

## Tourism Industry of the World – A Reflection

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### ABSTRACT

Every Human being has the craving for Traveling and seeing new places around the world. The places less known attract the most to tourists and travelers. Tourism is as old as the existence of Human civilization itself; tourism has become an important medium of economic development in many countries of the world. Tourism is one the sector of the economy which seeks minimum investments as compared to the other sectors of the economy of any nation. There are several counties in the world today who are totally depended on the tourism and the revenue generated by the tourist during their visit to their country. If we take the examples of Malaysia, Hongkong, and Singapore, we will see that these countries and many more are totally or largely depended on the tourism. Tourism is important, and in some cases, vital for many countries. The present scenario has made tourism sector most evident and important contributor in economies of various nations in the world including India and other developing nations. As per latest report on “Travel and Tourism” published by “World Travel and Tourism Council” in year 2014; “tourism sector has become one of the most important contribution in world economy, and the sector is all set to grow with fast pace than ever, the growth is more in Asia pacific Region and African continent (Primarily in developing and least developed nations of the world.)”. Tourism was recognized in the Manila Declaration on World Tourism of 1980 as "An activity essential to the life of nations because of its direct effects on the social, cultural, educational, and economic sectors of national societies and on their international relations." Tourism brings in large amounts of income in payment for services available, accounting for 30% of the world's exports of services, and 6% of overall exports of goods and services. It also creates opportunities for employment in the service sector of the economy, associated with tourism. These service industries include transportation, such as airlines, cruise ships, and taxicabs; hospitality, such as accommodations, including hotels and resorts; and entertainment venues, such as parks, casinos, shopping malls, music venues, and theatres. India is not an exception in the tourism sector. Historical evidence has indicated that India had been visited by the foreign tourist centuries ago. Before getting into the deep of Indian tourism, let's see and try to understand the phenomena of “tourism”. Tourism is travel for recreational, leisure, or business purposes.

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### I. INTRODUCTION:

The World Tourism Organization defines tourists as people "traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes" Persons whose duration of visit is less than 24 hours are called“ Same Day Tourists” or “Excursionists”. India also follows the same definition of the tourist, as against the

recommendation of collecting the data on international arrivals. Domestic tourist is defined as a person who travels within the country to a place other than his usual environment for duration of not less than 24 hours and for not more than 12 months at a time for any purpose other than taking up employment. The leading body of international tourism known as UNWTO (World Tourism Organization) defined the individual status of the nation in terms of tourism and number of tourists visiting the nation, among them India falls at the 9<sup>th</sup> position in south East Asian nations, but in terms of global ranking India does not stand in the top 15. But the story is not as bad as it looks; Indian government and almost all the state governments are working very hard on increasing the number of tourists. India has the long list of natural and manmade tourist attractions spreaded all over the nation. Indian culture and society is very much respected all over the world. The spirituality and religious parameters are also in favor of India in terms of attracting tourists. Though the developed nations such as USA and UK, Germany and other European nations such as France and Belgium get the maximum percentage of Global tourist walking, but nations from Asia, Africa and Latin American continents are also attracting the global tourists to their countries. According to UNWTO (World Tourist Organization) Out of worlds 10 global tourist's destinations 4 falls in developing nations of Asia, Africa and Latin America, other destinations include European nations. After a negative growth of 4.2% in international tourist arrivals in 2009, world tourism recovered in 2010 with an impressive growth rate of 6.7%. Global tourism continues to consolidate the 2010 recovery, despite the recent developments in the Middle East and North Africa as well as the tragic events in Japan. However, the impact of these events on tourism is expected to be limited to the destinations directly involved. UNWTO's growth forecast for international tourist arrivals in 2011 is between 4 to 5%. Robust growth in tourism is likely to continue in the coming years also. UNWTO forecasted over one billion arrivals in 2012-13 which was touched too, it is further expected to grow Worldwide, and long-distance travel is likely to grow faster (5.4% each year) than travel within regions (3.8%). Year 2014 looks to be an even more promising year for the Travel & Tourism sector as growth picks up across the wider global economy, led by falling unemployment and stronger consumer spending. The sector's contribution to World GDP is expected to grow by 4.3% this year, up from 3% in 2013 and international growth is once again forecast to beat domestic growth in the world, all the countries specially countries from least developed areas of the world are expected to take a fair share of this growth saga in years to come. As per report titled "Economic Impact of Travel & Tourism 2014 Annual Update: Summary" Published by World Travel and Tourism Council it is underlined that In 2013, Travel & Tourism growth is set to outpace growth in the wider economy

