



IAAI Newsletter

October 2015, 1st Fortnight Issue

IAAI National Board questionnaire to TAAI & TAFI

This is an open letter to TAAI and TAFI Presidents and Management Committee Members. It seems to be action time and crucial juncture for Travel Trade Associations for electing new Office Bearers, to handle the industry affairs for the next 2 years.

Today, the plethora of challenges like Zero commission, WPS, DCC, Fares disparity and so on, are engulfing and almost swallowing the hapless small and medium sized travel agents, who account for 80% of the travel agent fraternity. At the same time, it is evident from the below points that the industry is being crippled with lot of anomalies like payment of brokerage / Commission of Rs 5.83 crore on account of our insurance guarantee premiums which is being collected and processed by IATA-BSP in coordination with APJC-India.

Do the TAAI/ TAFI leaders, past or incumbent, have the sincerity and courage to take path-breaking decisions is a moot point? A quick look at the past record of their actions throws up intriguing questions, clearly exposing lack of will-power, basic malafide intentions to collaborate with the Airlines in fulfilling their agenda of decimating small and medium travel agents. Let us put a few simple questions:

1. TAFI's open support and rescue actions to save OTAs : OTA's dominate the travel industry with predatory sometimes illogical pricing (due to front-end and back-end incentives offered by airlines) and majority of the travel Agents are forced to either buy from them or shut-down operations. Backed by the Airlines, OTA's influence and market-share are mind-boggling. And when IATA wanted to implement Weekly Remittance with 5-day credit period specifically for OTAs, it was TAFI who jumped to their rescue and with the lobbying support of WATTA and PAPGJC, succeeded in deferring IATA's decision. TAFI's own circular of 5th Aug 2015 evidently proves the fact. Congratulations! (If this dedication was there in 2011, Weekly payment would not have been implemented in India)

Question: Ignoring the ordinary agents, why did TAFI defend OTA's?

Continue on Page 2...

2. **IATA's circular on termination of cheque collection** : TAAI and TAFI had stated that APJC- India had decided on 03 Aug 2015, on termination of cheque collection effective 01 Jan 2016 and proposed to PAConf for approval. Though the next PAConf meeting is ONLY in Oct 2015, IATA went ahead with confirmation mailers on 18 Aug 2015 and TAAI acknowledged on 20 Aug 2015 TAAI and TAFI had circulated that "It was concurred by both Airline and Associations during the Meeting, to accept payment through RTGS on the 9th day of billing cycle, ie remittance date plus 2 days, if the Agent chooses to pay through above option". Whereas, IATA clearly stated that payment through RTGS will be accepted on the Remittance date only and not as above, which means Agents will lose 2 clear days.

**Questions (1) How did IATA issue confirmation letter, if "matter" is pending PAConf approval?
(2) Why there is such discrepancy in reporting of TAAI & TAFI misleading the Agents?**

3. **APJC-India : secret activities and fiscal benefits** :

- A. IATA stipulates that countries under Res 818g should regulate APJC as per PAConf new Guidelines of 2014 January, Appendix "F", re-structure with maximum 18 memberships, drawn equally from Airlines and Travel Agents (9 + 9) and Chairman to be elected amongst them. Even small countries like Malaysia and Singapore, with less than 750 travel agents and 10 % of India market size has 18 Members in their respective APJCs. So why not India with 3000 plus IATA Agents and being second biggest market in Asia, next only to China?

**Questions (1) If TAAI & TAFI is not a part of this national ploy, why not demand for 18 members, 3 each from all three associations?
(2) Why APJC meetings are held so privately and secretly?**

- B. When all democratic efforts to re-structure APJC-India failed, IAAI was compelled to approach Gurgaon District Courts against IATA, seeking directives to re-constitute APJC-India with 18 members, 9 members drawn equally from all three associations. In fact, presently Airlines do have 9 sitting members in APJC-India in addition to a Chairman without voting rights and 2 standbys, whereas; Agents have ONLY 7 members, a deliberate ploy to keep IAAI away from the ambit of the regulatory system.

Question: Can any of the leaderships defend or refute this fact?

