Mixed budget for tourism

Impact of coronavirus outbreak on travel trade

Updates from 1st luncheon meeting of 2020

GLIMPSES FROM IATO DAY CELEBRATION
Incredible India

IATO urges all its members and their vendors to fully support Prime Minister Narendra Modi’s initiatives:

SWACHH BHARAT ABHIYAN

(Clean India Mission)

एक कदम ऊँचाई की ओर

BAN ON SINGLE-USE PLASTIC

Explore Inside

Tourism integral to India’s prospect of becoming a $5 trillion economy: PM Modi

Narendra Modi
Prime Minister of India

I Ntroducing development projects worth over ₹1,200 crore in Varanasi, Prime Minister Narendra Modi said that his government is giving top priority to roads, highways, waterways and railways, especially in terms of infrastructure. “Today when we talk about a $5 trillion economy in India, tourism is an integral part of it. Besides nature, heritage tourism has a strong role to play in achieving the goal. Also, along with Varanasi other holy sites are being developed using new technologies,” he said. "Developing major spots of faith and spirituality around the country, the government is working to make them accessible and convenient for pilgrims and tourists. For which, I have flagged off the Kashi-Mahakal Express to connect Varanasi with Omkareshwar and Mahakaleshwar," PM Modi further said. He also flagged off IRCTC’s Kashi-Mahakaal Express through video link. The first overnight private train in the country will connect three Jyotirling pilgrim centres of Varanasi in Uttar Pradesh, and Ujjain and Omkareshwar in Madhya Pradesh.

He also unveiled the 63-ft tall statue of Pandit Deendayal Upadhyaya.

Cover Picture Courtesy: Anuj Chauhan, unsplash.com
President’s Message

Dear Friends,

Greetings from IATO!

The time has come to hand over the reins to my next successor in April 2020. The Election date shall be announced very soon. I am happy to complete my two terms in succession as President with your support and good wishes. It gives me immense satisfaction that I could do justice to my position with my 100 per cent dedication and hard work towards the responsibilities and sailed through inspite of many hurdles and challenges. This could not have happened without the support of my present Executive Committee.

As you all know that I joined IATO Executive Committee in 2001 and worked under many leaders and learned a lot from Mr. Subhash Goyal, Maharaj Wahi and Mr. Vijay Thakur. Having associated with the Tourism Industry after studying Tourism from Delhi University in 1975 and working experience with big companies helped gain practical knowledge, which enriched me to deliver to the best of my abilities for the Association and take the IATO flag high. Four years ago when members elected me as President and entrusted me with responsibilities, I took them with diligence and that truth as my beacon and a prayer that I might always do the right things in a balanced manner and put all efforts to keep the IATO image high. I thank all the members who have extended their support to take forward IATO activities and achieve the goals it had envisaged.

In my tenure a lot has been accomplished starting from getting special status during demonetisation, reducing monument entrance fee, amendments in e-Visa, addition of more countries in the e-Visa regime and for cruise tourism, double / multiple entry and pocket of 120 days, reduction in e-Visa fee during season and off season, reduction in GST, removal of hurdle of SEIS, promotional funds for international marketing by MOT, roadshows in various countries, air connectivity and introduction of new / additional flights by Air India, IndiGo and Vistara, special extra baggage rate for IATO members by IndiGo, training programmes across different cities of India, withdrawal of revised guide policy by ASI, guiding by regional level/state level guides at Fatehpur Sikri by taking up the matter in Hon’ble Supreme Court and many more for the benefit of members.

The Union Budget 2020-21 is out. Kudos to Hon’ble Union Finance Minister for giving quantum time to tourism in the budget. Hon’ble Minister clearly indicated that the government intends to improve tourism – 100 more airports to be developed by 2024. Allocation of ₹25,000 crore for tourism promotion means an increase of 14.19 per cent over last year. Five archaeological sites are to be developed into iconic sites with onsite museums. More Tejas trains will connect iconic tourist destinations and heritage centres. Even S50 railway stations will be provided with Wi-Fi which is the need of the hour. However, as IATO what we recommended from our side for Budget 2020-21 pertained to removal of cascading effect of GST on tourism industry, exemption of GST on foreign exchange earnings and extending all benefits that are being given to exporters of goods and IT industry, which have not been considered in the budget. Our efforts will continue in pursuance of all our pending issues till they are resolved.

IATO Annual Day was celebrated on the February 23, 2020 at Delta 105. The response from our members was overwhelming. Our members with their families had a fun-filled day and great camaraderie was visible.

IATO members attended in large numbers at global travel trade fairs in Dubai, Italy, France, Spain and other destinations. I wish them all success and good business.

As you all must have seen, our previous training programmes had tremendous impact on all those who had participated from our membership. They all acquired the knowledge that shall benefit their organisation. The demand is progressively increasing, so keeping all in this mind we planned more such training programmes in three states i.e. Odisha, Maharashtra and Gujrat.