in 2014 (4.3% vs 2.8%) and all but four of the G20 countries are expected to have growth from Travel & Tourism that exceeds that of the economy as a whole. We also expect that Travel & Tourism growth will remain ahead of other significant industries.

## II. TOURISM DEFINED

Tourism has been defined by different experts during the time right from ancient to modern time the definitions has changed but the core of the meaning of tourism remained the same. In the language of Jews (Hebrew) Tour has derived from the word “Torah” it means Study and Search. In Sanskrit “Prayatan” (Tourism) Means leaving one’s residence for travel for the sake of Rest and for seeking knowledge. Sanskrit Language has two more words for Tourism Deshatan and Tirthatan Meaning Traveling for Business or economic benefits and for Religious purposes respectively. Tourism is a temporary activity when a residential/non residential decides to undertake a visit outside his/her usual environment that involves an overnight stay. The process of tourism stops when the person returns to his/her original place of residence. Tourism is a social and economic element which is essentially related to the movement of people to places outside of their normal residence locations, Enjoyment, leisure and relaxation play an important motivator in such movement of persons from their usual place of stay. Tourism is a very complex phenomenon at the same time, since some of the conditions make tourism what it is. A loose meaning could be derived from this above stated definition of tourism that “Any movement of persons from their residence to a location outside for site seeing, relaxing, holidaying, recreation or general visitation. This Location of visitation could be far or near depending upon choice of the person traveling for such purposes”

- Another definition by IASET and Tourism Society of Cardiff coined in 1981 is as follows- “Tourism may be defined in terms of particular activities selected by choice and undertaken outside the home environment. Tourism may or may not involve overnight stay away from home”
- According to Tourism Society in Britain- “Tourism is the temporary short term movement of people to destination outside the place they normally live and work and their activities during the stay at their destination, includes movement for all purposes, as well as day visit or excursion”
- In 1936, the League of Nations defined Tourism as "someone traveling abroad for at least twenty-four hours". Its successor, the United Nations, amended this definition in 1945, by including a maximum stay of six months.

- Wikipedia Defined tourism as-“The act of travel for the purpose of recreation and business, and the provision of services for this act”

### **III. TOURISM- ECONOMIC AND SOCIO PHENOMENON**

It has seen that tourism has re-written the history of economic development in the world by helping out economy of the countries in growing with minimum efforts and capital Investments made by government and private players alike, along with that preserving the very culture and existence of country in same way as it was before and building the brand of the countries while attracting more and more tourists in the country. Over the decades, tourism has experienced continued growth and deepening on diversification to become one economic sectors for growing the fastest economic sector in world . Modern tourism is closely linked to development and encompasses growing number of new destinations. There is less than no doubt in any person’s mind in accepting tourism as key economic and GDP Contributor in the world. As a result of excess tourism related activities, various countries in the world have grown from least developed to developed and developed countries have developed further well. These dynamics have turned tourism into a key driver for socio -economic progress . Today, the business volume of tourism equals or even surpasses that of oil exports , food products or automobiles . Tourism has become one of the major players in international commerce, and represents at the same time one of the main income sources for many developing countries. This growth goes hand in hand with a increasing competition among destinations.

