

The Development of Tourism in India: Emerging Trends and Future Prospects

Das G^{1*}, Pyne R²

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^{1*} Gourab Das, Research Scholar (Ph.D), Department of Commerce, University of Calcutta, Kolkata, West Bengal, India.² Radhanath Pyne, Associate Professor, Department of Commerce, S.A. Jaipuria College, Kolkata, West Bengal, India.

The tourism sector in India stands as a pivotal component of the national economy, making substantial contributions to Gross Domestic Product (GDP), employment generation, foreign exchange earnings, and the development of crucial infrastructure and helps the economy boost up. Tourism is one of the most important revenue-earning industries in the Indian economy. This research paper aims to find out the emerging trends of tourism development and the future roadmap of tourism in India.

Keywords: tourism, economic growth, gdp, foreign exchange

Corresponding Author	How to Cite this Article	To Browse
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1. Introduction

The tourism sector in India stands as a pivotal component of the national economy, making substantial contributions to Gross Domestic Product (GDP), employment generation, foreign exchange earnings, and the development of crucial infrastructure. It is widely recognised as a primary engine for economic growth and a catalyst for regional development, particularly benefiting rural and underserved areas by creating opportunities and improving local economies. (**Das & Pyne, 2024**). The strategic importance of this sector is further highlighted by significant government investments and policy focus. For instance, the Union Budget 2025-26 allocated ₹2541.06 crore towards enhancing tourism-related infrastructure, fostering skill development programs, and streamlining travel facilitation processes, underscoring a national commitment to leveraging tourism for broader socio-economic progress. (Tourism Statistics 2024-25, Ministry of tourism, government of India).

India's tourism sector has demonstrated remarkable resilience and a robust growth trajectory, especially in the post-pandemic era. It made a significant contribution to the nation's GDP, regaining its pre-pandemic level of 5% in FY23 and contributing nearly ₹21TN to the Indian economy in 2024, a figure 20% higher than 2019 levels. Employment within the sector has also seen substantial growth, with 7.6 crore jobs created in FY23 and the sector supporting an all-time high of almost 46.5 million jobs in 2024, which is equivalent to 9.1% of total employment across India.

International visitor spending has surged, reaching a record ₹3.1TN in 2024, which is 9% above the previous peak recorded in 2019. Concurrently, domestic travel spending has soared to ₹15.5TN in 2024, marking a 22% increase over 2019 levels. In terms of arrivals, India welcomed 20 million international visitors in 2024 according to the World Travel & Tourism Council (WTTC), an increase of 2.3 million compared to 2019. The nation has ambitious targets, aiming to attract 100 million foreign visitors annually by the year 2047.

2. Review of Literature

Meena (2025) have identified that tourism has emerged as a pivotal economic engine,

with states like Tamil Nadu whereas Arunachal Pradesh found challenges regarding sustainability of tourism for different factors. Minimising the regional imbalances can increase tourism which ultimately help India for its growth in competitive world.

Ghosh & Mitra (2021) have emphasized that the crucial industry like tourism in the recent decade both in the highly developed, developed and developing nations. Tourism has great opportunity to create employment, earn foreign revenue and leads to an Economic Growth

Singh & Chhering (2024) have notified that the problem of Overtourism may create problem in the places like Venice, Barcelona, and the Maldives. The economy of this country greatly influenced by tourism and have a great impact on the environment, local communities, and cultural heritage.

Gurunathan & Lakshmi (2024) have analysed the future prospects of Indian Tourism. Good position of different socio-economic factors has boost Indian tourism, Whereas improper infrastructure throughout the states, communication network and some cases of cheating and fraud.

Saqib & Satar (2018) identified that many countries have been elevated from poor to appreciable economic statuses as a result of the invaluable contributions of their tourism sectors. In India for last few decades, a paradigm shift has been noticed, which has influenced the economic growth to a great extent.

Ota & Roy (2024) have noticed that increasing tourism greatly affects GDP. tourism encourages corporate growth, cultural interchange, and the well-being of local communities. To make a powerful accelerator for national development, tourism plays an important role in India.

3. Objective of the Study

The objectives of the study are as follows:

- To find the development of the tourism sector in India throughout the year.
- To show the current trend and future scope of the tourism industry in India.

4. Research Methodology

The research paper is descriptive in nature and is purely based on secondary data. The secondary data was collected by from the official website of Ministry of tourism, Government of India, and different journals and books. Different articles, Journals have reviewed for literature and collected the data.

