

**ANALYSIS**  
**TOURISM MANAGEMENT**  
**IN PAKISTAN**

One of the core issues of tourism development in Pakistan have been the system of management and organization structured to run it. Therefore, the central theme of the dissertation is who, how and with what structure the tourism in Pakistan should be managed. In order to arrive at the recommendation for suitable management system for Pakistan Tourism, it is first necessary to look at and evaluate the present organization and management structures which have been in place in Pakistan for the past 59 years or so and which had its genesis dating back to 1949.

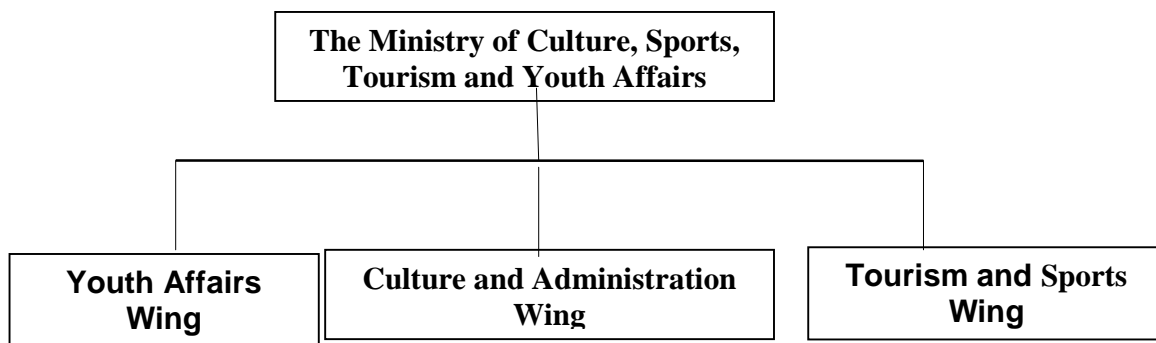
**5.1 Evolution of the Pakistan Tourism System at a Glance:**

Pakistan became a member of the International Union of Tourism Organizations (IUOTO) now the World Tourism Organization (WTO) in 1949, and the field of tourism was placed with the Ministry of Railways where it remained until 1955. It was then transferred to the Commerce Ministry. In 1960 a Tourism Bureau was conceived and became part of the Ministry of Commerce with the status of an attached Department. In 1964 it was transferred to the Office of Chief Administrator Civil Aviation and Tourism. When the Aviation Division was created in 1968, the Bureau remained as an attached Department of this Division. In 1970 the Tourism Bureau was downgraded to a Cell but continued to remain as a part of the Civil Aviation Division. However, most functions of the Bureau were assigned to the newly formed Pakistan Tourism Development Corporation.

Tourism in Pakistan was taken seriously for the first time at the policy making level in 1972 when a Ministry of Minority and Religious Affairs and Tourism was created. Though, this Ministry was disbanded in 1976 and Tourism Division became part of the Ministry of Commerce again. However, in 1977 the Ministry of Culture, Sports, Tourism and Archaeology was created. From 1977 to 1996 tourism remained in the same Ministry but was given various emphases in the administration and switched between divisions. In

1996 the Ministry became the Ministry of Culture, Sports, Tourism and Youth Affairs, which was split into three wings:

**Figure 5.1 Ministry Hierarchy I**

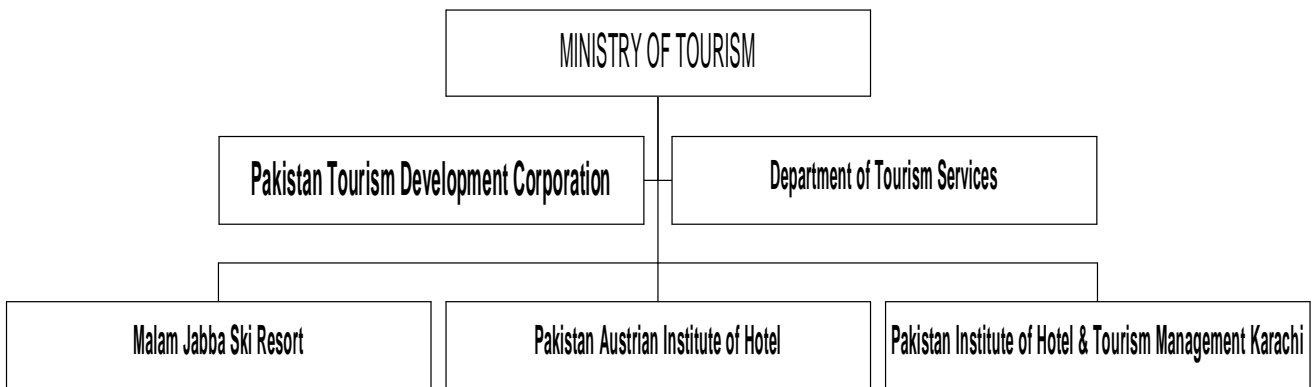


Source: Ministry of Tourism Pakistan-2005

From the foregoing overview one can conclude that the manner in which tourism was shifted around over the years, it had a relatively low priority in the government. In spite of the fact that a national tourism policy was introduced in 1990, the sector was still accorded a very low priority, and tourism seemed to be attached to ministries with sectors requiring more attention and priority. Certainly in the previous ministerial structure, culture, sports and youth affairs, tourism seemed more a pain in the side than a sector, which needed cultivating and nurturing. Therefore, in March 2004 with the bifurcation of the Ministry, Tourism has been given a separate status of Ministry of Tourism.

The Ministry of Tourism is 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. The newly created Ministry of Tourism till now doesn't seem to be a paradigm shift in Pakistan's tourism affairs as it has the same old Tourism Wing which is managing tourism affairs as it used to be. Within the overall set up the tourism wing of the ministry in collaboration with its field organizations are totally responsible for the development of the tourism industry. These organizations are:

**Figure 5.2 Ministry Hierarchy II**



Source: Ministry of Tourism Pakistan -2005

## **5.2 Function of Ministry and Tourism Wing:**

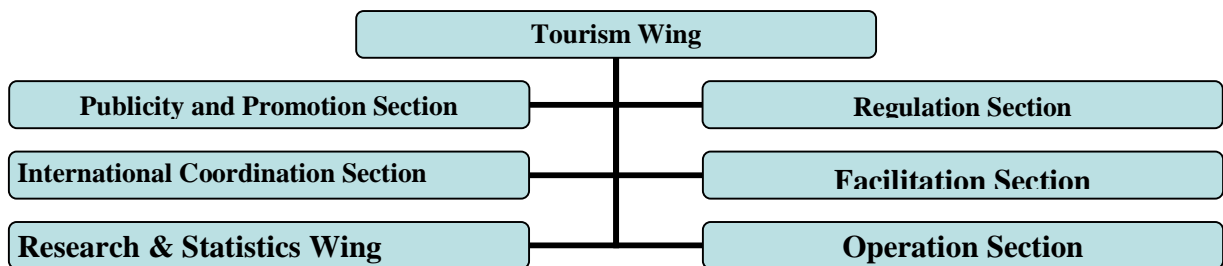
### Formulation of National Tourism Policy

- Promotion and development of tourism in Pakistan and coordination of Federal and Provincial tourism plans and activities,
- Pakistan National Tourism Council.
- Publicity within the country and abroad and. establishment of tourism information centers for the promotion and guidance of domestic tourists and for the guidance of foreign tourists visiting Pakistan,
- Development of tourist facilities in areas with tourist potential where private sector is shy to invest.
- Over looking affairs of Pakistan Tourism Development Corporation.
- Interacting International organizations and conducting agreements relating to tourism.
- Tourism and hotel training institute.

- Facilitation of travel in Pakistan for tourists,
- Training and research in tourism in Pakistan abroad.
- Control and regulation of tourist industries and allied, services.
- Organized foreign tours for Pakistan.

**5.3 Organizational Structure:** The tourism wing of the ministry currently has approximately 90 officers and staff on full time employment ranging from the Joint Secretary's Office down to Assistant Chiefs and clerks. These staff is career employees of government controlled and disciplined by the Establishment Division. As with all or nearly all government employees they are termed generalists and can be moved from ministry to ministry as required. Over the year the tourism staff has been gradually reduced to its present numbers. There is very little serious tourism knowledge in the tourism wing other than one or two long time academic professionals in the Development and Research section. Within the tourism wing the work has been distributed amongst various sections, these are:

**Figure 5.3 Tourism Wing**



Source: Ministry of Tourism Pakistan- 2005

**5.3.1. Regulation Section:** The section is responsible for the administrative control of the Dept of Tourist Services, Pakistan Tourism Development Corporation, Pakistan Institute of Tourism and Hotel Management and Malam Jabba Ski Resort. In addition to administrative matters the section is also responsible for the control, licensing, standards

and improvement of hotels, restaurants, travel agents, tour operators, tourist guides and evaluation of proposals and requests for training abroad.

**5.3.2. Publicity and Promotion Section:** The functions of this section are:

- To propose publicity and promotion measures for the enhancement of the tourism.
- To monitor and evaluate the publicity and promotion of PTDC and providing funds for undertaking publicity, promotion and marketing of tourism within and outside Pakistan.
- Carry out liaison with national and international organizations in terms of publicity and promotions.
- To maintain a close working relationship with private sector for participation in international trade fairs, conferences and exhibitions.
- Working closely with PIA, other airlines, tour operators, hotels and other organizations involved in the promotion of Pakistan overseas.

**5.3.3. International Coordination Section:** The section is responsible for all activities involving WTO and other international organizations concerned with tourism development. This means matters relating to statutes, rules, procedures, contributions, elections, legal and administrative structure and obligations of Pakistan's membership as a full member. Other involvements include participation at international conferences, general assembly sessions, executive council sessions and meetings of various working parties within these parameters.

**5.3.4. Facilitation and Support Section:** Its main duties are to support the private sector in establishing tourism facilities and to assist them in applications and requests for concessions and incentives from government as set out in the tourism policy. It also publishes the frontier formalities booklet for the guidance of international tourists. It has to ensure the upkeep and standards of tourist facilities at airports, railway stations, bus stations, archaeological sites etc.

**5.3.5. Operation Section:** This section is responsible for:

- Processing applications of mountaineering expeditions and trekking parties
- Provides necessary permissions and administrative arrangements as well customs clearance, briefing/debriefing, porters, weather and a range of other facilitation.
- Formulates the rules and regulations for mountaineering expeditions and traveling parties.
- Also responsible for maintaining proper and correct statistics of all mountaineering groups in Pakistan and suggests measures for the promotion of mountaineering in Pakistan.
- It covers a wide range of other related adventure activities such as trekking, hunting, safaris, white water sports etc.

**5.3.6. Research & Statistics and Planning Development:** The function of this section is to collect statistical data on various aspects of tourism and publish in report form. It is also responsible for preparation of development plans, project appraisal, monitoring and evaluation of development projects. It also undertakes research studies and is required to formulate the ministry's tourism development projects. It compiles eight regular publications besides completion of some adhoc research papers and studies.

#### **5.4 Department of Tourist Services (DTS)**

This department was established in 1976 after promulgation of the three acts to ensure the standard and quality of facilities to be provided by hoteliers, tour operators and tourist guides. Currently it has a staff of 116. The main responsibility of this department is to enforce these acts in the country as a whole and to ensure that tourists are provided these facilities/services which are promised them. Specifically the functions of this department encompass the following:

- Registration of hotels, restaurants, travel agencies and tour guide services.
- Classification of One to Five star hotels.
- All matters pertaining to the issue, renewal, supervision, cancellation, transfer of licenses of hotels, restaurants, travel agencies and tourist guides.

