ECONOMIC IMPACT OF TOURISM IN KATHMANDU METROPOLITAN CITY

A Thesis

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CHAPTER- I

INTRODUCTION

1.1 Background of the Study

Tourism denotes the temporary, short-term movement of people to destination outside the places where they normally live and work, and their activities during the stay at these destinations. Much of this movement is international in character. Tourism is major element in the balance of payments of many countries, which has grown faster than the trade in goods. Tourism generates employment and income. It makes use of resources, which may not be used otherwise, in particular of unemployed labor in developing countries with few alternative sources of employment. It can directly influence living standards and quality of life which lead to the satisfaction of the visitors and multiple benefits to the destination visited i.e. employment generation, economic growth, conservation of natural and cultural heritage, culture exchange etc. Tourism has always helped the local economy by improving living standards, education, health care, social awareness and infrastructure.

Nepal opened its door to the world tourist market after the great political changes in 1950, the Rana rulers were overthrown and democracy was restored. After that, there was no looking back, as tourism accelerated in Nepal after establishment of Nepal Tourism Committee in 1970 and Nepal Tourism Master Plan was prepared in 1972, followed by establishment of Ministry of Tourism by Government in 1973.

Nepal is one of the richest countries in terms of bio-diversity, which can be easily reflected by its physiographic, climatologically and wide altitudinal variations. Tourism reaches into the varied aspects of Nepalese life and thousands of people from diverse sectors benefit from it directly and indirectly. It generates employment opportunities and also helps in the preservation and conservation of the art and architecture, culture and natural resources.

Nepal is known all over the world as the Himalayan Country. The existence and viability of multi-ethnic and multicultural communities are the major cultural tourism attractions. Tourism industry has played major role in Nepalese economy. The arrival of tourists in Nepal every year is directly or indirectly beneficial to the Nepalese people. It is the major source of earning valuable foreign exchange. Due to its great natural beauty and unique and multi- cultural features, Nepal has become an attractive destination for tourists from all over the world. Considering the historical background, geographical situation and socio-cultural wealth there are enormous touristic potentialities in Nepal and the tourism industry has been playing a significant role in the country's economy. Considering these facts, it is essential to conserve and preserve its natural and cultural beauty. People from both east and west are attracted to visit Nepal due to having all important ingredients for tourism development. Nepal's natural attraction, resulting from physical, historical, cultural monuments and temples, art treasures and festivals and its wildlife are the best attractions for the foreign visitors. Cultural, religious and natural resources are the three major attractions of Nepal which have eight cultural and two natural World Heritage Sites.

Among them, Kathmandu Durbar Square is one of the attractive cultural heritage site which was listed in the UNESCO World Heritage Monument List in 1979. It is in the heart of capital city Kathmandu in Basantapur. The durbar square with its old temples and palaces epitomizes the religious and cultural life of the people. The Royal complex was residence to Nepal's Royal family before the construction of the Narayanhiti Royal Palace. The founding of the Royal Palace dates back to Licchavi times. With considerable renovations by Malla rulers and later the Ranas, construction was accomplished progressively over many centuries. There are around 50 temples in the vicinity including the temple of Royal titular deity, Taleju Bhawani. The Durbar is divided into two courtyards, the outer comprising Kasthamandap, Kumari Ghar, and Shiva-Parvati Temple, and the inner consisting of Hanuman Dhoka and the main palace. It also houses two museums. Important ceremonies, including the coronation of the Nepali monarch, are held in the Kathmandu Durbar Square. Most parts of the palace premise are open for tourists throughout the year during office hours.

Interesting site/objects to see here are:

Taleju Temple
Temple of Kaal Bhairav
Nautalle Durbar
Coronation Nasal Chowk
The Gaddi Bhaithak
The Statue of King Pratap Malla
The Big Drum
The Jaganath Temple
Kumari Ghar
Shiva Parbati Temple
Kotilengeshor Temple
Kasthamandap
Trilokya Mohan Naryan Temple

1.2 Statement of the Problems

The contribution of tourism sector in the overall national development of Nepal has been quite significant, however Nepalese tourism sector has not been as developing as expected. Despite great potentials and promising prospects, there are lots of problems to expedite the growth of tourism in Nepal. In spite of huge investments and continuous efforts of the government as well as private sector, this sector has just contributed less than four percent of GDP in the economy. Although the number of tourist has been increasing over the years, the length of the stay of tourists has changed very little over the period. Moreover, the exploration of available tourism potential is limited in Nepal. Although there are many potential tourist destinations at the remote villages of Nepal, we have not been able to expand this industry throughout the whole country. Among the majority of 85 percent Nepalese people who live in the village are still far from entertaining the benefits of tourism. So, there are challenges of developing and promoting tourism industry by means of exploring new tourist destinations in the remote villages, increasing the number of tourist arrivals, extending their duration of stay and encouraging quality tourism. As the flow of international tourists into the country increases, different

facilities like accommodation, transport, communication, good hotel and trained guide etc. also have to be increased side by side.

In this context, many researchers have already studied about the Nepalese tourism industry and recommended various measures to develop this sector. Despite the vital role of tourism in the economic development of Nepal as a whole, all of the studies have expressed concern over the development of tourism in Nepal saying that it is not so satisfactory as anticipated and the problems still exist through out these years. So, this study attempts to address or assessing the impacts of Tourism in Kathmandu Durbar square area and trace out of the major problems being faced by this sector along with the policy recommendations. This study deals with the following issues:

a. What are the importance features of KDS area as one of the heritage site?
b. How has tourism been contributing to the local people for entertaining and employment opportunities?
c. Which are the prime socio-economic impact of tourism in KDS area?
d. What is the present status of conservation and protection attempts in KDS area?

1.3 Objectives of the Study

The main objective of this study is to assess the impacts of Tourism in Kathmandu Durbar Square. Following are the specific objectives:

a. To explore the features of Kathmandu Durbar Square Area as one of the important heritage site.
b. To examine the contribution of tourism in Kathmandu Durbar Square Area.
c. To assess the socio-economic impact of tourism in KDS area.
d. To analyze the present status of conservation & protection of Kathmandu Durbar Square area.

1.4 Significance of the Study

Scope of this study is significant as tourism is playing a vital role in the economic development of Nepal. Thus, this study focuses on analyzing trend and the foreign

currency earnings. This also highlights the role of tourism in government revenue and employment generation. This study further discusses the problems being faced by Nepalese tourism sector and thereby submits the suggestions to overcome those problems. In overall, this study explores the significance of tourism sector in Nepal and highlights some of the policy measures for the development of this sector.

1.5 Limitations of the Study

a. This study has been carried out in Kathmandu Durbar Square area which includes ward numbers 19, 20, 23, and 25 of Kathmandu valley.
b. Due to beggars and street vendors, tourists don't respond in the good manner. Beside these limitations of the proposed study can be stated as.
c. Lack of sufficient literature on the topic and secondary sources of information.
d. Financial aspect is one of the major constraints due to modest budget i.e. self financed study.

1.6 Organization of the Study

The study has been divided into five chapters:
Chapter I: Introduction
Chapter II: Review of Literature
Chapter III: Research Methodology
Chapter IV: Data Presentation and Analysis
Chapter V: Summary, Conclusion and Recommendation.

Besides these chapters Bibliography and Appendices have been included in the last of this thesis.

CHAPTER-II

REVIEW OF LITERATURE

Review of related literature is an essential part for every research. The objective of this chapter is to review some of the basic literature on impact of tourism in Nepalese society. As far as the impact of tourism is concerned, various scholars made studies focusing mainly on economic aspects. Social and cultural values are often ignored in such studies. In fact, the trend of sociological and anthropological studies in this subject matter still needs stimulation. Some of the useful literatures have been reviewed as per the need of the study.

2.1 Concept of Tourism

Tourism has been defined in different ways by various authors and concerned organizations and yet there is not universally accepted definition of tourism. Hermann V. Schullaid, an Australian economist gave one of the earliest definitions of tourism in 1910. According to Schullaid, tourism is "the sum total of the operators, mainly of an economic nature, which directly relates to the entry, stay and movement of foreigners inside and outside or certain country, city or region" (Satyal, 1988: 7).

Meyer has defined tourism as, "A collective term for human movement and its attendant activities caused by the exteriorization and fulfillment of the desire to escape that is more or less latent in everybody" (Upadhyay, 1995: 7). This definition received the first prize by Academic International de Tourism at Monte Carlo in 1952. However, this definition does not seem to be broad enough. Another definition of tourism given by the Swiss professors Waiter Hunziker and Kuet Krapf, in 1942, is more phenomenon arising from the travel and stay of strangers, provided the stay does not imply the establishment of permanent residence and is not connected with a remunerated activity" (Bhatia, 1994: 38).

The tourism society in Britain had also attempted to classify the concept and it 1976 defined tourism as: "Tourism is the temporary short-term movement of people to

destinations outside the places where they normally live and work and their activities during the stay at these destinations; it includes movement for all purpose, as well as day visits or excursions" (Bhatia, 1994: 38).

The most widely used and popular definitions of tourism is one prepared by the united Nations conference on International Travel and Tourism held in Rome in 1963. This definition was recommended by International Union of Official Travel Organizations (IUOTO) in 1908. Again, in 1993, the United Nations Statistical Commission adopted Rome definitions of tourism in revised from prepared by World Tourism Organization (WTO) as a follow up to the Ottawa International Conference on Travel and Tourism Statistics, jointly organized by WTO and the Government of Canada in June 1991. In this definition WTO has developed a schematic breakdown of all travelers. A traveler is defined as "any person on a trip between two or more countries or two or more localities within his/her country of usual residence" (WTO, Framework for the collection and publication of Tourism Statistics).

An Austrian economist Hermann Von Schellard, in the year book of national Economy and Statistics 1990, gave the first definition of tourism. He defined tourism "the sum total of operators mainly of an economic nature which directly related to the entry, Stay and movement of foreigners inside and outside a certain country, city or region" (Batra, 1990: 1).The League of Nations defined in 1937 the term foreign tourist as; "Any person visiting a country, other than that in which he usually resides for a period of at least 24 hours."

But revised definition given at the UN conference on International Travel and Tourism, held in Rome in 1965 which described as: "Any person visiting a country other than that in which he has his usual place of residence, for any region other than following an occupation remunerated from within the country visited."

The most popular and widely accepted definition of tourism given by the World Tourism Organization (WTO) conference in Ottawa in 1991 is; "The activities of a person traveling to a place outside his/her environment for less that a specified period of time

and whose main purpose of travel is other than the exercise of an activity remunerated from within the place visited."

Tourism is perceived as an economic activity which accrues to the recipient countries a definite source of foreign exchange and national income, creates jobs to reduce unemployment, fosters entrepreneurship, stimulates production of food and local handicrafts, speeds of communication facilities, cultural exchanges and above all, contributes to a better understanding of the host country. Some of principal changing dimensions of the vast expanding tourist industry are bringing into sharper focus the global concern over the cultural, ecological, environment, socio-economic and political effects of tourism (Batra, 1990: 3).

Scientific development has narrowed the wide world. People of different interest wish to extend their knowledge in their particular field and entrepreneurs strive to increase the volume of their business across the national boundary. For several purpose people make tour next to their homeland or far distance. Such travelers require accommodation, food, hospitality and easy access to different areas. Providing services of modern hotels and transportations and hygienic food, easy access to the cultural spots and beautiful nature locations and guiding and helping them to understand and do the job better is the basic functions of tourism industry in any country.

The word 'tourism', so popular today, is derived from the French word 'Tourisme' (Cassell's French Dictionary, 1980) which was originated in 19th century and popularized in the 1930s. The word 'tour' means journey from place to place.

The Oxford Dictionary defines 'tourist' as "person traveling or visiting places of interest". This definition implies tourist as a person traveling for recreation. This definition is not enough as a tourist a person must be non-residential, not earning and must generate economic activities.

Some might consider a person as a tourist who spends a day out, for example by the seaside. But the World Tourism Organization, the international body representing tourism

defines a tourist as a person who visits a destination and stays there for at least one night before returning home (The World Encyclopedia Vol. 19, 1973).

The Austrian economist Hermann Von Scheullard gave the first definition of tourism in 1910. He defines tourist as "A person whose movement or operation is mainly of economic nature, and is directly related to entry, stay and his movements inside or outside a certain country, city or region". According to him, tourism is the sum total of operations, mainly of economic nature, which directly relate to the entry, stay and movement of foreigners inside and outside a certain country, city or region. So, in this definition he has focused on some major aspects like movement of a non-residential person, generating economic activity, with entry and stay, within or outside the region, etc. (Bhatia, 1994).

Webster's New International Dictionary defines it as 'traveling for recreation. Some other thesauruses mean it as—going to the places of interest, visiting the attractions, sightseeing etc.

Drucker (1976), Professor of Economics at the University of Brussels defines tourism in terms of its function and says the function of tourism is to import currency from foreign resources into the country. Its impact is what tourist expenditures can do to the different sector of the economy and in particulars the hotelkeepers.

So, tourist is a person who travels away from home to appreciate nature, to relax for enjoyment. The action of going from one place to another place is called tourism. Tourism is new economic as well as a socio-cultural phenomenon, a new business, a new industry of vast dimensions and magnitude. Tourism has become the only largest and fast expanding industry in today's world. Tourism refers to a cultural pattern, a culture of traveling.

Tourism, thus do the combination of tourists, destinations and impacts of their interactions. The interactions refer to the process of give and take among these three factors. A balanced tourism is that where all the three factors are benefited from each other.

Different people inside as well as outside the country have conducted many studies regarding tourism sector. A growing interest is always found in this sector. More and more studies about the tourism are coming in focus. Different writers or scholars have studied about tourism in the world.

Barger (1978), studied about the Nepalese tourism sector in his study, entitled "Economic impact of tourism in Nepal". In this study, he has mentioned that tourism in Nepal is of rather recent origin. Before 1950, no foreigners were allowed to visit Nepal without permission of Rana rulers. After opening the door of tourism, the tourist inflow in Nepal rapidly increased. He has indicated that more than 100,000 tourists visited the country in 1976. Since 1962, the number of tourist arrival has grown at an average rate 20 percent per annum. Among them, 80 percent of total tourists came in the country by air route and remaining 20 percent by land. He has expressed that the majority of tourists come for pleasure and sightseeing. As per his study, only one out of six tourists who visited India also visited Nepal. Europe was the major tourist generating market for Nepal in 1975 but the USA was leading single country in terms of number of visitors.

Ruthven (1991), has studied the issues of tourism and conservation. The study introduced that the community is culturally subordinate because such an image was rooted in western ideas about the culture is a part of this that culture could somehow destroyed. It is not economically subordinate because much of the control over expenditure as yet remains out of the hands of those with the capacity to spend. Because, the tourist often not familiar with the ways of the country and are also willing to pass on responsibility to others, they are resources which can be exploited by Nepalese.

Johnson (1994), has highlighted the significance of tourism by quoting that many countries that have seen their natural resources depleted and their cities polluted with heavy industries. See tourism as a clean way to economic prosperity. They see tourism as a way to

- Increase foreign exchange
- Improve the economy

- Provide employment
- Generate revenue
- Promote other industries, such as retail sales
- Decrease reliance on natural resources and polluting industries
- Tourism can benefit the quality of life in local committee as well.
- Helping to modernize utilities and transportation
- Providing employment
- Raising the educational level of local people and broadening the in world view.
- Reviving interest and pride in community's cultural heritage and the arts.

In case of Nepalese tourism sector, tourism has received a unique place in Nepal. It has been a definite source of income for the country since its inception. Tourism has been playing a vital role in strengthening the national economy of Nepal. Nepal, has been becoming a center of attraction and is being developed as a tourist destination due to its natural beauty, diversified cultural heritage and the world famous pick 'the Mount Everest'. The religious and cultural diversity, traditional life-style of people have also added to the attraction of Nepal as a tourist destination.

Going back to the history of Nepalese tourism, the Chinese visitors like 'Huen-Tsang', 'Lui-Y-Pino' and 'Wang Hiuentse' visited Nepal during the Lichhabi period and they wrote many historical accounts on Nepal. However, the modern history of Nepalese tourism begins with the annexation of Nepal in 1768 by Prithivi Narayan Shah. The geo-political situation enabled the Kathmandu valley to maintain a complete monopoly of the in-transit trade between India and China. King Prithivi Narayan has realized that Nepal is like a truffle between two stones, therefore great friendship should be maintained with the Chinese emperor and with the emperors of the southern seas (the British) who were very powerful of that time. The survivals of Nepal largely depend upon the nature of the relations that it managed to maintain with these two powerful neighbors. King Prithivi Narayan was highly protective and even seemed to be rather very cautious of the people entering Nepal from the south. To protect the country from any types of intervention, he

resisted allowing not only the foreign traders but he even seemed to have discouraged the traders of Indian origin to enter into the country.

During Rana regime, tourism developed with a slow pace. Entry of foreign tourist was barred during that period. Even Nepalese nationals were required to obtain permits for visiting specified places within the country. It was only during the 'Shivaratri Mela' that the Indians were allowed to enter to Kathmandu without permits. However, they would be permitted to stay for seven days only. Only those invited by the Rana rulers could visit Nepal in those days. It was notable that the Prince of Wales visited Nepal in 1921 on the invitation of Nepalese rulers. Those who ent in India. Visa would be issued only after approval granted by Prime Minister. It was crystal clear that Nepal during this period did not prefer having foreigners come to the country. This not only stunted the growth of appropriate infrastructure for tourism but it also kept the country isolated from the rest of the world as well.

After the political revolution in 1950, tourism became the favorable in Nepal. The formal history of tourism begins from 1952 in Nepal. When the democracy established in 1950, then Nepal expanded diplomatic relations with friendly countries and got membership of the United Nations Organization (UNO) in 1955. Likewise, it also joined world organizations like World Tourism Organization, World Health Organization (WHO), Food and Agriculture Association (FAO) etc. during this period. The conquest on Mount Everest by Tenzing Norgay and Edmund Hillary (1953) popularized the name of Nepal as the land of Everest as well. The foreigners who came to Nepal in early 1950's came mostly for adventure and with focal interest upon scaling the challenging peaks. Nepal was also popular as 'Birth Place of Lord Buddha' and 'Home of Gurkhas' to each and every corner of the world. One of the most remarkable events that brought Nepal into the tourism perspective was the coronation of King Mahendra in 1956 and this event attracted many tourists into Nepal. It was attended by nearly 60 foreign correspondents. The first group of 12 Americans and 2 Brazilians arrived in Kathmandu in the autumn of 1956. The tourist information center was established in 1959 for the promotion of tourism sector in Nepal. During the time of 1950-1966, Nepal improved a great deal in tourism industry. During the period of 1966-1988, the government policy was focused on

increasing the tourist accommodation facilities. Tourism industry thus became one of the leading foreign exchange earning industry and source of government revenue.

In the policy front, the government for the tourism development in Nepal introduced Nepal Tourism Development Master Plan 1972 and new Tourism Policy 1955. These and other similar programs, policies etc. are being planned for the tourism development in Nepal at present time. The Tourism Development Board was established in 1997. Nepal government declared the year 1998 as Visit Nepal Year in order to further enhance the image of Nepal as destination for the visitors. It was a milestone in the tourism and travel trade of the country. It is estimated that nearly 200,000 people were employed by tourism in the same year. These days tourism sector in Nepal has turned out to be so vast that a separate ministry has taken charge of it. In the recent years, especially after 2000, Nepalese tourism industry is facing different difficulties due to the political instability and the lack of security.

