

LeaderSpeak

APRIL 2024



PRESIDENT'S MESSAGE

DEAR FRIENDS,

The early reports of the first quarter of 2024 of a year on year increase of 80% in hotel transaction volumes, give us the confidence of setting some ambitious goals for the year. Analysts strongly expect that the upswing will continue and predict the pan-India premium hotel occupancy rates to reach decadal high of 70-72% in both FY2024 and FY2025.

What is noteworthy is the fact that the industry has continued to grow despite the sluggish inbound pick-up and by successfully overcoming the challenges of talent gap, geopolitical situation, no overseas promotion to speak of and other issues. As the nation celebrates the festival of democracy to elect a new government, HAI looks forward to playing a key role in the actualization of India vision of becoming the world's third largest economy. The direct contribution of the Hotel Industry to the country's GDP is expected to reach USD 73 billion in 2027 and has the potential to reach US \$1trillion by 2047 as India turns 100.

We at HAI are preparing for another push for the Industry's recognition as a driver of growth and employment ahead of the election results and the union budget. We are very hopeful to make a headway in the according of the status of infrastructure and grant of Industry benefits to hotels.

The potential of hotels to generate employment is immense. If India is to take advantage of its demographic dividend, there is an urgent need to create jobs across categories and social class and in every corner of the country. With the right policy direction that will attract investment into hotels, the sector can create 50 million indirect jobs in next 5 to 7 years. This cannot be ignored in the country's economic planning by any government. Persevere we shall as aptly put by Elliot Perseverance is, not a long race; it is many short races one after the other.

We are hopeful of the next race to be the winning one for Indian Hospitality.

BEST WISHES & REGARDS
KB Kachru





HOTEL ASSOCIATION OF INDIA AND FHRAI JOINTLY HOST 'TRAVEL FOR LIFE SUMMIT' 2024

The Hotel Association of India, PHD Chamber of Commerce and Industry and the Federation of Hotel & Restaurant Associations of India collaborated to put together the 'Travel for Life' summit 2024. Held in New Delhi on March 8, 2024, the event not only exhibited the commitment of the hospitality industry in the backdrop of the resolutions adopted by the G20 meetings, it also addressed the key aspects of tourism sustainability. With a focus on the "Travel for LiFE" program, the Event emphasized responsible and sustainable tourism practices by tourism stakeholders and tourists – small consistent actions of individuals that add up to huge impact..

Shri Amitabh Kant, India's G20 Sherpa and Former CEO, Niti Aayog, Government of India was the "Guest of Honour" and highlighted the resources and power that India possess and how it is one of the strongest contenders to make sustainability a way of life.

Among the cohort of sustainability advocates were Yugal Joshi, Mission Director, LiFE & Adviser, Water, Land Resources and Communication, NITI Aayog, Government of India, Anil Chadha, Divisional Chief Executive - Hotels ITC Ltd. and Executive Committee Member, Hotel Association of India (HAI), Suruchi Mittar, Vice President, Business Strategy, Invest India, Aalap Bansal, Partner, KPMG and Nirav Gandhi, Honorary Secretary, FHRAI.

Mr. Chadha conveyed his thoughts by highlighting the importance of sustainability in hotels. "India's tourism industry is expanding and has a lot of potential to rank among the most popular travel destinations worldwide. HAI and its member hotels have clearly defined sustainability policies and initiatives. Stakeholders should keep educating tourists for a better future of the industry."

HAI APPEALS TO VOTE FOR TOURISM AND HOSPITALITY

As India goes to the mode of celebration of great dance of democracy, the nation looks at the vision both short term and long term. The Hotel Association of India (HAI) considers that it is an opportune time to outline the national priorities by all participants of India's polity and therefore a time to restate the key importance of tourism and hospitality in any future development vision for the country.

Mr. KB Kachru, the newly elected President of HAI puts the perspective clearly, "The time has come for India" he says, "to achieve its true development potential and to become the third largest country in the world by GDP. It is now recognized globally that tourism and hospitality can play a very pivotal role in driving such growth. The Vision 2047 report by HAI indicates that contribution of hospitality sector could reach US \$1trillion by 2047".

Mr. Kachru further stated that India's population dividend can go awry if employment opportunities are not created. Tourism and Hospitality as the largest employer, fill that role. It has been indicated, he said, that properly nurtured, this sector could generate 50million jobs. "We would be happy if all the stakeholders recognize the great employment and growth potential of tourism and hospitality and make it a part of their commitment.

