The Impact of GST Reforms on the Business Dynamics of Tourist Resorts in Kerala - An Empirical Analysis

Thesis

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Doctor of Philosophy in Commerce

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DECLARATION

I hereby declare that the work presented in the thesis entitled **"The Impact of GST Reforms on the Business Dynamics of Tourist Resorts in Kerala - An Empirical Analysis"** is based on the original work done by me under the guidance of Dr. Sravana K, Associate Professor, Central University of Kerala, Kasaragod (Research Supervisor, Post Graduate and Research Department of Commerce, Govt. College Madappally) and has not been included in any other thesis submitted previously for the award of any degree. The contents of the thesis are undergone plagiarism check using iThenticate software at C.H.M.K. Library, University of Calicut, and the similarity index found within the permissible limit. I also declare that the thesis is free from AI generated contents.

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CERTIFICATE

This is to certify that the thesis entitled **"The Impact of GST Reforms on the Business Dynamics of Tourist Resorts in Kerala - An Empirical Analysis"** submitted to the University of Calicut in partial fulfilment of the requirements for the award of the Degree of Doctor of Philosophy in Commerce is a record of original work done by Mr. Vineethan T under my supervision and guidance, and the thesis has not formed the basis for the award of any degree, diploma, associateship, fellowship, or other similar title to any candidate in any institute or university. He is allowed to submit the thesis to the University for Evaluation.

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List of Abbreviations

AAGR	:	Average Annual Growth Rate
AGFI	:	Adjusted Goodness of Fit Index
ANOVA	:	Analysis of Variance
AVE	:	Average Variance Extracted
BCD	:	Basic Customs Duty
CAGR	:	Compound Annual Growth Rate
CBDT	:	Central Board of Direct Taxes
CBIC	:	Central Board of Indirect Taxes and Customs
CB-SEM	:	Covariance-Based Structural Equation Modeling
CEA	:	Central Excise Act
CED	:	Central Excise Duty
CENVAT	:	Central Value-Added Tax
CETA	:	Central Excise Tariff Act
CFA	:	Confirmatory Factor Analysis
CFI	:	Comparative Fit Index
CGST	:	Central Goods and Services Tax
CIF	:	Cost, Insurance and Freight
CMV	:	Common Method Variance
COE	:	Cost-effectiveness
CST	:	Central Sales Tax
CVD	:	Countervailing duty
DoT	:	Department of Tourism
DTA	:	Domestic Tourist Arrivals
DTE	:	Domestic Tourism Earnings
DTPC	:	District Tourism Promotion Council
EC	:	Empowered Committee
EMG	:	Employment generation
ENA	:	Extra Neutral Alcohol

ETC	:	Easy Tax Compliance
FDI	:	Foreign Direct Investment
FEE	:	Foreign Exchange Earnings
FRBM	:	Fiscal Responsibility and Budget Management Act
FTA	:	Foreign Tourist Arrivals
GDP	:	Gross Domestic Products
GFI	:	Goodness of Fit Index
GoM	:	Group of Ministers
GST	:	Goods and Services Tax
GSTN	:	Goods and Services Tax Network
HSN Code	:	Harmonised System of Nomenclature
HST	:	Harmonized Sales Tax
ICRT	:	International Centre for Responsible Tourism
IGST	:	Integrated Goods and Services Tax
IND	:	Infrastructure development
ITC	:	Input Tax Credit
ITDC	:	Indian Tourism Development Corporation
KATPS	:	Kerala Adventure Tourism Promotion Society
MERILVC	:	Measurement Error Reduced Inter-Construct Latent
MICE	:	Meetings, Incentives, Conferences, Exhibitions/Events
MODVAT	:	Modified Value-Added Tax
MOT	:	Ministry of Tourism
NCAER	:	National Council of Applied Economic Research
NCE	:	No Cascading Effect
NIU	:	National Information Utility
NTC	:	National Tourism Committee
PAN	:	Permanent Account Number
PATA	:	Pacific Asia Travel Association
PRISMA	:	Preferred Reporting Items for Systematic Reviews and Meta Analysis
PRT	:	Profitability
PSE	:	Pricing Strategy Effectiveness
PST	:	Provincial Sales Tax

RMSEA	:	Root Mean Square Error of Approximation
RNG	:	Revenue Generation
SAC	:	Service Accounting Code
SAD	:	Special Additional Duty
SD	:	Standard Deviation
SDG	:	Sustainable Development Goals
SEM	:	Structural Equation Modeling
SGST	:	State Goods and Services Tax
SIT	:	Seamless Input Tax Credit
SOT	:	Social trustworthiness
STA	:	Single Tax Authority
STE	:	Single Taxable Event
TBO	:	Tourist booking and occupancy
TCPO	:	Town and Country Planning Organisation
TDC	:	Tourism Destination Competitiveness
TFCI	:	Tourism Finance Corporation of India
TPU	:	Taxpayer Profiling Utility
TRN	:	Better Transparency
TTCI	:	Travel and Tourism Competitiveness Index
TTE	:	Total Tourism Earnings
TUB	:	Tourist behaviour
TUS	:	Tourist satisfaction
UNDP	:	United Nations Development Programs
UNWTO	:	United Nations World Tourism Organisation
UNT	:	Uniform Taxation
UTGST	:	Union Territory Goods and Services Tax Variable Correlation
VAT	:	Value Added Tax
WST	:	Wholesale Sales Tax
WTM	:	World Travel Mart
WTTC	:	World Tourism and Travel Council

Abstract

Goods and Services Tax is a consumption-based, national-level, comprehensive indirect tax levied on goods and services. Though it was introduced for the first time by France in 1954, today, out of 195 countries of the world, 175 (about 90%) have implemented GST in one form or another form. In India, GST was implemented on 1st July 2017. It is the most ambitious and significant tax reform, which resulted in a paradigm shift in the indirect tax regime of India after its independence. GST is a transparent tax system for eradicating black money and corruption and developing a new governance culture. The technology-driven GST system will benefit all the stakeholders such as government, industry, distribution channels, consumers, etc. (Rao, B. A., & Nagayya, D., 2017). Implementing the GST system offers certain advantages to businesses such as Uniform tax, Single taxable event, Single tax authority, Easy tax compliance, Better transparency, No cascading effect, Seamless ITC, etc. The service sector in India accounts for 60% of GDP and employs 30% of India's workforce. It is a significant contributor to India's economic growth and development. Further, the sector grows at an average rate of 8 - 9 % per annum. However, the sector was almost outside the purview of taxation up to GST reforms. Tourism is one of the major components of the service sector and India is one of the key destinations for tourists across the world. In its world ranking of 50 most beautiful countries, Forbes recently ranked India as the 7th most beautiful country (Hindustan Times, September 27, 2023). In 2022, the country's foreign exchange earnings from tourism was 16,926 million US dollars, the number of foreign tourists to India was over 6.19 million and the number of domestic tourist visits has become 1731.01 million. Also, the growth of tourism provides entrepreneurial opportunities for youth, women, and marginalized groups of society.

In this context, the study examines the impact of GST reforms on the key tourism performance indicators of tourist resorts in Kerala. The study is both analytical and descriptive in nature. The primary as well as secondary data were used for the study. Primary data were collected using a structured questionnaire that was either handed over to tourist resort administrators directly or mailed to them. A multi-stage simple random sampling technique was used to select sample units for the study. A total of 552 tourist resorts were selected from the three sampling frames concerning three regions using computer-generated random numbers. The statistical tools such as percentages, arithmetic mean, standard deviation, Chi-square test, independent t-test,

ANOVA test, CFA, CB- SEM, etc., were employed with the help of IBM SPSS 26.0, AMOS 23.0, and the Stats Tools Package.

The study reveals that most tourist resort administrators are more aware of various aspects of GST. However, their awareness levels vary, particularly in diverse settings. Further, the analysis of the perception of resort administrators reveals that the tourist resorts in Kerala experience all the GST-driven advantages such as uniform tax, single taxable vent, single tax authority, easy tax compliance, better transparency, no cascading effect, and seamless input tax credits, at above average levels. The researcher also investigates the extent of impact the GST-driven advantages have on various performance indicators of tourist resorts, classified as financial efficiency, marketing efficiency, operating efficiency, tourist experience, and social performance indicators. Based on the Structural Equation Modelling, the study confirmed that the GST-driven advantages positively impact financial, marketing, operational, social, and tourist experience indicators of tourist resorts in Kerala. These findings underscore the key role of GST reform in improving the overall performance of tourist resorts, positioning them to be more competitive and financially sustainable in the tourism sector of Kerala. We may expect the new reform will be a boon to India's tourism sector in general and Kerala in particular.

Keywords: Goods and Services Tax, GST-driven advantages, Impact of GST, Tourism performance indicators, Tourist Resorts in Kerala

സംഗ്രഹം

ചരക്കു-സേവന നികുതി എന്നത് ഉപഭോഗത്തെ അടിസ്ഥാനമാക്കിയുള്ളതും ദേശീയ തലത്തിലുള്ളതുമായ സമഗ്രമായ പരോക്ഷ നികുതിയാണ്. 1954-ൽ ഫ്രാൻസാണ് ഇത് ആദ്യമായി അവതരിപ്പിച്ചതെങ്കിലും, ഇന്ന്, ലോകത്തിലെ 195 രാജ്യങ്ങളിൽ, 175 (ഏകദേശം 90%) ജിഎസ്ടി ഒരു രൂപത്തിൽ അല്ലെങ്കിൽ മറ്റൊരു രൂപത്തിൽ നടപ്പിലാക്കിയിട്ടുണ്ട്. ഇന്ത്യയിൽ, 2017 ജൂലായ് 1-ന് ചരക്കു-സേവന നികുതി നടപ്പിലാക്കി. സ്വാതന്ത്ര്യാനന്തരം ഇന്ത്യയുടെ പരോക്ഷ നികുതി വ്യവസ്ഥയിൽ ഒരു മാതൃകാപരമായ മാറ്റത്തിന് കാരണമായ ഏറ്റവും വലിയതും പ്രധാനപ്പെട്ടതുമായ നികുതി പരിഷ്കരണമാണിത്. കള്ളപ്പണവും അഴിമതിയും തുടച്ചുനീക്കുന്നതിനും പുതിയ ഭരണസംസ്കാരം വികസിപ്പിക്കുന്നതിനുമുള്ള സുതാര്യമായ നികുതി സംവിധാനമാണ് ജിഎസ്ടി. സർക്കാർ, വ്യവസായം, വിതരണ ചാനലുകൾ, ഉപഭോക്താക്കൾ തുടങ്ങി എല്ലാ പങ്കാളികൾക്കും സാങ്കേതികവിദ്യയിൽ അധിഷ്ഠിതമായ ജിഎസ്ടി സംവിധാനം പ്രയോജനപ്പെടും (റാവു, ബി. എ., നാഗയ്യ, ഡി., 2017). ചരക്കു-സേവന നികുതി സമ്പ്രദായം നടപ്പിലാക്കുന്നത് ബിസിനസുകൾക്ക് ഏകീകൃത നികുതി, ഏക നികുതി സംഭവം, ഏക നികുതി അതോറിറ്റി, ഈസി ടാക്സ് കംപ്ലയൻസ്, മികച്ച സുതാര്യത, നികുതിയുടെ കാസ്കേഡിംഗ് ഇഫക്ട് ഇല്ലാതാക്കൽ, തടസ്സമില്ലാത്ത ഐ ടി സി എന്നിങ്ങനെയുള്ള വിവിധ നേട്ടങ്ങൾ വാഗ്ദാനം ചെയ്യുന്നു. ഇന്ത്യയുടെ ജിഡിപിയുടെ 60 ശതമാനവും സംഭാവന ചെയ്യുന്നത് സേവന മേഖലയാണ്. ഇന്ത്യയിലെ തൊഴിലാളികളുടെ 30 ശതമാനവും സേവന മേഖലയിൽ പ്രവർത്തിച്ചു വരുന്നു. ഇന്ത്യയുടെ സാമ്പത്തിക വളർച്ചയ്ക്കും വികസനത്തിനും ഇത് ഒരു പ്രധാന പങ്ക് വഹിക്കുന്നു. കൂടാതെ, ഈ മേഖല പ്രതിവർഷം ശരാശരി 8 - 9% നിരക്കിൽ വളരുന്നു. എന്നിരുന്നാലും, ജിഎസ്ടി പരിഷ്കാരങ്ങൾ നടപ്പാക്കുന്നതുവരെ ഈ മേഖല ഏതാണ്ട് നികുതിയുടെ പരിധിക്ക് പുറത്തായിരുന്നു. സേവന മേഖലയുടെ പ്രധാന ഘടകങ്ങളിലൊന്നാണ് ടൂറിസം, ലോകമെമ്പാടുമുള്ള വിനോദസഞ്ചാരികളുടെ പ്രധാന ലക്ഷ്യസ്ഥാനങ്ങളിലൊന്നാണ് ഇന്ത്യ. ഏറ്റവും മനോഹരമായ 50 രാജ്യങ്ങളുടെ ലോക റാങ്കിംഗിൽ, ഫോർബ്സ് അടുത്തിടെ ഇന്ത്യയെ ഏറ്റവും മനോഹരമായ ഏഴാമത്തെ രാജ്യമായി തിരഞ്ഞെടുത്തു (ഹിന്ദുസ്ഥാൻ ടൈംസ്, സെപ്റ്റംബർ 27, 2023). 2022-ൽ, ടൂറിസത്തിൽ നിന്നുള്ള രാജ്യത്തിൻറെ വിദേശനാണ്യ വരുമാനം 16,926 ദശലക്ഷം യുഎസ് ഡോളറും, ഇന്ത്യയിലേക്കുള്ള വിദേശ വിനോദസഞ്ചാരികളുടെ എണ്ണം 6.19 ദശലക്ഷത്തിലധികവും, ആഭ്യന്തര വിനോദസഞ്ചാരികളുടെ എണ്ണം 1731.01 ദശലക്ഷവുമായി. കൂടാതെ, ടൂറിസത്തിൻറെ വളർച്ച യുവജനങ്ങൾക്കും സ്ത്രീകൾക്കും സമൂഹത്തിലെ പാർശ്വവൽക്കരിക്കപ്പെട്ട വിഭാഗങ്ങൾക്കും സംരംഭകത്വ അവസരങ്ങൾ പ്രദാനം ചെയ്യുന്നു.

ഈ പശ്ചാത്തലത്തിൽ, കേരളത്തിലെ ടൂറിസ്റ്റ് റിസോർട്ടുകളുടെ പ്രധാന ടൂറിസം പ്രകടന സൂചകങ്ങളിൽ ജിഎസ്ടി പരിഷ്കാരങ്ങളുടെ സ്വാധീനം പഠനം പരിശോധിക്കുന്നു. പഠനം വിശകലനപരവും വിവരണാത്മകവുമാണ്. പ്രാഥമിക ഡാറ്റയും ദ്വിതീയ ഡാറ്റയും പഠനത്തിനായി

ഉപയോഗിച്ചു. ടൂറിസ്റ്റ് റിസോർട്ട് അഡ്മിനിസ്ട്രേറ്റർമാർക്ക് നേരിട്ട് കൈമാറുകയോ അവർക്ക് മെയിൽ ചെയ്യുകയോ ചെയ്ത ഒരു ഘടനാപരമായ ചോദ്യാവലി ഉപയോഗിച്ചാണ് പ്രാഥമിക വിവരങ്ങൾ ശേഖരിച്ചത്. പഠനത്തിനായി സാമ്പിൾ യൂണിറ്റുകൾ തിരഞ്ഞെടുക്കാൻ ഒരു മൾട്ടി-സ്റ്റേജ് സിമ്പിൾ റാൻഡം സാംപ്ലിംഗ് ടെക്നിക് ഉപയോഗിച്ചു. കമ്പ്യൂട്ടർ ജനറേറ്റഡ് റാൻഡം നമ്പറുകൾ ഉപയോഗിച്ച് കേരളത്തിലെ മൂന്ന മേഖലകളുമായി ബന്ധപ്പെട്ട മൂന്ന് സാമ്പിൾ ഫ്രെയിമുകളിൽ നിന്ന് മൊത്തം 552 സാമ്പിൾ ടൂറിസ്റ്റ് റിസോർട്ടുകൾ തിരഞ്ഞെടുത്തു. ശതമാനം, ശരാശരി, സ്റ്റാൻഡേർഡ് ഡീവിയേഷൻ, കൈ-സ്ക്വയർ ടെസ്റ്റ്, ഇൻഡിപെൻഡൻറ് ടി-ടെസ്റ്റ്, ANOVA ടെസ്റ്റ്, CFA, CB- SEM, തുടങ്ങിയ സ്റ്റാറ്റിസ്റ്റിക്കൽ ടൂളുകൾ IBM SPSS 26.0, AMOS 23.0, സ്റ്റാറ്റ് ടൂൾസ് പാക്കേജ്, എന്നിവയുടെ സഹായത്തോടെയാണ് ഉപയോഗിച്ചത്.

മിക്ക ടൂറിസ്റ്റ് റിസോർട്ട് അഡ്മിനിസ്ട്രേറ്റർമാർക്കും ജിഎസ്ടിയുടെ വിവിധ വശങ്ങളെ കുറിച്ച് കൂടുതൽ അറിവുണ്ടെന്ന് പഠനം വെളിപ്പെടുത്തുന്നു. എന്നിരുന്നാലും, അവരുടെ ബോധവൽക്കരണ നിലകൾ വ്യത്യസ്തമാണ്, പ്രത്യേകിച്ച് വ്യത്യസ്തമായ ക്രമീകരണങ്ങളിൽ. കൂടാതെ, റിസോർട്ട് അഡ്മിനിസ്ട്രേറ്റർമാരുടെ ധാരണയുടെ വിശകലനം വെളിപ്പെടുത്തുന്നത്, കേരളത്തിലെ ടൂറിസ്റ്റ് റിസോർട്ടുകൾക്ക് ഏകീകൃത നികുതി, ഏക നികുതി സംഭവം, ഏക നികുതി അധികാരം, എളുപ്പമുള്ള നികുതി പാലിക്കൽ, മികച്ച സുതാര്യത, കാസ്കേഡിംഗ് ഇഫക്ട് ഇല്ല, തടസ്സമില്ലാത്ത ഇൻപുട്ട് ടാക്സ് ക്രെഡിറ്റുകൾ എന്നിങ്ങനെയുള്ള എല്ലാ ജിഎസ്ടി-അധിഷ്ഠിത നേട്ടങ്ങളും ശരാശരിക്ക് മുകളിൽ അനുഭവപ്പെടുന്നുണ്ടെന്നാണ്. സാമ്പത്തിക കാര്യക്ഷമത, വിപണന കാര്യക്ഷമത, പ്രവർത്തനക്ഷമത, വിനോദസഞ്ചാര അനുഭവം, സാമൂഹിക പ്രകടന സൂചകങ്ങൾ എന്നിങ്ങനെ തരംതിരിച്ചിരിക്കുന്ന ടൂറിസ്റ്റ് റിസോർട്ടുകളുടെ വിവിധ പ്രകടന സൂചകങ്ങളിൽ ജിഎസ്ടി-അധിഷ്ഠിത നേട്ടങ്ങൾ ചെലുത്തുന്ന സ്വാധീനത്തിൻറെ വ്യാപ്തിയും ഗവേഷകൻ അന്വേഷിക്കുന്നു. സ്ട്രക്ചറൽ ഇക്വേഷൻ മോഡലിംഗിനെ അടിസ്ഥാനമാക്കി, ജിഎസ്ടി പ്രേരിത നേട്ടങ്ങൾ കേരളത്തിലെ ടൂറിസ്റ്റ് റിസോർട്ടുകളുടെ സാമ്പത്തിക, വിപണന, പ്രവർത്തന, സാമൂഹിക, വിനോദസഞ്ചാര അനുഭവ സൂചകങ്ങളെ ഗുണപരമായി സ്വാധീനിക്കുന്നുവെന്ന് പഠനം സ്ഥിരീകരിച്ചു. ടൂറിസ്റ്റ് റിസോർട്ടുകളുടെ മൊത്തത്തിലുള്ള പ്രകടനം മെച്ചപ്പെടുത്തുന്നതിലും അവയെ കേരളത്തിൻറെ ടൂറിസം മേഖലയിൽ കൂടുതൽ മത്സരാധിഷ്ഠിതവും സാമ്പത്തികമായി സുസ്ഥിരവുമാക്കുന്നതിലും ജിഎസ്ടി പരിഷ്കരണത്തിൻറെ പ്രധാന പങ്ക് ഈ കണ്ടെത്തലുകൾ അടിവരയിടുന്നു. പുതിയ പരിഷ്കാരം ഇന്ത്യയുടെ ടൂറിസം മേഖലയ്ക്ക് പൊതുവെയും കേരളത്തിന് പ്രത്യേകിച്ചും അനുഗ്രഹമാകുമെന്ന് നമുക്ക് പ്രതീക്ഷിക്കാം.

പ്രധാന വാക്കുകൾ: ചരക്ക് സേവന നികുതി, ജിഎസ്ടി വഴിയുള്ള നേട്ടങ്ങൾ, ജിഎസ്ടിയുടെ ആഘാതം, ടൂറിസം പ്രകടന സൂചകങ്ങൾ, കേരളത്തിലെ ടൂറിസ്റ്റ് റിസോർട്ടുകൾ

Chapter 1
BACKGROUND AND METHODOLOGY

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1.1 Introduction

The Goods and Services Tax (GST) system, implemented on 1st July 2017, is the most ambitious and significant tax reform, which resulted in a paradigm shift in the indirect tax regime of India after its independence. According to experts, the Goods and Services Tax has been a major tax diversion of the Indian government since the liberalization of the Indian economy in 1991 (Jha, 2019; Siddiqui, 2018). Our country has travelled a long way to implement GST, the long-awaited indirect tax reform aimed at one country, one tax, and one market (GST Council, 2020a). After many years of discussions and preparations, GST, a system that would impact India's economy for decades, was implemented. While speaking at the GST launching function in the Central Hall of the Indian Parliament on the midnight of 30th June 2017, the then President of India, Shri. Pranab Mukherjee said that introducing GST is a momentous event for our country. It was also a moment of satisfaction for him because the Constitutional Amendment Bill related to GST was introduced by him as Union Finance Minister on 22nd March 2011. Though positive, this change in the taxation system will have some teething pains and difficulties in the initial stages. The President also reminded us that the success of any major change always depends on their effective implementation, so the GST Council and the Central and State Governments should continuously review the design and make improvements in the same creative spirit as displayed so far.

In a press release published on 8th August 2016, Prime Minister Narendra Modi described the GST as "a Great Step by Team India," "a Great Step towards Transformation," and "a Great Step towards Transparency." He said that just as Mahatma Gandhi called for the Quit India Movement on August 8, 1942, on the same day in 2016, our country began its journey towards freedom from tax terrorism. He

further stated that GST would ensure the economic integration of the nation just as Sardar Vallabhbhai Patel ensured political integration. The Prime Minister continued that since GST's strength lies in technology, it will help to bring in real-time data. He said that several items affecting consumer inflation have been excluded from the purview of GST. He further pointed out that GST would help to reduce both corruption in collection and the cost of collection. He also remarked that the GST is one of the pearls in the necklace of "Ek-Bharat," like the Railways, the All-India Services, Bharat Net, Sagarmala, etc. While addressing the joint session of the Indian Parliament, he stated that the GST would free the common people from tax terrorism and inspector raj. Apart from being a transparent tax system for eradicating black money and corruption, GST would develop a new governance culture and thereby end harassment by tax officials.

The former Governor of RBI, Urjith Patel, stated that GST can create a national market and widen the tax base, thereby lowering overall taxes in the country in the long run. He also opined that implementing GST will minimise many difficulties regarding moving goods and services within the States and UTs and across the country. The implementation of GST will pave the way for realising the slogan "One nation, one tax, one market" and leading to a technology-driven tax system; it will benefit all the stakeholders such as government, industry, distribution channels, consumers, etc. (Rao & Nagayya, 2017).

1.1.1 GST Revenue Collection of India

One of the key objectives behind the implementation of GST was to increase government tax revenue by removing the various hindrances in the procedure for tax collection. In the short term, GST can be expected to be revenue-neutral, but over time, the self-policing nature of the tax can be expected to result in better tax administration, leading to a significant increase in revenue productivity (Rao, 2022). In April 2024, India's Goods and Services Tax (GST) collection has soared to a new height of Rs 2.10 lakh crore. This shows a surge of 12.4% from the previous year (The Economic Times, 2024).

The gross GST revenue collection of the Government of India from 2017-18 to 2023-24 is shown in Table 1.1

Table 1.1

Gross GST revenue collection of India from 2017-18 to 2023-24

Year	Gross GST Revenue (Rs. in Crore)	Annual Variation (Rs. in Crore)
2017-18	*7,19,078	…
2018-19	11,77,370	(+) 4,58,292
2019-20	12,22,117	(+) 44,747
2020-21	11,36,803	(–) 85,314
2021-22	14,76,000	(+) 3,39,197
2022-23	18,07,679	(+) 3,31,679
2023-24	20,16,272	(+) 2,08,593

Note: * 1st July 2017 to 31st March 2018

Source: Press Information Bureau, Government of India

India's gross GST revenue collection increased in all the years from the year of GST's inception to 2023-24, except 2020-21. In 2020-21, the amount of gross GST collection declined by Rs. 85,314 Crore in the wake of the Covid-19 pandemic.

1.1.2 GST and India: Certain Pros and Cons

One of the key benefits of implementing GST is that it will increase the revenue of the central and state governments. This is achieved through increased tax compliance and broadening of the tax base. Since only one tax, the spirit of competition will be improved, and as companies make every effort to reduce prices, consumers will benefit greatly. By ensuring easy, transparent, and speedy filing, the GST system promotes investor confidence and investments and the concept of ease of doing business in India. The global experience reveals that GST has made business processes more efficient than ever by simplifying the tax structure and reducing the number of state and central levies (Nutman et al., 2022). Hence, economists believe GST will reduce prices in the long run. However, price-fixed by the manufacturers plays a crucial role in attaining this advantage.

Another positive aspect of GST is its ability to curb inflationary pressures in the economy. During the pre-GST regime, when a person purchased a commodity/service, the price of that commodity/service was taxed, including tax already levied. This created a cascade effect on the prices of goods and services. The GST system addresses this cascading effect problem by introducing the Input Tax Credit (ITC) system. With the ITC system, GST can reduce the rate of inflation by reducing the price of goods and services. Thus, the GST system brought all indirect taxes into a single tax to alleviate double taxation problems and pave the way for a common national market (Dey & Jena, 2018).

GST can have a significant positive impact on our country's foreign trade. Under the GST system, since the consumption of the exported goods takes place outside our country, GST cannot be levied. This reduces the cost of exported goods. Due to unified taxation, cost efficiency, less time, and lower transport costs, 'Made in India' products will become more cost-competitive in the global market, and thus, exports from the country will ultimately increase (Nisa, 2017). Although non-tariffs on exports are likely to reduce central government revenue, this may be offset by the income, employment, and output effects of increased exports.

The next positive aspect of GST implementation is related to imported goods. As one of the fastest-growing global economies, India is well on its way to becoming the new global manufacturing hub. As manufacturing activities continue to increase, we will witness a massive expansion in imports and exports (Satav, 2020). Under the GST system, imported goods are treated at par with domestic products, so GST also applies to them. It helps to protect domestic industries from unfair international practices like dumping. Also, GST provides for imposing anti-dumping duty to protect domestic industries, especially those in the infancy stage.

Another positive aspect is that the GST system was implemented with an in-built mechanism to fight corruption and tax evasion. By preventing tax evasion and promoting transparency, the inbuilt input tax credit system will increase the government's tax collection, and thus, the country's GDP will increase by 1.5% – 2% (Singh, 2018). As the GST rates of various goods and services are pre-fixed by the

GST Council, there is no room for finance ministers to fix and announce rates in budget speeches. Therefore, businessmen are less prone to political lobbying to exempt their products from taxation. Under the GST system, traders must register themselves through the Goods and Services Tax Network (GSTN), and they are forced to comply with GST. As a result, the incidence of tax evasion is reduced significantly.

Many arguments have also been raised against the GST system in India. Many people opine that, ideally, under the GST system, there should be only one or two tax rates. Singapore has only a single GST rate, i.e., 7%. But in India, we have multiple tax slabs such as 5%, 12%, 18%, 28% tax slabs, exempted category, etc. In this sense, they argue that the GST system implemented in India cannot be considered true. Further, they criticised that items falling in the same category attract different GST rates. For instance, the GST rate applicable for movie tickets is 18% where the ticket price is Rs.100 or less, and 28% where the price is more than Rs.100.

Next, although the GST system is conceptualized as a simple indirect tax structure, the system rolled out in India does not offer a simple solution to traders complying with tax procedures. Segregation of tax as CGST and SGST with respect to each item in the bills, uploading files and returns digitally, filing multiple returns every month, etc., make the GST-related procedure more difficult for the traders. When a trader fails to file his tax returns in time, the input tax credit to the trader will be denied, and the GST authorities will also levy a penalty.

Although we are living in the digital age and GST is a digitally driven tax system, it is unbelievable that all the traders are well acquainted with the technical side of complying with the instructions issued by the GST officials from time to time. Experts opine that a lack of technological preparedness on the part of traders may create issues in the successful functioning of the country's indirect taxation system.

Another problem with GST is that it increases administrative costs for traders. Every trader needs the services of an expert accountant to upload bills and other documents, file GST returns, etc. Small businesses that do not employ tax professionals and file returns on their own to save costs have to seek the services of tax professionals for GST compliance (Tyagi et al., 2019).

Many argue that GST is the death knell of Indian cooperative federalism (Dahiya & Dahiya, 2022). Whether GST will curb the fiscal autonomy of the states remains an issue of apprehension among them regarding the new indirect tax reform. Since GST is a consumption-based tax, it creates a situation where it financially endangers producing states while financially helping consumer states. Further, the central government's promise of a five-year compensation package to states that will lose tax due to implementing GST is not a permanent solution. Vertical and horizontal disparities in Indian federal finances will likely worsen if the upcoming Finance Commissions do not deal with this issue carefully. Many argue that there is no need to introduce GST itself to improve tax compliance. Tax compliance can be improved without introducing GST by reducing corruption, developing the tax information network, and improving the efficacy of tax administration. Conversely, if there is no improvement in these factors, tax compliance may deteriorate even with the introduction of GST (Dutta, 2016).

1.1.3 GST and Kerala Economy

Before introducing the GST system, former Finance Minister of Kerala, Dr. Thomas Isaac, strongly supported the implementation of the GST system. Putting aside all conceptual differences, he opined that as a consumption-based tax, GST would make businesses more transparent and economically benefit consumer states like Kerala. There is no doubt that GST will increase Kerala's tax revenue by at least 20% as the tax is levied at the time of consumption and not at the time of production *(Issac, 2017)*. Although only 2.75% of India's population lives in Kerala, it accounts for 15% of India's durable commodities market. However, while presenting the budget for 2018-19 in the Assembly, Thomas Isaac blamed the lapses in GST implementation. Although post-GST tax collection was expected to grow by 20% to 25%, it remained below 10%, and when compensation from the Centre is included, it comes to 14% *(Issac, 2018).*

The share of the service sector in Kerala's GDP has increased to over 70 percent, while the contribution of the commodity sector is only 30 percent. The service sector contributing to Kerala's GDP includes tourism, hotels, banking, finance, communication, information technology, education and healthcare. Under GST, as all these service sectors are taxed at par with goods, the state gets more tax revenue into its kitty. Therefore, GST is crucial in bringing Kerala's deficit budget situation to a comfortable level. Thus, Kerala can fulfil the provisions of the Fiscal Responsibility and Budget Management (FRBM) Act as expected.

The supporters of GST claim that since GST comes with one tax instead of multiple indirect taxes, it will reduce the prices of goods, especially essential commodities, and thus improve household financial savings. The demand for flats, shopping malls, educational institutes, IT companies, and multi-specialty hospitals has made Kerala enough to witness a boom in construction activities in recent times. High-cost construction materials, including marble and tiles, are brought to Kerala from other states. With the implementation of GST, Kerala is entitled to IGST wherever such materials are purchased. This will lead to a huge increase in the state government's revenue. In a nutshell, we may hope that the introduction of GST will, in the long run, be a blessing for the Indian economy in general and Kerala state in particular.

1.1.4 GST Revenue Collection of Kerala

The revenue of Kerala by way of GST was only Rs. 14,302.11 crore during the initial year (for six months only) of the implementation of the GST reform. The next year, it increased to Rs. 24,650.91 crores, showing an increase of Rs.10,348.8 crores. In the year 2020-21, there has been a decline of Rs. 8,879.52 crores in the wake of the Covid-19 pandemic. There has been a positive change in the gross GST revenue collection of Kerala during 2021-22 and 2022-23; it declined by Rs. 681.17 crores in 2023-24. The gross GST revenue of Kerala state for the first seven years of the implementation of GST with annual variation is given in Table 1.2

Table 1.2

Gross GST revenue collection of Kerala from 2017-18 to 2023-24

Year	Gross GST Revenue (Rs. in Crore)	Annual Variation (Rs. in Crore)
2017-18	*14,302.11	…
2018-19	24,650.91	(+) 10,348.80
2019-20	27,474.57	(+) 2,823.66
2020-21	18,595.05	(–) 8,879.52
2021-22	31,486.51	(+) 12,891.46
2022-23	32,329.52	(+) 843.01
2023-24	31,648.35	(–) 681.17

Note: * For six months from 1st July 2017 to 31st March 2018
Source: State Goods and Services Tax Department, Kerala

1.1.5 Month-wise GST Revenue Collection of Kerala

Table 1.3 reveals the month-wise GST revenue collection of Kerala for three years from 2021-22 to 2023-24. During 2022-23, July, October, November, and March showed a decrease in GST revenue over the corresponding months in the previous year. Similarly, in 2023-24, the revenue for May, June, August, October, and November decreased over the corresponding months in 2022-23. Though there has been an overall increase of Rs. 834.01 crore in GST revenue collection of Kerala during 2022-23, it has decreased by Rs. 681.17 crore during 2023-24.

Table 1.3

Month-wise GST Revenue Collection of Kerala from 2021-22 to 2023-24 (Rs. in crore)

Month	Gross GST Revenue Collection			Annual Change	
	2021-22	2022-23	2023-24	2022-23	2023-24
April	2,285.84	2,500.20	2,986.10	214.36	485.90
May	1,047.62	3,690.12	2,387.42	2,642.50	(-)1,302.70
June	1,103.60	2,769.09	2,699.23	1,665.49	(-)69.86
July	5,968.36	2,227.19	2,533.86	(-)3,741.17	306.67
August	1,574.66	2,510.01	2,472.11	935.35	(-)37.90

Month	Gross GST Revenue Collection			Annual Change	
	2021-22	**2022-23**	**2023-24**	**2022-23**	**2023-24**
September	2,103.62	2,466.97	2,746.08	363.35	279.11
October	4,169.20	2,855.79	2,542.89	(-)1,313.41	(-)312.90
November	4,417.54	2,979.52	2,252.62	(-)1,438.02	(-)726.90
December	1,895.49	2,302.17	2,422.03	406.68	119.86
January	2,250.70	2,510.23	2,676.99	259.53	166.76
February	2,123.87	3,166.25	3,413.67	1,042.38	247.42
March	2,546.01	2,351.98	2,515.35	(-)194.03	163.37
Total	**31,486.51**	**32,329.52**	**31,648.35**	**843.01**	**(-)681.17**

Source: State Goods and Services Tax Department, Kerala

1.1.6 Tourism: Present Global Scenario

Tourism plays a vital role in creating employment and connecting a community to the rest of the globe. Further, tourism can also promote traditional industries, sustainable growth of the local community, and linkages with other development sectors. By being handled appropriately, tourism can be transformed into a crucial engine for achieving broader societal goals (Crouch & Ritchie, 1999). After the drastic situation on account of the Covid-19 pandemic, the tourism sector across the world has witnessed a quick recovery of tourist arrivals to the pre-pandemic levels in 2023. As per the World Tourism Barometer 2023 of the United Nations World Tourism Organisation (UNWTO), the total international tourist arrivals reached 235 million worldwide in the first three months of 2023, more than double the same period in 2022. According to the Economic Impact 2023 of the World Tourism and Travel Council (WTTC), the travel and tourism sector's contribution to GDP in 2022 is 7.6%. It is expected to become 9.2% in 2023 by recording a growth of 23.3%. The report also forecasts the sector's value will become $ 9.5 trillion in 2023, just 5% behind the highest performance in 2019. Further, the report says the international spending of the sector is expected to reach $ 1.36 trillion, and the sector will create a total of 320 million jobs. Recognizing the need for better-targeted investments for land, people,

and prosperity, UNWTO has highlighted 'Tourism and Green Investment' for World Tourism Day, celebrated on 27th September 2023 *(Hindustan Times, 2023)*.

1.1.7 Tourism: Present Indian Scenario

As one of the world's key tourist destinations, India offers tourists a multicultural tourism experience and a diverse portfolio of tourism products worldwide. Our country, which attracts millions of tourists for various attractions, brought more than 1,00,000 delegates from different parts of the world to more than 60 meetings across the country as part of the G20 Summit 2023. Their exposure to the rich treasures of our culture, diversity, heritage sites, art, music, and cuisine has boosted global tourism. In his 105th 'Mann Ki Baat' speech in September 2023, Prime Minister Modi highlighted India's global tourism potential. He also opined that tourism is the sector that creates maximum employment opportunities with minimum investment. In the context of the G20 Presidency of India and the Azadi Ka Amrit Mahotsav, the Ministry of Tourism has declared 2023 as the 'Visit India' year. In the post-pandemic recovery of the tourism sector, the theme for National Tourism Day 2023 was 'Rural and Community Centric Tourism'. In its world ranking of 50 Most Beautiful Countries, Forbes recently ranked India as the 7th most beautiful country *(Hindustan Times, 2023)*.

The tourism sector in India is significant in earning foreign exchange for the country. In 2022, the country's foreign exchange from tourism was 16,926 million US dollars, 92.41% higher than in 2021. In 2022, the number of foreign tourists to India was over 6.19 million. But, in 2021, it was only 1.52 million. Similarly, the number of domestic tourist visits in India in 2022 has become 1731.01 million, which was only 677.63 million in 2021 *(Ministry of Tourism, Government of India, 2023)*. Apart from being a significant source of foreign exchange and total tourism revenue earnings for the country, India's tourism sector has significant potential as an employment generator, rich culture and heritage, and diverse landscape. Also, tourism growth provides entrepreneurial opportunities for youth, women, and marginalised groups of society.

1.1.8 Tourism: Present Kerala Scenario

The tourism sector has contributed significantly to the economy of Kerala over the decades. Like any other sector, tourism has also faced setbacks due to the Covid-19 pandemic. However, Kerala has marked a new record of 21.8 million domestic tourist arrivals in 2023, showing a 15.92 % increase over the previous year's figure of 1,88,67,414. In a press conference on 4th March 2024, the tourism minister Shri. P A Muhammad Riyas said that domestic tourist arrivals recorded an increase of 18.97 % compared to the performance in 2019. The district-wise figures for domestic tourist visits during 2023 show the districts Ernakulam (44,87,930), Idukki (36,33,584), Thiruvananthapuram (35,89,932), Thrissur (24,78,573) and Wayanad (17,50,267) are in the forefront *(Business Standard, 2023)*

The state also witnessed a remarkable growth of 87.83 % in international tourist arrivals in 2023. The number of international tourist arrivals to Kerala in 2023 has increased to 6,49,057 from 3,45,549 tourists in 2022. Although there has been a steady increase in foreign tourist arrivals to Kerala in 2023, it is still 45.45 % lower than before the Covid-19 pandemic. Regarding the district-wise count, Ernakulam district has placed at the top with 2,79,904 foreign tourist arrivals. The districts Thiruvananthapuram (1,48,462), Idukki (1,03,644), Alappuzha (31,403), and Kottayam (28,458) are placed respectively at second, third, fourth, and fifth positions *(Business Standard, 2023)*. Further, the state's tourism revenue steadily increased from 2020 to 2022. In 2021, Kerala's tourism sector earned a revenue of Rs 12,285.91 crore, which increased to Rs 35,168.42 crore in 2022 *(Kerala Tourism, 2023).*

1.1.9 Tourism and Taxation

Taxation plays a vital role in shaping the landscape of a country's tourism industry. The attractiveness of tourist destinations, tourists' experiences, the financial soundness of tourism-related businesses, etc., are always positively or negatively influenced by the government's taxation policies.

Taxes levied on tourism-related activities such as hotel accommodation, transport, and attractions are a major source of revenue for governments. This revenue can be used

to provide public services and promote tourism through marketing campaigns. Governments may also allocate tax revenue for the development of tourism-related infrastructure such as roads, airports, ports, public facilities, etc., and those investments can boost the appeal of destinations, improve tourist experiences, and attract more visitors in the long run (Safarov et al., 2023).

The competitiveness of the destination is crucial for attracting more visitors and sustaining a flourishing tourism industry. When higher taxes are levied on tourism-related services, the destination becomes less attractive to visitors as the overall cost of travel increases. Changes in tax rates or taxation policy may affect tourists' decisions to make a trip or not (Deloitte & Touche, 1998).

Some destinations impose special taxes aimed at environmental protection and sustainability. These taxes can fund projects that protect natural resources, preserve ecosystems, and promote sustainable tourism practices. Governments can encourage responsible tourism by discouraging unsustainable activities through taxation policies (Safarov et al., 2023).

The government's taxation policies can support preserving and promoting a country's cultural heritage (Revelli, 2013). The government can levy taxes on particular cultural attractions and use such tax revenue to preserve museums, historical sites, traditional festivals, etc.; hence, the unique identity of the destinations can be protected. Governments can also impose taxes to control tourism, which negatively impacts the environment and local communities, overcrowding, and visitor numbers.

Undoubtedly, effective tax policies can promote the growth of the tourism sector, create employment opportunities, and contribute to economic development. On the contrary, excessive taxation will hamper growth and reduce the potential of the sector. (Kaldor, 1965).

Governments face the challenge of balancing tourism taxes to increase revenue without deterring tourists. Therefore, every effort should be made to set a competitive rate by considering prevailing rates in other destinations and ensuring adequate revenue generation. Similarly, visitors should be properly informed about how the

tourism taxes collected from visitors are utilized to improve infrastructure, services, and conservation to increase their willingness to spend. Similarly, tax incentives can be given to businesses that adopt sustainable practices to promote eco-friendly tourism (Mazhenova et al., 2016).

1.2 Significance of the Study

Goods and Services Tax was introduced in India as a momentous reform in the country's indirect tax regime. The new reform aims to simplify the tax structure and create a single market across the country. Evaluating its impact on the tourism sector helps policymakers determine whether these goals are being met or adjustments are needed. The economy of Kerala largely depends on the tourism sector, and the industry contributes heavily to the state's GDP. An understanding of the multiple effects of GST on the tourism sector will provide an accurate insight into the broader economic implications of the state.

Multiple taxes have been replaced with the introduction of GST, affecting pricing structures. A change in pricing structure will automatically affect tourists' behaviour. The study can expose the extent to which the changes in pricing structure due to the implementation of GST affect tourists' behaviour and spending patterns. By analysing the impact of GST on pricing and demand, the study can shed light on consumer price sensitivity and spending behaviour in the tourism sector.

As GST affects pricing structures, tourist behaviour, spending patterns, etc., the findings of the study may help tourism-related businesses such as tourist resorts, hotels, restaurants, and travel agencies to understand how GST reforms affect their operations and, thus, profitability. Accordingly, they can adopt strategies for better compliance and financial planning.

Tourism offers great potential for employment generation and economic development in Kerala (Manoj, 2018). Studying the impact of GST can expose changes in employment trends and guide authorities to take interventions to protect jobs. Further, the study may help policymakers provide insights into modifying GST rates and concessions to favour the tourism sector without compromising revenue.

In a nutshell, the study's findings regarding the impact of GST on tourist resorts in Kerala may be very worthwhile for all stakeholders, such as tourists, policymakers, resort administrators, business owners, economists, etc. It provides an exhaustive understanding of the impact of GST reform on the financial, marketing, tourist experience, operational, and social performance indicators of the tourist resorts in Kerala. This may be helpful in facilitating informed decision-making and strategic planning for the sustainable growth of Kerala's tourism sector in general and the tourist resort segment in particular.

1.3 Research Problem

1.3.1 Statement of the Problem

There has been a significant refurbishment in India's indirect tax framework with the implementation the GST reform. Goods and Services Tax was introduced in India with the specific objectives of simplifying the indirect tax system, creating a unified tax structure, and promoting economic growth. Although GST has varied effects on different sectors, its impact on tourism, the world's second-largest industry after the oil industry, is crucial. The tourism industry is generally sensitive due to its composite nature, comprising a wide range of services such as hospitality, entertainment, and transportation, all of which are subject to GST. In case of tourist resorts, each component of the bundled service is taxed at different GST rates. If the room tariff does not exceed Rs. 7500 per day, the GST rate applicable is 12%, and if it exceeds Rs. 7500 per day, the appropriate rate is 18%. Regarding spa services, the GST rate is 18%. Similarly, the food and beverage services, entertainment, and other amenities are taxed at any of the four GST slab rates such as 5%, 12%, 18% and 28%. For Kerala, tourism is a vibrant industry known for its natural beauty and cultural heritage. Also, the sector contributes significantly to the state's employment, cultural exchange, and GDP. However, this sector was almost outside the purview of taxation until GST was implemented. The present study is an attempt to know to what extent the implementation of GST has influenced the tourism performance indicators of the tourist resorts in Kerala.

1.3.2 Research Questions

To inspect how far the GST reforms have influenced the performance of tourist resorts in Kerala, the study has been designed to answer the following research questions:

- How far are the administrators of tourist resorts in Kerala aware of various aspects of GST reforms?
- How far do the tourist resort administrators in Kerala perceive GST-driven advantages?
- How much impact have GST reforms made on the financial performance indicators of tourist resorts in Kerala?
- What is the extent of influence the GST has on the marketing efficiency indicators of tourist resorts in Kerala?
- How much influence does GST have on the operating efficiency indicators of tourist resorts in Kerala?
- How far does GST influence the tourist experience indicators of tourist resorts in Kerala?
- What extent of influence does GST have on the social performance indicators of tourist resorts in Kerala?
- What are the various issues the tourist resorts in Kerala have faced while transforming to the GST system?

By addressing these questions, the study aims to provide a detailed understanding of the effects of implementing GST reforms on tourist resorts in Kerala and to offer valuable insights for policymakers, industry stakeholders, and academic scholars.

1.4 Objectives of the Study

The present study is undertaken with the broad objective of analysing the impact of implementing GST reforms on tourist resorts in Kerala. The specific objectives formulated for the study are:

1. To examine the level of awareness of GST reforms among tourist resort administrators in Kerala
2. To analyse GST-driven advantages of tourist resorts in Kerala
3. To investigate the financial, marketing, and operational performance of tourist resorts in Kerala after implementing GST reforms.
4. To analyse social performance and tourist experience indicators of tourist resorts in Kerala after implementing GST reforms.
5. To explore the impact of implementing GST reforms on key business performance indicators of tourist resorts in Kerala.
6. To analyse the issues the tourist resorts in Kerala have experienced while migrating to the GST system.

1.5 Hypotheses of the Study

The following are the major hypotheses formulated for the present study:

1. There is no significant difference in the awareness level of the tourist resort administrators in Kerala concerning various GST awareness attributes.
2. There is no association between resort administrators' GST awareness level and the different categorical variables of tourist resorts in Kerala.
3. The tourist resorts in Kerala experience the GST-driven advantages at an average level.
4. There is no significant difference in the GST-driven advantages experienced by tourist resorts in Kerala based on different categorical variables.

5. GST-driven advantages have an average impact on the tourism performance indicators of tourist resorts in Kerala.
6. There is no significant difference in the impact of GST-driven advantages on the tourism performance indicators of tourist resorts in Kerala concerning different categorical variables.
7. The GST-driven advantages have a positive impact on tourism performance indicators of tourist resorts in Kerala
8. The tourist resorts in Kerala faced the GST-transition issues at an average level.
9. There is no significant difference in the GST-transition issues faced by tourist resorts in Kerala based on different categorical variables.

1.6 Scope of the Study

The main intention of this study is to examine the multifaceted effects of the implementation of Goods and Services Tax on the tourism sector with a special focus on the tourist resort segment, a vital and distinctive component of the tourism industry of Kerala. The tourist resort segment of the tourism sector of Kerala is extremely diverse in general, encompassing tourist resorts at beaches, hill stations, backwaters, wildlife, cultural and heritage centres, etc. Also, care has been taken to ensure the representation of almost all categories of tourist resorts. The geographical area of the study is confined to Kerala State, an eminent tourist destination for both domestic and international travellers. For analysis, the secondary data concerning tourism performance indicators for two-and-a-half years before and after the implementation of GST are considered. However, to understand the long-run trend before and after the implementation of GST, the secondary data from 2001 to 2022 are also examined as part of the study. Several key themes related to the impact of GST on the tourist resorts, such as financial performance, marketing efficiency, operational efficiency, tourist experience, social performance, etc., have been analysed in the study.

1.7 Research Methodology

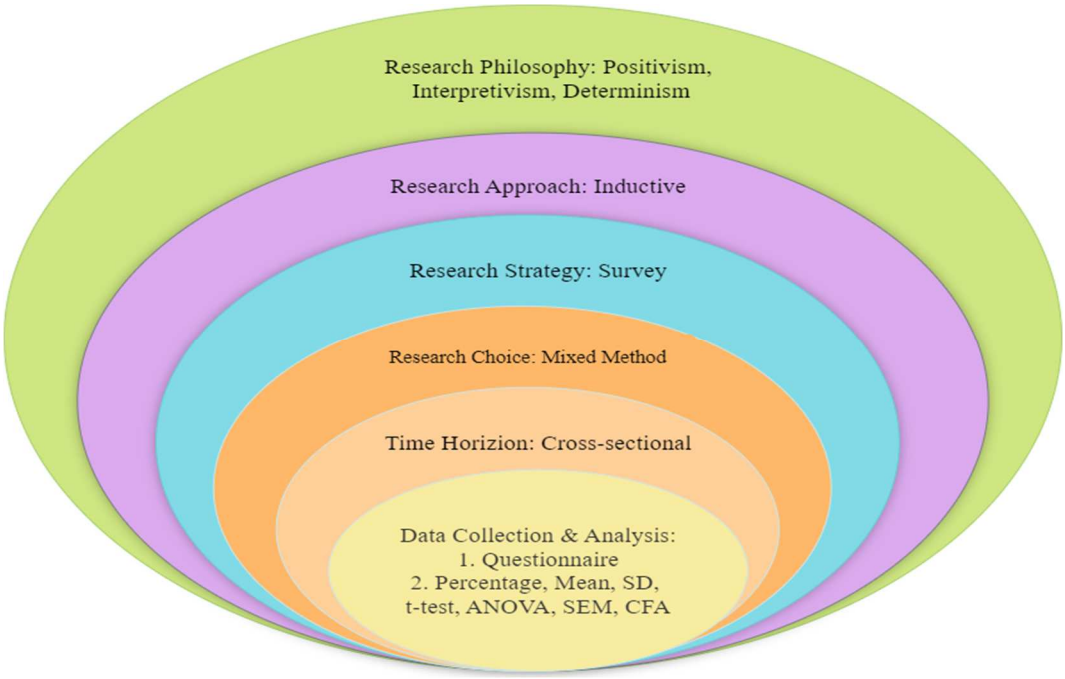
The methodology adopted for the study includes the research design, source of data, sample design, sampling technique, sample size determination, measurement of the research instrument, tools used for data analysis, etc., related to the study. The methodology adopted for the study is believed to justify its objectives in all respects. Various components of the research methodology of the present study are detailed below:

1.7.1 Research Design

The study collects descriptive data regarding various aspects of the problem and uses statistical tools to analyse the quantitative data, so its research design is both descriptive and analytical. The concept of research onion, suggested by Saunders et al. (2009), has been used to organise research and construct research design systematically. The research onion used in this study and its six-layer components are detailed below:

Figure 1.1

Research Onion of the study



(Source: Saunders' Research Onion, 2007)

1.7.1.1 Research Philosophy

The research philosophy for this study is pragmatic, combining elements of both positivism and interpretivism. While the positivist approach focuses on empirical and objective inquiry, the interpretivism approach, on the other hand, focuses on understanding social phenomena from the perspective of the study's respondents (i.e., administrators of tourist resorts). The interpretivism approach emphasises subjective meanings, contexts, and experiences. Therefore, the pragmatic philosophy helps to combine quantitative analysis of tourism performance indicators with qualitative exploration of respondents' perspectives, which provides a comprehensive and holistic understanding of the impact of GST on tourist resorts in Kerala. The study does not rely on any laboratory experiment; hence, it is a true-to-life study.

1.7.1.2 Research Approach

The study followed an inductive approach, using a sample survey of administrators of tourist resorts in Kerala to determine the impact of GST-driven advantages on tourism performance indicators.

1.7.1.3 Research Choice

The present study follows a mixed approach for a broader understanding and validation. Qualitative factors, such as tourist satisfaction, tourist behaviour, social trustworthiness, etc., are combined with quantitative factors, such as domestic tourist arrivals, foreign tourist arrivals, foreign exchange earnings, total tourism earnings, etc.

1.7.1.4 Research Strategy

As it is difficult to determine the impact of various GST-induced benefits on different performance indicators of tourist resorts, it is decided to follow an appropriate research strategy for collecting the required data. A survey was conducted among the administrators of tourist resorts in Kerala using a well-structured questionnaire consisting of questions that can be understood and answered easily. Regarding qualitative research, the survey is generally recognised as an economical, quick, and

efficient strategy for collecting the required data for a study (Khalid et al., 2012; Zikmund et al., 2000).

1.7.1.5 Time Horizon

This study follows a cross-sectional design as it simultaneously examines the tourist resort administrators' perceptions of GST-driven benefits and their impact on tourism performance indicators. As the study describes all the features, advantages, etc., of the GST system, it is a descriptive study in general. On the other hand, as the impact of the GST-driven benefits on tourism performance indicators is analysed, the study becomes analytical also.

1.7.1.6 Data Collection Method

The innermost layer of the research onion is concerned with selecting data collection methods and tools for data analysis. The present study uses a well-structured questionnaire to collect primary data, which are then analysed using various statistical techniques.

1.7.2 Source of Data

The present study used both primary and secondary data.

A. Primary Data

The primary data required for the study were collected from administrators of tourist resorts in Kerala. These include the data regarding resort administrators' awareness of GST reform, their perception of GST-driven advantages, their perception of GST-driven advantages on varied tourism performance indicators, and the GST-migration issues faced by resort administrators. This was done by using a well-structured questionnaire.

B. Secondary Data

The secondary data were collected from various sources, such as books, journals, research articles, conference proceedings, theses, newspaper articles, magazines,

reports, blogs, etc. The important reports and websites used for collecting secondary data include the following:

- Economic Review, Kerala State Planning Board
- Kerala Tourism Statistics published by the Department of Tourism, Government of Kerala
- India Tourism Statistics published by the Ministry of Tourism, Government of India
- GST revenue statistics published by Kerala State GST Department
- GST revenue statistics published by the Ministry of Finance, Government of India
- Minutes of meetings of GST Council
- Publications of International organisations such as UNWTO, WTTC, etc.
- Official website of the Ministry of Tourism, Government of India
- Official website of the Ministry of Finance, Government of India
- Official website of Kerala State GST Department
- Official websites of Kerala Tourism

The tools used for data analysis are given in paragraph 1.7.12.

1.7.3 Sample Design

Sample design discusses various methods and processes involved in selecting sample tourist resorts, and the same are detailed below:

A. Population

The study's population consists of all approved tourist resorts functioning across Kerala. The study's population is finite; the details are available in various official

publications and websites. Table 1.4 gives the district-wise and region-wide distribution of the study's population.

Table 1.4

District-wise and Region-wide distribution of Tourist Resorts in Kerala in 2022

South Kerala		Central Kerala		North Kerala	
District	**No. of Resorts**	**District**	**No. of Resorts**	**District**	**No. of Resorts**
Thiruvananthapuram	214	Idukki	267	Palakkad	21
Kollam	16	Ernakulam	48	Malappuram	7
Pathanamthitta	0	Thrissur	31	Kozhikode	11
Alappuzha	49	Kottayam	28	Wayanad	163
				Kannur	25
				Kasargod	7
Total	**279**	**Total**	**374**	**Total**	**234**
Total Number of Tourist Resorts in Kerala					**887**

Source: *Economic Review 2022 (Volume 2), Kerala State Planning Board, Govt of Kerala*

After finding the total number of population elements in three regions, separate sampling frames of population items with respect to each region are prepared in alphabetical order.

B. Sample Size

The sample unit of the study is an approved tourist resort that functions in Kerala. As the population (i.e., approved tourist resorts in Kerala) is finite and exactly known, the sample size for the study is determined (Israel, 2009) as follows:

$$n = (ZS/E)^2$$

Where,

n = Sample size

Z = Standard value for a 95% confidence level, specifically set at 1.96

S = Sample standard deviation obtained from the pilot study involving 60 samples, which equates to 0.599

E = Acceptable error rate, set at 5%

Therefore,

$$n = [(1.96 \times 0.599)/0.05]^2$$

$$= 551.62$$

Hence, the researcher decided to round up to a 552-sample size for the study. The sample size was determined by considering the requirements of CB-SEM (Covariance Based – Structural Equation Modeling). Further, a ratio of 5 cases per unconstrained parameter is considered sufficient for SEM analysis (Tanaka, 1987). Therefore, the sample size 552 was deemed adequate for successfully conducting CB-SEM models in this research context.

C. Sampling Method and Procedure

After determining the sample size of 552 tourist resorts for the study, a proportionate number of resorts to be selected from each region (South Kerala, Central Kerala, and North Kerala) is fixed. The number of sample tourist resorts selected from each region is determined in proportion to the population of the respective regions. Table 1.5 displays the number of sample elements drawn from the three regions.

Table 1.5

Number of sample units selected from each region

Region	Population Units (Number)*	Sample Units (Number)**	
South Kerala	279	552 x (279/887)	174
Central Kerala	374	552 x (374/887)	233
North Kerala	234	552 x (234/887)	145
Total	**887**	**Total**	**552**

***Source:** Economic Review 2022 (Volume 2), Kerala State Planning Board, Govt of Kerala*
*** Calculated by the researcher in proportion to population size*

D. Sampling Technique

A multi-stage simple random sampling technique was used to select sampling units of tourist resorts from each region. The required number of sample tourist resorts was selected from the three sampling frames with respect to each region using computer-generated random numbers.

1.7.4 Questionnaire Design and Variables

The research questionnaire is designed mainly in four sections.

Section I: This section of the research questionnaire consists of 14 questions to examine the demographic characteristics of tourist resorts, such as district, rural/urban, private/public, star rating, type of resort, ownership, experience duration of resort administrators, number of employees, number of accommodation units, average annual occupancy rate, type of GST registration, platform used for tax compliance before GST, etc.

Section II: This questionnaire section was designed to examine GST awareness and GST-driven advantages of tourist resorts in Kerala. The key parameters considered to examine the GST awareness of resort administrators include the purposes behind GST reforms, GST registration, GST return filing, GST rates, and input tax credit. A total of 22 item statements are also designed under the five parameters mentioned above to know the awareness of varied aspects of GST. All the item statements are evaluated with the help of a five-point Likert scale; "Totally Aware," "Aware," "Neutral," "Unaware," and "Totally Unaware." The constructs and the item statements used to know the level of GST awareness are given in Table 1.6

Table 1.6

Details of Constructs and Items Regarding GST Awareness

Sl. No.	Constructs	Items	Related References
1	Purposes behind GST reforms	1. Simplify indirect tax structure and improve tax compliance 2. Develop a more transparent tax structure and curb tax evasion 3. Develop a common market across the country and boost economic growth 4. Prevent the cascading effect of tax and minimise the cost on the end consumer	(Kumar, 2019; Banerjee, 2018; Khan, 2018; Rupa, 2017; Kamalakkannan, 2016)
2	GST registration	1. Applied for and managed via the GST portal 2. Documents required for GST registration 3. Turnover threshold for mandatory registration 4. Penalties and legal consequences of non-registration	(Samiti's, 2021; Tyagi et al., 2019; Khan, 2018; Rupa, 2017; Kamalakkannan, 2016)
3	GST return filing	1. Process of return filing 2. Types of GST returns 3. Data and documents required for return filing 4. Deadlines for return filing 5. Consequences for incorrect and delayed filing of returns	(Tyagi et al., 2019; Khan, 2018; Kamalakkannan, 2016)
4	GST rates	1. Current GST rates applicable for tourism products/services 2. Essential commodities are charged at lower rates	(Babu, 2019; Singh, 2019; Khan, 2018; Rani, 2017; Kamalakkannan, 2016)

Sl. No.	Constructs	Items	Related References
		of GST compared to luxury items 3. Changes in the GST rates effected by the GST Council from time to time 4. GST is not applicable for alcohol for human consumption	
5	Input tax Credit (ITC)	1. Concept of ITC 2. Working of ITC and its impacts on cost structure 3. Improvement in the financial health of the firm by way of claiming ITC 4. Documents for claiming ITC 5. Laws and regulations relating to ITC	(Satam, 2021; Pegu, 2017; Kaur, 2016; Kamra, 2015)

The second section of the research questionnaire also discusses constructs regarding GST-driven advantages perceived by the tourist resort administrators, such as uniform taxation, single taxable event, single tax authority, easy tax compliance, better transparency, seamless input tax credit, and no cascading effect. Several item statements are also devised under each of the constructs to know the intensity of each construct relating to GST-driven advantages. All the item statements are evaluated with the help of a five-point Likert scale; "Strongly Agree," "Agree," "Neutral," "Disagree," and "Strongly Disagree." The constructs and the item statements used to know the extent of GST-driven advantages are given in Table 1.7

Table 1.7

Details of Constructs and Items Regarding GST-driven Advantages

Sl. No.	Constructs	Items	Related References
1	Uniform taxation	1. Realises the slogan "One Country, One Tax, One Market" 2. Simplifies the tax compliance process 3. Facilitates fair competition 4. Makes the pricing strategies more consistent and predictable	(Tyagi et al., 2019; Banerjee, 2018; Banik, & Das, 2018; Khan, 2018; Mishra, 2018; Arora, 2016; Kamalakkannan, 2016)
2	Single taxable event	1. Simplifies the tax administration 2. Promotes ease of doing business 3. Enhances transparency 4. Ensures uniformity in taxation 5. Encourages more firms to enter the formal economy	(Banik & Das 2018; Barot, 2017)
3	Single tax authority	1. Simplifies the administrative burden 2. Improves transparency & accountability in taxation 3. Helps to ensure better coordination among States for revenue collection 4. Promotes a more efficient allocation of resources, thereby reducing economic distortions	(Arora, 2016; Kamalakkannan, 2016)

Sl. No.	Constructs	Items	Related References
		5. Facilitates ease of doing business by reducing jurisdictional disputes	
4	Easy tax compliance	1. Provides a simple and easy tax compliance procedure 2. Provides straightforward guidelines to encourage tax compliance 3. The online GST portal is user-friendly, and it facilitates the smooth filing of returns 4. Minimises chances for errors in tax reporting 5. Reduces paperwork and documentation required for tax compliance	(Banerjee, 2018; Rani, 2017; Shah & Joshi, 2017)
5	Better Transparency	1. Ensures transparency in all tax-related transactions 2. Clear breakups of GST on invoices win the trust of tourists in the firm 3. Enables tourists to track and verify the details of their transactions hence, a sense of accountability is created 4. Better transparency reduces tax evasion and fraud 5. Enables tourists to assess the real value of the products/services they purchase	(Tyagi et., 2019; Banerjee, 2018; Rani, 2017; Debnath, 2016; Khan & Shadab, 2012)

Sl. No.	Constructs	Items	Related References
6	Seamless input tax credit	1. Seamless ITC reduces the final price of tourist 2. Promotes compliance and transparency, and thereby, tax evasion is minimised 3. Improves competitiveness of the firm 4. Facilitates better utilization of available working capital	(Shah & Joshi, 2017; Arora, 2016; Gupta, 2016; Kamalakkannan, 2016)
7	No cascading effect	1. Reduces the overall tax burden and thereby improves the competitiveness 2. Contributes to a more transparent and accountable tax system 3. Promotes better cash flows for the business 4. Facilitates more efficient allocation of resources for the business 5. Encourages more firms to the formal sector and thereby widens the tax net	(Khoja & Khan 2020; Kumar, 2019; Tyagi et al., 2019; Banerjee, 2018; Banik & Das, 2018; Shah & Joshi, 2017; Kamalakkannan, 2016)

Section III: This section of the questionnaire discusses the constructs and variables used to examine the extent of influence the GST-driven advantages have on tourism performance indicators of tourist resorts in Kerala. The major constructs identified for this purpose are financial performance indicators, operational efficiency indicators, marketing efficiency indicators, tourist experience indicators, and social performance indicators. Several minor constructs and varied item statements under each minor construct are also used to measure the extent of the impact of GST-driven advantages

more accurately. The item statements under most of the minor constructs are evaluated using a five-point Likert scale; "Strongly Agree," "Agree," "Neutral," "Disagree," and "Strongly Disagree." However, the item statements under a few minor constructs are evaluated using another five-point Likert scale; "Highly increased," "Increased, "Neither increased nor decreased," "Decreased," and "Highly decreased." The major constructs, minor constructs, and item statements used to measure accurately the extent of the impact of GST-driven advantages are given in Table 1.8

Table 1.8

Details of Constructs and Variables Regarding the Impact of GST-driven Advantages Over Tourism Performance Indicators of Tourist Resorts in Kerala

Sl. No.	Constructs	Variables	Related References
1	Financial performance indicators	1. Revenue generation	(Sharma, 2017)
		2. Profitability	(Zaidan & Muda, 2019)
		3. Foreign exchange earnings	(Sonmez & Tasan-Kok, 2001)
		4. Total tourism revenue earnings	(Gogoi & Bora, 2015)
		5. Contribution to state GDP	(Sajad & Ahmad, 2017)
2	Operational efficiency indicators	1. Cost-effectiveness	(Andaleeb & Rahman, 2017)
		2. Tourist booking & occupancy	(Dolnicar & Otter, 2003)
3	Marketing efficiency indicators	1. Domestic tourist arrivals	(De Vita & Katircioglu, 2017)
		2. Foreign tourist arrivals	(Nunkoo & Ramkissoon, 2011)
		3. Pricing strategy effectiveness	(Ritchie & Crouch, 2000)

Sl. No.	Constructs	Variables	Related References
4	Tourist experience indicators	1. Tourist satisfaction	(Kim & Jamal, 2007)
		2. Tourist behaviour	(Pearce & Lee, 2005)
5	Social performance indicators	1. Employment generation	(Gursoy & Rutherford, 2004)
		2. Infrastructure development	(Wall, 1997)
		3. Social trustworthiness	(Weaver, 2014)

Section IV: This part of the questionnaire deals with the parameters used to examine and analyse the issues faced by the tourist resorts in Kerala while migrating to the GST system. The important parameters selected for this purpose include Technology-related issues, Cost-related issues, Product/service-price-related issues, Input tax credit-related issues, and Switching time-related issues. Under each of the parameters, several item statements are used to measure the extent of the issues experienced by the resorts more accurately. The item statements under each of the parameters are evaluated using a five-point Likert scale; "Strongly Agree," "Agree," "Neutral," "Disagree," and "Strongly Disagree." The various parameters and item statements used to examine the extent of migration issues faced by the tourist resorts in Kerala are given in Table 1.9

Table 1.9

Details of constructs and items regarding issues experienced by tourist resorts in Kerala during the transition to the GST system

Sl. No.	Constructs	Items	Related References
1	Technology-related issues	1. Forced to upgrade or purchase new accounting software	(Arora & Singh, 2022; Mehta & Mukherjee, 2021; Maruthi, 2020; Tyagi et al., 2019; Rupa, 2017;
		2. Issues faced in integrating new software solutions with existing systems and ensuring	

Sl. No.	Constructs	Items	Related References
		compatibility with the GSTN portal	Kamalakkannan, 2016)
		3. Issues experienced in training the employees to familiarize themselves with the new GST procedures	
		4. Server downtime, slow response time, and other technical glitches in the GSTN portal	
		5. Technical glitches in the online GST portals hamper the smooth filing of returns	
2	Cost-related issues	1. Acquisition of GST-compliant accounting software and the integration of systems with GST networks	(Kumar, 2019; Tyagi et al., 2019; Banerjee, 2018; Khan, 2018)
		2. Increased administrative and compliance-related costs for the firm	
		3. Financial cost for arranging working capital due to the system of "Pay GST upfront and claim ITC later"	
		4. Incurred huge amount for education and training of employees	
3	Product/ service price-related issues	1. Challenges in price adjustments for each of the products or services.	(Khan, 2018)
		2. Difficulties in passing the benefits of reduced tax to the customers	
		3. Unexpected price hikes resulted in a negative impact on tourist behaviour and brand perception	
		4. Multiple tax slabs, exemptions, and special provisions have made pricing more complicated	

Sl. No.	Constructs	Items	Related References
4	Input tax credit-related issues	1. Delay in availing ITC due to discrepancies between the GST portal and the firm's accounting records 2. Inaccurate or missing information in invoices regarding GSTIN, HSN Code/SAC, etc., has created hurdles in claiming ITC. 3. Non-availability of input tax credits due to supplier defaults, non-compliance, and fraudulent transactions 4. Lack of standard invoice formats from various suppliers causes problems in claiming ITC 5. Frequent changes in GST rules and regulations created problems in availing ITC	(Mehta & Mukherjee, 2021; Dey, 2020; Pandit, 2017)
5	Switching time-related issues	1. Mid-year transition resulted in complying with the rules under both the VAT and GST systems in the initial year 2. Mid-year transition made assigning GST rates to each item of goods and services more difficult. 3. Mid-year transition resulted in complications in stock valuation 4. Difficulty in automation of the entire compliance process.	(Kumar, 2019; Tyagi et al., 2019; Khan, 2018)

1.7.5 Data Reliability and Validity

A. Internal Consistency

a) Based on Pilot Study Data

The researcher tested the reliability of 22 key constructs and the items under each one based on data collected from 60 sample units, and the results were validated using Cronbach's alpha.

Table 1.10

Analysis of internal consistency of constructs based on data collected during the pilot study using Cronbach's alpha

Sl. No.	Constructs		Cronbach's Alpha	No. of items deleted
1	GST-Driven Advantages	Uniform taxation (UNT)	0.823	Nil
2		Single taxable event (STE)	0.794	Nil
3		Single tax authority (STA)	0.812	Nil
4		Easy tax compliance (ETC)	0.907	Nil
5		Better Transparency (TRN)	0.933	Nil
6		Seamless input tax credit (SIT)	0.867	Nil
7		No cascading effect (NCE)	0.888	Nil
8	Financial performance indicators	Revenue generation (RNG)	0.924	Nil
9		Profitability (PRT)	0.896	Nil
10		Foreign exchange earnings (FEE)	0.821	Nil
11		Total tourism earnings (TTE)	0.866	Nil
12		Contribution to State GDP (GDP)	0.854	Nil
13	Operational efficiency indicators	Cost-effectiveness (COE)	0.837	Nil
14		Tourist booking & occupancy (TBO)	0.812	Nil

Sl. No.	Constructs		Cronbach's Alpha	No. of items deleted
15	Marketing efficiency indicators	Domestic tourist arrivals (DTA)	0.809	Nil
16		Foreign tourist arrivals (FTA)	0.914	Nil
17		Pricing strategy effectiveness (PSE)	0.754	Nil
18	Tourist experience indicators	Tourist satisfaction (TUS)	0.904	Nil
19		Tourist behaviour (TUB)	0.876	Nil
20	Social performance indicators	Employment generation (EMG)	0.854	Nil
21		Infrastructure development (IND)	0.876	Nil
22		Social trustworthiness (SOT)	0.821	Nil

Source: Primary data

Table 1.10 presents the results of an internal consistency analysis using Cronbach's Alpha for various constructs related to GST-driven advantages, financial efficiency indicators, tourist experience indicators, operational efficiency indicators, marketing efficiency indicators, and social performance indicators. Cronbach's Alpha is a measure of reliability that assesses how well a set of items measures a single unidimensional latent construct. Values closer to 1 indicate higher internal consistency. If an alpha value is 0.70 or above, it is a clear indication of strong internal consistency, and an alpha value of 0.60 to 0.7 is considered significant (Cronbach & Meehl, 1995).

Regarding GST-driven advantages, Cronbach's Alpha values for all items are above 0.7. This indicates good internal consistency within the construct of GST-driven advantages. No items were deleted, suggesting that all items contribute positively to the construct's reliability. The financial efficiency indicators show strong internal consistency, with all Cronbach's alpha values well above 0.8. This suggests that the items reliably measure the underlying financial efficiency constructs. The operational efficiency indicators have Cronbach's Alpha values above 0.8, suggesting that the items consistently measure the construct. The marketing performance indicators also demonstrate good internal consistency, although the value for "pricing strategy

effectiveness" is slightly lower, which is still acceptable. The social performance indicators show high internal consistency, suggesting that the items are reliable measures of the construct of "social performance indicators".

Overall, the high Cronbach's Alpha values across all constructs indicate that the items within each construct consistently measure the underlying concept, suggesting good reliability of the scales used in the analysis. The lack of item deletion indicates that all items contributed positively to their respective constructs' internal consistency.

b) Based on Full-scale data

Since ensuring the reliability and validity of the full-scale data is essential for Structural Equation Modelling, this study has comprehensively done the same. Similarly, the final validity of the research instrument was determined through Confirmatory Factor Analysis (CFA), which includes both convergent and divergent validity. Two criteria, specifically factor loading and Average Variance Extracted (AVE), are used to check the convergent validity. Divergent validity is tested using Measurement Error Reduced Inter-Construct Latent Variable Correlation (MERILVC). All these are clearly demonstrated in Chapter 9.

B. Harman's Single Factor Test (Common Method Bias Test)

Harman's Single Factor Test was performed to assess the presence of common method variance (CMV), which can introduce bias when data for different variables are collected using the same method. This test involves conducting an exploratory factor analysis without rotation, with all items forced to load onto a single factor. The goal is to determine whether this single factor explains a significant amount of the total variance.

In this study, the test revealed that the common factor explained only 38.22% of the total variance, which is below the commonly used threshold of 50% for indicating potential CMV. Therefore, it can be concluded that common method variance is not a significant issue in this study, suggesting that the data is relatively unbiased by the measurement method and that the findings likely represent genuine relationships between the variables rather than artifacts of the data collection process.

C. Testing of Normality

Table 1.11

Testing of normality of data using Kolmogorov-Smirnov (KS) test

Sl. No.	Constructs		Kolmogorov-Smirnov Test	
			Test statistic	Sig
1	GST-Driven advantages	Uniform taxation	0.019	0.200*
2		Single taxable event	0.016	0.200*
3		Single tax authority	0.017	0.200*
4		Easy tax compliance	0.015	0.200*
5		Better transparency	0.017	0.200*
6		Seamless input tax credit	0.020	0.200*
7		No cascading effect	0.021	0.200*
8	Financial performance indicators	Revenue generation	0.018	0.200*
9		Profitability	0.16	0.200*
10		Foreign exchange earnings	0.015	0.200*
11		Total tourism revenue earnings	0.018	0.200*
12		Contribution to State GDP	0.014	0.200*
13	Operational efficiency indicators	Cost-effectiveness	0.018	0.200*
14		Tourist booking & occupancy	0.016	0.200*
15	Marketing efficiency indicators	Domestic tourist arrivals	0.017	0.200*
16		Foreign tourist arrivals	0.020	0.200*
17		Pricing strategy effectiveness	0.022	0.200*
18	Tourist experience indicators	Tourist satisfaction	0.018	0.200*
19		Tourist behaviour	0.019	0.200*
20	Social performance indicators	Employment generation	0.018	0.200*
21		Infrastructure development	0.021	0.200*
22		Social trustworthiness	0.021	0.200*

**Lilliefors upper bound value*
Source: Primary data

The Kolmogorov-Smirnov (KS) test results for assessing the normality of data (Sarstedt & Mooi, 2014) across various constructs, such as GST-driven advantages, financial efficiency indicators, tourist experience indicators, operational efficiency indicators, marketing efficiency indicators, and social performance indicators, show that all constructs have a test statistic close to zero and a significance value (Sig.) of 0.200. This Sig. value, denoted with an asterisk (*), typically indicates that the data do not significantly deviate from a normal distribution at the commonly used significance level of 0.05. Hence, it can be inferred that the data across all constructs likely follow a normal distribution, making them suitable for further parametric statistical analyses.

1.7.12 Tools and Software/Applications for Data Analysis

1. To examine the GST awareness level of tourist resort administrators in Kerala and test the significant difference in the awareness level based on varied categorical variables, percentage analysis, the chi-square test for goodness of fit, and the chi-square test for independence are used with the help of the IBM SPSS 21 software package.

2. To analyse the extent of GST-driven advantages experienced by tourist resorts in Kerala, descriptive statistics like mean, standard deviation, quartile deviation, and percentage analysis are applied. The inferential analysis is also conducted using one-sample t-test, independent t-test, and one-way ANOVA with Tukey's HSD post hoc analysis. All these tools are applied using the IBM SPSS 21 software package.

3. To investigate the effects of implementing GST reforms on the financial, marketing, and operational performance of tourist resorts in Kerala, arithmetic mean, standard deviation, one-sample t-test, independent t-test, and one-way ANOVA with Tukey's HSD post hoc analysis are employed using IBM SPSS 21 software package.

4. To examine the effects of implementing GST reforms on social performance and tourist experience indicators of tourist resorts in Kerala, arithmetic mean, standard deviation, one-sample t-test, independent t-test, and one-way ANOVA with

Tukey's HSD post hoc analysis are used. All these tools are employed with the help of the IBM SPSS 21 software package.

5. To explore the impact of GST-driven advantages on key business performance indicators of tourist resorts in Kerala, Covariance-Based Confirmatory Factor Analysis (CB-CFA) and Structural Equation Modelling (SEM) techniques are employed using the IBM SPSS AMOS 21 software package.

6. To analyse the difficulties the tourist resorts in Kerala have experienced while migrating to the GST system, descriptive statistics, specifically mean and standard deviation, were employed to summarise the central tendencies and variations in the responses regarding these varied issues. A one-sample t-test was conducted to evaluate the significance of perceived issues, allowing for comparisons against a defined theoretical mean. Additionally, independent t-tests were used to analyse differences in experiences between two distinct demographic groups. Further, ANOVA was employed to explore potential variations among multiple groups reflecting different characteristics, followed by Tukey's post hoc analysis to pinpoint specific differences among the group means. The help of IBM SPSS 21 software package was used to apply all the aforesaid statistical tools.

1.7.13 Concepts and Operational Definitions

- **Tourist Resort**

A tourist resort is a location specially developed and designed to attract visitors by offering a variety of facilities and services such as accommodation, dining, entertainment, cultural experiences, and sports facilities.

- **Tourist**

A person who travels and visits places of interest for pleasure.

- **Domestic Tourist**

The Department of Tourism under the Ministry of Tourism, Government of India has defined the term "Domestic Tourist" as given below:

'A Domestic Tourist is a person who travels within the country to a place other than his usual place of residence and stays at hotels or other accommodation establishments run on a commercial basis or in dharmashalas/ sarais/ musafirkhanas/ agrashalas/ choultries etc. for a duration of not less than 24 hours or one night and for not more than 12 months at a time for any of the following purposes:

1) Pleasure (holiday, leisure, sport, etc.);
2) Pilgrimage, religious and social functions;
3) Business conferences and meetings; and
4) Study and health.

The persons mentioned below are not regarded as domestic tourists:

a) Persons arriving with or without a contract to take up an occupation or engage in activities remunerated from within the State/Centre.

b) Persons coming to establish more or less permanent residence in the State/ Centre.

c) Persons visiting their hometowns or native places on leave or a short visit for meeting relatives and friends, attending social and religious functions etc., and staying in their own homes or with relatives and friends, and not using any sightseeing facilities.

d) Foreigners resident in India'.

- **Foreign Tourist**

According to the Department of Tourism under the Ministry of Tourism, Government of India, a foreign tourist is a person visiting India on a foreign passport, staying at least twenty-four hours in the country, the purpose of whose journey can be classified under one of the following headings:

1. Leisure (recreation, holiday, health, study, religion and support);

2. Business, family mission, meeting.

The following are not regarded as 'foreign tourists':

i. Person arriving with or without a contract, to take up an occupation or engage in activities remunerated from within the country;

ii. Persons coming to establish residence in the country;

iii. "Same-Day Visitors " are temporary visitors staying less than twenty-four hours in the country (including travellers on cruises).

- **Tourist Arrivals**

Tourist arrivals refer to the number of tourists/visitors arriving, not the number of persons. A person who makes multiple trips to the country is counted as a new arrival each time.

- **GST-driven Advantages**

GST-driven advantages mean the advantages of the GST system compared to the earlier VAT system, such as uniform taxation, single taxable event, single tax authority, easy tax compliance, increased transparency, seamless input tax credit, and no cascading effect.

- **Tourism Performance Indicators**

The study considers tourism performance indicators under five headings: financial performance indicators, operational efficiency indicators, marketing efficiency indicators, social performance indicators, and tourist experience indicators.

- **Financial Indicators**

The key indicators, such as revenue generation, profitability, foreign exchange earnings, total tourism revenue earnings, and contribution to State GDP, are taken as the financial performance indicators for the study.

- **Operational Efficiency Indicators**

Cost-effectiveness and tourist booking and occupancy are the operational efficiency indicators of tourist resorts' performance in Kerala.

- **Marketing Efficiency Indicators**

For the present study, three important indicators, namely, Domestic Tourist Arrivals (DTAs), Foreign Tourist Arrivals (FTAs), and Pricing Strategy Effectiveness (PSE), are the marketing efficiency indicators of tourism performance.

- **Social Performance Indicators**

The social performance indicators of the tourism industry include employment generation, infrastructure development, and social trustworthiness.

- **Tourist Experience Indicators**

Tourist satisfaction and tourist behaviour are the two key indicators of tourism performance considered for the present study.

- **Social Trustworthiness**

The social trustworthiness of a tourist resort refers to the degree to which the resort is perceived as honest (transparency in business operations and dealings), reliable (consistency in promises and commitments), responsible (accountability to social and environmental impact) and fair (equitable treatment of stakeholders).

- **Cost-Effectiveness**

Cost-effectiveness refers to a tourist resort's ability to achieve the desired tourism outcome at the lowest possible cost.

- **Tourist Booking**

Tourist booking refers to securing a reservation for a visitor to stay in a resort.

- **Tourist Occupancy**

Tourist occupancy refers to the number of rooms tourists occupy during a given period.

- **Tourist Satisfaction**

Tourist satisfaction refers to the extent to which a visitor's expectations, needs, and desires are met in a tourist resort regarding the quality of accommodations, food and beverage, activities and entertainment options, cleanliness and maintenance, etc.

- **Tourist Behaviour**

Tourist behaviour refers to the actions, decisions, and patterns of tourists during their stay in a resort, including room and amenities usage, dining and beverage preferences, entertainment participation, complaint behaviour, repeat visitation behaviour, etc.

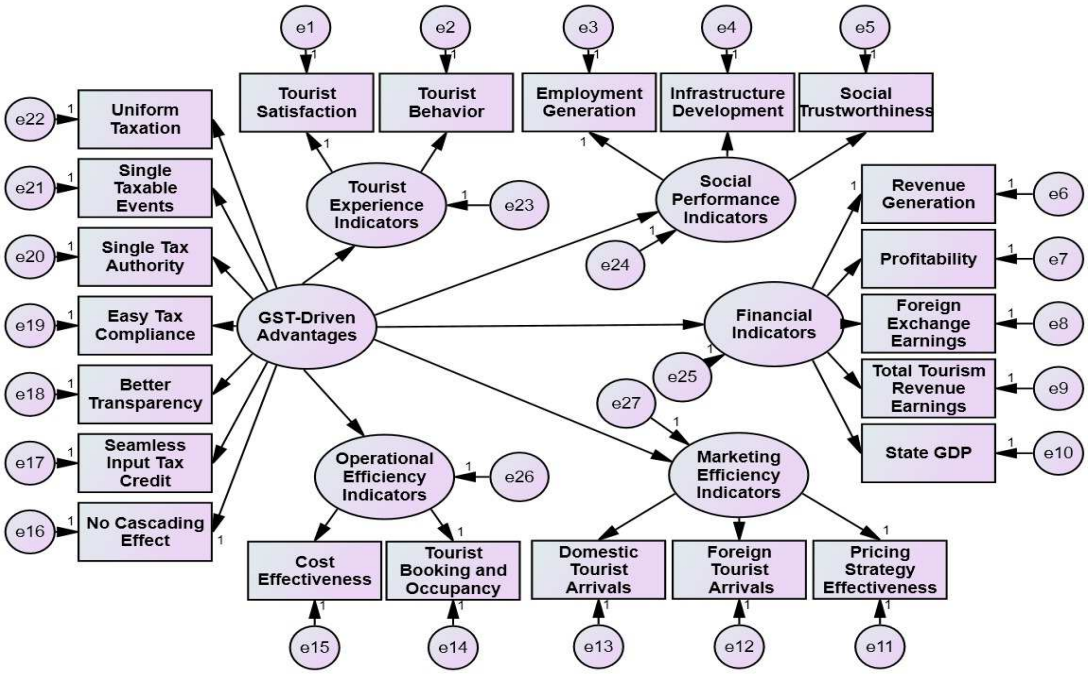
1.7.14 Conceptual Framework of the Study

A thorough understanding of the varied GST-driven advantages and the tourism performance indicators of tourist resorts in Kerala attained through an extensive literature review, helped the researcher in designing a model to visually represent the relationship between the theoretical constructs and variables of both. The key variables of GST-driven advantages are uniform taxation, single taxable event, single tax authority, easy tax compliance, better transparency, seamless input tax credit, and no cascading effect. These GST-driven advantages can influence the tourism performance indicators of tourist resorts in Kerala in one way or the other. The various performance indicators of tourist resorts are classified into five categories: financial performance indicators, marketing efficiency indicators, operational efficiency indicators, tourist experience indicators, and social performance indicators. The key variables regarding the financial performance indicators are revenue generation, profitability, foreign exchange earnings, total tourism earnings and contribution toward state GDP. The important variables of operational efficiency indicators are "cost-effectiveness" and "tourist booking and occupancy". The key variables of marketing efficiency indicators are domestic tourist arrivals, foreign tourist arrivals and pricing strategy effectiveness. Regarding tourist experience indicators, "tourist satisfaction" and "tourist behaviour" are the key variables. Finally, "employment generation", "infrastructure development", and "social trustworthiness" are identified

as the variables of social performance indicators. The conceptual model designed to show the relationships between the variables is depicted in Figure 1. 2

Figure 1.2

Conceptual model of the study



1.7.15 Demographic Profile of Sample Units

Before initiating an in-depth analysis regarding the impact of implementing GST reforms on tourist resorts in Kerala, the researcher has analysed the profile of various sample tourist resorts. The demographic profiles of 552 sample tourist resorts in Kerala are summarised in Table 1.12

Table 1.12

Demographic profile of tourist resorts

Construct	Variable	Frequency	Percentage
Region	North Kerala	145	26.27
	Central Kerala	233	42.21
	South Kerala	174	31.52
	Total	552	**100**

Construct	Variable	Frequency	Percentage
Location	Rural	316	57.25
	Urban	236	42.75
	Total	552	**100**
Category	Public Sector	14	2.54
	Private Sector	538	97.46
	Total	552	**100**
Star rating	One-star	46	8.33
	Two-star	70	12.68
	Three-star	204	36.96
	Four-star	168	30.44
	Five-star	64	11.59
	Total	552	**100**
Resort type	Beach	164	29.71
	Backwater	152	27.54
	Hill station	196	35.51
	Wildlife	40	7.24
	Total	552	**100**
Ownership	Single	68	12.32
	Partnership	26	4.71
	Corporate	458	82.97
	Total	552	**100**
Experience	Up to 10 years	116	21.02
	11–20 years	150	27.17
	21–30 years	244	44.20
	Above 30 years	42	7.61
	Total	552	**100**
Number of employees	Up to 50	142	25.73
	51 – 100	176	31.88
	101 – 150	146	26.45
	Above 150	88	15.94
	Total	552	**100**

Construct	Variable	Frequency	Percentage
Number of accommodation units/ rooms	Up to 50	148	26.81
	51 – 100	218	39.49
	101 – 150	138	25.00
	151 – 200	26	4.71
	Above 200	22	3.99
	Total	552	**100**
Type of GST registration	Regular	552	100
	Composition	0	0
	Total	552	**100**
Had VAT Registration before GST?	Yes	552	100
	No	0	0
	Total	552	**100**
Average annual occupancy rate	Up to 40 %	22	3.99
	41 % – 60 %	24	4.35
	61 % – 80 %	304	55.07
	81 % – 100 %	202	36.59
	Total	552	**100**
Platform used for tax compliance before GST	Online	552	100
	Offline	0	0
	Total	552	**100**
Software change due to GST	Upgrade the existing software	412	74.64
	Purchased new GST-compliant software	140	25.36
	Total	552	**100**

Source: Primary data

Table 1.12 shows that, out of a total of 552 tourist resorts selected for the study, 145 (26.27%) are drawn from the north Kerala, 233 (42.21%) from the central Kerala, and 174 (31.52%) from the south Kerala. The number of sample tourist resorts selected from each region was determined in proportion to the size of the population of the respective regions. It can be observed that the majority, 57.25%, of the sample tourist resorts are located in rural areas, and the remaining 42.75% are located in urban areas.

It can also be inferred that 97.46 % of tourist resorts in Kerala are private-sector undertakings, and a mere 2.54 % only are in the hands of the public sector.

Regarding the star rating, larger shares of 36.96% and 30.44 % are occupied by three-star and four-star resorts, respectively. Of the total, 11.59% are five-star, and 12.68% are two-star resorts. The share of one-star resorts is only 8.33%. Regarding the types of resorts, hill station resorts are placed at the top with a share of 35.51%. Beach resorts and backwater resorts occupy 2nd and 3rd positions with shares of 29.71 % and 27.54 % respectively. The number of resorts at wildlife centres is a minimum of 7.24%. Based on the form of organisations, the largest share, 82.97 %, is made up of corporate entities, 12.32% is made up of sole proprietorships, and the remaining 4.71 % is made up of partnership firms.

Regarding industry experience, 44.20% of resorts have administrators with an experience duration of 21 – 30 years, 27.17 % have administrators with 11 – 20 years of experience, and the administrators of 21.02% of tourist resorts have up to 10 years of industry experience. The tourist resort segment is a key area that offers employment opportunities for skilled, semi-skilled, and unskilled people. Out of the sample of 552 resorts, 176 (31.88 %) resorts have employees within the range of 51 – 100, 146 (26.45 %) have employees in the range of 101 – 150, 142 (25.73 %) have an employee group of up to 50, and the remaining 88 resorts (15.94 %) are placed in the group of above 150 employees.

Based on accommodation facilities, 39.49 % of resorts offer accommodation units in the range of 51 – 100, while 26.81% have 50 or below accommodation units. 25 % of resorts have accommodation units in the range of 101 – 150. While 4.71 % represent resorts with 151 - 200 accommodation units, 3.99 % offer more than 200. The table also reveals that all 552 sample tourist resorts have "regular" GST registration and had VAT registration during the pre-GST era. Further, all sample resorts had used online platforms for tax compliance during the pre-GST period.

Regarding the annual occupancy rate, out of the total of 552 resorts, 304 resorts (55.07 %) have an annual occupancy of 61%—80%, while 202 resorts (36.59 %) have an occupancy rate of 81%—100%. Only a very small percentage of resorts have a smaller

annual occupancy rate. While 4.35 % of tourist resorts report a 41 %—60 % occupancy rate, 3.99 % of resorts opine an average annual occupancy rate of up to 40 %. The higher occupancy rates for most resorts underscore tourism's key role in the economy of Kerala. Regarding the software changes effected on account of GST implementation, 412 resorts (74.64 %) upgraded the existing software, while 140 resorts (25.36 %) purchased new GST-compliant software.

1.8 Limitations of the Study

- The study investigates the impact of GST reforms on tourist resorts in Kerala by considering the views of tourist resort administrators only. The views of other stakeholders, such as employees, tourists, local people, etc., are completely ignored.

- The selected sample represents only a few types of tourist resorts, specifically beach resorts, backwater resorts, hill station resorts, and wildlife resorts. The other types of resorts, such as cultural resorts, heritage resorts, and resorts at archaeological, pilgrimage, health, and ayurveda centres, are not covered in the study.

- The present study was done based on a cross-sectional data analysis. A longitudinal study can do a much more detailed investigation and arrive at more accurate findings. But the seven-year period that elapsed since the introduction of GST is not enough to conduct a longitudinal study of the impact of GST reform on the economic sectors of a state.

- Several demographic characteristics of tourist resorts, including annual income, nature of ownership, number of employees, number of accommodation units, average annual occupancy rate, etc., could not be used for analytical purposes to limit the scope of the study.

1.9 Chapterisation

The entire report of the research study is divided into 12 chapters, as detailed below:

Chapter 1: Background and Methodology

The initial chapter of the study deals with a brief background for the study, the significance of the study, research problem, research questions, objectives of the study, hypothesis formulation, scope of the study, research methodology, conceptual framework for the study, the demographic profile of sample units, limitations of the study and chapterisation.

Chapter 2: Review of Literature

The second chapter reviews earlier studies relating to the Goods and Services Tax, the economic performance of the tourism sector, tourism performance indicators, and the impact of GST on an economy's tourism performance.

Chapter 3: Theoretical Framework for Taxation

The third chapter deals with the theoretical framework for taxation and covers the origin, purposes, and theories of taxation; direct and indirect tax, supply chain and value addition; concepts of VAT and ITC; indirect taxation in India during British rule and after independence; important indirect taxes prevailed in India after independence, major drawbacks of indirect taxation before implementing GST, the global scenario of GST; introduction of GST in India; objectives, structure and constitutional framework for GST; GST Councils and its meetings; State compensation mechanism under GST; and GST Network.

Chapter 4: Economic performance of tourism

The fourth chapter deals with the economic performance of tourism. It focuses on the history, significance, and global scenario of tourism. It also deals with the tourism performance of India and Kerala in terms of various performance indicators.

Chapter 5: Tourism Performance of Kerala – A Comparison of Key Performance Indicators before and after Implementation of GST

The fifth chapter of the study compares key tourism performance indicators of Kerala before and after the implementation of GST reform. The key tourism performance indicators include foreign tourist arrivals, domestic tourist arrivals, total tourist visits, foreign exchange earnings, domestic tourism earnings, and total tourism earnings. It also gives the district-wise and region-wide distribution of foreign exchange earnings and total tourism earnings of Kerala for three years from 2017 to 2019.

Chapter 6: Awareness of GST Reform among Administrators of Tourist Resorts in Kerala

The sixth chapter covers the first objective of the study. It deals with awareness of various aspects of GST reforms among tourist resort administrators in Kerala, specifically the purposes behind GST reforms, registration of GST, GST return filing, GST rates, and the concept of input tax credit.

Chapter 7: GST-driven Advantages of Tourist Resorts in Kerala

The seventh chapter discusses the second objective of the study which consists of various GST-driven advantages, specifically uniform taxation, single taxable event, single tax authority, easy tax compliance, transparency, seamless input tax credit, and no cascading effect.

Chapter 8: Performance of Tourist Resorts in Kerala after Implementing GST Reform

The eighth chapter discusses the third and fourth objectives of the study. The first section discusses the extent of the performance the tourist resorts in Kerala shown in the context of GST reforms in terms of major performance indicators such as financial performance, operational efficiency, and marketing efficiency indicators. The second section analyses the impact of GST on social performance and tourist experience indicators of tourist resorts in Kerala.

Chapter 9: Impact of GST-driven Advantages on Key Business Performance Indicators of Tourist Resorts in Kerala

This chapter explores how GST-driven advantages impact key business performance indicators of tourist resorts in Kerala. By analysing the effects of GST on these critical performance metrics, the chapter aims to provide insights into the extent to which GST has contributed to the growth and competitiveness of tourist resorts in Kerala, offering valuable information for stakeholders in the industry.

Chapter 10: Issues Experienced by Tourist Resorts in Kerala during Transition to the GST System

The tenth chapter discusses the various issues and challenges faced by tourist resorts in Kerala during transition to the GST system by classifying the issues into five heads, namely: (1) technology-related issues, (2) product/service price-related issues, (3) cost-related issues, (4) ITC-related issues, and (5) switching time-related issues.

Chapter 11: Summary, Findings and Conclusion

This chapter presents the research study's summary, findings, conclusion, and implications.

Chapter 12: Recommendations and Scope for Further Studies

The last chapter of the study delivers specific recommendations based on the study and the scope for further studies.

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Chapter 2

REVIEW OF LITERATURE

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2.1 Introduction

The implementation of GST is a crucial and significant amendment brought by the government of India to the country's indirect tax regime. As taxes play an important role in the day-to-day life of every individual, there is no doubt that any change in taxation policy can greatly influence the people and economy of a nation. As this study deals with the impact of GST on tourist resorts in Kerala, the previous studies on GST and tourism by various researchers have been reviewed in detail. The survey of prior studies helps the researcher not only in designing the framework for the present study but also avoids the duplication of work in the same research area.

The literature review of the present study is segregated into three sections, as shown below:

(i) The first section deals with a review of studies about the features and benefits of the GST system

(ii) The second section relates to the reviews concerning tourism and economic development, and

(iii)The third section briefs the review of studies about the impact of GST reforms on the tourism sector.

For the literature review, research studies on GST reforms and the tourism industry are identified and accessed mainly from various peer-reviewed reputed journals using databases and websites such as Google Scholar, Elsevier, Science Direct, Emerald, JSTOR, etc. Table 2.1 presents a theme-wise classification of the literature review conducted for the present study.

Table 2.1

Theme-wise Classification of Literature Review

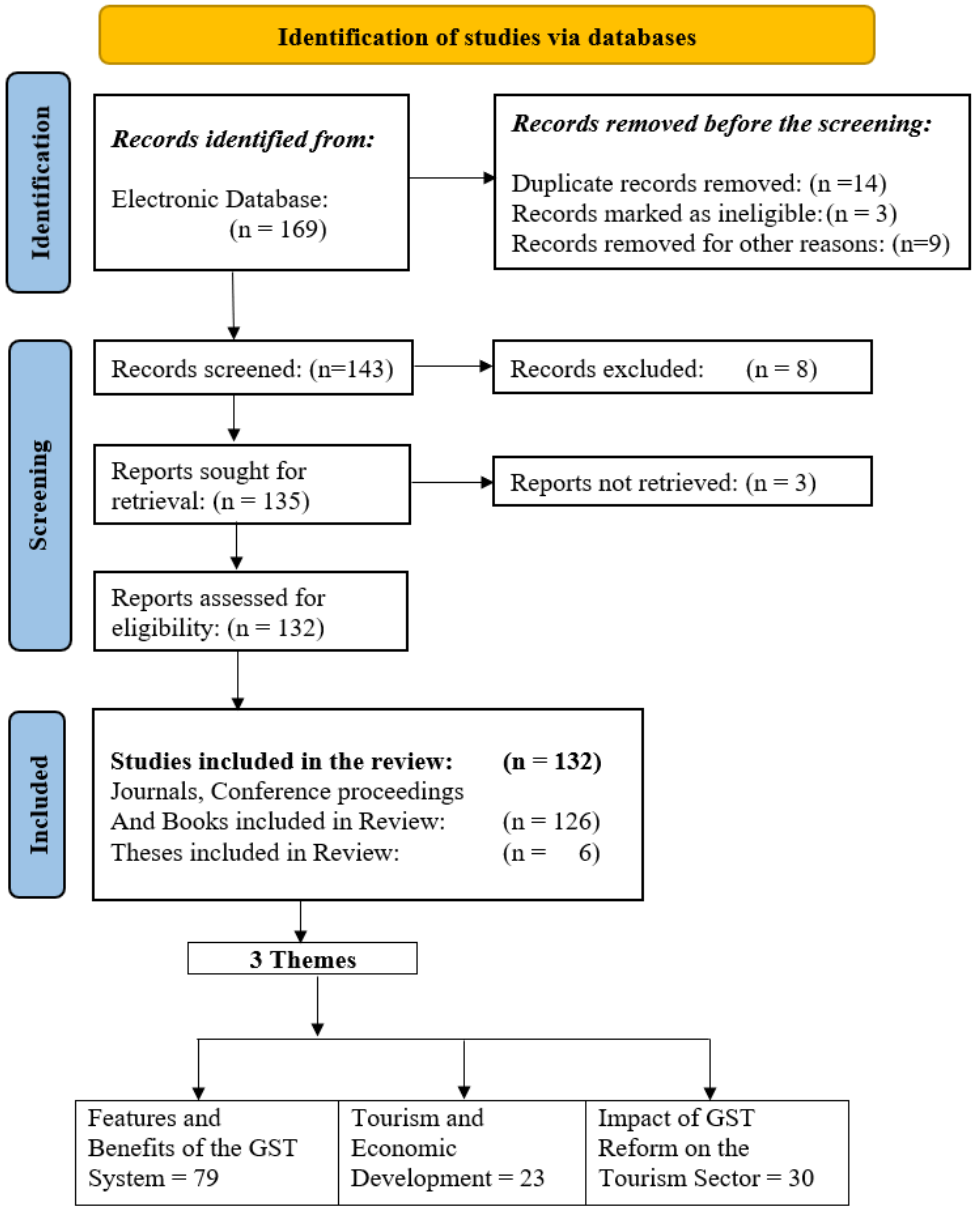
Theme	Literatures Reviewed
Features and benefits of the GST system	79
Tourism and economic development	23
Impact of GST reforms on the tourism sector	30
Total	**132**

2.2 Stages in Literature Search Process

The literature for review identified from the databases using the PRISMA protocol is depicted in Figure 2.1

Figure 2.1

PRISMA Flow Diagram



2.3 Features and Benefits of the GST System

This section reviews and briefs various studies regarding key features of the GST system and its benefits to the various stakeholders.

