

# Second Tourism Satellite Account for India, 2009–10

Study Commissioned by the  
Ministry of Tourism, Government of India



*Prepared by*

**National Council of Applied Economic Research**

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**National Council of Applied Economic Research  
11, I.P. Estate, New Delhi 110 002**



# Study Team

## NCAER Project Team

### Project Leader

- Dr Poonam Munjal

### Senior Advisor

- Shri Ramesh Kolli

### Core Team

- Shri Amit Sharma
- Shri Pravin Kumar
- Smt Kiran Sheokand

## Advisory Committee

### Chairperson

- Secretary, Ministry of Tourism

### Members

- Director-General, NCAER
- Director General, Central Statistical Office
- Additional Secretary, Ministry of Tourism
- Consultant Tourism & Culture, Planning Commission
- Director General, DGE&T, Ministry of Labour
- Secretary Tourism, Government of Madhya Pradesh
- Secretary Tourism, Government of Kerala

- Executive Director (DEPR and DSIM), Reserve Bank of India

- Director, NCAER-CMCR

- Director, IITTM, Gwalior

### Member-Secretary

- Additional Director General (Market Research), Ministry of Tourism

## Technical Committee

### Chairperson

- Additional Director General, Central Statistical Office

### Members

- Additional Director General, SDRD, NSSO
- Additional Director General (Market Research), Ministry of Tourism
- Secretary Tourism, Government of Madhya Pradesh
- Secretary Tourism, Government of Kerala
- Prof Ashis Sengupta, Indian Statistical Institute, Kolkata

### Member-Secretary

- Deputy Director (Market Research), Ministry of Tourism

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# Foreword

Both domestic and international tourism offer great potential for a country with India's long history and legacy and its variety of cultures, languages, and climates. International tourism including passenger transport generates something like US \$3.4 billion a day of export receipts; India today enjoys just a miniscule share of this. Domestic tourism is by far the largest component of the Indian tourism industry, but even here there is much potential that is unexplored.

NCAER, the National Council of Applied Economic Research, was commissioned by the Ministry of Tourism in the Government of India in 2011 to compile India's second Tourism Satellite Accounts (TSA) for the year 2009-10. NCAER had earlier successfully pioneered the compilation of the first TSA for India for 2002-03 on the request of the Tourism Ministry. This work at NCAER is part of a long on-going tradition of work on input-output and national income accounts and models.

A TSA provides a powerful tool to both understand and research the economics of tourism. The purpose of a TSA is to systematically and accurately measure tourism's share in total value added and employment and record its importance for different sectors of the economy. The word 'satellite' refers to the TSA being a sub-account of the country's national accounts. Besides describing the structure of the industry and measuring its economic size, a TSA provides an information platform and a score card to which all other manners of tourism data can be related.

The complication with measuring tourism's value addition is that tourism commodities, for example restaurant meals, are consumed by both tourists and residents; and tourists also consume non-tourism commodities, for example clothes. To measure its size and contribution, one cannot simply identify a set of industries and aggregate their national income statistics to describe a country's tourism activity. Using special purpose consumer and business surveys, a satellite account identifies the portion of outputs from both tourism and non-tourism businesses that are consumed by tourists.

I am pleased to note that India's Second TSA that NCAER has compiled is fully compliant with the 2008 methodological recommendations of the UN World Tourism Organisation and with the International Recommendations on Tourism Statistics 2008. The principal data used by NCAER in the preparation of the TSA include (i) Domestic Tourism Survey, 2008-09; (ii) International Passenger Survey, 2010-11; (iii) National Accounts Statistics, 2012; (iv) Consumer Expenditure Survey, 2009-10; (v) Employment and Unemployment Survey, 2009-10; and (vi) Enterprise Survey, 2006-07. These data are fully detailed in this Report.

I would like to thank the agencies that provided the underlying data for the TSA 2009-10, especially the National Sample Survey Office, the Indian Statistical Institute, and CSO. NCAER is particularly grateful to the Ministry of Tourism officials Dr R.N. Pandey, former Additional Director-General; Shri R.K. Bhatnagar, Additional Director-General; Ms Sandhya Singh and Ms Neha Srivastava, Deputy Directors; Mr Shailesh Kumar, Assistant Director; and Shri S.K. Mohanta, DPA for their valuable inputs and administrative support during the preparation of the TSA.

The compilation of India's Second TSA was guided by an Advisory Committee of the





Government of India chaired by Secretary Tourism and comprising representatives from the Central Statistical Office (CSO), the Ministry of Tourism, the Ministry of Labour, the Planning Commission, and the Reserve Bank of India. The work was overseen by a Technical Committee under the chairmanship of the Additional Director-General of the National Accounts Division in the Government of India's Central Statistical Office. The Market Research Division of the Ministry of Tourism served as the secretariat for both Committees. NCAER is very grateful for this intense involvement of the Advisory Committee in preparing the TSA.



I am also grateful to the Australian Bureau of Statistics (ABS) for hosting the TSA study-team that visited ABS offices in Brisbane, Sydney, and Canberra in 2012 in preparation for this work. The visit provided an opportunity to compare notes with Australia's TSA team and learn from the TSA design and implementation of best practices followed by ABS. ABS commented favourably on the preliminary India TSA tables that were shared with them and suggested valuable improvements that have been incorporated in this Report. The TSA study team also met with Tourism Research Australia, which is an independent branch of the Department of Tourism that provides statistics, research and analysis to support sustainable industry growth, policy development and marketing for the Australian tourism industry. The Indian team had an excellent opportunity to understand Australian approaches for estimating the indirect effects of tourist consumption, the compilation of regional TSAs, and for tourism research. The visit has suggested important directions for promoting research in the economics of Indian tourism based on the Second India TSA.



NCAER now has a superb team well versed in the preparation and maintenance of India's TSA. In ending, I'd like to thank the team members Shri Ramesh Kolli, Senior Advisor; Dr Poonam Munjal, Team Leader; Shri Amit Sharma, Consultant; and Shri Pravin Kumar, Research Assistant, who have worked tirelessly for the past one and half years to produce a world-class Second Tourism Satellite Accounts for India.



New Delhi  
November 30th, 2012

**Shekhar Shah**  
Director-General  
NCAER



# Abbreviations and Acronyms

## Units used in the Report

1 crore = 10 million


1 lakh = 100 thousand

## Abbreviations

ADB	Asian Development Bank
ADG	Additional Director General
ASI	Annual Survey of Industries
BOP/BoP	Balance of Payments
CES	Consumer Expenditure Survey
CFC	Consumption of Fixed Capital
CIF/cif	Cost, insurance and freight (valuation of imports)
CII	Change in Inventories
CIS	Change in stocks, same as change in inventories
COE/CoE	Compensation of Employees
COFOG	Classification of the Functions of Government
COICOP	Classification of Individual Consumption According to Purpose
COPNI	Classification of the Purposes of NPISH
CPC	Central Product Classification (United Nations)
CPI	Consumer price index
CSO	Central Statistical Office
DP	Domestic Production
DTS	Domestic Tourism Survey
ES	Economic Survey
Eurostat	Statistical Office of the European Union
EUS	Employment and Unemployment Survey
EXP	Exports of goods and services
FISIM	Financial Intermediation Services Indirectly Measured
FOB/fob	Free on board/alongside (valuation of exports)







FSU	First stage unit (used in the sampling design)
FTA	Foreign Tourist Arrival
GCE/GFCE	Government Final Consumption Expenditure
GCF	Gross capital formation
GDP	Gross Domestic Product
GFCF	Gross Fixed Capital Formation
GSO	General Statistics Office (Viet Nam)
GVA	Gross Value Added
GVATI	Gross Value Added of Tourism Industries
HCE	Household consumer expenditure
HFCE	Household Final Consumption Expenditure
HS	Harmonised System (international classification for merchandise trade)
IC	Intermediate consumption
IMF	International Monetary Fund
IMP	Imports of goods and services
INV	Inventories
I-O Table	Input-Output table
IOTT	Input output transaction table
IPS	International Passenger Survey
IRTS	International Recommendations on Tourism Statistics
ISI	Indian Statistical Institute
ISIC	International Standard Industrial Classification (United Nations)
ISWGNA	Inter-secretariat Working Group on National Accounts
MI	Mixed Income
MRP	Mixed reference period
MMRP	Modified Mixed Reference Period
MNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MPCE	Monthly per capita consumer expenditure
MPCEmp	Monthly per capita consumer expenditure based on mixed reference period
MPCEurp	Monthly per capita consumer expenditure based on uniform reference period
NA	National Accounts
NAS	National Accounts Statistics (of India)
NCAER	National Council of Applied Economic Research

NCS	Net capital stock
NGO	Non-Governmental Organisation
NIC	National Industrial Classification of India
NIT	Net Indirect tax
NPISH	Non Profit Institutions Serving Households
NRI	Non-Resident Indian
NSO	National Statistical Office
NSSO	National Sample Survey Office
NVA	Net Value Added
OECD	Organisation for Economic Cooperation and Development
OS	Operating Surplus
OS/MI	Operating Surplus/Mixed Income
PFCE	Private Final Consumption Expenditure
PIM	Perpetual Inventory Method/Model
PIO	People of Indian Origin
RBI	Reserve Bank of India
RMF	Recommended Methodological Framework
Rs.	Indian Rupees
SICTA	Standard International Classification of Tourism Activities
SNA	System of National Accounts
SUT	Supply and Use Tables
TDGDP	Tourism Direct Gross Domestic Product
TDGVA	Tourism Direct Gross Value Added
TSA	Tourism Satellite Account
TSA:RMF	Tourism Satellite Account: Recommended Methodological Framework
TTM	Trade and transport margins
UN	United Nations
UFS	Urban Frame Survey
UNSC	United Nations Statistical Commission
UNWTO	United Nations World Tourism Organisation
URP	Uniform Reference Period
USU	Ultimate stage unit (used in the sampling design)
VAT	Value Added Tax
WTO	World Tourism Organisation





SECOND TOURISM SATELLITE ACCOUNT FOR INDIA, 2009-10



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# ONE

# Introduction

## Definition of Tourism

1.1 Tourism is a social, cultural, and economic phenomenon related to the movement of people to places outside their usual places of residence, pleasure being the usual motivation<sup>1</sup>. Tourism is a demand-based concept since it is a temporary activity which arises when a resident/non-resident decides to undertake a visit outside his/her usual environment that involves overnight stay and ceases once the visitor returns to his/her usual place of stay.

1.2 The decision of the tourist to make a visit generates additional demand for goods and services, which are provided from the supply side either through increased domestic production or through imports. Therefore, tourism, though a demand-based concept, can also be viewed from the supply side. These two aspects give rise to a number of alternate definitions of tourism. Some of the definitions available in the public domain are:

- Movement of people to, and their stay in, various destinations.
- Travel for recreational, leisure, or business purposes.
- Temporary movement of people to destinations outside their normal places of work and residence, the activities undertaken during their stay in those destinations, and the facilities created to cater to their needs<sup>2</sup>.
- The sum of the phenomena and relationships arising from the interaction of tourists, business suppliers, host governments and host communities in the process of attracting and hosting these tourists and other visitors<sup>3</sup>.
- A collection of activities, services and industries that delivers a travel experience, including transportation, accommodation, eating and drinking establishments, retail shops, entertainment businesses, activity facilities, and other hospitality services provided for individuals or groups travelling away from home.
- A set of productive activities that cater mainly to visitors.


1.3 The UN World Tourism Organization (UNWTO) provides the following definition which is now the accepted official definition of tourism.

Tourism refers to the activity of visitors. A visitor is a traveller taking a trip to a main destination outside his/her usual environment for less than a year, for any main purpose (business, leisure or other personal purpose) other than to be employed by a resident entity in the country or place visited<sup>4</sup>.

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1. United Nations World Tourism Organisation (UNWTO): International Recommendations for Tourism Statistics (IRTS), 2008 (para 1.1)  
2. Mathieson, Alister., Wall, Geoffrey (1982) :Tourism: Economic, physical, and social impacts, Longman (London and New York)  
3. McIntosh, Robert W., Goeldner, Charles R. (1986): Tourism: Principles, practices, philosophies; Wiley (New York)  
4. UNWTO: IRTS 2008, para 2.9



- 
- 1.4 Tourism involves travel and often the two terms are used interchangeably. Similarly, travel relates to the activity of travellers and this is often mixed up with the activity of visitors. However, there are significant differences between tourism and travel, as also between travellers and visitors, when it comes to measurement of tourism. Travel refers to journeys undertaken between different geographic locations for any purpose or any duration. These include travel to work, day-to-day activities, leisure, and migration, to name a few. Tourism is, therefore, a subset of travel. Similarly, a traveller is someone who moves between different geographic locations for any purpose or any duration, whereas a visitor is a traveller taking a trip to a main destination outside his/her usual environment for less than a year and for any main purpose (business, leisure, or personal) other than to be employed by a resident entity in the country or place visited. Accordingly, visitors are a subset of travellers. These distinctions are important to understand the concept of tourism and for the compilation of tourism statistics. These are discussed in detail together with conceptual issues of tourism, tourism statistics, and tourism satellite accounts (TSA) in Chapter 2.
- 1.5 Tourism has several dimensions such as (i) motivation for travelling that involves natural resources, culture, ethnicity, entertainment and adventure; (ii) facilities including hotels and restaurants, support services, and infrastructure facilities; (iii) transportation such as air, road and water and availability of finances for travel expenditures; and (iv) hospitality–interaction of tourists with local population. All these are important in the context of tourism and compiling statistics on tourism and TSA.

### Importance of Tourism

- 1.6 Tourism is an important social and economic phenomenon in many countries. It is a key driver of socio-economic progress because of the jobs and enterprises created, infrastructure developed, and the export revenues earned<sup>5</sup>. As an internationally traded service, inbound tourism is one of the world's major trade categories. According to the latest data from UNWTO, there were 982 million international tourist arrivals in 2011<sup>6</sup> and international tourism receipts amounting to an estimated US\$ 1,030 billion worldwide. In real terms (adjusted for exchange rate fluctuations and inflation), international tourism receipts grew by 3.9 per cent while international tourist arrivals increased by 4.6 per cent in 2011. As regards exports, receipts from international tourism are only covered for destination countries (the travel item of the balance of payment) and do not include receipts from international passenger transport<sup>7</sup> contracted from companies outside the travellers' countries of residence, which are reported under international passenger transport<sup>8</sup>. Therefore, if international passenger transport is included, total receipts generated by international tourism goes up to US\$ 1.2 trillion or US\$ 3.4 billion a day on an average to global export earnings. As a result, international tourism (travel and passenger transport) currently accounts for 30 per cent of the world's exports of services and 6 per cent of overall exports of goods and services. As a worldwide export category, tourism ranks fourth after fuels, chemicals, and food, while ranking first in many developing countries<sup>9</sup>. For many developing countries it is one of the

5. Government of India: Report of the Working Group on Tourism, 12th Five Year Plan (2012-2017)

6. UNWTO World Tourism Barometer, volume 10, January 2012

7. In the balance of payments statistics, travel refers to the acquisition of goods and services by individuals staying outside their country of residence for less than one year, whereas transportation covers transport of passengers, freight, and other supporting and auxiliary services, including storage and warehousing.

8. UNWTO Tourism Highlights, 2012

9. UNWTO press release of 7 May 12

main sources of foreign exchange income and the number one export category, creating much needed employment and opportunities for development<sup>10</sup>. In over 150 countries tourism is one of the five top export earners whereas it is the number one export earner in 60 countries. It is the main source of foreign exchange for one-third of developing countries and half of Least Developed Countries (LDCs), where it accounts for up to 40 per cent of their gross domestic product (GDP).

- 1.7 According to UNWTO Tourism Highlights, tourism's contribution to worldwide GDP is estimated at 5 per cent. Tourism's contribution to employment tends to be slightly higher<sup>11</sup> at 6 to 7 per cent of the overall number of (direct and indirect) jobs worldwide. For advanced and diversified economies, the contribution of tourism to GDP ranges from approximately 2 per cent for countries where tourism is comparatively a small sector, to over 10 per cent for countries where tourism is an important pillar of the economy. For small islands and developing countries, the weight of tourism can be even larger, accounting for up to 25 per cent in some destinations.
- 1.8 Compared to many countries, India has the advantages of possessing a rich and diverse range of unique tangible and intangible cultural, natural, and man-made tourism resources, many of which are world class in quality. India's great competitive strength, from the tourism point of view, is its ancient and yet living civilization that gave rise to four of the world's great religions and philosophies, and brought travellers and trade several millennia ago. The rich natural and rural landscape of India is punctuated with the built heritage of its ancient past and modern structures. India's contacts with other civilisations are reflected in the rich cultural diversity of its people through its languages, cuisine, traditions, customs, music, dance, religions practices and festivals, its holistic healing traditions, art, and craft<sup>12</sup>.
- 1.9 India has a unique cultural heritage. It has a vast array of protected monuments spread through the length and breadth of the country. India has 22 world heritage sites (out of which 16 are monuments). India has some of the greatest variety of fauna in the world and has several wildlife sanctuaries and national parks. India perhaps has one of the greatest adventure tourism assets in the world in the form of the Himalayas, as well as its mighty rivers. India has the world's greatest biodiversity, with a variety of unique natural locales, and is, therefore, a perfect candidate for eco-tourism. India is today being 'rediscovered' by the world at large for the depth of its understanding of physical, mental, emotional, and spiritual manifestations of the world and humankind. In particular, India has traditions that focus on the holistic healing of individuals and on elevating the individual to a higher plane of consciousness and awareness. India is a veritable shopper's paradise and the retail trade provides enormous forward and backward linkages through the economy. India has unique events, fairs and festivals, some of which are well established, such as Pushkar, Desert Festival at Jaisalmer, Kumbh Mela, and so on. Business travel is also a form of tourism and typically occurs in urban environments. India's 7000 kilometers of coastline remains untapped for the promotion of cruises. The T&T Competitiveness Report<sup>13</sup> notes that India has key strengths, linked mainly to cultural endowments. India ranks 12th in the Asian region and 68th globally. The country is well assessed for its natural resources (ranked 8th), and cultural resources (24th), with many World Heritage sites, both natural and cultural, rich fauna, many fair and exhibitions.

10. Tourism Report, UNWTO, 2011

11. This, however, may not be true for countries which have large employment in agricultural activities. For instance, in the case of India, agricultural activities account for over 50 per cent of employment but have a share of less than 15 per cent in GVA.

12. National Tourism Policy, 2002, Department of Tourism

13. The Travel and Tourism Competitiveness Report 2011, World Economic Forum



- 1.10 Bulk of tourism in India is from the domestic sector. In 2008-09, there were as many as 783.5 million domestic tourists in India undertaking in all about 939 million domestic trips. On the other hand, there were 6.6 million inbound tourists who visited India during 2010-11<sup>14</sup>. India's share in international tourist arrivals in 2011 is estimated at 2.9 per cent with a growth rate of 8.9 per cent<sup>15</sup>. India's share of international tourism receipts was 6.1 per cent in 2011. The growth of inbound tourism in India has been better than that of the world. India registered a compound annual growth rate (CAGR) of 9.1 per cent during 2001 to 2010 as against 3.6 per cent registered by the world during the same period. UNWTO has forecast that the travel and tourism industry in India will grow by 8 per cent per annum, in real terms, between 2008 and 2016. Foreign exchange earnings from tourism could show annualized growth of 14 per cent during the same period<sup>16</sup>.
- 1.11 Tourism sector contributes significantly to the national economy as well as to the creation of jobs in the country. The travel and tourism characteristic industries are estimated to have created 23.4 million jobs in 2009-10 with a share of 4.4 per cent. However, this sector has also contributed indirectly to 54.5 million jobs<sup>17</sup>.
- 1.12 Service activities, within which tourism is mainly embedded and not separately identified in the national accounts, dominate the Indian economy. Services contribute 59.0 per cent<sup>18</sup> of gross domestic product (GDP) at factor cost<sup>19</sup> and have been consistently growing at over 9 per cent during the last few years. Services GDP grew at 9.4 per cent as compared to 6.9 per cent growth in the economy at overall level in 2011-12. Tourism is one of the key drivers of service sector growth. According to the second tourism satellite account (TSA), 2009-10, tourism GDP accounted for 3.7 per cent of GDP in terms of direct impact and 6.8 per cent of GDP when indirect effects are included, bringing it to one of the top sectors of Indian economy in terms of contribution to GDP. In terms of employment, this TSA showed that direct share of employment in tourism service industries is 4.4 per cent and if indirect share is also included, this goes up to 10.2 per cent. Within the non-agriculture employment, tourism had a share of 9.7 per cent in employment and if indirect share is included, the share goes up to 22.6 per cent. This implies almost every 4th to 5th person employed in non-agricultural activities is directly or indirectly engaged in tourism activities.

## Measurement of Tourism

- 1.13 Tourism primarily relates to movement of people to places outside their usual place of residence, pleasure being the usual motivation. Tourism induces economic activity either directly or indirectly, sometimes in places beyond those visited. This could be in terms of economic output or in terms of employment, besides other social and infrastructural dimensions. Therefore, for a holistic approach to tourism development, it is necessary that reliable statistics on the sector and analysis based on tourism statistics are available to the policy makers for decision making. It is, therefore, important to measure the impacts of increased social and economic activity due to tourism and identify these data separately in the official statistics.

14. From the results of India's Domestic Tourism Survey, 2008-09 and International Passenger Survey, 2010-11

15. UNWTO Tourism Highlights, 2012

16. 2010 Tourism Report, UNWTO, 2011

17. From the results presented in this Report.

18. At constant 2004-05 prices in 2011-12.

19. India's headline GDP data is released at factor cost, though this valuation is no more recommended in the System of National Accounts, 1993.

- 1.14 The UNWTO lays down standard international guidelines for the collection, compilation and dissemination of statistics on tourism by member countries. The latest publication, *International Recommendations for Tourism Statistics (IRTS), 2008* focuses on the activities carried out by visitors and on measuring them with both monetary and non-monetary indicators. It provides a common reference framework for countries to use in the compilation of tourism statistics. *IRTS, 2008* presents a system of definitions, concepts, classifications and indicators that are internally consistent and that facilitate the link to the conceptual frameworks of TSA, national accounts, balance of payments and labour statistics, among others and further provides general guidance with respect to data sources and data compilation methods. This ensures international comparability of tourism statistics and enhances coherence of tourism statistics with other official statistics and further development of TSAs. *IRTS, 2008* provides a framework to compile both demand and supply side tourism statistics in order to ensure a better and coherent information base for analysis of tourism and its economic contributions.
- 1.15 Although tourism as such is not identified as a separate activity in the standard industrial classifications<sup>20</sup> and among the activities listed in the national accounts, tourism is essentially a service activity with links mainly with the travel and hotel industries. Given the importance of tourism and hence its measurement in terms of its contribution to the national economy and employment, it is important to develop a set of statistics that will exclusively provide a basis for economic accounting of tourism demand and activities.
- 1.16 However, as already mentioned, tourism is not defined separately in either the standard international industry or product classifications<sup>21</sup> or in the accounting framework of national accounts, which focuses on accounting of economic activities undertaken in the country according to standard international classifications. This is because tourism, unlike other sectors of the System of National Accounts (SNA), is not defined as an industry by the characteristic of the product it makes as an output. It is identified rather by the characteristic of the purchaser, that is, a visitor demanding the products. This means the tourism industry is defined according to the status of the consumer, not according to the status of producer. That is, it is the characteristics of the consumer that determine whether the production is included within the scope of tourism. Therefore, this special characteristic of tourism sector cannot be made explicit while compiling the national accounts according to SNA<sup>22</sup>, though tourism is an economic activity and its contribution is already included in the national accounts implicitly and thus is not separately visible in the national accounts.
- 1.17 SNA (1993 and 2008) consists of concepts, definitions, classifications, accounting rules, accounts and tables that constitute a comprehensive, integrated framework for

20. Though a Standard International Classification of Tourism Activities (SICTA) has been developed, data collection mechanisms in the countries on economic activities are not according to SICTA. This classification, however, provides guidance to reorganize the data collected on economic activities according to standard industrial classifications.

21. These are respectively the International Standard Industrial Classification of All Economic Activities, and the Central Classification of Products. Both are published and maintained by the United Nations Statistics Division, New York. The website <http://unstats.un.org/unsd> contains a detailed registry of these and other United Nations Classifications.

22. A System of National Accounts, 1993 and 2008. Both are prepared and published under the auspices of the Inter-secretariat Working Group on National Accounts (ISWGNA), which is an inter-agency body set up by the United Nations Statistical Commission (UNSC) on national accounts and consists of European Commission (EU), International Monetary Fund (IMF), Organization for Economic Co-operation and Development (OECD), United Nations (UN) and World Bank.





the estimation of production, consumption, capital investment, income, stocks and flows of financial and non-financial wealth, and other related economic variables. It includes a specific framework showing the interface between demand for goods and services and the supply of these goods and services within an economy, namely the supply and use tables (SUTs). On the other hand, what makes tourism special is the temporary situation in which an individual in the capacity of consumer finds himself/herself: he/she is taking a trip or a visit to a place outside his/her usual environment for less than a year and for a purpose other than being employed by a resident entity there. This differentiates a visitor from the other categories of consumers. These specific characteristics of the visitor cannot be made explicit within the core of SNA, where transactors are classified according to (relatively) permanent characteristics, one of them being their country of residence.

- 1.18 In the context of national accounts, tourism remains difficult to define and measure. Therefore, there is little room for organising data into a structure that permits examination and analysis by function. In such cases, where SNA core accounts do not provide the required information, it suggests the development of satellite accounts within the framework, concepts, and definitions of SNA. These satellite accounts draw from the core accounts in concept, framework and data but are recast to highlight the particular aspect of the economy that is inadequately described.

### Satellite Accounts

- 1.19 SNA provides flexibility for elaborations, extensions and alternative concepts, while still remaining within its conceptual framework. Satellite accounts compilations are one such extension. The idea behind compilation of such accounts is to allow certain types of analysis that focus on a certain field or aspects of economic and social life. Such detailed analysis is usually not available in the central framework. Therefore, satellite accounts are distinct from the central system.
- 1.20 Elaborating more on satellite accounts, SNA states that broadly, there are two types of satellite accounts. The first type, sometimes called an internal satellite, takes the full set of accounting rules and conventions of the SNA but focuses on a particular aspect of interest by moving away from the standard classifications and hierarchies. Examples are tourism and environmental protection expenditure. The second type, called an external satellite, may add non-economic data or vary some of the accounting conventions or both. It is a particularly suitable way to explore new areas in a research context. An example may be the role of volunteer labour in the economy<sup>23</sup>.
- 1.21 The first type involves some rearrangement of central classifications or grouping of activities (group of industries) or introduction of complementary elements. Such satellite accounts mostly cover accounts specific to given fields such as education, tourism, and environmental protection expenditures and may be seen as an extension of the key sector accounts. They may involve some differences from the central system but they do not change the underlying concepts of the SNA in a fundamental way. The main reason for developing such a satellite account is to present detailed information of the sectors, which otherwise is not possible in the core national accounts.
- 1.22 The satellite accounts maintain a loose relationship with SNA, with boundaries expanded and reclassified and by focusing on the purpose or function of transactions. Thus, transactions are first analysed in SNA according to their characteristics. Then certain types of transactions, such as tourism, health care, or

23. SNA, 2008, Chapter 29

environment, etc., are analysed from the expenditure side. In satellite accounts, therefore, the unit of analysis to which classification is applied is not an establishment (as in national accounts) but, instead, is transactions, or groups of transactions.

## Tourism Satellite Account

- 1.23 The most comprehensive way to measure the economic importance of tourism in national economies is through the TSA framework provided by UNWTO. TSA highlights tourism within the national accounting framework. TSA provides a framework for policy analysis of issues related to tourism economics as well as for model building, tourism growth analysis and productivity measurement. The systems of tourism statistics and tourism satellite accounts are tools by which the role of tourism in the economy can be better understood and more accurately measured<sup>24</sup>. Also, TSA is an accounting procedure designed to measure goods and services associated with tourism, according to internationally agreed standards, concepts, classifications and definitions. TSA focuses on the economic dimension of tourism trips<sup>25</sup>, mostly through expenditure by visitors or by others for their benefit. The TSA is a unique tool now available to policymakers in many countries to document the direct GDP and employment contributions of tourism to national economies.
- 1.24 TSA maintains the concepts, definitions, classifications, structure and accounting rules provided in SNA. In TSA, the national accounts framework and methodology is applied to tourism so that industries supplying tourism output are identified in the production account, while at the same time showing the visitors' expenditures identified by functions, which is the determining characteristic of tourism, on the expenditure side. The national account framework further allows confrontation of these two dimensions through the supply and use tables for arriving at a consistent set of economic data.
- 1.25 Being a visitor is a transient situation related to a specific trip. Once the trip is over, the individual loses his/her condition of being a visitor. TSA provides the means by which the economic aspects of tourism can be separated and analysed individually, while remaining within the main accounts and retaining their relationship with them. One of the major features of TSA is that it is set in the framework of the economy as a whole (the national accounts), so that tourism need not be studied in isolation. It is also important that tourism be framed in the context of the rest of the economy so that its economic role can be better understood.
- 1.26 TSA provides the mechanism for transforming demand-based concept of tourism into a methodology for identifying as to who produces what for the visitor. It identifies the typical tourism industries, i.e. industries that produce commodities which represent a significant part of tourism demand and whose existence is very strongly dependent on tourism demand or would be seriously affected were tourism to cease. For this set of industries, TSA measures the value added, employment, capital formation, etc., flowing from that demand and identifies who the visitors are.
- 1.27 In order to enable international comparison, the World Tourism Organisation (UNWTO) developed successive sets of international recommendations on tourism statistics. The International Recommendations for Tourism Statistics 2008 (IRTS 2008) provides the basic concepts and definitions concerning the different aspects

24. Eurostat: European Implementation Manual on TSA

25. IRTS 2008, para 2.29

of tourism by which countries are encouraged to develop their tourism statistics in line with the compilation practices of other economic statistics which are aligned with SNA 1993. While IRTS 2008 provides the conceptual consistency with other statistical frameworks like SNA 2008 and the balance of payments and International Investment Position Manual (BPM6), the Tourism Satellite Account: Recommended Methodological Framework 2008 (TSA: RMF 2008) builds upon this consistency and provides an additional resource to link tourism statistics to the standard tables of SNA 2008.

- 1.28 According to TSA: RMF 2008, TSA comprises a set of tables and is mainly descriptive in nature. It does not include any measurement of the indirect and induced effects of tourism consumption on the economy as a whole. The TSA helps in assessing the size and contribution of tourism to the economy. It provides accounts and tables and macroeconomic aggregates, principal among them being the gross value added of tourism industry (GVATI), tourism direct gross value added (TDGVA) and tourism direct gross domestic product (TDGDP). The TSA also has a scope to link economic data with the investment in tourism, employment in the tourism industry and other non-monetary (quantitative) information related to tourism and tourists concerning tourism statistics. While there is no obligation for countries to produce a TSA, several countries now compile TSA for their economies. The compilation of the TSA is to be understood as an important step in a process that aims to further develop and integrate tourism statistics within the national accounting system of a country. For international comparability of tourism statistics, the countries are advised to follow the guidelines given in IRTS 2008 and TSA: RMF 2008.
- 1.29 Between the previous version of TSA:RMF 2000 and the 2008 version, differences basically refer to the clarification of the concepts of tourism expenditure and tourism consumption, that of the treatment of goods acquired by visitors, and proposals for taking into consideration new forms of vacation home ownership as well as the meetings industry.
- 1.30 The complete TSA aims to provide:
- macroeconomic aggregates that describe the size and the economic contribution of tourism, such as tourism direct gross value added (TDGVA) and tourism direct gross domestic product (TDGDP), consistent with similar aggregates for the total economy, and for other productive economic activities and functional areas of interest;
  - detailed data on tourism consumption, a more extended concept associated with the activity of visitors as consumers, and a description on how this demand is met by domestic supply and imports, integrated within tables derived from SUT, that can be compiled both at current and constant prices;
  - detailed production accounts of the tourism industries, including data on employment, linkages with other productive economic activities and gross fixed capital formation; and
  - a link between economic data and non-monetary information on tourism, such as number of trips (or visits), duration of stay, purpose of trip, modes of transport etc. which are required to specify the characteristics of the economic variables.

### Uses and Applications of TSA

- 1.31 TSA provides valuable information on (i) purchases made by visitors and industries which are affected by these purchases, (ii) characteristics of visitors and visits; (iii)

employment and investment profile; and (iv) links with non-monetary tourism data.

- 1.32 The answers to these questions will provide analysts in industry and government with a profile of tourism and will offer insights on how tourism fits into the domestic economy. Moreover, volume measures, once developed, will provide important additional information on how tourism is evolving over time in real (as opposed to nominal) terms. TSA allows tourism to be measured on a comparable basis with other standard industries (such as mining, manufacturing, agriculture).
- 1.33 TSA provides an in-depth understanding of the structure of the tourism industry and a conceptual framework that may, at a later stage, be adapted to calculate the socio-economic impact of tourism at the regional level. Finally, it offers a model for policy analysis in terms of issues relating to the tourism economy, as well as for the design of models, growth analysis and evaluating productivity in this business sector.
- 1.34 The other important uses and applications of TSA are:
- Analyse tourism from an economic point of view.
  - Provide a set of accounts that are internationally compatible, working within national accounting principles.
  - Offer policy makers insights into tourism and its socio-economic functions and impacts (in current prices as well as in volume terms).
  - Calculate tourism value added for a given list of industries in a coherent system.
  - Provide information on the employment profiles of tourism industry.
  - Indicate the production functions of tourism industry and illustrate the interlinkages between the tourism industry and the rest of the economy.
  - Offer a reference framework within which impact models and other analytical economic models of tourism can be calculated.
  - Provide an indication of the size of tourism capital investment, and the means to analyse its link with tourism supply.
  - Provide information on the industry's capital stock and capital base.

### First TSA of India, 2002-03

- 1.35 For India, the first TSA was prepared for the year 2002-03. The Ministry of Tourism, Government of India, had commissioned this study to the National Council of Applied Economic Research (NCAER). The first TSA, 2002-03 was prepared following United Nations and World Tourism Organisation's (UNWTO) Tourism Satellite Account: Recommended Methodological Framework 2000 (RMF: 2000).
- 1.36 The data bases used for the TSA, 2002-03 were the Domestic Passenger Survey, 2002-03 conducted by NCAER and the International Passenger Survey conducted by Horizon Industrial Consultancy Services. The TSA, 2002-03 was also benchmarked to national accounts of India, 2002-03. One important feature of the first TSA for India is the assessment of indirect impact on account of tourism, which was not a standard recommendation of UNWTO RMF: 2000.
- 1.37 According to RMF: 2000, out of the total 10 tables, UNWTO recommended the countries to focus initially on getting at least the first six tables implemented to



estimate the tourism value added and the seventh table to estimate employment. Following this approach, India's first TSA comprised of the first seven tables only.

- 1.38 The key highlights of the first TSA, 2002-03 as drawn out from the seven recommended tables, are as follows:
- a) Tourism accounted for 2.2 per cent of GDP in terms of direct impact and 5.8 per cent when indirect effects were also included.
  - b) Tourism's direct share in country's employment was 4.6 per cent which amounted to 8.3 per cent taking indirect effects into account.
  - c) When compared to the 115 sectors of the economy, depicted in the then national input-output table<sup>26</sup>, tourism stood among the largest 15 sectors, in terms of its share in value added.

### Objectives and Scope of the Second TSA, 2009-10

- 1.39 The present study, that is, the second TSA for India, was proposed for the reference year 2009-10 by the Ministry of Tourism (MoT) mainly because most source data is available for this year. The study for preparing TSA, 2009-10 was entrusted to NCAER-Centre for Macro Consumer Research (CMCR). The methodological and conceptual basis for TSA, 2009-10 are TSA: RMF 2008 and IRTS 2008. The main objectives of the study were as follows:

- To prepare the second TSA for India for 2009-10 comprising all the 10 recommended tables, the first seven being the same as were in first TSA but prepared in conceptual compliance with TSA: RMF 2008. Besides these, Tables 8, 9, and 10 of TSA: RMF 2008 to be prepared on tourism gross fixed capital formation (GFCF) and Tourism Collective Consumption and Tourism Non-Monetary Indicators, based on the extent of availability of source data.
- To develop a detailed methodology for working out the contribution of tourism in GDP and employment to be provided to MoT which will help the Ministry in compiling the estimates of aggregates pertaining to tourism for the intervening period between the second and third TSAs (proposed to be prepared five years after second TSA).
- To prepare TSA for two states-Kerala and Madhya Pradesh-by adopting an appropriate methodology. It may be mentioned that there are no standard international guidelines available on compilation of TSA at the regional level, at present.

- 1.40 An inception report of the Study outlining the international recommendations on TSA, and sources and methods proposed to be adopted for TSA, 2009-10, was prepared before starting the actual compilation of TSA.

- 1.41 MoT constituted an Advisory Committee headed by Secretary (Tourism) with representation from all stakeholders and a Technical Committee headed by ADG (National Accounts), National Statistics Office, India to oversee and provide guidance in the preparation of TSA, 2009-10.

- 1.42 TSA, 2009-10 presented in this report followed the guidelines provided in TSA RMF: 2008 and the report includes all the 10 recommended tables. The data sources mainly include (i) Domestic Passenger Survey, 2008-09 conducted by the National Sample Survey Office, India, (ii) International Passenger Survey, 2009-10

26. Compiled by the Central Statistical Office, Ministry of Statistics and Programme Implementation, Government of India

conducted by the Indian Statistical Institute, India and (iii) National Accounts Statistics, 2012 published by CSO.

## Structure of the Report

- 1.43 This chapter dealt with the importance of tourism, problems in the measurement of its economic aspects, the concept of satellite accounting in the framework of national accounts, tourism satellite accounts, its role and applications. The chapter also provided a brief background on the previous TSA project and details of the current project.
- 1.44 Chapter 2 deals with the conceptual issues and operational definitions of tourism, its types, forms, dimensions and related issues. This chapter also provides the framework of the 10 recommended TSA tables and tourism aggregates. The text for this chapter is mainly drawn from IRTS, 2008 and TSA: RMF, 2008.
- 1.45 Chapter 3 provides an overview of the sources and methods used in the compilation of TSA for the year 2009-10. Some important results from these sources relevant to tourism are also presented in this chapter. Chapter 4 presents the 10 TSA tables for the year 2009-10 and also provides a detailed analysis of each. This chapter also includes the tourism aggregates that have been derived from the TSA tables.
- 1.46 Chapter 5 presents a summary of findings of TSA, 2009-10.





SECOND TOURISM SATELLITE ACCOUNT FOR INDIA, 2009-10



## TWO

# Concepts and Definitions Underlying TSA and Tourism Aggregates

- 2.1 Tourism is a temporary activity when one decides to undertake a visit outside one's usual environment that involves an overnight stay. The activity ceases once the visitor returns to his/her usual place of stay. Therefore, tourism is essentially a demand concept. The decision of the tourist to make a visit generates additional demand for goods and services, which are provided by the supply side either through increased domestic production or through imports.
- 2.2 The information available on demand and supply sides of tourism activity and products are dealt within a statistical framework in the form of tourism satellite account (TSA), which in turn is built up from the conceptual framework of the systems of national accounts (SNA). TSA is an exercise that analyses in detail all the aspects of demand for goods and services associated with the activity of tourists and compares it with the supply of such goods and services within the economy. The tourism consumption expenditure together with imputed consumption, as obtained from the domestic and international passenger/tourism surveys and other sources, constitutes the demand side while the production account of tourism industries together with imports, trade and transport margins and net product taxes<sup>27</sup> (generally available from the national accounts statistics), form the supply side of the satellite account.
- 2.3 The demand side aspect of TSA relates to the measurement of characteristics and activities of tourists by means of physical and monetary indicators. On the other hand, supply side of TSA deals with activities of tourism and other industries in producing goods and services and imports to supply to tourists. All these aspects require an understanding of tourism related concepts, definitions and classifications, which are presented in the publication, International Recommendations for Tourism Statistics (IRTS, 2008) and further articulated into analytical tables in the Tourism Satellite Account: Recommended Methodological Framework, 2008 (TSA: RMF 2008) of the World Tourism Organisation (WTO), United Nations (UN), Eurostat, and Organisation for Economic Cooperation and Development (OECD).
- 2.4 This section includes (i) basic concepts and definitions used in TSA, (ii) demand perspective, and (iii) supply perspective in respect of tourism. In addition, the section also covers (iv) special issues concerning TSA, (v) TSA tables and accounts, and (vi) aggregates in respect of tourism. The text for this chapter has been drawn mainly from the two documents, IRTS, 2008 and TSA: RMF 2008.

## Basic Concepts and Definitions Used in TSA

### Travel and Travellers

- 2.5 Travel refers to the activity of travellers. A traveller is someone who moves between different geographic locations for any purpose and any duration. Travel within a

27. Product taxes net of product subsidies. The other component of taxes on production and imports, namely, the other taxes on production net of other subsidies on production are part of the gross value added.





country by residents is called domestic travel. Travel to a country by non-residents is called inbound travel, whereas travel outside a country by residents is called outbound travel. Those who undertake travel, be it domestic, inbound or outbound are called domestic, inbound or outbound travellers, respectively.

### Trip

2.6 A trip refers to the travel by a person from the time of departure from his/her usual residence until he/she returns to the same place: it thus refers to a round trip. A trip is made up of visits to different places. An inbound trip will correspond to the travel between arriving in a country and leaving, whereas a domestic trip or an outbound trip will correspond to the travel between leaving the place of residence and returning. A domestic trip has a main destination in the country of residence of the traveller, while an outbound trip has again destination outside this country.

### Visitor

2.7 A visitor is a traveller taking a trip to a main destination outside his/her usual environment, for less than a year, for any main purpose (business, leisure or other personal purpose) other than to be employed by a resident entity in the country or place visited. These trips taken by visitors qualify as tourism trips. Tourism refers to the activity of visitors. A domestic, inbound or outbound traveller on a tourism trip is called a domestic, inbound or outbound visitor, respectively. Furthermore, the travel of domestic, inbound or outbound visitors is called domestic, inbound or outbound tourism, respectively. Tourism is therefore a subset of travel and visitors are a subset of travellers. These distinctions are crucial for the compilation of data on flows of travellers and visitors and for the credibility of tourism statistics. A visitor (domestic, inbound or outbound) is classified as a tourist (or overnight visitor) if his/her trip includes an overnight stay, or as a same-day visitor (or excursionist). However, the following are recommended to be excluded from visitors:

- Travellers crossing the international (or administrative) border on a regular basis in order to work in a country (or region) different from that of their place of usual residence (border workers);
- Travellers employed under a short-term contract to work in a country (or region) other than that of their residence (seasonal workers in agriculture, construction, hotels, restaurants and other services, as well as other workers), with or without a formal work contract, as long as it might be considered that these travellers are involved in an employer-employee relationship between a resident and a non-resident.

### Usual environment

2.8 The usual environment of an individual, a key concept in tourism, is defined as the geographical area (though not necessarily a contiguous one) within which an individual conducts his/her regular life routine. It differs from that of residence and from that of place of usual residence which is generally used in household statistics. In tourism statistics, the usual environment is a characteristic attached to individuals. Two individuals of the same household may have different usual environments based on their life routine.

2.9 The purpose of introducing the concept of usual environment is to exclude from visitors those travellers commuting regularly between their place of usual residence and place of work or study, or frequently visiting places within their current life routine, for instance homes of friends or relatives, shopping centres, religious,

healthcare or any other facilities that might be at a substantial distance away or in a different administrative area but are regularly and frequently visited. In other words, the usual environment of an individual includes the place of usual residence of the household to which he/she belongs, his/her own place of work or study and any other place that he/she visits regularly and frequently, even when this place is located far away from his/her place of usual residence or in another locality.

### Main destination

2.10 Trips taken by visitors are tourism trips. A tourism trip is characterized by its main destination, besides other characteristics (such as, main purpose). The main destination of a tourism trip is defined as the place visited that is central to the decision to take the trip. A domestic trip is one with a main destination within the country of residence of the visitor. An inbound or outbound trip is one with a main destination outside the country of residence of the visitor. The term tourism visit refers to a stay in a place visited during a tourism trip. However, while discussing the different forms of tourism (domestic, inbound and outbound), the term visitor is often used instead of tourism visit or tourism trip. Vacation homes are also included in the main destination for the purpose of tourism visit and as a consequence, vacation home stay forms part of imputed consumption of households and is included in the tourism consumption.

### Main purpose

2.11 The main purpose of a trip is defined as the purpose in the absence of which the trip would not have taken place. The main purpose of a trip is one of the criteria used to determine whether the trip qualifies as a tourism trip and the traveller qualifies as a visitor. If the main purpose is to be employed and earn income (compensation for the labour input provided), then the trip cannot be a tourism trip and the individual taking the trip cannot be considered as a visitor (even though it is outside his/her usual environment and for less than 12 months), but as an “other traveller”. By this criterion, travellers crossing the administrative region’s border on a regular basis in order to work there, including under a short-term basis to work in that region (seasonal workers in agriculture, construction, hotels, restaurants and other services, as well as other workers) are excluded from visitors.

2.12 The RMF recommends following categories as characterising the main purpose of visit for tourists:

- Leisure, recreation and holidays
- Visiting friends and relatives
- Business and professional (including for study)
- Health treatment
- Religion, pilgrimage, and
- Other (e.g., airline or ship crews, transit travellers, etc.)

### Forms of tourism

2.13 The three basic forms of tourism in relation with country of reference are:

- Domestic tourism, which comprises the activities of a resident visitor within the country of reference either as part of a domestic tourism trip or part of an outbound tourism trip;





- Inbound tourism, which comprises the activities of a non-resident visitor within the country of reference on an inbound tourism trip;
- Outbound tourism, which comprises the activities of a resident visitor outside the country of reference, either as part of an outbound tourism trip or as part of a domestic tourism trip.

2.14 These three basic forms of tourism can be combined to derive other forms of tourism, such as:

- Internal tourism, which comprises domestic tourism and inbound tourism, that is, the activities of resident and non-resident visitors within the country of reference as part of domestic or international tourism trips;
- National tourism, which comprises domestic tourism and outbound tourism, that is, the activities of resident visitors within and outside the country of reference, either as part of domestic or outbound tourism trips;
- International tourism, which comprises inbound tourism and outbound tourism, that is, the activities of resident visitors outside the country of reference, either as part of domestic or outbound tourism trips and the activities of non-resident visitors within the country of reference on inbound tourism trips.

### Classification of visitors

2.15 In tourism statistics, visitors to a place are classified according to their country of residence in the case of international visitors but are classified according to their place of usual residence in the case of domestic visitors.

2.16 From the perspective of the country of reference, a domestic traveller qualifies as a domestic visitor if: (a) he/she is on a tourism trip and (b) he/she is a resident travelling in the country of reference. On the other hand, an international traveller qualifies as an international visitor with respect to the country of reference if: (a) he/she is on a tourism trip and (b) he/she is a non-resident travelling in the country of reference or a resident travelling outside of it. The international visitor whose trip does not include an overnight stay is referred as excursionist.

2.17 International travel consists of both inbound and outbound travel, and refers to situations in which the country of residence of the traveller is different from the country or countries visited. Those who undertake international travel will be considered as international travellers. From the perspective of the country of reference, international travellers are either inbound or outbound travellers. Therefore, among international travellers arriving at the border, it is possible to define two categories: that of international visitors (returning outbound visitors in the case of residents or arriving inbound visitors in the case of non-residents) and that of other international travellers who are not included in tourism. Included under other international travellers are (i) border workers (ii) seasonal workers, (iii) other short term workers, (iv) long term workers, (v) nomads and refugees, (vi) transit passengers not entering the economic and legal territory, (vii) crews on public modes of transport, (viii) persons entering the country to establish there their country of residence, (ix) long -term students and patients and their family joining them, (x) other travellers deemed not to enter the economic territory (diplomats, consular staff, military personnel and their dependants, armed forces on manoeuvre).

2.18 On the other hand, domestic visitors are those who travel within the country to a place other than their usual place of residence and stay at hotels or other accommodation establishments run on commercial basis or in dharamshalas /sarais/

musafir khanas/ agrashalas/ countries, etc. for a duration of not less than 24 hours or one night and for not more than 12 months at a time for any of the following purposes:

- Business & Trading
- Leisure & Holiday
- Religious & Pilgrimage
- Social Purposes
- Education and Training
- Health and Medical
- Shopping and Others

## The Demand Perspective

2.19 According to SNA, the demand side of GDP includes the components of (a) consumption expenditure (comprising household final consumption expenditure (HFCE), government final consumption expenditure (GFCE), and final consumption expenditure of non-profit institutions serving households (NPISHs)), (b) gross capital formation (GCF) (comprising - gross fixed capital formation (GFCF), change in inventories (CII), and valuables), and (c) net exports (exports minus imports). In the TSA, the concepts followed for the demand side are at slight variance, although the framework is similar to that in SNA. In the TSA, the demand perspective includes (a) tourism consumption (comprising - tourism expenditure and extended concepts of tourism consumption which are mostly imputed), (b) tourism gross fixed capital formation and (c) tourism collective consumption. Thus, there would be an overlap of tourism demand concepts used in TSA with those of inter-industry consumption and final demand in the national accounts<sup>28</sup>. These three aspects are dealt in detail below:

## Tourism Expenditure and Consumption

2.20 The TSA: RMF 2008 identifies tourism consumption to include (i) tourism expenditure and (ii) imputed tourism consumption. This is different from the TSA: RMF 2000, where tourism expenditure and tourism consumption had the same definition. According to TSA: RMF 2000, tourism expenditure referred to the total consumption expenditure made by a visitor or on behalf of a visitor for or during his/her trip and stay at destination. In the TSA: RMF 2008, tourism consumption has a broader scope and includes besides tourism expenditure (corresponding to monetary transactions), services associated with vacation accommodation on own account, tourism social transfers in kind, and other imputed consumption (corresponding to imputed values of consumption).

## Tourism Expenditure

2.21 Tourism expenditure is defined as “the amount paid for the acquisition of consumption goods and services as well as valuables, for own use or to give away, for and during tourism trips. It includes expenditures by visitors themselves as well as expenses that are paid for or reimbursed by others” (IRTS 2008 para. 4.2). The first 3 TSA tables use the concept of tourism expenditure presented in a cross-classification according to different categories of tourists and products.

28. For example, business travel expenses are intermediate consumption of businesses whereas it is part of final expenditure/consumption in TSA.



2.22 Tourism expenditure comprises:

- Monetary expenditure on consumption goods and services paid directly by the visitors;
- Monetary expenditure on consumption goods and services paid for directly by the employer for employees on business travel;
- Monetary expenditure by the visitor refunded by a third party, either employers (business, Government and non-profit institutions serving households (NPISH)), other household or the social insurance scheme;
- Monetary payment made by visitors for the individual services provided and subsidized by Government and non-profit institutions serving households in the areas of education, health, museums, performing arts, etc.;
- Out-of-pocket payments for services provided to employees and their families on tourism trips financed principally by employers, such as subsidized transport, accommodation, stays in holiday residences of employers or other services;
- Supplementary payments made by visitors to attend sports or any other cultural events on the invitation of, and principally paid for by, producers (business, government, nonprofit institutions serving households).

2.23 Generally speaking, tourism expenditure includes acquisition for and during the trips.

- When occurring before a trip, tourism expenditure only includes acquisition of services related to the trip itself, of goods of small unit value intended to be used on the trip or brought along to give away as well as of single-purpose consumer durables (IRTS 2008 para. 4.11.)
- All acquisitions while on trips of consumption goods, valuables, and services are included in tourism expenditure irrespective of their unit value (IRTS 2008 para. 4.10.)
- In the context of tourism, two types of consumer durable goods can be identified. One, those used exclusively for trips like travel bags, camping gear, or motor homes and two, goods which can be used by the individuals for tourism purposes while on trip as well as for use after the trip, for example cars, cameras, etc. However, within consumer durables, a specific category of goods called tourism single-purpose consumer durable goods is created which includes durable goods that are used exclusively or almost exclusively on trips. For this reason, it is recommended that the acquisition of such goods be also included in tourism expenditure when the purchase occurs before the trip.

2.24 However, tourism expenditure does not include transfer payments, taxes, interest, purchase of financial or non-financial assets, etc. that are not related to acquisition of goods and services by visitors.

### Tourism Consumption

2.25 In addition to tourism expenditure, tourism consumption includes imputed consumption and other adjustments, such as the following:

- The imputed values of barter transactions, goods produced on own account from the vacation home or resulting from recreation activities outside the usual environment
- Imputed value of services associated with vacation accommodation on own account

- Imputed value of financial intermediation services (FISIM<sup>29</sup>) availed by visitors
- Imputed costs for hosts of receiving visitors in terms of expenditure on food, utilities, invitations, presents, etc. or the net costs of hosts
- Imputed costs for producers (businesses, governments and NPISHs) of expenditures by employees on business trips. These do not involve any payment by the employee and include transportation services provided free of charge or at subsidized price to their employees by carriers, accommodation or meals provided free of charge or at subsidized price to employees by hotels, etc.
- The net costs (that is net of employees' out of pocket payment) for producers, of additional services provided to their employees and their family as visitors. These costs are beyond those already included in tourism expenditures such as cost of free or employer subsidized transportation, cost of accommodation in vacation centres, etc.
- Individual consumption of non-market services provided by government and NPISHs (expenditures of these entities are aimed at benefitting visitors, described as social transfers in kind).

