

## IMPORTANCE OF TOURISM INDUSTRY IN KERALA

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### **ABSTRACT**

*Tourism, otherwise known as entertainment industry is being considered as the major bread winner of the economy. Realizing the enormous potential of tourism in the days to come government has started to extend various policies and funding plans in support of this industry. Unlike erstwhile, people are very much inclined to various tourism-related activities which in turn would prosper the economy and the employability.*

*Foreign exchange earnings of the nation are a matter of concern as far as India is concerned. Though massive inflow of foreign money is not a desirable trend, it is recommended to an extent. Government must expand the export segment operations by implementing SEZs in massive terms. Some relaxed policies and promotional attitude is maintained on the part of the policy makers in boosting the export potential of our country. While considering tourism an industry, it is evident that we don't have to export anything immaterial or tangible. Instead we need to beautify our cities and to ameliorate the infrastructure facilities which would attract the tourists in bulk. Hence, it is imperative to note that our intake of resources doesn't flow outside when we think of developing tourism.*

*Regional imbalance over the years is ailing the nation like anything. When we boast of the overall development of the nation, it is painful to note that lives in villages are still lagging behind in sanitation and basic amenities. Eventhough the situation has improved a little during these years; there are undeveloped areas where the hospitals, primary schools and banking institutions are still a distant dream. The sphere of tourism activities mainly involves designing a frame work for restructuring the dreams of rural people where lives are seemed to have ignored by the government.*

*Unemployment in Indian scenario is a menace which is to be tackled with utmost attention; the failure of which would even undermine the sovereignty of the nation. It is evident that the tourism industry can offer huge employment opportunities in the state. Deployment of various authorized tourist guide and the setting up of infrastructure facility would definitely mount the room for employment and thereby ameliorate the status of the citizens.*

*Development of adequate infrastructure has become a need of the hour. It is needless to say that a well developed infrastructure facility existing in the country would definitely support the tourism and allied activities.*

**KEYWORDS:** *Enormous Potential of Tourism, Development of Adequate Infrastructure*

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## **INTRODUCTION**

In economically depressed areas, the employment and income provided by tourism especially to young people may help stem out migration from those areas. Increased government revenues, through various types of taxation on tourism that can be used to develop community and infrastructural facilities and services to assist in general economic development are also a direct economic benefit. These direct and indirect economic benefits are usually the primary positive impact of multiplier effect of tourism.

### **Scope of the Study**

Kerala is considered as the most preferred location of tourist both domestic and foreign over decades despite low carrying capacity and accessibility. Kerala the god's own country has been attracting the travelers abundantly over the years. The tourism product which is being offered includes handicrafts, cotton textiles, wildlife, museum, zoo and archeology. Many sightseeing locations, drive in beach, hilly areas, wild life sanctuary being the exclusive peculiarities of Kerala remains untapped. Hence, it is thought prudent to make a study on tourist arrival trend and the income earned through that.

## **OBJECTIVES OF THE STUDY**

- To analyse the trend of earnings from tourism industry.
- To analyse trend of tourist inflow in Kerala

## **RESEARCH METHODOLOGY**

The study is purely based on the secondary data. Data has been collected from the various published sources of the KTDC and various other tourism reports and publications. Percentages are employed in the field of study. Simple growth rate and the CAGR are also applied in the analysis part of the study.

### **Tourism in India**

India is a treasure of natural surroundings, scenic beauties, historical monuments, hill ranges, pilgrimage places, colorful picnic spots and so on. It goes without saying that "variety is the spice of life." The adage seems to explain the dormant love for variety that we humans seem to be born with. The same love for variety attracts tourists to India. The spirit infuses the desire to explore the different shades of India. India as a popular tourist attraction has innumerable tourist destinations that will satiate the desire of its guests. It will not be an exaggeration to tendentious claim that India has a seemingly infinite variety of incredible destinations. Travel to any corner of the country and there is sure to be a land that will mesmerize you with its vibrant culture and diversity.

It is evident that tourism is no longer only meant for the elite or a whim of selective groups, thousands of people of all walks of the society have adopted it as a means to satisfy psychological gratification. It is the time to recognize tourism as a prominent sector with adequate potential.

