

## **Economics of Tourism: Indian Experience**

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### **ABSTRACT**

Indian economy is dominated by service sector which includes a series of activities. Leisure time activity and its related activities are the major components of service sector. They are collectively termed as tourism sector. In a growing economy with the expansion of industries and employment leisure time activities assumes significance. It is assumed that leisure time activities increase the productivity of the workers. India being a culturally rich, geographically diversified has lot of scope for the growth of tourism sector. Natural, religious, and cultural tourism products attract international tourists to India. Tourism sector provides employment to our labor force and contributes significant proportions to the governments. In view of this there is a need to analyze the potential and performance of tourism sector in India. Such an attempt is made in this paper along with reviewing the literature related to economics of tourism sector.

**Key Words :** Tourism, Tourism products, Tourists, Revenue

### **INTRODUCTION**

The service sector is the largest contributor to the Indian economy. Among the service sectors, tourism is considered as one of the rapidly growing sector. Tourism is nothing but spending time away from home in search of relaxation, recreation and pleasure. According to UNWTO “tourism comprises the activities of persons travelling to and staying in place outside their usual environment for not more than one consecutive year for leisure, business and other purposes”. India because of its ‘diversity’, geographically, culturally has created several tourist attracting centres. Therefore, Indian tourism centres are the destinations of international travellers. Domestically also all over the country several tourism spots attract travellers regularly. Moreover, tourism sector has economic significance as it contributes to gross domestic Product (GDP), employment, Foreign exchange earnings (FEE), revenue to the governments, etc. Moreover, tourism sector is comprised of several tourism services like travel agent, mode of travel, hotels

and so on. These services again contribute remarkably to the economy.

For the last few decades, tourism has become one of the major forces for economic growth in many developed and developing countries. Tourism contributes to economic growth through various channels including foreign currency earnings, attracting international investment, increasing tax revenues and creating additional employment opportunities (Alam, 2016). Thus, to develop tourism is good for the development of economy, and to advocate ecological civilization construction, sustainable and green development is the basic contents. Since 1980s, the people of great vision has come out with the connotation and the features of sustainable tourism (Tang, 2013), and it gradually developed and also became the focus of the researches. Meanwhile, tourism destination is as the spatial carrier of tourism, and also its evaluation and development have become the research hot spots.

Tourism in India can be classified into many types

like adventure tourism, medical tourism, religious and cultural tourism, eco-tourism and dark tourism. Out of this eco-tourism, medical tourism and religious tourism is considered as top tourism products.

The world travel and tourism council calculated in 2018 tourism generated 9.2 per cent of India's Gross Domestic Product supported 8.1 per cent of its total employment. Medical tourism has expected to increase by eight billion in 2020. Ecotourism considered as sustainable tourism as it contributes to global climate change.

Tourism or leisure time activity is having economic significance in terms of its contribution to the economy and enhancing human productivity. With this background an attempt is made in this paper to review literature on economics of tourism and analysis of tourist's arrivals in India.

### **Objectives:**

The main purpose of this paper is to review literature on economics of tourism and to analyze issues on tourism sector in India. The specific objectives are;

1. To review literature on economics of Indian tourism sector.
2. To examine the progress of tourist arrivals in India.
3. To analyze the Foreign Exchange Earning through tourism sector.
4. To probe into the prospectus of tourism industry in India.

## **METHODOLOGY**

Methodologically the paper is descriptive and analytical. Descriptive in the sense, the basic concepts of tourism are described and various research work done on Indian tourism sector are reviewed. Analytical because data related to tourist arrival revenue generation, employment etc. are analyzed using statistical tools. However, only secondary data are used for analysis. In addition, profile of the important Indian tourism products is provided.

