

Update on IATO Activities (Monday, 16th August to Tuesday, 31st August 2021)

Dear Members,

Greetings from IATO !

Please find appended relevant activities of our association for the period (Monday, 16th August to Tuesday, 31st August 2021)

Segments covered are

1. **Communication / Letters that addressed key issues**
2. **Webinars/ Panel Discussions/Circulars/Meetings/Chapter news**
3. **Media Coverage**
4. **Chapter News**

Request your feedback to further the content of our weekly report.

1. Communication / Letters that addressed key issues

Segment 1 update sequence by date: 16, 18, 20, 27, 30 August

Monday, 16th August

- **IATO wrote to Mr. Shobhit Gupta, Deputy Director General of Foreign Trade, Directorate General of Foreign Trade, Department of Commerce, and offered its Inputs/suggestions regarding measures to be taken to enhance and increase exports through tourism**

Inputs were offered on

1. Service Export from India Scheme:-

- There should not be any reduction in percentage of SEIS and minimum 7% should be maintained for the Tour Operators if it cannot be increased to 10%.
- SEIS for the financial year 2019-20 should be released immediately and there should not be any capping for the tour operators
- A separate allocation of funds to pay SEIS to the tour operators
- SEIS should continue under the new scheme RoDTEP for 2021-26 for the tourism service providers
- To encourage tourism arrivals during off season i.e. from April to September when there are empty rooms available. We requested to increase the percentage of SEIS to 15% and during season i.e. from October to March it could be 10%.

2. Tourism industry to be treated as deemed exporter at par with IT Industry under Export of Services :-

It was requested that the parameters/definition of “export of services” in section 2(6) of IGST Act, 2017 may be relaxed in the case of tour operators and the services of tour operators earning foreign exchange for the country

may be accorded with the status of “export of services” paving the way for non-payment of IGST on billing to the foreign tourists / FTO.

3. Refund of IGST paid by the tourist leaving India on supply of goods taken out of India -Tax Refund for Tourists (TRT) Scheme under section 15 of the IGST Act 2017 to be implemented.

➤ **IATO requested Mrs. Nirmala Sitharaman, Hon. Minister of Finance for relief for the most stressed sector of Tourism, Hospitality and Aviation.**

IATO placed its recommendations on ECLGS for her kind consideration and necessary actions to support the hardest hit sector of tourism, hospitality and aviation and requested for the following: -

1. ECLGS 5.0 Scheme: As the govt. had increased the layout for the ECLGS scheme from Rs. 3 lakh crores to Rs. 4.5 lakh crores of which as per last information, it was understood that a substantial amount had not yet been consumed, it would be a great support by the Government to release a new ECLGS 5.0 for the sector disbursing another 20% on outstanding loans to further support the needs of the long term impacted stressed sectors to meet their working capital funds.

2. ECLGS 1.0 & 3.0:

For the stressed sectors that had availed the ECLGS 3.0, ECLGS 1.0 could have been clubbed together with the ECLGS 3.0 whereby, even ECLGS 1.0 could have been reorganised to be given with a two years' moratorium and 4 years of repayment period.

3. ECLGS Operational Issues with banks: Many banks were not allowing the deduction of bank loan EMIs from the ECLGS funds stating that this would be falling into what they called as Evergreening, which was using one loan to repay another loan. However, as the ECLGS funds were for supporting companies when they had no other cash flows, the usage of these funds to pay EMIs was essential or despite the government's support, the companies will be made into NPAs by the banks.

4. Tourism & Hospitality Sector Specific Relief Package: Ideally, if the Government could increase the Rs.10 lakhs per recognised tourism and hospitality company with an option to at least a maximum of Rs. 40 lakhs per company in which, those companies that want lesser working capital could accordingly take lesser amounts while, those that want a larger amount of loan could take the full amount. Keeping in mind the long term stress on the sector, this could also be with a moratorium of 2 years and repayment of 6 years to make it easier for all industry players.