Garg et al. (2023) highlighted that GST reforms created uncertainty in the Indian economy and have affected it in its infancy stage. Even though the economy had

expected several benefits due to the abolition of the cascading effect and simplifying the taxation process, the study's findings were in contrast to the expectations. However, the study confirmed that the input tax credit facility has increased the consumers' purchasing power, and thus, their living standards have improved. The study concluded that the awareness programmes organised by the government and GST authorities did not yield a meaningful output in making various sectors ready for the adoption of the new reform.

Joseph and Kakarlapudi (2023) commented that as tax revenue is a crucial component of the tax system, the same is a concern of every government and policymakers. Hence, the efficiency of a country's tax system can be accurately measured by analysing its revenue earnings. The study observed that even though most states have a higher growth rate in their tax revenue during the post-GST period, their tax-to-GDP ratio is yet to be improved. Therefore, the study attributed the increased growth rate in tax revenue to other factors, such as the regain of the economy from the pathetic situation resulting from the Covid-19 pandemic and the dissemination of digital payments. This is more evident from the tax buoyancy of the states. Though many states in India have improved their tax buoyancy due to GST reform, many states, including Kerala, still have very low tax buoyancy. Hence, the study highlighted the need for further improvement in the nation's tax governance measures.

Dey and Garu (2022) explored customers' awareness of the common idea behind implementing GST and evaluated their perceptions about its impact on price. Based on the empirical analysis done using various tools such as paired t-test, Chi-square test, etc., the study found that customers' opinions regarding the increased cost of services after implementing GST differed. The study also showed that tax is independent of demographic profile as an important determinant of purchase decisions.

Shukla et al. (2022) opined as India's economy has become more and more globalized and has signed several Free Trade Agreements with many countries, it is essential to have a country-wide, simple, and transparent indirect tax system to

demonstrate our country's competitiveness in the international and domestic markets. Also, when taxes at various central and state levels are subsumed into a single GST system, full credit of input taxes collected can also be ensured. As a consumption-based system following the principles of the VAT system, the researchers also opined that GST would go a long way in eliminating economic distortions.

Akhil (2021) observed the important challenges faced by businessmen, such as unavailability of offline services, mismatch of data in GST returns, issues in claiming ITC, difficulty in uploading heavy files, issues regarding reverse charge mechanism, frequent changes in GST rates and clarity issues in computing eligible refund. However, the study found that GST benefits traders and service providers in many ways, such as minimising paperwork, reducing litigation regarding indirect taxation, and abolishing classification disputes. The study further concluded that GST benefits service providers more than manufacturers or traders. The study also identified a few potential benefits available to household consumers, such as a reduction in tax burden, elimination of tax on tax, uniform taxation, transparent pricing, attaining the dignity of a citizen in a developed country, etc.

Naeem, S. S. (2021) remarked that since the implementation of GST removes all the inter-state commercial barriers and double taxation effects, the unhealthy competition among the States that prevailed earlier is largely reduced. The author also commented that the unified tax structure throughout the country will bring progress to the economy through better investment, employment opportunities, and promotion of exports. Further, as a consumption-based taxation, GST helps to ensure better administration of the indirect tax structure in the country.

Shrivastava (2021) specifically examined the various benefits offered by GST to various stakeholders such as businesses and industry, Central and State governments, and consumers. Since the distinguishing features such as easy tax compliance, uniform taxation, prevention of tax cascading, etc., improve the competitiveness of Indian products in international markets, our country's export will be encouraged. The author stated that the simpler and straightforward GST system supported by robust IT infrastructure will help to reduce tax leakage and thereby ensure increased efficiency

in tax collection by the government. Since the single and transparent GST system avoids several hidden charges, the end consumers get the worth in proportion to the price they paid.

Devassy (2020) conducted a study about GST among business owners in the Thrissur district of Kerala. He made some valuable recommendations to the government and GST authorities. He suggested that government agencies should ensure the availability of both online and offline GST assistance to businesses as and when needed. Proper awareness and education should be imparted to the business owners by conducting necessary training and orientation to ensure the success of the new reform. Government agencies should check tax evasion regularly and monitor the new tax system to ensure the benefit is passed on to the right person.

Bhattarai (2020) attempted to examine the micro and macro-level effects of GST. The study used a dynamic Computable General Equilibrium Model (CGE Model) tailored to the Indian economy's micro-consistent input-output data to analyse the effects of GST on resource allocation efficiency, income and employment growth, and income re-distribution among families in India. By removing imbalances in the production and distribution of goods and services, the GST reforms will improve proficiency in producing goods and services among key industrial sectors in our country. Further, the transparency of the system will help to ensure a continuous growth rate of above 7% in output, physical capital, and investment. The study further stated that the reform would also encourage the growth of human capital and the financial system of the nation.

Naeem and Khan (2020) commented that our country's earlier origin-based indirect taxation system has shifted to a simple, unified, transparent, and rational consumption-based taxation system with GST reforms. The study further opined that though various sectors have witnessed negative growth, these negative impacts may prevail only for a short period, and the GST reforms will create competitive advantages for our economy in the coming days.

Sahoo (2020) observed that since GST has replaced the burden of multiple tax complications, the prices of basic needs products have become much cheaper and thus

accessible to people of lower-status societies. The study further remarked that the benefits of GST also contribute to the sustainable development of our nation.

Gupta and Singh (2020) examined the concept of GST by contrasting tax calculations before and after its implementation. They also looked at the problems of GST implementation and how successful it has been so far. This is a descriptive study of GST based on secondary data and exploratory research approaches. This study suggested that GST has a favourable influence on the Indian economy. However, more revisions should be made to the GST Act based on critical examination.

Shinde (2019) opined that tax policies play an important role in every country's economy as they are a key source of revenue. The author also observes that a tax policy like GST should endeavour to mobilize tax revenues to support government expenditures on infrastructure development and public services.

Anshika and Prashanka (2019) remarked that as it was introduced to reform the Indian indirect tax system, GST will be an acceptable change for the economy. They further state that though GST results in some short-term challenges, it can be fruitful in the long run. The study backs the comment made by CRISIL that the GST reform is the best solution to raise revenue and minimise the fiscal deficit. Regarding the magnitude of the impact of GST reform, the study opined that the GST reform will influence all types of businesses ranging from small business units to large business houses and all types of States ranging from developing states to developed states.

Garima (2019) commented that since multiple taxes are subsumed into a single GST, the new reform will considerably reduce compliance and transaction costs. As GST is more transparent, stable, and predictable, it can attract more local and foreign investment, create more job opportunities, and thus pave the way for a healthy economy for our nation. The author observed that corruption and tax evasion could be minimised because there is no human intervention in processing tax returns and tax payments/refunds.

Seema and Sigroha (2019) observed that implementing GST reforms has ensured a more transparent, simple, and uniform taxation system throughout the country. They

opined that the Goods and Services Tax Network (GSTN) – a joint enterprise of Central and State Governments and a complex IT initiative – is a reliable and robust IT backbone for ensuring the smooth and efficient functioning of the GST system. The study remarked, as it offers a uniform interface for taxpayers and a common IT infrastructure for central and state governments, the GSTN helps to digitise all transactions and minimise the paperwork involved. Consequently, this will considerably reduce compliance costs and make our country more business-friendly.

Tyagi et al. (2019) commented that the GST system is a game-changing reform for India since it leads to a thorough overhaul of the existing indirect taxation, such as tax compliance, tax incidence, tax computation, credit utilisation, tax payment, tax reporting, etc., and results in far-reaching impacts on all business aspects. The study recommended that as a sound tax system, the GST should consider all the issues associated with income distribution and income generation.

Shukla (2019) remarked that GST is undoubtedly the greatest indirect tax reform in India, simplifying the taxation procedure and benefiting the economy in multi-faceted ways. The study also remarked that the GST system offers transparency with the help of the GSTN, the strong IT pillar for the more effective functioning of the GST system.

Verma (2019) viewed the GST system as the biggest indirect tax reform in terms scale and impact India has ever witnessed since its independence. The author also commented that even though there are multiple shortcomings, the implementation of GST has resulted in significant industrial growth, and hence, the same is expected to hold for India as well. The study further remarked that the GST reform will open a new era in the growth and development of our nation.

Manoj (2019) evaluated the advantages of the GST system as outweighing the challenges. GST will ensure a smart and robust indirect tax system, a great tool for achieving economic progress. The study also observed that GST offers the nation a simple, logical, and transparent indirect tax system by avoiding tax evasion at all supply chain levels.

Garg (2019) contemplated that about 49% of tax revenue is derived from indirect taxes. However, indirect taxes have the main drawback of a cascading effect. The implementation of GST is expected to ease tax administration, eliminate the cascading effect of tax, and reduce the tax burden of end customers. He also observed that implementing GST can make our products more competitive in national and international markets.

Lawrence Prasanna (2019) concluded that the implementation of GST will make the Indian indirect taxation system more transparent, more rational, and more harmonious with best global practices. By breaking tax barriers between States, the uniform rate of GST will improve the tax revenue and thereby lift our economy to a new reach. The study also observed that the input tax set off in the entire supply chain and transparency of the GST system offers great relief to a dealer in trade and industry.

Philip (2019) commented that the introduction of GST has provided a breath of fresh air to the Indian indirect taxation system. Thus, it will be a grand promise for our economy in terms of sustainable growth. GST widens the coverage of the tax base. As it offers technology-driven transparent taxation, the administration of GST will be very simple and easy. However, to make it simple and sound, India must work wholeheartedly. While GST offers small and medium enterprises an opportunity to enhance their business, many products get a space in foreign markets. The study concluded that although there are many initial issues, this remarkable reform offers our country a world-class indirect taxation system.

Kumar et al. (2019) observed that GST has been implemented successfully in some countries while others have failed. The study was undertaken to examine the hurdles in properly implementing GST. It identified 12 hurdles in the smooth implementation of GST. The study also identified each hurdle's driving and dependent nature to develop a structural model using Interpretive Structural Modelling (ISM). Through a detailed analysis, the study helped to identify the barriers that are critical in implementing GST reform. Such critical barriers include the unavailability of skilled labour, lack of policy for proper tax sharing, clarity issues with respect to GST provisions, political unwillingness, etc.

Tekwani and Raghuvanshi (2019) conducted a descriptive and explanatory study using the available secondary data about the present conditions of GST. The study suggested that to ensure the sustainable development of every sector of the economy, it must be organised and regulated. Concerning the handicraft industry, the study proved that implementing GST would automatically transform an unorganised and unregulated sector into an organised and regulated sector.

Gautam and Sharma (2019) have identified that the cost of healthcare services in India is much less than in developed countries like the US, Canada, Australia, and most Western European Countries. Hence, the study opined that as implementing GST is expected to reduce the cost of health care packages, including international travel, insurance, and pharmaceuticals, the Indian pharmaceutical industry may jump to a new height. The study concluded that it is very promising that the cost of alternative therapies in India, like Ayurveda, Yoga, Unani, Homeopathy, Siddha, and Acupuncture, will come down with the implementation of GST, and they will be more popular among foreigners.

Kapila (2018) emphasised how GST lessened the complexities of the indirect tax structure that prevailed during the pre-GST regime. The study observed that implementing rational and uniform indirect taxation throughout the nation could minimise distractions in the market economy. The study also found that GST will ensure an upsurge in exports, GDP, economic welfare, and returns to the factors of production.

Aneja (2018) remarked that while GST has impacted some sectors positively, others are negatively affected. Even though the government has made efforts, the compliance cost for MSMEs remains high. The study also observed that the suppliers do not get timely refunds from the authorities due to connectivity issues, non-updated software, and alterations in the mode of refund. Hence, the study commented that appropriate technological infrastructure is necessary for the smooth working of GST. The study suggested that the government should try to properly regulate several rules and regulations related to GST to ensure the new system's long-term benefits.

Gramopadhye and Samudre (2018) commented that implementing GST positively and negatively impacts our economy's primary, secondary, and tertiary sectors. In India, the service sector is the most significant in terms of state income, national income, inflows of FDI, trade flows, and employment. The study concluded that implementing GST positively affects the service sector, the leading sector in the country's GDP. Even though some issues are to be faced, the economy is getting accustomed to GST and is expected to demonstrate positive signs.

Nayyar and Singh (2018) observed that, even though there was a multiplicity of taxes in India during the pre-GST regime, our GDP is significantly lower than that of countries like the United States, China, Japan, etc. The study was conducted using exploratory research techniques and secondary data. The study hypothesises that implementing GST might overcome the above-mentioned inequality in GDP.

Kumar (2018) opined that numerous countries widely support GST because it aids in the growth of a country's GDP. The study demonstrates the impact of GST on several sectors, such as the service sector, industrial sector, and consumers. However, it concluded that implementing GST necessitates a concerted effort by the Union and state governments and business enterprises to educate all end users of products and services. Training, seminars, workshops, etc., may be organised to meet this purpose. With this endeavour, India will soon have an international standard in taxation, management, and corporate law, and will be able to set a precedent for other countries.

Abbasi (2018) observed that the government implemented GST reform to rationalise India's indirect tax structure with an indifferent approach. The government had to study the GST models worldwide in depth before their implementation in our country. Though GST reform has simplified the existing indirect tax system, the primary objective of "one tax, one country" is yet to be achieved since the prices of elementary goods and services have increased. The study pointed out that although the government expected a positive change in the economy, the GDP growth was only 6.3 % in the second quarter of 2017- 18, as opposed to 7.5% in the second quarter of 2016-17.

Banik and Das (2018), in their explanatory research study based on secondary data, opined that despite the implementation of GST would simplify the present indirect tax system and help to remove the cascading effect, the government should make an in-depth study of the GST mechanism implemented by various countries across the world and should understand their outcome before its implementation. Even though the government aims for a positive economic change, the unplanned implementation of GST might adversely affect our country's GDP. Hence, the study reminded us of the need for all possible measures to simplify the challenges of transitioning to the new system and remove all disruptions.

Mishra (2018) remarked that implementing GST has made India a unified market with 1.3 billion people. Being a tax levied only on the consumption of goods and services, GST would help to reduce financial irregularities in taxation between states and promote the free movement of goods. As GST reduces the prices of goods and services, the purchasing power of consumers will increase, and consequently, GDP may improve. The study also opined that GST may attract more foreign investment into the country and create more jobs.

Iyer and Jose (2018) examined the positive and negative effects of implementing GST on real estate, automobiles, e-commerce, consumer goods, agriculture, pharmaceuticals, transportation, etc. The study emphasised that with the introduction of Goods and Services Tax, both goods and services will be subject to a uniform tax rate, and both will be treated equally across the country. Researchers also find that a large part of our country's population is middle class or lower middle class who depend on agriculture or the service sector. This study revealed that implementing GST has lowered prices and raised people's living standards in India.

Bala (2018) commented that as the GST system offers simplicity, the enforcement and administration of indirect taxation should be easier. E-commerce businesses will improve, and industries will become more competent due to the introduction of GST. The author ensures that GST will thoroughly overhaul the indirect taxation system, influencing tax computation, tax compliance, tax structure, tax incidence, tax payment, credit utilisation, etc. The transformations in business due to globalization

and the rapid growth in foreign trade of various countries have created a situation where the tax policies of any country have to be given significant importance. In such a competitive business environment, the study strongly argues that introducing GST will positively affect India's economy.

Yadav and Shankar (2018) observed that even though different countries have experimented with diverse means for levying indirect taxes, the most common format followed by governments worldwide is Value Added Tax. Goods and Services Tax is the alternative name for value-added tax. Different countries introduced GST at different times. The key reasons for the implementation of GST were (1) to reduce compliance and administrative costs, (2) to reduce the cost of doing business, (3) to reduce price falsification, (4) to reduce tax evasion, and (5) to ensure transparency in the tax system. India has introduced GST with the expectation of increasing the efficiency in tax collection, reducing corruption, and making the inter-state movement of goods easier. As India has a federal system, a central government, and several state governments, GST is to be levied as a combination of CGST and SGST. Further, as per the concept of GST, though the tax is levied at every stage of value addition, the tax itself should not form a part of the cost of a product or service. This is ensured by allowing seamless input tax credit throughout the supply chain. The study remarks that since the political ideologies of the central government and various State governments may not be the same, dexterous conduct of negotiations at the political levels is a key factor in successfully implementing such a major reform.

Baliyan and Rathi (2018), after comparing the challenges of GST with its advantages, observed that the advantages are over and above the challenges. GST can provide a strong and smart taxation system to the Indian economy. However, to attain those advantages, a strong mechanism must be built. The study concluded that implementing GST will remove all the complexities of the country's indirect tax system and relieve various stakeholders such as the government, consumers, and manufacturers.

Goel (2018) opined that since 17 taxation acts have been subsumed into a single taxation law, GST reform has improved the ease of business in India. The study

commented that the shifting of India's position in the ease of doing business index from 130 to 100 in 2018 may be the consequence of GST reforms. The study also observed that merging several indirect taxation acts into one GST reduced indirect tax-related litigation considerably.

Makandar and Mulla (2018) opined that the biggest advantage of implementing GST, from the point of view of consumers, is the reduction of the overall tax burden on goods and services, which is currently estimated at 25 to 30 percent. GST will make India into one common market, ensuring ease of business. The study concluded that GST may not uniformly impact all sectors. The effect of GST depends upon the tax structures applicable to the respective sectors. While some sectors are impacted positively, GST may negatively affect others.

Maidan and Garg (2018) observed that the GST will generate investment opportunities to equip the new tax regime by attaining its long-term objective of eliminating all hidden taxes. Like any other system, introducing GST has also resulted in some initial issues, complexities, and confusion. The study commented that though the structure of the new reform was not perfect in all respects, the close observation and well-planned revision of the system will make our nation unique among the few better economies of the world in the short future.

Joseph (2018) remarked that the GST was implemented in India to address several shortcomings in administering the earlier VAT system. The author reveals that the business community has viewed GST as a business-friendly reform. Still, they did not receive adequate support from the government and GST authorities for the smooth implementation of GST in their organisations. As a result, small business organisations faced many challenges while migrating to the GST system.

Bindal and Gupta (2018) observed that the revolutionary change in the fiscal structure of India's federal setup is the drastic impact of implementing GST reforms. The study argued that the new reform would end the fiscal rights of both the central and state governments in dealing with goods and services independently. Instead, both governments have to depend on each other for the smooth running of the new taxation system. The study, therefore, observed that the new reform would erode the freedom

of governments participating in the federal system. The study also commented on some key positive aspects of GST reforms, such as eliminating the multiplicity of administrative mechanisms and tax rates, eliminating the cascading effect, and making the supply chain more cost-effective.

Dash (2017) observed that even though the prices of goods can come down with the implementation of GST, the service sector will be negatively impacted due to higher tax rates. He pointed out that hotels, air travel, etc., will become more expensive with the implementation of GST. Even though the implementation of GST has both positive and negative impacts, the positive aspects should be considered prominently to improve the nation's economy.

Kawle and Aher (2017) remarked that since taxation influences efficacy and equity, it plays a substantial role in the growth and development of the economy. A sound system of taxation should make efforts to control income distribution and generate tax revenue, which will greatly support the government in ensuring public services. In this sense, GST will impact the economy positively. They observed that more than VAT plus service tax, GST is a more improved system than the pre-existing system. Uniform tax rates across the country will ensure simplicity and transparency. They concluded that following global standards in taxation, management, and corporate regulations will make our country one of the global leaders.

Kumar and Ramya (2017) noted that GST will generate more revenue for the state and central governments. The authors opine that this is because of two reasons. One is due to the increase in the tax compliance ratio. Another is the widening of the tax base, which results in more goods and services coming under the ambit of taxation. Markets gain agility and dynamism when a single tax begins to regulate all transactions in a country. This increases competition and leads to lower prices. It will ultimately benefit the customers. The study found that the transparency and speed offered by the GST system will ease tax filing, increase investor confidence, and improve the ease of doing business. The study suggested that replacing multiple indirect taxes with GST will reduce the prices of most goods and services in the long run. As most countries in the world have already embraced GST as an efficient and

rational indirect tax system, the study concludes that the GST reform will become a blessing for the economy of India in general and Kerala in particular. However, the study also reminds us that all these positives depend on the price set by the manufacturers.

Lourdunathan and Xavier (2017) stated that GST relieves the producers and consumers. This is made possible due to the key features of GST, such as the input tax set-off throughout the supply chain, the set-off of service tax, and the subsuming of various central and state taxes. The study concludes that since various processes, such as filing tax returns, payment of tax, refund of tax, etc, are done electronically without human intervention, tax evasion and corruption can be significantly prevented. Further, the built-in check on business transactions will minimise the chance of generating black money. However, to ensure all these positive implications of GST, the government has to make all efforts to educate and train the people by organising workshops and seminars.

M. Govinda Rao (2017) observed many problems with GST, such as problems related to filing returns, claiming input tax credits, and payment. The government must work hard to improve the GST process and resolve the issues. Over 165 countries have implemented GST, but all have implemented it by considering its applicability and suitability to their nation. In the case of India, the government has to keep in mind that our country consists of 29 States and union territories.

Nath (2017) remarked that since GST eliminates tax horror, the countries where GST has been enacted can attract international corporate business entities to invest and expand their business in those countries. The inflow of foreign investment in global corporate business houses to set up various businesses will offer many employment opportunities. This will mitigate the unemployment problem to a great extent. The study concludes that providing employment will distract people from engaging in various kinds of illegal and anti-social activities, which is an important prerequisite for developing a nation.

Patil (2017) remarked that a higher GST rate would certainly increase the tax-GDP ratio and give the government the ability to increase capital expenditures. A sound tax

system should be able to deal with problems of income distribution and generate revenue to meet government expenditures on infrastructure development and public services. In this sense, the study concluded that implementing GST can be considered the best decision for the government.

Pegu (2017) opined that the GST regime is a half-hearted attempt to rationalise the multiple indirect tax structures and that the real success of GST lies in how it affects the end consumer. The essence of GST is to tax all goods and services at moderate rates to realize the slogan "One Nation, One Tax." There is no doubt that GST will simplify our indirect tax system only if there is a clear consensus on the issues related to the inclusion of petroleum products, electricity, liquor, etc., in GST. The researcher hopes that GST will stimulate the economy by accelerating the economic growth of the common people.

Poonam (2017) assessed that since the implementation of GST reduces cascading effects and double taxation, consumers' tax burden will be reduced by approximately 25% to 30%. After implementing GST, the products manufactured in India will be more competitive in domestic and foreign markets. The study contemplated that this new indirect taxation system can bring rapid economic growth to our nation. The author also remarked that the transparent nature of the system offers easy administration of indirect taxation in our country.

Priya (2017) observed that the GST system makes tax administration transparent and assessee-friendly by simplifying tax procedures and ensuring the support of a robust IT system. Since the input credit system is built into the GST system, it offers timely refunds to traders. Also, uniform tax rates across the country will generate better revenue.

Rupa (2017) examined both the advantages and disadvantages of the GST system. The study commented that by removing multiple taxes, the GST system has simplified the indirect taxation structure and made India a single market. Further, as the tax burden is reduced, the products of Indian export companies become more competent in Indian and international markets. The study further asserted that the government's tax revenue would be improved as the unauthorized sector would also come within

the tax bracket. Moreover, the study emphasised that simplifying, standardizing, and centralizing GST registration and compliance procedure will improve the ease of business in India. However, the study pointed out the drawbacks of the GST system in the sense that it will result in the loss of the autonomy of the states to change their tax rates. Further, as a consumption-based taxation, GST will lose big revenue for the manufacturing states. Online connectivity with GSTN also creates problems in the timely availability of input tax credits.

Sankar (2017) evaluated the GST as having a positive effect on the economy as a whole. However, when the economy's sector-wise classification is examined, the new tax system has both favourable and adverse impacts on each sector. He observed that while the automobile, consumer durables, cement, and real estate industries would be impacted positively, the telecommunications industry would be adversely impacted. Media and entertainment, textile, and IT industries would have a neutral or slightly negative impact.

Sunitha and Sathischandra (2017) contemplated that GST, as a predictable-transparent taxation system, will enhance investment from within and outside the country, creating many employment opportunities for the youth. They also observed that, as GST reduces the cascading effect, people can use domestic products at lower prices. Further, they opined that the current tax rate of 15% on services may be increased by 2% to 3%.

Thomas (2017) has opined that the increase in taxes after the implementation of GST will severely affect the luxury segment of the tourism sector and may give a big blow to a country like India, where the tourism sector is a major source of income. At the same time, the study suggests that as the tax burden on the final consumer is reduced, the cost of products will decrease, consumption will increase, and production will increase, which will benefit the country. The study stated that with the introduction of GST, different tax rates in different states will disappear, and confusion among dealers will be reduced. There will be only one CGST and one SGST in all the states of the country. The situation of tax on tax will be avoided. Due to uniform law, tax compliance becomes easier. Greater transparency is ensured as GST is levied on the

end consumer. With the elimination of tax collection at check posts, time at check posts and roadblocks are reduced. Above all, the study also assesses that increasing the tax base will increase the government's revenue.

Van Leemput and Wiencek (2017) observed that GST is expected to increase the welfare level of all States of India. They also stated that there would be 4.2 % growth in the country's GDP, driven by a surge in the total output volume. Moreover, since GST simplifies the complexities in the indirect tax system, the overall tax base is expected to be widened through increased compliance and transparency.

Yadav (2017) commented that implementing GST gives the State and Union governments the power to tax goods and services. Through constitutional amendments, the GST law ensures a clear demarcation of these powers without overlapping. Since many of the earlier indirect taxes are subsumed into GST, the burden of the cascading effect is largely eliminated. However, since the specified petroleum products such as natural gas, crude oil, high-speed diesel, petrol, and aviation turbine fuel are presently kept outside the GST Act, the study observes that the oil and gas sectors are deprived of all the benefits of the new fiscal restructuring.

Chacko (2016) listed the various items for which Kerala heavily depends on neighbouring states. This includes rice, meat, vegetables, pulses, milk, eggs, textiles, industrial produce, etc. Though a small state, Kerala, being a consumer state, consumes nearly 15% of the country's total produce, which is a relatively larger share. The study claims that Kerala can expect a higher share of GST revenue in the future. He further remarked that the GST reform is expected to significantly reduce the general price level, which will benefit the people of Kerala.

Dani (2016) anticipated that the GST regime was not a wholehearted attempt to rationalize the indirect taxation system in India. The government had to make efforts to protect the vast deprived population of our country against inflation, which was consequent to the implementation of GST. The author is sure that implementing GST will simplify the indirect tax system. However, a consensus had to be made over the

issues of revenue rate, threshold limit, and insertion of petroleum products, liquor, electricity, and real estate.

Dhameja et al. (2016) stated that the implementation of GST would remove the multiple indirect taxes prevailing in our country. Once GST comes into existence, the indirect tax will be charged uniformly for goods and services throughout our country, and it will be charged at the final point of consumption instead of at the manufacturing stage. They conclude that implementing goods and services taxation would offer a world-class tax system for our country.

Khurana and Sharma (2016) examined the benefits offered by GST to various stakeholders such as businesses, industry, central and state governments, consumers, etc. The study also analysed the important implications of the implementation of GST such as removal of unhealthy competition among States, reduction of tax burden of end customers, improvement in the disclosure of financial transactions, avoidance of tax evasion and double taxation, mitigation of cascading effect of taxation, etc. The study concluded that the implementation of GST will provide relief to the manufacturers as well as consumers.

Kour et al. (2016) observed that GST positively impacts common people in various ways. Removing a bundle of indirect taxes and preventing the cascading effect of taxes will help reduce the cost of manufacturing, bringing the consumer price down. The reduced consumer price will increase demand for goods and consequently increase production. The increased production will, in turn, create a large number of employment opportunities. They also contemplated that implementing GST would curb the circulation of unaccounted money in the economy.

Kumar (2016) examined the GST rates of various countries and compared the previous tax structure with the GST system. He observed that GST will impact different parties, including the government and sellers. He observed that the GST would make the indirect tax system clearer and more straightforward and create millions of job opportunities. Since it reduces the price charged to the end consumer, the GST system will encourage the growth of the manufacturing sector.

Rizwana (2016) remarked that GST is expected to renovate India into a common market with increased efficacy and productivity. Since GST avoids charging double or multiple taxes on the same goods and services, it will touch every segment of our economy, including traders, service providers, intermediaries, professionals, import and export businesses, and finally, the common consumer—the real kingmakers.

Thowseaf and Millath (2016) conducted an exploratory study using secondary data to determine how implementing GST affects various industrial sectors. They stated that since the implementation of GST ensures uniformity of taxes throughout the country without considering whether it is a place of manufacture or a place of distribution, the administration of GST will be easier than that of VAT. Further, as it can allow a seamless flow of input tax credit throughout the value chain of goods and services, GST will reduce the cost of all goods and services. The reduction in the cost of goods and services will boost the demand for Indian products and services in the international markets. The authors also state that GST will widen the tax base, improve the tax compliance ratio, and remove the unhealthy competition among various states.

Kumar (2015) argued that GST is the only indirect tax that can directly impact each and every sector and corner of our economy. He commented that the uniform indirect tax structure across the country could result in the economic unification of our country. Tax evasion will be more difficult as the tax collection system becomes more apparent with the implementation of GST reform. Consequently, the fiscal health of the government will become more powerful. Since GST is a national-level tax, more foreign investors may be attracted to our country. He further adds that the economic biases caused by the prevailing complicated VAT system will be wiped off, and a common national market can be developed with the proper execution of GST reforms. The study concluded that our country can accomplish sustainable and balanced development if GST is implemented with careful planning and strong support from academia and industry.

Sehrawat and Dhanda (2015) commented that implementing GST can simplify the complexities of the indirect tax regime due to the multiplicity of taxes and offer the

nation a more transparent indirect taxation system. Since the tax rate is the same throughout the country, the effective implementation of GST can become an active tool for fiscal policy management. The study also observed that, in the long run, implementing GST will ensure increased productivity, more employment opportunities, and higher GDP. Moreover, when cost is reduced through the proper implementation of GST, our products will become more competitive in the domestic and international markets. The study, however, reminds us that the success of all these positive implications depends upon the rational design of GST.

Shaik et al. (2015) remarked that a nation-wide uniform tax rate can bring down price and inflation rates. In this sense, GST is anticipated to create and maintain a business-friendly setting in the country. They also observed that as a more transparent tax collection system and a system that prevents tax evasion, GST is expected to improve the government's fiscal health. They also pointed out that the implementation of GST will cover those areas that were untouched by the earlier VAT system, and thus, it will lead to the nation's economic development.

Gupta (2014) identified that implementing a Goods and Services Tax in the Indian framework will bring economic expansion by offering commercial benefits that were untouched by the VAT system. In this way, GST facilitates the opportunity for collective gain not only for Central and State governments but also for trade, industry, agriculture, and common consumers.

Jaiprakash (2014), in his study titled "Indirect tax reform in India and a way ahead for GST," observed that as it offers wide-ranging coverage of input tax credit and service tax credit, in addition to subsuming various taxes, the implementation of GST is expected to give more relief to consumers, industry, trade, and agriculture. He further pointed out that since GST is the best option to widen our country's tax base, its implementation should not be missed.

Kumar (2014) evaluated that implementing GST will remove all the economic distortions caused by the VAT system. The study anticipated that the GST system would encourage an unbiased and unsympathetic tax structure in geographical areas.

Pinki and Verma (2014) concluded in their study, "Goods and Services Tax: Panacea for Indirect Tax System in India" that if the implementation of GST is backed by robust IT infrastructure, it will be advantageous to the Union government and State governments as well as for end consumers in the long run.

Cnossen (2013) observed that more than 150 countries follow GST or VAT worldwide in some form or another. Some countries follow GST with comprehensive bases and almost uniform tax rates, called good GST. Some other countries follow a VAT system with various exemptions and rates called a bad VAT system. A third category of countries follows two types of VAT systems (i.e., manufacturing-stage VAT at the federal level and origin-based VAT at the state level) and separate taxation for goods and services (called ugly VATs). The study concludes that selecting an ugly GST instead of a good GST will cost India a minimum of 1 to 2 percent of national income because of unnecessary administrative and compliance costs.

Khan and Shadab (2013) analysed the impact of VAT revenue in the major states of India. They evaluated that implementing VAT ensured a more transparent, efficient and simple tax structure. Above all, it removed the local sales tax in all the States. They concluded that even though the VAT system prevailing in Indian States is not comparable with that of developed countries, it is noteworthy that we have implemented VAT across the country. According to them, India is still considering a significant and biggest restructuring in the indirect tax regime under the name Goods and Services Tax (GST) to overcome the issues associated with the present VAT system and to bring services within the purview of indirect taxation.

Ram (2012) opined that tax reforms are essential to increase the tax-GDP ratio. According to the author, CENVAT and State VAT are incomplete in removing the cascading effect of indirect taxes, but GST can do much more in this regard. As GST reduces manufacturing costs, the export of locally manufactured goods will increase. Further, the study indicates that implementing GST will benefit various sectors such as agriculture, industry, trade, and small traders. As India is a federal state, the study suggests that the dual GST model will be the best workable model for our country.

Roychowdhury (2012) remarked that one of the most debated topics in Indian public finance is the proposed Goods and Services Tax. The GST, the biggest tax reform in post-independence India, can promise to remove all existing economic barriers, fuel economic growth, and massively increase the government's tax revenue. The study also investigated how the endless possibilities of GST will usher our country into a new era.

Vasanthagopal (2011) observed that implementing GST will result in high growth in revenue and output in various segments of the economy. This higher growth will, consequently, generate many employment opportunities for all categories of employees, such as skilled, semi-skilled, and unskilled. The study also examined the positive impacts of GST on various segments such as manufacturing industries, Exim-trade, GDP, government revenue, poverty reduction, etc. It concluded that all these positive impacts depend on the lucid design of GST, harmonising of the varied interests of different stakeholders, utmost political commitment, etc. If all these are made possible, there is no doubt that GST will shower new energy for the economic transformation of our country.

2.4 Tourism and Economic Development

This section reviews various studies regarding the tourism industry's role in a country's economic development.

Sharma et al. (2022) examined the association between tourism development and poverty reduction in India, considering the year-wise data from 1970 to 2018. The author used (a) the Auto Regressive Distributed Lag (ARDL) bound testing approach to know the existence of long-run relationships, (b) the mechanism of error-correction for short-run dynamics, and (c) the Granger non-causality test for testing the direction of causality. After the analysis, the study confirmed that tourism development reduces poverty in both the long and short run.

Jacob et al. (2021) realised that each state increases GDP by focusing on the types of tourism in which it has a comparative advantage. Therefore, state governments should identify such areas of comparative advantage. The study mentioned that identifying

and promoting such types of tourism in the post-pandemic era is critical and challenging, and the tourism industry must be prepared to face such crises in the coming years.

Hanafiah and Zulkifly (2019) conducted a study, "Tourism destination competitiveness and tourism performance: A secondary data approach," to examine the relationship between tourism destination competitiveness (TDC) and the determinants of tourism performance. The study used secondary data on 115 countries from the Travel and Tourism Competitiveness Index (TTCI). The study assessed the ability of TDC to explain tourism performance. This study found that key resources, globalization, and complementarity factors significantly explain tourism performance.

Sharma and Punjab (2018) attempted to study the causal relationship between tourism receipts and economic growth in India. The study helped to understand the extent of the influence of the tourism sector on the Indian economy. The variables are presented in a stationarity series for empirical analysis of the study. Hence, the authors used the Granger causality test to investigate the direction of causality between tourism receipts and economic growth. Thus, the study supported the country's tourism-led growth (TLG) hypothesis. The study mentioned that the significant impact of tourism on the Indian economy justifies the need to promote tourism demand and supply. Besides ensuring income and employment of the local people, the study suggested that the government should also look into providing incentives to the tourism industry through infrastructure such as roads, major airports, sound transport systems, and tax incentives. The study also suggested that the government should take measures to ensure the safety of foreign and domestic tourists.

Parida et al. (2017) revealed that besides economic development, other factors such as natural scenery, world-class monuments, and cultural heritage encourage international and domestic visitors to Indian states. The study commented that while crime hurts domestic and foreign tourist arrivals, terrorist activities have not significantly affected tourism revenue. The model used in the study showed that the

country's economic development and the government's approach to spending in the tourism sector have led to a significant increase in tourism revenue.

Prayag and Das (2016) remarked that India's tourism sector is a key contributor to GDP and foreign exchange earnings. The study mentioned that the sector's performance has placed our country among the top 15 nations of the world in terms of projected tourism growth. Though the infrastructural, economic, and political landscape enables tourism growth, the study also mentions the barriers to achieving tourism growth. The study concluded that initiatives such as "Incredible India" can boost India's tourism sector to a new end.

Ranjan et al. (2016) commented that, through proper planning, the tourism industry can contribute to economic and social growth, as well as sustainable development. The study used the preference ranking organisation method for enrichment evaluation (PROMETHEE) and geometrical analysis for interactive aid (GAIA) to quantify the tourism potential of Indian States. As per these models, the study identified Jammu Kashmir and Jharkhand as the best and worst states in terms of performance in the tourism sector.

Rout et al. (2016) observed tourism as the largest service sector worldwide in gross revenue and foreign exchange earnings. They suggested that the world has already recognised that tourism is important for achieving economic growth and employment generation in backward areas. After examining the impact of the tourism industry on India's economic growth over a 25-year period from 1990 to 2015, the study assessed the long-run equilibrium relationship between the tourism industry and economic growth. The regression model used in the study revealed that foreign exchange earnings, capital investment in the industry, international tourism expenditure, and domestic tourism expenditure are the critical indicators that make the tourism industry an engine of economic growth for the country.

Shiji (2016) observed that tourism development makes matters such as higher growth, the inflow of foreign currency, infrastructure development, the introduction of new management systems, etc., possible to a greater extent. Further, all these have influenced almost all other sectors of the economy. The study also remarked that

tourism's potential social and economic impact is amazing. To measure the impact of tourism, the researcher used the Visitor Spending Method.

Venkatesh and Raj (2016) opined that tourism, an integral part of Indian culture and tradition, has become India's most vibrant tertiary activity and a multi-billion-dollar industry today. The study points out that tourism today is one of the rapidly growing service industries in the country, opening up huge potential for expansion and diversification. The study observed that the tourism sector plays a significant role in the country's economic development by generating job opportunities for people and attracting foreign exchange earnings. The authors also remark that the government has to make conscious efforts to make India's tourism industry competent and established in the global market. The study concluded that the country should follow liberal policies and tax relaxations so that more foreign tourists and foreign exchange might be attracted to our country.

Bagrı and Kala (2015) opined tourist satisfaction is an important driver of competitive advantage, and recognising the accurate measurement of tourist satisfaction is vital for developing optimal strategies for destination management. The goal of tourism stakeholders must be to ensure tourist satisfaction and establish stronger loyalty, thereby winning the minds of tourists. Further, the study also suggested that each tourist destination should take special care to ensure that tourists repeat their visits to the tourist destinations and recommend them to others.

Gupta and Singh (2015) realised that tourism has emerged as an important sector capable of exciting tourists through art, heritage, expertise, nature, and culture. As the social, economic, and psychological status of people worldwide has undergone a major transformation, their travel and leisure preferences have changed dramatically, and a new tourism setting has evolved. Rural tourism is one of the new categories of tourism. Rural tourism has emerged as an opportunity to improve the quality of life of rural people. The study concluded that the Government of India has initiated several tourism projects to provide employment and a source of income to the rural population, which will take India's tourism industry to new heights.

Muralidharan (2015) suggested that tourism is a critical economic and social activity that has the potential to lead Kerala to achieve rapid economic growth. Its scope and potential for economic development and employment creation are unpredictable. The author stated that if the policymakers develop an effective system for manpower planning and an appropriate system for identifying the employment opportunities provided by the tourism sector, the state's unemployment problems can be somewhat eliminated. The author has developed graphical and mathematical models to address the issues.

Subash (2015) commented that tourism in India is a sunrise industry, an employment creator, a vital source of foreign exchange earnings, and a key economic activity for helping local and host people. The author specifically mentioned that changing lifestyles, rising income, diverse tourism potentials, regulatory support from governments, etc., are the pillars on which India's tourism sector is built. However, this sector is not free from limitations. It faces challenges such as inadequate tourism infrastructure, different road tax structures in different states, concerns of foreign countries regarding the health and safety of tourists, and non-availability of trained manpower. The study concluded that to tackle these challenges and accelerate the growth of the sector, conscious efforts of all the stakeholders, such as central government, state governments, private sectors, and common people are inevitable.

Mishra (2014) opined that despite having so much to offer domestic and international tourists, our country's extensive marketing efforts are not bringing as many visitors to India as expected. The study commented that though the "Incredible India" campaigns performed well, India's tourism potential remains unexplored to a greater extent. The study also observed that India lags far behind many smaller countries regarding tourism.

Athma and Nalini (2013) compared the number of foreign tourists visiting India and the proportion of the top 10 states over several years. The study also assessed the tourism sector's contribution to the country's foreign exchange earnings. Further, the study observed that the growth rate in domestic tourist visits is higher than in foreign tourist arrivals and total tourist visits. The study concluded that the measures taken by

the central government will positively impact the country's tourism performance in the future.

Vinayak (2013) remarked that it is a fact that the Indian tourism industry can boast of having a vast storehouse of natural and cultural resources. It is also a matter of pride that the Union Ministry of Tourism initiates many commendable programmes to attract foreign tourists. However, indeed, there is still room for improvement. Tourists today are fascinated by the natural beauty of destinations and strongly inclined towards man-made tourism spots. However, India's global competitiveness is too poor regarding man-made attractions. The author remarked our country, in addition to utilising the blessed natural beauty maximum, has to move towards man-made destinations.

Gupta (2011) opined that tourism has evolved as a tool to generate significant benefits for host and home countries such as tax revenue, foreign exchange earnings, employment, business opportunities, and poverty alleviation. However, many studies have pointed out that making the tourism sector a platform for terrorist groups to carry out their activities is becoming a major challenge for global tourism. The author attempts to examine the impact of the 2008 Mumbai attacks on the financial performance of the tourism industry. The study scrutinises the impact of this unanticipated event on the balance sheet of India Tourism Development Corporation (ITDC). The study evaluated key ratios such as liquidity, profitability, leverage, earnings per share, and direct foreign exchange earnings. A paired t-test was used to test the significance of the difference in financial performance before and after the attack. The poor performance indicates the severe impact of terrorism on the tourism sector.

Padmasree Anchula (2011) suggested the need to maintain stability in the growth patterns of India's tourism industry. The study mentioned that government and private agencies should collaborate to ensure the necessary tools and support to promote the tourism industry in the country. The study also recommended specific initiatives such as rural tourism, health tourism, and eco-tourism to achieve sustainability in global competitiveness.

Hannam and Diekmann (2010) observed that tourism to and within India has significantly changed due to increased international and domestic tourists. Recognising the importance of tourism in the Indian economy, the Indian government started investing in tourism infrastructure, which led to the redevelopment and rebranding of many tourist destinations. The authors also underlined that India, within the near future, will also become one of the most important countries regarding outbound tourism, as the economy is growing rapidly. The authors thoroughly analysed the issues faced by contemporary India as a major destination and source of tourists. The book also examines tourism governance, heritage tourism, cultural tourism, etc., from the supply side and domestic tourism, international tourism, Indian diaspora, etc., from the demand side.

Namboothiri and Varughese (2010) commented that in the present era of travel and tourism, almost all countries are either gaining benefits from tourism or planning to gain benefits from tourism. The authors remarked that as Kerala, popularly known as "God's own country," is the first Indian state which declare tourism as an industry and offers many incentives to attract investors, the tourist destinations of Kerala should take adequate measures to avail right facilities at the right quality and at the right time to the tourists.

Edward and George (2008) observed that Kerala is a developing tourist destination in a developing country. The authors demonstrated the strengths and weaknesses of tourist destinations in Kerala from the demand side and suggested various methods for destination marketing. The study compared a series of attractions and experience factors in destinations in Kerala. The analysis highlighted the role of specific destination attractiveness factors as the main attraction of the destination. The analysis strongly argued that Kerala tourism will perform well in various sectors in the coming years. However, the study suggested that the tourist experience can be improved by reforming local development efforts, thereby filling the existing negative gaps.

Ghatage and Kumbhar (2005) focused on the growth and performance of India's tourism sector. The authors examined a causal analysis of India's tourism industry in terms of bringing economic development to the country. The study observed that

foreign tourist visits to India have played a remarkable role in placing India in a better position concerning foreign exchange earnings. Further, the study examined the major issues concerned with developing the tourism sector and attracting foreign capital to India.

2.5 Impact of GST Reforms on the Tourism Sector

This section reviews and briefs various studies on the impact of implementing the GST system on the tourism sector.

Adedoyin et al. (2023) have chosen the Maldives as a case study because it is a country that relies heavily on tourism and receives up to 70% of total government revenue from tourism tax. Based on the estimated tax elasticities, it is found that tourism taxes negatively affect inbound travel, although there are significant differences across markets. More specifically, a 10% increase in tourism tax results in a 5.4% decrease in demand. Hence, the authors opined that the degree of responsiveness of tourism demand to the changes in tax is crucial in formulating tourism policy.

Bargat (2023) evaluated that the pre-GST taxation was a more complicated tax structure with a cascading effect. Hence, the study commented that implementing GST has profoundly impacted almost all sectors of the country's economy. As one of the key contributors to the economy, the Indian tourism sector has been positively and negatively influenced by GST. The author observed that the GST Council has taken many measures to address the industry's concerns, such as reducing hotel tariffs and other tourism-related services. The study also observed that it was used to attract foreign tourists, and the GST Council has suggested a refund mechanism for foreign tourists.

Alhussami (2022) remarked that India is distinguished from other countries because of its several natural and man-made tourist attractions. These distinguishing features make India the world's biggest tourist destination. Regarding foreign tourist arrivals in 2015-2016, the annual growth rate in India's share (9.7%) was much higher than the world rate (3.9%), but India still ranked 40th, the study estimated. Also, the study

remarked that only 12% of India's total tourism revenue comes from foreign tourists and 88% from domestic tourism. In this scenario, the study pointed out that the fixed GST rate (12-18%) for the tourism sector will overburden the tourists, so they will likely shift their destinations to Singapore, Thailand, Indonesia, Malaysia, and China. The average rate of GST there is only 5-10%. Meanwhile, the fact that it is a transparent taxation system makes GST more attractive. With the implementation of GST, tourists are fully aware of how much tax they must pay. The study suggested that this transparency of GST will boost tourist confidence and consequently increase foreign tourist arrivals to India. However, as a major source of foreign exchange earnings, the study suggests that the tourism sector would benefit more if some concessions in GST were given to business tourists.

Tiwari (2022) observed that any fluctuation in the GST rate can influence the price of tourism products and the whole economy. Since empirical studies proved heterogeneity in the price sensitivity of individual tourists, the study attempted to analyse whether any relationship exists between price competitiveness and the arrival of tourists using primary and secondary data. The analysis proved no correlation between the two in the global context. However, the author opined that price is a key determinant for countries with homogeneous economic status and tourism experiences. The study is highly useful to the stakeholders in designing strategies to enhance the perceived value of the destination, and thereby government can mobilise more tax revenue which may be utilised for the welfare of the people.

Gupta (2021) remarked that since the tourism industry operated under a multiple tax system in the pre-GST era, implementing GST is expected to be crucial in driving the sector forward. Since tax policy is an economic tool for achieving growth in the tourism sector, the GST system will improve the quality of services, taxpayer transparency, and tax administration in the long run. Also, the new GST system could effectively achieve cost-based competitiveness, improve transparency, and create credibility in the tourism sector.

Perween and Hajam (2021) observed that fixing GST rates on tourism-related businesses, especially hotels and restaurants, based on annual turnover was a major

reform move for the government. By combining all the taxes, standard GST rates have been set to make business easier. The study opined that this will reduce consumer spending and boost tourism. The study also observed that the food and beverage industry is the top beneficiary of GST reform in the tourism sector. GST is expected to reduce the overall bill by 15-20%. However, it is seen as a problem that service providers have to take GST registration in each state where they provide services. Similarly, the business has to maintain accounts and file quarterly returns for each segment. The study further observed that since liquor is outside the purview of GST, the very objective of implementing uniform taxation across the country is being undermined. While analysing the expenditure side and tax burden of the tourism sector, the study found that the expenditure incurred by the Government of India in the tourism sector is very low. While the government spends only 0.18 % to 0.19 % of the total expenditure on the tourism sector, the tax burden faced by the tourism sector ranges from 5% to 18 percent. Therefore, the study suggested that the expenditure share towards the tourism sector out of the government's total expenditure should be increased to promote tourism.

Sahoo and Nayak (2021) opined that even though the hotel industry was burdened with a multiplicity of taxes, with the implementation of GST, only a single tax is charged with clearly stated slab rates for various hotel services. GST Slab rates depend on the types of hotel services consumed. The tax rates are lower for basic hotel services but very high for luxurious services. The study observed that GST benefits the food and beverage sector in hotels. Similarly, this system benefited budget hotels under the 12% slab. However, hotels falling below the slab rate of 18 to 28 percent face adverse effects due to GST. After the implementation of GST, consumers have a clear understanding of the taxes they have to pay for various hotel services. Therefore, the hotel staff does not have to argue with the customers regarding the amount charged to the hotel staff. This helps in maintaining good relations with the customers and improves the business of the hotels. The study concluded that improving hotel business will generate more revenue for the government and increase employment opportunities in the hotel industry.

Varalakshmi and Kumari (2021) suggested that the GST system benefits consumers and hoteliers. Customers are happy with the reduced food bill. Restaurant owners are also happy with the ease of claiming input tax credit. However, if the room rate per night exceeds Rs.7,500, hotel owners have to pay 28% GST. This results in a huge drop in tourists who enter their properties. The study also observed that the exclusion of alcohol from GST defeats the very purpose of bringing in a unified single tax structure. The compliance work and cost are doubled as separate accounts are to be maintained concerning liquor transactions.

Abraham (2020) opined that the impact of GST on tourism performance can be measured using certain variables, such as foreign tourist arrivals, foreign exchange earnings, direct contribution to GDP, total contribution to GDP, domestic tourist expenditure, collective government spending, etc. The study concluded that though the GST has a negative impact on the tourism sector's performance in the short run, it is almost insignificant in the long run.

Bhargave et al. (2020), after investigating the benefits and challenges of the GST system through in-depth interviews with 40 relevant authorities in the hotel industry, concluded that transparency, uniformity, cost reduction, and better professionalism are the main benefits that the hotel industry has been able to achieve through the implementation of the GST system. They also identified compliance burden, lack of awareness, and timing challenges as major challenges faced by the hotel industry due to GST implementation. The study asserted that the future prospects of GST will be positive for the hotel industry.

Manoj (2020) asserted that GST will be beneficial in the long run and make the fantasy of "one nation, one tax" a reality. The owners of the organisation initially opposed the GST rates in the tourism and hotel industry sectors. However, the study pointed out that after implementing the revised rates on 15 November 2017, the lion's share of hoteliers/organisations has expressed confidence in the framework. The study also showed that even though the transition to the new tax system will result in additional costs, the fact that GST is a valuable tax system will be accepted over time.

Priya and Premkumar (2020) conducted a study to determine the impact of implementing GST on the hotel industry in Chennai city. It was conducted by selecting 5 independent variables to identify the respondents' opinions. They were (1) GST is effective, (2) GST is easy to understand, (3) Tax regime, (4) Profit margin, and (5) Customer increase after GST. Data collected from hoteliers were analysed using multiple regression and descriptive statistics. The study found that the implementation of GST has a positive impact on the hotel industry in Chennai city. The customers are given a clear picture of the tax levied on them for the hotel services they received. The study concluded that the slogan "One Country One Tax" has enabled standard pricing for hotel services, low tax rates, and easily understandable billing for customers. The study asserted that these benefits will increase the demand for hotel services, creating more employment opportunities and increasing the government's revenue significantly.

Kansara and Mishra (2019) revealed that premium hotels (four-star and above) with higher tariffs above Rs 7,500 per day may attract higher tax rates under the GST regime. The study observed that the biggest relief for the hotel industry is that tax compliance becomes easier as there will be no separate taxes for the industry's different services. Meanwhile, centrally registered hotels must register the hotel in each state, whether they provide services on their account or through a franchise. Also, the study concluded that setting off taxes already paid through the input credit system would benefit the industry, unlike the earlier system. Backed by positive sentiments and an expected increase in demand, the study regards the industry to register around 7-9% growth in revenue in the financial year 2019. The study also expected the hotel industry's room revenue to improve at a CAGR of around 10-12% over the next 5 years.

Khatik and Nag (2019) opined that GST is a non-discriminatory indirect tax applicable to India. They strongly argued that the tourism and hospitality industry, which contributed about US$ 136,200 million to the GDP at the end of 2016, is expected to witness many changes with the implementation of GST, the 32-year-old dream of the country. The study closely monitored the changes that GST has brought

about regarding the pros and cons of the tourism and hospitality industry. The study detailed the changes in hotel room tariffs and restaurant food bills**.**

Mathew (2019) has undertaken a study to identify the problems and prospects of implementing GST in the hotel industry in Kerala state. As part of the study, out of 123 hotels with restaurants in Kottayam district, 60 hotels were selected using convenience sampling. The study identified that the hoteliers faced many issues while shifting to the new taxation system. The study found that the hoteliers incurred a huge cost for installing new IT infrastructure and getting the personnel acquainted with the new system. Further, they experienced increased compliance costs and higher prices for goods and services. The consumers complained about the increase in their restaurant bills. However, when the rates were revised, with effect from the 15th of November 2017, many hoteliers expressed their faith in the GST system. The study opined that all these are the issues faced during the initial stage of implementing a new system and will be removed in the long run.

Song et al. (2019) opined that tourism taxes are becoming relatively popular among policymakers. Consequently, scholars in the tourism arena are paying better attention to the economic impacts of tourism taxes. The study remarked that even though tourism taxes are exportable, they can distort the economy to a great extent.

Acharjee (2018) opined that GST is an efficient and coherent destination-based taxation system that will eliminate all the problems faced by the tourism industry, thereby leading to cost optimisation and free flow of transactions. If the GST rate can be maintained at 10 to 15 percent, GST may give great hope to India's hotel and tourism sector. The unique features of GST, like uniformity of tax rates, availability of seamless input credit, etc., may make tourism products affordable to the end users.

Ambili (2018) observed that the rich culture, historical heritage, diverse terrains, and natural beauty spread across the country offer huge potential for the Indian tourism industry. The study highlighted the tourism sector's role in generating employment and earning foreign exchange. The study showed that GST offers a glimmer of hope for the tourism industry as better utilisation of input tax credit will benefit the end user. Touted as one of the biggest reforms in modern India, the study has shown that

the GST offers immense potential for the Indian tourism industry to grow rapidly, create jobs, and earn huge amounts of foreign exchange.

Arhin (2018) studied Ghana's hospitality industry and taxation. He found that the growth rate in the tourism sector is far better than in any other sector in Ghana. Based on primary data collected from 109 businesses, the study found that businessmen do not give much importance to maintaining books of accounts. The study used economic theory, sociological theory, psychological theory, etc., to develop a link between hospitality and taxation.

Baliyan and Rathi (2018) noted that GST, "Make in India," "Digital India," and demonetisation were all implemented to make India an industrial hub and create jobs in various sectors. The hospitality industry in India is booming. Between 2007 and 2016, growth of up to 8% was expected. Before GST, the hospitality sector was subject to multiple taxes like VAT and luxury tax. However, with effect from 1st July 2017, all tourism services are subject to a single GST. A study comparing the pros and cons of GST in the hospitality sector suggests that the benefits far outweigh the challenges. However, the study also suggested that by solving all the intricacies in the indirect tax system, GST should be created as a robust system that can become a big relief to the government, consumers, and manufacturers.

Saxena and Payal (2018) have examined various positive and negative effects of the implementation of GTS on the hospitality and tourism industry. In the old indirect tax system, taxes on international tourism were very high in India. This was one of the main reasons for losing tourists from many South Asian countries. The study found that the GST system is the solution to significantly generate much-needed foreign exchange to strengthen the Indian economy through inbound tourism. The study also observed that the existing indirect tax regime was one of the biggest barriers for investors and industries in doing their business. Also, it was against the 'Make in India' national programme. The study asserted that with the introduction of GST, a tax system is in place to create an industry-friendly tax environment and stimulate economic growth.

Škare et al. (2017) have attempted to link the economy of Croatia with the Value Added Tax system. These researchers suggest that increasing the tax rate would hurt the hospitality industry, and since Croatia's economy relies heavily on tourism for revenue, higher taxes are not rational. Taxes play a major role in determining destination competitiveness. The study also observed that tax rates in Croatia are higher than in many Mediterranean countries. The study highlights that a significant change in tax rates, rather than creating a winner or a loser, may have strong economic consequences and may change the very landscape of competition. At the same time, the study highlighted the need for planned investment in the tourism industry, as increased investment in the tourism sector will increase GDP and employment opportunities for citizens. The study specifically observed that in Croatia, from 2006 to 2013, income fell by 23% due to higher tax rates on tourism and that after 2013, when the tax rate was reduced, the employment rate increased by 34%. In short, taxation in the tourism sector is not limited to the tourism industry; the study proved that it plays an important role in the GDP and the economy and, ultimately, in the quality of life of the people.

Vhankate (2017) opined that since the tourism industry has been reeling under multiple taxes, almost all businessmen were eyeing GST for some relief. Still, the outcome for the industry has not been very positive. However, it is suggested that this negativity will last only in the short run and may turn positive in the long run once GST stabilizes in all sectors of the economy.

Azmi et al. (2016) observed that the initiative of the government of Malaysia to replace the Sales and Service Tax (SST) with GST in various sectors has proven to benefit society, especially in the tourism sector. However, a positive impact on tourism revenue can be seen only if the tax rate is reasonable. Generally, if goods and services are taxed, the actual effect may be positive or negative. Therefore, it is a great challenge for the government. Therefore, apart from the theoretical benefits, the study stated that the government has to fulfil the responsibility of creating the conviction and confidence in the people that GST is a policy that will help the country's development.

Business and Industrial Research Division, IMRB International (2014) reported that several taxes are being levied on the same product or service offered by the Union Government and State Governments. It further observed that taxes levied on inbound tourism are the highest in the country, and hence, India is losing foreign tourists considerably. When the tourism sector of certain competing destinations in South Asian countries levies much lesser taxes, the taxes levied on inbound tourism are the highest in India. This is one of the vital reasons that India is losing foreign tourists. The other issues faced by the sector consist of (a) frequently changing differential tax rates in different States, (b) higher monument entry fees for inbound tourists as compared to that of Indian tourists, (c) very high entry tax in certain States, and (d) very high road tax on commercial vehicles in certain states. So, the study suggested some structural changes to have a boost to the tourism sector in India. These include a reduction in VAT, a reduction in the monument entry fee for inbound tourists, harmonization of State entry fees across the nation, harmonization of road tax, etc.

Šmardová (2012) undertook a detailed investigation to determine the impact of taxation on the hospitality sector in the Slovak Republic. The study observed that catering and hospitality are the sectors that provide basic services in tourism. Based on the data obtained from 170 respondents, the author presented a detailed view of the subjective perception of the taxation system in the Slovak Republic.

Vjekoslav et al. (2012) remarked that the tourism industry is the most competitive and income-generating in any economy. The study compared different countries' taxation policies and examined how taxation influences the hospitality industry. The study shows that the taxation system can change the customers' behaviour. When the tax rate increases, the revenue of hotels and the tourism sector is decreased considerably. The study identified that in Croatia, there are 45 types of taxes. Of these, the customers bear 30, and the hotel industry bears 15. We can think of the influence of taxation on Croatia's tourism sector. The study suggested that though taxes are levied for the development purposes of the country, the government should think of shifting the tax burden of the tourism industry to some other sectors so that Croatia's tourism will be improved greatly.

Varela (2011), in a study on the taxation of tourism activities in Portugal, stated that globally, more than 40% of countries levy a special tourism tax on tourists visiting their country. According to the study, tourism tax is levied to raise funds for the government to make all the arrangements like infrastructure, hotels, tourist attractions, waste collection, road maintenance, water supply, and sanitation services. The study also discussed various taxes levied by the government of Portugal, such as value-added tax, municipal tax, excise duty, local tax, municipal real estate tax, municipal real estate transfer tax, etc. The study used various models and eventually concluded that tourism taxation is necessary to ensure the forward movement of the economy.

Kosi and Bojnec (2010) opined that tourists have to face many taxes while staying in a foreign country, which makes their trip more expensive. The study suggested that the loss of price competitiveness due to higher taxes often prompts tourists to choose other destinations. The study shows that value-added tax is the most important tax levied directly on tourists. Spain, Cyprus, and Greece are the most competitive European Mediterranean tourist destinations in terms of VAT. Croatia has the highest VAT rates among the countries selected for the study. The countries such as Bulgaria and Romania are moving quickly towards an extremely tax-friendly environment. By simplifying their tax regimes, they attract more foreign investors. Thus, their capacity is upgraded, and tourists from abroad are attracted. At the same time, the study recognised that Europe is now a relatively expensive tourist destination and is gradually losing market share worldwide.

Durbarry and Sinclair (2002) showed how much the tourism industry contributes to the tax yield of the United Kingdom. The study revealed that tourism income and price competitiveness are strongly related. The study remarked that, as the tourism industry contributes to employment, income, foreign exchange, etc., any change in tourism will reflect changes in all other related sectors of the economy. The study also discussed trends and issues in the UK tourism sector. The study identified the major issues faced by the tourism sector in the UK by comparing the Tourist Price Index and Effective Exchange Rate. Further, the study examined the various tourism taxes

charged in the UK, such as corporation tax, environment tax, transportation tax, import duties, tax on complementary goods and services to tourism, etc.

2.6 Research Gap

The comprehensive literature review, conducted using the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) protocol, helped to identify the research gap for the present study. A careful analysis revealed that many previous studies have discussed the impacts of GST reform on the Indian economy. However, studies concerning the impact of GST on the tourism sector were too few, and none of them were related to the effect of GST on tourist resorts, a vital segment of the tourism sector. However, few studies have compared hotel and restaurant bills before and after GST implementation. Similarly, few studies have compared the secondary data regarding foreign and domestic tourist arrivals before and after GST implementation. All these denote a research gap in undertaking an in-depth empirical analysis regarding the impact of GST reform on tourist resorts in Kerala. Hence, the present study discusses the impact of GST on tourist resorts in Kerala by collecting primary data from the resort administrators. This study, which examines the extent of GST impact on varied performance indicators of tourist resorts in Kerala and the varied issues and challenges faced, can play a significant role in filling the research gap identified in the existing literature. The study will be useful to the tourist resorts in Kerala in developing strategies in such a way as to exploit the GST-driven advantages appropriately and to attract a larger number of tourists to the State.

2.7 Conclusion

The literature reviewed above gives a clear view of the studies undertaken by earlier researchers on or related to the topic of the study. The studies focused on the need for GST reform, the features of the GST system, GST-driven advantages, the structure of GST, the impact of GST on various sectors of the economy of India, technological and cost-related issues faced during GST migration, the role of tourism in the economic development of a country, etc. are thoroughly reviewed and arranged in an orderly manner. For the present study, 80 past studies that illuminate the features and

benefits of the GST system, 23 studies on tourism performance, and 29 studies regarding the effect of GST on the tourism sector were examined thoroughly to understand the influence of GST on various tourism performance indicators of tourist resorts in Kerala. The diligent review of the existing literature helped to identify the research gap in the study area.

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Chapter 3

THEORETICAL FRAMEWORK FOR TAXATION

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3.1 Origin of Taxation

The word 'tax' has been derived from the Latin word 'taxare', which means 'to assess' or 'to estimate.' There is a general belief among common people that taxes are of recent origin. However, taxation is as old as civilization itself. As soon as an organised society came into being, it had to be taxed in one form or another for its support (McGregor, 1956). There is much evidence for the levying of taxes, even in the ancient communities. Taxes were levied on the purchase/sale of merchandise or cattle and collected irregularly and occasionally. Nearly 2000 years ago, Ceaser Augustus issued a decree that tax should be charged worldwide. In empires such as Greece, Germany, and Rome, taxes were levied on a turnover or occupation basis. For many eras, revenues in the form of taxes went to the Rulers. In Northern England, taxes were also levied on land and moveable property under the title Saladin in the year 1188. In the years 1166 and 1188, the kings of France and England levied taxes on clergy and laity at the request of the Pope to support the Crusades to the Holy Land (Cazel, 1955). Later, taxes such as poll taxes, duties on wool, duties on leather, etc. were introduced. The taxes so collected were utilised to meet the civil or military expenditure of the government. Further, those revenues were also utilised to meet the common needs of the people, such as the maintenance of roads, ensuring justice, etc.

3.2 Concept of Taxation

Defoe (1726), an English writer, trader, and journalist, opines, "Things as certain as death and taxes can be more firmly believed." Using the word 'tax' and the effect of taxation can never be avoided in our day-to-day lives.

Taxation refers to the compulsory extraction of money from the public by the government to generate income for undertaking projects to boost the country's

economy and raise the standard of living of its citizens. Taxes are imposed in almost every country in the world as they are the most important sources of revenue for governments. Since no government can function properly without adequate financial resources, it has the right to impose taxes, which the people must pay. Almost everyone in the world is taxed within the borders of a country, state, or territory (Björklund & Boll, 2021). While some claim that taxation is theft by the state, others argue that it is the state's moral function and duty. There is a third view that taxes are costs incurred by citizens to assert claims on the state. In short, taxation is a controversial issue.

In India, the government's authority to levy taxes is derived from the Constitution. All taxes levied in India must be backed by an Act passed by the Parliament or the State Legislature. There are different methods for levying tax on taxpayers, namely, progressive tax method, regressive tax method, and proportional tax method.

Under the progressive tax method, the tax rate increases as the taxable amount increases. Income tax is levied under this method. Lower-income people are generally exempted or levied at a lower rate of tax, whereas higher-income people are usually levied at a higher rate of tax. Under the regressive taxation method, the tax rate decreases as the taxable amount increases. Here, an inverse relationship exists between the tax rate and taxable income. In the case of the proportional tax method, the authority charges tax at the same rate across all the taxpayers. A proportional tax is also called the flat tax method and it is based on the principle that everybody is equal.

3.3 Purposes of Taxation

"Just as the Sun draws moisture from the Earth to give it back a thousand-fold, the King extracts tax from his subjects and gives it back to them in the form of prosperity." – Kalidasa in the Raghuvamsa (India Facts, 2024).

The main purpose of taxation is to raise resources to finance government expenditure in such a way that it is administratively feasible, equitable, and efficient (Burgess & Stern, 1993). Taxation also provides one of the principal lenses for measuring state

capacity, state formation, and power relations in society (Di-John, 2006). The very basic purpose of taxation is to provide the government with funds for spending without inflation. The governments require funds for several purposes, such as welfare projects, public infrastructure, public education, public health, unemployment benefits, enforcement of the law, salaries of government employees, public transportation, defence expenditure, scientific research, etc. The revenue needed for all these purposes is raised through taxation.

The objectives of taxation are closely related to the overall economic policies of the country. Its structure must be compatible with the objectives of public policy. It is critical for developing economies that their policies and programmes for economic development are fully supported by an appropriate tax policy (Upadhyay, 1978). Taxation policies have a direct and substantial impact on the economy of every country in terms of efficacy and justice, and thereby, they play a crucial role in the progress of the country (Nayyar & Singh, 2018).

In a country like India, to ensure a socialistic pattern, the wealth concentrated in the hands of a few people or certain parts of the country must be re-distributed properly. To accomplish this objective, taxes are levied at higher rates on wealthy people. Generally, harmful goods are taxed at a higher rate. Similarly, illegal, speculative, and non-speculative incomes are treated differently. All these measures are taken to achieve the country's objective of speedy economic growth. A country's economic progress depends heavily on how effectively people use the money available to them. Even a single rupee should not be kept idle. To attain this objective, the taxation system usually offers tax incentives so that idle money is diverted into more productive channels. Every government should create many employment opportunities as part of discharging its responsibility towards citizens. A well-designed taxation policy enables the government to make increased investments, thereby generating increased employment opportunities for its people.

3.4 Theories of Taxation

The taxation theories may be classified into two categories. They are (a) theories based on State-Citizen Relationship and (b) theories based on the functions of the State.

3.4.1 Theories Based on State-Citizen Relationship

The thinkers have designed three important taxation theories based on the State-Citizen relationship. They are:

3.4.1.1 Benefit Theory:

The benefit theory of taxation was propounded by Erik Lindahl, a Swedish economist, in the year 1963. According to this theory, the State should impose taxes on its citizens in proportion to the benefits it provides to them. The benefit theory was criticised on several grounds. Some argue that tax is a compulsory payment without any "direct quid pro quo", and the benefit theory violates this basic principle. Some other critics say that the benefits theory is completely against the concept of a welfare state. According to them, since the poor get more benefits, they should pay more taxes. At the same time, the rich need to pay only less taxes as they get fewer benefits. Moreover, the estimation of benefits enjoyed by each individual and the determination of their tax liability pause another challenging issue. Thus, the benefit theory of taxation was more easily defended on efficiency grounds (Neill, 2000).

3.4.1.2 Cost-of-Service Theory:

This theory was put forth by Hugh Dalton, a British Economist. According to the service cost theory, citizens should be taxed based on the cost of the services provided to them. However, this theory was criticised for challenges in estimating the cost of providing police and security services. Further, many critics argued that the relationship between the State and its citizens is not a contract. Since a tax has no quid pro quo, Dalton also rejected this theory (Stephen, 2023).

3.4.1.3 Ability to Pay Theory:

According to this theory, individuals should be taxed based on their taxable capacity. As the rich are taxed more and the poor are taxed less, this theory holds the concept

of a welfare State. The scholars in taxation advocated that the ability theory has achieved primacy among the taxation theories. Though benefits theory and cost of service theory were useful, they were later criticised as inclusive principles (Kendrick, 1939).

3.4.2 Theories based on Functions of State

Following are the important taxation theories that are formulated based on the comprehensive functions of the State:

3.4.2.1 Keynesian Theory of Taxation:

John Maynard Keynes propounded the Keynesian theory of taxation in 1936. According to this theory, taxation is a form of government intervention in a market economy based on supply and demand by reducing surplus savings. Keynes thought that government spending could increase aggregate demand. He was an exponent of progressive taxation.

3.4.2.2 Neo-Keynesian Theory of Taxation:

This theory is an improved form of the Keynesian Theory of Taxation. Its central premise is that systematic state control of the economy becomes necessary due to the diminishing need for capitalism to restore economic equilibrium.

3.4.2.3 Neo-Classical Theory of Taxation:

The neoclassical theory advocates that the market should be left to regulate itself. There should not be any external intervention in such a free market. The Government should make all efforts to remove interference in the growth of the free market. The neoclassical theory also proposes providing tax exemptions to corporations.

3.5 Direct and Indirect Taxes

In public finance literature, taxes are classified into several types based on various criteria, such as who pays tax, who bears the ultimate tax burden, the extent to which the tax burden can be shifted, etc. However, the most commonly used classification is based on who pays tax to the tax-imposing authority. As per this criterion, taxes may

be mainly classified as (i) direct taxes and (ii) indirect taxes. The distinction between direct and indirect taxes appears to have originated in relatively modern times. No trace of such a distinction can be found in classical antiquity (Bullock, 1898).

3.5.1 Direct Tax:

Direct tax is directly levied on a person who is to bear the burden of such tax. These are usually levied on income or property. Direct taxes cannot be transferred to any other individual or entity. In India, direct taxes are supervised by the Central Board of Direct Taxes (CBDT). For example, income tax is a direct tax because it is levied on the person whose income is taxable under the Income Tax Act and is payable by the same person whose income is being taxed.

Direct taxes are usually progressive in nature because more tax is charged on the persons with higher income, and less tax is charged on the persons with lower income. For instance, in the case of income tax, persons having income up to Rs. 5,00,000 per annum are liable to pay income tax @ 5% of the income after the threshold; persons having income up to Rs. 10,00,000 per annum are liable to pay tax @ 20% of income over Rs. 5,00,000; and persons having income above Rs. 10,00,000 per annum are liable to pay income tax @ 30% of the income over Rs. 10,00,000 (The rates mentioned here apply to old tax regime for the financial year 2023-24).

3.5.2 Indirect Tax:

Indirect taxation is an important part of the financial arsenal of both developed and developing countries. In fact, in developing countries, indirect taxes constitute a significant portion of their total tax revenue. Like direct taxes, indirect taxes can influence the allocation of resources and the pattern of production and consumption of different goods and services (Aggarwal, 1995).

Indirect tax is levied on someone who collects such tax from another person and pays it to the government. Indirect taxes are usually levied on the supply transactions. GST is an indirect tax as the consumers are liable to pay the amount of GST while paying the price of the product or service. After collecting the GST from the consumer, the supplier is liable to pay this tax amount to the government. Here, the consumer bears

the tax amount but pays the supplier to the government. In short, an indirect tax is a tax imposed on others rather than the individual intended to bear the ultimate burden (Atkinson, 1977). From an administrative point of view, implementing indirect taxes is generally easier than implementing direct taxes. Since they are included in the prices of commodities, they cannot be easily avoided. Easy and relatively inexpensive to administer is a vital argument for indirect taxes (Khan, 2001).

Indirect Taxation is a broad expression that refers to the taxation of transactions in the context of different taxable events. For instance, indirect taxes are levied on purchasing, selling, or manufacturing goods and services. In the case of indirect taxation, the tax burden is transferred from the supplier to the buyer of goods or services. It is regressive in nature in the sense that it does not depend on the paying capacity of the buyer of goods or services. In other words, the tax payable while purchasing a commodity is the same for a rich or poor person. Again, as it increases the price of goods or services, indirect taxation leads to an inflationary trend. Further, the practice of charging a higher tax rate on harmful goods (sin goods) discourages the consumption of such goods. Finally, indirect taxation is a major source of tax revenue for any government. However, indirect taxes are not generally suitable for removing inequalities in income and wealth (Gupta, 2001).

3.6 Systems of Indirect Taxation

There are two methods of indirect taxation. They are:

(1) Single Point Taxation System, and

(2) Multi-Point Taxation System

3.6.1 Single Point Taxation System

In the case of a single-point taxation system, tax is levied at only one point between the point of manufacture and the point of ultimate sale for consumption. When a person purchases a car, he has to pay road tax along with the price of the car. But if this car is subsequently sold to any persons, road tax is not chargeable on the subsequent transactions. Thus, road tax is a single-point tax.

3.6.2 Multi-Point Taxation System

In a multiple-point taxation system, tax is levied at all the stages of the sale of a commodity or service, and thus, tax is levied and collected at every point of sale whenever goods are sold or services are rendered. Further, in the case of multiple-point indirect taxation, tax may be levied by allowing or not allowing input tax credit to the person paying tax at any of the points.

Central Sales Tax (CST) was chargeable during the pre-GST regime for an inter-state sales transaction. Therefore, when a product was sold by Mr. X of Kerala to Mr. Y of Karnataka, CST was chargeable on this sales transaction. When the same product was further sold by Mr. Y of Karnataka to Mr. Z of Goa, again CST was chargeable on the sales value charged by Yon Mr. Z, an input tax credit of CST paid by Mr. Y was not available. Thus, the Central Sales Tax was a multiple-point tax with no option to input tax credits.

With the implementation of GST, when a product is sold by Mr. X of Kerala to Mr. Y of Karnataka, Integrated GST (IGST) would be chargeable. When Mr. Y of Karnataka subsequently sells the product to Mr. Z of Goa, again, IGST would be chargeable. However, Mr Y will be allowed to take an input tax credit of the IGST he paid while purchasing the same. Therefore, GST is a multi-point taxation with an option to input tax credit.

3.7 Supply Chain and Value Addition

Whenever goods or services reach our hands, they must pass through several stages or intermediaries. For instance, when we purchase a cotton shirt, we know that somebody would have grown cotton in the field, and it would have passed through many stages before reaching us in the form of a shirt. The supply chain refers to a channel through which the goods or services pass before reaching the hands of the final consumer. When a product moves from one player to another in the supply chain, value is assumed to accrue to the product (Hellin & Meijer, 2006). The value so accrued is called value addition.

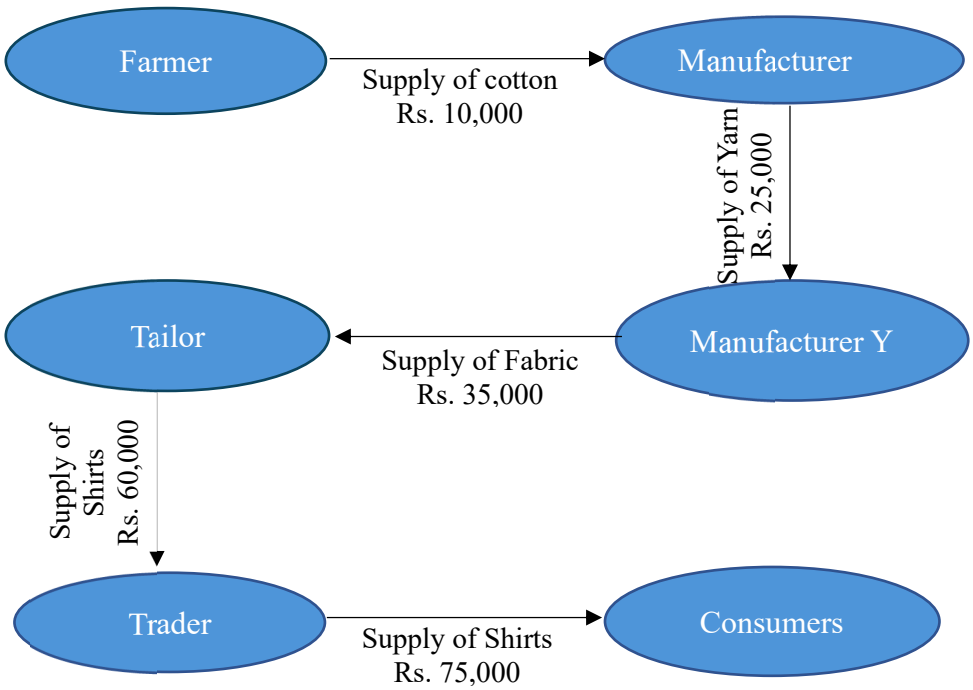
To have a better understanding, let us take an example of a typical supply chain of goods with a series of steps:

1. A farmer grows cotton and supplies the same to a manufacturer X for Rs 10,000.
2. Manufacturer X makes yarn from cotton and supplies the yarn to manufacturer Y for Rs 25,000.
3. The manufacturer Y makes fabrics using yarn and supplies the fabrics to tailor for Rs: 35,000.
4. The tailor makes shirts using the fabric and supplies the shirts to a trader for Rs 60,000.
5. The trader sells the shirts to the consumers in the market for Rs 75,000.

The above sequential steps in the supply chain may be shown diagrammatically as follows:

Figure 3.1

Supply Chain



In a typical supply chain, every manufacturer or intermediary adds value to goods or services. In the above example, the farmer creates a value of Rs. 10,000; manufacturer X adds a value of Rs. 15,000; manufacturer Y adds a further value of Rs. 10,000; the tailor adds Rs. 25,000, and the trader adds Rs. 15,000. Therefore, the value of the product (shirts) reached the hands of the final consumers at Rs. 75,000.

3.8 Concept of Value-Added Tax

The Value Added Tax (VAT) is a concept of indirect taxation followed by a multi-point taxation system. In a multi-point taxation system, the tax is usually levied on the value addition made at each supply chain point. Therefore, every manufacturer or intermediary in a supply chain has to pay tax only on the amount that he has added as value in the supply chain. Since the VAT system involves value addition at every stage of production and distribution, a portion of it should be given to the government to attain social development (Tripathi et al., 2011). Further, since tax is levied at each stage of the manufacturing process, the VAT system could minimise the chances for exploitation and increase the compliance ratio significantly (Business Standard, 2020). For instance, if a person, say, Mr. Z, purchased a product for Rs. 2,000 and sold it for Rs. 3,000, the value he created is Rs. 1,000; therefore, he is liable to pay tax on Rs. 1,000 only. Here, the question arises about how Mr. Z would be paying tax on Rs. 1,000 when his sales revenue is Rs. 3,000. This problem can be solved using the Input Tax Credit (ITC) method. The VAT was first introduced in France in 1954 by Maurice Maure, a French Economist and the joint director of the French tax authority. Soon after France's adoption, many Asian and European countries implemented the VAT system successfully.

3.9 Input Tax Credit System (ITC System)

In the case of multiple-point taxation, the tax at multiple points may be levied by allowing or not allowing input tax credit. Input Tax Credit System is a mechanism in which a person can offset the tax liability on his supplies of goods or services by using the amount of tax he has paid while purchasing the same goods or services. In other

words, when an intermediary pays tax on his output, he can deduct the tax he previously paid on inputs (Tojojose, 2017).

For example, suppose a trader sells a TV set worth Rs. 20,000 by charging Rs. 5,600 (at 28%) as GST and receives Rs. 25,600 from the customer. Of the amount received by the trader, Rs. 5,600 is his output tax liability. Here, the trader must pay Rs. 5,600 to the government as it is the tax he collected from the customer. But, on the input side, the trader purchased the TV set from a wholesaler for Rs. 19,200, including GST of Rs. 4,200 (28% of 15,000). The GST paid on purchasing a TV set is his input tax, which can be used to offset the output tax. So, the trader is required to pay only Rs. 1,400 [5,600 – 4,200] as GST to the government. Here, the trader can offset the tax liability on his supplies by using the tax he has paid while purchasing those goods. This system is called the Input Tax Mechanism.

3.10 Cascading of Taxes and VAT System

One of the peculiar features of the VAT system is that there is no cascading of taxes in VAT. Cascading of taxes means "levy of tax on tax." In a supply chain, if input tax credit is not available on the taxes paid on purchase, such taxes form part of the costs. Therefore, when a person who purchased such goods or services sells these items at cost plus profit margin, the tax becomes payable on the entire selling price. In other words, the tax is levied not only on costs but also on tax. For instance, when a dealer paid an excise duty of Rs. 200 on Rs. 2,000 for an item he purchased, he was to pay sales tax at 12% on Rs. 2,200 (cost + excise duty). Thus, he was paying Rs. 264 as tax, of which Rs. 24 was levied on the excise duty component. This concept is generally known as the cascading effect of taxes.

In the case of VAT, since the Input Tax Credit is available to offset the output tax liability, the input tax does not constitute cost; thus, there is no cascading of taxes. Furthermore, as the benefit of set-off is available only when tax is paid on inputs and previous purchases, the VAT system offers a built-in check, thereby ensuring transparency and eliminating tax evasion (Johnson, 2015).

3.11 VAT: A Tax on Final Consumer

VAT is a consumption-based tax levied at every point of value addition, starting from raw materials and going all the way to the final retailer. Ultimately, VAT is charged to the final consumer, and all the intermediaries involved in the supply chain can obtain an input tax credit for the VAT they have paid. VAT is finally levied on the final consumer by adding a fixed percentage to the final price of goods or services (Chaudhary, 2019).

The functioning of the VAT system can be clearly understood with the help of the following illustration:

Table 3.1

Table showing the functioning of the VAT system

Manufacturers/ Intermediaries	Sales (Rs.)	VAT @ 12% on Sales	ITC	Net VAT Payable
Manufacturer	1,000	120	-	120
Distributor – X	1,500	180	120	60
Distributor – Y	1,800	216	180	36
Retailer	2,000	240	216	24
Total VAT Paid by final consumer		(2000 x 12%) **= 240**		**240**

Note: Figures are arbitrarily chosen by the researcher

In the above illustration, the manufacturer sells his produce to the distributor "X" by charging VAT of Rs. 120 on the sale price of Rs. 1,000. Since the manufacturer has not incurred any input tax on his purchase, he has to pay the whole amount of VAT collected by him (Rs 120) to the tax authorities.

Distributor "X" sells the product to another distributor, "Y," for Rs 1,500 and charges Rs. 180 as VAT. Here, "X" does not need to remit the entire output tax amount of Rs 180 to the tax authorities. His net VAT liability is only Rs 60 after availing of the input tax credit of Rs. 120. In other words, distributor "X" needs to pay VAT only on the value addition he makes (i.e., 12% on Rs 500).

Similarly, when the distributor "Y" sells the product to the retailer for Rs. 1,800 after charging VAT of Rs. 216, he needs to pay VAT only on value addition made by him (i.e., 12% of Rs. 300 = 36). In other words, "Y" can avail of an input tax credit of Rs:180. Therefore, he is required to pay only Rs. 36 (i.e., Rs. 216 – Rs. 180) to the tax authorities.

Finally, the retailer sells the product to the end consumer for Rs. 2,000 and charges Rs. 240 as VAT. Here, the retailer's net VAT liability is Rs. 24 (Rs. 240—Rs. 216) because his value addition is only Rs. 200 (i.e., Rs. 2,000—Rs. 1,800). Since the consumer is the end component in the supply chain, he is to bear the entire VAT amount of Rs. 240.

3.12 Variants of VAT

As per the VAT system, tax should be levied on value addition. For this, the input tax credit should be taken at every stage of value addition. There are different manners (variants) of taking input tax credit in a VAT system. The important variants of VAT are:

a) Gross Product Variant
b) Income Variant
c) Consumption Variant

3.12.1 Gross Domestic Variant

Under the Gross Product Variant, tax is levied on all sales, and deductions in respect of taxes paid on purchases of raw materials and components are allowed. But no deduction is allowed in respect of taxes paid on purchases of capital goods. The main drawback of this variant is that, since input tax credit is not available for capital goods, they would be taxed twice.

3.12.2 Income Variant

Under this variant, tax is levied on all sales, and deductions in respect of taxes paid on all purchases, including capital goods, are allowed. However, the deduction for tax

paid on capital goods is allowed to the extent of the amount of depreciation only. The main limitation of this variant is that computing the amount of depreciation is very difficult. This is because the computation of depreciation depends on the life of the capital asset.

3.12.3 Consumption Variant

Under the Consumption Variant, tax is levied on all sales. Here, tax deductions are allowed for all purchases of components and goods, including capital goods. Unlike the income variant, the key feature of the consumption variant is that the taxes paid on purchasing capital goods are fully deductible. This is the most widely used variant worldwide.

3.13 Methods of Computing VAT Liability

To compute VAT liability, any of the following different methods can be used:

a) Addition Method (Income Approach)
b) Subtraction Method
c) Tax Credit Method (Invoice Method)

3.13.1 Addition Method

Under the addition method, firstly, all the components of value additions made by the business are identified. These include wages, expenses, rent, interest, profits, etc. Then, all these components for a particular period (i.e., for a month, quarter year, half year, or a year) are added together to find the value addition made by the business. Finally, the rate of VAT is applied to the aggregate amount of value additions. Here, the actual costs incurred towards value addition and the profit (income) during this period form the basis for computing tax; this method is also known as the income approach. Under this method, the VAT liability of a manufacturer/intermediary/person in the supply chain can be computed as follows:

$$\text{VAT Liability} = \text{Amount of Value Additions} \times \text{Rate of VAT}$$

Since the invoice-wise tax is not paid, there could be a higher possibility of tax evasion. This is the main drawback of the addition method of computing VAT.

3.13.2 Subtraction Method

Under the subtraction method, the amount of value-addition is estimated by subtracting the input value from the output value. Then, the tax rate is applied to the value so obtained. The subtraction method is also called the product approach method. Under this method, the VAT liability can be computed in the following ways:

(i) Direct Subtraction Method

VAT Liability = (Total Value of Sales – Total Value of Purchases) x Rate of VAT

Here, the value of both sales and purchases is exclusive of taxes.

(ii) Indirect Subtraction Method

$$\text{VAT Liability} = \frac{\left(\text{Total Value of Sales - Total Value of Purchases}\right)\times\text{Rate of VAT}}{\left(100+\text{Rate of VAT}\right)}$$

Here, the value of both sales and purchases includes taxes.

3.13.3 Tax Credit Method

Under the tax credit method, each seller charges VAT on his output value and passes the buyer a special invoice that indicates the amount of value and tax charged. Buyers subject to VAT on their sales (i.e., output tax) can consider the tax on the purchases as input tax and deduct it from their output tax. The net tax liability so obtained is paid to the government. If the net tax liability is negative, it refers to the amount refunded by the tax authorities. Under the tax credit method, VAT liability is computed as follows:

VAT Liability = Output Tax – Input Tax

Since this method is straightforward to apply, it is widely used worldwide. Under this method, since the net VAT liability is computed by considering the VAT shown in the invoices, this method is also called the invoice method.

3.14 Historical Background of Indirect Taxes in India During the Pre-British Era

The practice of levying tax has been in force in India since ancient times. In ancient times, the main basis of taxation was producer surplus. Modern principles and taxation rules, like equality, adequacy, convenience, economy, simplicity, flexibility, exemption, etc., were present during those periods. Beyond academic interests, tax principles have been applied to the day-to-day financial administration of states. During that period, kings were admired for managing the tax structure (Sen, 1990). It finds its references in many ancient books like 'Manusmriti' and 'Arthasastra.' According to 'Manusmriti,' India had a well-organised taxation system. The traders and artisans had to pay 1/5th of their profits to the rulers in silver and gold. Similarly, the agriculturists had to pay 1/6th, 1/8th, and 1/10th portions of their produce, depending upon their circumstances (Kishore, 2018; Belavadimath, 2019). The other classes of people, such as singers, actors, dancers, etc, were also subject to levy taxes. Taxes were paid in different forms, like gold coins, grains, raw materials, cattle, and the rendering of personal services.

Kautilya's 'Arthasastra' is a well-known book on statecraft written during the Mauryan empire. Much of this book deals with financial administration, including various taxes levied to generate revenue for the state. Arthasastra says taxes should be collected from taxpayers as bees collect honey from flowers without stinging them. Taxes were levied on agricultural produce, forest produce, mining of metals, salt extraction, etc. Taxes such as customs duty, water tax, tolls, and octroi duty were also collected. Land revenue was the backbone of the Indian economy during the Mauryan Empire. Four types of taxes, namely, Shita, Vag, Bali, and Kara, had been collected from the land. While the Shita tax was related to the crops grown on the royal farm, Vag was levied as the King's share of the crop grown on the land. The other two taxes were mainly levied on special lands and for maintaining a particular class of

employees (Akter, 2020). During the Mauryan Empire, trade and commerce flourished greatly. Goods were imported mainly from Ceylon and China, and all those foreign commodities were subject to the levy of a tax called 'vartana'. The businessmen dealing with the import of foreign commodities were charged with a levy known as 'dravodaya'. All sales were subject to a general sales tax. Even gambling operations were subject to a tax levy. The pilgrims were charged with a tax called 'yatravetana'. During the Mauryan Empire, the underlying philosophy of levying and collecting tax was not to exploit the subjects but to provide them all the social services and immunity from all external and internal dangers.

The period of Gupta is known as the golden era of Indian history. Art, architecture, and administration were at their peak during this period. Different types of taxes were levied for generating revenue. 'Kalpita/Upkilpta' (sales tax and purchase tax), 'halivakar/halidanda' (tax on ploughing), 'bali' (an additional oppressive tax on people), 'prataya' (toll tax), 'bhog' (king's share of produce), 'bhoga' (general tribute), 'bhag bhagkar' (combination of bhog and ghaga), 'bhatta' (police tax), 'chat' (security tax), 'charasana' (grazing tax), 'hiranya' (tax on special produce taken in cash), 'udakabhag' (water taxi), 'uparikar' (tax collected from all subjects), 'taradaya' (tax on navigation), 'rajju' (tax on measurement of land), 'sarvarishti' (forced tax), 'bedakbhog' (irrigation tax), 'uparnik' (tax taken from border area), etc. are the important taxes levied during Gupta period (Jagran, 2016). The level of taxation in the Gupta period laid the foundation for one of the most powerful empires in ancient Indian history, which witnessed the extensive development of trade, cities, and culture.

The main sources of income during the Vijayanagara Empire were revenue from crown lands, tribute paid by chieftains, port levies, and customs duties. Property, houses, and industries were also taxed. Incomes were further generated through professional taxes and judicial fines. Land tax was levied at 1/6th to 1/4th of the gross produce. It was charged according to soil fertility and availability of irrigation facilities. This was known as the Raya Rekha or Royal Line. However, relief was given to the farmers in case of bad monsoon, drought, or some other unforeseen

calamity. Marriages, meetings, and social organisations were also taxed. Local taxes were levied for the upkeep of the temples. Taxes were paid in kind and cash. There were four methods for collecting revenue. Firstly, the government employed its employees to collect the revenue. As per the second method, the government allotted a certain amount of land to individual bidders. Thirdly, the government arrived at a fixed sum of money with a group of individuals entrusted with collecting revenue from the village. Finally, Nayaks were appointed by the government as the head of provincial units, and in return, they rendered military service and paid a fixed tribute to the king. Inscriptions from that period show that taxes were heavy during certain periods of Vijayanagara history. People could not bear the tax burden and had to sell their land. Sometimes, people resisted the levying of taxes (Social Research Foundation, 2013).

Two centralised states were developed during the medieval period: the 'Delhi Sultanate' and the 'Mughals'. Both empires imposed various taxes on their subjects. During the period of the Delhi Sultanate, 'Khiraj' (tax levied on produce made on land belonging to non-Muslims) was the chief source of revenue. 'Ushraf' was levied on the produce of land held by Muslims. 'Sharab' or 'sharb' was levied from farmers to develop and maintain water supply facilities. It was charged at the rate of one-tenth of their agricultural produce. 'Ghari' (tax levied on houses), 'charah' (tax levied on grasslands for grazing animals), 'zakat' (religious tax levied on Muslims), jazia (levied on non-Muslims), 'khums' (tax levied on war booty collected by one army from its opponents), etc., were the other important taxes prevailed during Sultanate period (Gupta, 1976).

Taxation during the Mughal period was partly based on an older system inherited from the Sultanate period. However, some notable reforms were introduced by Akbar during this period. The Todermal Bandobast (Ain-e-Dahsala) system was introduced to levy taxes based on the average produce and prices of the last ten years. It saved cultivators from crop failure by demanding an average tax over a period. Akbar also introduced the batai or gallabakshi (harvest sharing) system, where crops were harvested, and taxes were collected as physical crops. It was of three types: (a)

'Bholi'- after harvest, the crops were sorted and divided between the tax collector and the taxpayer. (b) 'Khet Batai'- the land was divided, and the respective parties took over the crops grown. (c) 'Lang Batai' - the grain obtained from the crops was divided among the parties (Habib, 1963). During Akbar's time, land revenue was assessed under the name of 'Nasaq', and relief was given to farmers in case of crop failure due to drought, flood, etc. Nasaq existed in regions like Bengal, Berar, and Kashmir. It was a method of assessing income based on records. In this system, the farmer agreed to pay a fixed amount to the state regardless of the number of crops grown (Ali, 2003).

During the Maratha period, a tax called "Chaut" was levied on Maratha Invaders. This was levied at the rate of ¼ th of the revenue of the district invaded by them. An additional tax of 10% was also levied and collected by the central administration of Marathas under the name "Sardeshmukh". The granting of "Chaut" and "Sardeshmuki" to the Marathas by the Mughal emperors resulted in powerful political consequences. Moreover, its operation had far-reaching economic consequences in the Mughal Deccan provinces (Nayeem, 1977).

3.15 Indirect Taxation in India During the British Era

The British introduced the Western taxation system in India to finance the army and administration. The modern taxation system in India is an evolution of the tax system that prevailed during the British period. In 1772, the British first experimented with the auction-based farming system. Under auction-based farming, rights to collect land revenue were granted contractually. This system slowly evolved into three mainland settlements: Zamindari in Bengal, Ryotwari in Madras and Bombay, and Mahalwari in the North-Western Provinces (Husain & Sarwar, 2012). The Zamindari system came into existence through the Permanent Settlement Act of 1793. According to this Act, the ownership of land was shifted to Zamindars; hence, the Zamindars gained the authority to collect taxes on behalf of the British. The Ryotwari system was designed by Thomas Munro in 1820. Under this system, the farmers of provinces in South India, like Madras, Bombay, Coorg, etc., got ownership of lands, and hence, they were responsible for directly paying taxes to the British. The Mahalwari system was introduced in 1822 by Holt Mackenzie. Under this system, 'Mahals' were

constituted in Central province, Agra, Punjab, and the north-west frontier. Each 'Mahal' consisted of one or more villages. The 'mahals' were collectively responsible for paying taxes to the British. By the nineteenth century, the British established their rule in India. They had to face a stringent financial crisis due to the mutiny of 1857. Therefore, to fill the treasury, the first Income Tax Act was introduced by Sir James Wilson, the first Finance Minister of British India, in February 1860.

The rule of the British crown was started in India in 1858. Before that, the finances of the three principal presidencies of Bombay, Bengal, and Madras were almost autonomous. By the first twenty years of the rule of the British Crown, the basic structure of federal finance was established. As per the new arrangement, the main sources of revenue for the central government were customs tax, opium tax, salt tax, and railway revenue. The provinces managed receipts for provincial administrative departments such as law, justice, and education. The revenues generated by land tax and excise duty were shared. Regarding expenditure, while the central government was responsible for defence, the provinces were responsible for local administration, public health, and education.

This structure of federal finance led to constant conflict between the central government and the provinces. The provinces believed that they had control over very few and very limited sources of revenue. Thus, the Government of India Acts of 1919 and 1935 and the legislatures formed after 1920 restructured the federal finance system. The major changes introduced through restructuring comprised the abolition of revenue levels, transfer of ownership of lands to the provinces, and take-over of income tax by the Central government. As the provinces remained responsible for increasing expenditures due to the growing population, the above restructuring did not alleviate the grievances of provinces about their limited sources of income. However, the Government of India Act of 1935 went one step further in sharing more revenue with provinces. An important consequence of this system of division of sources of revenue was the inequality among the provinces in terms of per capita tax burden and expenditure. While Bombay and Madras raised more land revenue and spent more, Bengal, with its 'Permanent Settlement', generated less revenue and thus spent less.

The history of sales tax in India begins with the Government of India Act of 1935, which levy tax on the sale of goods and advertisements. It was introduced in Central India in 1938 by taxing motor spirits and lubricants. In 1939, a general sales tax with a proper scheme was first introduced in Madras province. By the early 1940s, almost all provinces and princely states introduced some form of sales tax.

3.16 Indirect Taxes in India After Independence

The real history of modern indirect taxes began in India in the middle of the 20th century. In 1944, the Central Excises and Salt Act came into existence. Indirect taxes consisted of taxes levied by the central government, state governments, and local bodies. Central taxes were levied on manufacturing activities, import-export, and service provision. State taxes were levied on the sale of goods within the State. Municipal taxes, entertainment taxes, etc., were the taxes levied by the local bodies.

3.16.1 Central Indirect Taxes

During the post-independence period, the main sources of revenue of the Central Government via indirect taxes were Central Excise Duty (CED), Customs Duty, Central Sales Tax (CST) and Service Tax.

3.16.1.1 Central Excise Duty

Central Excise Duty (CED) was a tax levied by the Central Government on all goods manufactured or produced in the country. It was regulated by the Central Excise Act (CEA) of 1944 and the Central Excise Tariff Act (CETA) of 1985. While the Central Excise Act of 1944 covered the provisions on tax, valuations, and administrations, the Central Excise Tariff Act of 1985 carried the complete list of excisable items of goods along with the applicable tax rates of tariff. In India, there were three types of excise duties before GST. They are basic excise duty, additional excise duty, and special excise duty. During pre-GST period, Central Excise Duty was the central government's key revenue source and the economy’s backbone. With the introduction of GST, excise duty has been subsumed into GST. However, excise duty is still levied on a few items, such as petroleum products, liquor, etc.

