

# GROWTH AND DEVELOPMENT: A STUDY OF TOURISM INDUSTRY OF HIMACHAL PRADESH

**DR. KULDEEP KUMAR ATTRI**

Professor, Department of Commerce and Management, International Centre for Distance Education and Open Learning, Himachal Pradesh University, Summer Hill, Shimla

**DR. VIRENDER KAUSHAL**

Assistant Professor, University College of Business Studies, Ava-Lodge, Chaura Maidan, Shimla

## ABSTRACT

Tourism plays an important role in the economic development and growth of a state and nation as well. India is a unique country of the world which attracts tourists from all parts of the world. The present study deals with the growth and development of tourism in "Land of Gods" and "Land of snowy mountains". The tourism is one of the major sector acts as a pillar of economic development of the state. It contributes around 6.6 percent in the state GDP. The present study is undertaken to analyse the growth and development in the tourism industry of state during the period of 2003 to 2016. The study is descriptive in nature and secondary data has been used. The outcomes of the study have been drawn by using SWOT Analysis. The researchers in their study concluded that tourism is one major activity which helps in the growth and development of state economy. They too reveals that it acts as a motivator to the economy of Hilly State i.e. Himachal Pradesh.

## KEYWORDS

Tourism, Growth, Development, Economic Development, Tourism Sector/Industry, Himachal Pradesh

## TOURISM: A BRIEF INTRODUCTION

Human have travelled since the beginning of human civilization and the early motivator for this were shelter, safety, food, business/commerce/trade or possession of resources and new areas. The concept of travel for leisure, happiness, recreation and exploration came into light after this. The advancement in technology enhanced individual's chances to travel. The stable Governments, infrastructural development, and interest of individuals has encouraged them to travel for leisure, exploration, sight-seeing, entertainment, happiness, religious activities and education.

Thus, the tourism is sum total of activities, services and industries that provides a journey or travel experience. It includes transportation, services, accommodation facilities, food & beverages, retail outlets, entertainment, leisure businesses, hospitality services and other recreational facilities provided for an individual, teams or corporate groups travelling away from their native places.

In general the term tourism is defined as, "the temporary movement of people to destinations outside their stay in those destinations, and the facilities to cater to their needs." UNWTO reveals that, "Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes."

Tourism has strengthened itself as a boundary less activity worldwide. The tourism was diversified earlier but with the passage of time it becomes mature and with the maturity tourism has become a professional activity. To make tourism a professional field various group such as the World Travel and Tourism Council has been formed. This council includes aviation services, tour and travel agents and hotel chains as its members. The main focus of such groups has been on making tourism an economic activity for host nations.

Now-a-days, tourism becomes an important pillar for the economic development of a nation. The positive effects and benefits of tourism activities in the periods of slow economic growth or decline have not been ignored.

### **HIMACHAL PRADESH: AT A GLANCE**

Himachal is a mountainous state in the Northern India and situated in the heart of Western Himalayan region. The state is also called as "Dev Bhumi" is believed to be the "Adobe of Gods and Goddesses". There are a number of stone as well as wood temples in the state known for their unique architecture. The distinct culture, traditions and rituals have made it one of the unique destinations in the world. The lush green valleys, large glaciers, gigantic pines, steep cliffs, flora & fauna and roaring rivers and other features clubbed together to form a place which is named as Himachal Pradesh.

### **ECONOMY**

The state has acts as pioneer of growth and development not for smaller states only but for the larger states too in a short span of time in various fields such as health, social-welfare, agriculture, horticulture, infrastructure and especially tourism. The economy of state is considered as fastest growing economy in the country. The economy of the state is estimated to be 6.8 percent in the financial year 2016-17.

During 90's the agricultural sector and its allied activities were the major contributor of economic growth. With the passage of time there has a shift from agriculture sector to industrial and its allied sector in total state domestic product decreased from 57.9 percent in 1950-51 to 9.4 percent in 2015-16. The contribution of industrial sector increased to 25.2 percent in 2015-16 from 1.1 percent in 1950-51. The share of service sector increased to 43.9 percent in 2015-16 from 5.9 percent in 1950-51.

