

INTELLIGENT INVESTMENT

Reimagining Indian Tourism: Unlocking the Next Wave of Growth

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Foreword

Few sectors bring together economic activity, mobility, culture and place as visibly as tourism. Its reach extends beyond visitor spending, influencing employment, infrastructure, hospitality, transport, retail and investment across cities and destinations. With domestic travel providing scale and international tourism continuing to recover, the sector is entering a period in which the quality of destinations, connectivity and visitor experience will matter as much as growth in volumes.

The opportunity is also becoming more diverse. Established pilgrimage, heritage and leisure destinations continue to attract sustained visitor flows, while wellness and medical tourism, MICE, and experience-led offerings are adding new dimensions to demand. Investments in airports, highways, rail networks and alternative transport are improving access, while state tourism policies are placing greater emphasis on destination development, private investment and digital enablement.

For the tourism and hospitality industry, this creates opportunities across hotels, convention infrastructure, retail, wellness, mixed-use projects and other tourism-linked assets. Yet scale alone will not determine the sector's long-term potential. Destination management, workforce capability, sustainability, safety and ease of travel will be equally important in converting visitor growth into durable economic value.

CBRE Research's latest report, **Reimagining Indian Tourism: Unlocking the Next Wave of Growth**, released at the ASSOCHAM National Tourism Conclave in New Delhi, examines the scale and direction of the tourism economy, the policy and infrastructure framework around it, the performance of key states, emerging tourism segments and the implications for hospitality and related real estate. It also identifies areas where coordinated action by government and industry can strengthen investment outcomes and destination development.

The next phase of tourism growth will depend on how effectively destinations convert demand into stronger local economies and sustained economic value.



Shri. Saurabh Sanyal
Secretary General, ASSOCHAM

Foreword

India's tourism industry has entered a take-off phase, supported by increased domestic and international travel induced by sustained economic growth, changing traveller preferences, improved connectivity and the emergence of new tourism segments. With tourism now positioned as a strategic national priority, policy focus is expanding across integrated circuits, destination development and infrastructure enhancement supported by strong marketing push both at the domestic and international level.

Against this backdrop, ASSOCHAM has collaborated with M/s CBRE Limited as a Knowledge Partner to bring out this report, **“Reimagining Indian Tourism: Unlocking potential for next wave of Growth,”** to provide an industry perspective on the key trends, opportunities and priorities shaping India's tourism sector. The report examines the evolving tourism landscape, covering domestic and inbound tourism, emerging segments, infrastructure and connectivity requirements, hospitality capacity and investment opportunities.

A key development identified in the report is the growing emphasis on developing destinations as integrated tourism ecosystems rather than focusing solely on individual tourism circuits. Expansion of road, rail, air and water-based connectivity is simultaneously improving access to established destinations and creating opportunities for emerging locations to become part of the wider tourism network. The growing importance of spiritual and pilgrimage travel, MICE and destination weddings as well as wellness travel is also broadening the range of tourism offerings while generating demand for hospitality, local services and private investment.”

One of the key objectives of the report is to support informed discussions between policymakers and industry stakeholders on areas requiring focused attention. These include strengthening connectivity and hospitality capacity, facilitating private investment, developing skilled talent and improving ease of doing business. States are also increasingly using policy support, incentives and public-private partnerships to attract investment and develop tourism infrastructure. Technology is becoming an important enabler of this ecosystem, supporting greater efficiency, digital access, innovation and seamless visitor experiences.

As tourism demand expands, sustainable destination management, including attention to carrying capacity and local participation, will be important to ensuring that growth remains viable over the long term. Greater coordination between government, industry, investors, tourism boards, hospitality businesses, technology providers and local stakeholders will be essential to translating tourism demand into sustained economic value.

India has significant opportunities to further diversify its tourism offering and strengthen destination competitiveness. Sustained focus on infrastructure readiness, connectivity, investment facilitation, technology, skills and sustainable development will be important to supporting the sector's continued growth.

We are confident that the findings are discussed at length in the course of this year. We are also confident that actionable solutions to the issues raised in this report would be arrived at for Tourism to be one of the main streams of development (Saptdhara) as envisioned by the Hon'ble Prime Minister towards our goal of 'Viksit Bharat'.

Shri. Saurabh Sanyal,
Secretary General, ASSOCHAM



Shri. NK Minda,
President, ASSOCHAM

Message

Tourism must be part of India's most important economic conversations, not only because of its scale, but because of its ability to connect growth with jobs, investment, culture, communities and regional development. As India advances towards its next phase of growth, the tourism sector offers a significant opportunity to strengthen economic activity across states and destinations while creating wider benefits for businesses, including small and medium enterprises and local communities. The sector is now entering a new phase of expansion, with the coming decade offering opportunities to enhance its contribution to employment, investment and inclusive development.

The opportunity ahead is substantial. India's travel and tourism sector generated approximately US\$ 263.6 billion in 2025, contributing 6.6% to GDP and supporting 46.2 million jobs. By 2036, the sector is projected to generate nearly US\$ 527 billion. Domestic visitor spending remains a key strength, accounting for nearly 86% of total tourism expenditure, while India's international tourism proposition continues to be supported by long average visitor stays. These indicators underline tourism's potential to generate employment, attract investment and strengthen economic activity across regions.

This growth is being reinforced by the Government's continued focus on infrastructure and connectivity. New expressways, airports and improved rail travel are making destinations more accessible, while the development of destinations such as Ayodhya and Ekta Nagar, along with better facilities at existing locations, is supporting higher tourist traffic. Hotel capacity is also expected to expand significantly, creating further scope for investment and private-sector participation. Culture and tourism have also received greater policy focus through the Hon'ble Prime Minister's Saptadhara reference within the Viksit Bharat vision.

Sustaining this momentum will require continued focus on Ease of Doing Business, regulatory coordination, infrastructure and connectivity, alongside greater participation from MSME and local enterprises across hospitality, food and beverage, handicrafts, transport and experiential tourism. Strengthening domestic capabilities, locally developed tourism products and destination-level entrepreneurship can also advance Atma Nirbharata while creating opportunities for communities and businesses.

Digitalisation is reshaping destination management, service delivery, marketing and visitor engagement, while Environmental sustainability must remain central to destination planning and the preservation of India's natural and cultural assets. The next phase will require collective effort from government, industry, investors, communities and global partners to build a competitive, inclusive, innovative and sustainable tourism ecosystem.

It is in this context that ASSOCHAM is pleased to organise the National Tourism Conclave on the theme, **"Tourism as an Economic Engine: Technology, Policy, Investment & Global Partnerships"**. The Conclave will provide a platform to deliberate on the direction India's tourism sector should take over the next decade and the policy, infrastructure, investment and partnership frameworks required to support inclusive growth. On this occasion, ASSOCHAM is also bringing out a report titled **"Reimagining Indian Tourism: Unlocking potential for next wave of Growth"**, which examines the evolving tourism landscape and the key factors influencing its growth. I am confident that the report and its recommendations will serve as a useful reference for industry, policymakers and stakeholders, and contribute meaningfully to India's tourism development agenda.

Shri. NK Minda,
President, ASSOCHAM

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A vibrant festival scene with a large crowd of people in the foreground, many with their hands raised. In the background, a large, ornate temple with a central dome and multiple spires is visible, partially obscured by a thick cloud of orange and yellow powder or smoke. The sky is a deep blue with some clouds. The overall atmosphere is festive and energetic.

01

India's Tourism Landscape

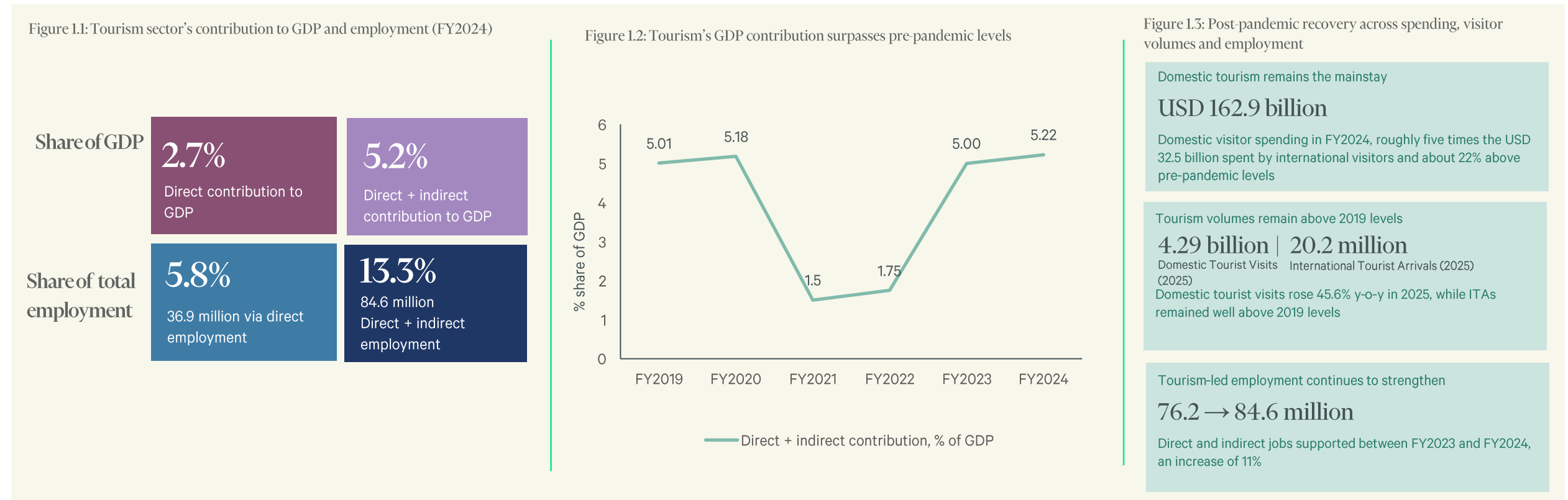
A large domestic travel base and rising international interest position tourism as a key pillar of India's services economy

Diverse tourism assets across heritage, pilgrimage, wellness, leisure and wildlife segments support broad-based demand across regions

Continued investments in destination development, connectivity and hospitality infrastructure are enhancing India's tourism competitiveness

India's Tourism Sector : Economic Contribution and Post-pandemic Recovery

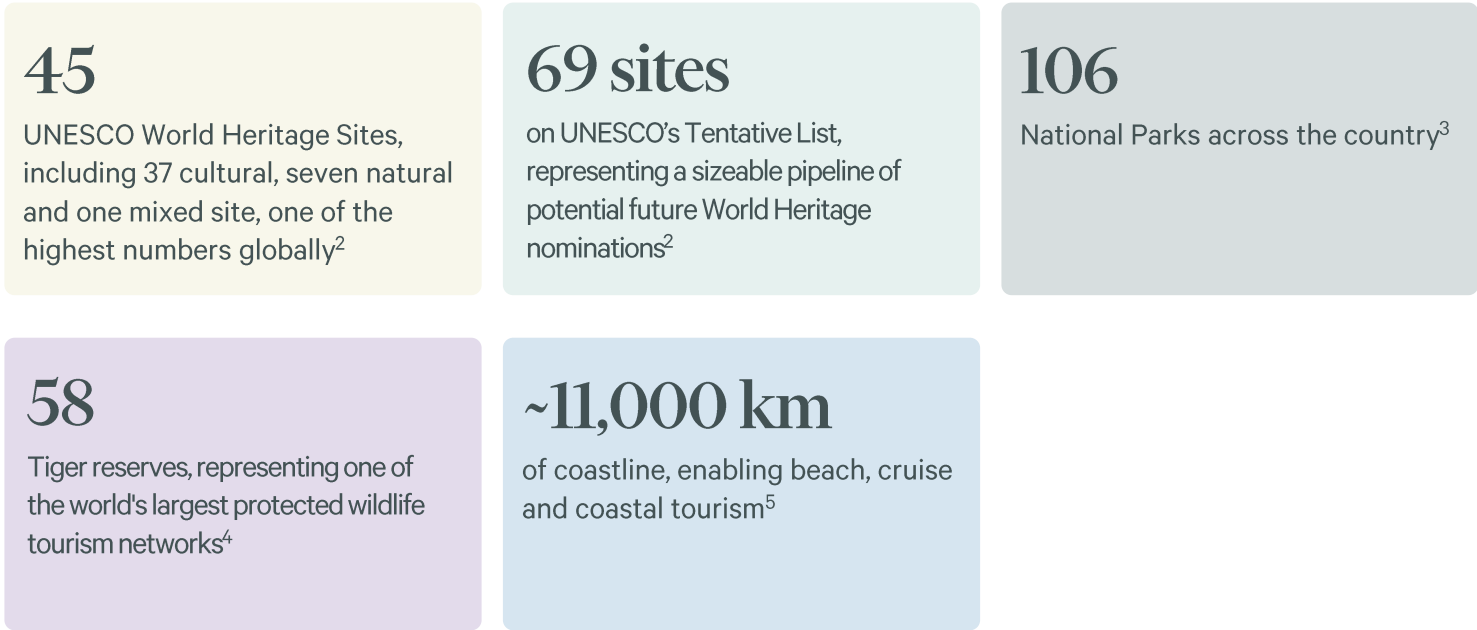
India's tourism economy has regained scale, with its contribution to GDP rising to 5.2% in FY2024 from 1.5% in FY2021. Direct and indirect employment also rose to 84.6 million. Domestic travel has been central to this resurgence, with domestic visitor spending in FY2024 roughly five times the international visitor spending, while international tourist arrivals (ITAs) continue to regain momentum.



“Strong domestic travel and international arrivals above 2019 levels continue to drive the expansion of India’s tourism economy, with GDP and employment contributions also exceeding pre-pandemic levels.”

India’s Tourism Foundation: Scale, Heritage and Diversity

India aims to build a USD 3 trillion tourism economy by 2047¹, reinforcing the sector’s long-term economic potential. Its cultural heritage, natural assets and growing tourism infrastructure provide a broad base for further expansion.



India’s tourism appeal extends across spiritual, wellness and medical travel. The country is home to major pilgrimage destinations linked to Hinduism, Buddhism, Jainism, Islam and Sikhism, including Char Dham, Kashi, Bodh Gaya, the Golden Temple, Vaishno Devi, Ajmer Sharif and Tirupati. India also has a strong presence in Ayurveda, yoga and wellness tourism, while its healthcare ecosystem, clinical expertise and cost-competitive treatment options continue to strengthen its medical value travel proposition.

