Tourism Development

5.2.0 Introduction

Pakistan is endowed with immense geographical beauty with an equally rich and diverse tapestry of cultural heritage in every province. Notwithstanding that, for a host of factors, the performance and state of tourism in the country is much lower than its potential, especially if compared to similar countries. Direct contribution of tourism towards Pakistan's GDP was PKR 793.0 bn in 2016, this is equivalent to 2.7% of GDP, which is a mere fraction of the sector's potential.¹ Now that tourism is a provincial subject, there exists a great opportunity for Punjab to formulate an effective and efficient institutional framework to unravel the tourism potential of the province to the fullest.

The province of Punjab lies at the heart of the Indus Valley civilization and is a kaleidoscope of different religions and cultures. The province represents all the four major religious traditions of the East – Islam, Buddhism, Hinduism and Sikhism. Muslim Shrines, Sikh Gurdwaras, Buddhist Stupas and Hindu Temples are scattered across Punjab from north to south. For the millions of Sikhs in India and also around the world, Pakistani Punjab has their holiest sites such as Nankana Sahib – the birthplace of Guru Nanak. Likewise, for Buddhists, the Gandhara civilization scattered around Taxila and its environs has a very special religious significance. With millions of Sikhs, Hindus and Buddhists worldwide, Punjab, could become a major center of religious tourism with economic benefits accruing in the form of higher income, employment and foreign exchange earnings.

Moreover, with proper information dissemination, marketing and provision of basic infrastructure the numerous shrines of Sufi saints dotted throughout the province can potentially attract higher income domestic tourism along with the traditional pilgrims. This would boost the local economy of the towns housing the shrines by creating income and employment opportunities for the local population.

Therefore, we can safely conclude that there is an immense untapped potential of religious and heritage tourism in the province. With the right security, effective institutional framework and policy environment, Tourism can become a major vent for growth and employment generation in the province. The sector has the potential of being a major source of foreign exchange for the country with Punjab province becoming a significant contributor. The following sections look at the estimated contribution of tourism to the economy, its current state and the constraints impeding its growth. At the end there is a list of recommendations, most of which are suggested institutional reforms. This section borrows heavily from work done by the Center of Policy and Development Research (CDPR) and World Bank project on Heritage Tourism in Punjab.

5.2.1 Current state and contribution of Tourism service

A serious limitation in analyzing the current state of tourism is the lack of provincial level data on tourism. This is a major cause of concern as the provincial government had established an independent corporate body, the Tourism Development Corporation of Punjab (TDCP) in 1986, to accelerate growth of the sector. TDCP's website does not provide proper statistics, databases or policy papers that detail the existing size and structure of tourism in the Punjab. Therefore, for any meaningful analysis and strategy formulation, it is critical that Punjab Government should accurately start measuring the key indicators of tourism such as: total number of local and foreign tourists per annum, number of tourist visiting major sites and categorization of tourists, spending levels etc. The only available statistics on the TDCP website are the estimates of total visitors per annum to historic and tourist sites in the Punjab. These estimates are not precise numbers but give a very wide range, for example 0.5 to 1 million. Also, there is no description of the source or methodology adopted to obtain these estimates.

In the absence of any provincial data on tourism, we have to rely on national level estimates by international agencies such as the World Economic Forum. Given the fact that Punjab constitutes almost 60 percent of the national economy, we can safely assume that these estimates mirror the trends in Punjab.

According to the Travel and Tourism Competitiveness Index, developed by the World Economic Forum, Pakistan is currently ranked 125th out of 141 benchmarked countries. The World Travel and Tourism Council (WTTC)’s Economic Impact 2016 report for Pakistan¹ shows that travel and tourism directly contributed PKR 780.4bn or 2.8 percent to

national GDP in 2015. If we include indirect and induced effects of tourism, the contribution of the sector increases to PKR 1,918.5 bn or almost 7 percent of GDP.

Domestic tourism in a country tends to precede international tourism. More than 45 million domestic tourists travel each year across Pakistan. As per World Travel and Tourism Council estimates, in the year 2015, domestic travel spending in Pakistan claimed 90.8 percent of direct travel and tourism GDP. Domestic travel spending is expected to grow by 3 percent in 2016 to more than PKR 1 trillion and rise by 5.3 percent per annum to almost two trillion rupees in 2026.

