

Burdening the Overburdened **PHA Rejects Imposition of Regulatory Duty**

KARACHI: The Pakistan Hotel Association has rejected the new S.R.O. No.1035 for imposition of regulatory duty and declared it detrimental for the already overburdened with taxes, Pakistan hotel industry.

The association has written a letter to the government, asking for withdrawal of the new SRO. The association has highlighted the repercussion of SRO on the hotel Industry in



Pakistan, which is in its very initial stage of development and recovery after a prolong period of slow business activities due to various issues including security

problems. Now when things finally started improving and gradually tourists, weather local or international have started occupying hotels and taking into consideration that Tourism is one of the key areas for growth and development in Pakistan, the government should have not issued such SRO which discourages hoteling and tourism. Particularly now, knowing that the hotel industry is already overburdened and

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suffering due to the multiple taxes both provincial and federal, which are probably the highest in the region.

The Regulatory duty imposed through S.R.O. 1035(1)/2017 has come as a total surprise and shock to the hotel industry and this repressive taxation move will have a very

negative and serious impact, not only to the existing hotels in Pakistan, but also the investors, who were considering constructing new hotels and making new investments in tourism sector.

The items appearing in the list as Annexure - A of this S.R.O. 1035(1)/2017

letter have maximum impact on hotels and tourism trade in Pakistan.

PHA urgently request the government to kindly either to completely withdraw the regulatory duty on the items, listed in our Annexure - A OR exempt the regulatory duty for tax paying hotels in Pakistan.■