

## Tourism in Karachi: Carving a Revenue Source

Pakistan's inaccurate perception of being a security risk is being challenged worldwide and a lot of it has to do with tourism. The country's scenic beauty in particular has gained it recognition from international forums including Forbes, which included Pakistan in its list of 'best under-the-radar places to visit in 2020'. Even though the recent rise in popularity should be followed by a much needed financial influx for the ailing economy through tourism, there are two main intertwined impediments limiting the domestic sector from tapping into what could be a multi-billion dollar market for Pakistan. These obstructions include a lack of infrastructural maintenance of tourism worthy sites across Pakistan and that tourist activities are largely limited to the northern region of the country whereas potential goldmines like Karachi are overlooked.

Forbes: 10 Best Under-the-Radar Trips for 2020	
Armenia	Chad
China	Eritrea
Guatemala	Mongolia
Pakistan	Saudi Arabia
Tunisia & Algeria	Uzbekistan

*Source: KCCI Research; Forbes*

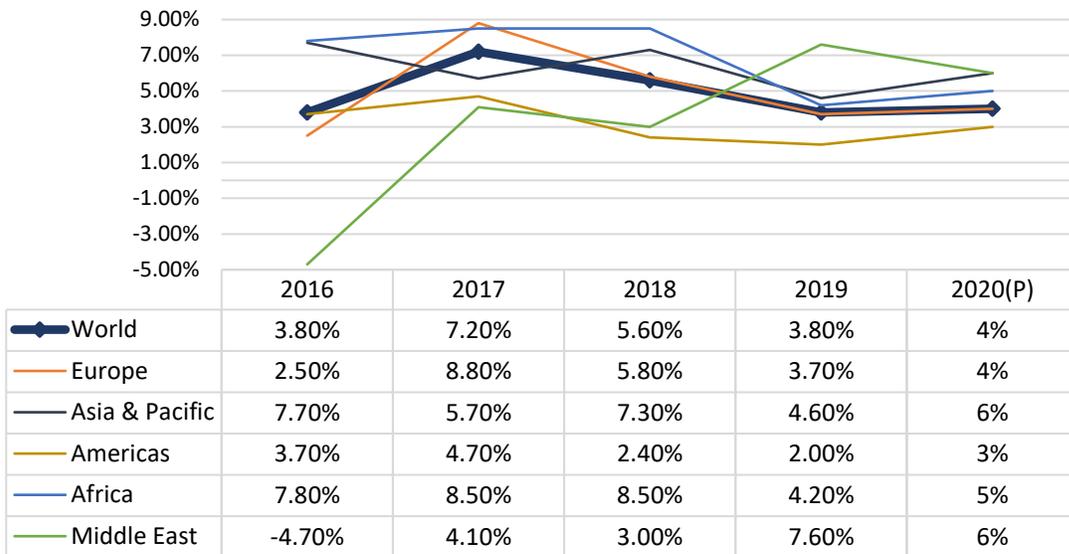
### World Tourism Industry and Pakistan's share

According to the United Nation's World Tourism Organization (UNWTO), tourism increased in all parts of the world in 2019. In its World Tourism Barometer (Jan'20), the UNWTO has stated that destinations worldwide received approximately 1.5Bn arrivals in 2019 which is 54Mn or 3.8% more than the 1.49Bn in 2018 (exhibit 1 and 2). According to the World Travel and Tourism Council (WTTC), Global tourism industry directly contributed more than \$ 2.8Tn (around 10.4%) to the world GDP in 2019 and also accounted for 319Mn (around 10%) of global employment.

For some countries, tourism is actually heavily relied upon. The countries include (worldatlas):