- Prescribing limits on the number of persons to be accommodated in rooms, transport, and service charges relating thereto etc.
- Enforcement of apprenticeship scheme.
- Study of rules of establishment of hotels, restaurants, travel agencies and ensuring their conformity to these rules.
- Enforcement of the code of conduct as specified.
- Fixation of rates and service charges for boarding, lodging, food & beverage and charges applicable to travel agencies and tour guides. Revision of such rates according to economic fluctuations or otherwise.
- Setting up of Advisory Committees in accordance with the laws and performance of secretariat work connected with it.
- Receive and investigate complaints of tourists, foreign tour operators and travel agencies.

### **5.5 Pakistan Tourism Development Corporation (PTDC)**

The PTDC is a public limited company registered under the Companies Act in April 1970. Ostensibly it was created to be the government's arm and thrust for tourism development in Pakistan. It was given a wide brief and effectively fronted the ministry in all the activities of development and promotions. PTDC maintains 20 Tourist Information Centers (TIC'S) in different parts of the country. A model TIC has been set up at Taxila and Islamabad and a new one has now opened at Karachi airport. PTDC owns and operates 31 motels and facilities totaling some 550 rooms in areas where the private sector would not invest and currently provides a good deal of required low cost motel accommodation in the Northern Areas and to a lesser extent in parts of NWFP.

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. A maximum of 22 directors is allowed. The Chief Executive is the

Managing Director under whom the various organizations, subsidiaries and departments of PTDC operate. The Managing Director is the principal reporting officer to the Board. PTDC currently has a staff of some 240 excluding Hotels and Motels. Its stated objectives are:

- To develop tourism infrastructure on an all Pakistan basis
- To act as an agent on behalf of the Federal Government for the production of tourist literature and publicity for tourism both domestically and internationally.
- To act as a catalyst to encourage the private sector to play a more active role in tourism development.
- To undertake tour operations and provide ground handling facilities for group tours.
- The PTDC has an administrative structure which is responsible to control and operate all its involvement's in the tourism sector. These are:
  - Planning and Development Wing/Engineering Department which undertakes identification and implementation of projects dealing with tourism infrastructure such as motels, recreation units, resorts etc.
  - Publicity and Promotion/Marketing Department which undertakes the production and publication of tourist literature and foreign and domestic tourist markets.
  - PTDC Motels Ltd which undertakes the management of all hospitality units operated by PTDC in various tourist destinations in Pakistan.
  - Pakistan Tours Ltd which provides ground handling and transport facilities for international and domestic groups and also acts as an inbound tour operator.

## **5.6 Malam Jabba Resort Ltd**

Malam Jabba Resort is a private limited company under the administrative control of the Tourism Division having its own Board of Directors with the Secretary, Ministry of Tourism as its Chairman. Formed in 1980, the Company took over from M/s Pakistan Services Ltd the construction and establishment of a Ski-cum Summer Resort at Malam



Jabba, Swat, and after obtaining administrative and financial approval from government completed the project in 1988 at a cost of Rs.90.68 million which also included the loan provided by the Austrian Government. It is designed to offer the following facilities and equipment:

- 52 Rooms
- Restaurant
- Chairlift
- Training Lift
- Skiing equipment
- Snow Clearing Machines
- Two Generators

With a view to making the resort functional for promoting tourism in the country and also to generate income to meet the increasing expenditure being incurred on salary and maintenance, the resort was put into partial operation through PTDC in July/August 1998. It was formally opened while incomplete by the then Prime Minister in November 1998 and directed that PTDC should make it fully operational at least to the first floor by June 1999.

### **5.7 Pakistan Institute of Tourism & Hotel Management (PITHM)**

The Pakistan Institute of Tourism & Hotel Management (formerly known as Tourism and Hotel Institute, Karachi) was initially set up as a cooking school under the decision of the Cabinet in December 1960. Later, an institution called the Pakistan Hotel Training Institute was established by the former Department of Tourism in September 1967 in collaboration with the Pakistan Hotel, Restaurants and Clubs Association. Capital investment was provided by the Government of Pakistan for the establishment of the Institute and to supplement its recurring expenditure. The cost funding was covered by the UNDP/ILO as agreed in the project document and signed by the UNDP/ILO and the Government of Pakistan. This funding covered the cost of international training experts, overseas training and equipment. Interested organizations contributed training expenses of their staff and private students paid their own fees. In 1972, the institute was registered as a society under the Societies Registration Act 1860, thereby acquiring its legal status.

Since then the Institute has been functioning as an autonomous body administered by a Board of Governors including representatives of the travel trade, the hotel industry, PTDC, Airlines, shipping lines and the Ministry of Education. The Ministry Tourism functions as the coordinating, supervisory and controlling body for the Institute with the Secretary of the Ministry acting as ex-officio Chairman of the Board.

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 courses, seminars, workshops, on the job training etc. It also arranges and coordinates training programmes with international agencies such as Western Wheat Association, World Food Organization. It cooperates with PIA's training center in Karachi and provides courses for the Pakistan Navy. It also offers consultancy services when and where required.

## **5.8 Provincial Tourism -N.W.F.P**

NWFP along with the Northern Areas is generally recognized as the tourism region of Pakistan, with its beautiful valleys, lakes, ski resorts, archaeological sites, historic remains, rivers, mountains and glaciers, civilization and culture and its people. Efforts of the Federal and Provincial Governments have resulted in promotion of tourism in this province but have not been able to fully explore the tourism potential of the province. There are many causes normally referred for underdevelopment of the tourism in the province, however the chief indicators are; lack of motivation and political will, low priority accorded by the federal government, negative financial resource allocations at all level including federal, provincial, and the district governments and prevailing inadequate tourism organizational structure.

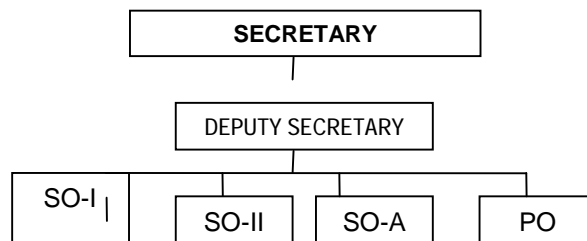
NWFP Government after assessing the performance of the Tourism Development Corporation of Punjab and realizing that most tourism assets of Pakistan are located in the jurisdiction of NWFP established the *Sarhad Tourism Corporation (STC)*. The STC was assigned the total responsibility for promotion activities necessary. The Corporation acts as a field wing of the Department of Tourism. The functions of coordination, regulation and implementation of policies of the Department of Culture, Sports, Tourism, Archaeology and its Museums are looked after by the Secretary being its head. In the

secretariat, the Secretary is assisted by Deputy Secretary, Sports, Culture, Tourism, Archeology & Museums and Four section officers' along with their support staff. This Department was bifurcated from Information & Public Relations Department and established as “Sports, Culture, Tourism, Archaeology & Museums Department” in 2003.<sup>1</sup> Previously was functioning under one Administrative Secretary. The Department's functions, as prescribed in the Rules of Business of the Government of NWFP, are as follows:

- Tourism;
- Sports;
- Culture;
- Archaeology & Museums

## 5.9 Organization of the Secretariat

**Figure 5.4 Organization of the Secretariat I**

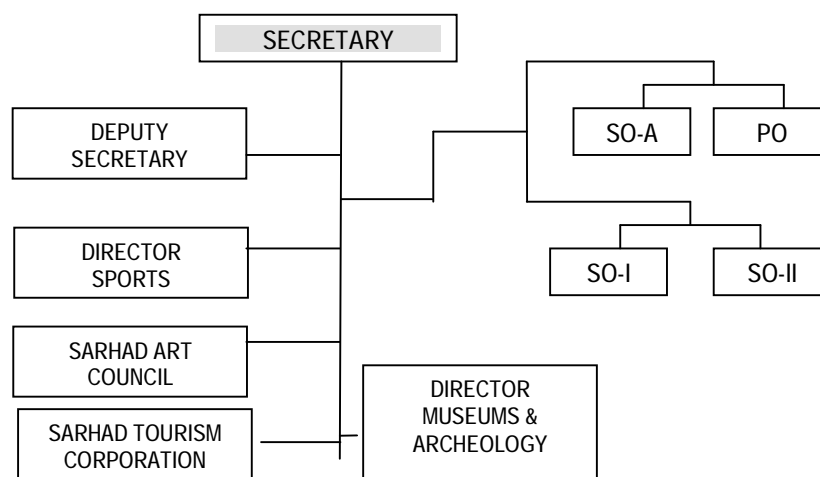


Source: Government of NWFP- 2005

The Department is carrying out its allocated business through the following attached departments:

- Directorate of Sports
- Sarhad Arts Council
- Sarhad Tourism Corporation
- Directorate of Archeology & Museums

**Figure 5.5 Organization of the Secretariat II**



Source: Government of NWFP 2005

**5.9.1 Directorate of Sports:** The Sports Directorate has the following objectives:

- Control and allocate necessary grants to the sports organizations in the Province.
- Develop sports activities.
- Hunt talent by holding inter-district, inter-divisional and inter-agencies tournaments.
- Impart training through coaching camps.

**5.9.2 Sarhad Arts Council:** Sarhad Arts Council was established in 1985 at Peshawar with a view to achieve the following broad objectives:

- Preserve cultural heritage.
- Promote and develop culture, art and literature on indigenous and national lines keeping the regional background intact.
- Monitor the activities of cultural, arts and literary organization in the Province.
- Forge unity among different segments of society;
- Maintain a healthy balance between the institutions involved in cultural and literary activities and Government functionaries;
- Cement the bond of brotherhood between other province; through cultural exchanges, arts exhibition and literary meetings;
- Launch campaign against drug abuse/menace through cultural and literary activities.

### **5.9.3 Sarhad Tourism Corporation**

Sarhad Tourism Corporation (STC) was incorporated as a limited company on January 14, 1991 for the development of tourism industry in the Province. The strategy of STC is to act as catalyst and encourage the private sector to come forward for the development of various aspects of tourism. The objective for the establishment of STC is to:

- Motivate the private sector to come forward and support tourism development in the shape of tour operations and accommodation facilities at potentially attractive regions;
- Provide long-term, leases to private sector for development of properties through Joint ventures with STC;
- Serve as a spring board for fruitful interaction between the Government, PTDC and the private sector for proper development of tourism industry;
- Cooperate with private sector in developing, distribution and sale of quality information and publicity materials;

**5.9.4. Directorate of Archaeology and Museums:** The Directorate has been established to:

- Preserve the cultural heritage.
- Operation and maintenance of the Peshawar Museum to impart knowledge and educate the youth , students, scholars and foreign visitors.

### **5.10 The Provincial Tourism Department**

The Department is promoting the Government's increased emphasize on Sports, Cultural, Tourist and Archaeological activities. The Sports Directorate regularly holds inter-district and inter-divisional tournaments and conducts coaching camps in squash, athletic, hockey, badminton, boxing, football, table tennis, basketball, weight lifting and volleyball at Peshawar, Abbottabad and Swat where participants are coached. The accession registers of all antiquities of the museums have been maintained by the Directorate of Archeology and Museums. The museum itself comprises of three sections viz Gandhara, Muslim and Tribal sections. Sarhad Art Council is responsible in collaboration with the rest of directorates for the promotion of cultural heritage of the

province. Sarhad Tourism Corporation has been established to promote sustainable tourism in the Province.

