

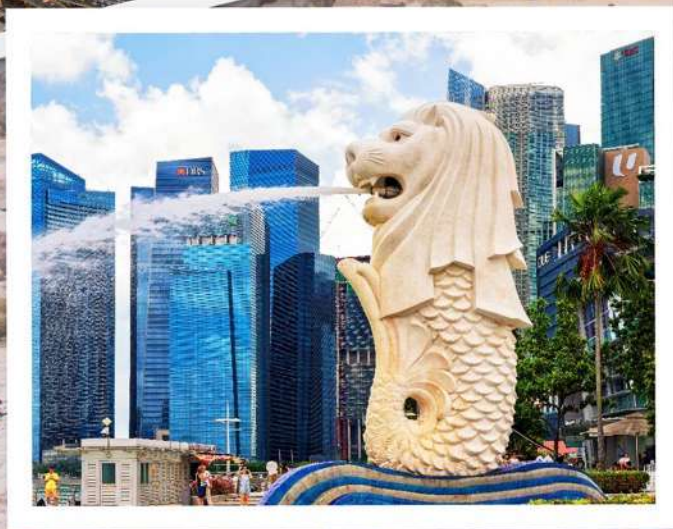
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Navigating Horizons



The Rise and Future of
Indian Outbound Tourism





Foreword



Ankush Nijhawan

Chairperson, FICCI Outbound
Tourism Committee

The Indian outbound market has emerged as a significant player in the global tourism industry with over 2 million Indian national departures recorded each month in the last financial year. This report aims to delve into the trends, insights, and opportunities related to this sector, underscoring the evolving behaviours and priorities of Indian travellers.

India's outbound tourism industry has witnessed remarkable growth in recent years due to factors such as increasing disposable incomes, greater connectivity, and a burgeoning middle class. India is now among the fastest-growing outbound tourist markets globally.

This report not only explores the current trends in Indian outbound tourism but also

provides strategic insights and forecasts about the future of this sector. It analyses the preferences of Indian travellers, their favourite destinations, the impact of socio-economic factors on travel decisions, and emerging trends such as eco-tourism and experiential travel.

As the desire to travel to foreign destinations remains strong among Indians, the sector is expected to grow at a rapid pace with increasing collaborations and technology driven solutions. We hope this report serves as a valuable resource for stakeholders across the tourism industry, including policymakers, businesses, and researchers, enabling them to better understand and navigate the nuances of the Indian outbound tourism market.

Foreword



Suraj Nangia

Head (Government and
Public Sector Advisory)

India's outbound tourism market is showing stellar growth and is projected to reach US\$ 18.82 billion in 2024. There have also been measurable benefits to allied industries such as aviation and hospitality. The growth in the industry is bolstered by increased consumer spending, visa reforms, social media visibility and commercial marketing efforts.

The itineraries of Indian international tourists are also evolving and diversifying. Wellness retreats and outdoor destinations beyond typical beaches and mountains are gaining popularity. Emerging trends like event-based travel continue to shape travel preferences, highlighting the importance of flexibility and innovation in meeting the evolving needs of Indian tourists.

It is imperative to dispel the notion that outbound tourism only benefits foreign economies. While Indian travellers contribute to the economies of their chosen destinations through their expenditures, the Indian economy also reaps rewards from outbound tourism. The travellers spending indirectly contributes to India's GDP and strengthens economic ties between nations. Furthermore, outbound tourism facilitates cultural exchange, nurtures diplomatic relations, and positions India as an influential player in the global tourism

landscape. Government efforts have played a part in promoting outbound travel through foreign partnerships, connectivity efforts, and overall sector development.

India's population is youthful and with increased penetration of social media, Indians are more passionate about travelling internationally on the back of rising YOLO (You Live Only Once) trend.

This report aims to explore datapoints and insights that show opportunities, needs, challenges and trends in the sector. To deliver these, it analyses key demand centers, market segments, innovations in the sector, and provides a cultural viewpoint where necessary. With the Indian outbound market expected to reach US\$ 55.39 billion by 2034, the outlook is positive with coordinated efforts by all stakeholders propelling the industry forward.

I hope that this report serves as a guiding light for policymakers, industry leaders, and travel enthusiasts, enabling them to grasp the immense opportunities that outbound tourism from India presents and to foster its sustainable growth for the benefit of India's economy, cultural exchange, and global prominence.

Foreword



Ahetesham Khan

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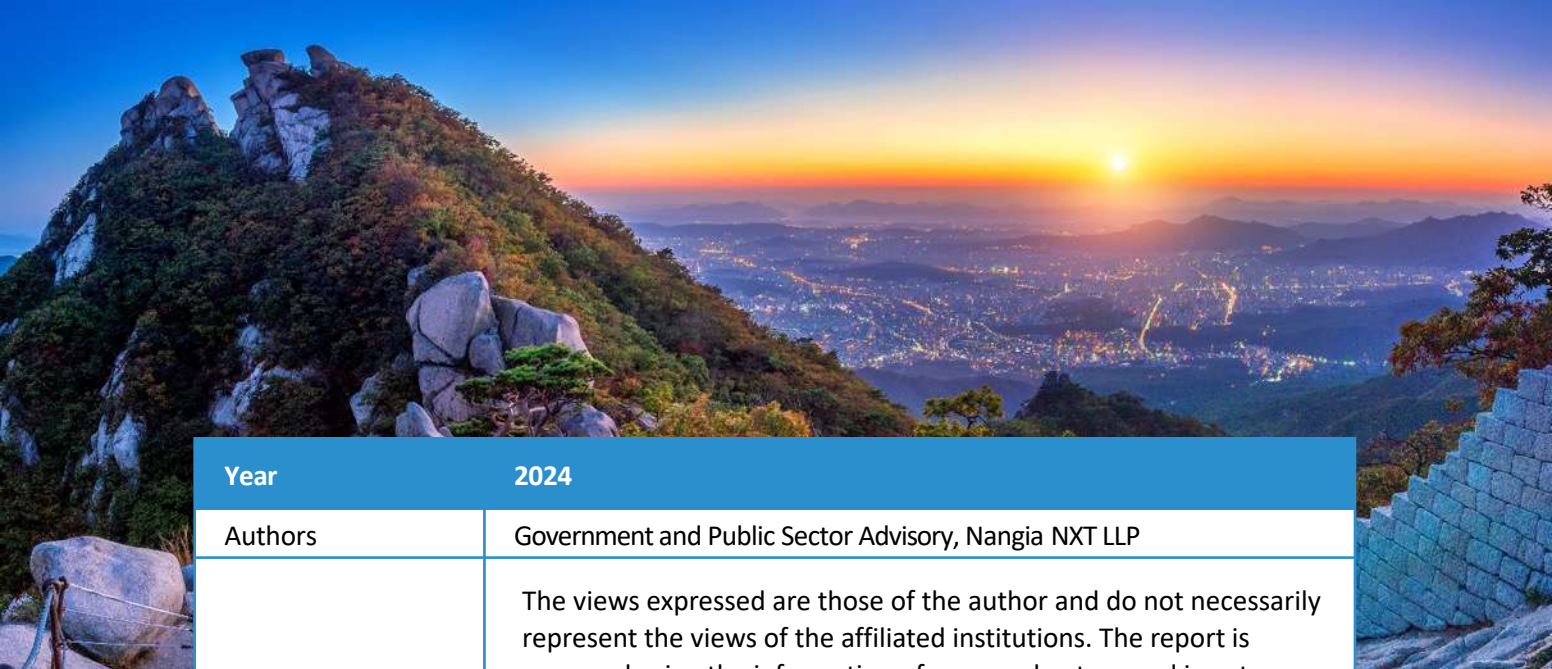
As we explore the growth and future of outbound tourism from India, we can clearly see the rise of the middle-class families, higher disposable incomes, and a growing appetite for international adventures have significantly boosted overseas travel. From traditional destinations such as the US and Europe to emerging hotspots in Southeast Asia, Africa, Central Asia, and others, Indian tourists are making their presence felt across the globe. This report provides a comprehensive analysis of the trends, patterns, and drivers of outbound tourism from India.

The report's essential insights come from a blend of quantitative data and expert industry opinions. The findings emphasize the growing importance of niche tourism sectors, including adventure tourism, wellness tourism, and luxury travel. Additionally, the report explores how technology, social media, and digital platforms influence travel

decisions and improve the travel experience for Indian tourists.

The rapid expansion of outbound tourism from India presents a plethora of opportunities for stakeholders in the travel and tourism industry. As travellers seek more personalized and unique experiences, service providers must innovate and adapt to meet their needs. This report aims to serve as a valuable resource for travel agencies, tour operators, airlines, hospitality providers, and policymakers, offering insights that can help them tailor their strategies and offerings to cater to the discerning Indian traveller.

We hope this report will not only shed light on the current trends and future potential of outbound tourism from India but also inspire industry stakeholders to collaborate and create memorable travel experiences that resonate with the aspirations and desires of Indian tourists.



Year		2024
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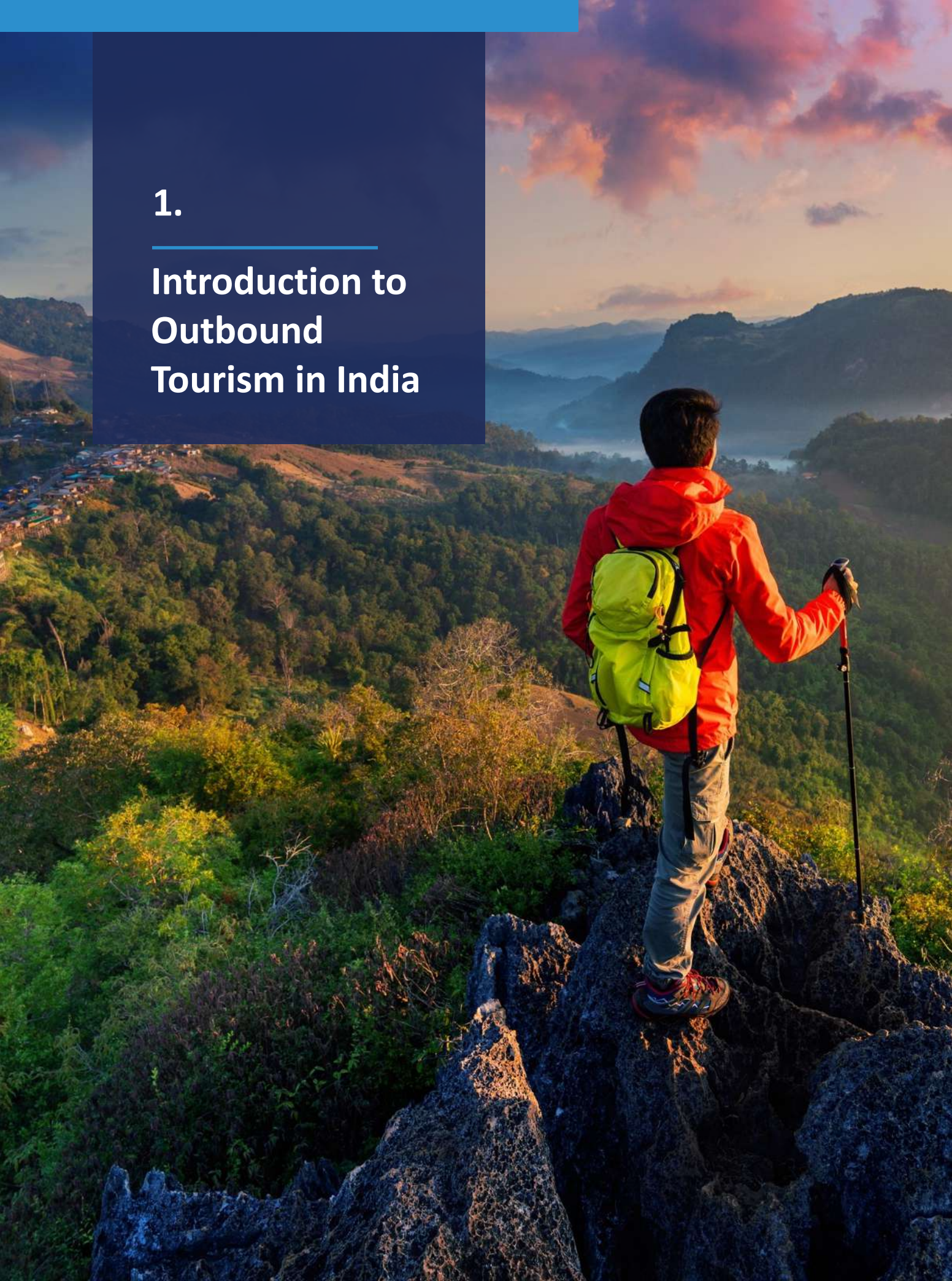
Special Thanks to the in-house team of **Nangia Nxt LLP (Dr. Richa Balkrishna Chandola, Simran Banerjee)** for their efforts and contribution to this report.

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1.

Introduction to Outbound Tourism in India



India's rapid GDP growth rate averaging between 6-7 percent year over is driving a new generation of travellers, resulting in an expected annual growth in travel spending of 9 percent through 2030. To meet this projected demand, significant investments are being made by Indian air carriers and lodging companies. In 2023, budget airline ¹IndiGo placed the largest aircraft order in commercial aviation history by pledging to purchase 500 Airbus A320 planes. During the same period, ²Air India nearly matched IndiGo's order size with agreements to acquire 250 Airbus and 220 Boeing jets. Later, IndiGo also added an order for 30 additional Airbus A350 planes, suitable for both domestic and international routes.

