

Impact Analysis of India's G20 Presidency on Tourism Sector: A Critical Perspective

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Abstract:

India has come a long way since its policy on economic liberalization and has now become one of the fastest growing economies in the world. This feat of India has been largely because of its prominence in the international stage in different realms and one such important sector is Tourism. This country is famous for its rich cultural heritage, diverse geographical locations, exotic sites, historical landmarks, mouthwatering cuisine and a nurturing environment creating a potential hub for both national and international tourists. The G20 provides a platform where India can make its internal tourism environment known to the delegates of all the remaining nations. The GOI has also adopted certain strategies to leverage this opportunity. The present paper is an attempt to highlight the government initiatives to boost the tourism sector along with analyzing the impact of its G20 leadership on its tourism sector. The study found that the fund allocation to different schemes intended to upgrade this sector has shown an upward trend on a yearly basis. FY 2023-24 has a total budget allocation in tourism of Rs 2400crores which is 78.69% more than the previous year. However on analyzing the present status of tourism in India, it is seen that although there has been an increase in the number of tourist influx and the amount of FEEs earned in 2023 during the period of Jan- Sept, but on comparing it with the same period in 2022, it can be concluded that its performance has not been satisfactory.

Keywords: G20, Local Tourism, Sustainable Tourism.

Introduction:

India has come a long way since its policy on economic liberalization and has now become one of the fastest growing economies in the world. This feat of India has been largely because of its prominence in the international stage in different realms. One of the important sectors contributing to the growth of this country is Tourism. This country is famous for its rich cultural heritage, diverse geographical locations, exotic sites, historical landmarks, mouthwatering cuisine, traditional & modern medical facilities and also a nurturing and welcoming environment thereby creating a potential hub for both national and international tourism. In India, tourism contributes 6.23% of its GDP and 8.78% of all employment thereby fostering revenue generation, poverty reduction and sustainable human resource development. (G.Yoganandham, November 2023). With different promotional measures adopted by the State every year, the growth of this sector has been tremendous. India's G20 Presidency is one of the important events marking a significant picture of its leadership in the international tourism arena. The G20 is an inter-governmental forum comprising of 19 independent countries and European Union and (the newly joined African Union). The G20 members represent

around 85% of the global GDP and over 75% of the global trade. It also accounts for two-thirds of the world population (Press Release). India's G20 theme is **Vasudhaiva Kutumbakam** which is based on three pillars: One Earth speaks of sustainable environmental measures to heal the planet based on age old traditions (showcasing the importance of Ayurveda, Yoga and green economy), One Family speaks of uniting the world by preventing humanitarian crisis and reducing geo political tensions (portraying it as a stage of strengthening bilateral and multilateral relations) and One Future speaks of fostering global security by encouraging frequent conversations of combating climate risk (providing a platform of enhanced communication between different market entities and governments of resorting to renewable energy sources for mitigating climate change). Through this platform, India wants to establish global connectivity for enhanced investment opportunities, promoting local tourism and overall community development.

Statement of the Problem:

India portrays herself as a comprehensive destination of tourism that suits varied purposes ranging from adventure, spirituality, exploring rich cultural heritage, Meetings, Incentives, Conferences and Exhibitions (MICE) to seeking medical help. Boasting with 42 UNESCO Heritage Sites, India only needs specialized services to grab this opportunity and shine in the world stage. (42 UNESCO World Heritage Sites in India, 2023). This thought has been given a concrete shape in the G20 Presidency in which she has emphasized on responsible and sustainable tourism aided by digitalization, skill development and enhanced investment opportunities. This strategic approach has helped in upgrading and promoting India's tourism market to the world stage and thereby acting as a catalyst for employment generation, sustainable development and above all the economic growth of the country. The Government has the vision of creating USD 56 billion foreign exchange and 140 million jobs in tourism by 2030. (Koul, 2023). Through the establishment of close partnership among the 20 nations (including the newly joined African Union), nine guest countries and various international organizations, India can mirror its people-centric approach on a global stage. (India's G20 Presidency and Economic Growth, 2023). G20 has gathered more than 100000 foreign delegates from 135 nationalities to the land of the largest democracy in the world. (Press Release). The diversity of every region, every culture, every local cuisine and every local product are at display to the delegates enabling them to have an opportunity to see the length and breadth of the country. (India's G20 Presidency very big deal, 2023) This is expected to catalyze the growth of inbound tourists to great heights thereby helping the government to achieve the vision. As the host of this summit, India is working towards improvements in road, rail and air connectivity, inculcate smart tourist management system and also making provisions for e-ticketing options to help in the accessibility of both well known as well as lesser known tourist spots. In the present treatise, attempt has been made to highlight the government initiatives to boost the tourism sector in India and also to analyze the impact of India's G20 Presidency on its tourism sector.

