

Tourism Industry in India and ASEAN Countries – A Comparative Study

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Tourism is one of the most important industries for any country and if it is well planned and well executed leads to the development of the country. Tourism industry also contributes toward the country's GDP heavily. There are different types of tourism and each of them needs to be addressed properly to be effective in attracting the tourists. This paper gives the comparative study of tourism industry of India and ASEAN nations by comparing the data like the number of tourist arrivals in a particular country, revenue generated from the industry and percentage contribution of tourism industry towards the country's GDP. The data has been collected from 2005 to 2015 and ASEAN nations have been compared with India. Authors have considered both the successes and failures of ASEAN nations in tourism industry. Paper also suggests few steps which have to be taken by Indian government in order to increase the number of tourist arrivals and improve the GDP of India. The suggestions have been done based on the model of nations like Thailand, Singapore and Malaysia which have succeeded in attracting huge number of tourists in last decade. It also talks about medical tourism in India and various ways to improve medical tourism in order to get high number of international patients. Authors have also emphasized on education tourism in the paper which can also lead to decent contribution towards India.

Keywords – Tourism, ASEAN, GDP, tourist arrival, Government policies

I. Introduction

Tourism is meant for relaxation, pleasure, experience and improved health. There are different reasons for visiting different places and these reasons have led to classify tourism into several types. They are cultural tourism, medical tourism, adventure tourism, wildlife tourism, pilgrimage tourism, ecotourism etc.

Tourism in India has played a major role in contributing towards the economy of the country and it will be contributing in the near future. Tourism industry is one of the top ten industries contributing towards the GDP of India. Tourism has generated Rs8.31 lakh crore (US\$120 billion) or 6.3% of India's GDP in 2015 and helped in generating 37.315 million jobs, which is around 8.7% of the total employment. Medical tourism in India is one of the booming sectors. Travelling abroad for health helps to reduce the cost of treatment and India is one among the countries which is promoting medical tourism. India saw 150,000

foreigners in 2006 who had come for the treatment [1]. The number of tourist arrival has gone up from 3.92 million in 2005 to 8.03 million in 2015 with growth in tourism receipts from \$7.43bn in 2005 to \$21.07bn in 2015.

There are many papers which talk about tourism, parameters impacting tourism industry, most preferred destinations, GDP contribution, number of tourist arrival, origin of the tourists etc but these papers are confined to only one or two nation. Author has found the gap that there is a comparative study between the ASEAN nations and India. This paper seeks to provide insights of Indian tourism industry by comparing it with various ASEAN nations which includes Singapore, Malaysia, Thailand, Cambodia, Vietnam, Brunei Darussalam, Laos, Philippines, Indonesia and Myanmar. This paper also tries to bring up the type of tourism that India should focus on in order to increase its overall contribution towards the GDP. Author has tried to go through various papers based on ASEAN tourism and studied the policies and government norms for tourism industry for those nations. The study has been done based on last decade's data those are from 2005 to 2015.

II. Literature Review

Despite huge population, calm beaches, scenic beauty, diversified culture and rich heritage India is still struggling to attract foreigners and when compared to other small nations, India's figures for tourism industry are not convincing. India has been rated highly for rich heritage, culture and art forms. Few of the reasons behind the poor number of tourist arrival are poverty, cheating, safety issue, unhygienic conditions and begging [2]. Foreigners perceive India in different way and they relate India with poverty, political instability, terrorism, communal riots, unemployment, illiteracy and corruption. Child sex tourism is another major issue that India is facing and India needs to take necessary steps to curb this by investigating on the current policies and government must make sure that there is adhesion among the law enforcement authorities across districts and states [10]. This has severely damaged the image of India as tourist destination. There are many countries which are actively promoting medical tourism and which has resulted in the increase in number of tourist arrival. Few of them are India, Thailand, Malaysia, Singapore, Belgium, Cuba, Poland, Hungary and Costa Rica. India has recently joined the medical tourism race and due to less cost of treatment, English speaking doctors and personalised service India is doing pretty well in this field [1]. Hospitals in Mumbai, Chennai, and New Delhi are receiving patients from neighbouring South Asian and Gulf countries. They have started framing strategies to attract patients from Africa, Europe, and North America by promoting themselves as world class medical service providers at low cost [9]. Hospital websites also play an important role in promoting medical tourism in countries like India, Malaysia and Thailand. These websites give plethora of information about the international certification of the hospital, latest technology being used by the hospital, highly qualified and experienced doctors etc [11]. Consumer price index, literacy rate, presence of international and domestic airports, number of tourist operators play a very significant role in the number of tourist arrival in India [20]. It is observed that surface acting is positively related with higher attrition rate and negatively related with organizational commitment [21].