5. SEIS 2019-20: The SEIS 2019-20 was still awaiting disbursement after sixteen months and IATO sought urgent support as this money had already been spent by the companies belonging to the sector in the form of added value, discounted prices to the overseas markets to make India more competitive.

*A copy of the letter was marked to **A.** Governor, Reserve Bank of India, **B.** Finance Secretary & Secretary Expenditure, **C.** Secretary (Revenue), **D.** Secretary (Tourism), **E.** Chief Executive Officer, National Credit Guarantee Trusty Company Ltd, **F.** Director General, SEPC and **G.** Additional Director General Ministry of Tourism*

Wednesday, 18th August

- **IATO wrote to Mrs. Rupinder Brar, Additional Director General (Tourism) and offered its inputs/suggestions for an event to be organised in Varanasi**

IATO suggested that MoT and IATO could organise an event in Varanasi coinciding with Dev Diwali on 18th November 2021, where IATO could invite approximately 100 members of IATO from all parts of the country. The event could be to promote Varanasi and nearby places of India's old civilization where IATO could organise 2-3 session about promotion of tourism to Varanasi, problems in promoting area, infrastructure, connectivity issues etc. Following the session, next day Fam Trips/sightseeing for the delegates could be organised. State tourism could also be involved and they could have a session on investment in Varanasi and nearby tourist cities for development of infrastructure. Air tickets to be provided by the Ministry and State Government could be asked to provide hotel accommodation and Fam Trips.

Friday, 20th August

- **IATO offered its inputs/suggestions to. Mr. Rakesh Kumar Verma, Joint Secretary (Tourism) on the Draft Scope of Work for IIDMP**

IATO offered a note on a *Post Event Report*

Friday, 27th August

- **IATO apprised Mr. Shobhit Gupta, Deputy Director General of Foreign Trade on the points raised by IATO during meeting with Hon'ble Minister of Commerce & Industry on 23rd August 2021**
 1. To release SEIS for the financial year 2019-20 for the tour operators, which was pending for 17 months now.
 2. SEIS to continue for the next 5 years and to be included in RoDTEP scheme in the foreign trade policy being framed for 2021-26.
 3. Tourism industry to be treated as deemed exporter at par with other exporters based on their foreign exchange earnings by relaxing the parameters/definition of "export of services" and services provided to foreign tourists in India against foreign exchange.
 4. Refund of IGST paid by the tourist while leaving India on supply of goods taken out of India under Tax Refund for Tourists (TRT) Scheme for which a provisions is there in IGST Act but has not been implemented.

5. In the year 2018, Indian Tourism generated foreign exchange earnings to the tune of USD 28.59 billion and in 2019, it was USD 29.9 billion. If we get encouragement and support from the Government tourism industry can increase it to USD 50 Billion in a very short span of time.
6. To open e-Tourist Visa for all those foreign tourists who had been vaccinated and wished to come to India. Let foreign tourists decide whether they want to travel to India or not. We should not restrict them to travel to India, when other countries have opened their doors for tourists.
7. Similarly, normal international flight operation should be resumed and Let the airlines decide whether they want to operate or not if there was any constraint of load factor, but government should allow to resume flights.

It was requested that the inputs given by IATO are favourably recommended by Directorate General of Foreign Trade to the Ministry of Home Affairs, Ministry of Civil Aviation, Ministry of Health and Family Welfare and Ministry of Tourism accordingly.

Monday,30th August

- **IATO wrote to Ms. Shoumi Dasgupta, Dy. Director, Services Export Promotion Council and highlighted the key issues along with its recommendations on the Pre-Budget Proposals for the year 2022-23 w.r.t. Direct & Indirect Taxes**

1. **Tourism industry to be treated as deemed exporter at par with IT Industry under export of services**

IATO Recommended that the parameters / definition of “export of services” in section 2(6) of IGST Act, 2017 may be relaxed in the case of tour operators and the services of tour operators earning foreign exchange for the country may be accorded with the status of “export of services”. The criteria for determining the place of supply (POS) of services should be uniform between IT Industry and Tour Operators Industry.

