



# IATO

## NEWSLETTER

FOR INTERNAL CIRCULATION ONLY

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### COVER STORY

Opportunity unexplored:

# Medical tourism

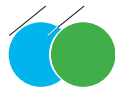


**IATO  
CHALLENGES  
ASI IN COURT,  
GETS STAY  
ORDER ON  
REVISED GUIDE  
POLICY**

**IATO ACTIVE  
MEMBERS' MEET  
BECOMES A  
THINK TANK OF  
IDEAS**



## FROM THE PRESIDENT'S DESK



The vibrant website of IATO with a new look is nearly ready and members must visit the website and keep themselves updated. We will ensure that all latest circulars are put on our website for members' information

Dear Members,

As the outset, I would like to thank the entire membership for their feedback on IATO revised membership fees. It has enabled the EC members to review the membership fee and reduce the tariff as desired by the members. We are always open to members' suggestions and we value the sentiments expressed by them. We have sent the revised invoice and would request members to renew the membership by May 2017 as indicated in the invoice. Political stability in the country coupled with revolutionary reforms on the indirect tax front FDI, focus on ease of doing business has created positive vibes for entrepreneurs in the country. With the passing of GST bill in the Lok Sabha and finalisation of draft rules by the GST council, we are moving towards the launch of GST regime from July 1, 2017. We are constantly giving relevant suggestions to the Ministry of Finance and hope that they are given priority and consideration looking at the current tourism situation and its seasonality factor. We will keep you all updated from time to time.

Thanks to members who were all present and participated actively in the IATO Cricket League (ICL) held on April 16 at DDA Sports Complex, Saket, New Delhi and it was a huge success. It not only created a feeling of camaraderie among members but worked as a networking platform and boosted positive relations. The second edition of IATO Newsletter has been dispatched to you all. We have put every effort to have useful content, improved printing quality and general look of the newsletter. Please share your experience which will be beneficial for the membership. Give your feedback and send us interesting stories. This should become our prime link between government Ministries, travel trade, Chambers of Commerce and our membership. The vibrant website of IATO with a new look is nearly ready and members must visit the website and keep themselves updated. We will ensure that all latest circulars about government regulations, important decisions related to GST etc, are put on our website for members' information.

For the new financial year, our HRD Committee is seized with drawing out a training programme. Such training is aimed at in-depth knowledge and understanding in tourism business operations. IATO has been included as member of the few high level committees of the government of India, Ministry of Tourism viz National Committee on Medical Tourism, Cruise Tourism, Buddhist Circuits Development Committee, Overseas Marketing and Publicity Committee, Market Research Committee, among many others. IATO has used these platforms to take up the issues of tourism sector and seek regular feedback for facilitating our members for business operations on the emerging segments.

GST final outcome is really bothering us as such uncertainty puts our sales team to give firm quotations whereas we need to give quotations 5/6 months in advance so we fail to give a competitive price and tend to lose business. Air ticket costs have gone up and this has dampened the spirit for tourists who like to visit long-haul holiday destinations.

Things are not coming the way we want with one or the other problem cropping up like liquor ban wars, monetary restrictions for foreigners (can't exchange more than ₹5000), even safety and cleanliness part and all these damage tourism interest. But we will continue with our united efforts and move forward. In the face of increasing demand, the real challenge is large scale scarcity of budget hotels. We have to do marketing after mapping demand and supply and not just global publicity. We are determined that it will make a difference.

Good luck and good wishes to you all.

**Pronab Sarkar, President, IATO**



## COVER STORY

# OPPORTUNITY UNEXPLORED: MEDICAL TOURISM

The global medical tourism market is expected to garner US\$ 143.8 billion by 2022, registering a CAGR of 15.7 per cent. With the Indian government opening new avenues for tourism growth, the medical tourism industry has received the much needed attention with the extension of e-visas. Here is a look at how the industry might accelerate India's tourism growth



India's tourism numbers have shown an interesting rise in the past few years. The number of Foreign Tourist Arrivals (FTAs) in India on medical visa in the past three years was 75,688 in 2014, 1,34,344 in 2015 and 2,01,333 in 2016. India's medical industry is projected to grow to a US\$ 7-8 billion market by the year 2020. These numbers clearly suggest that the industry is bound to grow at an exponential rate with more people looking

at India as a health and wellness destination.

Medical tourism can be broadly defined as travel across international borders with the purpose of availing medical treatment of some form, which may or may not be available in the travellers' home country. India is proving to be magnet for attracting patients who seek special medical treatments in the country. But there is no doubt that India now stands in the

forefront of the global medical value travel industry. India's amazing growth as a successful healthcare provider has been experienced by overseas patients. They were highly appreciative of the world class treatment and the state-of-the-art facilities available in Indian hospitals.

India has showcased products for hospitals, dental clinics, ayurveda and unani hospitals, physiotherapy centres, post-operative care centres, panchakarma





## COVER STORY

centres, spa centres, fitness and wellness centres, medical and healthcare products, medical equipment manufacturers, pharmaceutical companies, pharma packaging companies, medical education universities/institutions, nursing training colleges, pharmacy education institutes, medical insurance companies, third party administration, state government tourism development corporations, hotels, airlines, tour operators, medical tourism facilitators, etc, in the global platforms and created confidence as a prime medical destination. This quantifies that infrastructure is very sound for medical operations.

According to a FICCI – KPMG report, the global medical value travel industry was estimated at US\$ 10.5 billion in 2012. It is expected to grow at a CAGR of 17.9 per cent from 2013-2019 to reach US\$ 32.5 billion in 2019. Growing at a CAGR of 27 per cent, the inflow of medical tourists in India is likely to cross 3.2 million in 2016 which quantifies the value of medical travel importance in India.