The figures below show Pakistan’s relative positioning in tourism export. Both figures clearly indicate that Pakistan is not competitive as spending by foreigners is less than the comparator group countries shown. Pakistan’s international tourist receipts (excluding travel) as percentage of GDP are the lowest when compared to the world average, India and South Asia. Pakistan’s tourism exports also appear almost negligibly small, as compared to regional countries and some developed economies – indicating the large gap which needs to be bridged and the sub-par performance of the sector relative to its high potential.

Figure 1: Tourism Receipts as a Percentage of GDP

![Figure 1: Tourism Receipts as a Percentage of GDP](image1.png)


Figure 2: Receipts for Tourism Exports 2014

![Figure 2: Receipts for Tourism Exports 2014](image2.png)


---

The total number of domestic tourists in Pakistan during the year 2009 equaled 46.07 million. PILDAT, 2015
In terms of services exports of Pakistan, international tourism earnings are the third highest behind government services and transportation. Interestingly tourism earns more foreign exchange than IT and Finance industry, but the latter services receive much more government focus and attention in the country.

5.2.2 Economic potential of Tourism in Punjab

Although data on tourism at both the federal and provincial level is limited, this section would estimate the potential impact of tourism on income and employment in the provincial economy based primarily on recent work done by the Center of Policy and Development Research (CDPR) and the World Bank on tourism policy for the Punjab province.

Using some simple projections, if tourism expands to contribute 1 percent to GDP, for example, tourism receipts could increase from US$ 1 billion to US$ 2.5 billion, and if tourism were to contribute the world average of 1.8 percent to GDP, tourism receipts would increase to US$ 4.5 billion, or PKR 471.5 bn. This gives a ballpark upper bound figure for expanding international tourism across Pakistan, for the range of tourist types, but with the important exclusion of domestic tourism.

Punjab’s share in Pakistan’s GDP is approximately 55 percent. Assuming that tourism revenue would be shared proportionately between the provinces, Punjab’s share of the expanded tourism revenue is expected to be USD 1.35 - 2.48 billion a year.

As mentioned above, there have been a few studies carried out recently which estimate the economic potential of heritage, religious and general tourism in Punjab. The following table summarizes these estimates of direct and indirect effect of tourism on income and employment in the Punjab. This includes, domestic tourism, Sikh tourism and Buddhist Tourism.

---

PUNJAB ECONOMIC REPORT

Table 1: Effect of Tourism on Income and Employment

<table>
<thead>
<tr>
<th></th>
<th>Direct Income effect</th>
<th>Direct Employment Effect</th>
<th>Total effect Income (Direct+ Indirect+ Induced effect)</th>
<th>Total effect Employment (Direct+ Indirect+ Induced effect)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Tourism (CDPR, 2017 study based on TDCP data)</td>
<td>54 bn PKR</td>
<td>97,200</td>
<td>135 bn PKR</td>
<td>243,000</td>
</tr>
<tr>
<td>Sikh Tourism (CDPR, 2017 and World Bank study)</td>
<td>17.72 bn PKR</td>
<td>32,462</td>
<td>43.53 bn PKR</td>
<td>82,622</td>
</tr>
<tr>
<td>Buddhist Tourism (Gallup Pakistan 2016)</td>
<td>6.6 bn PKR</td>
<td>12,090</td>
<td>16.23 bn PKR</td>
<td>30,772</td>
</tr>
<tr>
<td>Total Tourism</td>
<td>194.76 bn PKR</td>
<td>356,394</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: CDPR Report on Heritage Tourism in Punjab, 2017

According to the above estimates, tourism in Punjab has the potential to generate almost $1.9 billion worth of income per annum including direct, indirect and induced effects. It is estimated to generate almost 360,000 jobs per annum directly and indirectly.

Furthermore, there are expected to be large gains to the provincial and national economy through both the tourism and hospitality sectors as a result of CPEC. The following box highlights the potential of Chinese tourism to the country in general and to Punjab in particular as a consequence of CPEC.

Box: CPEC and Tourism

The China Pakistan Economic Corridor is a 3,218 kilometer long route consisting of highways, railways and pipelines. This corridor will pass through the scenic Gilgit-Baltistan province in the north connecting Kashgar in China’s western province Xinjiang to the rest of the world through the Chinese-operated Gwadar port in southern Pakistan. This project is part of China’s large Maritime Silk Road initiative. According to President Xi Jinping, China’s concept of ‘one-belt, one-road’ aims at integrating trade and commercial activities of regional countries through enhanced connectivity. It will potentially transform Pakistan into a major hub of trade. The initial plans of $46 billion worth of Chinese investments is regarded as the beginning of phase one of the projects.