We received email/telephone calls from some of our members that cancellations were being received by them from China due to coronavirus as restrictions had been made for travellers going to and coming from China. We were informed by some of the members that hotels and airlines were not agreeing to waive off cancellations charges for such cases or refund the advance payment made for booking of hotel rooms/air tickets. The matter was taken up with FIITH, FHRAI, HAI, IHHA, ITDC and all the big hotel chains to advise all the hotels to honour such cancellations and not to levy the cancellation charges and make full refund in case of advance payment as per force majeure clause, which is beyond anyone’s control. Similar letters were sent to Air India IATO, Vistara and SpiceJet with the request that there should be nil cancellations charges on their domestic sectors for such cancellations. Encouraging responses came in from hotels and airlines. We also requested the Ministry of Tourism, Government of India to advise all the hotels and airlines not to charge the cancellation fee. All this was done to keep our country’s image high in such a situation and cooperate with foreign counterparts/clients in this difficult time.

Members were pleased to note that with the regular efforts of IATO the validity of Airport Passes were extended till March 31, 2020 and that too only for the tour operators.

On issue of SEIS a representation was made by IATO in consultation with M/s Ernst & Young with follow-up meetings with the authorities. We placed before them that the SEIS benefit was a relief to boost our industry which has encouraged tour operators to venture into new markets to promote and market India tourism at their own cost. This has been sorted out and all pending cases have been cleared. We have also recommended to continue SEIS benefits for another five years with Commerce Ministry with higher percentage to help sustain tourism business by our members.

Tax Refund for Tourists (TRT) scheme would significantly boost India’s appeal for travellers and put local retailers on a level-playing field in competing with regional travel and shopping destinations such as the UAE, Thailand, Singapore, China and Malaysia – each of whom offer a tax refund scheme for visitors and I am hopeful for a positive outcome.

I have always tried to do my best in serving this great IATO of ours. We have seen many successes and achievements that we should be proud of. Today, IATO is a far stronger association in every aspect than it was a decade ago. I give credit for this to all of you. However, there is still a vast latent development potential in our tourism industry and we must collectively work hard to realise it.

As I will leave my responsibility for the present term as President IATO, my abiding memory will be the love and kindness that I have always received from you. It is both a debt that I will never be able to repay and a decoration that I will always wear with pride.

We will keep IATO image high with the new committee coming at the helm after the IATO election in April 2020. I wish you all the best in your endeavours.

Yours,

Pronab Sarkar

President

-----

Pronab Sarkar

February 2020 | IATO SPEAKS

Indian tourism suffers $500 million losses following coronavirus cancellations

IATO has estimated that there could be losses up to $500 million because of cancellations from tourists from China and other countries as a result of the coronavirus outbreak. According to an estimate, more than 50,000 Chinese tourists were expected to visit during January-February and most of these bookings have now been cancelled, as India has blocked the entry of people from China and Hong Kong apart from many other countries. “We fear an immediate loss of up to $500 million as the coronavirus outbreak has hit the arrival of tourists from China, Hong Kong and neighbouring countries,” said Pronab Sarkar, President, IATO. He said losses for domestic tour operators would be much higher, as many outgoing local tourists to China and other countries were also cancelling bookings after the outbreak. “There is a panic in the tourism sector as thousands of bookings have been cancelled,” said EM Najeeb, Senior Vice President, IATO. He said foreign as well as domestic tourists were cancelling travel to Kerala.

Source: Manoj Kumar, Reuters, February 12

---

Independent Image Ref: Manoj Kumar, Reuters, February 12
The Union Budget for year 2020-21 presented by the Finance Minister, Nirmala Sitharaman on February 1, 2020 found ample mention for promotion of tourism in the country with allocation of ₹2,500 to the Ministry of Tourism.

It is indeed encouraging that the Finance Minister spoke at length about tourism this time in the Union Budget. She made several announcements that augur well for tourism in India. A hike in the budget for tourism promotion by allocating ₹2,500 crore, which is an increase of 14.19 per cent over the previous year, when ₹2,189.22 crore was allocated.

₹1,778.53 crore has been allocated for building tourism infrastructure, while ₹575.50 crore has been allocated for promotion and publicity. For the Ministry of Culture, an allocation of ₹875.33 crore has been made for Central schemes and projects.

With a focus on developing infrastructure, FM Sitharaman said the 17 ‘iconic sites’ will be transformed into world-class destinations to give a boost to the tourism sector. The iconic tourism sites would enhance visitor experience which would lead to increased visits of both domestic and international tourists at these destinations. She said the government will take measures to ensure that the rich tribal culture of the country is preserved.

The Finance Minister expects the state governments to develop a roadmap for certain identified destinations and formulate financial plans during 2021, against which specified grants will be made available to the states in 2020-21.

With the objective of preserving rich tribal cultural heritage, a digital repository will be developed where documents, folk songs, photos and videos about their evolution, place of origin, lifestyle, architecture, education level, traditional art, folk dances and other anthropological details of the tribes in India are stored. The repository will further be enriched and strengthened.

The iconic tourism sites in India will also be connected by more premium Tejas Express-like trains for the ease of tourists. Apart from that, five archaeological sites around the country will be developed as iconic sites with on-site museums. These sites are: Rachigarhi in Haryana, Hastinapur in UP, Shivagarg in Assam, Dholavira in Gujarat and Adishankudal in Tamil Nadu. An Indian Institute of Heritage and Conservation would be established under the Ministry of Culture and a tribal museum will come up in Itanhi. The institute will have a deemed university status.

