



STUDY ON CONTRIBUTION OF
TOURISM SECTOR
(HOSPITALITY) TO THE STATE GDP IN
THE STATE OF ARUNACHAL PRADESH,
ASSAM, MEGHALAYA AND SIKKIM

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EXECUTIVE SUMMARY

Tourism has emerged as a driver for socio-economic progress through activation of growth dynamics leading to income and employment generation, entrepreneurial development, increased export earnings and development of infrastructure. It is found that contribution of Travel and Tourism sector to global GDP is 9 percent (direct, indirect and induced) and it recorded growth of 3.3 percent per year in general and over 10 percent in South East Asia in particular. It accounts for 30 percent of the world's trade of services, and 6 percent of overall global exports of goods and services. Employment generation of Tourism sector in world economy is close to ten percent (Ref: WTTC Travel and Tourism economic Impact, 2015).

Total contribution of India's Travel and Tourism sector to its GDP is around 7 percent and expected to grow further. It also creates opportunities for employment including unskilled and semi skilled domestic labour force. In India tourism is helping about 3.67 crore people to earn their livelihood – accounting for 8.7 percent of total employment (Ref: Travel and Tourism Economic Impact, India, 2015).

Preference of leisure to labour accompanied by ability to pay and willingness to pay creates the scope of tourism. It is also being increasingly influenced by LTC or LTA facility provided by various organisations both Government and Private sectors to their employees. Over the period, preference for tour destinations has also been shifted from one kind of destination to others. Now a days, places with scenic beauty, environment friendliness, rich with bio diversity, socio-politically congenial atmosphere attract more tourist. However, importance of religious tourism can't be denied as significant package of tourism development.

Tourism has a positive impact on local economy in terms of income generation and employment creation. It is linked with a chain of economic activities starting from major infrastructure development (Rail, road, waterways and civil aviation) to local transport network where local people facilitate last mile connectivity. Hotel (Hospitality) industry with strong forward and backward linkages is one of the integral parts of Tourism industry. Activities related to road side shops to meet the day to day needs of the tourists, local indigenous production including food, souvenir items and other artisan products are also escalated with the development of tourism. Both skilled and unskilled labour find opportunity to be associated with tourism sector leading to employment generation in the local economy.

North Eastern region of India with rich and diverse cultural heritage, abundant natural resources and biodiversity is tourist friendly. The present project **“Contribution of Tourism Sector to the State GDP of Arunachal Pradesh, Assam, Meghalaya and Sikkim”** is addressing mainly two committed goals associated with development of tourism sector in four North Eastern provinces- Arunachal Pradesh, Assam, Meghalaya and Sikkim.

Basic approach followed in the study is a combination of Economic approach, Institutional approach, Product approach and Sociological approach

Behavioural shift of tourists is equally important for meaningful development measures/ policy implementation. Tourist inflow and government development expenditure for tourism sector influence both income generation and possibilities of job creation. Income generation and job creation have been estimated for 2013-14 by using primary and secondary data with the help of Input-Output Model. Value of preceding years was estimated by using price deflators. Primary Tourist survey feedback indicating behavior pattern of tourist is presented below:

Activities	Sikkim	Meghalaya	Arunachal Pradesh	Assam
Sources of destination information	Social media (57%)	Social media (57%)	Social media (79%)	Social media (69%)
Origin of tourist	Eastern region (47%)	Eastern region (60%)	Eastern region (64%)	Eastern region (62%)
Pre destination	State of origin (51%)	State of origin (59%)	Assam (49%)	Other North Eastern States (64%)
Post destination	State of origin (78%)	State of origin (97%)	State of origin (98%)	Other North Eastern States (49%)
Purpose of visit	Leisure (89%)	Leisure (94%)	Leisure (100%)	Leisure (100%)
Destination visited	Pelling (72%), Yumthang (67%), Changu (64%)	Shillong (97%), Mawlynnong village (76%), Mawphlang Forest (34%)	Tawang (100%), Bomdila (98%), Namdapha (52%)	Kaziranga (88%), Kamakhya (87%), Majuli (68%)
Group size	3 members (27%)	4 members (36%)	4 members (39%)	4 members (38%)
Duration of stay	4 days	4 days	6 days	4 days
Preference for transport	Hired car (69%)	Hired car (95%)	Hired car (82%)	Hired car (88%)

Contribution on account of Government sector expenditure and tourist inflow is estimated below:

Year	Sikkim		Meghalaya		Arunachal Pradesh		Assam	
	Contribution in terms of		Contribution in terms of		Contribution in terms of		Contribution in terms of	
	GVA % to GSDP (nominal)	Employment (number)	GVA % to GSDP (nominal)	Employment (number)	GVA % to GSDP (nominal)	Employment (number)	GVA % to GSDP (nominal)	Employment (number)
2009-10	12.22	42044	3.66	27894	6.24	22016	3.87	258855
2010-11	11.52	46057	3.69	28307	6.19	24037	3.79	279233
2011-12	9.07	40329	3.45	30679	6.28	27437	3.88	302714
2012-13	8.13	41945	3.67	33899	6.67	32322	3.75	314898
2013-14	7.89	43870	3.47	34461	6.85	35943	3.20	273454

Depending upon tourist inflow, expenditure pattern and size of economy, share of tourism sector (Value Added) varies from State to State. However, contribution of tourism sector to State GDP shows an increasing trend in absolute value.

Questionnaire for Retailers

Study on contribution of tourism Sector (Hospitality) to the State GDP in the states of Arunachal Pradesh, Assam, Meghalaya and Sikkim

Location of the Survey: _____ Date: _____

Name : _____ Gender: M F

Address : _____

Age: _____ Mobile No.: _____

1. Category: (1) Local (2) Outsiders
2. Type of product:
 - (1) Handicraft (2) Garments (3) Liquor (4) Snacks (3) Recharge coupon
 - (4) Others
3. No of staff engaged by you: (including family member)
4. Average no of Buyer/ day: _____
5. Proportion of Buyer: Local Tourist
6. Average Sale per day in lean Season:
7. Average Sale per day in peak Season:
8. What is the Proportion of revenue you earn from tourists: _____
9. Where from you procure your product: (1) Within State (2) Outside State
10. 5 most preferred items /brand by tourist: _____