Beyond The Sublime Of Mountains: Analysis Of Business Environment Of Domestic Tourism In Hunza (Gilgit Baltistan)

PIDE

Javed Ali

PIDE2021FMPHILDS15

Supervisor

Dr. Khurram Elahi

MPhil Development Studies

PIDE School of Social Sciences

Pakistan Institute of Development Economics,

Islamabad

2024

Pakistan Institute of Development Economics, Islamabad

PIDE School of Social Sciences

<u>CERTIFICATE</u>

This is to certify that this thesis entitled "Beyond the sublime of Mountains: Analysis of Business Environment of Domestic Tourism in Hunza (Gilgit Baltistan)." submitted by **Javed Ali** is accepted in its present form by the PIDE School of Social Sciences, Pakistan Institute of Development Economics (PIDE), Islamabad as satisfying the requirements for partial fulfillment of the degree in Master of Philosophy in Development Studies.

Supervisor: Dr. Khurram Ellahi   Signature: _____

External Examiner: Dr. Fakhar Bilal   Signature: _____

Head,
PIDE School of Social Sciences: Dr. Hafsa Hina   Signature: _____

Author's Declaration

I *Javed Ali* hereby state that my MPhil thesis titled *"Beyond the sublime of mountains: Analysis of Business Environment of domestic tourism in Hunza (Gilgit Baltistan)"* is my own work and has not been submitted previously by me for taking any degree from Pakistan Institute of Development Economics or anywhere else in the country/world.

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Name of Student:

Acknowledgements

Abstract

Tourism is bread and butter for many families. This sector is diverse. Some of the major occupations in this field are hotels, guest houses and restaurants. Tour operators and guides play a key role as they provide itineraries. Tourism has a multiplier effect too. Spending in this sector steers to a broader chain of economic activities, causing an overall development. Its indirect impact would be on other businesses as tourists purchase goods and services from other local businesses like general shops, dry fruit shops, grocery stores, food supplies and laundry services. It has impacts on public transport, agriculture, fisheries and even on health care also. Construction and real estate are at peak in well-developed tourist areas. Thus, increased tourism income can lead to enhanced structure of a society that will benefit equally tourists and residents.

Hunza, a district of Gilgit Baltistan is well known for travel and tourism. The influx of domestic tourists has led to the growth of the tourism sector. The number of lodging facilities are increasing with every season. A sustainable business environment is inevitable to enhance tourism in the region. This research has weighed the score of business environment of the tourism sector in Hunza scaling 1 to 7 (1 worst and 7 best). A structured questioner having seven questions with a seven-answer scale was undertaken. A total of 120 samples were gathered who were involved in tourism sector in Hunza. The study aimed to assess the tourism business environment by measuring opinions.

Descriptive Statistics showed that the mean value/ score for the business environment of the tourism sector in Hunza is 3.73 out of 7. From the analysis it was further detected that the opportunities for business environment of tourism sector in Hunza are protection of property rights followed by less burden of government regulation. The weaknesses are government ensuring policy stability followed by SME access to finance. There is an alarming situation of the business environment of tourism sector in Hunza. Lastly, there is a dire need to improve all the mentioned indicators of the business environment to enhance sustainable tourism in the long run.

Keywords: Business Environment, Travel Tourism, Property Rights, Regulations, Taxes, Hunza.

Contents

List of Figures

List of Tables

Abbreviations

GB	Gilgit Baltistan
HDI	Human Development Index
TTDI	Travel and Tourism Development Index
TTCI	Travel and Tourism Competitveness Index
UNWTO	United Nations World Tourism Organization
GDP	Gross Domestic Product
USD	Unite States Dollar
T & T	Travel and Tourism
IUCN	International Union of Conservation of Nature
PESTILE	Political, Economic, Social, Technical, Legal & LEgal & Environmental
SME	Small and Medium sized Enterprises
IRTS	International Recommendations for Tourism Statistics
WTTC	World Travel and Tourism Council
WEF	World Economic Forum
UNDP	United Nations Development Program

Chapter 1

Introduction

In recent times, tourism has emerged as an important segment of the economy. Tourism can play a major role in the growth and development of a local economy and well-being of a society (Dwyer, 2023). Globalization has made communication easy and innovation in information technology has reshaped the world's perspective of nature lovers. Tourism is now a global industry and is expanding more quickly than many other sectors (World Economic Forum, 2015). Travel and Tourism (T&T) contributed about 5.8 trillion USD in Gross Domestic Product (GDP) (World Travel and Tourism Council, 2022). Similarly, the tourism sector employed about 295 million people all over the world (UNWTO, 2023). Further, the contribution of tourism to global GDP was 7.6% in 2022. In 2020, T&T GDP declined by 50% (USD 4855 billion) while the overall economy's decline was 3.3%.

In 2021, T&T shock in GDP grew up by 21.7% (USD 1038 billion) while the overall economic growth was 5.8% (UNTWO, 2023). In 2023, International tourism has recovered 84% of pre pandemic level (UNWTO, 2023). While in the first quarter of 2024, international tourism achieved 97% of pre-epidemic level (United Nations World Tourism Organization, 2024a). After the decline of tourism due to Corona pandemic, it has gained momentum again. Regardless of obstacles there is a limitless wish to travel (Binggeli et al., 2020).

Pakistan is fortunate to have a mixture of tourist destinations entailing of coasts, deserts, scenic affluent green valleys, cultural sites, religious sites, world's longest glaciers and highest mountains. These God- gifted and

eye-catching views are dream come true locations for travelers (Arshad et al., 2018). Pakistan has all the dynamic constituents for a flourishing tourism sector (Ahmad, 2021). The poor economic situation, lower HDI and now the inflation are the hurdles in attracting the tourists. The law & order situation, insufficient infrastructure, natural disasters, and comparatively weak governance system have degraded the scope of international tourism(Ullah et al., 2021) and it did not get momentum at a required pace in Pakistan (Ahmed et al., 2020).

Gilgit Baltistan (GB) is the capital of tourism in Pakistan (Board of Investment, 2021). The region has some of the world's lengthiest glaciers and utmost peaks. It is globally wellknown for tourism activities because of its peculiar mountainous panorama (Qasim, 2022). Hunza is one the magnificent valleys of GB. Around 70 percent of total tourists to GB visit Hunza (Baig et al., 2019). To become more competitive, businesses need to run in an encouraging business environment (Azamat et al., 2023).

This study has followed one of the pillars of the Travel and Tourism Development Index (TTDI) for instance business environment to study business environment of tourism sector. The business environment is a vital component to flourish any sector. It is one of the pillars assisting tourism industry wellbeing (Rasethuntsa, 2021). It has been observed in this research that the business environment of the tourism sector in Hunza is not performing well. Sound and stable policies with commitments are necessity of the time to maintain tourism development in long.

1.1 Statement of the Problem (SoP)

Hunza is known for its rich cultural diversity, comprised of massive mountains and valleys that are the world's best tourist destinations. Hunza and the soundings are pivotal in providing local, regional, and global connectivity through provision of standard facilities. Moreover, the safety and security factor and hospitality of the local communities in Hunza attract domestic as well as international tourists. To gain comprehensive and empirically based evidence of the business environment, this study has

conducted a survey questioner. It has further excavated the issues and opportunities associated with the business environment of the domestic tourism sector. The indicators of globally used TTDI 2021 were applied in this study as they have not been studied before in Hunza or elsewhere in Pakistan.

1.2 Research Problem

"Beyond the sublime of mountains: Empirical investigation of business environment of tourism in Hunza GB". Studies on business environment of tourism sector are rare using TTDI in Pakistan. This research has investigated perception-based opinions of business environment of tourism sector in Hunza via Likert scale. The business environment of the tourism sector needs to be investigated using multiple indicators related to property, policy, legal and stable development to flourish tourism in Hunza.

1.3 Research Questions

- What is the status/condition/score of business environment of tourism sector in Hunza as per TTDI?

- What are the main factors that hinder the business environment of the tourism sector in Hunza?

- What are the major opportunities of business environment of tourism sector in Hunza?

1.4 Objectives of the Research

- To analyze the performance of business environment of tourism sector in Hunza based on TTDI's facet business environment.

- To search the major challenges of tourism sector in Hunza based on TTDI's facet business environment.

- To identify the opportunities of tourism sector based on TTDI's facet business environment in Hunza.

1.5   Significance of Research

This study contributes to literature on tourism development in Hunza Pakistan. It has examined the business environment of the tourism sector based on seven dimensions. The findings of this research have portrayed the overall picture of the business environment of the tourism sector. This research can be a document for the local government, administration including the offices of Assistant Commissioner (AC) Hunza and Deputy Commissioner (DC) Hunza. Moreover, the Hotel Association of Hunza, private investors and new entrepreneurs can also get information regarding the business environment. Additionally, it can act as a guide for Tourism, Sports and Culture Department GB and Chief Minister (CM) office GB and GB Legislative Assembly. It can be document for departments at federal level like Pakistan Tourism Development Corporation (PTDC), Ministry of Inter Provincial Coordination and Department of Tourist Services (DTS), It is a measure to study and compare the same topic in other districts of GB and all over Pakistan. It will provide empirical data that can be claimed to be a document for future researchers.

1.6   Organization of Thesis

This research has projected the score of business environment of the tourism sector in Hunza based on seven indicators/themes.(1) Property rights (2) Efficiency of legal framework in setting disputes (3) Efficiency of legal framework in challenging actions (4) Burden of government regulation (5) Government ensuring policy stability (6) Ease of complying to tax system (7) SME access to finance (World Economic Forum, 2021). It has further identified the most sever hurdles and opportunities using descriptive statistics among the indicators of business environment. Data was collected from 120 individuals on a structured questioner. It was documented that the overall score of the business environment is not adequate.This thesis is organized as follows.

The Chapter 1 is an introduction.It demonstrates the topic. Objectives of the research have been specified.Further importance of research has been

elaborated. Chapter 2 articulates review of literature. Chapter 3 expands research methodology. The data analysis was accomplished in Chapter 4. Chapter 5 deals with discussion and recommendations.

Chapter 2

Review of Literature

2.1 Tourism in Global Perspective

In this era of globalization, the whole world has economic, social, and cultural connections.Tourism is one of the crucial forces shaping globalization (Maheshwari and Sharma, 2017). The development occurs in one market impacts the others and affects the whole world either directly or indirectly. In many parts of the world, nations have developed economic integration by reducing the trade barriers (Prykhodko, 2015). Now they are working efficiently and making their survival possible. Among many other factors, tourism is one of the most important factors in which people move from one place to another. They develop social and cultural connections (Zhang, 2022). Tourism is not just the movement but also a complete package of multidimensional activities which can boost the economy of that region.There is a strong and ancient link between trade and travelling (Kulendran and Wilson, 2000) . In many countries tourism is one of the primary sectors of the revenue generation. It is one of the crucial sectors of the services sector which supports the global services sector.

Therefore, a lot of countries invest hugely in the investment sector (Zada et al., 2021). Another research by (Poon and Lock-Teng Low, 2005) stated that the development of tourism in any state depends mainly on infrastructure, promotion of tourism via cultural events, arrangement of sports festivals and advertisements of landscapes. A successful destination trip depends on the

behavior, motivation, and local foods (Lai et al., 2019).

A visitor is a traveller who takes a trip to a destination from usual environment for less than a year. Travel witin a country by residents is known as domestic travel. Travel to a country by non residents is said to be inbound tourism and travel outside the country by residents is known as outbound tourism (IRTS, 2008). Tourism is not just a change of location. It can be a business trip away from your locality or it can be a leisure visit to enjoy vacations, to have a break from the routine life or travel to enjoy the natural beauty. Tourism can be termed as a business, leisure, or habitual activity. Globally, it has become a well-established business.It is contributing significantly to the GDP worldwide. "The World Tourism Organization (UNWTO)" promotes a global celebration of World Tourism Day (WTD) on September 27 United Nations World Tourism Organization (2024b).
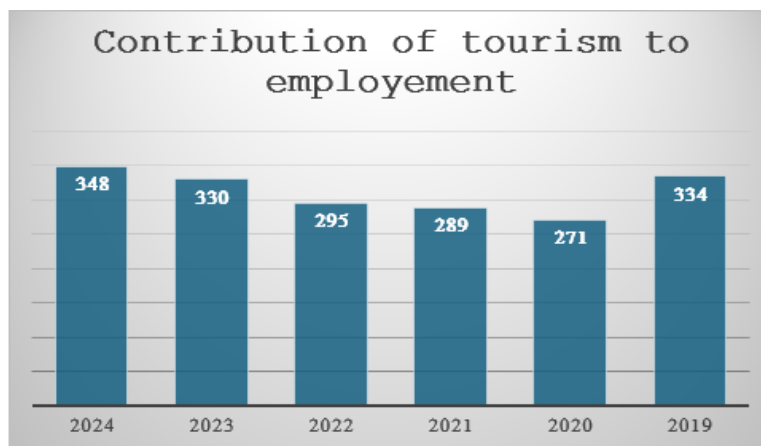
Figure 2.1: Global contribution of tourism to employment (in millions) Source:(Travel & Tourism Economic Impact 2019 to 2024)

The statistics of 2023 showed that 330m people directly benefited from tourism (T&T Economic Impact, 2023). It represents 9.1% of global employment. 2024 projections show around 348m employments having a share of 10.4 percent of global employment (T&T Economic Impact, 2024). So, one can analyze that effects of covid 19 will be halted this year. In 2022, it contributed to 295 million jobs sharing a contribution of 7.6% (T&T Economic Impact, 2022). 271 million people were employed in 2020 representing 5.3% of

the share (T&T Economic Impact, 2021). In 2019 there were 334m employments related to tourism accounting 10.4% of total employments (T&T Economic Impact, 2022).

