

Published Date:	12 Aug 2022	Publication:	Financial Express [Hyderabad]
Journalist:	Varun Singh, Rajesh Kurup	Page No:	1
Circulation:	15,000		

Business travel delivers booster dose for hotels

VARUN SINGH & RAJESH KURUP
New Delhi/Mumbai,
August 11

THE RESUMPTION OF air travel has also lifted the fortunes of the hospitality sector, with check-ins by business travellers rising, and conferences and exhibitions making a comeback.

1 The hospitality industry, as a result is quite hopeful of seeing a turnaround in its fortune during the current fiscal after getting severely battered in the last two years due to Covid-led restrictions.

“There was a robust increase in demand, which was earlier limited to the leisure segment 5-6 months ago. During the April-June quarter, business travel picked up significantly as there were a lot of business conferences and events, government delegations and the India-Africa conclave among others. The air travel also opened up and the IPL (Indian Premier League) also helped in boosting occupancies, especially in Mumbai and Pune,” Indian Hotels Company (IHCL) managing director and chief executive officer Puneet Chhatwal told *FE* post the company’s first quarter results.

The Tata group company’s financial metrics such as domestic Revenue Per Avail-

BUSINESS CLASS

■ Rise in business travel due to conferences, conclaves, visit of government delegations, IPL

■ Till 5-6 months ago, travel was limited to leisure segment



■ Financial metrics of firms such as IHCL, EIH, Lemon Tree Hotels, Roseate Hotels & Resorts exceed pre-Covid levels

■ Staycations, drivecations also driving business for hotels



During the April-June quarter, business travel picked up significantly as there were a lot of business conferences and events

— PUNEET CHHATWAL, MD & CEO, IHCL

able Room (RevPAR) was up 42%, occupancy rose 9% and average room rates (ARR) was up 31% during the quarter compared with pre-Covid period (Q1 of FY20).

While all brands of IHCL – Taj, SeleQtions, Vivanta and Ginger - posted growth, RevPAR from key cities such as Mumbai, New Delhi and Bengaluru exceeded pre-Covid levels.

EIH, the flagship company of the Oberoi Group, also recorded growth across all its metrics compared with the pre-Covid quarter. Its RevPAR

rose 30.11% (all hotels, including managed ones) and ARR rose 13.76%, while occupancy was up 72% (from 64%).

“Strong tailwinds are visible in corporate as well as MICE and direct segments,” Kallol Kundu, chief financial officer at The Oberoi Group said at an investors’ conference call.

“FY23 began on a strong note bolstered by strong demand, corporate travel increased resulting in a recovery in our business destinations.

Continued on Page 2

Published Date:	12 Aug 2022	Publication:	Financial Express [Hyderabad]
Journalist:	Varun Singh, Rajesh Kurup	Page No:	2
Circulation:	15,000		

Business travel is back at hotels as virus threat abates

1 “We saw increased demand for meetings, incentives, conferences and exhibitions (MICE) which contributed to our growth. The gross ARR increased 104% year-on-year and 18% quarter-on-quarter to ₹4,822,” Patanjali Keswani, chairman and managing director of Lemon Tree Hotels said.

The same was the case for uber luxury hospitality brand, Roseate Hotels & Resorts. Compared with pre-Covid levels, the firm posted a 20-30% rise in ARRs for its Rishikesh resort, The Roseate Ganges. For The

Roseate New Delhi and Roseate House Aerocity, ARRs were up 15%, both during weekdays and weekends. All the financial metrics – RevPAR, ARR and occupancy – of its Delhi properties also rose ‘significantly’. “Our occupancy levels across all our hotels in India have now reached and surpassed pre-Covid levels since January 2022. After being locked-up at home for two years, people now want to check into a hotel in their city over a long weekend, when they can’t take flights or road trips. We have registered growth in meetings,

incentives, conferences and exhibitions segment too,” Kush Kapoor, CEO at Roseate Hotels & Resorts said.

According to an Icmra report, the hotel industry is on an upward swing and is expected to return to pre-Covid levels in this financial year. The demand recovery has been sharper than expected and was aided by leisure, transient passengers, MICE, weddings and a gradual pick-up in business travel and foreign tourist arrivals. For FY23, pan-India premium hotel occupancy is expected to be at 68-70% and ARR at ₹5,600-5,800.