2.26 In relation to SNA 1993, tourism consumption includes all acquisition of individual goods and services that SNA 1993 considers as consumption goods or services, but goes beyond the SNA 1993 concept. The acquisition of valuables irrespective of their costs that are not considered as consumption goods (in SNA 1993) is also included (in tourism consumption). On the other hand, tourism consumption excludes all expenditure that does not correspond to the acquisition of a good or service such as transfer payment, taxes other than taxes on goods and services included in the purchasers' price, interest, etc., just as in the case of SNA 1993 final consumption expenditure (treatment is the same in both SNA and TSA). Expenditures associated with acquisition and major repairs of vacation homeownership are to be excluded from tourism consumption in line with SNA 1993 concepts, but will be part of tourism gross fixed capital formation (GFCF) (the same treatment for both SNA and TSA). Tourism consumption, however, excludes purchases that are not meant for personal consumption, but for resale on return to the usual environment.

2.27 Tourism consumption is, however, restricted to visitors taking trips within, towards, or from the country of reference. The consumption of visitors without any contact with the economic territory is not included in the tourism consumption of that territory. For instance, the airfare of an Indian resident flying directly from Delhi to Bangkok on other countries' airlines would not be included in any of the forms of tourism consumption of India.

2.28 Some special issues require particular attention in the definition of tourism consumption which are as follows:

- Tourism consumption includes intermediate consumption of producers, i.e., the consumption of visitors paid totally or partially by producers on whose behalf the visitors are travelling. In SNA 1993, such expenditures by producers are part of their intermediate consumption (consequently not part of private final consumption expenditure or PFCE). However, these expenditures are part of tourism consumption because they are considered as acquisition of services associated directly with the activities of a visitor.

29. FISIM refers to services provided by financial intermediaries who are not charged for explicitly, but only implicitly, through the difference in interest rates charged to borrowers and lenders. SNA recommends allocating the total output of this activity as consumption among the various recipients or users of the services for which no explicit charges are made: this can be the case for visitors.



- For owner-occupied vacation homes, imputed value of housing services on own account is estimated either on the basis of the characteristics of the dwelling unit and costs of its maintenance or on the actual average market rental for similar units. The value of the housing service has to be imputed both as a production activity for the owner and as part of tourism consumption. The imputed value of this service is, therefore, included in both sides—tourism supply and tourism consumption.

- 2.29 The concept of tourism consumption is used in TSA Tables 4 and 6 and is the basis for the compilation of tourism direct gross value added and tourism direct gross domestic product.
- 2.30 In TSA: RMF 2008, an extended demand aggregate called total tourism internal demand has also been suggested which could be computed by adding tourism internal consumption (domestic and inbound) with other components of internal demand such as tourism collective consumption and tourism gross fixed capital formation.

### Tourism Gross Fixed Capital Formation

- 2.31 Gross fixed capital formation (GFCF) is the total value of producer's acquisitions of fixed assets, less disposals, during the accounting period. From tourism perspective, it is important to include tourism GFCF in other components of internal demand as this, to a large extent, determines the nature and intensity of tourist flows. Tourism GFCF can be classified into three main categories: (i) tourism-specific fixed assets, (ii) non-tourism-specific fixed assets, and (iii) tourism related infrastructure.
- 2.32 Tourism-specific fixed assets are those used exclusively or almost exclusively for the production of tourism characteristic goods and services. Notably, such assets would be of little value in the absence of tourism activity as these cannot be easily converted to non-tourism applications. These include railway passenger coaches, cruise ships, sight-seeing buses, hotel facilities, convention centres, etc.
- 2.33 Non-tourism-specific fixed assets are those not used exclusively in the production of tourism characteristic goods and services but are still considered as tourism related because of their use by tourism industry. These include hotel or travel agency computer systems, hotel laundry facilities, etc.
- 2.34 Tourism related infrastructure is put in place by the public authorities to facilitate tourism. This is, however, difficult to identify as it might have been developed at a specific moment in time for this specific purpose or it might facilitate tourism although it was not primarily developed for that purpose. These include assets which are produced or acquired exclusively for tourism purposes, like development of a beach or ski sites or the opening of a special road to serve a resort. Also, these include investments initially made with a view to its exclusive use by tourists in a specific moment of time but a later non-tourism use was also taken into consideration in approving this investment, for example, public investment for a special event like Commonwealth Games, on developing sport, transport or accommodation facilities which can later be used by residents. Besides, infrastructure which is directed generally to all activities but in addition has positive effects on tourism is also included in tourism-related infrastructure, e.g., an airport, a non-toll road or a hospital in a region occasionally used by tourists. While tourism related infrastructure is an important component of tourism GFCF, owing to difficulties involved in identifying this investment, it is not included in the recommended TSA.

## Tourism Collective Consumption

2.35 Government expenditures result in producing services, generally on non-market basis<sup>30</sup>. These services are of two types—those that are aimed to benefit individuals (individual consumption) and those that are aimed to benefit the community as a whole (collective consumption). The provision of individual services by the government on a non-market basis benefitting tourists is covered under tourism consumption as a social transfer in kind. Besides, there is a provision for collective non-market services by government that can be delivered simultaneously to every member of or to particular sections of the community. The total value of consumption of such tourism related collective non-market services is called Tourism Collective Consumption. This is included in the total internal tourism demand in order to underline the economic importance of the actions undertaken by the public authorities to create a favourable environment for the development of tourism. However, due to lack of information, inclusion of tourism collective consumption in total tourism internal demand is still considered to be at an experimental stage in TSA.

## The Supply Perspective

2.36 On obtaining the total tourism internal demand of goods and services, or the internal tourism consumption, contribution of tourism to the overall economy can be measured by comparing its demand/consumption with the supply of these goods and services by the domestic industries or imports. Measuring the supply of these products requires identification of (i) products (tourism characteristics and connected products and other consumption products) and (ii) tourism industry, using internationally approved classification of products and productive activities<sup>31</sup>. These are elaborated below:

## Tourism Characteristic Products

2.37 These are the products that satisfy one or both of the following criteria:

- Tourism expenditure on the product represents a significant share of total tourism expenditure (share-of-demand condition);
- Tourism expenditure on the product represents a significant share of the supply of the product in the economy (share-of-supply condition). This criterion implies that the supply of a tourism characteristic product would cease to exist in meaningful quantity in the absence of visitors.

2.38 For the tourism characteristic products, the activities producing them are considered as tourism characteristic and the industries in which the principal activity is tourism characteristic is called tourism industry.

## Other Consumption Products

2.39 These comprise of two sub-categories, both to be determined by the countries.

- Tourism connected products are of relevance for tourism analysis but these do not satisfy the criteria of tourism characteristic products.

30. Products sold at prices that are not considered to be economically significant in a sense that the receipts from sales do not meet the production costs.

31. The classifications used in general are: Central Product Classification (CPC) for products and International Standard Industrial Classification (ISIC) for industries, both developed by UN. The latest versions of these are CPC, Ver. 2 and ISIC, Rev. 4. In the current TSA of India, the classification is based on ISIC Rev. 3.1.





- Non-tourism-related consumption products comprise of all other consumption goods and services that belong neither to tourism characteristic nor to tourism connected products. This category includes all products that by their nature cannot be consumption goods and services and, therefore, can neither be a part of tourism expenditure nor are part of tourism consumption, except for valuables that might be acquired by visitors on their trips; and other products associated with tourism gross fixed capital formation and collective consumption. However, they make available goods and services to the tourism characteristic and connected industries to produce products for tourism consumption. This indirect contribution of non-tourism industries/products to tourism consumption can be measured through input-output models.

2.40 Some of the special issues in the supply aspect relate to the housing services provided by vacation homes on own account and other types of vacation home ownership; travel agencies, tour operators and other providers of reservation services; and the meetings industry, discussed in detail under the heading Special Issues, below.

### Tourism Characteristic Activities and Products

2.41 Tourism characteristic activities are those that typically produce tourism characteristic products. IRTS 2008 presents the typology of tourism characteristic consumption products and activities, each of which are grouped in the 12 corresponding categories to be used in the TSA tables. Categories 1 to 10 comprise the core for international comparison, in terms of CPC sub-classes for products and ISIC classes for activities (Refer Table 2.1). The two other categories are country-specific with category 11 covering tourism characteristic goods for products and the corresponding retail trade activities for these goods and category 12 referring, respectively, to country-specific tourism characteristic services and country-specific tourism characteristic activities<sup>32</sup>.

**Table 2.1: Categories of Tourism Characteristic Consumption Products and Activities**

Products	Activities
1. Accommodation services for visitors	1. Accommodation for visitors
2. Food and beverage serving services	2. Food and beverage serving activities
3. Railway passenger transport services	3. Railway passenger transport
4. Road passenger transport services	4. Road passenger transport
5. Water passenger transport services	5. Water passenger transport
6. Air passenger transport services	6. Air passenger transport
7. Transport equipment rental services	7. Transport equipment rental
8. Travel agencies and other reservation services	8. Travel agencies and other reservation services activities
9. Cultural services	9. Cultural activities
10. Sports and recreational services	10. Sports and recreational activities
11. Country-specific tourism characteristic goods	11. Retail trade of country-specific tourism characteristic goods
12. Country-specific tourism characteristic services	12. Country-specific tourism characteristic activities

2.42 A tourism industry represents the grouping of those establishments whose main activity is the same tourism characteristic activity. In supply side statistics, establishments are classified according to their main activity that is determined by the activity that generates the most value added. Because establishments might have secondary activities, not all production of tourism characteristic products

32. In this TSA for India, the sector classification included 25 industries and products, discussed in Chapter 4.

happens within tourism industries. On the other hand, tourism industries also have outputs that are not tourism characteristic products.

## Special Issues and Their Treatment in TSA

- 2.43 Housing services provided by vacation homes: The ownership of a vacation home on own account generates output in the form of a tourism characteristic service and an equivalent amount as tourism consumption. SNA includes the imputation for owner-occupied dwellings as a production activity and includes it in the ISIC class 6810: Real estate activities with own or leased property and the product obtained and consumed belong to CPC subclass 72111: Renting or leasing services involving own or leased residential property. Similar treatment is applied for time-sharing of properties for vacation purposes. The value of these services is, therefore, estimated on the basis of the prevailing market rent for an equivalent unit.
- 2.44 Travel agencies, tour operators, and other providers of reservation services: The treatment of the reservation services provided by travel agencies, tour operators, and other providers is the same in TSA. The total amount paid by visitors for services they intermediate are split into two (i) the value paid to the travel agency (gross margin or fees or commission of the agency) and (ii) the value paid to the provider of services (such as to the airline), which is the balance of total amount minus the commission of the travel agency. Due to this treatment, though the total expenditure of the visitor in the TSA remains the same, there would be change in the product breakdown. Further, depending on the country of residence of visitor and service providers, this treatment will affect domestic, inbound, and outbound tourism consumption.
- 2.45 Treatment of goods and retail trade activities: Tourism consumption relates to producers serving goods and services directly to visitors. In the case of services, there is a direct contact between the producers and visitors. However, visitors do purchase goods. In the case of goods, it is only the retailers who come in contact with visitors, and not the producers of goods, the transporters or wholesalers. Therefore, on the supply side of tourism, it is only the retail trade margin that is taken into account and there will be zero contribution for goods, transporters, and wholesalers. It is therefore, necessary to estimate the retail trade margin in respect of goods for the purpose of calculating tourism direct gross value added (TDGVA).
- 2.46 In the supply-use framework of SNA 1993, the supply side of output, which is measured at basic prices, is brought to purchasers' prices by adding the columns of net taxes on products and trade and transport margins (TTM). These TTM columns only refer to the goods and since TTMs have zero values at purchasers' prices, an equivalent amount (shown against goods) is shown against TTM rows with a negative sign. However, in the TSA tables, though the TTM column is presented in the supply table (TSA Table 6), TTMs are shown only against goods (there would be no corresponding negative entry for rows against TTM products). This presentation will allow the tourism shares for TTM to be computed which is essential for the calculation of TDGVA.
- 2.47 When establishing tourism shares, which are values required for the calculation of TDGVA, it is the value of the retail trade margin that will be used as the basis of their calculation, as this margin represents the value of the output of the service provider who makes the good available to the visitor. For tourism characteristic goods, the total sum of these trade and transport margins corresponds to retail trade margins on the one hand and wholesale trade and transport margins on the other. Only the retail trade margins generate share. The retail trade margins are



attributable to the industry identified as “Retail trade of country-specific tourism characteristic goods”, whereas the wholesale and transport margins are attributable to other industries (without share). For other goods, all the values of TTMs pertain to other industries, and part of it generates share (the part corresponding to retail trade) whereas the rest of the value does not generate share. In both cases, the corresponding retail trade margins are assigned back to the retail trade industries that have produced these margins.

- 2.48 Tourism shares will be established only on the margins produced by the retail trade industry, tourism characteristic or not. The remaining value of goods purchased by visitors is deemed not to generate tourism shares and not to generate TDGVA but only indirect effects. However, they still constitute part of tourism internal consumption/ expenditures.
- 2.49 Two important aggregates that come from TSA are the gross value added (GVA) and employment in respect of tourism and their contribution to the national economy. The GVA of an industry refers to the contribution of its production to the aggregate supply of goods and services in an economy. It is the difference between the values of output and inputs<sup>33</sup>. Net value added (NVA) is gross value added less consumption of fixed capital which represents the corresponding decline in the value of the produced assets used in the production process. Because of the difficulty involved in measuring the consumption of fixed capital (CFC), TSA adopts the measurement of GVA<sup>34</sup>.
- 2.50 GVA of the tourism industries (GVATI) is defined as the sum of the gross value added of all tourism industries. TSA uses another indicator of the link between the demand for goods and services by visitors (tourism consumption) and their supply by both tourism and non-tourism industries, and is called TDGVA. This refers to the fact that TSA measures only that part of value added (by tourism and other industries) due to the consumption of visitors and leaves aside the indirect and induced effects that such a consumption might generate.
- 2.51 Tourism employment refers to the employment strictly related to the goods and services (tourism characteristic, tourism connected and other) acquired by visitors and produced by either tourism or other industries. Since it is difficult to assign labour to a particular output of an industry, tourism employment cannot be directly observed. It is for this reason that tourism employment is recommended to be restricted to the employment in tourism industries only.
- 2.52 Here it may be noted that persons engaged in secondary tourism characteristic activities of an establishment belonging to a non-tourism industry (for example, all establishments whose principal activity is not tourism characteristic) will not be included in “employment in the tourism industries” although they would be counted in “tourism employment”. On the other hand, persons employed in an establishment belonging to a tourism industry who participate in the establishment’s secondary non-tourism-characteristic activities will be included in “employment in the tourism industries” but not in “tourism employment”.

### Tables, Accounts and Aggregates

- 2.53 TSA comprises 10 tables and are derived through the process of reconciliation of economic information related to tourism in the framework of supply and use tables (SUT) of SNA 1993. In these tables, the visitors, products and industries are shown

33. Intermediate consumption, in national accounting terms

34. Even in the case of national accounts, most cross-country comparisons are done in terms of GVA or GDP rather than on NVA or NDP due to the problems in measuring CFC.

in a disaggregated manner. These tables include a detailed presentation of supply and consumption in terms of goods and services acquired by visitors (TSA Tables 1-4) and of the industries that produce them (TSA Table 5), as well as an overall confrontation of their components, as this constitutes the core of the TSA system (TSA Table 6). Because of the frequent strategic importance of tourism in the development of an employment policy, TSA Table 7, employment in the tourism industries, also forms part of the central core as well as TSA Table 10 (as tourism economic variables are better understood and analysed by taking into account the flows of visitors, and other descriptive characteristics both of tourism supply and demand). On the other hand, compilation of TSA Tables 8 (tourism gross fixed capital formation of tourism and other industries) and 9 (tourism collective consumption, by products and levels of government) require detailed data which may not be available. Therefore, these two tables are considered in a further stage of advance of the compilation of a TSA in TSA: RMF 2008.

2.54. The first three tables, TSA Tables 1-3 (tourism expenditure, according to forms of tourism by products and classes of visitors) and 4 (internal tourism consumption by products), focus on categories of tourism expenditure (consumption of goods and services including valuables) that should be observable from visitors, either through surveys or other methods.

- TSA Tables 1, 2, and 3 describe the most important component of tourism consumption, namely tourism expenditure. It includes:
  - Amount visitors pay out of their own budget or pocket
  - Expenditure made by producers (businesses, governments and non-profit institutions serving households (NPISH)) or others for their benefit (transportation, accommodation, etc.). It excludes social transfers in kind, and actual or imputed expenditures associated with vacation home ownership.
- TSA Table 1 focuses on inbound tourism, TSA Table 2 on domestic tourism and TSA Table 3 on outbound tourism, by-products and classes of visitors.

2.55. TSA Table 4 (Internal tourism consumption, internal tourism expenditure, and other components of tourism consumption, by products) combines internal tourism expenditure (made up of inbound tourism expenditure from TSA Table 1 and domestic tourism expenditure from TSA Table 2), with the other components of tourism consumption, namely:

- Services associated with vacation accommodation on own account
- Tourism social transfers in kind
- Other imputed consumption (costs of vacation homes of producers, FISIM, etc.)

2.56. The key aggregate derived from TSA Table 4 is internal tourism consumption, which will be compared to domestic supply (globally and by product) in TSA Table 6. The production process to meet the requirement of this tourism consumption will provide the basis for estimating TDGVA and tourism gross domestic product (TDGDP).

2.57. TSA Table 5 (Production accounts of tourism industries and other industries at basic prices) presents the production accounts of tourism industries and other industries in the economy. In this table, output and intermediate consumption data for each industry is broken down by product and is valued at basic and purchasers' prices, respectively. The difference between these two values is the gross value



added (GVA) at basic prices. GVA is further broken down into compensation of employees, gross operating surplus of corporations, mixed income of unincorporated business and net taxes on production.

- 2.58. TSA Table 6 (Total domestic supply and internal tourism consumption, by products at purchasers' prices) presents an overall reconciliation of internal tourism consumption with domestic supply. This table is the core of the TSA. TDGVA and TDGDP used as indicators of the direct contribution of tourism to total value added or total gross domestic product are derived from this table.
- 2.59. TSA Table 6 is the core of the TSA system. It is where the confrontation and reconciliation between supply and internal tourism consumption take place. It derives from the supply and use tables of SNA 1993. Total supply of goods and services in the economy of reference by products, which includes domestic production (production by resident transactors) and imports, is compared to tourism consumption, (including valuation adjustments).
- 2.60. The rows of Table 6 are identical to those of Table 5. Regarding columns, there are three blocks:
- the first block corresponds to the same columns as those of Table 5 and represents industries;
  - the second block (imports, taxes less subsidies, and trade and transport margins) presents the additional variables and value adjustments that are needed to obtain total supply at purchasers' prices; and
  - the third block is made up of two columns: internal tourism consumption and tourism ratio. This final column, tourism ratio (in per cent), allows for the estimate of the two main aggregates, TDGVA and TDGDP.
- 2.61. TDGDP is estimated from TDGVA by adding taxes less subsidies on products related to tourism products. TDGVA is estimated as the sum of values of tourism shares (which are estimated from the information collected from visitors on expenditures by products - domestic tourism survey and international passenger survey) in each product within each industry. Thus, TDGVA can be expressed by industry and within each industry separately for gross output and intermediate consumption and again within these two, by products. Normally, the tourism ratios are assumed to be same for output and inputs.
- 2.62. In the supply table, for each product-the sum of tourism shares of industries, imports and taxes less subsidies on products-should be equal to the value of internal tourism consumption (same as shown in TSA Table 4). However, for goods, the internal tourism consumption includes both retail trade margin and value of goods, whereas the supply table shows only the tourism share in the value of retail trade margins, which is shown under trade industry.
- 2.63. Therefore, for TDGVA compilation the following steps are followed:
- a) For each industry, derive an estimate of the fraction of its gross value added (at basic prices), corresponding to the contribution of its output to total internal tourism consumption.
  - b) Add these values over all industries, both the tourism industries and all other industries.
  - c) The sum of all these portions of value added over all industries is what is called TDGVA.
- 2.64. TSA Table 7 (employment in the tourism industries) presents employment in the

tourism industries. It is included because of the frequent strategic importance of tourism in the development of an employment policy. The measurement of employment is limited to employment in the tourism industries and the variables used to express its volume are the number of jobs or headcount of employees.

- 2.65. TSA Table 8 (tourism gross fixed capital formation of tourism and other industries) shows gross fixed capital formation of the tourism industries, with a break-down of assets-construction (residential and non-residential buildings), machinery and equipment and improvement of land for tourism purposes, further disaggregated by tourism specific fixed assets. For the industries, the column sums represent the tourism GFCF of tourism and other industries, while the row sums represent the tourism GFCF by type of asset. However, tourism GFCF does not include tourism related infrastructure.
- 2.66. TSA Table 9 (Tourism collective consumption, by products and level of government) shows tourism collective consumption by products and levels of government. This does not include individual non-market services such as those provided by national parks and museums, because they are considered within social transfers in kind and included under tourism consumption (TSA Table 4), because their beneficiaries can be identified separately.
- 2.67. TSA Table 10 (non-monetary indicators) presents a few quantitative indicators related to previous tables and important for the interpretation of the monetary information presented. The indicators include number of trips by forms of tourism, classes of visitors and duration of stay, physical indicators such as types of accommodation, modes of transport used by non-resident visitors travelling to the economic territory of the country of reference, and number and size of the establishments belonging to tourism industry.

### Main Aggregates Derived from TSA

- 2.68. The primary objective of TSA is to provide detailed and analytical information on all aspects of tourism. The product composition of tourism consumption, the industries most concerned about the activities of visitors and their relationships with other industries, etc. Aggregates are extremely useful because they provide summary indicators of the size of tourism.
- 2.69. The main aggregates derived from the TSA tables are comparable with other macro-indicators relating to consumption and value added. These are:
  - Internal tourism expenditure; and internal tourism consumption;
  - Gross value added of the tourism industries (GVATI);
  - Tourism direct gross value added (TDGVA);
  - Tourism direct gross domestic product (TDGDP).

### Internal Tourism Expenditure and Internal Tourism Consumption

- 2.70. Since tourism is a demand-side concept, the focus is on expenditure and consumption within an economy. Internal tourism expenditure and internal tourism consumption (recorded in TSA Table 4) characterize globally the acquisitions by visitors within the economy.
- 2.71. Aggregates related to tourism expenditure and tourism consumption are not expressed as shares of gross domestic product or of household final consumption. This is because they differ in coverage as both tourism expenditure and tourism



consumption includes expenditure by producers for the benefit of visitors. On the other hand, national accounts classify this expenditure within the intermediate consumption of productive activities and not as part of final demand. Nevertheless, they can be expressed as a percentage, when taking these values as benchmarks. They can also be expressed as shares in different supplies of products in the economy in terms of tourism shares in products.

- 2.72. With the help of tourism internal consumption and through the supply and use framework, three different indicators are compiled, which are slightly different but complementary to each other, in order to characterise the tourism supply by domestic industries.

### Gross Value Added of the Tourism Industries

- 2.73. Gross value added of the tourism industries (GVATI) simply sums up the gross value added of all establishments belonging to tourism industries, regardless of whether all their output is provided to visitors. It leaves out the value added from other non-tourism industries. Although GVATI is an indicator often used to measure tourism direct economic contribution in the economy of reference, it is likely to be an inadequate indicator of the size of tourism in a country.
- 2.74. The acquisition by visitors of the output of various tourism industries may range from a large share of tourism to total output (e.g., scheduled air passenger transport and accommodation for visitors) to a much smaller one (e.g., full-service restaurants). As the “tourism character” of a particular output is not mostly defined by its particular nature but by the specific transient condition of the consumer, there is a larger gap between the output of tourism industries (supply) and internal tourism consumption (demand). As an indicator, both of demand and supply, GVATI is not an appropriate indicator of direct economic contribution by tourism.

### Tourism Direct Gross Value Added

- 2.75. Since a portion of gross value added can be associated with the value of part of the output of a productive unit for tourism through special calculations and using supply-use framework, it is possible to define an aggregate, named TDGVA, which adds the parts of gross value added generated by tourism and other industries of the economy that serve directly to visitors in response to internal tourism consumption.
- 2.76. The use of the term direct in this aggregate refers to the fact that TSA only measures that part of value added (by tourism and other industries) which is due to the consumption of visitors and leaves aside the indirect and induced effects that such consumption might generate.
- 2.77. Tourism direct gross value added includes the part of gross value added generated by all industries in the process of provision of goods and services to visitors, would-be visitors (acquisition before a trip) or third parties for visitors’ benefit.
- 2.78. GVATI would include all the gross value added generated by tourism industries irrespective of who consumed their outputs (tourists or residents). In contrast, TDGVA focuses only on that part of the industries’ output which is consumed by tourists irrespective of the fact that the output is from tourism or non-tourism specific industries. Thus, TDGVA can be seen to be independent of the definition of tourism characteristic products and tourism industries, as it takes into account the part of the output that is catered to visitors irrespective of who (which industry) produced what (products). Thus TDGVA presents a better measure of tourism contribution to the economy in comparison to that of GVATI.

### Tourism Direct Gross Domestic Product

- 2.79. In the national accounts, GVA is measured at basic prices. That is, the different outputs of each industry are valued at basic prices, excluding all net taxes on products (i.e. indirect taxes net of subsidies on output), and inputs are valued at purchasers' prices, that is, including transport and distribution margins and all net taxes on products.
- 2.80. However, the uses of output in the domestic economy is valued at purchasers' prices that include all net taxes on products, as the users purchase products from market at market prices. The final uses of gross output net of imports, which is termed as final demand (comprising consumption expenditure, capital formation, and net exports) represents the GDP. The difference between GVA (at basic prices) and GDP (at purchasers' prices), therefore, is net taxes on products, as trade and transport margins get adjusted in the goods.
- 2.81. In the case of TSA, when we measure internal tourism consumption, this includes net taxes on products and imports (shown separately in supply Table 6) and therefore, is at purchasers' prices. Since GDP of tourism cannot be derived directly from the demand side<sup>35</sup>, we can measure tourism GDP (attributable directly to internal tourism consumption) as sum of tourism GVA (sum of part of GVA at basic prices generated by all industries in response to internal tourism consumption) and net taxes on tourism products. This "part of GDP" is called TDGDP. Consequently, TDGDP is derived from internal tourism consumption in the same way as TDGVA does (See Table 2.2).

**Table 2.2: Measures of Tourism Economic Aggregates from Point of View of Supply**

	GVATI	TDGVA	TDGDP
Gross value added (at basic prices) generated by the supply to visitors by the tourism industries	Yes	Yes	Yes
Gross value added (at basic prices) generated by the supply to non-visitors by the tourism industries	Yes	No	No
Gross value added (at basic prices) generated by the supply to visitors by other industries	No	Yes	Yes
Gross value added (at basic prices) generated by the supply to non-visitors by other industries	No	No	No
Net taxes on products and imports included in the value of internal tourism consumption (at purchasers' prices)	No	No	Yes

### Other Aggregates That Can Be Derived from TSA

- 2.82. The four other useful additional aggregates are (i) tourism employment, (ii) tourism gross fixed capital formation, (iii) tourism collective consumption, and (iv) total tourism internal demand. According to TSA: RMF 2008, with the exception of tourism employment, the other aggregates should be the object of a more advanced development of TSA.

### Tourism Employment

- 2.83. As is the case of TDGVA and TDGDP, labour as a factor of production can be associated with the total output of an establishment, but cannot be assigned to any particular output or part of output without the use of specific assumptions and modelling procedures. Tourism employment as meaning the employment strictly

35. GDP from expenditure side of an economy can only be estimated for the total economy, but not for any components of the economy such as tourism.





related to the goods and services acquired by visitors and produced either by tourism industries or other industries cannot be directly observed. For this reason, the TSA only recommends, the estimation of employment in the tourism industries. However, some countries do produce the tourism direct employment by applying the ratios of GVA of tourism direct part within the tourism industries on the employment numbers in tourism industries.

### Tourism Gross Fixed Capital Formation

2.84. As noted earlier, there are a number of different perspectives on tourism gross fixed capital formation, and different aggregates could be proposed, depending on the focus of analysis. Consequently, estimation of tourism gross fixed capital formation aggregate is suggested in order to guide further statistical development and research in those countries where tourism is especially relevant, but no specific aggregate will be used for international comparisons according to TSA: RMF 2008.

### Tourism Collective Consumption

2.85. Government plays an important role in the development of tourism activities. The functions of government are carried out at different levels of government, namely, Centre, states, local bodies, and autonomous government institutions. Since government services are provided on non-market basis to the community, the value of output of government activities is measured on cost basis. The value of output net of receipts from sales of government services is the final consumption expenditure of government. This is of two kinds - one that benefits individuals directly and the other that benefits the community as a whole. For the purpose of TSA, the individual consumption is already accounted for in the tourism internal consumption. However, collective consumption of government has been excluded from tourism consumption, because of its conceptual limitations. As a consequence, the estimate of tourism collective consumption is proposed only as a useful statistical exercise and will not be used for international comparisons in TSA.

### Total Tourism Internal Demand

2.86. Internal tourism consumption is the most important aggregate that describes the size of direct visitor acquisition within a country of reference and is a key component in the TSA. However, broader concept of tourism demand could be envisaged, by supplementing the internal tourism consumption aggregate with other components of final demand generated with a focus on visitors. However, it is to be understood that the addition of some components of demand should not be considered as synonymous with the aggregation of demand components to form what could be called the “expenditure-based measure of tourism direct gross domestic product”, a measurement that is only meaningful for an economy as a whole, and not for a particular segment of it. Additionally, tourism consumption differs with the final consumption in national accounts, namely, as it includes valuables and some expenditure related to business visitors, which the final consumption in GDP does not include.

2.87. In the present International Recommendations, additional aggregate-Total tourism internal demand-is suggested which consists of the sum of internal tourism consumption, tourism gross fixed capital formation and tourism collective consumption. However, the definition and measurement challenges associated with tourism gross fixed capital formation and tourism collective consumption are equally applicable for total tourism internal demand. Therefore, a precise definition of total tourism internal demand is not yet made in the TSA: RMF 2008.

## THREE

# Data Sources for TSA, 2009–10

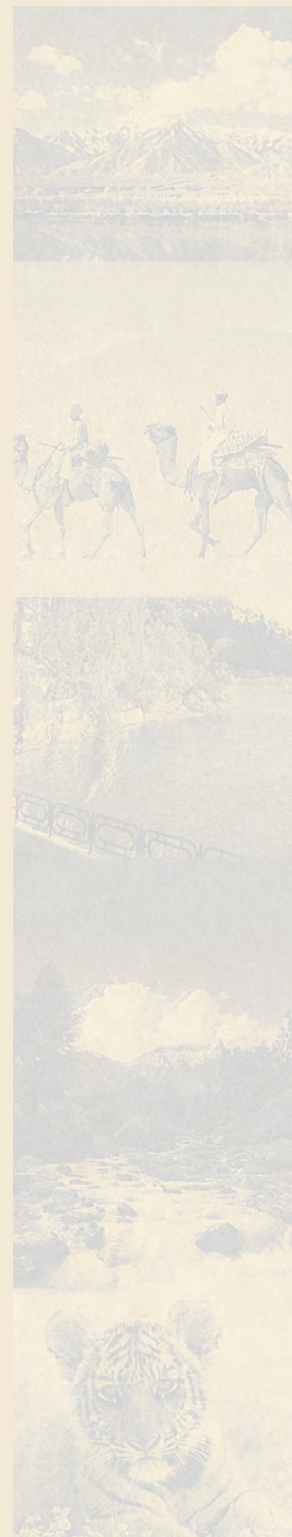
3.1 The important data sources used for the preparation of the second TSA for India are the following:

- Domestic Tourism Survey, NSSO, 2008-09
- International Passenger Survey, ISI, 2010-11
- Enterprise survey on Service Sector, NSSO, 2006-07
- Employment and Unemployment Survey, NSSO, 2009-10
- Consumer Expenditure Survey, NSSO, 2009-10
- National Accounts Statistics, CSO, 2012

The data sources and their key features are described below :

### Domestic Tourism Survey, NSSO, 2008-09

- 3.2 'Domestic Tourism in India' refers to an all-India household survey on domestic tourism (DTS 2008-09), carried out during the period July 2008 to June 2009 by National Sample Survey Organisation (NSSO) as part of its 65th Round of sample surveys. This was the first time that such comprehensive survey on domestic tourism was undertaken by NSSO.
- 3.3 In the past, NSSO conducted a survey called 'Travel and Use of Mass Media and Financial Services by Indian Households' in its 54th round of surveys but it was based on thin or small sample. This survey focused on travel and use of common property resources by the people and the extent of such resources available. Under 'Travel', it dealt with various types of commuting as well as tours undertaken by Indian households. But the survey attempted to measure only the travel cost and completely ignored other expenses by a tourist on, say, accommodation, food and shopping.
- 3.4 The first 'Domestic Tourism Survey' was conducted by National Council of Applied Economic Research (NCAER) in 2002. This study was commissioned by the Ministry of Tourism (MoT) and the data provided important inputs towards the preparation of India's first Tourism Satellite Account (TSA) for 2002-03.



### Box 1: Domestic Tourism Survey, 2002-03

The Domestic Tourism Survey, commissioned by the Ministry of Tourism, was conducted by National Council of Applied Economic Research during 2002-03. Of the over 8 lakh listed tourist households (in which at least one member made a domestic trip during the previous 60 days), 64,580 households were selected. The survey gave the details of domestic tourism behaviour, including expenditures on different types of trips by varying groups of travellers.

This survey marked the first national household survey dedicated to tourism in India. Moreover, the survey methodology and framework were consistent with the most recent methodological advances in quantifying tourism and its role in the economy, as embodied in the UN's framework for Tourism Satellite Accounts (TSAs).

The survey design was such that the sample tourist households were selected from a wide cross-section of households in the country, covering both rural and urban areas, with the objective of enhancing the precision of the estimates. The rural sample for the survey was selected from a representative number of districts from across the country, while the urban sample covered a range from big metropolitan cities to small towns with populations below 5000.

The prime outcome of the survey was the intensive data collection on tourism expenditure across purpose of travel, regions and the socio-economic profile of the tourist. These data fed into the preparation of India's first TSA as the demand-side information.

The survey reported several essential findings. A total of 230 million trips were undertaken by domestic tourists in the country in 2002 (the year the survey was conducted), of which 61 million were accounted for by urban residents and 169 million by rural inhabitants. This worked out to an average of 1.17 trips per household in the country and 2.64 trips per tourist household nationally. The ratio of trips per household in urban and rural areas was almost the same - 1.1 and 1.2, respectively. However, the ratio of trips per tourist household in urban areas was higher at 2.8 compared to 2.6 in rural areas.

A total of 549.4 million tourists were estimated in the country in 2002, of which 157.1 million were urban inhabitants and 392.4 million rural. The aggregate figure implies a ratio of 2.8 tourists per household in the country. On the other hand, the average number of tourists per tourist household was 6.0 in rural areas and 7.2 in urban areas, with 6.3 as the national average. These ratios were marginally higher than the average household size, consistent with the fact that a tourist household made more than one trip on an average in the reference period. Overall for all trips, the average expenditure per trip at the all India level was Rs. 1389. It was Rs. 2044 for urban areas and Rs. 1170 for rural areas.

#### Sampling Design

- 3.5 A stratified multi-stage sampling design was adopted for DTS 2008-09. The first stage units (FSUs) were the 2001 census villages in rural sector and urban frame survey blocks in the urban sector. For large FSUs, an intermediate stage of sampling was the division of the FSUs into a number of parts and random selection of one part for survey. The ultimate stage sampling units were households. In all, 1,53,038 households were surveyed from 8,109 sample villages and 4,719 urban blocks spread over all states and union territories of India. Of the total households, 97,074 (63 per cent) belonged to the rural areas and 56,234 to urban areas.

## Scope of Survey

- 3.6 A detailed schedule of enquiry was used to collect data from the sample households on various parameters like household characteristics such as comprising household size, principal industry, principal occupation, household type, religion, social group, consumption expenditure, number of overnight trips, and same-day trips undertaken, visits of NRIs to the households and their impact, renting out of some portion of the house to tourists during the last 365 days, and awareness, source of information, and impact of the "Incredible India" campaign by the Government of India or other tourism promotional campaigns. Data were also collected for each household member on age, gender, marital status, educational level, usual principal activity status, industry and occupation of employed members, number of overnight as well as same-day trips completed during the last 30 days and the last 365 days.
- 3.7 For each trip, data on various trip characteristics were also collected. These included leading purpose of the trip, main destination, number of places visited, mode of travel, type of stay, number of nights spent outside usual place of residence, and so on. Finally, for the latest three overnight trips completed during the last 30 days, detailed data were collected on expenditure on different items under the heads of accommodation, food and drink, transport, shopping, recreation, religious, cultural, sporting, and health-related activities, and other expenditures along with information of reimbursement/direct payment by any institution for such trips.

## Objectives of Survey

- 3.8 The main objectives of the survey were as follows:
- To estimate the volume of domestic tourism in terms of number of visitors, number of households undertaking domestic tourism activity and number of trips that contributed to domestic tourism in India.
  - To study the characteristics of visitors such as age, economic level, activity status, occupation and industry of work.
  - To study the characteristics of trips such as the purpose, main destination, etc.
  - To estimate the expenditure incurred by households in domestic tourism activity.

## Important Concepts/Definitions Used in DTS

- 3.9 In DTS, the 'trip', is a term that refers to the movement by one or more household members travelling to a place outside their usual environment for purposes other than those of migration or getting employed or setting up of residence in that place which is outside their regular routine of life, for a duration of not more than six months. In contrast, according to TSA: RMF, 2008, trip refers to the movement by a traveller to a main destination outside his/her usual environment, for less than a year, for any main purpose (business, leisure or other personal purpose) other than to be employed by a resident entity in the country or place visited. However, in Indian context and with reference to domestic tourism, the number of trips taken for a duration of less than a year but more than six months, for purposes other than those mentioned above, is negligible. Hence, for all practical purposes, the trips identified by DTS, by and large, conform to the TSA: RMF definition.
- 3.10 As observed in DTS, a domestic visitor was a household member, who had completed a 'trip'. In other words, a domestic visitor was a person (household member), residing in the country, who travelled to a place within the country, outside his or her usual environment and not as a part of his or her regular routine



of life, for duration of not more than six months at a time and completed the trip during the reference period and whose main purpose of visit was other than getting engaged in employment or taking up an occupation in that place or setting up of residence in that place or migrating to that place.

3.11 Main or leading purpose of trip is defined as the purpose in the absence of which the trip would not have taken place. Leading purpose for all the members who are performing a trip is that purpose without which none of the members in that trip would have undertaken the trip. Clearly, the leading purpose of a trip will be the same for all the members who undertook that trip. In DTS, 2008-09, these purposes have been identified as below:

- **Business** - This category includes trips of employees of government, public or private organisations or self-employed people, trips for installation of equipment, inspection, purchase and sale for enterprise; for attending conferences, congresses, trade fairs and exhibitions; for delivering lectures or concerts; for participation in professional sport activities, etc. For example, official tours of government officials posted outside Delhi to attend occasional official meetings at Delhi.
- **Holidaying, leisure and recreation** - This category includes sightseeing, attending sporting and cultural events, non-professional active sports, adventure sports, recreational activities, cultural activities, holidays at beaches and hill stations, summer camps, dining out, visiting spas and other establishments specialized in well-being, fitness except in the context of a medical treatment (in which case the purpose would be health and medical), etc.
- **Social (visiting friends and relatives, attending marriages, etc.)** - This category includes visiting friends and relatives, attending marriages or other family events, or other social functions, visiting home towns, visits to arrange short-term caring for the baby, sick or old; etc.
- **Pilgrimage and religious activities** - This category includes attending various religious meetings and events, and undertaking pilgrimages to different places of worship or holy places.
- **Education and training** - This category includes trips to join short-term courses (less than six months) following particular programmes of study, education and research programming, acquiring specific skills through formal on-the-job training including paid study, etc. For example, trip of an academician (e.g. college lecturer/school teacher) for acquiring a certain academic qualification would come under this category. However, if his trip primarily involves delivering academic lectures, then the purpose of his trip was reported not as education and training but as business.
- **Health and medical** - This category includes trips to spa, fitness and health resorts, treatments and cures, ayurvedic and other health resorts of traditional medicines, etc., for getting short-term (less than six months) medical treatment.
- **Shopping** - This category includes purchase of consumer goods for own use or as gifts but not for resale or for use in a future productive process (in which case the purpose would be business). For example, in many places in our country people visit some nearby city/town or market place primarily for the purpose of purchasing consumer goods during festivals like Puja, Diwali, Eid, Christmas, etc. or during social functions like marriages, birthdays, etc., in their households. For such trips the purpose was taken as shopping. But if a shopkeeper undertakes a trip to a city/town to make wholesale purchase for retail selling

then the purpose of his trip was taken as business and not shopping.

- **Others** - This category includes purposes which are not indicated elsewhere. For example, making a trip to render some social service, such as attending a blood donation camp to donate blood, comes under this category.

3.12 However, in a particular trip different members might have undertaken the trip because of different purposes. While canvassing the schedule, if a household member gave the purpose of a trip as, say, 'business', then to ascertain the purpose, the household member was asked whether he/she would have undertaken the trip if no business was needed to be done. Then, the purpose was taken as 'business' only if the answer was 'no'. In this way the purpose of each individual member who undertook the trip was recorded. There may be exceptional situations where no one purpose can be identified as unique. In such a case, the purpose was identified as that purpose which the informant considered to be the most important for the trip member.

3.13 Further, Domestic visitors were classified into two categories: domestic overnight visitors and domestic same day visitors. In this survey, information was collected for both these categories in respect of those visitors who belonged to the sample households. A domestic overnight visitor was a domestic visitor who spent at least one night in a trip during the past 365 days. This means that the trip covered at least two calendar days, wholly or partly. A domestic same day visitor was one who did not spend even a single night in any trip during the past 365 days. This means that the trip started and ended on the same day.

3.14 Since it is difficult to distinguish domestic tourists from other travellers who are travelling within the boundary of the country of reference, it is important to identify them by carefully looking into their purpose and duration of travel. This requires more scrutiny. The following points may be noted.

- All movements of persons commuting regularly and frequently (nearly every day/every week/every fortnight) between their usual environment and some fixed places for the purpose of work or study, visiting homes of friends or relatives, shopping centres, religious places, centres of health care or any other facilities that might be at a substantial distance away but nevertheless were regularly and frequently visited were not considered as trips.
- Similarly, all movements of persons, whose nature of activities within their regular routine of life involved making movements outside their usual environment to different places, like travelling salesmen, mobile hawkers, medical representatives, on-board staff of airlines/railways or of buses, hired taxis, etc. were not considered as trips.
- Exceptions for exclusion from the coverage of trip as mentioned above were all domestic movements performed by air except for the purpose of migration or getting employed or setting up of residence in that place. Such movements were considered as trips even if they fall within the regular routine of life of the visitor. However, domestic movements performed by on-board aircraft crew as part of their duty were not considered as trips.

### Particulars of Expenditure

3.15 DTS 2008-09 collected information on expenditure on the latest three overnight trips during the past 30 days. These included all expenditures in connection with the trip except those to be used or intended to be used for resale or for productive purposes. Expenditure made before, during and after the trip and which is related



to that trip was recorded. The payment may be made through cash, cheque, credit card, debit card, in instalments, etc.

3.16 The total expenditure in all such cases, irrespective of the mode of payment, was recorded. Payable approach was to be followed, i.e. it included the expenditure which has already been paid or was payable in future. Expenditure related to the trip, whether directly paid or reimbursed, by some institution like government or other agencies on behalf of the selected household was also included. All expenditure made by a sample household (whose members are on a trip) on members of other households was included. But all expenditures by other households for any trip undertaken by the sample household was excluded.

3.17 The expenditures were recorded under the following five major heads.

- **Accommodation:** The expenditure incurred on accommodation related to a trip was recorded under hotels, private guest house, government guest house, dharamsala, rented house, friends or relatives' house. If the household members, during a trip, stay in their friends' or relatives' house then the expenditure towards this accommodation is assumed to be nil and need not be recorded. If the informant reports that accommodation charges were paid to friends or relatives, the visitors should be regarded as having stayed in a rented house. Others denote amount spent on all other types of accommodation except those mentioned above. Examples are carriages/coaches, tents, second/vacation homes, etc. For each household, there is a dwelling that is considered as its primary home and whose location defines the usual place of residence for the members of this household. All other dwellings for this household are to be considered as second/vacation homes. Sometimes expenditure on accommodation may not be available separately in cases of carriages/coaches, which is generally included in the cost of transportation itself. For example, railway reservation charges are included in the fare as reservation charges for night journey.
- **Food and drink:** This item includes expenses on purchase of food and drinks for consumption during the trip. The expenditure may be incurred in the accommodation unit or outside the accommodation unit or during the journey in transit.
- **Transport:** This includes expenditures that are related to the various forms of transport used for movement during a particular trip. This includes railways, road, water, and air transport; transport equipment rental; travel agency service/tour operators and other supporting services (including expenditure on other motorised and non-motorised modes of transport not mentioned elsewhere) related to a trip, such as transport on animals like horse, pony etc.; transport by humans such as palki (palanquin), doli carriages, and dandi; and transport by cable car/ropeway, etc).
- **Shopping:** This relates to purchase of any consumer goods for own consumption or for gifts but not for resale or for use in a future productive process. The consumption may be during the trip or after the trip but not before the trip. This purchase may be made before, during or after the trip but it must be related to that trip. The items under 'shopping' include clothing and garments, processed food, tobacco products, alcohol, travel related consumer goods (including items like suitcases, trunk, hand bag, other travel goods, spectacles, sunglasses, pen, lock, umbrella, radio, walkman, torch, batteries, etc., photographic items like film, video cassette, CD, tripod, etc., sports items, and toys, etc., except footwear. Even expenditure incurred on items of high unit values like cars, computers, etc. related to a trip should be included if those are used for consumption purpose

and not for productive purpose); footwear; toiletries; gems and jewellery; books, journals, magazines, stationery, etc.; and others (all expenses on shopping not mentioned elsewhere come under this item for example, expenditure on items like souvenirs, handicrafts, memento, etc.).

- **Recreation, religious, cultural and sporting activities:** These include expenditures incurred on cinema, theatre, amusements, etc. (expenditures on personal recreation services like sauna bath, steam bath, massaging, etc. are also recorded here); entry fee and other expenses at religious and cultural sites; sporting activities; and medical and health related activities.
- All other expenditure not indicated elsewhere, e.g. payment made to tourist guide, etc. come under a separate item 'Others'.

## Key Findings

3.18 Table 3.1 gives a brief comparative snapshot of the basic domestic tourism statistics obtained from DTS 2002-03 and DTS 2008-09.

**Table 3.1: Basic Domestic Tourism Statistics (2002-03 and 2008-09) (in million)**

	DTS 2002-03			DTS 2008-09		
	Rural	Urban	Total	Rural	Urban	Total
1 Estimated number of households	140.6	55.2	195.8	158.2	66.5	224.7
2 Estimated number of tourist households	64.9	21.9	86.8	146.4	59.7	206.1
3 Estimated number of tourists	392.4	157.0	549.4	573.4	210.1	783.5
4 Estimated number of trips	168.6	60.9	229.5	696.5	242.6	939.1
5 Estimated number of tourist trips	435.0	141.9	548.5	1555.8	561.7	2117.4
<b>Ratios</b>						
6 Tourists per household (3÷1)	2.79	2.84	2.81	3.62	3.16	3.49
7 Tourists per tourist household (3÷2)	6.05	7.17	6.33	3.92	3.52	3.80
8 Trips per household (4÷1)	1.20	1.10	1.17	4.40	3.65	4.18
9 Trips per tourist household (4÷2)	2.60	2.78	2.64	4.76	4.06	4.56
10 Tourists per trip (5÷4)	2.58	2.33	2.39	2.23	2.32	2.25

Source: NCAER's Domestic Tourism Survey, 2002-03 and NSSO's Domestic Tourism Survey, 2008-09.

3.19 Some key findings of DTS 2008-09 are described below.

- As many as 783.5 million people undertook at least one domestic overnight trip during the reference year 2008-09. These people might have undertaken more than one trip during this period. On the other hand, 939.1 million trips were undertaken by one or more household members during the same period. A trip might be single-member or multimember, that is, a trip might be undertaken by one or more members of the household.
- In all, there were 2117.4 million tourist-trips taking into account all the trips undertaken by all the tourists in the reference period. On an average, every 100 overnight trips had 225 participating members. In other words, there were 2.25 tourists per trip.
- In a one-year period, 418 overnight trips were made per 100 households. This figure stands at 440 per 100 households for the rural population, higher than 365 per 100 households for the urban population.
- The number of overnight trips per 100 persons was higher for males than for females. For males, the number of overnight trips per 100 persons were 225 for rural population and 220 for urban population while for females, these were 194





for rural and 192 for urban population, respectively.

- With increase in age, the number of overnight trips per person rose gradually and then declined, being highest for the age group of 30 to 34 in rural India and for the age group of 40 to 44 in urban India. Among children under 15, however, the number of trips per child was the highest in the lowest age group of 0 to 4 years for rural as well as for urban population.
- There was not much rate of variation among persons of different occupations or industries in the number of overnight trips.
- For the rural population, the average trip size stood at 2.23 persons per trip while for the urban population, the number was 2.32, translating into an all-India average of 2.25 persons per trip.
- The leading purpose for which maximum trips were taken was social. These trips accounted for 75 per cent of overnight trips of the rural population and 71 per cent of the urban population.
- The average number of nights spent on overnight trips was about 3 for the rural population and about 4 for the urban.
- Travel within one's own district accounted for about 66 per cent of overnight visitor-trips of the rural population but only about 30 per cent for the urban population.
- The most common mode of travel for overnight trips was buses followed by trains.
- In case of 85 per cent of rural and 80 per cent of urban overnight visitor-trips, the visitors stayed with friends and relatives for the major part of their stay.
- At all-India level, the average expenditure per overnight trip was Rs. 821 for the rural population and Rs1,636 for the urban population.

3.20 Table 3.2 presents the number of tourist-trips across states. Of the total 2117.4 million tourist-trips, the maximum, that is 333.9 million or 15.8 per cent of the trips, originated from UP. UP ranks at the top with respect to the number of male and female tourists belonging to rural sector and number of male tourists belonging to urban sector. However, among the urban female population, maximum number of tourist-trips originated from Tamil Nadu.

