

# State of Tourism in India 2026





# Table of Contents

01	Executive Summary	4
02	Introduction & Strategic Context	6
03	Sector Overview: Performance & Segment	12
04	Investment, Infrastructure & Landscape	20
05	Ease of Doing Business & Regulatory Landscape	24
06	Human Capital & Skilling Needs	28
07	Technology & Innovation	32
08	Lessons from the US Model	36
09	Case Study: Uttar Pradesh under the spotlight	40
10	India – U.S Corridor: Bilateral tourism flows & Promotion	44
11	Policy Recommendations & Future Roadmap	48

# 01 *Executive Summary*

Facilitation Framework,  
India-U.S. Tourism  
Council, MSME  
standardization, and  
unified digital ecosystems  
to drive inclusive,  
sustainable prosperity.





*India's tourism sector stands at a pivotal growth juncture, contributing US\$249 billion (6.6% of GDP) and supporting 46.5 million jobs in 2024.*

India's tourism sector stands at a pivotal growth juncture, contributing US\$249 billion (6.6% of GDP) and supporting 46.5 million jobs in 2024, fuelled by 2.5 billion domestic trips, 9.66 million inbound arrivals – including 1.8 million high-spending Americans – and a robust outbound flow of 2.2 million Indians to the United States of America (USA), underpinned by 95% expanded bilateral air capacity since 2019.

This business-focused report, framed as a concise brief for U.S. and Indian decision-makers, explores the full tourism value chain – from domestic/inbound/outbound segments and high-potential niches like medical tourism (US\$7.69 billion,

growing to US\$16 billion by 2030), spiritual/heritage, eco/adventure, MICE, homestays, education, and film tourism – to critical enablers including infrastructure, regulatory reforms, human capital, technology, and lessons from U.S. models like the National Park Service and Smithsonian.

It highlights investment avenues via PPPs, U.S. firm expansions, and bilateral opportunities in the India-U.S. corridor, while outlining actionable recommendations such as a National Tourism Facilitation Framework, India-U.S. Tourism Council, MSME standardization, and unified digital ecosystems to drive inclusive, sustainable prosperity.



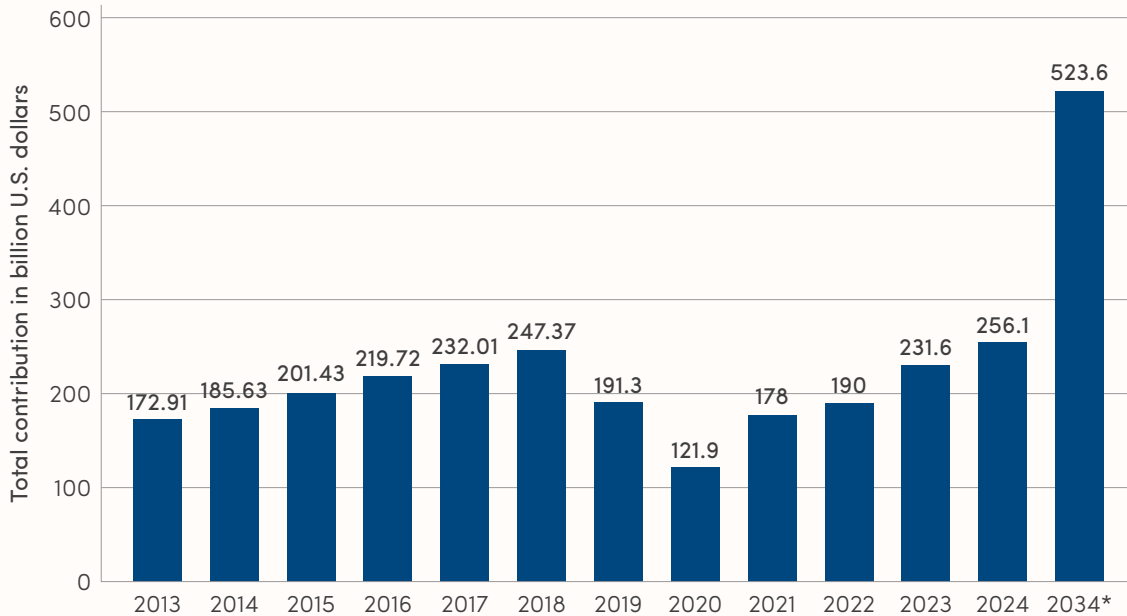
## 02 *Introduction and Strategic Context*

Tourism's relevance extends beyond travel statistics. For India, it is a pillar of soft power - showcasing heritage, spirituality, wellness, and biodiversity while generating inclusive employment across rural and urban regions.





**Figure 2.1:** Total contribution of travel and tourism to GDP in India from 2013 to 2024, with estimates for 2034<sup>5</sup>



For the United States, tourism has long been a cornerstone of the economy, representing roughly 7% of U.S. GDP in 2022 and employing 9.5 million people<sup>6</sup>. This scale gives U.S. companies deep expertise in destination development, digital bookings, payments infrastructure, sustainability, and customer experience - capabilities that are directly transferable to India's rapidly maturing market. As American firms look eastward to diversify supply chains and consumer exposure, India's

expanding middle class, rising connectivity, and digital public infrastructure present one of the most compelling growth platforms in Asia.

The timing is particularly favourable, with India's G20 Presidency in 2023 placing tourism at the centre of its development agenda, promoting green tourism and digital innovation. Simultaneously, U.S. outbound travel to India has accelerated: ~1.7 million U.S. visitors in 2023 (up from 1.4 million in 2022), with 2024

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<sup>5</sup> <https://www.statista.com/statistics/313724/total-contribution-of-travel-and-tourism-to-gdp-in-india-by-segment/?srsltid=AfmBOoqXE0JXa-Hbeix6dZggu4RXRNYsybaprb6URfNL61A9T6vNbmz2>

<sup>6</sup> <https://www.trade.gov/travel-tourism-industry>

provisional data indicating continued 25–40% growth toward 1.8–1.9 million arrivals<sup>7</sup>.

Indian travel to the United States has also rebounded sharply, with nearly 2.2 million Indian visitors arriving in the U.S. in 2024<sup>8</sup> (preliminary) – making Indians one of the fastest-growing high-spend segments.

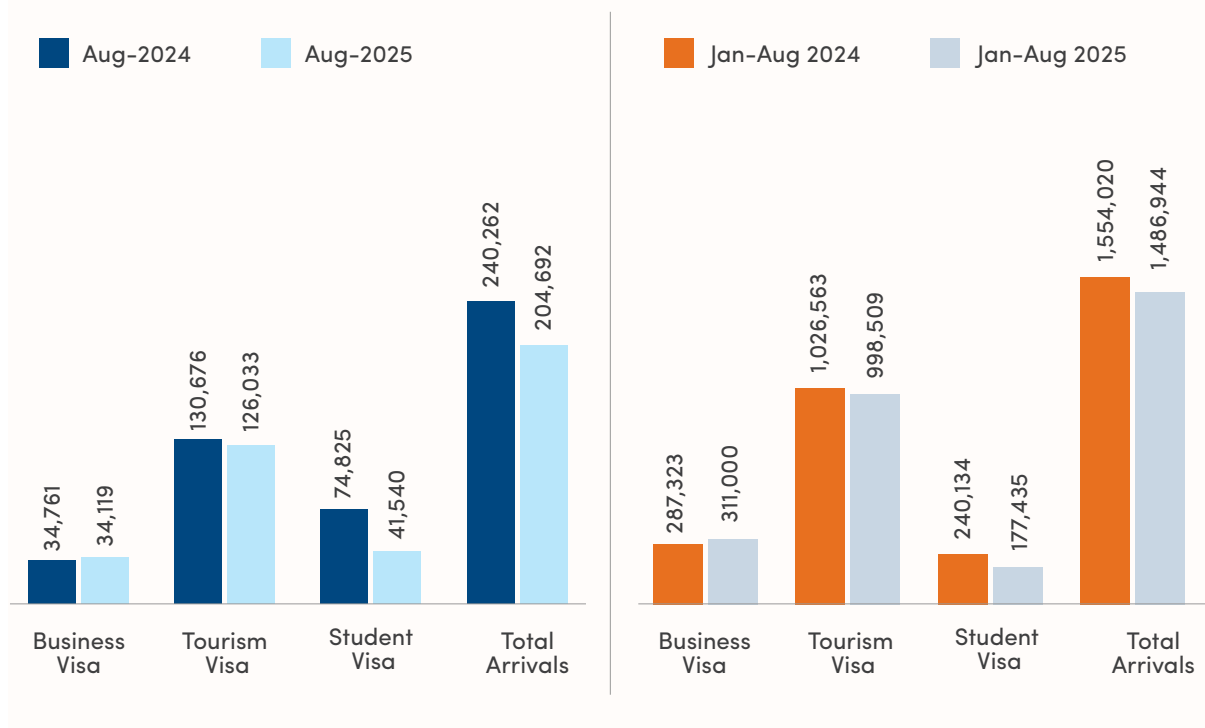
India’s macroeconomic fundamentals amplify the growth opportunity in tourism. As the world’s fourth-largest economy, India’s population of 1.44 billion exceeds China’s 1.41 billion, with a median age of 28.7 years<sup>10</sup> – over a decade younger than most major economies. This youthful demographic provides

a substantial and expanding consumer base that will fuel demand across sectors, including leisure and travel.

Rising household incomes are expected to expand India’s consumer market by 46% by 2030. According to projections consumer spending in India will rise to US\$ 4.3 trillion by 2030, up from US\$ 2.4 trillion in 2024<sup>11</sup>. Travel patterns already illustrate this shift: Indians undertook 13.1 million outbound trips in 2022, with projections indicating growth to 80–90 million annually by 2040 WTTC.<sup>12</sup>

Tourism’s relevance extends beyond travel statistics. For India, it is a pillar of soft power

**Figure 2.2:** Indian Visitors to the U.S.<sup>9</sup>



<sup>7</sup> [https://tourism.gov.in/sites/default/files/2025-03/India%20Tourism%20Data%20Compendium%202024\\_0.pdf](https://tourism.gov.in/sites/default/files/2025-03/India%20Tourism%20Data%20Compendium%202024_0.pdf)

<sup>8</sup> <https://timesofindia.indiatimes.com/city/hyderabad/india-tops-market-for-us-tourism-says-brand-usa-president-fred-dixon/articleshow/117436896.cms#:~:text=Chennai%20Sexual%20Assault>

<sup>9</sup> Graphic from News 18, Source: <https://www.news18.com/india/american-dream-takes-a-hit-fewer-indian-students-go-to-us-in-2025-business-visas-buck-the-trend-ws-ekl-9584859.html>

<sup>10</sup> [https://population.un.org/wpp/assets/Files/WPP2024\\_Summary-of-Results.pdf](https://population.un.org/wpp/assets/Files/WPP2024_Summary-of-Results.pdf)

<sup>11</sup> <https://economictimes.indiatimes.com/news/india/indias-consumer-market-to-become-worlds-second-largest-by-2030-report/articleshow/117721641.cms?from=mdr>

<sup>12</sup> <https://www.mckinsey.com/industries/travel/our-insights/from-india-to-the-world-unleashing-the-potential-of-indias-tourists>, McKinsey & Company (Oct 2023)

– showcasing heritage, spirituality, wellness, and biodiversity while generating inclusive employment across rural and urban regions. For the United States, it offers a channel for commercial diplomacy and deeper corporate engagement in India’s services economy. U.S. hospitality chains, travel-tech firms, and payment networks are already expanding their Indian footprint: U.S. hospitality chains like Marriott and Hilton<sup>13</sup> are rapidly expanding with multiple new properties annually<sup>14</sup> while Airbnb generated ₹113 billion in economic impact and supported 111,000 jobs in India in 2024<sup>15</sup>.

