



An Economic Evaluation of Gujarat Tourism Industry

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Abstract:

A country's economy earns primarily from the foreign exchanges where tourism has now become the largest commercial activities on a global scale. It is prepared using the secondary data from various sources – reports of national and international publications, journals, books, surveys by renowned organizations, and other pertinent literature of the discipline. The paper, along with studying the present scenario and status of Gujarat tourism, also emphasizes the impact of this sector on various other economic aspects of Gujarat. Tourism in a country contributes not just to the forex but indirectly gives a boost to infrastructural developments (roads, communication, healthcare, etc.), employment generation for the development of the infrastructure, and state art, craft and culture gets global and national exposure. Besides these focuses, the paper enumerates how tourism is crucial for the overall development of the state economy. Being the catalyst to the development, this industry has the potential to reinforce growth with multi – faceted positive impacts on Gujarat economy.

Keywords: *Tourism, Foreign Exchange Earnings, Sunshine Sector, Development, Employment, Multi – Faceted Positive Impact.*

1. Introduction

Tourism, a global industry, means people moving away from their usual residence and visit places for recreation. Until recently, a few selected people able to afford time and money were involved. Increased leisure, development of transportation, accommodation, higher incomes and greatly enhanced mobility combined has enable more people to take part in tourism. Evolving times have led to people wanting to visit new unknown places, travelling and exploring the world. His inquisitive tendencies and desire to know the unknown made him an adventurer. Gujarat, a geographical diverse state with deserts, wetlands, pristine beaches, languid valleys, grasslands and lush forests attracts tourists both nation and worldwide. From Dholavira, one among the primary cities within the world, to the primary model of “Smart City” in India, Gujarat has it all.

Tourists here, experience the rich cultural diversity, indulge in the various fairs and festivals, enjoy the flavors of cuisine and take back memories which they relish for a lifetime. (Tourism Policy for the State of Gujarat (2015-20), Government of Gujarat, 24th September, 2014)

2. Objectives

1. To emphasizes the impact of tourism industry on various economic aspects of Gujarat.
2. To study the present status and scenario of Gujarat tourism industry.
3. To enumerate how tourism is crucial for the overall development of the state economy.

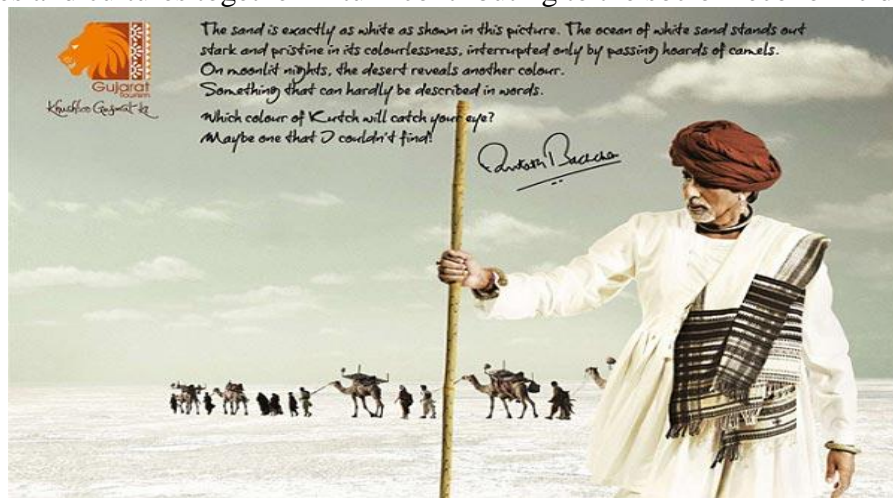
3. Material and methods

The present study is an attempt to highlight the role of the top sector - tourism in overall development, employment creation, forex earnings, and upliftment of rural and backward areas of the state of Gujarat. The ‘Khushboo Gujarat Ki’ campaign is well past its prime. Amitabh

Bachchan's look within the campaign, that initial went on air in 2010, had given a trial within the arm to Gujarat's business enterprise sector then. But the state still manages to hold on to impressive growth rates in tourist footfalls. On a much-enlarged base, it has accomplished a 16.94 per cent growth in tourist arrivals in FY17 over the previous year. (Das, 2017) For the present paper the secondary data has been extracted from various old research papers, journals, books, internet, some of the governmental data etc. The data (Qualitative and Quantitative) has been taken from various sources such as books, newsletters, reports, magazines, journals, newspaper, internet, as well as from existing literature to give a more detailed view of the topic with respect to Gujarat economy.