Meanwhile, The Indian Hotels Company Limited is accelerating its hotel expansion plans, aiming to open two new hotels monthly in the near future. International players are also actively participating, with seven hotel chains launching new brands in India in 2024. This includes Marriott introducing its first ³Moxy- and Tribute-branded hotels in India, and entries from Hilton's Curio and Tapestry brands. Development focus has shifted from major metropolises like Mumbai and Delhi to rapidly developing smaller cities such as Chandigarh and Hyderabad.

Significance of outbound tourism India- Indian Economy

The rise in outbound travel has stimulated economic diversification, particularly benefiting industries such as travel agencies, tour operators, insurance companies, and financial services that cater to international travellers. This has led to job creation in sectors like hospitality, retail, and aviation. For example, the travel and tourism sector in India employed over 42 million people in 2019, a portion of which can be attributed to the outbound travel market. Additionally, exposure to international standards has fostered skill

development within the local tourism industry, enhancing service quality and management practices. The projected growth in India's GDP per capita, along with an increasing tendency for international travel, could result in a surge of Indian travellers exploring the world. If India mirrors China's outbound travel trends—given their similar population sizes and per capita income growth—Indian tourists could potentially make 80 million to 90 million trips annually by 2040.

¹ <https://www.airbus.com/en/newsroom/press-releases/2023-06-indias-indigo-places-record-order-for-500-a320-family-aircraft>

² <https://www.reuters.com/business/aerospace-defense/air-india-agrees-buy-250-planes-airbus-2023-02-14/>

³ <https://www.mckinsey.com/~media/mckinsey/industries/travel%20logistics%20and%20infrastructure/our%20insights/the-state-of-tourism-and-hospitality-2024/the-state-of-tourism-and-hospitality-2024-final.pdf>

Outbound Tourism

Outbound tourism has led to creation of job in these three sectors.



The outbound tourism fosters cultural exchange, which can have long-term benefits for India's innovation and openness. The cultural exposure and broadened perspectives gained from international travel can enhance the quality of life and satisfaction of Indian travellers', contributing to a more productive workforce upon their return. Additionally, the extent of outbound tourism can serve as an indicator of economic health, signalling higher disposable incomes and economic strength.

In the period between April and September 2023, 3.14 crore travellers travelled from and to India, as reported by the Directorate

General of Civil Aviation (DGCA). Compared to the 3.13 crore travellers that went through the same route in 2019, this is a bigger number. A 22% increase from July 2022 to July 2023 saw 22,32,313 Indian nationals go overseas. A 37.9% increase from the same time in 2022 to January to July of 2023 saw 1,54,41,150 Indians travel overseas. Furthermore, outbound tourism strengthens India's soft power and diplomatic ties with other nations, fostering mutual understanding and cooperation that can lead to robust international relations and economic partnerships.

Overview of trends and statistics in 2023

Indian nationals are travelling more than before. Six months into 2024,⁴ 98% of Indian travellers are keen to explore new destinations, which indicates that Indian traveller's passion for global exploration has reached unprecedented heights in 2024. The travellers are extending their trips by an extra day over the 12 months ending March 2024 compared to the same period in 2019,

highlighting a growing desire for more immersive and meaningful travel experiences. In addition to air travel, vacationing by cruise has experienced extraordinary growth, surpassing 2019 records. Despite challenges like fluctuating exchange rates, climate concerns and varying levels of affordability, the desire to travel remains strong.

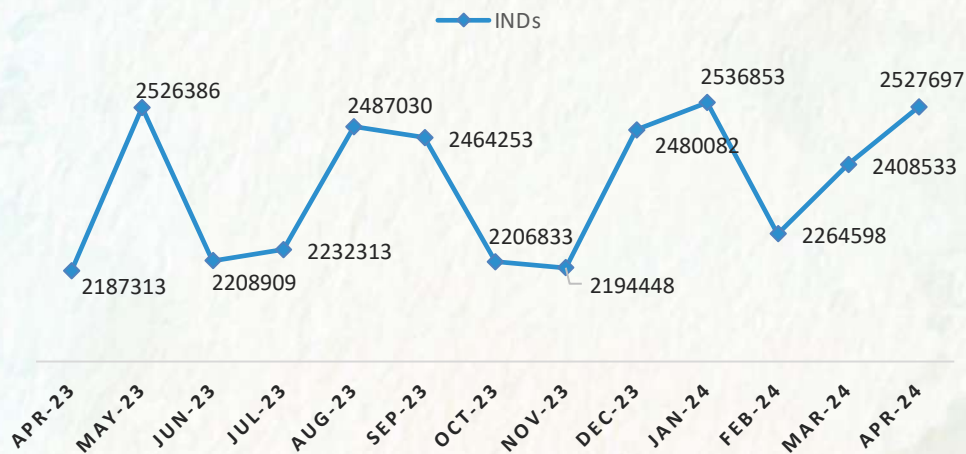
⁴<https://timesofindia.indiatimes.com/life-style/spotlight/indian-travel-enthusiasts-drive-a-39-surge-in-overseas-search-volume-says-travel-data/articleshow/106668805.cms>

People are becoming more strategic about how, when, and where they travel, with 2024 seeing significant shifts in travel patterns. ⁵According to Mastercard Economics Report, Arrivals into the United States from India have surged by 59 percent compared to 2019, bucking the trend of overall overseas arrivals to the US, which are still seven percent below pre-pandemic levels. Japan has become a favoured destination for Indian travellers, experiencing a notable 53 percent increase in visitors compared to 2019. Similarly, Vietnam has captivated Indian tourists, with a

remarkable 248 percent increase in passenger traffic to the Southeast Asian country.

Indians are choosing proximity as their key decision factor while choosing a destination for travel. Approximately 70 percent of Indian travellers opt for nearby destinations. With a travel time of under four hours and a significant Indian diaspora, the Middle East is favoured by around one-third of Indian travellers, followed closely by South Asian destinations.

Indian National Departures (INDs) in 2023-24



Source: Ministry of Tourism, Government of India

For longer trips, North America and Western Europe are the preferred choices. Many Indian travellers are planning to increase their leisure travel spending this year, aiming for six trips annually. These trips typically include short getaways of three to four nights and longer holidays lasting two to three weeks. ⁶Almost 50% of Indian travellers are ready to invest more in luxury hotel brands, and wellness is a top priority during their leisure travels. Additionally, Indian travellers prefer a full and fast-paced itinerary. Culinary experiences are recognized as a key driver for Indian travellers. Fine dining options at hotels are considered more important than the property's location by these travellers. The trend of exclusive experiences in the Asia Pacific region is also being driven by India, according to the report. It was noted that affluent Indian travellers have a deep appreciation for culture, architecture, and design, and are willing to pay more for VIP access.

⁵ <https://www.mastercard.com/news/press/2024/may/soaring-passenger-traffic-longer-stays-mastercard-economics-institute-on-travel-in-2024/#:~:text=In%202024%20the%20travel%20sector,day%20compared%20to%20pre%20pandemic>.

⁶ <https://skift.com/2024/07/01/indias-new-high-net-worth-travelers-india-report/#:~:text=Skift%20India%20Report&text=Nearly%2050%25%20of%20the%20Indian,Indian%20travelers%2C%20the%20report%20ad ded>.

Economic significance of Outbound Tourism and impacted sectors

Outbound tourism holds substantial economic significance for India, influencing various sectors of the economy. Economic diversification is a notable benefit, as the surge in international travel stimulates growth in travel-related industries such as travel agencies, tour operators, financial services, insurance companies, and technology firms that provide booking platforms and travel

solutions. Additionally, the large foreign exchange outflow, while reflecting the growing disposable income and purchasing power of Indian consumers, showcases India's strong economic participation in the global tourism market. In 2019, Indians spent around \$28 billion on international travel, highlighting this trend.

Number of departures of Indian Nationals from 2013-2023



Source: Ministry of Tourism, Government of India



The outbound tourism boom also enhances skills and knowledge within India's service providers. Exposure to international travel allows for the adoption of global best practices and standards, which can lead to improvements in domestic tourism and hospitality services. Furthermore, international travel fosters cultural exchange, bringing new ideas and innovation back to India, contributing to broader perspectives and enhanced creativity across various sectors.

Several key sectors of the Indian economy are directly impacted by outbound tourism. The travel and tourism industry sees increased demand for services from travel agencies, tour operators, and airlines. The aviation sector benefits significantly as more Indians travel abroad, leading to higher passenger traffic and potential expansions of flight routes. The hospitality industry, especially luxury hotels and resorts, experiences growth due to the preference of many Indian travellers for high-end accommodations. This demand supports global hotel chains and encourages them to cater more to Indian preferences.

Financial services also gain from outbound tourism, with increased demand for travel-related financial products such as forex cards, travel insurance, and international credit cards. The retail sector, both domestic and international, benefits from Indian travellers' spending on shopping abroad, leading to targeted marketing strategies and boosted sales. Additionally, the wellness industry, including spas, wellness retreats, and healthcare services, sees growth as Indian travellers prioritize wellness experiences during their trips.

Comparison with Global Trends

World destinations saw a 722% increase in international tourists in the third quarter of 2023 compared to the same period last year, indicating a robust Northern Hemisphere summer season. International tourist arrivals reached 91% of pre-pandemic levels in the third quarter, peaking at 92% in July, the best month since the pandemic began. Overall, tourism recovered to 87% of pre-pandemic levels from January to September 2023,

setting the sector on track to reach nearly 90% by year-end. International tourism receipts are projected to hit USD 1.4 trillion in 2023, approximately 93% of the USD 1.5 trillion earned by destinations in 2019.

In 2023, outbound travel saw double-digit growth year-on-year, taking a significant step toward returning to 2019 travel volumes.

⁷ <https://www.unwto.org/news/international-tourism-to-end-2023-close-to-90-of-pre-pandemic-levels#:~:text=According%20to%20the%20latest%20data,the%20same%20months%20of%202022.>



Compared to 2022, there was a 33 percent increase, leaving it just 12 percent below pre-pandemic levels. Positive indicators include the steady return of outbound travellers in Asia and the increasing trend in vacation travel. Despite rising travel costs, interest in outbound travel remains strong this year.⁸The return of outbound travel in Asia was driven by a year-on-year increase of over 140 percent, marking a significant upward trend despite being 37 percent below 2019 levels. Compared to 2022, outbound travel was increased by 18 percent in Europe, by 31 percent in North America, and by 27 percent in Latin America. The largest volume of outbound travel was recorded in the US, followed by Germany and the UK.

Together, these three markets comprised one-third of the global outbound travel volume last year. Travellers continue to prioritize experiential holidays and memorable events such as the solar eclipse, Taylor Swift's shows, the carnival in Brazil, and the cricket World Cup. During the US

solar eclipse in April, hotel sales saw a 71% increase over normal business.⁹Restaurants within 2.5 miles of Taylor Swift concerts in 2023 experienced a 68% rise in business.

Last Year, Spain, attracting nearly ten percent of global travellers, once again holds the title of the most-visited destination worldwide, followed by the USA. According to IPK's Destination Performance Index (DPI), Dubai emerged as the highest-rated destination in 2023. The DPI, compiled by the World Travel Monitor, considered global outbound holiday trips and assessed travel satisfaction, the likelihood of travellers recommending the destination, and their desire to return. Following Dubai in the top five highest-rated destinations were the Maldives, last year's winner, South Africa, and Abu Dhabi. In Europe, Austria and Switzerland received the highest ratings. Six months into 2024, Munich, Germany, has emerged as the top trending destination driven by the excitement surrounding the European Championship.

⁸ https://www.itb.com/en/press/press-releases/news_15168.html

⁹ <https://www.forbesindia.com/article/news/more-indians-are-travelling-internationally-than-before-report/93118/1>

Travelling for vacation increased its market share in comparison to 2022 once more. Three-quarters of international outbound travel in 2023 consisted of vacations. Sun and beach getaways as well as city break dominated this sector, accounting for almost one-third of sales. Round excursions came in third. It is noteworthy that these three's market shares moved in distinct directions throughout the previous three years but are currently at levels comparable to those of 2019. This implies that people's holiday preferences have not been significantly impacted by the outbreak. In 2023, leisure,

sightseeing, delicious cuisine, and shopping were the primary components of an outward vacation. A new surge of interest in wellness retreats is being witnessed, with a notable rise in demand for outdoor destinations beyond the usual beaches and mountains. Instead of a new normal, this trend is being described as the 'no normal,' reflecting an exploration of unexpected options. Based on traveller demand, the destinations experiencing the greatest increases are culture-rich cities where art and cultural festivities are making a strong comeback.



2.

Factors Driving Outbound Tourism from India



Technological Advancements and Digital Influence

Technology offers significant benefits to the tourism industry by enabling businesses to connect with customers, monitor behaviour, and develop targeted marketing campaigns. In today's digital age, technology is an indispensable tool for tourism businesses. With the growing use of smartphones and the Internet, both travellers and businesses are leveraging technological advancements to improve travel experiences and drive growth. The emergence of online travel agencies (OTAs) and booking platforms has simplified the process for travellers to search for, compare, and book accommodations, flights, tours, and other travel services. These platforms offer consumers a convenient one-stop-shop while providing businesses access to a vast customer base they might not have reached otherwise. The emergence of online travel agencies (OTAs) and booking platforms such as MakeMyTrip, Yatra, and Booking.com, which offer an extensive selection of hotels,

homes, and vacation rentals, has streamlined the travel planning process. These platforms enable travellers to conveniently research and book flights, hotels, and holiday packages from the comfort of their homes.