The scope of this report spans the full tourism value chain – domestic, inbound, and outbound travel; niche and experiential segments such as spiritual, medical, eco, and adventure tourism; and enabling verticals including infrastructure, skilling, technology, and regulatory frameworks. Each subsequent section builds toward a

comprehensive understanding of where private investment, policy reform, and bilateral cooperation can yield the highest returns. Special attention is paid to the India-U.S. corridor itself: the flow of travellers, ideas, and capital that increasingly defines the next phase of the strategic partnership.

Tourism, in this context, becomes more than leisure; it is an instrument of growth, employment, sustainability, and diplomacy. By drawing on the USA’s established tourism management systems and India’s vast, youthful consumer base, the two nations can co-create a model of resilient, technology-enabled, and inclusive tourism for the twenty-first century. USISPF’s role lies in convening that dialogue translating intent into action and ensuring that both American and Indian stakeholders see tourism not as an isolated industry but as an engine of shared prosperity.

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<sup>13</sup><https://www.ttindia.com/news/article/hilton-poised-for-major-growth-in-india-with-75-new-hotels-in-the-pipeline/>

<sup>14</sup><https://www.moneycontrol.com/technology/marriott-sharpens-focus-on-india-its-4th-largest-market-with-12-hotel-openings-in-2024-article-12713540.html>

<sup>15</sup><https://www.oxfordeconomics.com/resource/airbnbs-economic-contribution-to-apac-in-2024-gdp-jobs-and-regional-impact/>



# 03 *Sector Overview: Performance & Segment*

According to the U.S. National Travel and Tourism Office (NTTO), 2.2 million Indians visited the United States in 2024, a 24% increase from the previous year and nearly 50% growth since 2019<sup>24</sup>.



Over the past few years, India's tourism sector has undergone a structural transformation – evolving from a largely domestic, leisure-driven industry into a complex ecosystem that integrates technology, infrastructure, niche experiences, and international capital. Its scale and diversification makes it one of the most consequential service industries in the country's growth narrative. Beyond contributing to economic output, tourism in India now serves as a vehicle for employment generation, regional inclusion, and global soft power attributes that increasingly appeal to investors looking for both

returns and impact.

India's travel and tourism sector continues to be a vital contributor to the national economy, consistently ranking among the world's largest and fastest-growing markets. What differentiates this moment, however, is the quality of growth. The sector's post-pandemic rebound has been broad-based, propelled by strong domestic mobility and rising international demand. International visitor spending rose up to ₹3.1 trillion in 2024 – a 9% increase from pre – COVID levels<sup>16</sup>.

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<sup>16</sup> <https://travel.economictimes.indiatimes.com/news/research-and-statistics/figures/indias-tourism-sector-surges-31-trillion-in-international-spending-reported-by-wttc/121625678>

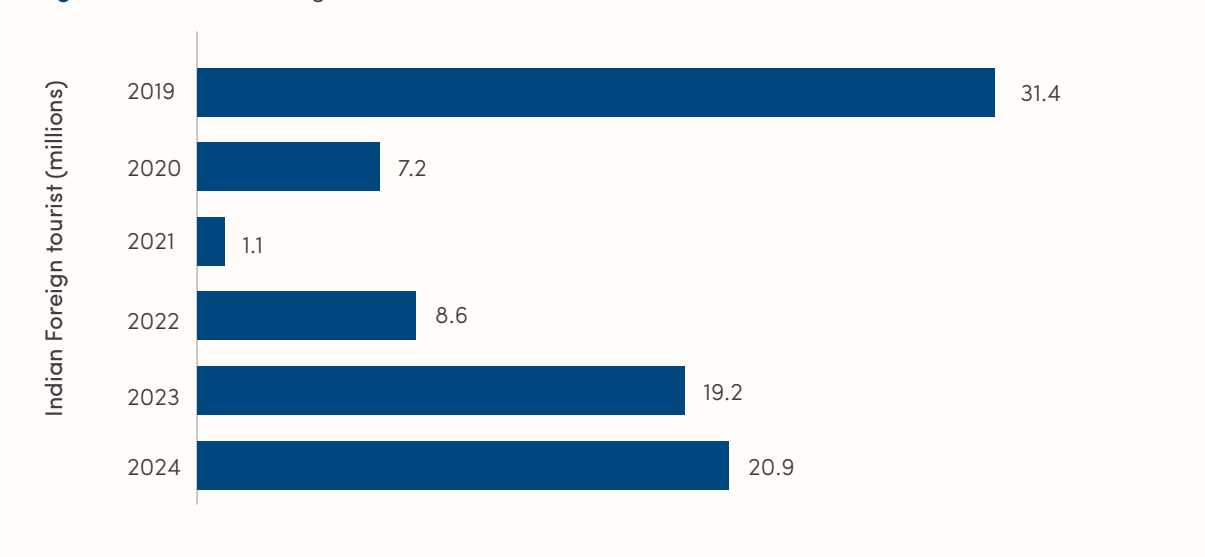
**Figure 3.1: Month Wise FTAs<sup>17</sup>**



Much of this momentum has been fuelled by domestic travellers, whose travel frequency and average spend have steadily increased as disposable incomes risen and air and road connectivity deepen. More than 2.5 billion domestic trips were recorded in 2023, a milestone that underscores how domestic demand has become the backbone of the industry’s stability<sup>18</sup>. Simultaneously, inbound

international tourism has regained strength: 9.66 million foreign tourist arrivals (FTAs) in 2024 (provisional)<sup>19</sup> were recorded in 2024 – almost a full recovery from the 2019 peak of 10.9 million<sup>20</sup>. By volume, this places India ahead of several emerging destinations in Asia, but by value, its potential remains even larger due to the growing share of high-spending travellers.

**Figure 3.2: Indian Foreign tourist visits<sup>21</sup>**



<sup>17</sup>Source: Press Information Bureau: <https://www.pib.gov.in/FactsheetDetails.aspx?Id=149085&reg=3&lang=1>

<sup>18</sup><https://www.pib.gov.in/FactsheetDetails.aspx?Id=149085&reg=3&lang=2#:~:text=Rise%20in%20Domestic%20Tourism,Conclusion>

<sup>19</sup>[https://tourism.gov.in/sites/default/files/2025-02/Ministry%20of%20Tourism%20Annual%20Report\\_2024-25\\_ENGLISH\\_0.pdf](https://tourism.gov.in/sites/default/files/2025-02/Ministry%20of%20Tourism%20Annual%20Report_2024-25_ENGLISH_0.pdf)

<sup>20</sup><https://tourism.gov.in/sites/default/files/2025-02/India%20Tourism%20Data%20Compendium%20key%20highlights%202024.pdf>

<sup>21</sup>(Image from The Print, Official Source – RBI Handbook): <https://theprint.in/economy/goa-kerala-lose-sheen-as-more-foreign-tourists-pick-maharashtra-bengal-shows-rbi-data/2804417/>



The market's segmentation reveals a multifaceted opportunity. The domestic tourism segment continues to account for the majority of travel activity, sustaining the hotel, transportation, and local-experience sectors across India's Tier-2 and Tier-3 cities. The inbound international segment is distinguished by its higher per-capita expenditure and preference for structured experiences- luxury hotels, guided heritage tours, eco-lodges, and wellness retreats. Within this, the United States has emerged as India's highest-spent source market (2nd largest by volume), with approximately 1.8 million American travellers in 2024 - significantly outpacing traditional volume leaders<sup>22</sup>. U.S. tourists exhibit significantly higher average spend and longer stay durations, driven by interest in heritage exploration, wellness travel, and experiential itineraries.

Conversely, the scale of Indian outbound tourism is equally striking. According to the U.S. National Travel and Tourism Office (NTTO), 2.2 million Indians visited the United States in 2024, a 24% increase from the previous year and nearly 50% growth since 2019<sup>23</sup>. Indians are also among the highest per-capita spenders among international visitors to the U.S., underscoring the value of this traveller segment. More broadly, 13 million outbound trips were made by Indian residents in 2022, and the figure is expected to climb to 80 - 90 million annually by 2040 as disposable incomes grow and leisure consumption doubles<sup>24</sup>. This outbound surge complements India's inbound recovery, making the tourism corridor truly bidirectional and commercially significant for both nations.

<sup>22</sup>[https://tourism.gov.in/sites/default/files/2025-03/India%20Tourism%20Data%20Compendium%202024\\_0.pdf](https://tourism.gov.in/sites/default/files/2025-03/India%20Tourism%20Data%20Compendium%202024_0.pdf)

<sup>23</sup><https://www.mckinsey.com/industries/travel/our-insights/from-india-to-the-world-unleashing-the-potential-of-indias-tourists>, dixon#:~:text=India%20is%20the%20second%20largest%20overseas%20market%20for%20the%20US,expected%20to%20continue%20in%202025.

<sup>24</sup><https://www.mckinsey.com/industries/travel/our-insights/from-india-to-the-world-unleashing-the-potential-of-indias-tourists>

Niche categories within India's tourism landscape are expanding rapidly. Spiritual and heritage tourism benefit from major cultural infrastructure projects like the Ayodhya redevelopment and the Kashi Vishwanath corridor. The overall Medical and wellness tourism has evolved into a substantial US\$ 48 billion segment in 2025, projected to reach an estimated value of US\$ 154 billion by 2033<sup>25</sup>. Eco- and adventure tourism is gaining recognition through Himalayan, desert, and coastal circuits – areas ripe for investment in sustainable facilities, safety infrastructure, and conservation-driven operations. Business and MICE travel are rebounding with new convention centres and global-standard venues in cities such as Delhi, Hyderabad, and Goa, opening possibilities for U.S. event-management and hospitality brands to establish a deeper foothold.

