

TOURISM AND THE ECONOMY

CASE STUDY: TAMIL NADU

S. SAUMYA

B.A. Social Sciences, Tata Institute of Social Sciences,
Hyderabad

ABSTRACT

This article deals with the pattern of tourism seen in the state of Tamil Nadu and its implications on the economy

Introduction

Tourism is amongst the world's fastest growing industries, which generated US\$7.2 trillion that accounts for 9.8% of the global GDP and 284 million jobs (1 in 11 jobs) for the global economy in the year 2014. (World Travel and Tourism Council , 2015).

India also stands 12th in the World ranking of Relative importance of Travel & Tourism's total contribution to GDP. (In absolute terms)

Taking the Case of India, according to the World Travel & Tourism Council, the 6.2% of Total Investment made in the country towards Travel and Tourism (as of 2014) resulted in the Tourism sector contribution to 6.7% of the country's GDP in that annum. [It is forecast to rise by 7.3% p.a. to almost 7.6% of GDP in 2025].

Within India, 25.6 % of *Domestic tourist visits* and 20.6% of *foreign tourist visits* are made in the state of **Tamil Nadu**. (Ministry of Tourism, Govt. of India, 2015). The eleventh largest state in India by area and the seventh most populous state, Tamil Nadu is home to many natural resources, grand Hindu Temples of Dravidian architecture, hill stations, beach resorts, multi-religious pilgrimage sites and eight UNESCO World Heritage Sites which accounts for why it has the largest share in the country's tourism sector. (Places; Tamil Nadu, 2013)

Positive Impact of Tourism on the Economy

1. **Tourism generates employment:** As of 2014, Travel & Tourism directly supported 23,024,000 jobs in India (5.5% of total employment).
2. Tourism is an **important source of foreign exchange** earnings in India. This has favorable impact on the balance of payment of the country. The tourism industry in India generated about US\$100 billion in 2008 and that is expected to increase to US\$275.5 billion by 2018 at a 9.4% annual growth rate.
3. It helps in not only quantitative economic growth, but also **egalitarian economic development** in rural/underdeveloped regional areas that attract tourism. Tourism also helps generate livelihood for women (who are actively engaged in the tourism sector)
4. **Developing Infrastructure:** Tourism tends to encourage the development of multiple-use of infrastructure that benefits the host community, including various means of transportation, health care facilities, and sports centers
5. Tourism in turn leads to **preservation** of many historically and naturally significant places by giving those places the title of being 'Heritage Sites'. (Venkatesh & Raj, 2016)

Various forms of Tourism

1. **Medical tourism** also known as health tourism has emerged as one of the important segments of the tourism industry. The term has been coined by travel agencies and the mass media to describe the rapidly-growing practice of travelling across international borders to for healthcare. Travelers typically seek services such as elective procedures as well as complex specialised surgeries such as joint replacement (knee/hip), cardiac, dental, and cosmetic surgeries. Psychiatry, alternative treatments, and convalescent care are also available.
2. **Adventure tourism** Travel for the aim of exploration or travel to remote, exotic and possibly hostile areas is known as adventure tourism. With tourists looking for different options, adventure tourism is recording healthy growth. Adventure tourism refers to performance of acts, which require significant efforts and some degree of

risk or physical danger. The activities include mountaineering, trekking, bungee jumping, mountain biking, river rafting, and rock climbing. India with its diverse topography and climate offers tremendous scope for adventure tourism.

3. **Heritage tourism** Heritage tourism is defined as “travel undertaken to explore and experience places, activities, and artefacts that authentically represent the stories and people of the past and present”. It is oriented toward cultural heritage of the tourist location. It involves visiting historical or industrial sites, religious travel or pilgrimages. India is well known for its rich heritage and ancient culture.
4. **Eco tourism** Eco tourism, also known as ecological tourism, is travel to natural areas to appreciate the cultural and natural history of the environment, while not disturbing the integrity of the ecosystem and creating economic opportunities that make conservation and protection of natural resources advantageous to local people. Ecotourism also minimizes wastage and the environmental impact through sensitized tourists.
5. **Rural tourism:** Rural tourism encourages rural life, art, culture and heritage of rural locations, benefitting the local community economically and socially as well as enabling interaction between the tourists and locals for a more enriching tourism experience. India’s rural, geographical and cultural diversity enables to offer a wide range of tourism products and experiences. **Wildlife tourism** Wildlife tourism, one of the fastest segments of tourism, involves travel to different locations to experience wild life in natural settings. India is endowed with various forms of flora and fauna and it has numerous species of birds, mammals, reptiles, amphibians and plants and animals.
6. **MICE tourism** MICE (Meetings, Incentives, Conferences and Exhibitions) tourism is also one of the fastest growing in the global tourism industry. It largely caters to business travellers, mostly corporate.