Amongst the industries that are deemed to gain from the economic corridor is the much-neglected tourism industry of Pakistan. There is considerable scope for tourism development on the basis of the CPEC project around the route itself, as well as the surrounding and distant areas of interest in Pakistan. According to experts, there will be a significant increase in tourism in Pakistan’s 73,000 sq. kilometers mountainous region which comprises of five of the fourteen peaks above 8,000 meters (eight thousands) in the world and more than fifty mountains that are above 7,000 meters. Pakistan also has the world’s second highest peak K-2 and the magnificent Nanga Parbat that are already extremely popular tourist attractions for mountaineers and adventure tourists. Other areas of Pakistan are brimming with history, old cultures, heritage sites, age-old architecture and geological wonders. It is an opportune time for Pakistan and it is imperative to develop tourism and hospitality projects with the cooperation of the government and private sector that target the booming Chinese tourist market.

According to the China Tourism Research Institute, China had 120 million outbound tourists in 2015, which spent a total of $104.5 billion. Based on surveys conducted in 2016 by Chinese travel agencies, there will be a substantial increase in outbound tourism due to more convenient visa policies by various countries, operation of more international flights and the implementation of “One Belt and One Road” strategy this year.

To attract the largest tourist market in the world, it is essential to understand the unique features and needs of the Chinese tourists. Historically the highest capture of Chinese tourism has been in
Asia. The Asian countries offer the Chinese tourists familiarity in the form of similar cultures, Asian food and are also providing essential tourist information and materials translated into Mandarin. The majority of Chinese outbound tourists travel in groups as they believe it is safer and more convenient compared to individual travel. Group travel is much more economical, it is easier to get visas for tour groups and the tour organizers and guides speak local languages and can assist the tourists.

Although group travel is still popular, a new trend of individual and semi individual travelers from China is emerging. This trend is due to an increase in purchasing power of individuals that has led to the emergence of a larger middle class in China. This section of the population is the post 80s generation that wants to explore foreign countries and embraces new cultures in a way unknown to their ancestors. The dynamic growth of digital media has fueled this curiosity and the Chinese tourists increasingly explore and purchase travel and hospitality products through digital tools. An example of this would be Weibo (a Chinese micro blogging website) that has implemented an online travel portal for Chinese travelers to assist in planning international travel. Weibo links its users to approximately 400,000 tourism related companies that target the specific needs of Chinese tourists and they receive daily updates of popular destinations. Mobile phones have become a major means for tourism and hospitality product purchases, and travel agencies post entire travel itineraries with images for ease of the users. The Chinese travelers like to be informed and want to be aware of every aspect of their travel to international destinations.

The basic requirements of the leisure Chinese tourist sector include entertainment and recreational facilities, tour packages and knowledgeable Mandarin speaking tour guides, TV programs being shown in Chinese and readily available Chinese food specialties. They want to experience new cultures and seek adventure in secure environments that cater to their specific needs. The Chinese business traveler seeks a high level of convenience and is price conscious. The basic needs consist of 24-hour food delivery, high speed internet access, availability of general business center services as well as the mandatory ease of communication with interpreters that are readily available. Another tourist target market is the Chinese senior citizen population which currently is the largest in the world. There are more than 200 million people aged over 60 years that reside in China. In the Chinese culture, children are expected to look after and financially support their parents. It has become a trend in the increasingly affluent middle class to finance international trips for retired parents. Tourist destinations have been targeting this market by providing services that addressed the needs of the elderly. These services have led to significant new and repeat business at these destinations.

5.2.2.1 State of the Tourism sector and constraints impeding growth

According to the Travel and Tourism Competitiveness Index developed by the World Economic Forum, Pakistan lags in all key sub-indicators with the exception of Price Competitiveness, which is resulting from depreciation in the rupee.

Some more evident factors reducing the countries competitiveness include Enabling Environment (130th out of 141 countries), Safety and Security (138th out of 141 countries), Health and Hygiene (102nd out of 141 countries), Human Resource and Labour Market (138th out of 141 countries), Travel and Tourism Policy and Enabling Conditions (123rd out of 141 countries), Prioritization of Travel and Tourism by Government (120th out of 141 countries). Similarly, there is a low ranking in Environmental Sustainability (141st out of 141 countries) and Tourism Infrastructure (107th out of 141 countries).

