

Economic Impact of Tourism: A Study of Jaisalmer District

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Abstract:

Jaisalmer is one of the most attractive and fabulous tourist destination in the world. It's also known as Golden city for its yellow stone carving on wonderful fort, havelis and monuments of maharajas. This city has various aspects like art, culture, heritage, desert landscape, khadi-handicraft and religious importance which play vital role in the local economy of this area. This paper emphasis various positive and negative economic impacts of tourism sector of Jaisalmer. Effective tourism policy is to be formulated for enrichment of the tourism sector positively. Various suggestions are given for better enhancement of the tourism sector and for all over economic development of Jaisalmer District.

Keywords: Cultural heritage, employment, revenue generation, economic development, tourism sector.

1. INTRODUCTION

Tourism is an emerging service sector in India nowadays its play a crucial role in economy of any country. Jaisalmer tourism has most attracting tourist destination not only in India but whole world Jaisalmer tourism has fort, hotels, monuments, havelis for their art, culture and historical importance (Rathore,, 2018). Jaisalmer tourism has many aspects like economic, Social, Cultural, Geographical for Indian and foreign tourist. Jaisalmer is a golden city with yellow stone carving on Fort, havelis, monuments and temples. Jaisalmer has many tourist sites like Fort, Gadisar lake, Patwa ki haveli, Monuments of maharaja, folk music centre, sand dunes and other cultural shows in this area. Jaisalmer contributes near about 15% GDP in economy of Rajasthan (Pragati_Prativedan, 2025). Tourism provides various source of income from hotels, restaurants, travel agencies, khadi-handicraft shops, tickets of fort and havelis, fairs and festivals and desert safari to local people of this area (Kumar, 2022). More than 60% working population are getting job opportunities from tourism sector (Verma & Kumar, 2024). After post pandemic period Indian and foreign tourist gradually increasing for visit this area. Various infrastructural facilities and services has been well settled from all over development of this sector. Jaisalmer tourism has many potentialities to economic development like sources of revenue, creation of employment, foreign earning and living standard of local people.

2. SCOPE OF THE STUDY

Jaisalmer is located in the western part of Rajasthan and it has historical, cultural and geographical importance at Global level. Jaisalmer tourism is fast growing tourist hub in Rajasthan and its economic contribution to the state GDP is increasing day by day. Jaisalmer has more opportunity for development of tourism sector of this area.

3. RESEARCH METHODOLOGY

Present study is based on exploratory or causal research. Secondary data has been collected from various books, magazines, journals, research papers, tourist department sites and websites.

4. OBJECTIVE OF THE STUDY

- To know present status of Jaisalmer Tourism.
- To analysis the positive and negative economic impact of tourism of Jaisalmer.
- To give suggestions for better improvement of tourism development in this area.

5. TRENDS OF TOURIST ARRIVALS IN JAISALMER

The Table 1 presents the number of domestic and foreign tourists visiting over a span of six years (2019–2024). In 2020, both domestic (1,44,899) and foreign (26,014) tourist arrivals dropped significantly compared to 2019 (3,45,524 domestic and 91,019 foreign) (Fig. 1 & 2). The decline became more severe in 2021, with foreign tourists plunging to 1,680, indicating travel restrictions and global pandemic effects. Tourism began to recover in 2022, with domestic numbers rising to 63,48,747 and foreign to 29,131. In 2023, a strong rebound occurred: domestic tourist numbers increased to 86,07,976, and foreign visitors rose to 48,094, indicating restored confidence and reopening of travel. Year 2024 saw a massive surge in domestic tourism, reaching 2,24,16,810, over 2.5 times the previous year's number, possibly due to promotional campaigns, improved infrastructure, or post-pandemic travel enthusiasm. Foreign tourist numbers also increased significantly to 1,61,884, surpassing pre-pandemic levels (2019), suggesting a full recovery and growth in international tourism interest. The sharp rise in both domestic and foreign tourist numbers in 2024 indicates not only a return to normalcy but also suggests enhanced tourism development and attraction in the region.