The boom in service sector is only because of tourism from 1950-51. The tourism sector acts as an engine for economic growth and a major source of revenue and employment in our state. This is the reason that Government of Himachal Pradesh has developed infrastructure i.e. roads, airports, helipads, communication network, public utility services, transportation facilities, water and sanitation facilities and other amenities for growth and development of tourism sector.

## TOURISM IN HIMACHAL PRADESH

The attractions and natural beauty of state has made it a famous tourism destination in India and world as well. In Himachal, the tourist may involved in various activities such as camping, trekking, adventure games, religious tourism, visit wild-life centuries, eco-tourism parks/areas, recreational, medical tourism, educational tourism, white river-rafting, yoga, meditation, and attend fairs and festivals during their vacations.

The famous and major tourist attractions and destinations of state are as follows:-

**Mandi:** The district of Mandi came into existence with the merger of two princely provinces mandi and Suket on 15<sup>th</sup> April, 1948. It is a famous tourist destination and situated along the banks of river Beas. It is a historical town of Mandavya Rishi and also called as Chhoti Kashi. It has a rich culture and history shown by its old and famous temples. This place is also called as Gateway of famous valleys of state such as Kullu and Lahul & Spiti.

**Shimla:** Shimla 'The Queen of Hills' became the Capital of Himachal Pradesh in the yaer 1966. It was named after Goddess 'Shyamala'. The place is accessible via road, flight and, train. It is one of the leading destinations for those who are looking for peace and leisure. A large number of tourists visit Shimla whole of the year from adjacent places such as Jammu & Kashmir, Delhi, Haryana, Punjab, Uttar Pradesh and from Southern States and from the other areas of the world.

**Kufri:** Kufri is very beautiful and small destination located along with the NH-22 in Shimla district. It is around 17 kms far from Shimla headquarters and popular destination for horse-riding, pony-riding, yak-riding, trekking, skiing and for wild-life. The major attractions of this place are Himalayan Nature Park and Indira Tourist Park.

**Rewalsar:** This place is located in Mandi district and 24 kms away from the Mandi Town. It is a famous pilgrimage of Hindus, Sikhs and Buddhist also known as 'Triveni'. The main attractions of the destinations are lake and floating islands, Gurudwara Sahib, Monasteries, Statue of Guru Padamasambhava and Lomas Rishi temple.

**Dharamshala:** It is headquarter of Kangra district situated on the heights of Dhauldhar ranges of Himalaya. It was founded by Britishers in 1855. This destination is famous for its lush green areas, lakes, monasteries and temples. It is home of His Holiness 'The Dalai Lama'. It is also known as capital of 'Tibetan Government in Exile' and called as 'Little Lhasa'.

**Kullu:** It is known as India's 'Valley of Gods' and located in the foothills of Himalayan Mountains. The place is famous for its apple orchards, temples and international fair Dussehra. All these attracts thousands of tourists from India and abroad as well. This area is famous for its valleys, handicrafts products, wild-life centuries, eco-tourism parks and wild-life centuries.

**Chamba:** The Chamba town is a small destination located in the ranges of Shivalik ranges of Himalaya. It is famous for its medieval temples and international Minjar fair.

**Manali:** It is the most beautiful, attractive tourist destination and hill station of India. It is located in Kullu district of the state. A large number of tourists attracted towards it and visit the destination throughout the year.

**Kangra:** The world famous Kangra town is situated in the foothills of Dhauladhar range. The Kangra area is also known for its ancient temples and natural beauty, which attract thousands of tourists every year. The Kangra town was the capital of erstwhile rulers of the Chand Dynasty.

**Other Attractions:** There are so many tourist destinations in our state which attracts a large number of visitors throughout the year. These are the Chail, Kali Tibba, SadhuPul, Kasauli in Solan, Lahul & Spiti, Kinnaur, Bilaspur, Una and others.

## REVIEW OF LITERATURE

The tourism sector has become one of the major contributors in the economic development and growth of the state as well as nation. In this section an attempt has been made to review the surveys, researches and studies undertaken in this area over a period of time.

