Research Paper

EPRA International Journal of Economic and Business Review-Peer Reviewed Journal
Volume - 14, Issue - 2, February 2026 | e-ISSN: 2347 - 9671| p- ISSN: 2349 – 0187

SJIF Impact Factor (2026): 8.885 || ISI Value: 1.433 || Journal DOI URL: https://doi.org/10.36713/epra2012

TOURISM DEVELOPMENT IN KARNATAKA: CHALLENGES, PROSPECTS AND GOVERNMENT INITIATIVES

Jagadisha, T[1], Dr. V. Ramakrishnappa[2]

[1]*Assistant Professor, Department of Economics, Mangalore University, Mangalagangotri - 574 199. Karnataka*

[2]*Associate Professor cum Deputy Director, Centre for study of Social Exclusion and Inclusive Policy (CSSEIP), Mangalore University, Mangalagangothri-574 199. Karnataka*

ABSTRACT DOI No: 10.36713/epra26164 Article DOI: https://doi.org/10.36713/epra26164

Tourism is one of the fastest-growing industries in the world and plays a significant role in economic development, employment generation, and cultural exchange. Among the various states, Karnataka holds a prominent position due to its rich cultural heritage, diverse geography, and historical significance. Tourism development in Karnataka has gained importance in recent years due to its potential to generate revenue, create employment opportunities, and promote regional development. Karnataka, with its rich cultural heritage, diverse geography, and historical significance, occupies a prominent position in India's tourism landscape. Tourist arrivals in Karnataka have shown remarkable growth, reaching a record 35.31 crore in 2024, reflecting strong recovery post-pandemic and the impact of proactive government policies. Despite its vast potential, the tourism sector in Karnataka faces several challenges, including inadequate infrastructure, poor administration, weak marketing strategies, safety concerns, and skill shortages. To address these issues, the Government of Karnataka has introduced successive tourism policies, most recently the *Karnataka Tourism Policy 2024–29****, which aims to position the state among the top three destinations in India by 2029. In this context, the present study examines the status of tourism in Karnataka, identifies key challenges hindering its growth, and evaluates government initiatives designed to overcome these barriers. It highlights the prospects of tourism as a driver of socio-economic development, foreign exchange earnings, and community empowerment. The findings suggest that with improved governance, infrastructure development, heritage conservation, and effective promotion strategies, Karnataka can transform into a global tourism hub and leverage its diverse resources for inclusive and sustainable growth.***

KEYWORDS: ***Tourism development, Tourists, Heritage, Karnataka and India.***

I. INTRODUCTION

Tourism has become one of the largest and fastest-growing industries globally, generating substantial social, economic, and environmental impacts (Razzaq et al. 2023*)*. People moving to locations other than their usual place of residence, mostly for leisure and recreation, is a social, cultural, and economic phenomenon known as tourism. In essence, tourism is a demand-driven concept because it involves short-term visits. The choice of tourists to travel increases demand for products and services, which can be obtained through imports or domestic manufacturing. Therefore, even though demand drives tourism, it has a big impact on the economy's supply side. Consequently, even though it is a demand-based concept, tourism can also be seen from a supply-side perspective. One of the globally recognized service sectors, tourism is now one of the main forces behind socioeconomic development by generating jobs, businesses, infrastructure development and huge foreign exchange resources. According to the Global Destination Cities Index (2019), tourism is an important economic sector and a major tool for economic development and has contributed heavily to the economy of various countries.

