



## INDIAN TOURISM WITHIN THE SOUTH ASIAN PERSPECTIVE: GROWTH, OPPORTUNITIES, AND CHALLENGES

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### **ABSTRACT**

*Tourism has emerged as a major driver of economic growth, cultural exchange, and international cooperation. India, as the largest economy in South Asia, plays a pivotal role in shaping regional tourism trends. This paper examines the growth of India's tourism industry within a South Asian context, analyzing economic contributions, tourism circuits, policy initiatives, and sustainability concerns. A comparative study of tourism performance in SAARC nations highlights India's leadership in the sector. The paper also discusses the challenges, including environmental impact and infrastructural gaps, and presents policy recommendations for sustainable growth.*

**Keywords:** South Asia, Tourism, India, Sustainability

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### **INTRODUCTION**

Tourism has experienced rapid global expansion, becoming one of the largest industries worldwide. It is a key contributor to socio-economic development, job creation, and cross-cultural interactions. In South Asia, tourism plays an essential role in fostering regional cooperation and economic interdependence. India, with its diverse landscapes, rich heritage, and strategic policies, has emerged as a leader in the region's tourism sector.

Tourism's role extends beyond economic benefits; it fosters people-to-people diplomacy, preserves cultural heritage, and drives sustainable development. However, challenges such as environmental degradation, inadequate infrastructure, and uneven distribution of tourism benefits persist. This paper provides a comprehensive analysis of India's tourism industry within the South Asian context, exploring its strengths, challenges, and future prospects.

### **LITERATURE REVIEW**

Extensive research has been conducted on the role of tourism in economic development, particularly in developing countries. Scholars such as Ashley et al. (2001) and Sinclair & Stabler (1998) have linked tourism to foreign exchange earnings, employment generation, and regional growth. However, researchers like Lea (1988) argue that the full potential of tourism to stimulate business activity remains underexplored.



Tourism is also shaped by the presence of attractions, events, and government policies. Getz (1991) emphasizes that a thriving tourism industry requires large-scale events to attract international visitors. Additionally, policy interventions play a crucial role in ensuring that tourism remains sustainable and inclusive (Adeney & Wyatt, 2004; Lal, 2006). In South Asia, comparative studies reveal that India's tourism sector significantly outperforms its neighbors in terms of infrastructure, diversity, and global appeal. However, cross-border tourism within SAARC nations remains limited due to political and logistical constraints.

### India's Tourism Industry: Growth and Prospects

India's tourism industry has witnessed exponential growth, supported by government initiatives, improved connectivity, and digitalization. According to the World Travel & Tourism Council (WTTC, 2016), India's tourism sector contributed USD 208.9 billion to GDP, accounting for 9.6% of the total. The sector also created 40.3 million jobs, making it the second-largest employer in the country. Additionally, India experienced an 8.5% growth in tourism, the fastest among G20 nations.

**Table 1: Tourism India**

**Inbound Tourism: Foreign Tourist Arrivals (FTAs), Arrivals of Non-Resident Indians (NRIs) and International Tourist Arrivals (ITAs) 2000-2017 (till June)**

Year	FTAs in India (in million)	Percentage (%) change over previous year	NRIs arrivals in India (in million)	Percentage (%) change over the previous year	International Tourist Arrivals in India (in million)	Percentage (%) change over the previous year
2000	2.65	6.7	-	-	-	-
2001	2.54	-4.2	-	-	-	-
2002	2.38	-6	-	-	-	-
2003	2.73	14.3	-	-	-	-
2004	3.46	26.8	-	-	-	-
2005	3.92	13.3	-	-	-	-
2006	4.45	13.5	-	-	-	-
2007	5.08	14.3	-	-	-	-
2008	5.28	4	-	-	-	-
2009	5.17	-2.2	-	-	-	-
2010	5.78	11.8	-	-	-	-
2011	6.31	9.2	-	-	-	-
2012	6.58	4.3	-	-	-	-
2013	6.97	5.9	-	-	-	-
2014	7.68	10.2	5.43	-	13.11	-
2015	8.03	4.5	5.26	-3.15	13.29	1.4
2016	8.80	9.7	5.77	9.67	14.57	9.6
2017(P) (Jan-Jun)	4.89	17.2@	-	-	-	-

