



TOURISM INDUSTRY REPORT

20
24

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REPORT SCOPE

Overview of Tourism Industry Report: Navigating Challenges Towards Sustainable Growth

I. INTRODUCTION:

The tourism industry in India stands as a significant contributor to its economy, offering vast potential for growth and development. However, the sector has faced unprecedented challenges, particularly in the wake of the COVID-19 pandemic, which has reshaped the landscape of travel and hospitality globally.

2. CURRENT LANDSCAPE:

Examining the current scenario reveals a dynamic interplay between domestic and international tourism trends. This section delves into popular tourist destinations across various regions and themes, shedding light on footfall and revenue generated by iconic landmarks such as the Ram Mandir, Tirupati Temple, and Vaishno Devi shrine.

3. ECONOMIC IMPACT:

The tourism sector's multifaceted contributions to GDP, employment, and foreign exchange earnings are dissected here. Additionally, emphasis is placed on its role in driving regional development, with insights into its symbiotic relationship with allied industries like hospitality, FMCG, and Quick Service Restaurants (QSRs).

4. GOVERNMENT INITIATIVES:

In response to the pandemic's challenges, the government has spearheaded promotional campaigns like "Incredible India" and invested in infrastructure development projects spanning transportation and regulatory frameworks to rejuvenate the tourism ecosystem.

5. NICHE TOURISM SEGMENTS:

Niche tourism segments cater to specific interests within the industry, like cultural exploration, wellness retreats, business conferences, eco-conscious travel, culinary adventures, and rural experiences. These specialized areas provide travelers with unique opportunities, whether it's immersing in local traditions, rejuvenating through holistic practices, or discovering the flavors of a region. By catering to diverse interests, these segments not only stimulate economic growth and cultural exchange but also encourage environmental sustainability, ensuring a well-rounded and enriching travel experience for visitors.

6. CHALLENGES AND OPPORTUNITIES:

This section delves into the hurdles hindering the industry's growth, including infrastructure gaps, sustainability concerns, safety issues, and technological advancements. Additionally, it highlights opportunities presented by global competition and the burgeoning startup landscape in tourism.

7. FUTURE OUTLOOK & CONCLUSION:

Concluding the report, growth projections and emerging trends underscore the industry's resilience and potential for sustainable development. Strategies to address challenges and capitalize on opportunities are outlined, emphasizing the imperative of responsible tourism practices for long-term viability.

In essence, this report serves as a comprehensive roadmap for stakeholders navigating the complexities of the tourism industry, advocating for collaborative efforts towards its sustainable growth and resilience.

SIGNIFICANCE OF TOURISM INDUSTRY TO INDIA

Tourism in India is a vibrant and diverse sector that encompasses a wide range of cultural, natural, and historical attractions, making it one of the most sought-after tourist destinations in the world. From majestic monuments and ancient temples to breathtaking landscapes and bustling cities, India offers travellers a rich tapestry of experiences that captivate the senses and leave a lasting impression.

With a history dating back thousands of years, India boasts a wealth of cultural heritage, including UNESCO World Heritage sites, architectural marvels, vibrant festivals, and a rich tapestry of traditions and customs.

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Here are some key points highlighting the importance of the tourism industry to India:

1. ECONOMIC CONTRIBUTION:

- **GDP Growth:** Tourism is a major contributor to India's GDP, providing substantial revenue through foreign exchange earnings, tourism-related businesses, and taxes.
- **Employment Generation:** The industry is a significant source of employment, especially in rural and remote areas, where alternative job opportunities may be limited.
- **Foreign Exchange Earnings:** Tourism generates substantial foreign exchange earnings, helping to stabilize the country's balance of payments and support infrastructure development.

2. CULTURAL AND HERITAGE PROMOTION:

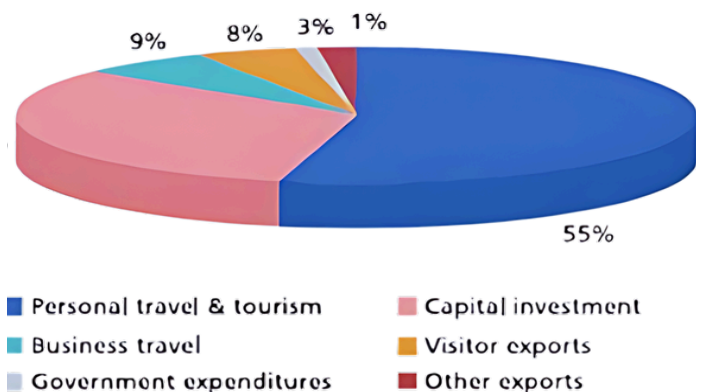
- India's diverse cultural heritage, including historical monuments, religious sites, and traditional arts and crafts, attracts millions of domestic and international tourists each year.
- Tourism plays a crucial role in preserving and promoting India's rich cultural heritage by encouraging conservation efforts and showcasing traditional practices to visitors.

3. REGIONAL DEVELOPMENT:

- Tourism promotes regional development by stimulating infrastructure growth, such as transportation networks, accommodation facilities, and tourist attractions, in lesser-known areas.
- It helps in reducing regional economic disparities by creating opportunities for small and medium-sized enterprises (SMEs) and local communities to participate in the tourism value chain.

4. INTERNATIONAL DIPLOMACY AND SOFT POWER:

- Tourism serves as a powerful tool for international diplomacy and soft power projection, fostering cultural exchange, understanding, and goodwill between nations.



COVID'S IMPACT

The COVID-19 pandemic has had a profound impact on the global tourism industry, causing widespread disruptions and significant economic losses. Here are some of the key effects:

1. TRAVEL RESTRICTIONS AND LOCKDOWNS

Governments around the world implemented travel restrictions, border closures, and lockdown measures to contain the spread of the virus. This led to a sharp decline in international and domestic travel, as well as the closure of tourist attractions, hotels, restaurants, and other tourism-related businesses.

2. DECLINE IN TOURIST ARRIVALS

The pandemic resulted in a dramatic decrease in tourist arrivals worldwide. According to the World Tourism Organization (UNWTO), international tourist arrivals declined by around 74% in 2020 compared to the previous year, representing the worst crisis in the history of tourism.

3. ECONOMIC IMPACT

The tourism sector is a significant contributor to the global economy, accounting for a substantial portion of GDP and employment in many countries. The pandemic's disruption to travel has resulted in billions of dollars in lost revenue, widespread job losses, and business closures, particularly in destinations heavily reliant on tourism.

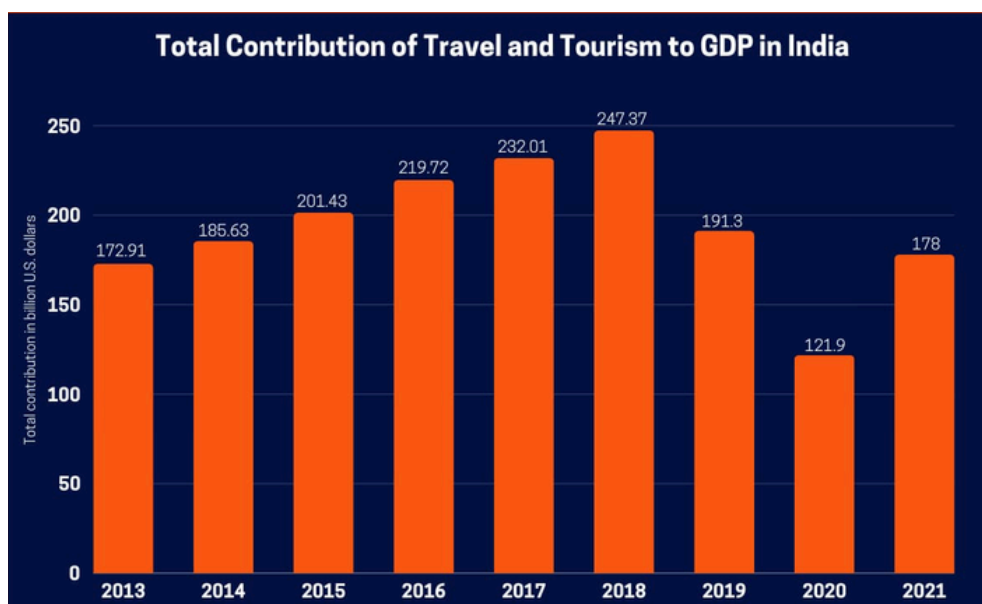
4. AIRLINE AND HOSPITALITY INDUSTRY CHALLENGES:

Airlines faced a sharp decline in passenger demand, leading to flight cancellations, financial losses, and layoffs. Similarly, hotels, resorts, and other accommodation providers experienced plummeting occupancy rates and revenue, forcing many to shut down temporarily or permanently.

5. SHIFTS IN TRAVEL BEHAVIOR

Fear of contracting the virus, uncertainty about travel restrictions, and changes in consumer preferences have led to shifts in travel behavior. There has been a rise in domestic and regional travel, outdoor and nature-based tourism, and a preference for less crowded destinations.

Overall, the COVID-19 pandemic has highlighted the vulnerability of the tourism industry to external shocks and the need for resilience and adaptation in the face of crises. As vaccination efforts continue and travel restrictions gradually ease, the industry is expected to recover, but the pace and extent of recovery will vary across different regions and sectors.



CURRENT LANDSCAPE

Tourism in India contributes approximately 4.6% to the nation’s GDP, as per the Ministry of Tourism. India’s tourism sector ranks sixth in Gross Domestic Production (GDP) contribution. The sector ranks among the fastest growing economic sectors in the country. Despite not being prioritised by the government, the sector plays a vital role in job creation, supporting over 32 million jobs in 2021, driving regional development while creating a multiplier effect on the performance of related industries. The World Travel and Tourism Council reported that in 2021, tourism generated ₹13.2 lakh crore (US\$170 billion), accounting for 5.8% of India’s GDP. By 2028, India’s tourism and hospitality industry is projected to generate revenue of over \$59 Bn. Additionally, Foreign Tourist Arrivals (FTAs) are anticipated to reach 30.5 Mn by 2028.

LET’S DELVE INTO THE INTERNATIONAL AND IDOMESTIC TOURISM TRENDS IN INDIA:-

INTERNATIONAL

International travel is also on the rise, with recovery rates of 95% in January 2023, 97.5% in February 2023, and 99.5% in March 2023. Foreign tourists in 2023 surged by 64% compared to 2022. The number of foreign tourists who arrived in India in 2023 during January-June stood at 43.80 lakh, which is 106 percent higher than the figure (21.24 lakh) for the corresponding period in 2022.

