Chapter 7
Quantitative Dimension of India's Tourism Trajectory in the Post-reform Era

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Abstract Tourism occupies a prominent place in the development strategy of the country, due to its vast potential and multiplier effect through spillovers and linkages. Tourism multiplier is an all-encompassing indicator to measure its economic essence owing to its impressive inter-sectoral linkages. India could leverage the travel-centric traits of the global population by creating a conducive destination attribute through enabling policy and advisory services. Both due to the splendid destination attributes and facilitating policy milieu, India claims a sizeable slice in the global visitation pie. The 'Incredible India' call has conferred ample mileage in its tourism campaign in the international fora. The various initiatives taken by the government to promote tourism as a growth engine have amply supported the phenomenal growth in visitation and its positive spillover in the country. In this backdrop, the proposed study traces the longitudinal trends of various tourism-related indicators, relevant to India, corroborating policy levels. The scope of the study is limited to foreign tourists' arrival in the country and its associated quantitative dimensions. The relevant data for the research will be elicited from Centre for Monitoring of Indian Economy's online repository through institutional access. The database comprises of foreign tourist arrival in gender and selected nationality dimensions, FOREX earnings from tourism, profitability and industry returns positions. The major analytical tools were CAGR, correlation, t-test, one-way ANOVA and MANOVA. The results of analysis confirm impressive strides in the variables taken for analysis.

Keywords Tourism · India · Economic reform · Tourism impact · Inbound tourism

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7.1   Introduction and Background

Driven by the exuberance of pro-market reform experiences in the country, the Indian industry, in general, and tourism, in particular, have displayed astounding growth over the years. Tourism has already been established that high demand growth and product innovation have net job-creating effect in productive sectors (Pianta 2004). The tourism-led growth hypothesis has got much appreciation among academic researchers (Eadington and Redman 1991; Bezbaruah 2005; Li et al. 2013; Tugcu 2014; Cárdenas-García et al. 2015; Pillai 2017; Shahzad et al. 2017). Li et al. (2013) outline its potential to be a source of gains for public and private sectors through multiplier effects and can result in business expansion.

Among the service sector industries, tourism has a niche in itself due to its economic significance. Spreading over a wide range of sectors and activities, tourism has now become a prioritised development vector (Shahzad et al. 2017; Mathieson and Wall 1982; Edgell 1990). It has experienced an explosive growth from strenuous travel, bored sight-seeing and the rustic one-manned inn-keeping to luxurious travel, sumptuous sight-seeing and elegant multi-skilled and multimillion corporate hotel business, palatial travel facilities, panoramic landscapes and diversified entertainments and recreations. It implies that the growth of tourism industry is not only vertical but horizontal also. The growth of trade and commerce, man's inherent lust to travel and the development of transport and communication networks necessitated the refinement and reinforcement of the hospitality business. Along with the growth of the industry, it generates a multitude of direct, indirect and induced employment opportunities in a large number of interrelated sectors.

The significance of tourism, both from demand and from supply angles, has been rising over the years. In the economics parlance, the role of tourism is assessed in terms of its contribution towards employment, income and foreign exchange. The service sector economy is fast becoming significant in recent times. The main characteristic of the development of service economy is the removal of borderlines within production and consumption activities (Singh 2000). By generating employment and earning income, tourism plays a pivotal role in promoting service sector economy.

Tourism is an economic activity of immense global importance today. Ryan (2010) argues that tourism is both cause and consequence of global nature of business and travel networks of current era. As a development vector (Baladacchino 2013), it has already become the most important civil industry in the world (Lindberg and Hawkins 1999). Travel and tourism is one of the fastest growing industries in the world and accounts for 10.6% of the world's employment (Ahluwalia 2002). It has carved a niche for itself as a very effective instrument for generating employment, earning foreign exchange and thereby facilitating overall development. With its immense potentiality of labour absorption, the economic significance of tourism industry is especially unique.

India's tourism sector obtained a fresh lease of life with the embarkation of the country on the path of economic reforms during the early 1990s. The reforms intended to liberate its industry from unnecessary bureaucratic shackles and, thereby, to make its economy internationally competitive. There observed an explicit revival of industrial sector in the post reform scenario. Tourism industry has its preponderance owing to ease of travel and other elements of structural reforms. As per the World Travel and Tourism Competitiveness Index 2017, India has improved its rank by 25 points over the last 3 years (Crotti and Misrahi 2017). In this backdrop, the proposed study traces the longitudinal trends of various tourism-related indicators, relevant to India, lending due thoughts on significant macroeconomic transitions. The scope of the study is limited to foreign tourists' arrival in the country and its associated quantitative dimensions.

