



Growth of Foreign Tourist Arrivals (FTAs) in India

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ABSTRACT

This paper has attempted to examine the growth of foreign tourist arrivals in India during the period from 2015 to 2019. Regional wise classification of foreign tourist arrivals has also been analysed in this paper. Distribution of arrivals by the mode of transport has also been explained. Foreign tourist arrivals in India continued to grow from 8.03 Million in 2015 to 10.93 Million in 2019. The NRIs arrivals have raised from 5.74 Million in 2015 to 6.98 Million in 2019. The ITAs in India have increased from 13.76 Million in 2015 to 17.91 Million in 2019. During 2019 the percentage share in total FTAs in India was highest for South Asia (30.33%) followed by Western Europe (19.93%), and North America (17.05%). Air route has been most preferred mode of transport. In 2019, 77.4 per cent of the total foreign tourist arrivals have arrived from the air transport, followed by land transport (21.7%), and sea (0.9%). The share of land route in total arrivals has risen from 14.8 per cent in 2015 to 21.7% in 2019. Arrivals from land routes comprised tourists mainly from Bangladesh and Pakistan. However arrivals from sea routes have remained less than 1% from 2015 to 2019.

Keywords: Tourism, Growth, Foreign Tourist Arrivals, and Mode of Transport.

Introduction

The growing influence of the tourism sector as an economic powerhouse and its potential as a tool for development are irrefutable. Not only does the tourism sector spearhead growth, it also improves the quality of people's lives with its capacity to create large scale employment of diverse kind. It supports environmental protection, champion's diverse cultural heritage and strengthens peace in the world. Facilitation as well as strengthening of tourism in India is the main objective of Ministry of Tourism. Augmenting tourism infrastructure, easing of visa regime, assurance of quality standards in services of tourism service providers, projection of the country as a 365 days' tourist destination, promotion of sustainable tourism etc. are some of the policy areas which need to be constantly worked upon to increase and facilitate tourism in India.

Facilitative visa regime is a pre requisite for increasing inbound tourism. The Ministry of Tourism takes the initiative with Ministry of Home Affairs and Ministry of External Affairs for achieving the same. As on December, 2020, e-visa facility has been extended to the nationals of 171 Countries under five sub-categories. For tourism infrastructure creation in the country, Ministry of Tourism has two major schemes, launched during 2014-15, viz. Swadesh Darshan - Integrated Development of Theme-Based Tourist Circuits and Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive (PRASHAD) for development of tourism infrastructure in the country including historical places and heritage cities. Ministry of Tourism has taken up the initiative of identification, diversification, development and promotion of niche tourism products of the country like Cruise, Adventure, Medical, Wellness, Golf, Polo, Meetings Incentives Conferences & Exhibitions (MICE), Eco-tourism, and Film Tourism, Sustainable Tourism etc. to overcome 'seasonality' challenge in tourism and to promote India as a 365 days destination (**Annual Report 2020-21, Ministry of Tourism**)

Lateef Ahmad Mir (2014), in his study on "An Economic Evaluation of Indian Tourism Industry", has concluded that tourism industry has emerged as an important instrument in the economic development of Indian economy, particularly in remote backward rural areas. Due to its strong backward and forward linkages, it generates employment in different profiles, and thus increases living standard of people who are directly or indirectly linked with this economically profitable activity. The Indian tourism has a clear bright future because the demand for travel and tourism in India is expected to grow by 8.2 per cent between 2010 and 2019 and will place India at the 3rd position in the world. Besides huge foreign exchange earnings and escalation of world class infrastructure development India's travel and tourism sector is expected to be the 2nd largest employer in the world, employ 40,037,000 people by 2019. Keeping in view its socio-economic impacts of Indian tourism the need of hour is that supply of tourism products and services must regularly be upgraded to meet the changing needs of the market, which is necessary for continuous in flow and optimum satisfaction of tourists. Tourism can be used as a catalyst for socio-economic development if government and other people involves in tourism pursue sustainable

development of tourism in a comprehensive and planned manner, and formulate appropriate market demanding policies.