Achilov (2017) in his research, *“Development of Tourism Industry: Perspectives and Advantages for Growth as Example in Kazakhstan”*, suggested that tourism is relatively new area of business for Kazakhstan and started since 1991 after receiving its independence. And also suggested that for policy recommendation, analysis of legal framework and regulations are demanding and is the key point to ease restrictions and open nations for tourism, dialogue and common development.

Iqbal and Sami (2016) in their study, *“Global and India’s Tourism Scenario”* found that tourism has emerged as a key sector of the world economy and has become a major workforce in global trade. It has been making revolutionary and significant role on the world economic scenario and India as well.

Rishi and Giridhar (2007) in their study, *“Himachal Tourism: A SWOT Analysis”* revealed that although Himachal has unique natural offerings it is not able to cash upon them due to lack of various facilities. Most of tourists’ expectations were met with but they depended on the presence of good necessities like amenities, food and water and proper infrastructural facilities like accommodation, transport, accessibility, which were found lacking in certain cases. The tourists believed that Himachal does have the potential of becoming one of the world’s top tourist destinations, if it can overcome its deficiencies and market itself well so as to position itself uniquely in the minds of tourists.

## OBJECTIVES

The following are the objectives of the present study:-

- To study the concept of Tourism in general.
- To study the inflow of domestic and foreign tourists in Himachal Pradesh.
- To analyse the role of tourism sector in providing employment.

## RESEARCH METHODOLOGY

The present study is descriptive in nature and based on secondary data. The data for the purpose of study has been collected by citing various books, journals, research articles, newspapers and internet websites. The data has also been gathered from various departments of Government of Himachal Pradesh such as Department of Tourism, Himachal Pradesh Tourism Development Corporation and Department of Economics and Statistics respectively.

## DATA ANALYSIS AND INTERPRETATION

The tourism encourages and acts as an elevator for local economies. The revenue generated from tourism activities helps in enhancing the economic level and social status of the local people involved in providing tourism services/facilities. It helps in enhancing the growth and development of that area and state as well. Thus, in order to encourage tourism industry, the Government provides more finances and implement various schemes for the development of infrastructure and other facilities required for the upliftment and growth of tourism sector in the state of Himachal Pradesh.

**Table 1: DOMESTIC AND FOREIGN TOURISTS INFLOW FROM 2003-2016**

SN	Year	Tourist Visits			Annual Growth Rate (%age)		
		Domestic	Foreign	Total	Domestic	Foreign	Total
1.	2003	5544414	167902	5712316	11.81	Base Year	Base Year
2.	2004	6345069	204344	6549413	14.44	21.70	14.65
3.	2005	6927742	207790	7135532	09.18	01.69	08.95
4.	2006	7671902	281569	7953471	10.74	35.51	11.46
5.	2007	8481988	339409	8821397	10.56	20.54	10.91
6.	2008	9372697	376736	9749433	10.50	11.00	10.52
7.	2009	11036572	400583	11437155	17.75	06.33	17.31
8.	2010	12811986	543616	13265602	16.09	13.24	15.99
9.	2011	14604888	484518	15089406	13.99	06.81	13.75
10.	2012	15646048	500284	16146332	07.13	03.25	07.00
11.	2013	14715586	414249	15129835	(05.95)	(17.20)	(06.30)
12.	2014	15924701	389699	16314400	08.22	(05.93)	07.83
13.	2015	17125045	406108	17531153	07.54	04.21	07.46
14.	2016	17997750	452770	18450520	05.10	11.49	05.24

Source: Department of Tourism, Government of Himachal Pradesh

The table number 1 reveals that the arrival of domestic and foreign tourists in the state of Himachal Pradesh have increased at a higher rate from 55.42 lakh and 1.67 lakh in the year 2003 to 179.97 lakh and 4.52 lakh in the year 2016 respectively.

The growth rate of tourist arrival sometimes indicates fluctuating situations and sometimes negative growth. The highest annual growth rate was recorded in

domestic and foreign tourists in the year 2009 and 2006 i.e. 17.75 lakh and 35.51 lakh respectively while the lowest annual growth is recorded in the year 2016 and 2005 i.e. 5.10 lakh and 1.69 lakh respectively.

