

FROM THE DESK OF THE PRESIDENT



I would like to commence my column with an earnest request to each and everyone of you to silently continue praying for the safety and survival of the Japanese people, suffering after the immense catastrophe that they have faced in the last week, after the shattering 8.9 earthquake that hit Sendai and its surrounding areas on 11th March only to be followed by a most destroying Tsunami. Every

day after that, we have been seeing pitiful and stark –true pictures of the heart-breaking destruction transmitted by all the TV channels. What can us mere mortals do, in the face of such wrath unleashed by Mother nature ? We can continue with our prayers and hope and belief that the Almighty will be their guiding hand.

Moving on to other subjects, the FM has once again disappointed our industry. We feel that the government is neglecting tourism and hospitality when it is well known fact that our industry is one of the largest generator of employment in the country. None of our demands have been met. Instead our trade has been further loaded with levy of service tax on air, hotels, restaurants which were free from such service tax earlier. We have been asking the Government to give tourism Industry Status but till today this demand has not been met with. Therefore, naturally we feel the Budget has been a huge let-down. The imposition Rs.50 service tax on domestic air travel and Rs.250 on international air travel is going to make air travel expensive and this will further deter the common man from traveling by Air. Already, air travel is costly in India due to higher tax on Air Turbine Fuel.

The FM went one step further and imposed 10 per cent on hotel accommodation tariff which was in excess of Rs. 1,000

per day. The aviation / hospitality /tourism industries hugely felt the thrust of economic down-turn last year and has just come out of recession. So naturally we were looking forward to some incentives These additional tax burdens will not help us in any way.

Even some category of hospitals and diagnostic centres have to pay service tax now. We had hoped that per our recommendation last year and this year too, regularisation of State Luxury Tax, abolition of Service Tax, revival of 80HHD of Income Tax Act, reduction of taxes on ATF (which directly impacts airfares) and so on will be reviewed once more and appropriate mechanisms will be put in place to implement the same. The budget 2009-2010 did not give the hospitality and tourism industry the importance that it deserves and the same is the case in 2011. Our industry is one of the pillars of the Indian Economy and brings in substantial gains in terms of foreign exchange as well as employment generation.

We expected that for Aviation the government would look at liberalization of FDI in aviation, since it is an important element of infrastructure needing fast upgradation of airport infrastructure. Now representations from hotel chiefs as well as from airlines have been made to the Finance Ministry and the Tourism Minister for a roll back. Let us wait and see.....

Read about the National Tourism Advisory Council Meeting held in New Delhi with the New Tourism Minister, specifics of the service tax and other news items of TAAI happenings at the Regional and Chapter Level, NTOs making a bee-line for India this February and March with their road shows-a very healthy sign indeed for outbound tourism.

Rajji Rai
President

Editor's Note

Here is the latest issue of TAAI NEWSLINE which again is full of happenings of all TAAI regions & chapters, A very important meeting with the new Tourism Minister, reaction to the Budget 2011, debates on the FM's new service taxes, aggressive promotions by NTOs under the aegis of our Association and other events. Read all about them in this issue. Members, let us not forget to continue praying for the grief- stricken people of Japan still reeling from aftershocks and other problematic issues after the disastrous earthquake and Tsunami on 11th March. As always your feedback is important and we also invite you to advertise in TAAI NEWSLINE.

Happy Reading !
TEAM TAAI NEWSLINE

NATIONAL TOURISM ADVISORY COUNCIL MEET

Members will be happy to learn that President Mr Rajji Rai has been inducted to the Committee of the National Tourism Advisory Council (NTAC), Ministry of Tourism, in New Delhi. The President attended the first meeting of the newly constituted NTAC on 14th March, chaired by Union Tourism Minister Shri Subodh Kant Sahai who called for more stress on domestic tourism saying “the huge size of domestic tourism helps to sustain the industry irrespective of the variations in international travel.”

As the majority of the domestic travel is for pilgrimages, the Minister was of the opinion, that the facilities at major Indian pilgrimage centres and the lesser known destinations in the country need to be developed so that the benefits of tourism activities reach far and wide. Shri Sahai told the attending

members how infrastructure development held the key to India's sustained growth in the tourism sector.

Says Mr Rai “It is indeed commendable that the Ministry of Tourism has been making efforts to develop quality tourism infrastructure at tourist destinations and circuits through mega projects and now NTAC will advise the Government on various aspects of tourism with the objective of promoting domestic and foreign tourism in the country”.

