

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics



Abstract of Diploma Thesis

Factors affecting tourism in Pakistan, tourism potential and strategies for development as an Industry in Pakistan

Feraz Amir

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Souhrn

Hlavním cílem této práce je určit faktory, které ovlivňují turistický průmysl v Pákistánu. Dále má práce analyzovat dopad teroristických útoků a měnových kursů na turismus. Výzkum byl proveden formou rozhovorů a dotazníků v Pákistánu i v zahraničí a také zpětnou analýzou období 2000-2013. Výsledky výzkumu pomocí dotazníků a rozhovorů odhalují, že hlavním faktorem, který snížil počet turistů navštěvujících Pákistán, jsou teroristické útoky. Výsledky zpětné analýzy rovněž dosvědčují, že teroristické útoky mají významný negativní dopad na návštěvy zahraničních turistů v Pákistánu. Autor proto doporučuje, aby se pákistánská vláda i v zájmu podpory turismu zaměřila na udržení míru a stability v zemi.

Klíčová slova: turismus, Pákistán, rozvoj, ekonomika, faktory, strategie, potenciál, turisté, terorismus, průmysl

1.1 Objectives of the Study

The aim of the thesis was to find out the positive and negative factors which are affecting the tourism industry of Pakistan, to compare the performance of the tourism industry to some potential neighboring countries, to see where Pakistan stands and lacks in terms of competitiveness, to find out the role of government towards the improvement of this industry and to recommend some possible strategies for the improvement of this industry. The specific objective was to understand the impact of terrorist attacks and currency exchange rate on foreign tourist arrivals in Pakistan in order to detect the tourists declining ratio from the period 2011 to 2013.

1.2 Limitations

The research could have been better if the sample observations could have been more representative. Limitation of the budget and time abstained researcher to travel many places. It was hard to interview tourists as the management of the hotels don't allow their guests to be interviewed because of the security reasons. Moreover more factors could have been used.

1.3 Hypothesis of the Research

The hypothesis of this study was based on the major indicators and their impact on tourism in Pakistan.

Hypothesis 1

H0: Terrorist attacks significantly affect tourist's arrival in Pakistan

H1: Terrorist attacks does not significantly affect tourist's arrival in Pakistan

Hypothesis 2

➤ H0: Exchange rate significantly affect tourist's arrival in Pakistan

H1: Exchange rate does not significantly affect tourist's arrival in Pakistan

1.4 Importance of the Study

The value of this research lies in the fact that it will brought into consideration almost all the important aspects that are effecting the tourism industry of Pakistan. The results obtained via questionnaires and opinions of the tourists can be used by the Government of Pakistan, PTDC so that by keeping in mind the tourist's opinion, they can work for the improvement of the tourism industry. Moreover, the data can be utilized by the media persons by bringing into the views of foreigners so that they can play their part by promoting the image of Pakistan in a positive way by documenting the marvelous places which are still hiding under the curtains from the eyes of the world.

2. Methodology

The methodology used in this research was through personal interview and questionnaires. The sample size of the research is 152 persons, which includes online and handing-out questionnaires. Interview was conducted amongst 20 foreign tourists including men and women. Out of 20, 16 were taken in Pakistan and 4 in Czech Republic. Moreover, the regression analysis was performed using statistical software Gretl. For regression analysis, the study is based on the annual time-series data on number of foreign tourist arrivals, exchange rate of Pakistan currency (Rs) as compare to US \$ and number of terrorist attacks for the period 2000-2013 for Pakistan. In order to find correlation between the variables, the researcher computed Pearson Correlation Coefficient between all the three variables. Meanwhile, Breusch-Pagan Test for Heteroscedasticity and Breusch-Goodfrey Test for Autocorrelation was also examined to test the significance of the data used in the research.

3. Findings and Analysis

The results from regression analysis shows that Currency Exchange Rate has the positive relationship with number of Foreign Tourist Arrivals, whereas the Terrorist Attacks has the negative relationship. The value of R-square is 54 percent which means that the tourist arrivals are determined by 54 percent to currency exchange rate and terrorist attacks, hence the model fits the data. Hence, the overall findings from questionnaires, interviews and via regression analysis shows that the main reason for decline in tourist arrival is due to the terrorist attack.

4. Conclusion and Recommendations

Pakistan with its natural and historical beauty holds a great potential for tourism. Tourists love the nature, culture and food of Pakistan. Highest number of foreign tourists were received in the year 2010. The decline of tourism industry in Pakistan from 2011 till 2013 has been massively affected by terrorist attacks. Other factors which are associated with tourism decline are less marketing and publicity at international level, weak tourism infrastructure, economic instability, energy crisis, corruption and lack of initiative by concerned government departments. Pakistan lacks behind in overall tourism infrastructure as compare to India and China.

The recommendations of this study is that the Government of Pakistan must maintain peace and stability in the country as terrorists attacks have not only deteriorated the social and economic life of people but has as well portrayed the negative image of Pakistan globally. Moreover the Government should take necessary steps like improving the tourism infrastructure, organize special types of festivals, provide subsidies to tourism industry for promoting tourism in the country, build strong relationships with outside world, portray the positive image of Pakistan via electronic and print media so that the rank and standard of Pakistan's Tourism Industry can improve worldwide.

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