



TOURISM IN INDIA GROWING WITH BETTER INFRASTRUCTURE AND RICHER EXPERIENCES

India has positioned itself prominently within the global tourism landscape. The country currently accounts for 1.40% of total international tourist arrivals and 2.02% of global tourism receipts, underlining its growing relevance in international travel flows. In 2024, India's Foreign Exchange Earnings (FEEs) from tourism reached US\$ 35.016 billion, registering a growth of 8.78% over US\$ 32.189 billion in 2023. This performance reflects not only a post-pandemic recovery but also the strengthening structural foundations of India's tourism ecosystem.

According to the World Economic Forum's biennial Travel and Tourism Development Index (TTDI) 2024, India is ranked 39th globally, reflecting the tourism sector's post-pandemic recovery and overall performance.



Notably, India is among the few countries to rank within the top 10 across all major resource pillars, including 6th in Natural Resources, 9th in Cultural Resources, and 9th in Non-Leisure Resources. Complementing these inherent strengths is India’s strong price competitiveness (18th) and continued improvement in tourism-related infrastructure, particularly Air Transport Infrastructure (26th) and Ground and Port Infrastructure (25th). These gains have been underpinned by significant government investments, including the operationalisation of 517 new air routes, development of 157 airports, and expansion of the national road network by approximately 145,000 kilometres, substantially improving accessibility to both established and emerging destinations.

INBOUND TOURISM: RECOVERY SUPPORTED BY CONNECTIVITY AND EXPERIENCE UPGRADES

India’s inbound tourism has demonstrated a robust recovery trajectory, supported by improved connectivity, upgraded destination infrastructure, and enhanced visitor

experiences. International Tourist Arrivals (ITAs) reached 20.57 million, reflecting an 8.89% increase over the previous year and a 14.82% rise compared to 2019. Over the long term, Foreign Tourist Arrivals (FTAs) have grown steadily from 1.28 million in 1981 to 10.93 million in 2019, crossing key milestones in 2011 (6.31 million) and 2017 (10.04 million). The COVID-19 pandemic led to a sharp contraction in 2020, with FTAs declining by 74.93% to 2.74 million. However, the recovery phase has been pronounced, with FTAs rebounding to 6.44 million in 2022 (a 323.68% increase) and further rising to 9.95 million in 2024, marking a 4.52% growth over 2023.

Arrivals of Non-Resident Indians (NRIs) reached 10.62 million in 2024, representing a 13.22% increase over 2023 and a 52.15% rise compared to pre-pandemic levels in 2019. This strong resurgence reflects growing confidence among the Indian diaspora, driven by improved travel infrastructure, better urban amenities, and the availability of high-quality spiritual, cultural, and leisure experiences across the country.

Inbound Tourism – ITAs, FTAs and NRIs

Year	FTAs in India (Million)	Percentage Change Over Previous Year (%)	NRIs Arrival in India (Million)
2018	10.56	5.18	6.87
2019	10.93	3.50	6.98
2020	2.74	-74.93	3.59
2021	1.52	-44.53	5.48
2022	6.44	323.68	7.89
2023	9.51	47.67	9.38
2024	9.95	4.52	10.62

Source: Bureau of Immigration (BOI), Govt. of India



Region-wise analysis for 2024 indicates that Asia and the Pacific accounted for the largest share of FTAs at 43.00%, followed by Europe (26.70%) and North America (23.10%). Additional contributions came from Southeast Asia (8.71%), Oceania (6.10%), Sub-Saharan Africa (3.11%), Central and Eastern Europe (3.86%), the Middle East (2.97%), and North-East Asia (3.98%), highlighting India's broad-based appeal across international markets. The top 10 source countries in 2024: the United States, Bangladesh, the United Kingdom, Australia, Canada, Malaysia, Sri Lanka, Germany, France, and Singapore together accounted for 68.64% of total FTAs, indicating both market concentration and strong repeat visitation from key geographies.

DOMESTIC TOURISM IN INDIA

India recorded 2,948.19 million domestic tourist visits in 2024, registering a 17.51% increase over 2,508.82 million visits in 2023, highlighting the strong momentum in domestic travel demand across the country. At the state level, Uttar Pradesh emerged as the leading destination with 646.81 million domestic tourist visits, followed by Tamil Nadu with 306.84 million visits, reflecting sustained demand driven by religious, cultural, and heritage tourism circuits.