NTAC comprises experts from various fields, representatives of industry associations like CII, FICCI, ASSOCHAM, PHDCCI, FHRAI, HAI, IATO, TAAI, ITTA, ADTOI, ATOI, IHHA, ICPB as well as Ministries of Finance, Culture, External Affairs, Urban Development, Road Transport and Highways and Planning Commission.

HIGHLIGHTS OF BUDGET-2011 SERVICE TAX

[Amendments proposed in the Finance Bill, 2011 & other changes]

Proposed changes in the Finance Bill 2011 on Service tax have been notified to all members with a synopsis of the impact and effectiveness of the ruling. Given below are the relevant highlights of the Budget-2011 for quick re-look as the Bill has made numerous changes which has far reaching implications.

1. Service Tax law has been made stringent by incorporating prosecution provisions w.e.f. enactment of the Bill, which can be enforced only with the approval of Chief Commissioner of Central Excise. However, no provision for pre arrest power has been made.
2. Interest rate has been enhanced w.e.f. 1-4-2011 from 13% p.a. to 18% p.a. on delayed payment of service tax.
3. W.e.f. enactment of the Bill, penalty on delayed payment of service tax has been halved and maximum penalty could be 50% of the tax payable.
4. Penalty on delay in filing of Service Tax return has been enhanced from Rs.2000/- to Rs.20,000/- w.e.f. enactment of the Bill, which would effect those, who delay the payment of service by more than 30 days.
5. Penalty provisions relating to fraud, suppression etc. has been considerably proposed to be changed w.e.f. enactment of the Bill. The penalty has been fixed to 100% however, in case of transaction captured in the books of accounts, 50% of penalty shall be liable. If the same has been paid alongwith interest and penalty within 30 days, penalty of 25% shall be leviable.
6. A new sub-section 4A has been inserted w.e.f. enactment of the Bill, u/s 73 for concessional penalty of 25% or 1% p.m., where the tax is paid before issuance of Show Cause Notice, which was detected by the department while conducting the audit/verification/ investigation is being further reduced to 1% per month of the tax amount for the duration of default with an upper ceiling of 25% of the tax amount.
7. W.e.f. 01.04.2011, service tax would be payable on accrual basis instead of realization of value of taxable service.
8. The Point of Taxable Rules, 2011 has been issued w.e.f. 01.04.2011 to bring clarity about the applicability of rate of tax under different situations and service shall be deemed to have been provided on the date of service is provided or to be provided, date of invoice or date of payment whichever is earlier.
9. Provision relating to self adjustment of payment of tax has also been

changed in view of the change in the payment of tax from ‘cash’ basis to ‘accrual basis’.

10. Tax adjustment limit for excess payment has been enhanced from Rs.1 Lac to Rs.2 Lacs w.e.f. 1-4-2011.
11. The Cenvat Credit Rules, 2004 have also been amended by changing the definition of the Input, Input services, Exempted Goods, Exempted Services, Capital Goods and further provisions in Rule 6 have been overhauled and provisions of Rules 6(5) has been omitted. Most of these changes will come from 01.04.2011.
12. The Service Tax has been levied on two new services w.e.f. date to be notified:
 - a). Services provided by air-conditioned restaurants having a license to serve alcoholic beverages in relation to serving of food and/or beverages. However it has been announced that an abatement of 70% will be given when such services will be notified. Therefore, effectively service tax shall be leviable on 30% of such value.
 - b). Short-term accommodation provided by a hotel, inn, guesthouse, club or camp-sites, or any other similar establishment for a continuous period of less than three months. However it has been announced that an abatement of 50% will be given when such services will be notified. Therefore, effectively service tax shall be leviable on 50% of such value
13. In case of Air Travel Services, Service Tax has been levied for the domestic traveler other than economic class w.e.f. 01.04.2011 at the standard rate i.e. 10% of taxable value. However, economy class journey in Domestic Sector tax has been enhanced from Rs.100/- to Rs.150/- and for international journey in economy class, it has been enhanced from Rs.500/- to Rs.750/- per journey.
14. Retrospective exemption has been granted w.e.f. 01.04.2000 to 06.07.2009 for point to point travel in contract carriage or tourist travel.
15. W.e.f. 1-4-2011, exemption has been granted for the transportation of goods by road, rail or by air when origin and destination are outside India, if payment is made by a person within India. This exemption has created a doubt whether service tax law has extra territorial operation.
16. Business exhibition held outside India has been exempted from the levy of service tax w.e.f. 1-3-2011. This exemption has also created a doubt whether service tax law has extra territorial operation.