Nepal Tourism Development Master Plan (1972) has provided guideline for tourism development in Nepal. The plan shows the potentiality of sightseeing, tourism, trekking-tourism, recreational tourism as well as internal pilgrims in the country. It clearly indicates that tourism can be helpful to achieve the aims like increasing foreign exchange, building up a profitable sector of private economy, and it helps to develop the regional and national economy as whole.

Satyal (1998), in his book has classified tourism into 6 types, on the basis of their activities. They are: Pleasure Tourism, Recreational Tourism, Sporting Tourism, Cultural Tourism, Business Tourism and Conference Tourism.

Under pleasure tourism, people go on holiday for enjoyment out of curiosity; to take rest, observe something new, to get delighted of good scenery in unknown folklore. Some tourist finds pleasure in traveling to various places. This type of tourism usually depends upon different tastes of different people.

Recreational tourism is mainly concerned with leisure and rest and recover physical and physic stamina. These types of tourist usually stay longer. The visitors stay by the sea and

in the mountain resorts and in rest centers for relaxation. They have preference to go to climatic resorts.

Sporting tourists are interested in two types of sporting. One visiting sport events like Olympic Game, World Cup, Events of Skiing, Football, Boxing etc., which attract not only sportsmen to the host country but also a large number of sport fans tourist to see these games. Another type is well organized sporting events in countries, which have specialized facilities such as winter sports, natural sports, mountain climbing, hunting, fishing etc.

Cultural tourism is motivated by the eagerness to learn different cultures of different countries. Mostly these types of tourist visit to learn different habits, languages and customs of people in alien lands, visiting places rich in historical monuments in the centers of ancient civilization or paying visits in art galleries, religious centers or participants in art, music, theater, dance, folklore festivals, etc.

Under business tourism, tourists come for business purpose. Businessmen or industrialists or professionals visiting places of their interests or fairs and exhibitions or places of technical achievements are included under this category.

Conference tourism expands as international conferences are organized in different countries where such convention facilities are available. A large number of people take part in different conferences in different countries. These conferences are arranged in the cities best prepared to receive the delegates and to cover the low occupancy rate of the hotels in the off seasons. This type of conference tourism is growing rapidly in the modern world.

Shrestha (1993), summarized that when tourists temporarily visit on destination are their physical presence, expenditure and use of local resources can cause several desired and undesired impacts on host environment. These impacts result from a complex process of interchange between tourist's host communities and destination environment. As whole the impacts of tourism can be classified into: i) socio-cultural ii) economic iii) physical.

In economic term alone tourism is a startling phenomenon, but tourism is a unique industry. It is concerned with people as a consumer and commodities and it is in this sense that the host people and tourist themselves must attempt to calculate the social, cultural and human cost of mass travel. Tourism can be very humiliating for host country. People are taught to sell their smiles, their traditions, their values and their dignity (Ghimire, 2000).

Bhatia (1994), writes: Nevertheless, the first appearance of tourism in the world had a cultural motivation, and tourism has always stood as a unique vehicle for the cultural propagation that is necessary to a deeper understanding of peoples. Tourism, with its basic element of movement, stands for the possibility of communication between differing civilianization and it has always been an essential medium for broadening the limits of human knowledge. From the very early times, a main spring of the urge to travel has been that based on cultural interest. Even today, it can be witnessed large number of people traveling to foreign countries to become acquainted with the uses and customs, to visit the museums and to admire works of arts. Every type of civilization, from the most sophisticated and advanced to the most primitive, is a source of attraction and curiosity for mankind.

He further states that tourism today is a great economic force. Its status as a major economic activity has been well established by almost all the nation of the world. During the 1960s heavy emphasis was placed on tourism as a source of foreign exchange, a catalyst of development, and a security against the uncertain fluctuation of commodity price. Today, tourism's status has been upgraded to that of great economic, cultural and social force. From the social and cultural point of view, there is enough evidence to support the fact that tourism travel unquestionably produces an interaction between the cultural custom of the visitors and those of the host population. Cultural tourism is a fertile ground for exercising creative talents, fostering special kinds of relation between visitor and the host population, between the tourist and the host environment. It enables the tourist to form a view of his present world and a global concept of his/her historic past. Tourism has wider implications encompassing not only economic benefits but also social and cultural benefits as well (Bhatia, 1994:447-448; Pradhan, 2005).

The development of tourism is often associated with sustainability. The aspect of sustainability has been advocated by many scholars, planners and tourism entrepreneurs etc. In the words of Cronin (1990:13 cited Kunwar 1997) 'in the case of the tourism industry, sustainable development has a fairly specific meaning-the industry's challenge is to develop tourism capacity and the quality of its products without adversely affecting the physical and human environment that sustains and nurtures them'. He further, provides a list of criteria that must be met for tourism development to conform to the principles of sustainable development. These are that development should: follow ethical principles that respect the culture and environment of the destination area, the economy and traditional way of life, the indigenoeed only with their approval and provide for a degree of local control; be undertaken with (intra-generational) equity in mind, i.e. with the idea of access to fair distribution of benefits and costs among tourism promoters and host people and areas, not only now but in the future; be planned and managed with regard for the protection of the natural environment for future generation; be planned in an integrated manner with other economic sectors; and , be assessed on an ongoing basis to evaluate impacts and permits action to counter any negative effects.

Although, tourism in Nepal got its momentum only after the revolution 1950-1951, the above mentioned growth or development concept of tourism is quite relevant in Nepalese context too and due to the richness of its flora, fauna, splendid scenic spots, age long cultural heritages and various exciting tourist activities like trekking, mountaineering and rafting etc., the rapid growth of tourism industry in various sectors have been witnessed.

2.2 Tourism Marketing

In the present day context marketing has become one of the important as well as challenging jobs of any business organization. For the success of any business activities proper marketing system is needed. Marketing denotes the business activities that direct the flow of goods and services from producers to the consumers or users in other words it is the process of exchange between seller and buyer.

In the view of Drucker (1976), the aim of marketing is to know and understand the customer so well that the product or service fits and sells itself. According to the British Institute of Marketing, "Marketing is the management function which organizes and directs all those business activities involved in assessing and converting customer purchasing power into effective demand for a specific product or service to the final customer or user so as to achieve the profit target or other objectives set by the company" (Bhatia, 1994: 139). Similarly Eugene J. Kelly has defined marketing "as a business discipline, marketing consists of systematic study of the demand generating or consumer motivating forces, the temporal and spatial considerations influencing economic transaction, and the interacting efforts and responses of buyers and sellers in a market" (Bhatia, 1994: 140). According to the American Marketing Association, "Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives" (Bennett, 1988: 115). Today, in the field of marketing, more priority is given to know the desire of customers and to satisfy them. The present concept calls for a customer orientation backed by integrated marketing aimed at generating customer satisfaction and long run consumer welfare as the key to attaining success (Kotler, 1972: 46-54).

The challenge of marketing goes beyond the success of business. It must also serve the goals of society. It must act in concert with broad public interest. For marketing does not end with the buy-sell transaction – its responsibilities extend well beyond making profits. Marketing shares in the problems and goals of society and its contributions extended well beyond the formal boundaries of the firm (Lazer, 1978: 1).

Tourism being the fastest growing and most competitive industry in the world it should be marketed properly. "Tourism needs to be marketed, just as any other product, indeed move so, because it is an industry in which the customer still has an immense variety of choice. There are a number of destinations competing with each other to get a bigger and bigger share of the market" (Bhatia, 1994: 137). Hence, tourism marketing is regarded as a central point of whole tourism activities. Today all direct and indirect promotional

activities to sell destinations are related to tourism marketing and it effects all the operations of tourism (Negi, 1990: 387).

Tourism marketing is defined as the "systematic and co-coordinated efforts exerted by the National Tourist Organizations and/or the tourist enterprises at international, national and local levels to optimize the satisfaction of tourists, groups and individuals, in view of the sustained tourism growth" (Bhatia, 1994: 142). According to Krippendorf (1971: 46) "Marketing and tourism is to be understood as a systematic and coordinated execution of business policy by tourist undertakings whether private or state owned, at local, regional, national or international level to achieve the optimum satisfaction of needs of identifiable consumer groups and in doing so to achieve an appropriate return." Hence, tourism marketing denotes the development of a tourism product to meet the needs of the tourists and then employing the techniques of direct sales, publicity and advertising to bring this product to the tourists (Bhatia, 1994: 142).

There is a need of tourism marketing with proper planning and sound policies. "Its complexity lies in the fact that tourism promotion in its various forms has to be directed at large number of people in various lands of different socio-economic structures, having different needs, tastes, attitudes, expectations and behavior pattern. It is only through the efficient marketing strategy that will help understand people's tastes and preferences for travel. And hence need for marketing in tourism" (Bhatia, 1994: 141). However, tourism industry does not seem to apply marketing approach for its promotion and development adequately (Anand and Bajracharya, 1985: 1).

Because of the competitive global scenario and the ever expanding tourism industry, the marketing of the tourism products need greater attention. There are countless tourist destinations world-wide and to develop tourism, every country tries to capitalize on its cultural, religious and natural heritage in addition to the various forms of entertainment packages. But only those countries which have devised aggressive marketing strategy have been able to attract a greater number of tourists. Thus, tourism being a high publicity product effective marketing is a must for the successful running of tourism industry.

Adequate budget, financial and technological resources are needed for effective tourism marketing. But, "we understand very limited marketing activities while other countries with more resources are spending huge amount of money on aggressive marketing of their destination (Pokherel, 1995: 24). In this regard, Hotel Association of Nepal President Yogendra Shakya commented and saying "we have alone practically nothing as far as promotion is concerned. The Ministry of Tourism has no budget for promotion" (Spotlight, 1994). Government also should take necessary initiative for the publicity of tourism abroad. In Nepal, even one five star rated hotel spend Rs 30 million annually for the publicity at international level due to the lack of budget Government is not able to make sufficient publicity even in Visit Nepal year also (Shakya, 1995). "We have achieved 'word of mouth' publicity in Europe and India both by travelers as well as tour operators. As the government budget is not large enough to tackle all markets, especially since we are trying to carry consumer oriented marketing. I suggest we concentrate on Fam tours for tour and travel operators and travel trade journalist from Japan. Luring film and TV producers should be our strategy for inexpensive but wide publicity" (Shakya, 1995).

The Lacunai in promotional efforts in Nepal is further indicated by the fact that "the expenditure made in publicity is too poor and not more effective in both quality and quantity. The Ministry of Tourism published brochures and booklets about tourism only in few languages and that also in limited copies. There is lack of advertisement in the foreign papers; in such a situation most of the visitors are unknown about Nepal" (Shrestha, 1981: 65).

"Nepal lacks the most essential market information focused on its products, while the most irrelevant material is produced at considerable cost and dubious impact. Fair participation, in the absence of proper information material to flow up interest, poorly staged as it often is, appears less than effective and probably a waste of money. At the same time, there is an urgent need for Nepal to work against increasingly critical world media coverage on ill-effects especially on mountain tourism. By inviting journalists, Nepal should convey the fact that it is taking serious steps towards improving matters, but needs help to do so" (Ministry of Tourism, 1984: 102).

It is interesting to note the comment about the situation of Nepalese tourism marketing made by Shakya. (Spotlight, 1994) According to him "Nepalese tourism has been marketed mainly through travel agents and tour operators abroad. We have never been able to go to the consumer. It is simply beyond our reach to advertise in, say Newsweek, which could take our entire promotional fund. There is also a growing trend of undercutting. If we have US $ 100 as the rack rate, we give as much as 50 percent to the tour operators. That has been our marketing strategy because we depend so much on tour operators".

Another serious challenge faced by tourism sector is the level of competition because it is a very competitive business. Here it will be interesting to quote the saying of (Alwis, 1997: 8) "my friend in the travel industry in Nepal, talk of the glorious days, barely a decade ago, when a trekking tour was sold to visitors for US $ 80 per day on the average. They now lament, that it is sold for only US $ 18 per day on the average." In view of Alwis "this certainly in not the result of the lack of demand for Nepal's unique tourism potential or a lack of adequate number of 'upmarket' visitors out there in the market place. It is in the opinion of most the result of unhealthy competition between the travel agents, the hoteliers, the tour operators (trekking, rafting and other), the protection of the sky and the like. They also claim that it is the lack of specialization, lack of product quality improvement, diversification of product and inadequate delivery of quality service". In this respect "the government of Nepal should have clear policy to discourage cut-throat competition in the hotel industry and thereby attract quality tourists" (Sandhu, 1996: 36). Moreover, many Americans and Europeans complain about the pollution and environmental degradation of Kathmandu. Due to this Kathmandu is sending wrong message about Nepal. We should try our best to solve the problems of pollution and environment (Sandhu, 1996: 35). "Negative reports on Kathmandu have adversely affected the tourism industry and Nepal's image" (Choegyal, 1994: 28). Regarding negative reporting done by some national and international media certainly it has done a lot of harms in the tourism sector of Nepal. For this a planned approach is needed to counter the negative effects and organizing large scale promotional campaigns could regain our lost reputation (Rajbhandari, 1994: 26). In this context Mishra says "Say

Goodbye to Shangri-La' was published in Newsweek of 4th October 1993 issue. It has definitely affected the tourism especially qualitative tourist. However, in my opinion, the correct information about Kathmandu Valley came in time and we should take it in a positive way instead of being defensive. Had it not been published in such a renowned journal, it would not have been grave concern to all conscious people of Nepal and abroad" (Mishra, 1994: 24).

Air accessibility is also a hurdle in Nepal. Sthapit expressed "We need to take concrete steps with respect to tourism marketing in order to boost arrivals. But there is problem of air seat capacity" (Sthapit, 1996: 31). Also has similar view in this respect. He says, "This is the one really single major problem. NAC has limited number of aircrafts and the tour operators have to face the problems of air seat. Nepal should allow more international airlines to come to Nepal and encourage the national carrier to compete internationally. It would give new thrust for the tourism development of this country, generate employment and increase the number of tourist arrival" (Sandhu, 1996: 35)

For the promotion of quality tourism in the country, infrastructure and services should be improved properly (Sandhu, 1996: 36). "For most countries, including Nepal, one of the most essential conditions for the successful promotion and development of tourism is the existence of adequate infrastructure and qualified human resources" (Sandhu, 1996: 43).

Alwis (1997: 8) says, "All good marketing begins with the customers and ends with the customers. All good tourism marketing therefore, should begin with the visitor (tourist) and see through to the end, that we have met all reasonable expectations of that visitor. We must ensure that he or she returns with as much as a positive feeling as possible, about Nepal and its people." In fact, the good image and memories of tourists are more beneficial for the country that the promotional activities like, international advertisement, brochures, newspaper article etc., So far Nepal is concerned as a tourist destination it offers a unique product and unparalleled opportunities for marketers who want to take on the challenge. It just means that both Nepalese operators and their partners in Asia need to work harder and be innovative if they are to achieve yields that Nepal's tourism operations deserve (Alwis, 1997: 29). For Nepal "USA, Australia and the Pacific and

other European countries, specially the Scandinavian countries- are very potential future markets. South East Asia is emerging to be an economic giant. But as our marketing resources are not so big, we have to select only a few countries" (Shakya, 1995:38).

New Tourism Policy 2008 is in process of publication and implementation. Formulation of New Tourism Master Plan is proposed for the coming fiscal year.

Nepal Tourism Vision 2020: Ministry of Tourism and Civil Aviation, in collaboration with concerned industry entrepreneurs, and Nepal Tourism Board, has issued Nepal Tourism Vision 2020. Under this vision, target, objectives and strategies have been set to attract 2 million tourists in 2020.

Nepal Tourism Year 2011: with a view to celebrate the year 2011 as Nepal Tourism Year, production and distribution of publicity materials and promotional programs are being carried out subsequent to establishment secretariat, and formation of the main committee and 14 sub-committee.

2.3 Heritage Sites & Their Selection Criteria

Heritage is our legacy from the past, what we live with today, and what we pass on to future generations. Our cultural and natural heritages are both irreplaceable sources of life and inspiration. Places as unique and diverse as the wilds of East Africa's Serengeti, the Pyramids of Egypt, the Great Barrier Reef in Australia and the Baroque cathedrals of Latin America make up our world's heritage.

What makes the concept of World Heritage exceptional is its universal application. World Heritage sites belong to all the peoples of the world, irrespective of the territory on which they are located.

The United Nations Educational, Scientific and Cultural Organization (UNESCO) seek to encourage the identification, protection and preservation of cultural and natural heritage around the world considered to be of outstanding value to humanity. This is embodied in

an international treaty called the Convention concerning the Protection of the World Cultural and Natural Heritage, adopted by UNESCO in 1972.

The cultural heritage of the Kathmandu Valley is illustrated by seven groups of monuments and buildings which display the full range of historic and artistic achievements for which the Kathmandu Valley is world famous. The seven sites include the Durbar Squares of Hanuman Dhoka (Kathmandu), Patan and Bhaktapur, the Buddhist stupas of Swayambhu and Bauddhanath, and the Hindu temples of Pashupati , Changu Narayan and Lumbini . Nepal's national parks included in the World Heritage Sites list are exceptional areas with dramatic mountains, glaciers, deep valleys and undisturbed vestiges of the 'Terai' region. Several rare species, such as the snow leopard, lesser panda, single-horned Asiatic rhinoceros and the Bengal tiger are found in Chitwan National Park and Sagarmatha National Park.

To be included on the World Heritage List, sites must be of outstanding universal value and meet at least one out of ten selection criteria. These criteria are explained in the Operational Guidelines for the Implementation of the World Heritage Convention which, besides the text of the Convention, is the main working tool on World Heritage. The criteria are regularly revised by the committee to reflect the evolution of the World Heritage concept itself.

Until the end of 2004, World Heritage sites were selected on the basis of six cultural and four natural criteria. With the adoption of the revised Operational Guidelines for the implementation of the World Heritage Convention, only one set of ten criteria exists.

Selection criteria:

i. to represent a masterpiece of human creative genius;
ii. to exhibit an important interchange of human values, over a span of time or within a cultural area of the world, on developments in architecture or technology, monumental arts, town-planning or landscape design;
iii. to bear a unique or at least exceptional testimony to a cultural tradition or to a civilization which is living or which has disappeared;

iv. to be an outstanding example of a type of building, architectural or technological ensemble or landscape which illustrates (a) significant stage(s) in human history;

v. to be an outstanding example of a traditional human settlement, land-use, or sea-use which is representative of a culture (or cultures), or human interaction with the environment especially when it has become vulnerable under the impact of irreversible change;

vi. to be directly or tangibly associated with events or living traditions, with ideas, or with beliefs, with artistic and literary works of outstanding universal significance. (The Committee considers that this criterion should preferably be used in conjunction with other criteria);

vii. to contain superlative natural phenomena or areas of exceptional natural beauty and aesthetic importance;

viii. to be outstanding examples representing major stages of earth's history, including the record of life, significant on-gural heritages are both irreplaceable sources of life and inspiration. Places as unique and diverse as the wilds of East Africa's Serengeti, the Pyramids of Egypt, the Great Barrieroing geological processes in the development of landforms, or significant geomorphic or physiographic features;

ix. to be outstanding examples representing significant on-going ecological and biological processes in the evolution and development of terrestrial, fresh water, coastal and marine ecosystems and communities of plants and animals;

x. to contain the most important and significant natural habitats for in-site conservation of biological diversity, including those containing threatened species of outstanding universal value from the point of view of science or conservation.