2.2 Tourism in Pakistan

Tourism development in Pakistan remained a stagnant phenomenon from governance and economic perspective. Tourism was not a major focus after gaining independence in 1947. Major concerns were social and economic stability and nation building. In 1970 PTDC was incorporated as a public corporation to promote and develop tourism. It had a chain a chain of hotels and guest houses in key tourist areas. PTDC has played a critical role in developing tourism. It has played a key role in the marketing of tourism. There was political instability in 1980s 1990s because of war on terror and Pakistan was badly affected by it. Efforts were taken to boost tourism in 2021, but owing to global security challenges like 9/11 and terrorism it could not get a get force to develop. 18th amendment was passed in 2010, abolishing concurrent legislative list. The subject of tourism was devolved to provinces. Post 18th Amendment Provinces have tried to scale up their tourism development policies and facilities, but no significant achievement has been made to consider it an industry (Ahmad, 2021). 2018 onwards tourism was flourishing but Covid-19 has badly affected the sector. The sector has gained momentum again recently.

In latest version of TTDI 2024, Pakistan's tourism sector was ranked 101st out of total 119 economies (World Economic Forum, 2024). In TTDI 2021 Pakistan was placed on 83rd number out of 117 countries (World Economic Forum, 2021). TTCI 2019 shows 121st rank of Pakistan out of 140 states (World Economic Forum, 2019). In 2017 Pakistan's rank was 124th out of 136 countries (World Economic Forum, 2017). While in 2015, Pakistan scored 125th position out of 141 nations (World Economic Forum, 2015). The overall ranking has improved since 2015 but in 2021 it has performed somehow better.

Compared to international tourism, domestic tourism is important to

every nation. Pakistan is a market for roughly 50 million potential domestic visitors, most of whom travel in their own cars with their families and in groups of, on average, 5, even though there isn't exact information accessible on them (Ahmed et al., 2022). In the year 2019, there were 5 million tourists who visited KPK alone. There were 1.458 billion foreign arrivals as tourists globally in 2019. 1.225 million foreign tourists visited Pakistan in total.

An economic corridor between China and Pakistan, named China Pakistan Economic Corridor is a strategic economic corridor between China and Pakistan and Kashghar and China. This corridor is effectively based on the development of the two things, one is development of Gwadar port in Pakistan and 2nd one connection between Gwadar and Kashghar via surface connections (Ali et al., 2017). The development of CPEC is the China's giant investment, the crucial purpose of this project is to develop the trade and commerce and deliver the products worldwide and to the far-off regions using the shortest route, another purpose of China was to reconstruct the older routes of trading by establishing different economic corridors as northern, central, and Southern (Nakhoda, 2017). CPEC can be a game changer for the tourism industry. The wide range of routes will provide easy access to many areas.

In developing countries like Pakistan, there is a huge potential of tourism. Most of the tourist places are underdeveloped. The population of these regions is poor. The concept of pro-poor tourism and community-based development is crucial for such areas. (Mutana et al., 2013) stated that when tourists visit the underdeveloped regions they try to contribute for the development of this region, welfare of the people of this region in this way a productive linkage is developed between people and tourists.

2.3 Governance and tourism

Some researchers discussed the role of government in the development of tourism the researchers (Jaiswal et al., 2017)stated that the tourism sector has great potential which can play a major role in the development of a state and government should intervene in this regard, other than the conventional

tourism, the other form of tourism should also be promoted like, eco-tourism, rural tourism and religious tourism. A research conducted on community tourism by (Maheshwari and Sharma, 2017) concluded that the tourists are attracted to those destinations which are more developed and facilitated and service guidance and accommodations are easily available, but it is not possible without the cooperation and participation of the local community, and local community should be trained in a way as well.

It is seen that the role of governance in the development of tourism research is almost absent or discussed very minimally.The hypothesis with tourism led growth has been widely available in the tourism research, and the mainly used variables are women empowerment, travel, and few more (Nassani et al., 2019). But another researcher (Etokakpan et al., 2019) claimed that the role of agriculture in tourism led growth hypothesis is less researched. Two more researchers Chulaphan and (Chulaphan and Barahona, 2018) also showed their support in their research towards the tourism lead growth hypothesis model in addition of exports and creation of employment through the infrastructure development which attracts the business and leisure sites both, but if it is not applied properly then a decline can be faced by this sector.

2.4   Technology and tourism

Technology has affected the tourism sector. The intense changes in technology resulted in the smart concept of tourism which is now becoming popular day by day. Information technology and communication has increased tourism activities with enhanced customer satisfaction (Boes et al., 2016). (Gretzel et al., 2015) cited the world tourism statistics that people travel from one place to another for their personal business or permanent residence. Tourism is becoming a technology dependent sector (Koo et al., 2016) cites that the use of smart tourism concept has become almost inevitable in the development of the tourism. The technology has become very important for the development sector which also included the tourism as well, the improvement of the technology in this sector will attract the foreign tourist

which will give the rise in foreign exchange and will have ultimate impact on the development of that region (Kumar and Rana, 2018).

2.5   Impacts of tourism and sustainability

Human behavior towards tourism has been widely researched in the literature (Higham and Carr, 2002; Miller et al., 2015). The tourism sector is one of the major creators of wealth, societal benefits, and huge employment in many developed and developing economies. Tourism has become the tool of sustainability as well as the social and economic contributor (Macleod and Todnem, 2007). (Butler, 1999) explained sustainable tourism as; the tourism which remains effective for long term, and indefinite time.

Tourism creates job opportunities, and develops human capacity (Nassani et al., 2019). Foreign exchange can also be assisted by the tourism sector (Sokhanvar, 2019).

There is a bidirectional causal relationship with the development of tourism and economic growth (Dogru and Bulut, 2018) . Good governance can make the policies for the development of tourism which will make this sector one of the major contributors in the economy.

In the modern age, tourism has become the economic, social, and cultural opportunity sector. It is not only contributing to economic enhancement by creating job opportunities and increasing income level but also has become the mode of cultural exchange. Tourism is now considered as an energizing activity, now it is no longer just a leisure time activity. A study conducted by (Melkani and Kumar, 2021) analyzed that the development and improvement of the tourist area can increase the tourism opportunities in any area.

The development of the human capital is another contributing factor in the development of tourism (Fahimi et al., 2018). Several factors are recommended in the research which need to be investigated for the development of tourism which ultimately leads to economic growth. i.e. the quality institutions, effective delivery and most important the image. The tourism sector has become the sustainable tool as well and now it is not an

economic booster sector. As development is getting linked with sustainability, the tourism sector is also coping with it.

The tourism sector is the dynamic one. The induction of change in any sector mainly depends on the rate of acceptability and adaptability of this sector. A lot of research proved that for managing the environment the role of humans is to make communities and develop the culture.

There is a direct relationship between tourism and living standards. This sector plays an important role in boosting a nation's economy (Avgousti, 2016). It impacts the production of goods and services which increases the revenue which ultimately contributes to the country's GDP. Studies reveal the need to unveil the strengths of tourism and its contribution in the economy (Manzoor et al., 2019). A lot of quantitative studies were also conducted which checked the causal relationship between tourism and economic development. the most tested variables are tourism led growth, the feedback, neutrality etc. the tourism led growth hypothesis resulted that it leads to the creation of job opportunities, and it shift the development curve to the less developed regions of the states (Rasool et al., 2021).

There are some other studies which reveal that economic growth leads to the development of tourism. The studies argue that the stable condition of economy can impact the tourism, the good financial condition of the individuals of the country push them for visit of different places, the weak financial condition can't take the individuals for tourism, and this weak position the devastated condition of economy (Payne and Mervar, 2010).

A study conducted on the opportunities in tourism by (Bansal and Amit, 2010) revealed that a lot of opportunities are embedded in the tourism sector which can be explored by lowering the fare prices of transportation especially airlines and railways. (Joshi, 2016) stated that a lot of challenges are faced by the tourism sector, this sector is showing gradual development, and it has large potential in creating employment for local communities and for people of nearby areas.(Miller et al., 2015) conducted research and they used the secondary data in the research and resulted that a lot of unexplored potential is embedded in the tourism sector which can be bring out for the development of any tourist area and for the welfare of people.

A study conducted by (Cortes-Jimenez and Pulina, 2010) cited that the lowering the tourism activities can create the economic recession, which is also an argument that the tourism has a dominating role in economic growth, therefore, it is the need for the developing countries to have special emphasis on the development of the safe and secure tourism.

2.6   Tourism and Law & Order Situation

The insecure environments and fear cannot create a sound environment for tourism.   A safe and free environment is very necessary for the development of tourism (Buckley, 2007).   The fear is caused when tourist thinks that there must be terrorist in the state and this thought threatens the tourists (Mansfeld and Pizam, 2006). The tourist places are the easy targets of the terrorists (Bank, 2016). Terrorism not only affected tourism but also the economy.

The terrorist activities cause fear in the environment, it stops the investors to bring investment and put adverse effect on the growth of the economy (Krajňák, 2021).   The incident of 9/11 was also an adverse turn for the economy of Pakistan because it gave birth to the severe wave of terrorism which affected almost every field of life including tourism, which brought Pakistan at the dangerous edge of the economic and social condition this wave of terrorist destroyed the tourism of Pakistan for many years (Gul et al., 2010).

2.7   Tourism and Inflation

Inflation is one of the most crucial factors which affects the life of individuals.   It has a direct causal effect on tourism and has caught the attention of scholars.   Tourism is one of the most employment provider sectors. (Jebabli et al., 2014). The increase in inflation increases the cost of everything that effects the local communities, foreigners and discourage the tourists to visit the places (Huseynli, 2022). The increasing trend in tourism leads to an increase in consumption of the products and services, which ultimately increases the demand for the goods. Tourism is also the cause of

the money supply; this is another reason for inflation. Tourism can also be the reason for reducing inflation by increasing job opportunities, in which economic growth happens. Tourism has always boosted the economy (Yong, 2014).

2.8 Tourism and Political Stability

Political instability in the country occurs due to strikes, different kinds of violence, crime and suppression of human rights. All these things make a failed state. On the other hand, political stability is the only way to attract tourists. It is the basic requirement for stable and sustainable growth.(Mathews, 1974) discussed the relationship between tourism and political instability. In research the political instability is tested with different variables i.e. rapid and drastic change in local and foreign policies, instable economic and social policies, and political unwellness of the nation. On the other hand, the politically disturbed country has huge security issues which affect the planning of the tourists.

This political instability also destroys the socio-economic conditions at individual level. Tourism is the only way which can promote the soft image of any country (Webster and Ivanov, 2013). This study was conducted in Thailand, Cyprus and Korea, where tourism was the key to success for improving the political stability. Instable political narratives and insurgencies cause the country instable (Haddad et al., 2015). The study concluded that the turbulence in the political arena not only shakes the local community but also the international visitors as well. For peaceful tourism it is necessary to make policies which reduce political instability and promote tourism.

The countries where tourism is the major sector of earning, there is no political instability exists, the tourism friendly policies are made by government, which makes the economy better and attract the tourists.

2.9 Tourism in Hunza Valley

Hunza Valley is one of the most favorable tourist destinations in Pakistan. It has several features which include snow covered peaks and mountains,

Sacred rocks, waterfalls, music, food cuisines, cultural products like dresses and hats. After incident of 9/11 the tourism in Gilgit-Baltistan entered in the crucial time and people of this region faced dramatic crises. The hospitality industry was destroyed because a huge workforce migrated due to the wave of terrorism. There is a huge number of foreign visitors who stopped to visit this region (The Express Tribune, 2024).

The highest number of tourists visit the Hunza valley are visitors from Japan and it is followed by the visitors of Germany and on third number comes the visitors of UK. (Watanabe et al., 2011). The hunting trophy is one of the great sports events of Hunza. Snow leopards and Ibex are the winter animals of Hunza. The wildlife development programs provide a lot of job opportunities to the locals. The revenue generated by tourism activities do not contribute to the development of this area and same is the case with other Northern areas of Pakistan (Haroon, 2002).

The Karakoram Highway played a significant role in the development of the Gilgit- Baltistan and Hunza valley. The KKH route provides the safest and shortest route for the transportation, delivery of goods and other services and it enhanced the development of the Northern areas of Pakistan. The Agha Khan foundation is the biggest regional developer of Gilgit region. This foundation established the developing program named Agha khan rural support program, in which the circulating money is used for development. Its main projects are infrastructure development, agriculture development, foresting and also human development and women development (Nagaoka and Nakayama, 2021). In 2003 Government of Pakistan with the collaboration of IUCN issues a strategic development plan in which tourism was the one of the crucial factors for the sustainable development. It was stated that tourism has a major dependency on the mountain landscape and scenery (Virk et al., 2003). Several tourism studies were conducted in Gilgit-Baltistan, Karim Abad and Hunza (Kreutzmann, 2003).

