



Tourism as a Key Driver for Employment and Growth

Budget 2025-26 Focuses on Infrastructure, Medical Tourism, and Heritage Conservation

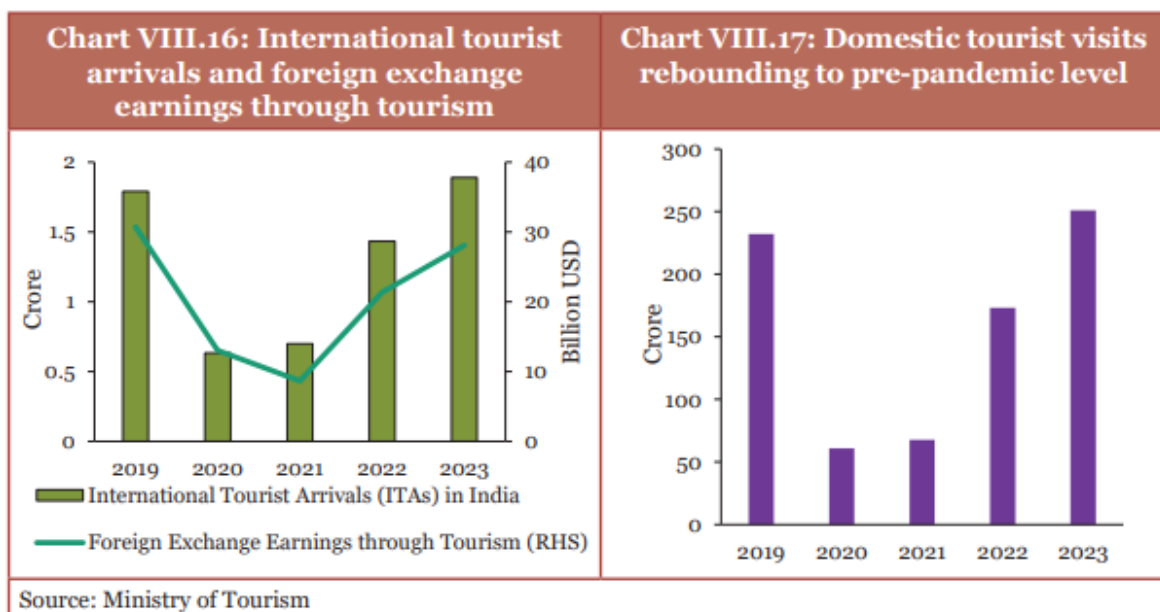
(Ministry of Tourism)

February 4, 2025

Introduction

India's tourism sector, rich in **heritage, culture, and diversity**, is emerging as a **global favorite** and a key driver of **economic growth**. Recognizing its potential for **employment-led development**, the **Union Budget 2025-26** has allocated **₹2541.06 crore** to enhance **infrastructure, skill development, and travel facilitation**. A major initiative includes developing **50 top tourist destinations** in partnership with states through a **challenge mode**, ensuring world-class facilities and connectivity. With committed efforts, tourism is set to drive **India's progress toward becoming a developed nation by 2047**.

Employment-Led Growth in Tourism



The tourism sector's contribution to GDP regained the pre-pandemic level of 5 per cent in FY23. The tourism sector created **7.6 crore jobs** in FY23. International tourist arrivals (ITAs) in India have rebounded to pre-pandemic level in 2023. The share of India's ITAs in World ITAs stands at

1.45 per cent in 2023. Foreign exchange earnings through tourism were **28 billion USD**. India received **1.8 per cent** of world tourism receipts and attained a rank of 14th worldwide in world tourism receipts during 2023.

The infographic features a green background with a large white circle on the right containing an illustration of a person with a suitcase and a smartphone displaying a travel app. At the top left is the PIB logo, and at the top center is the Union Budget 2025-26 logo with a large Rupee symbol. The Ministry of Finance logo is at the top right. The main title is 'Investment in Tourism for Employment-led Growth'. Below it is a list of five key measures, each with a small green bar to its left. At the bottom, there are social media handles for PIB India across various platforms.

