



RESEARCH PAPER

Role of Accommodation in Tourism Development in Gilgit-Baltistan, Pakistan

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ABSTRACT

The importance of well-planned accommodation in tourism development is a crucial consideration for countries that attract thousands of tourists annually. Pakistan, in particular, must address this question, given the significant tourism growth, especially in its northern region of Gilgit-Baltistan. The objective of this study was to examine the role of the accommodation sector in tourism development in Gilgit-Baltistan. The study was carried out by using the mixed method by distributing a self-administered questionnaire among the tourists, accommodation facilities and suppliers. The acquired data revealed that the accommodation sector plays a vital role in tourism development and local economic development. Moreover, accommodation facilities have increased in significant numbers but many are unattractive concrete structures that threaten the region's future tourism development. These structures fail to showcase the rich and unique local cultural heritage, risking the loss of the region's essence. Future accommodation facilities must be innovative to enhance overall tourist satisfaction by building eco-friendly accommodations with adherence to building codes.

KEYWORDS: Accommodation, Development, Tourism, Gilgit-Baltistan, Pakistan

Introduction

Comfortable and desired accommodation facilities not only provide safety to tourists, but also enhance the overall visitor experience. Thus, accommodation facilities are a fundamental part of tourism as they not only present a positive image to tourists but also contribute to the economic earnings of accommodation owners, thereby enhancing the overall financial chain of the region.

In the decades leading up to the onset of the COVID-19 pandemic, there was a notable surge in global travel demand, surpassing the pace of economic growth (ETC, 2019). This trend was fueled, in part, by the accessibility of affordable and diverse accommodation options worldwide. The rise of the sharing economy in the tourism sector, championed by various Internet companies, played a pivotal role in enabling accommodations through peer-to-peer arrangements in the homes of local residents. This paradigm shift in lodging options contributed significantly to the increased ease and affordability of travel experiences (Perić et al., 2022). The evolving needs of hospitality guests have undergone significant changes, with a particular emphasis on a discernible shift towards nature-based accommodation services, a trend acknowledged by international organizations (World Bank, 2022; Stolyarchuk, 2023).

The accommodation sector stands as the largest and arguably the most pivotal sub-sector within the expansive tourism industry. Boasting considerable size and

remarkable diversity, it collaborates closely with the transport industry to serve a broad spectrum of travelers, encompassing international, regional, national, and local tourists. Essentially, it caters to the diverse needs of nearly all segments of the tourism market. The dynamic nature of this sector not only intensifies competition but also ushers in novel products and elevated service standards. This article zeroes in on these innovative products and evolving service standards. Technological advancements within the accommodation sector, though presenting challenges, will be examined from various perspectives (Sharpley, 2000).

The Gilgit-Baltistan region has gained renown for its geographical allure and appeal as a tourist destination, drawing both local and international visitors. The significant increase in tourist influx can be attributed to the enhanced infrastructure facilities and the notable improvements in the region's law and order situation (Karim et al., 2022). Hospitality is a growing industry in Gilgit-Baltistan, Pakistan, encompassing opportunities for tourists to stay overnight and dine outside these facilities. Efficient marketing of these facilities is crucial. Intermediaries such as airlines, companies hosting business trips, or tourism information centers can play a role in marketing accommodation facilities to the right guests at the right time. Package offers, combining elements like food, accommodation, and trips, can also be an effective marketing strategy.

The development of basic and necessary accommodation facilities is essential to promote the principles of geotourism, which seeks to enhance the geographical character of a place. This necessitates the creation of creative and innovative accommodation facilities that are associated with the cultural heritage of a region, offering a narrative of its past. Tourists nowadays seek not only to visit a place, buy local goods, take photos, and wander but also to educate themselves and experience the life of local residents by immersing themselves in their way of living. Therefore, creating a positive attitude toward changes in the industry is vital when developing future innovative accommodation facilities. The tourism and hospitality industry has undergone significant changes, including increased competition, evolving tourist demands, innovative facilities, and the imperative to offer large-scale innovation. With changing trends, tourists look for different destinations with new experiences, necessitating a combination of typical hotel amenities and traditional values to provide the best travel experience.

Literature Review

The economic contribution of accommodation to tourism destinations has been a focal point of research. Scholars such as Ritchie and Crouch (2003) emphasize the economic significance of the accommodation sector, illustrating its role in job creation, income generation, and the overall economic well-being of the destination. Understanding the economic impact helps policymakers and industry stakeholders make informed decisions to foster sustainable development. Pizam and Ellis (1999) highlight that the quality of accommodation services significantly influences visitor satisfaction, affecting their likelihood to return and recommend the destination. This linkage emphasizes the importance of maintaining high standards in accommodation facilities to enhance the overall tourism experience.

In Stolyarchuk's (2023) study, attention is drawn to the current shift in travelers' preferences, leading to the over congestion of natural locations and subsequently posing a threat to the environment. The profound impact of tourists and travelers on nature is acknowledged. Furthermore, hospitality facilities, exemplified by hotels, are implicated in the misuse of natural resources, contributing to the deleterious effects on the natural environment. Even accommodation establishments situated away from natural spaces must recognize the imperative of nature-based services as a primary factor for

development. The research findings affirm the potential for hoteliers to embrace this paradigm shift as an opportunity for development. Therefore, hoteliers are encouraged to pivot their focus towards the implementation of innovative development trends, rather than contemplating a reduction in the number of visitors. This approach advocates for a proactive stance in adopting sustainable practices within the hospitality industry, fostering a balance between tourism and the preservation of natural environments.

Accommodation facilities contribute significantly to shaping the destination's image. As stated by Baloglu and McCleary (1999), the perceived quality and variety of accommodations influence the overall attractiveness and competitiveness of the destination. Positive experiences in accommodation can lead to positive word-of-mouth, influencing potential visitors' perceptions. Sustainable tourism is gaining prominence, and accommodation providers are increasingly adopting eco-friendly practices. Research by Gössling et al. (2012) underscores the importance of environmentally and culturally sustainable accommodation development. This involves minimizing the ecological footprint, preserving local culture, and engaging with the community to ensure long-term viability.

Government policies and regulations play a pivotal role in shaping accommodation development. Laws regarding zoning, building codes, and hospitality standards influence the type and scale of accommodation projects. Morrison et al. (2012) delve into the regulatory framework, emphasizing the need for a balanced approach that fosters growth while ensuring environmental and cultural preservation. Jiang et al. (2019) conducted a study on the influence of institutions on the evolution of tourism accommodation formats in Wulingyuan, a renowned tourist destination in China, utilizing the lens of institutional cluster embeddedness. The study proposes that, for the effective facilitation of updates in tourism accommodation formats through appropriate institutional design, a vigilant monitoring of format evolution is essential, and the identification of crucial institutional transition nodes is recommended.

Accommodation development should involve collaboration with local communities and various stakeholders. Tosun and Timothy (2003) stress the importance of community engagement to ensure that tourism development benefits are distributed equitably. Inclusive decision-making processes lead to more sustainable and responsible tourism practices.

Material and Methods

The current study aims to develop a baseline to find out the relationship between accommodation sector growth and tourism development and the policy way forward for sustainable tourism development in Gilgit-Baltistan. Therefore, a comprehensive baseline survey was conducted by using the self-administered questionnaires. The research design was intended to assess the overall progress of accommodation facilities, supply chain to assess import leakage and tourism in the local economy as well as the trends of tourism development. To carry out this study, purposive sampling technique was used to distribute the questionnaire among the respondents from the sampling process to get maximum and relevant information at five districts; Hunza, Nager, Gilgit, Diamer and Ghezer were selected as the sample study areas in Gilgit-Baltistan.

$$SS = \frac{\frac{z^2 \times p(1-p)}{e^2}}{1 + \left(\frac{z^2 \times p(1-p)}{e^2 N}\right)}$$

Where;

e = margin of error (calculated at 5%),

N = Population

Confidence level = 95%

To acquire the data, a total of 1220 questionnaires were distributed among foreign and domestic tourists, out of which 1180 responded with a 96.72% response rate. Moreover, 261 total questionnaires were distributed at accommodation facilities and 231 responded to the survey which becomes 88.50% response rate.

Results and Discussion

Based on the tourist data collected for this study, accommodation emerges as the most substantial expense for visiting tourists, constituting an average expenditure of 38% of their budget. Despite its significant potential, tourist accommodation facilities in GB face limitations, characterized by an excessive concentration in a few areas and a noticeable scarcity in others, as evidenced. During periods of reduced demand, the existing number of hotels and guesthouses seems adequate to meet the needs of domestic tourism. However, in peak demand periods, such as the tourism surge experienced in the pre-pandemic era, accommodation facilities in GB quickly reach full capacity.

Table 1
Types of Accommodation Used by Tourists in GB

Types of Accommodation Used	Frequency	Percentage
Hotel	1017	86
Guest House	121	10
House for Rent	23	2
Camping Site	19	2
Total	1180	100

The data provided in Table 1 represents the frequency and percentage distribution of different types of accommodation used by tourists in Gilgit-Baltistan. Hotels are the most preferred type of accommodation, constituting the majority at 86%. This shows that a significant portion of tourists visiting Gilgit-Baltistan prefers the convenience, services, and amenities offered by hotels. Guest houses are the second most common type of accommodation, representing 10% of the total. While not as dominant as hotels, guest houses still hold a substantial share, indicating a reasonable preference for more intimate and possibly homely lodging options among tourists. Houses for rent make up a small portion of the accommodations at 2%. This suggests that a limited number of tourists opt for renting houses, which could be indicative of a desire for a more private and residential experience during their stay. Camping sites also account for 2% of the total accommodations. This indicates that a modest number of tourists choose a more adventurous and nature-centric accommodation option, possibly to experience the scenic beauty of Gilgit-Baltistan more closely. The majority of tourists seem to prefer traditional lodging options like hotels and guest houses, emphasizing comfort and convenience. The relatively low percentages for house rentals and camping sites suggest that while some tourists seek unique and personalized experiences, the majority lean towards more established and service-oriented accommodations.

Table 2
District-wise Accommodation in Gilgit-Baltistan

District	2021	2022	% Change	2021	2022	% Change	2021	2022	% Change
	No. of Hotels	No. of Hotels		No. of Rooms	No. of Rooms		No. of Beds	No. of Beds	
Gilgit	149	151	1	1,915	1,963	3	2,305	2,325	1
Hunza	288	320	10	1,713	1,920	12	2,205	2,432	10
Nagar	49	52	6	298	312	5	555	588	6
Ghizer	55	66	17	301	330	10	497	594	20
Astore	51	53	4	391	424	8	456	472	3
Diamer	36	65	45	708	1,300	84	1,133	2,041	80

Skardu	135	255	47	1,245	2,295	84	2,122	4,182	97
Shigar	14	15	7	63	75	19	89	95	6
Kharmang	4	5	20	12	15	25	22	25	14
Ghanche	38	44	14	246	264	7	392	453	16
TOTOL	819	1026		6892	8898		9776	13206	

Source: Hotel Eye, GB Tourist Police; GBTD, 2023

As of the year 2021, the Hotel Eye (a hotel management system) operated by Gilgit-Baltistan Tourist Police, reported a total of 819 hotels and guesthouses in Gilgit-Baltistan, providing 6,892 rooms and 9,776 beds. Notably, there has been a substantial increase in accommodation facilities across all districts, with a 20% rise in the total number of hotels, a 29.11% increase in room availability, and a 35.09% expansion in the total number of beds in year 2022 (Table 2). District Skardu stands out with a remarkable doubling of hotels, rooms, and beds, suggesting a significant surge in tourism. This growth can be attributed to enhanced connectivity, particularly the full operational status of the Skardu-Gilgit road and the operation of multiple flights from Karachi, Islamabad, Faisalabad, and Lahore.

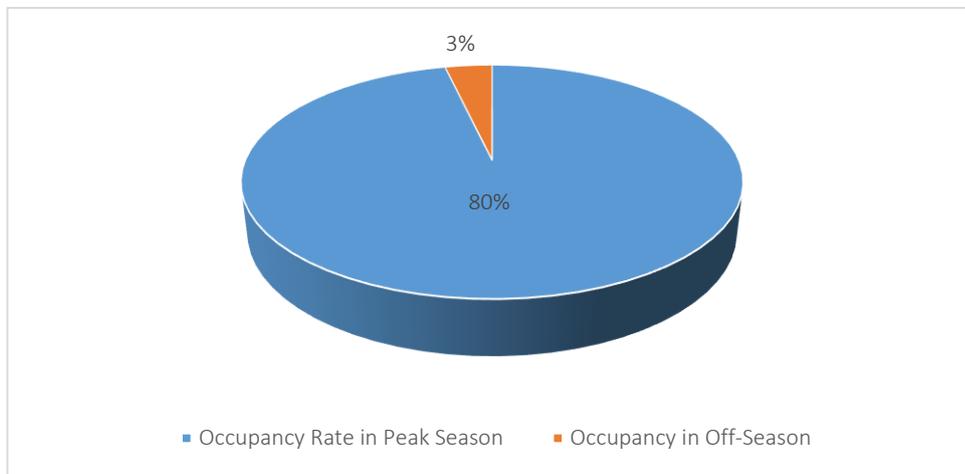


Figure 1: Seasonal Occupancy Rate in Gilgit-Baltistan

Figure 1 illustrates the mean percentage of accommodation occupancy rates in Gilgit-Baltistan during both peak and off-seasons. Notably, the peak season exhibits an average occupancy rate of 80%, indicating a substantial utilization of accommodation facilities during periods of heightened demand. This heightened demand is likely attributed to tourism influx, events, or other seasonal factors. Conversely, the off-season records a markedly lower average occupancy rate of 3%, signifying a notable reduction in accommodation demand during non-peak periods. This decline could be associated with factors such as adverse weather conditions or energy crises. The robust peak season occupancy rate (80%) underscores the necessity for strategic resource planning by businesses and accommodation providers in Gilgit-Baltistan. Adequate staffing and resource allocation become imperative during peak seasons to seamlessly manage the increased influx of visitors. In contrast, the meager off-season occupancy rate (3%) necessitates the formulation of effective strategies by businesses. Initiatives such as promotional offers, discounts, or special events could be instrumental in attracting visitors during off-peak periods.

Table 3
Supplies to Accommodation (n=231)

Items	Local Market	Outside GB Market
Fruits	65%	35%
Vegetables	24%	76%
Meat	12%	88%

Dairy Products	11%	89%
Grains and Cereals	3%	97%
Condiments and Sauces	1%	99%
Herbs and Spices	8%	92%
Oils and Fats	1%	99%
Beverages	2%	98%
Nuts and Seeds	58%	32%
Linens and Bedding	1%	99%
Toiletries	2%	98%
Cleaning and Housekeeping Supplies	1%	99%
Guest Amenities	2%	98%
Technology and Communication	1%	99%
Conference and Banquet Supplies	2%	98%
Maintenance and Repair Tools	4%	96%
Security and Safety Equipment	1%	99%

The data in Table 3 reveals a nuanced pattern in the sourcing dynamics of essential supplies for the hospitality sector in Gilgit-Baltistan. While a majority of fruits are derived from the local market, indicating a reliance on regional produce, a noteworthy segment is obtained from external sources. Significantly, a substantial proportion of vegetables, meat, and dairy products are predominantly procured from outside GB. This underscores a notable dependency on external markets for these fundamental components of culinary offerings within the accommodation sector. Such reliance may expose the sector to vulnerabilities arising from external market fluctuations and underscores the need for a strategic approach to diversify supply sources. The sourcing of grains and cereals predominantly from outside GB further accentuates a substantial dependency on external markets for staple food items. Similarly, condiments, sauces, herbs, spices, oils, fats, and beverages exhibit a consistent trend of being primarily sourced externally. This underscores the industry's reliance on external suppliers for flavor enhancement, culinary essentials, and a diverse range of beverages. Noteworthy exceptions include the local market's significant role in providing nuts and seeds, contributing to both local authenticity and potentially fulfilling specific dietary preferences. However, a considerable portion is still sourced from outside GB, possibly to introduce variety.

Critical operational categories such as linens and bedding, toiletries, cleaning and housekeeping supplies, guest amenities, technology and communication, conference and banquet supplies, maintenance and repair tools, as well as security and safety equipment, showcase a uniform reliance on external markets ranging from 96% to 99%. This consistent trend highlights a dependence on external sources for a comprehensive array of items vital to the seamless functioning of the accommodation sector.

Conclusion

Prior to becoming a prominent tourist destination, Gilgit-Baltistan lacked sufficient accommodation facilities, with only a few hotels catering to travelers. However, with the increasing influx of both national and international tourists, locals and outsiders alike began constructing various accommodation options, including guesthouses, hotels, eco-lodges, huts, and camps. This surge in accommodation facilities has had two noteworthy impacts, the first being positive. The timely expansion of such facilities facilitated convenient lodging for tourists. However, as the entire land is owned by locals, the unplanned construction has now overtaken the entire region, leading to widespread visual pollution. In the case of Gilgit-Baltistan, institutions and locals need to comprehend emerging trends in the tourism and hospitality industry. The current situation in Gilgit-Baltistan indicates that a majority of locals derive their income from accommodation facilities. However, as this income is seasonal and many locals have become dependent on

it, there is a need to transform the tourism industry into a year-round business to ensure continuous earnings for those heavily reliant on it. This transformation requires training and awareness among various stakeholders, including institutions and local populations. Institutions must raise awareness about innovative accommodation facilities, and service providers need training to construct facilities based on innovation while preserving local cultural heritage. The identified heavy reliance on outside GB markets for essential supplies signals a vulnerability to external market fluctuations. To mitigate risks and enhance resilience in the supply chain, strategic measures such as supplier diversification and active support for local markets become imperative. Understanding and addressing these supply dynamics are critical for informed strategic planning and effective risk management within the hospitality sector in Gilgit-Baltistan. This analysis underscores the necessity for a well-balanced and resilient supply chain strategy to fortify the region's hospitality industry against external uncertainties. Local observations in the Hunza Valley, Gilgit-Baltistan, reveal that increasing unplanned construction has made major tourist destinations less attractive. However, these areas are preferred for accommodation and food facilities compared to surrounding areas. Therefore, maintaining a balance between attractive and innovative accommodation and food facilities can attract more tourists in the future.

Recommendations

- Accommodation facilities play a vital role in the tourism development of a region. However, there must be a balance between these facilities and the natural beauty of the region. Integrating cultural heritage into accommodation facilities is important while combating the negative influence of unplanned construction is crucial for the sustainable development of tourism and the associated sources of income. Therefore, eco-friendly accommodation facilities must be ensured in Gilgit-Baltistan.
- Locals, who own the majority of the land, should be made aware of emerging trends in the tourism industry, and regulations must be implemented to control unplanned construction that threatens the region's natural beauty. It is crucial to make the region tourism-friendly and comfortable for incoming guests before it succumbs to dominance by concrete structures.
- Government and regulatory authorities must ensure the implementation of building codes across Gilgit-Baltistan.
- There is a severe supply gap between local and external market. There is need to grow local support sector so that import leakage can be minimized.

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