Update on IATO Activities (Thursday 1st June to Thursday 15th June 2023)

Dear Members,

Greetings from IATO!

Please find appended relevant activities of our association for the period (Thursday 1st June to Thursday 15th June 2023)

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: 1,2,12,14 June

Thursday 1st June

IATO wrote to Mr. Niraj Sharan Asstt. DG(TT), Ministry of Tourism on the Issues to be taken up with Minister of Civil Aviation

1. Very High Domestic and International Airfares:- Airfares in India have gone very high post covid i.e. almost 3 to 4 times higher than the normal fare which used to be before 2020. These airfares are beyond reach of budget class travelers and also the general public. Similar is the case of International air fares This has resulted Indian tour packages have become cost prohibitive and high compared to our other neighbouring countries.

It was requested that both MOCA/DGCA should have a meeting with all the airlines and agree themselves on some kind of formula that the airfare does not go beyond a particular lime..

2. Reduction of Free Baggage Allowance by the Domestic Airlines:- A few year ago, all the domestic airline took a decision by reducing the free baggage from 20 kgs to 15 kgs.

It was requested that Ministry of Civil Aviation/DGCA should emphasis on all the airlines to increase the baggage allowance to 20 Kg in check in baggage to fulfill the dreams of our Hon'ble Prime Minister for purchasing of goods wherever the tourist visit.

3. Regarding refunds of Travel Agents/clients from Go First Airline:-

The airline is not following the Ministry of Civil Aviation/DGCA directives and airline issued credit notes to the travel agents, which can only be used to book Go FIRST flights. The issuance of credit notes has irked passengers and travel agents worldwide, as these credit notes are of no use since the airline has suspended operations.

It was requested that

- Go First Airline is to be directed by MoCA/DGCA to make refund of the entire amount pending with them of the travel agents including money security amount deposited with them as bank guarantee so that travel agents can make refunds to their foreign/domestic clients.
- It should be made compulsory for all the airlines operating in India to give bank guarantee / financial security to be kept with DGCA or an appropriate Statutory body to protect the

interest of travel agents/tour operators/airline travelers in a situation when an airline goes bankrupt or ceases to operate like in the case of Jet Airways, Kingfisher and now Go First Airline.

4. Regarding Exorbitant increase made by MIAL for Commercial Airport Entry Passes for the Tour Operators: -

For last 27 years i.e. since 1995, tour operator members who are recognized by the Ministry of Tourism Government of India are being issued Commercial Airport Entry Passes on payment, who are permitted to go inside the arrival hall to receive the foreign tourists at the airport and till the departure hall immigrations counters to facilitate foreign tourists to check in especially for senior citizens and those who cannot speak English language and also to ensure that they are not being cheated/hijacked at the airport by the touts or any third party at the airport.

Mumbai International Airport Ltd. has increased the Charges for Airport Entry Passes exorbitantly for the tour operators i.e. Rs. 168785 plus GST Rs. 30382 total Rs. 199167/- for one year pass with effect from 1st April 2022 to 31st March 2023. (copy attached).

Authorities of Jaipur International Airport owned by Adani Group has even refused to issue Commercial Airport Entry Passes to the tour operators for entry at the airport and have made their own high cost packages of providing meet and greet services to the foreign tourists who are handled by the tour operators which are not accepted by the foreign tourists.

It was requested that

- MOCA/DGCA to give necessary directives to MIAL to withdraw this increase in Airport Entry Pass Charges for the tour operators rather they should decrease the charges till the time inbound tourism to India is revived. Charges for Airport Entry Pass for the tour operators should not be more than Rs. 72000/- plus GST for one year (Rs. 6000/ per month) for airports in Tier – 1 cities and Rs. 36,000/- for airports in Tier-2 and Tier – 3 cities per pass.
- Airport Authority of India and other agencies like MIAL, DIAL, GMR, and Adani's etc. should not consider this as a revenue generating activity and consider this as a part of providing services to the foreign tourists visiting India and give them a feeling of Indian Hospitality and confidence of safe travel to India.

Friday 2nd June

IATO wrote to Ms. Leena Nandan, Secretary Ministry of Environment, Forest and Climate Chang regarding closure of Wildlife Sanctuaries, Tiger Reserves on all Wednesday w.e.f. 1st July 2023

Tour Operators and Hoteliers have booked FITS as well as group series through for the coming months. The season (Oct to Mar) gets booked much in advance and so are the flights tickets. The itineraries are made and frozen with various accommodation / transport /Flight/Safaris/ guides/monument tickets booking made much in advance. It is extremely difficult to reschedule the already booked safaris as the rescheduling would involve changing the arrival/ departure the accommodation, the transport and in any case the flight tickets. Availability of all of the above would also pose a challenge at such a short notice.