COMPETITION COMMISSION OF INDIA ADMITS CASE BY TAAI AGAINST ZERO COMMISSION AIRLINES

Submits investigation report, asks airlines to submit comments in 15 days and appear before CCI on March 3, 2011. The case filed by Travel Agents Association of India (TAAI) in the Competition Commission of India (CCI) against airlines for reducing agency commission to zero has been admitted by CCI as case no. 14/ 2009. A communiqué from Rajji Rai, President, TAAI to all members states that Director General, CCI has also submitted its investigation report and directed all airlines e.g.: Lufthansa German Airlines, Continental Airlines, KLM Royal Dutch Airlines, Swiss International Airlines, Singapore Airlines, Air Canada, Air France, North West Airlines, Austrian Airlines to submit their comments on its investigation report within 15 days and thereafter appear before the CCI on March 3, 2011. "This is a very positive development and we are now quite certain we shall see some positive results soon. We will continue in our endeavour to restore our rightful commission from foreign airlines operating in India," stated Rai.

Note: On 3rd March a fresh hearing date was given for 31st March 2011

JAPAN NATIONAL TOURISM ORGANIZATION ANNOUNCED PLANS FOR PROMOTIONS IN INDIA

The Japan Tourism Agency (JTA) and Japan National Tourism Organization (JNTO) announced a series of activities planned in February 2011 in Mumbai and New Delhi to promote Japan's affordability, experiential tourism, accessibility, cuisines and much more.

JTA and JNTO, in order to educate, inform and interact leading Travel Agents about Japan, organized Travel Agent Seminars in Mumbai and New Delhi. The seminar took place on 21 February in Mumbai and on 23 February at New Delhi.

"We would like to understand the difficulties and challenges that a travel agent faces when organizing trips to Japan and also present some alternate and affordable ways of visiting Japan" said a spokesperson of JNTO.

In Delhi, Chairperson Jyoti Mayal and office bearers saw to it that TAAI members came in full attendance where most of them had a one to one interaction with officials from as far as Sappore. In Mumbai, Chairman Rajesh Rateria and his team were happy with the full house they got and the media also came showing their interest in interacting. The Japanese officials on their part were extremely happy with the co operation and enthusiasm of the travel agents and answered all their queries on how to market this wonderful destination.

Of course, little did we all imagine the catastrophe that was to follow. The TAAI Office Bearers, Managing Committee, Regional / Chapter Chairmen and Chairpersons as well as members are all praying for the safety and quick recovery of all those suffering in Japan on account of the devastating earthquake and Tsunami that hit Sendai and its surrounding areas on 11th March.

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JAMMU & KASHMIR AIMS TO ATTRACT OVER TEN MILLION TOURISTS BY THIS YEAR-END



Mr Farooq A Shah Director Tourism, Kashmir, A. Dullo, Commissioner Secretary to J & K Govt, Dept of Tourism & Culture, N R Jora, Minister Tourism & Culture, Government of J & K, N Aslam Wani, Minister of State, Housing & Urban Development, PHE, Tourism, Revenue & Relief and Haji K M Dar, Chairman, TAAI Jammu & Kashmir Chapter

The Travel Agents Society of Kashmir (TASK) along with Travel Agents Association of India (TAAI) – Jammu & Kashmir Chapter recently organised an interactive seminar in Mumbai to promote Jammu & Kashmir as a year-round tourist destination with the aim to market /restore confidence among tourists about the state being safe to visit. Jammu & Kashmir government is shifting its focus from the traditional source markets—Europe and USA, and will promote the state in South East Asian region such as Bangkok, Singapore, Malaysia and Hong Kong. The theme of the seminar-‘Kashmir – In Command of Inspiration & Innovation’ has been inspired by countries such as Switzerland, Malaysia, Dubai and Egypt as these countries have successfully established themselves with their innovative marketing concepts.

The inaugural speech at the event was made by G. Rasool Siah, President, TASK, in the presence of Nawang Rigzin Jora, Minister Tourism & Culture, Government of Jammu & Kashmir who was also the Chief Guest; along with Guest of Honour Jenab Nasir Aslam Wani, Minister of State, Housing & Urban Development, PHE, Tourism, Revenue & Relief; Farooq Shah Director Tourism, Kashmir; Atal Dullo, Commissioner Secretary to Jammu & Kashmir Government, Department of Tourism & Culture;



K M Dar Chairman J & K Chapter, (Centre) with Samim A Shah Secretary to his right and Manzoor Ahmed Wangnoo, Chairman, Houseboat Owner Association to his left.