4. Result and discussions

The sunshine sector has grown from just exploring new places to an opportunity for enhancing international relations, expanding business boundaries, generating employment, developing infrastructure and appreciating and giving platforms to cultural diversities. It aids in bringing countries, peoples and cultures together in turn contributing to the socio – economic development.



(Source: <https://www.newsnation.in/article/145551-dalits-to-invite-bachchan-modi-to-feel-badbu-gujarat-ki.html>)

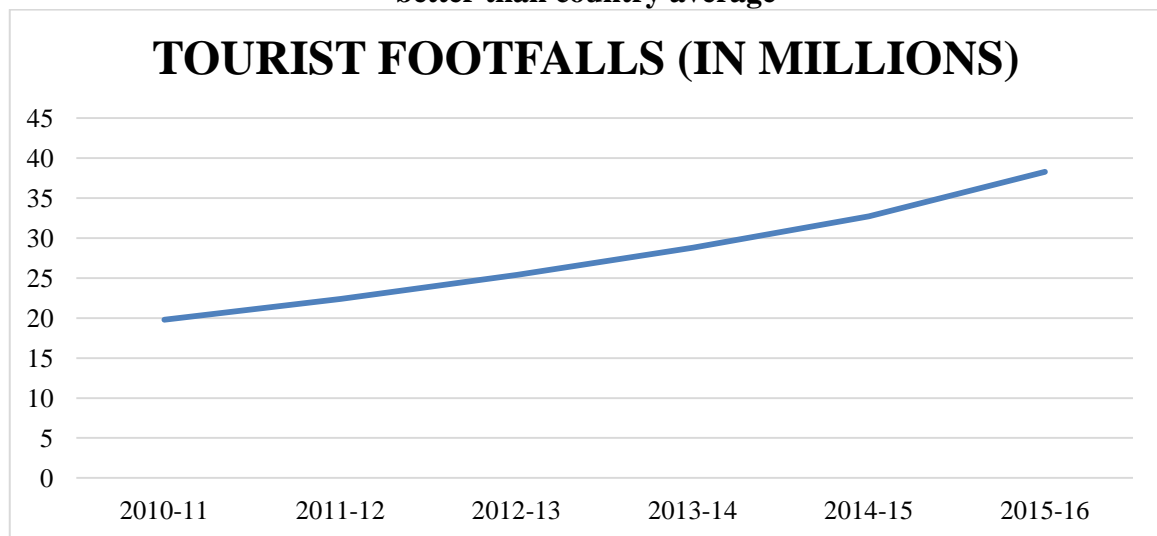
5. Diverse Tourist Attractions of Gujarat

Dwarka, Somnath And Ambaji Temple	Palitana	Rani Ki Vav, Adalaj Ki Vav	Modhera Sun Temple	Idar
Mandavi, Chorwad And Tithal Beaches	Sabarmati Riverfront	Buddhist Circuit, Gandhi Circuit	Gir National Park	Nal Sarovar Bird Sanctuary
Little Rann Of Kutch	Velavdar Blackbuck National Park	Champaner Pavagadh Archaeological Park	Lothal, Dholavira	Arai Embroidery, Ahmedabad
Teracotta, Surendranagar	Zari Embroidery, Surat	Rogan Paintings And Pachchikam Jewellery, Kutch	Bandhani, blockprint, patola, etc.	

These are the top spiritual sites, archaeological and heritage destinations, beach and water-based attractions, heritage circuits, national parks, biodiversity, and art and crafts.