Viewing the above a request was made to the National Tiger Conservation Authority (NTCA) to withdraw this order/notification to help the tourism industry and this can be implemented from 1st July 2024. However, if it is not possible to extend it till 1st July 2024, it is requested that Tiger Reserves can be closed for the afternoon safaris and keep the morning safaris ON. A reminder was sent to her on 14th June 2023.

A copy of the letter was sent to A. Ms. V. Vidyavathi, Secretary, Ministry of Tourism and B. Dr. S. P. Yadav, Additional Director General (Project Tiger) and Member Secretary (NTCA)

Monday 5th June

➢ IATO requested Mrs. Nirmala Sitharaman Hon'ble Minister of Finance for removal of hike from 5% to 20% TCS on overseas tour packages from 01.07.2023

IATO felt that the steep hike in TCS rate will result into tremendous negative impact on the Indian Travel and Tourism Industry vis-à-vis Overseas tour operators. It is likely that as an alternative, the buyer will book the overseas tour package from foreign tour operator and avoid the heavy loading of 20% TCS. This will directly jeopardize the business of Indian Tour Operators who are compelled to collect 20% TCS from 1st July, 2023 for onward deposit into the Government exchequer.

Further The Ministry of Finance has recently clarified that International debit and credit cards spends of less than Rs.7 lacs in a financial year will not attract TCS under the RBI's Liberalized Remittance Scheme (LRS). Consequently, the tourist from India may book the hotel, travel and other related services directly and make payments through the International debit or credit cards and save the burden of 20% TCS. This will further impact the business of Indian Tour Operators who have not yet fully recovered from business recession on account of COVID-19 pandemic.

In view of the above submissions, IATO requested that the hike in TCS provisions from 5% to 20% w.e.f. 01.07.2023 in the case of travellers booking overseas tour packages through Indian Tour Operators may be withdrawn and status quo be maintained in the interest of survival of Indian tourism. For this purpose, a suitable exemption notification may be issued under 5th proviso to sub-section (1G) of section 206 of the Income Tax Act, 1961.

A Copy of the letter was marked to A. Mr. Sanjay Malhotra, Secretary (Revenue), B. Mrs. V. Vidyavathi, IAS, Secretary (Tourism), C. Ms. Pragya Sahay Saksena, Member (Legislation & Systems), Central Board of Direct Taxes, Department of Revenue and D. Mr. K.C. Varshney, Joint Secretary, Tax Policy and Legislation (TPL-I), Central Board of Direct Taxes, Department of Revenue,

Monday 12th June

IATO requested Shri Nitin Jairam Gadkari, Honourable Minister of Road Transport & Highways, Minister of Shipping to Segregate Tourist Passenger vehicles from all other transport vehicles and allow curtains in tourist vehicles

The issues that needed immediate attention to help the tourism industry were

- 1. Making amendments by issuing necessary notification to segregate passenger Tourist vehicles from all other transport vehicles so that these are not mixed with goods vehicles and passenger medium /heavy tourists vehicles can ply as per the speed limit of 100 kmph and all commercial cars up to 8 seater must be permitted to travel as per the speed limit on that highway.
- 2. It should not be mandatory for the tourist passenger vehicles up to 8 seater to fit speed governors and the speed governors limit for medium/heavy passenger vehicles should be increased to 100 kmph with no compulsion of speed governors on imported vans/coaches, for which speed governors are not available.
- **3.** Contrary to the speed limits permitted, the Delhi Traffic Police appears to have arbitrarily set a speed limit of 40 kmph for all tourist vehicles. Whereas for private cars the limit is as per the limit on that road. Commercial cars and private cars must be treated on par as per the speed limit prescribed on that particular road.

4. It was requested that curtains be allowed for all the tourist coaches, mini buses of all sizes and cars having All India Tourist Permit while plying on Expressways/Highways in any part of our country. It is almost impossible to sit with direct Sun rays hitting at the face /body of foreign as well as domestic tourists who travel long distance on highways. People with skin allergies / diseases who should avoid exposure to direct sunlight.

