



Growth and Preferences of Tourism Industry in India: A Distinctive Study in the Framework of Gujarat

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Abstract:

The Indian tourism industry is taking on an important part in the economic growth of many sectors of our economic system by generating employment both for skilled and unskilled labor force, by improving living standard, especially in remote rural areas, foreign exchange earnings, infrastructure development, and boasts the world famous Indian traditional Art and craft.

'Aavo padharo', words of welcome in Gujarati language ring true as they consider that Guest is 'GOD' and the people of Gujarat are expressively friendly, inviting also alluring them to occur once more and again. Culturally rich state, Gujarat has reached a major milestone in tourism, strengthening the state economic system. As a matter of fact, to the greatest extent, the effectiveness of Gujarat tourism marketing is responsible for this extraordinary growth reported in tourist footstep, foreign exchange earnings and growth of tourism infrastructure at the addresses.

The objective of research paper is highlighting the growth and preferences of tourism industry in India in the special context of Gujarat. India is also the third largest globally in terms of investment in travel & tourism with an investment of US\$ 45.7 billion in 2018, accounting for 5.9 per cent of national investment.

During the period of 2019, the hotel and tourism sector attracted around US\$ 14.42 billion of FDI, according to the data released by Department for Promotion of Industry and Internal Trade (DPIIT). The Hospitality, the establishment on which the structure of Gujarat tourism constructed, is indigenous to Gujarat. The changing situation from hospitality to leisure, recreation, nature-based ecotourism, environmental, sports etc and so on are the significant highlights, that makes Gujarat is one of the essential goals among different conditions of India outstandingly Rajasthan and Madhya Pradesh.

Keywords: *Gujarat tourism, State economy, Nature based ecotourism, infrastructural development*

1. Introduction

Tourism industry has potential to strengthen the inclusive economic development. It is a limitless industry with immense growth potential having clear remarkable positive impact on economic and social aspects of Indian economy.

According to WTTC, India ranked third among 185 countries in terms of travel & tourism's total contribution to GDP in 2018. India was ranked 34th in the Travel & Tourism Competitiveness Report 2019 published by the World Economic Forum.

The idea of travel and tourism in Gujarat began a long go back prior, when Portuguese individuals arrived through the road of India (Surat, Gujarat) and created exchange India. From that point forward the State is accepting multitudinous number of voyagers for various purposes. Amidst the primitive

surroundings, Surat, Bharuch and Khambhat, the most dynamic ports of the 52 which existed in Gujarat-had numerous merchants cruising out with fine silk and flavours to Thailand's shores. Tourism is the demonstration of go with the end goal of diversion and business, and the arrangement of administrations for this demonstration.

2. Gujarat Tourism grows 17%, even 7 years after Campaign

The 'Khushboo Gujarat Ki' battle is well past its prime. Amitabh Bachchan's appearance in the campaign, which initially went on air in 2010, had given a jolt to Gujarat's tourism segment at that point. On a much-broadened base, it has finished a 16.94 for every penny development in vacationer entries in FY17 over the earlier year.

Gujarat's traveler inflow developed from 38.3 million in FY16 to 44.8 million in FY17. As per information gathered from the Gujarat Industrial and Technical Consultancy Organization (Gitco), which deals with the Tourist Flow Information System for the Tourism Corporation of Gujarat Ltd, the development in visitor inflow was 263 for each penny contrasted with 2006-07.

The intensified yearly development rate (CAGR) of visitor inflow amid a five-year time span amongst FY07 and FY12 was 12.62 for every penny, while the CAGR of vacationer inflow amid the previous five-year time frame between FY12 and FY17 is 14.91 for each penny, denoting a change.

3. Market Size

India is the most digitally advanced traveller nation in terms of digital tools being used for planning, booking and experiencing a journey, India's rising middle class and increasing disposable incomes has continued to support the growth of domestic and outbound tourism.

During 2019, foreign tourist arrivals (FTAs) in India stood at 10.89 million, achieving a growth rate of 3.2 per cent year-on-year. During January-February 2020, Foreign Tourist Arrivals (FTAs) were 21,33,782.

