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Domestic Tourism as a Catalyst for Regional Development: Insights from Goa

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Abstract:

Goa represents a strong case of how domestic tourism can stimulate regional economic development and create sustainable growth opportunities. This study examines the contribution of domestic tourism to Goa's economy using secondary data from 2015 to 2024, along with early trends for 2025. The findings reveal a substantial increase in domestic tourist arrivals, rising from 47.56 lakh in 2015 to 99.41 lakh in 2024. Domestic tourism has emerged as a stable and reliable driver of sectors such as transport, hospitality, retail, and small-scale enterprises. Statistical measures, including a high mean (63.23 lakh), consistent median (69.53 lakh), and moderate correlation ($r = 0.47$) with foreign arrivals, highlight its stability. Although foreign tourism contributes higher per capita expenditure and global visibility, it remains relatively volatile. Tourism contributes approximately 16.43% to Goa's GSDP and supports 35–45% of total employment, indicating strong multiplier effects. While opportunities such as infrastructure development and tourism diversification exist, challenges like overcrowding and environmental pressure persist. The study concludes that domestic tourism is the foundation of inclusive and sustainable regional development in Goa.

Keywords: Tourist Arrivals, Economic Impact, Growth Trends, Tourism Infrastructure,

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Introduction

Domestic tourism is a force that drives regional development in India. Goa is an archetypal example. In this context, local economies are driven by domestic mobility, which supports livelihoods and enhances regional integration. Increasing income levels, better connectivity, and shifting leisure preferences have led to an increase in domestic tourist flow. It is changing the growth of the regions (Singh, 2021). Although Goa is a global beach destination, the share of domestic tourist inflows has increased significantly. These inflows are now a determining factor in ensuring the economy is active throughout the year. Local industries include accommodation, transport, restaurants, attractions, and other businesses in which domestic tourists spend. The effect of this activity has a high multiplier (Sharma and Naik, 2020). The consistent strength of domestic tourism is based on its inclusive nature. Domestic demand is extensive, unlike international tourism, which is highly sensitive to global events.

Local markets, the creation of jobs, and the balanced development of territories are enhanced by domestic tourism in Goa. Micro-enterprise development, particularly in the hospitality sector, handicrafts, homestays and tourism-related services, is beneficial to communities (Kamat, 2022). Infrastructure development is also a result of local tourism. This encompasses roads, facilities in the community, heritage sites, and digital services, which have long-term effects in the region. Experience tourism, short holidays, and eco-cultural tours are gaining popularity among Indian tourists. These are patterns that show domestic tourism has become a source of sustainable local development (Nair and D'Souza, 2021). Goa is developing its beaches, hinterland culture, wellness, and adventure tourism. The socio-economic environment is still being influenced by domestic tourism. It is important to know its contribution in terms of policy. This will see policies that facilitate inclusive growth and development in the regions.

Despite the growing importance of domestic tourism in sustaining regional economies, there is limited empirical analysis that clearly explains its specific contribution to regional development in Goa. Most existing studies focus either on national trends or general tourism impacts, without providing a detailed, data-driven understanding at the state level. Therefore, this study addresses the following research problem: To what extent has domestic tourism contributed to regional economic development in Goa, particularly in terms of growth trends, employment generation, and sectoral linkages? This research directly aligns with the study objectives by systematically analysing tourism trends, assessing economic contributions, and identifying challenges and opportunities associated with domestic tourism growth.

Overview of Literature

The concept of tourism-led development is extensively covered in the literature on services growth and regional economics. Tourism has been widely recognized as a key driver of economic growth, contributing significantly to GDP, employment generation, and foreign exchange earnings, particularly in developing countries (Odilova, 2025). Additionally, studies highlight its role in promoting cultural exchange and mutual understanding, while also emphasizing the need for sustainable practices to address challenges such as environmental degradation and cultural erosion (Odilova, 2025). According to Bhatia (2022), domestic tourism supports the local economies because it enhances the consumption of transport, accommodation, food, entertainment, and cultural services. States in India that have enhanced

