



# Role of Hospitality Industry a part of Tourism Industry in the Revenue Generation for Indian Economy

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**Abstract—** As per United Nations World Tourism Organization there has been a moderate but constant growth in the travel and tourism industry worldwide and India is not untouched by this. When there is a discussion about tourism industry on any platform, the discussion would be incomplete without the incorporation of hotel industry which is an integral part like heart to the human body.

Tourism is a leisure activity and in the present scenario when people move out they are a part of either inbound or outbound tourism. This tourist movement from one destination to the other enhances the graph of tourism, revenue and job opportunity which are interrelated. This paper not only focuses on how India is making its presence felt on the International tourism map but as well as the role of hotel industry in the Indian economy. The demand supply gap in India is a reality on ground zero which cannot be ignored. The Indian government E-visa for forty three nations is a step towards promoting India as a tourist hub. The paper also aims to seek those steps and measures being taken by the new government at the centre which will boost up the infrastructure and facilities in the hotel as well as tourism field and as a result more revenue would be generated. For the set objectives secondary data has been collected through newspapers, magazines, website, and research papers. After analyzing the facts and figures it can be said that the role of tourism in GDP contribution is getting large day by day.

**Keywords-** tourism industry; international tourism; hotel industry; revenue generation;

## I. INTRODUCTION: HOSPITALITY INDUSTRY – A MAJOR REVENUE GENERATOR

Tourism sector has become an important and a key industry in Indian Economy. According to the World Travel and Tourism Council, the tourism industry of India is likely to generate US \$121.4 billion of economic activity by the end of 2015. Keeping up with the pace the hospitality industry is expected to generate US \$ 24 billion in foreign exchange. The booming tourism industry will also bring a rapid growth in the hospitality sector by increasing the occupancy ratio as well as the average room rates. In Financial year 2013-2014 the

occupancy ratio was 57% with an increase by 1% as compared to previous financial year. On the other hand a slight negative aspect was seen in terms of Average Room Rate decreasing by 3.4% over a period of one year due to supply pressures and general slowdown in the economy. Overall on the long run the future prospects for the hospitality business are positive from both business and leisure segment point of view as there is a lot of potential in terms of economic growth, increase in disposable incomes and the burgeoning middle class.

Government of India has increased its budget of advertisement for activities like 'Incredible India' and 'Athithi Devo Bhava'- Visitors are like Gods, so that more and more inbound and international tourists choose India or places within India as their destination. The newly elected Government of India has clearly mentioned its intentions that tourism including hospitality sector will be given due weightage and importance. According to Cushman and Wakefield(C&W) report hospitality sector of India is expecting to witness a rapid growth in terms of refined infrastructure. On a rough count 4,304 new hotel rooms are expected to be available for guest use by the end of year 2014. Out of these 36% will be of mid-scale category, 13% in the upscale category, 17% in the budget room category, 13% in the upper scale category and 20% in the luxury category.

## II. METHODOLOGY

### A. Objective of the Study

Out of many some facts and figures which are related to hotel industry have been analyzed and to do so certain objectives were down which are as follows:-

1. To analyze the increase in the number of visitors as well as increase in the demand of rooms and beds.
2. To study the demand supply scenario of hotels in India.
3. To ascertain the challenges to be met by the hotel industry.



4. To explore the role of hotel industry in revenue generation.

#### B. Research Methodology

Research methodology is partly descriptive and partly exploratory. For this purpose fact, figures and information has been called by referring to magazines, books, newspapers, research journal, and research articles of E- journals, UNWTO report, Ministry of Tourism, India, Annual report and statistics available on the website.

#### C. Analysis and Discussion

The international travel and tourism industry continues to show steady growth according to the United Nations World Tourism Organization (UNWTO). In the year 2012 the tourist arrival worldwide was 1.035 million and in this India's share was 10%. This figure shot up to 1.057 million with an increase of about 5% by the end of year 2013. The positive sign for India is that its share in the International Tourism moved to 1.5% from 0.9% in the year 2012.

According to the World Travel and Tourism Council (WTTC) the tourism sectors contribution to the global economy continued to enhance in the fourth consecutive year and in the case of India it is for the third consecutive year starting from the year 2010. The economy contribution by the tourism sector either from direct or indirect activities was US \$7 trillion in Gross Domestic Product (GDP) and 266 million jobs. In short Travel and Tourism sector accounts for 9.5% of global GDP, one in eleven jobs, 5% of investment and 55 of export.

