



**EGROW Foundation**

FOUNDATION FOR ECONOMIC  
GROWTH & WELFARE

## EGROW POLICY PAPER

---

### Why Tourism Could Be the Next Big Pillar of Indo-German Economic Ties

Priya Gupta and Charan Singh

January 2026

# Why Tourism Could Be the Next Big Pillar of Indo-German Economic Ties

Priya Gupta<sup>1</sup> and Charan Singh<sup>2</sup>

## Introduction

As India and Germany deepen their strategic partnership across clean energy, advanced manufacturing, technology, and geopolitics, one sector with exceptional economic and diplomatic potential remains relatively underleveraged: tourism. Often perceived narrowly as a cultural or leisure activity, tourism today constitutes a powerful services-sector engine—capable of generating employment, foreign exchange, regional development, and durable people-to-people ties. In the context of Indo-German relations, tourism represents not merely soft power, but a high-value economic opportunity that aligns naturally with both countries' development priorities.

India stands out globally as one of the few destinations capable of offering the entire spectrum of tourism experiences within a single country. From religious and spiritual tourism anchored in centuries-old traditions, to world-class medical and wellness tourism, India's offerings span both heritage and modernity. The country's vast and diverse geography supports year-round tourism.

India's lovely beaches—stretching from the sun-kissed shores of Goa and Kerala to the pristine coasts of Andaman and Lakshadweep—are available year-round for relaxation and adventure. The majestic mountain ranges and snow-filled Himalayan peaks provide opportunities for winter sports, skiing, and breathtaking vistas. Rivers like the Ganges and Brahmaputra and many more, offer thrilling water sports, while renowned yoga retreats and Ayurvedic treatments, especially in Kerala, deliver holistic health and wellness solutions for ailments ranging from stress to chronic conditions. In parallel, the North-Eastern region of India presents a largely untapped frontier for tourism, offering exceptional opportunities for trekking, adventure tourism, cultural immersion, and nature-based experiences, aligned closely with sustainability-oriented travel preferences common among German tourists. Truly, India is an

---

<sup>1</sup> Associate Professor, Atal Bihari Vajpayee School of Management and Entrepreneurship, Jawaharlal Nehru University

<sup>2</sup> Chief Executive, EGROW Foundation

ideal all-season destination that caters to every traveller's whim, making it a natural fit for Germany's discerning outbound tourists who prioritize long-duration, experiential travel.

Germany, as one of the world's largest outbound tourism markets with high per-capita spending and a strong preference for experiential, sustainable, and long-duration travel, is a natural partner for India in this domain. Yet, despite strong trade and institutional linkages, bilateral tourism flows remain far below potential. This paper argues that tourism should be elevated from a peripheral cultural exchange to a formal pillar of Indo-German economic diplomacy, supported by data, policy coordination, and strategic intent.

### Trend in Tourism

The economic significance of tourism is often underestimated. According to the United Nations World Tourism Organization (UNWTO), international tourism contributes close to 10 per cent of global employment and remains one of the most resilient components of the services economy. For countries like India, long-haul European tourists represent not just footfall, but high-value economic engagement.

Tourism's contribution to India's services exports underscores its role as a revenue-generating sector rather than a peripheral activity (Figure 1). This paper argues that tourism should be formally integrated into Indo-German economic diplomacy and outlines data-driven rationale and policy pathways to do so.

