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Global Meltdown and Tourism Industry in Goa: An Alternative Approach

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Abstract:

Tourism as a service industry supports many economics in the world including merging economies. At the same time it is very sensitive industry to global events. The impact of global meltdown was felt on national income of many economies. This study is a state level study of Goa from the point of view with regard to global meltdown and its impact on inflow of tourists. Though the economy of Goa tourists driven economy, is in position to reap the benefits of the same even in times of world crisis by diversify its tourism activities to the extent of attracting tourists throughout the year.

Keywords: *Tourism Industry, Infrastructure, Goa, India*

1.Introduction

Tourism is the most dynamic and vulnerable service industry which employed around 225 million people around the world and generated 9.6 percent global GDP in 2008(WTTC ,2009). Events like 9/11 terror attack, wars in Afghanistan, tsunami in South East Asia, present recession have taken its toll on tourism industry but because of globalization of tourism different regions were able to sustain the industry along with different challenges.(Dorin & Ozal, 2009). Tourism is being vulnerable to all these challenges has shown its impact in terms of reduced expenditure of household consumers of travel as well as cost cutting by business houses affecting travel & tourists business destinations.

India is no exception to this. Tourism industry is one of the enormous service industry with its contribution of 6.23 percent to national GDP & 8.78 percent of Total employment, witness more than 5 million annual foreign tourists arrivals & 562 million domestic tourists. According to WTTC, the travel and tourism competitiveness report, 2007 ranked tourism in India 6th in terms of price competitiveness & 39th in terms of safety & security. According to Tenth five year plan document, percentage share of all employment in tourism sector in India is amongst the lowest in world.

One such tiny state has its own position on the global map is Goa which is very famous for its scenic beauty and beaches. Goa is very famous among foreign as well as domestic tourists for decades. A blend of western traditional culture, rich cultural and religious heritage attracts the attention of tourists. Over the years state has experienced diversification in tourism ranging from beach tourism to sports tourism, village tourism, medical tourism leisure tourism etc.

2.Objectives Of The Study

This paper makes an attempt to find out the fall in domestic and foreign tourists arrival during recessionary period and its implications on Goa's economy. Possibility of alternative tourism to survive despite recessionary trends is also taken into consideration for the state of Goa.

3.Methodology And Database

Data is used on actual arrival of domestic and foreign tourists from economic survey of Goa, 2007-08 & 2008-09 considering that recessionary trends had started

from mid 2007 onwards, linear regression model was fit from 1991 to 2007 on actual arrival of domestic and foreign tourists on the basis of which projected population of foreign and domestic tourists arrival was calculated for the period 1991-2008. The Chi-square test was used for goodness of fit. In order to find out the changes in tourist arrival, the difference between projected arrival and actual of tourists was calculated and the same difference being converted into percentage shows the difference in fall/rise in tourist's arrival. The data on actual & projected arrival of tourists is divided on the basis of domestic tourists arrival, foreign tourists arrival and total tourists arrival for the period 1991-2008 in order to find out the changes during recession.

4.Results And Discussion

From the Table-1 it is evident that in fact before the onset of recession there was increase in actual population as compared to projected population from 2003 onwards except that for the two consecutive years of 2006 & 2007 there was marginal increase by percentage point which is a clear indication of the fact that the state received substantial domestic tourists and higher as compared to previous year of 2005. But as evident from the data, for the year 2008 there was fall in arrival of domestic tourists population by 4.76 percent that the projected arrivals indicating the fall due to recessionary trends.

Year	Actual tourists population	Projected tourists population	Difference between projected & actual	% difference
1991	75686	484610.3	-272176	-35.96
1992	774568	580616.2	-193952	-25.04
1993	798576	676622.1	-121954	-15.27
1994	849404	772628.1	-76776	-9.03
1995	878487	868634	-9853.04	-1.12
1996	888914	96439.9	75725.87	8.51
1997	928925	1060646	131720.8	14.17
1998	953212	1156652	203439.7	21.34
1999	960114	1252658	292543.6	30.46
2000	976804	1344664	371859.5	38.06
2001	1120242	1444669	324427.4	28.96
2002	1325296	1540675	215379.3	16.25

