

LeaderSpeak

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PRESIDENT'S MESSAGE

Dear Friends

As we bid farewell to 2023, the Industry looks forward to the new year with hope and enthusiasm. 2023 has been a year of resurgence and revival. As per analysts, the sector had clocked 14 percent growth in revenue per available room in the first half of the current fiscal year and is likely to grow by 15-20 percent in the second half of FY24. While the growth has been mostly on account of events, business travel, and domestic leisure travel, it is heartening to note that there has been a growth of 55.6% in foreign tourist arrivals from January to October 2023 as compared to the same period in 2022. With the tourist season ahead, the contribution from this market segment is poised to improve significantly. With unwavering dedication and a shared vision, let us ensure that India's hospitality industry continues to thrive in 2024, not only surpassing the previous highs in occupancy and revenue but also provides the best quality, safe accommodation, service standards, and facilities to its guests, and doing India proud.

I extend warm greetings and best wishes to you and your families for a happy and prosperous New Year!



HAI NEWS

HAI APPLAUDS BIHAR STATE GOVERNMENT FOR A FORWARD LOOKING TOURISM POLICY 2023

The Hotel Association of India, the apex body of the Indian hospitality sector, applauds the Bihar State government's decision to adopt and announce Tourism Policy 2023 in order to attract investment and increase tourists' footfall to the State. According to the new policy, the State expects to receive Rs 10,000 crore in investment over the next five years, and one lakh new jobs will be generated in the tourism sector. This will facilitate the rapid establishment of tourist infrastructure, boost tourism in the state leading to promotion of inclusive development. The policy incentivizes tourism units-hotels, tour operators and other tourism stakeholders. The incentives in addition to subsidies on capital investment, are several and include reimbursement of all land conversion/transfer charges, of Stamp duty and registration fees of land lease, incentive of repayment of GST paid, refund of power taxes. The policy also encourages tourism units to apply for green certification by reimbursing costs of certifications to an extent. The costs of organising events and meetings will be subsidised too.



99TH EXECUTIVE COMMITTEE MEETING: BIDDING ADIEU TO 2023

The 99th Executive Committee Meeting, the last one for the calendar year, was held at Taj Mahal, New Delhi, on the 21st of December. The meeting commenced on a sombre note, with members observing a few moments of silence in memory of Mr. P.R.S. Oberoi, Founder Member of HAI and Chairman Emeritus of EIH Limited, who passed away on November 14th.

The President then led the meeting with optimistic opening remarks about the macro-economic factors being favourable. For the sector, the demand for rooms is expected to exceed the corresponding demand for at least two years in the foreseeable future. The discretionary income in the hands of the citizens will continue to increase as the economy is poised to grow to 7 US D billion in 7 years.

Central to the meeting's discussions was the Association's Signature Event the HAI Hoteliers' Conclave. The sixth edition of which was finalised.

The promotion of India as a prominent tourist destination overseas was also discussed.

The meeting provided updates on various financial and legal matters. Members were brought up to speed on recent meetings attended by the Association for an active engagement across the board.

HAI playing an active role in a proposed Mentor Mentee Program to nurture and grow leaders within the Sector was central to the meeting deliberations.

ANNOUNCEMENT OF 6TH HAI HOTELIERS' CONCLAVE

The 6th HAI Hoteliers' Conclave is being organized by Hotel Association of India (HAI), the on the 12th of February 2024 in New Delhi.

The theme for the Event is Hospitality – The Engine for GDP Growth & Employment

India stepped into the "Amrit Kaal" or "The Era of Elixir, on the country's 75th Independence Day. It has embarked upon the journey of realising the vision 2047 for a 'New India', as it turns 100. Hospitality sector can contribute to India Vision 2047 like no other sector perhaps can. The sector has the highest multiplier effect in the economy in comparison to manufacturing or even the agriculture sector. Hotels create jobs across skill sets and even employ women and especially abled persons in large numbers. In addition to the direct jobs, the number of indirect jobs created by hotels is huge.

Indian hospitality, with its ethos of Atithi Devo Bhava, has positioned India on the world tourism map. Hotels played a significant role in the success of the recent G20 summit, showcasing the country's rich heritage, cuisines, and worldclass services and facilities globally.

The Conclave through its sessions, is an endeavour to highlight the immense opportunity in the sector. It is estimated that the industry's direct contribution to India's GDP will touch \$1 trillion by 2047. The challenges that lie in the path of unleashing the full potential of Indian hospitality in its contribution to GDP, jobs and foreign exchange will also be examined at the Event discussions.

Historically Tourism and hospitality have been a key driver of GDP and employment, and there is absolutely no doubt that the sector will also be critical as India looks at becoming a developed nation in 2047.

Hospitality industry leaders, owners and CEOs of hotel companies, Indian policymakers, international industry experts, and members of the media would be attending the conclave. The event would also provide partner companies and solution providers with an opportunity to network closely with the Indian hotel industry's corporate decision makers and explore the possibilities of developing long term business relationships.