tourism ecosystems have a positive correlation between visitor expenditure, employment, and development of the SMEs (Rao and Desai, 2021). According to researchers in Goa, the number of domestic tourists has been increasing since 2015. This has assisted the state in eliminating the risks associated with the change in the international market (Kamat, 2023). According to Mukherjee and Das (2023), local tourists are offering an all-year-round demand. They help reduce seasonality and stabilize revenues. Sustainable tourism has emerged as a strategic approach to balance economic growth with environmental protection and socio-cultural preservation, emphasizing the need for responsible travel practices and long-term resource management (Karimova, 2024). Moreover, existing literature highlights that technological innovations and integrated governance frameworks play a crucial role in enhancing sustainability and addressing challenges such as over-tourism, carbon emissions, and resource depletion (Karimova, 2024)

Research indicates that tourism is useful in diversifying regions. It generates non-agricultural employment in the coastal and hinterland regions (Nair, 2020). Nevertheless, the scholars caution that excessive domestic tourism traffic can lead to congestion, overloading, and environmental degradation (Salelkar, 2022). The economic value of tourism is widely acknowledged in the literature. Nonetheless, the gap in knowledge regarding the effects on the region at the state level remains, particularly in small states like Goa. The study bridges this gap because it investigates and analyses the current trends in domestic tourism based on secondary data that has been validated.

Research Gap

Although existing literature recognises the importance of tourism-led development and highlights the stabilising role of domestic tourism in regional economies, significant research gaps remain. Most studies focus either on national-level trends or on broad theoretical linkages between tourism, employment, and growth, with limited state-specific empirical analysis. In the context of Goa, prior research largely discusses seasonality, environmental concerns, or post-pandemic recovery without providing a comprehensive decadal assessment of domestic tourism trends and their quantified economic contribution. There is also insufficient integration of recent post-2022 data. Therefore, a systematic, data-driven evaluation of domestic tourism's role in Goa's regional development remains underexplored.

Objectives of the Study

- To analyse the trend of growth and the domestic and foreign tourism arrivals in Goa in the past ten years.
- To examine the economic effects of tourism on the development of the Goan region.
- To find out the major challenges and opportunities that relate to the increase in domestic tourism in Goa.

Methodology

The study adopts a descriptive and analytical research design to investigate the role of domestic tourism as a contributor to the regional development in Goa. The study is based entirely on secondary data, and no primary survey or field research has been carried out. The data used are quantitative, time-series, and cross-sectional, collected based on officially published and verified data, like India Tourism Statistics, publications of the Ministry of Tourism, reports of the Goa Tourism Department, Goa Economic Survey, DPSE Statistical

Handbook, and other government documents. These sources give both annual and monthly statistics of domestic tourist arrivals, foreign tourist inflows, tourism revenue pointers, infrastructural capacity, and employment-related parameters. The study period covers 2015 to 2024, and the analysis will be augmented with the few mid-year data, i.e. January-June 2025, to reflect the latest post-pandemic patterns and short-term dynamics of tourist inflows.

The study employs standard statistical tools in tourism economics to ensure rigor. They are mean, median, standard deviation, and percentage changes to analyse the central tendencies and variability of the number of tourists. Year-on-Year (YoY) and Month-on-Month (MoM) growth rates, as well as trend analysis, are used to analyse growth and seasonal changes. The correlation coefficient (r) assists in the establishment of the movement of domestic and foreign arrivals. Data were analysed using MS Excel. The quantitative analysis is more understandable in the form of comparative tables and graphs. The tool choice and variable under investigation are in line with IEA standards, which provide objectivity and transparency. The methodology provides a systematic framework to evaluate the impact of domestic tourism on the economic growth of Goa in terms of demand, employment, and interconnection of the sectors.

The selection of statistical tools such as mean, median, standard deviation, and correlation coefficient is justified by their ability to capture central tendency, variability, and relationships between domestic and foreign tourist flows. Growth rate analysis (YoY and MoM) helps in identifying temporal patterns and recovery trends, especially in the post-pandemic period. These methods are widely used in tourism economics and ensure objectivity, comparability, and analytical rigor in interpreting secondary data.