#### **5.10.1. The Administration Section**

This section of the department is responsible for the personnel related matters, preparation of Establishment budget. It deals with general administration issues of the directorates and the department besides training. The Human Resources of the department includes the manpower of the Department itself and its directorates of Culture, Sports, Tourism, Archaeology & Museums is provided in tin table given below:

**Table 5.1 Manpower of the Department and Its Directorates**

SR. NO.	DEPARTMENT	OFFICERS	STAFF	TOTAL
		2006	2006	2006
1.	Secretariat	6	24	30
2.	Culture	2	40	42
3.	Sports	4	16	20
4.	Sarhad Tourism Corporation	5	20	25
5.	Archeology & Museum	4	94	98
	Total	21	194	215

Source: Government of NWFP 2005

#### **5.10.2. The Planning Section**

It is responsible for the preparation of project proposals in coordination with the concerned directorates. Each year proposals are sent to the Federal and provincial governments for inclusion in their development programmes. The section provides after consultation with the directorates, quarterly, six monthly and yearly progress as well as review reports. Its main function is the in and on time approvals for the projects of the directorates and their monitoring. The planning section is focused on the developmental activities. The developmental activities are aims at the promotion of sustainable tourism and preservation of cultural heritage. The dissemination of modern and traditional games,

the propagation of the living culture, the preservation of ancient civilizations and their remains are its goals to be achieved through continuous planning.

### **5.10.3. The Tourism & Culture Section**

It is responsible for communicating the external information received to the directorate concerned and to receive reply from directorates internally for further dissemination to the department concerned. The role of this section is to coordinate and link up the directorate of Tourism & Culture to that organization of the government, international, national and local that can be a source of preservation of cultural heritage and promotion of sustainable tourism.

### **5.10.4. The Archaeology, Museums & Sports section**

This section is responsible for linking its related directorates to the concerned agencies whether in the private or public sector for the achievement of the goal of preservation of ancient civilizations and the propagation of games in vogue and also those being forgotten.

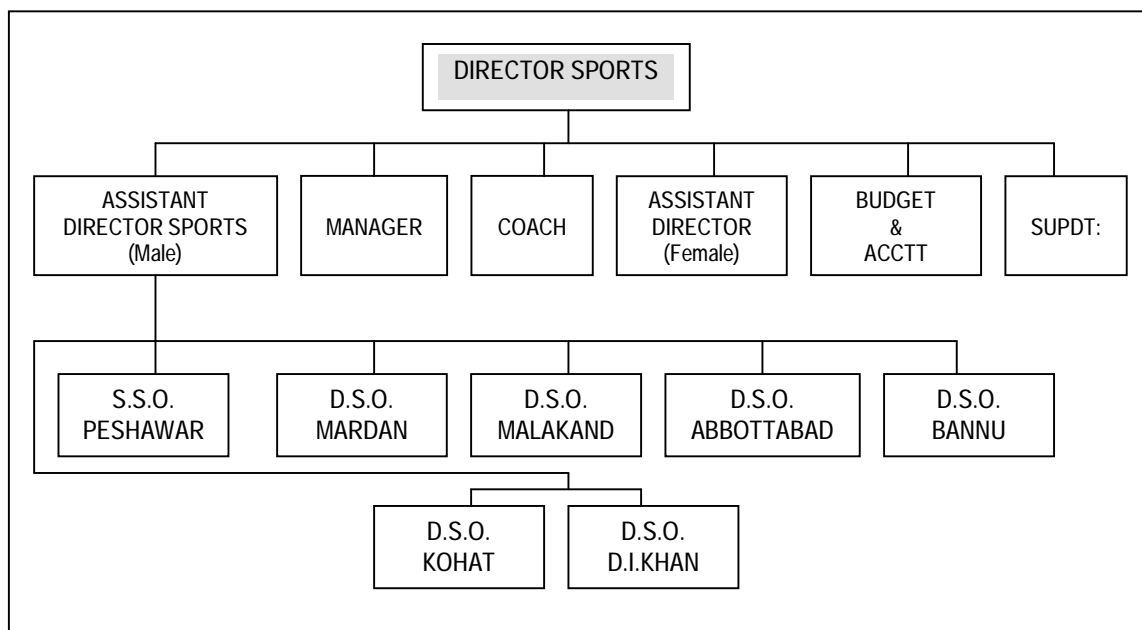
The basic thrust of the directorate is towards preservation of ancient civilization especially the site listed on world heritage list i.e. Takht Bhai. The main attraction in ancient cultures is with reference to Gandhara , Hindu Shahi, the Muslim era and other scattered remains. The Swat Valley, Mardan & Charsadda regions provides for a number of sites where traces of the old culture are visible. The Historic Kissa Khani Bazar , Peshawar and the Khyber pass all are the custodians of old tails and trails that sometimes links to warriors and at other times recalls historians, travelers and writers. The section enables the Directorate to know about the latest techniques for preservation, display and making the knowledge of old civilization more interesting to the visitors so that they visit these treasures time and again.

## **5.11 ORGANIZATION**

### **5.11.1 Directorate of Sports, NWFP**

In the pre-devolution setup there was a Directorate of Sports NWFP at the Provincial level and Divisional offices of the same at the Divisional Headquarter levels in old setup. After devolution of powers to the District Government, the Sports offices at Divisional level were abolished and instead District Sports Offices established in each District Headquarter headed by a District Sports Officer. Organogram of the new setup is placed below:

**Figure 5.6 Directorates of Sports, NWFP**



Source: Government of NWFP 2005

After establishment of District Governments, all playing facilities such as stadiums, Gymnasiums and Squash Courts, provided by the Provincial Government have been handed over to the District Governments for their management, use and its maintenance.

### 5.11.2 Functions of the Directorate of Sports NWFP

- Promotion of Sports in the Province by providing playing facilities such as Sports Stadiums, Gymnasia, Squash Courts, indoor Games Hall, Swimming Pools, etc. at Tahsil, District and Divisional Level.
- Coordinating activities of sports organizations, providing them financial assistance and Coaching of the youth. Coordinating inter schools and inter colleges sports activities.



- Holding of inter-district, division & Provincial Tournaments. Arranging inter-provincial sports competitions and conducting international matches.
- Arranging special people sports festival.
- To impart training through coaching camps.
- Advise the Government on plans and programmes for youth welfare. Organize Youth activities at the Provincial level. Promote youth activities in the private sector.
- To coordinate with the Federal Government in the Youth Affairs Division to promote the activities of the Youth.
- To organize inter-provincial as well as international youth exchange programmes with the collaboration of Federal Government.

### **5.11.3 Performance**

The Provincial Sports Department has provided a number of playing facilities at the Provincial, Divisional and District Headquarters in NWFP. The playing facilities provided during the period of present regime are as under: -

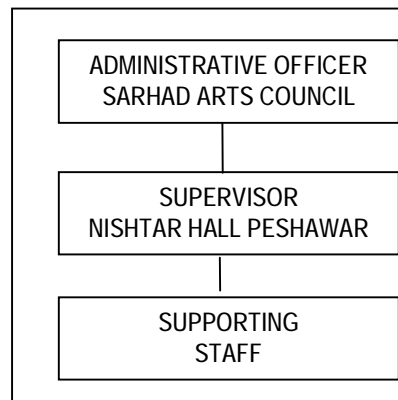
- Hockey turf at Bannu Hockey Stadium.
- Improvement/renovation of Sportsmen Hostel at Bannu.
- Construction of Bannu Sports Stadium
- Sports complex at Kohat constructed consisting of Cricket, Football and Hockey.
- Tennis courts at Peshawar.
- Badminton Hall at Mardan.
- The Directorate of Sports NWFP is regularly organizing Inter District, Inter Division and Inter Provincial Youth competitions for boys and girls. Besides, Pakistan level tournaments and Sports Festival for Special people have been organized.
- Holding of National, Provincial and Regional level Sports tournaments/activities for Special people and the general public especially for the students' community.

- To organize International competitions if allotted by the Federal Govt. / respective Sports Federations.
- Coaching and Training Camps for the talented Sportsmen.
- Inter Agencies Sports competitions.
- Mass participation activities like Walk, Road race, Jogging and mini Marathons.
- Efforts are being made to provide play grounds in each Tehsil of the Province. This year a sum of Rs 3.8 million has been allocated in the ADP for provision of play grounds. Moreover, the Provincial Govt. with the assistance of Federal Govt will provide Synthetic Hockey turf at places like Abbottabad, Swat, Mardan and Kohat etc. Presently 2 Synthetic Hockey Turf one each at Peshawar and Bannu are available.
- A sum of Rs 5.3 million has been allocated in the current financial year for the promotion of Sports activities. It may be mentioned here that the Govt. of Punjab and Sindh are providing more than Rs.20 million for the same Sports activities which are supposed to be organized by the Directorate of Sports NWFP.
- To organize sports properly through out the Province and to have better coordination with the executing agencies in connection with the construction of Sports projects, it is essential that District Sports Officers in each District of the province are established with the minimum staff of the District Sports Officer., Junior Clerk, Naib Qasid and a Chowkidar. In Punjab they have established Sports offices even at the Tehsil level.
- The Millenium Spring festival was organized by the Sports Department at Army Stadium, Peshawar on 10th March, 2000. The Chief Executive of Pakistan was the Chief Guest. Besides Governor, NWFP and Corps Commander 11 Corps, a large number of high-ranking Civil/Military Officers and general public witnessed different events such as Buz Kushi Match, Tent Pegging, Horse Dances and Band display.

## **5.12 Sarhad Council Of The Arts**

The Sarhad Council of the Arts is functioning under the Administrative control of Culture Department. No restructuring/devolution has been taken in this organization as it contains a bare minimum of staff.

**Figure 5.7 SARHAD COUNCIL OF THE ARTS**



Source: Government of NWFP 2005

#### **5.12.1 Function of the Directorate of Culture**

- To Preserve Culture Heritage;
- To promote and develop culture, art and literature on indigenous and national lines, keeping the regional back-ground intact;
- To monitor the activities of cultural, arts and literary organizations in NWFP;
- To forge unity among different segments of society;

#### **5.12.2 Performance**

- The Cultural Wing has fabricated a cultural Float on 23rd March, 2000 (Pakistan Day) depicting the cultural heritage of the NWFP in particular. The Float has taken part in the national festival on the Pakistan Day held at Islamabad. It was viewed by a large number of people, besides the dignitaries invited on the

occasion. It has a positive impact in preserving a developing cultural traditions and heritage.

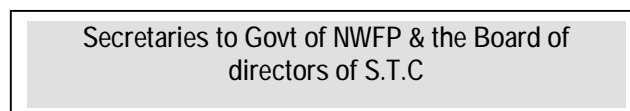
- The Culture wing is also maintaining and running the Nishtar Hall meant for holding cultural shows, literary activities and other government functions.
- In its pursuit to the cultural development, financial assistance is provided to the needy and deserving artists/singers/sportsmen and Artisans.