- C. The Agents default Insurance Guarantee program is administered by IATA BSP under APJC-India. IATA says that premiums are being negotiated by Agent representatives in APJC. One of the Insurers, United India Insurance Co Ltd has paid Rs 5.84 Crores as brokerage charges for insurance premium collected during 2010-2014, to an Insurance Broker in Mumbai (RTI records dated 27.07.2015). Who could be the beneficiaries –may God help us! However as IFFCO TOKIO does not fall under RTI, it was not possible to obtain similar information on brokerage / commission paid out by them.

**Question: -(1) Can any of the Agency representations in APJC or their leaders can defend this EVIDENTARY FACT?
(2) Who are the beneficiaries?**

- D. It appears that IATA - India is taking the shield to cover and protect the regulatory systems and even went to the edge of forgery to safeguard the APJC activities by Member Agents. Our criminal case against IATA under CRP 340 refers.

Question: What is the integrity or interest for IATA-India to defend TAAI/TAFI in the Court proceedings?

E. Everyone is aware that only a re-constituted APJC under Appendix "F" with strong and equally committed representation of all 3 National Agents Associations with a Chairman of voting rights can only reverse the weekly payment to a fortnightly or monthly system. Today, TAP and the Weekly payment is weakening the Travel Agent community, more than zero commission and everyone will fully endorse this view.

**Questions: (1) Why TAAI & TAFI is silent on re-constitution of APJC-India?
(2) Why TAAI & TAFI is not pushing for reversal of Weekly payment to Fort nightly payment ?**

4. **Joint Bank Guarantee - an easy process to amass money for Associations** : Totally sidelining agent's interest, TAAI and TAFI is strongly proposing the JBG scheme and claiming victory too. It is good for Association to amass money and good for big players to enjoy the de-regulatory control over capping system owned by the Associations, to allow maximum leverage to big players . No ordinary travel agent wants it ; it will slowly lead to the demise of Insurances Guarantee, which is the only boon to ordinary agents. The Associations succeeded in bartering JBG with Airlines, instead of bargaining for lower premiums on the prevailing insurance guarantee system.

TAAI and TAFI circulated that JBG will be implemented from 1st Jul 2015 and then postponed to Jan 2016, quoting that certain technical formalities were required by IATA. **Is it true?**

Reality it was due to IAAI case at Gurgaon District Court against IATA for reconstitution of APJC, which forced IATA and Associations to postpone its implementation and to which IAAI had given a clearance on 14th Aug 2015 to exempt JNB from the on-going case.

**Questions: (1) Why Associations are scared to share open facts?
(2) Why TAAI & TAFI hesitated to bargain for lower premiums from IFFCO-TOKIO?
(3) Why TAAI /TAFI is pushing JBG which is beneficial only to Associations by misleading the industry?**

5. **Default Insurance Program (DIP) - The common agents plea** : IAAI had offered to IATA, proposals from 2 International Guarantors for DIP. But IATA was reluctant to share all the required basic statistical data on total insured amount, usage, default/repayment ratio etc with our Service Providers, due to matter not being recommended through APJC-India. Whereas, airlines like SQ, EK, EY, 9W fully supported our proposal on DIP. DIPs have been already successfully implemented in various international markets. IT is a fixed amount per ticket, which the Agent needs to pay as premium through BSP billing. No advance premiums or any cash or collateral / fixed deposits. Airlines are fully covered and Agents free from capping restrictions, as agents do have more flexibility to enhance their business . TAAI/TAFI is also well aware of this.

Question: Why TAAI / TAFI is not supporting such progressive moves, instead of promoting JBGs?

Continue on Page 4...

6. **Mandatory Commission to Travel Agents** : IAAI, on its own, through Kerala high court, had obtained Orders from DGCA on 5th March 2010 and from MoCA on 16th September 2013 mandating commission as the rightful remuneration to the Agents. Even today, IAAI has an ongoing Case in the Kerala High Court to execute and implement these orders enable all the Travel Agents in India to regain the legitimate Commission irrespective of which Association they belong to. **Is there any specific reason for TAAI / TAFI for not supporting IAAI in this Commission issue, which could benefit the whole travel agent fraternity ?**

General & Conclusion:

You may select LEADERS who can convincingly answer above Questions. We are ordinary, average travel agents. Today, we have been pushed to the edge of graveyard by our own Leaderships who dominated Indian Travel Trade with vested interests. Hence, now, it is high time for US to know, who the real leaders are and what is happening behind the scenes.