Agents dealing with medical tourists project tremendous growth for the industry. **Subhash Goyal, Chairman, STIC Travel Group** asserts, “The ground reality is that the worldwide medical tourism industry is around US\$ 150 billion and by 2020 it is expected to be around US\$ 170-175 billion. India's share even with US\$ 7-8 billion would be less than five per cent. At present, even though exact figures are not available, it is estimated that the total business in the country is between US\$ 4-5 billion.”

**E.M.Najeeb, Managing Director, Airtravel Enterprises India and Group Chairman - The Great India Tour Company** shares, “The CII - McKinsey report shows that Indian medical tourism sector is expected to grow 30 per cent annually. According to a CII white paper, cost is a major factor driving 80 per cent of medical tourists around the world. The comparatively economical medical cost and accredited medical facilities have led to the growth of several medical destinations like Singapore, Thailand, India, Malaysia, Taiwan, Mexico and Costa Rica. Among these locations, India is ranked as the



second largest in terms of accredited facilities.”

Commenting on the efforts made by government to push the sector, Najeeb adds, “The ‘e-Visa-on-Arrival’ scheme for tourists from select countries facilitates foreign nationals stay in India for 30 days for medical reasons. In 2016, citizens of Bangladesh, Afghanistan, Maldives, Republic of Korea and Nigeria availed maximum number of medical visas. The Union Government and most of the state governments are supporting medical

tourism and are carrying out marketing campaigns.”

The state governments have shown keen interest in growing this sector and attracting medical tourists to their states. Goyal highlights the importance of the sector for the country and states, “Medical Tourism is very important for India as it can provide valuable foreign exchange and also has been responsible in creating world class medical facilities, second to none in the world. Therefore, it is very important to promote medical tourism in India. We have

strong competition from countries like Thailand and Singapore.”

The cost effectiveness, superior clinical expertise, alternative medicine, no waiting periods, location of hospitals all over the country, English language proficiency (also all hospitals of repute have language interpreters), pathological labs attached to hospitals, trained tour operators/facilitators, introduction of medical visa (new triple entry-visa for medical purpose announced by the government, notification awaited) medicine availability, all these have made our country a favourite medical travel destination of the world.

Patients from SAARC countries such as Bangladesh, Afghanistan and Maldives, African countries such as Nigeria, South Africa, Kenya, Tanzania and Middle East form the major part of India's medical tourism clientele. Now even patients from countries including Russia and CIS countries and Myanmar have also joined this inflow. Even our NRIs/PIOs are visiting for medical care. These are the major source markets for Indian medical centres and hospitals.

Goyal adds that the major hubs in India are the National Capital Region (NCR) i.e.

Delhi and Gurgaon, Mumbai, Chennai, Hyderabad, Bengaluru and Kolkata which cater to patients from Myanmar and Bangladesh.

The demand is visible for treatments like cardiology, orthopedics, transplant, ophthalmology and India holds good credibility. Also on cost effectiveness, we have a clear-cut advantage, nearly 1/10th of the cost of such treatments in USA, UK or 1/5th of the cost of in Thailand, Singapore, etc. The corporate hospitals which have global linkages with high technology have regular clients for checkups, stress management and other curative care for their executives.

But there is a need to consolidate efforts and strategies on how to utilise the available opportunities in developing relationships with hospitals overseas from where one can get referral cases, specially tie up with governments of SAARC countries, the Gulf and the Middle East. This requires the Indian hospitals to be enlisted with NABH/Global Quality Standardisation and get global acceptance.

Also, our insurance operations part need to be in sync with global norms. We must also educate ourselves about medical laws in various countries to avoid

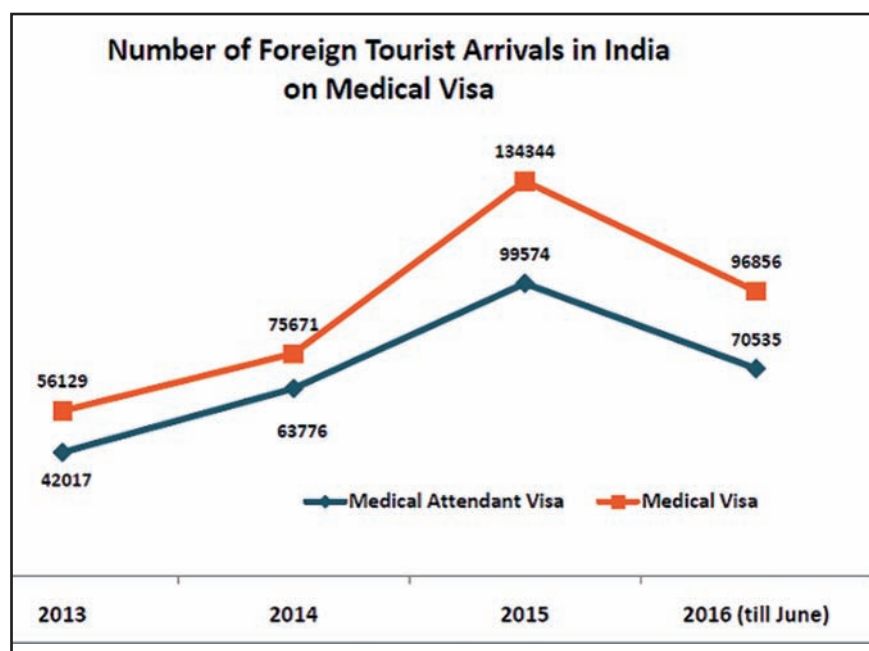
legal challenges. Our hospitals also need to open support offices in countries from where they expect medical tourists. Indian embassies overseas have to co-operate in extending medical visas for persons accompanying the patient. Our medical tour operators should work out packages that can include medical treatment, arrangement for airport transfers, travel guides, spa services, hotels stays, pre-tests and all such allied services, mainly partnering with overseas tour operators.

