

# Tourism Sector: Identification of Variables to Boost Tourism in the Long Run.

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- **Abstract:** Tourism sector has emerged as one which has immense impact on the economy of India as well as most of the other countries of the world. The last decade has witnessed a sharp rise in the number of foreign tourists visiting India. The increase in foreign tourist positively affected the growth of output of service sector in India. The present study analyses the status of tourism industry in India and its impact on the output of service sector in India. The study uses quarterly time series data of output of services sector, number of foreign tourists visiting India, foreign exchange earnings, government expenditure on tourism and private consumption expenditure from the year 2004 to 2018 to build a Vector Error Correction Model to identify the indicators having short run as well long run impact on service sector output in India, foreign tourist arrivals and foreign exchange earnings.
- **Keywords:** Tourism sector, long run, Correction Model