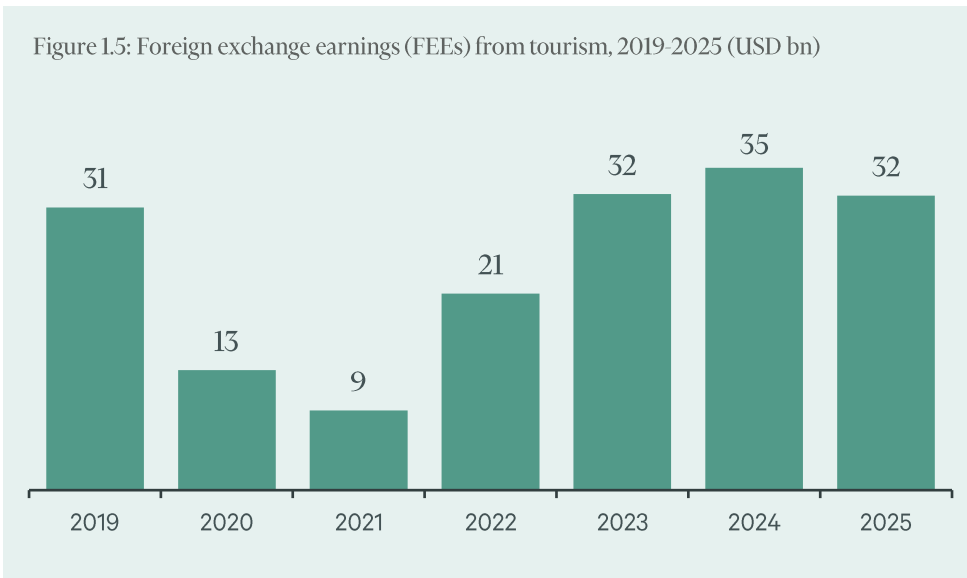
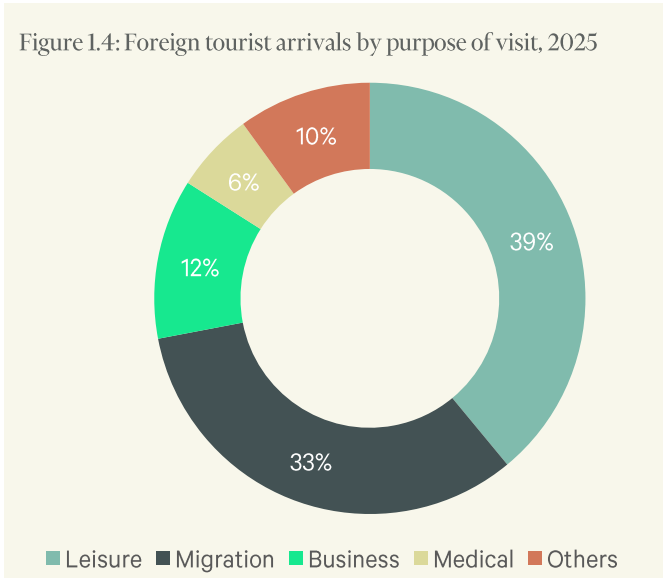
Source: 1. Ministry of Tourism, December 2023; 2. PIB Backgrounder, August 2026; 3. Wildlife Institute of India, September 2026; 4. PIB Research, July 2026; 5. Ministry of Ports, Shipping and Waterways, April 2025



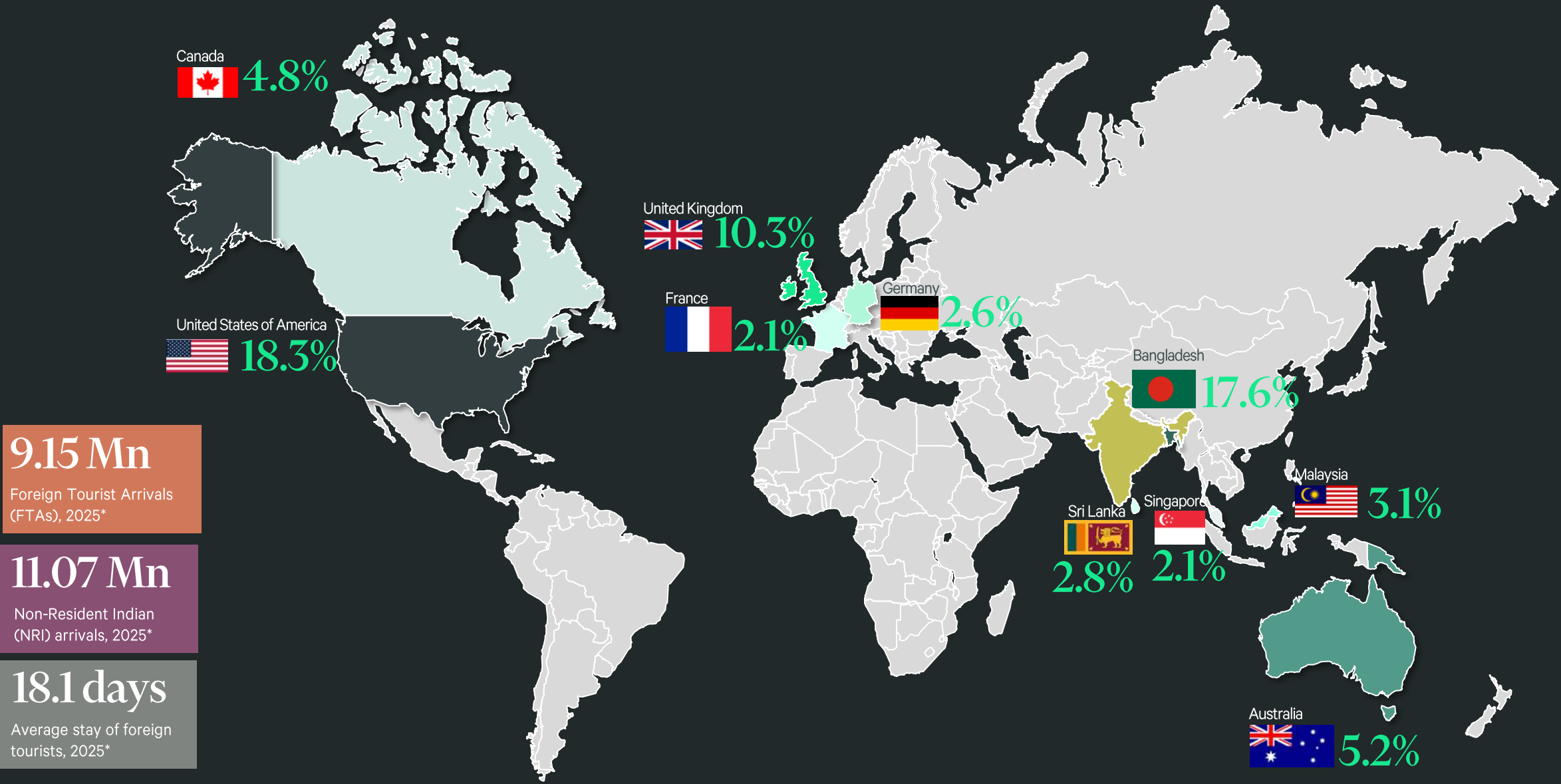
How the Sector Fared: A Snapshot

India's tourism activity continued to expand in 2025, led by strong domestic travel and rising outbound departures that reflect growing traveller spending power. Inbound tourism, which drives foreign exchange earnings, remains the segment with the most room to grow, as India's share of global receipts still points to significant headroom.

Figures below are for calendar year 2025 unless marked otherwise.



The U.S. Became India's Largest Source Market for FTAs in 2024

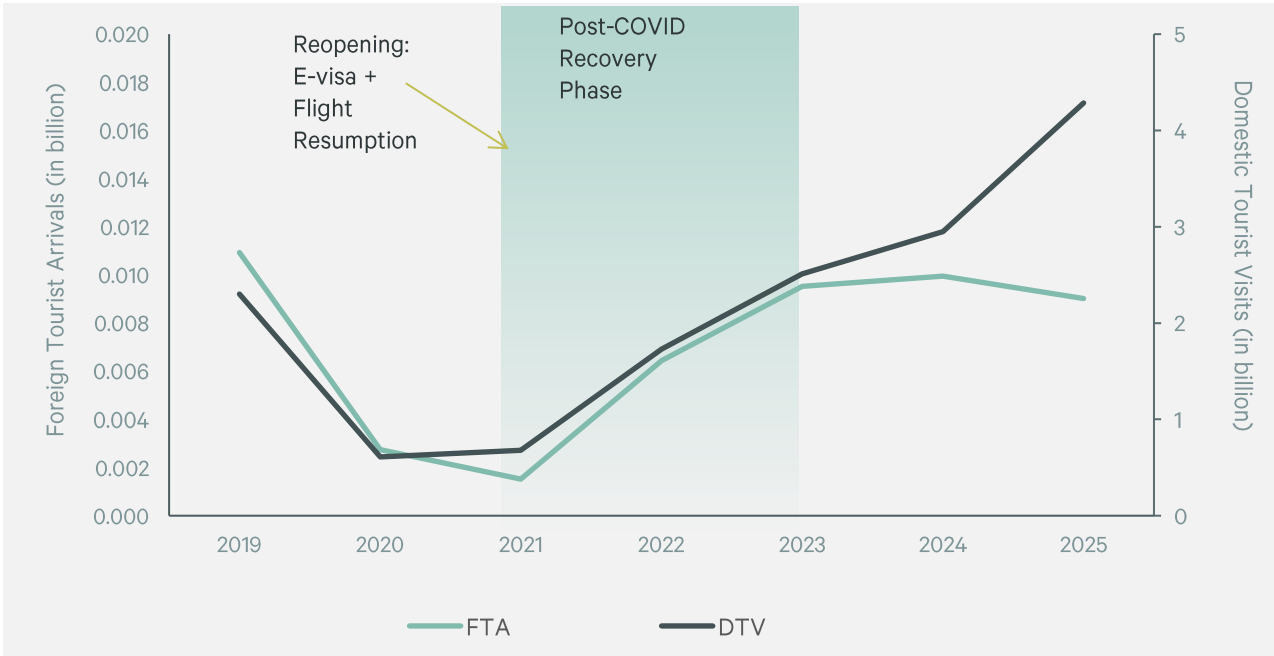


Source: India Tourism Data Compendium 2025; Ministry of Tourism Annual Tourism Snapshot 2025 (provisional) | CBRE Research, Q3 2026 | Note: Map figures reflect the latest published data (2024) from the India Tourism Data Compendium 2025, Ministry of Tourism, and show the top 10 source countries; the remaining share is spread across all other nations.

Visa Reforms Ease Entry for Inbound Travel

Foreign tourist arrivals have recovered substantially from 2021 levels, although more gradually than domestic tourism. By 2025, domestic tourist visits were well above 2019 levels, while FTAs remained below their pre-pandemic peak.

Figure 1.6: Domestic tourist visits and foreign tourist arrivals, 2019-2025¹



5.9x
growth in FTA volumes from the 2021 pandemic low (1.52 million) to 2025 (9.15 million)

83%
of 2019 FTA volume recovered by 2025

Source: 1. India Tourism Data Compendium 2025; Ministry of Tourism Annual Tourism Snapshot 2025 (provisional); 2. Bureau of Immigration, February 2026 | CBRE Research, Q3 2026

Since its launch in 2014, India’s e-visa framework has expanded considerably in scope and coverage, creating a broader digital entry framework for international travellers.

172
countries covered
(from 43 in 2014)

17
e-visa categories
across use-cases

+25
new countries added
from 15 August 2026

E-visa and immigration measures

- 

Digital e-Arrival Card
Physical disembarkation cards replaced by a digital e-Arrival Card from 1 October 2025
- 

Fee Rationalisation
One-year e-Tourist visa fee reduced from USD 80 to USD 40; 30-day e-Tourist visa fee set at a concessional USD 10 during the April–June off-season (vs. USD 25 in peak season)
- 

New Visa Categories
E-Transit, e-Mountaineering and e-Film/Production/Investment visas launched in November 2025
- 

Unified Immigration Framework
The Immigration and Foreigners Act, 2025 brings airports, seaports, land and rail entry points under a common framework
- 

Faster Turnaround Time
Around 95% of e-visa applications are processed within 72 hours

02

Policy Architecture

Holistic tourism policies are critical for transforming high-potential locations into globally competitive destinations

“One State: One Global Destination” initiative seeks to develop at least one world-class tourism destination in every state and Union Territory

Initiatives such as Swadesh Darshan 2.0, PRASHAD, and Dekho Apna Desh complement this agenda through destination development, pilgrimage infrastructure and domestic tourism promotion

India's Tourism Development Framework: Key National Initiatives

India’s tourism development framework combines destination development, heritage conservation, infrastructure investment, digital enablement and visitor facilitation. These initiatives are aimed at improving destination quality and accessibility, while creating opportunities across hospitality, retail, mixed-use development, convention infrastructure and other tourism-linked assets.

Swadesh Darshan 2.0 ¹ (Destination-led tourism development programme)	PRASHAD Scheme ¹ (Pilgrimage and heritage tourism development)	Dekho Apna Desh ² (Domestic tourism promotion initiative)
- Moved from a circuit-based model to a destination-centric approach - Focuses on sustainable and responsible tourism, visitor experience, and destination competitiveness - Enables integrated infrastructure, placemaking, and local economic development at identified destinations - Central Financial Assistance is available for eligible destination-led tourism infrastructure projects	- Investments focus on public amenities, access infrastructure, interpretation facilities and visitor experience - Aims to preserve cultural assets while improving destination attractiveness - Eligible public pilgrimage and heritage infrastructure can receive up to 100% funding from the Government of India	- Encourages domestic travel and greater exploration of destinations across India - Promotes cultural and experiential tourism while encouraging wider geographic dispersal of travel - Helps expand domestic tourism demand across established and emerging destinations

Digital Tourism & Destination Marketing

Incredible India Digital Platform (IIDP)

- Revamped as a unified digital tourism platform showcasing cultural, heritage, wellness, adventure, rural and gastronomic experiences across India
- Features AI-enabled personalisation, real-time weather updates, city exploration tools, travel planning and integrated visitor services
- Integrated with online travel partners for bookings across flights, hotels, buses, cabs and ASI monument tickets
- Recorded ~2.6 million visitors by July 2025³, since its launch in September 2024, indicating growing digital engagement

Digital Discoverability & Content Promotion

- Tourism content is promoted through multilingual digital channels and social media campaigns to improve destination visibility among domestic and international travellers
- Collaborations with travel influencers, photographers and digital creators are being used to strengthen destination promotion and experiential tourism outreach

Tourist Facilitation

- A 24x7 Multilingual Tourist Helpline (1363) assists travellers in 12 international and Indian languages, improving accessibility and visitor assistance
- NIDHI (National Integrated Database of Hospitality Industry) provides access to verified tourism service providers and registered accommodation assets

Source: 1. Ministry of Tourism, September 2026; 2. Ministry of Tourism, August 2025; CBRE Research, Q3 2026

State Tourism Policies: Strategic Priorities and Investment Incentives

Frameworks are expanding beyond traditional heritage and religious circuits towards destination-led development, experiential travel and private investment. Incentives are increasingly targeted at hospitality infrastructure, land asset utilisation, and immersive digital readiness.

State	Current policy / framework	Key Incentives	Infrastructure focus	Future readiness
Uttar Pradesh	UP Tourism Policy 2022	Capital subsidy of up to INR 40 crore; 100% stamp duty exemption; industry status for hotels; incentives for heritage hotels and sustainable tourism projects.	Mega circuits, Focus Tourist Destinations (FTDs), tourism infrastructure incentives and destination-led development.	ICT enablement support, AI/metaverse promotion incentives, launched an Eco-tourism application, and sustainability-linked incentives.
Tamil Nadu	Tamil Nadu Tourism Policy 2023	Targets INR 20,000 crore in investment and creation of 25 lakh jobs over five years; capital subsidies, stamp duty concessions and destination-based incentives	Gateway hubs, tourism corridors, focus destinations, theme park development, cruise infrastructure and major destination enhancement.	Dedicated focus on digital initiatives, analytics, responsible tourism, community-led travel and sustainability.
Karnataka	Karnataka Tourism Policy (2024-29)	Investment-linked incentives; tourism infrastructure development; promotion of homestays and tourism circuits.	INR 500 crore Coastal Malnad allocation to strengthen tourism infrastructure, connectivity and investment across the state's coastal and Malnad regions.	Tourism analytics, 3D virtual tours of ASI-protected sites, heritage digitisation, and initiatives supporting experiential and sustainable travel.
Andhra Pradesh	Andhra Pradesh Tourism Policy (2024-29)	25% subsidy on fixed capital for MSMEs and 10% for large/mega projects; 100% stamp duty reimbursement; PPP-led asset development.	Anchor destinations, thematic circuits, strategic infrastructure development, connectivity improvements and tourism project pipeline.	Promote experiential travel, sustainable destination development, strategic roadmap through 2029, and diversified future-oriented tourism circuits.
Rajasthan	Rajasthan Tourism Policy 2025	Capital subsidies, land-related incentives, support for heritage hotel conversions (minimum-investment waiver for pre-1950 properties) and allied infrastructure investment.	Infrastructure enhancement identified as a core pillar, including earmarking up to 5% of land in master plans for hospitality and allied assets.	Digital integration through 3D laser scanning, VR experiences and digital museums, alongside sustainable travel and resilient ecosystem development under the Viksit Rajasthan 2047 vision.
West Bengal	West Bengal Tourism Policy 2019	Investment promotion for sector-specific infrastructure and services; facilitation of private sector participation across accommodation, heritage, eco-travel, conventions, and allied support infrastructure.	Development of integrated infrastructure across coastal, heritage, hill, and eco-travel destinations; focus on destination enhancement, connectivity, visitor amenities, and wayside facilities.	ICT-enabled services, destination marketing, focus on skill development, sustainable travel practices, and community participation.

