



Naltar Lake - Gilgit Baltistan

TOURISM



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Acronyms and Abbreviations

Airbnb	Air Bed and Breakfast
CAGR	Compound Annual Growth Rate
CPEC	China Pakistan Economic Corridor
FDI	Foreign Direct Investment
IHIG	International Hospitality Investment Group
PTDC	Pakistan Tourism and Development Authority
SBP	State Bank of Pakistan
STDC	Sindh Tourism Development Corporation
TCKP	Tourism Corporation of Khyber Pakhtunkhwa
TDCP	Tourism Development Corporation of Punjab
UNESCO:	United Nations Educational, Scientific, and Cultural Organization
UNWTO	United Nations World Tourism Organization
WTTC	World Travel and Tourism Council

Tourism is recognized as one of the key sectors of development in all countries and a major source of income, jobs and wealth creation. It also plays a wider role in promoting the image and international perception of a country.¹ Pakistan has identified sustainable tourism as a key driver of economic growth which is consistent with the Sustainable Development Goals.

“Travel magazine Condé Nast Traveller (CN Traveller) ranked Pakistan on 1st number among 20 best holiday destinations in 2021”.

Pakistan is rich in its tourist destinations offering a diverse range of choices for different types of tourists. The country is home to one of the oldest civilizations in the world, has innumerable locations of scenic beauty, world's highest mountains, many religious and historic places, unique arts and crafts and a rich culture and heritage. The British Backpacker Society ranked Pakistan as the world's top adventure travel destination in 2018, describing the country as "one of the friendliest countries on earth, with mountain scenery that is beyond anyone's wildest imagination"

Pakistan is home to a number of UNESCO world heritage sites like, Archaeological Ruins at Moenjodaro, Buddhist Ruins of Takht-i-Bahi and Neighbouring City Remains at Sahr-i-Bahlol, Fort and Shalamar Gardens in Lahore, Historical Monuments at Makli, Thatta, Rohtas Fort and Taxila,²

Tourism & Hospitality industry of Pakistan has experienced strong growth in recent years, a trend which is expected to continue. Growth within the industry has been encouraged by economic prosperity in urban areas. Along the lines urbanization has also led to improved living standards and higher disposable income, which has encouraged growth across multiple segments. Demand in the hotels & motels industry has grown. Occupancy rates, particularly in Islamabad, driven by demand in the business segment related to the China Pakistan Economic Corridor (CPEC) project, have supported growth.



¹ OECD Tourism Papers 2013/02

² <http://whc.unesco.org/en/statesparties/PK>

PAKISTAN 2019 KEY DATA



CONTRIBUTION OF
TRAVEL & TOURISM
TO GDP

5.9% OF TOTAL ECONOMY

Total T&T GDP = PKR2,285.8BN
(USD16,756.5MN)

+4.7%

2019 Travel & Tourism GDP growth
vs +3.3% real economy GDP growth



CONTRIBUTION OF
TRAVEL & TOURISM TO
EMPLOYMENT

3,881.9 JOBS (000's)

(6.2% of total employment)



INTERNATIONAL
VISITOR IMPACT

PKR116.2_{BN}

in visitor spend (3.1% of total exports)
(USD852.2MN)

Figure 1 : Pakistan Key Statistics in Travel and Tourism by World Travel and Tourism Council (WTTC (2020). "Travel and Tourism Economic Impact – 2020, Pakistan")

Since January 2018, nationals of 24 countries including China, the UK, the US, Finland, Italy, Malaysia, and France have been entitled to 30-day tourist visas on arrival, on the condition that their trip is supported by a registered Pakistani tour operator. A business visa-on-arrival scheme is also in place for citizens of 68 countries, which allows visiting businessmen to spend some time to relax and unwind in the midst of magnificent tourist spots.

The travel intermediaries segment has experienced strong growth in the last couple of years, particularly within the online segment where businesses are leveraging technology to offer a range of services to customers.

High-quality human resources in an economy ensure that the industry has access to the collaborators it needs. Pakistan showed the most improvement in human resource and labor market index in the Travel & Tourism Competitiveness Report 2019. Similarly lower costs related to travel in a country increase its attractiveness for many travellers as well as for investing in the T&T sector. Pakistan is among top 20% countries in this indicator in the Travel & Tourism Competitiveness Report 2019.

INBOUND ARRIVALS



- 1. UNITED KINGDOM 30%
- 2. UNITED STATES 16%
- 3. INDIA 8%
- 4. CHINA 8%
- 5. CANADA 5%
- REST OF WORLD 33%

OUTBOUND DEPARTURES



- 1. SAUDI ARABIA 48%
- 2. UNITED ARAB EMIRATES 15%
- 3. IRAN 6%
- 4. BAHRAIN 4%
- 5. CHINA 3%
- REST OF WORLD 24%

Figure 2 : Inbound and Putbound Arrivals of Pakistan

Value	Unit	2018	2019	2020	2021	2022	2023
	\$ Billions	22.9	↑ 24.3	↑ 26	↑ 27.7	↑ 29.5	↑ 31.5
Growth	%	4.20%	6.10%	6.70%	6.60%	6.70%	6.70%

Table 1 Forecast Figures Industry Growth (Source: Marketline)

Tourism and Hospitality industry serves as a significant source of foreign exchange revenues, contributing to USD 24.3 billion (2019) to country's GDP. The government is launching a number of new initiatives so that this segment can achieve significantly higher growth rates. Pakistan may outperform its forecasted targets, due to its unprecedented plans to transform Pakistan's image as a tourist destination.

A 2018 survey shows that 4.45 million tourists visited the popular sites of Galliyat, Naran, Kalam, and Kumrat in 2018 alone³. It was also reported that more than 2.5 million tourists (mostly domestic) visited these destinations during the four days of Eid-ul-Fitr in 2017, showing high level of seasonal variation. The survey also reported that the economic contribution exceeded half a billion dollars, created nearly 10,000 local jobs and a domestic tourist spent Pakistani Rupees (PKR) 10,000 daily.⁴

It is estimated that the total number of domestic tourists in Pakistan during 2016 nearly doubled in seven years,⁵ up from 46.07 million in 2009⁶. While the exact number of annual visitors to Khyber



³ The Tourism Sector Analysis (2018)

⁴ The World Bank, Khyber Pakhtunkhwa Integrated Tourism Development Project Report

⁵ PTDC (2017). "80 million domestic tourists annually travel in Pakistan"

⁶ PILDAT 2015 statistics

2- Pakistan Tourism Potential – “The Best Kept Secret of Asia”

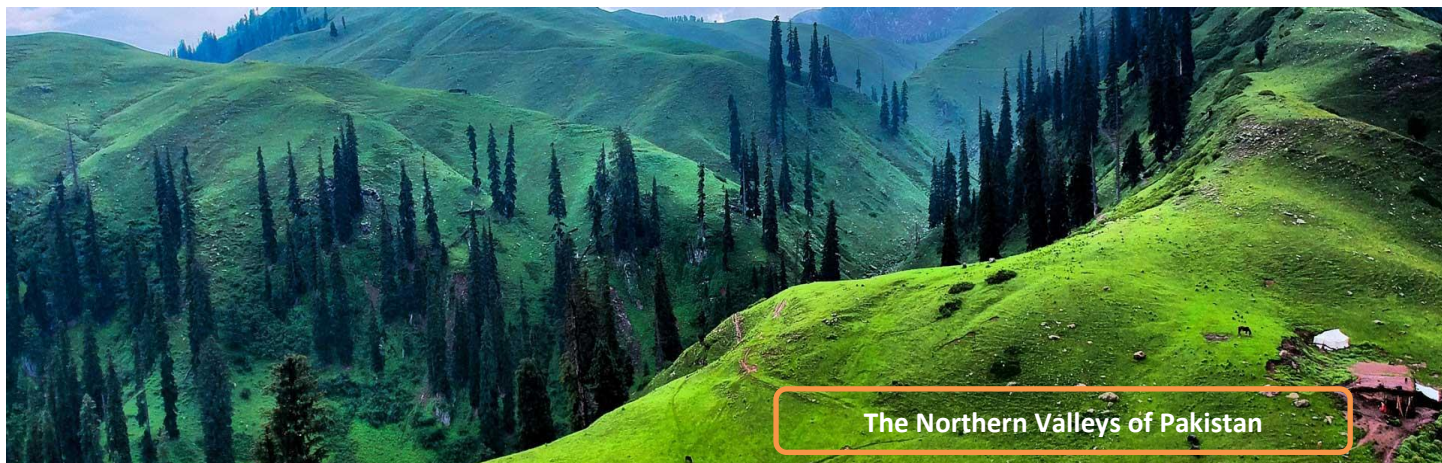


The Magnificent Himalayas

From the mighty stretches of the Karakoram in the North to the vast alluvial delta of the Indus River in the South; Pakistan remains a land of high adventure and nature. Trekking, mountaineering, white water rafting, mountain and desert jeep safaris, camel and yak safaris, trout fishing and bird watching are a few activities, which entice the adventure and nature lovers to Pakistan.