The hill stations, waterfalls and large coastal stretch will be given wide publicity and developed for eco-tourism and adventure tourism. Whereas on the other hand eco-tourism projects can combine conservation of natural and cultural sites with economic and recreational benefits. Talk about why pilgrimage destinations and other (MICE/ business) destinations have a negative growth rate.

Observation

We shall now study the tourism in Tamil Nadu over a period of 8 years, from 2006-2014 and try to find patterns with which the form of tourism prevalent in a particular district impacts the tourism of that district.

Given is a table which shows a District Wise Total Visitor Arrival in Tamil Nadu (2006-2014)

District	Total tourist arrival 2014*	%s share in tourism 2014	Total tourist arrival 2006 #	% share in tourism 2006#	Towns/cities in the district #
Ariyalur	638,707.00	0.39			
Chennai	18,261,834.00	11.19	7,877,320.00	19.43	
Coimbatore	9,554,632.00	5.85	1,536,715.00	3.79	
Cuddalore	4,343,385.00	2.66	344,003.00	0.84	Chidambaram and Pitchavaram
Dharmapuri	7,450,267.00	4.56	217,316.00	0.54	Hogenakkal
Dindigul	11,972,728.00	7.34	3,345,117.00	8.25	Kodaikanal and Palani
Erode	1,425,711.00	0.87			
Kanchipuram	7,180,477.00	4.40	2,536,793.00	6.25	Mahabalipuram
Karur	875,820.00	0.54			
Krishnagiri	543,251.00	0.33			
Kanyakumari	10,358,903.00	6.35	1,606,587.00	3.96	
Madurai	11,930,967.00	7.31	4,100,446.00	10.1	
Nagapattinam	5,270,492.00	3.23	1,004,443.00	2.49	Velankanni, Negore and Poompuhar
Namakkal	847,343.00	0.52			
The Nilgiris	7,799,412.00	4.78	3,504,248.00	8.64	Ooty (7.8), Conoor and Mudumalai
Perambalur	1,296,959.00	0.79			
Pudukkottai	558,675.00	0.34			
Ramanathapuram	7,776,142.00	4.76	2,442,510.00	6.02	Rameshwaram
Salem	8,486,610.00	5.20	1,055,605.00	2.6	Yercaud
Sivaganga	1,414,058.00	0.87			
Thanjavur	9,908,417.00	6.07	1,795,228.00	4.43	Kumbakonam
Theni	1,217,622.00	0.75			
Thoothkudi	5,733,407.00	3.51	1,807,755.00	4.46	Trichendur and Panchalankurichi

<i>Tiruchirapalli</i>	7,136,611.00	4.37	2,035,775.00	5.02	
Tirunelveli	3,163,598.00	1.94	642,828.00	1.59	
Tiruppur	612,939.00	0.38			
<i>Tiruvallur</i>	1,665,284.00	1.02	840,132.00	2.07	<i>Tiruttani</i>
<i>Tiruvannamalai</i>	8,194,324.00	5.02	3,797,903.00	9.37	
Tiruvarur	1,895,864.00	1.16			
Vellore	3,311,450.00	2.03	59,658.00	0.15	Yelagiri
Viluppuram	1,261,803.00	0.77			
Virudhnagar	1,117,342.00	0.68			
Total	163,205,034.00	100	40,550,382.00	100	

#Source:

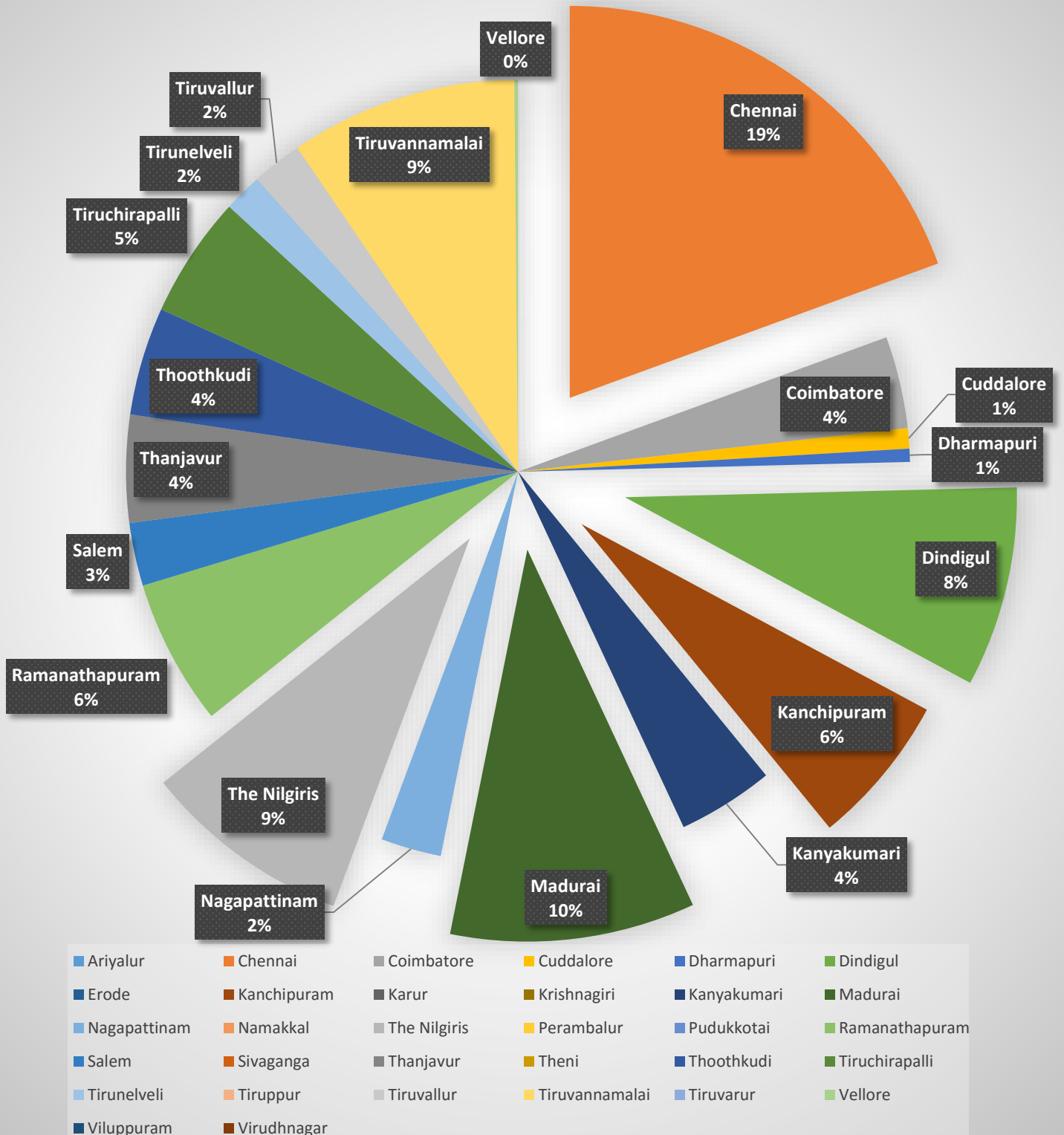
Chauhan, G. (2010). ANALYZING TOURISM POTENTIAL OF TAMIL NADU. *Journal of Environmental Research And Development*, 5(2).

*source:

Nielsen India Pvt. Ltd. (2015). *Tourism Survey for Tamil Nadu (Jan-December 2014)*. Ministry of Tourism, Govt of India.