Year	Actual tourists population	Projected tourists population	Difference between projected & actual	% difference
2004	2085729	1732687	-353042	-16.92
2005	1965343	18286693	-136650	-6.95
2006	209854	1924699	-173955	-8.28
2007	2208986	2020705	-188281	-8.52
2008	2020416	2116711	96294.79	4.76

*Table 1: Actual Population & Projected Population of Domestic Tourists arrival in Goa
Source: Economic Survey, 2008-09, Government of Goa*

From the Table-2 it is evident that there has been fluctuations in the arrival of foreign tourists in the state, from 2001-2003 the actual arrivals were less than the projected on where as in the year 2004 the actual arrivals were more than the projected by 5.55 percent and again for the year 2005 the actual arrivals were less than the projected by 6.59 percent. The year 2006 witnessed a rise in actual arrivals were over the projected by 1.43 percent but in the subsequent years i.e. in the year 2007 the fall in the actual arrival was just by percentage point of .63 percent but in the year of recession the fall is significant where in the difference between the actual arrivals were less than the projected by 15.88 percent. This indicates that indeed during the recessionary period there is substantial fall in the foreign tourist's population.

Year	Actual tourists population	Projected tourists population	Difference between projected & actual	% difference
1991	78281	135501	57220.01	73.09
1992	121442	151465.7	30023.66	24.72
1993	170658	167430.3	-3227.69	-1.89
1994	210191	183395	-26796	-12.74
1995	229218	199359.6	-29858.4	-13.02
1996	237216	215324.3	-21891.7	-9.22
1997	261673	231288.9	-30384.1	-11.61
1998	275047	247253.6	-27793.4	-10.10
1999	284298	263218.2	-21079.8	-7.41

Year	Actual tourists population	Projected tourists population	Difference between projected & actual	% difference
2001	260071	295147.5	35076.51	13.48
2002	271645	311112.2	39467.16	14.52
2003	314357	327076.8	12719.81	4.04
2004	363230	343041.5	-20188.5	-5.55
2005	336803	359006.1	22203.11	6.59
2006	380414	374970.8	-5443.24	-1.43
2007	388457	390935.4	2478.41	0.63
2008	351123	406900.1	55777.06	15.88

Table 2: Actual Population & Projected Population of Foreign Tourists arrival in Goa

Source: Economic Survey, 2008-09, Government of Goa

Through recessionary tendencies began in the developed economies in mid 2007, the state as such witnessed substantial rise in total arrivals of tourist's for the year 2007, with actual arrivals exceeding the projected by 7.15% but compared to the year 2006 there was fall by .08 percent. But there is definite fall in total arrival of tourists by 6.41 percent as compared to earlier years, clearly indicating that recession has engulfed the tourism industry in Goa (Table-3).

Year	Actual tourists population	Projected tourists population	Difference between projected & actual	% difference
1991	835067	620111.3	-214956	-25.74
1992	896010	732081.9	-163928	-18.29
1993	969234	844052.5	-125182	-12.91
1994	1059595	956023	-103572	-9.77
1995	1107705	1067994	-39711.4	-3.58
1996	1126130	1179964	53834.14	4.78
1997	1190598	1291935	101336.7	8.51
1998	1228259	1403905	175646.3	14.30
1999	1244412	1515876	2714643.8	21.81

Year	Actual tourists population	Projected tourists population	Difference between projected & actual	% difference
2001	1380313	1739817	359503.9	26.04
2002	1596941	185788	254846.5	15.95
2003	2039497	1963758	-75738.9	-3.71
2004	2448959	2075729	-373230	-15.24
2005	2302146	2187699	-114447	-4.97
2006	2479068	2299670	-179398	-7.23
2007	2597443	2411640	-185803	-7.15
2008	2371539	2523611	152071.9	6.41

Table 3: Total arrival of Domestic and Foreign Tourists in Goa

Source: Economic Survey, 2008-09, Government of Goa

The state has more than reasons to worry. The recessionary conditions are forecasted to continue up to 2010 (WTTC, 2009). In the light of this, if current trends continue than the fall in the tourist's arrival might continue up to 2010 before showing signs of recovery. The national level comparison on the basis of percentage share of tourists suggest that Goa is not among the top ten favoured destinations by domestic tourists where as Goa's position is at the bottom most with 3 percent share of foreign tourists (India Tourism Statistics, 2007). Thus state will have to make more than required efforts to attract domestic as well as foreign tourists.