7.2 Economic Significance of Tourism

Tourism occupies a prominent place in the development strategy of the country, due to its vast potential and multiplier effect through spillovers and linkages. Tourism multiplier is an all-encompassing indicator to measure its economic essence owing to its impressive inter-sectoral linkages. As a cross-border service delivery, tourism has, unarguably, become a first-choice option in the development strategy of nation states across the world. Revenue generated from international tourist arrivals is a fresh infusion of resource for developmental activities in the destination region, through interindustry linkages. Hence, the entire process stimulates further economic activities in the host country and triggers further economic expansion (Li et al. 2013; Shahzad et al. 2017). Tugcu (Tugcu 2014) argues that as a major component of the overall economy, tourism occupies an important role in the development strategy of an economy. This notion holds an uncontestable hegemony in India's socio-economic landscape, which is reiterated by its resource potential and developmental needs. Development stimulates economic growth. Increases in tourist arrivals and/or tourism receipts subsequently lead to an increase in economic growth, suggesting that investments in the tourism industry will induce economic growth by increasing the income of the current workforce and creating new jobs within and beyond the tourism industry (Tugcu 2014; Shahzad et al. 2017).

Tourism, unarguably, qualifies for being considered for people-centric growth strategy (Pillai 2017). The potential of tourism to contribute to growth process can be identified in many respects. Firstly, tourism motivates the development in infrastructural facilities and thereby creates external economies. Secondly, it creates a multitude of employment, directly and indirectly, as the industry is highly personal oriented and comprises a cross-section of economic activities. Thirdly, foreign tourists' expenditure improves the balance of payment position of the host country.

Tourism being a global industry, an effort to boost tourism is an export-oriented strategy of growth (Gray 1974). Fourthly, the industry is not a single entity but a joint set of various activities that move in tandem and, therefore, reinforces inter-sectoral linkages. Mckee (1988) endorses tourism as an industry with strong backward linkage.

The economic significance of the industry can be better understood by tourism multiplier. The expenditure of tourists in a destination creates new employment, income and outputs in the region which, in turn, produce further impetus to macroeconomic indicators. The ultimate multiplier effect is created through direct, indirect and induced impacts of tourist spending (Mathieson and Wall 1982). Primary effects are direct and immediate, and they involve the effect of actual tourist expenditure on all activities engaged in the destination. This causes an increase in employment and output to other sectors and areas to cater to the needs of the visitors and, thereby, fetch income to far and wide. Prevalence of inter-sectoral linkages among the different sectors in the destination/economy is essential to create total impacts in the overall economic landscape.

The multiplier effects of tourism are widespread, and the benefits are shared by an incredibly large number of service providers like lodging, food and beverages, handicrafts, local transport, guides and shopping (Bezbaruah 2005). In the total range of services, many of the service providers are not visible at all. When tourists move across borders, tourism becomes an export of a nation or region, though no commodities are being physically exported. Its return becomes a source of income and jobs for people involved directly, in providing tourism services, and indirectly support other sectors of the economy as the newly created income is spent in the purchase of other goods and services produced in the region (Eadington and Redman 1991). The total impact of these primary and subsequent flows of income in all sectors in the region is technically called multiplier effect. The size of the tourist multiplier is regarded as a significant measure of the economic benefit of the visitor expenditure as it reflects the interrelations among the economic system (Hall and Page 2014). Hence, tourism can ideally be branded as a catalyst for economic development through its multiplier effects on other sectors of the economy. The WTTC's (2017) latest report estimates the total contribution of tourism to the global GDP is 10.2% and that of global employment is 9.6% in the year 2016.

7.3   India's Resolve to Tourism Industry

The service sector is gaining increasing importance in Indian Economy, and tourism has its own niche in service industry. Having noted the immense potential of tourism industry as a catalyst of economic development, by bestowing impetus to other industries through forward as well as backward linkages, let us examine India's resolve to the development to fuel its economy. Identifying the significance of

tourism, as a major engine of growth, the Committee of Special Group on Targeting Ten Million Employment Opportunities per year over the Tenth Plan Period points out the necessity of an appropriate tourism policy (Gupta 2002). The Committee is of the opinion to harness tourism's direct and multiplier effects for employment and poverty eradication in an environmentally sustainable manner. The following strategies have also been put forward to achieve the objectives of the National Tourism Policy.