**Table 3.2: Estimated Number of Domestic Tourist-trips by State of Origin (numbers in millions)**

Sl No.	States	Rural		Urban		Total		Total
		Male	Female	Male	Female	Male	Female	
1	Andhra Pradesh	77.2	73.1	32.5	27.4	109.7	100.4	210.1
2	Arunachal Pradesh	0.6	0.3	0.1	0.0	0.7	0.4	1.1
3	Assam	12.8	10.0	1.9	1.2	14.7	11.1	25.9
4	Bihar	58.6	36.1	6.7	3.5	65.3	39.5	104.9
5	Chhattisgarh	21.0	17.1	4.5	3.4	25.5	20.5	46.0
6	Delhi	0.6	0.4	9.2	6.9	9.8	7.3	17.1
7	Goa	0.6	0.6	0.7	0.6	1.3	1.2	2.6
8	Gujarat	36.5	29.3	22.1	16.6	58.6	45.9	104.5
9	Haryana	25.1	19.5	8.9	6.9	34.0	26.4	60.5
10	Himachal Pradesh	10.5	9.2	1.2	1.0	11.7	10.2	22.0
11	Jammu & Kashmir	8.6	8.6	1.9	1.5	10.5	10.1	20.6
12	Jharkhand	20.3	16.4	3.7	2.7	24.0	19.1	43.1
13	Karnataka	37.6	35.4	23.5	19.7	61.1	55.1	116.2
14	Kerala	27.3	29.5	9.0	9.9	36.3	39.5	75.7
15	Madhya Pradesh	63.5	46.0	18.8	13.7	82.3	59.6	141.9
16	Maharashtra	62.9	55.7	36.2	29.8	99.1	85.5	184.6
17	Manipur	0.4	0.2	0.1	0.0	0.5	0.2	0.8
18	Meghalaya	1.1	0.7	0.2	0.1	1.2	0.8	2.0
19	Mizoram	0.2	0.1	0.1	0.1	0.3	0.1	0.4
20	Nagaland	0.4	0.2	0.2	0.1	0.5	0.3	0.8
21	Orissa	41.8	33.6	7.5	4.8	49.3	38.4	87.6
22	Punjab	20.6	18.0	10.8	8.9	31.4	26.9	58.3
23	Rajasthan	58.0	45.4	18.0	12.1	76.1	57.5	133.6
24	Sikkim	0.4	0.3	0.1	0.1	0.4	0.3	0.8
25	Tamil Nadu	39.7	38.4	33.6	30.6	73.3	69.0	142.2
26	Tripura	2.1	2.2	0.5	0.5	2.6	2.7	5.3
27	Uttar Pradesh	157.3	107.4	41.3	27.9	198.6	135.3	333.9
28	Uttaranchal	7.8	6.5	2.1	1.7	9.8	8.1	18.0
29	West Bengal	62.8	57.7	17.3	14.1	80.1	71.8	151.8
30	A & N Islands	0.3	0.2	0.1	0.1	0.4	0.3	0.6
31	Chandigarh	0.1	0.1	0.8	0.5	0.9	0.6	1.5
32	D & N Haveli	0.1	0.1	0.0	0.0	0.1	0.1	0.2
33	Daman & Diu	0.0	0.0	0.0	0.0	0.1	0.0	0.1
34	Lakshadweep	0.0	0.0	0.0	0.0	0.0	0.0	0.1
35	Pondicherry	0.5	0.4	1.0	1.0	1.5	1.5	2.9
	All India	857.5	698.3	314.3	247.3	1,171.8	945.7	2,117.4

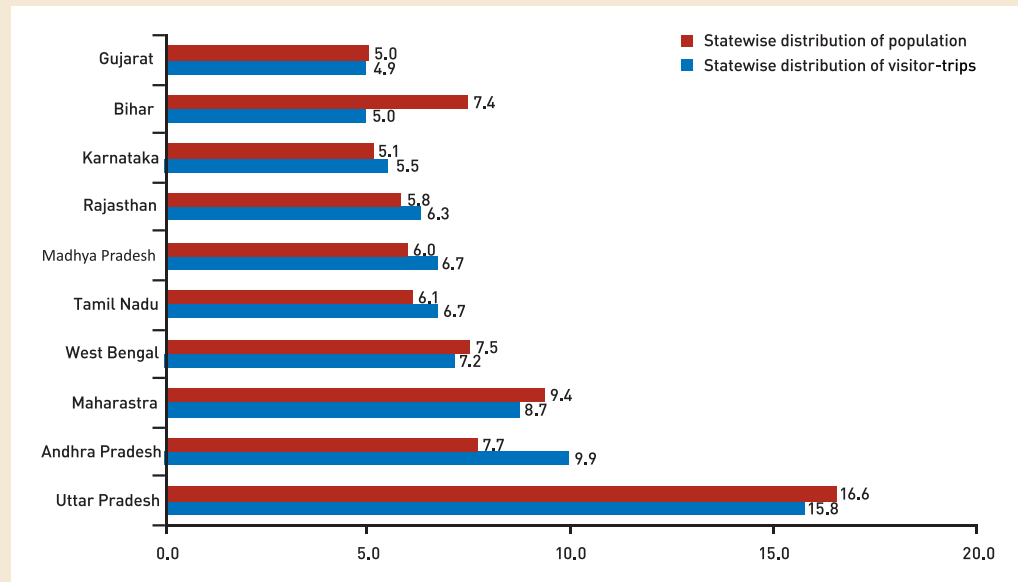
Source: NCAER calculations based on unit level data of Domestic Tourism Survey, 2008-09

3.21 It may be worthwhile to compare the states' shares in overall number of tourist-trips with their respective shares in overall population. Evidently, the larger the population size of a state, the higher the prevalence of tourism activities. Uttar Pradesh, leading in its share in total tourist-trips (15.8 per cent), also leads in its share in population of India (16.6 per cent). However, there are instances when state's share in population is higher than its share in number of tourist-trips or the other way round. For example, Andhra Pradesh's share in total number of tourist-trips stands at second-highest at 9.9 per cent but its share in population is 7.7 per cent, falling behind Maharashtra. On the other hand, Bihar occupies fifth position



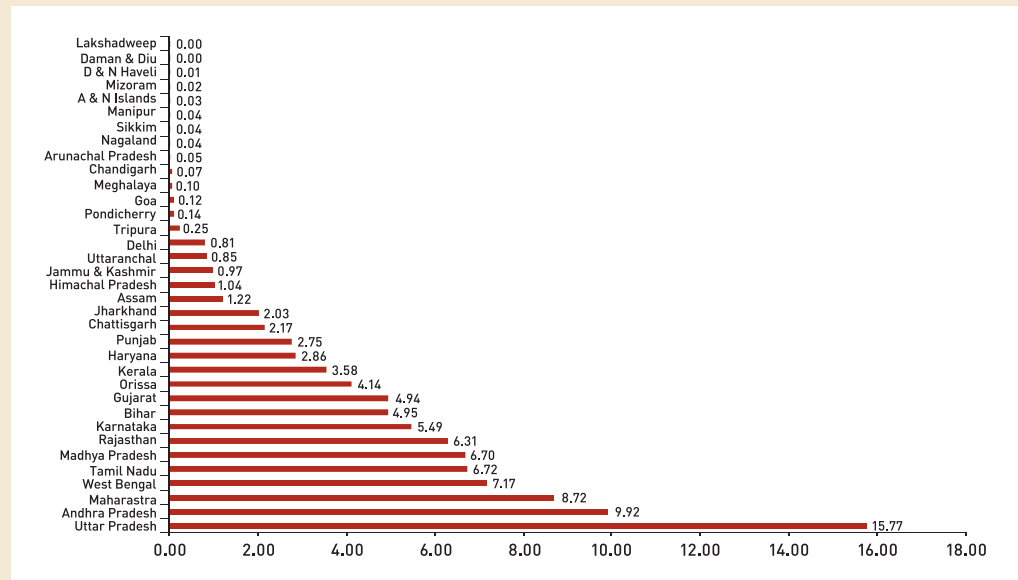
(closely following West Bengal) with respect to its share in overall population (7.4 per cent) but stands at ninth position with respect to its share in number of tourist-trips (5.0 per cent). The share of states in total number of overnight visitor trips is presented in Figure 3.2 while the figure below (Figure 3.1) presents the top ten states arranged in descending order of their share in total number of tourist-trips and their respective share in population.

**Figure 3.1: Top 10 States with respect to Their Percent Share in Total Number of Domestic Tourist-Trips and Total Population**



Source: NCAER calculations based on unit level data of Domestic Tourism Survey, 2008-09.

**Figure 3.2: Percent Share of States in India's Total Estimated Number of Overnight Visitor-trips**

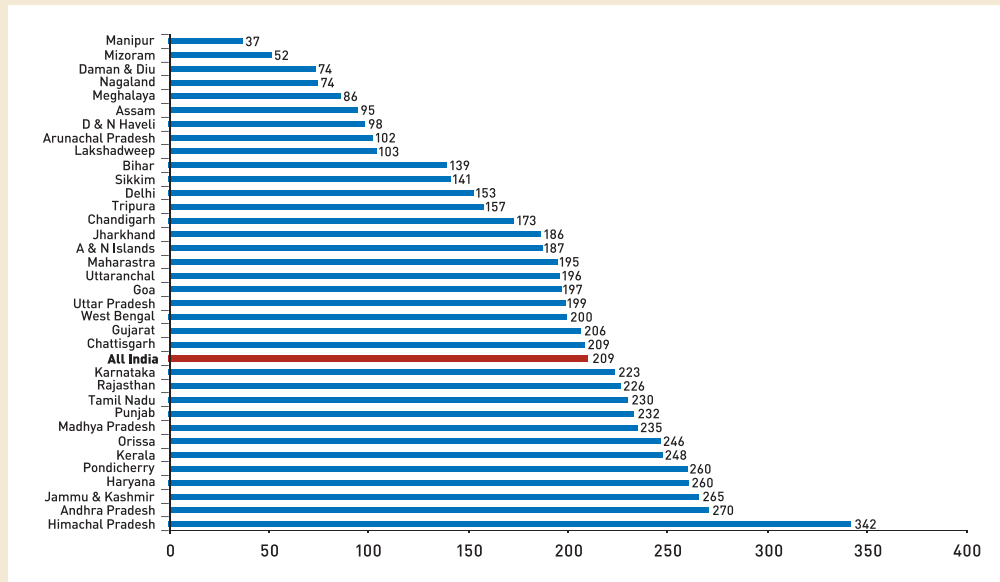


Source: NCAER calculations based on unit level data of Domestic Tourism Survey, 2008-09.

3.22 Figure 3.3 presents the number of overnight trips undertaken in a state per 100 persons. On an average, one person undertook 2.09 trips in a year. Among the states, Himachal Pradesh recorded the most number of trips undertaken by a person. The number of trips per 100 persons there worked out to be 342. Only 12

states fell above All-India average with respect to the number of trips per 100 persons. Uttar Pradesh, with the highest share in both total number of overnight trips and population, stood at 17th position, at 199 trips per person.

**Figure 3.3: Number of Overnight Trips Per 100 Persons**



Source: NCAER calculations based on unit level data of Domestic Tourism Survey, 2008-09.

- 3.23 Further, Table 3.3 presents the item-wise distribution of tourism expenditure by purposes of travel in rural and urban areas. The share of "shopping" was the highest across most of the purposes of travel in trips originating from rural India, except religious trips where share of "transport" was the highest and medical and shopping trips where share of "recreation, religious, cultural, sporting and health-related expenditure (recreation etc.)" was the highest. On an average, the least was spent on "accommodation" and the most was spent on "recreation etc." in trips originating from rural areas.
- 3.24 On the other hand, share of "transport" was the highest across most of purposes of travel in trips originating from urban India except business trips where share of "shopping" was the highest and medical and shopping trips where share of "recreation etc." was the highest. On an average, like rural, the least was spent on "accommodation" but unlike rural, the most was spent on "transport" in trips originating from urban areas.



**Table 3.3: Percentage Breakup of Expenditure for Domestic Trips by Items of Expenditure (per cent)**

Sector	Business	Holiday, leisure and recreation	Social	Religious	Education and training	Health and medical	Shopping & Others	All
<b>Rural</b>								
Accommodation	6.39	9.10	0.38	6.51	15.10	3.77	4.65	3.00
Food & drink	16.47	17.09	8.33	18.25	16.34	6.28	8.70	9.29
Transport	18.45	28.13	27.24	37.45	23.53	7.10	11.77	20.28
Shopping	52.05	37.10	51.43	24.00	30.97	3.16	24.22	30.78
Recreation	6.64	8.58	12.62	13.79	14.06	79.69	50.66	36.65
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
<b>Urban</b>								
Accommodation	13.76	16.91	1.20	10.36	13.75	3.41	9.98	6.08
Food & drink	13.79	16.96	8.50	16.52	15.26	3.56	10.69	10.41
Transport	30.75	40.16	43.05	46.10	46.59	7.50	25.81	36.07
Shopping	39.98	21.08	37.69	16.20	19.30	2.35	24.48	26.64
Recreation	1.71	4.89	9.56	10.82	5.11	83.17	29.05	20.80
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: NCAER calculations based on unit level data of Domestic Tourism Survey, 2008-09.

3.25 The row distribution of expenses, given in Table 3.4, reveals that of the total trips, social purpose trips accounted for 43 per cent of total rural overnight trip expenditure. Similarly, as much as 46 per cent was spent on social trips originating from urban areas.

3.26 After social trips, the most was spent on health and medical related trips among all the trips originating from rural and urban areas. The share of expenditure incurred on leisure trips was low at 2.4 per cent in rural areas and 10.6 per cent in urban areas. Trips undertaken for education and training purposes accounted for the least share in total trip expenditure of both rural and urban population.

**Table 3.4: Percentage Breakup of Expenditure for Domestic Trips by Different Leading Purposes (per cent)**

Sector	Business	Holiday, leisure and recreation	Social	Religious	Education and training	Health and medical	Shopping & Others	All
<b>Rural</b>								
Accommodation	7.29	7.30	5.46	21.53	5.06	38.68	14.68	100.00
Food & drink	6.06	4.42	38.66	19.46	1.76	20.77	8.85	100.00
Transport	3.11	3.34	57.86	18.29	1.16	10.76	5.48	100.00
Shopping	5.78	2.90	72.00	7.72	1.01	3.15	7.44	100.00
Recreation	0.62	0.56	14.84	3.73	0.38	66.80	13.06	100.00
Total	3.42	2.40	43.09	9.90	1.00	30.73	9.45	100.00
<b>Urban</b>								
Accommodation	18.04	29.37	9.06	25.03	3.67	8.78	6.05	100.00
Food & drink	10.57	17.21	37.40	23.30	2.38	5.35	3.79	100.00
Transport	6.80	11.76	54.68	18.77	2.10	3.26	2.64	100.00
Shopping	11.96	8.36	64.80	8.93	1.18	1.38	3.39	100.00
Recreation	0.66	2.48	21.07	7.64	0.40	62.60	5.15	100.00
Total	7.97	10.56	45.81	14.68	1.62	15.65	3.69	100.00

Source: NCAER calculations based on unit level data of Domestic Tourism Survey, 2008-09.



- 3.27 The distribution of trips in a state by their main destination reveals that only 10.6 per cent of the total overnight trips involved travel to a different state from the place of residence. For the remaining 89.4 per cent of the trips, the main destination remained within the state of residence. This is presented in Table 3.5.
- 3.28 The table 3.5 presents the percentage distribution of trips undertaken in states other than the state of residence, across states of destination. For maximum number of trips, 11.6 per cent of total 99 million trips undertaken outside the state of residence, the state of destination was UP. This was followed by Tamil Nadu with 9.5 per cent of trips.
- 3.29 Further calculations reveal that among the trips in which UP is the main destination, 31.1 per cent were undertaken by people residing in Rajasthan and 12.3 per cent by people of Delhi (Table 3.6). In the case of Tamil Nadu, between 20 to 25 per cent of trips were undertaken by people belonging to the other three southern states, that is, Kerala (38.1 per cent), Karnataka (21.9 per cent) and Andhra Pradesh (21.6 per cent).



**Table 3.5: Percentage Distribution of Visitors from State of Origin to States of Destination (row distribution of trips)**

State of origin	Within Outside		States of destination if main destination is outside State																
	State	State	AN	AP	AR	AS	BR	CH	CG	DN	DD	DL	GA	GJ	HR	HP	JK	JH	KA
All India	89.4	10.6	0.02	6.00	0.10	0.74	4.96	1.49	0.86	0.01	0.02	8.05	0.47	3.71	3.94	2.59	1.34	2.71	6.18
Andaman & Nicobar (AN)	84.3	15.7	0.00	13.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.95	0.00	1.95	0.00	0.00	0.00	1.89	6.77
Andhra Pradesh (AP)	94.4	5.6	0.00	0.00	0.00	0.00	0.04	0.00	0.79	0.00	0.00	0.14	0.00	3.31	0.51	0.11	0.49	0.25	24.65
Arunachal Pradesh (AR)	74.6	25.4	0.00	0.42	0.00	88.99	2.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.15	0.32	0.00	0.00	0.00
Assam (AS)	96.4	3.6	0.00	0.29	0.65	0.00	4.00	0.00	0.00	0.00	0.00	5.21	0.00	0.00	0.29	0.00	0.23	0.67	0.00
Bihar (BR)	92.3	7.7	0.00	0.17	0.00	4.35	0.00	0.00	0.00	0.00	0.00	11.63	0.15	0.05	2.10	0.00	0.00	39.31	0.16
Chandigarh (CH)	0.2	99.8	0.00	0.00	0.00	0.00	2.58	0.00	0.00	0.00	0.00	7.31	0.00	0.29	21.61	16.13	1.16	0.41	0.00
Chhattisgarh (CG)	95.0	5.0	0.00	2.91	0.60	0.00	1.40	0.00	0.00	0.00	0.81	1.50	0.00	0.64	0.29	0.00	0.78	6.23	0.94
Dadra and Nagar Haveli (DN)	62.9	37.1	0.00	0.00	0.00	0.00	0.64	0.00	0.00	0.00	1.03	2.58	0.00	34.00	0.00	1.03	0.00	0.00	0.00
Daman & Diu (DD)	9.7	90.3	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.56	72.04	0.00	0.00	0.00	0.00	0.00
Delhi (DL)	8.0	92.0	0.00	0.32	0.14	0.00	7.98	2.32	0.26	0.00	0.00	0.00	0.39	0.14	8.47	2.98	4.66	0.28	0.40
Goa (GA)	52.1	47.9	0.00	0.11	1.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.42	0.00	0.00	0.00	0.00	54.51
Gujarat (GJ)	90.8	9.2	0.21	0.99	0.00	0.70	2.43	1.98	0.01	0.23	0.28	1.51	1.23	0.00	1.18	3.36	0.97	0.70	3.19
Haryana (HR)	75.0	25.0	0.00	0.00	0.00	0.44	1.96	6.53	0.00	0.00	0.00	17.98	0.00	0.66	0.00	8.23	1.70	0.00	0.15
Himachal Pradesh (HP)	89.9	10.1	0.00	0.00	0.00	0.00	5.17	20.66	0.00	0.00	0.00	11.81	0.00	2.24	7.22	0.00	3.38	0.00	0.13
Jammu & Kashmir (JK)	91.4	8.6	0.00	0.00	0.00	0.00	1.71	1.32	0.00	0.00	0.00	11.97	0.00	0.00	2.45	18.79	0.00	0.82	0.48
Jharkhand (JH)	87.9	12.1	0.00	1.76	0.00	0.00	32.25	0.00	0.39	0.00	0.00	2.67	0.00	2.07	0.00	1.08	0.97	0.00	1.28
Karnataka (KA)	84.4	15.6	0.00	30.03	0.30	0.00	0.11	0.00	0.04	0.00	0.00	0.26	0.67	0.13	0.09	0.00	0.42	0.00	0.00
Kerala (KL)	89.8	10.2	0.00	0.88	0.00	0.00	0.00	0.00	0.13	0.00	0.00	2.01	0.27	0.73	0.00	0.05	0.09	0.00	20.66
Lakshadweep (LD)	21.6	78.4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.39	0.00	0.00	0.00	0.00	0.00	0.00	0.31
Madhya Pradesh (MP)	91.6	8.4	0.12	2.22	0.00	0.00	2.29	0.00	1.59	0.00	0.00	2.99	0.92	8.23	0.18	0.21	2.49	0.27	0.24
Maharashtra (MH)	89.8	10.2	0.00	13.57	0.02	0.00	0.77	0.03	2.49	0.00	0.04	1.91	2.29	19.38	0.10	0.77	0.65	0.25	16.26
Manipur (MN)	90.7	9.3	0.00	0.88	0.00	37.69	0.51	0.53	0.27	0.00	0.00	10.88	0.54	0.82	0.00	0.38	0.52	0.22	1.99
Meghalaya (ML)	89.2	10.8	0.00	0.28	0.68	63.74	3.71	0.00	0.00	0.00	0.00	6.22	0.28	0.28	0.00	0.00	0.00	0.00	1.42
Mizoram (MZ)	96.6	3.4	0.61	0.00	0.00	37.28	0.57	0.00	0.00	0.00	0.00	16.54	0.00	0.00	0.00	0.00	0.00	0.00	0.81
Nagaland (NL)	95.7	4.3	0.00	0.00	0.00	68.82	8.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Orissa (OR)	96.8	3.2	0.00	19.94	0.89	0.00	3.93	0.00	27.87	0.00	0.00	2.21	0.23	0.00	0.10	0.00	1.17	12.07	3.95
Pondicherry (PY)	11.5	88.5	0.00	4.03	0.22	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.77	0.00	0.00	0.00	0.00	0.00	5.50
Punjab (PB)	79.1	20.9	0.00	0.13	0.00	0.00	1.71	11.38	0.09	0.00	0.00	6.92	0.38	0.21	18.53	27.71	5.38	0.12	0.07
Rajasthan (RJ)	86.3	13.7	0.00	0.60	0.00	0.05	4.36	0.24	1.62	0.00	0.00	11.30	0.22	7.25	15.71	0.03	0.83	1.57	0.11
Sikkim (SK)	73.6	26.4	0.00	0.19	0.00	3.92	3.27	0.00	0.00	0.00	0.00	2.07	0.00	0.12	0.00	0.53	0.00	1.72	0.00
Tamil Nadu (TN)	88.9	11.1	0.00	26.48	0.05	0.00	0.03	0.00	0.00	0.00	0.00	0.44	0.22	0.16	0.00	0.00	0.00	0.19	20.32
Tripura (TR)	96.4	3.6	0.00	0.21	0.00	52.14	1.70	0.00	0.21	0.00	0.00	0.00	0.00	8.66	0.00	0.00	0.00	0.00	0.00
Uttar Pradesh (UP)	90.3	9.7	0.00	0.32	0.26	0.19	10.58	0.55	0.19	0.00	0.00	24.68	0.01	0.41	4.67	0.52	2.01	2.68	0.31
Uttarakhand (UK)	78.3	21.7	0.00	0.60	0.00	0.08	0.17	1.47	0.11	0.00	0.00	14.55	0.00	1.57	5.50	0.80	0.08	0.35	0.00
West Bengal (WB)	93.5	6.5	0.06	1.75	0.06	2.55	33.59	0.02	0.06	0.00	0.00	9.35	0.00	1.93	0.29	1.46	1.36	11.94	1.48

Source: NSSO's Domestic Tourism Survey and NCAER's Computations

**Table 3.5: Percentage Distribution of Visitors from State of Origin to States of Destination (row distribution of trips) Contd..**

State of Origin	States of destination if main destination is outside State																		Total
	KL	LD	MP	MH	MN	ML	MZ	NL	OR	PY	PB	RJ	SK	TN	TR	UP	UK	WB	
All India	4.71	0.05	5.19	6.62	0.05	0.18	0.05	0.12	2.09	0.52	3.30	7.26	0.06	9.48	0.06	11.63	3.51	1.93	100
Andaman & Nicobar (AN)	17.06	0.00	1.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.89	0.00	0.00	44.51	0.00	3.60	1.33	4.53	100
Andhra Pradesh (AP)	2.16	0.00	1.19	10.12	0.00	0.00	0.00	0.00	14.05	0.21	0.04	0.12	0.00	38.94	0.00	1.10	0.34	1.43	100
Arunachal Pradesh (AR)	0.00	0.00	0.00	0.00	0.00	4.45	0.55	0.85	0.19	0.00	0.00	0.00	0.00	0.57	0.00	0.06	0.00	1.14	100
Assam (AS)	0.13	0.00	0.00	0.84	8.60	29.17	0.00	23.88	1.55	0.00	0.24	0.80	1.03	1.20	2.73	2.76	0.00	15.74	100
Bihar (BR)	0.00	0.00	0.48	2.82	0.00	0.08	0.00	0.00	0.20	0.00	0.93	0.61	0.00	1.12	0.00	24.98	1.88	8.98	100
Chandigarh (CH)	0.00	0.00	0.00	0.56	0.00	0.00	0.00	0.00	0.00	0.00	28.31	3.74	0.00	0.26	0.00	10.90	6.52	0.22	100
Chhattisgarh (CG)	0.38	0.00	17.20	41.40	0.00	0.00	0.00	0.00	8.94	0.00	1.50	8.79	0.00	0.05	0.00	4.08	0.05	1.50	100
Dadra and Nagar Haveli (DN)	0.00	0.00	5.63	43.48	0.00	0.00	0.00	0.00	1.55	0.00	0.00	1.03	0.00	0.58	0.00	8.20	0.26	0.00	100
Daman & Diu (DD)	1.12	0.00	1.12	17.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.92	0.00	0.00	0.00	3.19	0.00	0.00	100
Delhi (DL)	0.48	0.00	0.80	7.16	0.00	0.04	0.00	0.00	0.55	0.00	5.38	6.40	0.00	0.62	1.12	39.74	7.49	1.87	100
Goa (GA)	5.09	0.00	0.00	29.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.06	0.00	2.11	0.00	0.00	100
Gujarat (GJ)	0.89	0.00	4.84	40.32	0.00	0.08	0.00	0.00	2.07	0.00	0.28	22.36	0.00	0.40	0.00	8.11	1.62	0.07	100
Haryana (HR)	0.00	0.00	0.20	0.89	0.00	0.00	0.00	0.00	0.00	0.00	16.54	25.01	0.00	0.19	0.00	17.06	2.38	0.07	100
Himachal Pradesh (HP)	0.41	0.00	0.00	0.26	0.00	0.00	0.00	0.00	0.23	0.00	38.05	0.91	0.00	0.63	0.00	4.82	4.09	0.00	100
Jammu & Kashmir (JK)	0.28	0.00	2.15	2.39	0.00	0.00	0.00	0.00	0.00	0.00	50.68	2.86	0.00	0.00	0.00	1.19	2.89	0.00	100
Jharkhand (JH)	0.10	0.00	1.78	0.53	0.00	0.00	0.14	0.11	10.27	0.00	0.88	0.91	0.17	1.08	0.13	4.94	0.23	36.26	100
Karnataka (KA)	16.28	0.00	0.22	18.69	0.00	0.00	0.02	0.00	0.00	0.34	0.00	1.12	0.05	30.21	0.00	0.45	0.00	0.56	100
Kerala (KL)	0.00	0.08	0.00	2.93	0.00	0.00	0.37	0.00	0.00	0.41	0.38	0.48	0.00	68.17	0.00	0.61	0.09	1.66	100
Lakshadweep (LD)	98.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.66	0.00	0.00	0.00	0.00	100
Madhya Pradesh (MP)	0.00	0.00	0.00	24.75	0.00	0.00	0.00	0.00	0.46	0.00	1.01	26.53	0.00	0.11	0.00	23.55	0.73	1.11	100
Maharashtra (MH)	1.42	0.00	18.70	0.00	0.00	0.00	0.05	0.00	0.31	0.00	0.55	4.27	0.00	5.16	0.06	9.66	0.11	1.17	100
Manipur (MN)	0.00	0.00	0.68	3.83	0.00	4.83	6.45	13.84	0.00	0.00	0.66	0.00	0.00	2.39	0.00	2.54	1.19	8.37	100
Meghalaya (ML)	0.00	0.00	0.00	0.64	3.26	0.00	1.85	1.10	0.28	0.00	0.00	0.00	6.79	0.98	0.45	0.64	0.00	7.36	100
Mizoram (MZ)	0.46	0.00	0.00	2.70	5.29	29.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.22	0.00	0.87	4.92	0.00	100
Nagaland (NL)	0.00	0.00	0.00	0.00	9.83	0.00	0.72	0.00	0.00	0.00	0.00	0.00	1.13	0.00	0.00	1.77	0.00	9.53	100
Orissa (OR)	0.00	0.00	0.00	1.32	0.00	0.00	0.00	0.00	0.00	1.86	0.13	0.00	0.00	1.83	0.00	0.22	0.00	22.28	100
Pondicherry (PY)	14.68	0.85	0.00	0.56	0.00	0.00	0.00	0.00	0.26	0.00	0.00	0.00	0.00	73.09	0.00	0.00	0.00	0.00	100
Punjab (PB)	0.00	0.00	0.19	2.32	0.00	0.00	0.00	0.00	0.06	0.00	0.00	11.85	0.00	0.01	0.00	10.46	2.38	0.10	100
Rajasthan (RJ)	0.00	0.00	6.68	1.84	0.01	0.00	0.00	0.00	0.22	0.46	4.95	0.00	0.06	0.03	0.00	39.97	1.27	0.60	100
Sikkim (SK)	0.00	0.00	0.16	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.82	0.00	0.00	0.00	0.98	0.00	86.20	100
Tamil Nadu (TN)	43.28	0.00	0.11	1.35	0.00	0.00	0.00	0.00	0.80	5.88	0.00	0.00	0.06	0.00	0.00	0.38	0.00	0.24	100
Tripura (TR)	0.00	0.00	0.00	0.70	0.00	20.03	2.66	0.00	1.07	0.25	0.70	0.00	0.00	1.57	0.00	0.27	0.00	9.83	100
Uttar Pradesh (UP)	0.15	0.00	13.39	3.70	0.00	0.00	0.00	0.00	0.39	0.00	2.82	14.08	0.00	0.29	0.00	0.00	16.87	0.93	100
Uttarakhand (UK)	0.00	0.00	0.79	3.82	0.00	0.00	0.00	0.00	0.00	0.00	2.07	0.77	0.00	0.08	0.00	65.31	0.00	1.89	100
West Bengal (WB)	0.58	0.67	2.52	1.46	0.01	0.18	0.08	0.04	17.51	0.00	0.22	2.24	0.62	2.04	0.08	4.89	0.95	0.00	100

Source: NSSO's Domestic Tourism Survey and NCAER's Computations



**Table 3.6: Percentage Distribution of Visitor Trips in States of Destination by States of Origin (column distribution of trips)**

State of Origin	States of destination if main destination is outside State																	
	AN	AP	AR	AS	BR	CH	CG	DN	DD	DL	GA	GJ	HR	HP	JK	JH	KA	KL
All India	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Andaman & Nicobar (AN)	0.00	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.02	0.04	0.12
Andhra Pradesh (AP)	0.00	0.00	0.00	0.00	0.04	0.00	4.81	0.00	0.00	0.09	0.00	4.69	0.68	0.23	1.92	0.49	20.96	2.41
Arunachal Pradesh (AR)	0.00	0.02	0.00	26.95	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.05	0.00	0.00	0.00
Assam (AS)	0.00	0.02	2.85	0.00	0.35	0.00	0.00	0.00	0.00	0.28	0.00	0.00	0.00	0.05	0.00	0.04	0.05	0.01
Bihar (BR)	0.00	0.09	0.00	20.01	0.00	0.00	0.00	0.00	0.00	4.83	1.05	0.04	1.79	0.00	0.00	48.68	0.09	0.00
Chandigarh (CH)	0.00	0.00	0.00	0.00	0.55	0.00	0.00	0.00	0.00	0.95	0.00	0.08	5.76	6.50	0.91	0.16	0.00	0.00
Chhattisgarh (CG)	0.00	0.42	5.29	0.00	0.25	0.00	0.00	0.00	33.69	0.16	0.00	0.15	0.06	0.00	0.51	2.00	0.13	0.07
Dadra and Nagar Haveli (DN)	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	1.98	0.01	0.00	0.37	0.00	0.02	0.00	0.00	0.00	0.00
Daman & Diu (DD)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.45	0.00	0.00	0.00	0.00	0.00	0.01
Delhi (DL)	0.00	0.19	5.20	0.00	5.76	5.58	1.09	0.00	0.00	0.00	2.92	0.13	7.69	4.10	12.40	0.38	0.23	0.37
Goa (GA)	0.00	0.01	6.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.61	0.00	0.00	0.00	0.00	4.51	0.55
Gujarat (GJ)	42.79	0.54	0.00	3.15	1.60	4.33	0.02	99.05	44.13	0.61	8.48	0.00	0.97	4.21	2.36	0.84	1.69	0.62
Haryana (HR)	0.00	0.00	0.00	3.37	2.20	24.48	0.00	0.00	0.00	12.46	0.00	0.99	0.00	17.64	7.06	0.00	0.13	0.00
Himachal Pradesh (HP)	0.00	0.00	0.00	0.00	1.36	18.12	0.00	0.00	0.00	1.92	0.00	0.79	2.39	0.00	3.29	0.00	0.03	0.11
Jammu & Kashmir (JK)	0.00	0.00	0.00	0.00	0.18	0.45	0.00	0.00	0.00	0.76	0.00	0.00	0.32	3.67	0.00	0.15	0.04	0.03
Jharkhand (JH)	0.00	0.43	0.00	0.00	9.50	0.00	0.66	0.00	0.00	0.48	0.00	0.82	0.00	0.61	1.05	0.00	0.30	0.03
Karnataka (KA)	0.00	34.33	20.99	0.00	0.15	0.00	0.34	0.00	0.00	0.22	9.68	0.25	0.16	0.00	2.15	0.00	0.00	23.74
Kerala (KL)	0.00	0.78	0.00	0.00	0.00	0.00	0.81	0.00	0.00	1.32	2.97	1.05	0.00	0.10	0.36	0.00	17.70	0.00
Lakshadweep (LD)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.04
Madhya Pradesh (MP)	37.86	1.91	0.00	0.00	2.38	0.00	9.51	0.00	0.00	1.92	10.01	11.48	0.23	0.41	9.55	0.51	0.20	0.00
Maharashtra (MH)	0.00	23.65	2.23	0.00	1.63	0.21	30.14	0.95	20.21	2.47	50.43	54.74	0.27	3.10	5.03	0.95	27.56	3.15
Manipur (MN)	0.00	0.01	0.00	4.05	0.01	0.03	0.02	0.00	0.00	0.11	0.09	0.02	0.00	0.01	0.03	0.01	0.03	0.00
Meghalaya (ML)	0.00	0.01	0.73	9.25	0.08	0.00	0.00	0.00	0.00	0.08	0.06	0.01	0.00	0.00	0.00	0.00	0.02	0.00
Mizoram (MZ)	0.82	0.00	0.00	1.11	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Nagaland (NL)	0.00	0.00	0.00	3.35	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Orissa (OR)	0.00	3.22	8.74	0.00	0.77	0.00	31.24	0.00	0.00	0.26	0.48	0.00	0.03	0.00	0.84	4.32	0.62	0.00
Pondicherry (PY)	0.00	0.82	2.69	0.00	0.01	0.00	0.00	0.00	0.00	0.00	1.99	0.00	0.00	0.00	0.00	0.00	1.09	3.81
Punjab (PB)	0.00	0.11	0.00	0.00	1.72	38.14	0.53	0.00	0.00	4.29	4.02	0.29	23.49	53.15	20.00	0.23	0.06	0.00
Rajasthan (RJ)	0.00	0.90	0.00	0.59	7.94	1.48	16.94	0.00	0.00	12.68	4.20	17.71	36.03	0.11	5.60	5.24	0.17	0.00
Sikkim (SK)	0.00	0.00	0.00	0.39	0.05	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.01	0.00	0.05	0.00	0.00
Tamil Nadu (TN)	0.00	30.16	3.47	0.00	0.03	0.00	0.00	0.00	0.00	0.38	3.16	0.29	0.00	0.00	0.00	0.49	22.49	62.89
Tripura (TR)	0.00	0.00	0.00	7.48	0.04	0.00	0.03	0.00	0.00	0.00	0.00	0.24	0.00	0.00	0.00	0.00	0.00	0.00
Uttar Pradesh (UP)	0.00	0.78	38.27	3.78	31.55	5.49	3.33	0.00	0.00	45.28	0.43	1.65	17.52	2.95	22.11	14.63	0.75	0.46
Uttarakhand (UK)	0.00	0.16	0.00	0.17	0.06	1.61	0.20	0.00	0.00	2.94	0.00	0.69	2.27	0.50	0.09	0.21	0.00	0.00
West Bengal (WB)	18.53	1.36	2.86	16.35	31.64	0.08	0.32	0.00	0.00	5.42	0.00	2.43	0.34	2.63	4.71	20.61	1.12	0.58

Source: NSSO's Domestic Tourism Survey and NCAER's Computations

**Table 3.6: Percentage Distribution of Visitor Trips in States of Destination by States of Origin (column distribution of trips) Contd..**

State of Origin	States of destination if main destination is outside State																	Total
	LD	MP	MH	MN	ML	MZ	NL	OR	PY	PB	RJ	SK	TN	TR	UP	UK	WB	
All India	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Andaman & Nicobar (AN)	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.16	0.00	0.01	0.01	0.08	0.03
Andhra Pradesh (AP)	0.00	1.21	8.04	0.00	0.00	0.00	0.00	35.35	2.09	0.07	0.09	0.00	21.58	0.00	0.49	0.51	3.89	5.25
Arunachal Pradesh (AR)	0.00	0.00	0.00	0.00	5.37	2.83	1.55	0.02	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.13	0.22
Assam (AS)	0.00	0.00	0.06	79.21	69.41	0.00	85.53	0.32	0.00	0.03	0.05	7.91	0.06	18.52	0.10	0.00	3.56	0.44
Bihar (BR)	0.00	0.31	1.43	0.00	1.50	0.00	0.00	0.32	0.00	0.95	0.28	0.00	0.40	0.00	7.21	1.79	15.65	3.36
Chandigarh (CH)	0.00	0.00	0.09	0.00	0.00	0.00	0.00	0.00	0.00	9.07	0.54	0.00	0.03	0.00	0.99	1.96	0.12	1.05
Chhattisgarh (CG)	0.00	2.89	5.45	0.00	0.00	0.00	0.00	3.73	0.00	0.40	1.05	0.00	0.00	0.00	0.31	0.01	0.68	0.87
Dadra and Nagar Haveli (DN)	0.00	0.04	0.26	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.01	0.00	0.00	0.00	0.03	0.00	0.00	0.04
Daman & Diu (DD)	0.00	0.01	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.01	0.00	0.00	0.02
Delhi (DL)	0.00	0.55	3.88	0.00	0.78	0.00	0.00	0.94	0.00	5.88	3.16	0.00	0.24	62.68	12.26	7.65	3.49	3.59
Goa (GA)	0.00	0.00	2.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.17	0.00	0.09	0.00	0.00	0.51
Gujarat (GJ)	0.00	3.06	19.93	0.00	1.35	0.00	0.00	3.25	0.00	0.28	10.06	0.00	0.14	0.00	2.28	1.51	0.11	3.27
Haryana (HR)	0.00	0.22	0.76	0.00	0.00	0.00	0.00	0.00	0.00	28.17	19.26	0.00	0.12	0.00	8.22	3.79	0.19	5.60
Himachal Pradesh (HP)	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.15	0.00	15.16	0.16	0.00	0.09	0.00	0.54	1.53	0.00	1.31
Jammu & Kashmir (JK)	0.00	0.21	0.18	0.00	0.00	0.00	0.00	0.00	0.00	7.86	0.20	0.00	0.00	0.00	0.05	0.42	0.00	0.51
Jharkhand (JH)	0.00	0.50	0.12	0.00	0.00	4.70	1.31	7.20	0.00	0.39	0.18	4.47	0.17	3.06	0.62	0.10	27.57	1.46
Karnataka (KA)	0.00	0.30	19.41	0.00	0.00	3.11	0.00	0.00	4.53	0.00	1.06	5.69	21.88	0.00	0.27	0.00	1.99	6.86
Kerala (KL)	9.42	0.00	2.35	0.00	0.00	45.25	0.00	0.00	4.20	0.62	0.35	0.00	38.07	0.00	0.28	0.13	4.56	5.29
Lakshadweep (LD)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05
Madhya Pradesh (MP)	0.00	0.00	19.34	0.00	0.00	0.00	0.00	1.14	0.00	1.59	18.87	0.00	0.06	0.00	10.47	1.07	2.98	5.17
Maharashtra (MH)	0.00	37.82	0.00	0.00	0.00	12.26	0.00	1.57	0.00	1.74	6.16	0.00	5.70	9.27	8.70	0.33	6.37	10.47
Manipur (MN)	0.00	0.01	0.05	0.00	2.07	11.78	8.94	0.00	0.00	0.02	0.00	0.00	0.02	0.00	0.02	0.03	0.34	0.08
Meghalaya (ML)	0.00	0.00	0.01	7.31	0.00	4.57	0.96	0.01	0.00	0.00	0.00	12.64	0.01	0.75	0.01	0.00	0.40	0.11
Mizoram (MZ)	0.00	0.00	0.01	2.42	3.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07	0.00	0.01	0.06	0.02
Nagaland (NL)	0.00	0.00	0.00	7.40	0.00	0.60	0.00	0.00	0.00	0.00	0.00	0.70	0.00	0.00	0.01	0.00	0.18	0.04
Orissa (OR)	0.00	0.00	0.19	0.00	0.00	0.00	0.00	0.00	3.48	0.04	0.00	0.00	0.19	0.00	0.02	0.00	11.21	0.97
Pondicherry (PY)	22.38	0.00	0.10	0.00	0.00	0.00	0.00	0.15	0.00	0.00	0.00	0.00	9.41	0.00	0.00	0.00	0.00	1.22
Punjab (PB)	0.00	0.18	1.76	0.00	0.00	0.00	0.00	0.14	0.00	0.00	8.17	0.00	0.00	0.00	4.51	3.39	0.26	5.01
Rajasthan (RJ)	0.00	11.69	2.53	2.12	0.00	0.00	0.00	0.97	8.06	13.65	0.00	9.86	0.03	0.00	31.14	3.28	2.84	9.05
Sikkim (SK)	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.01	0.00	3.23	0.07
Tamil Nadu (TN)	0.00	0.14	1.40	0.00	0.00	0.00	0.00	2.64	77.58	0.00	0.00	7.43	0.00	0.00	0.22	0.00	0.86	6.84
Tripura (TR)	0.00	0.00	0.01	0.00	11.47	6.48	0.00	0.05	0.05	0.02	0.00	0.00	0.02	0.00	0.00	0.00	0.53	0.10
Uttar Pradesh (UP)	0.00	38.31	8.29	0.00	0.00	0.00	0.00	2.75	0.00	12.72	28.70	0.00	0.46	0.00	0.00	71.22	7.13	14.81
Uttarakhand (UK)	0.00	0.25	0.94	0.00	0.00	0.00	0.00	0.00	0.00	1.03	0.17	0.00	0.01	0.00	9.17	0.00	1.60	1.63
West Bengal (WB)	68.20	2.28	1.03	1.48	4.52	8.43	1.71	39.27	0.00	0.31	1.45	51.29	1.01	5.64	1.97	1.27	0.00	4.68

Source: NSSO's Domestic Tourism Survey and NCAER's Computations

### International Passenger Survey, ISI, 2010-11

3.30 MoT commissioned the Indian Statistical Institute (ISI), Kolkata to conduct the International Passenger Survey (IPS) for the year 2010-11. The survey targeted the following three categories of International tourists:

- (i) Foreign nationals visiting India
- (ii) Non-resident Indians visiting India and
- (iii) Indian residents travelling abroad

3.31 For the purpose of survey separate questionnaires were prepared for foreign resident/NRIs and outbound Indian residents. While Domestic Tourism Survey was a household survey, IPS targeted tourists visiting India and Indian tourists visiting abroad. These tourists were interviewed at the exit points.

### Sampling Design

3.32 The sampling methodology used was stratified sampling with the fifteen port points, selected initially, being divided into two sets of ports. No survey was conducted at Goa airport due to lack of permission and at Raxual due to passenger size being very scanty as seen in the pilot/initial survey. The 13 identified airports and land-check posts are given in Table 3.7:

**Table 3.7: IPS Entry Points**

Strata	Category	Ports
I	Major international airports	Chennai, Delhi, Kolkata and Mumbai
II	Minor international airports Land-check posts	Ahmedabad, Bangalore, Cochin, Hyderabad Attari, Haridaspur, Ghojdanga, Munabao, and Sonauli

*Source:* International Passenger Survey in India (2010-2011).

3.33 The Foreign resident survey covered 13 airports, namely four international airports-Chennai, Delhi, Kolkata and Mumbai; and four other airports-Ahmedabad, Bangalore, Cochin, and Hyderabad and five land check-posts-Attari, Haridaspur, Ghojdanga, Munabao and Sonauli.

3.34 Outbound Indian residents' survey was conducted for 11 ports out of which four were international airports-Chennai, Delhi, Kolkata and Mumbai; four other airports-Ahmedabad, Bangalore, Cochin, and Hyderabad; and three land check-posts-Haridaspur, Ghojadanga, and Munabao.

3.35 Stratified random sampling was adopted for the selection of passengers for the survey. Each of the selected exit point was treated as a stratum and the passengers were selected at random on the basis of their entry into the port. In the case of land check-posts, passengers were selected at random on the basis of their arrival at the check posts. The main advantage of this method is that at the time of exit the foreign visitor would have completed his journey through India and is, therefore, able to give a complete account of his experience. Also, complete population can be covered at the exit points. The port-wise breakup of the IPS sample is given in Table 3.8.

**Table 3.8: Sample and Estimated Number of International Tourists by Type of Tourist**

Port of exit	NRIs	Foreigner PIOs	Other Foreigners	Total
Ahmedabad	39	129	413	581
Attari Land Post	0	21	75	96
Bangalore	493	476	3,670	4,639
Chennai	665	246	1,004	1,915
Cochin	133	34	160	327
Delhi	794	1,336	4,668	6,798
Ghojadanga Land Post	0	3	29	32
Haridaspur Land Post	9	91	1,550	1,650
Hyderabad	553	89	917	1,559
Kolkata	154	219	6,741	7,114
Mumbai	297	474	14,903	15,674
Munabao Land Post	0	0	79	79
Sonauli Land Post	0	1	207	208
<b>Total sample</b>	<b>3,137</b>	<b>3,119</b>	<b>34,416</b>	<b>40,672</b>
<b>Total estimated tourists</b>	<b>11,48,234</b>	<b>9,17,277</b>	<b>45,38,387</b>	<b>66,03,897</b>

Source: International Passenger Survey in India (2010-2011).

3.36 In case of IPS a total of 40,672 passengers were surveyed at 13 exit points across the country. The breakup of the surveyed passengers is, 34,416 foreign tourists, 3,137 NRIs and 3,119 PIOs. The total number of foreign tourists departing from the exit points covered by this survey during the period 2010-11 is estimated at 66,03,897.

3.37 The number of Indian nationals' departures during 2010-11 was 139.05 lakh of which 108.42 lakh were outbound tourists (falling under the definition of outbound tourist) which excluded tourists who went abroad on deputation. The port-wise breakup of the outbound resident sample is as follows:

**Table 3.9: Sample and Estimated Number of Outbound Tourists by Port of Exit**

Port of exit	Sample	Estimated
Ahmedabad	54	5,31,319
Bangalore	599	6,57,052
Chennai	1,247	13,06,233
Cochin	401	26,15,336
Delhi	1,586	27,26,617
Ghojadanga Land Post	5	52,765
Haridaspur Land Post	78	49,433
Hyderabad	286	24,72,291
Kolkata	957	4,06,863
Mumbai	3,874	29,72,553
Munabao Land Post	52	1,14,545
<b>Total</b>	<b>9,139</b>	<b>1,39,05,007</b>

Source: International Passenger Survey in India (2010-2011).

3.38 Maximum number of outbound Indian tourists was recorded at Mumbai, Delhi and Cochin. Mumbai airport registered the highest share (21.4 per cent) followed by Delhi airport (19.6 per cent) and Cochin airport (18.8 per cent). These three top airports accounted for almost 60 per cent of the total departures.



### Scope of Survey

- 3.39 Since one of the principal objectives of the survey was to collect relevant data on inbound tourism for preparing Tourism Satellite Accounts (TSA) for India, suitably designed questionnaires in line with WTO / UN guidelines were administered amongst respondents to obtain the required expenditure data. Questionnaires were designed separately for foreign nationals and outbound Indian residents. The questionnaires comprised of both close-ended, as well as open-ended questions.
- 3.40 Data were collected on the following broad heads:
- Demographics
  - Travel pattern
  - Purpose and motivation of visit
  - Tour planning
  - Expenditure pattern
  - Experience evaluation and satisfaction
- 3.41 A demographic, economic and social profile of foreign visitors was obtained from the survey. Data were collected for each foreign visitor on nationality, age, gender, marital status, educational level, family size, occupation, etc. Various trip characteristic data were also collected. These included major purpose of the trip, main destination, number of places visited, mode of travel, type of stay, place of night halt, number of nights spent outside usual place of residence, and so on.
- 3.42 Finally, for the latest trip, detailed data were collected on particulars of expenditure on different items under various heads such as accommodation, food and drink, transport, shopping, recreation, religious, cultural, sporting and health-related activities, and other expenditures along with information of reimbursement/direct payment by any institution for such trips. To evaluate the performance of existing tourist facilities, data on expectation and satisfaction level for accommodation have also been collected.

### Objectives of the Survey

- 3.43 The principal objectives of the survey were:
- To estimate the total number of tourist arrivals in India. The tourists were to be identified as foreign tourists (PIOs and others) and non-resident Indians.
  - To assess the detailed expenditure pattern of the foreign tourists visiting the country, which included expenditure incurred on tourism goods and services including transport and accommodation, food and beverages, travel agencies, tour operators, cultural services, and recreational and other entertainment services.
  - To assess the number of outbound tourists to various countries.
  - To evaluate the performance of existing tourist facilities in India.
  - To estimate the average duration of stay of foreign tourists in India including country-wise details.
  - To obtain demographic, economic and social profiles of foreign tourists visiting India and the motivational factors responsible for attracting them to India.

- 3.44 IPS 2010-11 collected information on expenditure on the last trip ending during the past 30 days. These included all expenditures in connection with the trip except those which were to be used or intended to be used for resale or for productive purposes. Expenditures incurred before, during, and after the trip and which is related to that trip were recorded. Payments might be made through cash, cheque, credit or debit card, or in instalments, etc. The total expenditure in all such cases, irrespective of the mode of payment, was recorded. The approach to be followed was payable approach, i.e., it included the expenditure already incurred or was to be incurred in future. Expenditure related to the trip, whether directly paid or reimbursed by some institution like government or other agencies on behalf of the selected household, was also included. It includes expenditures made not just by the visitor but also those that might be made on his or her behalf. It also includes expenditures incurred not just during the trip but also those incurred before and after (as long as they are related to the trip).
- 3.45 The expenditures were recorded under five major heads (which are explained in the same way as in DTS):
- Accommodation
  - Food and drink
  - Transport
  - Shopping
  - Recreation, religious, cultural and sporting activities
  - All other expenditure under a separate item "Others".

### Key Findings

- 3.46 Table 3.10 gives a region-wise distribution of foreign visitors to India in the year 2010-11. The percentage share of foreign tourists in India was the highest in Asia (57.2 per cent) followed by Europe (19.6 per cent), and North America (15.3 per cent). Australia (4.4 per cent), Africa (2.5 per cent), and South America (0.8 per cent) together accounted for less than 10 per cent of the foreign tourists coming to India.

**Table 3.10: Estimated Number of International Tourists by Regions**

Continent of residence	NRIs	Foreigner PIOs	Other Foreigners	Total
Asia	8,23,169	5,47,456	24,06,636	37,77,262
Europe	38,064	1,73,035	10,85,061	12,96,160
Africa	17,683	5,156	1,44,888	1,67,727
North America	2,46,849	1,24,769	6,38,557	10,10,175
South America	3,212	3,029	49,435	55,676
Australia	18,206	62,721	2,08,199	2,89,126
Other Continents	1,050	1,110	5,610	7,770
<b>Estimated Numbers</b>	<b>11,48,234</b>	<b>9,17,277</b>	<b>45,38,387</b>	<b>66,03,897</b>

Source: NCAER calculations based on unit level data of International Passenger Survey in India (2010-2011).

- 3.47 Gender analysis of foreign tourists reveals a pre-dominance of males with a share of nearly 69 per cent of all tourists visiting India. Table 3.11 presents the percentage distribution of foreign tourists visiting India from various continents by their gender.



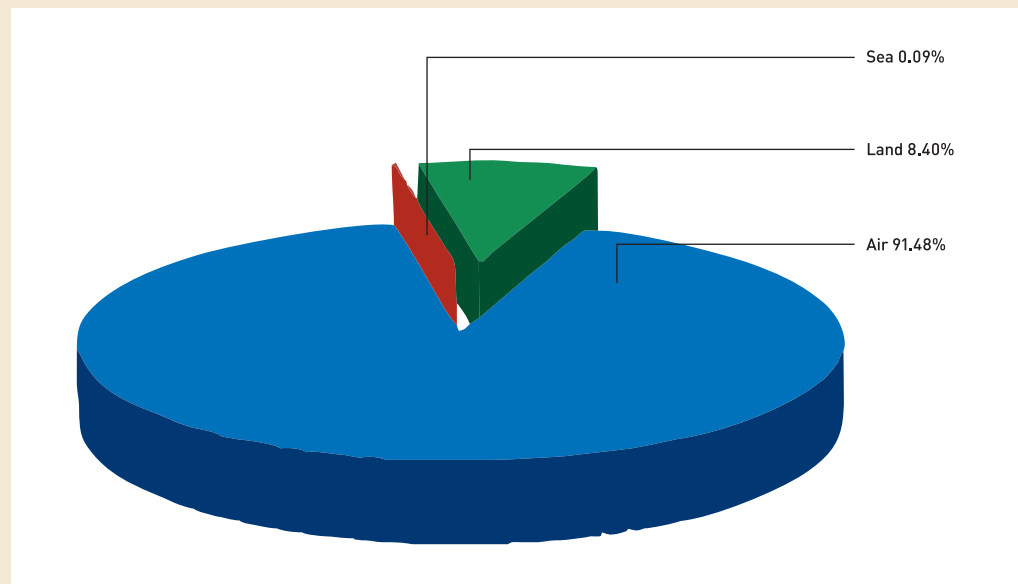
**Table 3.11: Percentage Distribution of Foreign Tourists by Gender (per cent)**

Continent of Residence	NRIs		Foreigner PIOs		Other Foreigners		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
Asia	79.4	20.6	76.0	24.0	73.4	26.6	75.1	24.9
Europe	81.6	18.4	43.4	56.6	56.4	43.6	55.4	44.6
Africa	32.1	67.9	71.1	28.9	68.4	31.6	64.7	35.3
North America	66.5	33.5	85.3	14.7	65.6	34.4	68.3	31.7
South America	66.4	33.6	75.3	24.7	65.6	34.4	66.1	33.9
Australia	53.3	46.7	7.6	92.4	61.2	38.8	49.1	50.9
Other Continents	82.0	18.0	89.2	10.8	71.5	28.5	75.4	24.6
All	75.5	24.5	66.4	33.6	67.4	32.6	68.7	31.3

Source: NCAER calculations based on unit level data of International Passenger Survey in India (2010-2011).

