

# A Study of Tourism Industry in India with Special Reference to North-Eastern States: Problems and Prospects

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**Abstract:** The Indian Tourism Sector has emerged as one of the key drivers of growth of Indian Economy. India has a great heritage of the historical place like the Taj Mahal, Various Forts, Natural sites etc. It has been contributing significantly to GDP, employment and overall foreign exchange earning of the economy. North-East India has been the site of exotic beauty blessed with flora and fauna and different ethnic groups. But unfortunately NE India is the least Visited place and plays a negligible role in overall tourist arrival to the total tourist arrival in India. Thus, taking into consideration the gloomy picture that the tourism industry in North East reflects in spite of its immense potential, is essential to make a study of the factors that determine the flow of tourism in North-East and the constraints which is responsible for such situation. On the backdrop of this, the present study examines the performance of tourism industry in India and in North-East and the factors that hinders the progress of tourism industry in North-East.

**Keywords:** North-East India, Tourism Industry, Tourism Infrastructure, Tourist Inflow.

## 1. Introduction

The term Tourism literally means travel and its associated aspects. It has however presently assumed a new connotation. In present day context, it includes the totality of relationships and phenomena arising from travel and temporary stay of strangers (Bhatia, 1991). The World Tourist Organization defines a tourist as people who “travel and stay in places outside their usual environment for more than 24 hours and not more than one consecutive year for leisure”. Tourism is the largest economic sector in the world which has the potential to generate huge revenue and employment. In India, tourism is the largest service sector and it has been contributing significantly to GDP, Foreign Exchange Earnings (FEEs), overall employment and reducing poverty to a greater extent (Bora and Bora, 2005). Taking into consideration its role in poverty reduction, the govt. has adapted pro-poor tourism approach in 12th five-year plan.

The NE India covers 7.9% of the total geographical land area of the country with total area of 2.62 lakhs square kilo meter. The eight states of NE India: Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura are dotted with some beautiful snow capped mountain peaks, lush green canopies, verdant valleys, hilly streams, vast tea

garden and invaluable resources to attract a large sum of tourist. Despite having such vast potential its resources still remain largely unexplored. The overall tourist flow to the region constitute only about 0.5% of the total tourist flow to the country. The Types of Tourism found in India and North-East are as follows:

1. *Nature Based Tourism:* This includes natural resources such as areas, climate and its setting, landscape and natural environment. Natural resources are frequently the key element in a destination's attraction. Some examples are- countryside, natural beauty, flora and fauna, wild life etc. Man-made tourism: It includes pilgrimage, fair and festivals, arts and handicrafts etc.
2. *Event based tourism:* When an event is an attraction, it is an event based tourism product. Events attract tourists as spectators and also as participants in the events, sometimes for both. Kite flying in Ahmedabad attract tourists, both as spectators and participants. Site based tourism: When an attraction is place or a site, then it is called a site based tourist product. The Taj Mahal of Agra is an example.
3. *Health tourism:* Even though health tourism existed long before, it gained importance during eighteenth century. This tourism is associated with spas, places with health giving mineral waters, bathing in the hot spring etc. In Assam of NE India Garam Pani wild life sanctuary is a famous hot spring attracting tourists.
4. *Eco tourism:* Eco-tourism is a form of tourism involving visiting fragile, pristine and relatively undisturbed natural areas, intended as a low impact and often small scale alternative to standard commercial mass tourism. It means responsible travel to natural areas, intended as a low impact and often small scale alternative to standard commercial mass tourism.
5. *Rural Tourism:* Any form of tourism that showcases the rural life, art, culture and heritage at rural locations and thereby benefitting the local community economically, socially as well as enabling interactions between the tourists and locales for a more enriching

tourism experience can be termed as rural tourism. It is multifaceted and may entail farm/ agricultural tourism, cultural tourism, nature tourism, adventure tourism and eco-tourism, spiritual tourism etc.