Domestic tourist footfall at Centrally Protected Ticketed Monuments also remained robust. The Taj Mahal recorded the highest number of domestic visitors

at 6.26 million during FY 2024-25. Other major attractions included the Sun Temple, Konark, which received 3.57 million domestic visitors, and the Qutub Minar, with 3.20 million visits, underscoring continued interest in India's heritage assets among domestic travellers.

GOVERNMENT POLICIES & INITIATIVES

Swadesh Darshan

The Ministry of Tourism launched its flagship scheme Swadesh Darshan in 2014-15 to complement the efforts of the respective State Governments and Union Territory Administrations for developing tourism facilities across the country. Under the scheme, an amount of US\$ 639.2 million (Rs. 5,292.91 crore) has been sanctioned for undertaking 76 projects, out of which 75 projects have been reported as physically complete. Under the Swadesh Darshan scheme, various components and facilities were developed at tourism destinations across the country. The facilities for which funds were sanctioned include convention centres, log huts, cafeterias, public facilities, tourist facilitation centres, souvenir shops, cultural centres, interpretation centres, last-mile connectivity, provision of ramps at public places, adventure activities, facade beautification, landscaping works (both hard and soft), parking facilities, and

other related tourism infrastructure.

Swadesh Darshan 2.0

The Ministry of Tourism has revamped the Swadesh Darshan scheme in the form of Swadesh Darshan 2.0 with the objective of creating sustainable and responsible tourism destinations. In consultation with the State Governments and Union Territory Administrations, and in line with the scheme guidelines, 29 projects were sanctioned during the financial year 2023-24, and a further 5 projects during 2024-25 (as of 20 December 2024) for development under Swadesh Darshan 2.0. While the core component of the scheme is to fund tourism and allied infrastructure and tourism services, the larger objective of Swadesh Darshan 2.0 is to accelerate the growth of inbound and domestic tourism in the country. The scheme recognizes that developing a destination requires not only hard infrastructure but that soft interventions are equally important, and together these elements equip destinations to provide a unique and satisfactory experience to visitors.

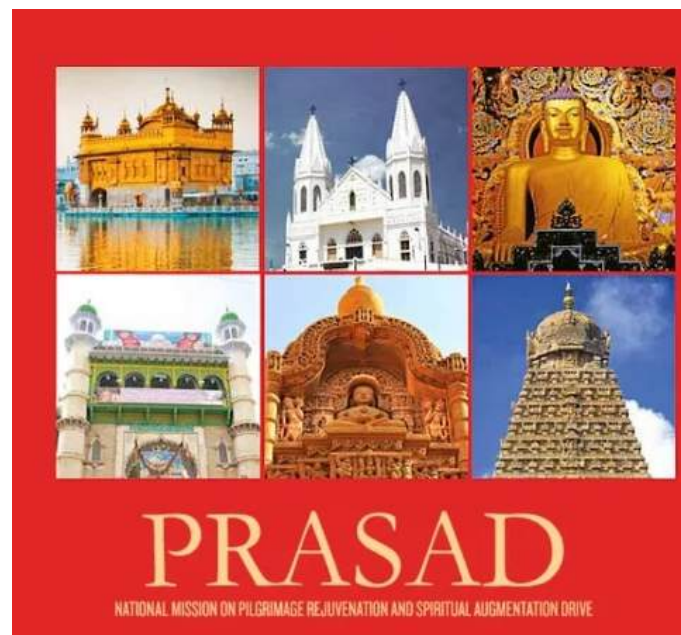
Challenge-Based Destination Development

The Ministry of Tourism has invited proposals for Challenge-Based

Destination Development, a sub-scheme under Swadesh Darshan 2.0. This sub-scheme aims at the holistic development of destinations to enhance tourist experience across the tourism value chain and to transform tourist destinations into sustainable and responsible destinations.

Under this sub-scheme, the Ministry of Tourism has identified 42 destinations under four categories: Culture and Heritage Destinations, Spiritual Destinations, Ecotourism and Amrit Dharohar Destinations, and Vibrant Villages Programme Destinations.

Prashad Scheme



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 the creation of pilgrimage and spiritual tourism infrastructure at the identified destinations.