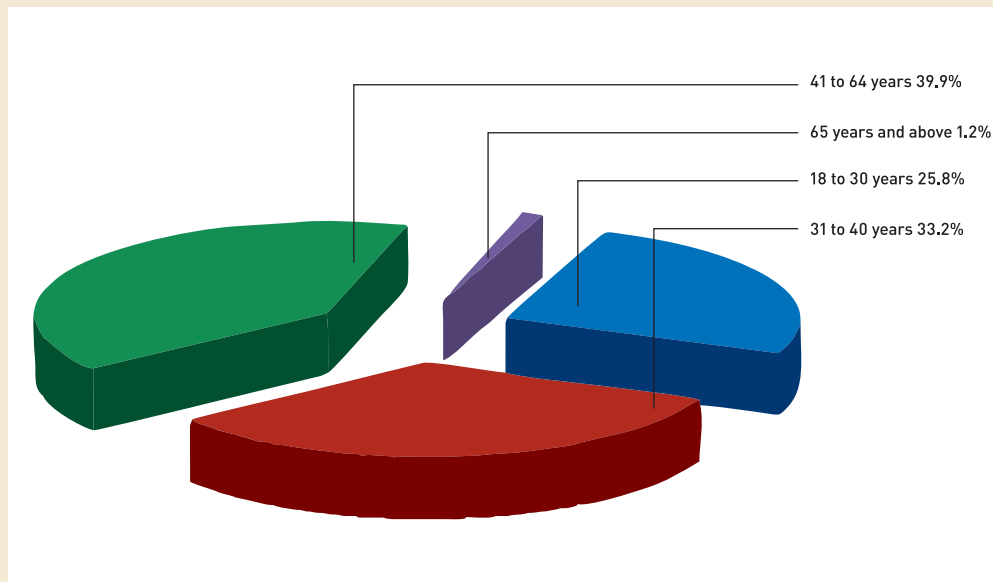
3.48 Figure 3.4 presents the distribution of foreign tourist arrival in India by mode of travel. Air travel has been the predominant mode for foreign visitors over the years, accounting for more than 91 per cent in 2010 - 11. The share of arrivals through land check-posts has been around 8.4 per cent. Arrivals through sea routes remain about 0.1 per cent.

**Figure 3.4: Percentage Distribution of Foreign Tourists by Mode of Travel**



Source: NCAER calculations based on unit level data of International Passenger Survey in India (2010-2011).

3.49 In 2010-11, maximum foreign tourist arrivals in India (about 40 per cent) were by people in the age group of 41-64 years followed by those of 31-40 years (33.2 per cent) and 18-30 years (25.2 per cent). Minimum were in the age group of 65 years and above (1.2 per cent). There were no responses in the age group below 18 years (Figure 3.5).

**Figure 3.5: Percentage Distribution of Foreign Tourists by Age-group**

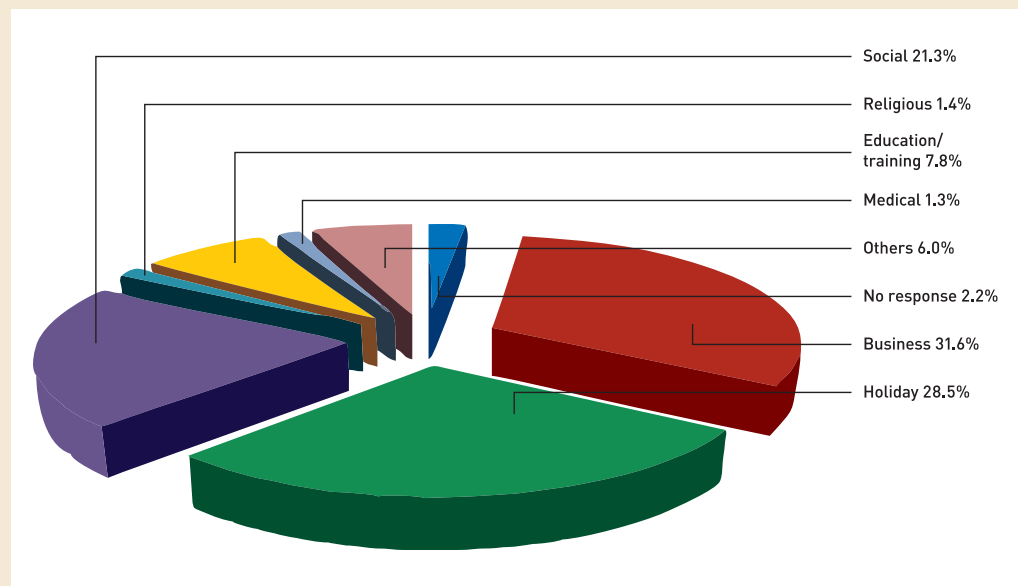
Source: NCAER calculations based on unit level data of International Passenger Survey in India (2010-2011).

- 3.50 Of the total expenditure incurred by foreign tourists, 98.6 per cent comprises of non-package component of the cost, package component remaining at a meagre 1.4 per cent.
- 3.51 Mumbai and Delhi airports accounted for about 41 per cent share of the outbound Indian tourists' departures. The top four ports, i.e. Mumbai, Delhi, Cochin, and Hyderabad accounted for more than 77 per cent of the total departures. The individual shares of Chennai, Kolkata, Bangalore, Ahmedabad airports are less than 10 per cent.
- 3.52 The distribution of outbound Indian residents by purpose of visit is given in Figure 3.6 Over 60 per cent of the visits made abroad by Indian nationals were due to business (31.6 per cent) and holidays (28.5 per cent). Social visits accounted for 21.3 per cent, followed by education and training at 7.8 per cent. Others (other purposes), accounting for 6 per cent of total visits abroad, included tourists travelling for shopping and sports and for purposes not classified elsewhere. Only 1.3 per cent of outbound tourists went abroad for medical purpose.





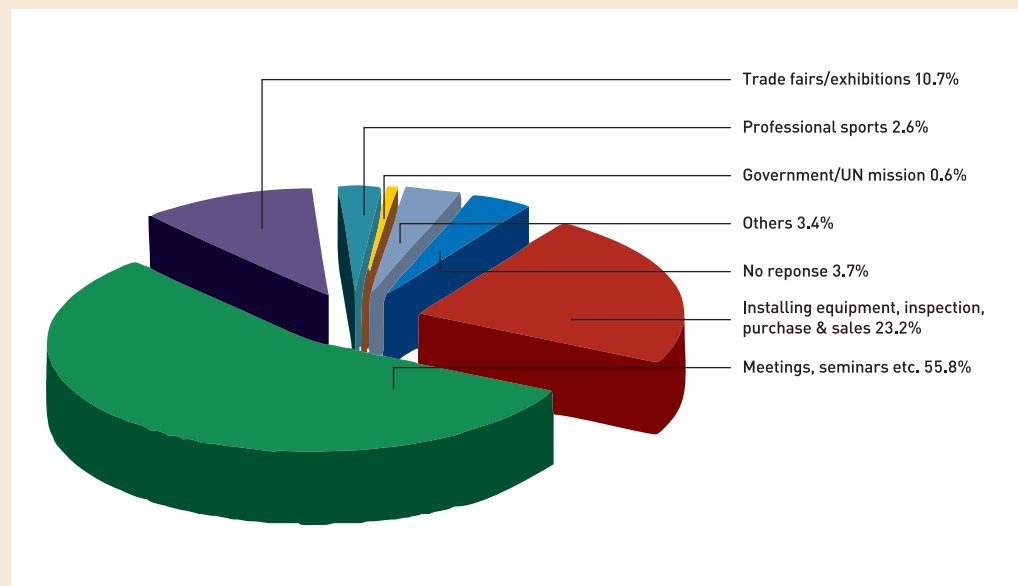
**Figure 3.6: Percentage Distribution of Outbound Tourists by Purpose of Visit**



Source: NCAER calculations based on unit level data of International Passenger Survey in India (2010-2011).

3.53 Of the total outbound tourists travelling for business purposes, more than half (55.8 per cent) travelled to attend or participate in meetings, conferences, congresses, seminars, workshops, etc. (Figure 3.7). This was followed by 23.2 per cent tourists travelling abroad for installing equipment, inspection, purchase and sales for an enterprise outside India.

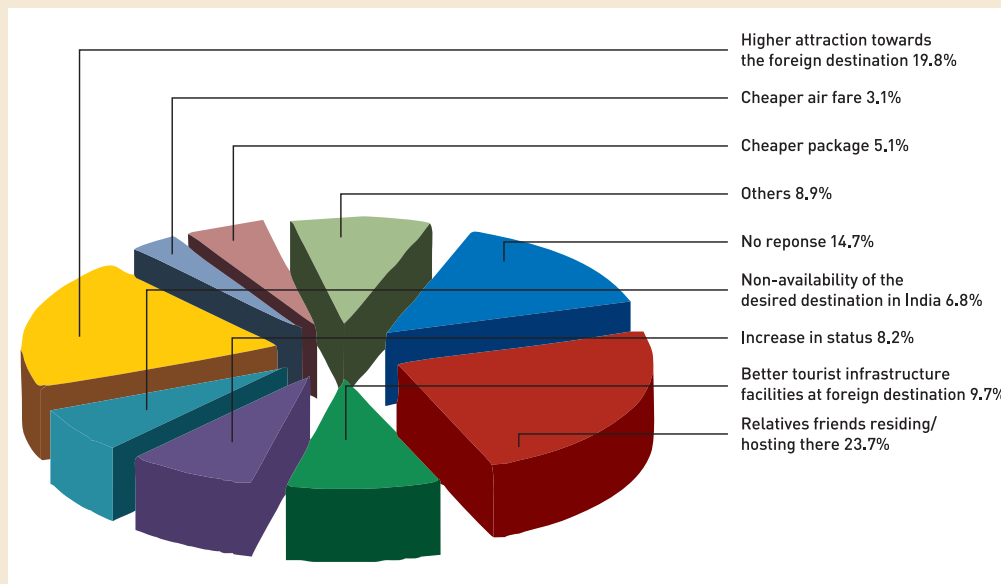
**Figure 3.7: Percentage Distribution of Missions for Which Business Trip Undertaken**



Source: NCAER calculations based on unit level data of International Passenger Survey in India (2010-2011).

3.54 Outbound Indian tourists preferred foreign destination over an Indian destination when travelling for leisure/holiday for various reasons. Of the total outbound tourists travelling for leisure/holiday, 23.7 per cent travelled to visit relatives or friends (Figure 3.8). About 19.8 per cent went abroad as they had higher attraction towards foreign destination over similar Indian destinations.

**Figure 3.8: Percentage Distribution of Reasons for Preferring Foreign Destination When Leisure Trip is Undertaken**



Source: NCAER calculations based on unit level data of International Passenger Survey in India (2000-2011).

## Enterprise Survey on Service Sector, NSSO, 2006-07

3.55 'Service Sector in India' is an all-India enterprises survey<sup>36</sup> with the coverage of the entire unorganised service sector in India, excluding trade. This survey was carried out during July 2006 to June 2007 by NSSO as part of its 63rd Round of sample surveys. In the past, a similar survey on unorganized service sector enterprises was conducted by NSSO in its 57th round of survey (2001-02) but that excluded both trade and financial enterprises.

3.56 The 63rd round of survey is marked with the inclusion of financial enterprises in the coverage of service sector in India for the first time. The importance of service sector in India in terms of its significant contribution to GDP (about 55 to 60 per cent) that translated into an accelerated overall growth of economy over the past few years coupled with the major data gaps that exist in all segments of this sector, was the main driving force that led NSSO to conduct such a survey for India.

## Sampling Design

3.57 For the 63rd round of survey on the service sector, two frames were used, that is, list frame and area frame. In the past, enterprise surveys were conducted using only area frame for sampling. But the size distributions, in terms of the number of workers or gross value added (GVA), of the enterprises being highly skewed for many of the service sector activities, representations of few large units having very high share of GVA in the industry had most often been inadequate. Thus, it was felt essential to adopt a strategy ensuring proper representation of larger units so that efficiency of estimates of GVA is improved. Hence, the use of list frame, comprising relatively large units, was envisaged. In all, 438 units belonging to large private corporate sector were surveyed on complete enumeration basis.

36. Enterprise surveys are conducted by NSSO on a particular set of economic activities, usually once in five years (though there are deviations). This is generally an annual rolling survey and covers specific economic activities every year. But again there were deviations and in some years no enterprise surveys had been carried out.

- 3.58 A stratified multi-stage sampling design was adopted in the area frame of the survey. First-stage units (FSUs) were villages (Panchayat wards in Kerala) in rural areas and Urban Frame Survey (UFS) blocks in urban areas. For a few towns where UFS was not conducted, towns were treated as FSUs. The ultimate stage units were service sector enterprises in both the sectors. Relatively larger FSUs were divided into smaller parts called hamlet groups (hgs) in the rural areas and sub-blocks in the urban areas. Design-based estimates of aggregates for any selected survey characteristic were obtained separately for list frame and area frame. Finally these two sets of estimates were added to get the pooled aggregate estimate for the combined frame.
- 3.59 A total of 1,90,282 enterprises (including 438 list frame enterprises) were ultimately surveyed from the 5,573 sample villages and 7,698 urban blocks. Of these, 83,197 enterprises (44 per cent) belonged to the rural sector while the remaining 1,07,085 belonged to the urban sector.

### Scope of Survey

- 3.60 A detailed schedule was used to canvass the service sector enterprises in order to collect data on various parameters like particulars of operation including its nature, number of months operated, type of ownership, maintenance of accounts, location, nature of problems faced, registration of enterprise, etc.; details of vehicles operated; operating expenses; expenses on electricity, fuel, repair and maintenance, rent on assets, travel, insurance charges, etc.; receipts; gross value added; employment particulars; compensation to workers; fixed assets of the enterprise; and financial liabilities.
- 3.61 The 63rd round broadly covered service sector enterprises engaged in the following activities:
- Hotels and restaurants (Section H of NIC 04);
  - Transport, storage and communication (Section I);
  - Financial intermediation (Section J);
  - Real estate, renting and business activities (Section K);
  - Education (Section M);
  - Health and social work (Section N);
  - Other community, social and personal service activities (Section O).
- 3.62 Since the survey was meant to capture information on unorganised service sector, the following units were excluded from the survey:
- All government and public sector enterprises.
  - All government and government-aided educational institutions (A government-aided educational institution is an institution where the entire salary of all the teaching and non-teaching staff was borne by the government).
  - Among the service sector units registered under the Factories Act, 1948, units appearing in the latest Annual Survey of Industries (ASI) frame of 2004-05.
  - Enterprises which operated for less than 30 days (less than 15 days for seasonal enterprises) during the 365 days preceding the date of survey.

### Objectives of the Survey

3.63 The objectives of the survey were to collect the following information on service sector enterprises:

- Particulars of operation and background information
- Principal operating expenses
- Other operating expenses
- Principal receipts
- Other receipts
- Other receipts/expenditures (non-entrepreneurial) for non-financial enterprises
- Gross value added
- Employment particulars
- Compensation to workers
- Fixed assets owned and rent payable on hired assets
- Financial liabilities



## Summary data from the Enterprise Survey, 2006-07

Table 3.12: Estimated Number of Service Sector Enterprises by States, 2006-07

State	List frame	Area frame	Combined frame	% share in total
Andhra Pradesh	1	1,38,829	17,22,634	10.43
Arunachal Pradesh	3	1,14,651	2,591	0.02
Assam	7	4,51,120	5,96,102	3.61
Bihar	1	24,671	8,71,656	5.28
Chattisgarh	-	1,49,003	1,77,116	1.07
Delhi	7	3,27,951	1,47,171	0.89
Goa	11	1,47,160	27,979	0.17
Gujarat	6	6,00,287	6,43,540	3.90
Haryana	23	22,46,217	3,27,958	1.99
Himachal Pradesh	1	8,71,655	1,14,654	0.69
Jammu & Kashmir	-	9,847	1,38,831	0.84
Jharkhand	-	2,591	4,34,794	2.63
Karnataka	-	8,284	8,05,344	4.88
Kerala	-	27,253	9,59,663	5.81
Madhya Pradesh	-	6,306	4,68,498	2.84
Maharashtra	-	62,486	14,89,372	9.02
Manipur	-	52,132	27,253	0.17
Meghalaya	1	5,96,101	52,132	0.32
Mizoram	69	20,91,664	6,306	0.04
Nagaland	-	4,34,794	8,284	0.05
Orissa	3	6,21,967	6,21,970	3.77
Punjab	1	1,77,114	4,51,128	2.73
Rajasthan	6	4,68,493	6,00,292	3.64
Sikkim	27	6,43,513	9,847	0.06
Tamil Nadu	1	1,906	11,93,060	7.23
Tripura	-	1,578	62,486	0.38
Uttar Pradesh	222	14,89,150	22,46,240	13.60
Uttaranchal	36	17,22,598	1,49,003	0.90
West Bengal	80	8,05,264	20,91,732	12.67
A & N Islands	3	27,976	2,695	0.02
Chandigarh	-	844	24,672	0.15
D & N Haveli	36	9,59,627	1,578	0.01
Daman & Diu	80	11,92,980	1,907	0.01
Lakshadweep	-	33,121	844	0.01
Pondicherry	-	2,695	33,121	0.20
Total	626	1,65,11,827	1,65,12,453	100.00

Source: NSSO Enterprise survey on Services sector, 2006-07.

**Table 3.13: Estimated Number of Service Sector Enterprises by Industry, 2006-07**

NIC code	List frame	Area frame	Combined frame	% share in total
551*	34	69,283	69,318	0.42
552*	6	19,90,388	19,90,393	12.05
602*	30	42,40,766	42,40,796	25.68
611*	-	460	460	0.00
612*	1	19,107	19,109	0.12
630*	49	1,19,713	1,19,762	0.73
641	7	28,682	28,689	0.17
642	10	18,64,648	18,64,658	11.29
659	133	12,85,197	12,85,330	7.78
660	26	61,937	61,963	0.38
671	80	39,138	39,218	0.24
672	3	1,27,534	1,27,536	0.77
701	34	1,44,261	1,44,295	0.87
702	14	78,497	78,512	0.48
711*	3	67,002	67,005	0.41
712	1	98,233	98,234	0.59
713	-	3,30,744	3,30,744	2.00
721	3	606	609	0.00
722	43	9,322	9,365	0.06
723	1	5,116	5,117	0.03
724	3	578	581	0.00
725	-	7,130	7,130	0.04
729	-	24,314	24,314	0.15
731	-	34	34	0.00
732	1	350	351	0.00
741	10	2,71,280	2,71,290	1.64
742	3	20,181	20,183	0.12
743	10	6,859	6,869	0.04
749	9	3,36,325	3,36,334	2.04
801	1	1,86,285	1,86,286	1.13
802	4	86,381	86,385	0.52
803	9	13,595	13,604	0.08
809	-	7,54,933	7,54,933	4.57
851*	59	10,52,640	10,52,699	6.38
852	10	21,777	21,787	0.13
853	10	20,329	20,339	0.12
900	1	49,705	49,706	.30
919*	1	3,74,846	3,74,847	2.27
921*	23	2,13,521	2,13,544	1.29
922	-	1,308	1,308	.01
923*	-	9,561	9,561	.06
924*		38,338	38,338	.23
930	3	24,40,924	24,40,927	14.78
<b>Tourism specific service industries</b>	<b>206</b>	<b>81,95,624</b>	<b>81,95,830</b>	<b>49.63</b>
Total	626	1,65,11,827	1,65,12,453	100.00

\* Tourism specific service industries

Source: NSSO Enterprise survey on Services sector, 2006-07.



**Table 3.14: Estimated Gross Value Added per Service Sector Enterprise, 2006-07 (Rs)**

NIC code	List frame	Area frame	Combined frame
551*	2,06,73,03,208	5,42,727	15,66,004
552*	6,88,17,951	91,665	91,862
602*	11,78,43,466	56,427	57,261
611*	-	2,75,04,736	2,75,04,736
612*	83,05,06,360	40,868	1,03,016
630*	14,15,73,920	6,50,788	7,07,999
641	88,42,59,277	2,20,266	4,40,588
642	6,44,91,25,123	18,055	52,676
659	92,08,16,840	69,543	1,64,810
660	6,50,04,95,515	95,260	27,95,577
671	47,14,71,912	20,65,920	30,24,398
672	13,23,055	1,13,597	1,13,625
701	3,12,70,776	1,38,733	1,46,137
702	8,54,27,690	1,00,929	1,16,471
711*	7,84,05,520	74,898	78,242
712	46,23,13,609	44,473	51,202
713	-	64,825	64,825
721	16,52,322	23,40,784	23,37,549
722	9,87,46,43,723	91,94,597	5,43,88,763
723	9,41,97,378	2,44,197	2,70,452
724	1,58,13,224	2,28,892	3,05,589
725	-	4,52,520	4,52,520
729	-	1,21,064	1,21,064
731	-	56,85,299	56,85,299
732	95,65,036	34,056	72,839
741	44,68,49,479	1,38,709	1,55,192
742	13,92,12,385	3,93,276	4,12,946
743	55,74,05,592	9,07,673	17,18,660
749	18,63,04,908	1,26,147	1,30,897
801	81,45,127	1,86,679	1,86,740
802	1,13,01,348	7,27,325	7,27,851
803	7,64,41,342	77,93,268	78,36,565
809	-	48,267	48,267
851*	4,49,66,016	1,67,001	1,69,496
852	5,31,15,594	37,609	61,996
853	5,31,15,594	2,71,741	2,97,748
900	11,71,96,827	22,800	26,171
919*	20,74,482	26,323	26,331
921*	31,87,88,816	2,17,376	2,51,509
922	-	59,883	59,883
923*	-	69,137	69,137
924*	-	73,539	73,539
930	24,39,07,568	31,976	32,262
<b>Tourism specific service industries</b>	<b>45,21,69,406</b>	<b>96,545</b>	<b>1,07,904</b>
Total	148,87,58,397	96,313	1,52,780

\* Tourism specific service industries

Source: NCAER calculations based on unit level data of NSSO Enterprise survey on Services sector, 2006-07.

**Table 3.15: Estimated Number of Workers per Service Sector Enterprise, 2006-07**

NIC code	List frame	Area frame	Combined frame
551*	1,749.1	5.5	6.4
552*	415.5	2.4	2.4
602*	299.4	1.2	1.2
611*	-	11.6	11.6
612*	173.0	1.7	1.7
630*	127.4	3.3	3.3
641	3,490.4	4.1	5.0
642	2,077.7	1.3	1.4
659	342.4	4.1	4.1
660	2,555.9	1.2	2.3
671	220.5	3.3	3.8
672	12.0	1.2	1.2
701	34.8	1.6	1.7
702	32.2	1.6	1.6
711*	26.0	1.1	1.1
712	3.0	1.3	1.3
713	-	2.0	2.0
721	7.0	5.1	5.1
722	7,906.5	21.4	57.5
723	1,447.0	3.6	4.0
724	114.0	4.5	5.0
725	-	2.4	2.4
729	-	2.1	2.1
731	-	40.6	40.6
732	12.0	1.1	1.1
741	356.6	1.7	1.7
742	213.5	3.1	3.1
743	409.7	4.2	4.8
749	478.2	2.0	2.0
801	53.0	6.9	6.9
802	61.0	14.3	14.3
803	66.2	20.8	20.8
809	-	1.4	1.4
851*	205.7	1.9	1.9
852	.0	1.1	1.1
853	485.4	7.2	7.5
900	395.0	1.5	1.5
919*	5.0	1.3	1.3
921*	211.7	2.9	2.9
922	-	1.8	1.8
923*	-	2.2	2.2
924*	-	3.0	3.0
930	1,449.0	1.5	1.5
<b>Tourism specific service industries</b>	<b>460.5</b>	<b>1.7</b>	<b>1.7</b>
Total	1,015.0	2.0	2.0

\* Tourism specific service industries

Source: NCAER calculations based on unit level data of NSSO Enterprise survey on Services sector, 2006-07.





**Table 3.16: Estimated Service Sector GVA per Worker (Rs), 2006-07**

NIC code	List frame	Area frame	Combined frame
551*	11,81,935	98,789	2,46,340
552*	1,65,627	38,896	38,960
602*	3,93,624	45,503	46,097
611*	-	23,67,461	23,67,461
612*	48,00,615	24,418	61,082
630*	11,11,153	1,98,335	2,12,507
641	2,53,340	53,274	88,057
642	31,03,952	13,461	38,949
659	26,89,656	16,904	39,724
660	25,43,340	76,856	12,15,110
671	21,38,541	6,18,702	7,99,584
672	1,10,255	98,635	98,637
701	8,97,726	84,330	88,407
702	26,53,034	62,345	71,699
711*	30,15,597	65,553	68,415
712	15,41,04,536	34,278	39,464
713	-	31,861	31,861
721	2,36,046	4,62,015	4,60,550
722	12,48,927	4,30,541	9,46,251
723	65,098	67,611	67,358
724	1,38,712	51,167	60,966
725	-	1,85,020	1,85,020
729	-	57,027	57,027
731	-	1,39,978	1,39,978
732	7,97,086	31,559	64,827
741	12,53,184	82,791	91,911
742	6,52,049	1,27,851	1,32,957
743	13,60,474	2,15,500	3,57,839
749	3,89,623	64,135	66,141
801	1,53,682	26,904	26,912
802	1,85,268	50,865	50,893
803	11,55,285	3,74,747	3,76,311
809	-	34,292	34,292
851*	2,18,644	88,231	89,015
852	-	32,888	54,239
853	1,09,420	37,576	39,875
900	2,96,701	15,358	17,495
919*	4,14,896	19,954	19,959
921*	15,05,941	74,657	85,722
922	-	33,351	33,351
923*	-	31,214	31,214
924*	-	24,800	24,800
930	1,68,328	20,806	20,969
<b>Tourism specific service industries</b>	<b>9,81,969</b>	<b>56,195</b>	<b>62,388</b>
Total	14,66,790	48,367	75,272

\* Tourism specific service industries

Source: NCAER calculations based on unit level data of NSSO Enterprise survey on Services sector, 2006-07.

## Key Findings

3.64 The key findings of the survey are as follows:

- About 1.65 crore service sector enterprises were estimated to be working in India during 2006-07 (Table 3.12).
- Uttar Pradesh (UP) accounts for the maximum number of service sector enterprises in India, its share being 13.6 per cent of the total number of enterprises. UP is followed by West Bengal with the share of 12.7 per cent, Andhra Pradesh with 10.4 per cent and Maharashtra with 9.0 per cent.
- Among industries "Land Transport (other than railways and pipelines)" (NIC code 602) accounts for above one-fourth (25.7 per cent) of the total enterprises (Table 3.13).
- "Supporting and auxiliary transport activities and activities of travel agencies" (NIC code 630) held the second highest share of 14.8 per cent in the total enterprises. This is followed by food serving industries (NIC 552) with the share of 12.0 per cent and telecom services (NIC 642) that includes activities of public telephone booths, maintenance of telecom network and activities of cable operators, together posting the share of 11.3 per cent.
- About 50 per cent of the service industries were closely related to tourism, hence classified as tourism specific industries.
- Aggregate annual GVA of service sector enterprises was estimated as Rs. 2,44,792 crore out of which rural and urban India had shares of 15 and 85 per cent, respectively.
- GVA is estimated to be Rs. 1,52,780 per enterprise (Table 3.14) whereas GVA per worker is Rs. 75,272 (Table 3.16). GVA per enterprise for tourism specific service industries works out to be Rs. 1,07,904 and GVA per worker for the same is Rs. 62,388.
- At the 3-digit level of industry classification, GVA per enterprise was the highest for "Software publishing, consultancy and supply" (NIC code 722). This resulted mostly on account of high GVA per enterprise in the list frame which comprises large corporate units. This was followed by water transport services (NIC 61).
- Total number of workers in service sector enterprises is estimated to be approximately 3.35 crore.
- At the aggregate level, the estimated number of workers per enterprise was 2.0. This was much higher at 1015 for the aggregate list frame (Table 3.15).
- At 3-digit level of classification, the highest number of workers per enterprise was 57.5 for "Software publishing, consultancy and supply" (NIC code 722).

3.65 The unit level data of this enterprise survey was mainly used in compiling the TSA tables to disaggregate some service sector industries into the required classification. For example, the production account is available for the industry "Hotels and restaurants" but the two are required to be kept as separate industries in TSA. The share of each in total output or gross value added was used to disaggregate the industry into "Hotels" and "Restaurants". The set of industries that were disaggregated is given in Chapter 4.



## Employment and Unemployment Survey (EUS), NSSO, 2009-10

- 3.66 The data source on employment table for TSA is the 66th round survey on employment and unemployment for the year 2009-10. This survey is part of the quinquennial programme of NSSO surveys. The quinquennial EUSs of NSSO aim to measure the extent of 'employment' and 'unemployment' in quantitative terms disaggregated by household and population characteristics. The persons surveyed were classified into various economic activity categories on the basis of the activities pursued by them during certain specified reference periods. Three reference periods were used in these surveys. These were (i) one year, (ii) one week and (iii) each day of the week. Based on these three periods, three different measures of employment are arrived at, of which the one with 365 days' reference period, called workforce according to 'usual status' approach, is widely used. For TSA Tables, the employment data is based on usual activity status in both principal and subsidiary activities. The data presented in TSA tables is in terms of jobs<sup>37</sup>, as recommended in TSA RMF: 2008.
- 3.67 The usual activity status (the activity situation in which a person is found during a reference period that relates to the person's participation in economic and non-economic activities) relates to his/her activity status during the reference period of 365 days preceding the date of survey. The activity status on which a person spent relatively longer time (major time criterion) during the 365 days preceding the date of survey is considered the principal usual activity status of the person. In this approach, a person is first categorised as belonging to the labour force—persons who are either 'working' (or employed) or 'seeking or available for work' (or unemployed) constitute the labour force. Persons who are neither 'working' nor 'seeking or available for work' for various reasons during the reference period are considered 'out of labour force' or not, according to major time criterion. For persons belonging to the labour force, the broad activity status of either 'working' or 'not working but seeking and/or available for work' is then assigned on the basis of the relatively longer time spent in the labour force during the 365 days preceding the date of survey. If a person—whether or not a worker in the principal status—pursues some economic activity more or less regularly for a relatively shorter period during the reference period, he/she is treated to have pursued the economic activity in subsidiary capacity.
- 3.68 Employed (or worker) persons are those who are engaged in any economic activity or who, despite their attachment to economic activity, abstain from work for reason of illness, injury or other physical disability, bad weather, festivals, social or religious functions or other contingencies necessitating temporary absence from work. Unpaid helpers who assist in the operation of any economic activity in the household—farm or non-farm activities—are also considered as employed. On the other hand, the following groups of people are outside the coverage of the National Sample Surveys (NSS) on Employment and Unemployment: (i) convicted prisoners undergoing sentence (ii) floating population, i.e. persons without any normal residence (iii) foreign nationals (unless they have become Indian citizens for all practical purposes) and their domestic servants, (iv) barracks of military and para-military forces. However, civilian population residing in their neighbourhood, including the family quarters of service personnel, are covered, and (v) residents of orphanages, rescue homes, ashrams and vagrant houses. However, students staying in hostels (if any) and the residential staff (other than those of monks and nuns) of ashrams are covered. For orphanages, although orphans are not covered, the persons looking after them and staying there are covered. Further, relevant questions on

37. Sum of number of persons employed in principal status and number of persons employed in subsidiary status.

employment are not asked for persons of age below five years.

- 3.69 In EUS surveys by NSS, 'economic activity' include (i) all the market activities performed for pay or profit which result in production of goods and services for exchange; (ii) of the non-market activities (a) all the activities related to the agricultural sector which result in production (including gathering of uncultivated crops, forestry, collection of firewood, hunting, fishing, etc.<sup>38</sup>) of agricultural produce for own consumption and paid domestic services for own consumption, and (b) the activities relating to own-account production of fixed assets. Own account production of fixed assets include construction of own houses, roads, wells, etc., and of machinery, tools, etc., for household enterprise and also construction of any private or community facilities free of charge.

### Sampling Design

- 3.70 A stratified multi-stage sampling design was adopted for both rural and urban areas. The list of villages as per the 2001 Census of India and the latest lists of UFS blocks of NSSO were respectively used for selection of rural and urban sample FSUs. The number of households surveyed was 1,00,957 (59,129 in rural areas and 41,828 in urban areas) and the number of persons surveyed was 4,59,784 (2,81,327 in rural areas and 1,78,457 in urban areas). The sample size of households and persons covered in EU survey 2009-10 and estimated figures for the same by rural and urban sectors are given in Table 3.17.

38. This differs to some extent with the production boundary of the 1993 SNA. The difference is with respect to production of goods other than agricultural for own consumption. However, the national accounts of India also does not include production of goods other than agricultural for own consumption within the GDP. To this extent, the definitions followed in India for employment and national accounts are consistent.



**Table 3.17: Sample and Estimated Numbers of Households and Persons in India, 2009-10**

Sector	Households				Persons			
	Sample		Estimated		Sample		Estimated	
	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban
A&NIslands	271	288	53,777	34,419	1,070	1,025	2,03,629	1,27,592
AndhraPradesh	3,926	2,963	1,48,37,449	60,16,165	15,127	11,055	5,30,69,068	2,13,89,955
ArunachalPradesh	1,042	600	1,72,719	51,821	5,378	2,554	8,42,740	2,17,003
Assam	2,616	832	48,87,946	6,85,534	12,713	3,508	2,37,46,593	28,02,247
Bihar	3,300	1,268	1,43,00,832	18,20,640	17,339	6,150	7,20,04,268	85,38,509
Chandigarh	32	273	42,349	2,12,254	144	1,033	1,82,016	7,31,994
Chhattisgarh	1,495	735	40,40,693	8,58,474	7,139	3,328	1,78,08,969	39,31,926
D&NHaveli	96	96	34,363	15,168	523	407	1,86,103	67,922
Daman&Diu	64	64	23,339	17,285	289	288	1,02,738	81,515
Delhi	59	898	2,02,089	29,16,686	251	3,336	7,28,482	1,10,28,784
Goa	160	287	2,30,103	1,01,468	738	1,169	10,51,550	4,02,178
Gujarat	1,721	1,704	65,94,503	47,24,132	8,687	7,475	3,20,29,940	2,04,82,352
Haryana	1,440	1,180	31,78,220	15,32,519	7,529	5,605	1,56,62,692	67,75,201
Himachal Pradesh	1,660	383	12,96,015	1,53,732	7,422	1,380	56,63,374	4,96,726
Jammu & Kashmir	1,448	1,278	11,93,855	4,03,873	7,950	6,328	62,29,731	19,11,424
Jharkhand	1,759	992	42,26,441	11,00,904	8,778	4,371	2,02,23,229	47,24,791
Karnataka	2,038	2,036	76,53,216	48,08,392	9,612	8,062	3,25,31,932	1,80,99,923
Kerala	2,606	1,849	56,67,256	20,56,028	10,573	7,488	2,25,71,030	80,09,969
Lakshadweep	56	128	5,876	5,171	269	718	24,461	26,195
MadhyaPradesh	2,735	1,970	99,18,930	32,60,878	14,372	9,358	4,97,71,332	1,49,71,241
Maharashtra	4,017	3,988	1,24,30,106	97,32,463	18,715	16,760	5,46,79,865	3,96,82,297
Manipur	1,376	1,182	3,06,921	1,16,134	7,097	5,578	15,12,424	5,29,056
Meghalaya	864	408	4,11,380	89,557	4,412	1,935	19,93,990	4,26,608
Mizoram	632	896	94,116	76,170	2,894	3,982	4,14,717	3,34,006
Nagaland	704	320	1,50,883	59,933	3,597	1,468	7,62,439	2,73,373
Orissa	2,976	1,055	74,36,976	12,77,962	12,997	4,260	3,11,60,517	49,08,542
Pondicherry	128	448	90,065	1,90,464	547	1,706	3,34,497	6,83,482
Punjab	1,560	1,557	31,73,911	19,06,258	7,752	6,811	1,51,17,799	79,69,416
Rajasthan	2,582	1,556	87,69,781	30,57,139	13,730	7,580	4,62,91,475	1,44,10,256
Sikkim	608	160	1,19,502	21,609	2,513	451	4,71,474	61,526
TamilNadu	3,319	3,320	98,34,334	82,05,247	12,297	11,676	3,49,31,619	2,83,42,644
Tripura	1,312	544	6,81,775	1,58,690	5,527	1,981	27,41,666	5,66,086
Uttaranchal	1,048	732	17,81,263	5,01,153	5,044	3,159	66,41,910	21,86,128
UttarPradesh	5,903	3,090	2,52,53,622	71,45,896	33,264	16,260	13,44,36,616	3,53,77,707
WestBengal	3,576	2,748	1,37,40,062	49,61,313	15,038	10,212	5,56,13,152	1,82,06,972
All India	59,129	41,828	16,28,34,667	6,82,75,532	2,81,327	1,78,457	74,17,38,037	27,87,75,546

Source: NSSO survey of 66th Round, 2009-10.

### Scope of Survey

3.71 A schedule of enquiry was used in the 66th round, like other rounds of EU survey to collect information on various facets of employment and unemployment in India in order to generate estimates on various employment and unemployment and labour force characteristics at the national and state levels. The information on the following aspects was collected through well designed schedule:

- Household size, religion, social group, land possessed, land cultivated, etc.

- Information on MNREGA for population living in rural areas.
- Information on household monthly consumer expenditure for a set of consumer items.
- Demographic particulars, like age, sex, educational level, status of current attendance and vocational training.
- Status of usual principal activity and subsidiary economic activity of the all members of canvassed households.
- Particulars of the enterprise for all the usual status workers (excluding those engaged in growing of crops only and combined with farming of animals) viz., location of work place, type of enterprise, number of workers, etc. and some particulars on the conditions of employment like type of job contract, eligibility for paid leave, availability of social security benefits, etc. For self-employed persons in the usual status, some particulars were collected for identification of home-based workers.
- The extent of underutilization of the labour time and on the qualitative aspects of employment, like changes in activity status, occupation/industry, existence of trade unions/associations, nature of employment (permanent/temporary) etc.
- Participation in specified activities by the household members classified as engaged in domestic duties in the usual principal activity status.

### Objectives of Survey

3.72 The main objective of the EUSs conducted by NSSO periodically is to get estimates of level parameters of various employment and unemployment characteristics at national and state levels. These statistical indicators on labour market are required for planning, policy and decision making at various levels, both within the government and outside. The critical issues in the context of labour force enquiries pertain to defining the labour force and measuring participation of labour force in different economic activities. The activity participation of the people is not only dynamic but also multidimensional. It varies with region, age, education, gender, level of living, industry, and occupational category. These aspects of the labour force are captured in detail in the NSS EUSs and estimates are generated for labour force participation rate, worker population ratio, unemployment rate, wages of employees, etc. The indicators of the structural aspects of the workforce such as status in employment, industrial distribution and occupational distribution are also derived from the survey. Besides, from the data collected on the particulars of enterprises and conditions of employment, the aspects of employment in the informal sector and informal employment are reflected through the conceptual framework of the survey.



## Summary Data from EUS, 2009-10

Table 3.18: Estimated Number of Jobs by Activity Status and by Gender, 2009-10 (lakh numbers)

	Rural			Urban			All		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Principal</b>									
Own account worker	928.3	116.7	1,045.0	288.7	38.1	326.8	1,216.9	154.9	1,371.8
Employer	25.0	4.2	29.3	21.4	1.0	22.3	46.4	5.2	51.6
Helper in household enterprise (unpaid family worker)	300.0	303.3	603.3	61.4	25.8	87.1	361.4	329.1	690.4
Regular salaried/wage employee	205.2	46.4	251.6	382.2	81.2	463.4	587.4	127.7	715.1
Casual wage labour in public works	17.0	8.7	25.8	3.8	0.6	4.4	20.9	9.3	30.2
In other types of work	888.7	363.9	1,252.6	151.6	36.3	187.9	1040.3	400.3	1,440.5
<b>Subsidiary</b>									
Own account worker	204.3	76.5	280.8	15.5	15.5	31.0	219.8	92.1	311.8
Employer	5.9	2.4	8.3	1.0	0.2	1.3	6.9	2.7	9.6
Helper in household enterprise (unpaid family worker)	105.6	201.7	307.3	7.0	10.6	17.6	112.6	212.3	324.9
Regular salaried/wage employee	5.7	2.4	8.1	2.7	2.3	5.0	8.4	4.7	13.1
Casual wage labour in public works	62.5	63.1	125.5	0.1	0.3	0.4	62.6	63.3	125.9
In other types of work	160.6	94.7	255.3	8.7	6.3	15.0	169.4	101.0	270.3
<b>Principal + Subsidiary</b>									
Own account worker	1,132.6	193.3	1,325.8	304.2	53.6	357.8	1,436.7	246.9	1,683.6
Employer	30.9	6.7	37.6	22.4	1.2	23.6	53.3	7.9	61.2
Helper in household enterprise (unpaid family worker)	405.6	505.0	910.6	68.4	36.3	104.7	474.0	541.3	1,015.3
Regular salaried/wage employee	210.9	48.9	259.8	384.9	83.5	468.4	595.8	132.3	728.2
Casual wage labour in public works	79.5	71.8	151.3	4.0	0.9	4.9	83.5	72.7	156.2
In other types of work	1,049.3	458.6	1,507.9	160.3	42.6	202.9	1,209.6	501.2	1,710.8
<b>Total</b>	<b>2,908.8</b>	<b>1,284.2</b>	<b>4,193.1</b>	<b>944.2</b>	<b>218.1</b>	<b>1,162.3</b>	<b>3,853.0</b>	<b>1,502.4</b>	<b>5,355.4</b>

Source: NSSO's 66th round employment and unemployment data and NCAER's computations.

**Table 3.19: Estimated Number of Jobs by Industry and by Gender: All India, 2009-10 (lakh numbers)**

Industry	Principal				Subsidiary				Total
	Rural		Urban		Rural		Urban		
	Male	Female	Male	Female	Male	Female	Male	Female	
Agriculture	1,477.48	665.47	53.83	21.60	360.55	328.10	12.38	10.30	2,929.72
Processed food	9.71	6.97	11.03	2.85	1.65	0.96	0.44	0.43	34.05
Tobacco products	5.15	19.38	2.40	5.81	1.60	9.24	0.16	1.75	45.50
Beverages	1.49	0.23	1.46	0.32	0.12	0.04	0.02	0.01	3.69
Readymade garments	20.78	9.87	26.10	12.29	1.11	3.75	0.31	4.37	78.59
Leather, plastic products, watches and clocks	1.49	0.30	7.16	1.09	0.02	0.00	0.04	0.15	10.26
Leather footwear	1.06	0.26	2.77	0.44	0.02	0.00	0.00	0.00	4.55
Printing and publishing	1.79	0.13	7.85	0.73	0.02	0.11	0.13	0.00	10.76
Soaps, cosmetics and glycerine	0.64	1.04	1.16	1.08	0.00	0.06	0.03	0.16	4.16
Gems and jewellery	5.30	0.23	10.19	0.60	0.03	0.01	0.03	0.10	16.49
Other industries	412.68	64.29	246.30	32.70	133.81	87.02	6.18	7.69	990.66
Hotels	2.06	0.22	3.58	0.51	0.12	0.00	0.11	0.05	6.65
Restaurants	20.42	4.50	24.63	3.39	1.58	0.86	1.06	0.97	57.40
Railway transport services	1.96	0.06	8.15	0.55	0.00	0.00	0.00	0.00	10.73
Land transport including via pipeline	89.48	1.82	67.31	0.70	12.96	0.32	1.66	0.05	174.30
Water transport	0.35	0.00	0.81	0.00	0.04	0.00	0.00	0.00	1.21
Air transport	0.09	0.00	0.68	0.10	0.00	0.00	0.00	0.00	0.87
Transport equipment rental	0.02	0.00	0.26	0.01	0.05	0.00	0.02	0.00	0.36
Supporting and auxiliary transport activities	2.33	0.01	6.80	0.40	0.15	0.00	0.22	0.00	9.91
Health and medical services	6.34	3.35	12.72	7.86	0.61	0.10	0.34	0.15	31.48
Cultural and religious services	0.01	0.00	0.08	0.05	0.16	0.01	0.00	0.00	0.30
Sports and other recreational activities	2.04	0.08	5.52	0.45	0.90	0.02	0.59	0.08	9.69
Other services	301.56	65.13	408.24	89.49	29.10	10.29	11.43	8.85	924.09
<b>Total</b>	<b>2,364.24</b>	<b>843.36</b>	<b>909.01</b>	<b>183.04</b>	<b>544.60</b>	<b>440.88</b>	<b>35.14</b>	<b>35.11</b>	<b>5,355.39</b>

Source: NSSO's 66th round employment and unemployment data and NCAER's computations.





**Table 3.20: Estimated Number of Jobs by States and by Gender, 2009-10 (Lakh numbers)**

State	Number of jobs				Total
	Rural		Urban		
	Male	Female	Male	Female	
A & N Islands	0.80	0.23	0.45	0.13	1.62
Andhra Pradesh	232.24	170.73	70.67	22.13	495.78
Arunachal Pradesh	2.70	1.34	0.60	0.18	4.81
Assam	90.81	20.75	9.11	1.45	122.11
Bihar	230.65	27.48	24.21	2.17	284.50
Chandigarh	0.54	0.10	2.43	0.56	3.63
Chhattisgarh	71.80	52.19	11.57	3.19	138.75
D & N Haveli	0.63	0.04	0.27	0.00	0.94
Daman & Diu	0.40	0.10	0.29	0.04	0.82
Delhi	2.42	0.12	39.23	3.16	44.94
Goa	3.39	0.72	1.30	0.24	5.66
Gujarat	136.56	66.72	73.25	15.84	292.36
Haryana	55.72	22.93	24.03	4.74	107.41
Himachal Pradesh	24.14	18.16	1.69	0.49	44.49
Jammu & Kashmir	28.06	10.70	6.57	1.50	46.82
Jharkhand	73.76	20.38	14.50	2.30	110.94
Karnataka	132.59	79.76	64.65	17.86	294.87
Kerala	79.68	32.46	25.76	9.77	147.67
Lakshadweep	0.12	0.04	0.08	0.04	0.28
Madhya Pradesh	203.39	92.75	47.08	11.15	354.37
Maharashtra	224.00	145.01	143.05	35.00	547.06
Manipur	4.74	1.87	1.55	0.43	8.59
Meghalaya	7.86	4.26	1.09	0.57	13.79
Mizoram	1.90	0.98	1.05	0.57	4.51
Nagaland	2.64	1.63	0.77	0.22	5.25
Orissa	141.95	55.96	17.55	3.46	218.91
Pondicherry	1.21	0.84	2.28	0.84	5.17
Punjab	52.29	20.58	28.91	5.25	107.04
Rajasthan	176.42	118.09	45.24	9.88	349.63
Sikkim	2.20	1.00	0.23	0.05	3.48
Tamil Nadu	131.40	102.34	96.63	31.91	362.28
Tripura	13.41	3.31	1.79	0.37	18.87
Uttar Pradesh	500.34	143.97	111.46	15.94	771.70
Uttaranchal	23.72	16.14	7.43	1.36	48.65
West Bengal	254.39	50.56	67.37	15.37	387.70
India	2,908.84	1,284.25	944.16	218.15	5,355.39

Source: NSSO's 66th round employment and unemployment data and NCAER's computations.

### Key Findings

3.73 The key findings of the survey are as follows:

- About 70 per cent of the households in India belonged to the rural areas and accounted for about 73 per cent of the total population (Table 3.17).
- According to the usual status (principal status and subsidiary status or ps+ss), about 56 per cent of rural males and 27 per cent of rural females belonged to the labour force. In the urban areas, the corresponding numbers were 56 per cent

and 15 per cent.

- About 39 per cent of the population in the country was usually employed. The proportion was 41 per cent in the rural and 35 per cent in the urban areas.
- The gender differential in the worker population ratio (WPR) was distinct. The WPR for rural males was 55 per cent while it was 26 per cent for rural females. In the urban areas, it was 54 per cent for males and 14 per cent for females.
- Among the usually employed (ps+ss), about 54 per cent of rural males and 56 per cent of rural females were self-employed. In the urban areas, the numbers were 41 per cent for both. In the urban areas, about 42 per cent of the usually employed males and 39 per cent of the usually employed females were regular salaried/wage employees.
- The survey provides a basis to estimate informal employment in India, industry-wise and further cross-classified by institutional sectors<sup>39</sup> in the form of a labour input matrix. The survey has a scope to generate employment data separately for informal sector within the household sector and further informal employment within the formal sector.

## Consumer Expenditure Survey, NSSO, 2009-10

- 3.74 NSSO has been conducting the household Consumer Expenditure Surveys (CES) on quinquennial basis. The first round of the CES survey (October 1972-September 1973) in the quinquennial series was the 27th and the latest round, which was the eighth survey in the series, had been embarked for the 66th round conducted during July 2009-June 2010. The whole geographical area of the country is covered in EUSs except for few villages of Nagaland and Andaman and Nicobar Islands, accessibility to which is difficult.

### Sampling Design

- 3.75 A stratified multi-stage design has been adopted for the 66th round of the survey. The first stage units (FSUs) are the 2001 census villages (Panchayat wards in Kerala) in the rural sector and urban frame survey (UFS) blocks in the urban sector. The ultimate stage units (USUs) are households in both the sectors. In case of large FSUs, one intermediate stage of sampling is the selection of two hamlet groups (hgs) or sub-blocks (sbs) from each rural/ urban FSU. FSUs and UFSs were selected from a sampling frame. The list of 2001 census villages constitutes the sampling frame for the rural and urban sectors of the latest available UFS blocks. For two towns, viz. Leh and Kargil, which are non-UFS towns, the urban sampling frame consists of the two towns itself since these towns were treated as FSUs.
- 3.76 The number of households surveyed was 1,00,957 (59,129 in rural areas and 41,828 in urban areas) and number of persons surveyed was 4,59,784 (2,81,327 in rural areas and 1,78,457 in urban areas).

### Scope of the Survey

- 3.77 Two types of schedules of enquiry-type 1 and type 2-were canvassed in the 66th round of CES survey. The only difference for the two types of the schedules was the reference period used for collection of consumption data. Schedule type 1 was canvassed following the traditional way of the previous quinquennial CES rounds. For less frequently consumed items, the information was collected on the past 30 days' and the past 365 days' consumption while for more frequently used items like

39. Government, corporations and households.



food and fuel, etc. the information was collected for the past 30 days' consumption. On the other hand, the reference periods for schedule type 2 were the past 365 days (only) for the infrequently purchased items, the past 7 days for very frequently consumed items like some of the food items, pan, tobacco and intoxicants, etc. and the past 30 days for other food items, fuel, etc.

- 3.78 A very detailed item classification was adopted to collect information on consumption of more than 300 items consumed by the households. The items on which the information was collected included 142 items of food, 15 items of energy (fuel, light and household appliances), 28 items of clothing, bedding and footwear, 19 items of educational and medical expenses, 51 items of durable goods, and 89 other items. Other demographic information on household members like age, sex, educational attainment, etc. were also collected through the CES schedules.

### Objective of the Survey

- 3.79 The prime aim of the CES survey was to generate estimates on monthly per capita consumer expenditure (MPCE) and its distribution across the different sections of the population like rural and urban and different socio-economic groups, etc. both at country level as well as the state level. These indicators are amongst the most important measures of the level of living of the respective domains of the population. The distribution of MPCE highlights the differences in level of living of the different segments of the population and is an effective tool to study the prevalence of poverty and inequality. These numbers enable the apex planning and decision-making process to allocate the nation's resources among sectors, regions, and socio-economic groups, and assess the "inclusiveness" of economic growth. Besides measuring the household consumption level and its pattern, the CES has another important use. To work out consumer price indices (CPIs) which measure the general rise in consumer prices. One needs to know not only the price rise for each commodity group but also the budget shares of different commodity groups (used as weights).

