

## DEVELOPMENT OF INDIAN TOURISM INDUSTRY & ITS IMPACT ON INDIAN ECONOMY & ITS CAPITAL MARKET

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### ABSTRACT

*Tourism is travel from one place to other for the various purposes. The act is done for the work, recreation, relaxation and pleasure. India has a myriad of landscapes, great heritage, culture, varied flora and fauna and beaches. There are various destinations in India such as Mysore, Delhi, Goa, Amritsar etc. Foreign and domestic tourists visit to these places. Tourism sector emerged as key drivers of growth among the services sector in India. It generates large employment. The paper highlights about development of Indian tourism industry and its impact on economy. Secondary data is used for the research methodology. The data was collected from Indian Tourism Statistics at a Glance, 2019. The test applied was correlation and the result was it accepts null hypothesis.*

**KEYWORDS:** *Tourist, Tourism Sector, Destinations and Indian Economy.*

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### Introduction

Tourism is a situation where people travel from one country or region for short period of time (Dayananda, 2016). It emerged major industries for the world (Goyal, 2018). India is world's promising tourist destination with large number of visitors (Hazra, 2018). Culture, location variety in food and natural scenes attract visitors. There are many states which are blessed with best destinations such as Delhi, Jaipur, Goa, Agra, Kashmir etc. (www.booksrun.com). Domestic and foreign tourists prefer to visit these destinations. Tourism sector developed the business activities for the production of goods and services for the visitors (Kumar & Rana, 2019). These business enterprises generate the earning from the operation of business activities and indirect income for our country. (Shiji, 2016).

### Literature Review

**Mita Bhattacharya & Paresb Kumar (2005):** The paper focused on 'Testing for the random walk hypothesis in the case of visitor arrivals: evidence from Indian tourism' examined that tourism in India is the third largest export earner behind gems and ready-made garment industry. The findings suggested that natural calamities, Gulf war etc. do not have any permanent effect on visitor arrivals. In 2001, after attack of tourist there was fall down by 15% after 2001 there was steady level of increment in tourist level.

**Lateef Ahmad Mir (2014):** The paper did study on 'An Economic Evaluation of Indian tourism Industry' highlighted that tourism industry generates employment in different profiles and helped to increase living standard of people. It also helps in socio-economic development as people involved in tourism pursue sustainable development of tourism and formulates market demanding policies.

**K.C Dayananda (2016):** The paper focused on 'Tourism and its Impact on Indian Economy' highlighted that in India tourism industry is growing and generating employees. These would developed accommodates entertains visitors, instructive or destructive to the environment and supports the culture. It also helps in growth in tourist.

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**Goutam Hazra (2018):** The paper did study on 'Indian Tourism: Present and Future Scenarios' highlighted that tourism affects economic, environmental and socio-political events. Government should encourage travellers such as vital infrastructure and allow companies. It would encourage tourist economy.

**Ojasvi Goyal (2018):** The paper conducted on 'Economic Aspects of Tourism in India' examined that India has achieved growth pattern in the tourism industry. A rich diversified heritage and stimulating flora and fauna attracts tourist. Government should initiate programs like incredible India, Sawgat, to increase in visitors.

**Arun Kumar & Gaurav Rana (2019):** The paper focused on 'A Review of Economic Impacts of Tourism Industry on Growth of Indian Economy' Highlighted that tourism is a source for foreign exchange earnings and medium of common culture exchange. This sector increases employment for the people. Government introduced investment legislation, published trade and business directories.

### Objectives

- To study the destination for tourist
- To see the foreign exchange earnings from tourism
- To analyze the impact of tourist on Indian economy

### Hypothesis

H<sub>0</sub>: There is no significant difference between in Indian Economy

H<sub>1</sub>: There is significant difference between in Indian Economy.

### Research Methodology

Secondary data was used methodology from various sources such as journals, books and information obtained from the internet. The foreign exchange earnings were obtained from Indian Tourism Statistics at a Glance, 2019.