Manzoor Ahmed Wangnoo, Chairman, Houseboat Owner Association and Haji K M Dar, Chairman, TAAI Jammu & Kashmir Chapter along with people from travel trade from Maharashtra and Gujarat.

The seminar enlightened the audience with a presentation as well as text on Jammu, Kashmir and Ladakh as these regions attract maximum number of tourists from all over the world. It showcased various products and services including accommodation facilities such as Boat House, and adventure activities such as trekking, river rafting, mountaineering, skiing and golf among others to attract tourist inflow. Since 1989 tourist inflow to the state had declined due to disturbances, “but now “ says Chapter Chariman Mr M Dhar, “ the tourism scenario in the valley is changing and growth of tourist inflow has started increasing”.

” Said Mr Jora , “Tourism activity in the state is monitored each and everyday and we are conscious about the safety of tourist. Our focus is to provide a hassle free travel experience to tourists coming to the state. We aim to attract more than ten million tourist arrivals to the state by this year-end.”

TURKISH TOURISM ROADSHOWS



From L to R: Jagdeep Rikhy, V President, TAAI, Jyoti Mayal, Chairpeson, TAAI N region, Pramod Sahni, Director, CRM Travel Solutions Pvt Ltd., Emim Cakmak, Chairman TITC, Ozgur Ayturk, Turkish Counselor for Culture and Tourism, N.Delhi, Sunil Notani and Sanjay Datta, TAAI MC Members

Turkish Tourism recently concluded a five city roadshow highlighting the attractions of Turkey to Indian outbound tour operators. The roadshow was organized under the aegis of TAAI and spearheaded by Mr Özgür Aytürk, the Turkish Counsellor for Culture & Tourism at New Delhi.

The roadshows, which covered New Delhi, Kolkatta, Hyderabad, Ahmedabad and Mumbai featured a workshop and a 90 minute AV presentation by a specialist guide from Turkey, and saw packed audiences at each of the venues with travel trade participants showing great interest and enthusiasm.

The Turkish tourism Industry was represented by the Ministry of Culture & Tourism, Turkish Airlines, and various destination management and hospitality companies like Hello Tourism, Geo Tourism, Kanon Tours, Ciragan Palace Kempinski Istanbul, Kempinski Dome Hotel Antalya, Sirene Belek Golf & Wellness Hotel, Divan Hotels. It also had participation by an Indian restaurant, Dubb, which provides authentic Indian cuisine in Istanbul.

Mr Özgür Aytürk who was happy with the road shows said “I am very pleased to see the heavy turnout of Travel Trade personnel at each of the venues. The attendees interacted in considerable depth with Turkish suppliers and showed keen interest in promoting tours to Turkey.” Mr Aytürk informed that the Turkish Ministry of Culture & Tourism was shortly launching a pan India brand campaign to generate further awareness not only with the Travel Trade but also directly with consumers and travelers. He added “My office and I are always available to assist Indian tour operators to establish linkages with suppliers so as to increase arrivals from India into Turkey. Remember – Turkey is Ready!”



From L to R: Rajesh Rateria, Chairman, W. Region, Ozgur Ayturk, Turkish Counselor for Culture and Tourism, N.Delhi, Murad A Yoruk, Consul General, Republic of Turkey, Mumbai, Emim Cakmak, Chairman TITC, Pramod Sahni, Director, CRM Travel Solutions Pvt Ltd.

NEWS FROM REGIONS / CHAPTERS

Eastern Region

FRIENDSHIP CUP 2011 CRICKET CARNIVAL - TAAI VS INDIGO

The build up of the Summit Cricket clash of the "TITAN'S" for The Friendship Cup 2011' between TAAI EAST vs INDIGO AIRLINES concluded recently at the C4 stadium which was witnessed by Members of the Fraternity , Guests and Families.

Both teams sparked in their gears & looked confident ahead of the T20 Cricket Tie on the sunny Sunday Morning . The match started with Indigo having won the Toss & Electing to Bat. The visitors set a target of 210 runs at the cost of all their wickets in their allotted 20 Overs, with good contribution from their team members. The TAAI Run chase started on a positive note with TAAI fighting gallantly from the start of the first over and every member contributing individually to ensure the Victory in the 19th over of the Game at the loss of only 7 wickets.