A copy of the letter was marked to **A**. Mr. Anurag Jain, Secretary Ministry of Road Transport & Highways and **B**. Mrs. V. Vidyavathi, Secretary Ministry of Tourism, Government of India

Wednesday 14th June

IATO wrote to Mr. Vinay Malhotra, Head of Global Sales IndiGo thanking him for restoring flight on sector Mumbai – Aurangabad – Mumbai from 1st July 2023 and requested support on

- A late morning flight on sector Delhi Aurangabad Delhi from 15th July 2023
- A flight connecting sector Delhi Khajuraho Varanasi Khajuraho Delhi OR Agra –Khajuraho – Varanasi- Khajuraho – Agra from 15th September 2023
- 2. Webinars/ Panel Discussions/Circulars/Meetings

Segment 2 update sequence by date: 1,2, 9,12,14,15 June

All Members were informed on the <u>Dekho Apna Desh</u> - webinar being organized on coming Monday, 5th June 2023 at 1100 hrs, presenting DAD Season 02, Episode No. 28 on topic, "Empowering Youth with 'Travel for LiFE'!".

<mark>Friday, 2nd June</mark>



▶ IATO VP addressing at the FMITC 2023

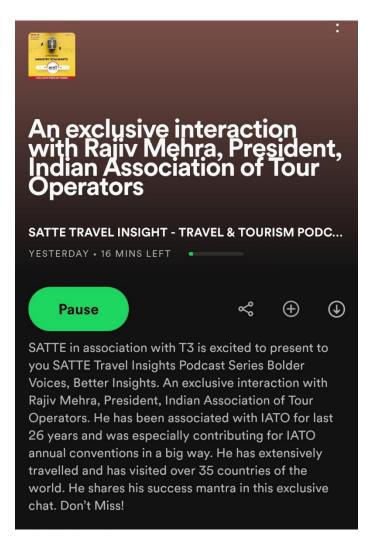
Friday 9th June

- All Active Members were informed on the reconstitution of IATO Sub Committees for 2023-25.
- All Active Members (Based in Delhi/NCR) were informed on the Outreach Programme of the Income-tax Department on "TCS provisions for overseas tour packages"

Monday 12th June

All Members were informed on the Invitation from ATOAI for Seminar/Adventure Tourism Road Show with a B2B mart on 13th July 2023 in Mumbai.

- All Active Members (Recognized by the Ministry of Tourism, Government of India) were informed on the Incredible India Tourism Expo 2023 on 15 - 16 July, 2023 at Icon Siam Mall, Bangkok being organized by Embassy of India, Bangkok
- All Members were informed on the Special Offer for IATO Members by SPG Hospitality – Hard Rock Café, Janpath New Delhi



Wednesday 14th June



इंडियन असोसिएशन ऑफ टूर ऑपरेटर Indian... - Dr. Bhagwat Karad इंडियन असोसिएशन ऑफ टूर ऑपरेटर Indian Assoc... m.facebook.com

All Members were informed on the IATO Speaks – June 2023 edition with a link to \geq download it.

Media Coverage 3.

Segment 3 update sequence by date: 1,5,6,7,9,10 June

Thursday 1st June

In 'monumental' shift, tourists pack peace and experience

Giving Taj Mahal, Qutub Minar a miss, domestic tourists are flocking to places travelogues often skip

DEEPAK PATEL & ANEESH PHADNIS

S antosh Joshi is a busy man these days. The owner of Joshi Cottage, a home-stay 2 kilometres away from the nearest wildlife ry in Uttarakhand, handles guests for yet the pandemic. Of young people from cities are stay-ing at my lodge. They find peace when they are close to nature. The observes. Once the preserve of tech-industry free-lancers, the blending of business and leisure lobeisure) travel and working from anywhere

(bleisure) travel and working from anywhere as part of 'The Great Untethering' is becoming

as part of "The Great Untethering' is becoming increasingly mainstream, and it is these 'digital nomads' with the travel itch who have greatly helped revive businesses like Joshi's. And Joshi isn't an anomaly. Travel agents and hotel owners are observ-ing that a significant section of domestic tour-ists prefers 'experiential travel', flocking to places off the grid and at high altitudes, encouraged by better accessibility and the pro-liferation of package tours. Statistics from the Archaeological Survey of India (ASI), which administers more than 3,650 ancient monuments, archaeological sites, and remains of national importance,

sites, and remains of national importance. reveal that the number of domestic tourists visiting popular monuments like the Tai Mahal or the Qutub Minar has yet to touch pre-pandemic peaks

In 2018–19 (FY19), the number of domestic visitors to the Taj Mahal stood at 5.99 million. Meanwhile, in the April-December period of 2022-23 (FY23), the Taj Mahal had just

3.64 million domestic visitors, according to the ASI data that has been reviewed by Business Standard. The number of domestic visitors to Qutub Minar was 2.64 million in FY19. In the April-December period of FY23, this number was just L19 million.

