Problems and Prospects of Travel and Tourism in India: A Review

Dr. Dipesh Patel
Principal, D. R. Patel & R. B. Patel Commerce College & NIM, Surat
Aff: Veer Narmad South Gujarat University, Surat

Dr. Milind Parekh
Assistant Professor, SDJ International College, Surat
Aff: Veer Narmad South Gujarat University, Surat

Abstract

Travel and tourism has emerged as one of India's most dynamic economic sectors, contributing significantly to GDP, employment generation, regional development and cultural exchange. Recent estimates by the World Travel & Tourism Council (WTTC) and the Ministry of Tourism (MoT) indicate that the sector's contribution to India's GDP surpassed its pre-pandemic level in 2023, driven predominantly by strong domestic tourism and gradual recovery in foreign tourist arrivals. World Travel & Tourism Council+1 At the same time, India's share in global tourist arrivals and receipts remains below its potential, constrained by infrastructural gaps, service quality issues, safety concerns, environmental degradation, complex regulations and fragmented marketing efforts. Drawing on secondary data, official policy documents and contemporary literature, this review synthesises key trends, structural characteristics, major constraints and emerging opportunities in India's tourism sector. The paper argues that while India possesses a uniquely diverse portfolio of natural, cultural, spiritual and experiential assets, sustainable realisation of its tourism potential depends on integrated destination planning, quality infrastructure, human resource development, digital innovation, environmental safeguards and inclusive community participation. The conclusion highlights strategic directions for repositioning India as a competitive, safe and sustainable global tourism hub by 2047.

Keywords: *India, tourism, travel, problems, prospects, domestic tourism, sustainable tourism, policy, infrastructure*

1.0 Introduction

India is widely recognised as one of the world's most culturally and geographically diverse destinations, offering heritage circuits, coastal tourism, hill and Himalayan tourism, wildlife, spiritual and pilgrimage routes, medical and wellness tourism, rural and tribal experiences, cuisine and festivals—all within a single national brand. The sector plays a pivotal role in economic growth, foreign exchange earnings, employment and regional development, and is embedded in national development visions including Viksit Bharat @2047.

According to WTTC's Economic Impact Research and official releases, India's travel and tourism sector contributed over INR 19.13 trillion to GDP in 2023—around 10% above 2019 levels—and supported nearly 43 million jobs, with domestic tourism driving the recovery. (World Travel & Tourism Council+1) MoT data simultaneously indicate a strong rebound in domestic tourist visits, crossing 2.5 billion in 2023 (provisional), even as foreign tourist arrivals (FTAs) at around 9.2 million remained modest compared with India's resource base and peers. (Press Information Bureau+1) These figures underline a paradox: enormous intrinsic potential alongside persistent structural and operational constraints. This paper reviews these issues through a problems–prospects lens.

1.1 Aim of the Review Paper

This is a conceptual and descriptive review paper based on secondary sources. The objectives are to:

1. Examine recent trends and structural features of India's travel and tourism sector.
2. Identify key problems constraining the sector's growth and competitiveness.
3. Analyse emerging prospects and strategic opportunities at national and regional levels.
4. Suggest policy and managerial implications for sustainable tourism development.

1.2 Growth and Structure of Travel and Tourism in India

India's tourism development since the 1990s has been shaped by liberalisation, aviation growth, improved connectivity, rising incomes, digital platforms and proactive public investment.

Key structural features from recent data include:

- **Rising economic contribution**: The sector's GDP and employment contributions have recovered beyond pre-COVID levels, with projections indicating continued growth over the next decade under supportive policy regimes. (World Travel & Tourism Council+1)
- **Domestic tourism dominance**: Domestic tourists account for the overwhelming majority of visits (over 2.5 billion DTVs in 2023, provisional), making domestic demand the backbone of the sector. (Press Information Bureau+1)
- **Gradual FTA recovery but modest global share**: FTAs, though improving, remain much lower compared to major global destinations, leaving India's share in global arrivals and receipts relatively limited despite its resources. (Ministry of Tourism+1)
- **Product diversification**: Growth across pilgrimage tourism (e.g., PRASHAD), heritage circuits, eco and wildlife tourism, adventure tourism, medical and wellness services, MICE tourism and coastal tourism, supported by schemes like Swadesh Darshan 2.0, Vibrant Village Programme and UDAN for regional air connectivity. (Press Information Bureau+1)

This structural landscape offers a strong base, but also reveals gaps—especially in high-value international segments, regional balance and sustainability.