When we look to the Indian scenario the picture is very pleasing as according to WTTC the total direct as well as indirect economy impact of the travel and tourism industry was US \$128 billion by 2013, which means exactly 6.7% of the GDP and over 39.4 million jobs. According to the Statistics updated by the Ministry of Tourism, India the foreign tourist arrival in India has remained steady. Even though there has been a considerable slowdown in the growth rate in the year 2013, yet it is at par with the global scenario and can be expected to pick ever since the formation of new government at the center and the economy getting stronger. India earned nearly about US \$21.9 billion from its tourism sector experts. This comprises of 13% of all exports from the service sector.

#### Month-wise Foreign Tourist Arrivals (FTAs) in India, 2012-2014

| Month    | Foreign Tourist Arrivals (FTAs) in India |        |          |                      |           |
|----------|--|--------|----------|----------------------|-----------|
|          | 2012                                     | 2013   | 2014 (P) | Percentage(%) Change |           |
|          |  |        |          | 2013/2012            | 2014/2013 |
| January  | 681002                                   | 720321 | 719965   | 5.8                  | 0.0       |
| February | 681193                                   | 688569 | 737870   | 1.1                  | 7.2       |

| Year | March  | April  | May    | June   | July   | August | September | October | November | December | Total | Sub-Total (Jan-June) |
|------|--------|--------|--------|--------|--------|--------|-----------|---------|----------|----------|-------|----------------------|
|      | 606456 | 447581 | 374476 | 433390 | 485808 | 445632 | 411562    | 556488  | 701185   | 752972   | 65777 | 45                   |
|      | 639530 | 450580 | 417453 | 451223 | 506427 | 486338 | 453561    | 598095  | 733923   | 821581   | 69676 | 01                   |
|      | 668896 | 504211 | 420976 | 491833 |        |        | 10.2      | 7.5     | 4.7      | 9.1      | 35437 | 51                   |
|      | 5.5    | 0.7    | 11.5   | 4.1    | 4.2    | 9.1    |           |         |          |          |       | 5.9                  |
|      |        |        |        |        |        |        |           |         |          |          |       | 4.5 @                |
|      |        |        |        |        |        |        |           |         |          |          |       | 5.2 @                |

P: Provisional , @ Growth rate over January-June of previous year.

Source: (i) Bureau of Immigration, Govt. of India, for 2012 & 2013

(ii) Ministry of Tourism, Govt. of India for 2014.

#### Foreign Exchange Earnings (FEE), in US\$ Million, from Tourism

in India, 1997-2014

| Year      | FEE from Tourism in India | Percentage (%) change over the previous year |
|-----------|---------------------------|--|
| 1997      | 2889                      | 2.0  |
| 1998      | 2948                      | 2.0  |
| 1999      | 3009                      | 2.1  |
| 2000      | 3460                      | 15.0   |
| 2001      | 3198                      | -7.6   |
| 2002      | 3103                      | -3.0   |
| 2003      | 4463                      | 43.8   |
| 2004      | 6170                      | 38.2   |
| 2005      | 7493                      | 21.4   |
| 2006      | 8634                      | 15.2   |
| 2007      | 10729                     | 24.3   |
| 2008      | 11832                     | 10.3   |
| 2009      | 11136                     | -5.9   |
| 2010      | 14193                     | 27.5   |
| 2011      | 16564                     | 16.7   |
| 2012      | 17737                     | 7.1  |
| 2013#2    | 18445                     | 4.0  |
| Jan-June, | 9334                      | -0.8 @                                       |



2014 #<sup>1</sup>

Advance estimates, @ Growth Rate  
over Jan-June, 2013  
Ministry of  
tourism India 2011,  
2012, 2013 & 2014

**Foreign Exchange Earnings (FEE), in  
Crore, from  
Tourism in India, 1997-2014**

| Year                             | FEE from<br>Tourism<br>in India | Percentage (%)<br>change over<br>the previous<br>year |
|----------------------------------|---------------------------------|---|
| 1997                             | 10511                           | 4.6   |
| 1998                             | 12150                           | 15.6  |
| 1999                             | 12951                           | 6.6   |
| 2000                             | 15626                           | 20.7  |
| 2001                             | 15083                           | -3.5  |
| 2002                             | 15064                           | -0.1  |
| 2003                             | 20729                           | 37.6  |
| 2004                             | 27944                           | 34.8  |
| 2005                             | 33123                           | 18.5  |
| 2006                             | 39025                           | 17.8  |
| 2007                             | 44360                           | 13.7  |
| 2008                             | 51294                           | 15.6  |
| 2009                             | 53700                           | 4.7   |
| 2010                             | 64889                           | 20.8  |
| 2011                             | 77591                           | 19.6  |
| 2012                             | 94487                           | 21.8  |
| 2013# <sup>2</sup>               | 107671                          | 14.0  |
| Jan-June,<br>2014 # <sup>1</sup> | 56760                           | 10.0 @  |

Advance estimates, @ Growth rate over Jan-June, 2013  
I<sup>st</sup> revised estimates.

