

"Hotel Industry confident and preparing for better future"

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Chennai, Tamil Nadu, November 19, 2009 /[India PRwire](#)/ -- The Hotel Industry in India, which depends to a great extent on the business traveller, is still facing challenges on account of the continuing Global slowdown and cut in corporate travel.

The Indian Economy, which was growing at 9%, has been severely affected by the global economic slow down and the GDP growth stood at 6.7 during the year 2008-09. In the present scenario the tourism industry's contribution to GDP has dropped from 6.8% in 2007-08 to 6.1% in 2008-09.

The global downturn, the Mumbai terror attacks, travel advisories issued by the Source markets to India, viz. U.S., U.K., and Europe, and more recently the HINI virus have made a major impact on the Indian Hotel Industry resulting in 12.4% drop in the overall occupancy across country. While the Average Room Rate dropped marginally by 1.9%, the RevPar drop was alarming at 14%. The biggest hit in occupancies has been in Five Star and 4 Star categories.

Presently South India has a total of 664 approved Hotels with a room inventory of 38,000 rooms. The State-wise break up of the Hotels are as follows:

State 5 Star 4 Star 3 Star 2 Star 1 Star

TN 61223-

Karnataka 214021

Kerala 1-1101-

AP 328011

TOTAL 12415272

By the year 2011-12 The Chennai City will have an additional inventory of 4147 rooms, almost 150% increase on the existing rooms operating in the city. Chennai has a diversified market with various demand generators viz. IT/ITeS Industry, a strong automobile manufacturing base, telecom and electronic industry, it is hoped that the demand will keep pace with the increased room supply though there will be a marginal decline in occupancy.

The table below gives a snap shot of the existing and proposed supply of Hotel Rooms in the branded category entering each of 11 major cities as per the survey done by the HVS Report.

Despite Global economic slow down, India was fortunate to hold on to its market share and has only lost marginally. Tourism Statistics of 2008 published by the Ministry of Tourism and the future outlook on tourism potential remains positive and promising.

Stimulus packages announced by the Government of India have been a shot in the arm for the Industrial sector, which is now showing signs of recovery and growth. Hopefully a fuller recovery is anticipated by 2010.

We are hopeful that the new Airports in Hyderabad and Bangalore and planned expansion of the major airports in the country will stimulate more traffic into India, both from inbound tourism and business travellers. Fortunately the domestic tourism is growing at a faster rate and with the overall improvement in the economic climate, it is hoped that the Hotel Industry will improve its overall performance in 2010.

The Annual Convention of the All India Hotels & Restaurants organised by The South India Hotels & Restaurants Association (SIHRA) is now being held in the capital of God's Own Country, Thiruvananthapuram, on 7th and 8th

December 2009.

Appropriately, the Theme: for the Annual Convention is "India Tourism - Past Learning and Future Earning" and the choice of venue is Thiruvananthapuram Kerala, God's Own Country, the state which has pioneered the promotion of the Destination oriented tourism among the Indian States. This being the first convention of the All India Hotels & Restaurants in Kerala, the Government of Kerala is rolling out the red carpet and extending maximum support to the organisers in making this a grand and relevant meet.

The Annual Convention of the All India Hotels & Restaurants is being held for the first time in Kerala and we are indeed overwhelmed by the encouragement and support being extended by the Government of Kerala .

The Chief Minister of Kerala will inaugurate the Annual Convention and Ministers of both Central and State Governments, will address the Inaugural Session. The Business Sessions will be addressed by key policy makers, senior government officials, Industry Leaders and experts in various fields and will focus on the business opportunity in Kerala, emerging trends in the Hotel Industry and how best we can benefit from the past experience and plan effectively for a better future with confidence.

We have also organised very interesting and exciting Post-Convention Tours to "Back Water Tour of Kerala" and a visit to Sri Lanka. The Sri Lanka tour package We have managed to get very attractive tour package to Sri Lanka an all inclusive rate of airfare, stay, food and transport per person on twin sharing basis at Rs 19365 at 5 star hotels for 3 nights and four days.

We are anticipating excellent response from the Hoteliers and Restaurateurs from all over the country to participate in the deliberations of the Annual Convention and also enjoy the hospitality of the God's own Country and the art and culture.

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