



## Development in Himachal tourism industry over a decade

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### Abstract

For a developing country it is crucial that it recognizes the sources from where it can generate funds and can make a significant contribution for the development of the economy. As we know, Tourism as a service industry plays a pivotal role for the nation's economic development. An effort has been made in this research paper to know about the development in Tourism Industry of Himachal Pradesh from 2010 to 2019 and this study is based on secondary data. Himachal is blessed and famous for its rich cultural heritage which attracts lots of tourists every year. If we want that tourism Industry should be promoted at large scale then now we need to take some strict steps so that we can increase its contribution in National Income. For increasing tourism in Himachal we need to improve the basic infrastructural facilities and hospitality by sustaining the natural resources which is the attraction point for the tourists.

**Keywords:** economic development, infrastructural facilities, national income, sustainable development, tourism industry

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### Introduction

#### Tourism

Tourism is the most viable and sustainable source of economic development in many developing countries, and it is also the primary source of foreign exchange profits in many countries. Man has been travelling since the dawn of civilization, and our basic needs of food, clothing, and shelter were the early motivators. The concept of leisure travel, happiness, recreation, and exploration was only recently discovered. Individuals' opportunities to travel have increased as technology has advanced. Individuals have been encouraged to travel for leisure, exploration, sight-seeing, entertainment, happiness, religious activities, and education as a result of stable governments, infrastructure development, and personal interest. As a result, tourism encompasses all of the activities, services, and industries that contribute to a journey or travel experience. Transportation, services, lodging, food & beverages, retail outlets, entertainment, leisure businesses, hospitality services, and other recreational amenities are offered for individuals, teams, or corporate groups travelling away from their homes. "The transitory movement of people to destinations outside their stay in those destinations, and the facilities to respond to their requirements," is how the term tourism is described in general. "Tourism involves the actions of humans travelling to and staying in places beyond their typical environment for not more than one year for leisure, business, and other objectives," according to the United Nations World Tourism Organization. Tourism has grown in strength over time. Various organisations, such as the World Travel and Tourism Council, have been founded to make tourism a professional sector. Aviation services, tour and travel agents, and hotel companies are all members of this group. The fundamental goal of such organisations has been to turn tourism into a profitable business. Tourism has been a crucial pillar for any country's economic development in recent years. The positive effects and advantages of tourism activities have not been overlooked during periods of weak economic growth or recession.

#### Himachal Tourism

Until the 19th century, tourism in Himachal Pradesh was limited to a small number of pilgrims visiting a few spiritual sites in the highlands. Tourism was only recognised in the state when the British developed their chain of hill stations. When the British designated Shimla "The Summer Capital of India" in 1864, tourism enjoyed a boost. Following independence, increased infrastructural investment led to the development of tourism in the state. The most significant increase in tourism happened in the mid-to-late 1980s and 1990s. Over the last few decades, tourism in the Indian Himalayan Region (IHR) has continued to grow and diversify, becoming one of India's fastest growing economic sectors. The sector is expected to increase at an average annual rate of 7.9% from 2013 to 2023, indicating that it is in good shape. IHR has drawn people who seek panoramas, adventure, cooler summer climates, sport, spiritual solace, peace, and the numerous cultural treasures the mountains have to offer - all built to take use of the natural magnificence they display. Tourism provides vital economic and business possibilities and jobs for local mountain residents, as well as revenue and profits for state governments and private businesses. (August 2018; Niti Ayog)

### Review of literature

The tourist industry has grown to be one of the most important contributors to the state's and nation's economic development and growth. This section attempts to review the surveys, researches, and studies that have been conducted in this field over time.

According to Achilov (2017) <sup>[5]</sup>, who published "Development of Tourism Industry: Perspectives and Advantages for Growth as an Example in Kazakhstan," tourism is a relatively young area of commerce for Kazakhstan, having only begun in 1991 after the country gained independence. Also, it was stated that, in order to make policy recommendations, an analysis of the legislative framework and regulations is required, and that this is the most important step in easing limitations and opening countries to tourism, discussion, and common development.

Iqbal and Sami (2016) <sup>[13]</sup> Tourism has evolved as a crucial sector of the global economy and has become a major workforce in global trade, according to their report, "Global and India's Tourism Scenario." It has played a revolutionary and crucial role in the global economic environment, as well as in India.

T. Subash (2015) stated that the travel and tourism business has emerged as one of the world's largest and fastest expanding economic sectors in his study "Tourism in India: Potentials, Challenges, and Opportunities." In India, tourism is a rising sector, a source of employment, a substantial source of foreign cash, and an economic activity that benefits both local and host populations. Rising income levels and changing lifestyles, as well as the development of different tourism products and government policy and regulatory assistance, are all helping to shape India's travel and tourism industry. However, the tourism industry faces obstacles such as a lack of high-quality infrastructure, global concerns about tourist health and safety, uneven passenger/road tax arrangements among states, and a shortage of sufficiently qualified and skilled staff. All parties, including the federal and state governments, the commercial sector, and the general public, must work together to ensure the country's travel and tourism sector's long-term viability.

