

LeaderSpeak

DECEMBER 2024



PRESIDENT'S MESSAGE

DEAR FRIENDS,

2024 has been a remarkable and rewarding year for the Hospitality sector. Domestic travel experienced significant growth, driven by initiatives like Dekho Apna Desh, which emphasise promoting lesser-known destinations. International events like the G20 Summit highlighted India's hospitality expertise, enhancing business tourism and establishing the country as a prominent MICE destination. Tier 2 and 3 cities are becoming hotbeds for leading chains to pursue aggressive expansions to tap into growing urbanisation and the rising spending power of the middle class. Hotels are adopting sustainable practices such as using renewables, water conservation, effective waste management and, many cases going even beyond the government mandated reduction in single-use plastic to avoid plastic usage altogether. Eco-tourism also gained popularity among travellers looking for responsible travel experiences.

Niche tourism, including yoga and wellness retreats have witnessed a sharp increase in business from domestic and international tourists. Luxury travel is on the rise and poised for continued growth, fuelled by a rising demand for immersive experiences, exclusive offerings, and a commitment to sustainable practices. With growth in urbanisation and rising spending power of the middle-class, the hospitality industry must prioritise innovation by adopting advanced technology, offering personalised experiences, and fostering inclusivity to enhance guest satisfaction. Collaboration between the government and private sector will be crucial in improving infrastructure, developing skilled talent, and maintaining top-tier safety and service standards.

As we close this year, let us pledge to work together to make 2025 a landmark year, driving growth, creating memorable experiences, and propelling India's hospitality industry to greater prominence on the global stage.

With best wishes for 2025,

Regards,
KB Kachru
President HAI

OBITUARY

HAI MOURNS LOSS OF ITS FOUNDING MEMBER, AN INDUSTRY PIONEER

The Hotel Association of India deeply mourns the passing of Mr. S. S. H. Rehman, a founding member and its first President. A visionary leader, Mr. Rehman made remarkable contributions to shaping India's hospitality industry over the decades. He also played a key role in founding the World Travel & Tourism Council in India and led tourism committees of FICCI, ASSOCHAM, and CII.

HAI President, Mr. KB Kachru, described Mr. Rehman as a mentor whose dedication to excellence, innovation, and customer satisfaction left a lasting impact on the sector. HAI Secretary General, Mr. MP Bezbaruah, highlighted his leadership in HAI's formative years, which steered the association with vision and commitment.

Mr. Rehman began his career in the Indian Army before transitioning to hospitality in 1975, joining ITC in 1979. Over three decades with the company, he served as Managing Director of ITC Hotels and later as Executive Director, overseeing key divisions like Hotels, Travel & Tourism, and Foods. His efforts helped position ITC Hotels as one of India's leading hospitality chains.



HAI MEETINGS

The 103rd Meeting of the Executive Committee and the 28th Annual General Meeting were held on the 17th December 2024 at the Radisson Blu Plaza Delhi Airport and chaired by the President Mr. K.B. Kachru.

The meetings started on a sombre note with the members paying homage to Mr. S.S. Rehman and observing a minute's silence in his memory. Mr. Rehman, a founding HAI member and its first president, passed away earlier on the same day. The meetings proceeded as scheduled, with the Executive Committee reviewing updates on activities such as ministerial participation, new memberships, media coverage, and other matters. A key highlight was the activation of the HAI State Chapter for Maharashtra and Goa. Other discussions focused on the Mentor-Mentee program and preparations for the seventh edition of the HAI Hoteliers' Conclave.

At the 28th AGM, Mr. Kachru summarized the industry's 2023-2024 performance and expressed satisfaction with tourism's inclusion in union budgets. However, he called for key policy interventions to support hotel development and advocated for infrastructure status for hotels. He also acknowledged the industry's growth potential, despite challenges like sustainability, technology, and manpower shortages.

The AGM concluded with the approval of HAI's financial reports for 2024 and the appointment of auditors for 2024-2025. The President unveiled "Rethinking Tourism" by Mr. M.P. Bezbaruah, reflecting on the sector's post-COVID journey and its role in India's goal to become the third-largest economy by 2047.