A note explaining the above point in detail was enclosed

2. **Removal of cascading effect of GST on Tourism Industry**

IATO suggested that either GST may be levied @ 18% on the 10% mark-up (deemed value) so that effective rate of tax on package cost works out to 1.8% of gross billing with no ITC. Alternatively, the gross value may be taxed at 18% GST and input tax credit on all input services including hotels and restaurants may be allowed on actual basis.

A note explaining the above point in detail was enclosed

3. **Removal of GST on services provided outside India to foreign tourists**

It was recommended that GST/IGST may be fully exempted on the services provided outside India i.e. in neighbouring countries even if package includes India tour. As a result of tax exemption, bookings will come to Indian Tour operators instead of such bookings going in favour of tour operators based in

neighbouring countries. This will add considerable foreign exchange for the country.

4. Withdrawal of tax collection at source (TCS) for the foreign tourists

IATO Recommended that

- The provisions of TCS should be made applicable for persons / companies resident in India and not to foreign citizens / foreign tour operators located outside India.
- The provisions of TCS should not apply in case the foreign tourist visits India and thereafter proceeds to foreign country including neighbouring country or vice versa. Such a composite package does not technically qualify as “overseas tour program package” as defined in section 206C (1G) of I.T. Act, 1961.

A note explaining the above point in detail was enclosed

5. Extension of Service Exports from India Scheme (SEIS) for the tourism industry for the next 5 years in the upcoming Foreign Trade Policy, 2021-25

IATO recommended that

- Since the current Foreign Trade Policy 2015-20 was likely to be replaced by new Foreign Trade Policy 2021-25, the benefit of SEIS scheme to be continued for the tour operators and travel agencies for the next 5 years under the new FTP;
- The admissible rate of SEIS may be hiked from 7% to 10% of net foreign exchange earned by the tourism industry.
- Release the order for distribution of SEIS scrips for the year 2019-20 as this had not been done till date.

6. Small correction in the conditions prescribed against 5% GST notified for tour operators services

IATO recommended that

- The word “and” appearing between the words accommodation and transportation in condition No. 2 against sr. No. 23 of CGST Notification No. 11/2017-CT(R) dated 28.6.2017 to be replaced by the word “or”.
- The Govt. may clarify by way of circular binding on the lower authorities that this was intent from the very beginning when GST rolled out so that the GST authorities should not raise objections from 01.07.2017.

7. Refund of IGST paid by the tourists leaving India on supply of goods taken out of India -Tax Refund for Tourists (TRT) Scheme to be implemented.

It was recommended that the Govt. should formulate the well-defined and simple procedure and user – friendly conditions / safeguards for allowing cash refund to the foreign tourists leaving India at the departure airport in respect of integrated tax paid by him on purchase of goods within India and being taken out of India as part of his baggage or otherwise. The procedure may be notified in the public domain at the earliest. IATO had already submitted a detailed recommendation letter dated 18th December 2019 to Ministry of Finance, Government of India and letter dated 24th February 2020 to the Ministry of Commerce, Government of India, New Delhi.

8. Reduction of GST on private ferry tickets at Andaman

IATO recommended that in view of the essential use of transport ferries, the GST rate should be nil or maximum 5% as in the case of ferry transport.

A Copy of the letter was marked to Director General, SEPC

2. Webinars/ Panel

Discussions/Circulars/Meetings

**Segment 2 update sequence by date:18,20,21,23,25,26
28,30 August**

Wednesday, 18th August

- TOFTigers Knowledge Session "What role can travel companies play in creating new destinations?" was held on 18th August at 3.30 pm. All members re informed

Friday,20th August

- VIIth International Tourism Conclave & Travel Awards (ITCTA) was held on 20th August 2021 at Hotel Le Meridian. All Members were invited.

Saturday, 21st August

- Dekho Apna Desh - Episode 96 Webinar on" From Mysuru to Mysore" was organized on 21st August, 2021 Saturday 1100 – 1200 hrs.

