



A STUDY ON FOREIGN TOURIST ARRIVALS AND FOREIGN EXCHANGE EARNINGS FROM TOURISM IN INDIA (1997–2020)

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ABSTRACT

Tourism is the relaxation of human activities of people are travelling and staying in places out aspect their usual environment for leisure, business or other purposes for less than one consecutive year. Foreign Exchange Earnings via foreign tourist arrivals on the growth of tourism industry and GDP in India. As of march 2020, foreign earnings from tourism industry across India amounted to over 6 billion U.S. dollars. This results of the study observed that the Indian tourism industry has created a lot of employment opportunities and foreign exchange earnings. Due to the coronavirus (COVID19) pandemic and lockdown imposed, the number did not rise much in the course of the year. From 2000 until 2019, the interchange earnings from commercial enterprise had adult steady. In 2020, foreign exchange earnings from tourism industry across India amounted to over twelve billion U.S. dollars. This had been stable numbers for the primary quarter of a year. The present study would like to focus on tourist's income during 1997-2020

Keywords; Tourism, Foreign exchange, Earnings, Industry

INTRODUCTION

Tourism is playing very vital role especially in developing countries. India a very important for the country's economic growth and development. Developing economy have different sources for growth which are required for overall development of a country. The planet travel and touristry council calculated that tourism generated 16.91 lake crore (US\$240 billion) or 9.2 per cent of India's GDP in 2018 and supported 42.673 million jobs, 8.1 per cent of its total employment. The sector is predicted to grow at an annual rate of 6.9 per cent to 32.05 lakh crore (US\$450 billion) by 2028 (9.9 per cent of GDP). In October 2015, India's medical tourism sector was estimated to be worth US\$ three billion, and it's projected to grow to US\$7-8 billion by 2020. Over 10.93 million foreign tourists arrived in India in 2019 compared to 10.56 million in 2018, representing a growth of 3.5 per cent. Domestic tourist visits to all states and union territories numbered 1,036.35 million in 2012, an increase of 16.5 per cent from 2011. Moreover, India stands at 6th position in tourism receipts within the Asia & pacific region. Further, domestic tourist visits have crossed 2321.98 million, while foreign tourists have crossed 31.4 million in 2019. Global tourism experienced a 4 per cent upto in 2021, compared to 2020.

REVIEW OF LITERATURE

- **Rajender S. Godara (2020) “Contribution of Tourism Industry in Indian Economy: an Analysis”** The tourism and travel industry is the biggest and most diverse industry in the universe. The impact of tourism on increasing employment and foreign exchange earnings, the boom in domestic industries, the expansion of international cooperation have changed the attitudes of countries around the world and played an important role in the policy making of Governments. So the purpose of this research paper is to investigate the Impact of Foreign Tourism Receipts growth on the growth rate economic in Indian economy during the period of 2000-2019. In this study we are using the Ordinary Least Squares method (OLS method). The results show that there is a positive relationship between economic growth rate and growth of foreign tourism revenue growth but this relationship is very weak its mean that the impact of the growth of foreign tourism receipt on economic growth is less; We can also say that there is no strong relationship between these two variables.
- **Piyali Roy Chowdhury (November 2019) “Relationship between FDI, Foreign Exchange Earnings through Inbound Tourism and Growth of Indian Economy”** Foreign Direct Investment (FDI) has been playing a crucial role in the development of Indian economy ever since liberalization. The role of FDI, hence, can be discussed from the point of one of much deliberated sectors, tourism, in this case. The current study, thus, is based on investigating an association between FDI, Foreign Exchange Earnings from tourism and per capita growth with respect to Indian economy for a period of 1996-2018. The analysis proves a cointegrating relationship between them through Auto Regressive Distributed Lag (ARDL) Modelling Approach. It proves FDI to be an influential factor in enhancing foreign exchange earnings from tourism for inbound tourism industry and per capita economic growth. Through Error Correction Model, it is proved that the models can correct seventy-seven and eighty-three percent imbalances in short run. Applying Granger Causality approach, the study proves per capita economic growth granger causes FDI. Subsequently, is playing a major role in attracting foreign exchange earnings from inbound tourism in India. Finally, the study suggests certain policy measures for enhancing per capita growth that will ultimately promote FDI to augment conditions of tourism industry in Indian economy.
- **AMAN MISHRA (2018) “GROWTH OF TOURISM AND ITS IMPACT ON GDP AND FOREIGN EXCHANGE EARNINGS”** Tourism industry plays crucial role in India’s economic development. It contribute larger share in employment generation. Tourism augments country’s foreign exchange reserve. It play sustainable role in country’s economic growth. Tourism industry play crucial role in India’s economic development. Rich cultural and natural heritage, historical and religious places attracts international tourist arrivals (ITAs) towards India. This paper would analyse the TRENDS, of tourism in India. It would study the impact of GDP on tourism. We would also study the relationship between foreign tourist arrival (FTA) and foreign exchange earnings (FEE). The study is based on secondary data and study would be based on explorative, trends analysis, and SWOT analysis covering the time period of 1991 to 2017.
- **Dr. D. Suresh Kumar, Dr. Rajesh Sharma Mody (2018) “Foreign Tourists Arrival in India: An Analytical Study on Seasonal Variations of Tourist Arrival and its Impact on the Growth of Foreign Exchange Earnings”** The tourism industry is contributing to the development of the Indian economy. The role of the industry has improved and contributed in generating the needed foreign reserves. Hence, it is vital to study the rate of the growth of tourist arrivals in India. The seasonal analysis may help in proposing an apt policy framework, which may further enhance the scope of tourism in India. The objectives of the study were to assess the rate of growth of tourist arrival in India, and measure the seasonal variation in the tourist arrivals in India and also assess the change in foreign exchange earnings driven by the burgeoning tourism industry. Using valuable secondary sources of data over the period of 1999 to 2015, this paper seeks to capture the extent of the tourism industry’s growth. Moreover, in order to assess the determinants of tourism in India, the role of seasonal fluctuations has also been considered. The results show that over the period of 1999-2015, the Indian tourist arrivals had increased at a rate of 8.23 percent per year.

