



USAID FIRMS PROJECT

Position Paper - Draft Tourism Policy Gilgit-Baltistan

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Position Paper - Draft Tourism Policy Gilgit-Baltistan

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This report presents the position paper for developing tourism policy for Gilgit-Baltistan, identifying key issues that need to be addressed in the proposed policy and initiates the discussion around these issues.

Acronyms

ACP	Alpine Club of Pakistan
AFP	Adventure Foundation Pakistan
AKCSP	Aga Khan Cultural Services Pakistan
BCF	Baltistan Cultural Foundation
BEE	Business Enabling Environment
FWO	Frontier Works Organization
GB	Gilgit-Baltistan
GBC	Gilgit-Baltistan Council
HEC	Hunza Environmental Committee
IUCN	International Union for Conservation of Nature
KARDO	Karakoram Area Development Organization
KP	Khyber Pakhtunkhwa
KTMS	Karimabad Town Management Society
NATCO	Northern Areas Transport Corporation
NGO	Non-Governmental Organization
PATO	Pakistan Association of Tour Operators
SCO	Special Communication Organization (SCO)
STFP	Sustainable Tourism Foundation Pakistan (STFP)
WWF	World Wide Fund for Nature

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Executive Summary

Gilgit-Baltistan (GB) has enormous tourism potential but most of it has been untapped. The tourism sector in GB has been facing a host of challenges that have been impeding growth of the sector in GB.

GB Tourism Sector's constraints include low prioritization of the sector by the government, lack of a formal policy to facilitate development in tourism, outdated regulatory mechanism, poor tourism infrastructure, prevailing law and order situation, limited capacity of GB Council and GB Tourism Department, insufficient development for tourism human resource, low investment in marketing and promoting tourism, lack of private sector investment and stress on cultural and natural heritage.

The proposed PPP framework must clearly identify the sector focus for such a framework, the role of government vis-à-vis the private sector, the present capacity of public and private sector and the prospective PPP opportunities in the tourism sector. Some of these issues are highlighted in this position paper to initiate a debate/discussion to develop the PPP framework.

Once these issues are duly deliberated and a position is taken on each of them, a public private partnership framework would be developed, which can then form the basis for a public private partnership law and associated policies, guidelines and documents.

This report presents the position paper for developing tourism policy for Gilgit Baltistan, identifying key issues that need to be addressed in the proposed policy and initiates the discussion around these issues.

1. Introduction

1.1 Background and Context

Over the decades, tourism has experienced continued growth and deepening diversification to become one of the fastest growing economic sectors in the world. Being associated with multiple subsectors like transportation, hotels, food and beverage, leisure and recreational activities, handicrafts, tour guiding and tour operation, etc. the modern tourism is closely linked to development and encompasses a growing number of new destinations around the world. These dynamics have turned tourism into a key driver for socio-economic growth by creating income and employment opportunities for millions of people around the world.

Pakistan is one of the few countries in the world, which are blessed with diverse inventory of the tourism attractions. Pakistan is a country which is enriched with natural beauty having diverse landscapes from sandy beaches of Makran Coast to the loftiest mountain peaks of Himalayas, Karakorum, and Hindukush. The country is the home to one of the oldest civilization in the world. Its people with typical costumes, folk dances, music, sports and hospitable nature provide the traveler an unforgettable experience.

Pakistan in general and GB in particular, blessed with immense tourism potential, have also been endeavoring to fully capitalize on this potential despite the security challenges faced by the country. While the region of Gilgit-Baltistan boasts having most of the country’s tourism assets, with sites representing extra ordinary scenic beauty, archeological, cultural, historical significance and unique flora and fauna, the region has also been facing severe conflict and security challenges. This calls for a renewed effort on government’s part to come up with innovative solutions to promote tourism in the region and facilitate investment in the sector.

1.2 Tourism Sector in Pakistan

Tourism sector of Pakistan in general, and GB in particular, has a high potential to contribute in the economic development of the country. During the year 2008-09, total share of tourism receipts in the GNP was only 0.3%; while its share in exports was only 1.2%.

Year	Tourism Receipts
2006-07	PKR 16,906 Million
2007-08	PKR 16,486 Million
2008-09	PKR 17,392 Million

Source: State Bank of Pakistan

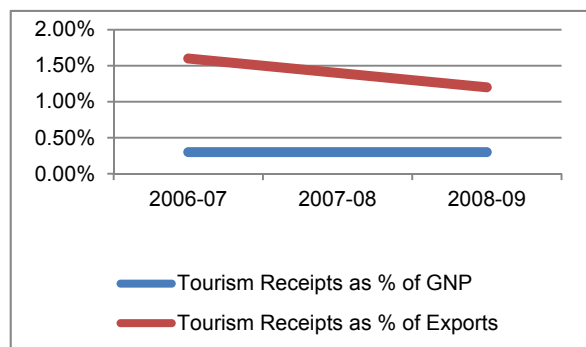


Figure 1 Tourism Receipts and Exports

1.3 Domestic Tourism in Pakistan

In Pakistan, total number of domestic tourists during the year 2009 was 46.07 million.¹ About half of these tourists were the people who travelled to meet their social obligations (friends, relatives, etc.). About 14% travelled for recreation purpose. Other important categories were of the people who travelled for business, health or religious reasons.