Monday,23rd August

Mr. Rajiv Mehra was in conversation with the Hon'ble Minister for Commerce & Industry. Minister Sir spoke about tourism to be back with a bang with support of MoT and other ministries

"I am glad that we were heard by the Honourable Minister of Commerce, SEIS point and opening of e tourist visa and international flight operations were all noted by him. His expression was quite affirmative and hope we get the desired results. Thanks to the support given by our Vice President Ravi Gosain who was with me, my entire EC and few members who personally called and gave suggestions". Mr Rajiv Mehra



Wednesday, 25th August

- All Members were informed on the “*Food for Thought*” as shared by Chairman, FAITH as an attachment.

Thursday, 26th August

- Inaugural of the event at Leh



➤ Joint Secretary IATO at the Panel Discussion



Saturday, 28th August

➤ Dekho Apna Desh - Episode 97th webinar was organized on 28th August, 2021 Saturday 1100 – 1200 hrs on the topic “Ladakh Unchartered

Monday, 30th August

- Grievance Redressal Week was conducted by Additional Director General of Foreign Trade, Mumbai from 30.08.2021 to 03.09.2021

3. Media Coverage

Segment 3 update sequence by date:23,24,25,30,31 August

Monday,23rd August

- President on twitter

<https://twitter.com/rajivmehra08/status/1429752832165482496?s=12>

Tuesday, 24th August



Tuesday August 24, 2021
Tourism Breaking news

All India RevPAR index for luxury hotels is reflecting levels of 2019: STR
STR, in a new report, has revealed that while all India RevPAR for July 21 dates in at just over half (2,000) the RevPAR index for luxury hotels touched 2019 levels on 1st July and continue to be robust for the remainder of the month. It also revealed that Goa and Udaipur continue to be the ADR market leaders, with some metros such as New Delhi, Gurgaon and Mumbai also gaining momentum on the sales front.



IATO discusses steps to increase exports through tourism with Piyush Goyal
Ravi Mehra, President, Indian Association of Tour Operators (IATO), and Ravi Gokan, Vice President, IATO, have put ground issues in front of Piyush Goyal, Minister of Commerce & Industry, GOI. They discussed measures to enhance and increase exports through tourism. The points on which they requested resolution from Goyal include SES payments, visa issues and GST concerns.



Indiatourism Chennai's bike rally of 50 hotel GMs
Indiatourism Chennai has joined hands with the General Managers of Major Star Hotels in Chennai and organised a bike rally under the theme "Ride to Recover Chennai, ReDiscover Life" on 22nd August 2021. The event was also supported by Tamil Nadu Tourism. Around 50 GMs participated in the ride and visited Marina Beach, Madhav Kallan, and Kovalam Beach. At Kovalam the bikers enjoyed demonstration of water sports activities like surfing, kitesurfing organised by Utopia.



Rebooting the Indian MICE landscape
WEDNESDAY, 25th August, at 11 am IST
Register Now

DCT Abu Dhabi expands its E-learning Programme with new modules and markets
In a bid to mark 75th anniversary of Abu Dhabi Specialist E-learning Programme, DCT Abu Dhabi is launching new modules & markets for the same. "As we open up to travellers from across the world once again, we are confident the programme has increased awareness of Abu Dhabi's amazing offerings," said HE Ali Hassan Al Shaisbi, Executive Director of Marketing & Tourism at DCT Abu Dhabi.



Almost all tourist spots in the country would be opened in January 2022: G Kishan Reddy
G Kishan Reddy, Union Minister, Tourism, Culture & DoNER, has said that almost all tourist places across India would be opened from January 2022. During his 'Jans Adhikar' visit in Bhopal town, he said there is a need to improve the tourism sector since India has excellent tourist places. He stated that foreign tourists could not visit India because of COVID-19 pandemic.



103-room Radisson Resort & Spa Lonavala opens its doors
Radisson Hotel Group has opened its 1st hotel in Lonavala - Radisson Resort & Spa Lonavala. Zubin Saxena, Managing Director and Vice President, Operations, South Asia, Radisson Hotel Group, says, "Radisson Resort & Spa Lonavala is a key opening for us in 2021. The resort's perfect location and MICE facilities make it an attractive venue for guests looking to host destination weddings, large corporate or social functions. The opening provides further momentum to our strategic expansion plans in West India."