Subash, T (2015), in his study on “Tourism in India: Potentials, Challenges, and Opportunities” has said that the travel and tourism sector has directly contributed Rs. 1,920 Billion to India’s GDP in 2012 reflecting a compound annual growth rate of 14 per cent since 2007. This is forecasted to grow at a compound annual growth rate of 12 per cent from the estimated Rs. 2,222 Billion in the year 2013 to Rs. 6,818 billion by 2023. The travel and tourism sector has supported 25 Million jobs in 2012 directly related to the tourism sector. Constituting 4.9 per cent of the total employment in the country in 2012, this is expected to amount to 31 Million jobs by 2023. Capital investment in the travel and tourism sector in 2012 has been estimated at Rs. 1,761.4 Billion amounting to approximately 6.2 per cent of total investment in the Indian economy. It is expected to increase by 14.2 per cent in 2013, and witness further annual growth rate of 10.5 per cent by 2023 amounting to Rs 5,459 Billion. He has concluded that the travel and tourism industry has emerged as one of the largest and fastest growing economic sectors globally. Its contribution to the global Gross Domestic Product and employment has increased significantly. The Indian tourism industry has emerged as one of the key drivers of growth among the services sector in India. Tourism in India is a sun rise industry, an employment generator, a significant source of foreign exchange for the country and an economic activity that helps local and host communities. India is a tourism product which is unparalleled in its beauty, uniqueness, rich culture and history has been aggressively pursuing the promotion of tourism both internationally as well as in the domestic market. With increasing tourist inflows over the past few years, it is a significant contributor to Indian economy as well. Rising income levels and changing lifestyles, development of diverse tourism offerings and policy and regulatory support by the government are playing a pivotal role in shaping the travel and tourism sector in India.

Naveen Kumar, T.G. and Binoy, T.A.(2017), in their analytical study on “Contribution of Tourism Industry in India”, have attempted to analyse the growth and contribution of tourism industry in India during the period from 1999 to 2015. This study shows that Indian tourism industry is growing rapidly and progressing towards become a major tourist destination of Asia as well as rest of the world. India is massively attracting international tourist by its tourism resources. In the year 1999 international receipts were 458.2 Billion and it reached 1232.0 Billion in 2015 with 21,071 Million USD foreign exchange earnings at the rate of 1.71% share in the world and ranked 7th in Asia Pacific region in 2015. The total contribution of travel and tourism to GDP was USD 7,170.3 Billion (9.8% of GDP) in 2015, and is forecast to rise by 3.5% in 2016, and to rise by 4.0% per annum to USD 10,986.5 Billion (10.8% of GDP) in 2026. They have concluded that tourism industry significantly helps to generate foreign exchange, infrastructure development, direct and indirect employment, revenue, and foreign direct investment.

Methodology

This paper has attempted to examine the growth of foreign tourist arrivals in India during the period from 2015 to 2019. Regional wise classification of foreign tourist arrivals has also been analysed in this paper. Distribution of arrivals by the mode of transport has also been explained. The time series secondary data required for the study has been collected from the official website of Ministry of Tourism, Government of India. Simple percentage analysis has been used to analyse the data.

Inbound Tourism in India

Various aspects of inbound tourism in India are presented in the table-1. The table reveals that the Foreign Tourist Arrivals (FTAs) in India continued to grow from 8.03 Million in 2015 to 10.93 Million in 2019. The growth in FTAs is 9.70 per cent in 2016 compared to 2015, and FTAs grow by 14 per cent in 2017 compared to the previous year. However there is single-digit positive growth in the years 2018 and 2019. The Ministry of Tourism has also initiated compilation and dissemination of arrivals of Non-Resident Indians (NRIs) and the International Tourist Arrivals (ITAs).

Table-1: Inbound Tourism: Foreign Tourist Arrivals (FTAs), Non-Resident Indians (NRIs) arrivals and International Tourist Arrivals (ITAs) from 2015 to 2019

Tourist Arrivals / Year	2015	2016	2017	2018	2019
FTAs in India (in Million)	8.03	8.80	10.03	10.56	10.93
Change over previous year (in Per cent)	4.50	9.70	14.00	5.20	3.50
NRIs arrivals in India (in Million)	5.74	6.22	6.77	6.87	6.98
Change over previous year (in Per cent)	5.70	8.50	8.80	1.40	1.70
International tourist arrivals in India (in Million)	13.76	15.03	16.81	17.42	17.91
% Change over previous year (in Per cent)	5.00	9.20	11.80	3.70	2.80

Source: India Tourism Statistics-2020, Ministry of Tourism, Government of India

The NRIs arrivals have raised from 5.74 Million in 2015 to 6.98 Million in 2019. The NRIs arrivals have grown by 8.80 per cent during 2017 compared to the previous year. The ITAs in India have increased from 13.76 Million in 2015 to 17.91 Million in 2019. The ITAs have registered annual growth of 11.80 per cent in 2017 compared to the previous year.

Foreign Tourist Arrivals (FTAs) in India from different regions

Foreign tourist arrivals in India from different regions of the world during the period from 2017 to 2019 are given in the table-2. It can be observed clearly that the FTAs in India have been increasing from all region of the world. The total FTAs from all regions of the world have increased from 10.03 Million in 2017 to 10.93 Million in 2019. In the year 2019 compared to 2018, the maximum growth was shown in South Asia (8.7%), followed by East Asia (8.0%), Australasia (6.4%), and South East Asia (4.9%). During 2019 the percentage share in total FTAs in India was highest for South Asia (30.33%) followed by Western Europe (19.93%), and North America (17.05%).