In 2019, a total of 29,28,303 tourist arrived on e-Tourist Visa registering a growth of 23.6 per cent. As of 2019, 4.2 crore jobs were created in the tourism sector in India which was 8.1 per cent of total employment in the country. The number is expected to rise by two per cent annum to 52.3 million jobs by 2028.

International hotel chains are increasing their presence in the country, as it will account for around 47 per cent share in the Tourism & Hospitality sector of India by 2020 & 50 per cent by 2022

4. Investments

India is also the third largest globally in terms of investment in travel & tourism with an investment of US\$ 45.7 billion in 2018, accounting for 5.9 per cent of national investment.

During the period April 2000-December 2019, the hotel and tourism sector attracted around US\$ 14.42 billion of FDI, according to the data released by Department for Promotion of Industry and Internal Trade (DPIIT).

5. Literature Review

IL&FS infrastructure (2010) Infrastructure leasing and financial services (finance company) identification of tourism circuits across India. Ministry of tourism, government of India, "The interim report of Gujarat" said the objectives of study as identification of potential tourist circuits in the state of Gujarat; to evaluate the existing infrastructure i.e. basic and tourism related for the various tourism

circuits, and to assess the interventions for improving quality and quantity of basic and tourism infrastructure for the prioritized circuits.

Shukla, P. K. (2014) In his doctoral thesis A study of tourism in Gujarat a geographical perspective concluded that out of the 10 motivational factors such as business, leisure, entertainment/sports/pleasure, cultural/festivals/fairs, personal/medical/wedding, religious, educational, conventional, shopping and sightseeing, foreign tourist preferred cultural/festivals/fairs the most by 30%, 20% preferred Entertainment/sports/pleasure whereas only 2% preferred business related travel to Gujarat.

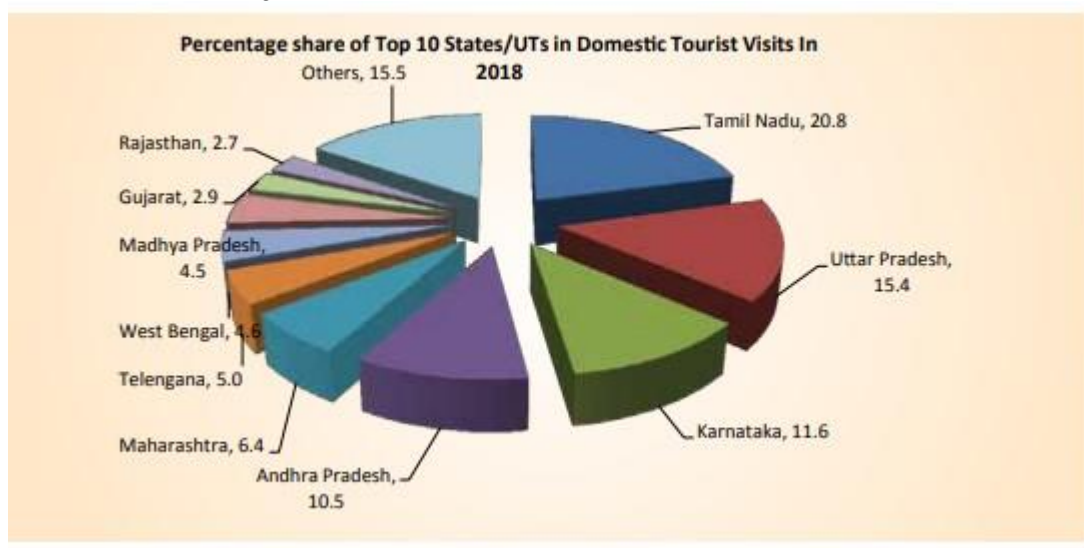
Regional tourism satellite account-2009-10. (2014). The research conducted by National Council of Applied Economic Research concluded that Gujarat is one of the major tourism-oriented states of India. In 2010, the domestic tourist arrival, the state ranks at the tenth place and the rank in terms of foreign tourist arrival is 15. Eight major tourism hubs have been developed in Gujarat namely Ahmedabad Metro, Ahmedabad Rural, Surat, Vadodara, Rajkot, Junagarh & Jamnagar (Saurashtra) and Bhuj (Kutch). Gujarat, especially Ahmedabad and nearby region including the state capital Gandhinagar is a major hub of internationally renowned educational institutions which attract education tourists of higher education from each corner of the country.