UNION BUDGET 2025-26

Investment in Tourism for Employment-led Growth

- › Top 50 tourist destination sites in the country to be developed in partnership with states through a challenge mode
- › States to be given performance-linked incentives for effective destination management
- › MUDRA loans for homestays to be provided
- › Special focus on destinations related to the life and times of Lord Buddha
- › Medical Tourism and Heal in India to be promoted in partnership with the private sector

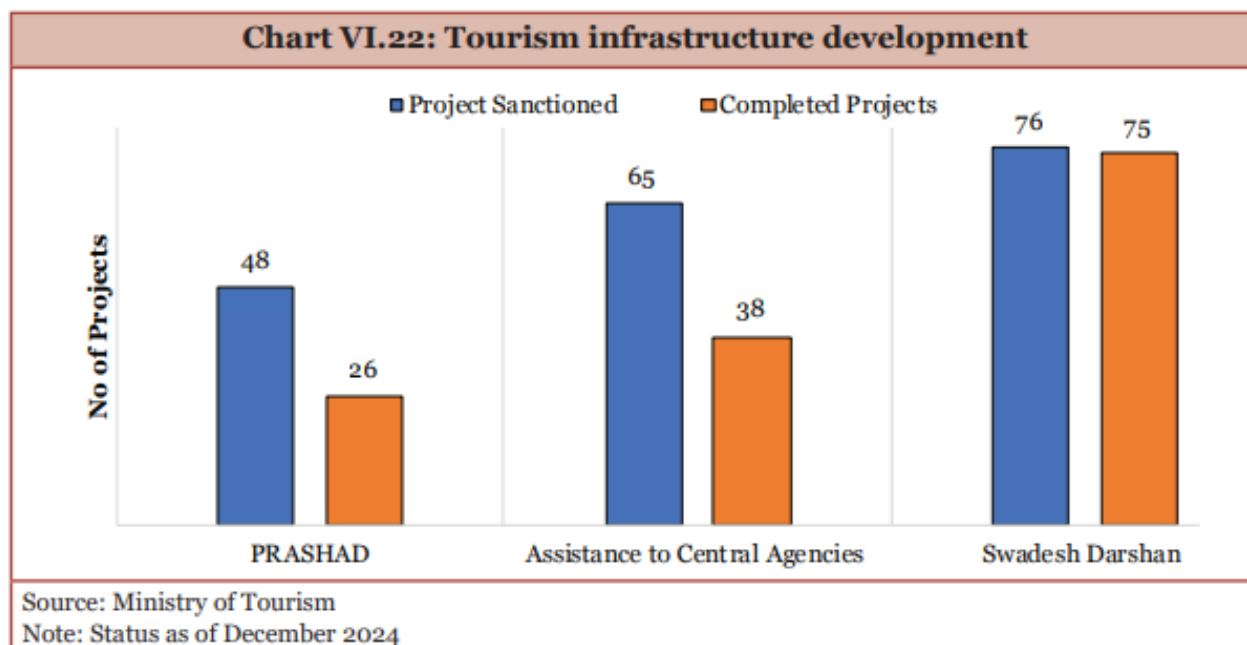
@PIB_India @PIBInd @pbinda @pbinda @pbinda @pbinda @pbinda

Measures to Facilitate Employment-Led Growth in the 2025-26 Budget:

- 1) Organizing intensive skill-development programmes for our youth including in **Institutes of Hospitality Management**
- 2) Providing **MUDRA** loans for homestays
- 3) Improving ease of **travel** and **connectivity** to tourist destinations
- 4) Providing performance-linked incentives to states for effective destination management including **tourist amenities, cleanliness, and marketing** efforts and
- 5) Introducing streamlined e-visa facilities along with visa-fee waivers for certain tourist groups.

Transforming Tourism Infrastructure: Enhancing Connectivity and Investment

Presenting the budget, Finance Minister Smt. Nirmala Sitharaman announced a landmark initiative to develop **50 top tourist destinations** in partnership with states through a challenge mode. This initiative aims to elevate **tourism infrastructure**, **improve ease of travel**, and **strengthen connectivity to key sites**. As part of this framework, states will be required to provide **land for critical infrastructure**, including hotels, which will be classified under the **Infrastructure Harmonized Master List (HML)** to attract investments and boost hospitality services.



Furthering this commitment, **40 projects** across **23 states** will receive interest-free loans for **50 years**, amounting to **₹3,295.8 crore** under the **Special Assistance to States for Capital Investment**. This funding will support the creation of globally recognized tourist destinations by facilitating their development and strategic marketing. Additionally, the **Swadesh Darshan Scheme 2.0 (SD 2.0)**, which focuses on sustainable and responsible tourism, will continue to expand, with **34 projects** already approved under this initiative, receiving **₹793.2 crore** in total funding. To strengthen employment opportunities in the tourism sector, Government has allocated **₹60 crore** for skill development in the financial year 2025-26. This funding will support **intensive skill-development programs** for youth, including training in **hospitality management** and other tourism-related services.