#### Short-Term Rentals (STR) and Homestays

Short-term rental accommodations and homestays represent a rapidly expanding segment within India's tourism ecosystem. The STR sector was valued at approximately US\$ 140 billion in 2025, with projections to exceed US\$ 408 billion by 2035<sup>26</sup>. STRs serve as a strategic instrument to rapidly expand India's accommodation capacity in underserved regions where formal hotels are economically unviable. NITI Aayog's analysis identifies a shortfall of over 200,000 hotel rooms in key tourism circuits<sup>27</sup>; homestays can bridge these gaps quickly by leveraging existing built stock with significantly lower capital intensity

compared to greenfield hotel development. This segment demonstrates outsized local economic impacts, yielding employment and output multipliers higher than many traditional tourism investments, making STRs an attractive target for blended capital, impact investors, and smaller-cap hospitality investors.

#### Bollywood-Hollywood Film Tourism Model

Film tourism has become one of the most powerful drivers of destination visibility worldwide. India and the United States have a unique opportunity to build a structured Bollywood-Hollywood partnership to amplify their tourism appeal. Indian cinema has historically shaped international travel aspirations, with films like *Kal Ho Naa Ho* and *Kabhi Alvida Naa Kehna* turning New York into a top aspirational destination for Indian travellers. Similarly, *My Name is Khan* and *Dostana* have showcased American cities such as Miami to new audiences.

American filmmakers are increasingly interested in shooting in India, but inconsistent approval processes limit potential growth. Streamlining state-level clearances and offering film incentives following successful U.S. models would significantly increase filming in destinations like Rajasthan, Kerala, Ladakh, and the Northeast. Initiatives such as joint film festivals, student exchange programs, and studio set tours could deepen bilateral creative ties and generate new tourism products, as demonstrated by film-tourism successes in the U.K. and U.S.

<sup>25</sup> <https://www.grandviewresearch.com/industry-analysis/medical-tourism-market>

<sup>26</sup> <https://www.researchnester.com/reports/short-term-rental-market/6437#:~:text=Short%2DTerm%20Rental%20Market%20Outlook,suburban%20homes%20to%20unique%20stays.>

<sup>27</sup> <https://niti.gov.in/sites/default/files/2025-08/Rethinking-Homestays-Navigating-Policy-Pathways.pdf>

### Education Tourism

Educational mobility is a significant and high-impact driver of tourism. In the 2024–25 academic year, 363,000 Indian students studied in the U.S., accounting for roughly 30.8% of the total international student population. International students including those from India, contributed to nearly US\$ 55 billion to the U.S. economy<sup>28</sup>. These students generate long-stay tourism through family visits and domestic tourism within the U.S.

American students are increasingly engaging with Indian educational institutions for fields such as public health, sustainability, Ayurveda, design, and technology, producing reciprocal travel flows. Strengthening educational mobility frameworks, visa processing, and institutional partnerships could expand this pipeline, fostering cultural exchange and economic impact that benefits both nations' tourism sectors.

### Medical and Wellness Tourism

Medical and wellness tourism has solidified into a major growth pillar. Valued at approximately US\$ 48.40 billion in 2025 and projected to exceed US\$ 154 billion by 2033<sup>29</sup>, India is recognized globally as a trusted destination for affordable, high-quality healthcare. International patients, increasingly including Americans, seek orthopaedic surgeries, dental procedures, fertility treatments, and integrative wellness programs in India.

Indian healthcare providers like Narayana Health, Apollo, Max Healthcare, and Medanta

cater to thousands of international patients annually, offering comprehensive concierge and telemedicine services. The wellness sector, including Ayurveda and preventive health, adds to this expanding ecosystem, creating significant opportunities for joint ventures, health-tech platforms, medical charter services, and wellness hospitality investments.

At the same time, niche tourism categories are expanding rapidly, creating diverse opportunities:

#### Spiritual and heritage tourism

Supported by projects such as the Ayodhya redevelopment and Kashi Vishwanath corridor, this segment accounts for a significant share of domestic tourism.

#### Medical and wellness tourism

Valued at US\$7.69 billion, driven by internationally accredited healthcare institutions offering treatments like orthopaedic surgeries and Ayurveda programs.

#### Eco-and adventure tourism

Growing through Himalayan, desert, and coastal circuits, emphasizing sustainable and conservation-focused investments.

#### Business and MICE travel

Rebounding with major convention centres in cities including Delhi, Hyderabad, and Goa, opening new avenues for hospitality brands

The policy environment remains distinctly pro-tourism. Under Swadesh Darshan 2.0, the

<sup>28</sup> <https://opendoorsdata.org/annual-release/international-students/>

<sup>29</sup> <https://www.grandviewresearch.com/industry-analysis/medical-tourism-market>

government transitions from centrally planned circuits to state-led, destination-specific development that integrates infrastructure, branding, and community participation. The PRASAD scheme revitalizes pilgrimage sites, while Dekho Apna Desh promotes lesser-known regions through digital storytelling and influencer networks. These programs improve visibility, elevate quality standards, and co-funding avenues, signaling alignment between public policy and private investment.

The confluence of government strategy, market momentum, and emerging niche opportunities offers U.S. companies extensive entry points - from hospitality infrastructure and destination management to travel-tech, payments integration, and sustainability solutions. The American traveller segment in India represents

the highest average daily expenditure among foreign visitors and can become the nucleus for premium services. The growing number of Indian tourists to the U.S., surpassing two million in 2024, strengthens a reciprocal commercial corridor that can be leveraged via joint marketing, loyalty programs, and cross-industry partnerships.

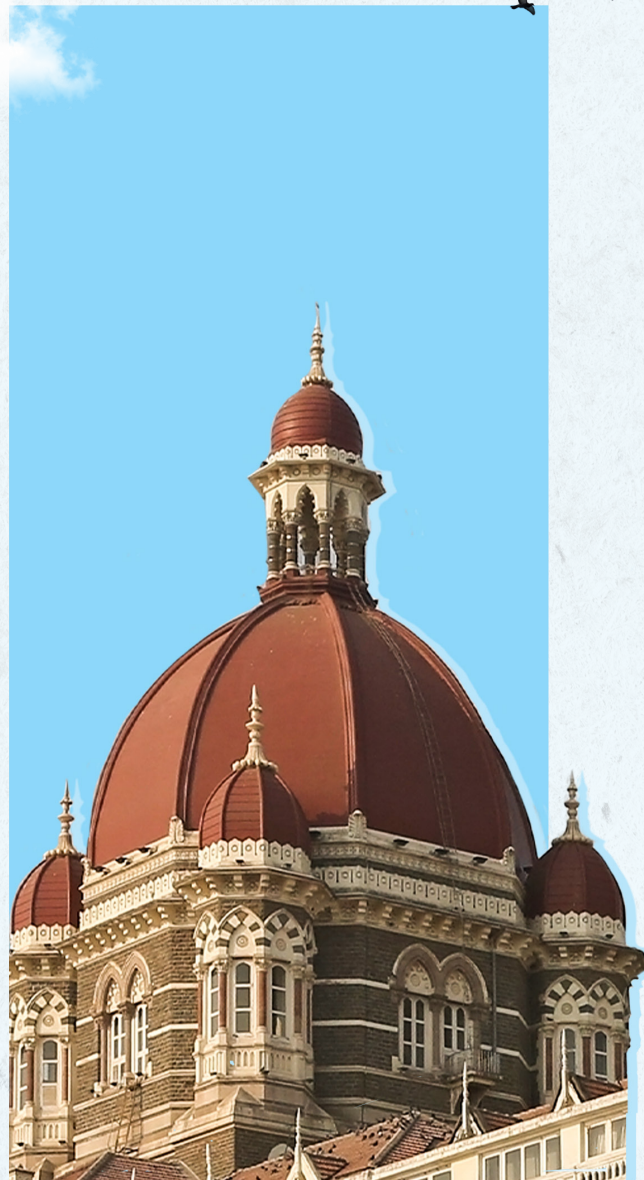
India's tourism sector today offers a unique blend of scale and segmentation - a robust domestic foundation, a recovering inbound market with strong U.S. connections, and proactive government policies reducing risk. This sets India apart as one of the most promising frontiers in the global tourism economy and a natural partner for American enterprise.





# 04 *Investment, Infrastructure and Landscape*

India's booming tourism infrastructure presents an expansive landscape of investment and impact opportunities.



The growth potential of India's tourism sector is inextricably linked to the evolution of its infrastructure. As demand rises from domestic travellers, high-value inbound visitors, and international collaborators, the supply side faces mounting pressure. Today, India's tourism narrative is shaped not just by demand but by connectivity quality, accommodation diversity, digital platforms, last-mile linkages, and governance frameworks that enable scalable, world-class experiences. For U.S. companies, infrastructure gaps are not obstacles – they are clearly identifiable investment opportunities.

#### Current Infrastructure Landscape

India's air connectivity network has expanded significantly: the country operates over 163 airports as of 2025 (domestic, international, and customs)<sup>30</sup>, with capital expenditure exceeding ₹96,000 crore (US \$11.2 billion) invested between FY 2020 and FY 2025<sup>31</sup>.

Yet many tourist circuits suffer from weak last-mile connectivity. Over 150 identified destinations lie eight or more hours by road from the nearest airport, with challenging terrain and poor road conditions impeding access. Road and rail infrastructure remains uneven across tourism states; many rural, heritage, and adventure tourism locations lack reliable connectivity or integrated transit systems from arrival hubs to final destinations. The hospitality sector shows stark disparities: premium international-brand hotels dominate Tier-1 cities, while regional accommodation in Tier-2/3 towns remains underdeveloped, creating supply gaps amid rising demand.

#### Private Investment Momentum

Against these bottlenecks, private investment is accelerating. Domestic and international hotel chains are expanding aggressively across resort destinations, heritage towns, beach locations, and MICE-focused cities. MICE infrastructure in Ahmedabad, Hyderabad, and

<sup>30</sup> <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2181865&reg=3&lang=2>

<sup>31</sup> <https://infra.economictimes.indiatimes.com/news/aviation/rs-96000-crore-invested-in-indias-airports-in-last-5-years-minister/123170187#:~:text=New%20Delhi:%20The%20Airports%20Authority,their%20own%20sources%2C%20he%20added.>



Goa signals India's positioning as a global conference destination. Last-mile solutions ropeways, regional air-links, seaplanes, and highway upgrades to remote areas represent the next frontier, creating entry points for U.S. firms with expertise in experience design, logistics, digital bookings, and operations management.

