

Tourism in India

Posted at: 03/06/2025

Tourism in India: Economic Significance and Institutional Reforms Needed

Context

India's tourism sector is showing signs of recovery after the pandemic, particularly in domestic travel. However, foreign tourist arrivals (FTAs) remain below pre-COVID levels. In response, the Indian Association of Tour Operators (IATO) has appealed to the Prime Minister for immediate financial support and policy reforms under the 'Incredible India' campaign to revive inbound tourism.

Significance of the Tourism Sector in India

1. Tourism is a major driver of economic growth, employment generation, and cultural promotion.
2. According to the Ministry of Tourism, the sector contributed **5.03 percent to India's GDP** in pre-COVID years, including both direct and indirect contributions.
3. It provides employment to **millions of people** across formal and informal sectors.
4. It plays an important role in enhancing India's global image and soft power through cultural exchange.

Strengths of the Indian Tourism Sector

1. Cultural and Natural Richness

India has **43 UNESCO World Heritage Sites**, diverse ecosystems, spiritual destinations, and medical tourism facilities.

2. Strong Domestic Travel Market

A growing middle class supports sustained domestic tourism, which helps stabilize the sector during international slowdowns.

3. **Soft Power and Cultural Diplomacy**

Tourism acts as a medium of soft power, helping India foster international goodwill and cultural outreach.

Key Challenges in Foreign Tourist Arrivals (FTAs)

1. **Cumbersome Visa Processes**

Lengthy documentation, high fees, and limited options for group visas act as barriers for international tourists.

2. **Limited International Connectivity**

Inadequate direct international flights to tier-2 and tier-3 cities restrict access to many destinations.

3. **Infrastructure Gaps**

Poor last-mile connectivity, lack of sanitation, and underdeveloped hospitality services hinder the tourist experience.

4. **Low Global Promotion Budget**

India invests less in global tourism marketing compared to countries like **Thailand** and the **UAE**, reducing visibility in international markets.

Government Initiatives to Promote Tourism

1. **e-Visa Facility**

Extended to citizens of over **150 countries**, making the entry process easier for tourists.

2. **Dekho Apna Desh and Swadesh Darshan**

Launched to encourage domestic travel and enhance tourism infrastructure.

3. **Incredible India Campaign**

India's international branding and promotional campaign aimed at attracting global tourists.

Despite these initiatives, the industry demands stronger implementation and more targeted interventions to boost foreign tourism.

IATO's Appeal to the Prime Minister

1. The Indian Association of Tour Operators (IATO) has requested an immediate allocation of **₹1,000 crore** under the Incredible India campaign.
2. The association proposed the creation of a centralized **India Tourism Board** under the leadership of the Prime Minister for better coordination and promotion.
3. IATO has emphasized the importance of immediate action before the upcoming tourist season to optimize impact.

IATO's Key Recommendations

1. **Visa Reforms**

Expand e-Visa facilities, simplify group visa procedures, and consider waiving visa fees for select countries.

2. **Improved Air Connectivity**

Provide incentives to international airlines and charter operators to connect tier-2 and tier-3 cities.

3. **Unified Tourism Board**

Establish a single national-level authority to oversee tourism promotion, infrastructure, and policy implementation.

Trends in Foreign Tourist Arrivals (FTAs)

1. In **2023**, India received **9.52 million foreign tourists**, which is **87 percent** of the **2019** figure of **10.93 million**.
2. This marked a **47.89 percent increase** from **2022**, when FTAs stood at **6.44 million**.
3. Despite this growth, the numbers remain below pre-pandemic levels.