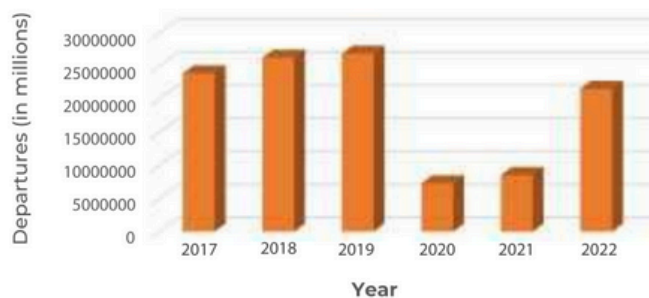


The number of Foreign Tourist Arrivals (FTAs) in India during 2022 increased to 6.44 million as compared to 1.52 million in 2021, registering a positive growth of 321.54% and achieved 58.9% recovery as compared to pre-pandemic year 2019. While Foreign Tourist Arrivals (FTAs) experienced a positive growth rate in 2022, Non Resident Indians(NRIs) and International Tourist Arrivals (ITAs) also experienced positive growth. Arrivals of NRIs have Increased by 43.9% from 2021 to 2022. In comparison to 2021, there was a 104.4% increase in yearly international tourist arrivals in India in 2022.

In 2022, the top 15 source markets for FTAs in India were the United States, Bangladesh, United Kingdom, Australia, Canada, Sri Lanka, Germany, Nepal, Singapore, Malaysia, France, Russian FED, Japan, Thailand & China. In 2022, the top 15 nations accounted for approximately 78.6% of total FTAs in India.

Weather condition at different tourist destinations is one of the important determinants of tourist arrivals. In the past, seasonal variations have been observed in FTAs to India. For India the 4th quarter of a calendar year constitute the peak quarter.

Indian National's Departures from India, 2022



The number of Indian nationals’ departures from India during 1991 was 1.94 million which rose to 21.6 million in 2022 with a compound annual growth rate (CAGR) of 7.82%. Due to COVID-19 pandemic across the world subsequent lockdown announced in India in the year 2020, data related to tourism parameters was decreased drastically in the year 2020. The number of Indian nationals’ departures from India during 2022 registered a positive growth of 152.62% over 2021 as compared to 17.23% growth in 2021 over 2020.

CURRENT LANDSCAPE

UAE was the top source nation for INDs in 2022, followed by the Saudi Arabia, USA, Singapore, United Kingdom, Thailand, Qatar, Kuwait, Canada and Oman. In 2022, the Top 10 nations accounted for around 76.1% of total Indian Nationals' Departures (INDs).

The share of India in the world tourism receipts has remained between 0.69% and 0.73% during 2001-2002. However, it has been increasing steadily since 2002 and has reached 1.93% during 2022. It is clear from Table 3.3.2 that international tourism receipts worldwide, which were hardly US\$ 463.8 billion in 2001, have increased to US\$ 1109 billion in 2022. India's rank has also witnessed improvement from 36th in 2001 to 14th in 2022.

DOMESTIC

In recent years, India's tourism sector has seen significant transformation, with domestic travel and weekend vacations gaining appeal. Previously, abroad destinations were typically at the top of the list for Indian tourists looking for new experiences. The dynamics, however, have evolved, and domestic travel has taken the front stage. Domestic tourism and weekend getaways have grown dramatically in India.

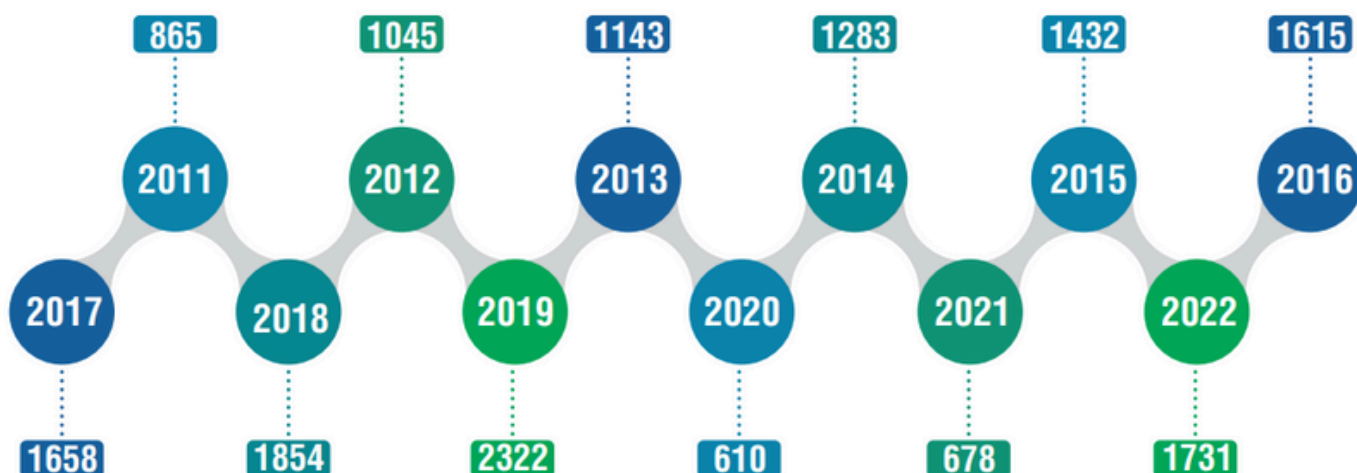
A number of variables, such as increasing disposable income, more affordable air travel and other kinds of transportation, more knowledge of India's many tourism

opportunities, and expanding social media and online travel booking platform use are all contributing to this trend. Domestic travel had already exceeded pre-pandemic levels, with domestic capacity having already surpassed 2019 levels since the beginning of 2023.

India received 1731.01 million domestic tourist visits in 2022, an increase of 155.45 % from 677.63 million in 2021, showing the resilience and growth of domestic tourism. There has been a continuous increase in domestic tourist visits, with the compound annual growth rate (CAGR) of domestic tourist visits to all States/UTs from 2011 to 2022 being 5.96%. Two states with the most domestic tourists visits are Uttar Pradesh and Tamil Nadu, with 317.91 million and 218.58 million, respectively.

Among all the monuments, Taj Mahal, Agra (5.05 Million) was the most visited monument in 2022-23 for domestic visitors followed by Sun Temple (2.40 Million) and Red Fort (2.21 Million). In respect of foreign visitors Taj Mahal, Agra (0.39 Million) was the most visited monument, in FY 2022-23, followed by Agra Fort (0.14 Million) and Qutub Minar (0.12 Million).

Year wise Domestic Tourist Visits
DTVs (in Million)



CURRENT LANDSCAPE

POPULAR TOURIST DESTINATIONS

India as a country is known for its unique culture, heritage, temple style, variety of rivers and wildlife. India boasts for substantially diverse physical, political and multi-lingual society and offers a lot to explore through its voluminous vivid recreation and adventure activities. Because of its diverse attractions and geographic location, India attracts a large number of tourists from all around the globe besides a large number of domestic tourists. The intensifying influence of tourism as an economic powerhouse and its potential as a tool for regional development are indisputable.

On the basis of tourist attractions and resources, tourism in India can be classified as follows:-

ADVENTURE TOURISM

As a kind of tourism in India, adventure tourism involves exploration of remote areas and exotic locations and engaging in various activities. For adventure tourism in India, tourists prefer to go for trekking to places like Ladakh, Sikkim, and Himalaya.

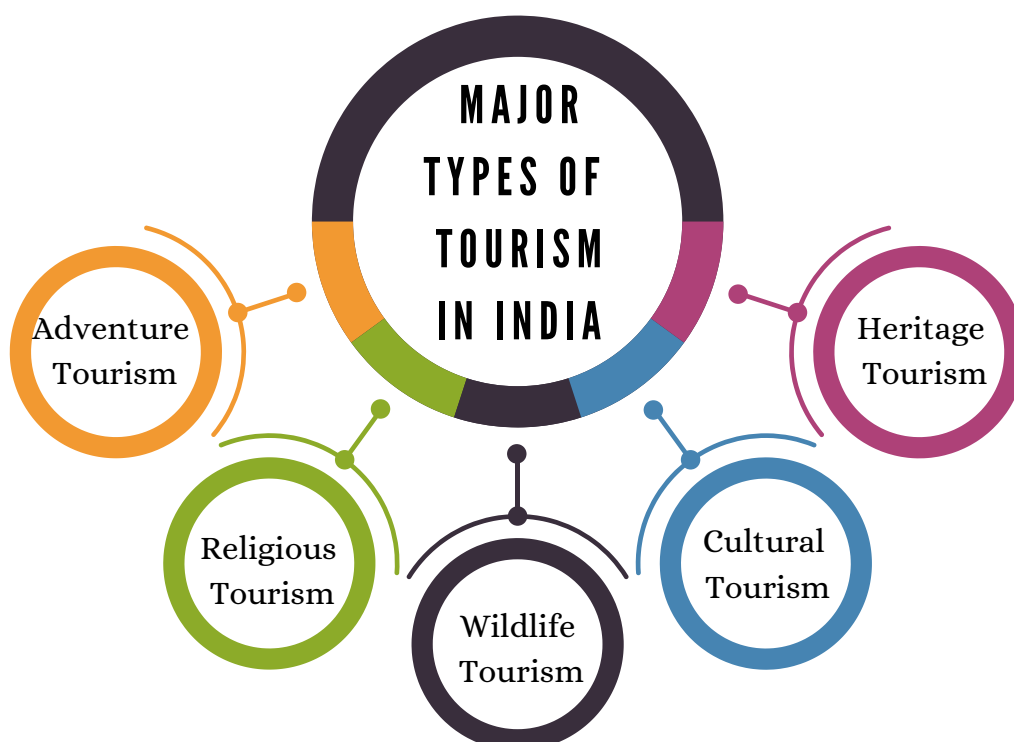
Himachal Pradesh and Jammu and Kashmir are popular for the skiing facilities they offer. Whitewater rafting is also catching on in India in places such as Uttarakhand, Assam, and Arunachal Pradesh. Some other activities include rock climbing, Skiing, Camel safari, para gliding, Mountaineering, Rafting in white water and trekking.

WILDLIFE TOURISM

India has a rich forest cover which has some beautiful and exotic species of wildlife some of which that are even endangered and very rare. The national parks, wildlife and bird sanctuaries tend to provide a glimpse of the same to the tourists.

CULTURAL TOURISM

Indian art was influenced by the religious beliefs and the philosophical trends of the times. The temples of the south, the caves of Ajanta, Ellora and Khajuraho are living testimony to the artistic excellence achieved by the Indian artists, sculptors and architects in those expensive and spiritual reawakening on visiting these temples. Indian Music is remarkable because of the continuity in its growth.



CURRENT LANDSCAPE

The origin of classical dance is attributed to the Hindu temples. The success with which festivals of India have met within USA, France and Russia proves the interest of foreigners in our cultural traditions and hence, attracts tourists from all over the world to India. The various fairs and festivals that tourists can visit in India are the Pushkar fair, Taj Mahotsav, and Suraj Kund mela.

RELIGIOUS TOURISM

India, a big country has been a land where many religions have flourished for years and centuries. Not only attracting dedicated devotees, these holy places in India also bring in tourists from all over the world who come to the country on their journey of spiritual tourism. From temples, to shrines, mosques, and churches, India has pilgrimage destinations belonging to multiple religions. Some of the famous places include Badrinath, Kedarnath, Haridwar, Golden Temple, Ayodhya, Varanasi, Tirupati, Shirdi, Dwarka etc to name a few.