U.S. participation in India's tourism infrastructure and hospitality ecosystem is already visible and growing. Several Indian airports operating under PPP models generate 60-70 percent of their revenue from non-aeronautical sources and handle nearly two-thirds of traffic at major hubs, underscoring the viability of PPP-led airport management. Large U.S. hospitality brands have deepened their presence in Indian, while platforms like Airbnb pioneer in heritage-stay and rural glamping models. However, India's vast underserved geography means opportunity remains substantial.

### Emerging Investment Avenues

Several factors create new pathways for U.S. investors:

- First, tourism's inclusion on India's Harmonised Master List of Infrastructure qualifies tourism projects- such as hotels, ropeways, destination infrastructure for long-term financing, viability gap funding, and priority approvals.
- Second, PPP frameworks remain central with government agencies actively inviting private capital for airport expansions, regional connectivity across air/road/rail, tourism-circuit infrastructure, and destination management.

- Third, tourism-tech represents a rapidly emerging frontier, spanning digital visitor platforms, contactless payments, AR/VR experiences, smart mobility in heritage zones, and AI-driven destination management platforms are areas where U.S. tech expertise aligns well with India's scale.

### Addressing Infrastructure and Operational Challenges

Industry feedback from major hospitality operators highlights specific areas requiring attention. Regulatory approvals remain fragmented across states, with varying timelines and requirements; harmonized single-window clearance mechanisms and clearer GST treatment would accelerate project execution. Floor Space Index (FSI) norms and local tax structures require alignment to improve project economics. While air connectivity has improved substantially, last-mile infrastructure- reliable roads, integrated public transit, clear wayfinding, and planned tourism zones remains critical. PPP frameworks should prioritize airport expansions, ropeways, and MICE facilities to unlock dispersed demand.

Infrastructure improvements go hand-in-hand with digital enablement. India's public digital infrastructure - UPI, Aadhaar, DigiYatra - has improved discovery and compliance at scale, yet millions of tourism micro, small, and medium enterprises (MSMEs) remain under-digitized. U.S. travel-tech companies offering cloud-based property management, dynamic pricing engines, online experience marketplaces, and SaaS platforms for small

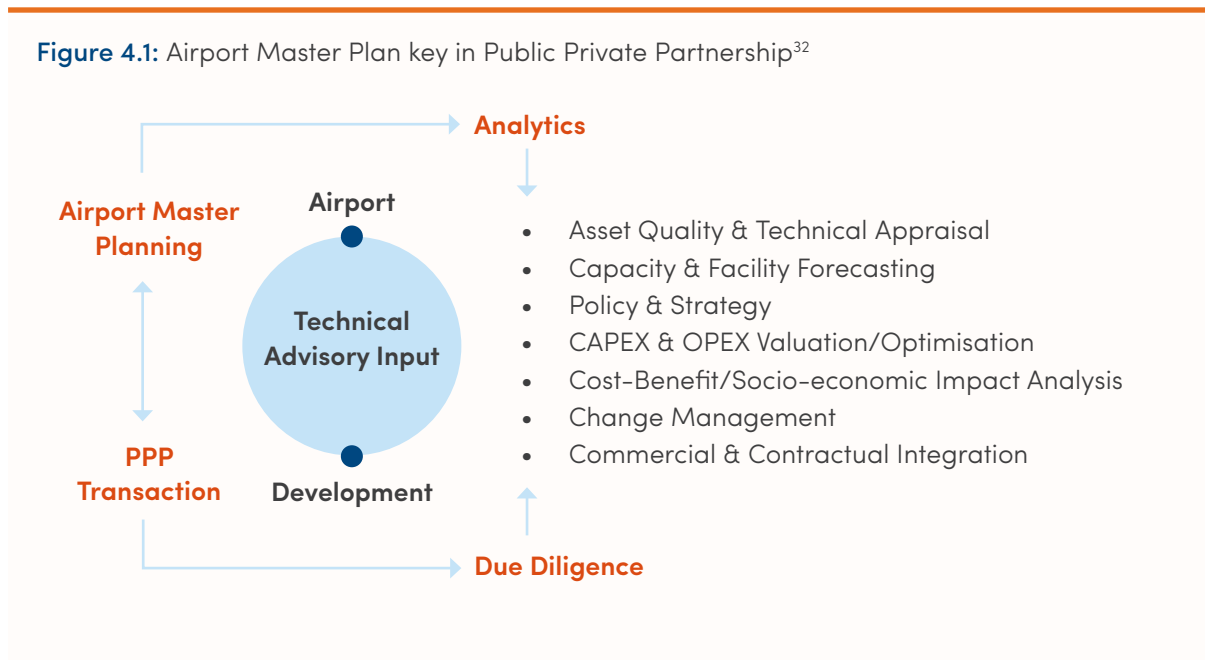
hotels and homestays can unlock significant value.

**Strategic Positioning**

India’s tourism ecosystem is no longer simply in recovery - it is entering a new phase of investment-driven growth. U.S. engagement at this inflection point could provide a strategic first-mover advantage. Companies deploying capital, technology, and operational expertise across airport concessions, hotel/resort development, last-mile mobility, digital visitor

services, and destination management stand to benefit from both scale and policy alignment.

The policy environment increasingly supports private participation; openness to PPPs is rising; and the Indian consumer base is becoming more sophisticated and digitally engaged. These factors create a timely window for U.S.-India partnerships in infrastructure development and landscape-building within the tourism sector.



In conclusion, India’s booming tourism infrastructure presents an expansive landscape of investment and impact opportunities. Supported by government commitments including Budget 2025-26 allocation to develop 50 key tourist destinations in partnership with states<sup>33</sup>, expanding air connectivity, and incentivizing PPPs, the sector is poised for transformative growth. Innovations in digitization, sustainability, and experiential

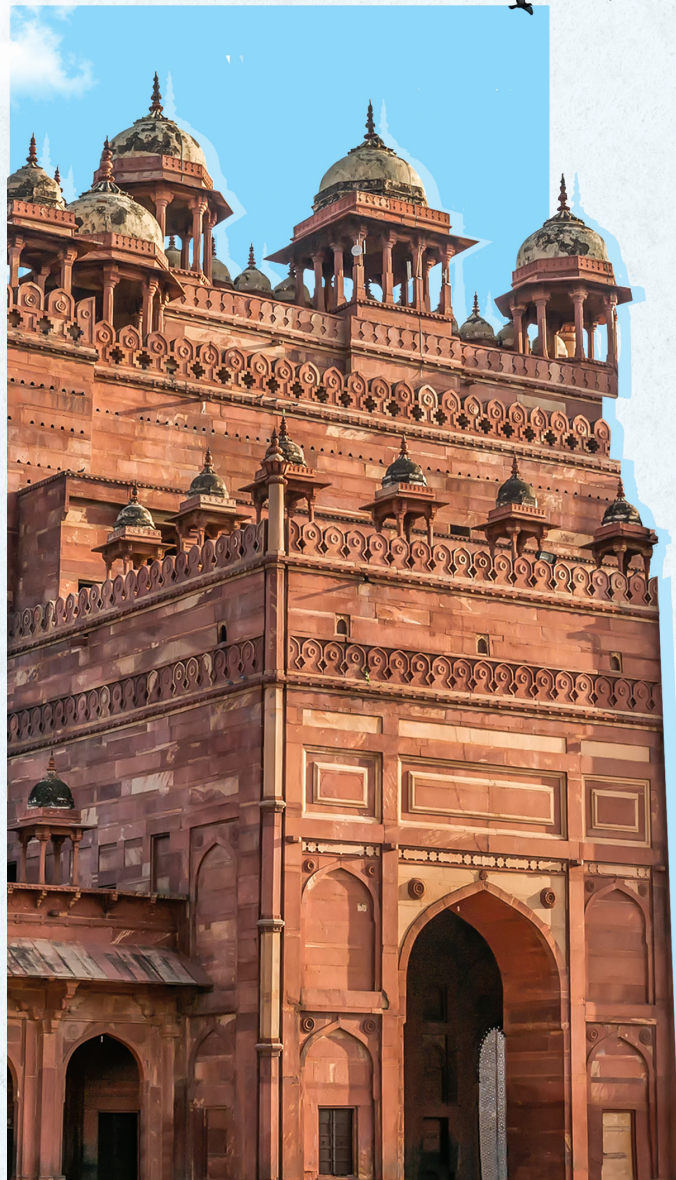
travel infrastructure further strengthen the case for strategic U.S. engagement. Together, these factors create a compelling environment where capital deployment, technology integration, and operational excellence can unlock lasting value. For U.S. investors and operators, aligning with India’s evolving landscape offers not just commercial returns but a chance to contribute meaningfully to India’s emergence as a global tourism powerhouse.

<sup>32</sup> Source: New Airport Insider: <https://newairportinsider.com/articles/public-private-partnership-ppp-what-you-need-to-know>

<sup>33</sup> PIB: <https://www.pib.gov.in/PressReleaseIframePage.aspx?PRID=2098371&reg=3&lang=2>

# 05 *Ease of Doing Business & Regulatory Landscape*

Tourism, perhaps more than any other sector, stands to benefit from this alignment: as approvals become faster, digital payments universal, and policy predictability rises, India's tourism market will become not just vast but truly accessible.



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*As India's tourism sector accelerates toward becoming a trillion-dollar economy, its regulatory environment remains both a challenge and a lever for transformation.*

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As India's tourism sector accelerates toward becoming a trillion-dollar economy, its regulatory environment remains both a challenge and a lever for transformation. For international investors, the opportunity is vast, but so too is the complexity of navigating India's layered approval systems, state-specific regulations, and overlapping jurisdictions. At the same time, a clear reform momentum is underway – aimed at simplifying the business environment, enhancing transparency, and making India's tourism ecosystem more competitive globally.

Investors and operators often cite the regulatory density surrounding tourism projects as a significant constraint to faster capital deployment. The approval process for hotels, resorts, and tourism infrastructure involves dozens of clearances across construction, environmental, heritage, safety, and local governance authorities. These span from pre-construction approvals such as land conversion, zoning permissions, and

environmental impact assessments to post-construction operational licenses, tax registrations, and health and safety certifications. For foreign entrants unfamiliar with India's multi-tiered federal structure, this fragmented system can appear opaque, particularly because tourism remains a "state subject," with each state imposing its own procedural frameworks and incentive regimes.

The outcome is an uneven playing field. Progressive states such as Gujarat, Tamil Nadu, Maharashtra, and Uttar Pradesh have begun setting up tourism facilitation cells and single-window clearance systems to expedite approvals. However, many others still rely on multiple departmental interfaces. The absence of uniformity often increases project timelines and compliance costs, discouraging smaller or first-time investors. At the same time, this diversity of local governance presents a unique laboratory for reform, where state innovation can inspire scalable national frameworks.