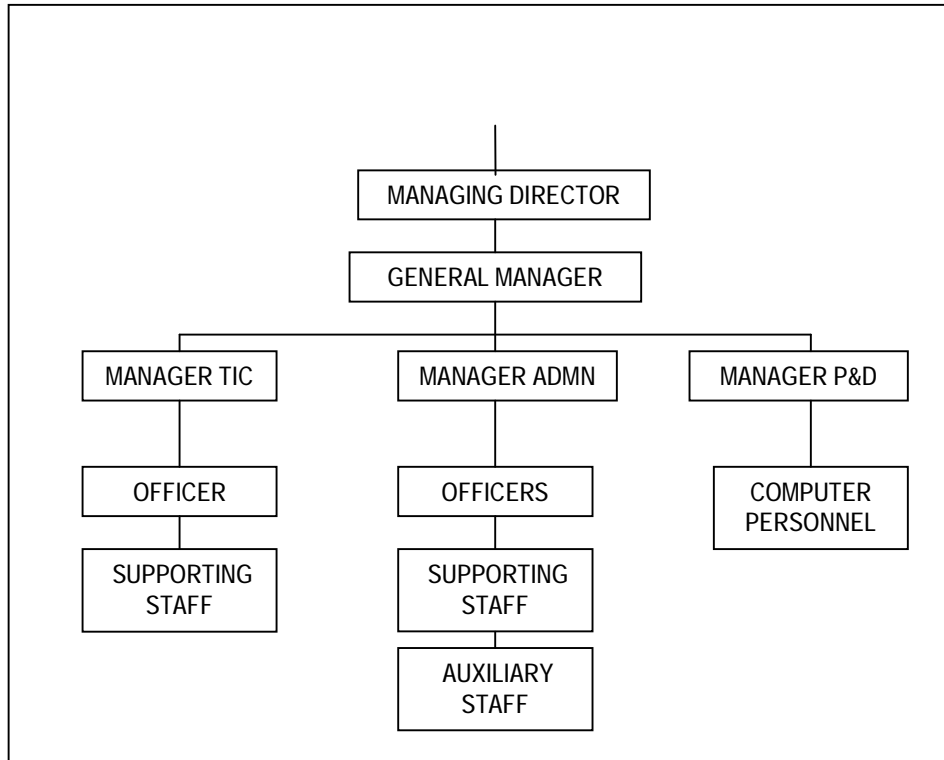
### 5.13 Sarhad Tourism Corporation

The Sarhad Tourism Corporation NWFP was established in 1991 to promote and develop the Tourism industry of NWFP by involving both the private and public sectors.

- **Overall Goal:** To act as a catalyst for the promotion of sustainable tourism development in NWFP.
  
- **Short Term Objectives:**
  - To create awareness of Tourism as an Industry,
  - To build rapport with private investors for promotion of tourism in the NWFP, publicity and promotion.
  
- **Mid Term Objectives:** To accomplish the task of motivating the private sector to come forward and indulge in certain activities to provide the demonstrative effect by running tourism development complexes all over the Province and through acquisition of existing state land and development of new facilities and buildings.
  
- **Long Term Objectives:** To create adequate awareness amongst the people that tourism is an income-generating agency and that it can become a leading industry for the NWFP.

**Figure 5.8 Organogram STC**





**Source:** Sarhad Tourism Corporation

### 5.13.1 Performance

- As per its policy of public -private partnership, the STC advertised the leasing out of the Falak Sair Hotel at Kalam for a period of 30-33 years. The process of its leasing out to the private sector is at the final stage. Likewise, privatization of Kund National Park is also under active consideration.
- The Shandur Polo Tournament is an important annual festival from the view point of Tourism development. This time it was held on July 8-10, 2000 and attracted a large number of people. The Chief Executive of Pakistan also graced the occasion.

- According to a programme, the STC is going to install a chain of logos in Peshawar City at places of historical value for the convenience of tourists particularly coming from abroad. The Peshawar Museum and Khan Klub will be the starting and terminating point of the logos respectively.
- Three rest houses at Nathiagali, one at Donga Gali and one at Behrain, Swat, were got transferred from the C&W Department to the STC for the use of tourists. These rest houses were renovated, furnished and made worth living by the STC and now are rented out to the tourists at rates little lower than the market. This has put a positive impact on Tourism activities pursued by the STC.
- The Government of Pakistan in collaboration with UNDP/WTO has engaged a team comprising national and international consultants for formulation of a Master Plan for Tourism Development in the Country. The consultants visited Peshawar on 21.8.2000 and held meetings with the Minister for Tourism, NWFP, the Acting Secretary Tourism and the Managing Director, STC and apprized themselves of the necessary information in this regard. Further meetings will be held in due course of time for feminization of the Master Plan.
- A group of 6-7 selected persons related to the field of Tourism from Sri-Lanka, are scheduled to visit Pakistan with the near future for comprehensive study of the Touristic potential once formulate its recommendations for the promotion & development of Tourism industry in the Country

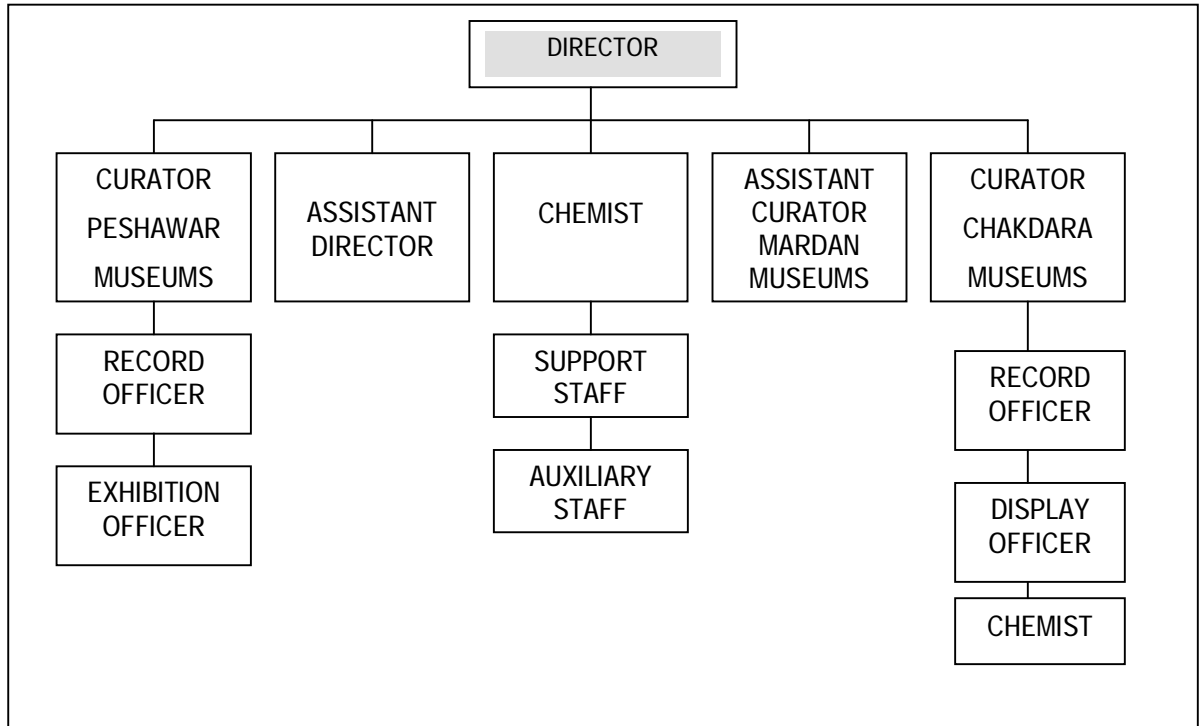
#### **5.14 Directorate of Archaeology & Museums, NWFP**

Since no devolution has been under taken in the Directorate of Archaeology & Museums, therefore no such office nor subordinate offices or institutes are run or controlled by the District Governments. The Directorate has the following subordinate institutions:

- Peshawar Museum, Peshawar
- Dir Museum, Chakdara

- Mardan Museum, Mardan

**Table: 5.9 Organogram of the Directorate**



Source: Government of NWFP-2005

The Provincial Government of NWFP with a view to have its own Provincial Government law to deal with matters related to moveable and immovable antiquities, has implemented the NWFP, Antiquities Act – 1997 in letter and spirit. For the preservation of Architectural buildings located in this Province, the NWFP Premises Act is under consideration of Government for promulgation as ordinance.

- To conduct exploration in the Province for the discovery of new sites and to carry out excavations of the existing sites situated at various places.
- To conserve the ancient sites and monuments for their preservations for the present and coming generations.
- To improve and display existing Museums and to take steps for the establishment of new Museums in the Province.

#### **5.14.1 Development of Hund as Archaeological & Tourist point:**

The existing site of village Hund is located on the western bank of River Indus at a distance of 5/6 kilometer from the main Swabi Jehangira Road in the Swabi District. It is a well known historical place at the crossing point of River Indus. Alexander the Great, on his march to India had offered sacrifices to the gods here and crossed over to Punjab. Hund remained the Capital of Hindu Shahi dynasty during the 10th and 11th Century, when Mehmood of Gazna defeated the last ruler of this dynasty and unfurled the banner of Islam in this region. In view of its historical importance, the Provincial Government decided in 1995 to develop the place as historical and tourist point. Therefore, a PC-1 was approved with the following components.

- Purchase of land at Hund.
- Erection of Alexander Monument.
- Fencing.
- Leveling and dressing
- Archaeological excavation.

The land measuring 33 kanal and 8 marlas has been acquired and its leveling and fencing has been completed. Archaeological excavation done in second quarter of 2000. Valuable coins and some related artifacts have been recovered.

Steps are also being taken for the Conservation, rehabilitation, protection and renovation of Archaeological sites in and around Peshawar/Garden at Gor-khattree along with Development of Hund as an Archaeological and Tourist site. Improvement of the existing Museums is also on the card.

#### **5.15. NWFP- Tourism Profile Overview**

**5.15.1. Peshawar:** One of the oldest living cities of the sub continent, Peshawar has a history full of invasions and other historic events of great significance. Gateway to the sub continent from the west, Peshawar has always been the first to face the invaders for centuries. The provincial capital of the North West Frontier, Peshawar lies on strategic route to Afghanistan.

**Cultural Heritage:** The famous Khyber Pass links Peshawar Valley with Afghanistan. Many invaders including Alexander the Great, the Ghaznavis and Mughals used it as passage to conquer India. Peshawar also had been the capital of Gandhra Civilization for



many centuries. Places of attraction include the Qissa Khawani (storytellers) Bazaar and the walled city itself.

Potential Assessment: Peshawar has a great deal of capacity for expansion of tourism for all times. Being located on an important trade route extending to the newly independent Russian states, Peshawar needs upgrading and improvements to be made to its potential heritage sites.

5.15.2. **Mardan:** Mardan is an important town located strategically at the crossroads from Peshawar, Charsadda, Swabi and the Swat Valley.

Cultural Heritage: Extremely useful archaeological excavations have been carried out at a number of sites around Mardan. Most of the sites date back to the time when Gandhara Civilization flourished in the area. The rich cultural heritage of Gandhara has been found at Takht Bhai, Shahbaz Garhi, Jamal Garhi and some sites at Swabi in the east and Charsadda in the west. The first one is also declared as World Heritage Site.

Potential Assessment: Mardan lies on the only road leading north to the famous valleys of Swat, Dir and Chitral. For this and many other reasons, it is not a destination in itself but a stop over of short duration. Mardan City is the main city of this Tourism Development Center and also the provider basic urban services. A decent tourist accommodation does not exist at the moment, which should be provided with limited capacity for tourists who want to spend sufficient time at the historic sites and may not reach Swat the next destination, during safe hours of the day.