Pakistan is endowed with a rich and varied flora and fauna. High Himalayas, Karakoram and the Hindukush ranges with their alpine meadows and permanent snow line, coniferous forests down the sub-mountain scrub, the vast Indus plain merging into the great desert, the coast line and wetlands, all offer a remarkably rich variety of vegetation and associated including avifauna, both endemic and migratory. Ten of 18 mammalian orders are represented in Pakistan with species ranging from the world's smallest surviving mammals, the Mediterranean Pigmy Shrew, to the largest mammal ever known; the blue whale.

Pakistan is home to 108 peaks above 7,000 meters and probably as many peaks above 6,000 m. There is no count of the peaks above 5,000 and 4,000 m. five of the 14 highest independent peaks in the world (the eight-thousanders) are in Pakistan (four of which lie in the surroundings of Concordia; the confluence of Baltoro Glacier and Godwin Austen Glacier).



The Northern Valleys of Pakistan

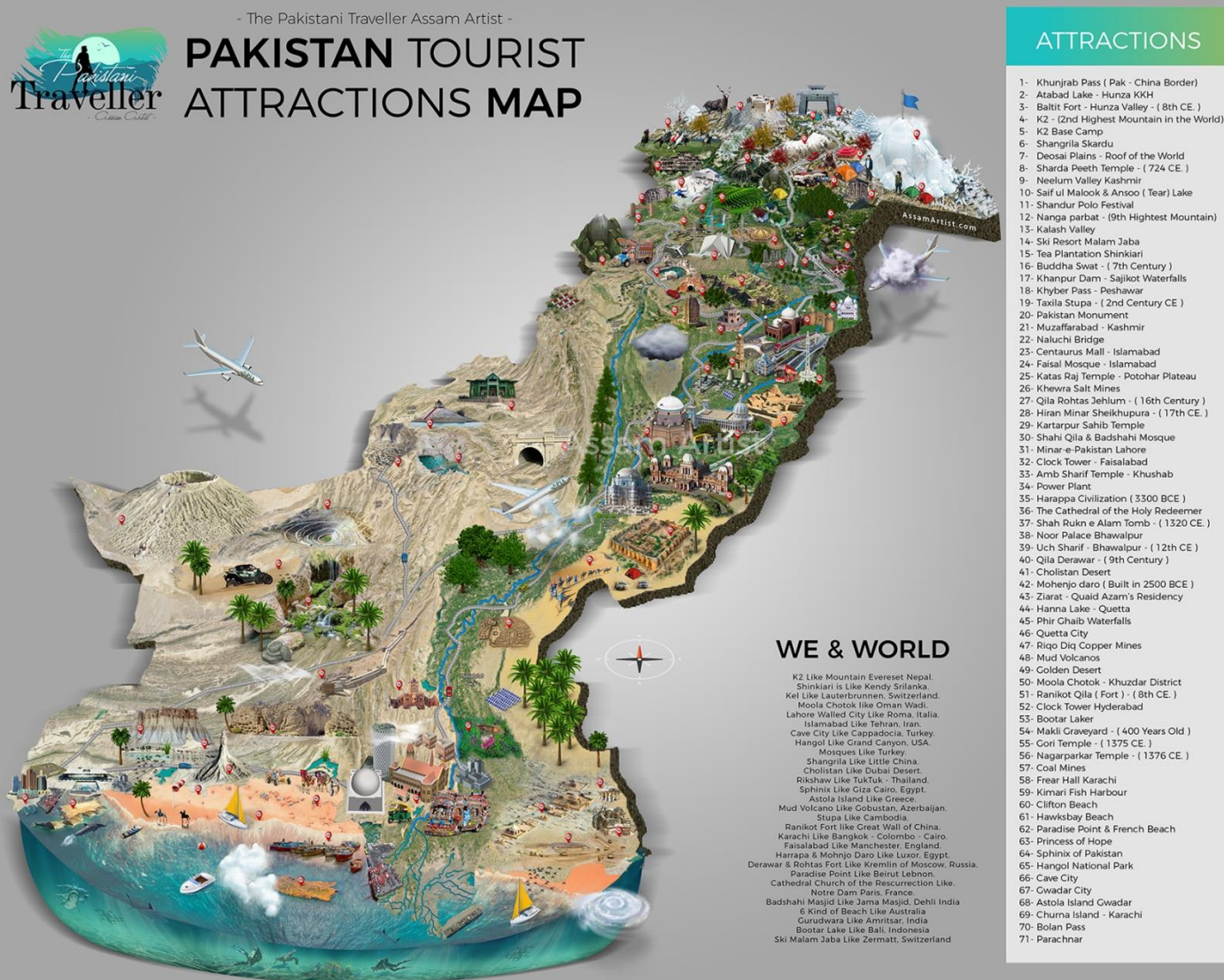
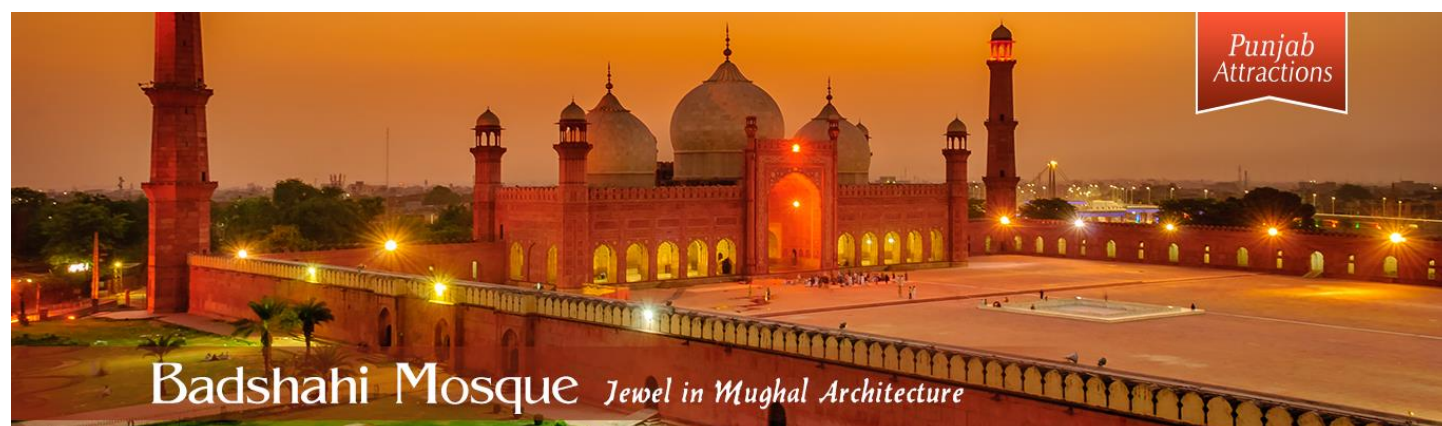


Figure 3 : Tourism Map of Pakistan (Designed by Assam Artist)

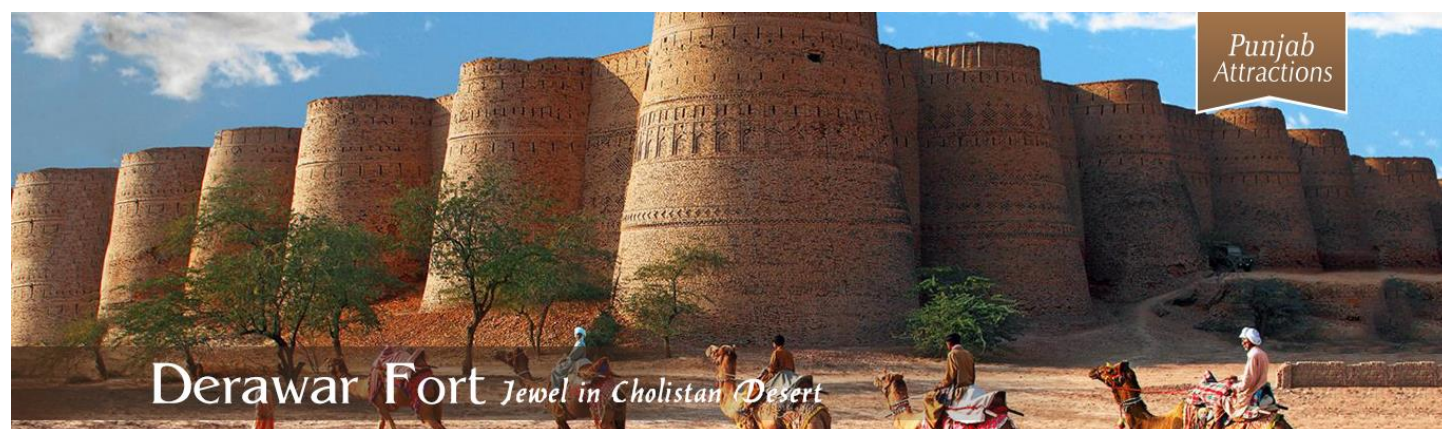
2.1- Punjab



Punjab, also known as Land of Five Rivers, is the most fertile and populous province of Pakistan. It has an area of 205,344 square km. Its provincial capital and largest city is Lahore. The province rose to significance during the reign of Shah Jahan when Lahore became a seat for royal family, the legacy of which is seen today in its rich display of Mughal architecture.

