

Study on the Extent and Composition of Uncategorized Expenditure of Tourists in India

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ABSTRACT

Tourism usually means going beyond the normal place of residence to a destination. For a variety of reasons, people travel to a distant location, usually including for fun, for recreation during holidays, for business purposes, to visit historical or archaeological sites, to enjoy natural resources, including bio-diversity, and even to experience local people's culture and customs. During their visit to a specific destination, visitors participate in a wide variety of activities. Interestingly, all types of tourist activities have an economic impact on the host countries, and the primary reason for promoting tourism is considered to be the economic gain produced by tourism as such. In the context of direct, indirect and mediated impacts, such benefits are also often recognized. It is stressed in popular parlance that the local economy in and around the destination area must benefit from the visit of travelers. In reality, unless and until local people profit economically, tourism can serve no function. North East India, consisting of eight sister states of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura, is an integral part of India. But this region's economic situation is ill-fated. Surprisingly, in this area, examples of resources and the successful use of these resources can play a key role in reducing economic backwardness. One of these resources is tourism, which can play a dominant role in removing the North Eastern states from the clutches of poverty.

Keywords: *Composition, Uncategorized, Tourists*

INTRODUCTION

Tourism is an ever-expanding industry with vast growth potential and, thus, has become one of the international community's main concerns. Tourism's main composition integrates man, space, and time as its method. As such, besides the environmental ones it has far-reaching meaning and amplifications of a socio-economic sort. Tourism has, in fact, emerged as the most significant phenomenon in the economic and social growth of global society. High tourism in terms of its role in accelerating a country's economic growth. It has contributed to the economy in terms of the largest exporting segment of employers and services, thus making a huge contribution to

the balance of payments. There are few economic sectors that produce as much added value as tourism, jobs and hard currency.

Tourism ranked higher than facilities, clothes, textiles, iron and steel, and was slightly lower than cars and crude oil goods. Tourism is known as the 'future sector, which has had a transformative effect on the respective countries' economic scenario in particular and the world economy in general. Today, it is estimated that it represents a higher proportion of the value of world exports than all other industries, with the exception of oil and petroleum products, and also the largest work creator in the world (Bezbarua, 1999). For 83 percent of countries, it is one of the top five export sectors and a significant source of foreign exchange for at least 33 percent of developing countries (Narayan, 2005). In fact, tourism operation generates significant amounts of personal expenditure, company receipts, jobs, sales and government revenue. Such advantages, however, are seldom recognised as they are distributed through various industries and therefore difficult to classify. A major part of the tourism benefits, such as transport operators, museums, retail stores, etc., take place outside the tourism sector. It is feared that the economic benefits of tourism are often overlooked. Tourism is a smokeless service sector in real life, with a huge contribution to society. It has, thus, become one of the world community's crucial concerns. Tourism is one of the most important economic activities in the world today and is expected to contribute in the future at an accelerated pace. Its role in economic development From the following few points, Gail will be recognised,

- a. The World Travel and Tourism Council (2004) estimates that 214.7 million workers contributed to the tourism industry " f: up to 2003, which accounts for 8.1 percent of the total worldwide available jobs.
- b. In 2005, international tourist arrivals hit 808 million and could produce US\$682 billion in receipts (GOIMOT, 2007).
- c. 85 new jobs are created for every million rupees invested in tourism, compared to 13 new jobs in the manufacturing sector and 45 in the agricultural sector (Sharma, 2007).
- d. Global tourism is an industry worth well over US\$4 trillion when both foreign and domestic investment has been taken into consideration (Hall & Kearsley, 2001). e. In 2003, more than 7.2 million jobs were directly created by the U.S. travel industry with over \$158 billion in payroll income for Americans, as well as \$94.7 billion in tax revenue for federal, state and local governments. (From TIA, 2004)

Table-1.1 International Tourist Arrivals In Million (By Region)