## Summary Data from CES, 2009-10

**Table 3.21: Average MPCE and It's Percentage Breakup by Item Groups, 2009-10**

Item Group	MPCE (Rs)		Percent to total MPCE	
	Rural	Urban	Rural	Urban
Cereals and cereal substitutes	145	162	13.8	8.2
Pulses and their products*	35	49	3.3	2.5
Milk and milk products	81	137	7.6	6.9
Edible oil	39	53	3.7	2.7
Egg, fish and meat	50	72	4.7	3.6
Vegetables	87	112	8.3	5.7
Fruits	26	63	2.4	3.2
Sugar, salt and spices	60	73	5.7	3.7
Beverages, refreshments and processed food#	78	159	7.4	8.0
<b>Food total</b>	<b>600</b>	<b>881</b>	<b>57.0</b>	<b>44.4</b>
Pan, tobacco and intoxicants	31	30	3.0	1.5
Fuel and light	85	138	8.0	6.9
Clothing and footwear\$	65	115	6.2	5.8
Education	38	161	3.6	8.1
Medical	57	99	5.4	5.0
Conveyance	36	112	3.5	5.6
Consumer services excluding conveyance	44	124	4.2	6.3
Miscellaneous goods, entertainment	53	113	5.0	5.7
Rent	5	115	0.5	5.8
Taxes and cesses	2	16	0.2	0.8
Durable goods	36	81	3.5	4.1
<b>Non-food total</b>	<b>453</b>	<b>1,104</b>	<b>43.0</b>	<b>55.6</b>
<b>All items</b>	<b>1,054</b>	<b>1,984</b>	<b>100.0</b>	<b>100.0</b>

\* includes gram

# includes purchased cooked meals

\$ excludes tailoring charges

Source: NSS Report No. 538: Level and Pattern of Consumer Expenditure



**Table 3.22: Average MPCE by Items of Consumption, 2009-10 (Rs.)**

Item group	Average monthly expenditure per person	
	Rural	Urban
Cereal	144.4	161.2
Gram	1.4	2.1
Cereal substitutes	0.7	0.8
Pulses and pulse products	33.6	47.1
Milk and milk products	80.6	137.0
Sugar	22.6	27.2
Salt	2.1	2.3
Edible oil	38.9	52.9
Egg, fish and meat	49.9	72.0
Vegetables	87.3	112.4
Fruits (fresh)	20.4	50.3
Fruits (dry)	5.2	12.4
Spices	35.4	43.9
Beverages, etc.	77.9	159.4
<b>Total : food</b>	<b>600.4</b>	<b>880.8</b>
Pan	4.7	4.1
Tobacco	14.8	15.1
Intoxicants	11.6	11.3
Fuel and light	84.6	137.7
Clothing	55.8	96.2
Footwear	9.7	19.1
Education	37.8	160.5
Medical (institutional)	17.4	36.4
Medical (non-institutional)	39.5	62.7
Entertainment	8.4	31.7
Minor durable-type goods	2.4	4.2
Toilet articles	22.7	42.5
Other household consumables	19.7	34.4
Consumer services	44.3	124.1
Conveyance	36.4	111.8
Rent	4.8	115.0
Taxes and cesses	2.2	15.6
Durable goods	36.5	81.4
<b>Total : non-food</b>	<b>453.3</b>	<b>1,103.6</b>
<b>Total expenditure</b>	<b>1,053.6</b>	<b>1,984.5</b>

Source: NSS Report No. 538: Level and Pattern of Consumer Expenditure.

**Table 3.23: Average MPCE by Major States, 2009-10 (Rs.)**

State	Average MPCE	
	Rural	Urban
Andhra Pradesh	1,234	2,238
Assam	1,003	1,755
Bihar	780	1,238
Chhattisgarh	784	1,647
Gujarat	1,110	1,909
Haryana	1,510	2,321
Jharkhand	825	1,584
Karnataka	1,020	2,053
Kerala	1,835	2,413
Madhya Pradesh	903	1,666
Maharashtra	1,153	2,437
Orissa	818	1,548
Punjab	1,649	2,109
Rajasthan	1,179	1,663
Tamil Nadu	1,160	1,948
Uttar Pradesh	899	1,574
West Bengal	952	1,965
All India	1,054	1,984

Source: NSS Report No. 538: Level and Pattern of Consumer Expenditure.

## Key Findings

3.80 Mainly the MPCE-MMRP (modified mixed reference period) forms the basis of detailed results presented in the report of NSSO based on the CES survey. However, the comparative picture of some indicators is also given based on MPCE-URP (uniform reference period) and MPCE-MRP (mixed reference period). The following are the key results of the survey.

**Table 3.24: Average MPCE<sub>URP</sub> and MPCE<sub>MRP</sub> Over the Years, at Current and Constant Prices (Rs.)**

Characteristic	MPCE <sub>URP</sub>			MPCE <sub>MRP</sub>		
	1993-94	2004-05	2009-10	1993-94	2004-05	2009-10
MPCE: Rural (Rs): current price	281.40	558.78	927.70	286.10	579.17	953.05
Price deflator for rural sector*	176	319	494	176	319	494
MPCE: Rural (Rs): base 1987-88	159.89	175.17	187.79	162.56	181.56	192.93
MPCE: Urban (Rs): current price	458.04	1,052.36	1,785.81	464.30	1,004.60	1,856.01
Price deflator for urban sector#	173	338	503	173	338	503
MPCE: Urban (Rs): base 1987-88	264.76	311.35	355.03	268.38	326.80	368.99

\* Derived from CPI for agricultural labourers with base 1986-87=100

# Derived from CPI for urban non-manual employees with base 1984-85=100

Source: NSSO survey on Consumer Expenditure in India, 2009-10.

3.81 Other key findings are the following:

- Using MMRP method of measurement of MPCE, average MPCE in 2009-10 was estimated as Rs. 1053.64 in rural India and Rs. 1984.46 in urban India.
- Among the major states, Kerala had the highest rural MPCE (Rs. 1835). It was followed by Punjab (Rs. 1649) and Haryana (Rs. 1510). In all other major states, the average rural MPCE were between Rs. 750 and Rs. 1250.
- Average rural MPCE was the lowest in Bihar and Chhattisgarh (around Rs.



780), followed by Orissa and Jharkhand (around Rs. 820), and Uttar Pradesh and Madhya Pradesh (around Rs. 900).

- Maharashtra (Rs. 2437) and Kerala (Rs. 2413) were the two major states with the highest MPCE in the urban sector, followed by Haryana (Rs. 2321). Urban MPCE was the lowest in Bihar (Rs. 1238).
- Measured by the mixed reference period method, the real MPCE grew by about 19 per cent in rural India during the 16-year period from 1993-94 to 2009-10, and by as much as 37.5 per cent in urban India over the same period.

3.82 The CES results have mainly been used to estimate the product level ratios of tourist expenditures as percentage of overall household expenditures and these ratios have been applied on the PFCE estimates coming from the national accounts statistics. This adjustment is important to ensure the overall consistency of survey results with the national accounts statistics.

### National Accounts Statistics, CSO, 2012

3.83 National accounts are a set of macroeconomic accounts that provide a comprehensive view of a country's economy in terms of the production, income, and expenditure activities of the institutional sectors (government, corporations and households) of the nation, as also their relations with the external sector. Thus, the national accounts present in a condensed way a great mass of detailed information.

3.84 Since one of the main uses of national accounts is to provide information on international comparability of economies, the national accounts are compiled by countries by following an established internationally accepted methodology. This framework is provided in the documents, 1993 and 2008 versions of System of National Accounts of the United Nations, World Bank, International Monetary Fund, Organisation for the Economic Development and Cooperation and the European Union.

3.85 The national accounts consist of a set of accounts referred to as "sequence of accounts" and other accounts in the form of 'supply and use tables' and "accounts in volume terms". The set of sequence of accounts present interconnected flow accounts linked to different types of economic activity taking place within a given period of time together with balance sheets that record the values of the stocks of assets and liabilities held by institutional units or sectors at the beginning and end of the period.

3.86 The central framework of the SNA also contains detailed supply and use tables in the form of matrices that record how supplies of different kinds of goods and services originate from domestic industries and imports and how those supplies are allocated between various intermediate or final uses, including exports. The supply and use tables provide the basic information for the derivation of detailed input-output tables that may be used for purposes of economic analysis and projections and also provide the framework for the TSA tables and aggregates.

3.87 Most of the important macro-economic aggregates, such as gross domestic product (GDP), gross national income, gross national disposable income, savings, etc. are derived as balancing items from the sequence of accounts. Of these aggregates, the most frequently quoted indicator of economic performance is the GDP.

3.88 There are three equivalent approaches to measure the GDP, namely the production, income, and expenditure. These three forms are circular in nature. The production approach GDP measures the sum of value added of all economic activities within

the country's territory (sum of output minus intermediate consumption) plus indirect taxes minus subsidies on products. The expenditure approach GDP depicts the final use (demand) of the output and comprises (i) Government Final Consumption Expenditure (GFCE) (ii) Private Final Consumption Expenditure (PFCE) (iii) Gross Fixed Capital Formation (GFCF), (iv) Change in Stocks (CIS), and (v) Net Export of Goods & Services. The income (value added) generated through the production activity is distributed between the two factors of production, namely, labour and capital, which receive respectively the salaries and the operating surplus/mixed income of self-employed. Thus the income approach GDP is the sum of compensation of employees, gross operating surplus and gross mixed income plus taxes net of subsidies on production.

- 3.89 In the context of TSA, the production approach is more relevant, as the objective of TSA is to estimate the domestic production activities contribution to value added in response to the consumption of products by tourists. For measurement of GDP at the point of production, the method generally followed is to divide the whole economy into a given set of economic activities (in the case of TSA, these are identified as tourism specific and tourism connected) and to estimate the total value of output and the corresponding value of inputs of raw materials and services used for production and then arrive at the value added of each sector as a total value of output minus the value of inputs of raw materials and services. In the case of services the value added is measured in terms of the total amount of money paid in return for the services received minus the cost of inputs like expenditure on transport, advertisement, and other miscellaneous services.
- 3.90 The value added available from each unit of production is equal to the amount of income generated by the unit in the process of production, after adjusting for CFC. This income is distributed between the two primary factor inputs, namely, capital and labour. The income available to the individuals in the form of labour income or capital income or to the productive units in the form of retained income is then spent. This utilisation of the income can take various forms, namely, (a) household consumption expenditure, (b) government consumption expenditure, (c) capital formation comprising fixed capital formation, and stock accumulation, and (d) net exports, which is the expenditure of GDP.

### Household consumption expenditure

- 3.91 The household consumption expenditure consists of expenditure by households on non durable consumer goods and services and all durable goods except land and buildings. The durable goods are defined as those whose life time are more than one year and consist of items such as furniture, radios, televisions, automobiles, etc. Purchase and construction of residential buildings are not treated as consumption expenditure of the households but are included in the gross capital formation. In the case of owner occupied buildings, the imputed rent is included in the final consumption expenditure. Similarly, the primary products of sectors like agriculture, forestry, fishing etc., which are produced for own consumption by the households will form part of consumption expenditure. Payments for domestic services which one household renders to another, such as services of maid servants, cooking, child nursing and gardening are also included under consumption. However, as in the production measurement, activities such as cooking meals, scrubbing floor and minding children undertaken by household members fall outside the production boundary and are, therefore, excluded from consumption expenditure as well.





### Government final consumption expenditure

3.92 The government offers services both to entrepreneurs and consumers and in most cases it receives no payment for that or even if it does receive payment, the same is likely to bear little or no relation to the value of the services to the user. In the course of organising collective services such as defence, justice, health and education, government purchases the services of its officials and also many non durable goods and other services from other suppliers. Since these collective services are rendered free, these do not appear in the household consumer expenditure. Since these collective services are not sold, they can be valued in money terms only by adding up the money spent by the government in buying these services of officials, together with the goods and other materials purchased. This total is the consumption expenditure of the government.

### Gross capital formation

3.93 Gross capital formation consists of the acquisition of fixed assets and the accumulation of stocks. Fixed assets are physical productive assets, examples of which are buildings, civil works, machinery, vehicles etc. The stock accumulation is in the form of changes in stock of raw materials, fuels, finished goods and semi finished goods awaiting completion. Thus gross capital formation is that part of country's total expenditure which is not consumed but added to the nation's fixed tangible assets and stocks.

### Indian national accounts

3.94 The Central Statistical Office (CSO) of the Ministry of Statistics and Programme Implementation (MoSPI) is responsible for compiling official national accounts statistics. The CSO follows 1993 SNA as the conceptual basis for these data, though national accounts are presented in 1968 SNA framework mainly and 1993 SNA framework separately. The industry classification followed is the ISIC Rev. 3 and current base year is 2004-05. The production approach GDP is treated as firmer estimate and the statistical discrepancy is shown under expenditure GDP. The CSO produces annual and quarterly GDP from production and expenditures and both at current and constant prices. The income approach GDP is compiled only annually and at current prices. For most institutional<sup>40</sup> sectors, both current and accumulation accounts are compiled<sup>41</sup>, but not the balance sheets.

3.95 The main sources of data for estimating GDP are:

- Nodal administrative agencies for the primary activities;
- Annual Survey of Industries of the CSO for the registered manufacturing;
- For all others
  - budget documents and annual reports of departmental and non departmental commercial undertakings for public sector component;
  - the annual accounts of companies (consolidated by the RBI) for the private corporate sector
  - Through indirect methods as product of workforce and value added per worker the data on which is available from the Employment and Unemployment and Enterprise surveys of NSSO.

40. The institutional sectors in the SNA are (i) general government, (ii) financial corporations, (iii) non-financial corporations, (iv) households and (v) non-profit institutions serving households (NPISH).

41. The household sector accounts also include the NPISHs. However, CSO has carried out a census of NPISHs in 2009/2010 and their accounts are expected to be disseminated in the near future.

- 3.96 Detailed methodology of compilation of national accounts statistics and data sources used are given in the CSO publication National Accounts Statistics - Sources and Methods, 2007.

### Supply and Use Tables and Input-Output Tables

- 3.97 The central framework of SNA also provides for compilation of supply and use tables (SUT) with focus on the processes of production and consumption of individual types of goods and services. The SUTs depict in matrices form on where products come from and how they are used. Their main use is to act as an integration framework for balancing the national accounts, by recording how supplies of different kinds of goods and services originate from domestic industries and imports and how those supplies are allocated between various intermediate or final uses, including exports. The framework thus provides for balancing the supply and uses of each type of goods and services, without leaving the scope for discrepancies.
- 3.98 The SUTs' build up on the concept that the amount of a product available for use within the economy must have been supplied either by domestic production or by imports. The same amount of the product entering an economy in an accounting period must be used for intermediate consumption, final consumption, capital formation (including changes in inventories) or exports. TSA uses this framework to estimate tourism product shares, tourism industry shares, GVATI, TDGVA, and TDGDP.
- 3.99 India regularly compiles input-output (I-O) tables every five years, though SUTs are not compiled. India's I-O tables are for the reference years 1968-69, 1973-74, 1978-79, 1983-84, 1989-90, 1993-94, 1998-99, 2003-04, 2006-07 (update) and 2007-08<sup>42</sup>. The size of the Matrices up to the year 1998-99 was  $115 \times 115$  which was revised to  $130 \times 130$ , keeping in view the new emerging sectors in the economy.
- 3.100 However, as part of an Asian Development Bank's (ADB) RETA 6483 project, Indian SUT has been compiled for 2006-07 for the first time. The year 2006-07 was chosen because India had prepared and published the I-O table for that year. Since I-O tables can only be compiled after construction of a supply matrix at basic and purchasers' prices and use matrix at purchasers' prices, the data required for SUT, 2006-07 was readily available from the intermediate matrices of I-O table, 2006-07. For SUT, 2006-07, CSO used the published national accounts (NA) data in order to maintain consistency between the two sets of data, though some adjustments had become necessary in the expenditure components of GDP (especially the household consumption, capital formation, imports and exports) to account for statistical discrepancy.
- 3.101 CSO depends on administrative records, periodic enterprise surveys on unorganized sector, annual accounts of companies, and the annual survey of manufacturing industries for its national accounts and the same sources were used for the preparation of SUT, 2006-07. The Directorate General of Commercial Intelligence and Statistics and the Reserve Bank of India provide statistics on foreign trade. India did not conduct a trade survey for a long time, therefore, the trade margins and transport costs for SUT had to be compiled from the results of old surveys. Indian fiscal statistics provide extensively detailed data on product taxes and subsidies, which were used for converting data in basic prices to that in purchaser's prices. One interesting feature of Indian national accounts and SUT is that the household consumption and gross fixed capital formation are estimated through the commodity flow methods. CSO estimated compensation of employees

42. Under compilation at the time of preparation of this report





by industries but derived operating surplus/mixed income as residual.

3.102 For TSA, 2009-10, it was necessary to have a SUT for 2009-10, since this is at the heart of TSA framework. Therefore, based on the available data for 2009-10 on foreign trade, balance of payments, national accounts statistics, employment and unemployment, and consumer expenditure surveys and the latest data available from enterprise surveys, annual survey of industries and CSO's input output tables, SUT for 2009-10 was compiled for 142 activities and products<sup>43</sup>. This was further collapsed to a 42 sector SUT and again to 25 sectors SUT, according to the classification of industries and products adopted for TSA, 2009-10. Since indirect shares too were required to be estimated for value added, employment and internal tourism consumption shares, input-output tables<sup>44</sup> have also been constructed at these sector classification for the year 2009-10 as part of the TSA.

43. 12 sectors were added to the CSO's 130 sectors keeping in view the disaggregation required for TSA.

44. Product-by-product tables using industry technology assumption and industry-by-industry tables using fixed product sales structure assumption.

**Table 3.25: Estimates of Key Macro-Economic Aggregates from National Accounts**

Item	At Current Prices				At Constant (2004-05) Prices		
	2004-05	2008-09	2009-10	2010-11	2008-09	2009-10	2010-11
1 GDP at factor cost (Rs. crore)	29,71,464	53,03,567	60,91,485	71,57,412	41,58,676	45,07,637	48,85,954
2 GVA at basic prices (Rs. crore)	30,16,406	53,87,558	61,86,949	72,77,937	42,24,964	45,78,750	49,67,790
3 Consumption of fixed capital (Rs. crore)	3,19,891	5,65,197	6,57,898	7,53,473	4,68,904	5,20,320	5,64,463
4 Indirect taxes (Rs. crore)	3,63,967	6,00,612	6,16,988	8,03,711	4,74,009	4,59,607	5,45,728
5 Less subsidies (Rs. crore)	93,222	2,74,116	2,51,121	2,86,975	2,16,335	1,87,065	1,94,859
6 GDP at market prices (Rs. crore)	32,42,209	56,30,063	64,57,352	76,74,148	44,16,350	47,80,179	52,36,823
7 Net factor income from abroad (Rs. crore)	-22,375	-32,923	-37,900	-78,900	-25,384	-27,664	-52,776
8 GNI at factor cost (Rs. crore)	29,49,089	52,70,644	60,53,585	70,78,512	41,33,292	44,79,973	48,33,178
9 GNI at market prices (Rs. crore)	32,19,834	55,97,140	64,19,452	75,95,248	43,90,966	47,52,515	51,84,047
10 Net national disposable income (Rs. crore)	29,91,914	52,35,152	60,07,354	70,83,774			
11 Personal disposable income (Rs. crore)	25,82,283	45,31,440	51,80,319	59,49,444			
12 Private final consumption expenditure (Rs. crore)	19,17,508	32,49,284	37,08,136	43,38,392	26,49,610	28,41,675	30,72,115
13 Government final consumption expenditure (Rs. crore)	3,54,518	6,15,333	7,74,272	9,10,719	4,84,459	5,53,709	5,97,154
14 Exports of goods and services (Rs. crore)	5,69,051	13,28,765	13,00,034	17,47,500	10,48,140	9,98,149	12,24,415
15 Imports of goods and services (Rs. crore)	6,25,945	16,14,040	16,46,936	20,66,000	13,63,302	13,32,899	15,40,648
16 Gross domestic capital formation (Rs. crore)	10,64,041	19,31,380	23,63,670	26,92,031	15,70,333	18,38,870	19,74,172
17 Gross domestic saving (Rs. crore)	10,50,703	18,02,620	21,82,970	24,81,931			
18 Per capita GNI at factor cost (Rs)	27,081	45,673	51,740	59,684	35,817	38,290	40,752
19 Per capita GDP at factor cost (Rs)	27,286	45,958	52,064	60,349	36,037	38,527	41,197
20 Rate of gross domestic saving (%)	32.4	32.0	33.8	32.3			
21 Rate of GDCF (%)	32.8	34.3	36.6	35.1	35.6	38.5	37.7
22 GDP at factor cost (%)		15.7	14.9	17.5	6.7	8.4	8.4
23 GNI at factor cost (%)		15.5	14.9	16.9	6.5	8.4	7.9
24 Population (million)	1,089	1,154	1,170	1,186	1,154	1,170	1,186

Source: National Accounts Statistics, 2012 of CSO.





SECOND TOURISM SATELLITE ACCOUNT FOR INDIA, 2009-10



## FOUR

# Methodology Adopted and TSA, 2009-10 Tables

- 4.1 The 10 tables that make up the Tourism Satellite Account (TSA) are the key to estimating the economic contribution of tourism in the economy. These tables were to be prepared in the standard format as recommended by WTO in the TSA:RMF 2008. They enable international comparisons owing to the homogeneity among countries. However, each country has the flexibility to decide on the most adequate format for taking into account its tourism reality and scope of available data.
- 4.2 This chapter presents the methodological design adopted in preparing the 10 recommended tables of TSA and their aggregates. For each table, the recommended methodology as given in TSA: RMF 2008, the methodology adopted using the relevant data available for the TSA tables, the technical notes, the table, and the key findings have been presented.
- 4.3 According to TSA: RMF 2008, TSA Tables 1 to 3 describe the most important component of tourism consumption, namely tourism expenditure, which includes not only what visitors pay for out of their own budget or pocket, but also what producers (businesses, governments and non-profit institutions serving households (NPISH)) or others spend for their benefit (transportation, accommodation, etc.). These three tables are key to deriving TSA tables 4 to 6 which further lead to estimating TSA aggregates. Visitors are usually able to report fairly well the expenditures made by them as well as by others on their behalf while they are on a trip. This information is collected through surveys on domestic as well as international tourists.
- 4.4 Before proceeding further, it is important to see the coverage of activities and products for which the TSA tables have been recommended to be compiled in TSA: RMF 2008 and the activities and products included in India's TSA, 2009-10. These two tables, separately for products and activities, are shown below. Only one tourism specific product, namely, medical and health services, has been added to the recommended set as country specific tourism products in Indian TSA. Against the activity of retail trade of goods acquired by visitors, the Indian TSA includes the broad activity, 'trade', as information on retail and wholesale trade activities is not separately available in the Indian national accounts. Also, there have been no surveys on trade activity in India for the past several years. The purpose of including retail trade activity as a separate tourism specific activity has been to show the tourism share in the retail trade activity (besides other reasons mentioned in Chapter 2). In the case of Indian TSA, it will still be possible to show the tourism share in retail trade activity using some proxy indicators like employment in retail and wholesale trade.



**Table 4.1: Products Recommended in TSA: RMF 2008 Vs Products Included in India's TSA, 2009-10**

Products Recommended in TSA: RMF 2008	Products in TSA, 2009-10 of India
Accommodation services for visitors	Hotels
Food and beverage serving services	Restaurants
Railway passenger transport services	Railway passenger transport services
Road passenger transport services	Land passenger transport
Water passenger transport services	Water passenger transport
Air passenger transport services	Air passenger transport
Transport equipment rental services	Renting of transport equipment
Travel agencies and other reservation services	Tourism related supporting and auxiliary transport activities
Cultural services	Cultural and religious services
Sports and recreational services	Sporting and recreational services
Country-specific tourism characteristic goods	Medical and health
Country-specific tourism characteristic services	Processed food products Beverages Tobacco products Readymade garments Printing and publishing Leather footwear Travel related consumer goods Soaps and cosmetics Gems and jewellery

Source: TSA: RMF 2008 and NCAER's computations.

**Table 4.2: Activities Recommended in TSA: RMF 2008 Vs Activities Included in India's TSA, 2009-10**

Activities	Activities in TSA, 2009-10 of India
Accommodation for visitors	Hotels
Food and beverage serving activities	Restaurants
Railway passenger transport	Railway passenger transport services
Road passenger transport	Land passenger transport
Water passenger transport	Water passenger transport
Air passenger transport	Air passenger transport
Transport equipment rental	Renting of transport equipment
Travel agencies and other reservation services activities	Tourism related supporting and auxiliary transport activities
Cultural activities	Cultural and religious services
Sports and recreational activities	Sporting and recreational services
Retail trade of country-specific tourism characteristic goods	Trade
Country-specific tourism characteristic activities	Medical and health

Source: TSA: RMF 2008 and NCAER's computations.

## Table 1: Inbound Tourism Expenditure

4.5 Table 1 focuses on inbound tourism. This table presents the tourism expenditure incurred by non-resident visitors within the economy of reference on tourism characteristic and tourism connected products and services. An inbound tourism trip refers to the travel of a visitor from the time of arriving in a country to the time of leaving that country.

## Recommended Methodology

- 4.6 The inbound tourism expenditure is recommended to be obtained through surveys conducted at the exit points. However, some of their subsets may also be available from the balance of payments statistics and national accounts statistics. It is, therefore, recommended that countries promote joint efforts of national tourism administrations, national statistical offices, central banks, border control authorities and other relevant agencies to perform and improve these measurements. It is recommended to combine, as far as possible, the use of different data sources (for example, administrative data and surveys) in an integrated manner. In the case of countries where the administrative controls at the borders do not exist and where surveys of travellers at the border cannot be implemented, it is recommended that surveys of travellers at places of accommodation be used in parallel with other sources (for example, surveys at popular tourism sites or other destinations). When the measurement of inbound travel can be undertaken at the border, it is recommended that such administrative means of control as entry/departure cards be complemented with (or substituted by) surveys of travellers at the border (or in its vicinity), mostly when the travellers leave the country.

## Methodology Adopted

- 4.7 For the TSA of India, 2009-10, inbound tourism expenditure or the expenditure by international tourists in India was derived from the International Passenger Survey (IPS) conducted by the Indian Statistical Institute (ISI), Kolkata (refer to Chapter on Data Sources). The respondents were non-resident Indians (NRIs), persons of Indian origin (PIOs) and other foreign nationals. The expenditure incurred by these three categories of international tourists was recorded for a detailed set of items. For TSA table 1, these items are mapped with the tourism characteristic and tourism connected (together called tourism specific) products and services. The mapping of consumption items with the tourism specific product and services is as follows:





**Table 4.3: Concordance between Tourism Specific Products/Services With IPS Items of Expenditure**

Tourism specific products	IPS	
	Item Code	Item description
<b>A.1. Tourism characteristic products</b>		
1. Accommodation services/hotels	421	Hotel
	422	Private guest house
	423	Government guest house
	424	Dharamshala
	425	Rented house
	426	Friends and relatives
	427	Others
2. Food and beverage serving services/restaurants	431	In the accommodation unit
	432	Outside accommodation unit and during journey and transit
3. Railway passenger transport services	441	Railways
4. Road passenger transport services	442	Road (excl. transport equipment rental)
5. Water passenger transport services	443	Water
6. Air passenger transport services	444	Air
7. Transport equipment rental services	445	Transport equipment rental
8. Travel agencies and other reservation services / supporting and auxiliary transport activities	446	Travel agency services/tour operators
	447	Others and supporting services
	490	Others (non-packages)
9. Cultural and religious services	472	Entry fee to and other expenses at religious sites
	473	Entry fee to and other expenses at cultural sites
10. Sports and other recreational services	471	Cinema, theatre, amusements, etc.
	474	Sporting activities
11. Health and medical related services	481	Medicine
	482	Medical accessories
	483	Other health related services
<b>A.2 Tourism connected products</b>		
12. Readymade garments	451	Clothing and garments
13. Processed food	452	Processed food
14. Tobacco products	453	Tobacco products
15. Beverages	454	Alcohol
16. Travel related consumer goods	455	Travel related consumer goods
	460	Others
17. Footwear	456	Footwear
18. Soaps, cosmetics and glycerine	457	Toiletries
19. Gems and jewellery	458	Gems and jewellery
20. Books, journals, magazines, stationery etc.	459	Books, journals, magazines, stationery, etc.

Source: NCAER concordance.

### Technical Notes

- The sample results were blown up to arrive at the population estimates using the multipliers assigned to each sample record. Also, since the reference period of the IPS is 2010-11 whereas TSA is prepared for 2009-10, the expenditure data are deflated for 2009-10 using the PFCE deflator.
- Detailed item-wise expenditure (within India) was recorded for the non-package travellers and hence could be obtained directly from the data.

- However, package travellers reported the total package cost which, in some cases, included the cost of travel to countries other than India too. In such cases, the package cost for India was derived using the ratio of days spent in India to total duration of the trip and applying it on the total package cost. This component refers to the package cost for stay in India only.
- The package cost derived thus was distributed among the items of expenditure using the same structure as observed in the case of non-package travellers.
- The item-wise sum of expenditure incurred by package as well as non-package travellers refers to the expenditure incurred within India. However, if the international traveller arrived in or departed from India by an Indian airlines (Air India, Jet, or Kingfisher), then that cost of air travel was also added to the air transport component, i.e. item 444.
- The total item-wise expenditure incurred by package as well as non-package travellers is presented in TSA Table 1.
- It should be noted that while confronting the internal tourism consumption data with the supply table, it was found that for some of the transport services, the internal tourism consumption exceeds the total supply of the product. This happens due to inconsistencies in the source data or due to misclassification of activities. Therefore, tourism consumption of these transportation services was internally adjusted so that the overall control figure remains the same. The adjusted figures are shown in the last column of TSA Table 1 and similarly in TSA Tables 2 and 3.



**TSA Table 1: Inbound Tourism Consumption by Products (at Market Price) (Package + Non-package) Rs. Crore**

Products	NRIs	Foreigner PIOs	Foreigner Others	Total International Demand	Total international Demand (adjusted using SUT information)
<b>A.1 Tourism characteristic products</b>	7,510	11,458	56,726	75,693	75,693
1 Accommodation services/Hotels	1,806	4,441	27,300	33,546	33,546
2 Food and beverage serving services/Restaurants	2,032	2,058	10,662	14,751	14,751
3 Railway passenger transport services	100	356	813	1,268	592
4 Road passenger transport services	830	970	3,372	5,171	4,281
5 Water passenger transport services	151	8	84	243	840
6 Air passenger transport services	768	1,668	5,231	7,668	11,376
7 Transport equipment rental services	166	368	980	1,514	15
8 Travel agencies and other reservation services/ Supporting and auxiliary transport activities	110	200	1,341	1,651	411
9 Cultural and religious services	149	349	874	1,371	1,371
10 Sports and other recreational services	751	851	1,785	3,386	3,386
11 Health and medical related services	648	191	4,286	5,124	5,124
<b>A.2 Tourism connected products</b>	7,150	3,290	13,545	23,985	23,985
12 Readymade garments	1,924	1,024	4,278	7,226	7,226
13 Processed Food	163	121	556	840	840
14 Tobacco products	20	129	127	276	276
15 Beverages	125	698	1,319	2,142	2,142
16 Travel related consumer goods	89	44	409	541	541
17 Footwear	186	136	703	1,025	1,025
18 Soaps, cosmetics and glycerine	23	11	74	108	108
19 Gems and jewellery	3,757	876	4,583	9,215	9,215
20 Books, journals, magazines, stationery etc.	864	251	1,496	2,611	2,611
<b>Total</b>	14,660	14,748	70,271	99,679	99,679
No. of tourists	11,48,234	9,17,277	45,38,387	66,03,897	66,03,897
Expenditure per tourist (Rs.)	1,27,672	1,60,784	1,54,837	1,50,939	1,50,939

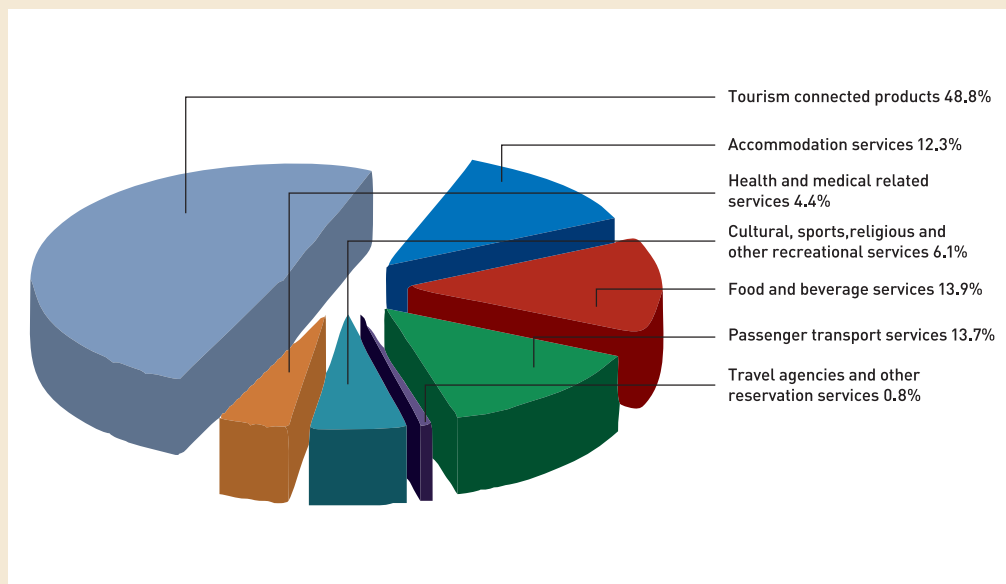
Source: IPS data and NCAER computations.

### Key Findings from Table 1

- In all, 66.04 lakh inbound tourists visited India during 2010-11, of which only 17.4 per cent were NRIs, 13.9 per cent were PIOs and the rest 68.7 per cent were foreign nationals.
- The results on expenditure reveal that among the three categories of international tourists, NRIs spent only 12.3 per cent on accommodation services, while PIOs and other foreign nationals spend the most (30.1 per cent and 38.8 per cent, respectively) on such services.
- Expenditure on food and beverage serving services stands same at 14 to 15 per cent of total expenditure, across all the categories of tourists.
- Almost half of the expenditure done by NRIs is shopping expenditure, that is, expenditure on tourism connected goods (48.8%). In contrast, PIOs' spent 22.3 per cent and other foreign nationals spend 19.3 per cent on the purchase of tourism connected goods.

- Within tourism connected goods, NRIs spent over 50 per cent of expenditure on gems and jewellery. This was followed by 26.9 per cent expenditure on readymade garments and 12.1 per cent on books, journals and stationery items. The remaining 8.5 per cent was spent on purchases of tobacco products, beverages, travel related consumer goods, footwear and toiletries.
- Other foreign nationals also spent the most (33.8 per cent) on gems and jewellery, followed by 31.6 per cent on readymade garments.
- On the other hand, PIOs spent the most, 31.1 per cent, on readymade garments, followed by 26.6 per cent on gems and jewellery. PIOs and other foreign nationals spent a significant amount on beverages too, which accounts for 21.2 per cent and 9.7 per cent of their respective total expenditure on tourism connected goods.
- Average per trip expenditure stands at Rs. 1.51 lakh, with NRIs' per trip expenditure being the lowest at Rs. 1.28 lakh and the same for PIOs and other foreign nationals at Rs. 1.61 lakh and Rs. 1.55 lakh, respectively.

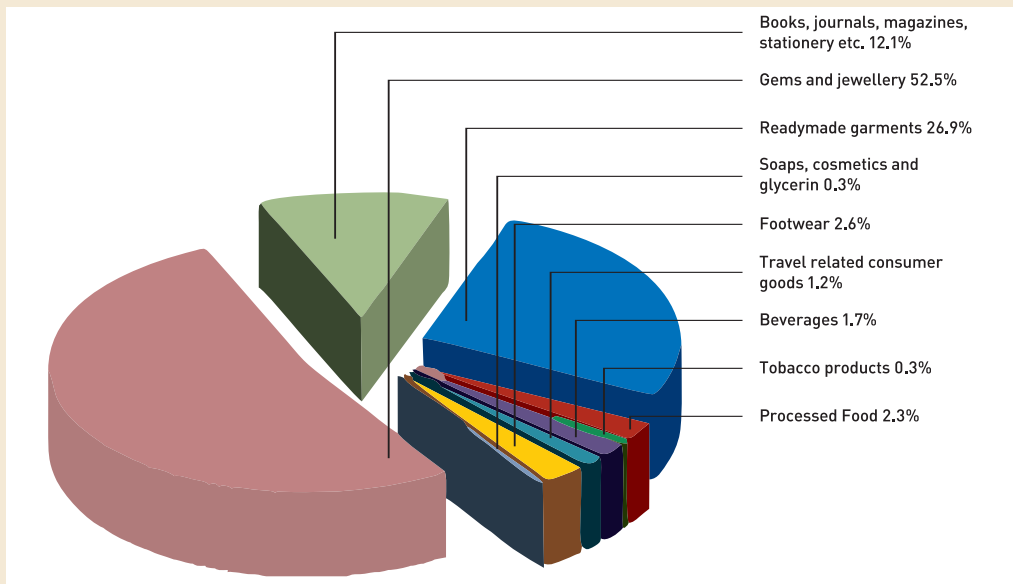
Figure 4.1: Tourists' Expenditure Pattern - NRI



Source: IPS and NCAER computations.

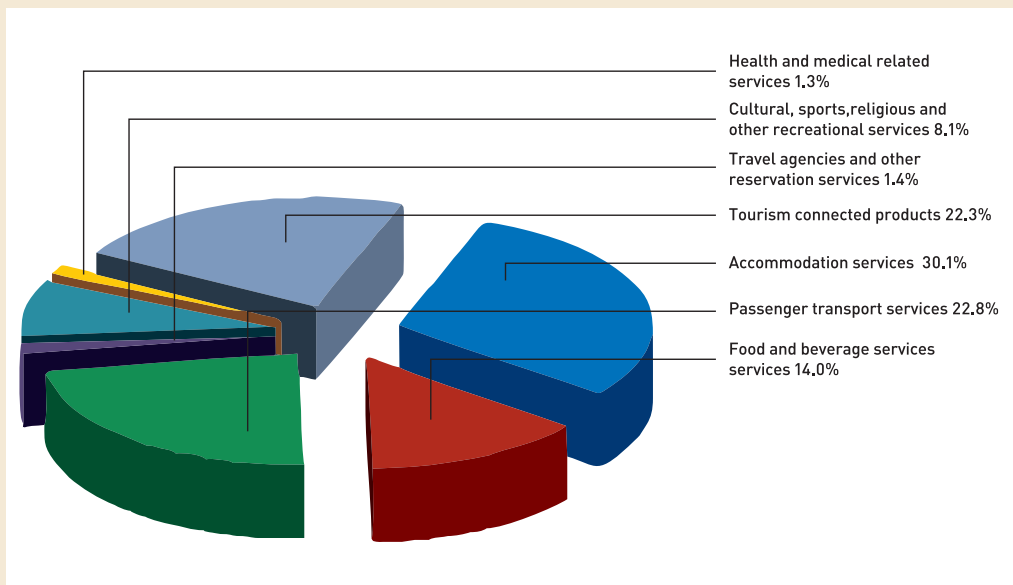


**Figure 4.2: Expenditure Pattern of Tourism Connected Goods - NRI**



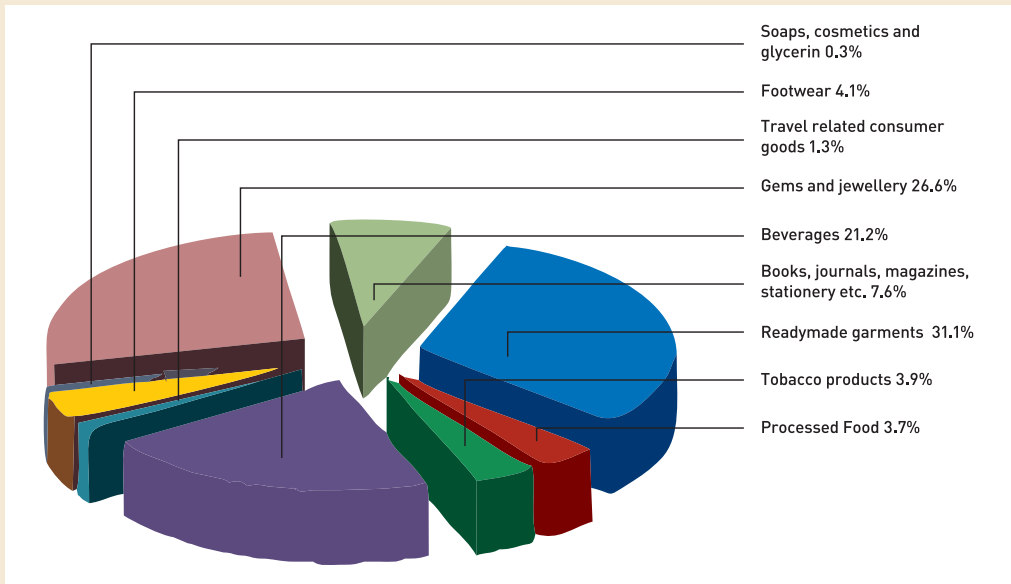
Source: IPS and NCAER computations.

**Figure 4.3: Tourists' Expenditure Pattern - PIO**



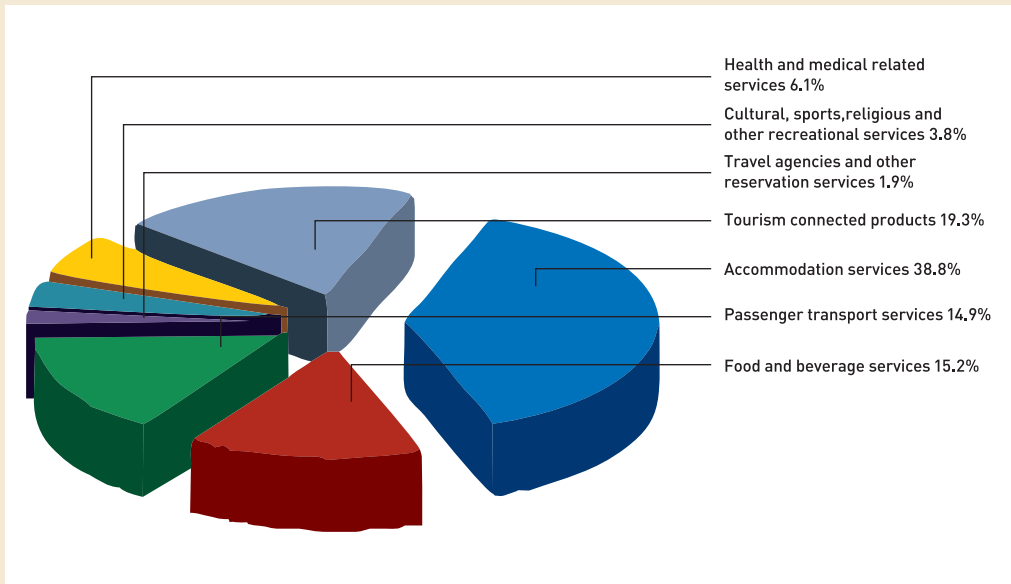
Source: IPS and NCAER computations.

**Figure 4.4: Expenditure Pattern of Tourism Connected Goods - PIO**



Source: IPS and NCAER computations.

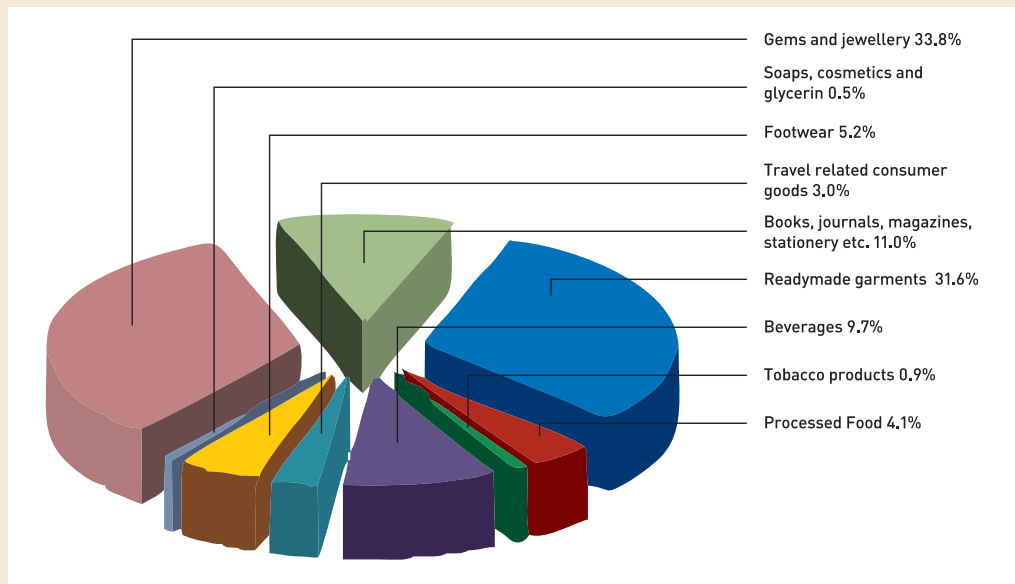
**Figure 4.5: Tourists' Expenditure Pattern - Other Foreigners**



Source: IPS and NCAER computations.

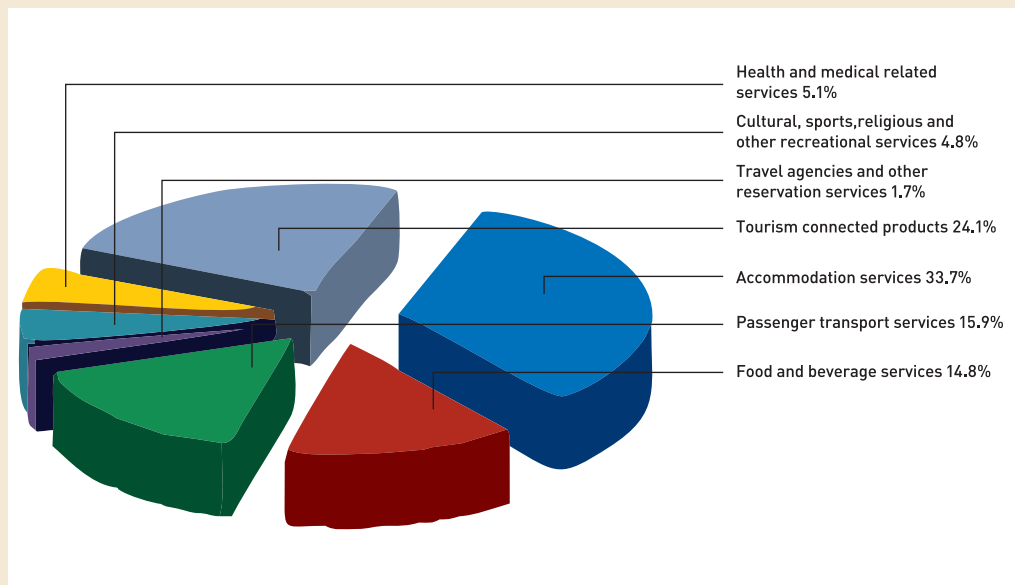


**Figure 4.6: Expenditure Pattern of Tourism Connected Goods - Other Foreigners**



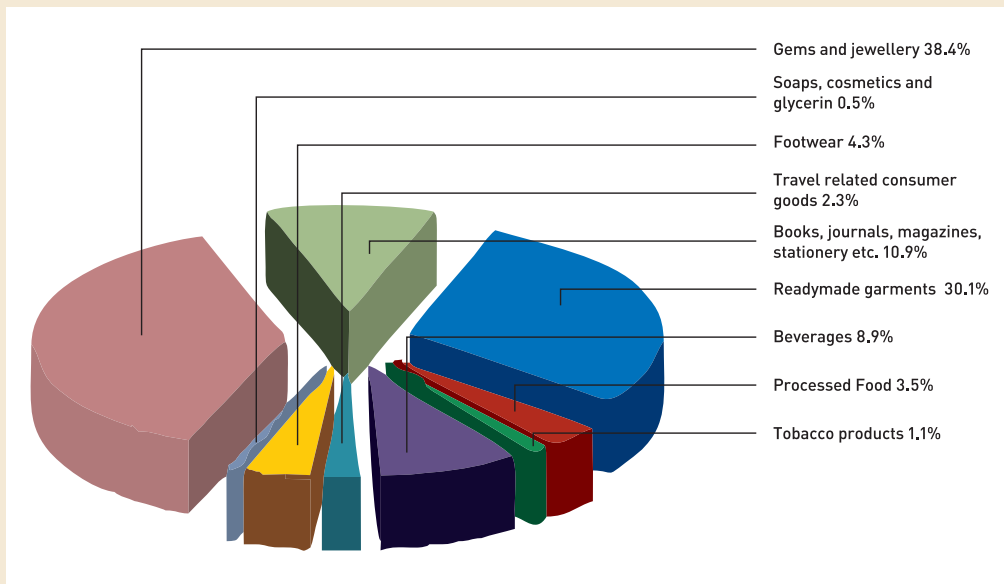
Source: IPS and NCAER computations.

**Figure 4.7: Tourists' Expenditure Pattern - Overall Inbound**



Source: IPS and NCAER computations.

**Figure 4.8: Expenditure Pattern of Tourism Connected Goods - Overall Inbound**



Source: IPS and NCAER computations.

### Table 2: Domestic Tourism Expenditure

4.8 Table 2 focuses on domestic tourism by products and by purpose of travel. This table presents the domestic tourism consumption which refers to the tourism consumption of a resident visitor within the economy of reference. It may be mentioned here that expenditures of day visitors are not included in this table, as the scope of this TSA is 'tourists'.

### Recommended Methodology

4.9 RMF recommends household surveys in order to collect information on domestic tourism expenditure. According to IRTS 2008, "Because there are no international borders to cross, the observation of the flows of domestic tourism requires the use of different statistical procedures. As far as overnight tourism is concerned, accommodation statistics are an important statistical source of information on domestic and inbound visitors. Measurement challenges nonetheless arise with these statistics in terms of separating out visitors from other travellers, and domestic from inbound visitors. Information can also be obtained from household surveys by interviewing people about trips undertaken in a specified period".

### Methodology Adopted

4.10 The domestic tourism expenditure was derived from the Domestic Tourism Survey (DTS), conducted by the National Sample Survey Organisation (NSSO) during 2008-09 (Refer to chapter on Data Sources). In all, 1,53,038 households were surveyed of which 97,074 (63 per cent) belonged to rural areas and the rest to urban areas. Apart from household characteristics, data were collected for each overnight trip and same-day trip made by one or more household members during the past 30 days. These included trip characteristics like leading purpose of the trip, main destination, number of places visited, number of household members on the trip, mode of travel, number of nights spent on trip, etc. Also detailed information was collected on the expenditure incurred by tourists on a detailed set of items which were mapped with the tourism characteristic and tourism connected (together called tourism specific) products and services. The mapping of consumption items with the tourism specific products and services is as follows:





**Table 4.4: Concordance between Tourism Specific Products/Services With DTS Items of Expenditure**

Tourism specific products	DTS	
	Item Code	Item description
<b>A.1. Tourism characteristic products</b>		
1. Accommodation services/hotels	4.1	Hotel
	4.2	Private guest house
	4.3	Government guest house
	4.4	Dharamshala
	4.5	Rented house
	4.6	Friends and relatives
	4.9	Others (amount spent on all other types of accommodation except those mentioned above, e.g., carriages/coaches, tents, second/vacation homes, etc.)
2. Food and beverage serving services/restaurants	5.1	In the accommodation unit
	5.2	Outside accommodation unit and during journey and transit
3. Railway passenger transport services	6.1	Railway passenger transport services
4. Road passenger transport services	6.2	Road passenger transport services
5. Water passenger transport services	6.3	Water passenger transport services
6. Air passenger transport services	6.4	Air passenger transport services
7. Transport equipment rental services	6.5	Transport equipment rental services
8. Travel agencies and other reservation services/ supporting and auxiliary transport activities	6.6	Travel agency services/tour operators
	6.9	Others and supporting services (includes expenditure on other motorised and non-motorised modes of transport not mentioned elsewhere like transport on animals like horse, pony, etc., or by humans like palki, doli carriages, dandi, and transport by cable car/ropeway etc.)
	9	Others (all other expenditure not indicated elsewhere, e.g. payment made to tourist guide, etc.)
9. Cultural and religious services	8.2	Entry fee to and other expenses at religious sites
	8.3	Entry fee to and other expenses at cultural sites
10. Sports and other recreational services	8.1	Cinema, theatre, amusements, etc.
	8.4	Sporting activities
11. Health and medical related services	8.5.1	Medicine
	8.5.2	Medical accessories
	8.5.3	Other health related services
<b>A.2 Tourism connected products</b>		
12. Readymade garments	7.01	Clothing and garments
13. Processed food	7.02	Processed food
14. Tobacco products	7.03	Tobacco products
15. Beverages	7.04	Alcohol
16. Travel related consumer goods	7.05	Travel related consumer goods (like suitcases, trunk, hand bag, other travel goods, spectacles, pen, lock, umbrella, radio, walkman, torch, batteries, etc.; photographic equipment like film, video cassette, CD, tripod etc.; sports items, toys etc.
	7.19	Others (all expenses on shopping not mentioned

			elsewhere e.g., expenditure on items like souvenirs, handicrafts, mementos etc.)
17	Footwear	7.06	Footwear
18	Soaps, cosmetics and glycerine	7.07	Toiletries
19	Gems and jewellery	7.08	Gems and jewellery
20	Books, journals, magazines, stationery etc.	7.11	Books, journals, magazines, stationery, etc.