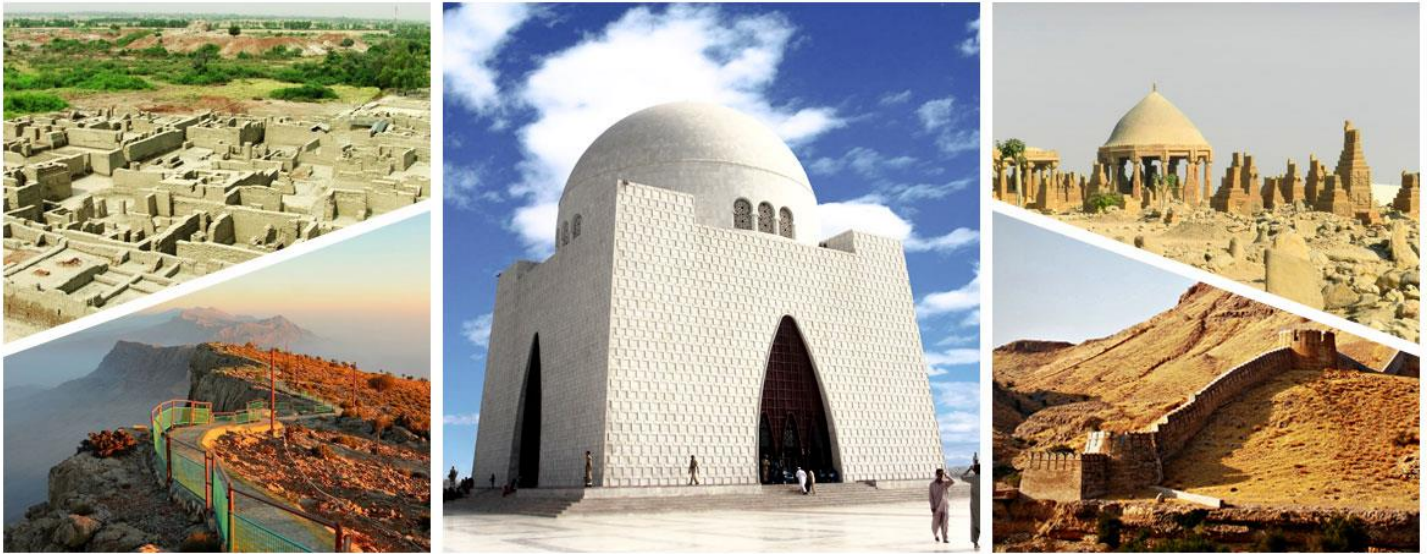
Punjab was part of the Indus Valley Civilization more than 4000 years ago. The main site in Punjab was the city of Harrapa. The Indus Valley Civilization spanned much of what is today Pakistan and eventually evolved into the Indo-Aryan civilisation. This civilisation shaped subsequent cultures in South Asia and Afghanistan. Punjab houses Cholistan desert which cover an area of 26,300 km². It adjoins the Thar Desert, extending over to Sindh and into India. The dry bed of the Hakra River runs through the area, along which many settlements of the Indus Valley Civilization have been found.

The province is home to several historical sites, including the Shalimar Gardens, the Lahore Fort, the Badshahi Mosque, the Rohtas Fort and the ruins of the ancient city of Harrapa. The Anarkali Market and Jahangir's Tomb are prominent in the city of Lahore as is the Lahore Museum, while the ancient city of Taxila in the northwest was once a major centre of Buddhist and Hindu influence. Several important Sikh shrines are in the province, including the birthplace of the first Guru, Guru Nanak. (born at Nankana Sahib). There are a few famous hill stations, including Murree, Bhurban, Patriata and Fort Munro⁷.



⁷ <http://www.tdcp.gop.pk/>

2.2- Sindh



Sindh is located in the south-eastern region of Pakistan. The province is known for its religious heritage and rapid-urbanisation. The province is home to the ancient Indus Valley Civilizations. Mohenjo-Daro near the city of Larkana was one of the largest city-settlements in South Asia and is an official UNESCO World Heritage Site. The Chaukhandi tombs are another example of ancient Sindhi and Balochi heritage located near the town of Landi. Another ancient city, Aror, located near the city of Sukkur is also a famous tourist spot for its ruins. Kahu-Jo-Darro is a famous ancient Buddhist archaeological site near Mirpurkhas where a Buddhist stupa was excavated.



MOHENJO-DARO-UNESCO OFFICIAL SITE

2.3- Khyber Pakhtunkhwa



Khyber Pakhtunkhwa has vast tourism potential that is largely untapped. It is well endowed with natural resources, shaped by the Hindukush and Himalayan mountains that offer stunning alpine landscapes, iconic wildlife, lush forests, and numerous glacial lakes. It boasts sites of global importance and historical and religious significance for Buddhists, Muslims and Christians. These sites cover 2,000 years of history—including 6,000 sites of Gandhara heritage⁸ The province used to welcome 50,000 international visitors, since drastic improvements in peace and security since 2014, domestic tourists have flocked to the province.



⁸ The World Bank, Khyber Pakhtunkhwa Integrated Tourism Development Project Report

2.4- Balochistan

Balochistan is the largest province by geographical area of Pakistan, constituting approximately 43% of the total area. Balochistan is home to one of the oldest Neolithic (7000 BC to c. 2500 BC) sites in archaeology. Mehrgarh and Nausharo was an ancient city linked to the Indus Valley Civilization. Ancient sites dating back 800 years are the Nausherwani tombs at Qila Ladgasht. There was also an ancient port at the site of Oraea which proved to be a useful port during the Hellenistic civilization.

The upper highlands of balochistan, known locally as Khorasan, rise as high as 3,700 meters, with valley floors about 1,500 meters above sea levels. The Lower High Lands have an altitude ranging from 1970 to 3940 ft (600 to 1200 M). They are located in the south-eastern Balochistan. The coastal-line is Kilometers long, with a number of peninsulas and promontories.



2.5- Gilgit-Baltistan



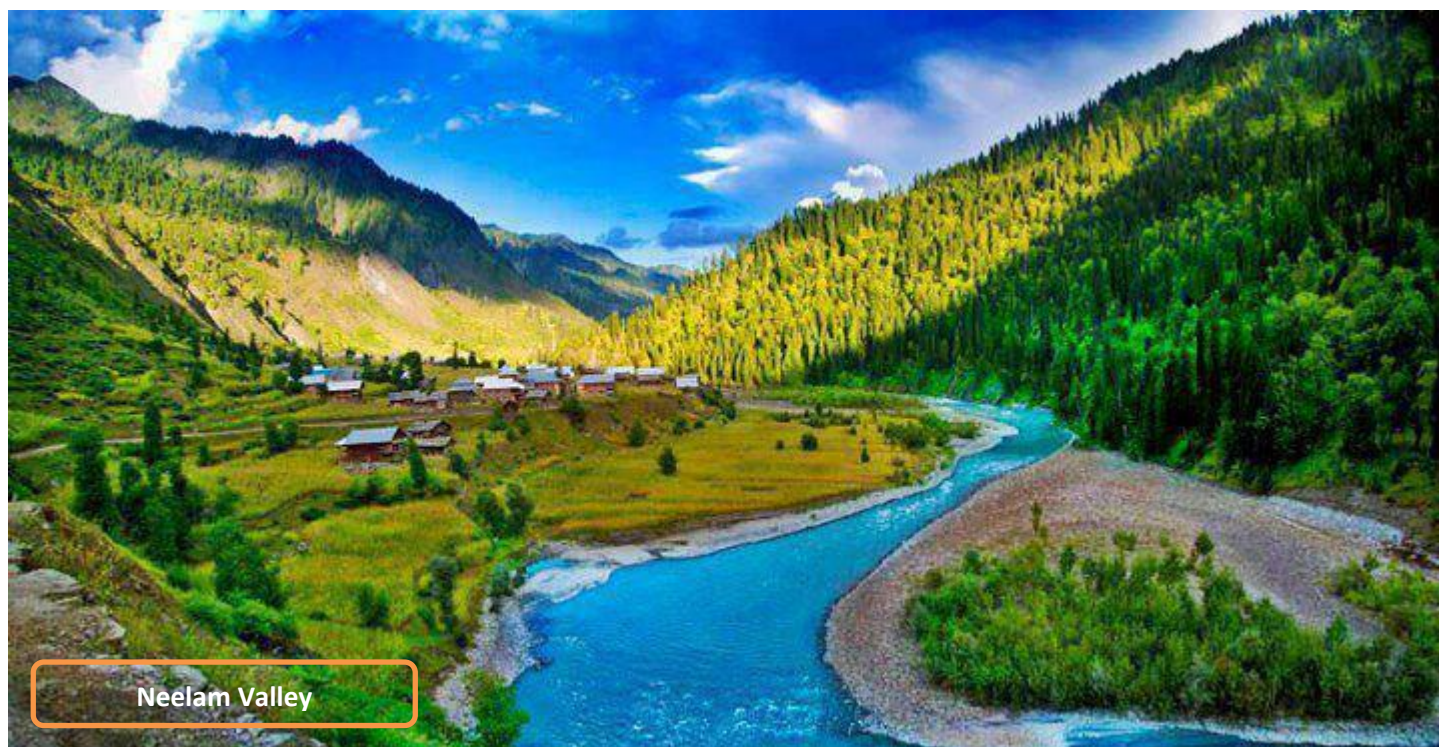
Gilgit Baltistan is the capital of tourism in Pakistan. Gilgit Baltistan is home to some of the highest peaks in the world, including K2 the second highest peak in the world. Gilgit Baltistan is rich in landscape, mountains, lakes, glaciers and valleys. Gilgit Baltistan is not only famous for its mountains — it is as beautiful as their landmarks, culture, history and people. K2 Basecamp, Deosai, Naltar, Fairy Meadows and Hushe valley are the most beautiful places to visit in Gilgit Baltistan.