To study the present status and scenario of Gujarat tourism industry

Figure: 1 Tourist footfalls in Gujarat is growing fast with Gujarat Tourism sector performing better than country average



Source: <http://vibrantgujarat.com/writereaddata/images/pdf/tourism-industry-the-gujarat-experience-sector.pdf>

NOTE: Top-draw destinations that account for over 40% of tourist flow: Ahmadabad, Ambaji, Dwarka, Surat and Vadodara

Table 1 : Tourist Arrival Financial Year 2017 (Year-on-year growth)

	Millions	% y-o-y growth
Within Gujarat	32.4	14.98
Other Indian States	11.4	22.1
Total domestic (A)	43.8	16.76
NRI	0.52	22.58
Foreigners	0.41	31.03
Total NRI/Foreigners (B)	0.92	26.14
OVERALL (A+B)	44.8	16.94

Source: https://www.business-standard.com/article/economy-policy/gujarat-tourism-grows-17-even-7-years-after-campaign-117061900051_1.html

The tourist visits data shows that the numbers (in millions) are quite high for the tourist from within states of India and Gujarat as compared to the tourists from foreign. When the data for the year-on-year growth is analyzed one definitely notices a comparatively higher growth percentage in the tourist visits – NRI/Foreigners with respect to the the tourist visit percentage year on year growth from within the states and Gujarat.

Table: 2

Year	Tourist Footfalls			
	Total (in crores)	From within Gujarat %	From other states %	NRI/Foreigners %
2016-17	4.48	72.32	25.62	2.06
2017-18	5.09	72.16	25.76	2.08
2018-19	5.75	71.56	26.30	2.14

Source: TGCL

The tourist visits in total have surely been increasing but we can find a decreasing trend when the % of tourist visits from within Gujarat is analysed and an increasing trend of the same with respect to the tourists from other states and NRI/ Foreigners.

According to the data given by TGCL, In the year 2018-19, some 71.5% of the total 3.26 crore tourists who visited Gujarat were from within from the states.(Parikh, 2019)

To emphasizes the impact of tourism industry on various economic aspects of Gujarat

Figure: 2

As per the Ministry of Tourism, Government of India 2014 Report

The number of foreign tourist arrivals in India is 7.68 million and that of domestic tourist visits to all States / UTs is 1,282 million.

The numberof domestic tourist visits to all States / UTs is 1,282 million.

Source: <https://www.gujarattourism.com/file-manager/documents/Tourism%20policy%20GR.pdf>

The foreign exchange earnings from Tourism were approximately USD 20.24 billion during the same period.

According to the Department of Industrial Policy and Promotion, Foreign Direct Investment inflows in the state of Gujarat totalled US\$ 19.16 billion during April 2000 – June 2018. During the same period, Gujarat accounted for about 5 per cent share in the overall FDI inflows in India. This makes India the second most preferred destination. At the Vibrant Saurashtra Expo and Summit (Rajkot in January 2016) Memorandum of Understandings worth US\$ 341.88 million were realised for the development of various sectors of the state during the event. The 2018 edition of the expo will be held in April 2018.

Reliance Industries, Suzlon, Aditya Birla Group, and Videocon, Rio Tinto, Suzuki and CLP Holdings are some companies which have ensured their financial commitments. (INDIA BRAND EQUITY FOUNDATION , 2018)

To enumerate how tourism is crucial for the overall development of the state economy

As per Budget 2018-19, the state government has made a provision of US\$ 221 million for the port and transport department.

During 2018-19, Essar ports will invest Rs 4.5 billion (US\$ 63 million) in Hazira port in Gujarat to increase the cargo-handling capacity of the port to 50 million tonnes (MT), current capacity of the port, is 30 MT, raising the company's capacity to 110 MT. (INDIA PORT ASSOCIATION, MINISTRY OF SHIPPING, n.d.)

The communication sector has been given a boost by 70.81 million wireless connections and 1.23 wireless subscribers (June 2018). The Government of India has permitted Rs. 1,652.97 crore (US\$ 256.47 million) through Department of Telecommunications for execution of BharatNet Phase-II in 7295 (6916 of Phase II + 379 from Phase-I) Gram Panchayats of Gujarat. Thus, the remote and backward areas with tourist attractions are included too. (Telecom Regulatory Authority of India, Minsitry of Communication and Information Technology, n.d.)

