



ENVISIONING INDIA'S  
**TRAVEL  
AND TOURISM  
IN 2030**

# Current Landscape and Market Size

## Summary

Indians are discovering their own lands, and it's needless to say that the country is emerging as a large market for travel and tourism. Attracting tourists for its rich culture and heritage, the growth potential for this particular industry is never-ending and is only expected to flourish.

India has remarkably improved its travel and tourism industry competitiveness, becoming one of the fastest-growing markets in the world, proving to serve as a catalyst for economic growth, job generation and development.

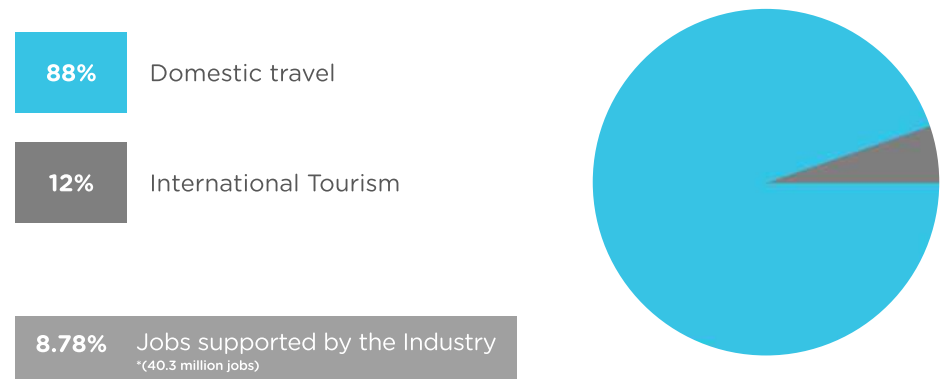
According to The World Economic Forum Global Competitiveness Reports throughout the years, India's transformation has only fueled its increasing global competitiveness in terms of the travel and tourism sector, ranking it 34th out of 140 countries overall while showing highest growth rates among G20 nations. Nonetheless, the reports also reflect upon India's much-untapped potential in terms of International arrival for leisure.

## Present Market Size: Recent Year (2016-2019)

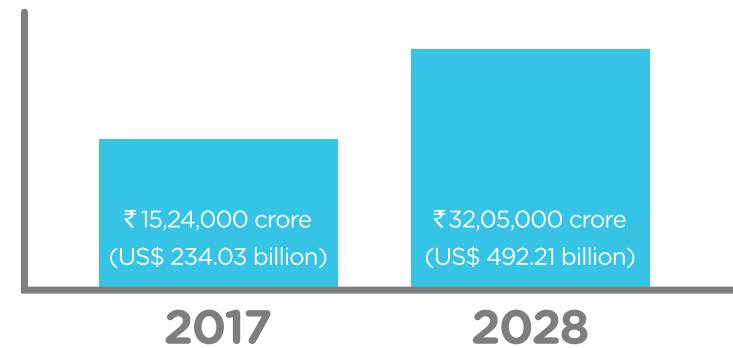


**Size of the industry:** 5 million foreign tourist arrivals and 562 million domestic tourism visits.

Source: ibef.org



Total contribution by travel and tourism sector to India's GDP is expected to increase from



According to World Travel and Tourism Council's report from this year, with a contribution of 9.6% in the country's GDP and 8.78% of the total employment of the nation, the tourism industry is undoubtedly the largest service industry in India. Tourism in India has risen as an apparatus of income and employment generation, diversifying the economy, protecting the environment, and promoting cross-cultural awareness.

An unparalleled number of people are travelling around the world, and the figures are only expected to rise, with international arrivals growing from 25 million in the 1950s to 1.2 billion in 2016 and 1.8 billion by 2030 (Forecasted).

Source: Wttc.org



# Emerging Megatrends: A Framework

Without any doubts, it's clear that the tourism industry will be transformed by large-scale social, economic, political, environmental and technological changes in the country.

It's also critical for both governments and industry to explore and understand the multidimensional associations of these megatrends to apprise policy and mould the future of travel and tourism.