2.6- Azad Kashmir



Azad Kashmir is Administrative region of Pakistan situated in Northern part of the country. The northern part of Azad Jammu and Kashmir encompasses the lower part of the Himalayas, including Jamgarh Peak (15,531 feet [4,734 meters]).



3- Market Outlook – Key Statistics

In 2019, Global Travel & Tourism's direct, indirect and induced impact accounted for⁹:

- US\$8.9 trillion contribution to the world's GDP
- 10.3% of global GDP
- 330 million jobs, 1 in 10 jobs around the world
- US\$1.7 trillion visitor exports (6.8% of total exports, 28.3% of global services exports)
- US\$948 billion capital investment (4.3% of total investment)

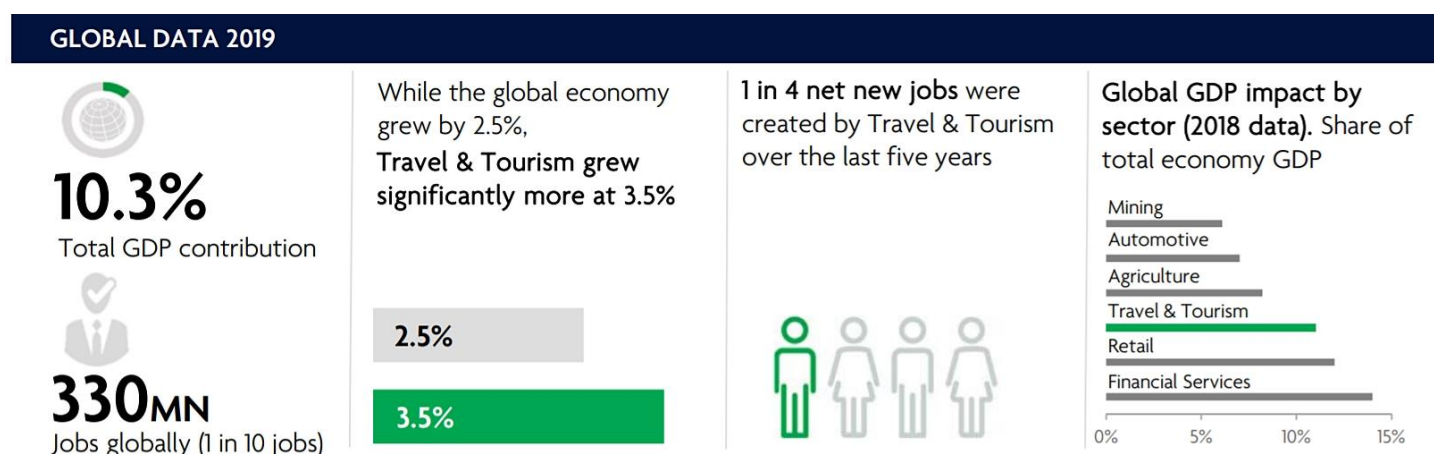


Figure 4: Global Travel and Tourism Scenario¹⁰

The table below shows that the Pakistan tourism industry has a lot of space to grow. The new found focus of the Government of Pakistan and its provincial governments to support, reform and incentivize the travel and tourism industry can ensure an upward trend towards high growth in the sector.

Region/Country	\$ billion (2018)	industry value as a % of total GDP
Pakistan	22.9	0.90%
China	975.8	38.60%
Japan	485.2	19.20%
India	213.4	8.40%
Indonesia	63.1	2.50%
Rest of Asia-Pacific	769.5	30.40%

Table 2 Pakistan Industry Growth Comparison

⁹ WTTC, Economic Impact Reports (<https://wttc.org/Research/Economic-Impact>)

¹⁰ WTTC (2020). "Travel and Tourism Economic Impact – 2020"

3.1- Tourism Arrivals:

Inbound Arrivals: Number of Trips 2014-2019

There has been an increase of 27.45% increase in the inbound arrivals, with 1.27 million tourist visits in 2019. Also the forecasted period shows a steady rise in the inbound arrivals.


'000 trips	2014	2015	2016	2017	2018	2019 
Air	878.0	982.4	1,061.2	1,117.7	1,054.5	1,154.6
Land	80.9	90.4	100.2	107.0	100.3	106.8
Rail	-	-	-	1.5	1.4	1.7
Water	6.2	6.9	7.4	6.3	7.1	8.8
Business Arrivals	335.7	375.6	406.6	428.8	404.8	442.3
Leisure Arrivals	629.3	704.1	762.3	803.8	758.6	829.6
Inbound Arrivals	965.0	1,079.7	1,168.9	1,232.6	1,163.4	1,272.0

Table 3 - Inbound Arrivals (Source: UNWTO, Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources (Note: Inbound arrivals are the sum of air, land, rail and water arrivals or the sum of business and leisure arrivals.)



Forecast inbound arrivals: Number of Trips 2019-2024 '000 trips	2019	2020 	2021 	2022 	2023 	2024 
Air	1,154.6	1,238.8	1,307.5	1,381.1	1,464.3	1,553.8
Land	106.8	113.8	125.2		142.9	152.2
Rail	1.7	1.9	2.4	1.6	1.0	1.3
Water	8.8	13.2	14.2	16.0	16.3	16.0
Business Arrivals	442.3	475.4	505.3	531.6	563.5	597.5
Leisure Arrivals	829.6	892.4	945.9	1,000.1	1,061.0	1,125.9
Inbound Arrivals	1,272.0	1,367.8	1,449.2	1,531.7	1,624.5	1,723.4

Table 4 - Forecast Inbound Arrivals (Source: UNWTO, Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources (Note: Inbound arrivals are the sum of air, land, rail and water arrivals or the sum of business and leisure arrivals.)

3.2- Tourism Receipts:

There has been a steady increase in the inbound arrivals and consequently in the inbound receipts. The increase is mainly attributed to the drastic improvements in the government's effort to provide peaceful and secure environment. The forecasted period also shows a steady increase in the inbound receipts which is mainly attributed to the government commitment to improve the tourism sector which is evident through introduction of new and targeted investor friendly policies in the sector and united focus of all the provincial governments to provide facilities to businesses in the sector in terms of ease of doing business. .

Inbound Receipts: Value 2014-2019

PKR billion	2014	2015	2016	2017	2018	2019
Business	0.7	0.8	0.9	1.0	0.9	1.1
Leisure	110.1	126.1	141.3	154.7	153.2	175.9
Inbound Receipts	110.8	126.9	142.1	155.7	154.1	177.0

Table 5 - Inbound Receipts (Source: UNWTO, Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources)

Forecast Inbound Receipts: Value 2019-2024

PKR billion	2019	2020 ↑	2021 ↑	2022 ↑	2023 ↑	2024 ↑
Business	1.1	1.1	1.2	1.2	1.3	1.4
Leisure	175.9	188.2	198.7	207.7	219.9	231.7
Inbound Receipts	177.0	189.4	199.9	208.9	221.1	233.0

Table 6 - Forecast Inbound Receipts (Source: UNWTO, Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources)