Table 1: Tourist visitors in Jaisalmer District

S. No.	Year	No. of Tourist	
		Domestic	Foreign
1.	2024	22416810	161884
2.	2023	8607976	48094
3.	2022	6348747	29131
4.	2021	326176	1680
5.	2020	144899	26014
6.	2019	345524	91019

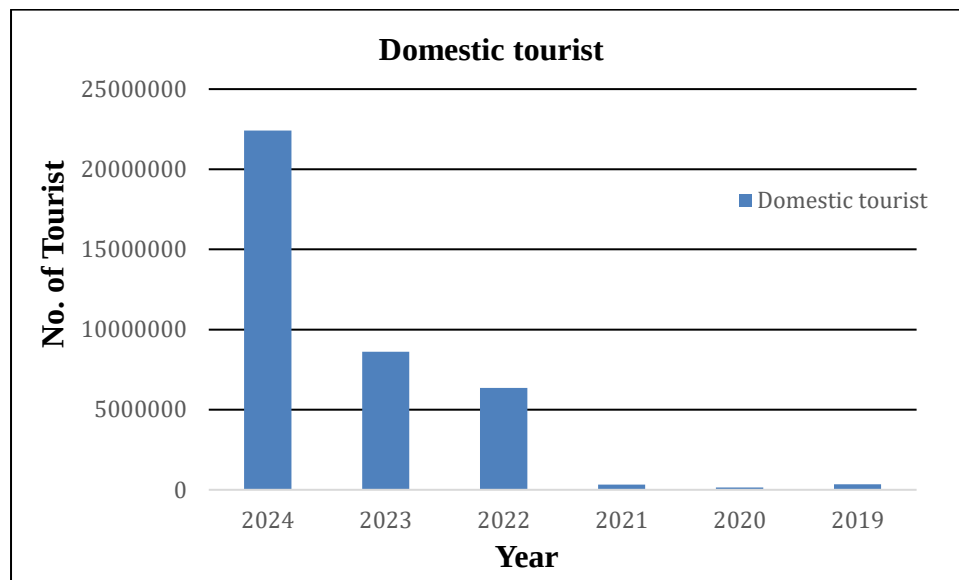


Figure 1 Presentation of Domestic Tourist in Jaisalmer District

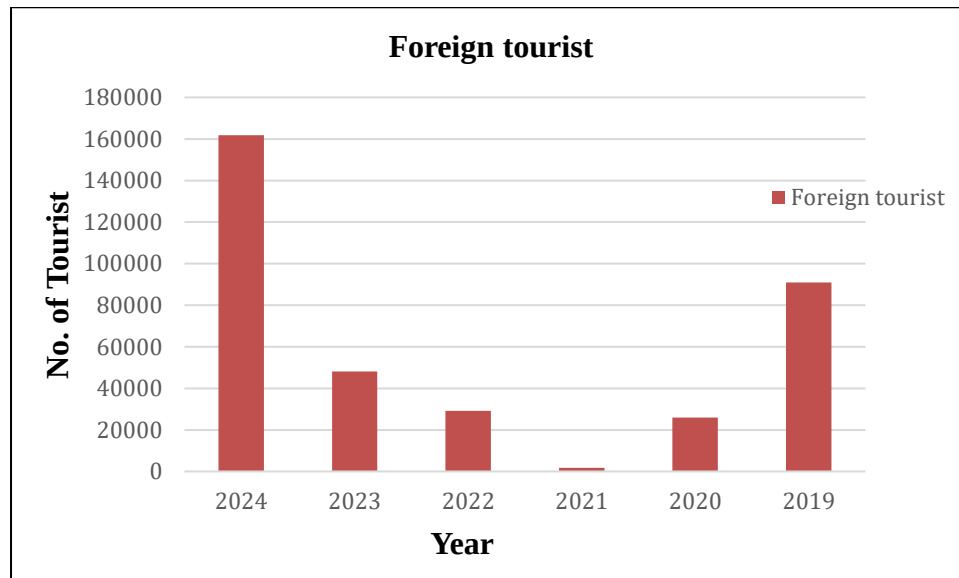


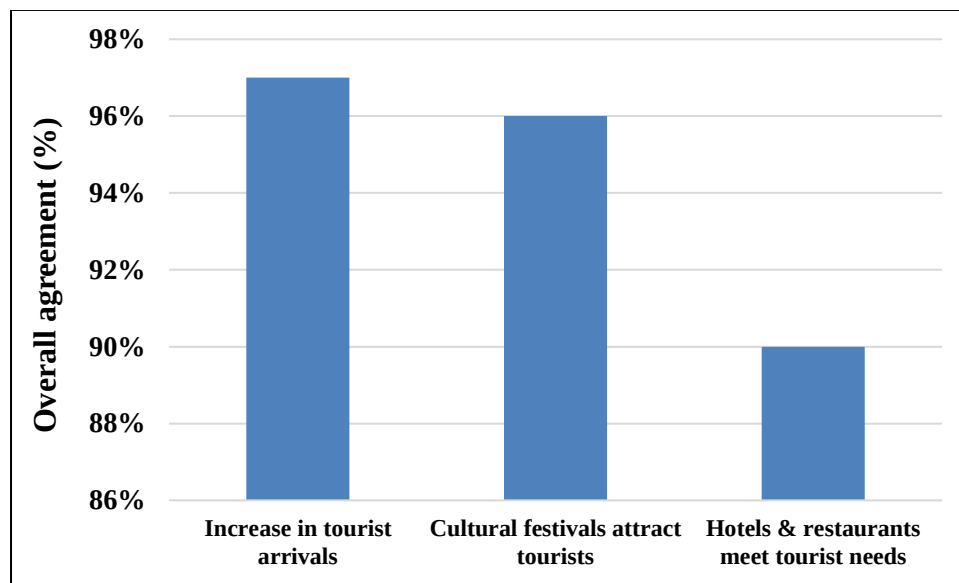
Figure 2 Presentation of Foreign Tourist in Jaisalmer District

6. ECONOMIC IMPACT OF TOURISM IN JAISALMER

6.1. POSITIVE IMPACTS

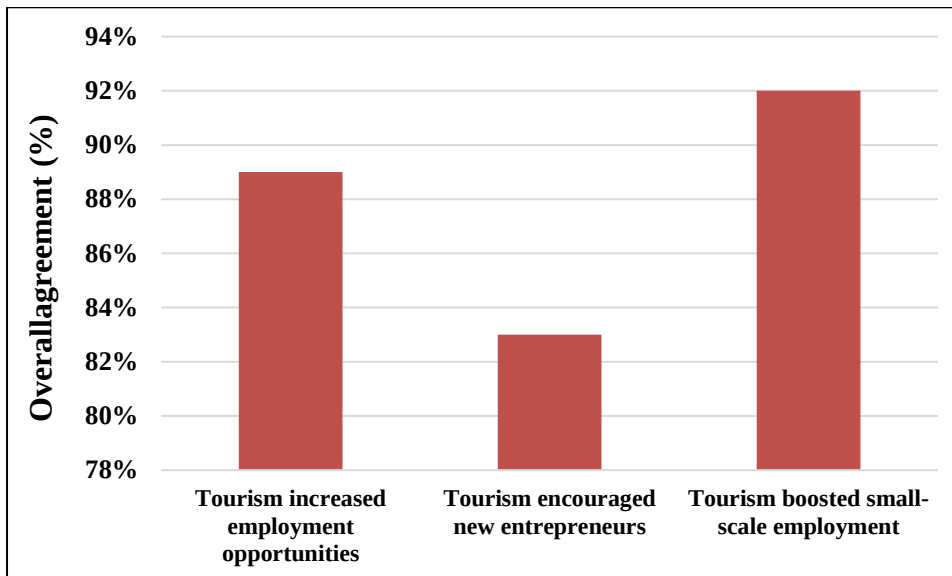
1. Sources of Revenue: Before the development of tourism, the income of local people in this region was relatively low and economic opportunities were limited. However, with the gradual growth of the tourism sector, various sources of income have emerged for the local population, leading to a steady improvement in their economic conditions. Local residents now generate earnings through multiple tourism-related activities such as hotel rentals, travel agency services, restaurant businesses, ticket sales at forts and historical monuments, folk music performances, cultural center activities, and tourism at popular sites such as the Sam and Khuri sand dunes. Additional income is also generated through paying guest accommodations, the annual Desert Festival, and other local fairs and cultural events organized in the region. The survey results further support this observation and clearly indicate that tourism has become one of the most significant sources of revenue generation in Jaisalmer. A large majority of respondents (97%) agreed that tourism has increased the number of domestic and international visitors, which directly contributes to higher economic activity in the region. Similarly, 96% of respondents acknowledged that festivals and cultural events attract tourists, generating income through ticket sales, cultural performances, and tourism-related services. Furthermore, 90% of respondents stated that hotels and restaurants effectively cater to tourist needs, reflecting the strength of the hospitality sector in supporting tourism-based revenue generation. Overall, these findings demonstrate that tourism-related activities such as accommodation services, cultural events, transportation, and local businesses play a crucial role in strengthening the local economy and creating sustainable income opportunities for the region.