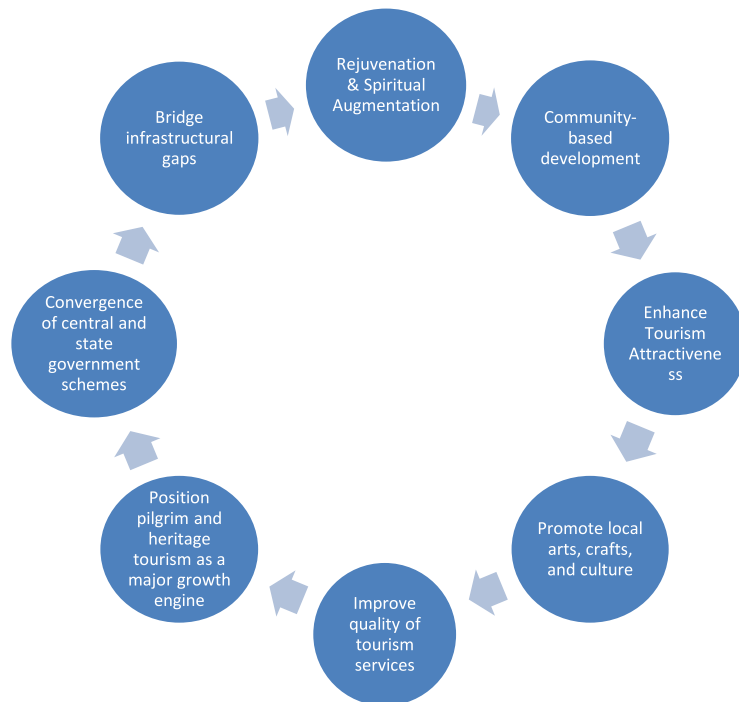
In view of the decision taken by the Government for the closure of the HRIDAY scheme of the Ministry of



Housing and Urban Development, and for the inclusion of projects related to the development of heritage destinations under PRASAD, the scheme guidelines were modified. Accordingly, the nomenclature of the scheme was changed from PRASAD to “National Mission on Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive (PRASHAD)” in October 2017.

As on date, 48 projects have been sanctioned across 27 States and Union Territories under the PRASHAD scheme. Since its launch in January 2015, projects worth US\$ 198.4 million (Rs.1,646.99 crore) have been sanctioned under the scheme. Out of the total sanctioned amount, US\$ 125 million (Rs. 1,036.96 crore) has been released for these projects so far.

Scheme Objective



Notable outcome:

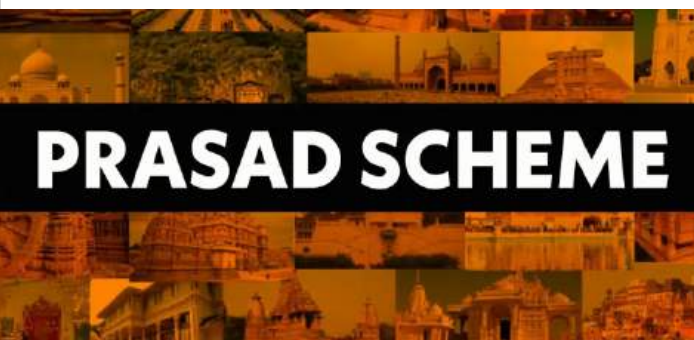
- I. Under the PRASHAD scheme, 25 projects have been reported as physically completed.
- II. 22 projects are currently under implementation across various States and Union Territories.

III. One project is in the process of being dropped, following a request from the concerned State Government.

IV. Additionally, 27 new sites have been identified for development under the PRASHAD scheme across 18 States and Union Territories.

V. Recently, three PRASHAD projects were inaugurated on 7 March 2024 by the Hon'ble Prime Minister of India:

- o Development of Amarkantak
- o Development at Hazratbal Shrine, Srinagar
- o Development of Jogulamba Devi Temple, Alampur