(P) Provisional, @ Growth rate over Jan-Jun, 2016

Source: (i) Bureau of Immigration, Govt. of India, for 2000-2016

(ii) Ministry of Tourism, Govt. of India, for Jan-June, 2017





The table presents data on inbound tourism in India from 2000 to June 2017, focusing on Foreign Tourist Arrivals (FTAs), Arrivals of Non-Resident Indians (NRIs), and International Tourist Arrivals (ITAs). FTAs in India show a steady increase over the years, rising from 2.65 million in 2000 to 8.80 million in 2016, with notable growth rates such as 26.8% in 2004 and 9.7% in 2016. However, slight declines were observed during certain years, such as in 2001 (-4.2%) and 2009 (-2.2%), likely due to global or domestic factors affecting tourism.

The data on NRI arrivals begins in 2014, with 5.43 million arrivals recorded that year. While NRI arrivals saw a small decline of -3.15% in 2015, they rebounded strongly in 2016 with a 9.67% increase, reaching 5.77 million. The inclusion of this category highlights the significant role of Indian-origin visitors in the tourism landscape. International Tourist Arrivals (ITAs), which combine FTAs and NRI arrivals, depict a consistent upward trajectory from 13.11 million in 2014 to 14.57 million in 2016, reflecting overall growth in inbound tourism. The percentage change in ITAs was modest in 2015 (1.4%) but surged to 9.6% in 2016, underscoring the sector's strong performance. Moreover, for the first half of 2017, provisional data shows FTAs at 4.89 million, marking a 17.2% increase over the same period in 2016. This indicates continued growth in India's tourism industry, bolstered by the increasing popularity of the country as a destination for foreign and non-resident Indian tourists. The accompanying bar chart further illustrates the contributions of these categories in 2014, 2015, and 2016, with ITAs consistently outpacing individual segments, reflecting their combined significance in inbound tourism.

The Indian government has launched several policies to boost tourism. The *Incredible India Campaign* has successfully promoted India's cultural and natural heritage on a global scale. Domestic tourism has been encouraged through initiatives such as *Dekho Apna Desh*. The introduction of *e-visa and visa-on-arrival* has facilitated easier access for international visitors, leading to a rise in foreign tourist arrivals. Moreover, schemes such as *Swadesh Darshan* and *PRASAD* have aimed at developing thematic tourism circuits and promoting spiritual tourism.

### **Comparative Analysis: India and SAARC Nations**

India dominates the South Asian tourism landscape, but its neighbors have also made significant progress. Sri Lanka's tourism industry has flourished post-civil war, contributing 11.4% to its GDP. Nepal, despite the setbacks of the 2015 earthquake, has a tourism GDP contribution of 7.5%. The Maldives relies heavily on tourism, with the sector accounting for



28% of its GDP. Bhutan has a controlled tourism policy that emphasizes sustainable tourism, while Bangladesh and Pakistan have yet to fully tap into their tourism potential due to infrastructure and security concerns. India's leadership in the sector is attributed to its diverse attractions, robust infrastructure, and strategic government policies.

### **Tourism Circuits in India**

India has developed a range of thematic tourism circuits to maximize its regional tourism potential. Religious tourism plays a significant role, with destinations such as Varanasi, Bodh Gaya, Ajmer, and the Golden Temple drawing millions of pilgrims annually. The historical and independence struggle circuit includes sites such as Delhi, Amritsar, Kolkata, and Port Blair, preserving India's colonial and freedom movement legacy. The royal heritage circuit covers Rajasthan, Mysore, and Travancore, highlighting the grandeur of India's former princely states.