Source: NCAER concordance.

### Technical Notes

- It must be noted that domestic tourism expenditure refers to the expenditure made not just during the trip but also those made before or after the trip. It included all expenses related to the trip paid or payable by the household. It also includes expenditure related to the trip, whether directly paid or reimbursed, by some institution like government or other agencies on behalf of the selected household. All expenditure in connection with the trip except those used for productive purposes or intended to be used by enterprises was included. All expenditure made by a sample household (whose members were on a trip) on members of other households was included. But all expenditure made by other households for any trip undertaken by a sample household was excluded<sup>45</sup>.
- The unit-level data (micro-data) of the survey provides the estimated number of trips for both "last 30 days" and "last 365 days". However, estimated number of trips by different categories such as purpose and types of trip, mode of travel, etc. is available only for "last 30 days" and not for "last 365 days". Therefore, to arrive at the estimates for "last 365 days", it is assumed that the joint distribution for the last 365 days for households/trips/visitor-trips is the same as the joint distribution obtained for the last 30 days.
- Accordingly, the distribution of trips by purpose of travel for "last 30 days" is applied on the marginal total estimated number of trips for "last 365 days" to arrive at the estimated number of trips by purpose of travel for the "last 365 days".
- Further, the survey data provides information on item-wise expenditure incurred during the latest 3 overnight trips only that were undertaken during the "last 30 days". This information is neither available for all the trips undertaken during "last 30 days" nor for trips undertaken during "last 365 days". For same-day trips, this information is available for all trips undertaken during "last 30 days". However, for TSA, this information is required for the last 365 days, which is not directly available in the survey data.
- Therefore, it is assumed that the average expenditure per trip based on last 3 overnight trips during the last 30 days for any group of trips or visitor/trips remains invariant for the last 30 days. Also, average expenditure for last 30 days for any group of trips or a particular category of expenditure is assumed to be the same for the last 365 days.
- Under these assumptions, average expenditure per overnight (or same-day) trip for a group or category of trip is obtained as the ratio of total estimated expenditure incurred on the group or category of overnight (or same-day) trips to the estimated number of overnight (or same-day) trips on the basis of the latest three (or all same day) trips during the last 30 days for which the expenditure has been reported.

45. According to IRTS 2008, the part of overnight travel which is attributed to unpaid accommodation (for example, stays with friends and relatives, trips to owner-occupied vacation homes) is excluded.





- This ratio multiplied with the estimated total number of overnight (or same-day) trips during the "last 365 days" gives the total estimated expenditure for all the trips taken during "last 365 days".
- Like IPS, DTS also recorded item-wise expenditure incurred by non-package tourists and a lump sum expenditure incurred by package tourists. This, in the case of domestic tourism expenditure, is treated in the same way as in inbound tourism expenditure. This means that the package cost is distributed across the items of expenditure in the same structure as observed in the expenditure pattern of non-package tourists.
- Hence total item-wise expenditure incurred by package as well as non-package tourists is arrived at.
- However, it is observed that the primary household surveys tend to underestimate the value of consumption expenditure. This observation comes from the notable underestimation of value of consumption expenditure (both at aggregate level and for each item) that is derived from the NSSO's large sample survey on "Consumption Expenditure" when compared with the Private Final Consumption Expenditure (PFCE) as reported in the CSO's National Accounts of Statistics (NAS). The reason behind underestimation could be the inability to recall the expenses and in some cases reluctance to report the actual expenses.
- This underestimation of DTS value of expenditure is corrected by applying the adjustment factor on value of expenditure of each item. The adjustment factor, for each item, is obtained by taking the ratio of PFCE expenditure and NSSO expenditure. These adjustment factors for the tourism specific goods and services are given in the table below:

**Table 4.5: Consumption Expenditure Adjustment Factors**

Products	Adjustment factors
<b>A.1 Tourism characteristic products</b>	
1. Accommodation services/Hotels	1.64
2. Food and beverage serving services/Restaurants	1.64
3. Railway passenger transport services	6.9
4. Road passenger transport services	8.86
5. Water passenger transport services	13.07
6. Air passenger transport services	6.81
7. Transport equipment rental services	8.63
8. Travel agencies and other reservation services/ Supporting and auxiliary transport activities	8.63
9. Cultural and religious services	0.5
10. Sports and other recreational services	0.5
11. Health and medical related services	1.81
<b>A.2 Tourism connected products</b>	
12. Readymade garments	2.56
13. Processed Food	1.49
14. Tobacco products	5.28
15. Beverages	3.04
16. Travel related consumer goods	1.74
17. Footwear	3.05
18. Soaps, cosmetics and glycerine	0.7
19. Gems and jewellery	1.45
20. Books, journals, magazines, stationery etc.	1.41

Source: NCAER computation.

- An adjustment factor of 1.64 in the case of "Hotels" would mean that the NAS value of expenditure incurred on "Hotels" services is 1.64 times what is reported in the NSSO survey. Hence, for each item, the value of expenditure obtained through the DTS is multiplied by the corresponding adjustment factor.
- Since the reference period of DTS is 2008-09 whereas TSA is prepared for 2009-10, the expenditure data obtained from DTS are inflated for 2009-10 using the PFCE deflator.
- Hence obtained item-wise expenditure, with expenditure for transport services adjusted for the inconsistencies with supply data (as done for IPS data), for domestic tourism is presented in TSA Table 2 given below:



**TSA Table 2: Domestic Tourism Consumption by Products and by Purpose of Travel (at Market Price) (Package + Non-package) (Rs. Crore)**

Products	Business	Holiday, leisure and recreation	Social	Religious	Education and training	Health and medical	Shopping	Other	All	Total Domestic (Adjusted using SUT information)
<b>A.1. Tourism characteristic products</b>	<b>13,304</b>	<b>31,015</b>	<b>1,57,577</b>	<b>53,144</b>	<b>5,135</b>	<b>54,656</b>	<b>846</b>	<b>16,238</b>	<b>3,31,916</b>	<b>3,31,916</b>
1 Accommodation services/Hotels	915	2,042	510	1,711	315	1,461	24	637	7,615	7,615
2 Food and beverage serving services/Restaurants	1,252	2,328	5,956	3,535	346	2,220	48	999	16,684	16,684
3 Railway passenger transport services	1,732	5,919	22,091	7,836	1,219	1,351	65	1,952	42,164	19,697
4 Road passenger transport services	3,675	9,278	77,493	21,593	1,462	7,283	418	3,529	1,24,730	2,06,013
5 Water passenger transport services	161	196	188	46	10	56	3	17	676	2,339
6 Air passenger transport services	3,219	2,544	3,254	758	545	527	1	226	11,075	26,208
7 Transport equipment rental services	1,135	6,441	18,241	12,858	311	5,739	67	2,063	46,854	461
8 Travel agencies and other reservation services/ Supporting and auxiliary transport activities	1,108	2,032	27,015	3,954	890	2,238	109	1,570	38,916	9,696
9 Cultural and religious services	3	59	92	489	3	3	-	4	654	654
10 Sports and other recreational services	5	69	130	9	2	1	-	3	219	219
11 Health and medical related services	100	107	2,605	356	32	33,778	110	5,238	42,328	42,328
<b>A.2 Tourism connected products</b>	<b>4,695</b>	<b>4,538</b>	<b>41,265</b>	<b>5,106</b>	<b>621</b>	<b>1,344</b>	<b>2,183</b>	<b>1,292</b>	<b>61,045</b>	<b>61,045</b>
12 Readymade garments	2,091	2,513	21,677	2,328	221	330	1,058	509	30,728	30,728
13 Processed Food	169	425	4,665	872	88	456	32	227	6,934	6,934
14 Tobacco products	120	125	1,291	201	16	115	14	85	1,966	1,966
15 Beverages	65	83	490	57	1	5	11	30	742	742
16 Travel related consumer goods	2,002	817	6,062	1,224	139	322	777	304	11,645	11,645
17 Footwear	99	263	1,691	183	28	40	94	49	2,447	2,447
18 Soaps, cosmetics and glycerine	10	27	135	38	5	24	5	10	253	253
19 Gems and jewellery	50	185	5,069	118	6	27	160	51	5,668	5,668
20 Books, journals, magazines, stationery etc.	89	100	187	84	117	24	33	27	662	662
<b>Total</b>	<b>18,000</b>	<b>35,553</b>	<b>1,98,842</b>	<b>58,250</b>	<b>5,756</b>	<b>56,000</b>	<b>3,029</b>	<b>17,530</b>	<b>3,92,961</b>	<b>3,92,961</b>
Estimated number of trips	2,46,18,400	2,52,27,600	69,54,88,000	9,13,53,000	95,70,600	5,92,13,100	35,84,100	2,97,30,800	93,90,32,400	93,90,32,400
Expenditure per trip (Rs.)	7,312	14,093	2,859	6,376	6,015	9,457	8,452	5,896	4,185	4,185

Source: DTS data and NCAER computations.

## Key Findings

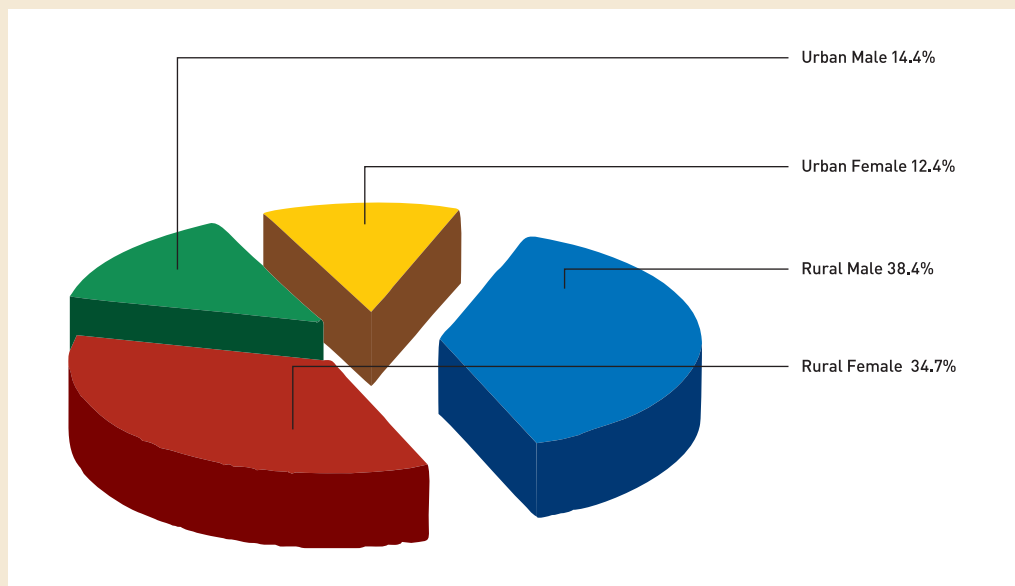
- In all, 939 million domestic trips were undertaken in 2008-09. These were undertaken by 783.5 million tourists. Unlike TSA Table 1 which reports the number of tourists, TSA Table 2 provides the number of trips by purposes of travel. This is because domestic tourists could not be classified by purpose of travel as many of them took more than one trip during the reference period, hence it is trips that can be classified by purposes of travel.
- However, tourist could be classified by their location of residence and by gender. Notably, of the total 783.5 million tourists, 573.4 million (or 73.2 per cent) belonged to the rural sector (See Figure 4.9) and the remaining 26.8 per cent belonged to urban sector.
- Meanwhile, the gender distribution did not show much disparity. In rural sector, 52.5 per cent of the tourists were men and 47.5 per cent were women. Similarly, in urban sector, 53.7 per cent were men while 46.3 per cent were women.

- Across most of the domestic tourists, classified by purpose of travel, the maximum expenditure is done on passenger transport services. On an average, this accounts for 57.4 per cent of total expenditure done on an overnight domestic trip<sup>46</sup>.
- The exception lies in the categories of domestic tourists whose main purposes of travel are "Health and Medical related" and "Shopping". For the trips undertaken for health and medical purpose, only 26.7 per cent of total trip expenditure was done on passenger transport services whereas as much as 60.3 per cent was spent on "Health and medical related services". Similarly, tourists who took trips for shopping purpose spent only 18.3 per cent on passenger transport services and spent 72.1 per cent on shopping itself, that is, on the purchase of travel connected goods.
- A very little proportion of total expenditure is on account of accommodation services. This is the highest in case of trips undertaken for leisure, which too stands at just 5.7 per cent. Meanwhile, this proportion is the lowest, at 0.3 per cent, in case of social trips.
- A low expenditure on accommodation for social trips is mainly because in such cases, tourists stay at the friend's or relative's place for whom the social trip is undertaken. However, even if the social trips are excluded from the coverage, only 3.7 per cent of the total expenditure is incurred on accommodation services.
- After passenger transport services, the item on which the domestic tourists spent the most is tourism connected goods. On an average, 15.5 per cent of total expenditure is accounted for the purchase of these goods.
- The percentage distribution of tourism connected goods reveal that most of the expenditure is incurred on the purchase of readymade garments (50.3 per cent) and travel related consumer goods (19.1 per cent). These are followed by processed food which accounts for 11.4 per cent of total expenditure on tourism connected goods.
- The overall per trip expenditure stands at Rs. 4185. This is the highest in case of leisure trips (Rs. 14093) and the lowest in case of social trips (Rs. 2859). On excluding social trips, the per trip expenditure stands at Rs. 7971.

46. It should be noted that the results reported in this report on domestic tourism expenditure may not match with the NSSO report on "Domestic Tourism Survey" owing to the adjustment factors used here.

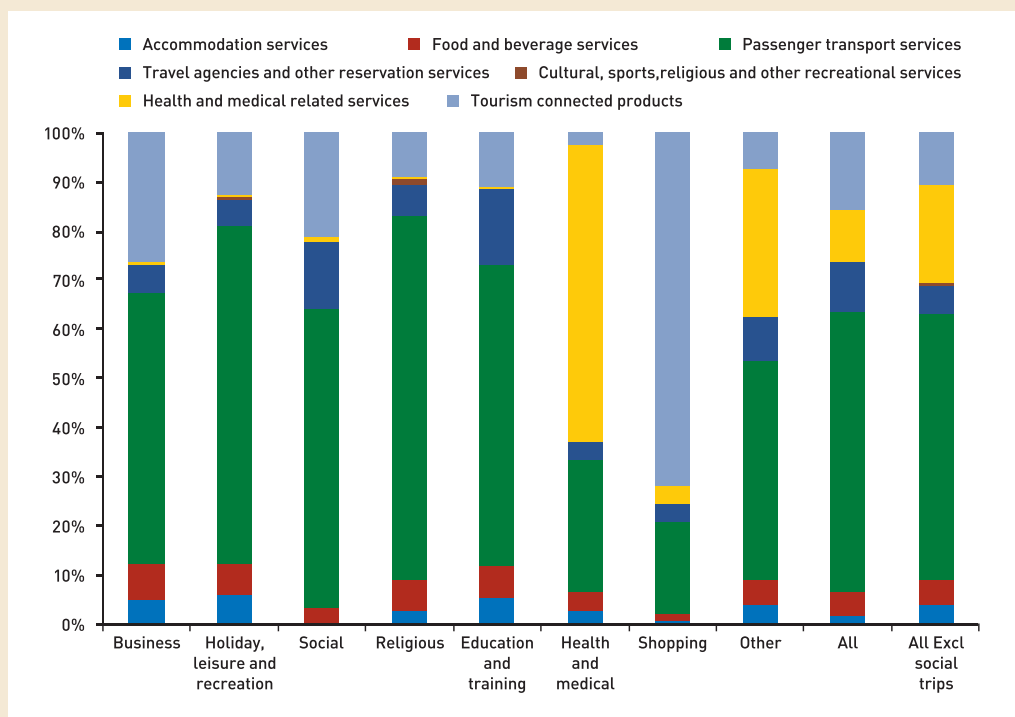


**Figure 4.9: Percentage Distribution of Domestic Tourists by Sector and Gender**



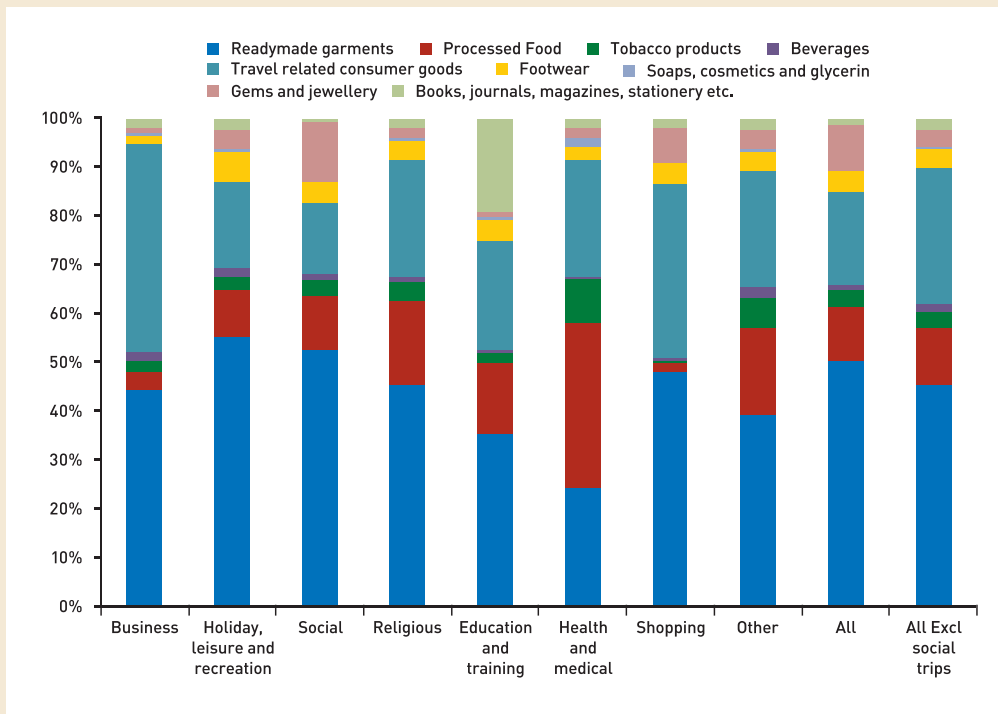
Source: DTS data and NCAER computations.

**Figure 4.10: Expenditure Pattern of Tourism Characteristic Goods - Domestic Tourists**



Source: DTS data and NCAER computations.

Figure 4.11: Expenditure Pattern of Tourism Connected Goods - Domestic Tourists



Source: DTS data and NCAER computations.

### Table 3: Outbound Pre-trip Tourism Expenditure

4.11 Table 3 focuses on outbound tourism. This table presents the tourism expenditure incurred by the resident visitor outside the country of reference on tourism characteristic and tourism connected products and services. This expenditure could be either as part of an outbound tourism trip or as part of a domestic trip. Both correspond to the travel between leaving the place of residence and returning. However, a domestic trip has a main destination within the country of residence of the traveller, while an outbound trip has a main destination outside this country.

### Recommended Methodology

4.12 The RMF recommends the use of one of the three following methods, or a combination of these to determine the flows of outbound visitors:

- Use of an entry or departure card
- A specific survey at the border
- Observing them from household surveys because they belong to resident households

4.13 In the third case, the information on outbound trips is usually collected at the same time as that on domestic trips.

### Methodology Adopted

4.14 DTS 2008-09 conducted by NSSO canvassed domestic tourists only and no information was collected on outbound tourism. However, a separate survey was conducted by ISI, Kolkata and was a part of IPS. This survey captured the expenditure incurred by outbound tourists within India which includes the pre-trip expenditure, say, on shopping or expenditure incurred on travelling from place of





residence to place of exit to another country and back. This expenditure is supposed to be a part of TSA Table 2 but since there is no data available on the recommended TSA Table 3, the outbound tourism expenditure incurred in India (pre-outbound trip) is presented in this table. As mentioned, this information was collected through survey conducted by ISI. In addition, the aggregate expenditure incurred by residents in respect of their purchases abroad (without any further product-wise break-up or purpose of travel), obtained from RBI's Balance of Payments statistics is presented in a TSA Table 3. This expenditure, in fact, refers to a major part of the outbound tourism expenditure.

- 4.15 The pre-trip expenditure incurred by outbound tourists was recorded for a detailed set of items and were mapped with the tourism characteristic and tourism-connected products and services. The mapping of consumption items with the tourism specific products and services is the same as that in the case of inbound tourism expenditure (Table 1). Similarly, estimation of outbound tourism expenditure was done in the same way as was done for inbound tourism expenditure (TSA Table 1: Technical Notes). The only difference is that inbound tourism expenditure was obtained for three categories of tourists and outbound tourism expenditure was obtained by purpose of travel. Also, just like domestic tourism expenditure, outbound tourism expenditures were adjusted using the consumption expenditure adjustment factors and were deflated to obtain the data for TSA year 2009-10. The total item-wise expenditure incurred by outbound tourists within India is presented in TSA Table 3 with a row added on aggregate outbound tourism expenditure incurred abroad.

### Technical Notes

- The procedure followed to compile the estimates is the same as mentioned in the technical notes under Table 1. Since the reference period of the IPS is 2010-11 whereas TSA is prepared for 2009-10, the expenditure data are deflated for 2009-10 using the PFCE deflator.
- Adjustment for under-coverage between consumption expenditure data reported in the surveys and the PFCE has been done for pre-trip expenditures of residents, just as in the case of domestic tourism mentioned in the technical notes of Table 2.
- Conceptually this table refers only to the outbound expenditure of residents while on tourism trip to other countries. However, owing to the absence of such data in detail, and also since the data on pre-trip expenditures of outbound tourists is collected in the IPS, the estimates presented in Table 3 are the pre-trip expenditures within the economy on outbound trips.
- In the last row of Table 3, the information available from the balance of payments statistics on resident purchases abroad, major part of which relates to the outbound expenditures of domestic tourists, has been presented.
- The total item-wise expenditure incurred by package as well as non-package travellers is presented in TSA Table 3.
- As in the case of Tables 1 and 2, adjustments in estimates of transportation services have been carried out on the basis of supply side information.

**TSA Table 3: Outbound Tourism Consumption by Products and by Purpose of Travel (at Market Price) (Package + Non-package) (Rs. Crore)**

Products	Business	Holiday,	Social	Religious Education/ training	Medical	Other	Total	Total Outbound (Adjusted using SUT information)	
<b>A.1. Tourism characteristic products</b>	<b>2,249</b>	<b>3,036</b>	<b>2,388</b>	<b>43</b>	<b>487</b>	<b>182</b>	<b>418</b>	<b>8,803</b>	<b>8,803</b>
1 Accommodation services/Hotels	1,140	1,353	149	26	152	23	62	2,905	2,905
2 Food and beverage serving services/Restaurants	225	182	209	3	69	46	29	762	762
3 Railway passenger transport services	113	131	51	2	7	-	5	310	145
4 Road passenger transport services	506	991	1,498	6	82	8	260	3,351	3,994
5 Water passenger transport services	11	-	-	-	-	-	-	11	37
6 Air passenger transport services	73	114	127	4	25	-	51	395	791
7 Transport equipment rental services	54	207	294	1	48	103	7	713	7
8 Travel agencies and other reservation services/ Supporting and auxiliary transport activities	57	42	57	1	100	1	1	259	65
9 Cultural and religious services	-	-	-	-	-	-	-	-	-
10 Sports and other recreational services	34	14	2	-	3	1	3	56	56
11 Health and medical related services	36	3	1	-	1	-	-	42	42
<b>A.2 Tourism connected products</b>	<b>446</b>	<b>331</b>	<b>336</b>	<b>1</b>	<b>199</b>	<b>22</b>	<b>12</b>	<b>1,345</b>	<b>1,345</b>
12 Readymade garments	38	168	243	-	131	10	10	601	601
13 Processed Food	1	1	-	-	-	-	-	2	2
14 Tobacco products	1	-	-	-	-	-	-	1	1
15 Beverages	1	1	-	-	-	7	-	8	8
16 Travel related consumer goods	383	116	52	-	45	5	1	602	602
17 Footwear	10	16	13	-	19	-	-	59	59
18 Soaps, cosmetics and glycerine	-	2	-	-	-	-	-	3	3
19 Gems and jewellery	10	25	26	-	-	-	-	62	62
20 Books, journals, magazines, stationery etc.	1	1	1	-	4	-	-	7	7
<b>Total</b>	<b>2,694</b>	<b>3,367</b>	<b>2,724</b>	<b>43</b>	<b>686</b>	<b>204</b>	<b>430</b>	<b>10,149</b>	<b>10,149</b>
No. of tourists	35,06,451	31,58,209	23,57,023	1,53,156	8,60,263	1,40,213	6,66,808	1,08,42,124	1,08,42,124
Expenditure per tourist (Rs.)	7,684	10,660	11,558	2,839	7,975	14,538	6,448	9,360	9,360
Total residents purchases abroad (from Balance of Payments)								44,200	44,200

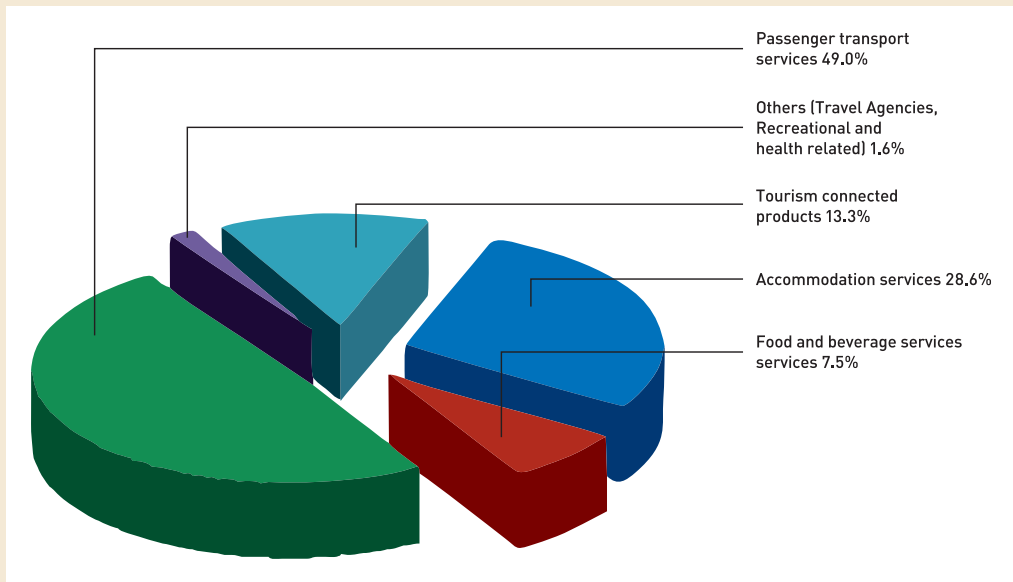
Source: IPS data and NCAER computations.

## Key Findings

- In all, there were 10.8 million outbound tourists in 2009-10. Of these, the maximum (32.3 per cent) travelled for business purposes. This was followed by 29.1 per cent for leisure/holiday and 21.7 per cent for social purpose. About 7.9 per cent travelled for education purpose, 1.4 per cent for religious, 1.3 per cent for health and medical, and the remaining 6.2 per cent for other purposes which includes shopping.
- Average expenditure per tourist stands at Rs. 9,360. It should be noted that this is only that part of the total expenditure of outbound tourists which is done in India.
- The majority of this expenditure is incurred on passenger transport services. This amounts to 49.0 per cent and includes expenses incurred on transport services within India but related to the actual trip abroad (eg. cost of travel from place of residence to port of exit and back).

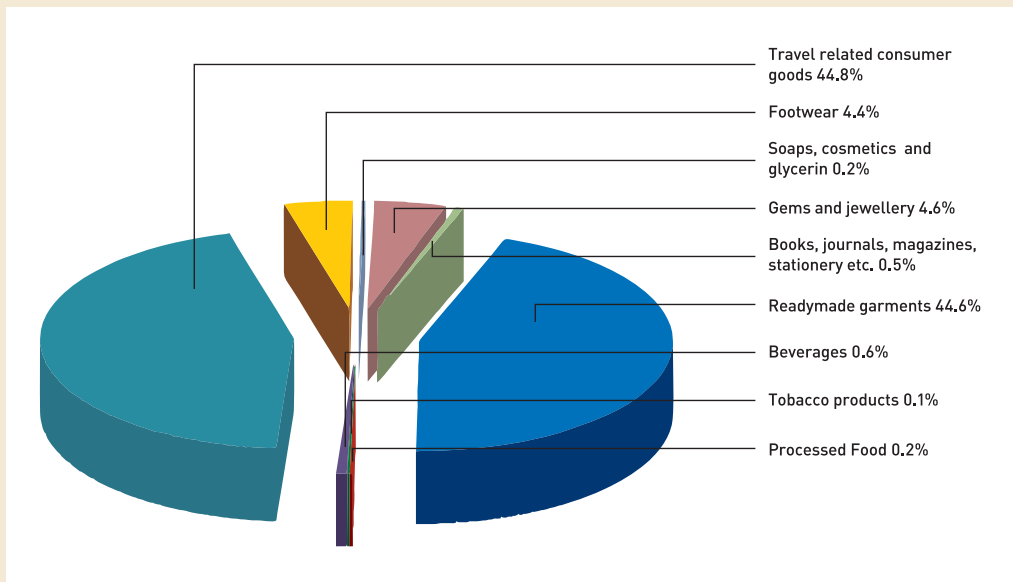
- This is followed by 28.6 per cent expenditure on accommodation services and 13.3 per cent on the purchase of tourism connected products.
- Among tourism connected products, part of the pre-trip expenditure, the maximum (44.8 per cent) was spent on tourism related consumer goods and readymade garments (44.6 per cent).

**Figure 4.12: Expenditure Pattern of an Outbound Tourist**



Source: IPS data and NCAER computations.

**Figure 4.13: Expenditure Pattern of an Outbound Tourist on Tourism Connected Goods**



Source: IPS data and NCAER computations.

## Table 4: Total Internal Tourism Consumption

4.16 TSA Table 4 presents the total internal tourism expenditure and the total internal tourism consumption. Internal tourism expenditure forms part of internal tourism consumption. Internal tourism expenditure presented in this table is made up of inbound tourism expenditure from TSA Table 1, domestic tourism expenditure from TSA Table 2 and outbound tourism expenditure done in the economy of reference which, in this report, is given in TSA Table 3. In addition, TSA Table 4 presents separately the components of imputed consumption.

### Recommended Methodology

4.17 TSA Table 4 essentially presents the total internal tourism consumption, a concept introduced in TSA: RMF 2008, which goes beyond internal tourism expenditure. In addition to tourism expenditure, this includes the following components of imputed consumption:

- Services associated with vacation accommodation on own account: This item includes all imputed accommodation services related to accommodation units on own account and to all other types of vacation home<sup>47</sup> ownership, as well as expenditure related to their acquisition that is not capitalized as part of the investment, for instance, charges for time share exchanges.
- Tourism social transfers in kind (except refunds): This item includes the value of individual non-market services provided by governments and non-profit institutions serving households (NPISH) that benefit visitors and exceed the values paid by the visitors themselves: costs of museums, performing arts, short-term education, health services provided short term in special establishments.
- Other imputed consumption: This item includes all other imputed items not previously included such as services benefiting visitors for which they do not pay (costs of vacation residences or camps provided by producers for the benefit of their employees, financial intermediation services indirectly measured (FISIM) on purchases related to tourism trips, etc.).

### Methodology Adopted

4.18 As recommended, internal tourism expenditure is presented as the sum of inbound, domestic and outbound tourism expenditure in TSA Table 4. These are supplemented with the additional components given in separate rows, to make up the total internal tourism consumption<sup>48</sup>. These components are not directly available from any data source; hence, after discussions with the technical committee members, these are derived using certain plausible assumptions.

- Services associated with vacation accommodation on own account: The imputed consumption on services associated with vacation homes on own account is assumed to be equal to 1 per cent of the urban owner occupied dwelling services<sup>49</sup>.
- Tourism social transfers in kind (except refunds): This is derived from the

47. A vacation home (sometimes also designated as a holiday home) is a secondary dwelling that is visited by the members of the household mostly for purposes of recreation, vacation or any other form of leisure.

48. The TSA: RMF 2008 recommends that imputed consumption may be shown against a separate column, but since most of these items fall under non-tourism products, these are shown against supplementary rows under domestic tourism.

49. The economic activities covered under owner occupied dwelling services include ownership of dwellings (occupied residential houses) and the imputed value of owner occupied dwellings.



component of "social transfer in kind" against "Recreation and Culture" in the Classification of Individual Consumption Expenditure of Households (COICOP). Household consumption on any item of consumption comprises of the individual consumption expenditure and social transfers in kind (paid by government). Since the data on the share of these transfers that goes to the tourists and to non-tourists are not available, it is assumed to be 50 per cent for each. The NAS statement on COICOP provides these components household consumption expenditure. For Tourism, the Individual consumption expenditure component is obtained from the demand side information through DTS while the imputed consumption that relate to "social transfers in kind" is obtained from COICOP.

- Financial intermediation services indirectly measured (FISIM) on purchases related to tourism trips: This is obtained using the share of FISIM in PFCE (as in NAS) and applying it on total internal tourism consumption expenditure.
- Imputed consumption of services rendered by vacation residences provided by producers for the benefit of their employees: This refers to the cost borne by the companies (mostly private corporates) on the services that they provide in their guest houses for the benefit of employees. This is assumed to be about half per cent of the total output of organised private corporate sector.
- Expenditure incurred by other households, mainly on food, on the visiting tourists when the tourists stay at friends'/relatives' place: While the accommodation cost is recommended to be excluded from tourism consumption when the tourists stay at friends'/relatives' place while on trip, the expenses incurred on food is taken into account. Notably, for domestic tourists, in large number of cases friends and relatives provided accommodation not only when the trips were taken for social purpose but for other purposes too. About 85 per cent of the tourists in rural areas and 80 per cent in urban areas reported that their major type of stay (maximum number of nights spent during the trip) was with friends and relatives. The expenses incurred by these households on food provided to the visitors are to be added to the imputed tourism consumption. This is obtained by multiplying the average per day expenditure of food (obtained from PFCE, NAS) with the number of days spent at friends'/relatives' place during all the tourist trips undertaken in a reference year. This amount is estimated to be Rs. 13,818 crore.
- The sum of total internal tourism expenditure and the imputed tourism consumption gives the total tourism consumption, which is presented in TSA Table 4.

### Technical Notes

- The imputed consumption for (i) vacation homes, (ii) tourism social transfers in kind, (iii) FISIM, (iv) guest houses of producers, and (v) expenditures on food made by households for tourists staying with them, have been estimated on the basis of assumptions and discussion with experts, as indicated above.
- All these estimates of imputed consumption have been shown under the domestic tourism for the sake of presentation, though they refer to all forms of tourism.
- The confrontation of data between estimated tourist expenditures and the total supply in the economy, by product, resulted in making adjustments in the transport services within the different sub-activities of transport services. The estimated actual expenditures and adjusted expenditures have been shown in

Tables 1 to 3.

- The internal tourism expenditures and consumption refer to the year 2009-10. Price adjustments wherever necessary to the survey data have been carried out using implicit price deflators from the item-level PFCE.
- The internal tourism expenditures and consumption are at purchasers' prices and include the actual expenditures made on acquisition of goods.

**TSA Table 4: Total Internal Tourism Consumption by Products and Forms of Tourism (at Market Price)  
(Rs. Crore)**

Products	Adjusted Inbound Tourism Consumption	Adjusted Domestic Tourism Consumption	Adjusted Outbound Tourism Consumption	Adjusted Total Tourism Consumption
<b>A 1. Tourism characteristic products</b>	<b>75,694</b>	<b>3,31,915</b>	<b>8,803</b>	<b>4,16,412</b>
1 Accommodation services/Hotels	33,546	7,615	2,905	44,067
2 Food and beverage serving services/Restaurants	14,751	16,684	762	32,197
3 Railway passenger transport services	592	19,697	145	20,434
4 Road passenger transport services	4,281	2,06,013	3,994	2,14,288
5 Water passenger transport services	840	2,339	37	3,217
6 Air passenger transport services	11,376	26,208	791	38,375
7 Transport equipment rental services	15	461	7	483
8 Travel agencies and other reservation services/ Supporting and auxiliary transport activities	411	9,696	65	10,172
9 Cultural and religious services	1,371	654	-	2,025
10 Sports and other recreational services	3,386	219	56	3,661
11 Health and medical related services	5,124	42,328	42	47,494
<b>A.2 Tourism connected products</b>	<b>23,985</b>	<b>61,045</b>	<b>1,345</b>	<b>86,376</b>
12 Readymade garments	7,226	30,728	601	38,555
13 Processed Food	840	6,934	2	7,777
14 Tobacco products	276	1,966	1	2,243
15 Beverages	2,142	742	8	2,892
16 Travel related consumer goods	541	11,645	602	12,789
17 Footwear	1,025	2,447	59	3,531
18 Soaps, cosmetics and glycerine	108	253	3	364
19 Gems and jewellery	9,215	5,668	62	14,945
20 Books, journals, magazines, stationery etc.	2,611	662	7	3,280
<b>A.3 Other imputed connected products</b>		<b>54,300</b>		<b>54,300</b>
21 Vacation homes (assumed to be 1% of urban owner occupied dwelling services, total Rs. 1,69,363 crore)		1,694		1,694
22 Social transfers in kind (50% of GFCE of tourism and cultural services)		2,464		2,464
23 FISIM (calculated from the share of fisim in PFCE)		14,345		14,345
24 Producers' guest houses (.5% of private organised sector share in output)		21,980		21,980
25 Imputed expenditures of households on food for tourists staying with them		13,818		13,818
<b>Total (Rs. Crore)</b>	<b>99,679</b>	<b>4,47,261</b>	<b>10,149</b>	<b>5,57,089</b>

Source: NCAER computations.



## Key Findings

- The total internal consumption amounts to Rs. 5,57,089 crore of which the tourism expenditures are Rs. 5,02,788 crore and imputed expenditures, Rs. 54,300 crore.
- Within the internal consumption, share of tourism expenditures is 90.3 per cent and that of imputed consumption 9.7 per cent.
- The shares of different products in the internal consumption by different forms of tourism are presented in Tables 4.6 and 4.7.

**Table 4.6: Percentage Breakup of Total Internal Tourism Consumption by Products**

Products	Inbound Tourism Consumption	Domestic Tourism Consumption	Outbound Tourism Consumption	Total Tourism Consumption
<b>A.1. Tourism characteristic products</b>	75.9	74.2	86.7	74.7
1. Accommodation services/hotels	33.7	1.7	28.6	7.9
2. Food and beverage serving services/restaurants	14.8	3.7	7.5	5.8
3. Railway passenger transport services	0.6	4.4	1.4	3.7
4. Road passenger transport services	4.3	46.1	39.4	38.5
5. Water passenger transport services	0.8	0.5	0.4	0.6
6. Air passenger transport services	11.4	5.9	7.8	6.9
7. Transport equipment rental services	0	0.1	0.1	0.1
8. Travel agencies and other reservation services/ supporting and auxiliary transport activities	0.4	2.2	0.6	1.8
9. Cultural and religious services	1.4	0.1	0	0.4
10. Sports and other recreational services	3.4	0	0.6	0.7
11. Health and medical related services	5.1	9.5	0.4	8.5
<b>A.2 Tourism connected products</b>	24.1	13.6	13.3	15.5
12. Readymade garments	7.2	6.9	5.9	6.9
13. Processed food	0.8	1.6	0	1.4
14. Tobacco products	0.3	0.4	0	0.4
15. Beverages	2.1	0.2	0.1	0.5
16. Travel related consumer goods	0.5	2.6	5.9	2.3
17. Footwear	1	0.5	0.6	0.6
18. Soaps, cosmetics and glycerine	0.1	0.1	0	0.1
19. Gems and jewellery	9.2	1.3	0.6	2.7
20. Books, journals, magazines, stationery etc.	2.6	0.1	0.1	0.6
<b>A.3 Other imputed connected products</b>		12.1		9.7
21. Vacation homes		0.4		0.3
22. Social transfers in kind		0.6		0.4
23. FISIM		3.2		2.6
24. Producers' guest houses		4.9		3.9
25. Imputed expenditures of households on food for tourists staying with them		3.1		2.5
<b>Total all products</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: NCAER's computations.

**Table 4.7: Percentage Breakup of Total Internal Tourism Consumption by Forms of Tourism**

Products	Inbound Tourism Consumption	Domestic Tourism Consumption	Outbound Tourism Consumption	Total Tourism Consumption
<b>A 1. Tourism characteristic products</b>	18.2	79.7	2.1	100
1. Accommodation services/hotels	76.1	17.3	6.6	100
2. Food and beverage serving services/restaurants	45.8	51.8	2.4	100
3. Railway passenger transport services	2.9	96.4	0.7	100
4. Road passenger transport services	2	96.1	1.9	100
5. Water passenger transport services	26.1	72.7	1.2	100
6. Air passenger transport services	29.6	68.3	2.1	100
7. Transport equipment rental services	3.1	95.5	1.5	100
8. Travel agencies and other reservation services/ supporting and auxiliary transport activities	4	95.3	0.6	100
9. Cultural and religious services	67.7	32.3	0	100
10. Sports and other recreational services	92.5	6	1.5	100
11. Health and medical related services	10.8	89.1	0.1	100
<b>A.2 Tourism connected products</b>	27.8	70.7	1.6	100
12. Readymade garments	18.7	79.7	1.6	100
13. Processed food	10.8	89.2	0	100
14. Tobacco products	12.3	87.7	0.1	100
15. Beverages	74.1	25.7	0.3	100
16. Travel related consumer goods	4.2	91.1	4.7	100
17. Footwear	29	69.3	1.7	100
18. Soaps, cosmetics and glycerine	29.7	69.5	0.8	100
19. Gems and jewellery	61.7	37.9	0.4	100
20. Books, journals, magazines, stationery etc.	79.6	20.2	0.2	100
Total expenditures	19.8	78.2	2	100

Source: NCAER's computations.

- The shares of inbound, domestic and pre-trip outbound consumption in the total internal consumption are 17.9 per cent, 80.3 per cent, and 1.8 per cent, respectively. In terms of expenditures (excluding imputations), the shares are 19.8 per cent, 78.2 per cent, and 2.0 per cent, respectively for these three forms of tourism.
- Within the total tourism internal consumption, the shares for tourism characteristic products, tourism connected products and imputed consumption are 74.7 per cent, 15.5 per cent, and 9.7 per cent, respectively. As a composition of expenditures, these characteristic and connected products respectively have a share of 75.9 per cent and 24.1 per cent for inbound tourists, 74.2 per cent and 13.6 per cent for domestic tourists and 86.7 per cent and 13.3 per cent for outbound tourists in pre-trip expenditures.
- In terms of product profile in the total tourism consumption, a major part (38 per cent) is on the passenger road transport services, followed by accommodation (8.3 per cent), health (8.4 per cent) and readymade garments (7.0 per cent). Again, this product profile is heavily influenced by the domestic tourism expenditures.
- Within each product's tourism expenditures, generally the domestic tourists have a major share, with the exception of hotels (76.1 per cent for inbound tourism against 17.3 per cent for domestic tourism), cultural and religious





services (67.7 per cent for inbound tourism against 32.3 per cent for domestic tourism), sports and other recreational services (92.5 per cent for inbound tourism against 6.0 per cent for domestic tourism), beverages (74.1 per cent for inbound tourism against 25.7 per cent for domestic tourism), gems and jewellery (61.7 per cent for inbound tourism against 37.9 per cent for domestic tourism) and books, journals, etc. (79.6 per cent for inbound tourism against 20.2 per cent for domestic tourism).

### Table 5: Production Account of Tourism and Other Industries

4.19 TSA Table 5 presents the production accounts of tourism and other industries in the economy of reference. It conforms formally to the format established in the Systems of National Accounts (SNA) 1993 for production accounts. The main aggregate that is derived from this table is the gross value added of tourism industries (GVATI) and if satellite rows of employment are included, this table also provides employment in tourism industries. GVATI, however, has a limited role as being a relevant indicator of tourism for the reasons explained in Chapter 2.

### Recommended Methodology

4.20 This table conforms to the 1993 SNA format with products shown in rows and columns representing industries. The output broken down by product for each industry is valued at basic prices and occupies a block of rows in the upper part of the table. Then intermediate consumption (also called intermediate inputs) valued at purchasers' prices, if possible broken down again by products for each industry, is presented in the second block of rows. The difference between these two values is the gross value added (GVA) at basic prices for the industries and is presented in the third block of rows. The GVA of each industry is further broken down in the third block of rows into value added components of compensation of employees, gross<sup>50</sup> operating surplus of corporations, gross mixed income of unincorporated business and net taxes on production. The perspective of presenting this table is nevertheless different from SNA production accounts as here it is aimed at providing a tool for tourism analysis. According to TSA: RMF 2008, the tourism industries and products are highlighted in this table within SNA general framework, so as to enable tourism analysis. In columns, the production accounts of the tourism specific industries are presented and grouped according to the classification that has been proposed. For each industry and for the total economy, GVA at basic prices, that is the difference between output at basic prices and intermediate consumption at purchasers' prices has to be equal to the GVA of the economy as it appears in the national accounts.

### Methodology Followed

4.21 As recommended, the production account of the economy with focus on tourism industries has been prepared using India's Supply and Use Table (SUT) for the year 2009-10 that has specially been compiled for this TSA. In the first stage, SUT was prepared for 130 industries and 130 products, the same dimension that CSO uses for its 5-yearly input-output tables. In the second stage, this SUT of 130 industries was further expanded to 142 sectors to include some of the tourism specific industries which were not separately identifiable in the 130-industry SUT. The 142 sector SUT was compiled by splitting some of the 130 sectors (technical notes of this section). Further, since the focus of this TSA is on 25-industry/product tables, this 142-sector SUT was aggregated to arrive at 25-sector SUT. Of these 25

50. If estimates of CFC are presented separately, the operating surplus and mixed income which are usually the residual items, represent net operating surplus/mixed income.

industries and products, 20 were tourism specific industries, for which information on tourism consumption is available and presented in TSA Table 4; and the remaining five industries and products are tourism non-specific industries and products.

- 4.22 The 25-sector SUT and production accounts for 25 industries have been compiled with the desired disaggregation of output of each industry broken down by 25 product groups (at basic prices), intermediate consumption (at purchasers' prices) broken down by 25 product groups and value added (at basic prices) broken down by its components of compensation of employees, other taxes on production, other subsidies on production, consumption of fixed capital, and finally, the net operating surplus/mixed income. The production accounts of the 25 industries also show satellite rows of employment, gross fixed capital formation and net capital stock to facilitate more in-depth tourism analysis.

### Technical Notes

- The industries that were required to be shown separately in SUT but were embedded within certain industries in SUT of 130 industries are as follows. Table 4.8 presents the number and description of the industries of 130-industry SUT that were split to arrive at 142-industry SUT. Also the table presents the data source used to disaggregate these industries.



**Table 4.8: SUT-130 Industries Disaggregated to Form New Industries for SUT-142**

Industry number	Industry description	Industries split into	Data source used
60	Leather and leather products	Leather consumer goods Leather products - others	Share in output using manufacturing industries data of Annual Survey of Industries (ASI)
62	Plastic products	Plastic consumer goods Plastic products - others	Share in output using manufacturing industries data of Annual Survey of Industries (ASI)
105	Miscellaneous manufacturing	Travel related goods Other manufacturing	Share in output using manufacturing industries data of Annual Survey of Industries (ASI)
109	Railway transport services	Railway passenger services Railway freight services	Share in output using NSSO survey data on "Services Sector Enterprises" (63rd Round) and employment shares from EUS, 2009-10
110	Land transport including via pipeline	Land passenger services Land freight services	Share in output using NSSO survey data on "Services Sector Enterprises" (63rd Round) and employment shares from EUS, 2009-10
111	Water transport	Water passenger services Water freight services	Share in output using NSSO survey data on "Services Sector Enterprises" (63rd Round) and employment shares from EUS, 2009-10
112	Air transport	Air passenger services Air freight services	Share in output using NSSO survey data on "Services Sector Enterprises" (63rd Round) and employment shares from EUS, 2009-10
113	Supporting and auxiliary transport activities	Transport incidental services -passengers Transport incidental services -freight	Share in output using NSSO survey data on "Services Sector Enterprises" (63rd Round) and employment shares from EUS, 2009-10
117	Hotels and restaurants	Hotels Restaurants	Share in output using NSSO survey data on "Services Sector Enterprises" (63rd Round) and employment shares from EUS, 2009-10
127	Renting of machinery and equipment	Renting of transport equipment Renting of machinery and equipments (other than transport equipment)	Share in output using NSSO survey data on "Services Sector Enterprises" (63rd Round) and employment shares from EUS, 2009-10
128	Other community, social and personal services	Cultural and religious services Other community and social services	Share in output using NSSO survey data on "Services Sector Enterprises" (63rd Round) and employment shares from EUS, 2009-10
129	Other services	Sports, museum and culture services Other part of other services	Share in output using NSSO survey data on "Services Sector Enterprises" (63rd Round) and employment shares from EUS, 2009-10

Source: NCAER concordance .

- The splitting of industries and products required splitting the industries (columns) first and splitting the products (rows) in the second stage, in both the supply and use tables. The item-wise outputs and intermediate consumption for these split industries were based on the sources of data mentioned above. The product splitting generally used the same structure as that of combine product-



group in respect of output by different industries in the supply table and intermediate and final uses in the use table. However, ensuing consistency between the supply and use tables for the split industries is an important task.