Public private Partnership in Tourism Projects is promoted in coordination with GIDB and as per the GR issued from time to time for tourism projects, which would be applicable to both Greenfield and

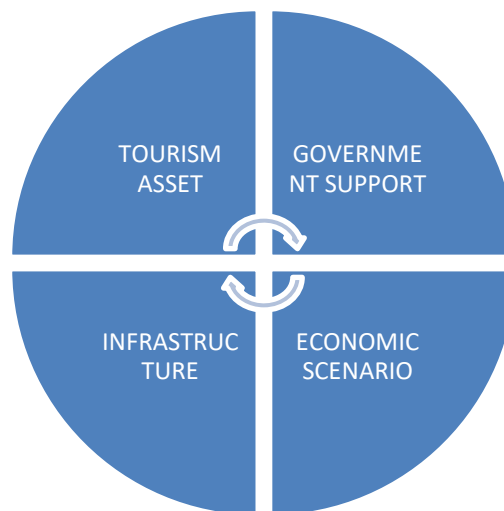
Brownfield projects. There are efforts towards the safety and security of the tourist with the joint collaborations of Tourist Police In consultation with the Home Department (Tourism Policy for the state of Gujarat 2015-2025, Industries and Mines Department, Government of Gujarat, 2015)

For regulating hotels, the Urban Development and Urban Housing Department (UD&UHD) has formulated regulations describing the provisions for planning in hotels. (Tourism Policy for the State of Gujarat(2015-20), Government of Gujarat, 24th September, 2014)

The Government has announced Excellence Awards and Annual Tourism Awards for recognition of excellence in tourism products and services as also for contribution to the growth of tourism in the State. (Example: Best Entrepreneur in Tourism (b) Best Lady Entrepreneur in Tourism, Best Start-up in Tourism) (Tourism Policy for the State of Gujarat(2015-20), Government of Gujarat, 24th September, 2014)

6. Gujarat tourism drivers

Figure: 3



SOURCE:https://cdn.vibrantgujarat.com/website/writereaddata/images/pdf/VG2019_Tourism_Sector_Profile.pdf

6.1 Tourism Asset

Gujarat is a state with the Largest coastline in India - 1600 kms with 16 beaches. Rich biodiversity and ecology - 22 Sanctuaries and 4 National Parks It is a state with the only white desert in the world and blessed with multicultural heritage and monuments.

6.2 Government Support

The governmental policy gives financial assistance under the Tourism Policy 2015-20

Tourism sector in Gujarat is allowed with 100% Foreign Direct Investment

There is due focus given on tourism contributing skill development programs, state promoted and financed Fairs and Festivals.

The Government has made a huge contribution for the Marketing of the same.

