

TOURISM SECTOR IN INDIA

(There is Need of Positioning or Repositioning)

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ABSTRACT

Tourism being the largest service sector in the country and a very important instrument for bringing about development of remote and less developed areas and generating employment, it is necessary that the government adopt a multi-pronged approach to address its million problems. The present paper discusses the economics of the sector, its present health, prospects growth of some of the new frontiers that have opened up recently, challenges that the sector faces and possible ways forward.

***Keywords:** Local Heritage, Manpower, Niche Products, Tourism Sector, Win-Win Situation.*

INTRODUCTION

Tourism – A Driving Force for Poverty Alleviation, Job Creation and Social Harmony was the theme for World Tourism Day celebrated on the 27th September 2003 - a most meaningful and apt description of the significance of tourism and its relevance to the world. Though Tourists have been described by academics in several scholarly ways, a simple and clear definition is the one that emerged from the UN Conference on International Travel and Tourism (Rome: 1963). An International Tourist was defined as “a person who visits another country for purposes of pleasure, vacation, recuperation of health, pilgrimage, games and sports, business, a family trip, a mission, or for meetings and conferences and resides for a least twenty-four hours in the country of his visit.” For domestic tourists, the first phrase has to be replaced by “persons who travel to and stay in places outside their usual environment.” Among leisure activities, tourism has developed worldwide into one of the most popular, if not the most popular, activity and big business. Forecasts of the world Tourism Organisation indicate that international tourism will continue to grow at an average annual rate of 4 per cent.

A WIN – WIN SITUATION FOR THE COUNTRY

Tourism Industry in India has emerged as a major driver of economic development on account of its potential to contribute to Gross Domestic Product (GDP), foreign exchange earnings and employment generation. It is a labour intensive industry and as per World Travel and tourism Council (WTTC, 2010) worldwide estimates, expected to contribute 8.1% to total employment, 235 million jobs or 1 in every 12.3 jobs in 2010, that is further projected to rise to 9.2% of total employment, 303 million jobs, or 1 in every 10.9 jobs by 2020. Its contribution to job creation in India economy is equally encouraging with one in every 15.6 jobs and a total of 30 million jobs in 2008. A research report on manpower requirements by Ministry of Tourism, Government of India (2004) made forecast of employment of 3.5 million people in hotels, 2.73 million in restaurants, 1.3 million in small restaurants and dhabas on highways and 0.24 million in travel trade by 2020. WTTC (2010) projected that India will generate second largest travel and tourism employment (in absolute terms) by 2010 and 2020 at 49 and 58 million jobs respectively, coming at a second place only after China. WTTC (2002) report noted that the jobs generated by travel and tourism span throughout the value chain, benefiting both direct players and supplier/partner enterprises. These jobs employ a significant proportion of women, minorities and young people and are predominantly in small and medium – sized enterprises (SMEs). SMEs make up a considerable proportion of the travel and tourism industry and this encourages entrepreneurship while providing diverse job opportunities and enabling entry to slightly lesser skilled workforce.

The employment generation capability of tourism sector can transform the future of India's large young population that currently stands at 58% in the age group of 15-59 and was forecasted to be 63% by 2011 and 64% by 2016. This seems plausible considering the fact that Indian Tourism industry employs 70 to 80 per cent of its workforce below 40 years of age (Ministry of Tourism, 2004). This is a win-win situation for the country that has a large young population looking for employment opportunities and a fast growing industry requiring competent manpower.

GOVERNMENT INITIATIVES

The Ministry of Tourism has taken the initiative of identifying, diversifying, developing and promoting niche products of the industry. This is done in order to overcome the aspect of 'seasonality' and to promote India as a 365 days destination, attract tourists with specific interest, and to ensure repeat visits for the unique products in which India has a comparative advantage. Identifying niche products is a dynamic process. Thus, new products may be added in due course. The Ministry of Tourism has constituted Committees for promotion of Golf Tourism

and Wellness Tourism. Guidelines have also been formulated by the Ministry to support Golf, Polo, Medical and Wellness Tourism. Accordingly, the following Niche Products have been identified by the Ministry of Tourism for development and promotion:

- Cruise
- Adventure
- Medical
- Wellness
- Golf
- Polo
- Meetings Incentives Conferences & Exhibitions (MICE)
- Eco-tourism
- Film Tourism
- Sustainable Tourism

In an effort to promote inbound tourism in the country, the government announced Tourist Visa-on-Arrival in 2010. At present, it provides Tourist Visa on Arrival facility (TVoA) to the nationals of 12 countries namely Finland, Japan, Luxembourg, New Zealand, Singapore, Cambodia, Indonesia, Vietnam, Philippines, Laos, Myanmar and South Korea. This facility was initially available at the international airports of Delhi, Mumbai, Chennai and Kolkata. However, with effect from 15 August, 2013 this facility has been extended through Hyderabad, Bengaluru, Kochi and Thiruvananthapuram. During the period January to December 2013, a total number of 20,294 Visa on Arrivals (VoAs) were issued as compared to 16,084 VoAs during the corresponding period of 2012 registering a growth of 26.2%. The number of VoAs issued under the Scheme during January to December 2013 was Japan (6,486), New Zealand (3,968), the Philippines (2,967), Indonesia (2,758), Singapore (2,486), Finland (1,030), Vietnam (205), Myanmar (148), Luxembourg (145), Cambodia (120) and Laos (19).