After a full day of sessions at Taj Palace, the event will conclude with a farewell dinner hosted by the Association President Mr. Puneet Chhatwal, M.D & C.E.O of the Indian Hotels Company Limited.

HAI POSITIVE ON HIRING IN 2024

According to industry leaders, the Indian hospitality and tourism sector will experience faster employment in the coming years after experiencing significant growth this year, with domestic travel leading the way.

According to a report by the Hotel Association of India (HAI), the hotel industry's direct contribution to India's GDP will reach USD 1 trillion by 2047. Experts believe there will be a minimum 25% increase in the need for a workforce, with adjacent industries such as travel, aviation, ticket booking, travel guides, and consultants becoming increasingly in demand.

HAI Vice President K. B. Kachru, also Chairman Emeritus and Principal Advisor at South Asia Radisson Hotel Group, has hailed the anticipated milestone. He emphasised on the substantial job creation potential within the sector, providing employment opportunities for millions across diverse skill sets. The post-pandemic landscape, according to Kachru, has witnessed a paradigm shift in operations, emphasising adaptability, digital innovation, and heightened focus on guest safety.



HOTEL ASSOCIATION OF INDIA (HAI) MOURNS THE LOSS OF ITS FOUNDING MEMBER AND PATRON-IN-CHIEF, PRITHVI RAJ SINGH OBEROI, A HOSPITALITY ICON

New Delhi, 2023, The passing away of Prithvi Raj Singh Oberoi, Chairman Emeritus, of The Oberoi Group, on November 14, 2023, has cast a pall of gloom over the industry. He was the founding member and Patron-in chief of the Hotel Association of India (HAI), the apex body of the Indian hospitality industry. HAI mourns the loss of its legendary leader.

A towering figure in the Indian hospitality industry, Mr. Oberoi's legacy is one of excellence and innovation. He joined the Oberoi Group in 1956 and quickly rose through the ranks, becoming executive chairman in 1984. Under his leadership, the Oberoi Group grew from a handful of hotels in India to a global leader in luxury hospitality. A pioneer in the field of human resources and training, he was instrumental in establishing the Oberoi Centre of Learning and Development (OCLD) in 1967. OCLD has trained and educated thousands of hospitality professionals over the years.

Mr. Oberoi was the recipient of numerous awards and accolades, including the Padma Vibhushan, India's second-highest civilian honour, in recognition of his exceptional contribution to the country in tourism and hospitality. He was also a member of the board of directors of several prestigious companies. He is survived by his wife, one son, two daughters, and two grandchildren.

Expressing his deep sorrow and sadness for the industry and for all the HAI members, Puneet Chhatwal, President HAI and MD and CEO, IHCL, said, "Mr. Oberoi is a legend, an icon, and one of the greatest that the hospitality sector has seen. He will always be remembered by Indian businesses in general and global hospitality in particular."

"We are saddened by the passing of PRS Oberoi, a visionary leader who left an indelible mark on the hospitality industry. Having worked with him on a few projects, I was able to witness his passion for work, creativity, focused approach, and dedication to do better every time. We are extremely grateful for all his contributions and believe that the legacy he has left behind will inspire each one of us to reach greater heights," said Mr. K. B. Kachru, Chairman Emeritus and Principal Advisor, South Asia, Radisson Hotel Group, and Vice President HAI.

Mr. PR.S. Oberoi was an iconic leader in many ways, and his legacy will continue to inspire generations to come. His passing leaves a vacuum in the industry that will be difficult to fill.



INDUSTRY NEWS

THE SECRET OF TAJ'S TRANSFORMATION

The mix of coping with an unprecedented pace of growth and pride in the group's growing stature is perhaps an apt reflection of where India's leading hospitality group is headed—on a growth spurt, the likes of which it has not seen in its 120-year-old history. Jaipur now has seven properties, up from two; Bengaluru has eight; and Mumbai has ten!

The data bears this out. Since 2018, Indian Hotels Co. Ltd. (IHCL) has reported nine consecutive quarters of profitable growth. A Covid interlude later, once again it has reported, since Q1 last year, another six record quarters. It has almost tripled the number of hotels (including those in the pipeline) in the same period to about 180 operating hotels and another 80-odd in the pipeline.



SAROVAR HOTELS LOOKS TO EXPAND IN INDIA & ABROAD

Sarovar Hotels & Resorts will launch 70 new hotels in the next five years across India and international markets, adding 5,000 rooms to its portfolio. The company, which has 105 hotels at present totalling about 7,500 keys, plans to hire 6,000 people over the next five years in keeping with the expansion requirements, he said.