HERITAGE TOURISM

India's glorious past and cultural diversity make a potent blend which attracts millions of tourists each year to its heritage tourist attractions. India's rich heritage is amply reflected in the various temples, palaces, monuments, and forts that can be found everywhere in the country. Some of the popular heritage tourism destinations in India include Taj Mahal in Agra.

A few other types include business tourism, wellness tourism, ecotourism, sports tourism, educational tourism, leisure tourism and cruise tourism.

ECO TOURISM

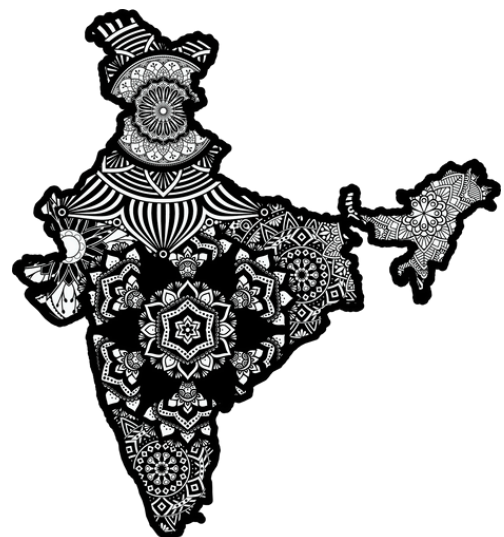
Ecotourism entails the sustainable preservation of a naturally endowed area or region. This is becoming more and more significant for the ecological development of all regions that have tourist value. For ecotourism in India, tourists can go to places such as Kaziranga National Park, Gir National Park, and Kanha National Park.

WELLNESS TOURISM

India today also has immense facilities and enormous scope of healthcare wellness tourism including Ayurveda, alternative and holistic treatment. India is perceived worldwide, as one of the true spiritual homes of the modern wellness movement and has a powerful and unique 'wellness halo' with its ancient, rich history of Ayurveda, yoga and meditation. India is emerging as one of the fastest-growing wellness market in the world supplemented by India's expertise in alternative healthcare practices, reduced cost of international travel and low cost semi-luxury hotels & resorts, improved transport and communication infrastructure, availability of English speaking staff at centres and scope for moulding wellness tourism into lifestyle tourism by high end travellers.

SPORTS TOURISM

India's sports tourism is uniquely positioned to blend cultural immersions with sporting excitement. Goa is leading by example in leveraging sports tourism and has successfully positioned itself as a hotspot for sports events in the country. Kerala is known for its enchanting backwaters and fervent football fans while Haryana with its rich legacy in wrestling and boxing, attracts visitors looking to experience and train in these sports. Odisha has established itself as a key player in hockey and athletics. The development of world-class sports infrastructure, combined with strategic international partnerships, is set to place India at the forefront of the global sports tourism market.

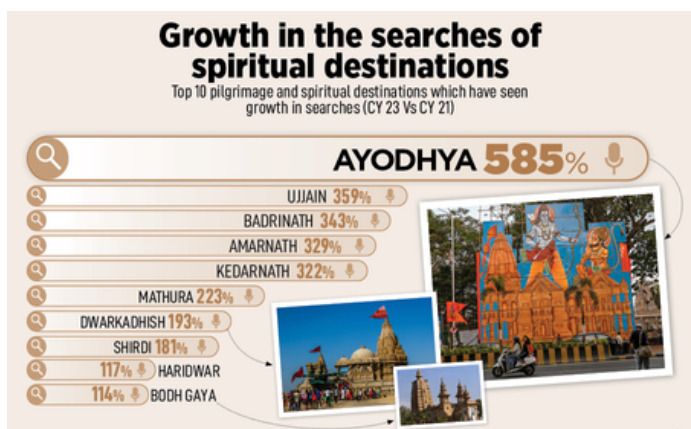


CURRENT LANDSCAPE

RELIGIOUS TOURISM - FOOTFALL IN INDIA

According to data released by the Ministry of Tourism in March 2023, places of religious tourism earned Rs 1,34,543 crore in 2022, up from Rs 65,070 crore in 2021. Thus, religious tourism is a significant player in India’s travel recovery post pandemic. In 2014-15, the government launched the ‘Pilgrimage Rejuvenation And Spiritual Augmentation Drive’ (PRASAD). This scheme focuses on developing and identifying pilgrimage sites across India for enriching the religious tourism experience. It aims to integrate pilgrimage destinations in a prioritised, planned and sustainable manner to provide a complete religious tourism experience. When it was launched, the government identified 41 religious sites from 25 states for development in the country, under the PRASAD Scheme.

Moreover, the demand for visitors’ spiritual journeys is no longer restricted to traditional pilgrimages but a combination of spiritual breaks with unique local experiences and outdoor adventures like white-water rafting and night trekking in Vaishno Devi, bungee jumping in Rishikesh, boating on the Ganga river, visiting a heritage crafts village in Puri or learning a local art like Kalaryipayattu in Kerala.



Let’s look into the footfall of a few prominent temples in India to analyse the growing trajectory of religious tourism in India :

VAISHNODEVI

The Vaishnodevi temple in Jammu and Kashmir is one of the most sacred pilgrimage centers in India. Located inside a cave, the temple is dedicated to goddess Vaishnodevi. An estimated 8 million pilgrims visit the temple every year making it one of the most visited religious place in India.

The cave shrine of Vaishno Devi was visited by more than 93.50 lakh pilgrims in 2023 – the highest footfall in a decade. According to the shrine officials, a total of 93.50 lakh people had visited the temple surpassing the 2013 figure of 93.24 lakh. Between 37,000 and 44,000 devotees embark on the trek to the shrine every day and the figure is expected to reach 50,000.

YEARS	2012	2017	2022
FOOTFALL	1.04 crores	81.7 lakhs	86.4 lakhs

AYODHYA

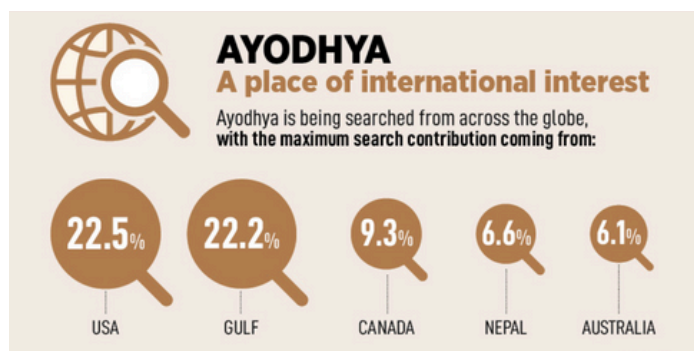
For every 15 tourists who headed to Uttar Pradesh in 2023, one headed to temple of Ayodhya. In 2012, over 2 lakh tourists visited Ayodhya various the number was over 2.03 crores in 2022. The main pilgrimage site, spread over nearly 70 acres, will be equipped to host a million devotees together. The 85000 crore rupees makeover of the town, including a new airport, improved railway station, township, and better road connectivity is set to have a multiplier effect.

In 2022, domestic tourists spent nearly Rs 2.2 lakh crore, while foreign visitors contributed an additional Rs 10,000 crore to the state's economy. The initiatives undertaken by the Uttar Pradesh government, coupled with the recent construction of the Ram Temple in Ayodhya, may lead to an additional annual tax revenue of ₹25,000 for the state in the fiscal year 2025, owing to the anticipated rise in visitor numbers.

The comprehensive transformation of Ayodhya is poised to attract over 50 million tourists annually. This comprehensive transformation is not only expected to attract a substantial influx of tourists, with projections reaching over 50 million annually, but it also sets a potential template for infrastructure-driven growth in the tourism sector across the country.

CURRENT LANDSCAPE

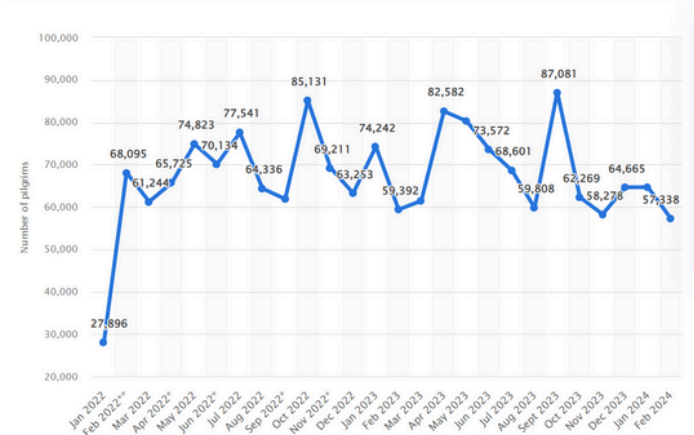
Ayodhya not only is growing as a hub for religious tourism in India but also all over the world.



TIRUPATI BALAJI TEMPLE

The Tirupati temple, officially known as the Sri Venkateswara temple, is one of the most famed and ancient Hindu temple located in the city of Tirupati in the state of Andhra Pradesh. Tirumala, adobe of Sri Venkateswara is one of the most visited pilgrimage centers and richest temple of India with millions of devotees every year. Thus, Tirupati becomes the hub for religious tourism for Hinduism with all required facilities for accommodation, transport and food.

There has been a rapid increase in the number of devotees visiting the hill shrine since 1950. According to official reports as many as 30,000 to 40,000 devotees visit Tirumala on a daily basis. Now the number reached to record 80,000 to one lakh pilgrims visiting the presiding deity at the hill shrine daily while the number of pilgrims shoots up to 500,000 during



GOLDEN TEMPLE

The Golden Temple, also known as Sri Harmandir Sahib, is the holiest gurdwara in Sikhism. Located in Amritsar, Punjab, India, it holds immense religious significance for Sikhs around the world. The temple complex is known for its stunning architecture, rich history, and warm hospitality.

More than 1 lakh devotees, on an average, visit the temple on a daily basis. Over the weekends and for religious occasions, the footfall goes up to anywhere between 1.50 lakh and two lakhs.

The famed Golden Temple in Amritsar has added another feather to its already illustrious cap. The World Book of Records (WBR), a London-based organisation that catalogs and verifies world records, had also bestowed the 'most visited place of the world' award to the Golden Temple.



ECONOMIC IMPACT OF TOURISM INDUSTRY

Wherein many international countries are still recovering from the pandemic repercussions. The Indian economy car is excellently speeding through it. Though many sectors are helping in progression but travelling and tourism is gearing the tempo.

India as a country is blessed with the geographical and climatic gifts of diversification, beautification and exuberance. India offers a wide variety of variations and suits the spirit of almost all keen travellers. All of these highly adaptable features make the Indian tourism industry an economic multiplier. Increasing investment destinations, thriving digitalisation, and gen Z-friendly platforms like Travel Now Pay Later (TNPL), are making travelling and tourism a fortune wheel for the Indian growth scale.

