

Global hotel industry likely to withstand headwinds in 2023

By Arjay L. Balinbin *Multimedia Editor*

THE global hotel industry will remain resilient and continue its recovery in 2023, thanks to the resurgence of international travel, according to an industry expert.

For 2023, “we see global recovery,” Mark Willis, global chief executive officer of Fairmont Hotels & Resorts, told *BusinessWorld* earlier this month.

“Yes, there has been a lot of negativity around a possible global recession and a return to 2008-2009 (global financial crisis), but that has been an ongoing discussion for some months... For the most part, it’s been delayed and delayed, and I wonder if it will come because most of the locations around the world are recovering,” he said.

The global hospitality had an “uplifting year” in 2022, driven by leisure demand and various international tourism events such as the World Expo Dubai, Formula One Grand Prix and FIFA World Cup, according to real estate services company JLL.

In its “Global Hotel Investment Outlook 2023” report, JLL said occupancy rates have recovered around the world. For instance, occupancy rates in the Americas have recovered to 95% of the pre-pandemic levels, while those in Europe and Asia have regained 89% and 77%, respectively.

“The industry has bounced back after an appalling period. I don’t think anybody was hit as hard as the travel and hospitality sector,” Mr. Willis said.

Pent-up travel demand is expected to remain resilient in 2023, JLL said, “particularly as China and other international borders reopen and consumers consistently demonstrate a desire to travel.”

“Inflation, cost of goods, cost of payroll..., and power... have all been elements of business that have been under a lot of pressure in the past 18 months,” said Mr. Willis.

Although hotel rates have gone up, demand has also gone up, he noted.

“Supply has slowed down a little as we come through COVID, and there is a desire to travel, particularly from those locations that have been under lockdown.”

In the Philippines, travel agencies are likewise expecting international visitor arrivals to approach pre-pandemic levels.

International visitor arrivals will reach seven million this year, Michelle G. Taylan, chair of the Philippine



MARK WILLIS, global chief executive officer of Fairmont Hotels & Resorts

Travel Agencies Association’s 30th Travel Tour Expo 2023, told *BusinessWorld* last month.

The Department of Tourism has set a target of at least 4.8 million tourist arrivals this year. While this is below the 8.26 million foreign arrivals in 2019, it is still an improvement from the 2.65 million international arrivals in 2022.

Despite the economic challenges, Fairmont’s Mr. Willis is confident that the luxury hotel brand will “remain strong.”

“The brand is wonderfully strong; it’s a heritage brand with a hundred-year-plus history,” he noted.

Fairmont is part of Accor, a global hospitality group that operates in more than 5,000 locations across 110 countries. The Fairmont Makati celebrated its 10th anniversary earlier this month.

Mr. Willis said that Fairmont is set to open more than 30 hotels in the next 36 months, nine of which will be in Asia.

“If you have the right product, the right service, and you can personalize what you are doing and reach and exceed people’s expectations, people are prepared to pay a fair price for that,” he added.

Mr. Willis is responsible for the luxury brand’s portfolio of more than 100 hotels in operation and under development globally. Prior to taking the helm at Fairmont, he was the chief executive officer for India, Middle East, Africa and Turkey at Accor, overseeing a portfolio of more than 520 hotels in operation and development across 20-plus diverse brands.

The goals for Fairmont include modernizing or digitalizing its processes, as well as “making sure that you are attracting the next generation... and that they are coming, utilizing and enjoying our fabulous portfolio of hotels.”



HARAYA Residences will rise within the Bridgetowne Estate in Pasig City.

COMPANY HANDOUT

Haraya Residences set to rise in Bridgetowne Estate

UPSCALE developer Shang Robinsons Properties, Inc. (SRPI), a joint venture between Shang Properties, Inc. and Robinsons Land Corporation (RLC), recently unveiled a high-rise condominium project in Pasig City.

Haraya Residences, described as a “vertical gated village for the modern era,” will rise within RLC’s master planned 31-hectare district Bridgetowne Estate.

The company launched on Saturday the first of two towers, the South Tower which will feature 558 units on 57 storeys. The North Tower has no target launch date yet.

Haraya Residences offers one-bedroom units (67 square meters), two-bedroom units (104-142 sq.m.) and three-bedroom units (187 sq.m.).

A one-bedroom unit “reimagines” a traditional one-bedroom layout with flexible spaces and a loggia that expands the living room.

As a low-density residence, the two towers will only have ten units to a floor for exclusivity and privacy.

“Haraya in Filipino means ‘imagination,’ so we hold our mission sacred, to envision new possibilities for homeowners, introduce meaningful innovation, and develop inventive spatial configurations that provide comfort, freedom, and inspiration,” SRPI Executive Vice-President Jose Juan Z. Jugo said at the Feb. 15 media launch.

Haraya Residences will have 2,270 sq.m. of indoor amenities including a movie room, a library, function rooms, a private dining room, a game room, a playroom, a gym, and a lounge with a view of the skyline.

It will also have 2,500 sq.m. of outdoor amenities which include green spaces, swimming pools, and play areas.

“Haraya Residences is really a project that will transform normal urban living into something very special. We want to be a landmark project that improves the way people live,” Mr. Jugo said.

SRPI is targeting young urban professionals that want to upgrade their lifestyle.

“We’re a very young country. I believe today the average age of the Filipino is 24 or 25 years old. A 24-year-old will be in the workforce for the next 40 years,” said Mr. Jugo.

“These young people need homes and they’re in the workforce, so they might start with a simple home, a modest one, and as they get older, they upgrade. That’s the market Haraya Residences is targeting — people who are upgrading their lifestyle,” he added.

SRPI aims to complete Haraya Residences by 2028.


The residential development is expected to be surrounded by office towers and other premium developments in Bridgetowne Estate.

Bridgetowne Estate is a few minutes away from the Ortigas business district and accessible via C-5, Ortigas Avenue Extension, and Amang Rodriguez Avenue.

Offices and the upscale Opus mall are expected to open in Bridgetowne Estate this year. — **B.H. Lacsamana**



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