Bhattacharya, M. (2008) Advantage Gujarat in Medical Tourism. Conference on Tourism in India – Challenges Ahead remarked that Medical facilities in Gujarat is well developed with world class health infrastructure, zero waiting time and most importantly one tenth of medical costs spent in the US or UK, Gujarat is evolving into a preferred medical tourist destination.

6. Research Methodology

Research is a procedure of a organised and exhaustive study or search of any specific topic, subject or area of investigation, supported by the collection, composing, presentation and interpretation of appropriate details or data. For the purpos eof the research paper on **Growth and preferences of tourism Industry in India: A distinctive study in the framework of Gujarat.** is mainly based on the secondary data collected through the various sources of Gujarat tourism and it has been supported by the specially arranged visits with the officials and directors ofTCGL.

7. Tourism Scenario of Gujarat



Gujarat is one of the most bourgeoning tourist destinations in India. The gross flow of tourist during the year 2017-18 has crossed 50 million which is 13.8% higher that the figure of 2016-17. The same figure for 2016-17 is 44.8 million which is 16.9% higher than the flow of 38.3 million in the year

2015-16. Gujarat has the longest coastline in India, the only White Desert in the country, multi-cultural heritage and monuments. The efforts of Gujarat tourism department seem to be paying off as the number of spiritual tourists and leisure travelers sharing “Khusboo Gujarat Ki” has risen in the one last year.

Gujarat is well connected by a wide network of air, rail and road with important destinations of the country as well as of the globe. Gujarat also has an inter-city surface transport system both in terms of railways and bus network. Ahmedabad being the biggest city of the state is well connected by air, rail and road Gandhinagar and Ahmedabad are twin cities well connected to each other Gujarat has seen rapid economic growth over the past decade. Driven by massive investment and rapid industrialization, Gross State Domestic Product (GSDP) of Gujarat increased at a CAGR of 13.55 per cent between 2011-12 and 2016-17 to reach Rs 11.62 trillion (US\$ 173.24 billion) during 2016-17. Gujarat has achieved the distinction of being one of the most industrially developed states and contributes about a quarter to India’s goods exports. Accounting for about 4.99% of the country’s population and 5.97% of land area, the state has metamorphosed into one of the fast-growing state economies, overcoming its limitations in resource base and its climatic constraints. At current prices, Gujarat’s GSDP was about Rs 11.62 trillion (US\$ 173.24 billion) during 2016-17.

As per the “Economic Freedom of the States of India (EFSI) 2013” Report, Gujarat has been ranked at 1st position on Economic Freedom with a score of 0.65. The report reaffirms the fact that the Gujarat model of development is based on global best practices and is robust, sustainable and all inclusive.

Gujarat has immense potential to become a major tourist destination. Its historical monuments represent the great religions of Asia – Hindu, Buddhist, Jain, Islamic, Parsee and Sikh. For Eco tourists the state offers opportunities to see a wide range of wildlife including the Asiatic Lion and Indian Wild Ass, endangered antelopes, a variety of deer etc. It has India’s first marine national park. It is also one of India’s most important areas for birdwatchers. There are more than 400 archeological sites in the state including some of the most substantial excavations of Indus Valley Civilization period at Lothal (near Ahmedabad), Surakotada and Dholovira (in Kutch) The archeological zone of Champaner – Pavagadh have been acclaimed by UNESCO as the “World Heritage Site” because of its great mosques, temples, stepwells and forts. The recent tag of being the first city in India under UNESCO as “World Heritage City” will go a long way to reinforce tourism in the State. Gujarat has many enchanting tourist places, memorable historic monuments and sacred pilgrimages, depicting the glorious cultural heritage, which can attract both Indian and International travelers. The State has important pilgrimage places like Dwarka, Somnath, Dakor, Ambaji etc for Hindus, Udwada, Navsari and Surat for Parsees, Palitana, Girnar etc for Jains.