INFRASTRUCTURE AS A GROWTH DRIVER

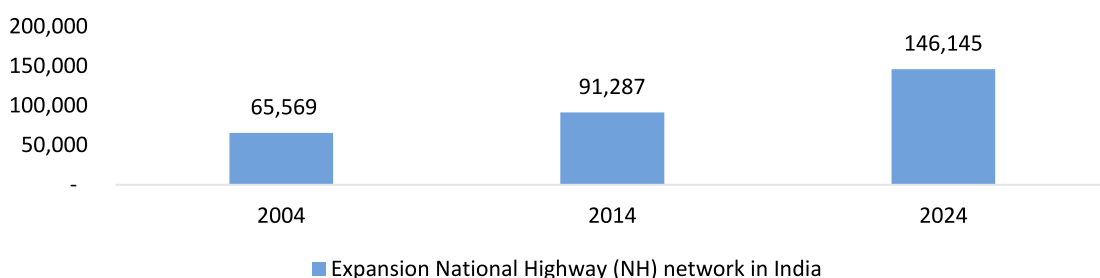
Road and Highways:

India's domestic tourism growth over the last decade has been closely linked to the massive expansion of road infrastructure. Between 2014 and 2025, the National Highway network expanded by nearly 60%, from 91,287 km to 1,46,204 km, while the pace of highway construction increased from 11.6 km per day in 2014 to about 34 km per day in 2025. In parallel, more than 7.8 lakh km of rural roads were constructed, achieving 99% rural connectivity coverage. This improved road access has enabled frequent short-distance travel,

weekend tourism, and easier access to pilgrimage, heritage, coastal, and hill destinations. As a result, domestic tourist visits increased from around 128 crore in 2014 to over 250 crore by 2023, reflecting nearly 2x growth in less than a decade.



Expansion National Highway (NH) network in India (KM)



Source: Ministry of Road Transport and Highways, Govt. of India



Airports & Regional Air Connectivity

The expansion of aviation infrastructure has played a critical role in dispersing tourism beyond metro cities. The number of operational airports increased from 74 in 2014 to 160 by 2025, with 88 airports operationalised under regional connectivity routes. Since inception, over 1.51 crore passengers have flown on regional routes, directly benefiting pilgrimage destinations, hill states, coastal towns, and the North-East. Improved air connectivity has reduced travel time to tourism-focused cities such as Shirdi, Ayodhya, Kushinagar, and Itanagar, accelerating growth in religious, leisure, and short-stay tourism while easing congestion at major metro airports.

Urban Transport and Metro Networks Enhancing City Tourism

Urban mobility improvements have significantly strengthened city tourism ecosystems. India's metro rail network expanded from 248 km in 2014 to over 1,013 km by May 2025, making it the third-largest metro network globally. During the same period, daily metro ridership increased from 28 lakh passengers to more than 1.12 crore, reflecting higher adoption by residents and tourists alike. Seamless metro connectivity between airports, railway stations, hotels, and tourist attractions has reduced congestion and travel time within cities, improving tourist

experience, increasing dwell time, and supporting higher local spending.

Ports, Inland Waterways, and Cruise Infrastructure Creating New Tourism Segments

Maritime and inland waterway infrastructure has enabled the emergence of new tourism formats in India. Port capacity doubled from 1,400 MMTPA in 2014 to 2,762 MMTPA by 2025, while cargo movement on inland waterways increased by 710%, from 18 MMT to 146 MMT. These developments



supported rapid growth in cruise tourism, with sea cruise passenger numbers rising from 0.84 lakh to 4.92 lakh, a growth of nearly 480%. Additionally, river cruise routes increased from 3 to 13, and lighthouse tourism visits rose by over 330%, indicating diversification of India's tourism offerings beyond conventional land-based travel.

Digital Infrastructure Improving Ease of Travel for Tourists

Digital transport infrastructure has further enhanced the tourism experience. Digi Yatra, operational at 24 airports, has been used by over 5.22 crore passengers by March 2025, enabling faster and contactless airport processing. On highways, FASTag adoption reached 98.5%, with average daily electronic toll collections of around Rs. 192 crore (US\$ 21.5 million), significantly reducing



waiting times and travel friction for road tourists. These digital systems improve convenience, safety, and reliability, particularly for domestic tourists undertaking multi-city or circuit-based travel.

KASHI VISHWANATH CORRIDOR

Varanasi, also known as Kashi or Avimukta, is among the oldest continuously inhabited cities in the world, with its antiquity deeply rooted in ancient scriptures such as the Shiv Purana and Skanda Purana. Situated along the sacred River Ganga, the city holds unparalleled spiritual significance for Hindus, Jains, and Buddhists and has, for centuries, been regarded as a place of liberation (moksha). Traditionally described as Anandavan—the forest of bliss, Kashi is believed to be eternally protected by Lord Shiva. Its dense network of ghats, temples, rituals, festivals, and sacred geography has long established Varanasi as the spiritual heart of northern India and one of the most important pilgrimage destinations globally.



