

Tourism Industry- A Fastest Growing Tertiary Sector in Assam: An Explorative Research

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Article History

Received: 01.04.2019

Accepted: 05.11.2019

Published: 06.05.2019



Abstract: Tourism is one of the largest and fastest growing industries in the world. Besides, it is related to major social phenomenon of the modern society with definite economic, social and environmental consequences. It has taken important role increasing GDP share to economy and increasing new destinations. Assam is fast emerging as a major tourist destination in India with its splendid tourist attractions, its breath taking scenic beauty, dense forests, green valleys, large water ways, rich bio-diversity and unique art and culture making Assam a state with enormous potential for development through tourism. The tourist visits in Assam has been increasing steadily during the last few years and the trend needs to be sustained through the provisions of appropriate tourist facilities and services. This paper is an effort to find out the result of a study in respect of the tourism industry of Assam as the fastest growing tertiary sector.

Key words: *Tourism in Assam, Tertiary Sector, Economy.*

Introduction:

Tourism is one of the largest and fastest growing industries in the world. Besides, it is related to major social phenomenon of the modern society with definite economic, social and environmental consequences. It has taken important role increasing GDP share to economy and increasing new destinations. Over the past six decades, tourism has experienced as a tremendous growing sector and the world economy has been emerged in to competitiveness. “The Market share of the emerging economies increased from 30 % in 1980 to 47% in 2013 and is expected to reach

57% by 2030, equivalent to over 1 billion international tourist arrivals” (UNWTO, 2014 edition). Asia and Pacific recorded the strongest growth with 6% increase in arrivals followed by Europe and Africa (both increase by 5%). In the world, China has consolidated in position as the number one business source market in the world spending US \$129 billion in international tourism.

A report presented by UNWTO (2006:5) to the third United Nations Conference on least developed countries highlighted the following topics.

1. Tourism as an export-product has the unique quality of being consumed at the points of production, providing direct benefits to the local communities and businessmen.
2. Tourism has a multiplier-effect in matter of economic activities, providing jobs and income through supply chain.
3. The infrastructure required by tourism-transport, communications, water supply and health services also benefit local communities.
4. When properly managed tourism also helps to create awareness about national and cultural environment preservation.
5. Tourism creates opportunities for small and micro enterprises and is an industry with very low start -up and entry barriers.

The tourism Industry is related to Demand factor motives, which include: International tourist Market, Domestic tourist Market, local people participations in tourism based activities, facilities and services. International Tourism (Travel passenger's transport) accounts for 29% of the world export of services.

Objectives:

1. To study market demand and role of world tourism industry increasing tourist arrivals, GDP share, employment opportunities in the world scenario.

2. To study state tourism Industry increasing tourists, revenue increasing, unemployment and G.D.P.

Statistical Concepts and Methodology:

Statistical information on tourism is collected from the reliable secondary source that is United Nation World Tourism Organization (UNWTO). On the other hand, the data is based on Travel and Tourism Report, 2015-published by the world Economic Forum within the frame work of Global Competitiveness and Risks team and Industry Partnership Programme for Aviation & Travel. T & T Report 2015 features the latest elaboration of the T & T Camp index (TTCI), the TTCI measures "The set of factors and Policies that enable the sustainable development of the Travel & Tourism (T & T) sectors, which in turn contribute to the development and competitiveness of a country." Published biennially, the TTCI benchmark the T & T competitiveness of 141 economies.

Also, the secondary data is collected from the Govt. policy record, published Article, Case-study Report and Various Web-site sources.

In order to measure the benefits of the industry the key indicators are increasing arrivals (in bound) and departures (out-bound), Gross Domestic Product (GDP%), Industry share of employment (%) and receipts from the Industry.

The unemployment data is based on reports of National Council of Applied Economic Research. It provides the direct and indirect contribution of Tourism to state GDP and employment using state specific GDP and employment data. Also, NCAER'S employment

data is estimated in 66th round survey of NSS (National Sample Survey) office, TSA based table employment and GDP share according to TSA: RMF-2008 reasonability, high variability in the working conditions, flexibility and the informality of jobs in several small units industries. As recommended Table presents the total number of Jobs (one employed person can take up more than one job), the other being of subsidiary nature and number of people employed in the tourism specific industries.

Growth of World Tourism and India:

The world tourism organization, UNWTO highlights the following.