Scope of the study:

The present study is mainly concerned with analyzing the impact of India's G20 Presidency on its tourism sector. Data relating to FY 2022-23 & FY 2023-24 are used for the study.

Objectives of the study:

The study is conducted to achieve the following objectives:

- To highlight the government initiatives to boost the tourism sector.
- To analyze the impact of India's G20 Presidency on its tourism sector.

Research Methodology:

The present study is descriptive in nature. To achieve its objectives, it uses secondary data taken from journals, websites and reports like Indian Tourism Statistics, 2022, CEIC Data, 2023, Monthly Tourism Statistics, September, 2023 and Union Budget, 2022-23 & 2023-24.

Data Analysis and Interpretation: The following section deals with analyzing the data to achieve the objectives of the study:

Government Initiatives to boost the tourism sector: India's approach towards tourism has always been "Atithi Devo Bhavah" which means "Guest is God". From the time the present government has come into power in 2014, it has been striving hard to boost its tourism sector. Multiple initiatives are undertaken by the government to upgrade the infrastructure as well as to ensure easy accessibility to the places having more tourist footfalls. A huge proportion of people in India live in the rural areas. These places in spite of having a great opportunity of attracting tourists due to its scenic beauty fail to do so due to its cleanliness factor. So, the first initiative taken by the present Government is to construct toilets in those places to make them Open Defecation Free (ODF) under the Swachh Bharat Mission (SBM). They extended its benefits also to the urban areas to make them garbage free and become attractive destinations for tourists. Since 2019, GOI has been coming up with various schemes like SWADESH DARSHAN, PRASHAD, UDAN, Green Key Certification Programme (for lowering carbon footprint), E-Ticketing system and has also been partnering with educational institutes to include courses on tourism in their course curriculum. Additionally, since Dec 2022, when India has taken over G20 Presidency from Indonesia, more than 220 meetings have been held in 60 locations throughout India where local artists are invited to showcase their local art, craft and food thereby augmenting the growth of local tourism.

Table 1: Table showing the revised estimates of budget allocation (in crores) on Swachh Bharat Mission in both Gramin and Urban areas:

Category	2022-23	2023-24	Percentage change (%)
SBM(G)	5000	7192	43.84
SBM(U)	2300	5000	117.39

Source: Compilation from Union Budget 2022-23 & 2023-24

Interpretation: From the above table, it is seen that GOI is consistently working hard to make itself an attractive destination for local and sustainable tourism. In the budget period 2023-24, it has proposed to spend almost 43.84 % more than the amount spent in SBM (G) in the FY 2022-23. Also the budget allocation to the urban areas under this scheme is almost 117.39% more than that of the previous budget.

**Table 2: Table showing the budget allocations for different schemes in Tourism
(Amount in crores):**

Schemes	Revised Estimates (2022-23)	Budget Estimates (2023-24)	Percentage increase from revised estimates (%)
SWADESH DARSHAN	600.00	1412.00	135.33
Overseas promotion and publicity including MDA *	60.00	167.00	178.33
PRASHAD **	234.00	250.00	6.84
Domestic Promotion & Publicity	60.00	75.00	25
Champion Services Sector Scheme	132.26	196.22	48.36
Assistance To Central Agencies	55.00	80.00	45.45
Assistance to IHMs/FCIs/IITM/NIWS	50.00	70.00	40
Capacity Building for Service Provider	25.00	35.00	40
Market Research	-	-	-
Safe Tourist Destinations for Women	5.27	5.27	0
PIDDC ***	-	-	-
Development of Iconic Tourist Destination	-	-	-
Loan Guarantee Scheme for Covid affected Tourism Service Sector	1.60	1.00	-37.50
Total (Scheme)	1223.13	2291.49	87.35
Total (Non-Scheme)	120.00	108.51	-9.58
Grand Total	1343.13	2400.00	78.69

Source: Union Budget 2022-23, 2023-24, Demand No 99, Ministry of Tourism.

*MDA = Market Development Assistance.

