



## Assessment of opportunities and challenges of tourism industry in Karnataka

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### Abstract

Tourism has become one of the world's largest and fastest growing economic activities. This industry has impact on employment generation, foreign currency earnings, balance of payments, and the economy in general. Karnataka is known for its heritage, wildlife, beaches and scenic landscape all over the world. Tourism industry forms an integral part of the state's economy. The state has immense potential for attracting domestic as well as foreign tourists all over the world and there are a number of destinations which are untapped and can be developed major tourist destinations. Karnataka is a must visit state in India for all tourist enthusiasts and will not get disappointed. Tourism being one of the state's one of the major industries has plays an important role for developing the economy. The industry has generated various jobs to a very large number of people and has generated economic activities in the tourism and its related industries such as hotels, travel agency and airlines etc. This paper aims to study to assess and analyze the opportunities, challenges and other related issues of Tourism Industry in Karnataka. The study also identifies the need of a well-balanced and effective policy of the state government towards the sustainable tourism development in Karnataka.

**Keywords:** tourism, economy, employment, foreign exchange, sustainable tourism

### Introduction

In many developing countries, tourism is widely accepted as a way to contribute to economic development, job opportunities and foreign revenues. Due to these factors tourism worldwide has developed rapidly in the last decades. The advantages of tourism and the live examples from different parts of the world encourage countries with adequate resources to find out the ways of conducting efforts aiming sustainability in this area because sustainability can be easily connected to almost all kinds and scales of tourism activities and environments.

Tourism consists of the activities undertaken during travel one place to another for the pleasure and enjoyment of certain destinations, and the facilities that cater to the needs of the tourist. The urge to explore new places within one's own country or outside and seek a change of environment has been experienced from ancient times. Tourism has outshined traditional industries to become one of the world's largest and fastest growing economic activities.

The travel and tourism sector in India provides significant socio economic benefits. While the direct contribution to GDP is estimated at INR 14,809 billion (USD208billion) in 2016, 3.3% of total GDP and is forecast to rise by 6.9% in 2017. These have further been forecasted to rise at a growth rate of 12 per cent over the next decade. In 2014-15 the travel industry contributed Rs 7.6 trillion and 3.6 million jobs to the Indian economy. By the end of the 2016, the travel and tourism sector will support around 25 million direct and 40.3 million total jobs, these have been forecasted to increase at a growth rate of 2.1 per cent by 2023. India is ranked 37<sup>th</sup> for providing the good air transport network in the world. The Indian travel and tourism industry ranked 5<sup>th</sup> in the long-term (10-year) growth and by end of 2020 Indian tourism industry

expected to emerge as a second largest employment generator in the world.

Apart from economic benefits, tourism plays a vital role in cross-cultural exchange of the two cultures. It helps to learn about different languages, life styles and tradition. It provides opportunities to adopt the qualities of different cultures vice-versa, as tourists are also bound to cause tension among the local population by introducing new life styles and progressively promoting social, cultural and religious disruptions. Tourism provides opportunities to local people to raise their living standards by increasing employment opportunities. Tourism serves as a means of conserving the cultural heritage of the local area which otherwise might be lost due to development. It provides scope for conserving local dance, art, craft, music, drama, dress and old historic monuments.

### Objectives of the study

The present study has following specific research objectives:

- To assess the impact of tourism on Karnataka's economy and environment.
- To find out the major opportunities and challenges of Tourism Industry in Karnataka.
- To provide recommendations for the development of Tourism Industry in Karnataka.

### Methodology

The study is mainly based upon the collection of secondary data. The secondary data was collected from various sources of publications such as official and non-official records, leading books on the subject, published thesis, booklets, brochures on divergent aspects of tourism, tourism sector

profile, magazines, journals, Research articles and Internet. Moreover the information from the internet has been extensively used as a source of secondary data collection.

**Tourism products of Karnataka**

Karnataka is located at the southern part of India, known for its scenic landscape, beautiful beaches, lakes, cool climate, trekking and fishing opportunities, wild life sanctuaries, waterfalls, and archaeological, historical, cultural and religious places. Tourism is one of the State’s major industries, played an important role for development of economy. Being a labour- intensive industry, it has given different jobs to a very large number of people and generated economic activities in the primary, secondary and tertiary sectors in the state, which owes large dependence on this industry. Bangalore, Mysore, Medikere, Mangalore and world heritage centres Hampi and paddakkal have been a centre of attention for different people for different reasons all over the world. There are various places of tourist attraction in the state visited by the tourists. However, most of the places with ample tourism potential are untapped. Tourism in Karnataka depends greatly on the natural resources as well as manmade resources that every place has to offer for economic profitability. Karnataka state is renowned for being one of the India’s richest states when it comes to wildlife. A wildlife tour for the tourists in Karnataka will be one of the most rewarding experiences. The state has all most 40,000 sq km of forest area and more than 20% of state is covered by forest. The Western Ghats, biodiversity spot of Karnataka is recently included UNESCO list. Karnataka is home to more than 20 wildlife sanctuaries making it a delight for wildlife lovers, photographers and enthusiasts.