### **Review of Literature:**

Review of literature plays a vital role in giving theoretical base for the research. It can be considered as the foundation stone of any research. It is a summary of previous research papers on a selected topic. The main objective of this is to gain the in-depth understanding about

the current research topic, to validate present argument by keeping previous work as a base. It helps the researcher to know the research gap and problems in the previous study it justifies the need for the additional research. This thorough information will help to set objectives, methodology for the current research. Scholarly articles, books, internet and many other sources which are relevant to a particular area of research can be considered. It gives a clear knowledge about the selected research area. Similarly, in the field of tourism many research papers, journals, articles and books were already existed, therefore an attempt is made to review and analyse the literature in the field of tourism by presenting it under four headings.

- I. Studies related to the tourism and economic growth.
- II. Studies related to the natural (nature based) or eco-tourism.
- III. Studies related to the medical tourism.
- IV. Studies related to the spiritual or religious tourism.

### **Studies related to the Tourism and Economic Growth:**

Tourism industry plays a dominant role in developing economy of the country. It also generates more employment revenues and foreign exchange earnings of the country. Because of tourism the country undergoes overall development which leads to more demand. Since tourism is connected to the various industries like resorts, hotels, travel agencies, cultural organizations, local markets, shopping centres directly or indirectly it helps in attaining economic growth and sustainability. This process is continuing in nature and hence it is much needed to know the background studies in order to evaluate present and future impact of tourism.

Shiji (2016) examined the economic impact of tourism in India. The study suggested that economic impact can be measured using various methods like Input-Output Method, Multiplier Method, Economic Impact Assessment Scale, Tourism Satellite Accounts method, Impacts of Visitor Spending Method and Computable General Equilibrium Model. The study used Visitor Spending Method to measure the economic impact. The study collected data from secondary sources involving Ministry of Tourism, Government of India, Hall, 1992, Federation of Indian Chambers of Commerce and Industry, WTTC Travel and Tourism Economic Impact

from the period of 2000-2014. The study measured by taking into account Domestic Tourists, Foreign Tourists and total tourists. The study result indicated that the total economic impact in the economy as a result of tourism was \$173374123. Thus Indian tourism has a vast potential for generating employment and foreign exchange earnings. Private sectors as well as voluntary organizations are the active partners who helped to maintain sustainable growth in tourism of the country, furthermore, there is increase in the foreign exchange earnings of the country by seven times from 2000-2014 due to tourism. Hence it proved that the economic, political and social amity has positive impact on the tourist industry in India.

Ohlan (2017) in his study he investigated the relation between tourism and economic growth by considering financial development. It is stated that tourism, economic growth and financial development are interrelated. The author investigated both long run and short run effects in tourism and economic growth. The data were analysed using Bayer and Hanck and autoregressive distributed lag approach to find the relationship between tourism, economic growth and financial development and found they are co integrated. It is noted that in India tourism is considered as one of the promising economic growth tool and government should make policies and strategies for promoting Indian tourism.

Amutha (2016) examined the development and impact of tourism industry in India. It is known that tourism of India is the second largest provider of employer. Indian tourism with its growing rate promotes larger employment opportunities, and great earning of foreign exchange by this it helps India to attain overall economic and social development. Even though tourism in India has made remarkable success still it is not attaining the status which it deserves so study suggested greater effort is required from the government to take Indian tourism to the global level.

#### **Studies related to the natural or Eco-tourism:**

Out of all kinds of tourism, nature based tourism is gaining more importance day by day. Natural tourism includes beaches, islands, mountains, hills, desert, wildlife etc. Because of the hectic everyday lifestyles people are drawn more towards nature. It gives peace of mind and many studies have been conducted on this topic. Since natural or eco based tourism is in trend it is very much essential to check background in this area so that it helps

present as well as future studies.

