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Realising Punjab's Tourism Potential: Challenges And Opportunities

Rakhee Gupta Bhandari

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About the Author

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List of Abbreviations

AI: Artificial Intelligence

CAGR: Compound Annual Growth Rate

COVID-19: Coronavirus disease of 2019

CLD: Causal Loop Diagram

DTS: Domestic Tourism Survey

GoI: Government of India

GSDP: Gross State Domestic Product

NRI: Non-Resident of India

PEST: Political, Economic, Social and Technological

PSPCL: Punjab State Power Corporation Limited

PTDC: Punjab Tourism Development Corporation

R2: Reinforcing Loops

SWOT: Strengths, Weaknesses, Opportunities, and Threats

USP: Unique Selling Point

FTA: Foreign Tourist Arrival

DTA: Domestic Tourist Arrival

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Abstract

The tourism sector in India is a promising industry with continuous growth in both domestic and foreign tourists. Despite its multiple advantages, the tourism sector in Punjab has yet to fully diversify its portfolio, which has limited its potential to contribute to economic growth and job creation. To address existing gaps in the literature on factors impeding Punjab's tourism potential, the current study proposed three research questions. These questions encompassed various facets of Punjab's tourism landscape, including factors limiting tourism growth, relevant strategies in the context of tourism development in the state, and potential trade-offs and synergies. Addressing these research questions allows for a comprehensive assessment of Punjab’s tourism ecosystem, identifying both structural bottlenecks and opportunities for strategic intervention.

The study employs a mixed-methods approach that combines quantitative surveys with qualitative interviews involving tourism stakeholders, including tour operators, private investors, and government officials. The primary data collected points to the need for greater engagement of the private players in tourism planning and management. The respondents indicate a lack of effective tourism marketing strategy and a clear long-term vision for tourism. A recurring theme across the study was the need to overhaul the digital marketing strategy. It needs to take into account the dynamic perception of tourists that can be understood through website or social media analytics. The study identifies several confounding factors that regulate key indicators of relevance to the tourism industry. It illustrates an interplay of reinforcing and balancing loops within the Punjab tourism ecosystem, pointing to the complex and sensitive nature of the industry. The recommendations from the paper support creating integrated tourism policies that drive innovation, digital engagement and sustainability. These insights have the potential to inform broader policy efforts to strengthen the tourism sector’s contribution to economic development and job creation.

Keywords: Punjab Tourism, Tourism Development, Mixed-Methods Research, Stakeholder Perceptions, Policy Framework, Economic Impact, Strategic Interventions.

1. Introduction

The tourism sector in India is characterised by an encouraging growth trend of a 5% Compound Annual Growth Rate (CAGR) in foreign tourists category and a 7.4% increase in domestic tourists' category from 2015 to 2019 (Punjab Bureau of Investment Promotion, 2023). Despite the adverse effects of the COVID-19 pandemic, there is a projected upswing in tourism, with an estimated $50.9 billion to be incurred in revenue and the country receiving over 30.5 million foreign tourists by 2028 (Invest India, 2023).

Presently, Punjab ranks 10th in foreign tourist footfall (2.5% of total foreign tourists) and has been overall ranked as India's 16th most visited state. As per India Tourism Data Compendium 2025, the state received about 0.94% of the total domestic tourist visits in 2024, a downsizing from the 1.42% share it held in the year 2023, thereby suggesting room for significantly increasing its potential share in both foreign and domestic tourist footfall in India (Ministry of Tourism, 2025).

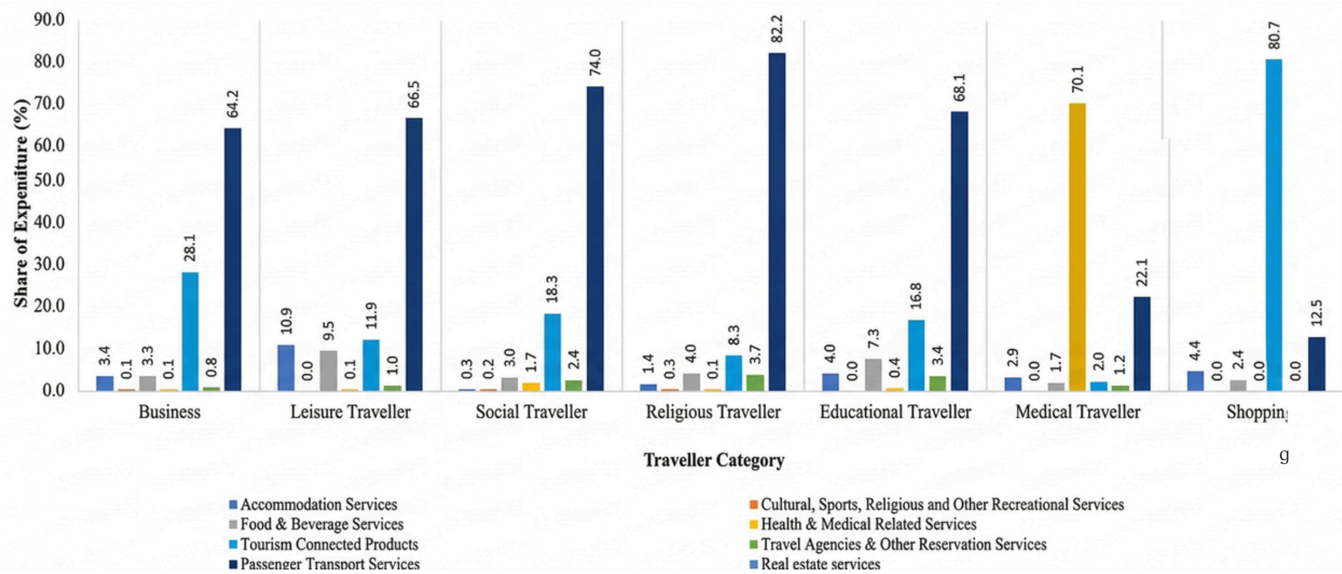
Despite this tourism inflow, Punjab's economic gains from the sector remain low. For example, in 2009-10, tourism generated only 14.1 lakhs jobs, lower than the national average of 19.8 lakh, and contributed just 6.34% to the state's Gross State Domestic Product (GSDP), placing it at 20th rank nationally in the State/UT-wise Tourism Employment during 2009-10 (Ministry of Tourism, 2019b). This gap between visitor numbers and economic returns highlights dire need to strengthen mechanisms that convert tourist footfall into long-term economic returns.

Tourism statistics from the Domestic Tourism Survey (DTS) (National Council of Applied Economic Research, 2014) for Punjab are available for 2014 and unveil the following crucial trends in the industry.

An average tourist visit to Punjab spans 3.1 days, slightly shorter than the Indian average of 3.3 days. March is the peak season for tourists in Punjab, with visitors staying for an extended average of 6.1 days. Conversely, February represents the lean season, with tourists staying for an average of 2.0 days in the state. A majority of domestic tourists travel overnight to Punjab for social purposes (82.6%), followed by religious purposes (9.3%), health/medical purposes (3.3%), and business purposes (1.5%) (State-wise comparison of characteristics of domestic trips in India – A study based on Domestic Tourism Survey, 2008-09, commissioned by Ministry of Tourism & prepared by NCAER 2014)

Based on the average amount of money tourists spend, Punjab is ranked very low at 28th. The nature of tourism spending is seen in Figure 1. It indicates that the expenditure heads are not diversified. The expenditure head is classified into accommodation services, Food & Beverages Services, Tourism connected products, Health & Medical related etc. Passenger Transport Services is the dominant expenditure head. The heads need to be further spread across the spectrum which includes handicraft & souvenirs, cultural & experience based products, wellness & lifestyle, festival & event merchandise.

Figure 1: Distribution of expenditure incurred by Tourists in Punjab (in percent)



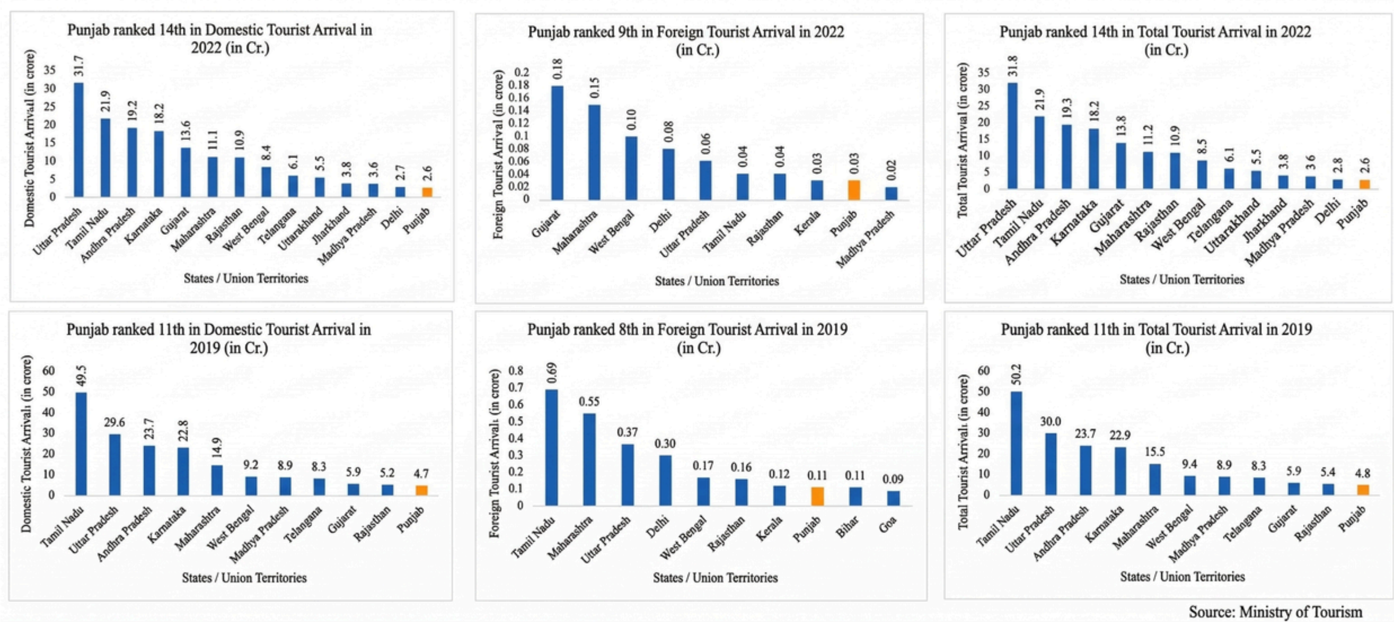
Source: Adapted by the author from Percentage distribution of expenditure incurred by Tourists in Punjab, from A study based on Domestic Tourism Survey, 2008-09, commissioned by Ministry of Tourism & prepared by NCAER.