Indicator	Related Survey Question	Overall Agreement (%)
Increase in tourist arrivals	Q2	97%
Cultural festivals attract tourists	Q3	96%
Hotels & restaurants meet tourist needs	Q9	90%



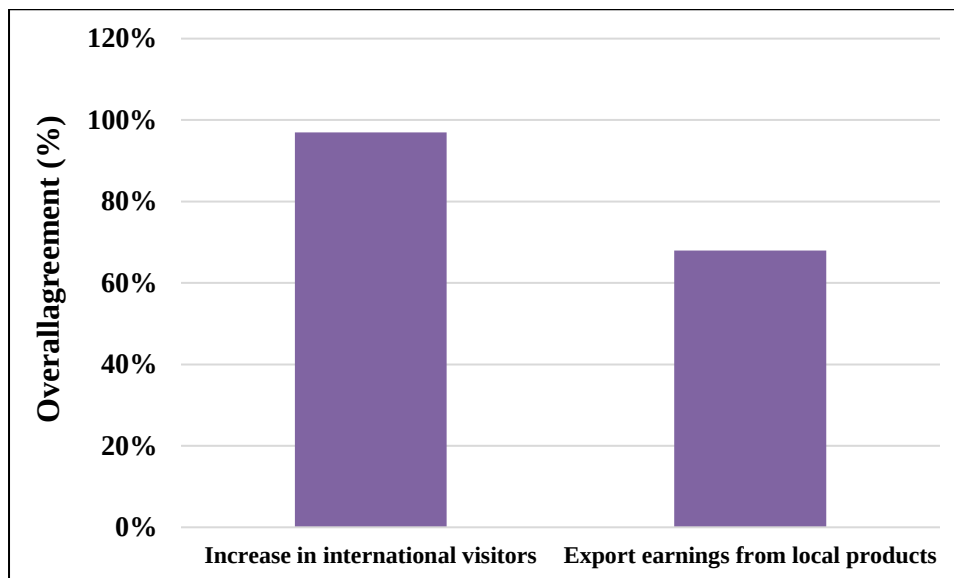
1. **Employment Creation:** Tourist sector provides various job opportunities to the local people of this area in Hotels, Restaurant, Tourist Centre, Tourist guides of this area. Also job opportunities for local artists, Sand dunes and camel safari owner, Khadi Bhandar & Handicraft shops and Job fair Owners. Tourism has emerged as a major employment generator in the Jaisalmer region. According to the survey findings, 89% of respondents agreed that tourism has significantly increased employment opportunities for the local population. This includes jobs in hotels, restaurants, tour guiding, transportation services, handicraft markets, and camel safari operations. Additionally, 83% of respondents indicated that tourism has encouraged new entrepreneurial activities, allowing individuals to establish small businesses related to tourism services. The highest agreement (92%) was observed for small-scale employment generation, indicating that tourism provides numerous informal and seasonal employment opportunities for local residents. These findings highlight the critical role of tourism in reducing unemployment and improving the livelihood opportunities of the local population.

Indicator	Related Survey Question	Overall Agreement (%)
Tourism increased employment opportunities	Q17	89%
Tourism encouraged new entrepreneurs	Q18	83%
Tourism boosted small-scale employment	Q20	92%