**2. Review of literature**

Bezbaruah (1999) in his study stated that tourism is that economic sector in India that has the potential to grow at a high rate and can ensure consequential development of the infrastructure of the destination. It has the capacity to capitalize on the country’s success in the service sector and provide sustainable model of growth. But the major constraint in the expansion of international tourist traffic to India is poor visitor experience, particularly due to inadequate infrastructure, including inadequate air seat capacity, inaccessibility to tourist destination, poor accommodation and lack of trained manpower in sufficient number, unhygienic conditions and incidents of touting and harassment of tourists in some places. Moreover P.B. Barthakur (1999) in his work “Development through Tourism: North East” highlights the various tourism potential and tourist places in the north east and suggests development strategy.

Bora and Bora (2005) in their work gives a very beautiful description of entire NE region, its people, their oral histories and mythologies, their religion and culture, the fascinating arts and crafts, colourful festivals and richness of bio-diversity and wildlife. They also deal with problems and prospects of tourists in NE region and try to provide long term solutions to the problem faced by tourism industry in the region.

Malik (2014) made a study on Indian tourism industry and found that India’s rich history and its cultural and geographical diversity makes its international appeal large and diverse. It represents heritage and cultural tourism along with medical business and sports tourism. The tourism sector in India has seen a tremendous growth in the last few years. The FTA’s in India have increased from 5.58 million in 2010 to 6.58 million in 2012. Despite of the recession, the tourism industry has shown notable growth in the number of foreign tourist arrivals. India is 42nd in the world ranking as per foreign tourism arrival in India.

Mandic and Mrnjavac (2018) in their study found that Recreational facilities are an integral part of physical infrastructure which is an indispensable pillar of overall economic and tourism development. Along with hotels and other hospitality facility, they form a constituent called tourism infrastructure. Each of these elements boosts tourism development mostly by raising the attractiveness and competitiveness of a destination. Tourists expect facilities in their chosen destination to be comparable to what they enjoy at home, especially those that have become the essential element of everyday life creation.

**3. Objectives**

1. To examine the performance of tourism industry with

regard to its contribution to employment, GDP and foreign exchange earnings of India.

2. To explore the tourist spots and analyze the performance of tourism sector in NE India.
3. To identify the problem facing by tourism industry in North-East India and provide policy suggestion.

**4. Research questions**

1. Has the performance of tourism sector in India in terms of tourist flow, contribution to GDP and FEEs been improved over the past years?
2. Has the contribution of tourism sector of NE India to the Tourism sector in India been improved over the past years?

**5. Methodology**

The present study is based on secondary data which have been collected from the annual reports of Ministry of Tourism, Govt. of India, NER data bank, journals and publications of tourism in India and in NE states. Moreover, the concept of CAGR has also been made use to find the annual growth rate of domestic and foreign tourist inflow and the growth of foreign exchange earnings.

**6. Performance of tourism industry in India**

India’s tourism was ranked 7th in terms of its contribution to country’s GDP as per new report of WTTC, 2017. Moreover, it has generated \$208.9 billion in 2017 which is 7th largest in terms of absolute size. Additionally, this sector has generated 40.3 million jobs in 2017 which makes India 2nd in terms of total employment generated. This sector attracts domestic and foreign tourist in an enthusiastic way which resulted in improving well balanced economy for the nation like India. Indian tourism has been flourishing in the recent years due to improved connectivity to and from the country. The following

Table 1  
Foreign Tourist Inflow and Domestic Tourist Inflow in India (2000-2016)

Year	Foreign Tourist Arrival (in millions)	Domestic tourist Arrival (in millions)
2000	5.89	220.11
2001	5.44	236.47
2002	5.16	269.60
2003	6.71	309.04
2004	8.36	366.27
2005	9.95	392.04
2006	11.75	462.44
2007	13.27	526.70
2008	14.38	563.63
2009	14.37	668.80
2010	17.91	747.70
2011	19.5	864.53
2012	18.26	1045.05
2013	19.95	1142.53
2014	22.33	1282.80
2015	23.33	1431.97
2016	24.71	1613.55
CAGR	0.11%	0.14%

Source: Ministry of Tourism, Govt. of India

table shows the domestic and foreign tourist arrival in India. From the table it is seen that both the FTA and DTA has shown an increasing trend. The compound growth for foreign arrival however is less than that of domestic arrival.

