

CHAPTER ONE

Tourism Services Marketing in Nepal

Introduction

1. 1 Background of the Study

Tourism has been considered as crucial instrument for the economic development of the country. It should be the main reason that many governments of developing or developed countries are involved in design, development and operation of the tourism industry. In the context of Nepal, it is also regarded as one of the important sources of foreign exchange earning of the country, besides this it has a significant impact on the social and physical structure of the country. The country's geographic locations, economic activities, natural resources, population, culture and history affect the tourism sector industries.

1. 2 Rationale of the study

Tourism, also known as a smokeless industry, is one of the fastest growing sectors in the world. It is learnt that various terrestrial and aquatic ecosystems, including socio-cultural heritage, are opening up for tourist use in order to earn more foreign exchange through a sustainable use of these resources. This sector has been understood as a vehicle of foreign exchange earning, intensive labour generator, consumer of farm food products and promoter of ancillary industries and handicraft.

Tourism has also been counted as the largest industry in the world contributing to its economic developments. It is supported by hotels, airlines, travel and tours and handicrafts. The benefits of tourism in the economy of the host country is measured mainly in terms of foreign exchange receipts from tourists and its multiplier effect on different activities, contribution to the national income, employment and balance of payments.

The tourism industry, unlike some other industries, is critical enough to be affected and often damaged by a change in the weather/season, occurrence of incidents and even by rumour or propaganda which is both environmentally and socially vulnerable.

Tourism is a vital sector of the Nepalese economy as it contributes to correct the adverse trade balance. In view of the significant role of the tourism industry, its proper development is indispensable.

1. 3 Statement of the Problem

Nepal has a large number of peaks offering immense attractions, cultural values and archaeological beauties and are the main attractions to the tourists of Nepal. However, the potentiality so far does not seem to have been exploited properly. Though various studies have been conducted highlighting the various aspects of tourism but these studies have not seemed to address the current problem of tourism. The main purpose of this study would be to increase the attraction of international visitors to Nepal through the offering of quality tourism products and services and making them more satisfied. However, there are many problems hindering the development of the tourism.

Nepal's tourism potential is vast but factors such as limited air access, poor infrastructure and lack of appropriate marketing strategy have resulted in limited growth. Certain key projects are vitally necessary for the development of tourism, as for example, Tribhuvan International Airport (TIA) is the only international airport in Nepal.

Road transport is also equally important for the development of tourism. However, there is no sufficient road network in different tourist areas and trekking routes.

Lack of good quality hotels are also one of the problems for the development of tourism. In respect to service infrastructure, its number has substantially increased in terms of volume, but their quality of services are not satisfactory. As a result, during traveling tourists are compelled to have a rest in dirty rooms with dirty floors, shabby bed sheets, broken window panes, unhooked curtains, dirty toilets and poor room service, which may create a great inconvenience to them.

Pollution has become a very big problem in Nepal. The degrading conditions of environment is said to be one of the most serious problems faced by Nepalese tourism. We need to focus on environmental issues especially pollution in big cities like Kathmandu valley, trekking routes and touristic places.

Nepal has not been able to make adequate efforts to promote tourism. This is a major factor that Nepal is not being able to attain up to the expected level. The tourism policies and strategies are being pursued up to now by Nepal seem to give only limited attention towards tourism marketing.

Similarly, tourist safety has appeared as the number one concern for tourism development. Assured safety in terms of crime, theft, murder, terrorism, harassment, health, hygiene and sanitation are the major problems for the development of tourism. Besides this, though Nepal is a peaceful country, the unstable political situation, has been creating an obstacle, as travelers and tourists think it is not the right time to visit Nepal as they do not want to take any risk while traveling.

Fuel crisis has also been regarded as one of the problem seen in the tourism industry. The tourists have to pay higher prices for traveling around the city due to high taxi fare and high car rental charges. It is not only fuel but load shedding has also caused problems for the industry like hotels, garments and handicrafts.

1. 4 Objectives of the Study

The basic objective of this study is to examine into the status of tourism service marketing in Nepal. The specific objectives of the study would be as follows:

1. To examine the development of tourism service marketing in Nepal. i.e, Naturally Nepal etc.
2. To evaluate the status of tourism products and the tourism infrastructure in the country.
3. To assess the nature, strength and weaknesses of Nepal's tourism products and services. i.e, geographical attractions, fun and entertainment etc.
4. To assess the impact of tourism on the national economy of Nepal.

1. 5 Research Methodology

1.5.1. Nature and Sources of Data

The secondary data would be followed for the collection of the necessary information supported on the primary base. Most of the secondary data employed in this study shall comprise of various sources from government offices, semi government and private offices. Basically the secondary data would be collected from various issues of Economic Survey, Budget Speech of different years of Ministry of Finance- (Government of Nepal), Year Book of Tourism Statistics 2006 MOCTCA of various years, Quarterly Economic Bulletin (Nepal Rastra Bank) of different volumes, and National Account prepared by (Central Bureau of Statistics)-, Survey of Hotel Industry 2003/04 from CBS, Government of Nepal. Similarly, secondary data employed in this study shall assist from -Annual Operation Plan of different years of Nepal Tourism Board, Articles from Nepal Travel Trade Reporter, Articles and other Publications from different official records, World Tourism Organization, 2007, PATA-Annual Statistical Report 2005/06 and 2006/07, WTO-Tourism Highlights from various years and World Tourism Barometer 2007.

1. 6 The Limitation of the Study

This study is concerned with marketing concepts carried out with the following limitations.

-) This study includes only the international tourists (including Indian) in the visitors' survey 2006 but does not include the domestic tourists.
-) The survey has been carried in limited area only. i.e, Kathmandu.
-) The visitors' survey was conducted on the base of limited year only.
-) The study covers the period for few years only.

1.7 Chapter Scheme of the Study

The present study is divided into five chapters. The broad outlines of the chapters are as follows:

Chapter 1 is an introductory chapter. It presents the background of the study, concept of tourism and tourism service marketing. In addition, it deals with the significance of the study, objectives of the study, research design, and sources of data.

Chapter 2 presents theoretical background of tourism. It includes a brief presentation of theoretical foundation on tourism and review of studies made, which are mainly related to Nepal.

Chapter 3 presents the details of the nature and features of tourism products. It also analyzes the strength, weaknesses, opportunities and threats of present tourism products of Nepal.

Chapter 4 presents the tourism infrastructures development in Nepal in different forms, like support infrastructure, Tourism Industry Organization and institutional infrastructure for tourism.

Chapter 5 presents the summary of findings and conclusions of the research. It also includes the policy implementation and suggestions.

CHAPTER TWO

Review of Literature

2.1 Introduction

In this study, an attempt has been made to review the literature on the theoretical background on tourism, concept of tourism, motivation for travel and tourism services. Equal emphasis has been given to the role of service marketing, and tourism marketing. Various books, articles, journals and research paper written and published by different writers and scholars, and scrutinized previous research works conducted by different scholars on related subject are reviewed for the research.

2. 2 Meaning of Tourism

The word "Tourism" originates from the word "Tour" which means journey out of home to see and visit several places. Many studies have been conducted on tourism by different people inside and outside the country. Due to the growing interest in tourism, more and more studies about tourism are coming into focus. Before reviewing the related studies, a brief review of the theoretical foundation of tourism has been studied to explore the reasons for traveling of people through the books, journals, magazines, and research reports, etc whichever are available.

2. 3 Motivation to Travel

People travel from one place to another, leaving their home area, with different motives. "Historical records show that people did travel for motives other than trade, commerce, and religious rites in the ancient world. They were

impelled by the innate human desire to explore their surroundings, discover the unknown and seek new experiences. Other motivations include curiosity, health sports and knowledge that made them travel for pleasure to renewed places.” (Tewari, 1994:20).

2. 4 Service Marketing: Concept

Tourism as one part of service and this has occupied a vital place in business studies all over the world. According to Reddy, et al, (2000) the concept of service marketing first was conceived in advanced countries in 1970s. Marketers in these countries were applying the traditional marketing techniques for marketing the services. Actually, they were not differentiating between the marketing of physical goods and of services. The paid services organizations like financial institutions were also thinking that “service was just an augmentation of the physical product or that could be considered as a product itself if no physical product was involved”. In reality, they were performing the markets of services. They never considered this as a separate powerful activity which could bring more income and increase the standard of living.

2. 5 Tourism Marketing: Concept

The tourism phenomenon has attracted almost the entire world. Those responsible for managing the affairs of nations have universally recognized the economic advantages of tourism. It is a very important source for maximizing scarce foreign exchange earnings for not only developing countries but for many developed countries of the world (Anju, & Bhatia, 1996:126). In brief, the main focus was given to the product; however it did not matter whether potential visitors had any interest in such attractions. Thus product-oriented

marketing has helped to increase visitor's arrivals. But in recent years, attention has been shifted from product destination to potential destination visitor.

Therefore, tourism marketing is different from other forms of marketing because it must present an overall vision of the complete tourism product, including peripheral services from other sectors. Business success is not determined by the producer, but by the customer.

2. 6 Feature of Tourism Marketing

Marketing of tourism product is different from the marketing of physical product because a tourism product has unique features that differentiate it from the physical product. As tourism is a service industry, tourism products have distinct characteristics which differ from other physical products.

Intangibility – Intangibility is one of the most important features of tourism industry which is different from other physical product. Tourism product is the set of all services offered to tourism during the period of visit of the visitors to the destinations. It is performance, deeds and efforts. As a result, the tourism products cannot be inspected, sampled, stored, seen, touched and tasted in advanced to their purchase. This can cause lack of confidence on the part of the consumer. Therefore the element of greater risk is involved on the part of the tourist. So to overcome risk and doubt consumers tend to look for evidence of quality and other attributes.

Perishability – Perishability means that services can not be stored and, due to the perishable nature of the tourism product, if it is not sold today, it cannot be

stored for tomorrow unlike other physical products and will be a total loss. As we have known if an airline seats or hotel rooms are not sold today, it is lost forever. We can not sell them after a few days or months. The opportunity is lost which leads to a financial loss. This will adversely affect the airline and hotel business. Hence, due to the perishable nature of the tourism product, the marketer has to cut down the prices of such products during the off season.

As mobility –Tourism product is a service product, it does not move through a channel of distribution. The product cannot be transported to the consumers and consumers must come to the product to experience it.

Instability in demand – The demand for tourism product is usually fluctuating. It can be affected by the factors like political instability, seasonal change and religion etc. The demand for tourism product varies as per the situation and season. So the marketer has to spend money for the promotion of tourism, and he has to manage the additional room in a hotel and an airline seat during the peak seasons .

Ownership – In physical products, the ownership of goods can be transferred i.e. seller to the buyer, but in a tourism product, that is impossible because the consumer simply use the service. The airline seats or hotel rooms etc can be used by paying the bill for a particular period while the ownership remains with the proprietors, but not transferred the to the service user. It is clear that ownership is not affected in the process of selling the services.

Rigidity in Supply – The tourism product unlike physical product can not supply within a short period of time .i.e. rooms or facilities in a hotel can not change or be built within an hour. Similarly, once the hotel property

constructed to serve for specific customer segments i.e. hotel room segmented for economy type customer can not be moved up into a luxury one without considerable expenses and time. Like physical products, the service providers can not manage within day or weeks.

Variability in Service – One of the major features of tourism product is heterogeneity. In tourism service organization, people typically perform services, but they do not always perform consistently or the same as a machine (product) does. There may be variation from one service to another within the same organization or variation in the service that a single individual provides from day to day and from customer to customer.

Quality of personnel – In tourism marketing most of services are handled by people i.e. in a hotel industry the service quality is generally influenced by staff and the services offered to the guests customers are substantially influenced by the quality of personnel. The housekeeper not managing bedroom properly, the waiter and related staff failing to maintain good quality service in restaurants and bars, the staff not decorating the rooms properly, the receptionists not showing empathy, etc would influence the quality and image of the hotel adversely. Hence, these are the basic things which must be taken into account while providing service to the customers.

2. 7 Tourism Development in Nepal

Tourism existed from the very beginning of human civilization. There could not have been any civilization without personal communication, exchange of views, interchanges of knowledge, experience and skills. Tourism has taken different forms and shape since its origin to till now. But, whatever form and shape it may be, it always remained inseparable from human civilization.

2. 8 Review of Related Studies

In this section an attempt has been made to review previous studies on tourism with special reference to Nepal. There was no plan and policy regarding tourism in Nepal till 1950s. For the first time the written study on tourism was made on the late 1950s. In Nepal, a general plan for the organization of tourism prepared by French national George Lebrec, in 1959, was the first tourism plan which was prepared with the help of the French Government. In this plan, Lebrec has recommended to make brochures, posters, postage stamps depicting the Himalayan peaks and Flora and Fauna and the use of films and documentaries prepared by the mountaineering expedition for promoting tourism in Nepal and the establishment of separate Nepal Tourism Offices.

Later, George Lebrec visited Nepal in 1964 and 1966 and prepared two other reports on tourism entitled “Report on the Development of Tourism” and “Report on Tourism in Nepal.” In these reports Lebrec had recommended that tourism in Nepal had started growing at a faster pace.

In 1972, with an aim to run tourism in a planned way and formulating policy, Nepal Tourism Master Plan (1972), a detailed and comprehensive document about Nepalese tourism, was prepared with a joint cooperation of Bundesstelle Fur Entwicklungshilfe of Germany and Nepal Government of programs and projects for ten years. The plan also included marketing programs to be conducted and the market segments of Nepalese tourism were identified as organized sight seeing, independent “Nepal style” tourism, trekking and pilgrimage.

Furthermore, the plan has emphasized for development of tourism outside Kathmandu such as the development of Pokhara, Chitwan and development of national parks at Langtang, Annapurna, Dhaulagiri and Khumbu. The development of pilgrimage centers at Lumbini, Muktinath, Barachettra and Janakpur was also envisaged.

Nepal should become the starting of any Asian tour as it is the cradle of a religion and culture that influenced the history and life of the major parts of Asia. In his report, Susnik has suggested for the formation of Nepal Tourism Marketing Committee as well as Nepal Tourism Infrastructure Committee with representation of private sector and the Department of Tourism be recognized into Nepal Tourist Office which should concentrate on the marketing and promotional activities abroad with an independent operational budget.

2. 9 Conclusion

The review of literature are based on various theories of tourism and introduction of brief historical development of tourism of Nepal.

This study shows that 'travel' is as old as human civilization and it is natural for human being to travel to different places to satisfy their desires. In old age tourism has been looked at as a journey, pilgrimage and adventure, while in the modern age, travel has become 'tourism' i.e. activities provided by an increasing number of personnel involved directly, and indirectly in the travel sector to satisfy the needs and desires of the visitors. .

There are different views regarding the definition of tourism. Some say that tourism is traveling for recreation and some consider tourism as a system consisting of four interrelated parts i.e. market (area where the potential buyer and seller interact with each other to sell and buy the products and services), travel – is related to activities of tourists for entire trips, destination is a place where visitors can enjoy with its features, and satisfy the desires and finally destination encourages people to travel through the process of marketing. Therefore marketing is the process that stimulates and satisfies the need of the human beings. It is an integrated effort to satisfy the tourists by making available to them the best possible services. To sum up, tourism is an experience rather than a good.

Tourism may be domestic as well as of international. The person who travels within the borders of his own country for leisure, pleasure and recreation and business is called a domestic tourist, and the activities of the domestic tourist are called domestic tourism. On the other hand, the international tourism involves the movement of people among different countries in the world, and a person who goes outside of his / her own country for leisure, pleasure, recreation, business etc is called international tourist.

Marketing of tourism means marketing a service, this means marketing something intangible and it is marketing a promise. Being a service oriented industry, the marketing management of tourism should consider that the distinguished characteristics of tourism products are mostly services oriented (hotel, airlines, travel and trekking guide etc) and highly perishable, inseparable, intangible, heterogeneous and the ownership is non – transferable.

Tourism in Nepal has taken different forms and shape since its origin to till now. However, the modern day tourism in Nepal began after the dawn of

democracy in 1951 A.D., when the country was opened to the outside world such as, Nepal's expanding diplomatic relations, membership of the United Nations Organization and other world organizations and the far reaching expeditions by mountaineering teams from different parts of the world. Besides this, the development of direct air links Indian cities of Delhi, Calcutta, and Patna in 1960 increased the accessibility of Nepal to the outside world. Similarly the establishment of different star hotels, and the formation of different private associations i.e. travel association and Nepal mountaineering associations in the mid 60s and the extension of air links to different places i.e. Dhaka, Hong Kong, Singapore, Osaka, Bombay and London in late 1980s and 1990s had greatly facilitated the tourist flow in Nepal.

In this part to explore views, knowledge and ideas, the researcher has studied various important theoretical foundations of tourism and relevant literature on Nepalese perspective. Similarly, various publications carried out by different planners, researchers, experts, academicians, professionals and foreign experts published in national and international publications theories were deduced.

The present study is different from others in various forms. Generally, the present study deals with the tourism marketing as a service marketing and it is more concerned with the customers satisfaction through improvement in the quality of tourism products and services.

2.10 Research Gap

The review of the available literature both conceptual review and review of the published and unpublished thesis and articles found that any research and studies have not been conducted on Tourism Service Marketing in Nepal so far. Although various specific studies on tourism, very few focuses on tourism service marketing.

CHAPTER THREE

Tourism Products of Nepal

3.1 Introduction

The nature of tourism product is different from physical product. It is the most important and crucial part of tourism. It is the product which motivates tourists to visit and experience certain things in certain destinations. The nature and features of tourism products are also described briefly in this chapter. The status of present tourism products and services of Nepal and its major strengths and weaknesses along with opportunities and threats have also been considered.

3. 2 Tourism Product: Concept

One of the most important and crucial part of tourism marketing is the tourism product, which motivates tourists to visit and see certain things in certain destination. Different scholars have expressed their views about the concept of tourism product.

Mitchell (1979:256) analyses the tourism product in terms of its demand and supply complements. He argues that the demand for tourism is a function of characteristics of the individual tourist such as their income, age, motivations and psychological makeup. These factors variously affect their propensity to travel for pleasure, their ability to travel, and their choice of destinations. The demand is also a function of characteristics, satisfaction and spending.

Gunn (1994) also analyses the nature of demand and supply of tourism product. The demand comes from people in the travel markets who have interest and capacity to travel. The markets are segmented on the basis of varied interests of the consumers and on factors like age, financial status, religion, sex, and activity preference. The supply side contains the attraction services, promotion, transport and information. The demand and supply need to be balanced to achieve equilibrium. The task of balancing the demand and supply is one of the foremost tasks of tourism policy.

According to Jha (1994: 178) the tourism product can only be experienced and it has some unique features. We consider it a service product which is perishable. Here the actual customers directly come to the centers for pleasure. The tourists or users of services need a host of services. Besides, the providers or suppliers are a heterogeneous group of people. Or say, the providers are un-coordinated but they are required to make active efforts for getting a coordinated result. Hence the success of tourism industry is governed by the integrated efforts of providers.

Bhatia has also expresses that tourism marketing and marketing in general both emphasize consumer orientation and satisfaction. The concept of consumer orientation makes it necessary to understand the components of the tourist product from the point of view of the consumer. The product for the tourists covers the complete experience from the time he leaves home to the time he returns back. He emphasizes that availability of a product is the prerequisite in the marketing function. So a product is defined as the 'sum of the physical and psychological satisfaction it provides to the buyer'. Marketing by definition is the 'development of a product to meet the needs of the consumer and then employing the techniques of direct sales, publicity and advertising to bring this product to the consumer'.

Bhatia further adds that in the case of tourism product, the basic raw materials would be the country's natural beauty, climate, history, culture and the people. The other aspects would be the existing facilities necessary for comfortable living such as water supply, electricity, roads transport, communication and other essentials.

In other words, the tourist product can be seen as a composite product, as the sum-total of a country's tourist attractions, transport, accommodations, and of entertainment, which hopefully result in consumer satisfaction. The tourist product can be entirely a man-made one or nature's creation improved upon by man, and each of these components of a tourist product is supplied by individual providers of services like hotel companies, airlines or other suppliers, and is offered directly to the tourist by them (Bhatia, 1997: 142-143).

There are various products which attract tourists. The major potential attractions are briefly mentioned here in order to develop a conducive and comprehensive package for tourist development.

Natural resource is one of the most important tourism products of Nepal. Generally, every country of the world possesses varying natural attractions. Natural attractions resulting from climatic, physical and ecological features are more prominent and widespread in Nepal. Natural beauties of Nepal are unique in kind than those of other countries in the world.

Nepal is a mountainous country; the divergent geographical feature has endowed her with various attractions and richness. It is amazing that within a

short distance there is so much diversity and variety. The unprecedented distribution of the world heritage sites within a short distance (seven sites within the distance of around 20 KM) is also amazing. Moreover, friendly people of different cultures are always ready to offer fascinating glimpses of traditional rural life and to provide lifetime expenditure for the tourists.

Like many other products tourism itself is not a total product. One can not have its utility in isolation. This product is a component of a system based product which includes airlines, airport services, immigration, , besides core tourism components, such as hotel, sightseeing, natural and cultural interface, expedition golfing etc are interdependent, and looked upon as a total product which helps the development of the entire economic system and tourism sub-system (Shrestha, 2006:5)

3. 3 Tourism Products of Nepal

Nepal is rich in ecological resources. Ecologically, Nepal is divided into three regions, i.e. (a) The Mountain Region (b) The Hill Region and (c) The Terai or plain region, running east to west and all those regions have their own tourist attraction and products are capable of alluring visitors of different taste and segments.

3. 3. 1 Ecological Resource

The Himalaya

The mountains are the main focal point for the international visitors. Nepal is famous for its Himalayas, with many high peaks, beautiful and attractive mountains. Peaks like Mt. Everest (8848 m), Kanchenjunga (8598 m), and Dhaulagiri (8137m) are found here and sparse vegetation is found up to 4500

m. Although rare, the snow Leopard and Danphe bird are much talked about sights among visitors. Out of thirty-one mountain peaks over 7600 meters from all over the world, twenty-two of them lie in Nepal. Furthermore, among the fourteen snow-topped mountains over 8000 meters in height in the world, eight are located in Nepal (Nepal Traveler, 2006:10)

The Hills

Kathmandu, the capital of Nepal is located in the hill. During summer the temperature reaches an average of 32 degrees Celsius. Winters are cold with temperature reaching 1 (one) degree Celsius sometimes.

The Terai

The Terai provides excellent farming land and the average elevation of flatlands is 100 to 300 feet above the sea-level. Sub-tropical forest areas, marshes, and wildlife which include the Royal Bengal tiger, one-horned rhino, and the Gharial crocodile are found here (Nepal Traveler, 2006:10).

River System

There are many rivers, lakes, and ponds in Nepal. The rivers of Nepal run in north-south direction corresponding to the southward slope of the geographical layout of the country. Nepal has three main river systems, namely, the Koshi River in the east, the Gandaki River in the central and the Karnali in the west. Among them, Koshi is the greatest river and the Karnali is the longest.

Flora and Fauna

Forest is another major natural resource which has tremendous potential to attract many people of the world. Flora and Fauna both are rich and varied in Nepalese forests due to altitudinal and climatic variance. Extreme bio-

diversity is noticed and vegetation types range from alpine to tropical nature making Nepal extremely rich in biological and genetic resources indicating its potentiality as a major tourist attraction.

The bio-diversity of Nepal has made it the home of many species of mammals and birds. Many species of wildlife and birds are available in different places of the country and they roam in the low land forest include tigers, leopards, bears, deer, wild elephants, wild buffaloes, one horned rhinoceros, etc.

3. 3. 2 Social and Cultural Aspects

Another important factor attracting tourists are the social and cultural wealth of a country. The Nepalese culture is remarkably rich and fascinating. One of the specific features of Nepalese culture is religious harmony between the Hinduism and the Buddhism. On the other hand there is always unity on the cultural diversity of people of Nepal. Although there is diversity in religion, ethnic language, customs, lifestyle, traditions, and folklore of people, a plethora of colorful fairs and festivals celebrated over the year provides a feast for the eyes. These fairs and festivals are accompanied by various forms of music and dance.

It is said that Nepalese people observe more festivals than there are days in the year. Most of the Nepalese festivals are of religious as well as social values and although it may be of Hindu or Buddhist origin it is celebrated in common by the people with enthusiasm. Nepal is recognized as a country of multilingual, multi religious and multi-ethnic society (Choegyal, 1994:111).

3. 3. 3 Art and Sculptures

Art is a mirror of the past society and the culture through which the development of human civilization of that particular society or a country could

be better understood. In the history of Nepalese culture and civilization, the role of art is very significant. The art and architecture of Nepal is inspired by Hindu and Buddhist religion and culture. Nepal is famous and unique in the world in the field of arts, crafts and architecture. Actually it is said that Nepal is a land of many temples and houses of gods and goddess, gallery of ancient sculpture, painting and architecture.

Arts and sculpture is an important tourism product. In Nepal, art and architecture have developed since ancient times. The Kathmandu Valley and many other parts of the country are endowed with such arts and sculpture.

The Pagoda Style temple is Nepal's unique architectural contribution to the world. Another important style of architecture of Nepal is represented by the stupas which are known as Chaityas also. Shikhara is also an important but less commonly seen architecture in Nepal.

3.3.4 Adventure

Natural scenario, landscape and physiographic are main products of Nepal for attracting the foreign visitors. The country's mountainous and hilly regions offer some of the most spectacular trekking routes in the world. While the high Himalayas make up Nepal's northern region, the southern lowland known as the Terai is covered with dense tropical jungles teeming with diverse wildlife and exotic birds. Nepal is one of the most important adventure sports. The event of 6th Tenzing Hillary Everest Marathon concluded on May 29, 2008 at Namche Bazaar, Solukhumbu. (K.C., 2008:14). Nepal has earned a reputation as one of the best destinations in the world for white water rafting.

Another adventure tourism product is hot air ballooning. The adventure of hot air ballooning is now available in Kathmandu. Mountain biking is a fast way

to see rural Nepal. There are many mountains mud tracks that have created a paradise for the action biker. The ultimate thrill of a bungee jump can now be experienced in Nepal. Ultra light aircraft flight is available for sightseeing tourism in the Pokhara Valley. Paragliding in can be a truly wonderful and fulfilling experience for the adventure seekers.

3. 3. 5 Fun and Entertainment

A variety of tourism products are available in Nepal. This ranges from botanical gardens, sight-seeing spots such as Nagarkot, Dhulikhel, Daman and Kakani, and limestone caves.

Casino- Earlier, Nepal was the only country with casino facility in South Asia. However, these days many countries are trying to establish similar concept of entertainment. People from different countries can enjoy in the casinos of Nepal. All five star hotels have a provision of Casino.

Honeymoon- Nepal residing in between two giant countries like China and India also offer tremendous opportunities for honey moon programs and provides an image of ultimate destination for honeymooners (Baral,2008;225). Similarly, amusement and recreation parks, zoos, cinema and theatres, night life and cuisine are also valuable tourism products of Nepal. (Pandey, 2008:1)

3. 3. 6 Attractive Places

There are many varieties of places in Nepal. This ranges from sightseeing spot to mountaineering and trekking to pilgrimage.

Pokhara is a popular tourist destination for the domestic as well as international holiday makers, offers a variety of natural and cultural products to the domestic as well as international tourists. Its natural ambience allows enjoying lakeside tranquility and breathtaking views of magnificent mountains

such as Machhapuchhare, Dhaulagiri, Manaslu, and Annapurna at the backdrop of Lake Phewa. Pokhara leads the way to northern routes to Kagbeni, Marpha, Mukti Nath, Jomsom, Manang, Tilicho Lake, Mustang, Thorung-La, the Annapurna Circuit, the Annapurna Sanctuary and the Kali-Gandaki Gorge, the deepest in the world (NTTR, 2007:24).

Royal Chitwan National Park is one of the best and most developed tourist areas of Nepal. It is one of the largest and third major tourist destinations. It comprised a large number of important biodiversity, endangered mammals including one –horned Rhinoceros, Bengal Tiger, Asiatic Elephant, Sloth Bear, Giant Hornbill and reptiles like the Gharial, Crocodiles and other endemic flora and fauna(Tuladhar,2006:28).

Gorkha is a scenic hill town with great historical significance. Great King Pritivi Narayan Shah, who unified the Kingdom of Nepal during the eighteenth century, was born in the township of Gorkha. It offers a panoramic view of snow-fed mountains and this beautiful township has always remained as the center of attraction for many Nepalese as well as foreign visitors. On the beautiful ridge southeast of the township of Gorkha lies the holy temple of Manakamana, the holy goddess of aspirations. It is a famous pilgrimage site for Hindus.

The famous temple of **Muktinath** lies in the district of Mustang. The temple is situated on a high mountain range and is visited during fair weather. During the festival of Janai Purnima, Hindu devotees gather here to pay homage to lord Muktinath. Another famous temple of Jwaladevi, the goddess of flame, is situated about hundred meters south of Muktinath.

Lumbini is a holy ground for Buddhists all over the world. The restored garden and surroundings of Lumbini have the remains of many of the ancient stupas and monasteries. A large stone pillar erected by the Indian Emperor Ashoka in 250 BC bears an inscription about the birth of the Buddha. An important part of Lumbini is the temple of Maya Devi. Besides its religious and historical significance, Lumbini offers cultural insights into the village life of southern Nepal (NTB- www.welcomenepal.com).

3.4 Analysis of the Tourism Products and Services of Nepal (Major Strengths and Weaknesses, Opportunities and Threats)

3.4.1 Strengths of Tourism Products and Services

Geographical wonders - Nepal is one of the world's most incredible countries filled with geographical wonders and ethnological enigma. Everest is the world's highest peak (8848 meters) and many other mountains including eight of the world 14 highest (above 8000 meters) peaks are present in Nepal.

Nepal is visited for various reasons among which the natural attraction exerts a great drawing power. The magnificent diverse landscapes and rich cultural heritage have contributed to the rapid growth of tourism in Nepal.

Favorable Climate- The climate of every month of Nepal is favourable for the visitors. She offers a unique destination of great climatic diversity, diverse ethnic group, rare variety of wild animals, birds, flora and fauna, eye soothing scenery, and majestic snow clad mountains. Due to its vast but unique tourism potentials, Nepal offers an ideal destination to suit the taste of all kinds of

visitors (Bentor, 1993). Singh (1991 b) claims that a visit to Nepal will not be regretted by the tourists. He further adds that to the nature lovers, Nepal has many short and long treks, where the beauty of the magnificent Himalayas with typical and eye catching mountain views, high snowy passes and beautiful valleys lying scattered all along the trekking routes. Besides this, some species of flora and fauna are only specific to Nepal.

Land of Gorkha- Nepal is equally famous as the land of Gurkhas. The Gurkhas of Nepal have earned name, fame and prestige for Nepal as the bravest soldier in the world and the reputation for the valor, grit and loyalty. Their motto is “it is better to die than to be a coward”.

Art and Architecture- One of the strength of tourism products are the history and architecture of Nepal. Art is the mirror of the past society. Nepal is famous in the world in the field of art, crafts and architecture.

Uniqueness- On the account of uniqueness Nepal can be a centre of attraction to the world as refreshment to their loneliness, and tourist can experience the heavenly joy and peace among the people with a simple life style and high thinking.

Mystical Country- Nepal has been known a mystical country where people can become a part of the experience. The people of Nepal are very hospitable, friendly, simple, honest, innocent and helpful to others.

Cheap destination- It is also said that Nepal is a cheap destination compared to other countries. One can travel and enjoy in Nepal even by spending a small amount of money. Nepal has offered different standards of hotels, lodges and

restaurants and the means of transport are also varied. However, the transportation fare and charges of star and non star hotels, restaurants, lodges and guest houses are found to be minimum compared to other South Asian countries.

Religious Harmonies- Religious practices are an important part of the lives of the Nepalese people. Especially, Hinduism and Buddhism, the two main religious harmonies are found in Nepal. It is a country where Hindus preach Buddhism and visit Buddhist Vihars and Stupas and so are the people. The cultural heritage, shown in its Hindu temples and Buddhist Stupas, the diversity of language spoken, the differences of mountain, hillside and valley folks just makes Nepal one of the most interesting places to visit in the whole world, (Migliari, 2008:36).

Attraction- The study shows that about half of the UK's visitors will have visited Nepal before. They have expressed that they would like to visit Nepal due to the attraction of culture, nature and heritage. Similarly, Nepal attracts very high repeat visits from Japan, Germany, USA and Canada. They seek undiscovered and non-commercial place where they can return to Nature.

Sherpas-The history of Nepal tells that Sherpas are known as one of the gracious and the best known tribes of Nepal, living a tough life in the valleys to the North of the Mount Everest till Helambu in the west. The Sherpas also known as "the Tigers of the Snow" live in the Himalayan regions up to an average altitude of 4570 meters. They have a suitable disposition to work as alpine porters and guides in mountaineering expeditions and they are known as the world's most famous climbers (Dangol, 2008).

Famous Destination for holiday, trekkers and mountaineers- Nepal is a famous destination for trekkers and mountaineers. The reports show that (Nepal Tourism Statistics of various years) the number of trekkers and mountaineers have increased slowly during the last few years. Even in the difficult situation of Nepal, people from different countries have traveled to Nepal for the purpose of trekking and mountaineering.

Shopping of Unique Handicrafts and Souvenirs- Nepalese artisans are well known for hand made products since ancient times. Nepalese handicrafts are renowned for craftsmanship. They consists of wood carving, stone works, silver, bronze and brass art works including gold and silver plated, thanka paintings, potteries, jewelleryes, masks and household utensils.

Facility of Casinos- In Nepal there is also the facility of casino for the casino players. Nepal is regarded as famous destination for casino lovers. Every year basically, visitors from India, China and some other countries come to Nepal for this purpose and have entertainment.

Nepal attracts visitors for sport tourism- Due to her different bio –diversity, people from different countries come for sport tourism like mountaineering, mountain biking, cricket, golf and others. Similarly, special interest of tour facilities like bird watching, archaeological, botanical, zoological tours, honey hunting are also the important strengths of the tourism products of Nepal.

3. 4. 2 Weaknesses of Tourism Products and Services

Land Locked Countries- Though Nepal is a small and beautiful country, it has a major weakness that it has possessed no beaches or island, as of Maldives

and no Cruise ship access. It is completely a landlocked mountainous country which lies in the southern part of the Himalayas and India and northern part of the China, and it has to fully depend upon India and China and there is no other means of travel except by land and air route.

Agriculture is the main economic activity- Nepal's main economic activities are agriculture, followed by manufacturing, trade, and tourism. About 80 % of the total labour is engaged in the agriculture sector.

Pollution- Pollution of air, water, noise and garbage is one of the major weaknesses of tourism. There is a growing concern that Kathmandu, the capital city of Nepal has been losing its tourism appeal. In most of the busy roads of Kathmandu valley, due to the excessive noises and smoke emission from vehicles, have made the life of city dwellers as well as tourists miserable and there is a serious traffic problem in the main streets of the valley.

Environmental Degradation – Environment and tourism are interdependent. They support each other. If there is no congenial environment, tourism development and promotion will be hindered. Unless the environment is conserved, the tourism industry has very little room to expand. Environmental degradation especially in Kathmandu due to the untimely collection of garbage by municipalities as well as the practice of throwing garbage and waste materials and littering on the roads by the city dwellers have made the quality tourists embarrassed greatly and they wish to shorten their tour in Nepal.

Absence of sufficient marketing and promotional activities - Compared to other countries due to the budget constraints it is also one of the hurdles of tourism development. Market research is very important to find out the actual

needs and wants of the tourists as well as to solve the problems which have hindered the development of tourism. The study also shows that the amount allocated for research is insufficient.

Over-crowding of tourists- Though Kathmandu, Pokhara, Chitwan, Lumbini, Nagarkot and Sagarmatha National Park are the most visited areas of the country for the tourist however, Kathmandu valley has become more polluted and congested than ever- before.

Limited Tourism Infrastructure- It is obvious that the access of roads to potential tourist spots is extremely limited. Therefore, the road network should be well developed to diversify the tourism industry. There is also the problem of air seat capacity and lack of direct link with the major tourist generating markets in the world. There is no reliability of services of Nepal Airlines.

Regarding the domestic airline services, the government supported airlines (NAC) is still unreliable and incompetent due to inappropriate management. Moreover, the majority of domestic airports lack adequate physical infrastructure and navigational aids and thus it signifies poorly equipped airports. Safety standards are low. Maintenance has been inadequate and many airports in remote areas are not operating.

Insufficient Standard Accommodations- Another problem impeding the proper development of tourism in Nepal is concerned with provision of good hotels in different parts of the country. In some of the places tourists are compelled to have rest and to have unhygienic food served by the low standard hoteliers.

Cut-throat competition - Cut-throat competition among the service industries i.e. hotels and travel agencies for survival have become a common phenomenon in the tourism industry leading to competitive price cutting at the cost of the quality of service. This has made Nepal a cheap tourist destination.

Lack of clear vision - It is really a serious issue regarding the weaknesses of institutional infrastructure. It is not found with a clear vision to develop tourism in a sustainable manner.

Tourist safety – It has appeared as the number one concern for tourism development. Assured safety, in terms of crime, theft, murder, terrorism, harassment, natural disaster, health hygiene, sanitation and environmental hazard is the key factor for tourism development. Nepal does not have a good track record in tourist safety. Though Nepal is a peaceful country, the unstable political situation and uncertainty, unrest happening in Terai, attack on the press and media, murder and threats are really creating an obstacle which will make travelers and tourist think that, it is not the right time to travel. As a result, they do not want to take risks while traveling (Rayamajhi, 2008:39)

Lack of trained workers- Trained workers on the other hand were considered to be crucial for improving the quality of service to the tourists. There are various institutions which train workers as NATHAM produces trained manpower for various sectors of tourism. Their quality does not seem to be satisfactory for a higher level of profession.

Insufficient Professional Tourist Guide- Another important factor which is very important is the service of tourist guides. Some of the tourists experienced that tourist guides were not competent to attend to the queries of

inquisitive tourists about art, culture, and history of the country. Tourism is greatly made useful to the tourists, if they have the manpower of those who are well versed in the knowledge of different things and have the ability to explain in an interesting, convincing manner. Thus study shows that there is the absence of a technically sound workforce in the tourism field.

Language Problem- Lack of knowledge about the language of different countries is also one of the hurdles of tourism development. Basically, Germany, French, Chinese and Japanese nationals are less conversant in English, and they would like to talk to others on their own language. Due to the language problem, they are found to be less interested and friendly to the tourist guides.

New market development has been rated poor- Market promotion is largely based on “Word of Mouth”. Mostly the tourists visit Nepal with the information from their friends and relatives. Nepal Tourism Statistics shows the average length of stay of tourists recorded highest of not more than 13 days and from that point there is no increment in the length of stay of tourists.

Dwindling economic benefits: - Dollar spending by tourists has been declining in recent years. The opportunities for tourists spending are also limited. The benefits of tourism have largely been reaped by a few urban centers. There is lack of effort to introduce quality village tourism and inability to diversify tourism spots within the country.

Safety rules and regulations- It is another problem which connotes itself as one of the weaknesses of the tourism products and services in Nepal. Lack of

safety standards of vehicles and roads have led to an increase in accidents. Hardly, a day passes without the news of road accidents.

Low sustainability - Nepalese roads lack timely repair and maintenance. Nepal is getting dependent on donors to maintain roads. The lack of sustainability of Nepalese roads has become the biggest concern. More so, poor institutional capacity also proves to be one of the weaknesses of the tourism products and services. Efficient use of resources has been lacking in the implementation of projects in the air transport sector. Political interference in award of contracts and procurement decisions has perpetuated corruption. Institutional capacity has remained poor.

3. 4. 3 Opportunities

Natural resources - Nepal has got the greatest and varied concentration of wildlife, biodiversity, landscapes and culture. It is the second richest country in water resources and is home to almost 25% of Hindu Kush Himalayas. Till now Nepal has 15 protected areas but not all of them have been exploited from the tourism point, except for Langtang, Everest, Annapurna and Chitwan and most of the other parks, despite their unprecedented potential to promote eco and wildlife tourism which have been untouched by tourism experience. For example, Suklaphanta and Bardia national Parks are home to rare deers and dolphins and offer the best prospect for Eco- tourism on intra-regional and international levels (Grandon, 2007:112). Similarly, out of more than 1300 identified peaks only 326 have been opened for climbing. The Far-West, Western and Eastern regions are still home to many virgin peaks and pinnacles, which is a growing prospect for attracting mountaineers, adventure lovers and eco- tourists. As many of these are less than 6000 meters they are easily accessible to trekkers and novice mountaineers.

There are equal paraphernalia of caves, lakes, and historical forts which could be another attraction for tourists. However many of them are still not accessible and are yet to be studied and documented properly (Grandon, 2007:112-113).

Investment - Grandon (2007-113) has claimed that from the development of tourism, we can invest the revenue generated from tourists permit fees for the development of roads, sanitation, electricity, food and housing on the local level.

Stage of Development – The development stage of tourism would create the opportunity of upgrading and controlling the quality of services through human resource management by which the quality assurance mechanism can be established including monitoring and supervision system cater to both low and high-end tourists.

Village, Eco and Trekking tourism - It is also noted that concepts like village, eco and trekking tourism are not capital intensive e.g. Sirubari, Ghandruk, Ghalegaon, and Koshi Tappu. Because of the features like increased local and environmental preservation and cultural promotion, these kinds of tourism have become the attraction world over.

Private Sector investment– Encouraging to the private sector from the facilities concentrated regions to locations with less facility. The creation of facilities in other regions might open opportunities in rural areas.

Policy of Intervention and Restoration of Peace and Security- Nepal can regain its lost image again with the implementation of policy intervention and

restoration of peace and security. Policy intervention to allow annual leave incentive for travel can improve the domestic market. Biratnagar, Pokhara, Nepalgunj and Dhangadi have the potential to be the regional centers for hosting meetings and conventions.

3. 4. 4 Major Threats

There are major threats of Tourism products of Nepal which is very important to find out for the development of the tourism sector in the future.

Product Diversification- The length of stay of the tourists has a positive relation to the availability of various types of tourism products and activities of tourist's interest. In this connection also some of the regular visitors have remarked that Nepal has not been able to diversify the tourist products and it has been selling the same kind of products for a long time.

Procedural Delay- Tourism process refers to the formalities that have to be fulfilled by the tourists while visiting the destination. It must have been a great headache to the tourists going through all such processes, causing enormous constraints on time and dis-appointments. These formalities which cause annoyance to tourists include formalities as at airports, immigration, customs and issue of visa.

Lack of Recreational Facilities- Even in the matter of recreational activities for pleasure seekers and holiday tourists, the facilities offered for them are very limited than that of their expectation. Because of their age, health, accessibility of time, etc, tourists feel difficulty to pass their time with enjoyment.

Inadequate Physical Infrastructure- there is an urgent need for the government to invest in infrastructure development to promote tourism. Basic facilities like well paved roads and sanitation have a dual purpose at the local level. It will not only help to upgrade the living condition of local communities but also promote tourism.

Foreign Direct Investment in tourism - Foreign direct investment is one of the important sources to boost up many potential areas in the tourism sector. However, there is very little information about the possible sectors where FDI can be attracted except for hotels, rafting and cable car. Foreign investors can invest in opening multinational chain of hotels, airports and new transportation systems like trams or metros in Kathmandu, Pokhara, and Birgunj.

Government Investment - the government also has to scale up the total tourism budget to meet the increasing need of international demand, promotion and compete with the international market.

Poor Implementation- It is also known that till now although the government has a regulation of investing 50.0 % of the total revenue back to the area from where it was generated through tourism activities, it has not been seriously implemented.

Lack of Local Autonomy- The government should not only encourage the locals to invest in local development activities, but also allow the locals more autonomy and decentralization in making decisions about development efforts to carry out choices in the area.

Process of Decentralization- The entire process of policy formulation of the government must now be decentralized by giving power to locally based tourism communities. It is time to pull local resources and experts and allow extensive debate, research and exchange of inputs and ideas. The local people must be made the priority while devising any policies.

Competitive Strength- The competitive strengths of India and other South Asian countries pose threats to Nepal.

Low Participation of private sector in planning- There is less participation of the private sector for making plans, and the policies, and it should not remain only in paper only. Monitoring and networking is very vital in policy implementation, which on the part of the government is lacking.

Stability of Government- Nepal with the end of a decade long armed conflict is passing the state of transformation. However, frequent bandhs called by political parties and union related strikes have hurt the tourism business throughout the country. Even a peaceful demonstration and rally have number of times brought the entire traffic in the valley to a standstill. Likewise, a felled tree or a wall obstruction has led to highway blockades disrupting the movement of tourists, shutdowns of business, curfews, wheel strikes; different bandhs have all had negative publicity of Nepal to a tourism destination

3.5 Conclusion

It is known that the tourism product is a bundle of activities, services and benefits that constitutes the entire tourism experience. The product for the tourists covers the complete experience from the time the tourists leave home to the time they return back and the availability of a product is the prerequisite

in the marketing function. In other words, the tourism product can be seen as a composite product as the sum total of a country's tourist attractions, transport, accommodations and of entertainment, which hopefully result in consumer satisfaction. It can be entirely a man-made one or nature's creation improved upon by man, and each of these components of a tourist product is supplied by individual providers of services like hotel, airlines or other suppliers, and offered directly to the tourist.

The study of tourism products are important to attract, motivate and promote tourism in the international market. Nepal is famous for its natural, ecological, cultural, and religious bio-diversity as well as art, architectures, fun and entertainment.

It is important to evaluate the strength and weakness of the tourism product of the country for the diversification and position of the tourism market in the international market.

Relating to the strengths of the tourism product of Nepal, it has possessed a diverse language, customs, UNESCO World Heritage Sites, favorable climate, art and architecture. Nepal is also famous as the birth place of Gautam Buddha, a cheap destination, and hospitality of the people.

On the other hand, it has some weaknesses which need to be eliminated for the development of tourism. The major weaknesses of Nepal's tourism products are pollution, environmental degradation, lack of promotional and marketing activities, over crowding in a congested area, lack of infrastructure development. Besides this, it has to face the problem of frequent strikes,

bandhs and chhaka jam, road accidents, lack of quality of service, lack of strategic visions and financial constraints.

However, there are enough opportunities for the development of tourism, i.e. varied bio-diversity, unexplored caves and lakes, investment opportunities, concept of eco-tourism, and trekking tourism. Besides these, there are other opportunities like pilgrimage tourism, preservation of national heritages and implementation of new rules and regulations. As tourism is a competitive business, one can succeed only when the tourism entrepreneurs are able to overcome certain threats.

The major threats gathered from the study are the lack of ability to diversify the product, procedural delay of work, breaking the rules and regulations, lack of recreational facilities for all types of visitors, inadequate physical infrastructures, lack of foreign direct investment in tourism, lack of government investment and lack of stability of the government and lack of safety and security of life and property.

CHAPTER FOUR

Tourism Industry Organizations in Nepal

4.1 Introduction

Prior to the formation of NTB, the private sector was the main leader in promoting tourism and forging tourism patterns. Here, it has been tried to portray the role played by different private organizations in their respective way for the development of tourism. The private sector has played a vital role for the development of tourism in Nepal. They are the supporting pillar for the development of tourism without which there is no possibility of tourism development (FNCCI, 1998:86). Tourism is an activity run mainly by the private sector. Thus sustained tourism development demands private initiatives in various line functions of tourism industry.

Hotel Association of Nepal (HAN)

The Hotel Association of Nepal was first established in 1966 to promote the hotel industry in Nepal and protect the rights of its owners. It attempts to improve standards in hotel education, staffing and provides studies and research for the hotel industry. The objectives of HAN are to develop and promote the hotels and tourism in the country and to protect the lawful rights of its membership. It has a leading role to promote tourism industry in Nepal. It is active in preserving the lawful rights of its members and is able to manage disputes. It is promoting regional cooperation for the development of tourism and also has been carrying out various conferences, meetings, fairs and promotional.

Nepal Mountaineering Association (NMA)

The Nepal Mountaineering Association is a non-profit organization established in 1973 with the objective of promoting Nepal's mountains and mountaineering in international markets. It is the only national alpine club authorized to issue permits for 33 selected trekking peaks as a source of income since 1978. The NMA offers recommendations to the government on mountaineering policies and has a Mountaineering Training Centre at Manang. Tourism activities include clean-up campaigns, campsite developments, tourism training and the new International Mountain Museum in Pokhara.

Trekking Agents Association of Nepal (TAAN)

Trekking Agents Association of Nepal, is a non –profit organization with 257 members in (2000), which aims to promote mountain tourism, preserve mountain environments, help raise the economic status of mountain regions, protect and promote the welfare of its member trekking agencies and offer recommendations to the government on trekking policies. TAAN includes promotional activities and training programs to up-skill their members. TAAN has a seat on the Board of the NMA, NATHAM and the Himalayan Rescue Association (NEP, 2001).

Nepal Association of Travel Agents (NATA)

Nepal Association of Travel Agents was established in 1966 with the objective of achieving the healthy development of the travel industry in Nepal and had 185 members in 2000. It is dedicated to responsible cooperation within the industry, protecting members, advising Nepal Government and ensuring professional ethical standards. It is recognized as one of the main

representative bodies of the tourism industry in Nepal, although recently the Nepal Association of Tour Operators has been formed.

Nepal Association of Rafting Agents (NARA)

Nepal Association of Rafting Agents was formed in 1988 with the objective of protecting, developing and promoting environmentally-conscious river running. Recognizing that river trips have become a significant part of Nepal's adventure product, NARA provides river guide training in cooperation with NATHAM, and promotes the industry and regulates safety standards amongst operators. The Nepal River Conservation Trust (NRCT), formed in 1995, has published a Code of Conduct for rafting Nepal's rivers. It is also active in the sector of All Nepal River guides Association (ANRGA, 2001).

Initially rafting business was conducted by the travel and trekking agencies in Nepal. The first rafting agency, which operated in Nepal was Himalayan River Exploration under Mountain Travel in 1978. Rafting agencies provided all equipments, food, transport, experienced river guides, trained medical staff and camping tent on the river bank and all arrangements needed for rafting.

Tourist Guide Association of Nepal (TURGAN)

Nepal's tourist guides are organized into the Tourist Guide Association of Nepal (TURGAN) as a private sector lobby group, particularly to interact with MoCTCA. It was established in B.S.2046 to protect the profession and rights of its members. As a professional association TURGAN performs the following functions: makes the member aware about tourism rules and regulations; participates in different tourism related activities; organizes seminars, meetings, gathering and talk programs on topical issues, furnishes views, opinion and suggestions to the government in the policy and procedural matters pertaining to tourism.

Nepal Canoeing Association (NCA)

Nepal Canoeing Association was officially launched on March 2, 2007 at Nepal Tourism Board. The association has been formed to develop canyoning as an adventure sport in Nepal. Canyoning activity consists of walking up the head of a canyon and going down the canyon along the spring, torrent and stream stepping across the blocks, sliding, jumping down the pool, swimming using equipment such as harness, descender, jumper, carabineer, figure and etc (NTTR, 2007:5).

Pacific Asia Travel Association (PATA)

Pacific Asia Travel Association was established in 1995 as a non-profit organization with the objective of developing, promoting and facilitating travel to and within the Pacific area and South East Asian region. PATA's headquarter is located in San Francisco, USA and Asian Division Office is located in Singapore.

PATA Nepal chapter has undertaken various joint promotional workshops, training programs, conventional international PATA conferences and coordinating PATA task force team visits. It has worked to build up a cultural awareness in the country (Maharjan: 2004:183).

Nepal Incentive Convention Association (NICA)

Nepal Incentive Convention Association was established by a group of top ranking hoteliers, Travel and Tour operators, Airlines, Professional Conference Organizers and the Department of Tourism with the aim of promoting NICA encourage the tourist activities in the country, which in the long run would benefit the tourism industry. This association was formed in February 1996 (Maharjan, 2004:187).

Himalayan Rescue Association of Nepal (HRA)

It was Jon W. Skow; a Peace Corps volunteer who created the concept of the mountain rescue organization in Nepal. Later on, Mr. T.C. Pokharel and Mr. Michael Cheney also joined their hands together and established HRA in 1973. HRA is a voluntary non-profit organization with an objective to reduce casualties in the Nepali Himalayas, especially keeping in view the increasing number of Nepalese and foreigners who trek up into the remote wilderness. One of the most important tasks of the HRA is to try to prevent deaths from Acute Mountain Sickness that confronts trekkers (Maharjan, 2004:189).

Board of Airlines Representatives in Nepal (BARN)

Board of Airlines Representatives in Nepal was established in 1989, with the participation of international airlines organizations operating in Nepal. It has two kinds of membership: active membership and associate memberships. The operating airline organizations fall under the active membership, and those organizations, which are not operating in Nepal fall under associate membership, which doesn't have voting rights in BARN.

The main objectives of BARN are:

-) Make efforts for the institutional development of the member Airlines Organizations of BARN.
-) Play an active role for the economic development of the country.
-) Make a joint effort for the promotion of tourism by coordinating international airline organizations (Maharjan, 2004:189).

Airline Operators Association of Nepal (AOAN)

Airline Operators Association of Nepal was organized by a joint effort of private airline institutions engaged in airline operation at present and would be

operated in future with objectives such as to contribute to promote tourism by developing undeveloped and remote areas providing quality, safe, comfortable and cheap services, and to protect and promote the rights of the airline operators. AOAN was registered in 2055 B.S., managed by a preliminary committee prior to the registration of the institution. The executive committee was formed and later reorganized time and again since then (Maharjan, 2004:189).

Handicraft Association of Nepal (HAN)

Handicraft Association of Nepal was established in 1971 to enhance and promote handicraft trade and industry. It was registered under the institution registration act of Nepal. As service oriented non-profitable organization of private sector business and artisan community, it helps its members improve their productivity, explore markets and introduces them to the international arena. It works as a liaison between its members and the Government/Non-Government Organizations (Shrestha, 2000).

Nepal Academy of Tourism and Hotel Management (NATHAM)

Hotel Management and Tourism Training Centre (HMTTC) was established in 1972 by the government to cater the growing need of skilled manpower in tourism. In 2004, it has been renamed as Nepal Academy of Tourism and Hotel Management. Earlier it was the sole authority to produce skilled workforce in tourism. After the restoration of democracy in the country and initiation of liberal and open policy in tourism, some institutions were established and started to give training. It also helps in improving the quality and quantity of worker's output (Gautam, 2001:92-93). The success of tourism as a service sector mostly depends upon the quality of service of the people. It

is the first college in Nepal to provide short and long term courses on hospitality and tourism. It also offers in service training (Basic) like food preparation and control, food and beverage service, house keeping front office and Barman. NATHEM commenced its Bachelor in Hotel Management (BHM) in 1999 and Bachelor in Travel and Tourism Management (BTTM) in 2003. The academy has been successful in preparing an array of human resources required for the tourism industry.

4.2 Support Infrastructures

Like many other products, tourism itself is not a total product as one can not have its utility in isolation. As it is composite of different product it is supported by basic infrastructures .i.e. transport, communications, postal services, accommodations, travel as well as trekking agencies.

Tourism industry comprises various tourism business enterprises or establishments receiving a significant proportion of their sales revenue from the visitor's expenditures.

The industry embraces a variety of establishments such as hotels and resorts, travel agencies, trekking and mountaineering, airlines and transportation. In addition to these, the industry needs entertainment places and shopping facilities, along with basic infrastructures like airports, air services, road and telecommunication, as well as amenities like electricity, water supply, sewerage and waste disposal systems (Shrestha, 1998:82).

4. 2. 1 Transport

Transport is one of the most essential support infrastructures needed for tourism. It is a primary service needed for the tourists in order to reach their

destination. The destination should be accessible by means of proper and adequate transport system.

Tourism product has no mobility like other physical products. A physical product can be taken from one place to another but in tourism, destination cannot be taken like physical products from one place to another place. So immovability is the special feature of the tourism product. The country linked by a network of well-organized transport, receives a higher number of tourists. There are different means of transport, rail transport and sea transport. In the context of Nepal, only road and air transportations are usually available. Rail transportation is nominal and being a landlocked country, sea transport is not available.

Road Transport

It is necessary to encourage surface travel because mass tourism is possible only by the surface travel. Therefore, it is necessary to improve the quality of roads and railways.

Due to topographical structure of Nepal, the internal transportation and communication system are very different. Realizing the importance of road transport, various efforts were made to construct roads and bridges linking many isolated villages since 1951. It seems that Nepal has accorded a high priority for the development of road transport in the different plan periods. Prior to 1956, the beginning of first Five Year Plan, the country had only a total of 624 km of roads and later it was gradually increased in different plan periods. In the beginning of the Ninth Five Year Plan (1997/98-2001/02) the total length of road construction was targeted at 13564 km, but it was a great pleasure that in the total road sector, the plan target in terms of kilometers of roads construction had exceeded to 15905 km. Nepal is linked from north to south and east to west by a system of roads and the total length of roads is

17279 km. In the Tenth Plan, the target was to connect 70 districts with the road network by the end of the plan period, but up to now only 63 head quarters have access to road facility (Economic Survey, 2006/07).

Table 4.1 Road Network in Nepal

Types	2005/06	2006/07	Total
Black Topped	5048	174	5222
Graveled	4727	11	4738
Fair Weather	7658	165	7649
Total	17,433	350	17,609

Source: Economic survey, 2006/07 Government of Nepal, Ministry of Finance

Air Service

Air transport is the modern and efficient means of transport system in the world which helps the people to reach long distances within a short time. The role of air transport in the field of tourism is becoming increasingly significant, and it is the key factor in the growth of number of international tourists.

As Nepal is a landlocked and mountainous country, air transports is not only necessary but a major link for many remote areas where there are no other forms of transportation link. The Government of Nepal has given a high priority to the development of air transport in Nepal. In Nepal, air transport plays a significant role in transporting passengers and vital supplies to many inaccessible parts of the country.

The Former Royal Nepal Airlines Corporation (RNAC)

RNAC was established on 1st July 1958 as a joint venture corporation with the Indian Company. At the time of establishment, this corporation had only one DC-3 aircraft and first operated domestic schedule flight services from Kathmandu to Simara, Biratnagar, Pokhara and Bhairahawa. Later, then HMG/Nepal took over full ownership of Royal Nepal Airlines Corporation on 12 October 1959 and started international services with routes to Patna, Delhi and Calcutta since 16th January 1960. It was established to provide safe, efficient, systematic and economical air services in the country. It was changed into the name of Nepal Airlines Corporation in 2006.

However, due to its weak management, diminishing competitive capacity, structural weakness and lack of visionary leadership and in efficient managerial ability, at present it has been facing a serious crisis.

In the context of Nepal, air transport is a vital infrastructure for the national integration and balanced development, domestic and international accessibility and linkage as well as promotion of tourism industry. Traffic trends in the international as well as domestic sector were growing with some fluctuations during the period of 1991 to 2005. Nepal has taken a progressively liberal approach in the negotiation of the liberal bilateral air services agreements. Despite some fluctuations in terms of entry and exit and sustainability of individual airlines, the air transport industry has shown a rapid growth in the domestic sector since the introduction of liberal sky policy in 1992. The traffic trends in the domestic sector in the past years were very encouraging, and this growth trends have added to the complexity in the management of aviation industry (Neupane, 2006:9).

This put increased challenges on the then government body DCA (Department of Civil Aviation) in the fulfillment of its objectives. As a result, to meet the challenges, the DCA was transformed to Civil Aviation Authority of Nepal (CAAN). Civil Aviation Authority of Nepal was established as an autonomous body on 31st Dec, 1998 with the objective of making civil aviation safer, regular, affordable and efficient. The Act 2053 B.S has a vision of making both the domestic and international air services safer and more reliable and affordable (Gautam, 2002:1).

During the year 2006, CAAN took various new initiatives for the enhancement of flight safety amid a myriad of problems and challenges surfaced by escalating air traffic growth and corresponding activities not only in region, but also in the sub-region (Neupane, 2006:9).

Table 4.2 Air Traffic Growth

Particulars	1991	1998	2005	2006
Aircraft movement	7474	8261	11536	11326
Passenger Movement	780933	1044002	1252266	1373474
Cargo Movement(Tons)	14269	13863	12739	12049

Source: CAAN Souvenir 2006

Table 4.3 Domestic Traffic Data at TIA

Particulars	Year			
	1991	1998	2005	2006
Aircraft Movement	11811	34468	69257	136008
Passenger Movement	215957	670076	1112358	1751484
Cargo Movement(Tons)	326	1012	29703	15763

Source: CAAN Souvenir 2006

Air Connectivity

The land-locked situation of Nepal realizes the need for extensive and fast growth of air service network. After a decade long insurgency that affected tourism and international travel from Nepal, the peace pact signed in October 2006 stimulated air travel and the number of airlines operating schedule services to Nepal. Nine new airlines started flying to Nepal from Oct 23, 2006. Since July 2008, 20 other airlines were connected to 21 cities in Asia directly in their 157 flights per week. However, a decade long experiment of establishing an international airline from the private sector in Nepal has failed to foster a dependable airline, and the state of Nepal Airlines Corporation is far from being satisfactory. The government of Nepal permitted license to four private airlines for international services (Necon Air, Alpine Air, and Air Nepal) in 1998, two more (Cosmic Air and Air Shangrila) in 2004 and one in 2007 (Yeti Air International). But some of these airlines have not yet started their flights and some of them flew for some time, but are grounded now with any revival. Cosmic Air and Nepal Airlines are now flying international services intermittently and use two decades old airplanes that are neither reliable, nor attractive for the traveling public (Shrestha,2008:23).

Airlines Operating in Nepal

Due to the liberal sky policy of Nepal government there are different airlines operating in Nepal. They are Air China, China Southern Airlines, Biman Bangladesh, Gulf Air, Qatar Airways, Indian Airlines, Jet Airways, Pakistan International Airlines, Royal Bhutan Airlines (DrukAir), Thai Airways, GMG Airline, Air Arabia, Korean Air, Nepal Airline Corporation, Cosmic Air, Ethihad Air, Dragon Airways, Silk Air, Jet lite, Hongkong Express Airways and Yeti Airlines International.

Domestic Airlines

Under the domestic airlines, the fixed wings are Nepal Airlines Corporation, Buddha Air and Yeti Airlines. The main gateway used by the air travelers to and from Nepal comprised over a third travel via the Gulf states (43.5%), 29.8% via India, and 30.1% via the other South Asian routes and the remaining 5% on other routes. The share of Gulf market is increasing due to the growing flight activities of the airlines from the Gulf i.e. Qatar Air, Gulf Air, Air Arabia and Etihad.

Table 4.4 New Airlines Operated to Nepal in 2007

S.N	Name of Airlines	Destination	Flight Frequency Per Week
1	GMG- Bangladesh	Dhaka, Bangladesh	4
2	Korean Airlines	Seoul, South Korea	1
3	Etihad Airways	Abu Dhabi, UAE	4
4	China Southern Airlines	Guang Zhou, China	3
5	Silk Air	Singapore	3
6	Dragon Air	Hong Kong	4
7	Hong Kong Express	Hong Kong	3
8	Orient Thai	Bangkok, Thailand	3

Source: NTB- In Focus, (2007:72), MoCTCA.

www.welcome.nepal

Rail Transport

Rail transport has played a significant role in the development of travel and trade for short and medium distance transport within and between the

countries. However, Janakpur-Jayanagar (NJJR) is the only railway service available in Nepal. This train operates 30 km from Janakpur to Jayanagar in the eastern Terai and has a very limited touristic value.

Ocean and River Transport

Ocean and river transport is one of the oldest forms of transport in the world. Nepal depends on sea transport for the bulk of its international trade. However, from the tourism perspective, it has hardly any role. The water transport potentiality of Nepalese rivers has not been developed.

4. 2. 2 Communication

Communication is a key factor for the all round development of a country as well as for tourism development. It is more important in a country like Nepal where most of the territory is mountainous, road transport is typically difficult and air transport is still limited. In the tourism arena, too, communication is needed in an all-pervasive manner including rescue, security as well as marketing purposes.

Telecommunication and postal services are the main media of communication in Nepal. Realizing the importance of communication in the overall development of a country, special attention has been given in this sector since the first Five Year Plan (1956/57-1960/61). For the first time, telecommunication was introduced in Nepal in 1913 as a telegraphic link of Kathmandu with Raxaul in India, and this service was limited to certain pockets of the country only. Later, the service was expanded after 1951.

At present, the local as well as trunk telephone facilities are available in most of the urban areas of the country and this facility has been connected with all the 75 districts of the country. Nepal has been able to maintain direct communication links with 131 countries of the world. Local telephone, Trunk, Telex, Telegram, lease circuit, Buro fax, wireless, Internet services are the main communication facilities available in Nepal (Shrestha, 1998).

Telecommunication Authority has, issued so far 165 licenses that include, among other, 2 basic telephone services, 2 cellular mobile license, 33 internet (including email), 111 v-sat service user, 1 video conference service, 3 GMPCS service, 1 rural telecommunication service, 1 local data net work service and 4 limited mobility service. All 6 fax mail service licenses issued before have been cancelled. As of mid March 2007, 2,549 Village Development Committees have access to telephone services (Economic Survey, 2006/07).

Postal service

Postal service is another important part of communication media which was introduced in 1878 in Nepal. Nepal, a member of the Universal Postal Union, has made progress in a planned way after the first five year plan in 1956. Currently, the postal services network includes general post office, regional post directions, district post offices, Ilaka post offices and additional post offices and their total number was 3,992. Besides, delivering letters, parcels, etc, it has continued with its traditional work like the publication of postal tickets, Postal Saving Bank, and it has moved towards the maximum utilization of modern information technology by introducing e-post services (Economic Survey, 2006/07).

4. 2. 3 Accommodations

Accommodation is one of the most essential requisites for the successful development of tourism. “The hotel must provide the various types of physical facilities, depending upon the price ranges, locations and services offered, which must meet the expectations, wants and needs of the travelers. The demand for accommodations varies according to the social class, price, level of services and similar other considerations that the guests are willing to pay. Suitable accommodation should be made available to suit for all segments of the market” (Negi, 1990:120).

Hotel Industry in Nepal

It is said that the forbidden Himalayan Kingdom of Nepal opened its door for the outsider only after early fifties, though it is said that the beginning of tourism was in Lichhawi era. During these periods people traveled from one state to another for the works of Royal affairs or individuals, and they had been provided Paties, Pauwas, and Dharmashala as an accommodation with or without cost. The development of tourism, hotel and catering industries in the true sense, occurred after 1954 (Oli & Chhetri, 2000:1)

The democratic movement of 1950 had brought changes in the administration and vision of Nepal to look at the outside of the world. Mr. Nara Samsheer had traveled abroad and felt the need of a quality hotel in Kathmandu. He had opened a hotel at his palace in Jawalakhel in 1952, with a team of cooks and waiters who were trained to cater in his palace for his personal guests. At that time the manager was Mr. Tom Mandis who was invited from Calcutta. But the project did not last long, and Mr. Mandis opened Snow View Hotel at Lazimpat. The Himalayan Inn and Paras Inn (1950/51) were already in existence at New Road.

According to Adhikary (2006), Boris Laissanevitch was the first person to introduce Nepal to the outside world. During the time of Rana Regime in Nepal, King Tribhuvan had met Boris in India where he was running club 300 in Calcutta. Boris was also one of the first tourists to enter Nepal. He got visa for two weeks upon a request with king Tribhuvan. It was after him other eminent personalities such as Queen Elizabeth of Britain visited Nepal, which was mostly arranged by him.

At the end of the second plan period 77 hotel beds were adjusted to meet the demand of international tourists – the annual tourist arrivals increased from 2056 in 1958 to 9526 in 1964, an increase of almost 400 percent.

In 1964, Green Hotel at New Road, and Shankar Hotel at Lazimpat had been opened as tourist standard. Those hotels were the first four star hotel of Nepal. Furthermore, during the third plan period numbers of hotels were built in Nepal. The establishment of Hotel Soaltee in 1965, and the Hotel Del Annapurna in 1966, providing, opened the door for high class tourists to visit Nepal.

Due to the realization of quality and quantity of tourist coming to Nepal and to meet the demand of the growing number of tourists, there has been some addition of the number of hotels and its bed capacities.

But over the past few years, due to the lack of sufficient number of high spending tourists, many of them are compelled to go for a price war in order to at least sustain themselves in a difficult situation, and this has resulted in a very unhealthy competition in the hotel industry. The trend of providing

cheaper services by 5 star hotels as a major strategy to attract customer started after the number of tourists fell drastically due to the series of violence including the Maoist insurgency, hijacking of Indian Airlines and Royal Massacre. This has affected the hotels of below 5 star categories. Some of them have been closed down and the remaining has been forced to reduce their rates as well (Dangol: 34).

However, there was a steady growth in the hotel industry of Nepal since 2004. During the year (2004), the total number of hotels including star and non star had reached 996 with a bed capacity of 39107 while during the year 2006 the total number of tourist hotels has reached 607 of which 335 were based in Kathmandu Valley and the rest (272) were out of Kathmandu. Similarly, the total number of beds available in these hotels were 14533 in Kathmandu and the rest 9727 were in outside the valley. The data shows that there was a significant fall in the number of hotels in 2006 representing the fall of 39.7 per cent compared to the previous year (Economic Survey, 2006/07), while in the year 2007 the number of hotels and beds have reached 634 and 26865 representing an increase of 4.4 and 10.5 per cent respectively compared to previous year. This shows that there has been a healthy competition in the hotel industry.

Table 4.5 Position of Approved Hotels in Nepal (1970- 2007)

Year	No. of Hotels	Growth Rate	No. of Beds	Growth Rate
1970	20		1500	
1980	73	265.0	5109	240.6
1985	103	41.0	6870	34.5
1986	110	6.8	7086	3.1
1987	105	4.5	7244	2.2
1988	120	14.3	8011	10.6
1989	159	32.5	9408	17.4

1990	168	5.7	10244	8.9
1991	192	14.3	11207	9.4
1992	203	5.7	11772	5.0
1993	214	5.4	12547	6.6
1994	394	84.1	17730	41.0
1995	520	32.0	21807	23
1996	632	21.5	25638	17.6
1997	706	11.7	27612	7.7
1998	739	4.7	28878	4.6
1999	785	6.2	32214	11.6
2000	848	8.0	34958	8.5
2001	888	4.7	36163	3.5
2002	943	6.2	37616	4.0
2003	966	2.4	38270	1.7
2004	996	3.1	39107	2.2
2005	1006	1.0	39384	0.7
2006	607	-39.7	24260	-37.7
2007	634	4.4	26865	10.7

Source: Department of Tourism, Government of Nepal

Nepal Tourism master Plan Review

Satyal, (1999:77)

FNCCI, Nepal and the World, A Statistical Profile, 2006.

Economic Survey, 2007/08, Government of Nepal, Ministry of Finance

4. 2. 4 Travel Agencies

Travel agencies are another important part of tourism business. Travel agents function as an intermediary between their customers and the providers of tourist services like hotels, transport, entertainment, excursion etc. Regarding the role of travel agencies, different writers and scholars have expressed their view in different ways.

Holloway (1998:288) describes that most travel principals sell their products to consumers through the medium of travel agents. Such agents have been in

existence for more than a century. However, their main role in earlier times was to sell shipping and rail services, but with the coming of air transport and the development of the package tour business after World War II, travel retailers assumed on a new role.

Foster (1994:35) says that technically a travel agent is the owner or manager of an agency, but other employees responsible for advising clients and selling tickets are also referred to as travel agents. He further adds that a travel agent's job involves not only making sales, but also gathering information, researching travel products, analyzing options, and making recommendations, and for these reasons, travel agents are often referred to as travel consultants or travel counselors.

Travel agency is an occupation of initiative and responsibility, and without which there can be no genuine place for it in the development of tourism. The travel agent has to fulfill various demands of the client in the modern world. His job is to advise to the inexperienced and the retailer of package tours as this is the growing section of the travel agency's market. So the travel agent is an informer possessed of right documentation and go-between for filling of transport and accommodation (Satyal, 1999:71).

He further adds that travel agencies are profit making business firms set up for the purpose of organizing trips. At present, they act either as middlemen between their customers and the firm supplying the services required (transport companies, hotels, firms offering excursions or entertainment) or as actual tourist entrepreneurs. As a middleman, it charges a commission on individual services supplied by a hotel, a transport company etc and sold to the client by the travel agency. In this case, the agency acts as a third party

between the consumer and the producer i.e. between the tourist and the tourist enterprise (hotel and transport Company).

As an organizer, the travel agency organizes on its own initiative and at its own risk tours for its customers. It chooses the means of transport, the hotels, the excursions and the entertainment, and plans the entire program according to the fixed schedule and for a specific duration. (Satyal, 1999:77)

Foster describes (1994:35) that basically travel agencies earn money by selling airline tickets, hotel reservation, cruise trips and other travel products. Travel agencies earn income only in the form of commission, which are based on a set percentage of the purchase price paid by the client.

Status of Travel Agency in Nepal

Travel agencies are another important part of travel business. Travel agents function as an intermediary between their customers and providers of tourist services like hotels, transport, entertainment, excursions etc. Moreover, travel agents work as an advisor to the tourists providing required information which inspire them to travel to a particular place or buy particular package (Shrestha, 1998).

The history of travel agency in Nepal is of recent origin and it has been playing a significant role in the development and promotion of tourism in Nepal. The functions of a travel agency is to supply the facilities of air ticketing, hotel reservations, car hiring, sight seeing, guides etc fall within the territory sector of the nation's economy. As such, they play a crucial role in the tourism as an intermediary between tourists and the supplier of tourist services of a tourist receiving country.

The purpose of travel may vary with the taste and interests of each tourist. But generally, people visit other countries to acquire experience and broaden their knowledge about economic, social, cultural, geographical and other aspects of the host country. The duty of travel agency is to arrange tours, travel and sightseeing, air ticketing, hotel booking and so on for the pleasure and comfort of the tourists.

In Nepal, the first travel agency was established in 1959 with the name of Shah & Rai Pvt. Limited and it was registered under the company Act of Nepal which was also the member of International Air Transport Association. Later this travel agency was fully controlled under the Nepalese management by the name of Third Eye Tours in 1965 (Satyal, 1988:8).

The role of travel agencies has long been recognized by then His Majesty's Government of Nepal and all sorts of incentives have been given specially for recommendation of foreign exchange facilities for equipments and promotional trips abroad. The present study is focused primarily on the tourism establishments. It briefly presents the distribution of tourism business enterprises and the growth pattern over the period. It is basically designed to enumerate the basis of tourism industry in Nepal.

CHAPTER FIVE

Summary, Conclusion and Recommendations

5.1 Summary

Nepal is known as an important tourist destination in the world due to the presence of natural wealth; cultural, religious and archeological heritages. Due to the fact, since long, tourism has been considered as one of the important and major sources of foreign exchange earnings for Nepal. Apart from this, tourism has been creating significant employment opportunities and many other direct and indirect benefits to the country. Thus, tourism has played a significant role in the Nepalese economy. Despite the tremendous tourism potential, it has not been explored properly due to many constraints like limited air access, poor infrastructure, marketing strategy and proper planning.

Therefore, the basic objectives of this study were to review the current status of tourism service marketing in Nepal, to assess the nature, strengths and weaknesses, opportunities and threats of tourism products; to assess the impact of tourism on the national economy; and to evaluate the customer satisfaction and quality of tourism products and services.

The secondary data and information were collected through various government and non-government offices, different business organizations pertaining to the tourism, travel trade journals, reports and newspapers etc.

During the study various important theoretical foundations of tourism and relevant literature on Nepalese perspective were appraised. Similarly, from

various publications carried out by different planners, researchers, experts, academicians and professional and foreign experts, published in national and international publications theories were deduced. However, study in the area of tourism service marketing has not been conducted. Primarily, tourism has been inferred as a labour intensive and service oriented industry and it is deduced that the quality of service of different sectors have a great role for the marketing and promotion of the tourism. Hence, considering the importance of service marketing in the field of tourism as the basic assumption, the study was entirely formulated.

It was also observed that among the international visitors traveling during the year 2006 by region, tourist coming to Nepal from Asian countries reflected the highest figure followed by Western Europe and North America. While in terms of nationalities, India constituted the highest source of market of Nepal followed by Sri Lanka, U.K, and France. The majority of the visitors' were within the age group of 31-45 years.

Nepal is not only a popular destination for holiday and pleasure, and trekking and mountaineering, but also is an equally preferable destination for pilgrimage, business and official groups. Most of the trips are organized through tour operators and the trips are accompanied with their friends.

Since the tourism products are not diversified in the overall country, Kathmandu has been reflected as the most popular tourism destination followed by Pokhara, Chitwan, Lumbini, and some trekking trails. The survey shows that Nepal is a cheap destination compared to other SAARC countries and hence, a very small number of visitors are found to spend US\$106 in a day. Travel agents have more control over the international tourists'

expenditure as their major expenses are on accommodation and include other amenities in terms of package.

The survey also shows that the main sources of information for tourists are their friends and relatives, followed by travel agents, guide books, and their own experience through their prior visits, which are the strong motivating factors for their visits and revisits.

Relating to the availability of present infrastructure for the development of tourism, more than half of the experts have opined that the present infrastructures for the development of tourism are inadequate. Further they elaborated that there are no sufficient facilities such as road access, airports, electricity and provision for safe drinking water.

Concerning the main weaknesses of tourism marketing of Nepal, lack of strategic planning is indicated as the main weakness of Nepalese tourism marketing, followed by lack of professional manpower, limited promotional fund, lack of research work, and timely publicity. Besides these, the lack of government budget and inability to identify the market are indicated as major weaknesses of tourism products. Further human resource development is indicated as one of the major weakness of tourism marketing of Nepal.

As regards the pricing policy of tourism products of Nepal, the majority of the experts have expressed that a competitive pricing policy would be the best to follow, whereas, some of them have a view that seasonal pricing should be the best policy. They expressed that during the off season; the price should be considerably reduced, and should be increased during the season.

As for the area of attention for the promotion of tourism, the air transport is the main factor for international tourist arrivals in Nepal. Almost all the experts are with the opinion that prior attention should be given to air accessibility. They emphasized that increment in airline facility should be given the highest priority for the promotion of tourism, which is to be followed by the improvement of sanitation and environmental pollution in the major cities.

Regarding the sector responsible for the development of tourism, the majority of the experts opined that the government has a significant role for the development of tourism in planning, organizing, coordinating, controlling and implementing. The role of INGO is also identified to be very important for the financial, infrastructure, technical human resource development, preservation and conservation of natural cultural heritage for the development of tourism.

The role of NGO is also identified to be equally important in the area of tourism development. They are actively involved in tourism training and product development, especially for the improvement of the community based and village tourism with the provision of highly successful home stay, guest houses and guide training on trekking routes, environmental awareness and preservation of the environment, cultural heritage and society.

As tourism is a labour intensive industry, its success depends upon the quality of service provided by the people. The importance of people within the organization has led to a great interest in internal marketing, which recognizes the importance of attracting, motivating, training and retaining quality employees by developing jobs to satisfy individual needs.

With the brand “Naturally Nepal” as a contemporary approach and the slogan “Once is not enough”, Nepalese tourism industry had felt it necessary to reposition its image in the international tourism market with a popular brand amidst the stiff competition among destinations.

5. 2 Conclusion

From the study, it can be deduced that tourism is the key resource for sustainable socio economic development. It provides the best platform for business promotion and income generation, preserving the indigenous knowledge and skill.

Nepal is an important tourist destination in the world with its natural beauty and cultural heritage. Mystique nature and unique culture are the major products for the tourism attraction here in Nepal. Immense potentialities have not been explored properly, due to the limited access, poor infrastructure, marketing and promotional activities.

For the development of tourism several important initiatives have been taken viz., development of new tourism product, setting of necessary institutional mechanism and providing priority through plans and policies.

In Nepal, various studies relating to tourism have been carried out, and most of them were confined to the economic impact and do not seem to address tourism in terms of issue of service marketing. Tourism being a highly competitive and sensitive industry, it should be fostered and marketed properly.

Nepal is one of the most attractive countries in the world, which is surrounded by the natural scenery from high mountains to the tropical low-land, she is coupled with a population of diverse, friendly, ethnic and caste groups. As a result, this shows that there is a prospect of pleasure, adventure, culture, sports and nature tourism in Nepal.

From the discussions above, there is a need of tourism marketing and the strategy for the development of tourism. In this respect the following conclusions have been drawn.

Tourism is the most sensitive industry and it is greatly affected by the occurrence of small incidents. So all tourism organizations should cooperate and join their hands for the development of tourism in their respective way. Besides these, the government should streamline the facilities to the tourism entrepreneurs by making rules and regulations, providing financial support as well as enforcement of law and order for the development of tourism. As the market is highly competitive with the international market, it is better to provide more facilities and the quality of services to the tourists better than that of other competitors. Organizing more trekking tourism in the country is the most beneficial for raising income at the national level in terms of increasing the tourist's expenditure by increasing their length of stay as well as creating more employment opportunities.

An alternative market segment to raise the level of tourist expenditure is to increase the volume of package travelers. To attract tourists of different segments, investment should be made on the development of infrastructure relating to air access, transportation, communication and promotional activities. Pollution of air, water, sewage and sound should be managed

properly and frequent strikes, bandhs, chakka jam and unnecessary hassles to the tourist should be restricted. Political instability as well as Terai unrest is a deterrent in the development of tourism.

5.3 Recommendations

The tourism sector is one of the most important sectors for the economic development of Nepal. This study basically concentrates on tourism services marketing; however the relevant recommendations are deemed necessary in related areas wherever improvement is essential. The recommendations are basically made in six broad titles viz., tourism products, tourism infrastructure and services, promotions and marketing and few others like environment, governments role etc.

5.3.1 Product

Tourism products are those products which are offered to the tourists to see, experience and to taste. We have immense saleable tourism products in different forms i.e. nature tourism, health tourism, sport tourism, adventure tourism, pleasure tourism, pilgrim tourism, wildlife, camping and bird watching and many more; and Nepal can be a famous destination for these tourism perspectives. It is recommended to position the tourism market of Nepal into pleasure, adventure, cultural, nature, sport, and ayurvedic tourism in the future.

As of tourists arrival, the numbers are very limited in Nepal compared to our neighboring countries like India, Sri-Lanka, Pakistan and Maldives. We are lacking behind in our economy. But research showed that visitors wanted to

experience new things and new products and we have a lot of valuable products like natural beauties to be explored for meeting their wants.

Therefore it is recommended that in addition to concentration of old and existing products, Nepal should develop new products of different form. Similarly, other tourist services are also needed to be added. It is also highly recommended to introduce both urban and rural based tourism products.

The survey suggests that it is the time to consider the demand of children and elderly tourists seriously in product development strategy. It is noticed that most of the Indian visitors come for a family holiday including their children. Therefore, the tourism products suitable for children and facilities to elderly visitors need attention. In a country where there is less number of child visitors, it indicates the deficiency of tourism products for the children. It is also suggested to increase more fun and entertainment facilities for child visitors e.g. increment of a children's park, picnic spots, museum, library and arrangement of games etc.

Nepal has not invested enough money in family friendly product such as picnic areas, play grounds, child friendly museums, and other leisure learning facilities, nor has it marketed itself as a family destination to tourism markets like India where large families will travel together.

Similarly, the elderly visitors from western countries are deprived of a suitable travel menu. Undoubtedly, this has hampered the overall development of the tourism industry of our country. So, recommendation is made for the provision of physical facilities like rest houses, natural health treatment center, and special package tour.

The study shows that female and elderly visitors are more attracted to the shopping, entertainment, pilgrimage, and short trek, while younger age groups are more attracted to short treks, study, research and fun and entertainment. So, it is suggested to develop conducive strategies and programs to suit the interest of the specific categories.

Often holiday and pleasure, adventure, culture, nature, health, and sport tourism are more popular in Nepal for international visitors. As already discussed, recent trends in the area of pilgrimage, river rafting, bird watching, photography, agro and volunteer tourism are also increasing. Hence, more attention is required for the promotion and development of such areas. The tourism industry should be in a position to meet the demand of such visitors and be able to introduce package programs for them.

The study shows that the most popular destinations in Nepal are Kathmandu, Chitwan and Pokhara and Lumbini. Some trekkers do trekking in Annapurna, Langtang and some other popular trekking trails. Overcrowding of tourists in limited areas are the major problems of the country. So, the tourism products should be diversified to other potential areas like Janakpur, Dharan, Palpa, Nuwakot, Trishuli, Jumla, Khaptad, Dolpa, Dhorpatan, Ilam, and so on, which might attract visitors. Therefore it is the right time to increase more infrastructure facilities for the development of such new areas of the country.

Besides this, the influx of international visitors should be managed properly according to the carrying capacity of each area. The new potential places should be developed as tourist places by developing the necessary tourism infrastructure.

Health and leisure tourism demand have drawn the attention of planners and policy makers. Nepal could be converted into a year round tourism destination for health and leisure tourism destination along with adventure tourism. We could also develop products like yoga, meditation, naturopathy, ayurveda, etc during the off seasons. Nepal has numerous locations, which can serve as quiet retreats, away from the stresses of the city. Nepal is likely to gain popularity as a health and leisure tourism destination, because the prices would be cheaper compared to other Asian countries like Thailand, Malaysia, and Singapore.

The study shows that though the number of tourist arrival for holiday and pleasure are always higher in number but their average length of stay is very short. This indicates that there is a lack of recreational as well as shopping facilities for such type of visitors. So it is highly recommended that recreational as well as shopping facilities should be increased and diversified in different parts of the country, where there is accessibility of good transportation and accommodation.

Nepal is the birthplace of Lord Buddha. Lumbini where Buddha spent his childhood is regarded as the most sanctimonious and revered sites among Buddhists and the entire human civilization. There are billion of Buddhist pilgrims and followers across the world. However we still fail to attract them. Lumbini has not been facilitated, promoted and marketed as expected. Religious tourists are such tourists, they have ample time and strong devotion, making a pilgrimage once in their life time is of utmost importance.

Our priority should be to make Lumbini a must- visit destination for all Buddhist pilgrims and follow Buddha's philosophy of peace and harmony. For

this we need to develop promotional strategies based on the current trend of global tourism.

Similarly, Pashupatinath temple is one of the most venerated temples for millions of Hindus who have a desire to visit the site once to pay respect to Lord Shiva. Hence, there is a great deal of promotional activities that need to be carried out to attract such visitors who have strong faith and devotion. They will surely visit since cost and distance are of the least priority for them and no political, social and economic barrier or disturbances can stop them.

There are most important tourism products like historical and archaeological sites of Nepal. Nepal is famous in the world for the temples, idols, cultural and religious sites, arts, crafts and architecture. But arts, which are the mirror of the past society, are not properly conserved and maintained and their condition was found to be degrading day by day by men and animal. For the sustainable development of tourism and realizing its importance, these products should be maintained, updated and preserved properly. Both the government and the local people should give due attention for the development and enhancement of such products.

The study reveals that, the majority of tourists coming to Nepal are low spenders, therefore efforts should be made to attract medium and high spending category of tourists with the offering of good quality of products and services and measurement of their satisfaction.

Regarding the quality of air service facilities provided by the Tribhuvan International Airport almost half of the visitors were dissatisfied. Services of domestic airlines of NAC are still unreliable and incompetent due to its

inappropriate management. Cancellation and delay of internal flights have become a regular process.

It is agreed that the availability of quality tourism products and services can attract the quality tourists. It is also noticed that deluxe five star hotels, deluxe vehicles, services and facilities are only available in the urban and city area of Kathmandu, and the number of such products and services are very rare in other parts of Nepal. It is also highly recommended to extend these facilities and services to other tourist places of the country.

Similarly, the survey shows that there are high influxes of low and medium spending tourist in Nepal. As a result, to gain more economic benefits, Nepal must try to attract high and middle category tourists by improving in the quality of products, services and facilities comparatively at a reasonable price.

5. 3. 2 Tourism Infrastructure and Service Facilities

We have foreseen the positive future of tourism and catered to increased number of tourists, for which, we need better infrastructure. Adequate infrastructure is essential for the successful development of tourism. It can be particularly a critical factor for less developed countries. It is obvious that the development of tourism is not possible without the development of infrastructure and service facilities.

Since international tourism in Nepal is heavily dependent on air services. It is absolutely necessary that it should receive the utmost importance. But it should be noticed that there are inadequate direct air connections from Nepal with those important tourist generating countries of the world. In the absence

of such facilities the potential tourists have to come to Nepal transiting through different countries which must be quite bothersome and discouraging.

Realizing the problem of air seat capacity and lack of direct link with major tourist generating markets of the world, the study suggests encouraging private airline to operate international flights which would help the country in the long term, and we do not need to depend on international airlines companies. Since air connectivity is considered as a major hindrance for the development of tourism industry in Nepal, the domestic airlines facilities should also be increased.

Due to the increase in the number of tourists and frequency of flights, TIA, the only airport of the country has really become congested and unable to provide quality service to the visitors. Therefore, efforts should be made to extend the area of the airport itself and to equip it with modern and sophisticated equipments.

Moreover, the quality of service should be given the top most priority for the convenience of the visitors. It is thus highly suggested to develop immediately another international airport preferably in the Terai regions as well as in Lumbini (Bhairahawa) that would be technically and economically viable.

It is said that quality is very important, so efforts should be made to control the quality of products and services which are to be sold to the tourists. It would be advisable to improve the efficiency of the airlines through the new energetic, experienced and qualified team of managers and let the management work in a free environment without any intervention from the government and the pressure from any political parties.

It is also suggested that to keep away from political intervention in the management of this organization, all powers (appointment, selection, hiring, reward and punishment) should be vested in the hand of an executive body and not from a politically backed force.

Passengers have also frequently complained about the baggage delivery system at TIA takes a longer time. As per the rule, the baggage should reach within 15 minutes after the aircraft landing, but it always takes more time at the airport. The open area baggage delivery and the manual system that is still followed also give more possibility for thefts, which is a growing problem at the airport. So the airport should have an enclosed area for baggage with a facility of an automatic system.

It is obvious that the access of roads to potential tourist spots is extremely limited. Therefore, the road network should be well developed to diversify the tourism industry. Moreover, the existing road conditions should be properly improved, and it is necessary to develop roads linking to attractive tourists' spots.

Accommodation is one of the vital infrastructures for the development of tourism which is said to be both a capital intensive and a labor intensive industry. As it is capital intensive, it needs a big amount of investment in luxury hotels, tourist lodges and other necessary services. It is also labor intensive because it creates various employments in the classified hotels and has employed many skilled, semi-skilled and unskilled people. Hotel industry, as elsewhere, requires a great deal of personal service, which would be difficult to mechanize or automate.

It is also known that most of the graded hotels are located in Kathmandu valley and there is little provision of good hotels in different parts of the country. In some of the places during traveling, tourists are compelled to have unhygienic food which the hoteliers have provided for them. So, it is recommended that the graded hotels facilities should be provided in other parts of the country and its quality should be monitored by different authorities.

The government should help and encourage the local people of different trekking routes to run small standard hotels, restaurants and lodges. The government has to provide the hotel management and tourist guide training on the spot and provide them financial support through the banks, which are located near their places. For their encouragement, the government has to provide them bank guarantee and request the bank to finance loan at a low interest. Besides this, the government should cut down its taxes for those already established hotels, which are running in a financially weak condition.

Considering the role of telecommunications for tourism development, facilities should be made available to potential tourism areas and in major trekking trails from a safety and security point of view. Similarly, rescue and medical facilities should be made available at such places where there are natural scenic and adventure spots.

The cut throat competition among service providers has become a common phenomenon in the tourism industry leading to competitive prices cutting at the cost of the quality of service. This has turned Nepal into a cheap tourist destination. It is really a serious issue, so that the concerned authority should

monitor the prices charged and the quality of service offered by them. In fact, the cut throat competition among the service providers is the side effect of a liberal economic policy adopted by the government. Therefore it is desirable that in the name of liberal economic policy the license to service sectors should be strict and the regular monitoring system should be done in order to maintain the quality of tourism services.

Regarding the needs for the development of tourism products, the majority of tourists have suggested the need for new products followed by the need to preserve and present as it is now, modify the product to suit the target market and combining product features. As there is high competition within the neighboring markets i.e. India, Sri Lanka Malaysia, and Singapore, so the new products should be developed and existing products should be improved for the attraction of tourists.

Similarly, regarding the product positioning in the international market, the majority of tourists and experts suggested concentrating on pleasure tourism, followed by adventure, culture, pilgrimage and nature tourism. Nepal is one of the most attractive countries in the world coupled with a population of diverse, friendly, ethnic and caste groups. The study suggests positioning the tourism market of Nepal into pleasure, adventure, culture, pilgrimage and others.

In Nepal there are lots of things to see and explore and Nepal is full of interesting places and landmarks like temples, monasteries, museums and places. Besides this, many of them come to Nepal to enjoy outdoor sports or learn about the cultures and traditions of our country, whereas others come to explore the beauty of this gifted nation. In order to fulfill their desire, they need to be accompanied and directed by trained guides.

However, a guide has to understand the aptitude of the person he is accompanying and then work according to it because the authentic guides are the ones, who are truly devoted to their profession. So the guide should be quality conscious, trained and act like a professional. It is also said that a well trained guide can undertake tactical measures to solve the problem and helps one to acquire an accurate knowledge of the facts. Generally, the hotel and travel agency should provide professional guides and tour packages to the tourists for their convenience.

As the theme of this study is the customer service, it is a philosophy in which all employees feel and act accountable for creating customer's satisfaction. For this, everyone in the business organization should be responsible and work to exceed the customer's expectations. The treatment of the customer is more powerful than the money spent on advertising. It is said that advertising only draws customers towards organization. But it is the organization's performances that brings them back or chases them away.

Development of basic tourism infrastructure in the potential areas plays a vital role in the development of tourism. So, the basic infrastructure such as renovation and construction of trails, bridges, monasteries, resting places, and drinking water and small irrigations, etc. have to be developed in the potential tourist spots, which will greatly benefit the local people, people for neighboring villages and the country as a whole.

5. 3. 3 Promotion and Marketing

Tourists from diverse areas and interests have different things to do, experience and enjoy. So in order to bring light to the necessary potential

products and activities, events and festivals, sports, such as tennis, golf, water sports summer recreation camps , winter recreation camps, documentation through research-based books, profiles, CDS and documentations are essential.

In Nepal, there still remains a lot of product, areas and activities which are unexplored, unrecognized and undeveloped. So in order to bring light to the unrecognized potential products and activities, it is recommended to focus events and festivals through the research based books, profiles, CD's and documentaries.

The majority of tourists have expressed that word of mouth and personal recommendations from their friends and relatives are the main sources of information for them followed by travel agents, guide books and prior visit. This sharply indicates a need for Nepal to concentrate its marketing activities in two areas viz., public relations and travel trade marketing.

Tourism activities require active involvement and mutual cooperation among various stakeholders and partners both in national and international levels. Similarly seminars, conference and interaction play a vital role in bringing together all players at the same point in order to make discussions, reviews, observations and decisions on vital issues pertaining to Nepalese tourism.

Promotion is one of the important activities of tourism marketing. The effectiveness of promotional activities can be measured in terms of cost benefit analysis. However, as it is a very difficult task the promotional activities should be conducted on the basis of a planned way, and it also needs

to fulfill certain processes like analyzing the market ,setting the objectives, developing a promotional budget, choosing a promotional mix, and control.

Thus the private business unit should come forward to join hands with the government for promotion and marketing of tourism. The utilization of Nepalese Embassies and Consulate offices abroad can be the best institution for providing information about Nepal.

Absence of Tourist Information Centre in most foreign countries, to display Nepal's cultural diversities, adventure and pleasure is being seen as a major drawback in the field of tourism business. So, it is recommended to open tourist information centre in most of the countries in coordination with international tour operators and the concerned government agencies to expose Nepal as a suitable site for cultural, adventure, natural and pleasure tourism destination.

It is important to develop Nepal as a cultural tourist destination with the conservation and promotion of historical, cultural and religious places and monuments, as well as a living cultural heritage. In the changed context of the situation of the country, we need to involve ourselves in an extensive international publicity.

5. 3. 4. Environment

Environment and tourism are interdependent. They support each other. If there is no congenial environment, tourism development and promotion will be hindered.

Nepalese mountains are mind-blowing. But the news like Everest becoming a dumping site is very painful and the nature lovers feel pity about such tendencies. So it is recommended that a strict monitoring of tourists and traveler's activities be made. To control environmental degradation, we should also raise awareness and avoid using plastic products and bottles for food and drinks.

At present, nature is treated as a final product of tourism. Hence, it should be sold as it is and it should not be touched, destroyed or tamed, and it should be protected to ensure the continuity of the tourism industry. Environment is the most powerful magnet to attract the tourists. With the growth of trekking and mountaineering and other adventure activities in the mountain region, various kinds of environmental pollution have appeared, and one of the main problems faced by Nepalese tourism is the deteriorating conditions of the environment. We need to evaluate the environmental impact of tourism. This is evident from the deforestation, littering, solid waste, pollution and overcrowding in tourist routes and sites. It is most urgent to mitigate such pollution and initiate appropriate steps. So, it is recommended that the concerned bodies divert trekkers and mountaineers from most popular trekking regions to other places. Tourist must be diverted from Annapurna, Khumbu, and Langtang region to other less pressurized regions like the far western and eastern regions.

Pollution in the major cities, including Kathmandu Valley, visual pollution of garbage, riverside pollution, and emission pollution have created a negative effect in the mind of the tourists. Besides this, the pile of visual garbage is not only a visual embarrassment but it is equally hazardous to the health of the people. On the other hand, it is really a matter of shame for all Nepalese that tourists have been traveling at different historical monuments and major areas

on the cities with their masks on. So it is suggested that it should be controlled as soon as possible, with coordinated efforts of the government, private parties, local people and municipalities of the cities.

Pokhara is the hub of all tourism activities of the western Region. Lakes are the key to the future of sustainable tourism growth in Pokhara and in the western region. Since the lakes like Fewa are getting dirtier day by day, its natural attraction is decreasing consistently and its original beauty has been degrading causing unwanted water weeds like Jal Kumbhi, which not only encroach into the water, but also give a negative impression. A clean up campaign is necessary every year and all the stakeholders should cooperate in this matter.

5. 3. 5. Government's Role

The government's role is also very important for the development of tourism. All forms of violence must come to an end with immediate effect for the economy to flourish. As all these types of *bandhs* and *chhaka jam* leave a negative impact in the country's tourism, it is suggested to the government to make the service oriented sector including hotels a strike free zone. Since the hotel is a very sensitive segment, such strikes and sudden closure will have a direct negative impact on the tourists who will be staying in such hotels. It may be possible only if both the private and the public sector join hands and cooperate with each other. The message of peace should also reach to the international media for wider dissemination.

It is also important for the government to develop all kinds of industry in the country including tourism. Simply allocating the budget by the government will not make sufficient environment for tourism development. There are

many activities in the tourism industry, conducted by the private sectors. So, to develop tourism in a coordinated approach, the government should take the supportive attitude towards the private sector for comprehensive tourism development. Also the government has to develop a conducive tourism policy with rules and regulations.

The problem of street children is increasing day by day. In the streets of major cities like Kathmandu, where most of the tourist are seen, urchins and children loiter around and homeless persons stay in the streets with their belongings. This may not give a good impression to the visitors especially when the same children start to harass tourists by asking for money and causing problems to pedestrians unless some money is given to them. This problem has been increasing gradually and it is the time for the concerned sector to think on the issue and solve the problem.

The government has a significant role in the preparation of the plan, policies and implementation of rules and regulations as a development leader. It should be active in maintaining law and order in the country. The government has to fine those who break the rules and regulations.

Most of the tourists were harassed by brokers, beggars, taxi-drivers, rickshaw pullers and so on during their visit in Nepal. The taxi drivers and rickshaw pullers and brokers charge excessively high rate to the tourists. Because of the lack of a proper checking mechanism, this type of practice prevails. Such actions should be immediately controlled by the concerned agencies, for example, the police have to be aware of the issue and be committed to eliminate such malpractices.

5.3.6 Action Recommendations

The government should disseminate positive information about Nepal at the international level through mobilizing its embassies, students, and tour operators of different countries.

Under the new democratic setup, the government has to develop open attitudes, and draw the attention of foreign investors to Nepalese tourism.

The Government should assign new rules to all Nepalese ambassadors and encourage them to play a creative role for the promotion and expansion of tourism. Tourism development process should be decentralized and local communities' participation for conservation and development should be encouraged. The Government should provide maximum facilities to the private parties, by making available low interest loan facilities, simplifications of rules and regulations and protect them when they are in difficulty.

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Tourist Arrival by Country of Residence (1986 – 2007)

Annex- A

Country	1986	1990	1992	1994	1996	1998	2000	2002	2004	2005	2006	2007
Australia	11072 (5.0)	10249 (4.0)	8871 (2.7)	7947 (2.4)	9720 (2.5)	11132 (2.4)	12189 (2.6)	7159 (2.6)	9671 (2.5)	7093 (1.9)	8231 (2.1)	12369 (2.3)
Austria	2791 (1.2)	2624 (1.0)	3119 (0.9)	2927 (0.9)	4163 (1.1)	4603 (1.0)	5221 (1.1)	3140 (1.1)	4341 (1.1)	3007 (0.8)	3474 (0.9)	4473 (0.8)
Canada	4398 (2.0)	4917 (1.9)	5167 (1.5)	4432 (1.4)	5480 (1.4)	7136 (1.5)	8590 (1.9)	3747 (1.4)	4825 (1.3)	4168 (1.1)	4733 (1.2)	7399 (1.4)
Denmark	2257 (1.0)	2840 (1.1)	3265 (1.0)	3332 (1.0)	4454 (1.1)	4781 (1.0)	4847 (1.0)	2040 (0.7)	2633 (0.7)	1770 (0.5)	1956 (0.5)	3157 (0.6)
France	15117 (6.8)	19909 (7.8)	22669 (6.8)	18638 (5.7)	19913 (5.1)	21992 (4.7)	24506 (5.3)	13376 (4.9)	18936 (4.9)	14108 (3.8)	14835 (3.9)	20250 (3.8)

Germany	15636 (7.0)	18565 (7.3)	23887 (7.1)	44530 (13.6)	24963 (6.3)	23862 (5.1)	26263 (5.7)	15774 (5.7)	16025 (4.0)	14345 (3.8)	14361 (3.7)	21323 (4.0)
India	55195 (24.7)	59764 (23.4)	106574 (31.9)	102540 (31.4)	122572 (31.1)	143229 (30.9)	95915 (20.7)	66777 (24.2)	90326 (23.4)	95685 (25.5)	93722 (24.4)	96010 (18.2)
Italy	9474 (4.2)	11952 (4.7)	13427 (4.0)	9715 (3.0)	10258 (2.6)	12864 (2.8)	11491 (2.5)	8057 (2.9)	12376 (3.2)	8785 (2.3)	7736 (2.0)	11243 (2.1)
Japan	12133 (5.4)	15021 (5.9)	19533 (5.8)	19478 (2.8)	28923 (7.3)	37386 (8.1)	41070 (8.9)	23223 (8.4)	24231 (6.3)	18239 (4.9)	22242 (5.8)	27058 (5.1)
Netherlands	4372 (2.0)	5972 (2.3)	9478 (2.8)	8669 (2.7)	8718 (2.2)	14403 (3.1)	16211 (3.5)	8306 (3.0)	11160 (2.9)	8947 (2.4)	7207 (1.9)	10589 (2.0)
Spain	4229 (1.9)	8515 (3.3)	11272 (3.4)	6228 (1.9)	8658 (2.2)	8832 (1.9)	8874 (1.9)	5267 (1.9)	11767 (3.1)	8891 (2.4)	10377 (2.7)	15672 (3.0)
Switzerland	5298 (2.4)	5278 (2.1)	5914 (1.8)	4921 (1.5)	5961 (1.8)	6644 (1.4)	6230 (1.3)	3352 (1.2)	3788 (1.0)	3163 (0.8)	3559 (0.9)	5238 (1.0)
Sri Lanka	903 (0.4)	1536 (0.6)	858 (0.3)	888 (0.3)	5758 (1.5)	11031 (2.4)	16649 (3.6)	9805 (3.6)	16124 (4.2)	18770 (5.0)	27413 (7.1)	49947 (9.5)

U.S.A.	23553 (10.5)	21426 (8.4)	22189 (6.6)	21646 (6.6)	25155 (6.4)	35902 (7.7)	40442 (8.7)	17518 (6.4)	20680 (5.4)	18539 (4.9)	19833 (5.2)	29783 (5.7)
U.K.	17740 (7.9)	23877 (9.4)	26492 (7.9)	622504 (6.9)	29466 (7.5)	35499 (7.7)	37765 (8.1)	21007 (7.6)	24667 (6.4)	25151 (6.7)	22708 (5.9)	32367 (6.1)
Others	39163 (17.5)	42440 (16.7)	51638 (15.4)	4805 (14.7)	78511 (19.9)	84388 (18.2)	107383 (23.2)	66920 (24.3)	11745 (29.5)	124737 (33.2)	121539 (31.7)	176312 (33.5)
Total	22331 (100.0)	254885 (100.0)	334353 (100.0)	326531 (100.0)	393613 (100.0)	463884 (100.0)	463646 (100.0)	275.468 (100.0)	385297 (100.0)	375398 (100.0)	383926 (100.0)	526505 (100)

Source: Nepal Tourism Statistics 2007, MoCTCA

Tourist Arrival in Nepal by Continents (1962 – 2007)

Annex - B

Year	North America	Central & South America	Western Europe	Eastern Europe	Africa	Asia	Australia & Pacific	Others	Not Specified	Total
1962	3724 60.3%	54 0.9%	1980 32.0%	22 0.4%	8 0.1%	250 4.0%	117 1.9%	24 0.4%	-	6179 100.0%
1966	5836 46.4%	73 0.6%	5024 40%	217 1.7%	27 0.2%	965 7.7%	425 3.4%	0 0.0%	-	12567 100.0%
1970	15992 34.8%	584 1.3%	22346 48.6%	440 1.0%	100 0.2%	3841 8.4%	2667 5.8%	0 0.0%	--	45970 100.0%
1974	17161 19.1%	844 0.9%	40455 45.0%	960 1.1%	184 0.2%	24782 27.6%	5405 6.0%	47 0.1%	- -	89838 100.0%
1978	23545 15.1%	1927 1.2%	66876 42.8%	1522 1.0%	475 0.3 %	52438 33.6%	9214 5.9%	126 0.1%	- -	156123 100.0%
1982	20012 11.4%	1754 1.0%	68696 39.2%	1414 0.8%	768 0.4%	73817 42.1%	8424 4.8%	563 0.3%	- -	175448 100.0%

1986	27951 12.5%	1749 0.8%	85453 38.3%	2696 1.2%	532 0.2%	84834 38%	13505 6.0%	6611 3.0%	- -	223331 100.0%
1990	26343 10.3%	1872 0.7%	11075 43.5%	3275 1.3%	611 0.2%	98320 38.6%	13108 5.1%	606 0.2%	- -	254885 100.0%
1991	24027 8.2%	2202 0.8%	110425 37.7%	3126 1.1%	956 0.3%	140025 47.8%	10476 3.6%	1758 0.6%	- -	292995 100.0%
1992	27356 8.2%	2727 0.8%	132555 39.6%	2553 0.8%	1263 0.4%	15632 46.8%	10893 3.3%	694 0.2%	- -	334353 100.0%
1993	25283 8.6%	2612 0.9%	122064 41.6%	3016 1.0%	985 0.3%	128812 43.9%	9806 3.3%	989 0.3%	- -	293567 100.0%
1994	26078 8.0%	3083 0.9%	132518 40.6%	2664 0.8%	915 0.3%	150982 46.2%	9905 3.0%	386 0.1%	- -	326531 100.0%
1995	29702 8.25	3049 0.8%	133809 36.8%	3860 1.1%	1073 0.3%	180377 49.6%	11499 3.2%	26 0.0%	- -	363395 100.0%
1996	30635 7.8%	4230 1.1%	132787 33.7%	6114 1.6%	1775 0.5%	205809 52.3%	12233 3.1%	30 0.0%	- -	393613 100.0%
1997	36301 8.6%	4554 1.1%	137028 32.5%	6416 1.5%	1645 0.4%	222849 52.8%	13047 3.1%	17 0.0%	- -	421857 100.0%
1998	43038 9.3%	5937 1.3%	151070 32.6%	6741 1.5%	1795 0.4%	240460 51.9%	14635 3.2%	8 0.0%	- -	463684 100.0%
1999	46910 9.5%	6096 1.2%	164913 33.6%	6723 1.4%	1875 0.4%	249793 50.8%	15207 3.1%	5 0.0%	- -	491504 100.0%

2000	49032 10.6%	6076 1.3%	159325 34.4%	6992 1.5%	2040 0.4%	224532 48.4%	15641 3.4%	8 0.0%	- -	463646 100.0%
2001	39120 10.8%	4634 1.3%	131661 36.4%	6201 1.7%	1596 0.4%	164989 45.7%	13036 3.6%	0 0.0%	- -	361237 100.0%
2002	21265 7.7%	2793 1.0%	87912 31.9%	5276 1.9%	1132 0.4%	148670 54.0%	8420 3.1%	0 0.0%	- -	275468 100.0%
2003	22992 6.8%	2262 0.7%	95162 28.1%	6451 1.9%	1612 0.5%	200045 59.2%	9608 2.8%	0 0.0%	- -	338132 100.0%
2004	25505 6.6%	4373 1.1%	116505 30.2%	7661 2.0%	1161 0.3%	218387 56.7%	10947 2.8%	0 0.0%	758 0.2%	385297 100.0%
2005	22853 6.1%	3559 0.9%	98046 26.1%	8263 2.2%	1302 0.3%	230282 61.3%	8317 2.2%	0 0.0%	2776 0.7%	375398 100.0%
2006	24566 4.7%	4764 0.9%	97278 18.5%	10613 2.0%	1125 0.2%	231812 44.0%	9763 1.9%	0 0.8%	4005 1.0%	383926 100.0%
2007	37180 7.1%	6486 1.2%	140630 26.7%	16634 3.2%	1350 0.3%	304225 57.8%	14506 2.8%	2177 0.4%	3515 0.7%	526705 100.0%

Source: Tourism Statistics, 2004, 2005, 2006, and 2007, MoCTCA

Tourist Arrival by Month (1990- 2007) (Excluding Indians)

Annex – C

Year	Jan.	Feb.	Mar.	Apr.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1990	15937 8.0%	19401 9.7%	24757 12.6%	15654 8.0%	8411 4.2%	5037 2.5%	8509 4.3%	15386 7.8%	14933 9.1%	29239 14.7%	21429 10.8%	16428 8.3%	195121 100%
1991	13299 6.6%	14320 7.2%	19908 10.0%	17471 9.0%	9167 4.5%	6279 3.2%	11415 5.6%	17103 8.5%	16526 8.2%	30663 15.2%	25449 12.6%	18889 9.4%	200489 100%
1992	12560 5.5%	20331 9.7%	24792 11.0%	20295 9.0%	11380 5.0%	7264 3.1%	12708 6.0%	20198 8.8%	18442 8.0%	33834 15.0%	25862 11.3%	20113 8.6%	227779 100%
1993	14147 7.0%	18164 8.6%	25200 12.0%	14594 7.0%	9355 4.4%	8536 4.0%	9076 4.3%	16671 8.0%	18293 8.7%	34415 16.3%	23715 11.2%	18039 8.5%	210205 100%
1994	14795 6.6%	19794 8.8%	24856 11.0%	19778 8.8%	12244 5.4%	8561 3.8%	13352 5.9%	20524 9.1%	21289 10.0%	30063 13.4%	20556 9.1%	18179 8.1%	223991
1995	15758 6.4%	19482 8.0%	25381 10.3%	23419 9.5%	12491 5.0%	9270 3.7%	14141 5.7%	20211 8.3%	22344 9.1%	38398 15.6%	28177 11.4%	17063 7.0%	246135 100%
1996	17678 6.5%	23629 8.7%	31738 12.0%	25458 9.3%	14042 5.1%	9777 3.6%	13724 5.0%	21833 8.0%	23201 8.5%	38139 14.0%	29221 11.0%	22661 8.3%	271101 100%
1997	16856 5.8%	24151 8.3%	33389 11.6%	24343 8.4%	14836 5.2%	9973 3.5%	16024 5.5%	24772 8.6%	24344 8.4%	46110 16.0%	30712 10.7%	22909 8.0%	288419 100%
1998	20124 6.2%	27855 8.6%	33079 10.3%	28997 9.9%	15647 4.8%	11195 3.4%	15724 5.0%	26387 8.2%	29241 9.1%	49787 16.0%	38587 12.0%	23814 7.4%	320455 100%
1999	20554 5.8%	29259 8.4%	38158 10.8%	29637 8.5%	22305 6.5%	12731 3.6%	16782 4.7%	29402 8.4%	33650 9.5%	54099 15.5%	38835 11.0%	25431 7.3%	350843 100%
2000	21092 5.7%	33939 9.3%	38959 11.0%	36430 10.0%	18658 5.0%	12036 3.2%	16842 4.5%	27205 7.3%	34643 9.4%	51100 14.0%	45318 12.3%	31509 8.5%	367731 100%
2001	25158	32763	40684	32211	17406	8929	13965	21658	26132	37198	25795	15018	296917

	8.5%	11.0%	14.0%	11.0%	6.0%	3.0%	5.0%	7.2%	7.3%	13.0%	9.0%	5.0%	100%
2002	13180 6.3%	16960 8.2%	25102 12.0%	16877 8.0%	11751 6.0%	8338 4.0%	9962 4.7%	15515 7.4%	18768 9.0%	30251 14.4%	24044 11.5%	17943 8.5%	208691 100%
2003	15659 6.3%	19321 7.6%	22260 8.8%	20303 8.0%	15288 6.0%	7835 3.2%	13607 5.4%	19149 7.6%	22577 9.0%	38040 15.2%	31750 12.6%	25980 10.3%	251769 100%
2004	22947 7.7%	28743 9.7%	35468 12.0%	26279 9.0%	15581 5.3%	9776 3.3%	17070 5.7%	27657 9.3%	21829 7.5%	38104 13.0%	29330 10.0%	22187 7.5%	294971 100%
2005	19531 7.2%	17061 6.2%	25847 9.2%	18311 6.5%	15438 5.5%	11170 4.1%	14921 5.3%	26119 9.3%	27413 9.8%	40553 14.5%	34778 12.4%	27822 10.0%	278964 100%
2006	21126 7.2%	21320 7.3%	30169 10.4%	18435 6.4%	13517 4.6%	11841 4.1%	15066 5.2%	24966 8.6%	26327 9.1%	43026 14.8%	37402 13.0%	27009 9.3%	290204 100%
2007	25857 6.0%	33133 7.7%	48022 11.1%	32794 7.6%	23296 5.4%	18937 4.4%	26160 6.1%	37658 8.7%	38813 9.0%	65745 15.3%	46822 10.9%	33458 7.8%	430695 100.0%

Source: Nepal Tourism Statistics Annual Statistical Report 2006 & 2007, – MoCTCA- Government of Nepal.

Indian Tourist Arrivals by Months (1990- 2007)

Annex - D

Year	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Total
1990	3710 6.2%	4427 7.4%	3725 6.3%	2447 4.1%	5173 8.6%	6582 11.0%	5294 8.8%	4793 8.0%	6891 11.5%	5736 9.6%	4748 8.0%	6238 10.5%	59764 100%
1991	4618 5.0%	5062 5.5%	5415 5.8%	6250 6.7%	12785 13.8%	13529 14.7%	7947 8.5%	7326 8.0%	6698 7.3%	8676 9.4%	7058 7.6%	7142 7.7%	92506 100%
1992	4891 4.6%	7158 6.7%	6713 6.3%	10387 9.7%	17709 16.6%	15205 14.3%	8234 7.7%	7140 6.7%	6397 6.0%	8813 8.3%	6479 6.1%	7448 7.0%	106574 100%
1993	5091 6.1%	5767 7.0%	5618 6.7%	5527 6.6%	11230 13.5%	11066 13.3%	4512 5.4%	4912 5.8%	5646 6.7%	7827 9.4%	6663 8.0%	9503 11.5%	83362 100%
1994	6940 6.8%	5078 5.0%	6730 6.6%	7514 7.3%	13988 13.6%	14346 14.0%	6387 6.2%	7086 6.9%	6670 6.5%	9330 9.1%	7452 7.3%	11019 10.7%	102540 100%
1995	6449 5.5%	8758 7.4%	8838 7.5%	10575 9.0%	15352 13.0%	16380 14.0%	9839 8.3%	7475 6.4%	8225 7.1%	8447 7.3%	7605 6.5%	9317 8.0%	117260 100%
1996	10208 8.3%	6047 5.0%	7598 6.2%	10873 9.0%	15686 12.8%	16972 13.8%	8960 7.3%	7247 6.0%	8980 7.3%	9175 7.5%	8429 6.8%	12337 10.0%	122512 100%
1997	8729 6.6%	8710 6.5%	9788 7.3%	10886 8.1%	18620 14.0%	16394 12.3%	10067 7.3%	10777 8.1%	7637 5.7%	10162 7.6%	9461 7.0%	12207 9.2%	133438 100%

1998	8698 6.0%	10101 7.1%	8241 5.7%	12090 8.5%	20167 14.1%	17986 12.5%	12171 8.5%	9787 6.8%	10423 7.4%	12700 8.8%	8816 6.2%	12049 8.4%	143229 100%
1999	9198 6.5%	8875 6.4%	8060 5.7%	11137 8.0%	20407 14.5%	18318 13.0%	10411 7.4%	9047 6.4%	10467 7.4%	12444 8.8%	10030 7.2%	12267 8.7%	140661 100%
2000	4215 4.4%	5020 5.2%	5985 6.2%	7205 7.5%	9705 10.1%	14897 15.5%	7638 8.0%	7465 7.8%	8880 9.3%	8095 8.4%	7675 8.1%	9135 9.5%	95915 100%
2001	5296 8.2%	5917 9.2%	6025 9.3%	6872 10.6%	10939 17.0%	4101 6.5%	4364 6.8%	3664 5.7%	5038 7.8%	4047 6.4%	4487 7.0%	3570 5.5%	64320 100%
2002	3996 6.0%	3708 5.5%	3713 5.6%	4376 6.6%	8136 12.3%	8880 13.3%	6659 10.0%	5578 8.3%	4984 7.4%	5021 7.5%	4679 7.0%	7047 10.5%	66777 100%
2003	5556 6.5%	5028 5.8%	5477 6.3%	5548 6.4%	7416 8.6%	12516 14.5%	9054 10.4%	8419 9.7%	6147 7.2%	7419 8.6%	6648 7.7%	7135 8.3%	86363 100%
2004	8041 9.0%	6888 7.6%	8822 9.8%	7235 8.0%	11221 12.4%	10017 11.1%	7790 8.6%	5505 6.0%	3667 4.1%	5269 5.8%	7051 7.8%	8820 9.8%	90326 100%
2005	5946 6.2%	3277 3.4%	4028 4.2%	5103 5.3%	10103 10.5%	11438 11.8%	9075 9.4%	10791 11.2%	8653 9.0%	10945 11.3%	6727 7.0%	10348 10.7%	96434 100%
2006	7643 8.2%	4408 4.7%	6704 7.1%	3548 3.7%	9353 10.0%	14369 15.4%	10117 10.8%	8184 8.7%	7035 7.6%	6644 7.0%	6717 7.2%	9000 9.6%	93722 100%
2007	7335 7.6%	6801 7.1%	6700 7.0%	8148 8.5%	12558 13.1%	12379 12.9%	9277 9.7%	7025 7.3%	6759 7.0%	4899 5.1%	5451 5.7%	8698 9.1%	96010 100.0%

Source: Nepal Tourism Statistics, 2006 and 2007, Government of Nepal, Ministry of Culture, Tourism, and Civil Aviation.

Purpose-wise Distribution of Tourist in Nepal (1962-2007)

Annex - E

Year	Holiday pleasure	Trekking and mountaineering	Business	Pilgrimage	Official	Conference	Rafting	Others	Not Specified	Total
1962	-	-		-		-	-	-	-	6179 (100%)
1966	10963 (87.2%)	8 (0.1%)	327 (2.6%)	-	907 (7.2%)	-	-	362 (2.9%)	-	12567 (100%)
1970	41881 (91.1%)	556 (1.2%)	918 (2.0%)	-	1528 (3.3%)	-	-	1087 (2.4%)	-	45970 (100%)
1974	67748 (75.4%)	11710 (13.0%)	3896 (4.3%)	-	3707 (4.1%)	-	-	2777 (3.1%)	-	89838 (100%)
1978	124465 (79.7%)	17304 (11.1%)	6642 (4.3%)	-	5660 (3.6%)	-	-	2052 (1.3%)	-	156123 (100%)
1982	136693 (77.9%)	23507 (13.4%)	7374 (4.2%)	-	7166 (4.1%)	-	-	708 (0.4%)	-	175448 (100%)
1986	163954 (73.4%)	33609 (15.0%)	10863 (4.9%)	-	8825 (4.0%)	-	-	6076 (2.7%)	-	223331 (100%)
1987	184979 (74.6%)	36164 (14.6%)	11781 (4.7%)	-	8882 (3.6%)	-	-	6274 (2.5%)	-	248080 (100%)
1988	200775 (75.5%)	36937 (13.9%)	12008 (4.5%)	-	9781 (3.7%)	-	-	6442 (2.4%)	-	265943 (100%)
1989	180973 (75.4%)	40093 (16.7%)	2630 (1.1%)	-	12275 (5.1%)	-	-	3974 (1.7%)	-	239945 (100%)
1990	161839 (63.5%)	39999 (15.7%)	11728 (4.6%)	6713 (2.6%)	26578 (10.4%)	2 838 (1.1%)	-	5190 (2.0%)	-	254885 (100%)
1991	177,370 (60.5 %)	42308 (14.4 %)	14601 (5.0 %)	9103 (3.1 %)	37274 (12.7%)	5441 (1.9%)	-	6898 (2.4%)	-	292995 (100%)

1992	237711 (71.1%)	35166 (10.5%)	31765 (9.5%)	7219 (2.2%)	20967 (6.3%)	815 (0.2%)	-	710 (0.2%)	-	334353 (100%)
1998	261347 (56.4%)	112644 (24.3%)	24954 (5.4%)	16164 (3.5%)	22123 (4.8%)	5181 (1.1%)	-	21271 (4.6%)	-	463646 (100%)
1999	290862 (59.2%)	107960 (22.0%)	23813 (4.8%)	19198 (3.9%)	24132 (4.9%)	5965 (1.2%)	-	19574 (4.0%)	-	491504 (100%)
2000	255889 (55.2%)	118780 (25.6%)	29454 (6.4%)	15801 (3.4%)	20832 (4.5%)	5599 (1.2%)	-	17291 (3.7%)	-	463646 (100%)
2001	187022 (51.8%)	100828 (27.9%)	18528 (5.1%)	13816 (3.8%)	18727 (5.2%)	0 (0.0)	-	22316 (6.2%)	-	361237 (100%)
2002	110143 (40.0%)	59279 (21.5%)	16990 (6.2%)	12366 (4.5%)	17783 (6.5%)	0 (0.0)	-	58907 (17.9%)	-	275468 (100%)
2003	97904 (29.0%)	65721 (19.4%)	19387 (5.7%)	21395 (6.3%)	21967 (6.5%)	0 (0.0)	-	11758 (33.1%)	-	338132 (100%)
2004	167262 (43.4%)	69442 (18.0%)	13948 (3.6%)	45664 (11.9%)	17088 (4.4%)	0 (0.0)	-	71893 (18.7%)	-	385297 (100%)
2005	160259 (42.7%)	61488 (16.4%)	21992 (5.9%)	47621 (12.7%)	16859 (4.5%)	0 (0.0)	-	67179 (17.9%)	-	375398 (100%)
2006	145802 (27.7%)	66931 (12.7%)	21066 (4.0%)	59298 (11.3%)	18063 (3.4%)	0 (0.0)	-	72766 (19.0%)	-	383926 (100%)
2007	215815 (41.4%)	101320 (19.2%)	24487 (4.6%)	52594 (10.0%)	21670 (4.1%)	8019 (1.5%)	65 (0.0%)	78579 (14.9%)	2215 6 (4.2%)	526705 (100.0%)

Source: Nepal Tourism Statistics, 2007, Government of Nepal, MoCTCA

Trend of Tourists Arrival by Mode of Transport (1962-2007)

Annex - F

Year	Total Number	By Air Number	% of Air	By Land Number	% of Land
1962	6179	-----	-----	-----	-----
1966	12567	11206	89	1361	11
1970	45970	36508	79	9462	21
1974	89838	74170	83	15668	17
1975	92440	78995	86.	13445	15
1976	105108	90498	86	14610	14
1977	156129	130034	83	26095	17
1978	156123	130034	83	26089	17
1979	162276	137865	85	24411	15
1980	162897	139387	86	23510	14
1981	161669	142084	88	19585	12
1982	175448	153509	87	21939	13
1983	179405	152470	85	26935	15
1984	176634	149920	85	26714	15
1985	180989	151870	84	29119	16
1986	223331	182745	82	40586	18
1987	248080	205611	83	42469	17
1988	265943	234945	88	30998	12

1989	239945	207907	87	32038	13
1990	254885	226421	89	28464	11
1991	292995	267932	91	25063	9
1992	334353	300496	90	33857	10
1993	293567	254140	87	39427	13
1994	326531	389381	89	37150	11
1995	363395	325035	89	38360	11
1996	393613	343246	87	50367	13
1997	421857	371145	88	50712	12
1998	463684	398008	86	65676	14
1999	491504	421243	86	70261	14
2000	463646	376914	81	86732	19
2001	361237	299514	83	61,723	17
2002	275468	218660	79	56808	21
2003	338132	275438	81	62694	19
2004	385297	297335	77	87962	23
2005	375398	277346	74	98052	26
2006	383962	283819	74	100107	26
2007	526705	360713	68	165992	32

Source: Nepal Tourism Statistics, 2006, and 2007, MoCTCA