PILDAT and CDPR have both conducted comprehensive studies on the tourism sector of Pakistan and Punjab respectively. The following are a set of factors that have been identified in both the reports as the main impediments in the development of the sector:

- Absence of a Tourism Management Entity at the Federal Level, low budgetary allocations and the need of a policy framework: The abolition of the Federal Ministry of Tourism as a result of the 18th amendment had a detrimental effect on tourism sector development at the provincial level. Certain critical issues such as building the country’s image, resolving difficulty in issuance of the Pakistani visa, dealing with overall security situation, assurance of quality and service standard in the tourism sector etc., need to be addressed at the national level.

Various stakeholders have indicated that there have been limited efforts by the federal government and provincial governments to properly package and market the immense tourism potential of the country. There has been some effort by the TDCP, such as revamping their website and listing various destinations, TDCP resorts and tour packages. However, there is still significant room for improvement and there has to be rethinking about the role of TDCP as a tourism service provider. Consequently, there is a clearly identified need to undertake aggressive marketing and image building efforts by participation in international trade fairs and other such events.

Tourism development has always been a low priority reflected in the small share of overall budgetary allocations. For example, in Punjab the Information and Culture Department has a meager financial allocation of only PKR 400 million out of a PKR 550 billion portfolio.

For the past many years there has not been any policy or planning framework in place to guide growth and investment in tourism within Punjab. The last tourism policy was formulated in 1991. Khyber Pakhtunkhwa is the only province to

---

*Source: WTTC 2016*

---

4 http://www.tdcp.gop.pk/new/
have formulated a tourism policy after the 18th amendment, which made tourism a provincial subject. The Punjab government is currently in the process of formulating a Tourism Policy based on the work done by CDPR and the World Bank.

- Security and Safety of Tourists and Visa issues: Over the last two decades, Pakistan has suffered immensely as a consequence of a deteriorating security environment brought about due to insurgencies and terrorism. This has created a negative perception, fear and distrust in the security and safety situation of the country across the world. The federation and the provinces have failed to counter this negative perception. As a consequence, Pakistan has had adverse travel advisories, and foreign visitors have avoided traveling to the country.

In addition, due to uncertain security and a volatile geopolitical situation, tourists do not easily get Pakistani visas. The issue gets even more severe when entry into Pakistan is from India, which restricts thousands of tourists from coming to Pakistan. The Punjab province which has a special religious significance for the Sikhs, loses the most as a consequence of this highly restrictive visa regime.

- Lack of Inter-Departmental Coordination, government's direct provision of tourism service and lack of private sector investment: Several departments such as environment, wild life, forestry, road and highways, border control and police etc. need to work closely and in a coordination to support tourism activities. Lack of interdepartmental and interprovincial coordination has been an endemic issue that has obstructed effective policy implementation in Pakistan. A closer look at the existing institutional arrangements reveals that not only there is little or no coordination between various departments but also none of these has any specialized experience to manage heritage sites. For example, Federal Jurisdiction of Evacuee Trust Property Board over many heritage sites is ambiguous and problematic.

At present, the key provincial tourism management organization, the TDCP, is mainly engaged in running commercial businesses. It runs most of its own motels. It also operates tours via its offices in Lahore, Multan, Bahawalpur, Rawalpindi and Murree. Hence, the government plays the role of a competitor, rather than a facilitator and regulator of the private sector. TDCP, like the Pakistan Tourism Development Center (PTDC), has moved away from its primary role of developing the tourism sector and facilitating private sector investment towards revenue generation. This direct provision of tourism services by the provincial government crowds out private investment in the sector.

Although the federal government and provincial governments have worked on galvanizing public–private partnerships (PPPs) for several years, they have failed to operationalize any significant investments and no major joint venture in the tourism sector has emerged.