- . An ever increasing number of destinations world-wide have opened up to and turning tourism in to a key driver of socio economic progress through export revenues, the creation of jobs and enterprises and infrastructure development.
- . Over the past six-decades tourism has experienced continued expansion and diversification becoming one of the largest and fastest growing economic sectors in the world.
- . Despite occasional shock international tourist arrivals have shown virtually uninterrupted growth from 25 million in 1950 to 278 million in 1980, 528 million in 1995 and 1085 million in 2013.

Table: 1 International Tourist Arrivals (in millions)

Area	2005	2010	2014	2015	Market Share (%)2015	Changes (%)			Average Changes 2005 to 2015
						13/12	14/13	15/14	
World	809	950	1134	1186	100	4.6	4.2	4.6	3.9
Advanced economics	470	516	622	653	55.0	4.6	5.7	5.0	3.3
Emerging economics	339	434	512	533	45.0	4.6	2.4	4.1	4.6
Europe	453.2	489.4	580.2	607.3	51.2	4.8	2.3	4.7	3.0
Asia & Pacific	154.0	205.5	264.3	279.2	23.5	6.9	5.7	5.6	6.1
America	138.3	150.2	181.9	192.6	16.2	3.0	8.5	5.9	3.7

Africa	34.8	50.4	55.3	53.5	4.5	4.4	1.1	-3.3	4.4
Middle East	33.7	54.7	52.4	53.3	4.5	-2.9	6.7	1.7	4.7

Source: World Tourism organization (UNWTOO), 2016, edition.

The table highlights the growth trend of tourism Industry in the world. The number of international tourist arrivals (over right visitors) in 2015 reached a total of 1186 million, an increase of 52 million over the previous years. It represents an increase by 4% or more every year since 2010. Since Demand was robust, three factors influenced the demand of tourism i.e. unusually strong exchange rate fluctuations, the

decline in the prices of oil and other commodities which increased disposable income in importing countries but weakened tourism demand in exporting countries as well as increased global concern about safety and security. By UNWTO regions, the America and Asia and the pacific both recorded close to 6% growth in international tourist arrivals.

Table: 2: The economic contribution of Travel & Tourism Growth (%)

Sl. No	World	2008	2010	2011	2012	2013	2014	2015 % (E)	2025 (F)
1	Visitor Exports	-6.0	6.6	5.6	4.1	4.4	4.1	2.8	4.2
2	Domestic Expenditure	-4.4	1.4	4.8	3.3	2.9	3.1	3.7	3.8
3	Internal Tourism consumption	-4.7	2.8	5.0	3.5	3.3	3.4	3.4	3.9
4	Purchase by Tourism providers	-6.5	3.3	6.3	3.4	3.2	3.3	3.3	3.9
5	Direct contribution of T& T to GDP	-2.9	2.2	3.6	3.7	3.4	3.5	3.7	3.9
6	Domestic supply chain	-5.1	2.9	5.8	3.8	3.5	3.7	3.7	4.0
7	Capital Investment	-7.6	-4.8	3.1	3.7	2.2	2.9	4.8	4.6
8	Govt. collective spending	4.9	2.7	1.3	3.3	2.2	2.4	2.4	2.9

9	Imported goods from Indirect spending	0.0	-2.0	3.0	4.8	2.8	3.5	2.3	5.6
10	Induced	-0.3	-1.0	2.7	3.1	3.5	3.8	4.1	3.5
11	Total contribution T & T to GDP	-3.4	1.3	4.3	3.5	3.3	3.6	3.7	3.8
12	Direct Contribution of T & T to employment	-2.3	0.4	1.4	1.9	1.8	2.8	2.0	2.0
13	Total Contribution T%T to employment	-2.3	-1.3	2.2	2.0	2.1	2.3	2.6	2.3
14	Other indicators	-5.4	4.8	2.5	6.5	6.4	5.5	4.9	3.7

Source: World Travel & Tourism Council (WTTC)
 ((2009-2014 real annual growth adjusted for Inflation (%))
 2015-2025 annualized real growth adjusted for information (%))

The table highlights the Travel & Tourism Industry in the World. In the table, GDP generated directly by the Travel & Tourism sector plus its indirect and induced impacts. Employment means the number of Jobs generated directly in the T & T sector plus the indirect and induced contribution. Visitor exports means spending within the country by international tourists for both business and leisure trips, including spending on transport, but excluding international spending on education. Domestic T&T spending means spending within a country by that country's residents, for both business and Leisure trips. In the table The direct contribution of T&T to GDP was USD2,364.8 bn(3.1% of total GDP) in 2014, and it forecasts to rise by 3.7% in 2015, and to rise by 3.9% pa from 2015-2025 to USD 3,593.2bn (3.3% of total GDP) in 2025. The total contribution of T&T to GDP was USD7,