HAI URGES POLICY INITIATIVE FOR EFFECTIVE PPP

Recognising the pivotal role of states in holistic development, the Ministry of Tourism has launched several initiatives to support state-level efforts. In alignment with this policy, HAI is intensifying its engagement with states by activating regional chapters, with the latest being the North-East Chapter. HAI Secretary General, Mr. Bezbaruah recently visited Guwahati to brief the Minister of Tourism, Chief Secretary, and Secretary of Tourism about HAI's role as the premier industry association and how the hospitality sector can drive the state's future tourism growth.

HAI REPRESENTS INDIAN HOSPITALITY SECTOR AT PM MODI'S LUNCHEON FOR SRI LANKAN PRESIDENT

Hotel Association of India (HAI) was honoured to be invited by the Honourable Prime Minister, Shri Narendra Modi, to a special lunch hosted at Hyderabad House in honour of the visiting President of Sri Lanka, Mr. Anura Dissanayake. Mr. M.P. Bezbaruah, Secretary General, HAI represented the Association at the august gathering. Notably, HAI was the only hospitality body invited for this prestigious occasion.

Speaking on this significant moment, Mr. Bezbaruah expressed his gratitude, saying, "It was a great honour to be invited to the lunch hosted by the Hon'ble Prime Minister for the visiting President of Sri Lanka, Mr. Anura Dissanayake. The gathering included many distinguished representatives from both public and private sector enterprises."

UNFAIR TO COMPARE STARRED INDIAN PROPERTIES TO INTERNATIONAL COUNTERPARTS BASED ON TARIFFS

In July last year, Anand Sankar from Uttarakhand and his wife found hotel prices in Goa so high that they chose to vacation in Vietnam instead. Despite July being the off-season in Goa, this isn't an isolated case. Many travelers are finding hotel prices in India too steep, opting for overseas destinations. While this trend is widely noted, the reasons behind India's high hotel tariffs and potential solutions remain unexplored.

In a recent interview with India Today, HAI Secretary General Mr. MP Bezbaruah said comparing starred Indian properties to those abroad just based on tariffs wouldn't be fair adding that 5-star hotels vary vastly in services and facilities. He added that Indian hotels tend to offer good value for money in terms of quality of experience and the expanse of services. Bezbaruah went on to explain that tariffs are largely dependent on several factors including cost of investment, nature of facilities provided and demand for the services. He further added that cost of land, taxes, rate of interest and period of loan repayment are among the other major factors. Moreover, the rate of return on capital is a primary factor, he added.

Ajay Bakaya, Managing Director of Sarovar Hotels, Director at Louvre Hotels, and Fellow Member of the Hotel Association of India, in the same interaction, stated that he does not believe destinations like Kerala or Goa are more expensive than those in Southeast Asia throughout the year. "However, this can be true between December and February, which is the peak season in India with the highest demand."

HOSPITALITY SECTOR WILL BE PIVOTAL TO ACHIEVE INDIA'S DREAM OF BECOMING 3RD LARGEST ECONOMY BY 2047

As the Indian hospitality industry prepares for 2025, it anticipates welcoming more foreign tourists, with arrivals expected to exceed pre-Covid levels. The sector aims to contribute USD 1 trillion to India's economy by 2047, but it seeks government support for policy interventions like unified licensing, workforce upskilling, and targeted infrastructure investments. HAI President KB Kachru emphasised that the hospitality sector's impact on the economy is even greater than that of manufacturing and agriculture, playing a key role in India's goal of becoming the world's third-largest economy by 2047.

The hospitality industry has experienced accelerated growth in recent years, driven by a surge in domestic travel. However, international tourist arrivals to India have remained lower than pre-COVID levels, which has raised concerns for the sector. Kachru, however, noted that the inbound tourism segment is steadily recovering and is expected to reach pre-Covid levels by early next year.

POLICY NEWS

UTTAR PRADESH TO INTRODUCE HERITAGE TOURISM POLICY

Uttar Pradesh is making significant strides in promoting experiential heritage tourism, drawing inspiration from Rajasthan. The state is crafting a comprehensive Heritage Tourism Policy to facilitate the adaptive reuse of its historic forts, palaces, and mansions. The Department of Tourism, Government of Uttar Pradesh, in collaboration with FICCI recently hosted a Heritage Tourism Conclave in Lucknow bringing together heritage property owners, hotel groups, investors, and consultants to discuss and refine the draft of the new policy.



