The Ayodhya Opportunity: Economic Implication Scenarios After The Ram Temple Construction In Ayodhya: A Multi-Sectoral Analysis

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Abstract: Ayodhya, the historic city has just witnessed the grand opening of Lord Ram Mandir. Right now, the place is witnessing not only a religious milestone but also an economic boom. The construction of the Ram Mandir in Ayodhya has been a socio-political and cultural aspiration of millions of Hindus in India for a long time. While the significance of the Ram Mandir is primarily religious and cultural, it is important to explore the potential impact of this monumental project on the Ayodhya’s economy. With the inauguration of Lord Ram Temple in Ayodhya, tourists and industrialists are flocking for their share of opportunities. This paper focuses on the impact of the temple on the local economy, employment generation, boost in tourism and infrastructure development, etc.

Index Terms – Temple Design & Architecture, Historical Context, Tourism Boost, Infrastructure Development, Job Creation, Real Estate Boom.

INTRODUCTION

The Ram Temple in Ayodhya holds immense cultural and religious significance for millions of Hindus. Beyond its spiritual importance, the temple's construction has the potential to transform the local and regional economy. This city steeped in mythology and history, is poised to become more than a spiritual landmark—it is set to transform the economic landscape of the region. From tourism to infrastructure development, job creation to real estate, Ayodhya's economic fortunes are intricately tied to the grand edifice rising on the banks of the Sarayu River.

The temple’s consecration ceremony was done on January 22, 2024, by the Honorable Prime Minister of India, Shri Narendra Modi, which was attended by more than 8000-9000 guests including celebrities, prominent athletes, politicians, business tycoons and spiritual leaders among others.
Temple Design and Architecture

Shri Ram Janmabhoomi Teerth Kshetra Trust set up by the government has the responsibility for the construction and management of the temple. The main temple is built over 2.7 acres of land. The main temple has three floors measuring 161 feet in height, 360 feet long, and 235 feet wide. The temple also features 5 congregation halls and 12 gates. The temple was built in the Nagara style of architecture and was designed by architect Chandrakant Sompura along with his son Ashish Sompura. No iron or steel has been used in the construction of the temple, and it is expected to withstand natural calamities for at least 1000 years. The spire and the sanctum sanctorum (garbhagriha) have a unique octagonal shape.

Historical Context

Ayodhya, revered as the birthplace of Lord Ram, has been at the heart of India's cultural and religious heritage for centuries. The Ram Janmabhoomi site, where the temple now stands, has witnessed fervent debates, legal battles, and communal tensions. The temple's history is intertwined with political narratives, social aspirations, and the quest for identity. After decades of contention, the Supreme Court's verdict in 2019 paved the way for the construction of the Ram Temple, marking a historic moment for millions of devotees.

The construction of the Ram Mandir in Ayodhya holds immense cultural and religious significance for India. Beyond its spiritual importance, this monumental project has sparked discussions about its potential impact on the country's economy. One of the primary expectations from the construction of the Ram Mandir is a surge in religious tourism. Pilgrims from across India and around the world are likely to visit not only Ayodhya but also other religious and historical sites in the vicinity. This influx of tourists will lead to a substantial increase in overall tourist footfall in Ayodhya. As a result, local businesses, including hotels, restaurants, and souvenir shops, are poised to experience heightened demand. The expected surge in pilgrims and tourists may even lead to the development of new hotels, guesthouses, and accommodation facilities in Ayodhya.

The completion of the Ram Mandir is expected to have a notable impact on India's transportation sector. Railways, airways, and roadways will all be affected. The attraction of religious tourists will increase demand for railways and airways connectivity. As more pilgrims arrive, revenue for the railways and airways sectors (including airport authorities) is likely to rise. Additionally, the roadways sector will also benefit, as demand for local transportation services such as buses, taxis, and e-rickshaws will significantly increase. This holistic boost in transportation services will contribute to the overall economic benefit of the country. The construction of the Ram Mandir necessitates significant infrastructural developments in Ayodhya. Improved roads, transportation facilities, accommodation options, and other amenities are expected to follow. These upgrades will not only cater to the needs of pilgrims but also enhance the overall infrastructure of the region.

The ripple effect of improved connectivity and upgraded facilities could attract further investments, spurring economic activities beyond the immediate vicinity of the temple. In summary, the Ram Temple in Ayodhya represents more than just a spiritual center—it catalyzes an economic renaissance. The surge in tourism, increased land prices, and overall economic revitalization symbolize hope and prosperity for the region. In this paper, we delve into the economic implications of this monumental project, focusing on various sectors. Our analysis considers both short-term and long-term effects, aiming to inform decision-makers and stakeholders.