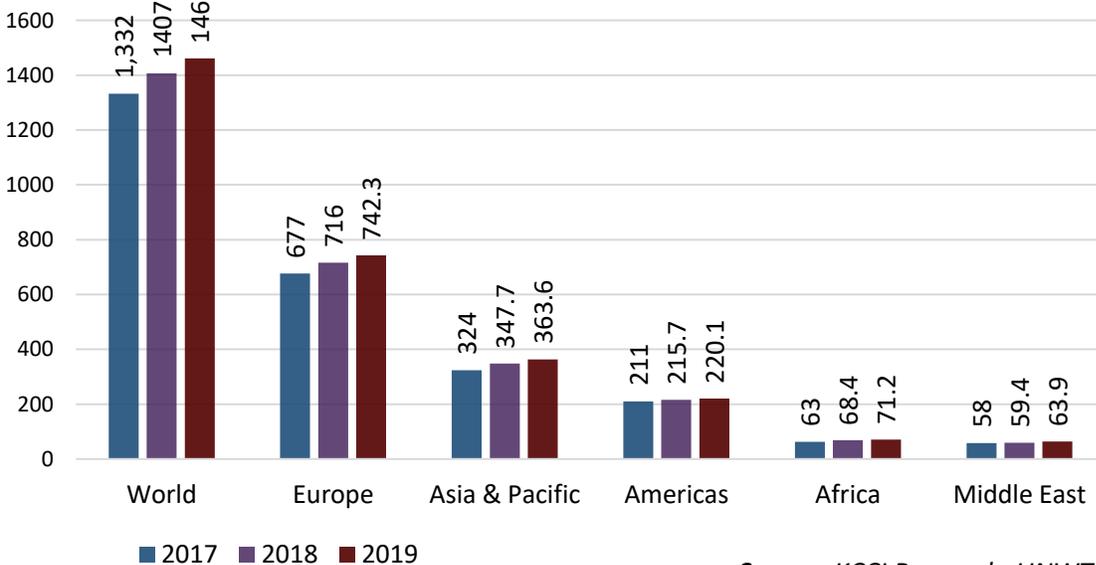
- Macau-43.9 % of GDP
- Maldives-41.5 % of GDP
- British Virgin Islands-30.3 % of GDP
- Aruba-28.6 % of GDP
- Seychelles-21.3 % of GDP
- Anguilla-21.0 % of GDP
- Bahamas-19.4 % of GDP
- Vanuatu-18.6 % of GDP
- Former Netherland Antillies-17.0 % of GDP
- Antigua and Barbuda-15.5 % of GDP

**Exhibit 1: Outlook for International Tourist Arrivals (% growth)**



Source: KCCI Research; UNWTO

**Exhibit 2: Outlook for International Tourist Arrivals - Millions**



Source: KCCI Research; UNWTO

Pakistan's share in this booming global market is negligible, with the country being estimated to account for 0.2% of the South Asian tourism market back in 2017. Marred by demons from its not so distant past, Pakistan has only just started to shake off its reputation as a target for terrorism. Hence, the country has a long way to go before it becomes a key contender among tourist destinations worldwide.

### Pakistan's North Centric Approach

To enable Pakistan's transformation into the tourism sector, a number of initiatives have been put in place recently by the government. One of the main steps include ease in visa requirements such that passport holders of 50 countries can now avail visa on arrival facility when coming to Pakistan. The year 2019 also saw the country host a number of travel and tourism related events such as Pakistan Hospitality Show and Pakistan Tourism Summit in order to market itself to holiday planners and adventure seekers. Prime Minister Imran Khan has also himself highlighted Pakistan's northern areas as a tourist spot on various international forums. However, all the efforts made to attract tourists to the country seem to be limited to the northern areas of Pakistan. The rest of the country, particularly Sindh and Karachi are left un-marketed.

Focusing the concern on Karachi, the metropolitan city may not be anywhere near the top of anyone's list of places to visit for tourism, but the reality is that the largest city of Pakistan can have a wide array of activities to offer. Sadly, this is a fact ignored not only by the international community but also Pakistan's own 200Mn+ population. Adding insult to injury, Karachi has attractions falling under various types of tourism, however, a number of these sites lack the infrastructural development or maintenance to entice large crowds. As a result of this, even the domestic population that visits these sites, is small in number.

#### **Karachi: What it has and what can it build**

Where Karachi may not have the charm of the serene and beautiful northern areas of Pakistan, the city does not necessarily lack in attractions. The city's unmatched cultural diversity and its heritage can most certainly add additional flavor to someone's trip to Pakistan as Karachi has something for everyone.

Recreational/Leisure Tourism: Recreational or leisure tourism is the sort which most people opt for in order to take a vacation from their everyday lives. A potential goldmine for the city in this respect is the role it can play in providing people access to Pakistan's 1,000km+ coastline. Even though there are a number of beaches in Karachi, the city can act as a hub for those people who want to explore the coast beyond the city limits. The beaches in Karachi, where the locals have developed huts and other infrastructure, are great to spend time on. Furthermore, Pakistan's coastline holds some of the most attractive features from around the globe. Given the fairly hot climate of Sindh and Baluchistan, the entire coastline is accessible throughout the year and features a diverse range of topography from sandy beaches to fairly large cliffs.