Tourism provides good sustenance to the local population and revenue to the State exchequer. The visits from domestic and international tourists provide a valuable source of earning. Visitors spending generate income for both public and private sectors besides effecting wages and employment opportunities. Karnataka is attracting both domestic and foreign tourists from different parts of the world. The tourist arrivals to the state have continuously are increasing from 2009 to 2015.

**Table 1:** Trends in arrival of domestic and foreign tourists in Karnataka

Year	Domestic	Foreigners	Total	Percentage change (%)	
				Indians	Foreign
2009	32729679	529847	33259526	-11.5	1.8
2010	38202077	524573	38726650	16.7	-0.9
2011	84107390	574005	84681359	120.1	9.4
2012	94052729	595359	94648088	11.8	3.7
2013	98010140	636378	98646518	4.2	6.8
2014	118283220	561870	118845090	20.6	-11.7
2015	119863942	636502	120500444		

**Impact of tourism on Karnataka’s economy and environment**

Karnataka has tremendous potential in tourism sector. The scope of large scale industrial development is very limited in the State. Tourism being a labour intensive industry provides a very vast scope for employment opportunities in Karnataka.

The employment opportunities provided by this industry are comparatively higher than other industries. Tourism is regarded multi-segmental industry, therefore, it provides different types of jobs like hotel managers, receptionists, accountants, clerks, guides, travel agents, chefs, transport operators etc. The positive economic benefits of tourism industry in Karnataka are:

- Contribution to State’s income generations
- Expansion of employment opportunities in the State
- Tax revenue
- Generation of Foreign exchange
- Transformation of regional economy
- Preservation of national heritage and environment
- Development, up-gradation and expansion of basic infrastructure
- Promoting peace and stability

**Opportunities for tourism development**

Karnataka offers a very large number of marketable products. While looking from tourist point of view, each district of the State has so much to offer such as: - Vast Natural Resources - Adventure Tourism (River Rafting, sea walk, mountain climbing) - Numerous Trekking routes - Pilgrimage Tourism (Hindu, Muslim, Christianity, Buddhist) - Wildlife Tourism - Heritage Tourism - springs - Festivals and Cultural activities - Handicrafts etc. The above mentioned products could be developed by means of a well-laid tourism policy. Thus, tourist information offices should be opened in all the major cities of India and abroad, which must provide the information in all the languages to the tourists about the various tourist destinations in Karnataka. Further, the identified products should be made marketable and attractive to lure tourists. And this is possible only if investments are made in the following infrastructure: - Up- gradation and expansion of Roads and Local Transport, construction of highways, Modern International Level Luxury Sightseeing Coaches, Operation of Air line Services to various tourist destinations, International Standard Hotel Accommodation, Recreational Facilities, Amusement Parks, Health clubs, Indoor Skating Rinks etc. - Setting up of cable cars/ Rope ways in Coastal Karnataka, Mysore, Chikkamagalur and Bangalore etc. Following are the some of the areas, which can attract the tourists.

- Heritage and culture: the world heritage sites Hampi, Badami, Pattadakal, and other monuments like Aihole, Mysore palace, Srirangapatana etc are included under heritage and culture tourism.
- Wild life and forests: National parks at Bandipur, BR Hills, Rajiv Gandhi National Park, Kudremukh National Park etc. Karnataka is blessed with over 5 National Parks, 20 Wildlife Sanctuaries and 9 Bird Sanctuaries
- Beaches: Mangalore, Karwar, Gokarna, Malpe etc. Karnataka have 320 km Long, virgin, pristine, and unexploited coast line. Beach tourism is an emerging tourism product, which is expected to become more significant.
- Religious destinations: Hindu temples (Kukke Subrahmanya, Kadri Manjunatha temple, Mookambika temple etc), Jain basadis (Moodabidri, Karkala etc) and statues of Bahubali (Sraavanabelagola, Vennur), Churches (St. Aloysius, Milagres), Mosques & Dargahs (Jama

Masjid, Dargah of Syeed Madani etc)

- Adventure sports: white water rafting (Dandeli, Kempphole, Sitanadi, Netravati), rock climbing (Ramnagar near Bangalore, Badami), trekking (Shimoga, Chikmagalur, Hassan, Kodagu), angling (Cauvery fishing camp), aero sports (Hebbal in Bangalore) etc, these are included under the innovative tourism products.
- Hill stations and scenic spots: Coorg, Chickmagalur, Agumbe, BR Hills, Nandi Hills, Jog falls etc.
- City tourism & MICE tourism: Bangalore and Mysore Karnataka is mainly known for medical, business, heritage and religious tourism, attracting the millions of tourists all over the world. MICE (Meetings, Incentives, Conventions and Exhibitions) based tourism is also expected to grow strongly in cities such as Bangalore and Mysore