The peak season for domestic tourists The peak season we consider the summer season (May-June). Consequently, we do not expect a big jump in the January-Marsh data that is a big jump in the January-March da being collated," says an ASI official.

"The sites under as a renot as well main-tained as they outfit to be. Confusion prevails, whether the nitry is through a physical ticket or an onli te booking. These sites also need to

FALLING FOOTFALL No. of domestic visitors No. of foreign visitors to

to popular monuments popular monuments = FY19 (April-March)* = FY23 (April-Dec) FY19 (April-March)*



be belovative in sustaining people's interest levels; if somebody has visited before, they see no charm in visiting again. Besides, domestic tourists are exploring new destinations closer to nature and places that have not been explored thus far," says Rajiv Mehra, president, Indian Association of Tour Operators. A travel agent based out of Kullu in

Himachal Pradesh says the pandemic has pushed the reset button, and tourists (especially

Tai Mahal indemic peak; ** Source: Archaere

FY23 (April-Dec)

85,311

Agra Fort

youngsters) want to travel to the upper reaches of the mountains, where it is more pristine. "The number of bookings to such areas has increased 50–60 per cent after the pandemic," he says, adding it would be helpful if airlines started operating more flights from Kullu. Currently, only Alliance Air (earlier part of Air India and currently owned by AI Assets Holding) operates flights (22 per week) con-necting Kullu to Delhi.

Aashish Gupta, consulting chief executive officer, Federation of Associations in Indian Tourism and Hospitality, says a significant sec-tion of domestic tourism is now shifting to remote and unconventional locations. India is geographically diverse, with land-scapes ranging from snow-capped mountain ranges to deserts, hills, and plateaus. Atypical locations always get repeat visits, he adds. Karthick Prabu, head of strategy. Cleantrip, says people are looking for places that trave-logues often skip. "While monument visits are showing fewer numbers than pre-Covid, states like Rajasthan officer. Federation of Associations in Indian

numbers than pre-Covid, states like Rajasthan have reported that their domestic tourist count is twice the pre-pandemic number," he added. The number of foreign tourists visiting the

The number of foreign tourists visiting the 'must-see' monuments in India is also below the pre-pandemic peaks of 2018-19 (PY19). For instance, Agra Fort, which received 25,253 visitors in PY10, welcomed only 85,311 visitors in the April-December period of FV23. "The reasons for low foreign tourist arrivals (in FV23) are myriad. The kind of marketing support that was expected from the govern-ment was hargely illusting. The acteding budget has since been slashed. Additionally, altrares have soored. Our neighbours are offer-ing better packages since they enjoy certain tax advantages we don't," says Mehra. Sunil Gupta, ex-president, Tourism Guild

Sunil Gupta, ex-president, Tourism Guild of Agra, says destinations need to be constantly

promoted to attract visitors. "Sadly, there hasn't been enough marketing of Agra among travel trade partners, and that is one reason why it has fewer domestic tourists is one reason why it has lever domestic tourists now than before the pandemic breakout. Agra also doesn't receive repeat tourists like other cities do," he rues.

He says international tourists plan their trips well in advance. Since India permitted scheduled international flights on March 27 last year, the number of foreign tourists who came to India in FY23 was much lower. "I expect foreign tourist arrivals to pick up this winter," he says. Aashish Gupta says if government-to-con-sumer marketing kicks in during the next few

sumer marketing kicks in during the next few months in key countries and if airfares stabilise, the number of foreign tourist arrivals to India in 2023-24 (FY24) could be about 75 per cent more than the pre-pandemic peaks. He adds that the domestic tourism sector is expecting a full recovery in FY24 if airfares remain stable during the year

Monday 5th June

Holidays-booked-with-foreign-tour-operators-escape-20-tcs-but-indian-tour-operators- \geq must-collect-this-tax-

https://www.moneycontrol.com/news/business/personal-finance/holidays-booked-with-foreigntour-operators-escape-20-tcs-but-indian-tour-operators-must-collect-this-tax-10740851.html

Tuesday 6th June

DON'T INSIST ON SPEED GOVERNORS FOR G20, SAYS HC

NEW DELHI: The Delhi high court has directed the state government to not insist on the requirement of fitment of speed governors in high-end vehicles, to be used as taxis for guests attending the G20 summit, scheduled to be held in the national capital in August and September this year.