3.16.1.2 Customs Duty

Customs duty is an indirect tax charged on the import and export of goods as per the provisions of the Customs Act of 1962. In other words, customs duty is related to international trade, i.e.; import and export. It was implemented to prevent illegal imports and exports and to encourage the growth of domestic industries. The rationale behind the imposition of customs duty is to protect domestic industries, particularly infant industries. Hence, they are protected from aggressive foreign competition that may arise before they have enough time to face it **(Shome, 2013)**. It mainly consists of import duty and export duty. Export duties are imposed on a few items mentioned in the second schedule of the Act. Import duties are levied on almost all items imported to the country except a few items, such as food grains, lifesaving drugs, lifesaving equipment, fertilizers, etc. Import duties mainly consist of Basic Customs Duty (BCD), Additional Customs Duty, and Special Additional Duty (SAD). The Basic Customs Duty is levied under section 12 of the Customs Act of 1962. Additionally, the Customs Duty was generally known as a Countervailing duty (CVD) and was levied under section 3 of the Customs Tariff Act of 1975. Special Additional Duty (SAD) was levied under section 3(5) of the Customs Tariff Act, 1975 on the total import value of the goods, which includes CIF (Cost, Insurance, and Freight), Basic Customs Duty, and Countervailing duty. In many cases, Customs Duty was more than 300% before the reforms were introduced in 1991. It was the second important source of revenue for the Union Government. With the enactment of GST, additional customs duty and Special Additional Duty were merged into GST. However, Basic Customs Duty has been kept outside the scope of GST, and it is still applicable.

3.16.1.3 Central Sales Tax

Central Sales Tax (CST) was an indirect tax levied by the Union Government on the inter-state sale and purchase of goods. It is not applicable for intra-state trade and export/import. The Central Sales Tax came into force in 1957 as per the Central Sales Tax Act of 1956. Even though the Central Government had levied the Central Sales Tax, it was being administered by the respective State Governments. The rate of CST was 2%, where the specified concessional form was available. In cases where the

specified concessional form was not available, the rate of CST was equal to the VAT rate in the respective State. With the implementation of the GST Act, the Central Sales Tax has been merged into GST.

3.16.1.4 Service Tax

In India, service tax was implemented in 1994 by the then Finance Minister Dr. Manmohan Singh. It was imposed by the Central Government on selected services only. At the initial stage of its implementation, service tax was levied at 5% on the value of only three services: the services provided by the tax brokers, telephone bills, and non-life insurance. However, 120 types of specified services were later subject to service tax. In 2015, the education cess, secondary and higher education cess, and Swachh Bharat cess were also imposed as service taxes, and thus, the service tax rate became 14.5%. The introduction of Krishi Kalyan Cess at a rate of 0.5% increased the service tax rate to a new height of 15% in 2016. With the introduction of GST reform, service tax has been merged into goods and services tax.

3.16.1.5 Value Added Tax

The Value Added Tax (VAT) was an indirect tax imposed on goods and services at every stage of value addition. It was charged only on the domestic consumption of goods and services. The levying of VAT at the manufacturing level was first suggested by L.K. Jha in 1976. This was commonly known as MANVAT (VAT at the manufacturing level). In 1986, Finance Minister V. P. Singh introduced the new Modified Value Added Tax (MODVAT) concept. At the initial stage, MODVAT was applied only to a few selected commodities under the central excise duties. Later, the government made MODVAT applicable to almost all commodities. Under the MODVAT system, the manufacturers were allowed to enjoy the input credit of Excise Duty and CVD paid on imports. Thereafter, Yashwant Sinha, in his budget speech from 2000 to 2001, converted the MODVAT scheme into a new scheme called CENVAT. The taxation under the CENVAT system was much simpler than the MODVAT system. However, the scope for tax evasion was abundant in the case of CENVAT. CENVAT was further converted into Goods and Services Tax later.

3.16.2 States Indirect Taxes

State governments' main revenue sources during the post-independence period were State VAT, purchase tax, entertainment tax, luxury tax, entry tax, tax on lottery, betting and gambling, and tax on advertisements.

3.16.2.1 State Value Added Tax (State VAT)

In April 2005, India implemented a value-added tax (VAT) to replace the existing General Sales Tax. Unlike the General Sales Tax, VAT was introduced as a multi-point tax. It was imposed on the intra-state supply of goods. The value-added tax system did not cover the inter-state supply of goods. The respective state governments decided the VAT rates. With the implementation of GST, VAT was merged into GST. However, VAT still applies to certain commodities such as liquor, petroleum products, etc.

3.16.2.2 Purchase Tax

Purchase tax is the tax levied by the State government on the purchase value of goods. In this case, the buyer must pay the government tax when he purchases goods from a non-registered dealer.

3.16.2.3 Entertainment Tax

Entertainment tax is an indirect tax levied by the State government from the customers of entertainment programmes such as movies, large-scale commercial shows, and other private festival celebrations. However, with the implementation of the new indirect tax reform, the entertainment tax is merged into GST. Entertainment tax was included in the ticket charged for watching the entertainment programme. As a matter of State Government, the entertainment tax rate differed for different States. Entertainment tax is also applied to exhibitions, amusement parks, celebrity stage shows, etc.

3.16.2.4 Luxury Tax

Luxury tax was a type of indirect tax levied by the State government on luxury goods or services. Luxury cars, jewellery, high-priced hotel rooms, etc., are coming under the scope of the luxury tax. Hotels, resorts, restaurants, spas, etc., levy luxury taxes

on luxury services provided to their customers. The rates of luxury tax were different from State to State. However, with the Goods and Services Tax Act in July 2017, luxury taxes have been subsumed into GST, and the GST rates for luxury services have become uniform across the country.

3.16.2.5 Entry Tax

Entry tax was a type of indirect tax levied on the entry of goods in the territory of a State or a municipal boundary within the State. The recipient State or municipality imposed it to protect its tax base. It applies to dealers, firms, societies, central and state governments, trading or commercial undertakings, clubs, etc., carrying on the business. Entry tax was introduced on 1st September 2000. However, with the new indirect tax reforms from 1st July 2017, GST has subsumed entry tax.

3.16.2.6 Taxes on lottery, betting, and gambling

In most States in India, lottery, betting, and gambling were not treated as "sales" or "services". Therefore, no VAT or service tax was levied on lottery, betting, and gambling. Moreover, these were included in the negative list. However, a service tax on transactions facilitating the promotion, marketing, and selling of lottery tickets has been imposed. Regarding betting and gambling, the States were empowered to make legislation as per Entry 62 of List II of the Seventh Schedule. Thus, taxes on betting and gambling were imposed by the States. However, with new indirect tax reforms in 2017, the taxes on lottery, betting, and gambling have been merged into GST.

3.16.2.7 Taxes on Advertisements

With the introduction of Service Tax on all services (except those covered by the negative list) on 1st July 2012, service tax applied to all aspects of advertising services except the sale of space or time for advertisement in some specified cases. Thus, the sale of time slots between television programmes, space on hoardings, etc., were exempted from service tax. However, when the negative list was amended to restrict tax exemptions on 1st October 2014, the sale of space in print media and all the other sales of space or time arrangements were brought within the purview of service tax. But, with the indirect tax reform of 2017, all these have been merged into GST.

3.16.2.8 Local Authority Indirect Taxes

The local self-governments, such as grama panchayats, municipal corporations, etc, levied taxes on the entry of goods in their jurisdiction. Entry tax was also termed as 'Octroi'. Entry tax holds the same importance for local bodies as sales tax for the States and excise duty for the central government.

3.17 Taxable Events of Major Indirect Taxes During Pre-GST Period

The pre-GST indirect taxes consist of a variety of major and minor taxes. A list of major indirect taxes that prevailed during the pre-GST period, along with the respective taxable events, is mentioned in Table 3.2.

Table 3.2

Pre-GST indirect taxes and their taxable events

Sl. No.	Indirect Tax	Taxable Event
1	Central Excise Duty	Manufacture of goods other than medicines and toilet preparations
2	Excise Duty on medicines and toilet preparations	Manufacture of medicines and toilet preparations
3	Central Sales Tax (CST)	Inter-State Sale or International purchase or sale of goods
4	VAT	Intra-State Sale or Purchase of goods
5	Entry Tax	Entry of goods in the territory of a State or a Municipal boundary within the State
6	Entertainment Tax	Entertainment events in the respective states include movies, commercial shows, circuses, etc.
7	Advertisement Tax	Advertisements made
8	Service Tax	Provision of services

Source: Respective Central and State Government Acts

The above table shows that during the pre-GST era, indirect taxes were levied on the occurrence of certain events defined in the respective laws.

3.18 Constitutional Framework of Indirect Taxes During Pre-GST Era

The Constitution of India is the ultimate legislation of the country. Article 265 of the Constitution states that no one can charge tax without the authority of law. The Central and state governments levy taxes as the Constitution gives them the power to do so. The 7th Schedule of Article 246 of the Constitution provides three lists regarding the subject matters of the laws made by the Central and State governments. They are List I (Union List), List II (State List), and List III (Concurrent List). While List I states the subjects where only the Central government can make laws, List II deals with those where only State governments can make laws. List III mentions the subjects concerning which Central and State governments can simultaneously make laws.

During the pre-GST era, the major sources of indirect revenue of the Central Government were Customs Duty (Entry 83 of the Union List), Central Excise Duty (Entry 84 of the Union List), and service tax (Entry 97 of the Union List). To levy tax on services, entry 92C was inserted in the Union List of the 7th Schedule through the Constitution (Eighty-eighth Amendment) Act of 2003. But as this amendment was not notified, the tax on services remained levied under Entry 97 till GST came into existence on 1st July 2017. The Central Government also levied Central Sales Tax (CST) on inter-state sale and purchase of goods as per Entry 92A. Further, the central government levied CST on inter-state consignments of goods under Entry 92B. However, as per the Central Sales Tax Act of 1956 and Article 269 of the Constitution of India, the state where the movement of goods begins was assigned to perform the duties concerning the collection of Central Sales Tax.

The sources of tax revenue of States mainly comprised of excise duty on alcoholic liquors, opium and narcotics (Entry 51 of the State List), entry tax (Entry 52 of the State List and subject to the provisions of Entry 92A of Union List), tax on electricity (Entry 53 of the State List), tax on sale and purchase of goods (Entry 54 of the State List) and taxes on luxuries, amusements, entertainments, betting and gambling (Entry 62 of the State List). In addition, the Central Sales Tax was a chief component of the state tax revenue even though it was levied by the Central Government.

Article 268 of the Constitution of India specifies the duties levied by the Union Government but collected and appropriated by the States/Union territories. It states:

(1) Such stamp duties and such duties of excise on medicinal and toilet preparations as are mentioned in the Union List shall be levied by the Government of India but shall be collected:

   (a) in the case where such duties are leviable within any Union Territory by the Government of India, and

   (b) in other cases, by the States within which such duties are respectively leviable.

(2) The proceeds in any financial year of any such duty leviable within any State shall not form part of the Consolidated Fund of India but shall be assigned to that State.

Article 269 of the Constitution of India specifies the taxes which are levied and collected by the Union Government but assigned to the States. It states:

(1) The following duties and taxes shall be levied and collected by the Government of India but shall be assigned to the States in the manner provided in clause (2), namely:

   (a) duties in respect of succession to property other than agricultural land;

   (b) estate duty in respect of property other than agricultural land;

   (c) terminal taxes on goods or passengers carried by railway, sea, or air;

   (d) taxes on railway fares and freights;

   (e) taxes other than stamp duties on transactions in stock exchanges and futures markets;

   (f) taxes on the sale or purchase of newspapers and advertisements published therein;

(g) taxes on the sale or purchase of goods other than newspapers, where such sale or purchase takes place in the course of inter-state trade or commerce;

(h) taxes on the consignment of goods (whether the consignment is to the person making it or to any other person), where such consignment takes place in the course of inter-state trade or commerce

(2) The net proceeds in any financial year of any such duty or tax, except in so far as those proceeds represent proceeds attributable to Union territories, shall not form part of the Consolidated Fund of India but shall be assigned to the States within which that duty or tax is leviable in that year, and shall be distributed among those States by such principles of distribution as may be formulated by Parliament by law.

3.19 Major Drawbacks of Indirect Tax System in the Pre-GST Era

Implementing the Goods and Services Tax Act is the outcome of the government's inquiry into the shortcomings of the earlier indirect tax system, which suffered from many defects. The indirect taxes that prevailed during the VAT regime were too large. They comprised central excise duty, central sales tax, service tax, state VAT, purchase tax, luxury tax, entry tax, entertainment tax, tax on advertisements, tax on lotteries, etc. As there were many indirect taxes, some are collected by the Central Government, some by the State Governments and others by Local Authorities such as municipalities, panchayats, corporations, etc. Therefore, the taxpayers had to deal with various agencies regarding the taxes they had to pay. Hence, a simple tax system is essential to eliminate the multiplicity of taxes in the existing tax system and thereby reduce the burden on the taxpayer (Kamalakkannan, 2016).

The number of taxable events for levying taxes was very large during the pre-GST period. The taxable events were ‘sale,’ ‘manufacture,’ ‘provision of services’, entry of goods into a State or municipal area, advertising, entertainment, etc. In short, each businessman had to comply with many tax laws and pay various taxes. This has made business tax compliance more complex. Since the number of taxes during the VAT

regime was very large, the authorities to govern these taxes were also very large. The tax governing authorities comprised the central government, State Governments, and Local Authorities such as municipalities, panchayats, corporations, etc. Thus, the taxpayers had to deal with different authorities regarding various taxes payable by him. Again, since every state had its separate legislation of indirect taxation, the tax rates, a mechanism for the classification of various goods and services, schedules for tax compliance, etc., were also different. Therefore, a person operating a business in more than one state must comply with many legislations while doing business. Next, as different types of taxes are levied by different governments, there were occasions when more than one tax was levied on the same taxable event. For instance, on payment of royalties on trademarks, State Governments levied VAT, and the central government levied service tax. Because of this double taxation, businesses suffered greatly during the VAT regime.

Another drawback was regarding the cascading effect of taxes. Cascading of taxes means the situation of tax on tax. Under the VAT regime, there were many cases where a tax cascading effect occurred. The cascading effect is the most serious problem of the VAT system as it leads to many challenges like opacity, complexity, and tax evasion (Khoja & Khan, 2020). For instance, when a product was manufactured, the Central Government had levied excise duty on it. Later, when that product was sold, the State Government levied VAT on the product's value, including excise duty. Here, VAT was levied not only on the manufacturing cost but also on the excise duty. This kind of situation was many during the VAT regime.

All the issues mentioned above associated with the earlier VAT system forced the authorities to consider a new system that is simple, easy to comply with, transparent, and offers a better input tax credit facility to optimise the tax cost. This was the key stimulant behind introducing GST as a new indirect tax structure.

3.20 Goods and Services Tax

Goods and Services Tax or GST is a consumption-based, national-level, comprehensive indirect tax levied on goods and services. Even though the ultimate

tax burden falls on the shoulders of the final consumer, it is being collected at every stage of value addition in the supply chain. Globally, Goods and Services Tax (GST) is a national Value Added Tax (VAT). It was in 1954 that France introduced GST in the world. Out of 195 world countries, 160 have implemented GST so far. Most of them have a unified GST system where the Union Government levies tax. However, some countries like Brazil and Canada have implemented a dual GST system where tax is levied by both the Union and the State Governments.

3.20.1 GST – A Global Scenario

According to the UN, there are 195 recognised countries in the world. Since the introduction of a value-added tax system in 1954 in France, 175 countries worldwide (i.e., nearly 90%) have adopted value-added tax in different forms. The list of countries that have implemented the VAT/GST system and the year of its implementation are given in table 3.3.

Table 3.3

List of countries having VAT/GST system and year of implementation

Sl. No.	Country	Year	Sl. No.	Country	Year
1	Albania	1995	14	Barbados	1997
2	Algeria	1992	15	Bahrain	2018
3	Andorra	2013	16	Belarus	1991
4	Angola	2019	17	Belgium	1971
5	Anguilla	2022	18	Belize	2006
6	Antigua and Barbuda	2007	19	Benin	1991
7	Argentina	1974	20	Bolivia	1986
8	Armenia	1993	21	Bosnia Herzegovina	2006
9	Australia	2000	22	Botswana	2002
10	Austria	1973	23	Brazil	1964
11	Azerbaijan	1992	24	Bulgaria	1994
12	Bahamas	2015	25	Burkina Faso	1993
13	Bangladesh	1991	26	Burundi	2009

Sl. No.	Country	Year	Sl. No.	Country	Year
27	Cambodia	1999	56	Fiji	1992
28	Cameroon	1999	57	Finland	1994
29	Canada	1991	58	France	1954
30	Cape Verde	2004	59	Gabon	1995
31	Central African Republic	2001	60	Gambia	2013
32	Chad	2000	61	Georgia	1993
33	Chile	1975	62	Germany	1968
34	China	1994	63	Ghana	1998
35	Colombia	1983	64	Greece	1987
36	Commonwealth of Dominica	2006	65	Grenada	2010
37	Congo (Dem. Republic)	2012	66	Guatemala	1992
38	Congo (Republic)	1997	67	Guinea	1996
39	Cook Islands	1997	68	Guinea-Bissau	2023
40	Costa Rica	2019	69	Guyana	2007
41	Cote d Ivoire	1960	70	Haiti	1982
42	Croatia	1998	71	Honduras	1964
43	Cyprus	1992	72	Hungary	1988
44	Czech Republic	1993	73	Iceland	1990
45	Denmark	1967	74	India	2017
46	Djibouti	2009	75	Indonesia	1985
47	Dominican Republic	1983	76	Iran	2008
48	Ecuador	1970	77	Ireland	1972
49	Egypt	2017	78	Isle of Man	1973
50	El Salvador	1992	79	Israel	1976
51	Equatorial Guinea	2005	80	Italy	1973
52	Estonia	1991	81	Jamaica	1991
53	Eswatini	2012	82	Japan	1989
54	Ethiopia	2003	83	Jersey	2008
55	Faroe Islands	1993	84	Jordan	2001

Sl. No.	Country	Year	Sl. No.	Country	Year
85	Kazakhstan	1992	114	Netherlands	1969
86	Kenya	1990	115	New Zealand	1969
87	Kiribati	2014	116	Nicaragua	1975
88	Korea, South	1977	117	Niger	1986
89	Kosovo	2001	118	Nigeria	1994
90	Kyrgyzstan	1999	119	Niue	2009
91	Lao	2010	120	North Macedonia	2000
92	Latvia	1995	121	Norway	1970
93	Lebanon	2002	122	Oman	2021
94	Lesotho	2003	123	Pakistan	1990
95	Liechtenstein	1995	124	Panama	1977
96	Lithuania	1994	125	Papua New Guinea	1999
97	Luxembourg	1970	126	Paraguay	1993
98	Madagascar	1994	127	Peru	1991
99	Malawi	2002	128	Philippines	1988
100	Maldives	2011	129	Palau	2023
101	Mali	1991	130	Poland	1993
102	Malta	1992	131	Portugal	1896
103	Mauritania	1995	132	Romania	1993
104	Mauritius	1998	133	Russia	1991
105	Mexico	1980	134	Rwanda Africa	2001
106	Moldova	1998	135	Saint Kits and Nevis	2010
107	Monaco	1968	136	Saint Lucia	2012
108	Mongolia	1998	137	Saint Vincent and the Grenadines	2007
109	Montenegro	2003	138	Samoa	1994
110	Morocco	1986	139	São Tomé and Príncipe	2023
111	Mozambique	1999	140	Saudi Arabia	2018
112	Namibia	2000	141	Senegal	1980
113	Nepal	1997	142	Serbia	2005

Sl. No.	Country	Year	Sl. No.	Country	Year
143	Seychelles	2012	160	Tonga	2005
144	Sierra Leone	2009	161	Trinidad and Tobago	1990
145	Singapore	1994	162	Tunisia	1988
146	Slovak Republic	1993	163	Turkey	1984
147	Slovenia	1999	164	Turkmenistan	1992
148	South Africa	1991	165	Uganda	1996
149	Spain	1986	166	Ukraine	1992
150	Sri Lanka	1998	167	UAE	2018
151	Sudan	2000	168	UK	1973
152	Sweden	1969	169	Uruguay	1972
153	Switzerland	1995	170	Uzbekistan	1992
154	Suriname	2023	171	Vanuatu	1998
155	Chinese Taipei	1986	172	Venezuela	1993
156	Tajikistan	1992	173	Vietnam	1999
157	Tanzania	1998	174	Zambia	1995
158	Thailand	1992	175	Zimbabwe	2004
159	Togo	1995			

Source: https://www.vatcalc.com/global/how-many-countries-have-vat-or-gst-

About 10% of countries have a sales tax system but no VAT/GST system. A notable country without a VAT/GST system is the United States of America. Table 3.4 lists 20 countries (i.e., about 10% of the world's total) with a sales tax system but no VAT/GST system.

Table 3.4

List of countries/territories having Sales Tax system and not VAT/GST system

Sl. No.	Country	Sl. No.	Country
1	Bonaire	11	Puerto Rico
2	Comoros	12	Solomon Islands
3	Cuba	13	Somalia
4	Curacao	14	Timor-Leste
5	Eritrea	15	Tuvalu
6	Guam	16	USA
7	Liberia	17	Yemen
8	Libya	18	North Korea
9	Malaysia	19	South Sudan
10	Myanmar	20	Western Sahara

Source: https://www.vatcalc.com/global/how-many-countries-have-vat-or-gst-

3.20.2 Features of VAT/GST System in select countries

GST in Australia

Goods and Services Tax in Australia is a tax of 10% of the sales value of most goods and services. GST is levied on almost all transactions in the manufacturing process. However, it is refunded to all intermediaries in the chain of manufacture except the final consumer. In Australia, the GST is levied on the supply of goods and services, including imported items. In most cases, GST does not apply to the export of goods or services. It was introduced on 1st July 2000 by the government of the then Prime Minister John Howard. During the pre-GST era, the tax system that prevailed in Australia was a Wholesale Sales Tax (WST), which levied a tax on wholesale dealings of goods. The Wholesale Sales Tax was implemented during the 1930s when goods dominated the economy of Australia. Over the years, it has evolved as a services-based economy. The basic objective of implementing GST was to widen the tax base by bringing the service sector within the ambit of tax. With the implementation of GST, the earlier Federal Wholesale Sales Tax, various state and territory Government taxes, and duties such as banking tax, stamp duty, etc., are replaced.

GST in Canada

Prime Minister Brian Mulroney and Finance Minister Michael Wilson implemented the Goods and Services Tax in Canada on January 1, 1991. The concept of Goods and Services Tax is enshrined in Section IX of the Excise Tax Act. With the implementation of the new reform, GST is levied on the supply of goods and services in Canada. GST applies to most goods and services except for essential items like groceries, residential rent, medical, and financial services. Every business entity can claim input tax credit subject to documentation requirements when purchasing goods and services concerning their commercial activities.

Before the introduction of GST, each province in Canada had its own separate Provincial Sales Tax (PST). However, with the implementation of GST, PST and GST were merged to create a single tax called Harmonized Sales Tax (HST). In 1997, the governments of New Brunswick, Newfoundland, Labrador, Nova Scotia, and Canada merged their PST into the HST. The current HST for these provinces is 13%. The federal government has the power to administer the HST. The federal government's tax collection is divided among the participating provincial governments according to a formula. In the 2009 budget, the province of Ontario proposed to integrate its 8% retail sales tax with the GST on July 1, 2010. Alberta, Nunavut, the territories of Yukon, and the northwest territories follow GST and not the territorial sales taxes. Canada's GST system is one of the most significant economic innovations in the country's history. As the GST system has expanded sub-nationally through the harmonization process, its scope has increased over time (Gendron, 2012).

GST in New Zealand

In New Zealand, the Government introduced the Goods and Services Tax on 1 October 1986. The GST rate was 10% when the new reform was implemented. The rate was increased to 12.5% on July 1, 1989, and again to 15% on October 1, 2010. GST applies to the supply of goods and services made in New Zealand. GST is also applicable to goods imported into the country, irrespective of the status of the importer. The GST system that prevailed in New Zealand in 1986 can be called the modern GST model (Krever, 2008). New Zealand's GST system offers a model, both in terms of tax

structure and implementation, to all other countries considering a reform of their sales tax (Due, 1988).

GST in Singapore

Singapore's GST system is a net consumption-based value-added tax that uses the traditional credit invoice system. It follows the destination principle, and the import of goods is subject to GST unless there is a specific exemption, while GST on exports has been completely exempted (Poh, 2005). In Singapore, GST was introduced on 1st April 1994. For the first 10 years of its implementation, the GST rate remains at 3%. On 1st January 2003, the rate was raised to 4%. It was raised to 5% on 1st January 2004 and 7% on 1 July 2007. In Singapore, GST is a broad-based consumption tax that covers the supply of all goods and services, including imports. However, the sale and lease of residential properties and most financial services are exempted from GST. Exports of goods and international services are zero-rated in Singapore. Since GST is broad-based, even low-income earners who do not pay income tax will have to pay GST at 7% on essential goods like rice, water, and electricity.

VAT in China

Value-added tax in China was implemented in 1984 and is administered by the State Administration of Taxation. In China, the standard VAT rate of 13% applies to the sale of most goods, import of most types of goods, leasing tangible movable property, repair services, replacement services, and processing services. Lower VAT rates of 6% and 9% also apply to certain goods. While the 9% VAT rate is applicable to transport services, postal services, basic telecommunication services, transfer of land use rights, sale or lease of immovable property, etc., the 6% VAT rate applies to financial services, insurance, consulting, technology, urban maintenance, construction, etc. China needs to build a more neutral VAT system with lower rates and exemptions so that it can catch up with the international trend of indirect tax development and, thereby, more effectively implement economic transformation (Wang et al., 2019). They also noted that VAT significantly impacts China's national economy, industrial structure, and accountants.

VAT in Brazil

In Brazil, there are two types of value-added taxes. One is a State Sales Tax (commonly known as ICMS), and the other is a Federal Excise Tax (commonly known as IPI). The State Sales Tax (i.e., ICMS) is levied on the physical movement of goods, inter-state and inter-municipal transport services, electricity, and communications. The Federal Excise Tax (i.e., IPI) is levied on all goods manufactured in or imported to Brazil with certain exceptions. The IPI paid for manufacturing or importing goods can be deducted if used as a component for producing the finished product.

VAT in Indonesia

In Indonesia, VAT was introduced in 1985, and the amount of tax is collected by the Directorate General of Taxation, Ministry of Finance. The general VAT rate was 10%. There is still the opportunity to increase the national revenue of Indonesia without increasing tax rates and by increasing the capacity of tax administration, thereby expanding the tax base (Ikhsan et al., 2005). However, from 1st April 2022, the standard VAT rate has increased from 10% to 11%. The Government of Indonesia is also planning for another rise to 12% by 1st January 2025. Basic commodities such as rice, sago, grain, eggs, milk, salt, meat, soybeans, vegetables, fruits, and sugar are exempt from VAT. Goods subject to VAT include LPG, agricultural products, and fertilizer products. VAT is also imposed on services like postal package delivery, travel agencies, marketing, etc. However, education, health, insurance, hospitality, entertainment and catering, finance, public transportation, etc., are exempt from VAT.

VAT in France

VAT was first implemented in France in 1954. France has four tax slabs. They are 2.1%, 5.5%, 10% and 20%. Among these four tax rates, the standard rate applicable to most goods and services is 20%. A lower rate of 10% applies to goods and services such as construction, domestic work, restaurants, passenger transport, agriculture, and forestry. Another lower rate of 5.5% applies to electricity, gas, food, art, cinema, and sporting event tickets and services for the elderly. A super reduced rate of 2.1% applies to certain medicines, magazines, and newspapers. Zero-rated goods and services

include intra-community and inter-national transport. Although zero-rated goods are not subject to VAT, their sales must be reported in the VAT return. Tax reforms should aim to simplify indirect taxation and reduce VAT rates. By increasing modernization and reducing complexity, the VAT system should ensure a reduction in compliance costs and consequently improve the financial position of small businesses and their propensity to export (Scabrosetti, 2002).

VAT in the United Kingdom

In the UK, VAT was implemented in the year 1973. This was done by replacing the then-existing Purchase Tax System. Most goods and services in the UK are subject to a standard rate of 20%. However, electricity, natural gas, LPG, some energy-saving domestic installations and goods, some medical equipment for disabled persons, etc., are subject to a reduced VAT rate of 5%. The goods and services such as household water supplies, prescribed pharmaceutical products, domestic passenger transport, children's clothing and footwear, supply of animal feed, some takeaway food, basic foodstuffs (excluding highly processed or pre-cooked food), printed books, newspapers, and periodicals, some social-housing, sewerage services, intra-community, and international passenger transport, etc. are zero-rated in the UK. The VAT system plays a crucial role in the UK's public finances, and its significance has steadily increased over the past 50 years since its implementation (de la Feria, 2023). In the pre-VAT period, the UK's tax revenue represented 2% of GDP, but in the post-VAT period, it increased to 5% of GDP in 1985 and now stands at 7% of GDP.

3.21 Introduction of Goods and Services Tax in India

Goods and Services Tax (GST) is the most striving and noteworthy indirect tax reform in our country's post-independence history. The key objective of implementing GST is to facilitate the nation's overall growth along with supporting the "Make in India" initiative. GST is a consumption-based, national-level indirect tax levied on goods and services. The new reform is implemented to create a single tax across the country, strengthen the efficacy of tax administration, and overcome the drawbacks of previous indirect tax structures. Through implementing GST, several indirect taxes levied by

the central and state governments have been removed, and our country has become a national integrated market. Moreover, GST will help to bring a more significant number of persons into the tax bracket. Since the efficacy of taxation improves, the new enactment can contribute substantially to the country's growth and the government's finances. The implementation of GST in a country with a big and complex federal system like India is an unparalleled one in the taxation history of the modern world. GST has brought the taxation framework of our country under the unique ideology of "One Nation, One Tax, One Market". As India's most significant indirect tax reform, implementing GST will bring the entire country under the same tax rate system, boost India's economic development, and remove all tax barriers between union and state governments (Nayyar & Singh, 2018).

India's service sector had huge potential as a tax base, but it was not exploited effectively and efficiently during the pre-GST era. With the implementation of the new reform, almost all services have been brought within the purview of GST for taxation. Since most of the State-level and Central-level taxes have been subsumed under GST, the problem of multiplicity of indirect taxes has been reduced substantially.

So far, around 175 countries of the world have implemented GST. In our country, GST has been rolled out on 1st July 2017. India has adopted the Dual GST Model, where both Central and State Governments levy tax on goods and services. The new reform will undoubtedly give India a world-class indirect tax system, which will help to improve the country's tax collections. There is no doubt that GST will offer India a world-class taxation system by providing differentiated treatment to the manufacturing and service sectors (Sehrawat & Dhanda, 2015). Since the GST system is a tried-and-true method for levying indirect tax, India need not be worried excessively about its effectiveness (Shukla et al., 2022).

3.21.1 History of Goods and Services Tax in India

Rolling out a nationwide GST system in India has been laborious. Amidst several political and legal approvals and disapprovals, it became a reality on July 1, 2017 (**Asolekar, 2021**). Before it came into force, discussions were in process for over two

decades. In the year 2000, Prime Minister Atal Bihari Vajpayee started the debate about introducing GST in our country. He constituted a committee under the Chairmanship of Asim Dasgupta, the then Finance Minister of West Bengal, to design a GST model for our country. In the year 2003, the Union Government set up a taskforce on Fiscal Responsibility and Budget Management (FRBM) under the Chairmanship of Vijay Kelkar. The task force submitted its report and recommended replacing the existing indirect tax laws by introducing Goods and Services Tax. In the year 2006, the Finance Minister, P. Chidambaram, made the first announcement that GST would be introduced on 1st April 2010. In November 2009, based on the discussions within the Committee and between the Committee and the Central Government, the Empowered Committee (EC) released its First Discussion Paper (FDP) on GST. Though the 115th Amendment Bill was introduced in Lok Sabha in 2011, it was subsequently elapsed. In the year 2014, the Constitution (122nd Amendment) Bill was introduced in the Parliament and was passed by Rajya Sabha with amendments on 3rd August 2016 and by Lok Sabha on 8th August 2016. More than 15 States passed the Bill, and then the President of India gave assent to "The Constitution (One Hundred and First Amendment) Act, 2016" on 8th September 2016. With the implementation of this Act, the GST Council has been notified as the Constitutional body to decide GST-related issues. In March 2017, the GST Council recommended Central GST, State GST, Integrated GST, Union Territory GST, and Compensation Cess Act. All these Acts were passed by April 2017. Thus, on 1st July 2017, the Goods and Services Tax Act was rolled out all over India.

3.21.2 Key Characteristics of GST

GST is a crucial reform with features having game-changing effects on Indian economic growth (Priya, 2017). GST is a destination-based consumption taxation, unlike earlier origin-based taxation. GST has a single tax in the entire supply chain of goods and services against multiple taxes of past regimes. With the implementation of GST, the multiple taxable events such as manufacture, sale, providing of services, entertainment, entry of goods in State or municipal areas, etc. removed by the single taxable event of "Supply of goods and services". The GST system implemented in our

country is a dual model where the Union and State Governments can simultaneously levy tax on a common basis. In case of inter-state supply of goods and services, the Central Government may levy and collect Integrated Goods and Services Tax (IGST), and the same shall be shared with the States in the manner as may be provided by the Act of Parliament on the recommendations of the GST Council. As the import of goods and services is treated as inter-state supplies, IGST would be applicable in addition to customs duty. The Union Government would notify the rates of GST on the recommendations of the GST Council. In the case of "demerit goods", a cess would be imposed to raise resources for compensating States as they may lose revenue owing to the implementation of GST. GST would not apply to alcohol for human consumption. The Union Government would have the power to levy Central Excise Duty on tobacco and tobacco products in addition to GST. Under the GST system, exports are treated as zero-rated supplies.

3.21.3 Scope of Goods and Services Tax

The Goods and Services Tax is an indirect tax applicable to the whole of India. It is a destination-based tax levied on the consumption of goods and services at the national level. GST is leviable on all supply of goods, provision of services, or combination of both; it applies to all sectors of the economy, such as industry, business, government departments, and the service sector; it applies to all segments of the economy such as large, medium, and small units, intermediaries, importers, exporters, traders, professionals, and consumers (Priyadharshini & Selladurai, 2018). With the enactment of the GST Act, several indirect taxes levied by Central and State Governments are subsumed into GST. GST applies to all goods other than alcoholic liquor for human consumption and specified petroleum products. The specified petroleum products, such as petroleum crude, high-speed diesel, motor spirit, natural gas, aviation turbine fuel, etc., will be brought within the framework of GST as and when the GST Council recommends it. Till then, earlier VAT rates will apply to those items. Regarding tobacco and tobacco products, the Central Government has the power to charge Central Excise Duty (CED) in addition to GST. As the GST model implemented in our country is a dual model, union and state governments can

concurrently levy GST on goods and services. These include Central GST (CGST) levied by the Central Government, State GST (SGST) levied by the State Government, and Integrated GST (IGST) levied by the Central Government on the inter-state supply of goods and services. In the case of intra-state transactions, the supplier collects both CGST and SGST, and then the CGST portion is deposited to the account of the Central Government, and the SGST portion is deposited to the account of the State Government.

3.21.4 Need for Implementation of GST in India

India's earlier VAT system suffered from a multiplicity of limitations. Hence, India's determination to relinquish the inefficient indirect tax system and embrace the much-needed fiscal reform in the form of goods and services tax has been widely applauded. (Deshmukh et al., 2022). The complexity and the inefficiency of the earlier indirect tax system alone have led our administrators and politicians to think about implementing GST in India. During the pre-GST era, administrators and multiple indirect taxes prevailed. GST was implemented with the belief that it would minimise this multiplicity of taxes. With the implementation of GST, several untaxed areas of services have come within the ambit of indirect taxation. Earlier indirect taxes, such as Central Sales Tax (CST), State VAT, Excise duty, entry tax, etc., have cascading effects. GST would replace all these indirect taxes and thereby eliminate tax on tax. GST system can help in developing a common national market by avoiding the distortions caused by earlier complex tax structures. Also, GST offers credit availability on interstate transactions. Ensuring Uniform taxes across the country, irrespective of the place of production or distribution, is another important quality of the GST system. Further, avoidance of double taxation, greater certainty and transparency of taxes, better tax compliance across the country, etc., are other benefits of the GST system. Finally, GST improves the international cost competency of native goods and services.

3.21.5 Objectives of GST

The first and most important objective of GST is to create One Nation, One Tax, and One Market. As all the major indirect taxes (barring a few) levied by the central and

state governments are merged into GST, the taxpayer and the supplier need not worry about multiple indirect taxes under different laws. A unified tax system reduces the tax compliance burden on taxpayers and eases the government's tax administration process.

GST removes the tax cascading effect. As the GST system offers input tax credit, tax is levied only on the net value addition and not on the entire value of the goods or services. As a result, the total cost of the product or service is minimised significantly. GST is an enhanced version of VAT with a clear emphasis on cascading effects. The cascading effect is the most serious problem faced by the Indian indirect tax structure, as it leads to many challenges, such as opacity, complexity, and tax evasion. GST is a fiscal policy reform aimed at harmonizing and integrating the Indian tax structure, and it strongly prevents cascading events (Khoja & Khan 2020).

GST also focuses on reducing tax evasion and corruption. As the matching of invoices between the recipient and the supplier is required, there is very little chance of claiming a false input tax credit. The input tax credit can be claimed only if the tax has been deposited into the government by the registered supplier. Invoice-wise matching and verification ensure that taxes are properly remitted to the government. When comparing the unaccounted goods caught in raids during the pre-GST regime, tax evasion has been significantly reduced in the post-GST period (Gupta et al., 2023).

Increasing organisational productivity and efficiency is yet another important objective of GST. During the pre-GST regime, there were several constraints relating to logistics. The procedures for claiming input tax credit were impractical. The levy of an entry tax on goods entering States and checks on State borders were major issues. In the GST regime, the entry tax has been removed. The removal of check posts reduced the number of checks on State borders. All this increases the productivity of enterprises considerably.

Moreover, GST aims to increase tax compliance significantly. During the pre-GST era, taxpayers had to obtain different tax registrations and file different tax returns. Under the GST regime, there is no need to obtain different registrations or file different tax returns. All these lead to a considerable increase in the tax compliance

ratio. Also, all the administrative procedures regarding indirect taxation (whether registration, tax assessment, or filing of return) are performed by the GST department through digital portals.

3.21.6 Constitutional Framework of GST

The first requirement for implementing GST in India was to amend our Constitution. The constitutional amendment was inevitable to empower the Union and State Governments to levy tax on the supply of goods and services. Thus, the Constitution Amendment Act, named "The Constitution (101st Amendment) Act, 2016," was enacted on 8th September 2016. Before this amendment, the Union Government had the power to levy tax on 'manufacture of goods' and 'provision of services' while State governments had no such powers. Similarly, the State governments had the power to levy tax on the 'sale of goods' while the Union Government had no such powers. But with this amendment, the central and state governments can levy taxes on the 'supply of goods and services.'

The two-fold objectives of this constitutional amendment are:

(a) To modify or delete the earlier tax-related provisions in the Constitution.

(b) To introduce provisions to empower the Union Government and State Governments to levy and collect GST and to introduce other provisions to administer this new tax reform.

The key amendments made by the Constitution (101st Amendment) Act, 2016 involve the following:

(1) Definition of GST: "Goods and Services Tax" means any tax on the supply of goods or services or both except taxes on the supply of alcoholic liquor for human consumption [Article 366(12A)]

(2) Definition of Services: "Services" means anything other than goods [Article 366(26A)]

(3) Redefined the expression "State" in the context of GST: "State" concerning 246A, 268, 269, 269A, and 279A includes a Union Territory with Legislature [Article 366 (26B)]

(4) Insertion of new Article 246A: This Article is incorporated to empower the legislature of every state to make laws concerning Goods and Services Tax imposed by the Union Government or State Governments. It also states that the Union Government has exclusive power to make laws concerning goods and service tax where the supply of goods or services or both occurs during inter-state trade or commerce.

(5) Insertion of new Article 269A: This Article provides that GST on supplies during inter-state trade or commerce shall be levied and collected by the Union Government. It also states that such tax shall be shared between the Union and States in the manner prescribed by an Act of Parliament made on the recommendations of the GST Council.

(6) Insertion of new Article 279A: This was introduced to establish the Goods and Services Tax Council.

(7) Provision for compensating the revenue loss of States: As per this provision, the Central Government is responsible for compensating the revenue loss incurred by the States because of the implementation of GST.

(8) Modifications to the tax entries of List I of the 7th Schedule (Powers of Central Government):

(i) Entry 84 is amended:

The effect of this amendment is that excise duty can now be levied only on the manufacture of such specific products mentioned in the new entry. Excise duty would not be leviable on the manufacture of the rest of the products.

The erstwhile entry 84 reads as: "Duties of excise on tobacco and other goods manufactured or produced in India except:

(a) alcoholic liquors for human consumption,

(b) opium, Indian hemp, and other narcotic drugs and narcotics, but including medicinal and toilet preparations containing alcohol or any substance included in sub-paragraph (b) of this entry."

The modified Entry 84 reads as: "Duties of excise on the following goods manufactured or produced in India, namely:

(a) petroleum crude,
(b) high-speed diesel,
(c) motor spirit (commonly known as petrol),
(d) natural gas,
(e) aviation turbine fuel, and
(f) tobacco and tobacco products."

(ii) Entry 92 is omitted:

Earlier, Entry 92 contained the power to levy "taxes on the sale or purchase of newspapers and on advertisements published therein."

(iii) Entry 92C is omitted:

Earlier, Entry 92C contained the power to levy a "tax on services."

(9) Modifications to the tax entries of List II of the 7th Schedule (Powers of State Governments):

(i) Entry 52 is omitted:

Earlier, entry 52 contained the powers to levy "taxes on the entry of goods into a local area for consumption, use or sale therein."

(ii) Entry 54 is amended:

This amendment means that VAT can now be levied by the States only on the sale of specified products mentioned in the new entry. It would not be leviable on the sale of the rest of the products.

The erstwhile Entry 54 reads as: "Taxes on the sale or purchase of goods other than newspapers, subject to the provision of Entry 92A of List I"

The modified Entry 54 reads as: "taxes on the sale of petroleum crude, high-speed diesel, motor spirit (commonly known as petrol), natural gas, aviation turbine fuel, and alcoholic liquor for human consumption but not including the sale in inter-state trade or commerce or sale in the course of international trade or commerce of such goods."

(iii) Entry 55 is omitted.

Earlier, entry 55 contained the power to levy "taxes on advertisements other than those published in the newspapers and broadcast by radio or television."

(iv) Entry 62 is amended:

The effect of this amendment is that the State Governments cannot levy taxes on entertainment and amusements.

The erstwhile Entry 62 reads as: "tax on luxuries, including taxes on entertainments, amusements, betting and gambling."

The modified Entry 62 reads as: "taxes on entertainments and amusements to the extent levied and collected by a Panchayat or a Municipality or a Regional Council or a District Council."

3.21.7 Structure of GST System in India

The GST system implemented in India is based on certain structures. They are:

1. Operative Structure
2. Legislative Structure
3. Administrative Structure
4. Tax Structure

3.21.7.1 Operative Structure of GST

The operative structure of the GST system consists of the provisions relating to the following:

- Determination of tax under GST
- Procedural compliance under GST
- Enforcement Provisions under GST

Determination of Tax under GST

At first, it is necessary to ensure whether a particular activity is considered as "supply" under the GST Act. If it is a "supply," then find whether it is a supply of goods or services or both. Then, one must identify the category and corresponding code of the goods and/or services supplied. The next step is to compute the value of supply and to identify the applicable rate of GST. Based on the value of supply and the rate of GST, one can easily compute the amount of tax payable. Now, the assessee should identify the type of tax applicable to the supply. In the case of intra-state supply, both SGST and CGST would be applicable, and in the case of inter-state supply, IGST would be payable. Then, it is necessary to identify whether the supplier or recipient is liable to pay tax as per the provisions of the Law. Now, the person liable to pay tax should remit the amount of tax after deducting the input tax credits, if available at his credit.

Procedural Compliance under GST

As part of procedural compliance, a taxable person must register with the GST authority and obtain a GST number, which should be used for making supplies, paying taxes, and filing returns. Every registered person should file GST returns at the given period specified in the law so that the government can administer and control the tax payment. The law states that registered persons should maintain specific accounting records concerning the supplies they make. They should make tax payments and compliances on a self-assessment basis in general. However, the GST department may exercise the power to conduct assessments in some specified cases. The law also states

that the GST department may either conduct an audit of its own or instruct for a special audit by a specified Chartered Accountant so that the correctness of the tax payments and other compliances made by the assessee may be ensured.

Enforcement Provisions under GST

The GST law authorises the jurisdictional tax authority of the assessee to issue a show cause notice and adjudicate the issues in case of any dispute relating to tax payment. Also, the party aggrieved from any order may approach an appellate authority to reconsider the order of the previous authority. It provides for payment of interest in case of delays and non-compliance with GST law and penalties for various offenses. In addition, the GST Act also provides for prosecution in case of grave offenses.

3.21.7.2 Legal Structure of GST

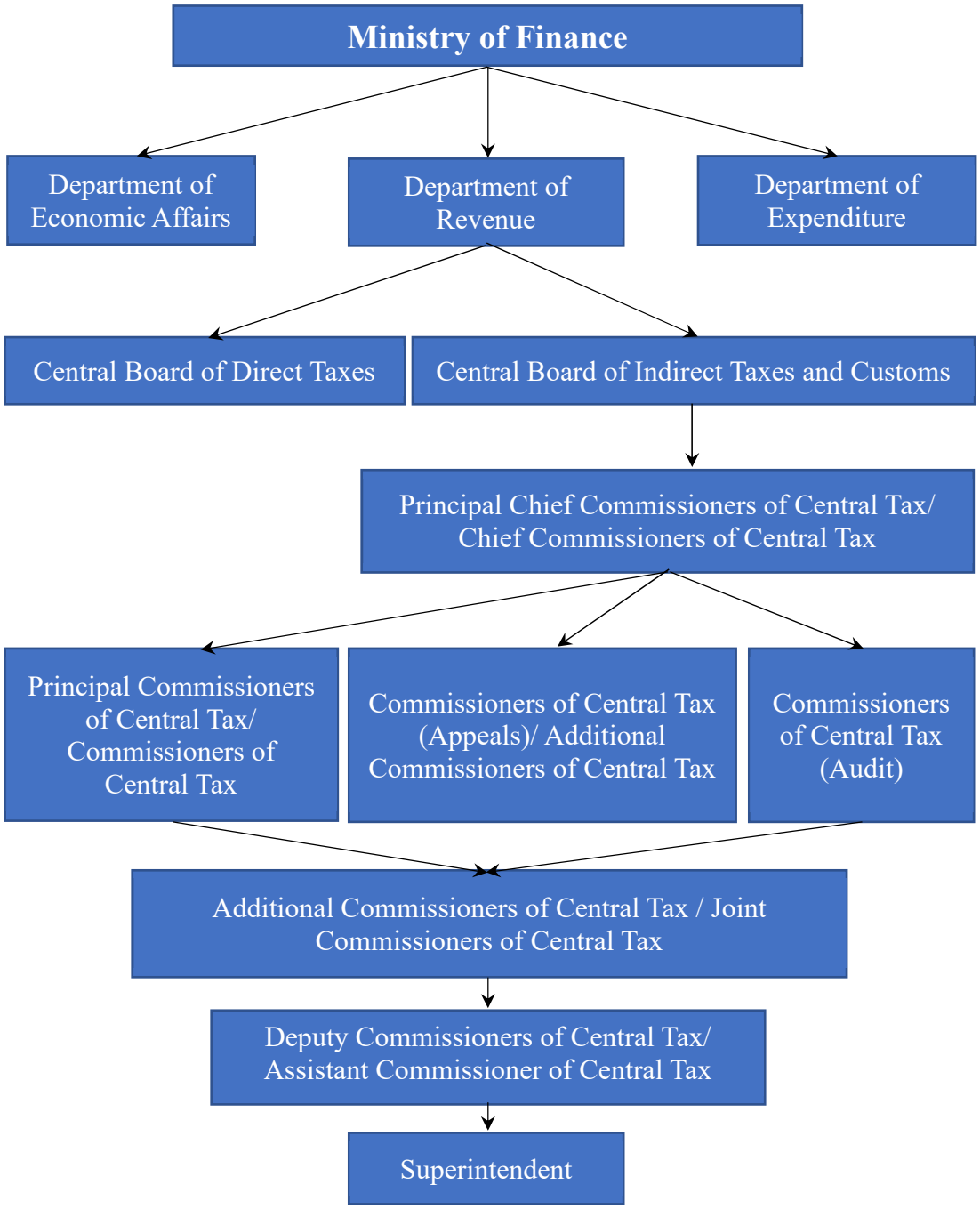
The Union Government and the State Governments have enacted various legislations as part of the implementation of GST in our country. The Union Government enacted the Central Goods and Services Tax Act 2017 to levy Central Goods and Services Tax (CGST) on all intra-state supply transactions of goods or services. Every State Government has passed a State Goods and Services Tax Act applicable to the respective States. State Governments levy SGST, in addition to CGST, on all intra-state supplies of goods and services or both. As Union Territories with separate legislatures are treated as States for the purposes of GST, in India, we have 30 State GST Acts, including Delhi and Puducherry. The Central Government has passed the Union Territory Goods and Services Tax Acts (UTGST Acts) applicable to the respective Union Territories with no separate legislatures. In each Union Territory, UTGST is levied on all supply transactions within the respective Union Territory, in addition to CGST. There are six Union Territory GST Acts in India. The Central Government has also passed the Integrated Goods and Services Tax Act (IGST Act) to levy IGST on all inter-State supply of goods or services. The Central Government of India has passed the Goods and Services Tax (Compensation to States) Act 2017 to compensate the State Governments for loss of revenue, if any, incurred by them because of the implementation of GST for the first five years.

3.21.7.3 Administrative Structure of GST

The administrative structure of GST refers to the hierarchical structure beginning from the Ministry of Finance in the Union Government and ending with the last rank officer in the departmental offices.

Figure 3.2

Administrative Structure of GST



With the above hierarchy of officers involved in the administration of GST, the entire country is divided into various GST zones. Under each zone, there are different Commissionerates. Each Commissionerate is further divided into divisions, and each division has a range. The officer responsible for GST administration regarding a particular assessee is called his Jurisdictional Authority. For any matter relating to GST, an assessee must approach his Jurisdictional Authority. Apart from the aforesaid administrative setup of the government, an independent body has also been established under the name GST Network (GSTN). The GSTN performs a key role in providing technology support the Government needs for GST administration.

A similar structure is followed in the states, beginning with the Ministry of Finance and ending with the last-rank officer in the departmental offices. However, distinct from the Union Government, the States do not have a separate Board for proper management of indirect taxes. The Ministry of Finance of a State works through the Commissioner of State Tax, Special Commissioner of State Tax, Additional Commissioner, Joint Commissioner, Deputy Commissioner, Assistant Commissioner, and other officers.

3.21.7.4 Tax Structure of GST

The GST system implemented in India is a dual tax system. Therefore, the tax levied from a customer comprises a share of both the Central Government and the State Government. However, an assessee must issue a single invoice showing the share of tax pertaining to the Central Government and State Government separately. According to the GST Law, an assessee can levy different types of taxes on his customers depending on the type of supply he makes. They are Central GST (CGST), State GST (SGST), Union Territory GST (UTGST) and Integrated GST (IGST).

Central GST (CGST) is a type of tax charged by the Central Government on the intra-state supply of goods and services, and it is governed by the CGST Act. State GST (SGST) is also levied on the same intra-state supply transactions, but it is governed by the respective State Government. The type of tax levied on intra-state supply transactions in a Union territory without legislature is called Union Territory GST (UTGST). It is governed by the UTGST Act and is collected by the Union

Government. Integrated GST (IGST) is levied by the Union Government on all inter-state supplies of goods and services and is governed by the IGST Act. The IGST collected by the Central government will be shared with the respective State Government in the ratio approved by the Parliament based on the recommendations of the GST Council. In addition to the aforesaid components of GST, a Compensation Cess may also be levied on the supply of selected goods or services to compensate the States for loss of revenue due to implementation of GST for five years. It was governed by the Goods and Services Tax (Compensation to States) Act 2017. Since the period of 5 years is completed, presently the compensation cess cannot be levied.

In the case of intra-state supply of goods and services, the structure of tax chargeable is CGST + SGST. In case of any supply of goods and services within a Union Territory having no legislature, the structure of tax chargeable is CGST + UTGST. In the case of inter-state supply of goods and services, the structure of tax chargeable is IGST.

3.21.8 GST Council

GST is a tax on supply of goods and services which applies uniformly across India. Therefore, the decisions regarding the tax rate on goods and services, exemptions, and other relevant aspects of taxation need to be made in concurrence with the Union and the State Governments in India. In other words, a separate mechanism for making GST-related decisions with the collective concurrence of Central and State Governments is inevitable. That is why the 101st Constitution Amendment Act envisaged the GST Council. Article 279A of the Constitution authorises the President of India to constitute a joint forum of Centre and States under the name GST Council.

3.21.8.1 Structure of GST Council

According to Article 279A of the Constitution of India, the Union Finance Minister is the Chairperson of the GST Council. The Union Minister of Finance or Revenue and the Minister nominated by each of the States would be the members of the Council. From the viewpoint of GST, the union territories with the legislature would also be treated as states. Therefore, one representative from each of the three Union Territories with legislatures (Delhi, Puducherry, and Jammu & Kashmir) will also be a member

of the Council. Presently, there are 33 members of the GST Council. The structure of the GST Council can be detailed as follows:

- Union Finance Minister : Member & Chairperson
- Union Minister of the State in charge of Revenue : Member
- Minister in charge of Finance or Taxation or any other areas nominated by the States (presently the status is 31, which consists of 28 from States and 3 from UTs with separate legislature) : Members

These members may select one amongst themselves as the vice-chairperson of the Council for the period as decided by them. The Secretary of the Revenue Department will be the ex-officio secretary of the GST Council. The Chairperson of the Central Board of Indirect Taxes and Customs (CBIC) will be the permanent invitee to all the proceedings of the GST Council.

3.21.8.2 Functions of GST Council

As a constitutional body, the GST Council is formed to give advice and recommendations to the federal and State Governments on GST-related matters. These include:

1. Recommendations on taxes, cesses, and surcharges of Central and State Governments and local authorities that may be subsumed in GST.
2. Recommendations about the goods and services that may be subjected to or exempted from GST.
3. Recommendations on model GST laws, principles of levy, rules governing the place of supply, and apportionment of IGST.
4. Recommendations about the minimum turnover limit below which goods and services may be exempted from GST.

5. Recommendations about special tax rates for a specified period to raise more funds during any disaster or natural calamity.

6. Recommendations about special attention given to the States of Arunachal Pradesh, Assam, Himachal Pradesh, Jammu & Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, and Uttarakhand.

7. Recommendations about the rates, including floor rates, with GST bands.

8. Recommendations about any other GST-related matters, as the GST Council may decide.

Even though the Constitution of India has entrusted the functions described above to the GST Council, the Council is only a recommendatory body. The central and State Governments are not bound to follow the decisions of the GST Council. However, Article 279A states that, while making decisions, the GST Council should consider that its objective is to develop a harmonized national market across the country.

3.21.8.3 Decision-making Process of GST Council

Currently, the GST Council has 33 members: 31 from States and Union Territories and 2 from the Union Government. The decisions are made by conducting meetings and considering members' opinions about the subject matter of the resolution. Regarding the decision-making process, the GST Council has prescribed two parameters: quorum for a valid meeting and required majority for passing a resolution.

As per Article 279A, one-half of the total number of members of the GST Council shall be the required quorum for the meeting. Presently, as there are 33 members, 17 members should be required to constitute a valid meeting of the GST Council. If the number of members present in the meeting is less than 17, the meeting will not be valid, and hence, no valid decision can also be taken.

For a valid decision in the GST Council meeting, the resolution has to be passed with at least a 75% weighted majority. The weightage of the central government's votes is 33.33%, and that of all the State Governments is 66.67%. Since at least a 75%

weighted majority is required for a valid decision, if all the State Governments vote in favour, the resolution will not be passed if the central government votes against it.

3.21.8.4 GST Council Meets: Key Highlights

First GST Council Meet

The first meeting of the GST Council was held on 22nd and 23rd September 2016 in New Delhi. It was headed by Finance Minister Aru Jaitley and was held with the determination to roll out GST on 1st April 2017. Representatives of 29 States and 2 Union Territories were present. Regulation under the Composition Scheme and levying 1-2% tax on traders with a gross turnover up to Rs: 50 Lakhs were the key areas of the meeting.

Second GST Council Meet

The second meeting of the GST Council was held on 30 September 2016 at Parliament House Annex, New Delhi. Finance Minister Arun Jaitley chaired the meeting. Compensation to states and fixation of the growth rate at 14 percent were discussed in the meeting. According to the decision of this meeting, all the entities exempted from indirect tax were considered to pay tax under the new GST regime.

Third GST Council Meet

The third GST Council meeting was held on the 18th and 19th, 2016, at Vigyan Bhavan, New Delhi, under the chairmanship of Arun Jaitley. GST rates and slabs were discussed in the meeting. But no decision could be made during the meeting.

Fourth GST Council Meet

The fourth meeting of the GST Council was held on 3rd and 4th November 2016 in Delhi. Four slab rates were decided in this meeting: 5%, 12%, 18%, and 28%. Also, the meeting discussed the levy of an additional cess on sin goods and luxury goods, which are subject to a tax rate of 28 percent.

Fifth GST Council Meet

The fifth meeting of the GST Council was held on 2nd and 3rd December 2016 at Pravasi Bharatiya Kendra, New Delhi, under the chairmanship of Finance Minister Arun Jaitley. On the main agenda of approving the draft GST law, the meeting considered a cross-empowerment provision to ensure a single interface under GST. The Council also approved the provisions of the Model GST Act (Sections 1 to 46) subject to changes that may be suggested by the Union Law Ministry while examining the draft GST Rules. The council also agreed to highlight the changes made during the statutory review and bring them to the council for discussion and approval. However, the provisions for cross-empowerment to ensure a uniform interface under GST continued to be discussed, but the Council decided to defer a decision on the matter and continue further discussion in the next meeting of the Council.

Sixth GST Council Meet

The sixth meeting of the GST Council was held on 11 December 2016 at Pravasi Bharatiya Kendra, New Delhi, under the chairpersonship of Finance Minister Arun Jaitley. The Council discussed the Model GST Rules on CGST and SGCT in detail and announced 99 sections out of 197 sections.

Seventh GST Council Meet

The 7th meeting of the GST Council was held on 22nd and 23rd December 2016 in New Delhi. Draft model bills on state and central GST legislation were passed, and the issue of dual control was discussed but remained uncertain.

Eighth GST Council Meet

The eighth meeting of the GST Council was held on the 3rd and 4th of January 2017 at Vigyan Bhavan, New Delhi. The GST Council decided to levy a cess on the list of items mentioned by the GST Council as the states demanded increasing the cess on more items to cover the revenue loss of Rs 900 crore. After five years of GST implementation, the cess is added to GST rates and shared between the Centre and the States.

Ninth GST Council Meet

The ninth meeting of the GST Council was held on January 16, 2017, at Vigyan Bhawan, New Delhi, under the chairmanship of Union Finance Minister Arun Jaitley. Addressing the issue of dual control, the Council decided that assessees with a turnover of up to Rs 1.5 crore would be investigated by the Centre and States in the ratio of 90:10, respectively. In the case of assessees with turnover above 1.5 crores, the ratio will be 50:50. Any dispute related to IGST will be considered by the Centre.

Tenth GST Council Meet

The tenth meeting of the GST Council convened on 18th February 2017 in Udaipur, Rajasthan. In this meeting, the compensation law was finally approved.

Eleventh GST Council Meet

The eleventh meeting of the GST Council was held on March 4, 2017, at Vigyan Bhawan, New Delhi. At this meeting, the Council finalized important bills related to CGST and SGST and announced that hotels with a turnover of less than 50 lakhs will be subject to a minimum tax of 5%.

Twelfth GST Council Meet

The twelfth meeting of the GST Council, held in New Delhi on March 16, 2017, saw many important decisions and approvals. The Council approved the State GST Bill and the UTGST Bill and fixed a 15% cess on certain demerit goods. At this meeting, the council also approved the formation of a committee to investigate meta-permit issues. In addition, the Council sent five draft laws for approval by the Cabinet and Parliament.

Thirteenth GST Council Meet

The thirteenth meeting of the GST Council was convened in New Delhi on 31 March 2017. In this meeting, the Council approved the rules regarding GST registration, return, payment, refund, invoices, and debit/credit notes. The meeting also discussed the rules of input tax credit, valuation, transitional provisions, and composition rules.

Fourteenth GST Council Meet

The fourteenth meeting of the GST Council took place on 18th May 2017 in Srinagar. In this meeting, the Council approved the GST rates and the rate of GST Compensation Cess. Accordingly, the GST rate for a room with a per-day tariff of up to Rs. 1,000 is exempt. Above Rs. 1,000 but below Rs. 2,500 is 12% with full ITC, above Rs. 2,500 but below Rs. 5,000 is 18% with full ITC, and above Rs 5,000 is 28% with full ITC.

Fifteenth GST Council Meet

The fifteenth meeting of the GST Council was held on June 3, 2017, in Vigyan Bhavan, New Delhi. The decision regarding the rollout of GST on July 1, 2017, was unanimously accepted in the meeting. Also, the Council approved the pending rules, including rules relating to returns and transition provisions.

Sixteenth GST Council Meet

The 16th meeting of the GST Council was held on 11 June 2017 at Vigyan Bhawan, New Delhi. During the meeting, the GST rates of 66 out of 133 items were revised, and the accounting rules for GST were finalised.

Seventeenth GST Council Meet

The seventeenth meeting of the GST Council took place on 18th June 2017 at Vigyan Bhavan, New Delhi. In this meeting, the deadlines for filing returns were extended till September and simplified the terrific anti-profiteering clause. The rules regarding the E-way bill were discussed and postponed. The GST rates of luxury hotels were modified. Thus, after modifications, the GST rate on hotel rooms with a tariff of Rs. 2,500 and above but less than Rs. 7,500 per day shall be 18%. The rate for hotel rooms with a tariff of Rs. 7,500 and above shall be 28%. The GST rate of supply of food or drinks in air-conditioned restaurants in 5-star or above-rated hotels shall be 18%. The meeting also modified the GST rate on lottery tickets run by state authority to 12% and the rate on lottery tickets run by private authority to 28%.

Eighteenth GST Council Meet

The 18th meeting of the GST Council was held at Vigyan Bhavan, New Delhi, on June 30, 2017, the day before the GST Act came into force. The GST rate on fertilizers has been reduced to 5% from the pre-fixed 12%, and the tax rate on certain parts of tractors has been reduced from 28% to 18%.

Nineteenth GST Council Meet

The GST Council's nineteenth meeting was convened on 17 July 2017 through video conference in the Prime Minister's Office, New Delhi, under the chairpersonship of Finance Minister Arun Jaitley. This was the first meeting after the implementation of GST. At this meeting, the GST Council decided to raise the cess on certain categories of cigarettes to 31%.

Twentieth GST Council Meet

The 20th meeting of the GST Council was held on 5 August 2017 at Vigyan Bhawan, New Delhi. The GST rate for textile work, such as stitching and embroidery, was fixed at 5%. The e-way bill provisions were also finalized in this meeting. The meeting also recommended that the central government bring in necessary legislative amendments to increase the maximum limit of cess leviable on motor vehicles, including SUVs, from 15 percent to 25 percent.

Twenty-first GST Council Meet

The 21st meeting of the GST Council was held in Hyderabad on 9th September 2017 under the chairmanship of Finance Minister Shri Arun Jaitley. The Council has decided to waive GST on tickets to FIFA - 17 Football World Cup 2017 events and to reduce the GST rate from 18% to 12% on various services provided to the government or local authority. However, the GST cess has increased to 2%, 5%, and 7% for medium cars, large cars, and SUVs, respectively. The Council also decided to extend the last date for filing GSTR-1, GSTR-2, and GSTR-3 for the month of July till 10th October, 31st October, and 10th November 2017, respectively. The Council also decided that the GST officers should introduce alternative mechanisms to register

under the composition scheme till 30th September 2017 for those who have GST registration but could not opt for the composition scheme.

Twenty-Second GST Council Meet

The 22nd GST Council meeting was held on August 8, 2017, at Vigyan Bhawan, New Delhi. The committee decided to reduce the GST rate of AC restaurants from 18 percent to 12 percent. Items like threads, clips, pins, etc., are included in the 5% slab. Also, the meeting raised the limit of composition scheme dealers from 75 lakh to 1 crore. It has also been stipulated that SMEs with an annual turnover of up to Rs 1.5 crore must file quarterly returns.

Twenty-Third GST Council Meet

The 23rd meeting of the GST Council was held on 10th November 2017 in Guwahati. The meeting decided to change the GST rate of 178 items from 28% to 18%, 13 items from 18% to 12%, 5 items from 18% to 5% and 6 items from 5% to 0%. It is also decided to charge 5% GST without ITC on restaurants in hotels having room tariffs of less than Rs: 7500. But in case of hotels having room tariffs of above Rs. 7500, GST will be charged at the rate of 18% with full ITC. It was also decided to levy 5% GST without ITC on all restaurants irrespective of AC (except five-star). Also, it decided to levy 5% GST on food parcels or takeaways. Further, the threshold limit of the composition scheme was decided to be increased to 1.5 crore.

Twenty-Fourth GST Council Meet

The 24th GST Council meeting was held on 16 December 2017 through video conference under the chairmanship of Finance and Corporate Affairs Minister Arun Jaitley. The meeting decided to introduce an e-way bill across the country from February 1, 2018.

Twenty-Fifth GST Council Meet

The 25th meeting of the GST Council was held on January 18, 2018, at Vigyan Bhavan, New Delhi, under the chairmanship of Finance Minister Arun Jaitley. The Committee decided to reduce GST rates on 29 items and to waive GST rates on 29

services. The meeting also decided to divide the IGST collections of Rs. 35,000 crore provisionally between the Centre and the states.

Twenty-Sixth GST Council Meet

The 26th meeting of the GST Council was convened on 10 March 2018 at Vigyan Bhavan, New Delhi, under the Chairmanship of Union Finance Minister Arun Jaitley. The meeting decided to extend the tax exemptions for exporters until 1 October 2018. By then, an e-wallet scheme should be launched to continue the benefits in the future. The meeting also decided to extend the Reverse Charge Mechanism for three months.

Twenty-Seventh GST Council Meet

The 27th meeting of the GST Council was convened on 4 May 2018 through videoconferencing under the Chairmanship of Union Finance Minister Arun Jaitley. The meeting decided to change the shareholding pattern of GSTN to 1:1 between the Centre and State Government.

Twenty-Eighth GST Council Meet

The 28th meeting of the GST Council was held on 21st May 2018 at Vigyan Bhavan, New Delhi, under the Chairmanship of Union Minister of Railways, Coal, Finance, and Corporate Affairs Piyush Goyal. The meeting decided to reduce the GST rate for e-books and imported urea to 5% and increase the threshold limit of GST registration for north-eastern States from Rs 10 lacs to 20 lacs.

Twenty-Ninth GST Council Meet

The 29th meeting of the GST Council took place on 4th August 2018 at Vigyan Bhavan, New Delhi, under the Chairmanship of the Union Finance Minister Piyush Goyal. The committee approved the formation of a ministerial panel consisting of 6 members on MSME issues. The ministerial panel was formed under the convenorship of Union Minister S.P. Shukla with deputy Chief Ministers of Delhi and Bihar and the Ministers from Assam, Kerala, and Punjab as its members.

Thirtieth GST Council Meet

The 30th meeting of the GST Council was convened on August 4, 2018, in New Delhi, under the chairmanship of Union Finance Minister Arun Jaitley, through videoconferencing. The meeting agreed to form a seven-member Group of Ministers (GoM) to investigate the issue of increasing SGT rates or levying cess on SGST for Kerala's rehabilitation and flood-affected works.

Thirty-First GST Council Meet

The 31st meeting of the GST Council took place at Vigyan Bhawan, New Delhi, on 22 December 2018 under the chairmanship of Union Finance Minister Arun Jaitley. The meeting decided to reduce the GST rate on multiple items under the slab rate of 28%. As a result, TV monitor screens up to 32 inches, gearboxes, transmission shafts, digital cameras, power banks with lithium-ion batteries, video camera recorders, etc., have been shifted to an 18% GST rate. The meeting approved amendments to the Articles of Association and Memorandum of Association of the Goods and Services Tax Network (GSTN) to make it a 100% government-owned entity.

Thirty-Second GST Council Meet

The 32nd meeting of the GST Council was convened on 10th January 2019 at Vigyan Bhavan, New Delhi, under the Chairmanship of Union Finance Minister Arun Jaitley. The Council meeting decided to permit Kerala State to levy a calamity cess for a period of two years for the rehabilitation of the State. The meeting also decided that the annual turnover threshold for the Composition Scheme shall be Rs. 50 lakh, and the tax rate shall be 6%, comprising 3% CGST and 3% SGST.

Thirty-Third GST Council Meet

The 33rd meeting of the GST Council was held on 20th February 2019 through video conferencing and on 24th February 2019 at Vigyan Bhavan, New Delhi, in physical mode. Both the sessions were convened under the chairmanship of Finance Minister Arun Jaitley. The Council redefined "affordable housing" under GST Law by incorporating two definitions. They were affordable housing in metro cities and non-

metro cities. In the case of metro cities, affordable housing means properties with a value that does not exceed Rs 45 lakhs and a carpet area of up to 60 square meters. In the case of non-metro cities, affordable housing means properties with a value that does not exceed Rs 45 lakhs and a carpet area of up to 90 square meters. In this meeting, the Council decided to reduce the GST rate for affordable housing from 8% to 1% without ITC. The rate for non-affordable housing was cut down from 12% to 5% without ITC.

Thirty-Fourth GST Council Meet

The 34th meeting of the GST Council was conducted through video conferencing on 19th May 2019 under the chairmanship of Finance Minister Arun Jaitley. The meeting was centered around the applicability of tax rates for under-construction housing projects and the rules regarding the transition from old tax rates to new rates for existing housing projects. The Council decided that the builder can opt for old tax rates of 12% on the non-affordable housing scheme and 8% on the affordable housing scheme till 10th May 2019 if he claims ITC. If the builder opts for new rates of 5% and 1% for non-affordable and affordable housing schemes, respectively, he would not be allowed to enjoy the ITC.

Thirty-Fifth GST Council Meet

The 35th GST Council meeting was convened on 21 June 2019 in New Delhi under the chairpersonship of the finance minister of the newly elected government, Mrs Nirmala Sitharaman. The Council granted sanctions for the setting up of the State and Area-based GST Appellate Tribunal (GSTAT) for various states and UTs. It has also been decided to form a common state bench for Arunachal Pradesh, Manipur, Nagaland, and Sikkim. The Council also postponed the last date for filing GSTR9, 9A, and 9C to 31 August 2019. The Council approved the proposal regarding the introduction of e-invoicing.

Thirty-Sixth GST Council Meet

The 36th meeting of the GST Council was held on 27 July 2019 through video conferencing under the chairpersonship of the Union Minister for Finance and

Corporate Affairs, Smt. Nirmala Sitharaman. The meeting was convened to discuss and take a decision on reducing the GST rate of electric vehicles. The council reduced the GST rate for electric vehicles from 12 percent to 5 percent. The rate applicable to electric vehicle chargers has been reduced from 18% to 5%. Also, electric buses with a seating capacity of more than 12 passengers hired by local authorities are exempted from GST. These changes came into effect on 1 August 2019.

Thirty-Seventh GST Council Meet

The 37th meeting of GST Council held on 20th September 2019 in Goa under the Chairpersonship of Finance Minister Nirmala Sitharaman has arrived at several decisions regarding revision of GST rates, relaxation in the annual filing of the return, changes to composition scheme, deferment of new GST return, new exemptions from GST, etc. As per the decisions of the meeting, it is not compulsory to file GSTR-9 for taxpayers with an annual turnover of not exceeding 2 crores in the financial years 2017-18 or 2018-19. The meeting decided to restrict ITC for the recipients if the suppliers do not furnish the details of their outward suppliers. The Committee also decided to exempt from GST the warehousing services for cereals, pulses, sugarcane, nuts, fruits, copra, vegetables, jaggery, spices, indigo, coffee, tea, rice, unmanufactured tobacco, and vegetable fibers. Also, revisions were made to the GST rates applicable to the tourism industry. Accordingly, the GST rate for a room with a per day tariff up to Rs. 1,000 is exempt, above Rs. 1,000 but below Rs. 7,500 is 12% with full ITC, and above Rs. 7,500 is 18% with full ITC. These revised rates came into force on 1 October 2019.

Thirty-Eighth GST Council Meet

The 38th meeting of the GST Council was held in New Delhi on 18 December 2019 under the chairpersonship of Finance Minister Nirmala Sitharaman. The Council decided to set up a redressal committee at the zonal or state level to redress the grievances of taxpayers at the zonal or state level. The redressal committee will include CGST and SGST officers, trade/industry representatives, and other stakeholders. The meeting decided to extend the last date for filing GSTR-9 and GSTR-9C for the financial year 2017-18 till January 31, 2020, due to the non-

availability of the GSTR-9C form. The Council has also decided to waive the late fee if GSTR-1 for the financial year 2018-19 is filed by January 10, 2020. Also, the committee extended the last date for filing GST returns from November 2019 to December 31, 2019.

Thirty-Ninth GST Council Meet

The honourable Finance Minister Nirmala Sitharaman presided over the 39th GST Council meeting held in New Delhi on March 14, 2020. The meeting decided to postpone the implementation of the new GST return, e-invoicing, and QR code till 1st October 2020. The GST rate on cell phones and other specified mobile phone parts has increased from 12% to 18%. The meeting decided to rationalise GST rates for all categories of matches. Another important decision was extending the last date for filing GSTR-9 and GSTR-9C for the financial year 2018-19 till June 30, 2020. The meeting also decided to increase the total turnover limit prescribed for filing GSTR-9C from Rs. 2 crores to Rs. 5 crores.

Fortieth GST Council Meet

The 40th meeting of the GST Council took place through video conferencing under the chairpersonship of Finance Minister Nirmala Sitharaman. This was the Council's first meeting since the outbreak of the novel Coronavirus. The meeting decided to reduce the interest rate for late filing of GST returns from 18% to 9% per annum for the months of February, March, and April 2020 if the filing was done before 30th September 2020. Similarly, the meeting also decided to waive off fees and interest for late filing if the returns for the months of May, June, and July 2020 are filed before 30 September 2020. Even though the due date for revoking the cancellation of GST registration is 30 days from the date of issue of the cancellation order, the Committee decided to extend the due date to 30th September 2020 for everyone who dropped their registrations till 12th June 2020.

Forty-First GST Council Meet

The 41st meeting of the GST Council was held via video conferencing on 27th August 2020 under the chairpersonship of the Finance Minister, Nirmala Sitharaman. It was

convened in the presence of the Attorney General to deliberate the single-point agenda of methods to compensate the compensation cess of the States. The figurative workings showed that the total shortfall of States for the financial year 2020-21 was INR 2,35,000 crores. Out of this, the shortfall of INR 97,000 crores was marked as the shortfall for GST implementation, and the balance was marked as the shortfall due to the Covid-19 pandemic. The States are given two options to meet the shortfalls. Under the first option, the Centre can facilitate the shortfall due to GST implementation (INR 97,000 crores) by borrowing through a special window of RBI. This borrowing should be repaid after 5 years of collecting cesses, and a reasonable interest would be charged on such borrowing. As per the second option, the States can borrow the whole amount of the shortfall (INR 2,35,000 crores) directly from the RBI. The States were required to evaluate these two options within a period of seven working days so that the GST Council could finalize the options.

Forty-Second GST Council Meet

The 42nd GST Council meeting was convened on 5th and 12th October 2020 under the chairpersonship of Finance Minister Nirmala Sitharaman through video conferencing. The meeting decided that taxpayers with a turnover of over Rs. 5 crore should enter up to 6 digits of the HSN code. For taxpayers with a turnover of less than Rs. 5 crores, an HSN code of up to 4 digits must be mentioned for B2B supplies. Also, 8 digits of the HSN code should be mentioned in the case of notified goods and services. The Committee also decided that a refund should be given only in bank accounts where PAN and Aadhaar linking was done. To encourage space launching services in India, the GST Council gave GST exemption to satellite launch services by New Space India Limited, ISRO, and Antrix Corporation. Further, the Committee resolved to disburse the compensation cess collected till now and the IGST for the year 2017-18 to the States. The 42nd meeting of the Committee also decided to continue the levy of compensation cess beyond the 5-year period.

Forty-Third GST Council Meet

The 43rd meeting of the GST Council took place through video conferencing on 28 May 2021, under the chairpersonship of Nirmala Sitharaman, the Union Finance

Minister. The Council recommended an amnesty scheme to provide relief to small taxpayers. The fee for late filing of GST returns was also rationalised for future periods. The Council also decided to exempt IGST from the import of Covid-19 relief materials until 31 August 2021. Further, the Council decided that the annual return filing for the financial year 2021-22 would be optional for small taxpayers.

Forty Fourth GST Council Meet

The GST Council convened its 44th meeting on 18 June 2021 through videoconferencing under the Chairpersonship of the Finance Minister, Nirmala Sitharaman. Based on the recommendations of the Group of Ministers formed in its 43rd meeting, the GST Council rationalised the tax rates on specified items being used for Covid-19 relief. Further, the Council decided to continue the reductions and exemptions in GST rates until 30 September 2021.

Forty-Fifth GST Council Meet

The GST Council arranged its 45th meeting in physical mode on 17th September 2021 in Lucknow under the Chairpersonship of Finance Minister Smt. Nirmala Sitharaman. The Committee decided to extend the concessional rate of GST on drugs used for the treatment of Covid-19 till 31st December 2012. The GST rates on medicines used for cancer treatment were also reduced from 12% to 5%. Further, the Council decided to rectify the inverted duty structure for footwear and textiles. Consequently, from January 1, 2022, the rate on footwear and textiles of any value will be increased to 12%. Earlier, the GST rate was 5% per piece in the case of clothing and 5% per pair in the case of footwear, which was up to Rs. 1,000. The Council constituted a Group of Ministers (GoM) to look at the issues related to rate rationalisation and to make recommendations within two months. Also, it has been decided that e-commerce operators will have to pay GST on restaurant services supplied through them.

Forty-Sixth GST Council Meet

The 46th meeting of the GST Council was held on 31st December 2021 at Vigyan Bhavan in New Delhi under the Chairpersonship of the Union Finance Minister Smt. Nirmala Sitharaman. The meeting was arranged under the emergency provisions with

just two days' notice. It was convened to consider the request of the Gujarat Finance Minister to reconsider the decision of the 45th GST Council meeting to correct the inverted duty structure of the textile sector. The Council decided to defer the decision to change the rates in textiles recommended in the 45th meeting of the Council. Further, the Council asked the Group of Ministers to include the GST rate on textiles in their study and submit the report by February 2022.

Forty-Seventh GST Council Meet

The 47th meeting of the GST Council was held in Chandigarh on 28th and 29th June 2022 under the chairmanship of Finance Minister Nirmala Sitharaman. The meeting was held to mark the fifth anniversary of implementing GST, India's landmark indirect tax reform. The meeting suggested changes in GST rates of goods and services and the withdrawal of exemptions on certain goods and services. The Council also proposed various measures to facilitate trade and streamline GST compliance. It has also decided to change GST rates effective from 18th July 2022. Accordingly, the GST rate for a room with a per day tariff up to Rs. 7,500 is 12%, and above Rs. 7,500 is 18%.

Forty-Eighth GST Council Meet

The GST Council's 48th meeting was held via videoconferencing on 17 December 2022 under the Chairpersonship of Finance Minister Smt. Nirmala Sitharaman. In this meeting, the GST Council recommended GST rate changes and measures for facilitating trade and streamlining GST compliances. The Council decided to reduce the GST on pulse husks from 5% to nil and that of Ethyl alcohol from 18% to 5%. No new taxes were introduced.

Forty-Ninth GST Council Meet

The 49th meeting of the GST Council was held in New Delhi on 18th February 2023, under the Chairpersonship of Finance and Corporate Minister Smt. Nirmala Sitharaman. The GST Council recommended clearing the pending balance of GST Compensation of Rs 16,982 Crores for June 2022. The Council adopted the report of the Group of Ministers on Appellate Tribunal with certain modifications. Further, the

Council approved the report of the Group of Ministers on Capacity-Based Taxation and Special Composition Schemes in certain sectors. Also, the Council reduced the GST rates of packaged and pre-labelled Raab (liquid jaggery), loose Raab, pencil sharpener, and data loggers, respectively, from 18% to 5%, from 18% to 0%, from 18% to 12%, and from 18% to 0% respectively

Fiftieth GST Council Meet

The 50th GST Council meeting was held on 11 July 2023 at Vigyan Bhawan, New Delhi. Chairperson Mrs. Nirmala Sitharaman released a short video film titled 'GST Council-50 Steps to a Journey' to mark the milestone of the 5th meeting of the GST Council. Also, the Department of Posts released the first set of special postal covers. The said envelope was presented to the GST Chairperson and Council members by the Chief Postmaster General, New Delhi. The meeting decided to reduce the GST rate on uncooked/unfried snack pellets and fish soluble paste from 18% to 5% and imitation of zari threads/yarn from 12% to 5%. GST exemption has also been decided for satellite launch services provided by ISRO, Antrix Corporation Limited, and New Space India Limited (NSIL). It may also apply to such services provided by other private entities. The council, after deliberations, recommended taxing three activities, namely casinos, horse racing, and online gaming, at a uniform rate of 28%.

Fifty-first GST Council Meet

The 51st meeting of the GST Council was held on 2nd August 2023 in New Delhi through virtual mode under the Chairmanship of the Union Minister for Finance and Corporate Affairs. This Council meeting was held to clarify the government's stance on the taxation of online gaming and casinos, as the 50th Council meeting recommended. The 51st council meeting decided not to change the GST rate of 28% on actionable claims supplied in Casinos, online gambling, and horse racing. The Council also recommended amendments to the IGST Act and the CGST Act regarding the same.

Fifty-second GST Council Meet

The 52nd GST Council Meeting was conducted on 7th October, 2023, in New Delhi. The Union Finance and Corporate Affairs Minister, Sm.t Nirmala Sitharaman, chaired

the meeting. As per the decisions of the Council meeting, millet four in powder form blended with atta with 70% composition of millet will attract 0% GST if sold loose and 5% GST if sold pre-packaged and labelled. The GST rate on molasses has been reduced from 28% to 5%. GST on Extra Neutral Alcohol (ENA) for industrial use will be charged 18%. However, the Council has ceded the right to tax ENA used in liquor for human consumption to the States.

Fifty-third GST Council Meet

The GST Council's 53rd Meeting was held on 22nd June 2024 in New Delhi under the chairpersonship of the Union Finance Minister, Smt. Nirmala Sitharaman. As per the decisions of the Council meeting, 12% GST will be levied on all types of milk cans, irrespective of use. The solar cookers will also attract 12% GST. The rate on cartons and boxes will be reduced from 18% to 12%.

Fifty-fourth GST Council Meet

The 54th meeting of the GST Council was held in New Delhi on September 9, 2024. The Union Finance Minister, Smt Nirmala Sitharaman, chaired the meeting. The Council recommended implementing e-invoicing for B2C transactions in a phased manner. Presently, it applies to B2B transactions for a registered person with a turnover of over five crores. The GST rate of extruded or expanded products, savoury or salted, is reduced from 18% to 12%. However, the rate of 5% will be continued for unfried or uncooked snack pellets. Further, the GST rate on cancer drugs, namely Trastuzumab Deruxtecan, Osimertinib, and Durvalumab, will be reduced from 12% to 5%.

As the supreme decision-making authority regarding indirect taxation, the GST Council plays a crucial role in India's economy. Every decision taken by the Council has a profound impact on the economy.

3.21.9 State Compensation Mechanism Under GST

Most of the states were concerned that with the implementation of GST, many of the taxes levied earlier by the states would be removed, and thereby, the revenue of the

states would be reduced considerably. Therefore, it was challenging for the Central Government to implement GST without the concurrence of state governments. So, to remove the apprehensions of the State Governments regarding their tax revenues after GST implementation, the Union Government put forward a new suggestion. As per the said suggestion, for the first 5 years of the implementation of GST, if the revenue of the State is less than what it earned in the pre-GST regime, the revenue loss of the State Governments will be compensated by the Union Government. With this promise made by the Union Government, the State Governments agreed to go ahead with the proposal to implement GST.

As part of meeting the promise given to State Governments, the Union Government passed legislation under the title "The GST (Compensation to States) Act 2017". As per the provisions of this Act, the States will receive provisional compensation for the loss of revenue from the Centre in each quarter. Final compensation will be decided only after the CAG carries out the audit. To meet the compensation payable to States, the Union Government will charge GST Compensation Cess on luxury items and sin goods. The Union Government would levy the GST Compensation Cess for the first five years of the GST implementation. If any compensation paid to a State is found to be more than the amount due, the excess amount would be adjusted against next year's compensation. The revenue loss of a State would be computed as the difference between the actual GST collection of the State and the indirect tax revenue that the State government would have got under the old pre-GST regime. The indirect tax revenue under the old pre-GST regime would be computed after adjusting 14% over the revenue of the base year 2015-16.

All the revenue collected through compensatory cess was kept in a special GST Compensation Fund. It was also agreed that after paying compensation to the respective states for a period of 5 years, if any balance remained, it would be divided between the Centre and the States. The government has sanctioned Rs 86,912 crore as compensation to the States for a period up to May 31, 2022. The Central Government has sanctioned such a huge amount without considering the fact that only Rs. 25,000 crore is available in the GST compensation fund. The centre was meeting the deficit

from its own sources. This was done to enable States to manage their resources and to ensure the successful implementation of their programs during the financial year itself. With the release of Rs 86,912 crore as GST compensation, only the compensation for the month of June 2022 remains to be paid.

3.21.10 Goods and Services Tax Network (GSTN)

GST Network is popularly known as GSTN. It is a base software that provides a platform for the assessee and the government to make tax compliances and administration. As it provides a reliable, efficient, and robust IT backbone for the effective functioning of the GST system, GSTN is considered a National Information Utility (NIU). GSTN was incorporated on 28th March 2013. The Government of India held 24.5% of the equity in GSTN. Another 24.5% of equity is held jointly by all the States, including Delhi and Puducherry, and the Empowered Committee (EC) of State Finance Ministers. Non-Government Financial Institutions hold a balance of 51% equity.

The GSTN was set up primarily to provide a shared IT infrastructure and services to the Central Government, State Governments, taxpayers, and other stakeholders as part of implementing the GST system. GSTN is an institution that establishes IT infrastructure for new tax administration and transitions taxpayers from existing multiple systems to a single system (Rao & Nagayya, 2017). As per the decision taken by the GST Council in its 27th meeting, GSTN has been converted into a wholly owned government company. The GSTN company discharges many functions to ensure the successful implementation of GST. The company offers common registration, return, and payment services to taxpayers. It encourages and collaborates with GST Suvidha providers to roll out GST applications. GSTN Company usually cooperates with other agencies to create an efficient and user-friendly GST ecosystem. It ensures an efficient back-end service to the Tax Departments of the Central and State Governments. The GSTN Company is trying to develop a Taxpayer Profiling Utility (TPU) for the Central and State Tax Administration. Further, the company assists tax authorities in improving tax compliance and transparency of tax

administration systems. In addition to all these, GSTN company delivers all the relevant services to all the stakeholders based on their request.

3.22 Conclusion

This chapter has explored every aspect of the journey of Indian indirect taxation, from its ancient roots to the contemporary GST system. The transformation of indirect taxation from multiple taxes to a unified Goods and Services Tax system marks a crucial milestone in the history of India's indirect tax reforms. With the implementation of the GST system, the country's tax base and revenue generation have increased to a new height. Hence, we may expect that the new reform will provide positive energy for our country to become a key economic power worldwide by eliminating the economic disparities among its various states quickly.

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Chapter 4

ECONOMIC PERFORMANCE OF TOURISM

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4.1 History of Tourism

Tourism has become a global industry involving a variety of activities and experiences. The concept of tourism is deeply rooted in the history of human civilisation. The early hunters were constantly moved from one place to another in search of necessities such as food, water, shelter, etc. With no organised roads, people travelled on foot and the backs of animals through open fields, forests, and swamps. It often caused various accidents. Moving around the world has become a virtual adventure that requires utmost care and skill (Bhatia, 2002). The history of travelling of people started when they began to follow a settled life.

If we investigate the origin of tourism, we can see that even in ancient civilisations, people started travelling for various reasons. Mostly, it was for commercial, religious or cultural reasons. History tells us that the ancient Egyptians travelled as pilgrims to the pyramids and other sacred sites, and the ancient Greeks and Romans travelled to see famous cultural and sporting events such as the Olympic Games (Crowther, 2007).

Travel became more organised and structured during the Middle Ages and the Renaissance. Christians commonly took pilgrimages to holy places such as Jerusalem and Santiago de Compostela. Even though the pilgrimage was driven mainly by faith, fear, and land acquisition, the pilgrims walked with enumerable needs, such as seeking God, finding forgiveness, being made happy, making it rain, escaping from trouble, ending the plague, fulfilling a promise to God, etc. (Wright, 2014).

The great civilizations of Rome and China exchanged goods and ideas along the Silk Route, an ancient trade route connecting China with the West. The Grand Tour was a traditional journey by European aristocrats and scholars in the 17th and 18th centuries to expose young aristocrats to the art, culture, and history of countries such as Italy

and France (Black, 1992). The Grand Tour is an excellent part of the history of tourism.

During the 19th century, significant changes in the technologies used for transportation and communication greatly influenced tourism development. The invention of the steam engine led to the further expansion of railways and thus made long-distance travel more accessible to common people. The first package tour was organised in England in 1841. It was organised by Thomas Cook, the father of modern tourism. Commercial tourism started worldwide when Thomas Cook's company organised trips to different places.

In the 20th century, massive advances in transportation, infrastructure, and globalisation led to a rapid expansion of tourism. The formation of commercial airlines, the construction of highways, and the massive expansion of hotels and resorts gave further impetus to tourism. After World War II, there was an explosion in international travel as people sought to explore new cultures and destinations. Technology and the internet have completely transformed the tourism industry in recent decades. Online booking platforms, travel apps and social media have made people plan their travel experiences precisely. In addition, sustainable and responsible tourism concepts, which minimise negative impacts on local communities and the environment, have gained more importance.

4.2 Significance of Tourism Industry

Tourism is one of the most dynamic and important industries in the world. Besides contributing significantly to the global economy, tourism is crucial in creating employment opportunities, achieving economic growth, and enabling cultural exchange. As an industry, tourism encompasses various activities, such as transportation, accommodation, and cultural exchange, not just entertainment. Since tourism requires economic, social, cultural, and environmental inputs, it can be multifaceted (Lickorish & Jenkins, 2007).

Economic Significance of Tourism

Tourism is an industry that has the potential to have a profound economic impact on both developed and developing countries. Described as a smoke-free industry, tourism is an important driver of economic growth. Tourism receipts can boost the economic growth of a country through their positive influence on the economy (Marin, 1992). In 2015, the UN General Assembly declared 2017 as the international year of Sustainable Tourism for Development by realising the potential of the tourism sector to lead to "economic growth, social inclusion and cultural and environmental preservation" (Annual Report of UNWTO, 2016).

Tourism has a very significant impact on employment generation. Several studies have documented the relationship between tourism and employment generation, pointing out that tourism is an employment-intensive sector (Bhattarai et al., 2021) and a booster of inclusive growth (Prasad & Kulshrestha, 2015). As the tourism industry is a labour-intensive sector, its growth and development lead to the creation of various employment opportunities. The most important are the direct employment opportunities created in the tourism sector. These include employment opportunities in hotels, restaurants, tour operators, airlines, cruise lines, and theme parks. Front-line employees such as receptionists and tour guides to managers and other specialised positions fall into this category. The total direct employment generated from the entire tourism sector in Sri Lanka indicates an increase of 7.2% in the year 2015 (Mustafa, 2019).

In addition to the direct employment opportunities, tourism generates indirect employment in related industries. This includes jobs created in various sectors such as transportation, food distribution, construction, retail, entertainment, etc. A report by UNWTO observes that each job in the core tourism sector can create 1.5 additional jobs in the related sectors of the economy. As tourism boosts the local economy, it also creates many induced jobs. Rising tourist spending will naturally stimulate demand for healthcare, education and retail services. In short, healthcare professionals, educators, and retail workers benefit from tourism-related growth.

Tourism promotes the growth of small businesses and entrepreneurship. Individuals can start their enterprises, such as boutiques, tour guide services, handicraft businesses, etc., to cater to the needs and preferences of tourists. The erosion of foreign exchange can be minimised by stimulating local entrepreneurs to set up tourism-related small business units (Joosten & Marwijk, 2003). Tourism can also create employment opportunities in creative fields such as traditional arts, cultural performances and local music by providing opportunities for artisans, artists and musicians to exhibit and sell their work. Tourism growth requires regular construction and maintenance of infrastructure such as hotels, roads, railways and airports, creating employment opportunities in the said sectors. As a tourist destination, tourism can provide more employment opportunities to locals by enabling infrastructure, education, and health care in remote rural areas where economic growth has not been reached. Tourism is important in providing employment opportunities, including internships, on a part-time or seasonal basis to youth and students in areas where youth unemployment is high.

Tourism significantly influences a country's foreign exchange earnings in several ways. Tourists visiting the country bring foreign exchange to the destination, improve the country's foreign exchange reserves and provide funds needed to stimulate the economy (Ramdani et al., 2017). When foreign tourists visit tourist destinations in a country, they must spend money in the local currency for various purposes like transportation, accommodation, food and entertainment. Therefore, foreign visitors must convert their currency into local currency. This increases the foreign exchange earnings of the visiting country. The money spent by international tourists in the visiting country leads to a positive balance in the service sector of the visiting country, thus increasing the country's foreign exchange earnings. Tourism has a multiplier effect on the economy. Spending by foreign tourists does not end with the initial transaction. Its propagation in the local economy continues. For example, a hotelier receives money from foreign tourists and spends that money on various purposes such as local taxes, local suppliers, and employee wages, which generate additional income and foreign exchange earnings for the country.

Revenues from the tourism sector are often used to build or upgrade infrastructure such as roads, bridges, airports and public facilities. These investments in infrastructure development improve the quality of tourism services and increase the country's foreign exchange reserves through construction contracts and subsequent growth in the tourism sector. The potential of a place as an attractive tourist destination is determined by the country's infrastructure (Seetanah et al., 2011). Countries that are backward in agriculture and manufacturing can diversify their sources of income through tourism. Countries that do not have export opportunities in other industrial sectors can use tourism to earn foreign exchange. Foreign tourists often heavily purchase local products, including handicrafts, works of art, and souvenirs. Tourism helps to increase international sales of such products and improve local handicrafts, thereby increasing the country's foreign exchange earnings.

Tourism can have both positive and negative impacts on infrastructure development. The positive role of tourism in creating jobs, generating income for local people, diversifying a country’s economic structure, promoting entrepreneurship, and preserving natural and cultural heritage is well known. However, tourism development in a region poses many serious problems in becoming a sustainable activity (Frent, 2016). As part of tourism development, physical conditions for transportation, such as roads, bridges, airports, public transport systems and railways, are improved. It offers better transportation not only to tourists but also to residents. However, over-tourism also damages transport systems in some areas. Resorts, homestays, and hotels in tourism-flourishing areas can be seen making significant progress. While this will encourage more investment in the accommodation sector, it needs to ensure that the construction of new hotels and resorts does not adversely affect local communities and the environment.

Investing in public facilities such as cultural centres, parks, and museums to enhance the tourist experience also helps improve residents' quality of life. However, sometimes allocating resources to tourism-related projects leads to the neglect and imbalance of essential public services. As the popularity of the tourist centres increases, there will be a need to upgrade services such as sanitation, water supply and

waste management. Although these can be made possible by developing adequate utilities and services, minor negligence can lead to public health and environmental problems. Tourism preserves the cultural heritage of a country by focusing on cultural and heritage sites. Construction of roads, bridges and utility networks can enable infrastructure development even in rural and remote areas and improve the quality of life of the people there. The rural transport infrastructure sector is critical for interweaving with many other sectors to achieve sustainable development. Rural transport is the key driver of many Sustainable Development Goals (SDGs). Also, it contributes significantly to enabling many socio-economic benefits for rural people worldwide (Kaiser & Barstow, 2022).

Tourism has a significant impact on tax revenue for a state or country. The impact on tax revenue may differ depending on the nature and growth of the tourism industry in a particular area. Further, the effect of tourism on tax revenue can be direct or indirect. Tourism facilities such as accommodation, food and beverages, travel, etc., directly contribute to the government's tax revenue. The purchases made by tourists while travelling are also subject to taxation. As tourism is a labour-intensive industry, it provides employment opportunities in various sectors such as hospitality, entertainment, transportation, etc. These jobs generate income for employees, which is subject to income tax. This is an example of the indirect influence of the tourism industry on the government's tax revenue. Tourism includes international visits by tourists. International travellers often bring in or carry out goods and souvenirs. Import and export duties on these items contribute to a country's tax revenue. Further, the spending by tourists will, naturally, stimulate economic activities in related sectors. For example, when tourists spend on dining, it benefits the food industry; when the food industry grows, the increased business will generate additional tax revenue. This economic multiplier effect increases the effect of tourism on tax revenue. If properly exploited and closely linked with other economic sectors, tourism can become an engine of growth. Activities developed due to tourism, such as hotels, restaurants, transportation services, tour guides, entertainment, etc., are associated with economic flows (Ntibanyurwa, 2006).

Tourism directly impacts a country's Gross Domestic Product (GDP). The annual research of WTTC shows that in 2022, the travel and tourism sector contributed 7.6% to global GDP. Among the various ways tourism influences GDP, the most important is direct tourist spending. When tourists spend money on various products and services such as transportation, accommodation, food, entertainment, souvenirs, etc., the income generated within the country increases, and thereby, tourism contributes directly to the country's GDP. A lot of indirect and induced economic activities are also generated through tourism. When a tourism-related firm purchases goods and services from other industries, it is an indirect economic activity. Induced economic activities refer to the economic activities generated from income spending generated through direct or indirect economic activities. In addition to direct spending, the indirect and induced effects contribute significantly towards GDP. Changes in tourist expenditure due to tourism's indirect and induced impacts affect every economic sector in one way or another (Stynes, 1997). Further, tourism creates employment opportunities in various sectors such as transport, retail, hospitality, entertainment, etc. When a country attracts more tourists, more jobs are created, and people's incomes increase. This stimulates consumer spending and leads to GDP growth. In some developed economies, the contribution of tourism to GDP may be very low. Still, in some developing countries, tourism may occupy a significant share of GDP and employment (Mihalic, 2002). Countries often invest more in infrastructure such as airports, roads, hotels, recreational facilities and public services to attract tourists. Apart from improving the tourism industry, these investments generate more comprehensive economic benefits and contribute to GDP growth.

Even though the tourism sector and a country's GDP are related, tourism's impact on GDP varies significantly from country to country depending on various factors such as quality of infrastructure, government policies, size of tourism industry, global economic conditions, etc. An over-reliance on tourism can push a country into dire financial straits. During the Covid-19 pandemic, the world understood the severe economic setbacks many countries faced, relying heavily on tourism. Therefore, governments are trying to maximise the benefits and mitigate the disadvantages of tourism by diversifying and managing their economy as much as possible. Recently,

tourism has become a universal vehicle for economic development and diversification. Even countries that previously had no desire or need to seek alternative economic sectors now see tourism as an effective means of achieving economic growth and diversification (Sharpley, 2002).

4.3 Tourism: A Global Scenario

Tourism is one of the largest and thriving industries in the world. The global tourism sector had experienced a record-breaking performance in international tourist arrivals until the Covid-19 pandemic. Based on data reported by tourist destinations worldwide, international tourist arrivals (overnight visitors) reached 1.5 billion in 2019, with a growth of 4% (UNWTO, 2020). According to WTTC, the travel and tourism sector recorded 334 million jobs in 2019, including all jobs created through direct, indirect and induced effects. This accounts for 10.5% of the total jobs created by all sectors worldwide. The tourism sector contributed USD 10.3 trillion to GDP, comprising 10.4% of global GDP. Regarding international visitor spending, the sector spent US$ 1.91 trillion in 2019. The tourism sector's contribution to enabling socio-economic development, employment generation, and poverty reduction is unique. It provides prosperity and significant positive social impact by providing unique opportunities for women, youth and minorities. The impact of travel and tourism goes beyond the direct gains in terms of GDP and employment. The industry's indirect benefits extend through the entire travel ecosystem and supply chain linkages to other sectors.

However, in the wake of the Covid-19 pandemic, the sector has faced major setbacks for the last three years. The UNWTO data shows the pandemic has created a total loss of 2.6 billion international travellers over the three years, 2020, 2021 and 2022. Export earnings from international tourism are expected to decrease by 62% in 2020, 59% in 2021 and 34% in 2022 compared to 2019. The total loss in export earnings from tourism over these three years was US$ 2.6 trillion.

