

TOURISM AND HOTEL INDUSTRY IN PAKISTAN

CHALLENGES AND WAY FORWARD

With its rich natural and cultural resources, Pakistan has the potential to become one of the world's leading tourist destinations. The South Asian country has already topped several international travel lists. According to World Travel and Tourism Council (WTTC), the tourism industry of Pakistan can grow up to \$39.8 billion within a decade. Pakistan experienced a sharp increase in tourist activity from 2014 to 2019 and the government has also announced 'a Strategy to Help Mitigate the Socioeconomic Impacts of Covid-19 on Pakistan's Tourism Sector' in 2020. However, challenges in the social and services sector, policy design, safety and security, tourism infrastructure, and lack of an enabling environment have led to a weak competitive position for Pakistan.



WEBINAR
20th APRIL, 2022

SESSION OBJECTIVES

1. Potential and Challenges of the Tourism Industry in Pakistan
2. Role of Federal and Provincial Government in Promotion of Tourism
3. Importance of Hotels in Promotion of Tourism
4. Role of Real Estate Development in Promotion of Tourism

VIEWS OF THE PANELLISTS



Mr. Aftab Ur Rehman Rana
Topic: Potential and Challenges of the Tourism Industry in Pakistan

- Pakistan offers several tourism related products such as recreation, adventure, culture, religion, sports, wellness/health, education, business, and youth tourism.
- Pakistan is blessed with diverse tourist attractions. It has unique endowments of natural landscapes, mountain peaks and valleys, rich cultures and heritage, and a large biodiversity.
- The Northern areas of Pakistan have 5 mountain peaks over 8000 meters in height and more than 100 peaks over 7000 meters in height. This type of mountain grandeur is not available anywhere else in the world. Pakistan is a great place for adventure tourism, including mountaineering, trekking, skiing, river rafting, rock climbing, ice climbing, etc.
- Pakistan has historical sites that date back almost 9000 years. Mehregar is one of the earliest farming settlements in Southeast Asia and is located in the Balochistan Province. Monjudaro has 5000 years of human history and was the most developed civilisation in its time. Hindu religious places are also spread all over the country.
- Pakistan has the most beautiful cities in the world. For instance, Peshawar is considered one of the oldest living cities globally. Lahore city is the hub of Mughal era heritage sites, the British Raj, and many other dynasties. Sindh is famous as the land of Sufis and saints. The desert of Cholistan and Tharparkar have a distinct

attraction for western tourists due to their unique culture. The Kandhara region is where Buddhism originated and can become an attraction for millions of Buddhists.

- The number of tourists increased from 1.5 million in 2014 to 6.6 million in 2018. However, 96% of this tourism was local, and only 4% was international. The tourism sector contributes about 5.9% to the total GDP of Pakistan's and generates PKR 2,285 billion in revenue for the country. More than 3.9 million people are also employed in this sector.
- Successive governments have taken several initiatives to promote tourism in Pakistan, such as the formation of the National Tourism Coordination Board, re-structuring of PTDC and re-defining its new role, e-Visa facility for 191 countries, formulation of National tourism Strategy, development of an Integrated Tourism Development Plan to improve infrastructure, launching of a brand campaign to build a good image of Pakistan in the international market, introduced National e-portal for tourism, opening Gilgit airport for domestic flights, and privatization of PTDC Motels and Government Rest Houses to encourage private sector investment in tourism and hospitality.
- Challenges such as depletion of forests to increase the concrete infrastructure, overcrowding of tourist sites, under-treatment of the landscape of valleys, uncontrolled growth of mushrooms, increase in the garbage at tourist sites, and mixing of sewage water with natural watercourses are growing with time.



Mr. Irshad B. Anjum
Topic: Importance of Hotels in Promotion of Tourism

- The hotel industry in Pakistan has recovered the losses incurred due to the covid-19 pandemic and is back on a growth trajectory. Considering the increasing interest in domestic and international tourism, the government should encourage the private sector to establish more hotels in the country and act as a regulator to achieve sustainable growth and development.
- Pakistan should adopt measures to increase international tourism by easing travelling restrictions on tourists and allowing more foreigners to come to Pakistan. Embassies can adapt to providing tourist visas within 72 hours and follow steps taken by other countries.
- Pakistan has world-class tourist sites that are visited by 4 million domestic tourists every year. The government should encourage steps like, declaring Skardu as an International Airport, and improve infrastructure for provision of better services.

The private sector should receive incentives to establish hotels and provide employment opportunities by leasing government land in Northern Areas of Pakistan. Moreover, facilities must be provided to foreign investors for increased investment in the hotel industry.

- Pakistan lacks formal education institutes for hotel management and hospitality training. It is the major reason why most of the human resource in the hoteling industry is sourced from abroad. The government and the private sector must develop universities and training facilities for the youth of Pakistan.
- A high demand coupled with a short supply of hotel rooms makes the hotel industry of Pakistan become an avenue of exploitation for the masses. The government should act as a regulator and control price fluctuations in the market.



Ms. Momina Rizwan
Topic: Role of Real Estate development and promotion of tourism

- The Real Estate sector is one of the key drivers of promoting tourism in Pakistan.
- The pandemic resulted in the stalling of many construction and development projects. However, a construction relief package and tax rebate on tourism industry helped the real estate sector bounce back. A continuation of such policies is required for the next 2-3 years to provide relief to real estate developers.
- Countries cannot solely rely on international tourism and Pakistan should focus on domestic tourism. It can also encourage overseas Pakistanis to send remittances for increased capital investment in the tourism industry.
- Accelerated recovery programs should be provided by the government for development and infrastructure projects.

Pakistan has now been declared as one of the best tourist destinations in the international market as a result of increased tourism marketing. It is high time that efforts are put towards promoting brand Pakistan.

- The government should establish an NCOC style organisation with stakeholders representation from all sectors for effective decision making and implementation .
- A focus on residential tourism by government and private entities can provide sustainable employment opportunities and retail growth as well. Inspiration from Costa Rica and Europe must be considered for long term tourism growth in Pakistan.
- Integrated tourism zones must be supported by the government as replicating the tourism zones in KP across Pakistan would help in the development of real estate.
- Faster legislation and decision-making from the government will encourage private investors and companies to invest in the hoteling industry.



Dr. Shujat Ali
Topic: Role of Federal and Provincial Government in Promotion of Tourism

- Pakistan missed the boat in terms of revolutionizing the tourism sector due to the government's lack of interest in intelligent policy design and its effective implementation.
- The World Economic Forum ranks 140 countries based on an enabling environment, tourism and travel policies, tourism infrastructure, and natural and cultural resource. In 2019, Pakistan stood at 121st position.
- Pakistan is the least competitive country in South Asia, with the least favorable safety and

security records. Despite having beautiful terrains, the four highest peaks, and other resources, Pakistan tourism lacks performance in the world indices.

- Before the 18th amendment, tourism was a subject dealt with by the federal government. After 2010, the sector was handed over to provincial governments. This resulted in PTDC becoming dysfunctional for a long period.
- The federal government must keep performing its role in areas such as visa policy and security, standards, county image, and planning.
- A policy coordination mechanism is absent between federal and provincial governments and at the departmental level.



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