Table 2.1: District wise distribution of Domestic Tourists

	2019	2018	2017
Gilgit	455319	457315	162855
Skardu	102756	33325	301086
Diamer	45846	91091	84454
Ghizer	4390	5755	5817
Ganche	9360	7590	6731
Astore	18679	45774	22933
Hunza	309812	430000	175000
Nagar	55861	20778	12448
Total	439731	1391628	781224

Source: Tourism Department Gilgit Baltistan, 2020

2.10   Covid-19 and Tourism

COVID-19 Pandemic has made drastic changes in the world. It has had adverse effects on the global arena. It was a challenge to bring a balance between domestic issue handling and maintaining the externally existing opportunities (Junuguru and Singh, 2023). In COVID-19 pandemic the government of states shut down the countries and announced the lockdown at larger scale, people remained limited to their homes, it caused severe poverty and meanwhile psychological issues as well. In research done by (Kharas and Dooley, 2021) stated that the COVID-19 was a setback was economy which caused a huge loss and it was challenge for poor especially. Due to lockdown and social distance which was imposed by the states it caused a huge job loss, made the livelihood difficult because people were unable to pay their households. The low-income families suffered a lot.

Several economic experts, the lending institutions like IMF and World Bank, in many of their statements intimated that the economy had started sinking since 2009. The IMF has stated that the growth rate will be lowered 2.3 percent in 2023 and world's GDP would be 3.2 percent which is 6 percent less than last year, due to the drastic effect of the COVID-19 (Gourinchas, 2022). Some economies will face adverse effects in the long term, which will affect the 537 million people in terms of Power Purchasing Parity (PPP) till 2030 (Kharas and Dooley, 2021).

Tourism gives the liberty to mankind and the people of this era can't give up this liberty to any pandemic (Higgins-Desbiolles, 2020). Tourists go from one place to another and sometimes to a place which seems inaccessible. The promotion and tourist experience can be opportunities for upcoming tourists (Moscardo, 2020). COVID-19 had a huge and devastating impact on the travel and tourist industry. The close of airlines and other transport which operate on the ground made people stay limited to their homes (Higgins-Desbiolles, 2020). There needs to be swift attention in the future of T&T because virus outbreak and pandemics will be usual due to increased travel (Jamal and Budke, 2020).

In 2019 due to pandemic the world remained locked approximately 2 years and travel industry faced bans which lead to the recession (Letzing, 2020). The hospitality sector is not trained to face the crises (Hu et al., 2021). The study research revealed that the pandemic caused bankruptcy and many firms were closed, the stock got devalued and the demand went down. In most of the studies conducted by different researchers, tourism is cited as the economy-boosting sector. Which included the reduction of poverty, development of infrastructure, reduction in financial debts, enhancing the living standard etc. Economic growth can e influenced by number of tourist arrivals (Chulaphan and Barahona, 2018). Tourism is a financial gaining sector and the source of creation of wealth for nations.

COVID-19 pandemic has created a huge devastating impact on every walk of life specially for T&T and event management industry. A report issued By UN reflected that tourism declined by 80% in pandemic year 2020, which caused appx 1.2billion US dollar loss (UNWTO, 2023; Becker, 2020, April 2). In COVID-19 the situation was very unpredictable, the tycoons of the airline, cruise industry and tourism industry were looking to their governments for providing them the bailout packages to rescue them from the devastated condition (Keating, 2020, April 22).(Martin and Remeikis, 2020, March 6) added that the industry people were looking for other government funds as well to get back to normal business situation.

In 2020, when tourism was predicted to break all preceding records, and the globe was struck by a pandemic, Covid-19 had a devastating effect on

Pakistan's tourism industry, causing an estimated loss of $3.64 within the first quarter. In December 2020, Pakistan's tourism revenue was 765 million USD, down from 992 million USD the year before. Tourism supported the creation of 4 million jobs and contributed 5.9% of the nation's GDP in 2019.

Covid-19 has caused a 75% drop in overseas travel in 2020. The Covid pandemic initially had a significant effect on the economy, leading to a sizable loss in employment and GDP contribution. Tourism revenue fell sharply in 2020 because of the Covid-19 pandemic. Only $765.00 billion (2019) remained of the $992.00 billion total. This represents a reduction in Pakistan of 23% (Ahmad, 2021).

2.11 Related to Methodology

To conduct a research study on the topic of tourism using TTDI and its facet business environment model, following empirical studies have been reviewed that provided the basis to develop empirical model to analyze the business environment for tourism development in Hunza.

Factors influencing business environment within T&T competitiveness, a research article examined the business environment indicators of TTCI 2017 and 2019 reports for travel and tourism competitiveness. The authors relied on secondary data, the survey data of world economic forum published TTCI reports of 2017 and 2019. They used seven indicators of the business environment as mentioned in TTCI's model. The data showed that Switzerland, Singapore, Hong Kong and Finland have best business environment while business environment in Venezuela, Bolivia, and Mauritania is difficult. They further conducted analysis to find common factors about the business environment in certain countries using the TTCI reports. The research found two common factors General legislative conditions and Taxation. An explanatory factor analysis was done, and correlation was applied to show how the pillars are connected. Descriptive characteristics using Graphs and quartiles in boxplot were applied to indicate ten best and worst countries (Vasanicova et al., 2021).

A research Article published by I. Rouby titled "Egypt's Travel and

Tourism Competitiveness Index in comparison to competitive tourism destinations in the Middle East and North Africa Region (MENA)" evaluated the sub-indexes of TTCI 2017 like enabling environment, infrastructure, T&T policies, and enabling conditions, cultural and natural resource. Secondary data was used using TTCI 2017 report. It aimed at evaluating the competitiveness of the travel and tourism sector of Egypt versus some other tourism competitors in MENA region including Egypt, Bahrain, Saudi Arabia, Morocco, Oman Jordan, Tunisia and Lebanon. Pearson's correlation was carried out to measure the strength and direction of relationship of overall travel and tourism competitiveness index.

The analysis showed a strong positive relationship between TTCI and the business environment. It also flashed a solid connection between TTCI and environmental sustainability. Pearson's correlation found positive relationship among the pillars business environment, Air transport infrastructure, and ICT readiness reference to competitiveness index of Egypt and MENA. Further, a Political, Economic, Social, Technical, Legal & Environmental (PESTLE) analysis was conducted to assess the potential if Egypt can enhance its competitiveness position. It also elaborated the potentials of Egypt to enhance its TTCI (Rouby, 2019).

Another research paper published by Richa Mishra; M. Sajnani & Prashant Gautam titled another research "Government of India initiatives for tourism development in India: A review of TTCI reports" evaluated India's position on TTCI reports from 2007 to 2019. The study is based on theoretical analysis and given data from the TTCI report. The authors recommended concentrating on certain parameters like tourist infrastructure, ease of doing business and safety of tourists. The study finds out that TTCI is a good tool to assess the India's competitiveness compared to prevailing tourism industry in world and to improve the tourism promotion in India (Mishra et al., 2021).

2.12   Related to theory

The Northern regions under the administrative control of Pakistan are rich mix of cultural heritage and natural beauty. These regions fulfill the

requirement of being the world's best tourism destinations, but tourism has not taken the shape of an industry at all. The following studies have been identified as the most relevant available literature to be considered with reference to tourism development in Gilgit. The key findings of these studies are given:

Muhammad Qasim and Atta-Ur-Rahman published a research paper in 2022 titled as "Trends and Patterns of Temporal Tourism Growth in Gilgit Baltistan Region, Pakistan" wherein they discussed the growth trends of tourism in Gilgit Baltistan temporally for the first two decades of the current century. The temporal arrival of domestic tourists during 2000 to 2020 perked up from thousands to millions in the study area. Domestic tourists with 1.39 million in the year 2019 are the highest influx during this study period (Qasim, 2022). It shows that the subject matter in hand is quite appealing and requires special focus.

Fazlur Rahman, Iffat Tabassum and Fazlul Haq have published a research paper in the year 2013 on "Problems, potential and development of international tourism in Gilgit-Baltistan region, Northern Pakistan" wherein it has been acknowledged that Gilgit-Baltistan region became one of the main tourist attraction regions in the northern mountainous belt of Pakistan after the completion of Karakorum Highway in the late 1970s. The diversity in physical landscape and anthropogenic characteristics are the main attractions for international as well as domestic tourists. This region has wide potential for tourism and is famous for mountaineering and adventure tourism (Baloch and Rehman, 2015). The results of this study revealed that the inflow of international tourists is closely associated with regional and international events as well as law and order at local and national levels (Khan et al., 2022).

Faiza Manzoor and others have authored a research paper in Int. J. Environ Res Public Health in the year 2019 wherein they discussed that tourism is one of the most noticeable and growing sectors. An increase in tourism flow can bring positive economic outcomes to the nations, especially increase in gross domestic product (GDP) and employment opportunities. In South Asian countries, the tourism industry is an engine of economic development and GDP growth (Manzoor et al., 2019). This study investigates

the impact of tourism on Pakistan's economic growth and employment. The period under study was from 1990 to 2015, it reflected that there is a huge potential for tourism to grow as an industry in Pakistan.

A study conducted by (Khan et al., 2022), the researchers used the data from 1995-2017 from tourism index, Pakistan tourism statistics and State bank of Pakistan , the study concluded that the terrorism smash the peace in Pakistan and tourism sector paid a heavy price of this terrorism, moreover that tourism sector has a lot of long term factors embedded which can contribute in the economic development of Pakistan. According to World Tourism and Travel council, Pakistan has very good potential of tourism and it has the potential to grow up to 39.8 billion dollars within a decade (Arshad et al., 2018).

Another study by (Ilyas et al., 2017) throws light on the potential of tourism in Pakistan and stated that Pakistan has so much beauty which can be explored by tourism, i.e. high mountains, lakes, deserts and so many other sites which can grab the attention. Another study added that, Pakistan has religious tourism as well, which includes the sufi shrines, Temples of Hindu religion, Gurdwaras of Sikh religion, Buddhist religious places, all can contribute to the tourism boost (Ismagilova et al., 2015). There is a relationship between tourism development and economic development. The development of tourism mainly depends on the geographic condition of the country, and due to this the tourism patterns have changed. Due to this emerging scenario, new kinds of tourism have emerged which can add the new ways of revenue earning and achieve the economic sustainability (Bojanic and Lo, 2016).

2.13 TTDI and other Tousism measuring instruments

There are a wide variety of tools and methodologies that examine tourism. International Recommendations for Tourism statistics is a framework for countries to assemble and report tourism data. It elaborates definitions, categories and provides measuring techniques like tourism expenditure and

tourism demand.

Moreover, Tourism Satellite account: Recommended Methodological Framework 2008 (TSA::RMF, 2008) provides different tourism products and services. Components include tourism production, consumption, capital investment, employment. It can be integrated into national accounts. It measures certain economic indicators like GDP, employment and tourism expenditure.

Macao Tourist Satisfaction Index (MTSI) measures visitors' satisfaction in ten tourism-related subjects. Restaurants, transportation, hotels, heritage attractions, non-heritage attractions, public services, retail shops, tour operators and guides, gaming and events (University of Science and Technology of Macau, 2009-18). It uses a 0-to-100-point scale. The higher the index, the more tourist's satisfaction. It has been compiled quarterly by International Centre for Tourism and Hospitality Research (ICTHR) of Maco University of Tourism, China. Its validation is grounded on American Customer Satisfaction Index (ACSI).

Servqual Model measures service quality in different dimensions (Parasuraman et al., 2023). Tangibles, reliability, responsiveness, assurance and empathy map are the predictors of service quality. It uses questioner on a Likert scale of 1 to 7.

Holsat Model (Holiday Satisfaction) model (Tribe and Snaith, 1998) developed by Tribe and Snaith (1998). It Considers positive and negative attributes while describing a characteristic of a destination. Attributes in 6 categories. The physical resort and facility, heritage and culture, transfers, accommodation and finally, restaurants, bars, shops and nightlife. It uses a Likert scale of 1 to 5.

The survey questioner in this study was detected from WEF biannual publication TTDI 2021. It is a fifteen-year struggle of TTCI indexes. World Economic Forum (2021) The new version elaborates more indicators as per the drivers of growth. The pillar business environment originally consisted of nine indicators. This research has followed seven indicators. Impact of rules on FDI (Foreign Direct Investment) indicator has not been excluded from the study since this this study focuses on domestic tourism due to other

constitutional issues and sensitivity of the area. The corruption perception index was also ignored due to non-survey indicator.

2.14   Gaps in Literature

No former literature was found that studies the business environment in Hunza. There is a dearth of literature on the topic of Tourism in general but there is limited data available regarding business environment of tourism in a set of specific indicators more concerned with recent globalized world. The world economic forum publishes its biannual reports TTCI (Travel and Tourism Competitiveness Index) reports on tourism. They have upgraded to the same index in 2021 after covid with adjustment of pillars and indicators. They renamed it as TTDI. It evaluates countries and ranks them as per their performance. This research has used one the pillars of TTDI 2021 to access the business environment of tourism in Hunza.

The studies on mobility patterns and travel motivations are rare in discussion and discourses especially in Asia-Pacific tourism (Alexander et al., 2022). With the evolution of improved means of communication and travelling facilities, the economies of many countries have improved and in certain cases local development and employment through tourism has become crucial. It is the source of dominant income and foreign exchange earnings (Seetanah and Fauzel, 2019). The literature on tourism witnessed various potential tourism development strategies. The more reported approach is increasingly towards sustainability of the natural ecosystem of social, economic, and environmental indicators of a specific region (Lim and Cooper, 2009).

Chapter 3

Research Methodology

This research is quantitative in nature. Instrument for data collection was structured questionnaire as developed and executed by WEF for survey using Likert scale 1 to 7 to calculate TTDI. Knowledge production was ensured by adopting deductive method, guidance from theory TTDI, then data collection to theory. TTDI 2021 benchmarks and measures set of factors that help in sustainable development.

