

A Descriptive Study on Contribution of Hotel Industry in Indian Economy

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Abstract: *The Hotel industry in India has evolved remarkably over the decade and in effect parading quite a wide spectrum of benefits and opportunities for players of the service industry. The industry is statistically proven to have performed creditably countrywide and among its major cities. It is considered to a larger extent that the hotel industry flourishes on the wings of the tourism Industry. The Hotel and Tourism sector is considered among the top ten sectors in India. As a results of its contribution, the Hotel and Tourism sector attracted around US\$ 9.2 billion of FDI between April 2000 and March 2016 as released by the Department of Industrial Policy and Promotion (DIPP). The demand for travel and tourism in India is expected to grow annually by 8.2% which is expected to put India third in the world. Travel and tourism in India also accounted for 49,086,000 jobs in 2010 (about 10% of total employment) and is expected to rise to 58,141,000 jobs (10.4% of total employment) by 2020. According to the Economic Survey of India the Indian Hotel industry accounts for USD 17 billion, 70% (USD 11.85 billion) which take their origin from the unorganized sector and the remaining 30% (USD 5.08 billion) from the organized sector. In 2000, India hosted only 2.6 million international visitors. By 2009, the figure had already increased to 5.13 million arrivals. Over the years, a sustained increase in the tourism industry with increase in number of foreign and domestic tourists has serve as a booster to the Hotel industry. This study makes an exploratory attempt to study the Hotel industry as it relates to India and analyses its contributory effects on the economy on the heels of the various reforms that have hit the country. The objectives of the study are to analyze and assess the performance of the Hotel Industry in India and to identify the challenges and setbacks of the industry. It was concluded that India's hotel sector has unequivocally entered the next up-cycle with impressive performance suggesting that players of the industry have the onerous responsibility and duty to capitalize on this and make the best out of the industry.*

Keywords: Hotel, Industry, Economic reforms, Contributor, Tourism, Performance, Challenges

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