An *et al.* (2019) made a study an evaluation of destination attractiveness for nature based tourism recommendations for the management of national parks in Vietnam. According to author national parks plays vital role in developing nature based tourism which leads to the promotion of effective management of natural resources and socioeconomic development. The author evaluated tourism performance of national parks using multiple criteria decision analysis with the stochastic multicriteria acceptability analysis and preference ranking organization method for enrichment evaluation method also to determine tourism attractiveness were determined using national park attributes which is measured using an exponential weighted acceptability index. The study revealed PhongNha- Ke Bang, Cuc Phuong and Ba Be national parks of Vietnam as most attractive among tourists. Correlation was used between the tourism attractiveness of national parks and number of tourists visiting it and the result showed statistically significant correlation. According to this study along with taking measures to increase tourist inflow to national park, proper measures should also be taken to maintain sustainability of the nature based tourism.

Priya and Dhiren (2016) conducted study an analytical study of ecotourism and its prospects in Manipur. Main purpose is to study about ecotourism in Manipur. The data collected have been analyzed using statistical tools. It is found from the study that the main reason for the tourist visit to Manipur is their beautiful natural places and tourist got to know about Manipur through internet and respondents agreed that places like Manipur which is best for ecotourism needs more publicity. Because of the ecotourism of Manipur, the local economy will improve and provides job opportunities. With the increasing tourist it generates foreign exchange for the country. This will lead to the increased awareness as well as concern towards the environment. It is highly recommended that tourism department should implement plans and policies so that the ecotourism will develop.

Singh and Munjal (2015) examined sustainable ecotourism in Andhra Pradesh. According to the study ecotourism has gained more importance in recent years because of the need for the change in people lifestyle. And sustainability in the ecotourism will educate both tourist as well as local people about the cultural and natural significance of the place. Because of the ecotourism in Andhra Pradesh the handicrafts made out

of bamboo by tribal people earned value and sale of forest products like honey, gooseberry and toddy increased the income level of such places. The study revealed that the Eastern Ghats forests which earlier considered as unsafe place now in the name of ecotourism the tribal community taking a full responsibility and provides safety and security perspective to the tourist and hence the places of Andhra Pradesh undergone social changes.

Joseph and Pakkeerappa (2015) in his study sustainable coastal tourism a community perspective an attempt has been made to know about the sustainability in coastal tourism by undertaking five beaches of Dakshina Kannada. Community participation and their benefits, environmental protection, socio cultural preservation and enrichment were considered as sustainable practices and were evaluated. According to the study the local community places a vital role in protection as well as maintenance of the places which also helps to maintain sustainable living condition of people. Because of the ecotourism to the coastal areas the intercultural understanding is possible and it generates employment opportunities. The sustainable tourism will provide high level of satisfaction to the tourist and also raises their awareness about sustainability issues. As a result, the selected beaches were considered were of potential value but it requires effective as well as efficient planning. Also the tourism developments at coastal areas are moving negatively. The major finding is that the local community should be included in planning sustainable tourism and developers should make sure that the local community is being benefited by the sustainable tourism.

Sachin (2015) he analysed waterfalls and health tourism in Kodagu district. In this study an attempt is made to know about the attracting waterfalls and how these are helping health tourism by its effective Ayurveda treatments also to know how waterfalls are helping in creating monsoon tourism. By using SWOT analysis on waterfalls the data have been examined. Kodagu with its beautiful nature and waterfalls attracts tourist but many regions are unexplored and are not maintained so it is suggested that it is very much needed to have an effective governance at the local level also government attention is required for its popularity.

Shivaraju and Kumar (2015) studied socio economic and environmental impact of tourism in Kodagu district. In this study the aim is to know how increase in the tourism impacts on socio economic as well as environmental in the area. And as a result is it found that

the standard of living of the local people has substantially grown because of tourism. The environment and local communities witnessed pollution, threatening to wildlife, income outflow and waste disposal as a consequence of tourism. The water resources of Kodugu district were polluted due to increased tourism activities, the rivers which considered as sacred now bearing the problem of pollution. Even though the district is financially stable because of the tourism, the environment and wildlife are in danger. It also noticed the increase of the illegal activities. Hence a strict law is needed to protect such places.