During the period January to December 2013, the highest number of VoAs were issued in New Delhi airport (11,046) followed by Mumbai (4,206), Chennai (2,815), Kolkata (1,351), Bengaluru (380), Kochi (229), Hyderabad (165) and Trivandrum (102).

PROMOTIONAL INITIATIVES ARE UNDERTAKEN

The Ministry of Tourism, undertook a series of promotional initiatives to aggressively promote tourism to India. As part of the promotional initiatives undertaken, Road Shows were organized in important tourist generating markets overseas with participation of different segments of the travel industry. The Road Shows comprised presentations on India followed by one-to-one business meetings between the trade delegation from India and the travel trade in the respective countries.

- Kingdom of Saudi Arabia (Jeddah, Riyadh and Damman)
- Nordic Europe (i.e., Oslo, Stockholm and Helsinki)
- Australia (Sydney and Melbourne)
- USA (East Coast)
- South East Asia (Singapore, Kuala Lumpur and Manila)
- USA (West Coast)/Canada and China (Shanghai, Beijing and Gungzhou)
- Germany (Hamburg, Dusseldorf, Stuttgart and Munich)
- Austria (Vienna)
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Besides, India Tourism Offices in overseas also participated in Road Shows organized by Tour Operators/Travel Agents in countries under their respective jurisdiction.

SHORTAGE OF MANPOWER

A review of HR status and practices in tourism sector presents a disturbing picture. At the outset this industry is not considered a very attractive choice for the best talent at the entry level. And a good proportion of talent joining this industry churns to other service domains. This situation is further compounded by new development such as business model innovation (BMI) resulting in focus on extensive use of new technologies. This is creating a demand for newer skills in the industry already reeling under workforce scarcity.

The tourism industry needs manpower at different skill levels but fails to find right type of people. A study finds that tourism industry has high manpower requirements for blue collar jobs for personalized services and human resources available for these jobs are not found trained enough or upto the mark (Gupta, 2008). To meet its requirements, industry absorbs people certified through different educational programmes ranging from short term capacity building courses on one end to master's degree holders on another. But the general feeling in the

industry is that these are not readily employable and need a lot of investment through in house training programmes to bring them to an acceptable level.

Tourism industry faces the problem of attrition as its human resources flow to other high paying service industries demanding similar set of talent. The attrition rate of the hospitality industry in India is currently around 30% as opposed to other established markets like Singapore (40-45%). But this is still high in view of the inadequate quantity and quality available for intake.

HERITAGE SHOULD BE THE 1ST

Tourism all over the world largely relies on local heritage and cultural resources. The cultural wealth of India is not limited to its massive monument and sites, but it is also about its natural landscape and the charm of everyday life including old houses, streets and markets, rituals and festivals, crafts, dances, music and traditional cuisine. Tourism needs to learn how to promote cultural assets in an inclusive manner, if it is ever to be sustainable.

At its best, tourism fosters mutual understanding between nations and cultures and promotes cultural pluralism. India is renowned for the diversity and richness of its cultural heritage, but tourism in this country faces special challenges. Most itineraries focus on a limited number of destinations, especially the emblematic UNESCO World Heritage sites. High numbers of tourists can threaten the on-going conservation of these sites, and the quality of the visitors' experience is further undermined by poor infrastructure and a lack of well-trained guide. From an economic perspective, airlines and big hotel chains benefit from tourism, but there is limited local gain; and the heritage preservation rarely benefits from the revenue generated by the tourism despite the fact that tourism itself benefits from the marketing of local natural and cultural heritage.

More worryingly, unplanned growth is seriously undermining the cultural and heritage asset of the country. While India should bless itself for the wealth of its heritage, we need to be also lucid about the consequences that unchecked exploitation of heritage resources would entail. Tourism sector which is benefiting most from heritage should be the first to invest its effort in this endeavour. If we destroy the heritage which has guided the means of people's livelihood, on what can India base its future?

CONCLUSION

Foreign Tourist Arrivals (FTAs) in India during 2013 were 6.67 million. The Foreign Exchange Earnings (FEEs) from tourism in terms of US dollars during 2013 was US\$18.445 billion with a growth of 4.0%. Substantial growth was observed in domestic tourism sector as the domestic tourist visits during the year 2013 was 1145 million (Provisional), showing a growth of 9.59% over 2012.

Positioning tourism as a major engine of economic growth and harnessing its direct and multiplier effects on employment and poverty eradication in a sustainable manner by active participation of all segments of the society is the main objective of the tourism policy of Government of India. Tourism sector is one of the largest employment generators in the Country and plays a very significant role in promoting inclusive growth of the less-advantaged sections of the society and poverty reduction. Apart from marketing and promotion, the focus of tourism development plans is now on integrated development of tourism infrastructure and facilities through effective partnership with various stakeholders. The role of Government in tourism development has been redefined from that of a regulator to that of a catalyst.

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