Conservation, planning and focusing on commercial activities like retail and recreation/leisure has helped Singapore to attract many tourists [3]. Malaysia being late entrant in tourism industry compared to its neighbours has grown tremendously. We have

seen tag lines for products or companies but Malaysia has been doing extremely good in promoting its tourism industry by differentiating it with other countries with different tag lines. The major driver of tourism industry in Malaysia is the introduction of budget airlines, this has helped tourists to get connected with various parts of Malaysia and other countries at low cost. There is also good coordination among the tourism boards of Malaysia and several agencies like Department of Agriculture (agrotourism), Department of Wildlife and National Parks (ecotourism), Department of Forestry (ecotourism), Department of Aborigines' Affairs (ethnic tourism), Department of Fisheries (coastal tourism), Department of Museums and Antiquities (heritage/cultural tourism) are directly or indirectly involved in tourism of the country. Some of the strengths of Malaysian tourism are good accessibility, outstanding nature, multi culturalism, good tourism facilities [4]. Thai economy is highly dependent on tourism industry and Thai people are actors as well as spectators. As actors, their agency has been very limited by the government in sectors like education and cultural policies. As spectators in the global

TABLE 1

Source: <https://knoema.com>

| Year | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | Growth Rate in % |
|--------------------------|------|------|------|------|------|------|------|------|------|------|------|------------------|
| India | 7.2 | 6.9 | 7.4 | 7.3 | 6.6 | 6.3 | 6.2 | 6.2 | 6.2 | 6.2 | 6.3 | -12.5 |
| Malaysia | 13.2 | 13.7 | 16.5 | 12.8 | 14.1 | 13.8 | 13.5 | 13.7 | 14.4 | 15 | 13.1 | -0.75 |
| Vietnam | 11 | 13.2 | 9.6 | 11.7 | 9.8 | 9.3 | 9.7 | 12.4 | 11.5 | 12.7 | 13.9 | 26.3 |
| Indonesia | 9.6 | 9 | 9.1 | 9.4 | 9.5 | 8.8 | 8.7 | 8.9 | 8.9 | 9.4 | 9.6 | 0 |
| Laos | 12.4 | 12.1 | 12.8 | 13.7 | 14.5 | 15 | 14.6 | 15.1 | 14.2 | 14.1 | 14 | 12.9 |
| Singapore | 8.9 | 8.3 | 9.1 | 8.9 | 8.9 | 9.7 | 9.9 | 10.2 | 9.8 | 10.1 | 10 | 12.3 |
| Cambodia | 24.6 | 24.6 | 24.1 | 22.7 | 24.9 | 25.4 | 27.9 | 29.3 | 29.3 | 29.5 | 29.9 | 21.5 |
| Philippines | 11.4 | 12 | 13.6 | 9 | 9.8 | 8.8 | 10 | 10.6 | 10.5 | 10.3 | 10.6 | 7.0 |
| Myanmar | 3.8 | 3.6 | 3.6 | 3.6 | 3.2 | 3 | 3.3 | 3.3 | 4.6 | 5.5 | 5.9 | 55.2 |
| Thailand | 15.8 | 16.7 | 17.5 | 16.8 | 15.7 | 14.1 | 15.6 | 17.1 | 18.4 | 18.1 | 20.8 | 31.6 |
| Brunei Darussalam | 7.3 | 6 | 6.3 | 6 | 7.2 | 7.3 | 6.8 | 7.1 | 7.3 | 7.4 | 7.4 | 1.3 |

market of the cultural industry which includes tourism [5]. Political instability in Philippines and government policies impacts highly in the development of tourism industry [6]. Improvement in the private sector and local development directly impacts the number of tourist arrival in Laos [8]. Vietnam should focus initially on promoting itself as a 'stop-over' destination for visitors who are on a regional tour. Vietnam being geographically located in the central part of south east Asia, it should take advantage of that by framing sustainable

tourism development plan and it should focus on promoting ‘stop-over’ destinations for tourists mainly who are coming to Vietnam for regional tours[7].