According to a study conducted in February 2021, it was found that ¹⁰28 percent of travellers worldwide had used travel agency applications before the COVID-19 pandemic. About 21 percent of respondents indicated that such applications were used from the beginning of the healthcare crisis. At the same time, it is expected by 33 percent of respondents that they will use travel agency applications for future trips. As apps are used in travel planning, it has become convenient to use messengers with chatbots. Immediate answers can be provided by AI chatbots without the need to search FAQs or spend time chatting with customer agents.

¹⁰ <https://www.software.travel/blog/automation/how-technology-changing-travel-industry/>



For travel companies, manual work is reduced, and expenses on hiring additional customer agents are decreased through the use of chatbot technology. One of the most crucial changes in the post-COVID era is the increased desire for social distancing. As a result, contactless mobile check-in is now offered by airports and hotels, helping customers minimize shared touchpoints and other interactions. These changes need to be adapted to by travel companies, which must implement top-notch payment solutions for their customers. Contactless payments are needed by travellers because they are fast and convenient. Apps that support wireless applications are being developed by travel industry companies, allowing users to place their phones near standard credit card reading devices. This method is secure, convenient, and suitable for hygienic norms during the pandemic.

This technology is not yet a significant part of daily life, but it is certainly part of our future.

Processes are being automated, and 'human error' is being decreased by the travel industry through the use of robots to enhance customer service and reduce labour costs. Robots are being used in hotels for concierge roles and in restaurants for food preparation and other food services. In airports, robots can be used to detect insecure activities, such as the presence of weapons. Imagine luggage that follows you like a pet—this is the near future. This top-notch technology that connects various devices is also being embraced by the tourism industry. ¹¹IoT solutions are being used in airports and hotels, allowing customers to receive excellent services through connected devices. Wearables are being used by different travel companies to improve customer engagement. For example, ¹²smartwatch boarding passes are being offered to customers by airlines like Air Berlin and Iberia.

Socio-Economic Factors

According to the ¹³Reserve Bank of India (RBI) data, significantly more has been spent by Indian citizens on overseas travel over the past year. With the increase in the number of Indians traveling abroad, the outward foreign exchange remittance was seen to jump to \$1.42 billion (around ₹12,500 crore) per month on average in 2023-24, compared to just \$400 million in 2018-19.

Growth in India's outbound tourism

market is being driven by rising personal income levels and changing lifestyles among the burgeoning consumer classes. Affordable airfares and diverse travel packages are contributing factors. Additionally, India's 30 million-strong diaspora and international student base serve as a pull factor for those visiting friends and relatives (VFR).

¹¹ <https://www.oneclickitsolution.com/blog/how-iot-is-transforming-travel-experiences/#:~:text=IoT%20technology%20allows%20hotels%20to,align%20with%20the%20guest's%20interests.>

¹² <https://www.futuretravelexperience.com/2014/04/iberia-airberlin-develop-smartwatch-boardingpasses/#:~:text=airberlin%20passengers%20wearing%20a%20Pebble,pass%20stored%20on%20a%20smartphone.>

¹³ <https://www.hindustantimes.com/business/indians-spend-rs-12-500-crore-a-month-on-foreign-travel-in-2023-24-rbi-data-101719798558228.html>

Two distinct types of Indian holidaymakers are observed: The Luxury Traveller: These are experienced global travellers, accustomed to five-star and higher facilities, with a wide culinary palate and expectations for personalized and premium services. They prefer shorter but more expensive trips. The number of high-net-worth individuals (HNWI) in India is expected to triple from 1400,000 in 2016 to over 1.2 million by 2030. The Cost-Sensitive Traveller: These travellers typically have past international travel experience limited to Asia-Pacific destinations. They are

more likely to be VFR travellers than pure leisure travellers and expect Indian food options. Their trips are longer but budgeted, with a dispersal radius of two to three metropolitan cities. On the business side, India's outbound MICE travel segment is projected to grow at an average of 22 percent annually, generating around 30 million outbound travellers by 2030. An increasing propensity for Indian MICE travellers to be accompanied by spouses and children, combined with short leisure trips, is being observed.

The Luxury Traveller

The Cost-Sensitive Traveller

In India, travel is increasingly being perceived as a demonstration of success. The status offered by travel varies by destination. Travel within Asia is considered the first threshold, while out-of-region travel exudes greater clout, including travel to countries in North America, Europe, and, to a slightly lesser extent, Australia.

Greater aviation connectivity out of India is making travel more convenient. Around the world, airfare costs have decreased in real terms, and yield per passenger per kilometre is at the lowest on record. International airfares now represent around 25–30 percent of tourism budgets, allowing savings to be used to upgrade experiences on the ground. The entry of low-cost carriers for short-haul destinations has opened up international travel to new

demographics and income groups in India.

Limits on air services capacity are being sought for removal by the Government of India. As announced in 2016 through ¹⁴India's National Civil Aviation Policy, reciprocal open skies air services agreements with countries beyond 5,000 km from New Delhi were proposed. The ability to use the Aadhaar card (a national biometric identity card) or voter card as proof of identity is improving the ease of obtaining and renewing passports in India. For example, if voluntary access to individual biodata on the Aadhaar card were negotiated, it could improve confidence in Indian documentation and facilitate faster visa processing.

¹⁴ <https://www.dfat.gov.au/publications/trade-and-investment/india-economic-strategy/ies/chapter-6.html>

¹⁵ <https://pib.gov.in/newsite/Printrelease.aspx?relid=146238>

Influence of Social Media and Celebrity Travel Trends

From researching destinations to booking flights and hotels, social media is now being integrated into the travel experience for millions of people worldwide. Inspiration is being found by travellers on Instagram and TikTok, and reviews are being checked on Facebook. These same platforms are also being used to book hotels and activities. Social media has revolutionized the way people plan their trips. According to Statista, 36.5% of travellers use social media for travel inspiration and ideas.¹⁶ This trend is particularly strong among younger travellers, with around 60% of Generation Z and 40% of millennials using social media for travel purposes. Many travellers now plan entire trips around destinations or activities discovered on social media, especially those seen on their favourite influencer's profile. Instagram and Facebook are particularly influential, with 46% of Gen Z travellers and 50% of millennials saying these platforms influence their travel decisions. This influence is due to the vast amount of travel content available online. Sharing vacation photos on social media has become an essential part of the travel experience, with 90% of millennials posting photos while on vacation. The hashtag "#travel" alone has over 670 million posts on Instagram, highlighting the trend's popularity. Hotels are collaborating with influencers to increase bookings. Cruise lines are partnering with travel bloggers to create buzz around their brands. Airlines such as Ryanair and theme parks like Disney are using TikTok to organically reach young travellers with engaging video content. Attractions like The San Diego Zoo and West Virginia Penitentiary are experimenting with short-form video content to determine what most appeals to their audiences.

Online travel agencies are effectively using Bollywood celebrities to promote travel sales. The online travel agency Goibibo announced Bollywood actress Kareena Kapoor Khan as brand ambassador, Cleartrip signed the power Bollywood couple Vicky Kaushal and Katrina Kaif as their brand ambassadors. Bollywood films have expanded beyond India, featuring numerous international locations. In the early 1990s, Mauritius became a popular destination for filming several song and dance sequences. A significant moment occurred when the late Yash Chopra introduced European destinations like Switzerland to Indian audiences through films such as *Chandni*, *Darr*, and the iconic *Dilwale Dulhania Le Jayenge (DDLJ)*. Following the success of DDLJ, Switzerland experienced a¹⁷30% increase in outbound travel from India. Similarly, Spain and New Zealand saw a rise in Indian tourists after being featured in films like *Zindagi Na Milegi Dobara* and *Kaho Naa Pyaar Hai*, respectively. Thanks to Bollywood influence, even in Ithlis, Switzerland, one can enjoy hot Pav Bhaji in the cold weather.



Siddharth Malhotra became Brand Ambassador of New Zealand.

Source: *Hindustan Times*

¹⁶ <https://www.statista.com/chart/30135/media-influences-on-travel-destination/>

¹⁷ <https://travel.economicstimes.indiatimes.com/news/tourism/experiential/sunday-read-bollywoods-influence-on-travel-decisions/104082570#:~:text=A%20historic%20turning%20point%20arrived,travel%20from%20India%20by%2030%25>

3.

Future Trends and Forecast



Projected Growth of Outbound Tourism

India's outbound tourism market is expected to reach US\$18817.72 million in 2024 and grow at a CAGR of 11.4% in the decade between 2024 and 2034 to reach approximately US\$55388.41 million by the end of this period. ¹⁸CAPA India in its report titled "India Outbound Travel in FY2030" has projected India to become the fastest growing outbound market in the world – one of the most attractive source markets for global destinations. The report compiled after extensive market consultation and data analysis estimates over 50 million international departures by Indian residents in FY2030 compared to 17.4 million in 2019. ¹⁹This projected growth is primarily attributed to the growing aspiration of Indian youth to visit international destinations. Moreover, there is a rising desire to explore niche tourism avenues. Culinary tourism with food tours, cooking classes, and diverse gastronomical experiences and adventure tourism with activities such as trekking, camping, wildlife safaris, and water sports are becoming more popular. Similarly, wellness tourism for rejuvenation and relaxation is also on the rise, along with increasing acceptance of solo travel with safety and accessibility becoming key concerns in the tourism industry.

Packaged tours still dominate the outbound market in India, with a share of 39.20% in 2024, as there is a preference for choosing pre-planned tour packages from travel service providers due to greater convenience and customization.

¹⁸Future Market Insights, "India Outbound Tourism Market Outlook (2024-2034)"

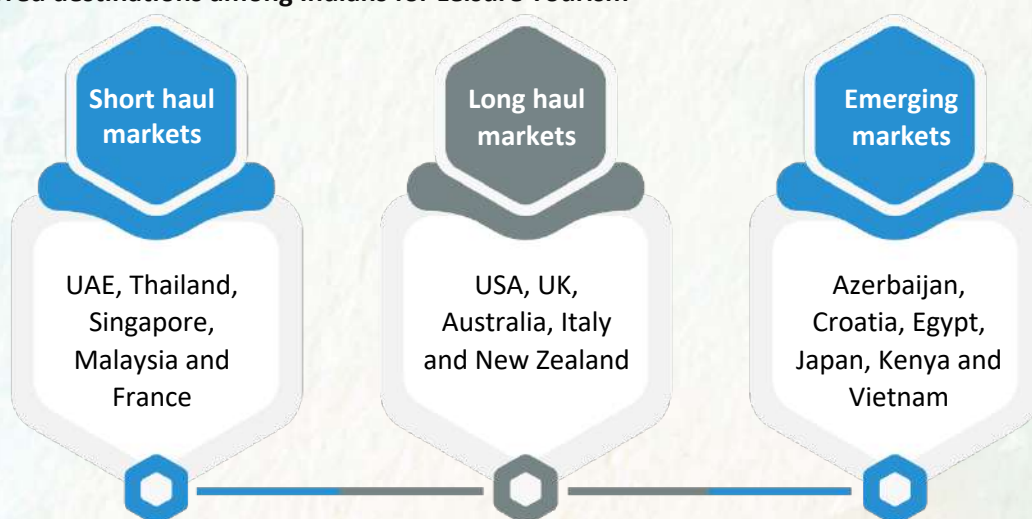
¹⁹CAPA India, "India Outbound Travel in FY2030"

²⁰However, an increasing number of young travellers are now relying on technology for planning their trips. They are also looking for more experiential travel which involves deeper exploration and engagement with the local landscape²¹.

