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Tourism Industry: A Means for Foreign Exchange Earnings

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Keywords: *tourism, industry, foreign exchange*

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Introduction

India has spectacularly attractive natural and cultural tourist attractions. It has a rich, over 5000- year-old, cultural heritage and thousands of monuments and archaeological sites for tourists to visit and enjoy. India offers enormous diversity in topography, natural resources and climate. There are land-locked mountainous regions, lush valleys and plains, arid desert regions, white sandy beaches and islands. Central India has numerous wildlife sanctuaries with countless varieties of flora and fauna. The country has unparalleled cultural diversity a kaleidoscope of races, languages, religions, customs and traditions. Indians have embraced almost all the major religions of the world.

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This paper consists of economic significance of tourism. Potential of tourism industry in India Economic Significance of Tourism. Tourism sector contribute in many ways. On the basis of following points it can be explain as.

1. Foreign exchange earnings

In India, tourism is emerging as a key sector in the economy. It is presently India's third largest foreign exchange earner after garments and gems and jewellery.

The foreign exchange earnings from tourism during 1997-98 have been estimated to be about Rs.11264 cores (US \$3173 million). The rate of growth in foreign exchange earnings from tourism is exceptionally high. The contribution of Travel & Tourism to Gross Domestic Product (GDP) is expected to stay the same at 6% (INR3, 239.4 billion or US\$67.3 billion) in 2009 to 6.0% (INR 0, 274.1 billion or US\$ 87.3 billion) by 2019. Export earnings from international visitors and tourism goods are expected to generate 6.0% of total exports (INR811.9 billion or US\$16.9

billion) in 2009. Growing (nominal terms) to ₹819.0 billion or US\$114 billion (4.1 % of total) in 2019.

2. Large-scale employment opportunities

The most significant feature of the tourism industry is its capacity to generate large-scale employment opportunities. Particularly in remote and underdeveloped areas. A special feature of the tourism industry is that it employs a large number of women and young people in hotels, Airline services, Travel agencies, making handcrafts, undertaking cultural activities and other tourism-related tasks. The direct employment in the sector during 1995-96 was about 8.5 million persons. Accounting for about 2.4% of the total labour force. Estimates of indirect employment show that in total about 22 million persons derive their livelihood from tourism. Different forecasts of direct employment in the sector have been made, however. They underline the fact that tourism is growing to become an important economic activity. It is estimated that one new job is created in tourism every 2.4 seconds. The contribution of the Travel & Tourism Economy to employment is expected to rise from 31, 000 jobs in 2009, 6.4% of total employment, or 1 in every 15.6 jobs to 40,037,000 jobs, 7.2% of total employment or 1 in every 13.8 jobs by 2019.

3. National integration and the social transformation

Another important feature of the tourism industry which is of particular significance to India, is its contribution to national integration and the social transformation of the economic lives of people. Over 176 million domestic tourists visiting different parts of the country every year, return with a better understanding of the people living in other regions of the country and of the cultural diversity of India. Tourism also encourages preservation of monuments and heritage properties and helps the survival of art forms, crafts and culture.

4. Help for sustainable human development

Tourism has become an instrument for sustainable human development through poverty alleviation, environmental regeneration, job creation, and the advancement of women and other disadvantaged groups. The Working Group constituted for the formulation of proposals for the Ninth Plan. on Tourism considered a growth target of 8% per annum in tourist arrivals as feasible during 1997-2002 leading to total arrivals of about 3.12 million tourists by the year 2000 subject of course to substantial improvement in infrastructure and services.

Potential of Tourism in India

The reasons for India having great potential as a tourism destination have been explored by Boniface and Cooper (2005) as follows:

The country has a very old civilization that offers many opportunities in terms of tourism development. This includes the different cultures and religions that have been considered in previous parts of The country has a population of well over a billion and it has almost 20% of the world's population and over half of the

population is under 25 years old so the pressures for economic development including tourism are huge.

India has retained a democratic government and the country has states and autonomous territories that can determine their tourism development policies.

India is one of the most rapidly developing economics of the world with the high-tech cities of Bangalore, Hyderabad, Mumbai and Chennai leading the way in terms of business development.

The country has quite good transport infrastructure compared to other developing countries although there is still a great need for improvements.

Observations of Tourism in India

India, being considered as the most favoured tourist destination of the future, needs a lot of focus on managing its resources and requires a close attention on various issues. The need of the hour is to make heavy investments on various issues that govern the growth of tourist arrivals, to provide a keepsake visitor experience, in order to make their stay a memorable one and encourage repeat visit. The present study has identified various issues that have to be encountered. in order to make the visitors have a pleasant stay. It seeks to improve the image of India as a better tourist destination.

It is found that majority of the tourists are women and children, tourist safety is becoming a concern these days. Though India is a tourist friendly city, issues concerning the safety of tourists and their belongings are becoming topic of discussion. The definition of tourist safety is broad as term means a condition free of cheating. Fraudulence, misguiding, more serious issues like, stealing, harassing physically attempts of looting belongings etc. have to be carefully addressed.

Different governments have warned tourists about insecurity in India and take precautions to avoid any unpleasant incidents. Improvement of infrastructure is a very serious concern. Existing facilities are insufficient to meet the growing demands of local people and tourists.

Improvement of infrastructure and tourist safety is a very serious concern that is growing as the days pass. The respondents were also of the opinion that the existing facilities are insufficient to meet the growing demands. The relations with the local populace get strained many a times on account of this.

Repeatedly incidents are taking place in the cities where the foreign visitors abnormally behave or create problem to local people, after consuming intoxicated items. There is a need to maintain stringent measures to curb drug trade and usage of drugs by both state and central governments.

Service provided by local tour operators, local guides, room service, availability of tourist information room service, cleanliness, and crowd management were found to require more attention as these are the areas which the tourists felt that it was inadequately managed.

The next key issue is to create awareness on the impact of tourism on the local community, as this would induce a cohesive environment among the visitors and local people, where the local community as well as the visitors knows their responsibilities. In a destination, there are many occasions tourists directly contact local people.

The economic impact of tourism in India is highly visible during the off and peak seasons. People work in unorganized sector which is the most vulnerable section. Where the off season directly hit their livelihood. Any tourism development programme will be successful only when the involvement of local community is ensured.

Conclusion

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.

To sum up, Indian tourism has vast potential for generating employment and earning large sums of foreign exchange besides giving a fillip to the country's overall economic and social development. Much has been achieved by way of increasing air seat capacity, increasing trains and railway connectivity to important tourist destinations, four-lining of roads connecting important tourist centres and increasing availability of accommodation by adding heritage hotels to the hotel industry and encouraging paying guest accommodation. But much more remains to be done. Since tourism is a multidimensional activity, and basically a service industry. it would be necessary that all wings of the Central and State governments, private sector and voluntary organisations become active partners in the endeavour to attain sustainable growth in tourism if India is to become a world player in the tourist industry.

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