However, the tourism sector all over the world is on its way to returning to the pre-Covid level in the first quarter of 2023. The UNWTO World Tourism Barometer

reports that after reaching 80% in the first quarter of 2023, international tourist arrivals reached 85% of pre-pandemic levels in the second quarter of 2023 and 90% in July 2023. According to Zurab Pololikashvili, Secretary-General, UNWTO, "The start of the year has shown again tourism's unique ability to bounce back. In many places, we are close to or even above pre-pandemic levels of arrivals. However, we must remain alert to challenges ranging from geopolitical insecurity, staffing shortages, and the potential impact of the cost-of-living crisis on tourism, and we must ensure tourism's return delivers on its responsibilities as a solution to the climate emergency and as a driver of inclusive development."

4.4 Tourism in India

India has an ancient tradition of tourism. The tourism industry has existed in India in the informal sector since the earliest of times, and all classes of people were involved in travel. According to ancient travellers, India was a land rich in wealth. While its natural beauty attracted some, others were attracted by its spirituality. The beautiful beaches of Kerala and Goa, the snow-capped Himalayan mountains, water-rich rivers, forts, palaces, and the Taj Mahal have attracted tourists since immemorial. Apart from this variety of attractions, the beautiful climate makes India a favourite tourist destination throughout the year. Forbes magazine placed India at the 7th rank among the 50 most beautiful countries in the world ranking.

The importance of tourism in India was recognized even before the Second World War. The first conscious and coordinated efforts to promote tourism in India were made in 1945 when a Tourism Committee was formed under Sir John Sargeant, the then Education Adviser to the Government of India (Krishna, 1993). The Committee, after studying the possibilities of development of tourist traffic in India, submitted its interim report in October 1946. The committee suggested the need to set up a tourism organisation at the national level with regional offices in Mumbai, Delhi, Kolkata and Chennai to promote tourism in India. The committee also suggested establishing a tourism publicity cell in Indian embassies and consulates in all countries. The recommendations of the Sargent Committee included various aspects related to tourism, such as the coordination of agencies at various levels related to tourism,

infrastructure development and promotion activities. The Sargent Committee planted the two-tier tourism policy and focused on setting up first-class hotels of international standards to increase foreign exchange earnings (Abdulraheem, 2010).

As a follow-up to the recommendations of the Sargent Committee, an ad hoc Tourist Traffic Committee was set up in 1948 for tourism development. This is considered the first step taken by the government for the development of the tourism sector after independence. In 1949, a separate Tourist Traffic Branch was established under the Ministry of Transport. In 1955-56, it was divided into four branches: 1) Tourist Traffic Section, 2) Tourist Administration Section, 3) Tourist Publicity Section and 4) Distribution Section. After these four branches became responsible for all aspects of tourism development, many tourist information offices were opened in India and abroad.

It was on 1st March 1958 that a separate Tourism Department was created under the Ministry of Transport to handle all the matters related to tourism. Due to the decline in tourist arrivals, the Government formed the Jha Committee in 1963 to find its reasons and suggest possible measures (Kumar et al., 2020). In 1967, the Government formed a separate Ministry for Tourism Affairs based on the recommendations of the Jha Committee to have a ministry exclusively for tourism. During this period, the Indian Tourism Development Corporation (ITDC) was formed by amalgamating three organisations, namely Indian Tourism Transport Undertaking, Indian Hotel Corporation and Indian Tourism Corporation Limited, which were formed for various purposes related to tourism. The main functions of ITDC are to provide transportation, shopping, entertainment facilities, etc., and the construction and management of accommodation facilities.

The Government of India announced its first tourism policy in 1982. Subsequently, in June of the same year, the Planning Commission recognised tourism as an industry. Over the next ten years, all states and union territories recognised tourism as an industry within their legislative framework. Ten years later, in 1992, the National Action Plan was announced as part of further tourism policy development in 1982. The year 1991 was declared as 'Visit India Year' to promote the tourism industry.

"Plan 1992" was formulated to achieve rapid results in tourism development. It was decided to observe 25th January as Indian Tourism Day, celebrated for the first time on 25th January 1998. Also, 1999 was celebrated as the 'Explore India Millennium Year'. The National Tourism Action Plan was translated into a Tourism Policy in 2002. The policy noted that the tourism sector provides employment opportunities, government revenue and foreign exchange and acts as a means to ensure sustainable development and international peace. As one of the main objectives of the tourism policy is to increase the flow of tourists, the government has proposed diversifying tourism products and significantly improving the quality of tourism marketing, visa arrangements and air travel. The Tourism Policy Document of 2002 emphasised seven key areas for tourism development. They were generally known as 7-S Mantras, namely, Swagat (Welcome), Soochana (Information), Suvidha (Facilitation), Suraksha (Safety), Sahyog (Cooperation), Samrachana (Infrastructure development) and Safai (Cleanliness).

As early as 2002, the Government of India launched an international marketing campaign called "Incredible India" to promote Indian tourism internationally. The said campaign highlighted India's cultural and natural resources and showcased India as an attractive tourist destination internationally. The "Incredible India" campaign earned the appreciation of different industry stakeholders. Since its inception in 2002, the Incredible India Campaign (IIC) has sought to develop a unique brand to stimulate the behaviour of travel consumers and their decision-making process, which positioned India competitively in the global market place (Kerrigan et al., 2012). In 2009, the Ministry of Tourism launched the "Atithi Devo Bhava" campaign. The aim was to educate locals on the importance of good manners when interacting with foreign tourists. This campaign has helped the local people understand the need to preserve the cultural heritage of our country, the importance of cleanliness, and the pros and cons of tourism. "Athithi Devo Bhava" not only creates awareness about the effects of tourism but also educates the local people about the need to preserve India's heritage, culture, hospitality, cleanliness, etc. (Ahmad & Hussain, 2017). Further, the year 2009 also witnessed the launch of the "Visit India Year 2009" campaign of the Government of India at the International Tourism Exchange in Berlin for projecting

India as an attractive destination for holiday makers by offering a wider range of incentives to leading airline companies, travel agencies, tour operators and hoteliers (Tyagi et al., 2013).

4.4.1 Indian Tourism Sector and Five-Year Plans

Apart from the promotional activities initiated at the government level, several five-year plans have given much importance to developing the tourism industry. India has gained independence in ports, lighthouses, shipping, inland waterways, civil aviation and tourism (Khan et al., 2014). However, Rs. 3.36 crore was earmarked for tourism in the Second Five Year Plan (1956–61). The said fund was utilized for activities emphasising the development of transport and accommodation facilities in the country's major tourist destinations. The Second Five-Year Plan recognised tourism as a major industry and made a specific allocation for tourism, but the allocation was small (All India Deprived Community Support Centre, 2018).

During the Third Five-Year Plan (1961-1966), Rs. 8 crore was allocated for tourism. The allocation was for the development of transport and accommodation facilities, as in the case of the second five-year plan. The Third Plan had provisions for setting up a winter sports centre at Gulmarg to improve adventure tourism in Kashmir. During this plan period, the Indian Tourism Development Corporation (ITDC- 1966) was formed.

After the Third Five-Year Plan, the Government could not launch a Five-Year Plan from 1966 to 1969. Since the Indo-Pak conflict, in combination with the drought, resulted in the devaluation of the currency and a rise in prices, the planning process was disrupted (Wani & Jan, 2018). Therefore, 1966-67, 1967-68 and 1968-69 were considered annual plans. Three annual plans for 1966-67, 1967-68 and 1968-69 sanctioned Rs. 58.50 lakhs, Rs. 87.65 lakhs and Rs. 183.81 lakhs, respectively, for tourism. The formation of the Indian Tourism Development Corporation (ITDC) in 1966 and the Ministry of Civil Aviation and Tourism in 1967 were significant milestones during the annual plan period. Further, in partnership with Air India, ‘Operation Europe’ was launched in 1968 to target European countries.

During the Fourth Five-Year Plan (1969-1974), tourism was recognised as a provider of employment opportunities and a tool for earning foreign exchange (Tewari, 1994). The success of 'Operation Europe' resulted in the extension of the scheme to the UK, the USA and Canada in 1971. The reduced fares on international air sectors also increased the share of destination traffic. The plan emphasised the development of recreational facilities, accommodation, and transport. During the fourth plan, the amount allocated for tourism was Rs. 36 crores. This was a considerable amount compared to the Rs 8 crores sanctioned in the third plan. Some major 'integrated projects' such as the Gulmarg Winter Sports Project, Beach resort development projects of Kovalam and Goa, Development of Kullu-Manali and selected Buddhist centres were included in the Plan. The dynamic initiatives included in the Fourth Five-Year Plan resulted in massive tourism growth in our country.

In the fifth five-year plan (1974-1979), out of Rs. 133 crore allocated for the tourism sector, Rs. 78 crore was allocated to the Centre and Rs. 55 crore to the States and Union Territories. The fifth plan emphasized the improvement of accommodation and transport facilities to promote international tourism. During the Fifth Five Year Plan, the Town and Country Planning Organisation (TCPO) was formed to prepare master plans of 18 archaeological centres of tourist interest. Two studies were also commissioned during this project period. One was a cost-benefit study to estimate the economic contribution of tourism to national income, government tax revenue and total employment. The National Council of Applied Economic Research (NCAER) was commissioned to conduct this study. The second study was on an alternative commuter transport system for the Gulmarg Winter Sports Project. This was a study under the supervision of the United Nations Development Programs (UNDP).

The country's first 'Tourism Policy' was announced in 1982 during the sixth five-year plan period (1980-85), formulating an action plan to maximise the benefits of tourism under the name 'Travel Circuit'. Therefore, the sixth five-year Plan (1980-85) is regarded as a significant milestone in the history of Indian tourism. A total of Rs. 187.46 crore has been earmarked for tourism in the sixth plan, with Rs. 115.46 crore for the state sector and Rs. 72 crore for the central sector. The sixth plan also

included improving the infrastructure of airports, increasing the seating capacity of Indian Airlines and maximising the country's tourist accommodation capacity by ensuring more investment in the accommodation sector. The tourism sector was given an industry status during the seventh five-year plan (1985-90). An amount of Rs. 326.16 crores has been earmarked for tourism development in the 7th five-year plan. During the seventh plan period, the Government established the National Tourism Committee (in 1986). The National Tourism Committee was formed to find ways to ensure the sustainable growth of tourism. Based on the recommendations made by the National Tourism Committee (NTC) to the government, many benefits have been granted to the tourism sector. The Tourism Finance Corporation of India (TFCI) was formed during the same five-year plan period (i.e., in 1989) to provide financial assistance to tourism enterprises.

As some political disturbances in the central government delayed the 8th five-year plan, annual plans were announced for the two years, 1990-91 and 1991-92. The government allocation for the tourism sector as per these annual plans was Rs. 83 crore and Rs. 90 crore, respectively. The eighth five-year plan (1992-97) has sanctioned Rs. 272 crore for the central sector and Rs. 501.62 crore for states and union territories. Adopting suitable plans to diversify tourism products, developing infrastructure for tourism, and adopting suitable marketing and promotional strategies were the key objectives of the eighth five-year plan. It was on 5th May 1992 that the Government announced the National Action Plan in Parliament, and it was used as the basis for tourism development during the eighth plan period. The concept of 'Special Tourism Zones' and the rigorous development of tourism circuits were the noteworthy achievements of the Action Plan.

While the Planning Commission set aside Rs. 511.32 crore for tourism during the ninth plan, it was later reduced to Rs 485.75 crore. The framework for tourism development during the ninth plan period was based on a few reference points. They were (1) product development, (2) coordination, (3) diversification, (4) infrastructure development, (5) public participation, (6) promotion and marketing, (7) computerisation of the tourism industry and enhancement of tourism facilities, (8)

environment and tourism resources. Ensuring conservation, (9) exporting housing status for tourism, (10) strengthening organisations, (11) promoting human resource development, and (12) promoting tourism in the northeast region.

The main objectives of the tenth plan were (1) to develop tourism as an essential tool for economic development, (2) to leverage tangible and multiplier effects of tourism for employment, economic and rural development, (3) to give greater emphasis to domestic tourism, (4) to raise India as a global brand, (5) to recognize the role of private sector as a catalyst and facilitator to work with the government, (6) to develop integrated tourism circuits and (7) to make the incoming tourists a feel of "India within him". The 10th plan proposed a 5-point strategy to achieve these objectives. They were: (a) giving national-level priority to the tourism industry, (b) improving the competitiveness of India's tourist destinations, and (c) taking innovative measures in the development and expansion of tourism products. (d) infrastructure development to meet international standards, and (e) Planning effective marketing strategies. During the 10th plan period, even though the Department of Tourism had requested to allocate Rs. 5,500 crores for the tourism sector, the Planning Commission has allocated only Rs. 2,900 crores.

In the 11th five-year plan (2007-2012), the total allocation for tourism development was Rs. 5,156 crores. This was 77.79% higher than the previous plan period. During the 12th five-year plan (2012-17), there was a huge increase in the funds allocated to the tourism sector. The Planning Commission sanctioned Rs.16,000 crores. The allocation (more than three times the allocation of the 11^{th} plan period) was a significant indicator of the government's changing attitude towards the tourism industry. Accordingly, the Ministry of Tourism has placed a major emphasis on promoting the tourism sector as a means of economic growth and social integration in the country. The role of government in the tourism sector is being redefined from a regulator to a catalyst. Earlier, the tourism sector was focused only on marketing and promotion. However, according to the new vision, apart from marketing and promotion, the tourism sector has focused on integrated infrastructure development through partnerships with various stakeholders.

On 1 January 2015, the Union Cabinet passed a resolution to replace the Planning Commission, India's 64-year-old apex policy-making body, with the newly constituted institution called NITI Aayog. Thus, the Central Government announced the formation of NITI (National Institute for Transforming India) Aayog on January 1, 2015. The budget allocation under Five Year Plans for India's tourism sector is given in Table 4.1.

Table 4.1

Budget Allocation under Five-Year Plans for Tourism Development in India

Five Year Plan	Period of Plan	Plan Allocation (Amount in Rs.)
1st Five-year Plan	1951 – 1956	0.00
2nd Five-year Plan	1956 – 1961	336.38 Lakhs
3rd Five-year Plan	1961 – 1966	800 Lakhs
The five-year Plan could not be launched due to the Indo-Pak conflict. Hence, there were Annual Plans for three years	1966 – 1967	58.50 Lakhs
	1967 – 1968	87.65 Lakhs
	1968 – 1969	183.81Lakhs
4th Five-year Plan	1969 – 1974	36 Crores
5th Five-year Plan	1974 – 1979	133 Crores
Political Disturbances	1979 – 1980	00
6th Five-year Plan	1980 – 1985	187.46 Crores
7th Five-year Plan	1985 – 1990	326.16 Crores
Annual Plan (due to Political disturbance)	1990 – 1991	83 Crores
Annual Plan (due to Political disturbance)	1991 – 1992	90 Crores
8th Five-year Plan	1992 – 1997	773.62 Crores
9th Five-year Plan	1997 – 2002	793.75 Crores
10th Five-year Plan	2002 – 2007	2900 Crores
11th Five-year Plan	2007 – 2012	5156 Crores
12th Five-year Plan	2012 – 2017	16000 Crores

Source: Five Year Plans, Government of India.

4.4.2 India's Share in International Tourist Arrivals Across the World and Across the Asia-Pacific Region (2005-2021)

The number of international tourists visiting India is increasing year after year. India ranked 11th in Asia-Pacific and 43rd globally, with 3.92 million international tourists in 2005. With the remarkable annual growth and including NRI arrivals, the number of international tourists to India has become 13.11 million in 2014. Thus, the country's position has risen to 8th in the Asia Pacific and 24th globally in 2014. In the year immediately prior to the Covid-19 pandemic (2019), the number of international tourists who came to India was 17.91 million. Hence, our country has been placed at the 8th position in the tourism map of the Asia-Pacific region. However, because of the Covid-19 pandemic, the number of international tourists to India in 2020 and 2021 dropped to 6.33 million and 7 million, respectively. The number of international tourist arrivals to India from 2005 to 2021 and India's contribution to global and Asia-Pacific performances are given in Table 4.2.

Table 4.2

Number of International Tourist Arrivals: India's Position in the World and Asia-Pacific Region

Year	International Tourist Arrivals in India (ITAs) (in Million)	% share & Rank of India in the World		% share & Rank of India in the Asia-Pacific Region	
		% Share	Rank	% Share	Rank
2005	3.92	0.49	43rd	2.54	11th
2006	4.45	0.53	44th	2.68	11th
2007	5.08	0.57	41st	2.79	11th
2008	5.28	0.58	41st	2.87	11th
2009	5.17	0.59	41st	2.85	11th
2010	5.78	0.61	42nd	2.82	11th
2011	6.31	0,63	38th	2.89	9th
2012	6.58	0.63	41st	2.82	11th
2013	6.97	0.64	41st	2.79	11th
2014	13.11	1.15	24th	4.86	8th

Year	International Tourist Arrivals in India (ITAs) (in Million)	% share & Rank of India in the World		% share & Rank of India in the Asia-Pacific Region	
		% Share	Rank	% Share	Rank
2015	13.77	1.15	24th	4.84	7th
2016	15.02	1.21	26th	4.90	8th
2017	16.81	1.26	26th	5.19	7th
2018	17.42	1.23	23rd	5.03	7th
2019	17.91	1.22	25th	4.97	8th
2020	6.33	1.56	19th	10.71	3rd
2021	7.00	1.64	-	33.82	-

Source: UNWTO Barometers of May 2022

Note: Figures of ITA in India, and accordingly the % share and rank, has increased for the years 2014-2021 due to inclusion of data on NRI arrivals.

4.4.3 Number of Foreign Tourist Arrivals to India (2001 – 2022)

During the period from 2001 to the outbreak of the Covid-19 pandemic (2001-2019), our country has achieved significant annual growth in foreign tourist arrivals in most years, barring negative growth in 2001, 2002, and 2009. In 2004, the growth rate increased to 26.8%. During this period (2001-2019), the AAGR and CAGR in foreign tourist arrivals are 8 percent and 7.7 percent, respectively. In the wake of the Covid-19 pandemic, the tourism sector recorded a negative growth of -74.9% and -44.5% in 2020 and 2021 respectively. However, reflecting the recovery of the tourism sector from the pandemic, a higher growth rate of 307.2% was recorded in the year 2022. Hence, the AGR for the entire period from 2001 to 2022 was recorded at 15.5%. However, the CAGR during the period was only 4.3%. The annual growth in foreign tourist arrivals to India is given in Table 4.3.

Table 4.3

Number of Foreign Tourist Arrivals to India (2001-2022)

Year	FTAs (in Million)	Growth Rate (%)	Year	FTAs (in Million)	Growth Rate (%)
2001	2.54	-4.2	2012	6.58	4.3
2002	2.38	-6.0	2013	6.97	5.9
2003	2.73	14.3	2014	7.68	10.2
2004	3.46	26.8	2015	8.03	4.5
2005	3.92	13.3	2016	8.80	9.7
2006	4.45	13.5	2017	10.04	14.0
2007	5.08	14.3	2018	10.56	5.2
2008	5.28	4.0	2019	10.93	3.5
2009	5.17	-2.2	2020	2.74	-74.9
2010	5.78	11.8	2021	1.52	-44.5
2011	6.31	9.2	2022	6.19	307.2
		AAGR (2001 – 2019)			**8.0 %**
		CAGR (2001 – 2019)			**7.7 %**
		AAGR (2001 – 2022)			**15.5 %**
		CAGR (2001 – 2022)			**4.3 %**

Source: Compiled by Researcher from India, Tourism Statistics at a glance, for several years

4.4.4 Month-wise FTAs to India (January 2018 – December 2022)

Though 2020 and the first quarter of 2021 recorded negative growth because of Covid-19, there has been a significant growth in the month-wise foreign tourist arrivals to India for the last few years. The number and percentage change in month-wise foreign tourist arrivals to India for the period 2018-2022 are given in Table 4.4.

Table 4.4

Month-wise FTAs to India from 2019 to 2022

Month	Number of FTAs to India				% change in FTAs to India			
	2019	2020	2021	2022	2019	2020	2021	2022
January	11,11,040	11,19,250	94,662	201,546	6.32	0.74	-91.54	112.91
February	10,90,516	10,18,440	1,10,312	240,896	3.93	-6.61	-89.17	118.38
March	9,78,236	3,28,304	1,33,768	342,308	-4.24	-66.44	-59.25	155.90
April	7,74,651	2,820	78,718	392,930	3.98	-99.64	2691.42	399.16
May	6,15,136	3,764	19,765	423,701	1.42	-99.39	425.11	2043.69
June	7,26,446	8,590	36,070	522,737	6.22	-98.82	319.91	1349.23
July	8,18,125	12,655	72,501	640,858	1.44	-98.45	472.90	783.93
August	8,00,837	19,761	92,728	498,243	1.89	-97.53	369.25	437.32
September	7,51,513	28,167	1,15,661	536,340	4.39	-96.25	310.63	363.72
October	9,45,017	41,494	1,91,415	656,895	6.16	-95.61	361.31	243.18
November	10,92,440	70,977	2,63,867	768,675	7.89	-93.50	271.76	191.31
December	12,26,398	90,544	3,17,647	966,270	2.93	-92.62	250.82	204.20
Total (Jan-June)	52,96,025	24,81,168	4,73,295	11,77,680	2.81	-53.15	-80.92	148.83
Total (Jan-Dec)	109,30,355	27,44,766	15,27,114	61,91,399	3.53	-74.89	-44.36	305.43

Source: India, Tourism Statistics at a glance, for 2020, 2021, 2022 and 2023

4.4.5 Source Countries of Foreign Tourist Arrivals to India in 2022

In 2022, 73.73 percent of the 61,91,309 foreign tourists to India came from the top ten source countries. The USA and Bangladesh occupied the first and second places among the source countries of foreign tourist arrivals to India with 22.19% and 20.28% shares respectively. Table 4.5 gives India's top ten source countries of foreign tourist arrivals in 2022 and each country's share.

Table 4.5

Top 10 Countries for FTAs to India during 2022

Sl. No.	Source Country	Number of FTAs	% share
1	United States of America	13,73,817	22.19
2	Bangladesh	12,55,960	20.28
3	United Kingdom	6,17,768	9.98
4	Australia	3,69,023	5.96

Sl. No.	Source Country	Number of FTAs	% share
5	Canada	2,77,291	4.48
6	Sri Lanka	1,77,652	2.87
7	Nepal	1,35,347	2.19
8	Germany	1,24,496	2.01
9	Singapore	1,17,195	1.89
10	Malaysia	1,16,523	1.88
Total (Top 10 Countries)		**45,65,072**	**73.73**
Others		16,26,327	26.27
Grand Total		**61,91,399**	**100.00**

Source: India, Tourism Statistics at a glance, for 2023

4.4.6 Foreign Tourist Arrivals in India: A Purpose-wise Distribution

Of the total foreign tourist arrivals in India in 2019 and 2020, those who came for holiday enjoyment were 57.06% and 58.21%, respectively. But the share was only 8.13% in 2021. Meanwhile, out of the total tourist arrivals to India in 2019 and 2020, the Indian diaspora comprised 12.67% and 13.9%. The same rose to 37.66% in 2021. Although the total number of foreign tourist arrivals has been reduced significantly in the year 2021, there has been a considerable increase in the percentage of foreign tourists who came to India for medical treatment compared to 2019 and 2020. The purpose-wise classification of foreign tourists to India for the period 2019-2022 is given in Table 4.6:

Table 4.6

Classification of FTAs to India based on the purpose of their visit

Purpose	2019		2020		2021	
	No. of FTAs	% share	No. of FTAs	% share	No. of FTAs	% share
Leisure, Holiday & Recreation	62,36,398	57.06	15,97,753	58.21	1,24,126	8.13
Business & Professional	16,05,737	14.69	3,20,582	11.68	1,89,626	12.42
Indian Diaspora	13,84,636	12.67	3,81,460	13.90	5,75,142	37.66
Medical	6,97,453	6.38	1,82,945	6.66	3,03,526	19.87
Others	10,06,131	9.20	2,62,026	9.55	3,34,694	21.92
Total	**1,09,30,355**	**100.00**	**27,44,766**	**100.00**	**15,27,114**	**100.00**

Source: India, Tourism Statistics at a glance, for 2022, 2021 and 2022

4.4.7 Foreign Exchange Earnings (FEEs) of India from Tourism

If the negative growth in 2020 in the context of Covid-19 is barred, the Indian tourism sector has achieved significant growth in foreign exchange earnings in the last few years. In terms of the Indian rupee, the sector has achieved an AAGR of 15.6% and a CAGR of 9.12% during the period 2005-2022. These rates in terms of US dollars for the same period are 12.08% and 5.77% respectively. When 2020 recorded a negative growth of 76.84% in terms of the Indian rupee, the same was 77.35% in terms of the US Dollar. The amount of foreign exchange earnings and annual growth (both in terms of Indian rupee and USD) achieved by the Indian tourism sector for the period 2005-2022 are given in Table 4.7.

Table 4.7

Foreign Exchange Earnings of India from the Tourism Sector

Year	FEEs from Tourism in India (Rs)		FEEs from Tourism in India (US$)	
	FEE (in Rs. Crore)	Annual Growth (%)	FEE (in US$ Million)	Annual Growth (%)
2005	33,123	18.50	7,493	21.40
2006	39,025	17.82	8,634	15.23
2007	44,362	13.68	10,729	24.26
2008	51,294	15.63	11,832	10.28
2009	53,754	4.80	11,136	-5.88
2010	66,172	23.10	14,490	30.12
2011	83,037	25.49	17,707	22.20
2012	95,606	15.14	17,972	1.50
2013	1,07,563	12.51	18,396	2.36
2014	1,20,366	11.90	19,699	7.08
2015	1,34,843	12.03	21,012	6.67
2016	1,50,750	11.80	22,428	6.74
2017	1,78,189	18.20	27,365	22.01
2018	1,95,312	9.61	28,565	4.39
2019	2,16,467	10.83	30,721	7.55
2020	50,136	-76.84	6,958	-77.35

Year	FEEs from Tourism in India (Rs)		FEEs from Tourism in India (US$)	
	FEE (in Rs. Crore)	**Annual Growth (%)**	**FEE (in US$ Million)**	**Annual Growth (%)**
2021	65,070	29.79	8,797	26.43
2022	1,34,543	106.77	16,926	92.41
AAGR (2005 – 2022)		**15.60 %**		**12.08 %**
CAGR (2005 – 2022)		**9.12 %**		**5.77 %**

Source: India Tourism Statistics 2019, MOT, Govt of India
India Tourism Statistics at a glance 2023, MOT, Govt of India

4.4.8 Month-wise estimates of Foreign Exchange Earnings (FEE) of India from the Tourism Sector (January 2018 – December 2022)

The analysis of month-wise growth in foreign exchange earnings shows that 2019 has witnessed considerable achievement in the Indian tourism sector in all the months except March. The sector's decline in foreign exchange earnings in March 2019 was 4.54% compared to March 2018. Due to the Covid-19 pandemic, foreign exchange earnings have declined significantly for 12 consecutive months from February 2020 to February 2021. During this period, the negative growth in foreign exchange earnings for most of the months has reached very near 100% as compared to the corresponding months of the previous year. The signs of positive growth in monthly performance have been shown from March 2021 onwards. However, the performance must still be improved to reach the pre-Covid level. Although the country's tourism sector earned Rs. 19,002 crore in foreign exchange during December 2022, the performance is 16.92% less than that of December 2019. However, we may expect the sector to achieve the pre-Covid level shortly. The monthly foreign exchange earnings of the Indian tourism sector and the percentage change over the previous year from January 2018 to December 2022, in Indian rupees and in US dollars, are given in Table 4.8 and Table 4.9.

Table 4.8

Month-wise estimates of Foreign Exchange Earnings (FEE) of Tourism Sector in India from January 2018 to December 2022 in Indian Rupee

Month	FEEs in India (in Rs. Crore)				% change in FEEs over the previous year			
	2019	2020	2021*1	2022*2	2019	2020	2021	2022
January	18,672	20,200	4,700	3,587	5.16	8.18	-76.73	-23.68
February	18,327	18,241	5,477	4,281	3.21	-0.47	-69.97	-21.84
March	16,440	5,830	6,642	6,105	-4.54	-64.54	13.93	-8.08
April	17,693	71	6,891	9,611	13.27	-99.60	9605.63	39.47
May	14,050	94	1,730	10,363	10.18	-99.33	1740.43	499.02
June	16,592	208	3,157	12,766	15.24	-98.75	1417.79	304.37
July	18,577	307	4,105	15,496	9.43	-98.35	1237.13	277.49
August	18,184	479	5,251	12,074	10.26	-97.37	996.24	129.94
September	17,064	686	6,549	13,064	12.63	-95.38	854.66	99.48
October	17,623	831	5,094	13,046	19.88	-95.28	513.00	156.11
November	20,372	1,413	7,022	15,148	22.84	-93.06	396.96	115.72
December	22,873	1,776	8,452	19,002	17.45	-92.24	375.90	124.82
Total (Jan-June)	1,01,774	44,644	28,597	46713	6.57	-56.13	-35.94	63.35
Total (Jan-Dec)	2,16,467	50,136	65,070	1,34,543	11.08	-76.84	29.79	106.77

*1 Revised Estimates *2 Provisional Estimates

Source: India, Tourism Statistics at a glance, for 2020, 2021, 2022 and 2023

Table 4.9

Month-wise estimates of Foreign Exchange Earnings (FEE) of Tourism Sector in India from January 2018 to December 2022 in US Dollar

Month	FEEs in India (in US$ Billion)				% change in FEEs over the previous year			
	2019	2020	2021*1	2022*2	2019	2020	2021	2022
January	2.65	2.833	0.645	0.482	-5.05	6.91	-77.23	-25.27
February	2.601	2.551	0.752	0.571	-5.76	-1.92	-70.52	-24.07
March	2.333	0.784	0.911	0.801	-11.90	-66.40	16.20	-12.07
April	2.544	0.009	0.934	1.262	6.94	-99.65	10277.78	35.12
May	2.02	0.012	0.235	1.340	6.93	-99.41	1858.33	470.21
June	2.386	0.027	0.428	1.635	12.28	-98.87	1485.19	282.01

Month	FEEs in India (in US$ Billion)				% change in FEEs over the previous year			
	2019	2020	2021*[1]	2022*[2]	2019	2020	2021	2022
July	2.637	0.041	0.554	1.947	6.85	-98.45	1251.22	251.44
August	2.582	0.064	0.709	1.518	8.95	-97.52	1007.81	114.10
September	2.423	0.094	0.884	1.629	15.33	-96.12	840.43	84.28
October	2.474	0.013	0.680	1.585	23.82	-99.47	5130.77	133.09
November	2.86	0.190	0.937	1.853	24.24	-93.36	393.16	97.76
December	3.211	0.241	1.128	2.305	16.55	-92.49	368.05	104.34
Total (Jan-June)	14.534	6.216	3.905	6.091	-0.40	-57.23	-37.18	55.98
Total (Jan-Dec)	30.721	6.859	8.797	16.928	7.47	-77.67	28.25	92.43

*[1] Revised Estimates *[2] Provisional Estimates

Source: India, Tourism Statistics at a glance, for 2020, 2021, 2022 and 2023

4.4.9 Contribution of India towards International Tourism Receipts of the World and the Asia-Pacific Region (2011 – 2022)

In 2011, India's position in international tourism receipts was 18th at the global level with a 1.7% share and 8th in the Asia-Pacific region with a 6.19% share. By 2019, our country has been placed at 14th with a 2.06% share at the global level and 6th place with a 6.96% share in the Asia-Pacific region. Even though the global position of India has been stepped down to 23rd in 2021 due to the Covid-19 pandemic situation, by the very next year, the country has regained 14th place. The position of India in international tourism receipts at the global level and in the Asia-Pacific region for the period 2011-2022 is given in Table 4.10

Table 4.10

India's Position in International Tourism Receipts

Year	FEEs of India (US$ Billion)	Share & Rank of India in the World		Share & Rank of India in the Asia-Pacific Region	
		% share	Rank	% share	Rank
2011	17.707	1.70	18th	6.19	8th
2012	17.972	1.61	16th	5.46	7th
2013	18.396	1.54	16th	5.11	8th
2014	19.699	1.57	15th	5.49	7th
2015	21.012	1.73	14th	5.91	7th

Year	FEEs of India (US$ Billion)	Share & Rank of India in the World		Share & Rank of India in the Asia-Pacific Region	
		% share	Rank	% share	Rank
2016	22.428	1.84	13th	6.05	7th
2017	27.365	2.03	13th	6.91	7th
2018	28.568	1.98	13th	6.56	7th
2019	30.721	2.06	14th	6.96	6th
2020	6.958	1.24	13th	5.51	3rd
2021	8.797	1.38	23rd	9.71	5th
2022	16.926	1.64	14th	12.88	-

Source: Compiled by the Researcher from India, Tourism Statistics at a glance, 2023

4.4.10 Number of Domestic Tourist Arrivals to all States/UTs in India (2001 – 2022)

There has been a tremendous growth in the total number of Domestic Tourist Arrivals (DTAs) to all the States and Union Territories in India from 2001-2022. The highest annual growth rate in DTAs during this period was 25.26% in 2019. Except for 2020, the number of DTAs showed positive annual growth. The negative growth rate in 2020 was -73.72%, only due to the Covid-19 pandemic. The AAGR and CAGR in the number of DTAs to all States and Union territories in India during the aforesaid period of 22 years was 15.73% and 9.94%, respectively. The number of DTAs to all the States and Union Territories in India and the annual growth rates for 2001-2022 are given in Table 4.11.

Table 4.11

Growth in DTAs to all States/UTs in India from 2001 to 2022

Year	DTAs (in Million)	Growth Rate (%)	Year	DTAs (in Million)	Growth Rate (%)
2001	236.47	7.43	2012	1045.05	20.88
2002	269.60	14.01	2013	1142.53	9.33
2003	309.04	14.63	2014	1282.80	12.28
2004	366.27	18.52	2015	1431.97	11.63

Year	DTAs (in Million)	Growth Rate (%)	Year	DTAs (in Million)	Growth Rate (%)
2005	392.04	7.04	2016	1615.39	12.81
2006	462.44	17.96	2017	1657.55	2.61
2007	526.70	13.90	2018	1853.79	11.84
2008	563.03	6.90	2019	2321.98	25.26
2009	668.80	18.79	2020	610.22	-73.72
2010	747.70	11.80	2021	677.63	11.05
2011	864.53	15.63	2022	1731.01	155.45
Average Annual Growth Rate (AAGR) from 2001 to 2022					**15.73%**
Compound Annual Growth Rate (CAGR) from 2001 to 2022					**9.94%**

Source: Compiled by Researcher from India, Tourism Statistics at a glance, 2015,2022 and 2023

4.4.11 Top 10 States/UTs of India in Number of Domestic Tourist Visits in 2022

While ranking India's States/Union Territories based on the number of DTAs in 2022, among the top 10 States/UTs, Uttar Pradesh has bagged the top position. The share of UP in the total DTAs of all states and union territories is 18.37%. Tamil Nadu is next to UP, with a share of 12.63%. Kerala did not find a place in the top 10 States/Union territories. The total share of the top 10 states/UTs is 84.75% of the total DTA of all states/UTs. The number and the percentage share of DTAs of the top 10 States/UTs in the total DTAs of all the States/UTs are given in Table 4.12.

Table 4.12

Top 10 States/UTs of India based on number of DTAs in 2022

Sl. No.	State/UT	DTAs in Million	% share
1	Uttar Pradesh	317.91	18.37
2	Tamil Nadu	218.58	12.63
3	Andhra Pradesh	192.72	11.13
4	Karnataka	182.41	10.54
5	Gujarat	135.81	7.85
6	Maharashtra *	111.30	6.43
7	Rajasthan	108.33	6.26

Sl. No.	State/UT	DTAs in Million	% share
8	West Bengal	84.54	4.88
9	Telangana	60.75	3.51
10	Uttarakhand	54.64	3.16
	Total of top 10 States/UTs	1466.99	84.75
	Others	264.02	15.25
	Grand Total	1731.01	100.00

Source: India, Tourism Statistics at a glance, 2023.
** DTAs for 2022 is estimated by applying all India growth rate on 2019 data*

4.4.12 Comparison of DTVs and FTVs to all States/UTs in India, 2001-2022

The number of Domestic Tourist Visits (DTVs) to all States and Union Territories in India was 236.47 million, and the number of Foreign Tourist Visits (FTVs) was 5.44 million in 2001. While the DTVs in 2001 recorded a growth of 7.4% over the previous year, the FTVs recorded a negative growth of 7.8%. During 2019, the number of DTVs and FTVs became 2321.98 million and 31.41 million respectively. This resulted in a 25.26% and 8.80% growth in DTVs and FTVs, respectively. The Covid-19 pandemic has considerably decreased DTVs and FTVs in 2020 and 2021. However, during 2022, the number of DTVs and FTVs has increased to 1731.01 million and 8.59 million, respectively. During 2001-2022, the DTVs recorded an AAGR of 15.73% and a CAGR of 9.94%. These figures concerning FTVs are 33.96% and 2.00% respectively. The number and annual growth rate of DTVs and FTVs from 2001 to 2022 are given in Table 4.13.

Table 4.13

Comparison of growth in DTVs and FTVs in all States of India (2001 – 2022)

Year	No. of Tourist Visits to all States/UTs (in millions)		Annual Growth in Tourist Visits to all States/UTs (%)	
	DTVs	FTVs	DTVs	FTVs
2001	236.47	5.44	7.4	-7.8
2002	269.60	5.16	14.01	-5.15
2003	309.04	6.71	14.63	30.04
2004	366.27	8.36	18.52	24.59

Year	No. of Tourist Visits to all States/UTs (in millions)		Annual Growth in Tourist Visits to all States/UTs (%)	
	DTVs	**FTVs**	**DTVs**	**FTVs**
2005	392.04	9.95	7.04	19.02
2006	462.44	11.74	17.96	17.99
2007	526.70	13.26	13.90	12.95
2008	563.03	14.38	6.90	8.45
2009	668.80	14.37	18.79	-0.07
2010	747.70	17.91	11.80	24.63
2011	864.53	19.50	15.63	8.88
2012	1045.05	18.26	20.88	-6.36
2013	1142.53	19.95	9.33	9.26
2014	1282.80	22.33	12.28	11.93
2015	1431.97	23.33	11.63	4.48
2016	1615.39	24.71	12.81	5.92
2017	1657.55	26.89	2.61	8.82
2018	1853.79	28.87	11.84	7.36
2019	2321.98	31.41	25.26	8.80
2020	610.22	7.17	-73.72	-77.17
2021	677.63	1.05	11.05	-85.36
2022	1731.01	8.59	155.45	718.10
	AAGR (2001-2022)		15.73 %	33.96 %
	CAGR (2001-2022)		9.94 %	2.00 %

Source: Compiled by the Researcher from "India", Tourism Statistics at a glance, 2021, 2022 & 2023

4.5 Tourism in Kerala

The tourism industrial sector in Kerala plays a key role in the state's economy and cultural heritage. Because of its spectacular natural beauty and cultural heritage, "God's Own Country" has emerged as one of the top tourist destinations at the national level and has engraved a niche in the global tourism map. The tourism sector of Kerala is a multi-layered industry with far-reaching economic, social, and cultural impacts. Kerala's landscape - featuring the stunning beaches of the Malabar Coast, backwater

canals crisscrossing vast paddy fields, and the majestic hillside tea plantations of the Western Ghats - is as diverse as its people (O'Dwyer, 2014).

Tourism has become a chief contributor to Kerala State's Gross Domestic Product (GDP). Kavya Lakshmi & Mallick (2022) observed that a 1% increase in Foreign Tourist Arrivals results in a similar percentage increase in Gross State Domestic Product (by 0.97%) in the long run. Therefore, tourism has a significant role in unleashing Kerala's economic growth. The substantial revenue generated through tourism has made it one of the key industries fuelling the economic growth of the State. In addition to the direct income from tourists, the tourism revenue includes income generated by various allied sectors like transportation, hospitality, local businesses, etc.

The tourism sector is a major source of employment opportunities in Kerala. A diverse workforce consisting of tourist resort staff, hotel staff, restaurant staff, tour guides, drivers, local handicraft sellers, etc., depends on the tourism sector for their livelihood. The sector is pivotal in reducing unemployment and poverty by ensuring employment opportunities for people from different skill sets and backgrounds.

Since many international tourists are attracted to the various destinations in Kerala every year, the tourism sector contributes substantially to foreign exchange earnings for the state and the nation. The growth in foreign exchange earnings is vital for economic stability, strengthening the Indian rupee and maintaining the trade balance. The government and the bureaucracy now see the tourism sector as an 'engine of growth' because it is a great source of foreign exchange and employment to revive the local economy (Sreekumar & Parayil, 2002).

The tourism sector is a catalyst for infrastructure development in Kerala. State government and private investors have invested significantly in improving transportation networks, including airports, ports, roads, and public transportation. The Kozhikode City has a well-developed transport system (Geetha & Abhisha, 2011). Being connected by road, railway, and airport, Calicut can attract people from all corners of India and outside. Therefore, the government has adopted a policy to promote the tourism potential of Kozhikode district. While these developments

increase tourist experiences, the local population benefits by providing better connectivity to remote areas.

Tourism also helps in promoting the rich cultural heritage of our state. Classical dance forms like Mohiniyattam and Kathakali, martial arts (Kalarippayattu), and festivals like Onam and Thrissur Pooram are major tourist attractions in the state. Tourists' eagerness to experience these cultural treasures leads to younger generations taking pride in their heritage. Many tourists want to learn about Kerala's history, culture, and environment. The cultural centres, museums, guided tours, etc., provide tourists with valuable educational experiences and awareness. Since heritage and cultural tourism are vital components among domestic and foreign tourists visiting Kerala, those heritage and cultural assets that are enough to attract and satisfy the varied interests of the tourists must be identified and focused on (Thanikkad, 2021).

As a result of the development in the tourism sector, there has been a huge growth in small and medium enterprises in Kerala. Restaurants, handicraft shops, souvenir shops, eco-tourism initiatives, and other local businesses have flourished because of the steady growth in tourist arrivals. The thriving entrepreneurial ecosystem created through tourism has helped distribute economic benefits widely.

Kerala's Ayurvedic treatments and holistic wellness centres have been widely accepted globally. Wellness tourism, an important segment within the tourism industry of Kerala, has been attracted by visitors seeking rejuvenation, healthcare, and spa experiences. More than generating revenue, wellness tourism has helped showcase Kerala's expertise in healthcare systems. Traditional 'Vydya System', rich cultural heritage, natural beauty, a blend of diverse tourist destinations, etc., are the legacy of the state of Kerala. In Kerala, Ayurveda is practised in its purest form, and the Ayurvedic health centres here are becoming a hub of wellness centres with global reach (Manju, 2023).

In summary, Kerala's tourism sector is more than a mere source of leisure and recreation. It is an economic powerhouse that stimulates growth, creates employment and contributes significantly to the State's GDP.

4.5.1 Tourism Attractions of Kerala

Tourism development of an area mainly depends on the tourist attractions available in that area. Though other complementary products and features are also required, tourist attractions provide the cornerstone for developing tourism in an area. It can be rightly said that tourism development would be too difficult in the absence of substantial tourist attractions. The tourist attractions of Kerala can be broadly classified into two. They are:

A. Natural attractions: The natural attractions of Kerala State include:

1. Beaches
2. Backwaters
3. Lakes
4. Waterfalls
5. Hill Stations
6. Wildlife, bird sanctuaries, and forests
7. Picnic spots

B. Cultural attractions: The cultural attractions of Kerala State include:

1. Historical sites and places of archaeological importance
2. Religious places, pilgrimage centres, and places of worship
3. Culture, heritage, arts and crafts
4. Museums and palaces
5. Forts

4.5.2 Tourism Products offered by Kerala

Kerala, the Southwestern state of India, is well-known for its multiplicity of tourism products that cater to the requirements of tourists with distinct interests. The important tourism products offered by Kerala state are:

Beach Tourism:

The coastline of Kerala is spread over 580 kilometres. Out of the fourteen districts, nine have lengthy beach areas. Almost all of them are sandy and have natural beauty. The combination of the blue of the sky and the blue waters of the beaches of Kerala gives the tourists a breathtaking beauty and an enchanting experience (Jose, 2017). The picturesque beaches on Kerala's coastline, such as Kovalam, Marari, Varkala, etc., offer opportunities for relaxation, water sports, and mesmeric sunsets. They attract a vast number of domestic as well as international tourists. The popular beaches in Kerala include:

- Bekkal and Kanwatheertha beaches in Kasaragod district
- Payyambalam and Muzhappilangad beaches in Kannur district
- Padinharethara, Ponnani, Kettungal and Vallikkunnu beaches in Malappuram district
- Snehatheeram, Chavakkad, and Azhikode Munakkal beaches in Thrissur district
- Kozhikode, Kappad and Beypore beaches in Kozhikode district
- Cherai beach in Ernakulam district
- Arthunkal and Marari beaches in the Alappuzha district
- Chowara and Thirumullavaram beaches in Kollam district
- Kovalam, Varkala, and Shankhumugham beaches in Thiruvananthapuram district.

Backwater Tourism:

The backwaters of Kerala are a network of interconnected rivers, lakes, canals, and lagoons parallel to the coast of the Arabian Sea. They offer visitors natural beauty, tranquillity, and cultural experiences, making "God's Own Country" a must-visit destination for tourists seeking a scenic and peaceful retreat. The unique geographical features of Kerala's backwater tourism product attract many tourists worldwide every year. A houseboat trip through the backwaters of Kerala can be a great experience for

tourists in general and foreign tourists in particular. As houseboat tourism has emerged as the backbone, the backwater tourism industry of southern Kerala has gained international fame (Kokkranikal & Morrison, 2002). The tourism activities of Southern Kukarakom are at their peak on Vembanadu Lake (Vincy et al., 2012). Backwater rides allow tourists to get a closer look at village life. Also, it offers an opportunity for first-hand experience and a vibrant feel about the countryside life of Kerala and its rustic activities like coir making, prawn farming, fishing using fishing nets, etc. Although Alappuzha district is the centre of the backwater tourism industry in Kerala, places like Kochi, Kollam, Thiruvallam, Kumarakom, Valiyaparamba, Kappil, and Kozhikode are also crucial for backwater tourism.

Hill Station Tourism:

The picturesque hill stations of Kerala attract many tourists who seek pleasant weather and serene landscapes. Munnar, Wayanad, Ponmudi, Thekkady, Vagamon, etc., are some of the important hill stations in the State that offer the most magical experiences to travellers. The greenery around the mountain is popular for the presence of various birds and many medicinal plants (Mini, 2010). The hilly areas of Kerala are very popular for the plantation of rubber, cardamom, tea, and coffee. They provide nature lovers with a tranquil escape from the bustle of city life. Kerala's highest mountain, Anamudi, is the highest place in India to the south of the Himalayas (Menon, 2007). They offer the visitors an opportunity to immerse themselves in the beauty of nature while experiencing the local culture. The important hill stations of Kerala include:

- Kattanchery and Ranipuram in Kasargod district
- Pythalmala and Madikeri in Kannur district
- Thusharagiri, Vellarimala and Peruvannamuzhi in Kozhikode district
- Lakkidi, Kalpeta, Pakshipathalam, Vaithiri and Sulthan Bathery in Wayanad district
- Kodikuthimala and Nilamboor in Malappuram district
- Nelliyampathy and Dhoni in Palakkad district
- Anamudi, Devikulam, Peerumedu, Munnar and Vagomon in Idukki district
- Illikkal Kallu, Nadukani, Ayyampara and Ilaveezhapoonchira in Kottayam district

- Gavi and Charalkunnu in Pathanamthitta district
- Ponmudi, Vithura, Agasthyakoodam and Kallar in Thiruvananthapuram district.

Forest and Wildlife Tourism:

Kerala is a popular destination for forest and wildlife-loving tourists. Covering an area of 11,524.149 square kilometres, it is rich in various species of animals, birds, and flora. Many tourists visit to see wild animals in their natural habitats every year. Periyar Tiger Reserve is a good place to observe wild animals from the safety of a boat in Periyar Lake. Every year, many tourists visit Thekkady and contribute significantly to the economy of Kerala (Nishad et al., 2018). The districts like Thiruvananthapuram, Thrissur, Wayanad, Idukki, Palakkad, Kollam, and Kannur offer the best wildlife sanctuaries in Kerala. Major wildlife sanctuaries in Kerala are:

- Periyar National Park, Idukki Wildlife Sanctuary, Chinnar Wildlife Sanctuary, Rajamala Wildlife Sanctuary and Eravikulam National Park in Idukki district.
- Aaralam Wildlife Sanctuary in Kannur district.
- Kumarakom Bird Sanctuary in Kottayam district.
- Kadalundi Bird Sanctuary in Kozhikode district.
- Agasthyavanam Biological Park, Neyyar Wildlife Sanctuary, and Peppara Wildlife Sanctuary in Thiruvananthapuram district.
- Parambikkualam Wildlife Sanctuary and Silent Valley National Park in Palakkad District.
- Shenduruni Wildlife Sanctuary in Kollam district.
- Thrissur Wildlife Sanctuary, Peechi Vazhani Wildlife Sanctuary, and Chimmony Wildlife Sanctuary in Thrissur district.
- Begur Wildlife Sanctuary in Wayanad district.

Heritage and Cultural Tourism:

Heritage and Cultural Tourism in Kerala provides a multifaceted experience to tourists worldwide. It offers a fascinating journey through the state's rich historical,

architectural, and artistic heritage. Located on top of a prominent hill in Wayanad district, Edakkal Caves are the best example of heritage conservation in Kerala (PJ, 2016). Kerala is famous for its diverse cultural costumes, festivals, traditional art forms, historical monuments, religious places, forts, palaces, museums, pilgrimage centres, and places of worship that attract tourists worldwide. All these contributed to giving the state a distinct identity. Although we lack major archaeological sites and grand historical monuments compared to other states, heritage and cultural tourism is an important component of Kerala tourism.

Ayurvedic Tourism:

Ayurveda, the science of life and longevity, has been practiced in India for over 5,000 years. It is a holistic healing system that maintains balance and harmony in the body, mind, and spirit. It is not just a physical treatment but a treatment for a person's holistic health. Ayurvedic treatments often include herbal medicines, special diets, meditation, yoga, massages using natural oils, and techniques passed down through generations.

Ayurvedic tourism is an important component of the Kerala tourism sector. Ayurveda and Kerala are synonymous with each other because Kerala is the only place where Ayurveda is practised with complete authenticity and devotion; it is an ancient medical system that has been proven to be not only a cure for the disease but also a 100% natural remedy for overall health (Louis, 2018). Known for its Ayurvedic treatments, Kerala attracts tourists from all over the world. Cool monsoons, an equable climate, and abundant natural forests put Kerala at the pinnacle of Ayurvedic tourism. There are many Ayurvedic resorts, centres, and spas in Kerala which offer a variety of packages to tourists. The rainy season of Kerala, from June to September, is considered the ideal period for Ayurvedic treatments because of the presence of a cool, moist, and dust-free atmosphere. Based on the facilities and quality of services offered, the Ayurvedic centres are classified into two categories: olive leaf and green leaf. The important institutions which offer the best Ayurvedic packages in Kerala include:

- Kottakkal Arya Vaidya Shala, Kottakkal in Malappuram district
- Somatheeram Ayurveda Resort (near Kovalam), Surya Samudra Spa, and Beach & Lake Ayurveda Resort in Thiruvananthapuram district.

- Keraleeyam Ayurvedic Resort and Ayurkshethra in Alappuzha district.
- Nagarjuna Ayurvedic Centre in Kochi, Eranakulam
- Vaidyaratnak Thikkattusseri Oushadhasala, Thrissur.
- Ayurtheeram Ayurveda Resort in Kottayam
- Kairali Ayurvedic Health Resort in Palakkad.

Medical Tourism:

Because of various favourable factors, Kerala has become a prominent centre for healthcare tourism. Kerala has world-class hospitals that provide high-quality medical services using advanced technologies. Medical tourism in Kerala has grown without any deliberate collective effort; the popularity of Siddha and Ayurveda, high healthcare costs in industrialised countries, affordability of international travel, improved technology, and better quality of care are the key factors that make Kerala popular for medical tourism (Cherukara & Manalel, 2008). Kerala is leading in various medical treatments like cardiology, neurosurgery and oncology. Kerala is home to highly skilled doctors and surgeons trained in India and abroad. Their expertise and availability of modern equipment attract patients from all over the world. Compared to many Western countries, the cost of treatment in Kerala is affordable. At the same time, there is no compromise in quality. This affordability is a key factor that attracts medical tourists to Kerala for treatments ranging from cosmetic surgery to complex medical procedures. Kerala has well-developed infrastructure facilities, including communication networks, transport, and accommodation, making it convenient for medical tourists to travel within the State and access healthcare facilities. Medical tourists often exploit Kerala's rich cultural heritage and recreational opportunities. They can experience and indulge in local cuisine and diverse cultural traditions while recovering. The Government of Kerala actively promotes medical tourism by implementing policies to provide healthcare services for domestic and international medical tourists.

Eco-Tourism:

Eco-tourism refers to responsible travel to natural areas to understand the environment, conserve the ecosystem, sustain the well-being of local communities, and involve interpretation and education. Kerala, known for its lush greenery, biodiversity, wildlife, and backwaters, has embraced eco-tourism to promote sustainable development while preserving its eco-system. Being one of the greenest places in India, Kerala is an ideal hub to promote eco-tourism in a big way. The coastal landscape dotted with coconut trees, the paddy fields shining in emerald green, and the hill ranges covered by tea plantations as far as the eye can see have always been the main attractions of Kerala (Rajakumar, 2018). The basic principle behind eco-tourism is that tourism activities in the area should not adversely affect the ecology, culture, traditions, local community, etc. Kerala offers a wide range of eco-tourism opportunities, such as bird watching in Thattekkad Bird Sanctuary, visiting wildlife sanctuaries like Periyar Tiger Reserve, trekking in the Western Ghats, experiencing traditional village life by staying in eco-friendly accommodations, etc. The government of Kerala, in association with various NGOs, has been actively promoting eco-friendly tourism initiatives to preserve the originality of the region while providing a unique travel experience to tourists. The key aspects of eco-tourism involve:

- Environmental and cultural awareness and respect.
- Minimum of social, physical, behavioural, and psychological impact.
- Positive experience for tourists and hosts.
- Financial benefit for local people.
- Direct financial benefit for conservation.
- Provide memorable and interpretive experiences to tourists.
- Designing and constructing low-impact facilities in the area.
- Recognise the rights, spiritual beliefs, etc of the local community.

Being a green destination of the country, the state of Kerala is blessed with many places of natural beauty and gorgeous landscapes to promote eco-tourism. The forest and greenery of Kerala is a perfect place to provide relaxation and refreshment to any

creature. The greenery of Kerala is a shelter for some rare plants, reptiles, mammals, birds, and amphibians. Trekking, mountain climbing, rock climbing, ecological study, the study of flora and fauna, elephant riding, horse riding, staying in natural caves, outdoor camping, etc, are possible eco-tourism activities in the State.

The Thenmala Eco-tourism Project, designed and developed by the Thenmala Eco-tourism Promotion Society (a government organisation), is claimed to be India's first planned eco-tourism destination. The project was established in 1998 and commissioned in 2001. The other important eco-tourism destinations involve:

- Ranipuram in Kasaragod
- Paithalmala and Aralam in Kannur
- Peruvannamuzhi in Kozhikode
- Thirunelli, Muthanga and Kuruva islands in Wayanad
- Nilamboor in Malappuram
- Athirappally and Vazhachzl falls in Thrissur
- Parambikkulam and Nelliyampathy in Palakkad
- Mangalavanam in Kochi
- Boothathankettu and Thattekkad in Ernakulam
- Konni in Pathanamthitta
- Kumarakom in Kottayam
- Thekkadi, Wagamon, and Munnar in Idukki
- Agasthyavanam in Thiruvananthapuram.

MICE Tourism:

MICE (Meetings, Incentives, Conferences, Exhibitions/Events) is a growing segment of the tourism industry in Kerala. Kerala’s lush greenery, hill stations, backwaters, and serene beaches provide a subtle backdrop for corporate meetings, conferences, and events. The key factors that help promote Kerala as a MICE destination include commercial and export hubs along the coastline and many scenic attractions (Jamgade, 2019). The state is developing infrastructure to accommodate MICE tourism. Major cities like Thiruvananthapuram, Kochi, and Kozhikode offer

conference facilities, convention centres, and luxury hotels suitable for organising international events. Kerala is well connected by road networks, railways, and airports, making it easily accessible to domestic and international travellers. Kerala's rich cultural heritage allows MICE tourists to engage in cultural experiences such as Kathakali performances, dance programs, and traditional music. Also, entertainment programs like wildlife safaris and houseboat cruises offer unique incentives to corporate groups. The Government of Kerala takes measures to promote MICE tourism by offering incentives and support to hospitality industries and event organisers.

4.5.3 Facts and Figures about Kerala Tourism

Kerala is one of the most popular tourist destinations in India. It is known for its eco-tourism initiatives and attractive backwaters. Its unique culture, traditions, and diverse demographics have played a crucial role in making it a popular and must-visit destination. Various international agencies, from UNESCO to National Geographic Traveller, have recognised the tourism potential of Kerala state. Regarding these, National Geographic Traveler has described Kerala as one of the ten paradises of the world.

Until the early 1980s, Kerala was a relatively unknown place. Most of the tourist circuits were concentrated in the north of the country. The strong marketing campaigns launched by the Kerala Tourism Development Corporation laid the foundation for the growth of the tourism industry in Kerala. Kerala tourism became one of India's major holiday destinations in the following decades. It became a global super brand by adopting the tagline "Kerala-God's Own Country" in tourism promotions. Kerala is considered one of the places with the highest number of brand recalls.

By 1986, tourism had attained the status of an industry. Kerala Tourism subsequently adopted the tagline God's Own Country in its advertising campaigns. As a result of intensive promotion in the print and electronic media, the hospitality industry in Kerala has attracted substantial investment. By the beginning of 2000, tourism had

grown into a full-fledged, multi-billion-dollar industry in the state. The state was able to carve a niche in the world tourism map and became one of the destinations with the "highest brand recall". It was in 2003 that Kerala became the fastest-growing tourism destination in the world.

In 2012, Kerala overtook the Taj Mahal to be at the top of Google's search trends for India. The same year, National Geographic's Traveler magazine named Kerala one of the "Ten Paradises of the World" and "50 Must-See Places in a Lifetime". Travel and Leisure also named Kerala "one of the 100 Great Trips for the 21st Century". CNN Travel has included Kerala in its list of the best 19 places to visit in 2019. The Time Magazine has named Kerala one of the 50 "Extraordinary Places" worldwide to explore in 2022. The state has been described as an eco-tourism hot spot and ranked ninth among the "world's greatest places". In 2023, the New York Times selected Kerala as one of the "52 must-see tourism destinations worldwide". Kerala, ranked 13th on the New York Times' list, is India's only tourist destination.

4.5.4 Awards and Achievements of Kerala Tourism in 2022-23

Kerala Tourism has received numerous accolades, recognitions, and citations for promoting tourism, heritage conservation, eco-friendly initiatives, and efforts towards sustainable and responsible tourism practices. All this is made possible by the joint efforts of the public and private sectors to bring the Kerala tourism sector to a world-class level. Some of the notable awards and achievements won by Kerala tourism sector in 2022-23 include:

- World Travel Mart (WTM) global award 2022 for the Water Street Project implemented at Maravanthuruth, Kottayam, by RT Mission for Kerala Tourism.
- PATA (Pacific Asia Travel Association) Gold Award, 2022, in the print marketing campaign category.
- Traveller Review Award conducted by booking.com, a digital travel agency.
- Travel + Leisure Global Vision Award, 2022.

- Four Gold Medals of ICRT (International Centre for Responsible Tourism) International in September 2022.
- ICRT India Subcontinent Gold Award, 2023.
- Responsible Tourism Global Award, 2023.
- Travel and Leisure Award – India Readers' Choice Award 2022 for best Wedding Destination.
- Traveller Review Award 2022 as Kerala ranked No.1 in the 'Most Welcoming Region in India'
- Best State for Comprehensive Development of Tourism Award of Ministry of Tourism, Government of India.
- Best Tourism Village Gold Award, 2023 of Ministry of Tourism, Government of India.
- Best District Tourism Promotion Council Award (Kozhikode District) of Ministry of Tourism, Government of India.
- National awards announced by India Tourism.
- Hall of Fame honour for holistic developments in tourism in September 2022.
- Most Happy State Award, 2022 of India Today News Magazine.
- Aymanam Model RT Village is listed as one of the must-watch destinations in 2022 by CNT (Conde Nast Traveller).

4.5.5 Other Tourism Achievements of Kerala

To achieve more growth in the tourism sector, the Tourism Department of Kerala has developed several projects in collaboration with various agencies. The important among them are mentioned below:

- Tourism Clubs have been formed in collaboration with the Kerala Higher Education Department to ensure youth participation in implementing tourism-related activities in Kerala.
- The Department of Tourism has started a training institute related to water adventure tourism.
- As part of the Travancore Heritage Project, the light decoration of 18 heritage buildings has been completed.
- The Kerala Tourism Department has started its first caravan tourism project in Vagamon. Ten caravan tourism projects are registered with the Department of Tourism at present.
- Youth Welfare Multipurpose Society, a Responsible Tourism Club, has launched Aventura Surfing School at Gotheeswaram Beach in Beypore in collaboration with Responsible Tourism Mission, Kozhikode DTPC, and Kerala Adventure Tourism Society on 20th November 2022.
- Thiruvananthapuram DTPC has started a destination rating system through which visitors can record their ratings of tourist destinations by scanning the QR code.
- To offer visitors new experiences, Aakkulam tourist village has started offering Balloon Castles, Sky Climbing, Arma bridge, a Zip Line, a Bamboo Ladder, a Fish Spa, and Battery Cars for children.
- The Floating Sea Bridge was launched in Kannur, Kasargod, Bekkal, and Muzhappilangad.
- The first phase of the KIFB Equal Development Project of Dharmadam Thurut, Dharmadam Beach, and Muzhappilangad Beach has been launched.
- Payyambalam Beach Park has been opened to visitors.
- The Champion's trophy for the 2022 season has been extended to the Malabar region and organized with great success.

- Completed the reconstruction of the old Feroke Bridge and opened it as a tourist attraction.
- Renovated Nilayoram Park (Malappuram District) and opened it publicly.
- Kerala Adventure Tourism Promotion Society (KATPS) conducted International Kayaking Competitions concerning the Malabar River Festival.
- Competitions in Scuba Diving, Parasailing, etc., have been organised from Parassinikkadavu to Azheekkal port.
- To enhance tourism in the Wayanad district, En Uru tribal village has been launched.
- Amphibious chairs have been provided at Kappad beach in Kozhikode district to make destinations friendly to disabled visitors.
- "Farm Malabar," a campaign launched to increase the popularity of the Malabar brand in India and abroad, has been completed.

4.5.6 Major acclaims about Kerala tourism

The state of Kerala has received the following titles related to tourism from various trade journals and leading publishers:

- Kerala is one of the 52 places to visit in 2023 (The New York Times).
- Kerala is one of the greatest places in the world to visit (Time Magazine).
- Kerala is one of the ten paradises of the word (National Geographic Traveller).
- Visiting Kerala is one of the ten unforgettable things you must do before you die (BBC).
- Kerala is the Mecca of the oldest and most holistic health system (Geo Saison, Germany's largest-selling travel magazine).
- Kerala is a place where the smart traveller goes (Financial Times).

- Kerala is one of the 100 great trips for the 21st century (Travel and Leisure).
- Kerala is one of the ten hot spots of the millennium (Emirates In-flight Magazine).
- Kerala is one of the six destinations of a lifetime (The Khaleej Times).
- Kerala is one of the 50 'extraordinary destinations' globally to explore in 2022 (Times magazine).
- Kerala is one of the 19 best places to visit in 2019 (CNN Travel).
- Kerala is one of the ten love nests in India (Cosmopolitan).
- Kerala is the land of green magic (Lonely Planet, the English-speaking world's travel bible).
- By praising the virtues of uppma, idli, puttu and dosa, Kerala is the place for the best breakfast in the world (Travel & Leisure magazine's US edition).

4.5.7 Highlights of Kerala Tourism 2022

• Number of Foreign Tourist Visits to Kerala in 2022	:	3,45,549
• Number of Foreign Tourist Visits to Kerala in 2021	:	60,487
• Percentage Variation over the Previous Year	:	471.28%
• Percentage Variation over 2019	:	–70.96%
• Number of Domestic Tourist Visits to Kerala in 2022	:	1,88,67,414
• Number of Domestic Tourist Visits to Kerala in 2021	:	75,37,617
• Percentage Variation over the Previous Year	:	150.31%
• Percentage Variation over 2019	:	2.63%
• Direct Foreign Exchange Earnings in 2022	:	Rs: 2,792.42 Crore
• Direct Foreign Exchange Earnings in 2021	:	Rs: 461.5 Crore
• Direct Earnings from Domestic Tourists in 2022	:	Rs:24,588.96 Crore
• Direct Earnings from Domestic Tourists in 2021	:	Rs: 9,103.93 Crore
• Percentage Variation over Previous Year	:	170.09%

- Total Tourism Revenue (including direct & indirect) in 2022 : Rs: 35,168.42 Crore
- Total Tourism Revenue (including direct & indirect) in 2021 : Rs:12,285.91 Crore
- Percentage Variation over Previous Year : 186.25%

4.5.8 Trends in Foreign Tourist Visits to Kerala

There has been a positive growth in foreign tourist arrivals to Kerala in all the pre-Covid period from 2001 to 2019 except in 2001 and 2009. The number of foreign tourists arriving in Kerala State during 2019 (i.e., the year just before the spread of the Covid-19 pandemic) was 11,89,771 compared to 10,96,407 in 2018. The growth rate in the number of foreign tourists arriving in the state in 2019 was 8.52%. It was in 2003 that the growth rate in foreign tourist arrivals recorded the highest rate during the last 19 years of the pre-Covid period. The growth rate in 2003 was 26.68%. The year 2009 showed a negative growth rate of 6.96%. The average and compound annual growth rates in foreign tourist arrivals to Kerala from 2001 to 2019 were 9.89% and 9.56%, respectively.

In the first year of the Covid-19 pandemic (i.e.; 2020), the number of foreign tourist arrivals to the State declined by 71.36%. The total number of foreign tourists arriving in Kerala in 2020 was only 3,40,755, compared to 11,89,771 in 2019. The number of foreign tourists arriving in the state has further reduced to 60,487 in 2021, with a negative growth of 82.25 percent. However, in the year 2022, the number of foreign tourist arrivals has reached the figure of 3,45,549, with a growth of 471.28%. This indicates that the Kerala tourism sector is returning to the pre-Covid situation. However, compared to 2019, the growth rate in several foreign tourist arrivals to Kerala in 2022 remains negative. The average and compound annual growth rates in foreign tourist arrivals to Kerala from 2001 to 2022 are 22.98% and 2.29%, respectively. The annual growth in the number of foreign tourist arrivals to Kerala from 2001 to 2022 is given in Table 4.14.

Table 4.14

Trends in Foreign Tourist Arrivals to Kerala (2001-2022)

Year	No. of Foreign Tourists	Annual Growth (%)	Year	No. of Foreign Tourists	Annual Growth (%)
2001	2,08,830	-0.53	2012	7,93,696	8.28
2002	2,32,564	11.37	2013	8,58,143	8.12
2003	2,94,621	26.68	2014	9,23,366	7.60
2004	3,45,546	17.28	2015	9,77,479	5.86
2005	3,46,499	0.28	2016	10,38,419	6.23
2006	4,28,534	23.68	2017	10,91,870	5.15
2007	5,15,808	20.37	2018	10,96,407	0.42
2008	5,98,929	16.11	2019	11,89,771	8.52
2009	5,57,258	-6.96	2020	3,40,755	-71.36
2010	6,59,265	18.31	2021	60,487	-82.25
2011	7,32,985	11.18	2022	3,45,549	471.28
		AAGR from 2001 to 2022	=	**22.98%**	
		CAGR from 2001 to 2022	=	**2.29%**	
		AAGR from 2001 to 2019	=	**9.89%**	
		CAGR from 2001 to 2019	=	**9.56%**	

Source: *Compiled by the researcher from Kerala Tourism Statistics 2003, 2007, 2015, 2019 and 2021, Kerala Tourism Statistics – 2022 – Highlights.*

4.5.9 Foreign Tourist Arrivals to Kerala and India (2001 – 2021)

Out of the past 22 years, the annual growth rate of foreign tourist arrivals to Kerala has been higher than the growth rate at the national level for most of the years. In 2009, since the world economic crisis impacted the tourism sector worldwide, Kerala witnessed a negative growth rate of 6.96%, higher than the national negative growth rate of 2.18%. Still, the AAGR and CAGR of the foreign tourist arrivals to Kerala for the 19 years from 2001 to 2019 (the year just before the wide spreading of Covid-19) have been more significant than the national average. While the AAGR and CAGR of Kerala for 2001-2019 are 9.89% and 9.56%, the national level rates are only 8.01% and 7.74%, respectively. The CAGR of Kerala for the period 2001-2022 has decreased to 2.29% (lower than the national level CAGR of 3.93%) due to the impact of

the Covid-19 pandemic. The annual growth in foreign tourist arrivals to Kerala and India is given in Table 4.15.

Table 4.15

Foreign Tourist Arrivals to Kerala and India (2001—2021)

Year	Kerala		India	
	Number	Growth Rate (%)	Number	Growth Rate (%)
2001	2,08,830	-0.53	25,37,282	-4.23
2002	2,32,564	11.37	23,84,364	-6.03
2003	2,94,621	26.68	27,26,214	14.34
2004	3,45,546	17.28	34,57,477	26.82
2005	3,46,499	0.28	39,18,610	13.34
2006	4,28,534	23.68	44,47,167	13.49
2007	5,15,808	20.37	50,81,504	14.26
2008	5,98,929	16.11	52,82,603	3.96
2009	5,57,258	-6.96	51,67,699	-2.18
2010	6,59,265	18.31	57,75,692	11.77
2011	7,32,985	11.18	63,09,222	9.24
2012	7,93,696	8.28	65,77,745	4.26
2013	8,58,143	8.12	69,67,901	5.93
2014	9,23,366	7.60	76,79,099	10.21
2015	9,77,479	5.86	80,27,133	4.53
2016	10,38,419	6.23	88,04,411	9.68
2017	10,91,870	5.15	100,35,803	13.99
2018	10,96,407	0.42	105,57,976	5.20
2019	11,89,771	8.52	109,30,355	3.53
2020	3,40,755	-71.36	27,44,766	-74.89
2021	60,487	-82.25	15,27,114	-44.36
2022	3,45,549	471.28	61,91,399	305.43
AAGR (2001-2019)		**9.89 %**		**8.01 %**
CAGR (2001-2019)		**9.56 %**		**7.74 %**
AAGR (2001-2022)		**22.98 %**		**15.38 %**
CAGR (2001-2022)		**2.29 %**		**3.93 %**

Source: Compiled by the researcher from the Kerala Tourism Statistics 2003, 2014, 2019, 2020, 2021, 2022, 2023; India Tourism Statistics 2011, 2022, 2023, MOT, Govt. of India.

4.5.10 Foreign Tourist Visits across Kerala and all States/UTs in India (2001 – 2021)

The growth in foreign tourist visits across Kerala is more significant than that across all states/union territories of India between 2001 and 2022. Table 4.16 shows that Kerala State maintains a satisfactory AAGR and CAGR above the growth rate across all States/Union territories. During 2001-2019, the Kerala State attained an AAGR and CAGR of 9.89% and 9.56% respectively. However, the corresponding rates across all the States/Union territories in India were 9.68% and 9.21% respectively. However, the AAGR across Kerala State (22.98 %) for 2001-2022 became less than the AAGR across all the States/Union territories (33.44 %) because of the Covid-19 pandemic. However, the performance of the state is better in terms of CAGR for the period. The CAGR of foreign tourist visits to Kerala and for all the States/Union Territories were 2.29% and 1.73 %, respectively, for the period 2001-2022. The annual growth rate in foreign tourist visits across Kerala, the annual growth rate in foreign tourist visits across all the States/Union territories, and the share of Kerala are given in Table 4.16.

Table 4.16

Foreign Tourist Visits across Kerala and all States/UTs in India (2001—2022)

Year	Kerala		All States/UTs		Share of Kerala (%)
	Number (in lakhs)	Growth Rate (%)	Number (in lakhs)	Growth Rate (%)	
2001	2.09	-0.53	54.36	-7.76	3.84
2002	2.33	11.37	51.58	-5.11	4.52
2003	2.95	26.68	67.08	30.05	4.40
2004	3.46	17.28	83.60	24.63	4.14
2005	3.47	0.28	99.48	19.00	3.49
2006	4.29	23.68	117.39	18.00	3.65
2007	5.16	20.37	132.57	12.93	3.89
2008	5.99	16.11	143.81	8.48	4.17
2009	5.57	-6.96	143.72	-0.06	3.88
2010	6.59	18.31	179.10	24.62	3.68
2011	7.33	11.18	194.97	8.86	3.76

Year	Kerala		All States/UTs		Share of Kerala (%)
	Number (in lakhs)	Growth Rate (%)	Number (in lakhs)	Growth Rate (%)	
2012	7.94	8.28	182.63	-6.33	4.35
2013	8.58	8.12	199.51	9.24	4.30
2014	9.23	7.60	223.34	11.94	4.13
2015	9.77	5.86	233.26	4.44	4.19
2016	10.38	6.23	247.15	5.95	4.20
2017	10.92	5.15	268.87	8.79	4.06
2018	10.96	0.42	288.51	7.30	3.80
2019	11.90	8.52	314.09	8.87	3.79
2020	3.41	-71.36	71.72	-77.17	4.75
2021	0.60	-82.25	10.55	-85.29	5.69
2022	3.46	471.28	85.90	714.22	4.03
AAGR (2001-2019)		**9.89 %**		**9.68 %**	
CAGR (2001-2019)		**9.56 %**		**9.21 %**	
AAGR (2001-2022)		**22.98 %**		**33.44 %**	
CAGR (2001-2022)		**2.29 %**		**1.73 %**	

Source: Compiled by the researcher from the Kerala Tourism Statistics 2003, 2014,2019,2021, DoT, Govt. of Kerala, Kerala Tourism Statistics – 2022 – Highlights

India Tourism Statistics 2011, 2022, 2023, MoT, Govt. of India

4.5.11 Foreign Exchange Earnings of Kerala and India from Tourism during the period 2001 – 2022

Table 4.17 shows that the annual growth in foreign exchange earnings of the tourism sector in Kerala is comparatively better than the national level performance in most of the years. The AAGR and CAGR of foreign exchange earnings of Kerala for the 19 years just before the Covid-19 pandemic were 17.57% and 16.94%, respectively. The corresponding rates for the tourism sector of the whole country were 15.26% and 14.84%. However, because of the Covid-19 pandemic, the CAGR of the foreign exchange earnings of the tourism sector in Kerala for 2001-2022 has declined to 7.89%. The national average for the period was 10.28%. The table further reveals that Kerala contributed a consistent share towards the foreign exchange earnings of the country's tourism sector from 2001 to 2022, except during the Covid-19 pandemic.

Table 4.17

Foreign Exchange Earnings of Kerala and India from Tourism during 2001-2022

Year	Foreign Exchange Earnings of Kerala		Foreign Exchange Earnings of India		Share of Kerala (%)
	Rupees (in crores)	Growth Rate (%)	Rupees (in crores)	Growth Rate (%)	
2001	535.00	1.85	15,083	-3.48	3.55
2002	705.67	31.90	15,064	-0.13	4.68
2003	983.37	39.35	20,729	37.61	4.74
2004	1,266.77	28.82	27,944	34.81	4.53
2005	1,552.31	22.54	33,123	18.50	4.69
2006	1,988.40	28.09	39,025	17.82	5.10
2007	2,640.94	32.82	44,362	13.68	5.95
2008	3,066.52	16.11	51,294	15.63	5.98
2009	2,853.16	-6.96	53,754	4.80	5.31
2010	3,797.37	33.09	66,172	23.10	5.74
2011	4,221.99	11.18	83,037	25.49	5.08
2012	4,571.69	8.28	95,606	15.14	4.78
2013	5,560.77	21.63	1,07,563	12.51	5.17
2014	6,398.93	15.07	1,20,366	11.90	5.32
2015	6,949.88	8.61	1,34,843	12.03	5.15
2016	7,749.51	11.51	1,50,750	11.80	5.14
2017	8,392.11	8.29	1,78,189	18.20	4.71
2018	8,764.46	4.44	1,95,312	9.61	4.49
2019	10,271.06	17.19	2,16,467	10.83	4.74
2020	2,799.85	-72.74	50,136	-76.84	5.58
2021	461.50	-83.52	65,070	29.79	0.71
2022	2,792.42	505.07	1,34,543	106.77	2.08
AAGR (2001-2019)		**17.57 %**		**15.26 %**	
CAGR (2001-2019)		**16.94 %**		**14.84 %**	
AAGR (2001-2022)		**31.03 %**		**15.89 %**	
CAGR (2001-2022)		**7.89 %**		**10.28 %**	

Source: India Tourism Statistics 2019, MoT, Govt. of India
India Tourism Statistics at a glance 2023, MoT, Govt. of India
Kerala Tourism Statistics 2011 and 2019, DoT, Govt. of Kerala
Kerala Tourist Statistics 2021 - Highlights, DoT, Govt. of Kerala
Kerala Tourism Statistics – 2022 - Highlights

4.5.12 Tourism Revenue of Kerala during 2001-2022

Table 4.18 reveals that the annual growth in foreign exchange earnings of Kerala's tourism sector is better than the growth in total revenue earnings from the sector in most of the years from 2001 to 2022. The growth rate in foreign exchange earnings was less than in the total revenue earnings, especially during the post-GST period. The AAGR and CAGR in foreign exchange earnings for 2001-2019 were 17.57% and 16.94%, respectively. The corresponding figures concerning total tourism earnings were only 13.80% and 13.59%, respectively. When the whole period from 2001 to 2022 is considered, the AAGR and CAGR concerning foreign exchange earnings are 31.03% and 7.89%, respectively, and concerning total tourism earnings, are 17.37% and 10.39%, respectively.

Table 4.18

Earnings of Kerala from Tourism during 2001-2022

Year	Foreign Exchange Earnings		Total Revenue Earnings (Direct & Indirect)	
	Rupees (in crores)	Growth Rate (%)	Rupees (in crores)	Growth Rate (%)
2001	535.00	1.85	4,500.00	12.50
2002	705.67	31.90	4,931.00	9.58
2003	983.37	39.35	5,938.00	20.42
2004	1,266.77	28.82	6,829.00	15.01
2005	1,552.31	22.54	7,738.00	13.31
2006	1,988.40	28.09	9,126.00	17.94
2007	2,640.94	32.82	11,433.00	25.28
2008	3,066.52	16.11	13,130.00	14.84
2009	2,853.16	-6.96	13,231.00	0.77
2010	3,797.37	33.09	17,348.00	31.12
2011	4,221.99	11.18	19,037.00	9.74
2012	4,571.69	8.28	20,430.00	7.32
2013	5,560.77	21.63	22,926.55	12.22
2014	6,398.93	15.07	24,885.44	8.54
2015	6,949.88	8.61	26,689.63	7.25

Year	Foreign Exchange Earnings		Total Revenue Earnings (Direct & Indirect)	
	Rupees (in crores)	Growth Rate (%)	Rupees (in crores)	Growth Rate (%)
2016	7,749.51	11.51	29,658.56	11.12
2017	8,392.11	8.29	33,383.68	12.56
2018	8,764.46	4.44	36,258.01	8.61
2019	10,271.06	17.19	45,010.69	24.14
2020	2,799.85	-72.74	11,335.96	-74.81
2021	461.50	-83.52	12,285.91	8.38
2022	2,792.42	505.07	35,168.42	186.25
AAGR (2001-2019)	**17.57 %**		**13.80 %**	
CAGR (2001-2019)	**16.94 %**		**13.59 %**	
AAGR (2001-2022)	**31.03 %**		**17.37 %**	
CAGR (2001-2022)	**7.89 %**		**10.39 %**	

Sources: Compiled by the researcher from Kerala Tourism Statistics 2004, 2011 and 2019, DoT, Govt. of Kerala and Kerala Tourism Statistics 2021 Highlights, DoT, Govt. of Kerala.

4.5.13 Major Source Markets for Foreign Tourist Visits to Kerala During 2019

Tourist markets refer to places or countries where tourists visit a particular destination. In 2019, the top fifteen source countries contributed 71.66% of the total foreign tourist arrivals to Kerala. Of the top 15 source markets, the UK occupied the first position by contributing 15.64%. The USA and France have placed in second and third positions, respectively, contributing 9.23% and 8.23% of the total foreign tourist visits to Kerala. The top 15 source markets and their respective contribution to the total foreign tourist visits to Kerala are given in Table 4.19

Table 4.19

Top 15 Source Markets for Foreign Tourist Arrivals to Kerala during 2019

Rank	Country	Number of Tourists	% Share to Total
1	United Kingdom	1,86,085	15.64
2	United States of America	1,09,859	9.23
3	France	97,894	8.23
4	Germany	67,425	5.67

Rank	Country	Number of Tourists	% Share to Total
5	Saudi Arabia	58,422	4.91
6	Maldives	52,236	4.39
7	Australia	42,089	3.54
8	Malaysia	40,197	3.38
9	Oman	38,619	3.25
10	Russia	35,066	2.95
11	Italy	28,046	2.36
12	Canada	27,228	2.29
13	United Arab Emirates	26,844	2.26
14	Israel	23,592	1.98
15	Spain	18,947	1.59
	Total of 15 Countries	8,52,549	71.66
	Others	3,37,222	28.34
	Total	11,89,771	100.00

Source: Compiled by the researcher from Kerala Tourism Statistics 2019, Research and Statistics Division, DoT, Govt. of Kerala

4.5.14 Major Source Markets for Foreign Tourist Visits to Kerala During 2022

During 2022, the top ten source countries have contributed 66.40% of the total foreign tourist arrivals to Kerala. Of the top 10 source markets, the USA occupied the first position by contributing 12.98%. The Maldives and Oman have placed second and third positions, respectively, contributing 11.04% and 8.54% of the total foreign tourist visits to Kerala. The top 10 source markets and their respective contribution to the total foreign tourist visits to Kerala are given in Table 4.20

Table 4.20

Top 10 Source Markets for Foreign Tourist Arrivals to Kerala during 2022

Rank	Country	% Share to Total
1	United States of America	12.98
2	Maldives	11.04
3	Oman	8.54
4	Russia	8.07

Rank	Country	% Share to Total
5	United Kingdom	7.67
6	United Arab Emirates	4.82
7	France	4.05
8	Germany	3.69
9	Saudi Arabia	2.82
10	Australia	2.72
	Total of 10 Countries	66.40
	Others	33.60
	Total	100.00

Source: Kerala Tourism Statistics-2022-Highlights

4.5.15 District-wise and Region-wise Foreign Tourist Visits to Kerala during 2022

Of the total of 3,45,549 foreign tourist visits to Kerala, Ernakulam district is at the top with 1,86,290 foreign tourist visits (53.92%), and Kasargod is at the last position with 458 foreign tourist visits (0.13%). Among the three regions, the Central region has occupied the first position with 66.51% of the total foreign tourist arrivals, and the Northern region has placed in third position with 5.95%. The number of foreign tourists who visit each district and region is given in Table 4.21.

Table 4.21

District-wise and Region-wise Foreign Tourist Visits to Kerala during 2022

District	Number of Foreign Tourists	% Share to Total
Thiruvananthapuram	81,916	23.71
Kollam	1,283	0.37
Pathanamthitta	506	0.15
Alappuzha	11,469	3.32
Southern Region	**95,174**	**27.54**
Kottayam	9,682	2.80
Ernakulam	1,86,290	53.92
Idukki	27,005	7.82
Thrissur	6,177	1.79
Palakkad	659	0.19

District	Number of Foreign Tourists	% Share to Total
Central Region	**2,29,813**	**66.51**
Malappuram	6,224	1.80
Wayanad	1,967	0.57
Kozhikode	10,623	3.07
Kannur	1,290	0.37
Kasargod	458	0.13
Northern Region	**20,562**	**5.95**
Total	**3,45,549**	**100.00**

Source: *Kerala Tourism Statistics-2022-Highlights*

4.5.16 Seasonality of Foreign Tourist Visits to Kerala

The important seasons for foreign tourists arriving in Kerala are November, December, January, February, and March. The months of May and June are off-season for FTVs to Kerala. During 2019, the number of FTVs is maximum in January (1,60,588) and minimum in June (45,675). However, due to the Covid-19 pandemic, there have been variations in the seasonality of FTVs in Kerala. During 2022, the number of FTVs was maximum in December (17.40%) and minimum in January (3.17%). The seasonality of FTVs to Kerala for 2018-2022 is given in Table 4.22.

Table 4.22

Month-wise Foreign Tourist Visits to Kerala (2018-2022)

Month	Year					Monthly Share (2022)
	2018	2019	2020	2021	2022	
January	1,67,980	1,60,588	1,74,439	4,298	10,952	3.17 %
February	1,52,003	1,48,024	1,25,523	4,167	12,158	3.52 %
March	1,20,711	1,13,857	33,245	6,024	20,437	5.92 %
April	85,493	86,693	707	987	17,889	5.18 %
May	45,427	49,952	75	169	21,496	6.22 %
June	36,746	45,675	60	298	23,028	6.66 %
July	68,868	78,034	188	4,054	32,785	9.49 %
August	60,121	74,210	373	4,349	37,939	10.98 %
September	44,769	62,942	406	5,066	30,168	8.73 %

Month	Year					Monthly Share (2022)
	2018	2019	2020	2021	2022	
October	73,263	94,205	1,041	7,944	36,261	10.49 %
November	99,271	1,20,848	2,167	10,886	42,308	12.24 %
December	1,41,755	1,54,743	2,531	12,245	60,128	17.40 %
Total	**10,96,407**	**11,89,771**	**3,40,755**	**60,487**	**3,45,549**	**100.00%**

Source: *Kerala Tourism Statistics 2019, Kerala Tourism Statistics-2020-Highlights Kerala Tourism Statistics-2021-Highlights, Kerala Tourism Statistics-2022-Highlights*

4.5.17 Domestic Tourist Visits in Kerala during 2001-2022

From 2001 to 2022, every year except 2005 and 2020, there was considerable growth in FTVs of Kerala. The growth rates were relatively high in 2008 and 2019. If the negative growth in 2005 was very low (0.43%), in 2022, it was very high (72.86%) because of the Covid-19 pandemic. The AAGR and CAGR of FTVs for 2001-2019 are 7.15% and 7.08% respectively. However, if the period after the Covid-19 pandemic is also considered, the rates are 12.02% and 6.21%, respectively.

Table 4.23

Domestic Tourist Visits in Kerala (2001-2022)

Year	No. of Domestic Tourists	Annual Growth (%)	Year	No. of Domestic Tourists	Annual Growth (%)
2001	52,39,692	4.52	2012	1,00,76,854	7.41
2002	55,68,256	6.27	2013	1,08,57,811	7.75
2003	58,71,228	5.44	2014	1,16,95,411	7.71
2004	59,72,182	1.72	2015	1,24,65,571	6.59
2005	59,46,423	-0.43	2016	1,31,72,535	5.67
2006	62,71,724	5.47	2017	1,46,73,520	11.39
2007	66,42,941	5.92	2018	1,56,04,661	6.35
2008	75,91,250	14.28	2019	1,83,84,233	17.81
2009	79,13,537	4.25	2020	49,88,972	-72.86
2010	85,95,075	8.61	2021	75,37,617	51.09
2011	93,81,455	9.15	2022	1,88,67,414	150.31
		AAGR from 2001 to 2019 = 7.15 %			
		CAGR from 2001 to 2019 = 7.08 %			
		AAGR from 2001 to 2022 = 12.02 %			
		CAGR from 2001 to 2022 = 6.21 %			

Source: *Compiled by the researcher from Kerala Tourism Statistics 2003, 2007, 2015, 2019 and 2022.*

4.5.18 Major Source Markets for Domestic Tourist Visits to Kerala during 2022

In 2022, 71.51% of Kerala's total DTVs were from intra-state tourists, and the top 10 source markets contributed 96.45% of the total DTVs. Among inter-state source markets, Tamilnadu was in first place with 9%, Karnataka was in second place with 6.14%, and Maharashtra was in third place with 3.31%.

Table 4.24

Top 10 Source Markets for Domestic Tourist Visits to Kerala during 2022

Rank	State	Number of Domestic Tourists	% Share to Total
1	Kerala	1,34,92,279	71.51
2	Tamil Nadu	16,97,541	9.00
3	Karnataka	11,59,112	6.14
4	Maharashtra	6,25,403	3.31
5	Andhra Pradesh	3,20,127	1.70
6	Delhi	2,30,938	1.22
7	Gujarat	2,22,405	1.18
8	Telungana	1,72,540	0.91
9	Uttar Pradesh	1,50,061	0.80
10	West Bengal	1,27,851	0.68
	Total of 10 Staes	**1,81,98,257**	96.45
	Others	6,69,157	3.55
	Total	**1,88,67,414**	100.00

Source: Kerala Tourism Statistics2022-Highlights

4.5.19 District-wise and Region-wise Domestic Tourist Visits to Kerala during 2022

Out of the total number of DTVs in Kerala during 2022, Ernakulam district occupied the first position with a 21.46% share, Thiruvananthapuram attained the second position by contributing 16.21%, and Idukki was in third place with 14.08%. In region-wise comparison, the Central region is in first place with a 51.68% share. The Southern and Northern regions contribute 24.48% and 23.84%, respectively.

Table 4.25

District-wise and Region-wise Domestic Tourist Visits to Kerala during 2022

District	Number of Domestic Tourists	% Share to Total
Thiruvananthapuram	30,58,858	16.21
Kollam	4,20,097	2.23
Pathanamthitta	3,69,103	1.96
Alappuzha	7,70,916	4.09
Southern Region	**46,18,974**	**24.48**
Kottayam	4,40,759	2.34
Ernakulam	40,48,679	21.46
Idukki	26,56,730	14.08
Thrissur	21,30,420	11.29
Palakkad	4,74,452	2.51
Central Region	**97,51,040**	**51.68**
Malappuram	6,76,582	3.59
Wayanad	15,09,207	8.00
Kozhikode	12,09,088	6.41
Kannur	8,11,461	4.30
Kasargod	2,91,062	1.54
Northern Region	**44,97,400**	**23.84**
Total	**1,88,67,414**	**100.00**

Source: *Kerala Tourism Statistics-2022-Highlights*

4.5.20 Seasonality of Domestic Tourist Visits to Kerala from 2018 to 2022

From Table 4.26, the DTV pattern of DTVs in Kerala is more or less similar over the years except in 2020 and 2021 due to the Covid-19 pandemic. During 2018-2022, December and May of 2018, 2019 and 2022 are the peak months regarding DTVs. The lean months were August 2018 and 2019. But in the year 2022, the lean month was February. The pattern of DTVs was disturbed in all respects in 2020 and 2021 in the wake of the Covid-19 pandemic. The month-wise domestic tourist visits in Kerala

for 2018-2022 and the monthly share of DTVs to the total number of domestic tourist visits to Kerala during 2022 are given in Table 4.42.

Table 4.26

Month-wise Domestic Tourist Visits in Kerala (2018-2022)

Month	Year					Monthly Share (2022)
	2018	2019	2020	2021	2022	
January	14,22,483	15,15,551	17,25,291	7,88,185	12,33,862	6.54
February	12,26,778	13,35,665	13,83,951	7,28,204	11,62,035	6.16
March	12,28,451	13,39,252	5,90,661	6,83,801	13,98,917	7.41
April	14,70,552	16,13,257	3,391	3,73,290	16,11,134	8.54
May	15,94,332	18,18,986	7,370	66,711	19,10,617	10.13
June	10,84,238	13,41,496	29,233	1,20,473	15,79,028	8.37
July	11,76,994	14,30,508	40,389	4,14,189	14,32,307	7.59
August	9,95,577	13,21,175	61,151	6,26,792	14,80,642	7.85
September	11,19,445	14,68,337	1,26,358	7,18,945	15,72,294	8.33
October	12,81,028	15,94,093	2,10,431	8,55,682	17,39,286	9.22
November	13,64,802	16,52,890	3,29,091	9,29,262	16,82,632	8.92
December	16,39,978	19,53,023	4,81,655	12,32,083	20,64,660	10.94
Total	**1,56,04,661**	**1,83,84,233**	**49,88,972**	**75,37,617**	**1,88,67,414**	**100.00**

Source: *Kerala Tourism Statistics 2019, Kerala Tourism Statistics-2020-Highlights Kerala Tourism Statistics-2021-Highlights, Kerala Tourism Statistics-2022-Highlights*

4.6 Conclusion

Tourism is one of the world's most dynamic and vital industries today. It has a profound economic impact on developed and developing countries across the globe. By realising the sector's potential, the UN General Assembly declared 2017 the year of sustainable tourism development. It has a significant impact on generating both direct and indirect employment opportunities, contributing towards the country's GDP, creating foreign exchange earnings, improving infrastructural facilities, and enhancing the living standard of people. As one of the largest and thriving industries, the tourism sector witnessed a record-breaking performance in terms of the number of international tourist arrivals worldwide until the outbreak of the Covid-19

pandemic. Although the tourism industry, like any other industry, has been completely disrupted due to the Covid-19 pandemic, today it has almost recovered from the ill effects of the pandemic.

India has an ancient tradition of tourism. Its natural beauty, spirituality, snow-capped Himalayan mountains, water-rich rivers, forts, palaces, beautiful climate, etc., attract tourists from every corner of the world. The campaigns launched by the government, such as the Tourism Policy Document of 2002, Incredible India (2002), Atithi Devo Bhava (2009), Visit India Year 2009, etc., played a significant role in improving the sector's potential. Further, several five-year plans have given much importance to developing the tourism industry. The sector has been witnessing considerable growth in key performance indicators such as foreign tourist arrivals, domestic tourist visits, foreign exchange earnings, total tourism revenue, etc.

In Kerala, the God's Own Country, tourism plays a crucial role in the economy as well as the cultural heritage of the State. Its natural beauty and cultural heritage have offered it a niche in the global tourism map. Kerala offers multiple tourism products to cater to the requirements of different tourists from within and outside the country. Various international agencies, such as UNESCO, National Geographic Traveller, etc., have recognized Kerala's tourism potential. The state's tourism sector is vital in enhancing foreign exchange earnings, creating employment opportunities, and contributing to the state's GDP.

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UNWTO Secretary-General Zurab Pololikashvili, News Release, World Tourism Organization, Madrid, 9 May 2023

Chapter 5

TOURISM PERFORMANCE OF KERALA: A COMPARISON OF KEY INDICATORS BEFORE AND AFTER GST REFORM

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5.1 Introduction

This chapter compares secondary data regarding key performance indicators of the tourism sector of Kerala before and after the implementation of the GST system. Two-and-a-half years immediately preceding GST implementation (1st January 2015 to 30th June 2017) and two-and-a-half years immediately succeeding (1st July 2017 to 31st December 2019) are selected as pre- and post-GST periods for comparison. A short period is selected for comparison so that the impact of the Covid-19 pandemic can be excluded entirely from the study. The data relating to key tourism performance indicators such as Foreign Tourist Arrivals (FTAs), Domestic Tourist Visits (DTVs), Total Tourist Visits (TTVs), Foreign Exchange Earnings (FEE), Domestic Tourism Earnings (DTE) and Total Tourism Earnings (TTE), etc., are considered for comparison. The foreign tourist arrivals, domestic tourist arrivals, foreign exchange earnings, the total contribution of travel and tourism to GDP, and the total contribution of travel and tourism to employment are the crucial and well-performing indicators of the tourism sector (Sayooj Kumar, 2021).

5.2 Foreign Tourist Arrivals (FTAs) to Kerala

5.2.1 Annual Foreign Tourist Arrivals to Kerala

Table 5.1 shows that in 2016, the number of foreign tourist arrivals to Kerala was 10,38,419, which marked a growth of 6.23%. The growth rate was only 5.86% during 2015. During 2017, which represents partly the pre-GST period and partly the post-GST period, the State has achieved a growth rate of 5.15% in foreign tourist arrivals. The growth rate for the first calendar year (i.e., 2018) of the implementation of GST was much lower (0.42%) because all 14 districts of Kerala were severely affected by the flood. The flood disaster in 2018 was the worst in Kerala after the great flood in

1924. Despite the flood-related disorders across the 14 districts, Kerala registered a positive growth in 2018 regarding tourist arrivals (Manoj, P. K, 2019). In the following year (i.e., in 2019), the State has achieved a better growth rate of 8.52%. If the CAGR for the two years preceding the year of implementation of GST was 6.04%, the corresponding figure after implementing GST was only 4.39%. The reduced CAGR of the post-GST period was the effect of flood and flood-related disorders.

Table 5.1

Annual Foreign Tourist Arrivals to Kerala during 2015 – 2019

Year	Pre-GST Period			Post GST Period		
	2015	**2016**	**2017 (Jan-June)**	**2017 (July – Dec)**	**2018**	**2019**
Number of Foreign Tourist Arrivals	9,77,479	10,38,419	5,68,784	5,23,086	10,96,407	11,89,771
Percentage change over the Previous Year	5.86	6.23	5.15		0.42	8.52
CAGR	**6.04 %**				**4.39 %**	

Source: Kerala Tourism Statistics 2017, 2018, 2019 and 2020

5.2.2 Quarterly Foreign Tourist Arrivals to Kerala

The number of FTAs in Kerala increased during all the quarters of the pre-GST period selected for the study. However, regarding the post-GST period, the last three quarters of 2018 and the first quarter of 2019 recorded a decrease in FTAs because of the drastic situation that prevailed across the State due to the massive flood. After the first quarter of 2019, FTAs demonstrated a considerable improvement.

Table 5.2

Quarter-wise Foreign Tourist Arrivals to Kerala during 2014 – 2019

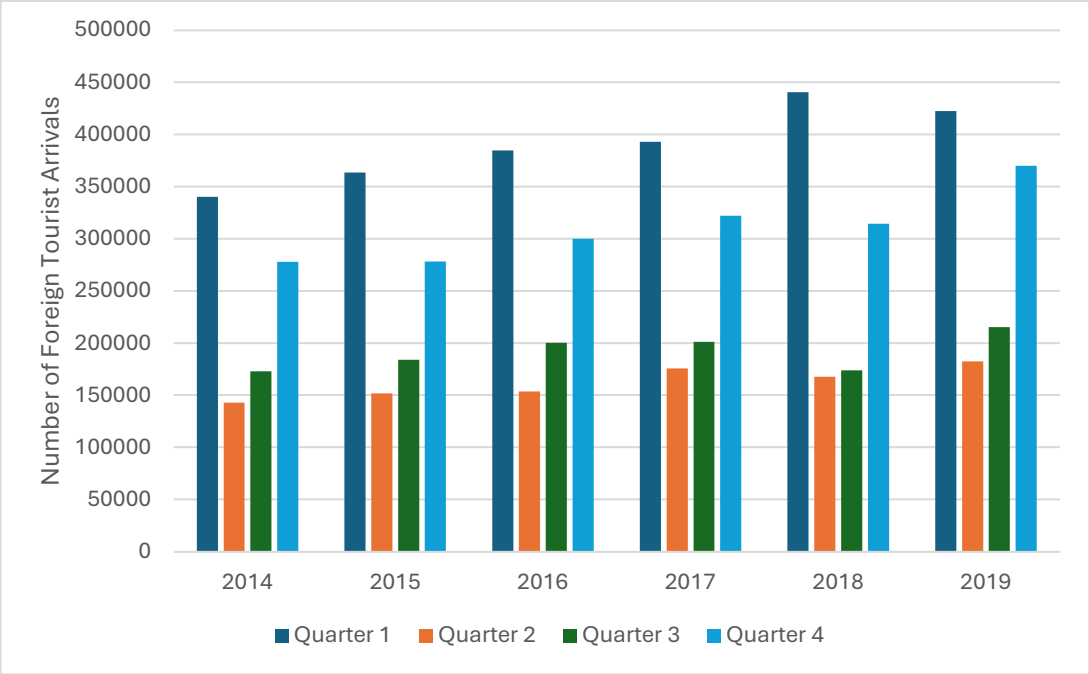
Month	Pre-GST Period				Post GST Period		
	2014	**2015**	**2016**	**2017**	**2017**	**2018**	**2019**
1st Quarter (Jan-Mar)	3,40,193	3,63,492	3,84,719	3,93,038	-	4,40,694	4,22,469
2nd Quarter (Apr-June)	1,42,641	1,51,774	1,53,461	1,75,746	-	1,67,666	1,82,320
3rd Quarter (July-Aug)	1,72,731	1,84,005	2,00,335	-	2,00,988	1,73,758	2,15,186
4th Quarter (Sept-Dec)	2,67,801	2,78,208	2,99,904	-	3,22,098	3,14,289	3,69,796
Total	**9,23,366**	**9,77,479**	**10,38,419**	**10,91,870**		**10,96,407**	**11,89,771**

Source: Compiled by the researcher from Kerala Tourism Statistics 2017, 2018, 2019 and 2020

During the first quarter of 2019, the number of FTAs declined to 4,22,469 from the previous year's figure of 4,40,694 because of post-flood situations. In the remaining quarters, the performances were so commendable. The quarter-wise foreign tourist arrivals to Kerala for 2014-2019 are shown in Table 5.2. For facilitating comparison, the quarter-wise FTAs during the selected period of pre and post-GST implementation are depicted in diagram 5.1

Figure 5.1

Quarterly Foreign Tourist Arrivals to Kerala during 2014-2019



Source: Compiled by the researcher from Kerala Tourism Statistics 2017, 2018, 2019 and 2020

Figure 5.1 shows that during the period 2014-2019, all the quarters except the last three quarters of 2018 and the first quarter of 2019 showed an improvement in foreign tourist arrivals to Kerala. The decrease in FTAs was due to the drastic flood disaster in the second quarter of 2018. Generally, the first and last quarters represent the significant seasons for foreign tourists to Kerala. In 2019, all four quarters showed better performances.