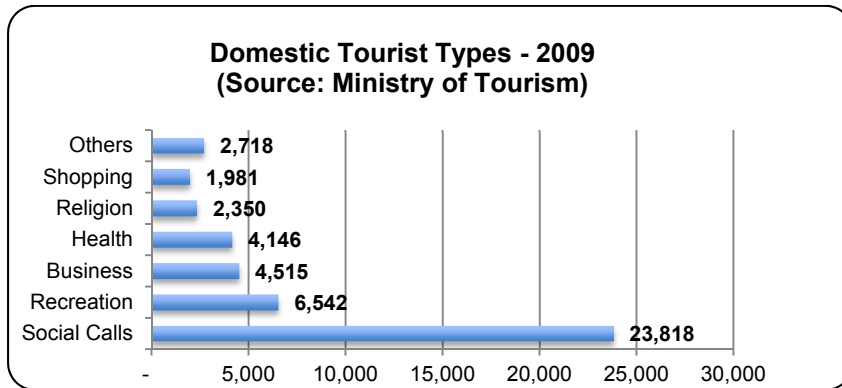
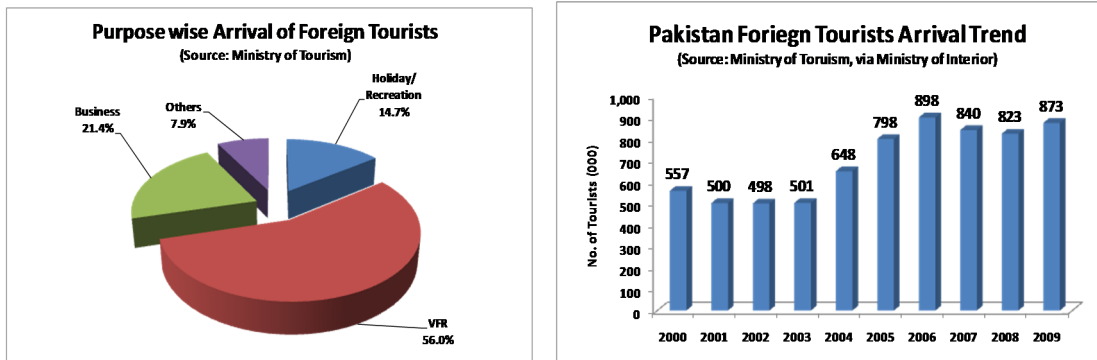


Figure 2: Domestic Tourism Volume 2009

1.4 International Tourism in Pakistan

In 2009, on a global basis, there were 880 million international tourists; compared to a figure of 920 million during the previous year. Total number of foreign tourists coming to Pakistan in 2009 were 0.873 million; compared to a figure of 0.557 million in the year 2000. Pakistan’s share of the global tourism market in 2009 was only 0.09%; which cannot be termed satisfactory. In South Asia, Pakistan’s share from amongst the total 10 million foreign tourists was 8.7%; compared to India’s share of 50%.

Figure 3: Foreign Tourism in Pakistan



¹ Figure based on Domestic Tourism Survey – 2000 by Ministry of Tourism

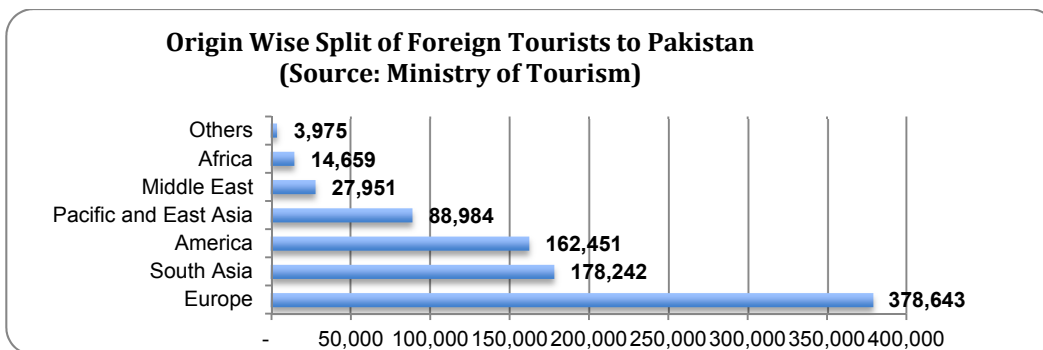


Figure 4 Origin-wise Volume of Foreign Tourists

Majority of the foreign tourists come to Pakistan from Europe. In 2009, 44% of the total arrivals into Pakistan were from Europe; major share of which was claimed by overseas Pakistanis coming from United Kingdom. South Asia was the second largest origin for international tourists coming to Pakistan, accounting for 21% of the total. Of these tourists, a major share is contributed by the Sikhs coming from India for visiting their holy places.

1.5 Tourism in Gilgit-Baltistan

Gilgit-Baltistan (GB) is the most spectacular region of Pakistan in terms of its geography, scenic beauty and rich culture. Here world’s three great mountain ranges: the Karakorum, the Hindukush and the Himalayas meet. Five out of the fourteen world’s highest mountain peaks including the K-2 (world’s second heights peak) and some of the largest glaciers outside Polar Regions are located in Gilgit-Baltistan. The whole of Gilgit-Baltistan is like a paradise for mountaineers, trekkers, adventure sports enthusiasts and nature lovers. The region has a rich cultural heritage and variety of rare fauna and flora. The people of Gilgit Baltistan are hard working and they are considered most hospital inhabitants in the whole Northern Pakistan.

The Location of Gilgit Baltistan

Gilgit-Baltistan comprises of seven districts, namely, Ghizer, Gilgit, Diamer, Skardu, Ghanche, Astore and Hunza Nagar. It touches Xingjian province of China in the north, Afghanistan and Chitral District of KP in the northwest with Tajikistan (close behind). In the southeast there is a stretch of over 300 kilometers of the cease-fire line with Indian held territory of the Jammu and Kashmir. In the east, Kohistan and Mansehra Districts of KP are situated and closed behind are located the State of Azad Jammu and Kashmir. The total area of Gilgit-Baltistan is 72,496km².

In spite of being blessed with a full range of tourist attractions, tourism in Pakistan in general and Gilgit-Baltistan in particular has not been fully exploited as a sector of socio-economic development and employment generation. Acknowledging the vast potential of tourism and its effects on downstream industries, the present Government of Gilgit-Baltistan has decided to focus on tourism sector for creation of employment opportunities, achieving higher economic growth by introducing to the outside world, “the hidden treasures” of Gilgit-Baltistan as an adventure and ecotourism destination.

The number of foreign tourists visiting Gilgit Baltistan has steadily increased over the years, notwithstanding the dip-in figures immediately following 9/11. However, the challenge ahead is not merely to increase the number of tourists visiting Gilgit Baltistan but also to consider how tourism can be better managed and promoted without affecting the natural and cultural heritage of the area, while also improving the quality of services of tourism service providers to the desired levels.