03

Infrastructure Spurring Tourism

~166 operational airports across India, including ~36 international airports, improving connectivity for domestic and inbound tourism¹

India's road network spans over 6.4 million kms, including ~146,000 kms of national highways, with an expanding expressway network²

India's ~69,000 route km rail network connects major tourism destinations, complemented by dedicated tourist circuits and experience-led train services³

Airports: Expanding Reach, Improving Connectivity

India’s expanding airport network and growing passenger base are reinforcing aviation’s role in tourism connectivity. As air travel extends beyond major gateways, regional connectivity is becoming increasingly important, with initiatives such as the Modified UDAN scheme expected to improve access to emerging leisure, heritage, pilgrimage and nature-based destinations.

Domestic passengers, 2025-2026¹

167.4 Mn

▲ 1.1% Y-o-Y

International passengers, 2025-2026¹

78.7 Mn

▲ 2.7% Y-o-Y

Africa & Middle East account for over half of India's international passenger traffic¹

Modified UDAN (2026): Expanding air access to new tourism markets



INR 28,840 crore
Scheme outlay for FY2027-FY2036²

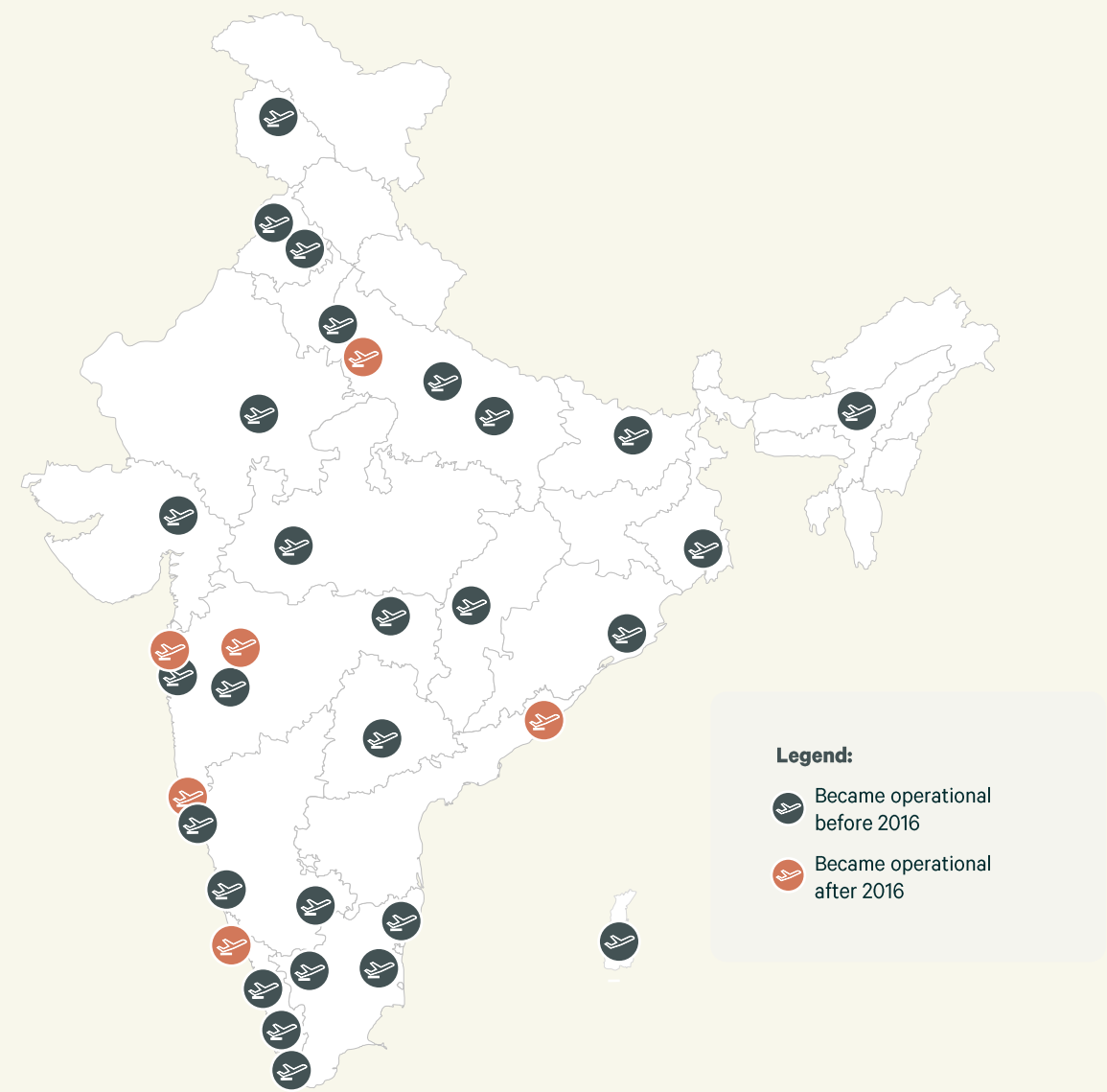


679
UDAN routes operationalised to date, connecting underserved regions²

The modified UDAN scheme extends air connectivity beyond major gateway cities, thereby encouraging hospitality investments across tier-II and tier-III markets.

Source: 1. Directorate General of Civil Aviation, September 2026; 2. PIB Backgrounder, July 2026

Figure 3.1: Major airports in India*



Note: *Major airports refer to airports handling annual passenger traffic of 3.5 million (35 lakh) or more, in line with the Airports Economic Regulatory Authority of India's (AERA) definition. The map is indicative and not exhaustive, and does not include all airports that have become operational or expanded in recent years, including under UDAN.

Roads: Linking Destinations, Creating Tourism Corridors

India’s expressway build-out is bringing major tourism destinations closer together, cutting travel times and making multi-stop itineraries more practical. Bharatmala Pariyojana and PM Gati Shakti are reinforcing road links across pilgrimage, heritage, wildlife and leisure circuits.

Operational corridors connecting key tourism clusters

1

Delhi-Mumbai Expressway
(Heritage & Wildlife Corridor)

- Jaipur
- Ranthambore National Park
- Ahmedabad (UNESCO World Heritage City)
- Sariska Tiger Reserve

2

Bundelkhand Expressway
(Bundelkhand Heritage Circuit)

- Khajuraho
- Orchha
- Chitrakoot
- Jhansi

3

Samruddhi Mahamarg
(Pilgrimage & Heritage Corridor)

- Shirdi
- Ajanta & Ellora Caves
- Grishneshwar Temple
- Nashik
- Trimbakeshwar

4

Bengaluru Mysuru Expressway
(Southern Heritage Corridor)

- Mysuru Palace
- Brindavan Gardens
- Srirangapatna
- Somanathapura

5

Char Dham Mahamarg
(Pilgrimage Corridor)

- Yamunotri
- Gangotri
- Kedarnath
- Badrinath

Upcoming corridors set to create new travel circuits

6

Delhi-Amritsar-Katra Expressway
(Pilgrimage & Heritage Corridor)

- Jammu
- Vaishno Devi
- Wagah-Attari border

7

Shaktipeeth Expressway
(Leisure & Pilgrimage Corridor)

- Goa
- Kolhapur
- Konkan Coast
- Aundha Nagnath Jyotirlinga
- Parli Vaijnath Jyotirlinga

8

Odisha Coastal Highway
(Leisure Corridor)

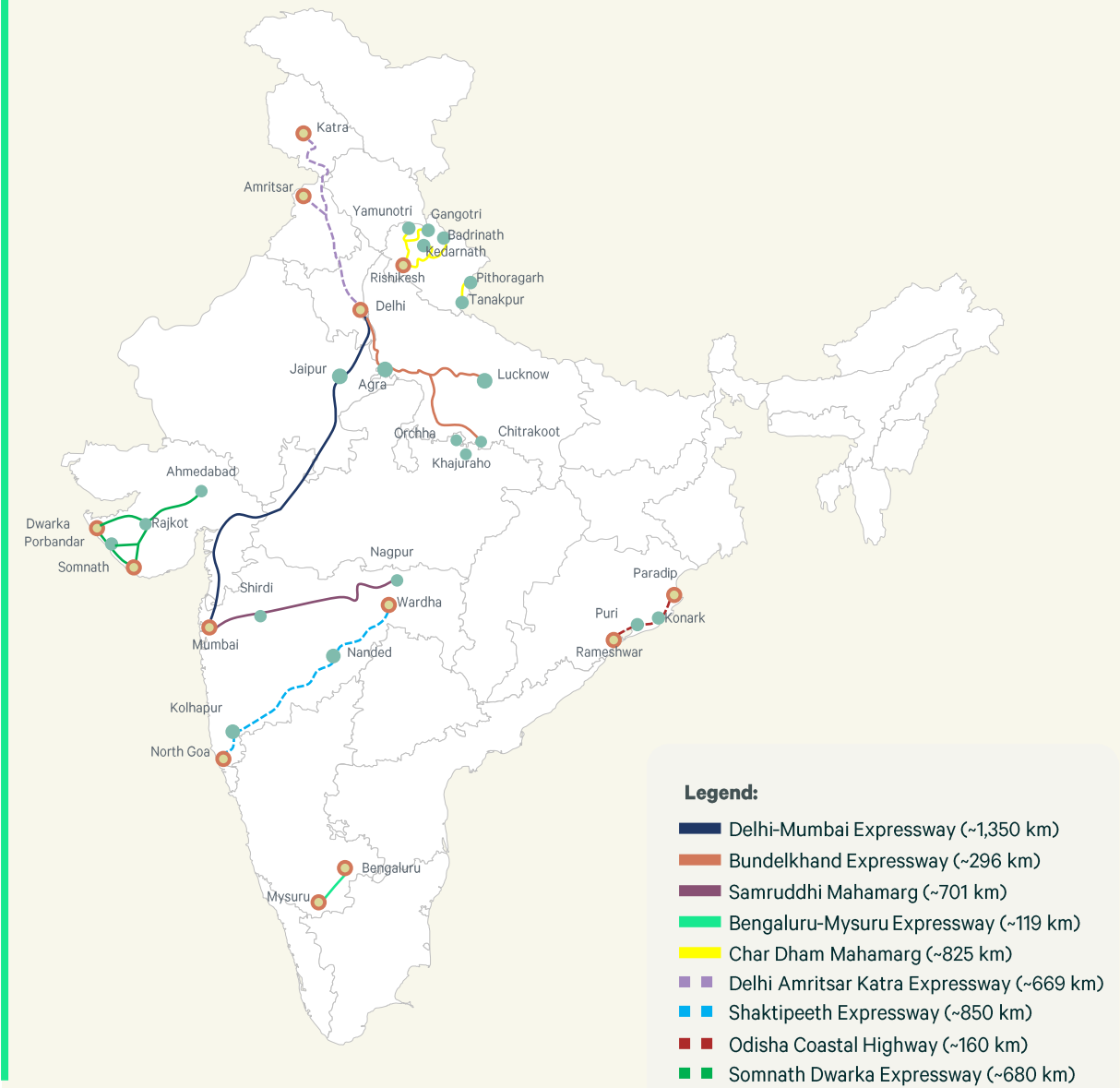
- Rameshwar
- Puri
- Konark
- Paradeep

9

Somnath Dwarka Expressway
(Pilgrimage Corridor)

- Dwarka
- Porbandar
- Somnath

Figure 3.2: Major expressways connecting key tourist destinations



Railways: Evolving from a transport mode into an experience

Dedicated tourism circuits, luxury trains, and panoramic coaches are adding a distinct tourism dimension to rail travel across heritage, pilgrimage and leisure routes in India.

Key rail tourism offerings across India¹



Luxury heritage journeys

Premium trains such as Maharajas' Express, Palace on Wheels, Golden Chariot and Deccan Odyssey offer curated journeys across key cultural and heritage destinations.



Theme-based Bharat Gaurav circuits

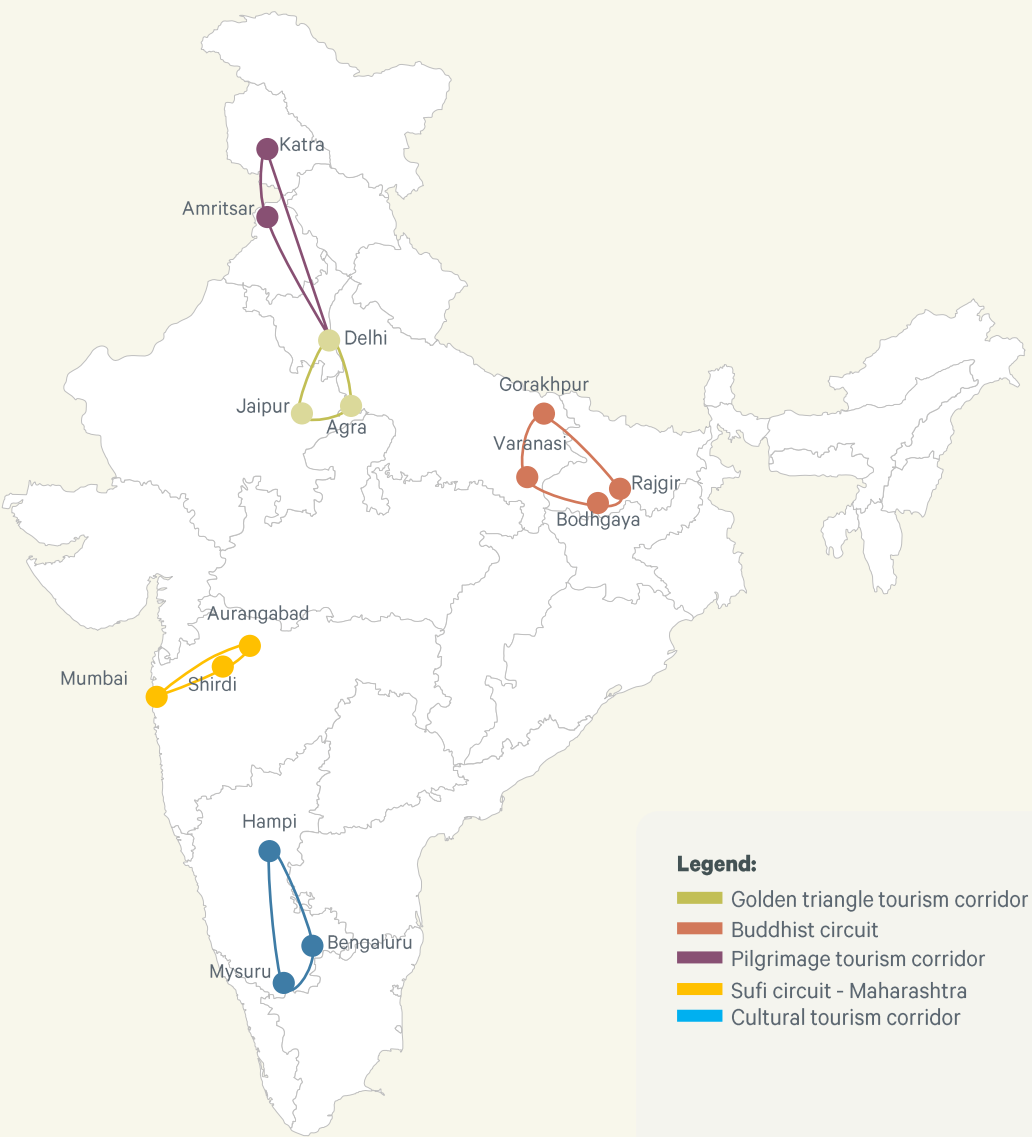
Bharat Gaurav trains offer themed itineraries spanning pilgrimage, heritage, culture, spirituality and regional destinations.