On the aviation connectivity front, Sitharaman announced building 100 more airports around India by 2024 under the UDAN scheme and also doubling of the aircraft fleet to 1200 from current 600. She also announced major road infrastructure development with the completion of Delhi-Mumbai and Chennai-Bengaluru Expressway by 2023. Apart from re-erection of the country’s oldest Indian museum in Kolkata, four more museums will undergo renovation. The government has also proposed setting up a tribal museum in Jharkhand and a maritime museum at Lothal, the Harrapan age maritime site near Ahmedabad by the Ministry of Shipping. The 7.17 lakh crore has been allocated for transport infrastructure, while ₹900 crore has been allocated for developing roads to key heritage sites around the country.

Sharing his views on the budget, Pronab Sarkar, President, IATO said, “Kudos to Hon’ble Finance Minister for giving quantum time to tourism in the budget. The Finance Minister clearly indicated that the government intends to improve tourism. Steps like developing 100 more airports by 2024, allocation of ₹2,580 crore for tourism promotion with an increase of 14.19 per cent over last year, five archaeological sites to be developed into iconic sites with onsite museums, more Tejas trains to connect iconic tourist destinations and heritage centres is encouraging. Even the announcement of 550 railway stations to be provided with Wi-Fi is the need of the hour. However, as IATO we are hopeful that the Finance Minister has started looking up, but we still must wait for the overall result of the budget in the coming days.”

Rajiv Mehra, Vice President, IATO said, “It’s encouraging that the Finance Minister spoke at length about tourism this time in the budget and made a number of announcements including a hike in the budget for tourism promotion by allocating ₹2,500 crore, making 100 more airports operational by 2024 and doubling the aircraft fleet to 1200. Most importantly, I am happy that government announced more Tejas-like trains to iconic tourist destinations, which has been IATO’s demand and it will certainly boost tourism. The state governments will also have to play a major role in promoting tourism since the Centre will now provide grants if they develop road-map and financial plans for certain identified destinations. As far as road connectivity is concerned, what will benefit us in the long run is the introduction of the Chennai-Bengaluru and Delhi-Mumbai expressway, which would be ready by 2023.”

Rajesh Mudgil, Hon’ble Secretary, IATO said, “The good thing about this year’s union budget was that the government has talked about tourism at length but the various measures including the tax rates for the middle-income segment might help in having disposable income in the hands of the public. Generation of disposable income would lead to the spending for their travel too. The Sensex has started looking up, but we still must wait for the overall result of the budget in the coming days.”
Ravi Gosain, Hony. Treasurer

February 2020

1. Economic development and announced thought about tourism as mainstream are happy that the Modi government has mixed for tourism industry as whole. We do more work.”

2. Seriously, but on the ground we need to government is now taking tourism very things are yet to be done in the tourism allocated more funds for promoting tourism ing to come out in terms of implementa-

Rajnish Kaitha, Hony. Joint Secretary

As they say domestic tourism is the base of pyramid for tourism promotion, so we expect that the right push in infrastructure development shall help create better overall facilities. Another recent post budget announcement of ₹ 2,000 crore push for lifting up tourism in Kashmir and Ladakh region is being talked about, so hopefully it will help in long term.”

Ravij Gosain, Hony. Treasurer, IATO said, “We do a little disappointed with the budget. While the additional allocation of budget for tourism was a great move, along with 350 stations to be provided with Wi-Fi, nothing has been done about coastal areas. Even island tourism or river tourism could have been focused on. What is most important is that foreign airlines should be allowed to operate, an open-sky policy should be in place and ATP price should be reduced. It’s a good budget for start-ups and for people in the lower, or middle-income bracket, but nothing has been done to give a boost to tourism.”

Rajnish Mudgil, Hony. Secretary

3. People in the lower- or middle-income It’s a good budget for start-ups and for

Rajnish Kaitha, Hony. Joint Secretary

Budget 2020

Activities

Finance Minister Nirmala Sitharaman said the 17 ‘iconic sites’ will be transformed into world-class destinations to give a boost to the tourism sector

Rajnish Mudgil, Hony. Secretary

4. The issue of SEIS is of prime concern for IATO members. IATO is in talks with Suman Sharma, Additional Director General, Foreign Trade and Amit Sharma, Deputy Director General, Foreign Trade and has made a representation on the issue faced by tour operators while claiming SEIS benefits. A representation was made by IATO in consultation with Ernst & Young with a follow-up meeting with them on January 3, 2020. IATO has proposed the authorities that the SEIS benefits percentage from five per cent to seven per cent, if not 10 per cent. IATO’s efforts have borne fruit and the Additional Director General, Foreign Trade, Suman Sharma has agreed to settle all the pending cases of tour operators.

Pendings of cases of SEIS for the tour operators

The issue of SEIS is of prime concern for IATO members. IATO is in talks with Suman Sharma, Additional Director General, Foreign Trade and Amit Sharma, Deputy Director General, Foreign Trade and has made a representation on the issue faced by tour operators while claiming SEIS benefits. A representation was made by IATO in consultation with Ernst & Young with a follow-up meeting with them on January 3, 2020. IATO has proposed the authorities that the SEIS benefits percentage from five per cent to seven per cent, if not 10 per cent. IATO’s efforts have borne fruit and the Additional Director General, Foreign Trade, Suman Sharma has agreed to settle all the pending cases of tour operators.