### Data Analysis

The best destination places are as follows:

- **Mysore:** It is located to Southern part of India and its famous or Devaraja Market, ivory ceilings and numerous paintings of the walls and products carved out of Sandalwood. (Nichola & Charles, 2018).
- **Amritsar:** It is located in the north of India. This place is famous for Ghanta Ghar and magnificent pool. (Singh & Kaur, 2016).
- **Ladakh:** It is place packed with mountains and famous for nature, town of Leh and Buddhist monasteries and temples. (Nengroo, Bhat & Khaki, 2016).
- **Goa:** It is famous among national and international tourism for magnificent beaches, coconut palms, local sandy, beaches and adventures spirit. (Gokhale, Sawant & Ugavekar, 2014).
- **Delhi:** It is capital of India and oldest cities in the world. Famous for Red Fort, culture, meseums and monasteries. Juneja, Singh & Uniyal, 2019).
- **Maharashtra:** It is place with magnificent caves such as ellora and Ajanta and also for paintings drawn on Buddhist. (Potdar, 2013).
- **Varanasi:** It is famous for its culture. It is located on the banks of Ganges, Alamgir Mosque, Shri Kashi Vishwanath Temple and Sankat Mochan Temple. (Das & Sharma, 2009).
- **Kerala:** It is located at tropical beauty covered with white sand, large palm trees, backwaters, houseboats and temple festivals. (Michot, 2010).
- **Agra:** It is most visited city by domestic people and it is famous for Taj Mahal and Agra Fort. (Srivastava, 2011).
- **Rajasthan:** It is state which is home to the Thar Desert. Famous for Aravallis Mountains, Pink City, Jodhpur, Thar Desert and Mehrangarh Fort. (Choudhary & Yadav, 2018).

**Table 1: Estimates of Foreign Exchange Earnings from Tourism in India from 2001-2018**



Source: Compiled by Indian Tourism Statistics at a Glance, 2019

From the table 1, we got that there is increase in the foreign exchange from 2001 to 2018. From 2001 to 2003 it was in the range of 5000 dollar; from 2004 to 2006 it was in the range of 5000-10000 dollar; From 2007 to 2010 it was in the range of 10000-15000 dollar; From 2011to 2014 it was in the range of 15000-20000 dollar; From 2015 to 2016 it was in the range of 20000-25000 dollar; From 2017 to 2018 it was in the range of 25000-30000 dollar.

**Table 2: Descriptive Statistics**

	Mean	Std. Deviation	N
Tourist	7.8611	1.66383	9
Income	8.3111	3.48082	9

Source: Compiled by SPSS

From Table 2, we see that tourist mean is 7.8611 and Income mean is 8.3111. There is increase in mean in Income in comparison of Tourist.

**Table 3: Correlations**

		Tourist	Income
<b>Tourist</b>	Pearson Correlation	1	.064
	Sig. (2-tailed)		.870
	N	9	9
<b>Income</b>	Pearson Correlation	.064	1
	Sig. (2-tailed)	.870	
	N	9	9

Source: Compiled by SPSS

From Table 3, we got that Pearson Correlation as .064, Significant is .870 and N is 9. The result is that is accepts the null hypothesis.

**Findings**

- In table 1, we got that there is increase in foreign exchange from 2001 to 2018.
- In table 2, there is increase in mean in Income in comparison of Tourist.
- In table 3, the result is that it accepts the null hypothesis.

**Conclusion**

The paper concluded that India is blessed with historical heritage, variety in ecology, natural beauty and culture. There is rise in the middle class and increasing disposable income which supported the growth of domestic and outbound tourism. Tourism sector plays important role it generating the economic growth and employment. Secondary data was used for the methodology. Correlation was used for the test. There is increase in foreign exchange earnings from 2001 to 2019 and the result was that it accepts the null hypothesis.

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