8. Growth of Tourism in Gujarat

A separate tourism department was established in 1973 to identify and develop the tourism potential in the State. The Corporation is presently engaged in a variety of activities such as creation of lodging and boarding facilities for the tourists and other aspects of tourist facilitation such as transportation, packaged tours, wayside catering along the National and State Highways, arranging cultural festivals, organizing exhibitions and producing and distributing maps, posters, brochures and pamphlets. In 1991 the State declared the tourism policy.

STATE/UT-WISE DOMESTIC AND FOREIGN TOURIST VISITS, 2017-18

S. No.	State/ UT	2017		2018 (R)		Growth Rate	
		Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
1	Andaman & Nicobar Island	471919	15313	498279	15242	5.59	-0.46
2	Andhra Pradesh	165433898	271362	194767874	281083	17.73	3.58
3	Arunachal Pradesh	444005	7147	512436	7653	15.41	7.08
4	Assam	6052667	21760	5856282	36846	-3.24	69.33
5	Bihar	32414063	1082705	33621613	1087971	3.73	0.49

6	Chandigarh	1425781	31832	1538796	39681	7.93	24.66
7	Chhattisgarh	17350030	6701	19329501	14399	11.41	114.88
8	Dadra & Nagar Haveli	614182	1908	609435	1608	-0.77	-15.72
9	Daman & Diu	858131	5535	898824	5694	4.74	2.87
10	Delhi *	29114423	2740502	29114423	2740502	0.00	0.00
11	Goa	6895234	842220	7081559	933841	2.70	10.88
12	Gujarat	48343121	448853	54369873	513113	12.47	14.32
13	Haryana	6050325	193381	4888952	73977	-19.20	-61.75
14	Himachal Pradesh	19130541	470992	16093935	356568	-15.87	-24.29
15	Jharkhand	33723185	170987	35408822	175801	5.00	2.82
16	J&K	14235473	79765	17076315	139520	19.96	74.91
17	Karnataka	179980191	498148	214306456	543716	19.07	9.15
18	Kerala	14673520	1091870	15604661	1096407	6.35	0.42
19	Lakshadweep	6620	1027	10435	1313	57.63	27.85
20	Madhya Pradesh	78038522	359119	83969799	375476	7.60	4.55
21	Maharashtra *	119191539	5078514	119191539	5078514	0.00	0.00
22	Manipur	153454	3497	176109	6391	14.76	82.76
23	Meghalaya	990856	12051	1198340	18114	20.94	50.31
24	Mizoram	67772	1155	76551	967	12.95	-16.28
25	Nagaland	63362	4166	101588	5010	60.33	20.26
26	Odisha	14011229	100014	15208540	110818	8.55	10.80
27	Puducherry	1531972	131407	1616660	141133	5.53	7.40
28	Punjab	40293352	1108635	44595061	1200969	10.68	8.33
29	Rajasthan	45916573	1609963	50235643	1754348	9.41	8.97
30	Sikkim	1375854	49111	1426127	71172	3.65	44.92

9. Foreign Exchange Earning from tourism in India

As per the monthly estimates prepared by Ministry of Tourism, FEEs from tourism in India in 2018 in ₹ terms were ₹194881 crore as compared to ₹177874 crore in 2017 registering a growth of 9.6 % in 2018 over 2017. In US \$ terms, FEEs from tourism in 2018 were US \$28.586 billion as compared to US \$27.310 billion in 2017 with a growth rate of 4.7%. The FEEs from tourism in India, in ₹ terms and US\$ terms, during 1991- 2018 are given in Table 2.11.1.

Year	FEE in ₹ terms		FEE in US\$ terms	
	₹ Crore	% Change over previous year	US \$ Million	% Change over previous year
1991	4318	-	1861	-
2001	15083	-3.5	3198	-7.6
2002	15064	-0.1	3103	-3.0
2003	20729	37.6	4463	43.8
2004	27944	34.8	6170	38.2
2005	33123	18.5	7493	21.4
2006	39025	17.8	8634	15.2
2007	44362	13.7	10729	24.3
2008	51294	15.6	11832	10.3
2009	53754	4.8	11136	-5.9
2010	66172	23.1	14490	30.1
2011	83036	25.5	17707	22.2
2012	95607	15.1	17971	1.5
2013	107563	12.5	18397	2.4
2014	120367	11.9	19700	7.1
2015	134844	12.0	21013	6.7
2016# ²	154146	14.3	22923	9.1
2017# ²	177874	15.4	27310	19.1
2018# ²	194881	9.6	28586	4.7

#² Revised estimates (based on final FTA received from BOI).