### **Studies related to Medical Tourism:**

In recent years' tourist inflow in the name of medical tourism is rapidly growing. Because of the low cost and effective medical treatments and availability of specialist, foreign visitors are more in India. India which is rich in spiritual and nature based destinations allows medical tourists to have two benefits at a single time. So it is essential to know the studies related to the medical tourism.

Amiri and Safariolyaei (2017) evaluated medical tourism in India: current scenario. The study is simple and exploratory in nature. This study was conducted on 138 foreign patients selected from Maharashtra state mainly from Mumbai and Pune. The survey method is used to collect data. Both primary as well as secondary data used to collect data, structured interview has been undertaken to collect primary data from the foreign patients. As a result, both positive and negative responses were received from foreign patients. It has been observed that medical tourism is the latest reason to visit India due to the low cost of treatment and patients face problems related to food, language and transportation cost. The overall result of the study showed that, there is a positive opinion of foreign patients about the medical and non-medical facilities provided by Indian hospitals.

Vikuk and Dryglas (2019) analysed medical tourism services and medical tourism destinations in central and Eastern Europe-the opinion of Britons and Germans. The main goal is to identify popular central and Eastern Europe medical tourism destinations and medical services in the circumstance of socio-demographic determinants. The data collected by primary sources and computer-assisted web interviewing method is used to collect data. The data collected from Britons and Germans since these constituted a large segment of Central and Eastern

Europe. This study used chi-square test and logistic regression function and descriptive method to analyse responses. And it is found that gender, age and nationality influences the chosen destination and medical services. Since there are no significant culture barriers and majority of medical staff speak English it seems that Central and Eastern Europe region is a sustainable medical tourism destination choice for the citizens of Western Europe.

Sandberg (2017) examined medical tourism: an emerging global healthcare industry. The study collected the data from the secondary sources. The descriptive method is used to analyse the data. This study shows according to the medical tourism facts and figures 2015, around 10 billion people travel from one country to another also travel a distance within the country in the name of medical treatment. This article mainly focused who are the medical tourists, reasons for their travel for care and the emerging leaders in this industry.

Shashiraj and Binoy (2017) examined medical tourism and rural Karnataka an ethnic medical perceptible. Author states the medical tourism in India is growing rapidly and the inflow of the foreign patients in the name medical tourism is also increasing. In this paper an attempt is made to analyse the major health care centres as well as the facilities they provide. The study involves various medical practices in Karnataka and their ethnicity. The study showed that Bangalore have been increasing in the field of medical tourism especially NarayanaHrudayalaya have great access to foreign patients because of the qualitative medical service provided by them. It is found that the corporative hospitals like Apollo and Narayanahrudayala have collaborated with many travel agents as well as with resorts and this made them to have more foreign patients. Some airline enterprises offer packages to people who travel to India for specified treatments. Some healthcare organizations appoint travel agents to promote their services internationally.

Times of India (2019) as per the article of Times of India it is found that Mangaluru region is increasing in the area of medical tourism day by day. KMC, AJ and Yenepoya hospitals have witnessed maximum number of foreign patients. Mangaluru is considered to be the best place for getting medical treatment after Bengaluru and Chennai. The article showed because of the lack of publicity the city is yet to make a mark in medical tourism however the best quality of the treatment and hospitality are the important aspect that attracting foreign patients.

Currently, patient's inflows from the Gulf countries are more in Mangaluru. With this one can tell Mangaluru is now opening up to medical tourism.

Reema and Raghavendran (2015) made an attempt to know the issues and challenges on medical tourism in Dakshina Kannada district. Author argued even though medical tourism growing rapidly along with the help of modern infrastructure still there are many challenges and issues that stopping medical tourism to reach the peak. Hence, in this paper author made an effort to find such challenges and issues in medical tourism in Dakshina Kannada district. For the study the medical practitioners of allopathic, Ayurveda and homeopathic were analysed. Author suggested that the government is needed to take initiatives in policy making which helps healthcare centres and by giving tax benefits to the service providers, reducing import duty on medical equipment so that the medical tourism in Dakshina Kannada will be promoted.