Among the most searched destinations among Indians, USA remains the top favourite with an average search share of 25%, followed by UAE with a share of about 15%. According to market research conducted by Adara, while leisure travel dominated the Indian outbound market in the pre-pandemic period, business travel was the main driver of this market in the post

pandemic period.²² However, CAPA India estimates that discretionary leisure travel is likely to become the leading cause of outbound travel for Indians over time, accounting for over 28 million international departures by 2030 (air and ground combined) and becoming a key driver of growth of this market. Moreover, data shows that preference for longer duration travel has also increased. The CAPA India report claims that while in 2018 only 45% of Indians reported their average vacation length to be over four days, this figure had risen to 86% by 2023, with 5-7 days being the most common.²³

Preferred destinations among Indians for Leisure Tourism



Source: CAPA India

Another factor that augurs an upward tick in Indian outbound tourism is expanding connectivity with more direct and affordable flights becoming available to an increasing array of destinations. India's domestic market had been the fastest-growing market in the world in the pre-pandemic era, with international traffic from India growing at half

the pace. The industry has fast recovered since and people's aspiration to travel abroad has become a significant driver of outbound tourism growth. According to CAPA India, "International is suddenly the new domestic" and both are expected to grow at approximately the same rate up till 2030.²⁴

²⁰Mordor Intelligence, "India Online Travel Market Size & Share Analysis - Growth Trends & Forecasts (2024 - 2029)"

²¹CAPA India, "India Outbound Travel in FY2030"

²²Adara, "India Outbound Trends Report 2023"

²³CAPA India, "India Outbound Travel in FY2030"

²⁴CAPA India, "India Outbound Travel in FY2030"

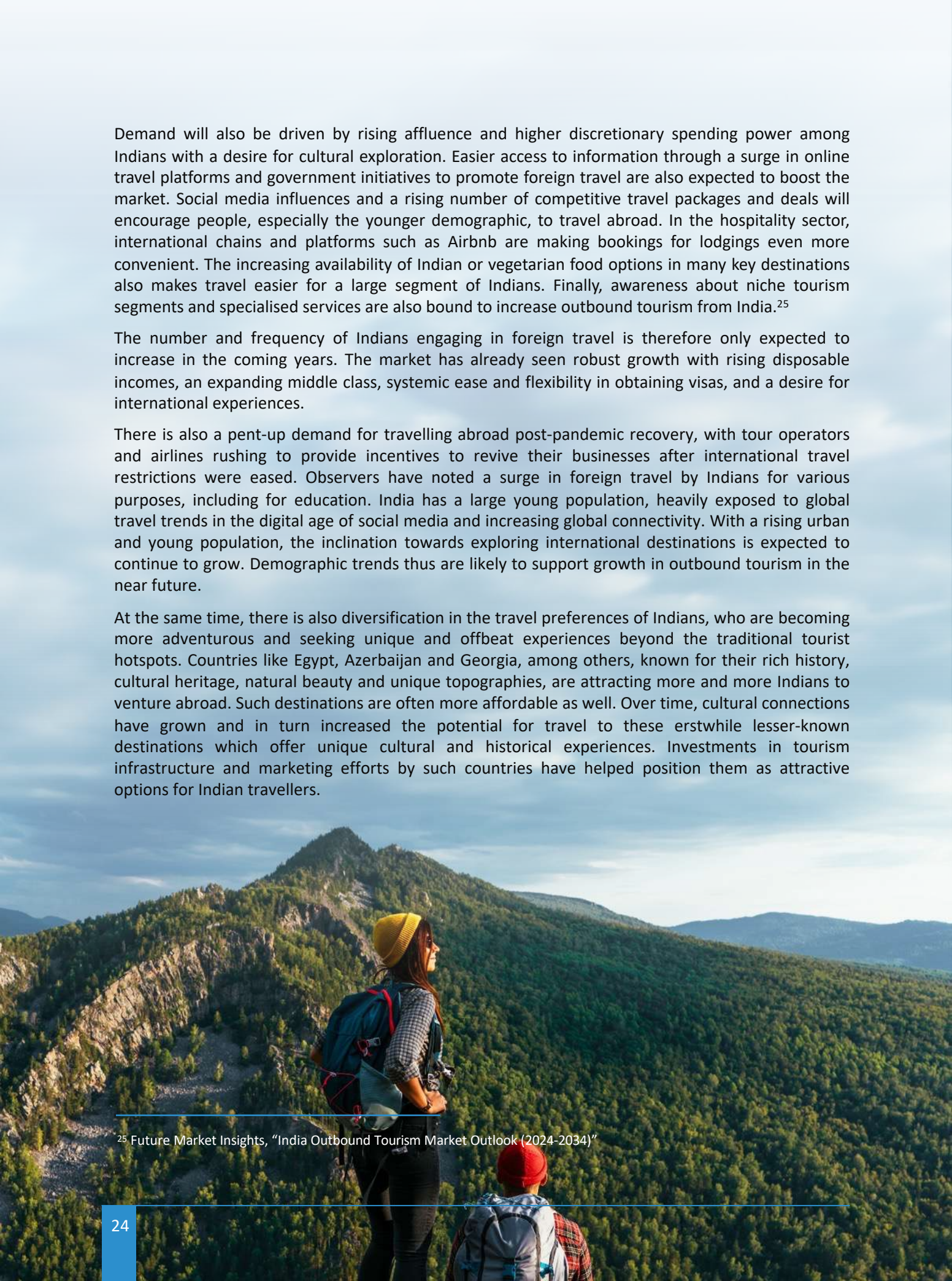
Demand will also be driven by rising affluence and higher discretionary spending power among Indians with a desire for cultural exploration. Easier access to information through a surge in online travel platforms and government initiatives to promote foreign travel are also expected to boost the market. Social media influences and a rising number of competitive travel packages and deals will encourage people, especially the younger demographic, to travel abroad. In the hospitality sector, international chains and platforms such as Airbnb are making bookings for lodgings even more convenient. The increasing availability of Indian or vegetarian food options in many key destinations also makes travel easier for a large segment of Indians. Finally, awareness about niche tourism segments and specialised services are also bound to increase outbound tourism from India.²⁵

The number and frequency of Indians engaging in foreign travel is therefore only expected to increase in the coming years. The market has already seen robust growth with rising disposable incomes, an expanding middle class, systemic ease and flexibility in obtaining visas, and a desire for international experiences.

There is also a pent-up demand for travelling abroad post-pandemic recovery, with tour operators and airlines rushing to provide incentives to revive their businesses after international travel restrictions were eased. Observers have noted a surge in foreign travel by Indians for various purposes, including for education. India has a large young population, heavily exposed to global travel trends in the digital age of social media and increasing global connectivity. With a rising urban and young population, the inclination towards exploring international destinations is expected to continue to grow. Demographic trends thus are likely to support growth in outbound tourism in the near future.

At the same time, there is also diversification in the travel preferences of Indians, who are becoming more adventurous and seeking unique and offbeat experiences beyond the traditional tourist hotspots. Countries like Egypt, Azerbaijan and Georgia, among others, known for their rich history, cultural heritage, natural beauty and unique topographies, are attracting more and more Indians to venture abroad. Such destinations are often more affordable as well. Over time, cultural connections have grown and in turn increased the potential for travel to these erstwhile lesser-known destinations which offer unique cultural and historical experiences. Investments in tourism infrastructure and marketing efforts by such countries have helped position them as attractive options for Indian travellers.

²⁵ Future Market Insights, "India Outbound Tourism Market Outlook (2024-2034)"



Similar emerging markets and opportunities for outbound travel include various Southeast Asian, Middle Eastern, African, and Eastern European countries.

In Southeast Asia, Thailand, Malaysia, Indonesia, and Vietnam have become increasingly popular due to their proximity, cheaper prices in terms of flights, food, and lodgings, and cultural connectivity. These countries are receiving more and more Indian tourists each year.

In the Middle East, destinations such as Dubai, Abu Dhabi, Saudi Arabia, Oman, Qatar, and Bahrain are being frequented by Indians. Along with shorter flight times, these destinations provide abundant opportunities for leisure travel, shopping, and curated experiences.

In Eastern Europe, countries like Czech Republic, Bulgaria, Slovenia, Hungary, Georgia, Bosnia & Herzegovina, Armenia, Macedonia, Poland, and others are fast becoming popular among Indians for their natural, historical, and architectural attractions. They are also relatively less expensive compared to the traditional destinations in Western Europe.

African countries like South Africa, Kenya, Tanzania, and Ghana, among others, are also emerging as popular destinations for Indians keen to experience safari, adventure, and eco-based tourism.

Country wise international traffic statistics (scheduled) for the quarter January-March 2024

Sl. No.	Name of the country	Passengers from India	Sl. No.	Name of the country	Passengers from India
1	Afghanistan	0	13	Ethiopia	78002
2	Australia	64569	14	Finland	20877
3	Austria	8784	15	France	133516
4	Azerbaijan	14956	16	Georgia	5773
5	Bahrain	195291	17	Germany	225714
6	Bangladesh	166619	18	Hong kong	145758
7	BHUTAN	11652	19	Indonesia	31080
8	BURMA	9055	20	Iran	6064
9	CANADA	99782	21	Iraq	9108
10	CHINA	0	22	Israel	3006
11	DENMARK	10788	23	Italy	27299
12	EGYPT	11190	24	Japan	45261

Sl. No.	Name Of The Country	Passengers From India
25	Kazakhstan	31972
26	Kenya	39608
27	Korea	30601
28	Kuwait	232506
29	Kyrgyzstan	1233
30	Malaysia	385915
31	Maldives	83785
32	Mauritius	26630
33	Nepal	160109
34	Netherlands	84934
35	Oman	376532
36	Poland	15614
37	Qatar	557488
38	Russia	41653
39	Rwanda	2065
40	Saudi Arabia	658701

Sl. No.	Name of the country	Passengers from india
41	Seychelles	1678
42	Singapore	718029
43	Sri Lanka	244931
44	Switzerland	39892
45	Taiwan	0
46	Tanzania	7674
47	Thailand	572507
48	Turkey	143393
49	United Arab Emirates	2778437
50	United Kingdom	448862
51	United States	234487
52	Uzbekistan	23640
53	Vietnam	89087
54	Yemen	2306

Total : 9358413

Note: This table does not include the passengers carried by domestic carriers entirely outside the Indian territory.

Source: Directorate General of Civil Aviation, Ministry of Civil Aviation.



Technological Advancements shaping the future of travel

Technological advancements are shaping the future of travel with the growth and proliferation of online travel agencies (OTAs) and mobile-based travel booking apps. These platforms have enabled Indians to better research, plan, and book international trips. Travel companies are increasingly relying on technology, including Virtual Reality (VR) and Augmented Reality (AR) to entice potential travellers, who can preview destinations before selecting them through virtual tours and other immersive experiences. AI-driven technologies are also being used to personalize travel recommendations and experiences based on individual preferences and past behaviours.

The landscape is highly competitive with numerous established players like Thomas Cook, SOTC Kuoni, Raj Travels, In Orbit Tours, and Kesari expanding their customer base with attractive deals, all-inclusive luxury packages, customized tour trips, and services. India's online travel market, which consists of sales of travel services through online channels, is expected to grow at a CAGR of 10.5% between 2024-29, from USD 17.24 billion to USD 28.40 billion.²⁶ Major players include MakeMyTrip, Yatra, Cleartrip, Goibibo, and Booking.com, among others, which offer various travel-related services, flight and hotel bookings, holiday packages, car rentals, and more. Most leading travel companies have launched mobile apps and online platforms to enable users to access their service at ease on the go.

Platforms like Skyscanner offer a one-stop solution for comparing ticket prices, hotel tariffs, and intra-city commutes by collecting data from its partner OTAs. In August 2023, it launched a Hindi language version across all its products and services to increase penetration in the Indian market. OTAs are also expanding their international footprint, such as MakeMyTrip, which has announced plans to expand into the UAE and EaseMyTrip which is increasing its presence in international cities popular among Indians tourists.²⁷

International travel has thus been eased by the steady growth in affordable technology. Mobile apps can today provide real-time updates to travellers, enable language translation, currency conversion, and convenient navigation assistance. Through such innovations, contactless travel has become an option. Some examples include facilities like digital boarding passes, touchless payments, and automated check-ins. Moreover, apps like Airbnb have made access to accommodations and lodgings more simplified and expanded the market for local homeowners who can provide varied, niche stays at cost-effective prices, reducing the reliance of travellers on travel operators and hotels and giving people agency to choose from a wider array of destinations.

The future of outbound tourism from India thus looks promising as incomes increase and preferences for unique destinations and experiences evolve. CAPA India attributes the future growth of Indian outbound tourism to a "structural transformation of economic and consumption drivers," wherein the discretionary spending power of higher-income households is likely to outpace the national average. Foreign travel will also receive an impetus from increasing non-stop air capacity, liberalization of visa regimes, and added investments in the sector.²⁸ Technology has also eased and enhanced international travel experiences for Indians, who are now able to visit lesser-known markets and regions.

²⁶Mordor Intelligence India Online Travel Market Size & Share Analysis - Growth Trends & Forecasts (2024 - 2029)

²⁷Mordor Intelligence India Online Travel Market Size & Share Analysis - Growth Trends & Forecasts (2024 - 2029)

²⁸CAPA India, "India Outbound Travel in FY2030"

An aerial photograph of a tropical beach. The water is a vibrant turquoise color, and several colorful wooden boats are anchored in the shallow water. The beach is sandy and lined with palm trees. In the foreground, there are buildings, including a large white structure and a blue swimming pool. The overall scene is bright and sunny.

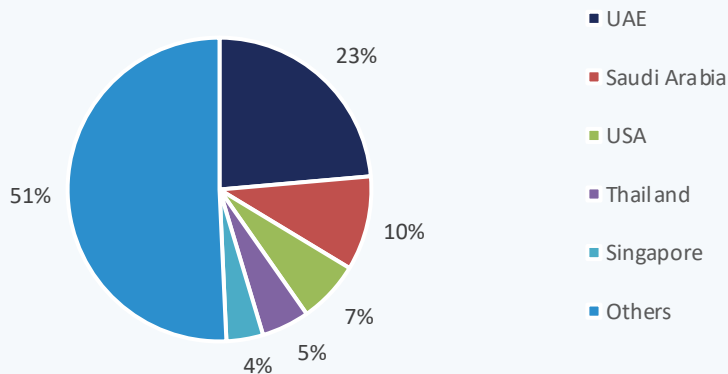
4.

Key Markets for Indian Outbound Tourists

International Destinations

According to a report by booking.com and McKinsey, 70% of Indians travelling overseas choose nearby destinations, with one-third choosing destinations in the Middle East. The UAE is the top regional destination, followed by Saudi Arabia. According to the DET, India is Dubai's top source market, with 1.9 million visitors in the first 10 months of 2023. Saudi Arabia is aiming for 7.5 million visitors by 2030.