Limitation of the Study

The present study is based entirely on secondary data collected from official government sources, which may limit the scope for micro-level or primary validation of findings. The analysis covers the period 2015–2024 with partial data for early 2025, and therefore may not fully capture long-term structural changes in Goa's tourism economy. The study focuses mainly on quantitative indicators such as arrivals, growth rates, and economic contribution, while qualitative dimensions like tourist satisfaction, community perceptions, and environmental costs are not empirically examined. Further, the state-level approach may mask intra-regional disparities within Goa.

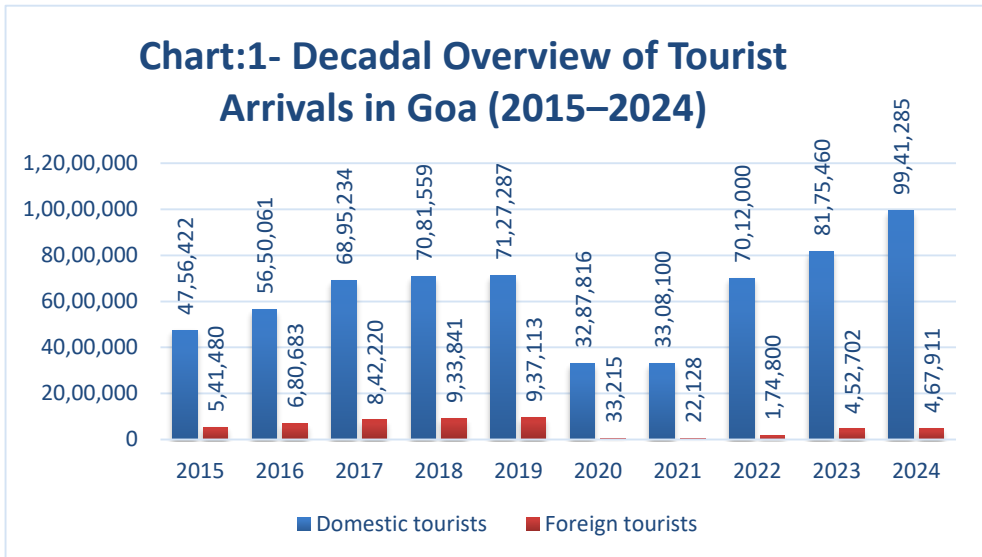
Results and Discussion

Table 1- Decadal Overview of Tourist Arrivals in Goa (2015–2024)

Year	Domestic Tourists	YoY Growth %	Foreign Tourists	YoY Growth %
2015	47,56,422	-	5,41,480	-
2016	56,50,061	18.79%	6,80,683	25.71%
2017	68,95,234	22.04%	8,42,220	23.73%
2018	70,81,559	2.70%	9,33,841	10.88%
2019	71,27,287	0.65%	9,37,113	0.35%
2020	32,87,816	-53.87%	33,215	-96.46%
2021	33,08,100	0.62%	22,128	-33.38%
2022	70,12,000	111.96%	1,74,800	689.95%
2023	81,75,460	16.59%	4,52,702	158.98%
2024	99,41,285	22.21%	4,67,911	3.36%
Mean	63,23,522		5,08,609	
Median	69,53,617		5,04,696	
SD	21,01,773		3,47,258	
CC	0.47			

Source: MoT Tourism Statistics; Goa Tourism & GTDC data; DPSE Goa Handbook 2020–21; Goa Economic Survey 2024–25