III. Analysis

Thailand is the country which has the highest number of tourist arrival compared to other ASEAN countries. Thailand has contributed around 27% of the total number of tourist arrival in ASEAN countries in 2015. In 2015, tourism industry accounted 20.8% of total GDP. Tourism industry has generated revenue of \$42.54bn in 2015 which is highest among ASEAN countries. The reasons behind these huge figures are exotic wildlife, spectacular islands, delectable Thai food, unique culture, government policies and the most important friendly people.

Malaysia is the second most favoured destination for tourists among ASEAN countries after Thailand. Despite its late entry in tourism industry, it has grown rapidly in the last one decade. In 2015, tourism industry accounted 13.1% of total GDP. The number of tourist arrival has gone up from 16.43 million in 2005 to 25.7 million in 2015. Although Malaysia is a Muslim majority country, still it is focusing on its multi-culture character. Apart from local culture they are also projecting the culture of other major settlers like Chinese, Malaysians and Indians [4]. Currently, the promotion tag line is ‘Malaysia, Truly Asia’.

Tourism is one of the crucial industries in Singapore. It has consistently contributed at a very high rate towards the GDP of the nation. In 2015, tourism industry accounted 10% of total GDP. The number of tourist arrival has doubled in the last decade. 2015 recorded 15.2 million tourists generating \$22bn of revenue. Singapore is located centrally among the ASEAN countries and therefore the tourists, when they are coming to ASEAN countries, they are certainly visiting Singapore. Singapore Tourism Board has promoted tourism by projecting its culture, sports events, beaches, ancient colonial buildings. It has promoted international malls like Paragon, Ion Orchards, The Shoppes at Marina Bay Sands, Vivo City and Orchard Central. Similarly, a large number of 5 star and 7 star hotels of international standards have been setup.

Generally, tourists visit Indonesia for culture and nature. Tourism industry in Indonesia has helped in contributing towards the GDP of the nation to large extent. In 2015, tourism industry of Indonesia accounted 9.6% of total GDP of Indonesia. The revenue generated from this industry has increased from \$5.09bn in 2005 to \$11.9bn in 2015. It has been ranked 50th out of 141 countries in The Travel and Tourism Competitiveness Report 2015. The number of tourist arrival has also gone up from 5million in 2005 to 9.72million in 2015. The government has also given high priority to few places such as Jakarta, Borobudur, Toba, Thousand Islands, Labuan Bajo, Central Java, North Sumatra, Southeast Sulawesi, TanjungKelayang, Wakatobi, Mandalika, West Nusa Tenggara and many more. Government is also targeting 250 million trips by domestic tourists by 2019. Most of the tourists come from Malaysia, Singapore, Australia and China.

Vietnam is known for its beaches, rivers, cultural sites like Buddhist Pagodas. In 2015, the tourism industry has contributed 13.9% of total GDP. The revenue from tourism has increased from \$2.3bn in 2005 to \$10.7bn in 2015. The increase in revenue is due to increase in the number of tourist arrival from 3.46 million in 2005 to 7.94 million in 2015. It has been

observed that the increase in the tourism industry is due to improvement done by the government in the entertainment sector, transportation and cuisine. The country has attracted veterans the most due its nature and culture.

Laos, a South East Asian country whose tourism industry is growing but at a decreasing rate. Laos is known for Buddhist monasteries, hill tribe settlement, French colonies and mountainous terrain. In 2015, the tourism industry has contributed 14% of total GDP. The revenue from tourism has increased from \$0.143bn in 2005 to \$0.67bn in 2015. The increase in revenue is due to increase in the number of tourist arrival from 0.67 million in 2005 to 4.6 million in 2015. Some of the famous tourist destinations are LuangPrabang, Mekong River, VangVieng, Si Phan Don, Plain of Jars, Wat Xieng Thong, Pha That Luang, Wat Phu, Pak Ou Caves and ViengXai.