While talking about the agents' efforts, Goyal adds, “Agents need to familiarise themselves with not only the specialisation of various hospitals but also the expertise of various doctors. They should be able to recommend to patients from all over the world the best hospitals and doctors for various treatments. They must be aware of the most popular treatments and make sure they understand the market well.”

Mentioning some of IATO's efforts, Najeeb, states, “The Government of India and state governments like Kerala have given high importance to promoting medical tourism in India. They have included this as a thrust area in their promotions. IATO generally works in tandem with the policies of the government with regard to tourism. Knowing the potential of medical tourism in India, the tour operators in the country and IATO are keenly directing their efforts to establish contacts with the tour operators in respective source markets. IATO raises issues and problems to draw the attention of the government from time to time. Many a time they take up medical tourism as a topic for deliberations in their national and regional meets.”

He concludes, “For a country like India with excellent hospitals, world-class doctors and experienced paramedics, medical tourism is a great opportunity. Knowing its importance, the tourism industry and the government are enthusiastic in promoting medical tourism in the country.”

*With key inputs from Gour Kanjilal,  
Executive Director, IATO*







## IN THE NEWS

# IATO LUNCHEON MEETING

IATO's interactive meeting was held on April 6, 2017 at Crowne Plaza hotel in Rohini. At the meeting the members were informed that IATO had approached the Chief Minister of Haryana, Manohar Lal Khattar to speak on the steep hike in transport tax. The Transport Department of Haryana Government has increased the tax with effect from April 1, 2017. The increase has been announced after a gap of four years. Pronab Sarkar, president, condemned the steep hike in road taxes and called for a gradual increase.

Rajiv Mehra, vice president, IATO, spoke on the e-visa regime revealing that the ports of Mumbai and Chennai will also be added along with the already existing Indian ports of Kochi, Goa and Mangalore.

Further in the meeting, Sandeep Jain, honorary joint secretary, informed the members that the association's website is in progress and new features and additions are being made to the website. New website will have a new lead generation system and distribution mechanism in place.

The day's special agenda was the presentation made by IndiGo and Pawan Hans. Ajay Wadhawan, area vice president, trade sales- India, IndiGo in his presentation mentioned that IndiGo will unveil a new mobile app for travel partners. He further stated that on the connectivity front, IndiGo plans to increase connections to Kathmandu, Nepal. Rajeev Agnihotri, joint GM-commercial, Pawan Hans informed that Pawan Hans has opened a state-of-the-art heliport in Rohini from April 1. Helicopter rides have started for public on weekends, which can be booked online.

Some of the members expressed their reservation on the increase in the membership fee on which IATO President assured that there will be a relook at it in the next EC meeting.



## IATO welcomes new tourism secretary

In a recent development, the government has announced appointments of several top level officials. As part of this, IAS officer Rashmi Verma was appointed as the new secretary of Ministry of Tourism. Prior to this, Verma served as the secretary of Ministry of Textiles, Government of India. Verma has replaced N K Sinha who was given additional charge as secretary of tourism.

IATO EC members called on the new secretary, Ministry of Tourism on May 2, 2017 for a courtesy call and reassured IATO's full cooperation in all the efforts of the Ministry of Tourism, Government of India. We look forward to her guidance and support as we plan to make India a top tourist destination in the world.



# IATO ACTIVE MEMBERS MEET BECOMES A THINK TANK OF IDEAS

IATO held its interactive members meet on May 3, 2017 at the Metropolitan Hotel in New Delhi. Despite the absence of the IATO president and senior vice president, 25 members were present with Rajiv Mehra, vice president chairing the meeting. Lally Mathews, honorary secretary updated the members about three important issues i.e. Guide policy of Archaeological Survey of India (ASI) which has been challenged by IATO by filing a writ in the Delhi High Court; road shows being finalised by IATO in coordination with the Ministry and the settlement of old pending MDA cases which are in process for reimbursement.

He further mentioned that the format of the meeting has been changed henceforth and there will be minimum in-house announcement and maximum time for the open house discussions and question-answer session. However, a weekly update will be sent by the IATO office to all members to keep them abreast with developments on various issues. It was as per the suggestions given by the members during the last meeting. This was appreciated by the members.

The floor was then thrown open for discussion and question-answer session. Some crucial issues were raised during the session, some of which are highlighted below :

- It was suggested by the members that for their benefit, IATO should have an exclusive stand in major travel marts like ITB, WTM, etc where active members can participate. It will ease financial burden on small tour operators who cannot take a booth.
- A travel mart of national level needs to be organised like GET India was done in 2015 under the umbrella of FAITH. However, all the ground work can be taken care by IATO. Sarab Jit Singh



informed that a proposal has already been submitted to the Ministry for 2018. However, no details were indicated about the proposal.