Later Mementoes were awarded to the Winner's & Runners-up for their Great show of Sportsmanship with gave the turnout of about 75 guests an enjoyable outing. Mr. Nanda Gopal Shah of Laxminarayan Air Travels Kolkata bagged the best Bowler , Mr. George Nathaniel of Travels Rentals Pvt Ltd bagged the Man of the Match from TAAI & Mr. Somdeev Chakraborty from Indigo was judged the best batsman.

The presentation Ceremony also enlightened the day for many of the Guests with a Lucky Draw for all participants who won numerous gifts sponsored by the TAAI members like Safeway Travels, Laxminarayan Air Travels, Gainwell Travels and Travels & Rentals Pvt Ltd. The organizing committee arranged for Beverages & snacks throughout the event which concluded with some mouth watering luncheon. Having ended this event on a winning note. The committee looks forward to many such sporting activities ahead in the future. The Chairman of East Mr. Devendra Parekh & members of committee concluded the event with a note of thanks to all the participating members and their guests for making the day a success. Till the next event let's stay fit, be healthy & enjoy every moment of life!!



TAAI BOLLYWOOD NITE

Recently TAAI Eastern Region had a TAAI Bollywood Nite at the Hotel Fortune Select Loudon in Kolkata, which was a very special evening where they got a chance to interact with their friends in the Trade and also have some fun. And guess what? The theme of the party was Bollywood 70's! So everyone sportingly came dressed up as dazzling stars from the 70's and danced away to the swaying tunes of the DJ playing special 70's music.

Says Devendra Parekh, Chairman Eastern Region "the event would not have been possible without the active help of Ms. Alka Rathi, Mr. Arnab Mukherjee, Mr. B. T. Ramnani, Ms. Kiran Naidu, and Mr. Kunal Padhi, my office bearers Sanjay Jaiswal, and Bindu Bowry and last but not the least a big thanks to all those who sportingly came dressed up as stars from the 70's"

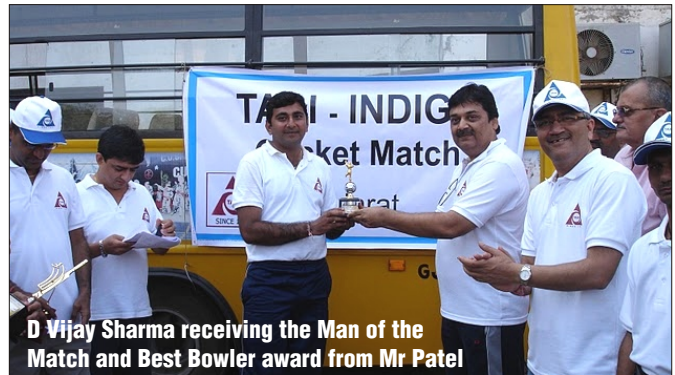


GUJARAT CHAPTER

TAAI-Indigo Cricket match The TAAI-Indigo Cricket match held in Ahmedabad recently was a fun filled event. Members were excited that it was a close contest between the TAAI agents and Indigo airline. The match summary ? Well - Indigo won by 16 runs and emerged Winners. The total Score was Indigo – 119 runs and TAAI Gujarat – 103 runs. Man of the Match as well as Best Bowler was Mr. Dvijay Sharma from TAAI (6 wickets and 30 runs) Best Batsman was Mr. Abneer from Indigo (38 Runs) After such a vigorous tournament lunch was served and enjoyed by one and all. Better luck next time TAAI !!



TAAI Gujarat Team with Indigo Team



D Vijay Sharma receiving the Man of the Match and Best Bowler award from Mr Patel

KANKARIA VISIT OF TAAI GUJARAT CHAPTER



Gujarat Chapter Office Bearers along with sponsors and TAAI members in Kankaria



TAAI Gujarat Members all together having fun in Kankaria

The Kankaria visit on 27th February which was arranged for TAAI Gujarat Chapter members was a great event and appreciated by all members who attended. The active participation of all members was the main contributor to its success.