Tourist Facilitators Certification Programme

A workshop on Incredible India Tourist Facilitators Certification Programme was held on the December 12, 2019 at the Samrat Hotel, New Delhi. IATO has agreed to settle all the pending cases of tour operators.

IATO members were requested to participate in a survey conducted by National Productivity Council on ongoing overseas promotion and publicity including Marketing Development Assistance (MDA) scheme.

Identifying pertinent issues faced by IATO members in the industry, the association is in talks with respective authorities and is taking necessary steps to resolve and provide relief to the travel trade. Here is a look at actions, IATO is taking up.

Survey questionnaire on MDA

Identifying pertinent issues faced by IATO members in the industry, the association is in talks with respective authorities and is taking necessary steps to resolve and provide relief to the travel trade. Here is a look at actions, IATO is taking up.

Survey questionnaire on MDA

Identifying pertinent issues faced by IATO members in the industry, the association is in talks with respective authorities and is taking necessary steps to resolve and provide relief to the travel trade. Here is a look at actions, IATO is taking up.
Around 450 IATO members along with their family members enjoyed a day out at army theme park, Delta 105 near Manesar, Haryana on February 23, 2020. Members spent the annual picnic event getting along and doing many fun-filled activities. Different prizes were given to winners of games and activities on the occasion.
A lighthouse beckons

Isolated from India’s mainland, there exists a world enveloped by secrets of eternity and exhilarating calms. An unimaginable pairing of ‘coral isles and marine’, bestowed upon mankind by divinity, with the sole purpose of renewing his exhausted earthly senses & cleansing his soul. As if, in its moments of artistic extravagance; it dropped “tiny pieces of land”, like droplets of emerald and turquoise beads, into the sea, near us.

Standing tall and promising, since 1885; on its southern most isle, a lighthouse, renders vital navigational guidance to mariners plying on the high seas. It also gives us bearings of a geological topography; across which, divinity has spread these dream lands! Bright flashes every 12 seconds; from its ‘metal halide lamp and optical system’, reaching 40+ nautical miles (74 kms); emitted from atop its tower, beckon us, towards a ‘territory of magical islands’; should we choose to embark upon a pilgrimage of ecstasy to renew our existence and celebrate life.

A ‘seasoned traveller and fervid explorer’; feels humbled, and speechless still, from his last encounter with this wonder land. He gives us a brief glimpses; into one of his black Moluskine notebook diaries, from his archives. It reads (2 few extracts).

It is daytime. You are in a densely quiet world, only the sounds of your own breathing reminds you of your existence. The silent water is drenched in tranquility and wonders. Rejected law of gravity, you are floating through the world of a pre-historic timeline, an alien habitat, pregnant with a thousand mysteries and unknown events. You are moving through a mute ‘3D’ theatre of pristine nature; its multi coloured performers in different shapes and sizes surrounding you, in random displays of flawless life…!! (perhaps the soul and character of our planet was like this, before hands of man fiddled with it, trying to rearrange things. These performers are looking at you… and mocking; pitying at the irony of circumstances you have created for yourself on ‘mainland’, with your own follies and greed).

A large school of Damselfish goes past you; a few meters away. Melon-butterflyfish are picking at the coral, breathing from a bottle of air-stopped to your back (scuba), a self-contained underwater breathing apparatus; you have descended into another environment. Nearby, a pair of Clownfish dodge around in the colourful refuge of a sea-anemone. An Octopus pushes itself away and glides across to the next rock, clinging to it. A Moray eel emerges from its hideout in the rocky crack; its head moving in zig-zag motions. Pairs of Wrasses gracefully swim past, overhead; sending invisible sensations over your body, a Hawksbill turns, goes past you, towards a cluster of corals! (seeing yourself in the midst of such astonishing beauty, you wonder about the silliness of worthless human conflicts).

It is dark. The tropical sun has set. You now see some performers starting to transform themselves in slow-motions, into new luminous avatars; their fluorescent glow defying anything ever imagined. Images of their mysterious night-time exhibits get embedded in your mind, for ever. You feel insignificant.

It is daytime. You are on isle-land; horizons of wide panoramas and blue skies meet your sight. All of a sudden, a large pod of Bottlenose dolphins slip-out and-in-and-out of the sea in synchronised formations. Far behind, towards their right, a Sailfish darts vertically out of water; opens her sailfin for a moment and disappears back into the sea. You stand there spell bound and speechless. Ahead of you a Hermit crab scatters across the beach; leaving behind a mosaic of tiny footprints. Dolphins appear again out-in-out!

The faint rustle of Palm tree leaves reaches your ears, somewhere a ripe Coconut falls on coral sands with a soft-fruit; rest is unfurled and still. Lapping sounds of sea-waves play lightly in background; they skim the shores, and return to the infinitude of sea. You are in utter solitude; in the mid of Arabian sea, not very far from Equator.