Revitalizing Spiritual Tourism: A Focus on Heritage and Pilgrimage

Recognizing the deep **cultural and spiritual** significance of **religious tourism**, the government will prioritize the development of sites associated with **pilgrimage** and **heritage**. Special emphasis will

be placed on destinations linked to the life and teachings of **Lord Buddha**, aligning with India's vision to become a key center for Buddhist tourism.



The **Pilgrimage Rejuvenation and Spiritual Augmentation Drive (PRASHAD)** will continue to play a crucial role in enhancing infrastructure at major pilgrimage sites and heritage cities, ensuring world-class amenities and accessibility for visitors. By strengthening spiritual tourism, the government aims to position India as a **global cultural hub** while driving economic growth and employment generation in the sector.

Medical Tourism: Strengthening India's Global Position Through "Heal in India"

Recognizing the immense potential of India's healthcare sector, the **Union Budget 2025-26** prioritizes medical tourism as a key growth driver. Finance Minister Smt. Nirmala Sitharaman announced that **medical tourism and the "Heal in India" initiative will be promoted in partnership with the private sector**, enhancing India's position as a premier global healthcare destination. By leveraging **world-class medical expertise, cutting-edge infrastructure, and traditional wellness systems like Ayurveda and Yoga**, India aims to attract a larger share of international patients seeking high-quality, cost-effective treatment.

A screenshot of a website titled "World Class HealthCare Ecosystem in India". The website has a dark blue header with navigation links: Home, Indian Medical Tourism, Hospitals, Facilitators, Doctors, Treatments, Travel Information, Directory, FAQs, Contact, Partner, and Log. The main content area is white with a blue background. The headline reads "World Class HealthCare Ecosystem in India". Below the headline, it says "Trusted Doctors and Hospitals with quality and affordable healthcare services for all." At the bottom, there are three statistics: "2,330,345+ Medical Visas Issued" (Source: Ministry of Tourism, Ministry of Home Affairs), "1,700+ NABH Accredited Hospitals", and "170+ Countries Listed on E-Medical Visas" (Source: Bureau of Immigration, Ministry of Home Affairs).

Growing Potential of Medical Value Travel (MVT)

India's Medical Value Travel (MVT) sector is witnessing significant growth. The market, valued at **\$2.89 billion in 2020**, is projected to **reach \$13.42 billion by 2026**, driven by increasing foreign patient arrivals seeking high-quality and cost-effective treatment.

India's key advantages in this sector include:



Specialties in Focus

The Indian Healthcare Ecosystem is delivering world-class medical care/treatment across the healthcare spectrum ranging from **Modern Medicine, Ayurveda, Yoga**, and other **Traditional Systems of Healthcare**. It provides tertiary-quaternary care, treatment for serious chronic and non-communicable diseases, comprehensive rehabilitation across all major medical specialties such as **cardiac care, orthopedics, neurosciences, oncology, and promotive health-revitalization, functional health, and therapeutic wellbeing.**



Medical Visa Introduction



India has introduced **Medical Visa and Medical Attendant Visa** for the ease and comfort of patients and their loved ones.



Currently, India is offering e-medical visa to 170+ countries.

India also offers Regular/Paper medical visa

Ayush treatment has also been included within the Medical Visa category.



India has **simplified the medical visa** processes to allow multiple entries and long-term stays to support you and your family in the journey of care and recuperation.



Standing true to the mandate of a **"Digital India"**, **all processes are digitalized** with limited interaction with an Indian official till arrival at Immigration counter.



While restrictions on visas were imposed following the outbreak of the coronavirus pandemic in February 2020, still the number of **Indian Medical Visas issued since 2018 has been more than 23,30,345**.

Gyan Bharatam_Mission

Finance Minister also said that **documentation and conservation of our manuscript heritage** ¹with **academic institutions, museums, libraries and private collectors** will be undertaken to cover more than **1 crore manuscripts**. She added that Government will set up a **National Digital Repository of Indian knowledge** systems for knowledge sharing.

Conclusion

The Government of India is committed to positioning the country as a global leader in tourism by **enhancing infrastructure, boosting employment**, and promoting **diverse tourism segments**, including **spiritual, medical, and heritage tourism**. The **"Heal in India"** initiative and **Medical Value Travel** sector underscore India's growing prominence as a premier healthcare destination. Additionally, the **Gyan Bharatam Mission** aims to preserve and digitize India's rich manuscript heritage, ensuring knowledge accessibility for future generations. With a strong emphasis on **'Seva'** and **'Atithi Devo Bhava,'** India is set to redefine its tourism landscape and establish itself as a world-class destination.

References:

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