The entire arrangements were made in coordination with Mr. Snehal Avaishya (Ex-Jet airways) and it was very kind of him to host the entire programme for TAAI Gujarat Chapter. Members were able to experience the hugely successful BRTS, Hot Air Balloon (Ahmedabad Eye), Atal Express Train, Boating on the lake, Naginawadi, Laser Fountain and the newly opened Kids City. which has been initiated with a unique concept of Fun with Learning for kids of all ages. "A unique idea of educating the children amidst having fun".

Shri. Mahendra S. Patel Deputy Municipal Commissioner and Shri. Chirag Panchal from AMC had specially come in to meet all agents and brief them about the future developments of Kankaria. He also asked for feedback from the agents about the present activities which have been developed at Kankaria and all. hailed these developments." I am happy to note that Kankaria has become a full day excursion filled with lots of entertainment, fun and learning." said Shreeram Patel, Chairman, Gujarat Chapter. The event ended with a vote of Thanks by our senior member Shri. Natubhai of Goodwind Travels.

Western Region - WITO Launched - Travel, Hospitality associations come together on common platform



From L to R Malvinder Narang , Secretary General, H&RA, Rajesh Rateria, Chairman, TAAI Western Region, Kamlesh Barot, President, H&RA, Sujata Thakur , Regional Director, India Tourism, Govt. of India

"I am very glad to inform all members that Tourism development in Western India is set to get a boost. Various travel and hospitality associations have come together to create a platform to collectively address grievances and issues faced by the tourism and hospitality stakeholders and also chart out strategies to further develop tourism in the region." said Mr Rajesh Rateria, Chairman TAAI Western Region and, Core Committee Member- WITO Western India Tourism Organisation (WITO) was launched formally on 7th March, 2011 in Mumbai. The Organisation consists of like minded members from travel and hospitality associations like Hotel and Restaurant Association Western India (HRAWI), Travel Agents Association of India (TAAI), Travel Agents Federation of India (TAFI), Indian Association of Tour Operators (IATO), Association of Domestic Tour Operators, Maharashtra Tour Operators Association (MTOA) and Western India Culinary Association (WICA) etc. WITO will collectively look into the concerns and complaints of all tourism/hospitality and related associations functional in Western India. WITO will soon encompass states of Maharashtra, Gujarat, Goa, Madhya Pradesh, Chhattisgarh and the union territories of Diu, Daman and Silvassa.

PUNJAB CHAPTER

ADM WORKSHOP HELD IN JALANDHAR

A 'Workshop on ADM's' was organized by TAAI Punjab Chapter recently in Jalandhar with the joint efforts of Mr. Davinder Sharma, Chairman Punjab Chapter and Mrs. Amarjit Lidder, Chairperson, Pune Chapter whose efforts of co-operation and participation to make this workshop a big success were highly appreciated by Mr. Sharma.

Mr. Zubin GDS, GM for India from Jet Airways along with Mr. Munish Sahni, Local Sales Manager, Mr. Raj Mukhija Regional Head-North, along with Mr. Anup Tiwari, Ms Kamal Kapil and Mr. Sanjeev Ohri from Galileo and Mr. Kashyap Kaul, Ms. Charu Hingorani-Manager products from Amadeus, addressed the workshop and explained the problems of ADM's as under:

- (1) Agent shall make daily checks to monitor receipt of ADMs
- (2) Agent must train staff as to what ADMs are their purpose and the dispute period that exists.
- (3) Any ADM disputed or requested for review after the minimum period of 14 days but before the maximum period of 30 days from date of receipt of the ADM by the agent shall automatically be processed and the agent shall first pay for the ADM pending action by the issuing airline.
- (4) If any ADM is disputed, the agent shall provide to the ADM issuing airline explanation in detail and all relevant supporting information.

After the presentations, there was a question answer session wherein local problems of reservation, fares, ticketing were discussed, Members were assured by the officials of GDS and airlines for their full support and co-operation in solving the problems faced by the agents. All the participants from airline and GDS were presented with mementoes. Mr. Davinder Sharma, Chairman, assured the house about more interactive sessions in the future also.



Left to right Mr.Narinder Davesar Hon.Treasure, Mr.Rajeshwar Dang Hon.Secretary, Mr.Zubin GDS-GM for India from Jet Airways, Mrs.Amarjit Lidder Chairperson Pune Chapter, Ms.Charu Hingorani-Manager Products and Mr.Kashyap Kaul from Amadeus.



Second from left in chair is Mr.Davinder Sharma Chairman Pb.Chapter



Speaker Ms.Kamal Kapil and extream right is Mr.Raj Mukhija Regional Head-North from Galileo.