580.9bn (9.8% of GDP) in 2014, and is forecast to rise by 3.7% in 2015 and to rise by 3.8% pa to USD 11,381.9 bn (10.5% of GDP) in 2025. Direct Contribution to employment- in 2014 T&T directly supported 105,408,000 jobs (3.6% of total employment). This is expected to rise by 2.0% in 2015 and rise by 2.0% pa to 130,694,000 jobs/3.9% of total employment) in 2025. Total Contribution of T & T to employment: In 2014 the total contribution of T&T to employment including jobs indirectly supported by the industry, was 9.4% of total employment (276, 845,000 jobs). This is expected to rise by 2.6% in 2015 283, 983, 000 jobs and rise by 2.3% pa to 356,911,000 jobs in 2025(10.7% of total) visitor Exports: Visitor exports generated USD 1,383, 8 bn (5.7% of total exports) in 2014 by 2.8% in 2015, and grow by 4.2% pa from 2015-2025, to USD 2,140.1 bn in 2025 (5.6% of total)

Table 3: Foreign Tourist Arrivals (FTAS) in India.

Year	FTA _s in India (in Millions)	Percentage (%) Change over the Previous year
1999	2.48	5.2
2000	2.65	6.7
2001	2.54	-4.2
2002	2.38	-6.0
2003	2.73	14.3
2004	3.46	26.8
2005	3.92	13.3
2006	4.45	13.5
2007	5.08	14.3
2008	5.28	4.0
2009	5.17	-2.2
2010	5.78	11.8
2011	6.31	9.2
2012	6.58	4.3
2013	6.97	5.9
2014	7.68	10.2
2015	8.03	4.5
2016 (P) (Jan to June)	4.19	8.9

Source: (i) Bureau of Immigration Govt. of India
(ii) Ministry of Tourism, Govt. of India, for Jan to June.

The table highlights the series of trend of 2016 foreign tourist in India from 1999 to 2015. The percentage (%) change is fluctuated. The volume of tourist arrivals increased but annual change does not-increase significantly.

Growth of Tourism Industry in Assam:

Assam is a state which lies in the eastern region of India with its economic potentiates. Different valuable natural resources are in the possession of this state. It is subjected to variety of problems in the North-East-region. The term 'tourist infrastructure' associated with the development of accommodation sector, food and beverage sector, transport system, tourist spots,

travel-agencies, tour operators, the entertainment industries, art and crafts, the souvenir industry and so on. Economists frequently put stress on the development of touristic infrastructure.

Assam is fast emerging as a major tourist destination in India with its splendid tourist attractions, its breath taking scenic beauty, dense forests, green valleys, large water ways, rich bio-diversity and unique art and culture. The tourists visiting Assam had been increasing steadily during the last few years and the trend needs to be sustained through the provision of appropriate tourist facilities and services.

Table 4: Indian & Foreign Tourist Arrivals

Year	Tourists staying at lodges		Tourist staying in other accommodation		Total Change	Change in Annual (%)
			Domestic	Foreigners		
1	2		3		4	5
2006-07	20279	649	34,59,591	13,008	34,93,527	-
2007-08	24057	960	34,65,757	12,389	3,503,613	0.28
2008-09	26439	674	36,72,267	13,859	37,13,239	5.98
2009-10	25665	664	38,69,860	14,030	39,10,219	5.30
2010-11	25831	594	41,01,616	15,039	41,43,080	5.95
2011-12	26439	696	4381,897	15,964	44,24,996	6.80
2012-13	22057	711	43,22,609	16,997	43,62,374	(-)1.41

Source: Directorate of Tourism, Assam (Column 4&5 calculated by Authors)

The table highlights the tourist arrivals in Assam from 2006-07 to 2012-13 (both Domestic & Foreigners). It indicates the increasing volume of tourist arrivals and growing annual change of percentage except the period 2012-13,

which has presented the negative growth rate. The column 4 and 5 are calculated by the author to find out the changing pattern of tourist arrivals in Assam.

