

Update on IATO Activities

(Wednesday 1st February to Wednesday 15th February 2023)

Dear Members,

Greetings!

Please find appended relevant activities of our association for the period
(Wednesday 1st February to Wednesday 15th February 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, February

Wednesday 1st February

- **IATO wrote to Mr. Amitabh Kant, G20 Sherpa regarding Closure of ASI Monuments during visit of G-20 Delegation**

IATO expressed the problems which tour operators were facing due to closure of ASI monuments across the country due to visit of G20 delegation without sufficient notice which was causing that foreign tourists who had planned their visit to India on fixed itineraries including visit of ASI monuments were deprived of visiting ASI monuments the foreign tourists felt cheated as they cannot visit ASI monuments for which they had already paid to the tour operators and planned their itineraries. They expressed their concern of short of services committed to them. The recent example was of Mahabalipuram which was closed for general public today, 1st February 2023 and Taj Mahal and Agra Fort would be on 12th February 2023 for whole day.

IATO requested that

1. ASI Monuments could be partially closed for 2 to 4 hours by giving sufficient advance notice and not for the whole day so that tour operators can adjust timings of visit of their foreign clients accordingly.
2. If possible a calendar of visit of G-20 delegation to ASI monuments for the whole year can be made and shared with IATO and other associations through ASI

This would help IATO members to provide un-disruptive services to foreign tourists who come to our country on Holidays,

A Copy of the letter was marked to A. Shri G. Kishan Reddy, Hon'ble Minister of Tourism, B. Shri Arvind Singh, Secretary (Tourism), C. Shri Govind Mohan, Secretary (Culture), D. Shri Rakesh Kumar Verma, Additional Secretary (Tourism), Ministry of Tourism and E. Smt. V. Vidyavathi, Director General, Archaeological Survey of India,

Monday 6th February

- **Appreciating the efforts of the Ministry of Tourism, IATO apprised Mr. Arvind Singh Secretary (Tourism) that in the Incredible India Global Tourism Promotion Brand Films in English and different languages showed that Mask was being worn in the film which gave a wrong impression because wearing a mask for Covid in our country is no longer mandatory as India leads in vaccination programme and was safe for tourists – both domestic and international. It was, requested that these films needed to be edited and scenes of wearing masks needed to be removed and revised link may please be sent to IATO for circulation to the members.**

A Copy of the letter was sent to A. Mr. Rakesh Kumar Verma, Additional Secretary (Tourism), B. Mr. Arun Srivastava, Deputy Director General, Publicity, Events, Social Media Division and C. Shoeb Samad Deputy Director General, (Travel Trade & PSU Divisions), Ministry of Tourism, Govt of India

- **IATO wrote to Mr. Rakesh Kumar Verma, Additional Secretary regarding MDA for its members who were participating in ITB 2023 in Indiatourism Pavilion in Germany. It was verbally confirmed to IATO that MDA would be provided but IATO had no written confirmation from the Ministry.**

It was requested to kindly confirm that MDA would be provided to all participants of ITB 2023 so that IATO could clarify/inform its members accordingly.

A Copy of the letter was marked to A. Mr. Roshan M. Thomas, Deputy Secretary, B. Mr. R. K. Bhati, Assistant Director General and C. Kanchan Kukreja Asst. Director , Ministry of Tourism, Government of India

Wednesday 8th February

IATO wrote to Mr. Rakesh Kumar Verma, Ministry of Tourism, Government of India and offered suggestions for Road shows to be organised by Ministry of Tourism in 2023-24

IATO was asked to give its suggestions for the overseas Road Shows to be organized by the Ministry of Tourism, Government of India in Financial Year 2023-24.

Based on the feedback from the members, IATO suggested Road Shows to be organized in important source markets, which were very important for revival of tourism post Covid.

IATO mentioned that it was very important that handling of Road Shows be given to proper PR or marketing company where in only key and decision makers must be invited and not the counter staff.

Monday 13th February

IATO wrote to Mr. Rakesh Kumar Verma, Additional Secretary, Ministry of Tourism regarding Renewal/Fresh Application for Ministry of Tourism, Govt. of India recognition on Nidhi Portal and reiterated its request regarding Removal of Referral from the State Tourism Department after registering on Nidhi Portal, to be considered as there were many applications which were pending due to non-receipt of referral from the state tourism department, which was causing delay in getting renewal of MoT recognition.