In the table, it has been seen that there has been a continuous rise in the domestic and foreign tourist inflow in the country from the period 2000. The CAGR calculated for foreign tourist inflow being 0.11% and for domestic tourist flow, it is 0.14%. To examine the performance to a greater extent, the contribution of tourism towards GDP, FEEs and employment generation has also been made. These have been discussed in table 2.

Table 2  
Contribution of tourism industry to FEEs, GDP and employment in India (2006-2016)

Year	FEE from tourism (in US\$ million)	Contribution to GDP (billion US\$)	Employment	
			Jobs created (in lakhs)	% share in total employment
2006	8634	32.82	244.87	4.92
2007	10729	41.45	233.04	5.08
2008	11832	45.42	250.912	5.21
2009	11136	44.7	239.62	5.46
2010	14193	55.96	231.48	5.00
2011	16564	63.47	234.89	5.00
2012	17737	63.92	236.51	5.02
2013	18445	66.20	234.35	4.96
2014	20236	71.38	244.72	5.01
2015	21071	75.27	249.04	5.04
2016	22923	80.76	255.06	5.09
CAGR	0.11%	0.094%		

Source: Compiled by the author from Ministry of Tourism, Govt. of India and World Travel and Tourism Council

From the above table 2, it is seen that there has been an upsurge in the contribution of tourism towards employment, GDP and foreign Exchange earnings and overall GDP of the nation. The World Economic Forum’s travel and tourism competitiveness index (2017) shows that India had moved 12 places and now ranks 40th among 136 nations globally. Even though the tourism sector is growing at a rapid pace, it yet to achieve its full potential and India gets just 10% of the Foreign tourist that France gets (about 85 millions). However, it is expected that the tourism sectors contribution to the country’s GDP will grow at the rate of 7.85% per annum in the period 2015-2023 and international tourist arrival to India to reach 30.5 million by 2028 (World Tourist Organization). Moreover, even though India has earned revenue about 23000 million 2016, a significant hike from 8634 million in 2006, its picture is dismal if compare it with US which has earned about 204500 million in 2016-17. This is because of the poor small tourist arrival in India in comparison to other countries such France and US. The following table reflects the percentage share of top 10 countries in international tourist arrival.

As can be seen the table, India accounts for only 1.2% of the total tourist arrival in the world. The probable problems may be the cumbersome visa regulations, bad travel infrastructure, collapsing law and enforcement system and concerns about women’s safety etc. It is because of these reasons probably,

Table 3  
Share of top 10 countries of the world and India in international tourist arrival in 2016

Rank	Country	Percentage Share
1	France	6.7
2	USA	6.1
3	Spain	4.8
4	China	4.2
5	Italy	2.9
6	UK	2.9
7	Germany	2.8
8	Mexico	2.6
9	Thailand	2.5
10	Turkey	1.6
	India	1.2
	Others	57.2
	World	100

Source: India Tourism Statistics, 2017

India ranks poorly on the WEF’s index despite having tremendous potential. Recognizing the potential of tourism, the govt. of India has been making effort to provide stimulus to the development of the industry. The total expenditure on tourism industry has increased from 550 Cr. In 10th five-year plan to 3864 Cr in 11th five-year plan. A total amount of about 4000 Cr which has been allocated in the 12th five-year plan how ever has not been realized. The NITI Ayog, the govt. think tank however having a serious look in to that issue unveiled a comprehensive national strategy called New India which has been an effort towards that direction. Moreover, it suggested it suggested that conservation and development of all heritage sites should be undertaken and completed through either govt. funding or through NGOs/ Corporate Social Responsibility (CSR) activities. However, it has also suggested that new destinations can be developed around the metros using the PPP model. Moreover, improving flight connectivity to tourist destinations through the timely implementation of the Ministry of Civil Aviation’s Regional Connectivity Scheme UDAN (RCS-UDAN) has also found due importance.