Source: (i) Reserve Bank of India, for 1997 to 2010.  
(ii) Ministry of Tourism, Govt. of India, for 2011 ,  
2012, 2013 & 2014

**Month-wise Foreign Exchange Earnings  
(FEE), in US\$ Million,  
from Tourism in India,  
2012-2014**

| Month | FEE from Tourism<br>in India | Percentage (%)<br>change |
|-------|------------------------------|--------------------------|
|-------|------------------------------|--------------------------|

|                                 | 2012         | 2013# <sup>2</sup> | 2014# <sup>1</sup> | 2013/2012     | 2014/2013     |
|---------------------------------|--------------|--------------------|--------------------|---------------|---------------|
| January                         | 1681         | 1984               | 1786               | 18.0          | -10.0         |
| February                        | 1729         | 1906               | 1805               | 10.2          | -5.3          |
| March                           | 1559         | 1755               | 1662               | 12.6          | -5.3          |
| April                           | 1305         | 1329               | 1431               | 1.8           | 7.7           |
| May                             | 1023         | 1207               | 1210               | 18.0          | 0.2           |
| June                            | 1158         | 1227               | 1440               | 6.0           | 17.4          |
| July                            | 1512         | 1442               |                    | -4.6          |               |
| August                          | 1306         | 1328               |                    | 1.7           |               |
| September                       | 1219         | 1224               |                    | 0.4           |               |
| October                         | 1538         | 1404               |                    | -8.7          |               |
| November                        | 1776         | 1703               |                    | -4.1          |               |
| December                        | 1931         | 1936               |                    | 0.3           |               |
| <b>Total</b>                    | <b>17737</b> | <b>18445</b>       |                    | <b>4.0</b>    |               |
| <b>Sub Total<br/>(Jan-June)</b> | <b>8455</b>  | <b>9408</b>        | <b>9334</b>        | <b>11.3 @</b> | <b>-0.8 @</b> |

Advance estimates and @  
Growth rate over Jan-June  
#<sup>1</sup> of previous year.  
I<sup>st</sup>  
Revised  
#<sup>2</sup> estimates.

Source: Ministry of Tourism, Govt. of India

**Month-wise Foreign Exchange  
Earnings (FEE), in ` Crore,  
from Tourism in India,  
2012-2014**

| Month    | FEE from<br>Tourism in India |                    |                    | Percentage (%)<br>change |           |
|----------|------------------------------|--------------------|--------------------|--------------------------|-----------|
|          | 2012                         | 2013# <sup>2</sup> | 2014# <sup>1</sup> | 2013/2012                | 2014/2013 |
| January  | 8623                         | 10785              | 11082              | 25.1                     | 2.8       |
| February | 8502                         | 10255              | 11239              | 20.6                     | 9.6       |
| March    | 7843                         | 9545               | 10152              | 21.7                     | 6.4       |



| Month                | 6745  | 7226   | 8645  | 7.1   | 19.6   |      | Million) | year |
|----------------------|-------|--------|-------|-------|--------|------|----------|------|
| April                | 6745  | 7226   | 8645  | 7.1   | 19.6   |      |          |      |
| May                  | 5562  | 6627   | 7184  | 19.1  | 8.4    | 1997 | 3.73     | 7.6  |
| June                 | 6485  | 7149   | 8458  | 10.2  | 18.3   | 1998 | 3.81     | 2.3  |
| July                 | 8389  | 8620   |       | 2.8   |        | 1999 | 4.11     | 8.0  |
| August               | 7260  | 8351   |       | 15.0  |        | 2000 | 4.42     | 7.3  |
| September            | 6652  | 7811   |       | 17.4  |        | 2001 | 4.56     | 3.4  |
| October              | 8154  | 8645   |       | 6.0   |        | 2002 | 4.94     | 8.2  |
| November             | 9723  | 10663  |       | 9.7   |        | 2003 | 5.35     | 8.3  |
| December             | 10549 | 11994  |       | 13.7  |        | 2004 | 6.21     | 16.1 |
| Total                | 94487 | 107671 |       | 14.0  |        | 2005 | 7.18     | 15.6 |
| Sub Total (Jan-June) | 43760 | 51587  | 56760 | 17.9@ | 10.0 @ | 2006 | 8.34     | 16.1 |
|                      |       |        |       |       |        | 2007 | 9.78     | 17.3 |
|                      |       |        |       |       |        | 2008 | 10.87    | 11.1 |
|                      |       |        |       |       |        | 2009 | 11.07    | 1.8  |
|                      |       |        |       |       |        | 2010 | 12.99    | 17.4 |
|                      |       |        |       |       |        | 2011 | 13.99    | 7.7  |
|                      |       |        |       |       |        | 2012 | 14.92    | 6.7  |
|                      |       |        |       |       |        | 2013 | 16.63    | 11.4 |

#<sup>1</sup> Advance estimates and @ Growth rate over Jan-June of previous year.