Beena and Venkatrama (2018) conducted a case study on medical tourism in Chennai city with an objective of knowing the factors that attracts foreign patients to Chennai. Author conducted the study in corporate multi super specialty hospitals at Chennai to assess the satisfaction level of foreign patients and to compare cost of treatments with foreign countries. The growing medical infrastructure and quality health care are the main reasons for the increasing medical tourism.

### **Studies related to Religious Tourism:**

India is a country which is rich in traditional and cultural aspects. Being a secular country it includes various temples, churches, mosques, mandir etc. this made people from various country to visit India in the name of religious tourism. In this type of tourism, the domestic tourist numbers are more. It contributes to the development of rural places. Here, an attempt has been made to know the previous studies in order to develop further studies.

Vijay (2016) a study on pilgrimage tourism with special reference to Srirangam is a part of religious tourism. The study collected from primary sources through structured questionnaire and secondary sources like Ministry of Tourism, Statistical Handbook of Tamilnadu 2014, Newspapers and other published articles. The pilot study is undertaken. The study is conducted to know the devotee's perception, satisfaction level in respect of various services offered in the tourism place. Five factors like quality of services, quality of basic facilities, quality of amenities, transport facilities and facilities given inside

the temple. Hypotheses were framed and tested to justify the facts by systematic analysis also descriptive statistics frequency analysis and percentage analysis were used to describe the data and for categorical variables, the mean and standard deviation is used for continuous variables, Independent t-test was used to find the significance difference between the bivariate samples in independent groups, one way ANOVA with Turkey's Post-Hoc test was used for the multivariate analysis, Pearson's correlation and Chi-square test was used to assess the relationship between variables and to find the significance in categorical data respectively. The probability value 0.05 was taken as significant level for all the statistical tools. As a result, it is found that even though the visitors are satisfied with many services the pilgrim centres need improvement in certain areas.

Murthy and Afza (2015) made a study on pilgrimage tourism in Malnad region of Karnataka and their environmental issues. As per the study Sringeri, Hornadu, Sigandooru and many more were famous religious tourism places. The main objectives are to access the impact and challenges faced by pilgrimage tourism and tourism industry in Malnad region. The data for the study is based on collection of secondary data. The data from the Karnataka Tourism Department were used for the study purpose. According to the author the religious places which used to be in rural areas now in the name of spiritual tourism moving towards urbanization. The spiritual destinations which were considered as sacred attract more visitors. When the inflow of the visitors increases the usage of non-biodegradable products also increases which leads to pollution and deforestation. The spiritual places with more visitors require effective and efficient maintenance to keep it safe from all the environmental barriers. The study suggests that there is greater need for the transportation facilities for some regions of malnad, steps should be taken to rebuild ancient monuments which leads to improve the quality of the tourist destination.

Chantziantoniou *et al.* (2017) had undertaken study on saint john Russian, N. Evia in order to know about religious tourism in Greece. According to the author the religious tourism is gaining importance along with the other forms of tourism and Greece is no different from this. He stated because of religious tourism the county gains cultural, economic, social and environmental significance. Like other studies even in this paper it is stated that out of spiritual tourism the local development is possible. The suggestion of the author is to transform comparative into

competitive advantage by keeping in mind environment protection, cultural heritage and economic conditions.

Syamala and Kakoti (2016) collected data to analyse the potential and possibilities of religious tourism by taking Shirdi as a key area. In this study it is stated that spiritual places which were once visited for the purpose of seeking god's blessing now became the attraction of tourism. Unlike earlier days the pilgrims now look for safety and healthy journey which made government and other tourism department to provide required services to the pilgrims. Because of the religious tourism many rural places with spiritual importance came to the light and in order to expand tourism infrastructure facilities like transportation, electricity and clean drinking water were provided to rural areas. Hence author states religious tourism leads the betterment of local community and improves the condition of local economy.