Vistadome coaches

Panoramic railway coaches featuring large glass windows, transparent roof panels, rotating seats, and observation lounges allow passengers to enjoy uninterrupted views of scenic landscapes during their journey.

Figure 3.3: Key rail tourism circuits across India



Note: The map shows selected rail tourism circuits and services, rather than the complete railway network.

Source: 1. Tourist Guidebook 2025-2026, Ministry of Railways | CBRE Research, Q3 2026

Vande Bharat: The Speed Revolution

The network has expanded to **82 operational routes as of August 2026**, up from just two in 2021.

Pilgrimage corridors remain the primary growth drivers

The growing network has strengthened rail access to major religious destinations such as Varanasi, Ayodhya, Deoghar, Puri, Tirupati, Shirdi, and Khajuraho, reinforcing India's most visited spiritual circuits.

Kashmir connectivity creates a new leisure corridor

Rail connectivity between Katra and Srinagar has significantly improved access to the Kashmir Valley, enhancing the attractiveness of the region.

Faster access supporting Northeast tourism

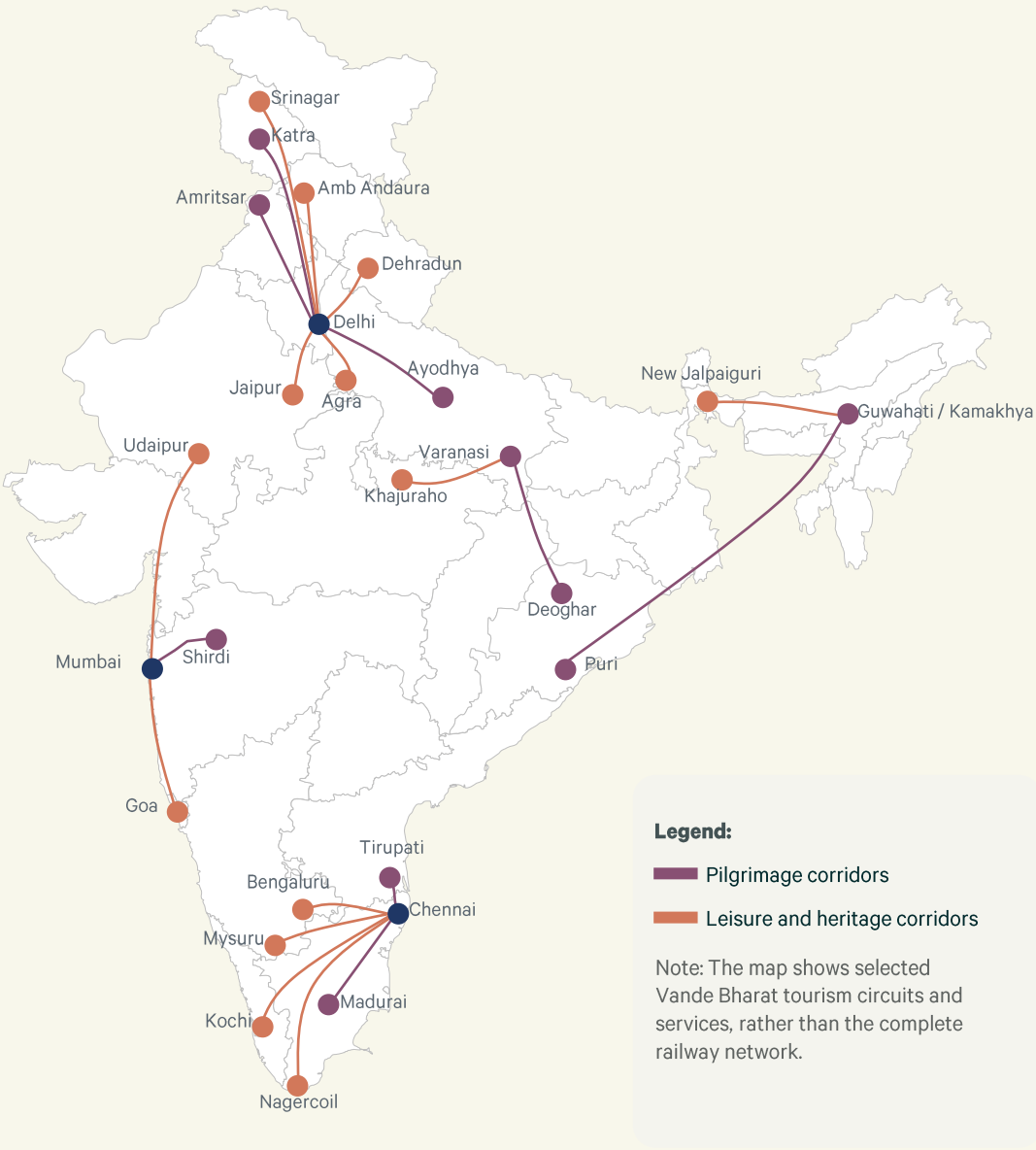
The introduction of Vande Bharat services connecting key eastern hubs such as New Jalpaiguri with Kamakhya has reduced travel time and improved accessibility to one of the country's most important cultural and pilgrimage destinations.

Strong demand where pilgrimage and regional mobility intersect

Route additions and service rationalisation indicate that corridors combining religious tourism with broader travel demand have generally demonstrated stronger sustainability than purely leisure-oriented routes.

Vande Bharat's tourism footprint has extended beyond metro connectivity, with the strongest growth concentrated along pilgrimage corridors, while improved access to regions such as Kashmir and the Northeast is broadening India's tourism and heritage network.

Figure 3.4: Key Vande Bharat tourism routes across India



Alternative Transport: Leveraging the Non-traditional

Ropeways	River tourism and national waterways ²	Seaplanes & water aerodromes
Scale and pipeline Parvatmala targets 250+ ropeway projects spanning 1,200 kms, with planned investment of INR 1.25 trillion¹ Key projects • Kashi Ropeway (Varanasi): India’s first urban public transport ropeway; expected to reduce travel time to the Kashi Vishwanath corridor from 40-45 minutes to around 15 minutes² • Kedarnath (12.9 km): Likely to cut journey time from 8-9 hours to ~36 minutes.² • Hemkund Sahib (12.4 km): Round-trip journey expected to be reduced from 3 days to ~3 hours² Tourism potential • Set to improve connectivity to high-footfall pilgrimage destinations • Expected to ease congestion and pressure in environmentally sensitive hill regions • Provide an additional mobility option where conventional road connectivity is constrained	Scale and pipeline • Inland waterway passenger traffic rose from 1.61 crore in FY2024 to 7.6 crore in FY2025. • River cruise vessels increased from three in FY2014 to 25 in FY2025, operating across 17 circuits. Planned expansion • 32 National Waterways are operational, with a target of 52 by 2030 • IWA plans 51 new river cruise circuits across 47 waterways by 2047 Tourism potential • Likely to create immersive heritage, spiritual, wildlife and luxury cruise experiences across river corridors • Set to expand tourism beyond traditional hubs through multi-day cruise circuits on the Ganga, Brahmaputra, Yamuna and J&K river systems	Current Scale India's first dedicated seaplane operator, Skyhop Aviation, has recently received its Air Operator Certificate (AOC) from the DGCA. SkyHop has also partnered with Noemi Aerospace to explore introducing electric and hybrid seaplanes to its fleet by 2030. Expansion potential More than 28 water aerodromes have been awarded or identified under UDAN-3 and subsequent rounds across several states and Union Territories: • Andaman & Nicobar Islands • Lakshadweep Islands • Assam • Andhra Pradesh • Goa • Gujarat • Telangana Tourism potential Seaplanes could provide a travel option for island and coastal destinations where conventional airport infrastructure is limited.





04

Leading Tourism States: A Snapshot

The following section presents state-level analyses based on each state's share of India's Domestic Tourist Visits (DTV) in 2025, as reported by the Ministry of Tourism. DTVs provide an indication of tourism demand and market depth, with the selected states accounting for a significant share of domestic tourism activity.

Leading Tourism States: A Snapshot

Key Parameters

 Domestic Tourist Visits

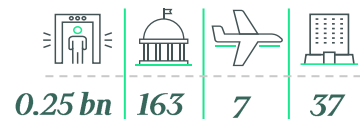
 ASI-protected Monuments

 Operational Airports

 5-star Hotels

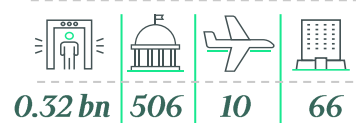
Rajasthan

Heritage, luxury and destination weddings



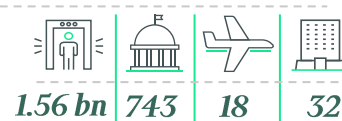
Karnataka

Business, heritage and nature mix



Uttar Pradesh

Pilgrimage and heritage at scale



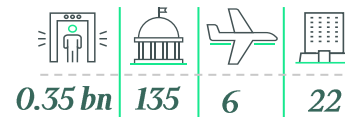
West Bengal

Culture, hills and coastline



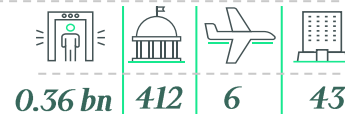
Andhra Pradesh

Pilgrimage-led, with coastal potential



Tamil Nadu

Cultural, coastal and hill tourism



Share of DTV

The six states reflect the breadth of India's tourism economy, spanning pilgrimage, heritage, cultural, coastal, nature, business and luxury travel. Uttar Pradesh stands out for the scale of domestic tourism, while the other states bring distinct destination strengths and visitor propositions. Hotel supply also varies across these markets. In several states, the share of 5-star hotel inventory remains below the corresponding share of domestic tourist visits, indicating potential headroom for additional organised hospitality supply, subject to market-specific demand and feasibility.

USD 313 billion

GSDP, FY2025¹

9.1% of India's GDP¹

3rd largest state economy

Uttar Pradesh: Scale and Connectivity

Tourism circuits and key destinations

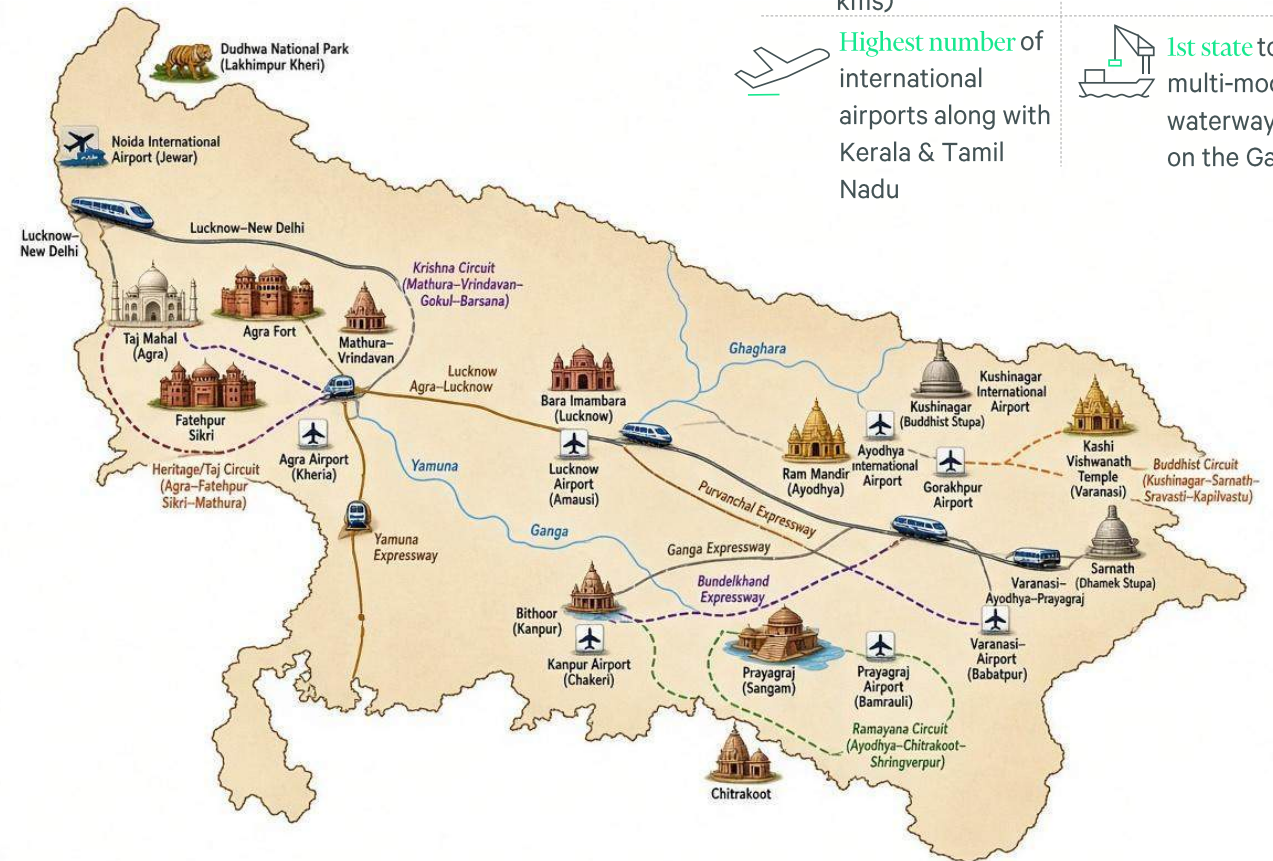
Infrastructure

 Largest railway network in India (> 16,000 track kms)

 Second-largest road network (> 400,000 kms)

 Highest number of international airports along with Kerala & Tamil Nadu

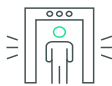
 1st state to have a multi-modal waterways terminal on the Ganga



Source: 1. Government of Uttar Pradesh, February 2026 | CBRE Research, Q3 2026 | Note: The map is AI-generated and intended solely for representational purposes.