5.15.3. **Swat;** The only area rich in both Cultural as well as Environment value is the famous valley of Swat. With River Swat flowing in the middle, the valley is narrow at many places and present picturesque scenery with snow clad peaks in the background. Geographically and politically the area can be divided into four distinct parts. After scaling the Malakand Pass from Dargai in the south, Malakand Agency is an area with tribal status. Lower Swat mainly consists of Buner and the surrounding areas. Mingora is the capital city whereas Saidu Sharif Airport is located just across the River Swat. During the season, thousands of foreign as well as domestic tourists throng the place. Moving

towards north, the Shangia District provides the only link between Swat Valley and Karakoram Highway in Kohistan Valley at Bisham.

**Cultural Heritage:** Swat is an important link in the long chain of settlements showing significant traces of Gandhara Civilization. The historic sites belonging to this era are scattered in large numbers in the lower and central Swat valley. Churchill Picket is an interesting site belonging to the recent past and located immediately after crossing into the valley from Malakand Pass. It is followed by Buner in Lower Swat, where the Shrine of a saint known as Pir Baba, few historic sites dating back to Alexander the Great and some belonging to the Mughals are the points of interest. From Lower Swat, the stretch of the valley to north belongs to the central area and is the hub of tourist activities of the valley. Many Buddha relics, figures and Stupas are scattered all around.

**Nature/Recreation:** Malakand Top offers a resting and picnics spot. Buner in Lower Swat is known for its natural beauty. Two mountain tops of Karakar and Ham are located in Buner, the area which lies off the main route of the tourist movements. Infrastructure improvements may open this area for tourists. Shangia Pass is a scenically beautiful spot, which remains covered with snow during the winter. The only ski resort of Malam jaba is located almost in the middle of the valley. The Upper Swat Valley changes the character from historic to that of recreation. Many towns have tourism as the economic base. Bahrain, Madyan and Miandam are the most well known destinations. However, the biggest concentration of tourist hotel accommodation is located at Kalam. After Kalam, the valley bifurcates in two small valleys; one on the right is leading to Ushu glacier and ends at the beautiful Mahodand Lake. Whereas, the other on the left goes to Athrore, Gabral and ends at another beautiful Kandalodand Lake.

**Potential Assessment:** Making any assessment of the potential of the valley for future expansion is perhaps not an easy task. Existing levels of tourism movement in the valley are already extremely high, posing serious threats to the environmental quality. Kalam is already showing the signs where mushroom growth of hotel industry without comprehensive urban planning has seriously damaged the urban environment. Therefore it is required to either put restrictions on the tourist movement in the valley or open new areas as alternate destinations to relieve the pressure on the already established areas. A

comprehensive urban development plan should however be urgently prepared for Kalam and its surroundings.

**5.15.4. Dir:** Dir valley is sandwiched between the Valleys of Swat and Chitral. Main access to Chitral passes through Dir, which also provides access to most parts of the valley. It extends from Chakdara after crossing River Swat in the South to Lowari Pass in the North.

Nature/Recreation: Dir is one of the areas with significant tourism potential. Both historic and environmentally rich sites are located in the main valley. Kumrat is the most beautiful area of the valley, which is visited by many domestic tourists. Presently Dir town is used for temporary stay for the traffic moving on the main Chitral Road, especially during the times when Lowari Pass is closed to the traffic as a result of snowfall and all the Chitral bound traffic is blocked.

Potential Assessment: Although Dir valley has significant tourism potential in the form of natural beauty, but it requires a large-scale investment for development of basic infrastructure. This seriously restricts scope for its development as an alternate or supplement tourism facility to Swat Valley.

**5.15.5. Chitral :** Entering from Dir into Chitral requires crossing the Lowari Pass, which remains closed for almost six months of the year due to heavy snow fall during the winter and frequent land slides on certain sections of the road. This serious handicap on accessibility has kept the Chitral relatively isolated from its surroundings and protected the original culture of the valley. Chitral is strategically located at the meeting place of a number of countries including Pakistan, Afghanistan, Russia, Tajikistan, China and India. This gives it a unique geopolitical significance, which is also sensitive from defense point of view. For centuries, a local family has ruled Chitral, till the status of a state was abolished in mid seventies.

Cultural Heritage: Chitral has two most significant attractions. Firstly, the Kafir people of Kalash Valleys who have been living in a time capsule. Believed to be the descendents of the Greek army left behind by Alexander the Great, they have a completely distinct and primitive culture and a totally pagan religion.

Nature/Sports: Secondly, the highest polo ground of the world is located at Shandoor, the border between Chitral and Gilgit. More than 12,000 feet above the sea Shandoor Lake at Shandoor Top is located next to the Shandoor Polo Ground. Thousands attend the annual polo festival every year, including the dignitaries, celebrities and foreigners. The chief guest is normally either the President or the Prime Minister of Pakistan.

Potential Assessment: Chitral has unique tourism products to offer which is the Kafirs of Kalash, and the valley has already been established as a popular destination. However, it has a serious problem in terms of accessibility. Road journey is not possible for six months of the year and air link is as uncertain as the weather of the region. The runway in Chitral is too small to accommodate big aircraft and small aircraft can not operate in bad weather conditions. An improvement in road conditions requires construction of a tunnel across the Lowari Top, a solution that is both costly and technically difficult.

5.15.6. **Hazara:** Hazara lies along the KKH between the plains of Punjab and the mountains of Northern Areas. Abbottabad is the largest town of the region, which is also a significant military establishment.

Nature/Recreation: The tourism significance of Hazara Region lies in Karakoram Highway, which passes for most of its length from the region. The area is also a transit service point for traffic leading to the Kaghan Valley, which is a very popular tourist destination among the domestic tourists. Tourism potential of Hazara Region also includes Thandiani, an attractive hill station at high altitude and located in the vicinity of Abbottabad. The beautiful Galiyat area, which has been included in the cluster of Rawalpindi, Islamabad and Murree, actually extends up to Abbottabad in the northwest.

Potential Assessment: Abbottabad is already an established hill station with limited potential for any further expansion. Since recent past it has also been established as center of good quality educational institutions. This also has a limited potential for future expansion. However, Abbottabad will keep playing the role of a transit station for traffic on KKH and towards Kaghan Valley. Unfortunately, the section of KKH passing from Abbottabad is heavily developed by commercial area on sides, creating traffic jams and disturbing the national and international traffic of KKH. This requires imposing a strict

development control for any future commercial development on this section of the Highway. A better solution will be to built a by pass road as new section of the KKH.

5.15.7. **Kaghan:** Including Muree and Kalam, Kaghan is one of the three most popular tourist destinations in Pakistan mainly among the domestic tourists. The 61km long beautiful valley of Kaghan is accessible from Mansehra, located along KKH after Abbottabad. River Kunhar is the main artery of the valley and most settlements are located along this river.

Nature/Recreation: The large town of Balakot is situated at the mouth of the valley and provides all the tourist related facilities to the Valley. A small offshoot to the main valley is the beautiful and snow covered valley of Shogran. Naran is essentially the final destination of many tourists to Kaghan Valley. The legendary Saiful Muluk Lake is situated at a distance of about 6kms from Naran. The Valley ends at Babusar Pass, rossing which leads to Chilas in Northern Areas.

Potential Assessment: Damage done to the environment of the valley has already been visible. Lake Saiful Muluk presents appalling picture with so much of litter and solid waste left by the tourists after every summer season. The development of a large number of hotels in Naran has generally been done without following any planning. Shogran is now going to witness the onslaught of tourists. This urgently and importantly requires a comprehensive plan preparation for Shogran as well as Naran. The orderly development will also relieve Naran from present overcrowding. Balakot is an alternate accommodation, for tourists who arrive late and do not want to continue journey to Naran after the sunset. All hotel development in Balakot has also been done with proper planning. A comprehensive plan for Balakot is also urgently required.

## **5.16 State Of Tourism Growth in Pakistan**

Pakistan receives limited numbers of tourists, and recent data have shown growth in real terms and substantial recovery from 368700 a low point in 1996, to 798300 in 2005, more than the double figure in less then ten years. The growing trend rocketed up in 2000, but unfortunate 9/11 damaged the pace and resulted in to negative trend for constant two years, 2001, 2002. However, the shortfall observed in 2001, 2002 and recovery thereafter is same as of the world tourism due to the negative effects of 9/11. However, the

encouraging is the unprecedented growth of Pakistan tourism in 2004-2005, which has surpassed world pace in manifolds. Using the latest figures available from 1997 through 2005 it can be seen that total visitor arrivals have progressively increased manifolds from 368700 in 1996 to 798300.<sup>2</sup> if the same pace of tourism growth in Pakistan continues then the days are not far off , when tourism will count a substantial portion in Pakistan GNP.

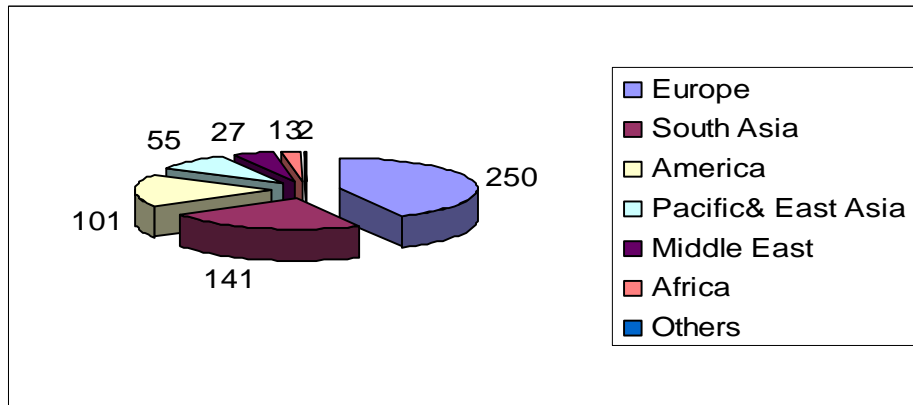
**Table 5.2 Visitors to Pakistan Annual Arrival Data**

Year	Tourism Arrivals Pakistan		World Tourists	
	Arrivals Thousands <sup>3</sup>	% Change Over	Arrivals Thousands <sup>4</sup>	% Change Over
1996	368.7	(-) 2.6	599.6	5.47
1997	374.8	1.7	619.6	3.34
1998	428.8	14.4	626.5	2.50
1999	432.2	0.8	650.5	3.80
2000	556.7	28.8	689.0	5.9
2001	499.7	(-) 10.2	688.0	(-) 0.1
2002	498.1	(-) 0.3	709.0	3.0
2003	500.9	0.6	697.0	(-) 1.7
2004	648.0	29.4	766.0	9.9
2005	798.3	23.2	808.0	5.5

Source: Ministry of Tourism- 2006

Statistics of market wise tourists' arrivals in Pakistan for last four years show a statuesque in trends, where Europe has continued to occupy a major share, followed by South Asia, America and South East Asia.<sup>5</sup> The following graph represents the last five years (2001-2005) average share of each region.