- **Evolving visitor demand:** Owing to factors like increase in income and education level, gender imbalances being addressed, the emergence of new consumer groups, one can expect an evolution in the structure of the visitor economy. Combined, these factors are influencing the ability to travel along with the expectations of travellers. Now the need is not confined to just a destination and a place to stay; instead the entire package from Home to Home is being considered by the modern travellers like transit, connectivity, accommodation, activities, etc. Such challenges present unique opportunities for businesses/partners to create better solutions that can assist not just traveller but take the entire industry forward.
- **Enabling technologies:** Tourism is strongly affected by the progress of the technological revolution that is moulding and changing everyday life. From the sharing economy to the Internet of Things, autonomous vehicles and artificial intelligence, and blockchain technology to big data analytics, a range of new and emerging innovations are promising to unlock more possibilities for people around the world. Together, these trends could make travel more affordable, dynamic and convenient to many people. Along with that, policymakers will also need to recognise ways to provide a supportive environment that promotes innovation as new technologies emerge, with the potential benefit of more easily connecting tourists with a broader array of business partners and destinations.

- **Travel mobility:** Transport is a crucial element of the travel and tourism industry that links the markets in tourism producing regions to destinations. It helps in the internal movement of visitors between components of the tourist experience and can be a significant element of the attraction or an experience in their own right. Transport being a key enabler of international tourism, brings consumers to commercial services and providers to global markets. Nevertheless, inflows of tourists can put significant pressure on its infrastructure and related services like roads, buses, railways, maritime transport and aviation for international tourism. The expected growth of tourism and air transport is somewhat interlinked and will depend principally on sustained world economic and trade growth.

- **Sustainable Tourism Growth:** Tourism is regarded as one of the key socio-economic drivers worldwide and is widely identified as a human activity that is reliant on natural resources, while at the same time contributing to the depletion of these resources. The outcomes of climate change will be felt across the industry over the coming years, and resultantly the existing tourism offers in many countries will be challenged.

Apart from this concern of environmental sustainability, the overarching idea of sustainable tourism also comprises of:

- **Socio-cultural sustainability** that refers to issues related to a community's well-being, cultural assets, community participation and tourist entertainment. Tourism sets an economic value on traditional arts, crafts and cultural practices and encourages the preservation of historic sites and heritage buildings.
- **Economic Sustainability** aims at ensuring feasible, long-term operations while providing socio-economic benefits to all stakeholders involved, implying fair distribution of income, stable employment and earning opportunities.
- **Digital Channels:** Cell phone is the most widespread piece of technology that has been at the helm of the digital revolution, the widespread presence and the ease of access to information implies that most tourists will be able to explore, plan and make decisions wherever and whenever they want.

The effect of social networks on tourism is increasing. Some examples are the interaction with the guest; targeted messaging; location services; the confidence in friends' recommendations; and creating and sharing content by tourists.

Provided the amount of information and the variety of channels, it reflects on a whole new environment with significantly higher complexity, which is expected to influence the industry in the next decade heavily.

## How are our policy makers preparing for the emerging megatrends?

The Indian policymakers have undertaken several initiatives to fuel the growth and make the most out of the opportunities that the new travel and tourism trends bring along. Along with the initiatives to promote tourism in India, it's essential that the authorities and the private sector collaborate towards thematic development of the destinations, skilling of local communities and the conceptualization and implementation of developmental actions for the sector.