### 7. Tourism in NE India

The NE India is blessed with natural beauty and regarded as the centre of one of the richest bio-geographic areas. It has a

Table 4  
Tourism in NE India

States	Major tourist Places
Arunachal Pradesh	Tawang, Dirang, Bomdila, Miao, Namdapha, Parashuram Kund, Khnosa, Roing, Malinithan, Pasighat
Assam	Kamakhya temple, Umananda, Basisth Ashram, State zoo, State museum, Sukreshwar Temple etc in Guwahati, KNP, Manas, Orang, Sibasagar, , Tezpur, Hajo, Bogibeel, Dhala-Sadiya bridge
Manipur	Imphal, Bishnupur, Loktak lake, sirori Hills, Keibul, Lamjao National Park
Meghalaya	Shillong, Cherapunji, Dawki etc.
Mizoram	Aizwal, Champai, Tamdil, Thenzawl etc.
Nagaland	Dzukou Valley, Dzilekie, Japfu peak, Tseminyu, Longkhum, Ungma Veda Peak, Shilloi LakeMount tostu etc.
Sikkim	Gangtok, Bakhim, Yamthang, Dubdi, Dzungri, Varsey, Tashiding etc.
Tripura	Agartala, old Agartala, Tripua Sundari Temple etc.

Source: NER data bank

Table 5  
State wise number of Domestic Tourists visit in NE states (2006-2016)

State	2006	2008	2010	2012	2014	2016
Arunachal Pradesh	80137	149292	227857	132243	335974	385875
Assam	2467652	3617306	4050924	4511407	4826702	5160599
Manipur	94299	112151	114062	134541	115499	150638
Meghalaya	375901	549936	652756	680254	716469	830887
Mizoram	44715	55924	57292	64249	68203	67238
Nagaland	17470	21129	21094	35915	58507	58178
Sikkim	251744	460564	700011	558538	562418	747343
Tripura	216330	245438	342273	361786	361247	370618

Source: India Tourism Statistics 2017

Table 6  
State wise number of Foreign Tourist visit in NE states (2006-2016)

States	2006	2008	2010	2012	2014	2016
Arunachal Pradesh	607	3020	3395	5135	5204	6598
Assam	10374	14426	15157	17543	21537	12685
Manipur	295	354	389	749	2769	3064
Meghalaya	4287	4919	4177	5313	8664	8476
Mizoram	436	902	731	744	836	942
Nagaland	1002	1209	1132	2489	3679	3260
Sikkim	3245	19154	20757	26489	49175	66012
Tripura	18026	3577	5212	7840	26688	36780

Source: India Tourism Statistics 2017

Table 7  
Tourist arrival in NE as percentage of total tourist arrival in India

Years	Tourist flow to NER as a percentage of all India tourist flow	
	DTA	FTA
2006	0.96%	0.34%
2007	0.89%	0.32%
2008	0.92%	0.34%
2009	0.86%	0.33%
2010	0.82%	0.28%
2011	0.74%	0.30%
2012	0.62%	0.36%
2013	0.58%	0.43%
2014	0.55%	0.52%
2015	0.54%	0.51%
2016	0.48%	0.56%

Source: Compiled by the author from India Tourism Statistics, 2017

rich cultural and ethnic heritage that can make it an attractive tourist spot. Some of the major tourist spot in NE India includes the following as shown in Table 4.

Apart from these exotic tourist Places, North East India has been a place for many communities, faiths and culture for ages. There are about 170 tribes speaking different dialects. Some groups have migrated over the centuries from places as far as South-East Asian region. They have their own cultural tradition, however they adapted contemporary lifestyles. The North-East India is a mosaic of tradition and cultural pattern, represented by fairs and festivals which form an essential aspect of socio-cultural life with a colourful reflection of the people and their lives in the region. Despite of that, the region encountered a very low growth. The following table shows the DTA and FTA inflow in NE India.