There is a dearth of authentic statistics on the tourist arrival in GB region, however, based on the information available with GB Tourism Department, careful estimates suggests that the foreign tourists arrival in GB was approximately 10,338 in 2007, which has dipped down to 5,511 tourists in 2010 due to deteriorating law and order situation in GB and neighboring KP Province. On the other hand, the flow of domestic tourist is gradually increasing. In 2010, GB received 38,386 domestic tourists compared to 22,780 in 2007². It shows that there is a positive trend in domestic tourism market which previously has been shy to visit far flung areas of GB. Taking this estimate, the present annual revenue generation from tourism sector in GB comes to approximately USD 16 million per year.

1.6 Tourism Assets of Gilgit-Baltistan

1.6.1 Natural Heritage

Gilgit-Baltistan possesses some of the most dramatic mountain scenery on earth. Three of the world's greatest mountain ranges- the Karakoram, the Himalaya and the Hindu Kush – meet in Gilgit-Baltistan. Of the world's 14 summits above 8000 meters, five are located in Gilgit-Baltistan, including K2, the second highest mountain in the world. The region is also famous because of the longest glaciers outside the polar regions, sweeping valleys, and other natural features such as forest, rivers, lakes and meadows. Table-1 lists the 12 heights peaks of Gilgit-Baltistan. Table-2 gives information about the 12 longest glaciers of this region.

The area of Gilgit-Baltistan also supports a rich array of biodiversity including 230 species of birds, 54 species of mammals, 20 species of freshwater fish, 23 species of reptiles and 6 species of amphibians. Several species of flora and fauna are endangered and considered globally important. Four national parks and three wildlife sanctuaries have now been established to protect this biological heritage. The region's floral diversity has not yet been fully assessed, but Gilgit-Baltistan believed to support some of the richest plant communities in Pakistan.

Table-1 Highest Peaks of Gilgit-Baltistan

S. No.	Peak	Altitude (meters)	Range	World Ranking
1	K2 (Chogori)	8,611	Karakoram	2
2	Nanga Parbat	8,125	Himalaya	9
3	Gasherbrum-I	8,068	Karakoram	11
4	Broad Peak	8,047	Karakoram	12
5	Gasherbrum-II	8,035	Karakoram	14
6	Gasherbrum-III	7,952	Karakoram	15
7	Gasherbrum-IV	7,925	Karakoram	17
8	Distaghir Sar	7,885	Karakoram	20
9	Kunyang Chhish	7,852	Karakoram	22
10	Masherbrum NE	7,821	Karakoram	24
11	Rakaposhi	7,788	Karakoram	27

² These figures are based on the unpublished data collected by GB Tourism Department.

² The calculation of revenue generated by tourism sector of GB in 2010-11 is based on following estimates:-

- 38,500 domestic tourists who spend on average 5 days per visit @US\$50 per day generate US\$9.6 million. So the total estimated annual revenue generation from foreign and domestic tourism in GB comes to approximately USD 16 million at present.
- 3,500 foreign tourists spend on average 7 days per visit @US\$75 per day generate US\$1.83 million. 2,000 foreign mountaineers and high altitude trekkers spend on average 20 days per visit @ US\$120 per day generate US\$4.8 million.

S. No.	Peak	Altitude (meters)	Range	World Ranking
12	Batua	7,785	Karakoram	28

Source: Alpine Club of Pakistan

Table-2 Longest Glaciers of Gilgit-Baltistan

S. No.	Peak	Area (Km2)	Length (Km)	Range
1	Siachen	1,180	75	Karakoram
2	Biafo	625	68	Karakoram
3	Baltoro	755	62	Karakoram
4	Batura	290	58	Karakoram
5	Hisper	620	53	Karakoram
6	Remo	510	45	Karakoram
7	Chogo Lungma	330	47	Karakoram
8	Panmah	230	44	Karakoram
9	Khurdopin	280	41	Karakoram
10	Sarpo Loggo	230	33	Karakoram

Source: Alpine Club of Pakistan

1.6.2 Cultural Heritage

Gilgit-Baltistan has been influenced by a variety of cultures and civilizations during its turbulent history. The main trading route between Indian subcontinent, China, Central Asia, Middle East and Europe known as the Silk Route, passes through Gilgit-Baltistan, making this region a meeting place for traders, pilgrims and explorers. Emperors and conquerors from Central Asia and Persian were attracted to the region, the Buddhist monks from India used the Silk Route to travel to China to spread their teaching. Today, the Karakoram Highway links Pakistan and China, and follows that segment of the Silk Route which once passed through this region. As a result of this varied history, Gilgit-Baltistan possesses a particularly diverse and interesting cultural heritage.

1.6.3 Archaeological Heritage

Important archaeological sites include caves paintings, megalithic stone circles, rock carving, forts, mosques and shrines. Particularly important sites include: Sacred Rock of Hunza, Manthal Rock near Skardu, Rock Carvings and inscriptions near Chilas, Kargah Buddha, Baltit Fort, Altit Fort, Shigar Fort and Palace, Khaplu Fort, Amburiq Mosque and Mamorokutz Mosque.

1.6.4 Living Culture Expressions

Gilgit-Baltistan has a rich variety of living cultural expressions, as reflected in the region's languages as well as its traditional music, food, festivals, sports, art and handicrafts. In Baltistan, for example, an archaic form of Tibetan is spoken, while in the north, near Rakaposhi, there are five separate language groups along just 150 kilometers of the Hunza River.

Polo is the most popular traditional sport in the region. Patronized by Rajas and Mirs of generations, it is played throughout Gilgit-Baltistan. The Shandur Polo Festival, in which best teams of Gilgit-Baltistan compete with Chitral, attracts thousands of domestic and foreign tourists each year.

