



**HOTEL ASSOCIATION
OF INDIA**

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“High-profile visits by global leaders and marquee events undoubtedly elevate a destination’s tourism and business appeal. As India’s capital and a key gateway for both domestic and international travellers, Delhi consistently witnesses a strong influx of visitors. Events such as the recent visit of Microsoft CEO Satya Nadella and large-scale corporate gatherings like the Amazon event have further intensified this momentum.

These occasions bring together multiple demand drivers—ranging from international business delegations and government meetings to corporate conferences—coinciding with Delhi’s peak wedding and leisure season. As a result, the existing supply gap in hotel rooms, particularly in the luxury and upper-upscale segments, becomes more pronounced.

Globally, hotel pricing is fundamentally a function of demand and supply, and with dynamic pricing models in place, room rates reflect the current market buoyancy. This is true for Delhi and a part of a broader national trend. According to Hotelivate, India’s branded hotel sector recorded an average daily rate (ADR) growth of 8.3% and a RevPAR increase of 12.1% in FY 2024–25. Data from HVS-ANAROCK shows that Delhi, which has the highest presence of leading hotel chains in the country, achieved occupancies of around 78–80% in April 2025—among the highest in India—while ADRs crossed ₹10,500, positioning it as one of the country’s most premium hotel markets.

However, industry forecasts indicate that while hotel room supply is expected to grow at a CAGR of 5–6% between FY 2025 and FY 2028, demand is projected to rise faster at 8–10%. Over the long term, this widening demand-supply gap is not conducive to sustainable sectoral growth. Persistent pressure on inventory can impact reinvestment, renovations, and service quality.

At the Hotel Association of India, we have consistently advocated for hotels to be accorded infrastructure status, rationalisation of compliance requirements such as approvals and licences, and more favourable FSI norms. These reforms are critical to unlocking investment, accelerating inventory creation, and supporting India’s Tourism Vision 2047, where adequate and quality accommodation will be a cornerstone of tourism-led economic growth.”