

M: Due to the more and more widespread covid-19 vaccinations, many travel restrictions have already been lifted and there are strong signs of the start of recovery of international travel and tourism. Farkhad, you talk to many hotel market stakeholders internationally – What’s your take on the recovery?

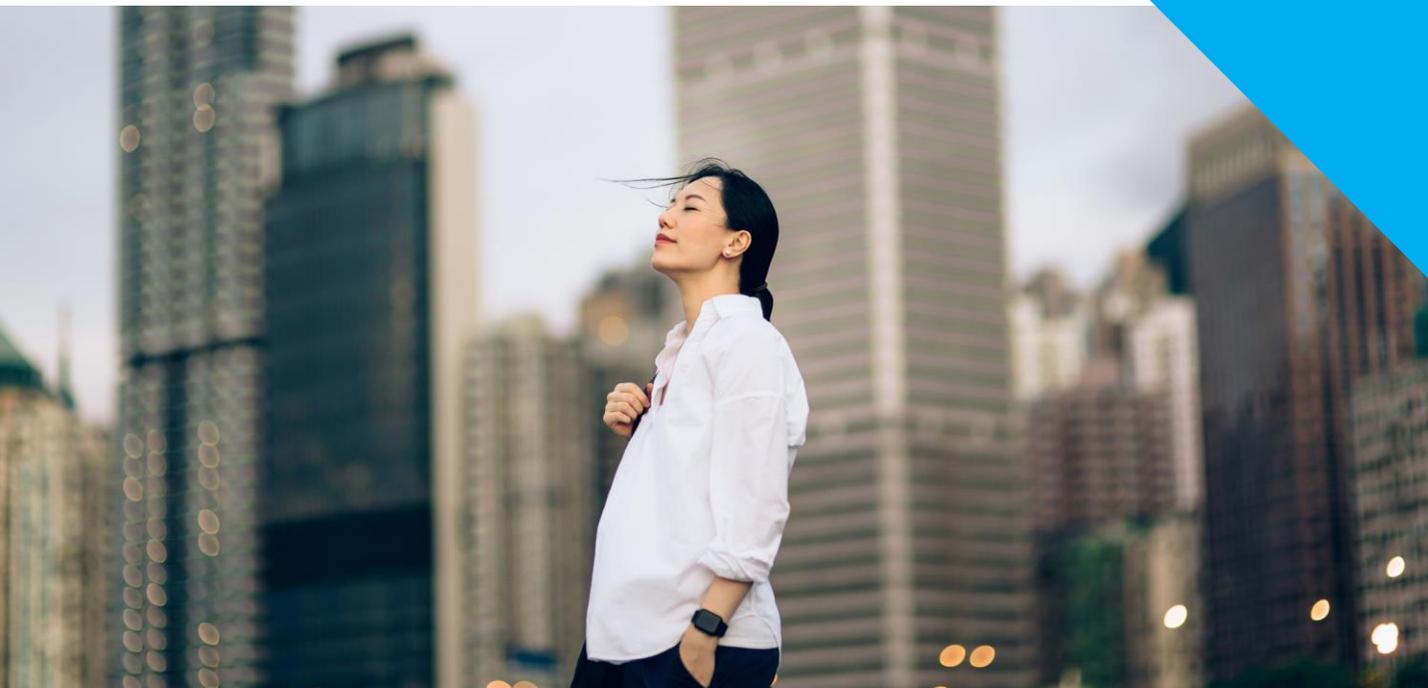
F: At IHG Hotels & Resorts we’re excited about the future of travel and busy enhancing and growing our business across the globe as the recovery continues from one of the most difficult periods in the history of hospitality.

As more people are vaccinated against Covid-19, protective barriers are coming down, masks are being taken off, restrictions are easing, and people are making plans. Travel is a huge part of life, and people’s desire to explore the world, relax and visit friends and family hasn’t changed, businesses must remain on the move and events still need to be run.

Of course, difficult challenges still remain in many countries, but wherever vaccinations are rolling out, we can see an encouraging trend of increasing consumer confidence and travel demand. In CEE, supported by the resilience of the midscale and upper midscale segments domestic leisure bookings and essential business travel have driven much of this increasing demand. This has been particularly evidence in in the resilience of cities like Gdansk, Warsaw or Katowice.

We remain focused on what matters most: ensuring clean and safe hotel stays; helping our owners navigate local market challenges and capture demand as conditions improve; and continuing to invest in our brands, technology and loyalty offer to help IHG excel as the industry returns to full strength. We’re proud that our teams, guests, owners and investors value the steps we’ve taken – firstly, to protect IHG, our colleagues, owners and communities at the onset of this pandemic, and now to keep developing and growing as a company as we reinvest in the things that make our brands first choice for guests and owners.

The impact of the pandemic and travel restrictions on our industry cannot be underestimated. People will always want to explore the world, the wheels of business must keep turning and events still need to be run. We can take great promise from IHG Hotels & Resorts’ global performance, where we have seen a significant improvement during the first half of 2021, with travel demand returning strongly as vaccines roll out, restrictions ease, and economic activity rebuilds. We know that while business trips, group bookings and international travel will take time to fully recover, we are confident in the strength of IHG’s future prospects, together with our hotel owners.



M: With regards to hotel development, do you see any new concepts and trends? Is there a need for new product development based on the expectations of guest? How did covid shape development concepts and how does IHG react?

F: A big part of our success relies on the love and trust our guests and owners feel for our brands. With the launch of Vignette Collection, we have introduced six brands in the past four years and expanded our portfolio to 17 – some of them world-famous and industry-leading, others gaining greater attention, and newer ones starting out with exciting growth ahead. Underlining their appeal, the growth of our estate prior to Covid-19 was rapidly accelerating, with 2019 marking a record year of openings. As the industry recovers, our focus remains on expanding at pace around the world, taking each of our brands from strength to strength by investing in quality, design, service and technology.

On the other hand we have seen an increased interest from investors in domestic leisure destinations, as they have shown more resilience during the pandemic, and with that an increase in resort proposition on our existing brands, like Holiday Inn Resort, voco, Crowne Plaza and Hotel Indigo. For example, earlier this summer IHG announced the signing of the first Holiday Inn Resort Szklarzka Poreba, a well-known Polish mountain destination. Whereas the Baltic resort town of Kolobrzeg is awaiting the opening of a 468-room Crowne Plaza.

Another trend that we have seen, was the change in traditional business travel to mixing business and leisure, which leads to extending regular length of stay in the hotel.

Combined with growing interest in the resi-for-rent models in different markets, we see a growing interest to our “& Suite” concept that targets extended stay guests. This option is available for brands like Holiday Inn Express, Holiday Inn and voco.

M: What's IHG's development pipeline and in what segments do investors believe in the most?

F: Europe Pipeline: 154 hotels
38 Luxury & Lifestyle collection
25 Premium collection
83 Essentials collection
8 Suites collection

Across Europe, we are seeing strong demand across all segments as the hospitality industry continues to recover. In more mature markets, the luxury presence is stronger than the emerging markets of CEE. In these developing markets, there is a strong demand for reliable essential brands that continue to consistently deliver performance, such as Holiday Inn and Holiday Inn Express.

M: Thank you, Farkhad, and the whole IHG Team.



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