The Contemporary Landscape of Indian Tourism: Performance and Economic Impact

The Indian tourism sector has emerged as a dynamic and significant contributor to the nation's economy, demonstrating robust growth and resilience, particularly in recent years. Its performance is reflected in substantial contributions to GDP, foreign exchange earnings, and employment, alongside impressive tourist arrival figures.

Contribution to National GDP and Foreign Exchange Earnings

The economic footprint of tourism in India is substantial. In 2024, the Travel & Tourism sector contributed almost ₹21TN to the Indian economy, a figure that is 20% higher than the pre-pandemic levels of 2019. Projections indicate a continued upward trajectory, with contributions expected to exceed ₹22TN in 2025 and potentially reach almost ₹42TN by 2035 (*Indian Tourism Statistics 2024*). The sector's direct contribution to GDP regained the pre-pandemic level of 5% in FY23 and was reported at 5% for the calendar year 2023 as well. The government has ambitious targets, aiming for tourism to contribute between 10-11% to the national GDP in the coming years.

In terms of foreign exchange, the sector is a significant earner. Foreign Exchange Earnings (FEE) from tourism stood at US\$28.077 billion (equivalent to ₹2,31,927 Crore) in 2023, marking a notable 31.5% growth compared to 2022. International visitor spending reached a record ₹3.1TN in 2024, surpassing the 2019 peak by 9%, and is projected to increase further to ₹3.2TN in 2025. Complementing this, domestic visitor spending has shown even more remarkable growth, soaring to ₹15.5TN in 2024 (22% above 2019 levels), with projections indicating it will hit ₹16TN in 2025.

Employment Generation: Direct and Indirect

The tourism sector is a major source of employment in India, supporting livelihoods across various skill levels. In 2024, the sector supported an all-time high of almost 46.5 million jobs, which accounted for 9.1% of the total employment across the country. This figure is anticipated to grow to over 48 million in 2025 and reach nearly 64 million by 2035. Earlier data for FY23 indicated that the tourism sector created 7.6 crore (76 million) jobs, and for the period 2022-23, a total of 76.17 million direct and indirect jobs were attributed to tourism .

India's Position in Global Tourism

India is steadily enhancing its position on the global tourism map. In 2023, India's share of world International Tourist Arrivals (ITAs) stood at 1.45%.⁴ The country received 1.8% of world tourism receipts, ranking 14th worldwide in this regard during 2023.⁴ Globally, India accounts for 2.1% of worldwide tourism receipts.

In the World Economic Forum's Travel & Tourism Development Index (TTDI) 2024, India was ranked 39th among 119 countries.¹⁰ The country demonstrates significant strengths in areas such as Natural Resources (ranked 6th globally), Cultural Resources (9th), and Non-Leisure Resources (9th), along with high price competitiveness (18th).

The Shift from Thematic Circuits to Holistic Destination Development

A significant evolution in India's tourism development strategy can be observed in the approach of the Swadesh Darshan scheme. The initial version, Swadesh Darshan 1.0, primarily focused on developing "thematic circuits" – connecting various tourist sites based on a common theme like heritage, eco-tourism, or spirituality. While this circuit-based approach was valuable for creating integrated travel experiences and promoting lesser-known sites within a thematic cluster, it sometimes overlooked the comprehensive needs of individual destinations within those circuits.

Recognizing this, Swadesh Darshan 2.0, particularly with its Challenge Based Destination Development (CBDD) sub-scheme, marks a strategic shift towards fostering "sustainable and responsible destinations" through "holistic development" with a "tourist & destination centric approach".

This evolution signifies a deeper understanding that merely connecting sites is insufficient for long-term success. The new destination-centric approach implies a more intensive focus on improving the entire ecosystem of a specific location. This includes upgrading infrastructure, enhancing service quality, ensuring active community involvement, embedding sustainability principles in all development activities, and ultimately, elevating the overall tourist experience. The "challenge mode" inherent in the CBDD further encourages competition and innovation among states and destinations to achieve these comprehensive development goals. This policy maturation is crucial for building long-term attractiveness, competitiveness, and sustainability at the destination level, and it also promotes better governance and management structures, such as Destination Management Organisations (DMOs), at the local level. 2035 (**Chakravarti, 2024**)

The Path Ahead: Future of Tourism in India

India's tourism sector is poised for significant expansion, with ambitious long-term goals and a dynamic landscape shaped by emerging trends and post-pandemic recovery strategies.