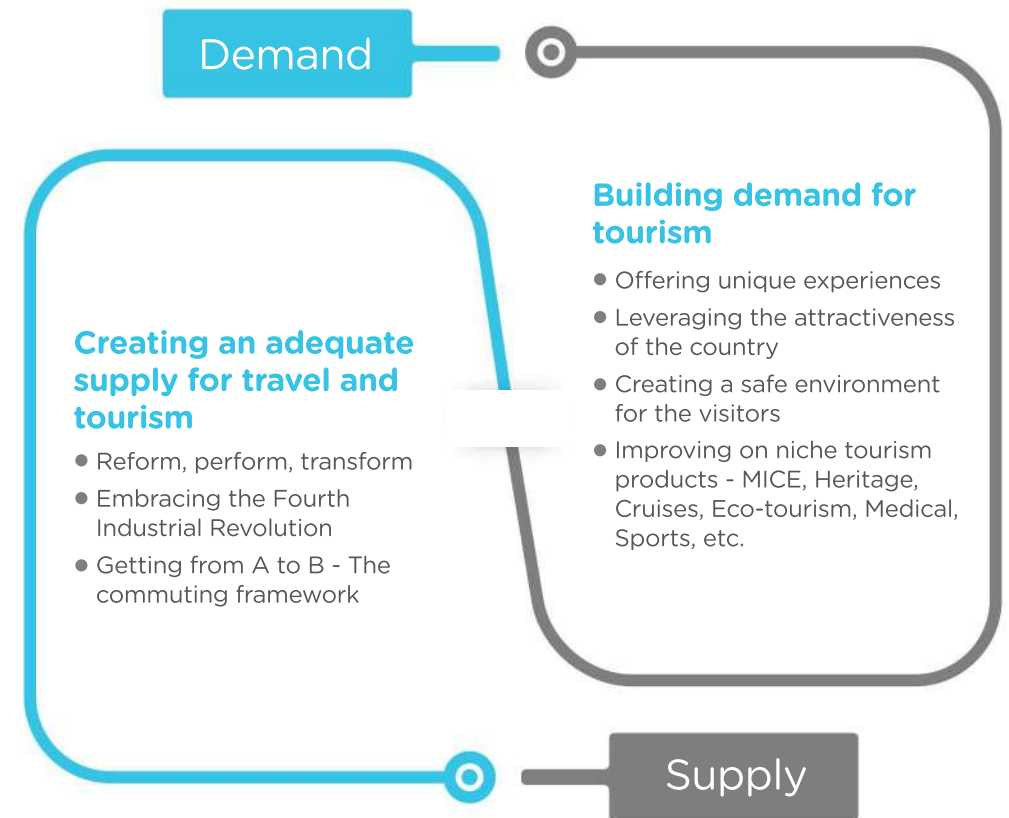
### The Tipping Points:

- The Ministry of Tourism's Plan channelizes more than half of their budget for funding the development of destinations, mega projects, circuits, along with rural tourism infrastructure projects.
- The Ministry has set up a special board of Hospitality Development & Promotion, which will watch & facilitate hotel project clearances and approvals.
- Certain programs such as Swadesh Darshan, National Mission on Pilgrimage Rejuvenation and Spiritual Heritage Augmentation Drive and work towards the development of tourism-related infrastructure in the country.

## Tourism Opportunities in India

To achieve the goal of becoming one of the most significant Travel and Tourism markets and gaining global dominance, India must intensify its value plan and cultivate a resourceful environment.

By doing so, the industry can improve its demand and attract tourists while also matching up to adequate supply through the construction of physical and digital infrastructure and progressive legislation.



# The Final Verdict

The forecasted scenario of the industry - 2030

01

Tourism sector likely to create a cumulative of 53 million direct and indirect employment.

The Indian tourism sector is likely to grow at 6.7% per annum to reach INR 35 trillion, with a contribution of 10% in the GDP.

02

03

India is expected to attract 17.3 million international tourists over the next decade.

Leisure travel spending reached US\$ 179.7 billion in 2016, US\$ 196.41 billion in 2017 and is expected to rise to US\$ 386.3 billion by 2030.

04

05

Business travel revenues were US\$ 10.25 billion in 2016, US\$ 11.1 billion in 2017 and are projected to US\$ 23.3 billion by the next decade.

The Travel & Tourism Industry has witnessed the most dramatic changes in terms of technologies, tourists' demand, initiatives by the policymakers, and thousands of other factors that affect the sector. While we talk about the industry's growth over the past decade, one can only expect more from the coming years as it's one of the fastest-growing economic sectors in the world.

Compared to the global benchmarks, India can reach its potential if the public and private sectors join forces to prioritize and enact towards a common goal of development in this ever-evolving sector.

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