ANDHRA PRADESH GOVERNMENT APPROVES NEW TOURISM POLICY 2024-29

In a recent development, the Chandrababu Naidu led Andhra Pradesh Government approved to replace the state's tourism policy 2020-25, with the new Andhra Pradesh Tourism Policy 2024-2029. The new policy came into immediate effect and will remain in force for a period five years. Speaking at a function after the launch of the policy, State Tourism Minister Kandula Durgesh said the policy was formulated with a thrust on an integrated approach adding that the government had accorded industry status to the tourism sector, which would facilitate subsidies to the investors who come forward to develop projects.

The Minister further added that the new Tourism Policy was made in line with views and inputs from all stakeholders who can invest in the State without any fear or apprehensions.



FAITH RE-ELECTS MR.PUNEET CHHATWAL , HAI NOMINEE AS CHAIRMAN

Indian Hotels Company Ltd. (IHCL) Managing Director and CEO and HAI nominee, Puneet Chhatwal has been re-elected as Chairman of the Federation of Associations in Indian Tourism and Hospitality (FAITH) for a two-year term from 2024-2026. The elections, held recently at Ginger Hotel in Chanakyapuri, New Delhi, saw candidates elected unopposed. FAITH serves as the collective voice of India's tourism and hospitality sector, representing 10 national associations, including HAI, FHRAI, IATO, the Association of Domestic Tour Operators of India, Adventure Transporters Association, TAFI, Travel Agents Association of India, and others, alongside its cause partner, the All-India Resort Development Association.



76 PROJECTS SANCTIONED UNDER SWADESH DARSHAN SCHEME OF TOURISM MINISTRY

The Union Tourism Ministry on Wednesday (December 25, 2024) sanctioned 76 projects worth ₹5,287.90 crore under the Swadesh Darshan Scheme, with 75 projects already completed. Initially launched in 2014-15, the Swadesh Darshan Scheme aimed at the integrated development of theme-based tourist circuits. It was later upgraded to Swadesh Darshan 2.0, focusing on creating sustainable and responsible destinations with a tourist- and destination-centric approach. As part of Swadesh Darshan 2.0, the Ministry has so far approved 34 projects with a total allocation of ₹793.20 crore.



CHALET HOTELS' CEO SANJAY SETHI HONOURED BY LOK SABHA SPEAKER OM BIRLA WITH AN HONORARY DOCTORATE

Sanjay Sethi, Managing Director & CEO of Chalet Hotels Limited, was conferred with the prestigious Honoris Causa during the 2024 Convocation Ceremony at Manav Rachna Educational Institutions (MREI) at their Aravalli Hills campus. Sethi was recognised for his exceptional contributions to the hospitality and real estate sectors, particularly his leadership in driving sustainable growth and innovation.

The ceremony was attended by Chief Guest Om Birla, Speaker of the Lok Sabha, who delivered the Convocation Address. Shri. Vipul Goel, Cabinet Minister of Haryana was the Guest of Honor. Dr. Prashant Bhalla, Honourable Chancellor of Manav Rachna, presided over the event.



HOTEL SIGNINGS AND OPENINGS

LEMON TREE HOTELS SIGNS NEW PROPERTY IN GUJARAT'S BHUJ, OPENING EXPECTED IN FY26

Lemon Tree Hotels Ltd. announced the signing of a new property in Bhuj, Gujarat. Managed by Carnation Hotels, a wholly owned subsidiary, the hotel featuring 74 rooms, a restaurant, meeting rooms, banquet, swimming pool, fitness center, and other amenities is all set to open in FY2026. The property is located 9 km from Bhuj Airport and 4 km from the Bhuj Railway Station.



SAROVAR HOTELS & ISHAAN GROUP LAUNCH ISHAAN SAROVAR PORTICO, DEOGHAR

Sarovar Hotels & Ishaan Group are delighted to announce the grand opening of Ishaan Sarovar Portico, Deoghar – a welcoming retreat designed to serve pilgrims, leisure travellers, and business guests alike. Conveniently situated in the holy city of Deoghar, the hotel combines contemporary hospitality with the tranquil and spiritual essence of the region, ensuring a meaningful and enriching stay for every guest. This remarkable addition to the Sarovar portfolio raises the bar for luxury hospitality in the area, providing state-of-the-art amenities, outstanding service, and a memorable experience for both business and leisure travellers.