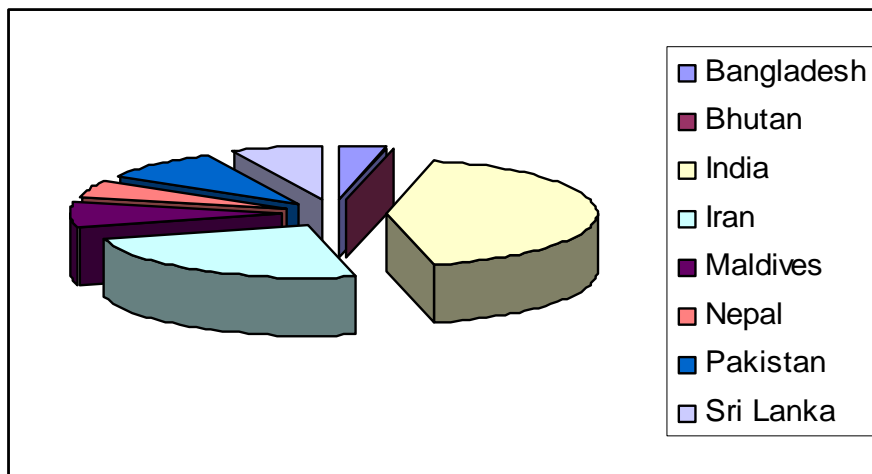
**Graph 5.1 Annual Arrival Shares of Various Regions**



Source: Ministry of Tourism- 2006

Pakistan’s share in South Asian Tourism is also not encouraging. Foreign arrivals in Pakistan are much lesser than India, Iran, and nearly equal to Bhutan<sup>6</sup>, a smaller country with much less returning ethnic traffic. An overview of Pakistan’s average share in South Asian market serves an eye opener for the tourism management in Pakistan. ,

**Graph 5.2 Annual Arrival Shares of Various Countries in South Asia**



Source: Ministry of Tourism-2006

An examination of the motivation for travel in 2005 shows that returning Pakistanis and others visiting Friends and Relative account for more than half of all foreign arrivals at 56%. Business visits remain strong at 21%, while holiday/ vacation visits are limited to only 14.7% of all arrivals.<sup>7</sup> Pakistan has lot of potential for religion tourism, especially related to Sikh, Buddhism. In real terms, with only 8800 tourists arriving in Pakistan for

religion purposes in 2005, is a very low base. Same situation is observed in holiday/recreation tourism. After discussion with tour operators, we believe that over 75% of long-haul leisure tourists confine their tour to major cities such as Lahore and Islamabad, and to the northern part of the Country. Trekking, and to a lesser degree mountaineering, are the highest profile activities of tourists, although there are a growing number of more general tours, while religious sites are providing a significant attraction to visitors from the Far East and Indian East Punjab.

Statistical research reveals that foreign tourist can be divided into two distinct groups on sex or age stratification. Male constitute the substantial increase over female visitors. In age based strata over 30 years visitors are – to the visitors having age less than 30 years.<sup>8</sup>

**Table: 5.3 Age and Sex Distribution of Foreign Tourists -2005**

<b>Male</b>	566.8 (71.0)
<b>Female</b>	231.5 (29.0)
<b>Total</b>	<b>798.3</b> <b>(100)</b>

Source: Ministry of Tourism- 2006

**Recent Initiatives:** Government of Pakistan has taken number of initiatives to encourage tourism growth and improve the state of affairs in tourism sectors. Each step has its own weight to influence the tourism and contribute towards positive output. These initiatives being self-explanatory are listed below:

- Tourism has been declared as an industry.
- Year 2007 has been declared as a “ YEAR OF TOURISM”
- Government permission is no longer required for setting up of tourism projects in the private sector.
- Equity loan ratio is 20:80 for establishment of tourism projects.



- Permission of the State Bank of Pakistan is no longer necessary for repatriation of profits of tourism projects.
- Foreigners/local and Overseas Pakistanis can now open foreign exchange accounts.
- Foreign exchange without any limit can be brought into the country.
- No questions are asked about the source of availability of the foreign exchange.
- Any citizen can purchase foreign exchange bearer certificates and bonds.
- Government has waived work permit restrictions on the employment of foreign nationals in the category of the General managers and Technical Personnel.
- Ceilings on payment of royalties have been dispensed with. Now the investors can enter into contracts for transfer of technology and use of patents rights without the approval of any government agency.
- Charter flights are allowed on point to point basis at Karachi, Lahore, Islamabad and Peshawar.
- Vehicles (15-20) seats and 4-wheels drive imported by the registered tour operators can claim payment of duty in half-yearly five equal installments.
- Central air-conditioning equipment and apparatus of general utility in the premises of Hotel and Restaurants are charged industrial tariff for electricity.
- Industrial tariff rates of Sui Gas are charged from Hoteliers.
- Private sector is allowed to run helicopter charter flight service anywhere in Pakistan.
- 30 days visa on arrival at the airports to genuine tourists.

- Landing permits/transit visa for 72 hours is govern by our immigration staff, free of charge to the genuine tourists, provided they possess return air-tickets and sufficient foreign exchange at entry points/airports.
- Pakistan Embassies are authorized to issue double entry visa to the genuine tourists.
- Genuine tourists leaving Pakistan within 30 days are not required to report to the District Registration Officer (Foreigner).

### **5.17 Analysis Findings/ Conclusions**

Analysis of the data leads to number of findings and conclusions. Some of the worth mentioning findings are given below in succeeding paragraphs.

#### **5.17.1. Ministry of Tourism Headquarters:**

- The Ministry in its present form has never had the respect or confidence of the private sector and has not contributed to the development of the sector in any meaningful degree over the last twenty years. Its lack of actions in pursuing policy implementation is lamentable.
- The Ministry is not fully empowered to tackle the problems of tourists and tourist enterprises because of assigning of most of these responsibilities to other ministries/divisions.
- The Ministry was not computerized until 2005, and was working with outdated procedures and work methods. Internal sources, on the promise of confidentiality informed, that work output and accomplishments is hampered by considerable impediments ranging from administrative bureaucracy, lack of modern day computer technology, lack of funds, lack of experience and professional knowledge, lack of facilities, short working hours and general lethargy.
- The deficiencies in all departments and lack of funding had serious implications in the effective management of the tourism sector so far.

- It has never been a source of effective and meaningful data, and has no worthwhile tourism survey on its credit. The so called referred Survey-2000, in most of the documents is not easily accessible.

#### **5.17.2. Department of Tourist Services (DTS)**

- This department is one of the most contentious mechanisms of the tourist industry in Pakistan. It functions on the disciplines of three tourism acts, which are outdated by twenty years.
- The requirements of every aspect of hotel construction and facilities including kitchens, food preparation, health, services, public areas, sanitation, environment etc now has yet to conform to international standards. Grading also now comes into the international domain, as well as taking into account quality of staff and training requirements.
- Under international law, tour operators who promote and bring visitors to a country are now legally responsible for providing what is stated in their programmes. In the case of Pakistan, a stated grade of hotel, based on the existing tourism acts does not conform to international standards, and as a result if featured and quoted in overseas tour programmes a client may sue the agent for misrepresentation.

#### **5.17.3. Pakistan Tourism Development Corporation (PTDC)**

- An unsatisfactory and worrying aspect of the day-to-day administration and management of PTDC is that not all staff are employed by the Ministry directly. There is a problem of dual management in that half the employees are generalists employed directly by the ministry and half employed as semi experienced personnel directly by PTDC. This results in dual orders and disciplines resulting in petty suspicions which affect reporting procedures and a lack of internal cooperation.
- Since its inception PTDC has had a troubled time and its relationship with the private sector has not been good. PTDC involvement in activities such as tour

operating has been seen by the private sector as the government being directly in competition with the private sector.

➤ Its funding from government has not been sufficient to enable it to function as originally envisioned and it is top heavy in institutional and administrative costs, so much so that it was reported that major chunk of its funding from government has in the past gone on administration and staff costs. This has been addressed in part with a reduction in employed staff.

➤ Its involvement in hotels has been a serious failure in terms of standards and profitability. The experienced staff is difficult to identify.

#### **5.17.4. Malam Jabba Resort Ltd:**

➤ A recent inspection ( June 2006) of the resort showed that the resort displays five different names on signboards positioned at strategic places and three different names in the main entrance lobby. There are engineering defects in the roof resulting in leakage into rooms below, only part of the accommodation has been completed and there is the appearance of decay and general neglect. Only 22 rooms were reported functional. The main visitors to the resort are day-trippers who visit during the summer season. However, the resort has provided no facilities for day-trippers. These include:

- Drinking Water
- Toilets
- Parking
- Resting areas ( in sufficient seats / benches)
- Children's recreation facilities
- Walking tracks
- Shelter
- Restaurant/Fast food outlets
- Telephones

➤ As with the PTDC, staff is divided into two groups. One group employed by the Ministry and the other employed by PTDC. This has created hostility among the

staff, which adversely affects the working environment, efficiency and standards of service at the resort.

- There is an urgent need to address the lack of training and qualified staff for the resort, which adds to the fact that it is a deteriorating and will have an inevitable negative impact on tourism generation to this area.

#### **5.17.5. Pakistan Institute of Tourism & Hotel Management (PITHM)**

- Since its inception the Institute has been located in rented buildings, which could not cater for the demands of a professional education institute. This has been a major constraint on its effectiveness and its ability to train students to the standards indicated in its aims and objectives. Recently the institute has moved to a newly constructed building which is not yet complete and lacks numerous important facilities and equipment and has yet to resolve many problems to enable it to provide better training and facilities and environment for students and staff.
- It has had no official Director for the last decade and the current Acting Director has little management or training skills and is not in tune with the requirements of the hospitality industry. The existing staff is de-motivated and unqualified with instructors entrenched in outdated syllabuses and teaching methods. As a result, the image of the school throughout the industry is very negative, primarily due to lack of knowledge as to the industry needs and what the school can provide.
- The inability of the school is further compounded by government controls and establishment employment scales where it is not possible to attract national or international qualified trainers at acceptable private sector levels.
- A new PITHM school is being completed in Swat with assistance from the Austrian Government. At the time of this report it is questionable and remains to be seen, that in view of the experience of PITHM, Karachi, and if it is to be run on the same lines, if it will contribute improved training standards to the industry.

#### **5.17.6. Types of Tourism Markets**

For Pakistan we have identified a range of markets that will be attracted by selected tourism products, some of which can be developed in the short term, while

others must wait for the opening up of the whole Country to tourists or the development of improved infrastructure.

- **Business Markets:** Business, professional or official visitors come from countries that have official or trading links with Pakistan. The majority of business traffic is regional, and current statistics identify China, India and other parts of the sub-continent as the principal source markets, as well as the United Kingdom and America as markets outside the region. At the present time, business visitors account for approximately 21% of all visitors to Pakistan.<sup>9</sup> Special events are important in attracting tourists and can influence the numbers of foreign and domestic tourists, both business and leisure, depending on the style of event. Trade fairs attract both local people and foreign supplier; and buyers. Sports events such as cricket matches, polo tournaments, international athletic meets and others attract supporters from the visiting country as well as domestic visitors. Festivals and national events attract all types of visitor, and are particularly important in attracting regional tourists.
- **Visiting Friends and Relatives:** Because of the Diaspora of Pakistanis overseas there are important Pakistani communities in Europe, America, East Africa and the Middle East. Most of them return regularly to visit friends and relatives and in 2005 accounted for 56% of all visitors.<sup>10</sup> However, because of the very structure of this market, it is a static market that is unlikely to grow unless there is a significant increase in emigration, and the decision to visit is rarely stimulated by normal tourism promotional campaigns.
- **Leisure:** Leisure tourism is the most important form of tourism for most destinations as it is a sector that can be improved from present state of disappointment by infrastructural and facility development in the Country. It is the tourism sector most influenced by promotional campaigns, and markets can be stimulated by well targeted and effective marketing programmes.
- **Adventure Tourism:** At the present time, adventure tourism is the most evident in Pakistan, and is given highest priority in existing tourism promotion. This is a very important form of tourism and includes trekking and

mountaineering. Most of the tourism of the north is based on this and it has been reported that over 50% of all foreign holiday tourists at the present time participate in these activities. However, almost all of this tourism is being directed to Northern Areas since long, and no share is provided to Chitral and other areas having peaks more than 6000 meter and above.