Top preferred destinations of Indians in 2023-24



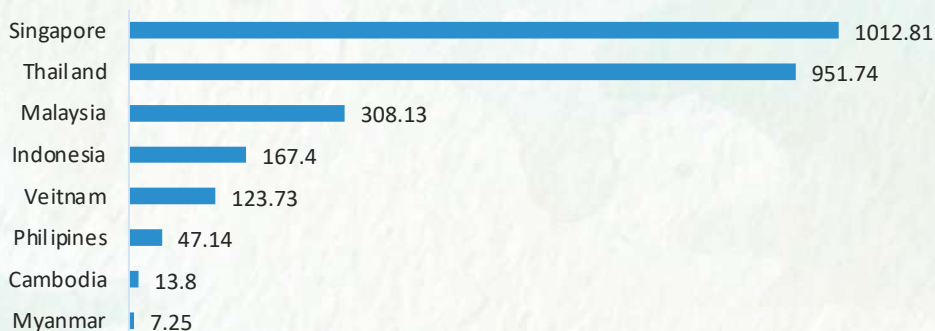
Source: Ministry of Tourism

To illustrate the sheer size and potential growth of India's overall outbound market, prior to the pandemic in 2019, Indians made 26.9 million overseas trips; the report predicts that by 2030, that number could increase to 50 million departures.



South-East Asia

Number of Indian National Departures from India to South east Asia in 2022 by country (in 1000s)



Source: Ministry of Tourism

Indians departing to Singapore accounted for over 1 million during 2022. Majority of Indians travelled to Singapore in 2022 among southeast Asian countries, followed by Malaysia and Thailand.

Gulf countries (UAE, Saudi Arabia Qatar)

The UAE has long been the preferred destination for Indians. According to data from the Directorate General of Civil Aviation, 2.778 million Indian tourists visited the UAE in the

first quarter of this year, the highest number among all countries. Saudi Arabia received 658,701 Indian tourists, while Qatar saw 557,488.

United States

According to the United States National Travel and Tourism Office (NTTO), India has become the second-largest international source market for travel to the United States setting a new record with 882,404 arrivals from January to

May 2024 (excluding Canada and Mexico). This places India just behind the United Kingdom. The number of Indian visitors represents a 37.2% increase compared to the 643,270 arrivals during the same period in 2023.



Emerging Trends for the Indian Outbound Market

Key Trends and Expectations

India has experienced a significant rise in Event-Based and Experience-Driven Travel, with an increasing number of Indian travellers, especially millennials, young professionals, and Gen Z, demonstrating a strong inclination towards travel experiences that align with their passions and interests. These travellers are drawn to unique events such as music festivals, sports events, and cultural celebrations, seeking immersive experiences that provide both entertainment and cultural enrichment.

Complementing this trend is the growing popularity of sleep tourism, which focuses on wellness activities designed to promote relaxation and rejuvenation. These wellness practices include yoga retreats, swimming

sessions, and spa therapies, offering travellers an opportunity to de-stress and improve their overall well-being. Additionally, there is a notable increase in the demand for fully customizable private holidays, which cater to discerning travellers looking for personalized and bespoke experiences. These tailored itineraries allow travellers to choose specific activities, accommodations, and transportation options according to their unique preferences, ensuring a one-of-a-kind and highly satisfying travel experience. This shift towards more personalized, wellness-oriented, and passion-driven travel highlights the evolving preferences of Indian travellers, reflecting their desire for meaningful and memorable journeys.

Destination Preferences

Recent visa relaxations for countries like Thailand, Vietnam, Malaysia, and Kenya are expected to increase interest among Indian travellers. Long-haul destinations such as Australia, New Zealand, and several European countries are also predicted to be popular choices. Additionally, unique and offbeat destinations within India are gaining popularity, reflecting a growing desire for novel travel experiences.

Egypt

Key Trends and Expectations

Approximately 23 thousand Indian Nationals departed to North African nation of Egypt in 2021. Egypt Government is striving to boost this number to 10 times by 2030.

Germany - 2.5 million German residents flocked to the sunny nation for business and leisure.

Ukraine - Coming in second is Ukraine, with 1.5 million recorded tourists for 2019.

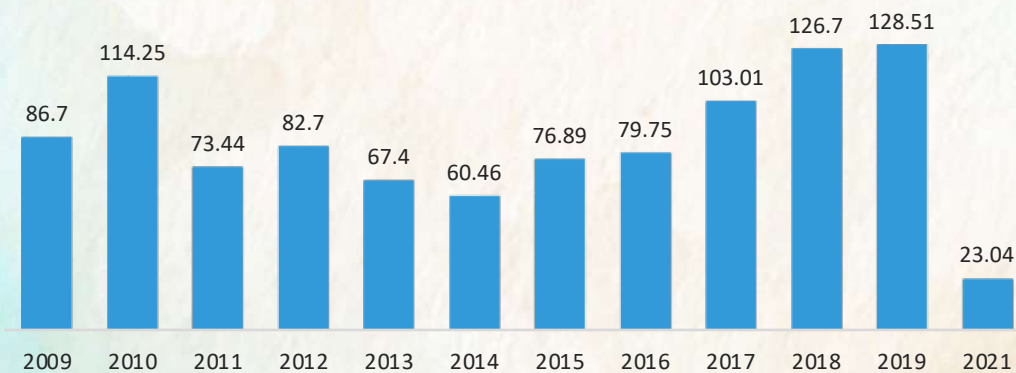
Saudi Arabia - Nearly 1.4 million Saudi Arabians frequented Egypt to visit family and engage in trade and tourism.

Libya - 766,000 Libyans crossed their shared border with Egypt.

Sudan - 752,000 Sudanese

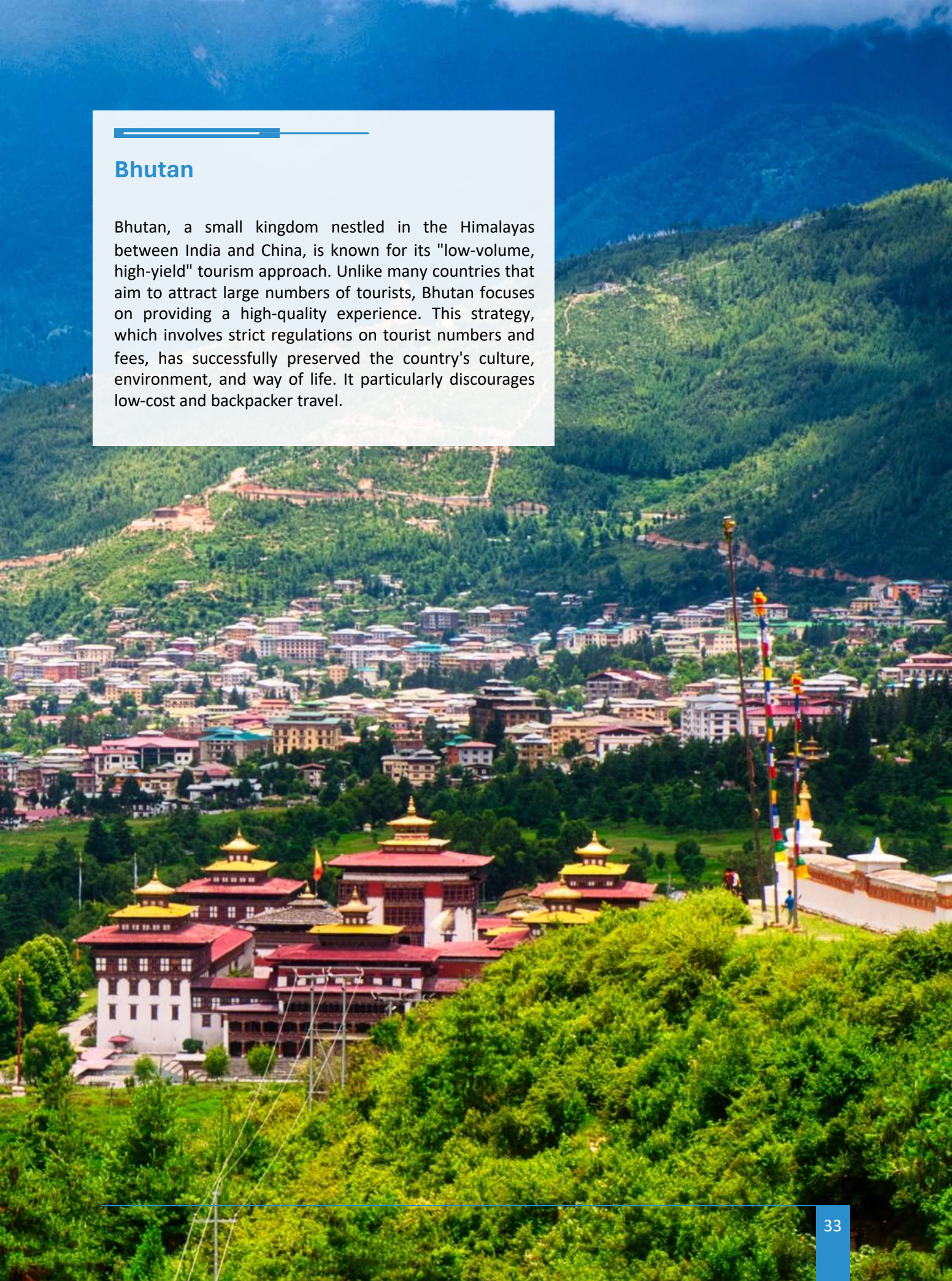


Number of Indian National Departures from India to Egypt between 2009-2021 (in thousand)



Bhutan

Bhutan, a small kingdom nestled in the Himalayas between India and China, is known for its "low-volume, high-yield" tourism approach. Unlike many countries that aim to attract large numbers of tourists, Bhutan focuses on providing a high-quality experience. This strategy, which involves strict regulations on tourist numbers and fees, has successfully preserved the country's culture, environment, and way of life. It particularly discourages low-cost and backpacker travel.



5.

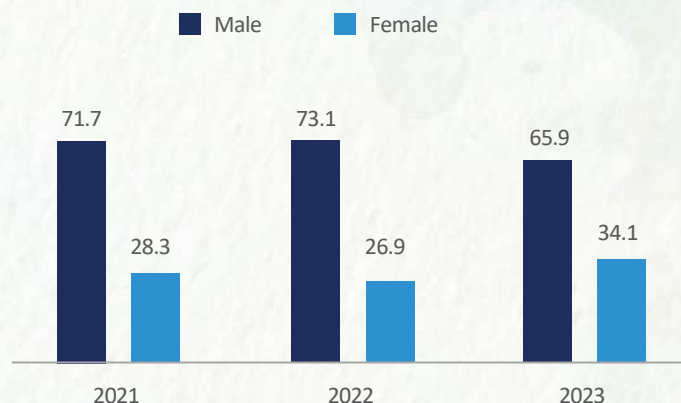
Travel Behaviour and Patterns



Seasonal and Economic Considerations

Travel during the shoulder season is gaining popularity due to its peaceful atmosphere and cost advantages. This trend reflects the growing sophistication of Indian travellers who are seeking value and avoiding peak-season crowds.

Gender Distribution of male and female departures from India in last three years



Source: Ministry of Tourism

Market Growth and Economic Impact

The Indian outbound tourism market is expected to reach US\$ 18,817.72 million in 2024, with strong growth anticipated through 2034. Online booking is predicted to dominate the market, highlighting the convenience and accessibility of digital platforms. Currently, the packaged traveller segment is leading the market.

Regional Preferences and Expenditure

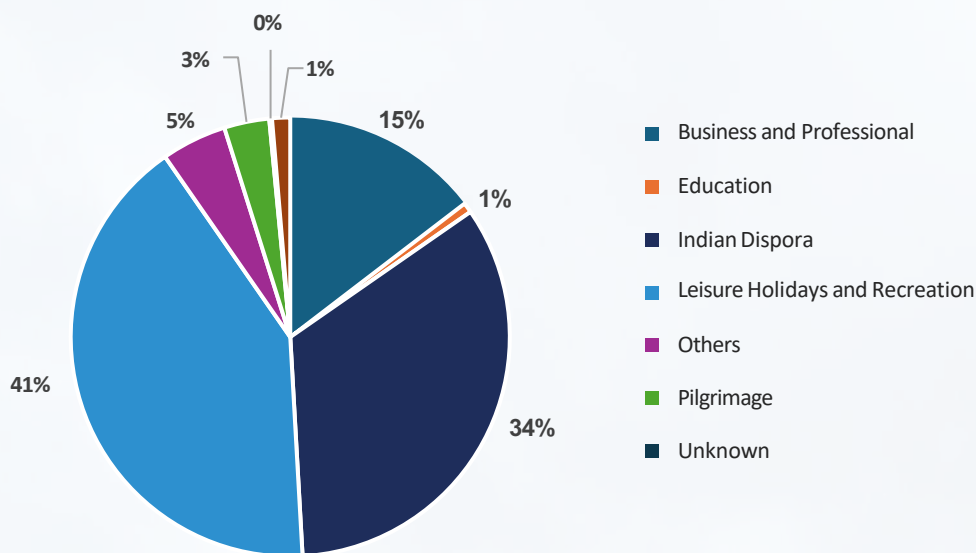
More than 30% of Indian travellers are opting for Middle East destinations, with Dubai being a key market. Indian tourists are willing to spend up to USD 7,000 on international trips, showcasing a significant economic impact on the destinations they visit. By 2030, the total travel expenditure by Indians is anticipated to reach USD 410 billion.