### **IV. TOURISM IN INDIA**

Tourism is the largest service industry in India Contributes 6% to the national GDP as opposed to world average of 9%, and tourism Generates 9% of employment in the Country, equivalent to the world average. Tourism is one economic sector in India that has the potential to grow at a high rate and ensure consequential development of the infrastructure at the destinations. Tourism in India is a large industry. The World Travel and Tourism Council calculated that tourism generated \$121 billion or 6.4% of the nation's GDP in 2012. It has the capacity to capitalize on the country’s success in the services sector and provide sustainable models of growth. In India, the travel and tourism sector is estimated to create 78 jobs per million rupees of investment compared to 45 jobs in the manufacturing sector for similar investment. Along with construction, it is one of the largest sectors of service industry in India. Apart from providing employment to a wide spectrum of job seekers from the unskilled to the specialized, a higher proportion of tourism benefits (jobs, petty trade opportunities) accrue to women. In India Tourism has the potential to

stimulate other economic factors through its forward and backward linkages with a host of sectors like agriculture, manufacturing, transport, hospitality, education, health, banking, etc. Expenditure on tourism induces a chain of transactions requiring supply of goods and services from these related sectors. The consumption demand, emanating from tourist expenditure also creates more employment and generates a multiplier effect on the economy. For India it is felt that the travel and tourism sector holds strategic importance in the Indian economy as it is providing several socio economic benefits to the country and several states of India like Rajasthan, Kerela, and Gujarat etc. Tourism in India is valued more for its multiplier impact on various segment of economy like provision of employment, income and foreign exchange, development or expansion of other industries such as agriculture, hospitality, transportation construction, infrastructure development, handicrafts and so on are some of the important economic benefits provided by the tourism sector in India at this point of time. The most important part of tourism is the feature of “Inclusiveness” by nature In addition; tourism also helps in mobilizing investments in infrastructural facilities such as transportation, accommodation and other tourism related services lead to an overall development of infrastructure in the economy. According to the World Economic Forum’s Travel and Tourism Competitiveness Report 2013, India ranks 11th in the Asia pacific region and 65th globally out of 140 economies ranked on travel and tourism Competitiveness Index. India has been witnessing steady growth in its travel and tourism sector over the past few years. Total tourist visits have increased at a rate of 16.3 per cent per annum from 577 million tourists in 2008 to 1057 million tourists in 2012, the figure rose in year 2013 as India welcomed 6.97 Million Tourists in country and earning unbelievably 107671 Crore (18.44 Billion US \$) Rupees as revenue in year 2013, which is 14% more than revenues received in 2012 (In terms of Rupees). As a result, additional incomes and employment opportunities are generated through such linkages. Thus, the expansion of the tourism sector can lead to large scale employment generation and poverty alleviation. The economic benefits that flow into the economy through growth of tourism in form of increased national and State revenues, business receipts, employment, wages and salary income, buoyancy in Central, State and local tax receipts can contribute towards overall socio-economic improvement and accelerated growth of the economy. India needs to tap reap the full potential of a vibrant tourism sector. The growth of inbound tourism in India has been better than the world. India registered a compounded annual growth rate (CAGR) of 9.1% during 2001 to2010 as against 3.6% for the world during the same period. UNWTO has forecast that the Travel & Tourism Industry in India will grow by 8% per annum, in real terms, between 2008 and 2016. Foreign exchange earnings from tourism could

show annualized growth of 14% during the same period. Apart from that Indian tourism plays an important role in social and economic development as well as in the infrastructure development and modernization. Indian airports are well connected with the leading international airports; governments of various states are also funding their State Tourism Development Board/Councils/Corporations for the systematic and high growth in international and national tourists. The Ministry of Tourism designs national policies for the development and promotion of tourism. In the process, the Ministry consults and Collaborates with other stakeholders in the sector including various Central Ministries/agencies, state governments, Union Territories and the representatives of the private sector. Concerted efforts are being made to promote new forms of tourism such as rural, cruise, medical and eco-tourism. The Ministry also maintains the Incredible India campaign. India's rich history and its cultural and geographical diversity make its international tourism appeal large and diverse. It presents heritage and cultural tourism along with medical, business and sports tourism. India has several sites as world heritage sites both manmade and natural, this also attracts large amount of international tourists. The most important thing about the tourism pattern in India is that Indian tourist destinations are equally spread in urban and rural areas which plays a crucial role in the development of that particular area, so that large number of tourists can be attracted to that particular destination.