Note : SD-Standard Deviation, CC- Correlation Coefficient (r), YoY-Year on Year



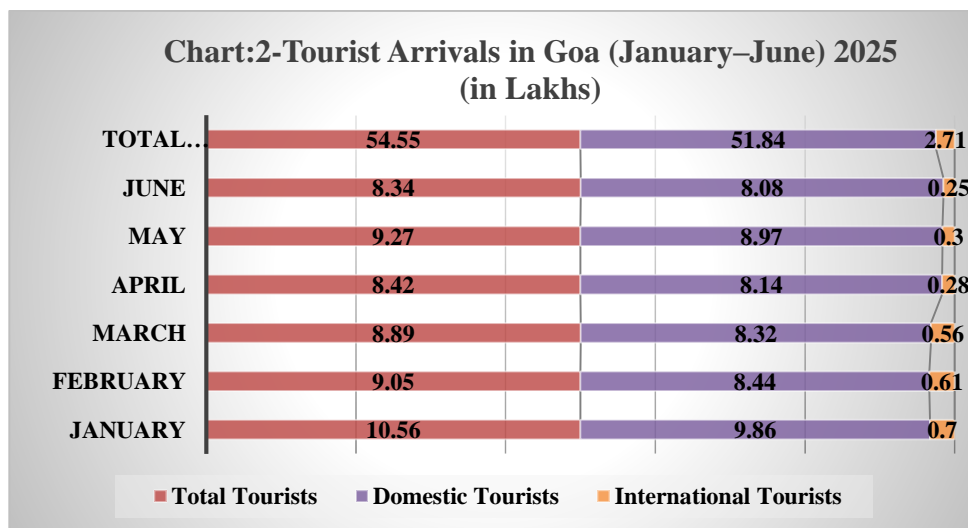
The results reveal clear patterns in tourist inflows and economic indicators, which highlight domestic tourism as the core driver of regional growth in Goa. Table 1 and Chart 1 illustrate that since 2015-24, domestic tourism has been the major source of regional growth in Goa, which has consistently created high demand for local services, labour, and small businesses. The domestic arrivals increased from 47,56,422 in 2015 to 99,41,285 in 2024, and the mean (63,23,522) and median (69,53,617) show that there is a backbone of the economy which is stable. A drastic recovery in 2022 (70,12,000; 111.96%) rejuvenated employment in transport, hospitality and micro-businesses, even though arrivals dropped to 32,87,816 during COVID-19 in 2020. Despite its smaller contribution, foreign tourism contributes value additions, increasing between 5,41,480 in 2015 and 4,67,911 in 2024, with great post-pandemic recoveries in 2022 (689.95%) and 2023 (158.98%). The average (5,08,609), median (5,04,696) and greater volatility (SD 3,47,258) depict an asset with a valuable but variable portion. The correlation is moderate (0.47), which denotes parallel movement in the two segments. Overall, domestic tourism is the leading driver of regional development in Goa.

Table 2-Tourist Arrivals in Goa (January-June) 2025 (in Lakhs)

Month	Total Tourists	MoM Growth %	Domestic Tourists	MoM Growth %	International Tourists	MoM Growth %
January	10.56	-	9.86	-	0.7	-
February	9.05	-14.30	8.44	-14.40	0.61	12.86
March	8.89	-1.77	8.32	-1.42	0.56	-8.20
April	8.42	-5.29	8.14	-2.16	0.28	-50.00
May	9.27	10.10	8.97	10.20	0.3	7.14
June	8.34	-10.03	8.08	-9.92	0.25	-16.67
Total (Jan-Jun)	54.55		51.84		2.71	
Mean	9.088		8.635		0.45	
SD	0.806		0.679		0.196	
CC			0.580			

Source: Department of Tourism, Government of Goa

Note: SD-Standard Deviation, CC- correlation coefficient (r), MoM-Month on Month



A mid-year forecast of tourist inflows to Goa between January-June 2025, as provided in Table 2 and Chart 2, depicts the monthly trends of domestic and international arrivals and the short-term economic effects of these arrivals in Goa. Domestic tourists remain the dominant segment, as they have increased to 9.86 lakh in January and kept an average of 8.635 lakh monthly, thus sustaining transport, accommodation, and small businesses. Despite fluctuations in domestic arrivals in a year in the months of February (-14.40%), April (-2.16%), and June (-9.92%), its overall stability enables sustained employment in the tourism-related industries. The international arrivals (mean 0.45 lakh) are, however, highly volatile, with growth in February (12.86%) and May (7.14%) and sharp declines in April (-50.00%) and June (-16.67%), indicating the sensitivity to the global situation and seasonal fluctuation. Standard deviations are 0.679 domestic and 0.196 international, which indicate variation in both segments, particularly in domestic arrivals. The correlation coefficient of 0.580 shows a moderately high level of alignment of both segments. On the whole, domestic tourism is still a source of regional growth in the early part of 2025, and the international inflows will provide additional value.

