Indian tourism industry has great growth potential with increasing number of visitors year on year. Hence India has lot more to improve in hospitality front as well as need to bring some active changes in tourism policies.

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