

Research Report on Tourism Industry of Pakistan

Original Author:

Waqas Elahi
Assistant Director
Trade Development Authority of Pakistan,
Karachi

Updated by

Ali Yar Khan
Assistant Director
Trade Development Authority of Pakistan,
Islamabad

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1. Introduction

Pakistan is one of the few countries in the world which are blessed with diverse tourism attractions, four weathers, high mountains, deserts, vast delta plains and sea. The country is home to one of the oldest civilizations in the world, locations with attractive scenic beauty, splendid mountains and peaks, sacred religious and historic places, seasonal varieties, unique arts and crafts and rich culture and heritage. These tourist attractions are spread across all the four provinces, Gilgit-Baltistan and Azad Kashmir.

In order to fully exploit this immense potential, there is a need to address a number of issues faced by the tourism industry in Pakistan. To prepare a comprehensive research paper on the tourism sector in Pakistan, the Services Division of TDAP has prepared an extensive research report. The key challenges were discussed and analyzed with all stakeholders and in light of those discussions, and local and international study reports, some recommendations have been made. The stakeholders identified a number of areas impacting tourism sector, where the role of the government has been deficient and need immediate attention to revitalize this important sector on economy.

2. Tourism in Pakistan

2.1 Domestic Tourism

Domestic Tourism plays a significant role in any country as compared to international tourism. Although there is not exact data available about the domestic tourists, however, Pakistan is a market for about 50 million potential domestic tourists who travel mostly in personal cars with families and in groups of an average of 5 people. In the year 2018, there were 5million tourists visited KPK alone.

2.2. Foreign Tourism

In 2019 there were 1.458 billion international tourist arrivals worldwide. Total number of foreign visitors come to Pakistan in 2017 were 1.225 million. Hence Pakistan's share in the global tourism market in 2017 was only 0.08%; which is way below its potential. While in India, more than 10 million foreign tourists visited. It is to be noted that foreign visitors who came on tourist visa were only about 28000 in 2019 and does not include pilgrim visa, business visa or family/spouse visa etc.

2.3 Contribution to Economy

According to World Travel & Tourism Council, the direct contribution of Travel & Tourism to GDP was PKR 930.9bn (USD8,832.1mn), 2.9% of total GDP in 2017. Moreover, Travel & Tourism directly supported 1,493,000 jobs (2.5% of total employment) in 2017. While total investment of PKR 410.4bn, 9.1% of total investment (USD3,893.4mn) was made in the travel and tourism sector.

Pakistan

121st / 140

Travel & Tourism Competitiveness Index 2019 edition

Key Indicators

Sources: World Tourism Organization (UNWTO) and World Travel and Tourism Council (WTTC)

International tourist arrivals	965,500	i	T&T industry Share of GDP % GDP	2.8	i
International tourism inbound receipts	US \$351.6 million	i	T&T industry employment	1,484,200 jobs	i
Average receipts per arrival	US \$493.5	i	% of total	2.4%	
T&T industry GDP	US \$8,000.2 million	i	T&T industry Share of Employment % total employment	2.4	i
% of total	2.8%				

Tourism sector acts as a generator of quick and broad based economic activity. It is a major source of employment generation in the area. It is an important source of government's income through taxes; collected mainly from hotel sector. An increase in the number of tourists coming to a certain area leads to increase in activity in multiple sectors; including hotels, restaurants, wholesale trade, retail trade, road transport, air transport, communications, specific tourist sectors like tourist guides, porters, etc. Economic activity is enhanced as the tourist spends money on various services like hotel accommodation, meals, transport, shopping, etc.

3. Pakistan's world ranking in Tourism

In terms of tourism contribution to GDP and employment, Pakistan's ranking is given below.

TRAVEL & TOURISM'S TOTAL CONTRIBUTION TO GDP		2017 (US\$bn)
2	China	1349.3
7	India	234.0
15	Thailand	95.0
	World Average	62.9
23	Indonesia	58.9
	South Asia Average	46.9
28	Malaysia	41.9
42	Pakistan	22.3
61	Bangladesh	10.6
62	Sri Lanka	9.9
87	Myanmar	4.9
120	Nepal	1.9

TRAVEL & TOURISM'S TOTAL CONTRIBUTION TO EMPLOYMENT		2017 '000 jobs
1	China	79900.0
2	India	41622.5
4	Indonesia	12241.6
	South Asia Average	8321.9
9	Thailand	5834.0
13	Pakistan	3894.0
20	Bangladesh	2432.0
	World Average	2341.0
25	Malaysia	1704.5
34	Myanmar	1282.4
38	Nepal	1027.1
41	Sri Lanka	875.1

Source: World Tourism & Travel Council (WTTC)

4. Pakistan's Ranking on Travel and Tourism Competitiveness Index

According to the Travel and Tourism Competitive Report published by the World Economic Forum, Pakistan is the least competitive country in the world when it comes to travel and tourism. The Travel and Tourism Competitiveness Index (TTCI) is composed of four sub-indexes, 14 pillars, and 90 individual indicators.

A) Enabling environment and within it

1. Business environment
2. Safety and security
3. Health and hygiene
4. Human resources and labour market

5. ICT (information and communications technology) readiness
- B) T&T policy and enabling conditions, which include,
1. Prioritization of travel and tourism,
 2. International openness
 3. Price competitiveness
 4. Environmental sustainability;
- C) Infrastructure, and which include the following pillars,
1. Air transport infrastructure
 2. Ground and port infrastructure
 3. Tourist service infrastructure;
- D) Natural and cultural resources, and within it
1. Natural resources
 2. Cultural resources
 3. Business travel

Pakistan is ranked 121 in 2019 year out of 140 countries against 124 in 2017. Moreover, in the Asia-Pacific region, Pakistan ranks at the bottom while India at 34, Vietnam 63, Sri Lanka 77, Nepal 102, and Bangladesh 120.