**Figure 1: Tourism as a Key Contributor to India's Services Export Revenue**

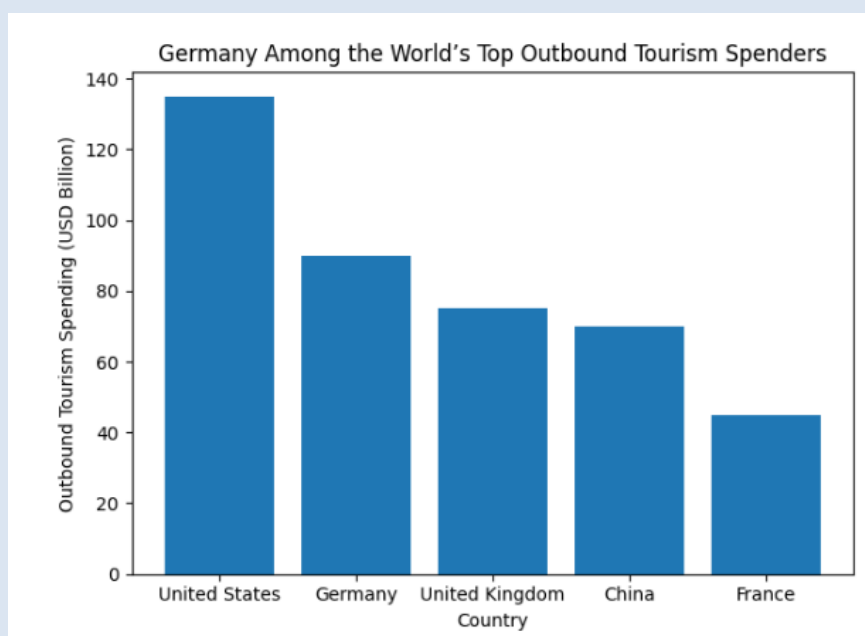


*Source: Ministry of Tourism, Government of India; Reserve Bank of India; UN World Tourism Organization (UNWTO)*

Germany is among the world's largest outbound tourism markets. India, meanwhile, offers one of the most diverse tourism portfolios globally, spanning heritage, wellness, nature, spirituality, and business travel. Yet bilateral tourism flows remain far below potential. The question is no longer whether tourism matters, but why it has not yet been strategically integrated into Indo-German economic diplomacy. Tourism supports 45 million Indian jobs (8.9 percent GDP) and Germany's €57B inbound sector in 2025, Indo-German flows could add €500M+ annually at 20 percent growth.

Data from the **German Federal Statistical Office (Destatis)** shows that German outbound travellers consistently rank among the world's highest per-capita tourism spenders, with a strong preference for long-duration and experiential travel segments where India enjoys a natural comparative advantage.

**Figure 2: Germany Among the World's Top Outbound Tourism Spenders**



*Source: UN World Tourism Organization (UNWTO); German Federal Statistical Office (Destatis)*

### **Tourism as soft power to economic strategy**

Tourism today is deeply intertwined with economic growth. According to the World Travel & Tourism Council (WTTC), tourism-related activities account for a substantial share of services exports and are among the fastest recovery sectors globally, particularly in employment generation. This makes tourism especially relevant for India's labor-intensive growth strategy. According to global tourism estimates, international travel contributes significantly to employment and services exports, especially in developing economies. For India, European

tourists particularly from Germany are high-value visitors. They stay longer, spend more per trip, and show strong interest in sustainability and local culture.

Prime Minister Narendra Modi has repeatedly emphasized that India's growth story must be "inclusive, sustainable, and rooted in cultural strength." Tourism sits at the intersection of all three. Similarly, German Chancellor Olaf Scholz has underscored the importance of people-to-people contact in strengthening Europe's global partnerships—an objective tourism naturally advances.

Yet, despite strong trade ties and institutional platforms such as the Indo-German Strategic Partnership, tourism has not received comparable policy attention.

### **A missed opportunity so far**

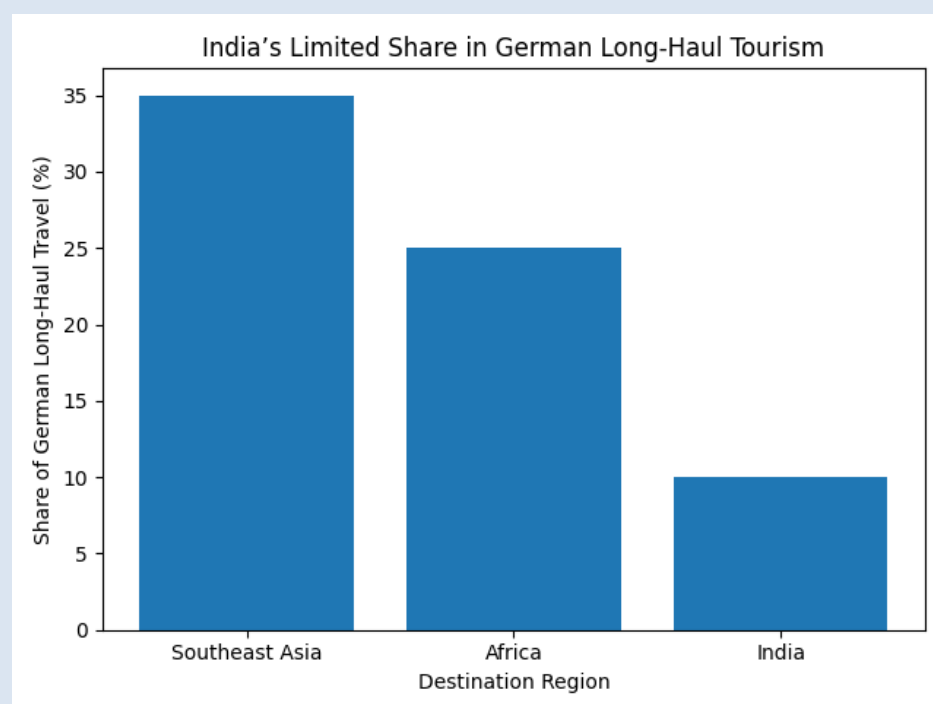
German travellers are well known for seeking experiences beyond conventional sightseeing. They are drawn to history, nature, wellness, and authenticity areas where India has a clear comparative advantage. However, travel from Germany to India remains concentrated around a few destinations, notably the Golden Triangle. According to UNWTO regional tourism trends, by contrast, official tourism data from Europe indicates that German long-haul travel to Southeast Asia and parts of Africa has diversified significantly over the past decade, supported by targeted destination marketing and sustainability-focused tourism policies.

