



India Union Budget 2024-2025

Point of view

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Tourism

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Key announcements for the sector

- The Budget for 2024-25 allocates INR 2,479.62 crores to the tourism sector. Under the central sector schemes, the allocation for tourism infrastructure is INR 2,080.03 crores.
- Development of Vishnupad Temple and Mahabodhi Temple Corridors in Bihar
 - Vishnupad Temple at Gaya and Mahabodhi Temple at Bodh Gaya hold immense spiritual significance
 - Comprehensive development of these corridors will be supported, modelled on the successful Kashi Vishwanath Temple Corridor, to transform them into world-class pilgrimage and tourist destinations.
- Comprehensive development initiative for Rajgir
 - Rajgir holds immense religious significance for Hindus, Buddhists, and Jain
 - The 20th Tirthankara Munisuvrata temple in the Jain Temple complex is ancient
 - The Saptharishi, or the 7 hot springs, form a warm water Brahmakund that is sacred.
- Support for the development of Nalanda as a tourist center.
 - The revival of Nalanda University to its historical stature is a key focus, alongside promoting the region as a prime tourist destination.
- Assistance for the development of Odisha as a premier tourism destination
 - Odisha's rich cultural heritage, scenic beauty, temples, monuments, craftsmanship, wildlife sanctuaries, natural landscapes, and pristine beaches are recognized as valuable tourism assets.
- Promotion of cruise tourism in India
 - Recognizing the potential of cruise tourism, a simplified tax regime has been proposed for non-residents engaged in operation of domestic cruise ships. Additionally, lease rentals received from such cruise ship operators has been exempted from tax in specified cases.
- Rate of TDS under Income-tax and TCS under GST have been lowered to 0.1 per cent and 0.5 per cent, respectively for e-commerce operators.
 - Rate of TDS under Income-tax has also been rationalized on commission or brokerage from 5 per cent to 2 per cent.

Implications for the sector

- Tourism budget has witnessed an increase of 46.54 per cent from INR 1,692 crores in 2023-24 to INR 2,479.62 crores in 2024-25.
- The government's aim to position India as a global tourist destination will lead to direct employment in hospitality, travel, and tourism services, as well as indirect employment through ancillary industries. It will also enhance tourism initiatives that will attract both domestic and foreign investments in infrastructure, hotels, and local businesses, further boosting economic growth. Additionally, tourism's growth will stimulate economic activity across various sectors, including transportation, retail, and cultural industries, thereby unlocking vast economic opportunities and fostering inclusive development.

Going forward, there is a need to complement this with a substantial budget allocation for overseas promotion, which has been reduced significantly from INR 167 crores to INR 33.02 crores. The domestic promotion budget increase from INR 75 crores to INR 176.97 crores shows a greater focus of government in tapping the potential of domestic tourists.

- The focus on developing spiritual corridors such as Vishnupad Temple and Mahabodhi Temple Corridors in Bihar and supporting states in promoting tourist centers can lead to the development and popularization of lesser-known destinations. This will diversify tourist attractions and reduce the pressure on popular sites. Rajgir's significance to Hindus, Buddhists, and Jains will enhance its appeal as a multi-religious tourism destination, potentially attracting a diverse range of visitors.

The impetus given to spiritual tourism through corridor development on the lines of Kashi Vishwanath Temple Corridor, which has attracted an impressive 10 crore visitors since its inauguration in December 2021¹, will certainly stimulate local economies by increasing tourism-related activities, creating jobs, and fostering small businesses.

- Support provided for the development of Nalanda as a tourist center and the revival of Nalanda University and its promotion as a tourist destination will attract scholars, students, and history enthusiasts, adding a new dimension to tourism in the country. Nalanda has been one of the most culturally significance places of ancient India and this initiative will help in preserving and promoting the rich historical and educational heritage of the region. Since Nalanda is at the cusp of witnessing significant transformation, it is imperative that the regional tourism development shall be carried out in a planned manner.
- A simplified tax regime for foreign shipping companies is anticipated to boost cruise tourism, potentially increasing passenger traffic and making India a more attractive destination for cruise lines. Increased cruise tourism will create employment opportunities in port cities and coastal regions, benefiting local economies.
- The lower rates of TDS / TCS for e-commerce operators will lead to efficient working capital management for travel aggregators and travel agents.

1. Tourism Booms In Varanasi After Renewed Kashi Vishwanath Corridor, Outlook Traveller, accessed on 23 July 2024.

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