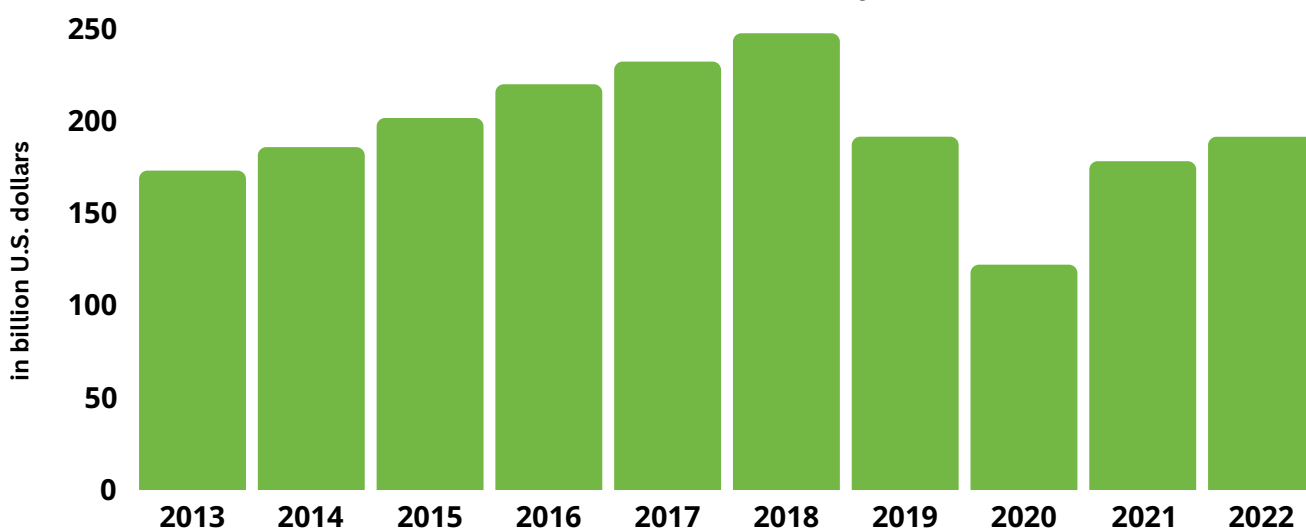
According to the WTTC (World Travel and Tourism Council), the travel and tourism sector's contribution to the Indian GDP will surpass the pre-pandemic levels by 2024. It is expected that Indian tourist arrivals will reach 30.5 million and will generate approximate revenue of over 59 USD billion dollars by 2028. In WTTC's Economic Impact 2022 report, India's Travel and Tourism GDP contribution grew by 5.8%, which was the sixth-highest after the US, China, Germany, Japan and Italy.

CONTRIBUTION TO GDP AND EMPLOYMENT

In 2021, the travel & tourism industry's contribution to the GDP was US\$ 178 billion; this is expected to reach US\$ 512 billion by 2028. According to WTTC, the contribution of India's travel and tourism sector to India's economy was worth Rs. 15.9 trillion (US\$ 191.25 billion) in 2022. The Indian travel and tourism industry is expected to record an annual growth of 6.7% per annum and achieve 9.2% of GDP with US\$ 488 billion. Over the next decade, India's Travel & Tourism GDP is expected to grow at an average of 7.8% annually. As at 2023, it is anticipated to account for about 9.2% of the country's Gross Domestic Product (GDP).

In 2020, the Indian tourism sector accounted for 39 million jobs, which was 8% of the total employment in the country. In 2021, the travel & tourism industry's contribution to the GDP was US\$ 178 billion; this is expected to reach US\$ 512 billion by 2028. By 2029, it is expected to account for about 53 million jobs. Travel agencies, hotels, restaurants, transport companies, souvenir shops and local guides are some of the areas where employment is found in the industry.

Total contribution of tourism industry to GDP (2013-2022)



ECONOMIC IMPACT OF TOURISM INDUSTRY

FOREIGN EXCHANGE EARNINGS

Tourism contributes substantially towards foreign exchange earnings which is crucial for India's economic development. The following data gives more insight on how much foreign exchange earnings tourism generates:

Pre-Pandemic Growth: Prior to the occurrence of COVID-19 pandemic India experienced consistent growth in terms of foreign tourist arrivals (FTAs). In 2019 alone India recorded over 10.93million FTAs indicating its ability to earn huge amounts in foreign currency through attracting visitors.

Foreign Exchange Earnings in Numbers: However, due to pandemic there were few tourists who came into the country leading to low receipts. Upon recovery from pandemic tourists will be back as per the Ministry of Tourism, Foreign Exchange Earnings (FEE) from tourism in India reached Rs. 74,282 crore (approximately USD 9.56 billion) during the period January-August 2022. This signifies a significant increase compared to the same period in 2021.

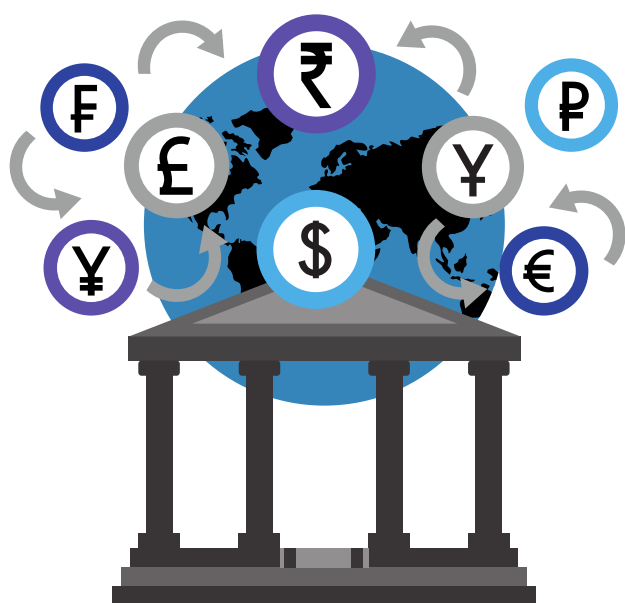
Impact on Balance of Payments: The impact of tourism on India's balance of payments is significant. The foreign exchange earned from tourism plays a crucial role in improving India's balance of payments, which records all economic and financial transactions between India and other countries. The additional foreign currency generated through tourism enables the government to support infrastructure development, boost international trade, and stabilize the exchange rate.

IMPACT ON REGIONAL DEVELOPMENT

The tourism industry promotes regional development through various aspects in the Indian context:

- **Infrastructure Development:** The influx of tourists often leads to the development of infrastructure such as roads, airports, hotels, restaurants, and recreational facilities. Improved infrastructure benefits not only tourists but also local residents, enhancing the overall quality of life.
- **Preservation of Cultural Heritage:** Many tourist destinations in India are rich in cultural heritage, including historical monuments, temples, and traditional villages. Tourism can contribute to the preservation and restoration of these sites, ensuring their sustainability for future generations.
- **Promotion of Handicrafts and Indigenous Industries:** Tourism provides a market for local handicrafts, arts, and indigenous products, thereby supporting local artisans and craftsmen. This encourages the preservation of traditional skills and cultural practices.
- **Cultural Exchange and Understanding:** Tourism facilitates cultural exchange and understanding between visitors and local communities. This interaction promotes tolerance, appreciation, and mutual respect for diverse cultures.

Along with this, tourism provides income and employment to people living in these regions in addition to reducing regional disparities.



ECONOMIC IMPACT OF TOURISM INDUSTRY

IMPACT ON HOTELS & FMCG

The tourism industry has a significant impact on specific sectors that cater directly to tourists. Here's a detailed look at the influence of tourism on hotels, FMCG (Fast-Moving Consumer Goods), and QSR (Quick Service Restaurants).

HOTELS

- **Boom in Hospitality:** The hospitality industry is experiencing a boom due to an increase in tourist arrivals, leading to a surge in demand for hotels, resorts, and guest houses. This has resulted in a significant rise in the number of hotel rooms throughout India. According to a source on hotel room growth in India, the number of hotel rooms is projected to exceed 180,000 by 2025, showing a substantial growth trend.
- **Employment Generation:** The hospitality sector plays a crucial role in job creation. The Federation of Indian Hotels and Restaurants Associations (FHRAI) estimates that over 8 million people are directly employed in the hospitality industry in India, as per a source on hotel sector employment. Tourism not only generates employment opportunities in hotels but also provides benefits to related services such as laundry and housekeeping.
- **Diversification of offerings:** Hotels catering to tourists may offer specialized services and amenities tailored to their needs, such as guided tours, cultural experiences, adventure activities, and culinary offerings. This diversification enhances the overall guest experience and helps hotels stand out in a competitive market.

Overall, the tourism industry plays a crucial role in driving the growth and recovery of the hotel industry in India, influencing occupancy rates, room pricing, employment, and investment in the sector.

FMCG (FAST-MOVING CONSUMER GOODS)

- **Increased Demand:** When tourism flourishes, it leads to increased demand for various products, especially those in the FMCG category, as tourists consume daily essentials, snacks, beverages, and personal care items. Tourists contribute to higher consumption of FMCG products, leading to increased sales for local businesses.
- **Product Diversification:** To meet the varied tastes of travelers, FMCG companies are broadening their range of products by offering travel-sized options, labeling in multiple languages, and products tailored to dietary and cultural needs.
- **Brand Visibility:** Tourists can become brand ambassadors by trying local FMCG products and promoting them back home, potentially opening export opportunities.

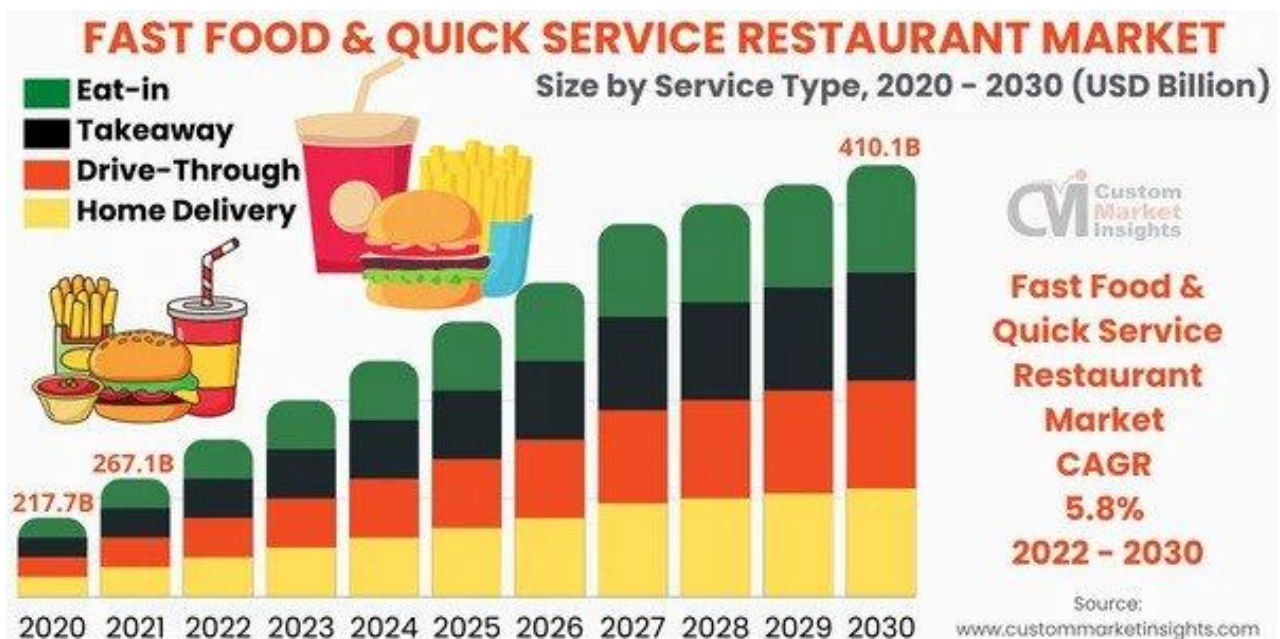
In a nutshell, a robust tourism industry can lead to a ripple effect that benefits the FMCG sector through increased demand, product diversification, retail growth, higher employment, and greater brand visibility.