2.4 Review of Previous Related Studies

In this section an attempt is made to review of 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, "General plan for the Organization of Tourism in Nepal" prepared by French national George Lebrec, in 1959,

was the first tourism plan, which was prepared by 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 to the use of films and documentaries prepared by the mountaineering expedition for promoting tourism in Nepal and the establishment of separate Nepal Tourism Officers. Later, George Lebrec visited Nepal in 1964 and 1966 and prepared two reports on tourism entitled "Report on the Development of Tourism" and "Report on Tourism in Nepal" respectively. 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 the Nepal Tourism Master Plan (1972), a detailed and comprehensive document about Nepalese tourism, was prepared with a joint co-operation of Bundesstelle Fur Entwicklungshilfe of Germany and Nepal Government of Nepal. This Master Plan defined the tourism development programs and projects for ten years. The pural heritages are both irreplaceable sources of life and inspiration. Places as unique and diverse as the wilds of East Africa's Serengeti, the Pyramids of Egypt, the Great Barrierlan also included marketing programs to be adopted and the market segments of Nepalese tourism were identified as organized sight seeing, independent "Nepal style" tourism, trekking and pilgrimage. The primary markets for Nepal were identified as USA, France, Scandinavia and Australia as secondary target market. In the Master Plan Kathmandu was seen as continuing to be the principal centre of tourism activities in Nepal and to lengthen the average length of stay, tourists measures can be done by creating resort areas and the provision of recreational attractions suited to the needs of international tourism and opening up the country's attractions suited to the needs of international tourism and opening up the country's attractions by round tours operated from Kathmandu with intermediate stops and short stays in selected sites. Furthermore, the plan has emphasized for development outside Kathmandu such as the development of Pokhara, Chitwan, National Park, development of national parks at Langtang, Annapurna and Dhaulagiri and Khumbu. The development of pilgrimage centres at Lumbini, Muktinath, Barahchettra and Janakpur was also envisaged. The Master Plan had recommended for the establishment of a Ministry of Tourism and Culture embracing functions then found

within the Department of Tourism, the Department of Archaeology, the Department of Culture, the Department of Forestry, the Ministry of Foreign Affairs and the Immigration Office.

"Nepal Tourism Marketing Strategy 1976 – 1981" prepared by Joseph-Edward Susnik started with the premises that:

- As the stay of tourists cannot be prolonged for now the number of international visitors should be increased substantially.
- Images of secondary destinations like Pokhara, Lumbini and Chitwan should be built up.
- Nepal should become a gateway for South and South-East Asia.
- Nepal should become the starting point 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 independent operational budget.

'National Tourism Promotion Report 1983' was prepared by National Tourism Promotion Committee of 1981. Suggestions were also provided on marketing strategies and plans for tourism. It reemphasized the need for promoting Nepal Style Tourism as mentioned in the Nepal Tourism Master Plan which would include sightseeing, trekking and wildlife adventure and which would promote Nepal as a primary destination. The major suggestions given in this report are to develop resorts in the mid mountains to encourage tourists from India during the hot Indian summer season, promotion in Europe be stepped up, special programs be designed for Buddhist pilgrims from Asian countries and that similar pilgrimage packages be designed for Hindu pilgrims from India, depute a person in the Embassies of Nepal for promoting tourism, participate in various important trade fairs and to promote convention tourism.

Another report entitled "Study and Recommendation for a Nepal Marketing Plan a Marketing Task Force Report" (1983) prepared by PATA, in 1983, considered to be very effective marketing plan of tourism. The main recommendation mentioned in this report are the establishment of an autonomous Nepal Tourism Promotion Board, to recognize responsibility by the private sector for all overseas sales activity, to engage overseas representation to conduct ongoing promotion and publicity for Nepal and to organize a research section to carry out market research on visitors to Nepal.

'Nepal Tourism Master Plan Review' (1984) is a review study and it has suggested action program for implementation for the promotion of tourism in Nepal. This study contains three parts. In part one, a background to be 1972 Tourism Master Plan, its contents and intents, and its practical use and operation together with a comprehensive review of past developments in key areas of tourism. Part two sets forth an updural heritages are both irreplaceable sources of life and inspiration. Places as unique and diverse as the wilds of East Africa's Serengeti, the Pyramids of Egypt, the Great Barrierated set of policy objectives and a market development concept forth e five years and part three provides action-oriented recommendations. According to this review report, there is no need for a new comprehensive master plan in tourism. The 1972 Master Plan is relevant in its long-term policy contents, and most of its basic conceptual assumptions have been fully verified. This study focuses on a pragmatic policy framework essential to solving priority issues of tourism.

This study observed that active market promotion was the most important factor for the tourism development in Nepal. This study, therefore, suggested to various destinations oriented marketing programs. The major programs include:

- developing a systematic concept of promotional material,
- determining the quality standard for each individual product,
- producing a Travel Agents manual containing comprehensive up to date information regarding tourism in Nepal,
- establishing representative offices in Western Europe, USA and Japan,
- participating in selected tourism trade fairs,

- offering familiarization tours to agents and journalists,
- establishing a Nepali-style tour package,
- directing sales to tour operators from the country of origin without middleman form India,
- Expanding the trekking possibilities.

The conclusion and action-oriented recommendations of this study focused on improving the capability of the Ministry of Tourism to assume its responsibilities in tourism, institutionally, administratively and technically.

Nepal Rastra Bank (1989) carried out an econometric study with an objective to study and estimate the level and patterns of tourist expenditure in Nepal, to estimate the value-added and imports contents and thereby not foreign exchange earnings from tourism in Nepal, and to estimate income and employment generation in the tourism sector of Nepal. In this study, regressions were run on the time-series data as well as cross-sectional data for the period 1974-1987.

The major findings of the study included tourism demand to be income inelastic in dependent variables, tourist expenditure and number of tourists, for the total time-series analysis for the period 1974-1987. Tourist expenditure was found to be highly sensitive with respect to exchange rates, but the sensitivity of tourist arrivals to his variable was less. Country-wise time series regression for 14 countries gave mixed results.

Among tourism sub-sectors (when direct, indirect and induced effects were combined) the ratio of import content for hotel was estimated at 53.45 percent, ural heritages are both irreplaceable sources of life and inspiration. Places as unique and diverse as the wilds of East Africa's Serengeti, the Pyramids of Egypt, the Great Barrier travel agencies 74.51 percent, trekking agencies 54.04 percent and airlines 67.05 percent. The ratio of direct import content when the indirect and induced effects were taken out was estimated at 35.45 percent for hotels, 15.12 percent for travel agencies, 10.79 percent for trekking agencies and 57.60 percent for airlines. The value added for the tourism sector i.e., total payment to domestic factors including payments to intermediate and final inputs. (When

direct, indirect, and induced effects were combined) was estimated at 37.74 percent as compared to 44.66 percent for tourism related sector and 42.82 percent for the overall sector (Nepal Rastra Bank, 1989: 2).

This study estimated the average per capita per day tourist expenditure (Rs. 747), the average length of tourist stay (9.3 nights), and the employment in the tourism sector. The study suggested liberalizing exchange, emphasizing trekking tourism, doing aggressive marketing, expanding both international and national air services, developing integrated tourism development policy, and establishing a full fledged apex body.

'Nepal Tourism Marketing Program' (1990), a specific study, made on tourism marketing, funded by Asian Development Bank, included some valuable suggestions on marketing. The main suggestions were:

- The objective of marketing trekking should be to reinforce the image of Nepal as a world leader and trekking as premium product.
- For sightseeing tourism Kathmandu and the Himalayas must be established as a 'must see' premium product.
- Initial promotional budget for Tourism Promotion Board to be US $ 7,60,000 in its first year to be financed from a modest increase in visa fees.
- Encourage travel agencies in generating countries to represent Nepal for information purpose also.
- Professional representation to be established in London, Japan, Hong Kong, Washington or New York.
- Ten fold budget increase in public relation budget to complement new overseas representations.
- Seek technical assistance in marketing for best use of the funds.

Pokharel has also prepared a separate review article entitled "Summary of Past Marketing Strategies and Plans for Tourism in Nepal" with description of the studies and seminar reports related to Nepalese tourism marketing encompassing important studies and seminar proceedings with an emphasis on marketing of Nepalese Tourism.

The basic tasks of 'Nepal Tourism Development Programme' (1990) were:

- To review existing plans and policies and suggest modifications to provide a longer-term strategy for using the countries tourism resources on a sustainable basis, while satisfying on increasing number of visitors;
- To prepare tourism development action plans which should include, among other things, the development of a commensurate institutional capacity.

'Nepal Tourism Development Programme' consists of four reports. Product development program and marketing strategies have been defined in this study. For both trekking tourism and sightseeing tourism the essence of the strategy is to establish Nepal as a premium product able to command the price of a premium product. The main marketing strategies initiatives for Nepal mentioned in the report were:

- To establish Mount Everest and the Himalayas as a "must see" attraction for any world tourist;
- To establish Kathmandu as the unique mystic city within a valley of exceptional scenic appeal;
- To establish Pokhara as the "Gateway Resort to the Himalayas"
- To establish and promote a series of outstanding excursions for the ordinary sightseeing travelers.

This study report recommended a number of suggestions regarding institutional change. The main suggestions were:

- The formations of a National Tourism Commission;
- The designation of Tourism Industry Liaison officers in key Ministries and Departments which impinge on tourism;
- The development of the Department of Tourism as the body of professional tourism expertise within the Ministry of Tourism and the formation of an Eco-Tourism unit.

The report also produced and proposed Tourism Development Program for Nepal for Asian Development Bank support. The Development Program proposed in the report are:

- Domestic Air Transport;
- Urban Tourism (Kathmandu);
- Infrastructure in Pokhara;
- Institutional Development; and
- Tourism Manpower Development and Training.

Tuladhar (2005), in his doctoral work, aimed to study the development of International Tourism in Kingdom of Nepal from the view of resources, the level of its explorations, utilizations and possibilities of its improvement. This study has been done against the background of the overall conditions and its development including natural and anthropological resources, economic development of the country, tourists' demands, and tourist supply. To achieve the objectives of this study, a systematic method of investigation in the theoretical scheme was used. His major findings included the use of dispersion as a basic for the balancing of prognoses may promote foreignural heritages are both irreplaceable sources of life and inspiration. Places as unique and diverse as the wilds of East Africa's Serengeti, the Pyramids of Egypt, the Great Barrierations in unison with the extracted priority of the tourist supply and direction for their improvement. Tuladhar has given various suggestions in his study like to promote charter flights with RNAC by tour operators assuring the low travel cost, increasing expenditure for advertisement and publicity for the stimulation for the tourist travel to Nepal, to provide more cultural shows and other types of suitable entertainment, to increase the length of stay of tourists and to increase their expenditure, to establish summer resorts like suitable tourist hotels and villas on the banks of lakes and rivers, to develop the national concept and to develop human resources by emphasizing on tourism education.

Rajbhandari (2006), analyzed the changing pattern of tourist's consumption and its economic impacts on employment, exports and national revenue were made. The basic objectives of the study were to examine the consumption pattern of tourist, to analyze the use of local resources in tourist consumption and their effects on employment, to probe

into capacity utilizations of hotels in relation to the tourist's number and length of stay and to examine the change in government revenue resulting from the tourist export. This study dealt with different tourism aspects i.e., hotels and lodges, airline, travel agencies, trekking agencies, carpet and garment industries and transport agencies working in Nepal. According to him leakage of foreign exchange earning, high ural heritages are both irreplaceable sources of life and inspiration. Places as unique and diverse as the wilds of East Africa's Serengeti, the Pyramids of Egypt, the Great Barriereasonality factor have been the major weaknesses in the tourism industry. He suggested that different tourism related policies and sectors like infrastructure, open-sky policy, planning of new tourism project, opening of a new destination in the country, tourism marketing strategy, management of travel agencies, full capacity utilization of hotels etc., should be planned properly.

Nepal Tourism Master Plan (1972), is a detailed and comprehensive document of Nepalese tourism. It is the first serous attempt to lay out a comprehensive policy framework for the tourism sector. The plan has proposed five different types of tourism in Nepal as following:

- Sight Seeing Tourism
- Trekking Tourism
- 'Nepalese Style' Tourism
- Recreational Tourism, Primarily from India
- International pilgrimage Tourism

Kathmandu has seen to be centre of the tourism activities. The priority was placed on the development of pilgrimage centre at Lumbini, Muktinath, Barahachhetra and Janakpur. Similarly, the development of national parks in the Langtan Area, Khumbu, Annapurna and the Dhaulagiri was suggested for the promotion of adventurous mountain tourism. To increase the duration of stay, sight seeing tours form east (i.e. circular tours to Kathmanud, Namche Bazaar, Janakpur and Chitwan) to west (i.e. Gorkha, Pokhara, Tansen, Lumbini and Chitwan Circuit) of the valley and the development of resorts area with the appropriate recreational facilities were recommended.

On the institutional front, the master plan of tourism and culture a san authoritative body for overall planning, promotion and development of tourism. It was suggested that the functions distributed among them existing organization of the department oural heritages are both irreplaceable sources of life and inspiration. Places as unique and diverse as the wilds of East Africa's Serengeti, the Pyramids of Egypt, the Great Barrieration, and ministry of foreign affair to be brought under the proposed ministry. It was also suggested that ecological surveys and measures for the conservation and promotion of the traditional music, dance customs, and festivals, to be carried out.

The review of master plan 1984 noted the main impediment to the plan's implementation was due to the fact that government at large failed to share its responsibilities in directing and promoting tourism in a planned manner. And others are:

- Infrastructural facilities to diversify tourism to important market segment were not laid properly to meet the need of the time.
- The private sector invested in all the places with the tourism potentials and market began to develop in accordance with the dictated of the buyers. This demand induced development resulted in uncontrolled development and proliferation of low quality establishments.
- While the Kathmandu has become increasingly crowed the other sight seeing places, e.g. Pokhara, Tansen, Gorkha, Lumbini were neglected.
- In Mountain tourism, Annapurna, Khumbu and Langtan became over exposed causing increasing pressure on their scarce Natural resources.
- Other regions with comparable attraction were not developed because of the failure of the government to open and regulate and control tourism.
- International pilgrimage tourism in still in the incipient stage of development despite the presence of world renowned heritage site like Lumbini and Janakpur-Dham.
- Wildlife tourism has been limited to the Chitwan, after many years it has been to extend to the Bardia and Sukla Phant reserve.
- The master plan recommended the development of supply guided "Nepal Style Tourism" to give Nepal an independent and unique destination and status. It

emphasized providing mixed image of comfortable natural and cultural sight seeing along with the variety of soft and hard adventure product as per the physical stamina and time disposition of the travelers.

- But the infrastructural back up and, imaginative and innovative endeavor needed to create alluring supply guided are seriously talking.
- All adventure market segments including wildlife/trekking and rafting were stated by expatriates and blindly strives to excel by Nepalese entrepreneurs.
- The Ministry of Tourism, established in 1977, according to the recommendation of the Master Plan, has not become an effective central government body to look after the vital issues and challenges in the field of tourism.
- Rather than focusing on policy/planning and co-ordination, it has implemented only simple plans that fir under its jurisdiction.
- It has only added to the bureaucracy but not provided the effectiveness and efficiency envisaged in the place.
- The 1984 review recommended two other institution to address the highest policy level were set up only 1992 in the form of tourism council and Nepal Tourism Board in 1999 which is fully functioning as a National Tourism Institution.
- It seems that most of the recommendation contained in the 1972 Master Plan has yet to materialize conceptually and functionally. The government has to play pivotal role in the decentralization of tourism regulating and monitoring the qualities of the products and Marketing the destination internationally.
- The private sector has to create a mix of product unique to Nepal more imaginatively.

Shrestha (2007), in her Ph. D. Thesis entitled *"Tourism in Nepal: Problems and Prospects"* mainly aimed to concern with the problems and prospects of tourism in Nepal. Her study identify the basic problems of tourism on the basis of its contribution to national economy status of tourism infrastructures, review of the planning and policies of the government exports in the sample, and also analyzed the trend of foreign exchange earnings and share of tourism receipts to gross domestic product.

She has pointed out that Nepal has not been able to introduce and diversify new tourism products. On the other hand, the experts are of the opinion that the problem of the air accessibility, lack of proper marketing and promotional strategy, pollution, lack of required infrastructure, lack of co-ordination, frequent, frequent change in govural heritages are both irreplaceable sources of life and inspiration. Places as unique and diverse as the wilds of East Africa's Serengeti, the Pyramids of Egypt, the Great Barrier in Nepal. Despite the various problems, she added, the prospects of tourism are bright in Nepalese economy in generating employment, contributing to national GDP and also for over all development of the economy.

Shrestha found that the role of tourism in economic development in significant in Nepal. The net earnings from tourism are greater the some other sectors. The share of tourism in terms of GDP came down to 3.2 percent in 1997, which was 4.1 percent in 1993/94. But the convertible foreign exchange increased by 10.74 percent during the period 1974/75 – 1996/97. Despite these facts, tourism is one of the main contributors of convertible foreign currency sharing 16 percent of total exchange earning in 1996/97.

Pradhananga (2008), in his book "*Tourists' Consumption Pattern and its Economic Impact in Nepal"* had presented the changing pattern of tourists' employment and national revenue. The study has analyzed the direct, indirect and induced effect of tourist expenditure on Nepalese economy as well as has examined both forward and backward linkage of tourism, impacts of goods and services, and employment generation. The study has shown that the tourism sector contributed 37.99 percent as direct expenditure and the benefits of tourist money mainly went to hoteliers, travel and trekking agencies and airlines. The direct import content was 33.49 percent in tourism sector, 17.34 percent in tourism percent in tourism related sectors and 8.94 percent in non-tourism sector, the study has added, thus an increase in imports. This also mentioned that the revenue at current price increased to Rs. 314.97 million in 1987/88 from 34.91 million in 1974/75.

The analysis has also shown the impact of tourist expenditure on employment. The direct employment opportunities generated were 12.41 percent in tourism sector, 32.88 percent in tourism related sectors and 54.71 percent in non-tourism sector.

Upadhyaya (2009), in his Ph. D. dissertation entitled *"Tourism as a Leading Sector in Economic Development of Nepal"*, he has said that many countries have made efforts to promote tourism as a means of economic development. This development in various countries remverse as the wilds of East Africa's Serengeti, the Pyramids of Egypt, the Great Barrier been improving its significance in the economy. It has been estimated that the activities related to tourism sector has strong inducement effect on the other activities of the economy. Beside foreign exchange earning, it is equally important to employment. Further, he argued that, no doubt, Nepalese economy is moving faster and faster on the path of globalization.

Although tourism is important for a developing country like Nepal, there is a dearth of literature relating to marketing and promotion of tourism. . In view of the importance of marketing and need for Nepal to go for extensive promotion, the present study about the marketing strategies taken by Nepal Tourism Board has been initiated.