Elaborating further, **HAI Secretary General Mr. Bezbaruah** said, "it would be pertinent and in national interest that the two focus issues—infrastructure status at the Centre and industry benefits in the states find place in the government's agenda." The vision of the government to reach US \$3trillion tourism economy and 100million visitors requires corresponding creation of accommodation and destination development. "While such incentives are given to other industries, if extended to this sector they would have a multiplier effect in investment thereby creating corresponding employment opportunities which will be spread over all corners of the country pushing inclusive growth. No development strategy of the country can ignore such pivotal role of the sector or can ignore only at the risk of compromising its vision 47", **Mr. Bezbaruah** said.

POLICY IN NEWS

NEW SCHENGEN VISA RULES FOR INDIAN VISITORS:

Destinations value Indian travelers, but lengthy visa processing times lasting months act as significant deterrents. The adoption of these new regulations by European authorities reflects a proactive effort to tackle these concerns, aiming to boost tourism flow. The European Commission has introduced a new visa "cascade" regime for Indian nationals applying for Schengen visas in India. This regime looks to offer longer-term, multi-entry Schengen visas, based on the applicant's travel history. Indian travel agents had been complaining of Schengen visa delays as a major challenge to the summer travel rush from India.



UP TOURISM DEPARTMENT ADOPTS INTERNATIONAL STANDARDS FOR TOURIST SURVEYS

A two-day tourist survey training and capacity-building programme was organised by the officials of the Uttar Pradesh Tourism Directorate. During the session, tourism department officials and surveyors received training on the new survey methodology. The workshop provided detailed explanations on estimating the number of visitors/tourists inflow in accordance with the standards set by the United Nations World Tourism Organization (UNWTO) and recording them in the questionnaire.



J&K TOURISM INITIATES CAMPAIGN TO PROMOTE OFFBEAT DESTINATIONS

The Ministry of Tourism (MoT) has urged the Jammu and Kashmir Tourism Department to spearhead an initiative aimed at promoting offbeat destinations for summer travel. According to a senior tourism official, a comprehensive list of 35 such destinations has been identified and will be presented to the Tourism Ministry for further discussion. The objective behind this initiative is to diversify tourism in the Kashmir Valley and attract a higher influx of tourists. Despite the current steady flow of visitors to the region, officials believe that highlighting lesser-known destinations will significantly enhance the appeal of the Kashmir Valley.

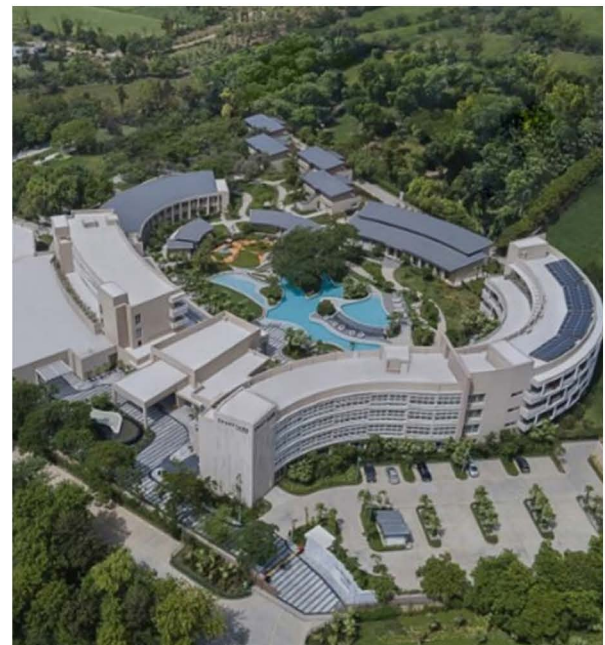
INDUSTRY NEWS

IHCL AIMING FOR DOUBLE DIGIT TOPLINE GROWTH THIS FISCAL: IHCL MD AND CEO PUNEET CHHATWAL

Tata group-backed Indian Hotels Company (IHCL) is aiming for double-digit topline growth this fiscal and plans to open 25-30 hotels. It will also launch hotels overseas but its primary target will remain India's thriving hospitality industry.

"IHCL will continue to deliver double-digit revenue growth with new businesses at 30 per cent and opening of 25 hotels. IHCL will also introduce the re-imagined Gateway, a full-service hotel offering in the upscale segment, an ideal fit to capture growth opportunities in emerging micro markets in metros and Tier-II and Tier-III cities," said IHCL managing director and CEO Puneet Chhatwal.