1.3 Policy Framework and Institutional Initiatives

The Government of India has positioned tourism as a key driver for inclusive and sustainable growth, with initiatives such as:

- **Swadesh Darshan 2.0**: Destination-centric integrated development with sustainability as a core principle.
- **PRASHAD** (Pilgrimage Rejuvenation and Spiritual Heritage Augmentation Drive): Upgrading infrastructure at major pilgrimage centres.
- **Dekho Apna Desh**, **Vibrant Village Programme**, **Challenge Based Destination Development**, and regional connectivity schemes: Stimulating domestic dispersal and last-mile connectivity.
- e-Visa expansion, digital campaigns like *Incredible India*, and capacity building programs for skilling tourism stakeholders. (Press Information Bureau+1)

While these interventions have improved infrastructure and visibility, independent evaluations note variations in implementation quality, inter-agency coordination and maintenance standards at the destination level.

Despite progress, several persistent and emerging challenges restrict India's ability to convert potential into sustained high-quality tourism flows.

1.4 Problems and Constraints in India's Tourism Sector

1.4.1 Infrastructural Gaps and Connectivity

Many destinations continue to face:

- Poor road conditions and last-mile connectivity;
- Inadequate way-finding, sanitation facilities, parking, Wi-Fi and visitor information systems;
- Limited quality accommodation in tier-II/III towns and remote areas.

These constraints undermine visitor experience and restrict dispersal beyond a few iconic circuits.

1.4.2 Service Quality and Human Resource Constraints

Studies repeatedly highlight inconsistent service quality, limited language skills, informal employment, and gaps in professional training among guides, front-line staff and small operators. Fragmented training schemes and low wages reduce incentives for skill upgradation, affecting India's competitiveness vis-à-vis other Asian destinations.

1.4.3 Environmental Degradation and Over-Tourism

Unregulated growth in ecologically fragile zones (Himalayan circuits, coastal belts, wildlife habitats) leads to solid waste accumulation, water stress, traffic congestion and habitat disruption. Concerns raised by UN Tourism, MoT and civil society emphasise the need for strict carrying-capacity based planning, impact assessments and climate-resilient infrastructure. (UNWTO+1)

1.4.4 Safety, Security and Image Issues

Perceptions related to women's safety, harassment, scams, overcharging, pollution in major cities and overcrowding at prominent sites affect India's international image. Media reports and sector analyses in 2024–25 note that some foreign tourists perceive India as relatively "expensive and polluted" compared to competing destinations, contributing to slower FTA growth. (Le Monde.fr+1) Strengthening policing, grievance redressal, signage, digital complaint mechanisms and responsible media communication remains critical.

1.4.5 Regulatory Complexity and Governance Fragmentation

Overlapping jurisdiction among central, state, local bodies, ASI, forest departments and private players often leads to:

- Delays in project clearances;
- Inconsistent norms for licenses, taxes and permits;
- Weak enforcement of standards for safety, hygiene and environmental compliance.

Lack of integrated destination management organisations (DMOs) constrains strategic planning and coordinated branding.

1.4.6 Marketing, Branding and Product Positioning Challenges

Although the *Incredible India* campaign created strong recall, recent analyses point to:

- Insufficient, fluctuating budgets for international promotion;
- Limited targeting of niche high-value segments;
- Under-utilisation of digital storytelling and influencer-led campaigns for diverse markets. (Le Monde.fr+1)

1.4.7 Inclusivity, Community Participation and Leakages

Benefits of tourism are often unevenly distributed. In some destinations, high leakages to external investors, inadequate consultation with local communities and cultural commodification generate resistance and threaten destination sustainability.

1.5 Prospects and Emerging Opportunities

Balancing these challenges are substantial opportunities that can reconfigure India's tourism trajectory.

1.5.1 Domestic Market as a Structural Strength

India's large, young and increasingly mobile middle class provides a resilient base for year-round demand. Strategic product bundling, off-season incentives and improved rail/road/air connectivity can deepen this base and reduce dependence on volatile inbound markets.

1.5.2 Niche and High-Value Tourism Segments

India is well-placed to expand:

- **Spiritual and pilgrimage tourism** (Varanasi, Ayodhya, Char Dham, Sufi and Buddhist circuits, etc.);
- **Medical and wellness tourism**, integrating Ayurveda, yoga, naturopathy with accredited healthcare;
- **Eco and wildlife tourism**, homestays and rural tourism;
- **Adventure tourism** in the Himalayas and coastal zones;
- **MICE tourism** in emerging convention hubs;
- **Film and heritage tourism**.

With proper standards and carrying-capacity norms, these segments can generate higher value with lower ecological footprint.

1.5.3 Digital Transformation

Online booking platforms, virtual tours, digital payments, AI-based recommendation systems, smart signage and multilingual apps can enhance visitor experience, transparency and safety while giving small operators national and global visibility.