1.7 Gilgit-Baltistan Tourism Profile

In spite of lack of investment in the development of tourism infrastructure and in advertising and marketing the rich potential of Gilgit-Baltistan its tourism products and attractions remained attracting reasonable number of foreign and domestic tourists to the region. In general, GB is popular tourist destination for adventure tourism, cultural tourism and ecotourism. It has been a more favorite destination for the foreign tourists compare to the domestic tourists who prefer cooler lush green valleys located at moderate distance than the rugged beauty of Gilgit-Baltistan

which is also a bit difficult to access due to long distance and poor road conditions. Based on its natural and cultural assets, Gilgit-Baltistan's tourism can be classified into following:-

1.7.1 Adventure Tourism

Gilgit-Baltistan is the most spectacular region of Pakistan in terms of its geography and scenic beauty. Here world's three great mountain ranges: the Karakorum, the Hindukush and the Himalayas meet. Five out of the fourteen world's highest mountain peaks including the K-2 (world's second highest peak) and some of the largest glaciers outside Polar Regions are located in Gilgit-Baltistan. The whole of Gilgit-Baltistan is like a paradise for mountaineers, trekkers and adventure sports enthusiasts. Because of great diversity of mountain peaks and trekking routes, GB attracts a large number of mountaineering and trekking expeditions from all over the world and it has been mainstay of tourism in GB since 70s. Beside this, there are great potential for rock climbing, whitewater rafting, kayaking, snowboarding, cross country skiing and paragliding but unfortunately no effort has been made to develop and popularize these segments of adventure tourism. Similarly, low altitude trekking, camping and soft like adventure like jeep safaris and angling also has huge potential in the region which could attract people of different age groups and physical ability.

1.7.2 Cultural Tourism

The region has a rich cultural heritage and a number of historical interest sites. The people of Gilgit Baltistan are hard working and they are considered most hospital inhabitants in the whole Northern Pakistan. There has been a great lacking in preserving the vibrant culture and rich history of the region but now preservation work by some NGOs is in progress to restore key landmarks such as Baltit Fort, Altit Fort, Shigar Fort, Khaplu Palace and Ganish. Work on the protection of indigenes culture, crafts, sports, festival and legends is also in progress at various places which will ultimately help in promoting cultural tourism in the region. There is also a huge collection of rock carvings and inscriptions especially in Diamer district which could be promoted as high value cultural tourism attractions but due to negligence of relevant agencies and departments this great tourism asset is in danger and it need to be preserved without wasting any further time.

1.7.3 Ecotourism

Gilgit-Baltistan has a variety of rare fauna and flora which makes this region an attractive destination for ecotourism. Several species of flora and fauna are endangered and considered globally important. Four national parks and three wildlife sanctuaries have now been established to protect this biological heritage. The region's floral diversity has not yet been fully assessed, but Gilgit-Baltistan believed to support some of the richest plant communities in Pakistan. Unfortunately, no serious effort has been made to develop and promote regions's rich potential of ecotourism, therefore, demand for this product is low compare to adventure and cultural tourism.

1.8 Tourism Market Segments

In terms of market segment, tourism in Gilgit-Baltistan can be divided in following two broad categories.

1.8.1 Foreign Tourism

The history of foreign tourism in GB is as old as the history of Gilgit-Baltistan itself. Tourists and travelers have been visiting the area for various purposes like military, adventure, research, pilgrimage, trade and using the area as transit destination for China and Central Asian Countries. Adventure has been one of the main motives for most of the foreigners to visit these areas. The foreign tourism segment is further divided in two categories of tourists: institutional tourists (using

services of tour operators, with set itineraries); non-institutional tourists (independent tourists traveling on their own and using services of individual tourism service providers). Before the incident of 09/11 which suspended the foreign tourism in Pakistan, the region of Gilgit-Baltistan used to receive more than 100,000 foreign tourists annually but now this number has gone down to merely a few thousands only. According to the data available with GB Tourism Department, the foreign tourists arrival in Gilgit-Baltistan from 2004 to 2010 are shown in Table -1

Table-1 Foreign Tourists Arrival in GB from 2007 to 2010

Year	2007	2008	2009	2010	2011	2012	2013
Total	10,338	8,504	7,739	7,728	5,242	4,324	4,524

Source; GB Tourism Department

1.8.2 Domestic Tourism

Domestic tourism which took a later start in GB is getting sturdier gradually. Under this category we find Pakistani tourists who are mostly traveling in family and friends groups using their own transport and their main motive is recreation and soft adventure. Recently, a trend of trekking and camping among Pakistani youth has been observed and gradually this segment is also getting stronger. According to unpublished data available with the GB Tourism Department, domestic tourists visited Gilgit-Baltistan for different purposes in shown in table-2

Table-2 Domestic Tourists Arrival in GB from 2007 to 2013

Year	2007	2008	2009	2010	2011	2012	2013
Total	23,770	54,040	54,602	45,300	61,233	28,893	51,914

Source; GB Tourism Department

1.9 Tourism Infrastructure

Tourist accommodation in Gilgit-Baltistan is limited to a relatively small number of hotels and motels, located primarily within the limits of Cities and towns. The provision of services is not standardized and the quality of accommodation varies greatly depending on the building and the management of the property. Serena Hotels operates of a chain of quality hotels and considered the best tourist accommodation available in Gilgit-Baltistan. PTDC is also operating a chain of tourist call motels at key locations which provide boarding and lodging on reasonable rates. There is also general lack of resting facilities along the KKH and other link roads.

Table-3 Availability of Tourist Accommodation in Gilgit-Baltistan

City /Town	Number of Hotels	Number of Rooms
Chilas	10	201
Gilgit	38	683
Hunza	23	378
Khaplu	1	12
Passu	4	49
Skardu	21	450
Sust	16	240
Ghizer	14	64
Total	127	2080

1.10 Transport and Communication

Gilgit-Baltistan is connected with rest of the county through KKH. However, road conditions are often poor, making the journey from Islamabad both long and tiring. Landslides and rock falls are common and frequently lead to road closure. NATCO which has a mandate to establish effective

road transport system in GB operates a large fleet of passenger vehicles offers services along a number of routes, including Rawalpindi-Gilgit and Rawalpindi-Skardu. There are also several private companies which operate road transport along these routes.

There are two airports in Gilgit-Baltistan, one at Gilgit and the other at Skardu. These airports provide travelers with an alternative to the long journey by road. PIA operates daily flights on the Islamabad-Gilgit and Islamabad-Skardu routes. Gilgit airport has short runway, which can only be used by smaller planes. Skardu has comparatively larger runway and bigger aircraft such as Boeing 737 can land here, but both the airports lack modern navigation facilities, which make landing and takeoff dangerous during clouding weather due to which there is frequent delays and flight cancellation on these routes.