**PRASHAD = Pilgrimage Rejuvenation and Spiritual Augmentation Drive.

***PIDDC = Product/ Infrastructure Development for Destination and Circuits.

Interpretation: From the above table, it can be interpreted that in all the different categories of schemes, GOI has increased their budget allocation during the FY 2023-24. The highest increase in allocation belongs to the category of SWADESH DARSHAN and on Overseas Publicity. However, it has not changed their amount of contribution to the scheme Safe Tourist Destination for Women. In categories like Loan Guarantee Scheme for Covid affected Tourism Service Sector and other non-scheme based expenditure (establishment expenditure of the scheme), the government has reduced their budget allocation to -37.50% and -9.58%

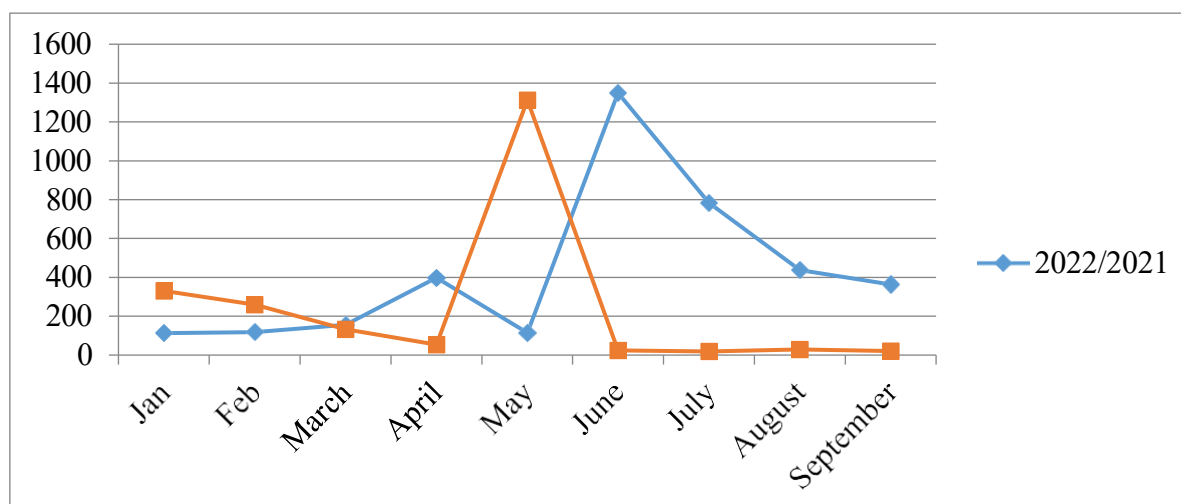
respectively. Considering the total budget allocation to the tourism sector, the FY 2023-24 shows an increase of 78.69% than the previous FY 2022-23.

Table 3: Table showing the month wise Foreign Tourist Arrivals (FTAs) in India during 2021, 2022 and 2023:

Month	2021	2022	2023	Percentage change (%)	
				2022/2021	2023/2022
January	94662	201546	868160	112.91	330.75
February	110312	240896	865779	118.37	259.40
March	133768	342308	795827	155.90	132.48
April	78718	392390	603985	398.48	53.92
May	19765	42370	598480	114.37	1312.50
June	36070	522737	648008	1349.23	23.97
July	72501	640858	760623	783.92	18.68
August	92728	498243	643194	437.32	29.09
September	115661	536340	648213	363.72	20.85
October	191415	656895	NA	243.18	-
November	263867	768675	NA	191.31	-
December	317647	966270	NA	204.20	-
Total (Jan-Dec)	1527114	6191399	-	305.43	-
Total (Jan-Sept)	754185	3799559	6432269	403.80	69.28

