

Country's travel agencies hostage to IATA, airlines

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Dhaka : Travel agencies of the country are in dire straits as they have become somewhat like hostages to the International Air Transport Association (IATA) and the airlines.

For years now, three airlines alone owe several travel agencies of the country over BDT 40 crore as air ticket refunds, yet IATA is not batting an eye.

On the other hand, if a travel agency fails to settle its dues within the banking hours of the scheduled date, the Association suspends the agency right away and alerts all the airlines to stop doing business with the concerned agency.

Afterwards, the agency has to show cause formally with necessary documents to IATA to resume business with the airlines but only in the event of the bank's fault.

Even if IATA reconsiders to continue business with the concerned agency, it does not go without a hefty penalty for the latter.

Furthermore, to their misfortune, when the airlines fail to pay the travel agencies air ticket refunds, it is the agencies again who suffer the blow as IATA does not lend any hand to them in time of crisis.

It should be mentioned here that IATA is the body all the travel agencies make their airline related payments to, through its Billing and Settlement Plan (BSP) system, available at Standard Chartered Bank.

Hence, it is IATA who should take the responsibility of refunding the travel agencies what the airlines owe them.

However, again, travel agencies find themselves on the other side of IATA's support.

The last local private carrier to cease operations in 2020, Regent Airways, owes different travel agencies of the country BDT 12-14 crore ticket refunds, said Abdus S Aref, Secretary General, Association of Travel Agents of Bangladesh (ATAB) to The Bangladesh Monitor.

The international Indian carrier Jet Airways shut down business and left the country three years ago with ticket refund dues of BDT 5 crore.

Two-three years have passed, yet the travel agencies still do not see any light at the end of the tunnel, as to when they would see the face of what they are owed, neither from the airlines nor IATA.

Even Thai Airways, which stopped paying air ticket refunds to agencies during their grounded period amid the pandemic, resumed operations in Bangladesh, yet have not started paying the agencies still.

The Secretary General of ATAB said, the flag carrier of Thailand owes agencies BDT 15-20 crore, which the airline is yet to start refunding, even though they have resumed operations successfully in the country.

In total, these three airlines alone - Thai Airways, Jet Airways, and Regent Airways - owe the travel agencies of the country a staggering amount of over BDT 40 crore for years, said Abdus S Aref.

The total amount should be higher as many agencies are yet to report their respective dues from the airlines to ATAB, mentioned the Secretary General.

On June 11, 2022, ATAB, in a circular, asked all the travel agencies to submit their reports on the refund dues from these three airlines.

There are still some left to submit, said Abdus Salam Aref, Secretary General of ATAB, adding, therefore, the total amount of dues should be even more.

Afsia Jannat Saleh, Managing Director of Saimon Overseas Ltd, said, Thai Airways owes her agency BDT 30-35 lac since the pandemic.

Zunaid Hossain, CEO of Airspan Ltd, said, Thai Airways owes his agency BDT 7-9 lac while the three airlines in total owe his agency BDT 20-25 lac.

IATA should direct airlines to adjust refunds from the agency bills. Why is not IATA supporting the agencies in this regard and making the airlines pay, stressed industry insiders of the country.

IATA is not paying its role fairly, they added.

On December 1, 2021, Thai Airways, in a notice to all agents, said, "Once sales of THAI tickets by an agency resumes, they will repay 2.5 per cent of outstanding refunds every month."

"In addition, they will repay refunds corresponding to 20 per cent of an agency's month sales volume. The amount will increase to 40 per cent if an agency's monthly sales volume exceeds its historic sales. This amount will be repaid the following month. All the remaining debt amount will be repaid by March 2024."

However, the repayment process is not going accordingly, claimed proprietors of different travel agencies.

Nevertheless, the Association of Travel Agents of Bangladesh has taken it upon them to undergo strict measures to address the lingering issue and the crisis it brings to the travel agencies in the post-pandemic times when the industry is in efforts to recover.

SN Manzur Murshed (Mahbub), President, ATAB, said, "After receiving all the reports on refund dues from all the travel agencies soon, we will compile those and make an official complaint to the Ministry of Civil Aviation and Tourism, Civil Aviation Authority of Bangladesh and Bangladesh Bank."

"Also, we will be notifying the airlines respectively. We will urge them to repay all the refund dues in 15 days or two months of time, per say."