All major town and cities of Gilgit-Baltistan are connected to the national telephone network developed by SCO and number of cellular companies has also extended their coverage to various areas of Gilgit-Baltistan. Email services are also available in Gilgit, Skardu and Hunza.

1.11 Key Stakeholders

1.11.1 National Institutions

Gilgit-Baltistan Council

Based in Islamabad, Gilgit-Baltistan Council (GBC) is responsible for the formulation and implementation of policies, rules and regulations for tourism sector. It is also responsible for collecting royalties/fee and granting permits to mountaineering and trekking to foreign tourists going in GB.

Department of Tourism Services

After the 18th Amendment, Department of Tourism Services is working under Capital Administration and Development Division Islamabad and control licensing of tourism services providers in Gilgit-Baltistan.

Ministry of Kashmir Affairs and Gilgit-Baltistan Division (KA&GB)

According to the Rules of business 1083, the functions of Ministry of KA&GB include, amongst others the policy, administration and development in GB: and relief and rehabilitation work in the GB, including provision of civil supplies.

Pakistan Tourism Corporation

PTDC was established in 1970 with a mandate to promote Pakistan as tourist destination in foreign and domestic markets and to facilitate the movement of tourists all over Pakistan. PTDC also operates a chain of motels located at various tourist places in GB such as Gilgit, Hunza, Skardu, Khaplu, Sust, Satpara and Rama.

Pakistan International Airline (PIA)

PIA is the national flag carrier and the only airline serving Gilgit-Baltistan. It operates daily flights from Islamabad to Gilgit and Skardu, thus ensuring a vital time saving link for the access of national and international visitors to Gilgit-Baltistan.

Frontier Works Organization (FWO)

FWO is responsible for the provision of communication infrastructure and for the maintenance of Karakorum Highway

1.11.2 Local Institutions

Forest, Wildlife and Environment Department

The department is responsible for scientific management of existing public forest estates, creating new forest resources, promotion of social forestry, Wildlife management in protected areas and coordinate environmental policies and programs and awareness raising about environmental matters.

Home Department

The department is responsible of public order and internal security, all meters connected with police, civil defense, public amusement control, registration of foreigners, extension of visas etc.

Northern Areas Transport Corporation (NATCO)

NATCO has a mandate to establish effective road transport system in GB, including passenger and cargo transport at subsidized rates. It operates a fleet of more than 300 vehicles including 160 passenger vehicles. It link all parts of GB with rest of country right up to Karachi.

Public Works Department

The department is mainly responsible for construction and maintenance of road, government buildings, rest houses and electric power supply in the region.

Planning and Developing Department

P&D Department is responsible for preparing annual development program, preparing five year development plans and other developmental plans in coordination with all the departments of the government.

Special Communication Organization (SCO)

SCO is responsible for the development and operation of all the telecommunication facilities in GB and AJK.

Tourism, Sports, Culture and Youth Department of GB Government

Established in 1970 as a Public Corporation Limited by share owned by Government of Pakistan, the department with its head office at Gilgit looks after the affairs of tourism, Sports, Culture and youth in GB. It works in coordination with GBC for the promotion and development of tourism infrastructure.

1.11.3 Civil Society Organizations

Adventure Foundation Pakistan (AFP)

A non-profit organization dedicated to promote outdoor education in Pakistan. AFP is mainly involved in the promotion of adventure sports and training of mountain guides, porters and Liaison Officers.

Aga Khan Cultural Services Pakistan (AKCSP)

AKCSP is the operating arm of the Historic Cities Support Program of AK Trust for culture. It is playing a leading role in the conservation of cultural heritage in Gilgit-Baltistan. It has successfully completed the restoration of Baltit, Altit, Shigar and Khaplu Forts and Ganish village project in GB.

Alpine Club of Pakistan (ACP)

A member of International Association of Alpine Clubs mainly involved in promotion of mountaineering, rock climb and other adventure sports in Pakistan. Also involved in the training of mountain guides, porters, Liaison Officers and Mountain Rescue Workers.

Baltistan Cultural Foundation (BCF)

Supported by AKCSP, it is involved in activities such as development of handicrafts and revival of traditional languages and promotion of Balti festivals.

Hunza Art and Cultural Forum (HACF)

Supported by AKCSP, it is working to preserve the local art of making traditional musical instruments by training the artisans and marketing their products.

Hunza Environmental Committee (HEC)

Formed in 1997 to deal with solid waste management in Hunza by involving local community.

International Union for Conservation of Nature (IUCN)

A national non-profit organization part of international network. In GB, It is involved in various community based environment conservation projects and developing strategies and plans for the conservation of natural and cultural heritage.

Karakoram Area Development Organization (KARDO)

A non-profit organization working to create village based income and employment opportunities for artisans, small producers, women, disabled persons and other disadvantaged groups through the promotion of local traditional crafts.

Karimabad Town Management Society (KTMS)

A non-profit voluntary organization established with the assistance of AKCSP to develop land use plans of Karimabad area and to ensure that new buildings in Karimabad are build according the land use plan.

SEED Project

A project jointly funded by Italian and Pakistan Governments mainly working for the conservation of environment and socio-economic development of local communities in the area of Central Karakorum National Park in Baltistan.

Sustainable Tourism Foundation Pakistan (STFP)

A national level non-profit organization dedicated to the promote of sustainable tourism and ecotourism in Pakistan through capacity building programs for local stakeholders, awareness raising, field visits for professionals and youth and advocacy at government level.

World Wide Fund for Nature (WWF-Pakistan)

A national non-profit organization part of international network. In GB, It is involved in various community based environment conservation projects based on natural resource management, ecotourism, trophy hunting and local economic development.

1.11.4 Professional Organizations and Private Sector

Baltistan Association of Tour Operators (BATO)

A professional association of Tour Operators from Baltistan

GB Hotel Association

A trade association of hoteliers of Gilgit-Baltistan

Pakistan Association of Tour Operators (PATO)

A professional association of tour operators from all over Pakistan

Serena Hotels

It is one of the 96 companies that make up the Aga Khan Fund for Economic Development. In GB, Serena operates a chain of hotels in the category of three stars.