Source: Indian Tourism Statistics, 2022, CEC Data, 2023

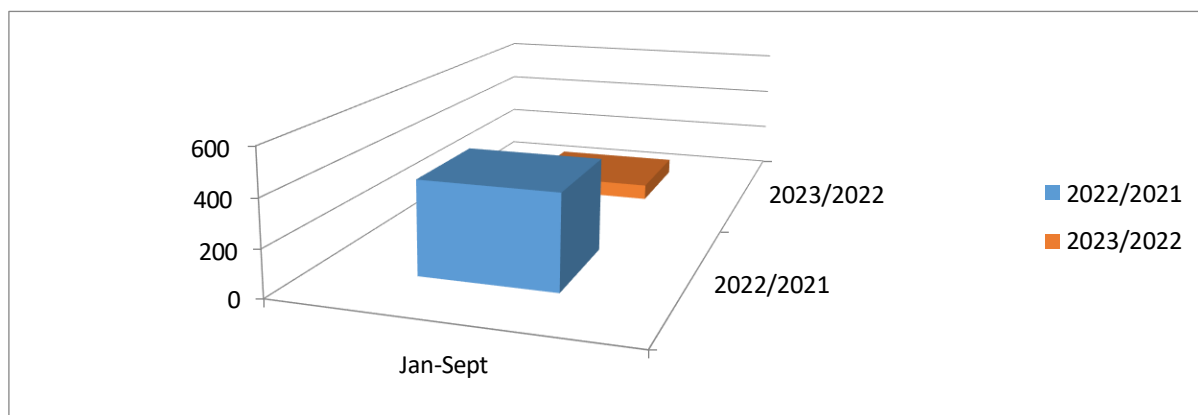
Figure 1: Chart showing the month wise growth rate in FTAs during the Jan-Sept period of 2022 and 2023:



Source- Table-3.

Interpretation: From Figure 1, it is seen that, in all the months till September 2023, there has been a positive growth in the number of FTAs in the country from the corresponding figures of the previous year 2022. The maximum tourist influx has been in the month of May 2023 showing a positive growth rate of 1312.50%.

Figure 2: Chart showing the overall growth rate in FTAs during the Jan-Sept period in 2022 & 2023:



Source- Table-3.

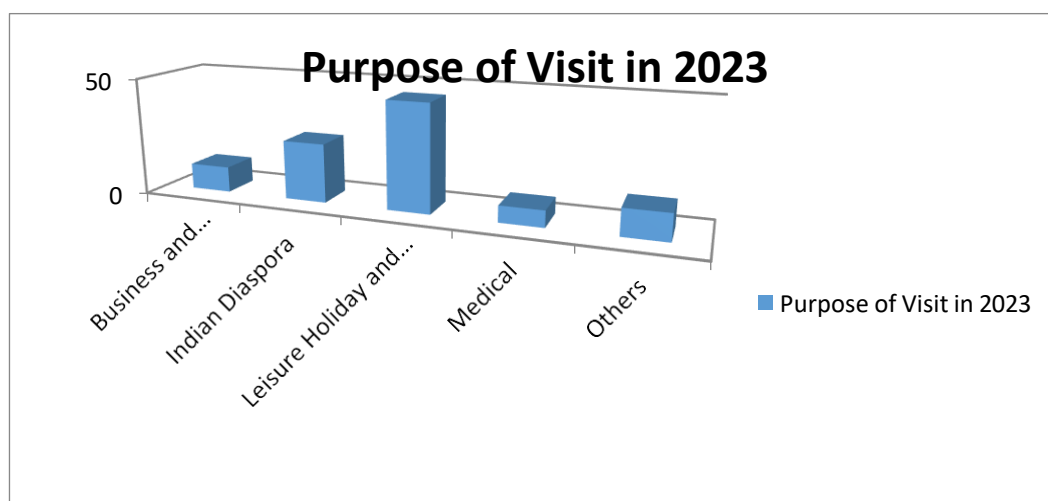
Interpretation: From Figure 2, it can be seen that the overall growth rate in FTAs during the Jan-Sept period 2022 is way higher as compared to the arrivals during the same period in 2023.

Table 4: Table showing the purpose wise percentage share of FTAs in India during the Jan-Sept period:

Purpose	Percentage share (%)
Business and Professional	10.93
Indian Diaspora	25.06
Leisure Holiday and Recreation	45.63
Medical	7.05
Others	11.33
Total	100

Source: Monthly Tourism Statistics, 2023, Ministry of Tourism.

Figure 3: Chart showing the purpose wise percentage share of FTAs in India during the Jan-Sept period, 2023:



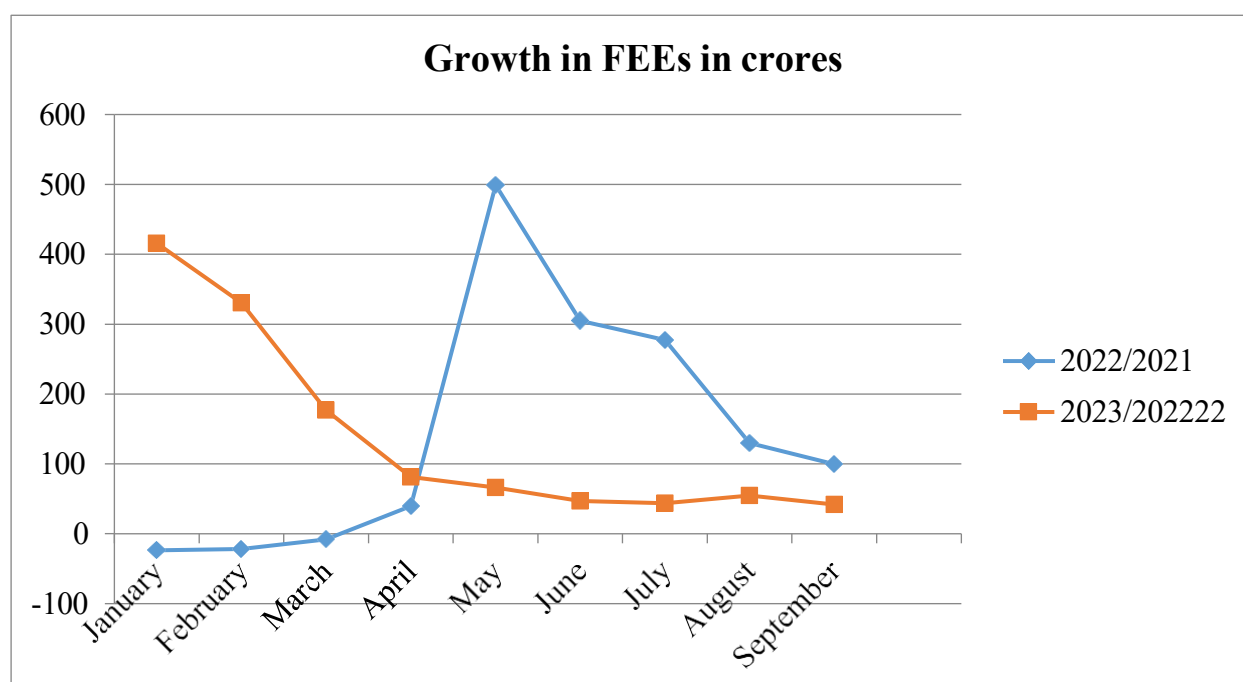
Interpretation: From Figure 3, it is evident that highest FTAs in the Jan-Sept period 2023 has been for the purpose of Holiday and Recreation (45.63%) followed by Indian Diaspora that is people who have migrated to India for business, professional or educational reasons (25.06%).

Table 5: Table showing the month wise Foreign Exchange Earnings (FEEs) earned in crores during 2021, 2022 & 2023:

Months	2021 (Rs.)	2022 (Rs.)	2023 (Rs.)	Percentage Change (%)	
				2022/2021	2023/2022
January	4700	3587	18492	-23.68	415.83
February	5477	4281	18435	-21.84	330.62
March	6642	6105	16903	-8.04	176.87
April	6891	9611	17405	39.47	81.09
May	1730	10363	17206	499.02	66.03
June	3157	12766	18737	304.71	46.77
July	4105	15496	22261	277.49	43.66
August	5251	12074	18687	129.94	54.77
September	6549	13064	18534	99.48	41.87
October	5094	13046	NA	156.11	-
November	7022	15148	NA	115.72	-
December	8452	19002	NA	124.82	-
Total (Jan-Dec)	65070	134543	-	106.77	-
Total (Jan-Sept)	44502	87347	166660	96.28	90.80

