

# TUGATA BULLETIN



## TUGATA HOSTS APJC MEETING



APJC (Agency Passenger Joint Council) meeting is a forum which provides IATA, agents representatives and airlines the opportunity to discuss various issues but primarily focusing on Financial Criteria and Risk Management and discussions on fares are not accepted.

The high profile meeting was for the first time successfully held in Kampala on 24<sup>th</sup> May 2013 and was attended by delegates from IATA, TUGATA, KATA, TASOTA, Airlines and Observers from the travel industry. Prior to the APJC meeting, Trade

Associations (i.e, TUGATA, KATA, TASOTA) held a meeting to discuss the APJC agenda and also share industry knowledge on how to efficiently serve their membership. This meeting was sponsored by both Travelport Uganda and Lion Insurance Company.

**Financial Criteria;** IATA advised that currently there is only One (1) approved DIP provider in E. Africa, Mercantile Insurance Co. underwriting the risk. When DIP is operational, Kenya & Uganda Agents whose average Six (6) weeks sales exceeds its maximum DIP limit cover, the agent must provide; Bank guarantee (BG), Approved Insurance bond cover, Additional DIP cover for the excess amount **Default Insurance Programme (DIP)** TUGATA highlighted that operations of Mercantile Insurance

Company in Uganda are based on a waiver, issued by the then Uganda Insurance Commission. There is a need to operate with in the law as recommended by current Insurance Regulatory Authority (IRA). Meetings to this effect are still on-going with TUGATA at the forefront of having a locally registered company with whom Mercantile Insurance Co. can share the risk. Conclusions to this scheme shall be communicated to members. IATA advised that new agents must be on DIP and have bank guarantee. In case of default, to be reinstated, the agent must pay all the bills and obtain a clearance from the insurance provider. The bank guarantee must be for 2 years. For cases of technical default, the above does not apply.

## TOURISM FORUM



### Developing Kampala City into a Tourism hub

The workshop organized by Uganda Tourism Association (UTA) in conjunction with Ministry of Tourism, KCCA, Trade Associations and other Tourism stakeholders was held on May 17<sup>th</sup> 2013. The event attracted over 150 participants from the Tourism fraternity to address issues of great concern in Kampala.

### Objectives of the Forum

- Identify ways in which Kampala city could be transformed into a tourist hub.
- To spell out the joint activities /programs that can be implemented together in the city (Continued on pg.2)

## PROPOSED WEEKLY REMITTANCE FOR INDIA



The United Federation of Travel Agents' Associations (UFTAA) has urged the International Air Transportation Association (IATA) to consider postponing the introduction of the weekly payment system.

In a letter addressed to Aleks Popovich (Senior Vice President, Industry Distribution and Financial Services, IATA), UFTAA said that their Indian members, TAAI, IAAI and TAFI "alerted" them "to the im-

pending threat in introducing the weekly payment, by IATA accredited agents, in the very near future."

Earlier in 2011, the airlines, through a vote during the Passenger & Agency (PA) Conference in Singapore, mandated the implementation of weekly period remittance in India, effective July 1, 2012. However, IATA had deferred its implementation to November 1, 2012 after stiff opposition from several travel trade associations in India. The weekly settlement system was then further deferred to June 30, 2013.

"TAAI, IAAI and TAFI strongly feel that the time frame is not sufficient for such imposition, "TAAI, IAAI and TAFI strongly feel that the time frame is not sufficient for such imposition, taking into consideration that the current credit cycles are enormous and that credit cards are still not being frequently used," UFTAA president, Joe Borg Oliver wrote in his letter.



**APIS (Advanced Passenger Information System) must be entered by your travel agent into all booking files 72 hours prior to your travel date.**

## Weekly Remittance for India (continued)

"TAAI, IAAI and TAFI strongly feel that the time frame is not sufficient for such imposition, taking into consideration that the current credit cycles are enormous and that credit cards are still not being frequently used," UFTAA president, Joe Borg Oliver wrote in his letter.

"I am also of the opinion that IATA organizes a meeting with the parties concerned to find an amicable way out that will enhance our future cooperation to our mutual benefit," he added.

Terming the weekly settlement plan "the last nail in the Travel Agent's coffin", Biji Eapen, President, IAAI, told *India Tourism Review* that most travel agents used to extend more than 30 days credit facilities to corporates.

"Almost 500,000 dependent staff disappearing would ring death knell to the trade. The issue needs meticulously ardent re-consideration. Globally, the decision to implement Weekly Payment is country specific and conducive to the local travel trade. The proposal moved by the Indian carriers was pre-planned and as a part of larger conspiracy to erase more than 80 % of the small and medium travel agents. Ultimately, this may lead to cartelization in the Industry,"

Eapen said.

When asked if UFTAA's suggestion can be implemented in India, Eapen said, "In view of the healthy relationship of IATA with UFTAA and WATAA who represents the travel industry associations can consider such exceptional requests for the benefit of the industry at large. If the Conference determines that the economic and financial indicators may no longer warrant the weekly reporting / remittance system, the Conference shall review its decision."

"Since, weekly payment was unanimously recommended by APJC-India (by agents representatives), it mandates a new resolution, unanimously passed by APJC – India requesting to defer weekly payment and must prove that India do not support such payment system," he added. Eapen concluded saying that the Indian travel trade can

still defer the weekly payment plan if they remained united and spoke in a single voice.

- Develop and build consensus on acceptable Tourism in Kampala Capital City
- To guide tourism development to conform with existing Regional and International Standards.

In its presentation KCCA is committed towards transforming the city into a tourist hub with major emphasis towards;

- Tourism and people (You cant talk about tourism and you leave out...Roads,, people, market, hospitably, education and Human resource in the sector) KCCA is committed towards improving these services
- Tourism and amenities
- Tourism and Infrastructure

KCCA pointed out some of the important factors that can transform Kampala City to the standard of CAPE TOWN and other cities.

- Acts of parliament, regulations and guidelines and try to implement them
- Ensuring standards and minimum requirements in the sector

- Partnership to ensure that these standards are maintained
- Security of the City variety of stakeholders should come on board to make sure that the people and the city is safe
- There is need to develop tourism products that will improve tourism in the city. Product development and Market outsourcing
- Financing structure in place,,, Government and authority should partner to identify other sources
- Infrastructure should be worked on KCCA is doing its best to work on the roads
- Human resource element is a key driver. Quality Human resource in all tourism sectors is a must if the sector is to provide quality services and in this cause KCCA has Allocated funds to support the strengthening of Human Resource
- Need for good transport system to enable easy movement of the tourists

In conclusion KCCA pointed out that; If the city is to be transformed into a tourist hub, it should have a brand image,, "**Green City with several hills**"

## Tourism Forum

(Continued)

- To develop strategic partnership arrangements with various stakeholders, firms and institutions so as to enhance quality tourism, product identification, development and marketing to source markets.