In terms of four sub-indexes, Pakistan's performance is overall poor as per the *TTCI 2019*, where for

1. Enabling environment (119th position)
2. Travel & tourism policy and enabling conditions (122nd position)
3. Infrastructure (99th position)
4. Natural and cultural resources (87th position)

Within first sub-index of an enabling environment, the position of Pakistan is given below:

1. Business Environment (93rd),
2. Safety and Security (134th),
3. Health and Hygiene (101st),
4. Human Resources and Labor Market (135th),
5. ICT readiness (123rd).

The second sub-index, T&T policy, and enabling conditions, the ranking of Pakistan is:

1. prioritization of travel & tourism (119th)
2. international openness (122nd)
3. price competitiveness (37th), which includes indicators such as Ticket taxes and airport charges, Hotel price index, Purchasing power parity and Fuel price levels and environmental sustainability (129th).

Regarding the third sub-index, infrastructure, the rankings on the involved pillars is as follows:

1. air transport infrastructure (96th),
2. ground and port infrastructure (73rd),
3. and tourist service infrastructure (112th), and which includes the following indicators, Hotel rooms, Quality of tourism infrastructure, Presence of major car rental companies, Automated teller machines per adult population.

The ranking on the pillar included in the fourth sub-index natural and cultural resources is:

1. Natural Resources (110th),
2. Cultural resources
3. Business Travel (56th).

Asia-Pacific TTCI 2019 Rankings

Global Rank	Economy	Score	DIFFERENCE FROM 2017		SCORE DIFF. FROM BENCHMARK AVG.	
			Rank	Score Growth (%)	Regional (%)	Global (%)
4	Japan	5.4	0.0	2.1	29.1	39.6
7	Australia	5.1	0.0	0.8	23.6	33.6
13	China	4.9	2.0	3.2	17.2	26.7
14	Hong Kong SAR	4.8	-3.0	-1.1	15.7	25.1
16	Korea, Rep.	4.8	3.0	4.7	14.9	24.3
17	Singapore	4.8	-4.0	-2.0	14.4	23.7
18	New Zealand	4.7	-2.0	1.4	14.1	23.4
29	Malaysia	4.5	-3.0	0.4	8.5	17.3
31	Thailand	4.5	3.0	2.6	8.1	16.9
34	India	4.4	6.0	5.7	6.3	14.9
37	Taiwan, China	4.3	-7.0	-3.0	4.1	12.6
40	Indonesia	4.3	2.0	2.8	2.6	11.0
63	Viet Nam	3.9	4.0	3.4	-5.9	1.7
72	Brunei Darussalam	3.8	n/a	n/a	-9.1	-1.7
75	Philippines	3.8	5.0	4.2	-9.8	-2.5
77	Sri Lanka	3.7	-13.0	-2.3	-10.4	-3.2
93	Mongolia	3.5	9.0	4.8	-16.6	-9.8
97	Lao PDR	3.4	-3.0	0.4	-17.9	-11.2
98	Cambodia	3.4	3.0	2.4	-18.4	-11.8
102	Nepal	3.3	2.0	2.3	-19.5	-13.0
120	Bangladesh	3.1	5.0	7.3	-25.5	-19.4
121	Pakistan	3.1	3.0	7.1	-25.6	-19.5

Source: World Economic Forum, 2019.

5. Federal and Provincial Government Policies

Pakistan formulated its first National Tourism Policy in 1990. However, this policy mostly dealt with environmental aspects. It stressed on the government to ensure preservation of environment and ecology. Since market forces cannot be expected to ensure environmental degradation, it proposed launching of educational programmes for creating awareness and conservation efforts

The objectives of National Tourism Policy of 1990 do not appear to be enough to take care of tourism development as such. Hinged largely around preservation and conservation of environment, the policy had failed to recognise tourism as major engine of economic growth capable of generating mass employment opportunities, alleviating poverty, and positing Pakistan as a global brand capable of capitalising on the increasing international travel, trade, and investment opportunities. The stated objectives of Tourism Policy 1990 were never achieved. Degradation of natural resources continued unabated around the republic and the proposed educational programmes were never incorporated in educational curriculum.

Moreover, due to some fundamental issues this Policy has rarely been implemented. The major reasons of this failure in implementation included absence of stakeholder involvement, poorly defined public and private sector actors, financial limitations, institutional constraints and low capacity of concerned departments and agencies. In 2010, the Tourism Ministry drafted a relatively more comprehensive National Tourism Policy. The policy identified challenges and constraints for tourism industry in Pakistan, followed by marketing and developmental strategies. The marketing strategy emphasized on public private partnership, diversification of tourism products, information technologies, target markets for selling specific products, whilst, the developmental strategy emphasized the role of public (Federal & Provincial governments) and private sectors in tourism development. It also proposed PPP opportunities in tourism sector of the Country. Furthermore, the draft policy also recognized the importance of closer international and regional cooperation, joint marketing using international organizations, multi-country and bilateral relations for tourism development.

Although, the draft tourism policy-2010 was comparatively more comprehensive than national tourism policy of 1990, however, due to dissolution of Federal Tourism Ministry as a result of 18th Amendment in the constitution of Pakistan the work on developing the National Tourism Policy was deferred and the subject of tourism was transferred to the provinces.