- It was also suggested that IATO should support such events instead of having another travel mart in India. They may also invite foreign tour operators to participate in the convention.
- It was suggested that IATO should invite international writers especially electronic media and social media bloggers, who can build India's image as a safe destination.
- It was suggested that IATO may have its convention outside India. However it was clarified that IATO conventions will be held only in India to promote all the states as IATO's branding stands as "Inbound Tour Operators" mainly.
- It was suggested that if possible a small documentary be prepared by IATO emphasising on "India as a safe destination." Members felt that this

should be primarily done by the Ministry of Tourism.

- It was suggested to create an R & D cell and its job should be to look for new avenues, collect statistics, overseas exhibitions where members can participate, list of tour operators who have the potential to promote India, etc.
- There should be regular updates from the IATO State Chapter Chairmen on various developments and new tourism products in their respective states and should be covered in the IATO Newsletter. IATO Chapter Chairmen should be more pro-active in this area.

Some other issues were also discussed regarding the Chapters, IATO website, IATO newsletter content and social media. All the members contributed some relevant points to the meeting. Therefore, IATO emphasises on all members to attend such meetings and be part of the thought process.





## IN THE NEWS

# INDIA ROLLS OUT NEW LIBERALISED E-VISA REGIME

India has decided to liberalise e-visa regime by increasing the time limit for seeking the entry permit from existing 30 days to a maximum of four months. The duration of stay for foreigners, coming into the country through select categories of e-visa, has also been extended to two months from existing one month, the Union Home Ministry said in a statement.

There will be three new sub-categories for grant of e-visa, i.e. e-tourist visa, e-business visa and e-medical visa. In addition, two more new categories -- Intern or (I) visa and Film or (F) visa -- will be granted for foreigner seeking internship in non-government organisations, and those seeking to shoot movies in India, respectively.

Also, both business and medical visas will be granted within 48 hours of application upon urgent requests. "The liberalisation of the visa regime will considerably facilitate entry of foreigners into India for tourism, business and medical purposes. Consequently, the arrival of foreigners in India is expected to go up substantially in the coming years. "This will in turn give a boost to tourism, medical and business sectors resulting in substantial increase in direct and indirect employment in these sectors," the statement said. Under the e-visa scheme, an applicant receives an email authorising him or her to travel to India after it has been approved. The tourist can travel with a print-out of this authorisation.

On arrival, the visitor has to present the authorisation to the immigration authorities who would then allow the entry into the country. E-visa facility has been extended to the nationals of 161 countries for entry through 24 airports, up from 16 airports allowing such entries, and three Indian ports i.e. Cochin, Goa and Mangalore to tap the potential of cruise tourism from different countries.

This service will also be provided from Mumbai and Chennai seaports shortly. The window for application under e-visa scheme has been increased from 30 days to 120 days and duration of stay on e-visa has been increased from 30 days to 60 days with double entry on e-tourist and e-business visa and triple entry on e-medical visa, the statement said.

## IATO challenges ASI in court, gets stay order on revised Guide Policy

ASI had revised the Guide Policy for the centrally protected monuments on September 7, 2016. Since the revised guidelines did not commensurate with the need of the industry, the comments/ observation of IATO were sent to Director General, ASI which was followed by various meetings. It was mentioned that the IATO's suggestion be given priority attention and the policy should be tourism friendly as tour operators are the actual users of guides. The IATO team had also met the Hon'ble Tourism Minister in this regard, however, the matter remained pending. We had no

option but to challenge the Guide Policy in the High Court.

Accordingly writ petition was filed by IATO through its legal advisor, Anjana Gosain in the Delhi Court challenging the Guide Policy. Members will be pleased to know IATO has got stay order from High Court on this. The matter came for hearing on 15th May 2017. It has further directed that the secretary, Ministry of Culture and secretary, Ministry of Tourism should invite all the stakeholders and have a re-look in the policy and give a decision within a period of eight weeks. This a big achievement for IATO.





# IATO'S PROMOTIONAL ACTIVITIES

IATO provided partnership to Confederation of Indian Industry (CII) in this year's edition of Global Exhibition on Services held from April 17-20, 2017 at India Expo Centre & Mart, Greater Noida under the aegis of Ministry of Commerce and Ministry of Tourism, Government of India. Many of our members took booths in the travel exhibition and interacted with tour operators from overseas. The event was inaugurated by Nirmala Sitharaman, Minister of State (IC), Ministry of Commerce & Industry and Dr Mahesh Sharma, Minister of State (IC), Ministry of Tourism. CII complimented IATO team's cooperation in organising this event successfully.

Moving ahead with our promotional efforts, we had several meetings with the officials in the Ministry of Tourism for continuing the aggressive global campaign in summer season so that tourists continue to visit India even in off season (May- August). Based on



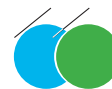
IATO's inputs and trade inputs, Ministry of Tourism has continued the global campaign and this has had a positive impact on international tourist arrivals. The tourist arrivals have shown positive growth and till first quarter end (Jan-March), international

tourist arrivals were 28.45 lakh, showing a growth of 13.4 per cent. Our members participated in travel exhibitions in partnership with India Tourism offices in Milan, Dubai and Johannesburg showcasing India's new tourism products.

## India continues to earn foreign exchange in 2017

India continues to earn increased foreign exchange in 2017. India has seen steady growth in tourism, not only in international tourist arrivals but in also in foreign exchange earnings. The trend started from the month of January 2017 itself when the foreign exchange earnings were ₹16,097 crore (17.8 per cent) and till the end of first quarter Jan-March 2017 it reached ₹46,310 crore (+15.9 per cent) which was ₹40,411 crore for corresponding period in 2016.