#<sup>2</sup>: I<sup>st</sup> Revised estimates.

Source: Ministry of Tourism, Govt. of India .  
**Top 10 Source Countries for Foreign Tourist Arrivals (FTAs) in India in 2013**

Source:- Bureau of Immigration, Govt. of India

| S.No                      | Source Country | FTAs (in Million) | Percentage % Share |
|---------------------------|----------------|-------------------|--------------------|
| 1.                        | USA            | 1085309           | 15.58              |
| 2.                        | United Kingdom | 809444            | 11.62              |
| 3.                        | Bangladesh     | 524923            | 7.53               |
| 4.                        | Sri Lanka      | 262345            | 3.77               |
| 5.                        | Russian Fed.   | 259120            | 3.72               |
| 6.                        | Canada         | 255222            | 3.66               |
| 7.                        | Germany        | 252003            | 3.62               |
| 8.                        | France         | 248379            | 3.56               |
| 9.                        | Malaysia       | 242649            | 3.48               |
| 10.                       | Japan          | 220283            | 3.16               |
| Total of Top 10 Countries |                | 4159677           | 59.70              |
| Others                    |                | 2807924           | 40.30              |
| G.Total                   |                | 6967601           | 100.0              |

Source:- Bureau of Immigration, Govt. of India  
**Number of Indian Nationals Departures (INDs) from India, 1997-2013**

| Year     | No. of Indian Nationals Departures (in Million) | Percentage (%) change over the previous year |
|----------|---|--|
| 1997     | 159.88  | 14.1   |
| 1998     | 168.20  | 5.2  |
| 1999     | 190.67  | 13.4   |
| 2000     | 220.11  | 15.4   |
| 2001     | 236.47  | 7.4  |
| 2002     | 269.60  | 14.0   |
| 2003     | 309.04  | 14.6   |
| 2004     | 366.27  | 18.5   |
| 2005     | 392.01  | 7.0  |
| 2006     | 462.32  | 17.9   |
| 2007     | 526.56  | 13.9   |
| 2008     | 563.03  | 6.9  |
| 2009     | 668.80  | 18.8   |
| 2010     | 747.70  | 11.8   |
| 2011     | 864.53  | 15.6   |
| 2012     | \$ 1045.05                                      | 20.9   |
| 2013 (P) | 1145.28   | 9.6  |

**Number of Domestic Tourist Visits (DTVs) to all States/UTs in India, 1997-2013**

| Year     | No. of Domestic Tourist Visits to States/UTs (in Million) | Percentage (%) change over the previous year |
|----------|---|--|
| 1997     | 159.88  | 14.1   |
| 1998     | 168.20  | 5.2  |
| 1999     | 190.67  | 13.4   |
| 2000     | 220.11  | 15.4   |
| 2001     | 236.47  | 7.4  |
| 2002     | 269.60  | 14.0   |
| 2003     | 309.04  | 14.6   |
| 2004     | 366.27  | 18.5   |
| 2005     | 392.01  | 7.0  |
| 2006     | 462.32  | 17.9   |
| 2007     | 526.56  | 13.9   |
| 2008     | 563.03  | 6.9  |
| 2009     | 668.80  | 18.8   |
| 2010     | 747.70  | 11.8   |
| 2011     | 864.53  | 15.6   |
| 2012     | \$ 1045.05  | 20.9   |
| 2013 (P) | 1145.28   | 9.6  |

Source : State/ Union Territory Tourism Departments .  
(P) : Provisional, \$-DTV figure of 2012 has been revise  
**Number of Domestic Tourist Visits**



**(DTVs) to all States/UTs  
in India, 1997-2013**

| Year     | No. of Domestic Tourist Visits to States/UTs (in Million) | Percentage (%) change over the previous year |
|----------|---|--|
| 1997     | 159.88  | 14.1   |
| 1998     | 168.20  | 5.2  |
| 1999     | 190.67  | 13.4   |
| 2000     | 220.11  | 15.4   |
| 2001     | 236.47  | 7.4  |
| 2002     | 269.60  | 14.0   |
| 2003     | 309.04  | 14.6   |
| 2004     | 366.27  | 18.5   |
| 2005     | 392.01  | 7.0  |
| 2006     | 462.32  | 17.9   |
| 2007     | 526.56  | 13.9   |
| 2008     | 563.03  | 6.9  |
| 2009     | 668.80  | 18.8   |
| 2010     | 747.70  | 11.8   |
| 2011     | 864.53  | 15.6   |
| 2012 \$  | 1045.05   | 20.9   |
| 2013 (P) | 1145.28   | 9.6  |