Punjab Tourism Policy 2019.

Post 18th amendment every province has made its own tourism Policy. Punjab tourism policy was adopted in 2019. According to this policy, Punjab government will develop and sell its landscape, wetlands, ecology, history, heritage, festivals, cuisine and its religious heritage and archaeological assets – without disturbing socio-ecological balance in close collaboration with private sector. The strategy for development of tourism will be driven by the government and led by the private sector. The policy requires tourist sites are developed in a planned manner and the new sites may be declared as protected sites. The policy identifies five strategic thrust areas – building state-of-the-art tourism infrastructure, ensuring safety and security of tourists, building a strong tourism brand, developing

talent for tourism services and ensuring that growth in tourism sector is sustainable. The policy gives tourism department a direction to ensure fixing the institutions through Institutional Reform Package. It asks for federal-provincial coordination and alignment, strengthened public sector capacity for tourism sector management and supporting private sector-led growth.

Since the tourism sector potential had remained untapped, the tourism department has been entrusted the task to calibrate regulations through Regulatory Reforms Package; enact supporting laws and regulations, provide requisite financing through Tourism Investment Package, Public-Private Partnership and incentives for private sector investors.

The Punjab tourism department plans tapping religious tourism, Sikhism, Buddhism, Hinduism, spiritual tourism, cultural and heritage tourism, World Heritage Sites, Indus Valley Civilization, Mughal and British Era monuments, adventure and desert tourism, Cholistan and Thal Deserts, eco tourism, Soan Valley, Salt Range, Urban and Recreational Tourism, hilly areas of Murree in the province besides tourist attractions in Lahore, Multan and Bahawalpur.

The tourism policy proposes specific strategies for the private sector, tour operators, hoteliers, travel agents, NGOs, heritage tourism, Sufi/Mystic tourism, food safety and Tourist Information Centers.

The policy also envisages effective marketing, outreach and communications through a communications policy to reach out to multiple levels of target audience. It is required to encourage information sharing and coordination at all levels through identifying stakeholders' engagement platforms; sustained advocacy through media and inclusion of all strata of society and reaching out to youth and women.

The policy implementation framework has been assigned to the Tourism Development Committee; High level committee to spearhead the implementation of the Policy; and Capacity building of Tourism Department and its agencies.

Acceding that the new tourism policy only marks the first step towards tourism development in the province and putting Punjab as a prominent destination on international tourist circuit, the tourism department has agreed to formulate a detailed implementation plan to put this policy in action and for rolling out reforms. The Policy also envisages mid- course policy review after two years

KPK Tourism Policy 2015.

Government of Khyber Pakhtunkhwa has decided to accord priority to the tourism sector and transform it into one of the key engines of economic growth by making KP a preferred tourism destination for domestic as well as foreign tourists. For this purpose, Government of KP has announced its first Provincial Tourism Policy in March 2015 which was prepared in consultation with a large number of key sectors with the support of USAID. The main objectives of KP tourism Policy is to establish Khyber Pakhtunkhwa as a preferred tourist destination, nationally in short to mid-term and globally in the long term by increasing tourist traffic in the province by at least 10 % over the next five years. More over there is target to increase the private sector investment, improve the quality of workforce and establish a tourism service providers' quality assurance regime in the province. KP government has also

developed a framework for public private partnership to attract invest from private sector in tourism and hotel industry.

6. The Role of Federal Government in Tourism

After the 18th amendment the federal tourism subject was devolved to provinces. Resultantly, the federal government departments except PTDC were handed over to provinces.

In the pre 18th amendment scenario the Ministry of Culture, Sports, Tourism and Youth Affairs was responsible for the policy formulation, development, marketing and promotion of both foreign and domestic tourism besides coordination and regulating of federal and provincial governments and private sector activities responsible and involved in tourism with help of its following field organizations:

6.1.1 Department of Tourism Services (DTS): Established in 1976 after promulgation of three acts to ensure the standard and quality of facilities to be provided by the hoteliers, tour operators and travel agents. DTS has been mainly responsible to enforce these acts in the country as a whole and to ensure that tourists are provided the facilities/services which are promised them through its one federal and four provincial offices. DTS has been functioning based on totally outdated laws which are not acceptable either here in Pakistan or internationally. This is compounded by the fact that those responsible for licencing, standards and enforcement are unqualified in their task. They are basically untrained or experienced in what is now a highly professional and international sub-sector of the tourism industry. After the 18th amendment in the constitution of Pakistan, DTS regional offices in all the four provinces were handed over to provinces are now working under respective tourism departments and they do not have any formal link with the DTS office working at federal level. This situation has further deteriorated the performance of DTS. As a result there is no standardization or quality control of the tourism product and the travel agents, tour operators and hotels in private sector are dissatisfied and unresponsive to the meaningful involvement with the public sector tourism organizations in the areas of promotion and cooperation.

6.1.2 Pakistan Tourism Development Corporation (PTDC): it is a public limited company registered under the Companies Act in April 1970. It was created to be the government's arm and thrust for tourism development in Pakistan with objects to develop tourism infrastructure on an all over Pakistan basis, to promote and market Pakistan as tourism destination in foreign as well as domestic markets, to act as a catalyst to encourage to private sector to play a more active role in tourism development and to undertake tour operations and provide ground handling facilities.

