

# 1

## Introduction

The North West Frontier Province (NWFP) and the Northern Areas of Pakistan form the hub for mountain tourism in the country. Teeming with majestic mountains, snow-covered peaks, valleys, swift-flowing mountain streams, jewelled lakes, and the stupendous Karakoram glaciers, the attractions for adventure sports and recreation enthusiasts are many and varied. These attractions include mountaineering, trekking, skiing, sight-seeing, fishing, white water sports, and other thrills.

Pakistan possesses eight of the 15 highest peaks in the world. K-2, which is the second highest peak in the world, is located in Pakistan as are well-known peaks such as Nanga Parbat, Gasherbrum I, II, and III, Rakaposhi, Trichimir, and many others. Out of the 730 peaks in the NWFP and the Northern Areas, 43 peaks have been scaled. In 1992, 58 expedition groups from 16 different countries visited Pakistan. They included 426 mountaineers (the average annual number from 1985 to 1992 was 400). Between 1985 and 1992, K-2 alone was attempted 354 times and scaled 46 times.

Almost all the trekking zones in the country are located in the NWFP and the Northern Areas. In the last eight years, there were nearly 500 trekking parties (officially recorded parties only) with over 3,000 members. With the opening up of the Karakoram Highway, areas previously inaccessible and unknown were brought within the reach of hikers, resort tourists, and holiday-makers, both domestic and foreign.

For mountaineering and trekking, tourist destinations in the project region are the Northern Areas (Gilgit, Hunza, and Baltistan) and some areas of the NWFP (Chitral). Shandoor is famous for its polo tournaments which are held right on the Roof of the World. Besides **adventure and sports tourism**, the region also attracts other types of tourists. These include tourists to **resorts**, as in the Swat Valley (Kalam, Mingora, etc), the Galliat (Nathiagali), and the Kaghan Valley (Kaghan, Naran, etc), and **cultural tourists**, as in Chitral where the *Kalash* culture attracts large numbers.

The hot springs at Garam Chashma in Chitral, said to cure many diseases such as arthritis and which are popular for overall body toning, are another attraction. Tourists who come on account of religion also contribute towards tourism.

Although tourism is not reflected in the Survey Statistics of the Government of Pakistan as a separate sector, it plays an important role in providing foreign exchange earnings and contributes to the GNP and employment provision. It thus contributes to the overall growth of the economy. The growth of tourism has been accompanied by the creation of accommodation, transport and communication facilities; the development of the handicraft industry; tourist sites such as national parks etc; and employment creation in the related sectors.

The development of hotels and restaurants is a direct result of the growth in tourism. The Government of Pakistan had declared tourism an industry that would benefit from all the facilities and incentives that accompany such a status.

In 1992, 0.352 million foreign tourists visited Pakistan, and foreign exchange receipts from tourism stood at US dollars 119.9 million. Tourism was the ninth largest foreign exchange earner in 1991/92.

### **Scope of the Study**

The study is focussed on tourism activities in the mountain regions of the NWFP and the Northern Areas, specifically focussing on resort and adventure/sports' tourism. However, a macro-study of tourism facilities, its development, and its impact on the national economy is also necessary for the following reasons. First, tourism as a sector and, in the recent past, as an industry, has received recognition, though it is still in its infancy. Hence, the development of tourism activities and their impact on the local committees is not yet a major area of research and planning for the tourism authorities. There is, thus, an absence of information and of a data base. Second, the development policies of the government, such as policies on tourism, agriculture, industry, trade, environment, etc, are formulated at the national level, though their impact is felt at all levels, i.e., national, provincial, and local. The impact of these policies is, however, visible at the national and provincial levels but not yet at the local level. The present study tries to review these policies and identify the gaps and constraints in their relevance for mountain area development.

While tourism has recently been declared as an industry and is, as such, eligible to benefit from incentives and related policies, mountain tourism specifically needs flexible policies that help to create a conducive environment for attracting tourists. It also needs an awareness of needs, appropriate planning, management, community organisations to implement policies that benefit local communities, and training to manage and promote tourism on a sustainable basis.

As an industry, tourism is essentially viewed in an economic perspective. An increase in tourists is expected to lead to an increase in foreign exchange earnings; hopes and prospects of employment; income generation opportunities; and an increase in the production of food, fruit, and other daily needs, along with hotel accommodation and related wherewithals. These, in turn, are expected to boost government revenues and economic activities in the areas of tourist concentration, and to improve the living standards of the communities. This report will look into these aspects of tourism and highlight the role of tourism in meeting the economic needs of the community.

The role of the provincial government's development programme and that of donor-funded development projects and NGOs located in the mountain areas will be reviewed to determine their contribution to alleviating the problems of the local mountain community which are more backward and poorer than other sections of the country.

The impact and benefits that accrue to local communities (different segments of the community, including women) and their ability to utilise those benefits will also be looked into. Another important area to review is the income retained by the local mountain communities. There is a strong leakage of benefits and incomes to suppliers of goods and services outside the area.

The linkage effect that acts as an instrument of development does not obtain in the mountain areas. The linkages between the different sectors of the mountain economy are insignificant due to a lack of integration between these sectors locally as well as with the provincial and national economies. These will also be reviewed.