- Lack of Proper Enforcement of Standards and Certifications and Inadequate Capacity of the DTS: Enforcement of standards is now the responsibility of the Department of Tourist Services (DTS), a provincial responsibility following the devolution. This is implemented through three Acts of Parliament; (i) The Pakistan Hotels and Restaurants Act 1976; (ii) The Pakistan Tourist Guides Act 1976 and; (iii) The Travel Agencies Act 1976. However, while these laws do exist in theory, implementation has been weak. (PILTAD 2015)

The responsibility of managing standards of hotels and regulating hotels, tourist guides and travel agencies lies with Provincial Department of Tourist Services (DTS). Prior to devolution, DTS worked under the Federal Ministry of Tourism, but after the 18th amendment it now operates under the provincial Tourism Department. It nevertheless remains unable to implement and ensure quality of tourist services. Accreditation of hotels is not credible, whereas certification of tourist guides is weakly implemented. Information on tours and tourists’ guides remains scanty and inadequate. There is also no fitness certification implemented for vehicles hired by the tourists, neither is there any standardization of transportation rates between different destinations.

- Dilapidated and Poor Tourism and Hotel Infrastructure: The stakeholder analysis done for the CDPR report highlighted the poor quality of facilities available at tourist areas and sub-optimal roads and transportation connecting such areas of interest. Therefore, there is an immediate need to upgrade the infrastructure with safe, clean, abundant and attractive facilities for local and international tourists, with special focus on women and children’s needs.

Moreover, limited conservation and restoration work has been performed at religious and heritage sites, and where works have been performed, the quality has been a major issue. There is a dire need for restoration and rehabilitation of historic buildings and sites through expert involvement. The Archeology department and the Evacuee Trust Board currently lack
the capacity for proper restoration of the many historical and heritage sites in the Punjab. The notable exception is the restoration work done by the Walled City authority in the Lahore Old city project, which is of a very high quality meeting UNESCO conservation standards.

There is a need for public-private partnerships and establishment of hotel management institutes in the wake of a dearth of skilled labour for tourism and hospitality industry. Pakistan Association of Tour Operators (PATO) and Pakistan Hotels Association (PHA) should closely collaborate with the government. There is also a need for progressive government policies to encourage sustainable local and international investments in Hotels and Rest Houses. Leasing of land parcels for project development and announcing an incentive package to encourage new investment is required.

- Lack of Reliable Data and Research in Tourism Sector and Insufficient Use of IT for Tourism Promotion: There is a dearth of reliable data on the foreign and domestic tourism. None of the provincial governmental agencies related to the tourism sector maintain any data that reliably documents foreign and domestic tourist traffic for specific destinations. Lack of reliable data, thus hampers evidence based policymaking and planning for tourism. PTDC, TDCP, TCKP and other provincial tourism promotion organizations, through their websites, have ensured their presence on the internet. However, none of these websites meet the needs of tourists.

5.2.3 Way Forward

Based on the analysis above, this section lists a set of policy recommendations, specifically aimed at boosting heritage and religious tourism in Punjab, enabling its substantial contributions to the growth and development of the province. These recommendations have been taken directly from the work done by CDPR and the World Bank on the Punjab Heritage Tourism Policy.

The stated policy principles of the Government of Punjab on Tourism focus on: (i) creating a robust institutional framework for tourism sector, (ii) establishing an enabling regulatory regime that attracts investment in tourism and related infrastructure, (iii) moving towards private-sector led service delivery, (iv) putting in place quality standards and ensuring safety and security for tourists, and (v) facilitating high quality skilled workforce for the sector. Together, these policy principles aim at promoting a culture of inclusiveness and sustainable tourism.

In order to achieve these policy principles, there is a need for targeted and meaningful institutional reforms, which stimulates growth and investment led by the private sector. Government institutions should create an enabling environment and facilitate private investors. This approach is also in line with other countries, where governments are focusing on introducing enabling frameworks through well-coordinated institutional regimes. The CDPR proposal is to undertake institutional reforms in three areas: ensuring federal-provincial coordination and alignment, strengthening core governance capacity within provincial government for managing the tourism sector and embedding private sector-led growth. The following is the list of recommendations put forward by CDPR to the Punjab Government based on these policy principles.

To improve federal-provincial coordination and alignment, federal government should establish a dedicated Tourism Cell in the Ministry of Inter-Provincial Coordination for relevant regulatory and policy issues. Furthermore, Government of Punjab should create an Inter-Provincial Tourism Coordination Working Group to coordinate with other provinces for aligning critical policy issues and effectively undertake advocacy efforts with federal government on key institutional issues.

