

The Honourable Prime Minister of India
Mr. Narendra Modi

The Honourable Minister for Commerce and Industry
Mr. Piyush Goel

The Honourable Finance Minister
Ms. Nirmala Sitharam

28th January 2020

Re: Proposed Changes to Duty Free Traveller Allowances

Dear Sirs and Madam,

The Duty Free World Council (DFWC) is the global voice for the Duty Free and Travel Retail industry. We promote a greater understanding of Duty Free and Travel Retail and the importance of our industry in generating significant levels of employment and in providing vital revenues for the aviation, travel and tourism and maritime sectors.

Retail revenue accounts for 20% of airports' total revenue across Asia Pacific and without this contribution most airports would be loss making and unable to fund infrastructure development to meet the rapidly growing demand for air travel in the region, and in India.

Source: Economic Impact of Duty Free & Travel Retail in Asia Pacific - InterVistas.

The duty free market in India, while growing impressively, (+21% annually from 2007 to 2017) remains relatively underdeveloped when compared to other countries in the region. In an unconstrained scenario, spending in duty free and travel retail in India will amount to USD 2.1 bn. in 2022, an increase of 20%. Sales of Wines & Spirits is the largest product sector contributing to this figure.

Source: Economic Impact of Duty Free & Travel Retail in Asia Pacific - InterVistas.

On behalf of the Duty Free World Council, I am extremely concerned to learn of the proposed reduction of duty free allowances for travellers entering India. Should the proposal be implemented as reported it will not only have a significant negative impact on potential growth of duty free sales in India, but it will significantly reduce current revenue earned by Indian airports from duty free retail activities. Therefore, I would urge you maintain the existing duty free allowances of 2 litres of liquor and 1 carton of cigarettes.

For your reference, I attach a copy of the DFWC and APTRA (Asia Pacific Travel Retail Association) jointly commissioned, independent conducted, study on the economic impact of Duty Free and Travel Retail in Asia.

Yours Sincerely,



Ms. Sarah Branquinho
President

Cc; Mr. Grant Fleming, President Asia Pacific Travel Retail Association

Encl. Economic Impact of Duty Free and Travel Retail in Asia Pacific.
Intervistas Oct. 2019