Table 5: Tourist arrivals in National Parks and Revenue Collections (2007-08 to 2012-13)

Sl. No	National Parks	Year	No of Visitor		Total	Annual Change (%)
			Indian	Foreigners		
1	Kaziranga National Park	2007-08	53,640	6,106	59,746	-
2		08-09	1,00,384	5,797	106,151	77.67
3		09-10	1,05,264	7,580	112,844	6.30
4		10-11	1,12,392	7,447	119,839	6.20
5		11-12	1,17,308	7,521	124,829	4.16
6		12-13	93,747	7,418	101,165	-18.98
1	Manas National Park	2007-08	6,391	624	7,015	-
2		08-09	1,104	240	1,344	(-) 80.84
3		09-10	8,030	139	8,169	507.81
4		10-11	10,843	503	11346	38.89
5		11-12	19,705	237	19,942	75.76
6		12-13	15,890	218	16,108	-19.22
1	Orang National Park	2007-08	1,631	215	1,846	-
2		08-09	1,285	267	1,552	(-)15.93
3		09-10	1,628	325	1,953	25.84
4		10-11	1,702	180	1,882	(-)3.63
5		11-12	2,678	159	2,837	50.74
6		12-13	1,847	70	1,917	-32.43
1		2007-08	1,766	53	1,819	-
2		08-09	2,567	74	2,641	45.19

3	Dibru Saikhowa National Park	09-10	2,613	62	2,675	1.29
4		10-11	2,351	40	2,391	(-)10.62
5		11-12	3,970	42	4,012	67.80
6		12-13	2,656	19	2,675	(-)33.33
1	Nameri National Park	2007-08	4,154	524	4,678	-
2		08-09	5,489	479	5,968	27.58
3		09-10	4,342	346	4,688	(-)21.45
4		10-11	4,460	352	4,812	2.65
5		11-12	5,601	457	6,058	25.89
6		12-13	4,370	528	4,898	(-)19.15

Source: Directorate of Tourism Assam.

The table highlights the volume of tourists in National Parks. The visit of number of tourist (both Domestic & Foreigners in other National Parks considerably fall during the years of 2012-13 in comparison to the previous years.

In respect of visit of Indian tourists, this fall was in Kaziranga National Park (-18.98%), Manas National Park (-19.22%) Orang National Park (-32.43%), Dibru Saikhowa National Park (-33.3%) and Nameri National Park (-19.15%).

Table 6: Revenue Collection

Year	Total revenue earned from tourist lodge only (in lakhs)	Annual Growth Rate (%)
1	2	3
2006-07	81.30	-
2007-08	94.99	16.85
2008-09	103.92	9.38
2009-10	131.63	26.67
2010-11	143.60	9.09
2011-12	184.34	28.34
2012-13	248.19	34.58

Source: Directorate of Assam Tourism (Column 3 is calculated by Author)

**Number of Workers in tourism Industries by formal/informal and by gender-Assam, Total-2009
-10 (both rural and urban)**

Sl. No	Industries	Number of workers (Formal)			Number of workers (Informal)		
		Male	Female	Total	Male	Female	Total
1	Tourism characteristics Industries	1,7931	5,462	23,393	29,0861	22,761	3,13,627
2	Accommodation service of hotels	0	0	0	2,410	0	2,410
3	Food and beverage servicing/Restaurants	848	0	848	63,175	11409	74,584
4	Railway passengers/transport services	2,818	0	2,818	3,500	0	3,500
5	Land passengers transport service	2,361	0	2,361	1,8871	0	1,88,871
6	Water passengers Transport	0	0	0	0	0	0
7	Air Passenger Transport	0	0	0	0	0	0
8	Transport equipment rental services	0	0	0	2,229	0	2,229
9	Travel agencies and other reservation services	0	0	0	3,643	0	3,643
10	Cultural & religious services	0	0	0	6,232	0	6,232
11	Sporting and other recreation service	0	0	0	2,272	-	2,272
12	Health & Medical	11,904	5,462	17,366	18,528	11357	29,885
13	Tourism connected Industries	8,669	0	8,669	48,032	41891	89,923
14	Readymade garments	0	0	0	15,082	8401	23,483
15	Processed Food	6,256	0	6,256	9,803	29969	39,773
16	Tobacco Products	0	0	0	1,632	51	1,683
17	Beverage	1,973	0	1,973	7,254	3470	10,724
18	Travel related consumer good	0	0	0	0	0	0
19	Food war	0	0	0	9,753	0	9,753
20	Soaps, cosmetic etc	740	0	740	0	0	0
21	Gems and jewelry	0	0	0	4,599	0	4,599
22	Book journals etc.	0	0	0	0	0	0

Source: NCAER computations based on NSSO 66th Round data.