- **Leisure/Resort Tourism:** There are a limited number of tourist resorts in Pakistan to look after a large domestic market. There is dire demand for tourist resorts that are aimed at the needs and in a price range appropriate to domestic travelers.
- **Cultural Religious and Historical Interests:** The sub-continent's primary attraction to most international source markets is the broad range of cultural, religious and historical attractions. The many cultures, the wealth of relics from past empires and civilizations, the strong religious heritage of the region, and the diversity of the people provide an appeal that is hard to match in other parts of the world. However, statistics show that Pakistan has yet to tap its huge potential available in this type of tourism. The religious sites can attract pilgrims, while the historical sites can be linked in themed tours. In many cases, regional pilgrims from Japan, Korea and Taiwan, may combine a holiday tour with visits to Buddhist shrines. In Pakistan, Buddhist, Sikh and Muslim shrines all provide the opportunity of developing a wide range of religion-based programmes.
- **Environmental and Eco-Tourism:** Environmental tourism, whether referred to as safari, eco-tourism (although this term is suffering from excessive and incorrect use and a poor image), or nature tourism, attracts serious tourists who are keen to discover more about the natural life of Pakistan. Pakistan can offer a variety of areas that are of high environmental interest. However, this lucrative market will not be attracted if environmental degradation, in any form, is allowed to escalate or infra structure is not improved..

#### **5.17.7. The Management of Tourism**

Nevertheless it is generally accepted that for tourism to develop in a sustainable and orderly manner, an appropriate physical and regulatory framework is required.

Governments can only provide this. They are also responsible for the provision of the basic physical infrastructure necessary for tourism such as roads, airports, communications, power, water, sanitation and other infrastructure. They are also responsible for creating the legal framework within which the tourist industry operates. Image building can also be defined as a government responsibility as a country's image is seen as an integral part of its overall economic development.

- Tourism is an important source of foreign exchange and an important generator of employment, so many governments consider image promotion a legitimate partner in the development of export markets.
- Due to the government's slow and bureaucratic administrations, they are slower and less responsive and entrepreneurial than they should be. As a result they are looking more and more to the private sector to take a more involved role in all aspects of tourism management and promotion.
- The current trend in almost all regions of the world is towards public-private sector partnerships with the government providing the legal and regulatory framework and the private sector/ NTO's administering, managing and marketing the tourism export product.
- While it is difficult to make generalizations it would appear that the level of importance given to tourism within governments in Pakistan far from matches its importance in economic terms.
- Creation of its own ministry gave it greater influence on Cabinet decision-making, and influences decisions taken in other ministries which affect tourism. Having its own minister has advantage -a quite clear.

#### **5.17.8. Tourist Arrivals**

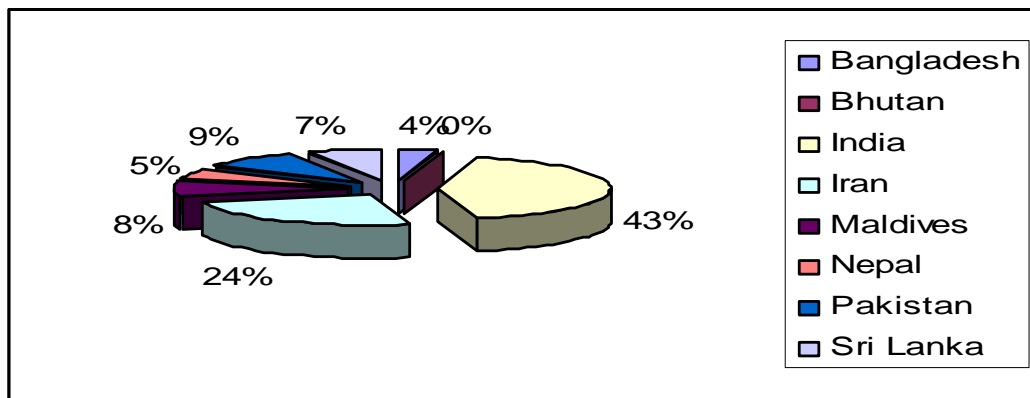
The latest figures available from 1997 through 2005 indicate that total tourists arrivals have progressively increased manifold from 368700 in 1996 to 798300. If the same pace of tourism growth in Pakistan continues then the days are not far off, when tourism will count a substantial portion in Pakistan GNP.



### 5.17.9. Low Share in South Asian Market

Pakistan's share in South Asian Tourism is also not encouraging. Foreign arrivals in Pakistan are much lesser than India, Iran, and nearly equal to Bhutan<sup>11</sup>, a smaller country with much less returning ethnic traffic. An overview of Pakistan's average share in South Asian market serves an eye opener for the tourism management in Pakistan. The graph mentioned below reflects Pakistan's standing in % share stays well behind to India and Iran and nearly equal to Maldives and Nepal.

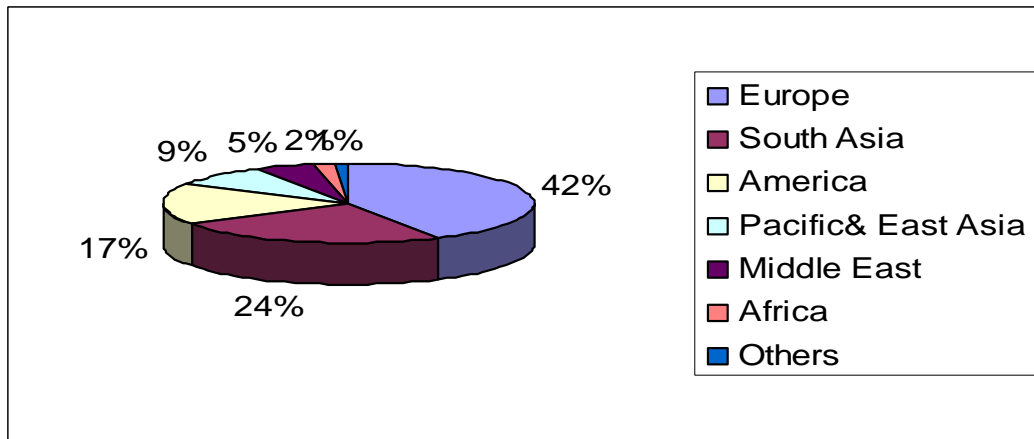
**Graph 5.3 Annual Arrival Share of Countries- %age**



Source: Ministry of Tourism-2006

**5.17.10 Tourism generating Markets:** Statistics of market wise tourists' arrivals in Pakistan for last four years shows that Europe is the leading region, which occupies a major share in Pakistan's market, followed by South Asia, America and South East Asia. The following graph represents the % of last five years (2001-2005) average share of each region.

**Graph 5.4 Annual Arrival Shares of Various Regions in %age**

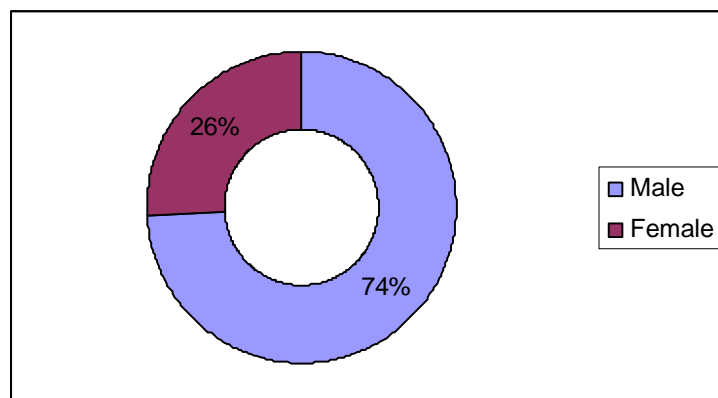


Source: Ministry of Tourism-2006

### 5.17.11 Age & Sex Based Tourists Stratification

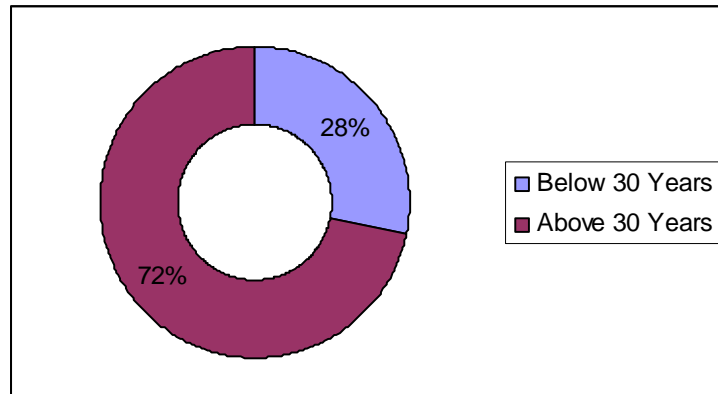
Statistical research reveals that foreign tourist can be divided in to two distinct groups on sex or age stratification. Male constitute the substantial increase over female visitors. In age based strata over 30 years visitors are – to the visitors having age less tan 30 years. Therefore, it leads to inferences that our tourism facilities must cater for the needed infra structure in proportion to age/ sex ratio.

