

## From The Desk Of The President



Dear Colleagues,

By now all of you must have received my mail giving the much awaited fantastic news of the directive that the DGCA has issued dated 5th March 2010, wherein they have ruled out zero commission in India and have passed the order to this effect. The order being very long, I had given details of the important and operative parts of the same vide my earlier circular which in simple terms meant that the DGCA has directed all the airlines that had gone to zero to

reconsider this decision in consultation with agents and decide on a suitable commission that has to be paid to us.

Friends, this has been the fruitful culmination of our long tirade with the airlines and my team and I are proud that we have achieved the desired results we wanted and have created history for the world to follow! It is a victory for all our TAAI members and the industry at large and it would not have been possible without your support and patience. With our team's herculean efforts for these past 14 months and your strong & unyielding attitude, we were able to continue in the correct direction and also take the entire industry with us. Of course there was a deluge of criticism which came our way but again, with you, dear members, standing solid as a rock along with our Office Bearers, MC, Regional & Chapter Chairmen and myself, we have been able to cross this difficult terrain and emerge victorious. Not to forget the untiring efforts of our man-at-hand, Mr Harkripal Singh for literally living in the corridors of the DGCA's office.

I thank each and every one of you for your faith in me and all other associations that stood along with us on this troubled path and fought along with us.

There is a lot of work yet to be done to achieve the rightful commission and there are lot of meetings and consultations with airlines to be held, But the ball has started to roll and we are confident of success!!

**Rajji Rai**  
**President**

## On Budget 2010

The impact of Budget 2010 will be varied on the travel industry. Air travel is likely to become costlier with the government expanding the scope of air transport services to attract service tax on all classes of travel on international and domestic flights. So far, service tax was imposed only on international travel on First and Business classes.

The move may not dampen the domestic air travel market since income tax savings are set to go up thanks to the Finance Minister enhancing taxable limits which has gone down favorably with the masses. They would therefore have more disposable income to spend which they could use for a good holiday or for air transport. Airlines are likely to pass on a large portion of the newly proposed service tax to the passengers as most airlines claim that they will work on thin margins.

A hike in international fares may affect leisure travel to popular tourist destinations. For e.x. for large families traveling together, the new tax will be an additional financial burden and they will have to think twice before traveling.

Imposing a Customs duty on aviation turbine fuel would mean that the airlines would have to raise air fares by 10-12 per cent ( specially domestic sectors ) to remain profitable. So yes, domestic and international air travel is set to become more expensive. Air passengers are going to feel the pinch as the oil marketing companies have revised the price of aviation turbine fuel from March 1, 2010.

But there is good news too. In order to enable the tourism sector which has the highest employment potential to get a boost, the Government will now allow companies to claim investment-linked deduction under income tax against building new hotels in any part of India. Earlier, this incentive — allowing 100% deduction on capital expenditure, excluding land cost — was only for hotels in select locations. This is a shot in the arm for the hospitality industry which will see the coming up of many more hotels thanks to the investment linked deductions extended to 2 star category and above. It will also bridge the current demand-supply gap as the incentive scheme would benefit various categories of hotels.

## Editor's Note

Dear members,

The Good news is about the reinstatement of commission that has been well received but the bigger battle starts now when we have to negotiate with Airlines about the quantum of commission.

We would request you all to give your views on the same as we are very open to

suggestions and shall ensure due consideration is given to your views.

Meanwhile another issue of News line is here and as always carries a lot of industry news.

Happy reading!!!!

**TEAM TAAI NEWSLINE**

## Quotes From



**Jagdeep Rikhy**

**Vice-President - TAAI**

The Finance Minister has given a strong signal through the Union Budget of his Government's commitment to the growth of our economy.

He has tried to balance the aspirations of the citizens with the fiscal compulsions required to give an impetus to overall infrastructure and thus growth.

The travel and tourism industry again does not find any significant place in his script except for some incentives he has given to the hotel industry. Bringing all air tickets under the Service tax umbrella will of course make air travel more expensive and hopefully he may listen to reason and bring them to a reasonable level.

It is rather astonishing that our travel industry which is one of the largest generators of employment and is a catalyst for poverty alleviation is not looked at more seriously by the Government in all its wisdom.