The opinion survey ranged from 7 (best) to 1 (worst). To gain 1st objective, the score/status of business environment of tourism in Hunza was calculated as an average (arithmetic mean) of the seven individual variables. Based on scores of individual indicators, objectives 2nd and 3rd were gained. Indicators close to 1 were considered hurdles in overall business environment and indicators close to 7 were considered opportunities in the business environment of tourism sector.

Primary data has been interpreted using descriptive statistics SPSS software to access the objectives. The quantitative data sets were compared and interrelated to determine the actual state of tourism in Hunza and areas for improvement.

The instrument was accessed by the experts of WEF and found it appropriate and suitable in measuring the domain. Criterion and construct validity do not apply here the instrument developed is more of a survey. There is no comparison that involves a particular variable.

3.1 Research Strategy

The study is based on quantitative data. It used primary data. A structured questionnaire was developed and conducted in selected samples and were administered. Quantitative survey is the research strategy.

3.2 Research Design

The study design is explanatory research since the research had explained the situation of domestic tourism in Hunza. The study focuses on the assessment of the state of the business environment of tourism in Hunza. All the indicators mentioned in the model demand the investigation of the situation on the grounds. Hence, this study would be more focused on primary data collection to assess the tourism industry in Hunza.

3.3 Methods of Data Collection

3.3.1 Structured Questionnaire:

A structured questionnaire was used to obtain the opinions regarding business environment of tourism sector.

3.4 Sampling

Cluster sampling of the convenience sampling technique has been used to collect quantitative data. Six clusters have been identified for each of the two tehsils of Hunza. Data collection area from Aliabad tehsil will be (1) Nasirabad, (2) Aliabad, (3) Dorkhun, (4) Altit, (5) Baltit, (6) Ganish. While data collection areas from Gojal tehsil will be (1) Attaabad (2) Shishkat (3) Borith 4 (Passu) (5) Sost (6) Hussaini. These clusters have been identified because of the inflow of more tourists to these clusters.

The sample size for this study was 120 participants. The information has been collected through a structured questionnaire from the randomly selected participants from clusters. The data was collected in a span of six months from November 2023 to April 2024.

The units of data collection were the owners of hotels, guest houses, restaurants and their employees. Moreover, four Tourism company owners and two tour guides were also included in the study. All the respondents are residing and engaged with tourism in the study area.

3.5 Conceptual Framework
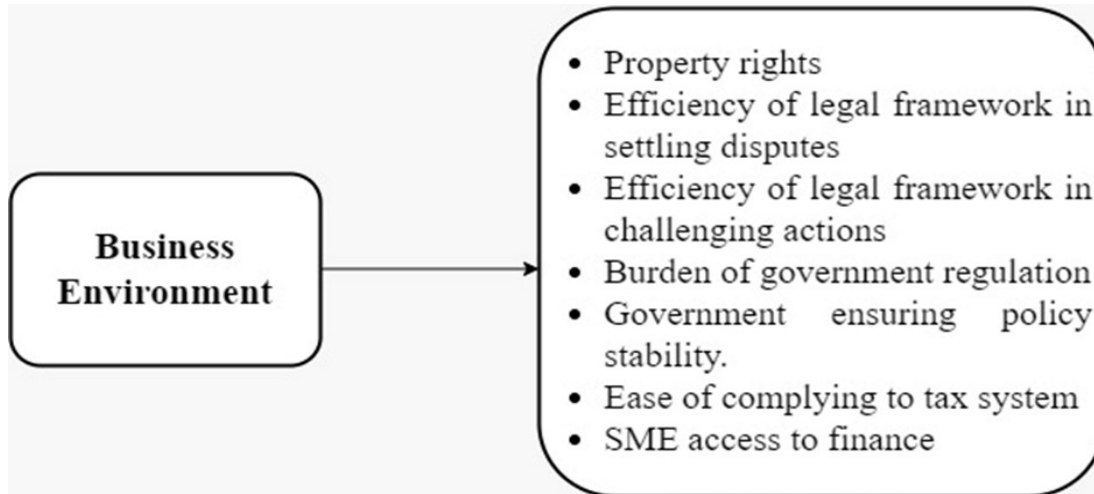
Figure 3.1: Conceptual Framework

the score for Business Environment of tourism sector in Hunzza will be calculated based on seven indicators. Each indicator will be analysed further.

3.6 Geo-graphic Area

This study was specifically designed to analyze the state of tourism in Hunza region which is in Gilgit Baltistan territory. District Hunza Comprised of fifty thousand permanent residents with an area of 10109 Sq.KM with annual visitors and travelers approximately above 1 million (Gilgit-Baltistan, 2020). Hunza is geographically divided into three regions.

- Lower Hunza

- Central Hunza

- Upper Hunza

Administratively divided in to two tehsils, Aliabad and Gojal. Lower Hunza and Central Hunza fall in Aliabad tehsil while upper Hunza falls in Gojal tehsil. This study has collected fifty percent data from each of the two tehsils.

Chapter 4

Data Analysis

4.1   Understanding the Variables for Analysis

Indicator	Question	Scale
Property rights	In Hunza, to what extent are property rights including financial assets,protected?	1=Not at all, 7=To a great extent
Legal framework efficiency in settling disputes	In Hunza, how efficient are the legal and judicial syste, for companies in settling disputes?	1=Extremely inefficient, 7=Extremely efficient
Legal framework efficiency in challenging actions	In Hunza, how easy is it for private businesses and citizens to challenge government actions through the legal system?	1=Extremely difficult, 7=Extremely easy
Government regulation burden	In Hunza, how easy is it for companies to comply with government regulation and administrative requirements (e.g. permits, reporting, legislation)?	1=Extremely complex, 7=Extremely easy
Government policy stability	In Hunza, to what extent does the government ensure a stable policy environment for doing business?	1=Not at all, 7=To a great extent
Tax system compliance ease	In Hunza, to what extent are taxes easy to comply with?	1=Not at all, 7=To a great extent
SME access to finance	In Hunza, to what extent can small and medium sized enterprises (SMEs) access the finance they need for their business operations through the financial sector?	1=Not at all, 7=To a great extent

Table 4.1: Understanding the variables for analysis

This thesis will find out the score of business environment of tourism sector in Hunza by calculating the statistical average mean of six selected indicators. It will further examine the thoughts of the six indicators of the business environment. A questioner having six questions on a Likert scale 1 to 7 was conducted from 120 individuals to collect data.

4.2   Score/status of Business Environment

The overall score of business environment was calculated by taking statistical mean value of all seven indicators. The seven indicators were analyzed on SPSS. Mean and median were computed from existing seven indicators questioner. The mean value was further examined below.

Statistic	Value
N	120
Valid	120
Missing	0
Mean	3.7321
Median	3.7143

Table 4.2: Overall Business Environment Mean and Median Scores

A total of 120 questionnaires were collected from respondents who were associated with tourism in Hunza. Seven questions were asked with a scale of seven options. Statistics discovered 3.73 out of 7 as mean value for Business Environment of tourism sector in Hunza. Thus objective 1 was obtained which aimed at finding the score of business environment.

The median of 3.7143 represents that half of the respondents rated their responses below 3.7. while the other half rated above the said value. The central value is near the middle of scale 4. It is significantly assisting towards lower end of scale.

Skewness -.137 indicates that the distribution of responses is slightly left skewed. It indicates that majority of the values lie below normal. Out of seven indicators four indicators are performing below average.

The skewness of the data is small and close to zero. It can be said that the distribution is nearly symmetric and does not completely depart from

Statistic	Value
N	120
Valid	120
Missing	0
Skewness	-0.137
Std. Error of Skewness	0.221
Kurtosis	-0.500
Std. Error of Kurtosis	0.438

Table 4.3: Statistics of Overall Business Environment Mean Value

normality. There is a minimal tendency for replies to gather on the higher end of the scale.

Kurtosis shows a slight platykurtic distribution. A bit flatter than normal distribution but the tailedness is not different from a normal distribution.
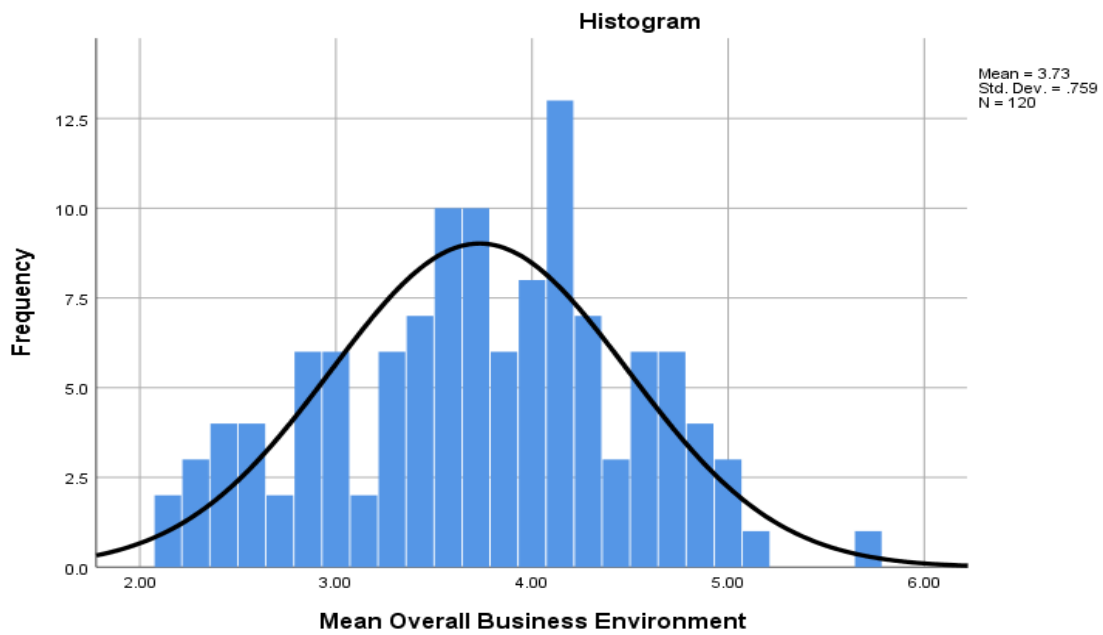
Figure 4.1: Histogram of mean value

The distribution is left skewed. It indicates that majority of the values lie below normal. Out of seven indicators four indicators are performing below average, hence the overall distribution is slightly skewed.

In the end one can say that the status of the business environment of the tourism sector is below neutral, below 4 on a scale of 7. Thus, it can be concluded business environment of tourism sector is not satisfactory. It scores 3.7 out of 7. It is not performing well.

4.3   Major Findings of the targeted variables

After calculating over all mean value. The seven indicators were investigated by calculating average means to analyze objective 2 and 3. The indicators which are performing near to 7 values on scale are strengths. Likewise, those which are performing below neutral or near to scale 1 are weaknesses of the business environment of tourism sector in Hunza.

Table 4.4: Major findings of the targeted Variables

Variable	N	Minimum	Maximum	Mean	Standard Deviation
Property Rights	120	1.00	7.00	5.4250	1.81341
Efficiency of legal framework to settling disputes	120	1.00	7.00	4.0917	1.58775
Efficiency of legal framework in challenging actions	120	1.00	6.00	3.7167	1.44469
Burden of government regulation	120	2.00	7.00	4.5583	1.43073
Government ensuring policy stability	120	1.00	7.00	2.1083	1.41893
Ease of complying to tax system	120	1.00	7.00	3.1333	2.34766
SME access to finance	120	1.00	7.00	3.0917	1.63469
Valid N (listwise)	120				

Row N in the table indicates 120 respondents who answered all seven indicators. A minimum of 1 was observed in six indicators out of seven. Burden of government regulation indicator showed a min of 2 because

"Extremely Complex" option at scale 1 was chosen by none of the respondents. Furthermore, the row maximum values indicates that six indicators performed on all scale options. Efficiency of legal framework in challenging actions indicator has value 6. The option "Extremely easy" selection on scale 7 was chosen by none of the respondents.

The analysis revealed that the Government ensuring policy stability indicator remained the worst with an average mean of 2.11 while Property Rights performed on 1st with an average mean of 5.43. This indicates property rights in Hunza are well protected, but it still needs to be improved.

Thus, one can disclose from the analysis that the strengths of the business environment of tourism sector in Hunza are: Property Rights with score of 5.4250, Burden of government regulation having score 4.5583 and Efficiency of legal framework to settling disputes sharing score of 4.0917 out of 7.

Likewise, the weaknesses are, Government ensuring policy stability with a score of 2.1083. SME access to finance indicator adding 3.0917 score. Ease of complying to tax system indicator contributing 3.1333 score. Finally, efficiency of legal framework in challenging actions having score of 3.7167.

To check variability, the standard deviation statistic represents the dispersion of data around the mean. All the variables have below two standard deviations except the indicator ease of complying with the tax system which shares 2.34766 standard deviation. The indicator has values that spread over a little wider range.

The Property Rights indicator's skewness statistic of -0.784 shows that the responses are moderately negative skewed.It shows left hand side tail (Lower scores) is longer.Its right-hand side tail is short.

The skewness std. error 0.221 when multiplied by 3 becomes greater than the value of skewness.

So, the distribution is statistically significant. And already the value lies with the range of -1 to plus 1.