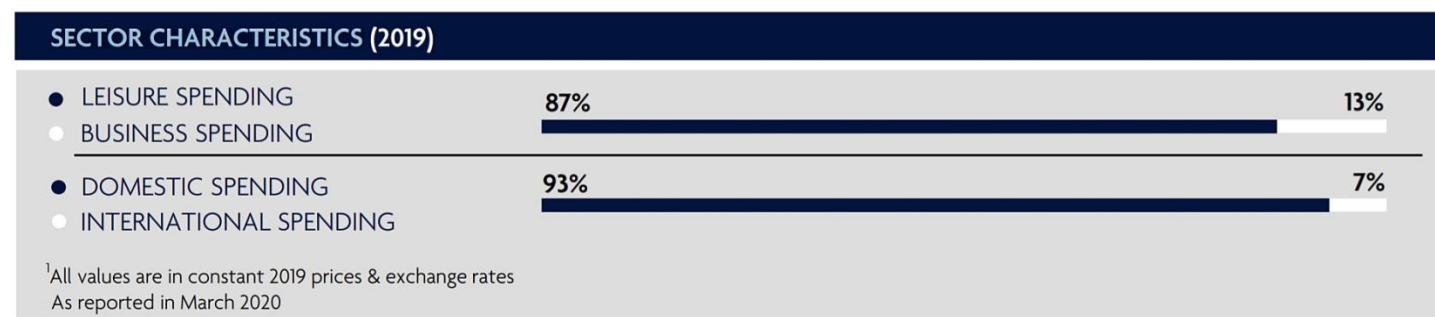


Figure 5: Leisure vs Business Spending and Domestic vs International Spending

3.3- Inbound Arrivals by Country: Number of Trips 2014-2019


'000 trips	2014	2015	2016	2017	2018	2019 
United Kingdom	306.6	344.2	365.7	372.9	344.5	372.0
USA	134.3	150.9	162.9	171.3	161.1	174.8
India	80.0	95.2	108.8	120.5	120.1	137.7
Canada	64.3	69.3	73.3	78.7	74.3	80.7
China	43.8	52.5	60.9	68.1	68.0	77.9
Afghanistan	32.4	35.3	37.2	38.7	36.1	39.2
Iran	32.0	32.2	39.3	42.5	37.8	37.7
Philippines	21.1	24.3	27.7	30.3	29.5	33.6
Germany	23.9	26.1	27.6	29.0	27.1	29.3
Australia	16.6	17.9	18.9	19.9	18.8	20.4
Norway	15.9	16.9	17.4	18.2	17.0	18.4
France	12.2	13.1	13.7	14.3	13.4	14.5
Netherlands	9.7	10.6	11.3	12.0	11.3	12.3
Bangladesh	5.8	6.9	8.0	9.0	9.0	10.3
South Korea	7.6	8.6	9.2	9.7	9.1	9.9
Turkey	8.0	9.0	9.5	10.4	9.5	9.7
South Africa	7.8	8.4	8.7	9.0	8.5	9.1
Oman	8.6	9.5	9.7	9.5	8.5	9.1

Table 7 - Inbound Arrivals by Country (Source: UNWTO, Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade)

4- Main Sector Segments

The Tourism and Hospitality sector, by virtue of not being a federal subject, is not clearly mapped. For the purpose of this document, we will consider the Tourism and Hospitality industry of Pakistan to consist of revenues generated by:

4.1- Hotels and Motels

- The hotels & motels industry value consists of all revenues generated by hotels, motels and other accommodation providers through the provision of accommodation and other services.
- The total value includes room revenue and non-room revenue, including shops and telecommunication services. The industry is segmented according to the origin of the revenues (leisure consumers and business consumers).

4.2- Foodservice

- Foodservice is defined as the value of all food and drink, including on-trade drinks not drunk with food, for immediate consumption on the premises or in designated eating areas shared with other foodservice operators, or in the case of takeaway transactions, freshly prepared food for immediate consumption.
- The food service industry is valued according to total sales of all food and drink in or through accommodation outlets, full service restaurants, quick service restaurants and fast food, and other. The accommodation segment includes food and drinks sales in bed and breakfasts, guest houses, holiday parks, hostels, and hotels and motels. This segment includes food and drink sales in leisure venues, such as visitor attractions; mobile operators, such as vans and other mobile operators; retailers, such as bakeries, convenience stores, delicatessens, department stores, garden centers, service station forecourts, supermarkets and hypermarkets, and other retail sales.

4.3- Passenger Airlines

- The airlines industry comprises of passenger air transportation, including both scheduled and chartered, but excludes air freight transport.
- Industry volumes are defined as the total number of revenue passengers carried/enplaned (departures) at all airports within the specified country or region, excluding transit passengers who arrive and depart on the same flight code.

4.4- Travel Intermediaries i.e. tour operators, travel agencies

- Travel intermediaries are part of a business that assists in selling travel products and services to customers. The products may include airline tickets, car rentals, hotels, railway tickets and package holidays that may combine several products.

Travel intermediaries are the largest segment of the travel & tourism industry in Pakistan, accounting for 48.9% of the industry's total value. The Foodservice segment accounts for a further 37.4% of the industry.

Pakistan Tourism Sector Category Segmentation:			
<u>S/No.</u>	Category	\$ billion (2018)	% Share
1.	Travel Intermediaries	11.2	48.9%
2.	Foodservice	8.6	37.4%
3.	Airlines	1.4	6.2%
4.	Hotels and Motels	1.3	5.8%
5.	Passenger Rail	0.4	1.7%
Total		22.9	

5- Strengths and Opportunities

Strengths

- The country offers a wide diversity of experiences, given its rich cultural heritage and numerous historic sites, ranging from Indus Valley Civilization, Buddhist history and its strong and diverse natural landscape, including the Deosai Plains, deserts and mountain ranges, such as Karakoram and Everest. These are attractive to nature lovers in general, as well as to mountain climbers and backpackers.
- Costs are low, making Pakistan a Budget-friendly destination.
- Many overseas Pakistanis attend national events and family festivals in the country.
- Promotion of Tourism and Hospitality is Government's Top agenda
- Newly introduced reforms and incentives introduced to facilitate investments in the sector by federal as well as provincial/local governments.

Opportunities

- Religious tourism and health and wellness tourism can be key opportunities for the country due to its rich religious heritage and well-trained health care professionals and potentially lower costs for health care than in Western countries.
- Adventure tourism offers many opportunities to experience the country's wide diversity of experiences.
- A growing middle class in the country means local consumers are better able to afford to take holidays and travel.
- The improving economic climate is encouraging the government to invest in the country's infrastructure, by improving the transportation system, helped also by the CPEC Project, as well as the Federal government's plan to expand airport facilities in the country.
- The country's diverse scenery, including valleys, beaches and deserts, offers a wide range of attractions and opportunities for tourism.
- Growing mobile phone and internet usage in the country and availability of 4G network.

6- Reasons to Invest

6.1- Pakistan as a Destination Attracts a Mixed Tourist Profile

- Pakistan's with its slogan; "It's beautiful, it's Pakistan" has managed to generate interest from travelers from across the globe.
- Pakistan is working hard to eradicate its negative image and promote itself as "Emerging Pakistan", promoting a considerable tourist offer and a safe and hospitable environment.
- Along with business and leisure tourists, a large number of tourists to the country are overseas Pakistanis.
- Leisure is a major reason for travel for the vast majority of domestic tourists and a sizeable majority of inbound tourists in 2019.
- Major cities of Karachi, Lahore and Islamabad are the leading destinations for business travel.
- There is a constant rise in tourists to the northern areas of Pakistan, especially the Swat Valley, which is also known as the "Switzerland of Pakistan".
- This region is popular among travelers from France and Canada who appreciate the snow-capped mountains and their offer of winter sports, while domestic tourists enjoy the clear blue lakes, such as Saiful-Maluk.
- The Government will issue visas to 10,000 Indians, intending to come to summer holiday destination.

6.2- New Visa Policies to Support Inbound Tourism

- In March 2019, the Government of Pakistan announced new entry visa policies as part of the country's strong drive to improve inbound tourism.
- Under the new scheme, citizens of 175 countries can apply for visas online, while those of a further 50 countries will be granted visas on arrival.
- Travelers from United Arab Emirates, Turkey, Saudi Arabia and Bahrain, among others, will now be eligible for multiple visas.

6.3- Promotion of Religious Tourism

- Government is actively promoting 'religious tourism,' as it is one of the most significant revenue-generating businesses in the world. e.g. karta put project. The government will also actively participate in the birthday celebrations of Baba Nanak.
- In the past, only 3,000 visas were issued to Sikh pilgrims. The initiative has also drawn the attention of the Sikh community around the world. A recent survey data revealed that a whopping 83 percent of the eight million diaspora Sikhs living outside India had shown interest in visiting Pakistan.
- Also, 79 percent of the 20 million Indian Sikhs expressed an interest in visiting Pakistan.
- In KP, which is dotted with sacred Buddhist sites the government is working with the World Bank to develop a Buddhist trail to attract Buddhists, and in particular, monks from across the globe.
- The plan to introduce rich Buddhist heritage to the world from Swabi to Swat, and from Taxila to other places is expected to attract a considerable number of foreign tourists.

6.4- New Projects to Boost Tourism in Previously Inaccessible Areas

- Khyber Pakhtunkhwa province is home to some of the most scenic natural tourist attractions in Pakistan, the KP government, has focused on enhancing infrastructure and accommodation by initiating water supply

scheme for Ayubia, Thandiyani, Khanaspur, and Changla Gali, creating new parks in Ayubia, Khaira and Changla Gali, and establishing camping pods at Changla Gali and Thandiyani.