Tourism is one of the fastest-growing industries in the world and plays a significant role in economic development, employment generation, and cultural exchange. Globally, tourism contributes approximately 3.2% to world GDP and about 3.8% to total employment. As per the Economic Survey of India (2024-25), the tourism sector in India has strongly rebounded, contributing 5.52% to the GDP and providing support for 13.3% of total employment, which equates to approximately 8.46 crore jobs in FY24. Among the various states, Karnataka holds a prominent position due to its rich cultural heritage, diverse geography, and historical significance. Karnataka is known for its unique blend of ancient monuments, wildlife sanctuaries, scenic landscapes, beaches, hill stations, and religious centers. The state is home to UNESCO World Heritage Sites such as Hampi and Pattadakal, world-famous wildlife reserves like Bandipur and Nagarahole, and popular tourist destinations such as Mysuru, Coorg, Chikkamagaluru, and Gokarna. This diversity makes Karnataka one of the most attractive tourism destinations in India. Tourism has been declared an industry in Karnataka since 1988, and successive tourism policies have provided incentives, concessions, and subsidies to attract both public and private investment.

Tourist arrivals in Karnataka increased significantly from 3.67 crore in 2006 to over 35 crores in 2024, and further growth has been observed in recent years (Economic Survey of Karnataka, 2024-25). Tourism plays a crucial role in socio-economic development by generating employment for both skilled and unskilled workers and stimulating growth in related sectors such as transport, hospitality, horticulture, handicrafts, and small-scale enterprises.

II. OBJECTIVES OF THE STUDY

The study is based on the following objectives:

1. To understand the present status of the tourism industry in Karnataka.
2. To examine the major challenges faced by the tourism sector in Karnataka.
3. To review key policy initiatives undertaken by the state government for tourism development.

III. SOURCES OF DATA AND INFORMATION

The study is based entirely on secondary data. The data have been collected from various sources such as:

- Annual Reports of the Ministry of Tourism, Government of India.
- Reports of the Department of Tourism, Government of Karnataka.
- Economic Survey of Karnataka (2017–18 & 2025-26).
- Regional Tourism Satellite Account Karnataka (2009–10).
- Books, journals, research articles, magazines, brochures, and official websites.

Internet sources have also been extensively used for collecting updated statistical and policy-related information.

IV. PRESENT STATUS OF TOURISM INDUSTRY AND ITS KEY ROLE IN KARNATAKA ECONOMY

Karnataka is home to diverse tourist attractions ranging from heritage monuments and wildlife sanctuaries to beaches, hill stations, adventure tourism, and spiritual destinations. The growth of tourism is closely linked to tourist arrivals. Higher tourist inflow generates economic activity, employment opportunities, and infrastructural improvements in destinations. The impact is measurable at a particular destination comparing with its previous position. Road connectivity, Electrical Connection, water supply, Handicrafts and various other related sectors also improve in particular destination. Growth of Community Development in particular area can also be attributed to growth of Tourism.

Tourism as an Economic Activity

Karnataka Tourism Vision Group report envisaged that during the policy period 2015-20 Rs. 54000 crore investments will be made which will generate around 30 lakhs employment. More investment expected from the private sector or under PPP. As per estimation, approximately 8 to 11 percent of the world population gets direct or indirect livelihood through Tourism sector.

Income from Revenue Earnings

Tourism earns foreign exchange. The revenue generated by the Tourism is both by direct and indirect. World Travel and Tourism Council reports says tourism sector accounts for 9.3% of India's GDP. Tourism sector supported 40.3 million jobs in 2016 which ranks India second in the world in terms of total employment. Tourism sector accounts for 9.3 of the country's total jobs. The contribution of tourism sector to economic growth in the form of job creation, domestic capacity building depends on the following factors:

1) Extent to which the tourism sector is integrated into the national economy through linkages with other sectors and integration into regional and global value chains.
2) The extent to which revenue generated by tourism, including foreign exchange is used to finance infrastructure development support local enterprises in particular small and medium size enterprises to create a vibrate local economy.
3) The policies and strategies adopted by government should encourage domestic and foreign investment in tourism to promote labour intensive activities.
4) National efforts to ensure that tourism activities are carried out sustainably and meet economic, social and environment objectives.