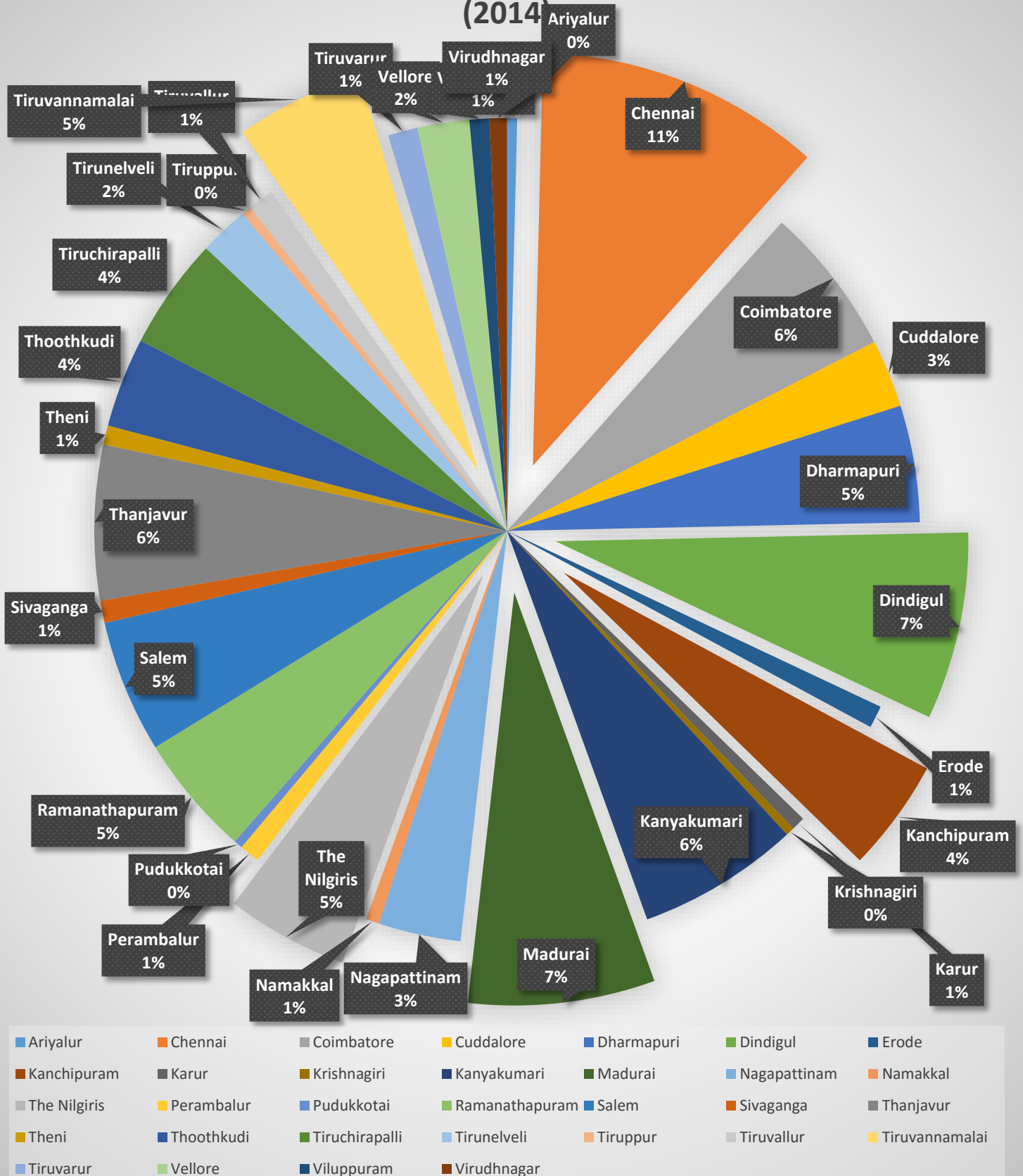
The above information can also be simplified and presented in graphs

Percentage share of various districts of Tamil Nadu in tourism (2006)



Percentage share of various districts of Tamil Nadu in tourism

(2014)



Analysis

The district-wise data analysis reflects that the Chennai, Mamallapuram, Udhamandalam, Madurai, Trichy, Kodaikanal, Kanyakumari, Thanjavur and Coimbatore were noticed as some of the best choice of tourist destinations (centres) of tourists in the year 2006.

(Chauhan, 2010)

Chennai, we see had a share of 19% in the total tourist (foreign and domestic both) arrival of the country in 2006, which has significantly dropped to 11% in 2014. Although the gross number of tourist that arrive has increased in Chennai, the preference of tourists who come to Tamil Nadu has significantly shifted away from Chennai.

Chennai attracts most of its tourism due to its metropolitan significance and has an added advantage of having a strong pilgrimage tourism. The MICE tourism, i.e., business tourism is also highly prevalent in Chennai due to its highly advanced and upcoming IT sector. In recent years, Chennai has also seen a burst of Medical Tourism by attracting about 40% of the country's medical tourists and more than six lakh tourists visit the state every year, according to a study by Confederation of Indian Industries (CII). However, the drop in the share of total tourists has dropped most significantly here because of one most substantial reasons. The substantial reason being the Global Recession of 2008-09. In India, Tamil Nadu is the state with the highest number of tourists per year and out of that, Chennai is the city with the highest number of foreign tourists. When global recession struck, countries like US, UK and France from where the majority of the tourists come (Chauhan, 2010), suffered the brunt of it, this could have cause the foreign tourism in Chennai to significantly reduce and hence, causing Chennai to lose its share in the tourism of Tamil Nadu.