Efficiency of legal framework to settling disputes investigates skewness statistic of 0.063. It is almost near to zero but slightly left skewed. The left tail is a little bit longer.

The distribution is nearly symmetrical. The kurtosis statistic of -1.313

Table 4.5: Skewness and kurtosis of the targeted variables

Variable	N	Skewness	Standard Error	Kurtosis	Standard Error
Property Rights	120	-0.784	0.221	-0.789	0.438
Efficiency of legal framework to settling disputes	120	-0.063	0.221	-1.313	0.438
Efficiency of legal framework in challenging actions	120	0.085	0.221	-1.001	0.438
Burden of government regulation	120	-0.338	0.221	-1.178	0.438
Government ensuring policy stability	120	1.564	0.221	1.941	0.438
Ease of complying to tax system	120	0.685	0.221	-1.161	0.438
SME access to finance	120	0.719	0.221	-0.136	0.438
Valid N (listwise)	120				

shows the distribution is platykurtic. It has a thinner tail and longer than a normal distribution.

The efficiency of legal framework in challenging actions indicator's skewness statistic is 0.085. It is also almost close to zero. the distribution is nearly symmetrical.The right tail is slightly longer.

The Kurtosis Statistic of -1.001 represents a platykurtic distribution. It has thinner tails and longer than normal distribution.The burden of government regulation indicator shows Skewness Statistic of -0.338 which is left skewed.

The value is close to zero and not completely departs.The left tail is slightly longer and Kurtosis Statistic -1.178 exhibits platykurtic distribution. It has a thinner tail.

The government ensuring policy stability indicator contributes to 1.564 Skewness Statistic represents right skewed.

The right tail is longer and Kurtosis Statistic 1.941, it shows a leptokurtic distribution. It has a long tail and sharper peak.

Ease of complying to tax system marker shares 0.685 Skewness Statistic.It

denotes a moderate right skewed.The right tail is somewhat thinner and longer.The Kurtosis Statistic of -1.161 indicates a platykurtic distribution.

SME access to finance indicator shares skewness Statistic of 0.719. it is moderate right skewed.But is near to zero. Kurtosis Statistic -0.136 shows slightly platykurtic. The right tail is longer.
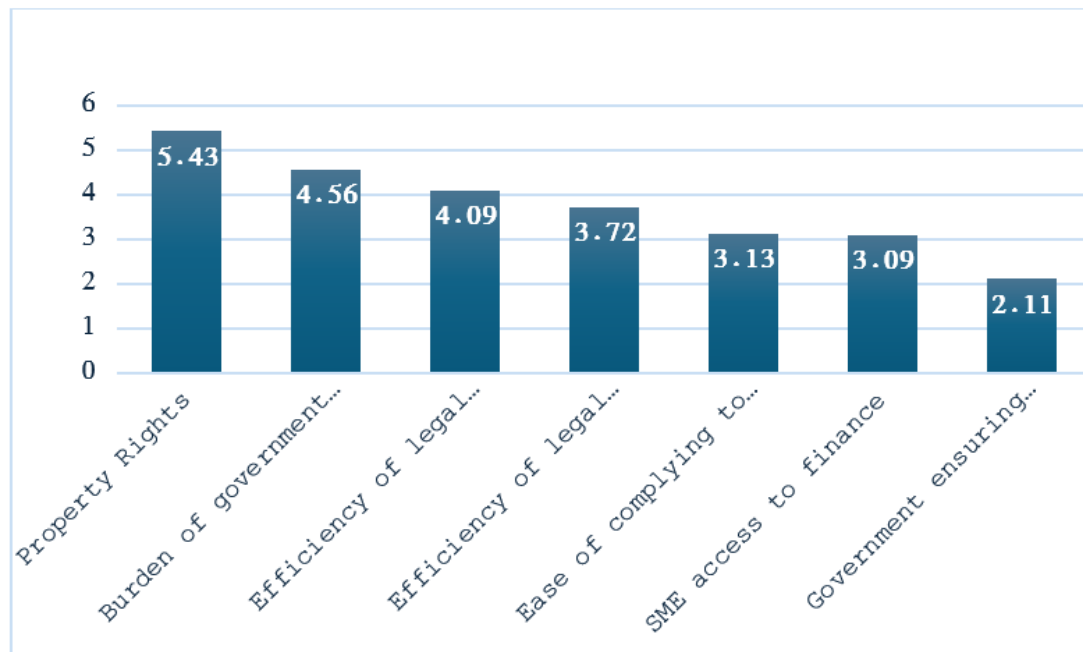
Figure 4.2: Mean value of all 07 indicators in order of highest to lowest score

Property rights indicator stood first with an average mean of 5.43 out of 7 followed by Burden of government regulation with 4.56 average mean. The indicator Efficiency of legal framework to settling disputes shared 4.09 mean and attained 3rd position. The indicator of Efficiency of legal framework in challenging actions revealed 3.72 mean and stood 4th in the performance. Ease of complying to tax system indicator scored 3.13 mean (below average of 4) and got 5th position in the order. SME access to finance indicator performed at second last worse with 3.09 mean. The government ensuring policy stability indicator acted the worst with 2.11 average mean and got 7th position among seven indicators.

4.4 Analysis of respondent's views about property rights in Hunza

Table 4.6: Analysis of Responses about Property Rights

Response	Frequency	Percentage	Valid Percent	Cumulative Percent
Not at all	1	0.8	0.8	0.8
Very little	12	10.0	10.0	10.8
To some extent	11	9.2	9.2	20.0
Neutral	12	10.0	10.0	30.0
Moderate extent	13	10.8	10.8	40.8
Available to everyone	17	14.2	14.2	55.0
To great extent	54	45.0	45.0	100.0
Total	120	100.0	100.0	

Mean Value for this indicator is 5.43 out of 7. To great extent option at scale of 7 was selected by 54 individuals out of 120 while not at all option on scale 1 was chosen by only one respondent.

This indicates a good sign that 54 out of 120 respondents believe that property rights, including financial assets, are protected to great extent, they opted for scale 7 considering it the best. It means that 45 percent of the respondents viewed that property rights in Hunza are safe to a great extent. It indicates that 45 percent of the respondents believe that property rights are well preserved while 54 percent's opinion differs ranging from 6 to 1.

Statistics further reveal that 14.2 percent of respondents are of the view that property rights are available to everyone, opting scale 6. A total of 17 respondents were in favor of the option 6. The choice "Moderate extent" preference 5 was marked by 13 people which becomes 10.8 percent. Twelve respondents preferred to remain Neutral and contributed 10.8 percent. The

possibility "to some extent" was marked by 11 individuals contributing 9.2 percent while only one, 0.8 percent (rounded off to 1) responded "not at all" option.
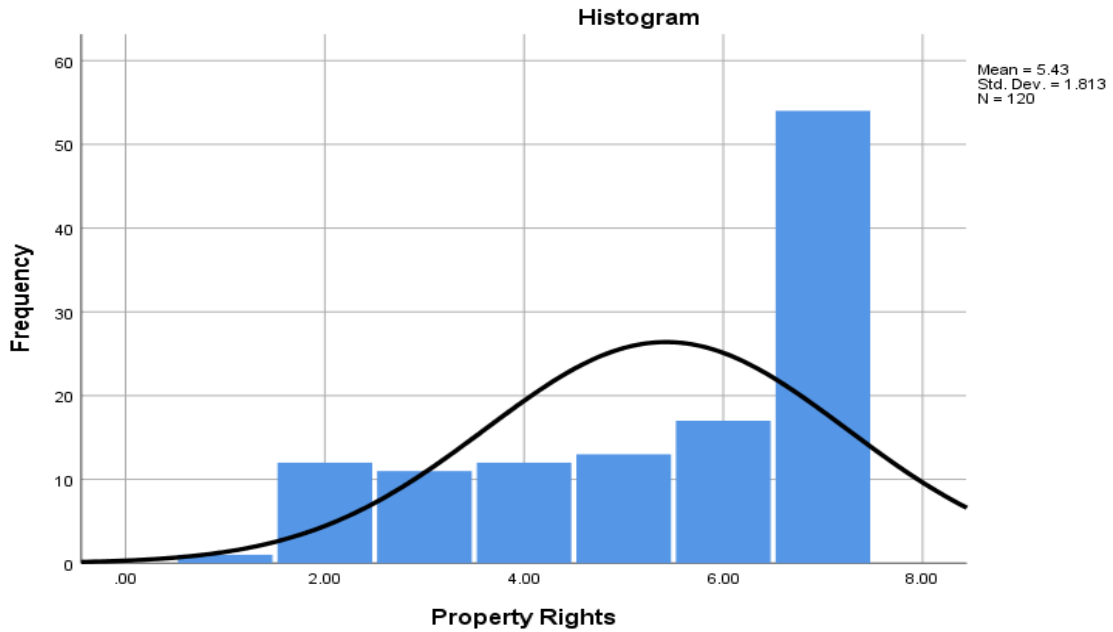
Figure 4.3: Property right Histogram

The histogram shows that the distribution is a little bit skewed.

Table 4.7: Distribution of respondents about property rights in order of above, below, and neutral scale

Scale	Responses	Respondents	Percentage
1 to 3	Below Neutral	24	20%
4	Neutral	12	10%
5 to 7	Above Neutral	84	70%

Below Neutral category was assigned to replies on sale 1 to 3 options of the questioner. The responses on scale 1 to 3 were added. Responses on scale 4 were considered Neutral as they were already named neutral. Responses on scale 5 to 7 were considered Above Neutral and the responses on scale 5 to 7

were summed.

A total of 70 percent, 84 out of 120 respondents, scaled property right above neutral. Twenty percent, i.e. twenty-four respondents placed property rights below neutral and twelve applicants answered neutral that converts ten percent.

4.5 Analysis of respondents' views about Efficiency of legal framework to settling disputes

Table 4.8: Analysis of responses about efficiency of legal framework to settling disputes

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Extremely inefficient	3	2.5%	2.5%	2.5%
Inefficient	21	17.5%	17.5%	20.0%
Slightly inefficient	25	20.8%	20.8%	40.8%
Neutral	22	18.3%	18.3%	59.2%
Moderately efficient	12	10.0%	10.0%	69.2%
Efficient	36	30.0%	30.0%	99.2%
Extremely efficient	1	0.8%	0.8%	100.0%
Total	120	100.0%	100.0%	100.0%

Most of the individuals marked "Efficient" option. Thirty-six consider "Efficiency of legal framework to settling disputes" as efficient on scale 6. It means 30 percent of the respondents consider it efficient. Only one contender perceives it as "Extremely efficient" on scale 7.

In Descending, Efficient option on scale 6 was marked by 36 individuals. Twenty-five others considered it as Slightly inefficient on scale 3. Twenty-two remained neutral on scale 4. Inefficient option was marked 21 persons on

scale 2. Moderately efficient on scale 5 was scored by 12 respondents. Three respondents were of the view "Extremely inefficient" on scale 1 while only one considered Extremely efficient on scale 7.

20.8% rounded off to 21% are of the view "Slightly inefficient" on scale 3. 18.3 responded (rounded off to 18) on a scale 4 remained at Neutral scale. 17.5 again 18% were of the view of "Inefficient" option on scale 2. Moderately efficient option on scale 5 was marked by 10% of the respondents. 2.5% (rounded off to 2) candidates view as "Extremely inefficient" on scale 1 while 0.8%, means 1% allotted "Extremely efficient" option scaling it on 7.
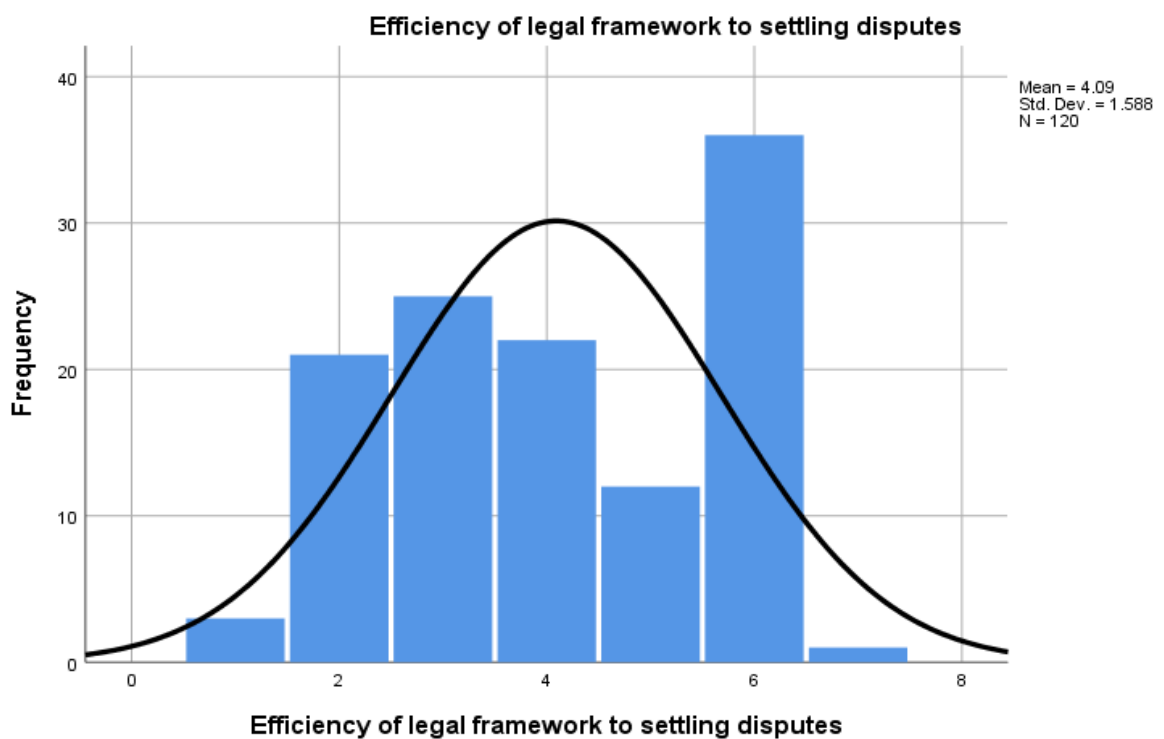
Figure 4.4: Efficiency of Legal Framework to settling disputes Histogram

Coincidently 40.8 percent of the respondents (49 each) answered below and above neutral while 22 candidates that becomes 18.3 percent were on neutral scale.