Uttar Pradesh: The leader in domestic tourist footfalls

Overview



Domestic
Tourist Visits

UP: 1.56 bn (36%)

India: 4.29 billion

UP recorded ~141% Y-o-Y growth vs India's 45.6%¹



ASI-protected
Monuments

UP: 743 (20%)

India: 3,698

Highest among Indian states²



Operational
Airports

UP: 18
(11%)

India: ~166

Four out of India's 36 international airports are in Uttar Pradesh³



5-star Hotels

UP: 32 (4%)

India: 761

5-Star-rated hotel supply lags well behind UP's footfall and monument share⁴

Growth Enablers



USD 211 million

Tourism budget

Includes USD ~42 million under the CM's Tourism Sites Development Scheme for Ayodhya, Mathura and Naimisharanya⁵



234 villages

Identified for rural
tourism development

A homestay-led initiative announced in August 2025 aims to develop village-based tourism circuits⁶

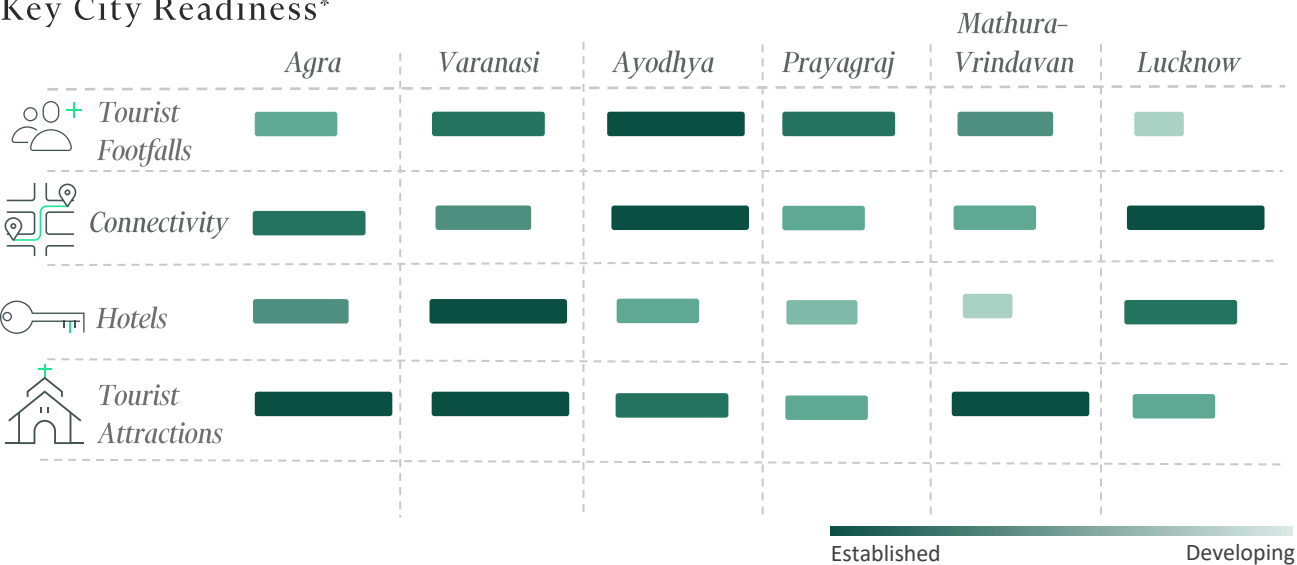


19,500

Hotel keys

Hotel inventory has grown 18% since 2021, with the midscale segment's share rising from 15% to 19% in 2025.⁷

Key City Readiness*



Note: *A detailed methodology is provided in the Annexure. The matrix reflects a qualitative CBRE Research assessment and is indicative only; it does not represent a government rating or index.

Uttar Pradesh combines India's largest share of domestic tourist visits with a wide network of pilgrimage, heritage and cultural destinations. Ayodhya, Varanasi and Prayagraj remain major draws, while Buddhist, Braj and Bundelkhand circuits add to the state's tourism offering. Continued investment in hospitality, air connectivity and destination infrastructure is strengthening activity across this wider network.

Source: 1. Ministry of Tourism, December 2025; 2. Ministry of Culture; 3. Ministry of Civil Aviation, July 2026; 4. Ministry of Tourism, April 2025; 5. Government of Uttar Pradesh, February 2025; 6. Publicly available information; 7. Co-star, 2025; | CBRE Research, Q3 2026

Tamil Nadu

USD 323 billion

GSDP, FY2025¹

9.4% of India's GDP¹

2nd largest state economy

Source: 1. Government of Tamil Nadu, February 2026 | CBRE Research, Q3 2026 | Note: The map is AI-generated and intended solely for representational purposes.

Tamil Nadu: A Diversified, Export-Led State Economy

Tourism Circuits & Key Destinations

Infrastructure



2.7 lakh km road network
Density exceeds national average (2,085 vs 1,926 km/1,000 km²)



3 major ports
(Chennai, Kamarajar, and Thoothukudi) + ~15 minor ports

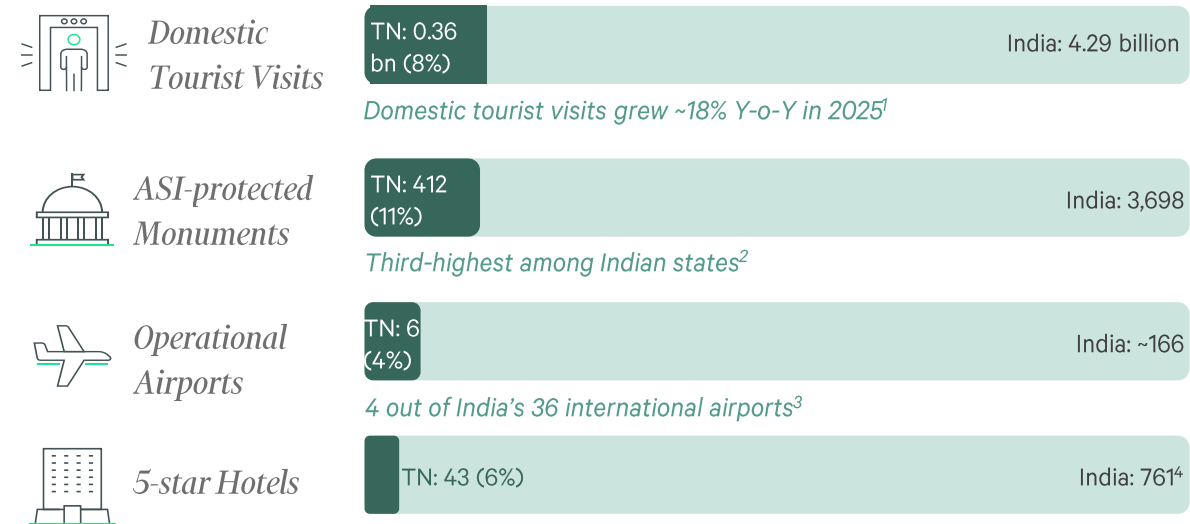


4 international airports
Joint-highest among states, with UP & Kerala



Tamil Nadu: Cultural and Natural Tourism Anchors

Overview



Growth Enablers



Investment target under the TN Tourism Policy 2023; it also aims to create employment for 25 lakh people.⁵

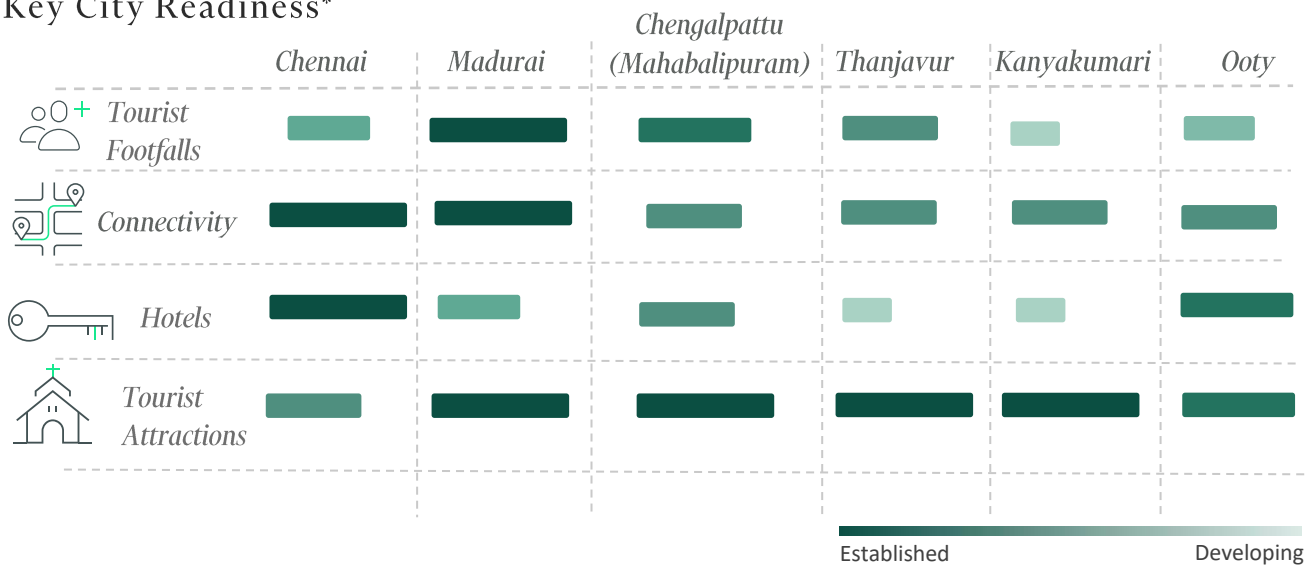


SASCI funding sanctioned for Nandavanam Heritage Park, Mamallapuram (USD 10.4 million) and Garden of Flowers, Ooty (USD 7.3 million).⁶



TN Tourism Policy 2023 identifies cruise tourism as a priority segment, along with port and jetty upgrades at Chennai, Ennore and Thoothukudi.⁷

Key City Readiness*



Note: *A detailed methodology is provided in the Annexure. The matrix reflects a qualitative CBRE Research assessment and is indicative only; it does not represent a government rating or index.

Tamil Nadu's tourism base spans pilgrimage, heritage, coastal, hill-station, medical and business travel. Chennai remains the principal gateway, while destinations such as Madurai, Mahabalipuram, Thanjavur, Kanyakumari and Ooty provide a geographically diverse visitor offering. Policy-led investment in destination infrastructure, hospitality and cruise tourism is adding further depth to this tourism base.

Source: 1. Ministry of Tourism, December 2025; 2. Ministry of Culture; 3. Ministry of Civil Aviation, July 2026; 4. Ministry of Tourism, April 2025; 5. Government of Tamil Nadu, September 2023; 6. Ministry of Tourism/Finance, February 2025; 7 Government of Tamil Nadu | CBRE Research, Q3 2026

Andhra Pradesh

USD 167 billion

GSDP, FY2025¹

4.7% of India's GDP²

9th largest state economy²

Source: 1. Government of Andhra Pradesh, November 2024; 2. PM's Economic Advisory Council Report, 2024 | CBRE Research, Q3 2026 | Note: The map is AI-generated and intended solely for representational purposes.

Andhra Pradesh: A Coastal Economy with Growing Infrastructure Links

Tourism Circuits & Key Destinations

Infrastructure



~4,000 kms railway network



1.79 lakhs km road network



Bhogapuram Airport New greenfield airport serving the Visakhapatnam region

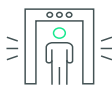


Visakhapatnam Port Andhra Pradesh's only major port



Andhra Pradesh: Pilgrimage Tourism with Coastal Potential

Overview



Domestic
Tourist Visits

AP: 0.35 bn
(8%)

India: 4.29 bn

Domestic tourist visits grew ~22% Y-o-Y in 2025, led by pilgrimage and coastal destinations.¹



ASI Protected
Monuments

AP: 135
(4%)

India: 3,698

All monuments fall under ASI's Amaravati Circle (est. 2016), with the highest concentrations in Anantapur, Guntur, and Kurnool²



Operational
Airports

AP: 6
(4%)

India: ~166

Three international airports: Vijayawada, Visakhapatnam, and Tirupati³



5-star Hotels

AP: 22
(3%)

India: 761⁴

Growth Enablers



USD 2.6 billion

Investment target

Under the state's tourism policy, projects are also eligible for industrial-status benefits, including stamp-duty and land-conversion reimbursements.⁵



7 Tourism Hubs

Destination
diversification

Visakhapatnam, Araku, Rajamahendravaram, Amaravati, Srisailam, Gandikota and Tirupati have been identified as tourism hubs across the state

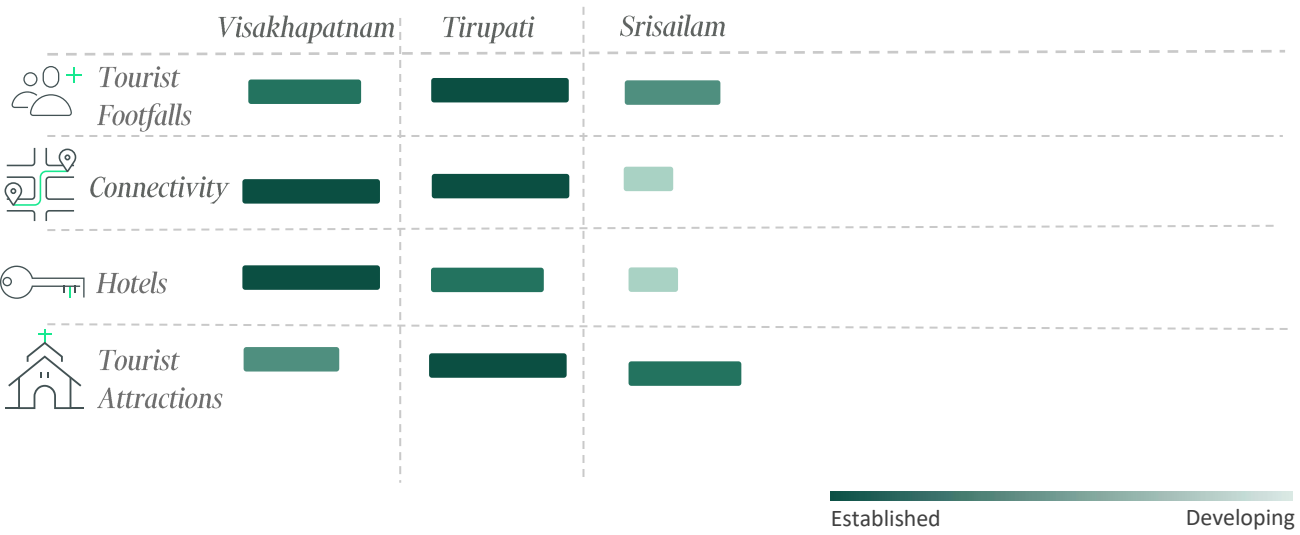


USD 6.01 billion

Amaravati capital
development

India's greenfield state capital, under active construction adding structural government and MICE demand on top of leisure tourism.⁶

Key City Readiness*



Note: *A detailed methodology is provided in the Annexure. The matrix reflects a qualitative CBRE Research assessment and is indicative only; it does not represent a government rating or index.

Pilgrimage remains central to Andhra Pradesh's tourism economy, led by Tirumala, while the state also offers coastal, nature and cultural destinations across Visakhapatnam, Araku Valley, Konaseema and other locations. The Tourism Policy 2024-29 places greater emphasis on destination development, hospitality capacity and private investment, creating scope for a more diversified visitor base over time.

Source: 1. Ministry of Tourism, December 2025; 2. Ministry of Culture; 3. Ministry of Civil Aviation, July 2026; 4. Ministry of Tourism, April 2025; 5. Government of Andhra Pradesh, July 2025; 6. Publicly available information | CBRE Research, Q3 2026¹

Karnataka

USD 300 billion

GSDP, FY2025¹

8.9% of India's GDP¹

4th largest state economy in India²

Source: 1. Government of Karnataka, March 2025; 2. MoSPI, April 2025 | CBRE Research, Q3 2026 |
Note: The map is AI-generated and intended solely for representational purposes.