A Copy of the letter was marked to A. Shri Arvind Singh, Secretary, Ministry of Tourism, B.Mr. Shoeb Samad, Dy. Director General (TT) and C. Mr. Niraj Sharan, Asst. Director General (TT), Ministry of Tourism

Wednesday, the 15th February

Participation of Ministry of Tourism, Govt. of India by setting up India Pavilion in MITT 2023

IATO wrote to the Ministry of Tourism, Govt. of India that India Tourism has been participating at Moscow International Travel & Hospital Show - MITT for more than two decades now except pandemic. This year, MITT is going to be held from 16th to 18th March 2023 in Moscow. Since Europe may not be present in this fair, it will be a good opportunity for India to attract business from Russia and the CIS countries. We are sure there must be other Asian countries who will be exhibiting in MITT this year to take advantage. Therefore, presence of India Tourism in MITT is very important.

It was requested that Ministry of Tourism should favourably consider to participate in MITT, this year and industry stake holders could be invited to participate as co-exhibitor as per practice.

2. Webinars/ Panel Discussions/Circulars/Meetings

Segment 2 update sequence by date: 1,3,4,6,8,9,10,11,13 February

Wednesday 1st February

- All Members were informed on the **Closure of Taj Mahal and Agra Fort for the General Public on 12th February 2023**

Friday 3rd February

- IATO met Sh Arvind Singh (Secretary Tourism) during Delhi Metro wrapping flag off event and highlighted the promotional video with Masks, he immediately informed his staff to get this removed. We did discuss with him about allowing entry into India from Nepal and Bhutan etc by surface and overseas promotion by wrapping Eurail, Brit Rail etc in lines with wrapping Delhi Metro



Saturday 4th February

- All IATO Members were informed on the IATO Annual Carnival 2023 on Sunday, the 19th February 2023

Monday 6th February

- All Members were informed Regarding pending refund from The Lalit Hotels

Wednesday 8th February

- All Members were informed on the Closure of Agra Fort on 11th February and Taj Mahal on 12th February 2023 for the General Public.

Thursday 9th February

- President at SATTE



Friday 10th February

- All members were informed on the Invitation for ET Travel & Tourism Annual Conclave & Awards on 16th March 2023
- All Members were informed on the Promotion of Baba Saheb Ambedkar Circuit Tour package on Bharat Gaurav Tourist Train launched by IRCTC.

Saturday 11th February

All Members were informed on the Opening of Taj Mahal on 12th February 2023 for General Public

IATO sent a circular dated 8th February 2023 regarding closure of Taj Mahal on 12th February 2023 for General Public. The matter was taken up with the concerned top officials in G20 Secretariat, Ministry of Culture, Archaeological Survey of India and Ministry of Tourism expressing our concern about the problems being faced by our members. Taj Mahal to remain open for General Public on 12th February 2023 for full day as per normal schedule.

Monday 13th February

- All Members were informed on the International Yoga Festival being organized in Rishikesh from 1st to 7th March 2023
- All Members were informed regarding registration of Hospitality and Service Providers on Nidhi Portal <https://nidhi.tourism.gov.in/>

3. Media Coverage

Segment 3 update sequence by date: 1,2 February

Wednesday 1st February



Thursday 2nd February

<https://online.fliphtml5.com/dwwcl/ye/#p=1>

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Travel World Online
TWO
02nd Feb. 2023

Budget Special
2023-24

2023

07:05

RAJIV MEHRA, President
Indian Association of Tour Operators (IATO)



With tourists in the frame, FM zooms in on 50 destinations

TEAM TOI

Asserting that tourism will be promoted in 'mission mode', finance minister Nirmala Sitharaman has earmarked Rs 2,400 crore for the sector, a Rs 1,000-crore hike from last year.

The government plans to develop 50 destinations as a 'complete package', set up 'Unity Malls' to showcase handicrafts and revive 50 airports and helipads to improve regional air links. "The country offers immense attraction for domestic and foreign tourists. There is a large potential to be tapped," Sitharaman said.