Rishi and Giridhar (2007) <sup>[16]</sup> In their study "Himachal Tourism: A SWOT Analysis," found that, although having distinct natural offerings, Himachal is unable to capitalise on them due to a lack of diverse infrastructure. The majority of tourists' expectations were met, however they were contingent on the availability of basic necessities such as utilities, food, and water, as well as adequate infrastructural facilities such as lodging, transportation, and accessibility, which were found to be missing in some situations. Tourists feel Himachal Pradesh has the potential to become one of the world's top tourist attractions if it can overcome its shortcomings and market itself well enough to differentiate itself in the minds of visitors.

### Need of the study

Despite the fact that numerous research have been undertaken on the same topic focusing on Himachal tourism, an analysis of the current literature has revealed the alarming decline in infrastructure over time. The goal of this study was to concentrate on the most basic requirement of facility and infrastructure quality.

### Scope of the Study

The study is limited to examining the development of Himachal tourism over a ten-year period, from 2010 to 2019, and the necessary data is derived from annual reports of various government departments in Himachal Pradesh, including the Department of Tourism, Himachal Pradesh Tourism Development Corporation, and the Department of Economics and Statistics.

### Objectives of the Study

The following are the objectives of the present study:-

- To study the growth of infrastructural facilities over the period.
- To analyse the role of tourism sector in providing employment.

### Research Methodology

The present study is based on secondary data and it is descriptive in nature. Data has been collected from various research articles, newspapers, books, journals, and internet websites. And the main for achieving objectives of the study has 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.

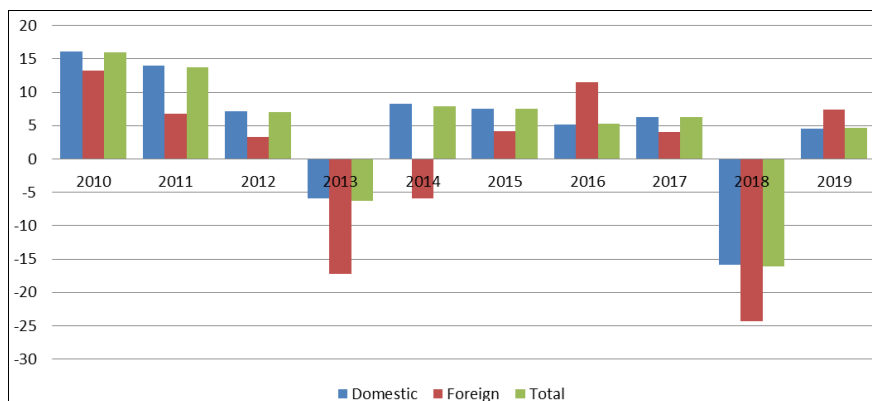
### Data Analysis and Interpretation

**Table 1:** Domestic and Foreign Tourists Inflow From 2010-2019

Sr.No.	Year	Tourist Visits			Annual Growth Rate (%age)		
		Domestic	Foreign	Total	Domestic	Foreign	Total
1.	2010	12811986	543616	13265602	16.09	13.24	15.99
2.	2011	14604888	484518	15089406	13.99	06.81	13.75
3.	2012	15646048	500284	16146332	07.13	03.25	07.00
4.	2013	14715586	414249	15129835	(05.95)	(17.20)	(06.30)

5.	2014	15924701	389699	16314400	08.22	(05.93)	07.83
6.	2015	17125045	406108	17531153	07.54	04.21	07.46
7.	2016	17997750	452770	18450520	05.10	11.49	05.24
8.	2017	19130541	470992	19601533	6.29	4.02	6.24
9.	2018	16093935	356568	16450503	(15.87)	(24.29)	(16.08)
10.	2019	16829231	382876	17212107	4.57	7.38	4.63

Source: Department of Tourism, Government of Himachal Pradesh



Source: Department of Tourism, Government of Himachal Pradesh

Fig 1: Domestic and Foreign Tourists Inflow From 2010-2019

The above table and chart depicts the arrival of domestic and foreign tourists in the state of Himachal Pradesh during the period of 2010 to 2019. The growth rate of tourist arrival in this period is not stable in the period which is taken for study; it is increasing but with declining rate and sometimes it is negative also. The highest annual growth rate was recorded in domestic and foreign tourists in the year 2010 i.e. 16.09% and 13.24% respectively while the highest annual total decline rate (16.08)% is recorded in the year 2018. These fluctuations may be because of heavy rains, floods and snowfalls in the state of Himachal Pradesh. According to The Business Line, 2014, “The massive devastation in neighboring state of Uttarakhand hit tourism industry badly in Himachal Pradesh.” From the above discussion, it can be concluded that Himachal Tourism industry is facing a very unstable and difficult period.

