

India's sustainable-tourism industry to grow to \$152 million by 2032

The sustainable tourism market in India, valued at \$26.01 million in 2022, is projected to reach \$151.88 million by 2032, reflecting a compound annual growth rate (CAGR) of 19.3%, as per a report by The Federation of Hotel and Restaurant Associations of India (FHRAI), KPMG, and the PHD Chamber of Commerce and Industry (PHDCCI). The industry's sustainable practices are seen as essential for long-term development, aligning with concerns about climate change and the need to reduce greenhouse gas emissions.

India faces the challenge of decoupling economic growth from emissions, even though its per-capita consumption is lower than that of developed nations. The report emphasizes the growing importance of adopting responsible tourism practices to enhance India's tourism value while minimizing its environmental impact. Despite projections of significant revenue growth in the tourism and hospitality sector, there is a call for a shift toward sustainability.

Hotels and resorts are increasingly turning to renewable energy sources like solar, wind, and geothermal power to reduce carbon footprints. The expectation is that sustainable business practices will extend beyond large hotel chains to encompass smaller, individual establishments. Eco-tourism, a key segment, is anticipated to experience a growth rate of 15.7% from 2019 to 2027, reaching \$4.55 billion.

The COVID-19 pandemic has acted as a catalyst, accelerating the growth of sustainable and experiential tourism. The interim budget for FY25 allocated ₹2,449.62 million to the tourism sector, emphasizing infrastructure development and promoting adventure, eco, business, and religious tourism. The government aims to preserve tourist sites and protected areas to maximize the sector's potential.

Amitabh Kant, India's G20 Sherpa and former CEO of NITI Aayog, highlighted the importance of focusing on enhancing the value per tourist rather than sheer numbers. With India set to attract 40-45 million tourists in the coming years,

this strategic approach aims to attract global companies and increased investments while minimizing the carbon footprint associated with travel.