Satyameva Jayate !

With regards

For IAAI National Board,

**Biji Eapen
National President**

**D.L. Jekannathan
General Secretary**

**S. Saldanha
National Treasurer**

Aviation News

SpiceJet announces direct flights to Dubai from Amritsar and Kozhikode from Nov 2015



SpiceJet has announced the launch of direct flights to Dubai from the cities of Amritsar and Kozhikode (Calicut), services of which will commence from November 15, 2015. To celebrate the launch, the low-cost carrier(LCC) is offering tickets at an introductory fare of INR 4999 all-in one way between Kozhikode-Dubai and Amritsar-Dubai. While SpiceJet will operate daily flights on the Kozhikode-Dubai route, flights on the Amritsar-Dubai route will operate on all days except Saturday. The LCC will be deploying its Boeing 737NG aircraft on the newly launched routes. With the launch of these flights, SpiceJet will now serve Dubai direct from eight Indian cities: Delhi, Mumbai, Ahmedabad, Pune, Kochi, Madurai, Amritsar, and Kozhikode, with connections from more cities including Kolkata, Chennai, Hyderabad, and Bengaluru. Dubai is one of the airline's six international destinations. Other international destinations to which SpiceJet operates include Bangkok, Colombo, Kabul, Male (Maldives) and Muscat. Services to Kathmandu, which had been temporarily suspended, will resume in the future, and additional international destinations will be announced in the coming weeks.

Flight Details:

Flt. No.	From	To	Departure	Arrival	Days
SG 53	Kozhikode	Dubai	1:05	3:55	Daily
SG 54	Dubai	Kozhikode	16:10	21:15	Tue
SG 54	Dubai	Kozhikode	18:00	23:20	Tue
SG 54	Dubai	Kozhikode	16:10	21:15	Tue, Wed, Thu, Fri
SG 54	Dubai	Kozhikode	5:00	10:20	Sat
SG 54	Dubai	Kozhikode	16:55	22:15	Sun
SG 55	Amritsar	Dubai	11:30	13:55	All days except Friday
SG 56	Dubai	Amritsar	5:00	9:35	All days except Friday

Air India starts domestic operations from T2 at CSIA in Mumbai

National carrier Air India Ltd has shifted its domestic operations to Terminal 2 (T2) of Chhatrapati Shivaji International Airport (CSIA) in Mumbai. With this move, Air India passengers will have the advantage of a smooth and seamless transition with easy connectivity, between domestic and international sectors, all from the same terminal. The shifting is a part of the phase-wise transition that was planned for T2. On an average, Air India has around 45 departures and an equal number of arrivals, ex-Mumbai.

Aviation News

Air India's Delhi-San Francisco flights from Dec 2



Air India will launch Delhi-San Francisco flight from December 2, 2015 onwards which will fly thrice a week. San Francisco will be the national carrier's fourth destination in the United States after New York, Newark and Chicago where it operates daily non-stop flights. The Boeing 777-200 LR (Long Range) flight, to be operated on Wednesdays, Fridays and Sundays, will have a convenient early morning departure and arrival.

Vistara introduces 2 per cent commission for agents

Vistara has introduced a two per cent commission for travel agents. The incentive will help the airline fill up its flights, which have average loads of 60 per cent. This is far below the industry average of 82 per cent during January-August. Like its parent Singapore Airlines, Vistara followed a zero commission policy till now and gave select agents a three per cent productivity-linked bonus, which is related to sales targets. But, in view of low volume and expansion of routes, the Tata-Singapore Airlines joint venture carrier has revised its policy. The airline will now offer commission, which the airline terms 'marketing fee', to agents across the country without linking it to a sales target. Vistara has also expanded its network of agents. Low-cost carriers (LCCs) in India allow agents to issue tickets after collecting an advance from them. Agents receive an incentive over such deposits. Agents are also allowed to charge a transaction fee from customers and are paid productivity bonuses by LCCs on meeting their sales targets. While Vistara has received high loads in economy class and there is a pick-up in premium economy seating, the airline's business class has poor loads. The airline has been carrying out promotional offers such as free premium economy ticket with a business-class ticket to push up sales. Apart from a marketing fee, Vistara is also offering agents incentives for pushing sales on its flights from Delhi to Ahmedabad, Bengaluru and Bhubaneswar. Incentives include a free business ticket for every 10 business class tickets sold on these routes. The scheme is valid till October-end.



