



India's Tourism Sector: Impact on Gross Domestic Product

N Meena Rani

ORCID: **0000-0001-7149-9089**; Associate Professor,

Xavier Institute of Management and Entrepreneurship, Bangalore.

Email: meenarani@xime.org

Rajkumar S

Associate Professor,

Xavier Institute of Management and Entrepreneurship, Bangalore.

Email: rajkumar@xime.org

Vishal Lohani

PGDM Business Analytics Term 2,

Xavier Institute of Management and Entrepreneurship, Bangalore.

Email: vishal05bablr@xime.org

Prishita Girdhar

PGDM Business Analytics Term 2,

Xavier Institute of Management and Entrepreneurship, Bangalore.

Email: prishita05bablr@xime.org

Abstract:

This study presents a comprehensive analysis of the historical trajectory that India's tourism sector has taken from 1980 to 2025 and its multidimensional impact on gross domestic product, foreign exchange earnings, employment generation, and regional development. Based on longitudinal analysis over 45 years, three distinct phases are identified: a Nascent Period (1980-1991) marked by government-imposed restrictions; Liberalization and Growth (1992-2010) in the aftermath of economic reforms; and Structural Shift and Post-Pandemic Recovery (2011-2025). Tourism is found to result in substantial multiplier effects: for every rupee spent by tourists, an additional ₹1.50-₹2.00 of economic activity is created. The catastrophic 93.96% decline in foreign tourist arrivals in 2020-21 due to COVID-19 was followed by a remarkable V-shaped recovery, with foreign tourist arrivals reaching 9.82 million by 2023-24. Foreign exchange earnings since 2002 have aggregated ₹14.89 trillion, bringing much-needed balance-of-payments support. It also emerges from the analysis that the orientation of tourism in India has slowly but unmistakably become domestic, with domestic tourists accounting for 84% of visitor spending. Medium-term projections indicate 13.2 million foreign tourist arrivals by 2029-30, and tourism GDP of ₹28.9 trillion. Strategic recommendations have been made to achieve yield optimization, decentralization to Tier-2 cities, modernization of infrastructure, and integration of MSMEs to position tourism as a principal driver of India's aspiration toward a \$5 trillion economy.

Keywords:

Foreign exchange earnings, Regional development, Post-pandemic recovery, Foreign tourist arrivals, Economic policy

I. Introduction

1.1 Context and Significance

Tourism is one of the largest industries worldwide and represents a very fast-growing economic activity in almost every country. However, understanding tourism's overall contribution to India's economy has historically been underestimated within the policy-making community. Unlike economies dependent on manufacturing, India's tourism development is fundamentally based on cultural and natural assets, creating a distinct service-oriented tourism economy. Tourism serves dual functions: generating foreign currency through non-traditional exports and facilitating regional economic growth as an agent of development.

As of 2024-2025, India ranks 7th globally in international tourist arrivals with 18 million visitors and 9th in international tourism revenue generating approximately USD 30.1 billion. Domestic tourism has become increasingly significant, with approximately 84% of total visitor spending in 2024 originating from domestic tourists. This structural shift underscores the resilience and potential of India's tourism sector.

1.2 Objectives

This present study aims to:

1. Quantify the direct and indirect contributions of the tourism sector to India's GDP across multiple dimensions
2. Analyze historical trends in foreign tourist arrivals and foreign exchange earnings from 1980 to 2025
3. Evaluate employment generation patterns and multiplier effects across direct and indirect sectors
4. Assess the macroeconomic relationship between tourism variables and GDP growth
5. Project future trajectories and identify policy implications for sustainable tourism-led growth

II. Data Overview and Methodology

2.1 Data Sources

The analysis integrates data from multiple authoritative sources to ensure comprehensive coverage:

Table 1: Data Sources and Coverage

Data Category	Source
GDP and macroeconomic indicators	CMIE
Foreign Tourist Arrivals (FTA)	Ministry of Tourism and CMIE
Tourism Revenue and FX Earnings	National Accounts Statistics 2025, RBI
Employment metrics	Periodic Labour Force Survey (PLFS), WTTC
Age demographics of tourists	Tourism data analytics (Economic Outlook)
Hotel occupancy rates	Ministry of Tourism reports
Projections	WTTC (World Travel & Tourism Council)