To increase footfall, a mobile app containing detailed information on physical and virtual connectivity, tourist guides, street food and security will be launched. The tourism ministry will also develop the 'Vibrant Villages Programme' to ensure better amenities in border villages. Allocation for Swadesh Darshan scheme is up 135%, from Rs 600 crore to Rs 1,412 crore.



HOLIDAY PLANS

The budget also proposes a reduction in corporate tax rate for new hotels, restaurants and tourism-related businesses. Industry associations, however, said key demands on infra status and tax rationalisation haven't been addressed. Federation of Associations in Indian Tourism and Hospitality pointed to the absence of direct support measures while India Association of Tour Operators demanded a rollback of the decision to bump up tax collection at source from 5% to 20% for purchase of overseas tours, claiming it would result in the closure of businesses involved in outbound tourism.

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 Feb 2nd, 2023

Jazeera Download
 #IndustryReactions

Union Budget 2023-24

Nakul Anand, Chairman, FAITH
 "While we are thankful that the FM has touched upon developing tourism on a mission mode along with destination development, yet the Indian tourism, travel and hospitality industry was keenly looking forward to getting the vital infrastructure status, to be treated at par with merchandise exports, to have explicit budget support to tourism for global marketing, to have had a direct line of communication on GST issues for tourism and was looking forward to enhanced direct supply mechanisms to tourism MSMEs which are more than 95% of industry entrepreneurs are travel agents, hotels, tour operators, restaurants, tourist transporters and guides among others."

Dr. Subhash Goyal, Chairman, STIC Travel Group
 "Even though for the first time, Tourism industry has been prominently mentioned by the Hon'ble Finance Minister, yet, I am disappointed because nothing concrete has been announced for tourism. We were hoping that the allocation for Overseas Tourism promotion and Publicity including Market Development Assistance (MDA) will be increased from 34 Crores but instead of that it has been reduced to 167 crores. We were also hoping that there will be an exemption on GST and other taxes based on foreign exchange earnings. It was expected that the finance minister will announce refund of GST/VAT for tourists in their shopping like Singapore, UK where tourists are refunded their taxes at the airport. We are greatly disappointed that the TCS (Tax Collected at Source) has been increased from 5% to 20% on outbound luxury package tours."

Jyoti Mayal, President TAAI
 "We're shocked that instead of abolishing it, the government has raised the TCS from five to 20%! For foreign remittances for other purposes under LRS and purchase of overseas tour program, the TCS rates are proposed to go up from 5 - 20 %, which is going to be detrimental for our business. Nothing has been done for our request on ease of doing business be it on TCS abolishment or ITC for Tour Operators on interstate GST credit. While as travel agents, we're unhappy with the budget but as part of the larger travel fraternity, we're very happy that the FM gave importance and mentioned tourism as a priority sector for providing jobs."

Rajiv Mehra, President, IATO
 "For the first time the Hon'ble Finance Minister has at the start of the budget addressed the importance of tourism in India and recognised its potential for growth in employment generation and it needs to be tapped. Some of our members who do Outbound tourism business will have to close their business at Tax Collection at Source (TCS) has been proposed to be increased from 5 % to 20%. This needs to be rolled back immediately. However, none of our demands like, rationalisation of GST on tourism industry, exemption of GST on foreign exchange earnings and refund of tax on shopping under Tax Refund to Tourist (TRT) Scheme on shopping etc, for which there is already a provision in the GST Act, have been considered."

P.P. Khanna, President, ADTOI
 "In response to our expectations from the government for our industry, we at ADTOI were hopeful for seeking some benefits for our members or even tour operators. While no direct benefit has been given to the tour operators, indirectly the budget talks about hike in Rail outlays, skill development and youth power. The proposal for 50 New destinations to be developed with the support of state tourism boards shall enhance the influx of tourists in to those destinations and create employment and revenue generating process. Promoting Border Tourism is another good step by the Hon PM to be explored. The budget as per expectation talks about promotion of tourism via tourism App and 50 destinations to be developed as complete package under 'Dekho Apna Desh' campaign."