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Aviation News

Jet Airways reduces fares by up to 30% on overseas routes



Jet Airways -slashed its business and economy class fares by up to 30% across its global destinations including those in the US and Europe for a limited period. These special fares are on offer for travel on board Jet Airways' operated international flights to the destinations in the Gulf, South Asia and South-east Asia region, the US and Europe and Canada regions. The reduced fare offer is also available for travel on partner airline Etihad Airways flights from Abu Dhabi hub for Middle East, Europe, North America and Australia, Jet Airways said. The special offer gives the customer a choice of over 140 international destinations on board Jet Airways' flights and its partner airlines. Etihad also has equity investment in other global airlines — AirBerlin, Alitalia, Air Serbia and Air Seychelles. Jet Airways operates its flight services to 73 global and domestic destinations. Its overseas routes include Abu Dhabi, Bahrain, Bangkok, Brussels, Colombo, Dammam, Dhaka, Doha, Dubai, Ho Chi Minh City, Hong Kong, Jeddah, Kathmandu, Kuwait, London (Heathrow), Muscat, New York (Newark), Paris, Riyadh, Sharjah, Singapore and Toronto.

Air India's Discover India special fares relaunched



On the occasion of World Tourism Day, Air India re-launched 'Discover India' special fares for travelers to India. Under the scheme, a tourist can discover India in 1 or 2 weeks at a reasonable travel cost. A tourist can buy 5 coupons for INR 32,500 (15 days' validity) or 10 coupons for INR 60,000 (30 days' validity) for travelling to Indian destinations, serviced by Air India and Alliance Air, without getting affected by ticket price fluctuations. In another initiative, Air India will introduce 'Incredible Air India Holiday Packages' in association with state governments from December 1, 2015.

Aviation News

New Routes from Vistara Airlines



WEF October 5, 2015, Vistara commenced 2 daily flights on Delhi-Bhubaneswar-Delhi route. On October 1, Vistara took its inaugural flight from New Delhi to Bhubaneswar and will now operate daily on the Delhi-Bhubaneswar-Delhi route. With the latest addition of Bhubaneswar in its network, Vistara now offers 293 weekly frequencies across 12 destinations in India, including Delhi, Mumbai, Bengaluru, Hyderabad, Pune.

Vistara has announced bookings for its 12th destination-Varanasi. Starting October 21, 2015 Vistara will offer daily flight on the Delhi-Varanasi-Delhi route. Vistara has recently achieved the benchmark of flying 500,000 customers across its network.

Ethiopian Airlines announces double-daily operations between Addis Ababa and Mumbai

African carrier, Ethiopian Airlines has announced the commencement of its double daily operations between Addis Ababa and Mumbai effective October 26, 2015. The announcement is a part of the airline's 15-year strategic plan called Vision 2025 which is expected to position the airline globally as one of Africa's leading carriers with seven business centers: Ethiopian Domestic and Regional Airline; Ethiopian International Passenger Airline; Ethiopian Cargo; Ethiopian MRO; Ethiopian Aviation Academy; Ethiopian In-flight Catering Services; and Ethiopian Ground Service.



The schedule for the flights is mentioned below:

Flight Number	Aircraft Type	Departure Time	Arrival Time
ET640	Boeing 787 Dreamliner	Addis Ababa 20:30	Mumbai 3:50
ET611	Boeing 787 Dreamliner	Mumbai 4:50	Addis Ababa 7:30
ET610	Boeing 767	Addis Ababa 23:35	Mumbai 7:00
ET641	Boeing 767	Mumbai 11:20	Addis Ababa 14:00

Aviation News

AEROTROPOLIS — ‘Cities built around Airports’

linked businesses of all types of their environs. These include, among others, time-sensitive manufacturing & distribution facilities; hotel, entertainment, retail, convention trade & exhibition complexes; and office buildings that house air-travel incentive executives & professionals.