Placing a pair of binoculars on your eyes, you sight a few fishermen’s boats, returning with their booties of Tuna-fish. And while you anchor yourself in soft sands, under a tall Palm tree, marvelling at the charisma of the moment; their boat reaches the lagoon. A native woman with two young boys; rushes past you, shouting…. “achaa natukkalinji mavanuma, niikkal achan surama!” (father is returning with fish, look father is coming!).

You melt. You never want to return to the mainland. Somewhere, a Neelakurinji flower; drifts on the beach, in light sea breeze. A Pink gastropod seashell washes ashore.

Lakshadweep Islands are an archipelago of nearly 39 islands and islets’ (12 coral atolls, 3 reefs and 5 submerged banks) scattered away from each another; only ten islands are inhabited, rest are uninhabited. An uncompromised purity of nature and coral beaches, they offer nearly 132 kms of virgin Indian shorelines; untouched and unseen.

Formed over period of several million years, by accumulation of coral; on sunk volcanic crests, on Chagos-Laccadive ridge (extending apx 2500 kms northward beneath surface), in the Indian Ocean, they support an enthralling habitat and embrace a diverse wealth of species within 111–222 nautical miles, from the south western coast of Indian peninsula.

Festive rituals & folk dances, tangy coconut cuisines & marine delicacies, coir crafts; boat building and fishing; their warm tribal communities thrive in harmonious co-existence. The earliest history of these islands was unwritten. It is clouded in legends and tales.

A flock of Terns hover above. Standing on a pristine shore, one almost becomes to imagine some ‘sealed-glass-bottle’ drifting ashore, with a message inside; perhaps a message that reads “Don’t look for us, we wish to remain lost in these incredible islands! Anonym!”

The author, Neelam Thakur (Ned) has been a devoted tourism & travel professional for more than 3 decades thinktourists@hotmail.com

Author’s Note

They inhabit a fragile eco-denominator, and are scattered wide apart. In open seas. Apart from crucial eco concerns, there are cautious relating to our international boundaries. Our territory is an unending Tourism goldmine for us. We also have other assets here, that could transform local economic equations. NITI Aayog has already reflected an inspiring vision for their holistic development (initially 5 islands; our first step of support as IATO; should be to educate these ‘island dwellers’. We need to guard against any temptations and ideas, that could encourage irresponsible and strolling tourist trends, leading to destructive influx.

12 | February 2020 | IATO SPEAKS

IATO SPEAKS | February 2020 | 13
Exemption of GST on services provided to foreign tourists

ITATO was asked by Ministry of Finance to make a separate representation about exemption of GST on services provided to foreign tourists in Nepal, Bhutan, Sri Lanka and neighbouring countries, if the tour package is combined with India package. IATO said that GST may be exempted on the services provided outside India i.e. in neighbouring countries even if the package includes an Indian tour. As a result of tax exemption, bookings will come to Indian tour operators as one continuous tour package instead of such bookings going to tour operators based in neighbouring countries. This will add considerable foreign exchange for the country.

Validity of Airport Entry Passes extended till March 31, 2020

The Indian Association of Tour Operators (IATO) has informed that the Bureau of Civil Aviation Security, Government of India has extended the validity of Airport Entry Passes for tour operators till March 31, 2020. Earlier, the Bureau had extended the validity till January 31, which initially expired on December 31, 2019. “We are pleased to inform you that our regular follow-up with Ministry of Civil Aviation/Bureau of Civil Aviation Security, the Director-General-Bureau of Civil Aviation Security has extended the validity of Commercial Airport Entry Passes up to March 31, 2020. Necessary directives have been issued to all regional directors of Bureau of Civil Aviation Security to take necessary action according,” said an IATO circular. The extension has been given only to the tour operators, till the time a new mechanism for passes is finalised by the Bureau of Civil Aviation Security.

Skill development in Bhubaneswar

IATO organised a skill development workshop on Double Your Leads/Digital Marketing level-2 in Bhubaneswar. Odisha Tourism Director, Vinod Sinha, in his opening remarks, talked about the use of effective digital marketing through appropriate mediums.

3.2% growth in FTAs; 24% hike in e-Tourist Visa arrivals in 2019

Foreign Tourist Arrivals (FTAs) during the period January-December 2019 were 1,08,05,365 as compared to 1,05,57,976 in January-December 2018 registering a growth of 3.2 per cent, revealed recently released statistics by Ministry of Tourism (MOT). FTAs in December 2019 were 12,25,672 as compared to 11,91,348 in December 2018 registering a growth of 2.9 per cent. During the month of December 2019, a total of 3,77,092 tourists arrived on e-Tourist Visa as compared to 3,08,430 during the month of December 2018 registering a growth of 22.3 per cent, revealed statistics by MOT. During January-December 2019, a total of 29,28,303 tourists arrived on e-Tourist Visa as compared to 23,60,041 during January-December 2018, registering a growth of 25.0 per cent.

80 sites identified for Swachhata Action Plan activities

Under the Swachh Bharat Mission, the Ministry of Tourism (MOT) has identified 180 tourist sites for organising Swachh Action Plan (SAP) activities during the year 2019-20 to create Swachhata Awareness amongst the tourists, students of schools/colleges and stakeholders across the country.