**M. Iqbal Mulla**

**Hon. Treasurer - TAAI**

This year's budget has totally ignored the travel and tourism industry. The aid that was requested for the improvisation of tourism has not been given or sanctioned. Although the good news is that the hospitality industry will

be benefited as many new hotels will be coming up thanks to the investment linked deductions extended to two star categories and above. The government must also pay attention to other segments mainly security which is a major concern for the country as well as tourism industry. The contingent funds must also include measures for training industry professionals on how to deal with situations during a security failure.

Tourism industry has the highest capacity to generate employment. When countries like Dubai and Singapore are trying their best to bring in big volumes of tourist then big countries like India can definitely do more or better.



**Vijay Mohan Raj**

**MC Member**

The Union Budget 2010 has been detrimental to the interest of the air travel customer.

The service tax on domestic travel which has been earlier on international air travel customer would raise the cost of domestic travel across the board. It is also not clear whether it means double taxation whereby the agent will also be required to levy service tax at the same rate in addition to the above.

This will also mean additional costs and therefore dearer international and domestic tourism packages which is contrary to the objective of the ministry of tourism to promote the industry.

In my opinion the lack of understanding of the woes of the travel agents and tour operators is reflected by the indifference of the ministers concerned in addressing the problems as illustrated in the current budget speech of the finance minister.



**Mohanjit Saini**

**MC Member**

In the Union Budget 2010-2011, Travel & tourism Industry has once again been neglected. Various important issues like Abolition of Fuel Surcharge to make air travel affordable and Exemption of Service Tax on Inbound Tour operators has been totally neglected.

An increase in airfare from 1st April will further weaken the industry as air travel preference among middle class especially in domestic sector will decline considerably.



**Sunil Kumar**

**Hon. Secretary General -TAAI**

The difficult side of the budget, for the industry, is the imposition of Additional Service Tax on travel to bring it in line with Premium Class Travel. This will be hitting the travelers hard.

On an overall perspective, the budget does help the market. Businessmen and professionals are normally housing funds into shares and investments and with a buoyant market, people will be happier that their investments are now out of risk. As such it motivates greater travel. I believe this will lead to higher volumes for the travel trade as travel business is bound to pick up. We can see signs of the same

## Meeting with Bird Group

Our Vice President Mr Jagdeep Rikhy was invited to address the students of Bird Academy & to discuss the possibility of a strategic tie up between TAAI and the Bird Academy. Mr Rikhy was pleasantly surprised by the enthusiasm of the young students to enter our trade and shared with them the stellar role that TAAI plays in the industry and his personal experience as a tour operator.. " Whilst I appreciate their faculty and infrastructure and believe that they would be a good partner for us in our HRD initiatives I believe we should plan a curriculum jointly especially in the tourism segment with 2 or 3 leading travel academies who have a Pan India presence so our entire membership can benefit from the same " says Mr Rikhy.

The Bird Academy's Chief Mentor Dr Chandra discussed some novel ideas which were appreciated by Mr Rikhy including need based training programs for TAAI members through the e-learning mode

## Visitor Arrivals in January 2010

Foreign Tourist Arrivals (FTAs) during the Month of January 2010 were 4.911 lakh as compared to FTAs of 4.22 lakh during the month of January 2009 and 5.12 lakh in January 2008. There has been a growth of 16.4% in January 2010 over January 2009 as compared to a negative growth of 17.6% registered in January 2009 over January 2008. To a large extent, the trend of substantial growth in FTAs observed during December, 2009 (21 %) continued in January, 2010 also with a growth rate of 16.4%. Foreign Exchange Earnings (FEE) from Tourism in Indian Rupee terms and US \$ terms.

FEE during the month of January of India 2010 were Rs. 5593 crore as compared to Rs. 4598 crore in January 2009 and Rs. 5438 crore in January 2008.

**Ministry of Tourism, Govt of India**

## News From Regions - Chapters

### Eastern Region - TAAI's Day Out



Winners of "Search for Red Hearts " with Mr Parekh



Let's eat



Treasure Hunt Game

The best things in the world are free. Free, cool & hilarious. TAAI's Day Out –by TAAI Eastern region on March '10 set the members free. With games, photos, quizzes – the day was a haven for freeing the members from the daily grit, stress & toxins of life as the venue at Fortune was away from the city & hence the members knew they were taking a walk away from the daily walk of life. The lure of chilling out under the umbrella of TAAI with gifts galore brought in Travel professionals also from Airlines, CRS companies, Tour Operators & the Travel Agent fraternity to around 260 in all.

