

Incredible India: RSTV – In Depth

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Context:

- India has moved up six places to rank 34th on the latest **World Tourism and Travel Competitiveness Index** (TTCI) published by the **World Economic Forum** (WEF).

The Methodology Used in the Index:

The World Economic Forum started publishing the index **biennially** in **2007**.

- The **140 countries** considered for the 2019 index accounts for almost **98%** of global travel and tourism GDP.
- The Tourism and Travel Competitiveness Index (TTCI) measures different factors and policies that make a country a **viable investment location** for travel and tourism.
- The 4 **sub-indices** of TTCI are:
 - **Enabling environment.**
 - **Travel and tourism policy and enabling conditions.**
 - **Infrastructure**
 - **Natural and cultural resources**
- The sub-indices represent the **overall quality, future potential** and the **long term sustainability** of the sector in each country.
 - Within the sub-indices, there are 14 dimensions including business environment, safety & security, health & hygiene, human resources & labour market, prioritization of travel and tourism sector, international openness, price comparativeness and air transport infrastructure.
 - There are 90 indicators under the 14 dimensions.
- The indicators are calculated based on data taken from **WEF's Annual Executive Opinion Survey** and **non-survey data** (hard data) taken from other **international organizations**.
- The **hard data** is based on the proportion of direct employment in the tourism industry to the total labour force in each region.
- The resultant figure is then multiplied by the **TTCI score** of the region. The TTCI score ranges **from 1 to 6** with 1 and 6 being the minimum and maximum scores respectively.
- A year-long **review process** by the WEF maintains the data up to date. Members of the WEF **Global Agenda Councils**, policymakers, and other users of the data are consulted during the review process.

Ranking

- Spain** was ranked 1st in the 2019 index.
- In the 2nd to 5th positions are **France, Germany, Japan and the USA**. The UK dropped one position to reach 6th.
- Australia, Italy, Canada and Switzerland were ranked 7th to 10th. **China** was ranked 13th.
- Among the top 35 countries in the list, **India, China, Mexico, Malaysia, Thailand, and Brazil** are the only countries which are not high income ones.
- The index identified **Asia Pacific** as one of the fastest growing regions in the world in terms of travel and tourism sector. **Japan** and **China** are the most competitive and largest countries in the region in terms of travel and tourism.
- Pakistan** fared the worst among South Asian countries with a rank of **121**. Its rank in the **safety and security** aspect is **134**.
- The study has shown a resilient growth in the travel and tourism sector worldwide.

What are the Findings of the Index with respect to India?

- India had improved the rank from **65th** (in 2013) to **40th** (in 2017).
- In the latest index, the **biggest improvement** among the countries in the top 25% was made by India.
- India's achievement is attributed to the presence of **natural and cultural resources**, good **price competitiveness** and a strong ecosystem for **business travel**.
- The **only lower middle income** country in the top 35 is India.
- Majority of **South Asia's** travel and tourism GDP is contributed by India.
- India's **performance** fared well in the following dimensions:
 - **Cultural resources**: 8th
 - **Price competitiveness**: 13th
 - **Natural resources**: 14th
 - **Ground and port infrastructure**: 28th
 - **Air infrastructure**: 33rd
- India made huge progress in the dimension of '**Business environment**' (from 89th to 39th rank).
- However, India is still **lagging behind** in some other sectors:
 - **Environment sustainability**: 128th
 - **Tourist service infrastructure**: 109th
 - **Information and Communication Technology (ICT) readiness**: 105th
 - **Enabling environment**: 98th
 - **Overall travel and tourism policy and enabling conditions**: 69th
 - **Infrastructure**: 55th

What are the Major Insights Gained from the Index?

- A higher position in the index indicates that the country has the required **infrastructure, stability, resources and other amenities** to attract tourists.
- Travel and tourism sector of a highly ranked country can make a huge contribution to the **local and national economies**.
- The rank also indicates the **sustainability** aspect of travel and tourism sector in a country.
 - It can be used to calculate the progress in UN **Sustainable Development Goals (SDGs)**.
 - **3 out of the 17 SDGs** have interconnection with the travel and tourism sector.
 - They are: Sustainable economic **growth and employment (Goal-8)**, Responsible **consumption and production (Goal-12)** and Conservation and sustainable use of the **oceans and marine resources (Goal-14)**.
- The study has shown a resilient growth in the travel and tourism sector worldwide.
- However, it warns that the **reduction in travel expense and barriers to tourism** may increase the demand in the sector to **unsustainable levels**.

Timeline of Government Initiatives in the Tourism Sector of India:

- **1967: Ministry of Tourism** was formed to promote the industry.
- **1987: 'Atithi Devo Bhava'** campaign to convey the message that India treats the guests as equivalent to the Gods.
- **2002: 'Incredible India'** campaign that changed the global image of India as a tourist destination.
- **2014: Visa reforms** were introduced to allow **online application of tourist visas** by citizens of **40 countries**. At present, the service is extended to **163 countries**.