5.Challenges Ahead Of Goa As Tourist's Destination

Diversification of tourism activities may provide solution to attract more foreign tourist's which despite of recession or off season or low income levels might still prefer to visit the state. One such diversified avenue is medical tourism. This type of tourism attract both poor & rich tourists, poor tourists are more likely to engage in cross border medical tourism while rich patients are able to purchase services further from home(Bookman & Bookman, 2009). A study done on experience of medical tourism in South India suggests that subcontinent medical hubs like Mumbai, Bangalore, Pune & Goa might become destinations where one can combine tummy tuck with a trip to Taj Mahan(Rajeev & Latif, 2009) , India as such is preferred destination for knee replacement surgery because of less procedural cost and better treatment solutions and care is fast growing in India despite recession. (Dental Health Magazine, 2009).

Goa as such can tap this potential of both medical and dental tourism that can attract tourists despite of any challenges and the global front. With chain of private hospitals providing state of the art technology are functioning very effectively in the state like Apollo Hospital, Wockhardt etc. Besides state has two district government run hospital with good number of facilities along private hospitals providing much better facilities & treatments. Similarly Goa can also reap the benefits by expanding in the arena of dental Tourism. Goa dental college being modal dental government centre can cater to the tourist's from North Goa along with private clinics and in South Goa too there are similar private clinics like Dr. Hubert Gomes clinic that offers advanced dental cosmetic and corrective surgery.

Nonetheless, the field of medical and tourism has its own intricacies though a promising area such as infrastructural development by government that would provide dental health care in particular and general health care at lesser cost than abroad in order to encourage medical tourists. At the same time there are international obstacles that developing countries face and that are faced by India as well as Goa such as maintaining international standards and accreditation, health insurance, legal recourse, protection of patients, transportation and entry requirements. (Bookman & Bookman, 2009).

There is also new concept of wellness tourism meant for those tourists who otherwise spend very stressful and hectic life and desire to take complete rest by spending couple of days in one single isolate place. Wellness tourism has no seasonal limitation. It plays bigger role in advanced world among living person as it keeps an eye on optional state of body, mind and soul, the so called bodily and psychological holiday. (Gal Iidiko, 2009). This includes all alternative medical therapies like hydrotherapy, detoxification, and body-spray treatment, stone Therapy, Reiki, Thai chi etc. Goa as a tourist destination provides these facilities to tourists with moderate levels of income in an unprofessional manner and on a very small and scatted bases. However these facilities are widely provided in five star hotels but beyond the purchasing capacity of large number of domestic and foreign tourists. With proper planning and infrastructural investment by private as well as public sector can help the state to attract tourist throughout the year.

Yet another challenge that lies ahead of the state is to maintain its image as safe tourism state in the coming years. The state has got publicity in the recent months due to not so right reasons like murder of foreign tourist on the beach side, availability of party

drugs & death of domestic tourist due to overdose of the same, rape of foreign tourist and the most current is the rising cultural conflict between people residing in extreme north Goa with that of settled Russian population over there. All this may tarnish the image of the state as being that of tourists friendly and safe to that of tourist deathly destination. This calls for the attention of policy makers to yet another area and that is ethics in tourism. Tourism ethics is concerned with the management of tourism at both industry as well as individual tourist level. (Dorin & Ozal, 2009). Several attempts are made by Goa government to maintain ethical standards by intensifying the police patrolling on seashores and in tourists spots, appointing life guards at seashore. Sensitising local population about suspicious movement of tourists to avoid drug pedaling, terror attacks, to prevent and detect pedophile activities etc.

6.Conclusion

Indeed the recession has reduced the inflow of both domestic foreign tourists in the state for the year 2008 and if the trend continues than the economy of state might have serious repercussions on its GSDP. However the state also has an option of diversifying tourist activities that might flourish despite of recession such as medical and wellness tourism. But the state would be able to prove by the times to come ahead. Similarly, it is facing tough challenge in terms providing safety to its tourists. Thus state along way to go to achieve the status of most preferred destinations by domestic as well as foreign tourists among other Indian states.

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