Market Opportunities and Challenges

The Indian outbound market offers significant opportunities for international destinations, with industry players emphasizing pricing strategies and event calendars to attract Indian tourists. However, the outlook is slightly cautious, with fewer events compared to 2023 and tepid demand during India's peak festive season.

Overall, the Indian outbound market is growing and diversifying, shaped by various trends in 2024. These include event-based travel, niche tourism segments, and the rising influence of digital platforms, reflecting the evolving preferences of Indian travellers. As the market expands, it provides abundant opportunities for destinations and service providers globally.

Purpose wise percentage share of Indian National Departures during 2023-24



Source: Ministry of Tourism

Niche Tourism

The Indian outbound tourism market is expected to reach US\$ 18,817.72 million in 2024, with strong growth anticipated through 2034. Online booking is predicted to dominate the market, highlighting the convenience and accessibility of digital platforms. Currently, the packaged traveller segment is leading the market.

Astro Tourism and Religious Tourism constitute specialized sectors captivating the interest of Indian travellers. Astro Tourism encompasses celestial observation and astronomical adventures, whereas Religious Tourism continues to thrive, facilitating spiritual pilgrimages to revered destinations. An additional burgeoning trend, Skip-Gen Travel, involves grandparents embarking on journeys with their grandchildren, thereby nurturing intergenerational connections.

The northern lights, or aurora borealis, are actually caused by solar storms or massive flares from the sun that send blasts of charged particles towards Earth. When these particles collide with atoms in our atmosphere, they create glowing emissions that vary in shape, movement, colour, and brightness based on the type of atoms involved, the intensity of the solar activity, and Earth's magnetic forces. There is a region in the Northern Hemisphere called the "Northern Lights Belt," located between 65 and 72 degrees north, where auroral activity is more frequent and intense. The closer you are to this belt, the better your chances of seeing the northern lights.

India is set to become the world's fastest-growing source of MICE (Meetings, Incentives, Conferences, and Exhibitions) tourism, with the market projected to surpass \$45 billion by 2025.

Outbound Sports Tourism in India

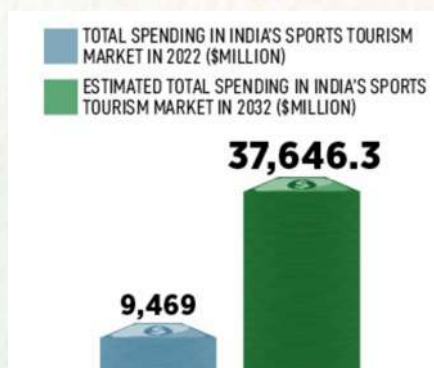
Sports tourism has also emerged as a niche sector within outbound tourism, which involves travel to a country for the primary purpose of observing or partaking in sports activities – examples include but are not limited to adventure sports like skiing, recurring tournaments, and training workshops.

Many sports fans in India ardently travel to support their favourite teams in matches held in other countries. Indian sports fans are travelling across the globe in huge numbers for sporting events. Bookings witnessed a surge of 25-30% for key global sports events this year, showed data from Thomas Cook²⁹. In May this year, search data revealed a 30% year-on-year increase in searches by Indian travellers for Paris for the 2024 Olympics. India was among the top 5 countries in Asia-Pacific searching for flights to Paris between 26 July and 11 August³⁰.

An HNI (high net-worth individual) spends Rs 5 lakh per package on average, while the average corporate client spends around Rs 2.5 lakh per package, and premium packages (such

as the Olympics' opening and closing ceremonies) can go up to Rs 10-12 lakh per person, according to sports travel agency DreamSetGo³¹.

Players, coaches and other support staff also travel to international destination for the purpose of participating in tournaments and sports events. Moreover, there are thousands of Indians travelling abroad to places like England and Spain to study Sports Management, Sports Analytics, Sports Medicine, Physical Education, Sports Psychology, Sports Biomechanics and other specialized disciplines. Major football leagues such as the English Premier League and Spain's La Liga have partnered with several premier Indian educational institutions, which are sending students to gain first-hand experience and knowledge from Europe's top leagues. Apart from major leagues, many regional teams in India travel abroad for sports courses, especially for niche sports such as winter sports, fencing, and MMA. Schools also sponsor trips for their students to attend these courses or championships abroad.



Source: Future Market Insights (FMI)³²

²⁹25-30% more Indian fans flying across globe for key sporting events in 2024 | IBEF

³⁰Flying Fans: More Indians are travelling for international sports events (storyboard18.com)

³¹Flying Fans: More Indians are travelling for international sports events (storyboard18.com)

³²India Sports Tourism Market: Anticipated Surge with Incredible 17.1% CAGR, Predicted to Reach USD 52,967 Million by 2033 - Future Market Insights

6.

Preferences of Indian Outbound Tourists





Top preferred destinations for Indian Travellers in 2023

Southeast Asian destinations such as Indonesia and Malaysia have emerged as preferred countries following the relaxation of visa norms. Europe and the United States of America have been identified as the top choices for long-haul destinations, where Indian tourists tend to stay for 10-15 days. Bali has emerged as the top destination, with 38 percent of respondents voting in its favour, closely followed by Pattaya, Bangkok, and Dubai. With improved air connectivity, visa facilitation, and a wide range of travel options, it has become more convenient than ever for Indian travellers to explore the beauty of Southeast Asia.

Consumers have increasingly prioritized meaningful experiences over material goods, even during their travels. Spending on experiences now makes up ³³12% of tourism sales, marking the highest level in at least five years as of March 2024. A recent survey reveals a significant shift in travellers' priorities, with ³⁴77% expressing a preference for spending time alone during their holidays. An impressive 92% of respondents are using this time for

introspection and life reinvention, while 93% are placing a strong emphasis on mental health. Additionally, 94% of travellers are focusing on rejuvenation and wellness, aiming to restore their energy before returning to their daily routines.

Nowadays, an increasing number of Indians are choosing international cruises as their preferred mode of travel. This trend highlights a growing interest in exploring the world from the comfort and luxury of cruise ships, offering a unique and leisurely travel experience. With diverse destinations and an array of onboard amenities, international cruises are becoming a popular choice for Indian travellers' seeking both adventure and relaxation. A ³⁵recent survey revealed that 8 in 10 urban Indian families planning international travel are considering a cruise holiday in the next 12 months, with 79% preferring to travel with their families. Creating memories was identified as the vacation goal for 78% of respondents, while 65% indicated that they travel to visit different places and experience new things.

³³ <https://www.mastercard.com/news/press/2024/may/soaring-passenger-traffic-longer-stays-mastercard-economics-institute-on-travel-in-2024/>

³⁴ <https://www.mastercardservices.com/en/reports-insights/economics-institute/travel-trends-2022>

³⁵ <https://indiaoutbound.info/market-analysis/cruise-tourism-ocean-of-opportunities/>

It has been found that 60% of travellers consider themselves "curious travellers". Many people are now choosing unusual sites over popular tourist destinations, with a growing interest in exploring lesser-known places. Over the past few years, Vietnam has stood out as a treasure trove waiting to be explored by travellers. While Thailand and Singapore were previously among the most popular Southeast Asian destinations for Indians, Vietnam has emerged as a new favourite and the preferred getaway for those seeking adventure, culture, and unparalleled beauty. Nestled in the heart of Southeast Asia and stretching across as one of the longest countries in South Asia, Vietnam has witnessed a significant influx of travellers' from around the globe, including Indians. It is projected by Google trends that over 10 million visitors will be hosted by Vietnam by the end of 2024.

³⁶Indian travellers are looking for unique experiences and adventures in international destinations. At least 30 days before the travel date, ³⁷33% of international hotel bookings are made. Airbnb has revealed the latest trends

influencing summer travel preferences among Indian travellers', emphasizing an increasing demand for immersive experiences beyond traditional accommodations. To enhance the group travel experience, new features were recently introduced by Airbnb. Shared wishlist, a redesigned Messages tab, and trip invitations have been implemented to streamline collaborative planning, allowing families and groups to curate their itineraries collectively, communicate seamlessly, and ensure an enjoyable vacation. Alternative accommodations on the Makemy Trip platform saw an increase in growth, with a 24% rise in bookings recorded in 2023. Rooms costing less than INR ³⁸2,500 per night were preferred by travellers for hostels and apartments. A higher preference for hostel bookings was shown by people living in northern states, while hotels were preferred by those in the east of India, and alternative accommodations like homestays were favoured by those in the south. Properties with tariffs over INR 10,000 per night were searched for by close to 20% of family travellers.

³⁶ <https://news.airbnb.com/en-in/summer-travel-trends-for-indian-travellers/>

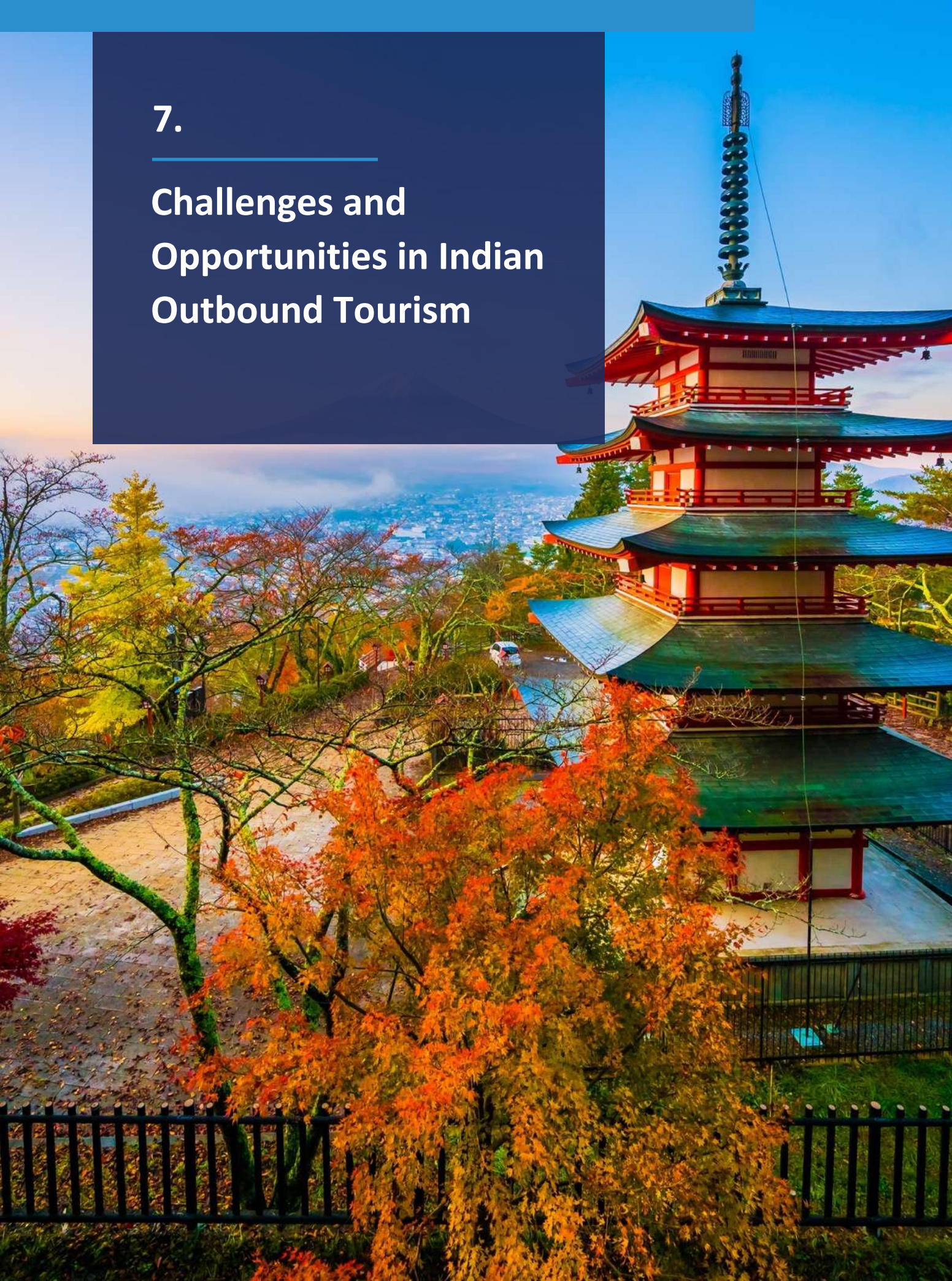
³⁷ <https://www.livemint.com/news/new-travel-hotspots-for-indians-paro-baku-4-others-shine-makemytrip-reveals-10-top-trends-11713892677221.html>

³⁸ <https://www.outlooktraveller.com/whats-new/indians-travelling-more-than-three-times-per-year-says-new-report>



7.