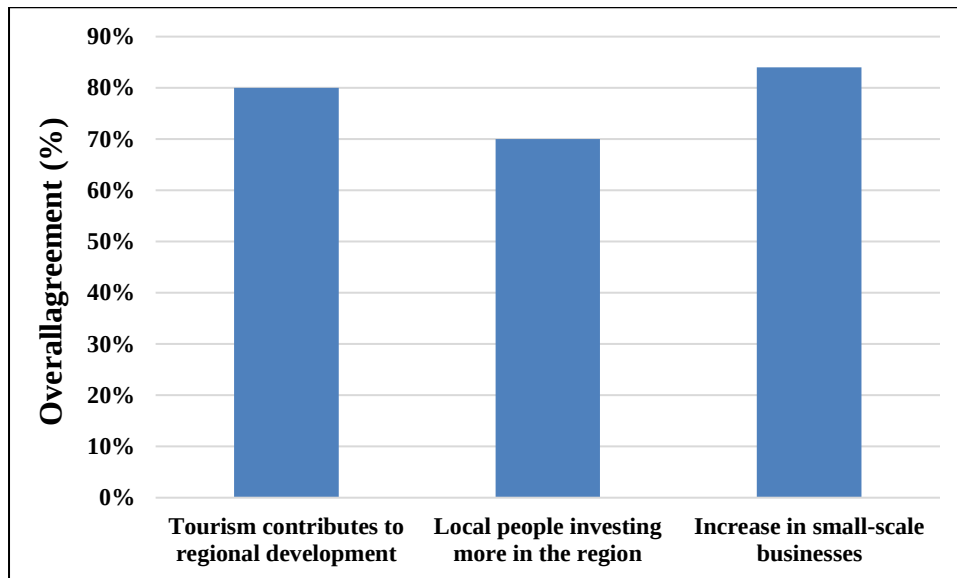
2. **Foreign earnings:** Many Indian and foreign Tourist visit Jaisalmer every year and their numbers are gradually increasing. Foreign tourist pays foreign currency to hotels owners, travel agency owners, restaurants owners, various tourist places like fort, havelis, monuments and temples of this area. The collections of foreign currency is a positive economic indicator to the local economy of this area. Tourism contributes significantly to foreign exchange earnings in Jaisalmer due to the large influx of international tourists. The survey results reveal that 97% of respondents acknowledged the increasing number of domestic and international tourists visiting the region. These visitors spend money on accommodation, food, transportation, handicrafts, and cultural activities, which contributes to foreign currency inflow into the local economy. Furthermore, 68% of respondents agreed that tourism has boosted export earnings from local products such as handicrafts, textiles, and traditional Rajasthani artifacts. Although the overall impact is positive, the moderate agreement level suggests that the benefits of export earnings may not be evenly distributed among all local producers. Nevertheless, tourism remains a key driver of foreign revenue generation for the region.

Indicator	Related Survey Question	Overall Agreement (%)
Increase in international visitors	Q2	97%
Export earnings from local products	Q15	68%



3. **Living standard of the local people:** Jaisalmer is yet backward area in term of its economic, social, cultural, environmental and traditional aspect. Due to all over economic development of tourism sector in this area the living standard of local people is very high. The survey findings demonstrate that tourism has contributed significantly to improving the living standards of local residents in Jaisalmer. Approximately 80% of respondents agreed that tourism has played a major role in regional development by increasing economic activities and creating business opportunities. Additionally, 70% of respondents indicated that local people are increasingly investing in tourism-related businesses, including guest houses, restaurants, handicraft shops, and transportation services. Furthermore, 84% of respondents agreed that tourism has created opportunities for small-scale businesses, which further contributes to income generation and economic stability. These findings suggest that tourism has positively influenced the socio-economic conditions of the local population by increasing income levels and encouraging entrepreneurial development.

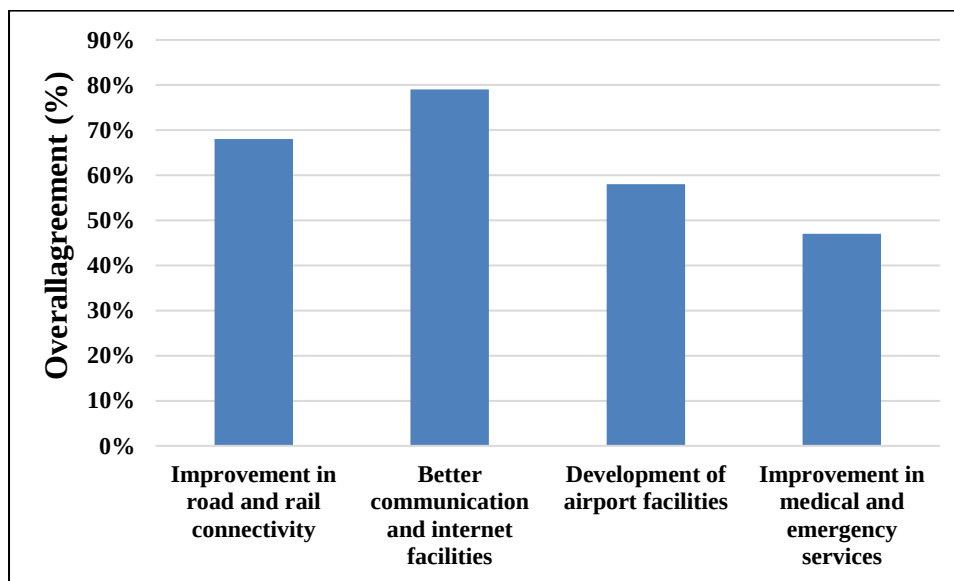
Indicator	Related Survey Question	Overall Agreement (%)
Tourism contributes to regional development	Q13	80%
Local people investing more in the region	Q14	70%
Increase in small-scale businesses	Q16	84%