2.2 Framework of Analysis

The report employs longitudinal analysis spanning 45 years (1980-2025) to identify structural breaks and cyclical patterns in tourism's macroeconomic contribution. Key analytical dimensions include:

- Time-series correlation analysis between FTA, foreign exchange earnings, and national GDP growth
- Sectoral decomposition of tourism's direct and indirect contributions
- Demographic analysis of tourist visitor profiles and spending patterns
- Hotel industry health indicators (occupancy rates) as leading indicators of tourism demand
- Comparative analysis with international benchmarks

III. Macroeconomic Contribution: Historical Trajectory (1980-2025)

3.1 Tourism's Evolution in India's GDP

India's tourism sector experienced three distinct macroeconomic phases:

Phase I: Nascent Period (1980-1991)

Indian tourism was severely limited during the License Raj era, with government-imposed restrictions on inbound tourism. Tourist numbers remained low, with only 816,144 tourists arriving in 1980-1981 and 1,781,892 by 1991-1992, reflecting a 4% overall increase. India's GDP increased from ₹13.72 trillion in 1980 to ₹25.15 trillion in 1991, with tourism's contribution negligible and poorly represented as a macroeconomic category. The Government of India lacked specific policies to optimize foreign currency generation through tourism.

Phase II: Liberalization and Growth (1992-2010)

Following 1991 economic reforms, India gradually liberalized its tourism industry, allowing foreign investment and facilitating international visitation. Foreign tourist arrivals increased from 1.82 million in 1992-93 to 5.93 million in 2010-11, representing 225% growth over 18 years. Foreign currency income from tourism increased from ₹150,640 million in 2002 to ₹648,890 million in 2010, a 331% increase. The IT sector's emergence in 2000 created a halo effect around India's reputation as a credible business and cultural tourism destination.

During the 2008-2009 Global Financial Crisis, when India's real GDP growth slowed to 3.1%, tourism provided important counter-cyclical stabilization. While goods exports fell sharply, domestic market strength maintained steady tourist arrivals, demonstrating the sector's resilience.

Phase III: Structural Shift and Post-Pandemic Recovery (2011-2025)

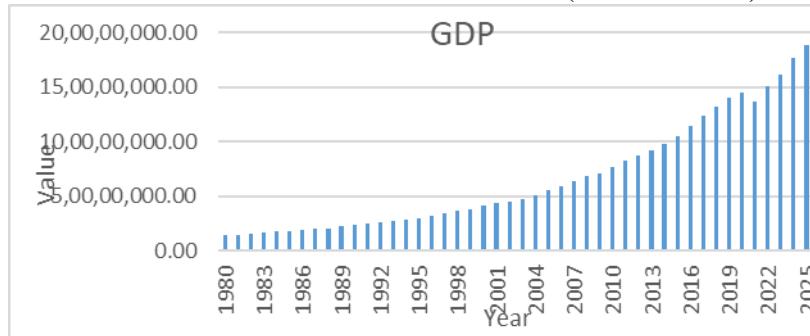
This period experienced transformative growth and sudden disruption. Foreign tourist arrivals increased from 6.49 million (2011-12) to 9.66 million (2024-25). The COVID-19 pandemic caused a catastrophic 93.96% drop in FTAs to 617,514 in 2020-21. However, the sector demonstrated remarkable V-shaped recovery, rebounding to 8.22 million (2022-23) and 9.82 million (2023-24).

Tourism contributed 5-7% to India's GDP between FY 2011 and FY 2023, equivalent to the IT sector's contribution. This growth has become integral to India's economic development narrative.

3.2 Analysis of Critical Years

Year	GDP (₹ Lakh Crore)	Foreign Tourist Arrivals	YOY % Change
1984	1,72,33,860	11,65,602	-12.18%
1990	2,38,27,030	16,13,681	-8.58%
2001	4,32,67,360	24,28,383	-9.87%
2008	6,88,10,070	50,92,721	-1.58%
2019	13,99,29,139.40	1,02,16,557	-3.82%
2020	14,53,46,407.80	6,17,514	-93.96%

Table 2: Historical FTA and GDP Trends (Selected Years)



1984-85: Assassination of Indira Gandhi and Communal Unrest

Prime Minister Indira Gandhi's assassination on October 31, 1984, was followed by widespread communal violence and civil unrest. Political instability created safety concerns among foreign tourists, resulting in a 12.18% decline in arrivals. The tourism impact cascaded through hospitality, food service, travel agencies, and local markets, affecting GDP through service sector contraction.