## V. GLOBAL TOURISM- A REFLACTION

No question on the acceptance of the fact that Tourism has become an international economic activity in last 20 years. Now tourists are travelling to distance places to take a taste of natural and cultural life. Especially in less travelled and discovered sites in countries like India, Vietnam, China and Gulf region of Asia as well as Natural sites of African continent particularly Kenya and South Africa. The travel and tourism industry has emerged as the largest and fastest growing economic sector of the world; this trend is beneficial for both the traveler and the countries which are being visited. Nations have made their policies of International passenger arrival more liberal than ever to reap the benefits of growing tourists' arrival in their country. For example India has arranged *Visa on Arrival* system for major countries recently in 2013. Same goes with china; it liberalized its century long imposition on International travelers. The WTTC (World Travel and Tourism Council) report projects that \*<sup>4</sup> by 2016 the total travel and tourism activity is expected to post a total demand of economic activity of US \$12,118 billion. The world travel and tourism is expected to contribute US \$29, 69.4 billion in nominal terms (3.6% of total) by the year 2016. Further the reports says that Travel and tourism is expected to create 9% of total employment or one in every 11.1 jobs in is expected to get capital investment in both public and private sector by

US \$2,059.8 billion or 9.6% of the total global investment. The journey of international travel and tourism sector is going to be very strong and important one in years to come, recent studies and researches have shown that without any discrimination. A Detailed report Published by KPMG and CII together in December 2013, with association of Ministry of Tourism Govt. of India says that “According to United nations world tourism organization (UNWTO) tourism highlights 2013, Tourism’s total contribution to worldwide GDP is estimated 9%” the report further reveals that “Tourism exports in 2012 amounted to US \$ 1.3 Trillion accounting 6% of world’s total exports” The interesting fact remains in this growth saga is Emerging markets are gaining prominence with old traditional markets of world travel and tourism sector. Particularly mention of Asia Pacific is made in Tourism highlights of UNWTO 2013 it says that “this region of the world has recorded the highest growth in international tourist arrival in 2012 at 7% followed by another emerging market Africa 6% the report made future expectations as well with international travel and tourism sector as per the projections-

- *International tourists are set to increase at a growth rate of 3.3% Per Annam, closely 1.4 billion by 2020 and 1.8 billion by 2030. It shows that 43 million international tourists arrival increases each year.*
- *Interestingly the growth in traditional tourist markets during this period of times remains at 2.2% in Europe and 2.5% in America, annually till 2030. At the same time the emerging economies are expected to rise with the rate of 5.7% (Africa Region) and 5.0% (Asia Pacific Region)*
- *International Travel and tourism sector will face the following Changes*
  - a) *Increase travel by air.*
  - b) *Purpose of visit would be like visiting friends and family, health, religion etc are expected to grow faster than business and professional purposes.*

*The report clearly underlines the growth of emerging destinations in Asia pacific and Africa as mentioned earlier. Also the reasons and mode of travel is also clearly to be changed in years to come so reap full benefit from this equation these regions have to work on their air travel facility, real challenge for these regions is to establish a reliable and world class facility of comfort and connectivity and security. Other than that opening new and hidden sites could also increase the estimated figure for these regions. As far as traditional destinations of Europe and America are concerned, the rate is estimated less then emerging regions, but they are still growing with a promising rate. As far as they are concerned they must focus on costing security*

*concerns of their tourist circuit, especially to attract tourist from developing regions. Such steps can ensure an increase in tourist arrival in traditional destinations.*

## VI. INTERNATIONAL TOURIST ARRIVALS

The arrival of International tourists is a very important event for the economies that are relying on the tourism for their internal economic growth. The very interesting thing to be remembered is the impact of 9/11 attracts was worst on few sectors, Tourism was certainly one of them. As the tourism got negatively affected so other allied sector such as Aviation and Accommodation too. It was something which has taken tourism sector year to recover. The recovery was hit again hard with global meltdown which began in year 2008. It is considered by most of the economist worst than the GREAT DEPRESSION of 1930s. Despite of these two hurdles, Global tourism sector is growing with as decent rate (Not as expected by experts) but the story is not sad. The figures furnished by World Travel and Tourism Council in a Report Titled “Travel and Tourism Economic Impact- World; 2014” clearly show the growth of international Tourist arrivals in the world. As mentioned in this report the most benefitted regions from these International movements of Tourist would be South East Asia Region and Asia Pacific Region along with Less Developed countries of Africa and Latin American countries. The figure further shows that the currently in 2013, number of International Tourist arrival is 1087 Million which is quite high then the previous number 1035 Million (in year 2012). The International Tourist arrival has got almost doubled from year 2000 to 2013. In year 2000 the number of International Tourist arrival was 677 Million only, which has grown to 1087 Million in year 2013.