Besides, Swachhata Pakhwada and Swachhini-Hi-Seva activities have also been undertaken by MOT at several locations across the country. Facilities like drinking water, toilet, interpretation centre, Wi-Fi, illumination, ramps, pathways, public sale counter etc. are provided at the World Heritage and tick-etd monuments. Further, existing facilities are upgraded as per requirement and its upgradation is a continuous process.

ITDC signs MoU with Gujarat Tourism

The India Tourism Development Corporation (ITDC) has signed an Memorandum of Understanding (MoU) with the Tourism Corporation of Gujarat (TCGL) on February 13, 2020 for development of heritage sites in the state. As part of the MoU, ITDC would provide consultancy services for innovative, decorative lighting and illumination of important monuments and sound and light show at other important places in Gujarat.

7 projects worth ₹594 crore for Ladakh and J&K

In order to provide an impetus to tourism, the Ministry of Tourism has sanctioned seven projects worth ₹581 crore for Ladakh and J&K under the Swadesh Darshan and PRASAD scheme for development of tourism infrastructure. The schemes provide financial assistance to state governments / UT administrations. With a total sanction of ₹704 crores, six projects are for Swadesh Darshan scheme for the development of the Himalayan circuit while one project worth ₹2.02 crore for development of Hazratbal is for the PRASAD scheme.

Jallianwala Bagh closed till April 12

Jallianwala Bagh would remain closed for visitors due to its ongoing renovation work till April 12, 2020. The work on restoration and allied services, which is estimated to cost around ₹20 crore, is being done under the supervision of the Archaeological Survey of India (ASI), and the target date for completion of the work is March 31. A new 15-foot-wide exit gate has been constructed.
Updates from first luncheon meeting of 2020

Apart from the in-house announcements, IATO stressed on working for small tour operators and recommending the Ministry of Tourism, Government of India to change guidelines of approval and help resolve issues of the members.

During the first monthly interactive luncheon meeting of 2020, the association shared industry updates and discussed issues with members. Sharing details, Rajiv Mehra, Senior Vice President, IATO, said, “We had meetings with various ministerial departments, and the most important one was the burning issue of DGFT scripts, which has been stopped by the department. We really had to work very hard and I would especially like to thank Suman Sharma, Additional Director General, Directorate General of Foreign Trade (DGFT), who accepted our justifications and has started giving those scripts now. It has been a big accomplishment.”

Mehra also informed that they are in discussion with the Director General (DG), Tourism, on the MOT criteria of recognising inbound agents. He shared, “We had a meeting with Meenakshi Sharma, DG, Tourism, on the long-pending demand of amending the MOT rule so that our smaller members are not affected, and they also get the benefit of MOT recognition. We are working in that direction and I am quite hopeful that in a month’s time, something should happen.”

Another important issue is of the MDA scheme. Mehra said, “In our meeting with the DG, we again highlighted that the MDA scheme should be revised without any clause, which would allow our smaller agents to go abroad and do promotions.”

Rajesh Mudgill, Hon’ Secretary, IATO, shared that they are trying to change the guidelines of approval. “The majority of our members are small-time operators, and their turnover is less than ₹2 crore. We want to give them this benefit that they should be exempted from having a specified office, staff requirements and various other conditions. They should be allowed to operate from their residence, because dynamics of business have totally changed,” he said.

Apart from that, IATO apprised members that the validity of airport passes, which expired on December 31, 2019 and currently has been extended till March 31, 2020, IATO has been working towards not getting them discontinued even after that and is in discussion with MOT for the same.
Effect of TCS on overseas tour packages

In order to widen and deepen the tax net, the Finance (No. 2) Bill, 2020 introduced by the Finance Minister in the Parliament on February 1, 2020, proposes to amend Section 206C to levy TCS on overseas remittances and also for sale of overseas tour packages.

A seller of overseas tour package (i.e. tour operator) receiving any amount from a buyer of such package, shall be liable to collect TCS at the rate of 5 per cent. In non-FATCA cases, the rate of TCS shall be 10 per cent. The TCS provisions would not apply if the buyer is:

(a) liable to deduct tax at source under any other provision of the Income Tax Act and has deducted such amount.
(b) the Central Government, State Government, embassy, High Commission, Consulate, Trade representation from a foreign State or any other notified person.

The TCS provisions target overseas tour packages which offer visit to a foreign country or countries outside India and includes expenses for travel or hotel stay or boarding or lodging or any other expenses of similar nature or related expenditure. This means that TCS provisions would not apply to inbound tour packages i.e. tour packages organised or conducted in India for the buyers who may be Indians / NRIs or foreign citizens.

An overseas tour package is proposed to be defined as under:-

“Overseas tour programme package” means any tour package which offers visit to a country or countries or territory or territories outside India and includes expenses for travel or hotel stay or boarding or lodging or any other expenditure of similar nature or in relation thereto.

