

Indian hospitality sector witnessed a 339.3% YoY RevPAR growth in Q2, 2022

The Indian hospitality sector witnessed strong growth in Q2 (April – June) 2022, primarily driven by demand for weddings and events as well as stellar recovery of corporate travel. The country was amidst the second wave of the pandemic in Q2 2021, which had a significant impact on the performance of the hospitality sector. As a result, Revenue Per Available Room (RevPAR) witnessed an exponential growth of 339.3 % year-on-year (YoY) in Q2, 2022 over Q2 2021. Furthermore, the sector witnessed a stellar 44.6% growth at a pan-India level in RevPAR compared to Q1 2022 wherein the sector was still emerging from the third wave of the pandemic.

The demand across the sector soared during Q2 2022 primarily driven by weddings and Meetings, Incentives, Conferences and Exhibitions (MICE), and Business travel. Furthermore, corporate MICE demand also witnessed a recovery in the form of corporate off-sites, team meetings, training, and so on. Domestic leisure continued to be an important segment during this period driven by the pent-up demand of travelers who had not experienced a summer vacation for the past two years.

The next two quarters are expected to remain busy on the back of domestic leisure amidst long weekends and festivals. Business travel will continue to grow and will remain the main demand driver for the sector. Whilst wedding and social function demand will continue to be an important driver. MICE demand is expected to witness an uptick in the coming months with many corporate meetings and large format conferences being planned.

The total number of hotel signings in Q2 2022 stood at 47 hotels with 4,010 keys. The hotel signings witnessed a significant increase of 90.9% as compared to signings in Q2 2021. Domestic operators dominated signings over international operators with a ratio of 52:48 in terms of inventory volume.