1. Positioning and monitoring tourism development as a national priority activity
2. Enhancing and maintaining the competitiveness of India as a tourism destination
3. Improving India's existing tourism products and expanding these to meet new market requirements
4. Creating world-class infrastructure
5. Developing sustained and effective marketing plans and programmes (Gupta 2002) [(p436)]

Hannam and Diekmann (2010) remark that the government has taken initiatives to redevelop and rebrand many of its destination and begun to invest in tourism infrastructure on a proactive basis. The country has acknowledged the primacy of infrastructure development to facilitate the growth of tourism sector. Development of infrastructure connected to tourism destination is a top priority of India as per the latest national policy guidelines on tourism (GoI 2017). The policy milieu also envisages to promote tourism in a sustainable manner by active participation and partnership of various stakeholders and to project the country as a 365-day tourism destination (GoI 2017). Leveraging its comparative advantages in some specific sectors, certain niche tourism products like cruise, adventure, medical and wellness, golf, polo, etc. have been identified to overcome the seasonality nature of tourism in the country (GoI 2017).

7.4 Review of Relevant Literature

Ngee (2011) examines the perspectives of various stakeholders to position India as a global healthcare and medical tourism destination, using grounded theory framework. The study has underlined the importance of tourism as a medical hub in positioning efforts and role of public-private partnerships in exploring emerging avenues in healthcare tourism. Li et al. (2013) empirically establish the triangular causality among economic growth, tourism and exports, keeping government expenditure on tourism, physical capital, education and health as control variables, whereas Oh (2005), some years behind, could not find any empirical evidence for tourism-led economic growth in Korean economy.

Drawing upon the data from 144 countries, Cardenas-Gracia et al. (2015) concede that tourism as a driving force of economic development is more relevant in developed countries than of developing or least developed countries.

In their critical analysis on tourism in India, Hannam and Diekmann (2010) vividly outline the contemporary geography, political, economics, sociology, culture and environment in the country that can be impetus and deterrent to tourism promotion. The authors contempt that the country has always maintained a rather uneasy and ambivalent relationship with tourism.

7.5   Research Design

The research followed a longitudinal design and quantitative approach. The study captured the chronological trends in India's tourism industry since introduction of structural reforms in the country. No study, previously, has addressed that the current study attempted to take up. The relevant data for the research were obtained from Centre for Monitoring of Indian Economy's (CMIE) online repository through institutional access. The database comprised of foreign tourist arrival, FOREX earnings from tourism, total income, long-term investments, gross fixed assets, net worth, total capital and total and operating expenses, among others (refer table in annexure for details).

Selected indicators were presented in line graphs to capture their chronological transition. The CAGR (compound annual growth rate) of crucial indicators was calculated offering realistic growth metrics of such indicators. The analytical tools used to treat the data statistically were correlation, t-test, one-way ANOVA and MANOVA (multivariate analysis of variance). The MANOVA was loaded on selected indicators to examine the equality of vectors of means on multiple dependent variables across groups (Hair et al. 2011; Hinton and McMurray 2014). In this analysis, inflow of foreign tourists was taken as independent variable. The indicators such as total income from tourism, FOREX earning, long-term investments, gross fixed assets, total capital and profit after tax were considered as dependent variables, conceding the impact of tourist inflow on all these variables. The entire period, relevant for the study, was grouped into three to facilitate the examination of vector means' equality (Hair et al. 2011; Hinton and McMurray 2014).

7.6   Results and Analysis

This longitudinal study, which spans across two decades, has examined the trends in tourism in India to capture the quantitative dimension of tourism in the country. The major variables taken for analysis include annual data on arrival of foreign
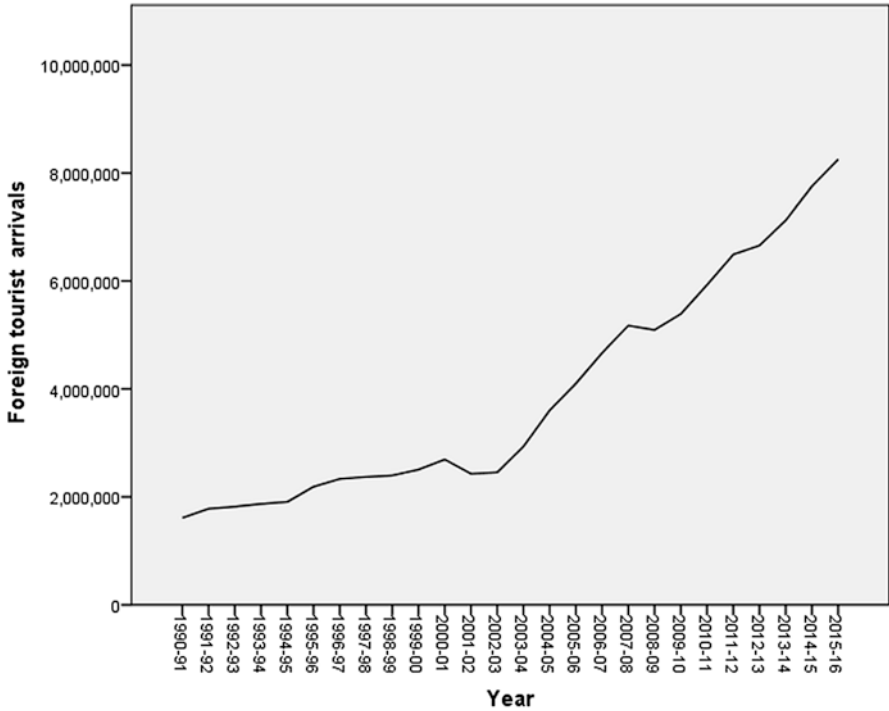
Fig. 7.1 Trends in annual arrival of foreign tourists. (Source: Current Research)