Several factors explain this gap:

- Limited destination-specific promotion in German-speaking regions
- Perception challenges related to infrastructure and sustainability
- Lack of a structured Indo-German tourism dialogue

As a result, India captures only a fraction of Germany's long-haul tourism potential, even as German tourists travel extensively across Asia, Africa, and Latin America. For Germany, deeper tourism engagement with India supports outbound market diversification, long-stay wellness travel, and sustainable destination partnerships beyond saturated European corridors.

**Figure 3: India's Limited Share in German Long-Haul Tourism**



*Source: UNWTO Regional Tourism Trends; Destatis*

By contrast, German tourist arrivals to India remain in the range of 150,000–200,000 annually<sup>3</sup>, highlighting a persistent asymmetry in bilateral tourism flows despite India's diversified offerings

### **Sustainability as a natural bridge between India and Germany**

If there is one area where Indo-German tourism cooperation could gain rapid traction, it is sustainability. Germany is a global leader in green standards, environmental certification, and sustainable mobility. India, for its part, is home to biodiversity hotspots, eco-tourism regions, and community-based tourism models that are gaining global attention. According to the **UN Environment Programme (UNEP)**, tourism-led climate adaptation and green infrastructure play a critical role in protecting fragile ecosystems while sustaining local livelihoods.

Joint initiatives could include:

- Green certification for Indian destinations aligned with European norms
- Eco-tourism projects involving German investment and technical expertise
- Climate-resilient tourism planning in fragile regions such as the Himalayas

Such collaboration would directly align with global climate commitments and the sustainability agenda highlighted during India's G20 presidency. Sustainable tourism has also gained

---

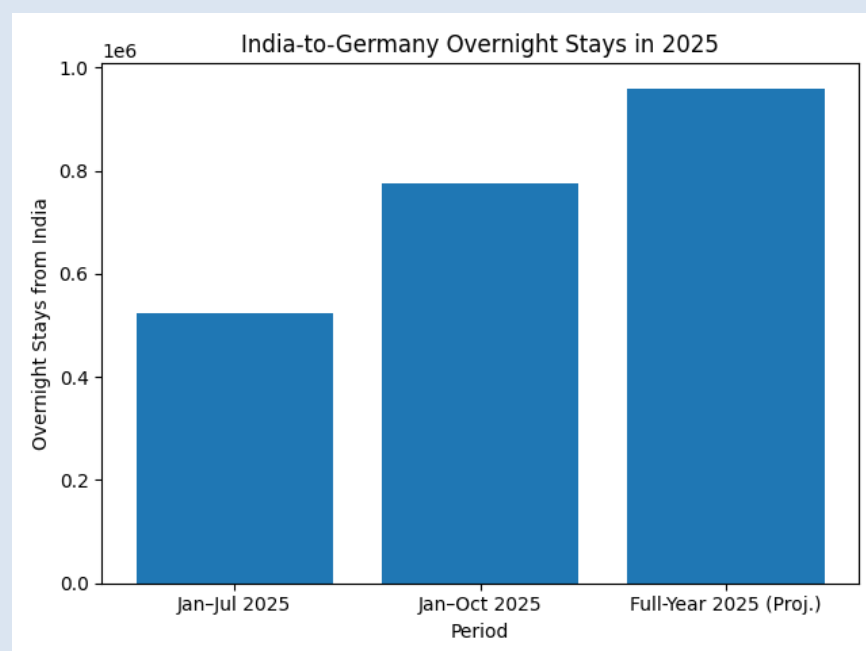
<sup>3</sup> Ministry of Tourism India, India Tourism Data Compendium 2025, Sep 2025, [https://tourism.gov.in/sites/default/files/2025-09/India%20Tourism%20Data%20Compendium%202025\\_1.pdf](https://tourism.gov.in/sites/default/files/2025-09/India%20Tourism%20Data%20Compendium%202025_1.pdf)