Punjab offers numerous tourism development opportunities, including a safe tourist environment, high connectivity, strategic location and multiple tourism offerings. Despite these favourable factors, Punjab has an untapped tourism potential, which if effectively leveraged, can contribute substantially to economic growth and job creation.

The Department of Tourism & Cultural Affairs is responsible for developing tourism infrastructure projects, organising fairs and festivals (Table 4, Appendix) and managing properties.

Between 2019 and 2022, Punjab saw a sharp decline in tourism performance. Domestic tourist arrivals dropped from around 4.7 crore to 2.61 crore, and foreign arrivals fell from 0.11 crore to just 0.03 crore. Overall, Punjab slipped from 11th to 14th in total tourist arrivals nationally (Figure 2). This downward trend highlights the need for stronger recovery efforts, especially in digital engagement and infrastructure. Benchmarking Punjab against states like Uttar Pradesh, Gujarat, and Madhya Pradesh, known for robust tourism policies and consistent growth, can help identify gaps and guide strategic improvements.

Figure 2: Punjab’s Comparison with Other States (Before COVID-19 and After)



Source: From India Tourism Statistics 2023, by Ministry of Tourism, Government of India, 2023.

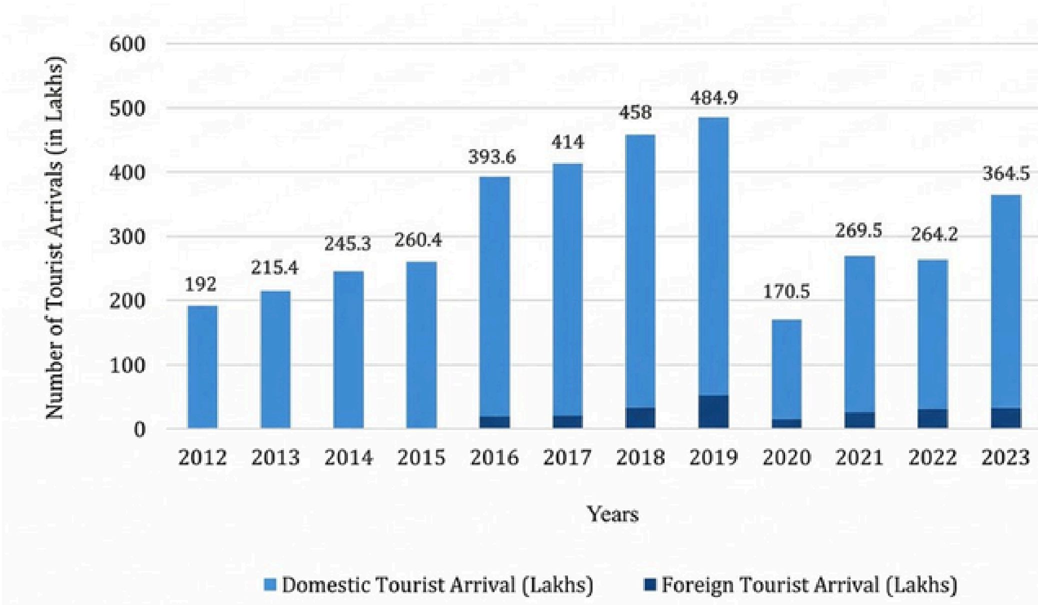
Table 1: Foreign/Domestic Tourist Footfall Comparison

Ministry of Tourism Data	All India	Punjab			% of India
	2024 (Lakhs)	2024 (Lakhs)	2023 (Lakhs)	2022 (Lakhs)	
Foreign Tourist Arrival	209.42	5.4	7.4	3.29	2.58
Domestic Tourist Arrival	29481.9	277.4	357	260.89	0.94
Total	**29691.32**	**282.8**	**364.4**	**264.18**	**0.95**

Source: From India Tourism Data Compendium 2025, by Ministry of Tourism, Government of India, 2025.

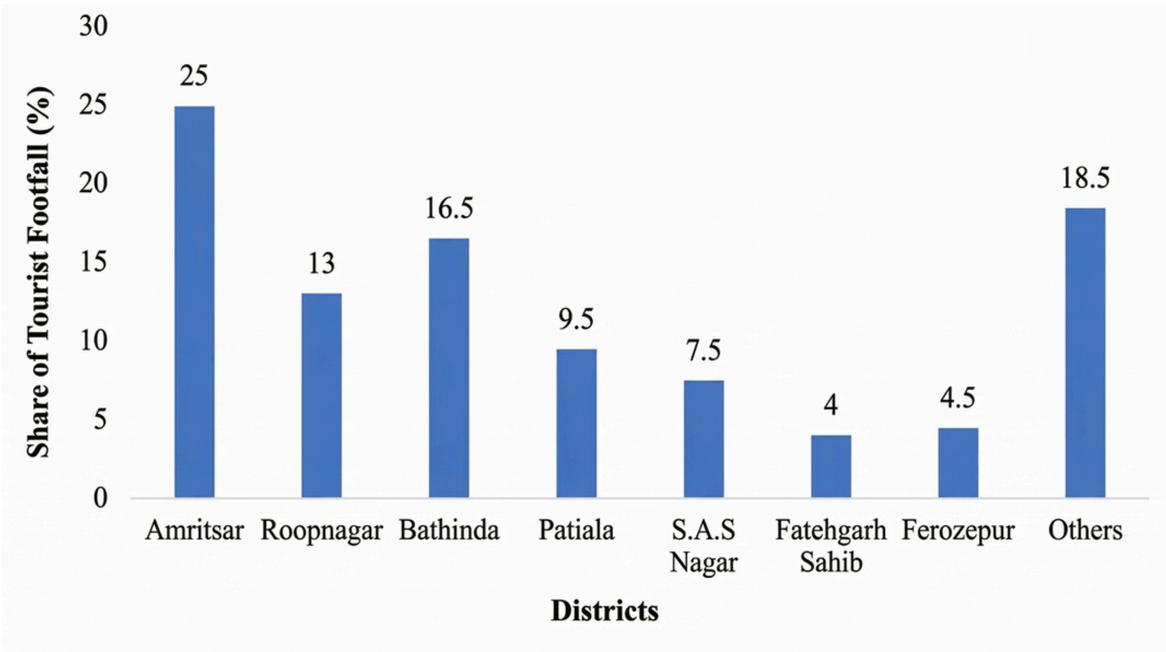
In 2024, Punjab recorded a significant rise in foreign tourist arrivals, reaching 5.4 lakh, more than in 2022 (Table 1). However, domestic tourist arrivals declined from 357 lakh in 2023 to 277.4 lakh in 2024. Punjab’s overall share in national tourism remains under 1%, highlighting both growth potential and the need for renewed domestic engagement strategies (Ministry of Tourism, 2025).

Figure 3a: Punjab's Total Tourist Arrival (2012-2024)



Source: Created by the author using data from Year-wise Tourist Visits in Punjab, by The Department of Tourism & Cultural Affairs, Government of Punjab, n.d.

Figure 3b: Districts accounting for 80% footfall in Punjab



Source: Created by the author using data from Year-wise Tourist Visits in Punjab, by The Department of Tourism & Cultural Affairs, Government of Punjab, n.d.

As per data from the Department of Tourism, Government of Punjab, the state recorded a total tourist footfall of 282.8 lakh in 2024, marking a recovery from the sharp decline during the COVID-19 period, though levels remain well below the pre-pandemic peak observed in 2019 (Figure 3a). However, foreign tourist Arrivals (FTA) have shown a notable improvement since 2016, largely due to increased flight connectivity from Amritsar and Chandigarh airports. Tourism remains highly concentrated, with seven districts accounting for nearly 80% of the total footfall, and Amritsar alone contributes 25.4%, reaffirming its position as the state's top tourist destination (Figure 3b). This suggests a need to diversify tourism offerings across other districts to balance regional development (Department of Tourism & Cultural Affairs, Government of Punjab, n.d.). To summarise, the tourism trends in the state reflects huge scope for growth and product diversification. Although the state has strong potential to contribute to economic growth and employment generation, its performance at the national level indicates room for strong strengthening. While the state department has been designated as the nodal agency for development, a more cohesive strategy is necessary to address the existing gaps.

This paper aims to provide a structured and in-depth understanding of how tourism in Punjab can be strengthened by exploring key themes in sequence. Section 2 presents a detailed literature review, covering four key areas: institutional and governance challenges; tourism infrastructure and destination readiness; marketing and visitor engagement; and identification of critical research gaps that this study seeks to address. Section 3 outlines the specific research questions that guide the analysis. Section 4 describes the methodology, detailing the qualitative and analytical approaches employed, whereas Section 5 provides a multi-layered analysis of Punjab's tourism scenario, including a SWOT analysis, causal loop diagram, departmental support, and insights into popular tourism categories among domestic and foreign tourists. Section 6 offers a case study of Rajasthan, identifying best practices and proven strategies that may be relevant for Punjab. Section 7 engages in a discussion of key findings, policy gaps, and adaptive strategies across governance, coordination, and stakeholder participation. Section 8 synthesises recommendations from respondents, classified into thematic categories such as cultural tourism, infrastructure, marketing, and technology. Finally, Section 9 ffers a summary and conclusion, reflecting on the broader implications and next steps for tourism development in Punjab.

2. Literature Review

2.1. Institutional and Governance Challenges

The Department of Tourism has two commercial ventures, including Punjab Tourism Development Corporation (PTDC), 1979, and Amritsar Hotel Limited, 2003. However, the commercial activities of the PTDC have been stopped since 2009, and all the properties of PTDC have been transferred to the Department of Tourism (Government of Punjab, 2018). According to the investigation on the functioning of the PTDC conducted by Bhardwaj and Singh (2010), the corporation experienced a significant financial downturn. They observed that PTDC's revenue had plummeted by approximately 88% from 2000 to 2008, due to the low prioritisation of tourism in the political landscape. Additionally, the report indicates a deficiency in PTDC's ability to innovate its tourism offerings and services. These findings are common to similar research (Aneja, 2004), which adds that the lack of a long-term chairman, the absence of management information systems, the ineffective relationship between headquarters and tourist complexes, etc., are some pertinent causes for the decline in revenues of PTDC.

Pathak (2016), in her doctoral research, examined institutional dynamics and operational challenges within the Department of Tourism, Government of Punjab. Based on interviews with departmental officials, the study found that the officials partially agree about the extent of support provided by the Union government for state-level tourism promotion initiatives, including subsidies, rebates, and matching grants etc. Respondents added that tourism is a state subject, hence Union government has a limited role. However, officials acknowledged the benefits from infrastructure projects supported by grants from Government of India to improve the connectivity of highways to tourist destinations. In addition, the importance of ensuring tourist safety and maintaining Punjab's image as a state with law-and-order in place was highlighted as a key factor influencing tourist inflow by the officials.