Ankush Nijhawan, Co-Founder, TBO.com & Director, Nijhawan Group
 "I am happy with the Budget because the government has focused on the tourism sector in a detailed way. With better connectivity in terms of new airports and increased outlay for Railways as well as the new 50 destinations, which will give impetus to both domestic and international tourism, these are positive developments for the India Tourism Story."

Naveen Kundu, Managing Director EbixCash - India, South East Asia & Middle East
 "Tourism is a priority sector and not an orphan sector anymore. Thanks to Finance Minister Nirmala Sitharaman for highlighting the importance of Domestic tourism in the Budget 2023. To develop 50 destinations in challenge mode and as a complete package under 'Dekho Apna Desh' initiative' is a great step."

"While the budget gave due mention to tourism, it's highly disappointing from the Outbound Travel point of view. We had requested the honourable Finance Minister to reduce TCS percentage from 5% and bring it to zero. Instead the government has increased the same to 20%, which is going to hamper our business and at the same time there is going to be a huge deficiency in

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➤ President talks on High Air fares and ARR



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Be Ready to Shell Out More for That Dream Trip Abroad

Team ET

New Delhi: Overseas tour packages could get costlier for travellers, with the budget proposing a fourfold increase in tax collected at source (TCS) on such tour packages to 20% from 5%, said travel agents and tour operators.

Rajiv Mehra, president of the Indian Association of Tour Operators, said the budget proposal will force some of the association members who cater to outbound tourism to shut their businesses. "This needs to be rolled back immediately," said Mehra. "None of our demands like rationalisation of GST (goods and services tax) on tourism industry, exemption of GST on foreign exchange earnings and refund of tax on shopping under the Tax Refund to Tourist Scheme, for which there is already a provision in the GST Act, have been considered."

Travel Agents Association of India president Jyoti Mayal said the association was still seeking clarity.

Madhavan Menon, chairman, Thomas Cook (India), said he would urge the government to reconsider this proposal as it will significantly increase the upfront cash outflow for end consumers. "It will drive more of these customers to use alternate channels that are outside the domestic tax net," he added.

The increase in TCS on overseas tour packages will put domestic operators at a disadvantage, said MakeMyTrip group CEO Rajesh Magow. "It will not only increase the upfront cash outflow for customers but will also give an unfair advantage to foreign-based online travel booking platforms over India-based travel agents and tour operators," he said.

Aloke Bajpai, group CEO of Ixigo, said leisure vacations abroad can get costlier for Indian travellers with a higher TCS on overseas tour packages. Vijay Dewan, MD of Apeejay Surrendra Park Hotels, said the move was a negative step for the travel sector.



Online Gaming Cos Need to Pay TDS Only on Net Winnings

Team ET

Mumbai: In a big relief for the online gaming industry, the government has allowed players to offset losses by clarifying that the tax deducted at source (TDS) will be levied on the net winnings.

Earlier, the income-tax Act did not have any provision for gaming players to set off their losses against winnings.

E-Gaming Federation CEO Sameer Barde said that the amendments to the existing Sections 194B and 115BB of the Income Tax Act, 1961 will bring much-needed relief to stakeholders in the gaming industry. "Specifying that TDS be calculated on net winning and thereby allowing offset losses are steps in the right direction. We now await final details on the computation mechanism so as to aptly bring the amendment into practice," he added.

The 20% TCS may force many tour operators to shut shop, says their association

4. Chapter News

Segment 4 update sequence by date: 9, February

Thursday 9th February

'ALL NATIONS MUST REMOVE TRAVEL ADVISORY AGAINST KASHMIR'

Kashmir should be back on the international tourism map. We have robust national traffic now, and Kashmir Tourism has immense scope for growth.

A limitation we face is that several nations still have travel advisories against Kashmir. These should be completely removed, looking at the security situation which is normal now. I am sure that GOI can impress upon most of the foreign countries that they should remove the advisory on Kashmir.

Italy, Spain, France have removed this travel advisory for Kashmir. The UK and Germany have softened it. Hence things are looking positive. The Tourism Department must connect with local travel and trade for promotional activities.

MR NASIR SHAH
Chairman J&K Chapter, Indian
Association of Tour Operators (IATO)