prominence in multilateral policy discourse. According to the UN Environment Programme (UNEP), tourism-led climate adaptation and green infrastructure are critical for protecting fragile ecosystems while sustaining local livelihoods—an area where Indo-German cooperation can deliver tangible outcomes.

Recent data reveals a strong recovery in Indian travel to Germany. Indian tourists accounted for over 523,000 overnight stays<sup>4</sup> between January and July 2025, rising to 775,294 stays by October<sup>5</sup>. Full-year projections suggest that overnight stays could approach 900,000–960,000 by the end of 2025, reflecting Germany’s successful emphasis on culture- and sustainability-led tourism offerings<sup>6</sup>.

According to estimates cited by the **German National Tourist Office (GNTO)**, Indian travellers are increasingly combining leisure travel with education, longer stays, and cultural experiences—positioning India as Germany’s leading Asian source market in 2025.

**Figure 4: India-to-Germany Overnight Stays, 2025 (Actuals and Projection)**



*Source: German National Tourist Office (GNTO); German Federal Statistical Office (Destatis); Business Today travel report*

<sup>4</sup> German National Tourist Office (GNTO), Economic Times India, Sep 23, 2025, <https://travel.economictimes.indiatimes.com/news/destination/global/india-boosts-germanys-tourism-with-over-520000-overnight-stays-in-first-half-of-2025>

<sup>5</sup> GNTO/Destatis via Business Today, Dec 18, 2025, <https://www.businesstoday.in/lifestyle/travel/story/germanys-bet-on-culture-and-sustainability-to-attract-indian-travellers-in-2026>

<sup>6</sup> GNTO via DT Next, Dec 20, 2025, <https://www.dtnext.in/news/business/gnto-eyes-10-lakh-overnight-stays-by-indian-tourists-in-germany-in-2026>

## **Tourism is beyond leisure, wellness, education and digital innovation**

For Indo-German relations, tourism should be treated as a services-sector multiplier spanning healthcare, education, and digital trade. India's growing reputation in medical and wellness tourism presents a significant opportunity for German patients seeking affordable, high-quality care. With appropriate regulatory frameworks and post-treatment coordination, this segment could evolve into a credible pillar of bilateral services trade.

Education and youth mobility are equally important. Student exchanges, academic tourism, and short-term cultural programmes already form a quiet but influential bridge between the two societies. Expanding these pathways through structured tourism-education partnerships would professionalize the sector while deepening mutual understanding.

Germany is already among the top destinations for Indian students in Europe. According to the German Academic Exchange Service (DAAD), academic mobility plays a critical role in long-term bilateral engagement, with tourism, education, and cultural exposure reinforcing each other.

Digital innovation offers another frontier. Smart destinations, AI-enabled travel planning, and virtual heritage experiences are areas where German technological expertise and India's digital public infrastructure could productively converge.

The digitalization of tourism is no longer optional. According to OECD tourism policy briefs, smart destinations, digital visitor management, and AI-enabled planning tools are increasingly shaping tourist choices and destination competitiveness.

India's emergence as a wellness and medical tourism destination is supported by cost and capacity advantages. According to the World Health Organization (WHO) and global health tourism estimates, cross-border medical travel is increasingly driven by affordability, treatment availability, and post-care recovery ecosystems.

## **What policymakers should do**

Balanced tourism flows should also be encouraged through reciprocal promotion, targeted roadshows, and facilitation measures that support Germany-to-India travel alongside rising Indian outbound tourism.

If tourism is to assume its rightful place in Indo-German relations, ad-hoc promotion will not suffice. What is needed is policy intent. Three steps are critical.