In international tourist arrivals, a marked increase of tourists on medical treatment purposes is visible. In 2016 201,333 tourists came for medical purposes whereas in 2015, it was 134,344. There are positive steps taken by the government like medical visa which has attracted tourists to avail medical facilities in India. Earlier it was e-medical visa with one entry but with the relaxation in April 2017, three entries are allowed and this will further boost the number of medical tourists in 2017.



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## IN THE NEWS

# Chapter Announcements

## MADHYA PRADESH CHAPTER

### IATO holds meeting for members

A meeting was organised by the Madhya Pradesh Chapter for IATO Members on 28th April, 2017. The meeting was attended by key members in the presence of Hari Ranjan Rao, managing director; O V Choudhary, executive director; Tanvi Sundriyal, assistant managing director, Madhya Pradesh Tourism and other officers from Madhya Pradesh Tourism Department. IATO is extremely grateful for the tourism officials for their presence and positive approach in considering all the points discussed or suggested by the members.



Some of the important things discussed in the meeting were:

- Shortage of quality tourist guides in the state and appointment of guides at tourist places where there are no guides at all

- Enroute public conveniences (specially enroute important tourist destinations) for which department has a budget of ₹ five crores which will soon be implemented and good quality toilet stops will be constructed as per sectors discussed
- Uniformity in state border transport taxes - the matter soon to be taken up with neighbouring states
- Placement/increase of tourist security police force at tourist destinations /monuments
- To enroll more members for IATO in state.

## RAJASTHAN CHAPTER

One of regions buzzing with activity is Rajasthan and IATO makes sure it is in the centre of all the activities. Updating us on the Chapter progress, Bhim Singh, managing director, Rajasthan Tours Pvt Ltd and chairman, Rajasthan Chapter informs, "The GITB (Great Indian Travel Bazar) was held at Jaipur from April 23 to 25 2017 and all the members of IATO Rajasthan Chapter allied and active were involved with this annual travel show. There were 275 foreign buyers and 288 exhibitors and the entire travel trade members of the IATO Chapter, be it the hoteliers or the tour operators, were seen contributing to the show.

Singh further mentions, "The members of the travel trade of Rajasthan also involved in providing complimentary hotel rooms and transport to the foreign guests coming to attend the GITB. Farm tours for the FTO were also organised to visit Rajasthan and explore the region while they were here.

"The Rajasthan Tourism Department is planning to organise a Domestic Travel Mart and in this connection several meetings of the travel trade are being held with N.C Goyal, additional chief secretary, Tourism, Govt. of Rajasthan and I have been representing IATO Rajasthan Chapter in our meetings," informs Singh.

The MoU on tourism between

Rajasthan and Singapore Cooperation Enterprise (SCE) was signed by the Rajasthan tourism secretary, Roli Singh, and the CEO of SCE, Kong Wy Mun. The programme covered under the agreement will be co-funded by The Temasek Foundation of the Singapore Government.

Singh was invited to be a part of the Rajasthan delegation by the chief minister of Rajasthan, Vasundhara Raje. Under the agreement The Temasek Foundation organised two seminars which was attended by Bhim Singh on behalf of IATO Rajasthan Chapter. The seminars were held on Feb 21-22, 2017 and April 18-20, 2017.

## Chapter Announcements

# TAMIL NADU, PONDICHERRY & ANDAMAN CHAPTER

## Discussing the role of GST

**O**ur IATO Chapter Chairman for Tamil Nadu, Pondicherry & Andaman, Pandian organised a special meeting for the south members to understand GST in a better manner. The service tax team included, Ravindranath, IRS, commissioner; Manasa Gangotri Kata, joint commissioner; N. Kavitha, deputy commissioner and Ramya, assistant commissioner, PRO and superintendent representing their respective offices.

The commissioner during his speech, explained about what GST is, how it works in India and its impact on business. He briefed about the benefits of migrating from Service Tax to GST. He explained clearly what the benefits are for the tax payer, state and central governments, industries etc, in a comprehensive way. He did mention the list of taxes that GST replaces like Service Tax, Central Excise Duty, VAT, Entry Tax, Luxury Tax, etc.

He also mentioned that GST will be levied at multiple rates ranging from 0 per cent to 28 per cent. GST Council finalised a four-tier GST structure of 5 per cent, 12 per cent, 18 per cent and 28 per cent, with lower rates for essential items and the highest for luxury and demerits goods that would also attract an additional cess. He said for tourism, the GST percentage will either be 12 per cent or 18 per cent only, which he can confirm once the slab is finalised. He also mentioned that there will be no abatement in GST. He explained about



Central Value Added Tax (CENVAT) too and how to go about claiming this after paying GST. Finally, he ended his speech by insisting that for anyone who operates business in India, it is important to become GST compliant.

For the first time, members got their company general managers or account managers for the session. Every one of them participated actively and raised questions which were later clarified.

We thank the service tax team who arrived early and were greatly helpful to our members. The commissioner spoke for two hours on the issue providing a detailed explanation through a powerpoint presentation. Members were

extremely happy with the session as they felt it to be the need of the hour.

### Putting forward our issues

Pandian also met with the new Tamil Nadu commissioner, Palanikumar at his office over the month to wish him luck for his new position and also handed him the IATO Manual. He also met the principal secretary to the government, Apurva Varma, IAS. While gifting him the IATO manual, Pandian also gave him the 10 points from the state development perspective. He further assured the government official full support by IATO in all the initiatives that would be undertaken for development of the state.





## PICTURE GALLERY





## IATO Cricket League

IATO organised a Cricket League on April 16 at the Sports Complex, DDA, New Delhi. The members were divided into teams as the matches began for the day. The game was hosted by IATO under the scheme of 'Camaradarie' to boost the sportsmanship among members. We thank all the people who came to show their support and cheer for the teams. Here are a few glimpses of the day.