Table 2: Growth of Hotels/Guest Houses from 2010-2019

Sr. No.	Year	Total	Annual Growth Rate (%age)
1.	2010	2150	-----
2.	2011	2200	02.32
3.	2012	2247	02.14
4.	2013	2377	05.79
5.	2014	2416	01.64
6.	2015	2604	07.78
7.	2016	2784	06.91
8.	2017	2907	04.41
9.	2018	3382	16.33
10.	2019	3679	8.78

Source: Department of Tourism, Government of Himachal Pradesh

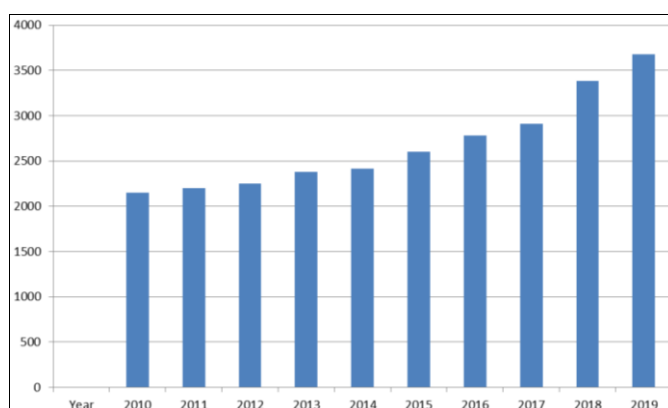


Fig 2: Growth of Hotels/Guest Houses from 2010-2019

This table reveals that growth of accommodation facilities i.e. hotels and guest houses in the state during the study period from 2010 to 2019, showing increasing trend i.e. the number of hotels and guest houses increased from 2150 in the year 2010 to 3679 in the year 2019 respectively. The annual growth rate of hotel/guest houses was 2.32% in the year 2011 which again showed fluctuations in some years it is increasing with declining rate. There was a sudden great rise in the year 2018 but again in 2019 there was a downfall in this growth rate.

**Table 3:** Employment Position in Tourism Sector, 2010-2019

SN	Year	Himachali	Non-Himachali	Total	Annual Growth (%age)
1.	2010	17766	3173	20939	-----
2.	2011	18426	3368	21794	04.08
3.	2012	18753	4156	22909	05.12
4.	2013	20688	4618	25306	10.46
5.	2014	21617	4538	26155	03.35
6.	2015	23060	5337	28397	08.57
7.	2016	25939	6052	31991	12.66
8.	2017	27871	5911	33782	5.59
9.	2018	Data not available			
10.	2019	Data not available			

**Source:** Department of Tourism, Government of Himachal Pradesh

This table presents that employment position of Himachali and Non- Himachali in tourism sector has increased at a very higher rate in the beginning but afterwards again there is declining trend in this growth. The trend (annual growth rate) of employment reveals that it had increased from 4.08% to 12.66 percent during the period under review; despite the facts have several fluctuations in many years.

### The Himachal Pradesh Tourism Policy, 2019

The Department of Tourism & Civil Aviation Government of Himachal Pradesh has introduced the Sustainable Tourism Development Policy, 2019, in an attempt to improve and develop tourism operations in the state. This policy is framed to achieve the Sustainable Development Goals (SDGs), particularly SDGs 8 and 12, by pursuing a number of objectives aimed at the socio-economic development of host communities, providing a high-quality travel experience, protecting the natural-cultural environment and the state's destinations, and fostering an investment-friendly environment for private investors. Each objective's strategies have been split down into short-, medium-, and long-term action points. The New Policy will serve as a guide for the State in ensuring the tourism sector's long-term viability and inclusive green growth in Himachal Pradesh.

### Objective of the Policy

The Himalayas, lakes, rivers, snow, rural landscape, pilgrimage sites such as temples, gurudwaras, and monasteries, heritage structures, traditional dance forms and attires, local handicrafts and cuisine, and some well-established commercial destinations such as Shimla, Manali, and Dharamshala are just a few of Himachal's natural and man-made assets. These current assets in Himachal Pradesh will be used to generate tourism products based on the ten tourism development themes listed below:

Ecotourism, Agro/Organic tourism, Snow Tourism, Lake Tourism, Adventure tourism, Pilgrimage Tourism  
Cultural and Heritage Tourism, Health and Wellness tourism, Film tourism, MICE tourism

### Findings

We may conclude from the preceding discussion that the Himachal tourism industry was in a very precarious position during the research period. Which is bad for the state as much as the country. The Himachal Pradesh tourism policy of 2019 was a step in the right path to address this issue. The study also demonstrates that the tourism industry functions as a motivator of the economy in hilly states, with an increase in tourist inflow over the study period, which is an important contributor to people's income and the state government's revenue. It also contributes to the state's overall development and expansion through infrastructure improvements, increased employment, improved communication networks, and other associated amenities and facilities. As a result, tourism is critical to the economy's growth and development.

### Recommendations

- To encourage tourism in the state, the government should develop a variety of supportive strategies and policies.
- In order to attract tourists, the state's infrastructure needs be enhanced.
- Adventure sports should be given special attention, safety, and facilities.

The appropriate combination of the aforementioned ideas can ensure that the economy's overall growth improves.

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