

# Industry Insight

## INDIAN HOTEL INDUSTRY

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**Cygnus**

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*Knowledge Partner For Profitable Growth*

4<sup>th</sup> & 5<sup>th</sup> Floors, Astral Heights, Road No. 1, Banjara Hills, Hyderabad-500034, India

Tel: +91-40-23430303-05, Fax: +91-40-23430201, E-mail: [info@cygnusindia.com](mailto:info@cygnusindia.com)

Website: [www.cygnusindia.com](http://www.cygnusindia.com)

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## SYNOPSIS

Revenues of Hotel and Restaurant (H&R) industry in India during the financial year 2006-07 was INR604.32 billion , a growth of 21.27% over the previous year, primarily driven by foreign tourist arrivals ,which increased by 14.17%. Currently there are some 1,980 hotels approved and classified by the Ministry of Tourism, Government of India , with a total capacity of about 110,000 hotel rooms. With tourism industry showing excellent performance, in terms of foreign tourists arrival and demand outpacing supply, the hospitality industry, is poised to grow at a faster rate and reach INR826.76 billion by 2010. It is estimated that over the next two years 70,000-80,000 rooms will be added across different categories throughout the country.

In the Indian scenario, the report covers the current trends in the Hotel industry (increase in foreign tourist arrivals, MNC's foraying into India, demand supply mismatch getting closer, rise in Occupancy rates and RevPAR and strong recovery of the Indian economy), its structure (composition of hotels), key consumer segments (business traveller, leisure traveller, & airline cabin crew) and value chain. As a part of the derisking model the companies in the Indian hotel industry are also moving up the value chain to management contracts and co-branding.

The report on Indian Hotel Industry provides an in-depth view of the sector in general and important aspects of the sector. The report starts with the global hotel industry to give a perspective of the Indian hotel industry in the global context. The report covers the hotels industry structure, major players, regulations, growth drivers, issues and challenges, critical success factors and foreign direct investment trends. An analysis of the industry performance was made on critical business parameters like Occupancy rates, Revenue Per Available Room (RevPAR) and Average Room Rates (ARR) and compared with global trends.. The report also analyses the performance of the industry across major markets, and profiles the major players in the industry.

The report will be useful for H&R players, Real Estate companies, commercial and investment banks, business analysts, consultants, investors and students. The report has total 86 pages and consists of 10 chapters, 3 figures and 22 tables and 2 annexures (bibliography and list of abbreviations).

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