5.2.3 Percentage Change in Quarter-wise Foreign Tourist Arrivals to Kerala

All quarter periods showed positive growth rates during the two calendar years preceding GST implementation. However, in the first calendar year of the post-GST period, all except the first quarter showed negative growth rates. This was due to severe flooding across all the districts of Kerala. As the State managed the adverse events caused by the floods, tourism improved further in 2019. The 3rd and 4th quarters of 2019 recorded higher growth rates of 23.84% and 17.66%, respectively.

Table 5.3

Percentage change in Quarter-wise Foreign Tourist Arrivals to Kerala during 2015 – 2019

Quarter	Pre-GST Period			Post GST Period		
	2015 (%)	**2016 (%)**	**2017 (%)**	**2017 (%)**	**2018 (%)**	**2019 (%)**
I (Jan-Mar)	6.85	5.84	2.16	-	12.13	- 4.14
II (Apr-Jun)	6.40	1.11	14.52	-	- 4.60	8.74
III (Jul-Aug)	6.53	8.87	-	0.33	-13.55	23.84
IV (Sep-Dec)	3.89	7.80	-	7.40	- 2.42	17.66
Total	**5.86**	**6.23**	**5.15**		**0.42**	**8.52**

Source: Compiled by the researcher from Kerala Tourism Statistics 2017, 2018, 2019 and 2020

5.2.4 Month-wise Foreign Tourist Arrivals to Kerala

Table 5.4 shows that during the initial months of GST implementation, the number of foreign tourist arrivals to Kerala declined. The Deccan Chronicle (17 November 2017) reported that even after two months of this year's (2017) tourism season, Kerala's tourism sector has yet to wake up due to high hotel tariffs, GST confusion, and attractive benefits offered for tourists by our neighbours such as Sri Lanka, Malaysia, and Thailand.

Table 5.4

Month-wise Foreign Tourist Arrivals to Kerala during 2014 – 2019

Month	Pre-GST Period				Post GST Period		
	2014	**2015**	**2016**	**2017**	**2017**	**2018**	**2019**
January	1,19,865	1,30,463	1,36,539	1,50,808	-	1,67,980	1,60,588
February	1,27,153	1,32,873	1,41,143	1,35,089	-	1,52,003	1,48,024
March	93,175	1,00,156	1,07,037	1,07,141	-	1,20,711	1,13,857
April	72,441	76,734	78,099	82,633	-	85,493	86,693
May	36,302	39,583	37,994	49,073	-	45,427	49,952
June	33,898	35,457	37,368	44,040	-	36,746	45,675
July	48,577	51,722	56,666	-	72,552	68,868	78,034
August	69,909	74,710	81,070	-	73,736	60,121	74,210
September	54,245	57,573	62,599	-	54,700	44,769	62,942

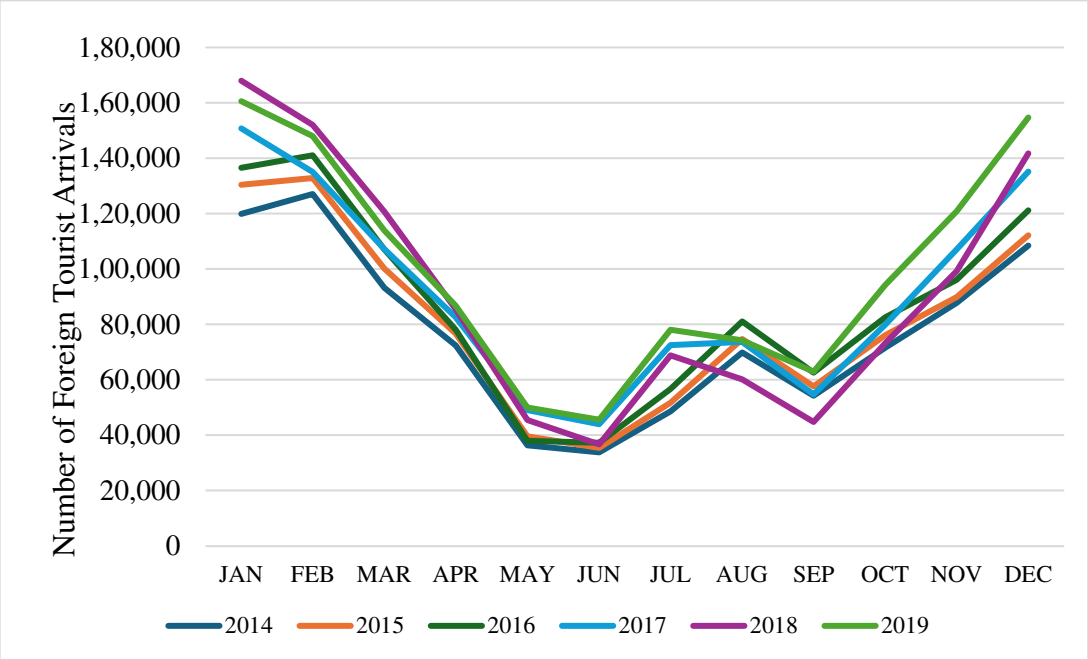
Month	Pre-GST Period				Post GST Period		
	2014	2015	2016	2017	2017	2018	2019
October	71,598	76,119	82,551	-	79,957	73,263	94,205
November	87,720	89,883	96,155	-	1,07,028	99,271	1,20,848
December	1,08,483	1,12,206	1,21,198	-	1,35,113	1,41,755	1,54,743
Total	**9,23,366**	**9,77,479**	**10,38,419**	**5,68,784**	**5,23,086**	**10,96,407**	**11,89,771**

Source: Kerala Tourism Statistics 2014, 2015, 2016, 2017, 2018, 2019 and 2020

Due to heavy rain, as the first onset of flooding took place in July, the foreign tourist arrivals to Kerala have decreased considerably. The flood disaster of 2018 affected all sectors of Kerala's economy severely including the tourism sector which contributes 12 percent of the State's GDP (Manoj, P. K, 2019). The increase in foreign tourist arrivals in 2019 is a symbol that the tourism sector of Kerala will improve shortly. Figure 5.2 gives a bird's eye view of the variation in FTAs in Kerala during 2014-2019.

Figure 5.2

Month-wise FTAs to Kerala during 2014-2019



Source: Kerala Tourism Statistics 2014, 2015, 2016, 2017, 2018, 2019 and 2020

5.2.5 Percentage Change in Month-wise Foreign Tourist Arrivals to Kerala

During the first month of implementation of GST (i.e., July 2017), Kerala has attained a growth rate of 28.03% in foreign tourist arrivals. The corresponding figures in 2015 and 2016 were 6.47% and 9.56% respectively. During the initial months of implementation of GST, there was negative growth in foreign tourist arrivals to Kerala. The New Indian Express (3rd January 2018) reported that the negative growth in foreign tourist arrivals to Kerala during August and September 2017 is unprecedented. Abraham George, the President of the Kerala Travel Mart Association, said that as the costs of tourism products have increased by 14% with the implementation of GST, foreign tourists are forced to rethink their plans to spend their holidays in Kerala. Though the 2018 flood completely hit the tourism sector of Kerala, the year 2019 has witnessed better performance of the sector in respect of foreign tourist arrivals.

The growth rates in many months are far better than in the pre-GST period. Table 5.5 shows the month-wise growth in foreign tourist arrivals before and after GST implementation for 2015-2019.

Table 5.5

Percentage change in month-wise Foreign Tourist Arrivals to Kerala during 2015-2019

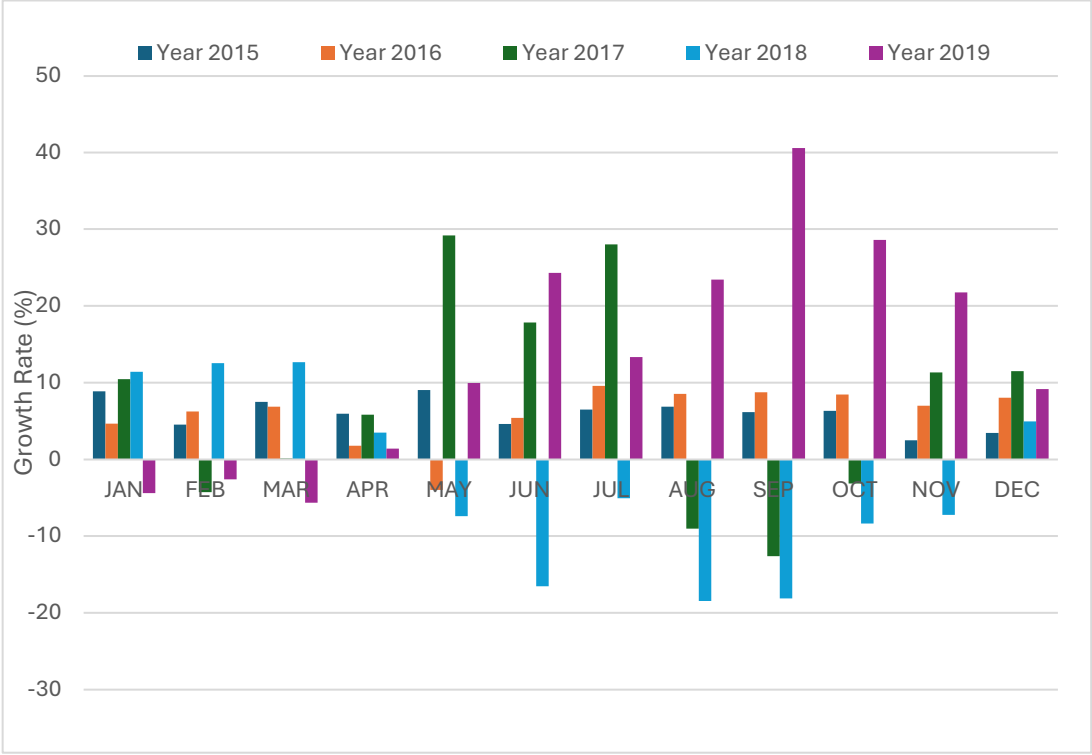
Month	Pre-GST Period			Post GST Period		
	2015	2016	2017	2017	2018	2019
January	8.84	4.66	10.45	-	11.39	-4.40
February	4.50	6.22	-4.29	-	12.52	-2.62
March	7.49	6.87	0.10	-	12.67	-5.68
April	5.93	1.78	5.81	-	3.46	1.40
May	9.04	-4.01	29.16	-	-7.43	9.96
June	4.60	5.39	17.85	-	-16.56	24.30
July	6.47	9.56	-	28.03	-5.08	13.31
August	6.87	8.51	-	-9.05	-18.46	23.43

Month	Pre-GST Period			Post GST Period		
	2015	2016	2017	2017	2018	2019
September	6.14	8.73	-	-12.62	-18.16	40.59
October	6.31	8.45	-	-3.14	-8.37	28.58
November	2.47	6.98	-	11.31	-7.25	21.74
December	3.43	8.01	-	11.48	4.92	9.16
Total	**5.86**	**6.23**	**5.15**		**0.42**	**8.52**

Source: Compiled by the researcher from Kerala Tourism Statistics 2017, 2018, 2019 and 2020

Figure 5.3

Growth rate in month-wise foreign tourist arrivals to Kerala (2015-2019)



Source: Compiled by the researcher from Kerala Tourism Statistics 2017, 2018, 2019 and 2020

Figure 5.3 reveals that during the two-and-half-year pre-GST period, there had been a continuous growth in foreign tourist arrivals in all the months except May 2016 and February 2017. However, during the initial months (August, September, and October 2017) of the implementation of GST, the growth rates have become negative. The negative growth reported from May to November 2019 and January to March 2019

was due to the flood disaster. Since the beginning of the second quarter of 2019, the sector has maintained an attractive growth in foreign tourist arrivals.

5.2.6 District-wise and Region-wise Foreign Tourist Arrivals to Kerala

Table 5.6

District-wise and Region-wise Foreign Tourist Visits to Kerala during 2014-2019

District/ Region	Pre-GST Period			Post GST Period			
	2014	2015	2016	2017 (Jan-June)	2017 (Jul-Dec)	2018	2019
TVM	2,89,612	3,10,223	3,83,608	2,18,153	2,02,566	3,42,761	3,10,451
KLM	12,467	14,100	8,520	2,941	3,286	9,086	12,961
PTA	1,379	1,667	1,620	933	1,070	1,953	2,042
ALP	60,337	63,838	78,049	46,956	28,081	95,522	1,16,228
South	**3,63,795**	**3,89,828**	**4,71,797**	**2,68,983**	**2,35,003**	**4,49,322**	**4,41,682**
KTM	44,366	49,976	49,513	13,510	18,840	43,287	58,178
IDKI	77,905	83,894	50,366	16,877	25,408	44,833	75,206
EKM	3,72,997	3,83,643	4,07,653	2,43,529	2,10,444	4,88,175	5,22,232
TSR	7,391	7,874	10,133	5,346	5,429	11,333	15,691
Central	**5,02,629**	**5,25,387**	**5,17,665**	**2,79,262**	**2,60,121**	**5,87,628**	**6,71,307**
PKD	2,093	2,232	2,385	916	795	1,967	2,147
MLPM	21,613	23,409	19,769	7,427	11,024	17,610	25,697
KKD	11,313	12,251	12,649	4,553	8,553	18,388	22,515
WYND	11,795	12,377	7,067	5,439	3,556	11,607	12,302
KNR	7,563	9,022	5,264	1,679	3,444	5,763	6,852
KSD	2,535	2,973	1,823	525	590	4,122	7,269
North	**56,912**	**62,264**	**48,957**	**20,539**	**27,962**	**59,457**	**76,782**
Total	**9,23,336**	**9,77,479**	**10,38,419**	**5,68,784**	**5,23,086**	**10,96,407**	**11,89,771**

Source: Compiled by the researcher from Kerala Tourism Statistics 2017, 2018, 2019 and 2020

In South Kerala, Thiruvananthapuram district claims the highest number of foreign tourist visits and it is followed by Alappuzha district. However, while comparing the foreign tourist visits of the South Kerala during the post-GST period with that of the

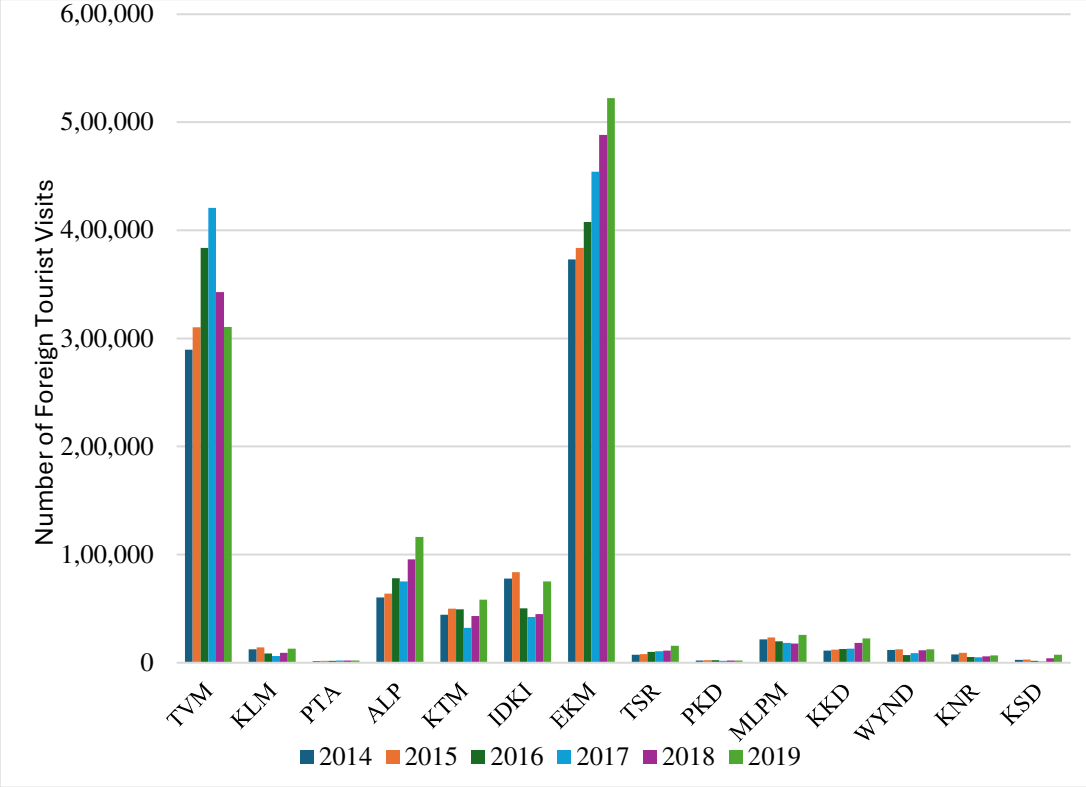
pre-GST period, only the Alappuzha district has achieved considerable growth in 2018 and 2019 even in the situation of flooding.

In the Central Kerala, Ernakulam and Idukki districts are placed at the first and second positions respectively regarding the number of FTVs. The FTVs of Ernakulam district have increased considerably during the post-GST period. In North Kerala, Malappuram district is placed in first position regarding the FTVs. The foreign tourist visits to the Central Kerala during the post-GST period are far better than those of the other two regions.

Table 5.6 gives the district-wise and region-wide distribution of FTVs to Kerala before and after GST implementation. Figures 5.4 and 5.5 also depict the district-wise and region-wide distribution of foreign tourist arrivals during 2014-2019.

Figure 5.4

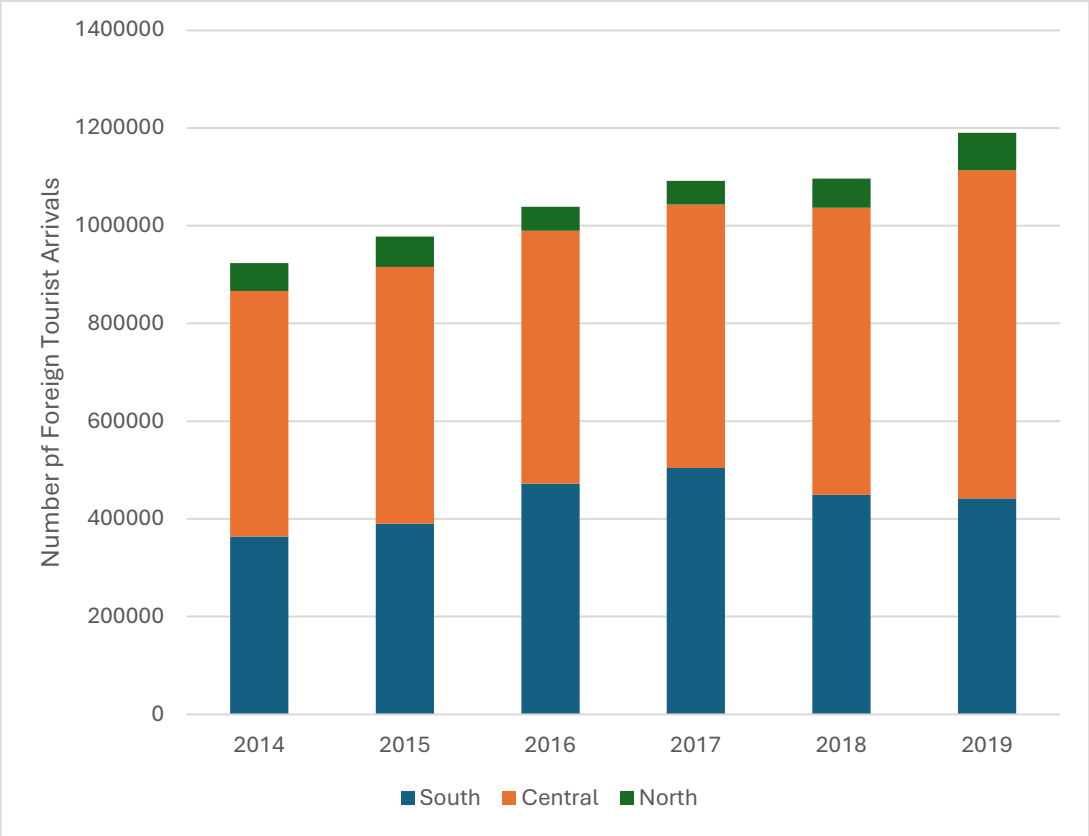
District-wise Foreign Tourist Visits of Kerala (2014-2019)



Source: Compiled by the researcher from Kerala Tourism Statistics 2017, 2018, 2019 and 2020

Figure 5.5

Region-wise distribution of Foreign Tourist Visits to Kerala during 2014-2019



Source: Compiled by the researcher from Kerala Tourism Statistics 2017, 2018, 2019 and 2020

5.2.7 Variation in District-wise and Region-wise Foreign Tourist Arrivals to Kerala

In South Kerala, while the performance of Alappuzha and Kollam districts is far better during the post-GST period, Thiruvananthapuram shows a negative growth. The overall performance of South Kerala is negative during the post-GST period. All the districts of Central Kerala show a growth in FTVs during the post-GST period. Though the growth rates of all the districts of Central Kerala were very low in 2018 due to floods, they became very high the following year. Among the districts of the South Kerala, Idukki has attained an excellent growth rate of 67.75%. The overall growth in FTVs in Central Kerala in 2018 and 2019 was 8.94% and 14.24%, respectively. The performance in FTVs of most of the districts of the North Kerala is positive during the post-GST period. The performance of the North Kerala regarding

FTVs is 22.59% and 29.14%, respectively, in 2018 and 2019. Table 5.7 shows the district-wise and region-wise comparison of FTVs during pre-GST and post-GST periods.

Table 5.7

Percentage change in district-wise and region-wise foreign tourist visits to Kerala during 2015-2019

State	Percentage variation over the previous year				
	Pre-GST Period		Mixed Period	Post GST Period	
	2015 (%)	2016 (%)	2017 (%)	2018 (%)	2019 (%)
Trivandrum	7.12	23.66	9.67	-18.53	-9.43
Kollam	13.10	-39.57	-26.91	45.91	42.65
Pathanamthitta	20.88	-2.82	23.64	-2.50	4.56
Alappuzha	5.80	22.26	-3.86	27.30	21.68
Southern Region	**7.16**	**21.03**	**6.82**	**-10.85**	**-1.70**
Kottayam	12.64	-0.93	-34.66	33.81	34.40
Idukki	7.69	-39.96	-16.04	6.03	67.75
Ernakulam	2.85	6.26	11.36	7.53	6.98
Thrissur	6.53	28.69	6.34	5.18	38.45
Central Region	**4.53**	**-1.47**	**4.20**	**8.94**	**14.24**
Palakkad	6.64	6.85	-28.26	14.96	9.15
Malappuram	8.31	-15.55	-6.67	-4.56	45.92
Kozhikode	8.29	3.25	3.61	40.30	22.44
Wayanad	4.93	-42.90	27.28	29.04	5.99
Kannur	19.29	-41.65	-2.68	12.49	18.90
Kasargod	17.28	-38.68	-38.84	269.69	76.35
Northern Region	**9.40**	**-21.37**	**-0.93**	**22.59**	**29.14**
Total	**5.86**	**6.23**	**5.15**	**0.42**	**8.52**

Source: Compiled by the researcher from Kerala Tourism Statistics 2017, 2018, 2019 and 2020

5.2.8 Share of each District and Region to the total foreign tourist arrivals to Kerala

Though the share of Thiruvananthapuram district to the total foreign tourist visits of Kerala during the first calendar year of the implementation of GST was 31.26%, it declined to 26.09% in 2019. The share of the South Kerala to the total foreign tourist visits of Kerala also shows a declining trend during the post-GST period. In the Central Kerala, Ernakulam district shows a considerable improvement in FTVs during the post-GST period by contributing more than 40% of the total foreign tourists visit Kerala.

Table 5.8

Percentage share of each District and Region to the total foreign tourist visits of Kerala during 2014-2019

District/ Region	Pre-GST Period				Post GST Period		
	2014	2015	2016	2017 (Jan-June)	2017 (Jul-Dec)	2018	2019
TVM	31.37	31.74	36.94	38.35	38.73	31.26	26.09
KLM	1.35	1.44	0.82	0.52	0.63	0.83	1.09
PTA	0.15	0.17	0.16	0.16	0.20	0.18	0.17
ALP	6.53	6.53	7.52	8.26	5.37	8.71	9.77
South	**39.40**	**39.88**	**45.43**	**47.29**	**44.93**	**40.98**	**37.12**
KTM	4.80	5.11	4.77	2.38	3.60	3.95	4.89
IDKI	8.44	8.58	4.85	2.97	4.86	4.09	6.32
EKM	40.40	39.25	39.26	42.82	40.23	44.52	43.89
TSR	0.80	0.81	0.98	0.94	1.04	1.03	1.32
Central	**54.44**	**53.75**	**49.85**	**49.10**	**49.73**	**53.60**	**56.42**
PKD	0.23	0.23	0.23	0.16	0.15	0.18	0.18
MLPM	2.34	2.39	1.90	1.31	2.11	1.61	2.16
KKD	1.23	1.25	1.22	0.80	1.64	1.68	1.89
WYND	1.28	1.27	0.68	0.96	0.68	1.06	1.03
KNR	0.82	0.92	0.51	0.30	0.66	0.53	0.58
KSD	0.27	0.30	0.18	0.09	0.11	0.38	0.61
North	**6.16**	**6.37**	**4.71**	**3.61**	**5.35**	**5.42**	**6.45**
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

Source: Compiled by the researcher from Kerala Tourism Statistics 2017, 2018, 2019 and 2020

While the share of the Central Kerala to the total foreign tourist visits of Kerala during 2019 was 56.42%, Ernakulam district contributed 43.89%. Although the share of the North Kerala to the total FTVs of Kerala is comparatively very small, there is a slight improvement during the post-GST period. Table 5.8 compares the share of each district and region to the total foreign tourist visits of Kerala during the pre and post-GST period.

5.3 Domestic Tourist Visits (DTVs) of Kerala

5.3.1 Annual Domestic Tourist Visits to Kerala

Table 5.9

Annual Domestic Tourist Visits of Kerala during 2014 – 2019

Period and Year	Number of DTVs	Percentage change over the Previous Year
Pre-GST Period:		
2015	1,24,65,571	6.59 %
2016	1,31,72,535	5.67 %
2017 (January – June)	68,49,457	
Post-GST Period:		11.39 %
2017 (July – December)	78,24,063	
2018	1,56,04,661	6.35 %
2019	1,83,84,233	17.81 %

Source: Compiled by the researcher from Kerala Tourism Statistics 2017, 2018, 2019 and 2020

The domestic tourist visits to Kerala during the post-GST period are comparatively better than those during the pre-GST period. The annual growth rates during the two calendar years immediately preceding the implementation of GST were 6.59% and 5.67%, respectively, in 2015 and 2016. Though the state faced flood calamity in 2018, a 6.35% growth rate was achieved in the first calendar year of GST implementation. The State achieved a higher growth rate of 17.81% during the very next year. During 2017, the growth rate was 11.39%.

5.3.2 Quarter-wise Domestic Tourist Visits of Kerala

Table 5.10

Quarter-wise Domestic Tourist Visits of Kerala during 2014 – 2019

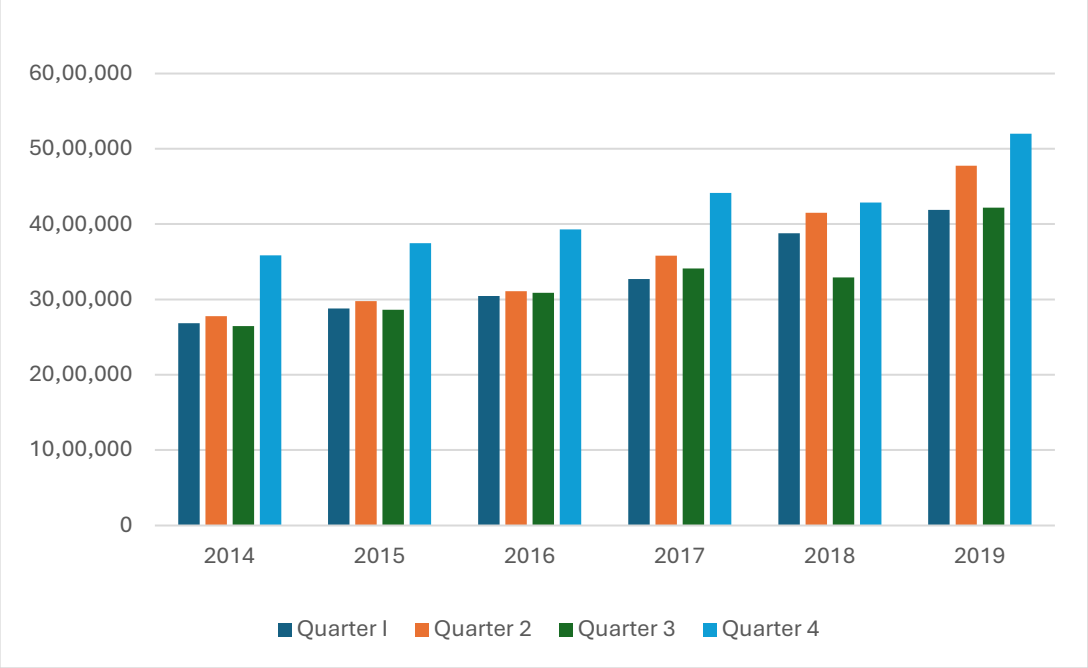
Period & Year	Number of Domestic Tourist Visits				
	Quarter I (Jan-Mar)	Quarter II (Apl-Jun)	Quarter III (Jul- Sep)	Quarter IV (Oct-Dec)	Total
Pre-GST Period:					
2014	26,85,048	27,76,042	26,47,557	35,86,764	1,16,95,411
2015	28,78,897	29,76,682	28,61,813	37,48,179	1,24,65,571
2016	30,43,809	31,10,808	30,86,508	39,31,410	1,31,72,535
2017 (Jan - June)	32,70,514	35,78,943	-	-	68,49,457
Post GST Period:					
2017 (July - Dec)	-	-	34,10,654	44,13,409	78,24,063
2018	38,77,712	41,49,122	32,92,016	42,85,811	1,56,04,661
2019	41,90,468	47,73,739	42,20,020	52,00,006	1,83,84,233

Source: Compiled by the researcher from Kerala Tourism Statistics 2017, 2018, 2019 and 2020

Table 5.10 reports that during all the quarters of the post-GST period except the 3rd and 4th quarters of 2018, there has been a considerable increase in the total number of domestic tourist visits to Kerala. The number of DTVs in the 3rd and 4th quarters of 2018 decreased because the flood had severely affected all the State districts. The total number of DTVs has crossed 50 lakhs by the 4th quarter of 2019. Figure 5.6 clearly shows the sector's performance regarding foreign tourist arrivals during the period selected for the study.

Figure 5.6

Quarter-wise domestic tourist visits of Kerala during 2014-2019



Source: Compiled by the researcher from Kerala Tourism Statistics 2017, 2018, 2019 and 2020

5.3.3 Percentage Change in Quarter-wise Domestic Tourist Visits of Kerala

During the pre-GST period, the first quarter of 2015, 2016, and 2017 recorded a growth rate of 7.22%, 5.73%, and 7.44%, respectively, in the domestic tourist visits of Kerala. However, in the first quarter of 2018, the growth rate increased to 18.57%. Since heavy rain and flood occurred in the middle of 2018, the first quarter of 2019 witnessed a low growth rate of 8.07% in domestic tourist visits. All the second quarters of the post-GST period show a consistent growth rate of 15%. Though the third and fourth quarters of 2017 and 2019 of the post-GST periods have recorded considerable growth in domestic tourist visits, the same for the third and fourth quarters of 2018 have become negative because of floods throughout the State. Of the quarter-wise growth rates during the post-GST period, the 3rd quarter of 2019 recorded the highest growth (i.e., 28.19%).

Table 5.11

Percentage Change in Quarter-wise Domestic Tourist Visits of Kerala during 2014 – 2019

Period & Year	Percentage Change in Domestic Tourist Visits				
	1st Quarter (Jan-Mar)	2nd Quarter (April-June)	3rd Quarter (July-Sept)	4th Quarter (Oct-Dec)	Total
Pre-GST Period:					
2015	7.22 %	7.23 %	8.09 %	4.50 %	6.59 %
2016	5.73 %	4.51 %	7.85 %	4.89 %	5.67 %
2017	7.44 %	15.05 %	-	-	
Post GST Period:					11.39 %
2017	-	-	10.50 %	12.26 %	
2018	18.57 %	15.93 %	-3.48 %	-2.89 %	6.35 %
2019	8.07 %	15.05 %	28.19 %	21.33 %	17.81 %

Source: Compiled by the researcher from Kerala Tourism Statistics 2017, 2018, 2019 and 2020

5.3.4 Month-wise Domestic Tourist Visits of Kerala

During the first six months of the implementation of GST, there has been a considerable increase in domestic tourist visits. Similarly, the month-wise domestic tourist visits for January – June 2018 also increased considerably. However, the month-wise domestic tourist visits decreased in August, September, October, and November 2018 due to the flood. All the months of 2019 have recorded a considerable increase in domestic tourist visits. The month-wise domestic tourist visits of Kerala during 2014 – 2019 are depicted in Table 5.12 and Figure 5.7.

Table 5.12

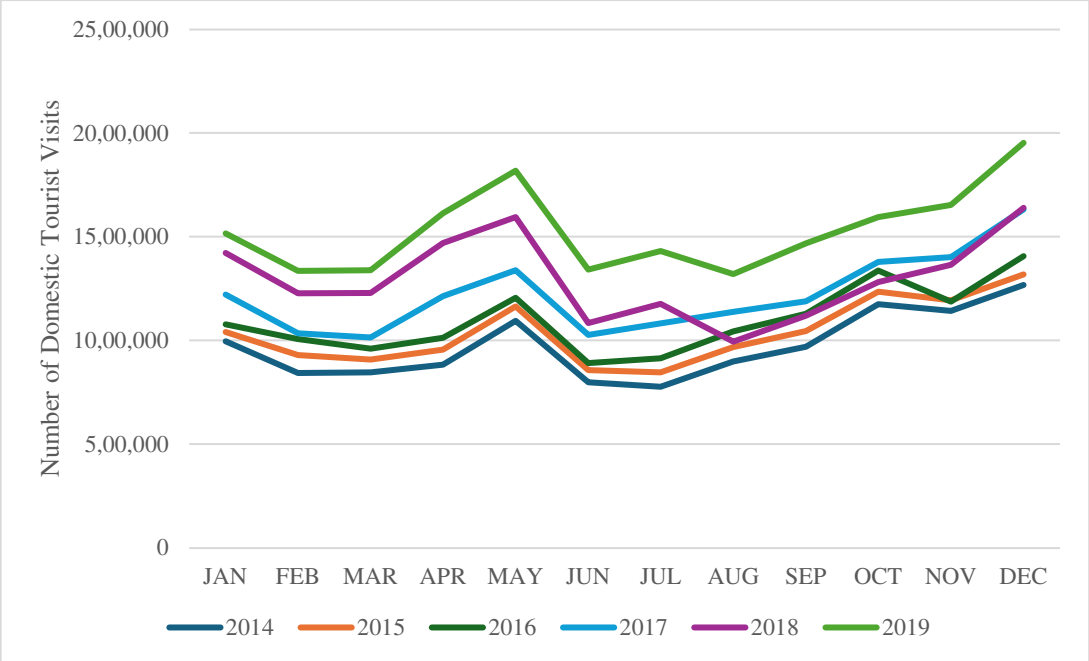
Month-wise Domestic Tourist Visits of Kerala during 2014-2019

Month	Pre-GST Period				Post GST Period		
	2014	2015	2016	2017	2017	2018	2019
Jan	9,96,608	10,41,129	10,77,231	12,21,074	-	14,22,483	15,15,551
Feb	8,42,565	9,30,255	10,06,111	10,34,563	-	12,26,778	13,35,665
Mar	8,45,875	9,07,513	9,60,467	10,14,877	-	12,28,451	13,39,252
Apr	8,84,109	9,55,338	10,12,844	12,13,252	-	14,70,552	16,13,257
May	10,94,086	11,63,640	12,06,350	13,38,330	-	15,94,332	18,18,986
Jun	7,97,847	8,57,704	8,91,614	10,27,361	-	10,84,238	13,41,496
Jul	7,77,948	8,47,722	9,13,886	-	10,83,162	11,76,994	14,30,508
Aug	8,99,473	9,67,976	10,43,362	-	11,38,533	9,95,577	13,21,175
Sept	9,70,136	10,46,115	11,29,260	-	11,88,959	11,19,445	14,68,337
Oct	11,74,814	12,35,746	13,37,191	-	13,79,190	12,81,028	15,94,093
Nov	11,43,110	11,93,583	11,87,620	-	14,01,610	13,64,805	16,52,890
Dec	12,68,840	13,18,850	14,06,599	-	16,32,609	16,39,978	19,53,023
Total	1,16,95,411	1,24,65,571	1,31,72,535	68,49,457	78,24,063	1,56,04,661	1,83,83,233

Source: Kerala Tourism Statistics 2014, 2015, 2016, 2017, 2018, 2019 and 2020

Figure 5.7

Month-wise domestic tourist visits of Kerala during 2014-2019



Source: Kerala Tourism Statistics 2017, 2018, 2019 and 2020

5.3.5 Percentage Change in Month-wise Domestic Tourist Visits to Kerala

During the initial six months of the implementation of GST, each month except September and October has recorded a growth rate over and above the rate during the preceding year. During 2018, while the first 5 months achieved two-digit growth rates, August, September, October, and November recorded negative growth in domestic tourist visits because of the flood. In 2019, all the months have achieved considerable growth, and most have recorded two-digit growth rates. The month-wise growth in domestic tourist visits of Kerala for 2015 -2019 is given in Table 5.13.

Table 5.13

Percentage change in month-wise Domestic Tourist Visits of Kerala during 2015-2019

Month	Pre-GST Period			Post GST Period		
	2015	**2016**	**2017**	**2017**	**2018**	**2019**
January	4.47	3.47	13.35	-	16.49	6.54
February	10.41	8.15	2.83	-	18.58	8.88
March	7.29	5.84	5.66	-	21.04	9.02
April	8.06	6.02	19.79	-	21.21	9.70
May	6.36	3.67	10.94	-	19.13	14.09
June	7.50	3.95	15.22	-	5.54	23.73
July	8.97	7.80	-	18.52	8.66	21.54
August	7.62	7.79	-	9.12	-12.56	32.70
September	7.83	7.95	-	5.29	-5.85	31.17
October	5.19	8.21	-	3.14	-7.12	24.44
November	4.42	-0.50	-	18.02	-2.63	21.11
December	3.94	6.65	-	16.07	0.45	19.09
Total	6.59	5.67	11.39		6.35	17.81

Source: Compiled by the researcher from Kerala Tourism Statistics 2017, 2018, 2019 and 2020

5.3.6 District-wise and Region-wise Domestic Tourist Visits of Kerala

Table 5.14

District-wise and Region-wise Domestic Tourist Visits of Kerala during 2014-2019

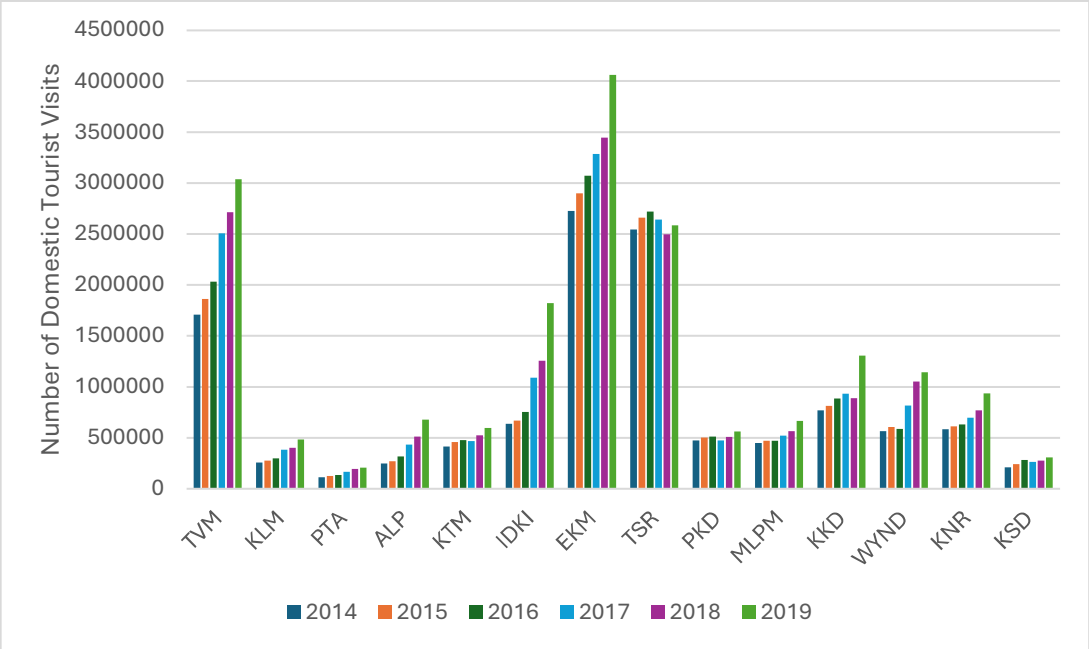
District/ Region	Pre-GST Period				Post GST Period		
	2014	2015	2016	2017 (Jan-June)	2017 (Jul-Dec)	2018	2019
TVM	1707199	1861470	2030384	1141698	1363635	2712387	3038167
KLM	257097	277109	298297	193461	188368	400222	481928
PTA	112548	126132	134466	77242	87252	192813	207863
ALP	246156	270507	315466	200895	232561	511490	677958
South	**2323000**	**2535218**	**2778613**	**1613296**	**1871816**	**3816912**	**4405916**
KTM	413182	458101	477950	223305	245288	524821	597424
IDKI	635621	668537	752478	474878	615208	1257403	1820216
EKM	2724718	2897894	3073159	1504964	1780124	3446889	4060134
TSR	2545376	2659897	2721174	1265202	1377344	2497278	2583557
Central	**6318897**	**6684429**	**7024761**	**3468349**	**4017964**	**7726391**	**9061331**
PKD	475361	502244	512272	227241	246939	509883	560906
MLPM	449420	470261	471028	244606	276226	565914	665335
KKD	769425	811538	884477	433559	498786	888141	1305220
WYND	564274	607335	586146	387477	428147	1052783	1143710
KNR	584343	613199	632332	343365	352290	768038	934572
KSD	210691	241347	282906	131564	131895	276599	307243
North	**3053514**	**3245924**	**3369161**	**1767812**	**1934283**	**4061358**	**4916986**
Kerala	**11695411**	**12465571**	**13172535**	**6849457**	**7824063**	**15604661**	**18384233**

Source: Compiled by the researcher from Kerala Tourism Statistics 2017, 2018, 2019 and 2020

The district-wise domestic tourist visits of Kerala during 2017 (i.e., the year in which GST was implemented) show that all the districts except Kottayam, Palakkad, and Kasargod have increased over the previous year's figures. During the first calendar year of implementation of GST (i.e., in 2018), only Thrissur and Kozhikode districts showed a decrease in domestic tourist arrivals. In the next year (i.e., in 2019), all the districts recorded increased domestic tourist visits. Compared to the other two regions, the number of domestic tourist visits is very high in Central Kerala. The district-wise and region-wide distribution of domestic tourist visits is graphically represented in figures 5.8 and 5.9, respectively.

Figure 5.8

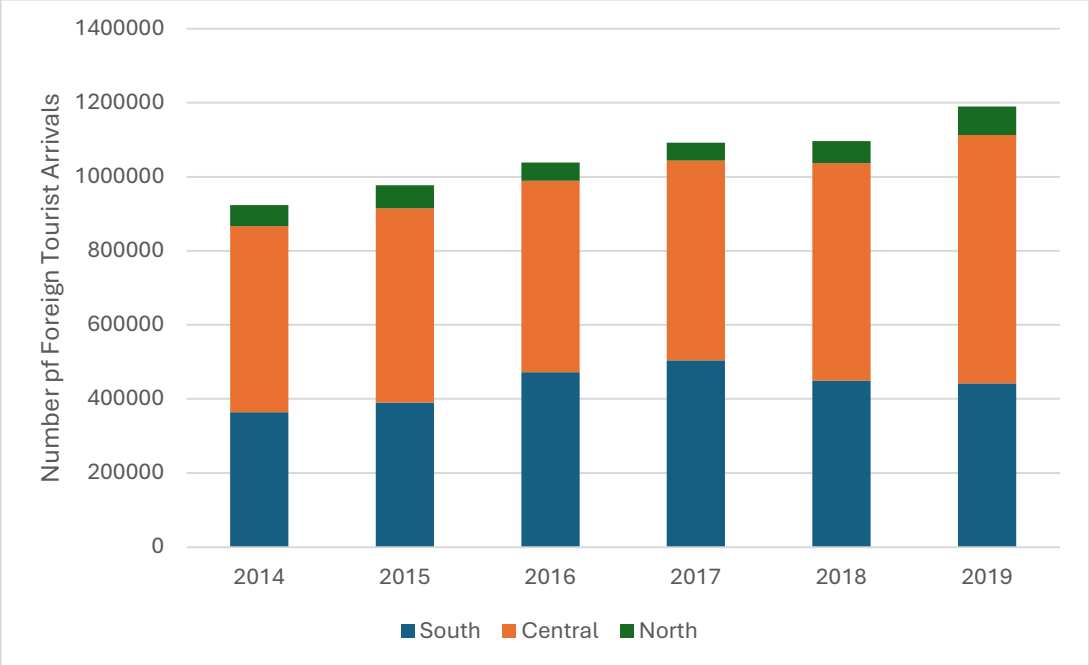
District-wise Domestic Tourist Visits of Kerala during 2014-2019



Source: Kerala Tourism Statistics 2017, 2018, 2019 and 2020

Figure 5.9

Region-wise distribution of Foreign Tourist Visits to Kerala during 2014-2019



Source: Kerala Tourism Statistics 2017, 2018, 2019 and 2020

5.3.7 Percentage change in District-wise and Region-wise Domestic Tourist Visits of Kerala

Table 5.15

Percentage change in district-wise and region-wise domestic tourist visits of Kerala during 2015-2019

State	Variation over the previous year				
	Pre-GST Period		Mixed Period	Post GST Period	
	2015 (%)	2016 (%)	2017 (%)	2018 (%)	2019 (%)
Trivandrum	9.04	9.07	23.39	8.26	12.01
Kollam	7.78	7.65	28.00	4.82	20.42
Pathanamthitta	12.07	6.61	22.33	17.22	7.81
Alappuzha	9.89	16.62	37.40	18.00	32.55
Southern Region	**9.14**	**9.60**	**25.43**	**9.52**	**15.43**
Kottayam	10.87	4.33	-1.96	12.00	13.83
Idukki	5.18	12.56	44.87	15.35	44.76
Ernakulam	6.36	6.05	6.90	4.93	17.79
Thrissur	4.50	2.30	-2.89	-5.50	3.45
Central Region	**5.78**	**5.09**	**6.57**	**3.21**	**17.28**
Palakkad	5.66	2.00	-7.44	7.53	10.01
Malappuram	4.64	0.16	10.57	8.66	17.57
Kozhikode	5.47	8.99	5.41	-4.74	46.96
Wayanad	7.63	-3.49	39.15	29.08	8.64
Kannur	4.94	3.12	10.01	10.41	21.68
Kasargod	14.55	17.22	-6.87	4.99	11.08
Northern Region	**6.30**	**3.80**	**9.88**	**9.70**	**21.07**
Kerala	**6.59**	**5.67**	**11.39**	**6.35**	**17.81**

Source: Compiled by the researcher from Kerala Tourism Statistics 2017, 2018, 2019 and 2020

During 2017 (i.e., the year in which GST was implemented), the region-wise growth rates in domestic tourist arrivals were 25.43%, 6.57%, and 9.88%, respectively, for South, Central, and North Kerala. While the state-level growth rate in 2017 was 11.39%, the growth rate of the South Kerala was 25.43%. During the first calendar year of GST implementation (i.e., 2018), the growth rates for the three regions are 9.52%, 3.21%, and 9.70%, respectively. The low growth rates of 2018 are the result of flood-related disorders. In 2018, South Kerala and North Kerala achieved growth rates over and above the state-level growth rate. In 2019, South Kerala, Central Kerala, and North Kerala increased their growth rates to 15.43%, 17,28%, and 21.07%. The State-level growth rate in 2019 was 17.82%. The district-wise growth rates in domestic tourist visits are given in Table 5.15.

5.3.8 Share of each District and Region to the total domestic tourist visits of Kerala

Table 5.16

Percentage share of each District and Region to the total domestic tourist visits of Kerala during 2014-2019

District/ Region	Pre-GST Period				Post GST Period		
	2014	2015	2016	2017 (Jan-June)	2017 (Jul-Dec)	2018	2019
TVM	14.60	14.93	15.41	16.67	17.43	17.38	16.53
KLM	2.20	2.22	2.26	2.82	2.41	2.56	2.62
PTA	0.96	1.01	1.02	1.13	1.12	1.24	1.13
ALP	2.10	2.17	2.39	2.93	2.97	3.28	3.69
South	**19.86**	**20.34**	**21.09**	**23.55**	**23.92**	**24.46**	**23.97**
KTM	3.53	3.67	3.63	3.26	3.14	3.36	3.25
IDKI	5.43	5.36	5.71	6.93	7.86	8.06	9.90
EKM	23.30	23.25	23.33	21.97	22.75	22.09	22.08
TSR	21.76	21.34	20.66	18.47	17.60	16.00	14.05
Central	**54.03**	**53.62**	**53.33**	**50.64**	**51.35**	**49.51**	**49.29**

District/ Region	Pre-GST Period				Post GST Period		
	2014	2015	2016	2017 (Jan-June)	2017 (Jul-Dec)	2018	2019
PKD	4.06	4.03	3.89	3.32	3.16	3.27	3.05
MLPM	3.84	3.77	3.58	3.57	3.53	3.63	3.62
KKD	6.58	6.51	6.71	6.33	6.38	5.69	7.10
WYND	4.82	4.87	4.45	5.66	5.47	6.75	6.22
KNR	5.00	4.92	4.80	5.01	4.50	4.92	5.08
KSD	1.80	1.94	2.15	1.92	1.69	1.77	1.67
North	**26.11**	**26.04**	**25.58**	**25.81**	**24.72**	**26.03**	**26.75**
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Compiled by the researcher from Kerala Tourism Statistics 2017, 2018, 2019 and 2020

In the district-wise analysis, Ernakulam district contributes the highest share to Kerala's total domestic tourist visits during pre and post-GST periods. The proportionate share of each of the 14 districts to the total number of domestic tourist visits of Kerala is given in Table 5.16. The table also points out that there has been a slight decrease in the shares of the Ernakulam district during the post-GST period. In the region-wise analysis, the Central Kerala contributes very high growth rates throughout the pre and post-GST periods.

5.3.9 Main Source Markets of Domestic Tourists of Kerala

Table 5.17

Main Source Markets of Domestic Tourists Visits of Kerala and the Number of Domestic Tourist Visits during 2015-2019

Sl. No.	State	Pre-GST Period		Mixed Period	Post GST Period	
		2015	2016	2017	2018	2019
1	Kerala	94,44,412	87,00,272	92,34,767	97,39,934	1,18,32,469
2	Tamil Nadu	9,99,281	10,83,765	12,72,405	13,78,992	17,41,168
3	Karnataka	5,74,526	7,75,285	9,33,911	10,02,062	11,32,245
4	Maharashtra	3,57,231	4,89,969	5,46,788	5,70,419	6,52,241

Sl. No.	State	Pre-GST Period		Mixed Period	Post GST Period	
		2015	2016	2017	2018	2019
5	Andhra Pradesh	2,27,821	2,37,840	2,48,874	2,81,538	2,90,383
6	Delhi	1,27,425	2,02,810	2,40,672	2,58,082	2,83,283
	Total	**1,17,30,696**	**1,14,89,941**	**1,24,77,417**	**1,32,31,027**	**1,59,31,789**
	Other States	7,34,875	16,82,594	21,96,103	23,73,634	24,52,444
Total DTVs of Kerala		**1,24,65,571**	**1,31,72,535**	**1,46,73,520**	**1,56,04,661**	**1,83,84,233**

Source: *Source: Kerala Tourism Statistics 2017, 2018, 2019 and 2020*

Table 5.17 shows that the number of intra-state tourists in Kerala during the GST period is comparatively greater than that of the pre-GST period. While the number of intra-state domestic tourists in Kerala in 2016 was 87,00,272, it has increased to 97,39,934 and 1,18,32,469, respectively, in 2018 and 2019. Kerala's major source markets for inter-state domestic tourists are Tamil Nadu, Karnataka, Maharashtra, Andhra Pradesh, and Delhi. During the post-GST period, there has been a considerable increase in tourist arrivals from the aforesaid States. The major source markets of domestic tourists and the number of domestic tourist visits are given in Table 5.3.9.

5.3.10 Market Share of Major Source Markets to the Total Domestic Tourist Visits of Kerala

Table 5.18

Major Source Markets and the Market Share of Each Source to the Total Domestic Tourist Visits of Kerala during 2015-2019

Sl. No.	Source Market	Pre-GST Period		Mixed Period	Post GST Period	
		2015	2016	2017	2018	2019
1	Kerala	75.76%	66.05%	62.93%	62.42%	64.36%
2	Tamil Nadu	8.02%	8.23%	8.67%	8.84%	9.47%
3	Karnataka	4.61%	5.89%	6.36%	6.42%	6.16%
4	Maharashtra	2.87%	3.72%	3.73%	3.66%	3.55%
5	Andhra Pradesh	1.83%	1.81%	1.70%	1.80%	1.58%

Sl. No.	Source Market	Pre-GST Period		Mixed Period	Post GST Period	
		2015	2016	2017	2018	2019
6	Delhi	1.02%	1.54%	1.64%	1.65%	1.54%
Total of the above		**94.10%**	**87.23%**	**85.03%**	**84.79%**	**86.66%**
Other States		5.90%	12.77%	14.97%	15.21%	13.34%
Total DTVs of Kerala		**100%**	**100%**	**100%**	**100%**	**100%**

Source: *Source: Kerala Tourism Statistics 2017, 2018, 2019 and 2020*

Table 5.18 reveals that the share of intra-state tourist visits to the total domestic tourist visits of Kerala during the pre-GST period was 75.76% in 2015 and 66.05% in 2016. After the implementation of GST, the proportion of intra-state tourist visits has decreased. They have become 62.42% and 64.36%, respectively, in 2018 and 2019. The top five source states of domestic tourist visits to Kerala are Tamil Nadu, Karnataka, Maharashtra, Andhra Pradesh, and Delhi. The intra-state and tourist visits from the aforesaid top five source states contribute 94.10% and 87.23%, respectively, in 2015 and 2016 to Kerala's total domestic tourist visits. The share of the top five source states, including intra-state tourist visits during the post-GST period, was 84.79% in 2018. During 2019, the aforesaid share was increased to 86.66%.

5.4 Total Tourist Visits of Kerala

5.4.1 Annual Total Tourist Visits of Kerala

Table 5.19

Total Tourist Visits of Kerala (including Foreign and Domestic) during 2015 – 2019

Period and Year	Number of TTVs	Percentage Variation over the Previous Year
Pre-GST Period:		
2015	1,34,43,050	6.53 %
2016	1,42,10,954	5.71 %
2017 (January – June)	74,18,241	
Post-GST Period:		10.94 %
2017 (July – December)	83,47,149	

Period and Year	Number of TTVs	Percentage Variation over the Previous Year
2018	1,67,01,068	5.94 %
2019	1,95,74,004	17.20 %

Source: Compiled by the researcher from Kerala Tourism Statistics 2017, 2018, 2019 and 2020

Table 5.19 shows that the growth rates in total tourist visits during the pre-GST period were 6.53% in 2015 and 5.71% in 2016. In the year of implementation of GST, the first six months belong to the pre-GST period, and the next six months belong to the post-GST period; the growth rate has increased to 10.94%. However, in the first calendar year of the post-GST period, it declined to 5.94% because of the drastic flood. However, in the very next year, Kerala has attained a remarkable growth of 17.20% in the number of total tourist visits to the State.

5.4.2 Quarter-wise Distribution of Total Tourist Visits of Kerala

The total number of tourist visits to Kerala has increased in all the quarters of pre- and post-GST periods selected for the study, except for the third and fourth quarters of 2018. Total tourist visits in the 3rd and 4th quarters of 2018 declined after the flood disaster. The quarterly change in total tourist visits to Kerala from 2014 to 2019 is given in Table 5.20 and Figure 5.10

Table 5.20

Quarter-wise Distribution of Total Tourist Visits of Kerala (2014 – 2019)

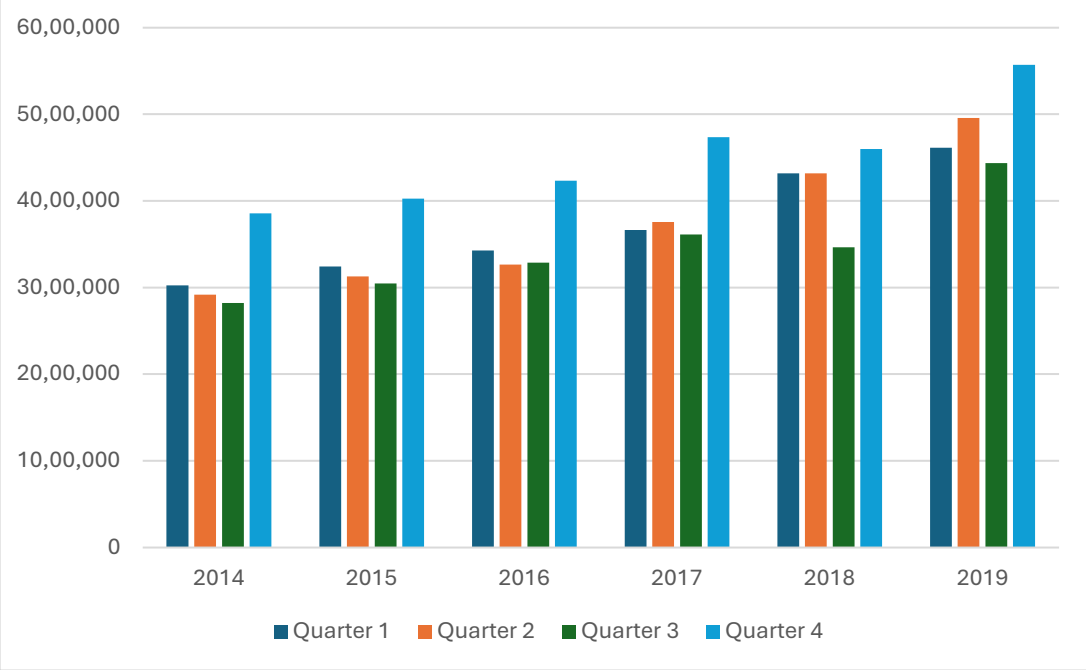
Period & Year	Number of Tourist Visits				
	1st Quarter (Jan-Mar)	2nd Quarter (April-June)	3rd Quarter (July-Sept)	4th Quarter (Oct-Dec)	Total
Pre-GST Period:					
2014	30,25,241	29,18,683	28,20,288	38,54,565	1,26,18,777
2015	32,42,389	31,28,456	30,45,818	40,26,387	1,34,43,050
2016	34,28,528	32,64,269	32,86,843	42,31,314	1,42,10,954
2017 (Jan - June)	36,63,552	37,54,689	-	-	74,18,241

Period & Year	Number of Tourist Visits				
	1st Quarter (Jan-Mar)	2nd Quarter (April-June)	3rd Quarter (July-Sept)	4th Quarter (Oct-Dec)	Total
Post GST Period:					
2017 (July - Dec)	-	-	36,11,642	47,35,507	83,47,149
2018	43,18,406	43,16,788	34,65,774	46,00,100	1,67,01,068
2019	46,12,937	49,56,059	44,35,206	55,69,802	1,95,74,004

Source: Compiled by the researcher from Kerala Tourism Statistics 2017, 2018, 2019 and 2020

Figure 5.10

Quarter-wise distribution of Total Tourist Visits of Kerala during 2014-2019



Source: Kerala Tourism Statistics 2015, 2016, 2017, 2018, 2019 and 2020

5.4.3 Quarter-wise Percentage Change in Total Tourist Visits of Kerala

During the two-and-a-half-year pre-GST period, the growth rates in total tourist visits of all the first quarters were identical. The growth rates for the first quarters of 2015, 2016, and 2017 were 7.17%, 5.74%, and 6.85%, respectively. Kerala achieved the highest growth rate of 17.87% in 2018. However, due to the floods in the following

year, the growth rate again fell to 6.82 percent. The second quarter of the post-GST period also recorded a significant increase in the growth rate.

Table 5.21

Quarter-wise Percentage Change in Total Tourist Visits of Kerala during 2014 – 2019

Period & Year	Percentage Change in Total Tourist Visits				
	1st Quarter (Jan-Mar)	2nd Quarter (April-June)	3rd Quarter (July-Sept)	4th Quarter (Oct-Dec)	Total
Pre-GST Period:					
2015	7.18 %	7.19 %	8.00 %	4.46 %	6.53 %
2016	5.74 %	4.34 %	7.91 %	5.09 %	5.71 %
2017	6.85 %	15.02 %	-	-	10.94 %
Post GST Period:					
2017	-	-	9.88 %	11.92 %	
2018	17.87 %	14.97 %	-4.04 %	-2.86 %	5.94 %
2019	6.82 %	14.81 %	27.97 %	21.08 %	17.20 %

Source: Compiled by the researcher from Kerala Tourism Statistics 2017, 2018, 2019 and 2020

In the third and fourth quarters of 2018, the growth rates turned negative at (-)4.04% and (-)2.86%, respectively, after the flood disaster. The third and fourth quarters of 2019 recorded unprecedented growth.

5.4.4 Month-wise Total Tourist Visits of Kerala

Barring the decline in tourist visits due to the flood disaster in August, September, October, and November 2018, a significant increase in monthly tourist visits (foreign and domestic) occurred during the two-and-a-half-year period before and after GST. The total number of tourists who visited Kerala every month from 2014 to 2019 is shown in Table 5.22 and Figure 5.11.

Table 5.22

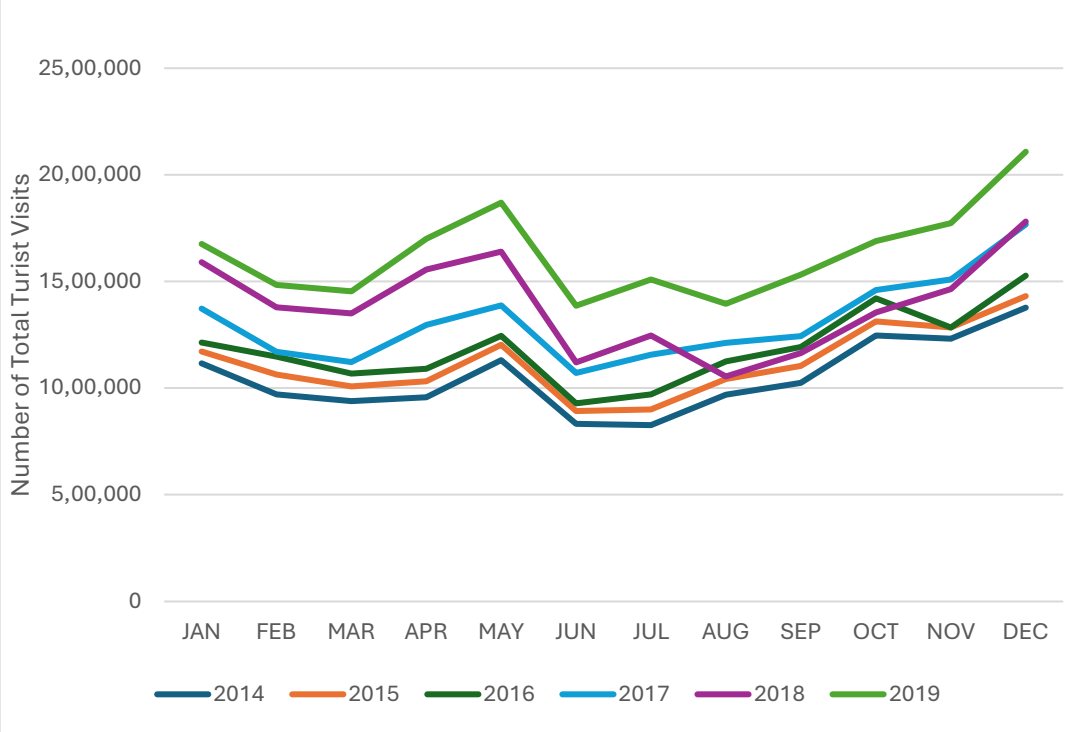
Monthly Tourist Visits (both foreign & domestic) of Kerala (2014--2019)

Mth	Pre-GST Period				Post GST Period		
	2014	2015	2016	2017	2017	2018	2019
Jan	11,16,473	11,71,592	12,13,770	13,71,882	-	15,90,463	16,76,139
Feb	9,69,718	10,63,128	11,47,254	11,69,652	-	13,78,781	14,83,689
Mar	9,39,050	10,07,669	10,67,504	11,22,018	-	13,49,162	14,53,109
Apr	9,56,550	10,32,072	10,90,943	12,95,885	-	15,56,045	16,99,950
May	11,30,388	12,03,223	12,44,344	13,87,403	-	16,39,759	18,68,938
Jun	8,31,745	8,93,161	9,28,982	10,71,401	-	11,20,984	13,87,171
Jul	8,26,525	8,99,444	9,70,552	-	11,55,714	12,45,862	15,08,542
Aug	9,69,382	10,42,686	11,24,432	-	12,12,269	10,55,698	13,95,385
Sept	10,24,381	11,03,688	11,91,859	-	12,43,659	11,64,214	15,31,279
Oct	12,46,412	13,11,865	14,19,742	-	14,59,147	13,54,291	16,88,298
Nov	12,30,830	12,83,466	12,83,775	-	15,08,638	14,64,076	17,73,738
Dec	13,77,323	14,31,056	15,27,797	-	17,67,722	17,81,733	21,07,766
Tot.	**1,26,18,777**	**1,34,43,050**	**1,42,10,954**	**74,18,241**	**83,47,149**	**1,67,01,068**	**1,95,73,004**

Source: Kerala Tourism Statistics 2014, 2015, 2016, 2017, 2018, 2019 and 2020

Figure 5.11

Month-wise distribution of Tourist Visits (Foreign & Domestic) of Kerala 2014-2019



Source: Kerala Tourism Statistics 2014, 2015, 2016, 2017, 2018, 2019 and 2020

Table 5.23

Percentage Change in Month-wise Total Tourist Visits of Kerala (2014--2019)

Month	Pre-GST Period			Post GST Period		
	2015	**2016**	**2017**	**2017**	**2018**	**2019**
Jan	4.94 %	3.60 %	13.03 %	-	15.93 %	5.39 %
Feb	9.63 %	7.91 %	1.95 %	-	17.88 %	7.61 %
Mar	7.31 %	5.94 %	5.11 %	-	20.24 %	7.70 %
Apr	7.90 %	5.70 %	18.79 %	-	20.08 %	9.25 %
May	6.44 %	3.42 %	11.50 %	-	18.19 %	13.98 %
Jun	7.38 %	4.01 %	15.33 %	-	4.63 %	23.75 %
Jul	8.82 %	7.91 %	-	19.08 %	7.80 %	21.08 %
Aug	7.56 %	7.84 %	-	7.81 %	-12.92 %	32.18 %
Sept	7.74 %	7.99 %	-	4.35 %	-6.39 %	31.53 %
Oct	5.25 %	8.22 %	-	2.78 %	-7.19 %	24.66 %
Nov	4.28 %	0.02 %	-	17.52 %	-2.95 %	21.15 %
Dec	3.90 %	6.76 %	-	15.70 %	0.79 %	18.30 %
Total	**6.53 %**	**5.71 %**		**10.94 %**	**5.94 %**	**17.20 %**

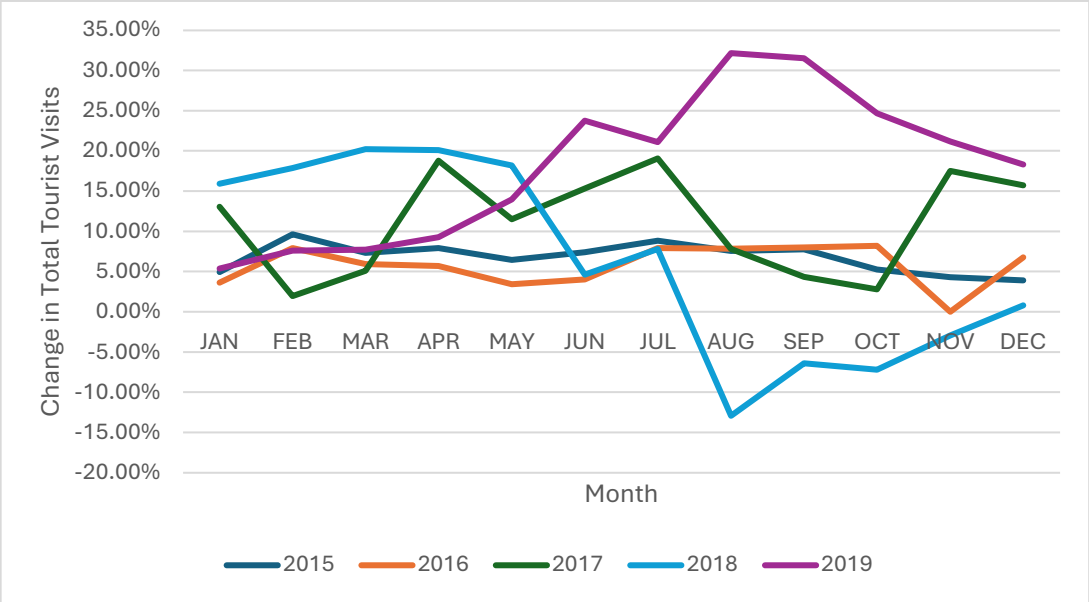
Source: Kerala Tourism Statistics 2014, 2015, 2016, 2017, 2018, 2019 and 2020

5.4.5 Percentage change in month-wise Total Tourist Visits of Kerala

Unlike the pre-GST period, tourist visits (both foreign and domestic) in the post-GST period reported double-digit growth rates in most months. However, August, September, October, and November 2018 recorded negative growth in the wake of the flood disaster. Percentage changes in monthly tourist visits in Kerala during 2014-2019 are given in Table 5.23 and Figure 5.12.

Figure 5.12

Percentage change in month-wise Total Tourist Visits of Kerala during 2015-2019



Source: Kerala Tourism Statistics 2014, 2015, 2016, 2017, 2018, 2019 and 2020

Figure 5.12 depicts negative growth in August, September, October, and November 2018. This was due to the drastic flood situation across the State. In 2019, there has been an attractive performance in total tourist arrivals to Kerala.

5.5 Foreign Exchange Earnings of Kerala

Table 5.24

Foreign Exchange Earnings of Kerala from the Tourism Sector during 2015 – 2019

Period and Year		Foreign Exchange Earnings (Rs in crore)	Percentage Variation over the Previous Year (%)
Pre-GST Period:	2015	6,949.88	8.61 %
	2016	7,749.51	11.51 %
Mixed Period	2017	8,392.11	8.29 %
Post GST Period:	2018	8,764.46	4.44 %
	2019	10,271.06	17.19 %

Source: Kerala Tourism Statistic 2016, 2017, 2018, 2019 and 2020

As the flood disaster adversely affected all sectors of the Kerala economy, the growth rate in foreign exchange earnings of Kerala's tourism sector in the first calendar year post-GST (i.e., 2018) was relatively low. In the very next year (i.e., 2019), it recorded a very high growth rate of 17.19%. Table 5.5 shows the annual growth rate of foreign exchange earnings of the tourism sector of Kerala during the period 2015-2019.

5.6 Domestic Tourism Earnings of Kerala

Table 5.25

Earnings from Domestic Tourists of Kerala during 2015 – 2019

Period and Year		Domestic Tourism Earnings (Rs in crore)	Percentage Variation over the Previous Year (%)
Pre-GST Period:	2015	13,836.78	6.59 %
	2016	15,348.64	10.93 %
Mixed Period	2017	17,608.22	14.72 %
Post GST Period:	2018	19,474.62	10.60 %
	2019	24,785.62	27.27 %

Source: Kerala Tourism Statistic 2016, 2017, 2018, 2019 and 2020

Table 5.6 shows that there has been continuous incremental growth in domestic tourism earnings of Kerala during the period 2015-2019 except 2018. In the year of implementation of GST, the first half of which belongs to the pre-GST period and the remaining half belongs to the post-GST period, the growth rate was 14.72%. The growth rate in 2018 (10.60%) was lower than that of the previous year. This was due to the presence of flood disasters and flood-related disorders. However, in the very next year (i.e., 2019), it has leapt to 27.27%. The domestic tourism earnings and annual growth on the same for the period 2015 – 2019 are given in Table 5.25.

5.7 Total Revenue Generated from Tourism in Kerala

Table 5.26

Total Revenue Generated from Tourism (Direct & Indirect) in Kerala during 2015 – 2019

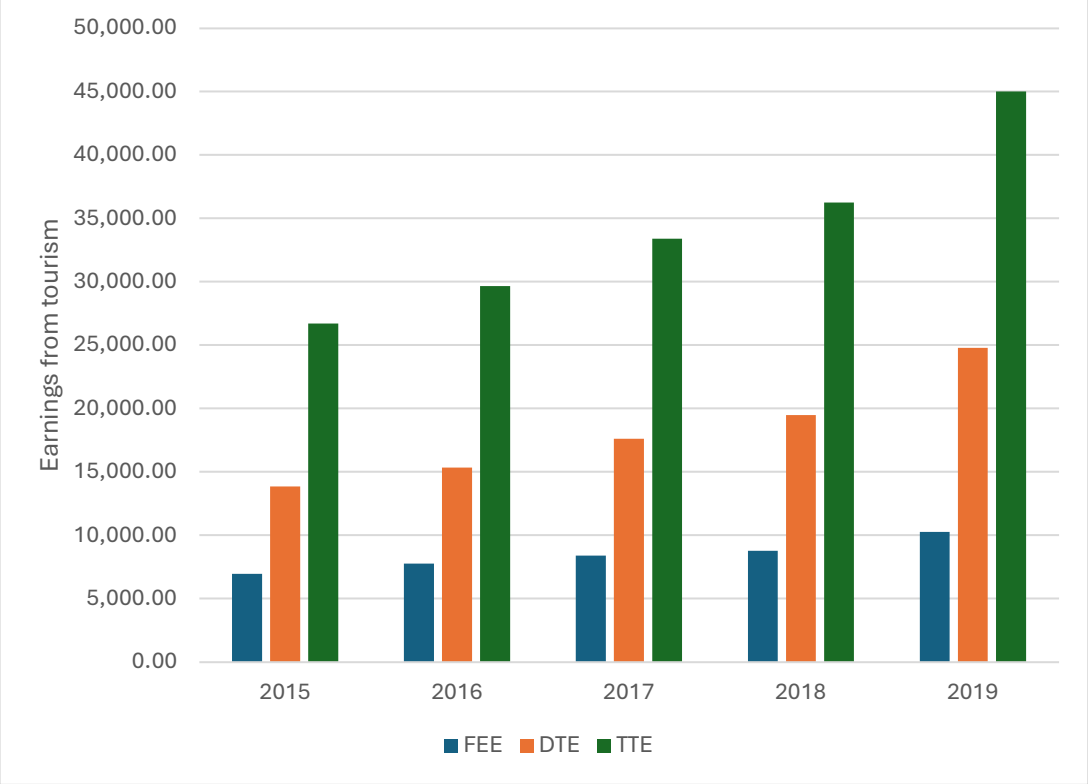
Period and Year		Total Earnings from Tourism (Direct & Indirect) (Rs in crore)	Percentage Variation over the Previous Year (%)
Pre-GST Period:	2015	26,689.63	7.25 %
	2016	29,658.56	11.12 %
Mixed Period	2017	33,383.68	12.56 %
Post GST Period:	2018	36,258.01	8.61 %
	2019	45,010.69	24.14 %

Source: Kerala Tourism Statistic 2016, 2017, 2018, 2019 and 2020

Total earnings of Kerala from the tourism sector during the two calendar years immediately preceding the implementation of GST recorded a growth rate of 7.25% in 2015 and 11.12% in 2016. The GST implementation year (i.e., in 2017) also recorded a growth rate of 12.56%. However, in the first calendar year of GST implementation, the growth in total tourism revenue of Kerala has declined to 8.61%. The flood disaster that took place in the 2nd half of 2018 was the reason for such a low growth rate. However, the year 2019 has witnessed a noteworthy performance with total earnings of Rs: 45,010.69 crore and a growth rate of 24.14%. The amount of total earnings (direct and indirect) of Kerala from the tourism sector and the annual growth rates for the period 2015 - 2019 are given in Table 5.26.

Figure 5.13

Comparison of FEE, DTE and TTE of Kerala during 2015-2019 (Rs in crore)



Source: Kerala Tourism Statistics 2016, 2017, 2018, 2019 and 2020

Figure 5.13 shows continuous growth in foreign exchange earnings, domestic tourism earnings, and total revenue generated by the tourism sector in Kerala.

5.8 District-wise and Region-wise Foreign Exchange Earnings from Tourism in Kerala after Implementing GST

In South Kerala, Kollam district has attained the highest growth rate in foreign exchange earnings during the first two calendar years of GST implementation. The Kollam district recorded a 51.76% growth rate in 2018 and a 54.05% growth rate in 2019. Alappuzha district is next to Kollam regarding the growth in foreign exchange earnings. Though the district of Thiruvananthapuram claims the maximum amount of foreign exchange earnings from tourism, its growth rates are negative. Thiruvananthapuram district has recorded growth rates of (-)15.27% in 2018 and

(-)2.19% in 2019. The overall growth rate of South Kerala in foreign exchange earnings from tourism was (-) 7.28% and 6.61%, respectively, in 2018 and 2019.

In the Central Kerala, Ernakulam district claims the highest foreign exchange earnings from the tourism sector. However, the growth rates of the district were 11.84% and 15.53% respectively in 2018 and 2019. Regarding the growth rate in foreign exchange earnings from the tourism sector, while Kottayam occupied the first position in 2018, in the next year Idukki secured the first position. The total performance of the region shows 13.31% growth in 2018 and 23.37% in 2019 concerning foreign exchange earnings from the tourism sector.

Although the foreign exchange earnings from the tourism sector in the north Kerala are comparatively less, the growth rate of this sector is much better than the other two regions. Due to the flood disaster in the middle of the year, the growth rates in foreign exchange earnings of all the districts and regions in 2018 were relatively lower. The district-wise and region-wise foreign exchange earnings and the annual growth rates during the post-GST period are portrayed in Table 5.27 and Figure 5.14.

Table 5.27

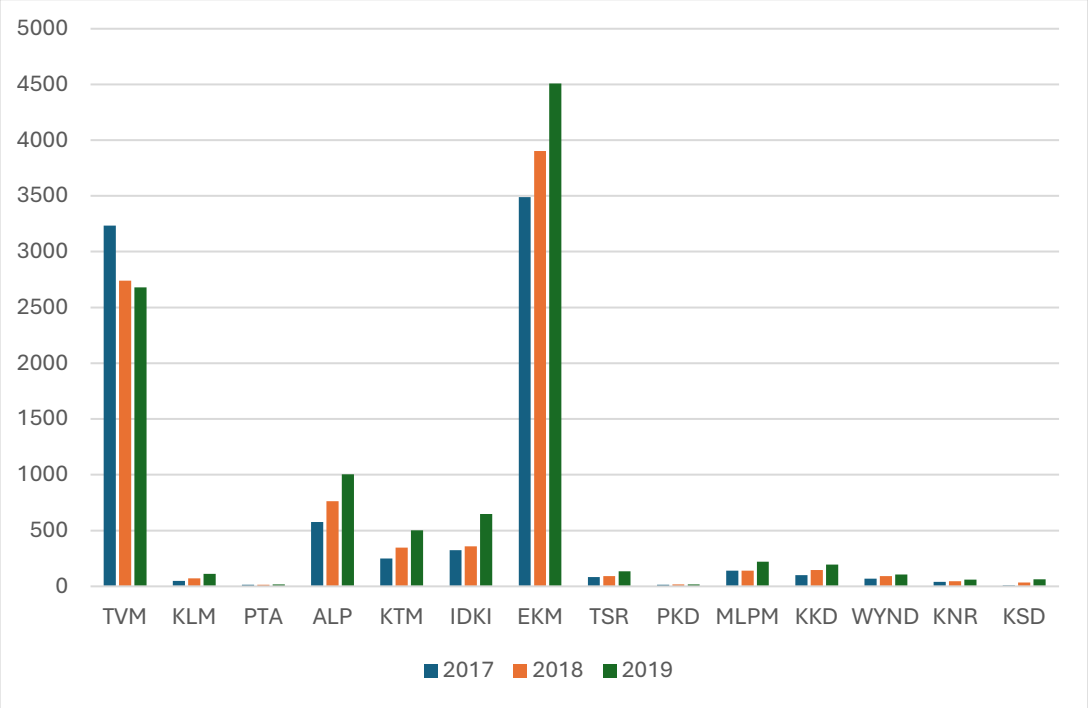
District-wise and Region-wise Foreign Exchange Earnings of Kerala from Tourism for three years from the implementation of GST (2017-2019)

Sl. No.	District/Region	Foreign Exchange Earnings (in Crores)			Percentage Change over Previous Year (%)	
		2017	2018	2019	2018	2019
1	Trivandrum	3233.65	2,739.97	2,680.06	-15.27	-2.19
2	Kollam	47.86	72.63	111.89	51.76	54.05
3	Pathanamthitta	15.40	15.61	17.63	1.36	12.94
4	Alappuzha	576.73	763.58	1,003.37	32.40	31.40
Southern Region		**3,873.64**	**3,591.79**	**3,812.95**	**-7.28**	**6.16**
5	Kottayam	248.64	346.03	502.24	39.17	45.14
6	Idukki	325.00	358.39	649.24	10.27	81.15
7	Ernakulam	3489.24	3,902.37	4,508.32	11.84	15.53
8	Thrissur	82.82	90.59	135.46	9.38	49.53

Sl. No.	District/Region	Foreign Exchange Earnings (in Crores)			Percentage Change over Previous Year (%)	
		2017	2018	2019	2018	2019
Central Region		**4,145.70**	**4,697.38**	**5,795.26**	**13.31**	**23.37**
9	Palakkad	13.15	15.72	18.53	19.54	17.88
10	Malappuram	141.81	140.77	221.84	-0.73	57.59
11	Kozhikode	100.73	146.99	194.37	45.92	32.23
12	Wayanad	69.14	92.79	106.21	34.21	14.46
13	Kannur	39.38	46.07	59.15	16.99	28.39
14	Kasargod	8.57	32.95	62.75	284.48	90.44
Northern Region		**372.78**	**475.29**	**662.85**	**27.50**	**39.46**
Total		**8,392.12**	**8,764.46**	**10,271.06**	**4.44**	**17.19**

Source: Kerala Tourism Statistics, 2018, 2019 and 2020

Figure 5.14: District-wise foreign exchange earnings of Kerala from tourism after implementation of GST (Rs in crore)



Source: Kerala Tourism Statistics 2018, 2019 and 2020

5.9 District-wise and Region-wise Total Tourism Earnings of Kerala after Implementing GST

Table 5.28

District-wise and Region-wise Total Earnings of Kerala from Tourism for three years from the year of implementation of GST (2017-2019)

Sl. No.	District/Region	Total Earnings (in Crores) [Direct & Indirect]			Percentage Change over Previous Year (%)	
		2017	2018	2019	2018	2019
1	Trivandrum	8,012.05	7,864.32	8,700.12	-1.84	10.63
2	Kollam	649.75	734.57	977.89	13.05	33.12
3	Pathanamthitta	273.22	329.00	382.45	20.42	16.25
4	Alappuzha	1,408.36	1,800.02	2,461.81	27.81	36.77
Southern Region		**10,343.38**	**10,727.91**	**12,522.27**	**3.72**	**16.73**
5	Kottayam	1,041.24	1,285.26	1,679.00	23.44	30.64
6	Idukki	2,096.85	2,475.01	3,984.40	18.03	60.99
7	Ernakulam	9,541.64	10,533.78	12,816.50	10.40	21.67
8	Thrissur	4,177.89	4,117.93	4,646.08	-1.44	12.83
Central Region		**16,857.62**	**18,411.98**	**23,125.98**	**9.22**	**25.60**
9	Palakkad	747.49	837.21	994.72	12.00	18.81
10	Malappuram	984.56	1,087.56	1,436.52	10.46	32.09
11	Kozhikode	1,565.85	1,875.69	2,508.91	19.79	33.76
12	Wayanad	1,345.46	1,542.28	2,116.14	14.63	37.21
13	Kannur	1,122.41	1,289.85	1,693.70	14.92	31.31
14	Kasargod	416.93	485.53	612.41	16.45	26.13
Northern Region		**6,182.70**	**7,118.12**	**9,362.40**	**15.13**	**31.53**
Total		**33,383.70**	**36,258.01**	**45,010.65**	**8.61**	**24.14**

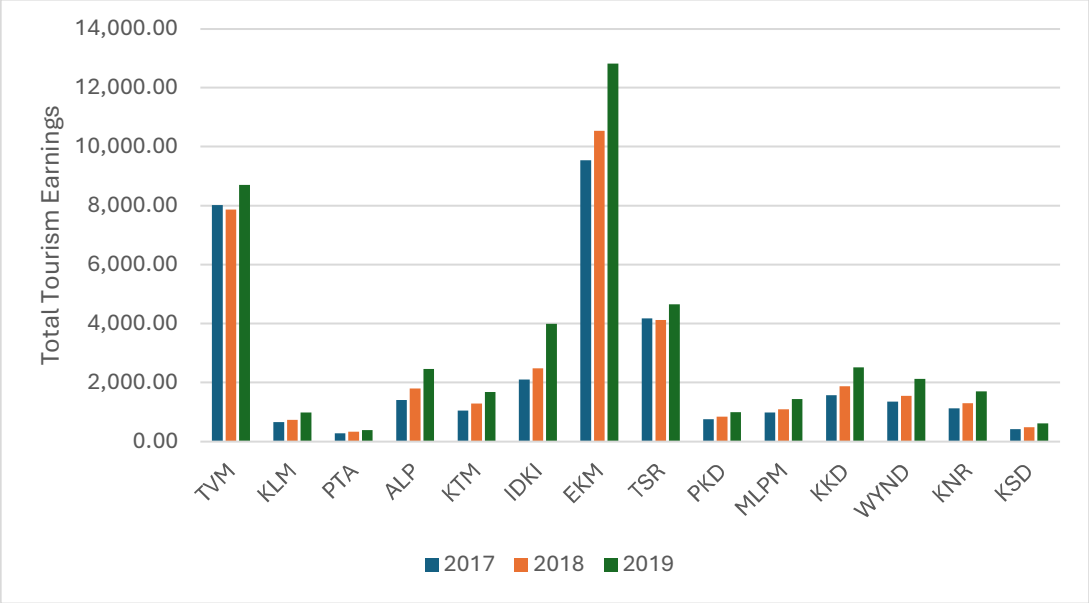
Source: Kerala Tourism Statistics, 2018, 2019 and 2020

Table 5.28 shows that the total tourism earnings of the Central Kerala in the post-GST period are comparatively higher than that of the South and North Kerala. However, regarding the growth rate in total tourism earnings, the Central Kerala lies behind the

Northern Kerala. While the growth rates in total tourism earnings of the Central Kerala are 9.22% and 25.60%, respectively, in 2018 and 2019, the same for the North Kerala are 15.13% and 31.53%. The total tourism revenue of each district and the growth rates after the GST implementation are given in Table 5.28.

Figure 5.15

District-wise total tourism earnings of Kerala after implementation of GST (2017-2019) (Rs in crore)



Source: Kerala Tourism Statistics 2018, 2019 and 2020

Figure 5.15 shows that Ernakulam district is the top district in terms of total tourism earnings. The growth in total tourism earnings of Ernakulam district during 2019 was far better than that of the previous year. Thiruvananthapuram and Thrissur districts are in the second and third position positions, respectively. Both districts showed a minus growth in total tourism earnings in the year 2018. However, they attained better performance in 2019. All other districts show an increasing tendency regarding their total tourism earnings.

5.10 Conclusion

The secondary data analysis reveals that during the pre-GST period, Kerala's tourism sector maintained continuous growth in all the key performance indicators. However, during the initial months of implementation of GST (i.e., August, September, and October 2017), some of the indicators have shown negative growth, and this may be due to the consequence of the implementation of GST. The Deccan Chronicle (17 November 2017) reported that even after two months of this year's (2017) tourism season, Kerala's tourism sector is yet to wake up due to high hotel tariffs over confusion in GST and attractive benefits offered for tourists by our neighbours such as Sri Lanka, Malaysia, and Thailand. Also, the third and fourth quarters of 2018 and the first quarter of 2019 witnessed a great decline in the tourism sector of Kerala due to the flood disaster. However, with the beginning of the second quarter of 2019, all the key tourism indicators have improved performance. The period selected for the study is too short to examine the effects of GST, a crucial indirect tax reform with long-run implications on Kerala's economy and tourism sector. However, the growth in the key performance indicators during the last three-quarters of the study period can be considered a sign of the bright future the GST system offers to the Kerala tourism sector in the long run.

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Chapter 6

AWARENESS OF GST REFORMS AMONG ADMINISTRATORS OF TOURIST RESORTS IN KERALA

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6.1 Introduction

This chapter embarks on thoroughly exploring the awareness of various aspects of the GST reform among administrators of tourist resorts in Kerala. It also examines the influence of multi-faceted factors that develop this awareness of GST among tourist resort administrators. Therefore, the chapter is artfully arranged into two distinct sections. Section 'A' deals with the level of awareness of the GST reform among administrators of tourist resorts in Kerala. Section 'B' scrutinises the key determinants that shape this awareness, such as the location of the resorts, star rating of resorts, type of resorts, experience duration of administrators, etc. This approach provides a nuanced understanding of the awareness of the GST system among the administrators of tourist resorts in Kerala.

6.2 Objective covered

Objective 1. To examine the level of awareness of GST reforms among tourist resort administrators in Kerala.

6.3 Statistical methods employed

The current research investigation employs descriptive statistical analysis, such as percentage analysis and quartile settings, and inferential analysis, such as the chi-square test for goodness of fit and the chi-square test for independence.

6.4 Constructs used for analysis

1. Awareness of the purposes behind GST reforms
2. Awareness of GST registration
3. Awareness about filing of GST Returns
4. Awareness about rates of GST
5. Awareness of Input Tax Credit

SECTION - A

6.5 Level of Awareness of GST Reforms among Administrators of Tourist Resorts in Kerala

This section examines the awareness level of various aspects of GST reforms among the administrators of tourist resorts in Kerala.

6.5.1 Awareness of Purposes behind GST reforms

H0.1.1: There is no significant difference in the level of awareness of the purposes behind the GST reform among the administrators of tourist resorts in Kerala.

Table 6.1

Chi-square test for measuring the significance of the difference in the level of awareness of the purposes behind GST reforms among the administrators of tourist resorts in Kerala

Attribute	Low level	High level	Total	Chi-Square value	P value
Awareness of purposes behind GST reforms	120 (21.7%)	432 (78.3%)	552 (100%)	176.35	<0.001**

** denotes significant at 1% level

Table 6.1 presents data relating to the level of awareness regarding the purposes behind GST reforms among the administrators of tourist resorts in Kerala. Out of the 552 sample respondents, 432 individuals (78.3%) exhibit a high level of awareness about GST's purposes, while 120 individuals (21.7%) show a low level of awareness. The Chi-Square value of 176.35 with a p-value of less than 0.001 indicates a statistically significant difference at the 1% level between the low-level and high-level awareness groups. The difference in awareness levels is statistically significant, meaning that high awareness is not by chance but is a real trend among the administrators of the tourist resorts surveyed.

The findings denote that administrators of most tourist resorts (i.e., over three-quarters) know well why GST has been implemented, while a smaller group (i.e., about one-fifth) doesn't know much about it.

6.5.2 Awareness of GST Registration

H0.1.2: There is no significant difference in the level of awareness of GST registration among the administrators of tourist resorts in Kerala

Table 6.2

Chi-square test for measuring the significance of the difference in the level of awareness of GST Registration among the administrators of tourist resorts in Kerala

Attribute	Low level	High level	Total	Chi-Square value	P value
Awareness about GST registration	96 (17.4%)	456 (82.6%)	552 (100%)	234.78	<0.001**

** denotes significant at 1% level

The Chi-square test result indicates a highly significant difference in the levels of awareness about GST registration among administrators at tourist resorts in Kerala. With a Chi-square value of 234.78 and a p-value of less than 0.001, the results show that the difference in awareness levels is statistically significant at the 1% level. Specifically, 17.4% of administrators have a low level of awareness, while 82.6% have a high level of awareness regarding GST registration. This strong statistical significance suggests that the observed distribution of awareness levels is not due to random chance, highlighting a substantial disparity in the awareness regarding GST registration among these resort administrators.

Most tourist administrators in Kerala are very aware of GST registration. A large majority, about 83%, have a high level of awareness. Only a small portion, roughly 17%, have low awareness. Almost all administrators are well-informed about GST registration, indicating that training or information dissemination on this topic has been quite effective. The test used to measure this showed a significant difference,

meaning the gap between those who know much about GST registration and those who don't is considerable and not likely due to random chance.

6.5.2 Awareness of GST Return Filing

H0.1.3: There is no significant difference in the level of awareness of filing GST returns among the administrators of tourist resorts in Kerala

Table 6.3

Chi-square test for measuring the significance of the difference in the level of awareness of filing GST returns among the administrators of tourist resorts in Kerala

Attribute	Low level	High level	Total	Chi-Square value	P value
Awareness of filing of GST returns	168 (30.4%)	384 (69.6%)	552 (100%)	84.52	<0.001**

** denotes significant at 1% level

The Chi-square test results demonstrate a statistically significant difference in the levels of awareness about filing GST returns among administrators of tourist resorts in Kerala. The Chi-square value is 84.52, and the p-value is less than 0.001, indicating a significance at the 1% level. This means that the variation in awareness levels is not due to random chance. Specifically, 30.4% of administrators have a low level of awareness, whereas 69.6% have a high level of awareness. The significant Chi-square value confirms a notable difference in the distribution of awareness levels.

Among the administrators of tourist resorts in Kerala, the majority understand how to file GST returns, with nearly 70% being highly aware. However, about 30% still have a low level of awareness. This shows that while most administrators are knowledgeable about the GST return filing process, a significant portion could have benefited from further education or training. The test results confirm that this difference in awareness levels is significant and not likely due to random variation.

6.5.4 Awareness of GST Rates

H0.1.4: There is no significant difference in the level of awareness of GST rates among the administrators of tourist resorts in Kerala

Table 6.4

Chi-square test for measuring the significance of the difference in the level of awareness of GST rates among the administrators of tourist resorts in Kerala

Attribute	Low level	High level	Total	Chi-Square value	P value
Awareness of the rates of GST	240 (43.5%)	312 (56.5%)	552 (100%)	9.425	0.002**

** denotes significant at 1% level

The Chi-square test results reveal a statistically significant difference in the awareness of GST rates among administrators of tourist resorts in Kerala. The Chi-square value is 9.425, with a p-value of 0.002, indicating that the observed difference is significant at the 1% level. This means that the variation in awareness levels is not attributable to random chance. Specifically, 43.5% of administrators have a low level of awareness about the GST rates, while 56.5% have a high level of understanding. This statistical significance confirms a notable disparity in the awareness levels regarding the GST rates among the resort administrators.

In simple terms, the high and low awareness about the GST rate among the administrators of tourist resorts in Kerala is more or less equally divided. A little over half, about 57%, understand the GST rate well, while a significant portion, roughly 44%, do not. The test results confirm that this difference is significant, indicating a clear need for better dissemination of information or training regarding the GST rates among the tourist resort administrators in Kerala.

6.5.5 Awareness of Input Tax Credit

H0.1.5: There is no significant difference in the level of awareness of input tax credits among the administrators of tourist resorts in Kerala

Table 6.5

Chi-square test for measuring the significance of the difference in the level of awareness of input tax credit among the administrators of tourist resorts in Kerala

Attribute	Low level	High level	Total	Chi-Square value	P value
Awareness input tax credits	168 (30.4%)	384 (69.6%)	552 (100%)	84.52	<0.001**

** denotes significant at 1% level

The Chi-square test results indicate a highly significant difference in the levels of awareness about input tax credits among administrators of tourist resorts in Kerala. The Chi-square value is 84.52 with a p-value of less than 0.001, which shows that the difference in awareness levels is statistically significant at the 1% level. Specifically, 30.4% of administrators have a low level of awareness about input tax credit, while 69.6% have a high level of awareness. This strong statistical significance suggests that the observed distribution of awareness levels is not due to random chance, highlighting a substantial disparity in input tax credit awareness among these administrators.

This means that most administrators of tourist resorts in Kerala are quite knowledgeable about input tax credits, with nearly 70% having a high level of awareness. However, about 30% still have a low level of understanding. While most administrators are well-informed about input tax credits, a significant portion still needs more education or training.

SECTION - B

6.6 Awareness of GST Reforms among Tourist Resort Administrators Across Categorical Factors of the Organization

Section 'B' scrutinizes the key determinants that shape the awareness of GST reforms among tourist resort administrators in Kerala, such as the location of the resorts, their star ratings, the type of resorts, and their years of experience.

The following categorical factors of tourist resorts are considered for the analysis.

1. Location of the tourist resort
2. Star rating
3. Types of resort
4. Experience-duration of resort administrators

6.6.1 Awareness of GST reform among resort administrators in different locations

6.6.1(a) Awareness of purposes behind GST reform among resort administrators in varied locations

H0.1.6: There is no significant difference in the administrators' awareness of the purposes behind GST reform with regard to resort locations

Table 6.6

Chi-square test for association between location of tourist resorts and administrators' level of awareness of the purposes behind the GST reforms

Locations of the tourist resort	Awareness of the purposes behind GST reforms		Total	Chi-square Value	P Value
	Low level	High level			
Rural	72 22.8%	244 77.2%	**316** **100.0%**	0.48	0.491^{NS}

Locations of the tourist resort	Awareness of the purposes behind GST reforms		Total	Chi-square Value	P Value
	Low level	High level			
Urban	48	188	**236**		
	20.3%	79.7%	**100.0%**		
Total	**120**	**432**	**552**		
	21.7%	**78.3%**	**100.0%**		

NS denotes Not Significant

The Chi-square test results show no significant association between the locations of the tourist resorts (rural or urban) and the level of awareness among resort administrators about the purposes behind GST reforms. The Chi-square value is 0.48, with a p-value of 0.491, indicating that the difference in awareness levels between rural and urban resort locations is not statistically significant.

Simply put, the level of understanding about why GST reforms are implemented is quite similar, whether the tourist resort is in a rural or urban area.

6.6.1 (b) Awareness of GST registration among resort administrators in varied locations

H0.1.7: There is no significant difference in the administrators' awareness of GST registration with regard to resort locations

Table 6.7

Chi-square test for association between administrators' level of awareness of GST registration and location of tourist resorts

Location of the tourist resort	Awareness of GST registration		Total	Chi-square Value	P Value
	Low level	High level			
Rural	72	244	**316**	14.97	<0.001**
	22.8%	77.2%	**100.0%**		
Urban	24	212	**236**		
	10.2%	89.8%	**100.0%**		

Location of the tourist resort	Awareness of GST registration		Total	Chi-square Value	P Value
	Low level	High level			
Total	**96**	**456**	**552**		
	17.4%	**82.6%**	**100.0%**		

** denotes significant at 1% level

The table analyses the relationship between the location of resorts (rural vs. urban) and the level of awareness of GST registration among respondents. In rural areas, 77.2% of respondents have a high level of awareness about GST registration, while 22.8% have a low level of understanding. In urban areas, a higher percentage, 89.8%, have a high level of awareness, and only 10.2% show a lower awareness. The Chi-Square value of 14.97 and a p-value of less than 0.001 indicates a statistically significant association between the type of area and the level of awareness of GST registration at the 1% significance level.

