Geopolitical Tensions Alter Routes, Not Travel Intent

Amid a rapidly evolving global landscape, the travel and tourism industry is once again navigating the impact of geopolitical tensions, with the Iran-Israel and America conflict. While such disruptions have historically influenced travel flows, the industry today is demonstrating greater resilience and adaptability. From shifting traveller sentiment to operational recalibrations, stakeholders across the travel ecosystem are rethinking strategies to sustain momentum and build long-term stability in an increasingly unpredictable environment, as reflected in our interactions with key industry voices.

Prashant Nayak



▲ Mohit Aggarwal



▲ Mahendra Vakharia



▲ Lalit Rajput



▲ Amit Periwal

Geopolitical uncertainty has surfaced as an increasingly defining factor in shaping global travel patterns. Even when conflicts remain regionally contained, their ripple effects are felt across traveller sentiment, booking behaviour, and operational dynamics. In today's interconnected world, perception often travels faster than reality, prompting both travellers and industry stakeholders to respond with greater caution, agility, and strategic foresight.



▲ Rajesh Arya



▲ Anil Kalsi



▲ Dr. Nitin Mittal

Outbound Travel: Shifting Sentiment in Uncertain Times

Geopolitical developments continue to shape outbound travel sentiment, not by halting demand, but by influencing how and when travellers make decisions. As uncertainties persist, outbound travel is not slowing; it is evolving, shaped by a more informed, cautious, and adaptable global traveller.

"Geopolitical developments have a direct and almost immediate impact on traveller sentiment. Even when incidents are contained, travellers perceive risk on a broader scale, leading to temporary hesitation or delays in decision-making. We often see fluctuations in demand for destinations perceived as sensitive or near affected regions, even if travel advisories remain unchanged. At the same time, travellers today are far more informed and discerning; they closely monitor official advisories, airline updates, and media coverage before finalising their plans," said Mohit Aggarwal, Founder and CEO, Asian Adventures.

That heightened awareness is translating into more cautious and calculated booking behaviour.

Mahendra Vakharia, Managing Director, Pathfinders Holidays, observed, "Geopolitical uncertainty does not stop travel; it reshapes it. Travellers become more discerning, prioritising safety, flexibility, and reassurance, often choosing alternative destinations and booking closer to departure. Plan B comes into play, and this is where expert travel advisors add real value, helping clients navigate choices with confidence and clarity."

Across markets, travellers are increasingly gravitating towards destinations perceived as stable, with a clear preference for safety, political stability, and strong infrastructure. This has also led to a visible shift within regions, where alternatives gain traction when certain destinations are viewed as sensitive.

Mohit noted, "There is a clear rise in interest for alternatives within similar regions, for instance, choosing Southeast Asia over West Asia when tensions escalate. Shorter booking windows have become a key trend, with travellers preferring to confirm at the last minute once the situation emerges clearer. Additionally, there is

much greater demand for flexible booking options, refundability, no-cost date changes, and adaptable itineraries are now seen as essential rather than optional."

Even as demand recalibrates, the broader trend points towards redistribution rather than decline. Travellers are not withdrawing from international travel; they are reassessing their choices with greater care. Mahendra added, underlining the industry's ability to adapt to shifting global conditions, "Many parts of the world remain unaffected, and clients are comfortable booking travel to such destinations. Fortunately, only certain regions are impacted at a time, which allows demand to continue in other parts of the world."

In this evolving landscape, the role of the travel advisor has become more critical, moving beyond itinerary planning to providing clarity and reassurance.

"Clear, proactive communication is central to maintaining traveller confidence. We ensure clients receive verified information from credible sources, helping them differentiate between actual advisories and media noise. Transparency about airline operations, safety protocols, and on-ground conditions allows travellers to make informed decisions," explained Mohit.

Emphasising the importance of trust and continuous support, Mahindra echoed similar thoughts, stating that confidence in travel comes from clarity and support. Role played by them is to bring that clarity through accurate information, strong global partnerships, and unwavering support. That is where a trusted travel advisor makes all the difference, not just in planning the journey, but in standing by the client throughout it.

Visa Dynamics: Policy Pressures and Processing Realities

Uncertainty in global security dynamics is also reshaping one of the most critical enablers of international travel, visa processing, where shifts in global stability are directly influencing demand, scrutiny, and traveller confidence.

