

Haseeb Gardezi on Pakistan's Hospitality sector post-Corona

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Haseeb Gardezi, a leading professional in the hospitality industry talks to GVS about the challenges faced by the hospitality sector during the coronavirus pandemic and what the government needs to do to facilitate the sector to recover in the future.

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Haseeb Gardezi is the Chairman of Pakistan Hotel Association and Chief Operating Officer of Hashoo Group, Pakistan's leading hotel chain company. He has over 2 decades of experience in the hospitality sector. Mr Gardezi is a certified Management and Hospitality professional from Cornell School of Hotel Administration, USA. This

interview is part of a series for the January Issue of Global Village Space magazine looking at the next decade for Pakistan – its strategic challenges and opportunities (2021-30).

What does Pakistan's Hospitality Sector need to do to recover post-Corona?

When Corona initially started at the beginning of this year, after the lockdown, hotels and banquets were closed and next four-six months saw them badly affected.

However, by August-September things started getting better; initially, we were allowed to open banqueting, then restaurants and finally the rooms. By October and November, recovery was not 100% compared to previous years but was almost 50-60%.

However, the second wave of Covid-19 has aggravated the situation again, though hotels are not closed, banquets are not operating; only the outdoor areas are open such as restaurants, so the overall capacities have reduced. The room occupancy in cities has gone down because nobody is travelling. We have seen many cancellations of internal group travel as well as the loss of international travellers, so hospitality continues to be in losses.

Read more: [Corona Pandemic: One Year of Lost Lives, Isolations, Destroyed Livelihoods](#)

As Chairman of the Pakistan Hotel Association, I am aware that while, the bigger hotel groups such as the [Hashoo Group](#), or the Avari group may be coping, smaller hotels are being hit hard, cashflows are down, and employee salaries are being delayed. For these hotels, they need good occupancies, their livelihoods, employment, and everything is related to room occupancy, which has not been happening, due to stringent government regulations to stop Covid from spreading.

The hospitality sector needs government help in utility bills, which has not been given so far, as well as help through soft loans or grants until cash flows increase to help hotels survive. Taxation on the hospitality sector has to be reconsidered, maybe consider giving a tax holiday, or organizations like EOBI come forward and start giving stipends to employees or even allow hotels to place a moratorium on contributions until the situation improves. The government needs to help the hospitality to stand on its feet.

Read more: [Global hotel industry: How to survive the pandemic](#)

We are working with the FBR, and with various ministries on the subject. The other thing to highlight is that given when foreigners come, they pay in dollars, so in essence, we are also foreign exchange earning companies. The hospitality sector should be permitted to deposit direct foreign currency revenues in the state bank.



In that case, we should get all those privileges that foreign exchange earning industries get; we must be considered an industry which has a potential to earn and bring in foreign exchange so we should also be given all those reliefs and all those tariffs, electricity tariff or the utility tariff that industries, which are considered to be foreign interest-earning industries get.

Read more: [How to make Pakistan a competitive tourism destination post COVID-19](#)

We should be brought in line with them. The prime minister's vision for tourism mustn't be lost in this Covid situation. Insha'Allah, one day we will get out of this, but by the time we get out of this, we do not want smaller businesses and smaller banquets and other such businesses to also close down. The government has to make sure these areas are sustained.

Giving loans on interest is not going to help because as soon as the hotels open, they would be bombarded by the loan payments and be bombarded by the interest payment. They will not be able to survive, and they will go into defaults. The government should come up with grants to help such businesses.

