



# India Report

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Written by Bulbul Dhawan

**Hello there.** Domestic demand in the form of weddings, business travel and MICE is leading to record occupancy levels in the Indian hotel industry. However, lack of foreign arrivals continues to be a sore spot.

## Indian Hotel Sector Growth: What to Expect

The Indian hotel industry is expected to sustain record occupancy levels in fiscal 2025, credit ratings agency ICRA said at a webinar on Tuesday.

As per ICRA's projections the occupancy rate is expected to remain between 70-72%, the same as recorded in fiscal 2024. Before this, the last time India recorded 72% hotel occupancy was in fiscal 2007.

Meanwhile, the agency expects the Revenue Per Available Room (RevPAR) of premium hotels across India to stand at INR 5,500-5,800, up from INR 5,000-5,300 last year. This is further projected to grow to INR 5,800-6,200 next fiscal.

Last month, capital market company Crisil said that branded hotels in India are likely to record 13-14% revenue growth in fiscal 2025 and 11-12% the following year.

**Demand Drivers for Indian Hotels:** Over the next 9-12 months, the demand factors for the industry will remain healthy, ICRA said. Leisure and business travel, along with MICE, will continue to drive demand for the industry, both ICRA and Crisil said. ICRA noted:

- The preference for branded hotels is robust among leisure travelers.
- [Weddings](#) are moving from independent halls to hotels and the growth in [destination weddings](#) is adding to revenue. Corporate MICE demand is also expected to remain strong.

- [Business travel demand](#) has been strong this year, and virtual meetings have not significantly impacted business travel. It noted that the average length of stay has risen over the pre-Covid era.

ICRA noted that foreign tourist arrivals have not recovered to pre-Covid levels yet. “Domestic tourism has been the prime demand driver so far and is likely to remain so in the near term.”



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## **The Expanding Indian Aviation Industry**

Budget airline IndiGo has expanded its domestic network, adding Bikaner as the 90th Indian destination. In February, the carrier will commence daily flights between Delhi and Bikaner, it said.

Meanwhile, full-service carrier Air India has also launched a new Airbus A350 widebody aircraft on the Delhi-Newark route. With this, all non-stop Air India flights between Delhi and the New York region are now operated on the A350 planes.

The new developments in IndiGo and Air India come as the Indian aviation industry is set for a major boost. This week, civil aviation secretary Vumlunmang Vualnam said that the air passenger traffic in India will surge from the current 220 million to 400 million by 2029. The minister said this is driven by rising demand for air travel. This year, domestic air passenger traffic is [expected](#) to grow at 7-10%.

Credit ratings agency ICRA has projected a stable outlook for the Indian aviation industry in 2025, expecting it to grow with new aircraft and airport upgrades. Collectively, Indian airlines have an order book of over 1,600 planes which will add to their networks and capacity. Last year, the then civil aviation minister had [said](#) that

India might need 4,000 additional planes over the next 20 years to cater to the growing demand.

However, airfares are expected to remain high because of elevated costs.

### **Oyo's New Rule in Meerut**

Hospitality company Oyo has a new rule in Meerut: it would require proof of marriage for couples checking into hotels in the city, [Skift has reported](#). "Under the revised policy, unmarried couples will no longer be welcome to check in," Oyo said in a statement.

"All couples will be asked to present valid proof of relationship at the time of check-in, including for bookings made online. Oyo has empowered its partner hotel's discretion to decline couple bookings based on their judgment, aligning with local social sensibilities."

The policy change was driven by requests from local hotel owners who wanted the discretion to deny access to unmarried couples – something Oyo did not previously allow them to do. This policy could expand to other cities, the company has said.

"While we respect individual freedoms, we also recognize our responsibility to listen to law enforcement and civil society in the markets we operate in," said Pawas Sharma, region head of Oyo North India.

### **Israel Launches E-Visa System for Indians**

The Israel Ministry of Tourism on Monday announced it has launched an electronic visa system for Indian travelers. The ministry said the system will make the visa application process more efficient and user friendly.

At present, the pilot system is only available for Indian nationals residing in India, but the ministry plans to gradually introduce the system "to all incoming foreign tourists to Israel from every destination."

The e-visa platform will complement Israel's Entry Travel Authorization (ETA) system, it said. However, this service has been specifically designed for individual tourists. Group applications will continue through the existing route, the ministry clarified.

### **Air Kerala Airline to Operate from Mysuru Airport**

Kerala-based low-cost carrier [Air Kerala](#) will operate from Kannur International Airport in Kerala as well as the Mysuru Airport.

The airline is likely to commence operations in May or June this year. It received the no-objection certificate (NOC) from India's ministry of civil aviation last year.

Started by Dubai-based businessmen Afi Ahmed and Ayub Kallada, Air Kerala aims to initially connect Tier-2 and Tier-3 cities using ATR 72-600 aircraft. International operations are expected to start by the end of 2026.

## Where Will Indians Travel This Year?

Online travel company Booking.com has launched its Travel Predictions 2025 research. According to the report, 83% of the Indian travelers are looking to travel to less crowded destinations, and about the same number of travelers are keen to explore luxurious longevity retreats.

According to the report, Gudauri in Georgia is the top trending international destination for Indians this year. This is followed by Gabala in Azerbaijan, Cruis in France, and Almaty in Kazakhstan.

Apart from this, Baku, Ahangama, Tbilisi, Tromso, Batumi, and Mui Ne round up the top 10 destinations. In the list, Georgia has stood out as the preferred country for travel among Indians this year with three destinations.

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