

ward economy. On top of all this the country's long-term competitive position is in doubt. Despite a recent bounce in exports, Thai export industries, which make up two-thirds of GDP, are dominated by old-school firms selling into shrinking markets. Thailand assembles the bulk of the world's hard-disk drives. Attempts to pivot to more innovative product lines, such as the manufacturing of semiconductors, are only now ramping up.

Since a military coup in 2014 halted its economic integration with the world, Thailand "has lost a lot of time", says Miguel Chanco of Pantheon Macroeconomics, a consultancy. Competitors like Vietnam spent the decade since then inking trade deals with South Korea and the EU. By contrast, talks on a Thailand-EU free-trade deal were revived only in 2021. ■

## Tourism

# Why you're not on holiday in India

MUMBAI

**A fabulous destination for foreign tourists does little to lure them**

SEEING THE Taj Mahal was on Bram van der Meij's bucket list. His wife, however, could not stomach the idea of the long journey. So the 75-year-old Dutch-American made the trip on his own. He took in the "golden triangle" of Delhi (which boasts fine food and architecture), Agra (the Taj Mahal) and Rajasthan (palaces, forts, arts and crafts), before spending a few days in Kerala.

Before all that, though, Mr Van der Meij found himself making a detour to Nepal



**Pack your trunks**

because of complications with his Indian visa. When he did make it to India, the country's bureaucracy and heavy-handed airport security were off-putting, while the traffic and pollution were enough for him to decide against returning soon.

Mr Van der Meij is the sort of tourist most countries fight over: someone who is genuinely enthusiastic, visits for a long time, seeks to travel in comfort and is willing to splash out a bit. And India, with its 43 UNESCO World Heritage Sites, rich history, natural beauty and many delicious cuisines, should be a magnet for travellers. Yet the continent-sized country is an underachiever as a destination. Foreign tourist arrivals peaked in 2019 at 10.9m. That year Dubai (World Heritage Sites: zero) attracted 16.7m visitors. In the first half of 2024 Dubai's numbers grew by 11% compared with 2019. India's fell by 10%.

Overseas tourism is booming around the world, but India is being left behind. Most countries see tourism as a valuable export industry that generates foreign exchange, taxes and employment. It contributes about a tenth of global GDP and accounts for one in ten jobs. Many countries in Asia and the Middle East—including places such as Uzbekistan and Saudi Arabia, which until recently were closed to tourists—are falling over themselves to make it easier for tourists to visit. Several have abolished or eased their visa regimes.

India, on the other hand, closed its few remaining overseas tourist offices in 2023. The budget for tourism promotion abroad was slashed by two-thirds from 1bn rupees (\$12m) that year to just 330m in 2024. Though domestic travel is booming, tourism's contribution to GDP declined from 5.8% in 2002-03 to 5.2% in 2019-20, according to the government's figures. Rajiv Mehra, the president of the Indian Association of Tour Operators, an industry group, complains that the government "thinks that India is such a destination that people will come running on their own".

Indeed, the government is targeting 100m annual foreign tourist arrivals by 2047. That implies an average growth rate of 15% every year, well above the 8.5% between 2001 and 2019. By then, it is possible that India will have tackled some of the big, chronic problems identified by Mr Van der Meij and which affect all Indians, not just visitors. But there are plenty of things the government could do immediately.

The most important is marketing. India needs "to be in the consideration set of tourists when they are choosing a destination", says Pushan Sharma of CRISIL Market Intelligence and Analytics, a research outfit. This includes traditional efforts such as advertising and attending trade fairs, but also inviting social-media influencers, who wield enormous clout among youngsters, to visit the country. ▶▶

▶ Next, having intrigued travellers, India must make it easier for them to visit. To its credit, the government replaced the onerous process of applying for visas in person with online e-visas. But that was a decade ago and the process remains unpredictable and fiddly; it requires using a website that looks like it was designed during the dot-com boom. Most countries in South-East Asia and the Middle East have slicker sites. Many offer either visas on arrival or visa-free entry.

Lastly, it is important to make life easier for tourists when they do arrive. India has made great leaps in digital infrastructure. Modern airports in big cities are equipped with biometric gates that make it easier to get through the multiple checkpoints. Electronic gates are speeding up passport control. But these things work only for Indians, infuriating foreign travellers.

Getting first-timers into the country is crucial. Most visitors, despite the hassles, have a good experience, says Neil Patil of

Veena World, a tour operator. Along with social media, recommendations from friends and family are the chief reason people decide to travel to a given destination. One happy tourist can net another five, reckons Mr Sharma. Even Mr Van der Meij, despite his sub-optimal experience, would like to return once India has fixed some of its problems. But “by then I will be 95 and I will be happy to know what day of the week it is,” he says. Next time, he’s going to Japan. ■