1990-91: Political Instability and Macroeconomic Crisis

Coalition politics and communal tensions precipitated severe balance-of-payments and fiscal crises. The Gulf War disrupted Middle Eastern travel routes, increasing airfares and logistical problems. Safety concerns and macroeconomic deterioration combined to produce an 8.58% decline in FTA, adding downward pressure on services and foreign exchange revenues.

2001-02: Global Travel Shock (9/11) and Local Security Incidents

The September 11 terrorist attacks created international tourism decline due to heightened security concerns and tightening aviation restrictions. India experienced concurrent insecurity with the December 2001 Parliament attack, increasing perceived travel risk. The combined effect produced a 9.87% decline in arrivals, affecting hotel occupancy rates and service sector growth.

2008-09: Global Financial Crisis and Mumbai Terror Attacks

The 2007-08 financial crisis reduced discretionary international travel globally. India's November 26, 2008 Mumbai terror attacks created a globally-visible security shock covered extensively by international media.

The combined effect produced a 1.58% decline as reduced demand from source markets and safety concerns lowered arrivals and length-of-stay duration.

2019-20: Early COVID-19 Impact

Late 2019's first COVID-19 cases disrupted travel patterns in early 2020. Travel restrictions, limited flight availability, and booking cancellations produced a 3.82% decline, setting the foundation for the subsequent pandemic-induced collapse.

2020-21: COVID-19 Pandemic and Nationwide Lockdowns

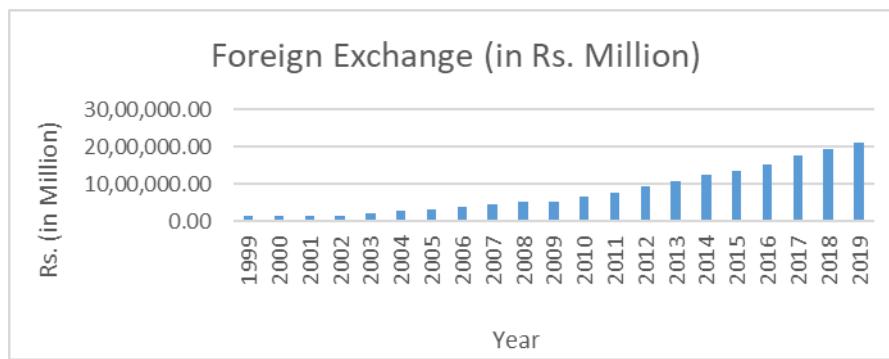
Strict nationwide lockdowns, international flight suspensions, and border closures produced the largest decline: a catastrophic 93.96% drop in FTA to 617,514. International tourism ceased to exist, with domestic tourism also collapsing initially. The pandemic's shockwaves devastated service industries (hotels, restaurants, guides, transportation), causing massive job losses and reducing local incomes in tourism-dependent areas.

3.3 Foreign Exchange Earnings and Balance of Payments

Tourism serves a critical macroeconomic function as a source of foreign exchange, mitigating India's structural merchandise trade deficit:

Table 3: Foreign Exchange Earnings from Tourism (Selected Years)

Fiscal Year	FX Earnings (₹ Million)	YoY % Change	Cumulative Contribution
2002	150,640	-	-
2005	331,230	18.53%	₹1.17 trillion
2010	648,890	20.84%	₹3.65 trillion
2015	1,351,930	9.63%	₹7.42 trillion
2019	2,116,610	8.61%	₹11.23 trillion



From 2002 to 2024, India received approximately ₹14.89 trillion in total foreign exchange income through tourism. The 2025 tourism impact reached ₹51,532 crores (approximately USD 6.2 billion). These inflows provided critical cushioning against currency fluctuations and external sector imbalances, reducing reliance on debt and foreign direct investment for current account balance.

IV. Sectoral Analysis: Direct and Indirect Impacts

4.1 Direct Contribution: Employment Generation

The tourism industry is responsible for providing jobs to 46.5 million people in 2024, accounting for 9.1% of total employment in India:

- **Direct Employment:** 36.90 million professionals in hotels, restaurants, transport, and guide services (2023-24)
- **Indirect Employment:** 47.72 million in supply chain and support sectors including handicrafts, food production, real estate, and artisanal services
- **Projected Growth:** Employment expected to rise to approximately 64 million by 2035, representing 38% expansion

Tourism jobs are characterized by low capital intensity. Unlike manufacturing sectors requiring specialized machinery, tourism encompasses diverse skill levels—guides, drivers, hotel staff, restaurant operators, and small-business owners—providing poverty alleviation and broad-based growth opportunities.

