



INDIA TRENDING

An Update on the Market Trends in India.

JULY 2025

A SNEAK PEEK OF WHAT'S INSIDE:

A comprehensive overview of the latest economic, business, travel, and aviation updates from India.

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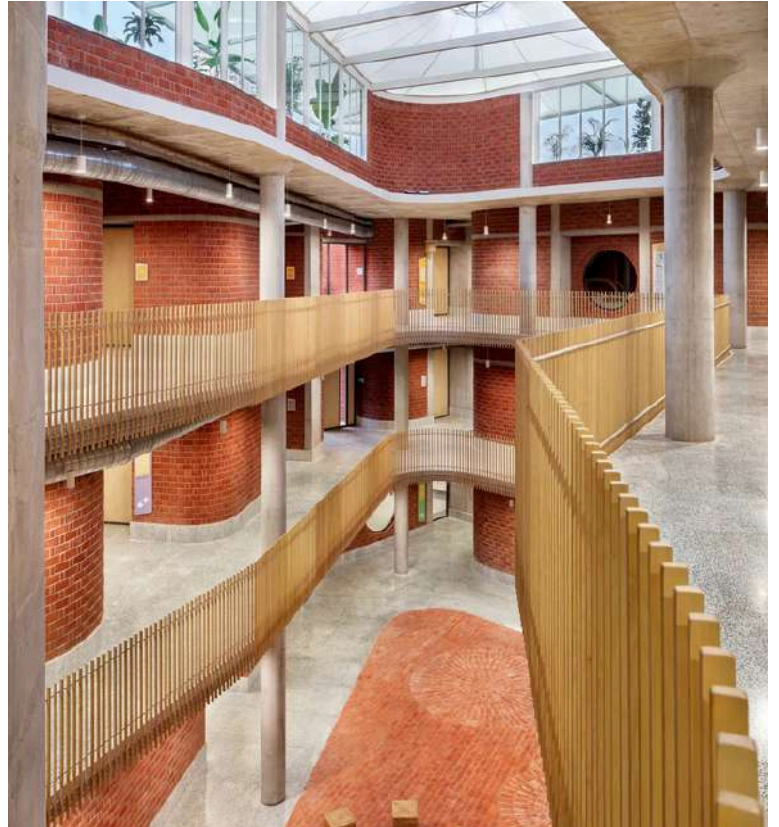


OVERVIEW

by Sheema Vohra

India's outbound travel market continues to experience significant growth, driven by strong economic development, increased aviation capacity, and a globally conscious, experience-seeking consumer base. With rising disposable incomes, better connectivity, and growing digital influence, Indian travelers are transforming how and why they explore the world.

From luxury and wellness to MICE, demand for travel is not only growing but also changing, establishing India as one of the fastest-growing outbound markets. Despite recent disruptions in May and June, such as the short-lived India-Pakistan war and the closure of Middle Eastern airspace caused by the Israel-Iran conflict, as well as other negative news, travel sentiment remains strong, with the USA remaining the most aspirational destination.

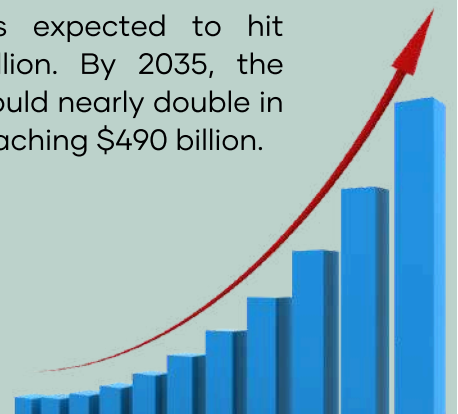
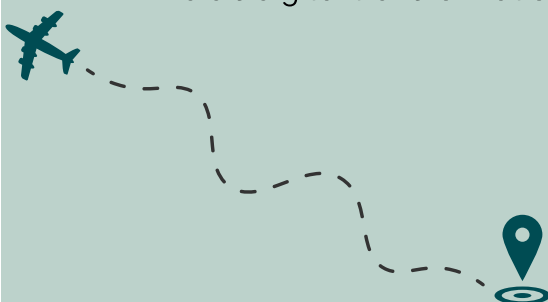


BUSINESS & ECONOMIC INSIDER

- Speaking at the Tourism Sustainability Summit 2025, Indian Tourism Minister Shekhawat stated that tourism will soon become the largest contributor to India's GDP. With a focus on sustainability, community engagement, and AI-led growth, the sector is being positioned as a key economic driver for the future.
- India's airport sector is forecasted to see 18–20% revenue growth in FY2026, driven by increasing passenger numbers and robust aeronautical and non-aeronautical income, according to ICRA. Total traffic is anticipated to reach 440–450 million, with international passenger growth expected to be between 7–11%.
- Indian aviation is on course to have the world's youngest fleet by 2028, aiming to reduce emissions through large-scale orders of next-generation, fuel-efficient aircraft across major airlines.
- India's travel and tourism sector, which contributes 7% to the country's GDP, is on track to reach the global average of 10%, according to the World Travel and Tourism Council. Valued at USD 22.47 billion in 2024, it is projected to reach USD 38.12 billion by 2033, driven by a 6.10% compound annual growth rate (CAGR) and a booming digital ecosystem.

- India has started issuing biometric ePassports with embedded chips to improve travel security, simplify immigration processes, and increase global mobility. The update, in line with international standards, signifies a major step in India's digital transformation.

