

**Background:** Increase in disposable income and a changed lifestyle are the propelling factors behind the boost in domestic tourism. Again, improved infrastructure, connectivity and improvement of hospitality industry are the factors fuelling inflows of international tourist to India. The per capita Gross Net Disposable Income at current prices has increased from Rs. 92735 to Rs. 101990 from 2013-14 to 2014-15; an increase by 9.98%. Over the same timeframe Gross Value Added (GVA) by Trade, hotels, transport, communication and services related to broadcasting measured at current prices has increased from Rs. 19,46,060 crores to Rs. 21,81,998 crores; an increase by 12.1%. Mainly these two factors are responsible for the flourish of tourism industry in India. While the first one contributes to the domestic tourist influx the second adds to the higher number of foreign tourists.

**Current Scenario:** Indian tourism industry has contributed Rs.7.64 trillion to the Indian GDP in the year 2014 and also has created 36.7 million jobs. The concerned sector has attracted Rs.2.11 trillion of investment in 2014. In 2014 foreign tourist arrivals in India accounted for 0.64% of the global volume and the same has contributed to \$ 19.657 billion to the foreign exchange reserve of the country that is a growth of 6.57% over 2013. Foreign Exchange Earnings (FEEs) in the month of March 2015 were \$ 1.674 billion as compared to FEEs of \$ 1.662 billion during the month of March 2014. The growth rate of FEEs in March 2015 over March 2014 was 0.7%. Figure: 1 depicts the tri monthly comparison of FEEs between 2014 and 2015. It is apparent that FEEs have grown by 1.1% from January-March 2014 to January - March 2015. However, till contribution of tourism sector to the Indian GDP is 6.7% that is far lower than the global average of 9.8%. The numbers of foreign tourist arrivals in March, 2015 were 7.30 lakhs; the same was 6.40 lakhs in March 2014. This depicts an increase of 5.3% in March, 2015 over March, 2014. From January to March 2015 around 22.81 lakhs foreign tourists have visited India; whereas in 2014, over the same period, 22.10 lakhs foreign tourists visited India. This accounts to a growth rate of 3.21% year on year basis. Figure 2 depicts the percentage share of the top 15 countries in terms of foreign tourist arrival (FTA) in India on March, 2015.

**Future Trend:** By the end of 2015, the travel and tourism sector will contribute Rs8.22 trillion or 7% of India's gross domestic product (GDP) and 37.4 million jobs; almost 9% of total employment. Investment in tourism sector is expected to grow by 9.3% in 2015. Moreover, investment in tourism sector is expected to rise by 6.5% per annum over the next 10 years to reach Rs. 4,337.8 billion in 2025. It is expected that around 46 million people would be associated with travel and tourism sector by the end of 2025. By end of 2015, worldwide contribution of travel and tourism to the GDP would grow by 3.7% and the concerned sector would provide job to 284 million people. This means that by the end of 2015 one in every eleven jobs would be created by Travel and Tourism sector. It is highly possible that by 2017 India would capture its much desired 1% share of global tourists.

**Policy Announcements:** Union budget 2015 has announced that visa on arrival for tourism would be extended from 43 to 150 countries. Already, Visa on arrival through Electronic Travel Authorization (ETA) has been enabled and that resulted in arrival of 25,023 tourists availing VoA in January, 2015 as compared to 1,903 in January, 2014 accounting a growth of staggering 1,214.9%. The present budget also includes added focus on the development of World Heritage Sites like churches and convents of old Goa, Hampi, Elephanta caves, Leh palace, Varanasi temple town, Jallianwala Bagh etc. Moreover, proposed spending of 2 lakh crores towards sanitation will eventually help in boosting the incredible India image. Proposals such as exemption to individual taxpayers (they are expected to realize benefit up to