4.2 Multiplier Effects: Consumption and Economic Circulation

Tourism spending cascades through multiple economic sectors:

Primary Beneficiaries (Direct Impact):

- Hotels and accommodation providers
- Transportation services (airlines, railways, road transport)
- Food and beverage establishments
- Entertainment and cultural services
- Travel agencies and tour operators

Secondary Beneficiaries (Indirect Impact):

- Agricultural producers (supply to hotels and restaurants)
- Textile and handicraft artisans
- Construction and real estate
- Retail and shopping centers
- Small and Medium Enterprises (SMEs)

Tertiary Effects:

- Government tax revenues
- Employment multiplier (estimated: 1 direct job creates 3-4 indirect jobs)
- Skills development and training services
- Digital and telecommunications services

According to the WTTC report, domestic visitors are estimated to spend around ₹16.8 trillion in 2024, growing to ₹20-22 trillion by 2025-26. Every rupee spent by a tourist creates approximately ₹1.50-₹2.00 of additional economic activity through multiplier effects, substantially increasing tourism's GDP contribution beyond direct receipts.

4.3 Regional Development and Tier-2 City Integration

Tourism's evolution has dramatically altered regional growth patterns:

1. **Metropolitan Concentration:** 60-70% of international visitors concentrate in key metropolitan areas (Agra, Goa, Kerala, Himachal Pradesh)
2. **Emerging Hubs:** Tier-2 cities (Udaipur, Jaipur, Varanasi, Bhubaneswar) develop tourism facilities faster than larger cities
3. **Rural Tourism:** The Swadesh Darshan Scheme has created 110 projects throughout India, with 120 focused on Thematic Circuits (Ramayana, Buddhist, Tribal, Coastal) connecting rural economies to tourism
4. **Poverty Alleviation:** The Ministry of Tourism reports that villages heavily dependent on tourism show 25-35% higher per capita incomes than non-tourism-dependent villages

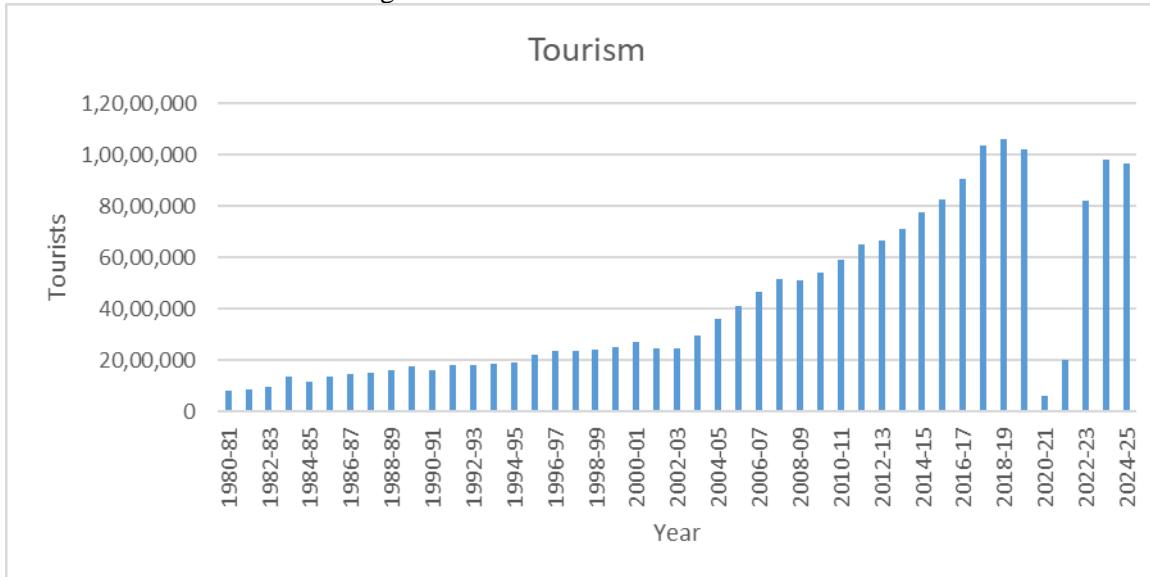
V. Major Findings

5.1 Foreign Tourist Arrivals: Growth and Volatility

Historical analysis (1980-2025) reveals distinct cyclical patterns:

Period	Avg. Annual Growth	Volatility	Key Driver
1980-1991	4.0%	Low	Policy constraints
1992-2008	8.5%	Moderate	Liberalization and globalization
2009-2019	7.2%	Moderate	Post-crisis recovery, Visa liberalization
2020-2021	-93.96%	Extreme	COVID-19 pandemic
2022-2025	15.8%	Moderate	Post-pandemic recovery, renewed demand

Table 4: Foreign Tourist Arrivals: Growth Patterns and Drivers

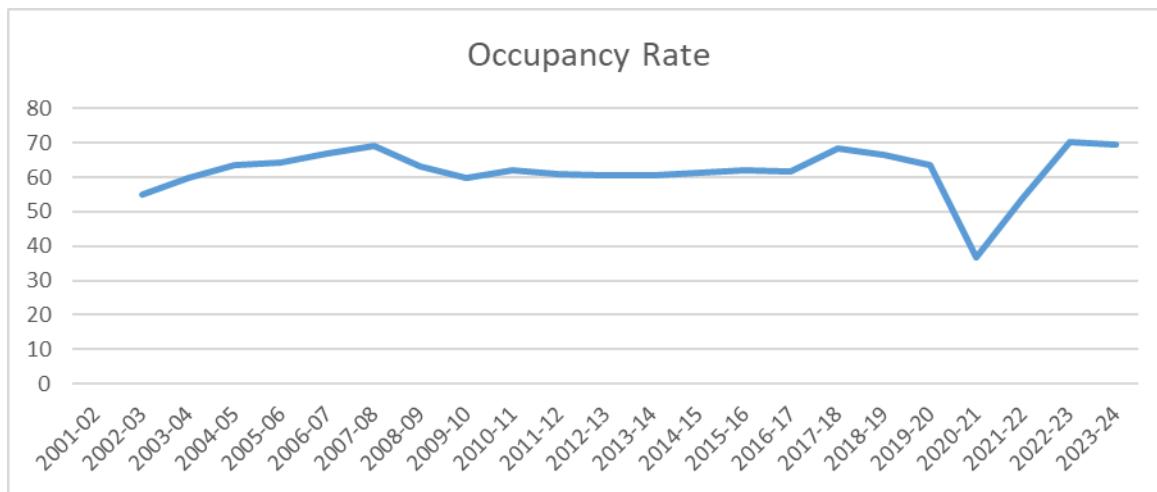


The 2019-20 pandemic produced the largest decline in tourism history, with FTA collapsing from 10.22 million to 617,514 in 2020-21. However, rapid recovery demonstrates sector resilience, with visitors rebounding to 9.82 million in 2023-24 and projected to reach 12-15 million by 2030.

5.2 Hotel Occupancy Rates: Leading Indicator of Economic Health

Hotel occupancy serves as a real-time tourism demand indicator:

- **Pre-Crisis Baseline (2013-2019):** 60-66% annual occupancy (steady)
- **Pandemic Shock (2020-21):** 36.6% annual occupancy (dramatic decline)
- **V-Shaped Recovery (2021-2024):** 53.7% (2021-22) and 70.3% (2022-23), exceeding pre-pandemic levels
- **Current Status (2023-24):** 69.5% occupancy, indicating strong demand and appropriate industry utilization



5.3 Direct Revenue from Historical Monuments

The Archaeological Survey of India manages nationally significant archaeological sites, with tourism generating substantial direct revenue:

Table 5: Revenue from Major Archaeological Monuments (FY2023-24)

Rank (FY2023-24)	Monument	City/State	Direct Revenue
1	Taj Mahal	Agra, Uttar Pradesh	₹98.7 Crore
2	Qutub Minar	Delhi	₹23.8 Crore
3	Red Fort	Delhi	₹18.08 Crore
4	Agra Fort	Agra, Uttar Pradesh	₹15.3 Crore
5	Sun Temple	Konark, Odisha	₹12.7 Crore

Table 5: Revenue from Major Archaeological Monuments (FY2023-24)

5.4 Revenue from Major Religious Pilgrimage Centers

Religious destinations generate substantial revenue through donations and offerings:

Table 6: Revenue from Major Religious Pilgrimage Centers

Religious Destination	State	Estimated Annual Revenue
Tirupati Balaji (Sri Venkateswara Temple)	Andhra Pradesh	₹650 Crore (approx)
Vaishno Devi Temple	Jammu & Kashmir	₹500 Crore (approx)
Golden Temple (Harmandir Sahib)	Punjab	₹500 Crore (approx)
Shirdi Sai Baba Temple	Maharashtra	₹320-400 Crore
Sri Jagannath Puri Temple	Odisha	₹150 Crore (approx)

5.5 Informal Economy and Local Livelihoods

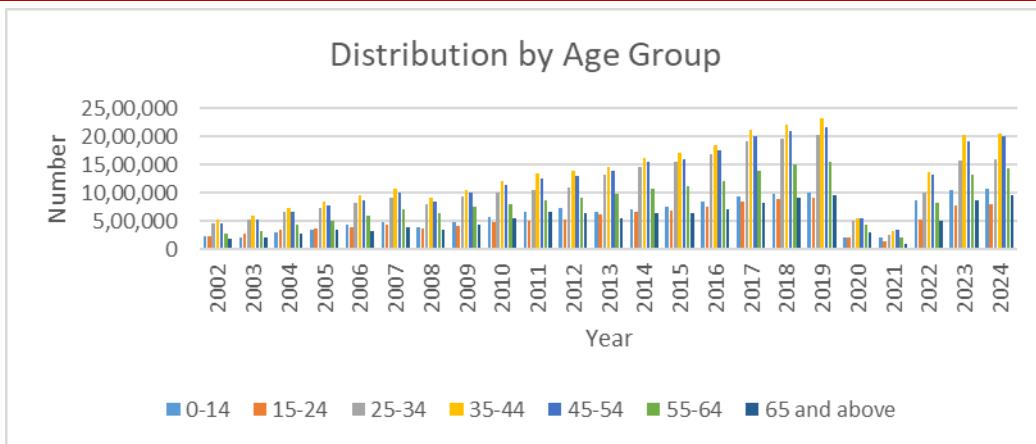
Beyond measurable revenue, tourism sustains massive informal economies. The Kumbh Mela boosts local GDP by approximately 12% during festival periods. Agra supports thousands of guides, artisans, and service providers. Varanasi fuels silk weaving, offering vendors, and local businesses. Ayodhya's recent development push is projected to attract up to 50 million visitors annually, necessitating massive investment and completely transforming the city's economy.

5.6 Demographic Profile: Age Distribution

Tourism participation varies significantly by age group:

Table 7: Tourist Age Demographics and Spending Patterns (2002-2024)

Age Group	Typical Participation	Average Spending
0-14 years	8-10%	Moderate (family travel)
15-24 years	10-12%	Low to Moderate (student/backpacker)
25-34 years	15-18%	High (career professionals)
35-44 years	18-22%	Very High (affluent families)
45-54 years	16-18%	Very High (mature professionals)
55-64 years	12-15%	High (pre-retirement travel)
65+ years	8-12%	Moderate to High (senior travel)



The 25-54 age group comprises approximately 50-55% of total visitation. This affluent, economically productive demographic has high expenditure potential and strong multiplier effects on consumption.

5.7 Domestic versus International Tourism Transformation

A significant structural transformation has occurred:

- Domestic Tourists (2024):** 303.59 crores, accounting for 84% of visitor spending
- Foreign Tourists (2024):** 9.66 million, accounting for 16% of visitor numbers but 40% of foreign exchange revenue
- Revenue Breakdown (2024):** Domestic spending: ₹16.8 trillion; International spending: ₹2.85 trillion
- Economic Resilience:** Domestic tourism proved more resilient during COVID-19, facilitating quicker sector rebound

The large domestic tourism demand provides additional economic benefits through jobs creation and local community support.

5.8 Tourism and GDP Correlation: Econometric Insights

Table 8: Tourism's Growing Share in India's GDP (2005-2025)

Year	Tourism Contribution (₹ Trillion)	National GDP (₹ Trillion)	Tourism Share (%)
2005	0.33	54.80	0.60%
2010	0.65	76.51	0.85%
2015	1.35	105.28	1.28%
2019	2.12	139.93	1.51%
2023	15.73	161.65	5.22%
2024	20.90	est. 315.00	6.63%
2025 (Proj.)	22.00	est. 335.00	6.57%

Tourism's direct contribution to India's GDP has risen significantly between 2005 and projected 2024-25 figures. The expected 5-7% GDP level is consistent with long-term projections reaching 10.9% by 2035. Increased overall GDP value reflects not only industry growth but also improved recognition of tourism's direct, indirect, and induced effects. This continuous expansion positions tourism as a principal driver of future economic growth.