SECOND TOURISM SATELLITE ACCOUNT FOR INDIA, 2009-10

TSA Table 5: Production Account of Tourism and Other Industries, 2009-10 (Rs. Lakh)

Product X Industries	Agriculture and allied	Mining, other manufacturing, construction, electricity, gas and water supply	Trade	Transport freight services	All non-tourism specific services	Processed food products	Beverages	Tobacco products	Readymade garments	Printing and publishing
	1	2	3	4	5	6	7	8	9	10
<b>Gross output at basic prices</b>										
1 Agriculture and allied	14,06,12,416	3,97,993	-	-	-	1,56,36,388	5	-	-	-
2 Mining, other manufacturing, construction, electricity, gas and water supply	4,12,185	56,04,46,153	-	-	-	10,01,242	1,94,477	6,155	4,16,577	8,60,499
3 Trade	1,34,167	61,19,209	11,09,72,400	-	-	49,042	34,410	10,149	-	46,973
4 Transport freight services	-	-	-	4,98,70,175	-	-	-	-	-	-
5 All non-tourism specific services	-	41,925	-	-	21,53,89,138	488	8,649	83	-	67
6 Processed food products	8,45,213	8,03,996	-	-	-	1,84,24,311	86,118	78,574	-	-
7 Beverages	17,396	2,43,246	-	-	-	38,319	34,37,283	-	-	-
8 Tobacco products	14	-	-	-	-	-	-	35,37,576	-	-
9 Readymade garments	-	26,22,712	-	-	-	-	-	-	1,15,85,993	-
10 Printing and publishing	-	4,21,450	-	-	-	-	-	-	-	36,03,302
11 Leather footwear	-	1,96,545	-	-	-	-	-	-	-	-
12 Travel related consumer goods	-	7,12,703	-	-	-	506	-	29	68,791	2,602
13 Soaps and cosmetics	-	4,75,408	-	-	-	9,287	1,628	10,974	-	-
14 Gems and jewellery	-	2,73,198	-	-	-	-	-	-	14	-
15 Railway passenger transport services	-	-	-	-	-	-	-	-	-	-
16 Land passenger transport including via pipeline	-	-	-	20,31,383	-	-	-	-	-	-
17 Water passenger transport	-	-	-	-	-	-	-	-	-	-
18 Air passenger transport	-	-	-	-	-	-	-	-	-	-
19 Tourism related supporting and auxiliary transport activities	-	-	-	-	-	-	-	-	-	-
20 Hotels	-	-	-	-	-	-	-	-	-	-
21 Restaurants	-	-	-	-	-	-	-	-	-	-
22 Medical and health	-	-	-	-	-	-	-	-	-	-
23 Renting of transport equipment	-	9,903	-	-	-	121	2,151	21	-	-
24 Cultural and religious services	-	-	-	-	-	-	-	-	-	-
25 Sporting and recreational services	-	11,113	-	-	-	-	-	-	-	355
Total output at basic prices	14,20,21,391	57,27,75,555	11,09,72,400	5,19,01,558	21,53,89,138	3,51,59,706	37,64,721	36,43,559	1,20,71,374	45,13,797
<b>Intermediate consumption at purchasers prices</b>										
1 Agriculture and allied	1,99,29,344	3,25,49,989	-	12,03,120	2,38,798	2,60,16,225	7,87,309	5,71,811	46,272	2,427
2 Mining, other manufacturing, construction, electricity, gas and water supply	1,04,32,223	35,40,21,298	62,99,521	2,50,43,549	1,30,78,681	27,98,537	8,51,630	3,03,158	64,41,211	29,82,099
3 Trade	-	-	-	-	-	-	-	-	-	-
4 Transport freight services	-	-	-	-	-	-	-	-	-	-
5 All non-tourism specific services	15,15,771	2,26,57,604	67,24,910	28,95,646	1,23,54,762	6,40,272	71,982	1,29,584	8,64,817	2,17,255
6 Processed food products	3,34,683	25,68,589	-	2,544	20,213	12,39,149	8,40,432	2,49,436	7,612	21,606
7 Beverages	-	2,46,409	-	310	18,019	6,383	2,43,255	-	-	8
8 Tobacco products	-	1,030	-	-	-	-	-	7,79,035	-	-
9 Readymade garments	3,706	10,89,891	8,130	26,757	1,00,431	1,739	-	-	3,81,854	7,836
10 Printing and publishing	19,085	89,633	3,34,030	99,612	1,53,933	282	52	259	562	1,56,909
11 Leather footwear	-	32,203	0	17,595	0	-	-	-	-	-
12 Travel related consumer goods	948	2,38,294	5,660	10,744	13,596	532	536	69	17,543	2,240
13 Soaps and cosmetics	-	2,32,335	-	1,139	1,283	387	2,527	30,338	41,071	4,962
14 Gems and jewellery	-	95,831	-	-	-	-0	-	-	-	0
15 Railway passenger transport services	16,840	3,99,027	10,722	29,069	1,91,041	8,670	708	14,302	21,067	4,446
16 Land passenger transport including via pipeline	4,27,735	25,53,288	31,80,104	4,16,704	11,08,283	42,538	4,332	35,369	49,951	30,655
17 Water passenger transport	252	772	50	33	2	7	-	-	-	-
18 Air passenger transport	6,299	10,95,449	10,173	15,941	2,42,978	2,481	1,317	8,491	5,295	7,837
19 Tourism related supporting and auxiliary transport activities	-	18,025	-	5,970	-	-	-	-	-	-
20 Hotels	54,750	88,873	4,64,273	11,62,184	8,39,818	241	-	-	-	-
21 Restaurants	1,60,959	2,61,277	13,64,912	34,16,695	24,68,975	710	-	-	-	-
22 Medical and health	-	-	-	77,836	5,87,806	-	-	-	-	-
23 Renting of transport equipment	998	38,191	60	16,812	7,971	49	11	94	51	70
24 Cultural and religious services	696	2,19,286	1,152	9,616	73,847	1,070	2	202	22,901	3,786
25 Sporting and recreational services	89,936	9,21,755	902	24,962	78,245	2,420	697	36,582	35,221	3,743
Total intermediate consumption	3,29,94,223	41,94,19,048	1,84,04,600	3,44,76,839	3,15,78,679	3,07,61,692	28,04,788	21,58,728	79,35,429	34,45,877
Gross value added at basic prices	10,90,27,168	15,33,56,507	9,25,67,800	1,74,24,719	18,38,10,459	43,98,014	9,59,934	14,84,831	41,35,945	10,67,921
Compensation of employees	1,64,79,439	6,14,47,416	1,42,03,900	62,96,870	7,45,35,633	13,10,987	55,182	2,75,231	9,78,118	1,73,187
Operating surplus/mixed income	8,40,05,282	5,93,36,334	7,54,78,900	89,54,519	8,92,21,136	19,12,721	6,48,996	8,95,307	20,97,736	6,40,655
Consumption of fixed capital	76,05,939	2,92,54,098	23,79,200	19,41,871	1,64,12,820	10,54,171	2,29,535	2,73,734	9,47,115	2,24,908
Taxes on production	9,52,100	34,25,265	5,20,600	2,36,508	37,25,379	1,22,252	26,683	41,274	1,14,968	29,685
Subsidies on production	15,600	1,06,597	14,800	5,048	84,512	2,118	462	715	1,991	514
Net taxes on production	9,36,500	33,18,668	5,05,800	2,31,460	36,40,867	1,20,135	26,221	40,559	1,12,976	29,171
Employment (lakh Numbers)	2,945	1,025	417	84	447	33	3	45	78	11
GFCF (Gross Fixed Capital Formation)	1,76,00,549	8,68,42,864	1,29,91,687	51,26,510	6,90,46,161	12,11,480	8,69,782	1,16,436	10,31,668	7,26,380
NCS (Net Capital Stock)	18,77,49,400	78,92,98,046	12,03,90,500	4,38,51,277	68,84,94,307	92,12,111	66,42,883	13,76,658	28,00,455	35,60,162

Source: NCAER computations.

METHODOLOGY ADOPTED AND TSA, 2009-10 TABLES

Leather footwear	Travel related consumer goods	Soaps and cosmetics	Gems and jewellery	Railway passenger transport services	Land passenger transport including via pipeline	Water passenger transport	Air passenger transport	Tourism related supporting and auxiliary transport activities	Hotels	Restaurants	Medical and health	Renting of transport equipment	Cultural and religious services	Sporting and recreational services	Output of domestic industries at basic prices
11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,66,46,803
11,33,816	6,88,724	6,26,641	1,63,480	-	-	-	-	-	-	-	-	-	-	-	56,59,49,951
1,44,942	13,101	78,652	2,33,070	-	-	-	-	-	-	-	-	-	-	-	11,78,36,114
-	-	-	-	-	19,29,482	-	-	-	-	-	-	-	-	-	5,17,99,657
-	26	33	-	-	-	-	-	-	-	-	-	-	-	-	21,54,40,408
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,02,38,213
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	37,36,245
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35,37,590
1,199	1,120	277	-	-	-	-	-	-	-	-	-	-	-	-	1,42,11,301
-	337	-	-	-	-	-	-	-	-	-	-	-	-	-	40,25,088
10,51,825	69,895	-	-	-	-	-	-	-	-	-	-	-	-	-	13,18,265
1,65,788	2,08,019	124	280	-	-	-	-	-	-	-	-	-	-	-	11,58,842
-	721	49,37,545	897	-	-	-	-	-	-	-	-	-	-	-	54,36,459
-	298	927	2,21,18,541	-	-	-	-	-	-	-	-	-	-	-	2,23,92,977
-	-	-	-	35,41,998	-	-	-	-	-	-	-	-	-	-	35,41,998
-	-	-	-	-	3,52,47,323	-	-	-	-	-	-	-	-	-	3,72,78,706
-	-	-	-	-	-	11,76,394	-	-	-	-	-	-	-	-	11,76,394
-	-	-	-	-	-	-	25,48,600	-	-	-	-	-	-	-	25,48,600
-	-	-	-	-	-	-	-	11,99,913	-	-	-	-	-	-	11,99,913
-	-	-	-	-	-	-	-	-	67,03,020	98,300	-	-	-	-	68,01,320
-	-	-	-	-	-	-	-	-	26,19,629	1,73,78,526	-	-	-	-	1,99,98,155
-	-	-	-	-	-	-	-	-	-	-	1,57,93,823	-	-	-	1,57,93,823
-	3	8	-	-	-	-	-	-	-	-	-	1,53,343	-	-	1,65,550
-	-	-	-	-	-	-	-	-	-	-	-	-	11,90,821	-	11,90,821
-	79	-	-	-	-	-	-	-	-	-	-	-	-	58,99,302	59,10,848
24,97,571	9,82,323	56,44,208	2,25,16,268	35,41,998	3,71,76,805	11,76,394	25,48,600	11,99,913	93,22,650	1,74,76,826	1,57,93,823	1,53,343	11,90,821	58,99,302	1,27,93,34,042
1,21,666	74,541	1,53,313	-	23	57,89,104	13,269	21	4	29,97,035	1,06,55,146	4,63,538	-	-	15,019	10,16,27,975
14,60,909	3,80,783	29,24,496	87,03,400	12,19,686	1,16,60,931	3,38,417	11,08,113	1,73,440	6,04,238	15,15,623	39,74,287	6,559	74,484	9,38,393	45,73,35,666
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1,70,355	24,467	3,33,312	26,04,723	88,968	7,25,561	54,383	1,60,491	1,24,854	49,504	83,032	2,79,428	11,036	77,975	11,31,214	5,39,91,905
47,360	6,920	1,96,195	-	-	7,179	1,643	-	-0	2,81,851	10,02,044	-	-	-	642	68,28,098
-	160	12,117	-	-	-	479	-	-	70,451	2,50,471	-	-	-	8	8,48,071
-	-	-	-	-	-	-	-	-	13	48	-	-	-	-	7,80,126
21,585	2,094	27	-	31	160	10,591	22,771	63	27,961	61,244	93,398	-	-	1,859	18,62,129
57	2	1,953	-	832	19,693	747	965	12,846	891	1,320	16,025	-	317	3,037	9,13,041
11,025	256	-	-	-	154	-	-	-	-	-	0	-	-	-	61,232
1,00,165	81,901	522	20,096	817	1,266	133	4,401	186	41	145	365	-	491	1,056	5,01,746
-	244	5,57,595	7	-	-	114	18,068	-	5,694	4,195	-	-	-	2,877	9,02,837
117	939	-	60,40,141	-	-	-	-	-	-	-	-	-	-	-	61,37,028
12,170	216	5,642	89,970	1,494	706	373	300	4,739	495	495	8,147	-	123	2,215	8,22,976
24,168	2,731	42,657	9,03,500	6,011	3,841	38,441	84,478	1,00,385	3,567	3,564	1,05,290	566	154	2,900	91,71,210
-	-	-	16,714	-	2	2	-	-	-	-	-	-	-	-	17,834
2,375	862	23,577	1,90,051	260	890	472	536	282	1,403	1,402	1,330	10	251	799	16,20,762
-	-	-	-	-	-	-	-	1,904	-	-	-	-	-	-	25,899
-	-	-	-	1,329	5,67,965	5,450	9,018	37,870	14,787	52,571	2,78,488	658	1,525	1,225	35,81,024
-	-	-	-	3,906	16,69,755	16,023	26,511	1,11,334	43,472	1,54,552	8,18,725	1,934	4,484	3,600	1,05,27,825
-	-	-	-	44,064	-	-	-	-	-	-	-	-	-	-	7,09,706
67	3	43	1,790	6,549	5,889	494	1,379	37	3	12	15	32	15	25,203	1,05,837
38	216	2,844	40,266	2	2,862	6	59	1,397	241	857	2,228	101	2,193	39,810	4,25,676
13,794	3,220	15,126	25,402	621	12,004	894	1,382	410	770	2,738	5,803	0	583	5,63,232	18,40,441
19,85,852	5,79,555	42,69,422	1,86,36,059	13,74,592	2,04,67,963	4,81,930	14,38,493	5,69,752	41,02,418	1,37,89,457	60,47,068	20,896	1,62,594	27,33,089	66,06,39,043
5,11,719	4,02,767	13,74,786	38,80,208	21,67,406	1,67,08,842	6,94,464	11,10,108	6,30,161	52,20,231	36,87,369	97,46,755	1,32,447	10,28,227	31,66,213	61,86,95,000
60,565	43,189	58,233	9,95,954	15,07,930	31,55,606	88,422	8,26,161	4,56,111	14,35,569	10,14,030	56,88,103	20,587	6,00,062	17,10,613	19,34,17,100
3,28,664	2,63,661	9,57,900	22,09,445	1,89,124	1,20,15,490	5,43,015	1,52,851	1,00,201	33,12,111	22,92,889	35,20,166	77,445	3,72,307	4,14,744	34,99,41,601
1,08,511	88,770	3,21,101	5,68,818	4,07,310	14,44,211	58,132	1,23,271	69,405	4,32,617	3,05,583	4,50,472	30,939	47,522	10,09,747	6,57,89,800
14,224	7,273	38,215	1,07,859	63,041	97,466	5,101	8,155	4,629	40,283	75,517	1,12,035	3,476	10,610	39,600	98,22,200
246	126	662	1,868	-	3,931	206	329	187	348	652	24,022	-	2,275	8,491	2,75,700
13,978	7,147	37,553	1,05,991	63,041	93,535	4,896	7,826	4,442	39,935	74,865	88,013	3,476	8,335	31,109	95,46,500
5	7	4	18	6	98	1	1	5	7	57	37	0	11	10	5,355
2,01,192	67,526	4,23,231	1,70,603	11,54,151	23,93,063	1,25,598	2,00,770	1,13,968	10,66,940	20,00,153	26,00,426	58,244	2,46,266	9,19,151	20,73,04,800
19,64,117	4,78,936	28,74,506	15,21,725	1,16,55,229	1,80,29,140	9,46,245	15,12,582	8,58,628	74,69,154	1,40,02,146	2,06,38,927	6,37,447	19,54,551	72,95,068	1,94,52,14,200

## Key Findings

- The summary data from Table 5 has been presented in Table 4.9. The aggregates of GVATI, TDGVA and employment in tourism industries can be derived from this table.

**Table 4.9: Gross Output, GVA and Employment of Industries & their Shares, 2009-10**

Industry	Gross output (Rs. crore)	GVA (Rs. crore)	Employment (lakh numbers)	Jobs per Rs. crore of output	Share in total GVA	Share in total employment
1 Agriculture and allied	14,20,214	10,90,272	2,945.0	207	18.0	55.0
2 Mining, other manufacturing, construction, electricity, gas and water supply	57,27,756	15,33,565	1,025.0	18	25.0	19.0
3 Trade	11,09,724	9,25,678	417.0	38	15.0	8.0
4 Transport freight services	5,19,016	1,74,247	84.0	16	3.0	2.0
5 All non-tourism specific services	21,53,891	18,38,105	447.0	21	30.0	8.0
6 Processed food products	3,51,597	43,980	33.0	9	1.0	1.0
7 Beverages	37,647	9,599	3.0	9	0.0	0.0
8 Tobacco products	36,436	14,848	46.0	125	0.0	1.0
9 Readymade garments	1,20,714	41,359	78.0	65	1.0	2.0
10 Printing and publishing	45,138	10,679	11.0	24	0.0	0.0
11 Leather footwear	24,976	5,117	5.0	18	0.0	0.0
12 Travel related consumer goods	9,823	4,028	7.0	67	0.0	0.0
13 Soaps and cosmetics	56,442	13,748	4.0	7	0.0	0.0
14 Gems and jewellery	2,25,163	38,802	18.0	8	1.0	0.0
15 Railway passenger transport services	35,420	21,674	6.0	17	0.0	0.0
16 Land passenger transport	3,71,768	1,67,088	98.0	26	3.0	2.0
17 Water passenger transport	11,764	6,945	1.0	10	0.0	0.0
18 Air passenger transport	25,486	11,101	1.0	3	0.0	0.0
19 Tourism related supporting and auxiliary transport activities	11,999	6,302	5.1	43	0.1	0.1
20 Hotels	93,226	52,202	7.0	7	1.0	0.0
21 Restaurants	1,74,768	36,874	57.0	33	1.0	1.0
22 Medical and health	1,57,938	97,468	37.0	23	2.0	1.0
23 Renting of transport equipment	1,533	1,324	0.0	23	0.0	0.0
24 Cultural and religious services	11,908	10,282.00	11.4	95	0.0	0.0
25 Sporting and recreational services	58,993	31,662	10.0	16	0.5	0.2
Total output at basic prices	1,27,93,340	61,86,950	5,355.4	42	100.0	100.0

Source: TSA-2009-10, Tables 5, 6 and 7.

- The GVATI is estimated at Rs. 4,42,922 crore and has a share of 7.2 per cent in the estimated GVA of the country.
- The total employment in terms of jobs in tourism industries is estimated at 23.42 million and has a share of 4.4 per cent in the total estimated employment of 535.54 million.
- The lower share of employment in tourism industries as compared to the GVATI is because of the large share of agriculture (55%) in the employment, in which tourism has no direct share.
- If agriculture is excluded, the share of tourism services in GVA comes to 8.7 per cent and in employment at a higher 9.7 per cent.

- In the case of tourism goods, their share in GVA is 2.9 per cent against 3.8 per cent in employment. If agriculture is excluded these goods have a share of 3.6 per cent in GVA and 8.5 per cent in employment.

**Table 4.10: Gross Output, GVA and Employment of Broad Industry Groups and Their Shares in Total Aggregates, 2009-10**

Industry	Gross output (Rs. crore)	GVA (Rs. crore)	Employment (lakh)	Jobs per Rs. crore of output	Share in GVA	Share in employment
1 Agriculture	14,20,214	10,90,272	2,945.2	207	17.6	55.0
2 Industry	66,35,691	17,15,726	1,228.5	19	27.7	22.9
2.1 TS goods	9,07,935	1,82,161	203.7	22	2.9	3.8
2.2 Other goods	57,27,756	15,33,565	1,024.9	18	24.8	19.1
3 Services	47,37,436	33,80,952	1,181.7	25	54.6	22.1
3.1 TS Services	9,54,805	4,42,922	234.2	25	7.2	4.4
3.2 Other Services	37,82,631	29,38,030	947.5	25	47.5	17.7
Total	1,27,93,340	61,86,950	5,355.4	42	100.0	100.0

Source: TSA-2009-10, Tables 5, 6 and 7.

Note: TS- Tourism Specific

**Table 4.11: Gross Output, GVA and Employment of Broad Industry Groups and Their Shares in Non-agriculture Aggregates, 2009-10**

Industry	Gross output (Rs. crore)	GVA (Rs. crore)	Employment (lakh)	Jobs per Rs. crore of output	Share in GVA	Share in employment
2 Industry	66,35,691	17,15,726	1,228.5	19	33.7	51.0
2.1 TS goods	9,07,935	1,82,161	203.7	22	3.6	8.5
2.2 Other goods	57,27,756	15,33,565	1,024.9	18	30.1	42.5
3 Services	47,37,436	33,80,952	1,181.7	25	66.3	49.0
3.1 TS Services	9,54,805	4,42,922	234.2	25	8.7	9.7
3.2 Other Services	37,82,631	29,38,030	947.5	25	57.6	39.3
Total	1,13,73,127	50,96,678	2,410.2	21	100.0	100.0

Source: TSA-2009-10, Tables 5, 6 and 7.

Note: TS- Tourism Specific

- In terms of number of jobs per Rs. crore of gross output, it is 25 jobs in tourism services against 19 in industry. Within the industry, the tourism goods producing industries have 22 jobs per Rs. crore of output against 18 for other industrial goods.





## Table 6: Domestic Supply and Internal Tourism Consumption

4.23 Table 6 is the core of TSA system as it is where the confrontation and reconciliation between domestic supply and internal tourism consumption takes place. This table derives its conceptual base from the supply and use tables of the System of National Accounts, 1993. In this table, the total supply of goods and services in the economy of reference by products, which includes domestic production (production by resident industries) and imports, (including valuation adjustments), is compared to internal tourism consumption that has been derived in Table 4. Using Table 6 results estimates can be derived regarding the gross value added attributable to tourism for each of the domestic industries that serve visitors. This provides the basic information that is necessary for the computation of tourism ratios for products and industries, TDGVA and TDGDP and their components. The Table together with the associated use table<sup>51</sup> provides the basis to compile input-output tables and input-output models that facilitate estimation of indirect contribution of tourism to the economy.

### Recommended Methodology and Methodology Followed

4.24 The rows of TSA Table 6 are identical to those of TSA Table 5. Regarding columns, there are the following three blocks.

- The first block corresponds to the same columns as those of TSA Table 5 and represents industries.
- The second block (imports, taxes less subsidies and trade and transport margins) represents the additional variables and valuation adjustments (imports, taxes less subsidies on products and trade margins and transport freight costs, needed to obtain domestic supply of individual products at purchasers' prices.
- The third block is made of only two columns-internal tourism consumption that has been derived in Table 4 and tourism ratio, which is the share of internal tourism consumption to the total supply at purchasers' prices, for each product, shown in the rows.

4.25 The supply of each of the products by domestic producers is first added over industries to obtain the aggregate value of total output of domestic producers at basic prices for each of these products. Then this column, which also corresponds to the last column of Table 5, is added to the following column, imports, cif<sup>52</sup>, which represents supply within the domestic economy of imported goods and services. Besides imported goods, what concerns tourism refers to transport services within the domestic economy provided by non-resident producers, as well as insurance services or any other service provided by non-residents and purchased on the Internet or otherwise. Information on imports of services is generally available from the balance of payments statistics. The sum of these two columns represents the total supply of each product at basic prices. This column is then added to a column of taxes less subsidies on products concerning domestic output and imports, and a last column representing trade and transport margins, in order to finally obtain the column of 'domestic supply at purchasers' prices for each of the product. This presentation is similar in essence to that followed in SNA 1993 to determine the supply and use tables.

51. Use table is not included in the TSA tables, although it has a role in the computation of production account of tourism industries discussed in Table 5 and also in providing coherence consistency to the supply table at product level.

52. Imports cif are considered to be at basic price valuations.

- 4.26 Against this final column of supply at purchasers' prices, the internal tourism consumption by products obtained from Table 4 is shown in the next column. The final column shows the tourism ratio (in percentage) which is the ratio of internal tourism consumption to the total supply for each product. These tourism ratios allow for the estimation of the two main aggregates TDGVA and TDGDP. The following paragraphs explain how these ratios are derived and its application for measuring tourism direct economic contribution in the economy of reference.
- 4.27 For each column of the supply table, a new column is added to indicate the share of internal tourism consumption within that industry. The values for this new column are generated based on the tourism share shown in the last column of the supply table. Thus, in each row of the first block of rows representing industries, the total value of tourism shares is equal to the value of internal tourism consumption that appears in the last block of columns. In the case of the rows corresponding to goods (characteristic or other), as only the activity by which they are made available to visitors generates tourism direct value added, only the associated retail trade margin generates share. As a consequence, in the case of goods, the sum of the tourism share on supply is not equal to internal tourism consumption, but only to the value of retail trade services on those goods. The detailed procedure to be followed in the case of goods has further been explained in technical notes. Through these calculations, it is possible, for each industry, to establish the tourism share of output (in value), as the sum of the tourism share corresponding to each product component of its output. Then it is possible to establish, for each industry, a tourism ratio<sup>53</sup> (ratio between the total value of tourism share and total value of output of the industry expressed in percentage form), to be applied to the components of intermediate consumption, so as to arrive at the value added. If intermediate consumption is broken down by products, this tourism ratio might be uniform for each product belonging to the intermediate consumption of an industry and thus be equal to that of total output, or it might also be possible to modulate these ratios according to the relative importance of the different components of its output that is consumed by visitors (for instance, in a hotel providing also food-serving services, the ratio of accommodation services demanded by visitors might be different from that corresponding to food-serving services). In all cases, from the difference between the values of output attributable to tourism consumption and the values of intermediate consumption attributable to tourism consumption, the part of gross value added generated in each industry by tourism consumption is compiled.
- 4.28 From the above sequence of steps, it is possible, for each industry; to derive an estimate of the fraction of its gross value added (at basic prices) corresponding to the contribution of its output to total internal tourism consumption, and these values can be added over all industries, including tourism industry. The sum of all these portions of value added over all tourism industries is the TDGVA. To obtain the tourism direct GDP generated by internal tourism consumption, it is necessary to add to TDGVA the taxes, less subsidies, on products and imports related to tourism products that are compiled in the same way, using the corresponding share for each product (except goods for which the share only relates to retail trade margins<sup>54</sup>). Theoretically, these aggregates (TDGVA and TDGDP) should be independent of the detail in which calculations have been performed, and in particular be independent also of the possibility of identifying tourism industries. In

53. Tourism ratios can be generated and presented separately for both the products and the industries, based on their total output.

54. No product taxes or product subsidies are shown in the Indian input-output tables. Therefore, net product taxes on retail trade for tourists are not available. However, in a VAT system, the cumulative taxes are borne by the final user, hence all product taxes net of subsidies on goods purchased by the tourists have been taken into account in the computation of TDGDP.



practice, however, this is not the case because gross value added associated with a product is not directly observable<sup>55</sup> and has to be estimated through the information provided by industries that produce this product.

- 4.29 The procedure that has been followed for compiling Table 6 in TSA 2009-10 has been the same as recommended. The supply and use table compiled for the year 2009-10 has become the basis to confront the internal tourism consumption (presented in Table 4) to the total supply of goods and services at purchasers' prices in the economy. This confrontation rather allowed to correct anomalies noticed in the transport services, as in the case of some of these services, the internal tourism consumption exceeded that of total supply.
- 4.30 The tourism ratios that have been derived in the last column of Table 6 have been used to estimate output values of products supplied to tourists by each industry, imports, taxes, less subsidies and trade and transport margins. As per the recommended procedure, only the retail trade part of tourism goods has been taken into account in computing industry shares.
- 4.31 Through this sequence of steps, the tourism output of each industry (both tourism specific and non-tourism) at basic prices has been estimated. In order to derive value added at basic prices, intermediate consumption of these tourism outputs need to be subtracted. For estimating tourism intermediate consumption, the same ratio as that of the main industry has been adopted.

### Technical Notes

- 4.32 In line with the best practices, the gross value added at basic prices of industries has further been disaggregated into value added components of compensation of employees, other taxes, less subsidies on production, consumption of fixed capital, and net operating surplus.
- 4.33 Supplementary satellite rows have been added to each of the tourism industries to include estimates of employment (in terms of jobs), gross fixed capital formation and net capital stock. These satellite rows facilitate additional analysis of tourism activities, vis-a-vis, other activities.
- 4.34 In the case of passenger transport service and renting of motor vehicles, the tourism expenditures exceed the supply, though the overall tourism ratio for all these services combined is about 55 per cent. This happens due to misclassification of activities (for example, renting of motor vehicles can be easily mixed up with road transport services) or due to other inconsistencies in source data. Therefore, the tourism expenditures within these individual passenger transport services and renting of motor vehicles have been suitably redistributed, without changing the overall tourism expenditures for all these services combined together. The tourism ratios estimated from these adjustments are shown in Table 4.12.
- 4.35 No separate industry for retail trade is included in the tourism industries classification, as in the NAS or input-output tables, data on retail trade is not available. Instead, the industry included in the sector classification in Tables 5 and 6 is wholesale and retail trade. However, the retail trade margins ratios, which are required to estimate the retail margins on goods purchased by tourists, have been estimated using the information available from a private study<sup>56</sup>.

55. Value added is a concept applicable for industries, which generally produce more than one product. Value added for products can only be derived through assumptions.

56. Kolli, Ramesh, Measuring the trade sector in the national accounts of India, The review of Income and Wealth, series 57, special issue, May 2011, Wiley.

**Table 4.12: Adjusted Internal Tourism Consumption and Tourism Ratios**

Products	Total supply in the economy	Unadjusted Internal Tourism Consumption		Adjusted internal tourism consumption	
	Rs. crore	Rs. Crore	% of supply	Rs. Crore	% of supply
Railway passenger transport services	35,458	43,742	123.4	20,434	57.6
Road passenger transport services	3,73,324	1,33,252	35.7	2,14,288	57.4
Water passenger transport services	26,583	929	3.5	3,217	12.1
Air passenger transport services	49,708	19,137	38.5	38,375	77.2
Transport equipment rental services	1,675	49,082	2,930.1	483	28.8
Travel agencies and other reservation services/ Supporting and auxiliary transport activities	14,059	40,827	290.4	10,172	72.4
<b>Total</b>	<b>5,00,807</b>	<b>2,86,969</b>	<b>57.3</b>	<b>2,86,969</b>	<b>57.3</b>

Source: TSA-2009-10, Tables 4 and 6.

4.36 In the Indian input-output tables, no taxes on products or subsidies on products have been shown for trade. Therefore, the taxes and subsidies on goods acquired by tourists (which are estimated using the tourism ratios) are deemed to have been paid to the retailers, since in a VAT system the cumulative taxes net of subsidies are incurred by the final purchaser.

4.37 The bridge table showing the transformation for tourism consumption to estimation of gross value added and gross domestic product, together with the treatment of retail trade margins and taxes on retail trade is presented below (Table 4.13).

**Table 4.13: Bridge Table Showing the Tourism Consumption and TDGVA/TDGD (Rs. crore)**

Items	Products		Domestic tourism industries				
	Tourism consumption	Taxes less subsidies considered for GDP	Gross output at basic prices	Intermediate consumption at purchasers' prices	Gross output at purchasers' prices	Gross value added at basic prices	Gross domestic product (at purchasers' prices)
1. Goods	86,376	-	51	7	-	44	-
1.1 Retail trade margin	7,377	-	-	-	-	-	-
1.2 Supply at basic prices + wholesale trade margin and transport costs	77,073	-	-	-	-	-	-
1.3 Taxes less subsidies (TLS)	1,926	-	-	-	-	-	-
2. Services	4,70,713	-	4,49,311	2,14,443	-	2,34,868	-
2.1 Retail trade margins	-	1,926	7,377	1,223	-	6,154	-
2.2 Other services – supply from domestic sources	4,41,985	-	4,41,934	2,13,220	-	2,28,714	-
2.3 Other services – supply from imports	27,798	-	-	-	-	-	-
3. Taxes less subsidies (TLS) on products	930	-	930	-	-	-	-
<b>Total</b>	<b>5,57,089</b>	<b>2,856</b>	<b>4,49,362</b>	<b>2,14,450</b>	<b>4,52,218</b>	<b>2,34,912</b>	<b>2,37,768</b>

Source: TSA-2009-10, Tables 6.



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**TSA Table 6: Domestic Supply and Internal Tourism Consumption by Products (at Purchasers' Price) (Rs. lakh)**

Product X Industries	Agriculture and allied		Mining, other manufacturing, construction, electricity, gas and water supply		Trade		Transport freight services		All non-tourism specific services
	Output	tourism share (value)	Output	tourism share (value)	Output	tourism share (value)	Output	tourism share (value)	
1 Agriculture and allied	14,06,12,416	0	3,97,993	0	0	0	0	0	0
2 Mining, other manufacturing, construction, electricity, gas and water supply	4,12,185	0	56,04,46,153	0	0	0	0	0	0
3 Trade	1,34,167	0	61,19,209	0	11,09,72,400	7,37,719	0	0	0
4 Transport freight services	0	0	0	0	0	0	4,98,70,175	0	0
5 All non-tourism specific services	0	0	41,925	960	0	0	0	0	21,53,89,138
6 Processed food products	8,45,213	0	8,03,996	0	0	0	0	0	0
7 Beverages	17,396	0	2,43,246	0	0	0	0	0	0
8 Tobacco products	14	0	0	0	0	0	0	0	0
9 Readymade garments	0	0	26,22,712	0	0	0	0	0	0
10 Printing and publishing	0	0	4,21,450	0	0	0	0	0	0
11 Leather footwear	0	0	1,96,545	0	0	0	0	0	0
12 Travel related consumer goods	0	0	7,12,703	0	0	0	0	0	0
13 Soaps and cosmetics	0	0	4,75,408	0	0	0	0	0	0
14 Gems and jewellery	0	0	2,73,198	0	0	0	0	0	0
15 Railway passenger transport services	0	0	0	0	0	0	0	0	0
16 Land passenger transport including via pipeline	0	0	0	0	0	0	20,31,383	11,66,014	0
17 Water passenger transport	0	0	0	0	0	0	0	0	0
18 Air passenger transport	0	0	0	0	0	0	0	0	0
19 Tourism related supporting and auxiliary transport activities	0	0	0	0	0	0	0	0	0
20 Hotels	0	0	0	0	0	0	0	0	0
21 Restaurants	0	0	0	0	0	0	0	0	0
22 Medical and health	0	0	0	0	0	0	0	0	0
23 Renting of transport equipment	0	0	9,903	2,854	0	0	0	0	0
24 Cultural and religious services	0	0	0	0	0	0	0	0	0
25 Sporting and recreational services	0	0	11,113	427	0	0	0	0	0
Total domestic output at basic prices	14,20,21,391	0	57,27,75,555	4,241	11,09,72,400	7,37,719	5,19,01,558	11,66,014	21,53,89,138
Intermediate consumption	3,29,94,223	0	41,94,19,048	3,105	1,84,04,600	1,22,349	3,44,76,839	7,74,552	3,15,78,679
GVA (Gross Value Added)	10,90,27,168	0	15,33,56,507	1,135	9,25,67,800	6,15,369	1,74,24,719	3,91,462	18,38,10,459
Employment	2,945.2	0.0	1,024.9	0.0	416.8	2.8	83.8	1.9	446.9
Tourism Industry Ratio		0.0		0.0		0.7		2.2	

Source: NCAER computations.

Non-tourism specific services	Processed food products		Beverages		Tobacco products		Readymade garments		Printing and publishing		Leather footwear		Travel related consumer goods		
	tourism share (value)	Output	tourism share (value)	Output	tourism share (value)	Output	tourism share (value)	Output	tourism share (value)	Output	tourism share (value)	Output	tourism share (value)	Output	tourism share (value)
	0	1,56,36,388	0	5	0	0	0	0	0	0	0	0	0	0	0
	0	10,01,242	0	1,94,477	0	6,155	0	4,16,577	0	8,60,499	0	11,33,816	0	6,88,724	0
	0	49,042	0	34,410	0	10,149	0	0	0	46,973	0	1,44,942	0	13,101	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
49,32,328	488	11	8,649	198	83	2	0	0	67	2	0	0	26	1	
0	1,84,24,311	0	86,118	0	78,574	0	0	0	0	0	0	0	0	0	0
0	38,319	0	34,37,283	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	35,37,576	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	1,15,85,993	0	0	0	1,199	0	1,120	0	0
0	0	0	0	0	0	0	0	0	36,03,302	0	0	0	337	0	0
0	0	0	0	0	0	0	0	0	0	0	10,51,825	0	69,895	0	0
0	506	0	0	0	29	0	68,791	0	2,602	0	1,65,788	0	2,08,019	0	0
0	9,287	0	1,628	0	10,974	0	0	0	0	0	0	0	721	0	0
0	0	0	0	0	0	0	14	0	0	0	0	0	298	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	121	35	2,151	620	21	6	0	0	0	0	0	0	3	1	
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	355	14	0	0	79	3	
49,32,328	3,51,59,706	46	37,64,721	818	36,43,559	8	1,20,71,374	0	45,13,797	15	24,97,571	0	9,82,323	4	
7,23,140	3,07,61,692	40	28,04,788	609	21,58,728	5	79,35,429	0	34,45,877	12	19,85,852	0	5,79,555	3	
42,09,188	43,98,014	6	9,59,934	209	14,84,831	3	41,35,945	0	10,67,921	4	5,11,719	0	4,02,767	2	
10.2	32.5	0.0	3.4	0.0	45.5	0.0	78.2	0.0	10.7	0.0	4.5	0.0	6.6	0.0	
2.3		0.0		0.0		0.0		0.0		0.0		0.0		0.0	

**TSA Table 6: Domestic Supply and Internal Tourism Consumption by Products (at Purchasers' Price) (Rs. lakh) Contd..**

Product X Industries		Soaps and cosmetics		Gems and jewellery		Railway passenger transport services		Land passenger transport including via pipeline		Water passenger transport	
		Output	tourism share (value)	Output	tourism share (value)	Output	tourism share (value)	Output	tourism share (value)	Output	tourism share (value)
1	Agriculture and allied	0	0	0	0	0	0	0	0	0	0
2	Mining, other manufacturing, construction, electricity, gas and water supply	6,26,641	0	1,63,480	0	0	0	0	0	0	0
3	Trade	78,652	0	2,33,070	0	0	0	0	0	0	0
4	Transport freight services	0	0	0	0	0	0	19,29,482	0	0	0
5	All non-tourism specific services	33	1	0	0	0	0	0	0	0	0
6	Processed food products	0	0	0	0	0	0	0	0	0	0
7	Beverages	0	0	0	0	0	0	0	0	0	0
8	Tobacco products	0	0	0	0	0	0	0	0	0	0
9	Readymade garments	277	0	0	0	0	0	0	0	0	0
10	Printing and publishing	0	0	0	0	0	0	0	0	0	0
11	Leather footwear	0	0	0	0	0	0	0	0	0	0
12	Travel related consumer goods	124	0	280	0	0	0	0	0	0	0
13	Soaps and cosmetics	49,37,545	0	897	0	0	0	0	0	0	0
14	Gems and jewellery	927	0	2,21,18,541	0	0	0	0	0	0	0
15	Railway passenger transport services	0	0	0	0	35,41,998	20,41,254	0	0	0	0
16	Land passenger transport including via pipeline	0	0	0	0	0	0	3,52,47,323	2,02,31,963	0	0
17	Water passenger transport	0	0	0	0	0	0	0	0	11,76,394	1,42,344
18	Air passenger transport	0	0	0	0	0	0	0	0	0	0
19	Tourism related supporting and auxiliary transport activities	0	0	0	0	0	0	0	0	0	0
20	Hotels	0	0	0	0	0	0	0	0	0	0
21	Restaurants	0	0	0	0	0	0	0	0	0	0
22	Medical and health	0	0	0	0	0	0	0	0	0	0
23	Renting of transport equipment	8	2	0	0	0	0	0	0	0	0
24	Cultural and religious services	0	0	0	0	0	0	0	0	0	0
25	Sporting and recreational services	0	0	0	0	0	0	0	0	0	0
Total domestic output at basic prices		56,44,208	3	2,25,16,268	0	35,41,998	20,41,254	3,71,76,805	2,02,31,963	11,76,394	1,42,344
Intermediate consumption		42,69,422	2	1,86,36,059	0	13,74,592	7,92,178	2,04,67,963	1,11,38,856	4,81,930	58,314
GVA (Gross Value Added)		13,74,786	1	38,80,208	0	21,67,406	12,49,076	1,67,08,842	90,93,107	6,94,464	84,030
Employment		4.2	0.0	18.1	0.0	6.0	3.5	98.4	53.6	1.2	0.1
Tourism Industry Ratio			0.0		0.0		57.6		54.4		12.1

Source: NCAER computations.





TSA Table 6: Domestic Supply and Internal Tourism Consumption by Products (at Purchasers' Price) (Rs. lakh) Contd..

	Output of domestic producers (at basic prices)		Imports at basic prices		Total Supply		TTM nationally produced and imported	
	Output	tourism share (value)	Output	tourism share (value)	Output	tourism share (value)	Output	tourism share (value)
1 Agriculture and allied	15,66,46,803	0	28,40,896	0	15,94,87,699	0	5,10,26,997	0
2 Mining, other manufacturing, construction, electricity, gas and water supply	56,59,49,951	0	13,84,24,694	0	70,43,74,645	0	10,90,34,048	0
3 Trade	11,78,36,114	7,37,719	0	0	11,78,36,114	7,37,719	-11,78,36,114	-7,37,719
4 Transport freight services	5,17,99,657	0	15,91,903	0	5,33,91,560	0	-5,36,12,871	0
5 All non-tourism specific services	21,54,40,408	49,33,502	1,86,27,111	4,26,554	23,40,67,519	53,60,056	0	0
6 Processed food products	2,02,38,213	0	2,65,261	8,287	2,05,03,474	8,287	41,23,025	1,28,802
7 Beverages	37,36,245	0	42,919	2,424	37,79,164	2,424	4,27,792	24,156
8 Tobacco products	35,37,590	0	7,873	296	35,45,462	296	11,30,462	42,491
9 Readymade garments	1,42,11,301	0	66,442	16,207	1,42,77,743	16,207	13,32,800	3,25,104
10 Printing and publishing	40,25,088	0	2,08,198	12,816	42,33,286	12,816	10,67,189	65,692
11 Leather footwear	13,18,265	0	26,904	3,753	13,45,169	3,753	11,68,894	1,63,044
12 Travel related consumer goods	11,58,842	0	1,74,331	1,23,188	13,33,174	1,23,188	4,51,205	3,18,836
13 Soaps and cosmetics	54,36,459	0	1,35,236	746	55,71,695	746	3,46,365	1,910
14 Gems and jewellery	2,23,92,977	0	1,27,246	7,915	2,25,20,224	7,915	13,40,207	83,360
15 Railway passenger transport services	35,41,998	20,41,254	0	0	35,41,998	20,41,254	0	0
16 Land passenger transport including via pipeline	3,72,78,706	2,13,97,977	0	0	3,72,78,706	2,13,97,977	0	0
17 Water passenger transport	11,76,394	1,42,344	14,16,646	1,71,414	25,93,040	3,13,758	0	0
18 Air passenger transport	25,48,600	19,67,520	24,62,249	19,00,856	50,10,849	38,68,376	0	0
19 Tourism related supporting and auxiliary transport activities	11,99,913	8,68,206	1,69,001	1,22,282	13,68,914	9,90,488	0	0
20 Hotels	68,01,320	44,04,823	0	0	68,01,320	44,04,823	0	0
21 Restaurants	1,99,98,155	32,18,839	0	0	1,99,98,155	32,18,839	0	0
22 Medical and health	1,57,93,823	47,45,927	11,459	3,443	1,58,05,282	47,49,370	0	0
23 Renting of transport equipment	1,65,550	47,703	0	0	1,65,550	47,703	0	0
24 Cultural and religious services	11,90,821	2,03,176	0	0	11,90,821	2,03,176	0	0
25 Sporting and recreational services	59,10,848	2,27,124	40,41,630	1,55,299	99,52,479	3,82,423	0	0
Total domestic output at basic prices	1,27,93,34,042	4,49,36,112	17,06,40,000	29,55,478	1,44,99,74,042	4,78,91,590	0	11,53,394
Intermediate consumption	66,06,39,043	2,14,44,930						
GVA (Gross Value Added)	61,86,95,000	2,34,91,181						
Employment	5,355.4	102.8						
Tourism Industry Ratio		3.5						

Source: NCAER computations.

n	Taxes on products nationally produced and imported		Subsidies on products on products nationally produced and imported		Taxes less subsidies (at purchasers' prices)		Domestic supply		Tourism ratios
	Output	tourism share (value)	Output	tourism share (value)	Output	tourism share (value)	Output	tourism share (value)	
	7,08,884	0	1,27,27,041	0	-1,20,18,157	0	19,84,96,539	0	0.0
	4,24,16,479	0	99,29,660	0	3,24,86,819	0	84,58,95,512	0	0.0
	0	0	0	0	0	0	0	0	0.0
	3,51,904	0	1,30,593	0	2,21,311	0	0	0	0.0
	37,04,848	84,840	6,48,617	14,853	30,56,232	69,987	23,71,23,750	54,30,042	2.3
	3,60,739	11,269	92,545	2,891	2,68,193	8,378	2,48,94,692	7,77,699	3.1
	9,15,426	51,691	0	0	9,15,427	51,691	51,22,382	2,89,245	5.6
	12,92,060	48,565	0	0	12,92,060	48,565	59,67,984	2,24,322	3.8
	2,05,269	50,070	9,858	2,405	1,95,411	47,666	1,58,05,955	38,55,479	24.4
	38,227	2,353	9,684	596	28,543	1,757	53,29,019	3,28,032	6.2
	17,511	2,443	0	0	17,511	2,443	25,31,575	3,53,118	13.9
	39,165	27,675	13,724	9,698	25,441	17,978	18,09,820	12,78,877	70.7
	6,93,483	3,823	10,309	57	6,83,174	3,767	66,01,233	36,395	0.6
	1,66,535	10,358	0	0	1,66,535	10,358	2,40,26,966	14,94,453	6.2
	3,766	2,170	0	0	3,766	2,170	35,45,764	20,43,424	57.6
	1,69,221	97,133	1,15,495	66,294	53,725	30,838	3,73,32,431	2,14,28,816	57.4
	65,276	7,898	0	0	65,276	7,898	26,58,316	3,21,656	12.1
	27,339	21,106	67,340	51,987	-40,001	-30,881	49,70,848	38,37,495	77.2
	36,963	26,744	0	0	36,963	26,744	14,05,877	10,17,232	72.4
	5,733	3,713	2,910	1,885	2,822	1,828	68,04,142	44,06,650	64.8
	10,747	1,730	5,456	878	5,291	852	2,00,03,446	32,19,691	16.1
	0	0	0	0	0	0	1,58,05,281	47,49,370	30.0
	1,957	564	0	0	1,957	564	1,67,507	48,267	28.8
	4,450	759	8,378	1,429	-3,927	-670	11,86,894	2,02,506	17.1
	6,40,519	24,612	10,64,790	40,914	-4,24,271	-16,303	95,28,208	3,66,120	3.8
	5,18,76,500	4,79,518	2,48,36,400	1,93,887	2,70,40,100	2,85,631	1,47,70,14,142	5,57,08,890	3.8

## Key Findings

- The total internal consumption is estimated at Rs. 5,57,089 crore out of the total supply of Rs. 147,70,141 crore. This amounts to a overall tourism ratio of 3.8 per cent;
- The tourism ratios are over 50 per cent in the case of travel related consumer goods (70.7 per cent), railway passenger transport services (57.6 per cent), land passenger transport services (57.4 per cent), air passenger transport services (77.2 per cent), tourism related supporting services (72.4 per cent) and hotels (64.8 per cent);

**Table 4.14: Total Supply of Products in the Economy, Internal Tourism Consumption and Tourism Ratios (Rs. crore)**

Product	Total supply at purchasers' prices	Internal tourism consumption, by product	Tourism ratios (%)	Share of product in total output (%)	Share of product in total tourism internal consumption (%)
1 Agriculture and allied	19,84,965	0	0	13.4	0
2 Mining, other manufacturing, construction, electricity, gas and water supply	84,58,955	0	0	57.3	0
3 Trade	0	0	0	0	0
4 Transport freight services	0	0	0	0	0
5 All non-tourism specific services	23,71,238	54,300	2.29	16.1	9.7
6 Processed food products	2,48,947	7,777	3.12	1.7	1.4
7 Beverages	51,224	2,892	5.65	0.3	0.5
8 Tobacco products	59,680	2,243	3.76	0.4	0.4
9 Readymade garments	1,58,060	38,555	24.39	1.1	6.9
10 Printing and publishing	53,290	3,280	6.16	0.4	0.6
11 Leather footwear	25,316	3,531	13.95	0.2	0.6
12 Travel related consumer goods	18,098	12,789	70.66	0.1	2.3
13 Soaps and cosmetics	66,012	364	0.55	0.4	0.1
14 Gems and jewellery	2,40,270	14,945	6.22	1.6	2.7
15 Railway passenger transport services	35,458	20,434	57.63	0.2	3.7
16 Land passenger transport	3,73,324	2,14,288	57.4	2.5	38.5
17 Water passenger transport	26,583	3,217	12.1	0.2	0.6
18 Air passenger transport	49,708	38,375	77.2	0.3	6.9
19 Tourism related supporting and auxiliary transport activities	14,059	10,172	72.36	0.1	1.8
20 Hotels	68,041	44,067	64.76	0.5	7.9
21 Restaurants	2,00,034	32,197	16.1	1.4	5.8
22 Medical and health	1,58,053	47,494	30.05	1.1	8.5
23 Renting of transport equipment	1,675	483	28.82	0	0.1
24 Cultural and religious services	11,869	2,025	17.06	0.1	0.4
25 Sporting and recreational services	95,282	3,661	3.84	0.6	0.7
Total output at basic prices	1,47,70,141	5,57,089	3.77	100	100

Source: TSA-2009-10, Tables 6.

- The summary data from TSA Table 6 has been presented in Table 4.15. The aggregates of GVATI, TDGVA and employment in tourism industries can be derived from this table.

**Table 4.15: Tourism Share in GVA and Employment by Industries, 2009-10**

Industries	Gross value added at basic prices			Employment (jobs)			
	Total economy (Rs. crore)	Tourism share (Rs. crore)	% share	Total economy (lakh)	Tourism share (lakh)	% share	Number of jobs per Rs crore of output
1 Agriculture and allied	10,90,272	0	0	2,945.2	0	0	0
2 Mining, other manufacturing, construction, electricity, gas and water supply	15,33,565	11	0	1,024.9	0.01	0	18
3 Trade	9,25,678	6,154	0.66	416.8	2.77	0.66	38
4 Transport freight services	1,74,247	3,915	2.25	83.8	1.88	2.25	16
5 All non-tourism specific services	18,38,105	42,092	2.29	446.9	10.23	2.29	21
6 Processed food products	43,980	0	0	32.5	0	0	9
7 Beverages	9,599	2	0.02	3.4	0	0.02	9
8 Tobacco products	14,848	0	0	45.5	0	0	125
9 Readymade garments	41,359	0	0	78.2	0	0	0
10 Printing and publishing	10,679	0	0	10.7	0	0	24
11 Leather footwear	5,117	0	0	4.6	0	0	0
12 Travel related consumer goods	4,028	0	0	6.6	0	0	67
13 Soaps and cosmetics	13,748	0	0	4.2	0	0	7
14 Gems and jewellery	38,802	0	0	18.1	0	0	0
15 Railway passenger transport services	21,674	12,491	57.63	6.0	3.48	57.63	17
16 Land passenger transport	1,67,088	90,931	54.42	98.4	53.56	54.42	26
17 Water passenger transport	6,945	840	12.1	1.2	0.15	12.1	10
18 Air passenger transport	11,101	8,570	77.2	0.9	0.67	77.2	3
19 Tourism related supporting and auxiliary transport activities	6,302	4,560	72.36	5.1	3.71	72.36	43
20 Hotels	52,202	26,669	51.09	6.7	3.4	51.09	7
21 Restaurants	36,874	6,036	16.37	57.4	9.4	16.37	33
22 Medical and health	97,468	29,288	30.05	37.1	11.14	30.05	23
23 Renting of transport equipment	1,324	382	28.82	0.4	0.1	28.82	23
24 Cultural and religious services	10,282	1,754	17.06	11.4	1.94	17.06	95
25 Sporting and recreational services	31,662	1,217	3.84	9.7	0.37	3.84	16
Total	61,86,950	2,34,912	3.8	5,355.4	102.81	1.92	23

Source: TSA-2009-10, Tables 6 and 7.

- The GVATI is estimated at Rs. 4,42,922 crore and has a share of 7.2 per cent in the estimated GVA of the country.
- The TDGVA which is a more appropriate and relevant indicator as a measure of tourism activity, is estimated at Rs. 2,34,912 crore and has a share of 3.8 per cent in the estimated GVA of the country.
- The total employment in terms of jobs in tourism industries is estimated at 23.42 million and has a share of 4.4 per cent in the total estimated employment of 535.54 million.
- Considering the tourism share in industries only, the tourism direct employment is estimated at 10.28 million and has a share of 1.9 per cent in the total employment.
- This low share of tourism direct employment is because of the large share of agriculture (55%) in the employment, in which tourism has no direct share.



- If agriculture employment is excluded, the share of tourism direct employment in non-agriculture is estimated at 4.3 per cent against TDGVA share of 4.7 per cent in non-agriculture GVA.
- The comparative lower share of employment in comparison to GVA in tourism activities is because of large trading sector in India, which employs 38 persons per Rs. crore of output.

**Table 4.16: Tourism Share in Domestic Output, GVA and Employment by Broad Industry Groups, 2009-10**

Industry	Output (Rs. crore)		GVA (Rs. crore)			Employment (lakh)			Jobs per Rs. crore of output in direct tourism
	Total economy	Tourism share (in value)	Total economy	Tourism share (in value)	Tourism Share (% to total)	Total economy	Tourism share (in value)	Tourism share (% to total)	
1 Agriculture	14,20,214	0	10,90,272	0	0.0	2,945.2	0	0	
2 Industry	66,35,691	51	17,15,726	14	0.0	1,228.5	0	0	17
2.1 TS goods	9,07,935	9	1,82,161	2	0.0	203.7	0	0	11
2.2 Other goods	57,27,756	42	15,33,565	11	0.0	1,024.9	0	0	18
3 Services	47,37,436	4,49,310	33,80,952	2,34,898	6.9	1,181.7	102.8	8.7	23
3.1 TS services	9,54,805	3,80,949	4,42,922	1,82,738	41.3	234.2	87.9	37.5	23
3.2 Other services	37,82,631	68,361	29,38,030	52,160	1.8	947.5	14.9	1.6	22
Total economy	1,27,93,340	4,49,361	61,86,950	2,34,912	3.8	5,355.4	102.8	1.9	23
Non-agriculture	1,13,73,127	4,49,361	50,96,678	2,34,912	4.6	2,410.2	102.8	4.3	23

Source: TSA-2009-10, Tables 6 and 7

Note: TS-Tourism Specific.

- In terms of number of jobs per Rs. crore of gross output in tourism service industries, it is 25 jobs against 19 in industry. Within the industry, the tourism goods producing industries have 22 jobs per Rs. crore of output against 18 for other goods producing industries.
- If only direct tourism within industries is taken into account, the share of employment tourism industries is higher (85.5%) than that in non-tourism industries when compared to their share in GVA (77.8%).