First, tourism must be formally embedded into bilateral dialogue mechanisms, ideally through a dedicated Indo-German tourism working group. Second, joint destination branding focused on sustainability, wellness, and experiential travel should be launched in German-speaking markets. Third, skill development and certification standards must be aligned to meet European expectations. Fourthly, Germany's Schengen processing for Indians averages 15 days vs EU target of 10; propose fast-track for wellness and cultural tourists.

Reciprocate Germany's €2M India campaigns and 10 percent growth targets by tracking Germany-to-India tourist arrivals (est. 200,000 in 2025)<sup>7</sup> and launching joint visa/roadshow pilots for balanced flows. As global supply chains fragment and geopolitical uncertainties grow, tourism offers something rare: a positive-sum sector that builds trust while generating economic value. India-Germany Tourism Forum at 2026 Strategic Dialogue proposed budget as €5M joint fund.

### **A partnership waiting to be built**

Tourism may not command headlines like defence or energy, but its long-term impact is often deeper. Each visitor is an informal ambassador, each journey a quiet act of diplomacy. Strengthening the Indo-German tourism economy would not only support jobs and regional development in India but also reinforce Germany's engagement with one of the world's most dynamic societies.

International policy experience suggests that tourism partnerships succeed when anchored in institutional frameworks rather than standalone promotion. According to UNWTO policy guidance, bilateral tourism cooperation delivers the strongest outcomes when aligned with sustainability, skills, and regional development strategies. In an era searching for stable, people-centric partnerships, tourism could become one of the most enduring bridges between India and Germany if policymakers choose to cross it.

### **Conclusion**

Tourism rarely commands the same policy attention as defence, energy, or technology cooperation, yet its long-term economic and diplomatic impact is often deeper and more resilient. Each tourist represents not only consumption and employment, but also trust, familiarity, and informal diplomacy. For India and Germany—two countries committed to

---

<sup>7</sup> GNTTO Market Information India 2025, [https://www.germany.travel/media/en/redaktion/trade\\_relaunch/businessintelligence/marktinformationen\\_in\\_kurzfassung/Indien\\_kurz\\_2025.pdf](https://www.germany.travel/media/en/redaktion/trade_relaunch/businessintelligence/marktinformationen_in_kurzfassung/Indien_kurz_2025.pdf)

sustainable growth, skills development, and people-centric global engagement—tourism offers a rare positive-sum opportunity.

India’s ability to provide all forms of tourism within a single national ecosystem—religious, cultural, medical, wellness, adventure, ecological, educational, and leisure—positions it as an ideal global tourism destination, particularly for discerning, high-value markets such as Germany. Year-round accessibility, diverse climatic zones, rich cultural depth, and cost-effective yet high-quality healthcare and wellness services give India structural advantages that few countries can replicate. Regions such as the North-East further expand this potential, aligning closely with global demand for sustainable and experiential travel.

For Germany, deeper tourism engagement with India supports outbound market diversification, long-stay wellness travel, youth mobility, and sustainable destination partnerships beyond saturated European corridors. For India, increased German tourist inflows would strengthen services exports, generate employment across regions, and reinforce its soft-power footprint in Europe.

International experience and UNWTO guidance clearly indicate that tourism partnerships succeed when embedded within institutional frameworks, aligned with sustainability, skills, and regional development strategies. If tourism is formally integrated into Indo-German strategic dialogue—through dedicated working groups, joint branding, sustainability certification, skills alignment, and facilitation measures—it can emerge as one of the most enduring bridges between the two countries.

Indo-German tourism cooperation can evolve from an underexplored opportunity into a cornerstone of bilateral engagement—benefiting economies, societies, and future generations alike. Strategic integration of tourism into bilateral frameworks, through dedicated working groups, joint marketing, and eased visa processes, will catalyze balanced flows, high-value spending, and sustainable development. As global recovery accelerates, prioritizing this sector will not only add hundreds of millions in annual revenue but also cement people-to-people ties that endure beyond diplomacy. Indo-German tourism is not just waiting to be built—it is primed to become a cornerstone of shared prosperity and cultural understanding in the decades ahead. If supported by focused policy action, better connectivity, and targeted promotion in German-speaking markets, tourism can evolve from a largely underleveraged “soft power” asset into a core economic pillar of Indo-German relations.