ECONOMIC IMPACT OF TOURISM INDUSTRY

IMPACT ON QUICK SERVICE RESTAURANTS

- **Convenience and Choice:** When tourists are looking for fast and easy dining options, quick-service restaurant (QSR) chains often come to mind as a convenient choice. With a variety of international and domestic QSR chains available, there is something to cater to all tastes and dietary requirements.
- **Increased Demand & Boosted Revenue:** Tourists are new customers, leading to higher sales and revenue for QSRs in tourist areas. They tend to eat out more often and may be willing to spend more on familiar brands.
- **Seasonal Fluctuations:** Tourist seasons create predictable peaks and troughs in business. QSRs can adapt staffing and inventory accordingly.
- **Brand Exposure:** Positive experiences with a QSR chain can turn tourists into brand ambassadors, spreading brand recognition and potentially leading to franchise opportunities.
- **Local Sourcing (Potential):** A strong tourist industry can incentivize QSRs to source ingredients locally, benefiting nearby farms and food producers.
- **Growth of the Sector:** The Indian QSR industry is experiencing impressive growth, thanks in part to the increasing number of tourists visiting the country. According to a report, the Indian QSR market is projected to reach a value of USD 48.8 billion by 2025.
- **Competition:** Increased tourist traffic can also lead to more competition among QSRs in the same area.
- **Homogenization:** The dominance of QSRs can reduce the variety of local culinary experiences available to tourists.
- **Impact on Workforce:** Tourism can create new job opportunities in the QSR sector. However, these jobs might be seasonal and potentially lower-paying compared to other industries.
- **Infrastructure Strain:** Increased tourist traffic can put a strain on local infrastructure, including waste management. QSRs can play a role in promoting sustainable practices like waste reduction and recycling.



GOVERNMENT INITIATIVES

Government initiatives and investments in infrastructure have played a vital role in driving the India Travel & Tourism market. The Indian government recognizes the potential of the tourism sector as a driver of economic growth, job creation, and cultural exchange. As a result, several initiatives have been launched to promote tourism across the country.

Infrastructure development has also been a priority. Airports, railways, and roads have seen significant upgrades and expansion to enhance connectivity. New airports have been built, and existing ones have been modernized to accommodate the growing number of tourists. The "UDAN" (Ude Desh ka Aam Nagrik) scheme has been introduced to improve regional air connectivity, making it easier for travelers to explore less-visited destinations.

LET'S DELVE INTO GOVERNMENT INITIATIVES AND CAMPAIGNS AIMED AT ENHANCING THE TOURISM INDUSTRY

1. PRASAD

The 'National Mission on Pilgrimage Rejuvenation and Spiritual Augmentation Drive' (PRASAD) was launched by the Ministry of Tourism as a Central Sector Scheme with the objective of integrated development of identified pilgrimage destinations. The scheme aimed

at creation of pilgrimage/spiritual tourism infrastructure development at the pre-identified destinations. In view of the decision taken by the Government for closure of HRIDAY scheme of the Ministry of Housing and Urban Development and for inclusion of projects for development of Heritage destinations in PRASAD Scheme, the scheme guidelines have been modified and the nomenclature of the scheme has also been changed from PRASAD to "National Mission on Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive (PRASHAD)" in October 2017. In April 2022, a new category for smaller / mini projects / Basic Amenities development for pilgrimage/heritage tourism destinations with adequate recognition requiring tourism infrastructure, but not at the large scale, was introduced under the Scheme.

ACHIVEMENTS

- Identified 73 destinations in 31 States/UTs with sanctioning of 45 projects in 25 States / UTs under the total sanctioned cost of `1586.10 Cr for Major Category Projects. Till date an amount of `844.34 Cr has been released.
- Total completed projects under Major Category – 19 Projects.
- Identified 34 destinations in 10 States/UTs under Development of Basic Amenities Category Projects.

YEARWISE PERFORMANCE OF THE SCHEME

Year	Amount Sanctioned (in Cr.)	Amount Released (in Cr.)	Sanctioned Projects Numbers
2015	216.71	37.44	9
2016	157.6	78.85	7
2017	190.13	119.64	5
2018	200.79	130.09	4
2019	104.13	139.92	3
2020	122.17	116.96	3
2021	218.4	133.85	6
2022	376.17	87.49	8
Total	1586.10	844.34	45

2. SWADESH DARSHAN

Ministry of Tourism had launched Swadesh Darshan Scheme in year 2014-15 with a view to promote integrated development of thematic tourist circuits in the country. With the mantra of 'vocal for local', the revamped scheme namely Swadesh Darshan 2.0 seeks to attain "Atma Nirbhar Bharat" by realizing India's full potential as a tourism destination. SwadeshDarshan2.0 is not an incremental change but a generational shift to evolve Swadesh Darshan Scheme as a holistic mission to develop sustainable and responsible tourism destinations covering tourism and allied infrastructure, tourism services, human capital development, destination management and promotion backed by policy and institutional reforms.

OBJECTIVES OF SWADESH DARSHAN 2.0

- To enhance the contribution of tourism to the local economies
- To create jobs including self-employment for local communities
- To enhance the skills of local youth in tourism and hospitality
- (To increase private sector investment in tourism and hospitality)
- To preserve and enhance the local cultural and natural resources

3. INCREDIBLE INDIA

The Tourism Ministry of India launched the Incredible India campaign, the purpose of the Incredible India campaign was to increase the travels of foreign tourists into the country. Even though being home to one of the seven wonders of the world and several magnificent landmarks, India did not have much growth in the tourist sector. In contrast, other countries have flourished in tourism markets. Hence, the Tourism Ministry of India came up with strategies to promote tourism in India to the other country's populations. The government of India launched the Incredible India campaign by advertising it through printed advertisements and commercials on TVs in the year 2002 for the first time. The purpose of the Incredible India campaign was to make a brand out of India that depicted the history, diversity, religious beliefs, and spirituality, all in all, it showed India as the melting pot of cultures that it was and is to this date.

IMPACTS OF THE CAMPAIGN

ECONOMICAL IMPACTS

- When the government launched the Incredible India campaign, it proved to be highly beneficial for the country. Even today, it is being used to attract foreign tourists to the country.
- In the first year of the launch of this campaign, India witnessed an upsurge of 16% of foreign tourist increase compared to the year prior.
- The tourist industry contributes to the national GDP of the country.
- An increase in tourism will result in more jobs for the Indians; this ensures the unemployment rates reduce to a certain degree.
- Moreover, it also increases the country's economy; more taxes will be paid as more people are employed.

CULTURAL IMPACTS

- After the government of India launched the Incredible India campaign, it changed the perceptions of millions of people regarding India.
- It was earlier perceived that India is underdeveloped, with no good infrastructure, hospitality, and a poor country.
- In the later years, when foreigners were introduced to India and its diverse cultures through various means, they started appreciating India. Through word-of-mouth advertising, even more tourists were attracted.
- It is no secret that India does not have mere touristic destinations; instead, India has cultures, traditions, festivals, and each city, each state, and each destination has a story behind it, which is a USP (Unique Selling Point) for India.
- The campaign name 'Incredible India' suits because it's not just a name or title. Rather, it perfectly depicts India's incredibility and traditions.

GEOGRAPHICAL IMPACTS

- With an area of 3.278 million Km², India has a mix of forests, rivers, mountains, deserts, and beaches; additionally, India has scorching hot and cold places. It rains and snows in India.
- Tourists can hike, bike, play, sleep, swim, and go on adventures they have always desired.
- The Incredible India campaign successfully tells all these things to its audiences.
- When the government launched the Incredible India campaign, it increased tourism, demands for hotels, restaurants, cafes, and many other things like parks and tourist site activities.
- As a result, deforestation, pollution, and the killing of animals for food have also escalated dramatically.

SOCIAL IMPACTS

- Incredible India proved to be an extremely good opportunity for small-scale businesses to flourish.
- Handmade pottery, jewelry, artifacts, and many more tangible items' demands have increased.
- Men and women have skills passed down through the generations that they can showcase through these items.
- As a result, it has provided the local populations with employment opportunities and better living standards and conditions.
- Furthermore, women have been able to self-employ and be independent, setting an example for the coming generations of women.

4.SWACHH BHARAT MISSION

"Swachhta" is considered as one of the pillars of tourism, as a clean tourist place is more sustainable in the longer run, which attracts tourism as well as investment. This also results in good health and a sense of pride amongst the local residents and a feeling of satisfaction amongst the tourists. Swachh Bharat Mission is a "National Level Program" and was launched in 2015. Swachhata related activities and programs emphasize the importance of cleanliness and hygiene for steady growth of Tourism within the country.

THE LIST OF IMPLEMENTED PROGRAMS

- The Swachhta Action Plan (SAP) organizes awareness programs nationwide, focusing on tourists, students, and stakeholders. Over 541 programs were conducted in FY 2022-23, leading to visible changes in reducing plastic use and improving waste management. The Ministry of Tourism emphasizes mass awareness to boost tourism, forming Yuva Tourism Clubs (YTC) for wider participation.
- Swachhta Pakhwada (SP) is an annual 15-day program in September aimed at creating awareness about cleanliness. In 2022, 375 activities were conducted nationwide, engaging around 23,823 participants. The initiative has inspired citizens of all ages to embrace cleanliness as a continuous habit
- The Swachhta Award recognizes state/UT governments for maintaining clean tourist destinations. On World Tourism Day 2022, awards were given for "Swachh Paryatan Sthaan" and "Best Civic Management of a tourist destination in India" for 2018-19.