NEWS FROM A P CHAPTER



P. Prasad of Smitha World Travels receiving best all rounder award.



Tug of War

Mr Imtiaz Qureshi , A P Chapter Chairman informs us that his chapter also had an exciting cricket match – a members vs airlines tournament in February at the SCC icket ground. All the airlines heads including CRS companies participated. It was a fun filled afetrnoon ending in a fierce tug of war battle between the 2 sides.

QUOTE OF THE MONTH

**"Courage is what it takes to stand up and speak;
courage is also what it takes to sit down and listen"**

Winston Churchill

NEWS TID-BITS

TAAI IS PROUD OF YOU



Members will be happy to know that TAAI M C Member P.MURUGESAN has been elected as Member of the Senate and Academic Council for the Anna Malai University for a tenure of three years. This a great honour indeed and TAAI wishes him the very best in his endeavors in this prestigious University that has been a landmark in the field of education for decades and decades. Picture shows Mr Murugesan receiving blessings from the Pro-Chancellor of Anna Malai University - Dr.M.A.M.Ramaswamy MP.

FAMTAAISTIC RATES

Members, the Taj group of Hotels are offering great rates specially for TAAI members. You may start availing of these rates till April 2011, after which fresh rates, if any, will be intimated. The Oberoi Group special rates will be effective from 15th April onwards.

Contact TAAI Secretariat for all the details.

WHY TRAVEL AGENTS RULE IN ASIA

Alan Leibman, managing director of resort operator Kerzner International Management, oversees the hospitality group's properties in glamorous locales including the Maldives and Mauritius. It's his job to keep a pulse on the fabulous lifestyles — and vacation plans — of the upper crust. But during a recent visit to Hong Kong in March, he wasn't schmoozing celebrities or wealthy financiers as potential clients. He was getting to know a far more powerful group: travel agents.

In Hong Kong and mainland China, bricks-and-mortar travel agencies — an almost obsolete business in some other parts of the world — are the reigning gatekeepers of travel. The reasons: China hasn't caught up to booking flights and hotel rooms on the web, and Asian customers still want and expect the level of service that travel agents provide.

"Asian people still hold guanxi [personal relationships] with high regard," says Michelle Cheung, a Shanghai resident who travels frequently to Hong Kong; she has a travel agent in each city. "My parents have been using the same travel agent for 20 years....The good travel agents can find you a flight even when it says it's sold out online, and when you are making changes mid-trip, it's easier to just reach a person over the phone."

All it takes is one bad experience on a website for someone to switch to an agency, says Ms. Cheung. "During Chinese New Year, many of the fares posted online were not even accurate, and when you clicked

purchase, they said 'fare not available.' Very frustrating!" she says.

Johan Svanstrom, the Asia-Pacific vice president of Hotels.com, says the company does a majority of its business in Greater China via its call centers, which is multiples higher than its call-center generated business from places such as Australia and the U.S.

"There are a lot of stories about China's Internet boom, but only 2% of travel [in China] is booked online. It's still mainly a cash society," he adds. The story is the same at Kerzner International, says Mr. Leibman. Less than 1% of bookings at the Bahamas-based company, which launched Mandarin-language websites for One&Only and Atlantis last year, come from online. Most reservations are made via phone or through a travel agent.

Even in Hong Kong, where Internet, mobile phone and credit card usage is higher, online booking is roughly 10% to 15% of overall bookings, according to PhoCusWright, a travel-industry market research firm — well below the 30%-plus percent share of online travel booking in Europe and the U.S.

These days, Mr. Leibman regularly invites some of the top agents in China and Hong Kong to visit his properties so they can offer their customers firsthand feedback. He's also setting up staff members who will be based in Asia to train agents on the resort company's offerings. "You can't just print a brochure anymore," says Mr. Leibman. -

Source: THE WALL STREET JOURNAL BLOG -18TH March, 2011

RECORD NUMBERS AT ITB BERLIN 2011



The 45th ITB Berlin ended with a significantly larger number of buyers from abroad and the best exhibitor figures ever. The good volume of business at the trade show provided an additional boost to the current upturn in the tourism sector.

Despite the rail strike, the leading international trade show for the travel industry reported that trade visitor numbers remained stable at last year's level.