Source : State/ Union Territory Tourism Departments . (P) : Provisional, \$-DTV figure of 2012 has been revised

**Number of Foreign Tourist Visits  
(FTVs) to all States/UTs  
in India, 1997-2013**

| Year | No. of Foreign Tourist Visits to States/UTs (in Million) | Percentage (%) change over the previous year |
|------|--|--|
| 1997 | 5.50   | 9.3  |
| 1998 | 5.54   | 0.7  |
| 1999 | 5.83   | 5.3  |
| 2000 | 5.89   | 1.1  |
| 2001 | 5.44   | -7.8   |
| 2002 | 5.16   | -5.1   |
| 2003 | 6.71   | 30.1   |
| 2004 | 8.36   | 24.6   |
| 2005 | 9.95   | 19.0   |
| 2006 | 11.74  | 18.0   |
| 2007 | 13.26  | 12.9   |
| 2008 | 14.38  | 8.5  |
| 2009 | 14.37  | -0.1   |
| 2010 | 17.91  | 24.6   |
| 2011 | 19.50  | 8.9  |

|          |       |      |
|----------|-------|------|
| 2012 \$  | 18.26 | -6.3 |
| 2013 (P) | 19.95 | 9.2  |

Source: State/ UT Tourism Departments . (P) : Provisional

\$: FTV figure for 2012 has been revised.

**Share of Top 10 States/UTs of India in  
Number of Domestic Tourist Visits in  
2013**

| Rank                   | State/UT       | Domestic Tourist Visit in 2013 (P) |                    |
|------------------------|----------------|------------------------------------|--------------------|
|                        |                | Number                             | Percentage Share % |
| 1.                     | Tamil Nadu     | 244232487                          | 21.3               |
| 2.                     | Uttar Pradesh  | 226531091                          | 19.8               |
| 3.                     | Andhra Pradesh | 152102150                          | 13.3               |
| 4.                     | Karnataka      | 98010140                           | 8.6                |
| 5.                     | Maharashtra    | 82700556                           | 7.2                |
| 6.                     | Madhya Pradesh | 63110709                           | 5.5                |
| 7.                     | Rajasthan      | 30298150                           | 2.6                |
| 8.                     | Gujarat        | 27412517                           | 2.4                |
| 9.                     | West Bengal    | 25547300                           | 2.2                |
| 10.                    | Chhattisgarh   | 22801031                           | 2.0                |
| Total of Top 10 States |                | 972746131                          | 84.9               |
| Others                 |                | 172534312                          | 15.1               |
| Total                  |                | 1145280443                         | 100.0              |

Source: State/ UT Tourism Departments. (P): Provisional.

**Share of Top 10 States/UTs of India in  
Number of Foreign Tourist Visits in  
2013**

| Rank | State/UT      | Foreign Tourist Visit in 2013 (P) |                    |
|------|---------------|-----------------------------------|--------------------|
|      |               | Number                            | Percentage Share % |
| 1.   | Maharashtra   | 4156343                           | 20.8               |
| 2.   | Tamil Nadu    | 3990490                           | 20.0               |
| 3.   | Delhi         | 2301395                           | 11.5               |
| 4.   | Uttar Pradesh | 2054420                           | 10.3               |
| 5.   | Rajasthan     | 1437162                           | 7.2                |



|                        |             |          |       |
|------------------------|-------------|----------|-------|
| 6.                     | West Bengal | 1245230  | 6.2   |
| 7.                     | Kerala      | 858143   | 4.3   |
| 8.                     | Bihar       | 765835   | 3.8   |
| 9.                     | Karnataka   | 636378   | 3.2   |
| 10.                    | Goa         | 492322   | 2.5   |
| Total of Top 10 States |             | 17937718 | 89.9  |
| Others                 |             | 2013308  | 10.1  |
| Total                  |             | 19951026 | 100.0 |

|      |            |          |      |      |      |      |      |
|------|------------|----------|------|------|------|------|------|
| 2012 | 1035.0     | 233.5    | 6.58 | 0.64 | 41st | 2.82 | 11th |
| 2013 | 1087.0 (P) | 248.1(P) | 6.97 | 0.64 | 42nd | 2.81 | 11th |

P: Provisional, - NA

Source:-(i) UNWTO Tourism Market Trends 2007 Edition, for the years upto 2005. (ii) UNWTO Barometer June 2010 for 2006 and January 2011 for 2007

(iii) UNWTO Tourism Highlights 2011 Edition for 2008 and 2012 Edition for 2009. (iv) UNWTO Barometer April 2014 for 2010, 2011, 2012 & 2013