Sl. no.	Award Categories	Region/Category	Winners (Place/State)
I.	Swachh Paryatan Sthaan Award	Western	Ujjain City, Govt. of Madhya Pradesh, Department of Tourism
		Northern	Hawa Mahal, Govt. of Rajasthan Archaeology and Museums, Jaipur
II.	Best Civic Management of a Tourist Destination in India	Category - A (City)	Indore City, Govt. of Madhya Pradesh, Department of Tourism
		Category - B (Town)	Panchgani Hill Station Municipal Council, Maharashtra
		Category - C (Village)	Calangute Panchayat, Goa Tourism Development Corp. Ltd.

VISA AND REGULATORY FRAMEWORK

Visiting India requires obtaining a visa for all travelers, except for citizens from neighboring Nepal and Bhutan. To streamline the process, the Indian government has introduced electronic visas (e-Visas) available in durations of one month, one year, or five years, catering to various purposes such as tourism, business, medical, and conferences.

For the majority of visitors, an e-Visa is sufficient, negating the need for acquiring a traditional visa prior to arrival. However, citizens of the United States have the option to apply for a Tourist visa valid for up to 10 years.

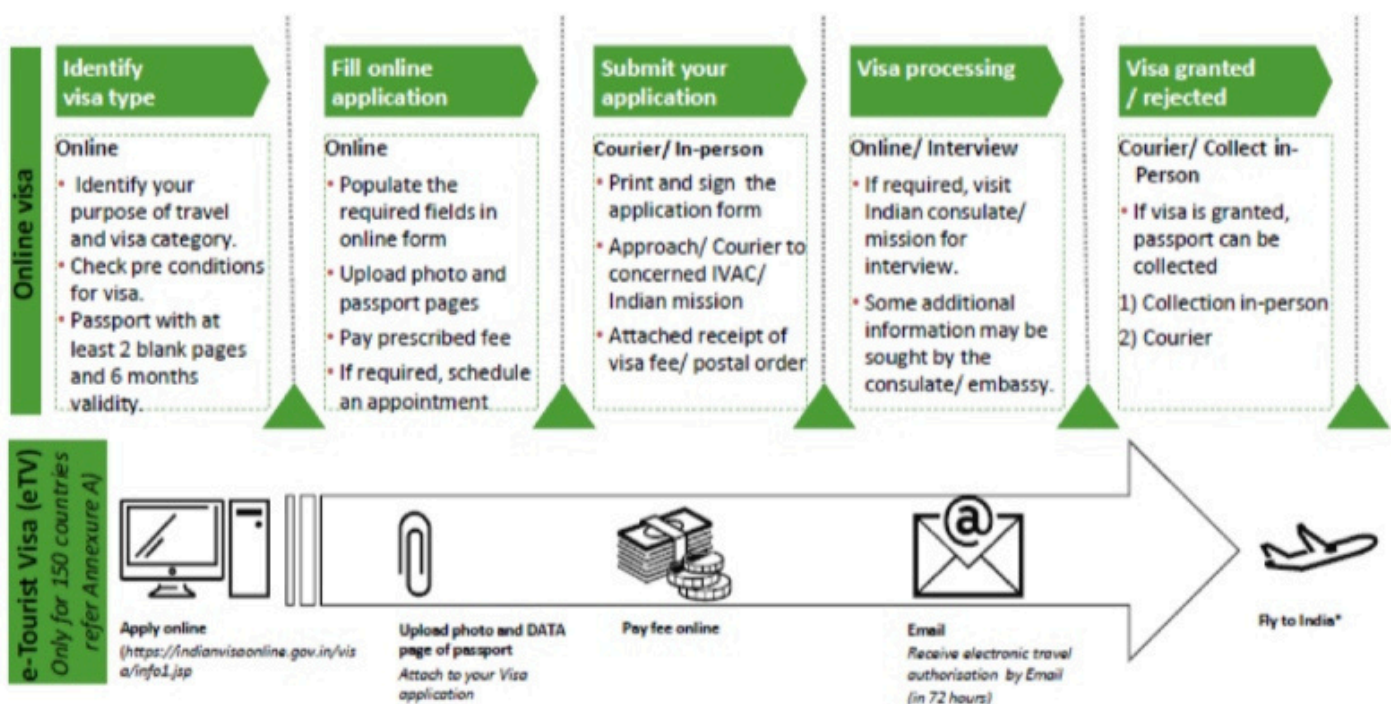
Furthermore, some countries benefit from bilateral agreements with India, resulting in reduced visa fees. Notably, Japan and Mongolia have such agreements in place.

In cases where an e-Visa is not applicable or suitable, the Indian government has established a centralized online application process for regular paper visas.

The online application process for regular paper visas. This process entails completing and submitting the visa application form online, followed by the manual submission of passports and supporting documents to the relevant Indian Mission, such as an embassy or consulate, in the applicant's home country.

Alternatively, applicants who are unable to visit an Indian Mission in person have the option to utilize authorized visa processing centers. These centers facilitate the application process by allowing applicants to complete the necessary paperwork online and subsequently submit their applications, along with the required documents, via mail.

Overall, the introduction of electronic visas and streamlined application processes has simplified the visa acquisition process for travelers to India, making it more accessible and convenient for visitors from around the world.



TYPES OF VISA-

1) TOURIST VISA -

Tourist Visa is for those people who wish to visit people, go sight-seeing or want to attend short term programs. The main highlight under tourist visa is that depending on the nationality and reason of visit of the applicant, a person can get a tourist visa for around six months but it is impossible to stay in India for more than a period of six months under tourist visa.

2) EMPLOYMENT VISA -

If you are a foreigner working in India under a registered organization, then an Employment Visa is for you. Even if you are working as a volunteer for long-term periods then also you can apply for an employment visa. Employment Visas are valid usually for one year or for the period of contract, however, in India they can be extended too. For applying for an Employment Visa to India you require a proof that justifies your working in an Indian company or organization such as a contracting which states all the terms and conditions.

3) BUSINESS VISA -

Those looking forward to conduct business or to explore business opportunities present in India, Business Visas are available for them. Business Visa is different from Employment Visa as under Business Visa the applicant is not expected to work in an Indian organization and earn a specific income. Though a Business Visa is valid for up to a period of five to ten years with multiple entries. For the application of a Business Visa the applicant requires to submit a letter stating particulars like the nature of the business, places to be visited, staying duration, intention of meeting expenses, etc. from the organization with which they intend to do business with.

4) STUDENT VISA -

A Student Visa allows people to come to India for long-time studying at an officially recognised Indian educational institution. The studies can vary to different fields even including, long-term study of Vedic culture, yoga, Indian dance or music system, etc. Having a tourist visa is not sufficient for long term studies in well-known educational institutions and hence students from foreign



Tourist Visa



Employee Visa



Business Visa



Student Visa



Intern Visa



Medical Visa

countries require a student visa. Student visas are valid up to five years and can also be extended in India, depending upon the course duration.

5) INTERN VISA -

The foreigners who want to pursue an internship in an organization in India and meet up to some specific conditions can now get an Intern Visa. One necessity with Intern Visa is that, the time period between completion of graduation or post-graduation and commencement of internship must not exceed one year. Moreover, one thing should be kept in mind while getting this visa is that an Intern Visa cannot be converted into an Employment Visa or any other type of visa. The validity of an Intern Visa is up to the time period of internship program or one year, whichever of the time period is less would be considered as the valid period of Intern Visa.

6) MEDICAL VISA -

Those who are seeing long term medical treatments at registered and recognized Indian Hospitals or treatment centers, must go in for Medical Visas. For getting a Medical Visa, the nature of the treatment must be significant such as heart surgery, neurosurgery, organ transplant, etc. With the approval of Medical Visa, up to two Medical Attendants would be issued to accompany the patient. If, you are undergoing a short-term treatment, which will last for say 60 days, then you can even apply for e-Medical Visa.

7) JOURNALIST VISA -

If you are a journalist then opt for Journalist Visa as it not only allows you to click photographs and write travel stories professionally but also gives you access to a particular region and person. If you are a journalist or employed in a media company and mention journalist as your occupation

on the application form, despite the purpose of your visit to India, chances are that you will be made to get a Journalist Visa for entering the country. India is very sensitive when it comes to media (writers and editors too) and journalists due to how they may portray the country, hence the Journalist Visas are really difficult to get. This visa is valid for a duration of three months.

8) FILM VISA -

The people, who wish to make a TV show or a commercial film in India, will require a Film Visa to do the same and anyone who will shoot that documentary or film or advertisement will need a Journalist Visa. The Film Visa is valid for a time period as long as one year. However, the Film Visa application takes up to 60 days for processing as it is reviewed and approved by Ministry of Information and Broadcasting.

9) CONFERENCE VISA -

For attending conference in offered by an Indian government organisation in India, the delegates need to get a Conference Visa. However, those who have to attend a conference offered by a private organisation in India, must go for Business Visa.

10) RESEARCH VISA -

One of the most difficult categories of visas to get is Research Visa and they are issued only to scholars and professors who plan to come to India for research related purposes. The fact that adds on to the piles of obstacles in getting the visa is that the application for Research Visas take up to three months for being granted as they are first sent to the Department of Education and then are approved by the Ministry of Human Resource and Development.



Journalist Visa



Film Visa



Conference Visa

NICHE TOURISM SEGMENTS

Niche tourism refers to a specialized and specific segment of the travel and tourism industry that caters to the interests and preferences of a particular group of travelers. It involves offering unique and customized experiences to meet the needs and desires of these specialized markets. Niche tourism is a way to target and attract travelers with distinct interests, passions, or motivations, often beyond the traditional leisure and business travel categories. Some common examples of niche tourism include:

CULTURAL TOURISM

India is known for its rich cultural heritage and an element of mysticism, which is why tourists come to India to experience it for themselves. The various fairs and festivals that tourists can visit in India are the Pushkar fair (Rajasthan), Taj Mahotsav (Uttar Pradesh), and Suraj Kund mela (Haryana). Sites like Ajanta & Ellora caves (Maharashtra), Mahabalipuram (Tamil Nadu), Hampi (Karnataka), Taj Mahal (Uttar Pradesh), Hawa Mahal (Rajasthan). India has 40 UNESCO World Heritage Sites, out of which 32 are cultural tourism sites. ICCR (Indian Council for Cultural Relations), in collaboration with MCT (Ministry of Culture & Tourism), has been promoting Indian culture globally.

MICE TOURISM

Meetings, Incentives, Conferences, and Exhibitions (MICE) tourism have emerged as a dynamic and rapidly evolving sector, both in India and across the globe. In recent years, this niche segment of the travel industry has witnessed substantial growth, transforming the way businesses organise and participate in events. The recent India G-20 Presidency recorded over 200 meetings across 56 cities, placing India on an international MICE landscape, showcasing robust infrastructure internationally. The Ministry is working to take this momentum forward and place India as one of the leaders in MICE Tourism. The Indian MICE market has less than 1% share currently, but with initiatives such as 'Meet in India', National Advisory Council for Mice, India Mice Board, MICE Tourism is projected to double in next 5 years.