It has been further noted that there is no institutional framework for development of the mountain areas, mountain communities, and tourism activities in the mountains. The activities are planned and implemented in isolation with little effort undertaken to view them holistically, which is so necessary for integrated development.

There is also a lack of local private sector initiatives for the development of tourism activities. There is market failure as well as an absence of planning to protect the fragile environment. This leads to development that causes environmental stress and degradation, without much benefit for the local communities whose environment is being degraded. All these factors will be considered in the report. Also highlighted will be inconsistencies in government policies with regard to areas that are 'open' and 'closed' zones for trekking, which in turn creates problems for related activities.

The planning and analysis instruments used by the Tourism Division, such as the multiplier analysis, input-output tables, etc, do not account for the specific characteristics of the mountain areas. Hence, they do not reveal the expected impact of mountain tourism nor reflect the integration and linkages that are the normal expected outcome from the development of tourism. These will be focussed on when the subjects are discussed.

Despite the government's policies, the absence of private sector involvement (except for a few small groups) in tourism-related activities limits the scope for development of a tourism industry that has a widespread impact on the community. This aspect of tourism deserves attention.

While tourism does make certain positive contributions, a host of problems accompany it. Some threaten the sustainability of the mountain environment as a result of a concentration of tourists beyond the carrying capacity of the area, seasonality of tourist activities, and unplanned construction activities which are undertaken to meet the increasing demands of tourists. Problems related to management in such sectors as tourist accommodation, health, security, transport, guidance (to protect the fragile environment from litter, water, and other types of pollution) will be discussed.

In the use of mountain resources, sustainability has to be inbuilt as use intensity can lead to depletion, degradation, despoilation, and destabilisation of the resource base. Some of the problems already known are the deforestation of the mountains of Swat, Hazara, and the Northern Areas, increasing levels of pollution of the Swat, Kabul, and other rivers and streams; pollution due to litter and non-degradable wastes in the mountains and on the trekking routes; and unplanned growth of structures and buildings on unstable mountain sides that affect the environment. The report will look at the present status of these resources and the efforts made, if any, to conserve and manage the resource base of the region.

## **Objectives of the Study**

The objectives of the study are given here.

1. To undertake a review and highlight the status of mountain tourism in the NWFP and Northern Areas. This study will also identify the types of tourism prevailing in these areas and the development of tourism activities over time.
2. To assess the impact of tourism activities (resort, mountaineering, and trekking) on the local communities and the environment. The study will look at the available income and employment options and benefits from tourism and also at the extent of income leakages. It will also review the impact of tourism on the environment.
3. To identify the linkages and development of the mountain areas and communities through planning by different levels of government. Policies directly related to tourism, and those with a bearing on it, will be assessed and their implications discussed. Gaps therein will also be pointed out.
4. To identify the critical issues emerging from the overview and to examine the policy options.

## **Methodology**

There are two main components of the methodology adopted in the preparation of this overview: one, review of literature, including a review of relevant government policies; and two, meetings and interviews with officials of the concerned government departments and other relevant persons.

### *Review of the Literature*

#### Review of Publications

There is very little literature or independent research output available. The only research and information available are the official publications of the Tourism Division.

The list of documents of the Tourism Division-reviewed and consulted-are provided in the reference list. Besides these ,some other publications reviewed include :

- \* Pakistan, Trekking Guide, by Isobel Shaw and Ben Shaw
- \* Trekkers' Guide to Chitral by Haqiqat Ali
- \* Trekkers Guide to Hunza, by Haqiqat Ali
- \* Publications of Development Projects
- \* NWFP Tourism Development Strategy Project, by John Yost
- \* Khunjerab National Park - Management Plan, by Ashiq Ahmad Khan.

### Review of Government policies

The following policies and policy documents have been reviewed.

- National Tourism Policy
- Report of the Task Force on Agriculture
- Environment Plan
- Investment Guide
- Energy policy

### **Meetings with Government Officials, NGOs, and Other Relevant Persons**

Meetings and discussions were held with officials of the Ministry of Tourism, the Tourism Division, the Pakistan Tourism Development Corporation (PTDC), Pakistan Tours, and the Planning Commission. Discussions were also held with the major tour operators, NGOs involved in adventure tourism, and public limited companies involved in promoting tourism. Finally, meetings were held with the Director- General and the technical staff of the Environmental Protection Agency NWFP, the Sarhad Tourism Corporation, and owners of hotels. (See Annex 1)

The existing situation regarding the status and potential for tourism was discussed and views were elicited regarding the scope and constraints faced in developing tourism as a vehicle of development.

## Organisation of the Report

The first chapter provides a brief overview of mountain tourism in the NWFP and the Northern Areas of Pakistan. Chapter 2 focusses on historical trends in the types of tourism resources in this area; the flow and volume of tourists at the macro-level and in the mountain areas; the macro-implications of tourism as well as implications at the local level; and the growth in infrastructure and related services for tourism in the NWFP and the Northern Areas. Chapter 3 is devoted to a discussion of the role of tourism in sustainable mountain development. Chapter 4 reviews the impact of government policies, incentive structure, and institutional development for mountain tourism. The policy gaps are also pointed out. This chapter also looks at the organisations and activities that directly influence the tourist trade. Chapter 5 presents the emerging issues and policy options. This concluding chapter also covers the overall problems related to the mountain environment and their impact on the development of tourism.