Status of Tourism Sector in India:

- At present, the tourism sector accounts for **9-10% of India's GDP**.
- According to a report by the **World Travel and Tourism Council**, India is the **7th largest tourism economy** in the world. India has the **potential to become the 3rd largest tourism economy** in the

next ten years.

- According to **Brand Finance's 'Nation Brands 2018' report**, India ranked **9th** in the list of the **100 most valuable national brands**.
- In **2017**, the value of the industry was **15 lakh Cr.** It is expected to increase to **Rs. 32 lakh Cr.** by **2028**.
- **The number of tourists** visiting India has grown from just **4 million (in 1999)** to **10 million (in 2017)**. It is estimated to become **3 million** by **2025**.
- The number of **jobs** offered by the industry is expected to grow from **29 Cr.** in **2018** to **5.23 Cr.** in **2028**.

Reasons behind India's growing Tourism Industry:

- The main reasons behind the growth in the sector are:
 - The growth in the **image and credibility** of India around the world.
 - The reference to Indian tourism sector in the speeches of Indian **Prime Minister** in other countries.
 - The increase in the **awareness** of tourism sector among Indians. Indians alone comprise almost **90%** of tourists in India.

What are the Unique Selling Points (USPs) of India in the Tourism Sector?

- India has made **tremendous progress** in the tourism sector in recent years.
- From **heritage** to **nature** and from **cuisine** to **culture**, India offers a huge variety of tourism products when compared to any other country.
- **Monuments and temples** in India are archaeological marvels.
- India's natural assets include the **scenic coasts, network of rivers and majestic mountains**.
- India is a country of **huge diversity** between different states and cultures.
- Other USPs include **spirituality, wellness, Ayurveda, Yoga**, etc.
- India is doing well in the sectors of **medical tourism, business tourism, ecological tourism, pilgrimage tourism, historical tourism, and adventure tourism** as well.

What is the Importance of the Tourism Sector for the Growth of India?

- India's tourism sector has the potential to serve as an engine for **economic growth and job creation** in the country.
- Tourism has a **multiplier effect** on the creation of **job opportunities** from the **investment**
 - **1 Cr. investment** in any other sector leads to the creation of around 55 jobs.
- But, the same investment can create around **79 jobs** in the tourism industry.
- The jobs include both **direct and indirect ones**. The main job providing sectors are hotels, transportation, restaurants, small business units, artisan units, etc.
- India also has a huge number of tourist destinations with a potential to develop further.

Status of Tourism Sector across the World:

- The travel and tourism industry is an important part of the **global economy**.
- It is particularly important to some developing nations as a tool for **reducing poverty**.
- Travel and tourism sector contributes to **4% of global GDP**.
- The sector provided **319 million jobs** in 2018.
- **One out of every five jobs** across the world was created by the sector and it is estimated to contribute **10 Cr. jobs** in the next ten years.
- The sector has grown at a rate of **9%** in 2018 to become an **\$8.8 trillion** economy.
- The growth rate in the sector continued to be **higher than the global GDP growth** rate for an 8th

consecutive year.

Status of Medical Tourism in India:

- India has become a **hub for medical tourism** because of the **world class and cost effective** treatment options available here.
- India is the **fastest growing** medical tourism destination in Asia.
- The number of medical tourists to India has increased from **72 lakh** (in 2012) to **4.95 lakh** (in 2017). Most of them are coming from the **Middle East, Africa** and India's **neighbouring countries**.
- Even though India was a **late entrant** to the field of medical tourism, it has **grown significantly**.
- Medical tourism in India is growing steadily and it is expected to become a **\$9 billion** industry by **2020**.
- The **global medical tourism market** is estimated to be around **\$40-60 billion**.
- India is the largest provider of **generic drugs** and more than 50% of the **vaccines** in the world.

Reasons behind the Growth of Medical Tourism in India:

- India has a huge number of **world class hospitals** and **qualified doctors**.
- In India, the **expenditure** for treatment is around one-third when compared to other countries.
- Apart from medical visa, India has also **allowed the use of tourist visa for seeking medical treatment** in India.
- **Visa on arrival** is also available for patients from some countries.
- India has a number of specialist doctors for **organ transplantation surgery**.
- There are plenty of **state of the art** diagnosis and treatment facilities.
- **Trained and compatible staff** for international patient care are available in plenty.
- **Remote follow up and assistance** is also provided for patients.
- India has the capacity to couple medical treatment with **alternative forms of treatment** such as **Ayurveda, Yoga and Homoeopathy**.

At present, India has nearly 18% of the global medical tourism market and it is anticipated to increase by 2020 and it will grow from its current size of 3 billion US dollars to about 7-8 Billion US dollars.