The table presents the employment in tourism industry of Assam. Two major breakdowns of the number of jobs and hours worked are proposed. One according to the gender of the person are employed, the other according to a simplified status in employment classification. Where only employees are signed out from use of the labour force is expressed in terms of number of jobs, number of hours worked (in the reference period) and number of fulltime equivalent jobs (in the reference period) in order to make the measurement comparable and to wipe out the effects of part time jobs (As per NCAER report)

The employment and income effect of hospitality sector are very close related and follow a common source, namely expenditure on accommodation, food and beverage by the tourist. Tourist expenditure provides direct income and also generates employment in hotels, restaurant, bar, bakery, jeweler, transport agency, readymade garments, food-product etc. These sectors also generate an immense volume if indirect employment and income with a

multiplier effect with the coming of tourists to destinations. The demands of hospitality industries generate direct employment in one hand and it will open up yet another dimension in the economic development.

GDP share to State Tourism Industry

At national level, the estimates of GDP are prepared and published annually by the central statistical office (NSSO). State Domestic Products estimates are prepared annually by the State Directorate of Economics and Statistics (DES). State Domestic Product (SDP) is the monetary value of all goods and services produced within the geographical boundaries of the state. It covers all the items like agricultural crops, livestock, fisheries, forest product, manufacturing items, construction of building the service sectors i.e. domestic service, hotels restaurants, trade etc. Tourism service includes in the service sector. In the preparation of state TSA, the SDP account are used to arrive at the supply side information of the tourism industries.

Table 8: State GDP account, 2009 -10 (part-A)

SL No	At currents price	GVA –FC (In lakhs)
1	Total Agricultural and live stock	1,94,897
2	Forestry	1,69,344
3	Fishing	1,84,205
4	Mining	6,88,553
5	Meat, Fish, fruits/vegetable	6371.86
6	Dairy Products	2095.74
7	Grain Mill Products	10531.7
8	Other food Products	1,97,042
9	Beverages	20551.6
10	Tobacco Products	27210.2
11	Spanning, weaving	21615.2
12	Wearing appeal	3633.61
13	Leather & Fur products	537.98
14	Wood & Wood products	21336.4
15	Furniture	29872.7
16	Paper & Printing	31397.9

17	Rubber & Petroleum	1,90,806
18	Chemical & Chemical Products	1,24,858
19	Non- Metallic product	41944.7
20	Basic metals	15470.9
21	Metal products	27112.1
22	Electrical machinery	3417.41
23	Other manufacturing	8152.7
24	Transport equipment	981.083

25	Construction	7,84,939
26	Land Transport	3,04,217
27	Water Transport	6311.17
28	Air Transport	15938.3
29	Supporting and Aux TPT activities	5739.48
30	Trade	13,04,461
31	Hotels & Restaurants	1,04,689
32	Educational & Research	8,42,527
33	Medical Health	1,06,124
34	Other service	4,91,482
35	Publication administrations	

Source: CSO

GVA=Gross value Added FC = Factor Cost- (the cost of material inputs used in the process of production)

In the table, service sector (non public segment) like trade, hotels, transport, restaurant etc. estimates are prepared by the income approach i.e. by multiplying the value added per worker by the number of workers.

Finding and conclusions:

International tourist arrivals (Overnight visitors) grew by 5% worldwide in 2013, reaching a record 1087 million arrivals after tapping 1 billion marks in 2012. Asia and the pacific recorded the strongest growth with a 6% increase in arrivals followed by Europe and Africa. International tourism receipts reached up 1159 billion worldwide in 2013, up from US \$1078 billion in 2012. China has consolidated its position as the number one tourism source market in the world, spending US \$129 billion on internal tourism.

Travel & tourism's impact on the economic and social development of a country

can be considered enormous, opening it up for business, trade and capital investment, creating jobs and entrepreneurialism for the workforce and protecting heritage and cultural values. Travels & Tourism generated US \$7.6trillion (10% of global GDP) and 277 million jobs (1 in 11 jobs) for the global economy in 2014. Recent years have seen T&T growing at a faster rate than both the wider economy and other significant sectors such as automotive, financial services and health care.

WTTC is proud to continue to provide the clean and empirical data in order to help both public and private bodies make the right decisions for the future growth of sustainable travel and tourism sector.

In Assam, there is good proposal for the development of tourism industry. Since the tourism industry also provides a fillip to related industries such as hospitality industry, the

handloom and handicrafts industry and provides employment opportunities to the local people, a well directed effort at realizing the potential of Assam as a tourist destination will go a long way in making the state prosperous and improve the country GDP.

Since tourism is a social initiative which cannot grow and sustain by the efforts of the government alone, it requires private initiatives

for its promotion. In fact, tourism is a multi-dimensional activity and has strong inter-related linkages. A study by NEDFI found that every domestic tourist agency create employment for three persons and every foreign tourist seven persons. It was also estimated that every million rupees involved in tourism, creates 479 direct jobs besides many indirect jobs.

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