The court's order comes on a plea by Indian Tourist Transporters' Association seeking directions to the Centre and Delhi government to remove the prohibition from registering high-end vehicles as taxis without fitment of speed governors, till the time these are easily available in the market.

On Friday, the court directed the Delhi government to register the vehicles specified in the tender documents issued by ministry of external affairs and asked the petitioner to give an affidavit or undertaking that the vehicles are being purchased or imported for G20 summit.

The court said "prima facie", the insistence on fitment of speed governors on vehicles the equipment is not available in the market is an "illogical and impossible" requirement. HTC



Wednesday 7th June



Friday 9th June

Travel-agents-not-willing-to-work-with-go-first-until-clarity-over-refunds-business-withlow-cost-airlines-under-doubt

https://www.moneycontrol.com/news/trends/travel/travel-agents-not-willing-to-work-with-gofirst-until-clarity-over-refunds-business-with-low-cost-airlines-under-doubt-10769871.html

Industry-bodies-seek-tcs-relief-for-domestic-travel-agents/ \geq

https://economictimes.indiatimes.com/industry/services/travel/industry-bodies-seek-tcs-relieffor-domestic-travel-agents/articleshow/100808982.cms

Saturday 10th June



expenditure; Ministry had issued detailed clarifications in May following outcry from industry and taxpayers over levy

Vikas Dhoot NEW DELHI

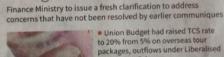
n another bid to address the persistent doubts over the applicability of the new 20% tax levy on overseas spends from July 1, the government will soon issue a fresh clarification to quell the concerns that have not been resolved by earlier communiques, a Finance Ministry official said.

The Union Budget had raised the tax collected at source (TCS) rate to 20% from 5% on overseas tour packages and outflows under the Liberalised Remit-

Taxing times

ment included overseas

credit card spends in the



to 20% from 5% on overseas tour packages, outflows under Liberalised Remittance Scheme

> Later, Centre included overseas credit card spends in LRS's ambit, enabling 20% TCS on such transactions

Ministry to come up with some clarification or FAQs, says official

LRS's ambit, enabling a tance Scheme (LRS) that 20% TCS levy on all such permits \$2.5 lakh dollars a spending abroad. year to be sent abroad. Facing an outcry from Subsequently, the govern-

industry and taxpayers on the steep levy, the Ministry had issued detailed clarifications in mid-May and defended the move, before deciding to tweak the provisions by exempting cre-dit and debit card spends of up to ₹7 lakh a year from the TCS requirement.

"Everybody is aware of the issue and we are certainly going to come up with some clarification or FAQs on that and that will clarify the position beyond any reasonable doubt on what and how and in what manner the TCS will be implemented and to what extent a threshold is available on which it is not to be collected," said Raman Chopra, joint secretary in the Department of Revenue.

Stressing there has bee a lot of discussion in th ministry on the issue, M Chopra assured on Frida that the matter would b clarified "soon"

"At this point of time cannot share with V what is to be clarified an to what extent it is to clarified but it shall done," he said at a Confe eration of Indian Indus (CII) event, when as how the governme would distinguish perso spends from corporate penses when employ travel abroad for work.

4. **Chapter News**

Segment 4 update sequence by date: 2,6,10 June

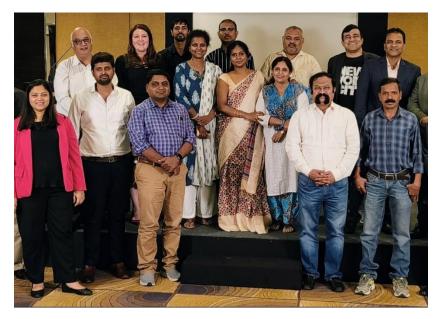


➢ IATO Chapter West Bengal at the FMITC 2023, Kolkata

Tuesday 6th June



Saturday 10th June



IATO Privilege American Consulate General Office (Hyderabad) conducted secession, related to USA visa regulations on 09 JUNE 2023, for only "few selected".