**Graph 5.5 Sex Base Division**



Source: Ministry of Tourism-2006

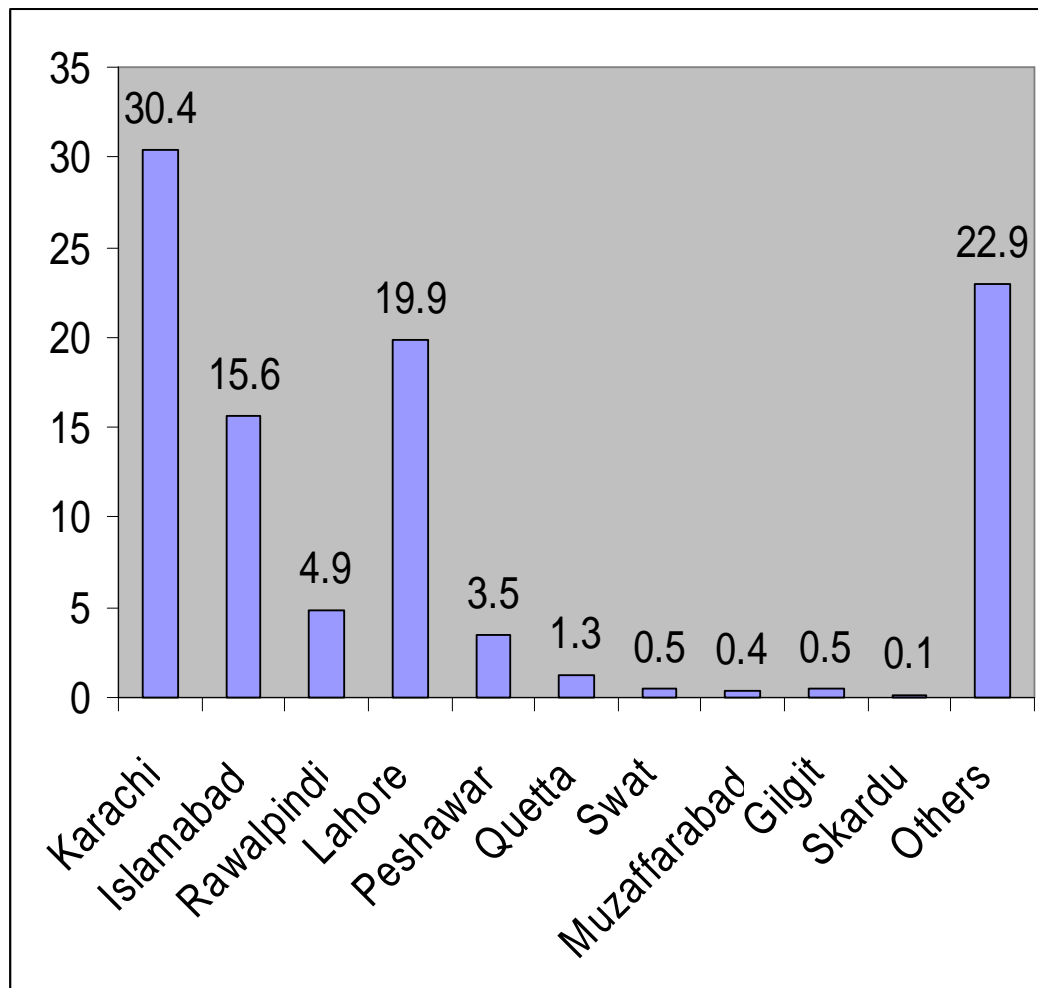
**Graph 5.6 Age Base Division**



Source: Ministry of Tourism

**5.17.12. Places of Interest to Foreign Tourists:** Analysis of the data received from Ministry of tourism Islamabad, indicates a priority of interests or places liked the most by the tourists in Pakistan. The places with their preference ratio can be judged from the graphical presentation made below. However, the conclusion drawn from the data may be misleading as the figure of Karachi may not be high because of tourist's liking but their compulsion to use it as a international port or sea port for the purpose of their arrival or departure. Similar, their visit to Islamabad may be because of their reporting to their embassies, and so on.

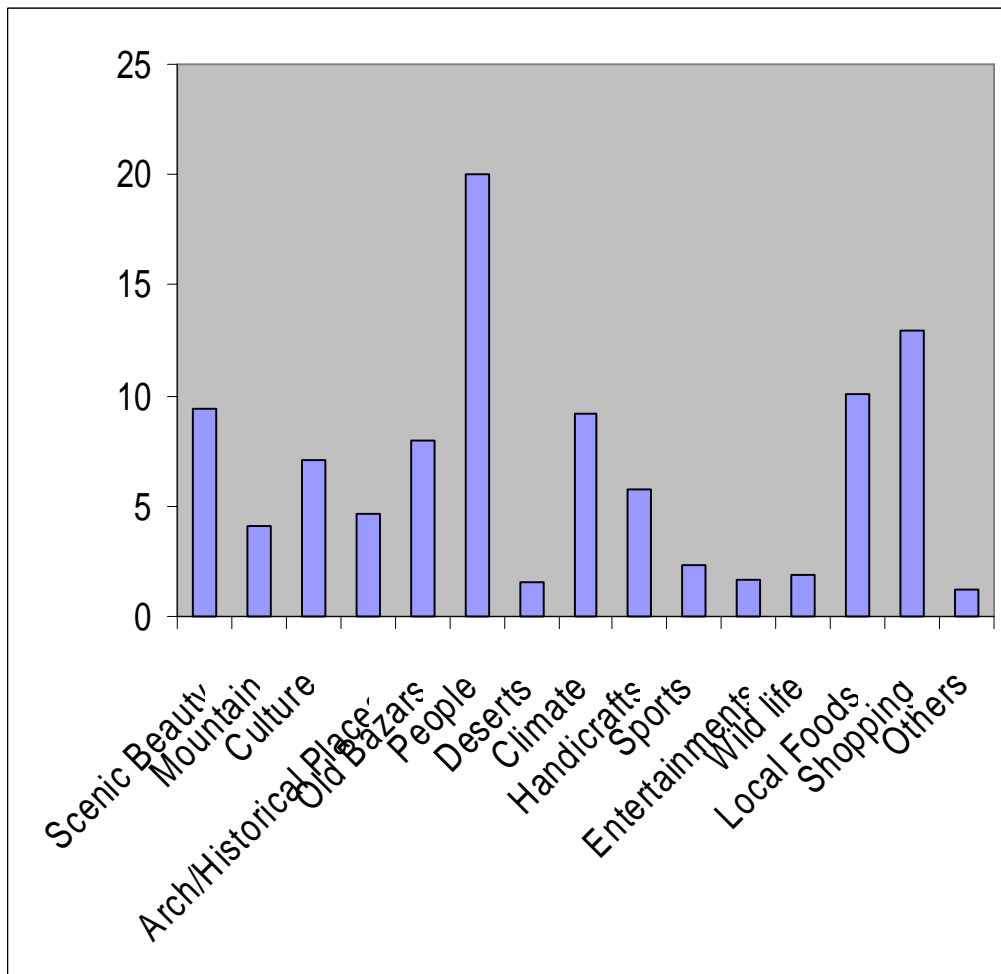
**Graph 5.7 Places of Interest to Foreign Tourists**



Source: Ministry of Tourism- 2006

**5.17.13. Foreign Tourist Arrivals by Motivation:** An examination of the motivation for travel in 2005 shows that returning Pakistanis interest to meet Friends and Relative is the leading motivation followed by business activities, cultural visits, adventure and so on. The following graft depicts the percentage of each type of motivation in proportion related number of foreign arrivals in 2005.

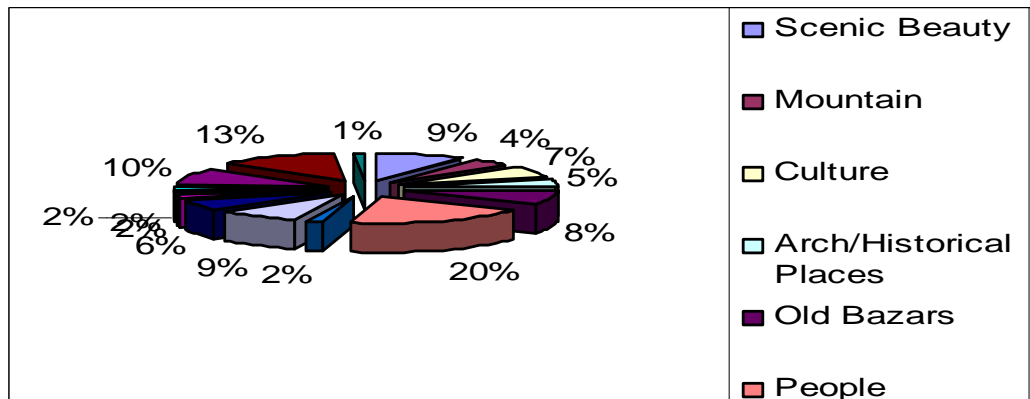
**Graph 5.8 Tourist Arrivals by Motivation**



Source: Ministry of Tourism- 2006

**5.17.14. Type of Tourism Market:** The data with regards to type of tourism visa vie share of tourist each type holds confirms the motivation priority mentioned above.

**Graph 5.9 Tourism Markets**



Source: Ministry of Tourism- 2006

### 5.17.15. Market Constraints

The primary constraints that have inhibited the development of robust markets for Pakistan, compromised any positive image that the destination may have tried to cultivate, and limited the impact of both airline and private sector initiatives in core markets are:

- Market perception of political instability, regional and local conflicts, and poor ' security and safety
- Lack of investment in correctly targeted and integrated marketing activities, including the provision of information in Pakistan and overseas.
- Erratic standards of service, facility and welcome to foreign tourists.
- Poor quality control of both tourist services and facilities
- Inadequate research, and therefore inadequate information, on core markets, their primary operators and their market needs

### 5.17.16 Investment in Tourism

- Pakistan's economic situation remains volatile and has yet to fully benefit from the upsurge in economic growth being enjoyed by other economies in the region. A turnaround in economic activity has been recorded in the financial year's just

past. The country is also plagued by a chronic balance of payments deficit compounded by a decline in currency inflows on capital account and increasing prices for commodity imports (like oil) on current account.

➤ International aid agencies have shown declining commitment level to assist in funding Pakistan's foreign exchange deficit as the war of terror in Afghanistan is aging and the memories of devastating October 2005 earthquake are fading.

➤ Pakistan's currency remains under pressure with foreign currency reserves of the State Bank. Foreign debt rescheduling which occurred few years ago is now backing on the agenda as a matter of routine.

➤ In appealing to international funding institutions for tourism development finance loans, Pakistan has little flexibility or room to maneuver. Many mainstream investment funding institutions would not even consider the prospect. Any promotional activities to secure project funding would, in all probability have to be targeted to those agencies or individuals that are sympathetic to the cause. This could include some of the development banks such as the Islamic Development Bank, Aga Khan Trust and others having a mandate to invest in Islamic communities. Another source is high worth individuals, again in the Arab world, who have a direct ethnic or community connection to Pakistan or a particular project.

#### **5.17.17 SWOT ANALYSIS**

Keeping in view the above findings/ conclusions in view, data available, our analysis of the market potential for Pakistani tourism identifies the following strengths, weaknesses, opportunities, and threats- prevailing in Pakistan's tourism sector:

➤ **Strengths**

- A rich historical and cultural heritage
- World renowned natural attractions such as the Indus valley and the northern mountains

- Good access links with primary source markets
- An increasing range of hotels, tours and tourist services
- **Weaknesses**
  - Very limited tourism infrastructure
  - Poor tourism services in many areas
  - Lack of any meaningful promotion of the destination
  - Inadequate national and provincial tourism organizations and services
  - Negative international image of Pakistan
- **Opportunities**
  - To improve foreign and domestic tourism by implementation of the WTO/UNDP Strategic Development Plan for Tourism
  - To create a new image for Pakistan
  - To optimize existing foreign and domestic markets
  - To develop new markets, and new tourism products
  - To increase the national awareness of the benefits of tourism
  - To increase developmental opportunities in many rural areas
- **Threats**
  - Lack of national support for tourism
  - Failure to implement recommendations of the Strategic Development Plan for Tourism
  - Failure to improve standards of service in all sectors of the industry
  - Failure to improve infrastructure in all tourist areas
  - Renewed political and social instability

## **End Notes**

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<sup>1</sup> . Establishment & Administration Department, NWFP Notification dated 6.3.2002.



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- <sup>2</sup> . FIA, Ministry of Interior, Government of Pakistan, Islamabad, See appendix “M”  
FIA, Ministry of Interior, Government of Pakistan, Islamabad.
- <sup>4</sup> . World Tourism Organization.
- <sup>5</sup> . See Appendix-Q, “Market-wise Tourist Arrivals in Pakistan,-2001 – 2005”
- <sup>6</sup> . See Appendix-M, Country-wise Tourist Arrivals in South Asia Region-2001- 2005
- <sup>7</sup> . See Appendix-T, “ Foreign Tourist arrivals by Motivation-2005”
- <sup>8</sup> . see Appendix- U, “Age and Sex Distribution of Foreign Tourists -2005”
- <sup>9</sup> . see Appendix-T, “ Foreign tourists arrivals by motivation- 2005”
- <sup>10</sup> . ibid
- <sup>11</sup> . See Appendix-M, Country-wise Tourist Arrivals in South Asia Region-2001- 2005