Region	2000	2001	2002	2003	2004	2005
WORLD -Arrivals	687	684	703	688.8	762.5	808.0
% of change	5.4	-0.5	2.7	-1.5	10.7	5.6
AFRICA-Arrivals	27.4	28.3	29.1	30.6	33.2	36.8
% of change	4.6	3.3	2.8	3.9	8.2	10.0
AMERICAS-Arrivals	128	120	115	113.1	125.7	133.6
% of change.	4.7	-6.1	-4.4	-3.1	11.1	6.1
ASIA & PACIFIC-Arrivals	115	121.1	131	119.6	152.9	156.7
% of change	12.4	5.0	8.4	-8.8	27.8	7.8
EUROPE- Arrivals	393	391	400	395.9	415.2	441.6
% of change	3.2	-0.5	2.3	-0.6	4.9	4.0
MIDDLE EAST-Arrivals	24.0	23.6	27.6	29.6	35.6	39.7
% of changes	17.1	-1.7	16.9	3.2	20.5	9.5
INDIA- Arrivals	2.6	2.5	2.4	2.7	3.4	3.9
% of change	6.7	-4.2	-6.0	14.3	23.5	13.2
Share of India	0.39	0.37	0.34	0.39	0.44	0.49

The figures in Table 1.1 show that international tourist arrivals have risen over the years, on average. With the exception of 2001 and 2003, the number of foreign visitors arriving has risen substantially. Nevertheless, area wise shift pattern has remained inconsistent throughout the year. As shown in Table 1.1, 2004 and 2005 were still favorable for world tourism. The percentage rise in visitor numbers. During 2004, Africa was found to be 8.2% on all continents, 11.1% in America, 27.8% in Asia and the Pacific, 4.9% in Europe and 20.5% in the Middle East. The traffic of foreign tourists to India was also satisfactory during the year 004. It reported a 23.5 percent rise over the previous year. 2005 remained a favorable year for world tourism as well. The arrival of foreign visitors has risen this year, but relative to previous years, the rate of growth has failed (year 2004). The percentage rise in the number of visitors coming to all continents-in 2005, Africa was 10.0 percent, America 6.1 percent, Asia and the Pacific 7.8 percent, Europe 4.0 percent and Middle East countries 9.5 percent. Likewise, the rise in India's number of foreign tourists in 2005 was 13.2 percent. It is as opposed to 23.5% of 2004.

OBJECTIVES OF THE STUDY:

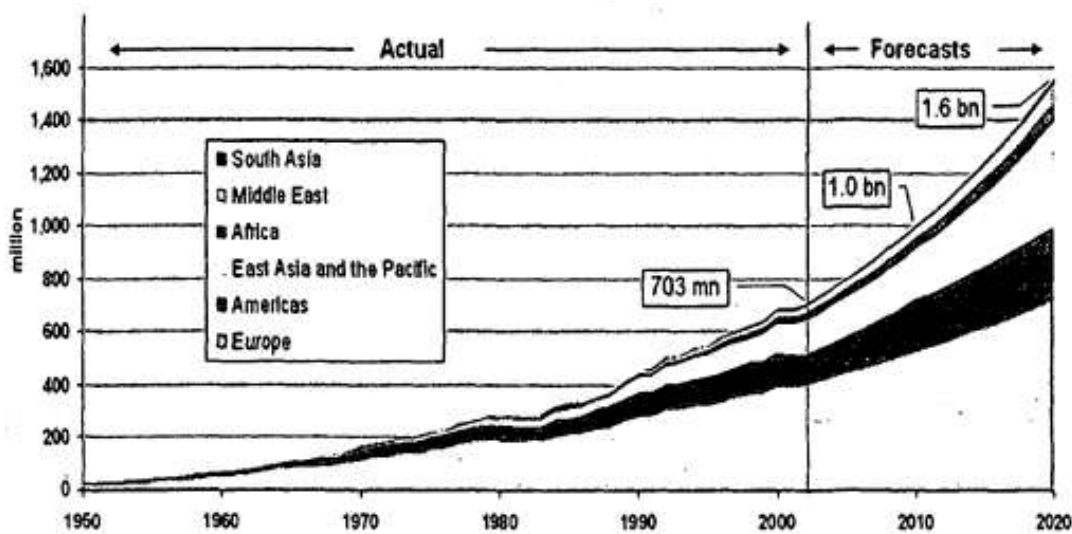
- 1) To find out the expenditure pattern of the tourists visiting North East India.
- 2) To arrive at some broad expenditure components which are 'Uncategorized.'

World Tourism Organization's 'Tourism 2020 Vision':

The World Tourism Organization (WTO) has projected trends for the tourism industry's future growth. It has made a long-term assessment of the future of tourism for the 20 years of the new millennium in its forecast titled Tourism 2020 Vision. Some of the innovations predicted are highlighted below:

- a. The arrival of foreign visitors will hit the 1,56 billion mark by 2020. From this estimated figure of global visitors. 1.1 billion arrivals worldwide will be intra-regional arrivals and 0.4 billion long-haul travellers.