- A new tourist spot in Galiyat – Samundar Katha Lake – near Barra Gali is now open for public.
- The government has planned to auction 53 additional sites for the installation of modern cabins to facilitate tourists.
- The provincial government has placed particular emphasis on Swat – referred to as “Switzerland of Pakistan” or “Mini-Switzerland” by its diverse visitors.
- Swat Expressway that was built by Frontier Works Organization (FWO) in record time, opened in June of 2019 is making the ancient valley of Swat accessible like never before.
- This 81-kilometer highway, built as per standards of American Association of State Highway and Transportation Officials, the four-lane highway has reduced the traveling time and is making villages of Swat accessible for trade and tourism for the first time.
- The second phase of the project will extend to provide mountainous villages rapid access to markets and will also facilitate tourists towards the ski resort of Malam Jabba through link roads.
- Malam Jabba is home to one of the two ski resorts in Pakistan; the other is at Naltar, Gilgit Baltistan. Last year, the provincial government reaped immense success when it organized a two-day Snow Festival in Malam Jabba in December 2018 – an idyllic scenic hill station in the Hindu Kush mountain range, nearly 40 kilometers from Saidu Sharif in Swat Valley.
- In July 2019, the annual Shandur Polo Festival attracted a mammoth crowd of foreign and local tourists. The festival, celebrated by the tribes of Chitral and Gilgit every year, turned out to be a raging success as it drew a much larger crowd as compared to any other year.
- Realizing that infrastructure is essential for promoting tourism in remote areas, the government has launched projects to improve the road network in Malakand and Hazara regions, including Kalam to Kumrat road, Kumrat to Jahaz Banda road, Shogran road and Paprang road.

6.5- Improved Security has Boosted Domestic Leisure Travel

- Domestic leisure trips recorded stronger volume growth in 2019 as compared to the previous years. Due to COVID-19 there was a sudden drop in the leisure trips, however as the situation has improved so has the increase in domestic leisure trips.
- Government has taken a number of effective steps to reduce terrorist- related incidents in the country.
- Over 60 militant and affiliated organizations have been banned.
- The campaign not only helped boost inbound arrivals from the UK in 2019, and also led to renewed confidence among Pakistanis to make domestic leisure trips.
-

7- Areas to Invest

7.1- Sub-Sector Focus:

7.1.1- Recreational and Adventure Tourism

There are few localities in the world that have the magnificence and majesty that exist in the northern areas of Pakistan. These places are Swat, Kalam, Malam Jaba, Shangla, Balakot, Ayubia, Murree, Chitral, Gilgit Baltistan, Hunza, Kaghan, Naran, and Neelum valleys. This area has a land of distinctions, inimitable in its bequest of blocked-in civilization. The region has amazing destinations, most lovely valleys, lakes, rivers, glaciers, and peaks and also connection of four highest mountains ranges i.e. Himalayas, Hindu Kush, Pamir, and Karakoram, which have inimitable views and provide attractions to mountaineers, climbers, trekkers, and hikers of the world.

The Deosai Highland is recognized as the highest plateau in the globe which is situated at the border of the Karakoram and the western Himalayas. It has pleasant weather and greenery during summer. Many species of plants and animals are present in this region and this plateau is also a place of habitation of the critically endangered Himalayan Brown Bear.

Pakistan has five of the highest peaks among the 14 peaks of the world like K-2 (8 611 m; 2nd highest peak in the world), Nanga Parbat (8125 m), Gasherbrum I (8068 m), Broad Peak (8047 m), and Gasherbrum II (8035 m). All peaks are located in the Karakoram range except Nanga Parbat, which is present in the Himalayan range¹¹. There is huge potential for investments in sports and adventure tourism in Pakistan. Following is the list of few of the potential areas of adventure and sports tourism activities in Pakistan

- Hindu Kush, Pamir, Karakorum-Excursion
- Deosai Plains-Fishing
- Malam Jabba-Skiing
- Rafting In Swat River
- Shandur-Polo Festival
- Paragliding- Island Diving- Parasailing and scuba diving
- Northern Areas - Hiking and Mountain Biking
- Cholistan Desert - Desert Safaris and Jeep Rallies



¹¹ Arshad, Muhammad & Iqbal, Muhammad & Shahbaz, Muhammad. (2017). Pakistan tourism industry and challenges: a review. Asia Pacific Journal of Tourism Research. 23. 1-12. 10.1080/10941665.2017.1410192.

7.1.2- History, Culture and Religious Tourism

Most Pakistani Muslims are located in a region where for three centuries there have been three of the most important religions in the world: Hinduism, Buddhism, and Sikhism. In addition to Sikh Gurdavars of historical interest, the country of South Asia offers travelers the opportunity to discover the historical heritage of one of the oldest civilizations in the world and visit a rich collection of Sufi mosques and saints, Hindu temples, Buddhist monasteries and Christians. The Kartarpur Corridor, a joint initiative between India and Pakistan, is located in Punjab. It is intended to link a Gurudwara darbar Sahib with the Indian border. The potential of religious places in Pakistan, especially those related to Sikhism and Buddhism, is likely to increase and requires further efforts. Today Pakistan is a meeting point for a variety of previous religions¹².

For the millions of Sikhs in India and also around the world, Pakistani Punjab has their holiest sites such as Nankana Sahib – the birthplace of Guru Nanak. Likewise, for Buddhists, the Gandhara civilization scattered around Taxila and its environs has a very special religious significance. With millions of Sikhs, Hindus and Buddhists worldwide, Punjab, could become a major center of religious tourism with economic benefits accruing in the form of higher income, employment and foreign exchange earnings¹³.

The TDCP portal identifies 480 sites of tourist interest across Punjab. Out of these, 106 sites are of historical importance, 120 religious and a further 26 of both religious and historical importance. Seventeen of the sites of religious or historical importance attract more than one million annual visitors each, 22 attract between 0.5 to 1m annual visitors, 75 attracts between 0.1 to 0.5 million visitors and 138 attract less than 0.1 million visitors.¹⁴



¹² Muhammad, Saleem & Jathol, Iqra & Hussain, Qamer. (2019). Peace Building through Religious Tourism in Pakistan: A Case Study of Kartarpur Corridor.

¹³ Tourism Development, Punjab Economic Report, Punjab Economic Research Institute (PERI)

¹⁴ Punjab Tourism for Economic Growth Final Report, Consortium for Development of Policy Research

7.2- Industry Focus¹⁵

7.2.1- Lodging – Hotels & Motels

Headlines

- Lodging records 18% retail value growth to reach PKR75.1 billion in 2019
- The number of hotel rooms records strong volume growth of 11% in 2019
- Lodging is expected to record a current retail value CAGR of 15% (a 9% constant 2019 retail value CAGR) over the forecast period

Prospects

- Infrastructure investments around the China-Pakistan Economic Corridor (CPEC) have further strengthened the hospitality industry and led to the emergence of various new hotels and guest houses in different parts of the country.
- Five no-objection certificates have been granted for the construction of 5-star hotels in Gwadar port as part of the project,
- CPEC may lead to a shortage of hotel rooms unless development is ramped up further.
- The lodging industry was mainly driven by the government's efforts to restore peace and stability in the country, which helped overall tourism performance.
- The concept of long weekends is also in ascendency in Pakistan, which has raised the frequency of two- and three-day domestic tourist stays in popular tourist spots.
- Along with leisure trips, there has also been a surge in business trips as a result of new development projects, especially in business centers, such as Karachi, Lahore, Islamabad, and Faisalabad, all of which have contributed positively to the trend.
- Most international chains remain limited to key cities, such as Islamabad, Lahore and Karachi, with only a handful of domestic chains present in the country, with Hashoo Group the notable local player. Service standards provided by global brands such as Pearl Continental and Marriott tend to be high.
- New players are, also emerging such as Nishat Group, which is a leading conglomerate, mainly active in textiles, which recently launched its Hotel Nishat Hotels.
- Hotel customers are mostly business travelers as leisure travelers stay with friends and relatives.
- Conferences, seminars and weddings are key sources of revenue for hotels domestically.
- International Hospitality Investment Group (IHIG) has announced investments of USD118 million in the country's tourism and hospitality, in addition to acquiring two hotels in Shogran and Bhurban.