Need for Study

Understanding the economic impact of the Ram Temple construction is crucial for several reasons:

1. Policy Decisions: Policymakers need evidence-based insights to formulate effective policies related to infrastructure development, tourism, and job creation.
2. Investment Opportunities: Entrepreneurs and investors seek information on potential investment avenues in Ayodhya. The temple project can spur economic growth and attract private capital.
3. Community Welfare: The local community stands to benefit from job opportunities, improved infrastructure, and cultural revival. Assessing these benefits is essential for community welfare.

Objectives

The objective of writing this paper aims to achieve the following objectives:

1. To investigate the expected surge in tourism due to the Ram Temple. Assess its impact on local businesses, hospitality, and related services.
2. To examine the infrastructure projects associated with the temple construction. Assess their economic implications and job creation potential.
3. To quantify the employment opportunities generated during the construction phase and beyond. Understand the socio-economic impact on the local workforce.
4. To investigate the real estate boom in Ayodhya. Identify investment prospects and economic growth patterns.

Analysis:

Tourism Boost

One of the most pressing and remarkable impacts that the Ram Mandir is going to have on the economy is the expected increase in tourism. Already being a significant pilgrimage destination, Ayodhya is likely to witness an exponential increase in both domestic and international tourists. This inflow of tourists can lead to a rise in demand for various services such as accommodation, and transportation, and an increase in demand for local businesses. The hospitality and tourism sectors will be the biggest beneficiary of this development.

Before the temple’s construction gained momentum, Ayodhya was already a significant pilgrimage site, attracting a modest number of tourists. In 2021, approximately 3.25 lakh tourists visited Ayodhya. The city’s historical and religious sites, including the Ram Janmabhoomi, Hanuman Garhi, and Kanak Bhawan, were known to devotees and history enthusiasts. The temple is estimated to attract around 50 million tourists a year, according to American Investment Bank Jefferies. With this temple in place the state of Uttar Pradesh is expected to generate a revenue of Rs. 4 lakh crore due to tourism boost.

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Table 1: No. of tourist visit in Ayodhya (25)

According to the SBI research report, Ram temple inauguration and various tourism initiatives taken by the State government could result in an inflow of an additional Rs. 25,000 crore income during the fiscal year 2025. As per the report, Ayodhya is expected to get the highest number of visitors when compared with other spiritual and tourist destinations globally.

Online travel agencies such as Yatra and Cleartrip have observed a fourfold rise in flight ticket booking through their platform as compared to December 2023. Cleartrip also revealed that flight prices to Ayodhya have increased by 10 percent compared to the first week of January 2024.

Infrastructure Development

The construction of the Ram Mandir is not only limited to just the temple building itself. This project will also contribute to the development of infrastructure, such as roads, transportation facilities, and facilities for pilgrims. The state government has planned to convert this holy town into a world-class city in the coming years as it plans to modernize the town while retaining its cultural aesthetics. Ayodhya’s redevelopment as envisaged in Master Plan 2031, focuses on schemes such as a spiritual university, a green-field township, an urban forest, etc.

The state government has allocated over Rs. 133 crores for Ayodhya’s infrastructure development. This investment aims to strengthen the city’s foundational elements such as basic amenities, sanitation, construction of roads, streetlights, and more. The Ayodhya Development Authority has the responsibility for the overall development and their initiatives go beyond infrastructure to include artistic elements such as murals and religious paintings on walls and flyovers, installation of statues, etc.

At the cutting edge of this advancement stands the recently introduced and redeveloped railway station of Ayodhya, presently renamed Ayodhya Dham railway station. Created at a cost of more than Rs 240 crore, the station is equipped with modern amenities such as lifts, escalators, food plazas, shops, cloakrooms, childcare rooms, waiting halls, etc. In addition to this Railways have announced the introduction of 10-15 daily train services to and from Ayodhya for the next couple of months.

Ayodhya's change expanded beyond railways with the introduction of the Maharishi Valmiki International Airport in December 2023. Phase 1 of this airport introduces the state-of-the-art terminal which is estimated to serve 10 lakh passengers annually. Anticipating a large influx of devotees from across the country and
the world leading hotel brands such as Taj, Raddison, and ITC hotels as well as budget hotels are planning to open new hotels in the city.