Inaugurated on 13 December 2021, the Kashi Vishwanath Corridor represents a landmark intervention in the city's religious and urban infrastructure. Developed at a cost of Rs. 355 crore (US\$ 37.6) and spread across 5.5 acres, the project creates a direct, four-lane pedestrian connection between the Kashi Vishwanath Temple and the River Ganga, making the temple more accessible to pilgrims. The impact of the Kashi Vishwanath Corridor on tourist inflows has been both immediate and transformational. Tourist footfall in Varanasi increased nearly 18 times between 2017 and 2024, rising from just over 67 lakh visitors in 2017 to approximately 11 crore visitors in 2024. Although the pandemic year of 2021 saw footfall temporarily decline to around 30 lakh visitors, the operationalisation of the corridor proved to be a powerful catalyst for recovery and expansion. In 2022, the first full year following the corridor's inauguration, Varanasi recorded 7.12 crore pilgrims, with visitor numbers continuing to climb in subsequent years. By the first quarter of 2025, the city had already received 11.47 crore pilgrims, underscoring the scale, intensity, and sustained nature of religious tourism demand. This sharp and sustained growth has firmly positioned Varanasi among India's highest-footfall tourism destinations.

The surge in pilgrimage traffic has translated into substantial and quantifiable economic gains for both Varanasi and the state of Uttar Pradesh. With average per-capita spending estimated at Rs. 4,000–5,000 per visitor, the cumulative economic contribution of tourism associated with the corridor is estimated at approximately Rs. 1.25 lakh crore (US\$ 14 billion) since its inauguration. Visitor expenditure spans a broad range of sectors, including accommodation, food and beverages, local transport, boat services, ritual and

religious activities, retail trade, handicrafts, and other ancillary services.

This scale of spending has significantly strengthened the contribution of religious tourism to Uttar Pradesh's Gross State Domestic Product, transforming pilgrimage from a traditionally low-yield, informal activity into a high-volume, high-multiplier economic engine. The corridor-led expansion has also generated widespread employment across hospitality, transport, retail, and informal service sectors, reinforcing Varanasi's role as a year-round tourism-driven urban economy rather than a seasonally dependent pilgrimage centre.

MIZORAM: RAIL CONNECTIVITY DRIVING TOURISM AND REGIONAL INTEGRATION

Mizoram has achieved a historic milestone with the inauguration of the 51 km Bairabi-Sairang railway line, marking the first time the state capital Aizawl has been connected to India's railway network. Inaugurated by Prime Minister Narendra Modi, the project was built at a cost of over Rs. 8,070 crore (US\$ 906.7 million) and represents a landmark post-Independence infrastructure achievement for the northeastern region. The line features 48 tunnels, 55 major bridges, and the iconic Bridge No. 144, which is taller than the Qutub Minar,

underscoring the engineering complexity of constructing rail infrastructure in Mizoram's hilly terrain. This rail link is expected to significantly boost trade, tourism, and regional connectivity, while also supporting India's Act East Policy by strengthening links between the Northeast and the rest of the country.

Improved connectivity has already begun to translate into measurable tourism growth. According to the Mizoram State Tourism Department, tourist footfall in the financial year 2024-2025 increased more than one-fold compared to the previous fiscal year. A total of 4,69,753 tourists visited the state during FY 2024-25 (till February), representing a 114.29 per cent increase over the tourist footfall of over 2.19 lakh recorded in FY 2023-24. This sharp rise highlights the role of enhanced transport infrastructure in unlocking tourism demand in previously less-accessible hill states.

Further strengthening Mizoram's rail connectivity, the state has also witnessed the flagging off of three new train services—the Sairang-Delhi Rajdhani Express, Sairang-Guwahati Express, and Sairang-Kolkata Express which directly link Mizoram with major metropolitan centres. Looking ahead, the ongoing 223 km Sairang Hbicchhuah railway project aims to extend rail tracks to Mizoram's



southern border, opening up direct trade routes to Myanmar and Southeast Asia via the Sittwe Port. This planned expansion positions Mizoram as a strategic gateway in India's eastern connectivity framework, with long-term implications for tourism growth, cross-border trade, and regional economic development.