Said Dr. Christian Göke, Chief Operating Officer of Messe Berlin, "I am able to look back on it as highly successful event., Each year ITB Berlin attracts growing numbers of international decision-makers. Nowadays over 40 per cent of buyers come from abroad. As a result ITB Berlin cannot only claim the most balanced and international range of exhibitors but it is also the industry's most international event in terms of its trade visitors. Exhibitors achieved a significantly larger volume of business than they did last year, with a value of over six billion euros."

The "UNWTO Silk Road Ministers' Summit" played a huge role in promoting the long term tourism development of the Silk Road region. This year's ITB Berlin also hosted the first "Ministers' Summit on Climate Change in Asia-Pacific".

The international travel industry saw from 9 to 13 March. a figure of 11,163 exhibiting companies and organisations from 188 countries again. The "eTravel World", a new feature this year, attracted several thousand interested participants and proved to be a complete success. Trade visitors amounted to 110,791, while new records were set at the ITB Berlin Convention, with a 15 per cent increase to a total of 14,000 participants. The ITB Future Day and ITB Hospitality Day were major attractions for the general public. That is ITB for you !!

AIR INDUSTRY UNITES TO FIGHT TAX RISES

By Pilita Clark, Aerospace Correspondent - Published: March 3 2011 06:01 | Financial Times

Airlines, airports, tour and travel companies have banded together in a rare consensus to ask the chancellor not to raise contentious air passenger taxes in this month's Budget. British Airways and Virgin Atlantic, as well as Heathrow and Gatwick airports, were among 25 companies to suspend their traditional rivalries to fight air passenger duty charges that have risen three times in three years and given the UK by far the highest flight taxes in Europe.

Mark Tanzer, head of the ABTA travel association, said air passenger duty had become a "punitive stealth tax" that had put the UK at a competitive disadvantage to its European neighbours, some of which have ditched similar charges after industry lobbying.

The new coalition, which is launching a social media campaign on Facebook said it was unfair that a family of four flying economy class from the UK to Florida paid £240 in APD, or £340 if they went to Australia. An Irish family paid £11 in tax to fly to the same destinations and a French family £15.

The last round of APD increases in November, which originated with the previous Labour government, meant people flying to distant countries faced a charge of up to £170 a ticket, depending on class of seat and distance flown, a big jump from the £5 imposed when the tax was introduced in 1994. But there was little sign that the new coalition government was likely to substantially roll back APD, which is expected to raise £2.2bn (\$3.6bn) of revenue this year and £3.6bn by 2015-16.

The government said last year it would look at changing from a per-passenger to a per-aircraft tax, a move fiercely opposed by those not caught by the existing tax, such as air freight operators, but welcomed by low-cost airlines such as EasyJet with younger, fuel-efficient fleets. The Treasury said: "Revenue from this tax provides important support to the UK's public finances and deficit reduction plan," adding "any major changes will be subject to consultation with key stakeholders and relevant parties."

INDIA, CHINA TO BE AMONG TOP FIVE DESTINATIONS FOR DOMESTIC AVIATION MARKET

New Delhi: India and China will be among the five largest domestic aviation markets in the next two years but the US will remain at the top, the IATA has estimated, saying the focus of the global aviation industry will continue shifting eastward. By 2014, the five largest markets for domestic passengers would be the United States with 671 million, China with 379 million, Japan (102 million), Brazil (90 million) and India (69 million), the International Air Transport Association (IATA) said in its latest global forecast.

While China will record the highest compound annual growth rate in passenger traffic of 13.9% contributing an additional 181 million passengers, India with 10.5% will be among nations which will record double digit growth. Other countries with double-digit growth would include Vietnam with 10.9%, South Africa (10.6) and the Philippines (10.2), the figures published by the global airlines' body showed.

Noting that China would be the biggest contributor of new travellers, IATA said, of the estimated 800 million such passengers expected in 2014, 360 million or 45% would travel on Asia-Pacific routes. Of these, 214 million will be associated with China in domestic and international travel. The United States will remain the largest single country market for domestic passengers, projected at 671 million and will have 215 million international passengers. IATA director general Giovanni Bisignani said the focus of the industry "continues to shift eastward. By 2014, almost one billion people will travel by air in Asia-Pacific. That is 30 per cent of the global total and a four percentage point increase from 26% it represented in 2009". Asia-Pacific's international passenger demand was expected to grow 7.6%, with China, Japan and Hong Kong becoming the biggest international passenger markets in the region by 2014.



TRAVEL CARTOON

"May I go through again?
I'm trying to find
something in my purse."