These beaches hold tremendous potential but their development is often ignored as authorities do not realize the economic gains that can be generated. New spots of interest along the coast are being identified even to this day, like Kund Malir. These spots create revenue for small tour operators who offer camping opportunities and other attractions. However, sites like Kund Malir lack infrastructure to attract large crowds. Proper development in these areas will surely attract interest from domestic and foreign sources as these sites.

These sites can also be developed to accommodate different activities on different types of beaches. For example: areas where sand dunes are near the beaches, a Dubai like safari can be organized so that tourists spend a day tackling those dunes in SUVs or ride camels and then spend the evening enjoying a seaside buffet, reminiscing about the day. Or, the sites where large cliffs meet the ocean, various activities such as parasailing or paragliding can be set up to attract adventure seekers.

Activities that already exist for tourists should also be revamped to be more people friendly. For instance, the boating trips which can be taken from Kemari can prove to be dangerous for relatively

aged individuals due to lack of small infrastructure such as piers and safety equipment on boats. These things are even enough to deter domestic tourists so catering to foreign tourists is far-fetched.

Therefore, sites in and near Karachi should be identified and world-class facilities need to be developed with the cooperation of renowned hospitality brands such as Hilton and Hyatt. The presence of resorts and hotels offered by famous brands will surely attract tourism because uncertainty regarding the quality of service available in Pakistan will be diminished. Associations with these brands will further help to tackle any security concerns which foreign visitors might have against Pakistan since potential tourists would be familiar with the global reputation of these brands.

Nature Tourism: This type of tourism is for those who like to travel to naturally preserved sites to admire nature. Apart from the boundless potential which Pakistan's coast has to offer, there are also other naturally picturesque sites to where someone can go from Karachi. These sites include Hingol National Park and Gorakh hills.

Hingol national park features a unique experience with natural rock formations and wildlife such as Ibexes, and Gazelles. These types of sites are immensely popular worldwide and can also be in Pakistan. All this site needs is availability of basic necessities and properly guided tours. Since the Hingol National Park is located near the previously mentioned Kund Malir beach, this site does not even require a permanent overnight lodging facility as people can be accommodated at Kund Malir if proper resorts are built there.

Gorakh hills is a mountainous area in Sindh which has attracted a lot of praise from domestic tourists. This, mainly a camping site, can also be advertised to nature tourists as it remains largely untouched by urban development.

Hingol National Park and Gorakh hills are just two examples where tourists can visit after making Karachi their base. The region around Karachi is fairly unique and various other sites can also be identified for tourism which would generate employment especially for the local people.

Historic/Cultural Tourism: Another popular area of interest for people who travel around the world is history and culture, something found in abundance in Sindh. The history of Sindh is enriched with the culture of the Indus Valley Civilization and how it evolved. In areas around Karachi, the way people live in Sindhi villages can be a great source of interest for foreign tourists. These villagers, especially women, can to this day be seen donning the clothes of the same style as their ancestors and maintaining the same style of living as well. Guided day tours of these villages from Karachi on the way to places such as Keenjhar Lake can be a good attraction. This region also features Makli graveyard that is said to have been built over 400 years and features around 500,000-1,000,000 beautifully designed tombs. In addition to this, Karachi and its surroundings also feature sites that have religious significance such as Mosques, Temples and Churches, some of which can also be considered architectural marvels and would prove to be an important addition to a tour of Karachi.

Secondly, Karachi itself is filled with buildings and museums that date back to even before the partition of the Indian subcontinent. A number of these have been beautifully maintained such as Freire Hall and Mohatta Palace which can also be added into another day trip of Karachi.

In this category, the only infrastructure needed are busses or cars along with guides familiar with a site or region. Day tours that take tourists for a trip around a city to visit cultural sites, museums and heritage buildings are a prominent feature at all popular tourist destinations worldwide. Although

implementing these tours in a large scale might result in very limited revenue given the current state of tourism in Karachi, setting this up once matters improve can be a very lucrative income stream. For now, guided tours of Karachi and surrounding areas may be a good option at a small scale with cars, rather than busses.

Medical or health tourism: This involves people having to travel to various cities or even countries to seek medical treatment that is either not available or is too expensive in their local surroundings. Medical tourism is consistently gaining popularity with the industry growing 358% from \$ 2.4Bn in 2000 to \$ 11Bn in 2017 (WTTC). A number of medical facilities offered at some hospitals around the city are at par with international standards. Medical facilities offered at Karachi are often sought by residents of other developing countries seeking world-class medical facilities at fairly low prices. The situation is further aided by the local population which donates to different causes generously.