2.3.1 Review of Master's Thesis

Hirachan (2006), in his Master's thesis entitled *"A study on e-marketing used by Travel agencies"* has presented the effectiveness of e-marketing used by travel agencies to promote tourism industry. In order to find the perception of travel agencies regarding e-marketing prospect practiced in tourism sectors. The writer has taken following objectives in to consideration.

- To survey the current market situation of Travel Agencies.
- To find out and examine travel agencies perception regarding e-marketing.
- To find out popularity of internet as marketing tools among travel agencies.
- To explore the problem and prospects of e-marketing and to suggest appropriate recommendation in order to promote intoxicating beauty this country through internet.

In his study, to determine the objective of research Hirachan had conducted a field survey. In which 25 were complete out of 30 responses. The majority of the survey respondents reported that the current situation of travel and tourism is poor(80%), only

12% respondents seems satisfied with the current situation of travel and tourism industry of Nepal. Thet most travel agencies (84%) do have websites published on web, whereas only (16%) do not have websites and reason for having websites is for promotion (71.42%) respondents responded but 28.57% responded kept websites for providing information.

In the same ground 71.42% respondent rated their website is performing below expectation where as 28.57% respondent's believe they got what they have expected from website out of total respondent's majority of respondents(72%) had an idea about e-marketing and 56.52% of respondent's were using search engine submission and only 4.34% were using tourism related directories a e-marketing promotional tools. About the contribution made by internet on tourism sector, majority of the respondents (88%) were satisfied by the contribution made by internet for promoting tourism in Nepal.

Finally he concludes that most of the travel agencies know the importance of internet as marketing tools, due to the fact that most of them have a website and using e-mail on regular basis but due to lack of knowledge, fund and ignorance they are not utilizing e-marketing in professional way or seriously. If the correct methods of promotion are used on internet to popularize travel agencies sites definitely it will contribute to promote tourism sector in Nepal to great extent.

Sharma, (2007), in his thesis "Tourism marketing in Khumbu Area" has presented the tourism of Khumbhu area with respect to marketing , policy and legal provision. He has found that toectricity supply, access to material goods and levels of mobility. There positive aspeural heritages are both irreplaceable sources of life and inspiration. Places as unique and diverse as the wilds of East Africa's Serengeti, the Pyramids of Egypt, the Great Barrierry much aware of outside interest in the Sherpa people. Most of the people are claming that they are loosing their cultural tradition poor people are preserving their cultural tradition because they have been able to attract tourists' interest towards maintaining and developing the old and new monasteries in the region. It shows that less wealthy people and women are more in touch with their culture and wealthy people have new work patterns and new life styles.

The trekking and mountaineering tourism are about intensive activities that provide unparalleled opportunities for employment and income generation. Tourism related incomes have allowed literally thousands of households in Khumbhu area. They have improved their standards of life. Most important to the success of the local; economy are the high numbers of locally- owned lodges, restaurants and trekking agencies.

Pant (2009), study on 'Impact of Tourism in Nepalese Economy'. He identified tourism as a crucial, critical and emerging sector of the Nepalese economy and has shown high potential for development. The following specific objectives had been set for study in his research; to study present situation of tourism industry, to find out the economic impact of tourism on national economy, to examine the trend of tourist arrivals in the country and forecast its trends. The major findings of the study are:

The contribution of tourism is to be perceived from its share in the economy. A glance at receipt from tourism as a percentage of merchandise export earnings is relevant to assess. The highest share of tourism receipt as percentage of merchandise export earnings was recorded in 1982/83, registering 74.3 percent and in 1988/89 by 65.0 percent, respectively. Tourism receipt as percentage share of total value of merchandise export was noticed to be erratic with declining trend. The year 2001/2002 has the lowest share with only 16.4 percent. Similarly, in 2001/2002 tourism receipts as the total value of export of goods and services was also lowest with only 10.2 percent. The contribution of tourism to total foreign exchange earnings was lowest in 2001/2002, which declined to 8.0 percent from 24.5 percent in 1988/89.

The share of tourism sector in GDP was 4.1 percent during FY 1993/94 and 1994/95. Since then its share started falling (1.9 percent of GDP), and recorded a lowest in 2001/02. It further declined to the level of 1.2 percent in 2005/06, which was most critical year so far as tourism is concerned in Nepal.

The year 2003 shows a significant increase of 80.5% as compared to 2002. The year 1999,2002,2003 and 2004 shows a decrease in gross foreign exchange earnings of 6.8%, 8.0%, 0.1% ,0.6%,0.7%,15.9% and 23.8% respectively as compared to their previous

years. The second greatest increase of 32.9% is seen in 1994 as compared to 1993. The average income per visitor is the greatest (US $ 79.1) in 2003.

The significant contribution of tourism to Nepalese economy is the foreign exchange earnings. The tourism receipt was registered US$78,000 in 1961/62, which increased to US$11.5 million in 1974/75. The tourism receipt is closely associated with tourist arrivals in Nepal. The decline in tourist arrivals in 1981 and 1984 is reflected in the fall in tourism earnings in FY 1981/82, 1982/83 and 1983/84. Similarly, tourist arrivals declined in 1989 reflecting the fall in tourism earnings both in terms of Nepalese currency and US dollar in the respectivegions of Nepal. The promotion of international tourism in different regions directly enhances their regional economy through the development of tourism industry. Tourism sector is not only a major source of earning foreign currency but its contribution to create employment opportunities is also important. For this, Nepal disposes excellent circumstances for the development of active international tourism, including holiday pleasure, trekking, mountaineering, rafting, religion, official, sport tourism and so on. Income from international tourism plays a vital role in the national economy of the country.

A study done by **Shrestha (2011)**, entitled with, Entrepreneurship in International Hospitality and Tourism Industries in Nepal. He identified that tourism industry plays a vital role in the country's economic development. In a developing country like Nepal tourism industry is one of the main sources of foreign exchange earning. Tourism potentiality due to Nepal’s cultural values and other natural & archaeological beauties is very high in Notel industries in the Nepal, to assess the entrepreneurship development in Nepal and to assess the women involvement as entrepreneurs in tourism as compare to men in Nepal. The major findings of the study are:

The paper hase issues, sustained development of entrepreneurship will not be possible. Ultimately there will always be lack of entrepreneurship development in the country. So, Nepal must ural heritages are both irreplaceable sources of life and inspiration. Places as unique and diverse as the wilds of East Africa’s Serengeti, the Pyramids of Egypt, the Great Barriering Nepal and development of entrepreneurship in hotel industry have been

the hospitality, friendliness, helpfulness, humbleness, honest, welcoming attitude of the Nepalese people, natural sites and scenery specially the majestic Himalayas. In Nepal women have occupied merely 3% managerial and administrative post. Historically many women in Nepal had income generating projects but they were suffered from the lack of access to credit and skill. Recently peace agreement was made between Nepal government and Maoist. He hoped that there will be political stability and improve peace situation in the country and entrepreneurship development in tourism sector will be possible. The study has shown that despite recoding growth and emerging tourism as one of the largest industries in the country, Nepal has not been able to manage and market tourism on a sound and professional basis.

The whole tourism industry needs to be developed on a professional basis since, in this industry one has to compete at international level. Therefore, strategies must be opted to inculcate state of art technologies. The study has clearly shown the paucity of marketing efforts of Nepal. In this respect Nepal must break the shackles of complacency and make efforts to market Nepal's advantages on an appropriate and sound manner as per the needs and potentials of the market. Only then Nepal can emerge as a vibrant and popular destination. Otherwise, Nepal will lag behind in the international competition and despite the product strength; it may have to yield ground to others. So, requisite attention to develop and sustain the industry must be provided immediately. Platitudes are not enough and the government must make serious efforts with the private sectors to position and promote Nepal.

2.5 Research Gap

Thus, various studies have been undertaken mostly confining to enquire the economic impact. Although tourism is important for a developing country like Nepal, there is a dearth of literature relating to marketing and promotion of tourism. In view of the importance of marketing and need for Nepal to go for extensive promotion, the present study about the marketing strategies taken by Nepal Tourism Board has been initiated.

CHAPTER-III
RESEARCH METHODOLOGY

Research methodology is the most important aspect of research work. Reliable and relevant study can be made possible only by applying scientific method. Hence the primary purpose of this chapter is to discuss and design the framework for the research.

3.1 Research Design

This study is based on descriptive as well as explorative research designs. The study initiate with collecting data and information from secondary sources and making use of references related to the topic. The study has also attempt to find out the perception of street vendor, local people and tourism entrepreneurs of that area.

3.2 Sampling Design

Research cannot be reached to each and everyone who are related to subject matter directly or indirectly. So, small portion has been selected as a representative sample for data collection and analysis and from which conclusion can be drawn out. The sample design for the research is as follows:

Table 3.1: Sample Size of Respondents

Respondents	**Sample Size**
Tourists	25
Entrepreneurs	15
Total	40

Source: As designed by Researcher

3.3 Nature and Sources of Data

This study is based on primary as well as secondary sources. The primary information is collected through field survey, i.e. questionnaire survey, and interview. The secondary data is collected from tourism related organizations, libraries, literature, publications, published and unpublished papers and articles.

3.4 Data Collection Method

There are several ways for data collection. As per research, the study has used primary as well as secondary data. They are as follows: -

(a) Use of library and literature review

Research is conducted with the help of various references. The gathering of the subject matter can be found with the help of library, which will give the authentic information on the subject matter. Therefore, the researcher has studied literatures available in the library and other sources to collect information required for the research project.

3.4.1 Questionnaire survey method

Questionnaire survey is the most commonly used tools in the survey of tourism industry. This method is used to collect primary information from people who answer questions about themselves, their knowledge of a particular subject and their opinion. The questions in the questionnaires should be simple and to the point with various options so that the respondent answer in exactly the same way. In this process, researchers can enable to compare the answer of each respondent, with the help of pie chart and histograms.

3.4.2 Interview method

Interview method is a direct method, which is used to collect primary information required for the research. The researcher aims to obtain information directly by interaction with the related group of people.

3.5 Data Analysis

Social, economic, cultural and environment impact have been collected and analyzed descriptively. Collected information is presented in appropriate tables and charts. For the purpose of data analysis simple statistical tools such as percentage, average etc. are used. Bar graphs, pie charts, line graphs, tables etc can be used wherever deemed necessary.

CHAPTER –IV
DATA PRESENTATION AND ANALYSIS

4.1 Features of Kathmandu Durbar Square Area

4.1.1 Cluster of Temples and Palaces

Listed as one of the eight Cultural World Heritage site by UNESCO, Kathmandu Durbar Square is a cluster of ancient temples, palaces, courtyards and streets that date back to the 12th and 18th centuries. The square is known to be the social, religious and urban focal point of the Capital City. It has covered an area of approximately 0.52 hectare of Kathmandu valley.

The Palace Complex was the royal Nepalese residence until the 19th century and is the site of important ceremonies, such as the coronation of the Nepalese monarch. The palace is decorated with elaborately-carved wooden windows and panels. It includes the King Tribhuwan Memorial Museum and the Mahendra Museum.

Major attractions

Taleju Temple: The temple is a famous Hindu and Jain religious site. The three-tiered temple is the first to be erected with more than two roofs and raised on a tall stepped platform. It is said that the temple was built in the shape of a yantra on the advice of the Taleju Goddess herself and that she appeared to the King at the dedication ceremony disguised as a bee.

Mahendreshwar Temple: The simple yet beautiful temple was built by King Mahendra Malla and is dedicated to the Hindu Lord Shiva in the form of Pashupati. The temple was destroyed in a 1934 earthquake and rebuilt thereafter. The temple is a memorial to its founder.

Jagannath Temple: The Jagannath Temple is recognized as the finest of the group near Hanuman Dhoka. Exquisite wood-carvings embellish the doors, windows and roof struts,

depicting panoply of gods from the Hindu pantheon. Originally dedicated to Vishnu the shrine was later rededicated to Jaganath.

Dequtale Temple: The temple was built by Shivasimha Malla honoring the Mallas' family deity, Degutale. It resembles Taleju's shrine but with a tower-like base in place of the stepped platform. The worship of Degutale has its origins in a nature cult, the images being pieces of rock which the Newars set up and worshipped.

Hanuman Dhoka: Palace facade turns at right angles between the Degutale Temple and the Taleju Mandir. This way is created Hanuman Dhoka (Hanuman is a monkey god). Hanuman idol placed in the dhoka has been anointed with mustard oil and vermilion through the centuries.

Nasal Chowk: Nasal Chowk takes its name from the little statue of the dancing Krishna in the shrine on the east side of the court. In Malla times the podium in the center of the court was used for dancing displays. The Shah Kings chose to be crowned in Nasal Chowk, a tradition which continues today.

Mul Chowk: As the occasional abode of the goddess Taleju, the court is barred to visitors, though it is often possible to peep in through the gate and have a look at the exquisite beauty of the palace. The Chowk is opened to Hindus once a year when, on the ninth day of the Dasain Festival during when hundreds of buffaloes and goats are sacrificed to the goddess.

Bhandarkal: Bhandarkal is a botanical garden created by King Pratap Malla in the mid 17th century. With its diverse flora, Bhandarkal is a treat for nature lovers and ecologists. The garden has been named after a seven-storied palace that possesses a statue of the sleeping Vishnu Jalashayana Naraya.

Trailokya Mohan Narayan Temple: The three storied temple has the figure of Garuda placed in its front and incarnations of Lord Vishnu within the temple. It was built by Prithvi Bendra Malla in 1680.

ShivaTemple: The Shiva Temple in Durbar Square is a replica of the Jaisi Deval and was built by Riddhi Lakshmi in 1690 A.D.

Shiva Parvati Temple: The long low building on the northern side of Durbar Square contains the beautiful shrines of Shiva and Parvati. This somewhat unusual building is believed to date from the time of Bahadur Shah. It is probably a reconstruction, the stepped platform on which it stands being considerably older than the temple itself.

Manju Deval: Dedicated to Shiva the large three-storied Manju Deval on its unusually high stepped base seems to dominate Durbar Square. It was built in 1692 by the mother of Bhupatindra Malla of Bhaktapur. Inside the temple there is a Shiva lingam. The small shikhara (temple tower in the North Indian style) at the foot of the steps honors Kam Dev, Shiva's shakti.

Kumari Bahal: The house of the Living Goddess, the Kumari Bahal looks like the monastery that was constructed in 1757 by Jaya Prakash Malla. Inside it lives the young girl who is selected to be the town's living goddess, until she reaches her first puberty and reverts to being a normal mortal.

Kasthamandap: Kasthamandap or house of wood is the building which gave Kathmandu its name. Legend narrates that the whole building is constructed from a Single Sal tree. At first it was a community hall where local people gathered for important ceremonies but later it was converted to a Temple of Gorakhnath. The image of Gorakhnath glitters at the centre of the building.

Ashok Binayak Shrine: The Ashok Binayak Shrine is the principal shrine of Lord Ganesha in the Kathmandu Valley. The stone image of Lord Ganesha stands beneath a golden replica of the Ashok tree which once shaded the shrine and eventually gave it its name.

Simha Sattal: Simha Sattal is located at the southern end of the Kathmandu Durbar Square. The residential style temple contains the Garuda Narayan figure, strange looking effigies and a little shrine of Harikrishna.

4.2 Trend and Structure of Tourist Arrival in Nepal

Nepal is the peaceful place having several river, lake, mountain and so forth. Foreigners use to come in Nepal in order to enjoy and visit such peaceful and beautiful areas. In this section, an attempt has been made to show the status of the tourist arrival in Nepal.

4.2.1 Total Annual Tourist Arrival

We can see the real status of the tourist arrival from different manners. First of all, total number of arrival per year for the study period can be observed. Table 4.1 shows the history of tourist arrival during the period of 2002 to 2011. Table 4.1 shows the history of tourial is 602867 and in the year 2002, the number is 218660. But the tourist arrival is increased in the year 2011. In the total composition of tourist arrival can be explained with help of table 4.1.

Table 4.1
Status of the Tourist Arrival in Nepal

Year	Number of Tourist Arrival						Average Length of Stay (Days)
	By Air		By Land		Total		
	Number	%	Number	%	Number	%	
2002	218660	79	56808	21	275468	100.00	7.92
2003	275438	81	62694	19	338132	100.00	9.60
2004	297335	77	87962	23	385297	100.00	13.51
2005	277346	74	98052	26	375398	100.00	9.09
2006	283819	74	100107	26	383926	100.00	10.20
2007	360713	68	165992	32	526705	100.00	11.96
2008	374661	74	125616	26	500277	100.00	11.78
2009	379622	74	130130	26	509752	100.00	11.60
2010	448800	75	156067	25	602867	100.00	12.67
2011	545221	74	190994	26	736215	100.00	13.12

[Source: Nepal Tourism Statistics]

As demonstrated in the Table 4.1, after the restoration of democracy, it is clear that higher number of tourist arrival is in the year 2011 whereas the lower number is in 2002. In the year 2011, it is further increased. Tourism business is largely affected by political situation of the country. It there is the political stability in the country, large number of tourist will come to visit different places of the country. If not so, the number of tourist arrival decreases drastically. We can see the proof of this reality by observing the history of tourist arrival during the study period. Air is the most important mode of transportation

for t. The number of tourist arrival from land is 26 percent in the year 2008, 32 percent in the year 2007, 25 percent in the year 2010 and 26 percent in the year 2011. The result shows that majority of the tourist arrive via air.

As demonstrated in the table 4.1, the year 2002 is not good for tourism business because Nepal was facing the political insurgency. The insurgency was in peak stage in 2002 and due to such insurgency, emergency was also declared. Now, Nepal is oriented towards the peace process and it is hoped that tourism business will flourish in near future.

4.2.2 Tourist Arrival by Continents

Continents mean each of the main landmasses of the earth i.e. Europe, Asia, Africa, North and South America, Australia and Antarctica. Total tourist arrival by continents during the study period has been presented in the table 4.2 and 4.3.

Table 4.2
Tourist Arrivals by Continents

Year	Continents									Total
	North America	Central & S. America	Western Europe	Eastern Europe	Africa	Asia	Australia & Pacific	Others	Not Specific	
2002	21265	2793	87912	5276	1132	148670	8420	-		275468
2003	22992	2262	95162	6451	1612	200045	9605	-		338132
2004	25505	4373	116505	7661	1161	218387	10947	-	758	385297
2005	22853	3559	98046	8263	1302	230282	8317	-	2776	375398
2006	24566	4764	97278	10613	1125	231812	9763	-	4005	383926
2007	40697	6627	187559	12744	1100	332021	17841	4078	-	526705
2008	36301	4554	137028	6416	1645	222849	13047	17		500277
2009	24566	4764	97278	10613	1125	231812	9763	-	4005	509752
2010	40697	6627	187559	12744	1100	332021	17841	4078	-	602867
2011	74033	12183	220895	21078	6656	365357	26175	9634	-	736215

[Source: Nepal Tourism Statistics, 2002-2011]

In order to clarify further, we can take the help of table 4.2. Status of the tourist arrival by continents has been demonstrated in the table 4.2. The number of tourist arrival from South America and Africa is higher that of other nationalities. Comparatively, the number of tourist arrival from North America, Western Europe as well as Eastern Europe is lower.