WYNDHAM HOTELS SET TO ENTER BRANDED RESIDENCES SEGMENT IN INDIA

Wyndham Hotels will bring branded residences to India soon. Initially, it will enter with a "single-digit" number in metro cities. The company is in advance talks with developers for the same. Wyndham will operate in the mid-scale segment, said Dimitris Manikis, President - EMEA, Wyndham. In Europe, the company has Wyndham, Wyndham Grand, and Ramada residences. It has about 10-12 properties. "We are extremely keen to bring those three brands in the brand new residency space in the midscale into India and start doing more business on the brand and residency side in India."



CHALET PLANS TO INVEST RS 300 CRORE IN NEW LUXURY HOTEL AT DELHI AIRPORT

BSE listed Chalet Hotels, owner, developer, asset manager and operator of high-end hotels in India, is earmarking about 300 crore for the new luxury hotel at terminal 3 of Indira Gandhi International Airport in New Delhi. MD Sanjay Sethi told ET in an exclusive interview. In May this year, Chalet Airport Hotel, a wholly-owned subsidiary of Chalet Hotels, signed a franchise agreement for the airport hotel with Tata Group-backed Indian Hotels Company (IHCL). The agreement was for the Taj brand.

LEMON TREE HOTELS EYEING INTERNATIONAL GROWTH: CMD

Lemon Tree Hotels plans to operate and manage hotels in New York, London, Singapore, and Hong Kong, said Patanjali Keswani, Chairman and Managing Director. "If you look at where Indians travel to, 70 percent of Indians who travel out of India go to seven or eight cities—New York, London, Dubai, Thailand, Hong Kong, Singapore, Nepal, and Sri Lanka. "So, these are the places where ideally we would like to operate hotels under management contracts, said Keswani.



THIS WINTER, MORE INDIANS SET TO FLOCK VISA-FREE DESTINATIONS

Indians, typically known for finalising their travel plans very late, might contribute an additional 20-30% to the recently-introduced, visa-free destinations such as Malaysia, Thailand, and Sri Lanka. This presents a significant opportunity for travel companies like Thomas Cook and EaseMyTrip, among others, particularly during the winter travel season. The challenges of low entry barriers and visa complexities have been a significant concern for Indians, especially in post-covid era, with a few visa operators dominating the market, akin to a monopoly, said experts.

FORTUNE PARK HOTELS OPENS ITS SIXTH FACILITY.

Fortune Park Hotels, a wholly-owned subsidiary of ITC Ltd., has strengthened its presence in Tamil Nadu with the launch of Fortune Park Tiruppur in the state.

With the setting up of its new property in Tiruppur, widely known as the textile and knitwear hub of the country, the hotel marks a significant step towards the expansion of Fortune Hotels in south India, a press release said here on Sunday.

Fortune Park Hotels currently has a presence in five other locations in Tamil Nadu, including Vellore, Ootacamund, Madurai, Chennai, and Hosur.

"The Fortune Park in Tiruppur is our sixth milestone in Tamil Nadu. It is exciting to continue our successful stride into Tier II and III markets, aptly capturing the allure of cities like Tiruppur," said Fortune Hotels Managing Director Samir MC in a statement.



TRAVEL SECTOR REVENUE MAY JUMP 12-14% IN FY25: CRISIL

Higher airfares and volume, which reached the pre-pandemic levels across segments, including long-haul travel, will help the tour and travel sector report healthy revenue growth of 12-14% next fiscal on the back of a record 30% growth this fiscal, says a report. The double-digit growth seen for the next fiscal comes on the heels of a record high growth in the current fiscal, wherein the sector is poised for a revenue growth of 30%, which is about 18% above the pre-pandemic peak, Crisil said in the report.



DR JYOTSNA SURI RECEIVES THE LIFETIME ACHIEVEMENT AWARD AT THE 14TH HOTELIER INDIA AWARDS

The Hotelier India Lifetime Achievement Award has been created to recognise and honour individuals who have made outstanding lifetime contributions to the Indian hospitality industry.

Rightly called the High Priestess of Hospitality in India, Dr. Jyotsna Suri, Chairperson and Managing Director, The Lalit Suri Hospitality Group, has steered the Lalit Suri Hospitality Group to unprecedented heights of success. Under her leadership, the group continues to witness path-breaking experiences, with a special focus on awareness and advocacy for marginalised communities, especially the LGBTQIA+ community and the specially abled.

HVS GLOBAL HOTEL INDUSTRY: 2023 RECAP AND 2024 OUTLOOK

As 2023 draws to a close, regional HVS leaders across the globe take a look back at how the global hotel industry fared this year and opine on the outlook for next year. While the U.S. experienced muted 2023 RevPAR growth relative to 2022 gains, most other global markets recorded extraordinary RevPAR growth, well above 10%, primarily fueled by strong ADR gains. While transaction activity cooled across the Americas and Europe, the Asia Pacific saw a significant strengthening as this region's markets moved beyond pandemic-era restrictions.