V. TRENDS IN DOMESTIC AND FOREIGN TOURIST'S ARRIVAL IN KARNATAKA

Karnataka has been attracting both domestic and foreign tourists for decades. The trends in domestic and foreign tourist arrivals in Karnataka from 2013 to 2024 are shown in Table 1. Tourist arrivals showed steady growth from 2013 to 2019, reaching a peak of 28.93 crore visitors in 2019. The COVID-19 pandemic caused a sharp decline in 2020–21. However, strong recovery was observed post-2022, and total arrivals reached a record 35.31 crore in 2024. Domestic arrivals grew from 9.8 crore in 2013 to 30.46 crore in 2024 (211% increase), reflecting policies like 2024-29 promoting regional circuits. Foreign arrivals fluctuated but rebounded to near-2019 levels by 2024, aligning with infrastructure pushes under recent tourism policies. Domestic Indian arrivals surged 211% from 9.8 crore in 2013 to 30.46 crore in 2024, accelerating post-2022 due to policy incentives like circuits and amenities. Total visitors hit a record 35.31 crore in 2024, up 22% from 2023 and 22% above 2019's peak.

Table 1: Trends in Tourist's Arrival from 2013 to 2024 in Karnataka (in Crores)

Year	Indians	Foreigners	Total
2013	9.8	6.36	16.16
2014	11.82	5.61	17.43
2015	11.98	6.36	18.34
2016	12.97	4.62	17.59
2017	17.99	4.98	22.97
2018	21.45	5.44	26.89
2019	22.85	6.08	28.93
2020	7.74	1.65	9.39
2021	8.13	0.73	8.86
2022	18.26	1.28	19.54
2023	28.35	4.01	32.36
2024	30.46	4.85	35.31
Total	**201.8**	**51.97**	**253.77**

(Source: Department of Tourism (2025), Govt. of Karnataka)

VI. NEW INITIATIVES: KARNATAKA TOURISM POLICY 2024–29

The Karnataka Tourism Policy 2024–29 is the latest strategic framework aimed at strengthening tourism growth and positioning Karnataka among the top three tourism destinations in India by 2029. The state government's strategic framework to strengthen tourism growth, attract investment, generate jobs, and position the state as a leading travel destination in India and abroad. The policy promotes themes like adventure, agri-tourism, caravan, coastal/beach, cuisine, cultural, eco, education, film, golf, sports, tribal, weddings, and health tourism across 46 projects including hotels, aquariums, and amusement parks. Strategies feature market-specific campaigns, prioritized promotions by 2029, infrastructure like amenities and connectivity, skill development for youth, and single-window clearances. The Karnataka Tourism Policy 2024-29 aims to make the state a top-three Indian destination by 2029, targeting 50 crore domestic visitors and 20 lakh foreign tourists, with a focus on coastal, eco, and heritage tourism. It plans to attract ₹8,000 crore investment, develop 20 mega projects, and implement "One District, One Destination" for 30 locations (Indian Express, 2025).

The policy focuses on:

1. Attracting Investment and Economic Growth
    - Targeting approximately Rs.8,000 crore in direct investment into tourism by 2029.
    - Allocating Rs.1,350 crore budget for policy implementation.
2. Job Creation and Skill Development
    - Aims to generate around 1.5 lakh new jobs in tourism and allied sectors.
    - Emphasis on skill development for local youth and hospitality professionals.
3. Sustainable and Responsible Tourism
    - Promoting environmentally responsible tourism practices.
    - Supporting community involvement and rural tourism.
4. Infrastructure and Destination Development
    - Developing tourism infrastructure including roads, signage, amenities, and quality facilities at destinations.
    - Enhancing tourist comfort and safety.
5. Global and Domestic Marketing
    - Promoting Karnataka tourism internationally and domestically with campaigns like *"One State, Many Worlds"*.

VII. MAJOR CHALLENGES OF TOURISM SECTOR IN KARNATAKA

The Karnataka government's "one state many world" tourism campaign and the information technology growth in Karnataka have been attracting millions of foreign tourists and business tourists to Karnataka. Medical tourism has also recently mushroomed in Karnataka Tourism industry is a big foreign exchange earner in Karnataka, yet the industry still is hampered by several problems like –

- Poor administration and management in tourist destinations.
- Lack of infrastructure and other basic facilities.
- Poor transportation and communication networks.
- Lack of marketing and promotion strategies for domestic products at tourist destinations.
- Lack of security and safety.
- Lack of passionate and trained professionals for guiding new arrival tourists.
- Excessive formalities for an issue of special permit to view restricted areas sites.
- More Administrative and Political bottlenecks in tourism development.