tourists, long-term investments, gross fixed capital, net worth, profit after tax, total expense, operating expense, total capital, total income and FOREX earning. Let us examine the chronological trends in key variables before we move on to statistical analysis. Annual visitation of foreign tourists, as the key variable in this study, will be examined first, as depicted in Fig. 7.1.

The trends on foreign tourists' arrival display overall growing pattern in the period of reference. However, the visitation has been treading on a steep growth path after a short snag during the period between the years 2000 and 2003, as is evidenced in the figure. The global cues of economic downfall can be witnessed from the transition of the line graph during the years 2007–2009. The CAGR estimated for visitation over the study duration is 6.67%.

Examining the long-term investment trends on infrastructure in tourism can be an explicit evidence of the inclination of the agencies/authorities concerned to facilitate future growth of tourism with long-term vision. Figure 7.2 depicts the longitudinal trends in long-term investments and gross fixed assets in the national tourism sector during the period of reference. Both the indicators have registered sectoral
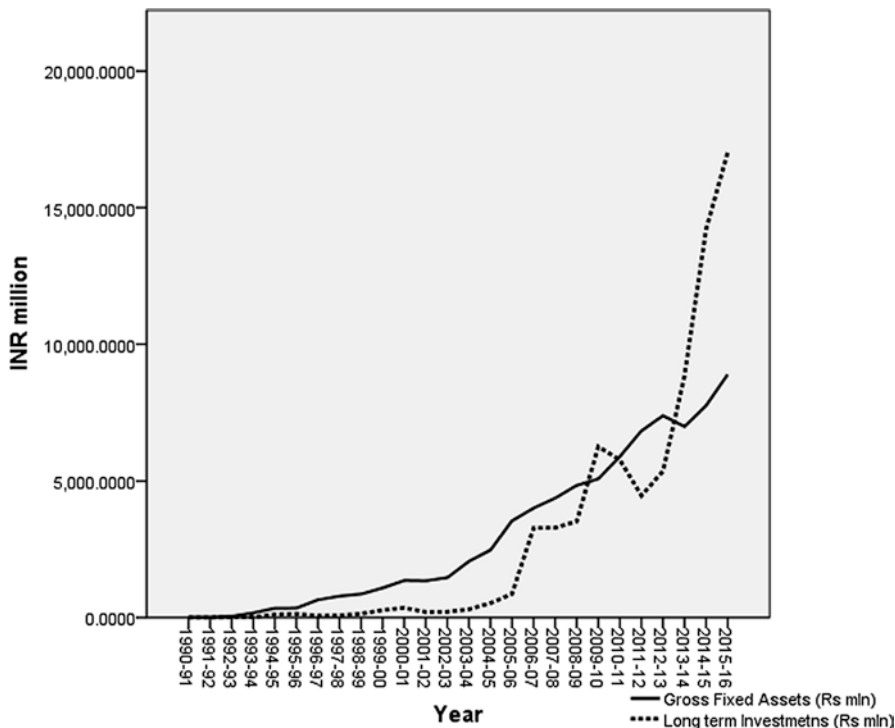
Fig. 7.2 Long-term investments and gross fixed assets. (Source: Current Research)

upward trends. However, long-term investment has recorded an impressive exponential growth, especially the period after the year 2005. Its growth has been steady and upward since the year 2012. The growth trends have been corroborated with the respective CAGR values. The long-term investments and gross fixed assets have registered 61.9% and 28.0% of CAGR, respectively, during the time.

Another result from the study is the net worth of Indian tourism industry. A steady rise in net worth is an uncontestable signal of good financial health. The study has taken profit after tax as well to understand the trends in effective profit of the industry over the years. Both are represented in Fig. 7.3.

The financial health of India's tourism industry is awfully impressive. The growth of net worth has registered an exponential pattern since the year 2008. Profit after tax has recorded an unsteady staggering growth over the years. The estimated CAGR for net worth and profit after tax are 40.21% and 33.54%, respectively.