Apparently, the tourist arrivals are season sensitive. Therefore, seasonal adjusted values have also been calculated. The seasonal adjusted graph shows that tourist arrivals in India are indeed less season sensitive in the long term. From a government point of view, information pertaining to these factors is important as it enables government to plan required infrastructural development. Government must as a matter of urgency craft strategy according to the expected arrival of tourists or this important industry and its range of sectors will not be sustainable.

- **Dr. Shekhar Upadhyay (2017) “A Comparative Study on Foreign Tourist Arrivals in India”**
India has been in the midst of foreign tourist’s itinerary for several decades now. Foreigners have been visiting this mysterious land of Maharaja’s for centuries. India stands at the saddle of varied attractions and point of interest for people coming from different parts of the world. India with its culture, customs, liveliness and hospitality, along with breathtaking wilderness has successfully positioned itself into the top ranked countries of visitation by foreigners. The point of planning and encouraging the tourism sector remains attracting and retaining foreign tourists in country and directing them to the different parts. As the experience has shown again and again, that India has the full potential to attract and engaged foreign tourists with its vast array of attractions ranging from historical monuments to urban landscape, from wildlife attractions to natural sceneries, but due to certain hurdles and policy’s implementation the full potential of India is yet to be realized. Though in recent years the standing of India among most visited countries in the world has surely improved and if things and plans fall into the right direction, the ranking shall keep on improving.

REASONS FOR CHOOSE THIS TOPIC

This study of Foreign Tourism has been enhanced the revenue of the Indian economy, creates thousands of jobs, develops the infrastructures of a rustic, and plants a way of cultural exchange between foreigners and voters. The quantity of jobs created by foreign tourism in many various areas is importance. So this study focuses to improving foreign tourist arrivals in India and Foreign exchange earnings from tourism in India.

OBJECTIVES

1. To analysis the comparative study on foreign tourist arrivals and Foreign exchange earnings through tourism in India during the period 1997-2020.
2. To estimate the annual growth rate of foreign tourist arrivals and Foreign exchange earnings from tourism in India during the period 1997-2020.

RESEARCH METHODOLOGY

For the present study secondary data sources have been collected like reserve bank Indian metrological department. Time period for this study is 24 year ranging from 1997-2020. This study all data on comparative foreign tourist arrivals in India and Foreign exchange earnings was assessed simple linear regression model, compound growth rate and annual growth rate have computed for this study.