Table 4.9: Distribution of responses about efficiency of legal framework to settling disputes rights in order of above, below, and neutral scale

Scale	Responses	Respondents	Percentage
1 to 3	Below neutral	57	40.8%
4	Neutral	22	18.3%
5 to 7	Above Neutral	49	40.8%

4.6   Analysis of respondents' views about efficiency of legal framework in challenging actions

Table 4.10: Analysis of Responses about Efficiency of legal framework in challenging actions

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Extremely difficult	5	4.2	4.2%	4.2%
Difficult	23	19.2%	19.2%	23.3%
Slightly Difficult	29	24.2%	24.2%	47.5%
Neutral	25	20.8%	20.8%	68.3%
Moderately easy	20	16.7%	16.7%	85.0%
Easy	18	15.0%	15.0%	100.0%
Total	120	100.0%	100.0%	100.0%

29 out of 120 respondents that becomes 24 percent, consider efficiency of legal framework in challenging action as slightly difficult on scale 3.

On scale 3, the Slightly Difficult option was chosen by 29 respondents. 25 consider it "Neutral" on scale 4. Difficult option on scale 2 was opted by 23 individuals. 20 of the respondents are of the view that "Efficiency of legal framework in challenging actions" was Moderately easy on scale 5. "Easy" option on scale 6 was considered by 18 candidates. In addition, only five

candidates were of the opinion "Extremely difficult" on scale 5. On Scale 7, Extremely easy" choice was chosen by nobody.

Slightly Difficult decision on scale 3 was opted by 24.2% of the respondents. 20.8% of the respondents opted scale 4, 'Neutral' while 19.2% of the respondents opted the option 2 'difficult'. The moderately easy alternative on scale 5 was opted by 16.7% of the respondents. .15% were of the view Easy option on scale 6. On scale 1, Extremely difficult possibility was selected by 4.2% of the applicants.
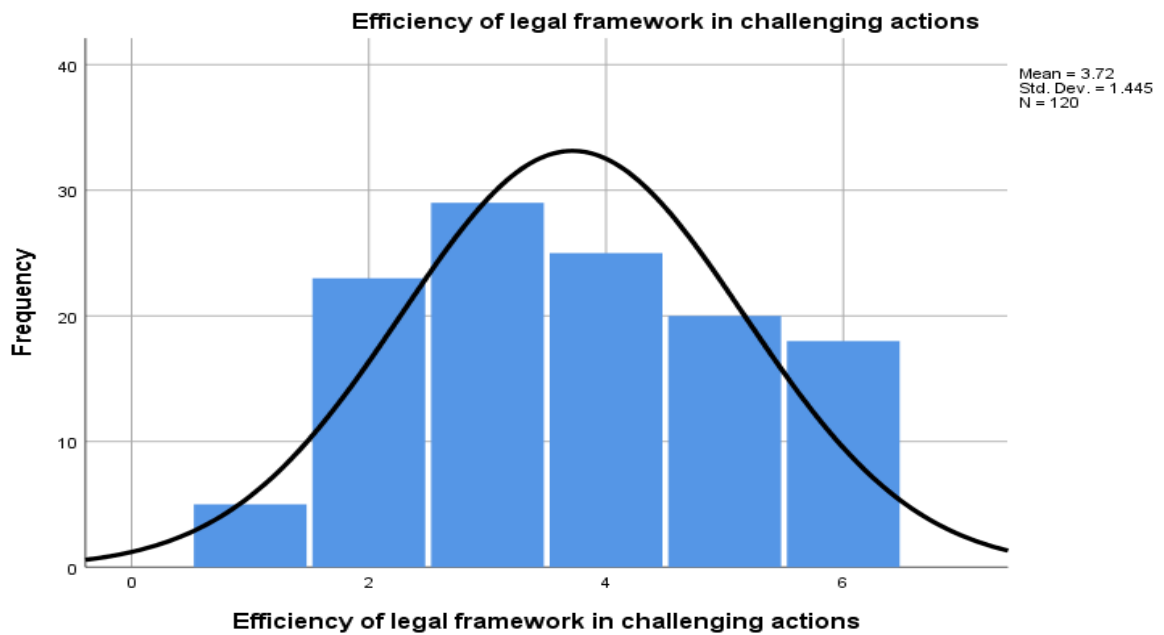
Figure 4.5: Efficiency of Legal Framework in challenging actions Histogram

The histogram shows a normal distribution.

Table 4.11: Distribution of responses about Efficiency of legal framework in challenging actions in order of above, below, and neutral scale

Scale	Responses	Respondents	Respondents
1 to 3	Below neutral	57	47.6%
4	Neutral	25	20.8%
5 to 7	Above Neutral	38	31.7%

57 respondents out of 120 consider the indicator "Efficiency of legal framework in challenging actions" as Below neutral who contribute to 47.6%. On a scale 4, Neutral option was opted by 25 candidates who become 20.8%. By adding responses from scale 5 to 7, 38 individuals opted Above Neutral who supporting 31.7% (rounded off to 32).

4.7 Analysis of the respondents' views about Responses regarding the burden of government regulation

Table 4.12: Analysis of responses about burden of government regulation

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Complex	11	9.2%	9.2%	9.2%
Slightly Complex	25	20.8%	20.8%	30.0%
Neutral	16	13.3%	13.3%	43.3%
Moderately easy	25	20.8%	20.8%	64.2%
Easy	40	33.3%	33.3%	97.5%
Extremely easy	3	2.5%	2.5%	100.0%
Total	120	100.0%	100.0%	100.0%

An extremely complex option was considered by none. A total of 40 individuals contributing 33.3% of the respondents considered "Burden of government regulation" as Easy opting scale 6. Only 2.5% of the applicants are of the view that burden of government regulation indicator performed Extremely easy option on scale 7.

The Easy option on scale 6 was marked by 40 individuals. On scale 3 Slightly Complex option and Moderately Easy option on scale 5 were optioned by 25 respondents each. 16 individuals persisted on scale 4, Neutral. Complex option on scale 2 was opted by 11 candidates. Only 2.5

33.3% of the respondents considered "Burden of government regulation as Easy on scale 6. Slightly Complex option on scale 3 and moderately easy option on scale 5 was chosen by 20.8% applicants. 13.3% respondents scaled it 4 (Neutral). On scale 2 Complex option was opted for by 9.2% of the candidates. Only 2.5% considered on scale 7 Extremely easy.
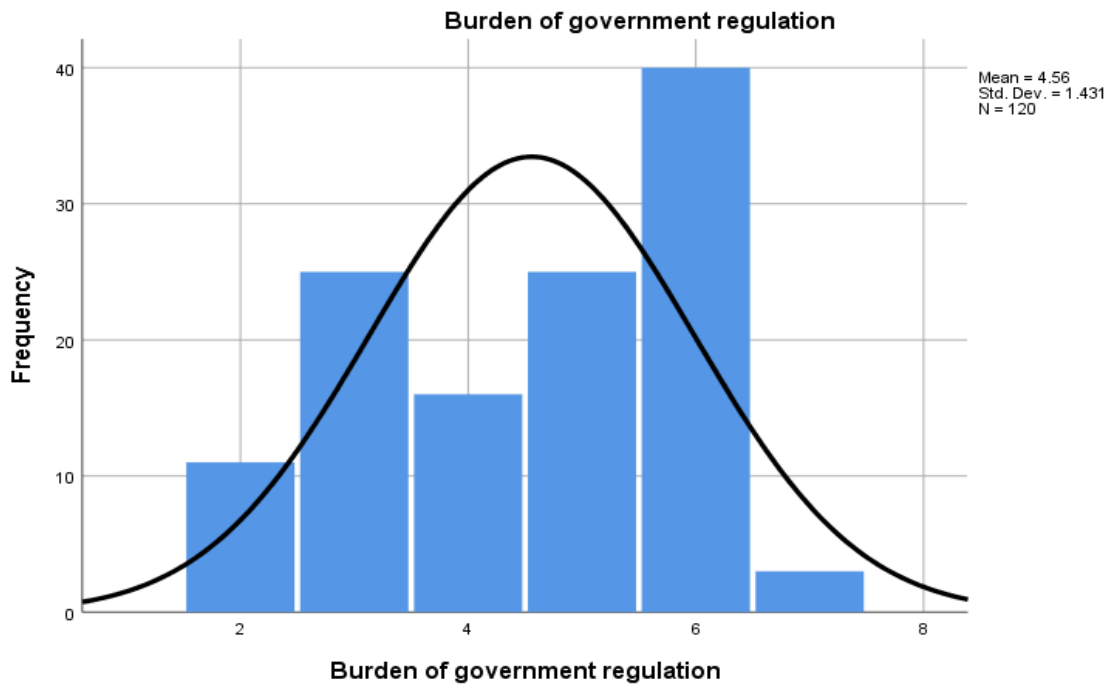
Figure 4.6: Burden of Government Regulations Histogram

Table 4.13: Distribution of responses about the burden of government regulation in order of above, below, and neutral scale

Scale	Responses	Respondents	Percentage
1 to 3	Below neutral	36	(30%)
4	Neutral	16	(13.3%)
5 to 7	Above Neutral	68	(56.6%)

36 out of 120 respondents reacted in favor of below neutral representing 30%. A total of 16 applicants (13.3%) supported neutral. 56.6% of the observations showed above neutral value consisting of 68 individuals.

4.8 Analysis of responses related to Government ensuring policy stability.

Table 4.14: Analysis of responses about Government ensuring policy stability

Response	Frequency	Percent	Valid Percent	Cummulative Percent
Not at all	52	43.3%	43.3%	43.3%
Very little	39	32.5%	32.5%	75.8%
To some extent	10	8.3%	8.3%	84.2%
Neutral	10	8.3%	8.3%	92.5%
Moderate extent	2	1.7%	1.7%	94.2%
Available to everyone	6	5.0%	5.0%	99.2%
To great extent	1	0.8%	0.8%	100%
Total	120	100.0%	100.0%	

"Government Ensuring Policy Stability" indicator on scale 1, Not at All, was responded by 43.3%. Thus, 52 out of 120 applicants considered it the worst on scale 1. Only one respondent (0.8%) was in favor of 7th option, To great extent.

On scale 2, Very little option was selected by 32.5% individuals.

To some extent selection on scale 3 and Neutral on scale 4 were opted by 8.3% respondents respectively.

Available to everyone choice on scale 6 was taken by 5% of the individuals. 1.7% of the respondents opted Moderate extent option on scale 5.

And on scale 7 To great extent option was opted by 0.8% of the selected population.

39 respondents opted for the 2nd scale, very little. On scale 3, To some extent option was taken by 10 respondents.

Likewise, again 10 candidates opted Neutral on 4th scale. Available to everyone option on sale 6 was selected by 6 persons. Two candidates availed

option 5, Moderate extent. Only one applicant on scale 7 opted for "To great extent".
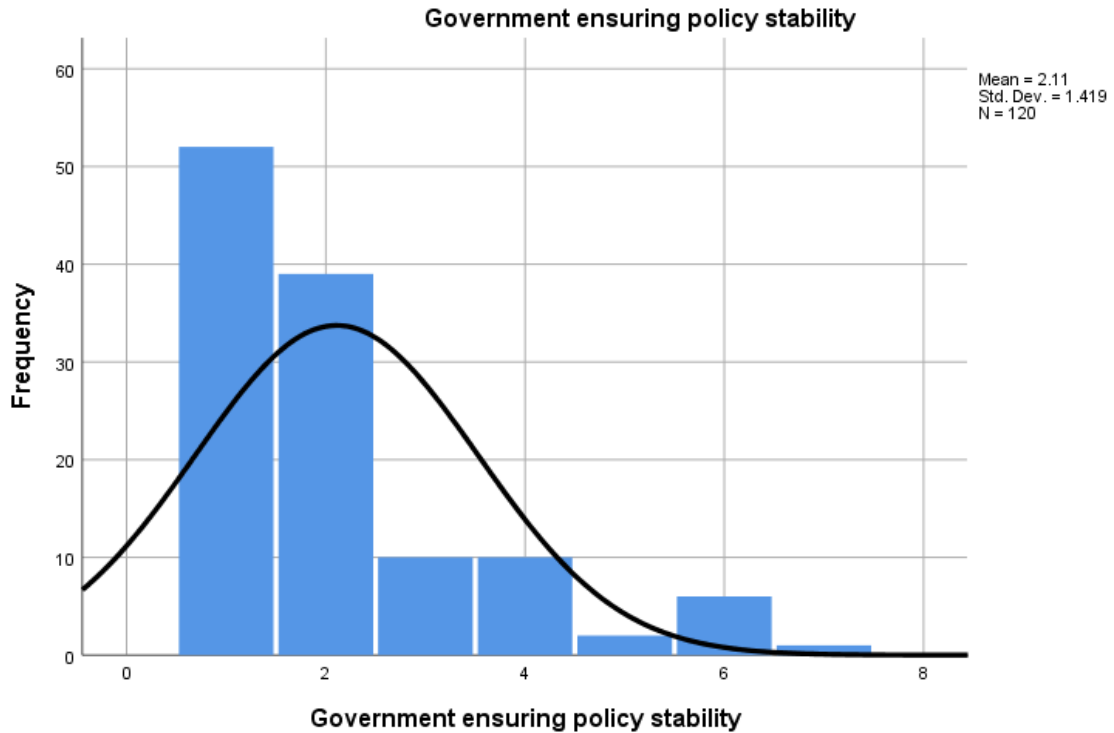
Figure 4.7: Government Ensuring Political Stability Histogram

Table 4.15: Distribution of responses about Government ensuring policy stability in order of above, below, and neutral scale.