It is nowhere mentioned that overseas tour programme packages should be purchased by the buyer’s resident in India. It implies that even the overseas tour packages purchased by persons holding foreign citizenship and residing outside India are covered by TCS provisions. The Indian tour operator organising tour packages outside India for such class of tourists is required to collect TCS at the rate of 5 per cent. TCS provisions, however, att

Effect on Indian tour operators

The collection of TCS may affect the business of Indian tour operators for the reason that the Indian tourists are likely to switch over to direct booking from an overseas tour operator located in the destination country. In the case of booking from overseas tour operator, TCS provisions would not come into play for the reason that the overseas tour operator who does not have any establishment in India is not required to collect TCS from the Indian buyers. If this happens, it may entail:

• Loss of business of Indian tour operators.
• Loss of employment opportunities in the country due to setback of business of tour operators in India.
• Loss of GST revenue to the government.

Overseas Tour Packages for foreign buyers / tourists

As already mentioned above, TCS provisions do not apply on ‘inbound tours’ conducted by tour operators for foreign buyers / tourists directly or through FTO. However, FTOs may send foreign tourists to Nepal, Bhutan and other neighbouring countries. The foreign tourists are organised by Indian tour operators in Nepal, Bhutan etc. The Indian tour operator XYZ is the seller of an overseas tour package and FTO is the buyer. In this scenario, the Indian tour operator is required to charge 5 per cent TCS on billing to FTO. Since FTO is not a taxpayer in India, no tax credit will be available to the FTO. This adds to the cost of the FTO. The FTO may in turn ask the Indian tour operator to bear the cost of TCS himself. In either case, cost of the tour will go up.

TCS provisions will also result in diversion of business from FTO to the tour operator located in Nepal, Bhutan or other neighbouring countries by eliminating the Indian tour operator from the supply chain. This means loss of business and employment for the Indians and consequential loss of GST revenue to the Indian government.

In a nutshell, the new provisions of TCS levy are not in the interest of tourism industry which is already in bad shape and needs support from the government. It is high time that the Ministry of Finance should review these provisions and not enforce the same upon Indian tourism industry for survival and promotion of this industry.

The amendment will take effect from April 1, 2020.

S C Kamra, Advocate & GST Consultant
IATO felicitated in Aurangabad for support in improving air connectivity

MECC Aurangabad First and Aurangabad Tourism Development Foundation (ATDF) felicitated Pronab Sarkar, President and Rajiv Mehra, Vice President, IATO on January 25 for their tireless efforts to bring Aurangabad on the itineraries of all major flight operators of India.

Impact of coronavirus outbreak on travel trade

IATO has requested hotels and airlines to not levy cancellation/retention charges for cancellations due to coronavirus outbreak. The Ministry of Tourism has also issued notice on Self Reporting Form for all travellers arriving from coronavirus affected countries.

IATO received email/telephone calls from some of the members that cancellations are being received by them especially from China due to coronavirus as restrictions have been made for travellers going to and coming from China. Similarly, Indian government has also issued advisory for the India travellers to not to travel to China. In this regard, advisories have been issued by General Office of the Ministry of Culture and Tourism, Government of China and China Association of Travel Services and have advised suspending domestic and foreign group travel and would receive tourists in good number soon.

Services and have advised suspending domestic and foreign group travel and have requested to properly handle the reasonable demands of tourist itineraries, cancellations and refunds and minimise financial losses. All this is being done to ensure that coronavirus does not spread into our country.

IATO has been informed by some of the members that hotels and airlines are not agreeing to waive off cancellation charges for such cases or refund the advance payment made for booking of hotel rooms/air tickets.

IATO has also requested the Ministry of Tourism, Government of India to advise all the hotels and airlines not to charge the cancellation fee. We need to keep our country’s image high in such a situation and cooperate with foreign counterparties in this difficult time.

The matter has been taken up with FAITH, FHIAR, HAI, IHTHA, ITDC and all the big hotel chains to advise all the hotels to honour such cancellations and do not charge the cancellation charges and make full refund in case of advance payment as per force majeure clause, which is beyond any one’s control. Similar letters have been sent to Air India, IndiGo, Vistara and SpiceJet with the request that there should be nil cancellations on their domestic sectors for such cancellations.

Tourism surpasses and surmounts all fear factors, and the history shows that it comes back with more vigour after every such challenge. India is safe for the travellers and would receive tourists in good number soon.

Three positive cases of coronavirus were detected in India in the state of Kerala, however, there has not been a single spread through human transmission.

Sharing information about the impact, EM Najeeb, Senior Vice President, IATO, who is also the Regional Chairman of IATO’s Southern Region said, “The coronavirus threat has affected the FTA inflow to the state down the FTA. However, tourism surpasses and surmounts all fear factors, and the history shows that it comes back with more vigour after every such challenge. India is safe for the travellers and would receive tourists in good number soon.”

Three positive cases of coronavirus were detected in India in the state of Kerala, however, there has not been a single spread through human transmission.

Sharing information about the impact, EM Najeeb, Senior Vice President, IATO, who is also the Regional Chairman of IATO’s Southern Region said, “The coronavirus threat has affected the FTA inflow to the state down the FTA. However, tourism surpasses and surmounts all fear factors, and the history shows that it comes back with more vigour after every such challenge. India is safe for the travellers and would receive tourists in good number soon.”

Cancellation waiver charge on Air India domestic flights

Services and have advised suspending domestic and foreign group travel and have requested to properly handle the reasonable demands of tourist itineraries, cancellations and refunds and minimise financial losses. All this is being done to ensure that coronavirus does not spread into our country.