In year 2012 the global tourist arrival crossed the ONEBILLION MARK for the first time, that year recorded 1035 million tourists, as against of 995 Million tourists in year 2011

**TABLE 1: INTERNATIONAL TOURIST ARRIVALS**

Year	International Tourist Arrival (in millions)	Real Growth
2000	677	3.44
2001	678	0.14
2002	698	2.94
2003	689	10.3
2004	760	6.18
2005	807	5.45
2006	851	7.05

2007	911	1.97
2008	929	3.76
2009	894	6.04
2010	948	4.95
2011	995	4.02
2012	1035	5.02
2013	1087	4.78
2014	1137*	4.50

*Source- WTTC Report on Travel and Economic Impact 2013 World*

Today as per estimations Global Travel and tourism industry employs 260 million people or 8.7% of total employment (which include 100 million directly employed in the sector). It shows the immense size of international travel and tourism sector's size in both in terms of GDP contribution and job creation. It is better for all the countries to increase the basic infrastructure and policy frame work to include more and more tourist in their country, as seen it is better from all possible point of views from job creation to image building to preservation of historical sites and maintenance of these sites and increase revenue for the nation. Thus improving the living standards of country.

## **VII. CONTRIBUTION OF TOURISM IN GLOBAL GDP**

The direct contribution of Travel & Tourism to GDP was USD2, 155.4bn (2.9% of total GDP) in2013, and is forecast to rise by 4.3% in 2014, and to rise by 4.2% pa, from 2014-2024, toUSD3, 379.3bn (3.1% of total GDP) in 2024. The sector has contributed indirectly as well in the global GDP of the world by facilitating allied sector as well such as Accommodation and Aviation. The table as furnished by WTTC in one of its report in year 2014 clearly underlines the importance tourism sector as one of the biggest contribution in global GDP of the world. As the figures suggest that the contribution in the Global GDP is constantly rising and direct and indirect contribution is increasing as this fact is evident from the table above. If we say that tourism sector is a sector which contributes to the economy of the world in multifold, the table justifies that statement. As we can make out that the total contribution in Year 2013 of tourism sector stood at US \$ 2155.40 Billion. This is 4.7% higher than the contribution made by the sector in year 2012 as the contribution was US \$2057 Billion in year 2012. The sector contributed indirectly 6990.30 Billion US Dollars in year 2013 which is 4835 Billion more than the direct contribution for the same period. As the table suggests the difference between the direct and indirect contribution of Tourism sector to the global GDP is quite wide. But the difference hardly matters, as long as it is

contributing to the economy of the world. What really makes all this contribution calculation more interesting is the majority of contribution comes from less developed nation as compared to developed nations. The same is applicable to the revenues which are generated from tourism sector.

### **VIII. CAPITAL INVESTMENT IN TOURISM SECTOR**

Travel & Tourism investment in 2013 received the total investment of 813.1 Billion US Dollars which was 4.7% total investments made that year. The investment is expected to rise in year 2014 to 875.8 Billion US Dollars, which shall be 4.7% of total investments, would be made in year 2014. The investment in global tourism sector is expected to increase to 1938.40 Billion US Dollar by 2024 that would be 4.90% of total investment of 2024. The investment may rise as well. With the growth in International Tourist Arrivals and its contribution in Global GDP and increasing receipts may encourage investors to invest in tourism sector more than anticipated in years to come. But investor is looking for profits only and the sector is all capable of doing so. Since Year 2000 the capital investment in tourism sector is on the rise only, it shows the strong believe the investor has on tourism sector. Even during the global recession tourism sector was among very few sector which received capital investment from all over the world. The investment in tourism sector includes direct and indirect investment in tourism related industry and allied industry by both government and private players.