1.12 Tourism Institutional Structure in GB

Gilgit-Baltistan Council (GBC) and Tourism Department of Gilgit Baltistan Government are two major entities responsible for tourism management and promotion. Under the Gilgit-Baltistan Empowerment and Self-Governance Order 2009, the Gilgit-Baltistan Council has been given the subjects of Tourism, Mines & Minerals and Forests, so it is the mandate of GBC to regulate and promote tourism sector in GB with the help of Tourism Department of Gilgit Baltistan Government.

Joint Secretary, GBC performs the responsibility of an official in-charge of the department who is assisted by Deputy Secretary/Deputy Chief who is directly responsible for the matters related to tourism in GB. In general, GBC is more active on policy and regulatory side, whereas, Tourism Department of Gilgit Baltistan Government is more directly responsible about the building of tourism infrastructure and promotion of GB as a tourist destination.

1.13 Existing and Previous Policies and Plans

In Pakistan, the available literature on tourism planning and management reveals that the country's first master plan was conceived in 1967. The plan recognized environmental issues in general terms, however, it did not emphasize environmental conservation, urbanization and landscape preservation.

Resultantly, hotels and tourists resorts emerged close to natural attractions and archaeological monuments. From 1967 till the formulation of National Tourism Policy of 1990 some planning attempts were made for isolated projects, however no comprehensive and structured effort was undertaken to promote tourism in the country,

In order to control pollution in mountainous areas some environmental planning measures were also introduced in 1983 and in 1988 by making mountaineering and trekking expeditions responsible for leaving camping sites clean of garbage and making contribution of \$200 for clean-up operation.

The Government of Pakistan presented its' first formal National Tourism Policy in 1990, however, due to some fundamental issues this Policy has rarely been implemented. The major reasons of this failure in implementation included absence of stakeholder involvement, poorly defined responsibilities of various public and private sector actors, financial limitations, institutional constraints and low capacity. In 2010, the Tourism Ministry drafted a relatively more comprehensive National Tourism Policy. The policy identified challenges and constraints for tourism industry in Pakistan, followed by marketing and developmental strategies. The marketing strategy emphasized on public private partnership, diversification of tourism products, information technologies, target markets for selling specific products, whilst, the developmental strategy emphasized the role of public (Federal & Provincial governments) and private sectors in tourism development. It also proposed PPP opportunities in tourism sector of the Country. Furthermore, the draft policy also recognized the importance of closer international cooperation, joint marketing using international organizations, multi-country and bilateral relations for tourism development.

Although, the draft tourism policy, 2010 is comparatively more comprehensive than national tourism policy, 1990, however, it still paid negligible attention to some issues of grave concern like:

- The three major acts covering hotels, travel agents, and tourist guide, which all are outdated, were presented as part of the draft policy without any appreciable changes for tackling the current needs of the industry.

- PPP opportunities in Pakistan’s tourism sector were presented more generically without specifying areas for partnership and relevant investment in each province.
- Like tourism policy, 1990, the action plan of the draft tourism policy poorly defined stakeholders’ responsibilities.
- For the sake of policies integration between provinces and the Federation “Pakistan National Tourism Council”, actually proposed in national tourism policy, 1990, was reactivated without any structural or functional changes for the sake of its more proactive role as compared to its dormant status in the past.
- Some of the unrealistic concessions and incentives mentioned in tourism policy, 1990 were repeated in the draft policy, which needs careful examination for on ground implementation.
- The draft policy was presumed for achieving its strategic goals within the next 10 years, but keeping in view the present political turmoil and financial instability of the country the proposed time frame is still a debatable issue.
- In order to maintain skilled staff complement in the tourism sector, Tourism Master Plan (2000) estimated an average of 3000 additional staff need to be upgraded each year. At present the total annual skilled staff output of the tourism training institutes is approximately 515, which is clearly insufficient to cope with the demand of the tourism industry. Although, the draft tourism policy has only highlighted the training need issue of the sector, however, it failed to present a robust action plan to overcome this shortcoming of the industry.
- Although, the draft policy exhibited glimpses of community importance in tourism promotion, however, it neither included their exact views in the formulation of the policy nor it describe their future role in sustainable tourism development of the country.

At GB level, a draft tourism policy was developed by that time Northern Areas Administration in October 2007. As this document was not prepared in consultation with the relevant stakeholders therefore it could not get the required support from the concerned quarters and remained unimplemented.



Figure 5 Khaplu Fort Baltistan (Source: Karar Haideri)

1.14 SWOT Analysis of Tourism in GB

Strengths

- Unique natural landscape with rich biodiversity (world tallest mountains, longest glaciers, alpine lakes, rivers, valleys etc)
- Four national parks (more than 9% area of the total landmass of GB)
- Rich cultural heritage (build heritage, ancient silk route, living culture etc.)
- Traditional culture of participatory and community based development
- More mature tourism stakeholders compare to other regions
- Proximity to Chinese border

Weaknesses

- Difficult access (poor road network, fragile air link, frequent landslidings)
- Inadequate infrastructure
- Poor regulatory mechanism
- Lack of coordination among the departments/stakeholders
- Short tourist season
- Environmental degradation
- Lose of cultural values and culture heritage
- Limited Tourism HR development
- Weak marketing with no clear brand and image positing

Opportunities

- Greater autonomy in the wake of 18th Amendment in constitution
- Increase in demand of cultural, adventure and ecotourism in western markets
- China is emerging market (largest outbound tourism market)
- Presence of number of INGOs and NGO in the region
- Internet accessibility has increased opportunities for local communities and individuals for marketing their products.
- Range of underutilized resources around the region which could be developed properly for tourism purposes.

Threats

- Negative perception of safety and security of visitors due to sectarianism and terrorism
- Impact of global warming and climate change
- Risk of natural disasters
- Demand is very fragile
- Uncontrolled development is causing deterioration of natural and physical environment

2. Key Challenges

The tourism sector in Gilgit-Baltistan has been facing a host of challenges that have been impeding growth of the sector in Gilgit-Baltistan. A clear understanding of these constraints is required to develop policies and strategies to address these bottlenecks.