Cancellation of air tickets booked on IndiGo

In response to emails dated January 28 and January 31, 2020 sent to IndiGo Airlines, IATO was informed that all bookings received from China and cancelled due to coronavirus for travel period between January 24, 2020 to February 28, 2020 will be cancelled with nil cancellations subject to the conditions. Members are advised to contact the respective sales team of IndiGo in case of any clarification.
Government committed to boost visitor numbers to India

Apart from undertaking several steps to boost the number of visitors to the country, Rupinder Brar, Additional Director General, Ministry of Tourism shared that the government is focused on developing the heritage and culture of India and many other ongoing projects at different stages across India.

In the recent months, the Ministry of Tourism (MOT) has undertaken a number of steps to boost visitor numbers to the country. From promoting the heritage of India and improving hinterland connectivity to organising well-targeted conclaves and empowering tourist guides with certification programmes, the Ministry is keeping itself busy in ensuring India gets the numbers that it is targeting, shared Rupinder Brar.

Sharing details on the project, Brar said, “Of these steps was the inauguration of Kutni Island Resort near Khajuraho, Madhya Pradesh, on January 18, 2019. Kutni Island Resort has been launched under the fully funded Swadesh Darshan scheme of MOT. The project has been completed in two and a half years and is situated on a reservoir. It houses 10 double-occupancy rooms and is a beautiful facility. We want to encourage people to visit.”

20 million tourists by 2024?

Despite a growth of 3.2 per cent in the number of foreign tourists in 2019, Brar claimed that there is no reason why India could not get 20 million tourists by 2024. “In fact, we are sure to cross this target. As long as we put the right products, right processes and the right promotions in place, there is no reason why we cannot achieve the target,” she shared.

MOT is also developing the Vision Document 2020 with the Prime Minister Office, “In line with the focus on domestic tourism, we have also launched the ‘Ek Bharat Shreshtha Bharat’ quiz up until June 30, 2020. The idea is to educate people about the tourism offerings in the country. We encourage everyone to join the programme on mygov.in for this quiz. It’s about 20 questions that tell you about a place and of course, you can also win prizes when taking the quiz,” Brar added.

Providing last-mile connectivity

“We are working very closely with the stakeholders in identifying key markets from where we can increase footfalls to India and also create a specific strategy depending on each of these markets,” Brar said.

MOT is also developing the Vision Document 2020 with the Prime Minister Office, “In line with the focus on domestic tourism, we have also launched the ‘Ek Bharat Shreshtha Bharat’ quiz up until June 30, 2020. The idea is to educate people about the tourism offerings in the country. We encourage everyone to join the programme on mygov.in for this quiz. It’s about 20 questions that tell you about a place and of course, you can also win prizes when taking the quiz,” Brar added.

We are working very closely with the stakeholders in identifying key markets from where we can increase footfalls to India and also create a specific strategy depending on each of these markets.

We are working very closely with the stakeholders in identifying key markets from where we can increase footfalls to India and also create a specific strategy depending on each of these markets.

Around 4,000 registrations received for the Incredible India Tourist Facilitator Certification (IITFC) programme since its inception on January 1, 2020

We are working very closely with the stakeholders in identifying key markets from where we can increase footfalls to India and also create a specific strategy depending on each of these markets.

We are working very closely with the stakeholders in identifying key markets from where we can increase footfalls to India and also create a specific strategy depending on each of these markets.
IATO's widespread presence across the country with its state chapters

- Jammu & Kashmir Chapter (Srinagar)
- Punjab Chapter (Ludhiana)
- Haryana & Chandigarh Chapter (Chandigarh)
- Rajasthan Chapter (Jaipur)
- Gujarat Chapter (Ahmedabad)
- Maharashtra Chapter (Mumbai)
- Madhya Pradesh Chapter (Bhopal)
- Bihar, Uttar Pradesh & Uttarakhand Chapter (Lucknow)
- West Bengal Chapter (Kolkata)
- Odisha Chapter (Bhubaneswar)
- Himachal Chapter (Shimla)
- Sikkim & North Bengal Chapter (Darjeeling)
- Karnataka Chapter (Bengaluru)
- Tamil Nadu, Puducherry & Andaman & Nicobar Chapter (Trichy)
- Andhra Pradesh & Telangana Chapter (Hyderabad)
- Lakshadweep Islands
- Kerala Chapter (Kochi)
- Goa Chapter (Panaji)
- Haryana & Chandigarh Chapter (Chandigarh)
- Rajasthan Chapter (Jaipur)
- Punjab Chapter (Ludhiana)
- Jammu & Kashmir Chapter (Srinagar)
- Gujarat Chapter (Ahmedabad)
- Maharashtra Chapter (Mumbai)
- Madhya Pradesh Chapter (Bhopal)
- Odisha Chapter (Bhubaneswar)
- Himachal Chapter (Shimla)
- Sikkim & North Bengal Chapter (Darjeeling)
- Karnataka Chapter (Bengaluru)
- Tamil Nadu, Puducherry & Andaman & Nicobar Chapter (Trichy)