*Equally integral to ease of doing business is the ease of transacting for tourists themselves. India's Unified Payments Interface (UPI) has become a defining feature of its digital economy, processing over*

**16.58 billion**  
*transactions in a single month  
 (October 2024).*



However, a reform intent is now visible. The Ministry of Tourism has proposed a **National Digital Tourism Mission Framework**<sup>34</sup> and **National Tourism Policy**<sup>35</sup> that would establish standardized approval timelines, digital portals for project submissions, and defined accountability mechanisms. Several states are experimenting with “tourism single-window systems,” enabling simultaneous processing of land, environmental, and construction permits. Discussions around tourism-specific Special Economic Zones (SEZs) and destination-based facilitation zones are gaining traction, aiming to cluster hospitality, retail, and mobility investments under simplified regulatory umbrellas. Together, these reforms strive to reduce uncertainty, streamline project execution, and signal predictability to global investors.

Equally integral to ease of doing business is the ease of transacting for tourists themselves. India's Unified Payments Interface (UPI) has become a defining feature of its digital economy, processing over 16.58 billion transactions in a single month (October 2024)<sup>36</sup>. However, UPI's current limitation

to RuPay card networks has unintentionally created a barrier for inbound travellers. Most international tourists, including those from the U.S., rely on Visa, Mastercard, or American Express networks, which remain outside the UPI ecosystem. Allowing these global networks to integrate into UPI would improve convenience for travellers and unlock economic opportunities for thousands of small and medium tourism enterprises across India. With UPI already accepted in select international destinations like Singapore and France, expanding interoperability to inbound transactions represents the next logical evolution in India's payment landscape.

The same principle applies to urban mobility. Metro and transit systems in most Indian cities currently restrict card-based ticketing to domestic networks, leaving inbound tourists dependent on cash or app-specific QR codes. Enabling all network cards for metro and bus systems, alongside unified QR payment gateways, would remove daily travel friction, increase average tourist spending, and align India's visitor experience with international standards.

<sup>34</sup> <https://tourism.gov.in/sites/default/files/2022-04/NDTM%20notification%2019042022.pdf>

<sup>35</sup> <https://www.pib.gov.in/PressReleaseFramePage.aspx?PRID=1983714&reg=3&lang=2>

<sup>36</sup> <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2079544&reg=3&lang=2>

For U.S. investors and technology providers, these transitions present strategic participation points. American fintech firms can contribute to backend architecture, network integration, and data security frameworks enabling UPI's global expansion, while U.S. travel-tech companies can collaborate with state governments to digitize licensing and compliance systems. In doing so, they not only enter a rapidly growing market but also help shape India's next phase of ease-of-doing-business reform.

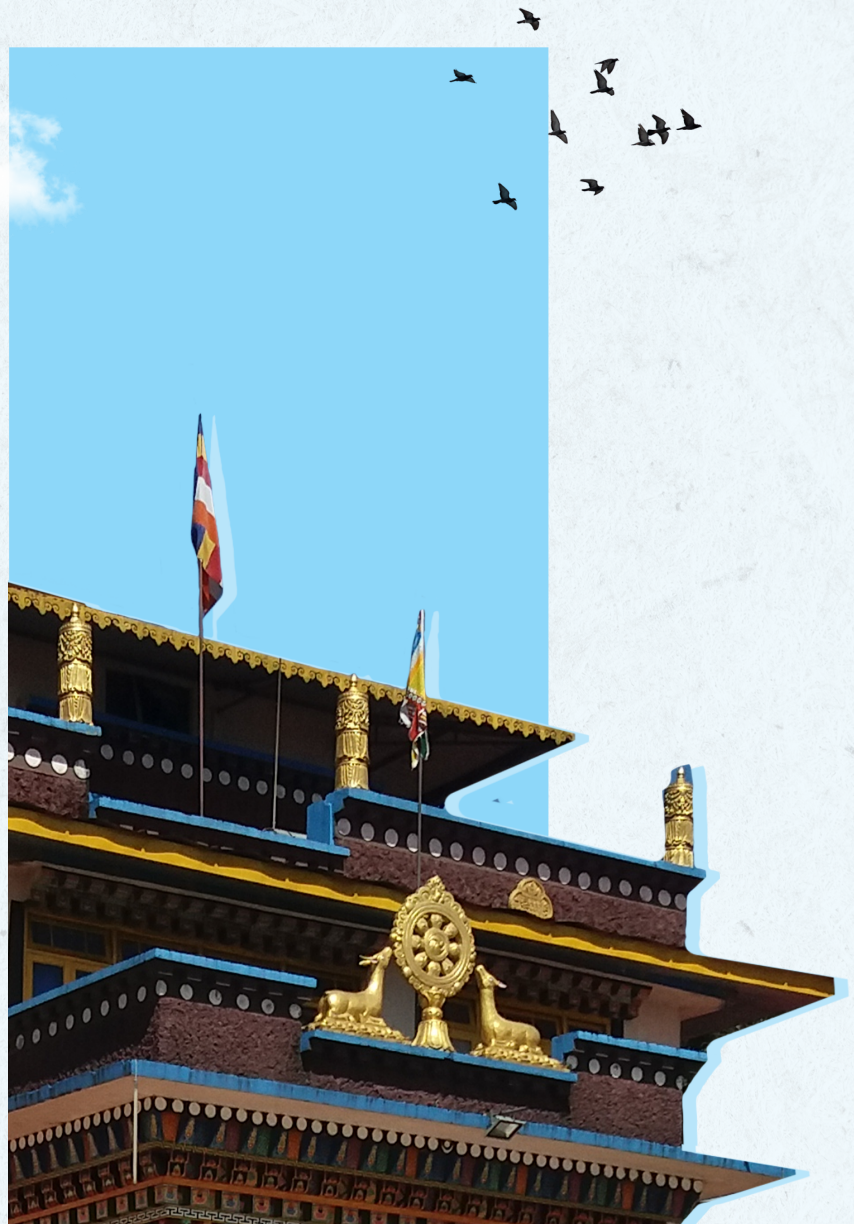
The narrative is shifting from bureaucratic inertia to constructive engagement. India's

regulators show increasing openness to dialogue with industry and international partners; the private sector is ready to co-create solutions that simplify governance. This is where USISPF plays a catalytic role—bridging investor concerns with policy discussions, articulating key pain points, and supporting governments in designing frameworks that enhance transparency and growth. Tourism, perhaps more than any other sector, stands to benefit from this alignment: as approvals become faster, digital payments universal, and policy predictability rises, India's tourism market will become not just vast but truly accessible.



# 06 *Human Capital and Skilling Needs*

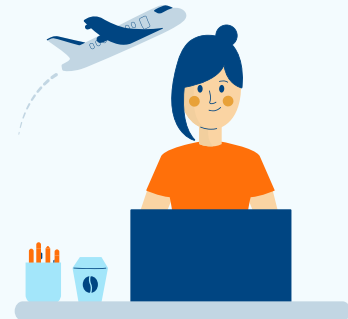
The industry increasingly demands expertise in sustainability management, digital guest engagement, and cross-cultural communication.



*Tourism supports an estimated 76.17 million jobs in India (direct and indirect), accounting for approximately*

**12.57 %**

*of national employment (TSA 2022-23).*



As India's tourism industry scales rapidly, its greatest constraint is not infrastructure or capital, but skilled human resources. The human interface including guides, hospitality staff, transport operators, and experience curators ultimately defines the quality of a tourist's journey. Despite surging visitor numbers, the supply of trained professionals has not kept pace with growing demand. Addressing this gap is critical for India to sustain its growth trajectory and meet global service excellence benchmarks.

Tourism supports an estimated 76.17 million jobs in India (direct and indirect), accounting for approximately 12.57 percent of national employment (TSA 2022-23)<sup>37</sup>. However, the majority of these positions remain informal or semi-skilled. The tourism

sector is facing a significant shortfall of skilled professionals, a gap that requires urgent and focused attention<sup>38</sup>. This shortfall results from a fragmented skilling ecosystem, characterized by uneven geographic distribution of training institutes, variable curricula across states, and a lack of uniform certification frameworks. Consequently, service quality varies widely—from internationally accredited luxury hotels to local operators relying predominantly on experience and instinct.

The workforce challenge is especially stark outside metropolitan areas. While major urban centres host premier hospitality schools and management institutes, smaller destinations including hill circuits, heritage towns, and emerging

<sup>37</sup> [https://tourism.gov.in/sites/default/files/2025-02/Ministry%20of%20Tourism%20Annual%20Report\\_2024-25\\_ENGLISH\\_0.pdf](https://tourism.gov.in/sites/default/files/2025-02/Ministry%20of%20Tourism%20Annual%20Report_2024-25_ENGLISH_0.pdf)

<sup>38</sup> <https://www.msde.gov.in/static/uploads/2025/07/6a62ad4129b524c392ed1450393804f4.pdf>

eco-tourism zones grapple with shortages of trained manpower. Progressive states like Kerala and Rajasthan have pioneered innovative community-linked tourism skilling models, but these remain exceptions rather than widespread practice. Scaling such initiatives nationally requires coordinated policy support and active private-sector participation.

Meanwhile, the tourism skillset itself is evolving at pace. The industry increasingly demands expertise in sustainability management, digital guest engagement, and cross-cultural communication. Hotels and travel platforms are embracing AI-enabled concierge services, data-driven personalization, and contactless interfaces necessitating higher digital literacy alongside traditional hospitality skills. Current curricula lag in integrating these emerging proficiencies, presenting both

a constraint and an opportunity for global operators entering India's market.

A strategic India - U.S. Tourism Skilling Partnership could address these challenges. Anchored by academic institutions and co-led by industry leaders, this initiative would promote joint curriculum development, faculty exchange, and bilateral certification pathways. Leading U.S. universities and hospitality schools could collaborate with Indian Institutes of Hotel Management and state tourism departments to design modular courses that blend international standards with local contexts. Simultaneously, multinational hospitality companies - including Marriott, Hilton, IHCL, Hyatt could establish centres of excellence and apprenticeship pipelines to train local youth in operations, sustainability, and digital services.



The skilling agenda, therefore, is not just a social priority but a strategic enabler for investment. With coordinated policy support and international collaboration, India can transform its demographic advantage into a sustainable tourism asset. As subsequent sections will explore, technology and innovation are already reshaping how travellers interact with destinations; equipping people to harness these tools will be essential to the next phase of growth.