Challenges and Opportunities in Indian Outbound Tourism



The Indian outbound travel market continues to present substantial opportunities for international destinations, driven by a strategic focus on pricing strategies and event-driven tourism calendars aimed at capturing the interest of Indian travellers. The India outbound tourism market is expected to experience a moderate compound annual growth rate (CAGR) of 4.20% until the year 2034. This strategic approach reflects a proactive effort by industry players to cater to the evolving preferences and expectations of Indian tourists, who increasingly seek diverse and enriching travel experiences abroad. The Indian outbound tourism market is currently valued at approximately US\$ 18.82 billion and is projected to reach US\$³⁹ 18.82 billion by the year 2024. From 2024 to 2034, the market is anticipated to grow at a compound annual growth rate (CAGR) of 11.40%, with forecasts suggesting it will expand to US\$ 55.39 billion by 2034. Key players in the Indian outbound tourism market include Orbit, Thomas Cook, SOTC Kuoni, Raj Travels, In Orbit Tours, Kesari, among others. These companies play pivotal roles in shaping the travel landscape for Indian tourists seeking international destinations. In 2023, the overall value of the India outbound tourism market was recorded at US\$ 16.89 billion. This figure underscores the market's steady growth trajectory over recent years, driven by increasing disposable incomes, a growing appetite for international travel experiences, and expanding options for travel enthusiasts across various segments of the population. Looking ahead, the Indian outbound tourism sector is expected to continue its robust growth, supported by evolving consumer preferences, advancements in travel technology, and

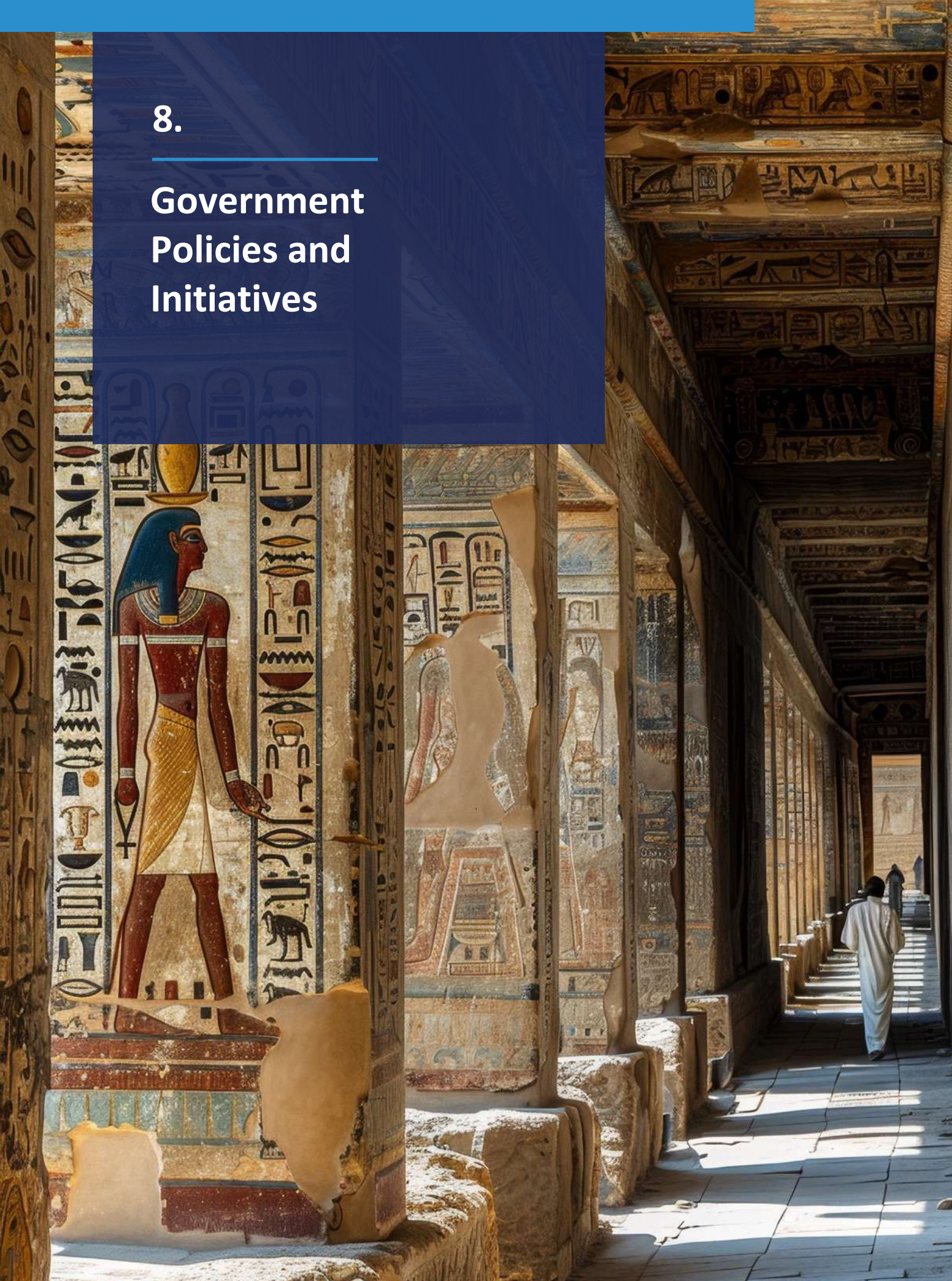
strategic initiatives by key industry players to enhance travel experiences and accessibility for Indian travellers' worldwide.


Despite optimistic prospects, there is a note of caution stemming from a comparatively subdued outlook in 2024, marked by less prominent events and lukewarm demand during India's festive peak season. These factors highlight the need for adaptability and flexibility among destinations and service providers looking to capitalize on the Indian market. Nevertheless, the trajectory of the Indian outbound market remains one of growth and diversification. Emerging trends such as event-based travel, which includes attractions like international sports tournaments and cultural festivals, continue to shape travel decisions among Indian tourists. Additionally, there is a noticeable shift towards niche tourism segments, with travellers' showing increasing interest in specialized experiences such as eco-tourism, adventure travel, and wellness retreats. Digital platforms also play a crucial role in shaping the landscape of Indian outbound travel. The widespread adoption of digital tools for trip planning, booking accommodations, and discovering unique experiences has empowered travellers with greater flexibility and accessibility in exploring global destinations. As the market expands and matures, it underscores a wealth of opportunities for destinations and service providers worldwide. By understanding and responding to the dynamic preferences and behaviours of Indian travellers', stakeholders can forge strategic partnerships, tailor offerings, and create compelling experiences that resonate with this burgeoning segment of global travellers.

³⁹ <https://www.futuremarketinsights.com/reports/india-outbound-tourism-market>

8.

Government Policies and Initiatives





This year alone, the MoT has engaged with several countries and blocs on various platforms to foster partnerships and increase mutual tourism. These include the PATA Annual Summit in Macau from May 15-17; the SCO Expert Working Group meeting and the Meeting of Heads of Tourism Administrations of the SCO Member States in Almaty, Kazakhstan from May 22-23; the BRICS Tourism Expert Meeting on April 12; the BIMSTEC Inter-Ministerial Meeting on April 23; the 26th ASEAN-India Senior Officials' Meeting; and the 2nd Joint Working Group Meeting between India and Philippines held in Manila from May 21-22. Bilateral talks were also held with Iran and Japan to discuss ways to promote and increase tourism between both countries.

Such efforts over the years have helped enhance cooperation in tourism by initiating sectoral exchange programs and joint ventures, knowledge sharing on infrastructure development, training in hospitality management, along with exploring other avenues for increasing bilateral tourism.⁴¹

The Ministry of Tourism as well as the tourism departments of several Indian states have also played a crucial part in popularising international destinations and making them more accessible. Their participation in international travel fairs, support to travel agencies operating in foreign destination travel, promotion of online travel companies, permitting roadshows to showcase destinations, and other similar activities have had a positive impact on outbound travel.

Government ministries and departments regularly participate in travel fairs and expos to provide opportunities to tourism value chain stakeholders to enhance business, foster partnerships, and gain insights into the best practices adopted globally. This year, the Ministry of Tourism has participated in IMEX, Frankfurt, the Internationale Tourismus-Bourse (ITB), Berlin, the Moscow International Travel & Tourism (MITT) summit, and the Sea-Trade Cruise Global 2024 event, Miami, among many others.⁴² Representatives from state tourism

departments and various stakeholders are also invited to take part in such events, which help to develop networks and collaboration between the public and private sectors, encourage investments in transportation and connectivity, increase cultural exchanges, and promote the adoption of sustainable tourism practices.

The Indian government's dedicated support to tourism value chain stakeholders, including travel agents, tour operators, hospitality service providers, online tourism agencies, and airline operators, increases not only domestic travel but also international. The government has been implementing policies, such as tax incentives for tourism-related businesses and regulations that streamline travel documentation processes, which support outbound tourism growth. Central and state ministries are responsible for issuing guidelines for licensing of Tour Operators/Travel Agents/Excursion Agents/Tourist Transport Operator and regularly recognise and renew their licenses. The government also offers incentives to tourism-related businesses to encourage investment and development in the tourism sector.

Government departments often collaborate with such entities to host events to promote tourism. In August 2023, MakeMyTrip launched a unique Travellers' Map of

⁴¹ Ministry of Tourism

⁴² Ministry of Tourism

India showcasing 600 plus destinations in India by collaborating with Ministry of tourism. In November 2023, the Directorate of Tourism of Jammu planned and executed the India Travel Mart, events which can also be positively correlated with the growth of outbound travel from India.

In this regard, the government's collaboration with the private sector and support to stakeholders in the tourism industry has also led to increased possibilities of international travel by Indians. The government's support has led to spectacular growth of the online tourism industry, where offers like discounts on airfares or tour packages can make international travel more affordable for Indians. Other ministries and departments also contribute to outbound tourism, such as the Ministry of Education⁴³ and the Department of Social Justice and Empowerment. While the former facilitates the process of scholarships/fellowships offered by the foreign countries under cultural and educational Exchange Programmes, the latter oversees the National Overseas Scholarship (NOS) Scheme which facilitates low-income students belonging to the Scheduled Castes, De-notified Nomadic and Semi- Nomadic Tribes, Landless Agricultural Labourers and Traditional Artisans category to obtain higher education abroad.⁴⁴

Similarly, the civil aviation industry in the country has also grown with the backing of the government. The number of international airports and airlines operating in India has increased with dedicated government interventions, adding to the ease of foreign travel for Indians. Increased connectivity and skill development in the sector have facilitated improvement in the services necessary for outbound travel, including enhanced customer service, cultural awareness, as well as quality assurance.

⁴³Ministry of Education, Department of Higher Education

⁴⁴Department of Social Justice and Empowerment



According to a report by CAPA India, international travel to and from India has historically been constrained by structural issues, most notably limited air connectivity. However, policies of liberalization pursued by the government since 2004 have led to a market correction. Since then, several Indian airlines have placed orders for wider body aircrafts, some private airlines have been permitted to operate on international routes, bilateral entitlements for foreign carriers from key markets have increased by almost three-fold, and an extensive drive for modernisation and privatisation of airports has been undertaken. From 2003-2008, international traffic grew at a CAGR of

15%. The industry saw a slump from 2010 onwards, however, the CAPA report projects that favourable conditions are once again aligning and the airline industry is strong, along with the state of the economy. The balance sheets of Indian airlines are well poised and expected to collectively deploy an additional 325-350 aircraft on international routes over the next 5-7 years. The report states that “Indian consumers will, for the first time, have a choice between world class Indian FSCs, LCCs and leading global carriers. Which is why we believe international is suddenly the new domestic.”⁴⁵

AIRLINEWISE INTERNATIONAL TRAFFIC (SCHEDULED) STATISTICS FOR THE QUARTER JANUARY-MARCH 2024

Sl.No.	Name Of The Airline	Passengers To India	Passengers From India
Domestic Carriers			
1	Air India	1157803	1185639
2	Air India Express	619001	735959
3	Akasa Air	79	380
4	Alliance Air	4946	4644
5	Indigo	1448285	1566090
6	Spicejet	237902	257853
7	Vistara Airlines	355128	376447
Total (Domestic Carriers)		3823144	4127012
Foreign Carriers			
1	Aero Nomad	1371	1233
2	Aeroflot	38609	41653
3	Aerologic	0	0
4	Air Arabia	220186	232895
5	Air Arabia-abu Dhabi	112397	135761

⁴⁵CAPA India, “India Outbound Travel in FY2030”

Sl.No.	Name Of The Airline	Passengers To India	Passengers From India
Foreign Carriers			
6	Air Asia Berhad	117092	122141
7	Air Asia X	20293	21753
8	Air Astana	18384	19649
9	Air Canada	42373	42462
10	Air France	80151	98092
11	Air Mauritius	23343	19050
12	Air Seychelles	1256	1678
13	Air Tanzania	6625	7674
14	All Nippon Airways	11863	17628
15	American Airlines	22182	18021
16	Ariana Afghan	0	0
17	Asiana Airlines	6780	9595
18	Azerbaijan Airlines	4607	5542
19	Batik Air	9849	11095
20	Bhutan Airlines	7192	7857
21	Biman Bangladesh	28334	33075
22	British Airways	149203	163177
23	Buddha Air	1395	1501
24	Cathay Pacific	83248	107181
25	China Airlines Ltd	0	0
26	Druk Air	9946	9727
27	Egypt Air	7022	11190
28	Emirates Airline	671302	739964
29	Ethiopian Airlines	58116	78002
30	Etihad Airlines	333349	349118
31	Federal Express	0	0
32	Finn Air	16322	20877
33	Fly Baghdad	1696	1410
34	Fly Dubai	58552	64436
35	Flynas	58966	66221