Scale	Responses	Respondents	(Percentage)
1 to 3	Below neutral	101	(84.1%)
4	Neutral	10	(8.3%)
5 to 7	Above Neutral	9	(7.5%)

101 respondents out of 120 are of the opinion that Government Ensuring Policy Stability is below neutral. It means 84.1% of the samples considered it below neutral. 8.3% of the viewers (10 Individuals) considered it Neutral. While only 9 applicants viewed it as above neutral participating 7.5%.

4.9 Analysis of views about ease of complying to tax system

Table 4.16: Analysis of responses about Ease of complying to tax system

Response	Frequency	Percent	Valid Percent	Cummulative Percent
Not at all	45	37.5%	37.5%	37.5%
Very little	25	20.8%	20.8%	58.3%
To some extent	5	4.2%	4.2%	62.5%
Neutral	11	9.2%	9.2%	71.7%
Moderate extent	5	4.2%	4.2%	75.8%
Available to everyone	6	5.0%	5.0%	80.8%
To great extent	23	19.2%	19.2%	100.0%
Total	120	100.0%	100.0%	

37.5% of the opinions were on scale 1 showing Not at all option. It means 45 individuals opted on this scale. 4.2% of the candidates opted scale 5 and 3, Moderate extent and to some extent respectively.

On Measure 1, Not at all likelihood was determined by 45 individuals. 25 opted for 2nd preference "Very little". To great extent chance on scale 7 was considered by 23 persons. Eleven respondents remained neutral scaling the indicator on 4. Scale 6 "Available to everyone" selection was favored by 6 individuals. The options on scale 3 "To some extent" and on scale 5 "Moderate extent" were expressed by 5 respondents each equally.
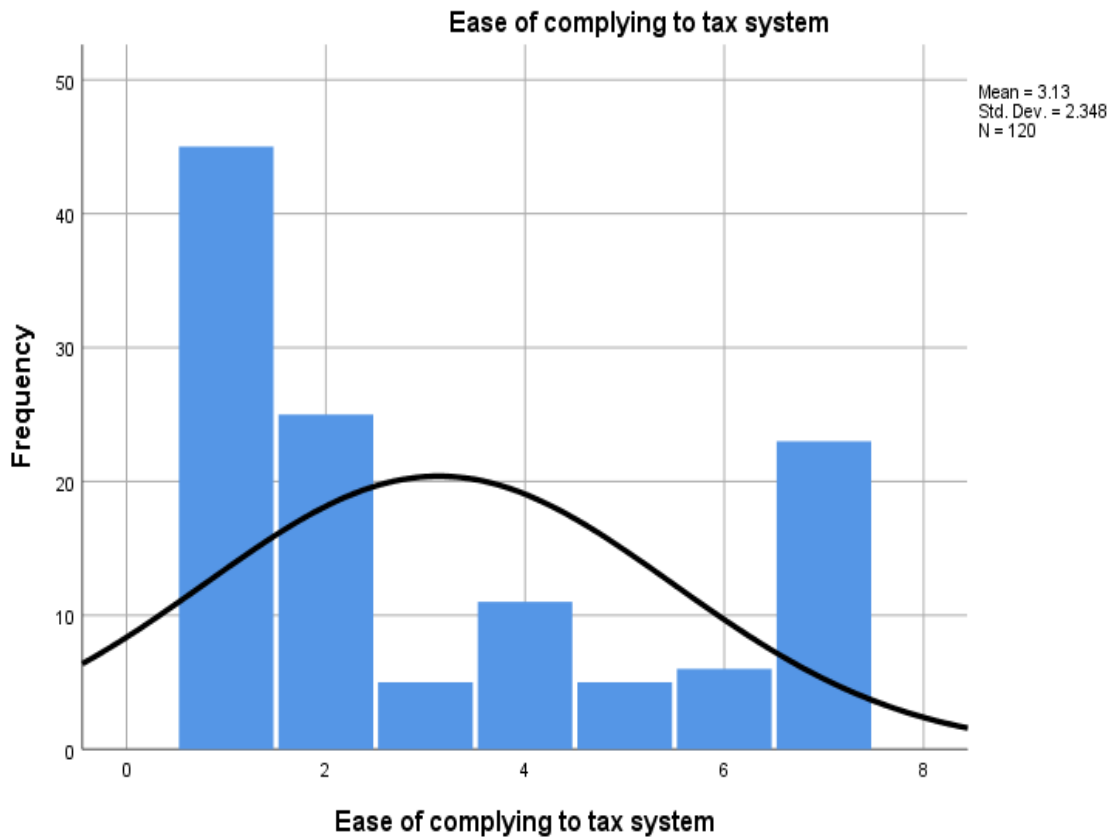
Figure 4.8: Ease of complying to tax system Histogram

Table 4.17: Distribution of responses about ease of complying to tax system in order of above, below, and neutral scale.

Scale	Responses	Respondents	(Percentage)
1 to 3	Below neutral	75	(62.5%)
4	Neutral	11	(9.2%)
5 to 7	Above Neutral	34	(28.4%)

28.4% of the respondents considered "Ease of complying to tax system" indicator above neutral value, by summing options from 1 to 3. They comprise 34 individuals out of 120. 9.2% means 11 respondents were on neutral scale. While 62.5% remained below neutral. 75 individuals' responses were below neutral.

4.10 Analysis of views about SME access to finance

Table 4.18: Analysis of Responses about SME Access to Finance

Response	Frequency	Percent	Valid Percent	Cummulative Percentage
Not at all	21	17.5%	17.5%	17.5%
Very little	25	20.8%	20.8%	38.3 %
To some extent	38	31.7%	31.7%	70.0%
Neutral	13	10.8%	10.8%	80.8%
Moderate extent	9	7.5%	7.5%	88.3%
Available to everyone	9	7.5%	7.5%	95.8%
To great extent	5	4.2%	4.2%	100.0%
Total	**120**	**100.0%**	**100.0%**	

31.7% of the respondents were of the opinion "To some extent" scaling SME access to finance indicator on scale 3. on Scale 2 "Very Little" possibility was chosen by 20.8% respondents. Only 17.5% placed it on scale 1 "Not at all". Option 4 "Neutral" was selected by 10.8% participants. Scale 5 "Moderate extent" and scale 6 "Available to everyone" ranges were nominated by 7.5% participants each. Only 4.2% of the responded thought that the said indicator was on scale 7 "To great extent".

"To some extent" possibility on scale 3 was selected by 38 persons. On scale 2 "Very little" arrangement was picked by 25 respondents. Not at all confirmation on scale 1 was chosen by 21 participants. While 13 persons on magnitude 4, remained neutral. The options on scale 5 and 6, the possibilities "Moderate extent" and "Available to everyone" were chosen by 9 respondents respectively. "To great "extent strength on scale 7 was decided by 5 individuals.
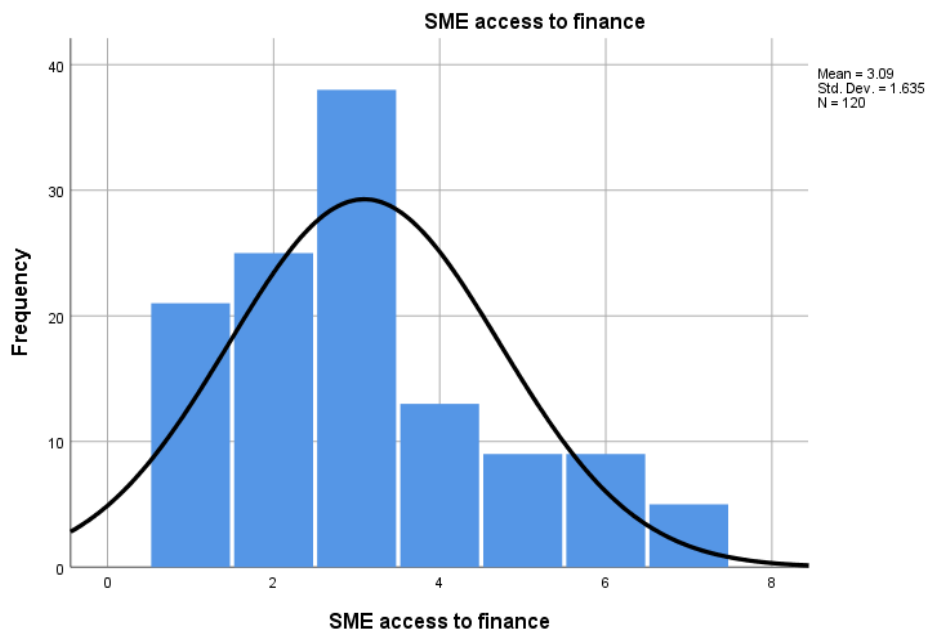
Figure 4.9: SME Access to Finance Histogram

Table 4.19: Distribution of responses about SME access to finance in order of above, below, and neutral scale.

Scale	Responses	Respondents	Percentage
1 to 3	Below neutral	84	70
4	Neutral	13	10.8
5 to 7	Above Neutral	23	19.2

70% of the respondents' opinions were forged on scale 1 to 3. Below neutral values ranging from 1 to 3 options were consisted of 84 respondents. 13 means 10.8 recorded their opinion on scale 4. While 23 respondents representing 19.2% recorded their opinion in favor of 5-7 scales.

Chapter 5

Discussion and Policy Recommendation

5.1 Discussion

The subject of tourism is devolved to provinces. Each of the four provinces, GB and AJK have their own authoritative bodies after the 18th amendment. Now at the federal level, the Ministry of Inter provincial coordination (IPC) deals with international aspects of tourism. The National Tourism Coordination Board (NTCD) works under the umbrella of the Ministry. Furthermore, Pakistan Tourism Development Corporation (PTDC) also develops coordination with provinces and promote tourism nationally and internationally. It is governed by board of directors with Chairman Minister and secretary in charge as vice chairman. It is helpful for the projection and marketing of Pakistan.

Tourism, Sports, Culture, Archaeology & Museums Department GB overlooks tourism activities at GB level. Further Department of Tourist Services (DTS) deals with licenses/Registration of hotels, Restaurants, Travel Agencies, Tour operators and Tourist guides. It deals ICT (Islamabad Capital Territory) and GB.

This study has scaled business environment of tourism sector in Hunza (GB). It was difficult to gather data in winter season as majority of the related businesses close their services due to extreme winter. Furthermore, Hunza is

a narrow and long valley consisting of further valleys. Hence, it took more time to reach concerned respondents.

The results gave a bad picture of the overall business environment. It has been found the business environment of the tourism sector in Hunza is not performing well. Government ensuring policy stability indicator performed worst afterwards SME access to finance.

5.2 Recommendations

All the mentioned indicators are of great importance to boost tourism. Formulation of any policy should be followed by focusing on give indicators.

5.2.1 Government should confirm policy stability:

Policy stability is very important for the progress of any economy. In Pakistan rapid government changes are frequent. Election delays are normal. Further coalition government patterns are repeated. Every change of government at federal has repercussions to GB. If someone considers the policy stability in GB, it is further degraded because of a federating unit. The elections held after the elections at federal. There should be the same date for elections in GB as at federal level. The Democratic process of elections should be free and fair. The governing institutions in Pakistan should play positive role for stability of the regimes. All the concerned authorities at federal and provincial level should perform with efficiency.

Additionally, there are quarrels on public lands between and among villages. Government should prevent and abate these clashes. Sectarian issues in GB should be solved on a priority basis. Without prejudices, there should be political settlements of all the issues.

There should be transparent policy formulation mechanisms. Policy evaluation across all administrative bodies can maintain stability.

5.2.2 Stewardship of state institutions:

National and provincial governance institutions should be employed with professional and adequate staff. Besides, Political, and administrative

moderation, accountability and transparency should be maintained at national, provincial and at local levels. The excessive and concentrated bureaucratic power should be curtailed. State infrastructure should be protected from elite capture.

5.2.3 SME access to Finance:

Access to finance is a major limitation to SME development (World Bank, 2019). There should be easy mechanisms of lending from commercial and Microfinance banks for new businesspeople. The loan application process should be Simplified. Akhuwat should offer long- and short-term loans to tourism entrepreneurs. At first the Akhuwat was offering limited loans but now they have limited their services to construction homes only not hotel, restaurant, or any related activity.

