INDIA TRAVEL AND TOURISM MARKET

Market Size, Share, Industry Trends and Forecast to 2035

Market Research Future (MRFR) | Last Updated: 17 September 2026

Executive Summary

Market Research Future projects the India travel and tourism market to expand from USD 42.85 billion in 2024 to USD 75.3 billion by 2035, with a CAGR of 5.26% during 2025-2035. The report describes a market increasingly shaped by sustainable and experiential travel, growing domestic tourism, medical tourism, digital booking, cultural and heritage experiences, and government tourism initiatives.

Indicator	Details
2024 Market Size	USD 42.85 billion
2025 Market Size	USD 45.34 billion
2035 Market Size	USD 75.3 billion
Forecast CAGR	5.26% (2025-2035)
Base Year	2024
Historical Period	2019-2024
Forecast Period	2025-2035

Key Market Trends

Sustainable Tourism Initiatives

The report identifies growing emphasis on eco-friendly and responsible tourism by government bodies and private enterprises. Preservation of natural resources and environmentally responsible travel experiences are becoming more important to travelers and industry stakeholders.

Cultural and Heritage Tourism

Demand is increasing for experiences linked to local traditions, festivals, historical sites and India's diverse cultural landscape. The report sees potential for niche tourism products built around authentic cultural engagement.

Technological Advancements in Travel Services

Artificial intelligence, virtual reality, mobile applications and online platforms are reshaping booking and travel planning. The source emphasizes personalized recommendations, convenience and efficiency as increasingly important expectations among travelers.

Market Growth Drivers

Culinary Tourism Growth

The report identifies culinary tourism as a significant market driver and states that it contributed approximately 20% of overall tourism revenue in 2025. Food festivals, cooking classes and food tours are described as supporting local businesses while encouraging cultural exchange.

Growing Domestic Tourism

Domestic tourism is presented as a major growth engine, supported by the expanding middle class, rising disposable income and social-media-driven discovery of destinations. The source states that domestic tourist arrivals exceeded 1.8 billion in 2025 and cites Swadesh Darshan as a government initiative supporting regional tourism.

Adventure and Experiential Tourism

Trekking, river rafting, wildlife safaris and other experiential activities are gaining popularity. The report projects the adventure tourism segment to grow at around 15% CAGR over the next five years, with Himachal Pradesh, Uttarakhand and Rajasthan highlighted as important destinations.

Government Initiatives and Policies

The source cites the Incredible India and Atithi Devo Bhava campaigns, e-Visa facilities for citizens of more than 160 countries, and investment in airports and highways as measures supporting tourism growth. It states that the industry recorded approximately 10.5% growth in 2025.

Digital Transformation

Online travel agencies and mobile applications are becoming central to travel planning and booking. The report estimates that more than 60% of travel bookings in India were made online in 2025 and highlights AI and data analytics as tools for personalized travel experiences.

Market Segment Insights

Segment	MRFR Finding
Tourism Type	Leisure Tourism is the largest; Medical Tourism is the fastest-growing/emerging segment.
Travel Purpose	Family Vacation is the largest; Honeymoon is the fastest-growing/emerging segment.
Accommodation Type	Luxury Hotels are the largest; Homestays are the fastest-growing/emerging segment.
Transport Mode	Air Travel is the largest; Rail Travel is the fastest-growing/emerging segment.
Tour Package Type	All-Inclusive Packages are the largest; Customized Packages are the fastest-growing/emerging segment.

Tourism Type

Leisure tourism remains dominant, supported by family vacations, beach resorts, cultural exploration and India's diverse landscapes. Medical tourism is gaining traction among international patients seeking comparatively affordable healthcare, advanced medical facilities and skilled professionals.

Travel Purpose

Family vacations hold the largest share because of broad demographic appeal and growing leisure travel among middle-class households. Honeymoon travel is described as emerging quickly as couples seek personalized, adventure-oriented and luxury experiences. Solo, corporate and pilgrimage travel also remain important.

Accommodation

Luxury hotels lead the accommodation segment through premium amenities, service and prime locations. Homestays are emerging rapidly, particularly among younger and domestic travelers seeking local immersion, authenticity and lower-cost accommodation.

Transport

Air travel is the dominant transport mode because of speed, convenience and expanding connectivity. Rail travel is described as an emerging growth segment, supported by modernization, improved services and affordability.

Tour Packages

All-inclusive packages lead due to convenience and value, especially for families and groups. Customized packages are gaining momentum among millennials and Gen Z travelers seeking flexibility, personalization and experiential itineraries.

Competitive Landscape

The report characterizes the market as moderately fragmented. Major travel companies are increasing digitalization, customer engagement, partnerships and localization. Competition is described as shifting from traditional price-led strategies toward innovation, technology and supply-chain reliability.

Category	Details
Key Companies Profiled	MakeMyTrip, Yatra, Cleartrip, Thomas Cook, Goibibo, Travel Corporation of India, SOTC Travel, Cox & Kings, IRCTC
Competitive Themes	AI-enabled personalization, local partnerships, loyalty programmes, digital booking, sustainability and customer engagement

Recent Competitive Developments

- December 2025: MakeMyTrip launched an AI-driven travel assistant aimed at improving customer service and streamlining booking.
- November 2025: Yatra announced a strategic partnership with a leading hotel chain to offer exclusive deals and bundled packages.
- October 2025: Cleartrip introduced a loyalty programme offering discounts and exclusive benefits to frequent travelers.

Future Outlook and Opportunities

MRFR expects the market to maintain 5.26% CAGR through 2035, supported by digital transformation, disposable-income growth and improved infrastructure. By 2035, the source expects a larger and more diversified tourism market.

- Development of eco-friendly accommodation in rural areas.
- Investment in AI-driven personalized travel-planning services.
- Expansion of niche tourism segments such as wellness and adventure tourism.

Market Segmentation

Segment	Coverage
Tourism Type	Leisure, Business, Adventure, Cultural, Medical
Transport Mode	Air, Rail, Road, Water, Public Transport
Travel Purpose	Family Vacation, Honeymoon, Solo Travel, Corporate Travel, Pilgrimage
Tour Package Type	All-Inclusive, Customized, Group Tours, Eco-Tourism, Luxury
Accommodation Type	Luxury Hotels, Budget Hotels, Homestays, Resorts, Hostels

Report Scope

Scope Item	MRFR Coverage
Report Coverage	Revenue forecast, competitive landscape, growth factors and trends
Market Forecast Units	USD Billion
Segments Covered	Tourism Type, Travel Purpose, Accommodation Type, Transport Mode, Tour Package Type
Key Market Opportunity	Integration of digital platforms for personalized travel experiences
Key Market Dynamic	Rising domestic tourism and evolving consumer preferences
Country Covered	India