Philippines is a country which comprises of 7,641 islands with 82 provinces divided in 18 regions. It is known for its beaches, rich biodiversity, mountains, islands, diving spots and rainforests. The tourism industry has contributed 10.6% of total GDP in 2015. The revenue from tourism has increased from \$2.86bn in 2005 to \$6.3bn in 2015. The increase in revenue is due to increase in number of tourist arrival from 2.62 million in 2005 to 5.36 million in 2015. Palawan is one of the islands which is declared as the best island in the world by many travel magazines.

Cambodia is known for its tropical beaches, temples, colonial buildings and abundance of natural beauty. The tourism industry has contributed 29.9% of total GDP in 2015. The revenue from tourism has increased from \$0.83bn in 2005 to \$3.01bn in 2015. The increase in revenue is due to increase in number of tourist arrival from 1.42 million in 2005 to 4.77 million in 2015.

Myanmar tourism is growing at a very slow rate and it is the nation with more than 100 ethnic groups. Due to poor political condition, the country has not seen much of the tourist arrival. The tourism industry has contributed 5.9% of total GDP in 2015. The revenue from tourism has increased from \$0.083bn in 2005 to \$1.91bn in 2015. The increase in revenue is due to increase in number of tourist arrival from 0.66 million in 2005 to 4.68 million in 2015.

Brunei is the small nation on the island of Borneo and this nation is known for its beaches, rainforests and rich biodiversity. The tourism industry has contributed 7.4% of total GDP in 2015. The revenue generated by the tourism industry was \$0.092bn, which was recorded last time in the year 2012. The number of tourist arrival increased from 0.12 million in 2005 to 0.21 million in 2015. Government is taking measures to diversify tourism by promoting sports tourism, Islamic tourism and ecotourism.

Table 1 explains about the contribution of tourism industry towards GDP of different nations for last 10 years. It is evident that Myanmar has registered the highest growth rate among the ASEAN nations and India. India's growth rate is declining which has to be seriously taken into consideration. India is at the bottom when compared the growth rate of contribution towards GDP with ASEAN nations.

IV. Suggestions

By comparing the number of tourist arrival, contribution of tourism industry towards GDP of nation and revenue generated by tourism industry it is pretty evident that India is far behind the ASEAN nations and needs a revolutionary change in order to enhance its tourism industry. India could take the following measures to compete with other countries in terms of tourism. First, India should project itself as an exotic destination globally so that tourists will have an image of India as Malaysia does very well in projecting itself by giving taglines like 'Malaysia Truly Asia'. Second, India has to take necessary measures towards poverty, illiteracy and corruption by changing the current government policies and of course mindset of people. Changing the mindset is a long process which will occur gradually. Third, India has to have cohesiveness among the local bodies and state corporation (wildlife, agriculture, cultural, fisheries, antiquities etc) like Malaysia. This will help India to promote the places which are unexplored by tourists. Finally, India must focus more on medical tourism as the demand for medical tourism is increasing in Asia because of low priced and high quality services offered by these nations.

V. Conclusion

Tourism industry of India when compared to ASEAN nations is lacking behind in many aspects, there are many reasons for poor statistics of Indian tourism industry. The reasons have been highlighted in the paper. Authors have compared the ASEAN nations and India in order to gain insights from the tourism industry of these nations. Medical tourism is an evolving sector of tourism in India. Medical tourism has a good future in India. Education tourism is something on which India could focus more because of availability of high quality teaching staff, premium institutions and a big market for jobs. Government needs to take necessary actions to curb corruption, tackle illiteracy and it should revamp its policies and norms in order to increase the number of tourist arrival in India. Most of the ASEAN nations are dependent on the tourism industry as they do not have much scope in other industries unlike India, this could be one of the reasons for poor statistics of Indian tourism industry compared to other nations.

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