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www.tourismbreakingnews.com

For more news & updates please log on to


Wednesday, 25th August

- **IATO Seeks Continuation Of SEIS For The Next 5 Years**

<https://www.traveltrendstoday.in/news/india-tourism/item/10131-iato-seeks-continuation-of-seis-for-the-next-5-years>

- **IATO takes up SEIS issue again with Union Commerce Minister**

<https://travel.economictimes.indiatimes.com/amp/news/associations/iato-takes-up-seis-issue-again-with-union-commerce-minister/85592475>

- **IATO advices Minister of Commerce and Industry over enhancing tourism exports**

<https://traveltradejournal.com/iato-advices-minister-of-commerce-and-industry-over-enhancing-tourism-exports/>

- **IATO raises industry concerns to Hon'ble Minister of Commerce & Industry, Piyush Goyal**

<https://www.travelturtle.world/news/iato-raises-industry-concerns-to-honble-minister-of-commerce-industry-piyush-goyal/>

- **IATO urges Commerce Minister to release SEIS for FY 2019-20 to tour operators & open e-Tourist Visa**

<https://www.bottindia.com/iato-urges-commerce-minister-to-release-seis-for-fy-2019-20-to-tour-operators-open-e-tourist-visa/>

Monday, 30th August

Tuesday 31st August

- **Disappointed with Government decision to extend the suspension of international flights: IATO**

<https://www.travelturtle.world/news/disappointed-with-government-decision-to-extend-the-suspension-of-international-flights-iato/>

4. Chapter News

Segment 4 update sequence by date:16,17,18,22,25,26,28 August

Monday, 16th August

- **Our Chapter Chair Karnataka** met the Hon. Chief Minister and submitted the request for a consolidated single order from the Govt of Karnataka for implementing covid protocol for tourism travel and hospitality sector. He was sympathetic to the request and assured full support.



Tuesday, 17th August

➤ From Chapter Chair Kerala



Wednesday, 18th August

➤ Message from from Chapter Chair J&K

“The Parliamentary Delegation of 40 Members headed by Shri Anand Sharma is in Srinagar to meet the various trade, commerce & Tourism Bodies. The State Govt has chosen IATO Chairman to speak out our problems and I had the opportunity to speak out all the problems Tour Operators not only in J&K but PAN India have been facing for 2 years due to Covid. The Chairman of the delegation assured to speak out to PM & FM about the support to be extended to the Tour Operators, where in I spoke out bailout package, business loss insurance, TAX

Holiday, Removal of Travel Advisory, business loss compensation since all of us paid huge amount on office establishments & staff wages etc.”

Sunday, 22nd August

वीकेंड टूरिज्म की शुरुआत की जागी उम्मीद

पर्यटन संस्थाओं ने साप्ताहिक बंदी खत्म करने का किया स्वागत, ठप था वीकेंड टूरिज्म

जम्मू काश्मीर सरकार ने शुरुआत की ठप था वीकेंड टूरिज्म की शुरुआत की जागी उम्मीद। अब तक वीकेंड में स्मरकों के बंद रहने से पर्यटक नहीं आ रहे थे। पर्यटन संस्थाओं ने फैसले को सराहा है।

केंद्र के अध्यक्ष के संज्ञाप को दूसरे शहर में सभी स्मरण 15 अप्रैल से 15 जून तक बंद रहे थे। 16 जून से स्मरण खुले थे। ठप में सन्निवार व रविवार को साप्ताहिक बंदी रहने से स्मरण नहीं खुल पा रहे थे। आरंभ में पर्यटक वीकेंड (सन्निवार व रविवार) को अधिक आते हैं। साप्ताहिक बंदी से वीकेंड टूरिज्म मुझे ठप था। पर्यटन संस्थाएं साप्ताहिक बंदी को खत्म करने की मांग कर रही थीं। निम्नलिखित उद्योग संस्थानों ने साप्ताहिक बंदी को सन्निवार तक सीमित कर दिया था। 15 माह के बाद सन्निवार के दिन 14 आगस्त को स्मरण खुले थे। शुरुआत को प्रेक्षा सरकार द्वारा साप्ताहिक बंदी को खत्म किया जाने पर पर्यटन कारोबारियों ने सहस्र मिलान को बात कही।