## IN THE NEWS

# Schedule for GST rates for services as approved by the GST Council

The fitment of rates of services were discussed on May 19, 2017 during the 14th GST Council meeting held at Srinagar, Jammu & Kashmir. The Council has broadly approved the GST rates for services at Nil, 5%, 12%, 18% and 28% as listed below. The information is being uploaded immediately after the GST Council's decision and it will be subject to further vetting during which the list may undergo some changes. The decisions of the GST Council are being communicated for general information and will be given effect to through gazette notifications which shall have force of law.

Description of Services	GST Rate
Transport of passengers by rail (other than sleeper class)	5% with ITC of input services
Renting of motorcab (If fuel cost is borne by the service recipient, then 18% GST will apply)	5% no ITC
Transport of passengers, by - (I) Air conditioned contract / stage carriage other than motorcab; (II) a radio taxi.	5% no ITC
Transport of passengers by air in economy class	5% with ITC of input services
Supply of tour operators' services	5% no ITC
Transport of passengers by air in other than economy class	12% with full ITC
Supply of food / drinks in restaurant non AC and not having licence to serve liquor	12% with full ITC
Supply of food / drinks in restaurant non AC and not having licence to serve liquor	12% with full ITC
Renting of hotels, inns, guest houses, etc having room tariff between ₹1000 to ₹2500 per room per day	12% with full ITC
Supply of food/drinks in restaurant having licence to serve liquor	18% with full ITC
Supply of food/drinks in restaurant having facility of air-conditioning and central heating	18% with full ITC
Renting of hotels, inns, guest houses, clubs, etc. with room tariff between ₹2500 to ₹5000 per room per day	18% with full ITC
Supply of food / drinks in AC restaurants in 5-star or above rated hotel	28% with full ITC
Accommodation of 5 star and above hotels, inns, guest houses, clubs etc along with rooms where the rent is ₹5000 and above per night per room	28% with full ITC

Service Tax Exemption to be continued in GST as decided by GST Council

1. Services provided by a tour operator to a foreign tourist in relation to a tour conducted wholly outside India.
2. Services by a hotel, inn, guest house, club or campsite, by whatever name called, for residential or lodging purposes, having declared tariff of a unit of accommodation less than one thousand rupees per day or equivalent.



# Announcements

## Revision on MDA guidelines

The revised guidelines for MDA has been circulated and members are requested to apply for MDA against claims related to ITB, ATM and FITUR etc based our new guideline. Old pending MDA claims are being processed based on the old guidelines and priority is given for settlement of claims pending for the year 2014-15 and 2015-16.

## IATO attends first ever river festival

IATO attended the first ever Namami Brahmaputra River Festival in Guwahati in April by the Government of Assam. The IATO president addressed the delegates about how some joint efforts could boost the festival and shared other valuable inputs to put North East destinations in the travel itinerary of foreign tourists through better air connectivity and ease on Restricted Area Permit (RAP) norms.

## IATO officials attend 17 meetings in the Ministry of Tourism

IATO officials attended 17 meetings of the Ministry of Tourism, Government of India on subject related to golf tourism, global media campaign, domestic tourism campaign, ITB - how to make it more member friendly and functional by designing a national pavilion, visa related matter (to discuss about sudden increase in visa fees for long-term visas) to organise tourism events, cruise tourism, GST and IATO recommendation, guides and revised Guide Policy announced by ASI, MDA settlement of pending reimbursement claims, market research, new guidelines, IITTM – Board of Governor meeting, meeting at Ambadkar University for launch of its first ever tourism and hospitality combined vocational course from this year and feedback to add subject in curriculum, joining inspection teams for hotel inspections, tourism agency inspection and meeting with CII for co-partnership to organise Global Exhibition on Services from April 17 to 20 at Expo Centre in Greater Noida. Thus IATO EC members and officials shared responsibilities on all these tourism related activities.

## Air India launches direct flight to Washington

Air India recently announced the launch of its non-stop flight service to Washington from New Delhi, beginning July 7. The Delhi-Washington flight will be operated three times a week with a Boeing 777-200 LR aircraft, the airline said in a

statement. The bookings for the new flight commenced on March 27 and more than one-fourth of the seats have already been sold.

As per plans, Air India 103 will depart from New Delhi at 0115 hrs and arrive in Washington at 07:15 am. The return service (AI 104) will depart from Washington at 1100 and reach Delhi at 10.30 the next day. All times are local. The 238-seater B777-200 LR has eight seats in first class, 35 in business class and rest 195 are economy class. Washington becomes AI's fifth non-stop destination in the US after San Francisco, New York, Newark and Chicago.

## Razdan wins again

IATO extends its heartiest congratulations to Sanjay Razdan on participating in the BAJA- DAKAR Challenge Rally in two categories. He was announced the winner in Class -

Upto 1350 CC Modified Vehicles and the 2nd runner up in all kinds of modified vehicles. This is a big achievement for him and a proud moment for IATO. We wish him all the success in his future endeavours as he pursues his passion.



## Jet Airways launches direct daily services between Madurai and Mumbai

Jet Airways, has launched a daily direct flight between Madurai and Mumbai, becoming the first airline to connect the country's financial capital to Madurai with a non-stop flight. One of India's oldest cities situated on the Vaigai River, Madurai also ranks as one of its holiest for millions of pilgrims and tourists who visit its popular and world famous temples including the renowned Meenakshi Amman Temple, Koodal Azhagar Temple and Pazhamudircholai. In fact, the city's skyline is dominated by the 14 unique and colourful gopurams (gateway towers) of the Meenakshi Amman Temple that lend it a characteristic look and appeal. Renowned for jasmine flowers, Madurai is also an important industrial and educational hub.