VIII. POLICY SUGGESTIONS TO IMPROVE THE TOURISM SECTOR IN KARNATAKA

1. State government should encourage the key private stakeholders to invest more on hotel and accommodation, transport and communication development at most popular tourist places in order to provide good infrastructure facilities to the arrivals.
2. Government should develop basic infrastructure and other amenities in all tourist places to transfer Karnataka state into a global tourist destination is necessarily important.
3. Adequate steps to be taken to provide hygiene and sanitation facilities at tourist destination.
4. State government shall form the Tourist police Task Force to ensure safety and security of tourists.

Conclusion

Thus, it is evident from the forgoing analysis that the Karnataka is attracting both foreign and international tourists for the last many decades. Tourism has emerged as a major service industry with significant potential to generate income and employment. Karnataka, with its vast natural and cultural resources, holds immense potential to become a global tourism hub. The state government's proactive policies, including the Karnataka Tourism Policy 2024–29, aim to accelerate investment, infrastructure development, and employment generation. However, sustained growth requires improved governance, infrastructure expansion, heritage conservation, and effective digital promotion strategies. With proper planning and coordinated efforts, tourism can become a powerful instrument for socio-economic development and inclusive growth in Karnataka.

REFERENCES

1. *Thippeswamy G (2016), "Tourism in Karnataka: A Tool for Sustainable Development of Economy", International journal of Humanities and Social science Research, ISSN: 2455-2070, Vol. 2, Issue 8, Pp. 112-115.*
2. *Selvakumar K and Dr. Thangaraju (2016), "The Constraints of Tourism Development for a Cultural Heritage destination: The Case of Karnataka State," Annual Research Journal of SCMS, Pune, Vol.4, ISSN: 2348-0661, Pp.88-100.*
3. *Honnappa S and Sujathamma (2016), "Problems and prospects in Tourism Industry: with Reference to Karnataka," International Journal of Commerce and Management Research, Vol.2, Issue 7, ISSN: 2455-1627, Pp 47-50.*
4. *Srinivasa Murthy B.V and Dr. Noor Afza (2016), "Problems and Prospects of Tourism Industry in Karnataka", International Journal of Marketing Management, Vol-3, Issue 9, ISSN; 2350-0891, Pp.30-34.*

5. *Anitha K.P and Dr. Chandrashekara (2018), "Assessment of Opportunities and Challenges of Tourism Industry in Karnataka", International Journal of academic research and Development, Vol-3, Issue 2, ISSN: 2455-4197, Pp.1675-1678.*
6. *Razzaq, A., T. Fatima, and M. Murshed (2023). "Asymmetric Effects of Tourism Development and Green Innovation on Economic Growth and Carbon Emissions in Top 10 GDP Countries." Journal of Environmental Planning and Management, 66, no. 3: 471–500.*
7. *Economic Survey of Karnataka Report 2024-25, Department of Planning, Programme Monitoring and Statistics, Government of Karnataka.*
8. *Annual Reports 2018 and 2025, Ministry of Tourism, Government of India.*
9. *National council of Applied Economic Research report on "Regional Tourism Satellite account Karnataka, 2009-10.*
10. *Tourism One State any Worlds Document, Government of Karnataka.*
11. *http://www.kamatakatourism.org/.*
12. *https://www.newindianexpress.com/states/karnataka/2025/Feb/27/karnataka-aims-to-attract-rs-8000-crore-investment-under-new-tourism-policy-cm-siddaramaiah.*
13. *Global Destination Cities Index Report (2019), (available at: https://newsroom.mastercard.com/documents/global-destination-cities-index-report-2019)*