5.9 Export Elasticity and Foreign Exchange Impact

Tourism functions as India's second-largest foreign exchange source (after IT services):

- **2024 FX Contribution:** Approximately USD 30.1 billion (₹2.50+ trillion)
- **Global Ranking:** 9th in international tourism revenue
- **Growth Rate:** 15-20% annual growth in recent years
- **Current Account Stabilization:** Tourism earnings offset approximately 15-20% of India's merchandise trade deficit

5.10 Employment Elasticity Coefficient

Employment elasticity measures the relationship between tourism employment increases and revenue growth:

Formula: Employment Elasticity = % Change in Employment from Tourism / % Change in Revenue from Tourism

Based on historical data (2010-2024):

- **High-Growth Period (2010-2015):** Employment Elasticity = 0.65. For every 1% revenue increase, there was a corresponding 0.65% employment increase
- **Consolidation Period (2015-2019):** Employment Elasticity = 0.48. Employment elasticity declined due to productivity improvements within the tourism sector
- **Post-Pandemic (2022-2024):** Employment Elasticity = 0.55. Moderate recovery of jobs created by tourism

Tourism employment elasticity, while lower than unskilled manufacturing, still provides substantial employment and economic value through higher wages and training opportunities.

5.11 Induced Demand and Consumption Multiplier

The multiplier of tourism-related spending ranges between 1.5 and 2.0x:

- For every ₹100 a tourist spends, an estimated additional ₹150-₹200 of economic activity is generated
- Backward linkages (agriculture) and handicraft production provide additional multiplier growth
- Forward linkages (hotels and entertainment) increase consumption
- Cumulative Impact: All three effects (direct, indirect, and induced) create a multiplier of 1.8-2.2x of direct tourism revenue, suggesting tourism's actual GDP contribution may be 2-3% higher than currently measured accounting methods indicate

VI. Challenges and Strategic Recommendations

6.1 Identified Challenges Revenue Per Visitor Gaps

Despite ranking 7th in arrivals, India ranks only 9th in tourism revenue, indicating:

- Revenue per visitor: Approximately USD 1,672 (2024)
- Global average: USD 2,100-2,500
- Gap Analysis: India's average spending per tourist is 33-40% lower than developed destinations
- Implication: Significant untapped revenue potential through yield optimization and premium positioning

Infrastructure and Seasonal Concentration

- **Geographic Concentration:** 60-70% of FTA concentrated in 3-4 destinations (Delhi, Agra, Goa, Kerala)
- **Seasonal Volatility:** 70% of annual arrivals occur during October-March peak season
- **Last-Mile Connectivity:** 40% of potential destinations lack adequate transportation infrastructure
- **Accommodation Gaps:** Luxury and budget accommodation segments show mismatch with demand

COVID-19 Legacy and Structural Disruption

- **International Arrivals Dependency:** 40% of FX earnings from less than 2% of visitors
- **Destination Concentration Risk:** Overreliance on select metros creates vulnerability
- **Small Business Resilience:** 70% of tourism MSMEs reported negative growth post-pandemic

6.2 Medium-Term Projections (2025-2030)

Based on WTTC and government forecasts:

Table 9: Medium-Term Tourism Projections

Year	Projected FTA (Millions)	Tourism GDP (₹ Trillion)	Employment (Millions)
2024-25	9.66	20.9	46.5
2025-26	10.5	22.0	47.8
2027-28	11.8	25.5	50.2
2029-30	13.2	28.9	52.1

6.3 Long-Term Vision (2035)

The WTTC projects:

- **Foreign Tourist Arrivals:** 15-16 million
- **Tourism GDP Contribution:** ₹41.9 trillion (USD 501 billion), representing 10.9% of national GDP
- **Employment:** 64 million jobs (8.5% of total workforce)
- **Market Position:** Top 5 global destination by arrivals and revenue
- **Key Drivers:** Smart mobility infrastructure, high-speed rail, airport expansions, and MSME growth