Karnataka: Heritage, High-tech and Hospitality

Tourism Circuits & Key Destinations



Infrastructure



8,190+ kms
National highway
network



3,600 km
Railway network



8 operational airports
Two international
airports—Bengaluru
and Mangaluru

Karnataka: A Diversified Tourism Market

Overview



Domestic
Tourist Visits

KA: 0.32
bn (7%)

India: 4.29bn

Domestic tourist visits grew ~5% Y-o-Y in 2025



ASI Protected
Monuments

KA: 506
(14%)

India: 3,698

Second-highest among Indian states, after Uttar Pradesh



Operational
Airports

KA: 10
(6%)

India: ~166

Two out of India's 36 international airports are in Karnataka



5-star Hotels

KA: 66 (9%)

India: 761

Fourth-highest count among Indian states, anchored by Bengaluru's MICE & business travel

Growth Enablers



USD 141 million

Tourism Budget

Tourism Policy 2024-29 identifies 25 tourism themes and 44 priority projects.⁵



USD 829 million

Investment target

Under its tourism policy, the state also aims to create 1.5 lakh jobs by 2029.⁶



USD 131 million

Coastal infrastructure MoUs

At the Coastal Karnataka Tourism Conclave, the state signed MoUs for 31 tourism projects across its three coastal districts, along the ~320 km coastline.⁷

Key City Readiness*

	Bengaluru	Mysuru	Hampi	Coorg	Chikkamagaluru	Gokarna
Tourist Footfalls						
Connectivity						
Hotels						
Tourist Attractions						

EstablishedDeveloping

Note: *A detailed methodology is provided in the Annexure. The matrix reflects a qualitative CBRE Research assessment and is indicative only; it does not represent a government rating or index. | Tourist footfalls use pre-2020 data, as recent government data at the city level is unavailable.

Karnataka's tourism story extends beyond Bengaluru's business-travel base, spanning Hoysala heritage, Vijayanagara and Chalukya monuments, Western Ghats hill destinations and the Karavali coast. Mysuru, Hampi, Coorg, Chikkamagaluru and Gokarna add depth across cultural, nature and leisure travel, while the state's tourism policy seeks to attract more investment and tourism activity beyond Bengaluru.

Source: 1. Ministry of Tourism, December 2025; 2. Ministry of Culture; 3. Ministry of Civil Aviation, July 2026; 4. Ministry of Tourism, April 2025; 5. Publicly available information, February 2025; 6. Publicly available information, September 2026; 7. Government of Karnataka, January 2026 | CBRE Research, Q3 2026

West Bengal

USD 188 billion

GSDP, FY2025¹

5.6% of India's GDP¹

6th largest state economy²

Source: 1. Government of West Bengal, February 2026; 2. MoSPI | CBRE Research, Q3 2026 |
Note: The map is AI-generated and intended solely for representational purposes.

West Bengal: Gateway to Eastern India

Tourism Circuits & Key Destinations



Infrastructure

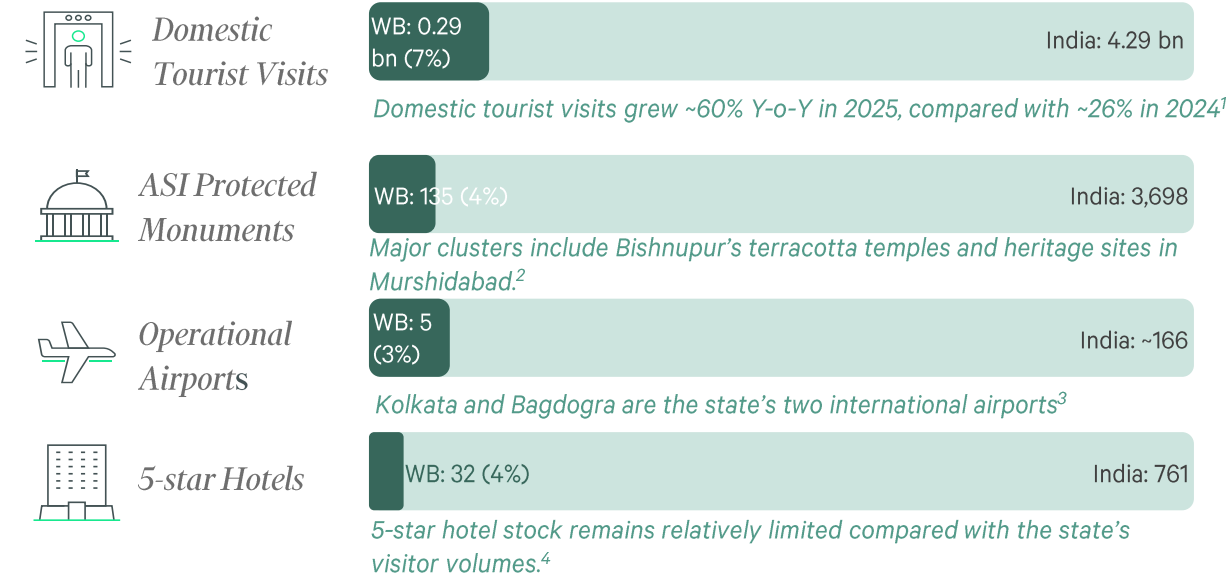
 3.2 lakh km road network across the state

 2 international airports
Kolkata and Bagdogra

 **Kolkata Port**
India's oldest operating major port, with the Haldia Dock forming part of the port ecosystem

West Bengal: Culture, Hills and Coastlines

Overview



Growth Enablers

USD 594 million
Tourism investment in 2024

Private investment is flowing into hotels, homestays and other tourism assets across the state⁵

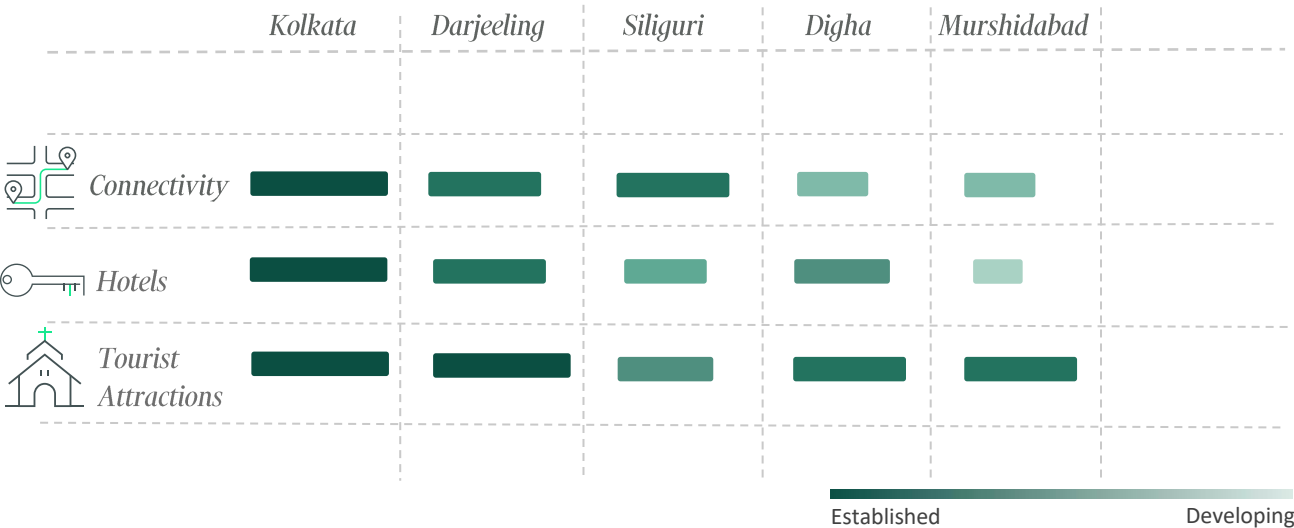
UNESCO recognition
Durga Puja, 2021

Durga Puja in Kolkata was inscribed on UNESCO's Representative List of the Intangible Cultural Heritage of Humanity, adding to the state's international cultural profile

730 MICE events, 2024

Business and convention events held across the state in 2024 point to Kolkata's growing role as a regional MICE destination⁵

Key City Readiness*



Note: *A detailed methodology is provided in the Annexure. The matrix reflects a qualitative CBRE Research assessment and is indicative only; it does not represent a government rating or index.

West Bengal's tourism appeal is rooted in Kolkata's cultural pull, led by Durga Puja, along with major pilgrimage events such as Gangasagar Mela. Beyond the capital, Darjeeling and the Himalayan belt, the Sundarbans, and the Digha coast give the state a diverse hill, wildlife and coastal offering. Notably, the state ranks among India's leading domestic tourism markets despite the absence of direct air services from Kolkata to Europe and the US, pointing to the strength of its existing visitor base and potential for further international growth.

Source: 1. Ministry of Tourism, December 2025; 2. Ministry of Culture; 3. Ministry of Civil Aviation, July 2026; 4. Ministry of Tourism, April 2025; 5. Publicly available information, August 2025; 6. UNESCO, Intangible Cultural Heritage Lists, 2021

Rajasthan

USD 177 billion

GSDP, FY2025¹

5.15% of India's GDP,¹

7th largest state economy (GSDP growing at a double-digit pace in recent years)¹

Source: 1. Government of Rajasthan, December 2024 | CBRE Research, Q3 2026 | Note: The map is AI-generated and intended solely for representational purposes

Rajasthan: Heritage Tourism and Clean-Energy Growth

Tourism Circuits & Key Destinations

Infrastructure



~6,000 kms
Railway network
across the state



27,856 kms
National and state
highway network



7 Airports
Including Jaipur
International
Airport

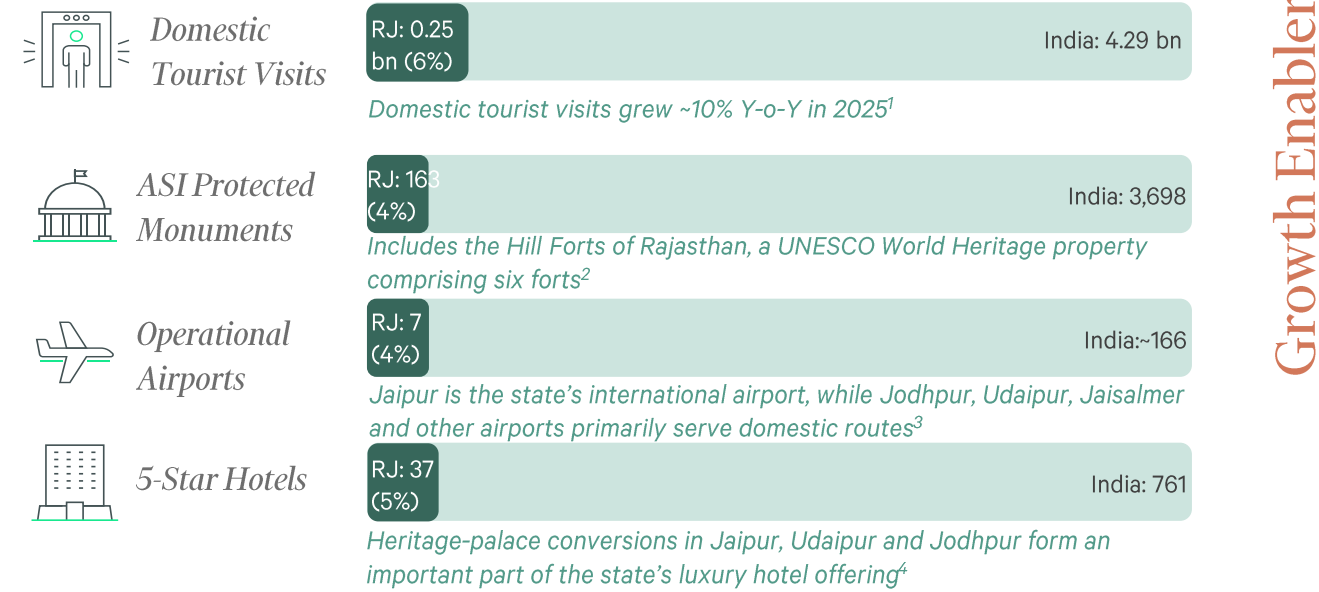


Leading renewable-
energy state
with India's highest
installed solar
capacity



Rajasthan: Heritage-led Luxury Tourism

Overview





05

Established Themes, Emerging Trends

India's tourism sector has evolved beyond traditional sightseeing, with growing demand for purpose-driven experiences across spiritual, wellness, business, nature and adventure tourism

Targeted policy support, destination development and private investment are accelerating the growth of niche tourism segments and expanding opportunities across new geographies

Emerging tourism segments typically generate higher visitor spending, longer stays, and wider economic benefits, creating opportunities for sustainable and inclusive tourism growth



Spiritual Tourism

Faith-led travel is gaining scale, along with investments in pilgrimage infrastructure and visitor services

~60%

Share of spiritual tourism in domestic tourism in India¹

USD 179 mn

Estimated cost of 54 PRASHAD projects across 28 states/UTs (Jan 2015 – Dec 2025)²

Government Focus

- Under the Swadesh Darshan scheme, the Ministry of Tourism has developed thematic circuits including Buddhist, Ramayana, Krishna, Spiritual, Sufi and Tirthankar circuits.
- The Shri Jagannath Yatra tourist train, under the Bharat Gaurav initiative, operates a seven-night, eight-day pilgrimage circuit, with Varanasi as its first stop.
- Government is upgrading pilgrimage infrastructure through the PRASHAD scheme, improving access, amenities and visitor facilities at major religious sites across the country.

Current Trends

- State governments and temple administrations are using AI, drones and digital passes to manage crowds, navigation and visitor services. Pilgrim services are also moving to voice-based platforms in regional languages, making them accessible to people beyond English and Hindi speakers.
- In Ayodhya, visitors rose from 60 lakh in 2020 to 16.4 crore in 2024, following the Ram Temple consecration.³

What this means?

- **For governments:** Greater scope to complement temple-trusts and local-body investment with PPP-led infrastructure upgrades.
- **For tourism businesses:** Rising purchasing power and the premiumisation of spiritual travel are creating opportunities for luxury and premium hotels, experiential stays, and higher-value visitor services.
- **For tourists:** Digital platforms are playing a larger role in spiritual-travel discovery and planning across age groups, from WhatsApp and YouTube to Instagram and short-form videos.

Impact on the ecosystem: Spiritual travel generates demand beyond pilgrimage sites themselves, spanning religious products and media, hospitality, transport and retail, particularly around major pilgrimage events.