Source: State/ UT Tourism Departments. (P): Provisional

### Share of India in International Tourist Arrivals in World and Asia & the Pacific Region, 1997-2013

| Year | International Tourist Arrivals (in million) |                      | FTAs in India (in Million) | Percentage (%) share and rank of India in World |      | Percentage (%) share and rank of India in Asia and the Pacific |      |
|------|---|----------------------|----------------------------|---|------|--|------|
|      | World                                       | Asia and the Pacific |                            | % Share   | Rank | % Share  | Rank |
| 1997 | 593.0                                       | 89.0                 | 2.37                       | 0.40  | -    | 2.67   | -    |
| 1998 | 611.0                                       | 88.3                 | 2.36                       | 0.39  | 47th | 2.67   | -    |
| 1999 | 633.8                                       | 97.6                 | 2.48                       | 0.39  | 46th | 2.54   | -    |
| 2000 | 683.3                                       | 109.3                | 2.65                       | 0.39  | 50th | 2.42   | 11th |
| 2001 | 683.4                                       | 114.5                | 2.54                       | 0.37  | 51st | 2.22   | 12th |
| 2002 | 703.2                                       | 123.4                | 2.38                       | 0.34  | 54th | 1.93   | 12th |
| 2003 | 691.0                                       | 111.9                | 2.73                       | 0.39  | 51st | 2.44   | 11th |
| 2004 | 762.0                                       | 143.4                | 3.46                       | 0.45  | 44th | 2.41   | 11th |
| 2005 | 803.4                                       | 154.6                | 3.92                       | 0.49  | 43rd | 2.53   | 11th |
| 2006 | 846.0                                       | 166.0                | 4.45                       | 0.53  | 44th | 2.68   | 11th |
| 2007 | 894.0                                       | 182.0                | 5.08                       | 0.57  | 41st | 2.79   | 11th |
| 2008 | 917.0                                       | 184.1                | 5.28                       | 0.58  | 41st | 2.87   | 11th |
| 2009 | 883.0                                       | 181.1                | 5.17                       | 0.59  | 41st | 2.85   | 11th |
| 2010 | 948.0                                       | 204.9                | 5.78                       | 0.61  | 42nd | 2.82   | 11th |
| 2011 | 995.0                                       | 218.5                | 6.31                       | 0.63  | 38th | 2.89   | 9th  |

### Share of India in International Tourism Receipts in World and Asia & the Pacific Region, 1997-2013

| Year | International Tourism Receipt (In US \$ billion) |                      | FEE in India (In US \$ Million) | Percentage (%) share and rank of India in World |      | Percentage (%) share and rank of India in Asia and the Pacific |      |
|------|--|----------------------|---------------------------------|---|------|--|------|
|      | World  | Asia and the Pacific |                                 | % Share   | Rank | % Share  | Rank |
| 1997 | 442.8  | 82.6                 | 2889                            | 0.65  | -    | 3.50   | -    |
| 1998 | 444.8  | 72.3                 | 2948                            | 0.66  | 34th | 4.08   | -    |
| 1999 | 458.2  | 79.1                 | 3009                            | 0.66  | 35th | 3.80   | -    |
| 2000 | 475.3  | 85.3                 | 3460                            | 0.73  | 36th | 4.06   | 10th |
| 2001 | 463.8  | 88.1                 | 3198                            | 0.69  | 36th | 3.63   | 12th |
| 2002 | 481.9  | 96.5                 | 3103                            | 0.64  | 37th | 3.22   | 13th |
| 2003 | 529.3  | 93.7                 | 4463                            | 0.84  | 37th | 4.76   | 9th  |
| 2004 | 633.2  | 124.1                | 6170                            | 0.97  | 26th | 4.97   | 8th  |
| 2005 | 679.6  | 135.0                | 7493                            | 1.10  | 22nd | 5.55   | 7th  |
| 2006 | 744.0  | 156.9                | 8634                            | 1.16  | 22nd | 5.50   | 7th  |
| 2007 | 857.0  | 187.0                | 10729                           | 1.25  | 22nd | 5.74   | 6th  |
| 2008 | 939.0  | 208.6                | 11832                           | 1.26  | 22nd | 5.67   | 6th  |
| 2009 | 853.0  | 204.2                | 11136                           | 1.31  | 20th | 5.45   | 7th  |
| 2010 | 931.0  | 255.3                | 14193                           | 1.52  | 17th | 5.56   | 7th  |
| 2011 | 1042.0   | 289.4                | 16564                           | 1.59  | 17th | 5.72   | 8th  |
| 2012 | 1078.0   | 329.1                | 17737                           | 1.65  | 16th | 5.39   | 7th  |



|         |        |       |       |      |      |      |     |
|---------|--------|-------|-------|------|------|------|-----|
| 2013(P) | 1159.0 | 358.9 | 18445 | 1.59 | 16th | 5.14 | 8th |
|---------|--------|-------|-------|------|------|------|-----|

