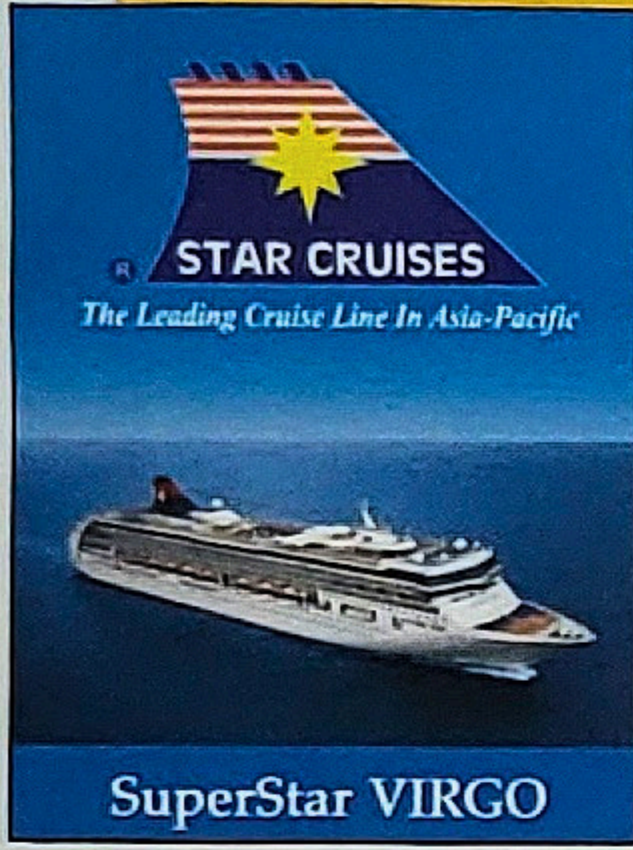


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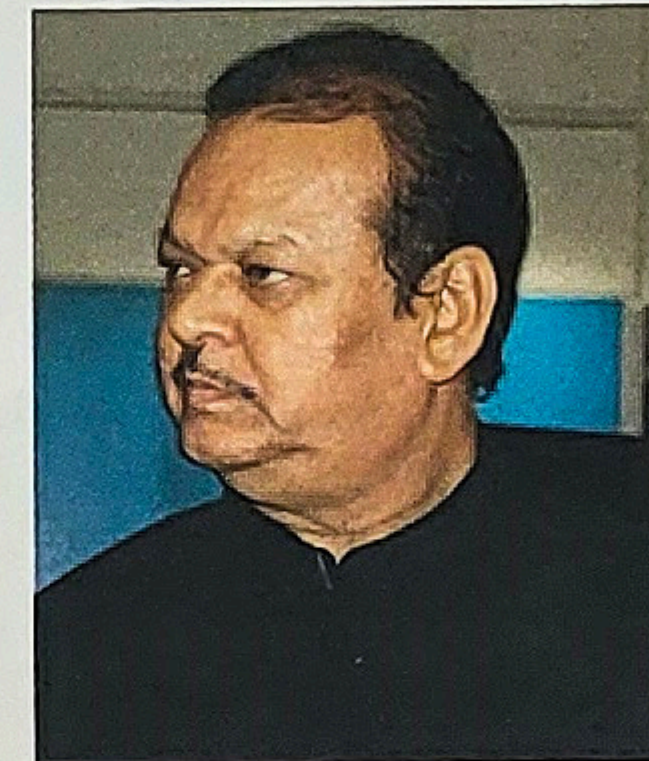
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Step-fatherly treatment

The Union Budget 2012-13 has made India a costlier destination by slapping taxes on services and excise. The travel trade shares their views on the same...

“We have a tough year ahead and in these difficult times, the Finance Minister has presented a balancing budget which will provide stability in the years to come. Though it will be tough initially, but in the long run, it will be beneficial and contribute to the nation's growth.”



Subodh Kant Sahai
Union Minister for Tourism

“There's is nothing to react about the Union Budget. It's clear that the government is not listening to individual associations who are putting forward their expectations for the same. All the associations should come forward to a common platform and put forward their challenges, issues and expectations in one voice. Tourism sector is important for any country for its growth and it's high time that the government realises this.”



Iqbal Mulla
President, TAAI

“On one side, the government has reduced tax on aircraft leasing and on the other hand, it has increased tax on air travel. Additionally, it has increased tax on hotel stay and restaurants. The Union Budget has made India a more expensive destination as compared to its counterparts in the region. Government says that it's a perfect budget, but there needs to be something positive in the budget for the industry.”



Ajay Prakash
President, TAFI

“The Union Budget 2012-2013 presented in Parliament appears to have limited impact on the hospitality sector. The Hotel Industry was hopeful that it would be accorded the status of infrastructure industry in the Budget. This, however, has not happened. On the other hand, hikes in excise duty and service tax would make the hospitality and travel services more expensive.”



Nakul Anand
President
Hotel Association of India

“Increase of service tax on International tickets will add to already burdened industry. Approx 60% cost of outbound package is air fare and existing tax on air fare is any where between 50 to 65%. So 40% of cost of package is tax only. Taxing it further will make outbound travel expensive. Probably it is like killing the golden hen. The government should start looking at tourism industry that can make a huge impact on GDP.”



Guldeep Singh Sahni
President
OTOAI



Arjun Sharma
Managing Director
LPTI

“The industry is completely disappointed with the Union Budget, which shows complete disregard to the demand and requests of the travel and tourism industry. MOT and our industry had made many efforts to ensure that our industry gets the required fillip to attain the 12 million inbound mark in the 12th plan period. The only silver lining that this budget has to offer is the announcement of the roadmap to GST. But, its also remains a grey area. The budget doesn't have initiatives that will promote growth in the industry.”