**TABLE 1.2: TOTAL CAPITAL INVESTMENTS IN TOURISM SECTOR**

<b>Year</b>	<b>Investment in US \$ (Billion)</b>	<b>% of Total Investment</b>
2000	297.6	4.1
2001	308.0	4.4
2002	297.9	4.2
2003	317.8	4.0
2004	410.8	4.5
2005	482.0	4.8
2006	545.2	4.9
2007	641.0	5.0
2008	737.6	5.2

2009	641.0	5.0
2010	674.5	4.8
2011	750.7	4.7
2012	764.9	4.7
2013	813.1	4.7
2014	875.8	4.7

*Source- WTTC Report 2014*

### **IX. TOURISM SECTOR AND EMPLOYMENT**

Every sector is considered to be very important from economic and social point of view if and only if grows with a job growth not with jobless growth. Tourism is one of the most important sectors in the economy which has the capacity to provide employment in various dimensions possible. The real socio-economic advantage of any Industry or sector is measured with its capacity to provide jobs in the area it is functioning and apart from that how many jobs and employment it can support indirect manner too is very vital in understanding the importance any sector.

**TABLE 1.3: TOURISM SECTOR AND EMPLOYMENT**

<b>Year</b>	<b>No. of Jobs</b>	<b>Share of Total Employment (In %)</b>
2000	178395.00	9.50
2001	195343.00	9.50
2002	213901.00	9.50
2003	234222.00	9.50
2004	256473.00	9.50
2005	258476.00	9.50
2006	266950.00	9.60
2007	274312.00	9.70
2008	264190.00	9.20
2009	256076.00	8.90
2010	253000.00	8.60

2011	257348.00	8.70
2012	261394.00	8.70
2013	265855.00	8.70
2014	272417.00	8.80

*Source - Employment in Tourism Sector as a Share of Total Employment; Source WTTC Report 2014*

The tourism sector has been very unique in this regard of providing jobs to people. The quite unique feature of job creation in tourism sector is it does not need any kind of special quality to get into the sector. As per the report of World Travel and Tourism Council in 2014, estimations and real time figures are given which has been rendered by Tourism and allied sector. The following figures are in totality, it includes direct jobs by tourism sector as well as indirect jobs rendered by any sector related tourism sector. In 2013 the total contribution of Travel and tourism to employment including jobs indirectly supported by the industry, was 8.9% of total employment (265,855,000 jobs). This is expected to rise by 2.5% in 2014 to 272,417,000 jobs and rise by 2.4% pa to 346,901,000 jobs in 2024(10.2% of total). As the table above shows that the employment generation rate of tourism sector is close to 9% per annum. But due to global recession which took place in year 2008, the total employment in number got reduced to only 8.90% of total jobs in year 2009 as compared to 9.20% in year 2008. After 2011 till 2013 job creation rate of tourism sector has been constant 8.70%, which is expected to grow with 8.80% year 2014 to total 272417 jobs in numbers. These figures might be changed as per changes in total Tourism infrastructure in year to come.

**X. IMPACT OF TOURISM**



Tourism is one of the most important sectors of any country's Economy, as it contributes multifold in the well being of economies of the world around. Some of the cases have been where tourism has played a decisive role in shaping the size and strength of the country in terms of social and cultural enhancements. Without any doubt tourism like any other economic and social activity has strong bearings on the various

dimensions of the country. In simple terms tourism and allied sector have strong and substantial impacts upon various sectors and areas of a country. In the age of globalization, the impact of