Source: 1. KPMG-FICCI, August 2024; 2. Ministry of Tourism, December 2025; 3. Government of Uttar Pradesh, 2024 | CBRE Research , Q3 2026 | Note: Conversion rate used: 1 USD = INR 96.5 as of 21 Sept 2026

Wellness and Medical Tourism

Cost-effective care and established wellness traditions position India as a global medical tourism hub

5.07 lakh

Foreign tourist arrivals for medical treatment in 2025 (~6% of total FTAs)¹

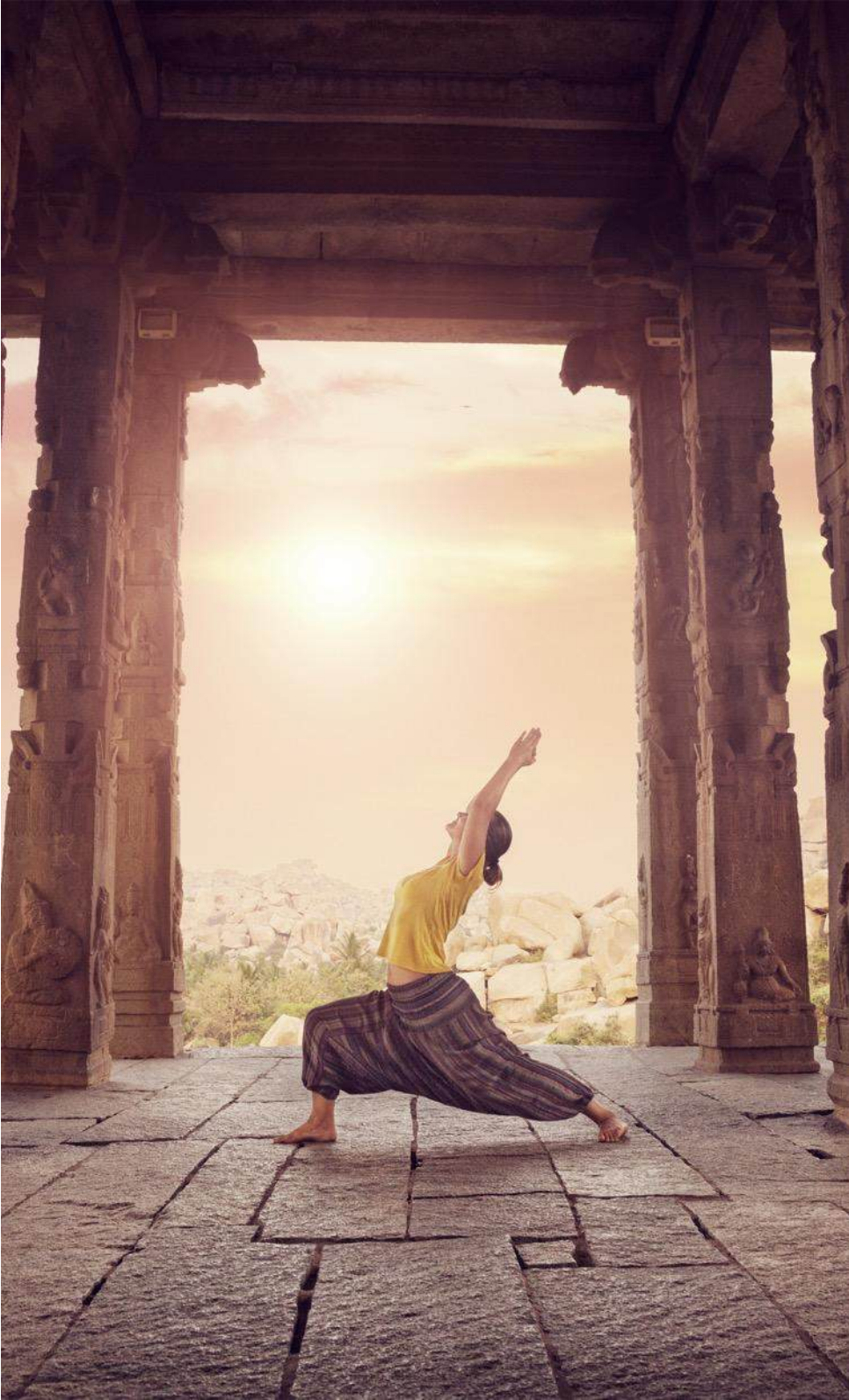
USD 8.7 bn → USD 16.2 bn

Medical tourism market size in 2025 vs. projection for 2030¹

Government Focus	Current Trends	What does this mean?
“Heal in India” campaign (Health + AYUSH ministries) and e-Medical Visa now cover 172 countries; the MVT portal aims to map a patient’s end-to-end journey. - Union Budget 2026-27 also provides for AYUSH centres, diagnostics and post-care rehabilitation, as well as three new All India Institutes of Ayurveda. - MoAYUSH continues to back Ayurveda promotion; Kerala, Uttarakhand, Goa and Odisha are building dedicated rejuvenation and therapeutic centres.	- Hospital chains (Apollo, PSRI, Narayana Health etc.) run dedicated international-patient divisions, treatment-travel packages and co-branded medical financing (Apollo x Bajaj Finance EMI card). 1,300+ hospitals hold NABH accreditation (67 hold JCI); med-tourism startups (Healthtrip, MedMonks, Vaidam) offer end-to-end facilitation for inbound patients.² - Wellness chains (Ananda in the Himalayas, Kairali Ayurveda, CGH Earth, Somatheeram) are expanding dedicated Ayurveda and holistic-retreat portfolios.	For governments: Move from campaigns to execution—strengthen NABH/JCI accreditation and use the MVT portal to close India’s patient-data gap. For tourism businesses: Compete on quality and ease of access, not just cost, as Malaysia, Thailand and Singapore expand competing offerings; address the wellness industry’s skill and retention gap. For tourists: Ageing, high-spending source markets, including older European travellers and Gen X (aged 46-61), are increasingly seeking combined medical, wellness and spiritual itineraries.

Impact on the ecosystem: Drives demand across the health economy, including pharma and diagnostics, health insurance and medical financing, Ayurveda and wellness retail, and hospitality at hospital-adjacent and retreat destinations.

Source: 1. Medical and Wellness Tourism in India, Press Information Bureau, May 2026; 2. Press Information Bureau, May 2026 | CBRE Research, Q3 2026





Business & MICE Tourism

Business gatherings and global events are strengthening India's position in Asia's MICE market

12%

Share of business travel in India's total foreign tourist arrivals (2025)¹

141 meetings

ICCA-qualified international meetings hosted in 2024, 7th in Asia Pacific²

Government Focus	Current Trends	What does this mean?
- Targets a 2% share of the global MICE market and a top-20 ICCA ranking; the 'Meet in India' brand and MDA scheme aim to strengthen India's ability to bid for and host international events.³ - MICE Promotion Bureaus launched in six cities, which function as single-window facilitators; 20 more cities targeted over five years. - The G20 Summit along with several investor conclaves and events are showcasing India as a major event-hosting and MICE destination.	- IEIA's 20th anniversary seminar (1,200+ delegates, May 2026) saw calls for a national MICE pricing and infrastructure framework.³ - Emerging cities such as Jaipur, Kochi, Indore, and Bhubaneswar, among others contribute significantly to MICE activity, supported by better connectivity and competitive pricing. - Destination weddings are a notable MICE-adjacent demand driver. India hosts around 10 million weddings a year, and the wedding industry is valued at up to USD 110 billion; in recognition of this scale, the Ministry of Tourism is drafting a dedicated wedding-tourism policy.⁴	For governments: Scale "Meet in India" branding and fast-track remaining MICE Promotion Bureaus. Draft a dedicated wedding-tourism policy to formalise an adjacent, high-value segment. Leverage G20-legacy infrastructure to pitch India for more recurring global summits. For tourism businesses: Invest in convention centre capacity as MICE demand scales. Package destination weddings as a MICE-adjacent revenue stream. For travellers: Bleisure travel can extend business trips into leisure stays, creating additional demand within gateway cities and nearby destinations.

Impact on the ecosystem: MICE travel outspends leisure travel and balances hotel/airline off-season demand while also lifting destination weddings, workations and local craft showcases (One District One Product).

Source: 1. Ministry of Tourism, 2026; 2. GlobeWatchBusiness Analytics, 2024; 3. Travel Trends Today, May 2026; 4. Unleashing Wedding Bonanza," SATTE 2025 | CBRE Research, Q3 2026

Sustainable Tourism

Green certification and mindful travel are gaining importance as India's tourism sector expands

87%

Indian travelers planning to travel more sustainably over the next 12 months¹

39th

India's rank in the WEF Travel & Tourism Development Index 2024²

Government Focus	Current Trends	What does this mean?
- National Strategy for Sustainable Tourism (7 pillars — environmental, biodiversity, economic & socio-cultural sustainability, certification, capacity-building, governance), overseen by a new National Board for Sustainable Tourism. - Travel for LiFE, the Ministry of Tourism's programme under Mission LiFE, promotes sustainable tourism by raising awareness and encouraging tourists and tourism businesses to adopt environment-friendly practices. - National schemes such as Swadesh Darshan 2.0 and Travel for LiFE are shifting focus to sustainable, destination-led development and responsible travel.	- Hotels and beaches adopting international eco-labels, such as Green Key and Blue Flag, to signal sustainability to travellers. IHCL's Paathya framework, Green Key certification and Blue Flag beaches across coastal states are notable examples. - Kerala, Sikkim, Himachal Pradesh and Meghalaya lead on eco-tourism and community-based tourism models. Sikkim's State Green Mission dates back to 2006; Kerala adopted responsible tourism in 2008. - New resorts integrating solar power, rainwater harvesting and locally sourced materials from the planning stage. Low-density, nature-led formats replacing large resorts in ecologically sensitive locations.	For governments: Move from strategy to implementation by scaling the sustainable tourism certification scheme and aligning state-level incentives. For tourism businesses: Certification is moving beyond compliance, with certified properties getting dedicated label and filter on major booking platforms. For tourists: Sustainability is now a booking filter and not an afterthought, with 74-75% seeking options to filter tours, stays and activities by sustainability credentials.¹

Impact on the ecosystem: Drives demand for green-certified hotels and eco-lodges, community-based and off-beat destinations, and low-carbon transport, while encouraging states to balance visitor growth with biodiversity and carrying-capacity limits.

Source: 1. Booking.com, Travel & Sustainability Report 2025; 2. World Economic Forum, Travel & Tourism Development Index 2024; Ministry of Tourism | CBRE Research, Q3 2026



Emerging Trends

India's next phase of tourism growth will be defined not by scale alone, but by how effectively adventure, cruise, rural and wildlife circuits are converted into investable, well-connected experiences.



Cruise Tourism

Coastal India is shifting from a transit point to a destination

- India-Sri Lanka cruise route relaunched from Chennai, 2023¹
- Three new international cruise ports planned (India–Sri Lanka–Thailand–Myanmar)¹
- Tamil Nadu and Karnataka drafting dedicated cruise policies for their coastlines^{2,3}

RE Implication: Port-led tourism driving hospitality, retail and F&B development around cruise terminals



Adventure Tourism

Recognition and safety norms are turning niche activity into investable infrastructure

- Declared a "Niche Tourism Product" by Ministry of Tourism, 2022; expected to contribute **USD 800 billion to the USD 3 trillion tourism economy under the Viksit Bharat 2047 goal**⁴
- National Strategy + Adventure Safety Guidelines now govern 29 activities⁵

RE Implication: Certified zones (Bir Billing, Rishikesh) becoming bankable for base camps and adventure-stays



Rural Tourism & Homestays

Villages, not monuments, are becoming the product

- 4.7 lakh villages mapped for tourism under "Mera Gaon Meri Dharohar"⁶
- Pochampally (Telangana) won UNWTO's Best Tourism Village, 2021 — one craft, one destination⁷
- Homestay market: INR 4,722 crore (2024), now financed via Mudra loans⁸

RE Implication: Growth driven by existing housing stock rather than new construction, creating a low-capital but fragmented market



Wildlife & Nature Tourism

Scarcity by law, not by market

- Branded chains moving into wildlife destinations. Major hotel groups signing luxury lodges near tiger reserves such as Ranthambore and Satpura, with sustainable design built in from the start
- Travellers increasingly exploring reserves beyond the established circuits, with Pilibhit and Dudhwa in Uttar Pradesh recording high footfalls in the 2025–26 season

RE Implication: Rising demand and limited supply near reserves position wildlife lodges as a potentially high-yield niche for hospitality investors

Source: 1. Rajya Sabha, December 2023; 2. TN Tourism Policy Note 2022-23; 3. Karnataka Tourism, January 2026; 4. Ministry of Tourism, December 2023; 5. Ministry of Tourism, April 2022; 6. PIB/Ministry of Culture, August 2025; 7. PIB/Ministry of Tourism, November 2021; 8. NITI Aayog, June 2025
| CBRE Research, Q3 2026

06

Human Capital: Enabler of Growth

Tourism supported ~84.6 million jobs in FY2024, making workforce readiness a critical enabler of the sector's next phase of growth

Expanding demand across hospitality, pilgrimage, wellness, MICE, cruise and experiential tourism is creating a need for new and specialised skill sets

Government-led skilling initiatives, industry partnerships and institutional capacity building are strengthening the talent pipeline for the tourism ecosystem

Human Capital: Building the Workforce for the Next Phase of Growth

As demand broadens across pilgrimage, wellness, MICE and sustainable travel, the availability of trained people is becoming a key constraint on growth. India's training architecture is in place; the task now is to retain talent, take training closer to new supply, and build skills for emerging segments.



01 The Need

Demand is outpacing trained supply

84.6 million

jobs supported by tourism (direct and indirect), FY2024¹

~11 million

projected shortfall in India's travel and tourism workforce by 2035²

Newer segments such as wellness, MICE, cruise and guided heritage need specialised roles that the current pipeline was not built for.



02 The Gap

Why the gap persists

Retention: Long hours, modest pay and weak career perception move trained staff towards aviation, retail and BPO roles.

Geography: Training capacity sits largely in established centres, while new hotel supply is spreading to tier-II and tier-III markets.

Relevance: Curricula are refreshed slowly relative to how quickly the demand is changing.



03 The Response

The architecture is in place

Train: Hunar Se Rozgar Tak, under the Ministry of Tourism's CBSP scheme, offers fully-funded, short-term hospitality courses.

Certify: IHMs, FCIs, IITTM and NCHMCT deliver NSQF-aligned courses; IITFC adds online certification.

Upgrade: Under Budget 2026-27, NCHMCT is to be upgraded into a National Institute of Hospitality, and a pilot scheme will upskill 10,000 guides at 20 iconic tourist sites³

What comes next?

Retain

Clear career paths and faster hiring models (recognition of prior learning, recruit-train-deploy) can keep trained staff in the sector.

Decentralise

Locally embedded training capacity in the markets where new hotel supply is being added.

Specialise

Build segment-specific skills for wellness, MICE, guiding and cruise, while training staff at heritage and cultural sites on visitor sensitivity, appropriate conduct and responsible interpretation.



07

The "Suite Spot": Hospitality Sector's Performance Overview

Total room inventory in India's organised hotel sector stands at **~450,000 rooms**, out of which 14,400 were added in 2025 alone

Overall hotel occupancy stood at **~64%** in 2025, which reflects a steady return to pre-pandemic levels

Average national RevPAR in 2025 was **~INR 5,500**, up 11% compared with 2024

India's Hospitality Sector: Maintaining the Momentum

Broad-based demand recovery

India's organised hotel sector has continued its post-pandemic recovery, with occupancy rising from 42% in 2021 to ~64% in 2025, as leisure, business and MICE travel strengthened.

Rate-led revenue expansion

Steady ADR growth has lifted RevPAR above pre-pandemic levels, reflecting improved pricing power and firmer demand conditions.

Balanced supply structure

The market maintains a diversified inventory profile, with Economy, Upper Midscale and Midscale hotels accounting for nearly 60% of branded room stock, catering to a broad spectrum of traveller segments

Outlook

Continued supply additions, widening tourism themes and firm travel demand are expected to maintain momentum across India's hospitality sector.

Figure 7.1: ADR, RevPAR, and occupancy trends in India's hotel sector (2021-2025)

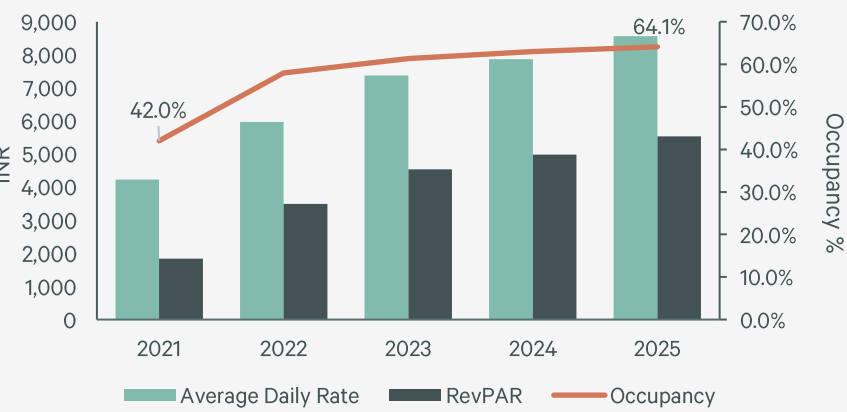
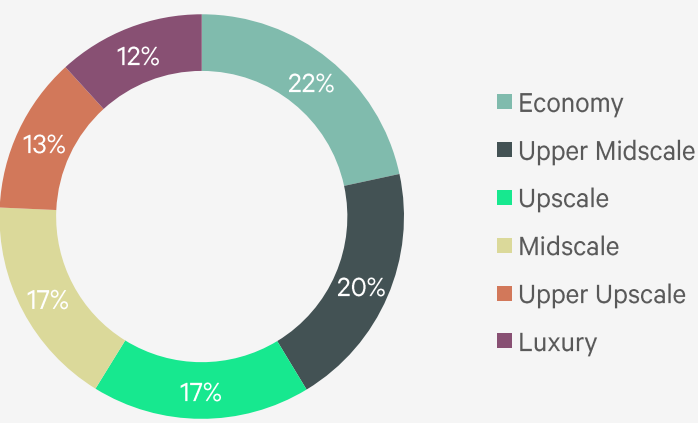


Figure 7.2: Segment-wise share of India's branded hotel inventory (2022-2025)



Source: CBRE Research, Q3 2026; Co-Star (data as of December 2025) | Note: Percentages may not sum to 100 due to rounding.



