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# Economic Contribution and Regenerative Tourism Potential: A Study of Foreign Tourism in India (2000–2024)

**S. Bezalel Syce**

*Research Scholar, Department of Management Studies  
Periyar Maniammai Institute of Science and Technology  
(Deemed to Be University), Vallam, Thanjavur*

**Dr. K. Domnic Thavagnana Nachathiram**

*Assistant Professor, Department of Management Studies  
Periyar Maniammai Institute of Science and Technology  
(Deemed to Be University), Vallam, Thanjavur*

## Abstract

*Especially in developing countries like India, tourism plays a vital role for generating jobs and promoting economic progress. Using Foreign Tourists Arrival (FTA) and Foreign Exchange Earnings (FEE) as important indicators, this study investigates the financial consequences and potential for sustainable tourism of foreign travel in India between 2000 and 2004. Using descriptive statistical method to this study. Long term growth trends have been evaluated using trend line analysis and the relationship between FTA and FEEs was examined at the five percentage significant level using Pearson correlation coefficient. Considering significant disruption during global emergencies, including the COVID-19 pandemic, the findings shows a long-term growth in both FTA and FEEs. Additionally the result indicates a substantial positive and statistically correlation between visitor arrival and foreign exchange revenues from tourism. The post pandemic highlights the tourism industry's capacity to encourage sustainable and regenerative economic growth, indicating the*

**Keywords:** Foreign Tourist Arrivals, Foreign Exchange Earnings, Tourism Growth, Economic Contribution, Regenerative Tourism, India

## Introduction

The economy depends significantly on tourism, which rising exports and promotes world wealth. The Indian government has implemented a number of innovative projects to modernise to improve this industry during the last 10 years in a bid to realise its full potential as an engine for job creation, and economic growth. Foreign exchange earnings from this operation exceeded Rs.51532 crores. Additionally, the tourist sector contributes to Rs.15.73 lakh crores, it will promote the overall India's GDP in 2025. Furthermore, compared to the periodic labour force survey (PLFS), the industry contributes 47.72 million indirect job opportunities and 36.90 million direct jobs, which is 13.34% of all employment in the country.

One of the most labour-intensive sectors in the world, tourism offers employment opportunities to a large number of people globally. For being categorized as an industry, it is the part of the economy's territory sector. An industry is frequently defined as one that transforms raw materials into completed commodities increasing suitability for use. Generally, in the tourism sector, can be tricky to differences between the raw materials to finished goods. Frequently the final products that tourist use is also a resource for the tourism sector. The tour guide is an employee to this sector. Professionals support the travellers by giving them details about the location, which makes it considerably simpler for them to understand the area. However, the guide becomes the end result of the tourism sector when tourist pays them for their services. Tourism is essential for promoting the region's socio-economic growth. It improves the area economic positions by providing a residence a range of livelihood possibilities. Many individuals both those in the informal sector and those with formal education and training, support to the expansion of opportunities offered by tourism are vendors, auto-taxi drivers, rickshaw pullers, highly skilled workers in IT and communication sector, guiding, ticketing, hotel reservation. By using tourist related activities in order to restore, reactive and enhance the environment, local communities and historical sites are growth in tourism that goes beyond the sustainability. While ecological tourism aims to improve the locations such as tourism has a net positive impact on this. Sustainable tourism focuses mainly on minimising negative consequences. Green tourism places an enormous value on long term socio-economic durability, biodiversity, benefits sharing and community involvement in the structure of economic development. It encourages tourist strategies that promote cultural integrity, resource regeneration and social stability by combining environmental preservation with the development of local livelihoods. Regenerative tourism, as it refers to worldwide travel in India. It highlights inbound travels may support destination development through eco-friendly infrastructure, broad development and cultural preservation to promoting foreign exchange profits.

### Objectives

1. To identify how India's tourist sector has evolved
2. To assess the growth and expansion of India's tourist sectors
3. To examine the trends in foreign exchange profit and tourist arrival in India