Pai *et al.* (2016) made an attempt to know the expectations and satisfaction of pilgrims at holy destination and for this purpose Murudeshwara is considered as a key area. The questionnaires were prepared and given to the pilgrims to examine their satisfaction level and the result indicated the pilgrims are satisfied with the infrastructural facilities provided in the place and the support services were need to be improved by local authorities in order to meet overall satisfaction of pilgrims.

Pai *et al.* (2015) examined pilgrim satisfaction with reference to Udupi Sri Krishna temple. To know the pilgrim's perception, preferences and satisfaction with various service and facilities available in Udupi is the main objective of the study and their satisfaction is measured with respect to the accommodations, information and communication, transportation and availability of prasadam and behaviour of the local sellers. The existence of beaches and other products of tourism near Udupi also influenced the pilgrims to visit. Author states it may not possible to satisfy all the individual visitors but better care should give to the pilgrims to make their visit more divine and cherishing.

### **Tourists:**

'Tourists' defined as who travels to places other than the one in which their habitual residence, outside of their everyday environment, for a period of at least one night but not more than one year and whose usual purpose is different from the exercise of any remunerated activity in the place to which he goes. Tourists are those who

travels for pleasure and recreation and exchange of culture. The World Trade Organization (WTO) and the OECD Tourism Committee established that international tourists should be classified by the purpose of their visit under one of the following groups, the first is pleasure, recreation or holiday, and the second is business, visiting friends and relatives, health or religion.

## RESULTS AND DISCUSSION

In Indian context we can classify tourists as foreign tourists, non-residential Indians and domestic tourists. Foreign Tourist Arrivals (FTAs), Arrivals of Non-Residents Indians (NRIs) and International Tourist Arrivals (ITAs) are given in Table 1.

Foreign tourist's arrivals are seasonal in nature. Every country has specific seasons and reasons to attract tourists. In India month wise foreign tourist arrivals during 2019-20 is given in Table 2.

From Table 2, it can be noticed that January-March is the peak season, followed by October-December for

foreign tourist to arrive at India.

International tourism brings foreign exchange earnings. In India during 2015-2020 Foreign Exchange Earnings (FEEs) in Rs. Crore from Tourism is given in Table 3.

From Table 3 we understand that FEE during 2018-2019 has declined and more so in 2020 which can be attributed to the Covid-19.

Number of Indian Nationals' Departures (INDs) from India, during 2015-2020 is given in Table 4.

IND's also declined during 2019 and sharp decline is seen during 2020. Negative percentage change over the previous year both in case of arrivals and departures during 2020 onwards indicates the impact of Covid-19 on tourism sector. This in fact would have negative impact on FEE also. The share of FTAs and INDs during 2020 is given in Table 5.

The foreign tourist's arrivals and Indian tourist's departure has declined further during 2021-2022 due to Covid-19. This shows how severely the tourism sector

**Table 1 : Foreign Tourist Arrivals (FTAs), Arrivals of Non-Residents Indians (NRIs) and International Tourist Arrivals (ITAs) 2015-2020**

Year	FTAs in India (in million)	Percentage (%) Change over previous year	NRIs arrivals in India	Percentage (%) change over previous year	International Tourist arrivals in India (in million)	Percentage (%) change over previous year
2015	8.03	4.5	5.74	5.7	13.76	5.01
2016	8.80	9.7	6.22	8.5	15.03	9.2
2017	10.04	14.0	6.77	8.8	16.81	11.8
2018	10.56	5.2	6.87	1.4	17.42	3.7
2019	10.93	3.5	6.98	1.7	17.91	2.8
2020	2.74	-74.9	3.59	-48.6	6.33	-64.7