Sl.No.	Name Of The Airline	Passengers To India	Passengers From India
Foreign Carriers			
36	Gulf Air	122671	143590
37	Iran Air	1426	992
38	Iraqi Airways	7154	7698
39	Island Aviation Services	12238	14415
40	Japan Airlines	13021	16219
41	Jazeera Airways	30168	37163
42	Kenya Airways	18144	20599
43	Klm Airlines	67848	74139
44	Korean Air	7495	9247
45	Kuwait Airways	55837	77930
46	Lot Polish	13464	15614
47	Lufthansa	144677	168879
48	Mahan Air	6490	5072
49	Malaysia Airlines	141352	156604
50	Malindo Airways	49813	54240
51	Myanmar Airlines	10643	8656
52	Neos Spa	11200	13426
53	Nepal Airlines Corporation	22904	22052
54	Novo Air	5861	6160
55	Oman Air	141784	197588
56	Qantas Airlines	12830	13347
57	Qatar Airways	272063	287672
58	Rwandair	1274	2065
59	Salam Air	40690	39876
60	Saudia	180999	192221
61	Scat Airlines	5448	5572
62	Scoot Tiger Air	95333	97496
63	Singapore Airlines	268648	317354
64	Srilankan Airways	115806	132894
65	Swiss Air	29648	39892

Sl.No.	Name Of The Airline	Passengers To India	Passengers From India
Foreign Carriers			
66	Thai Air Asia	89190	92426
67	Thai Airways	189151	202262
68	Thai Lion Air	17656	18175
69	Turkish Airlines	64021	66711
70	United Airlines	37051	38187
71	United Parcel Services	0	0
72	Us Bangla Airlines	16443	18507
73	Uzbekistan Airways	12997	15185
74	Vietjet Air	40309	45818
75	Vietnam Airlines	13475	14016
76	Virgin Atlantic Airlines	76872	79478
77	Yemenia Airways	1576	2306
Total (Foreign Carriers)		4687674	5231401
Total (Domestic & Foreign Carriers)		8510818	9358413

Note: This table does not include the passengers carried by domestic carriers entirely outside the Indian territory. Source: Directorate General of Civil Aviation, Ministry of Civil Aviation.

Most importantly, the government's agenda of development has increased the purchasing power of many Indians, who can now undertake international trips for business, medical, educational, or aspirational purposes. The government has also maintained and improved diplomatic relations with numerous countries. This has also impacted growth in outbound travel, not only by fostering cultural exchange and understanding but also through

arrangements that benefit travellers, such as mutual recognition of educational qualifications or healthcare arrangements.

These steps and initiatives have collectively boosted outbound tourism from India, enhancing the travel experience for Indian tourists and contributing to the growth of the tourism sector both domestically and internationally.

9.

Recommendations and the Way Forward



According to the World Travel and Tourism Council (WTTC), the travel and tourism industry is the seventh-largest contributor to the Indian GDP. As India's economy grows, people are spending more and more on travel, both domestic and international. However, to fully convert the real potential of the Indian outbound tourism industry and ensure sustainable yields, a strong understanding of the customer base is essential. This would entail dedicated research on aspects such as evolving demographics and preferences, as well as investments and support to actors along the tourism value chain.

Indian tourists travelling internationally have consistently chosen locations such as UAE, USA, Singapore, UK, Australia, and Thailand. During the pandemic, Maldives saw a surge in the number of Indian tourists, especially in 2021, owing to the relaxed restrictions there. However, by 2023, Thailand had regained its share of leisure travel after easing out its COVID-19 related-rules in 2022. While Thailand and Maldives have remained the favourites for couples, countries like UAE and Saudi Arabia have maintained their position as preferred destinations for family or group travel.⁴⁶

India can learn from these countries and apply their tourism strategies as use cases for improved growth of its own travel and tourism industry. The development of

niche tourism sectors is one method adopted by countries like Thailand to increase travel to its shores. Thailand has promoted itself as a wedding and couples' destination by creating tailored packages in collaboration with Indian wedding planners and travel agencies. It has also successfully marketed itself as such through dedicated media campaigns. In this aspect, the Thai government has been instrumental in helping facilitate partnerships between wedding service providers in the two countries and streamlining visa and other procedural requirements like obtaining permits and for catering to wedding guests.

Similarly, travel and tourism can be encouraged by developing curated cultural and heritage tours through the involvement of stakeholders and the government. Countries such as Egypt have focused on ancient historical and archaeological sites, while others such as Tanzania have developed their eco-tourism sites. Governments of these countries have supported the travel industry by promoting such destinations, making efforts towards conservation and embarking on cultural exchange and awareness programmes. Countries like Nepal and Bhutan have designed adventure and eco-tourism packages by encouraging the growth of adventure tour operators and eco-lodges.

⁴⁶Adara, "India Outbound Trends Report 2023"



They have invested in eco-tourism infrastructure and sustainable and responsible travel practices, while easing access to such destinations, coveted by many travellers. It is also important to study traveller behaviour and preferences, distribution, point of sale, pricing, marketing effectiveness, and other such aspects to enable data-driven decision making.⁴⁷

In India, travel agencies are expanding their regional presence in areas like Kashmir. Kesari Tours inaugurated a new office in Kashmir last year. Luxury experiences are also being curated by companies like Thomas Cook which introduced The Grand Voyage package last year which provides all-inclusive amenities and services in various Indian cities.

Initiatives and policies of the government are key to support industry stakeholders and encourage international tourists to visit India. Infrastructure development is among the most important factors that can increase tourist footfall in the country. Improved connectivity in terms of road, rail, air, and waterways is necessary to encourage tourists to visit and travel the country. It can also increase the length of stay of tourists. At the same time, the state must encourage the private sector to build hospitality

infrastructure to provide accommodation facilities even in lesser-known destinations to make them more popular.

Skilling of the workforce in the tourism sector would also be an important initiative that the government undertakes. Schemes similar to the Ministry of Tourism's Capacity Building for Service Provider (CBSP) program may be initiated and expanded in this regard. Further, the government has a key role to play when it comes to promotional and awareness-building activities. It may allocate dedicated funds for marketing and media campaigns to highlight destinations and experiences within India and abroad. Educational programs can also be introduced at the school and college level to increase appreciation of multiculturalism, which will stimulate the desire to experience different cultures and locations from a young age.

To fully convert the real potential of the Indian outbound tourism industry while ensuring sustainable yields, a strong understanding of the customer base is essential. This would entail dedicated research on aspects such as evolving demographics and preferences, as well as investments and support to actors along the tourism value chain.



⁴⁷Adara, "India Outbound Trends Report 2023"

The government administration and the tourism industry stakeholders in India may undertake various strategic interventions to promote the outbound tourism market.

Bilateral engagement

Visa facilitations and streamlining of such processes is instrumental for the growth of outbound tourism. By maintaining good diplomatic relations and entering into bilateral agreements, the government may simplify visa procedures for popular destinations, for instance through mechanisms such as visa-free travel, visa-on-arrival, or e-visa facilities to reduce bureaucratic hurdles and make outbound travel more convenient for Indians. Such reciprocal arrangements may be negotiated with key tourism markets to facilitate easier travel.

Improved connectivity

The development of the civil aviation industry through the joint efforts of the public and private sector is necessary to accommodate the increasing demand for outbound travel. The government's liberalisation of the sector has led to increased flights frequency between India and emerging tourism markets. However, there is a need to increase and upgrade airport infrastructure to promote outbound tourism from India. The development of ports with passenger service must also become a priority to give an impetus to maritime travel.

Support to travel industry stakeholders

Private entities operating in the tourism industry require an enabling policy ecosystem and support from the government to grow the outbound tourism market in India. While the government does provide financial incentives such as interest and capital subsidies and tax breaks to incentivize investment in tourism-related infrastructure and service, removing regulatory and procedural hurdles and enhancing ease of doing business is critical to the performance of the sector.

MSME development

As per data, several small and medium players in the tourism sector have entered the market and have a key role to play in the outbound market. Handholding support and dedicated policy interventions for tourism-related start-ups and entrepreneurship can go a long way to encourage the industry, which will not only aid the growth of inbound travel but outbound as well.

Marketing of international destinations

Entities in the tourism value chain can play a crucial role in the marketing of international destinations by highlighting the diverse opportunities available to Indian tourists. Targeted and theme-based campaigns may be undertaken that can appeal to specific categories of travellers, for instance wellness, culinary, nature-based, spiritual, or historical enthusiasts.

Digital Transformation

Technology and innovation products have been used to advance the tourism industry. Digitization of tourism-related services can ease the process of booking services for international travel for India consumers. At the same time, use of digital technologies, such as augmented and virtual reality, social media, travel-based mobile applications, AI and other tools can increase engagement with potential travellers and lead to an increase in outbound travel.

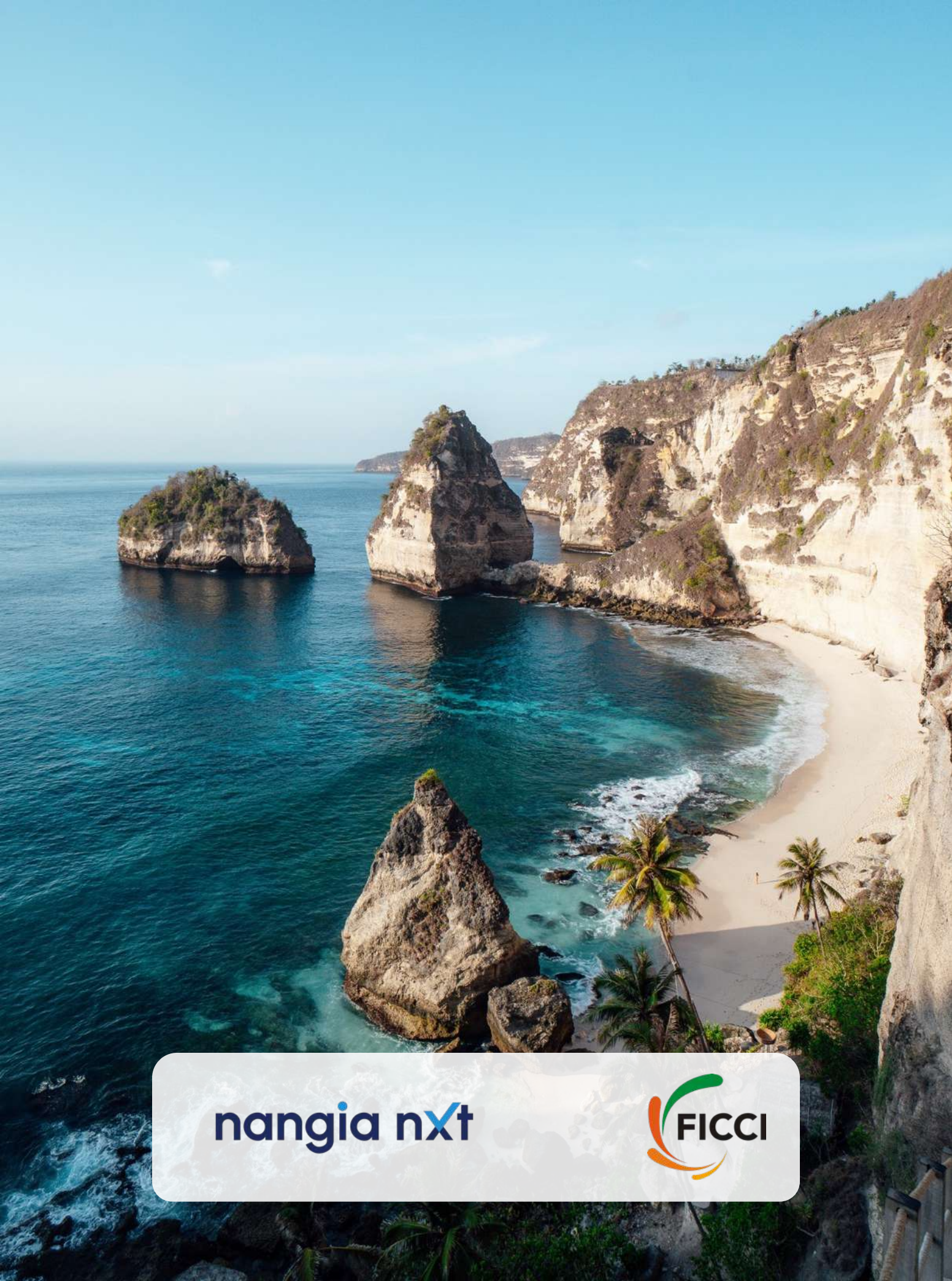
Curated Packages

Travel agencies and tour operators are crucial for the development of personalized and convenient itineraries that are tailored to individual preferences and interests. They must also be encouraged to partner with local businesses, hospitality providers, and airline operators to create attractive deals and packages that can lure international travellers.

Hospitality partnerships

Tourism stakeholders in India may create partnerships with foreign hospitality sector actors to meet the cultural and other need-based preferences of tourists from India. Through such tie-ups and collaboration, tailored services that enhance customer satisfaction may be provided to Indian customers. For instance, they may engage in skill training workshops to ensure that foreign service providers become more culturally sensitive and adopt language skills to cater to Indians.

The implementation of such strategies can increase both inbound and outbound tourism, enhance the tourism value chain, and ensure that India capitalizes on emerging tourism trends. A balanced approach can promote sustainable growth in the tourism sector and also create responsible tourists.



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