Globally we find significant airport edge-cities representing planned postmodern urban mega-development in the Age of the Aerotropolis. Some of the largest

A new airport always develops the surrounding places which lead to significant growth for the vicinity. Airports are becoming new dynamic centres of economic activity. They have incorporated several commercial services & businesses, both inside passenger terminals & on their landside areas. Whenever an airport develops it has been found that there is a significant boost to the city area.

An aerotropolis is an urban plan in which the layout, infrastructure, and economy is centered on an airport, existing as an airport city. It is similar in form & function to a traditional metropolis, which contains a central city core & its commuter-linked suburbs. This development includes not just hotels & restaurants, but also, more importantly, transport-focused or transport-dependant businesses. Aerotropolises also bring about a large employment potential in the service sector.

These are also powerful engines of local economic development, attracting aviation-

aerotropolis clusters are found in Amsterdam, Chicago, Hong Kong & Paris, with tentacles reaching out from the airport core for up to 20 miles. Some of them are as follows :-

- Amsterdam Schipol
- Detroit Region Aerotropolis
- Chicago
- Dallas-Ft Worth
- Dubai
- Hong Kong
- Incheon (South Korea)
- Memphis
- Paris Charles de Gaulle
- Washington Dulles airports

Continue on Page 10...

Aviation News

AEROTROPOLIS — ‘Cities built around Airports’

For example, more than 1000 firms have located in the Amsterdam Aerotropolis (including the world headquarters of ABN Amro & ING banks located just six minutes from Schipol's terminal) in large part because of the superb connectivity this airport provides their executives. Likewise, four Fortune 500 world headquarters are located in Las Colinas Texas, less than a ten minute drive from Dallas Ft Worth International Airport.

Chicago's O'Hare airport area has more office & convention space than most major cities. The Washington Dulles airport region is the second largest retail market in the US (just behind New York City's Manhattan Island) and has become a high-tech businesses & consulting hub, as well.

Dubai & Singapore have emerged as a fullfledged Aerotropolises with their large leisure, tourism, commercial & finance sectors dependent on aviation. They, along with Hong Kong, Incheon, Memphis & Paris Charles de Gaulle have likewise effectively developed global air logistics hubs that have attracted substantial external investment, boosted trade, and made their economies far more competitive.

Chandigarh comes up with the first eco-friendly airport



Chandigarh airport, inaugurated on 11 September this year, is the first to be built using environment friendly technology. Airports across the world use artificial lights to brighten the place, but the Chandigarh

airport will have only natural lighting during the day. More than forty percent of the airport has LED lighting. Use of air-conditioning has also been made eco-friendly in this airport. The transparent glass roof in the airport is a low-heat gain glass which cuts down the use of AC to half. The air conditioning works on the principle of thermodynamics, which means, it only works in places where it can sense body heat, otherwise it automatically switches to a sleep mode. A 200KW solar panel has been installed on the rooftop which caters to all the power needs of the building. The airport has a water harvesting plant based on environment-friendly extended aeration technology. The treated water will be used for gardening. The airport in Delhi currently handles all the international traffic, once the Chandigarh airport is functional it will not only cater to the domestic but also the heavy traffic of the international fliers.

Hospitality News

SHANGRI-LA OPENS IN BANGALORE



Shangri-La Hotel has announced the opening of its hotel in Bengaluru. Located 30 minutes from the international airport, the 397-room Shangri-La Bengaluru stands 19-storeys tall in a leafy blue ribbon suburb on Palace Road. Reminiscent of a bygone regal era, the nine-meter high lobby showcases nine impressive cylindrical chandeliers, each weighing shy of half a tonne, while imposing marble columns highlighted by wall sconces call attention to intricate Indian motifs. The hotel embellishes tiles, carpets and wood carved screens with abstract floral silhouettes. Other stylish hints in the public spaces include marble from Italy, Turkey and China; textiles originating from the United Kingdom and Asia; as well as a glass elevator to shuttle guests to the function areas.