India's geographical diversity offers opportunities for nature and adventure tourism in regions such as the Himalayas, Western Ghats, and Northeast India. Medical tourism is also on the rise, with Ayurveda in Kerala and advanced healthcare facilities in metro cities attracting foreign patients. Eco-tourism and rural tourism have been promoted in regions such as the Andaman & Nicobar Islands, Sikkim, and Spiti Valley to support local communities and promote sustainable tourism practices.

### **Economic Contributions and Challenges**

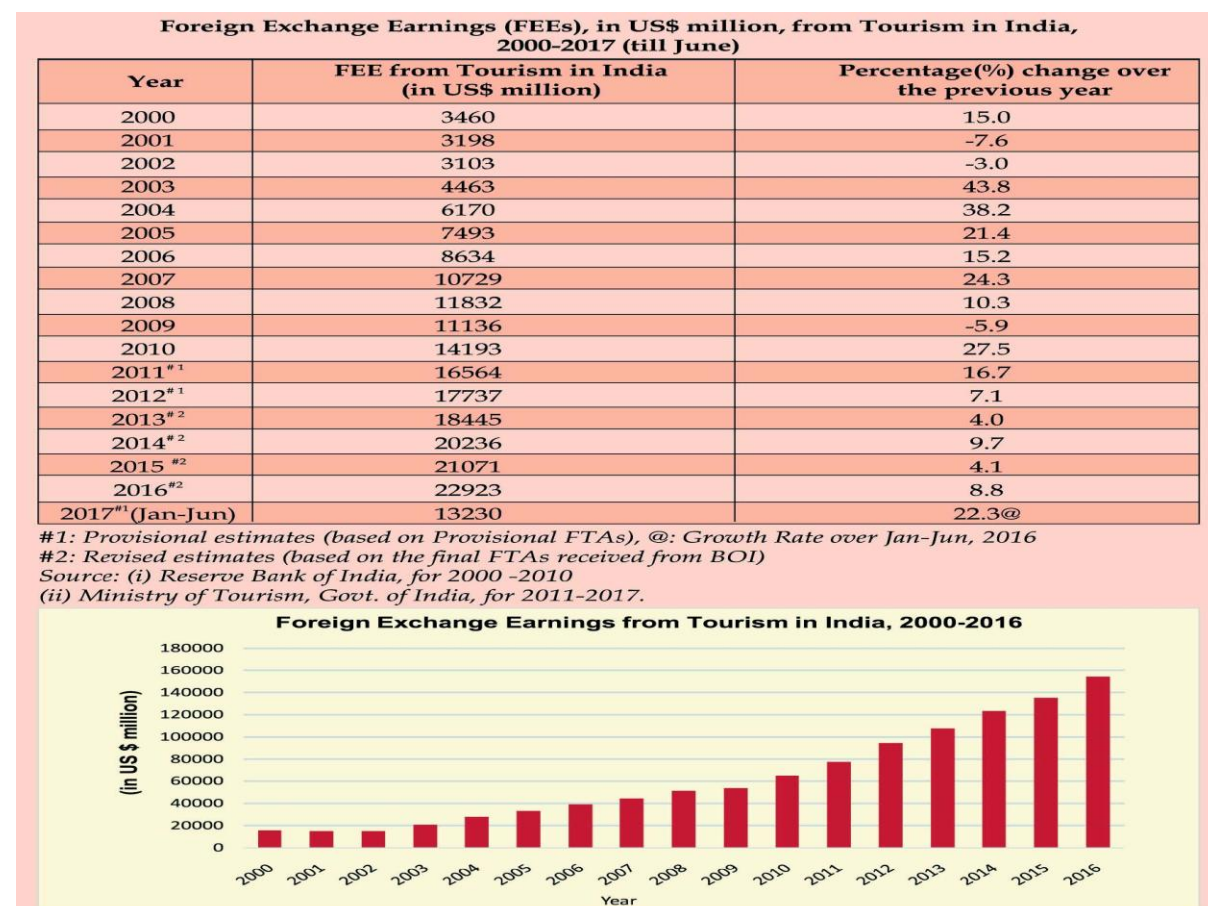
Tourism has significantly contributed to India's economic growth by boosting local economies, creating jobs, and improving infrastructure. The industry has provided an impetus to traditional handicrafts and small businesses while facilitating cultural exchange. However, challenges persist. Over-tourism has put pressure on fragile ecosystems such as the Himalayas and Andaman Islands. The lack of infrastructure in remote regions has limited the full potential of tourism. Safety and security concerns, including crimes against tourists, remain a deterrent for international visitors. Additionally, tourism in India is unevenly distributed, with certain states such as Rajasthan and Kerala receiving the majority of tourist inflows, while regions such as Northeast India remain underdeveloped.