PTDC is governed by a Board of Directors. The chairman is either appointed by the government or the position is held by the Minister of Tourism in the absence of an appointed chairman. The chief executive is the Managing Director who is the principal reporting officer to the Board. In most of the cases the appointment of Managing Directors has been as per the discretion of Prime Minister of Pakistan.

Over the years PTDC established a chain of hotels/motels at various tourist spots throughout Pakistan and also established 20 Tourist Information Centers (TICs) in different parts of the country. It established TDCP Motels Ltd. which undertakes the management of all the hospitality units operated by PTDC and also established Pakistan Tours Ltd. which acts as inbound tour company and provides ground handling and transport facilities for international and domestic tourists.

After the devolution of Federal Ministry of Tourism as a result of 18th Amendment in the constitution of Pakistan in 2010, the funding to PTDC from Federal government reduced to the level that it has now become difficult for the management to pay even the salaries of its staff and meet overhead expenses. On the other hand provincial tourism authorities are demanding the devolution of PTDC to get the control on the properties managed by PTDC in respective provinces.

6.1.3 Pakistan Institute of Hotel & Tourism Management (PITHM) at Karachi:

The Pakistan Institution of Hotel & Tourism Management (PITHM) was set up in 1967 at Karachi with an aim to train personnel for hotels, restaurants, airlines and tour operations. Some initial funding was provided by UNDP, ILO and the government of Pakistan. In 1972 it was registered as a society under the Societies Registration Act 1860, Since then the institute has been functioning as an autonomous body administered by a Board of Governors including representatives of the travel trade, hotel industry, PTDC and Department of Culture and Tourism Government of Sind. Till 2010 it was working under the auspices of Federal Ministry of Tourism and after the 18th Amendment in the constitution of Pakistan it has been working under the supervision of Department of Culture and Tourism Government of Sind.

The main function and activity of the institute is to impart knowledge by training manpower for the hospitality, travel and tourism industry in Pakistan. This is done by regular certificate and diploma courses offered by the institute on time to time basis. Although PITHM is the oldest instate of its kind in Pakistan but still its standard is far below the required international standards of hospitality and tourism industry and as a whole it has failed to meet its aims and objectives.

6.1.4 Pakistan Austrian Institute of Hotel and Tourism Management (PAITHM)

Swat: This institute was established in 2001 at Gulibahar Swat under the deliberation of Vienna Agreement between that time Federal Ministry of Tourism and Austrian Development Agency, Austria with a mission to promote tourism and hospitality education through establishing a teaching hotel and to attract youth towards a splendid career in tourism industry. The state of the art institute building includes admin and institute block, four student hostels, 26 rooms hotel with conference hall and two restaurants. It started its operation in May 2006 and conducted few courses and later on after the Taliban's insurgency in Swat it remained closed for few years. After re-gaining control of Swat from Taliban in 2009, Pak Army occupied the institute building and used it as a detention cell/rehabilitation center. The building of the institute is still under the use of Pak Army. After the 18th Amendment, the institute was transferred to KP Tourism Department and now it is operating in a small rented building in Saidu Sharif Swat and only running some short courses for the hospitality sector with the support of NAVTTC.

6.2 Provincial Tourism Management Bodies

6.2.1 Tourism Development Corporation of Punjab (TDCP): In the province of Punjab the tourism policy and formulation is vested in the Department of Forestry, Wildlife, Fisheries and Tourism. The Secretary is the delegated official responsible for tourism. Like other provinces, tourism was generally was very low profile sector at the provincial level. In 1987 the Tourism Development Corporation of Punjab (TDCP) was established as a public limited company owned by the Government of Punjab to take over the affairs of tourism for the province. Due to personal interests of then Chief Minister and Present Prime Minister an injection of assets was given to TDCP in terms of land and financial assistance. Its objectives were defined as:-

- To promote and develop tourism in Punjab
- To establish tourism infrastructure
- To promote and publicize the province's history, culture and archeological monuments and other features of interests to the tourists
- To provide quality tourist transport facilities
- To cooperate with the private sector to create tourist facilities and services.

TDCP with its head office at Lahore has established a network of regional offices at Bahawalpur, Multan, Rawalpindi and Murree. During the last thirty years, TDCP has established a number of tourist resorts at locations such as Patriata near Murree, Kallar Kahar, Fort Manro, Changa Manga, Lalsohanra National Park and some road side restaurants on GT road and on the way to Murree. It has also published pamphlets, brochures and booklets for the promotion of the province as tourist destination and has played a role in popularizing various places in Punjab for domestic tourism. In the initial years TDCP also introduce air-conditioned tourist bus service to different cities of Punjab besides launching a city sightseeing tour service in Lahore. In the later years, TDCP also got involved in hospitality and tourism management training by establishing an Institute of Tourism and Hotel Management (ITHM) at Lahore.

Although ITHM offers diploma and certificate courses in hotel and tourism management subjects but its overall standard of instructions is very low as it is now well recognized as a training institution nationally and internationally.

In the initial years, TDCP received very good support from the provincial government but later on due to scarcity of financial resources, lack of interest at heights level of provincial government and lack of professionalism among its staff TDCP lost its importance gradually. Same as it happened in the case of PTDC, TDCP also got involved in business activities such as transport operation, tour operation and management of its motels which has been seen by the private sector as the government being directly in competition with the private sector.

6.2.2 Tourism Corporation Khyber Pakhtunkhwa TCKP and Sindh Tourism Development Corporation (STDC): Following the precedent of Punjab government, later on governments of Sindh and KP (former NWFP) also established tourism development corporations at provincial level and started work on various tourism projects in the respective regions. Like all government tourism organizations in Pakistan, the Sindh Tourism Development Corporation (STDC) and Tourism Corporation Khyber Pakhtunkhwa (TCKP) are handicapped by lack of financial resources and professionalism so are not fully able to perform the role for which they were created.