Table 3-Economic Impacts from Tourism on Regional Development (Goa)

Indicator	Value / figure	interpretation	Source
Tourism -direct contribution to GSDP	16.43% of Goa GSDP (direct contribution).	Standard figure used in state/industry briefs to show sector size.	(India Brand Equity Foundation)

Tourism - employment (direct + indirect)	Range reported: 35% (IBEF) up to 40–45% (state/ministerial statements) of state employment (direct + indirect).	Use as the working range for employment impact; different sources use slightly different scopes (direct vs. direct +indirect). See calculation below for implied job counts.	IBEF
Implied employment (approx.)	If 35% of population (1.585 million): ≈ 554,750 persons (calculation shown below). If 40–45% the implied range ≈ 634,000 – 713,250 persons .	These are illustrative approximations (apply only if you accept the % figure and population baseline). Use with caution - most sources report percentage ranges rather than exact headcounts. Population baseline used: 1.585 million (2024 est.). Calculation: $1,585,000 \times 0.35 = 554,750$.	(Statistics Times)
Registered MSMEs (state-wide)	13,485 MSMEs registered (up to Dec 2024).	MSMEs include many tourism-linked small enterprises (food, transport, souvenirs, services). Useful when analysing local income creation and backward linkages.	DPSE Goa
Hotels / lodging units (2023–24)	7,483 hotels, lodging houses & PGs (state-wide)	Indicates scale of hospitality infrastructure that directly employs people (hotels, housekeeping, F&B, management).	DPSE Goa
Beds in hotels / lodging (2023–24)	108,679 beds (state-wide)	Proxy for capacity and for estimating hotel employment (staff per room metrics).	DPSE Goa
Domestic tourist arrivals (latest annual / prox.)	2024 (prov): 9,941,285 domestic arrivals (99.41 lakh)	High arrivals → direct incomes to hospitality, transport, retail and handicrafts. Use monthly breakdown for seasonality analysis.	(Goa Tourism)
Airport passenger throughput (selected)	Dabolim (Goa Intl): Reported AAI figure: 68.72 lakh total passenger movements. Mopa (Manohar Intl): 4,643,852 (Apr 2024–Mar 2025).	Strong air connectivity supports year-round domestic visitation and creates jobs in ground handling, taxis, car rentals, shops, F&B and supply chains.	(AAI)

Handicrafts / artisan activity (qualitative)	Important crafts: bamboo, woodcarving, brass, seashell, papier-mache, lacquer ware; active state schemes for artisan training & marketing	Tourism is a major market for Goan handicrafts; state Dept. of Handicrafts and GHRSSIDC run programs to connect artisans to tourists (market stalls, training).	(Goa Tourism)
Key policy instruments (recent)	Goa Tourism Policy 2020 (updated 2021); Goa State Shack Policy 2023-26; Water-sports & Shack regulation; GTPMR Bill (statutory/ planning framework)	These are the policy levers (regulation, quality standards, sustainability rules, institutional governance, data-driven planning) intended to govern growth and sustainability. Evaluate by checking outcome indicators above.	Goa Tourism+1
Data & governance initiative (statutory / planning)	GTPMR Bill & emphasis on data-driven decision making in Goa Tourism Policy	Institutional reform intended to improve planning, standards, grievance redressal and data use - effectiveness judged by improved policy targeting, reduced conflicts over shacks/water sports, and better infrastructure allocation.	Goa Tourism

Note: Sources provided in each row in the source column

Table 3 presents the break-even analysis of tourism as a leading economic activity in Goa and a contributor to GSDP, employment, and an increase in MSME and hospitality capacity. The large inflow and high level of connectivity enhance massive local income, and policies and governmental structures favour sustainable regional development.