साप्ताहिक बंदी को समाप्त करने का निर्णय बहुत अच्छा है। कतली वीकेंड में पर्यटकों का आना शुरू होगा। पर्यटन कारोबार में जुड़े होटल व रेस्टोरेट संचालकों, गाइडों, फोटोग्राफरों को सहसा मिलेगी।

राजेश चौधरी, अध्यक्ष होटल एवं रेस्टोरेट एसोसिएशन

साप्ताहिक बंदी खत्म करने का स्वागत है। बर्खास्त किया तब वीरे-वीरे हट रही है, जकी तरह पर्यटन कारोबार भी वीरे-वीरे पटरी पर लौटेगा। अब इंटरनेशनल फ्लाइंग टूरिस्ट वीज सपोर्ट भी शुरू करना चाहिए।

सुनील कुमार, अध्यक्ष वीकेंड टूरिज्म एसोसिएशन जम्मू काश्मीर



साप्ताहिक बंदी के चलते अधिक पर्यटक नहीं आ रहे थे। साप्ताहिक बंदी के खत्म होने के बाद अब वीकेंड में पर्यटकों का आना-जाना शुरू हो जाएगा। पर्यटक आगरे तो उद्योग वीरे-वीरे पटरी पर लौटेगा।

अरुण सिंह, अध्यक्ष होटल एवं रेस्टोरेट एसोसिएशन

साप्ताहिक बंदी खत्म किए जाने से वीकेंड टूरिज्म बढ़ेगा। पर्यटकों पर अर्थोर्थिका के लिए निर्भर विश्व चलता, टैक्स चलता, स्मरण, रेस्टोरेट, होटल, एंटीरेयम व हस्तकलाओं को राहत मिलेगी।

दीपक, अध्यक्ष टूरिज्म एवं होटल एसोसिएशन



➤ From Chapter Chair Ladakh

IATO Ladakh Chapter interactive meet with Travel Trade organizations of Leh was held in Leh at Hotel Sera Courtyard. The dinner meeting was attended by current IATO Ladakh members, President Ladakh Travel Trade Alliance, President and executive members from All Ladakh Tour Operators Association ALTOA, All Ladakh Hotel & Guest House Association ALGHA, Taxi Union, Tempo Union and Bikers Association. Chairman IATO Ladakh presented traditional khatags to all the IATO Ladakh members and participants. Importance of IATO and privileges of becoming it's member were thoroughly discussed and explained. Members appreciated and congratulated IATO President and EC for opening Ladakh chapter and hoped that IATO will look into Ladakh Tourism issues. Soon IATO executives from Delhi under the leadership of Sh. Rajiv Mehra ji is visiting Ladakh and on 28th August travel trade members of Ladakh from both Leh and Kargil districts is expected to have a meeting with IATO officials in Leh.



Wednesday, 25th August

- **Chapter Chair Ladakh welcomes IATO President and other EC Members**



Thursday, 26th August

- **Chairman, IATO North East States** chapter received an invitation from Northeast Frontier Railway to attend an interaction at 11 AM today. This is in relation to the Vistadome operations being planned by the NF Railway on the Guwahati - New Halflong and New Jalpaiguri - Alipurduar Jn routes.



VISTA DOME, TOURIST SPECIAL TRAIN at VIP Lounge, GUWAHATI RAILWAY STATION by N F Railway M , N F Railway with other high level officials of N F Railway and Director of Assam Tourism along with other high level officials of Assam Tourism are attending the event.

Saturday, 28th August

➤ **Official launch of the IATO Ladakh Chapter**





Message from Chapter Chair Punjab

“Meeting called upon by Mr. Jenu (MD GUJRAT Tourism) was convened very nicely with house full gathering of travel agents called by me and Gujarat Tourism department.”


