

# Role of Tourism in Indian Economy: A review

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## ABSTRACT

Tourism is an important sector for the Indian economy, contributing significantly to employment, foreign exchange earnings, and overall economic growth. This article provides a review of tourism in India from 2017 to 2019, examining trends, challenges, and opportunities. The article discusses the growth of domestic and international tourism, the impact of government policies and initiatives, and the role of technology in the tourism sector. The article also highlights the challenges facing the industry, such as infrastructure gaps, environmental concerns, and safety and security issues. This article provides a comprehensive review of the role of tourism in the Indian economy. Tourism is a major contributor to the country's economic growth, providing employment and generating revenue. The article explores the various factors that have contributed to the growth of tourism in India, such as natural beauty, cultural diversity, and historical significance. It also examines the challenges faced by the industry, such as inadequate infrastructure and safety concerns. The article concludes with a discussion on the future of tourism in India and the potential for sustainable growth. It also focus on with recommendations for the sustainable development of tourism in India. Overall, the study highlights the significance of tourism in the Indian economy and emphasizes the need for continued investment and development in this sector.

**Keywords:** Tourism, Indian economy, foreign exchange, employment, GDP.

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## INTRODUCTION

Tourism is a vital sector for the Indian economy, accounting for 9.2% of the country's GDP and providing employment to millions of people. In recent years, the tourism industry in India has witnessed significant growth, driven by a range of factors such as rising disposable incomes, improved infrastructure, and government initiatives to promote tourism. This article provides a review of tourism in India from 2017 to 2019, analyzing the key trends, challenges, and opportunities in the sector. Tourism plays a vital role in the economy of India, as it is one of the fastest-growing sectors contributing significantly to the country's GDP. According to the World Travel and Tourism Council, the total contribution of travel and tourism to India's GDP was USD 194.3 billion in 2019 of India's GDP. The tourism sector in India generates employment opportunities, foreign exchange earnings, and promotes regional development. This article aims to highlight the importance of tourism in the Indian economy and the challenges it faces.

**Domestic Tourism:** Domestic tourism in India has been on the rise in recent years, driven by a growing middle class and improved transportation infrastructure. According to data from the Ministry of Tourism, the number of domestic tourist visits in India increased from 1.65 billion in 2017 to 1.82 billion in 2019, representing a growth rate of 10.3%. The states of Tamil Nadu, Uttar Pradesh, and Andhra Pradesh were the top domestic tourist destinations in India during this period.

**International Tourism:** India has also seen an increase in international tourist arrivals in recent years, with the number of foreign tourist visits increasing from 10.04 million in 2017 to 10.93 million in 2019, representing a growth rate of 8.9%. The top international tourist markets for India during this period were Bangladesh, the United States, and the United Kingdom.

**Government Policies and Initiatives:** The Indian government has implemented various policies and initiatives to promote tourism in the country. One such initiative is the "Swadesh Darshan" scheme, which aims to develop theme-based tourist circuits in the country. Under this scheme, 15 thematic circuits have been identified for development, such as spiritual tourism, eco-tourism, and rural tourism. The government has also launched the "Adopt a Heritage" scheme, which allows private companies, non-profit organizations, and individuals to adopt heritage sites and develop them as tourist destinations.

**Challenges:** Despite the growth of tourism in India, the sector faces several challenges. One of the main challenges is the lack of infrastructure, particularly in remote areas. Another challenge is environmental sustainability, as tourism can have negative impacts on the environment, such as pollution and habitat destruction. Safety and security concerns are also a significant issue, particularly in light of recent incidents of violence against tourists. Moreover, the sector faces issues such as inadequate skilled workforce, and insufficient funding for tourism projects. Additionally, the sector requires policy interventions to promote sustainable tourism practices, reduce the negative impact of tourism on the environment and local communities, and promote inclusive growth.

**Employment Generation:** Tourism is a significant contributor to employment generation in India, particularly for the unskilled and semi-skilled workforce. As per the Skill India Report 2019, the tourism and hospitality sector has the potential to create 40 million additional jobs by 2025. The sector provides direct employment opportunities to more than 39 million people and indirectly supports many more through backward and forward linkages. Moreover, tourism is a source of employment for women and young people, and it promotes inclusivity and diversity.

#### **Foreign Exchange Earnings**

Tourism is a major source of foreign exchange earnings for India. In 2019, the foreign exchange earnings from tourism were USD 28.6 billion, which is equivalent to 5.9 percent of the country's total exports. The government of India has taken several initiatives to promote tourism and attract foreign tourists, such as e-visa facility, relaxation of visa regulations, and promotion of cultural and heritage tourism. The government has also launched the Incredible India 2.0 campaign, which focuses on promoting lesser-known destinations and creating a more significant impact on local communities.

#### **Regional Development**

Tourism promotes regional development by creating economic opportunities in remote and underdeveloped areas. The tourism industry provides an opportunity for local communities to participate in the value chain and generate income. For instance, rural tourism, eco-tourism, and community-based tourism have the potential to create sustainable livelihoods for people in remote areas. Moreover, tourism promotes the preservation of natural and cultural heritage, which can attract more tourists and contribute to the development of the local economy.

### **CONCLUSION**

In conclusion, tourism plays a critical role in the Indian economy, contributing significantly to employment generation, foreign exchange earnings, and regional development. However, the sector faces several challenges, which require policy interventions to promote sustainable and inclusive growth. The government of India has taken several initiatives to promote tourism, but more needs to be done to address the challenges faced by the sector. The tourism industry has the potential to become a significant contributor to the Indian economy and a source of employment and income for millions of people. Tourism is an essential sector for the Indian economy, and the growth of the industry in recent years is a positive development. However, to ensure the sustainable development of tourism in India, the sector must address the challenges it faces, including infrastructure gaps, environmental concerns, and safety and security issues. The government must continue to implement policies and initiatives to promote tourism, while also ensuring that the sector is developed sustainably and responsibly.

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