6.3 Tourism Trade Bodies Operating in Pakistan

There are three main tourism trade bodies and associations operating in the private sector:

6.3.1 The Pakistan Hotel Association (PHA): The PHA is the recognized national representative of Pakistan's hospitality sector and represents the hospitality industry on the PITHM Board of Governors and various committees established by Federal Ministry of Tourism in the past. PHA is also affiliated to the International Hotels Federation which is the world body for national association of hotels. PHA is a responsible body with considerable professionalism at the management level and with its own executive office in Karachi. PHA membership is mainly comprised of large hotels and very few medium and small hotels are its members. Moreover, it has so far not played any constructive role in the development and capacity building of hospitality sector in Pakistan and its relationship with public sector organizations at federal and provincial level and not very conducive.

6.3.2 Travel Agents Association of Pakistan (TAAP): As the name suggests, TAAP is the representative body of Travel Agents in Pakistan and has nationwide membership and works closely with the aviation industry and with departments of the federal and provincial governments. It was established in 1974 with following objectives:

- To protect the interest of air travel trade and allied services.
- To promote tourism in Pakistan.
- To serve as a forum for raising and advocating to the Airlines, Government and other regulatory and official bodies the issues / views of its members in the interest of aviation/ travel and tourism industry of the country.

It is recognized as national trade body of Pakistan's travel agents and internationally it is member of Universal Federation of Travel Agents Associations (UFTTAA). TAAP has its office at Karachi and two regional chapters. So far it is the most well connected and well organized travel trade association in Pakistan having national and international recognition.

6.3.3 Pakistan Association of Tour Operators (PATO): PATO is the association of expert inbound tour-operators whose members are recognized / approved by the Department of Tourist Services (DTS). With its office at Islamabad, PATO is the representative body of Tour Operators in Pakistan and has membership nationwide and works closely with DTS at federal and provincial level. It is relatively a new trade organizations and still passing through its infancy phase.

7. Key Challenges Faced by Pakistan's Tourism Industry

Beside the core issue of governance of tourism sector in Pakistan, there are some other daunting challenges.

7.1 Pakistan's Negative Image as a Tourism Destination

Due to the existence of security issues, Pakistan's image in the world as a tourist destination is negative. Although the overall security situation has improved, yet the foreign travellers have a negative perception against Pakistan. Not only foreign tourists, but the diplomatic community need NOC for going to tourist destination in the country and the police stations are informed prior to their visit. Getting NOC is a cumbersome process. Hence law and order is a major issue in Pakistan.

7.2 Low Priority to Tourism Sector

Tourism never remained the priority of the government. This fact is reflected in the report of World Travel and Tourism Competitiveness Report 2019; which ranked Pakistan 119th on the factor of government prioritization of Travel & Tourism (T&T) Industry.

7.3 Lack of inter-department Coordination

Tourism in Pakistan related different departments and ministries; such as ministry of interior, foreign office, planning and development, trade and commerce, environment, wild life, forestry, civil aviation, railway, local governments, road and highways, provincial tourism departments etc. However, all these ministries and departments keep working in isolation without taking into account the synergies which may be developed with Tourism. This results in missing out on many opportunities through which tourism development can take place without incurring much cost.

7.4 Lack of uniform provincial tourism policies

After 18th amendment, every province has passed its own tourism acts. Taxes and regulations are different from each other. For example, the DTS in Punjab levies regulatory fee different from that of KPK. There is a need for a uniform tourism policy across Pakistan.

7.5 No effective federal government role

After devolution of tourism to provinces and abolition of federal tourism ministry, there is no effective federal government entity to play a role of coordinator among all provincial departments. PTDC is no more an active department. All its assets are running into losses and its planning to either handover to provinces or to private sector on lease. Although the government has formed a national tourism coordination board, but due to different political parties in the provinces, the NTCB has no such role other than recommendatory.

7.6 Lack of Proper Enforcement of Standards and Certifications

The responsibility of managing the laws and standards of hotels, tourist guides and travel agencies lies with Department of Tourist Services (DTS). Before devolution, DTS used to work under Federal Ministry of Tourism now it is working as a provincial entity. As per the mandate decided for DTS, it was used to be responsible to ensure the quality of tourist services through implementation of the following Acts of Parliament:

- The Pakistan Hotels and Restaurants Act 1976
- The Pakistan Tourist Guides Act 1976
- The Travel Agencies Act 1976

Now every province is regulating DTS according to their own provincial acts. Looking at the current low level of implementation of standards and quality of services offered by hotels and restaurants, it is evident that DTS has not been able to perform its functions very effectively. A Star System also exists for standardizing the quality of services offered by hotels but practically, there is no implementation of these standards.

There is also a weak implementation of standards and certifications for tourist guides. Likewise, in other services like transportation, there is no implementation of standards. There is no fitness certification system implemented for vehicles hired by the tourists. There is no standardization of transportation rates between different destinations. The issue of lack of standards and certifications also applies to tour operation businesses.

7.7 Lack of Proper Marketing and Promotion

In spite of being blessed with very valuable tourist attractions, Pakistan has not been successful in developing itself into a popular tourist destination in the world. One of the key reasons for this has been the inability to take a structured approach for marketing and promotion; a failure in the art of presentation of our tourism to the world. There have been very insignificant activities carried out in this regard on local and/or international media. Moreover, various ministries are working in silos. Ministry of commerce has created Emerging Pakistan slogan. PTDC is working on Brand Pakistan program.