### **Tourism in Kerala Scenario**

Kerala, otherwise known as god's own country, a state situated on the tropical Malabar Coast of southwestern India, is one of the most popular tourist destinations in the country, named as one of the ten paradises of the world by the National Geographic Traveler. Kerala is famous for its eco-tourism initiatives.

Until the early 1980s, Kerala was relatively unknown destination, with most tourism circuits concentrated around the north of the country. Aggressive marketing campaigns launched by the Kerala Tourism Development Corporation — the government agency that oversees tourism prospects of the state— laid the foundation for the growth of the tourism industry. The tag line Kerala – God’s Own country was adopted in its tourism promotions and became a global super brand. Kerala is regarded as one of the destinations with the highest brand recall.

Kerala is an established tourist destination for both Indians and non-Indians alike. Kerala is popular for her beaches, backwaters, mountain ranges and wildlife sanctuaries. The city of Kochi ranks first in the total number of international and domestic tourists in Kerala. Other popular attractions in the state include the beaches at Kovalam, Cherai and Varkala; backwater tourism and lake resorts around Vembanad Lakes, Kumarakam and Alapuzha; hill stations and resorts at Munnar, Wayanad, Nelliampathy, Vagamon and Ponnudi; and national parks and wildlife sanctuaries at periyar and Eravikulam National Park. The backwaters “backwaters region—an extensive network of interlocking rivers, lakes, and canals that centre on Alleppey, Kumarakamand Punnamada—also see heavy tourist traffic. Heritage sites, such as the Padmanabhapuram palace, Hill palace, Mattancherry palace are also visited. To further promote tourism in Kerala Grand Kerala Shopping Festival was started by the Government of Kerala in 2007. Since then it has been held every year during the December–January period.

### Forex Earnings from Tourism Industry

Foreign exchange earnings play a vital role in the overall economic development of the state and the nation as well. The case is no different in Kerala. This is so because inflow of foreign money viz dollars, Euros would definitely accelerate the pace of the economic growth and infrastructural development.

**Table 1: Foreign Exchange Earnings and Total Earnings from Tourism**

Year	Foreign Exchange Earnings Rs in Crores	Growth %	Total Revenue Generated from Tourism (Direct & Indirect)	Growth %	Proportion of Forex to Total Income
2009	2853.16	-6.96	13,231	.77	21.56
2010	3797.37	33.09	17,348.00	31.12	21.89
2011	4221.99	11.18	19,037.00	9.74	22.18
2012	4548.00	8.28	20,430.00	7.32	21.53
2013	5560.77	21.63	22,926.55	12.22	24.25
2014	6398.93	15.07	24,885.44	8.54	24.72
2015	6949.88	8.61	26,689.63	7.25	26.04
2016	7749.51	11.51	29,658.56	11.12	26.13
2017	8392.11	8.29	33,383.68	12.56	25.14
2018	8764.46	4.44	36,258.01	8.61	24.17
<b>Period Average</b>					
<b>CAGR</b>		<b>11.52 %</b>			<b>10.95 %</b>