The administrators of urban tourist resorts are generally more aware of GST registration than rural tourist resorts. This significant difference suggests that efforts to improve GST awareness may need to focus more on rural areas.

6.6.1 (c) Awareness of GST return filing among resort administrators in varied locations

H0.1.8: There is no significant difference in the administrators' awareness of GST return filing with regard to resort locations

Table 6.8

Chi-square test for association between administrators' level of awareness of GST return filing and location of tourist resorts

Location of the tourist resort	Awareness of GST return filing		Total	Chi-square Value	P Value
	Low level	High level			
Rural	96	220	**316**	0.001	0.974^{NS}
	30.4%	69.6%	**100.0%**		

Location of the tourist resort	Awareness of GST return filing		Total	Chi-square Value	P Value
	Low level	High level			
Urban	72	164	**236**		
	30.5%	69.5%	**100.0%**		
Total	**168**	**384**	**552**		
	30.4%	**69.6%**	**100.0%**		

NS denotes Not Significant level

The Chi-square test results indicate no significant association between the locations of the tourist resorts (rural or urban) and the level of awareness of GST return filing among resort administrators. The Chi-square value is 0.001 with a p-value of 0.974, showing that the difference in awareness levels between rural and urban resorts is not statistically significant. Specifically, 30.4% of resort administrators in rural areas have a low level of awareness, and 69.6% have a high level of awareness. Similarly, in urban areas, 30.5% have a low level of awareness, and 69.5% have a high level of awareness. These nearly identical percentages and the non-significant p-value suggest that the resort's location does not significantly influence the level of awareness of GST return filing.

Simply put, administrators are aware of how to file GST returns whether the tourist resort is in a rural or urban area. The test results show that the slight difference in awareness levels between these locations isn't significant, meaning that where the resort is situated doesn't affect how well administrators know about filing GST returns.

6.6.1 (d) Awareness of GST rates among resort administrators in varied locations

H0.1.9: There is no significant difference in the administrators' awareness of GST rates with regard to resort locations

Table 6.9

Chi-square test for association between administrators' level of awareness of GST rates and location of tourist resorts

Location of the tourist resort	Awareness of GST rates		Total	Chi-square Value	P Value
	Low level	High level			
Rural	120	196	**316**	9.11	0.003**
	38.0%	62.0%	**100.0%**		
Urban	120	116	**236**		
	50.8%	49.2%	**100.0%**		
Total	**240**	**312**	**552**		
	43.5%	**56.5%**	**100.0%**		

** denotes significant at 1% level

The Chi-square test results show a significant association between the locations of the tourist resorts (rural or urban) and the level of awareness of GST rates among resort administrators. The Chi-square value is 9.11 with a p-value of 0.003, indicating that the difference in awareness levels between rural and urban resorts is statistically significant at the 1% level. In rural areas, 38.0% of resort administrators have a low level of awareness, and 62.0% have a high level of awareness. In urban areas, 50.8% have a low level of awareness, and 49.2% have a high level of awareness. These differences suggest that rural resort administrators are more aware of GST rates than their urban counterparts.

Simply put, administrators of rural tourist resorts seem to be more knowledgeable about the GST rates than urban tourist resorts. About 62% of resort administrators in rural areas understand the GST rates well, while only 49.2% of urban resort administrators have a higher level of understanding. Conversely, more urban resort

administrators (50.8%) lack this knowledge than those in rural areas (38%). The test results show that this difference is significant, meaning the resort's location influences how well resort administrators know about the GST rates.

6.6.1 (e) Awareness of input tax credit among resort administrators in varied locations

H0.1.10: There is no significant difference in the administrators' awareness of input tax credit with regard to resort locations

Table 6.10

Chi-square test for association between administrators' level of awareness of input tax credit and location of tourist resorts

Location of the tourist resort	Awareness of input tax credit		Total	Chi-square Value	P Value
	Low level	High level			
Rural	74	242	**316**	17.18	<0.001**
	23.4%	76.6%	**100.0%**		
Urban	94	142	**236**		
	39.8%	60.2%	**100.0%**		
Total	**168**	**384**	**552**		
	30.4%	**69.6%**	**100.0%**		

** denotes significant at 1%

The Chi-square test results indicate a significant association between the locations of the tourist resorts (rural or urban) and the level of awareness of input tax credits among resort administrators. The Chi-square value is 17.18 with a p-value of less than 0.001, demonstrating that the difference in awareness levels between rural and urban resort locations is statistically significant at the 1% level. Specifically, 23.4% of resort administrators in rural areas have low awareness, and 76.6% have high awareness about input tax credit. In urban areas, 39.8% have a low level of awareness, and 60.2% have a high level of awareness. These differences suggest that resort administrators in rural areas are significantly more aware of input tax credits than those in urban areas.

Simply put, resort administrators in rural areas are generally more knowledgeable about input tax credits than those at urban tourist resorts. In rural areas, about 77% of resort administrators understand input tax credit well, while only about 60% of urban resort administrators have a higher level of understanding. Conversely, a higher percentage of urban resort administrators (almost 40%) lack knowledge about input tax credits compared to their rural counterparts (around 23%). The test results confirm that this difference is significant, indicating that where the resort is located affects how well resort administrators understand input tax credits.

6.6.2 Awareness of GST reforms among administrators of varied star-rated resorts

6.6.2 (a) Awareness of purposes behind GST reforms among administrators in varied star-rated resorts

H0.1.11: There is no significant difference in the administrators' awareness of the purposes behind GST reform with regard to star-rating of resorts

Table 6.11

Chi-square test for association between star rating of the tourist resorts and administrators' level of awareness of purposes behind the GST reforms

Star Rating of the tourist resort	Awareness of the purposes behind the GST		Total	Chi-square Value	P Value
	Low level	High level			
1 Star	22	24	**46**	34.22	<0.001**
	47.8%	52.2%	**100.0%**		
2 Star	6	64	**70**		
	8.6%	91.4%	**100.0%**		
3 Star	42	158	**200**		
	21.0%	79.0%	**100.0%**		
4 Star	44	124	**168**		
	26.2%	73.8%	**100.0%**		

Star Rating of the tourist resort	Awareness of the purposes behind the GST		Total	Chi-square Value	P Value
	Low level	High level			
5 Star	6	62	**68**		
	8.8%	91.2%	**100.0%**		
Total	**120**	**432**	**552**		
	21.7%	**78.3%**	**100.0%**		

** denotes significant at 1%

The Chi-square test results reveal a significant association between the star rating of tourist resorts and the level of awareness of the purposes behind GST reforms among resort administrators. The Chi-square value is 34.22 with a p-value of less than 0.001, indicating that the difference in awareness levels across various star ratings is statistically significant at the 1% level. Specifically, 91.4% of resort administrators at 2-star, 79.0% of administrators at 3-star, 73.8% at 4-star, and 91.2% of administrators at 5-star resorts are highly aware of the purposes behind GST reforms. In contrast, 47.8% of 1-star tourist resort administrators are less aware of the purposes behind GST reforms. This significant difference suggests that higher star-rated resorts generally have administrators with better awareness of GST reforms' purposes than lower star-rated tourist resorts.

In simple terms, administrators of resorts with higher star ratings (2-star, 3-star, 4-star, and 5-star) seem to know the purposes behind implementing GST very well. However, the administrators of 1-star tourist resorts are not as well-informed about the purposes behind GST reforms. Regarding 1-star tourist resorts, only 52.2% of the administrators have a higher level of understanding of the purposes behind GST reforms. The results indicate that the star rating of a resort significantly affects how well resort administrators understand the purposes behind the GST reforms. The administrators in higher-star-rated resorts are generally more knowledgeable.

6.6.2(b) Awareness of GST registration among administrators in varied star-rated resorts

H0.1.12: There is no significant difference in the administrators' awareness of GST registration with regard to star-rating of resorts

Table 6.12

Chi-square test for association between administrators' level of awareness of GST registration and star rating of the tourist resorts

Star rating of the tourist resort	Awareness of GST registration		Total	Chi-square Value	P Value
	Low level	High level			
1 Star	16	30	**46**	90.31	<0.001**
	34.8%	65.2%	**100.0%**		
2 Star	6	64	**70**		
	8.6%	91.4%	**100.0%**		
3 Star	6	194	**200**		
	3.0%	97.0%	**100.0%**		
4 Star	62	106	**168**		
	36.9%	63.1%	**100.0%**		
5 Star	6	62	**68**		
	8.8%	91.2%	**100.0%**		
Total	**96**	**456**	**552**		
	17.4%	**82.6%**	**100.0%**		

** denotes significant at 1%

The Chi-square test results reveal a significant association between the star rating of tourist resorts and the level of awareness of GST registration among resort administrators. The Chi-square value is 90.31 with a p-value of less than 0.001, indicating that the difference in awareness levels across various star ratings is statistically significant at the 1% level. Specifically, 91.4% of resort administrators at 2-star, 97.0% of resort administrators at 3-star, and 91.2% of resort administrators at 5-star resorts have a higher awareness of GST registration. In contrast, lower

awareness levels are seen in 1-star and 4-star resorts, with 34.8% and 36.9% of administrators, respectively. These significant differences suggest that higher star-rated resorts generally have administrators with better awareness of GST registration than lower star-rated resorts.

In simple terms, administrators at higher-star-rated tourist resorts (2-star, 3-star, and 5-star) seem to be very knowledgeable about GST registration, with more than 90% having a high level of awareness. However, the administrators of 1-star and 4-star tourist resorts are not as well-informed about GST registration. For instance, only 65.2% of the administrators at 1-star resorts and 63.1% at 4-star resorts have high awareness about GST registration. The results indicate that the star rating of a resort significantly affects how well administrators understand GST registration. It is found that the administrators at higher-star-rated resorts are generally more knowledgeable about GST registration.

6.6.2(c) Awareness of GST return filing among administrators in varied star-rated resorts

H0.1.13: There is no significant difference in the administrators' awareness of GST return filing with regard to star-rating of resorts

Table 6.13

Chi-square test for association between administrators' level of awareness of GST return filing and star-rating of the tourist resorts

Star Rating	Awareness of GST return filing		Total	Chi-square Value	P Value
	Low level	High level			
1 Star	6	40	**46**	33.71	<0.001**
	13.0%	87.0%	**100.0%**		
2 Star	6	64	**70**		
	8.6%	91.4%	**100.0%**		
3 Star	82	118	**200**		
	41.0%	59.0%	**100.0%**		

Star Rating	Awareness of GST return filing		Total	Chi-square Value	P Value
	Low level	High level			
4 Star	50	118	**168**		
	29.8%	70.2%	**100.0%**		
5 Star	24	44	**68**		
	35.3%	64.7%	**100.0%**		
Total	**168**	**384**	**552**		
	30.4%	**69.6%**	**100.0%**		

** denotes significant at 1%

The Chi-square test results indicate a significant association between the star rating of tourist resorts and the level of awareness of GST return filing among resort administrators. The Chi-square value is 33.71 with a p-value of less than 0.001, suggesting that the difference in awareness levels across various star ratings is statistically significant at the 1% level. Specifically, 87.0% and 91.4% of resort administrators at 1-star and 2-star resorts, respectively, have a higher awareness of GST return filing. In comparison, this percentage drops to 59.0% at 3-star resorts, 70.2% at 4-star resorts, and 64.7% at 5-star resorts. These differences imply that the awareness of GST return filing is notably higher in lower star-rated resorts compared to some higher star-rated ones.

In simple, most administrators at lower star-rated tourist resorts (1-star and 2-star) are highly aware of GST return filing. However, at higher-rated resorts like 3-star, 4-star, and 5-star resorts, a larger number of administrators are placed in the low-level category regarding the awareness of GST return filing. For example, 41.0% of administrators at 3-star, 29.8% at 4-star, and 35.3% at 5-star resorts have only a lower level of understanding about GST return filing. The results indicate a significant association between the star rating of tourist resorts and how well the administrators know about GST return filing, and it is revealed that generally, lower star-rated resorts have administrators with a higher understanding of GST return filing.

6.6.2(d) Awareness of GST rates among administrators in varied star-rated resorts

H0.1.14: There is no significant difference in the administrators' awareness of GST rates with regard to star-rating of resorts

Table 6.14

Chi-square test for association between administrators' level of awareness of GST rates and star rating of the tourist resorts

Star Rating of the tourist resort	Awareness of GST rates		Total	Chi-square Value	P Value
	Low level	High level			
1 Star	6	40	**46**	88.73	<0.001**
	13.0%	87.0%	**100.0%**		
2 Star	64	6	**70**		
	91.4%	8.6%	**100.0%**		
3 Star	76	124	**200**		
	38.0%	62.0%	**100.0%**		
4 Star	72	96	**168**		
	42.9%	57.1%	**100.0%**		
5 Star	22	46	**68**		
	32.4%	67.6%	**100.0%**		
Total	**240**	**312**	**552**		
	43.5%	**56.5%**	**100.0%**		

*** denotes significant at 1%*

The Chi-square test for the association between the star rating of tourist resorts and the level of awareness of GST rates among resort administrators indicates a statistically significant relationship. The Chi-square value is 88.73 with a p-value of less than 0.001, indicating significance at the 1% level. This finding rejects the null hypothesis that there is no significant difference between the star rating of tourist resorts and the level of awareness of administrators about GST rates. The data shows

that the awareness of GST rates varies significantly across different star-rated resorts. Specifically, 87.0% of the administrators of 1-star resorts exhibit high awareness and 13.0% low awareness, whereas 2-star resorts exhibit almost an opposite pattern with 91.4% low awareness and 8.6% high awareness. The GST rate awareness of administrators in 3-star, 4-star, and 5-star resorts is more or less the same pattern. In all three categories, most administrators are more aware of GST rates. For example, 62.0% of resort administrators at 3-star resorts, 57.1% at 4-star resorts, and 67.6% at 5-star resorts have higher-level awareness of GST rates. This analysis shows that the awareness of GST rates among administrators of tourist resorts varies significantly depending on the star rating of the resorts.

6.6.2(e) Awareness of input tax credit among administrators in varied star-rated resorts

H0.1.15: There is no significant difference in the administrators' awareness of input tax credit with regard to star-rating of resorts

Table 6.15

Chi-square test for association between administrators' level of awareness of input tax credit and star rating of the tourist resorts

Star Rating of the tourist resort	Awareness of input tax credit		Total	Chi-square Value	P Value
	Low level	High level			
1 Star	22	24	**46**	9.03	0.063^{NS}
	47.8%	52.2%	**100.0%**		
2 Star	24	46	**70**		
	34.3%	65.7%	**100.0%**		
3 Star	54	146	**200**		
	27.0%	73.0%	**100.0%**		
4 Star	46	122	**168**		
	27.4%	72.6%	**100.0%**		

Star Rating of the tourist resort	Awareness of input tax credit		Total	Chi-square Value	P Value
	Low level	High level			
5 Star	22	46	**68**		
	32.4%	67.6%	**100.0%**		
Total	**168**	**384**	**552**		
	30.4%	**69.6%**	**100.0%**		

NS denotes Not Significant level

The Chi-square test for the association between the star rating of tourist resorts and the level of awareness of input tax credit among resort administrators shows a chi-square value of 9.03 with a p-value of 0.063. The null hypothesis is accepted since the P value is higher than 0.05. This denotes no significant difference in the awareness of input tax credits among the tourist resort administrators concerning the star rating of the resorts. In other words, the test confirms that there is no association between the star rating of tourist resorts and the level of awareness of the resort administrators, and the differences in the figures are only due to sampling fluctuations.

6.6.3 Awareness of GST reforms among administrators of varied types of resorts

6.6.3 (a) Awareness of purposes behind GST reforms among administrators in varied types of resorts

H0.1.16: There is no significant difference in the administrators' awareness of the purposes behind GST reform with regard to resort type

Table 6.16

Chi-square test for association between type of tourist resort and administrators' level of awareness of the purposes behind GST reforms

Types of Tourist Resort	Awareness of the purposes behind GST		Total	Chi-square Value	P Value
	Low level	High level			
Beach Resort	48	116	**164**		
	29.3%	70.7%	**100.0%**		

Types of Tourist Resort	Awareness of the purposes behind GST		Total	Chi-square Value	P Value
	Low level	High level			
Backwater Resort	26	122	**148**	35.57	<0.001**
	17.6%	82.4%	**100.0%**		
Hill Station Resort	24	168	**192**		
	12.5%	87.5%	**100.0%**		
Wildlife Resort	22	26	**48**		
	47.8%	54.1%	**100.0%**		
Total	**120**	**432**	**552**		
	21.7%	**78.3%**	**100.0%**		

** denotes significant at 1% level

The Chi-square test results indicate a significant association between the types of tourist resorts and the level of awareness of the purposes behind the GST reforms among the resort administrators, with a Chi-square value of 35.57 and a P-value of less than 0.001, which is significant at the 1% level. This implies that the variation in awareness levels is not due to random chance. The distribution of awareness levels varies across different resort types: Hill Station Resorts have 87.5% high awareness, followed by Backwater Resorts at 82.4%, Beach Resorts at 70.7%, and Wildlife Resorts at 54.1%.

From a practical perspective, this means that administrators of different types of resorts have varying degrees of understanding of the purposes behind GST reforms. The administrators at Hill Station Resorts and Backwater Resorts show the highest levels of awareness, suggesting they might be more informed or have access to better information regarding GST. Conversely, 45.9% of administrators at Wildlife Resorts exhibit low awareness, indicating a potential gap in information dissemination or accessibility in this resort type. The results suggest efforts to target resorts with administrators who do not understand the GST's purposes well.

6.6.3 (b) Awareness of GST registration among administrators in varied types of resorts

H0.1.17: There is no significant difference in the administrators' awareness of GST registration with regard to resort type

Table 6.17

Chi-square test for association between administrators' level of awareness of GST registration and type of tourist resort

Types of Resort	Awareness of GST registration		Total	Chi-square Value	P Value
	Low level	High level			
Beach Resort	46	118	**164**	22.36	<0.001**
	28.0%	72.0%	**100.0%**		
Backwater Resort	26	122	**148**		
	17.6%	82.4%	**100.0%**		
Hill Station Resort	18	174	**192**		
	9.4%	90.6%	**100.0%**		
Wildlife Resort	6	42	**48**		
	12.5%	87.5%	**100.0%**		
Total	**96**	**456**	**552**		
	17.4%	**82.6%**	**100.0%**		

** denotes significant at 1%

The Chi-square test results show a significant association between the types of tourist resorts and the level of awareness of GST registration among resort administrators, with a Chi-square value of 22.36 and a P-value of less than 0.001, which is significant at the 1% level. This indicates that the differences in awareness levels across resort types are statistically significant. The awareness levels are distributed as follows: Hill Station Resorts have 90.6% high awareness, followed by Wildlife Resorts at 87.5%, Backwater Resorts at 82.4%, and Beach Resorts at 72.0%.

In simple, this means that administrators at different types of resorts have varying levels of understanding about GST registration. Tourists at Hill Station Resorts exhibit the highest awareness about GST registration, with 90.6% of respondents reporting high awareness. This contrasts with Beach Resorts, where about 28% of administrators have low awareness, indicating room for improvement. Although most administrators at Wildlife and Backwater Resorts have placed high awareness levels, effective communication or educational efforts should be offered to improve the GST registration awareness of the remaining.

6.6.3 (c) Awareness of GST return filing among administrators in varied types of resorts

H0.1.18: There is no significant difference in the administrators' awareness of GST return filing with regard to resort type

Table 6.18

Chi-square test for association between administrators' level of awareness of GST return filing and type of tourist resort

Types of Resort	Awareness of GST return filing		Total	Chi-square Value	P Value
	Low level	High level			
Beach Resort	70	94	**164**	37.02	<0.001**
	42.7%	57.3%	**100.0%**		
Backwater Resort	26	122	**148**		
	17.6%	82.4%	**100.0%**		
Hill Station Resort	48	144	**192**		
	25.0%	75.0%	**100.0%**		
Wildlife Resort	24	24	**48**		
	50.0%	50.0%	**100.0%**		
Total	**168**	**384**	**552**		
	30.4%	**69.6%**	**100.0%**		

*** denotes significant at 1% level*

Table 6.18 presents the results of a Chi-square test examining the association between the types of tourist resorts and the level of awareness of GST return filing. The Chi-square value is 37.02 with a p-value of less than 0.001, indicating a highly significant association at the 1% level. This suggests that the awareness levels of resort administrators about GST return filing differ significantly across the various types of resorts. Specifically, in the case of Backwater Resorts, 82.4% of the administrators have a high level of awareness about filing GST returns. Regarding the other types of resorts, the figures are 75.0%, 57.3%, and 50.0%, respectively, for Hill Station, Beach, and Wildlife Resorts. Overall, 69.6% of administrators across all resort types are highly aware of GST return filing.

The table further shows that 50% and 42.7% of administrators of wildlife and beach resorts, respectively, have lower awareness of GST return filing. The figure is 17.6% in the case of backwater resorts.

6.6.3 (d) Awareness of GST rates among administrators in varied types of resorts

H0.1.19: There is no significant difference in the administrators' awareness of GST rates with regard to resort type

Table 6.19

Chi-square test for association between administrators' level of awareness of GST rates and type of tourist resort

Types of Resort	Awareness of GST rates		Total	Chi-square Value	P Value
	Low level	High level			
Beach Resort	92	72	**164**	56.61	<0.001**
	56.1%	43.9%	**100.0%**		
Backwater Resort	26	122	**148**		
	17.6%	82.4%	**100.0%**		
Hill Station Resort	96	96	**192**		
	50.0%	50.0%	**100.0%**		

Types of Resort	Awareness of GST rates		Total	Chi-square Value	P Value
	Low level	High level			
Wildlife Resort	26	22	**48**		
	54.1%	47.8%	**100.0%**		
Total	**240**	**312**	**552**		
	43.5%	**56.5%**	**100.0%**		

** denotes significant at 1%

Table 6.19 presents the results of a Chi-square test assessing the association between types of tourist resorts and the level of awareness of GST rates. The Chi-square value is 56.61 with a p-value of less than 0.001, indicating a highly significant association at the 1% level. This implies a significant difference in administrators' GST rate awareness among different types of resorts. Specifically, in Beach Resorts, 43.9% of administrators show a high level of awareness; in Backwater Resorts, 82.4%; in Hill Station Resorts, 50.0%; and in Wildlife Resorts, 47.8% of administrators show a high level of awareness. As a whole, 56.5% of the resort administrators have a high level of awareness about the GST rates.

The data reveals administrators' awareness of GST rates varies significantly depending on the resort type. The administrators at Backwater Resorts are the most informed about GST rates, with over 82% having a high level of awareness about GST rates. However, in the case of Beach and Wildlife Resorts, more than 50.0% of administrators have lower awareness of GST rates. The administrators of Hill Station Resorts have a balanced awareness level, with 50% having high awareness and 50% having low awareness about GST rates.

6.6.3 (e) Awareness of input tax credit among administrators in varied types of resorts

H0.1.20: There is no significant difference in the administrators' awareness of input tax credit with regard to resort type

Table 6.20

Chi-square test for association between administrators' level of awareness of input tax credit and type of tourist resort

Types of Resort	Awareness of input tax credit		Total	Chi-square Value	P Value
	Low level	High level			
Beach Resort	70	94	**164**	28.82	<0.001**
	42.7%	57.3%	**100.0%**		
Backwater Resort	52	96	**148**		
	35.1%	64.9%	**100.0%**		
Hill Station Resort	40	152	**192**		
	20.8%	79.2%	**100.0%**		
Wildlife Resort	6	42	**48**		
	12.5%	87.5%	**100.0%**		
Total	**168**	**384**	**552**		
	30.4%	**69.6%**	**100.0%**		

** denotes significant at 1%

Table 6.20 presents the results of a Chi-square test examining the association between types of tourist resorts and the level of awareness of resort administrators about the input tax credit. The Chi-square value is 28.82 with a p-value of less than 0.001, indicating a highly significant association at the 1% level. This suggests that awareness levels of input tax credits differ significantly across the various types of resorts. Specifically, Beach Resorts have a 57.3% high level of awareness, Backwater Resorts have 64.9%, Hill Station Resorts have 79.2%, and Wildlife Resorts have 87.5%. Overall, 69.6% of tourist resorts across all resort types have administrators

with a high awareness of input tax credits. This data shows that resorts' awareness of input tax credits varies greatly depending on the resort type.

6.6.4 Awareness of GST reforms among administrators with varied experience durations

6.6.4 (a) Awareness of purposes behind GST reform among administrators with varied experience durations

H0.1.21: There is no significant difference in the administrators' awareness of the purposes behind GST reform with regard to their experience durations

Table 6.21

Chi-square test for association between resort administrators' experience duration and their level of awareness of purposes behind GST reforms

Years of experience	Awareness of the purposes behind GST reform		Total	Chi-square Value	P Value
	Low level	High level			
Up to 10 years	22 19.0%	94 81.0%	**116** **100.0%**	23.59	<0.001**
11 to 20 years	26 17.3%	124 82.7%	**150** **100.0%**		
21 to 30 years	66 27.3%	176 72.7%	**242** **100.0%**		
Above 30 years	6 13.6%	38 86.4%	**44** **100.0%**		
Total	**120** **21.7%**	**432** **78.3%**	**552** **100.0%**		

** denotes significant at 1%

The chi-square test results indicate a significant association between the years of experience of resort administrators and their level of awareness about the purposes behind GST reforms. With a chi-square value of 23.59 and a p-value of less than 0.001, the null hypothesis is rejected. This confirms that service duration (years of

experience) in the tourism sector influences the awareness levels of resort administrators regarding the purposes of GST reforms. Specifically, administrators with more experience in tourism tend to exhibit higher awareness of GST's purposes, with some exceptions. While 81% of administrators with up to 10 years of experience have a high level of awareness regarding GST's purposes, the corresponding figures are 82.7% and 86.4%, respectively, for the experience categories of 11-20 years and above 30 years. However, the corresponding figure for the experience category of 21-30 years is only 72.7%, which is an exception to the pattern. This finding underscores the role of the industrial experience of administrators of tourist resorts in enhancing their understanding of the purposes of GST reforms among tourism businesses.

In summary, the results imply that as the administrators of tourist resorts acquire more years of experience, they are more likely to grasp the intended goals of GST reform. This insight highlights the importance of experience in fostering deeper comprehension and strategic alignment with regulator frameworks within the tourism sector.

6.6.4(b) Awareness of GST registration among administrators with different experience duration

H0.1.22: There is no significant difference in the administrators' awareness of GST registration with regard to their experience duration

Table 6.22

Chi-square test for association between administrators' level of awareness of GST registration and their experience duration in the tourism industry

Years of experience	Awareness of GST registration		Total	Chi-square Value	P Value
	Low level	High level			
Up to 10 years	18	98	**116**		
	15.5%	84.5%	**100.0%**		
11 to 20 years	6	144	**150**		
	4.0%	96.0%	**100.0%**		

Years of experience	Awareness of GST registration		Total	Chi-square Value	P Value
	Low level	High level			
21 to 30 years	50	192	**242**	53.37	<0.001**
	20.7%	79.3%	**100.0%**		
Above 30 years	22	22	**44**		
	50.0%	50.0%	**100.0%**		
Total	**96**	**456**	**552**		
	17.4%	**82.6%**	**100.0%**		

** denotes significant at 1% level

The chi-square test reveals a significant relationship between tourist resort administrators' years of experience and their awareness of GST registration. With a chi-square value of 53.37 and a p-value of less than 0.001, the findings strongly reject the null hypothesis, indicating that there is indeed a significant relationship between the two. This statistical significance suggests that years of experience of resort administrators influence how well they understand the GST registration requirements and processes. However, the increasing tendency in administrators' awareness of GST registration procedures based on experience duration continues till 11-20 years of duration only. Above the experience category of 11-20 years of duration, the degree of awareness shows a negative tendency. This may be due to administrators' reluctance to be self-acquainted with the new rules and to spend time just for a single time of registration. Table 6.22 shows that regarding the experience category of up to 10 years, 84.5% of administrators have higher awareness of GST registration, and for those under the category of 11-20, 96% have higher awareness. However, in the experience categories of 21-30 years and over 30 years, awareness levels are 79.3% and 50%, respectively.

In practical terms, it may be concluded that as administrators of tourist resorts gain more experience over time, they become more knowledgeable regarding the compliance of GST registration requirements, even though some exceptions prevail.

6.6.4(c) Awareness of GST return filing among administrators with different experience duration

H0.1.23: There is no significant difference in the administrators' awareness of GST return filing with regard to their experience duration

Table 6.23

Chi-square test for association between administrators' level of awareness of GST return filing and their experience duration in the tourism industry

Years of experience	Awareness of GST return filing		Total	Chi-square Value	P Value
	Low level	High level			
Up to 10 years	6	110	**116**	52.75	<0.001**
	5.2%	94.8%	**100.0%**		
11 to 20 years	44	106	**150**		
	29.3%	70.7%	**100.0%**		
21 to 30 years	96	146	**242**		
	39.7%	60.3%	**100.0%**		
Above 30 years	22	22	**44**		
	50.0%	50.0%	**100.0%**		
Total	**168**	**384**	**552**		
	30.4%	**69.6%**	**100.0%**		

** denotes significant at 1%

The chi-square test presented investigates the association between the years of experience of tourist resort administrators and their level of awareness of GST return filing. The analysis yielded a chi-square value of 52.75 with a p-value of less than 0.001, indicating a highly significant association. This statistical significance suggests that the year of experience significantly influences administrators' awareness of GST return filing. Specifically, the results show that administrators with more experience tend to have a more balanced distribution of awareness levels regarding GST return filing. In contrast, those with fewer years of experience predominantly exhibit high levels of awareness. Simply put, the findings reveal that resort administrators with

fewer years of service in the tourist sector show eagerness to understand more about the return filing process under GST, and hence, they have a better awareness of the same than those with longer experience.

6.6.4(d) Awareness of GST rates among administrators with different experience duration

H0.1.24 There is no significant difference in the administrators' awareness of GST rates with regard to their experience duration

Table 6.24

Chi-square test for association between administrators' level of awareness of GST rates and their experience duration in the tourism industry

Years of experience	Awareness of GST rates		Total	Chi-square Value	P Value
	Low level	High level			
Up to 10 years	70	46	**116**	83.96	<0.001**
	60.3%	39.7%	**100.0%**		
11 to 20 years	28	122	**150**		
	18.7%	81.3%	**100.0%**		
21 to 30 years	104	138	**242**		
	43.0%	57.0%	**100.0%**		
Above 30 years	38	6	**44**		
	86.4%	13.6%	**100.0%**		
Total	**240**	**312**	**552**		
	43.5%	**56.5%**	**100.0%**		

** denotes significant at 1%

Table 6.24 presents the results of a Chi-square test examining the association between the resort administrators' experience (in years) in the tourism sector and their level of awareness of GST rates. The Chi-square value is 83.96 with a p-value of less than 0.001, indicating a highly significant association at the 1% level. This suggests a significant difference in the level of awareness of GST rates among administrators

with different years of experience in the tourism sector. Specifically, only 39.7% of administrators with up to 10 years of experience are more aware of GST rates. Regarding the administrators with 11 to 20 years of experience, 81.3% have a higher awareness of GST rates. In the case of administrators with 21 to 30 years of experience, nearly 60% have a higher level of awareness about GST rates. However, regarding administrators with over 30 years of experience, only 13.6% show a higher level of awareness. This small figure in the case of the highest experience category may be due to their frustration, reluctance, and hesitancy towards the GST Council's frequent revision of GST rates. Out of the overall resort administrators across all the experience categories, 56.5% have a high level of awareness about GST rates.

The data shows that the years of experience of administrators of tourist resorts significantly influence their awareness of GST rates. Out of the resort administrators with 11 to 20 years of experience in the tourism industry, 18.7% have low awareness of GST rates. In contrast, administrators with up to 10 years and 21 to 30 years of experience exhibit lower awareness levels of 60.3% and 43%, respectively. Interestingly, out of the administrators with over 30 years of experience, 86.4% have placed in the low-level awareness category regarding GST rates applicable to their resorts.

The result shows that only a small percentage of resort administrators in the lowest and highest experience categories have a higher awareness of GST rates than other experience categories.

6.6.4(e) Awareness of input tax credit among administrators of varied years of experience

H0.1.25 There is no significant difference in the administrators' awareness of input tax credit with regard to their experience duration

Table 6.25

Chi-square test for association between administrators' awareness of input tax credit and their experience duration in the tourism industry

Years of experience	Awareness of input tax credit		Total	Chi-square Value	P Value
	Low level	High level			
Up to 10 years	46	70	**116**	24.56	<0.001**
	39.7%	60.3%	**100.0%**		
11 to 20 years	50	100	**150**		
	33.3%	66.7%	**100.0%**		
21 to 30 years	66	176	**242**		
	29.8%	70.2%	**100.0%**		
Above 30 years	6	38	**44**		
	13.6%	86.4%	**100.0%**		
Total	**168**	**384**	**552**		
	30.4%	**69.6%**	**100.0%**		

** denotes significant at 1%

Table 6.25 presents the results of a Chi-square test examining the association between the years of experience of the resort administrators and their level of awareness of the concept and mechanism of input tax credit. The Chi-square value is 12.26 with a p-value of less than 0.001, indicating a highly significant association at the 1% level. This suggests a significant difference in the level of awareness of input tax credits among resort administrators with different experience categories. Specifically, in the case of administrators with up to 10 years of experience, 60.3% have a high level of awareness. However, the corresponding figures for other experience categories, such as 11 to 20 years, 21 to 30 years, and above 30 years of experience, are 66.7%, 70.2%,

and 86.4%, respectively. In total, 69.6% of administrators across all the experience categories are more aware of input tax credit mechanisms.

The data indicates that resort administrators' duration of experience significantly impacts their awareness of input tax credits. Generally, a larger proportion of administrators with longer experience are more aware of input tax credits.

6.7 Conclusion

In conclusion, this chapter comprehensively analysed the awareness levels regarding GST reform among tourist resort administrators in Kerala. The findings underscore the importance of targeted education and training initiatives to enhance GST awareness, particularly among administrators in diverse resort settings. Future research could delve deeper into specific factors influencing GST awareness and propose tailored strategies to improve compliance and understanding across different segments of the tourism industry in Kerala.

Chapter 7

GST-DRIVEN ADVANTAGES OF TOURIST RESORTS IN KERALA

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7.1 Introduction

This chapter examines the study's second objective, which is to analyse the GST-driven advantages of tourist resorts in Kerala. The analysis delves into the extent of the GST-driven benefits enjoyed by the resorts, evaluating how significant these advantages are and observing which specific aspects of the GST system are most beneficial to the tourist resorts in Kerala. Furthermore, the chapter explores whether there are any discernible differences in the perceived advantages among resorts with varying organisational properties and backgrounds, such as differences between rural and urban locations, star ratings, types of resorts, or other distinguishing characteristics. By providing a detailed examination of these factors, this chapter aims to offer extensive awareness of the impact of GST on the tourism industry in Kerala, highlighting both common and divergent experiences among the resorts.

7.2 Objective covered

Objective 2: To analyse the GST-driven advantages of tourist resorts in Kerala.

7.3 Statistical methods employed

The study uses descriptive and inferential statistical methods to evaluate the GST-driven advantages of the tourist resorts in Kerala. Descriptive statistics like mean, standard deviation, quartile deviation, and percentage analysis are applied. Furthermore, inferential analysis is conducted using one-sample t-tests, independent t-tests, and one-way ANOVA with Tukey’s HSD post hoc analysis.

7.4 Constructs used for analysis

The following constructs are considered for analysing GST-driven advantages to the tourist resorts in Kerala:

1. Uniform Tax
2. Single Taxable Event
3. Single Tax Authority
4. Easy Tax Compliance
5. Better Transparency
6. No Cascading Effect
7. Seamless input tax credit

7.5 Extent of GST-driven advantages experienced by tourist resorts in Kerala

H0.2.1: Tourist resorts in Kerala experience the GST-driven advantages on an average level.

Table 7.1

One sample t-test for measuring the extent of GST-driven advantages experienced by tourist resorts in Kerala

SI. No.	GST-driven advantages	Mean	SD	Mean difference (Gap)	t-value	P Value	Rank based on mean
1	Uniform Tax	4.30	0.41	1.30	73.51	<0.001**	II
2	Single Taxable Event	4.26	0.31	1.26	94.11	<0.001**	III
3	Single Tax Authority	3.96	0.36	0.96	61.79	<0.001**	V
4	Easy Tax Compliance	4.60	0.25	1.60	146.09	<0.001**	I
5	Better Transparency	4.14	0.37	1.14	71.15	<0.001**	IV

SI. No.	GST-driven advantages	Mean	SD	Mean difference (Gap)	t-value	P Value	Rank based on mean
6	No Cascading Effect	3.91	0.77	0.91	27.64	<0.001**	VI
7	Seamless Input Tax Credit	3.68	0.40	0.68	39.53	<0.001**	VII

Source: Primary data
*** denotes significant at 1% level;*

The results of the one-sample t-test, as presented in Table 7.1, indicate that all seven GST-driven advantages for tourist resorts in Kerala have mean scores significantly above the average benchmark (assumed to be 3, since a Likert scale from 1 to 5 is likely used). The t-values for all GST-driven advantages are incredibly high, and the p-values are all less than 0.001, denoting a highly significant difference from the average. "Easy Tax Compliance" has the highest mean score (4.60) and the most considerable mean difference (1.60), suggesting it is the most advantageous aspect of GST for tourist resorts. This suggests that the tourist resorts in Kerala highly value the simplicity and ease of complying with tax regulations. Following this, "Uniform Tax" and "Single Taxable Event" are ranked second and third, respectively, indicating a strong preference for a standardized tax rate and the reduction of multiple taxable events to a single occurrence, which likely simplifies financial planning and reduces administrative burdens. On the other hand, "Seamless Input Tax Credit" has the lowest mean score (3.68) and the smallest mean difference (0.68), although it is still significantly above average. The standard deviations are relatively low, indicating consistent responses among the survey participants.

"Better Transparency" and "Single Tax Authority" are also seen as significant advantages for tourist resorts in Kerala. Albeit slightly less than the top-ranked benefits, these aspects likely contribute to a clearer and more streamlined tax process. Though the lower-ranked advantages, "No Cascading Effect" and "Seamless Input Tax Credit," are still above average, and resorts find them beneficial, these areas may leave room for improvement, or they may not impact as greatly as the higher-ranked

advantages. Overall, the ranking demonstrates a clear appreciation regarding various aspects of the GST system that simplify and clarify tax processes.

7.6 GST-driven advantages of tourist resorts in Kerala across various organisational properties.

The following organisational properties of tourist resorts in Kerala are considered for the analysis.

1. Location
2. Star rating
3. Types of resort
4. Experience-duration of resort administrators

7.6.1 GST-driven advantages of tourist resorts in Kerala across different locations

H0.2.2: There is no significant difference in the GST-driven advantages of tourist resorts in rural and urban locations

Table 7.2

Independent t-test for testing the significance of differences in the GST-driven advantages of tourist resorts in rural and urban locations

GST-driven Advantages	Location	Mean	SD	t-value	P value
Uniform Tax	Rural	4.36	0.28	4.23	<0.001**
	Urban	4.21	0.53		
Single Taxable Event	Rural	4.30	0.26	3.86	<0.001**
	Urban	4.20	0.36		
Single Tax Authority	Rural	3.95	0.38	-0.98	0.324^{NS}
	Urban	3.98	0.33		
Easy Tax Compliance	Rural	4.57	0.25	-2.14	0.032*
	Urban	4.62	0.25		

GST-driven Advantages	Location	Mean	SD	t-value	P value
Better Transparency	Rural	4.17	0.40	1.65	0.098^{NS}
	Urban	4.11	0.34		
No Cascading Effect	Rural	3.67	0.69	-9.09	<0.001**
	Urban	4.23	0.76		
Seamless Input Tax Credit	Rural	3.66	0.29	-1.40	0.159^{NS}
	Urban	3.71	0.51		

Source: Primary data
***Denotes significant at 1% level; * indicates significant at 5% level; NS denotes Not Significant*

The independent t-test results presented in Table 7.2 reveal significant differences in certain GST-driven advantages between rural and urban area resorts. For "Uniform Tax" and "Single Taxable Event," rural resorts have significantly higher mean scores than urban resorts, with p-values less than 0.001, indicating a strong preference for these aspects of GST in rural areas. Conversely, the "No Cascading Effect" shows a significantly higher mean score for urban resorts, with a p-value less than 0.001. Further, at a 5% level, "Easy Tax Compliance" is also significantly higher for urban resorts ($p = 0.032$). However, for "Single Tax Authority", "Better Transparency", and "Seamless Input Tax Credit", there are no significant differences between rural and urban resorts, as indicated by their p-values greater than the 0.05 threshold.

The data suggests that tourist resorts in rural and urban areas of Kerala perceive GST benefits differently. Rural resorts find the "uniform tax" system and the simplification brought by "single taxable event" as more advantageous compared to their urban counterparts. On the other hand, urban resorts see a greater benefit from the "no cascading effect" of taxes and find it "easier to comply" with tax regulations than rural resorts. However, when it comes to having a single tax authority, the transparency of the tax system, and the ease of claiming seamless input tax credits, both rural and urban resorts have similar perceptions, showing no significant differences in these areas. This indicates that while some GST benefits are universally appreciated, others are viewed differently based on the location of the resorts.

7.6.2 GST-driven advantages of tourist resorts in Kerala across varied star ratings

H0.2.3: There is no significant difference in the GST-driven advantages of tourist resorts in Kerala with respect to their star ratings

Table 7.3

One-way ANOVA Test for comparing the significant difference in GST-driven advantages of tourist resorts with varied star ratings

GST-driven Advantages	Star Rating	Mean	SD	F value	P Value
Uniform Tax	One Star	4.30	0.10	12.37	<0.001**
	Two Star	4.32	0.33		
	Three Star	4.38	0.40		
	Four Star	4.13	0.51		
	Five Star	4.47	0.18		
Single Taxable Event	One Star	4.19	0.20	36.99	<0.001**
	Two Star	4.54	0.24		
	Three Star	4.21	0.33		
	Four Star	4.13	0.25		
	Five Star	4.46	0.24		
Single Tax Authority	One Star	3.78	0.40	28.69	<0.001**
	Two Star	4.20	0.16		
	Three Star	3.83	0.34		
	Four Star	4.10	0.37		
	Five Star	3.87	0.25		
Easy Tax Compliance	One Star	4.49	0.10	22.88	<0.001**
	Two Star	4.79	0.28		
	Three Star	4.55	0.24		
	Four Star	4.65	0.17		
	Five Star	4.47	0.34		
Better Transparency	One Star	3.78	0.40	18.66	<0.001**
	Two Star	4.27	0.18		
	Three Star	4.17	0.41		
	Four Star	4.21	0.32		

GST-driven Advantages	Star Rating	Mean	SD	F value	P Value
No Cascading Effect	Five Star	4.01	0.33	1.78	0.130^{NS}
	One Star	4.09	0.10		
	Two Star	4.00	0.83		
	Three Star	3.82	0.83		
	Four Star	3.95	0.74		
	Five Star	3.83	0.83		
Seamless Input Tax Credit	One Star	3.79	0.20	6.76	<0.001**
	Two Star	3.81	0.48		
	Three Star	3.65	0.49		
	Four Star	3.59	0.30		
	Five Star	3.80	0.28		

Source: Primary data
***Denotes significant at 1% level; NS denotes Not Significant*

The one-way ANOVA test results in Table 7.3 show significant differences in the perceived GST-driven advantages across different star ratings of tourist resorts. For “Uniform Tax,” “Single Taxable Event,” “Single Tax Authority,” “Easy Tax Compliance,” “Better Transparency,” and “Seamless Input Tax Credit,” the p-values are all less than 0.001, indicating highly significant differences among the star-rated categories. Notably, “No Cascading Effect” is the only GST-driven advantage where the differences across the varied star ratings are insignificant ($p = 0.130$). In other words, regarding the advantage of the "No Cascading Effect", there is a uniform perception across different star-rated resorts.

Table 7.4

Post Hoc analysis for testing significant differences in GST-driven advantages among varied star-rated resorts

GST-driven Advantage	Star Rating (I)	Star Rating (J)	Mean Difference (I-J)	Std. Error	P-Value
Uniform Tax	One Star	Two Star	-0.015	0.076	1.000 ^{NS}
		Three Star	-0.079	0.065	0.742 ^{NS}
		Four Star	0.168	0.066	0.086 ^{NS}
		Five Star	-0.166	0.076	0.191 ^{NS}
	Two Star	Three Star	-0.064	0.055	0.780 ^{NS}
		Four Star	0.184	0.057	0.011*
		Five Star	-0.150	0.068	0.178 ^{NS}
	Three Star	Four Star	0.248	0.041	<0.001**
		Five Star	-0.086	0.056	0.537^{NS}
	Four Star	Five Star	-0.334	0.057	<0.001**
Single Taxable Event	One Star	Two Star	-0.351	0.053	<0.001**
		Three Star	-0.020	0.045	0.991^{NS}
		Four Star	0.053	0.046	0.785^{NS}
		Five Star	-0.273	0.053	<0.001**
	Two Star	Three Star	0.330	0.038	<0.001**
		Four Star	0.404	0.039	<0.001**
		Five Star	0.078	0.047	0.474^{NS}
	Three Star	Four Star	0.073	0.029	0.088^{NS}
		Five Star	-0.252	0.039	<0.001**
	Four Star	Five Star	-0.326	0.040	<0.001**
Single Tax Authority	One Star	Two Star	-0.417	0.063	<0.001**
		Three Star	-0.051	0.054	0.882^{NS}
		Four Star	-0.326	0.055	<0.001**
		Five Star	-0.093	0.063	0.584^{NS}
	Two Star	Three Star	0.366	0.046	<0.001**
		Four Star	0.090	0.047	0.319^{NS}
		Five Star	0.323	0.057	<0.001**
	Three Star	Four Star	-0.275	0.035	<0.001**
		Five Star	-0.042	0.047	0.896^{NS}
	Four Star	Five Star	0.233	0.048	<0.001**

GST-driven Advantage	Star Rating (I)	Star Rating (J)	Mean Difference (I-J)	Std. Error	P-Value
Easy Tax Compliance	One Star	Two Star	-.298	.045	<0.001**
		Three Star	-0.054	0.039	0.634^{NS}
		Four Star	-0.161	0.039	0.001**
		Five Star	0.019	0.045	0.993^{NS}
	Two Star	Three Star	0.244	0.033	<0.001**
		Four Star	0.137	0.034	0.001*
		Five Star	0.317	0.040	<0.001**
	Three Star	Four Star	-0.107	0.025	<0.001**
		Five Star	0.073	0.033	0.184^{NS}
	Four Star	Five Star	0.180	0.034	<0.001**
Better Transparency	One Star	Two Star	-0.491	0.067	<0.001**
		Three Star	-0.391	0.058	<0.001**
		Four Star	-0.436	0.059	<0.001**
		Five Star	-0.229	0.068	0.007**
	Two Star	Three Star	0.100	0.049	0.256^{NS}
		Four Star	0.055	0.050	0.813^{NS}
		Five Star	0.262	0.060	<0.001**
	Three Star	Four Star	-0.045	0.037	0.748^{NS}
		Five Star	0.162	0.050	0.011*
	Four Star	Five Star	0.207	0.051	0.001**
Seamless Input Tax Credit	One Star	Two Star	-0.025	0.075	0.997^{NS}
		Three Star	0.135	0.065	0.235^{NS}
		Four Star	0.198	0.066	0.025^{NS}
		Five Star	-0.014	0.076	1.000^{NS}
	Two Star	Three Star	0.161	0.055	0.032*
		Four Star	0.224	0.056	0.001**
		Five Star	0.011	0.068	1.000^{NS}
	Three Star	Four Star	0.063	0.041	0.557^{NS}
		Five Star	-0.149	0.056	0.060^{NS}
	Four Star	Five Star	-0.213	0.057	0.002**

Source: Primary data

*** denotes significant at 1% level; * denotes significant at 5% level; NS denotes non-significant.*

The post hoc analysis reveals significant differences in GST-driven advantages among resorts with varied star ratings. For "uniform tax", the differences are generally not significant, except between the two-star and four-star (P=0.011), between three-star and four-star resorts ($p < 0.001$), and between the four-star and five-star resorts ($p < 0.001$). In the case of the "single taxable event", one-star resorts significantly differed from two-star ($p < 0.001$) and five-star ($p < 0.001$) resorts. Two-star resorts are differed significantly from three-star ($p < 0.001$) and four-star resorts ($p < 0.001$). Three-star resorts differed significantly from five-star ($p < 0.001$) resorts, whereas four-star resorts differed significantly from five-star ($p < 0.001$).

In terms of "single tax authority", one-star resorts differ significantly from two-star ($p < 0.001$) and four-star ($p < 0.001$) resorts. Similarly, two-star resorts are substantially different from three-star ($p < 0.001$) and five-star ($p < 0.001$) resorts. Three-star resorts differ significantly from four-star ($p < 0.001$) resorts, while four-star resorts are substantially different from five-star ($p < 0.001$) resorts. For "easy tax compliance", one-star resorts differed significantly from two-star ($p < 0.001$) and four-star ($p < 0.001$) resorts. Two-star resorts significantly differed from three-star ($p < 0.001$), four-star ($p < 0.001$), and five-star ($p < 0.001$) resorts. Significant differences are also observed between three-star ($p < 0.001$) and four-star resorts ($p < 0.001$) and four-star and five-star resorts. In the case of "transparency", one-star resorts differed significantly from two-star ($p < 0.001$), three-star ($p < 0.001$), four-star ($p < 0.001$), and five-star ($P= 0.007$) resorts. There also found significant differences between two-star and five-star ($p < 0.001$) resorts, between three-star and five-star ($P=0.011$) resorts, and between four-star and five-star ($p < 0.001$) resorts. "Seamless input tax credit" shows significant differences mainly between two-star and three-star resorts ($p = 0.032$), two-star and four-star ($p < 0.001$), and between four-star and five-star resorts ($p = 0.002$).

When examining GST-driven advantages across varied star-rated resorts, different patterns emerge. For the factor of "uniform tax," two-star, three-star, and five-star resorts outperform four-star resorts. However, five-star resorts experience better benefits compared to two-star and three-star resorts regarding the "uniform tax."

In the context of the "single taxable event", two-star resorts outpace one-star, three-star, and four-star resorts, while five-star resorts outpace one-star, three-star, and four-star resorts. Regarding the "single tax authority" factor, two-star resorts and four-star resorts outperform one-star, three-star, and five-star resorts. However, the extent of the benefit of "single tax authority" is higher among two-star resorts compared to four-star resorts. Concerning "easy tax compliance", two-star resorts lead in benefits over one-star, three-star, four-star, and five-star resorts. The four-star resorts also outstrip one-star, three-star, and five-star resorts in terms of the same GST-driven advantage.

Regarding the benefit of "better transparency", two-star, three-star, and four-star resorts experience more benefits than one-star and five-star resorts. However, among two-star, three-star, and four-star resorts, two-star resorts exhibit more benefits than three-star and four-star resorts. Further, five-star resorts enjoy more benefits than one-star resorts regarding "better transparency". Finally, when it comes to seamless input tax credit, two-star resorts benefit more than three-star and four-star resorts, whereas five-star resorts see more advantages than four-star resorts.

The analysis highlights that two-star resorts often lead in various GST-driven advantages, particularly regarding "easy tax compliance," "single taxable event," and "single tax authority." Four-star resorts also perform well, particularly regarding "single tax authority" and "easy tax compliance."

7.6.3 GST-driven advantages of tourist resorts in Kerala across varied resort types

H0.2.4: There is no significant difference in the GST-driven advantages of tourist resorts in Kerala with respect to types of tourist resorts

Table 7.5

One-way ANOVA Test for comparing the significant difference in GST-driven advantages of tourist resorts in Kerala with respect to types of resorts.

GST-driven Advantages	Type of Tourist Resort	Mean	SD	F-Value	P-Value
Uniform Tax	Beach Resort	4.23	0.37	44.73	<0.001**
	Backwater Resort	4.48	0.20		
	Hill Station Resort	4.12	0.49		
	Wildlife Resort	4.70	0.10		
Single Taxable Event	Beach Resort	4.17	0.44	6.50	<0.001**
	Backwater Resort	4.27	0.22		
	Hill Station Resort	4.31	0.26		
	Wildlife Resort	4.30	0.10		
Single Tax Authority	Beach Resort	3.89	0.40	11.28	<0.001**
	Backwater Resort	4.07	0.37		
	Hill Station Resort	3.90	0.34		
	Wildlife Resort	4.10	0.10		
Easy Tax Compliance	Beach Resort	4.62	0.29	7.37	<0.001**
	Backwater Resort	4.65	0.18		
	Hill Station Resort	4.55	0.28		
	Wildlife Resort	4.51	0.14		
Better Transparency	Beach Resort	4.22	0.39	58.58	<0.001**
	Backwater Resort	3.97	0.35		
	Hill Station Resort	4.08	0.27		
	Wildlife Resort	4.66	0.17		

GST-driven Advantages	Type of Tourist Resort	Mean	SD	F-Value	P-Value
No Cascading Effect	Beach Resort	3.75	0.83	7.62	<0.001**
	Backwater Resort	3.83	0.87		
	Hill Station Resort	4.01	0.68		
	Wildlife Resort	4.27	0.30		
Seamless Input Tax Credit	Beach Resort	3.48	0.44	26.86	<0.001**
	Backwater Resort	3.80	0.32		
	Hill Station Resort	3.70	0.34		
	Wildlife Resort	3.95	0.42		

Source: Primary data
***Denotes significant at 1% level*

The one-way ANOVA test results indicate significant differences in the perceptions of resort administrators regarding GST-driven advantages across different types of tourist resorts. For each item of GST-driven advantages (Uniform Tax, Single Taxable Event, Single Tax Authority, Easy Tax Compliance, Better Transparency, No Cascading Effect, and Seamless Input Tax Credit) analysed for the study, the p-values are all less than 0.001, which is significant at the 1% level. This means that the null hypotheses concerning each element of GST-driven advantages are rejected, concluding that there are statistically significant differences in the perceptions of GST-driven advantages among varied tourist resorts.

The data shows that different types of resorts—such as beach, backwater, hill station, and wildlife resorts—have different views about the benefits they receive from GST reforms.

Table 7.6

Post Hoc analysis for testing the significant difference in GST-driven advantages of varied types of tourist resorts

GST-driven Advantages	Type of Resort (I)	Type of Resort (J)	Mean Difference (I-J)	Std. Error	P-Value
Uniform Tax	Beach Resort	Backwater Resort	-0.246	0.042	<0.001**
		Hill Station Resort	0.104	0.039	0.043*
		Wildlife Resort	-0.465	0.061	<0.001**
	Backwater Resort	Hill Station Resort	0.351	0.040	<0.001**
		Wildlife Resort	-0.218	0.062	0.003**
	Hill Station Resort	Wildlife Resort	-0.570	0.060	<0.001**
Single Taxable Event	Beach Resort	Backwater Resort	-0.094	0.035	0.037*
		Hill Station Resort	-0.141	0.032	<0.001**
		Wildlife resort	-0.124	0.050	0.070^{NS}
	Backwater Resort	Hill Station Resort	-0.046	0.033	0.520^{NS}
		Wildlife Resort	-0.029	0.051	0.939^{NS}
	Hill Station Resort	Wildlife Resort	0.016	0.050	0.987^{NS}
Single Tax Authority	Beach Resort	Backwater Resort	-0.182	0.040	<0.001**
		Hill Station Resort	-0.013	0.037	0.984^{NS}
		Wildlife Resort	-0.215	0.058	0.001**
	Backwater Resort	Hill Station Resort	0.169	0.039	<0.001**
		Wildlife Resort	-0.032	0.059	0.946^{NS}
	Hill Station Resort	Wildlife Resort	-0.202	0.057	0.003**
Easy Tax Compliance	Beach Resort	Backwater Resort	-0.032	0.028	0.666^{NS}
		Hill Station Resort	0.074	0.026	0.029*
		Wildlife Resort	0.110	0.041	0.041*
	Backwater Resort	Hill Station Resort	0.107	0.027	0.001**
		Wildlife Resort	0.142	0.042	0.004**
	Hill Station Resort	Wildlife Resort	0.035	0.040	0.822^{NS}

GST-driven Advantages	Type of Resort (I)	Type of Resort (J)	Mean Difference (I-J)	Std. Error	P-Value
Better Transparency	Beach Resort	Backwater Resort	0.253	0.037	<0.001**
		Hill Station Resort	0.141	0.035	<0.001**
		Wildlife Resort	-0.439	0.054	<0.001**
	Backwater Resort	Hill Station Resort	-0.112	0.036	0.011*
		Wildlife Resort	-0.693	0.054	<0.001**
	Hill Station Resort	Wildlife Resort	-0.581	0.053	<0.001**
No Cascading Effect	Beach Resort	Backwater Resort	-0.079	0.086	0.797^{NS}
		Hill Station Resort	-0.260	0.081	0.008**
		Wildlife Resort	-0.518	0.125	<0.001**
	Backwater Resort	Hill Station Resort	-0.181	0.083	0.131^{NS}
		Wildlife Resort	-0.439	0.126	0.003**
	Hill Station Resort	Wildlife Resort	-0.258	0.123	0.154^{NS}
Seamless Input Tax Credit	Beach Resort	Backwater Resort	-0.312	0.043	<0.001**
		Hill Station Resort	-0.216	0.040	<0.001**
		Wildlife Resort	-0.462	0.062	<0.001**
	Backwater Resort	Hill Station Resort	0.095	0.041	0.101^{NS}
		Wildlife Resort	-0.150	0.063	0.086^{NS}
	Hill Station Resort	Wildlife Resort	-0.245	0.061	<0.001**

Source: Primary data
***denotes significant at 1% level; * denotes significant at 5% level; NS denotes non-significant*

The Post Hoc analysis reveals significant differences in GST-driven advantages across varied types of tourist resorts. For uniform tax, the beach resort significantly differed from the backwater resort ($p < 0.001$), hill station resort (P=0.043), and wildlife resort ($p < 0.001$). Similarly, backwater resorts differed significantly from hill station ($p < 0.001$) and wildlife resorts ($p = 0.003$), whereas hill station resorts differed significantly from wildlife resorts ($p < 0.001$). For "single taxable event", the beach resort shows a significant difference from backwater resorts (P=0.037) and hill station resorts ($p < 0.001$). In terms of "single tax authority", beach resorts significantly differ from backwater resorts ($p < 0.001$) and wildlife resorts ($p = 0.001$). Similarly, there is

also a significant difference between backwater resorts and hill station resorts ($p < 0.001$) and between hill station resorts and wildlife resorts ($p < 0.003$).

In the case of "easy tax compliance", beach resorts differed significantly from hill station resorts (P=0.029) and wildlife resorts (P=0.041). In contrast, backwater resorts significantly differed from hill station resorts ($p < 0.001$) and wildlife resorts(P=0.004). For "better transparency", beach resorts differed significantly from backwater resorts ($p < 0.001$), hill station resorts ($p < 0.001$), and wildlife resorts ($p < 0.001$). There are also significant differences between backwater resorts and hill station resorts (P=0.011), between backwater resorts and wildlife resorts ($p < 0.001$), and between hill station resorts and wildlife resorts ($p < 0.001$). Regarding the "no cascading effect", significant differences are found between beach resorts and hill station resorts (P=0.008), between beach resorts and wildlife resorts ($p < 0.001$), and between backwater resorts and wildlife resorts (p=0.003). Lastly, concerning the "seamless input tax credit", the beach resorts significantly differ from backwater resorts ($p < 0.001$), hill station resorts ($p < 0.001$), and wildlife resorts ($p < 0.001$). Also found a significant difference between hill station resorts and wildlife resorts ($p < 0.001$).

According to mean scores, backwater resorts receive more advantages from "uniform tax" compared to beach and hill station resorts. In contrast, beach resorts enjoy greater benefits of "uniform tax" than hill station resorts. Wildlife resorts, however, have the greatest benefits in "uniform tax", surpassing beach, hill station, and backwater resorts. Backwater and hill-station resorts experience superior advantages from "single taxable event" compared to beach resorts. Regarding "single tax authority," backwater resorts enjoy more benefits than beach and hill station resorts. However, the wildlife resorts surpass both beach and hill station resorts regarding this aspect. Regarding "easy tax compliance", beach resorts are better off than hill station and wildlife resorts. However, backwater resorts experience even greater advantages than wildlife and hill station resorts. "Better transparency" benefits beach resorts more than backwater and hill station resorts. Hill station resorts also experience better transparency than backwater resorts. However, wildlife resorts have the greatest

advantages in transparency over all other resort types. Hill Station resorts enjoy more advantages from "no cascading effects" than beach resorts. However, wildlife resorts benefit most from "no cascading effects," surpassing beach and backwater resorts. Backwater and hill station resorts benefit more from a "seamless input tax credit" than beach resorts. However, wildlife resorts outperform beach and hill station resorts and enjoy the greatest benefits of the "seamless input tax credit",

7.6.4 GST-driven advantages of tourist resorts having administrators with varied experience durations

H0.2.5: There is no significant difference in the GST-driven advantages of tourist resorts having administrators with different experience durations

Table 7.7

One-way ANOVA Test for comparing the significant difference in GST-driven advantages of tourist resorts having administrators with varied experience durations

GST-driven Advantages	Years of Experience	Mean	SD	F-Value	P-Value
Uniform Tax	Up to 10 years	4.31	0.26	77.37	<0.001**
	11 to 20 Years	4.61	0.18		
	21 to 30 Years	4.19	0.32		
	Above 30 years	3.80	0.80		
Single Taxable Event	Up to10 years	4.40	0.28	23.71	<0.001**
	11 to 20 Years	4.28	0.21		
	21 to 30 Years	4.15	0.32		
	Above 30 years	4.40	0.40		
Single Tax Authority	Up to10 years	4.03	0.35	11.87	<0.001**
	11 to 20 Years	4.06	0.35		
	21 to 30 Years	3.86	0.34		
	Above 30 years	4.00	0.40		
Easy Tax Compliance	Up to10 years	4.67	0.27	13.95	<0.001**
	11 to 20 Years	4.51	0.25		
	21 to 30 Years	4.63	0.13		
	Above 30 years	4.50	0.50		

GST-driven Advantages	Years of Experience	Mean	SD	F-Value	P-Value
Better Transparency	Up to10 years	4.07	0.37	19.76	<0.001**
	11 to 20 Years	4.16	0.50		
	21 to 30 Years	4.23	0.25		
	Above 30 years	3.80	0.20		
No Cascading Effect	Up to10 years	4.03	0.65	5.39	<0.001**
	11 to 20 Years	3.94	0.90		
	21 to 30 Years	3.90	0.76		
	Above 30 years	3.50	0.50		
Seamless Input Tax Credit	Up to10 years	3.80	0.39	26.10	<0.001**
	11 to 20 Years	3.84	0.41		
	21 to 30 Years	3.52	0.36		
	Above 30 years	3.70	0.30		

Source: Primary data
***Denotes significant at 1% level*

The one-way ANOVA test for testing the significant differences in GST-driven advantages across varied durations of experience of tourist resorts reveals that the null hypotheses regarding all the GST-driven advantages are rejected. The p-values for all the components are less than 0.001, indicating statistically significant differences in GST-driven advantages among resorts with varying years of experience. Simply put, a resort's longevity in the industry significantly influences its perception of GST-driven advantages.

Table 7.8

Post Hoc analysis for testing significant differences in GST-driven advantages among tourist resorts having administrators with varied experience durations

GST-driven Advantages	Years of Experience (I)	Years of Experience (J)	Mean Difference (I-J)	Std. Error	P-Value
Uniform Tax	Up to10 years	11 to 20 Years	-0.302	0.043	<0.001**
		21 to 30 Years	0.115	0.039	0.019*
		Above 30 years	0.513	0.062	<0.001**
	11 to 20 Years	21 to 30 Years	0.417	0.036	<0.001**
		Above 30 years	0.816	0.060	<0.001**
	21 to 30 Years	Above 30 years	0.398	0.057	<0.001**
Single Taxable Event	Up to10 years	11 to 20 Years	0.115	0.036	0.009**
		21 to 30 Years	0.253	0.033	<0.001**
		Above 30 years	0.003	0.052	1.000^{NS}
	11 to 20 Years	21 to 30 Years	0.137	0.030	<0.001**
		Above 30 years	-0.112	0.050	0.125^{NS}
	21 to 30 Years	Above 30 years	-0.249	0.048	<0.001**
Single Tax Authority	Up to10 years	11 to 20 Years	-0.029	0.044	0.909^{NS}
		21 to 30 Years	0.170	0.040	<0.001**
		Above 30 years	0.034	0.063	0.948^{NS}
	11 to 20 Years	21 to 30 Years	0.199	0.037	<0.001**
		Above 30 years	0.064	0.061	0.722^{NS}
	21 to 30 Years	Above 30 years	-0.135	0.058	0.095^{NS}
Easy Tax Compliance	Up to10 years	11 to 20 Years	0.163	0.030	<0.001**
		21 to 30 Years	0.039	0.028	0.496^{NS}
		Above 30 years	0.175	0.044	<0.001**
	11 to 20 Years	21 to 30 Years	-0.124	0.025	<0.001**
		Above 30 years	0.012	0.042	0.992^{NS}
	21 to 30 Years	Above 30 years	0.136	0.040	0.005**

GST-driven Advantages	Years of Experience (I)	Years of Experience (J)	Mean Difference (I-J)	Std. Error	P-Value
Better Transparency	Up to 10 years	11 to 20 Years	-0.083	0.044	0.243^{NS}
		21 to 30 Years	-0.155	0.040	0.001**
		Above 30 years	0.279	0.063	<0.001**
	11 to 20 Years	21 to 30 Years	-0.072	0.037	0.221^{NS}
		Above 30 years	0.362	0.061	<0.001**
	21 to 30 Years	Above 30 years	0.434	0.059	<0.001**
No Cascading Effect	Up to10 years	11 to 20 Years	0.088	0.094	0.786^{NS}
		21 to 30 Years	0.132	0.086	0.423^{NS}
		Above 30 years	0.537	0.135	<0.001**
	11 to 20 Years	21 to 30 Years	0.043	0.079	0.947^{NS}
		Above 30 years	0.449	0.131	0.004**
	21 to 30 Years	Above 30 years	0.405	0.125	0.007**
Seamless Input Tax Credit	Up to10 years	11 to 20 Years	-0.038	0.047	0.849^{NS}
		21 to 30 Years	0.277	0.043	<0.001**
		Above 30 years	0.106	0.067	0.393^{NS}
	11 to 20 Years	21 to 30 Years	0.316	0.039	<0.001**
		Above 30 years	0.145	0.065	0.121^{NS}
	21 to 30 Years	Above 30 years	-0.171	0.062	0.033*

Source: Primary data
***denotes significant at 1% level; * denotes significant at 5% level; NS denotes non-significant*

Significant differences in GST-driven advantages among tourist resorts having administrators with different experience durations were observed in various key areas. Regarding uniform tax, notable differences were identified between Up to10 years and 11 to 20 years of experience (P < 0.001), Up to10 years and 21 to 30 years of experience (P = 0.019), Up to10 years and above 30 years of experience (P < 0.001), 11 to 20 years and 21 to 30 years of experience (P < 0.001), 11 to 20 years and above 30 years of experience (P < 0.001), and 21 to 30 years and above 30 years of experience (P < 0.001). In respect of the "single taxable event", significant differences were found between Up to10 years and 11 to 20 years of experience (P = 0.009), Up to10 years and 21 to 30 years of experience (P < 0.001), 11 to 20 years and 21 to 30 years of experience (P < 0.001), and 21 to 30 years and above 30 years of experience

(P < 0.001). The GST-driven advantage of "single tax authority" exhibited statistically significant differences between Up to 10 years and 21 to 30 years of experience (P < 0.001) and 11 to 20 years and 21 to 30 years of experience (P < 0.001).

Regarding "easy tax compliance", significant differences were revealed between up to10 years and 11 to 20 years of experience (P < 0.001), up to10 years and above 30 years of experience (P < 0.001), 11 to 20 years and 21 to 30 years of experience (P < 0.001), and 21 to 30 years and above 30 years of experience (P = 0.005). Concerning "better transparency", differences were significant between up to10 years and 21 to 30 years of experience (P = 0.001), up to10 years and above 30 years of experience (P < 0.001), 11 to 20 years and above 30 years of experience (P < 0.001), and 21 to 30 years and above 30 years of experience (P < 0.001). For "no cascading effect", significant differences emerged between up to10 years and above 30 years of experience (P < 0.001), 11 to 20 years and above 30 years of experience (P = 0.004), and 21 to 30 years and above 30 years of experience (P = 0.007). Finally, regarding "seamless input tax credit", differences were significant between up to 10 years and 21 to 30 years of experience (P < 0.001), 11 to 20 years and 21 to 30 years of experience (P < 0.001), and 21 to 30 years and above 30 years of experience (P = 0.033).

Based on the mean scores, the resorts having administrators with 11 to 20 years of experience demonstrate greater advantages in "uniform tax" compared to those with up to 10 years of experience, 21-30 years of experience, and above 30 years of experience. In contrast, resorts with up to 10 years of experience enjoy superior "uniform tax" benefits than those with 21 to 30 years of experience and above 30 years of experience. Further, resorts having administrators with 21 to 30 years of experience outperform those with over 30 years of experience regarding "uniform tax"

In terms of "single taxable event", resorts having administrators with up to 10 years of experience benefit more than those with 11 - 20 years and 21 - 30 years of experience, whereas those with 11 - 20 years of experience have more advantages than those with 21 - 30 years of experience. The resorts with more than 30 years of experience outstrip those with 21 - 30 years of experience regarding single taxable event benefits. Regarding "single tax authority", resorts with administrators with up

to 10 years of experience and those with 11 – 20 years of experience achieve more advantages than those with 21 – 30 years of experience.

The resorts with administrators with up to 10 years of experience are excellent in the GST-driven advantage of "easy tax compliance". They benefit more than administrators with 11 to 20 years of experience and over 30 years of experience. Resorts with administrators of 21 – 30 years of experience have a greater advantage of "easy tax compliance" than those with 11 – 20 years of experience and over 30 years of experience. Regarding "better transparency," resorts having administrators with 21 - 30 years of experience have the edge over those with up to 10 years of experience and over 30 years of experience. Resorts with administrators of up to 10 years of experience and 11 – 20 years of experience benefit more from "better transparency" than those with over 30 years of experience.

Concerning "no cascading effect", the resorts with administrators of up to 10 years of experience, 11 – 20 years of experience, and 21 – 30 years of experience outshine those with administrators of over 30 years of experience. Finally, resorts with administrators of up to 10 years of experience and over 30 years of experience attain more from "seamless input tax credit" compared to those with 21 - 30 years of experience. Also, resorts with administrators of 11 - 20 years of experience enjoy more benefits than those with 21 - 30 years of experience.

7.7 Conclusion

A meticulous investigation of GST-driven advantages done through the second chapter reveals that the tourist resorts in Kerala perform at an above-average level in all the parameters of GST-driven advantages, and "easy tax compliance" is the most advantageous aspect of GST. While rural resorts outperform urban resorts in terms of "uniform taxation" and "single taxable event," urban resorts outperform rural resorts in terms of "easy tax compliance" and "no cascading effect." Regarding the overall performance, two-star resorts among star-rated resorts and wildlife resorts among types of resorts show the best performance. Among the resorts with administrators of varied experience durations, the experience groups in the middle, such as 11 - 20 years and 21 - 30 years, show the best overall performance than those at both ends.

Chapter 8

PERFORMANCE OF TOURIST RESORTS IN KERALA AFTER IMPLEMENTING GST REFORM

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8.1 Introduction

The GST reform is a transformative tax policy with notable implications for various sectors, including tourism, which plays a vital role in Kerala's economy. This chapter seeks to understand the performance of tourist resorts in key tourism areas in Kerala after implementing GST reform. To get an in-depth understanding, the various performance indicators of tourist resorts are classified under five major heads: financial, marketing, operational, social, and tourist experience indicators. By observing these areas, the study aims to provide a comprehensive understanding of the influence of GST reform and offer actionable views for improving business strategies in the context of evolving tax regulations.

8.2 Objectives covered

This chapter covers the third and fourth objectives of the study.

Objective 3: To investigate the financial, marketing, and operational performance of tourist resorts in Kerala after implementing GST reforms.

Objective 4: To analyse social performance and tourist experience indicators of tourist resorts in Kerala after implementing GST reforms.

8.3 Statistical Methods Employed

Several statistical methods are employed to achieve the above mentioned objectives, including the mean and standard deviation, to summarise the data set and measure its variability. The one-sample t-test is employed to determine whether the mean of a single sample significantly differs from a known population mean. In contrast, the independent t-test compares the means of two independent groups to identify significant differences. Additionally, Analysis of Variance (ANOVA) is conducted to

assess differences among three or more group means and determine whether at least one group is significantly different from other groups. When significant differences are found, Tukey's post hoc analysis is adopted to pinpoint which specific group means differ, providing deeper insights into the relationships within the data. These statistical techniques facilitate a comprehensive understanding of the data and allow for meaningful conclusions aligning with the study objectives.

8.4 Extent of Financial Performance of Tourist Resorts in Kerala in the context of GST Reform

The following indicators are used to analyse the financial performance of tourist resorts in Kerala:

1. Revenue generation
2. Profitability
3. Foreign exchange earnings
4. Total tourism revenue earnings
5. Contribution to State GDP

The following socio-demographic profile of the tourist resorts is used for cross-comparison analysis for this objective:

1. Location of the resort
2. Star rating of the resort
3. Type of resort
4. Experience-duration of resort administrators

H0. 3.1 GST reform resulted in an average performance in the financial performance indicators of tourist resorts in Kerala

Table 8.1

One sample t-test for measuring the extent of financial performance of tourist resorts in Kerala in the context of GST reform

SI. No.	Financial Performance Indicators	Mean	SD	Mean Difference (Gap)	t-Value	P-Value	Rank based on mean
1	Revenue Generation	3.63	0.45	0.63	32.44	<0.001**	III
2	Profitability	3.59	0.59	0.59	23.47	<0.001**	IV
3	Foreign Exchange Earnings	3.51	0.41	0.51	20.72	<0.001**	V
4	Total Tourism Revenue Earnings	3.95	0.36	0.95	44.08	<0.001**	II
5	Contribution to State GDP	4.25	0.61	1.25	47.91	<0.001**	I

Source: Primary data
***denotes significant at 1% level; Test value is 3*

The statistical analysis of financial performance indicators of tourist resorts in Kerala in the context of GST reform demonstrates significant results. Using a one-sample t-test, the mean scores for various indicators reveal that "contribution to state GDP" ranks the highest score of 4.25 with a t-value of 47.91 and p-value < 0.001, indicating it is well above the hypothesized test value of 3, confirming its substantial contribution to the economy. The "total tourism revenue earnings" also shows a significant positive effect following a mean score of 3.95, t-value of 44.08, and p-value of < 0.001. Further, both "revenue generation" (mean of 3.63) and "profitability" (mean of 3.59) also indicate favorable outcomes under the GST framework, though they rank lower in terms of influence. Finally, Foreign Exchange Earnings, though ranking last with a mean value of 3.51, still reflect significant involvement, reinforcing the idea that GST plays a crucial role in enhancing the financial dynamics of the tourism sector.

From a layman's perspective, these findings indicate that implementing GST has markedly improved the financial performance of tourist resorts in Kerala. The high score for "contribution to State GDP" suggests that the overall economic benefits are substantial, indicating that the resorts significantly contribute to the state's economic health. Additionally, the strong results in "total tourism revenue earnings" and "revenue generation" imply that the resorts attract more tourists and generate higher income, directly benefiting local economies. Practically, this underscores the importance of maintaining supportive GST policies to foster continued growth in tourism. Stakeholders and resort operators are encouraged to leverage these positive indicators to enhance their services further and attract more visitors. These, ultimately, drive economic development and expansion in this sector.

H0. 3.2. There is no significant difference in the financial performance indicators of rural and urban resorts in Kerala in the context of GST reform

Table 8.2

Independent T-test for testing the significant difference in the financial performance indicators of rural and urban resorts in Kerala in the context of GST reform

Financial Performance Indicators	Location	Mean	SD	t-Value	P-Value
Revenue Generation	Rural	3.72	0.40	5.73	<0.001**
	Urban	3.50	0.50		
Profitability	Rural	3.61	0.53	0.65	<0.001**
	Urban	3.57	0.67		
Foreign Exchange Earnings	Rural	3.49	0.38	-0.66	0.509^{NS}
	Urban	3.53	0.44		
Total Revenue Earning	Rural	3.93	0.36	-1.48	0.140^{NS}
	Urban	3.99	0.34		
State GDP	Rural	4.25	0.64	0.28	0.007**
	Urban	4.24	0.56		

Source: Primary data
***denotes significant at 1% level; NS denotes non-significant.*

Table 8.2 indicates significant differences in the impact of GST on financial performance between rural and urban tourist resort resorts in Kerala based on selected indicators. The P-values for the performance indicators such as "revenue generation" and "profitability" are less than 0.001, stating highly significant differences. However, "foreign exchange earnings" and "total tourism revenue earnings" have P-values of 0.509 and 0.140, respectively, which are not statistically significant, expressing no significant difference between rural and urban resorts in Kerala regarding the abovementioned indicators. Regarding the "contribution to state GDP", the P-value of 0.007 is significant, indicating that the performance of rural resorts is slightly better compared to urban ones.

Regarding financial performance, rural tourist resorts in Kerala tend to perform better in terms of "revenue generation" and "profitability" than urban resorts. This means that if we examine how much money the resorts bring in and how profitable they are, the rural resorts are doing well. Regarding foreign exchange and total tourism revenue earnings, there isn't a noticeable difference between the two types of resorts. Further, rural resorts contribute a bit more to the state's GDP than urban resorts.

H0.3.3. There is no significant difference in the financial performance indicators of varied star-rated tourist resorts in Kerala in the context of GST reform

Table 8.3

ANOVA test for testing the significant difference in the financial performance indicators of varied star-rated resorts in the context of GST reform

Financial Performance Indicators	Star Rating	Mean	SD	F-Value	P-Value
Revenue Generation	One Star	4.00	0.00	46.91	<0.001**
	Two Star	3.65	0.47		
	Three Star	3.43	0.45		
	Four Star	3.87	0.29		
	Five Star	3.33	0.47		

Financial Performance Indicators	Star Rating	Mean	SD	F-Value	P-Value
Profitability	One Star	3.47	0.50	73.51	<0.001**
	Two Star	4.49	0.54		
	Three Star	3.55	0.47		
	Four Star	3.45	0.43		
	Five Star	3.24	0.54		
Foreign Exchange Earnings	One Star	3.46	0.42	0.09	0.983^{NS}
	Two Star	3.53	0.33		
	Three Star	3.51	0.42		
	Four Star	3.50	0.42		
	Five Star	3.52	0.41		
Total Tourism Revenue Earning	One Star	3.82	0.33	1.90	0.110^{NS}
	Two Star	3.90	0.43		
	Three Star	3.96	0.33		
	Four Star	3.96	0.37		
	Five Star	4.08	0.29		
Contribution to State GDP	One Star	4.25	0.00	12.95	<0.001**
	Two Star	3.97	0.81		
	Three Star	4.31	0.62		
	Four Star	4.14	0.55		
	Five Star	4.63	0.48		

Source: Primary data
***denotes significant at 1% level*; NS denotes non-significant.

The ANOVA test results demonstrate significant differences in the impact of GST on the financial performance of tourist resorts, which have different star ratings based on selected performance indicators. For revenue generation, profitability, and contribution to state GDP, the p-values are less than 0.001, indicating highly significant differences in the GST impact among different star-rated resorts. This reveals that resorts with varying star ratings exhibit markedly different performances

regarding the abovementioned indicators. However, for foreign exchange and total tourism revenue earnings, the p-values are 0.983 and 0.110, respectively. This shows no significant difference in the impact of GST on different star-rated resorts regarding the above indicators.

Table 8.4

Post Hoc Test for the significant difference in the financial performance indicators of varied star-rated resorts in the context of GST reform

Financial Performance Indicators	Star Rating (I)	Star Rating (J)	Mean Difference (I-J)	Std. Error	P-Value
Revenue Generation	One Star	Two Star	0.342	0.075	<0.001**
		Three Star	0.562	0.065	<0.001**
		Four Star	0.124	0.066	0.327^{NS}
		Five Star	0.666	0.076	<0.001**
	Two Star	Three Star	0.219	0.055	0.001**
		Four Star	-0.218	0.056	0.001**
		Five Star	0.323	0.068	<0.001**
	Three Star	Four Star	-0.437	0.041	<0.001**
		Five Star	0.104	0.056	0.345^{NS}
	Four Star	Five Star	0.541	0.057	<0.001**
Profitability	One Star	Two Star	-1.014	0.091	<0.001**
		Three Star	-0.071	0.079	0.895^{NS}
		Four Star	0.022	0.080	0.999^{NS}
		Five Star	0.235	0.093	0.084^{NS}
	Two Star	Three Star	0 .942	0.067	<0.001**
		Four Star	1.036	0.068	<0.001**
		Five Star	1.250	0.083	<0.001**
	Three Star	Four Star	0.094	0.050	0.339^{NS}
		Five Star	0.307	0.068	<0.001**
	Four Star	Five Star	0.213	0.070	0.021*

Financial Performance Indicators	Star Rating (I)	Star Rating (J)	Mean Difference (I-J)	Std. Error	P-Value
Contribution to State GDP	One Star	Two Star	0.278	0.111	0.093^{NS}
		Three Star	-0.060	0.096	0.971^{NS}
		Four Star	0.105	0.097	0.815^{NS}
		Five Star	-0.386	0.112	0.006**
	Two Star	Three Star	-0.338	0.081	<0.001**
		Four Star	-0.172	0.083	0.235^{NS}
		Five Star	-0.664	0.100	<0.001**
	Three Star	Four Star	0.165	0.061	0.055^{NS}
		Five Star	-0.326	0.083	0.001**
	Four Star	Five Star	-0.492	0.085	<0.001**

Source: Primary data
*** denotes significant at 1% level, * denotes significant at 5% level, 3. 'NS' denotes non-significant.*

In analysing financial performance indicators for different star-rated tourist resorts in Kerala, several significant P-values reveal meaningful differences across various star ratings. For revenue generation, resorts with one star have a significant difference compared to two-star, three-star, and five-star resorts ($P < 0.001$), indicating a clear distinction in "revenue generation". Two-star resorts also significantly differ from three-star, four-star, and five-star resorts, with P- values less than 0.001. Notably, three-star and five-star resorts significantly differ from four-star resorts ($P < 0.001$). The result illustrates distinct revenue generation patterns between star-rates categories of resorts.

In terms of profitability, significant differences are observed for one-star resorts compared to two-star resorts ($P < 0.001$), between two-star and three-star, between two-star and four-star, and between two-star and five-star resorts ($P < 0.001$). As well as significant differences were also observed between three-star and five-star resorts ($P < 0.001$) and between four-star and five-star resorts ($P=0.021$). More specifically, two-star resorts outperform one-star, three-star, four-star, and five-star resorts. Three-star and four-star resorts outperform five-star resorts.

Regarding contribution to state GDP, significant differences are found between one-star and five-star resorts (P = 0.006), between two-star and three-star resorts (P < 0.001), and between two-star and five-star resorts (P = 0.001). Further, three-star resorts significantly differ from five-star resorts (p < 0.001), and four-star resorts differ from five-star resorts (p = 0.021). These results highlight notable disparities in financial performance and economic impact across different star-rated tourist resorts.

According to the mean scores, one-star and four-star resorts outperform two-star, three-star, and five-star resorts in "revenue generation". Further, two-star resorts surpass three-star and five-star resorts regarding "revenue generation". Yet, regarding profitability, two-star resorts excel above one-star, three-star, four-star, and five-star resorts. In addition, three-star and four-star resorts are more profitable than five-star resorts. Regarding "contribution to state GDP", five-star resorts have a greater impact than one-star, two-star, three-star, and four-star resorts. Notably, three-star resorts have a higher effect on "contribution to state GDP" than two-star resorts.

H0.3.4 There is no significant difference in the financial performance indicators of varied resort types in the context of GST reform.

Table 8.5

ANOVA test for testing the significant difference in the financial performance indicators of varied types of resorts in the context of GST reform.

Financial Performance Indicators	Type of Resorts	Mean	SD	F-Value	P-Value
Revenue Generation	Beach Resort	3.73	0.41	24.79	<0.001**
	Backwater Resort	3.69	0.43		
	Hill Station Resort	3.62	0.48		
	Wildlife resort	3.14	0.20		
Profitability	Beach Resort	3.25	0.42	35.73	<0.001**
	Backwater Resort	3.70	0.61		
	Hill Station Resort	3.70	0.63		
	Wildlife resort	4.03	0.15		

Financial Performance Indicators	Type of Resorts	Mean	SD	F-Value	P-Value
Foreign Exchange Earnings	Beach Resort	3.52	0.36	0.27	0.846^{NS}
	Backwater Resort	3.47	0.42		
	Hill Station Resort	3.52	0.41		
	Wildlife resort	3.54	0.51		
Total Tourism Revenue Earning	Beach Resort	3.99	0.37	7.83	<0.001**
	Backwater Resort	3.82	0.38		
	Hill Station Resort	4.06	0.29		
	Wildlife resort	3.82	0.36		
Contribution to State GDP	Beach Resort	3.87	0.61	38.04	<0.001**
	Backwater Resort	4.37	0.68		
	Hill Station Resort	4.36	0.42		
	Wildlife resort	4.65	0.37		

Source: Primary data
***denotes significant at 1% level*; NS denotes non-significant.

The ANOVA test shows significant differences among the types of tourist resorts in Kerala concerning several financial performance indicators. For revenue generation, profitability, total revenue earning, and contribution to state GDP, the p-values are less than 0.001, indicating significant differences in GST impact among various resort types. It can be stated that there is a 1% level of significance difference among the types of tourist resorts in Kerala concerning the above-mentioned financial indicators. However, for foreign exchange earnings, the p-value is 0.846, showing no significant difference across the resort types.

Table 8.6

Post Hoc Test for the significant difference in the financial performance indicators of varied resort types in the context of GST reform

Financial Performance Indicators	Type of Resorts (I)	Type of Resorts (J)	Mean Difference (I-J)	Std. Error	P-Value
Revenue Generation	Beach Resort	Backwater Resort	0.041	0.049	0.827^{NS}
		Hill Station Resort	0.111	0.045	0.073^{NS}
		Wildlife resort	0.594	0.070	<0.001**
	Backwater Resort	Hill Station Resort	0.069	0.047	0.456^{NS}
		Wildlife resort	0.552	0.071	<.001**
	Hill Station Resort	Wildlife resort	0.483	0.069	<0.001**
Profitability	Beach Resort	Backwater Resort	-0.449	0.062	<0.001**
		Hill Station Resort	-0.450	0.058	<0.001**
		Wildlife resort	-0.778	0.090	<0.001**
	Backwater Resort	Hill Station Resort	-0.000	0.060	1.000^{NS}
		Wildlife resort	-0.328	0.091	0.002**
	Hill Station Resort	Wildlife resort	-0.328	0.088	0.001**
Total Tourism Revenue Earning	Beach Resort	Backwater Resort	0.160	0.055	0.023*
		Hill Station Resort	-0.076	0.052	0.465^{NS}
		Wildlife resort	0.165	0.080	0.175^{NS}
	Backwater Resort	Hill Station Resort	-0.236	0.053	<0.001**
		Wildlife resort	0.004	0.081	1.000^{NS}
	Hill Station Resort	Wildlife resort	0.241	0.079	0.014*
Contribution to State GDP	Beach Resort	Backwater Resort	-0.496	0.063	<0.001**
		Hill Station Resort	-0.491	0.059	<0.001**
		Wildlife resort	-0.778	0.091	<0.001**
	Backwater Resort	Hill Station Resort	0.005	0.061	1.000^{NS}
		Wildlife resort	-0.281	0.092	0.014*
	Hill Station Resort	Wildlife resort	-0.286	0.090	0.009**

Source: Primary data
*** denotes significant at 1% level., * denotes significant at 5% level, NS denotes non-significant.*

The Post Hoc Test evaluates several significant differences in financial indicators between types of tourist resorts in Kerala. For revenue generation, wildlife resorts

significantly differ from beach resorts ($p < 0.001$), backwater resorts ($p < 0.001$) and hill station resorts ($p < 0.001$). In terms of profitability, beach resorts are significantly different from backwater resorts ($p < 0.001$), hill station resorts ($p < 0.001$), and wildlife resorts ($p < 0.001$). Wildlife resorts differ significantly from backwater resorts ($p < 0.001$) and hill station resorts ($p < 0.001$).

In the case of total tourism revenue earnings, significant differences are noticed between beach resorts and backwater resorts ($p = 0.023$), backwater resorts and hill station resorts ($p < 0.001$), and between hill station resorts and wildlife resorts ($p = 0.014$). State GDP also shows significant differences across several comparisons. Beach resorts are significantly different from backwater resorts ($p < 0.001$), hill station resorts ($p < 0.001$), and wildlife resorts ($p < 0.001$). Backwater resorts differ significantly from wildlife resorts ($p = 0.014$). A significant difference is also found between hill Station resorts and wildlife resorts ($p = 0.009$).

The analysis of financial indicators across different types of tourist resorts in Kerala reveals various distinct trends. Beach resorts show a greater influence on revenue generation than wildlife resorts, reflecting their greater financial performance in this area. Similarly, backwater resorts and hill station resorts also show greater revenue generation than wildlife resorts, recommending that wildlife resorts lag in generating revenue. In case of profitability, wildlife resorts excel beyond beach resorts, backwater resorts, and hill station resorts, making them the most profitable. Interestingly, both backwater and hill station resorts exceed beach resorts in profitability. Regarding total revenue earnings, beach resorts outshine backwater resorts, whereas hill station resorts lead in revenue generation compared to backwater resorts and wildlife resorts. Eventually, concerning contribution to state GDP, wildlife resorts make the most significant impact than hill station resorts, backwater resorts, and beach resorts. As well as backwater resorts and hill station resorts outperform beach resorts in terms of contribution to state GDP.

H0.3.5 There is no significant difference in the Financial Performance indicators of Tourist Resorts with administrators of different experience durations in the context of GST reform

Table 8.7

ANOVA test for testing the significant difference in the financial performance indicators of Tourist resorts with administrators of different experience durations

Financial Performance Indicators	Years of Experience	Mean	SD	F-Value	P-Value
Revenue Generation	Up to 10 years	3.79	0.40	27.99	<0.001**
	11 to 20 years	3.42	0.44		
	21 to 30 years	3.62	0.46		
	Above 30 years	4.00	0.00		
Profitability	Up to 10 years	4.09	0.72	85.28	<0.001**
	11 to 20 years	3.64	0.46		
	21 to 30 years	3.26	0.41		
	Above 30 years	4.00	0.00		
Foreign Exchange Earnings	Up to 10 years	3.50	0.37	0.03	0.992^{NS}
	11 to 20 years	3.50	0.46		
	21 to 30 years	3.51	0.39		
	Above 30 years	3.53	0.43		
Total Tourism Revenue Earning	Up to 10 years	3.87	0.39	6.32	<0.001**
	11 to 20 years	3.85	0.38		
	21 to 30 years	4.03	0.31		
	Above 30 years	4.10	0.30		
Contribution to State GDP	Up to 10 years	4.08	0.64	10.20	<0.001**
	11 to 20 years	4.18	0.85		
	21 to 30 years	4.30	0.37		
	Above 30 years	4.62	0.37		

Source: Primary data
***denotes significant at 1% level*; NS denotes non-significant.

The ANOVA test results reveal significant differences in the financial indicators based on the duration of industry experience of resort administrators in Kerala. For "revenue generation," "profitability," "total tourism revenue earnings," and "contribution to state GDP," the p-values are all less than 0.001, indicating statistically significant differences of 1% across different experience groups, such as up to 10 years, 11 - 20 years, 21 - 30 years, and over 30 years.

In contrast, "foreign exchange earnings" exhibit a p-value of 0.992, suggesting that experience duration does not significantly impact this indicator. So, the null hypothesis is accepted. This indicates no significant difference in the "foreign exchange earnings" of tourist resorts with regard to resort administrators' experience.

Table 8.8

Post Hoc Test for the significant difference in the financial performance indicators of tourist resorts with administrators of different experience durations

Financial Performance Indicators	Years of Experience (I)	Years of Experience (J)	Mean Difference (I-J)	Std. Error	P-Value
Revenue Generation	Up to 10 years	11 to 20 years	0.369	0.053	<0.001**
		21 to 30 years	0.169	0.048	0.003**
		Above 30 years	-0.206	0.076	0.034*
	11 to 20 years	21 to 30 years	-0.199	0.044	<0.001**
		Above 30 years	-0.576	0.073	<0.001**
	21 to 30 years	Above 30 years	-0.376	0.070	<0.001**
Profitability	Up to10 years	11 to 20 years	0.450	0.061	<0.001**
		21 to 30 years	0.828	0.055	<0.001**
		Above 30 years	0.090	0.087	0.731^{NS}
	11 to 20 years	21 to 30 years	0.377	0.051	<0.001**
		Above 30 years	-0.360	0.084	<0.001**
	21 to 30 years	Above 30 years	-0.737	0.081	<0.001**

Financial Performance Indicators	Years of Experience (I)	Years of Experience (J)	Mean Difference (I-J)	Std. Error	P-Value
Total Tourism Revenue Earnings	Up to10 years	11 to 20 years	0.017	0.061	0.992^{NS}
		21 to 30 years	-0.158	0.056	0.026*
		Above 30 years	-0.233	0.088	0.042*
	11 to 20 years	21 to 30 years	-0.176	0.051	0.004**
		Above 30 years	-0.250	0.085	0.019*
	21 to 30 years	Above 30 years	-0.074	0.081	0.798^{NS}
Contribution to State GDP	Up to10 years	11 to 20 years	-0.098	0.073	0.546^{NS}
		21 to 30 years	-0.223	0.067	0.005**
		Above 30 years	-0.543	0.105	<0.001**
	11 to 20 years	21 to 30 years	-0.125	0.062	0.180^{NS}
		Above 30 years	-0.445	0.102	<0.001**
	21 to 30 years	Above 30 years	-0.319	0.098	0.007^{NS}

Source: Primary data
*** denotes significant at 1% level, * denotes significant at 5% level, 'NS' denotes non-significant.*

Table 8.8 provides results from a post hoc test, analysing the impact of GST on financial performance indicators of tourist resorts in Kerala based on the experience durations of resort administrators. For "revenue generation", significant differences are noted across several comparisons. Resorts with administrators of up to 10 years of experience show a significant difference in "revenue generation" when compared to those with 11 to 20 years of experience ($p < 0.001$), 21 to 30 years of experience ($p = 0.003$), and over 30 years of experience ($p = 0.034$). Resorts with administrators of 11 to 20 years of experience also exhibit significant differences in "revenue generation" compared to those with 21 to 30 years ($p < 0.001$) and above 30 years of experience ($p < 0.001$). Similarly, resorts with administrators with 21 to 30 years of experience show significant differences compared to those with over 30 years of experience ($p < 0.001$).

For "profitability", significant differences are observed for resorts with administrators of up to 10 years of experience when compared to those with 11 to 20 years ($p < 0.001$) and 21 to 30 years ($p < 0.001$) of experience. Significant differences are also

found for resorts with administrators of 11 to 20 years of experience, compared to those with 21 to 30 years ($p < 0.001$) and over 30 years ($p < 0.001$). Notably, resorts with administrators of 21 to 30 years of experience exhibit significant differences in "profitability" compared to those with over 30 years ($p < 0.001$) of experience. For "total tourism revenue earnings", resorts with administrators of up to 10 years of experience show significant differences compared to those with 21 to 30 years ($p = 0.026$) and above 30 years ($p = 0.042$) of experience. Resorts with administrators of 11 – 20 years of experience significantly differed from resorts with experience of 21 to 30 and over 30 years.

Finally, in terms of "contribution to state GDP", significant differences are found for resorts with administrators of up to 10 years of experience compared to those with 21 to 30 years ($p = 0.005$) and over 30 years ($p < 0.001$) of experience, and between resorts with administrators of 11 to 20 years of experience and those with over 30 years ($p = 0.007$) of experience.

Based on the analysis of "revenue generation," "profitability," "total tourism revenue earnings," and "contribution to state GDP," resorts with varying levels of experience show distinct performance trends. Resorts with administrators of up to 10 years of experience are better in "revenue generation" compared to those with 11 to 20 years ($p < 0.001$) of experience and 21 – 30 years ($p = 0.003$) of experience. However, resorts with administrators of 21 to 30 years of experience exceed those with experience of 11 to 20 years, showing that experience plays a crucial role in financial performance. Moreover, resorts with administrators with over 30 years of experience attain the highest revenue generation among all categories, reflecting the substantial benefits of long-term industry presence. Regarding profitability, resorts with administrators of up to 10 years of experience outperform those with 11 to 20 years and 21 to 30 years of experience. Despite this, resorts with administrators of 11 to 20 years of experience show greater profitability than those with 21 to 30 years. Resorts with over 30 years of experience exceed those with 11 to 20 years and 21 to 30 years in terms of profitability, indicating that extensive experience can significantly improve financial efficiency. In terms of total revenue earnings, resorts with

administrators of 21 to 30 years of experience have a more prominent effect on total revenue earnings compared to those with up to 10 years and 11 to 20 years of experience. Similarly, resorts with administrators with over 30 years of experience have a superior impact on total revenue earnings than those with experience of up to 10 years and 11 to 20 years. Additionally, resorts with administrators of 21 to 30 years of experience have a more prominent impact on "contribution to state GDP" than those with up to 10 years of experience. Resorts with administrators of over 30 years of experience also positively impact "contribution to state GDP", surpassing the impact of those with up to 10 years and 11 to 20 years of experience.

8.5 Extent of Marketing Efficiency of Tourist Resorts in Kerala in the context of GST Reform

The following constructs are used to analyse the marketing performance of tourist resorts in Kerala:

1. Domestic tourist arrivals
2. Foreign tourist arrivals
3. Pricing strategy effectiveness

The following socio-demographic profile of the tourist resorts is used for cross-comparison analysis for this objective:

1. Location of resort
2. Star rating of resort
3. Type of resort
4. Experience-duration of resort administrators

H0. 3.6 GST reform resulted in an average performance in the marketing efficiency indicators of tourist resorts in Kerala

Table 8.9

One sample t-test for measuring the extent of marketing performance of tourist resorts in Kerala in the context of GST reform

Sl. No.	Marketing Efficiency Indicators	Mean	SD	Mean Difference (Gap)	t-Value	P-Value	Rank based on mean
1	Domestic Tourist Arrivals	3.22	0.48	0.22	7.79	<0.001**	III
2	Foreign Tourist Arrivals	3.46	0.38	0.46	19.92	<0.001**	II
3	Pricing Strategy Effectiveness	3.85	0.69	0.85	29.01	<0.001**	I

Source: Primary data
*** denotes significant at 1% level; Test value = 3*

The one-sample t-test results of the impact of GST implementation on the marketing performance of tourist resorts in Kerala indicate significant positive impacts on various performance indicators. The test was conducted with a test value of 3. The mean difference (Gap) between the test value and the observed means for all three indicators—Domestic Tourist Arrival, Foreign Tourist Arrival, and Pricing Strategy Effectiveness—is positive and statistically significant at the 1% level ($p < 0.001$). Specifically, the mean difference for Domestic Tourist Arrival is 0.22 with a t-value of 7.79, indicating a substantial increase in domestic tourist visits during the post-GST era. Foreign Tourist Arrival shows a mean difference of 0.46 and a t-value of 19.92, suggesting a significant rise in international tourists. The Pricing Strategy Effectiveness has the highest mean difference of 0.85 and a t-value of 29.01, indicating that GST adoption has most effectively impacted pricing strategies. The rankings based on the mean differences are as follows: Pricing Strategy Effectiveness – 1st, Foreign Tourist Arrivals – 2nd, and Domestic Tourist Arrivals – 3rd, highlighting the relative strengths of GST benefits.

The statistical analysis shows that implementing GST has significantly affected various aspects of marketing performance in tourist resorts in Kerala. After implementing GST, domestic and international tourist arrivals to the resorts have increased significantly. Additionally, the resorts have found their pricing strategies to be much more effective, making attracting and retaining customers easier. Among the marketing performance indicators, the most significant improvement is observed in how well resorts can manage their pricing strategies, followed by an improvement in foreign tourists and an increase in domestic tourists. Overall, the adoption of GST seems to benefit the tourist resort in Kerala in terms of marketing performance indicators.

