

Christmas, New Year booking cancellations result in Rs 200 cr loss for hospitality sector

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Booking cancellations for Christmas and New Year celebrations, along with those of weddings and planned events, due to a surge in COVID-19 cases have so far resulted in a loss of around Rs 200 crore in the hospitality industry, the Federation of Hotel & Restaurant Associations of India (FHRAI) said on Thursday.

Faced with uncertainty again with the rise in COVID-19 cases forcing states to put restrictions, the industry fears that there will be further closures of businesses without support from

the government.

"There were a lot of celebrations, a lot of events which were planned (around the New Year). Now, it is the wedding season. Meetings and weddings got cancelled. New Year and all those cancellations from Christmas till now have caused almost Rs 200 crore loss to the industry," FHRAI Joint Honorary Secretary Pradeep Shetty told PTI.

On the impact of the spread of the Omicron variant, he said, "From 25th (December) onwards, there has been a drastic plummeting of the rates and occupancies in city hotels which



are back to the pandemic levels of 10 per cent to 15 per cent occupancy and rates have also crashed." Stating that restaurant footfalls have fallen drastically, Shetty said that even at 50 per

cent footfalls, sales and revenues now have fallen down to just 10-20 per cent of what they were in December.

"In holiday and resort locations also which were otherwise

doing good, they have come below 50 per cent occupancy," he added. Shetty said that after the second wave, right from October 2021 onwards, there was a steady rise in occupancies, revenues and footfalls in hotels and restaurants.

"By the middle of December (2021), occupancies in resort and holiday locations had already reached about 80 to 90 per cent. In cities and corporate hotels, it was touching about 50 per cent. This was down from the pre-COVID-19 levels but they were just encouraging signs and even the revenue rates were going up," he said.