



Indian Association of Amusement Parks and Industries

404, Shreya House, Pareira Hill Road, Off M V Road, Opp Gurunanak Petrol Pump, Andheri East, Mumbai 400 099 Maharashtra, India.

Tel.: +91 22-65231643 / 283866829 / 28386832 / 28386857

Email: info@iaapi.org | Website: www.iaapi.org | CIN U91120MH1999GAP117936

To,
Mr. Chandrajit Banerjee
Director General,
Confederation of Indian Industry

7 January, 2021

Sub: IAAPI's Pre Budget Recommendation for Indian Amusement Industry

Dear Mr. Chandrajit Banerjee,

Namaskar and Happy New Year !!!

Indian Association of Amusement Parks and Industries (IAAPI) is an apex body representing the interests of Amusement Parks, Theme Parks, Water Parks and Indoor Amusement Centre in India. IAAPI is a non-government, not-for-profit, industry-led and industry-managed organization, playing a proactive role in development of this sector. Founded in 1999, IAAPI is India's premier business association having 461 members from the private sectors including small and medium enterprises consisting of park operators and equipment manufacturers. IAAPI works to create and sustain an environment conducive to the development of Amusement sector in India, partnering industry, Government, and civil society, through advisory and consultative processes.

On Behalf of IAAPI, we wish to present Pre Budget Recommendations for the year 2021-22:-

Section/ Subject	Issue	Rationale with factual data	Recommendation
Amusement Park Industry which includes, (Theme Park, Water Park, Adventure Park, Indoor Amusement Centre, Snow Park, Virtual Reality Arcade, Game Zone, Soft Play Zone and more)	1. High rate of GST 18%	IAAPI is thankful to the GST council for reducing GST from 28% to 18% which is still on the higher side when compared to global GST rate for amusement industry which is in single digit. 70% visitors to Amusement parks in India are from middle and lower middle-class strata. Lowering of GST rate will benefit families to visit amusement park in large numbers as the entry ticket will be more affordable.	Request for 12% GST with input tax credit to promote Indian Amusement Industry.
	2. Amusement Park to be recognized as a industry	Amusement Park is a capital-intensive industry considering the land and ride cost. Currently water, power and other utilities supply for amusement parks is procured at commercial rate . Industry recognition will help in getting the basic utilities at industrial / concessional rates which will economise the operational cost. Further, loans and advances at a favourable financing rate will encourage fresh investment in amusement parks, expansion of existing parks by investing in news rides and attractions which will assist in increasing tourist footfalls. Amusement parks contributes to the economy of the region, increases Employment levels and creates a broad customer base for other businesses, such as Retail, Restaurants and most importantly Transportation .	Industry Status for Indian Amusement Industry will help in developing Indian Tourism sector.

Indian Association of Amusement Parks and Industries

404, Shreya House, Pareira Hill Road, Off M V Road, Opp Gurunanak Petrol Pump, Andheri East, Mumbai 400 099 Maharashtra, India.

Tel.: +91 22-65231643 / 283866829 / 28386832 / 28386857

Email: info@iaapi.org | Website: www.iaapi.org | CIN U91120MH1999GAP117936

- 2 -

	<p>3. Social Infrastructure Status</p>	<p>Amusement Park plays a pivotal role in providing holistic recreation as it is spread across large area of open land surrounded with lot of plantations and landscaping. Amusement park industry is driven by kids, youth along with family providing activity based tourism for all ages compared to the traditional parks their by creating happiness & recreation which has positive influence on the society.</p> <p>India currently stands at 140th rank on the UN World Happiness Index 2019 – Amusement parks which forms a major part of Social Infrastructure will play a vital role in raising the rank remarkably. The sector needs to grow as a social sector and it requires regulatory support to attain its growth potential.</p>	<p>To provide Social Infrastructure Status to Amusement Parks and earmark land while developing metros, smart cities, tourist destinations.</p>
	<p>4. High Custom Duties on import of high tech & high thrill rides, equipment for amusement industry</p>	<p>Countries like USA, Singapore, UAE, Hong Kong have developed world renowned amusement parks which are widely promoted by tourism department of those countries attracting tourist from all over world.</p> <p>To build world class amusement park requires huge investment in high tech rides and equipment's which needs to be imported from USA and European countries which are very costly and after paying high custom duty the landing cost of rides increase the capital investment and the project viability factor reduces therefore investors either scrape the project or install low cost rides. If custom duties are waived then Indian Amusement Park will be able to provide high tech rides to Indian consumers at competitive and reduced rates.</p>	<p>To boost domestic and foreign investment in amusement sector custom duty waiver is recommended on import of rides, equipment and spares under tourism project.</p>
	<p>5. Nonexistence of Amusement Industry Manufacturing Hub</p>		<p>Government to facilitate "Amusement Manufacturing Hub" under Aatmanirbharbharat to manufacture amusement rides, equipment, automation, electronics and spares by providing incentives to encourage the industry.</p> <p>To connect the industry with leading institutes like NID for design, IIT electronics, NASSCOM for gaming software etc. This will help in attracting FDI's from international ride manufacturers, gaming producers and service providers to manufacture under "Make In India" Initiative.</p>



Indian Association of Amusement Parks and Industries

404, Shreya House, Pareira Hill Road, Off M V Road, Opp Gurunanak Petrol Pump, Andheri East, Mumbai 400 099 Maharashtra, India.

Tel.: +91 22-65231643 / 283866829 / 28386832 / 28386857

Email: info@iaapi.org | Website: www.iaapi.org | CIN U91120MH1999GAP117936

- 3 -

Amusement Industry comprising of Amusement Parks, Theme Parks, Water Parks, Indoor Amusement Centres which are capital intensive, requiring huge investments in terms of land cost and procurement of rides. The industry is also highly seasonal and operates mainly from mid-March – July due to climatic reasons. For rest of the months, the capacity of the amusement & theme park is left unutilized, making the operational costs overrun the revenues. Thus, in view of the same, conducting business in such an environment has become a major concern.

Amusement industry plays a major role in creating over 80000 direct employment and indirect employment through ancillary and other related industries like hospitality, food & beverage, transport industry and more. It helps to create an economic multiplier effect accelerating the growth of the economy. Amusement industry forms a major part of social Infrastructure which plays a vital role in nation building as it offers active outdoor recreation for kids, youth and families from middle and lower middle-class strata of the society.

I would request Tourism Ministry to kindly forward IAAPI's pre budget recommendations along with your reference note to Ministry of Finance, Government of India for its kind consideration. Post pandemic the industry needs the budgetary support from the Government now more than ever to tide over the crisis.

In anticipation of an affirmative response for the benefit of amusement industry.

Yours Sincerely,

Ajay Sarin
Chairman – IAAPI