Such efforts would not only expand India's skilled workforce but also deepen commercial synergies between U.S. and Indian tourism industries. They would generate predictable talent pipelines for global hotel chains, enhance service consistency for travellers, and create

new livelihood opportunities for communities in emerging destinations. Leveraging blended learning, ed-tech platforms, and mobile-based micro-credentials, digital training models could democratize access – extending opportunities to even remote districts.

Therefore, the skilling agenda transcends social responsibility; it is a strategic enabler for investment. With aligned policy support and robust international collaboration, India can transform its demographic advantage into a sustainable competitive asset. As subsequent sections will explore, technology and innovation are reshaping traveller interactions; equipping people to harness these tools will be essential for the sector's next phase of growth.



# 07 *Technology and Innovation*

India's readiness, reflected in its digital public infrastructure, smartphone penetration, and entrepreneurial energy, provides a strong foundation.



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*The government's flagship digital initiative, Incredible India 2.0, marks a significant leap forward. The platform integrates destination content, booking links, audio guides, and event calendars into a unified interface aimed at both domestic and international travellers.*

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The next wave of growth in India's tourism industry will be driven as much by technology as by infrastructure. From how travellers discover destinations to how they navigate, pay, and share experiences, digital innovation is reshaping the entire value chain. India has made notable progress in developing national tourism portals, digital heritage experiences, and smart-city infrastructure; yet the ecosystem remains fragmented and uneven in its integration. For global investors and technology partners, this presents a rare inflection point; a large, digitally active market primed for consolidation, innovation, and scale.

The government's flagship digital initiative, Incredible India 2.0, marks a significant leap forward. The platform integrates destination content, booking links, audio guides, and event calendars into a unified interface aimed at both domestic and international

travellers. Several states have followed with their own digital tourism portals and AR-enabled museum guides, while private operators have launched mobile apps offering multilingual tours, ticketless entry, and immersive heritage storytelling. Despite these advances, the absence of standardized APIs and interoperable data systems limits seamless user experiences. Each application often operates in isolation, resulting in duplicated data, uneven updates, and missed opportunities for cross-marketing.

For the next generation of travellers – especially Gen Z and high-value global tourists – convenience, personalization, and contactless engagement are non-negotiable. This is where India's broader fintech revolution offers a natural advantage. The Unified Payments Interface (UPI) has fundamentally transformed how Indians transact domestically; its potential extension to international



users and tourism hotspots could redefine foreign visitors' spending and experiences. Contactless payments, biometric check-ins, and QR-based access at monuments and transport hubs would not only enhance convenience but also generate valuable data on tourist flows, enabling smarter destination planning. By integrating payments, bookings, and mobility on a single digital layer, India can deliver a frictionless travel journey from arrival to departure.

U.S. technology and fintech firms have an important role to play in this evolution. American companies possess deep expertise in AR/VR experiences, AI-driven recommendations, travel analytics, and secure digital payments. Collaborations between U.S. innovators and Indian platforms could accelerate the creation of immersive visitor experiences and real-time information systems. Imagine exploring the Ajanta caves through augmented reality glasses developed by a U.S. startup, booking eco-resorts via AI-powered sustainability filters, or using a globally interoperable wallet that syncs UPI with Visa, Mastercard, or Amex - all technologically viable today.

Several global case studies illustrate the power of such partnerships. Mastercard's Priceless Cities programme curates local experiences in collaboration with municipalities and tourism boards—from culinary workshops in Barcelona to heritage walks in New York. Adapting similar models for Indian cities could connect local artisans, small businesses, and

digital marketplaces with global networks, amplifying both reach and revenue. Likewise, the Smithsonian Institution's digital heritage projects in the U.S. offer valuable templates for museum and cultural site digitisation, merging storytelling with technology to engage younger audiences.

To harness these opportunities systematically, creating an India-U.S. Tourism Innovation Accelerator could serve as a dedicated platform for experimentation and investment. Such an initiative would pool resources from governments, corporates, and venture ecosystems to fund travel-tech startups, pilot digital-experience prototypes, and promote knowledge exchange on tourism data standards and cybersecurity. With India's vast domestic market and the U.S.'s proven innovation ecosystem, a joint accelerator would bridge capability with scale, enabling startups to design solutions locally and deploy them globally.

The future of tourism will be defined by how effectively technology and experience intersect. India's readiness, reflected in its digital public infrastructure, smartphone penetration, and entrepreneurial energy, provides a strong foundation. What it needs now is the integration and innovation that global collaboration can unlock. U.S. firms, with their expertise in design, data, and digital storytelling, are well-positioned to become key enablers of this transformation - turning India's fragmented digital tourism landscape into a connected, intelligent, and globally competitive ecosystem.



ভারতের  
স্বাধীনতা  
সংগ্রাম

মেট্রো স্টেশনের  
বাতেনা

স্বাধীনতা সংগ্রামের  
একটি গুরুত্বপূর্ণ অঙ্গ  
হিসেবে মেট্রো স্টেশন  
সংগ্রামের বাতেনা  
সংরক্ষিত।

মেট্রো স্টেশনের  
বাতেনা



# 08 *Lessons from the US Model*

Over its decades of stewardship, the NPS has successfully combined the protection of extraordinary natural and historical landscapes with world-class visitor management.



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*The United States offers valuable lessons in how a mature, globally competitive tourism sector can be managed to deliver outstanding visitor experiences, sustainable growth, and deep community impact.*

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The United States offers valuable lessons in how a mature, globally competitive tourism sector can be managed to deliver outstanding visitor experiences, sustainable growth, and deep community impact. Drawing on these lessons can help India develop a resilient, well-integrated tourism ecosystem that balances economic opportunity with cultural preservation and environmental stewardship.

One of the most exemplary models is the U.S. National Park Service (NPS)<sup>39</sup>. Over its decades of stewardship, the NPS has successfully combined the protection of extraordinary natural and historical landscapes with world-class visitor management. Through clearly marked trails, well-maintained visitor centres, and digitally accessible planning tools, millions of visitors can explore sensitive environments

sustainably and enjoyably. NPS also balances preservation priorities with innovative revenue models that support maintenance and community benefit, an approach India can adapt to its abundance of heritage and eco-tourism destinations.

The Smithsonian Institution provides another leading example in cultural and educational heritage management. With digitized collections, interactive exhibits, and virtual tours, the Smithsonian makes culture accessible and engaging without compromising depth and scholarship, appealing strongly to diverse age groups including younger audiences. Indian museums and cultural sites could leverage similar digital storytelling techniques and partnerships with technology firms to broaden their appeal and foster year-round engagement.



<sup>39</sup> <https://www.nps.gov/index.htm>

At the urban and city-tourism level, American cities like New York, Washington D.C., and Chicago have mastered the art of bundled visitor experiences through integrated city passes that combine museums, local attractions, guided tours, and public transportation. These offerings simplify planning, reduce friction, and increase both visitor satisfaction and municipal revenue. Developing Indian city tourism boards and introducing unified tourist passes could replicate this success, easing the visitor journey while boosting economic outcomes.

The U.S. tourism sector also exemplifies leadership in sustainable practices and

community engagement. Carbon-conscious tourism models, community co-created experiences, and robust hospitality standards contribute to long-term destination health and tourist satisfaction. These models provide replicable frameworks for India's vast eco, adventure, and heritage circuits that seek to preserve natural beauty and cultural authenticity.

Payments and digital engagement provide further lessons from the U.S. model.

Programs like Mastercard's Priceless Cities use partnerships with local governments and businesses to curate unique, localized



experiences enhanced by digital loyalty and payment technologies. India's tourism industry could adapt such integrated frameworks to build smarter, more connected visitor ecosystems that drive spending and experiential depth.

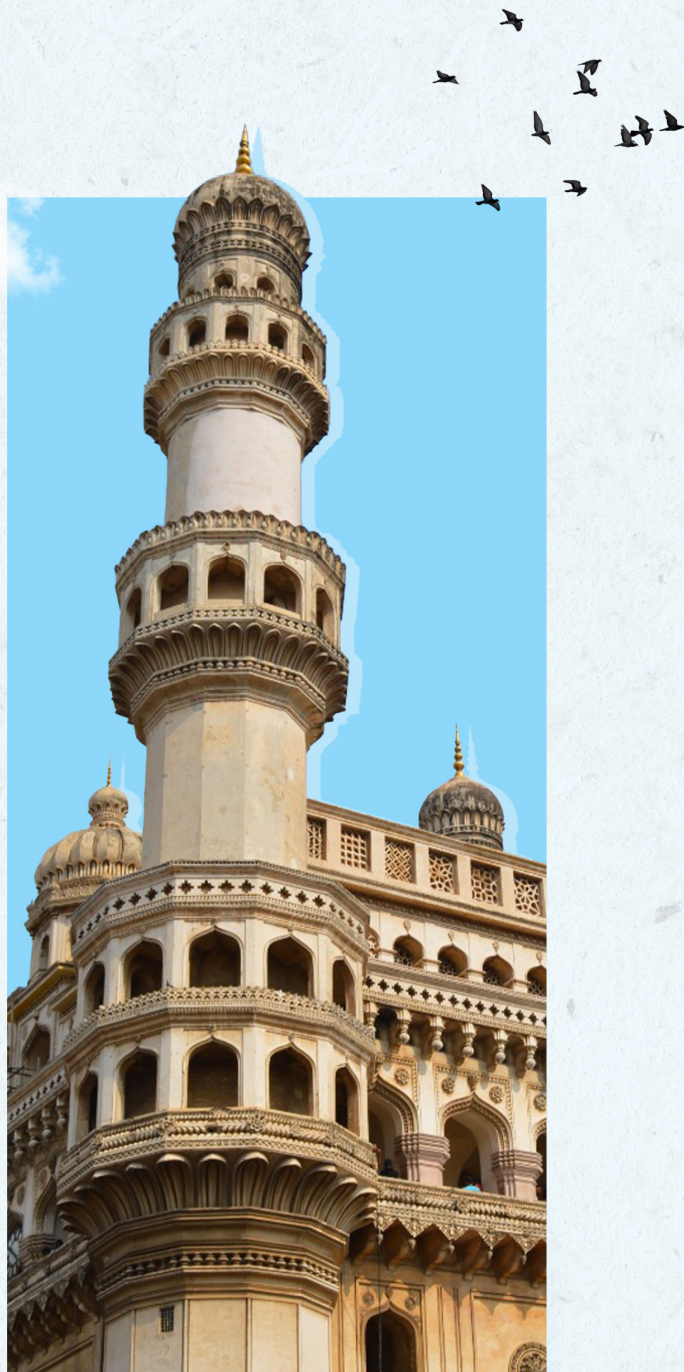
Importantly, India's tourism reforms and innovation stand to gain significantly from U.S.-India collaboration. USISPF's role as a convenor and enabler is critical - connecting

American institutional knowledge, technology expertise, and investment capital with Indian policy initiatives and market scale. Through joint capacity-building, knowledge exchange platforms, and pilot programs based on U.S. best practices, India can leapfrog development challenges, delivering a world-class, inclusive, and sustainable tourism future



# 09 *Case Study: Uttar Pradesh under the spotlight*

Around 63% of flights to religious destinations are booked within a week of travel, demonstrating a rising trend toward flexible and spontaneous pilgrimage planning.