Bivariate correlation was loaded on such variables as foreign tourists' arrival, long-term investment, FOREX earning, total income, gross fixed assets, net worth, profit after tax, total expenses and operating expenses of tourism industry. The analytical results are presented in Table 7.1.
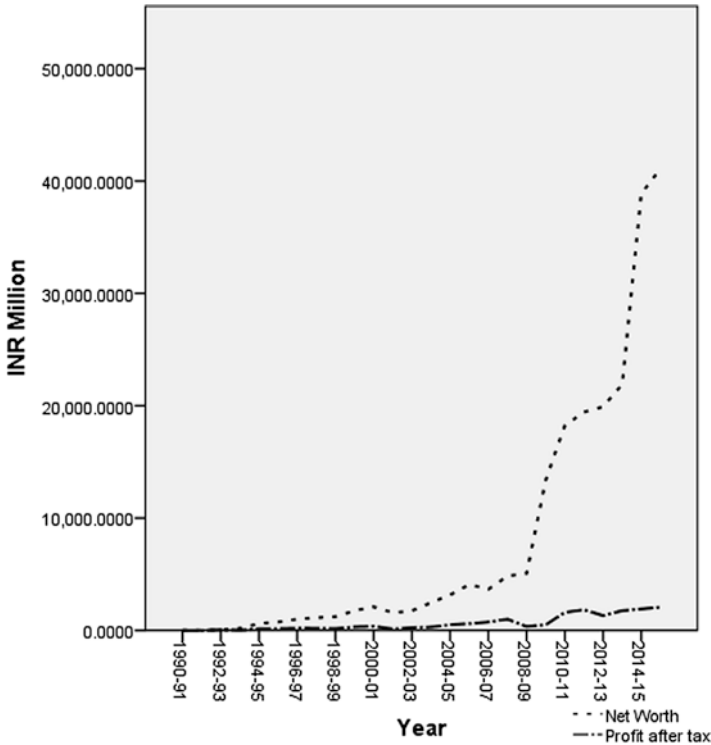
Fig. 7.3 Net worth and profit after tax. (Source: Current Research)

An examination of bivariate correlation coefficients indicates excellent and superior interdependencies among the variables of interest. All correlation results are statistically significant, manifesting robust theoretical relations among the macroeconomic variables of importance. Two-sample t-test was loaded on selected indicators to examine the mean variations during the periods prior and post global crisis. This tool is suitable to compare means of two vectors of any metric variables (Hair et al. 2011; Hinton and McMurray 2014). The results are presented in Table 7.2.

The results obtained from independent sample t-test offer ample empirical evidence to infer significant differences in the average values of all variables od relevance during the reference period. These trends were evidenced in the trend analysis in the beginning of this section.

The study has loaded one-way ANOVA to capture the dynamics of selected macroeconomic indicators in a more detailed way of shortening the duration of coverage of time. Indian economy has undergone series of policy-related changes in the macro level, which have repercussions on the country's tourism industry. Furthermore, the country experienced a major economic transition in the aftermath

Table 7.1 Correlations among selected variables

	Foreign tourist arrivals	Long-term investments	FOREX earning	Total income	Gross fixed assets	Net worth	Profit after tax	Total expenses	Operating expenses
Foreign tourist arrivals	1								
Long-term investments	.902**	1							
FOREX earning	.946**	.830**	1						
Total income	.988**	.872**	.930**	1					
Gross fixed assets	.995**	.881**	.945**	.989**	1				
Net worth	.909**	.971**	.811**	.906**	.897**	1			
Profit after tax	.945**	.869**	.861**	.954**	.936**	.917**	1		
Total expenses	.987**	.867**	.932**	.999**	.989**	.899**	.943**	1	
Operating expenses	.986**	.861**	.933**	.999**	.988**	.894**	.943**	1.000**	1

Source: Current research

Note: ** Correlations are significant at 0.000 level

Table 7.2 Mean comparisons (prior and after 2008): independent sample test

		Levene's test for equality of variances		t-test for equality of means						95% confidence interval of the difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean difference	Std. error difference		Lower	Upper
Foreign tourists' arrivals	Equal variances	1.063	.313	−10.089	23	.000	−4017485.118	398214.612		−4841254.806	−3193715.430
Total tax from tourism	Unequal variances	5.003	.035	−8.415	9.255	.000	−807.1052941	95.9075034		−1023.1558197	−591.0547685
Long-term investments	Unequal variances	27.893	.000	−4.476	7.167	.003	−7796.0970588	1741.7059091		−11895.2467660	−3696.9473516
Gross fixed assets	Equal variances	.268	.610	−10.208	23	.000	−5502.6463235	539.0676244		−6617.7926673	−4387.4999798
Net worth	Unequal variances	18.739	.000	−4.811	7.072	.002	−20735.4367647	4309.5623027		−30905.0466000	−10565.8269294
Total capital	Equal variances	1.948	.176	−11.935	23	.000	−2124.1654412	177.9753566		−2492.3355170	−1755.9953653
FOREX earning	Equal variances	.098	.758	−13.658	23	.000	−3193.2392647	233.8019739		−3676.8954973	−2709.5830321
Total income	Unequal variances	4.415	.047	−9.823	9.480	.000	−12779.15397	1300.91438		−15699.45077	−9858.85717
Profit after tax	Unequal variances	15.142	.001	−4.957	7.702	.001	−1176.2055882	237.2933906		−1727.1072537	−625.3039228
Total expenses	Equal variances	3.559	.072	−12.404	23	.000	−11602.6658824	935.4196345		−13537.7288281	−9667.6029366
Operating expenses	Equal variances	2.447	.131	−12.548	23	.000	−9430.97956	751.58174		−10985.74485	−7876.21426