OPPORTUNITIES IN THIS SECTOR

Expansion of Tourist Footprint Beyond Metro Destinations

The rapid expansion of national highways, expressways, regional airports and rail connectivity has significantly reduced travel time to non-metro and aspirational destinations. Improved access is enabling tourism growth in **Tier-II, Tier-III cities and rural belts**, allowing regions previously outside mainstream tourism circuits to attract visitors. This dispersal of tourist flows reduces pressure on saturated destinations while promoting balanced regional development and inclusive growth.

Acceleration of Pilgrimage and Spiritual Tourism Circuits

Integrated infrastructure development around religious destinations—including

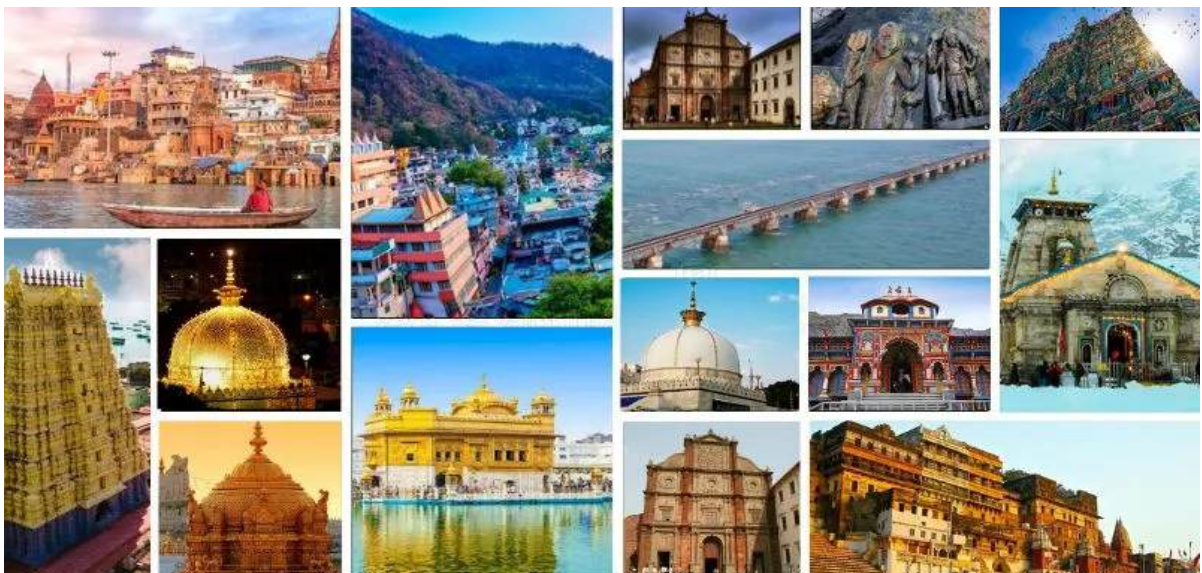
improved road access, multimodal transport hubs, pedestrian corridors, sanitation and public amenities—has transformed pilgrimage centres into year-round tourism hubs. This has increased tourist dwell time, repeat visitation and spending. Enhanced infrastructure has also enabled circuit-based travel across multiple religious sites, creating scale efficiencies and boosting local economies in smaller towns and temple-centric regions.

Growth of Domestic Tourism and Short-Haul Travel

Improved highways, high-speed rail corridors and better last-mile connectivity have encouraged weekend tourism and short-duration travel, particularly among the middle-income population. This has strengthened domestic tourism demand, which accounts for the bulk of tourist movement in India. Infrastructure-led convenience has reduced dependency on peak seasons, stabilised tourism revenues and increased occupancy levels across destinations.

Development of Theme-Based and Experiential Tourism

Destination-centric infrastructure planning has enabled the development of



thematic tourism circuits such as eco-tourism, wellness tourism, coastal tourism, desert tourism and cultural heritage tourism. Supporting infrastructure—nature trails, interpretation centres, water supply, waste management and digital connectivity—has improved the quality of tourist experiences while preserving local assets. This creates opportunities for high-value, experience-driven tourism rather than volume-led growth.