Occupancy rates boosted by major infrastructure investments

still

Increasing investment in hotels as security increases in the country, whilst short-term rentals continue to boom

¹⁵ Marketline Report

- Hyatt Hotels Corporation is expanding its Grand Hyatt and Hyatt Regency brands in the country with developments in Islamabad, Karachi, Lahore and Rawalpindi.
- Smaller scale players are also developing resorts, whilst the number of properties available for short-term rentals continues to expand strongly as domestic tourism booms.
- The expansion of Airbnb will support strong growth in the sector

Lodging Sales: Value 2014-2019


PKR billion	2014	2015	2016	2017	2018	2019 
Hotels	25.5	31.6	36.6	44.2	53.5	62.4
Short-Term Rentals	-	-	-	6.9	10.2	12.6
Other Lodging	3.6	0.0	0.0	0.0	0.0	0.0
Lodging Offline	27.5	29.7	34.5	46.3	57.3	67.2
Lodging Online	1.7	1.9	2.2	4.8	6.3	7.9
Lodging	29.1	31.7	36.6	51.1	63.6	75.1

Table 8 - Lodging Sales: Value 2014-2019 (Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources)

Note: Lodging is the sum of hotels, short-term rentals and other lodging or the sum of offline and online sales

Forecast Lodging Sales: Values 2019-2024


PKR billion	2019	2020	2021	2022	2023	2024 
Hotels	62.4	68.3	73.9	79.4	84.3	88.2
Short-Term Rentals	12.6	15.7	17.9	20.8	24.1	27.5
Other Lodging	0.0	0.0	0.0	0.0	0.1	0.1
Lodging Offline	67.2	74.6	81.2	88.2	94.8	100.7
Lodging Online	7.9	9.4	10.6	12.1	13.8	15.1
Lodging	75.1	84.1	91.8	100.3	108.5	115.8

Table 9 - Forecast Lodging Sales: Values 2019-2024 (Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources)

Note: Lodging is the sum of hotels, short-term rentals and other lodging or the sum of offline and online sales

Lodging Outlets: Units 2014-2019


Outlets	2014	2015	2016	2017	2018	2019 
Hotels	1,980	2,069	2,139	2,229	2,321	2,440
Short-Term Rentals	-	-	-	55	181	300
Other Lodging	362	378	390	403	417	434
Lodging	2,342	2,447	2,529	2,687	2,919	3,174

Table 10 - Lodging Outlets: Units 2014-2019 (Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources)

Forecast Lodging Outlets: Units 2019-2024


Outlets	2019	2020	2021	2022	2023	2024 
Hotels	2,440	2,578	2,716	2,865	3,024	3,185
Short-Term Rentals	300	466	668	921	1,208	1,479
Other Lodging	434	457	476	496	515	532
Lodging	3,174	3,501	3,860	4,282	4,747	5,196

Table 11 - Forecast Lodging Outlets: Units 2019-2024 (Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources)

7.2.2- Travel Intermediaries

Headlines

- Intermediaries online sales record 14% value growth to reach PKR1.7 billion in 2019
- Lack of trust in online payments remains a barrier to growth of intermediaries online sales in 2019
- Intermediaries online sales are expected to record a current value CAGR of 16% (a 10% constant 2019 value CAGR) over the forecast period

Prospects

- Intermediaries' online sales witness strong growth due to the global rise in internet users
- Pakistan's travel industry has responded actively to the positive changes and developments in the online channel across the globe in 2019.

- Many domestic travelers in the country use online channels, to compare the rates of the different airlines and to bargain with travel agents.
- The major companies operating in the online environment include Checkin.pk, Travelstart.pk, wego.pk, faremakers.com and sastaticket.pk. Travel agents, such as Aroma Travel, Bestways Travel and Mehfooz Travels, also continued to focus on developing their websites to support their businesses in 2018.
- Traditional travel agents, however, remained stronger in Pakistan, whilst many individual entrepreneurs organized travel experiences and promoted these on Facebook, who also collected payments either physically or through bank transfers.
- The low penetration of online payments remains a key challenge for online travel intermediaries. Many customers book tickets online but pay at the airlines' booking offices or counters at airports as trust in online payments remains extremely low in Pakistan. Key online agencies such as Jovago allow customers to pay at the hotels they have booked online.
- Any investor introducing advanced and secure online payment system along with their services will have a strong competitive advantage.
- Mobile banking services like EasyPaisha, JazzCash, Zong Pay Max, Keenu Wallet, uPaisha, UBL Omni, SimSim, are increasing, and beginning to win the trust of a growing number of online shoppers in the country.
- Offline intermediaries have maintained their dominance in 2019. Intermediaries act as experts offering advice on tourism products, including cultural, religious, shopping and adventure tourism.
- Traditional intermediaries maintain sales momentum on the basis of relationship management and their flexibility to alter tour packages and discounts as per client demand.
- Domestic travelers continued to trust offline intermediaries in 2019 due to convenience and relationship building through direct interaction with individual agents to avoid problems when travelling.
- The running of offline travel agencies in Pakistan is cheaper than online travel portals. This is because the latter are under financial pressure to run fully-fledged promotional campaigns and activities in a bid to alter consumer perceptions about buying travel products online.



Travel Intermediaries Sales: Value
2019



2014-


PKR billion	2014	2015	2016	2017	2018	2019 
Intermediaries Online Sales	1.2	1.3	1.3	1.4	1.5	1.7
Intermediaries Offline Sales	15.3	14.6	14.8	15.9	17.5	19.2
Travel Intermediaries	16.5	15.9	16.2	17.3	19.0	20.9

Table 12 - Travel Intermediaries Sales: Value 2014-2019 (Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources)

Forecast Travel Intermediaries Sales: Value 2019-2024

PKR billion	2019	2020	2021	2022	2023	2024 
Intermediaries Online Sales	1.7	2.0	2.2	2.4	2.6	2.8
Intermediaries Offline Sales	19.2	19.8	20.3	21.0	21.3	21.6
Travel Intermediaries	20.9	21.8	22.5	23.4	23.9	24.4

Table 13 - Forecast Travel Intermediaries Sales: Value 2019-2024 (Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade source)

7.2.3- Airlines

Headlines

- Airlines records 10% retail value growth to reach PKR91.5 billion in 2019
- Airlines is expected to record a current retail value CAGR of 9% (a 4% constant 2019 retail value CAGR) over the forecast period

Prospects

Pakistan has begun investing in improving its airlines services and infrastructure. It inaugurated its largest and first Greenfield airport, Islamabad International Airport, in early 2018, replacing the old Benazir



Figure 6 - Airports of Pakistan (Blue = International Airports and Green = Domestic Airports)

Bhutto International Airport (BBIA) in the twin city of Rawalpindi.

The new airport is designed to process 15 million passengers annually in the initial phase, rising to 25 million after further expansion.

It can accommodate two double-decker Airbus A380s, the world's largest airplane. Pakistan's new international airport is regarded as a big-ticket infrastructure development and a sign of economic progress in the country, which will further help attract global tourists to the country.

The government is also in the process of constructing a new Gwadar Airport, along with upgrading many existing airports, radar installations and navigational instruments to support the aviation industry in the country. The category is also attracting investment from international carriers which are expanding their fleets in the country and exploring new travel routes.

There is, therefore, a huge opportunity for new players, although the government issues licenses, major improvements in carried out to ease out the regulatory environment will the make experience of doing business in this sector easy for the investors. Also the expected growth in inbound and domestic tourism offers potential for new entrants to offer new routes.

PKR billion	2014	2015	2016	2017	2018	2019
Airlines Offline	44.1	49.6	51.3	54.6	59.9	64.9
Airlines Online	19.8	21.3	21.8	22.1	23.6	26.6
Airlines	63.9	70.9	73.1	76.7	83.6	91.5

Table 14 - Airlines Sales: Value 2014-2019 – (Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources)

PKR billion	2019	2020	2021	2022	2023	2024
Airlines Offline	64.9	68.0	69.6	70.7	72.2	73.2
Airlines Online	26.6	29.2	31.4	33.5	35.0	36.9
Airlines	91.5	97.1	101.0	104.1	107.1	110.1

Table 15 - Forecast Airline Sales: Values 2019-2024 (Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources)

8- Incentives

8.1- Major Incentives Offered by Federal Government

8.1.1- SBP Incentive

Refinance facility under the Export Finance Scheme for Consultancy Services



Under BSD Circular No. 41 dated 30th October, 2001 of State Bank of Pakistan; The Government of Pakistan has accorded “deemed export” status to the foreign earnings remitted into Pakistan against consultancy services in various service sectors of economy such as **hotel and tourism/tourism related services, technical testing facilities and consultancy services etc.**



8.1.2- Taxation Incentives

For Gawadar and Pre-Fabricated Structures

- The Federal Government in FY Budget 2019-20 has introduced Incentive to promote tourism in Pakistan by reducing duty on pre-fabricated structures for hotels. In this regard, under The Customs Act, 1969 - The Fifth Schedule (Part-I) titled “Imports of Plant, Machinery, Equipment and Apparatus, including Capital Goods for various industries/ sectors”; following rates have been specified.