Moreover, focus should be given to SME capacity improvement. Enhance SME capability by seminars. Business incubation services should encourage entrepreneurs. There is negligible support for SMEs of tourism from any government at federal or GB level. Further the SMEs in tourism face many challenges. Shortage of electricity, water issues, broken roads etc. Despite the challenges this sector is expanding and is benefitting many families. In developed countries, governments support their SMEs. They provide facilities like electricity without minimal interruption. The government should wave off taxes till the maturity of SMES. It should support, upgrade the skills and guide the new SME.

5.2.4 Ease of complying to Tax system

A 5% tax every month was approved after the approval of Hotel Regulation and levy Act, 2020 by GB legislative assembly. 10% of the total collected amount was exempted. The concerned businesses should have to pay the said amount. If a business is in loss, it must still pay the said amount. There is an option of a refund for the extra paid amount not for the ones who are in loss but for the extra amount paid. Small and medium entrepreneurs should be exempted from such taxes.

5.2.5 Efficiency of legal framework in challenging actions and in settling disputes:

The citizens cannot challenge the government's actions. There should be freedom of expression and speech. Furthermore, the judiciary at the local level in Hunza and Gilgit should settle all the disputes related to tourism and in society. It can be further improved by arranging specialized courts or tribunals to solve tourism-related issues. A sound and stable legal framework attracts investors and visitors.

Regulatory and administrative bodies should confirm transparency, reducing administrative hurdles and simplifying actions. This can foster a more anticipated business environment for tourism.

Local traditional Numberdari/lumbardari system can also be engaged to solve tourism connected concerns.

5.2.6 Protection of property rights

Although property rights are somehow protected in Hunza but still there needs local policies to be revised and proper formulation by GB Assembly. Property rights alter the character of a society. It can increase or decrease the value of a locality. There are issues between and among groups and individuals on public or barren land. The community land or barren land is the property of the community. The courts should finalize the matters of disputes and handover the property to the concerned groups. Such lands should be developed by constructing roads. Such lands such be distributed among individuals as per the need and policy of the local population. There should be no forceful occupation of government entities against the wishes of the local population.

Thus, to further enhance property rights there should be a proper documentation mechanism of all the individuals, government and community lands. National policies at federal should be indigenized with local traditional customs and unwritten laws.

5.2.7 Human centered local development

Local community should have participation in decision making processes. Coordination across local government and community is essential feature of democracy. The Laws, Rules, Orders, Acts and other guidelines should not be imposed on a society; rather, a participatory action plan is inevitable in the changing geopolitical landscape. Inclusive policies involving local knowledge and skill should be prioritized. Decisions should be made in public not in kitchen cabinets.

5.3 Conclusion

Tourism has become one of the most dominant promoting sectors of development. It is contributing almost 9% in the global economy. Tourism is becoming the investment sector, where jobs are being created, entrepreneurship opportunities are produced. It is becoming the new source of cultural heritage, values and customs. It is a challenging sector in the developing countries like Pakistan.

The scale and scope of travel and tourism is assessed using a variety of models and frameworks. TTDI 2021 ranks the travel and tourism aspect of countries. The TTDI 2021 was published by WEF. It is a new and flexible tool. It provides an outline and a criterion for policy analysts, advisors, and experts to address different factors to improve sustainability.

The influx of domestic tourists in Hunza varies as per season and events. In Winter tourism activities become shrink by reason of extreme weather conditions while in Spring, Summer and Autumn, tourism activities continue as usual. This study has explored the status of Business Environment, one of the pillars of TTDI to tourism situation in Hunza valley World Economic Forum (2021). External business environment has direct influence on overall effectiveness of any sector. It is an important element of enterprise success. Respondents indicated that the business environment is not progressing. Hunza, despite being a famous area for tourism activities, lacks a proper business environment. All the mentioned indicators require serious attention. Directing a thorough policy assessment and formulation of new policies with

respect to every area is a necessity of the time. All the stakeholders should be included in policy formation. Although this is academic research in nature, yet it has implications for the policy makers, researchers, and local communities.

Appendix A

Questionnaire

A.1 Basic Profile of the Respondent

1. Name: _____

2. Age: _____

3. Qualification: _____

4. Occupation: _____

5. Designation: _____

A.2 Structured Questionnaire

You are requested to pick one of the options given against each question based on your own observations with respect to domestic tourism in Hunza. Please note that you cannot select multiple options. Overall score ranges from 1 to 7 where 1= worst and 7=best. There are seven questions only.

1. Property Rights: In Hunza, to what extent are property rights, including financial assets, protected?

    (a) Not at all. 01

    (b) Very little 02

    (c) To some extent 03

(d) Neutral 04

(e) Moderate extent 05

(f) Available to everyone 06

(g) To great extent. 07

2. Efficiency of legal framework to settling disputes: In Hunza, how efficient are the legal and judicial systems for companies/businesses in settling disputes?

(a) Extremely inefficient. 01

(b) Inefficient 02

(c) Slightly inefficient 03

(d) Neutral. 04

(e) Moderately efficient 05

(f) Efficient 06

(g) Extremely efficient 07

3. Efficiency of legal framework in challenging actions: In Hunza, how easy is it for private businesses and citizens to challenge government actions through the legal system?

(a) Extremely difficult. 01

(b) Difficult 02

(c) Slightly Difficult. 03

(d) Neutral. 04

(e) Moderately easy 05

(f) Easy 06

(g) Extremely easy 07

4. Burden of government regulation: In Hunza, how easy is it for companies to comply with government regulation and administrative requirements (e.g. permits, reporting, legislation)?

(a) Extremely complex............................01

(b) Complex 02

(c) Slightly Complex............................03

(d) Neutral..04

(e) Moderately easy.............................05

(f) Easy...06

(g) Extremely easy..............................07

5. Government ensuring policy stability: In Hunza, to what extent does the government ensure a stable policy environment for doing business?

(a) Not at all.......................................01

(b) Very little 02

(c) To some extent 03

(d) Neutral 04

(e) Moderate extent 05

(f) Available to everyone 06

(g) To great extent..............................07

6. Ease of complying to tax system: In Hunza, to what extent are taxes easy to comply with?

(a) Not at all.......................................01

(b) Very little 02

(c) To some extent 03

(d) Neutral 04

(e) Moderate extent 05

(f) Available to everyone 06

(g) To great extent..............................07

7. SME access to finance: In Hunza, to what extent can small and medium sized enterprises (SMEs) access the finance they need for their business operations through the financial sector?

   (a) Not at all. 01

   (b) Very little . . . .…...02

   (c) To some extent . . . .…………. . . ...……03

   (d) Neutral . . . .……04

   (e) Moderate extent . . . . …………...……..05

   (f) Available to everyone . . . .……06

   (g) To great extent. . . . .…..07

Appendix B

Education data of Respondents

B.1   Profile of the Respondents

Table B.1: Education Profile of the Respondents

Education Level	Frequency	Percent (%)	Valid Percent (%)	Cumulative Percent (%)
Middle	6	5.0	5.0	5.0
Matric	21	17.5	17.5	22.5
Intermediate	11	9.2	9.2	31.7
Bachelors	30	25.0	25.0	56.7
Masters	49	40.8	40.8	97.5
MPhil	2	1.7	1.7	99.2
PhD	1	0.8	0.8	100.0
Total	**120**	**100.0**	**100.0**	

From largest to smallest, Majority of the candidates 49 out 0f 120 were Masters, having sixteen years of education. They represent 40.8% of the total

sample. Followed by Bachelors having fourteen years of education who represent 25%. There was a total of thirty respondents who were graduate. Twenty-one respondents were matriculate who represent 17.5%. Intermediate candidates were 11 representing 9.2% in the sample. Candidates having 8 years of schooling were six and their account in the sample becomes 5%. Two samples were MPhil qualified demonstrating 1.7% while there was one PhD (Doctor of Philosophy) respondent also contributing 0.8% in the sample frame.
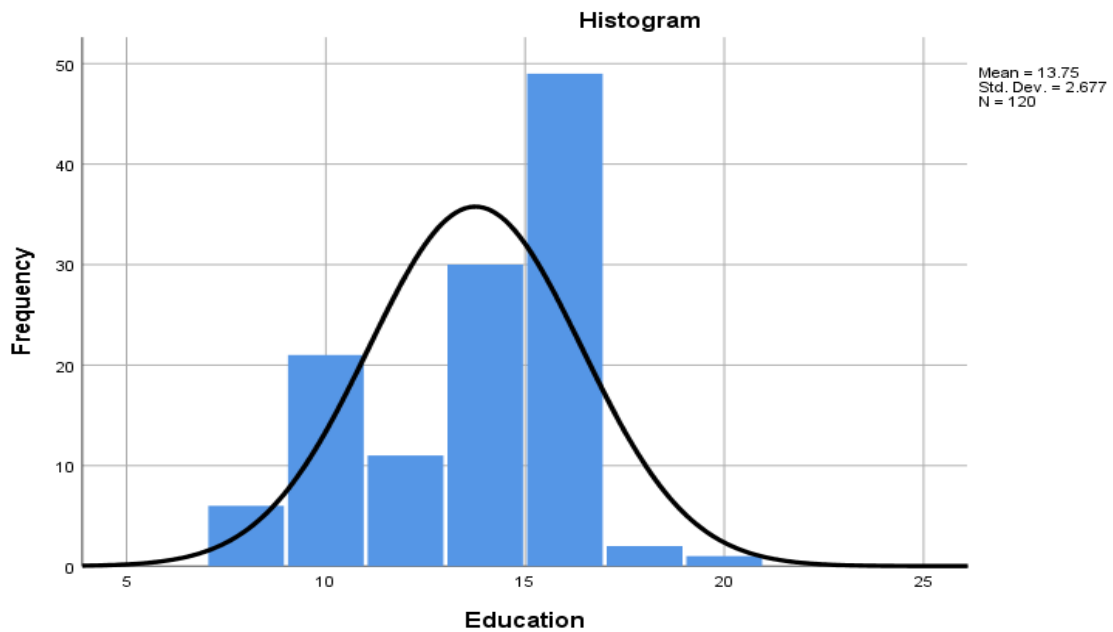

Figure B.1: Histogram of Education Profile

The distribution is almost symmetrical. The mean of 13.75 represents an average of 13.75 years of education per respondent, indicating that every respondent is a graduate.

Appendix C

Employment data of Respondents

C.1 Employment Profile

Table C.1: Employment Status of Respondents

Employment Status	Frequency	Percent (%)	Valid Percent (%)	Cumulative Percent (%)
Hotel owner	61	50.8	50.8	50.8
Guest house owner	6	5.0	5.0	55.8
Restaurant owner	8	6.7	6.7	62.5
Tourism company owner	4	3.3	3.3	65.8
Employee	39	32.5	32.5	98.3
Tour Guide	2	1.7	1.7	100.0
Total	**120**	**100.0**	**100.0**	

A total of 61 out of 120 candidates were hotel owners. They represent 50.8% of the total sample. Around 39 employes of hotels and guest houses were sampled, who contribute 32.5%. Eight guest house owners filled the questioner participating 6.7% in the sample. Four tourism company operators

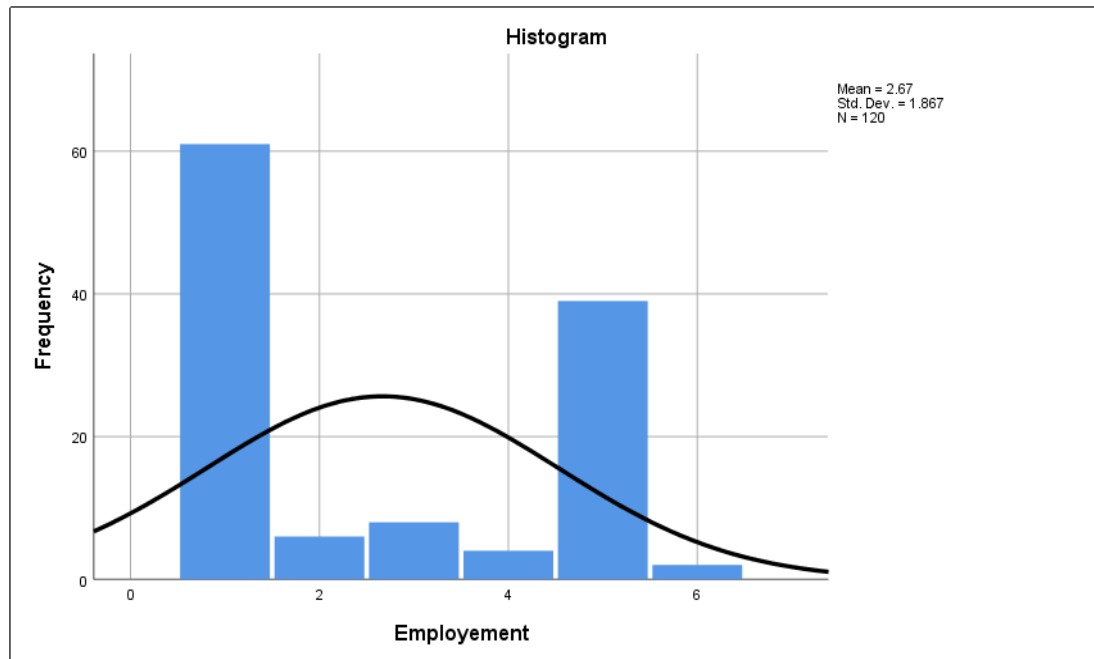and two tour guides notified their opinion contributing 3.3 and 1.7% respectively.

Figure C.1: Employment profile of the respondents

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