

# रत्स YATRA

## A pilgrimage to Temple Economy

Amrit Singh Sandhu | January 31, 2024

*“India, a nation renowned for its breathtaking landscapes, divine culture, and profound spirituality, is intricately woven into an economic fabric deeply connected to faith. At its core, the temple economy emerges as a compelling force that propels tourism generates livelihoods, and contributes significantly to the nation's economic tapestry.”*

### Indian Tourism Landscape:

The enormity of India's tourism sector is highlighted by the **World Tourism and Travel Council**, estimating its GDP contribution to be **US\$ 199 Billion in 2022**. This figure is anticipated to soar to approximately **US\$ 440 Billion by 2030**.

### How India Fares Globally in International Tourist Arrivals?

#### India's Tourism Sector

**\$199bn**

Total contribution to GDP

**\$30bn**

Foreign exchange earnings from tourists

**11mn**

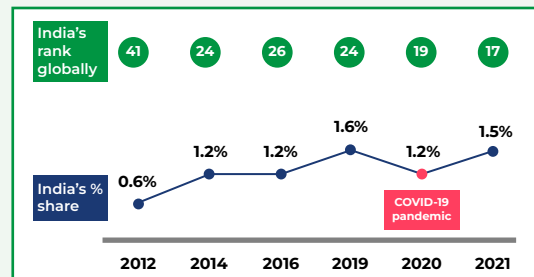
Foreign Tourist Arrivals

**2.3bn**

Domestic Tourist Visits to all States

Source: Tourism Ministry (Government of India)

India's market share rose by 1% in the last decade and this trajectory is expected to accelerate in the coming decade



Source: Tourism Ministry (Government of India)

The sector currently supports **35 million jobs**, projected to reach **53 million by 2029**. Remarkably, religious tourism constitutes a staggering **30% of domestic tourism**, playing a pivotal role in this **vast and dynamic landscape**.

## Religious Tourism at a Glance:

Religious tourism forms a substantial chunk of India's overall tourism influx, drawing millions of pilgrims and tourists annually. Architecturally splendid temples, rooted in cultural heritage, attract visitors from both domestic and international locations.

### Top 3 States Visited in 2019

Tamil Nadu

Maharashtra

Uttar Pradesh



| Domestic tourists | Tourist visits (mn) | 385.9 | 285.1 | 119.2 |
|-------------------|---------------------|-------|-------|-------|
|                   | % share of total    | 20.8  | 15.4  | 6.4   |
| Foreign tourists  | Tourist visits (mn) | 6     | 3.8   | 5.1   |
|                   | % share of total    | 21    | 13.1  | 17.6  |

Source: Tourism Ministry (Government of India)

## Estimated Footfall at Key Indian Religious Places



Source: India Strategy report by Jefferies

India being a land of diverse cultures has about 20 million places of worship, where 9 lakh belong to the Sanatan Hindu Samaj, 2.5-3 lakh Sikh Gurdwaras, 2 lakh-plus Jain temples, 3.5 lakh mosques, 1.7 lakh Catholic churches, and 1.1 lakh Protestant churches.

These places of worship collectively employ a staggering 350 million people, that not only surpasses the largest private sector employer i.e. The Indian IT sector which directly employs ~5.1 million people but also the combined jobs in central and state governments, that amount to 35 million. This underscores the pivotal role that temples play in job creation and sustaining livelihoods.

These temples wield a profound impact on tourism, unleashing significant economic activity in their respective regions. A prime example is the **city of Varanasi**, which experienced a surge in pilgrim numbers following the inauguration of **Shri Kashi Vishwanath Dham**. The increased footfall translated into a boon for the hospitality sector, with over 50 million individuals finding accommodation in hotels and dharamshalas. The resulting economic benefits extend beyond tourism, encompassing tax revenues, agricultural income, purchase of local artifacts, earnings for regional businesses and services like boatmen, rickshaw pullers, and wheelchair drivers. Such significant religious attractions create undeniable economic ripple effects, illustrating the positive impact of temples on regional development.

*“It's noteworthy that India is home to the world's richest temple, the Padmanabhaswamy Temple in Thiruvananthapuram, housing treasures worth billions”*

## Ayodhya: A Beacon of Temple Economic Power

In the heart of India, the sacred city of **Ayodhya** is poised to emerge as the **epicentre of temple economic power**, with the imminent completion of the Ram Mandir. This transformative journey positions Ayodhya to claim the title of the capital of religious tourism in the country. Prime Minister Modi's grand inauguration of the Ram Mandir on January 22, 2024 marks not only a significant religious event but also signals a substantial economic impact, as India welcomes a new tourist destination expected to attract over **50 million visitors annually**.

A **US\$10 billion** makeover is set to rejuvenate this ancient city from a quiet town into a global hub for religious and spiritual tourism. The construction of the new Ram temple, for **US\$225 million** (Rs. 18 billion), symbolizes not just a religious landmark but a catalyst for economic growth. The ripple effect of this is projected to benefit industries such as hotels, airlines, hospitality, FMCG (Fast Moving Consumer Goods), travel ancillaries, and even the cement sector. With the influx of tourists, Ayodhya is set to experience increased economic and religious migration, creating a dynamic environment that fosters growth and development.

### Overview

With the cost being funded through contributions and donations the Ram mandir was built at an estimated cost of Rs.18 billion (\$225mn).

The grand inauguration took place on January 22, 2024.



**Ram Mandir**

### Key Highlights

Having spread of over 70 acres, the main pilgrimage site will be equipped to host about a million devotees together.

100k - 150k pilgrims per day are expected to visit the temple.