The author has further highlighted several key factors contributing to the low performance of tourism in Punjab, including a lack of adequate financial resources, the absence of well-structured and systematic planning and execution strategies for the tourism sector, ineffective maintenance of tourism infrastructure, and lack of professional and well-trained staff in the department.

2.2. Tourism Infrastructure and Destination Readiness

The study "Tourism and Hospitality Industry in Punjab – An Overview" by Lakha & Avikshit (2022) primarily focuses on the status, challenges, and potential of tourism infrastructure in Punjab. It highlights the state's rich cultural and religious heritage, identifying over 20 key tourist destinations. Despite this potential, the study reveals significant gaps in infrastructure development, including:

- Underdeveloped and ill maintained tourist sites.
- Delays in implementation of tourism-related infrastructure projects.
- Lack of designated land for hotel development in urban planning.
- Limited digital marketing and outdated online platforms.

The study also presents detailed data on tourist arrivals and the economic impact of COVID-19, which caused severe revenue losses and job risks in the hospitality sector. While acknowledging government initiatives and investments, the study emphasises the need for better planning, execution, and strategic alignment to unlock Punjab's tourism potential.

Further, research by Mittal (2013) has highlighted that Punjab possesses significant potential to be marketed as a prominent tourist destination rather than merely a transit point for tourists exploring the northern region of India.

While enquiring into the status of infrastructure development projects related to tourism, Mittal (2013) observed that many such projects reportedly experienced delays, and there was limited monitoring of their progress. These projects were reportedly undertaken without adequately considering the tourism sector's revenue-earning potential. It was also found that 16 underdeveloped destinations are gradually deteriorating both in terms of their physical condition and significance, owing to a lack of proper care, maintenance, and promotional activities.

The Department of Tourism has planned and launched multiple incentive schemes to promote the hotel industry; however, they lack focus on key factors. For example, a notification issued on December 12th, 2012, by the Tourism Department specifies that hotel projects fall under the purview of Industrial Policy, 2009 (Department of Tourism, 2012). One criticism of this move is that tourism projects often get low priority from the Department of Industries and Commerce.

After investigating incentives for hotel projects, Aneja (2004) notes the lack of designated space for establishing hotels because the master plans of many cities or towns do not allocate land specifically for hotels and restaurants. As a result, businesses in the tourism sector often have to acquire land at exceptionally high prices and change land use permissions in numerous locations.

2.3. Marketing and Visitor Engagement

Domestic and Foreign tourists show different preferences when selecting sources of information for trip planning. According to Pathak (2016), around 37% of both foreign and domestic tourists rely primarily on the internet. Among domestic tourists, 24% turn to friends and relatives as their next most trusted source, while 21% of foreign tourists prefer using travel agents or tour operators.

The Government of Punjab established the Department of NRI Affairs in 2002 for the redressal of issues related to NRIs in the State of Punjab. Additionally, a special NRI civil court has been established in Jalandhar to provide speedy justice to NRIs. Efforts are being made to set up 5 more courts at Amritsar, Ludhiana, Nawanshahar (SBS Nagar), Moga and Mohali. There is an NRI commission also, which deals with complaints of NRIs. There are 15 designated NRI police stations, functioning under ADGP (NRI Wing), which are dedicated to dealing with complaints of NRIs. To hear the grievances of NRIs, NRI meeting programmes are organised from time to time (Department of NRI Affairs, 2023).

2.4. Identification of Research Gaps from the Literature

The literature review offers several insights that help identify key research gaps. First, the literature suggests a historical pattern of insufficient execution of the planned development of tourism in the state. These include shortcomings on both ends, policy execution (such as delays in execution of infrastructure projects, lack of promising incentive structures for commercial development of hotels, absence of planned marketing) and institution-building (such as leadership gaps, lack of adequate resource planning and failure to strengthen institution mechanisms through PTDC).

Despite these challenges, the literature consistently points to significant potential for tourism development in the state. The tourism policy enacted by the department recognises this underutilised potential (Department of Tourism & Cultural Affairs, 2018).

There is a clear research gap for developing a framework to understand the current status of tourism in Punjab, considering the ecosystem in which it operates. Such a systematic investigation into Punjab's tourism management would enable it to meet its tourism potential. Despite sifting through the scant literature available on tourism in Punjab, no detailed analyses or reports could be located. It was realised that a lot of research gaps exist in this field, and hence, a new methodology was adopted for this research paper.

3. Research Questions

The present study aims to explore the key determinants influencing Punjab's tourism sector and assess how these insights can inform effective policy interventions to unlock its full potential. The study adopts a multi-dimensional approach, considering economic, infrastructural, policy, and socio-cultural factors to provide a holistic understanding of the challenges and opportunities in Punjab's tourism landscape.

3.1. Key Research Question

What are the critical factors shaping Punjab’s tourism potential, and how can they guide the formulation of development strategies that are feasible, impactful, and cognizant of potential trade-offs?

3.2. Sub-Research questions

1. What are the primary constraints hindering the growth and full realisation of Punjab's tourism sector?
2. Which targeted policies and strategic interventions have been effective in enhancing tourism potential in comparable regions?
3. How feasible and impactful are these identified strategies within the specific socio-economic and policy context of Punjab, and what trade-offs or synergies do they present?

Addressing these research questions allows for a comprehensive assessment of Punjab’s tourism ecosystem, identifying both structural bottlenecks and opportunities for strategic intervention. By integrating insights from global best practices and empirical evidence, this study evaluates the applicability and potential outcomes of various policy measures tailored to Punjab’s unique context.

The findings contribute to the broader understanding on tourism development by providing evidence-based recommendations that balance economic growth, regulatory efficiency, and sustainability. Through this approach, the study aims to inform policymakers, industry stakeholders, and researchers on practical pathways for fostering a resilient and competitive tourism sector in Punjab.

4. Methodology

The study employs a mixed-method approach, integrating both primary and secondary data collected through various research tools that were administered to key stakeholders from the Department of Tourism & Culture, Government of Punjab. These included a follow-up Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis of the Punjab tourism ecosystem to identify strengths, weaknesses, opportunities, and threats in the industry, a Causal Loop diagram to illustrate the interrelated factors within the socio-economic system of the tourism industry and a follow-up discussion using the Political, Economic, Social and Technological (PEST) framework.

To address the aspect of relevant strategies for Punjab, semi-structured interviews, focused group discussions, and a dipstick survey were conducted. Government officials, industry association representatives, and tour operators across districts were included as respondents in these tools. A total of 19 responses for the survey questionnaire and seven responses for the semi-structured interview were obtained.

All the responses for the dipstick survey were received from private players in the value chain, i.e. owners of different kinds of tourist facilities in the state. The tourist facilities range from farmstays, homestays, hotels, and resorts to tented accommodations, with varying room capacities in each category. The minimum reported accommodation was for a farm stay (2 rooms), while the maximum was reported by a hotel owner (75 rooms).

The survey respondents' profiles include participants across 11 districts in Punjab. The districts represented in the data collection are Hoshiarpur, Amritsar, Fatehgarh Sahib, Pathankot, SAS Nagar, Ludhiana, Zirakpur, Gurdaspur, Ropar, Patiala, and Jalandhar. The diverse geographic representation enhances the study's ability to provide a holistic assessment of the tourism landscape and its underlying constraints.

While the sample size is relatively small, the study acknowledges this limitation and focuses on qualitative depth to generate rich insights into the industry's challenges and opportunities. The findings contribute to policy recommendations aimed at fostering sustainable tourism growth, enhancing regulatory efficiency, and strengthening private-sector participation in Punjab’s tourism sector.

5. Analysis

5.1. A Comprehensive SWOT Analysis of the Punjab Tourism Landscape

Punjab has numerous advantages that enable it to tap its tourism potential. The state is rich in artistic and cultural heritage, with many tourist attractions, including multiple festivals and cultural heritage sites. The region's tourist destinations have the potential to cater to a diverse range of visitors.

The strengths can be further developed through opportunities for the overall growth of the tourism sector. Embracing digital marketing strategies can help attract the millennial and NRI population, bringing many tourists to Punjab.

Additionally, identifying and cultivating a competitive advantage, such as emphasising its rich cultural heritage or building farm tourism, can further develop niche products that appeal to targeted tourist segments. Punjab’s location provides a strategic advantage due to its proximity to two well-known tourist destinations: Jammu and Kashmir and Himachal Pradesh. Travellers heading to these regions often pass through Punjab, making it a natural stopover or gateway to these destinations. This presents an opportunity for tour operators to design specialised packages catering to the needs and interests of stopover tourists, including short day trips to local attractions, cultural experiences and local cuisine tastings. Discussion around weaknesses points to a visible absence of institutionalisation in tourism planning and marketing processes that limits the coordinated growth of the industry. Additionally, the lack of sufficient funds poses a significant challenge. Punjab’s scorching summer months also deter an influx of tourists in these months.

Public perception of the state of Punjab can significantly impact its appeal as a tourist destination, and managing and building a positive image is a critical policy concern. Additionally, competition with other states for tourists can present challenges in developing specific marketing and infrastructure needs to support overall growth in tourists.

Table 2: SWOT Analysis of Punjab Tourism Ecosystem

Strengths	Weakness
• Abundance of artistic and cultural richness • Festivals, Cultural heritage, Food, Music, etc. • Tourist destination's potential to cater to all types of visitors • Hospitable Punjabi Disposition • Excellent facilities and infrastructure • Accessibility through Road, Rail and Air	• Limited support from the GoI • Poor Planning & Marketing • Long summer months • Low recall as a preferred tourist destination • Poor Destination Management
Opportunities	**Threats / Challenges**
• Using effective marketing to attract the millennial population and NRIs • Diversify the tourism product portfolio- Equestrian trails, border circuit • Find and develop the State's competitive advantage • Film shootings • Nestled between popular tourist footfall destinations like Jammu and Kashmir, Himachal Pradesh	• Public perception of the State of Punjab • Competition with neighbouring States

Source: Created by the author

The Department of Tourism and Cultural Affairs has several notable strengths to promote tourism and preserve Punjab's cultural heritage. Firstly, the department benefits from staff with good domain knowledge, which is crucial for planning and executing schemes effectively. Additionally, the department has a flexible structure, which includes both a board and a corporation that could allow for the execution of novel programmes and schemes.

Another significant strength is the integration of Culture and Tourism affairs within a single department. This allows coordinated efforts to promote the state's culture and tourism, fostering synergy between the two interrelated aspects. The department's active participation in tourism events and investment roadshows has enhanced the visibility of Punjab's national and international tourism.

The department also faces several weaknesses that need to be addressed. Firstly, the department faces a shortage of manpower, which has restricted the scope of activities being undertaken. The absence of sector specialists impedes the department's development of innovative and engaging schemes and programmes. In addition, inefficient inter-and intra-departmental communication and unclear roles and responsibilities among staff create operational inefficiencies.

