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# Luxe Russian hotels tap Indian firms to manage properties

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**R**ussia's top luxury hotels, once managed by Ritz Carlton, Four Seasons and Park Hyatt, are looking at leading Indian hospitality firms to run these properties, after the international brands checked out of the country following its invasion of Ukraine.

Russian officials have sounded out Tata group's Indian Hotels Co. Ltd (IHCL), which operates Taj luxury hotels; and East India Hotels (EIH), which operates The Oberoi hotels, a person aware of the matter said on condition of anonymity. Neither company is keen to pursue the offer, the person added.

Queries emailed to IHCL and EIH remained unanswered till press time.

Once western hospitality chains like Marriott International and Hyatt Hotel Corp. left Russia in the wake of sanctions, the luxury properties in Moscow and St. Petersburg disappeared from their international networks, cutting out the hotels' global distribution system or online booking reach and management expertise.

There are also other luxury



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hotels under construction, which now need branding and global distribution. A third category of mid-scale properties in other parts of the country also need hotel operators.

Lemon Tree Hotels would be open to running such hotels if the opportunity arose, chairman and managing director Patanjali G. Keswani said in response to a query. Executives of Sarovar Hotels & Resorts, which operates Louvre hotels in India, discussed and evaluated some hotels in Russia, managing director Ajay K. Bakaya said, but it did not strike any deals.

Travellers looking for

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## Luxe Russia hotels eye Indian management after sanctions

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1 accommodation at a luxury hotel that was previously under an international brand will not find it on a booking aggregator, but they could search online for these hotels directly and book on their own websites, a Russian official said.

“Our hotels are still running. There are over 19,000 hotels, apartments, hostels and other accommodation facilities in Moscow. While it is correct that we don’t have some branded hotels, other brands do remain,” said Evgeny Kozlov, first deputy head at the office of the mayor and the government of Moscow, who was in India recently.

India is a priority market for Moscow’s tourism business. In 2023, about 60,000 Indians visited Moscow, up 25% from 2022. Kozlov said Russia now has a cheaper and faster electronic visa regime that Indians can access.

Representatives of Moscow city have also urged Indian online travel platforms to cre-



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ate awareness among their customers, Kozlov said. “Since they already sell flights from India to Russia, we are also encouraging them to create tour packages that customers can book through them,” he added. Last week, about 14 Russian companies, including some hotel owners, visited India to make connections with local businesses.

Hospitality industry executives confirmed the Russian interest in Indian hotel operators. Achin Khanna, managing partner at hospitality consult-

ing firm Hotelivate, said company executives visited Russia last year to evaluate offers. “These are all hotel asset owners that are looking to sign traditional management contracts with hotel brands from India. Currently, they are being self-managed by hotel owners, but we think it is a good opportunity since it can help Indian companies grow their development pipelines,” said Khanna, who heads Hotelivate’s strategic advisory practice.

Thai hotel company Dusit International has already signed an agreement to run hotels in Sheregesh in Russia’s Siberia. Also up for grabs are franchised hotels where hotel management companies simply provide their name to the hotel, by giving it a ‘flag’ or a brand logo to put up on the asset. Franchise owners, like in any other field, also provide their global distribution system or booking system to hotels for a fixed fee. They do not manage the day-to-day operations directly, but only take a commission in exchange.