It started with a casual stroll along the corridor of the Indian spicy chats to set the mood for the crowd as they gradually immersed themselves in the game of the blindfolded husband being aided by his wife to search for red hearts. Chuckling and giggling, the couple who managed to collect the maximum no. of 7 hearts was aptly awarded by TAAI with an overwhelming appreciation

from the crowd as the most obedient husband after which. the Treasure Hunt got them up &

running. It was wonderful to see our members who normally busy negotiating commissions on other days were now frantically searching every nook and corner for a clue of a letter. The letters collected together aptly formed that magic word Travel around which all our lives are centered. Lunch break was a short retreat of foot spa –courtesy–AMODA.

The crisp presentation of Amadeus was appreciated by all followed by random lottery wins. The children too won prizes galore. The Housie & quiz was a no – holds – barred program with gift vouchers for free stays & dinner in premium Hotels & for shopping in major retail chains.

Needless to say all this was possible ONLY due to the seamless combined efforts of TAAI office bearers, Chairman, Mr Devendra Parekh, Secretary, Mr Sanjay Jaiswal, Treasurer, Mrs Bindo Bowry, and members who showed great enthusiasm in participating in such a large number, making the day a very special one, a day when TAAI Eastern Region went all out for a punch of fun, a day they will remember for a very long time!

### TAAI AP Chapter

Another T20 cricket match was organised by our AP Chapter this time in Vizag. between the TAAI members and the airlines and CRS. Quite a number of agents along with the airline and CRS staff undertook the overnight journey by train from Hyderabad and reached Vizag. the next day. After a full day sight seeing to Araku valley a picturesque destination about 100 kms from Vizag. The evening saw a lovely party organised by the TAAI agents from Vizag on the beachfront with music, dance and dinner.

The second day the teams headed to the Vishkapatnam steel plant cricket grounds, where The match saw a nail biting finish. Looked like their energy level was really high so not satisfied with the cricket competition both the agents and the airlines got down to a tug of war!!

Whilst leaving after lunch for Hyderabad, all were of the opinion that it was great interaction between Hyderabad and Vizag TAAI members and cherished the wonderful time they all had!

At the second annual meeting of AP Chapter, Imtiaz Qureshi, the Chairman invited Mr Manish Gadia expert service tax consultant to address the floor. It was a very instructive and useful meeting as members sought clarifications on various service tax issues.



The T 20 teams



Tug of war



Beach party in progress

## TAAI MP & CG Chapter



Mr Dawar & members at FAM Trip



Mr Sunil Notani, MC Member with members

Our MP & CG Chapter Chairman, Mr Ranjay Dawar, informs us that his chapter members were recently invited to join a FAM trip organised by Jet Airways and Hotel Aliva Diva, Goa. Members enjoyed the courtesy of the airways and services of the hotel property.

## Saurashtra – Kutch Chapter Meeting

Chapter Chairman, Devendra Shah and his team organized a meeting for his chapter members ( members from Rajkot-Bhavnagar-Diu-Veraval-Porbandar) at Hotel The Pride Resort at Dhari – Chalala Gir Area.

Mr. Mukesh Patel, Chairman South Gujarat Chapter, Mr. Kalpesh Shah, Chairman, Gujarat Chapter and Mr. Satish Vaghela, Manager, TAAI Admin, had accepted the invitation to attend this meeting but unfortunately Mr Kalpesh could not make it. After the welcome by the Chairman, Mr Vaghela gave all information regarding the following :

- Present and future plans of TAAI on various issues including TAAI Joint Bank Guarantee Scheme and explained its benefits and its successful running.
- All about TAAI Insurance Scheme. How BSP is yet to open the scheme in 2010 after closing it because of certain agents defaulting on payment and because the Insurance company not paying up till date.
- About Zero commission and the awaited order from DGCA
- The importance of adding more non TAAI members into TAAI membership.