## IN THE NEWS

# INDIA MOVES 12 PLACES UP FROM 52<sup>ND</sup> TO 40<sup>TH</sup> POSITION IN TRAVEL AND TOURISM COMPETITIVE INDEX OF WORLD ECONOMIC FORUM

**D**r Mahesh Sharma, Minister of State (I/C) for Tourism & Culture shared the news about the improvement in ranking of India in the Travel and Tourism Competitive Index (TTCI) of World Economic Forum released on April 5, 2017 with media persons. India has moved 12 places up in this ranking from 52nd to 40th position. He acknowledged the vision, guidance and support of Prime Minister Narendra Modi for the tourism sector of the country that is the driving force and motivation for all of us to continuously work for the growth of tourism in India.

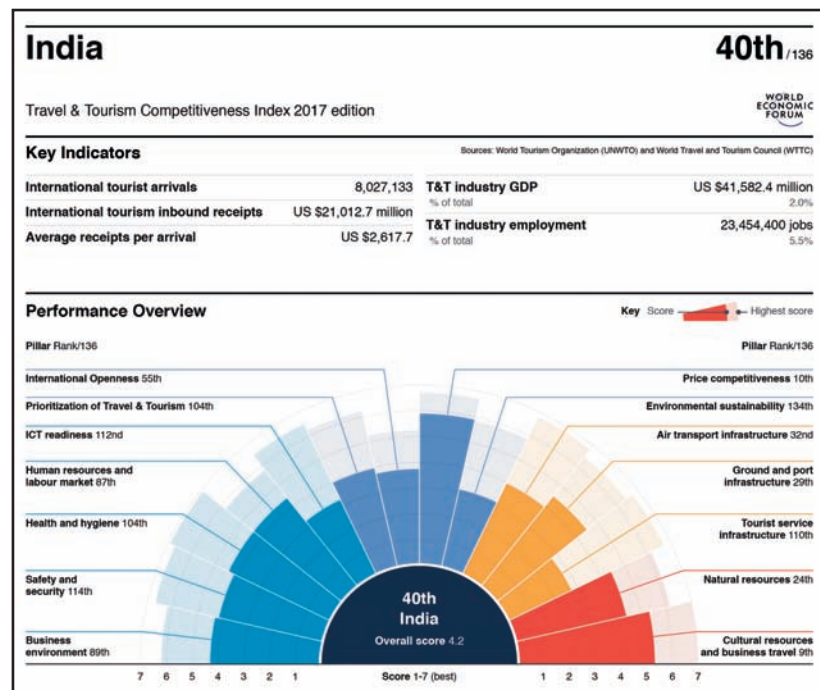
The tourism sector in the country has been on a growth trajectory since the present government came into power in May, 2014. India's ranking in the Travel and Tourism Competitive Index (TTCI) of World Economic Forum moved from 65rd position to 52nd position in 2015. Now India has moved up by another 12 positions and ranked at 40th position. In all, in last three years India has cumulatively improved its ranking by 25 places which is a significant achievement.

India continues to charm international tourists with its vast cultural and natural resources with a ranking of 9th and 24th respectively which are the USP's of Indian tourism product. In terms of price competitiveness advantage, India is ranked 10th.

India continues to enrich its cultural resources, protecting more cultural sites and intangible expressions through UNESCO World Heritage lists, and via a greater digital presence.

In terms of international openness, India is ranked 55th, up by 14 places. This has been possible through stronger visa policies. Implementing both visas on arrival and e-visas, has enabled India to rise up the ranks.

The Travel & Tourism (T&T) sector benefited from improvements in the country's ground transport infrastructure, which has traditionally been a challenge (29th). India is taking small but important steps in the right direction. The Indian T&T sector presents significant opportunities that are yet to be reaped.



The World Economic Forum has, for the past 11 years, engaged leaders in travel and tourism to carry out an in-depth analysis of the travel and tourism competitiveness of 136 economies across the world. The Travel and Tourism Competitiveness Index measures “the set of factors and policies that enable the sustainable development of the travel and tourism sector, which in turn, contributes to the development and competitiveness of a country”. The Travel and Tourism Competitiveness Index enables all stakeholders to work together to improve the industry's competitiveness in their national economies.

At a macro level, the primary reasons for India's jump in the Travel and Tourism Competitiveness Index 2017 should be attributed to the pro-active steps taken by our government in terms of development of tourism infrastructure, easing of entry formalities for tourists by introducing the e-visa facilities in November 2014.

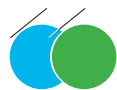
# Tourism Statistics - March 2017

**M**inistry of Tourism estimates monthly Foreign Exchange Earnings (FEEs) through tourism in India, both in rupee and dollar terms. Based on the credit data of Travel Head from Balance of Payments of RBI.