The table 2 illustrates the foreign exchange earnings (FEEs) from tourism in India from 2000 to June 2017, measured in US\$ million, alongside the percentage change over the previous year. It highlights the consistent growth in tourism's contribution to India's economy over this period, with only a few instances of decline. From 2000 to 2016, FEEs increased



significantly from US\$ 3,460 million in 2000 to US\$ 22,923 million in 2016. Notable periods of growth include 2003 (43.8%), 2004 (38.2%), and 2010 (27.5%), reflecting favorable conditions in the tourism sector during those years. However, there were minor setbacks in 2001 (-7.6%) and 2009 (-5.9%), likely due to global economic slowdowns and other external factors. Between 2011 and 2016, the growth rate stabilized, with consistent year-over-year increases, although at a slower pace compared to the earlier years. For instance, growth was 7.1% in 2012 and 8.8% in 2016, indicating sustained but moderated expansion. Moreover, provisional data for 2017 (January to June) shows FEEs reaching US\$ 13,230 million, a robust 22.3% increase over the same period in 2016. This suggests a strong momentum in tourism earnings, reflecting increased foreign tourist arrivals and higher spending per tourist. The accompanying bar chart visually represents this steady growth trajectory, with the earnings in 2016 being more than six times the amount recorded in 2000. This growth underscores tourism's vital role in boosting India's foreign exchange reserves and its growing appeal as an international tourist destination.

**Table 2: Foreign Exchange Earnings from Tourism in India**





### **Sustainability and Environmental Concerns**

Unregulated tourism has led to environmental degradation, pollution, and loss of biodiversity. Religious tourism has contributed to river pollution, as seen in the case of the Ganges in Haridwar and Varanasi. Infrastructure expansion for tourism has resulted in deforestation in states such as Himachal Pradesh. Marine ecosystems, particularly in Goa and the Andaman Islands, face threats due to rising tourism-related pollution.

To promote sustainable tourism, eco-friendly accommodations and waste management practices need to be adopted. Regulated tourism in ecologically sensitive areas, such as controlled permits for Ladakh and Sikkim, can help preserve biodiversity. Encouraging local businesses over multinational corporations ensures that tourism benefits local communities while reducing environmental impact.

### **Policy Recommendations for Future Growth**

India's tourism sector requires strategic interventions to maintain its growth trajectory. Infrastructure development, including high-speed rail, better roads, and digital connectivity, should be prioritized. Safety measures, such as dedicated tourist police and grievance redressal mechanisms, need to be strengthened. The government should focus on international marketing and branding to attract a diverse range of tourists. Cross-border tourism within SAARC nations should be encouraged by simplifying visa regulations and promoting regional tourism cooperation. Additionally, eco-tourism policies must be implemented to ensure long-term sustainability.

### **CONCLUSION**

Tourism is a vital pillar of India's economy, contributing significantly to employment, GDP, and international diplomacy. While India leads the South Asian tourism sector, challenges such as environmental degradation, safety concerns, and regional disparities must be addressed. A sustainable and inclusive tourism model will not only enhance India's global standing but also ensure long-term economic growth. By implementing progressive policies and focusing on sustainability, India can continue to be a dominant force in the global tourism industry.

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