6.3 Economic Scenario

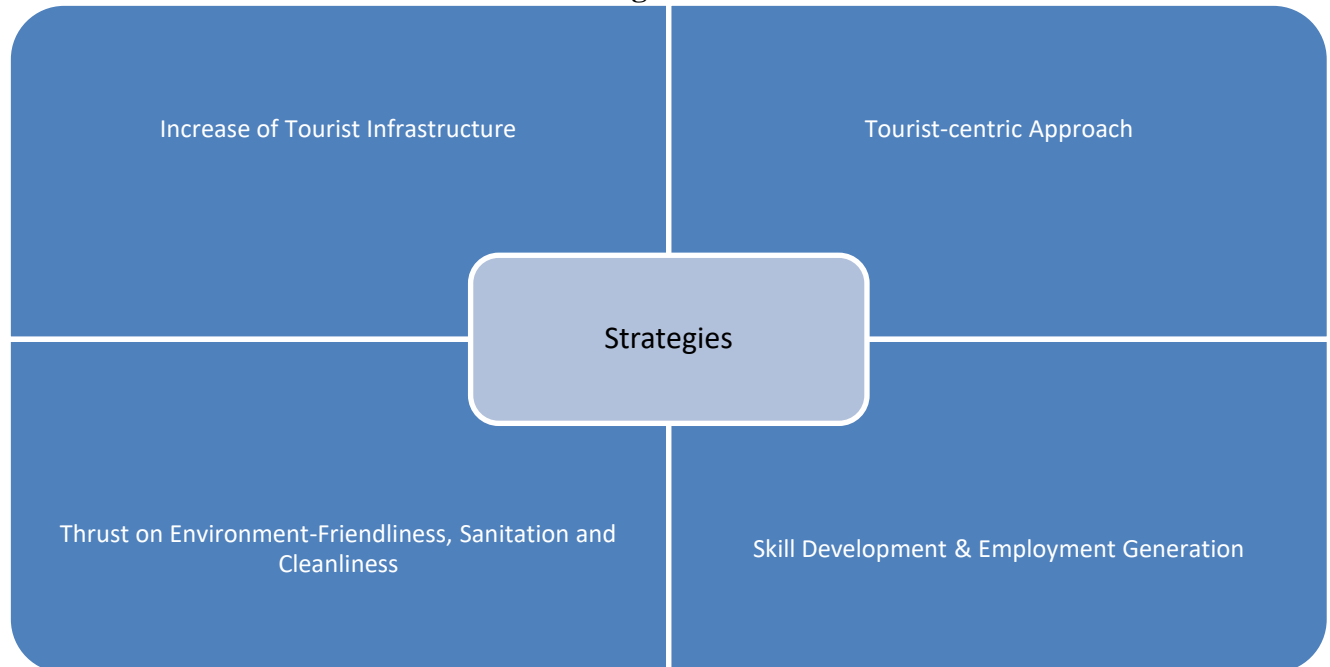
Gujarat's economy has grown at an average rate of 10% between FY13 to FY17 higher than the national average. Gujarat is highly industrialised State with 18.4% share in Country's industrial output.

6.4 Infrastructure

The state has 19 Airports (2 international Airports), 1 major and 48 minor Ports, 5300 km Rail network, 1.63 Lakh kms of motor able Road.

6.5 Strategies adopted by the Government of Gujarat

Figure: 4



Source: <https://www.gujarattourism.com/file-manager/documents/Tourism%20policy%20GR.pdf>

6.6 Increase of Tourist Infrastructure

- There should be emphasis laid on Developing and providing financial support for infrastructure facilities as well as to the special areas of tourist attraction identified from time to time.
- The development of the major arterial highways and air connectivity of the State should be prioritized
- Mega Tourism Projects in high-potential areas, Cruise Tourism along the long coastline, Water / Amusement / Theme Parks, Spiritual Tourism, Coastal / Beach Tourism, Cinematic Tourism, Khadi, Handloom, Handicraft and Textile Tourism developed from time to time.

6.7 Tourist-centric Approach

- Focus on Improving tourist safety and security at all tourist destinations through schemes like Tourist Wardens, 24 x 7 Centralized Helpline
- The guides, collaterals, publicity materials should be in multi – language to enrich the experience.
- Facilities to be developed for people who need special care and attention

6.8 Skill Development & Employment Generation

Government should adopt strategies which involve tie ups with world class institutes for the training of guides, hospitality staff, host, tour operators, etc. and to motivate the same human resources there should be provisions of monthly stipends and other security of job opportunities.

6.9 Thrust on Environment-Friendliness, Sanitation and Cleanliness

- Undertaking the campaigns of SWACHH BHARAT and SWACHH GUJARAT religiously.
- Adopting the “Sustainable Tourism Criteria for India” for the tour operators and hoteliers as laid down by the Ministry of Tourism (MoT), Government of India.

- Encouraging the green projects (bio toilets, pollution control measures, etc) by providing finance

7. Conclusion

Today the concept of tourism has widened from just travelling to international relations, business expansions, and diverse cultures so to bring people, places and values together. Gujarat, 6th largest state in India, attracts the tourist for its rich religious, cultural, archaeological and business treasures. To preserve and enrich the same, tourism can be one of the highest yielding alternatives. Therefore, the state can focus on providing a conducive environment for the development and reinforcement of the economy through tourism. The policies adopted and schemes launched can be kept a check upon for their successful implementation and the targets for the growing economy can be duly achieved. The state can grow in tourism by the concept of “of the people, by the people, for the people”, promoting concepts of eco-tourism, green projects, and many more.

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