S.No.	Description	PCT Code	Customs Duty (%)
(1)	(2)	(3)	(4)
18	1. Machinery, equipment and other project related items including capital goods, for setting up of power generation plants, water treatment plants and other infrastructure related projects located in an area of 30 km around the zero point in Gwadar.	Respective Headings	0%
	2. Machinery, equipment and other project related items for setting up of hotels located in an area of 30 km around the zero point in Gwadar.	Respective Headings	3%,5%
30	Pre-fabricated room/structures for setting up of new hotels /motels in Hill Stations, Gilgit-Baltistan, AJK, and Coastal Areas of Baluchistan (excluding Hub)	9406.1090 9406.9090	11%

Withholding Tax

- The Federal Government in FY Budget 2019-2020 has also reduced withholding tax rate of 4% on payments for hotel services.

8.1.3- Travel Facilitation and International Openness

Travel facilitation and international openness is related to visa requirements which is regulated by the Foreigners Act, 1946. In order to promote tourism industry, Government of Pakistan has introduced a lenient visa regime in 2018 to promote the influx of foreigners into the country.

9- Provincial Government Policies/ Incentives

9.1- Punjab (Punjab Tourism Policy, 2017)

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 incentivizes tourism sector through:



- (i) Institutional Reform Package
- (ii) Regulatory Reforms Package (calibrate regulations)
- (iii) Tourism Investment Package (financing)
- (iv) Public-Private Partnership and incentives

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.

Public-Private Partnership and incentives

The government is also committed to providing a one-stop solution for facilitating all relevant permits, licensing and regulatory requirements of the provincial government for private investors. The institutional reform package already covers establishment of a PPP node for tourism sector to complement these efforts.

Government of Punjab will undertake these tourism PPPs in many areas such as:

- Private sector upgrading government assets and managing them to recover investment (e.g. up-gradation and management of government guest houses)
- Participation of private sector in various services under a restricted quota/license given by the government
- Private sector performing a government function (e.g. maintenance of government-owned heritage sites and recover expenses through entry tickets)
- Private sector investing and constructing a property for commercial use on government land (e.g. construction of hotel or theme park, on government land)
- Management of events and festivals by private enterprises
- Traditional infrastructure services to support tourism sector performed by private sector (e.g. safari flights; private sector-run trains for tourists; paid public toilets; toll roads to open up tourism destinations; etc.)

Under the tourism policy, Government of Punjab will therefore announce targeted incentives in following areas:

A) Use of Public Assets and Land

- Public assets and publically owned land (or land acquired by government) will be offered to private sector for development and management and will play a significant role in development of tourism sector in Punjab.

- Government will develop an equitable and transparent process for asset/land leasing and establishing special purpose vehicles owing lease to such assets, with equity stake of the government, without transfer of title.

B) Approval for All Permits / Development Plans

- The government will ensure prompt and seamless approvals of all permits and plans for tourism projects, as long as they comply with basic criteria, which will be clearly laid out.
- Government will also notify maximum time limit, within which these approvals will have to be granted, to enhance investors' confidence.

C) Financial arrangements

- In order to encourage investment in the sector and to support PPP and other smart investments in tourism sector, Government will create an Infrastructure Fund, to support private financing.
- The fund will take partial stake in commercially viable projects, to encourage other institutional investors.
- Government will also create other special arrangements for providing partial risk guarantees to investors for selected areas to stimulate investment.

D) Tax Policy Predictability

- Government of Punjab will therefore provide guarantee for tax policy predictability for provincial taxes through announcement of a ten years provincial tax package covering all provincial taxes and duties, with any future increase pre-announced in it.

Allied sectors of tourism industry are regulated through following act.

- Hotel and Restaurants Act, 1976
- Travel Agencies Act, 1976
- Tourist Guides Act, 1976
- Punjab Public Private Partnership Act 2014
- Punjab Procurement Regulatory Authority (PPRA) Act 2009
- Punjab Procurement Rules

9.2- Khyber Pakhtunkhwa (KP Tourism Act, 2019)

Establishment of KP Culture & Tourism Authority

The authority's main functions would be to promote, preserve and revive cultural heritage, cultural traditions, values, festivals and dialects.

Establishment of Integrated Tourism Zones (ITZs)

In connection with integrated tourism zones, the authority would develop, publish and implement regulations in respect of spatial planning, building codes and continuity of local architecture.

Tourism Police



Similarly, under the Tourism Act, the provincial government will also constitute tourism police that would work as special police wing in the KP Cultural and Tourism Authority.

Public Private Partnerships

The KP government has also approved the online booking of 49 public sector guest houses and 5 boutiques guest houses at different parts of the province and announced phase-wise on-lining of all 169 public sector guest houses in the province.

9.3- Sindh (Sindh Tourism Development Corporation)

After devolution, tourism industry policies and projects are carried out by Government of Sindh. The relevant department for investment purposes are:

- Tourism Development Corporation
- Department of Tourism Services
- Pakistan Institute of Tourism and Hotel Management
- Gorakh Hill Development Authority.



Many of the developmental projects of infrastructure in tourism sector are initiated with Public Private Partnership. According to Services Act, 2011, Sales Tax on services in Sindh is as under:

Tariff Heading	Description	Rate of tax
(1)	(2)	(3)
98.01	Services provided or rendered by hotels, motels, guest houses, restaurants, marriage halls, lawns, clubs and caterers.	
9801.1000	Services provided or rendered by hotels, motels and guest houses]	13 %
9801.2000	Services provided or rendered by restaurants	13%
9801.4000	Services provided or rendered by clubs	1 3%
9801.5000	Services provided or rendered by caterers suppliers of food and drinks	1 3%
9801.6000	Ancillary services provided or rendered by hotels, motels, guest houses, restaurants, marriage halls and lawns, clubs and caterers	1 3%
98.05	Services provided or rendered by persons authorized to transact business on behalf of Others	
9805.5000	Travel agents	1 3%
9805.5100	Tour operators	1 3%

Some of the allied sectors of tourism are regulated under following legislations.

- The Sindh Travel Agencies Act, 2011
- The Sindh Tourist Guides Act, 2011
- The Sindh Shops and Commercial Establishment Act, 2015

9.4- Azad Jammu & Kashmir

AJK Tourism Department is the government organization responsible for the promotion of tourism in the State of Azad Jammu & Kashmir but Being one of the 52 subjects of AJK Council, under the Interim Constitution of 1974, Licensing of tourism activities in AJK was the authority of AJK Council and GoAJK has no authority to offer incentives and concessions (tax holidays, markup free loan, duty free on tourism related machinery & equipment etc.)



Now after the Thirteen Amendment of the registration and licensing authority transferred to Go AJK, keeping in view the new constitution development, AJK Tourism Department has modified Tourism Acts namely;

- AJK Hotel & Restaurants Act 2018
- AJK Travel Agencies Acts 2018
- AJK Tour Guides Act 2018

Tourism Investment Opportunities in Tourism Policy 2019:

- Lease of Govt. guest houses to private companies/ firms
- Lease of land for tourism promotion
- Ventures through Public Private Partnership (Chairlift cable car, Skiing Resort, Hotel & Restaurants)
- 40 days fast track licensing & registration process for Tour Guides, Travel Agencies, Hotel & Restaurants

10- Important Government Bodies

After 18th Amendment passed in the year 2010, the tourism sector development and policy making has been devolved to Provinces. Following are the agencies/ departments concerned with tourism promotion in their respective provinces.

- Pakistan Tourism Development Corporation (<http://www.tourism.gov.pk/>)
- Tourism Development Corporation of Punjab (TDCP) (<https://www.tdcp.gop.pk/>)
- Tourism Corporation of Khyber Pakhtunkhwa (TCKP) (<https://kptourism.com/>)
- Sindh Tourism Development Corporation (STDC) (<https://www.stdc.gos.pk/>)
- Balochistan Tourism Directorate (<https://balochistan.gov.pk/>)
- Gilgit-Baltistan Tourism Department (<http://visitgilgitbaltistan.gov.pk/>)
- Azad Jammu & Kashmir Tourism Directorate (<https://ajktourism.gov.pk/>)
- Department of Tourist Services (<http://dts.gov.pk/>)

11- Few Success Stories

11.1- Leading Players in the Airlines Industry

Pakistan International Airlines Corporation (PIA) is a passenger and cargo air transport services provider and the leading player in the industry.



airblue

Airblue Ltd (Airblue) is an airline service provider and the second leading player in the Pakistani industry.

Serene Air is the third leading player in Pakistan. The company regards itself as a premium airline, operating through a fleet of Boeing 737-800s.



11.2- Leading Players in the Hotels & Motels Industry

Hashoo Hotels



The company operates in the upscale and luxury segments of the industry with all of its hotels having a five star rating. The company's brands include **Pearl- Continental Hotels & Resorts** and **Hotel One**.



The Serena Group of Hotels

The company has eight hotels in Pakistan, all within the upscale and luxury segments of the industry. The company is headquartered in Nairobi, Kenya.



Best Western Hotels and Resorts

3 establishments in operation across the country. The company operates a variety of brands ranging from budget to upscale, including SureStay, Vib, Glo, and Best Western Premier.



Marriott International

The company has three hotels in operation across the country. Following its \$12.2bn merger with Starwood Hotels & Resorts Worldwide in 2016, Marriott became one of the largest hotel chains in the world.



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