### Literature Review

As we have altered our standards for vacation time and come to value our spare time, tourism and hospitality have become more important in global economic activity. India's share of all tourist and revenue worldwide still very small despite the country's extraordinary tourism boom. It is widely acknowledge that India has an enormous amount of room to development in tourist sector (Shalini N. et.,al 2010). The ministry of tourism in all nations actively seeking out ways to advance and promote travel. The expansion of the tourist sector in all nations is subject to shift in the economy. When the economy is performing badly or tourist are experiencing instability they tend to travel less (Ashish Nag 2013). People frequently use international travel as a means of avoiding the everyday struggle. They are frequently attracted to these areas by exiting recreational sporting and adventure possibilities as well as the natural elegance. Each location has unique internal strength weakness that can increase or decrease its appeal to international visitors. Similarly, the external world could offer a variety of opportunities (Archana Bhatia 2013). Growth and Performance of Tourism Industry in India found that Ten states are prominent destinations for foreign tourists: Maharashtra, Tamil Nadu, Delhi, Uttar Pradesh, Rajasthan, West Bengal, Kerala, Bihar, Karnataka, and Goa. These top ten states accounted for approximately 89.9% of all foreign tourist visits in 2013. India's share in the global travel and tourism market increased from 0.65% in 1997 to 1.59%

in 2013. India has risen from 40th to 16th place in the world tourism rankings (Kumbhar, Vijay (2015)).

### Research Methodology

The study uses both descriptive and inferential statistical tools for data analysis. Secondary data on Foreign Tourist Arrivals and Foreign Exchange Earnings were analysed using IBM SPSS Statistics. Tables, line graphs, and linear trend lines were used in descriptive analysis to look at long-term trends and growth patterns in tourism indicators. The relationship between foreign tourist arrivals and foreign exchange earnings was investigated through inferential analysis using Pearson's correlation coefficient. Every statistical test was run with a significance level of 5%.

### Foreign Tourist Arrivals (FTAs) in India, 2000-2024

Year	FTAs in India (in Millions)	YoY Growth (%)
2000	2.65	—
2001	2.54	-4.15
2002	2.38	-6.30
2003	2.73	14.71
2004	3.46	26.74
2005	3.92	13.29
2006	4.45	13.52
2007	5.08	14.16
2008	5.28	3.94
2009	5.17	-2.08
2010	5.78	11.80
2011	6.31	9.17
2012	6.58	4.28
2013	6.97	5.93
2014	7.68	10.19
2015	8.03	4.56
2016	8.8	9.59
2017	10.04	14.09
2018	10.56	5.18
2019	10.93	3.50
2020	2.74	-74.93
2021	1.52	-44.53
2022	6.44	323.68
2023	9.52	47.83
2024 (provisional)	9.95	4.52

**Source:** Ministry of Tourism, Government of India

## Findings

Significant variations across the Study Period are revealed by the Annual Growth Analysis of Foreign Tourist Arrivals (FTAs) in India. The Tourism industry saw moderate volatility in the early 2000s before going through a period of Steady growth from 2003 to 2007, which clearly showed increasing inbound tourism performance. 2009 and 2001-2002 saw slight contractions, mostly as a result of geopolitical and disruptions in the economy on a Global level. However, the COVID-19 pandemic led to a first ever decline in Foreign Tourists Arrivals (FTAs) in 2020 and 2021 with negative growth rates of 74.93% and 44.53% and so on.

### Trend of Foreign Tourist Arrivals (FTAs) in India

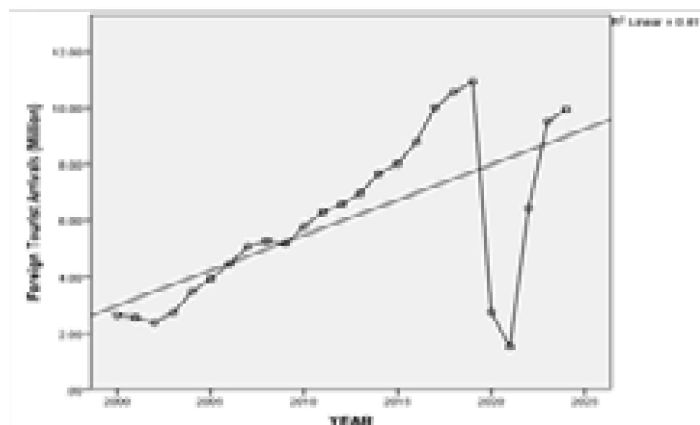


Figure 4.2.1 Trend of Foreign Tourist Arrivals (FTAs) in India

Source: SPSS output

### Interpretation

Long term growth in inbound tourism can be seen by the trend line analysis of foreign visitor arrivals in India which shows a substantial upward movement during the research period. Sharp deviations are seen during times of crisis especially in 2020 and 2021 due to the Covid 19 pandemic, even though the trend line accounts for 41.1% of the variation in tourist arrivals. The Resilience of India's tourism sector and its abilities to regain growth momentum are further proven by the post-pandemic recovery.