The above table also shows that during the period under review i.e. 14 years, in the year 2013 i.e. (-5.95 percent), the annual growth rate of domestic tourists in the state have been negative and in the years 2013 and 2014 the annual growth rate for foreign tourists have also shows the negative annual growth (-17.20 percent and -5.93 percent respectively) in the state. These fluctuations may be because of heavy rains, floods and snowfalls in the state of Himachal Pradesh. The massive devastation in neighbouring state of Uttrakhand hit tourism industry badly in Himachal Pradesh (The Business Line, 2014).

From the above discussion, it is concluded that there is overall increase in the rate of domestic and foreign tourists in state.

**Table 2: Growth of Hotels/Guest Houses from 2003-2016**

S. No.	Year	Total	Annual Growth Rate (%age)
1.	2003	1643	-----
2.	2004	1710	04.08
3.	2005	1768	03.39
4.	2006	1852	04.75
5.	2007	1899	02.54
6.	2008	1992	04.90
7.	2009	2139	07.38
8.	2010	2150	00.51
9.	2011	2200	02.32
10.	2012	2247	02.14
11.	2013	2377	05.79
12.	2014	2416	01.64
13.	2015	2604	07.78
14.	2016	2784	06.91

Source: Department of Tourism, Government of Himachal Pradesh

The table number 2 reveals that growth of accommodation facilities i.e. hotels and guest houses in the state during the study period from 2003 to 2016, showing increasing trend i.e. the number of hotels and guest houses increase from 1643 in the year 2003 to 2784 in the year 2016 respectively.

The annual growth rate of hotel/guest houses is 4.08 percent in the year 2004 which is increased with higher rate in the year 2009 i.e. 7.38 percent and further declined to 0.52 percent in 2010 and increased to 7.78 percent in 2015.

Similarly, the overall annual growth rate of hotels and guest houses is increasing with high growth rate in the initial years, later too it shows growth in the hotels/guest houses but at a lesser growth rate.

**Table 3: Employment Position in Tourism Sector, 2003-2016**

SN	Year	Himachali	Non-Himachali	Total	Annual Growth (%)
1.	2003	13036	1982	15018	-----
2.	2004	13504	1914	15418	02.66
3.	2005	13993	2125	16118	04.54
4.	2006	14681	2461	17142	06.35
5.	2007	14932	2886	17818	03.94
6.	2008	15768	2906	18674	04.80
7.	2009	17060	3091	20151	07.91
8.	2010	17766	3173	20939	03.91
9.	2011	18426	3368	21794	04.08
10.	2012	18753	4156	22909	05.12
11.	2013	20688	4618	25306	10.46
12.	2014	21617	4538	26155	03.35
13.	2015	23060	5337	28397	08.57
14.	2016	25939	6052	31991	12.66

Source: Department of Tourism, Government of Himachal Pradesh

The table number 3 presents that employment position of Himachali and Non-Himachali in tourism sector has increased at a higher rate from 13036 and 1982 in the year 2003 to 25989 and 6052 in the year of 2016 respectively.

The trend (annual growth rate) of employment reveals that it has increased from 2.66 percent to 12.66 percent during the period under review; despite the facts have several fluctuations in many years such as 2004 and 2014.

The annual growth rate of employment is 2.66 percent in the year 2003 which is increased to 10.46 percent in the year 2013 and which is declined to 3.55 percent in the year 2004 and further it increased to 12.66 percent in the year 2016.

### SWOT ANALYSIS:

**Strengths:** The following are the strengths of the Himachal Tourism: -

- The lush green scenery, beautiful landscapes and pleasant weather.
- The clean and peaceful environment.
- The topography of the state best suited for the adventure sports and recreational activities.
- The popular and notable tourist destinations.
- The 'Athithi Devo Bhava' Concept and hospitality of the local people.
- Horticulture Tourism

**Weaknesses:** The weaknesses of the Tourism department of Himachal Pradesh are underlined as:-

- Imperfect marketing and advertising strategies.
- Ineffective communication and information network.
- Inadequate Transportation and Infrastructural amenities.