Table 4.3
Tourist Arrivals by Continents Expressed as Percentage

Year	Continents									Total
	North America	Central & S. America	Western Europe	Eastern Europe	Africa	Asia	Australia & Pacific	Others	Not Specific	
2002	21265	2793	87912	5276	1132	148670	8420	0.01	-	100
2003	22992	2262	95162	6451	1612	200045	9605	0.01	-	100
2004	25505	4373	116505	7661	1161	218387	10947	-	-	100
2005	22853	3559	98046	8263	1302	230282	8317	-	-	100
2006	24566	4764	97278	10613	1125	231812	9763	-	-	100
2007	40697	6627	187559	12744	1100	332021	17841	-	0.2	100
2008	36301	4554	137028	6416	1645	222849	13047	-	0.7	100
2009	24566	4764	97278	10613	1125	231812	9763	-	0.8	100
2010	40697	6627	187559	12744	1100	332021	17841	0.4	0.7	100
2011	6.7	1.1	31.1	2.1	0.2	55.1	2.9	0.6	-	100

[Source: Nepal Tourism Statistics, 2002-2011]

Table 4.3 showed the tourist arrival by contents expressed as percentage. It is clear that highest percentage of tourist arrival is from Asia (55.1%) and second highest is from Western Europe (31.1%). Whereas the lowest percentage of tourist arrival is from Africa (0.2%)

4.2.3 Average Length of Stay

The more the tourist lives in the country, the more income the country can receives from them. How much income the country gains from tourism depends upon the average length of time they use to live in the country. Table 4.4 shows the average stay of tourist in Nepal during the study period.

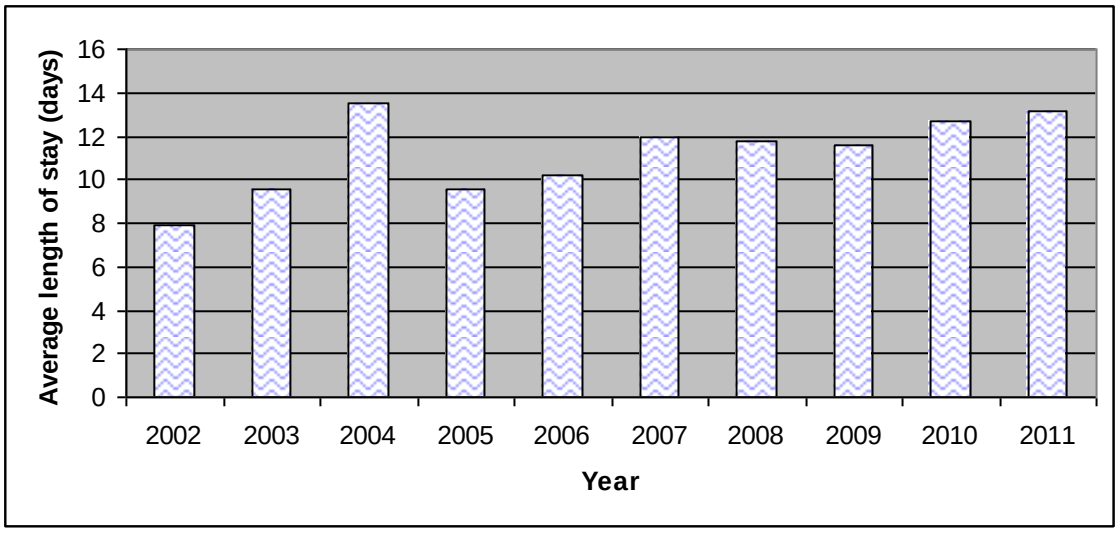
Table 4.4
Average Length of Tourist's Stay in Nepal

Year	Average Length of Stay (Days)
2002	7.92
2003	9.60
2004	13.51
2005	9.60
2006	10.20
2007	11.96
2008	11.78
2009	11.60
2010	12.67
2011	13.12

[Source: Nepal Tourism Board]

As the data presented in table 4.4, it is clear that average length of tourist's stay is ranged from 7.92 days to 13.51 days. The average length of stay is higher in 2004 and it is lower in 2002. The average length of stay is decreased in 2009 and it is increased in 2010 and further increased in 2011.

Figure 4.1
Average Length of Tourist's Stay in Nepal



As the data presented in figure 4.1, it is clear that average length of tourist's stay is highest in 2004 (13.51 days) and lowest in 2002 (7.92 days). The average length of stay is increased upto 2004 and decreased till 2009 and it is increased thereafter till 2011.

4.3 Purpose of Visit in Nepal

Tourists arrive to Nepal to fulfill their different purpose. Some of them come to Nepal for entertainment and some of their purpose is to conduct conference and meeting in Nepal. More pneering, business, pilgrimage, official, conference and other. The real status of the purpose of tourist arrival has been presented in table below:

Table 4.5
Purpose of Visit in Nepal

Year	Purpose of Visit							Total
	Holiday	Trek and Mountg.	Business	Pilgrimage	Official	Conference	Other	
2002	110143 (39.98)	59279 (21.59)	16990 (6.17)	12366 (4.49)	17783 (6.46)	0 (0.00)	58907 (21.38)	275468 (100.00)
2003	97904 (28.95)	65721 (19.44)	19387 (5.73)	21395 (6.33)	21967 (6.50)	0 (0.00)	111758 (33.05)	338132 (100.00)
2004	167262 (43.41)	69442 (18.02)	13948 (3.62)	45664 (11.85)	17088 (4.44)	0 (0.00)	71893 (18.66)	385297 (100.00)
2005	160259 (42.69)	61488 (16.38)	21992 (5.86)	47621 (12.69)	16859 (4.49)	0 (0.00)	67179 (17.90)	375398 (100.00)
2006	217815 (41.4)	101320 (19.2)	24487 (4.6)	52594 (10.0)	21670 (4.1)	8019 (1.5)	78579 (14.9)	383926 (100.00)
2007	40992 (8.0)	132929 (26.10)	22758 (4.50)	51542 (10.10)	24518 (4.80)	9985 (2.0)	227232 (44.60)	526705 (100.00)
2008	63082 (10.46)	70218 (11.65)	213777 (3.55)	101335 (16.81)	26374 (4.37)	9627 (1.60)	310854 (51.56)	500277 (100.00)
2009	217815 (41.4)	101320 (19.2)	24487 (4.6)	52594 (10.0)	21670 (4.1)	8019 (1.5)	78579 (14.9)	509752 (100.00)
2010	63082 (10.46)	70218 (11.65)	213777 (3.55)	101335 (16.81)	26374 (4.37)	9627 (1.60)	310854 (51.56)	602867 (100.00)
2011	30210 (4.1)	86260 (11.7)	17859 (2.4)	63783 (8.7)	24054 (3.3)	10836 (1.5)	503213 (68.3)	602867 (100.00)

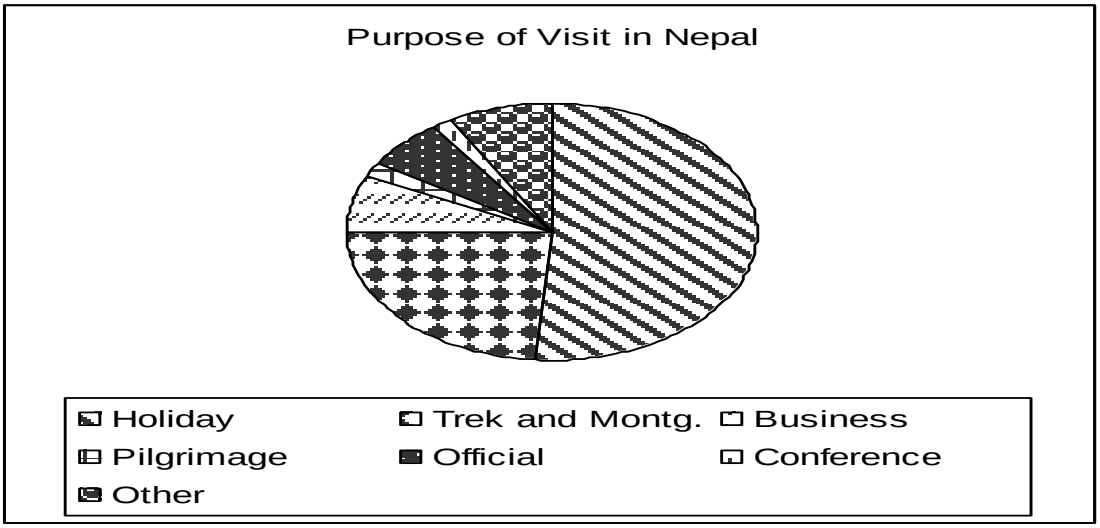
[Sources: Nepal Tourism Statistics]
Note: Values in parenthesis indicate percentage of the total.

The real history of the tourist arrival taking different purpose has been presented in table 4.5. According to the table; the number of tourist arrival for the purpose of holiday pleasure is higher than that of others. It indicates that majority of the tourists use to visit Nepal in order to get entertainment and relief. Although the largest number of tourists visited Nepal for recreational purposes i.e. 173383 (34.0%), adventure tourists posted the highest average length of stay in the country. The average length of stay was recorded as 11.96 days. By this, we can say that Nepalese policy maker have to identify and strength

the new places to provide fully satisfaction to the strength the purpose of the tourist arrival in Nepal has been demonstrated in the following figure 4.2:

Figure 4.2

Purpose of Visit in Nepal



As demonstrated in the figure 4.2, it is obvious that most of the tourists use to come to Nepal for holiday pleasure followed by trekking and mountaineering and so on. The result indicates that Nepalese policy makers have to develop and properly manage the new possibilities of trekking and mountaineering in Nepal. Therefore the policy makers need to make the plan and policies, in order to develop trekking and mountaineering business effectively and from systematic manner.

4.4 Status of the Foreign Exchange Earning and Contribution of Earning from Tourism Sector

Foreign exchange earning is very essential for national development. If the country buys goods and services from the foreign countries, it has to made payment on convertible currencies. The countries receive such currencies from different manner. Total foreign currency earning from different sources during the study period has been presented in table 4.6.

Table 4.6

Status of the Gross Foreign Exchange Earning in Nepalese Currencies

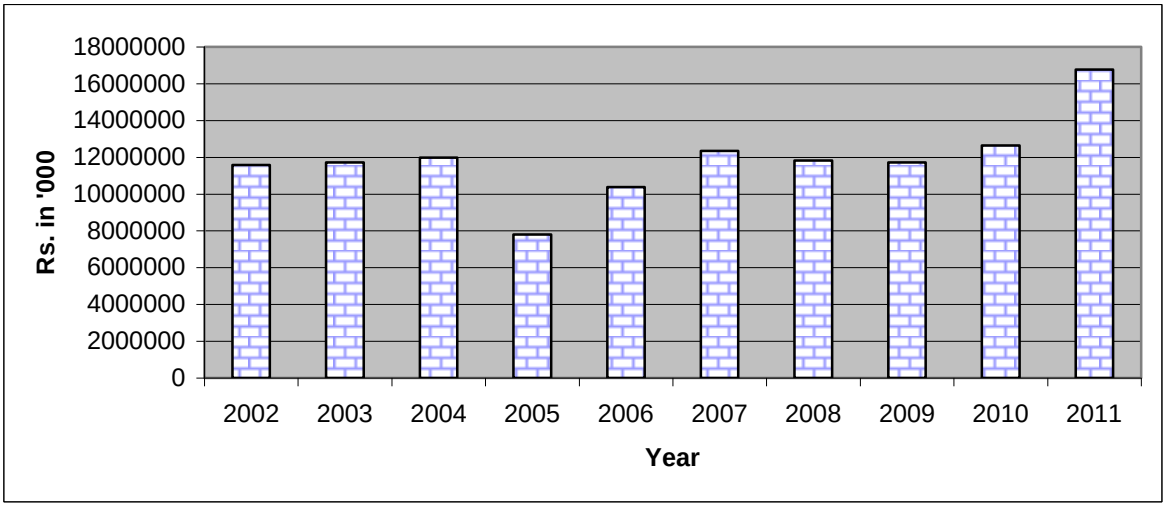
Fiscal Year	Earning (Rs.'000')	% Change	Rank
2002	1,15,84,912	30.8	9
2003	1,17,09,098	-0.9	7
2004	1,19,69,174	-4.3	4
2005	77,98,535	-37.5	10
2006	1,03,69,409	32.1	8
2007	1,23,37,977	25.3	3
2008	1,18,14,853	-2.2	5
2009	1,17,10,893	-3.6	6
2010	1,26,45,761	10.2	2
2011	1,67,67,000	32.58	1

[*Sources: Nepal Tourism Statistics]*

Table 4.6 showed that the total foreign currency earning in Nepal was highest in 2002, 2007 and 2011. It is 6.97 percentages higher than previous year 2001. The total earning from foreign currency drastically decreases in there after. The percentage change in gross foreign exchange earning in Nepalese currency is negative from 2003 to 2005 and 2008 to 2009 and positive rest of the years.

Figure 4.3

Status of the Gross Foreign Exchange Earning in Nepalese Currencies



The figure 4.3 shows the foreign exchange earning in Nepalese currency. The highest amount is in 2011 and lowest in 2005. It is also showed that gross foreign exchange earning is fluctuating trend throughout the study period.

Table 4.7
Status of the Gross Foreign Exchange Earning in Convertible Currencies from Tourism Business in Nepal

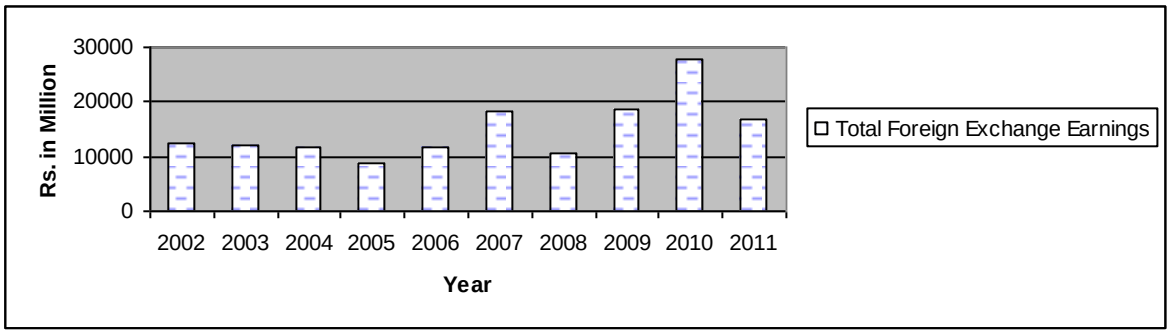
Year	Total Foreign Exchange Earning from tourism (Rs. In million)	As % of total Value of Merchandise Export	As % of total Value of Export of Goods & non Factor Services	As % Total Foreign Exchange Earnings	As % of GDP
2002	21265	2793	10.6	6.1	1.9
2003	22992	2262	15.2	8.2	2.4
2004	25505	4373	20.3	11.4	3.4
2005	22853	3559	12.2	6.1	1.8
2006	24566	4764	10.9	4.6	1.5
2007	40697	6627	10.7	4.5	1.4
2008	36301	4554	17.9	6.7	2.3
2009	24566	4764	22.8	6.5	2.9
2010	40697	6627	24.6	8.1	2.4
2011	74033	12183	22.5	7.5	1.8

[Sources: Nepal Tourism Statistics and Economic Survey]

Table 4.7 showed that even the earning grew by negative but after 2009 it has seen some improvement and reached in positive double digit numbers. In order to know the contribution of foreign currency earning from tourism sector the real status of the earning from tourism sector has been presented in table 4.7.

According to the table 4.7, in the year 1997, earning from tourism sector covers 37.6 percent of total merchandise export of Rs. 8523.0 million, 13.7 percent of merchandise export of goods and non factor services, 17.6 percent of foreign exchange earning and 3.0 percent of gross domestic product where as in the year 2009 earning from tourism sectors cover 40.0 percent of total merchandised exports, 22.8 percent of merchandised exports of goods and non factors services, 6.5 percent of foreign exchange earning and 2.9 percent of GDP. It shows that, the earning from tourism sector contributes more to GDP in the year 1996 and less in 2005 but in the fiscal year 2009, it is slightly increased.

Figure 4.4
Status of the Gross Foreign Exchange Earning in Convertible Currencies from Tourism Business in Nepal



From figure 4.4, it shows the foreign exchange earning in convertible currency from tourism business in Nepal. The highest amount is in 2010 and lowest in 2005. It is also showed that total foreign exchange earning in convertible currencies is fluctuating trend through 2002 to 2011.

4.5 An Overview of Tourist Arrivals in Kathmandu Durbar Square Area

The total numbers of tourist arrivals from SAARC countries were 3955 (3.44%) & others countries were 110843 (96.56%) in the year 2007.

Table 4.8
Tourist Arrivals in Kathmandu Durbar Square Area

Fiscal Year	Number of tourist arrival from SAARC countries	Percent	Number of tourist arrival from others countries	Percent	Total Number of tourist arrival
2002	2980	2.83	102370	97.17	105350
2003	3075	2.86	104100	97.14	107175
2004	3187	2.90	106563	97.10	109750
2005	3280	2.94	108100	97.06	111380
2006	3450	3.06	109120	96.94	112570
2007	3955	3.44	110843	96.56	114798
2008	5546	3.93	135543	96.07	141089
2009	5317	4.23	120127	95.77	125444
2010	5130	4.10	119907	95.90	125037
2011	12502	7.22	160497	92.78	172999

[Source: Nepal Tourism Board]

Table 4.8 shows that there is increasing trends in the tourist arrival from both SAARC & others country during the year 2007 to 2011. However there is slightly decrease in the

year 2008 in the tourist arrival from SAARC countries, there was increasing trends in the tourist arrivals from other country. The number of tourist visited in this area is 12502 (7.22%) from SAARC countries and 160497 (92.78%) from others country in the year 2011.

Figure 4.5
Tourist Arrivals in Kathmandu Durbar Square Area

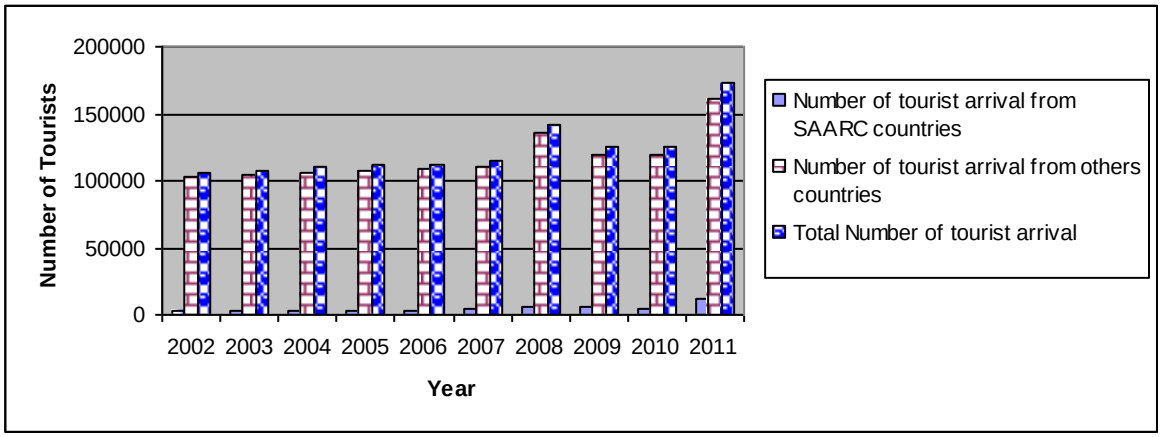


Figure 4.5 shows the tourist arrivals in Kathmandu Durbar Square Area from 2002 to 2011. The figure showed that the number of tourist arrival from SAARC countries is higher that others countries. As there is increasing trends in the tourist arrival from both SAARC & others country from the year 2007 to 2011.