Source: Current research

Note: Irrelevant rows were removed for ease of comparison and reference. The second column indicates the retained rows

Table 7.3 ANOVA results of selected variables

Indicators	F	Sig.
Foreign tourists' arrival	58.790	.000
Total tax from tourism	59.842	.000
Long-term investments	20.751	.000
Gross fixed assets	75.379	.000
Net worth	25.924	.000
Total capital	52.309	.000
FOREX earning	45.169	.000
Total income	78.779	.000
Profit after tax	24.194	.000
Total expenses	89.670	.000
Operating expenses	91.779	.000

Source: Current research

Table 7.4 Multivariate tests[a]

Effect		Value	F	Hypothesis df	Error df	Sig.
Intercept	Pillai's trace	.853	16.415[b]	6.000	17.000	.000
	Wilks' lambda	.147	16.415[b]	6.000	17.000	.000
	Hotelling's trace	5.793	16.415[b]	6.000	17.000	.000
	Roy's largest root	5.793	16.415[b]	6.000	17.000	.000
VISIT	Pillai's trace	.978	124.272[b]	6.000	17.000	.000
	Wilks' lambda	.022	124.272[b]	6.000	17.000	.000
	Hotelling's trace	43.861	124.272[b]	6.000	17.000	.000
	Roy's largest root	43.861	124.272[b]	6.000	17.000	.000
Group	Pillai's trace	1.177	4.286	12.000	36.000	.000
	Wilks' lambda	.156	4.341[b]	12.000	34.000	.000
	Hotelling's trace	3.279	4.373	12.000	32.000	.000
	Roy's largest root	2.386	7.158[c]	6.000	18.000	.001

Source: Current research
[a]Design: Intercept + VISIT + Group
[b]Exact statistic
[c]The statistic is an upper bound on F that yields a lower bound on the significance level

of global economic meltdown. Hence, vector means comparison test using ANOVA was thought to be more insightful. The entire span of time was grouped into three (1991–1999; 2000–2008; and 2009–2016). This statistical tool (ANOVA) compares the group mean across the data set. Table 7.3 indicates the analytical results obtained from NAOVA

The output of ANOVA has clearly evidenced statistically significant difference of mean across groups for all relevant macroeconomic variables taken for analysis. This inference is explicit from the statistically significant "p" values associated with the respective "F" values. Hence, ANOVA results support the statistically significant differences in the vector means of the relevant indicators across the grouped periods.

Table 7.5 Levene's test of equality of error variances[a]

	F	df1	df2	Sig.
Long-term investments	6.791	2	23	.005
Gross fixed assets	4.903	2	23	.017
Total capital	7.006	2	23	.004
FOREX earning	1.741	2	23	.198
Total income	18.618	2	23	.000
Profit after tax	7.821	2	23	.003

Source: Current research

Tests the null hypothesis that the error variance of the dependent variable is equal across groups

[a]Design: Intercept + VISIT + Group

The research also examined the impact of inflows of foreign tourists on such macroeconomic variables as total income, long-term investments, gross fixed assets, total capital, FOREX earning and profit after tax. MANOVA was loaded on the relevant indicators to examine simultaneous causation (Hair et al. 2011) of variation on multiple outcome variables. The relevant results are presented in Tables 7.4, 7.5, and 7.6.

Box's M test result, $F (42; 1524) = 3.743$; $p < 0.05$, indicates that the test fails to violate the assumption of equality of covariances of the dependent variables across independent groups (Hair et al. 2011). The multivariate test approves the overall statistically significant effect of independent variables on all dependent variables. It is evidenced from the empirically significant Wilks' Lambda test statistic (refer Table 7.4). Levene's test for equality of error variances indicates that the test fails to violate the homogeneity assumption of variances for each dependent variable, except FOREX earnings (refer Table 7.6). The tests' between-subject effects obtained from MANOVA confirm statistically significant effect of visitation on all relevant dependent variables that can be attributed by the independent variable.