The annual planning is weak, and there is limited coordination with the GoI. Furthermore, the lack of an interactive website and the absence of new product development/itineraries result in missed opportunities to engage tourists. Ineffective use of social media is another shortcoming, as it prevents the department from effectively reaching and engaging with a wider audience.

The absence of tourism-specific incentives for attracting investments, lack of a clear go-to-market strategy, and district-level planning makes it challenging to attract tourists and investors effectively, slowing down the decision-making and implementation process. Lastly, the lack of systematic inputs from major private players in the tourism sector prevents the department from tapping into valuable industry insights and partnerships.

The department has unique opportunities to make Punjab a favourable and preferred destination for tourists. Firstly, the widespread Punjabi diaspora represents a significant opportunity for the department. Punjabis abroad have a strong emotional and cultural connection to the state and are known to have a higher potential for tourist spending.

Effective use of artificial intelligence (AI) and other technologies for trend mapping can help the department gain insights into changing tourism preferences and emerging trends and appeal to the NRI population. By diversifying and expanding the range of destinations and tourist categories, the department can attract a larger market share of both domestic and foreign tourists.

Table 3: SWOT Analysis of Punjab Tourism Ecosystem at the department level

Strengths	Weakness
• Domain knowledge • Flexible department structure (board/corporation) • Joint department for culture & tourism affairs • Visibility of Punjab tourism through participation in tourism events/investment roadshows • Small and a close-knit team	• Shortage of manpower and lack of sector specialists • Unclear roles and responsibilities and a lack of inter-and intra-departmental communication • Weak annual planning and coordination with the GoI • Slow execution of existing policies/decision-making • Go-to-market strategy is unclear • Non-user-friendly interactive website, lack of new product development/ itineraries, and irregular content creation • Ineffective use of social media • Lack of tourism-specific incentives to attract investments • Lack of systematic inputs from big private players to understand and address their pain points • District-level planning • Absence of a training calendar for continuous skill upgradation and incorporation of the latest trends in mass/ social media to attract tourists
Opportunities	**Threats / Challenges**
• Widespread Punjabi diaspora as potential tourists • Effective use of AI, latest technologies for trend mapping • Untapped potential of existing/ new tourist destinations (i.e. going beyond Amritsar) and new segments (adventure, water tourism) • Favourable state policy on tourism incentives for attracting investments through public-private partnership	• Inconsistency in the focus of tourism through state policy planning • Fund availability • Lack of inter-departmental coordination • Lack of GoI coordination/support • Lack of supporting infrastructure development • Negative public perception about the state, particularly related to law & order

Source: Created by the author

5.2. Interrelated Factors Affecting State Tourism Development: Causal Loop Diagram

The Causal Loop Diagram (CLD) in Figure 4 illustrates multiple confounding factors that regulate key indicators of relevance to the Tourism industry.
The Tourism Department plays the pivotal role of promoting tourism in the country by running multiple schemes and regulatory mechanisms included in the CLD as exogenous variables (the ones that can be controlled and are interdependent), which are highlighted in rectangles. Multiple endogenous variables are seen in the form of a causal chain in the CLD diagram (Figure 5), which can be better understood in the framework of Reinforcing and Balancing Loops as follows:

The Reinforcing Loops (R2) begin with an enabling tourism policy that promotes investments in tourism infrastructure. The same results are high-quality tourist destinations that support bringing in a higher number of tourists, attracting private investments to the local tourism market (Lalnunmawia, 2013).

Tourism investments are demonstrated to foster economic growth. This phenomenon is also common across other countries (Rasool et al., 2021). Economic stimulus brings results in more goods and services being produced. It gives rise to higher employment possibilities in both direct tourism-related jobs and associated jobs in related industries (depicted in R1). According to some estimates, the tourismand hospitality industry is a leading industry for employment generation (Press Information Bureau, 2022). Consistent tourism consumption increases the local economy's reliance on tourists. It makes the economy/and the local population susceptible to both natural (floods,forest fires, earthquakes, etc.) and anthropogenic disasters (economic emergencies, public health crises such as COVID-19, etc.) (Dutta, 2023). Parallelly, increased tourism consumption gives rise to migrants who arrive at tourist destinations for jobs or economic opportunities, which may strain the cultural balance of inhabitants. At the same time, sustainable development of tourism sites can offer an opportunity to preserve the local heritage and cultural artefacts.

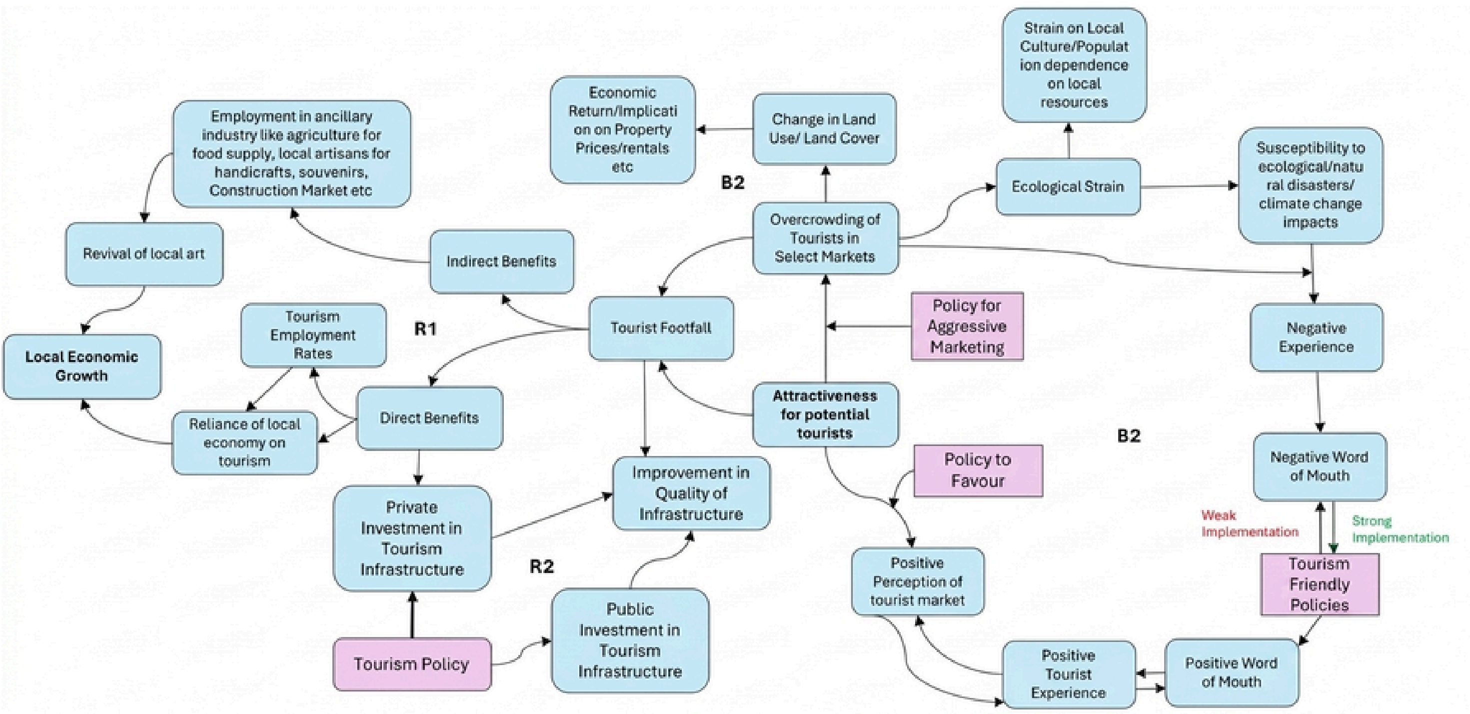
The Balancing Loops: An increase in migration very often triggers two tangible changes in the tourist destination. The first is changes in land use, land change, which could be in the form of diverting land towards building hotels/resorts, residential buildings, roads, parks and other built-up areas, that could mean that land gets diverted away from farmlands/forests (Vijay et al., 2016).

The second tangible change that the tourist destinations experience is the crowding of tourists/migrants, which puts an ecological strain, together with land cover changes. A recent demonstration of this phenomenon was reported in Himachal Pradesh, where construction activities leading to a significant shift in land use and land cover added to severe flooding in many parts of the hill state. This series of causal events also makes the tourist destination more prone to ecological, natural and climate change impacts. This creates a negative perception amongst the tourists and other stakeholders and reduces the attractiveness of the destination. These chains of interdependent variables are denoted in Balancing loop B1.

Aggressive marketing by the government (with a delay) plays a restorative role by rebuilding a positive image among tourists, which, along with niche products increases the attractiveness of the tourist market. Another key variable in the causal chain is the implementation of tourist-friendly policies by related government departments (Press Information Bureau, 2023), such as police working towards tourists' safety , ease of applying for visas, public transport routes/efficiency, etc. This implementation is responsible for either positive or negative experiences of the tourists who visit the destination and is critical for maintaining the attractiveness of the tourist destination.

These interdependent loops, together with confounding factors in the global markets such as the competitiveness of other international destinations, can usefully explain the complex system in which a sensitive tourism industry in India functions.

Figure 4: Causal Loop Diagram Analysis



Source: Created by the author

5.3. Departmental Support Extended

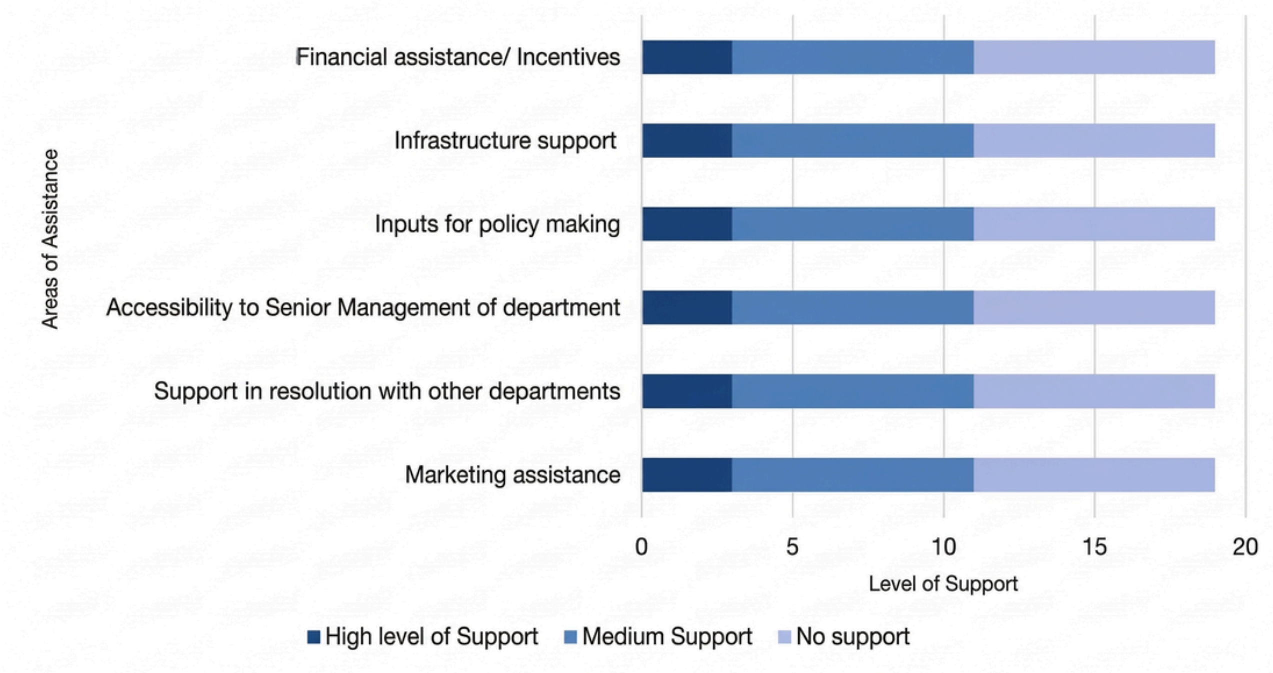
According to the survey conducted, eight out of nineteen respondents reported receiving adequate support from the Tourism Department of Punjab, while six reported limited assistance from the department. Additionally, five respondents reported inadequate support from the department.