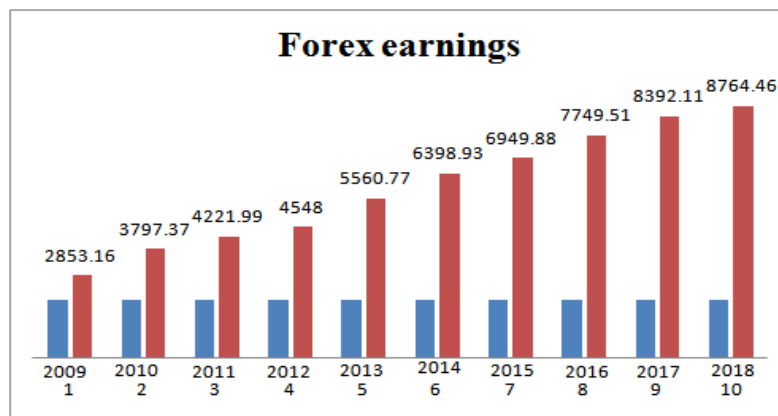


Figure 1

Table 1 illustrates the amount of foreign exchange earnings, total revenue from tourism and the share of forex earnings to total tourism income during the last 10 years in Kerala. In the year 2018 Kerala has attained a forex income of Rs 8764.46 crore as against Rs 2853.16 crore in 2009 which is a positive trend. But the growth rate of forex income has registered 8.61% in 2018 as against 33.09% in 2010. Though the quantum of foreign exchange exhibits a fast growing trend, the growth rate is seen declining. The Unsteady growth rate is attributed to numerous factors like seasonal fluctuations world economic crisis and the policies of the government towards improving the industry. Over the years only in 2009 it has registered a negative growth rate. Forex income registered a CAGR of 11.52%.

Total income from the tourism in 2018, i.e., Rs 36,258.01 crore as against 13,231 crores in 2009 has maintained almost five times growth of the initial year of the study. Over the years even for a single year has not turned negative. This amazing growth rate when compared to other industries draws unparalleled privilege on the soul of Kerala economy. This whopping total tourism income maintained a CAGR of 10.95% over the years.

The unique place of the forex income from tourism is unveiled when an attempt has been made to relate the former with the total tourism income. Analysis reveals that the shares of forex income to the total tourism income keep on advancing. A giant leap is witnessed in the proportion over the years. The growth rate is by and large considered significant and steady.

Table 2: Domestic and Foreign Tourist Arrivals

Year	Domestic Tourist	Growth %	Foreign Tourist	Growth %
2009	79,13,537		5,57,258	
2010	85,95,075	8.61	6,59,265	18.31
2011	93,81,455	9.15	7,32,985	11.18
2012	100,76,854	7.66	7,93,696	8.28
2013	108,57,811	4.25	8,58,143	8.12
2014	116,95,411	8.61	9,23,366	7.60
2015	124,65,571	9.15	9,77,479	5.86
2016	131,72,535	5.67	10,38,419	6.23
2017	146,73,520	11.39	10,91,870	5.15
2018	156,04,661	6.35	10,96,407	.42
<b>Period Average</b>				
<b>CAGR</b>		<b>7.88</b>		<b>7.90</b>

Table 2 clearly depicts the inflow of both the domestic and foreign tourist in Kerala. Around 156,04,661 domestic tourists have visited Kerala in 2018 as against 79,13,537 in 2009. It is imperative to note that the increased tourist arrival is the only parameter available to evaluate the Development of tourism industry. An analysis of the tourist arrival trend in

Kerala would depict the strength and prosperity of tourism industry in our state. Year by year the number of domestic tourist who visit Kerala for travelling mountaineering, devotion and sightseeing is seen tremendously increasing. This is definitely a positive trend towards the prosperity and cedes momentum to the pace of growth. Domestic tourist arrival has resisted a growth rate of 6.35% in 2018. The increased growth rate is attributed to the unique tourist destinations, favorable climatically conditions, ameliorated infrastructural facilities, and the increased tourism promotional activities etc. Given the prevailing situations and current trend, Kerala is expected to witness increased tourist visit in the coming years.

## FINDINGS AND SUGGESTIONS

- Forex earnings in 2018 Rs 8764 crores is almost four fold of the earnings in 2009 which was only Rs 2853 crores. It is clear that a major portion of the required forex can be availed of through the tourism industry. Hence, the authorities must take all the initiatives to attract more and more foreign tourist to the state and thereby accumulating forex.
- The number of the domestic tourist arrivals in Kerala is rapidly increasing. It has reached to 1.56 crores in 2018 from 0.79 crores in 2009 by registering a CAGR of 7.88%. This increased the number of domestic tourist points out the necessity of having a sufficient carrying capacity and the improved infrastructure facilities in Kerala. The cumulative annual growth rate of the foreign tourist works out at 7.90% which directly shows the ability of the state to amaze forex.

## CONCLUSIONS

It is needless to say that the government cannot turn a blind eye towards prominent role of the tourism industry in Kerala. With the limited carrying capacity and the infrastructure facility, it is seen that the state is striving hard to operate in lines with the directions of the ministry of tourism. Days are not that far where we all would witness the tourism income dominates the state economy and there by the beautified cities and infrastructural facilities.

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