Lalit Rajput, Managing Director, Airocity Visas, believes that the current environment is presenting both challenges and a period of transition for the industry. "While global conditions have led to business losses and instability for travel agents, tour operators, and visa facilitation companies, this phase is also driving transformation. The increasing complexity of visa processes is driving greater demand for expertise, innovation, and adaptability. That complexity is already reflected in application trends. We are observing a decline of approximately 20 to 30 per cent in visa applications, particularly for Middle Eastern destinations such as the UAE, Oman, Qatar, Bahrain, and Saudi Arabia, as well as CIS countries including Russia, Belarus, Armenia, and Kazakhstan. At the same time, applications for other regions remain steady, with some destinations even surpassing expectations," noted Lalit.

This divergence highlights a broader shift, where demand is not diminishing but redistributing in response to geopolitical developments. At the same time, the role of visa facilitation is undergoing a significant evolution. Lalit stated that the focus today is moving beyond transactional processing towards a comprehensive travel advisory. Travellers are seeking accurate, timely, and strategic guidance, from documentation to destination-level insights, to navigate uncertainty with confidence.

As global dynamics continue to evolve, visa services are emerging as a critical touchpoint, shaping both traveller decisions and the overall pace of outbound recovery.

Domestic Travel: Reordering Travel Priorities

On the domestic front, global political uncertainty is not triggering an immediate surge in demand, but is instead reshaping how travellers approach their plans. As booking cycles shorten and decision-making becomes more cautious, domestic travel continues to evolve as a complementary and experience-driven segment within the broader travel landscape.

According to Amit Periwal, Director, Clubside Tours and Travels, caution tends to override impulse during such periods. He mentioned, "We usually do not see an immediate increase in demand for domestic holidays. Instead, travellers become more cautious and defer decisions until there is greater clarity. The more noticeable shift is in booking patterns, booking windows shorten, and travellers increasingly prefer last-minute confirmations, flexibility, and low-risk travel options over early commitments."

That shift, however, does not necessarily translate into domestic travel replacing international aspirations. Amit explained that in most cases, travellers prefer to postpone rather than substitute international trips. For many, international travel is aspirational, and replacing it with a domestic holiday does not always meet their expectations. Typically, well-travelled consumers plan a mix of international and domestic holidays throughout the year. When uncertainty arises, they tend to advance or prioritise domestic experiences already on their bucket lists rather than viewing them as a replacement.

This distinction highlights a more nuanced behavioural change. Domestic travel is gaining traction, not as a fallback, but as part of a reordering of priorities. Amit believes that the shift is not a direct substitution but a reordering of travel priorities, with domestic travel gaining ground when positioned as an equally enriching and well-curated experience.

In response, the industry's focus has shifted towards building confidence and delivering reliability. "We emphasise destinations where we have strong operational control and expertise, such as the Northeast and Eastern Himalayas. Clear communication around permits, accessibility, and on-ground support becomes critical in such times," pointed out Amit.

Travel Associations: Collective Resilience in a Fragmented World

At an industry level, there is a growing consensus that while geopolitical disruptions remain unpredictable, the travel ecosystem today is far better prepared to respond, shaped by years of navigating crises and building resilience across segments. As the global travel landscape becomes increasingly fragmented, the role of associations is expanding, not just as representatives but as enablers of stability, knowledge-sharing, and collective progress.

Rajesh Arya, President, GAEHP, emphasised that preparedness today is rooted in both technology and evolving traveller expectations. He expressed, "The industry has made significant strides in handling global disruptions. With the integration of AI-driven personalisation, sustainable tourism practices, and hybrid travel models, travel is becoming smarter, safer, and more adaptable. At the same time, we are seeing a clear shift in consumer behaviour towards premium and experience-led travel, along with a growing demand for responsible and eco-conscious choices."

Rajesh added that despite these advancements, challenges remain persistent. World political disruptions, fuel volatility, and economic uncertainty continue to impact travel plans and pricing. The current global environment is already influencing demand patterns, but the industry is evolving continuously to respond to these changes.

This evolving landscape is also reflected in traveller sentiment, which is becoming more selective rather than subdued. Pointing to a broader recalibration of travel choices. Rajesh explained, "Travellers are becoming increasingly cautious, with a preference for destinations that offer safety, stability, and transparency. There is a noticeable shift towards domestic travel and short-haul international routes, particularly across Southeast Asia and other accessible regions."

From an operational standpoint, the pressures are equally significant. Disruptions in air connectivity, fluctuating costs, and changing regulations continue to challenge stakeholders across the ecosystem.