Contd. on page 30 ▶

'AB' ups Gujarat tourist inflow by 400%

See full story on page 10 ▶

India needs a National Aviation Policy

See full story on page 12 ▶

GTM waiting...waiting... still waiting!

See full story on page 14 ▶

Indians demand value-for-money products

See full story on page 24 ▶

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The travel trade hit hard by the budget woes

Contd. from page 1 ▶

The Union Budget announced by Finance Minister is not a growth budget but a populist budget. The Hospitality & Tourism industry has been once again completely overlooked. Our industry is heavily burdened with multiple taxes. And now there is further increase in service tax by 2% & the Excise Duty has been hiked too. This would adversely affect the growth prospects of the industry and result in higher cost to the consumer.



Dr. Jyotsna Suri,
Chairperson -
Tourism Committee, FICCI

Despite presenting our pre-budget wish list, the budget looks quite against the hospitality industry. Taxes on restaurants and food have increased from 3% to 5% now while the tax on rooms has increased from 5% to 7%. In fact, in many states, the duplication of taxes is hitting revenue and profit margins of the hospitality players. We were expecting rationalisation of taxes in the hotel industry which is nowhere in the picture in the Union Budget.



Kamlesh Barot
President
FHRAI



Vikram Madhok
Chairman
WTCII

The budget has some positives, a much needed balm to the ailing aviation sector. On March 1, 2012, the Cabinet Committee on Infrastructure had approved the harmonised list of Infrastructure sub-sectors. This should be a major push for the much required hotel rooms in our country. On the other hand the increase in Service Taxes translates into higher Air Fares, Taxes on Hotel rooms and expensive eating outs. Considering the current scenario this is a mixed bag.



SM Shervani
Vice President
FHRAI

Our Finance Ministry is lousy. They only imagine hospitality sector as five star luxury hotels, which have been demanding infrastructure status for long. Now, India is attracting business class to come and do business here. We need good roads, railways and air carriers to address the rising concerns of economy. Then, what about the stay factor of the people who look for quality accommodations?

It's yet another budget from which it loud and clear that the government does not consider tourism an important part of economic growth. Over the past few budgets, the trend has been to neglect the medium and long term need of attracting more tourists to destination India. Maybe we in the industry are to blame for not having made a good case for Tourism.



Dipak Deva, CEO
Destination Management,
India and South Asia,
Kuoni Travel India

The increase in service tax to 12% from 10% will negatively impact the tourism industry as the package costs will go up due to tax on all components of tourism. We pleaded for withdrawal of service tax but are shocked to see that more areas have been included for service tax. How much can you tax one industry year after year which is already burdened with taxes – Luxury Tax, Service Tax, Value Added Tax... literally speaking Tax on Tax.



Subhash Goyal
President
IATO



Madhavan Menon
Managing Director
Thomas Cook (India)

The announcement of an increase in infrastructural investments is indeed welcome. We would urge the government to prioritise and invest on the lines of the Greater Noida - Agra expressway. The Inbound segment would be further impacted, with a drop in FTAs and a further dampener on the growth rate in FEE already estimated to be down to 16.7% in 2011 from 24.6% in 2010.



Sarab Jit Singh
President
ITTA

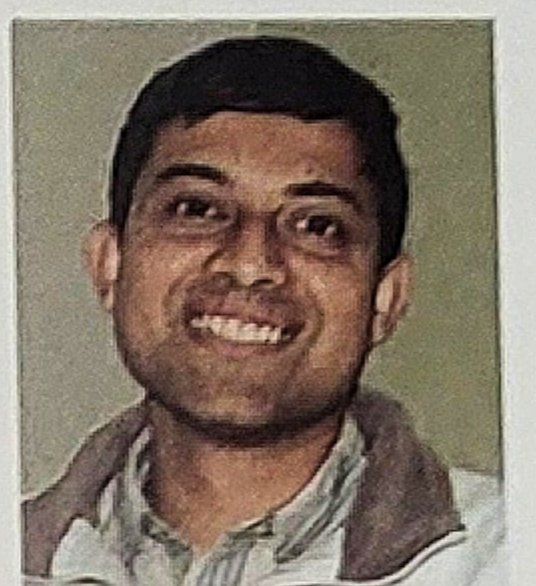
We have had detailed meetings with the Planning Commission and in one of such interactions with the PMO, it was proposed that the inbound sector should target 20 million tourists by 2015. But, the Finance Ministry has taken a totally contrasting stance. Tourism has the highest employment creation potential than any other sector. But, be it the opening of skies, or commissioning of the new airports, the tourism sector is always neglected.

India needs focused and planned development for tourism sector which is growing 20% every year. Budget did not do much, no benefit neither to travel infrastructure or actual traveller, Infact travel has become expensive and hotels are more expensive too. What we need is infrastructure development in big way. There should be focused ministry for tourism development, and planned efforts to increase MICE in the country.



Zelam Chaubal
Director
Kesari MICE

The budget did not deliver on what I was hoping for. The tourism sector can grow by leaps and bounds given the right impetus. For India, we have a target to double the arrivals in 5 years. While the target in itself is ambitious and laudable, We could look at the approach top down and not bottom up. Then we go all out to remove every obstacle that prevents us from getting there. This is where I think we are missing out.



Raja Natesan
COO
TUI India



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It's raining business @ITB Berlin 2012

The 46th ITB Berlin saw the participation of 1,13,006 trade visitors and 10,644 exhibitors from 187 countries. The show had 167 exhibitors from India which included six Indian states. Subodh Kant Sahai, Union Minister for Tourism was present at this international fair supporting initiative of the Indian tourism fraternity and encouraging them to help India reach its tourism potential.



India shining at ITB Berlin

Contd. from page 38



The India evening with MOT