P: Provisional, -NA

Source: (i) UNWTO Tourism Market Trends 2007 Edition, for the years upto 2005

- (ii) UNWTO Barometer June 2009 for 2006 & 2007
- (iii) UNWTO Tourism Highlights 2011 Edition for 2008 and 2012 Edition for 2009 .
- (iv) UNWTO Barometer April 2014 for 2010, 2011 , 2012 & 2013

**Share of Top 10 Countries of the World and India in International Tourist Arrivals in 2013**

| Rank                      | Country            | International Tourist Arrivals (P) (in million) | Percentage Share % |
|---------------------------|--------------------|---|--------------------|
| 1.                        | France             | NA  | NA                 |
| 2.                        | USA                | 69.8  | 6.74               |
| 3.                        | Spain              | 60.7  | 5.86               |
| 4.                        | China              | 55.7  | 5.38               |
| 5.                        | Italy              | 47.7  | 4.61               |
| 6.                        | Turkey             | 37.8  | 3.65               |
| 7.                        | Germany            | 31.5  | 3.04               |
| 8.                        | UK                 | 31.2  | 3.01               |
| 9.                        | Russian Federation | 28.4  | 2.74               |
| 10.                       | Thailand           | 26.5  | 2.56               |
| Total of Top 10 Countries |                    | 389.3   | 37.59              |
| India #                   |                    | 6.97  | 0.67               |
| Others                    |                    | 638.7   | 61.74              |
| Total                     |                    | 1035.0  | 100.00             |

(P): Provisional. N.A.: Not Available

# Excludes nationals of the country residing abroad.  
Source: UNWTO Barometer April 2014 and Bureau of Immigration (BOI)

**Share of Top 10 Countries of the World and India in International Tourism Receipts in 2013**

| Rank                      | Country          | International Tourist Receipts (P) (in US \$ billion) | Percentage % Share |
|---------------------------|------------------|---|--------------------|
| 1.                        | USA              | 139.6   | 12.04              |
| 2.                        | Spain            | 60.4  | 5.21               |
| 3.                        | France           | 56.1  | 4.84               |
| 4.                        | China            | 51.7  | 4.46               |
| 5.                        | Macao (China)    | 51.6  | 4.45               |
| 6.                        | Italy            | 43.9  | 3.79               |
| 7.                        | Thailand         | 42.1  | 3.63               |
| 8.                        | Germany          | 41.2  | 3.55               |
| 9.                        | United Kingdom   | 40.6  | 3.50               |
| 10.                       | Hong Kong(China) | 38.9  | 3.36               |
| Total of Top 10 Countries |                  | 566.1   | 48.83              |
| India                     |                  | 18.4  | 1.59               |
| Others                    |                  | 574.5   | 49.58              |
| Total                     |                  | 1159.0  | 100.00             |

P: Provisional.

Source: UNWTO Barometer April 2014 and Ministry of Tourism (MOT).

**Nationality - wise Visa on Arrivals (VoAs) in India during 2011 - 2013**

| S.No. | Source Country | Visa on Arrivals |      |      |
|-------|----------------|------------------|------|------|
|       |                | 2011             | 2012 | 2013 |
| 1.    | Cambodia       | 149              | 157  | 120  |
| 2.    | Finland        | 1335             | 914  | 1030 |
| 3.    | Indonesia      | 2063             | 2426 | 2758 |
| 4.    | Japan          | 2344             | 4604 | 6448 |



|     |              |              |              |              |
|-----|--------------|--------------|--------------|--------------|
| 5.  | Laos         | 14           | 10           | 19           |
| 6.  | Luxemburg    | 74           | 110          | 145          |
| 7.  | Myanmar      | 71           | 109          | 148          |
| 8.  | New Zealand  | 2762         | 3150         | 3968         |
| 9.  | Philippines  | 1956         | 2444         | 2967         |
| 10. | Singapore    | 1848         | 1974         | 2486         |
| 11. | Vietnam      | 145          | 186          | 205          |
|     | <b>Total</b> | <b>12761</b> | <b>16084</b> | <b>20294</b> |

Source: Bureau of Immigration (BOI),

|   |                            |            |
|---|----------------------------|------------|
| 1 | Travel Agent               | 288        |
| 2 | Inbound Tour Operator      | 444        |
| 3 | Tourist Transport Operator | 131        |
| 4 | Adventure Tour Operator    | 32         |
| 5 | Domestic Tour Operator     | 76         |
|   | <b>Total</b>               | <b>971</b> |