Long-term Projections

The outlook for Indian tourism is optimistic, with projections indicating substantial growth in its economic contribution and employment generation. The World Travel & Tourism Council (WTTC) forecasts that the Travel & Tourism sector's contribution to the Indian economy will almost double, reaching nearly ₹42TN by 2035. By that year, the sector is also expected to employ almost 64 million people across the country. (**Tourism Statistics, 2024, Govt of India**)

The Indian government has set even more ambitious targets. There is a strategic vision to transform the tourism industry into a \$1 trillion powerhouse by the year 2030, with its contribution to the national GDP targeted to be over 9-10%. Looking further ahead, India aims to attract 100 million international tourists annually by 2047, the centenary year of its independence. These projections underscore the immense potential and strategic importance attributed to the tourism sector in India's long-term economic development plans.

Post-Pandemic Recovery and Building Resilience

The tourism sector globally was severely impacted by the COVID-19 pandemic, and India was no exception. However, the sector has demonstrated a remarkable recovery, largely spearheaded by the resurgence of domestic tourism. The post-pandemic landscape has necessitated significant shifts in how the industry operates and how travellers behave.

Effective recovery strategies require a focus on enhancing customer satisfaction levels, which now place a much higher premium on safety and hygiene. The adoption of sustainable tourism practices has gained further impetus, alongside the accelerated integration of technological advancements for contactless services and better information dissemination. Heightened health-related considerations are now integral to tourism planning and operations. Key elements for building a more resilient tourism industry include providing clear and timely information to travellers and businesses, adapting support measures to address evolving needs and capacity constraints within the sector, enhancing cooperation both within the country and internationally, and fundamentally reorienting towards more sustainable and adaptable models of tourism. Safety and hygiene protocols have become primary drivers in destination and activity choices for many travellers.

5. Emerging Trends

Several key trends are shaping the future of tourism in India:

- **Sustainable and Eco-friendly Tourism:** Driven by increasing global and domestic environmental consciousness, there is a growing demand for responsible travel practices. Tourists are actively seeking destinations and businesses that prioritize sustainability, conservation efforts, and positive community engagement. (**Gurunathan & Lakshmi (2024)**). This is reflected in the rising popularity of eco-friendly accommodations, sustainable transportation options, and tourism products that promote environmental stewardship.
- **Digitalization and Technology:** The digital revolution continues to transform the tourism industry. Online travel platforms, mobile applications, artificial intelligence (AI) for personalized recommendations,

virtual reality (VR) for immersive destination previews, and even blockchain for secure transactions are reshaping how people plan, book, and experience their trips. Technology is enhancing customer experiences and improving operational efficiencies for tourism providers.

- **Experiential Travel:** Modern travelers are increasingly seeking meaningful, authentic, and immersive experiences rather than passive sightseeing. Experiential travel focuses on genuine interactions with local cultures, traditions, and communities. This trend encompasses a wide range of activities, including culinary tourism (food trails, cooking classes), cultural exchanges, volunteer tourism (voluntourism), and unique hands-on experiences that create lasting memories and deeper connections with the destination and its people.
- **Personalized Experiences:** Leveraging data and technology, tourism providers are increasingly offering tailored travel itineraries and services based on individual preferences, past behaviors, and specific interests of travellers.
- **Rise of Alternative Accommodations:** There is a growing interest in accommodation options beyond traditional hotels, including homestays, boutique guesthouses, serviced apartments, and unique stays like treehouses or heritage properties, offering more diverse and often more authentic local experiences.
- **Spiritual, Cultural, and Experiential Travel (Domestic Focus):** The expanding aspirational middle class in India is a significant driver of demand for spiritual retreats, cultural explorations, and experiential travel within the country **Gurunathan & Lakshmi (2024)**.
- **Focus on Tier II and III Cities:** A new breed of Indian travellers is emerging from Tier II and III cities. Empowered by technology, rising disposable incomes, and a desire to explore, these travellers are significantly fuelling the growth of domestic tourism, seeking diverse experiences from local cultural immersion and religious pilgrimages to beach vacations and mountain retreats.

Strategic Imperatives for a \$1 Trillion Tourism Economy

Achieving the ambitious goal of a \$1 trillion tourism economy by 2030 requires a concerted and strategic effort. Key imperatives include:

- **Positioning Tourism as a Vital Pillar of National Development:** Recognizing and treating the tourism sector as a crucial component of India's overall economic and social development strategy.
- **Domestic Tourism as the New Growth Driver:** Continuing to nurture and develop the domestic tourism market, with state governments encouraged to devise creative strategies for promoting experiential tourism, especially at heritage sites and cultural landmarks.
- **Promoting MICE Tourism Within India:** Actively encouraging corporate India and event organizers to choose Indian destinations for their meetings, incentives, conferences, and exhibitions, rather than opting for overseas venues, supported by world-class infrastructure.
- **Infrastructure Development and Policy Support:** Sustained investment in tourism infrastructure, including the development of the proposed 50 new tourism destinations, and supportive policies such as classifying tourism as an infrastructure sector to attract private investment and facilitate easier financing.