Significant Results on the Domestic and Foreign Tourism Growth in Goa

The empirical evidence reveals that domestic tourism is the major factor in the development of the region of Goa, with foreign tourism complementing but having economic significance. The domestic tourist arrivals saw a rise of 47.56 lakh in 2015 to 99.41 lakh in 2024 on the basis of a good post-pandemic recovery and better connectivity. The presence of a high mean (63.24 lakh), a median (69.53 lakh), and a moderate correlation coefficient (0.47) shows stability and adherence to foreign trends. The foreign arrivals are relatively lower (mean 5.09 lakh), but they provide high-value expenditures and diversification of the market and radical rebounds in 2022-2023 have surged income, hospitality and high-end jobs. All in all, domestic tourism maintains the daily economic activity, whereas foreign tourism increases value and global presence.

Problems that Accompany Tourism Development

Although tourism has significant economic benefits, it has also introduced various problems to the development of the region of Goa. Seasonal congestion, environmental

pressure, waste-management pressure and pressure on transport infrastructure in coastal areas are the results of rapid domestic inflows. The global shocks, geopolitics, and competition among destinations make foreign tourism highly sensitive, which is indicated by the high standard deviations of both segments. The unregulated development, overuse of beaches, shack management and imbalanced distribution of regional incomes also impede the balanced development. To be sustainable, there must be better governance, data-based planning, involvement of communities, and infrastructure that is environmentally friendly. The solutions to these problems are essential in order to make domestic and foreign tourism in Goa inclusive and sustainable.

Opportunities for Regional Development

The growth of domestic tourism offers great opportunities for the inclusive development of the region. An increase in domestic demand helps small and medium enterprises in the hospitality sector, retail, transport sector, handicrafts, and food services to create mass employment in the coastal and hinterland regions. Tourism has a strong multiplier effect, contributing 16.43% to the state's GSDP, and employment (35-45 per cent) is substantial. Better air connectivity with the help of the Dabolim and Mopa airports also makes year-round travel easier, which allows regional development to be balanced. High domestic incomes, online marketing, and diversification of tourism circuits (e.g. heritage, hinterland, wellness, eco-tourism) also offer new opportunities in terms of spatial dispersion of tourism benefits. The institutional opportunities for sustainable and well-managed tourism growth are formed by policy frameworks, such as the Goa Tourism Policy 2020 and the shack/water-sports regulations.

Policy Implications

The analysis of domestic tourism in Goa suggests important policy actions to have a balanced development of the region. First, Sustained tourist flows require long-term investment in transport, sanitation, roads, digital connectivity and visitor infrastructure to alleviate congestion and spread benefits throughout the regions. Second, due to the significant employment contribution of tourism, the MSMEs, skill training, and entrepreneurship should be strengthened by the state. Third, changing inflows of foreigners create the necessity of diversifying into eco-, cultural, wellness, and rural tourism. Strict sustainability concerns, such as carrying-capacity planning and effective waste management, require environmental pressures. It needs to increase governance with data-driven decision-making and implementation coordination of the Goa Tourism Policy 2020.

Conclusion

The study shows that domestic tourism is the most influential driver of regional development in Goa, and foreign tourism contributes to high-value expenditures and international recognition. The increase in domestic arrivals was almost twice in 2015-2024 because of the improved connectivity, post-pandemic recovery, and diversified circuits. The high mean and median values, medium volatility, and positive correlation to foreign arrivals indicate stability of structures that would guarantee a permanent demand for transport, accommodation, retail and MSME services. Mid-year 2025 information also indicates foreseeable domestic inflows, which maintain employment and small businesses in the coastal

and inland regions. Tourism is economically significant, as evidenced by its 16.43% contribution to GSDP and 35–45% contribution to employment at the state level. Nevertheless, some challenges have been identified, which are congestion, environmental pressure, lopsided regional benefits and high susceptibility of foreign tourism to global shocks. Long-term development requires sustainable infrastructure, balanced planning, enhanced governance, and community-based models., balanced planning, enhanced governance and models based on communities.

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