MEDICAL/WELLNESS TOURISM

Medical tourism (also called medical travel, health tourism or global healthcare) is a term used to describe the rapidly-growing practice of travelling across international borders to seek healthcare services.

India holds advantage as a medical tourism destination due to factors like, most of the doctors and surgeons at Indian hospitals are trained or have worked at some of the medical institutions in the US, Europe, or other developed nations and are fluent in English. Top -of-the-line medical and diagnostic equipment from global international conglomerates is available at many Indian hospitals. Affordable healthcare service and luxury amenities for tourists.

The potential of wellness systems, developed through centuries of wisdom of this ancient civilization would be fully tapped. This is being done by positioning India as a center of Ayurveda, Yoga, Sidha, Naturopathy, etc.

Ministry of Tourism guidelines address issues regarding making available quality publicity material, training and capacity building for the service providers, participation in international & domestic Wellness related events, etc.

The initiative of accreditation of wellness centres by NABH and AYUSH has been greatly driven by the Ministry of Tourism as also consultation with the Wellness Tourism Service Providers, State Governments and other stakeholders.



SUSTAINABLE/ ECO TOURISM

The natural attractions in India are almost unrivalled in the world, ranging from pristine forests, the snow-clad Himalayas, montane grasslands, golden and silver deserts, rivers, lakes, wetlands, mangroves, beaches, volcanoes and corals, housing tremendous biodiversity. India has a significant geographical advantage owing to its rich natural & Eco-tourism resources: 70 percent of the Himalayas, 7000 km of coastline, Among the one of the three countries in the world with both hot and cold deserts, Ranks 10th in total area under forest cover and ranks 6th in terms of the number of recognized UNESCO Natural Heritage sites.

In order to provide impetus to the development of Ecotourism and adventure tourism in the Country, National Strategy for Ecotourism has been prepared. The National Strategy for Ecotourism takes into account the Ecotourism guidelines of MoEFCC, the National Strategy for Rural Tourism, and Sustainable Tourism.

Eco tourism is expected to grow at 15.7% between 2019-27 & reach \$4.55 Bn. India offers unique destinations, exploration of wildlife, and pristine undisturbed natural areas.



CULINARY AND FOOD TOURISM

India's culinary tourism market is estimated to reach US\$ 23,028.91 million in 2023. According to Future Market Insights, from 2023 to 2033 the scope for culinary tourism in India is anticipated to increase at an astounding 23% CAGR.

India has a great deal of tourism potential due to its rich cultural heritage as well as its gastronomy, which is a delicious mix of spices and flavours. Different cities host food festivals organised by the government in partnership with a number of organisations and private entities, like in Delhi, the North-East Slow Food and Agrobiodiversity Society (NESFAS) organises the National Street Food Festival.

Indian cuisine is heavily influenced by the country's history and cultural diversity. Over the centuries. The cuisine of India can be broadly divided into four regions- North, South, East, and West- each with its unique style of cooking and distinct flavours. India is famous for its street food, which is an integral part of the country's culinary culture. India is also known for its traditional sweets and snacks.

Mumbai, Jaipur and other destinations including Delhi, Kolkata, Chennai, and Bangalore in India are popular for culinary tourism. Visitors can participate in cooking classes, food tours, and tastings in these cities to learn about the different cuisines and ingredients used in each region. Culinary tourism is an excellent way to explore the diverse and flavorful cuisine of India.



CHALLENGES

In an ever-changing global landscape, the tourism industry continually grapples with a myriad of challenges that shape the experiences of travelers and the success of destinations alike. From natural disasters to economic fluctuations, from political unrest to technological disruptions, the complexities facing tourism are diverse and dynamic. Navigating these obstacles requires a nuanced understanding of their impact on both travelers and local communities, as well as innovative approaches to mitigate risks and foster sustainable growth. In this context, examining the multifaceted challenges confronting tourism offers insights into the resilience and adaptability required to ensure its continued vitality in an uncertain world.

Challenges to tourism can arise from various factors:

1. Natural Disasters and Climate Change: Events like hurricanes, earthquakes, or floods can disrupt travel infrastructure and deter tourists. Climate change also affects weather patterns, altering the attractiveness of destinations.

2. Political Instability and Conflict: Civil unrest, terrorism, or political instability in a region can lead to safety concerns and travel advisories, reducing tourist arrivals.

3. Health Pandemics and Disease Outbreaks: Epidemics like COVID-19 can severely impact tourism by causing travel restrictions, health concerns, and economic downturns.

4. Economic Factors: Economic factors encompass fluctuations in currency values, income disparities, and global economic recessions, all influencing tourists' purchasing power and willingness to travel. Economic stability is crucial for sustained tourism growth, as it impacts travel affordability, consumer confidence, and investment in tourism infrastructure and services.

5. Regulatory and Legal Challenges: Complex visa requirements, taxes, regulations, and bureaucracy can deter tourists and impede tourism development.

6. Over-tourism: Popular destinations facing overcrowding can lead to environmental degradation, strain on resources, and negative experiences for both tourists and locals.

7. Infrastructure and Service Quality: Inadequate transportation, accommodation, or hospitality services can hinder tourism growth and damage destination reputations.

8. Environmental Degradation: Pollution, habitat destruction, and unsustainable practices can degrade natural attractions, reducing their appeal to tourists.

9. Cultural and Social Issues: Cultural misunderstandings, social tensions, or discriminatory practices can create barriers to tourism and harm destination image.

10. Technological Disruption: Rapid technological advancements can disrupt traditional tourism practices, requiring adaptation and investment in new solutions.



OPPORTUNITIES

The travel and tourism industry in India presents a plethora of opportunities for startups and businesses. Let's delve into the key highlights and explore some exciting avenues:

1. GROWING MARKET:

India's tourism industry is booming, driven by factors such as the flourishing Indian middle class, increased spending by foreign tourists, and government campaigns promoting "Incredible India."

Despite the challenges posed by the pandemic, the industry is on a recovery path. The Indian government predicts that the tourism sector will rebound to pre-pandemic levels by mid-2024 and contribute significantly to the country's GDP by 20301.

2. DIGITAL TRANSFORMATION:

The total Indian travel market stood at \$19.1 billion in 2021 and is projected to reach \$40.4 billion by 2025. Online penetration is expected to reach 58% by 2025, indicating a significant shift toward digital platforms for travel bookings. Startups can tap into this digital transformation by offering innovative solutions for booking flights, hotels, tours, and experiences.

3. WORKCATIONS AND REMOTE WORK TRENDS:

The rise of remote work has given birth to the concept of "workcations." Travel companies are now creating enticing packages that combine work and leisure. These packages offer elegant workspaces in picturesque locations, allowing professionals to work during the day and explore local attractions in the evenings.



4. TECH SOLUTIONS FOR SAFETY AND CONVENIENCE:

Develop apps or platforms that enhance safety during travel, provide real-time information, and facilitate contactless experiences.

- Smart Travel Apps: Provide real-time updates on travel advisories, navigation assistance, and language translation.
- GPS Tracking and Emergency Alert Systems: Monitor tourists' locations and trigger alerts in emergencies.
- Biometric Identification: Streamline security checks with facial recognition or fingerprint scanning.
- Smart Safety Wearables: Wearables monitor health and alert emergency services in case of issue

5. TOUR OPERATORS AND GUIDES:

India's diverse culture, heritage, and natural beauty provide ample opportunities for tour operators and local guides.

Startups can specialize in thematic tours (e.g., culinary tours, historical walks, wildlife safaris) and cater to both domestic and international travelers.

6. COLLABORATION WITH LOCAL ARTISANS AND ENTREPRENEURS:

Showcase India's rich handicrafts, textiles, and cuisine through artisanal experiences.

Collaborate with local entrepreneurs to promote their products and create authentic travel memories.

7. TRANSPORTATION SERVICES:

Efficient transportation is crucial for a seamless travel experience. Startups can explore opportunities in cab services, rental cars, and intercity buses.

Innovations in electric and sustainable transportation can also make a significant impact. Accommodations and Homestays:

The demand for unique accommodations (such as boutique hotels, treehouses, and houseboats) is rising. Startups can collaborate with property owners to create memorable stays for travelers.

FUTURE OUTLOOK

GROWTH PROJECTIONS

The future looks bright for the tourism industry in India, with projections indicating significant growth in the coming years. Here's a breakdown of some optimistic forecasts:

- Market Growth:** The travel and tourism market in India is expected to reach US\$34.25 billion by 2028, reflecting a compounded annual growth rate (CAGR) of nearly 9.62% .
- Revenue Generation:** By 2028, the industry is anticipated to generate revenue of over US\$59 billion, with foreign tourist arrivals reaching 30.5 million [Invest India].



CAGR



Estimated Revenue in 2028

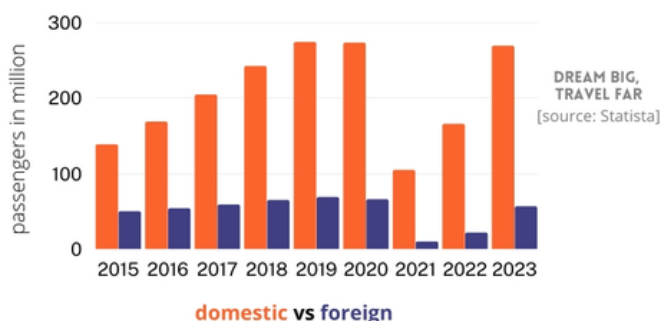
LONG-TERM VISION:

A report by Visa and EY predicts the industry reaching a staggering USD 1 trillion by 2047. This ambitious target highlights the potential for tourism to be a major economic driver in India. These projections are driven by several factors:

Evolving Tourist Preferences: Tourists are increasingly seeking unique and sustainable experiences. India's diverse offerings, from adventure tourism to ecotourism, allow it to cater to these preferences.

Technological Advancements: The tourism industry is embracing technology to enhance the travel experience. Online booking platforms, and sustainable solutions are shaping the future of tourism.

In 2023, passenger traffic in Indian airports amounted to over 327 million, 56.9 million of which were international passengers.



Government Initiatives: The Indian government recognizes the importance of tourism and is actively promoting the sector through initiatives like "Visit India Year" and a focus on specific segments like cruise tourism.

While these forecasts are promising, it's imperative to acknowledge and navigate challenges such as inadequate infrastructure, environmental degradation, and socio-cultural impacts. Additionally, prioritizing community engagement, fostering local empowerment, and implementing measures for cultural preservation are vital for ensuring sustainable growth in the Indian tourism industry.