Job Creation

The Ram Mandir’s construction is a mega project that requires both skilled and unskilled labor for its completion, maintenance, and providing necessary support services. This will lead to an increase in job opportunities for the local people, which will contribute in reducing unemployment and helps in the achievement of economic prosperity within the community. With an ever-increasing footfall of tourists in Ayodhya, it is estimated to generate 1.5 lakhs to 2 lakh direct and indirect jobs in the town and its surrounding areas within the next 4 to 5 years, according to Betterplace. Moreover, the increase in construction activities such as hotels, residential buildings, healthcare facilities, and other infrastructure projects, could result in an additional 50,000-100,000 temporary jobs in the region over the next few years. Sectors ranging from consumer goods, food services, malls, hotels, food & beverages, daily essentials, healthcare, construction, and banking services are gearing up to meet the ever-increasing demand. Moreover, with roles such as hotel staff, housekeeping, front desk management, chefs, cooks, and multilingual tourist guides combined, the hospitality, travel, and tourism sectors will contribute 20,000-25,000 permanent and temporary jobs annually. The transformation happening in Ayodhya will not be limited to the city but also extend beyond its borders, benefiting adjacent cities like Gorakhpur, Lucknow, and Kanpur.

Real Estate Boom

The growth of the tourism sector and related development projects frequently result in a multifold rise in the demand for real estate. Many investors and entrepreneurs have realized the potential of Ayodhya, which has resulted in the construction of hotels, guesthouses, and commercial property. This boom in real estate can bring about economic prosperity for the area, which will result in the creation of more businesses and creating a holistic economic atmosphere. With the anticipation of hundreds and thousands of visitors in the coming months, the government is going all out to transform the once-dilapidated temple town into a modern city. Effects are seen in the real estate sector as well where property prices have surged many folds since construction of the temple began on 5th August 2020. With construction and facelift in full swing, Ayodhya’s realty market is booming and it is wooing investors as well as local land buyers. The prices of land and property in Ayodhya have increased almost four times and are catching up with most of the prominent cities in Uttar Pradesh. The land which is at the center of the city has seen average land prices surging from Rs. 1,000 to 2,000 per square foot in 2019 to an astonishing Rs. 4,000 to 6,000 per square foot presently. Studies conducted by Anarock, a real estate service firm show a significant rise in prices of land not just around the Ram Mandir but also on the outskirts of Ayodhya city as well, like the Faizabad road where a lot of construction activities are going on, the land rates have skyrocketed from Rs. 400 to 700 per square foot in 2019 to an impressive Rs. 1,500 to 3,000 per square foot as of October 2023. Industry watchers suggest that the limelight and mega-projects like Ram Mandir, international airport construction, revamped train stations, and more are likely to contribute further to pushing the prices of real estate in the area.

Recommendations and suggestions

- Encourage private investment in hotels, guesthouses, and homestays to cater to the increasing footfall. Collaborate with established hotel chains to ensure quality accommodation options.
- Continue investing in infrastructure projects such as roads, railways, and airports. Strengthen connectivity to nearby cities and tourist destinations.
- Collaborate with vocational training institutes to upskill residents for jobs in the construction, tourism, and service sectors.
- Facilitate transparent land acquisition processes, encourage real estate developers, and promote ancillary services such as property management and maintenance.
- Collaborate with tech companies to implement smart city solutions. Leverage data analytics for efficient crowd management during peak pilgrimage seasons.
Conclusion

The inauguration of Ayodhya’s Ram Temple stands as a historic milestone, not only for its religious significance but also for its profound economic implications. This multi-sectoral analysis underscores the transformative potential that the temple construction brings to Ayodhya and the broader region. The confluence of religious significance and infrastructural advancements has unlocked a plethora of opportunities. First and foremost, the surge in religious tourism promises to invigorate Ayodhya’s hospitality sector, with millions of pilgrims expected annually. The city’s real estate market is witnessing unprecedented growth, fueled by investor interest and rising property values. Simultaneously, job creation across sectors—ranging from construction to service industries—will provide livelihoods for local communities.

Ayodhya’s transformation extends beyond physical infrastructure; it embodies a vision of prosperity, cultural heritage, and sustainable development. As the temple becomes a beacon of faith, it also serves as a catalyst for economic prosperity, positioning Ayodhya as a model for other cultural destinations in India. In summary, the Ram Temple is not merely a spiritual beacon; it is an economic catalyst. Ayodhya’s transformation extends beyond physical structures—it embodies hope, prosperity, and cultural heritage. By harnessing the Ayodhya opportunity, the city can set a precedent for other cultural destinations in India, demonstrating that faith and economic progress can coexist harmoniously. The Ram Temple stands tall, not only in devotion but also as an engine of prosperity for Ayodhya and its people.

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