



PAKISTAN HOTELS ASSOCIATION

(REGISTERED WITH THE MINISTRY OF COMMERCE, GOVERNMENT OF PAKISTAN)

PHA Secretariat Report to the Executive Committee & Members on matters taken up during January, 2021 to June, 2021 and Association representation:

1. **March 09, 2021:** Association was approached by the National Tourism and Coordination Board (NTCB) to provide a white paper with suggestions as to what Government need to do and support that Pakistan becomes a tourist destination of choice and what concession, government shall provide to encourage investment in tourism sector. PHA shared it with its member for their suggestions pointers to prepare a comprehensive proposal document. On behalf of Association, detailed document namely " White Paper for Improvement of Tourism in Pakistan " along with cover letter was submitted to the Chairman, NTCB Islamabad. The document aims to assist in addressing the major and multiple faceted challenges faced by the tourism industry for an integrated approach towards policy development across many government departments, coherence and consistency to ensure that tourism policies are effective.

2. **April 07, 2021:** PHA Executive Committee Meeting was held using Zoom link.

3. **April 29, 2021:** On request of Prime Minister's Office, Board of Investment, Islamabad to identify and share regulatory difficulties being faced by the hotels due to burdensome regulations of government departments to enabling BOI to resolve such issues. This was circulated to members for their feedback, identify and proposed measures to eliminate issues relating to hotel industry of Pakistan. A detailed document of their required proforma was submitted to resolve such issues and corrective measures to attract investors in tourism sector of Pakistan.

4. **May 25, 2021:** PHA Executive Committee Meeting held using Zoom video link. Following Members widely joined by the members:

1	Mr. Haseeb A. Gardezi	Chairman
2.	Mr. Shakir Abu Bakar Bhura	Senior Vice Chairman
3.	Mr. Mirza Mansoor Ahmed	Vice Chairman South
4.	Mr. Irshad Anjum Butt	Vice Chairman North
5.	Mr. Mohammad Akhtar Bawany	E. C. Member
6.	Mr. Hameed A. Kidwai	E. C. Member
7.	Mr. Rehan Faiz Pirzada	E. C. Member
8.	Barrister Mansoor Shah	E. C. Member
9.	Mr. Ameen Lakhani	E. C. Member
10.	Ms. Fauzia Hashim Olia	E. C. Member
11.	Mr. Aziz Boolani	By invitation
12.	Mr. Mohammad Anwar Qureshi	By invitation
13.	Mr. Saleemullah Shaikh	By invitation
14.	Mr. Zubair Surti	By invitation
15.	Mr. Ali Zubair	By invitation
16.	Ms. Fouzia Azhar	Secretary General

Based on discussions during the meeting, following Points for appeal to the Government, were mutually agreed by the participants and be part of Association appeal to the Prime Minister and all concerned:





1. Package for salaries and other grants
2. Concessions in Utilities and Energy Cost
3. For working capital loan based on 20% turnover of 2019, interest rate to be One Percent instead of Three Percent for Five Years restructuring loan basis.
4. Sales Tax of 17% is a huge cost under the current scenario, if government makes it 7% for a period One Year, this will help in ensuring to support customers and ultimately increase in hotel business to get revenues.
5. Star category Hotel's Restaurants should be separated from ordinary / street side restaurants, we should get permission for opening on this focal point with consistent waiver of restrictions and star category Hotels already follow SOPs in true spirit.
6. Reduction in Provincial Tax and proposals be submitted to the Provincial Finance Ministers before budget.
7. Members suggested 50% initial tax depreciation for new projects.

5. May 28, 2021: Association's Senior Vice Chairman, Mr. Shakir Bhura and Executive Committee Member, Mr. Hameed Kidwai held a very fruitful and meaningful meeting with the Deputy Governor, State Bank of Pakistan, Mr. Jameel Ahmed and Mr. Javed Akhtar to deliberate on the issues faced by the Hotel Industry of Pakistan. They requested a relief package for deferment of the Interest payment for another year and deferment of repayment of principal amount of loans for another five years instead of two years. SBP acknowledged the sufferings of hotel industry due to grave financial situation created by COVID-19 third wave, they advised to approach our respective banks for restructuring loans and interest payments and emphasized that if any banks show their inability to accept the request, hotels may ask them to send the case to the SBP and they will give this approval.

6. June 15, 2021: On invitation of Post Budget Anomalies, PHA again submitted its proposal for relief of hotel industry, which was not given due consideration in Federal Budget 2021-22.

7. June 25, 2021: On invitation of Comments / Suggestions or Anomalies for Budget 2021-22 from Vice Chairman, Federal Core Committee – UBG, Association again submitted same suggestions for badly needed relief to the Hotel Industry of Pakistan.

8. June 27, 2021: A meeting was held with Finance Minister, Mr. Shaukat Tarin in Islamabad with PHA Members consisting of its Executive Committee Members, Mr. Hameed Kidwai, Mr. Akhtar Bawany and Mr. Aziz Boolani, CEO, Serena Hotels in Pakistan. Members apprised the Finance Minister of problems faced by the hotel industry requesting grant of soft working capital loans, low interest rates for new Hotel projects, exemption in imports and custom duties and Tax Holiday for 10 year. The Finance Minister agreed and assured his best cooperation. Later on a Tourism Benefit document containing import of Items for Tourism Projects was issued followed by a letter from Ministry of Finance to the Chief Tax Policy (IR), FBR in first week of July to support for Infrastructure Development for promoting Tourism.

Above is being submitted for Members perusal, information and necessary follow up please.

Fouzia Azhar
Secretary General