Delving into the various aspects of this assistance, Figure 6 breaks down these aspects and presents the perceptive responses obtained through the survey.

These include:

- Obtaining financial assistance in the form of subsidies or other financial means
- Infrastructure support in terms of water availability/accessibility through roads/electricity
- Seeking inputs from the respondents on policy matters
- Accessibility of senior management for grievance redressal or other purposes
- Support in the resolution of grievances with other associated departments such as the Forest Department, Punjab State Power Corporation Limited (PSPCL), local Municipal Corporation, or Water Resources department
- Marketing assistance in the form of publicity, etc.

Figure 5: Overview of Assistance Offered by the Tourism Department on various aspects



Source: Created by the author using data collected through the questionnaire

5.4. Popular Tourism Categories

This study employed a dipstick survey and semi-structured interviews conducted with a sample of both domestic and foreign tourists. Respondents were asked to rank different categories of tourism based on their personal preferences. These rankings were derived through qualitative coding of the open-ended responses, which were then tallied and ordered based on the frequency of their mentions by the stakeholders.

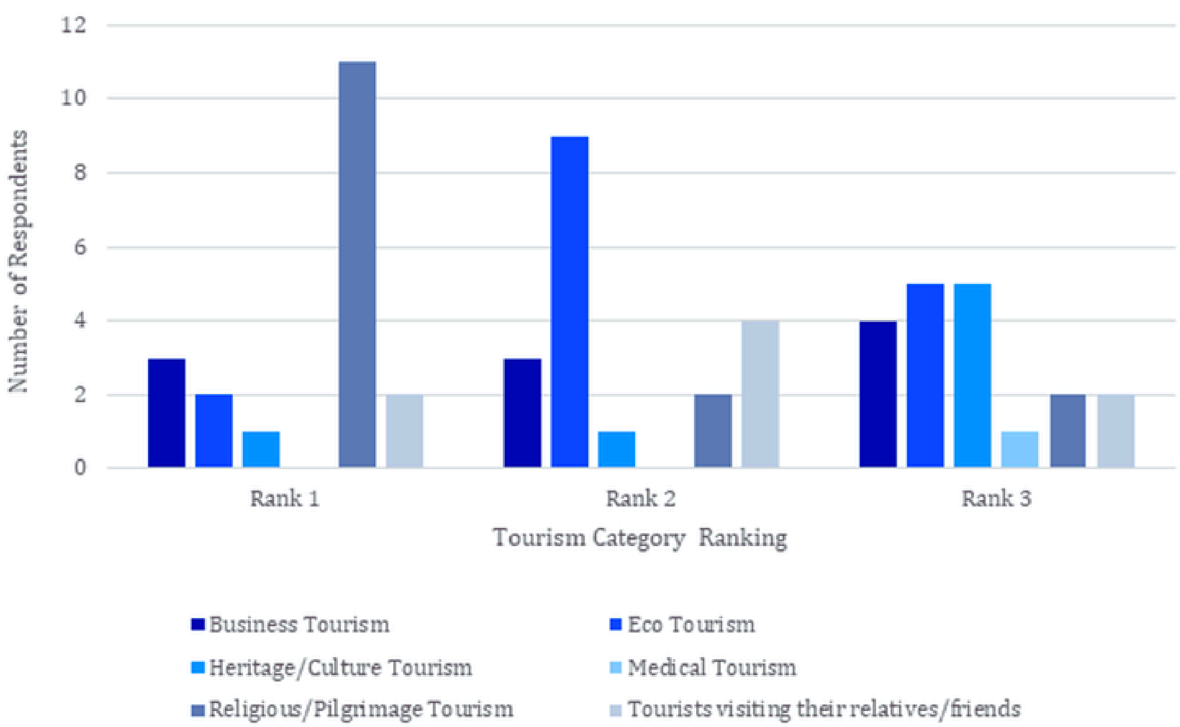
5.4.1. Domestic Tourists

As shown in Figure 6, religious/pilgrimage tourism emerged as the most preferred category, followed by eco/nature tourism. Heritage/culture tourism also received attention as a first preference, while business tourism, medical tourism, and tourists visiting their relatives/friends were ranked lower in preference.

5.4.2. Foreign Tourists

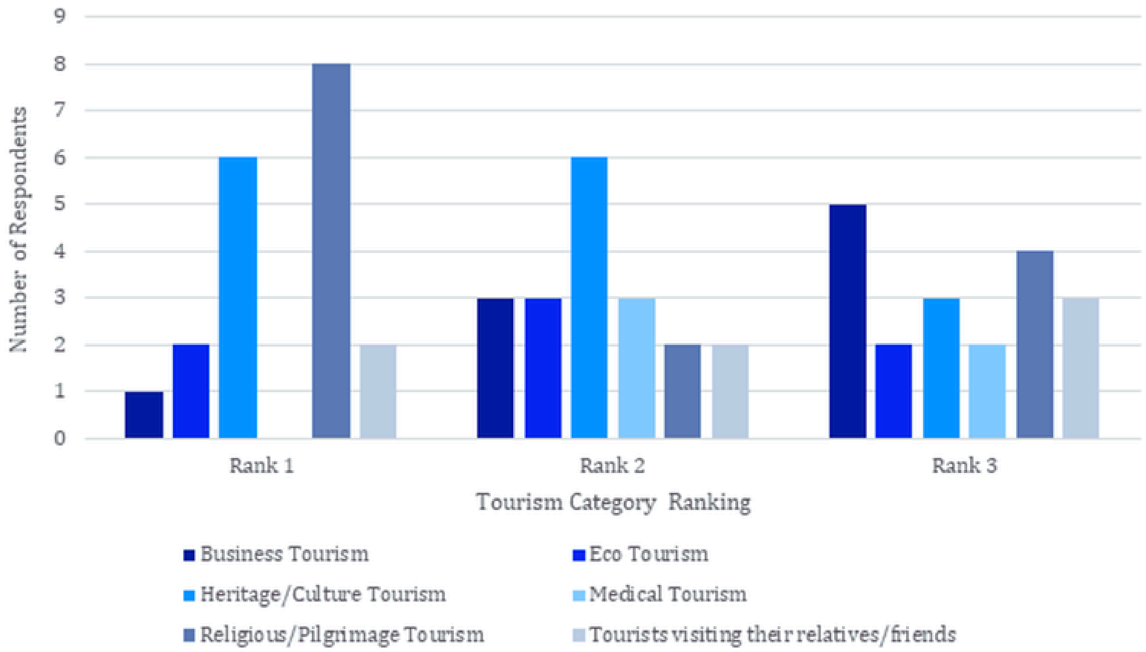
Utilising the same methodology described above, the findings state that much like domestic tourists, foreign tourists highly prefer religious/pilgrimage and heritage/culture tourism, with business and medical tourism being less favoured. Eco/nature-based tourism and tourists visiting their relatives/friends fall somewhere in the middle regarding preference (Figure 7).

Figure 6: Ranking of Tourism Category Preferences for Domestic Tourists



Source: Created by the author using data collected through the questionnaire

Figure 7: Ranking of Tourism Categories in the District (Foreign Tourists)

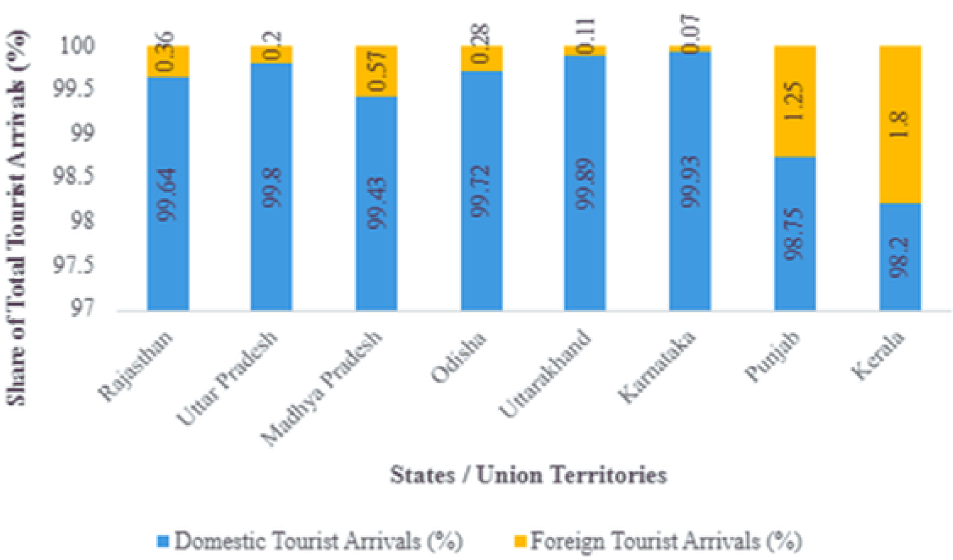


Source: Created by the author using data collected through the questionnaire

Both figures 6 and 7 are best interpreted as indicative thematic perceptions, which help extrapolate the broader narrative of a clear domination of religious and heritage tourism in Punjab. These findings further correspond to the trends reported in secondary data such as the Domestic Tourism in India, 2014 (Ministry of Statistics and Programme Implementation, 2017) and India Tourism Data Compendium, 2025 (Ministry of Tourism, 2025).

