

Research Note

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International Tourism Demand for India Kunal Chattopadhyay

It is well-known that although tourism potential offered by India is great, tourist inflow remains meagre. Yet, the direction of international tourism export of India has been impressively diversified during past few decades. Countries comprising international tourist market for India include both the distant western industrial nations as well as the far eastern countries like Japan and Australia. This is a unique phenomenon on the part of a developing country like India. The knowledge of the causes and fluctuations affecting tourist arrivals to India thus becomes increasingly critical. In this paper, an attempt has been made to identify the causal relations of some chosen indicators like per capita GNP, number of population with the number of international tourist flow.

Introduction

International tourism is simultaneously the most promising, and complex industry impinging on the third world. It is promising because since seventies, the Less Developed Countries (LDCs) increased their share of this \$ 278 billion market from 19 per cent to over 30 per cent. It is complex because the very nature of the product it offers as well as the social and political problems stemming from the introduction of a rich life style of westernized elite into post-colonial societies. But, in many ways, it seems an industry tailor-made for the third world (Turner, 1974).

The 'tourist product' by definition is highly differentiated one, in which substitutability is possible but perfect substitution is not. As a result of this, the market is necessarily one of 'monopolistic competition' and thus the demand curve may infact, shift very abruptly, particularly due to natural and political upheavals. It is moreover not entirely clear that, all tourist products are 'normal' goods in the sense that a reduction in price will ceteris-paribus, raise demand. The most characteristic and seemingly paradoxical feature of tourism