Table-2: Region-Wise Foreign Tourist Arrivals in India between 2017 and 2019

Region/Year	2017	2018	2019	% Change 2018/2017	% Change 2019/2018
South Asia	29,51,665 (29.41)	31,04,422 (29.40)	33,75,819 (30.88)	5.2	8.7
Western Europe	21,33,673 (21.26)	22,43,635 (21.25)	21,78,441 (19.93)	5.2	-2.9
North America	17,12,358 (17.06)	18,07,718 (17.12)	18,63,892 (17.05)	5.6	3.1
South East Asia	8,24,575 (8.22)	8,87,088 (8.40)	9,30,540 (8.51)	7.6	4.9
East Asia	6,63,295 (6.61)	72,45,568 (6.86)	7,82,225 (7.16)	9.2	8.0
Eastern Europe	4,72,872 (4.71)	4,66,049 (4.41)	4,56,481 (4.18)	-4.1	-2.1
Australasia	3,86,059 (3.85)	4,12,628 (3.91)	4,38,939 (4.02)	6.9	6.4
West Asia	4,57,760 (4.56)	4,49,548 (4.26)	4,31,943 (3.95)	-1.8	-3.9
Africa	3,18,023 (3.17)	3,51,198 (3.33)	3,62,308 (3.31)	10.4	3.2
C & S America	92,067 (0.92)	1,01,085 (0.96)	98,926 (0.91)	9.8	-2.1
Notclassified elsewhere	23,456 (0.23)	10,037 (0.10)	10,841 (0.10)	-57.2	8.0
Grand Total	1,00,35,803 (100.00)	1,05,57,976 (100.00)	1,09,30,355 (100.00)	5.2	3.5

Source: India Tourism Statistics-2020, Ministry of Tourism, Government of India.

Note: Figure in parenthesis indicate percentage to total

Mode of Transport of Foreign Tourist Arrivals (FTAs) in India

Distribution of total foreign tourist arrivals in India by the mode of transport is presented in the table-3. It is clear from the table that travel by air has been most preferred mode of transport. In 2019, 77.4 per cent of the total foreign tourist arrivals have arrived from the air transport, followed by land transport (21.7%), and sea (0.9%). The corresponding figures for 2015 are 84.5%, 14.8% and 0.7%, respectively. The share of land route in total arrivals has risen from 14.8 per cent in 2015 to 21.7% in 2019. Arrivals from land routes comprised tourists mainly from Bangladesh and Pakistan. However arrivals from sea routes have remained less than 1% from 2015 to 2019

Table-3: Mode of Transport of Foreign Tourist Arrivals in India (2015-2019)

Year	FTAs in Numbers	Distribution of FTAs by Mode of Transport		
		Air	Sea	Land
2015	80,27,133 (100.00)	67,82,927 (84.5)	56,190 (0.7)	11,88,016 (14.8)
2016	88,04,411 (100.00)	74,04,510 (84.1)	79,240 (0.9)	13,20,661 (15.0)
2017	1,00,35,803 (100.00)	79,88,499 (79.6)	70,251 (0.7)	19,77,053 (19.7)
2018	1,05,57,976 (100.00)	84,04,149 (79.6)	84,464 (0.8)	20,69,363 (19.6)
2019	1,09,30,355 (100.00)	84,60,095 (77.4)	98,373 (0.9)	23,71,887 (21.7)

Source: India Tourism Statistics-2020, Ministry of Tourism, Government of India.

Note: Figure in parenthesis indicate percentage to total

Conclusion

The travel and tourism industry in India has emerged as one of the largest and fastest growing sectors. Foreign tourist arrivals in India continued to grow from 8.03 Million in 2015 to 10.93 Million in 2019. The NRIs arrivals have raised from 5.74 Million in 2015 to 6.98 Million in 2019. The ITAs in India have increased from 13.76 Million in 2015 to 17.91 Million in 2019. During 2019 the percentage share in total FTAs in India was highest for South Asia (30.33%) followed by Western Europe (19.93%), and North America (17.05%). Air route has been most preferred mode of transport. In 2019, 77.4 per cent of the total foreign tourist arrivals have arrived from the air transport, followed by land transport (21.7%), and sea (0.9%). However, the sector is facing challenges such as lack of good quality tourism infrastructure, global concerns regarding health and safety of tourists, disparate passenger/road tax structures across various states and shortfall of adequately trained and skilled manpower. While several plans and programmes have already been devised for tackling these challenges, successful implementation would be critical to accelerate growth. Concerted efforts by all stakeholders such as the central and state governments, private sector and the community at large are pertinent for sustainable development and maintenance of the travel and tourism sector in the country.

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