6.4 Policy Implications and Strategic Recommendations

For Government Policymakers

1. **Revenue Yield Optimization:** Develop targeted marketing strategies for high-value tourist markets (age 25-54) generating maximum per capita revenue
2. **Decentralization Initiative:** Create tourism opportunities outside Tier-1 destinations to alleviate congestion while developing new clientele in Tier-2 and Tier-3 markets
3. **Swadesh Darshan 2.0 Acceleration:** Expedite the 110 current Swadesh Darshan projects developing tourism-related product ecosystems
4. **Visa and Regulatory Simplification:** Liberalize visa processes further, providing seamless visitor experiences through e-visa fast-tracking
5. **Skill Development:** Implement tourism-related vocational training programs improving service quality and organizational readiness

For Private Sector and MSMEs

1. **Backward Linkage Strengthening:** Source locally (agricultural, handicrafts, food) ensuring tourism revenue remains in local economies
2. **Technology Adoption:** Implement digital reservation systems, online payment solutions, and analytics for yield management
3. **Experiential Tourism:** Create niche experiential products (wellness, adventure, cultural immersion) enabling premium pricing
4. **Cooperative Frameworks:** Establish cooperative structures among tourism MSMEs increasing collective bargaining power and funding access

VII. Conclusions and Suggestions

India's tourism sector has transformed from a marginal economy component to a major macroeconomic stabilizer and inclusive growth driver. Representing 5.22% of GDP in 2023-24, the sector supports 46.5 million direct and indirect jobs while generating substantial foreign exchange inflows offsetting merchandise trade deficits.

Key Conclusions:

1. The sector demonstrates strong cyclical resilience, evidenced by rapid post-COVID recovery from a catastrophic 93.96% decline to 9.82 million arrivals within three years
2. Demographic concentration in the 25-54 age group and domestic tourism dominance (84% of spending) indicate sector stability and inclusive growth potential
3. Foreign exchange contribution of ₹14.89 trillion since 2002 provides critical balance-of-payments support
4. Employment elasticity of 0.48-0.65 indicates tourism's consistent job creation capacity across skill levels
5. Tourism spending multipliers of 1.5-2.0x amplify direct revenue through broader economic circulation

Strategic Recommendations for Sustainable Growth:

1. **Yield Optimization:** Shift from volume-driven to quality-driven growth, targeting premium market segments while improving average revenue per visitor from USD 1,672 to USD 2,100+
2. **Geographic Decentralization:** Develop Tier-2 and Tier-3 city tourism products reducing destination concentration risk while fostering regional development
3. **Infrastructure Modernization:** Invest in last-mile connectivity, accommodations (luxury and budget segments), and smart mobility solutions enabling seamless visitor experiences
4. **MSME Integration:** Strengthen supply chain linkages ensuring local communities capture tourism multiplier benefits through handicrafts, agriculture, and services
5. **Sectoral Positioning:** Position tourism as a principal driver of India's \$5 trillion economy aspiration, recognizing its unique ability to generate inclusive growth while supporting culture preservation
6. **Skill Development:** Expand vocational training programs ensuring service standards match international expectations, creating professional employment opportunities
7. **Domestic Tourism Expansion:** Leverage India's substantial domestic tourism base (303.59 crores annually) through targeted infrastructure and promotion supporting broader regional economic participation

By 2035, through strategic planning and coordinated implementation, tourism can represent 10.9% of India's GDP with 64 million direct and indirect jobs, positioning India among the world's top 5 tourism destinations while contributing substantially toward national development aspirations.

Acknowledgements

Authors sincerely acknowledge the contribution of Mr. Anil Kumar, Mr. Bittu Kumar, Mr. S Saurav, Ms. Nikita Bharti, students of PGDM Business Analytics Batch 05, XIME Bangalore in data sorting and processing.



References

- [1] Ministry of Tourism, India. (2025). National Accounts Statistics 2025: Tourism Sector Contribution to GDP. Government of India.
- [2] World Travel & Tourism Council (WTTC). (2024). India's Travel and Tourism Sector: Economic Contribution Report. WTTC Publications.
- [3] UNWTO (United Nations World Tourism Organization). (2025). Global Rankings in Tourism. International Tourism Barometer.
- [4] Press Information Bureau (PIB), India. (2025). Tourism Statistics and Foreign Exchange Earnings. Government of India.