Major Hospitality Markets: Segment Mix and Inventory Profile

Premium Demand Concentrated in Gateway Markets

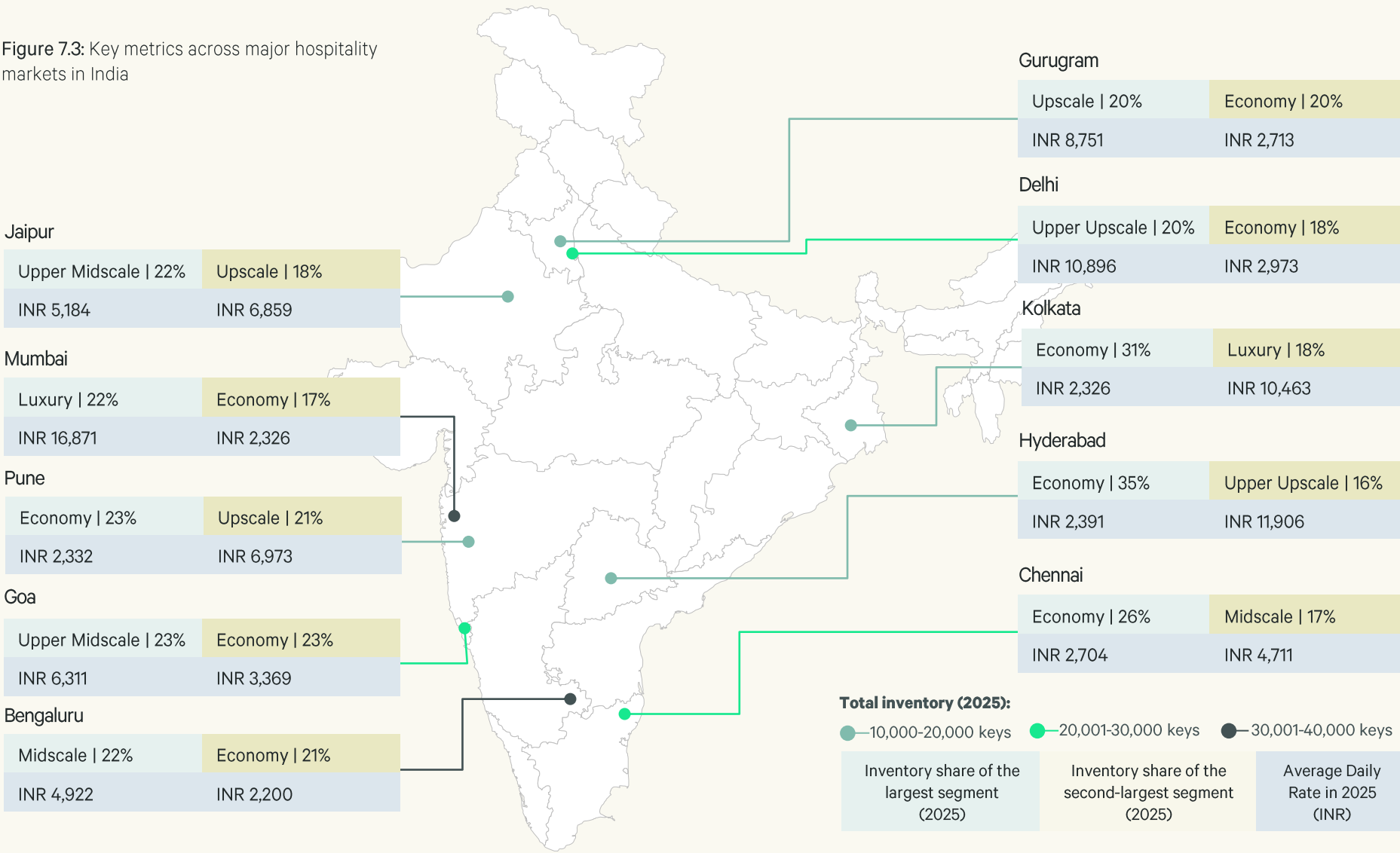
Delhi-NCR and Mumbai remain key premium hospitality markets, with Luxury and Upscale segments accounting for a significant share of inventory and commanding higher room rates.

Diversified Market Positioning

Leisure hubs such as Goa and Jaipur exhibit a balanced supply mix, while business-centric cities such as Hyderabad and Chennai remain skewed towards value-driven segments, highlighting differentiated demand drivers across markets.

India's hospitality market is becoming increasingly segmented, with gateway metros carrying a larger premium inventory base, while cultural and leisure destinations show a stronger Midscale and value-oriented mix, reflecting varied demand profiles across markets.

Figure 7.3: Key metrics across major hospitality markets in India



Source: CBRE Research, Q3 2026; Co-Star (data as of December 2025)

Demand Strengthens Across Gateway Cities and Leisure Hubs

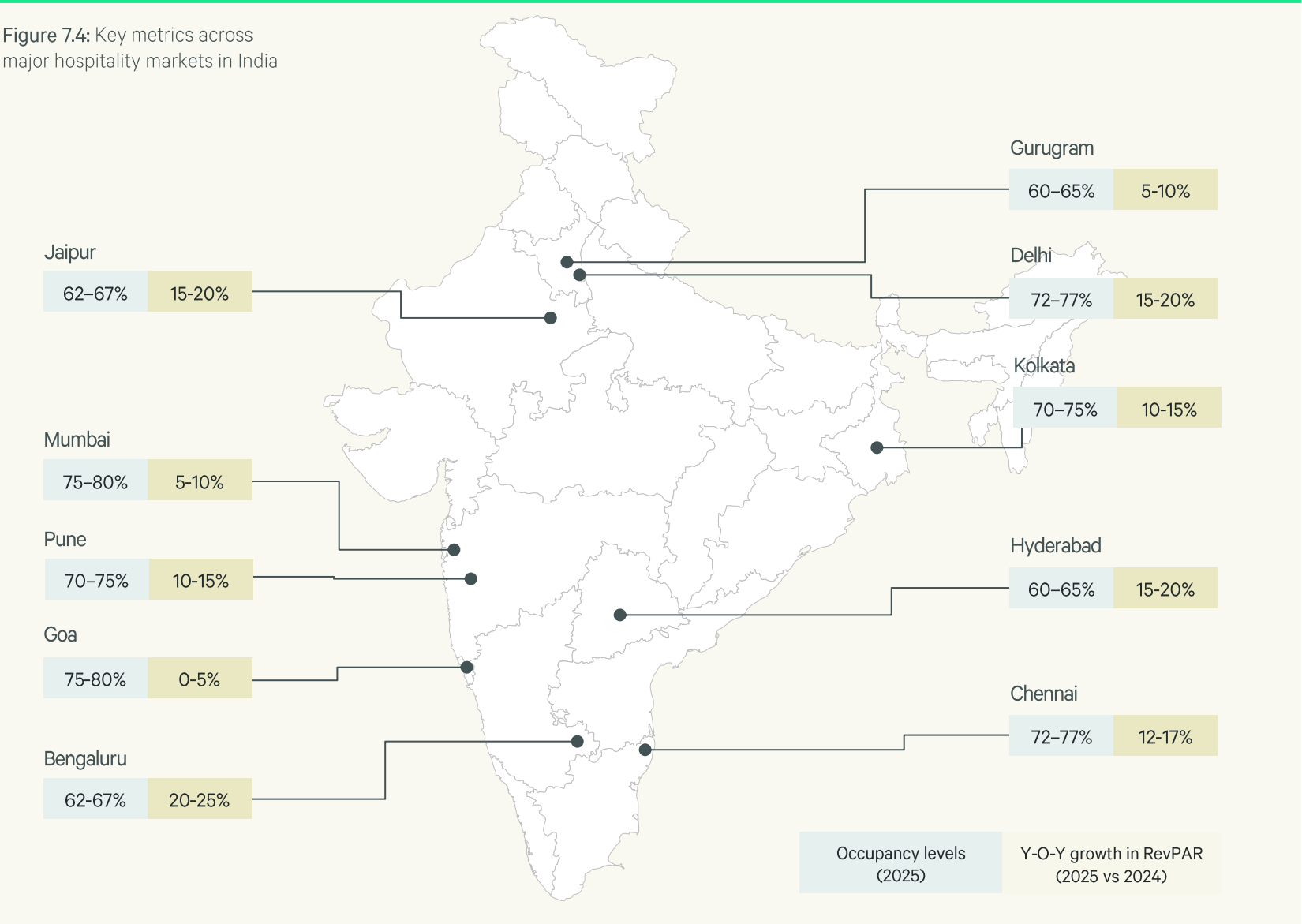
India’s major hospitality markets continue to exhibit strong demand fundamentals, with occupancies across most gateway and tourism-led destinations remaining above 60%. High occupancy, coupled with healthy pricing growth, reflects sustained momentum across business and leisure travel.

Key demand drivers

- Gateway cities such as Mumbai, Delhi and Chennai continue to anchor demand through corporate travel, MICE activity and international arrivals.
- Cultural and leisure destinations, including Goa and Jaipur, continue to benefit from experience-led tourism, with occupancy and rate growth remaining firm.

High occupancy and positive RevPAR growth across metropolitan and tourism-led markets point to broad-based demand across India’s hospitality sector.

Figure 7.4: Key metrics across major hospitality markets in India



08

Key Recommendations

Strong domestic demand, recovering international arrivals and expanding tourism infrastructure provide a solid foundation for future growth

Realising the sector's long-term potential will require focused efforts to strengthen destinations, improve accessibility and enhance visitor experiences

A coordinated public-private approach can help translate tourism growth into higher investment, employment generation and regional economic development

Translating Growth into Tangible Outcomes

India's tourism economy is gaining scale, backed by policy momentum, better connectivity and rising private investment. The next phase will depend on coordinated execution across stakeholders.



Government

Policy differentiation

Expand tourism incentives (such as those under Swadesh Darshan 2.0) towards niche-specific frameworks for adventure, cruise and rural circuits.

Connectivity-led development

Continue prioritising expressway, UDAN, and ropeway investments to convert standalone attractions into integrated, multi-destination corridors.

Visa & digital facilitation

Sustain e-visa fee rationalisation and faster turnaround to lift international arrivals and encourage longer stays.

Destination marketing

Scale overseas promotion in priority markets to convert India's 18.1-day average international stay into higher-value spend.



Tourism Businesses

Niche product development

Build dedicated adventure, cruise and rural-circuit offerings, backed by clear safety standards, to capture faster-growing visitor segments.

Tier-II/III expansion

Extend branded inventory and verified homestay networks into emerging corridors where demand is outpacing quality supply beyond metro gateways.

Sustainability positioning

Pursue GSTC/Green Key certification, as certified properties increasingly have a dedicated label and filter in online travel agencies' (OTAs) search rankings.

Workforce readiness

Invest in structured skilling, including guest safety and emergency response, and decentralised training to close the sector's talent gap.



Tourists

Easier destination access

New expressways, ropeway, cruise-terminal and UDAN infrastructure is opening pilgrimage, coastal and Himalayan destinations once considered remote.

Rising experiential choice

From soft-adventure treks to river cruises and tribal homestays, offbeat and immersive itineraries are becoming mainstream, not niche.

Faster, simpler entry

Reformed e-visa categories and digital arrival cards are cutting friction for international travellers.

Responsible travel options

Certified eco-lodges and community-run homestays give travellers more responsible stay options.

Annexure

Methodology: Key City Readiness Matrix

Cities within each state were assessed across four dimensions and rated from Established to Developing, relative to other cities in the same state.



Tourist Footfalls: Tourist visits to the city, based on state tourism department data



Connectivity: Road, rail and air access

- Established: National highway or expressway, international airport and railway station
- Developing: National highway and railway station, with an airport within an 80-100 km radius



Hotels: 4- and 5-star hotels listed on a leading online travel agency (OTA) platform



Tourist Attractions: Number and diversity of major attractions, and whether demand is year-round or event-led

Note: The matrix is a qualitative CBRE Research assessment and is indicative only; it is not a government rating or index.

Abbreviations

Short form	Full form
ADR	Average Daily Rate
AERA	Airports Economic Regulatory Authority of India
AI	Artificial Intelligence
AP	Andhra Pradesh
ASI	Archaeological Survey of India
AYUSH	Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homeopathy
BPO	Business Process Outsourcing
bn / Bn	Billion
CBSP	Capacity Building for Service Providers
CM	Chief Minister
Cr	Crore
DTV	Domestic Tourist Visits
EMI	Equated Monthly Instalment
F&B	Food and Beverage
FCIs	Food Craft Institutes
FEE	Foreign Exchange Earnings
FICCI	Federation of Indian Chambers of Commerce and Industry
FTAs	Foreign Tourist Arrivals
FTDs	Focus Tourist Destinations
FY	Financial Year

Short form	Full form
G20	Group of Twenty
GDP	Gross Domestic Product
GSDP	Gross State Domestic Product
GSTC	Global Sustainable Tourism Council
ICCA	International Congress and Convention Association
ICT	Information and Communication Technology
IEIA	Indian Exhibition Industry Association
IHMs	Institutes of Hotel Management
IIDP	Incredible India Digital Platform
IITFC	Incredible India Tourist Facilitator Certification
IITTM	Indian Institute of Tourism and Travel Management
INR	Indian Rupee
ITAs	International Tourist Arrivals
IWAI	Inland Waterways Authority of India
J&K	Jammu and Kashmir
JCI	Joint Commission International
KA	Karnataka
LiFE	Lifestyle for Environment

Short form	Full form
MDA	Market Development Assistance
MICE	Meetings, Incentives, Conferences and Exhibitions
Mn	Million
MoAYUSH	Ministry of AYUSH
MoSPI	Ministry of Statistics and Programme Implementation
MoUs	Memoranda of Understanding
MSMEs	Micro, Small and Medium Enterprises
MVT	Medical Value Travel
NABH	National Accreditation Board for Hospitals & Healthcare Providers
NCHMCT	National Council for Hotel Management and Catering Technology
NIDHI	National Integrated Database of Hospitality Industry
NITI Aayog	National Institution for Transforming India
NRI	Non-Resident Indian
NSQF	National Skills Qualifications Framework
OTAs	Online Travel Agencies
PIB	Press Information Bureau
PM	Prime Minister
PPP	Public-Private Partnership
PRASHAD	Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive
RE	Real Estate

Short form	Full form
RevPAR	Revenue per Available Room
RJ	Rajasthan
SASCI	Special Assistance to States for Capital Investment
SATTE	South Asia's Travel and Tourism Exchange
TN	Tamil Nadu
UDAN	Ude Desh ka Aam Nagrik
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNWTO	United Nations World Tourism Organisation
UP	Uttar Pradesh
USD	United States Dollar
UTs	Union Territories
VR	Virtual Reality
WB	West Bengal
WEF	World Economic Forum
WTTC	World Travel & Tourism Council
y-o-y	Year-on-Year



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