7.7   Discussion

We have observed impressive growth in all macroeconomic variables taken for study. The increased flow of tourists to the country attests to the fact of meeting visitor satisfaction. The 'Incredible India' call has conferred ample mileage in its tourism campaign in the international fora. The various initiatives taken by the government to promote tourism as a growth engine have amply supported the phenomenal growth in visitation and its positive spillover in the country. Ryan (2010) concedes that tourists are increasingly used to exercising individual choice and preferences with suppliers of services in an era of ever-expanding customization. The results of the current study validate the observation of Hannam and Diekmann (2010) with regard to the outward looking and more proactive engagement of India government with the global tourism economy of late.

Table 7.6 Tests of between-subject effects

Source	Dependent variable	Type III sum of squares	df	Mean square	F	Sig.
Corrected model	Long-term investments	430340509.938[a]	3	143446836.646	40.450	.000
	Gross fixed assets	201775423.271[b]	3	67258474.424	1240.105	.000
	Total capital	27697028.032[c]	3	9232342.677	79.721	.000
	FOREX earning	61676280.699[d]	3	20558760.233	65.839	.000
	Total income	1027541913.027[e]	3	342513971.009	443.685	.000
	Profit after tax	10300238.032[f]	3	3433412.677	69.070	.000
Intercept	Long-term investments	45553805.107	1	45553805.107	12.846	.002
	Gross fixed assets	2861311.935	1	2861311.935	52.757	.000
	Total capital	217762.296	1	217762.296	1.880	.184
	FOREX earning	435510.465	1	435510.465	1.395	.250
	Total income	13253913.222	1	13253913.222	17.169	.000
	Profit after tax	782571.698	1	782571.698	15.743	.001
VISIT	Long-term investments	103250575.842	1	103250575.842	29.116	.000
	Gross fixed assets	25673387.204	1	25673387.204	473.363	.000
	Total capital	2903138.062	1	2903138.062	25.069	.000
	FOREX earning	7040649.727	1	7040649.727	22.548	.000
	Total income	116071027.762	1	116071027.762	150.356	.000
	Profit after tax	2577350.807	1	2577350.807	51.849	.000
Group	Long-term investments	16515831.662	2	8257915.831	2.329	.121
	Gross fixed assets	662274.619	2	331137.309	6.105	.008
	Total capital	209149.514	2	104574.757	0.903	.420
	FOREX earning	317213.895	2	158606.947	0.508	.609
	Total income	7417653.024	2	3708826.512	4.804	.019
	Profit after tax	123456.522	2	61728.261	1.242	.308

Source: Current research; Note: Unimportant rows were removed
[a]R Squared = .847 (Adjusted R Squared = .826)
[b]R Squared = .994 (Adjusted R Squared = .993)
[c]R Squared = .916 (Adjusted R Squared = .904)
[d]R Squared = .900 (Adjusted R Squared = .886)
[e]R Squared = .984 (Adjusted R Squared = .982)
[f]R Squared = .904 (Adjusted R Squared = .891)

The impressive contribution of tourism to Indian economy has theoretical under-pinnings. This calls for the prominence to be given to tourism in the country. One of the prominent theories in development economics (Hirschman 1958) propagates that since the investible capital is scarce in developing countries, preference should be given to that sequence of projects that generate maximum induced investment.

Steady growth witnessed in the long-term investment in tourism is an encouraging factor. Previous research has noted that significantly higher amount of investment in India's tourism sector is an evidence of the country's preparation to respond to the growing number of tourist inflow (Pillai 2017). The destination image plays crucial role in making a destination popular. The economic importance of tourism should be discerned not in terms of the physical crowding in the destination, rather in terms of dynamics of its spending. The concept of destination image is a multisensory component (Pearce 2010), which represents the amalgam of beliefs, mental representations and emotional attachment to the destination (Ryan 2010; Ditcher 1985; Baloglu and McCleary 1999).

7.8 Conclusion

The results of the study have ample evidence to infer that tourism can be a niche industry for India. The country could leverage the travel-centric traits of the global population by creating a conducive destination attribute through enabling policy and advisory services. Both due to the splendid destination attributes and facilitating policy milieu, India claims a sizeable slice in the global visitation pie. The country's resolve to tourism sector, acknowledging its potential as an engine of growth, has been manifested through specific policy frameworks. Conducive policy regimes have rendered sufficient impetus to the longitudinal growth of tourism. The 'Incredible India' call has conferred ample mileage in its tourism campaign in the international fora. In addition, targeted marketing campaigns have amply supported the phenomenal growth in visitation and its positive spillover in the country. India's advantage in low-cost high-quality healthcare service facilities offers ample scope for tapping this niche market internationally.