RENAISSANCE HOTELS DEBUTS IN LUCKNOW

Renaissance Hotels, a hotel brand known around the world for helping the next generation of business travelers to discover unexpected cultural experiences, announced today the opening of its first hotel in North India, in the city of Lucknow. With 16 floors and 112 stylish rooms, it is the tallest hotel to open in Lucknow and offers stunning views of the Gombi River and the city's landscape. Renaissance Lucknow Hotel is the brand's second hotel in India after almost 10 years, with the first Renaissance hotel being based out of Mumbai city.



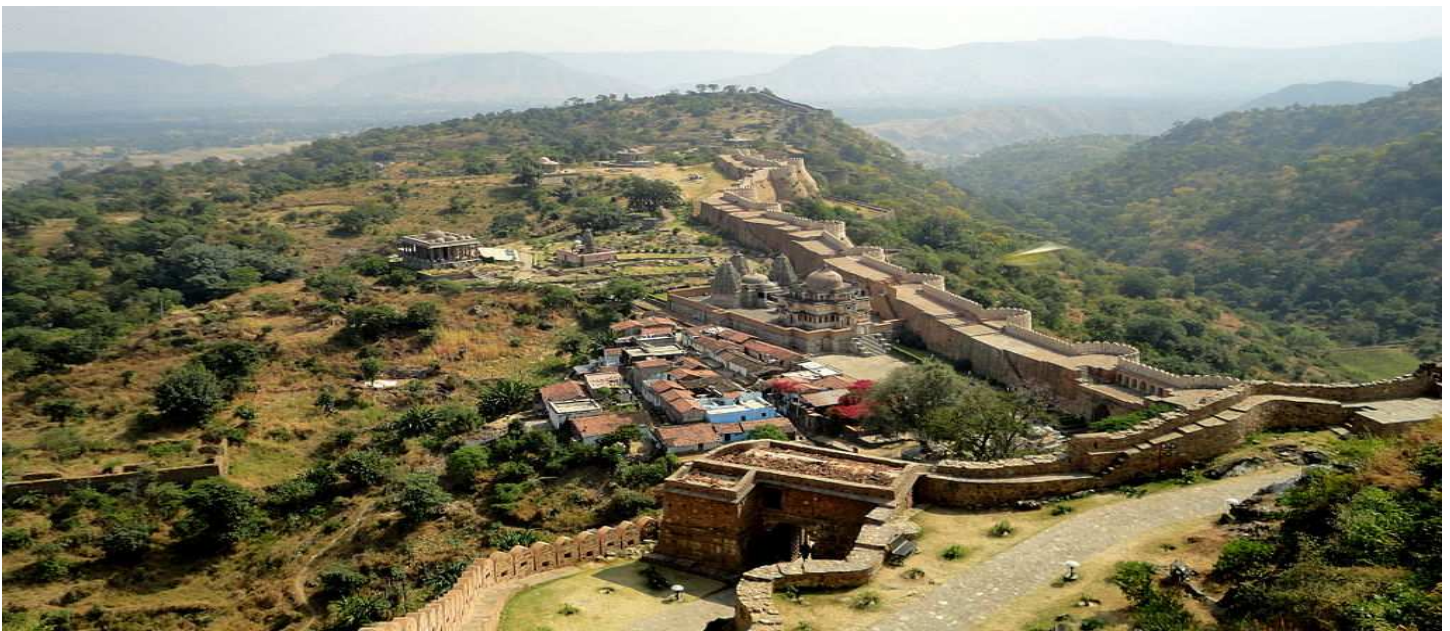
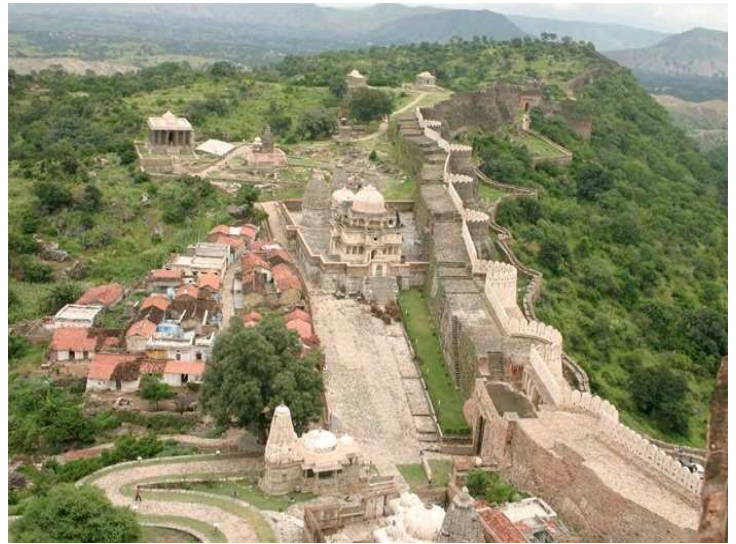
Visa News