5.5. Punjab's Performance on Various Indicators

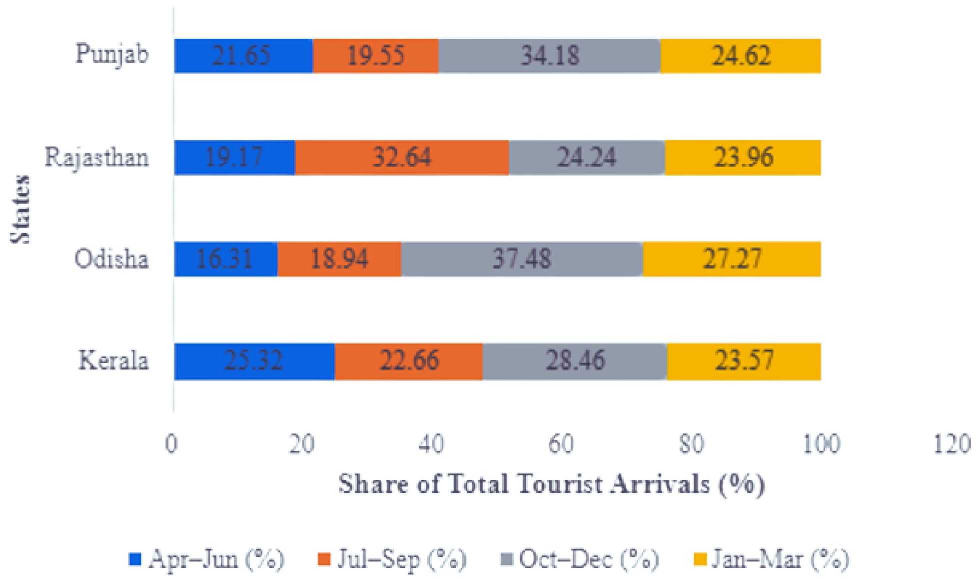
Figure 8: Punjab's Performance on Foreign and Domestic Arrival compared to Total Tourist Arrival



Source: Created by the author using official state tourism data from Kerala Tourism (2022), Rajasthan Tourism (2025), Uttarakhand Tourism (2024), Madhya Pradesh Tourism (2023-24), Odisha Tourism (2023), States/UTs Tourism Department (2022), Department of Tourism and Uttar Pradesh Tourism (Year-wise Statistics) (2024) and Department of Tourism, Punjab.

In Figure 8, Punjab's tourism sector shows a relatively high share of foreign tourist arrivals compared to other emerging states, yet its overall performance remains subdued.

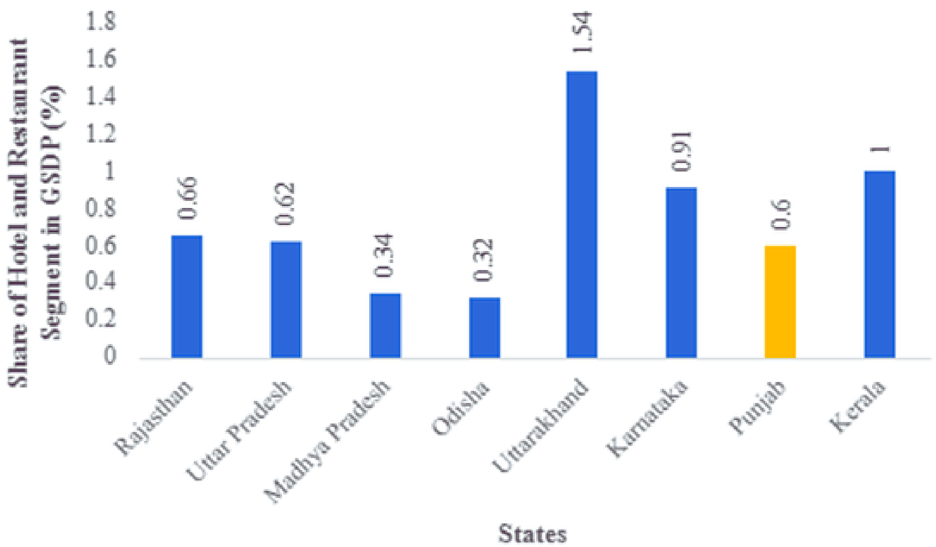
Figure 9: Punjab's Performance on Foreign and Domestic Arrival compared to Total Tourist Arrival



Source: Created by the author using official tourism data from Kerala Tourism Statistics – 2022 (2022), Rajasthan Tourism (2025) and Odisha Tourism (2023) and Department of Tourism, Punjab.

In Figure 9, Punjab's seasonal data indicates peak tourist activity in Q3 (October–December), aligning with cultural and festive periods.

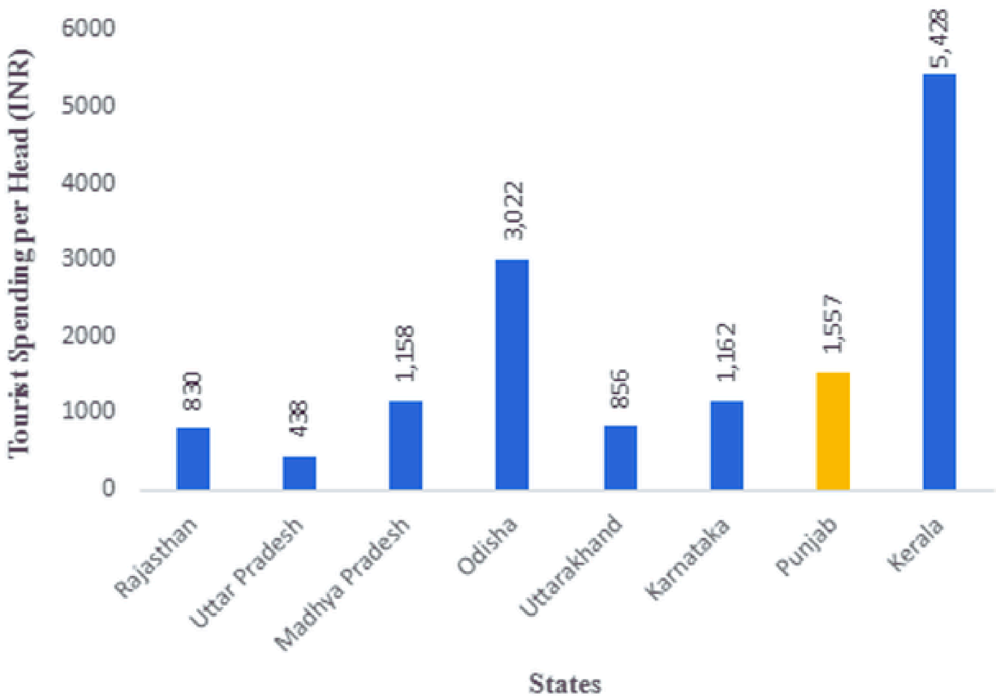
Figure 10: State-wise comparison of Hotel and Restaurant segment in the State's GSDP



Source: Created by the author using official state economic data from Odisha Economic Survey (2022–23), Punjab Economic Survey (2023–24), Uttarakhand Economic Survey (2023–24), Madhya Pradesh Economic Survey (2023-24), Kerala Economic Review (2023-24), Karnataka Economic Survey (2025), Arthik Samiksha (2023) and Rajasthan Economic Review (2023–24).

In Figure 10, Punjab's hotel and restaurant sector contributes less than the compared states' average to its GSDP. The tourist spending per head is also below average (Figure 11). Punjab's share of the Hotel & Restaurant segment in the state's GSDP is below the average of 0.75%.

Figure 11: State-wise comparison of tourist spending per head



Source: Created by the author using official state economic data from Odisha Economic Survey (2022–23), Punjab Economic Survey (2023–24), Uttarakhand Economic Survey (2023–24), Madhya Pradesh Economic Survey (2023-24), Kerala Economic Review (2023-24), Karnataka Economic Survey (2025), Arthik Samiksha (2023) and Rajasthan Economic Review (2023–24).

These trends highlight the need for targeted infrastructure investment and diversified tourism offerings to boost economic impact. Also, Punjab's tourism policy shows several gaps compared to other states (see Appendix). The policy framework lacks a defined period, creating uncertainty; Industry Status is not granted, reducing investor confidence; and PPP provisions are weak, with no facilitation or incentives. Ease of Doing Business suffers due to the absence of a Single Window system for tourism, and absence of Special Tourism Zones, limiting focused development. While Punjab offers strong fiscal incentives, such as electricity and stamp duty exemptions, it omits conversion charge waivers.

Marketing support is minimal, restricted to digital reimbursement, unlike other states that fund event participation. Infrastructure Development is not a focus, with no capital subsidies for projects like adventure tourism or ropeways. Investment and interest subsidies are limited to MSMEs and startups, excluding large projects. Land Policy lacks clarity on allocation or leasing, and Sustainable Tourism incentives are absent, unlike MP and Gujarat. To attract tourism, Punjab should define a clear policy period, grant industry status, introduce a Single-Window clearance system, notify tourism zones, expand marketing and infrastructure subsidies, incentivise sustainability, and develop a transparent land bank system.

6. Case Study-Strategies for Tourism Promotion from Rajasthan

6.1. Best Practices/ Proven Strategies from Rajasthan

One of the questions in the survey included the respondents' feedback on successful tourism initiatives taken in neighbouring states, from which Punjab tourism could learn. Based on the responses received, Rajasthan was reported to have a vibrant tourism ecosystem that has shown growth. Some of the successful tourism initiatives listed by the respondents are as follows:

6.1.1. End-to-end Tourism Value Chain Enhancement Policies

Rajasthan has implemented a range of policies supporting rural tourism, including the conversion of land use in rural areas for tourism units. The state offers tax exemptions, soft loans, and building charge waivers for farm tourism constructions and considers farm tourism a supplementary agricultural activity. The state also provides free or domestic-rate electricity and water and assured last-mile road connectivity. Incentives are provided to heritage property owners to convert them into heritage homestays for which subsidised electricity and water are offered.

6.1.2. Marketing and Promotion

Rajasthan excels in marketing its destinations by promoting them through itineraries and reinventing them through prevailing marketing trends like luxury, off-beat trails, experiential travel, etc. It connects the location with its unique selling points (USPs), such as heritage and/or safaris. The state also hosts popular tourist fairs like Pushkar Mela and offers additional services like luxury resorts, tourist trains, and wildlife attractions. The state's comprehensive marketing strategy, history, architecture, mountains, and climate, sustain its popularity.

6.1.3. Support for Building Tourism Infrastructure

Rajasthan benefits from strong government support in infrastructure development and training of the local workforce in hospitality standards. This support extends to issues like excise policy and development sanctions, and byelaws. The government also provides a single window for property owners to resolve various approvals and permits and offers competitive power tariffs.