Same is the case with Madurai, Tiruvannamalai (main attraction- Mahabalipuram), Rameshwaram and the Nilgiris, all of these districts have seen a decline in *more than 2%* share of the total tourist arrival in Tamil Nadu. The common factor amongst all these districts is that the major form of tourism in these areas are Heritage and pilgrimage tourism. Madurai is the city of temples, Mahabalipuram is known for its historical significance and Rameshwaram is considered to be as sacred as Varanasi and is a bustling pilgrimage centre. In recent years, the significance of pilgrimage and heritage sites has relatively declined as a greater-than-before share of tourists are now visiting districts of Tamil Nadu that had lesser than 1% share Tamil Nadu Tourism, such as Cuddalore and Dharmapuri.

These lesser-known places hold a great potential for expanding Tamil Nadu's tourism. As can be derived from the graphs above, maximum in the share of tourist arrivals has been seen in districts which had **0.15%-4.43%** share in the total tourist arrival in the state. Many places such as Thiruparappu in Kanyakumari, Yelagiri in Vellore, Tharamangalam in Salem, Sirumalai in Dindigul and Hoegnakkal in Dharmapuri have great potential of being future destinations of prospective tourism as these include unexploited tourist places, beaches, historical monuments and places, temples, eco-tourism areas, wild-life and bird sanctuaries, Botanical and Horticultural gardens, zoological and national parks and water bodies.

There has been a decline in the share of tourism in the Nilgiris and Dindigul (Kodaikanal). This could be due to over-exploitation of the natural resources of the district over the past many decades. This serves as an example of why it is so important to conserve our tourist destinations- Be it the scenic, historic or religious sites. Eco tourism is highly advantageous in an economy like ours because in order to maintain the inflow of tourism over a long period of time without destroying our resources, taking a step towards sustainable tourism is vital.

Eco tourism blankets over adventure, rural, leisure, heritage tourism and ensures sustenance of resources. It helps the Hill Stations, Waterfalls, Forests, Bird Sanctuaries and beaches retain their natural beauty. An example being the Ban of plastic in the Nilgiris, which has helped preserve its natural splendour and saved it from getting polluted in the long run. Main ingredient of eco-tourism is in the adaptation of tourists to the local environment rather than the other way. The tourists will respect local customs, flora and fauna by trying to become a part of it rather than being visitors.

Eco tourism is further administered by giving culturally heritage sited the tag of "UNESCO world heritage sites", almost 42 tourist spots are promoted and protected, while the income earned from them help in their preservation. This also helps by generating income and helping the lives of the local people living in and around these sites.

Conclusion

In conclusion, it can be added that by studying the pattern of change in the share of Tourism in various districts of Tamil Nadu, it has come to light that the cities which were the popular choice as tourist destinations have become less and less-popular choice- This pattern has in turn shown a decline in the percentage of pilgrimage tourism and business tourism.

As the rural tourism in lesser-known places has grown in share, it is vital to ensure development of eco-tourism in these areas in order to maintain the growth of tourism in Tamil Nadu. This can be achieved by providing basic infrastructure and amenities for the tourists so that the increase in the inflow of tourists helps in harnessing the potential of the place in such a way that it helps in the development of the region and boosts the local economy in such a way that the local residents are offered a livelihood and security.

References

- Chauhan, G. (2010). ANALYZING TOURISM POTENTIAL OF TAMIL NADU. *Journal of Environmental Research And Development*, 5(2).
- Ministry of Tourism, Govt. of India. (2015). *India Tourism Statistics at a Glance 2014*. Govt. of India.
- Nielsen India Pvt. Ltd. (2015). *Tourism Survey for Tamil Nadu (Jan-December 2014)*. Ministry of Tourism, Govt of India.
- Places; Tamil Nadu*. (2013). Retrieved from Eco Tourism:
<http://www.ecotourism.co.in/tamilnadu.html>
- Rath, N., Singh, N., & Lopes, S. A. (n.d.). IMPACT OF TOURISM ON INDIAN ECONOMY. *Tactful Management Research Journal*.
- Venkatesh, M., & Raj, S. J. (2016, January). IMPACT OF TOURISM IN INDIA. *International Journal of Scientific Engineering and Applied Science*, 11.
- World Travel and Tourism Council . (2015). *ECONOMIC IMPACT 2015, INDIA*. London: World Travel and Tourism Council .