4.6 Revenue Generated from Tourist Fees in Kathmandu Durbar Square Area

The total revenue collected from tourist fees by Kathmandu metropolitan city has increased from Rs.2226707 March. In the past tourist from SAARC countries had to pay only Rs. 25 and Rs. 200 for other countries, nowadays tourists from SAARC have to pay Rs. 100 and Rs. 300 for tourist from other tourists. The revenue collected from tourist fees are utilized for maintenance and restoration of this heritage site.

Table 4.9
Revenue Generated from Tourist Fees in Kathmandu Durbar Square Area

Fiscal Year	Revenue from SAARC countries (in Rs.)	Percent	Revenue from others countries (in Rs.)	Percent	Total Revenue (in Rs.)
2002	88890	0.92	9438599	99.08	9527489
2003	91889	0.94	9734851	99.06	9826740
2004	93850	0.46	20194120	99.54	20287970
2005	95895	0.45	20969961	99.55	21065856
2006	96880	0.45	21170900	99.55	21267780
2007	98875	0.44	22168600	99.56	22267475
2008	138650	0.50	27108600	99.50	27247250
2009	267550	0.96	27424000	99.04	27691550
2010	513000	1.40	35972100	98.60	36485100
2011	1250200	2.53	48149100	97.47	49399300

[Source: Kathmandu Metropolitan City]

Table 4.9 showed that the revenue collected from SAARC countries and others countries' tourist fees by Kathmandu metropolitan city has increased from Rs. 88890 (0.92%) & Rs. 9438599 (99.08%) in 2002 to Rs. 1250200 (2.53%) & Rs. 48149100 (97.47%) in 2011 respectively.

Figure 4.6
Revenue Generated from Tourist Fees in Kathmandu Durbar Square Area

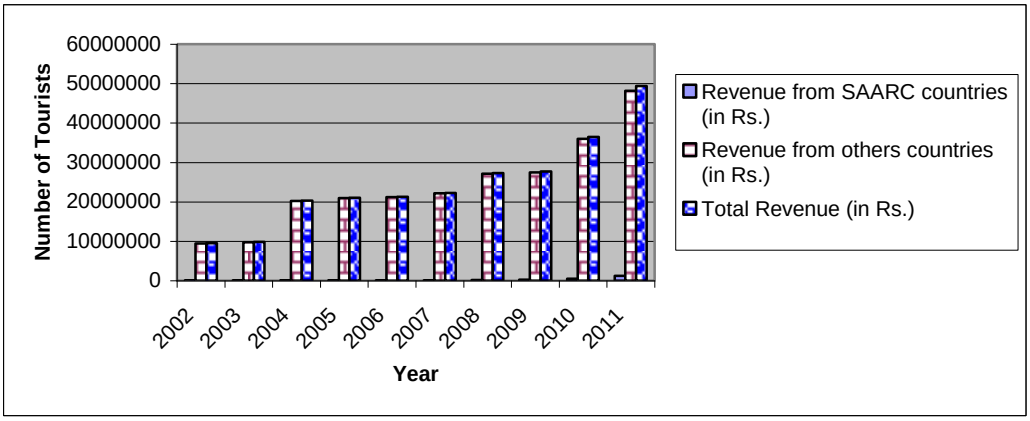


Figure 4.6 shows the revenue generated from tourist fees in Kathmandu Durbar Square Area from 2002 to 2011. The figure showed that the revenue generated from SAARC countries is higher that others countries. As there is increasing trends in the revenue generated from both SAARC & others country from the year 2002 to 2011.

4.7 Impacts of Tourism in Kathmandu Durbar Square

Tourism industry does not only bring change in economic atmosphere but it brings a number of social, cultural and environought a number of remarkable changes. Number of impacts of tourism upon local society could be observed. These impacts have been categorized into economic, social, cultural, and environmental impacts are mentioned below.

4.7.1 Economic Impact

According to recent statistics, tourism provides about 10% of the world's income and employs almost one tenth of the world's workforce. Tourism's actual and potential economic impact is outstanding. Many people emphasize the positive aspects of tourism as a source of foreign exchange, a way to balance foreign trade, an "industry without chimney" - in short, manna from heaven (Batra, 1990).

Tourism is an economic activity that is imposed, or at least grafted, on a pre-existing set of economic activities and traditional ways of life (Price and Harrison, 1996: 1). Tourism is a product of three main elements; destination, hosts and the tourists. Tourism is a process which obviously affects varcent and the influence of tourism is also centered in some specific areas only not throughout the whole nation but it does not mean to underestimate the tourism because we know a very little about the multiplier effect of the tourism; we must take account of the food, vegetables and fruits that the tourists take as well as the employment plus the crafts that the tourists purchase.

The tourism industry generates substantial economic benefits to many countries. Especially in developing countries, one of the primary motivations for a region to promote itself as a tourism destination is the expected economic improvement. Some of the positive impacts include: a) Foreign exchange earnings, b) Contribution to government revenues, c) Employment generation, d) Stimulation of infrastructure investment and e) Contribution to local economies.

Economic and social impacts on the local community depend on how much of the income generated by tourists go to the host communities. In most all-inclusive package tours more than 80% of travelers' fees go to the airlines, hotels and other international companies, not to local businessmen and workers (Ratz, 2000).

As mentioned above by different scholars, tourism is often considered as a factor bringing in the multiplier effect in income; its economic impact is also seen in this area. Few decades ago, there were only few numbers of cottage industries (souvenir shops, wood carving etc.) associated with tourism but now it has been increased rapidly for the production of the indigenous tradition and cultural material for the tourists. These industries have given employment to the several numbers of local people which uplifting their economic level in a dramatic way.

The gradual shifting of occupation towards wood carving and tourism entrepreneurship, growth of handicraft shops are the evidences of impact of tourism in this area. The major products which tourists buy from this area, is handicraft, woodcarving and pashmina clothes. Besides this, the raw materelling them to the tourists. Similarly, a few numbers of females are also involved in tourism business, i.e. by assisting their family business of woodcarving and handicraft; and involving as ownership of coffee and bakery shop and restaurant.

Tourism has thus helped in uplifting the economic condition of the local people to some extent and created employment opportunity in the area too. Tourism has helped in gradual increment of the local economy. While considering negative impact dependency and economic inequalities may overwhelm the local people if concept of sustainable tourism is ignored. The changes which are found in Kathmandu can be analyzed through economic perspectives which are as follows.

Average Earning of Different People in Season and Off- Season

Income is the main source which uplifts the living standard of the people. Tourism business is also one of the main source from which not only country but also the people

of that country can earn large amount of money and maintain their living standard. According to the local people before tourism, the almost all the people of Kathmandu area engaged in agriculture and this but they did not get the profit as much as their expectation. Some people were also engaged in handicraft like making image of god, utensils etc. but these products were only for their own purpose. But after tourism, tourists are interested in the local products and eager to buy these products as a result the local people are encouraged to make and produce these things.

Generally local people of Kathmandu Durbar Square were engaged in tourism business like hotel, café, souvenir shop, curio shop etc. They do these businesses for self employment with the purpose of earning money. The situation of average earnings of the local people can be elaborated from the given table.

Table 4.10
Average Earnings of Different People

Months	Monthly Seasonal income average (in Rs.)	Monthly Off- Seasonal income average (in Rs.)	Yearly average income (in Rs.)
Vendors	40000	25000	360000
Salesmen	35000	20000	300000
Employers in Restaurants	50000	30000	440000

[Source: Field Survey, 2012]

This table 4.10 displays the average earning of the local people in monthly seasonal average income, monthly off-seasonal average income and yearly average income. According to the table out of 12 months there are four months September, October, November and December as seasonal months and respondents have highest income in these months. Where as respondents have lower income in other months than seasonal months. The average yearly income of employers in restaurant, salesmen and vendors are Rs. 440000, Rs. 300000 and Rs. 360000 respectively. Whereas the average monthly seasonal income of employers in restaurant, salesmen and vendors are Rs. 50000, Rs. 35000 and Rs. 40000 respectively. To sum up, it becomes evident from the data that the respondents have higher income in season and lower income in off-season. So they become successful to earn much money from September to December as compared to the rest of the months. From study it is found that economic status of local respondents

residing in Kathmandu Durbar Square has enhanced and their monthly income is higher than general public. Hence there is positive economic impact of tourism in Kathmandu Durbar Square on entrepreneur and local people.

4.7.2 Change in Occupation

Table 4.11
Change in Occupation

Change in Profession	Percent
Agriculture to tourism	40.0
Other business to tourism	35.0
Student to tourism	25.0

[Source: Field Survey, 2012]

As already mentioned that before tourism people were engaged in agriculture and their ancestral occupation but after tourism people but the people from other places also come here to do tourism related business. In this way it can be said that after the influence of tourism, people change their occupation too.

This table 4.11 displays the change in profession of different people residing in Kathmandu Durbar Square Area. The table shows that 40 percent people change their profession from agriculture to tourism, 35 percent change their profession from other business to tourism and 25 percent change their profession from student to tourism.

4.7.3 Impact on Trade

The trade of handicraft business and other local products are not only sold in the internal market to the tourists but also these products are exported to foreign country. Thus, after the development of tourism the areas of these products are broadening.

Today, tourism is one of the largest and dynamically developing sectors of external economic activities. Its high growth and development rates, considerable volumes of foreign currency inflows, infrastructure development, and introduction of new management and educational experience actively affect various sectors of economy, which positively contribute to the social and economic development of the country as a whole.

4.7.3.1 Country Wise Export of Handicraft Goods

In the following table 4.12, in year 2002, USA has been the highest one importer of Nepalese handicraft goods which hasn the second, third, fourth, fifth and sixth major importer of Nepalese handicraft goods which has contributed 9.31 percent, 6.74 percent, 6.67 percent ,6.57 percent and 6.13 percent amounted to Rs.29200 thousand, Rs. 21165 thousand, Rs. 20928 thousand, Rs. 20632 thousand and Rs.19243 thousand in total export of handicraft goods respectively

Table 4.12
Major Country Wise Export of Handicraft Goods

Amount in '000

year/ Country	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
India	29200	31800	44800	27400	104700	32900	20000	21800	508695	24043
Germany	20928	31143	48666	55059	74228	153275	59280	29226	226410	86351
U.S.A	89414	94261	113150	131907	127011	149246	81572	88008	80133	94531
France	18999	15380	16353	26499	22961	36931	21626	34148	38374	36056
Netherlands	9860	7266	10398	15973	18753	13038	9823	9368	19961	17826
Switzerland	4966	5884	6656	8670	8703	19442	6635	11240	18581	18839
Japan	19243	18499	29224	29092	42882	22167	24700	18011	18113	30347
Taiwan	21165	28917	23327	28213	39340	22096	19918	16469	17417	39280
Italy	14990	12994	27114	24942	41819	23934	22488	18305	16254	15360
U.K.	20632	16179	35491	17021	15577	31289	35622	8459	11699	14925
Total	313600	314570	422744	454589	747836	732627	441493	368956	1237731	560991

[Source: Trade and Export Promotion Centre]

In the table 4.12, in F/Y 2011, U.S.A. has been the number one importer of Nepalese handicraft goods which has contributed 16.85 percent amounted to Rs. 94531 in the total export of Nepalese handicraft goods. Whereas Germany and Taiwan have been the second and third major importer of Nepalese handicraft goods which has contributed 15.39 percent amounted to Rs.86351 thousand and 7.00 percent amounted to Rs.39280 thousand in total export of handicraft goods respectively

While others countries holding few percent of handicraft export like France 5.40 percent amounted to Rs. 136116 thousand, Switzerland 1.84 percent amounted to Rs.46417 thousand, Netherlands 1.68 percent amounted to Rs. 42331 thousand, Australia 1.43 percent amounted to Rs. 36187 thousand, Thailand 1.21 percent amounted Rs. 30605 thousand, Tibet 1.13 percent amounted to 28498 thousand, Taiwan 1.36 percent

amounted to Rs. 34266 thousand. In year 2008, the total export of handicraft goods is Rs. 2552953 thousand.

4.7.3.2 Handicraft Export's Contribution in Total Export of Nepal

From table 4.13, in year 2002, the total export of handicraft goods is Rs. 313600 thousand which contribute 0.56 percent in the total export of Nepal. In year 2007, the total export of handicraft goods is Rs. 732627 thousand which contribute 1.22 percent in total export of Nepal.

Table 4.13
Handicraft Export's contribution in total Export of Nepal
Amount in '000

Year	Handicraft Export (Rupees)	Total Export (Rupees)	Contributed percent of Handicrafts in total Export
2002	313600	55245900	0.56
2003	314570	47386788	0.66
2004	422744	50011122	0.84
2005	454589	53949414	0.84
2006	747836	58443821	1.27
2007	732627	59776874	1.22
2008	441493	58927097	0.74
2009	368956	58474359	0.63
2010	1237731	68596852	1.80
2011	560991	60949603	0.92

[Source: Trade and Export Promotion Centre]

In year 2008, the total export of handicraft goods is Rs. 441493 thousand which contribute 0.74 percent in total export of Nepal. In year 2010, the total export of handicraft goods is Rs. 1237731 thousand which contribute 1.80 percent in the total export of Nepal. In year 2011, the total export of handicraft goods is Rs. 560991 thousand which contribute 0.92 percent. This indicates that the contribution of handicraft's export in total export of Nepal is in an increasing trend up to 2006 and fluctuating trend thereafter.

Table 4.13 shows the contribution of handicraft's export in total export of Nepal is in an increasing trend up to 2006 and fluctuating trend thereafter. The minimum contribution

of handicraft's export in total export of Nepal in year 2002 is 0.56 percent and highest contribution of handicraft's export in total export of Nepal is 1.80 percent in 2010.

4.8 Advantages and Potential Threats of Tourism to World Heritage Conservation

Tourism have many advantages. For the host countries, towns and heritage sites, tourism provides jobs, brings in foreign currency, and sometimes leads to an improvement in local infrastructure (e.g. roads, communication equipment, and medical care). The travelers can admire the wonders of the world and learn more about other countries, their environment, and solidarity. We often learn much more about ourselves from learning about others. Tourism can, however, have negative effects. For example, millions of tourists visit the World Heritage site of the Borobudur Temple Compounds in Indonesia which is located in a very hot and humid region. In order to ensure the comfort of the tourists, the tour-bus drivers sometimes keep their engines running with the air-conditioning on while waiting for tourists to return from visiting the site. The carbon monoxide fumes are likely to damage the stone temples.

Automobile Stonehenge in the United Kingdom has threatened the integrity of this site. The proposal to build a highway close to the Pyramid fields from Giza to Dahshur in Egypt was stopped by the Egyptian authorities at the request of UNESCO. Similarly, in the context of Kathmandu Durbar Square problems like street vendors and traffic are most. Night market operating from 5:00 pm onward is one of the major threats for conservation of Durbar Square. Moreover, vehicle entering in the Durbar Square area is also becoming threatens for the manmade attractions. Most of the temples & monument have lost their authenticity due to acid coming from modern vehicles.

The proposal to build a highway close to the Pyramid fields from Giza to Dahshur in Egypt was stopped by the Egyptian authorities at the request of UNESCO. Similarly, in the context of Kathmandu Durbar Square problems like street vendors and traffic are most. Night market operating from 5:00 pm onward is one of the major threats for

4.9 Analysis of International Visitors and Local People (Entrepreneurs)

4.9.1 Analysis of Survey Findings of International Visitors

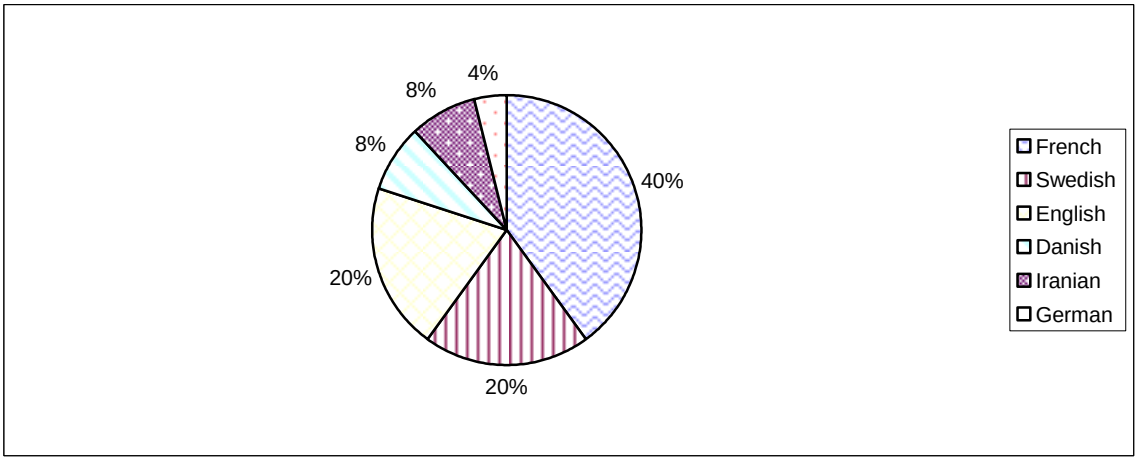
Survey: 25 Tourists

Table 4.14
Nationality of Tourists

Visitors	Number	Percentage
French	10	40
Swedish	5	20
English	5	20
Danish	2	8
Iranian	2	8
German	1	4
Total	25	100

[Source: Field Survey, 2012]

Figure 4.7
Nationality of Tourists



From above table 4.14 and figure 4.7 of the total international Visitors surveyed, 40% were French, 20% were Swedish, 20% were English, 8% were Danish, 8%were Iranian and 4% were German.

Table 4.15
Visitors by Gender

Visitors	Number	Percentage
Male	13	52
Female	12	48
Total	25	100

[Source: Field Survey, 2012]

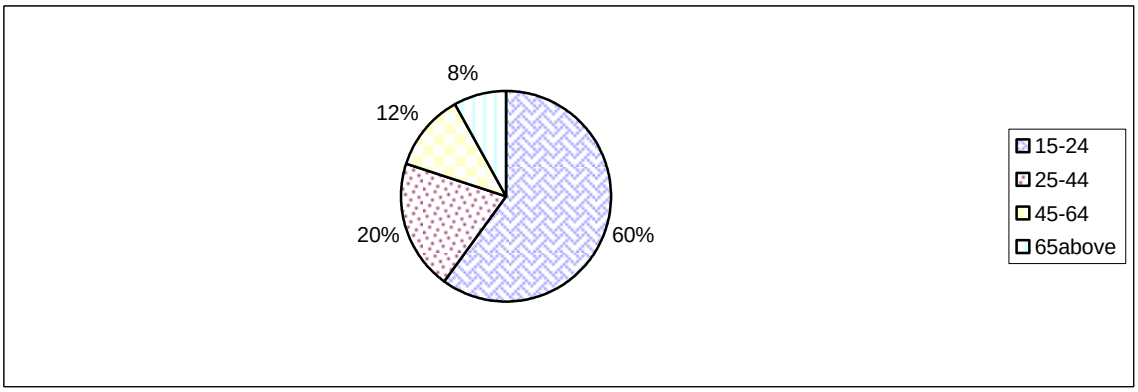
Among the 25 respondents 52% were male visitors and 48% were female visitors.

Table 4.16
Visitors by Age Group

Age Group	Number	Percentage
15-24	15	60
25-44	5	20
45-64	3	12
65above	2	8
Total	25	100

[Source: Field Survey, 2012]

Figure 4.8
By Age Group



From table 4.15 and figure 4.8 it is found that, out of the total foreigners 60% were of 15-24 age group, 20% were of 25-44, 12% were of 45-64, and 8% were of 65 above respectively. Among 15-24 age group (60%), 90% were students and 10 % were related with other profession.

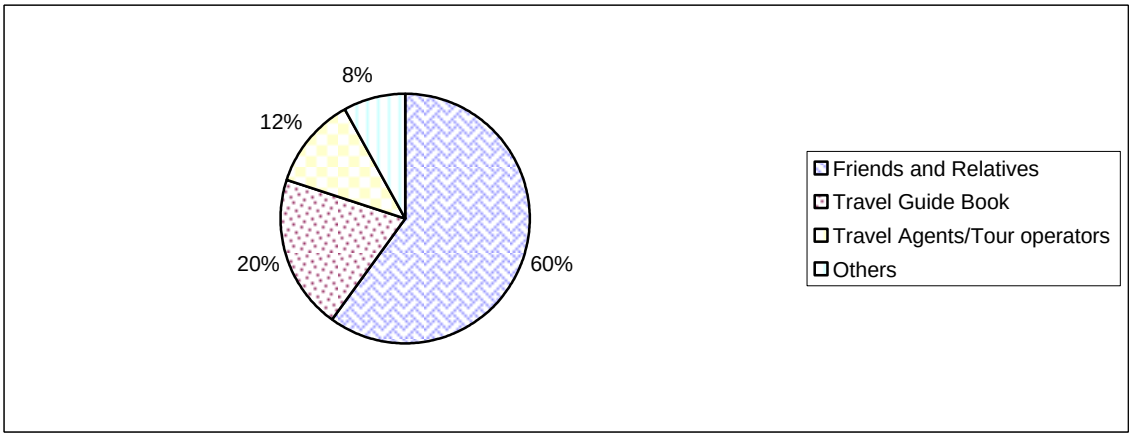
Table 4.17

By Sources of Information

Source of information	Number	Percentage
Friends and Relatives	15	60
Travel Guide Book	5	20
Travel Agents/Tour operators	3	12
Others	2	8
Total	25	100

[Source: Field Survey, 2012]

Figure 4.9
By Sources of Information



From table 4.17 and figure 4.9, an attempt was made to know about factors influencing visitors to come to visit Nepal. In this respect, the highest number (60%) of the total visitors opined that their friends and relatives were the main sources of information to come to Nepal, followed by travel guide book 20%, travel agents 12%and others 8%.

Table 4.18
By Number of Visit

Visitors	Number	Percentage
First time Visitors	3	12
Repeat Visitors	22	88
Total	25	100

[Source: Field Survey, 2012]

Among the total respondents 88% were repeat visitors and 12% were first to KDS. Among the repeat visitors, 30% had come to KDS 2-3 times and 60% more than 3 times.

Table 4.19
Factors Motivating Visitors to Visit KDS

Factors	Number	Percentage
Temples & Palaces	15	60
Art & Architecture	7	28
Others	3	12
Total	25	100

[Source: Field Survey, 2012]

Regarding factors motivating tourists to visit KDS, the highest proportion (60%) of the visitors rated temples & palaces, 28% Art & architecture and 12% for others.

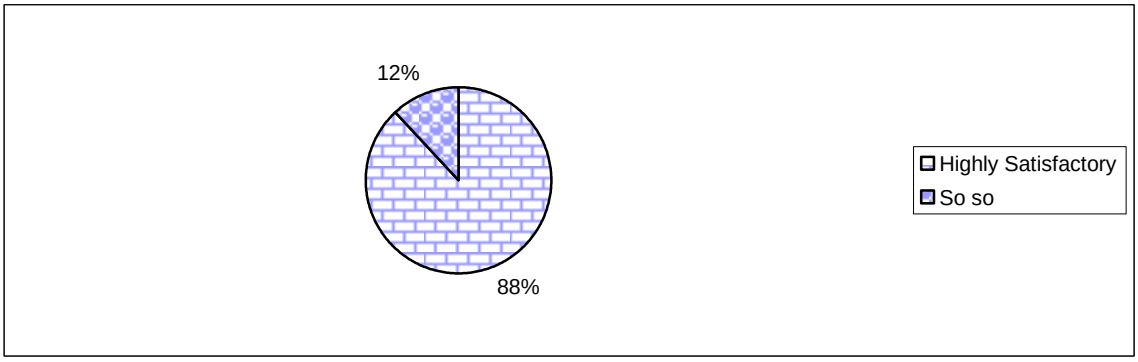
4.9.2 Rating by Preference

Table 4.20
Historical Sites/Monument

Rating of Historical Sites /Monument	Number	Percentage
Highly Satisfactory	22	88
So so	3	12
Total	25	100

[Source: Field Survey, 2012]

Figure 4.10
Historical Sites/Monument



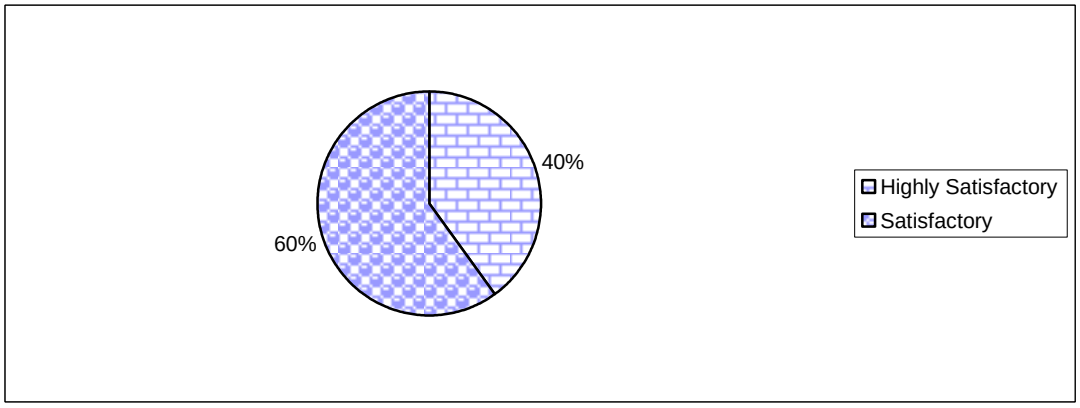
From table 4.20 and figure 4.10, tourists were asked to rate the historical sites/monument of this area and the highest percentage (88%) of the visitors rated it as highly satisfactory and only 12% of the total visitors rated it as a so so.

Table 4.21
Rating of Sight Seeing

Rating of sight seeing	Number	Percentage
Highly Satisfactory	10	40
Satisfactory	15	60
Total	25	100

[Source: Field Survey, 2012]

Figure 4.11
Rating of Sight Seeing



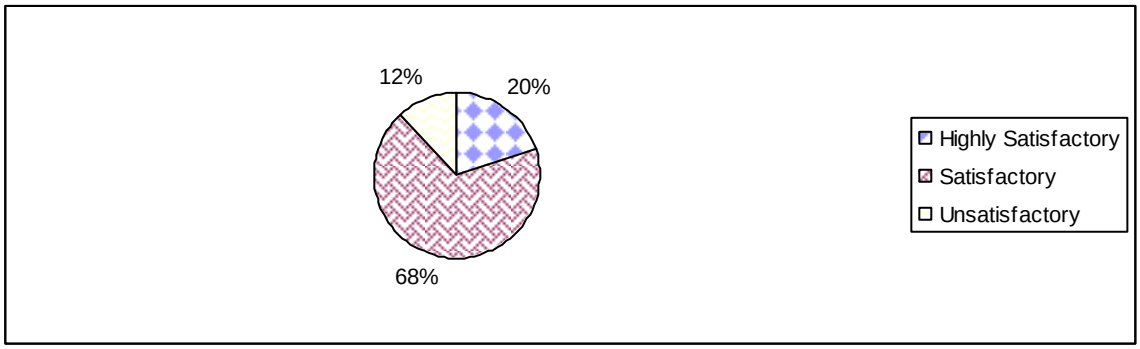
From table 4.21 and figure 4.11, it is found that among the total respondents 60% tourist were satisfied with the sightseeing of Kathmandu Durbar Square and 40% tourist were highly satisfied with the sightseeing around the Kathmandu Durbar Square area.

Table 4.22
Behaviors of People

Rating of Behaviors of people	Number	Percentage
Highly Satisfactory	5	20
Satisfactory	17	68
Unsatisfactory	3	12
Total	25	100

[Source: Field Survey, 2012]

Figure 4.12
Behaviors of People



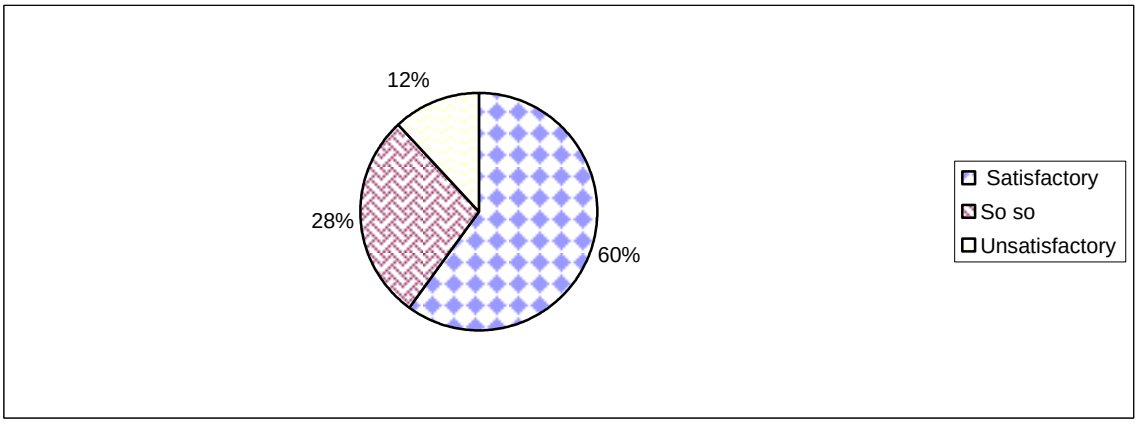
From table 4.22 and figure 4.12 it is found that out of the total respondents 70% of the tourist were satisfied with the behaviors of people, 20% were highly satisfied and 10% of the total tourists were not satisfied with the behaviors of people while visiting KDS.

Table 4.23
Sense of Authenticity of Culture and Tradition

Rating of sense of authenticity of culture and tradition	**Number**	**Percentage**
Satisfactory	15	60
So so	7	28
Unsatisfactory	3	12
Total	25	100

[Source: Field Survey, 2012]

Figure 4.13
Sense of Authenticity of Culture and Tradition



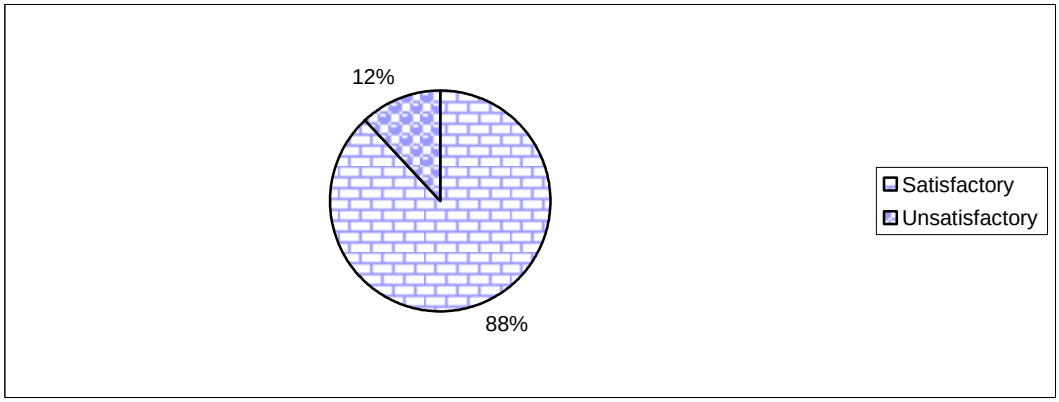
From table 4.23 and figure 4.13 it is found out of the total respondents, 60% of the tourists were satisfied with authenticity of culture and tradition of KDS. Likewise people, 28% of the tourist were so so and 12% of the total tourists were unsatisfied with authenticity of culture and tradition of KDS.

Table 4.24
Rating of Feeling of Safety

Rating of Feeling of safety	Number	Percentage Respondents
Satisfactory	22	88
Unsatisfactory	3	12
Total	25	100

[Source: Field Survey, 2012]

Figure 4.14
Feeling of Safety



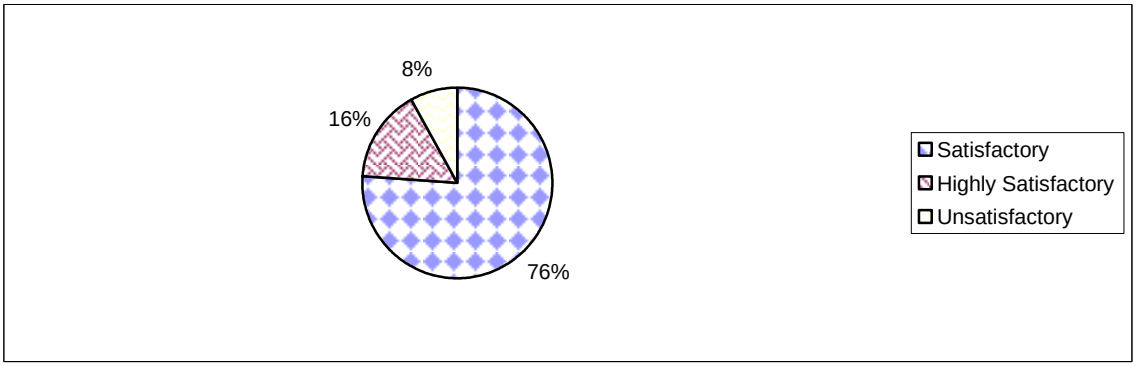
From table 4.24 and figure 4.14 it is found when asked about whether visitors feel safety to visit this area then 88% of the tourists were satisfied with the safety procedures and they were felt free to roaming around KDS, but 12% of the tourist were unsatisfied with the safety procedures and they tagged this area as unsafe place.

Table 4.25
Rating of Tourist Information Offices

Rating of tourist information Offices	Number	Percentage
Satisfactory	19	76
Highly Satisfactory	4	16
Unsatisfactory	2	8
Total	25	100

[Source: Field Survey, 2012]

Figure 4.15
Tourist Information Offices



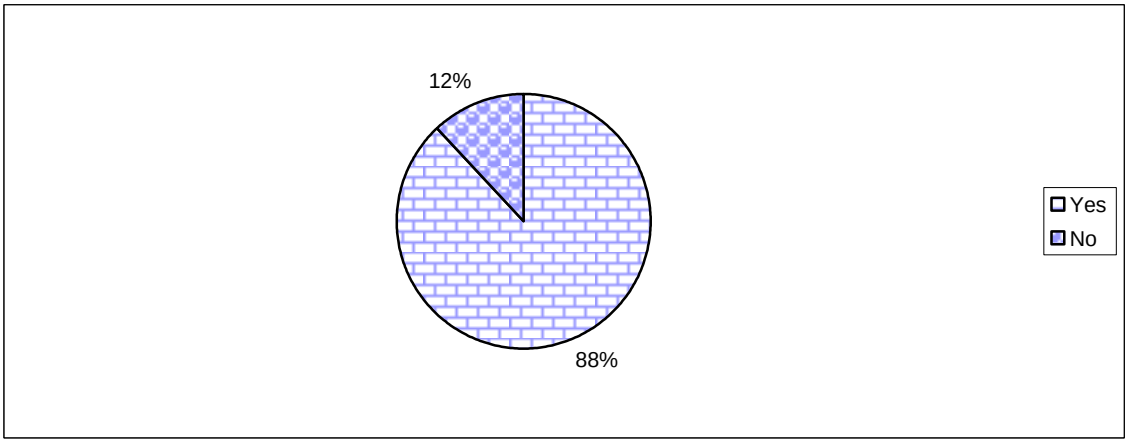
From table 4.25 and figure 4.15 it is found regarding the tourists information office, 76% of the total tourists were satisfied with the information provided by tourist information office. Likewise 16% of the total tourists were highly satisfied but 8% of the total tourists were unsatisfied with tourist information offices.

Table 4.26
Entrance Fee Charged by KMC

Tourists Fees	**Number**	**Percentage**
Yes	22	88
No	3	12
Total	25	100

[*Source: Field Survey, 2012]*

Figure 4.16
Entrance Fee Charged by KMC



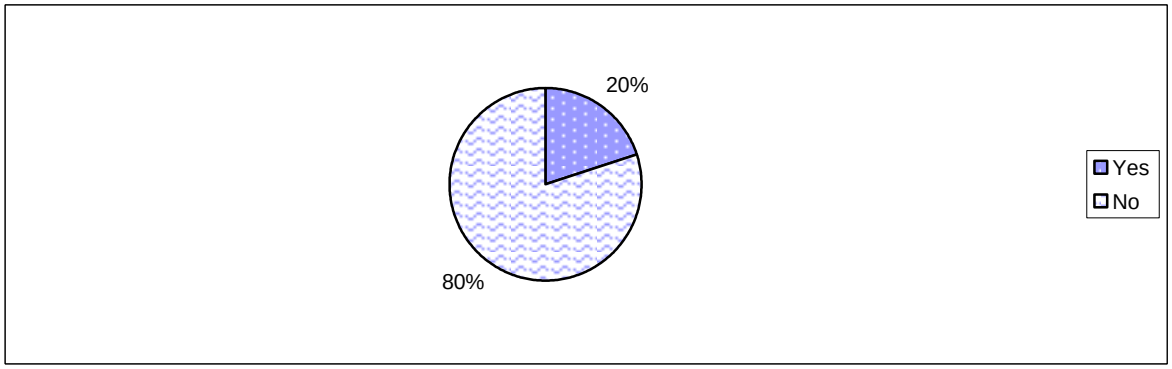
From table 4.26 and figure 4.16 it is found that among the visitors who had visited Kathmandu Durbar Square area, 88% of the tourist said that they are happy with the fees collected by KMC but 12% of the total visitors said it is so expensive to visit place.

Table 4.27
Opinion on Unique Features of KDS

Unique features of KDS	Number	Percentage
Yes	5	20
No	20	80
Total	25	100

[Source: Field Survey, 2012]

Figure 4.17
Opinion on Unique Features of KDS



From table 4.27 and figure 4.17 it is found that when asked about unique features of KDS, 80% of the total visitors said they have not seen any unique features while visiting this area and 20% of the total tourists said they have seen many arts, statues as unique features in this area.

