

Tour operators call for withdrawal of VAT hike

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Dhaka: Different tourism stakeholders has called for withdrawal of the 15 percent Value Added Tax (VAT) on tour operator services, proposed in the fiscal 2024-25 budget, warning that it would severely impact the sector's growth.

They warned that the proposed VAT would make tour packages more expensive, potentially driving domestic tourists to neighboring countries and deterring foreign tourists from visiting Bangladesh.

These observations were made at a roundtable discussion organized by the Tour Operators Association of Bangladesh (TOAB) at a city hotel.

TOAB President Md. Rafeuzzaman, who also chairs the FBCCI Travel, Tour, and Hospitality Standing Committee, moderated the discussion.

"The most worrying aspect of the 15pc VAT is that the major investments in the tourism sector might come to a halt, affecting the

economy," he said.

Rafeuzzaman stressed that the tourism industry, which has just started to recover from the COVID-19 pandemic, would be significantly harmed by this decision.

The TOAB president urged the government to withdraw the proposed VAT to support the industry's growth, highlighting its significant contributions to the country's GDP, international branding, and local socio-economic development.

Participants in the discussion unanimously agreed to collaborate, using accurate data and statistics, to engage with the government and advocate for the withdrawal of the VAT on tour operator services.

They also pointed out that the proposed VAT will cause double taxation as the tour operators have already been paying taxes on airlines tickets, local transport, restaurant and hotel costs.

Former Chairman of Bangladesh Parjatan Corporation (BPC) Akhtaruz Zaman Khan Kabir, former CEO of the Bangladesh Tourism Board (BTB) Javed Ahmed, Association of Travel Agents of Bangladesh (ATAB) Secretary General Afsia Jannat Saleh, BD Inbound Founder President Rezaul Ikram, Tourism Developers Association of Bangladesh (TDAB) Chairman Aslam Khan and advisor Jamiul Ahmed, Aviation and Tourism Journalists Forum of Bangladesh (ATJFB) President Tanzim Anwar and former President Nadira Kiron, and Bangladesh International Hotel Association (BIHA) Secretary Mohsin Haque Himel spoke, among others.

TOAB immediate past president Shibli Azam Quarashi, board members and advisors were also present at the discussion.

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