Facilities like Sindh Institute of Urology and Transplantation (SIUT), Agha Khan University Hospital (AKUH) and Shaukat Khanum Memorial Cancer Hospital provide treatment for serious illnesses at subsidized cost and at times even free of charge. Karachi indeed has a fairly well established medical infrastructure. The only thing missing in all of this is awareness among the global community of what Karachi has to offer. In order to improve, there is a need to advertise Pakistan, especially in developing countries, as a place to get quality healthcare. Medical tourists will further help generate economic activity and attract more people to the country.

The most common medical procedures for which people travel to seek low cost alternatives include treatments for fertility, cancer, cardiovascular, nephrological and urologic disorders which can be done in Karachi at significantly lower costs. Treatments such as those requiring Cyberknife Robotic Radiosurgery can even be done free of charge in Karachi. Some modern hospitals in the city are even offering advanced diagnostic and therapeutic options for the local as well as international patients.

Education Tourism: Options to generate foreign visitors to the city of lights do not just end there since Karachi has much more to offer. The educational institutes in the city, especially its universities, are another area from where global interest in Karachi can be generated. A number of universities in Karachi already have active international student exchange programs. These platforms can be used to attract foreign students to pursue full length degree programs.

### **Karachi's untapped potential**

One thing which needs to be worked on to make people aware of Karachi's tourism potential is to create awareness. Investment from domestic and foreign sources in the city's tourism sector can only pour in if the international community shows interest in Pakistan. Constructing 5-star and above hotels, resorts and buying fleets of luxury busses in the hope to attract tourists would actually be a bad investment choice in the short term.

To give this sector any significant boost, simple advertising will not cut it. The strategy at first should be to attract tourism to Karachi from all over Pakistan by providing the locals with interesting activities like the safaris and paragliding. Once domestic tourism starts to pick up and local sites start being discussed on social media, international tourists will start to look towards Pakistan as well.

In order to further aid awareness, Pakistani authorities can get in touch with international groups and try and host internationally followed events in Pakistan. For example, there are various groups that organize sporting events such as jeep rallies for which suitable geographical requirements exist in and

around Karachi. The city also features clubs with the required infrastructure to host international competitions such as golf tournaments.

However, awareness and infrastructural development must go hand in hand with awareness playing a role of a stimulant for global tourism brands to invest in Pakistan, particularly Karachi. Although the Northern areas of Pakistan are unparalleled in their scenic beauty, developing any sort of infrastructure in that region requires higher cost input since construction goods and equipment need to be transported to development sites from major cities which can be very far. On the other hand, tourism brands could consider first building their sites in Karachi, a city where everything is available, and then look towards the northern region after having established themselves as a reputable brand in Pakistan.

Pakistan's government has recognized the role that Special Economic Zones (SEZs) have played in the development of countries such as China and Vietnam and is consistently advocating for investors do invest in the SEZs in the country. The government should consider forming a tourism SEZ in the coastal area in or near Karachi which could provide cheaper construction and operation for those who want to develop Pakistan's tourism sector through incentives. Developing a tourism SEZ would also eliminate any security threat preventing tourists from visiting Pakistan by creating a mini city filled with resorts, hotels and recreational activities. A similar model is being developed and looked into by various countries including Philippines, Uzbekistan and Indonesia.

### **Something for everyone**

Karachi in terms of its tourism industry is so underdeveloped and ignored that there is no shortage of ideas that can be implemented. If developed seriously, the city can cater to everyone. From history buffs to adventure seekers to even those who just want to spend a few days relaxing by the beach in a 7-star resort, Karachi has the capacity to cater everyone.

One of the city's strengths is that it is a well-developed metropolitan area that represents culture and history from the entire country. However, its most lucrative strength lies in the fact that the city can be made into a hub for people wanting to explore Pakistan's coast. The area that surrounds Karachi consists of ancient architecture, beautiful beaches and breathtaking deserts. However, this same area also accounts for the most poor and deprived sector of the population. These people may not even have the most basic education, but what they do have is unmatched knowledge of the region and if tourists start to visit, a major chunk of these needy people can be provided with employment in the form of domestic workers, labor and tour guides.

Karachi may not have the sort of infrastructure to attract huge crowds of foreign tourists but what it has is the potential to be made better than popular tourist destinations like Dubai. Karachi holds the key to unlock tourism in the southern part of Pakistan which then has the potential of making Pakistan the tourist capital of the world. All the city needs is for investors to recognize the potential Karachi has to offer and for the federal and provincial governments to facilitate those who want to take on the challenge.