FUTURE OUTLOOK

EMERGING TRENDS

India's tourism industry is constantly evolving, with new trends emerging to cater to the changing preferences of travelers. Here's a glimpse into some of the most interesting trends shaping the future of Indian tourism:

- Experiential Tourism:** Moving beyond sightseeing, tourists are seeking immersive experiences that connect them with local culture, cuisine, and traditions. Homestays, village tours, and participation in festivals are gaining popularity.
- Focus on Wellness:** Wellness tourism is booming, with travelers seeking experiences that promote physical and mental well-being. India's rich heritage of Ayurveda and yoga positions it perfectly to capitalize on this trend [Indian Tourism Industry].
- Sustainable Tourism:** Environmental consciousness is on the rise, leading to a growing demand for sustainable travel practices. Eco-lodges, responsible waste management, and focus on local communities are becoming key aspects for tourism destinations.
- Rise of Solo Travelers:** Solo travel continues to surge, particularly among the millennial demographic. Recognizing this trend, tour operators are increasingly tailoring their offerings to cater specifically to solo travelers, providing customized itineraries and group tours tailored to the unique preferences and interests of individual explorers.
- Tech-Savvy Travelers:** The influence of technology on travel planning and booking processes is undeniable. Mobile applications dedicated to travel planning, virtual reality tours offering immersive previews of destinations, and online reviews shaping travel decisions are just some examples of how technology is revolutionizing the travel industry.
- Niche Experiences:** Modern tourists are increasingly seeking out distinctive and specialized experiences that go beyond conventional sightseeing. This growing demand opens avenues for niche segments such as adventure tourism (including activities like trekking and rafting), wildlife tourism, and culinary tourism, which focuses on exploring regional cuisines and culinary traditions, providing travelers with authentic and memorable experiences.
- Staycations:** In today's fast-paced world, where time is a precious commodity, staycations are gaining popularity as a means of relaxation and rejuvenation. Encouraging travelers to explore local destinations for short breaks, staycations offer the opportunity to unwind without the hassle of extensive travel, allowing individuals to discover and appreciate the hidden gems within their own surroundings.

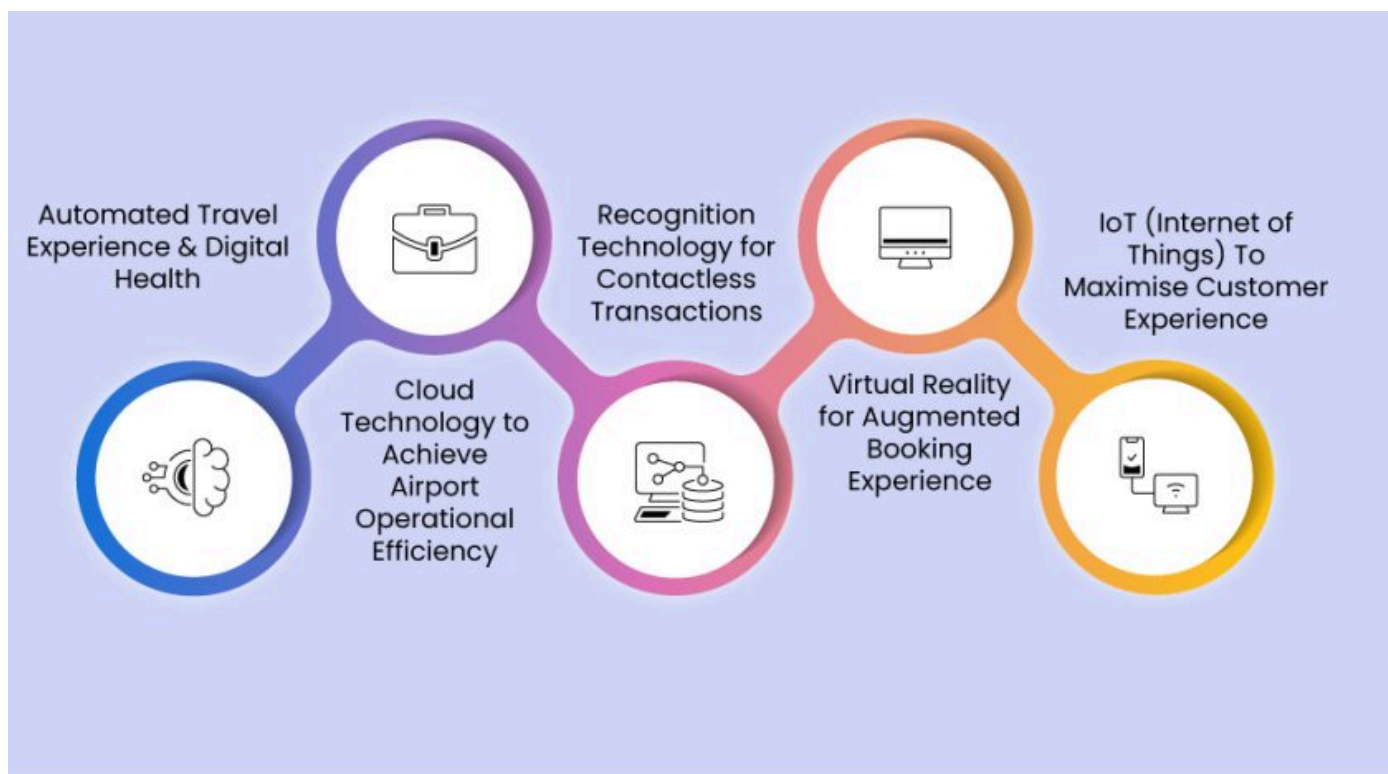


FUTURE OUTLOOK

EMERGING TRENDS

Leisure Travel: The trend of blending business with leisure travel is rapidly gaining momentum in the tourism industry. More travelers are extending their business trips to incorporate leisure activities, allowing them to explore the destination beyond work obligations. This trend reflects a growing desire among travelers to make the most of their time away from home by combining professional engagements with enriching leisure experiences

By capitalizing on these emerging trends, the Indian tourism industry can cater to a wider range of travelers and create a more sustainable and enriching travel experience.



FUTURE OUTLOOK

STRATEGIES FOR SUSTAINABLE DEVELOPMENT

The government is committed to realising the potential of the tourism sector sustainably to ensure that the tourist spots and wildlife-sensitive places are preserved for a long time so that future generations also visit them. Toward this end, the government has taken various steps.

The National Strategy for Sustainable Tourism, formulated by the Ministry of Tourism in 2022, represents a significant milestone in India's commitment to integrating sustainability into its tourism sector. With a focus on fostering resilience, inclusivity, carbon neutrality, and resource efficiency, the strategy aims to safeguard the country's natural and cultural heritage while promoting responsible tourism practices.

The strategy document delineates seven strategic pillars that serve as the foundation for transforming India into a global leader in sustainable and responsible tourism. These pillars encompass a holistic approach to sustainability, addressing key areas such as environmental conservation, biodiversity protection, economic viability, socio-cultural preservation, certification schemes, information, education, and communication (IEC), capacity building, and effective governance mechanisms.

By emphasizing collaboration and synergy among diverse stakeholders, including central and state government bodies, local government institutions, industry stakeholders, non-governmental organizations (NGOs), and local communities, the strategy underscores the collective responsibility and shared commitment towards advancing sustainable tourism practices nationwide. Through targeted initiatives and concerted efforts across these strategic pillars, the National Strategy for Sustainable Tourism seeks to not only enhance the competitiveness and attractiveness of India as a tourism destination but also contribute to the long-term well-being and prosperity of local communities

The National Strategy for Ecotourism, introduced by the Ministry of Tourism in 2022, represents a concerted effort towards fostering sustainable ecotourism practices throughout India. This initiative is underpinned by the recognition of ecotourism as a potent vehicle for economic growth, environmental conservation, and cultural preservation.

The strategy emphasizes collaboration among diverse stakeholders, including governmental bodies, local communities, conservation organizations, and the private sector. By leveraging the collective expertise and resources of these stakeholders, the strategy seeks to create a synergistic approach to ecotourism development that maximizes positive impacts while minimizing negative ones.

One of the key pillars of the strategy is conducting comprehensive state assessments to identify and prioritize potential ecotourism sites across the country. These assessments take into account factors such as biodiversity richness, cultural significance, and existing tourism infrastructure. By systematically evaluating the ecotourism potential of different regions, the strategy aims to guide targeted investment and development efforts towards areas with the greatest potential for sustainable ecotourism growth.

Another critical aspect of the strategy is capacity-building and skill development within the ecotourism sector. This involves providing training and education opportunities for local communities, tour operators, and other stakeholders involved in ecotourism activities. By enhancing their knowledge and skills in areas such as environmental conservation, hospitality management, and sustainable tourism practices, the strategy aims to empower stakeholders to actively participate in and contribute to the sustainable development of ecotourism in their respective regions.

FUTURE OUTLOOK

STRATEGIES FOR SUSTAINABLE DEVELOPMENT

- **Draft National Tourism Policy 2022** recognises tourism as a global opportunity for India and advocates sustainable and responsible growth of the tourism sector in the country. The main objective of the Policy is to make India a leading destination for sustainable and responsible tourism by minimising the negative impact of tourism on social, environmental, and economic aspects and maximising the positive impact. The Policy will act as a roadmap to achieve a \$1 Trillion contribution of the tourism sector to GDP by the year 2047.
- **Travel for LiFE campaign** was launched by the Ministry of Tourism in association with CNA-ST in 2021. The campaign aims to encourage the 300 Mn domestic tourists in India to shift towards responsible behaviour and mindful resource consumption while travelling.
- **Swadesh Darshan Scheme 2.0** was rolled out with the aim of developing sustainable and responsible tourism destinations in the country. The revamped scheme envisages enhancing the contribution of tourism to the local economies; Creating jobs, including self-employment for local communities; Enhancing the skills of local youth in tourism and hospitality; Increasing private sector investment in tourism and hospitality; and preserving and enhancing the local cultural and natural resources.

Sustainable Tourism for India Criteria and Indicators (STCI) aims to establish a standardized framework for evaluating sustainable tourism practices among diverse tourism enterprises, particularly accommodation units and tour operators, seeking STCI certification. The guidelines mandate robust sustainable management strategies, heritage preservation initiatives, equitable distribution of social and economic benefits within local communities, environmental conservation measures, consideration of carrying capacity, and mitigation of adverse impacts.

Policies of States: Several tourism-dependent states such as Uttarakhand, Sikkim, and Himachal Pradesh have implemented policies geared towards fostering sustainable tourism practices while concurrently safeguarding their abundant biodiversity and natural resources. These policies are designed to encourage responsible tourism development that harmonizes with the surrounding environment, respects local cultures, and promotes long-term socio-economic well-being for both residents and visitors alike.



ACKNOWLEDGEMENT

180 Degrees Consulting SGGSCC expresses profound appreciation to each team member for their invaluable contributions in shaping the report titled 'Tourism Industry'. The collaborative efforts, unwavering dedication, and insightful perspectives brought forth by the team have significantly enriched the quality and depth of this document.

We extend our sincere gratitude to Sri Guru Gobind Singh College of Commerce for their steadfast support and guidance throughout the creation of this report. Their partnership has been instrumental in ensuring the success and relevance of the 'Tourism Industry'.

This report serves as a testament to the team's collective spirit, analytical prowess, and unwavering commitment to delivering a comprehensive and well-informed overview of Tourism Industry. The individual expertise of each contributor has played a pivotal role in ensuring the document meets the highest standards of accuracy and thoroughness.

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