

Travel & Tourism industry demands roll back of Service Tax proposal

A fortnight after the presentation of the Union Budget 2011-12, the Travel and Tourism industry stakeholders came on a common platform to voice their displeasure over the Budget proposal to levy Service Tax on the industry. A meeting convened under the aegis of World Travel & Tourism Council India Initiative (WTTCII), Federation of Indian Chamber of Commerce & Industry (FICCI), Federation of Hotel & Restaurant Associations of India (FHRAI), National Restaurant Association of India (NRAI) and other stakeholders of the aviation industry yesterday in New Delhi strongly deplored the Budget proposal to impose 10 per cent Service Tax on hotels, restaurants and air travel from April 1, 2011.

Addressing the media, Vivek Nair, Chairman, WTTCII and Vice Chairman, Hotel Leelaventure Ltd said that the decision to impose more tax on the industry will 'drive away' foreign travelers, as well as 'discourage' domestic travel in the country. "It is a major blow to the industry, which is already heavily taxed," he said.