ANALYSIS AND TABLE

Table 1: Comparative study on foreign tourist arrivals and Foreign exchange earnings through tourism between 1997-2020 in India

S.NO	Model	A	B	SE(B)	R	R ²	Adj R ²	Sig	CGR
1	SLR	-655.582	.329	93.153	.834	.696	.682	.000	-
	Semi-log	-86.303	.043	.006	.841	.708	.694	.000	10.4

2	SLR	-2146.935	1.075	.141	.851	.724	.712	.000	-
	Semi-log	-203.209	.102	.012	.877	.770	.759	.000	26.47

Source: Secondary data

The regression coefficient of semi log linear model that increased of compound growth rate from 10.4 to 26.47 so tourism increased foreign exchange. The value of adjusted R^2 is .682 and .712 in simple linear regression model and it is .694 and .759 is the semi log linear model. The p value (.000) at 1 per cent level of significant at highly influenced foreign tourist arrivals and foreign exchange. Null hypothesis is rejected, alternative hypothesis is accepted.

TABLE 2

The Following Table 2 explained the Average Growth Rate of Foreign Tourist Arrivals from tourism in India during the period 1997-2020

Year	Arrivals million)	(US\$ AGR
1997	2.37	0
1998	2.36	-0.42194
1999	2.48	5.084746
2000	2.65	6.854839
2001	2.54	-4.15094
2002	2.38	-6.29921
2003	2.73	14.70588
2004	3.46	26.73993
2005	3.92	13.2948
2006	4.45	13.52041
2007	5.08	14.1573
2008	5.28	3.937008
2009	5.17	-2.08333

2010	5.78	11.79884
2011	6.31	9.16955
2012	6.58	4.278922
2013	6.97	5.927052
2014	7.68	10.18651
2015	8.03	4.557292
2016	8.80	9.589041
2017	10.04	14.09091
2018	10.56	5.179283
2019	10.93	3.503788
2020	Less than 3	-72.5526

Source: Handbook of statistics on Indian economy

This Table reveals that average growth rate of tourism arrivals. The data on comparative study on Foreign tourist arrivals and Foreign exchange earnings from tourism in India during the period of 1997-2020. The lowest value of tourism arrivals is less than 3 (million) the recorded in the year 2020 and highest value of tourism arrival 10.93 (million) is the recorded in the year 2019.

TABLE 3

The Following Table 3 explained the Average Growth Rate of Foreign Exchange Earnings from tourism in India during the period 1997-2020

Year	Earnings (US\$ million)	AGR
1997	2.88	0
1998	2.94	2.083333
1999	3.0	2.040816
2000	3.46	15.33333

2001	3.2	-7.51445
2002	3.1	-3.125
2003	4.46	43.87097
2004	6.17	38.34081
2005	7.49	21.39384
2006	8.63	15.22029
2007	10.73	24.33372
2008	11.83	10.25163
2009	11.39	-3.71936
2010	14.19	24.58297
2011	16.56	16.7019
2012	17.74	7.125604
2013	18.39	3.664036
2014	S19.7	7.123437
2015	21.1	7.106599
2016	23.15	9.71564
2017	27.69	19.61123
2018	28.59	3.250271
2019	30.06	5.141658
2020	12.08	-59.8137

Source: Handbook of statistics on Indian economy

The above table explain that the average growth rate of Foreign exchange earnings through tourism. The data on comparative study on foreign tourist arrivals and Foreign exchange earnings from tourism between 1997-2020 in India. The lowest value of Foreign exchange earnings from tourism is less than 12.08 (million) is recorded in the year 2020 and the highest value of foreign exchange earnings is 30.06 (million) recorded in the year 2019. This follows on from 2020, the worst year on record for tourism, when international arrivals decreased by 73%.

CONCLUSION

There are many social and relaxation benefits of tourism, demonstrating positive social impacts. These may include; protective the local native and heritage, strengthening communities, provision of social services, commercialization of culture and art, revitalisation of customs and art forms and therefore the preservation of heritage. The devastating impact of the COVID-19 pandemic on global tourism has carried on into 2021, with new data showing an 87 per cent fall in international tourist arrivals in January as compared to 2020. The outlook for the rest of the year remain cautious because the World Tourism Organization (UNWTO) continues to call for stronger coordination on travel protocols between countries to ensure the safe restart of business and avoid another year of massive losses for the arena.

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