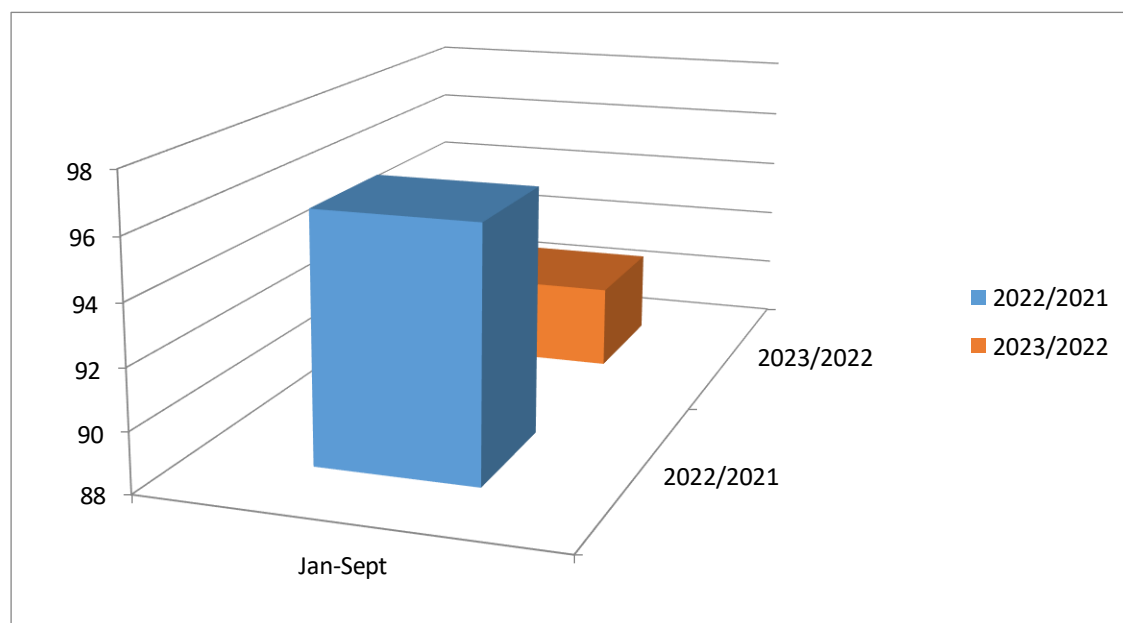
Source: Indian Tourism Statistics, 2022, CEC Data 2023, Ministry of Tourism.

Figure 4: Chart showing the month wise growth in the amount of FEEs earned (in crores) in 2023:



Interpretation: From Figure 4, it is seen that, in all the months till September 2023, there has been a positive growth in the amount of FEEs (in crores) from the corresponding figures of the previous year 2022. The maximum FEEs are earned during the period of January and February, 2023.

Figure 5: Chart showing the overall growth rate in FEEs earned in crores during the Jan-Sept period of 2022 & 2023:



Interpretation: From Figure 5, it is seen that the overall amount of FEEs earned in India during the Jan-Sept period of 2022 is higher as compared to the same in 2023.

Findings: The findings of the study are enumerated as follows:

- The Government of India has been working towards strengthening the tourism sector of the country which is evident from the fact that it has been increasing the yearly budget allocation to different schemes. In the FY 2023-24, Swachh Bharat Mission has increased allocation to the extent of 43.84% and 117.39% in the Gramin and Urban areas respectively. Further, it has increased the travel sector funding to 78.69 % than the revised estimates in the FY 2022-23. This is mainly due to the inclusion of 60 more locations under the PRASHAD Scheme, creating 50 new tourist destinations and utilizing Artificial Technology to augment the tourism sector.
- The period of Jan- Sept, 2023 marks an overall increase of 69.28% in the FTAs in the country. The maximum tourist influx has been in the month of May.
- On comparing the total number of FTAs during the Jan –Sept period in 2022 with the same in 2023, it is seen that the overall tourist influx in 2022 is almost 6 times higher than in 2023.
- Most of the tourist influx has been in the country for Holidays and Recreational Purposes followed by them who have migrated to India for business, professional or educational purposes (Indian Diaspora).

- The period of Jan –Sept 2023 marks an overall increase of 90.80% in the amount of FEEs (in crores) in the country. The maximum amount has been earned in the months of January and February.
- On comparing the overall increase in FEEs earned during the Jan-Sept period in 2022 & 2023, it is seen that FEEs earned in 2022 is higher than that in 2023.

Conclusion:

As the leader of G20, India is likely to receive increased attention from all the major economies of the world especially from the G20 nations. It is a great opportunity for her to attract FDIs, promote economic cooperation, showcase to the world its growth in the area of digital finance, promote tourism and create a favorable environment for expanding business on a global stage. All she needs is to leverage this opportunity and boost its economy. The actual growth of an economy depends on the balanced regional development of every nook and corner of the country. Tourism is a sector which has the potential of generating employment as well as acting as a catalyst for sustainable development of every region of the country. The GOI has come up with different schemes to boost this sector and the fund allocation to the schemes has also been on an upward trend year to year. FY 2023-24 has an overall increase of 78.69% in the budget sanctioned to the tourism sector.

However, through an analysis of the present status of the tourism sector, it has come to the fore that though there has been an increase in the overall number of tourist influx into the country and the amount of FEEs earned during the Jan-Sept period in 2023 but on comparing the same with the previous year, the performance has not been satisfactory. Through sustainable business practices coupled with technological innovation, India's tourism sector can conserve its cultural and historical legacy; conserve its environment along with generating economic growth. All she needs is a clear vision, cooperation and resource mobilization.

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