In order to strengthen public sector capacity for tourism sector management in Punjab, the Government of the Punjab should adopt a cross-departmental oversight mechanism to ensure synergies across various initiatives. Such mechanisms can be created through establishing a high-powered Punjab Tourism Council, with a stakeholder-led management structure to facilitate tourism in selected thematic areas, rather than the traditional public sector-led approach. The Council would provide an institutional interface to incorporate private sector’s views for sector management, approve quality standards and offer an alternative dispute resolution platform for regulatory compliance. In addition, the government should strengthen its core institutional capacity for policy making and implementation through creating a Delivery Unit within Department of Tourist Services to attract market-based talent. An independent government-owned company to manage this project as well as other reforms in this area should be formed. There is also a need to establish Office of Tourism Commissioner under the Tourism Department to regulate the sector. Furthermore, there is a need to create specialized capacity in the government to manage heritage sites, which could either be provided through widening the mandate
of Walled City Authority Lahore or creating a new agency. In case of the latter, ideally, this function should be given initially to the new proposed government-owned tourism company for Punjab. This agency can then have site-specific organizational structures for managing heritage sites and surrounding areas for zoning, commercialization, municipal arrangements and land use. The present role of PSGPC and site-specific Gurdwara Management Committees should be kept intact and in fact be strengthened to keep the stakeholders informed and involved. There is a need to formalize the structure of these committees and move towards corporatization, with better financial management systems.

There is also a need to deepen the diagnostics within the universe of allied provincial line departments to support wider reforms in tourism sector. While the Punjab Tourism Council would provide an apex platform to synergize operations across various departments and agencies, a detailed institutional review study should be undertaken with special reference to tourism sector for departments like Auqaf, Environment, Local Government, Forest and Wildlife, etc. Additionally, on an immediate basis, a Heritage Tourism Cell in Auqaf Department should be established to take stock of various heritage sites managed and to devise a plan for promoting tourism.

In order to support private sector-led growth, government should develop adequate capacity to promote private investment in the tourism sector, through restructuring of TDPC and other measures. The restructuring should include divestment of all commercial operations and making TDPC responsible for interfacing with private sector as well as for marketing and branding. TDPC should also be merged with newly proposed government-owned tourism company. There is need to revive Institute of Tourism and Hotel Management (ITHM) and it into a vibrant state-of-the-art institution for skill development, through collaboration with private sector. Punjab Skills Development Fund should also be engaged for market-driven skills development through private service providers. Government should also strengthen private sector capacity so that PATO and PHA can be better organized and act as counterparts to government in a much more meaningful manner, driving the sector growth and identifying priorities for future.

In order to increase private investment in tourism sector, there is a need to create a pipeline of potential investment opportunities. Given the requirements and nature of tourism sector, it is proposed to have a two-pronged approach for the private sector participation framework. The first should cater to promote PPP projects in tourism sector, while the other component should relate to developing an investment policy or an incentive package to promote purely private investment in the sector, through government stimulation.

There are a number of existing constraints to private sector investment in tourism and other sectors that should be addressed through a tourism investment policy. These constraints include exorbitant real estate costs discouraging investors from initiating new ventures; frequent changes in tax policy, creating uncertainty for investors; high cost of doing business with excessive regulations, poor law and order and public safety situation; limited financing avenues in the wake of restricted commercial financing for such projects, weak capital markets and absence of private equity; and poor contract enforcement, leading to expensive and prolonged litigation. Through the tourism investment policy, there is a need to enable optimal use of public assets and land; facilitation of private investors; providing tax guarantees; and offering effective ADR platforms.

Moreover, the proposed tourism investment policy should focus on financial arrangements for successful close of mega projects, supporting tourism sector. Commercial banks in Pakistan, traditionally shy away from project finance with the exception of a few sectors such as energy. In order to encourage investment in the sector, government should support private financing, possibly through providing partial risk guarantees to investors for selected areas to stimulate investment.

On the regulatory side, a number of laws will have to be amended to provide for both high standards and robust enforcement mechanisms. In addition, regulatory reforms would be required to improve the business climate as well as to support the proposed institutional changes. These could include a law to create and empower Punjab Tourism Council and Office of Tourism Commissioner; amending Walled City of Lahore Authority Act to manage control of heritage sites or enact legislation for a new entity; a law/policy for tourism investment incentive package; and establishment of a Heritage Trust to enforce the Punjab Special Premises Preservation Ordinance, 1985.