- WTTC forecasts a record year for India's tourism sector, with its 2025 economic contribution set to exceed \$257 billion and employment crossing 48 million. International visitor spend is expected to hit \$37.4 billion. By 2035, the sector could nearly double in value, reaching \$490 billion.





- India has become the third-largest aviation market globally, handling 174 million passengers in 2024. Nearly 80% of this is domestic travel, primarily by low-cost carriers such as IndiGo. International travel has also surpassed pre-pandemic levels, especially to the U.S. and the Middle East.
- 85% of Indians plan to double their holidays to 4–6 trips this year, with 84% set to boost their travel spending by 20–50%, indicating strong growth in domestic and outbound travel, according to the India Holiday Report 2025 by Thomas Cook India and SOTC Travel.
- The NBA and Budweiser, in collaboration with Brand USA and Visit California, hosted the first-ever BUDX NBA House in India- an interactive fan event blending basketball, music, and culture, on June 7–8, 2025, in Mumbai.
- Indian online travel platform EaseMyTrip has entered the charter aviation sector with a 49% stake in Big Charter Pvt Ltd, capitalizing on the growing demand from ultra-high-net-worth individuals and business travelers. The Indian charter aviation market, valued at around \$650.5 million, is expected to reach \$1.14 billion by 2033.

THE LUXURY EDIT

- India's luxury travelers are expected to increase their high-end travel spending in 2025, with 72% planning to spend more and focusing on wellness, personalization, and cultural depth, according to Marriott's 'Intentional Traveler' report.
- A FINN Partners-GSIQ study reveals that 81% of Indian travelers now prioritize luxury travel over extravagant weddings, signaling a generational shift. Led by Gen Z, the trend favors spontaneity, social media-driven choices, and immersive cultural experiences over designer buys.



THE INDIAN CONSUMER SHIFT

- Travel becomes India's leading global spending category as Indian travelers spent \$1.3 billion on international travel in April 2025, a 10% increase compared to the previous year. Additionally, 66% plan to take more international trips this year, driven by increased convenience and spending power.
- Skyscanner's latest 'Pitch Perfect Journeys' report shows that nearly half, 47%, of Indian travelers are planning trips around live cricket matches both within the country and abroad, highlighting the increasing influence of sports on travel decisions.



- India's experiential travel market is expected to hit \$45 billion by 2027, driven by increasing interest among younger travelers for immersive and personalized experiences, according to a survey by WanderOn.



VISA UPDATE

- European Schengen visa applications from India increased by 29% ahead of summer 2025, driven by strong interest from Gen Z, millennials, and Tier 2 cities, indicating rising outbound demand to Europe.



THE DIGITAL PULSE

- According to a Skyscanner Travel and Destinations expert, 84% of Indian travelers feel confident using AI tools to plan and book their trips: 52% use them for destination research, 50% for flight bookings, 48% for comparing options, and 46% for inspiration.
- India's travel and tourism industry increased its advertising budget on digital platforms by 28% in 2024, with a strong emphasis on YouTube and Instagram, which accounted for 78% of the total. This growth was driven by rising travel demand, evolving consumer habits, and a greater focus on influencer content and short-form videos.

TRAVEL TO THE USA

- India is the #2 overseas source market for the U.S., and it continues to hold that position with 1,095,033 arrivals between January–June 2025. The U.S. remains one of the most aspirational long-haul destinations for Indian travelers.
- Washington, D.C., welcomed a record 27.2 million visitors in 2024, with India leading international spending at \$344 million. Tourism expenditure reached \$11.4 billion, supporting 111,500 jobs and generating \$2.3 billion in tax revenue.





LATEST IN AVIATION



INDIAN AIRLINES AIR INDIA



- Air India recently received its first legacy Boeing 777-300 ER aircraft after a major overhaul, and the refurbishment of the remaining 12 planes is expected to be finished by the end of the year. The airline has a total of 40 legacy wide-body planes - 13 B777s and 27 B787s.
- Air India has acquired six Boeing 777-300ERs from Etihad, its first wide-body purchase in over seven years, as part of a \$400M fleet retrofit and five-year transformation plan.
- Following the tragic air crash and to perform a thorough safety review of its widebody fleet, Air India reduced 38 international flights per week and suspended service on three overseas routes from June 21 to July 31.
 - Delhi-San Francisco (Reduced from 10 weekly to 7 weekly flights)
 - Delhi-Chicago (Reduced from 7 weekly to 3 weekly flights)
 - Delhi-Washington (Reduced from 5 weekly to 3 weekly flights)

INDIGO

- IndiGo briefly became the world's most valuable airline by market cap in April 2025, surpassing Delta with a valuation of \$23.24B before closing just below. It remains the only Indian carrier in the global top 10, operating over 15,700 weekly flights.
- IndiGo is set to launch long-haul operations with direct flights to 10 international cities- including London, Amsterdam, and Manchester- this fiscal year. The move marks a major global expansion as the airline begins deploying wide-body aircraft for the first time.
- IndiGo will expand codeshare partnerships with Delta and KLM for the US and Canada routes via Amsterdam, and with Virgin Atlantic via Manchester. It will also codeshare with KLM on flights from Amsterdam to 30 European cities. IndiGo already partners with Air France, KLM, and Virgin Atlantic on over 30 domestic Indian routes.

INTERNATIONAL AIRLINES

- Starting in June 2026, SAS will operate five weekly flights on the Copenhagen-Mumbai route, using an Airbus A330 aircraft. The service will offer nonstop connections between the Danish capital and India's financial hub, Mumbai.
- After a long hiatus, British Airways is all set to resume its direct flights between Kolkata and London's Heathrow Airport under a bi-weekly schedule.



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