7.8 Ineffective Participation in International Tourism Fairs and Festival

An important tool for promoting Tourism is participation in international fairs. PTDC has been participating in international fairs; however, this participation has not led to the desired results. Pakistan's participation in the international fairs has not been very proactive. A small stall gives Pakistan an insignificant presence in a fair like ITB Berlin and WTM at London; compared to the presence of other countries. However, the funding constraints also matter.

7.9 Dilapidated Tourism Infrastructure

Lack of access roads, excessive load shedding of gas and electricity, poor sanitation at tourist spots, and lack of proper solid waste management are some of the major issues. Very little has been done for developing new tourist sites/attractions in the country. Lack of development of new tourist sites is particularly relevant for domestic tourism since they are interested in going to new places. There is no proper planning for the development of tourist places and unplanned development in and around tourist sites is damaging the natural environment and cultural heritage sites in many tourist areas.

7.10 Tourism Human resource Development

There is serious lack of an integrated approach for ensuring the supply of qualified human resource for the tourism sector of Pakistan. There are no standardized degree courses on tourism and hotel management offered by large universities of the country. Few private colleges and universities offer under graduate and post graduate level courses but their overall standard is very low. Pakistan Institute of Tourism and Hotel Management at Karachi and College of Tourism and Hotel Management at Lahore offer short courses in hospitality and travel management. While Pakistan Austrian Institute of Tourism and Hospitality Swat is closed and its state of the art building is with army.

7.11 Lack of Research in Tourism Sector

Neither PTDC nor provincial departments making any effort to conduct holistic Research in the tourism sector. During my field visits, I found that no organization has any comprehensive data about tourists coming to Pakistan. Before devolution there was a cell in Ministry of Tourism which used to compile some data on tourism but now there is no such mechanism in place to even provide that much little information about the tourism sector growth in Pakistan.

7.12 Multiplicity of Taxes

One of the bottlenecks in achieving the full potential of tourism sector in Pakistan is the high rates and multiplicity of taxes by federal and provincial governments that has led to tourist package being out priced in comparison with other destinations. For example, services tax on tour operators by Sindh government is 8pc which should be brought down. There is urgent need to unified and rationalized these taxes. DTS also charging fees from Hotels, Tour operator and travel agencies, but in return not providing any service to them.

8. Recommendations for the Development and Promotion of Tourism in Pakistan

The tourism industry has emerged as a major income-driving industry in many developing and under-developed countries in the world. There are many examples that show how the thriving tourism sector can have positive impact on economic growth, employment generation and overall socio-economic development of the country. Pakistan is blessed with natural beauty, cultural diversity and rich historical background. The following recommendations practices to develop and promote tourism sector in Pakistan are:

8.1 Government should declare tourism as industry: The government should officially give the tourism sector the status of industry. It will lead to investment in the tourism sector such as hoteling industry and infrastructure development. In Pakistan, the commercial rates of utilities are applied on the hotels and tour operators, which in turn lead to high cost paid by tourists.

8.2 Leading Role of Federal Government: The Federal Government should play leading role in establishing effective coordination among the provinces and key ministries at Federal level for investment promotion, infrastructure development, visa facilitation, marketing and promotion, enforcement of quality standards and mobilizations international donors and investors support. Therefore, federal government should play leading role to give boost to tourism industry in the country. A national tourism coordination board which is established in May 2020 must be activated and its meetings should be held regularly. Provinces should also need to support NTCB.

8.3 Public Sector as a competitor not monopolist: In all the countries governments' role in tourism is limited only to facilitation and regulation of the sector. In Pakistan, the tourism management organizations at federal and provincial levels are engaged in running commercial businesses as well. PTDC, TDCP and TCKP run most of its own hotels, rest houses and transport facilities on commercial basis. In this way, the government takes on the role of a competitor of the private sector instead of a facilitator and regulator. The tourism managing organization loses the sight of its prime objective of sector development and revenue generation becomes its main focus. It is therefore recommended that the government make independent companies in the public sector that can compete with private sector in a competitive environment

8.4 Development of Public-Private Partnerships: Most of the countries which have thriving tourism sector have encouraged public-private partnerships for tourism projects to meet the resource gap and create fiscal space for the government to divert scarce resources to other projects. This also takes care of the government's implementation capacity constraints by bringing in the private sector's efficient management skills. To successfully develop and implement PPP model, these countries have developed regulatory framework which defines the domains and roles and responsibilities of public and private sector partners. In Pakistan the new tourist sites should be developed on public-private partnership model. Government should provide land, road access and utilities whereas the major share of the investment should be injected by the private sector which should be recovered along with the projected profits.

8.5 Safety and Security of Visitors: Maintaining peace and security is the prime concern of all the countries. Concept of tourism police, toll-free phone helplines in multiple languages, installation of security cameras and other such measures are commonly used in these countries to ensure the safety and security of visitors. The safety and security of tourists should be the prime concern of the government and given high priority in overall security policy of Pakistan to provide safe and secure environment to the visitors during travel and at destinations. Unnecessary restrictions on the movement of foreign tourists should be abolished and an institutional mechanism will be established to ensure issuance of fast track issuance NoCs and permits for trekking and mountaineering expeditions. Where necessary, invisible foolproof security should be provided to the foreign tourists so that they could enjoy their holidays without any fear and worry. There are cases of harassment and misbehavior to the tourists and by the tourists at destinations. To address such issues, government should introduce the concept of “Tourist Police” within existing setup at all major tourist places. The staff for tourist police should be selected out the best male and female staff available in Police Department and they should be especially trained in dealing situations/issues related with tourists. They should be placed in the existing police stations and police posts to provide assistance and guidance to the visitors as well as to the local community in maintaining the destinations hassle free.