This longitudinal examination has given ample evidences to conclude that tourism has been an integral part of globalization initiatives in the country. This inference has been corroborated by the robust CAGR in the arrival of foreign tourists and its consequent macroeconomic variables. The exponentially growing net worth shows the solvency position of the industry, indicating considerably rise in the financial robustness of the industry.

The study is beset with certain limitations as well. The current investigation has not considered the implications of gender and nationality in tourist inflow. Outbound tourism was not in the scope of this study, which seems to have compromised the coverage of tourism industry. Investment in tourism sector and destination-specific studies deserve detailed investigation.

Appendix: Selected Indicators (in Rs. Million, Unless Otherwise Mentioned)

Year	Foreign tourist arrivals (Nos)	Total tax from tourism	Long-term investments	Gross fixed assets	Net worth	Total capital	FOREX earning	Total income	Total expenses	Operating expenses	Profit after tax
1990–1991	1,613,681	0.3	0.1	18.6	8.8	3.5	145.9	53.3	51.8	47.5	1.5
1991–1992	1,781,892	0.3	0.1	18.6	8.8	3.5	145.9	53.3	51.8	47.5	1.5
1992–1993	1,820,239	0.2	17.9	45.9	51.2	7.5	0.4	114	54.2	35.8	59.8
1993–1994	1,871,262	10.7	24.3	172.8	182.8	49.2	516.7	335.2	301.9	255.8	32.5
1994–1995	1,907,322	100.9	114.4	343.2	622.8	120.6	665.8	753.5	609.6	445.9	143.8
1995–1996	2,190,334	109.4	134.3	349	748.3	170.2	160.2	724.3	571.6	394.6	152.6
1996–1997	2,334,438	137	66	651.6	1005.30	202.6	427	1117.60	923.1	700.3	194.5
1997–1998	2,370,985	96.2	78.7	786.4	1128.80	292.7	553.3	1345.10	1157.80	949.2	187.3
1998–1999	2,397,457	78.9	140.3	859.5	1228.60	302.4	546.9	1900.20	1737.50	1439.50	162.7
1999–2000	2,505,446	125.7	272.5	1084.80	1761.20	327.6	432.8	2256.00	1941.20	1586.50	314.8
2000–2001	2,694,287	164.4	358.6	1360.30	2109.50	510.7	991.7	2691.70	2328.20	1830.60	363.5
2001–2002	2,428,383	110.87	203.7	1346.30	1575.60	490	569.9	2521.88	2400.21	1949.11	121.67
2002–2003	2,453,622	156.1	210.1	1463.70	1754.60	491.6	861.8	2651.90	2396.90	1882.60	255
2003–2004	2,933,061	191.9	305.7	2058.90	2477.50	551.6	786.7	2672.90	2376.90	1870.30	296
2004–2005	3,603,165	313.7	528.3	2473.00	3158.60	811.2	1032.80	4756.60	4247.90	3528.70	511.6
2005–2006	4,100,283	449.9	870.4	3542.20	4095.20	925.3	1886.20	5666.60	5062.80	4105.30	604.8
2006–2007	4,667,396	493.24	3280.00	4007.80	3657.00	1185.30	1798.74	7166.93	6415.29	5292.87	751.24
2007–2008	5,174,726	535.4	3291.00	4374.00	4853.20	2402.50	4246.30	9124.40	8120.80	6648.90	1003.20
2008–2009	5,092,721	653.5	3522.50	4842.30	5081.00	2668.70	4056.60	9516.70	9170.90	7357.40	345.8
2009–2010	5,387,565	625.3	6260.40	5078.20	13,375.10	2341.80	3376.10	10,142.00	9638.40	7995.70	503.6
2010–2011	5,928,714	852.8	5774.30	5897.80	18,240.90	2279.20	3752.42	13,964.26	12,354.82	10,383.40	1609.44
2011–2012	6,491,828	908.1	4467.50	6839.40	19,431.90	2133.00	3946.00	16,362.90	14,519.40	12,025.00	1843.50
2012–2013	6,657,514	920	5365.20	7393.50	19,916.80	2039.80	3270.40	16,792.60	15,477.10	12,330.90	1315.60
2013–2014	7,123,086	1282.30	8853.50	6994.00	21,898.20	2060.60	3350.10	16,850.20	15,088.50	12,234.70	1761.70
2014–2015	7,756,209	1200.90	14,211.90	7761.50	38,888.00	2865.90	4191.26	18,296.00	16,383.06	13,213.48	1912.94
2015–2016	8,254,363	1209.10	17,021.90	8900.40	41,086.70	3637.50	5025.50	17,617.00	15,544.30	12,313.60	2072.70

Source: Economy Indicators, Centre for Monitoring Indian Economy

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