1.5.4 Integrated Infrastructure and Destination Development

Schemes such as Swadesh Darshan 2.0 and PRASHAD, combined with investments in highways, airports and regional connectivity, create a platform for integrated circuits that link major attractions with lesser-known destinations—promoting spatially distributed growth. (Press Information Bureau+1)

1.5.5 Sustainable and Responsible Tourism

Global and domestic tourists are increasingly conscious of sustainability, authenticity and community engagement. India can differentiate itself through:

- Low-carbon mobility (electric transport in key destinations);
- Waste management and plastic reduction norms;
- Community-based tourism models;
- Conservation-linked tourism in forests, coasts and heritage towns.

Aligning with UN Tourism guidelines and SDGs strengthens India's soft power and brand equity. (UNWTO+1)

1.5.6 Policy Momentum Towards 2047

Government vision documents and WTTC projections suggest that, with consistent policy support, India could become one of the world's leading tourism economies by 2034–2047 in terms of GDP contribution and employment. (World Travel & Tourism Council+1) This long-term orientation opens space for large-scale public–private partnerships, greenfield destinations and innovation in tourism products.

1.6 Discussion and Policy Implications

The review indicates that India's challenge is not a lack of attractions, but gaps in experience quality, governance and sustainability. Key implications include:

1. **Develop destination management organisations (DMOs)** at state and circuit levels to coordinate infrastructure, marketing, regulation and crisis management.
2. **Upgrade core infrastructure** (sanitation, way-finding, digital connectivity, accessibility, urban design) with rigorous maintenance frameworks rather than one-time projects.
3. **Invest in human capital** through accredited training for guides, hospitality workers, transport operators and local entrepreneurs; promote formalisation and decent work.
4. **Strengthen safety and trust** via tourist police units, real-time helplines, transparent pricing, online grievance redressal and strict action against harassment and fraud.
5. **Mainstream sustainability**—mandatory environmental impact assessments, carrying-capacity norms, promotion of eco-certification, waste management and climate resilience.
6. **Enhance international marketing** with data-driven campaigns, diversified source markets, storytelling around culture, spirituality, gastronomy and contemporary India.
7. **Promote community-based and inclusive tourism**, ensuring local participation in planning and revenue sharing, especially in tribal, rural and border areas.
8. **Leverage technology and data** for visitor analytics, crowd management, smart ticketing and personalised experiences.

Collectively, these measures can convert India's quantitative expansion into qualitative, sustainable growth.

Conclusion

India stands at a strategic inflection point in its tourism journey. The sector has demonstrated resilience and strong domestic-led recovery, and enjoys robust policy attention. Yet, the full realisation of India's tourism potential is hindered by infrastructural deficits, inconsistent service quality, safety and environmental concerns, fragmented governance and under-leveraged branding.

If India can systematically address these constraints—through integrated destination management, people-centric and sustainable development models, enhanced skills and technology adoption—it can reposition itself as a globally competitive, inclusive and environmentally responsible tourism powerhouse by 2047. The problems are substantial but surmountable; the prospects, given India's unique civilisational strengths and demographic advantages, are undeniably promising.

References

Government & International Reports

- Ministry of Tourism, Government of India. (2023). *India Tourism Statistics 2023*. New Delhi: MoT. Ministry of Tourism
- Ministry of Tourism, Government of India. (2024). *Annual Report 2023–24*. New Delhi: MoT. Ministry of Tourism
- Ministry of Tourism, Government of India. (2024). *Tourism Expansion in India*. New Delhi: Press Information Bureau. Press Information Bureau
- World Travel & Tourism Council. (2024). *India: Economic Impact Research*. London: WTTC. World Travel & Tourism Council+1
- World Economic Forum. (2024). *Travel & Tourism Development Index 2024*. Geneva: WEF.
- UN Tourism. (2023/2024). *Tourism and sustainability reports / UN Tourism Elibrary*. Madrid: UN Tourism. UNWTO

Scholarly and Analytical Sources

- Veersh, M., & Ambadas, D. (2025). Problems and prospects of tourism in India. *International Journal of Advance and Applied Research, 6*(15), 295–297. Zenodo
- Chawla, A., & Jain, V. (2017). Problems and prospects of tourism industry in India. *International Journal of Research in Economics and Social Sciences, 7*(8), 123–131.
- Kumar, S., & others. (2025). Opportunities and challenges in Indian tourism sector: A study. [Working paper / ResearchGate].
- Le Monde. (2025, February 6). Foreign tourists shun India, too expensive and too polluted. *Le Monde* (English edition).