### Foreign Exchange Earnings (FEEs) (in USD Millions) in India

Year	Foreign Exchange Earnings (FEEs) in India (in USD Millions)	YoY Growth (%)
2000	3460	—
2001	3198	-7.57
2002	3103	-2.97
2003	4463	43.83
2004	6170	38.25
2005	7493	21.44
2006	8634	15.23
2007	10729	24.26
2008	11832	10.28
2009	11136	-5.88
2010	14490	30.12

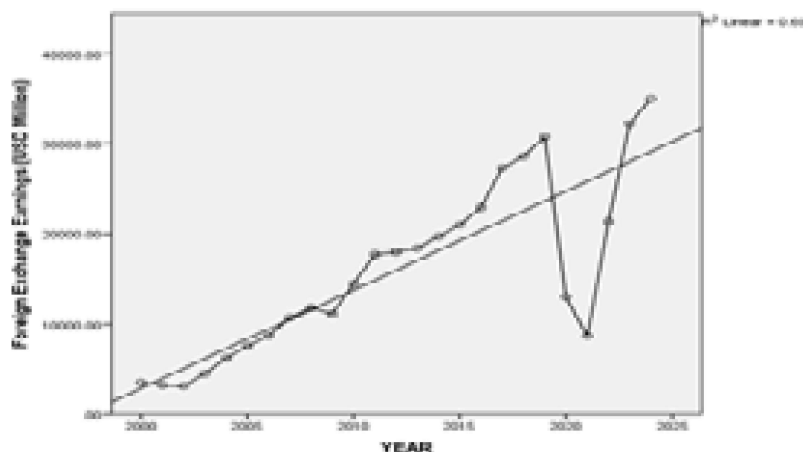
2011	17707	22.20
2012	17972	1.50
2013	18397	2.36
2014	19700	7.08
2015	21013	6.66
2016	22923	9.09
2017	27310	19.14
2018	28586	4.67
2019	30721	7.47
2020	13036	-57.57
2021	8651	-33.64
2022	21360	146.91
2023	32189	50.70
2024 (provisional)	35016	8.78

**Source:** Ministry of Tourism, Government of India

### Findings

The Analysis confirms that foreign exchange earnings grew continually in double digits from 2003 to 2007, thanks to more tourists spending their money and more money coming in. However, they fell in 2009 in as a result of the global financial crisis. Then they bounced back sharply in 2010 and 2011 implying that tourism earnings are strong. They fell sharply again in 2020 and 2021 simply since covid 19 Travel restrictions but they recovered quickly in 2022 mainly because of base year effects. Finally, they grew steadily and steadily from 2023 to 2024 indicating that international tourism receipts are returning to normal.

### Trend of Foreign Exchange Earnings (FEEs) in India



**Figure 4.4.1 Trend of Foreign Exchange Earnings (FEEs) in India**

**Source:** SPSS output

### Interpretation

The Graphical analysis of foreign exchange earnings from tourism in India during the study time period records a substantial upward trajectory. A consistent and continuous development pattern is indicated by the linear pattern which constitutes for almost 69.8% of the variation in Tourism

earnings. Following a severe crisis during the covid widespread , Tourism industry in India has recovered fast enough demonstrating it's ability to recover and long lasting capacity to produce significant foreign exchange earnings.

### Relationship between Foreign Tourist Arrivals and Tourism-Generated Foreign Exchange Earnings in India

**Table 4.5.1 Correlation between FTAs and FEEs**

Correlation between FTAs and FEEs			
Particulars		Foreign Tourist Arrivals (Million)	Foreign Exchange Earnings (USD Million)
Foreign Tourist Arrivals (Million)	Pearson Correlation	1	.945**
	Sig. (2-tailed)		.000
	N	25	25
Foreign Exchange Earnings (USD Million)	Pearson Correlation	.945**	1
	Sig. (2-tailed)	.000	
	N	25	25
**. Correlation is significant at the 0.05 level (2-tailed).			

#### Interpretation

The analysis exhibits a strong positive correlation that occur between FTAs and FEEs with the value of  $r=0.945$ . The p value is less than the level of significance as well. This means that the relationship between foreign tourists and foreign exchange earnings is statistically significant. The aforementioned outcome clarifies how important foreign tourism plays a role in creating foreign exchange and boosting India's economy in real-time.

#### Conclusion

In this paper, we have examined and showcased the economic impact and likelihood of regenerative tourism of foreign tourism in India. The Findings shows that foreign tourism has helped India's economy by bringing in lots of Foreign currency and creating millions of jobs in many different fields causing multiplier effect. Hence, India's Tourism Industry has shown amazing strength and regenerative ability to bounce back against all odds like Global economic crisis and Covid Pandemic.

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