### **Challenges of tourism industry in Karnataka**

- Tourism depends on a wide range of infrastructure services- airports, roads, railways and ports, as well as basic infrastructure services required by hotels, restaurants, shops and recreation facilities (e.g. telecommunications and utilities). It is the combination of tourism and good infrastructure that underpins the economic, environmental and social benefits.
- As tourism increases, environmental and socio-economic impacts can also be expected to increase. Environmental pollution poses a serious threat to life on earth not only in industrial areas but also in areas where there is a great concentration of tourists. The areas with tourists' concentration are dumping ground for municipal and industrial waste. In the tourist areas various diseases are often transmitted by contaminated food.
- Lack of basic hygienic hygiene and sanitation facilities and Poor maintenance of monuments at the various tourist destinations is major setback for the development of tourism.
- Lack of sound marketing and promotional strategies.
- Issues regarding safety and security of tourist. Lapses in safety and security-incidents of tout and harassment of tourist in some places
- Lack of passionate and trained professionals (professionally qualified tour guide are very essential for the promotion of tourism). Involvement of too many agents and tour operators also makes the cost of tourism package too high in Karnataka.
- Lack of supportive infrastructure- bad roads, improper health and hygienic centres, communication gaps etc.
- Gap between demand and supply of manpower
- Uneven progress-slow growth of village tourism, lack of information about tourist destination
- Non implementation of legislative law. Poor administration and management
- Excessive formalities for an issue of special permit to view restricted areas sites.
- Tourism development projects are usually developed by Karnataka Government without any discussion with community leaders and they are dumped to follow the ineffective projects blindly.
- Absence of alternate site nearby and fair & festival

creates a bottleneck problem in crowd management

- Lack of entrepreneurship opportunities also restricts youth to follow a carrier in tourism such as opening a hotel resort or a retail outlet or handicraft business to serve tourism industry in Karnataka
- Politicians are the hindrances in the development of tourism in Karnataka; their policies directly influence the tourism.

### **Recommendations**

The first important task before policy makers is to develop and adopt a comprehensive marketing strategy for increasing the visibility of Karnataka on the World Tourism Map. Karnataka will have to adopt a promotional approach consistent with the new tendencies. Focusing the investments on the markets generating huge revenues could lead to the enhancement of Karnataka performance in tourism sector. To make the Karnataka, number one tourist destination leading to sustainable socio-economic development of the region by capitalizing on the abundant available natural and human resources following step should be taken:

- Key tourism circuits across the state may be identified and discussions with key stakeholders such as state governments, local travel trade partners etc. Key attributes, tourism potential, current and future connectivity and synergy within destinations may be studied.
- It is extremely important to develop basic infrastructure and other amenities in order to transform the Karnataka state into a global tourist destination. The government should take the initiative and improve tourism facilities for the traveller. A good network of transportation system is necessary to ensure maximum connectivity to the destination. Air connectivity to the various tourist destinations should be improved in order to promote global tourism.
- Adequate steps to be taken to provide hygiene and sanitation facilities at tourist destination. Hence, it is suggested that clean and hygienic conditions should be maintained at the tourist destinations of the state by outsourcing the upkeep and maintenance to NGOs, local bodies etc.
- Make wider usage of information technology to improve means of communication and also to promote Karnataka tourism.
- Tourist Police Task Force has been established by various State Governments for ensuring safety and security for tourists.
- Travel trade partnerships may be extended beyond tour operators, guides etc. to partners from other industries such as international hotel chains, airlines or credit card companies. Quicker accessibility, safer man availability, large reach, excellence in hospitality and service.
- Develop tourist destination facilities of international standards. Private sector players may be encouraged to participate in development of tourism infrastructure by provision of fiscal as well as non-fiscal incentives. PPP projects and formation of Special Purpose Vehicles for mega tourism projects may be required. Be the facilitator to encourage private entrepreneurship in the industry

- Karnataka should make the most of its natural resources and labour to develop not only traditional products but also non-traditional tourism products.
- Provision of additional training institutes, enhancing capacity of existing ones along with introduction of short term courses providing specific skills directed at hospitality and travel trade sector employees may be required for catering to the increased manpower and skill requirements.

### Conclusion

Tourism is emerged as an important instrument for sustainable human development of Karnataka and all possible efforts need to be undertaken for retaining, maintaining and sustaining it. Tourism can play an effective role in integrating the entire universe. Tourism in Karnataka is a sun rise industry, an employment generator, a significant source of foreign exchange for the state and an economic activity that helps local and host communities. Karnataka tourism as a product which is unparalleled in its beauty, uniqueness, rich culture and history has been aggressively pursuing the promotion of tourism both internationally as well as in the domestic market. With increasing tourist inflows over the past few years, it is a significant contributor to state economy as well. Rising income levels and changing lifestyles, development of diverse tourism offerings and policy and regulatory support by the government are playing a pivotal role in shaping the travel and tourism sector in Karnataka. However, the tourism sector is facing many challenges such as lack of good quality tourist infrastructure, health and safety of tourists, lack of basic amenities across state and shortfall of adequately trained and skilled manpower. So, the plans and programmes should be designed to tackle these challenges, successful implementation of programmes is very important to accelerate growth. Concerted efforts by all stakeholders such as the central and state governments, private sector and the community at large are pertinent for sustainable development and maintenance of the travel and tourism sector in the state.

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