7. Discussion

7.1. Assessing the Tourism Policy Landscape

The results from the findings discussed so far reiterate the need to reposition the tourism sector as a key economic driver for the state's economy. Such a plan would need to be evidence-based and large-scale, requiring an overhaul of the state's overall tourism governance. A strategic approach to tourism development could turn out to be transformational for the sector and the economy, if it manages to shift its identity from a soft sector to a contributor to economic diversification. This focused attention has already begun and is evident through the different phases of evolution that the policy landscape has witnessed over the years.

Stage 1- Introduction of Sectoral Policies: As stated earlier, Punjab cultivated its policy landscape relatively late. The first Tourism Policy was introduced in 2003, with the intent to facilitate investment opportunities and a regulatory framework for tourism. However, in the following decade, the ecosystem was strengthened by formulating policies around sectors relevant to its fundamental tourism portfolio of Eco-Tourism (on Forest Land) in 2009 (Government of Punjab, 2009) and then guidelines for Farm Tourism (Punjab Heritage and Tourism Promotion Board, 2013) in 2013.

Stage 2- Deployment and Coordination: The Punjab Investment and Business Development Policy, 2017 (Department of Industries & Commerce, 2023), offered sector-specific fiscal and non-fiscal incentives to tourism in addition to support for clearances. The same year, the Department of Tourism also formulated a 'Vision Plan' outlined through its tourism and cultural policies. The comprehensive policies tending to investment, tourism, and culture began to subsequently create space for coordinated tourism governance in the state.

Stage 3- Revision and Sectoral Expansion: With its policy ecosystem stabilising, the state governance machinery recognised the room for expansion into niche sectors with market-oriented policies. Attracting private investment through multiple channels has been a blanket strategy which extends across sectors. The investment ecosystem has witnessed a substantial shift in incentives across tax concessions, land allocation, and partnership opportunities.

In the years 2022 and 2023, the state investment policy was revised, and collaborative platforms for inter-departmental coordination across governance levels have been the focal areas for the state. In the same vein, the Tourism Department notified two sectoral policies in 'Adventure and Water Tourism' to capitalise on its assets and community engagement.

7.2. Gap Analysis and Early-stage Adaptive Measures

7.2.1. Market and Stakeholders Dialogue

Cultivating a healthy channel for addressing dialogues within the value chain of tourism service delivery has been identified as a crucial way forward to identify and address the sector’s operational limitations.

7.2.2. Implementation Roadmaps

A thorough follow-up on the implementation roadmap has been missing from the department’s earlier initiatives. The department has now prioritised the formulation of comprehensive guidelines and timelines to ensure alignment between vision statements and on-ground implementation.

7.2.3. Coordination with Central Government

Enhanced participation and engagement with the Government of India's schemes/policies/grants have been locked in as a significant step forward.

7.2.4. Convergence

Connecting key initiatives to arrive at a long-range, holistic plan of action for sectoral initiatives has been identified as a blanket approach for tourism so that it continues to address the concerns that routinely deter its progress. For example, the lack of accountability towards the deployment of grants-in-aid can be tackled through rigorous internal monitoring of central government schemes and policies.

7.2.5. Participatory Governance

For the first time, the department has floated its draft policy on ‘Wellness Tourism’, which is yet to be notified in the public domain to receive suggestions and objections on the same to make the policy document more market-relevant and investment-ready.

To aid the growth and consolidation of tourism governance in the state, the department has thus begun to chalk out strategies that will remain relevant in the short and long term. While this gamut of interventions only addresses a limited share of concerns without a scaled restructuring programme, it has begun to deliver short-term results as Punjab has managed to reinforce its presence on the national tourism landscape

8. Key Recommendations by the respondents for Tourism Promotion in Punjab

The survey respondents recommended specific interventions to improve destination management as described in the following paragraphs.

8.1. Cultural and Heritage Tourism Enhancement

The recommendations included suggestions to restore historical places to their original state to preserve the rich cultural heritage of Punjab and make provisions to showcase the same to the incoming tourists. Such an initiative would require prioritising marketing efforts and maintaining heritage properties with an active public-private partnership policy. Additionally, there was a reported need to focus on promoting heritage properties as wedding destinations through aggressive marketing. A recommendation under this theme included a proposal to create a tourist village for exhibitions and cultural events in Mohali.

8.2. Tourism Promotion and Development

A key suggestion was to adopt tourism as the primary industry to drive economic growth and employment, taking inspiration from successful tourism-driven economies. It would encompass the integration of cross-sectoral policies, offer and revision of bankable tax incentives, and strengthening of a single-window mechanism for tourism approvals for both businesses and customers. At the same time, financial resources would need to be invested to promote tourism through domestic and international trade forums.

8.3. Infrastructure and Destination Management

There was also a suggestion to develop new tourist destinations, including picnic spots, water sports, and adventure sports at the local level. The introduction of fresh destinations and circuits, including equestrian trails, bird watching, and water sports, was recommended. Within niche sectors, a recommendation was to focus on creating infrastructure for medical tourism and explore emerging areas within tourism, such as water-based activities, adventure experiences, and farm stays. Untapped tourism regions in Punjab, such as Harike Wetlands, Nangal Wetlands, and Pathankot, could be explored for this expansion, with an emphasis on conservation of natural resources and infrastructure development around key tourist sites.

8.4. Marketing and Promotion

The recommendations included a suggestion to develop a long-term marketing strategy to promote Punjab's unique attractions through expanding its digital footprint and onboarding a dedicated digital marketing cell. It would focus on both of Punjab's lesser-known and best-selling tourism products with targeted marketing strategies and mixes of historical landmarks, vibrant festivals, and scenic landscapes to put forth a diverse mix of trails and products on the North-Indian tourism map. Additionally, there was a proposal to showcase the state's rich art, culture, and hospitality through engaging content and utilising various media platforms.

8.5. Support for Local Initiatives

The recommendations under this theme included the need for extending support to local farmers and youth and helping them set up farm stays. Such a support mechanism could include training, infrastructure, finance, and subsidies, establishing clear policies on electricity and water tariffs for rural tourism.

8.6. Technology Interventions

It was suggested that a state-of-the-art website should be developed with a chatbot feature to enhance the visitor experience. This would help in making Punjab's digital presence felt for its tourism promotions, especially in the digital era.

9. Summary & Conclusion

Punjab's tourism sector holds significant untapped potential, rooted in its rich cultural heritage, strategic location, and well-developed infrastructure. However, the state has struggled to diversify its tourism offerings and implement effective marketing strategies, limiting its economic impact and job creation potential. The literature reviewed reveals a fragmented tourism governance landscape marked by poor institutional planning, limited funding, and weak coordination-factors echoed by primary data collected through this study.

This research identified the absence of a clear tourism vision, limited engagement with private players, and inadequate digital outreach as key barriers. While the Department of Tourism has introduced several interventions, stakeholder feedback suggests that support remains uneven, with many respondents reporting limited to no assistance across policy, infrastructure, and marketing domains. A notable theme across responses was the urgent need to overhaul digital marketing strategies, with an emphasis on targeted campaigns, improved website analytics, and stronger engagement with the Punjabi diaspora.

The CLD helped unpack the complex dynamics of the tourism ecosystem, illustrating how reinforcing and balancing loops influence destination attractiveness, investment, and sustainability. These insights underscore the need for data-driven, system-sensitive policymaking that can navigate the risks and amplify the sector's economic contribution.

In conclusion, while isolated efforts are underway, Punjab requires a coordinated and forward-looking strategy to revitalise its tourism sector. By leveraging technology, engaging private stakeholders, and learning from best practices in comparable regions, the state can transform tourism into a robust driver of inclusive growth and resilience.

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Appendix

Table 4: State-wise Tourism Policy Comparison

Parameters	Rajasthan	Madhya Pradesh	Uttar Pradesh	Gujarat	Karnataka	Punjab
Current Policy Period	2020-25	2025 -2030	2022-26	2021-25	2024-29	2018-Ongoing
Industry Status	Yes 1989	Facilities to tourism sector similar to industries such as power, reserved land to be used for tourism projects as per industrial rate.	Yes		Yes	
PPP in Tourism Projects	Yes	Yes, Huge emphasis on Public Private Partnership in Tourism sector	All projects in PPP (Public Private Partnership) mode with any agency/department/authority of Govt. of UP shall be able to avail subsidies.	Not mentioned Gujarat Infrastructure Development Board is into dev. of tourism projects on private investment mode.	Yes The tourism development. fund shall be utilised for the development of hospitality, infrastructure and tourism land banks.	For tourism projects in PPP, Investment made only by the private partners in Land, Building and Plant & machinery will be counted as FCI. (Industrial Business Development Policy 2022)
Excellence Awards	Best training centres and best training institutes in hospitality	To encourage excellence in tourism, "Madhya Pradesh State Tourism Awards" shall be given in various categories.	Max.10 State Tourism Awards every year with prize money- up to Rs 1 lakh	Gujarat Travel & Tourism Excellence awards are organised in association with Gujarat Tourism	Yes For recognition of excellence and contribution to the growth of tourism	

Single Window (SW) Clearance	Yes Single Window service to synergise schemes of tourism & industries dept.	Yes Department-wise list of desired permissions /NOCs with timelines under Public Service Guarantee Act.	Single Window has been linked to the Nivesh Saarthi/ Nivesh Mitra portal by Invest UP to convert MoUs(Memorandum of Understanding) into tangible investments in the State.	As part of the strategy, the department shall work to facilitate Ease of doing business by developing a SW clearance mechanism	Yes Approvals & clearances shall be pursued in collaboration with Govt. agencies.	
Declaration of Special Tourism Zones	Yes District Tourism Development Committee headed by Deputy Commissioner will oversee.	Masterplan shall be developed for existing/new tourism areas	Dept. Notify a list of Focus Tourism Destinations (FTDs)	-	Identification Focus Tourism Destinations (FTDs) and Focus Tourism Circuits (FTCs) for prioritized development to provide an integrated and holistic experience for the tourists	
Electricity	Exemption of 100% electricity duty for 7 yrs. (Rajasthan investment promotion policy 2022) for tourism enterprises making an investment equal to or above INR 2 Cr.		Electricity duty charged as per Industry rates for star classified and registered hotels.	100% exemption on electricity duty of a period of 5 years	Payment of electricity & water charges at domestic tariffs for registered Homestays	100% exemption for 10 years up to 100% of Fixed Capital Investment (Industrial Business Development Policy 2022)