Employment Generation and Skill Development Opportunities

Tourism-linked infrastructure development has strong employment multipliers across construction, transport, hospitality, retail and local services. Better connectivity enables local communities to participate in tourism value chains as guides, transport operators, artisans and service providers. This creates opportunities for **women-led enterprises, MSMEs** and rural youth, strengthening livelihoods while reducing migration pressures.

Enhancement of International Tourism Competitiveness

Upgraded airports, improved urban mobility, digital infrastructure and destination facilities enhance India's global tourism appeal. Seamless connectivity and improved visitor services increase India's competitiveness in attracting international tourists, particularly in segments such as medical tourism, wellness tourism and cultural tourism. Infrastructure-led improvements also support higher tourist satisfaction, better safety outcomes and stronger destination branding.

Promotion of Sustainable and Responsible Tourism

Modern infrastructure enables better

regulation of tourist flows through carrying-capacity planning, waste management systems, renewable energy adoption and water conservation. This creates opportunities to align tourism growth with environmental sustainability and climate resilience, particularly in ecologically sensitive regions. Sustainable infrastructure supports long-term destination viability while meeting global expectations for responsible tourism.



Strengthening of Urban Tourism and MICE Segment

Urban infrastructure upgrades—metro rail systems, convention centres, smart city amenities and digital services—have strengthened opportunities in **Meetings, Incentives, Conferences and Exhibitions (MICE)** tourism. Improved urban liveability enhances India's ability to host international events, exhibitions and business tourism, increasing high-spend visitor inflows and positioning cities as global business-tourism hubs.

THE ROAD AHEAD

India's tourism sector is set for sustained growth in the coming years, supported by focused infrastructure development and policy interventions under the Union Budget 2025-26. With tourism



contributing 5 per cent to GDP in FY23 and generating employment for 7.6 crore people, the sector is being positioned as a key driver of employment-led economic growth. The budgetary allocation of Rs. 2,541.06 crore (US\$ 286 million) for infrastructure augmentation, skill development and travel facilitation reflects the Government’s long-term commitment to strengthening the tourism ecosystem.

A major pillar of future tourism growth will be the development of 50 top tourist destinations in partnership with States through a challenge mode. This initiative aims to improve connectivity, ease of travel and visitor amenities while enabling the creation of globally competitive destinations. The inclusion of hotels under the Infrastructure Harmonized Master List is expected to attract private investment in hospitality infrastructure, supported further by interest-free loans of Rs. 3,295.8 crore (US\$ 370 million) under the Special Assistance to States for Capital Investment for tourism-related projects across States.

Sustainable destination development will be reinforced through the continued implementation of Swadesh Darshan Scheme 2.0, under which 34 projects have already been approved with a total funding of Rs. 793.2 crore (US\$ 89 million). These initiatives focus on responsible tourism, infrastructure creation and local employment generation. In parallel, the allocation of Rs. 60 crore (US\$ 6.74 million) for skill

development in FY26 will support intensive training programmes for youth, including in Institutes of Hospitality Management, strengthening service quality and workforce readiness.

Infrastructure-led interventions will also drive growth in spiritual and heritage tourism. Continued investments under the PRASHAD scheme will enhance facilities and accessibility at major pilgrimage and heritage sites, with special emphasis on destinations associated with the life and teachings of Lord Buddha. These efforts are expected to strengthen India’s position as a global cultural and spiritual tourism hub while supporting regional economic development.

Medical tourism is expected to emerge as a high-growth segment under the “Heal in India” initiative, promoted in partnership with the private sector. Supported by world-class healthcare infrastructure and streamlined medical visa facilitation, India’s Medical Value Travel market, valued at USD 2.89 billion in 2020, is projected to reach USD 13.42 billion by 2026, further strengthening tourism-linked foreign exchange earnings. Additionally, the Gyan Bharatam Mission will complement physical infrastructure development through documentation and conservation of over one crore manuscripts and the creation of a National Digital Repository of Indian knowledge systems. Together with rising international tourist arrivals, foreign exchange earnings of USD 28 billion in 2023 and India’s improved global standing in tourism receipts, these infrastructure-driven initiatives are expected to shape the future growth, competitiveness and sustainability of India’s tourism sector under the leadership of the Government of India.