*In 2022, approximately*

**1,433 million**

*domestic tourists visited Indian pilgrimage sites, accompanied by 6.64 million foreign visitors - a striking increase from 677 million domestic tourists recorded in 2021 (PHDCCI-KPMG Report).*

Religious tourism constitutes over 60% of domestic travel in India, illustrating the paramount importance of spiritual travel in the country's vast tourism landscape. In 2022, approximately 1,433 million domestic tourists visited Indian pilgrimage sites, accompanied by 6.64 million foreign visitors - a striking increase from 677 million domestic tourists recorded in 2021 (PHDCCI-KPMG Report)<sup>40</sup>. This surge reflects a nationwide revival of religious sentiments post-COVID, which has significantly boosted footfall to pilgrimage destinations.

The Ministry of Tourism estimates that religious tourism generated revenues of about US \$16.2 billion in 2022<sup>41</sup>. The sector's employment

impact is profound, with over 100 million people projected to be employed by 2030 due to spiritual tourism alone. Estimates also forecast sector revenues growing to US\$ 59 billion by 2028<sup>42</sup>. India, home to 42 UNESCO World Heritage Sites - including 10 under religious heritage - boasts an expansive variety of pilgrimage destinations affiliated with multiple faiths and traditions.

India's rich spiritual tapestry includes major Hindu temple towns such as Tirupati, Varanasi, Ayodhya, Mathura-Vrindavan, Haridwar-Rishikesh, Badrinath, Kedarnath, Puri, Vaishno Devi, Madurai, Ujjain, Kamakhya, and Gaya, known for their spiritual significance and lifelong visitation

<sup>40</sup> <https://assets.kpmg.com/content/dam/kpmg/in/pdf/2024/08/sacred-journeys-unfolding-the-evolution-and-growth-of-pilgrimage-and-spiritual-tourism-in-india.pdf>

<sup>41</sup> <https://www.ibef.org/research/case-study/spiritual-tourism-in-india-analysing-economic-impact-and-growth-potential#:~:text=As%20per%20the%20Ministry%20of,the%20Ministry%20of%20Tourism%20itself.>

<sup>42</sup> <https://www.ibef.org/research/case-study/spiritual-tourism-in-india-analysing-economic-impact-and-growth-potential#:~:text=As%20per%20the%20Ministry%20of,the%20Ministry%20of%20Tourism%20itself.>

aspirations. Apart from Hindu sites, significant destinations for other faiths include Buddhist centers like Gaya, Sarnath, and Kushinagar; Jain pilgrimage sites such as Palitana and Ranakpur; Sikh shrines including the Golden Temple and Pantao Sahib; Muslim holy destinations Ajmer Sharif and Nizamuddin; and Christian sites like the Basilica of Bom Jesus and Velankanni in Goa.

Spiritual tourism is characterized predominantly by overnight stays, with short-duration visits of 1 – 3 days being common. Around 63% of flights to religious destinations<sup>43</sup> are booked within a week of travel, demonstrating a rising trend toward flexible and spontaneous pilgrimage planning. Enhanced airport and rail connectivity to these locations has further facilitated impromptu travel by spiritual tourists.

### Case Study I

## *Uttar Pradesh - Ayodhya & Varanasi*

Within this national framework, Uttar Pradesh stands as a focal point for spiritual tourism, attracting an estimated 650 million tourists in 2024<sup>44</sup>. The temple towns of Ayodhya, Varanasi, and Mathura-Vrindavan form the backbone of this massive tourist influx. Since the opening of the new Ram Temple, Ayodhya recorded around 476 million visitors from January to September 2024 alone<sup>45</sup>. Varanasi hosts nearly 110 million visitors per year, while Mathura-Vrindavan attracts approximately 80 million annually.<sup>46</sup>

Travellers from southern India tend to combine visits to Ayodhya and Varanasi, drawn by their complementary spiritual significance and convenient transport links. Following the construction of the Ram Mandir, the demand for accommodation in Ayodhya is projected

to rise sharply, spanning budget to five-star categories. International and domestic branded hotel chains such as Taj, Radisson, ITC, and Holiday Inn have established a presence and are likely to expand further. However, the shortage of star-rated hotels persists, prompting many travellers to rely on dharamshalas and budget lodgings.

Economically, the Ram Mandir generated revenues of approximately ₹327 crore (US \$37 million) in the financial year 2024 – 25<sup>47</sup>, mainly from visitor donations and interest on deposits (Shri Ram Janmabhoomi Teerth Kshetra Trust). These funds support temple maintenance, infrastructure development, and charitable projects, reinforcing the temple's role as both a spiritual and socio-economic catalyst.

<sup>43</sup> Source: Times of India - <https://timesofindia.indiatimes.com/business/india-business/pilgrimage-tourism-boom-makemy-report-shows-19-growth-in-fy24-25-surge-in-premium-stays/articleshow/123803019.cms>

<sup>44</sup> [https://invest.up.gov.in/wp-content/uploads/2025/02/1-Uttar-Pradesh\\_100225.pdf](https://invest.up.gov.in/wp-content/uploads/2025/02/1-Uttar-Pradesh_100225.pdf)

<sup>45</sup> Business Standard: [https://www.business-standard.com/india-news/uttar-pradesh-tourism-ayodhya-record-visit-spiritual-tourism-2024-124122000418\\_1.html](https://www.business-standard.com/india-news/uttar-pradesh-tourism-ayodhya-record-visit-spiritual-tourism-2024-124122000418_1.html)

<sup>46</sup> Times of India: <https://timesofindia.indiatimes.com/city/lucknow/up-sees-65-crore-tourists-in-2024-over-17-crore-more-from-2023/articleshow/117610333.cms>

<sup>47</sup> Ram temple trust reports annual earnings of ₹327 cr | Hindustan Times

### Government Initiatives in Ayodhya

The Ayodhya Master Plan 2031 outlines ambitious governmental investments of around ₹85,000 crore (~US \$10 billion)<sup>48</sup> aimed at upgrading the city's infrastructure. Current projects number approximately 178 across infrastructure and social development, valued at ₹30,500 crore (~US \$3.46 billion).<sup>49</sup>

Transport connectivity is being enhanced comprehensively: the first phase of Ayodhya's airport, situated 15 km from the city center, is complete, encompassing 16 acres with an investment of ₹1,450 crore (~US \$164 million)<sup>50</sup>. It is designed to handle roughly 1 million passengers annually at this stage and aims to scale up to 6 million upon full completion. Additionally, ₹240 crore (~US \$27 million) has been dedicated to modernizing the existing railway station.<sup>51</sup>

Road infrastructure upgrades are underway through the National Highway Authority of India (NHAI) with investments of ₹10,000 crore (~US \$1.1 billion) complemented by the Public Works Department's projects worth ₹7,500 crore (~US \$0.85 billion)<sup>52</sup>. Other ongoing initiatives include street lighting installation, road widening, water supply improvements, and beautification schemes aimed at elevating the city's tourism infrastructure.

A new Ram-themed park is also in planning, reflecting efforts to diversify the visitor experience further. Sustainability measures for clean energy, water sanitation, and waste management are integral to these development projects, targeting environmentally responsible tourism growth.



<sup>48</sup> [https://invest.up.gov.in/wp-content/uploads/2023/12/Ayodhya-made-modern-city\\_301223.pdf](https://invest.up.gov.in/wp-content/uploads/2023/12/Ayodhya-made-modern-city_301223.pdf)

<sup>49</sup> The Economic Times: [https://infra.economicstimes.indiatimes.com/news/urban-infrastructure/up-govt-to-spend-more-than-rs-30500-crore-on-178-projects-in-ayodhya/105898202?utm\\_source=copy&utm\\_medium=pshare](https://infra.economicstimes.indiatimes.com/news/urban-infrastructure/up-govt-to-spend-more-than-rs-30500-crore-on-178-projects-in-ayodhya/105898202?utm_source=copy&utm_medium=pshare)

<sup>50</sup> PIB News Release: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1991757&reg=3&lang=2>

<sup>51</sup> Times of India: <https://timesofindia.indiatimes.com/india/pm-narendra-modi-inaugurates-redeveloped-ayodhya-railway-station/articleshow/106397847.cms>

<sup>52</sup> <https://urbantransportnews.com/news/nhai-to-invest-3600-crore-to-enhance-urban-road-connectivity-in-ayodhya>

10  
*India – U.S  
Corridor: Bilateral  
tourism flows and  
Promotion*

The bilateral tourism relationship also enhances broader strategic cooperation between the two nations, encompassing education, medical travel, technology exchange, and cultural diplomacy.



The India–United States tourism corridor stands as one of the fastest-growing and most commercially significant long-haul travel streams globally. This corridor is underpinned by a dynamic, growing Indian diaspora in the United States, which acts as a steady anchor for travel demand, supporting direct flight routes and year-round tourism flows. The bilateral tourism relationship also enhances broader strategic cooperation between the two nations, encompassing education, medical travel, technology exchange, and cultural diplomacy.

#### Growing Two-Way Travel Flows

Recent government data reveal accelerating outbound and inbound flows: in 2024, nearly 1.8 million U.S. travellers visited India – making up to 18.13% share of FTAs in India in 2024, which increased from 13.83% of FTAs in 2019<sup>53</sup>. Similarly, in 2025, it

was recorded that more than 2 million Indian visitors travelled to the United States which is a 40% increase terms of visitation volume since before the pandemic.<sup>54</sup>

The capacity of airline connectivity between the two countries has nearly doubled since 2019, with new direct flights under consideration to further ease travel and open regional gateways beyond metropolitan hubs.

Indians represent one of the fastest-growing high-spend tourist segments to the U.S., frequently engaging in long-stay visits for leisure, education, business, and medical purposes. Conversely, American travellers to India often seek premium and experiential itineraries ranging from heritage exploration to wellness retreats. This mutual interest generates significant potential for joint market development initiatives.