The brand roll-out starting with 15 hotels will commence with launches in Bekal and Nashik this quarter followed by destinations like Bengaluru, Thane and Jaipur. The brand will scale to a 100 hotels portfolio by 2030.

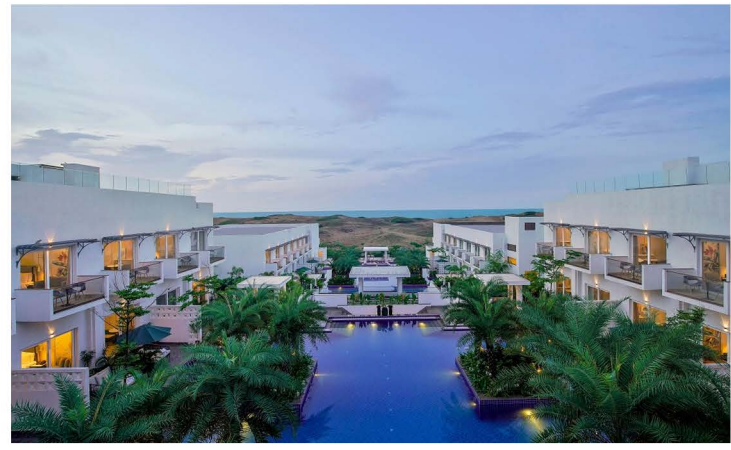


CHALET HOTELS ACQUIRES MARRIOTT PROPERTY COURTYARD FOR ₹315 CRORE

Chalet Hotels, part of K Raheja Corp group, has acquired Courtyard by Marriott Aravali Resort for ₹315 crore. This 158-room property spread over eight acres had been on the market for about a year now. Owned by the family of RC Juneja, co-founder and chairman of Mankind Pharma, via Ayushi and Poonam Estates LLP, the resort was launched in July 2022, reporting average daily rates of over ₹15,000 a night.

ROYAL ORCHID TO LAUNCH UPSCALE HOTEL BRAND, LEASES 300-KEY MUMBAI AIRPORT ASSET

Royal Orchid Hotels Ltd, which operates Royal Orchid and Regenta Inn brands, has signed an agreement for a 300 room five-star hotel property at Mumbai airport's terminal 2, chairman and managing director Chander K. Baljee said on the sidelines of the HICSA hospitality event. The property, located just a minute away from the terminal, is expected to be operational by late 2024, he added. Last year, the company had secured three properties through revenue-sharing agreements in Gurugram, Pune and Goa.



RADISSON HOTEL GROUP DEBUTS IN ODISHA WITH PRAMOD LANDS END RESORT, A MEMBER OF RADISSON INDIVIDUALS

Known for its colonial heritage and picturesque landscapes, Gopalpur is a coveted tourist, wedding, and spiritual destination. Pramod Lands End Resort, a member of Radisson Individuals is strategically located on the scenic Gopalpur Beach in southern Odisha and promises guests a tranquil escape. Staying true to Radisson Hotel Group's focus on establishing its presence at drivable distances, the hotel can be reached within a four-hour drive from religious hubs like Puri and Konark, making it an ideal base for exploration and discovery. It is conveniently accessible from major nearby cities via roads, railway, and Berhampur Airport.

SAROVAR EYES 150 HOTELS BY 2025

Sarovar Hotels will scale up to 150 hotels by 2025, a near 30 per cent rise over the current numbers in the next few months. The company is also expecting ARR to be in the 16 per cent range on a year-on-year basis. Our pipeline is very robust. By 2025, we will reach 150 hotels and in 2024, we will have 125 operating hotels, which is an addition of 10 over what we have now," Ajay Bakaya MD, Sarovar Hotels, said on the sidelines of HICSA 2024. In 2023, the company had 111 hotels and so far in 2024, it has 120 hotels across 75 destinations.



THE WELCOMHOTEL BRAND SEES IMPRESSIVE EXPANSION IN HILL DESTINATIONS

Welcomhotel by ITC Hotels, Hamsa, Manali opens . Mountain destinations are a favourite during summer. Welcoming guests in its pristine glory this season is "Welcomhotel by ITC Hotels, Hamsa, Manali". With 46 well-appointed rooms and suites including 7 expansive all-weather villas, Welcomhotel Manali brings cheer to travelers wanting to experience the mountain charm. The Welcomhotel brand continues with its impressive growth trajectory with the addition of this premier mountain resort making it a total of three Welcomhotel properties in Himachal Pradesh.