8.6 Development and Implementation of Service Quality Standards: Continues improvement and strengthening of the implementation of quality standards and certifications for the hotels, restaurants and other service providers in tourism sector is the hallmark of most of these counties. There is need to put in place a proper legal framework and implementation mechanism to ensure that the tourists get the real worth of their money they spend on buy these services. There is need to develop the capacity of DTS to play more active role as a monitor and regulator.

8.7 Effective Marketing and Promotion of Tourism: Most of the countries have adopted an integrated approach for the marketing and promotion of tourism based on proper market research and data collection about the potential tourists, their preferences and spending power etc. Diversified products have been developed for various segments of tourists and targeted marketing activities have been undertaken to attract maximum number of tourists. For example the marketing campaign of India Tourism under the brand name of “Incredible India” has shown great results in the past few years. There is need to develop a brand name for Pakistan as a tourist destination that that brand name should be promoted through join marketing strategy by effectively pooling in available resources. The public sector organizations should participate very effectively along with their private sector players in international tourism markets such as London Tourism Mart, ITB Berlin and Beijing Tourism Mart which attract buyers and sellers from all over the world in large number. Role of print and electronic media to promote the soft image is very important. Exposure trips of media persons, travel writers and TV channel teams should be organized regular basis to get positive projection on media. Private sector should also be encouraged to launch an exclusive TV channel on travel and tourism. A joint task force should be constituted to provide synergy between private and public sectors in marking and to formulate innovative marketing strategy to promote Pakistan as an all season tourist destination.

8.8 Enhance Scope of Tourism: In addition to the cultural tourism and adventure which Pakistan has been promoting through its promotional campaign, there is need to develop other tourism

products such as wellness tourism, medical tourism, sports tourism, rural tourism, ecotourism and spiritual tourism. The government should adopt a very strategic approach for the development for these tourism sources, by creating guidelines for each type of tourism product, along with employment schemes for potential jobseekers in each sector.

8.9 Importance to Domestic Tourism: Although attracting more and more foreign tourists is always the preference of all the countries due to its potential to generate much needed foreign exchange but the importance of domestic tourist market cannot be ignored. Therefore, the focus of government should be on the development of infrastructure and facilities to serve the much larger domestic tourist market.

8.10 Attracting Religious Tourist from Abroad: There is need to pay special attention to attract foreign religious tourists from abroad as we have many holy sites belonging to different religions such as Hinduism, Sikhism, Buddhism and Islam. Necessary infrastructure should be developed to facilitate such tourists to practice their religious rituals and prayers at the sites of religious importance.

8.11 Medical Tourism: If Turkey is known for hair transplant, India for kidney, liver and cardiac operations, Pakistan can also attract medical tourists. According to KP tourism department, around 14000 Afghans come to Peshawar for medical purposes. KP government can facilitate them by establishing counters on the borders for getting online appointments and other facilitations such as ambulance etc.

8.12 Local Community Involvement: In most of the countries the tourism development strategies for different tourist areas are designed with the participation of local community for ensuring its ownership and support. Opinion makers of the society like religious leaders, teachers, social workers, etc. should be engaged and mobilized for improving affinity of local communities for tourism in Pakistan. There is need to highlight the potential job creation opportunities and economic benefits in the local community mobilization campaigns. The importance of civic responsibilities, cleanliness and waste management should also be promoted through community leaders.

8.13 Improvement of Tourism Infrastructure: Having quality tourism infrastructure is a prerequisite for attracting tourists. Important components of infrastructure include access roads, railway tracks, airports, flights, road transport facilities, accommodation facilities (hotels, motels, youth hostels, etc.) should be developed by encouraging PPP model and also through the allocation of special funds under Annual Development Programs of Federal and Provincial Governments.

8.14 Tourism Human Resource Development: There is need to give a lot of importance to develop the work forces in tourism and hospitality sectors. Government should encourage private sector to establish training institutes to offer skill based course in tourism and hospitality to unemployed youth. Special grant packages should be introduced to provide financial and technical assistance to the institutes established under this scheme. Efforts should be made to create linkages with similar international institutions to ensure quality education system and globally certification mechanism.

8.15 Rationalization of Taxes: One of the bottlenecks in achieving the full potential of tourism sector in Pakistan is the high rates and multiplicity of taxes by federal and provincial governments that has led to tourist package being out priced in comparison with other destinations. It is recommended that taxes on travel and hospitality sub sectors should be rationalized and unified in consultation with the industry stakeholders.

8.16 International Cooperation: Development of international cooperation should also be given importance by the government. Holding consultations with other countries and international organizations for signing agreements of bilateral cooperation should be the regular feature. These agreements and protocols with other countries help to widen the links of friendship and promote cooperation in tourism sector.

8.17 Enhance the mandate of NTCB: Not only legal cover may be given to NTCB but it should also be responsible for:

- Pakistan's image building as tourist destination through
 - Planning, Research and Development
 - Industry Standards, Classification and Licensing
 - Interprovincial Coordination for Tourism Development
 - Inter-departmental coordination at Federal Level
 - International relations and cooperation
 - Visa facilitation
 - Coordination with Aviation, Highways and Railways departments

Moreover, TDAP should be included in the NTCB and National Coordination Committee on Tourism. It is interesting to note that all other ministries of part of this Committee such as Ministry of industries, interior, aviation, religious affairs, overseas Pakistani, climate change etc but not Commerce. The matter may be taken up with Prime Minister's Office to include TDAP in NCCT. Moreover, PTDC properties may be privatized or handed over to the provinces.