2.1 Lack of Clear Policy

The process of policy formulation at national and regional levels has been tended to be very centralized; there has been relatively little consultation with concerned stakeholders and as a result important issues of national and local importance have not always been accorded the priority they deserve. Effort has been made to prepare a draft tourism policy but due to lack of ownership by the concerned stakeholders it has not yet been approved. Without a clear, locally-derived policy, the development of tourism in Gilgit-Baltistan is unlikely to receive the direction and guidance it requires.

2.2 Lack of Regulatory Mechanism

The enforcement of any standards is virtually absent in the tourism and hospitality sector in GB. Presently, the responsibility of enforcement of laws and standards of tour operations, hotel operation, tour guiding and travel agencies in Gilgit-Baltistan lies with Department of Tourism Services (DTS) based at Islamabad. Before 18th amendment, DTS used to work under the Federal Ministry of Tourism and as per the mandate of DTS, it was responsible to ensure the quality of tourists services through implementation of various enactments including The Pakistan Hotel and Restaurants Act 1976, The Pakistan Tourists Guide Act 1976 and the Travel Agencies Act of 1976.

All these legal instruments are outdated and not in confirmation with the present trends and minimum international standards in tourism. Secondly, the implementation mechanism for these laws is limited only up to issuance of license to do the businesses in tourism and hotel sectors and there is no mechanism available on ground to check and regularly monitor the quality standards of services of these licensed tourism service providers.

2.3 Weak Administration

2.3.1 Weak Administration of Tourism Sector

Management of Tourism in GB is carried out by GB Council and GB Tourism Department. It has been observed that there is a lot of confusion and lack of coordination among both the organizations about the role and duties of each entity. Due to which the management side of the tourism sector is very weak in the case of GB. During the past few years, GB Tourism Department has been actively trying to promote GB as a tourist destination but the level of overall product development is very weak. There is a lack of capacity in GB Tourism Department in the functions of marketing, regulatory control and monitoring, research, creative development, archeology, local culture/traditions and investment facilitation.

In most of the cases, the persons managing the affairs of tourism at various levels do not possess a reasonable understanding of the sector. Lack of professionalism in tourism management has been one of the major reasons due to which GB has not been successful in exploiting the full potential of tourism. Same is the case with GB Council where most of the regulatory work is done by a small team of officials who do not have any background in the tourism sector.

2.3.2 Absence of Tourism Management Entity at Federal Level

With the abolishing of the federal Ministry of Tourism, there is no entity at federal level which is responsible for looking after Tourism on a national level. There are many Tourism-related interventions which are not province specific and which need to be dealt at the federal level; such as building country's image, resolving difficulty in issuance of Pakistani visa, dealing with overall security situation, etc. Absence of an organization at the federal level has created a vacuum and inability to deal with tourism related issues at national level.

2.4 Limited Availability of Tourism Statistics

Unfortunately, the tourism statistics are not properly compiled by GB Tourism Department or any department at federal level. Therefore, it is not possible to ascertain how many tourists currently visit the regions, to identify their preferences, or to calculate with any accuracy the amount of revenue being generated through tourism sector. Without this kind of actual market data, effective planning and policy formulation for tourism sector becomes almost impossible.

2.5 Insufficient Investment in Tourism Development

Tourism development programs in Gilgit-Baltistan receive insufficient support and are severely under-funded. Although royalties and permit fee paid by the mountaineering and trekking expeditions are collected by GB Council, the revenue received not necessary spent on the development and promotion of tourism in Gilgit-Baltistan.

2.6 Inadequate Infrastructure

Inadequate infrastructure is a critical stumbling block to tourism development in the Gilgit-Baltistan. Poor access roads, road-side facilities, medical and rescue assistance, general tourists facilitation tend to make tourism difficult and uncomfortable. On the other hand, there are limited accommodation facilities at many tourists spots and there are no regulations to ensure quality control or standards of service. The unreliability of flights to and from Gilgit and Skardu is another important constraint to tourism development. This all discourage the international tourists, who can easily visit alternate destinations offering similar products but with better infrastructure and service standards.

2.7 Safety and Security of Visitors

Gilgit-Baltistan has been considered the safest place for foreign and domestic tourists but in the recent times, safety and security of tourists in Gilgit-Baltistan, particularly along the parts of Karakorum Highway and in the district of Diamer has become a matter of great concern. There have been some recent incidents in which militants and extremist elements have attacked on foreign tourist camp and buses of local travels and killed number of people. The wide coverage of these events in international and national media has created poor image both nationally and internationally and discourage tourism to the region.

2.8 Insufficient Human Resource Development

There is general lack of trained professionals in all fields of tourism and hospitality sectors in Gilgit-Baltistan. There is not a single tourism and hotel management institute in the region. The other such institutions are available at Rawalpindi, Lahore or Karachi which are out of the reach of the majority of the stakeholders in the Gilgit-Baltistan because of their location and high cost of training courses. Secondly, in the absence of any regulatory mechanism there is no mandatory requirement of certain trade qualification to work in tour operation or hotel and restaurant field. So everyone is free to work in his her own capacity.

2.9 Insufficient Development of Tourism Product

Tourism in Gilgit-Baltistan is currently heavily based upon the regions outstanding scenery beauty. Relatively little efforts has been made to develop the tourism potential of the region's unique culture, rich biodiversity and archaeological heritage.

Adventure tourism has great potential but no serious effort has been made to develop any kind of facilities and centers for adventure sports like rock climbing, mountaineering, river rafting, kayaking, skiing or snowboarding etc. Moreover, there is little to offer to recreational tourists who travel in family groups along with children. In absence of such facilities they lose interest in staying here for longer vocations. There is need to focus on different market segments and develop tourism products according to their needs and interests.

2.10 Absence of Marketing Strategy

In spite of being blessed with very valuable tourist attractions, Pakistan in general and Gilgit-Baltistan in particular has not been able to successfully develop itself into a popular tourist destination in the world. One of the key reasons for this has been the inability to take a structured approach for marketing and promotion; a failure in the part of presentation of our tourism to the world. There have been very insignificant activities carried out in this regard on local and/or international media.