- In order to educate aspiring travellers and the trade about the online visa application process to the UK, and to convey that the UK visa is easy to obtain, the UK Visas & Immigration has launched Visit UK Video. The video has been uploaded on the Foreign Commonwealth Office (FCO) platform as well as social media channels like YouTube, Instagram, and Facebook.
- India aims to propose a system that will allow visa-free, short business trips to 15 other countries under the Regional Comprehensive Economic Partnership (RCEP) free-trade agreement, to boost regional commercial ties. The Department of Commerce plans to pitch the idea to RCEP members and has sought the Home Ministry's approval for the plan. The business travel card is modelled on that of the Asia Pacific Economic Cooperation (APEC). RCEP is a 16-country grouping that includes the 10 Association of South East Asian Nation (ASEAN) members and their trading partners— India, South Korea, Japan, China, Australia, and New Zealand. The card will help bonafide business travellers avoid visa documentation and long queues at passport control. The card will be valid for a short period of time. The partnership agreement covers goods, services, investment, intellectual property rights, and competition, and is scheduled to be finalised this year, a deadline the commerce department is not sure of meeting. The traveller card suggestion will serve to sweeten the terms of the RCEP deal, which has a 3-tier structure on the goods side.

Photo Feature

Kumbhalgarh Fort Wall, Rajasthan

The Second largest wall in the world



Kumbhalgarh Fort is a Mewar fortress on the westerly range of Aravalli Hills, in the Rajsamand District of Rajasthan state in western India. It is a World Heritage Site included in Hill Forts of Rajasthan. Built during the course of the 15th century by Rana Kumbha and enlarged through the 19th century, Kumbhalgarh is also the birthplace of Maharana Pratap, the great king and warrior of Mewar. The fort has the second largest wall in the world after the Great Wall of China and is the second largest fort in Rajasthan after the Chittorgarh Fort. The walls of the fort of Kumbhalgarh extend over 38 km, claimed to be the second-longest continuous wall after the Great Wall of China. In 2013, at the 37th session of the World Heritage Committee held in Phnom Penh, Cambodia, Kumbhalgarh Fort, along with five other forts of Rajasthan, was declared a UNESCO World Heritage Site under the group Hill Forts of Rajasthan.

Open Space**Lighter Moments**

A man wrote a letter to a small hotel he planned to visit on his vacation.

He wrote, "I would very much like to bring my dog with me. He is well groomed & very well behaved. Would you be willing to permit me to keep him in my room with me at night?"

An immediate reply came from the hotel owner, who said, "I have been operating hotel for many years. In all that time I have never had a dog steal towels, bedclothes, silverware or pictures off the walls. I have never had to evict a dog in the middle of the night for being drunk & disorderly. I have never had a dog run out on a hotel bill."

"Yes indeed, your dog is welcome at my hotel. And if your dog will vouch for you, you are welcome to stay here, too."

Thought for the Fortnight

One part of knowledge consists in being ignorant of such things as are not worthy to be known.

— Crates

IAAI Director Board

1. Mr Biji Eapen, National President Pvt. : Speedwings Travel & Cargo Ltd., Kochi.
2. Mr V L Jekannathan, National Gen. Secretary (Madurai) Pvt. Ltd., Chennai. : All India Travel Agency
3. Mr Salvadore Saldanha, National Treasurer : S V Airlinks Pvt Ltd., Mumbai.
4. Ms Surinder Kumar, Director—NR Delhi. : Travelmate India Pvt Ltd., New Delhi.
5. Mr Rajendra Churiwala, Director—ER Kolkata. : Survottam Travels (P) Ltd.,
6. Mr Naresh Rajkotia, Director—WR : Madhuram Travels & Tours, Mumbai.

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