Figure -1.1 WTO's Tourism 2020 Vision forecasts.



Source: World Tourism Vision 2020, WTO (July, 2000)

- b. The average annual growth of world tourism will be 4.1 percent and the average growth of tourism in the continents of East Asia and the Pacific, South Asia, the Middle East and Africa will be over 5 percent, as compared to that. Mature regions such as Europe and America, on the other hand, are predicted to show lower than average growth rates.
- c. Europe will hold the largest proportion of world arrivals, although there will be a decrease from 60% in 1995 to 46% in 2020.
- d. There will be significant shifts in the top 10 tourist receiving countries and China will be the country receiving the highest number of international tourists.
- e. Around the same time, the WTO forecasts that, in addition to all these incredible successes, the tourism industry will still be in its infancy by 2020. In 2020, just 7 percent of the global population can fly.

Defining Tourism:

The United Nations (Rome, 1968) and the United Nations Committee on Statistics deliver the fundamental definition of tourism (Rome, 1968) (April, 1968). At the World Tourism Organization (WTO) conference in Ottawa (Canada) in June 1991, definition was revised and updated. At its 2nd session in February I March 1993, the United Nations Statistical Commission adopted the definition and, as a result, a new collection of principles and definitions on tourism came into existence. The concept was jointly released in 1994 by the World Tourism Organization (WTO) and the United Nations. Accordingly, for recreation, business and other

purposes, the WTO (1994) has described the term tourism as 'the activities of people who travel to and remain in places outside their normal environment for no more than one consecutive year.' This definition of tourism is agreed by the Statistical Commission of the United Nations (as cited by Boniface and Cooper, 2001).

- A. Burkart and Medlik (1981) have defined tourism as 'the temporary visit phenomenon' (stays away from home) outside the usual place of residence for some purpose other than supporting an occupation paid from within the place visit. Hunziker and Krapf, Swiss Professor (as quoted by Singh, 1986), have attracted considerable attention by describing the term 'tourism' as 'the amount of phenomenon'
- B. Length of stay: The next condition is that the person stays in the visited place for at least one night, but his/her stay does not exceed one consecutive year. A tourist is not a visitor who does not stay at least one night or if his/her stay in the visited place exceeds a year.
- C. Key purpose: Entertainment, pilgrims, company and others should be the purposes of the trip, but not migration and jobs. The activity requirements therefore exclude all work and migration trips.
- D. Transportation: The operation involves travel. Therefore, certain modes of transport are required in any case. Transportation is recognized as comprising another separate sub-sector, including airlines, shipping, rail and car rental, and coaches, etc., which are seen as essential inputs to the tourism sector. However, other similar activities such as shopping, publishing, etc. may be involved.
- E. Destination infrastructure: The destination needs a range of facilities, especially accommodation, which would include not only formal accommodation, hotels, guest houses, etc., but also camping sites, rooms in private houses and arrangements for bed and breakfast styles.

Events: It also includes other tourist activities such as shopping; the purchasing of souvenirs, handicrafts, clothes, local textiles; meals outside the hotel, local tour and entertainment; sightseeing and miscellaneous purchases such as the purchase of cigarettes, lighters, newspapers and magazines, perfumes, cosmetics and skin care items, fishing equipment, sports materials, etc.

CONCLUSION

The pattern of tourists' expenditure has a significant bearing on the local economy of the destination areas. The outcome of this study shows that tourists' expenditure in North East India can be broadly classified as Categorized and Uncategorized expenditure. The categorized expenditure forms that part of the total tourists' expenditure which is incurred by all the travelers while they are away from their usual place of residence. The categorized expenditure of tourists' in North East India includes expenditures incurred on accommodation, transportation to the destination, transportation within the destination, foods in the place of stay, local textiles, porter and tour operators. These are the expenditure incurred by everyone while on tour to a place away from home and, therefore, also referred as 'Common' expenditure. In addition to Categorized expenditure, traveler also incurs for some other purposes, the proportion of which is not negligible. This part of the tourists' expenditure can be regarded as 'Uncategorized' expenditure

and consists of those heads which are not common. to .all the tourists. Even though a person may skip such .l expenditure, usually it is not possible to escape from the uncategorized expenditure. The amount of money incurred on uncategorized purposes varies from individual to individual.

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