The month-wise FEEs from tourism and corresponding percentage change over previous years during 2016-2018 in ₹ terms and US\$ terms are given in Tables 2.11.2 and 2.11.3, respectively.

TABLE 2.11.2

MONTH-WISE FEE FROM TOURISM (₹ CRORE) IN INDIA DURING 2016- 2018

10. Tourism Policy of Gujarat (2015-2020)

The Gujarat Government announced a new tourism policy for 2015-2020 with focus on making the State one among the top five tourist destination states in India by 2025.

- The government has announced 100 per cent reimbursement on stamp duty, while exemption has been given for luxury tax, entertainment tax and electricity duty. The minister also announced capital subsidy for tourism sector.
- Investments of over Rs 50 crore will get admissible subsidy of 15 per cent with a maximum limit of Rs 10 crore.
- In the policy document, the State Government quoted World Travel and Tourism Council data projecting total investment potential in Gujarat to the tune of \$4 billion (approx Rs 26,000 crore) by 2025 with an employment potential of 3 million people and 5 per cent contribution to GDP.
- With the latest policy, the government aims to attract MICE segment (Meetings, Incentives, Conferences, and Exhibitions), encourage innovative forms of tourism such as adventure, cruise, event-based, inland waterways, medical among others.

- The government also aims to provide tourism infrastructure in terms of tourist information, transport services, accommodation and way-side amenities, with enhanced use of ICT in the sector and create enabling framework for public-private partnerships in developing tourism products, projects and services.
- "Apart from being an effective facilitator, the State Government shall be leading from the front in matters like Destination Development, Promotion of Fairs and Festivals, Publicity Campaigns, IT Initiatives, Market Research, Exhibition and Seminars, Skill Development Etc," the policy document read.

11. Government Initiatives

Some of the major initiatives planned by the Government of India to give a boost to the tourism and hospitality sector of India are as follows:

- Ministry of Tourism launches Audio Guide facility App called Audio Odigos for 12 sites of India (including iconic sites).
- Statue of Sardar Vallabhbhai Patel, also known as 'Statue of Unity', was inaugurated in October 2018. It is the highest standing statue in the world at a height of 182 metre. It is expected to boost the tourism sector in the country and put India on the world tourism map.
- The Government of India is working to achieve one per cent share in world's international tourist arrivals by 2020 and 2 per cent share by 2025.
- Under Budget 2020-21, the Government of India allotted Rs 1,200 crore (US\$ 171.70 million) for development of tourist circuits under Swadesh Darshan for eight north-eastern states.
- Under Budget 2020-21, the Government of India allotted Rs 207.55 crore (US\$ 29.70 million) for development of tourist circuits under PRASHAD.
- Under Budget 2020-21, the Government of India allotted Rs 1,200 crore (US\$ 171.70 million) for development of tourist circuits under Swadesh Darshan for eight north-eastern states.
- In September 2019, Japan joins a band of Asian countries, including Taiwan and Korea among others to enter into the Indian tourism market.

12. Achievements

Following are the achievements of the government during 2019-20:

- During 2019-20, an additional fund Rs 1,854.67 crore (US\$ 269.22 million) is sanctioned for new projects under the Swadesh Darshan scheme.
- Ministry of Tourism sanctioned 18 projects covering all the North Eastern States for Rs 1,456 crore (US\$ 211.35 million) for development and promotion of tourism in the North Eastern Region under the Swadesh Darshan and PRASHAD Schemes.
- Statue of Sardar Vallabhbhai Patel, also known as 'State of Unity', was inaugurated in October 2018 and the total revenue generated till November 2019 is Rs 82.51 crore (US\$ 11.81 million).

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