Then came the turn of Mr. Mukesh Patel who expressed his chapters' view regarding the joint bank guarantee and other issues. He also proposed for a joint programme for the entire Gujarat Chapter for good interaction with each other, Mr Bharat Shah had arranged this meeting with games by Mr Jitendra Lakhani. There was also sightseeing to surrounding areas & some members went for a night safari to see the famous Asiatic lions in the jungles of Gir. It was a wonderful experience with 2 days spent at the resort.


All in all, the program was highly successful and members were of the opinion that there should be more such excellent meets.



T.A.A.I. Saurashtra - Kutch Chapter meeting held at Asiatic Pride Resort, Dhari near Sasan Gir. Meeting attended by Satish Vaghela Manager-ADMN, T.A.A.I. Mumbai and Mr. Mukesh Patel, Chairman T.A.A.I. South Gujarat Chapter.





T.A.A.I. Saurashtra - Kutch chapter meeting held in Lion Safari at Sasan gir with family members.



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## Interesting news you may have missed out reading.....

### Second safest year for the airline industry.

The International Air Transport Association (IATA) has recently revealed the final statistics of flight safety for 2009; it was the second safest year for the airline industry.

Every year, the International Air Transport Association (IATA) diligently overviews the results of the previous 12 months and monitors the safety situation in the airline industry. The statistics for 2009 proved to be rather positive. In fact, last year was the second safest year for air travel.

One of the significant factors is the global accident rate, which in 2009 equated 0.71 aircraft hulls lost per million flights. That is a considerable improvement against 0.81 in 2008. The safest year so far was 2006 with 0.65 hulls lost per one million flights.

Tourism Review, 9th March

### 1.26 Seconds



The time that each day has been shortened as a result of the earthquake in Chile which shifted the earth's axis by 8 cm.

Time Magazine

## India: Nine reasons to take your family

Why take your family to India? Following a guided tour of Rajasthan, Tourists Christopher Middleton and family voted on their favourite things about India. Sounds Interesting!



Bollywood



Indian food

### The Engaged Couple: The Perfect Customer

By: Jacqueline Johnson, March 10th

Travel Agent Central

What triggers being "ready to buy" more than anything else? A life event! And there is one that triggers purchasing more than ever—getting engaged, tying the knot and going on a honeymoon.

Once a couple gets engaged, they go on a shopping spree. No other category or market niche offers this kind of year-round opportunity to add to your revenue stream.

1. Couples will pay to get what they want. This is not a vacation. This is a life event and the agent must be knowledgeable about the product they present. Couples are looking for memories to last a lifetime. It is about fulfilling fantasies at a cost.
2. They influence purchases of family and friends. A quality experience at a resort or destination will be trumpeted by this new customer. Please bear in mind that the average number of guests at a wedding is approximately 165-plus and the most frequently asked question is: Where are you going on your honeymoon? A great experience will generate word of mouth which, in turn, will provide you with more customers.
3. The planning of a wedding or honeymoon is time-sensitive. While they may take some time on it, a decision will be made! However, while working with you, they do want the information very fast. You must be quick to fulfill all bridal requests.
4. Everything must be there in writing. If it is not in writing, it never happened, you have no recourse if anything goes wrong.

Travel agents are a necessary part of the booking process and can influence the selection of the destination/hotel by a newly engaged couple. In addition, agents can also influence the cost of the honeymoon by the hotel and amenities you present and recommend. It is, therefore, of utmost importance that the agent be well-informed about the destination, hotel and this lucrative recession-proof industry.

### 1. Vegetarian Food

So much more choice than in Britain; we didn't miss meat at all

### 2. Auto Rickshaws

Racetrack thrills in an urban situation

### 3. Indian use of English

Old-fashioned, elegant but inventive, for example, ratings-hungry TV bosses want "maximum eyeballs"

### 4. Live cricket on television

Round the clock in hotels and bars, so much more accessible than at home

### 5. Incense

Masks bad smells and at the same time adds atmosphere

### 6. Politeness on the roads

It's complete chaos, yet no one gets cross; in Britain there'd be punch-ups

### 7. Staring

People gather to have a good look at you, but in a nice way

### 8. Children's television quizzes

On every subject from spelling to advanced environmental geography

### 9. Indian films

Our favourite was Love Aaj Kal (Love Today and Yesterday), a will-they-won't-they romantic drama set in Delhi, New York and Hampton Court.