During the past six decades, Pakistan has not been successful in developing a brand of its Tourism attractions. Failure of Pakistan in this regard is also substantiated by Pakistan's 117th ranking on the factor of effectiveness of marketing and branding. Pakistan as a whole and GB in particular, has very rich natural, historic, archeological, cultural assets; which can very easily and quickly create a brand of GB Tourism. Many countries have successfully branded their tourism attractions in spite of the fact that they have no notable tourist attractions.

Tourism related information and promotional material (brochures, pamphlets, etc.) is developed by all the tourism promotion organizations; including PTDC and GB Tourism Department. However, these materials have not been very effective either for attracting tourists or facilitating them. The information provided through these brochures is sometimes incomplete and outdated. In many cases, the tourist does not get all the information packages at the Tourist Information Center.

PTDC, provincial tourism promotion organizations and GB have their presence on internet through their websites. However, none of these websites meets all the needs of a tourist. There are no facilities for getting online information on room availability or for online bookings of hotels, transport facilities, tourist guides, etc. Most of these sites are developed in a routine manner and are of little use to the tourists. There is need to develop a dynamic web portal which provides one-stop solution for the tourists.

2.11 Lose of Cultural and Archaeological Heritage

Although the several important restoration projects have been undertaken in the past two decade but much of the archaeological heritage remains and risk mainly due to lack of awareness, proper legal protection, and insufficient capacity of local agencies and local community in restoration and management of the archaeological sites.

Similarly, various art forms, skills, customs and languages are gradually being lost as younger generations adopt new practices and values. This trend is part of complex phenomenon of social change, and it is therefore, difficult to identify specific causal factors.

2.12 Lack of Awareness about Environmental and Social Impacts of Tourism

Tourism development in Gilgit-Baltistan is largely unplanned; in most of the cases there is no land use plans to guide or control the activities. Similarly, no effort has been made to calculate the carrying capacities of various tourist areas and the tourists flow at these sites remain unregulated.

There are examples of large amount of solid and human waste, which are left by expeditions along the trekking routes and at base camps of popular mountains. This has mainly happened due to lake of regulatory mechanism and general lack of awareness about environmental issues among the stakeholders.

The social impacts of tourism are also matter of concern. In other parts of the world, the growth in tourism has sometime been associated with a rise of prostitution, drug use and loss of traditional values. For these reasons, a number of community and religious leaders in the Gilgit-Baltistan have expressed their reservations about the future development of tourism in the region.

3. Need for Tourism Policy

As discussed earlier, currently the Govt. of GB does not have a clearly articulated formal tourism policy. However, considering that the tourism sector requires coordinated efforts by a number of departments and agencies such as Home Department, P&D Department, C&W Department, Finance, Excise and Taxation Department, Forest and Wildlife Department, etc. besides the Tourism Department itself, along with GB Council, the need for having such a policy is critical.

Moreover a well laid out tourism policy would demonstrate long-term commitment of government in the sector and would form the basis for shared understanding of and synergized actions and coordinated planning by different stakeholders. Moreover, such a policy framework should ensure sustainable development of tourism as most of the uncontrolled and haphazard development of tourism has negatively impacted on the social, cultural, natural and economic environment of tourist destinations in GB. Therefore, the proposed policy should be based on the principles of sustainable development with recommendations on short, medium and long term measures for its effective implementation to achieve some tangible results.

In particular, the proposed policy would address the following key questions:-

- What image do we want to create and promote for GB as a tourist destination?
- What type of tourism product does GB want?
- What tourism products need to be developed? By whom? When? Where?
- What is needed to improve the accessibility to tourist spots and destinations?
- What are the human resource requirements and how to develop that?
- How to ensure quality standards of various services?
- What markets we should focus on? And how much?
- What organizational set up is required for effective management of tourism sector?
- How to ensure the protection of natural and cultural heritage?
- How to achieve the necessary coordination among the key stakeholders?

4. Annexure

Annexure A - List of Persons Consulted

USAID Firms:

1. Mr. Suleiman Ghani, Sr. Policy Advisor, USAID Firms
2. Mr. Taimur Khan, Senior Business Enabling Environment Specialist, USAID Firms

KA & GB Divison and GB Council

1. Mr. Shahid Ullah Baig, Secretary KA& GB Affairs
2. Mr. Ajmal Gondal, Joint Secretary, GB Council
3. Mr. Ramzan Malik, Deputy Secretary, GB Council

GB Tourism Department:

1. Sadia Danis, Advisor on Tourism, Culture and Youth Affairs
2. Syed Akhtar Hussain Rizvi, Secretary Tourism, Culture and Youth Affairs
3. Mr. Hussain Ali, Deputy Sceretary Tourism, Culture and Youth Affairs
4. Mr. Sahid Hussain, Assistant Director Tourism
5. Mr. Kashif Hussain, Assistant Director Tourism
6. Mr. Safiullah, Assistant Director Tourism
7. Mr. Rahat Karim Baig, Assistant Director Tourism
8. Mr. Iqbal Hussain, Assistant Director Tourism

Allied departments, GB:

1. Mr. Jabbar Khan, Deputy Secretary to CM GB
2. Mr. Azam Khan, Deputy Secretary Adminance, Finance Department
3. Mr. Nazir Ahmed, Deputy Secretary P&D Department
4. Mr. Najeeb Alam, Deputy Secretary Home Department

Private sector:

- Mr. Naiknam Karim, MD, ATP
- Mr. Ashraf Aman, Chairman, Adventure Tour
- Mr. Irfan Ullah Baig, EM, Travel Waljis (Pvt) Ltd
- Mr. GN Raikoti, MD, FMT (Fairy Meadow Tours)
- Mr. Hussain Ali Ghulam, Hunza Travel Services
- Mr. Amir Ullah, MD, Hunza Guides Pakistan
- Mr. Asghar, Managers Sales Serea Gilgit

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- Draft Tourism Policy for Northern Areas 2007, NA Administration
- Draft Tourism Policy for KP 2014, KP Tourism Department
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- Gilgit-Baltistan Economic Report- 2010 by World Bank

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