tourism is not confined to a single country, as we seen in past that any international event has direct bearing upon tourism (As we seen in the case of 9/11).Further we can summarize that tourism impacts to various section subsection and areas of a country. Some of the cases have shown that tourism might be impactful to one area rather than other, depending upon orientation of tourism towards all areas (More orientation would lead to more impact). Tourism has been accepted slowly as an effective tool of changing social, economic, cultural, environmental equations in a nations and to world altogether. No country can close its eyes towards the tourism and its negative and positive impacts on them. The obvious impacts what tourism has on nations can be creation of jobs at all levels, establishment of allied services providing enterprises, infrastructure development, foreign exchange earnings, branding of country towards positivity in the minds of others, improving the life styles and standards of living of people through tourism is so clear. Various studies made by international institutes and governments time to time along with experience have made one thing clear that tourism and allied sectors have revived world economy and continuing to do so even today and expected to do so in future as well (Referred to Travel and tourism- economic impact-2014, WTTC)The meaning of impact of tourism can be termed as “sum of total effects what tourism and tourism related activity have on the functioning of a country directly and indirectly both with positive and negative shades.” The important aspect of such impacts is they are multidimensionnel. From the point of view of ease the Tourism impacts can be categorized into three: *economic, socio-cultural and environmental* each to studied and understood in different yet in a closed cluster with direct bearing on country’s well being. The most interesting and must remembered fact regarding impact of tourism is It can be positive (beneficial) or negative (detrimental).

#### **A) Economic Impacts of Tourism-**

- Contributes to income and standard of living
- Improves local economy
- Increases employment opportunities
- Improves investment, development, and infrastructure spending
- Increases tax revenues
- Improves public utilities infrastructure
- Improves transport infrastructure
- Increases opportunities for shopping
- Economic impact (direct, indirect, induced spending) is widespread in the Community
- Creates new business opportunities

- Foreign exchange earnings
- Balance of payment / trade account balance
- Stimulation of investment

#### **B) Tourism and Its Socio-Cultural Impacts**

- Preservation and restoration of cultural heritage
- Revival of traditional arts and crafts
- Cultivation of cultural pride and sense of identity
- Cross-cultural exchange
- Improves quality of life
- Facilitates meeting visitors (educational experience)
- Positive changes in values and customs
- Promotes cultural exchange
- Improves understanding of different communities
- Preserves cultural identity of host population
- Increases demand for historical and
- Cultural exhibits
- Greater tolerance of social differences
- Satisfaction of psychological needs

#### **C) Environmental Impacts of Tourism-**

- Protection of selected natural environments or prevention of further ecological decline
- Preservation of historic buildings and monuments
- Improvement of the area's appearance (visual and aesthetic)
- A "clean" industry (no smokestacks)
- Retain and increase visitor numbers by improving the general amenity value of the local environment.
- Tourism acts as a force of conservation as it offers an alternative economic use.
- Tourism draws attention to issues relating to biodiversity, endangered species and human impact on the environment.
- Stimulate awareness to protect the environment and/or landscape and/or wildlife.

- Tourism can help to promote the establishment of National Parks and/or Wildlife Reserves.

## **XI. CONCLUSION**

As the nature of tourism suggests that there is not a sector in economy which can be compared to tourism sector in any sense. The tourism sector not only helps in getting jobs and eliminating poverty, but gives a chance to make familiarize others with the culture and history of one's country. The human is known for roaming around, here and there, with or without purpose. Tourism in real senses fulfills that inner feeling of tourist with economic upliftment. Each country regardless of its size and situation is working and promoting hard for alluring International tourist, India is one of them. Actually tourism works in two folds, one it creates economic wellbeing among countries by benefitting people directly and indirectly belonging to all walks of life. Second and probably most important one is it creates a positive image of a country among the visitors and rest of the world. Its multiple way of improving image globally and a way of spreading peace among nations, which have forgotten how importance it is to be in peace than in conflict. Sharing of cultures and ideas, views and knowledge can be by products of tourism. Understanding the importance of tourism sector, government around the world is taking measures to improve the tourism sector of their country in a view to reap the benefits of tourism sector offers. Now let's understand the part of tourism sector's social enrichments, the world is a place of diversities, if we are born in a certain culture all we know is the existence of that particular culture, where others cultures might be prevailing at the same time with yours. What is the way and only way of seeing and experiencing different culture and offering different environment than yours? The answer is TOURISM. It opens the possibilities and brings diversity to experience. There is nothing more profound way than travelling which can elaborate one's understanding and wisdom.

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