### Number of Approved Hotels and Availability of Hotel Rooms in the Country, as on 31<sup>st</sup> December, 2013.

| S. No. | Category of Hotels                   | N o . of H otels (P) | N o . of Rooms(P) |
|--------|--------------------------------------|----------------------|-------------------|
| 1      | One Star                             | 86                   | 2253              |
| 2      | Two Star                             | 122                  | 3160              |
| 3      | Three Star                           | 634                  | 26463             |
| 4      | Four Star                            | 114                  | 8250              |
| 5      | Five Star                            | 86                   | 10033             |
| 6      | Five Star Deluxe                     | 108                  | 22173             |
| 7      | Apartment Hotels                     | 3                    | 249               |
| 8      | Time Share Resorts                   | 1                    | 31                |
| 9      | Heritage Hotels                      | 49                   | 1394              |
| 10     | Silver Bed & Breakfast Establishment | 6                    | 23                |
| 11     | Unclassified                         | 33                   | 2829              |
|        | <b>Total</b>                         | <b>1242</b>          | <b>76858</b>      |

### Number of Operators Approved by the Ministry of Tourism in the Country, as on 31<sup>st</sup> December, 2013.

| S.No. | Operator | Nos. |
|-------|----------|------|
|       |          |      |

### III. COMPARISON OF DEMAND AND SUPPLY IN TERMS OF FOREIGN AND DOMESTIC TOURIST ARRIVAL

After the

According to the Annual Report of Indian Tourism Ministry, the number of foreign tourist arrival (FTA's) in India during the year 2013 was 6.97 million. This was about 5.9% higher as compared to FTA'S of 6.58 million during the year 2012. The year 2012 registered a growth of 4.3% as compared to year 2011.

The tourism sector produced foreign exchange earnings(FEEs) of US \$18.445 billion .In terms of Hospitality industry's performance in India, the rates occupancies and RevPar(Revenue Per Room) having not risen much due to increase in supply in the market and the recession in the tourism environment. If we see the future the gap between the demand and supply is very real and there is a desperate need within the budget and the mid market hotel in the country. Whether the tourist is an inbound or international, tourist safety is the first priority, either in budget or luxury category accommodation. Many domestic and international brands have made significant progress into this empty segment. Still there lies tremendous scope for these segments of hotels to bloom and occupy the empty space.

On an optimistic note the United Nations World Tourist Organization (UNWTO) expect the growth in the year 2014 at 4% in line with its long term forecast. If we analyze one year back picture where Indian rupee against a dollar was declining day by day it had a positive impact on the travel plan of foreign tourist coming to India due to depreciation of Indian currency, which meant they would have to spend less from their pocket..

#### A. Findings of the Research

1. With the increase in the tourism activities whether inbound or outbound has led to the growth and expansion of the hotel industry. There are altogether 1.242 approved hotels which add up to a total of 76,858 rooms as on 31st December 2013.





2. Though there were many hiccups and fluctuations still the share of India in international Tourism Receipts rose from US \$442.8 billion in the year 1997 to US \$ 1159.0 in the year 2013.

3. Sports events like IPL, Commonwealth game; ICC Cricket World Cup provides an opportunity for expansion to tourism and hospitality industry.

4. Slowly but steadily the number of foreign Tourist Arrival (FTA's) in India has shot up from 2.37 million to 6.97 million in the year 2013.

5. As there is lot of potential for budget tourists the government of Indian in collaboration with the private sector has given encouragement to budget category hotels like Ginger, Lemon Tree etc.

### B. Challenges in the Near Future

Hospitality is expanding due to factors like more and more tourists are travelling from one destination to the other. This fact cannot be denied that India's share in international tourism is less than 2% but the figures over the past 10 years reveal a positive story and if, efforts are well channelized that day is not far when India will have a major share of the International tourism.

### CONCLUSION

Though, there is a lot to be done and India needs to pull up its socks and focus in the field of infrastructural development which matches with the international level. There is no shortage of tourist attraction spots across India but the accessibility of these spots remains a major concern which leads to unsatisfied tourist. If an unsatisfied tourist returns he will take a bad image about the country as well as his bad experience will force him not to return and at the same time he will share knight mare with other people known to him and ultimately others will also be discouraged to choose India as their vacation destination. With the entry of international chains the competition as well as the standard of the service has risen up which is a positive sign and this competition will get intense with the passage of time.

The good sign is that the current government is taking lot of forward steps in the field of tourism, recently the centre minister Mr. Mahesh Sharma has been given the Independent charge of Ministry of Tourism, India with different key result areas and High Tec action plan.

There are a lot of expectations from him for improving the Indian tourism and hospitality Economy.

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