Domestic Tourism as the Bedrock for Ambitious National Targets

The realisation of India's grand tourism ambitions, such as achieving a \$1 trillion tourism economy and attracting 100 million international tourists annually by 2047, will be heavily contingent upon the sustained strength, growth, and evolution of its domestic tourism market. Domestic tourism provides a massive and consistent volume of travellers, which underpins the sector's overall economic health and ensures the viability and upkeep of tourism infrastructure and services across the nation. A vibrant and well-functioning domestic tourism ecosystem not only caters to the needs of Indian citizens but also inherently benefits international tourists when they arrive, as they can leverage the same infrastructure and service networks.

The demographic and economic trends within India, particularly the rise of an "aspirational middle class" and the emergence of a new wave of travellers from Tier II and Tier III cities, indicate a continually expanding and diversifying domestic demand base. Government initiatives like "Dekho Apna Desh" and the strategic call for state governments to innovate in creating experiential tourism products are specifically geared towards nurturing and capitalizing on this vast domestic potential. **(Ministry of Tourism, Govt of India)**

Therefore, while attracting international tourists remains vital for foreign exchange earnings and enhancing India's global image, national policies and investments must ensure that the domestic tourism ecosystem continues to thrive and diversify. This involves developing a wider range of tourism products and experiences that cater to varied domestic preferences and budgets, significantly improving intra-country connectivity to make travel seamless, and actively promoting lesser-known destinations to disperse tourism flows and benefits. A robust, dynamic, and resilient domestic tourism sector creates the essential foundation upon which international tourism can be further built and scaled to achieve the nation's long-term strategic goals.

Strategic Recommendations for Sustainable Tourism Development

To fully realise India's vast tourism potential sustainably and inclusively, a multi-pronged strategic approach is essential. The following recommendations address key areas requiring focused attention and action:

1. Policy and Regulatory Enhancements

- Streamline Inter-Ministerial Coordination.
- Ensure Consistent and Swift Policy Implementation.
- Standardise Taxation and Regulatory Frameworks.
- Strengthen Data Collection and Monitoring & Evaluation (M&E).

2. Infrastructure and Investment Prioritisation

- Accelerate Holistic Destination Development.
- Improve Last-Mile Connectivity.
- Incentivise Private Investment Strategically.
- Upgrade Public Amenities and Waste Management.

- Develop Targeted and Diversified Campaigns.
- Leverage Digital Platforms and Technology.
- Proactively Manage Safety and Hygiene Perceptions.
- Evolve "Incredible India" Campaign.

3. Skill Development and Capacity Building

- Expand and Modernise Skill Development Programs.
- Integrate Sustainability into Training.
- Focus on Community-Based Training.

4. Fostering Sustainability and Community Participation

- Implement Carrying Capacity and Visitor Management Systems.
- Promote "Travel for LiFE" Principles.
- Ensure Meaningful Community Involvement and Benefit-Sharing.
- Support Tourism MSMEs.
- Strengthen and Expand Cleanliness Initiatives.

6. Conclusion

Recent performance indicators, including robust growth in both domestic and international tourist arrivals and spending, alongside significant contributions to GDP and foreign exchange earnings, paint a positive picture of a sector on an upward trajectory. Proactive government policies, strategic investments in infrastructure, and the dynamism of the private sector are key enablers of this growth. The evolution of national tourism policies reflects a maturing understanding of the sector's complexities, with a growing emphasis on sustainability, inclusivity, and holistic destination development.

However, realising this full potential is contingent upon effectively navigating a series of challenges. Persistent infrastructure gaps, concerns related to safety, security, and hygiene, the imperative of environmental conservation in the face of potential overtourism, the need for continuous skill development, and ensuring equitable regional development require sustained and concerted efforts.

The path forward necessitates a steadfast commitment to a sustainable, responsible, and inclusive approach to tourism development. This involves not only promoting economic benefits but also safeguarding the nation's natural and cultural treasures for future generations and ensuring that local communities are active participants and beneficiaries of tourism growth. The strategic recommendations outlined span policy enhancements, infrastructure prioritisation, targeted marketing, human capital development, and a strong focus on sustainability and community engagement, providing a roadmap for addressing these challenges and capitalising on emerging opportunities.

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