H0.3.7. There is no significant difference in the marketing efficiency indicators of rural and urban tourist resorts in Kerala in the context of GST reform

Table 8.10

Independent T-test for testing the significant difference in the marketing efficiency indicators of rural and urban tourist resorts in the context of GST reform

Marketing Efficiency Indicators	Location of the Resort	Mean	SD	t-Value	P-Value
Domestic Tourist Arrivals	Rural	3.26	0.54	1.52	0.130 ^{NS}
	Urban	3.17	0.39		
Foreign Tourist Arrivals	Rural	3.46	0.41	-0.14	0.881^{NS}
	Urban	3.46	0.34		
Pricing Strategy Effectiveness	Rural	4.00	0.51	5.94	<0.001**
	Urban	3.66	0.84		

Source: Primary data
***denotes significant at 1% level; * denotes significant at 5% level, NS denotes Not Significant*

The independent T-test results show no significant difference in domestic and foreign tourist arrivals between rural and urban areas, with P values of 0.130 and 0.881, respectively. This implies that the impact of GST implementation on foreign and domestic tourist arrivals is the same in both rural and urban tourist resorts in Kerala. However, for pricing strategy effectiveness, the P value is less than 0.001, showing a

highly significant difference of 1% level. This shows that pricing strategy effectiveness is significantly better in rural areas than in urban areas, with strong statistical confidence.

The analysis demonstrates that whether a resort is in a rural or an urban area does not change the number of domestic and foreign tourists visiting it. Yet, resorts in rural areas are notably better at setting effective pricing strategies than those in urban areas. In other words, the number of domestic and foreign tourist arrivals remains about the same regardless of the location of tourist resorts. The rural resorts are more successful at pricing their services effectively than their urban counterparts.

H0.3.8. There is no significant difference in the marketing efficiency indicators of tourist resorts with varied star ratings in Kerala in the context of GST reform

Table 8.11

ANOVA Test for testing the significant difference in the marketing efficiency indicators of varied star-rated resorts in Kerala in the context of GST reform

Marketing Efficiency Indicators	Star Rating	Mean	SD	F-Value	P-Value
Domestic Tourist Arrivals	One Star	3.17	0.06	2.92	0.021*
	Two Star	3.37	0.17		
	Three Star	3.17	0.63		
	Four Star	3.16	0.44		
	Five Star	3.43	0.43		
Foreign Tourist Arrivals	One Star	3.50	0.31	5.40	0.950^{NS}
	Two Star	3.49	0.33		
	Three Star	3.43	0.44		
	Four Star	3.43	0.36		
	Five Star	3.56	0.34		
Pricing Strategy Effectiveness	One Star	4.00	0.00	26.53	<0.001**
	Two Star	4.42	0.31		
	Three Star	3.94	0.61		
	Four Star	3.54	0.85		
	Five Star	3.71	0.55		

Source: Primary data
***denotes significant at 1% level;* * denotes significant at 5% level; ^{NS} *denotes Not Significant*

The ANOVA test results show significant differences in the impact of GST implementation on marketing efficiency indicators among various star-rated tourist resorts in Kerala. For "**domestic tourist arrivals"**, the P-value of 0.021 indicates a statistically significant difference at the 5% level, indicating that the number of domestic tourists varies significantly with the star rating of the resorts. Similarly, "**pricing strategy effectiveness"** exhibits a highly significant difference with a P-value of less than 0.001, showing that the effectiveness of pricing strategies varies greatly depending on the resort's star rating. In contrast, "foreign tourist arrivals" does not denote any significant difference across the star ratings, with a P-value of 0.950, indicating that foreign tourist arrivals are about the same regardless of the star rating of the resorts.

Table 8.12

Post Hoc Test for the significant difference in the marketing efficiency indicators of varied star-rated resorts in Kerala in the context of GST reform

Marketing Efficiency Indicators	Star Rating (I)	Star Rating (J)	Mean Difference (I-J)	Std. Error	P-Value
Domestic Tourist Arrivals	One Star	Two Star	-0.197	0.129	0.548^{NS}
		Three Star	-0.004	0.111	1.000^{NS}
		Four Star	0.004	0.113	1.000^{NS}
		Five Star	-0.263	0.132	0.271^{NS}
	Two Star	Three Star	0.193	0.094	0.250^{NS}
		Four Star	0.201	0.096	0.231^{NS}
		Five Star	-0.066	0.118	0.981^{NS}
	Three Star	Four Star	0.008	0.071	1.000^{NS}
		Five Star	-0.259	0.098	0.049*
	Four Star	Five Star	-0.267	0.100	0.060^{NS}

Marketing Efficiency Indicators	Star Rating (I)	Star Rating (J)	Mean Difference (I-J)	Std. Error	P-Value
Pricing Strategy Effectiveness	One Star	Two Star	-0.428	0.121	0.004**
		Three Star	0.057	0.104	0.982^{NS}
		Four Star	0.455	0.106	<0.001**
		Five Star	0.287	0.122	0.132^{NS}
	Two Star	Three Star	0.486	0.088	<0.001**
		Four Star	0.884	0.090	<0.001**
		Five Star	0.716	0.109	<0.001**
	Three Star	Four Star	0.398	0.066	<0.001**
		Five Star	0.230	0.090	0.083^{NS}
	Four Star	Five Star	-0.168	0.092	0.367^{NS}

Source: Primary data
*** denotes significant at 1% level, * denotes significant at 5% level,*
'NS' denotes non-significant.

In analysing marketing efficiency indicators for tourist resorts in Kerala, significant differences were noted in the categories of domestic tourist arrival and pricing strategy effectiveness. For domestic tourist arrival, the only significant result was found between three-star and five-star resorts, with a p-value of 0.049*, indicating a significant difference at the 5% level. This suggests that the arrival rates of domestic tourists differ notably between these star ratings, whereas all other comparisons in this category were non-significant, with p-values exceeding 0.05.

Regarding pricing strategy effectiveness, there are significant differences among the star-rated resorts. Specifically, the pricing strategies of one-star resorts are noticeably different from those of two-star and four-star resorts. Similarly, two-star resorts have significantly differed from the pricing strategies of three-star, four-star, and five-star resorts. Further, three-star resorts are significantly different from the pricing strategy of four-star resorts.

When evaluating domestic tourist arrivals, five-star resorts outperform three-star resorts. It indicates that five-star resorts attract a greater number of domestic visitors compared to three-star resorts. This significant difference underscores five-star

resorts' superior appeal or marketing effectiveness in drawing domestic tourists. In terms of pricing strategies, two-star resorts demonstrate notably higher effectiveness compared to one-star ($p = 0.004$**), three-star ($p < 0.001$**), four-star ($p < 0.001$**), and five-star resorts ($p < 0.001$**) reflecting more strategic and successful pricing approaches. Conversely, one-star resorts exhibit higher pricing strategy effectiveness than four-star resorts. Additionally, three-star resorts have more effective pricing strategies than four-star resorts, emphasizing the variability in pricing strategy effectiveness among different star ratings.

This comprehensive analysis highlights the disparity between tourist attraction and pricing effectiveness across various star ratings. While five-star resorts lead in domestic arrivals, two-star resorts excel in pricing strategy effectiveness.

H0.3.9. There is no significant difference in the marketing efficiency indicators of varied types of resorts in Kerala in the context of GST reform.

Table 8.13

ANOVA Test for testing the significant difference in the marketing efficiency indicators of varied types of resorts in Kerala in the context of GST reform

Marketing Efficiency Indicators	Type of Resort	Mean	SD	F-Value	P-Value
Domestic Tourist Arrivals	Beach Resort	3.06	0.30	10.93	<0.001**
	Backwater Resort	3.21	0.49		
	Hill Station Resort	3.26	0.57		
	Wildlife resort	3.67	0.31		
Foreign Tourist Arrivals	Beach Resort	3.41	0.38	2.00	0.113^{NS}
	Backwater Resort	3.51	0.36		
	Hill Station Resort	3.43	0.42		
	Wildlife resort	3.59	0.26		
Pricing Strategy Effectiveness	Beach Resort	3.62	0.73	30.27	<0.001**
	Backwater Resort	3.65	0.74		
	Hill Station Resort	4.09	0.51		
	Wildlife resort	4.34	0.37		

Source: Primary data
***denotes significant at 1% level*, 'NS' denotes non-significant

The ANOVA test results indicate significant differences in domestic tourist arrivals and pricing strategy effectiveness among different types of tourist resorts in Kerala. For domestic tourist arrivals, the p-value is less than 0.001**, showing a highly significant difference between resort types, with wildlife resorts having the highest mean arrivals. In contrast, the p-value for foreign tourist arrivals is 0.113, indicating no significant difference between resort types in attracting foreign visitors. Regarding pricing strategy effectiveness, the p-value is less than 0.001**, reflecting a significant variation across resort types, with wildlife and hill station resorts demonstrating notably higher effectiveness than beach and backwater resorts.

Table 8.14

Post Hoc Test for the significant difference in the marketing efficiency indicators of varied types of resorts in Kerala in the context of GST reform

Marketing Efficiency Indicators	Type of Resorts (I)	Type of Resorts (J)	Mean Difference (I-J)	Std. Error	P-Value
Domestic Tourist Arrivals	Beach Resort	Backwater Resort	-0.153	0.074	0.172^{NS}
		Hill Station Resort	-0.200	0.069	0.023*
		Wildlife resort	-0.609	0.107	<0.001**
	Backwater Resort	Hill Station Resort	-0.047	0.071	0.911^{NS}
		Wildlife resort	-0.456	0.109	<0.001**
	Hill Station Resort	Wildlife resort	-0.408	0.106	0.001**
Pricing Strategy Effectiveness	Beach Resort	Backwater Resort	-0.030	0.073	0.977^{NS}
		Hill Station Resort	-0.477	0.068	<0.001**
		Wildlife resort	-0.721	0.105	<0.001**
	Backwater Resort	Hill Station Resort	-0.446	0.070	<0.001**
		Wildlife resort	-0.691	0.107	<0.001**
	Hill Station Resort	Wildlife resort	-0.244	0.104	0.089^{NS}

*Source: Primary data 1. ** denotes significant at 1% level; * denotes significant at 5% level 'NS' denotes non-significant.*

The post hoc test results indicate various significant differences in marketing efficiency indicators among different types of tourist resorts in Kerala. In the case of domestic tourist arrivals, beach resorts significantly differed from hill stations

(P=0.023*) and wildlife resorts (p < 0.001). Backwater resorts differ significantly from wildlife resorts (p < 0.001**). Similarly, hill station resorts and wildlife (p < 0.001**) resorts significantly differ from each other.

In terms of pricing strategy effectiveness, significant differences are exhibited between beach resorts and hill station resorts (p < 0.001**), beach resorts and wildlife resorts (p < 0.001**), backwater resorts and hill station resorts (p < 0.001**), and backwater resorts and wildlife resorts (p < 0.001**).

Based on the mean score data, it can be noted that domestic tourists tend to favour hill station resorts over beach resorts. Furthermore, wildlife resorts attract more domestic tourists than beach resorts, backwater resorts, and hill station resorts, focusing on their significant appeal. Regarding pricing strategy effectiveness, hill station resorts are prominent for having a more successful approach compared to beach resorts and backwater resorts, indicating that their pricing strategies are more aligned with attracting and maintaining visitors. Similarly, wildlife resorts exhibit a more effective pricing strategy than beach resorts and backwater resorts, further underscoring their competitive edge in attracting tourists.

H0.3.10. There is no significant difference in the marketing efficiency indicators of resorts with administrators of different experience durations in the context of GST reform

Table 8.15

ANOVA Test for testing the significant difference in the marketing efficiency indicators of resorts with administrators of different experience duration

Marketing Efficiency Indicators	Year of Experience	Mean	SD	F-Value	P-Value
Domestic Tourist Arrivals	Up to 10 years	3.29	0.17	5.33	0.001**
	11 to 20 Years	3.21	0.63		
	21 to 30 Years	3.14	0.47		
	Above 30 years	3.57	0.42		

Marketing Efficiency Indicators	Year of Experience	Mean	SD	F-Value	P-Value
Foreign Tourist Arrivals	Up to10 years	3.49	0.32	3.37	0.019*
	11 to 20 Years	3.44	0.40		
	21 to 30 Years	3.41	0.39		
	Above 30 years	3.69	0.34		
Pricing Strategy Effectiveness	Up to 10 years	4.25	0.31	27.21	<0.001**
	11 to 20 Years	3.90	0.91		
	21 to 30 Years	3.61	0.63		
	Above 30 years	4.00	0.00		

Source: Primary data
***denotes significant at 1% level; * denotes significant at 5% level*

The ANOVA test declares significant differences in marketing efficiency indicators of tourist resorts with administrators of different durations of industry experience. Regarding domestic tourist arrival, the p-value is 0.001, showing a statistically significant 1% difference among the experience groups. In the case of foreign tourist arrival, the p-value is 0.019, although it is at the 5% significance level. For pricing strategy effectiveness, the p-value is less than 0.001, indicating a highly significant difference at 1% regarding the duration of administrators' industry experience.

Table 8.16

Post Hoc Test for the significant difference in the marketing efficiency indicators of resorts with administrators of varied experience durations

Marketing Efficiency Indicators	Year of Experience (I)	Year of Experience (J)	Mean Difference (I-J)	Std. Error	P-Value
Domestic Tourist Arrivals	Up to 10 years	11 to 20 years	0.079	0.083	0.776^{NS}
		21 to 30 years	0.146	0.076	0.226^{NS}
		Above 30 years	-0.279	0.119	0.093^{NS}
	11 to 20 years	21 to 30 years	0.066	0.070	0.782^{NS}
		Above 30 years	-0.359	0.116	0.012*
	21 to 30 years	Above 30 years	-0.425	0.110	0.001**

Marketing Efficiency Indicators	Year of Experience (I)	Year of Experience (J)	Mean Difference (I-J)	Std. Error	P-Value
Foreign Tourist Arrivals	Up to 10 years	11 to 20 years	0.051	0.066	0.869^{NS}
		21 to 30 years	0.078	0.060	0.573^{NS}
		Above 30 years	-0.194	0.095	0.178^{NS}
	11 to 20 years	21 to 30 years	0.027	0.056	0.963^{NS}
		Above 30 years	-0.245	0.092	0.042*
	21 to 30 years	Above 30 years	-0.272	0.088	0.012*
Pricing Strategy Effectiveness	Up to 10 years	11 to 20 years	0.351	0.080	<0.001**
		21 to 30 years	0.647	0.073	<0.001**
		Above 30 years	0.258	0.115	0.113^{NS}
	11 to 20 years	21 to 30 years	0.295	0.067	<0.001**
		Above 30 years	-0.093	0.111	0.837^{NS}
	21 to 30 years	Above 30 years	-0.388	0.106	0.002**

Source: Primary data
*** denotes significant at 1% level, * denotes significant at 5% level, 'NS' denotes non-significant.*

The post hoc test exposes significant differences in various comparisons based on the experience durations of resort administrators. Considering the domestic tourist arrivals, tourist resorts with administrators of 11 to 20 years of experience (p-value of 0.012*) and those with 21 to 30 years of experience (p-value < 0.001) differed significantly from resorts with administrators having over 30 years of experience.

For foreign tourist arrivals, significant differences are found between resorts with administrators of 11 - 20 years of experience and those with over 30 years (p-value of 0.042), and between resorts with administrators of 21 - 30 years of experience and those with over 30 years (p-value of 0.012).

Significant differences are noted across multiple comparisons regarding pricing strategy effectiveness. Resorts with administrators of up to 10 years of experience display significant differences with those having 11 - 20 years (p-value < 0.001) of experience and with those having 21 - 30 years (p-value < 0.001) of experience.

Resorts with administrators of 11 - 20 years of experience show significant differences with those having 21 to 30 years (p-value < 0.001). Further, tourist resorts with administrators with experience of 21 - 30 are significantly different from those with over 30 years (p-value of 0.002) of experience.

Tourist resorts with administrators with over 30 years of experience display better performance in attracting domestic and foreign tourists than those with 11 - 20 years of experience and 21 - 30 years of experience. These long-established resorts consistently record higher numbers of domestic and foreign tourist arrivals, emphasizing their strong appeal and market presence. In terms of pricing strategies, resorts with administrators of up to 10 years of experience are particularly more effective compared to those with 11 - 20 years and 21 - 30 years of experience, recommending that newer resorts excel in pricing tactics. In addition, resorts with administrators of 11 - 20 years of experience exhibit better pricing strategy effectiveness compared to those with 21 - years of experience. However, resorts with administrators of over 30 years of experience reveal a more effective pricing strategy than those with 21 - 30 years of experience, focusing that long-standing resorts not only attract more visitors but also implement better pricing strategies.

8.6 Extent of Operational Efficiency of Tourist Resorts in Kerala in the context of GST Reform

The following constructs are used to analyse the operational efficiency of tourist resorts in Kerala:

1. Cost-effectiveness
2. Tourist booking and occupancy

The following socio-demographic profile of the tourist resorts is used for cross-comparison analysis for this objective:

3. Location of resort
4. Star rating of resort
5. Type of resort
6. Experience-duration of resort administrators

H0. 3.11 GST reform resulted in an average performance in the operational efficiency indicators of tourist resorts in Kerala

Table 8.17

One sample t-test for measuring the extent of operational efficiency of tourist resorts in Kerala in the context of GST reform

Sl. No.	Operational Efficiency Indicators	Mean	SD	Mean Difference (Gap)	t-Value	P-Value	Rank based on mean
1	Cost-effectiveness	3.06	0.65	0.06	2.18	0.030*	II
2	Tourist Booking and Occupancy	3.76	0.74	0.76	24.25	<0.001**	I

Source: Primary data
*** denotes significant at 1% level; Test value is 3*

The statistical analysis of operational efficiency indicators of tourist resorts in Kerala reveals significant insights through a one-sample t-test. The mean score for Tourist Booking and Occupancy stands at 3.76, well above the hypothesized test value of 3, with a t-value of 24.25 and a highly significant p-value of less than 0.001. This indicates that implementing GST has positively influenced tourist resorts' booking rates and occupancy levels, marking it the highest-ranked operational efficiency factor. On the other hand, Cost Effectiveness exhibits a mean of 3.06, just slightly above the test value, with a t-value of 2.18 and a p-value of 0.030, indicating a statistically significant impact, albeit with less strength compared to tourist booking and occupancy. These results signify that while both indicators reflect positive operational efficiency, the impact of GST on tourist booking and occupancy is particularly high.

In layman's terms, the findings suggest that the GST reform has greatly enhanced the operational efficiency of tourist resorts in Kerala. The high score of "tourist booking and occupancy" implies the increased influence of GST reform. Conversely, while there is an improvement in Cost Effectiveness, it is more modest, suggesting that

resorts might still face challenges in managing operational costs more efficiently. This underscores the importance of continued focus on improving cost management strategies. While highlighting the need to exploit the increased tourist flow, these findings remind the tourist resort administrators and operators to find methods to streamline their operations and costs to maximise profits amidst the growing demand.

H0.3.12 There is no significant difference in the operational efficiency indicators of rural and urban resorts in Kerala in the context of GST reform

Table 8.18

Independent T-test for testing the significant difference in the operational efficiency indicators of rural and urban resorts in Kerala in the context of GST reform

Operational Efficiency Indicators	Location of Resort	Mean	SD	t-Value	P-Value
Cost-effectiveness	Rural	3.29	0.58	10.43	<0.001**
	Urban	2.75	0.61		
Tourist Booking and Occupancy	Rural	3.84	0.84	2.92	0.004**
	Urban	3.65	0.55		

Source: Primary data
*** denotes significant at 1% level*

The independent T-test results show significant differences in the impact of GST on the operational efficiency of rural and urban tourist resorts. For cost-effectiveness, the test yielded a t-value of 10.43 with a p-value less than 0.001, recommending a highly significant difference at the 1% level. Rural resorts have a significantly greater mean score (3.29) than urban resorts (2.75). Additionally, for tourist booking and occupancy, the t-value is 2.92 with a p-value of 0.004, also significant at the 1% level, exhibiting that rural resorts (mean = 3.84) perform better than urban resorts (mean = 3.65).

The results show that tourist resorts in rural areas of Kerala are significantly better at managing costs and attracting bookings than those in urban areas. Rural resorts handle their expenses more effectively and have greater booking rates than urban ones. If you

want to get more value for your money, rural resorts have a noticeable advantage over those in urban areas.

H0.3.13. There is no significant difference in the operational efficiency indicators of tourist resorts with varied star ratings in Kerala in the context of GST reform

Table 8.19

ANOVA test for testing the significant difference in the operational efficiency indicators of resorts with varied star ratings in the context of GST reform

Operational Efficiency Indicators	Star Rating	Mean	SD	F-Value	P-Value
Cost-effectiveness	One Star	3.61	0.40	43.46	<0.001**
	Two Star	3.04	0.73		
	Three Star	3.33	0.66		
	Four Star	2.75	0.43		
	Five Star	2.63	0.48		
Tourist Booking and Occupancy	One Star	3.57	0.60	17.03	<0.001**
	Two Star	4.33	0.25		
	Three Star	3.78	0.65		
	Four Star	3.70	0.91		
	Five Star	3.40	0.57		

Source: Primary data
*** denotes significant at 1% level*

The ANOVA test states significant differences in operational efficiency indicators across different star-rated tourist resorts in Kerala. Regarding cost-effectiveness, the F-value is 43.46 with a p-value of less than 0.001, proving highly significant differences between at least some of the star ratings. Regarding tourist booking and occupancy, the F-value is 17.03 with a p-value of less than 0.001, which also illustrates significant differences across star ratings. This implies that the star ratings influence both cost-effectiveness and tourist booking and occupancy, with the observed differences being statistically significant at the 1% level.

Table 8.20

Post Hoc Test for the significant difference in the operational efficiency indicators of varied star-rated resorts in Kerala in the context of GST reform

Operational Efficiency Indicators	Star Rating (I)	Star Rating (J)	Mean difference (I-J)	Std. Error	P-Value
Cost-effectiveness	One Star	Two Star	0.577	0.108	<0.001**
		Three Star	0.279	0.093	0.025*
		Four Star	0.859	0.095	<0.001**
		Five Star	0.981	0.110	<0.001**
	Two Star	Three Star	-0.298	0.079	0.002**
		Four Star	0.282	0.081	0.005**
		Five Star	0.403	0.098	<0.001**
	Three Star	Four Star	0.580	0.059	<0.001**
		Five Star	0.701	0.081	<0.001**
	Four Star	Five Star	0.121	0.083	0.590^{NS}
Tourist Booking and Occupancy	One Star	Two Star	-0.757	0.133	0.000**
		Three Star	-0.206	0.114	0.377^{NS}
		Four Star	-0.134	0.116	0.779^{NS}
		Five Star	0.173	0.134	0.697^{NS}
	Two Star	Three Star	0.551	0.097	<0.001**
		Four Star	0.623	0.099	<0.001**
		Five Star	0.931	0.120	<0.001**
	Three Star	Four Star	0.071	.073	0.864^{NS}
		Five Star	0.380	0.099	0.001**
	Four Star	Five Star	0.308	0.101	0.022*

Source: Primary data
*** denotes significant at 1% level, * denotes significant at 5% level, 'NS' denotes non-significant.*

Table 8.20 exhibits significant differences in operational efficiency indicators among varied star-rated tourist resorts in Kerala. For cost-effectiveness, notable differences were viewed with several significant p-values. Resorts rated as one-star have a significant mean difference in cost-effectiveness compared to two-star ($P < 0.001$),

three-star (P = 0.025), four-star (P < 0.001), and five-star resorts (P < 0.001). Correspondingly, two-star resorts showed significant differences from three-star (P = 0.002), four-star (P = 0.005), and five-star resorts (P < 0.001). In the case of three-star resorts, significant differences were noted when compared to four-star (P < 0.001) and five-star resorts (P < 0.001).

Regarding tourist booking and occupancy categories, significant differences are evident in various comparisons. Resorts with one-star ratings differed significantly from two-star resorts (P < 0.001). Similarly, two-star resorts exhibited significant differences from three-star (P < 0.001), four-star (P < 0.001), and five-star resorts (P < 0.001). Further, while three-star resorts differed significantly from five-star resorts (p = 0.001), four-star resorts also have significant differences from five-star resorts (p = 0.022).

One-star resorts offer greater cost-effectiveness than highly star-rated establishments, such as two-star, three-star, four-star, and five-star resorts, making them an attractive choice for budget-conscious travelers. Three-star resorts show finer cost efficiency than their two-star, four-star, and five-star counterparts; this makes them a balanced choice for tourists in both affordability and comfort. Two-star resorts also provide better cost-effectiveness than four-star and five-star resorts. Two-star resorts excel in operational efficiency indicators regarding “booking rates & occupancy” and outperform on-star, three-star, four-star, and five-star resorts, specifying their strong appeal in the market. Three-star resorts have more booking and occupancy rates than five-star resorts, while four-star resorts also beat five-star resorts in attracting guests.

H0. 3.14. There is no significant difference in the operational efficiency indicators of varied types of resorts in Kerala in the context of GST reform

Table 8.21

ANOVA test for testing the significant difference in the operational efficiency indicators of varied types of resorts in Kerala in the context of GST reform

Operational Efficiency Indicators	Type of Resorts	Mean	SD	F-Value	P-Value
Cost-effectiveness	Beach Resort	2.60	0.46	156.20	<0.001**
	Backwater Resort	3.48	0.44		
	Hill Station Resort	2.88	0.57		
	Wildlife resort	4.00	0.00		
Tourist Booking and Occupancy	Beach Resort	3.77	0.93	4.24	0.006**
	Backwater Resort	3.70	0.60		
	Hill Station Resort	3.71	0.71		
	Wildlife resort	4.11	0.11		

Source: Primary data
*** denotes significant at 1% level*

The ANOVA test reveals significant differences in operational efficiency indicators among different types of tourist resorts in Kerala. For cost-effectiveness, the F-value is 156.20 with a p-value less than 0.001, implying highly significant differences among the resort types, including beach resorts, backwater resorts, hill station resorts, and wildlife resorts. Considering tourist booking and occupancy, the F-value is 4.24 with a p-value of 0.006, stating that differences are statistically significant at the 1% level. This implies that the impact of GST on both operational efficiency indicators (Cost-effectiveness and tourist booking & occupancy) varies significantly among the various types of tourist resorts.

Table 8.22

Post Hoc Test for the significant difference in the operational efficiency indicators of varied types of resorts in Kerala in the context of GST reform

Operational Efficiency Indicators	Type of Resorts (I)	Type of Resorts (J)	Mean Difference (I-J)	Std. Error	P-Value
Cost-effectiveness	Beach Resort	Backwater Resort	-0.884	0.054	<0.001**
		Hill Station Resort	-0.287	0.051	<0.001**
		Wildlife resort	-1.397	0.079	<0.001**
	Backwater Resort	Hill Station Resort	0.596	0.052	<0.001**
		Wildlife resort	-0.513	0.080	<0.001**
	Hill Station Resort	Wildlife resort	-1.110	0.077	<0.001**
Tourist Booking and Occupancy	Beach Resort	Backwater Resort	0.062	0.083	0.876^{NS}
		Hill Station Resort	0.054	0.078	0.900^{NS}
		Wildlife resort	-0.345	0.120	0.022*
	Backwater Resort	Hill Station Resort	-0.008	0.080	1.000^{NS}
		Wildlife resort	-0.408	0.122	0.005**
	Hill Station Resort	Wildlife resort	-0.400	0.118	0.004**

Source: Primary data

*** denotes significant at 1% level, * denotes significant at 5% level, 'NS' denotes non-significant.*

The post hoc tests for cost-effectiveness reveal that all pairwise comparisons between different types of resorts are statistically significant. Specifically, beach Resorts are significantly different from backwater resorts, hill station resorts, and wildlife resorts, with P values all less than 0.001. Further, backwater resorts significantly differ from wildlife resorts ($P < 0.001$) and hill station resorts ($P < 0.001$). Hill station resorts differ significantly from wildlife resorts ($P < 0.001$). For tourist booking and occupancy, significant differences are observed only between certain pairs: beach resorts differed significantly from wildlife resorts ($p = 0.022$), backwater resorts differed significantly from wildlife resorts ($p = 0.005$), and hill station resorts differed

significantly from wildlife resorts (p = 0.004), with these results indicating significant variations in how popular these resorts are among tourists.

Based on the mean scores for cost-effectiveness, backwater resorts surpass beach resorts and hill station resorts, indicating that they offer a greater value for money compared to the other two. Furthermore, hill station resorts are more cost-effective than beach resorts, proposing a moderate improvement in value. However, wildlife resorts stand out as the most cost-effective option, exceeding beach, backwater, and hill station resorts. Further, wildlife resorts also excel in attracting tourists and attaining greater booking rates and occupancy levels than beach, backwater, and hill station resorts, reflecting their superior appeal and popularity among visitors. This comprehensive overview observes that while wildlife resorts lead in both cost-effectiveness and tourist booking and occupancy, backwater and hill station resorts offer remarkable advantages over beach resorts in terms of cost-effectiveness.

H0.3.15. There is no significant difference in the operational efficiency indicators of tourist resorts with administrators of different experience durations

Table 8.23

ANOVA test for testing the significant difference in the operational efficiency indicators of resorts with administrators of different experience durations

Operational Efficiency Indicators	Years of Experience	Mean	SD	F-Value	P-Value
Cost-effectiveness	Up to 10 years	3.26	0.68	54.39	<0.001**
	11 to 20 Years	3.45	0.49		
	21 to 30 Years	2.73	0.61		
	Above 30 years	3.00	0.25		
Tourist Booking and Occupancy	Up to10 years	4.03	0.56	27.35	<0.001**
	11 to 20 Years	3.89	0.42		
	21 to 30 Years	3.47	0.90		
	Above 30 years	4.20	0.58		

Source: Primary data
*** denotes significant at 1% level*

The ANOVA test shows significant differences in cost-effectiveness and tourist booking & occupancy regarding the experience durations of administrators of tourist resorts in Kerala. For cost-effectiveness, the F-value is 54.39 with a p-value less than 0.001, stating that the differences between the categories of experience, such as up to 10 years, 11 to 20 years, 21 to 30 years, and above 30 years, are statistically significant. Similarly, for tourist booking and occupancy, the F-value is 27.35 with a p-value less than 0.001, exhibiting significant differences of 1% level.

Table 8.24

Post Hoc Test for the significant difference in the operational efficiency indicators of resorts with administrators of varied experience durations

Operational Efficiency Indicators	Years of Experience (I)	Years of Experience (J)	Mean Difference (I-J)	Std. Error	P-Value
Cost-effectiveness	Up to 10 years	11 to 20 Years	-0.181	0.071	0.054^{NS}
		21 to 30 Years	0.538	0.065	<0.001**
		Above 30 years	0.268	0.102	0.043*
	11 to 20 years	21 to 30 Years	0.720	0.059	<0.001**
		Above 30 years	0.450	0.098	<0.001**
	21 to 30 years	Above 30 years	-0.269	0.094	0.024*
Tourist Booking and Occupancy	Up to 10 years	11 to 20 Years	0.132	0.085	0.412^{NS}
		21 to 30 Years	0.555	0.078	<0.001**
		Above 30 years	-0.168	0.122	0.514^{NS}
	11 to 20 years	21 to 30 Years	0.422	0.072	<0.001**
		Above 30 years	-0.301	0.118	0.056^{NS}
	21 to 30 years	Above 30 years	-0.723	0.113	<0.001**

Source: Primary data
*** denotes significant at 1% level, * denotes significant at 5% level, 'NS' denotes non-significant.*

The post hoc test results for cost-effectiveness demonstrate several significant differences regarding the experience duration of resort administrators. In terms of cost-effectiveness, resorts with administrators of up to 10 years of experience

significantly differ from those with 21 - 30 years of experience ($p < 0.001$) and those with over 30 years of experience ($p = 0.043$). Resorts with administrators of 11 - 20 years of experience significantly differ from those with 21 - 30 years of experience ($P < 0.001$) and over 30 years of experience ($P < 0.001$). Resorts with administrators of 21 - 30 years of experience differ significantly from those having over 30 years of experience ($P = 0.024$). For tourist booking and occupancy, significant differences are identified between resorts with administrators of up to 10 years of experience and those with 21 - 30 years ($P < 0.001$), as well as between resorts with 11 - 20 years of experience and 21 - 30 years ($P < 0.001$), and between resorts with 21 - 30 years and those with over 30 years ($P < 0.001$) of experience.

Based on mean scores, resorts with administrators of up to 10 years of experience provide superior cost-effectiveness compared to those with 21 - 30 years of experience and over 30 years of experience, stipulating they provide better value for money. Resorts with administrators of 11 - 20 years of experience also exhibit higher cost-effectiveness than those with 21 to 30 years of experience and over 30 years of experience. Likewise, resorts with over 30 years of experience demonstrate better cost-effectiveness than those with 21 - 30 years of experience. Regarding tourist booking and occupancy, resorts with administrators of up to 10 years of experience and 11 – 20 years of experience attract more visitors than those with 21- 30 years of experience. Furthermore, resorts with administrators having over 30 years of experience show higher booking and occupancy rates than those with 21 - 30 years of experience.

8.7 Extent of Social Performance of Tourist Resorts in Kerala in the context of GST Reform

The following social performance indicators of tourist resorts in Kerala are considered for analysis:

1. *Employment Generation*
2. *Infrastructure Development*
3. *Social Trustworthiness*

The following socio-demographic profile of the tourist resorts is used for cross-comparison analysis:

1. *Location of the resort*
2. *Star rating of the resort*
3. *Type of resort*
4. *Experience-duration of resort administrators*

H0. 4.1 GST reform resulted in an average performance in the social performance indicators of tourist resorts in Kerala

Table 8.25

One sample t-test for measuring the extent of social performance of tourist resorts in Kerala in the context of GST reform

SI. No.	Social Performance Indicators	Mean	SD	Mean Difference (Gap)	t-value	P-Value	Rank based on mean
1	Employment Generation	3.69	0.45	0.69	36.08	<0.001**	III
2	Infrastructure Development	4.17	0.63	1.17	43.32	<0.001**	I
3	Social Trustworthiness	4.01	0.61	1.01	38.80	<0.001**	II

Source: Primary data
*** denotes significant at 1% level; test value: 3*

The results of the one-sample t-test reveal significant insights into the social performance indicators of tourist resorts in Kerala after implementing GST reforms. The mean scores for three key indicators—Employment Generation, Infrastructure Development, and Social Trustworthiness—indicate positive perceptions among respondents. When "Infrastructure development" received the highest mean score of 4.17 (SD = 0.63), "Social trustworthiness" and "Employment generation" achieved a mean score of 4.01 (SD = 0.61) and 3.69 (SD = 0.45), respectively. The gap score concerning each indicator suggests a perceived beneficial impact from GST reform, with t-values far above the critical value of 3, reflecting a strong confidence level in these findings ($p < 0.001$**, statistically significant at the 1% level). The rank based

on mean indicates that "infrastructure development" is perceived as the most positively impacted area, and "employment generation" is viewed as the least positively impacted area. The extent of the positive impact of "social trustworthiness" lies between "infrastructure development" and "employment generation".

Table 8.25 clearly shows how resort administrators feel about certain social benefits of implementing the GST reforms in tourist resorts in Kerala. The first area examined is how much the GST has generated jobs, which scored an average of 3.69, suggesting that while it is seen as helpful, there is still room for improvement. Next, we see that resort administrators strongly believe the GST reform has led to the development of infrastructure in the resorts, giving it the highest score of 4.17, showing that improvements in roads, facilities, and services are highly valued. Lastly, social trustworthiness also received a favorable score of 4.01, indicating that respondents feel GST reform has played a role in reducing dishonest practices. The results, in general, suggest that though the GST reform has positively impacted all the social performance indicators, particularly "infrastructure development," there are still challenges to overcome regarding "employment generation."

H0.4.2. There is no significant difference in the social performance indicators of rural and urban resorts in Kerala in the context of GST reform

Table 8.26

Independent T-test for testing the significant difference in the social performance indicators of rural and urban resorts in Kerala in the context of GST reform

Social Performance Indicators	Location of resort	Mean	SD	t-Value	P-Value
Employment Generation	Rural	3.60	0.39	-5.33	<0.001**
	Urban	3.81	0.49		
Infrastructure Development	Rural	4.08	0.72	-3.96	<0.001**
	Urban	4.29	0.47		
Social Trustworthiness	Rural	3.95	0.75	-2.56	0.010**
	Urban	4.09	0.34		

Source: Primary data
***denotes significant at 1% level*

The independent T-test results reveal significant differences in social performance indicators between rural and urban resorts. Regarding "employment generation", the t-value is -5.33 with a p-value of less than 0.001, showing a significant difference and urban resorts are better at creating jobs than rural resorts. Considering the infrastructure development, the t-value is -3.96 with a p-value of less than 0.001, indicating a significant difference, with urban resorts having higher scores. Similarly, for social trustworthiness, the t-value is -2.56 with a p-value of 0.010, which is significant at the 1% level, with urban resorts performing better. All three indicators show significant differences, favoring urban tourist resorts.

The results show that urban resorts excel in creating jobs, developing infrastructure, and demonstrating social trustworthiness compared to rural resorts. In other words, with the implementation of GST reforms, urban resorts have a more significant positive impact on the local community and operate with higher standards in these social aspects compared to their rural counterparts.

H0. 4.3: There is no significant difference in the social performance indicators of varied star-rated tourist resorts in Kerala in the context of GST reform

Table 8.27

ANOVA-test for testing the significant difference in the social performance indicators of varied star-rated resorts in Kerala in the context of GST reform

Social Performance Indicators	Star Rating	Mean	SD	F-Value	P-Value
Employment Generation	One Star	4.00	0.00	30.00	<0.001**
	Two Star	3.59	0.16		
	Three Star	3.75	0.43		
	Four Star	3.47	0.56		
	Five Star	4.00	0.00		
Infrastructure Development	One Star	4.00	0.00	77.63	<0.001**
	Two Star	4.00	0.83		
	Three Star	3.78	0.43		
	Four Star	4.68	0.49		
	Five Star	4.36	0.48		

Social Performance Indicators	Star Rating	Mean	SD	F-Value	P-Value
Social Trustworthiness	One Star	4.20	0.20	17.13	<0.001**
	Two Star	3.84	0.66		
	Three Star	3.80	0.81		
	Four Star	4.15	0.28		
	Five Star	4.35	0.35		

Source: Primary data
***denotes significant at 1% level*

The ANOVA-test results show statistically significant differences among the various star-rated tourist resorts in Kerala regarding the impact of GST reform on all the social performance indicators, namely, employment generation, infrastructure development, and social trustworthiness. Regarding the effect of GST on employment generation, as the p-value is less than 0.001 (F-value = 30), there are significant differences across varied star-rated resorts. Likewise, in the case of infrastructure development and social trustworthiness, the p-value is less than 0.001, reflecting significant variability among resorts with different star ratings. These results, all significant at the 1% level, imply that the observed differences are not due to random chance.

Table 8.28

Post Hoc Test for the significant difference in the social performance indicators of varied star-rated resorts in Kerala in the context of GST reform

Social Performance Indicators	Star Rating (I)	Star Rating (J)	Mean Difference (I-J)	Std. Error	P-Value
Employment Generation	One Star	Two Star	0.405	0.078	<0.001**
		Three Star	0.248	0.067	0.002**
		Four Star	0.529	0.068	<0.001**
		Five Star	0.000	0.079	1.000^{NS}
	Two Star	Three Star	-0.157	0.057	0.047*
		Four Star	0.123	0.058	0.215^{NS}
		Five Star	-0.405	0.070	<0.001**
	Three Star	Four Star	0.281	0.042	<0.001**
		Five Star	-0.248	0.058	<0.001**
	Four Star	Five Star	-0.529	0.059	<0.001**

Social Performance Indicators	Star Rating (I)	Star Rating (J)	Mean Difference (I-J)	Std. Error	P-Value
Infrastructure Development	One Star	Two Star	0.000	.09686	1.000^{NS}
		Three Star	0.220	0.083	0.065^{NS}
		Four Star	-0.682	0.084	<0.001**
		Five Star	-0.363	0.098	0.002**
	Two Star	Three Star	0.220	0.070	0.017*
		Four Star	-0.682	0.072	<0.001**
		Five Star	-0.363	0.087	<0.001**
	Three Star	Four Star	-0.902	0.053	<0.001**
		Five Star	-0.583	0.072	<0.001**
	Four Star	Five Star	0.318	0.074	<0.001**
Social Trustworthiness	One Star	Two Star	0.362	0.110	0.010**
		Three Star	0.402	0.095	<0.001**
		Four Star	0.053	0.096	0.982^{NS}
		Five Star	-0.142	0.111	0.706^{NS}
	Two Star	Three Star	0.039	0.080	0.988^{NS}
		Four Star	-0.309	0.082	0.002**
		Five Star	-0.505	0.100	<0.001**
	Three Star	Four Star	-0.349	0.060	<0.001**
		Five Star	-0.545	0.082	<0.001**
	Four Star	Five Star	-0.196	0.084	0.140^{NS}

Source: Primary data
*** denotes significant at 1% level, * denotes significant at 5% level, 'NS' denotes non-significant.*

The post hoc test demonstrates significant differences in the social performance indicators of varied star-rated tourist resorts in the context of GST reform. Regarding the impact on "employment generation", significant differences are found between one-star and two-star resorts ($p < 0.001$), one-star and three-star resorts ($p = 0.002$), and one-star and four-star resorts ($p < 0.001$). Additionally, two-star resorts differ significantly from three-star resorts ($p = 0.047$) and five-star resorts ($p < 0.001$). Further, three-star resorts are significantly different from four-star ($p < 0.001$) and five-star resorts ($p < 0.001$), and four-star resorts differ significantly from five-star resorts ($p < 0.001$) regarding the effect on employment generation.

Considering the GST impact on "infrastructure development", various significant differences are observed. One-star resorts differ significantly from four-star ($p <$

0.001) and five-star resorts ($p < 0.001$). Two-star resorts significantly differed from three-star ($p = 0.017$), four-star ($p < 0.001$), and five-star resorts ($p < 0.001$). Three-star resorts differ significantly from four-star ($p < 0.001$) and five-star resorts ($p < 0.001$). Further, four-star and five-star resorts ($p < 0.001$) also show a significant difference.

In terms of the impact of GST reform on "social trustworthiness", significant differences are noted between one-star and two-star resorts ($p = 0.010$), one-star and three-star resorts ($p < 0.001$), two-star and four-star resorts ($p = 0.002$), two star and five- star resorts ($p < 0.001$), three-star and four-star resorts ($p < 0.001$) and between three-star and five-star resorts ($p < 0.001$).

Regarding employment generation, both one-star and five-star resorts perform better than two-star, three-star, and four-star resorts. Further, three-star resorts excel over two-star and four-star resorts in terms of employment generation. Regarding infrastructure development, four-star resorts show a greater performance than one-star, two-star, three-star, and four-star resorts with the highest average score. Five-star resorts outperform one-star, two-star, and three-star resorts in infrastructure development. Further, two-star resorts demonstrate a better performance than three-star resorts. Regarding social trustworthiness, one-star, four-star, and five-star resorts outshine two-star and three-star resorts.

Five-star resorts stand out in multiple aspects, displaying excellent performance regarding employment generation, infrastructural development, and social trustworthiness compared to two-star and three-star resorts in the context of GST reforms. Five-star resorts also show greater performance than four-star resorts regarding the impact of GST on employment generation. Further, they exhibit better performance than one-star resorts regarding the effect of GST on "infrastructural development". Five-star resorts also excel in retaining social trustworthiness over two-star and three-star resorts.

Though the range of positive effects on four-star resorts regarding employment generation and social trustworthiness, in the background of GST reform, is not up to the level of five-star resorts, they still enjoy more benefits than that of two-star and three-star resorts regarding "infrastructure development" and "social

trustworthiness." Four-star resorts also benefited more regarding "infrastructure development" compared to one-star and five-star resorts.

The positive effects on the performance of one-star resorts are notable regarding "employment generation" compared to two-star, three-star, and four-star resorts. The one-star resorts also have better effects regarding social trustworthiness compared to two-star and three-star resorts. Though there is a finer effect on two-star resorts regarding "infrastructure development" compared to three-star resorts, they fall short in all three social performance indicators compared to five-star resorts. Three-star resorts have a greater positive impact regarding "employment generation" compared to four-star resorts, but the effect on "infrastructure development" and "social trustworthiness" are comparatively low.

H0. 4.4: There is no significant difference in the social performance indicators of varied types of tourist resorts in Kerala in the context of GST reform

Table 8.29

ANOVA-test for testing the significant difference in the social performance indicators of varied types of resorts in Kerala in the context of GST reform

Social Performance Indicators	Type of Resort	Mean	SD	F-Value	P-Value
Employment Generation	Beach Resort	3.69	0.38	0.29	0.832^{NS}
	Backwater Resort	3.72	0.60		
	Hill Station Resort	3.67	0.40		
	Wildlife Resort	3.69	0.29		
Infrastructure Development	Beach Resort	4.28	0.88	7.87	<0.001**
	Backwater Resort	4.00	0.16		
	Hill Station Resort	4.26	0.65		
	Wildlife Resort	4.00	0.00		
Social Trustworthiness	Beach Resort	3.79	0.83	20.52	<0.001**
	Backwater Resort	4.04	0.36		
	Hill Station Resort	4.06	0.48		
	Wildlife Resort	4.52	0.49		

Source: Primary data
***denotes significant at 1% level; NS denotes Not Significant*

The ANOVA test exhibits significant differences in "infrastructure development" and "social trustworthiness" among the types of tourist resorts in Kerala. The F-value for "infrastructure development" is 7.87, with a p-value of <0.001, examining a highly significant difference of 1%. Similarly, "social trustworthiness" has an F-value of 20.52 and a p-value of <0.001, also showing a significant difference of 1%. Employment generation does not reveal a significant difference across different resort types, as indicated by an F-value of 0.29 and a p-value of 0.832.

Table 8.30

Post Hoc Test for the significant difference in the social performance indicators of varied types of resorts in Kerala in the context of GST reform

Social Performance Indicators	Type of Resorts (I)	Type of Resorts (J)	Mean Difference (I-J)	Std. Error	P-Value
Infrastructure Development	Beach Resort	Backwater Resort	0.280	0.070	<0.001**
		Hill Station Resort	0.020	0.066	0.990^{NS}
		Wildlife Resort	0.280	0.102	0.033*
	Backwater Resort	Hill Station Resort	-0.260	0.068	0.001**
		Wildlife Resort	0.000	0.103	1.000^{NS}
	Hill Station Resort	Wildlife Resort	0.260	0.100	0.049*
Social Trustworthiness	Beach Resort	Backwater Resort	-0.253	0.066	0.001**
		Hill Station Resort	-0.267	0.062	<0.001**
		Wildlife Resort	-0.732	0.096	<0.001**
	Backwater Resort	Hill Station Resort	-0.014	0.064	0.996^{NS}
		Wildlife Resort	-0.479	0.097	<0.001**
	Hill Station Resort	Wildlife Resort	-0.464	0.094	<0.001**

Source: Primary data
*** denotes significant at 1% level; * denotes significant at 5% level*
'NS' denotes non-significant.

In the analysis of the indicator, "infrastructure development", significant differences were recognized between beach resorts and backwater resorts ($P < 0.001$), as well as between beach resorts and wildlife resorts ($P = 0.033$). In addition, differences between backwater resorts and hill station resorts ($P = 0.001$) and between hill station resorts and wildlife resorts ($P = 0.049$) are also significant. In the case of "social trustworthiness", significant differences were examined between beach resorts and backwater resorts ($P = 0.001$), beach resorts and hill station resorts ($P < 0.001$), beach resorts and wildlife resorts ($P < 0.001$), as well as between backwater resorts and wildlife resorts ($P < 0.001$) and between hill station resorts and wildlife resorts ($P < 0.001$).

Based on the mean scores, wildlife resorts enjoy an excellent positive effect regarding "social trustworthiness" compared to beach resorts, backwater resorts, and hill station resorts in the background of GST reform. Hill station resorts also perform better regarding "social trustworthiness" than beach resorts. In contrast, backwater resorts perform more than beach resorts in terms of the same indicator in the context of GST reform. Regarding "infrastructure development," beach resorts are noted for better performance than backwater and wildlife resorts, while hill station resorts surpass backwater and wildlife resorts concerning "infrastructure development." While wildlife resorts lead in "social trustworthiness", the beach and hill station resorts are recognized for an excellent performance regarding "infrastructure development" in the context of GST reform.

H0. 4.5. There is no significant difference in the social performance of tourist resorts with administrators of different experience durations in Kerala in the context of GST reform

Table 8.31

ANOVA Test for testing the significant difference in the social performance indicators of resorts with administrators of different experience durations in the context of GST reform

Social Performance Indicators	Year of Experience	Mean	SD	F-Value	P-Value
Employment Generation	Up to 10 years	3.75	0.23	9.89	<0.001**
	11 to 20 years	3.67	0.61		
	21 to 30 years	3.62	0.43		
	Above 30 years	4.00	0.00		
Infrastructure Development	Up to 10 years	4.00	0.64	48.23	<0.001**
	11 to 20 years	3.84	0.36		
	21 to 30 years	4.49	0.67		
	Above 30 years	4.00	0.00		
Social Trustworthiness	Up to10 years	3.98	0.55	12.60	<0.001**
	11 to 20 years	3.78	0.82		
	21 to 30 years	4.14	0.48		
	Above 30 years	4.20	0.20		

Source: Primary data
***denotes significant at 1% level*

The ANOVA test evaluates significant differences in social performance indicators of tourist resorts with administrators of varied experience durations. The p-values with respect to all the social performance indicators, namely, "employment generation," "infrastructure development," and "social trustworthiness," are less than 0.001, so the null hypotheses are rejected at the 1% level of significance. Therefore, there is a significant difference among the tourist resorts of varied experience durations regarding social performance indicators and in the context of GST reform.

Table 8.32

Post Hoc Test for the significant difference in the social performance indicators of resorts with administrators of varied experience durations in the context of GST reform

Social Performance Indicators	Year of Experience (I)	Year of Experience (J)	Mean Difference (I-J)	Std. Error	P-Value
Employment Generation	Up to 10 years	11 to 20 years	0.077	0.054	0.485^{NS}
		21 to 30 years	0.132	0.049	0.042*
		Above 30 years	-0.244	0.078	0.010**
	11 to 20 years	21 to 30 years	0.054	0.045	0.640^{NS}
		Above 30 years	-0.322	0.075	<0.001**
	21 to 30 years	Above 30 years	-0.376	0.072	<0.001**
Infrastructure Development	Up to10 years	11 to 20 years	0.160	0.070	0.104^{NS}
		21 to 30 years	-0.495	0.064	<0.001**
		Above 30 years	0.000	0.100	1.000^{NS}
	11 to 20 years	21 to 30 years	-0.655	0.059	<0.001**
		Above 30 years	-0.160	0.097	0.355^{NS}
	21 to 30 years	Above 30 years	0.495	0.093	<0.001**
Social Trustworthiness	Up to 10 years	11 to 20 years	0.205	0.073	0.028*
		21 to 30 years	-0.152	0.067	0.109^{NS}
		Above 30 years	-0.210	0.105	0.194^{NS}
	11 to 20 years	21 to 30 years	-0.358	0.062	<0.001**
		Above 30 years	-0.416	0.102	<0.001**
	21 to 30 years	Above 30 years	-0.057	0.097	0.935^{NS}

Source: Primary data
*** denotes significant at 1% level; * denotes significant at 5% level*
'NS' denotes non-significant.

Regarding the social performance indicator, "employment generation", significant differences are found between resorts with administrators of up to 10 years of experience and 21-30 years (p = 0.042) of experience, up to 10 years of experience and above 30 years (p = 0.010) of experience, 11 - 20 years of experience and above

30 years ($p < 0.001$) of experience, 21 - 30 years of experience and above 30 years ($p < 0.001$) of experience in the context of GST reform.

In terms of infrastructure development, significant differences are observed between resorts with administrators of up to 10 years of experience and 21 - 30 years ($p < 0.001$) of experience, 11 - 20 years of experience and 21 to 30 years ($p < 0.001$) of experience; and between 21 - 30 years of experience and above 30 years ($p < 0.001$) of experience.

Regarding the performance on "social trustworthiness", significant differences are found between resorts with administrators of up to 10 years of experience and 11 to 20 years ($p = 0.028$) of experience, 11 - 20 years of experience, and 21 - 30 years ($p < 0.001$) of experience, 11 - 20 years of experience and above 30 years ($p < 0.001$) of experience.

According to the mean score, tourist resorts with administrators of up to 10 years of experience tend to excel in "employment generation" compared to those with 21 - 30 years of experience. However, resorts boasting over 30 years of experience exceed all other categories, including up to 10 years, 11 - 20 years, and 21 - 30 years, in terms of "employment generation". In "infrastructural development", resorts with 21 - 30 years of experience lead the field, demonstrating higher advancement than those with up to 10 years, 11 to 20 years, and over 30 years of experience. Regarding the "social trustworthiness" indicator, resorts with up to 10 years of experience are more effective than those with 11 - 20 years. Furthermore, resorts with 21 to 30 years of experience also outperform those with 11 - 20 years of experience regarding "social trustworthiness". Resorts with over 30 years of experience also demonstrate greater "social trustworthiness" compared to those with 11 – 20 years of experience of experience. Thus, while newer resorts are excellent in "employment generation" and slightly outperform in "social trustworthiness," established resorts with longer histories show robust capabilities in "employment generation" and "infrastructural development."

8.8 Extent of Tourist Experiences of Tourist Resorts in Kerala in the context of GST Reforms

The following tourist experience indicators of tourist resorts in Kerala are used for this study:

1. Tourist Satisfaction
2. Tourist Behaviour

The following socio-demographic profile of the tourist resorts is used for cross-comparison analysis for this objective:

1. Location of the resort
2. Star rating of the resort
3. Type of resort
4. Experience-duration of resort administrators

H0. 4.6 GST reform resulted in an average performance in the tourist experience indicators of tourist resorts in Kerala.

Table 8.33

One sample t-test for measuring the extent of tourist experiences of tourist resorts in Kerala in the context of GST reform.

SI. No.	Tourist Experience Indicators	Mean	SD	Mean Difference (Gap)	t-value	P-Value	Rank based on mean
1	Tourist Satisfaction	3.60	0.42	0.60	33.11	<0.001**	I
2	Tourist Behavior	3.00	0.30	0.00	0.56	0.571^{NS}	II

Source: Primary data
*** denotes significant at 1% level; NS denotes non-significant; Test value – 3*

The results of the one-sample t-test for measuring tourist experience indicators of tourist resorts in Kerala in the context of GST reform demonstrate significant changes

in certain areas. Regarding "tourist satisfaction", the mean score of 3.60 with a standard deviation of 0.42 reveals a statistically significant gap of 0.60, resulting in a t-value of 33.11 and a p-value of less than 0.001. This suggests that "tourist satisfaction" has significantly improved after implementing GST. On the other hand, "tourist behavior" has a mean score of 3.00 and a standard deviation of 0.30, with no gap observed (gap = 0.00), resulting in a t-value of 0.56 and a p-value of 0.571. This indicates that "tourist behavior" has not improved significantly following the GST reforms.

The results show that tourists feel more satisfied with their experiences at resorts in Kerala after implementing GST, as indicated by a high score of 3.60. This score tells us that most tourists are quite happy with what they are getting, demonstrating a positive change in their satisfaction levels. However, the study also shows that there hasn't been a notable change in tourist behavior, with a consistent score of 3.00. This means that, despite the increase in satisfaction, tourists aren't changing their behaviour significantly in the context of GST reforms. In a nutshell, though tourists are happier with their experiences at tourist resorts in Kerala with GST reforms, their actual behavior remains as earlier.

H0. 4.7: There is no significant difference in tourist experience indicators of rural and urban tourist resorts in Kerala in the context of GST reforms.

Table 8.34

Independent T-test for testing the significant difference in tourist experience indicators of rural and urban resorts in Kerala in the context of GST reforms.

Tourist Experience Indicators	Location of the Resort	Mean	SD	t-value	P-Value
Tourist Satisfaction	Rural	3.67	0.41	5.04	<0.001**
	Urban	3.49	0.41		
Tourist Behavior	Rural	2.97	0.30	-3.08	0.002**
	Urban	3.05	0.28		

Source: Primary data
***denotes significant at 1% level*

The independent T-test results demonstrate significant differences in tourist experience indicators of the rural and urban tourist resorts in the context of GST reforms. Regarding "tourist satisfaction", the t-value is 5.04 with a p-value of less than 0.001, indicating a significant difference between rural and urban resorts, with rural resorts scoring higher. Similarly, for tourist behavior, the t-value is -3.08 with a p-value of 0.002, also expressing a significant difference, where urban resorts score higher than rural ones. Both findings are statistically significant at the 1% level.

The data shows that, after GST reforms, tourists are significantly more satisfied with resorts in rural areas than those in urban areas. However, tourist behaviour after GST reforms is slightly better at urban resorts than at rural ones. In simple terms, though tourists are more satisfied with their stay at rural resorts in the context of GST reforms, their behaviour is better at urban tourist resorts.

H0. 4.8: There is no significant difference in the performance of tourist experience indicators of varied star-rated resorts in Kerala in the context of GST reforms

Table 8.35

ANOVA Test for testing the significant difference in the tourist experiences indicators of varied star-rated resorts in Kerala in the context of GST reforms

Tourist Experience Indicators	Star Rating	Mean	SD	F-Value	P-Value
Tourist Satisfaction	One Star	3.37	0.60	23.02	<0.001**
	Two Star	3.79	0.16		
	Three Star	3.52	0.28		
	Four Star	3.76	0.39		
	Five Star	3.36	0.60		
Tourist Behavior	One Star	3.31	0.20	29.68	<0.001**
	Two Star	2.88	0.32		
	Three Star	2.90	0.23		
	Four Star	3.05	0.31		
	Five Star	3.13	0.25		

Source: Primary data
***denotes significant at 1% level*

The ANOVA test results for the tourist experience indicators reveal statistically significant differences among the various star-rated tourist resorts in Kerala. For tourist satisfaction, the p-value is less than 0.001, indicating that there are significant variations in satisfaction levels between the different star ratings. Similarly, for tourist behavior, the p-value is also less than 0.001, suggesting significant differences in tourist behavior across the star-rated resorts. Both results are highly significant at the 1% level, meaning that the observed differences in mean scores are unlikely to be due to random chance.

Table 8.36

Post Hoc Test for the significant difference in tourist experience indicators of varied star-rated tourist resorts in Kerala in the context of GST reforms

Tourist experience indicators	Star Rating (I)	Star Rating (J)	Mean difference (I-J)	Std. error	P value
Tourist Satisfaction	One Star	Two Star	-0.420	0.075	<0.001**
		Three Star	-0.146	0.064	0.160^{NS}
		Four Star	-0.390	0.065	<0.001**
		Five Star	0.004	.07592	1.000^{NS}
	Two Star	Three Star	0.274	0.054	<0.001**
		Four Star	0.029	0.056	0.985^{NS}
		Five Star	0.424	0.067	<0.001**
	Three Star	Four Star	-0.244	0.041	<0.001**
		Five Star	0.150	0.056	0.058^{NS}
	Four Star	Five Star	0.395	0.057	<0.001**
Tourist Behavior	One Star	Two Star	0.427	.05188	<0.001**
		Three Star	0.411	0.044	<0.001**
		Four Star	0.262	0.045	<0.001**
		Five Star	0.182	0.052	0.005**
	Two Star	Three Star	-0.016	0.037	0.993^{NS}
		Four Star	-0.164	0.038	<0.001**
		Five Star	-0.244	0.046	<0.001**
	Three Star	Four Star	-0.148	0.028	<0.001**
		Five Star	-0.228	0.038	<0.001**
	Four Star	Five Star	-0.079	0.039	0.262^{NS}

Source: Primary data
*** denotes significant at 1% level; NS denotes non-significant*

The post hoc test findings reveal significant differences in tourist experience indicators based on star ratings. Considering the tourist satisfaction, significant differences are noted between one-star and two-star resorts ($p < 0.001$), one-star and four-star resorts ($p < 0.001$), two-star and three-star resorts ($p < 0.001$), two-star and five-star resorts ($p < 0.001$), three-star and four-star resorts ($p < 0.001$), and four-star and five-star resorts ($p < 0.001$).

In terms of tourist behavior, significant differences are noticed between one-star and two-star resorts ($p < 0.001$), one-star and three-star resorts ($p < 0.001$), one-star and four-star resorts ($p < 0.001$), one-star and five-star resorts ($p = 0.005$), two-star and four-star resorts ($p < 0.001$), two-star and five-star resorts ($p < 0.001$), three-star and four-star resorts ($p < 0.001$), and three-star and five-star resorts ($p < 0.001$).

According to the mean score, tourists enjoy higher satisfaction levels in two-star resorts compared to one-star, three-star, and five-star resorts, examining that two-star establishments provide a more enjoyable stay in terms of guest satisfaction. In addition, four-star resorts are favoured for their superior satisfaction over one-star, three-star, and five-star resorts, recommending an extraordinary experience. Regarding "tourist behaviour", one-star resorts see the finest behavior from guests compared to two-star, three-star, four-star, and five-star resorts, showing that one-star resorts may nurture a more positive atmosphere. Furthermore, tourists display better behavior in four-star resorts compared to two-star and three-star resorts, highlighting the effective management and amenities of four-star establishments. Finally, five-star resorts also see better tourist behaviour compared to two-star and three-star resorts, enhancing their ability to attract and maintain well-mannered guests.

H0. 4.9. There is no significant difference in the performance of tourist experience indicators of varied types of resorts in Kerala in the context of GST reforms

Table 8.37

ANOVA Test for the significant difference in the performance of tourist experience indicators of varied types of resorts in Kerala in the context of GST reforms

Tourist Experience Indicators	Type of Resort	Mean	SD	F-Value	P-Value
Tourist Satisfaction	Beach Resort	3.48	0.48	14.85	<0.001**
	Backwater Resort	3.51	0.46		
	Hill Station Resort	3.75	0.32		
	Wildlife Resort	3.62	0.21		
Tourist Behavior	Beach Resort	2.85	0.29	38.98	<0.001**
	Backwater Resort	3.08	0.24		
	Hill Station Resort	3.12	0.28		
	Wildlife Resort	2.82	0.19		

Source: Primary data
***denotes significant at 1% level*

The ANOVA test reveals significant differences in tourist experience indicators regarding the types of resorts. For tourist satisfaction, the p-value is less than 0.001, indicating a statistically significant difference among the resort types. This suggests that the satisfaction levels differ markedly across beach, backwater, hill station, and wildlife resorts. Similarly, for tourist behaviour, the p-value is also less than 0.001, showing significant differences at 1% level among the resort types. This indicates that behavior varies significantly between the different types of resorts.

Table 8.38

Post Hoc Test for the significant difference in the performance of tourist experience indicators of varied types of resorts in Kerala in the context of GST reforms

Tourist Experience Indicators	Type of Tourist Resort (I)	Type of Tourist Resort (J)	Mean Difference (I-J)	Std. Error	P-Value
Tourist Satisfaction	Beach Resort	Backwater Resort	-0.031	0.046	0.909^{NS}
		Hill Station Resort	-0.264	0.043	<0.001**
		Wildlife Resort	-0.137	0.067	0.176^{NS}
	Backwater Resort	Hill Station Resort	-0.233	0.044	<0.001**
		Wildlife Resort	-0.106	0.068	0.405^{NS}
	Hill Station Resort	Wildlife Resort	0.127	0.066	0.221^{NS}
Tourist Behavior	Beach Resort	Backwater Resort	-0.230	0.031	<0.001**
		Hill Station Resort	-0.264	0.029	<0.001**
		Wildlife Resort	0.031	0.044	0.900^{NS}
	Backwater Resort	Hill Station Resort	-0.034	0.029	0.660^{NS}
		Wildlife Resort	0.261	0.045	<0.001**
	Hill Station Resort	Wildlife Resort	0.295	0.044	<0.001**

Source: Primary data
*** denotes significant at 1% level; 'NS' denotes non-significant.*

The post hoc test shows significant differences in tourist experience indicators among different types of resorts. In terms of tourist satisfaction, significant differences are noted between beach resorts and hill station resorts ($p < 0.001$) and between backwater resorts and hill station resorts ($p < 0.001$). For tourist behavior, significant differences are spotted between beach resorts and backwater resorts ($p < 0.001$), beach resorts and hill station resorts ($p < 0.001$), backwater resorts and wildlife resorts ($p < 0.001$), and between hill station and wildlife ($p < 0.001$) resorts.

Tourists visiting hill station resorts enjoy greater satisfaction compared to those at beach resorts and backwater resorts, stipulating that hill station resorts provide a more enjoyable stay. Additionally, tourists at backwater resorts exhibit better behavior than beach resorts and wildlife resorts, suggesting a more positive attitude in the backwater

setting. Furthermore, tourists at hill station resorts also display finer behaviour than those at beach resorts and wildlife resorts, highlighting that hill station resorts not only offer superior satisfaction but also promote better tourist behaviour.

H0. 4.10. There is no significant difference in the performance of tourist experience indicators of resorts with administrators of varied experience durations in the context of GST reforms

Table 8.39

ANOVA Test for the significant difference in the performance of tourist experience indicators of resorts with administrators of varied experience durations in the context of GST reforms

Tourist Experience Indicators	Years of Experience	Mean	SD	F-Value	P-Value
Tourist Satisfaction	Up to 10 years	3.62	0.44	18.80	<0.001**
	11 to 20 years	3.48	0.30		
	21 to 30 years	3.58	0.47		
	Above 30 years	4.00	0.00		
Tourist Behaviour	Up to 10 years	3.05	0.34	17.30	<0.001**
	11 to 20 years	2.92	0.20		
	21 to 30 years	2.99	0.30		
	Above 30 years	3.26	0.23		

Source: Primary data
***denotes significant at 1% level*

The ANOVA test reveals significant differences in tourist satisfaction and tourist behavior among tourist resorts, with administrators having varied years of experience in the context of GST reforms. Regarding "tourist satisfaction", the p-value is less than 0.001, indicating a significant difference across the different experience groups of tourist resorts. Similarly, regarding "tourist behaviour", the p-value is less than 0.001, demonstrating significant differences among the various experience groups. The analysis shows that the duration of resort administrators' industry experience significantly influences tourist satisfaction and tourist behaviour.

Table 8.40

Post Hoc Test for the significant difference in the tourist experience indicators of resorts with administrators of varied experience durations in the context of GST reforms

Tourist Experience Indicators	Year of Experience (I)	Year of Experience (J)	Mean Difference (I-J)	Std. Error	P-Value
Tourist Satisfaction	Up to10 years	11 to 20 years	0.147	0.050	0.018*
		21 to 30 years	0.039	0.045	0.829^{NS}
		Above 30 years	-0.372	0.071	<0.001**
	11 to 20 years	21 to 30 years	-0.108	0.042	0.051^{NS}
		Above 30 years	-0.520	0.069	<0.001**
	21 to 30 years	Above 30 years	-0.411	0.066	<0.001**
Tourist Behaviour	Up to10 years	11 to 20 years	0.132	0.035	0.001**
		21 to 30 years	0.065	0.032	0.189^{NS}
		Above 30 years	-0.208	0.050	<0.001**
	11 to 20 years	21 to 30 years	-0.067	0.029	0.111^{NS}
		Above 30 years	-0.340	0.049	<0.001**
	21 to 30 years	Above 30 years	-0.273	0.047	<0.001**

Source: Primary data
*** denotes significant at 1% level, * denotes significant at 5% level, 'NS' denotes non-significant.*

The post hoc test demonstrates various significant differences in tourist experience indicators of tourist resorts with administrators of varied experience durations. Regarding tourist satisfaction, significant differences are mentioned between resorts with administrators of up to 10 years of experience and those with over 30 years (p= 0.001), up to 10 years of experience, and 11 - 20 years (p= 0.018) of experience, 11 - 20 years and over 30 years (p < 0.001) of experience and, 21 – 30 years of experience and over 30 years (p < 0.001) of experience. Regarding tourist behavior, significant differences are found between resorts with administrators of up to 10 years and those with 11 - 20 years (p = 0.001) of experience, up to 10 years of experience and over 30

years ($p < 0.001$) of experience, 11 – 20 years of experience and over 30 years of experience ($p < 0.01$), 21 – 30 years and over 30 years ($p < 0.001$).

Tourists rejoice in greater satisfaction at resorts with administrators of up to 10 years of experience compared to those with 11 to 20 years of experience, suggesting that younger resort administrators might offer a more appealing or refreshing experience at their resorts. Further, tourists find significantly higher satisfaction at resorts with over 30 years of experience than those with up to 10 years of experience, 11 - 20 years of experience, and 21 - 30 years of experience, indicating that long-established resorts deliver exceptional guest satisfaction. Regarding behavior, tourists display better behavior at resorts with up to 10 years of experience compared to those with 10 - 20 years of experience. In addition, resorts with over 30 years of experience see the most refined behavior from tourists compared to resorts with up to 10 years, 11 to 20 years, and 21 to 30 years of experience, illustrating that long-established resorts get awesome behavior from their guests.

8.9 Conclusion

In conclusion, this chapter gives a comprehensive view of the extent of the financial, marketing, operational, tourist experience, and social performance of tourist resorts in Kerala. Utilizing tools such as mean, standard deviation, t-tests, and ANOVA with Tukey's post hoc analysis, the study measures and reveals the extent of tourism performance in various indicators in the context of GST reform. Regarding financial performance, the resorts experienced varied effects on revenue generation, profitability, foreign exchange earnings, total tourism revenue earnings, and contribution to state GDP. Though all these indicators show above-average performance, it is maximum regarding "contribution to State GDP." Among marketing performance indicators, "pricing strategy effectiveness" performs more than others. Marketing performance reflected in domestic and foreign tourist arrivals, and pricing strategy effectiveness also showed differential impacts. Operational efficiency indicators, including cost-effectiveness and booking & occupancy rates, also reveal varied effects of GST reform. Regarding social performance indicators, "infrastructure development" is the supreme one compared to others. The social

performance of tourist resorts, reflected in employment generation, infrastructure development, and social trustworthiness, demonstrated distinct effects. Finally, regarding tourist experience indicators, "tourist satisfaction" performs better than "tourist behaviour". The performance of tourist experience indicators also varies among resorts. By incorporating a cross-comparison of socio-demographic profiles such as resort location, star rating, resort type, and the administrators' experience duration, the findings show the delicate effects of GST reform on resort operations and visitor perceptions. This analysis offers critical insights into how GST impacts the overall dynamics of the tourism sector, informing strategies to optimize both economic and practical outcomes in the industry.

Chapter 9

IMPACT OF GST-DRIVEN ADVANTAGES ON KEY BUSINESS PERFORMANCE INDICATORS OF TOURIST RESORTS IN KERALA

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9.1 Introduction

The introduction of the Goods and Services Tax in India marked a significant shift in the country's indirect taxation framework by streamlining and simplifying the tax system. In the tourism sector, particularly for tourist resorts in Kerala, GST has brought both opportunities and challenges. This study explores how GST-driven advantages impact key business performance indicators of tourist resorts in Kerala, such as financial performance indicators, marketing efficiency indicators, operational efficiency indicators, tourist experience indicators, and social performance indicators. By analysing the effects of GST on these critical performance metrics, this research aims to provide insights into the extent to which GST has contributed to the growth and competitiveness of tourist resorts in Kerala, offering valuable information for stakeholders in the industry.

The objective covered by this chapter has been attained by testing Covariance-Based Confirmatory Factor Analysis (CB-CFA) and Structural Equation Modelling (SEM) techniques. Hence, this chapter has two parts: Part A and Part B. The first part (Part A) contains the Co-variance Based Confirmatory Factor Analysis (CB-CFA), and the second part (Part B) deals with the Structural Equation Modelling (SEM) techniques.

9.2 Objective covered

***Objective 5*:** To explore the impact of implementing GST reforms on key business performance indicators of the tourist resorts in Kerala

9.3 Statistical Methods Employed

To achieve this study objective, techniques such as Covariance-Based Confirmatory Factor Analysis (CB-CFA) and Structural Equation Modelling (SEM) techniques were adopted using the IBM SPSS AMOS 21 software package.

PART– A

9.4 Covariance Based Confirmatory Factor Analysis for the Reliability and Validity of the Research Instrument

9.4.1 Confirmatory Factor Analysis regarding factors of GST-driven advantages

Figure 9.1

Confirmatory Factor Analysis Regarding Factors of GST-driven Advantages

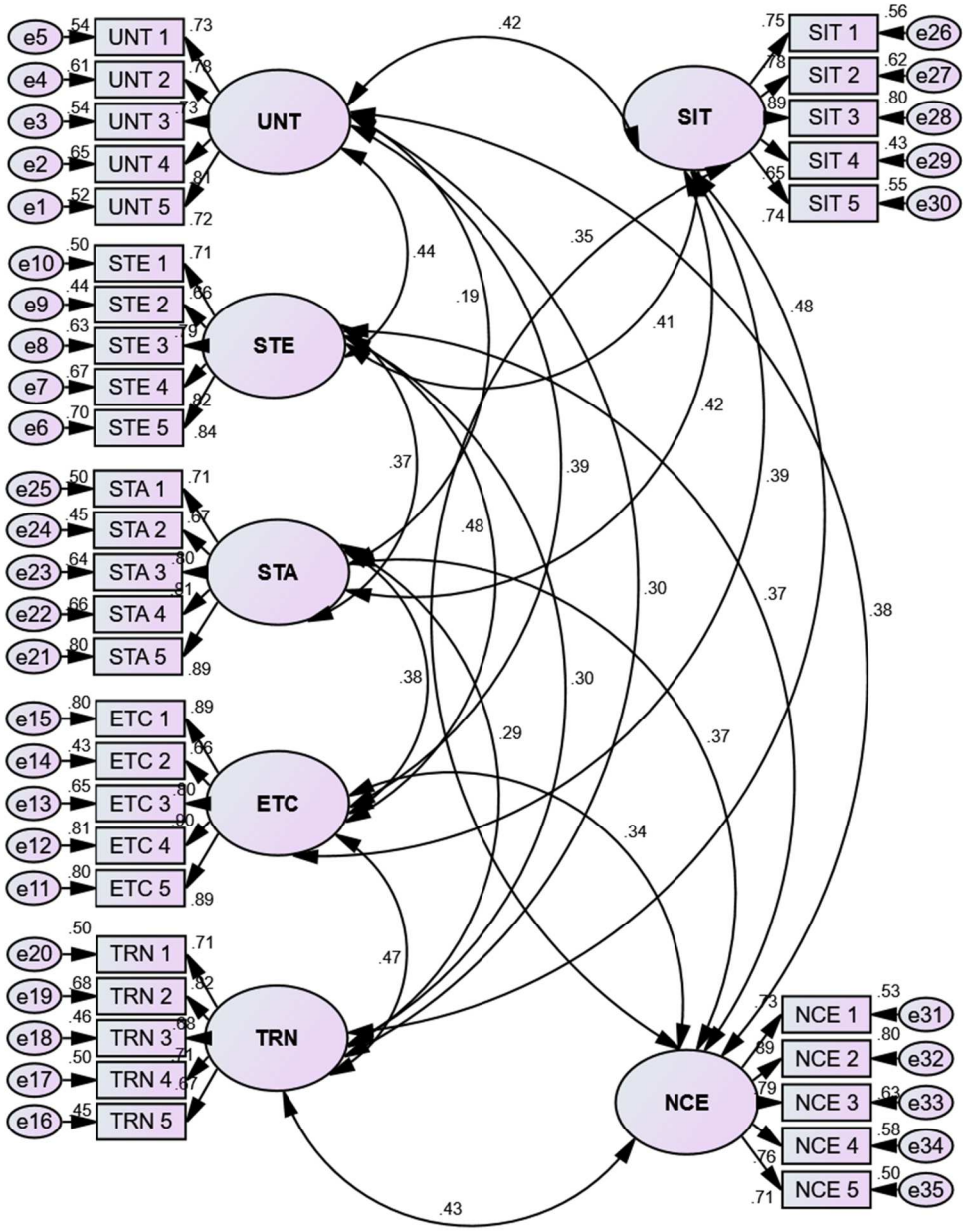

Table 9.1

Model fit indices regarding factors of GST-driven advantages

ATTRIBUTES	CMIN/DF	P-VALUE	GFI	AGFI	CFI	RMSEA
Study model	3.125	0.000	0.921	0.909	0.978	0.043
Recommended value	Acceptable fit [1-5]	Greater than 0.05	Greater than 0.9	Greater than 0.9	Greater than 0.9	Less than 0.08
Literature support	Hair et al. (1998)	Barrett (2007)	Hair et al. (2006)	Hair et al. (2006)	Hu and Bentler (1999)	Hair et al. (2006)

Table 9.1 represents the CFA model fit indices to assess the overall model fit. The value of the Chi-Square to the degrees of freedom ratio for an acceptable model should be less than 5. In this case, the value is 3.125, which is very well within the suggested maximum. The RMSEA score is 0.043, well below the accepted threshold score of 0.08. Moreover, the GFI, AGFI, and CFI values are above 0.9, for which 1.0 indicates an exact fit. Thus, the model is a good fit and can be considered for further analysis.

Table 9.2

Final Reliability and Validity of CFA Model Regarding Factors of GST-driven Advantages

Constructs	Item code	Factor loading	Cronbach's Alpha Final	AVE	Composite Reliability
Uniform Taxation (UNT)	UNT1	0.73**	0.87	0.57	0.88
	UNT2	0.78**			
	UNT3	0.73**			
	UNT4	0.81**			
	UNT5	0.72**			
Single Taxable Events (STE)	STE1	0.71**	0.87	0.59	0.88
	STE2	0.66**			
	STE3	0.79**			
	STE4	0.82**			
	STE5	0.84**			

Constructs	Item code	Factor loading	Cronbach's Alpha Final	AVE	Composite Reliability
Single Tax Authority (STA)	STA1	0.71**	0.88	0.61	0.89
	STA2	0.67**			
	STA3	0.80**			
	STA4	0.81**			
	STA5	0.89**			
Easy Tax Compliance (ETC)	ETC1	0.89**	0.90	0.69	0.92
	ETC2	0.66**			
	ETC3	0.80**			
	ETC4	0.90**			
	ETC5	0.89**			
Better Transparency (TRN)	TRN1	0.71**	0.81	0.52	0.84
	TRN2	0.82**			
	TRN3	0.68**			
	TRN4	0.71**			
	TRN5	0.67**			
No Cascading Effect (NCE)	NCE1	0.73**	0.84	0.61	0.88
	NCE2	0.89**			
	NCE3	0.79**			
	NCE4	0.76**			
	NCE5	0.71**			
Seamless Input Tax Credit (SIT)	SIT1	0.75**	0.86	0.59	0.88
	SIT2	0.78**			
	SIT3	0.89**			
	SIT4	0.65**			
	SIT5	0.74**			

*** denotes significant at 1% level*

Table 9.2 shows that all the factor loadings are above the recommended threshold values of 0.5, which establishes the item validity of the constructs. The researcher performed Cronbach's Alpha reliability test after the full-scale data collection. The final values of Cronbach's Alpha are found to be higher than 0.8, which confirms the reliability of the construct. The Composite Reliability values are also higher than 0.8,

which shows that all the constructs have a high internal consistency reliability. The Average Variance Extracted (AVE) values exceed the accepted threshold value of > 0.5. Thus, it can be said that the constructs have high levels of convergence. As all the parameters meet the recommended value, the data is appropriate for further analysis and model building.

Table 9.3

Discriminant Validity among factors of GST-driven advantages

Constructs	UNT	STE	STA	ETC	TRN	NCE	SIT
UNT	**(0.75)**						
STE	0.44	**(0.77)**					
STA	0.19	0.37	**(0.78)**				
ETC	0.39	0.48	0.38	**(0.83)**			
TRN	0.30	0.30	0.29	0.47	(**0.72**)		
NCE	0.38	0.37	0.37	0.34	0.43	(**0.78**)	
SIT	0.42	0.41	0.42	0.39	0.48	0.35	**(0.77)**

Discriminant validity among the factors of GST-driven advantages ensures that each construct is distinct and measures a unique aspect of the phenomenon. This is confirmed when the square root of the AVE for each construct (the diagonal values in the matrix) is higher than the correlations between that construct and others (off-diagonal values). In the matrix provided, each construct's AVE exceeds its inter-construct correlations, indicating good discriminant validity and confirming that the constructs are not overly related but rather capture different dimensions of the GST advantages.

9.4.2 Confirmatory Factor Analysis of Key Business Performance Indicators – CFA I

Figure 9.2

Confirmatory Factor Analysis of Key Business Performance Indicators – CFA I

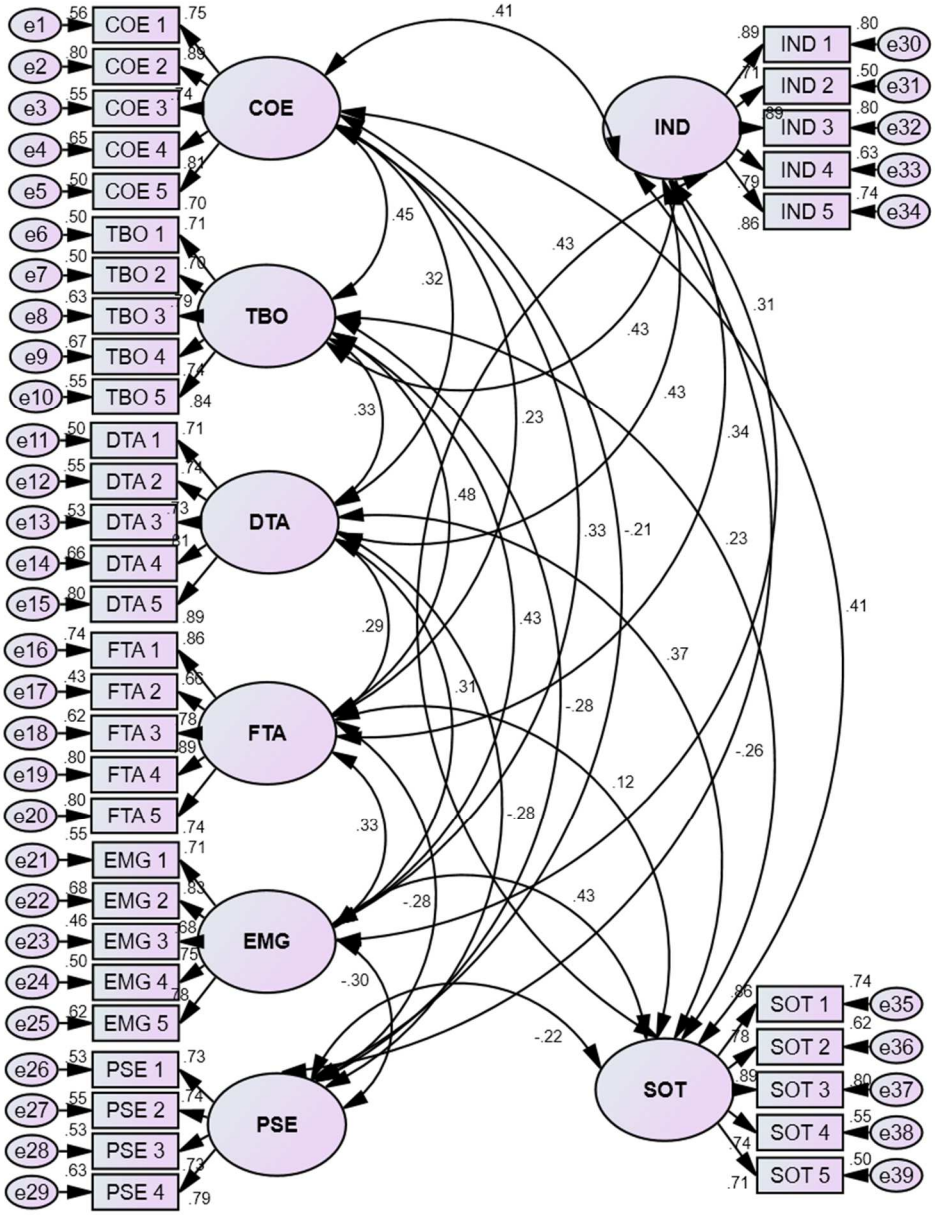

Table 9.4

Model fit indices for key business performance indicators – CFA I

ATTRIBUTES	CMIN/DF	P-VALUE	GFI	AGFI	CFI	RMSEA
Study model	4.255	0.000	0.914	0.901	0.971	0.067
Recommended value	Acceptable fit [1-5]	Greater than 0.05	Greater than 0.9	Greater than 0.9	Greater than 0.9	Less than 0.08
Literature support	Hair et al. (1998)	Barrett (2007)	Hair et al. (2006)	Hair et al. (2006)	Hu and Bentler (1999)	Hair et al. (2006)

Table 9.4 represents the CFA model fit indices to assess the overall model fit. The value of the Chi-Square to the degrees of freedom ratio for an acceptable model should be less than 5. In this case, the value is 4.255, which is very well within the suggested maximum value. The RMSEA score is 0.067, well below the accepted threshold score of 0.08. Moreover, the GFI and AGFI values are above 0.9, and CFI is above 0.9, for which 1.0 indicates an exact fit. Thus, the model is a good fit and can be considered for further analysis.

Table 9.5

Final Reliability and Validity of CFA Model for Key Business Performance Indicators – CFA I

Constructs of Key Business Performance Indicators	Item code	Factor loading	Cronbach's Alpha Final	AVE	Composite Reliability
Cost Effectiveness (COE)	COE1	0.75**	0.87	0.61	0.89
	COE2	0.89**			
	COE3	0.74**			
	COE4	0.81**			
	COE5	0.70**			
Tourist Booking and Occupancy (TBO)	TBO1	0.71**	0.92	0.57	0.87
	TBO2	0.70**			
	TBO3	0.79**			
	TBO4	0.74**			
	TBO5	0.84**			

Constructs of Key Business Performance Indicators	Item code	Factor loading	Cronbach's Alpha Final	AVE	Composite Reliability
Domestic Tourist Arrivals (DTA)	DTA1	0.71**	0.82	0.61	0.88
	DTA2	0.74**			
	DTA3	0.73**			
	DTA4	0.61**			
	DTA5	0.89**			
Foreign Tourist Arrivals (FTA)	FTA1	0.86**	0.88	0.68	0.92
	FTA2	0.66**			
	FTA3	0.78**			
	FTA4	0.89**			
	FTA5	0.74**			
Employment Generation (EMG)	EMG1	0.71**	0.81	0.56	0.87
	EMG2	0.83**			
	EMG3	0.68**			
	EMG4	0.75**			
	EMG5	0.78**			
Pricing Strategy Effectivenss (PSE)	PSE1	0.73**	0.82	0.56	0.84
	PSE2	0.74**			
	PSE3	0.73**			
	PSE4	0.79**			
Social Trustworthiness (SOT)	SOT1	0.86**	0.88	0.64	0.89
	SOT2	0.78**			
	SOT3	0.89**			
	SOT4	0.74**			
	SOT5	0.71**			
Infrastructure Development (IND)	IND1	0.89**	0.81	0.69	0.92
	IND2	0.71**			
	IND3	0.89**			
	IND4	0.79**			
	IND5	0.86**			

*** denotes significant at 1% level*

Table 9.5 presents the final reliability and validity results for a Confirmatory Factor Analysis (CFA) model assessing key business performance indicators across several constructs. For each construct, the Item Code lists specific items (e.g., COE1 for Cost

Effectiveness), all with significant Factor Loadings (ranging from 0.61 to 0.89), denoting strong associations with their respective constructs at the 1% significance level. The Cronbach's Alpha Final values for each construct (ranging from 0.81 to 0.92) indicate high internal consistency and reliability, with all values exceeding the accepted threshold of 0.7. The Average Variance Extracted (AVE) values (ranging from 0.56 to 0.69) confirm acceptable convergent validity, showing that the constructs explain a significant portion of the variance. Additionally, Composite Reliability (ranging from 0.84 to 0.92) further supports the model's internal consistency, with all constructs exceeding the critical value of 0.7. Constructs like Cost Effectiveness, Tourist Booking and Occupancy, Domestic Tourist Arrivals, and Employment Generation show strong reliability. At the same time, Foreign Tourist Arrival and Infrastructure Development have the highest AVE values, suggesting they explain more variance in their respective indicators.

Table 9.6

Discriminant Validity among the factors of key business performance indicators – CFA I

Constructs	COE	TBO	DTA	FTA	EMG	PSE	SOT	SIT
COE	**(0.78)**							
TBO	0.45	**(0.75)**						
DTA	0.32	0.33	**(0.78)**					
FTA	0.23	0.48	0.29	**(0.82)**				
EMG	0.33	0.43	0.31	0.33	(**0.75**)			
PSE	0.21	0.28	0.28	0.28	0.30	(**0.67**)		
SOT	0.41	0.23	0.37	0.12	0.43	0.22	**(0.8)**	
SIT	0.41	0.43	0.43	0.34	0.31	0.26	0.43	**(0.83)**

Table 9.6 presents the discriminant validity among the factors of key business performance indicators, showing the interrelationships between constructs including Cost Effectiveness (COE), Tourist Booking and Efficacy (TBO), Domestic Tourist Arrival (DTA), Foreign Tourist Arrival (FTA), Employment Generation (EMG), Pricing Strategy Effectiveness (PSE), Social Trustworthiness (SOT), and Infrastructure Development (IND).

Notably, all off-diagonal correlations are below the corresponding diagonal values, confirming that each construct is distinct. The results indicate robust discriminant validity, affirming that each business performance indicator measures a unique aspect without significant overlap.

9.4.3 Confirmatory Factor Analysis of Key Business Performance Indicators – CFA II

Figure 9.3

Confirmatory Factor Analysis of Key Business Performance Indicators – CFA II

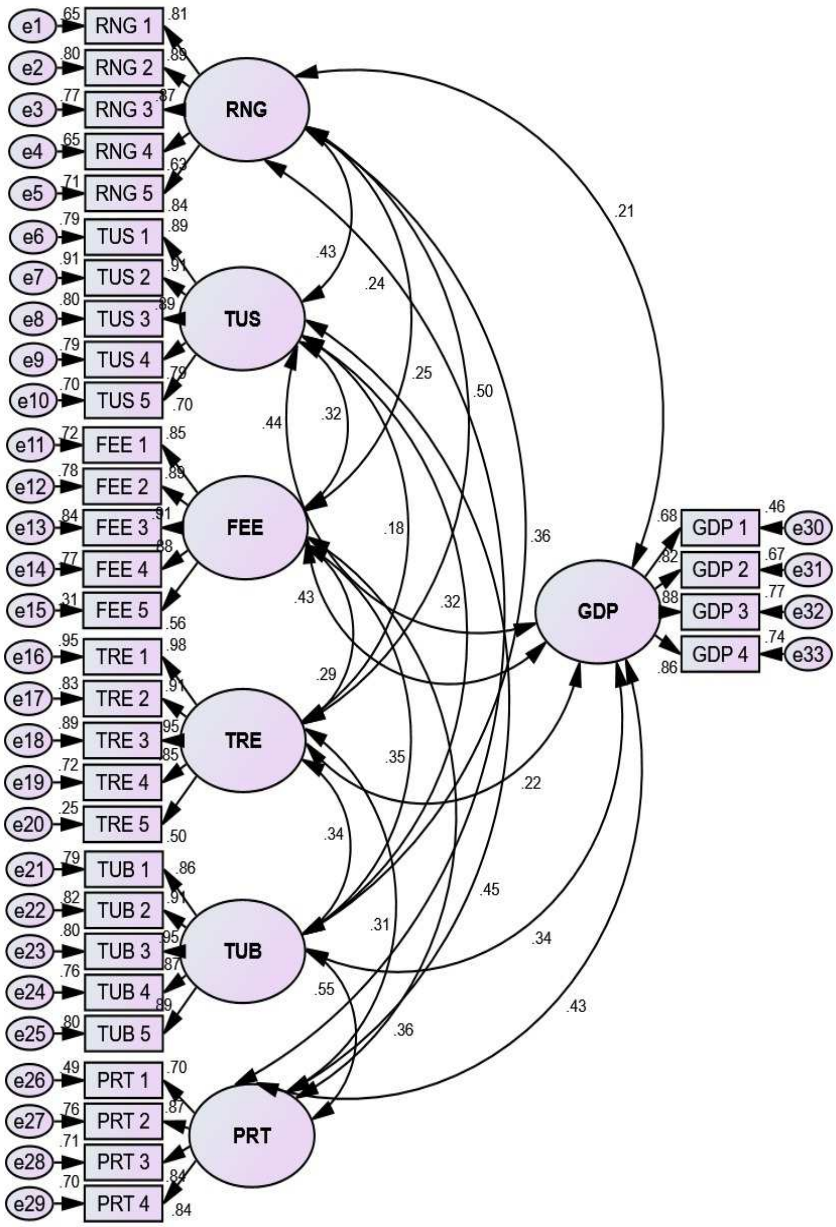

Table 9.7

Model fit indices for key business performance indicators – CFA II

ATTRIBUTES	CMIN/DF	P-VALUE	GFI	AGFI	CFI	RMSEA
Study model	4.021	0.000	0.931	0.911	0.984	0.062
Recommended value	Acceptable fit [1-5]	Greater than 0.05	Greater than 0.9	Greater than 0.9	Greater than 0.9	Less than 0.08
Literature support	Hair et al. (1998)	Barrett (2007)	Hair et al. (2006)	Hair et al. (2006)	Hu and Bentler (1999)	Hair et al. (2006)

Table 9.7 represents the CFA model fit indices to assess the overall model fit. The value of the Chi-Square to the degrees of freedom ratio for an acceptable model should be less than 5. In this case, the value is 4.021, which is very well within the suggested maximum value. The RMSEA score is 0.062, well below the accepted threshold score of 0.08. Moreover, the GFI and AGFI values are above 0.9, and CFI is above 0.9, for which 1.0 indicates an exact fit. Thus, the model is a good fit and can be considered for further analysis.

Table 9.8

Final Reliability and Validity of CFA Model for Key Business Performance Indicators – CFA II

Constructs of Key Business Performance Indicators	Item code	Factor loading	Cronbach's Alpha Final	AVE	Composite Reliability
Revenue Generation (RNG)	RNG1	0.81**	0.87	0.67	0.91
	RNG2	0.89**			
	RNG3	0.87**			
	RNG4	0.63**			
	RNG5	0.84**			

Constructs of Key Business Performance Indicators	Item code	Factor loading	Cronbach's Alpha Final	AVE	Composite Reliability
Profitability (PRT)	PRT1	0.70**	0.92	0.67	0.89
	PRT2	0.87**			
	PRT3	0.84**			
	PRT4	0.84**			
Foreign Exchange Earnings (FEE)	FEE1	0.85**	0.82	0.68	0.91
	FEE2	0.89**			
	FEE3	0.91**			
	FEE4	0.68**			
	FEE5	0.56**			
Total Tourism Revenue Earnings (TRE)	TRE1	0.98**	0.88	0.73	0.93
	TRE2	0.91**			
	TRE3	0.95**			
	TRE4	0.85**			
	TRE5	0.50**			
State GDP (GDP)	GDP1	0.68**		0.66	0.87
	GDP2	0.82**			
	GDP3	0.88**			
	GDP4	0.86**			
Tourist Behaviour (TUB)	TUB1	0.86**		0.79	0.95
	TUB2	0.91**			
	TUB3	0.95**			
	TUB4	0.87**			
	TUB5	0.89			
Tourist Satisfaction (TUS)	TUS1	0.89**		0.70	0.92
	TUS2	0.91**			
	TUS3	0.89**			
	TUS4	0.79**			
	TUS5	0.70**			

*** denotes significant at 1% level*

The table presents the final reliability and validity results for a Confirmatory Factor Analysis (CFA) model assessing key business performance indicators in the context of tourism. For each construct, including Revenue Generation (RNG), Profitability (PRT), Foreign Exchange Earnings (FEE), Total Tourism Revenue Earning (TRE), Contribution to State GDP (GDP), Tourist Behavior (TUB), and Tourist Satisfaction (TUS), the Item Codes indicate specific items with significant Factor Loadings ranging from 0.50 to 0.98, indicating strong correlations with their respective constructs at the 1% significance level. The Cronbach's Alpha Final values for all constructs exceed the acceptable threshold of 0.7, with values ranging from 0.82 to 0.92, demonstrating high internal consistency and reliability. The Average Variance Extracted (AVE) values, which indicate the degree to which a construct captures the variance of its indicators, range from 0.66 to 0.79, confirming adequate convergent validity. Additionally, the Composite Reliability values (ranging from 0.87 to 0.95) further support the model's internal consistency. Constructs such as Tourist Behavior and Tourist Satisfaction exhibit particularly high factor loadings and reliability metrics, indicating well-defined constructs within the CFA model. In contrast, the Total Tourism Revenue Earning construct has the highest factor loading (0.98), suggesting a strong relationship with its items. Overall, the results indicate that the CFA model effectively measures the key business performance indicators with robust reliability and validity.

Table 9.9

Discriminant Validity among the factors of key business performance indicators – CFA II

Constructs	RNG	PRT	FEE	TRE	GDP	TUB	TUS
RNG	**(0.82)**						
PRT	0.24	**(0.82)**					
FEE	0.25	0.36	**(0.82)**				
TRE	0.50	0.31	0.29	**(0.85)**			
GDP	0.21	0.43	0.41	0.22	(**0.81**)		
TUB	0.36	0.55	0..35	0.34	0.34	(**0.89**)	
TUS	0.43	0.45	0.32	0.18	0.44	0.32	**(0.84)**

The table presents the discriminant validity among the factors of key business performance indicators in the context of a Confirmatory Factor Analysis (CFA II). The results indicate that each indicator retains uniqueness, confirming that the model effectively captures the distinct dimensions of business performance in tourism.

PART – B

9.5 Covariance Based Structural Equation Modeling

Table 9.10 lists the hypotheses designed for model building related to the study.

Table 9.10

Hypotheses for model building

Hypotheses No.	Hypotheses of model building
SM.H 1	GST-driven advantages have a positive effect on tourist experience indicators
SM.H 2	GST-driven advantages have a positive effect on social performance indicators
SM.H 3	GST-driven advantages have a positive effect on financial performance indicators
SM.H 4	GST-driven advantages have a positive effect on marketing efficiency indicators
SM.H 5	GST-driven advantages have a positive effect on operational efficiency indicators

SM.H 1 to SM.H 5 indicates Structural Model Hypotheses

Figure 9.4

Structural Equation Model for the influence of GST Driven advantages on key business performance indicators of tourist resorts in Kerala

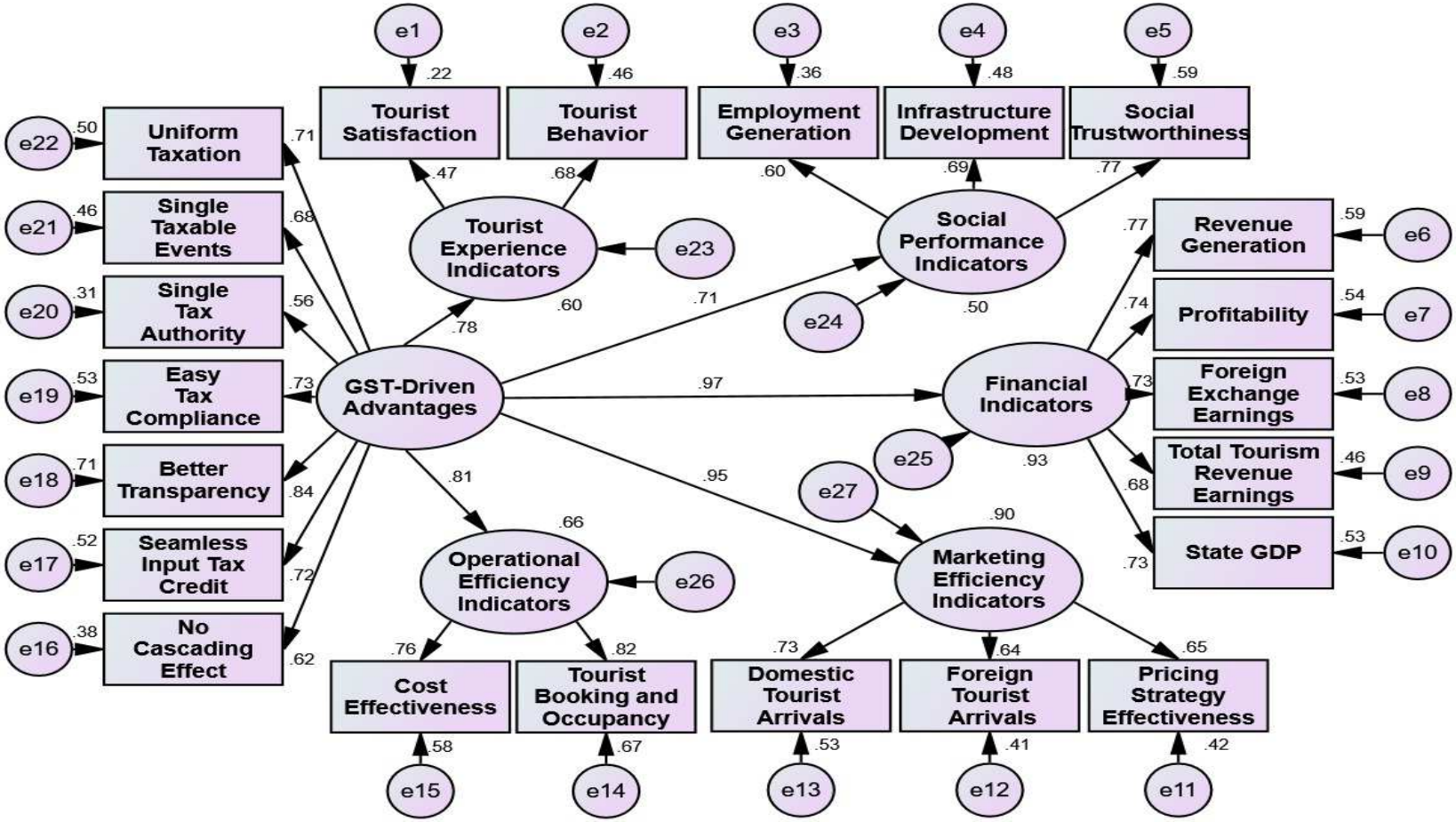

Table 9.11

Model fit indices for the influence of GST-driven advantages on key business performance indicators of tourist resorts in Kerala

MODEL	CMIN/DF	P-VALUE	GFI	AGFI	CFI	RMSEA
Study model	4.67	0.000	0.936	0.909	0.967	0.046
Recommended value	Acceptable fit [1-5]	Greater than 0.05	Greater than 0.9	Greater than 0.9	Greater than 0.9	Less than 0.08

The model fit indices indicate a good fit for the study model analysing the influence of GST-driven advantages on key business performance indicators of tourist resorts in Kerala. The CMIN/DF value of 4.67 falls within the acceptable range of 1 to 5, suggesting a reasonable model fit. The p-value is 0.000, which is below the recommended threshold of 0.05, indicating statistical significance. The GFI (0.936) and AGFI (0.909) values are above the recommended value of 0.9, confirming a good fit in terms of overall and adjusted goodness of fit. The CFI of 0.967 exceeds 0.9, showing a strong comparative fit, and the RMSEA of 0.046 is well below the recommended maximum of 0.08, indicating a low error of approximation in the model. Overall, the model is considered a good fit based on these indices.