<sup>53</sup>India Tourism Compendium 2025, Page 37 (Table 2.1.3)- [https://tourism.gov.in/sites/default/files/2025-09/India%20Tourism%20Data%20Compendium%202025\\_1.pdf](https://tourism.gov.in/sites/default/files/2025-09/India%20Tourism%20Data%20Compendium%202025_1.pdf)

<sup>54</sup>Source: The Economic Times: <https://economictimes.indiatimes.com/nri/visit/india-becomes-second-largest-overseas-market-for-us-tourism-after-a-40-rise-in-visitor-arrivals/articleshow/127103715.cms?from=mdr>

### Challenges and Opportunities in the Corridor

Despite robust growth, the corridor faces several challenges constraining its full potential:

- **Visa Processing:** Inconsistent and often time-consuming visa approvals inhibit travel spontaneity and discourage casual tourists.
- **Flight Connectivity Gaps:** While major city pairings are well served, secondary and tertiary city connections remain limited, restricting regional tourism growth.
- **Payment Friction:** International visitors often face barriers due to limited acceptance of global card networks within India's dominant UPI ecosystem.
- **Fragmented Marketing:** Current promotional efforts are not fully synchronized or scaled to harness the corridor's mutual opportunities.

Addressing these challenges offers actionable opportunities to strengthen and deepen bilateral tourism engagement.

### Strategic Initiatives for Promotion and Facilitation

Advocacy for a "Joint Year of Tourism" and the establishment of an India-U.S. Tourism Council aims to provide a formal framework for coordinated action. Drawing on successful precedents like the U.S. - Japan tourism alliance, such initiatives could streamline visa processes, harmonize marketing strategies, and enhance bilateral flight and connectivity services.

Joint marketing campaigns targeting specific traveller segments—families, millennials, wellness seekers, pilgrims—and utilizing diaspora networks as cultural bridges could significantly amplify awareness. Programs featuring co-branded festivals, themed

itineraries, and reciprocal loyalty partnerships between airlines, hotels, and travel platforms would further foster visitor engagement.

Digital integration plays a pivotal role in this vision. Expanding UPI interoperability with Visa, Mastercard, and American Express, facilitating seamless transit payments, and enabling unified QR-based ticketing systems would reduce friction and enhance tourist satisfaction on both sides.

### Diaspora and Cultural Synergies

The Indian diaspora's cultural influence in the U.S. - through events like Diwali celebrations in Times Square, India Day parades in New York and Chicago, and community festivals - acts as natural gateways for first-time travellers and cultural exchange. Simultaneously, growing American interest in Indian culture, sports, music, museums, and wellness supports a vibrant two-way connection ripe for expansion.

### Commercial and Collaborative Outlook

For airlines, hospitality groups, destination marketing organizations, and travel-tech firms from both countries, the corridor presents immediate upside. Opportunities exist to leverage joint festivals, exchange programs, skill development initiatives, and cross-border investments that align with evolving traveller preferences.

USISPF and partners play a critical facilitating role in bridging policy dialogues, industry demands, and government action to unlock the corridor's full potential. Through structured engagement, the bilateral tourism corridor can evolve into one of the world's most seamless, culturally rich, and economically productive travel partnerships.



# 11 *Policy Recommendations and Future Roadmap*

A Policy Implementation Unit (PIU) should be created to coordinate timelines, monitor progress, manage dashboards, document best practices, and conduct impact assessments.



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*India's future tourism competitiveness depends on building a modern, data-driven ecosystem that is seamless, safe, well-connected, and investment-friendly.*

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India's future tourism competitiveness depends on building a modern, data-driven ecosystem that is seamless, safe, well-connected, and investment-friendly. The following recommendations outline a unified approach that strengthens digital systems, formalizes MSMEs, enhances traveller facilitation, improves infrastructure, and expands coordinated governance across the country.

#### **Strengthening Cross-Border Digital Payments for Travellers**

To enhance payment convenience for inbound and outbound travellers, India should scale the adoption of 'UPI One World' and 'UPI Global' as part of its broader digital-tourism strategy. UPI One World, a prepaid wallet designed specifically for foreign visitors and NRIs, enables seamless merchant payments upon simple onboarding through partner apps such as CheQ, IDFC FIRST Bank, Mony, or NamasPay. After completing passport and visa-based KYC, travellers can load their wallets with INR using international credit, debit, or forex cards, making it significantly easier to transact across the country.

For Indians travelling overseas, the expansion of UPI Global allows QR-based payments in partner countries, including Qatar, UAE, Sri Lanka, Singapore, Bhutan, France, Mauritius, and Nepal, through a straightforward "activate, scan, verify, authorize" process. Integrating UPI onboarding into e-Visa flows, airport arrival processes, and tourism information systems, along with accelerating international acceptance, will reduce friction, improve visitor experience, and strengthen India's positioning as a digitally seamless destination.

#### **Establishing a Unified Tourism Data Framework**

To establish a digitally integrated tourism ecosystem, India should create a national **Single Source of Truth** for tourism data anchored in the National Tourism Digital Repository. This should be complemented by the **Unified Tourism Interface (UTI)**, a national API gateway that standardizes search, booking, licensing, e-Visa, compliance, and analytics functions. Legally and procedurally, this can be achieved through a Government

Resolution establishing the National Tourism Data Authority, supported by model data-standardisation guidelines and inter-ministerial MoUs enabling data exchange across Railways, Civil Aviation, Home Affairs, and state agencies.

### Strengthening and Standardising Tourism MSMEs

Given that tourism is dominated by micro, small, and medium enterprises, a **National Mission on Tourism MSMEs** should be launched to standardize registration, safety, hygiene, and service quality across the country. This mission should digitally integrate all MSMEs into the national tourism repository and UTI, ensuring transparency and market visibility. States can implement this through rules under their Tourism Acts or Shops and Establishment Acts, while the Centre can issue a Model MSME Standardisation Framework tied to central funding. Dedicated national and state MSME Directorates can then oversee registration, certification, capacity building, and phased compliance.

### Modernizing Visa and Immigration Processes for Seamless Travel

Traveller convenience and border facilitation must be strengthened through a **mobile-based e-Tourist Visa system** that integrates visa applications, immigration verification, customs forms, digital payments onboarding, and real-time assistance during a traveller's stay. These reforms can be operationalized through updates to the Visa Manual under the Foreigners Act, along with notifications and circulars by Immigration and Customs authorizing digital verification and data-sharing. Integrating this system with UTI, DigiYatra, FRRO services, and airport operations will significantly reduce friction for inbound visitors.

### Enhancing Visitor Safety, Cleanliness, and Destination Experience

A welcoming and safe tourism environment is essential for sustaining growth. India should expand the **Atithi Devo Bhava 2.0** social-awareness campaign, establish Tourist Information Centres at key destinations, and improve sanitation through deeper collaboration with Swachh Bharat Mission. Safety measures such as dedicated tourist police units, CCTV coverage, illumination audits, and annual destination cleanliness rankings should also be implemented. These steps can be enabled through state notifications under municipal, urban development, and police laws, with MoT providing guidelines and funding support for infrastructure such as wayside amenities.

### Accelerating Transport Infrastructure for Tourism

Connectivity remains a critical backbone of tourism expansion. The government should leverage **PM Gati Shakti** to identify and address infrastructure gaps, strengthen multi-modal connectivity, and improve last-mile access to high-potential destinations. Priority road and rail corridors should be fast-tracked, with Tourist Facilitation Counters established at major railway stations and railway data fully integrated with UTI. These actions can be achieved through existing provisions under the NHAI Act, the Indian Railways Act, and state PWD rules, supported by a Joint Coordination Committee between MoT, Railways, MoRTH, and relevant state authorities.

### Driving Structured Destination Development and Management

Destination development should advance through a national classification framework and the creation of a **National Database of Destinations and Attractions**. Destination

**Management Organizations (DMOs)** should be established at major sites to coordinate planning, visitor management, and stakeholder alignment. Model Destinations and Special Tourism Zones (STZs) should be developed using PPP models to drive investment and world-class infrastructure. These initiatives can be operationalized through MoT guidelines, state notifications establishing DMOs as SPVs or Section 8 companies, and state-level STZ policies covering land allocation and incentives.

### Strengthening Governance and Implementation Mechanisms

A robust governance is essential for the successful implementation of these reforms.

A **Policy Implementation Unit (PIU)** should be created to coordinate timelines, monitor progress, manage dashboards, document best practices, and conduct impact assessments. National bodies such as the **National Tourism Advisory Board, the Inter-Ministerial Coordination Committee for Tourism,** and sector-specific Task Forces should be institutionalized through executive orders, while states establish their own Tourism Boards, Task Forces, and Tourism Authorities through state notifications. Together, these bodies will ensure coordinated decision-making and consistent delivery across the tourism ecosystem.

#### Case Study II

### *Mastercard Priceless Program to promote tourism*

Mastercard's Priceless platform offers a great avenue to position India as a preferred global tourism destination, attract high-value inbound tourists and strengthen the India-global economic corridor in travel, tourism and hospitality. Globally, the platform offers 500+ priceless experiences in over 35 destinations across 7 passion categories.

Priceless unlocks unique local experiences, unveiling India's hidden wonders to the world. A suite of spiritual and culinary experiences at Varanasi, authentic experiences in Goa beyond the beaches (the only post office with Antarctica's PIN code), personalized royal adieu at the airport are just a few examples of ensuring that international visitors feel welcome, have a once in a lifetime experience and

leave the country with fond memories, planning their next trip soon. Priceless is Mastercard's value commitment to promote tourism in India and showcase India's cultural and heritage ethos, history and offer unparalleled experience to tourists, unlock economic value for small businesses in the tourist spots.

Mastercard's Tourism Insights reveals an ever-increasing appetite for hidden gems in tier two cities and Priceless is working with the State Tourism Departments in Andhra Pradesh and the northeastern states to help them strategize and increase overall as well as per person revenue.

Leveraging technology to boost tourism India has clearly demonstrated to the world that technology if used in an innovative

way can unlock economic potential for millions of people, small businesses and the economy as a whole. As we look to make India's globally most sought-after tourist destination, a seamless urban transit experience will act as an enabler of world class experience for the tourists.

India's huge investment in infrastructure is reflected in the world quality metros and EV buses for local and interstate travel. And to ensure that key building blocks of a seamless transit experience are in place, it is imperative that both domestic and international tourists are able to shuttle seamlessly without any hassle within a city and between cities. Digital payments acceptance of all form factors at the transit touch points will ensure seamless travel

for the tourists. Unlocking tourism potential by ensuring that international travellers can also enjoy these comfortable journeys through their existing credit cards can boost tourism further.

ABT (account-based ticketing) is a flexible and scalable global framework that enables contactless acceptance, designed for fast throughput and efficient, secure fare collection around the globe. Enabling ABT at transit touch points has the potential to increase footfalls, unlock economic value for ancillary small businesses around tourist points and transit places and enable a world class seamless, hassle-free travel experience to both domestic and international tourists.



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