Registration and Stamp Duty	100% exemption from payment of stamp duty for tourism enterprises making an investment equal to or above INR 2 Cr.	All new heritage hotel projects shall be exempted from for the built-up area and 1 hectare of land.	Eligible Tourism Units will qualify for 100% exemption of stamp duty & registration fee on sale/ lease/ transfer of land for the first	100% reimbursement of stamp duty / registration fee.	50% exemption of Stamp Duty 100% exemption of registration charges	100% exemption/ reimbursement from stamp duty for purchase or lease of land and building. (Industrial Business
Conversion Charges	100% exemption of conversion charges payable for change of land use & conversion of land for tourism enterprises making an investment equal to or above INR 2 Cr.	NA	Land use conversion and development charges shall be waived off for all new & expansion tourism units (leasehold tourism units shall be allowed freehold as per the by-laws of the	NA	100% reimbursement payment of land conversion fee for converting the land from agricultural use to non-agricultural use for the development of New Tourism Projects and Expansion Tourism	NA
Marketing	Separate digital media policy at attracts millennials Special marketing strategy for UNESCO World Heritage Sites Annual event for bloggers & travel writers District wise documentation & AV content in places of tourist interest be made available on website Thematic Road Shows	In National events 50% financial assistance max. of Rs. 1 lakh For Intl. events financial assistance @ 50% max. Rs. 1.00 lakh and Air fare of 1 person in Economy Class Registered / certified Self Help Groups' / boards and registered tourism cooperative societies to get 100% grant subject to a max. INR 1 lakh for participation in national / international events.	50% of the space rent actually paid, subject to a maximum of INR 30,000 per national event or INR 1 lakh per international event. Max. 20 tourism service providers every year.	National level exhibition within Gujarat, reimbursement of 50% of space rent up to Rs 30,000 & outside Gujarat, 75% of space rent up to Rs 1 Lakh (national level) or upto Rs 2 lakh (International level) Participation in international exhibition/travel tourism show, reimbursement of 60% of space rent up to Rs 5 Lakh as well as airfare for round trip up to Rs 40,000. For MICE (Meetings Incentives Conferences and Events) (International event) - INR 5000 / foreign participant, max. INR 5 lakh per event whichever is lower. For MICE (domestic events), INR 2 lakh per event.	50% of cost of printing/ publishing of publicity material, upto INR 1 Lakh National-level Domestic Event- 50% of cost of rental of stall / space upto INR 30 Thousand International Event - 50% of cost of rental of stall/ space upto INR 60 Thousand Sponsored by Karnataka Tourism-75% of total fare, for economy class only, upto INR 1 Lakh	Digital marketing support - reimbursement of 50% of the cost of on boarding on e-commerce Platform, max. 25,000 per unit. (Industrial Business Development Policy 2022

Infrastructure	Public Works Department ensures last mile connectivity to tourist destinations. 1% of the planned budget will be spent on strengthening road connectivity to tourism destinations. Shelf of tourism projects prepared to obtain funding under Corporate Social Responsibility policy 5% of planned budget on tourism projects under Smart City	Capital investment subsidy: 1. Creation of Infra & Equipments for Film Studio / Museum / Theme Park / Aquarium: 15%, up to 5 Cr 2. Creation of Infra / installation of tents / equipment / adventure tourism / water sports / cruise / houseboat / Light & Sound show: 15%, upto 3 Cr 3. Creation of Way side amenities: 15% up to 50 lakhs 4. Creation of infra such as power / water supply / approach road / drainage: 25%, upto 3 Cr 5. Ropeway: 40% upto 5 Cr 6. Sea plane / Amphibian tourist vehicle / Aero sports: 25%, upto 10 Cr	SG give preference to the arrangement of better and encroachment free link roads to the heritage hotels. For uninterrupted power supply, arrangements made for power substations/ transformers and attractive signages.	Capital subsidy of 15% of the eligible capital investment for setting up a project related to way side amenities	Tourism Development Fund to provide assistance for the development of complementary infrastructure facilities on a case-to-case basis for all tourism Projects. Support for 20% of the Eligible Project Cost for all Eligible Tourism Projects up to a maximum of INR 25 Lakh, whichever is less. Wayside Amenities be developed along the major routes connecting important tourism destinations	For Tourism Projects in PPP executed under Punjab Infrastructure (Development and Regulations) Act-2002 or similar Central Government Laws/Regulations, the Investment made only by the private partners in Land, Building and Plant & machinery will be counted as Fixed Capital Investment. (Industrial Business Development Policy 2022

Investment	Investment subsidy of 75% of state tax due and deposited, for 7 years.	Heritage Hotel (proprietorship): 15%, upto 2 Cr. Heritage Hotel (On lease from DoT): 15%, upto 5 Cr New deluxe / 3-star or higher Hotel / resort: 15% upto 5 Cr Hotel / Mini resort of standard category: 15%, upto 50 Lakh New wellness centre / resort: 15% upto 2 Cr Expansion of Star / Deluxe / standard hotel / heritage hotel: 15%, upto 5 Cr Convention Centre with more than 500 PAX cum hotel: 15%, up to 10 Cr.	100% capital investment subsidy post successful commercial operation with an investment of Minimum 10 Lakh and above. Subsidy range is from 10% to 25% (INR 2 Cr to 40 Cr) whichever lower Addl. Subsidy against investment amt. to women/SC/ST -5%	Hotel: Capital Subsidy of 20% with min. investment of Rs 1 Cr. Theme Park/Amusement Park: Capital subsidy of 15% with investment ranging from Rs 50 Cr to 500 Cr. Conversion Centre: subsidy of 15% on the investment. Convention centre: (with at least one hall of 2500 PAX) Capital subsidy of 15% National Accreditation Board for Hospitals and Healthcare BH accredited Wellness Resort: subsidy of 15% on the investment Tented/ Container Accommodation/ Motel/ Wayside Amenities/ Bhunga/ Cottage/ Log hut: Capital subsidy of 15%	The Capital Investment Subsidy for each Tourism Project shall be 15% of the Eligible Project Cost (EPC) 1.Adventure Tourism Project - Min. Investment (INR) 25 Lakhs, Max.: 2 Cr Caravan Park Project – Min. Investment for Project (INR) 50 Lakh, Max. 2 Cr. Hotel Project Budget – Min. Investment for Project (INR) 5 Cr., Max: 2 Cr Hotel Project Premium- Min. Investment for Project (INR) 10 Cr., Max. 5 Cr Wellness Centre- Min. Investment (INR) 2 Cr., Max.: 2 Cr	The State will provide following incentives to MSME units by giving Reimbursement of 100% of net SGST for 7 years from the date of commercial production with a cap of 100% of Fixed Capital invetsment (Industrial Business Development Policy 2022

Interest Subsidy	5% interest subsidy on term loan for a period of 5 years subject to a max. of INR 25 Lakhs per year OR For more than 5Cr investment: Capital subsidy equivalent to 20% of investment made in plant & machinery and equipment's subject to max of INR 25 Lakhs Additional interest subsidy for projects in backward & most backward areas		Interest subsidy: (For bank loan amount < 5 Cr) 5% interest with maximum amount of INR 25 lakh per annum	Interest subsidy of 5% upto INR 3 lakhs p.a. for 5 years for setting up new offices in Municipal Corporation area & 7% upto INR 5 lakhs p.a. for 5 years for new offices in areas other than Municipal Corporations whichever is lower.	Interest subsidy at 5% per annum on the term loan taken on the fixed capital, maxi. of INR 25 Lakh for a period of 5 years. The interest subsidy shall not exceed INR 7.5 Lakh per annum for the following tourism projects: Agri, Cultural, Heritage and Safety & Hygiene Tourism projects	Startups shall be provided interest subsidy of 8% per annum for a period of 5 years on the rate of interest paid on loans

Sustainable Tourism	Joint management committee comprising representatives of the concerned departments to suggest measures for sustainable development and may involve NGOs and environment specialists	Unit certified by Eco Tourism Society of India, reimbursement of 100% investment on certificate, max. Rs. 1.00 lakh. Any new or existing tourism unit which setup Pollution Control mechanism according to the guidelines of PCB entitled for 25% subsidy, max. Rs. 50.00 lakh and min. investment 10.00 lakh Special Incentive for Wildlife Resorts: 20% capital investment subsidy (upto 1 - 3 Cr)	Up to 75% of the cost of carrying out Energy Audit by a recognized institution/consultant, Water Harvesting/ Conservation and Environment-friendly practices like Green Buildings, Reimbursement of 20% of the capital cost of setting up effluent/sewerage treatment plant subject to a maximum of INR 20 Lakh.	Reimbursement of 50% of the certification fee paid, up to Rs 10 lakh to hotel/wellness resort obtaining Green Building Certification as identified by State Level Executive Committee from time to time Reimbursement of 50% of certification fees paid, up to Rs 5 Lakh to tour operator for obtaining GSTC certification through GSTC accredited agencies Incentives for: Adoption of e-vehicles by service providers & e-charging stations	Special recognition by DoT to Tourism projects that have undertaken sustainability measures & practices and will be showcased.Subsidy on max of 5 projects under: Water Conservation and harvesting: 50% of capital cost involved to a ceiling of INR 1 Lakh Renewable Energy: 50% of capital cost involved to a ceiling of INR 1 Lakh Pollution control measures: 50% of capital cost max. INR 1 Lakh	-

Source: Created by the author using data from Punjab State Tourism Policy (2018), Uttar Pradesh Tourism Policy (2022), Rajasthan Tourism Policy (2020), Gujarat Tourism Policy 2021-2025 (2022) and Madhya Pradesh Tourism Policy (2025).

Table 5: Major Fair and Festivals in Punjab

Cultural events in Punjab represent a critical component of the state's tourism ecosystem, offering immersive experiences that blend heritage, art, and community engagement. These events serve as dynamic platforms to showcase Punjab's rich traditions, crafts, and performing arts, while fostering local economic activity and cultural preservation. Strategically distributed across districts, they help decentralize tourism beyond established hubs, creating opportunities for regional development and inclusive growth. By leveraging these events as thematic anchors, Punjab can strengthen its cultural tourism portfolio, attract diverse visitor segments, and position itself as a year-round destination. Integrating these celebrations into marketing strategies, digital campaigns, and curated travel circuits can significantly enhance destination appeal and contribute to the state's vision of expanding tourism footfall and economic impact.

S. No.	Name of the Event	Location
1	Military Literature Festival	Chandigarh
2	Nihang Olympics	Sri Anandpur Sahib
3	Baba Sheikh Farid Aagman Sufi Festival	Faridkot
4	Hari Singh Nalwa Josh Festival	Gurdaspur
5	Punjab Handicrafts Festival	Fazilka
6	Chhinj Olympics	Tarn Taran
7	Tibbeyan Da Mela	Mansa
8	Sufi Festival	Malerkotla
9	Patiala Heritage Festival	Patiala
10	Bathinda Viraasati Mela	Bathinda
11	Basant Kite Flying Festivities	Ferozepur
12	Kapurthala Heritage Festival	Kapurthala
13	Nature Festival	Hoshiarpur
14	Teeyan da Mela	Sangrur
15	Festivals of River	Pathankot
16	Equestrian Festival	Mohali
17	Maghi Mela	Sri Muktsar Sahib
18	Shaheedi Jor Mela	Fatehgarh Sahib

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