In the table it is seen that in all the years Assam has highest domestic tourist inflow followed by Tripura and Sikkim. The Following table shows the Foreign Tourist inflow in the NE states of India.

Even though the domestic and foreign tourist flow in NER

has been increasing, its contribution to India's total tourist has been going down. In the table it is seen. This is shown in the following table 7.

The NER comprises only about 0.5% of the total tourist arrival in India and this picture has really been discouraging. If we compare it with the most developed state of India Viz. Tamil Nadu, the state with the highest tourist inflow in year 2014-16, the picture of the NER as whole is quite dismal since Tamil Nadu itself contributes about 22% to total tourist flow in the country. There are numerous problems behind these figures but the most important among them are the status of tourism related infrastructure of these states. The Govt. of India has attached great importance to the development of the North-East and of tourist infrastructure in the North Eastern region in view of its immense tourist potential. Keeping in view the regional distinctiveness of the states of the North-East and need for the betterment of the socio-economic condition of the region, the North-Eastern council (NEC) was set up in 1972 to act as an advisory body. For undertaking development work, the DONER ministry was established in the year 2001. The Act-



East policy (formerly Look-East Policy), which is an effort towards Indo- South Asia strategic tie up has been giving more importance on infrastructure development of the NE India. Despite of that, the infrastructure in NE is poor and thereby hindering the growth of Tourism.

#### 8. Problems facing by tourism industry in north east India

1. The most significant problem the tourism industry is facing in NE is lack of infrastructural facilities. Infrastructural facilities whether it is social or economic shows a very gloomy picture. Generally, infrastructure is regarded as a pool factor to attract tourists. But the pool factor itself is faulty and thus could not able to generate adequate tourist flow.
2. The NE Region of India is connected to the rest of the country by a narrow corridor which is also called chicken's neck. The strategic location of the country is also a challenge to the tourism sector of the region.
3. The faulty attitude of both central and the state govt. towards the region is another challenge.
4. The region is affected by cross border tension which also affects significantly the tourism sector to grow.
5. Moreover, there is absence of co-genial atmosphere to attract the tourist and such many other factors.

#### 9. Policy measures to improve the scenario

In order to restore peace and political stability in the area, a strong political will is of excessive in need including political dialogue with the various insurgent groups working in NE India should be made to redress their grievances within the framework of Indian constitution in a democratic manner. Huge expenditure is required to be made to remove the infrastructure bottlenecks and geographical isolation of the region. Though air connectivity has still remained backward, the airport at Pakyong will further make reaching the northern part of state and NE easier. However, the medical facilities are still not adequate. To provide adequate health facilities along with other infrastructure, Public-Private-Partnership is required to be tapped on. However, tourism is expected to grow by 10-12% by the year 2020.

1. A welcome development is that the digital mode of promoting tourism is growing in North-East. At Make My Trip (MMT), there has been more than 100% growth of the travellers opting for the North-East destination such Assam, Arunachal Pradesh, Sikkim etc. The MMT platform has witnessed 30% growth in travel bookings to Gangtok and 120% to Meghalaya.
2. In order to attract foreign investors and tourists, a friendly atmosphere is required to be maintained. International and national confidence is to be restored

to attract tourists.

3. In order to develop tourism industry in the region, the local people should be conscious. They should voluntarily come up and prevent the terrorist from doing anti-terrorist activity.
4. Proper tourism development policy is the need of the hour. Awesome Assam is a positive step in this direction.

#### 10. Conclusion

Tourism is an important catalyst in the socio economic development in the modern times, contributing in multiple ways and strengthen an economy which suffer from adverse BOP situations, high degree of social backwardness besides other environmental problem. In case of India even though the performance of India in the tourism sector has improved over the years, its performance is not good in comparison to countries like France and USA. Thus globally, it is still far behind the other developed countries regarding tourist inflow and revenue earning from tourism. Moreover, the NE India shows a poor picture of tourist inflow in comparison to India. One of the reasons for this is poor infrastructural facilities. However, an honest and strong will of the government coupled with people's active co-operation will definitely boost up tourism industry in NE India.

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