Anil Kalsi, Vice President, TAFI, highlighted the complexity of the current environment, as he noted, “The challenges today have evolved, especially for Indian carriers. Airspace closures and regional disruptions were unforeseen, yet despite rising costs, airlines continue to operate and deliver, which in itself reflects the resilience of the sector.”

He added that travel patterns are adjusting in response, with leisure demand shifting towards the East and down under, including destinations such as Vietnam, Thailand, Singapore, and Australia, depending on fare structures and currency stability.

At the same time, the structure of the travel business itself is undergoing a considerable transformation. Anil said, “Members today have moved beyond traditional ticketing and are diversifying into packages, cruises, visa facilitation, and inbound travel. Skill enhancement through webinars, stakeholder engagement, and continuous learning has become essential in adapting to changing market conditions.”

For Dr. Nitin Mittal, National Coordinator, NIMA, the defining shift lies in the industry’s ability to respond with agility. “The travel and MICE sector is significantly better prepared today. Stakeholders have built stronger contingency frameworks, diversified supplier networks, and adopted digital tools for real-time communication and crisis management. Flexibility in contracting and dynamic itinerary planning is now integral to operations. Traveller intent remains strong, albeit more measured. Sentiment is evolving rather than declining. Travellers are more sensitive to safety, connectivity, and visa processes, but the desire to travel for business, incentives, and experiences continues. This is leading to shorter booking cycles and a preference for flexible, value-driven offerings,” explained Nitin.

Across associations, there is also a clear recognition that collaboration and policy support will be critical in navigating future uncertainties. Industry collaboration, policy stability, and market diversification are fundamental to resilience. Coordinated engagement between associations, government bodies, and stakeholders enables faster response mechanisms and clearer communication during disruptions.

A More Resilient Future for Travel

As the global travel landscape continues to be shaped by shifting geopolitical dynamics, the industry’s response reflects a deeper transformation rather than a temporary adjustment. Travellers are more informed, cautious, and flexible, while stakeholders are increasingly focused on adaptability, diversification, and collaboration. From redefined booking behaviours to evolving visa processes and strengthened domestic demand, each segment is recalibrating in its own way. What emerges is a more resilient and responsive ecosystem, better equipped to absorb shocks while sustaining growth. In an unpredictable world, the ability to anticipate change and respond collectively will define the future of travel.

Airspace Closures and Cost Pressures Continue to Weigh on Indian Aviation

Indian aviation is navigating one of its most complex phases, as successive geopolitical disruptions, from the Russia-Ukraine war to India’s own airspace standoff with Pakistan, and now the escalating crisis in West Asia, continue to reshape operations. What began as cost pressures has evolved into a structural challenge, impacting routes, pricing, and the financial stability of airlines.

Prashant Nayak

In recent years, the strain on Indian aviation has not been an isolated shock. It is the cumulative impact of successive disruptions, now testing the sector’s resilience at multiple levels.

From Disruptions to Structural Strain

The ripple effects began with the Russia-Ukraine war, which drove up operational costs due to restricted airspace and longer flight paths. This was followed by the 2025 India-Pakistan escalation, where mutual airspace closures forced Indian carriers into costly detours, significantly impacting network efficiency, a challenge that continues even today.

The ongoing Iran-Israel and US conflict has further intensified these pressures. Frequent and sudden airspace closures across West Asia have disrupted key global corridors. Between late February and early March 2026, Indian airlines cancelled over 1,100 international flights, with nearly 444 grounded on a single day.

Regulatory advisories have tightened operations further. The DGCA has directed airlines to avoid multiple high-risk regions across West Asia, effectively cutting off key transit hubs such as Dubai, Doha, and Abu Dhabi, and leaving thousands of Indian travellers stranded.



Rising Costs, Falling Margins

Currently, the core of the crisis is a sharp surge in ATF prices, which have crossed Rs 2.07 lakh per kilolitre. While domestic routes have seen moderated increases with government support, international operations continue to bear the full impact of market-linked fuel costs, even as airlines attempt to absorb part of the burden.

Airfares have mirrored this volatility. When direct Delhi-London services were temporarily suspended, one-way fares surged to as high as Rs 6,00,000 to 7,00,000 at the peak of disruption. Although prices have since stabilised, they remain significantly elevated, with summer fares still markedly higher than last year.

Financially, the outlook remains challenging. ICRA estimates industry losses for FY26 at Rs 17,000-18,000 crore, with a clear downside risk if geopolitical tensions persist. For Indian aviation, the challenge is no longer short-term disruption, but sustaining stability in an increasingly unpredictable global environment.