

OTOAI writes to Finance Minister;

(requests relief from GST, inclusion of Outbound in LTC and more)

New Delhi: January 20, 2022

The Outbound Tour Operators Association of India (OTOAI) recently wrote to the honourable Finance Minister Smt. Nirmala Sitharaman, ahead of the Budget 2022, requesting certain reliefs and concessions for the Outbound Tour Operators. The Association in its letter clearly stated that the tourism sector in India provides employment to 8 – 10% of the total population and is one of the leading sectors for an engine of economic growth. In FY20, tourism sector in India accounted for 39 million jobs, which was 8.0% of the total employment in the country. By 2029, it is expected to account for about 53 million jobs. As per figures compiled by Statista, a research agency, the total direct and indirect employment generated by travel and tourism sector in India was 12.38%. Further according to India Brand Equity Foundation, Indian tourism industry is set to rise @6.2% a year by 2029 reaching the economic size of Rs. 35 trillion (US Dollar 688 billion). The sector will provide employment equivalent to 9.2% of the total. These facts and figures clearly reinstate the importance of the tourism sector and vitality of its growth.

The Requests made to the Finance Minister included –

1. Roll-Back TCS
2. Not make Pan Card mandatory for foreign remittances
3. Relief from GST for a minimum period of 2 years
4. Grant lower Interest Loans to the Travel Agents and Tour Operators for at least one year
5. Include Outbound Tours under the LTC Scheme so that business avenues can grow for Outbound Tour Operators

6. Lastly, the much-awaited Industry Status should be granted to the Travel Tourism Sector

Mr. Riaz Munshi, President, OTOAI says, “We understand the plight of the outbound sector, which has suffered immensely in the last 22 months. The decision of yet again postponing the movement of commercial international flights from India till February 28 has not only dampened our spirits but also closed the business doors for us. Thus, it becomes vital that the Government offers some relief to the Outbound Tour Operators by taking into consideration the above mentioned requests made by us. At OTOAI we are constantly striving to work towards the benefit, upliftment and care of the Outbound Tour Operators in India and we hope the Government listens to our requests.”