The highlights of the estimates of FEEs from tourism in India for March 2017 are as below:

## Foreign Exchange Earnings (FEEs) through Tourism (in ₹ terms)

- FEEs during the month of March 2017 were ₹14,953 crore as compared to ₹13,115 crore in March 2016 and ₹11,133 crore in March 2015.
- The growth rate in FEEs in rupee terms in March 2017 over March 2016 was 14.0 per cent compared to positive growth of 17.8 per cent in March 2016 over March 2015.
- FEEs during the period January- March 2017 were ₹46,310 crore with a growth of 14.6 per cent, as compared to the FEE of ₹40,411 crore with a growth of 15.9 per cent in January- March 2016 over January- March 2015.
- FEEs in US\$ terms during the month of March 2017 were US\$ 2.268 billion as compared to FEEs of US\$ 1.958 billion



During the month of March, 2017 total of 1.46 lakh tourist arrived on e-Tourist Visa as compared to 1.16 lakh during the month of March 2016 registering a growth of 25.8 per cent

during the month of March 2016 and US\$ 1.783 billion in March 2015.

- The growth rate in FEEs in US\$ terms in March 2017 over March 2016 was 15.8 per cent compared to a positive growth of 9.8 per cent in March 2016 over March 2015
- FEEs during the period January-March 2017 were US\$ 6.907 billion with a growth of 15.4 per cent as compared to the FEE of US\$ 5.986 billion with a growth of 6.8 per cent in January- March 2016 over January- March 2015.

## Foreign Tourist Arrivals (FTAs)

The number of FTAs in March, 2017 were 9.05 lakh as compared to FTAs of 8.17 lakh in March, 2016 and 7.29 lakh in March, 2015. The growth rate in FTAs in March, 2017 over March, 2016 is 10.7 per cent compared to 12.1 per cent in March, 2016 over March, 2015.

FTAs during the period January-March 2017 were 28.45 lakh with a growth of 13.4 per cent, as compared to the FTAs of 25.08 lakh with a growth of 10.0 per cent in January- March 2015 over January- March 2014.

The percentage share of Foreign Tourist Arrivals (FTAs) in India during March 2017 among the top 15 source countries was highest from Bangladesh (21.31 per cent) followed by USA (10.39 per cent), UK (10.30 per cent), Russia (4.26 per cent), Malaysia (3.41 per cent), Canada (3.28 per cent), Germany (3.03 per cent), Sri Lanka (2.91 per cent), China (2.83 per cent), France (2.79 per cent), Australia (2.54 per cent), Japan (2.34 per cent), Afghanistan (1.82 per cent), Singapore (1.66 per cent) and Iran (1.54 per cent).

The percentage share of FTAs in India during March 2017 among the top 15 ports was highest at Delhi Airport (31.25 per cent) followed by Mumbai Airport (13.73 per cent), Haridaspur Land check post (12.23 per cent), Chennai Airport (6.60 per cent), Goa Airport (5.25 per cent),

Bengaluru Airport (4.85 per cent), Kolkata Airport (4.42 per cent), Cochin Airport (2.42 per cent), Gede Rail land checkpost (2.33 per cent), Hyderabad Airport (2.24 per cent), Ghoadanga land checkpost (1.68 per cent), Amritsar Airport (1.56 per cent), Tiruchirapalli Airport (1.33 per cent), Ahmadabad Airport (1.32 per cent) and Trivandrum (1.28 per cent).

## FTAs on e-Tourist Visa

- During the month of March, 2017 total of 1.46 lakh tourist arrived on e-Tourist Visa as compared to 1.16 lakh during the month of March 2016 registering a growth of 25.8 per cent.
- During January- March 2017, a total of 4.67 lakh tourist arrived on e-Tourist Visa as compared to 3.21 lakh during January-March 2016, registering a growth of 45.6 per cent.

The percentage shares of top 15 source countries availing e-Tourist Visa facilities during March, 2017 were as follows:

UK (21.5 per cent), USA (11.8 per cent), Russia (10.3 per cent), France (6.4 per cent), China (6.2 per cent), Germany (4.8 per cent), Canada (3.7 per cent), Australia (3.7 per cent), Korea (2.2 per cent), South Africa (1.9 per cent), Malaysia (1.7 per cent), Singapore (1.7 per cent), Spain (1.6 per cent), Netherlands (1.5 per cent) and Japan (1.3 per cent).

The percentage shares of top 15 ports in tourist arrivals on e-Tourist Visa during March, 2017 were as follows:

New Delhi Airport (46.5 per cent), Mumbai Airport (17.1 per cent), Dabolim (Goa) Airport (13.8 per cent), Chennai Airport (5.5 per cent), Bengaluru Airport (4.8 per cent), Kochi Airport (2.9 per cent), Kolkata Airport (2.3 per cent), Amritsar Airport (1.8 per cent), Hyderabad Airport (1.7 per cent), Trivandrum Airport (1.2 per cent), Ahmedabad Airport (1.0 per cent), Tirchy Airport (0.6 per cent), Jaipur Airport (0.6 per cent), Gaya Airport (0.1 per cent) and Lucknow Airport (0.1 per cent).





## NEW MEMBERS

# New Members w.e.f. 13.04.17

### Active (Change of Status)

#### Art of Travel India Holidays Pvt. Ltd.

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#### Elite Class Management Services

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Mr. Anil Gupta

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## IATO attends Odisha Tourism sponsored Buddhist Conclave in Bhubaneswar from April 10 to 14, 2017

**S**ix IATO specialists for Buddhist destinations attended the Buddhist Conclave held in Bhubaneswar to throw light on areas of improvement in order to attract global tourists. These agents were later included in a special meeting of the Buddhist destination promotion, chaired by Amaresh Tiwari, chairman, sub-committee on Buddhist tourism. They reviewed the areas where improvements are needed be it for the short term or long term. Now a proposal will be sent to Ministry of Tourism along with the concerned state governments to take necessary action



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website : [www.iato.in](http://www.iato.in)

### IATO NEWSLETTER™

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