



PAKISTAN HOTELS ASSOCIATION

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

CHAIRMAN'S REPORT FOR THE YEAR 2017

I am pleased to report to the members that during 2016-17, your Association focused on number of objectives and also succeeded in streamlining the functioning of Association, few of them to mention here below as under:

- 1. Unfavorable amendments in Sindh Sales Law 2016:** Through Sindh Finance Bill 2016, the provincial government proposed a new section 15-A, not allowing service industry including hotels to claim Input Tax in excess of 13% ad valorem, which would significantly increase cost of doing business. The issue was immediately taken up from PHA by writing various letters to Finance Minister Sindh, Sindh Revenue Board and Chief Minister. Through our vigorous follow up on this important subject, ultimately a detailed meeting with Advisor Tax Policy, Sindh Revenue Board was held on July 24, 2017 along with other officials of SRB, whereby a detailed presentation was produced before members to highlight Sindh Sales Tax Law Restriction for excess sales deduction resulting Service Provider paying higher tax than is applicable on sales. Member hotels concerned team members and Mr. Abid Shaban, Tax Consultant attended the meeting.
- 2. Budget Proposals 2017-18:** As per every year practice PHA again submitted its sector specific Federal and Provincial Budget Proposals for the Year 2017-18 to FBR, Sindh Revenue Board, Punjab Revenue Authority, FPCCI, Chambers of Commerce, SMEDA, Services Trade Development Council, Ministry of Commerce in the months of February and March, 2017.
- 3. Sindh Hotels & Restaurants Act:** Pakistan Hotels Association since long is doing its efforts by submitting its proposed amendments in Sindh Hotels & Restaurants Act. For this purpose, PHA Chairman and Senior Vice Chairman had a detailed meeting with Sindh Tourism Minister, Sardar Ali Shah in his office on May 24, 2017 along with Controller DTS Sindh, whereby Minister Tourism Sindh appreciated PHA submission of its proposed amendment for draft Act to make it an effective workable document and instructed Controller DTS Sindh, Abdul Aleem Lashari to convene another detailed meeting on May 26, 2017 to discuss each amendment with its justification. This meeting was also attended by Chairman, Senior Vice Chairman and Mr. Anwar Qureshi, former Chairman PHA and hopefully most of our amendments would be incorporated in proposed draft Act for presentation at Sindh Assembly for its approval.
- 4. National Tourism Conference:** The First National Tourism Conference through public and private partnership was held on April 24, 2017 at Islamabad Serena Hotel, supported by all the provincial Governments through their Ministry of Tourism, Pakistan Hotels Association, TAAP; Airlines and various other stake holders of tourism. PHA invited all its members to attend the Conference, who actively participated to explore international, regional and national best practices towards achieving the promotion of Tourism. Event had all media coverage and its details are available at PHA website also. The undersigned being one of the speakers at its Session, highlighted the core issues of current hospitality industry and way forward.



5. PHA Chairman and Executive Committee Members' representation on Media: In the month of May, 2017 before budget, Association was approached from Business News Channels to express hoteliers expectations / demands for upcoming budget 2017-18. For this purpose, Dunya News Channel aired an interview of our EC Member, Mr. Saleemullah Shaikh on May 17, 2017 and the undersigned attended a live transmission of Business Plus Channel Budget Cell along with other trade and industry representatives to express our views on budget.

6. Association's role / participation in TVET Skill Development activities: Association has been demonstrating its effective role since years for the TVET Skill Development activities for the purpose of engaging Hospitality Industry in policy making and management of TVET programs with a key objective to identify the real need of the industry and to fill the gap between academia and industry. For this purpose, Association held various meetings and participated in Consultation Sessions / Workshops and Focused Group Discussions as per following details:

6.A: October 17, 2016: PHA hosted a Consultation Session between members of PHA and GIZ Pakistan TVET Reform Support Program team at Embassy Inn Hotel Karachi to orient on the Cooperative Vocational Training and explore the possibility of working together.

6.B: January 12, 2017: Focused Group Discussions with COTHM in partnership with British Council at Avari Towers Karachi with employers of the hospitality to identify the real need of the industry and formalizing the structure of Hospitality Sector Skills.

6.C: January 20, 2017: A consultative meeting was arranged from Association at Pearl-Continental Hotel Karachi on the request of COMSATS Institute Islamabad / NAVTTC for evaluation and taking feedback from Hotel Association members on Cooking / Chef and Restaurant Manager courses.

6.D: February 16, 2017: A Preparatory Workshop of GIZ Pakistan at Movenpick Hotel on working and implementation of TVET III in the Province.

6.E: May 08, 2017: A meeting on the proposed Sector Skill Council for Hospitality Sector was held at NAVTTC (National Vocational & Technical Training Commission) at Islamabad attended by Association's Islamabad based Members.

6.F: May 24, 2017: GIZ Pakistan held a Consultation Meeting at Movenpick Hotel for establishing TVET Advisory Forum Sindh and provide input to form Technical Working Group for implementation of TVET activities, attended by Mr. Ather Bhutto, reps from PC Hotel and Movenpick Hotel Karachi.

6.G: May 24, 2017: Another Public-Private Dialogues Session on Economic Reforms from CIPE (Centre for International Private Enterprise) was held at Karachi Marriott Hotel, attended by PHA Members.

6.H: July 12, 2017: PHA hosted a meeting with European Union Islamabad representatives, and GIZ Pakistan's TVET Sector Support Sindh for skill development to improve access, quality TVET availability for hospitality industry.

6.I: July 25-27, 2017: A three day Workshop on Domestic Commerce Orientation and Research as jointly organized by TDAP and Ministry of Commerce at FTC Karachi. Member hotels were requested to nominate their concerned 1 or 2 team members to attend the workshop.



6.J: August 17, 2017: A Consultation Session at PC Hotel Karachi arranged by GIZ Pakistan in collaboration with Employers Federation of Pakistan to provide a forum to industry people to discuss and share issues and impediments of employers concern on public TVET system.

6.K: August 21-23, 2017: A three days training workshop on Food Security Issues, Concerns and Strategies arranged by AHK National Centre for Rural Development, Islamabad. Information was circulated to all PHA Members, attended by mostly Islamabad, Faisalabad and Lahore based members' F&B teams to avail the free training for improvement in hospitality industry.

7. PHA Representation:

September 27, 2016: PHA Chairman and Vice Chairman attended Sindh Tourism Development Corporation Seminar on World Tourism Day. Mr. Mustansir Zakir, delivered his speech emphasizing the need to formulate friendly tourism policy with tax incentives and exemptions for certain period enabling hotel industry to progress more.

September 27, 2016: Another event on World Tourism Day arranged by Pakistan Tourism Development Corporation in Islamabad and Association was representative by its Islamabad based member, who delivered his speech on the occasion, which was very well appreciated with news coverage.

7.A: February 16, 2017: 49th Board of Governors Meeting of PITHM , attended by PHA Chairman and Secretary General.

7.B: May 25, 2017: First meeting of FPCCI Standing Committee on Hotels 2017

7.C: September 07, 2017: STDC Board of Directors Meeting, attended by Chairman PHA.

I would like to thank the Executive Committee Members, and all concerned for their support and cooperation over the last 12 months in discharge of my duties as Chairman of Pakistan Hotels Association. We all look forward for the coming years to be able to facilitate hospitality industry in a significant way.

Kind Regards,

MUSTANSIR ZAKIR
Chairman

September 27, 2017