Conclusion

Pakistan is blessed with great natural beauty, cultural diversity and rich historical background. It is the need of the day that focus is shifted to this high potential sector and an integrated approach based on international best practices is adopted for using the sector as an engine of economic growth and employment generation.

This paper highlights the issues faced by the tourism sector and other key challenges tourism industry in Pakistan is facing. After the passing of 18th amendment in the constitution of Pakistan, there is not a synergy between federal and provincial tourism departments and not among the provinces. The image building of Pakistan at the international forums as a tourist destination is not properly being done as no department is taking its responsibility. There should be a statutory body NTCB for structured approach for tourism development. It should have its members from all the relevant departments and ministries such as all the provincial tourism departments, AJK Tourism Department, GB Tourism Department, private sector trade bodies/associations and key federal government departments such as Planning

5.1 Product Development

	Recommended actions	Authority
Short Term	<ol style="list-style-type: none"> 1. Completion of Road Network Development 2. Marking of places & guiding maps to be put up on roads 3. Establishing adequate parking spots at tourist places 4. Building standardized restrooms along the highways as well as tourist spots 5. Building pavements in all market places, resorts and roads as per Global Best Practices. 6. Establishing Artisan Bazaars to promote tourism through trade 	Provincial Govts in collaboration with NTCB/PTDC
Long Term	<ol style="list-style-type: none"> 1. Tourist VISA facilitation desk/helpline for registered tour operators in case these companies require such assistance 2. Decreasing the number of security sensitive areas for foreign as well as local tourists 3. Establishing public managed souvenir shops as well as transport services. Sri Lanka provides public managed shops as well as rickshaws to tourists at standard rates, in addition to private ventures. 	NTCB/PTDC

5.2 Standardization

	Recommended actions	Authority
Short Term	<ol style="list-style-type: none"> 1. Standardization of Private & Public Hotels 2. Standardization of Tourist transport vehicles including jeeps used for off-road sightseeing 3. Periodic inspections of food stalls as per hygiene and product quality standards 	NTCB/PTDC
Long Term	<ol style="list-style-type: none"> 1. Establishment of Conformity Assessment Unit within PTDC with inspection & seizure powers on the pattern of the Conformity Assessment Unit of Pakistan Standards & Quality Control Authority. 	NTCB/PTDC

5.3 Investment Development

	Recommended actions	Authority
Short Term	<ol style="list-style-type: none"> 1. Allowing as many investors of hospitality sector in development side as possible, in order to promote competition in each category (star) of hotel & transport service providers. 2. Tax holiday of 5 years for hospitality sector. 3. Airport protocol cards 	BoI & Provincial BoIs
Long Term	<ol style="list-style-type: none"> 1. Promotion of Investment in local airline as well as foreign flight operations, in order to provide competitive rates for inbound tourism. 2. Tax relief for inbound flights 	BoI & Provincial BoIs

5.4 Source Markets – Development

	Recommended actions	Authority
Short Term	<ol style="list-style-type: none"> 1. Webinars for presentation by Commercial Attaches on market opportunities 2. Webinars for presentation of tour operators on available tourism strands like adventure tourism and religious tourism etc. 	TDAP in collaboration with PTDC & provincial tourism departments
Long Term	<ol style="list-style-type: none"> 1. B2B networking webinars 2. B2B hospitality industry business conferences 3. Organizing International Tourism Exhibition Pakistan 4. Participating in International Tourism Exhibitions around the globe including: <ol style="list-style-type: none"> a) World Travel Market London b) ITB Berlin c) Fitur Travel Mart d) Arabian Travel e) New York Time Travel Show 2022 in collaboration with PTDC & Tourism Dept. of GB & AJK (on strong recommendation of the TIC New York) 	Provincial Tourism Departments in collaboration with TDAP

5.5 Marketing

	Recommended actions	Authority
Short Term	<ol style="list-style-type: none"> 1. Launching Brand Pakistan 2. Periodic Culture Shows at regional culture days with invitations to local and foreign dignitaries 3. Collection of marketing material (including brochures, pictures, testimonials and videos) and send to all commercial sections of Pakistan missions abroad. 	NTCB/PTDC
Long Term	<ol style="list-style-type: none"> 1. Rigorous Promotion & Marketing Campaign for initial 6 months and then ads at foreign & local airports, TV, billboards and transports etc. 	NTCB/PTDC

6. International Exhibitions/Travel Shows to Consider for

Participation:

TDAP provides 40 to 60 pc subsidy for participants of international exhibitions included in the annual calendar. Following international travel shows are, recommended by different stakeholders, to be participated by provincial tourism departments in collaboration with TDAP.

Sr. No.	Recommended actions	Recommended by
1.	ITB Berlin (9-13 march 2022)	Pakistan Association of Tour Operators (PATO)
2.	Fitur Travel Mart (Spain – May 2022)	PATO
3.	World Travel Market London (1 – 3 November, 2021)	PATO
4.	New York Time Travel Show (Jan 2022)	Trade & Investment Attaché (TIA) New York
5.	CIFTIS (BITE Section) Beijing International Tourism Expo (Aug – Sept, 2021)	PATO

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