- Shortage of trained, qualified and skilled labour.
- Inaccessible tourist destinations especially in winter season because of bad weather.
- Professional Illiteracy among people.

**Opportunities:** The opportunities we have in Tourism sector which can be availed by our State to be leader in Tourism Sector are as under:

- Rural Tourism.
- Medical and Health Tourism.
- Religious Tourism.
- Eco-Tourism.
- Spiritual Tourism.
- Education Tourism.
- Hydel Tourism
- The unexplored destinations and trekking routes.

**Threats:** The threats for the Tourism Sector in Himachal are:

- The 'Heaven on earth' is being opened up. Because of this a large number of tourist could divert to this Heaven.
- Environmental sustainability.
- Safety of visitors/tourists.
- The Environmental and Geographical conditions imposing threats to Tourism in the State.
- The other States of India such as Maharashtra, Kerala, Tamil Nadu, Gujarat, Rajasthan, Kashmir and others are providing stiff competition.

## CONCLUSION

From the above discussion, it is concluded that tourism acts as one of the activity which helps in generating the revenue easily. The tourism sector helps in the growth and development of state economy. It is one of the important sector which boosts the economic growth, employment opportunities and standard of living of the local community.

The study reveals that tourism sector acts as a motivator of economy for the hilly state and the period of study showed that there is an increase in tourist inflow which enhances the income of people and also the revenue of the state Government. It also helps in the overall development and growth of the state in the form of infrastructural development, increase in employment, improved communication network and other related amenities or facilities.



Thus, tourist is the key pin for the growth and development of the economy of an area whether that is a state or nation.

## REFERENCES

- “About Himachal” available online at <http://www.himachal.gov.in>.
- Balikhra, J. (2010), “About Himachal Pradesh” Objective Himachal, India & World, H G Publications, ISBN: 81-86351-02-7
- Achilov, N. (2017). Development of Tourism Industry: Perspectives and Advantages for Growth as Example in Kazakhstan. *Journal of Tourism and Hospitality*. 6(1).
- “Economic Survey of Himachal Pradesh” Department of Economics and Statistics. Himachal Pradesh. (2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017 respectively)
- Giap, K. T.; Gopalan, S.; and Ye, Y. (2017). Drivers of Growth in the Travel and Tourism Industry in Malaysia: A Geweke Casualty Analysis. *Economies*, 2016.
- “Himachal Tourism” available online at <http://www.himachaltourism.gov.in>
- “Himachal Tourism” available online at <http://www.hptdc.in>
- Hunt, J. D.; and Layne, D. (1991). Evolution of Travel and Tourism Terminology and Definitions. *Journal of Travel Research*. 7-11.
- INDIA (2015). India 2015- A Reference Annual. New Media Wing. Publication Division. Ministry of Information and Broadcasting. Government of India. New Delhi.
- INDIA (2016). India 2016- A Reference Annual. New Media Wing. Publication Division. Ministry of Information and Broadcasting. Government of India. New Delhi.
- INDIA (2017). India 2017- A Reference Annual. New Media Wing. Publication Division. Ministry of Information and Broadcasting. Government of India. New Delhi.
- “India Tourism Statistics at a Glance (2017)” available online at <http://www.tourism.gov.in/market-research-and-statistics>.
- Iqbal, B.A.; and Sami, S. (2016). Global and India’s Tourism Scenario. *Journal of Tourism and Hospitality*. 5(1).
- “Rain, Floods Hit Tourism in Himachal Pradesh (2014)” available online at <http://www.m.thehindubusinessline.com>.
- Reports of Himachal Tourism Department from 2003 to 2017.
- Rishi, S. and Giridhar, S. B. (2007). Himachal Tourism: A SWOT Analysis. International Marketing Conference on Marketing and Society. 8-10 April, 2007, IIMK.
- Ugrurlu, T. (2010). Definition of Tourism (UNWTO Definition of Tourism). Article available online at <http://www.tugberk.ugurlu.com>.
- “What is Tourism?” available online at <http://www.prm.nau.edu>.
- Wilkerson, C. (2003). Travel and Tourism: An Overlooked Industry in the U.S. and Tenth District. *Economic Review*. Third Quarter.