

Business travel improves, likely to recover fully in new financial year

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NEW DELHI

With executives back to their jet-setting ways as business travel has eased with the pandemic receding, hotels and travel companies are hopeful of a sharp rebound in demand.

Travel operators such as Flight Centre Travel Group, Thomas Cook and hospitality chains such as Sarovar Hotels and Lemon Tree Hotels expect a bounceback by the end of the second quarter of FY23, provided there is no fourth covid wave.

Rakshit Desai, managing

director, India, for Flight Centre Travel Group, said business travel started to come back in November and then became muted in December and January because of the Omicron wave. February saw some recovery, but the March momentum has taken the company by surprise, he said. "As of today, speaking of our corporate clients, domestic spending is at 80% or more," he said. At this point, the company is seeing strong demand from industries such as pharmaceuticals, consumer product companies and those in digital and infrastructure, but professional and financial services are lagging behind, he

added.

Ajay K. Bakaya, managing director of Sarovar Hotels and Resorts, said there is a fairly strong rebound in travel overall. "Business travel has picked up slowly but surely. We are projecting strong straight-line growth in March-July despite the summer. More consumer firms, insurance sector employees, banks, pharmaceuticals. etc., are coming back. IT is still slow and will be a little sluggish," he said.

Lemon Tree Hotels, which focuses on the business traveller, is also looking at a complete revival of business travel by the fiscal second quarter. The company is seeing the



Travel operators expect a bounceback by the end of the second quarter of the coming fiscal, if no new covid wave strikes.

return of pharma clients, small and mid-sized companies, as well as consumer businesses. "We think the IT giants are not

back yet because a lot of them are still working from home. But we do see some of the smaller IT companies sending

their executives out now. By the second or third quarter of FY23, we expect business travel will completely return unless we are hit by another covid wave," said Vikramjit Singh, the company's president.

Desai said the dollar's strength, crude prices and supply constraints triggered a significant spike in the average ticket prices and underlying passenger counts are still at half of normal. He is, however, optimistic

about normalcy by the June quarter if supply constraints and geopolitical tensions ease.

EYEING REVIVAL

BUSINESS travel saw recovery in Feb but March momentum took by surprise

TRAVEL operators hope for normalcy by Q2FY23 if supply and geopolitical issues are resolved

since January and that the announcement of reopening of India's scheduled flights is

Indiver Rastogi, president and group head for global business travel at Thomas Cook (India) and SOTC, said the company is witnessing a definitive uptick from our corporate/business travel segment and our business has doubled month-on-month

already seeing a surge in positive corporate sentiment. "Our expectation is that we should close March at 80% of 2019 levels," he said.

"Our key corporate sectors like IT and SMEs are fuelling demand for international and domestic travel. Destinations displaying strong demand include the US, UK and Canada, and from a domestic perspective, sectors like Mumbai to Delhi, Bengaluru, Chennai and Kolkata. What is noteworthy is that while an uptick is evident across key hubs, Mumbai is witnessing the fastest recovery for our business travel segment," Rastogi said.