9.6 Path Analysis

Table 9.12

Values of path analysis and R^2 for the influence of GST-driven advantages on key business performance indicators of tourist resorts in Kerala

Constructs path index			Standardized co-efficient (Beta)	R^2 Value	Critical Ratio	P-Value
Tourist Experience Indicators	←	GST-driven advantages	0.78	0.60	15.68	<0.001**
Social Performance Indicators	←	GST-driven advantages	0.71	0.50	13.47	<0.001**
Financial Indicators	←	GST-driven advantages	0.97	0.93	19.58	<0.001**
Marketing Efficiency Indicators	←	GST-driven advantages	0.95	0.90	18.47	<0.001**
Operational Efficiency Indicators	←	GST-driven advantages	0.81	0.66	79.66	<0.001**

*** indicates significant at 1% level*

9.7 Results of path analysis and hypotheses testing

The path analysis values in the SEM model show a strong positive influence of GST-driven advantages on various key business performance indicators of tourist resorts in Kerala. The standardized coefficients (Beta) indicate the strength of these relationships, with all values being quite high. The strongest relationships are found in the financial indicators (0.97) and marketing efficiency indicators (0.95), which both show nearly the highest effects of GST-driven advantages on performance, and their R^2 values of 0.93 and 0.90, respectively, suggest that GST-driven advantages explain over 90% of the variance in these outcomes. Operational efficiency (0.81), tourist experience (0.78), and social performance (0.71) are also positively influenced by GST-driven advantages, with R^2 values of 0.66, 0.60, and 0.50, respectively, indicating that GST-driven advantages account for a substantial portion of their

performance variance. All relationships are statistically significant at the 1% level, as shown by the critical ratios (all above 13) and p-values less than 0.001.

In simple, this analysis reveals that, by the implementation of GST reform, the GST-driven advantages significantly boost the overall business performance of tourist resorts in Kerala. It greatly enhances financial outcomes and marketing efficiency, implying that GST benefits lead to better financial health and more effective marketing strategies. Operational efficiency and tourist experiences also see considerable improvement, showing that the resorts can run more smoothly and offer better tourist services. These findings suggest that the GST reforms positively impact the performance and competitiveness of tourist resorts.

The hypotheses tested within this chapter indicate that GST-driven advantages are central to improving both internal operations and market-oriented strategies, leading to better tourist satisfaction, increased revenue generation, and improved financial performance. This analysis provides valuable insights for policymakers and industry stakeholders to optimize GST benefits for continued growth in the tourism sector.

Table 9.13

Result summary of hypothesis testing

Hypotheses No.	Hypotheses of the model developed	Result of Hypotheses testing
SM.H 1	GST-driven advantages have a positive effect on tourist experience indicators	***Supported***
SM.H 2	GST-driven advantages have a positive effect on social performance indicators	***Supported***
SM.H 3	GST-driven advantages have a positive effect on financial performance indicators	***Supported***
SM.H 4	GST-driven advantages have a positive effect on marketing efficiency indicators	***Supported***
SM.H 5	GST-driven advantages have a positive effect on operational efficiency indicators	***Supported***

SM.H 1 to SM.H 5 indicates Structural Model Hypotheses

9.8 Conclusion

This chapter has demonstrated the significant positive influence of GST-driven advantages on key business performance indicators of tourist resorts in Kerala. Using Structural Equation Modeling (SEM), the study confirmed that the key features of GST reforms, such as uniform taxation, single taxable event, single tax authority, easy tax compliance, better transparency, no cascading effect, and seamless input tax credit, positively impact operational efficiency, marketing performance, tourist experience, social performance, and financial outcomes of tourist resorts in Kerala. These findings underscore the critical role the GST plays in enhancing the overall business performance of tourist resorts, positioning them to be more competitive and financially sustainable in the tourism sector.

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Chapter 10

ISSUES EXPERIENCED BY TOURIST RESORTS IN KERALA DURING TRANSITION TO THE GST SYSTEM

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10.1 Introduction

Like any other business entity, the transition to the GST system resulted in a range of challenges for tourist resorts in Kerala, a key destination in India's tourism landscape. This chapter seeks to identify and analyse the specific issues and challenges faced by the tourist resorts in Kerala during their shift from the earlier VAT system to the GST system by focusing on operational, financial, and implementational aspects. As shifting to the new tax regime was mandatory, the tourist resorts faced many difficulties, including technology-related, product/service price-related, cost-related, ITC-related, and switching time-related issues. Understanding these issues is crucial for devising strategies to reduce the adverse effects while making future revisions or amendments to GST. This exploration aims to give an important overview of the hurdles tourist resorts face and offer insights into improving their adaptation strategies to ensure a better transition and sustained performance in the taxation regime in the future.

10.2 Objective covered

Objective 6: To analyse the difficulties the tourist resorts in Kerala have experienced while migrating to the GST system.

10.3 Statistical Methods Employed

To address this objective, which aims to identify and analyse the issues experienced by tourist resorts in Kerala during the transition to the GST system, a comprehensive set of statistical tools were employed. Descriptive statistics, specifically mean and standard deviation were calculated to summarize the central tendencies and variations in the responses regarding these issues. To evaluate the significance of perceived challenges, a one-sample t-test was conducted, allowing for comparisons against a

defined theoretical mean. Additionally, independent t-tests were used to analyse differences in experiences between two distinct demographic groups. To further expand the analysis, Analysis of Variance (ANOVA) was utilized to explore potential variations among multiple groups reflecting different characteristics or experiences, followed by Tukey's post hoc analysis to pinpoint specific differences among the group means. This multifaceted approach provided valuable insights into the challenges faced while migrating to the GST system, contributing to a deeper understanding of its impact on the tourism sector.

10.4 Constructs Used for Analysis

The following are the major issues experienced by tourist resorts in Kerala during the transition to the GST system:

1. Technology-related issues
2. Product/service price-related issues
3. Cost-related issues
4. ITC-related issues
5. Switching time-related issues

The following socio-demographic profile of the tourist resorts is used for cross-comparison analysis for this objective.

1. Location of the resort
2. Star rating of the resort
3. Type of resort
4. Years of experience of resort administrators

10.5 Issues experienced by the tourist resorts in Kerala during the transition to the GST system

The various issues and challenges faced by tourist resorts in Kerala during the transition to the GST system are categorized as (1) technology-related issues, (2) product/service price-related issues, (3) cost-related issues, (4) ITC-related issues, and (5) switching time-related issues. For facilitating cross-comparison analysis, the key socio-demographic profiles, such as (1) the location of the resort, (2) the star rating of the resort, (3) the type of resort, and (4) the years of experience of the resort administrators, are used.

H0. 6.1: The tourist resorts in Kerala faced GST transition issues at an average level

Table 10.1

One sample t-test for measuring the extent of issues experienced by tourist resorts in Kerala during the transition to the GST system

SI. No.	Issues Experienced by Tourist Resorts	Mean	SD	Mean Difference (Gap)	t-value	P-Value	Rank based on mean
1	Technology-related issues	4.75	0.16	1.75	247.84	<0.001**	I
2	Product/service price-related issues	4.08	0.27	1.08	93.81	<0.001**	V
3	Cost-related issues	4.20	0.31	1.20	91.43	<0.001**	IV
4	ITC-related issues	4.54	0.26	1.54	137.01	<0.001**	III
5	Switching time-related issues	4.59	0.14	1.59	263.10	<0.001**	II

Source: Primary data
***denotes significant at 1% level; test value= 3*

The results of the one-sample t-test indicate that tourist resorts in Kerala experienced significant issues during the transition to the GST system from the earlier VAT regime. The most prominent concern was technology-related, with a mean score of 4.75 and a t-value of 247.84 ($p < 0.001$), indicating severe technology-related challenges experienced by resorts, significantly greater than the theoretical mean benchmark of 3. Other notable problems included switching time-related challenges (mean of 4.59) and ITC-related issues (mean of 4.54), demonstrating high statistical significance with p-values of less than 0.001. Furthermore, cost-related and product/service price-related issues had mean scores of 4.20 and 4.08, respectively, indicating that while they were significant concerns, their impact was perceived as slightly lower than the top issues. All findings were statistically significant at the 1% level, emphasizing the importance of these challenges during the GST transition.

In simpler terms, the table shows that tourist resorts in Kerala faced several significant challenges while adapting to the new GST system. The biggest issue was technology-related, where resorts scored an average of 4.75, suggesting they struggled greatly with technological changes. This was followed closely by problems associated with switching time and input tax credit, which also caused considerable difficulties. Other issues, such as cost-related issues and product/service price related issues, were also significant, although they ranked lower in impact. The scores indicate that all these problems were severe enough to warrant attention, highlighting the need for effective support and solutions for resorts navigating these changes. Overall, the resorts experienced a tough transition period, particularly concerning technology, which should be addressed to improve their operations moving forward.

H0.6.2. There is no significant difference between the rural and urban resorts in Kerala concerning the issues they faced during the GST transition.

Table 10.2

Independent T-test for testing the significant difference between the rural and urban resorts in Kerala concerning the issues faced during the GST transition

Issues experienced during the GST transition	Location	Mean	SD	t-value	P-Value
Technology-related issues	Rural	4.78	0.16	5.14	<0.001**
	Urban	4.71	0.16		
Product/service price-related issues	Rural	4.12	0.17	3.51	<0.001**
	Urban	4.04	0.36		
Cost-related issues	Rural	4.20	0.30	0.20	0.838^{NS}
	Urban	4.20	0.31		
ITC-related issues	Rural	4.52	0.28	-2.05	0.041*
	Urban	4.57	0.22		
Switching time-related issues	Rural	4.63	0.15	7.31	<0.001**
	Urban	4.54	0.09		

Source: Primary data
***denotes significant at 1% level*; NS denotes non-significant; * denotes significant at 5% level

Table 10.2 shows that rural and urban resorts in Kerala differ significantly at 1% level in their experience of technology-related issues ($P < 0.001$), product/service price-related issues ($P < 0.001$), and switching time-related issues ($P < 0.001$) faced during the transition to the GST system. For IT-related issues, there is a significant difference at the 5% level ($P = 0.041$). However, there is no significant difference in cost-related issues ($P = 0.838$).

Rural resorts faced more challenges than urban ones with technology, pricing, and switching time during the GST migration. Although rural and urban resorts experienced similar levels of cost-related issues, they differed slightly in the ITC-related issues they faced. ITC-related problems faced by urban resorts are comparatively more than those faced by rural resorts.

H0.6.3: There is no significant difference between the varied star-rated tourist resorts in Kerala concerning the issues they faced during the GST transition

Table 10.3

ANOVA Test for testing the significant difference between the varied star-rated tourist resorts in Kerala concerning the GST migration issues

Issues experienced during migration to the GST system	Star Rating of the Resort	Mean	SD	F-Value	P-Value
Technology-related issues	One Star	4.80	0.00	27.50	<0.001**
	Two Star	4.86	0.09		
	Three Star	4.71	0.17		
	Four Star	4.71	0.18		
	Five Star	4.86	0.09		
Product/service price-related issues	One Star	4.11	0.12	3.37	0.010*
	Two Star	4.00	0.00		
	Three Star	4.10	0.27		
	Four Star	4.06	0.31		
	Five Star	4.15	0.32		
Cost-related issues	One Star	4.64	0.37	30.06	<0.001**
	Two Star	4.16	0.11		
	Three Star	4.15	0.24		
	Four Star	4.17	0.34		
	Five Star	4.18	0.24		
ITC-related issues	One Star	4.68	0.30	23.69	<0.001**
	Two Star	4.40	0.16		
	Three Star	4.46	0.29		
	Four Star	4.62	0.22		
	Five Star	4.66	0.09		
Switching time-related issues	One Star	4.61	0.12	20.11	<0.001**
	Two Star	4.57	0.11		
	Three Star	4.65	0.17		
	Four Star	4.53	0.08		
	Five Star	4.58	0.11		

Source: Primary data
***Denotes significant at 1% level*, * denotes significant at 5% level

The ANOVA test exhibits significant differences among the varied star-rated resorts in Kerala regarding the issues faced during the transition to the GST system. The technology-related issues ($P < 0.001$), cost-related issues ($P < 0.001$), ITC-related issues ($P < 0.001$), and switching time-related issues ($P < 0.001$) demonstrate significant differences among varied star-rated resorts at 1%. Moreover, product/service price-related issues significantly differ at the 5% ($P = 0.010$). In simple terms, resorts with different star ratings had notably different experiences regarding various GST migration challenges. This proposes that the quality of the star rating of a resort can influence how it deals with GST migration problems.

Table 10.4

Post Hoc Test for the significant difference among varied star-rated resorts in Kerala concerning the issues they faced during the GST transition

Issues experienced during GST transition	Star Rating (I)	Star Rating (J)	Mean Difference (I-J)	Std. Error	P-Value
Technology-related issues	One Star	Two Star	-0.068	0.028	0.125^{NS}
		Three Star	0.090	0.024	0.003**
		Four Star	0.089	0.025	0.004**
		Five Star	-0.066	0.029	0.154^{NS}
	Two Star	Three Star	0.158	0.021	<0.001**
		Four Star	0.157	0.021	<0.001**
		Five Star	0.001	0.026	1.000^{NS}
	Three Star	Four Star	-0.000	0.015	1.000^{NS}
		Five Star	-0.156	0.021	<0.001**
	Four Star	Five Star	-0.156	0.022	<0.001**
Product/service price-related issues	One Star	Two Star	0.119	0.051	0.136^{NS}
		Three Star	0.014	0.044	0.997^{NS}
		Four Star	0.051	0.044	0.776^{NS}
		Five Star	-0.031	0.051	0.972^{NS}
	Two Star	Three Star	-0.105	0.037	0.042*
		Four Star	-0.067	0.038	0.395^{NS}
		Five Star	-0.151	0.046	0.010*
	Three Star	Four Star	0.037	0.028	0.675^{NS}
		Five Star	-0.046	0.038	0.743^{NS}
	Four Star	Five Star	-0.083	0.039	0.204^{NS}

Issues experienced during GST transition	Star Rating (I)	Star Rating (J)	Mean Difference (I-J)	Std. Error	P-Value
Cost-related issues	One Star	Two Star	0.477	0.053	<0.001**
		Three Star	0.486	0.046	<0.001**
		Four Star	0.464	0.046	<0.001**
		Five Star	0.459	0.054	<0.001**
	Two Star	Three Star	0.009	0.039	0.999^{NS}
		Four Star	-0.012	0.040	0.998^{NS}
		Five Star	-0.017	0.048	0.996^{NS}
	Three Star	Four Star	-0.021	0.029	0.949^{NS}
		Five Star	-0.026	0.039	0.963^{NS}
	Four Star	Five Star	-0.005	0.040	1.000^{NS}
ITC-related issues	One Star	Two Star	0.286	0.046	<0.001**
		Three Star	0.222	0.040	<0.001**
		Four Star	0.063	0.040	0.529^{NS}
		Five Star	0.020	0.047	0.993^{NS}
	Two Star	Three Star	-0.064	0.034	0.333^{NS}
		Four Star	-0.223	0.034	<0.001**
		Five Star	-0.266	0.042	<0.001**
	Three Star	Four Star	-0.159	0.025	<0.001**
		Five Star	-0.202	0.034	<0.001**
	Four Star	Five Star	-0.043	0.035	0.746^{NS}
Switching time-related issues	One Star	Two Star	0.040	0.025	0.488^{NS}
		Three Star	-0.037	0.021	0.413^{NS}
		Four Star	0.084	0.022	0.002**
		Five Star	0.036	0.025	0.621^{NS}
	Two Star	Three Star	-0.078	0.018	<0.001**
		Four Star	0.043	0.018	0.153^{NS}
		Five Star	-0.004	0.022	1.000^{NS}
	Three Star	Four Star	0.122	0.013	<0.001**
		Five Star	0.074	0.018	0.001**
	Four Star	Five Star	-0.048	0.019	0.097^{NS}

Source: Primary data

*** denotes significant at 1% level, * denotes significant at 5% level, 'NS' denotes non-significant.*

The Post Hoc Test results disclose significant differences in various issues experienced by resorts of varying star ratings during the migration to the GST system. Significant mean differences at the 1% level are recognized in technology-related

issues between one-star and three-star (P = 0.003) resorts, one-star and four-star (P = 0.004) resorts, two-star and three-star (P < 0.001) resorts, two-star and four-star (P < 0.001) resorts, three-star and five-star (P < 0.001) resorts and, between four-star and five-star (P < 0.001) resorts. Regarding product/service price-related issues, two-star resorts significantly differ from three-star (P=0.042*) and five-star (P=0.010*) resorts. Cost-related issues demonstrate significant differences in all comparisons with one-star tourist resorts at 1% level. In all those comparisons, p-values are < 0.001.

ITC-related issues also show significant differences at the 1% level for multiple comparisons, including one-star and two-star (P < 0.001) resorts, one-star and three-star (P < 0.001) resorts, two-star and four-star (P < 0.001) resorts, two-star and five-star (P< 0.001) resorts, three-star and four-star (P< 0.001) resorts and three-star and five-star (P< 0.001) resorts. In terms of switching time-related issues, one-star resorts significantly differed from four-star (P=0.002**), whereas two-star resorts differed significantly from three-star resorts (P < 0.001). Three-star resorts differed significantly from four-star and five-star resorts (P < 0.001). In simpler terms, resorts with varied star ratings experienced various GST-related challenges differently.

One-star tourist resorts faced significantly more technology-related issues during the GST transition than three-star and four-star resorts. Similarly, two-star resorts faced more technology-related challenges than their three-star and four-star counterparts, and five-star resorts experienced higher technology-related issues than three-star and four-star resorts. All these reveal potential disparity among varied star-rated resorts in handling modern systems. Regarding product/service price-related issues, though three-star and five-star resorts suffer more migration issues than two-star resorts, the issues are more acute in the case of five-star resorts. Further, one-star resorts experience more cost-related problems than two-star, three-star, four-star, and five-star resorts, showcasing the need for a conscious effort on the part of one-star resorts to manage expenses. Regarding ITC-related issues, one-star resorts experience more challenges than two-star and three-star resorts, while four-star and five-star resorts also encounter higher ITC-related issues than two-star and three-star resorts. Finally, regarding the time of switching to the GST system, one-star resorts face more issues than four-star resorts, and three-star resorts face more challenges than two-star, four-

star, and five-star resorts, indicating a higher-level difficulty among lower-rated resorts in migrating to GST in the middle of the financial year.

H0. 6.4: There is no significant difference among varied types of tourist resorts in Kerala concerning the GST migration issues

Table 10.5

ANOVA Test for testing the significant difference among varied types of tourist resorts in Kerala concerning the GST migration issues

Issues experienced during migration to the GST system	Type of Resort	Mean	SD	F-Value	P-Value
Technology-related issues	Beach Resort	4.85	0.14	35.80	<0.001**
	Backwater Resort	4.69	0.15		
	Hill Station Resort	4.72	0.16		
	Wildlife Resort	4.70	0.10		
Product/service price-related issues	Beach Resort	4.16	0.31	15.69	<0.001**
	Backwater Resort	4.05	0.17		
	Hill Station Resort	4.09	0.28		
	Wildlife Resort	3.88	0.12		
Cost-related issues	Beach Resort	4.07	0.17	19.85	<0.001**
	Backwater Resort	4.28	0.33		
	Hill Station Resort	4.28	0.36		
	Wildlife Resort	4.12	0.12		
ITC-related issues	Beach Resort	4.51	0.23	7.54	<0.001**
	Backwater Resort	4.50	0.29		
	Hill Station Resort	4.57	0.27		
	Wildlife Resort	4.68	0.11		
Switching time-related issues	Beach Resort	4.50	0.00	73.91	<0.001**
	Backwater Resort	4.65	0.18		
	Hill Station Resort	4.59	0.12		
	Wildlife Resort	4.75	0.00		

Source: Primary data
***denotes significant at 1% level*

The ANOVA test analyses significant differences among varied types of tourist resorts in Kerala concerning the intensity of several GST migration issues they face. The analysis shows significant differences among different types of resorts regarding all migration issues such as technology-related, product/service price-related, cost-related, ITC-related, and switching time-related issues at 1% level with a p-value of less than 0.001.

Table 10.6

Post Hoc Test for the significant difference among the varied types of tourist resorts in Kerala concerning the GST migration issues

Issues experienced during the transition to the GST system	Type of Resort (I)	Type of Resorts (J)	Mean Difference (I-J)	Std. Error	P-Value
Technology-related issues	Beach Resort	Backwater Resort	0.161	0.017	<0.001**
		Hill Station Resort	0.131	0.016	<0.001**
		Wildlife Resort	0.150	0.025	<0.001**
	Backwater Resort	Hill Station Resort	-0.029	0.016	0.282^{NS}
		Wildlife Resort	-0.011	0.025	0.972^{NS}
	Hill Station Resort	Wildlife Resort	0.018	0.024	0.872^{NS}
Product/service price-related issues	Beach Resort	Backwater Resort	0.117	0.029	0.001**
		Hill Station Resort	0.071	0.027	0.052^{NS}
		Wildlife Resort	0.282	0.042	<0.001**
	Backwater Resort	Hill Station Resort	-0.045	0.028	0.383^{NS}
		Wildlife Resort	0.165	0.043	0.001**
	Hill Station Resort	Wildlife Resort	0.210	0.042	<0.001**

Issues experienced during the transition to the GST system	Type of Resort (I)	Type of Resorts (J)	Mean Difference (I-J)	Std. Error	P-Value
Cost-related issues	Beach Resort	Backwater Resort	-0.207	0.033	<0.001**
		Hill Station Resort	-0.210	0.031	<0.001**
		Wildlife Resort	-0.051	0.048	0.708^{NS}
	Backwater Resort	Hill Station Resort	-0.003	0.032	1.000^{NS}
		Wildlife Resort	0.155	0.049	0.009**
	Hill Station Resort	Wildlife Resort	0.158	0.047	0.005**
ITC-related issues	Beach Resort	Backwater Resort	0.017	0.029	0.939^{NS}
		Hill Station Resort	-0.060	0.027	0.135^{NS}
		Wildlife Resort	-0.166	0.042	0.001**
	Backwater Resort	Hill Station Resort	-0.077	0.028	0.036*
		Wildlife Resort	-0.183	0.043	<0.001**
	Hill Station Resort	Wildlife Resort	-0.106	0.042	0.057^{NS}
Switching time-related issues	Beach Resort	Backwater Resort	-0.158	0.013	<0.001**
		Hill Station Resort	-0.096	0.012	<0.001**
		Wildlife Resort	-0.250	0.019	<0.001**
	Backwater Resort	Hill Station Resort	0.062	0.013	<0.001**
		Wildlife Resort	-0.091	0.020	<0.001**
	Hill Station Resort	Wildlife Resort	-0.153	0.019	<0.001**

Source: Primary data
*** denotes significant at 1% level; * denotes significant at 5% level; 'NS' denotes non-significant.*

The Post Hoc Test results exhibit several significant differences in GST migration issues among varied types of tourist resorts in Kerala. Regarding technology-related issues, beach resorts significantly differ from backwater, hill station, and wildlife resorts, with P-values all less than 0.001. In product/service price-related issues, beach resorts significantly differed from backwater and wildlife resorts, with P-values

less than 0.001. Similarly, significant differences were identified between backwater resorts and wildlife resorts ($P < 0.01$) as well as between hill station resorts and wildlife resorts ($P < 0.001$). Regarding cost-related issues, beach resorts differed significantly from backwater resorts ($p < 0.001$) and hill station resorts ($P < 0.001$). Backwater resorts differ significantly from wildlife resorts ($P = 0.009$), and hill station resorts differ significantly from wildlife resorts ($P = 0.005$).

Considering ITC-related issues, beach resorts are significantly different from wildlife resorts. Backwater resorts are significantly different from hill station resorts ($P=0.036$) and wildlife resorts ($P < 0.001$). In the case of switching time-related issues, beach resorts are significantly different from backwater ($P < 0.001$), hill station resorts ($P < 0.001$), and wildlife resorts ($P < 0.01$). Backwater resorts differ significantly from hill station resorts ($P < 0.001$) and wildlife resorts ($P < 0.001$), whereas hill station resorts differ significantly from wildlife resorts ($P < 0.001$).

According to the mean score, beach resorts face more technology-related issues than backwater resorts, hill station resorts, and wildlife resorts, indicating a higher struggle requirement for beach resorts regarding technology modification. They also face more product/service price-related problems than backwater and wildlife resorts. Backwater and hill station resorts face more product/service price-related issues than wildlife resorts. Though not as severe as those at hill station resorts, the product/service price-related issues experienced by the backwater resorts are comparatively greater.

Regarding cost-related challenges, backwater and hill station resorts experience more problems than beach and wildlife resorts. Wildlife resorts deal with more ITC-related problems than beach and backwater resorts, whereas hill station resorts have higher ITC-related issues than backwater resorts. Further, backwater resorts experience more significant switching time-related issues than beach and hill station resorts. Wildlife resorts struggle with greater switching time issues, exceeding beach, backwater, and hill station resorts. Hill station resorts suffer more switching time-related issues than beach resorts.

H0. 6.5: There is no significant difference between resorts with administrators of varied experience durations regarding the GST migration issues

Table 10.7

ANOVA Test for testing the significant difference between tourist resorts with administrators of varied experience durations regarding the GST migration issues

Issues experienced during the transition to the GST system	Years of experience	Mean	SD	F-Value	P-Value
Technology-related issues	Up to 10 years	4.84	0.08	18.34	<0.001**
	11 to 20 years	4.70	0.18		
	21 to 30 years	4.74	0.15		
	Above 30 years	4.80	0.20		
Product/service price -related issues	Up to 10 years	4.04	0.09	26.24	<0.001**
	11 to 20 years	3.97	0.19		
	21 to 30 years	4.19	0.27		
	Above 30 years	4.00	0.50		
Cost-related issues	Up to 10 years	4.35	0.34	37.60	<0.001**
	11 to 20 years	4.08	0.11		
	21 to 30 years	4.15	0.26		
	Above 30 years	4.50	0.50		
ITC-related issues	Up to 10 years	4.51	0.26	4.26	0.005**
	11 to 20 years	4.50	0.25		
	21 to 30 years	4.58	0.27		
	Above 30 years	4.60	0.20		
Switching time-related issues	Up to 10 years	4.59	0.12	23.12	<0.001**
	11 to 20 years	4.66	0.18		
	21 to 30 years	4.55	0.10		
	Above 30 years	4.62	0.12		

Source: Primary data
***denotes significant at 1% level*

The ANOVA test results analyse significant differences between resorts with administrators of varied years of experience regarding GST migration issues. Regarding technology-related issues, the differences are highly significant ($P < 0.001$), with resorts having up to 10 years of experience in the industry facing the highest mean score compared to other experience groups. Product/service price-related issues also demonstrate significant differences ($P < 0.001$), with resorts with 21 to 30 years of experience observing higher mean scores than those with less experience and over 30 years of experience. Both cost-related and ITC-related issues reveal significant differences (p-values are < 0.001 and 0.005, respectively) among different experience groups, and these issues are more among the resorts having over 30 years of experience than others. Switching time-related issues are significantly different among resorts with varied years of experience ($P < 0.001$), and the resorts having 11 to 20 years of experience suffer more issues with a mean score of 4.66 compared to others. In a nutshell, experience in the industry has a prominent role in the types and extent of GST migration issues the resorts face.

Table 10.8

Post Hoc Test for the significant difference among tourist resorts with administrators of varied experience durations regarding the GST migration issues

Issues experienced during migration to the GST system	Years of experience (I)	Years of experience (J)	Mean Difference (I-J)	Std. Error	P-Value
Technology-related issues	Up to 10 years	11 to 20 years	0.137	0.019	<0.001**
		21 to 30 years	0.100	0.017	<0.001**
		Above 30 years	0.041	0.028	0.457^{NS}
	11 to 20 years	21 to 30 years	-0.036	0.016	0.123^{NS}
		Above 30 years	-0.096	0.027	0.003**
	21 to 30 years	Above 30 years	-0.059	0.026	0.104^{NS}

Issues experienced during migration to the GST system	Years of experience (I)	Years of experience (J)	Mean Difference (I-J)	Std. Error	P-Value
Product/ service price-related issues	Up to 10 years	11 to 20 years	0.074	0.031	0.089^{NS}
		21 to 30 years	-0.144	0.028	<0.001**
		Above 30 years	0.047	0.045	0.720^{NS}
	11 to 20 years	21 to 30 years	-0.218	0.026	<0.001**
		Above 30 years	-0.026	0.043	0.929^{NS}
	21 to 30 years	Above 30 years	0.192	0.041	<0.001**
Cost-related issues	Up to 10 years	11 to 20 years	0.266	0.035	<0.001**
		21 to 30 Years	0.196	0.031	<0.001**
		Above 30 years	-0.146	0.050	0.019*
	11 to 20 years	21 to 30 years	-0.070	0.029	0.080^{NS}
		Above 30 years	-0.413	0.048	<0.001**
	21 to 30 years	Above 30 years	-0.342	0.046	<0.001**
ITC-related issues	Up to 10 years	10 to 20 years	0.012	0.032	0.981^{NS}
		21 to 30 years	-0.069	0.029	0.089^{NS}
		Above 30 years	-0.086	0.046	0.251^{NS}
	11 to 20 years	21 to 30 years	-0.082	0.027	0.015*
		Above 30 years	-0.098	0.045	0.128^{NS}
	21 to 30 years	Above 30 years	-0.016	0.043	0.981^{NS}
Switching time-related issues	Up to 10 years	11 to 20 years	-0.071	0.016	<0.001**
		21 to 30 years	0.043	0.015	0.024*
		Above 30 years	-0.030	0.023	0.586^{NS}
	11 to 20 years	21 to 30 years	0.115	0.014	<0.001**
		Above 30 years	0.041	0.023	0.273^{NS}
	21 to 30 years	Above 30 years	-0.073	0.022	0.005**

Source: Primary data

*** denotes significant at 1% level; * denotes significant at 5% level; NS denotes non-significant.*

The Post Hoc test reveals significant differences in GST-migration issues faced by tourist resorts with administrators of varied years of experience in the industry. For technology-related issues, resorts with administrators of up to 10 years of experience differed significantly from those with 11 to 20 years ($P < 0.001$) and 21 to 30 years ($P < 0.001$) of experience, with P-values less than 0.001. Resorts with administrators of 11 to 20 years of experience differ significantly from those with experience over 30 years ($P = 0.003$) of experience. In terms of product/service price-related issues, resorts with up to 10 years of experience significantly differed from those with experience of 21 to 30 ($P < 0.001$) years, while tourist resorts with administrators of 11 to 20 years of experience differed significantly from those with experience of 21 to 30 years ($P < 0.001$). In the same manner, resorts with administrators of 21 to 30 years of experience significantly differed from those with experience of over 30 years ($P < 0.001$) of experience.

Cost-related issues show significant differences across almost all comparisons. Resorts with administrators of up to 10 years of experience differed significantly from those with experience of 11 to 20 years ($P < 0.001$), 21 to 30 years ($P < 0.001$), and above 30 years ($P < 0.001$). Resorts with administrators of 11 – 20 years of experience and with 21 to 30 years of experience significantly differed from those with over 30 years of experience ($P < 0.001$). Regarding ITC-related issues, a significant difference is found only between resorts with administrators of 11 to 20 years of experience and 21 to 30 years of experience ($P = 0.015$). Finally, switching time-related issues are significantly different in several experience groups. Resorts with administrators of up to 10 years of experience significantly differed from those with experience of 11 to 20 years ($P < 0.001$) and 21 to 30 years ($P=0.024$). Similarly, resorts with administrators with experience of 11 to 20 years significantly differed from those with experience of 21 to 30 years ($P < 0.001$). In contrast, resorts with administrators with experience of 21 to 30 years differed significantly from those with experience of over 30 years ($P=0.005$).

Tourist resorts with administrators of up to 10 years of experience face more technology-related issues than those with 11 to 20 years and 21 to 30 years of

experience. Interestingly, resorts with administrators with more than 30 years of experience suffer more technology-related issues than those with 11 to 20 years of experience. While considering product/service price-related issues, resorts with administrators of 21 to 30 years of experience face greater challenges than those with up to 10 years, 11 to 20 years, and over 30 years of experience. Cost-related issues are prominently higher in resorts with administrators of up to 10 years of experience compared to those with 11 to 20 years and 21 to 30 years of experience. In contrast, resorts with administrators of more than 30 years of experience face even more cost-related issues than those with up to 10 years, 11 to 20 years, and 21 to 30 years of experience. Regarding ITC-related problems, resorts with administrators with 21 to 30 years of experience report more issues than those with 11 to 20 years of experience. Considering the issues related to switching time, resorts with administrators with 11 to 20 years of experience face more problems than those with up to 10 years and 21 to 30 years of experience. Further, resorts with administrators of up to 10 years face more issues than resorts with 21 to 30 years of experience, and resorts with administrators of over 30 years of experience observe higher switching time-related issues than those with 21 to 30 years of experience.

10.6 Conclusion

This chapter has analysed the issues experienced by tourist resorts in Kerala during their transition to the GST system. The issues are classified under five headings: technology-related issues, product/service price-related issues, cost-related issues, ITC-related issues, and switching time-related issues. Using a span of statistical tools (mean, standard deviation, one-sample t-test, independent t-test, and ANOVA with Tukey's post hoc analysis), the study has provided precious insights into how these issues vary across different socio-demographic profiles of the resorts, such as location, star rating, resort-type, and administrator's experience duration. The analysis shows significant differences among tourist resorts regarding the GST migration issues they face. Also, it highlights specific areas where targeted support and improvements can provide a smoother implementation of GST reforms among tourist resorts in Kerala. Thus, remarkable contributions can be made to Kerala's tourism industrial sector.

Chapter 11

SUMMARY, FINDINGS AND CONCLUSION

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11.1. Introduction

This chapter initiates with a summary of the whole research study, followed by the findings drawn from the study. The findings are organised based on research objectives. The chapter ends with a conclusion and implications of the study.

11.2. Summary

The study, "The Impact of Goods and Services Tax Reforms on the Business Dynamics of Tourist Resorts in Kerala – An Empirical Analysis", is an attempt to explore the influence of implementing GST reforms on tourism performance indicators of tourist resorts in Kerala. This is done by gathering data directly from tourist resort administrators of selected tourist resorts in Kerala. For making a comprehensive analysis and considering all the possible factors regarding the impact of GST on tourist resorts in Kerala, five major constructs, such as financial indicators, marketing efficiency indicators, operating efficiency indicators, tourist experience indicators, and social performance indicators, were considered for the study. Under major constructs, a total of 15 minor constructs and 72 item statements have also been included. Further, to examine the level of GST awareness of resort administrators, five constructs and 22 item statements are considered. Moreover, to analyse the extent of GST-driven advantages the resort administrators experienced, seven constructs and 35 item statements have been incorporated. Five-point Likert scales are used to measure the results more accurately.

To analyse the extent of impact the GST-driven advantages have made on each of the tourism performance indicators of tourist resorts in Kerala, the study suggested a Structural Equation Modelling (SEM). Since tourist resorts constitute a vital and representative component of the varied tourism sector segments of Kerala, the model

is suggested for other tourism segments such as hotels, homestays, guest houses, rest houses, serviced villas, etc. Further, the study has examined and analysed the extent of issues the tourist resorts in Kerala confronted while migrating to the GST system. The study classified the GST migration issues into five categories, namely, technology-related, cost-related, product/service price-related, ITC-related, and switching-time-related issues. The important demographic variables considered for analysing the data include the resort's location, star rating, type of resort, and industry experience of resort administrators.

11.3 Findings of the Study

This section provides a briefing of the study's key findings. The findings are listed in the same order as the research objectives formulated, analysed, and interpreted.

Objective 1: The study's first objective is to examine the level of awareness of GST reforms among tourist resort administrators in Kerala. The key findings are:

11.3.1 The majority of administrators are highly aware of all the parameters of GST awareness, such as GST's purposes, GST registration, return filing, GST rates, and input tax credit. The proportion of higher-awareness administrators is very high regarding GST registration, followed by awareness of GST's purposes. Though the proportion of administrators with higher awareness of GST return filing and GST rates is the same, both are placed behind awareness of GST's purposes. However, nearly half of the administrators still have a low awareness of GST rates.

11.3.2 While administrators of rural and urban resorts understand the purposes behind GST implementation at similar levels, urban resort administrators are generally more aware of GST registration than rural resort administrators.

11.3.3 The level of awareness of GST return filing is the same among administrators of rural and urban resorts.

11.3.4 The administrators of rural tourist resorts are more knowledgeable about the GST rates and input tax credit than those of urban tourist resorts.

11.3.5 Among urban resort administrators, more than half have low awareness regarding GST rates.

11.3.6 While the administrators of resorts with higher star ratings (2-star, 3-star, 4-star, and 5-star) know the purposes behind implementing GST reform very well, nearly half of the administrators of one-star resorts fall into the low-awareness group.

11.3.7 Generally, the administrators of resorts with higher star ratings (2-star, 3-star, and 5-star) are more knowledgeable about GST registration. However, four-star resorts remain an exception.

11.3.8 Most resort administrators with lower star ratings (1-star and 2-star) are more aware of GST return filing than those with higher star ratings.

11.3.9 Among the administrators of one-star resorts, nearly 9 out of 10 are highly aware of GST rates. However, in the case of two-star resorts, the pattern is almost the opposite; just 1 out of 10 have a high awareness of GST rates. The awareness of GST rates is more or less in the same pattern among administrators of resorts with higher star ratings, such as three-star, four-star, and five-star resorts. Most of the three-star, four-star, and five-star resort administrators are more aware of GST rates.

11.3.10 Though there is no commendable association between star rating of resorts and resort administrators' awareness of input tax credits, about half of one-star resort administrators have low awareness of ITC.

11.3.11 The administrators of different types of resorts have varying degrees of understanding of the purposes behind GST reforms. The administrators at hill station and backwater resorts show the highest levels of awareness, while administrators of wildlife resorts exhibit comparatively low awareness.

11.3.12 The administrators of different types of resorts have varying levels of understanding about GST registration. While an overwhelming majority of hill station resort administrators exhibit high awareness, the corresponding figure for beach resorts is comparatively low. The GST registration awareness of wildlife and backwater resort administrators is between hill stations and beach resorts.

11.3.13 Most administrators of backwater and hill station resorts are highly aware of GST return filing. In the case of wildlife resorts, exactly half of the administrators are in the low awareness category regarding GST return filing. The proportion of administrators with low awareness of GST return filing is also high among beach resorts.

11.3.14 While a higher share of backwater resort administrators shows high awareness of GST rates, half of hill station administrators and more than half of the beach and wildlife resort administrators have low-level awareness of GST rates.

11.3.15 While the proportion of administrators with high awareness of ITC is very high among wildlife resorts, nearly half of the administrators of beach resorts have low awareness of ITC.

11.3.16 Resort administrators of all experience groups show a better understanding of the GST reform's intended objectives. However, this understanding is highest among administrators with over 30 years of experience.

11.3.17 Though Resort administrators gain more experience over time, they are less aware of GST registration requirements. However, some exceptions prevail in this regard.

11.3.18 Regarding GST return filing, the administrators with fewer years of experience predominantly exhibit high awareness. As years of experience increase, their interest in the routine work of return filing decreases.

11.3.19 Administrators of all experience categories have comparatively low awareness of GST rates. The proportion of administrators with high awareness of GST rates is too small among administrators with over 30 years of experience.

11.3.20 As the industry experiences of resort administrators increase, their awareness of input tax credits also increases.

Objective 2:

The study's second objective is to analyse the GST-driven advantages of tourist resorts in Kerala. The significant findings relating to this objective are pointed out below:

11.3.21 The tourist resorts in Kerala experience all the GST-driven advantages such as uniform tax, single taxable event, single tax authority, easy tax compliance, better transparency, no cascading effect, and seamless input tax credit at an above-average level.

11.3.22 The GST-driven advantage of *easy tax compliance* is ranked first. The benefits of *uniform tax* and *single taxable event* are ranked second and third, respectively. The advantage of *No cascading effect* is ranked last.

11.3.23 Regarding the GST-driven advantages of tourist resorts across varied locations, rural tourist resorts experience *uniform tax* and *single taxable event* at a higher rate compared to urban resorts. However, urban resorts experience *easy tax compliance* and *no cascading effect* at a higher rate than rural resorts.

11.3.24 There is no remarkable difference between rural and urban tourist resorts regarding the extent of benefits experienced regarding *single tax authority, better transparency,* and *seamless input tax credit.*

11.3.25 Regarding the extent of benefits with respect to uniform tax, single taxable event, single tax authority, easy tax compliance, better transparency, and seamless input tax credit, notable differences exist among varied star-rated resorts. However, no remarkable differences prevail among different star-rated resorts regarding the perceived benefits of *no cascading effect*.

11.3.26 Regarding the GST-driven advantage of *uniform tax*, remarkable differences exist between two-star and four-star resorts, three-star and four-star resorts, and five-star and four-star resorts. Two-star, three-star, and five-star resorts experience better benefits compared to four-star resorts concerning the benefit of *uniform tax.*

11.3.27 Regarding the advantage of *single taxable event*, two-star and five-star resorts outperform one-star, three-star, and four-star resorts. However, between two-star and five-star resorts, the benefits of *single taxable event* are slightly more among two-star resorts.

11.3.28 Two-star and four-star resorts outperform one-star, three-star, and five-star resorts in terms of the advantage of *single taxable authority.*

11.3.29 Regarding the GST-driven advantage of *easy tax compliance*, while two-star resorts outperform one-star, three-star, four-star, and five-star resorts, the four-star resorts outperform one-star, three-star, and five-star resorts.

11.3.30 Two-star, three-star, and four-star resorts outperform one-star and five-star resorts regarding the advantages of *better transparency*. Further, five-star resorts outperform one-star resorts. However, among two-star, three-star, and four-star resorts, the two-star resorts exhibit more benefits than three-star and four-star resorts concerning *better transparency*.

11.3.31 Five-star resorts enjoy more benefits than one-star resorts regarding the GST benefit in terms of *better transparency*.

11.3.32 Two-star resorts enjoy more benefits of *seamless input tax credit* than three-star and four-star resorts; five-star resorts outperform four-star resorts.

11.3.33 Regarding *uniform tax*, backwater resorts enjoy more advantages than the beach and hill station resorts, while beach resorts enjoy greater benefits than hill station resorts.

11.3.34 Wildlife resorts have the greatest benefits of *uniform tax*, surpassing beach, hill station, and backwater resorts.

11.3.35 Backwater resorts and hill station resorts experience superior advantages of *single taxable events* compared to beach resorts.

11.3.36 Regarding *single tax authority*, backwater resorts enjoy more benefits than beach and hill station resorts. However, wildlife resorts surpass both beach and hill station resorts regarding this aspect.

11.3.37 Regarding *easy tax compliance*, beach resorts are better than hill station and wildlife resorts. However, backwater resorts experience even greater advantages than wildlife and hill station resorts.

11.3.38 The benefits of *better transparency* are more pronounced for beach resorts than backwater and hill station resorts. Hill station resorts also experience *better transparency* than backwater resorts. However, wildlife resorts have the greatest advantages in transparency over all other resort types.

11.3.39 Hill Station resorts enjoy more advantages from *no cascading effects* than beach resorts. However, wildlife resorts benefit most from *no cascading effects*, surpassing beach and backwater resorts.

11.3.40 Both backwater and hill station resorts benefit more from the *seamless input tax credit* than beach resorts. However, wildlife resorts outperform beach and hill station resorts and enjoy the greatest benefits of *seamless input tax credit.*

11.3.41 Tourist resorts with administrators with 11 – 20 years of experience demonstrate greater advantages in *uniform tax* compared to those with up to 10 years of experience, 21 – 30 years of experience, and above 30 years of experience. Further, resorts with up to 10 years of experience enjoy superior benefits of *uniform tax* than those with 21 – 30 years of experience and above 30 years of experience, while resorts with administrators with 21 – 30 years of experience outperform those with over 30 years of experience.

11.3.42 Regarding *single taxable event*, resorts with administrators with up to 10 years of experience benefit more than those with 11 – 20 years and 21 – 30 years of experience. Further, resorts with administrators with 11 - 20 years of experience outperform those with 21 - 30 years of experience, while resorts with administrators with more than 30 years of experience outstrip those with 21 – 30 years of experience regarding *single taxable event* benefits.

11.3.43 Regarding *single tax authority*, resorts with administrators with up to 10 years of experience and those with 11 – 20 years of experience achieve more advantages than those with 21 – 30 years of experience.

11.3.44 Resorts with administrators with up to 10 years of experience are excellent in the GST-driven advantage of *easy tax compliance*. They benefit more than those with administrators with 11 – 20 years of experience and over 30 years of experience. Further, resorts with administrators of 21 – 30 years of experience have a greater advantage of *easy tax compliance* compared to those with 11 – 20 years of experience and over 30 years of experience.

11.3.45 Regarding *better transparency*, resorts with administrators with 21 – 30 years of experience have the edge over those with up to 10 years of experience and over 30 years of experience.

11.3.46 Resorts with administrators with up to 10 years of experience and 11 – 20 years of experience benefit more from *better transparency* than those with above 30 years of experience.

11.3.47 Regarding *no cascading effect*, resorts with administrators of up to 10 years of experience, 11 – 20 years of experience, and 21 – 30 years of experience outperform those with administrators of over 30 years of experience.

11.3.48 Resorts with administrators with up to 10 years of experience and over 30 years of experience attain more from *seamless input tax credit* than those with 21 – 30 years of experience. Further, resorts with administrators with 11 – 20 years of experience enjoy more benefits than those with 21 – 30 years of experience.

Objective 3:

The third objective of the study is to investigate the financial, marketing, and operational performance of tourist resorts in Kerala after implementing GST reform. The important findings of this objective are specified below:

11.3.49 Regarding the financial performance of tourist resorts in the context of GST reform, all the indicators show above-average scores. While *contribution to state GDP*

and *total tourism revenue earnings* score the first and second ranks, respectively, *foreign exchange earnings* score the minimum.

11.3.50 Regarding the financial performance indicators of *revenue generation* and *profitability*, rural tourist resorts outperform urban resorts. However, regarding *contribution to state GDP,* rural resorts perform slightly better than urban ones. No remarkable differences are found between rural and urban tourist resorts regarding the financial performance indicators of *foreign exchange earnings* and *total tourism revenue earnings*.

11.3.51 One-star and four-star resorts outperform two-star, three-star, and five-star resorts in *revenue generation*. Also, two-star resorts surpass three-star and five-star resorts in this regard.

11.3.52 In terms of the *profitability* indicator, two-star resorts excel above one-star, three-star, four-star, and five-star resorts. Further, three-star and four-star resorts are more profitable than five-star resorts.

11.3.53 Regarding *contribution to state GDP*, five-star resorts have a greater impact than one-star, two-star, three-star, and four-star resorts. Notably, three-star resorts have a higher impact than two-star resorts.

11.3.54 Beach resorts, backwater resorts, and hill station resorts have a more significant influence on *revenue generation* compared to wildlife resorts, reflecting their greater financial performance in this area.

11.3.55 In terms of *profitability*, wildlife resorts excel beyond beach resorts, backwater resorts, and hill station resorts. Further, backwater and hill station resorts exceed beach resorts in *profitability*.

11.3.56 Regarding *total tourism revenue earnings*, beach resorts outperform backwater resorts, whereas hill station resorts surpass backwater resorts and wildlife resorts.

11.3.57 In terms of *contribution to state GDP*, wildlife resorts make the most significant impact and outperform hill station resorts, backwater resorts, and beach

resorts. Further, backwater resorts and hill station resorts perform better than beach resorts in terms of *contribution to state GDP*.

11.3.58 There is no commendable difference across varied types of resorts regarding the financial indicator of *foreign exchange earnings*.

11.3.59 Resorts with administrators with up to 10 years of experience are better at *revenue generation* than those with 11 – 20 years of experience and 21 – 30 years of experience, while resorts with administrators with 21 – 30 years of experience exceed those with experience of 11 to 20 years. However, resorts with administrators over 30 years of experience attain the highest *revenue generation* among all the experience categories, reflecting the substantial benefits of long-term industry presence.

11.3.60 Regarding *profitability*, resorts with administrators of up to 10 years of experience outperform those with 11 – 20 years and 21 – 30 years of experience. Further, resorts with administrators with 11 – 20 years of experience show greater profitability than those with 21 – 30 years of experience, while resorts with administrators with over 30 years of experience exceed those with 11 – 20 years of experience and 21 – 30 years of experience.

11.3.61 Resorts with administrators of 21 – 30 years of experience have a more prominent effect on *total tourism revenue earnings* compared to those with up to 10 years and 11 – 20 years of experience. Similarly, resorts with administrators with over 30 years of experience have a superior impact on *total tourism revenue earnings* than those with experience of up to 10 years and 11 – 20 years.

11.3.62 Resorts with administrators of 21 – 30 years of experience have a more prominent impact on *contribution to state GDP* than those with up to 10 years of experience. Further, resorts with administrators with over 30 years of experience also positively contribute to state GDP, surpassing those with up to 10 years and 11 – 20 years of experience.

11.3.63 Regarding the marketing performance indicators of tourist resorts in the context of GST reform, all the indicators show above-average scores. *Pricing strategy*

effectiveness scores the highest, *domestic tourist arrivals* rank second, and *foreign tourist arrivals* rank third.

11.3.64 There is no remarkable difference between rural and urban tourist resorts regarding the marketing efficiency indicators of *domestic tourist arrivals* and *foreign tourist arrivals*.

11.3.65 Regarding the marketing efficiency indicator of *pricing strategy effectiveness*, rural resorts are more successful than urban tourist resorts.

11.3.66 Though remarkable differences are observed among the varied star-rated resorts regarding marketing efficiency indicators of *domestic tourist arrivals* and *pricing strategy effectiveness*, no notable differences are found between different star-rated resorts regarding *foreign tourist arrivals*.

11.3.67 In terms of *domestic tourist arrivals*, five-star resorts perform better than three-star resorts. No other comparisons of star-rated resorts regarding *domestic tourist arrivals* are remarkable.

11.3.68 Regarding *pricing strategy effectiveness*, two-star resorts demonstrate notably higher effectiveness than one-star, three-star, four-star, and five-star resorts. Further, one-star and three-star resorts exhibit higher *pricing strategy effectiveness* than four-star resorts.

11.3.69 Domestic tourists tend to favour hill station resorts over beach resorts, but wildlife resorts attract more domestic tourists than beach resorts, backwater resorts, and hill station resorts.

11.3.70 Regarding *pricing strategy effectiveness*, wildlife, and hill station resorts exhibit a more successful approach than beach resorts and backwater resorts.

11.3.71 Tourist resorts with administrators with over 30 years of experience perform better in attracting domestic and foreign tourists than those with 11 – 20 years of experience and 21 – 30 years of experience.

11.3.72 Regarding *pricing strategy effectiveness*, resorts with administrators of up to 10 years of experience are particularly more effective than those with 11 – 20 years of experience and 21 – 30 years of experience. In addition, resorts with administrators of 11 – 20 years of experience exhibit better pricing strategy effectiveness than those with 21 – 30 years of experience. However, resorts with administrators having over 30 years of experience reveal a more effective pricing strategy than those with 21 - 30 years of experience.

11.3.73 Regarding the operational efficiency of resorts, though both the indicators (*tourist booking & occupancy* and *cost-effectiveness*) exhibit positive impacts, the extent of the positive impact on *cost-effectiveness* is comparatively lower than that of *tourist booking & occupancy*.

11.3.74 GST reform has a stronger positive influence on both the operational efficiency indicators (cost-effectiveness and tourist booking & occupancy) of rural resorts compared to urban resorts.

11.3.75 One-star resorts offer greater *cost-effectiveness* than all other star-rated resorts, making them attractive choices for budget-conscious travelers.

11.3.76 Three-star resorts show finer cost efficiency than their two-star, four-star, and five-star counterparts, making them a balanced choice for tourists in both affordability and comfort. Further, two-star resorts provide better *cost-effectiveness* than four-star and five-star resorts.

11.3.77 Two-star resorts excel in the operational efficiency indicator of *booking & occupancy* and outperform all other star-rated resorts, indicating their strong appeal in the market. Further, three-star and four-star resorts have higher booking and occupancy rates than five-star resorts in attracting guests.

11.3.78 Regarding *cost-effectiveness*, backwater resorts surpass beach and hill station resorts, indicating they offer greater value for money than the other two. However, wildlife resorts stand out as the most cost-effective option, exceeding beach, backwater, and hill station resorts.

11.3.79 Wildlife resorts excel in booking & occupancy rates compared to beach, backwater, and hill station resorts, reflecting their superior appeal and popularity among visitors.

11.3.80 While wildlife resorts lead in both *cost-effectiveness* and *tourist booking and occupancy*, backwater, and hill station resorts offer remarkable advantages over beach resorts in terms of *cost-effectiveness.*

11.3.81 Resorts with administrators of up to 10 years of experience and 11 – 20 years of experience provide superior *cost-effectiveness* compared to those with 21 – 30 years of experience and over 30 years of experience, stipulating they provide better value for money. Further, resorts with over 30 years of experience demonstrate better *cost-effectiveness* than those with 21 – 30 years of experience.

11.3.82 Regarding *tourist booking and occupancy*, resorts with administrators with up to 10 years of experience, 11 – 20 years of experience, and over 30 years of experience attract more visitors than those with 21 – 30 years of experience.

Objective 4:

The fourth objective of the study is to analyse social performance and tourist experience indicators of tourist resorts in Kerala after implementing GST reforms. The important findings of this objective are listed below:

11.3.83 Regarding the social performance of tourist resorts in the context of GST reforms, all the indicators show above-average scores. While the indicators of *infrastructure development* and *social trustworthiness* rank first and second, respectively, the *employment generation* scores the minimum.

11.3.84 The urban tourist resorts in Kerala excel in all the social performance indicators, such as employment generation, infrastructure development, and social trustworthiness, compared to their counterparts of rural resorts.

11.3.85 Five-star resorts demonstrate excellent performance regarding employment generation, infrastructural development, and social trustworthiness compared to two-star and three-star resorts in the context of GST reforms. They also show greater

performance than four-star resorts in terms of *employment generation*. Further, they exhibit better performance than one-star resorts in terms of the effect of GST on *infrastructural development*. Moreover, regarding *social trustworthiness*, five-star resorts outperform two-star and three-star resorts.

11.3.86 Wildlife resorts in Kerala enjoy an excellent performance regarding "social trustworthiness" compared to beach resorts, backwater resorts, and hill station resorts with the implementation of the GST system. Hill station resorts and backwater resorts also perform better in terms of *social trustworthiness* than beach resorts.

11.3.87 Regarding *infrastructure development*, beach, and hill station resorts perform better than backwater and wildlife resorts.

11.3.88 While wildlife resorts lead in *social trustworthiness* with the implementation of GST reform, the beach and hill station resorts are recognized for excellent performances regarding *infrastructure development*.

11.3.89 Regarding the performance of *employment generation*, no remarkable differences are shown between varied resort types in the context of implementing GST reforms.

11.3.90 Tourist resorts with administrators of up to 10 years of experience tend to excel in *employment generation* compared to those with 21 - 30 years of experience. However, resorts boasting over 30 years of experience exceed all other experience categories regarding *employment generation*.

11.3.91 In the case of *infrastructural development*, resorts with administrators of 21 - 30 years of experience lead the field, demonstrating higher advancement than those with up to 10 years, 11 to 20 years, and over 30 years of experience.

11.3.92 Regarding the *social trustworthiness* indicator, resorts with administrators with up to 10 years of experience show better performance than those with 11 - 20 years of experience. Further, resorts with administrators of 21 to 30 years of experience outperform those with 11 - 20 years of experience regarding *social*

trustworthiness. Moreover, resorts with over 30 years of experience also demonstrate greater *social trustworthiness* than those with 11 – 20 years of experience.

11.3.93 While the newer resorts are excellent in *employment generation* and slightly outperform in *social trustworthiness*, established resorts with longer histories show robust capabilities in *employment generation* and *infrastructural development*.

11.3.94 Though tourists are happier with their experiences at tourist resorts in Kerala after GST reforms, their behavior remains the same.

11.3.95 After GST reforms, tourists are significantly more satisfied with resorts in rural areas than those in urban areas. However, *tourist behaviour* after GST reforms is slightly better at urban resorts than at rural ones.

11.3.96 Regarding the *tourist satisfaction* indicator, two-star and four-star resorts are favoured for extraordinary experiences over one-star, three-star, and five-star resorts. However, one-star resorts feel the finest *tourist behavior* from guests compared to two-star, three-star, four-star and five-star resorts.

11.3.97 Hill station resorts offer superior *tourist satisfaction* and enjoy better *tourist behaviour* compared to other types of resorts.

11.3.98 Tourists find significantly higher satisfaction at resorts with over 30 years of experience than those with up to 10 years of experience, 11 – 20 years of experience, and 21 – 30 years of experience, indicating that long-established resorts deliver exceptional guest satisfaction. Resorts with over 30 years of experience enjoy more refined *tourist behaviour* than resorts with other experience categories.

Objective 5:

The fifth objective of the study is to explore the impact of implementing GST reforms on key business performance indicators of tourist resorts in Kerala. The important findings of the study relating to this objective are:

11.3.99 The GST-driven advantages and the key business performance indicators of tourist resorts in Kerala are highly associated.

11.3.100 The GST-driven advantages have the highest positive effect on the financial performance indicators of tourist resorts in Kerala.

11.3.101 The effects of GST-driven advantages on marketing efficiency indicators of tourist resorts in Kerala are almost equivalent to financial performance indicators.

11.3.102 Regarding the positive effects of GST-driven advantages, the operational efficiency and tourist experience indicators have occupied the third and fourth positions, respectively.

11.3.103 Though positive, GST-driven advantages have a comparatively lower impact on the social performance indicators of tourist resorts in Kerala.

Objective 6:

The sixth objective of the study is to analyse the issues the tourist resorts in Kerala have experienced while migrating to the GST system. The important findings regarding this objective are:

11.3.104 The tourist resorts in Kerala faced several significant challenges while adapting to the new GST system. The biggest issue was related to technology. This was followed closely by problems associated with switching time and input tax credit, which also caused considerable difficulties. Other issues, such as cost-related and price-related, were also significant, although they ranked lower in impact.

11.3.105 The rural and urban resorts in Kerala show remarkable differences regarding GST migration issues, such as technology-related issues, product/service price-related issues, ITC-related issues, and switching time-related issues. However, no remarkable difference can be found in cost-related issues faced by rural and urban resorts.

11.3.106 Rural resorts faced more challenges than urban resorts regarding technology, pricing, and switching time-related issues, while ITC-related problems faced by urban resorts were comparatively more numerous.

11.3.107 Resorts with different star ratings have notably different experiences regarding various GST migration challenges. One-star, two-star, and five-star tourist

resorts faced significantly more technology-related issues during the transition to the GST system compared to three-star and four-star resorts.

11.3.108 Regarding product/service price-related issues, though three-star and five-star resorts suffer more than two-star resorts, the issues are more acute in the case of five-star resorts.

11.3.109 The one-star resorts experience more cost-related problems than all other star-rated categories.

11.3.110 Regarding ITC-related issues, one-star resorts experience more challenges than two-star and three-star resorts, while four-star and five-star resorts also encounter higher ITC-related issues than two-star and three-star resorts.

11.3.111 In terms of switching time-related issues, one-star resorts face more issues than four-star resorts. Further, three-star resorts face more challenges than two-star, four-star, and five-star resorts.

11.3.112 Beach resorts in Kerala face more technology-related issues than backwater resorts, hill station resorts, and wildlife resorts, indicating a higher struggle requirement on the part of beach resorts regarding technology modification.

11.3.113 Beach resorts in Kerala face more product/service price-related problems than backwater and wildlife resorts. Further, backwater and hill station resorts face more product/service price-related issues than wildlife resorts.

11.3.114 Backwater and hill station resorts in Kerala experience more cost-related issues than beach and wildlife resorts.

11.3.115 Wildlife resorts have more ITC-related problems than beach and backwater resorts, whereas hill station resorts have higher ITC-related issues than backwater resorts.

11.3.116 Backwater resorts experience more switching time-related issues than the beach and hill station resorts, while hill station resorts suffer such issues more than

beach resorts. Further, wildlife resorts struggle with greater switching time issues, exceeding beach, backwater, and hill station resorts.

11.3.117 Tourist resorts with administrators of up to 10 years of experience face more technology-related issues compared to those with 11 - 20 years and 21 - 30 years of experience. Interestingly, resorts with administrators with more than 30 years of experience also suffer more technology-related issues than those with 11 - 20 years of experience.

11.3.118 Regarding product/service price-related issues, resorts with administrators of 21 - 30 years of experience face greater challenges than those with up to 10 years, 11 - 20 years, and over 30 years of experience.

11.3.119 Cost-related issues are higher in resorts with administrators of up to 10 years of experience compared to those with 11 - 20 years and 21 - 30 years of experience. In contrast, resorts with administrators of more than 30 years of experience face even more cost-related issues than those with up to 10 years, 11 - 20 years, and 21 - 30 years of experience.

11.3.120 Regarding ITC-related problems, resorts with administrators with 21 - 30 years of experience report more issues than those with 11 - 20 years of experience.

11.3.121 Considering the issues related to GST switching time, resorts with administrators with 11 – 20 years of experience face more problems than those with up to 10 years of experience and 21 – 30 years of experience. Further, resorts with administrators of up to 10 years of experience and over 30 years of experience face more switching time related issues than those of resorts with 21 – 30 years of experience.

11.4 Conclusion

The study's key aspects include the awareness of GST reforms among administrators of tourist resorts in Kerala, resort administrators' perceptions of crucial GST-driven advantages, their perceptions of the impact of GST-driven advantages on key business performance indicators of tourist resorts in Kerala, and the critical issues faced by

tourist resorts while migrating to the GST system. The researcher examined all these aspects using various descriptive and inferential analysis tools. To make the study comprehensive, various demographic characteristics, such as the location of tourist resorts, star rating, type of resort, experience duration of resort administrators, etc., are also considered.

The study reveals that most tourist resort administrators are more aware of various aspects of GST. However, their awareness levels vary, particularly in diverse settings. Further, the analysis of the perception of resort administrators reveals that the tourist resorts in Kerala experience all the GST-driven advantages such as uniform tax, single taxable vent, single tax authority, easy tax compliance, better transparency, no cascading effect, and seamless input tax credits, at above average levels. The researcher also investigated the extent of impact the GST-driven advantages have on various performance indicators of tourist resorts, classified as financial efficiency, marketing efficiency, operating efficiency, tourist experience, and social performance indicators. Based on the Structural Equation Modelling, the study confirmed that the GST-driven advantages positively impact financial, marketing, operational, social, and tourist experience indicators of tourist resorts in Kerala. These findings underscore the key role of GST reforms in improving the overall performance of tourist resorts, positioning them to be more competitive and financially sustainable in the tourism sector of Kerala.

The study also analysed the issues faced by tourist resorts in Kerala while migrating to the GST regime. By comprehensively analysing various issues such as technology-related, cost-related, product/service price-related, ITC-related, and switching time-related issues, the study has provided valuable insights into how these issues vary across different socio-demographic profiles of the tourist resorts. Since all the issues and challenges faced by tourist resorts during migration are non-repetitive, once those issues survive, the resorts can concentrate on maximising the positive impacts by exploiting all the opportunities offered by the new reform. We may expect the new reform will be a boon to India's tourism sector in general and Kerala in particular.

11.5 Implications of the Study

The study proposes some theoretical implications. It helps to understand how and to what extent GST reforms affect the business dynamics of tourist resorts in Kerala. This highlights the complex and profound relationship between GST reform, entrepreneurship, and industrial development. Further, the study's findings can be linked to theories of organisational change. This may prompt several studies on how the GST reform is changing the cultures, structures, and processes of tourist resorts in Kerala. The study's findings will also help determine whether and how much the GST reform has influenced the adoption of sustainable practices, social trustworthiness, and corporate social responsibility initiatives by tourist resorts in Kerala. The study's findings can be linked to contingency theory, which can lead to the investigation of whether the impact of the GST reform varies concerning internal characteristics such as size, nature of ownership, etc. The study highlights whether GST reforms have resulted in new dynamic capabilities for maintaining tourist resorts as competitive. The model suggested by the study can be applied to other segments of the tourism sector, such as hotels, homestays, serviced villas, guest houses, etc.

Chapter 12

RECOMMENDATIONS AND SCOPE FOR FURTHER STUDIES

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12.1. Recommendations from the Study

Relevant recommendations are made to bring the study's critical findings to the attention of tourist resort administrators, resort associations, policymakers, and government authorities. This chapter section presents the specific recommendations related to each stakeholder separately.

12.1.1 Recommendations to the Tourist Resort Administrators

1. The study found that a smaller group of resort administrators still falls into the low-awareness category regarding the awareness of GST reform. Tourism, one of the crucial industries in the economy of Kerala, attracts both domestic and international tourists, so resort administrators must have perfect knowledge about crucial aspects of the GST reform. Hence, the resort administrators with low awareness of GST, though they are a small group, must be well acquainted with the key areas such as purposes behind GST reform, GST registration, GST return filing, GST rates, ITC mechanism, etc. To familiarise themselves with these aspects, administrators are suggested to visit the websites of the GST Council, Central Board of Indirect Taxes and Customs (CBIC), Ministry of Finance of the Government of India, and Kerala GST Department. Also, the brochures issued by the GST Department of Kerala, such as "GST Registration Guide," "GST Rates for Kerala," GST Rates for Goods and Services," "GST Return Filing Guide," "GST Invoice and Payment Guide," etc., may be used for this purpose.

2. The study found that the extent of benefits experienced by tourist resorts from *no cascading effect* was the lowest compared to other GST-induced advantages. This might be due to administrators' low awareness of the concept. Therefore, resort administrators are recommended to visit the official websites of the GST council,

CBIC, Ministry of Finance of the Government of India, Kerala GST Department, etc., to familiarise themselves with the mechanism by which the GST system avoids the cascading effect. Further, it is also recommended that resort administrators consult with GST officials, GST practitioners, chartered accountants, etc.

3. Since beach resorts benefit from *seamless input tax credit* comparatively at the lower level, it is suggested that resort administrators check their books of accounts regularly so that omissions in claiming ITC can be found promptly.

4. Regarding the *revenue generation* indicator, urban resorts perform less than rural resorts. Hence, to improve the performance of urban resorts, the relatively poor revenue generation source should be identified, and appropriate measures should be taken.

5. Among the varied resort types, wildlife resorts experience the lowest benefits regarding *revenue generation*. To improve "revenue generation," the administrators should locate the revenue source with poor performance and take measures accordingly.

6. Regarding the *profitability* indicator, resorts with administrators with 21 – 30 years of experience enjoy the lowest benefit. The uniform GST tax structure should be exploited effectively to support resort expansion plans and, thereby, profitability.

7. Regarding operational efficiency indicators, the *cost-effectiveness* indicator shows an average overall performance for tourist resorts in Kerala. However, regarding urban resorts, the indicator's performance is below average. Further, four-star and five-star resorts among the star-rated resorts and beach and hill station resorts among the types of resorts also show poor *cost-effectiveness* performance. It is suggested that items with lower cost-effectiveness be identified and measures taken accordingly to improve their cost-effectiveness. Also, ensure ITC has been utilised effectively for this purpose.

8. Regarding the tourist experience indicators, *tourist behaviour* demonstrates only average performance in the context of GST reform. Regarding categorical variables, rural resorts based on location, two-star and three-star resorts based on star rating, and wildlife and beach resorts based on resort types display below-average performance regarding tourist behaviour. Resorts with administrators having 11 – 20 years of industry experience also demonstrate below-average performance in *tourist behaviour*. Therefore, to improve the *tourist behaviour* indicator, it should be ensured that tourists are better understood regarding the cost of their stay in the resort due to the transparency offered by the GST system. Further, the resorts should win the minds of tourists by developing a feeling that they are not cheated. Moreover, it is suggested that additional amenities be offered to tourists.

9. Resort administrators should be aware of the revisions in the existing procedures and formalities regarding indirect tax compliance. Further, whenever these procedures and formalities are revised, the concerned employees should be well informed. They should be provided with the necessary training if required.

12.1.2 Recommendations to the Tourist Resort Associations

1. A few resort administrators still have low awareness of GST rates, return filing, and input tax credits. When GST awareness in terms of varied parameters is examined on a demographic variable basis, a remarkable number of administrators in varied resort settings fall into the low awareness category. Hence, necessary training and workshops should be conducted to familiarise them with all the critical aspects of GST.

2. The study found that the extent of benefits from *no cascading effect* is the lowest among various GST-induced benefits. This might be due to administrators' low awareness of the benefits resulting from eliminating the cascading effect. Therefore, seminars, training, workshops, etc., should be conducted to educate the administrators on how prevention of cascading effects reduces the overall tax burden of tourists, promotes better cash flows for the business, etc.

3. Since rural resorts enjoy comparatively fewer benefits from *no cascading effect* than urban resorts, adequate training should be conducted to make the rural resort administrators aware of how eliminating the cascading effect facilitates more efficient resource allocation.

4. Regarding star rating, the benefits of the cascading effect are comparatively low among three-star and five-star resorts. Necessary workshops should be arranged to make the three-star and five-star resort administrators aware of how preventing cascading effects improves their resorts' competitiveness by reducing the overall tax burden.

5. Regarding resort types, beach resorts experience the lowest benefits from *no cascading effect*. Hence, beach resort administrators should be educated about how avoiding the cascading effect promotes better cash flows for the business.

6. Since beach resorts benefit from *seamless input tax credit* comparatively at the lower level, administrators of those resorts should be well trained on how seamless input tax credit throughout the supply chain reduces tourists' final prices.

7. Since the extent of benefits of no cascading effects enjoyed by resorts with administrators having over 30 years of experience is minimal, effective training should be provided to those administrators so that they are aware of how preventing the cascading effect promotes better cash flows and facilitates the allocation of resources for the business.

8. Resorts with administrators with 21 – 30 years of experience receive lower benefits from *seamless input tax credit* than those with other experience categories. To enhance the benefits of seamless ITC, training and workshops should be arranged to educate those administrators about how seamless ITC increases resorts' competitiveness in the market and facilitates better utilisation of available working capital for the growth of the resort.

9. Beach resorts in Kerala experience the lowest benefits regarding the indicator of *profitability*. So, necessary training should be provided to make the

administrators aware of how the reduced tax burden and financial transparency offered by the GST system improve the resort's profitability without compromising customer loyalty.

10. Measures should be taken to provide area-wise training and workshops to keep all the employees in a particular area updated regarding GST compliance procedures. This would help to make the employees of each resort comfortable regarding GST compliance at a minimum cost.

11. Develop and publish GST filing and compliance guidelines applicable to tourist resorts across Kerala.

12.1.3 Recommendations to the Policymakers and the Government Authorities

1. Though all the marketing efficiency indicators of tourist resorts demonstrate above-average performances in the context of the GST regime, the indicator, *domestic tourist arrivals,* reveals the lowest performance. While urban resorts show poor performance regarding the location-wise analysis, one-star, three-star, and four-star resorts show a lower performance regarding star-rated categories. Further, among the resort types, beach resorts exhibit lower performance. To encourage domestic tourists to explore more destinations in Kerala, enjoy excellent dining and restaurant experiences, and experience comfortable accommodations, measures to reduce the GST rates for certain key tourism services are suggested.

2. Though the financial indicator, *foreign exchange earnings*, reflects a significant involvement in enhancing the financial dynamics of the tourism sector of Kerala, its performance is lower than the other indicators. To improve the performance of tourist resorts in terms of foreign exchange earnings and foreign tourist arrivals, schemes such as "GST exemption for foreign tourists", "reduced GST rates for foreign tourists", "GST refund scheme for foreign tourists", etc., are suggested.

3. Among the social performance indicators of tourist resorts in Kerala, the *employment generation* indicator performs much lower compared to others. Further, the performance is poor in rural resorts as well as in four-star resorts.

Moreover, hill station, beach, and wildlife resorts also perform poorly. It is suggested that better tax compliance and transparency be ensured among all the tourist resorts across Kerala. As tourism is properly adapted to the GST system, a shift from informal to formal employment is also suggested. Further, the investments in tourism-related infrastructure encouraged by the GST system should be properly and timely carried out.

4. Technical glitches and issues in the online GST portals hamper the smooth filing of GST returns; hence, measures should be taken to remove them.

5. Tourist resorts are concerned about the non-availability of input tax credits due to non-compliance, fraudulent transactions, etc. Appropriate measures should be taken to avoid such serious issues.

6. Simplify the GST filing and compliance procedures to reduce the technical complexities and burden experienced by tourist resorts.

7. Develop and publish GST filing and compliance guidelines applicable to tourist resorts across Kerala so that GST compliance procedures can be performed accurately and promptly.

Kerala is a vibrant tourist destination for people everywhere because of its natural beauty, cultural heritage, and sincere hospitality. Tourism is key to the state's economy, attracting millions of national and international visitors annually. Hence, policymakers and government agencies should consider these things when introducing a shift in the country's taxation landscape.

12.2 Scope for further studies

- The studies may be undertaken to investigate how GST impacts tourist resorts under different contingencies such as ownership, size, annual revenue earnings, etc.

- Longitudinal studies may be conducted to understand the long-run impact of GST on tourist resorts in Kerala.

- Studies can be undertaken to analyse the impact of GST on different segments of tourist resorts, such as luxury resorts, budget resorts, etc.
- Comparative studies can be done to assess the impact of GST on the competitiveness of tourist resorts in Kerala and other states.
- The effectiveness of policies and support measures for tourist resorts in Kerala can be studied in the context of GST reform.
- Studies may be undertaken to analyse how far tourists are satisfied with the implementations of GST reform by gathering data from tourists.

The areas for future studies suggested here relate only to GST and tourism. Besides the tourism sector, the impact of GST reforms on other sectors/industries such as Information Technology, Logistics and Transportation, Healthcare and Pharmaceuticals, Coir Industry, Cashew Industry, Tea and Coffee Plantations, Fisheries and Seafood processing, Rubber industry, Ayurveda products, etc., can also be examined.

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APPENDIX

QUESTIONNAIRE

THE IMPACT OF GST REFORMS ON BUSINESS DYNAMICS OF TOURIST RESORTS IN KERALA – AN EMPIRICAL ANALYSIS

(Research Scholar: Vineethan T)

Section I: Demographic Details

1. District where your institution is situated:

2. Type of area where the resort is located:

[1] Rural [2] Urban

3. Category:

[1] Public Sector [2] Private Sector

4. Star Rating:

[1] One star [2] Two star

[3] Three star [4] Four-star

[5] Five Star [6] Others, specify

5. Type of Resort:

[1] Beach [2] Backwater

[3] Hill station [4] Wildlife

[5] Others, specify

6. Nature of Ownership:

[1] Single [2] Partnership

[3] Corporate [4] Others, specify

7. Years of experience in the tourism sector:

[1] Upto 10 years [2] 11-20 years

[3] 21-30 years [4] Above 30 years

8. Number of employees in your resort:

[1] Upto 50 [2] 51-100

[3] 101-150 [4] Above 150

9. Number of Rooms/Accommodation Units in your resort:

[1] Upto 50 [2] 51-100

[3] 101-150 [4] 151-200

[5] Above 200

10. Type of GST Registration:

[1] Regular Scheme [2] Composition Scheme

11. Did you have VAT registration before GST?

[1] Yes [2] No

12. Average Annual Occupancy rate during post-GST era:

[1] Upto 40% [2] 41-60%

[3] 61-80% [4] 81-100%

13. Platform used for tax compliance during pre-GST period:

[1] Online [2] Off-line

14. What about the change of software due to the GST reform?

[1] Upgraded the existing software [2] Purchased new software

Section II: Awareness of GST and Perceptions regarding GST-driven Advantages

A. Awareness of GST Reforms

15. How much do you know about various aspects of GST reforms? Put a 'tick mark' against each of the following statements in the appropriate column *[Totally Aware – **TA**, Aware – **A**, Neutral – **N**, Unaware – **U**, Totally Unaware – **TU**]*:

Statements		TA	A	N	U	TU
15.1 Awareness of the purposes behind GST reforms:						
a	To simplify the indirect tax structure and improve the tax compliance ratio					
b	To develop a more transparent tax structure and curb tax evasion					
c	To have a common market across the country and boost economic growth					
d	To prevent the cascading effect of tax and minimise the cost on the end consumer					
15.2 Awareness of GST registration:						
a	GST registration can be applied for and managed online via the GST portal					
b	Documents required for GST registration					
c	Turnover threshold for mandatory registration for a regular business					
d	Doing business without GST registration can attract penalties and legal consequences					

15.3 Awareness of GST return filing:						
a	About the process of filing GST returns					
b	About the different types of GST returns that need to be filed by the organisation					
c	About the data and supporting documents required for GST return filing					
d	About the deadlines for filing GST returns					
e	About the consequences of incorrect and delayed filing of GST returns					
15.4 Awareness about Rates of GST:						
a	About the GST rates currently applicable to our business					
b	About the basic concept that essential commodities often have lower GST rates compared to luxury items					
c	About the changes effected by the GST Council from time to time in GST rates applicable to tourist resorts					
d	About the non-applicability of GST rate for alcohol for human consumption					
15.5 Awareness about Input Tax Credit:						
a	About the concept of ITC					
b	About the working of ITC and its impact on the overall cost structure of the firm					
c	About how does claiming of ITC improve the financial health of the firm					
d	About the maintenance of records and documentation to support ITC claims					
e	About the laws and regulations relating to ITC					

B. Perception Regarding the GST-driven advantages

16. To what extent do you agree or disagree with the following statements regarding the GST-driven advantages? Put a 'tick mark' in the appropriate column against each of the following statements:

*[Strongly Agree – **SA**, Agree – **A**, Neither agree nor disagree – **N**, Disagree – **D**, Strongly Disagree – **SD**]*

Statements		SA	A	N	D	SD
16.1 Uniform Taxation (UT)						
a	As a unified tax, GST has realized the slogan "One Country, One Tax, One Market"					

b	As a uniform taxation, GST simplified the tax compliance process					
c	As a unified tax, GST facilitated fair competition among firms in the industry					
d	Uniform taxation of GST has made the pricing strategies of the tourism industry more consistent and predictable					
e	As a unified tax, GST has increased transparency and reduced tax evasion					
16.2 Single Taxable Event (STE):						
a	Single taxable event of the GST system simplified the tax administration					
b	Single taxable event of the GST system promoted ease of doing business					
c	Single taxable event enhanced transparency in the taxation process					
d	Single taxable event ensured uniformity in taxation across the industry					
e	The single taxable event encouraged more firms to enter the formal economy					
16.3 Single Tax Authority (STA):						
a	As there is a single tax authority, GST simplifies the administrative burden for business					
b	Single tax authority improved transparency & accountability in taxation					
c	The single tax authority of GST helped to ensure better coordination among States for revenue collection					
d	Single tax authority helped to promote a more efficient allocation of resources, thereby reducing economic distortions					
e	Single tax authority facilitated ease of doing business by reducing jurisdictional disputes					
16.4 Easy Tax Compliance (ETC):						
a	The GST system offers a simple and easy tax compliance process for businesses					
b	GST provided clear and straightforward guidelines to encourage tax compliance					
c	The online GST portal is user-friendly and facilitates smooth filing of tax returns					
d	GST system minimised the chances of errors in tax reporting					

e	GST system reduced paperwork and documentation required for tax compliance					
16.5 Better Transparency (TRN):						
a	GST system ensured transparency in all tax-related transactions					
b	Clear breakups of GST on invoices enhanced the trust of tourists in the firm					
c	By enabling tourists to track and verify the details of their transactions, GST has created a sense of accountability among firms.					
d	As a transparent system, GST helped in reducing tax evasion and fraud					
e	As tourists are aware of tax components in price, they can assess the real value of the products/services they purchase.					
16.6 Seamless Input Tax Credit (SIT):						
a	Through seamless input tax credit throughout the supply chain, GST reduced the final price of tourist					
b	Seamless Input Tax promoted accurate compliance and more transparency in tax transactions and thereby reduced incidences of tax evasion					
c	Seamless ITC helps to increase the competitiveness of the firm in the market					
d	It facilitates better utilization of available working capital for the company's growth					
e	Seamless ITC enhances the ease of doing business under the GST framework					
16.7 No Cascading Effect (NCE):						
a	By preventing the cascading effect, GST reduced the overall tax burden of tourists and thereby improved the competitiveness of the tourism sector.					
b	By preventing the cascading effect of tax, GST contributed to a more transparent and accountable tax system					
c	Prevention of the cascading effect promoted better cash flows for the business					
d	Prevention of the cascading effect facilitated more efficient allocation of resources for the business					
e	Due to the elimination of the cascading effect a greater number of small businesses are encouraged to formal sector and thereby to enter into the tax net.					

Section III: Performance of tourist resorts in Kerala after implementing GST reform

17. Perception regarding the financial performance of tourist resorts in Kerala after implementing GST reform

17.1 Perception regarding the performance of the *Revenue Generation* indicator (RGN):

What is your perception regarding the performance of tourist resorts on *revenue generation* in comparison with VAT system? Put a 'tick mark' in the appropriate column against each of the following items: *[Highly Increased – **HI**, Increased –**I**, Neither increased nor decreased –**N**, Decreased–**D**, Highly Decreased –**HD**]*

Source of Revenue		HI	I	N	D	HD
a	Accommodation only					
b	Food Services only					
c	Food & Accommodation Package					
d	Spa and Wellness Facilities					
e	Business Services (meeting rooms, conference facilities, etc)					

17.2 Perception regarding the performance of the *Profitability* indicator (PRT):

What is your perception regarding the performance of tourist resorts on *profitability* in comparison with VAT system? Put a 'tick mark' in the appropriate column against each of the following items: *[Strongly Agree – **SA**, Agree –**A**, Neither agree nor disagree –**N**, Disagree–**D**, Strongly Disagree –**SD**]*

Statements		SA	A	N	D	SD
a	The reduction in the overall tax burden and the consequential decrease in tourist prices have influenced the profitability of our resort positively.					
b	The financial transparency offered by the GST system has improved the profitability of our resort without compromising customer loyalty.					
c	The uniform tax structure of the GST system has positively influenced the expansion plans of our resort and profitability subsequently.					
d	Since GST has reduced tax-related disputes and legal challenges, our resort's profitability has increased significantly.					

17.3 Perception regarding the performance of the indicator *Foreign Exchange Earnings* (FEE):

What is your perception regarding the performance of tourist resorts on *foreign exchange earnings* in comparison with VAT system? Put a 'tick mark' in the appropriate column against each of the following items: *[Strongly Agree – **SA**, Agree – **A**, Neither agree nor disagree – **N**, Disagree – **D**, Strongly Disagree – **SD**]*

Statements		SA	A	N	D	SD
a	The implementation of GST will improve the competitiveness of Kerala's tourism sector in the global market. This, in turn, will help to improve the foreign exchange earnings					
b	Since the transparency under GST has made Kerala a more attractive destination for foreign tourists, the contribution of Kerala's tourism sector towards foreign exchange earnings will be improved significantly.					
c	Since GST has reduced tax leakage, the tourism sector of Kerala will be capable of generating more foreign exchange earnings.					
d	Since foreign tourists are more attracted to the diversified tourism experiences resulting from the implementation of GST, the performance of the sector towards foreign exchange contribution will be enhanced.					
e	The better utilization of resources brought about by GST will lead to a boom in Kerala's tourism sector. This will result in a commendable performance in the sector's contribution towards foreign exchange earnings.					

17.4 Perception regarding the performance of the indicator *Total Tourism Earnings* (TTE):

What is your perception regarding the performance of tourist resorts on *total tourism earnings* in comparison with VAT system? Put a 'tick mark' in the appropriate column against each of the following items: *[Strongly Agree – **SA**, Agree – **A**, Neither agree nor disagree – **N**, Disagree – **D**, Strongly Disagree – **SD**]*

Statements		SA	A	N	D	SD
a	The implementation of GST will improve the competitiveness of Kerala's tourism sector in national and international markets. This, in turn, will help to improve the total tourism revenue earnings.					
b	Since the transparency under GST has made Kerala a more attractive destination for both domestic and foreign tourists, the total tourism revenue earnings of Kerala will be improved significantly.					

c	Since GST has reduced tax leakage, the tourism sector of Kerala will be capable of bringing a remarkable increase in its total revenue earnings.					
d	Since more tourists are attracted to the diversified tourism experiences resulting from the implementation of GST, the performance of the sector in total tourism revenue earnings will be improved greatly.					
e	The better utilization of resources brought about by GST will lead to a boom in Kerala's tourism sector. This will result in a commendable performance in total tourism revenue earnings of the State.					

17.5 Perception regarding the performance of the indicator *Contribution towards State GDP* (GDP):

What is your perception regarding the performance of tourist resorts on *contribution towards state GDP* in comparison with VAT system? Put a 'tick mark' in the appropriate column against each of the following items: *[Strongly Agree – **SA**, Agree – **A**, Neither agree nor disagree – **N**, Disagree – **D**, Strongly Disagree – **SD**]*

Statements		SA	A	N	D	SD
a	Due to the implementation of GST, many businesses in the tourism sector have been brought under a formal tax structure. This increased formalization will lead to a more accurate assessment of the sector's contribution to GDP.					
b	The clarity and transparency of GST will attract more investment in Kerala's tourism sector. This will lead to the development of innovative tourism products, services, and experiences, which will ultimately increase GDP contribution.					
c	Through Digitalisation under GST, tax evasion can be lowered and tax collection can be improved in the tourism sector. The re-investment of revenue in the sector will boost the GDP contribution ultimately.					
d	A thriving tourism sector supported by GST can lead to job creation in Kerala. This will ultimately increase the tourism sector's contribution towards GDP.					

18. Perception regarding the performance of tourist resorts on operational efficiency indicators after implementing GST reform

18.1 Perception regarding the performance of *Cost Effectiveness* indicator (COE):

What is your perception regarding the performance of tourist resorts on *cost effectiveness* in comparison with VAT system? Put a 'tick mark' in the appropriate column against each of the following items: *[Highly Decreased – **HD**, Decreased – **D**, Neither decreased nor increased – **N**, Increased – **I**, Highly Increased – **HI**]*

Facilities		HD	D	N	I	HI
a	Accommodation only					
b	Food Services only					
c	Food & Accommodation Package					
d	Spa and Wellness Facilities					
e	Business Services (meeting rooms, conference facilities, etc)					

18.2 Perception regarding the performance of *Tourist Booking & Occupancy* indicator (TBO):

What is your perception regarding the performance of tourist resorts on *tourist booking and occupancy* in comparison with VAT system? Put a 'tick mark' in the appropriate column against each of the following items: *[Strongly Agree – **SA**, Agree – **A**, Neither agree nor disagree – **N**, Disagree – **D**, Strongly Disagree – **SD**]*

Statements		SA	A	N	D	SD
a	The reduced tax burden and attractive pricing structure offered by the GST system have led our resort to achieve an improved booking and occupancy ratio.					
b	The simplified tax structure of the GST system has encouraged repeat visits and thereby influenced the occupancy rate of our resort positively.					
c	Streamlined financial processes and better transparency offered by GST indirectly improved the booking and occupancy rate of our resort					
d	As GST offers better access to the tax related details to the tourists, online booking and reservations have improved significantly.					
e	The integration of GST with online travel platforms has increased the reach of our resort which improved the booking and occupancy rate of our resort					

19. Perception regarding the performance of tourist resorts on marketing efficiency indicators after implementing GST reform

19.1 Perception regarding the performance of *Domestic Tourist Arrivals* (DTA)

What is your perception regarding the performance of tourist resorts on *domestic tourist arrivals* in comparison with VAT system? Put a 'tick mark' in the appropriate column against each of the following items:

*[Strongly Agree – **SA**, Agree – **A**, Neither agree nor disagree – **N**, Disagree – **D**, Strongly Disagree – **SD**]*

	Statements	SA	A	N	D	SD
a	Transparent pricing under the GST system has led more domestic tourists to choose Kerala as one of their top tourist destinations.					
b	The uniform tax rates and uniform tax procedure of GST have positively influenced domestic tourists in deciding to explore more destinations in Kerala.					
c	As a nationwide tax, GST has reduced inter-state barriers. This made Kerala more convenient and hassle-free tourist destination for DTs.					
d	GST has enabled the tourism sector in Kerala to provide comfortable accommodation at a reasonable charge for DTs.					
e	The GST has positively influenced the dining and restaurant experiences for DTs.					

19.2 Perception regarding the performance of the indicator *Foreign Tourist Arrivals* (FTA)

What is your perception regarding the performance of tourist resorts on *foreign tourist arrivals* in comparison with VAT system? Put a 'tick mark' in the appropriate column against each of the following items:

*[Strongly Agree – **SA**, Agree – **A**, Neither agree nor disagree – **N**, Disagree – **D**, Strongly Disagree – **SD**]*

	Statements	SA	A	N	D	SD
a	Transparent pricing under the GST system has led more foreign tourists to choose Kerala as one of their top tourist destinations.					
b	The uniform tax rates and uniform tax procedure of GST have positively influenced foreign tourists in deciding to explore more destinations in Kerala.					
c	As a nationwide tax, GST has reduced inter-state barriers. This made Kerala a more convenient and hassle-free tourist destination for foreign tourists.					

d	GST has enabled the tourism sector in Kerala to provide comfortable accommodation at a reasonable charge for foreign tourists.					
e	The GST has positively influenced the dining and restaurant experiences for FTs.					

19.3 Perception regarding the performance of *Pricing Strategy Effectiveness* (PSE)

What is your perception regarding the performance of tourist resorts on *pricing strategy effectiveness* in comparison with VAT system? Put a 'tick mark' in the appropriate column against each of the following items:

[Strongly Agree ***– SA****, Agree –* ***A****, Neither agree nor disagree –* ***N****, Disagree –* ***D****, Strongly Disagree –* ***SD****]*

Statements		SA	A	N	D	SD
a	GST has offered a more transparent pricing strategy which has improved the tourist-satisfaction					
b	GST system has offered simple and easily understandable pricing across various products and services offered by our resort					
c	GST has enabled us to have more accurate pricing strategies which improved customer trust in our resort					
d	The standard tax rates of the GST system have enabled our resort to offer bundled packages with clear and predictable pricing.					

20. Perception regarding the performance of tourist resorts on tourist experience indicators after implementing GST reform

20.1 Perception regarding the performance of *Tourist Satisfaction* (TUS) indicator

What is your perception regarding the performance of tourist resorts on *tourist satisfaction* in comparison with VAT system? Put a 'tick mark' in the appropriate column against each of the following items:

[Strongly Agree – ***SA****, Agree –* ***A****, Neither agree nor disagree –* ***N****, Disagree –* ***D****, Strongly Disagree –* ***SD****]*

Statements		SA	A	N	D	SD
a	The simplified billing and invoicing process in our resort has resulted to increase tourist-satisfaction.					
b	Better financial planning and efficient resource allocation offered by GST improved the guest experiences and satisfaction of our customers.					

c	The clarity and transparency brought about by GST in our pricing strategy have increased tourist-satisfaction					
d	By way of offering a more favourable cost-value relationship, the GST system has enhanced overall tourist satisfaction.					
e	Since our resort has successfully adapted to the changes brought about by GST, tourists are satisfied in all respects.					

20.2 Perception regarding the performance of *Tourist Behaviour* (TUB) indicator

What is your perception regarding the performance of tourist resorts on *tourist behaviour* in comparison with VAT system? Put a 'tick mark' in the appropriate column against each of the following items:

*[Strongly Agree – **SA**, Agree – **A**, Neither agree nor disagree – **N**, Disagree – **D**, Strongly Disagree – **SD**]*

Statements		SA	A	N	D	SD
a	As a result of the transparent pricing of GST, tourists have a better understanding of the total cost of their stay at our resort.					
b	After GST implementation, the tourists have shown interest to opt the additional services and amenities offered by our resort.					
c	With the implementation of GST, tourists have shown more interest in extending the length of duration of their stay in our resort					
d	Our resort has been able to gain the trust of tourists in a better way with the introduction of GST.					
e	With the introduction of GST reforms tourists have become more liberal in their spending habits compared to VAT.					

21. Perception regarding the performance of tourist resorts on social performance indicators after implementing GST reform

21.1 Perception regarding the performance of the *Employment Generation (EMG)* indicator

What is your perception regarding the performance of tourist resorts on *employment generation* in comparison with VAT system? Put a 'tick mark' in the appropriate column against each of the following items:

*[Strongly Agree – **SA**, Agree**– A**, Neither agree nor disagree– **N**, Disagree – **D**, Strongly Disagree– **SD**]*

Particulars		SA	A	N	D	SD
a	The better tax compliance and transparency in the tourism sector will positively impact employment opportunities.					

B	Since GST encouraged investment in tourism-related infrastructure, more job opportunities will be created in this sector.					
C	Since the implementation of GST has improved the overall financial stability of businesses in the tourism sector, they will be capable of retaining and expanding their workforce.					
D	Since tourists are more inclined to visit our region due to the reduced tax burden, the demand for tourism services and thus job opportunities will be increased.					
E	Since the tourism industry has adapted well to the GST system, a shift from informal employment to formal employment will have occurred in the tourism sector.					

21.2 Perception regarding the performance of the *Infrastructure Development (IND)* indicator

What is your perception regarding the performance of tourist resorts on *infrastructure development* in comparison with VAT system? Put a 'tick mark' in the appropriate column against each of the following items:

*[Strongly Agree – **SA**, Agree – **A**, Neither agree nor disagree – **N**, Disagree – **D**, Strongly Disagree – **SD**]*

Statements		SA	A	N	D	SD
a	As GST has increased the competitiveness of Kerala's tourism sector, investment in infrastructure development will be improved significantly.					
B	The unified taxation under GST will encourage greater private sector participation in developing tourism-related infrastructure in Kerala.					
C	The availability of input tax credits under the GST system will lead to increased investment in modernizing tourism facilities in Kerala					
d	As GST has streamlined the inter-state trade, the tourism infrastructure of Kerala will be improved significantly.					
E	As GST has led to better coordination among various stakeholders in Kerala's tourism sector, more comprehensive infrastructure development may take place.					

21.3 Perception regarding the performance of the *Social Trustworthiness (SOT)* indicator

What is your perception regarding the performance of tourist resorts on *social trustworthiness* in comparison with VAT system? Put a 'tick mark' in the appropriate column against each of the following items:

*[Strongly Agree – **SA**, Agree – **A**, Neither agree nor disagree – **N**, Disagree – **D**, Strongly Disagree – **SD**]*

	Statements	SA	A	N	D	SD
a	As the taxation process is too simplified, the GST system to a great extent will remove the corruption in the tourism sector of Kerala					
b	By ensuring better financial record-keeping and reporting practices, the GST system will reduce the opportunities for financial manipulation and corruption					
c	The transparency of the GST system will make the tourism sector of Kerala a corruption-free industry among tourists and investors					
d	GST will play a powerful role in reducing tax evasion and corruption by increasing the willingness of businessmen in the tourism industry in Kerala to comply with all tax norms.					
e	As GST has created a level playing field for all businesses in the tourism sector of Kerala, the tendency to gain unfair advantages through corruption will be reduced.					

Section IV: Issues and Challenges Experienced by Tourist Resorts in Kerala during the Transition to the GST System:

22. Technology-related Issues

Your experience with the technical difficulties you faced while migrating to the GST system? (put a 'tick mark' in the appropriate column against each statement): *[Strongly Agree – **SA**, Agree – **A**, Neither agree nor disagree – **N**, Disagree – **D**, Strongly Disagree – **SD**]*

	Statements	SA	A	N	D	SD
a	Forced to upgrade or purchase new accounting software and ERP software to accurately handle GST calculations, invoicing, and reporting.					
b	Integrating new software solutions with existing systems and ensuring compatibility with the GSTN portal have posed challenges.					
c	Many businesses faced challenges in training their employees to familiarize themselves with the new GST procedures and related IT systems.					

d	Server downtime, slow response time, and other technical glitches in the GSTN portal have adversely affected the compliance procedure.					
e	Technical glitches and issues in the online GST portals hamper the smooth filing of returns, leading to frustration and delays.					

23. Cost-related Issues

Your experience regarding cost-related difficulties you faced while migrating to the GST system? (put a 'tick mark' in the appropriate column against each statement): *[Strongly Agree – **SA**, Agree – **A**, Neither agree nor disagree – **N**, Disagree – **D**, Strongly Disagree – **SD**]*

Statements		SA	A	N	D	SD
a	The acquisition of GST-compliant accounting software and the integration of systems with GST networks have incurred huge costs for businesses.					
b	Increased compliance requirements under the GST regime increased administrative and compliance-related costs for the firm.					
c	As business organizations are required to pay GST upfront and claim ITC later, they had to arrange funds for working capital and financing costs.					
d	Since the employees need to be educated about the new GST regulations, the organization has spent a huge amount on their training.					

24. Product/Service Price-related Issues

Your experience regarding product/service price-related difficulties you faced while migrating to the GST system? (put a 'tick mark' in the appropriate column against each statement): *[Strongly Agree – **SA**, Agree – **A**, Neither agree nor disagree – **N**, Disagree – **D**, Strongly Disagree – **SD**]*

Statements		SA	A	N	D	SD
a	As GST rates have a direct bearing on price, the firm faced challenges in price adjustments for each of its products or services.					
b	As per the anti-profiteering provisions, the firm faced a lot of difficulties in price adjustment as the benefit of reduced taxes had to be passed on to the consumers.					
c	The firm had to put maximum effort and attention into pricing as unexpected price hikes may affect tourist behaviour and brand perception.					
d	Multiple tax slabs, exemptions, and special provisions in GST have made pricing more complicated.					

25. Input Tax Credit-related Issues

Your experience regarding ITC-related difficulties you faced while migrating to the GST system? (put a 'tick mark' in the appropriate column against each statement): *[Strongly Agree – **SA**, Agree – **A**, Neither agree nor disagree – **N**, Disagree – **D**, Strongly Disagree – **SD**]*

	Statements	SA	A	N	D	SD
a	The firm faced a delay in availing ITC due to discrepancies between the GST portal and the firm's accounting records					
b	Inaccurate or missing information in invoices regarding GSTIN, HSN Code/SAC, etc. has created hurdles in claiming ITC.					
c	Non-availability of input tax credits due to supplier defaults, non-compliance, and fraudulent transactions was a major concern.					
d	The lack of standard invoice formats from various suppliers causes problems in claiming input tax credits correctly					
e	Frequent changes in GST rules and regulations created problems in availing input tax credits properly					

26. Switching time-related Issues

Difficulties faced by you with regard to the time selected for migrating to the GST system? (put a 'tick mark' in the appropriate column against each statement): *[Strongly Agree – **SA**, Agree – **A**, Neither agree nor disagree – **N**, Disagree – **D**, Strongly Disagree – **SD**]*

	Statements	SA	A	N	D	SD
a	As the transition took place in mid-year, the firm had to comply with the rules under both the VAT and GST systems in the initial year.					
b	Since the new GST rates did not replace the old VAT rates, the mid-year transition made the process of assigning the GST rate to each item of goods and services more difficult.					
c	Due to the mid-year transition, the firm faced a lot of complications related to the valuation and accounting of old stock under the new tax regime.					
d	Since the entire compliance process had to be automated, the mid-year migration created too much difficulty					

27. Your suggestions for the promotion of the tourism sector of Kerala regarding GST reforms: