



PAKISTAN HOTELS ASSOCIATION

(REGISTERED WITH THE MINISTRY OF COMMERCE, GOVERNMENT OF PAKISTAN)

Minutes of Meeting held on January 17, 2025

**Chairman, OGRA
&
Senior Vice Chairman, Pakistan Hotels Association (PHA)**

On request of Association Member Hotels for intervention against SNGPL's Tariff Change for Hotel Industry, whereby SNGPL sending notices to hotels to regularize their existing General Industrial gas connections in to commercial category. Matter was taken up by the Association and its Senior Vice Chairman, Barrister Mansoor Ali Shah arranged a meeting with Chairman, OGRA Mr. Mansoor Ahmed on January 17, 2025. Following are the details of Meeting held today with Chairman OGRA on the subject issue:

Participants:

- i Mr. Masroor Ahmed (Chairman OGRA)
- ii. Mr. Mansoor Ali Shah, Senior Vice Chairman, Pakistan Hotels Association
- ii Ms. Tayyaba (Executive Deputy Finance)
- iii Mr. Shehzad Iqbal (Senior Executive Deputy)
- iv Ms. Misbah Yaqoob (Senior Executive Deputy Finance)

Meeting Minutes:

1. PHA Members, M/s. Four Points by Sheraton Lahore and Avari Lahore Hotel have expressed their concern about the latest OGRA notification of switching from industrial tariff to the commercial tariff for hotel industry. Senior Vice Chairman PHA, Barrister Mansoor Ali Shah presented the concerns of the Hotel Industry in a meeting with OGRA Chairman, arguing that such a step would increase the operational costs of the industry already working on thin profit margins. Multiple entities such as PTDC, PHA, SIFC, Green Tourism etc. are striving to promote the Tourism Sector & Hotel Industry in Pakistan. There is a lot of hard work being put in by all these entities for investment in the sector and the creation of new jobs, hence a holistic approach should be taken when deciding changes as such the issue at hand when making arbitrary changes. Lastly, he discussed the fact that Tourism is declared as an Industry by the cabinet and requested that the decision of OGRA should align with and keep in view the cabinet notification.





2) To this, the Chairman OGRA replied, stating that OGRA & the ministry have mutually exclusive roles in setting up the tariff rates. These rates are set up based on the submissions of capital & operating costs by OGRA to the ministry. These submissions are then assessed and challenged after which the prices are changed by the ministry.

3) OGRA has sent a letter (17th December, 2024) to the Secretary Petroleum discussing the rates of SNGPL & SSGC for the next 6 months (effective from January 2025). After 40 days of assessment, the letter will be approved. He further explained how the bifurcation of costs is done according to the categorization of sectors. He further provided two contacts within the ministry for further talks.

4) Ms. Misbah explained how the agreement on tariff is based on the category set by the government. She further pointed out that any change made in the category of tariff is done by the government. She clarified that as per the current notification, the Hotel Industry is set in the category of commercial tariff. She argued that the cabinet notification states **Tourism Industry** while the OGRA notification states **Hotel Industry**, this was refuted by Mr. Mansoor Ali Shah, who stated that Tourism Industry is an umbrella term that includes the hotel industry.

The meeting ended on a positive note with a follow-up meeting scheduled with the Additional Secretary of Petroleum Hassan Mehmood Yousafzai on Monday.

Next Step:

Additional Secretary Hassan Mehmood Yousafzai is currently out of the country & will rejoin on Monday.

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