### Other Infrastructure Projects:

Ram Path(13km), Ram Janmabhoomi(2km) and Bhakti Path(750m) are the three key roads which have been revamped, featuring grand entry and exit gates at both the points.

To cater to the potential interest of senior citizens and families seeking a second home on account of sacred significance, greenfield township of 1200 acre has been launched which is being built at an estimated cost of Rs. 22 billion (\$260mn).

## Current Impact:

| Hotels/ Hospitality  | FMCG & QSR   | Aviation/ Railways & Ancillaries  |
|--|--|---|
| <ul style="list-style-type: none"> <li>- Approximately 17 hotels and 590 rooms are present at Ayodhya where demand is seen outstripping the supply</li> <li>- Out of 73 new hotels in the pipeline 40 are already under construction</li> <li>- IHCL, Marriott International, Wyndham, etc. have already signed deals for hotels</li> <li>- Two new properties have been signed by IHCL in Ayodhya (operational in 2027)</li> <li>- ITC Hotels exploring opportunities in Ayodhya</li> <li>- 1000 hotel rooms to be added by OYO in Ayodhya</li> </ul> | <ul style="list-style-type: none"> <li>- Significant captive markets offering strategic first-mover advantage are being presented by religious and pilgrimage sites like Ayodhya, The Golden Temple, VaishnoDevi, etc</li> <li>- There are discussions about setting up of outlets or have already begun setting up outlets by QSR chains such as Restaurants Brands Asia, Devayani international, Jubilant Foods</li> <li>- Burger King set up one store in the city in H1 of 2023</li> </ul> | <ul style="list-style-type: none"> <li>- Ayodhya was announced as the 86th domestic destination by Indigo airlines. Direct flights from Delhi, Ahmedabad and Mumbai were announced</li> <li>- Direct flights from Bengaluru, Kolkata and Delhi were announced by Air India</li> <li>- Spicejet and Aksasa Air also announced flights connecting Ayodhya with multiple cities</li> <li>- Tour packages were announced to Ayodhya by IRCTC</li> </ul> |

## Why Ayodhya? A Beacon Temple Economic Power:



|                             |               | Ayodhya, India  | Vatican City   | Mecca, Saudi Arabia   |
|-----------------------------|---------------|---|--|---|
| <b>Significance</b>         |               | Religious, cultural and historical  | Religious, cultural and historical   | Religious, cultural and historical  |
| <b>Tourism type</b>         |               | Pilgrimage / spiritual  | Pilgrimage / spiritual   | Pilgrimage / spiritual  |
| <b>Annual est. footfall</b> |               | ~50mn to ~ 100mn  | ~9mn   | ~20mn   |
| <b>Annual est. revenue</b>  |               | NA  | ~\$315mn (low on account of proximity to Rome)   | ~\$12bn   |
| <b>Infrastructure</b>       | <b>Travel</b> | <b>Good:</b> access by air, road & rail International terminal to start by 2025 | <b>Excellent:</b> access by air, road & rail (on account of proximity with Rome ~ 25 kms away in Rome) | <b>Good:</b> access by rail and road Closest airport is 75 kms away in Jeddah |
|                             | <b>Stay</b>   | Global and domestic hotel chains in process of adding capacity                  | Limited accommodation options with most visitors staying in Rome on account of proximity               | Numerous accommodation options across budget ranges                           |

Source: India Strategy report by Jefferies

## Government Initiatives for Temple Tourism Development

The significance of temple tourism in India has prompted the government to implement several initiatives aimed at fostering its development. One noteworthy initiative is the "**PRASAD**" (Pilgrimage Rejuvenation and Spiritual Augmentation Drive) scheme, launched by **The Ministry of Tourism**. This scheme focuses on developing infrastructure and amenities in and around pilgrimage sites, including temples, to enhance the overall visitor experience.

Under **PRASAD**, funds are allocated for beautifying, restoring, and modernizing pilgrimage destinations. This not only aims to preserve the cultural and architectural heritage of these sites but also facilitates better facilities for pilgrims and tourists. By investing in the development of temple towns and their surroundings, the government aims to create a more sustainable and enriching tourism experience, attracting a larger number of visitors.

Additionally, various state governments have taken proactive measures to promote temple tourism. Initiatives include the promotion of local handicrafts, traditional cuisine, and cultural events to enhance the overall tourism ecosystem. These efforts not only showcase the historical significance of the temples but also contribute to the economic well-being of the local communities.

*“Kailasa Temple, Ellora Caves, Maharashtra, Dedicated to Lord Shiva, the temple took 150 years and 7,000 laborers to craft the Kailasa temple out of one single rock. It is the world's oldest single rock carving”*

In conclusion, the temple economy stands as a formidable force within India's tourism sector, contributing significantly to the country's economy. The cultural richness and religious diversity attract millions of visitors worldwide, fostering economic growth and job creation. As **Ayodhya** prepares to embrace its role as a **global hub for religious tourism**, the ripple effects of economic prosperity are poised to extend beyond the temple walls, benefiting diverse sectors and local communities.

In the grand tapestry of India's tourism story, temples continue to weave threads of **faith, culture, and prosperity**, creating a vibrant environment and narrative that resonates with the spirit of the nation.

----- Thank You for reading! See you Next Month! -----

## Some Interesting Reads & Videos

- 🌐 Temple Economics - By Sandeep Singh
- 🌐 India's Mega \$40 billion Plan For Ancient Temples
- 🌐 History of Hindu temples & their economic worth
- 🌐 How Ayodhya's Ram Mandir will benefit temple tourism in India

*\*Click on the Above Text Access the Links*

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