4. **Infrastructural Development:** Jaisalmer is currently experiencing rapid infrastructural growth, particularly in areas that support tourism. Numerous roads have been constructed to improve transportation and enhance connectivity with other cities, making travel more convenient for visitors. The city has also seen significant improvements in water supply and sanitation, contributing to a cleaner and more comfortable environment. Additionally, various industries have been established in the region, supporting local development and employment. Medical facilities have been made accessible to cater to both residents and tourists, ensuring better healthcare services. Furthermore, the availability of reliable mobile networks and improved connectivity has enhanced communication for both domestic and international tourists, making Jaisalmer a more tourist-friendly destination. Infrastructure development is one of the important outcomes of tourism growth in Jaisalmer. The survey results show that 68% of respondents believe that tourism has contributed to improvements in road and rail connectivity, facilitating easier access to tourist destinations. A higher level of agreement (79%) was observed regarding the improvement of communication and internet facilities, indicating the successful expansion of digital infrastructure in the region. However, the perception regarding airport development was moderate (58%), suggesting that the existing aviation facilities may still require further enhancement. The lowest agreement (47%) was recorded for medical and emergency facilities, highlighting a significant gap in essential public services. These findings indicate that although tourism has stimulated infrastructural development, further improvements are required to ensure sustainable tourism growth and better quality of life for both residents and visitors.

Indicator	Related Survey Question	Overall Agreement (%)
Improvement in road and rail connectivity	Q5	68%
Better communication and internet facilities	Q6	79%

Development of airport facilities	Q7	58%
Improvement in medical and emergency services	Q8	47%



6.2. NEGATIVE IMPACTS

After all, over economic development of tourism sector in this area some negative impacts lead such as under:

- Lack of proper infrastructure:** Appropriate development of this area like Transportation, Pure water supply, proper electricity, mobile connectivity and medical facilities access to tourists is less developed.
- Seasonal job:** Jaisalmer tourism is on peak between month of September to February. After these months people have no full-time job in tourism sector.
- Price hike:** due to growing of tourism sector in this area the cost of goods and services are very high and it make more inflation in local market of this city so people can't afford it.
- Dependency:** Local people are more dependent on tourism sector and they are less interested in other job for their livelihood.

7. SUGGESTIONS

Jaisalmer is one of the multi-faceted tourist destinations at global level and contributes 15% to the GDP of economy of Rajasthan. Jaisalmer tourism has many potentialities to enhancing this sector.

Several suggestions are given below for better development of tourism sector in this area:

- Establishment of more tourist reception Centre
- Infrastructural development of this area
- Proper hospitality to Tourists

4. Formulation of effective tourism policy and special package to this area
5. Training to local guide
6. Establishment of selfie-point at various tourist destination
7. Protection of heritage havelis and monuments
8. Encouragement and promotion to local fair
9. Control on Lapka Giri
10. Regular connectivity of AIR, TRAIN AND BUS
11. Proper sanitation of tourist points
12. Public Co-Operation

8. CONCLUSION

Rajasthan tourism industry is emerging service sector for all over economic development of this area. Tourism plays a crucial role in economy of Rajasthan and has many positive impacts like sources of revenue, employment creation to the local people, income of local people and foreign earnings etc. Jaisalmer tourism is most potential service sector in western Rajasthan for its historical, geographical, cultural aspects for attracting tourist. The government have to enforce effective tourism policy of this area so that it can be boost up.

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Annexure

- Q1: Heritage sites improved due to tourism?
Q2: Tourism increased domestic & intl. visitors?
Q3: Festivals and cultural events attract tourists?
Q4: Government policies effectively promoting tourism?
Q5: Tourism improved road & rail connectivity?
Q6: Communication & internet facilities better?
Q7: Development of airports supported tourism?
Q8: Medical & emergency facilities

- Q9: Hotels & restaurants cater specifically to tourist needs?
- Q10. Tourism results in overall regional development?
- Q11. Local people investing more in the region?
- Q12. Tourism boosted export earnings of local products?
- Q13. Tourism increased opportunities for small-scale business development?
- Q14. Tourism increased employment opportunities for locals?
- Q15. Tourism encouraged new entrepreneurs in the area?
- Q16. Tourism provides employment opportunities to women?
- Q17. Tourism boosted small-scale employment (e.g., casual labor)?
- Q18: Tourism encouraged new entrepreneurs in the area?
- Q19: Tourism provides employment opportunities to women?
- Q20: Tourism boosted small-scale employment (e.g., casual labor)?