Source: Bureau of Immigration, Govt. of India

**Table 2 : Month-wise Foreign Tourist Arrivals in India, 2019- 2020**

Month	2019	2020	Percentage (%) change 2020/19
January	11,11,040	11,19,250	0.7
February	10,90,516	10,18,440	-6.6
March	9,78,236	3,28,304	-66.4
April	7,74,651	2,820	-99.6
May	6,15,136	3,764	-99.4
June	7,26,446	8,590	-98.8
July	8,18,125	12,655	-98.45
August	8,00,837	19,761	-97.53
September	7,51,513	28,167	-96.25
October	9,45,017	41,494	-95.61
November	10,92,440	70,977	-93.50
December	12,26,398	90,544	-92.62

Source: Bureau of Immigration, Govt. of India, for 2019, 2020

**Table 3: Foreign Exchange Earnings (FEEs) in Rs.Crore from Tourism in India, 2015-2020**

Year	FEE from Tourism in India (in Rs. Crore)	Percentage (%) change over the previous year
2015	1,34,844	12.0
2016	1,54,146	14.3
2017	1,77,874	15.4
2018	1,94,881	9.6
2019	2,11,661	8.6
2020	50,136	-76.3

Source: (i) Reserve Bank of India, for 2001 – 2015 (ii) Ministry of Tourism, Govt. of India, for 2016-2020

**Table 4 : Number of Indian Nationals’ Departures (INDs) from India, 2015-2020**

Year	No. of Indian Nationals Departures (in million)	Percentage (%) change over the previous year
2015	20.38	11.1
2016	21.87	7.3
2017	23.94	9.5
2018	26.30	9.8
2019	26.92	2.4
2020	7.29	-72.9

Source: - Bureau of Immigration, Govt. of India

**Table 5 : Shares of FTAs and IND during 2020**

Arrivals		Departure	
Country	Percentage (%) share of FTAs	Country	Percentage share of IND
Bangladesh	20.01	United Arab Emirates	33.96
United States	14.36	United States of America	8.13
United Kingdom	10.63	Saudi Arabia	7.54
Canada	4.48	Qatar	4.19
Russian Federation	3.72	Singapore	3.97
Australia	3.16	Oman	3.85
France	2.70	United Kingdom	3.56
Germany	2.64	Thailand	3.23
Malaysia	2.55	Canada	3.12
Srilanka	2.50	Kuwait	2.62
Others	32.94	Others	25.84
Total	100		100

Source: Bureau of Immigration, Govt. of India

has affected by the pandemic Covid-19. Further, its consequences in terms of earnings, employment, tradedeclines are huge.

**Conclusion:**

As economy develops tourism sector gains importance. Tourism sector has an implication on labor productivity. Because of this only it is also termed as leisure time activity. ‘work verses leisure’ is an important issue discussed in the human resource management, according to which leisure time activities makes them more productive at their work. Moreover, wellbeing of people makes them to travel to natural, medical and

religious centers more regularly. There is a clear cut demand (tourist) and supply (tourism products/providers) side in the tourism economy.

Tourism in India has shown an impressive growth in the past decade. One of the reasons from the supply side is that the Ministry of tourism, India has realized the immense potential of tourism in India. Indian travel tourism has grown rapidly with a great influx of tourists from all across the world, who have been attracted to the rich cultural heritage, and incredible natural beauty of India. Indian tourism with its hill stations, beaches, historical monuments, golden deserts, serene backwaters, pilgrimage sites, rich wildlife, and colourful fairs attracts

tourist. In addition, variety of festivals, lively markets, vibrant lifestyle, and traditional Indian hospitality, will make travellers experience as an India tour truly unforgettable. Travel through the lovely Indian states and discover closely the resplendent colours and rich cultural locales of this incredible land. Economics of tourism need to look into Income earning, Employment, Revenue to the government and its contribution to the local development.

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