**Table 4.17: Tourism Gross Output, GVA and Employment by Broad Industry Groups and Their Share in Respective Total Aggregates, 2009-10**

Industry	Gross output (Rs. crore)	GVA (Rs. crore)	Employment (lakh)	Jobs per Rs. crore of output	Share in tourism GVA	Share in tourism employment
1 Agriculture	0	0	0	0	0	0
2 Industry	51	14	0	17	0.01	0.01
2.1 TS goods	9	2	0	11	0	0
2.2 Other goods	42	11	0	18	0	0.01
3 Services	4,49,310	2,34,898	102.8	23	99.99	99.99
3.1 TS services	3,80,949	1,82,738	87.9	23	77.79	85.51
3.2 Other services	68,361	52,160	14.9	22	22.2	14.48
Total	4,49,361	2,34,912	102.8	23	100	100

Source: TSA-2009-10, Tables 6 and 7.

Note: TS-Tourism Specific

- The TDGDP in 2009-10 is estimated at Rs. 2,37,768 crore and has a share of 3.7 per cent in the overall GDP of the economy of Rs. 64,57,351 crore.

## Table 7: Tourism Employment

4.38 TSA Table 7 presents the employment situation in tourism industries. According to TSA: RMF 2008, seasonality, high variability in the working conditions, flexibility, and the informality of jobs in several small units are the major challenges in collecting data on employment in tourism industries. Further, labour is a factor of production and is generally associated with an establishment in which, usually, various products are produced. Therefore, relating employment to a specific product or group of products of a given establishment is a complex issue in measuring tourism direct employment.

### Recommended Methodology

4.39 While labour can be associated with the total output of an establishment, it cannot be assigned to any particular product without the use of specific assumptions and modelling procedures. For this reason, tourism employment, referring to the employment strictly related to the goods and services (tourism characteristic, tourism connected and other) acquired by visitors and produced by either tourism industries or other industries cannot be directly observed. Its measurement would require techniques that go beyond the present recommendations. As a result, the recommendations in TSA: RMF 2008 are restricted to employment in tourism industries.

4.40 Consequently, the measures proposed refer to the restrictive quantification of employment according to its statistical meaning (since not all volume of employment found in a given industry corresponds to tourism consumption) and coverage (since there are different levels of employment in other industries that partly correspond to tourism consumption). Two major breakdowns of the number of jobs and hours worked are proposed: one according to the sex of the person employed, the other according to a simplified status in employment classification, where only employees are singled out from the rest of the labour force. The intensity of the use of the labour force is expressed in terms of number of jobs, number of hours worked and number of full-time equivalent jobs (both in the reference period) in order to make the measurements comparable and to wipe out the effects of part-time jobs.

4.41 Because the flow of visitors often presents marked seasonality, this phenomenon also characterizes employment, in particular in industries such as accommodation and food and beverage serving services. For this reason, countries are encouraged to measure employment at least twice a year, at peak and low tourism seasons. The number of jobs, hours of work and other characteristics of the labour force should provide basic information for understanding and monitoring the changing levels and contribution of tourism activity.

### Methodology Followed

4.42 As recommended, TSA Table 7 presents the total number of jobs (one employed person can take up more than one job, the second, of subsidiary nature) and the number of people employed in the tourism specific industries. As part of Table 7, three tables on employment have been prepared, one distinguishes employment (number of jobs and headcount) in tourism industries by nature of employment (self-employed and employees) and by gender (TSA Table 7A). The other two tables distinguish employment by their formal and informal nature, since informal sector and informality of jobs is highly prevalent in India. Table 7B presents the employment numbers in Tourism Industries by the formal and informal nature of employment and Table 7C gives the further breakup of these by the type of enterprise.



4.43 For preparing these tables, the unit level data of 66th Round of NSSO EUS has been analysed. For identifying the formal and informal nature of job, the person employed is classified accordingly using information on his/her status of work and the employing enterprise. On the basis of this information, a person is identified as formal and informal using the mapping given in Table 4.18.

**Table 4.18: Identification of Formal and Informal Workers**

Enterprise type	Formal	Informal
1. Proprietary male	None	All
2. Proprietary female	None	All
3. Partnership with members of same household	None	All
4. Partnership with members of different household	None	All
5. Public sector	Status=Regular wage earner	Status=Others
6. Public/Private limited company	Status= Regular wage earner	Status= Others
7. Co-operative societies/trust/other non-profit institutions	Status= Regular wage earner	Rest
8. Employer's households	and number of workers > 5 and	
9. Others	job contract is written and is for more than 1 year	

Source: NCAER's mapping.

### Technical Notes

- Table 7A presents the number of workers and number of jobs in tourism industries by their work status and gender.
- Self-employed workers are those who operate their own farm or non-farm enterprises or are engaged independently in a profession or trade on own-account or with one or a few partners.
- The three different categories within self-employed workers are own account workers, employers and helpers in household enterprise.
- Employees are either regular salaried or wage earners or casual wage labourers.
- Table 7B gives the number of workers and number of jobs in tourism industries by their formal or informal nature of employment.
- The identification of formal and informal nature of employment is done on the basis of the type of enterprise and job contract. All the employees working in the proprietary and partnership types of enterprises are considered as informal. Barring the regular wage earners, all others are considered informal in public sector or public limited enterprises.
- In the rest of the enterprises, like cooperatives, household enterprises, etc., those regular wage earners are considered formal who work in enterprises that employ more than five workers and who have written job contract and the duration of contract is more than a year. Rest all are considered informal.

**TSA Table 7A: Employment in Tourism Industries by Work Status and Gender**

Industries	Number of Employees				Number of Jobs			
	Self Employed		Employee		Self Employed		Employee	
	Male	Female	Male	Female	Male	Female	Male	Female
<b>Tourism characteristic industries</b>	1,00,14,322	11,19,109	92,86,572	16,34,296	1,08,26,838	11,55,200	97,80,272	16,57,294
1 Accommodation services/Hotels	1,19,091	44,121	4,62,616	34,022	1,24,493	44,121	4,62,616	34,022
2 Food and beverage serving services/Restaurants	26,99,589	8,01,863	18,68,961	1,26,705	28,37,777	8,32,341	19,30,995	1,39,319
3 Railway passenger transport services	11,072	-	5,58,792	33,977	11,072	-	5,58,792	33,977
4 Road passenger transport services	52,30,924	48,296	38,33,482	14,911	55,97,116	52,926	41,73,736	18,012
5 Water passenger transport services	13,914	-	1,03,604	278	13,914	-	1,06,719	278
6 Air passenger transport services	-	-	77,181	9,886	-	-	77,181	9,886
7 Transport equipment rental services	16,957	1,379	11,784	-	22,746	1,379	11,784	-
8 Travel agencies and other reservation services/ Supporting and auxiliary transport activities	89,703	8,872	3,68,335	22,290	96,043	8,872	3,84,957	22,290
9 Cultural and religious services	6,45,224	17,210	3,00,877	42,930	7,49,320	17,210	3,21,803	46,860
10 Sports and other recreational services	4,24,436	45,848	3,42,425	15,445	5,31,611	45,848	3,74,070	17,160
11 Health and medical related services	7,63,413	1,51,521	13,58,515	13,33,852	8,42,744	1,52,505	13,77,619	13,35,489
<b>Tourism connected industries</b>	60,75,381	60,10,506	54,79,351	19,35,853	63,67,350	63,77,277	56,16,679	20,06,022
12 Readymade garments	29,27,537	24,39,622	17,41,031	4,51,133	30,31,920	25,76,545	17,53,730	4,56,694
13 Processed Food	10,42,793	6,16,014	9,98,285	4,44,488	11,08,256	6,20,134	10,65,253	4,57,362
14 Tobacco products	6,02,139	25,63,482	1,90,498	7,90,306	6,97,351	27,84,817	2,33,512	8,34,161
15 Beverages	77,313	29,045	1,95,192	27,081	87,524	32,272	1,95,192	27,081
16 Travel related consumer goods	2,12,705	32,504	3,85,205	25,310	2,15,043	32,504	3,87,506	25,310
17 Footwear	1,47,152	60,242	2,35,856	9,910	1,47,152	60,242	2,37,373	9,910
18 Soaps, cosmetics and glycerine	22,737	1,60,644	1,57,897	70,154	23,059	1,61,812	1,60,316	71,955
19 Gems and jewellery	6,64,742	90,647	9,97,609	44,834	6,72,771	90,647	9,97,609	44,834
20 Books, journals, magazines, stationery etc.	3,78,263	18,304	5,77,779	72,637	3,84,273	18,304	5,86,189	78,716
<b>Tourism Non-specific Industries</b>	15,01,69,259	6,20,20,500	15,11,87,128	5,70,08,200	17,92,13,072	7,20,81,920	17,34,95,805	6,69,61,666
21 Agriculture and Allied	9,60,05,347	5,23,89,682	6,18,03,189	3,69,89,541	12,09,18,834	6,16,24,187	7,08,01,752	4,11,75,421
22 Mining, other manufacturing, construction, electricity, gas and water supply	1,61,67,388	38,24,756	5,36,88,818	91,71,043	1,73,46,746	42,48,568	6,60,87,825	1,48,02,058
23 Trade	2,76,85,979	39,02,438	71,03,917	6,18,329	2,95,83,615	41,37,525	73,25,789	6,32,958
24 Transport freight services	24,20,277	37,559	49,91,351	1,91,543	28,14,761	39,581	53,12,667	2,13,826
25 All non-tourism specific services	78,90,267	18,66,065	2,35,99,854	1,00,37,744	85,49,115	20,32,059	2,39,67,773	1,01,37,403
<b>Total</b>	16,62,58,962	6,91,50,115	16,59,53,052	6,05,78,349	19,64,07,260	7,96,14,397	18,88,92,756	7,06,24,981
<b>Total (in million)</b>	166.3	69.2	166.0	60.6	196.4	79.6	188.9	70.6

Source: NSSO 66th Round and NCAER computation.



TSA Table 7B: Employment in Tourism Industries by Formal/Informal

Industries	Number of Employees			Number of Jobs		
	Formal	Informal	Total	Formal	Informal	Total
<b>Tourism characteristic industries</b>	<b>33,98,970</b>	<b>1,86,55,330</b>	<b>2,20,54,300</b>	<b>34,04,797</b>	<b>2,00,14,808</b>	<b>2,34,19,604</b>
1. Accommodation services/Hotels	78,148	5,81,702	6,59,850	78,148	5,87,104	6,65,253
2. Food and beverage serving services/Restaurants	88,020	54,09,098	54,97,118	88,042	56,52,390	57,40,432
3. Railway passenger transport services	5,58,219	45,621	6,03,841	5,58,219	45,621	6,03,841
4. Road passenger transport services	6,73,423	84,54,191	91,27,614	6,73,519	91,68,271	98,41,790
5. Water passenger transport services	69,516	48,280	1,17,796	69,516	51,396	1,20,912
6. Air passenger transport services	76,285	10,782	87,067	76,285	10,782	87,067
7. Transport equipment rental services	10,838	19,281	30,120	10,838	25,071	35,909
8. Travel agencies and other reservation services/ Supporting and auxiliary transport activities	77,978	4,11,221	4,89,199	77,978	4,34,183	5,12,161
9. Cultural and religious services	47,285	9,58,955	10,06,240	47,311	10,87,882	11,35,193
10. Sports and other recreational services	1,35,565	6,92,589	8,28,154	1,36,116	8,32,573	9,68,689
11. Health and medical related services	15,83,691	20,23,610	36,07,301	15,88,823	21,19,534	37,08,357
<b>Tourism connected industries</b>	<b>9,27,428</b>	<b>1,85,73,663</b>	<b>1,95,01,091</b>	<b>9,35,989</b>	<b>1,94,31,338</b>	<b>2,03,67,327</b>
12. Readymade garments	2,63,761	72,95,562	75,59,323	2,63,761	75,55,127	78,18,889
13. Processed Food	1,73,126	29,28,454	31,01,581	1,78,206	30,72,799	32,51,005
14. Tobacco products	49,736	40,96,688	41,46,425	49,692	45,00,148	45,49,840
15. Beverages	1,31,706	1,96,925	3,28,630	1,31,706	2,10,363	3,42,068
16. Travel related consumer goods	26,436	6,29,287	6,55,723	26,436	6,33,927	6,60,363
17. Footwear	47,386	4,05,775	4,53,161	47,386	4,07,292	4,54,678
18. Soaps, cosmetics and glycerine	63,824	3,47,608	4,11,432	63,824	3,53,318	4,17,142
19. Gems and jewellery	25,376	17,72,456	17,97,831	25,376	17,80,484	18,05,860
20. Books, journals, magazines, stationery etc.	1,46,077	9,00,907	10,46,985	1,49,603	9,17,879	10,67,482
<b>Tourism Non-specific Industries</b>	<b>3,12,62,088</b>	<b>38,91,22,998</b>	<b>42,03,85,087</b>	<b>3,15,15,962</b>	<b>46,02,36,500</b>	<b>49,17,52,462</b>
21. Agriculture and Allied	1,85,069	24,70,02,690	24,71,87,759	1,85,079	29,43,35,115	29,45,20,194
22. Mining, other manufacturing, construction, electricity, gas and water supply	77,14,248	7,51,37,758	8,28,52,005	78,29,033	9,46,56,164	10,24,85,197
23. Trade	8,79,656	3,84,31,008	3,93,10,664	8,80,590	4,07,99,297	4,16,79,887
24. Transport freight services	6,22,623	70,18,106	76,40,729	6,22,685	77,58,149	83,80,835
25. All non-tourism specific services	2,18,60,493	2,15,33,437	4,33,93,930	2,19,98,574	2,26,87,775	4,46,86,349
<b>Total</b>	<b>3,55,88,486</b>	<b>42,63,51,991</b>	<b>46,19,40,477</b>	<b>3,58,56,748</b>	<b>49,96,82,646</b>	<b>53,55,39,394</b>
Total (in million)	35.6	426.4	461.9	35.9	499.7	535.5

Source: NSSO 66th Round and NCAER computation.

**TSA Table 7C: Employment in Tourism Industries by Type of Enterprise**

Industries	Number of Jobs							
	Public		Public/Pvt Ltd Company		Others		Total	
	Formal	Informal	Formal	Informal	Formal	Informal	Formal	Informal
1. Accommodation services/Hotels	13,915	-	59,632	3,878	4,601	5,83,226	78,148	5,87,104
2. Food and beverage serving services/Restaurants	28,758	1,916	53,589	21,857	5,694	56,28,617	88,042	56,52,390
3. Railway passenger transport services	5,58,219	-	-	-	-	45,621	5,58,219	45,621
4. Road passenger transport services	4,91,348	22,826	1,81,376	28,585	795	91,16,860	6,73,519	91,68,271
5. Water passenger transport services	38,726	65	30,790	8,005	-	43,325	69,516	51,396
6. Air passenger transport services	41,460	-	34,825	-	-	10,782	76,285	10,782
7. Transport equipment rental services	-	-	10,838	-	-	25,071	10,838	25,071
8. Travel agencies and other reservation services/ Supporting and auxiliary transport activities	27,020	160	50,958	5,246	-	4,28,778	77,978	4,34,183
9. Cultural and religious services	28,185	-	28	-	19,098	10,87,882	47,311	10,87,882
10. Sports and other recreational services	40,975	17,157	87,387	6,859	7,754	8,08,556	1,36,116	8,32,573
11. Health and medical related services	11,92,590	44,164	2,90,251	5,572	1,05,981	20,69,799	15,88,823	21,19,534
12. Readymade garments	704	2,342	2,59,643	68,642	3,414	74,84,143	2,63,761	75,55,127
13. Processed Food	36,877	3,151	1,34,038	52,877	7,291	30,16,772	1,78,206	30,72,799
14. Tobacco products	-	4,528	49,692	67,035	-	44,28,584	49,692	45,00,148
15. Beverages	1,558	265	1,30,147	14,612	-	1,95,485	1,31,706	2,10,363
16. Travel related consumer goods	-	-	26,436	2,685	-	6,31,242	26,436	6,33,927
17. Footwear	2,341	-	41,729	-	3,317	4,07,292	47,386	4,07,292
18. Soaps, cosmetics and glycerine	-	-	63,824	18,001	-	3,35,317	63,824	3,53,318
19. Gems and jewellery	-	-	25,376	6,368	-	17,74,116	25,376	17,80,484
20. Books, journals, magazines, stationery etc.	23,213	-	1,24,793	-	1,597	9,17,879	1,49,603	9,17,879
Tourism Non-specific Industries	2,06,47,691	1,67,41,314	1,00,48,989	19,88,586	8,19,282	44,15,06,600	3,15,15,962	46,02,36,500
Total	2,30,59,852	1,67,81,233	1,18,31,250	23,21,582	9,65,646	48,05,79,831	3,58,56,748	49,96,82,646

Source: NSSO 66th Round and NCAER computation.

**TSA Table 7D: Employment and Tourism Direct Employment by Industries**

Industry	Total employment in the economy (lakh)	Tourism direct employment (lakh)	Tourism ratios (%)
1 Agriculture and allied	2,945.2	0.0	0.00
2 Mining, other manufacturing, construction, electricity, gas and water supply	1,024.9	0.0	0.00
3 Trade	416.8	2.8	0.66
4 Transport freight services	83.8	1.9	2.25
5 All non-tourism specific services	446.9	10.2	2.29
6 Processed food products	32.5	0.0	0.00
7 Beverages	3.4	0.0	0.02
8 Tobacco products	45.5	0.0	0.00
9 Readymade garments	78.2	0.0	0.00
10 Printing and publishing	10.7	0.0	0.00
11 Leather footwear	4.5	0.0	0.00
12 Travel related consumer goods	6.6	0.0	0.00
13 Soaps and cosmetics	4.2	0.0	0.00
14 Gems and jewellery	18.1	0.0	0.00
15 Railway passenger transport services	6.0	3.5	57.63
16 Land passenger transport	98.4	53.6	54.42
17 Water passenger transport	1.2	0.1	12.10
18 Air passenger transport	0.9	0.7	77.20
19 Tourism related supporting and auxiliary transport activities	5.1	3.7	72.36
20 Hotels	6.7	3.4	51.09
21 Restaurants	57.4	9.4	16.37
22 Medical and health	37.1	11.1	30.05
23 Renting of transport equipment	0.4	0.1	28.82
24 Cultural and religious services	11.4	1.9	17.06
25 Sporting and recreational services	9.7	0.4	3.84
Total	5,355.4	102.8	1.92
Employment in tourism characteristics industries	234.2	-	-
Employment in tourism connected industries	203.7	-	-
Employment in tourism specific industries	437.9	-	-

### Key Findings

- The overall employment, in terms of number of employees (headcount) stands at 461.9 million in 2009-10. Meanwhile total number of jobs are recorded at 535.5 million in the same year. Additional jobs accounted for about 16% of employment..
- The share of employment (number of jobs in tourism specific industries) in total employment (number of jobs) stands at 43.79 million or 8.2 per cent.
- Of this, 23.4 million or 4.4 per cent is on account of tourism characteristic industries and rest 20.37 million or 3.8 per cent in tourism connected industries.
- The share in total number of employees is higher at 9.0 per cent, with 4.8 per cent employed in tourism characteristic industries and 4.2 per cent in tourism connected industries.

- For TSA, it is recommended to restrict to number of jobs in tourism characteristic industries. Hence the share of tourism industry in total employment is recorded at 4.4 per cent.
- The breakup of employment numbers by formal and informal categories reveal that in tourism characteristic industries, share of informal employment is 85.5 per cent while the same in tourism connected industries is 95.4 per cent, overall share being 90.1 per cent.
- The lower share of employment in tourism industries as compared to GVATI is because of the large share of agriculture (55%) in the employment, in which tourism has no direct share.
- If agriculture is excluded, the share of tourism services in GVA comes to 8.7 per cent and in employment at a higher 9.7 per cent.
- In the case of tourism goods, their share in GVA is 2.9 per cent as against 3.8 per cent in employment. If agriculture is excluded these goods have a share of 3.6 per cent in GVA and 8.5 per cent in employment.
- Tourism direct employment can be computed using the tourism ratios of each industries (TSA Table 7D). Using this computation, the tourism direct employment is estimated at 102.8 million or 1.9 per cent in 2009-10. The lower share in comparison to TDGVA is because agriculture, which accounts for about 55 per cent, does not have any direct share in employment. If agriculture and other goods producing industries which have a share of about 78 per cent in the total employment are excluded, the share of tourism direct employment comes to 4.3 per cent.

**Table 4.19: Employment and Tourism Direct Employment by Broad Industry Groups**

Industry	Employment in total economy		Tourism direct employment		Share of tourism direct employment in total employment
	lakh	% share	lakh	% share	%
1 Agriculture	2,945.2	55	0	0	0
2 Industry	1,228.5	22.9	0	0	0
2.1 TS goods	203.7	3.8	0	0	0
2.2 Other goods	1,024.9	19.1	0	0	0
3 Services	1,181.7	22.1	102.8	100	8.7
3.1 TS services	234.2	4.4	87.9	85.5	37.54
3.2 Other services	947.5	17.7	14.9	14.5	1.57
Total	5,355.4	100	102.8	100	1.92
Non-Agriculture	2,410.2	45	102.8	100	4.27

Source: TSA-2009-10, Tables 7.  
 Note: TS-Tourism Specific



## Table 8: Tourism Gross Fixed Capital Formation

4.44 Gross fixed capital formation (GFCF) is measured by the total value of a producer's acquisitions, less disposals, of fixed assets during the accounting period plus certain additions to the value of non-produced assets realised by the productive activity of institutional units. The produced assets are broadly divided into tangible (dwellings, other buildings and structures, machinery and equipment, and cultivated assets) and intangible (mineral exploration, software, entertainment, and literary or artistic originals) produced assets.

### Recommended methodology

4.45 TSA: RMF 2008 provides a proposed list of GFCF goods related to tourism. The tourism industries acquire these tourism related capital goods for production of goods and services. These individual capital goods when aggregated over all the tourism industries provide data on tourism GFCF. TSA: RMF 2008 encourages inclusion of non-produced tangible and intangible assets as a memorandum item in the TSA tables on tourism GFCF, as net acquisition of both produced and non-produced assets represent an important component of non-financial tourism investment. However, tourism related infrastructure is not included in the tourism GFCF, due to several conceptual and measurement issues. Therefore, the TSA table on tourism GFCF is not one of the TSA tables that should necessarily be compiled as part of TSA tables.

### Methodology adopted

4.46 CSO's national accounts provide GFCF by industries, though at a fairly aggregated level (generally at 1-digit NIC level). Further, the break-up of GFCF by different assets as recommended in TSA: RMF is also not available. Therefore, the information on GFCF that is available at aggregate level in the NAS, 2012 has been used in preparing TSA Table 8. It may be mentioned that though product break-up of GFCF is not available, the information presented in this Table will still be useful in the computation of tourism internal demand.

4.47 Along with the estimates of GFCF for tourism industries, data has also been provided on net capital stock using the information available in NAS, 2012. This data is useful in the analysis of capital productivity for tourism and other industries.

### Technical Notes

- The industry-wise estimates of GFCF available in the national accounts statistics have been split according to tourism and other industries in 25 industry-classification on the basis of detailed data on GFCF available in the ASI, enterprise survey on services sector and the employment data.
- Along with the estimates of GFCF, estimates of net capital stock have also been presented according to the 25-industry classification. The procedures adopted and data bases used to derive net capital stock estimates is similar to those mentioned for GFCF

**TSA Table 8: Gross Fixed Capital Formation of Tourism and Other Industries**

Industry	Gross fixed capital formation	Net capital stock
Agriculture and allied	1,76,00,549	18,77,49,400
Mining, other manufacturing, construction, electricity, gas and water supply	8,68,42,864	78,92,98,046
Trade	1,29,91,687	12,03,90,500
Transport freight services	51,26,510	4,38,51,277
All non-tourism specific services	6,90,46,161	68,84,94,307
Processed food products	12,11,480	92,12,111
Beverages	8,69,782	66,42,883
Tobacco products	1,16,436	13,76,658
Readymade garments	10,31,668	28,00,455
Printing and publishing	7,26,380	35,60,162
Leather footwear	2,01,192	19,64,117
Travel related consumer goods	67,526	4,78,936
Soaps and cosmetics	4,23,231	28,74,506
Gems and jewellery	1,70,603	15,21,725
Railway passenger transport services	11,54,151	1,16,55,229
Land passenger transport including via pipeline	23,93,063	1,80,29,140
Water passenger transport	1,25,598	9,46,245
Air passenger transport	2,00,770	15,12,582
Tourism related supporting and auxiliary transport activities	1,13,968	8,58,628
Hotels	10,66,940	74,69,154
Restaurants	20,00,153	1,40,02,146
Medical and health	26,00,426	2,06,38,927
Renting of transport equipment	58,244	6,37,447
Cultural and religious services	2,46,266	19,54,551
Sporting and recreational services	9,19,151	72,95,068
Total	20,73,04,800	1,94,52,14,200

Source: National Accounts Division, CSO.

## Key Findings

- In 2009-10, the GFCF in tourism industries was estimated at Rs. 1,08,787 crore, which comes to 5.2 per cent of the total GFCF of the economy of Rs. 20,73,048 crore.
- In the same year, NCS in tourism industries is estimated at Rs. 8,49,991 crore, which comes to 4.4 per cent of the total NCS of the economy of Rs. 194,52,142 crore.

**Table 4.20: Estimated Gross Output per Unit of Net Capital Stock**

Industr	Gross output (Rs. crore)	GFCF	NCS	Output/NCS
1 Agriculture	14,20,214	1,76,005	18,77,494	0.76
2 Industry	66,35,691	9,16,612	81,97,296	0.81
2.1 TS goods	9,07,935	48,183	3,04,316	2.98
2.2 Other goods	57,27,756	8,68,429	78,92,980	0.73
3 Services	47,37,436	9,80,431	93,77,352	0.51
3.1 TS services	9,54,805	1,08,787	8,49,991	1.12
3.2 Other services	37,82,631	8,71,644	85,27,361	0.44
Total	1,27,93,340	20,73,048	1,94,52,142	0.66

Source: TSA-2009-10, Tables 5, 6 and 8.

Note: TS-Tourism Specific

- From the above table, it can be seen that per unit of net capital stock, output is much more in the case of tourism characteristic services (1.12) as compared to non-tourism characteristic services (0.44), which shows that tourism industries are less capital intensive. From Table 7, it was noticed that tourism industries are more labour intensive.
- Even in the case of tourism connected goods, the output per unit of net capital stock is very high at 2.98 as compared to the corresponding figure for non-tourism goods of 0.73.

### Table 9: Tourism Collective Consumption Expenditure

- 4.48 Government provides services to the community at prices which are not economically significant. The receipts earned by the government from the community on account of providing these services<sup>57</sup> are, therefore, very small compared to the overall expenditures involved. The government incurs these additional expenditures from its own resources<sup>58</sup>. These government expenditures<sup>59</sup> (including imputed expenditures, mainly on consumption of fixed capital of its fixed assets) in producing these services net of receipts from sale of goods and services is termed as government final consumption expenditure (GFCE).
- 4.49 The GFCE is divided into two components-individual and collective on the basis of who is consuming these services - households or the community as a whole. While the individual consumption expenditure part of GFCE becomes part of household actual final consumption, the collective expenditure part of GFCE becomes the collective (or actual) consumption of government.

### Recommended Methodology

- 4.50 TSA RMF: 2008 seeks to include the estimates of tourism collective consumption. However, considering the difficulties in collecting data on collective expenditures of government related to tourism services, TSA RMF: 2008 places this under experimental stage.

### Methodology Adopted

- 4.51 In TSA Table 9, the data on government expenditures as available with the CSO has been presented in a two-way classification of economic and purpose categories. From the available details in the budget documents, it is difficult to categorise government expenditures according to individual and collective consumption categories. CSO categorises all the consumption expenditures for this purpose under individual consumption. The central government expenditures on recreation, culture and religion purpose, ministry-wise and for union territories have been presented in the supplementary table, (TSA Table 9) which shows that there are many ministries which incur expenditures on this purpose.

### Technical Notes

- NAS provides general government expenditures according to economic and purpose classifications. One of the purpose classifications under classification of functions of government (COFOG) is "cultural, recreational and religious affairs services", which falls under the criteria of being tourism characteristic. The sub-heads included under COFOG category are Art and Cultural Affairs

57. Either free or at prices which are not economically significant

58. Raised through taxation, investment, transfers and borrowings.

59. Compensation of employees and purchase of goods and services

Services, Recreational and Sporting Services, Tourism Affairs and Services and Cultural, Recreational and Religious Affairs Services n.e.c.

- In this table, besides the government consumption expenditure, data on other economic categories of GFCF, subsidies, transfers and financial transactions are also included to facilitate analysis of government transactions under this purpose.

## Key Findings

- Recreation, culture, and religion have a share of only 0.8 per cent in total consumption expenditure of government and has a share of 1.6 per cent in gross capital formation of government.
- The share of compensation of employees (CoE) in recreation, culture and religion in GFCE is 54.1 per cent which is much less than that for the overall government (80%). This could be because there is considerable maintenance expenditure for museums and other associated activities coming under this purpose category.

**Table 4.21: Government Final Consumption Expenditure by Economic and Purpose Classification (Rs. crore)**

Functions of Government	GFCE	of which CoE	Share of CoE in GFCE	Gross capital formation (GCF)	GFCE (% Distribution)	GCF (% Distribution)
1 General public services	1,79,955	1,52,776	85	21,124.00	29.5	13.1
2 Defence	1,67,830	1,22,839	73	27,906.00	27.5	17.3
3 Public order and safety						
4 Economic affairs	49,883	37,284	75	72,975.00	8.2	45.2
5 Environment protection	412	89	22	22.00	0.1	0.0
6 Housing and community amenities	10,910	7,908	73	17,509.00	1.8	10.8
7 Health	48,328	39,959	83	5,904.00	7.9	3.7
8 Recreation, culture and religion	4,928	2,664	54	2,530.00	0.8	1.6
9 Education	1,18,618	1,09,136	92	10,125	19.4	6.3
10 Social protection	29,615	15,751	53.2	3,289	4.9	2.0
TOTAL	6,10,479	4,88,406	80	1,61,384	100.0	100.0

Source: NCAER Computations.

**TSA Table 9: Tourism Consumption Expenditure by Centre and State Governments (Rs. crore)**

Items	compensation of employees	intermediate consumption	government final consumption expenditure	gross fixed capital formation	subsidies	Current Transfers	Capital Transfers	Loans	Shares and other equity
(1)	(2)	(3)	(4)=(2)+(3)	(5)	(6)	(7)	(8)	(9)	(10)
7.1- Art and Cultural Affairs Services	1,215	709	1,924	739	-	1,289	9	-	-
7.2- Recreational and Sporting Services	1,156	702	1,858	919	-	5,511	25	595	-
7.3- Tourism Affairs and Services	218	848	1,066	757	15	338	410	-	6
7.4- Cultural, Recreational and Religious Affairs Services n.e.c.	75	5	80	115	-	47	-	-	1
Total - Cultural, Recreational and Religious Affairs Services	2,664	2,264	4,928	2,530	15	7,185	444	595	7

Source: National Accounts Division, CSO.



SECOND TOURISM SATELLITE ACCOUNT FOR INDIA, 2009-10

**TSA Table 9A: Tourism Consumption Expenditure – Central Government's Department-wise Classification of Expenditure According to Purpose Classification**

2009-10, Rs. Lacs, Center Government

	Other Benefits	Social Benefits	Salary	Wages	CoE (Includes Pension also)	Building Maintenance	Other Maintenance	Net Purchases Goods and Se
	(1)	(2)	(3)	(4)	(5)=(1)+...+(4)+P	(6)	(7)	(8)
<b>Andaman &amp; Nicobar Islands</b>	<b>10</b>	<b>5</b>	<b>1,056</b>	<b>122</b>	<b>1,193</b>	<b>20</b>	<b>56</b>	<b>820</b>
7.1- Art and Cultural Affairs Services	6		120		179	0	56	194
7.2- Recreational and Sporting Services	1	4	423		616	0	0	221
7.3- Tourism Affairs and Services	3	1	513	122	867	20	0	405
7.4- Cultural, Recreational and Religious Affairs Services n.e.c.								
<b>Chandigarh</b>	<b>0</b>	<b>13</b>	<b>1,340</b>	<b>8</b>	<b>1,361</b>	<b>0</b>	<b>0</b>	<b>773</b>
7.1- Art and Cultural Affairs Services		2	524		759			187
7.2- Recreational and Sporting Services		11	816	8	1,198			586
7.3- Tourism Affairs and Services								
7.4- Cultural, Recreational and Religious Affairs Services n.e.c.								
<b>M/o Culture</b>	<b>70</b>	<b>312</b>	<b>23,655</b>	<b>1,677</b>	<b>25,714</b>	<b>17,082</b>	<b>0</b>	<b>12,465</b>
7.1- Art and Cultural Affairs Services	70	312	23,655	1,677	36,223	17,082		12,465
7.2- Recreational and Sporting Services								
7.3- Tourism Affairs and Services								
7.4- Cultural, Recreational and Religious Affairs Services n.e.c.								
<b>Daman &amp; Diu</b>	<b>0</b>	<b>0</b>	<b>95</b>	<b>42</b>	<b>137</b>	<b>0</b>	<b>1</b>	<b>144</b>
7.1- Art and Cultural Affairs Services			43		62			16
7.2- Recreational and Sporting Services			12	4	21			57
7.3- Tourism Affairs and Services			19	36	63		1	58
7.4- Cultural, Recreational and Religious Affairs Services n.e.c.			21	2	32			13
<b>Dadra &amp; Nagar Haveli</b>	<b>0</b>	<b>0</b>	<b>70</b>	<b>45</b>	<b>115</b>	<b>41</b>	<b>0</b>	<b>76</b>
7.1- Art and Cultural Affairs Services			57		82			17
7.2- Recreational and Sporting Services			13	45	64	41	0	59
7.3- Tourism Affairs and Services								
7.4- Cultural, Recreational and Religious Affairs Services n.e.c.								
<b>M/o Development of North Eastern Region</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
7.1- Art and Cultural Affairs Services								
7.2- Recreational and Sporting Services								
7.3- Tourism Affairs and Services								
7.4- Cultural, Recreational and Religious Affairs Services n.e.c.								
<b>M/o Environment &amp; Forest</b>	<b>8</b>	<b>15</b>	<b>1,793</b>	<b>82</b>	<b>1,898</b>	<b>24</b>	<b>11</b>	<b>944</b>
7.1- Art and Cultural Affairs Services								
7.2- Recreational and Sporting Services	8	15	1,793	82	2,695	24	11	944
7.3- Tourism Affairs and Services								
7.4- Cultural, Recreational and Religious Affairs Services n.e.c.								
<b>M/o Home Affairs</b>	<b>6</b>	<b>25</b>	<b>2,831</b>	<b>5</b>	<b>2,867</b>	<b>0</b>	<b>0</b>	<b>579</b>
7.1- Art and Cultural Affairs Services	6	25	2,831	5	4,125			579
7.2- Recreational and Sporting Services								
7.3- Tourism Affairs and Services								
7.4- Cultural, Recreational and Religious Affairs Services n.e.c.								
<b>M/o Human Resource Development</b>	<b>2</b>	<b>25</b>	<b>1,905</b>	<b>0</b>	<b>1,932</b>	<b>0</b>	<b>0</b>	<b>3,029</b>
7.1- Art and Cultural Affairs Services	2	25	1,905		2,778			3,029
7.2- Recreational and Sporting Services								
7.3- Tourism Affairs and Services								
7.4- Cultural, Recreational and Religious Affairs Services n.e.c.								
<b>M/o Information &amp; Broadcasting</b>	<b>10</b>	<b>68</b>	<b>5,076</b>	<b>9</b>	<b>5,163</b>	<b>515</b>	<b>0</b>	<b>4,091</b>
7.1- Art and Cultural Affairs Services	4	19	1,828	5	2,668			862
7.2- Recreational and Sporting Services	6	49	3,248	4	4,750	515		3,229
7.3- Tourism Affairs and Services								
7.4- Cultural, Recreational and Religious Affairs Services n.e.c.								
<b>Lakshdweep</b>	<b>0</b>	<b>2</b>	<b>191</b>	<b>4</b>	<b>197</b>	<b>379</b>	<b>0</b>	<b>431</b>
7.1- Art and Cultural Affairs Services		1	57	3	86	24		36
7.2- Recreational and Sporting Services		1	134	1	196	355		395
7.3- Tourism Affairs and Services								
7.4- Cultural, Recreational and Religious Affairs Services n.e.c.								
<b>M/o Labour &amp; Employment</b>	<b>0</b>	<b>0</b>	<b>82</b>	<b>0</b>	<b>82</b>	<b>1</b>	<b>0</b>	<b>23</b>
7.1- Art and Cultural Affairs Services								
7.2- Recreational and Sporting Services			82		118	1	0	23
7.3- Tourism Affairs and Services								
7.4- Cultural, Recreational and Religious Affairs Services n.e.c.								
<b>M/o Minority Affairs</b>	<b>1</b>	<b>6</b>	<b>452</b>	<b>4</b>	<b>463</b>	<b>0</b>	<b>0</b>	<b>170</b>
7.1- Art and Cultural Affairs Services								
7.2- Recreational and Sporting Services								
7.3- Tourism Affairs and Services								
7.4- Cultural, Recreational and Religious Affairs Services n.e.c.	1	6	452	4	664			170
<b>M/o Tourism</b>	<b>4</b>	<b>15</b>	<b>2,809</b>	<b>0</b>	<b>2,828</b>	<b>0</b>	<b>0</b>	<b>33,098</b>
7.1- Art and Cultural Affairs Services								
7.2- Recreational and Sporting Services								
7.3- Tourism Affairs and Services	4	15	2,809	0	4,076	0	0	33,098
7.4- Cultural, Recreational and Religious Affairs Services n.e.c.								
<b>M/o Youth Affairs &amp; Sports</b>	<b>7</b>	<b>16</b>	<b>1,588</b>	<b>2</b>	<b>1,613</b>	<b>0</b>	<b>0</b>	<b>2,276</b>
7.1- Art and Cultural Affairs Services								
7.2- Recreational and Sporting Services	7	16	1,588	2	2,319	0	0	2,276
7.3- Tourism Affairs and Services								
7.4- Cultural, Recreational and Religious Affairs Services n.e.c.								
<b>Total</b>	<b>118</b>	<b>502</b>	<b>42,943</b>	<b>2,000</b>	<b>64,641</b>	<b>18,062</b>	<b>68</b>	<b>56,336</b>
7.1- Art and Cultural Affairs Services	88	384	31,020	1,690	46,962	17,106	56	16,792
7.2- Recreational and Sporting Services	22	96	8,109	146	11,977	936	11	7,087
7.3- Tourism Affairs and Services	7	16	3,341	158	5,006	20	1	32,274
7.4- Cultural, Recreational and Religious Affairs Services n.e.c.	1	6	473	6	696	0	0	183

Column (5), Compensation of Employees', additionally includes pension.

Column (8), intermediate consumption, has been netted at total level only.

Source: National Accounts Division, CSO.

n (Rs. lakh)							
IC	Subsidies to Local Bodies	Transfers Transfers	Other Outlay	Building Outlay	Other Outlay	Machinery	GFCF
(9)=(6)+...+(8)	(10)	(11)	(12)	(13)	(14)	(15)	(16)=(13)+...+(15)
<b>896</b>	<b>0</b>	<b>0</b>	<b>55</b>	<b>801</b>	<b>776</b>	<b>24</b>	<b>1,601</b>
250				265			265
221			55	8	70		78
425				528	706	24	1,258
<b>773</b>	<b>0</b>	<b>0</b>	<b>495</b>	<b>274</b>	<b>166</b>	<b>0</b>	<b>440</b>
187			113				
586			382	274	166		440
<b>29,547</b>	<b>0</b>	<b>0</b>	<b>59,343</b>	<b>3,312</b>	<b>0</b>	<b>0</b>	<b>3,312</b>
29,547			59,343	3,312			3,312
<b>145</b>	<b>0</b>	<b>61</b>	<b>47</b>	<b>0</b>	<b>155</b>	<b>67</b>	<b>222</b>
16		5	41				
57		51	6				
59		5			155	48	203
13						19	19
<b>117</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>131</b>	<b>22</b>	<b>153</b>
17							
100					131	22	153
<b>0</b>	<b>0</b>	<b>0</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
			50				
<b>979</b>	<b>0</b>	<b>0</b>	<b>456</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
979			456				
<b>579</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
579							
<b>3,029</b>	<b>0</b>	<b>0</b>	<b>16,081</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
3,029			14,841				
			1,240				
<b>4,606</b>	<b>0</b>	<b>0</b>	<b>1,48,050</b>	<b>3,203</b>	<b>0</b>	<b>322</b>	<b>3,525</b>
862							
3,744			1,48,050	3,203		322	3,525
<b>810</b>	<b>0</b>	<b>115</b>	<b>2</b>	<b>454</b>	<b>0</b>	<b>1</b>	<b>455</b>
60		115	2	50			50
750				404		1	405
<b>24</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
24			8				
<b>170</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
170							
<b>33,098</b>	<b>117</b>	<b>0</b>	<b>2,895</b>	<b>0</b>	<b>671</b>	<b>0</b>	<b>671</b>
33,098	117		2,895		671		
<b>2,276</b>	<b>0</b>	<b>9,161</b>	<b>2,70,309</b>	<b>415</b>	<b>6,957</b>	<b>0</b>	<b>7,372</b>
2,276	0	9,161	2,70,309	415	6,957	0	7,372
<b>74,466</b>	<b>117</b>	<b>9,337</b>	<b>4,97,791</b>	<b>8,459</b>	<b>8,856</b>	<b>436</b>	<b>17,080</b>
33,954	0	120	74,340	3,627	0	0	3,627
8,034	0	9,212	4,20,506	4,304	7,324	345	11,973
32,295	117	5	2,945	528	1,532	72	1,461
183	0	0	0	0	0	19	19

## Table 10: Non-monetary Indicators

4.52 TSA Table 10 presents a few quantitative indicators that are important for the interpretation of the monetary information presented. The indicators include the number of trips by forms of tourism, classes of visitors and duration of the stay, physical indicators regarding types of accommodation, modes of transport used by non-resident visitors travelling to the economic territory of the country of reference, and the number and size of the establishments belonging to tourism industries. However, the set of non-monetary indicators may vary from country to country depending on the availability of data.

For India, the following set of tables form TSA Table 10.

**TSA Table 10.1: Foreign Tourist Arrivals (FTAs) in India According to Mode of Travel During 1996-2011**

Year	Arrivals (Number)	% Distribution by mode of travel		
		Air	Sea	Land
1996	22,87,860	98.5	0.1	1.4
1997	23,74,094	98.5	0.0	1.5
1998	23,58,629	98.5	0.0	1.5
1999	24,81,928	98.4	0.0	1.6
2000	26,49,378	98.5	0.0	1.5
2001	25,37,282	87.1	0.9	12
2002	23,84,364	81.9	0.6	17.5
2003	27,26,214	83.1	0.5	16.4
2004	34,57,477	85.6	0.5	13.9
2005	39,18,610	86.5	0.4	13.1
2006	44,47,167	87.1	0.6	12.3
2007	50,81,504	88.4	0.6	11.0
2008	52,82,603	89.1	0.7	10.2
2009	51,67,699	89.8	1.0	9.2
2010	57,75,692	91.8	0.7	7.5
2011	62,90,319	na	na	na

Source: India Tourism Statistics 2011.

**TSA Table 10.2: Month-wise Foreign Tourist Arrivals (FTAs) in India During 2008-2011**

Month	Foreign Tourist Arrivals(Nos.)				Growth rate in FTAs			Percentage Share			
	2008	2009	2010	2011	2009 over 2008	2010 over 2009	2011 over 2010	2008	2009	2010	2011
January	5,11,781	4,81,308	5,68,719	6,23,885	-6.0	18.2	9.7	9.7	9.3	9.8	9.9
February	6,11,493	4,89,787	5,52,152	6,35,527	-19.9	12.7	15.1	11.6	9.5	9.6	10.1
March	4,79,765	4,42,062	5,12,152	5,50,051	-7.9	15.9	7.4	9.1	8.6	8.9	8.7
April	3,61,101	3,47,544	3,71,956	4,37,792	-3.8	7.0	17.7	6.8	6.7	6.4	7.0
May	3,04,361	3,05,183	3,32,087	3,55,333	0.3	8.8	7	5.8	5.9	5.7	5.6
June	3,41,539	3,52,353	3,84,642	4,12,336	3.2	9.2	7.2	6.5	6.8	6.7	6.6
July	4,31,933	4,32,900	4,66,715	5,13,853	0.2	7.8	10.1	8.2	8.4	8.1	8.2
August	3,83,337	3,69,707	4,22,173	4,44,548	-3.6	14.2	5.3	7.2	7.1	7.3	7.1
September	3,41,693	3,30,707	3,69,821	4,01,995	-3.2	11.8	8.7	6.5	6.4	6.4	6.4
October	4,50,013	4,58,849	5,07,093	5,62,873	2.0	10.5	11	8.5	8.9	8.8	8.9
November	5,31,683	5,41,524	6,08,178	6,36,762	1.9	12.3	4.7	10.0	10.5	10.5	10.1
December	5,33,904	6,15,775	6,80,004	7,15,364	15.3	10.4	5.2	10.1	11.9	11.8	11.4
Total	52,82,603	51,67,699	57,75,692	62,90,319	-2.2	11.8	8.9	100	100	100	100

Source: India Tourism Statistics 2011.

**TSA Table 10.3: Classification of FTAs in India According to Purpose of Visit, 2010 (%)**

Country of Nationality	FTAs (Numbers)	Business & Professional	Leisure, Holiday & Recreation	Visiting Friends & Relatives	Medical Treatment	Others
North America	11,73,664	18.1	13.8	47.5	0.3	20.3
Central and South America	62,728	26.9	30.9	20.9	0.3	21.0
Western Europe	17,50,342	22.4	29.0	28.6	0.2	19.9
Eastern Europe	2,27,650	11.1	59.5	6.5	0.5	22.5
Africa	2,04,525	18.6	21.6	29.1	5.4	25.3
West Asia	2,35,317	15.4	22.6	22.3	7.5	32.2
South Asia	10,47,444	8.9	19.9	18.2	8.9	44.1
South East Asia	4,39,043	18.7	33.7	24.8	0.7	22.1
East Asia	4,11,947	53.0	17.5	11.1	0.1	18.4
Australasia	2,10,275	19.7	23.7	40.1	0.3	16.3
Others	12,087	3.0	14.2	4.9	0.1	77.8

Source: India Tourism Statistics 2011.

**TSA Table 10.4: Number of Indian Nationals Departures from India During 1991-2011**

Year	No. of Indian Nationals departures from India	Percentage change over the previous year
1991	19,42,707	-14.8
1992	21,61,301	11.3
1993	27,33,304	26.5
1994	27,34,830	0.1
1995	30,56,360	11.8
1996	34,63,783	13.3
1997	37,25,820	7.6
1998	38,10,908	2.3
1999	41,14,820	8
2000	44,15,513	7.3
2001	45,64,477	3.4
2002	49,40,244	8.2
2003	53,50,896	8.3
2004	62,12,809	16.1
2005	71,84,501	15.6
2006	83,39,614	16.1
2007	97,83,232	17.3
2008	1,08,67,999	11.1
2009	1,10,66,072	1.8
2010	1,29,88,001	17.4
2011	1,42,10,000	9.4

Source: India Tourism Statistics 2011.



**TSA Table 10.5: Domestic and Foreign Tourist Visits to States/UTs During 1991-2010**

Year	Tourist Visits		Annual Growth Rate	
	Domestic	Foreign	Domestic	Foreign
1991	6,66,70,303	31,46,652	-	-
1992	8,14,55,861	30,95,160	22.2	-1.6
1993	10,58,11,696	35,41,727	29.9	14.4
1994	12,71,18,655	40,30,216	20.1	13.8
1995	13,66,43,600	46,41,279	7.5	15.2
1996	14,01,19,672	50,30,342	2.5	8.4
1997	15,98,77,208	55,00,419	14.1	9.3
1998	16,81,96,000	55,39,704	5.2	-0.7
1999	19,06,71,034	58,32,015	13.4	5.3
2000	22,01,06,911	58,93,542	15.4	1.1
2001	23,64,69,599	54,36,261	7.4	-7.8
2002	26,95,98,028	51,57,518	14.0	-5.1
2003	30,90,38,335	67,08,479	14.6	30.1
2004	36,62,67,522	83,60,278	18.5	24.6
2005	39,20,14,270	99,47,524	7.0	19.0
2006	46,23,21,054	1,17,38,892	17.9	18.0
2007	52,65,64,478	1,32,56,637	13.9	12.9
2008	56,30,34,107	1,43,80,633	6.9	8.5
2009	66,88,00,482	1,43,72,300	18.8	-0.1
2010	74,02,14,297	1,78,52,777	10.7	24.2

Source: India Tourism Statistics 2011.

**TSA Table 10.6: Number of Approved Hotels and Availability of Hotel Rooms, 2009-2010**

Category of Hotels	No. of Hotels		No. of Rooms	
	As on 31.12.2009	As on 31.12.2010	As on 31.12.2009	As on 31.12.2010
One star	55	67	2,755	2,537
Two star	220	307	6,539	8,446
Three star	511	869	23,164	36,585
Four star	125	157	8,652	12,059
Five star	98	149	11,822	17,144
Five star deluxe	109	153	23,113	34,187
Apartment hotels	7	8	566	756
Time share resorts	1	1	62	62
Heritage hotels	88	146	2,545	3,879
Silver bed and breakfast	357	469	1,115	1,540
Guest house	1	1	40	40
Unclassified	257	156	12,411	580
Total	1,829	2,483	92,784	1,17,815

Source: India Tourism Statistics 2011.

**TSA Table 10.7: Average Number of Total Employees per Hotel (Permanent/Contract/Full Time/Part Time), by Category of Hotels, 2009-10**

Composition		5 Star Deluxe	5 Star	4 Star	3 Star	2 Star	1 Star	Heritage	Others	All-India Average
Number of responses		40	41	80	448	253	56	37	144	1099
Number of managers	Male	50.7	27.8	15.0	5.9	2.6	1.9	5.8	1.9	7.5
	Female	13.0	6.2	2.4	0.8	0.4	0.3	0.5	0.2	1.3
	Total	63.7	34.0	17.4	6.7	3.0	2.2	6.3	2.1	8.8
Number of supervisors	Male	46.3	26.8	19.9	9.7	4.1	2.8	9.0	2.6	9.8
	Female	8.1	4.2	3.4	1.8	0.6	0.2	0.6	0.2	1.6
	Total	54.4	31.0	23.3	11.5	4.7	3.0	9.6	2.8	11.4
Number of staff	Male	258.6	153.2	118.9	59.9	29.6	18.8	54.1	19.9	60.4
	Female	32.3	13.1	11.7	6.3	3.4	2.3	3.3	1.9	6.4
	Total	290.9	166.3	130.6	66.2	33.0	21.1	57.4	21.8	66.8
Total number of employees		409.0	231.3	171.1	84.3	40.7	26.3	73.3	26.7	87.0
Average employees per room		2.0	1.8	1.9	1.5	1.0	1.0	1.8	0.9	1.5

Source: Indian Hotel Industry Survey 2009-2010, FHRAI

**TSA Table 10.8: State-wise Number of Recognized Inbound Tour Operators/Travel Agencies as on 31 December, 2010**

Sl. No.	State/UT	Inbound Tour Operators	Travel Agencies	Tourist Transport	Adventure Tour Operators	Domestic Tour Operators
1	Andaman & Nicobar	1	3	-	-	-
2	Andhra Pradesh	7	15	5	-	2
3	Arunachal Pradesh	1	-	-	-	-
4	Assam	8	1	-	-	2
5	Bihar	3	4	-	-	1
6	Chandigarh	-	2	2	-	-
7	Chhattisgarh	-	1	-	-	-
8	Dadra & Nagar Haveli	-	-	-	-	-
9	Daman & Diu	-	-	-	-	-
10	Delhi	344	152	93	23	29
11	Goa	15	4	-	-	-
12	Gujarat	7	12	2	-	-
13	Haryana	21	8	1	-	3
14	Himachal Pradesh	-	-	-	2	1
15	Jammu & Kashmir	6	1	-	2	2
16	Jharkhand	-	-	-	-	-
17	Karnataka	11	31	17	-	3
18	Kerala	31	8	26	-	5
19	Lakshadweep	-	-	-	-	-
20	Madhya Pradesh	2	2	2	-	-
21	Maharashtra	48	105	21	1	9
22	Manipur	-	2	-	-	-
23	Meghalaya	-	-	-	-	-
24	Mizoram	-	-	-	-	-
25	Nagaland	-	-	-	-	-
26	Odisha	7	-	2	-	-
27	Puducherry	1	3	1	-	-
28	Punjab	1	14	3	-	-
29	Rajasthan	21	6	1	-	-
30	Sikkim	11	-	-	-	-
31	Tamil Nadu	30	57	30	3	6
32	Tripura	-	-	-	-	-
33	Uttar Pradesh	17	15	3	-	-
34	Uttarakhand	1	1	-	1	-
35	West Bengal	6	20	4	1	4
	Total	600	467	213	33	67

Source: India Tourism Statistics 2011.