

INDIA'S E-TOURIST VISA POLICY AND ITS IMPACT ON OVERALL FOREIGN TOURIST ARRIVAL

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ABSTRACT

Tourism is one of the largest industries of the world and has shown tremendous growth during the recent decade. As India's 3rd largest industry, it contributes 6.8% to its GDP. Despite rising share of India in Foreign Tourist Arrivals (FTAs) during the previous years, its global share was only 0.68% (PIB, 2016) while that of China was 4.9% in the year 2015. The FTAs in India during 2014, 2015 and 2016 were 7.68 million, 8.03 million and 8.89 million respectively.

As a major employment generating industry, India is making all out efforts to increase FTAs and FEE. One of the important policy measures in tourism sector is the easing of the visa regime through the execution of tourist visa on arrival enabled by electronic travel authorization (ETA). Accordingly, the Government of India launched e-Tourist Visa (e-TV) facility on November 27, 2014 and further extended it to 161 countries on 16 Indian airports till date. It further aims to extend it to 180 countries in the very near future. With this facility of e-TV, the travelers from eligible countries can obtain a visa to visit India online rather than having to visit the Indian embassy to obtain the same. The scheme received tremendous response since its inception and the absolute number of e-tourist visas issued has gone up from 14,083 in December 2014 to 152000 in January 2017. Moreover, the share of travelers that obtained an e-tourist visa in the total foreign tourist arrivals (TFTAs) has also gone up from 1.61 percent in December 2014 to 15.46 percent in January 2017. Despite all this, the month on month growth rate of e-tourist visas issued has been volatile averaging at only 10.26 percent from December 2014 to January 2017. Also an average of only 8.46 percent of foreign travelers to India during this period has opted for an e-visa while the remaining 91.54 percent opted for a "traditional" visa.

This working paper is a step forward towards understanding the impact of E-Tourist Visa introduced by the Government of India in November 2014 and suggests various measures to make this E-tourist visa scheme more effective and user friendly in the future.

KEYWORDS: E-Tourist Visa; Tourism; Foreign Tourist Arrivals (FTAs); Visa on Arrival (VOA); Foreign Exchange Earnings (FEE)