Table 4.28
Responsibility for Conservation and Preserving of KDS

Responsibility for conserving and preserving of KDS	Number	Percentage
Yes	20	80%
No	5	20%
Total	25	100%

[Source: Field Survey, 2012]

From table 4.28 it is found that respondents were asked to give opinion on responsibility for conserving and preserving KDS, 80% of the total visitors said yes and 20% said no.

Table 4.29
Environmental Effects of Tourism in KDS

Environmental Effects of tourism	**Number**	**Percentage**
Yes	22	88%
No	3	12%
Total	25	100%

[*Source: Field Survey, 2012]*

From table 4.29 it is found that regarding the question about the environmental effects of tourism in this area, 88% of the total visitors said yes and 12% said no.

Table 4.30
Socio-Cultural Effects of Tourism in KDS

Socio-cultural effects of tourism	Number	Percentage Respondents
Yes	2	8
No	23	92
Total	25	100

[*Source: Field Survey, 2012]*

From table 4.30 it is found that the respondents were asked to give the opinion about socio-cultural effects of tourism in this area. The highest proportion (92%) said they have not seen any socio-cultural effects of tourism in this area but 8% of the total respondents said they have seen socio-cultural effects in this area.

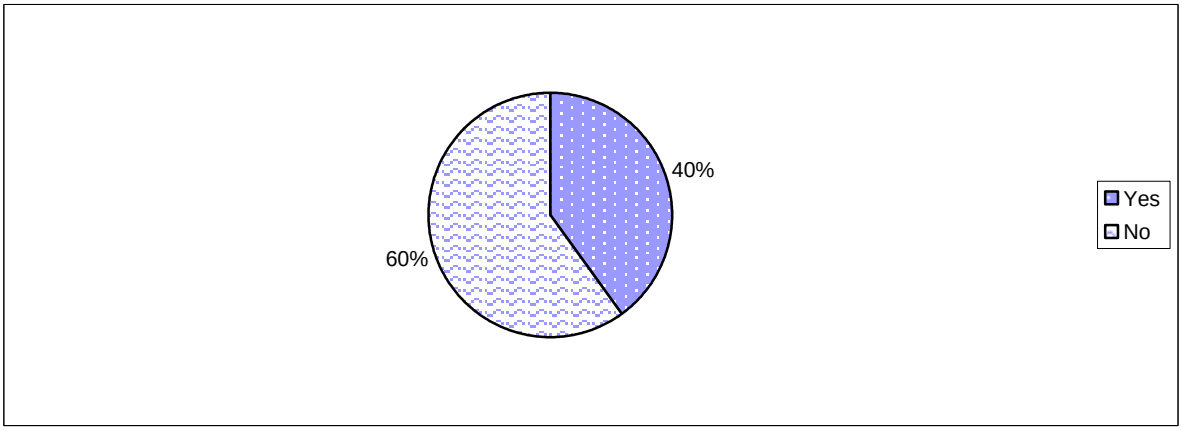
Table 4.31

Economic Effects of Tourism in KDS

Economic effects of tourism	**Number**	**Percentage**
Yes	10	40
No	15	60
Total	25	100

[Source: Field Survey, 2012]

Figure 4.18
Economic Effects of Tourism in KDS



From table 4.31 and figure 4.18 it is found that regarding the question about the economic effects of tourism in Kathmandu Durbar Square area, 60% of the total tourists said they have not seen any economic effect of tourism but 40% of the tourist said they have seen economic effects of tourism in this area.

4.9.3 Analysis of Survey Findings of Local People (Entrepreneurs)

Sample size: 15 Households

Table 4.32

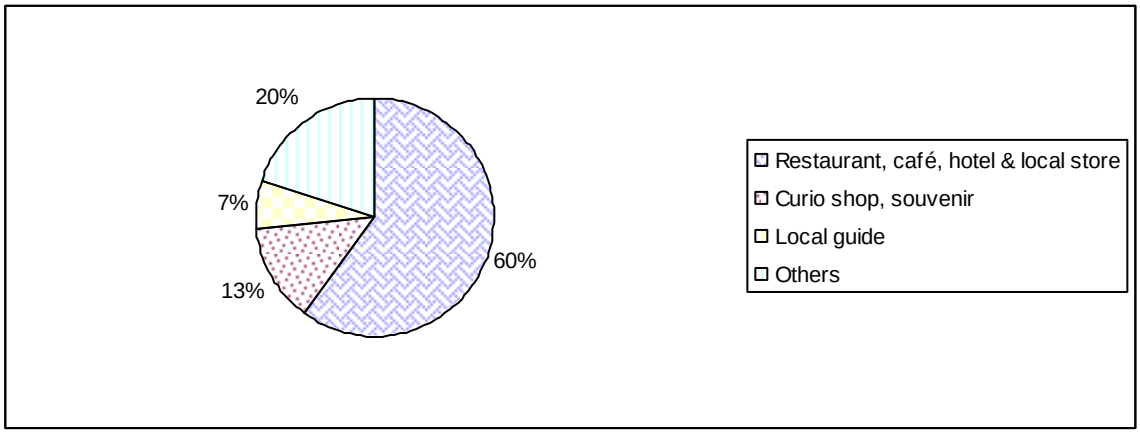
Occupational Status of Local People

Occupation	Number	Percentage
Restaurant, café, hotel & local store	9	60
Curio shop, souvenir	2	13
Local guide	1	7
Others	3	20
Total	15	100

[Source: Field Survey, 2012]

Figure 4.19

Occupational Status



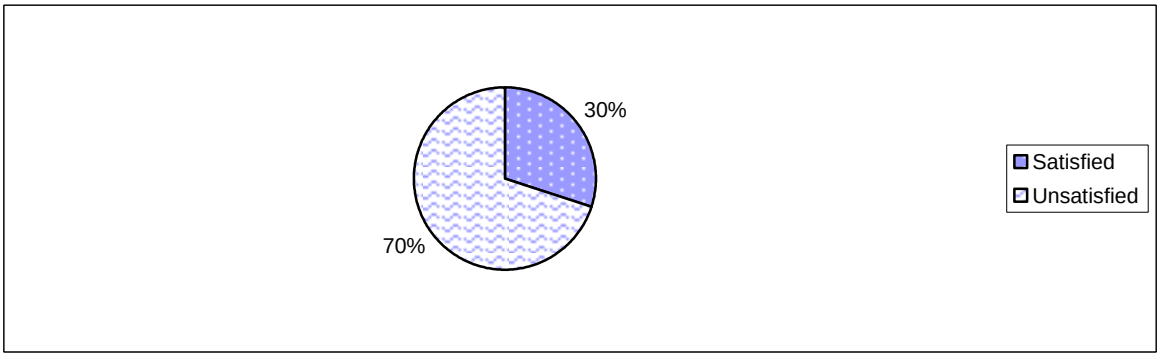
From table 4.32 and figure 4.19 it is found that when asked about occupational status of local people, the highest proportions (80%) were engaged in tourism business like in hotel, café, souvenir shop, curio shop etc and only 20% were engaged in other form of occupation such as government and private offices

Table 4.33
Opinion About KMC

Activities of KMC	**Number**	**Percentage**
Satisfied	5	30
Unsatisfied	10	70
Total	15	100

[Source: Field Survey, 2012]

Figure 4.20
Opinion About KMC



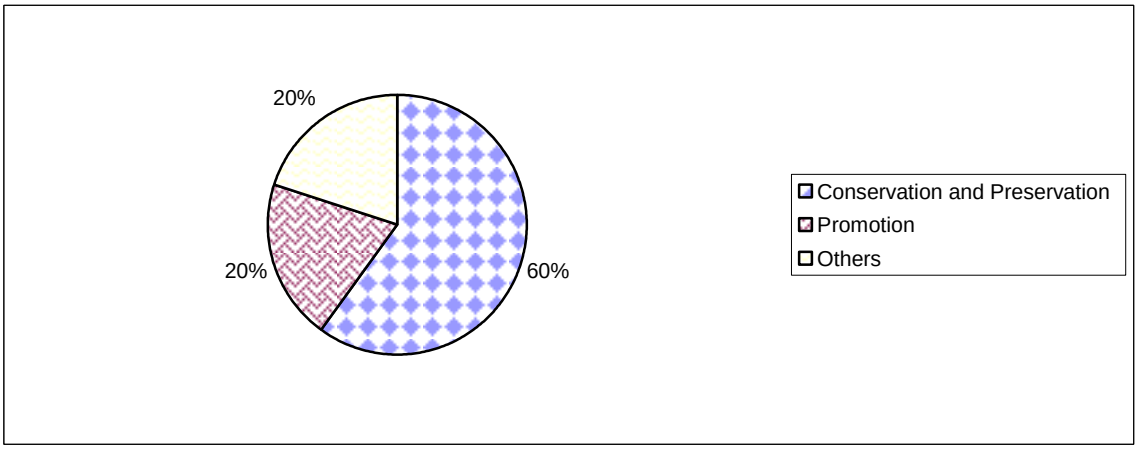
From table 4.33 and figure 4.20 it is found that most of the local people (70%) expressed that they are not satisfied with the activities done by Kathmandu Metropolitan City (KMC) and they also said that KMC does not cooperate to them in conserving and preserving the local heritage. Only 30% of the total households are satisfied with the KMC.

Table 4.34
Opinion on KMC's Activities

Activities of KMC	Number	Percentage
Conservation and Preservation	3	60%
Promotion	1	20%
Others	1	20%
Total	5	100%

[Source: Field Survey, 2012]

Figure 4.21
Opinion on KMC's Activities



From table 4.34 and figure 4.21 it is found that when asked about activities carried out by KMC 30% said they are satisfied on the activities done by KMC. As they expressed 60% on conservation and preservation 20% promotion, and others 20%

Table 4.35
Information on Environment Effects of Tourism in KDS

Environmental effects of tourism in KDS	Number	Percentage
Yes	12	80%
No	3	20%
Total	15	100%

[*Source: Field Survey, 2012]*

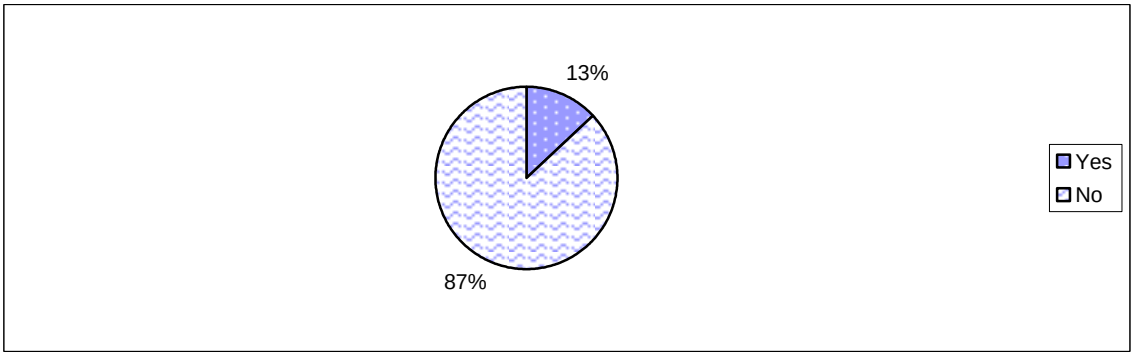
From table 4.35 it is found that the respondents were asked about environmental effects of tourism in KDS, 80% household said they have seen environmental effects which have destructed the originality of historical monuments and 20% said they have not seen the effects.

Table 4.36
Information on Socio Cultural Effects of Tourism in KDS

Socio-cultural effects of tourism in KDS	Number	Percentage
Yes	2	13
No	13	87
Total	15	100

[Source: Field Survey, 2012]

Figure 4.22
Information on Socio Cultural Effects of Tourism in KDS



From table 4.36 and figure 4.22 it is found that among the respondents 87% household said they have not seen any socio-cultural effects of tourism in this area but 13% said that due to tourism young people are influenced toward western culture and also engaged in illegal business like crime, hawkers and prostitution. Also due to tourism people are more commercialized in terms of culture and tradition.

Table 4.37
Information on Economic Effects of Tourism in KDS

Economic effects of tourism in KDS	Number	Percentage
Yes	3	20
No	12	80
Total	15	100

[Source: Field Survey, 2012]

Regarding the economic effects of tourism in this area, the highest proportion (80%) said that they have not seen any economic effects of tourism in this area (in terms of negative

effects) but 20% household said they have seen economic impact from tourism in their area.

4.10 Major Findings of the Study

The major findings of the study are as follows:

This study has been focused in impacts of tourism in Kathmandu Durbar Square Area. Although this area is rich in its cultural heritage, there is lack of parking facility, water supply and repairing and maintenance of historical monuments, well-managed public toilets, dust bins , restaurants and lodges with modern facilities, recreational facilities etc. These are essential for the tourist & tourism business. As these facilities help to meet the minimum tourist requirements.

The more we provide services to tourists, the more will be benefiting. No such adverse effects are found in this area in terms of economic and socio-cultural aspects but in case of environmental impact, we can see garbage, litter, and excessive movement of vehicle all around this area.

Similarly, in the context of Kathmandu Durbar Square problems like street vendors and traffic are most. Night market operating from 5: pm onward is one of the major threats for conservation of Durbar Square Area. Moreover, vehicle traffic entering the Durbar Square area is also threatening the heritage site.

It can be straightforwardly said that the tourism industry in Kathmandu Durbar Square area has become a job generator; both service oriented and product oriented. In addition the diversification of various new economic activities can create the big social problem. People of this area welcome tourism as they have realized its importance, particularly from the economical aspect. It is a matter of fact that a poor country like Nepal should put economic concern at the top but its negative impact should not be neglected.

Tourists not only bring money to host communities, they also carry strong and visible lifestyle along with them. Their dress, food habits and money making style all brings

some newness and uniqueness to the area of their visit. By nature human adopts new thing or manners in which they feel comfortable. Sometimes, new habits are acquired from strangers just to get a new taste. Of course the economical aspects only should not be overemphasized. Everyday acquaintances with the foreigners and outsiders have made it easier to be familiar with the life style of the others. They are able to comprehend the similarities and differences among the people representing various nations around their courtyard. Interaction and observation of this kind have lifted their level of thinking resulting in a positive mind-set toward others and themselves. People have accepted some new favorable cultural traits such as diversification of menu or costumes without altering their social values constituting their identity. Familiarity with different languages has not only made the communication easier and better but also has added a new and useful skill in their life. Tourism has facilitated the development of the sense of place among the people. They are conscious about the heritage that has been preserved from many years. Consequently more care and protection is made to the cultural heritage collectively by them. Such a joint effort not only improves the attraction of the destination but also unites people together.

In brief, it can be said that the major achievement of tourism or the positive impacts are that people are economically benefited, are much more concerned in protecting their fragile heritage, aware in health and hygiene. But by the impact of tourism our own culture is converting into the western culture, should be checked to keep alive our originality and means of attraction. Similarly, several modern advertisement mechanisms should be used to make known to all inhabitants of the world about the beauty of nation.

Though the tourism has benefited the local people its negative impacts on local people, their heritage sites, tradition, cultural, and also their surrounding areas should not be overlooked. As many local people said that due to tourism they have raised their economy and life style but along with this they are suffering from environmental problem such as litter, garbage around the durbar area, unnecessary food court and local shops in front of heritage sites has disturbing the natural scenario of this area.

CHAPTER- V
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

Tourism has facilitated the development of the sense of place among the people. They are conscious about the heritage that has been preserved from many years. Consequently more care and protection is made to the cultural heritage collectively by them. Such a joint effort not only improves the attraction of the destination but also unites people together. The growth of tourism in Kathmandu Durbar Square area can be witnessed by increasing numbers of tourist arrivals and gaining of its popularity among outsiders for its typical cultural heritage. Moreover, the gradual changes in traditional occupation is found due to tourism intervention and has provided employment opportunity to the local people particularly in restaurant, woodcarving and handicrafts entrepreneurship since tourist visiting here, buy these products and it has further helped in their export too. This has undoubtedly helped income generation and uplifting educational as well as health status.

Socially tourism has a great influence on the host societies. Tourism can be both a source of international amity, peace and understanding and a destroyer and corrupter of indigenous cultures, a source of ecological destruction, an assault of people's privacy, dignity, and authenticity. The possible positive effects of tourism are: Developing positive attitudes towards each other, Learning about each other's culture and customs, Reducing negative perceptions and stereotypes, Developing friendships, Developing pride, appreciation, understanding, respect, and tolerance for each other's culture, Increasing self-esteem of hosts and tourists and Psychological satisfaction with interaction.

So, social contacts between tourists and local people may result in mutual appreciation, understanding, tolerance, awareness, learning, family bonding respect, and liking. Residents are educated about the outside world without leaving their homes, while their visitors significantly learn about a distinctive culture. Local communities are benefited through contribution by tourism to the improvement of the social infrastructure like

schools, libraries, health care institutions, internet cafes, and so on. Socially and culturally, tourism is a product which encourages intellectual curiosity amongst peoples and nations, and develops a healthy respect for another's beliefs and customs.

health and education is also getting well due to the raising of economic condition of locals and consciousness aroused among people. People are more conscious about health and hygiene now due to tourists.

In brief, it can be said that the major achievement of tourism or the positive impacts are that people are economically benefited, are much more concerned in protecting their fragile heritage, aware in health and hygiene. But by the impact of tourism our own culture is converting into the western culture, should be checked to keep alive our originality and means of attraction. Similarly, several modern advertisement mechanisms should be used to make known to all inhabitants of the world about the beauty of nation.

5.2 Conclusion

Though the tourism has benefited the local people its negative impacts on local people, their heritage sites, tradition, cultural, and also their surrounding areas should not be overlooked. As many local people said that due to tourism they have raised their economy and life style but along with this they are suffering from environmental problem such as litter, garbage around the durbar area, unnecessary food court and local shops in front of heritage sites has disturbing the natural scenario of this area. Further we can see many destructed temples monuments due to excessive flow of tourist. These problems should not be neglected from the locals, government and other organization which is directly related with the conservation of this area. If the temples, monuments and its surrounding area not maintained then in future it will be listed in endangered heritage list. Also local people said there is social problem like prostitution and hawkers but at low level ad these problems can be reduced through awareness program. Though KMC is responsible for the maintenance of this area, we can see garbage, litter in and around this area. This kind of neglecting activities has creating bad impression to the foreigners. There should be sufficient dust bins for it and it should be cleaned regularly.

Income is the main source which uplifts the living standard of the people. Tourism business is also one of the main source from which not only country but also the people of that country can earn large amount of money and maintain their living standard. expectation. Some people were also engaged in handicraft like making image of god, utensils etc. but these products were only for their own purpose. But after tourism, tourists are interested in the local products and eager to buy these products as a result the local people are encouraged to make and produce these things.

Generally local people of Kathmandu Durbar Square were engaged in tourism business like hotel, café, souvenir shop, curio shop etc. They do these businesses for self employment with the purpose of earning money. The situation of average earnings of the local people can be elaborated from the given table.

It was found that before tourism people were engaged in agriculture and their ancestral occupation but after tourism when the people knew about the benefit of tourism business they change their traditional occupation and started tourism business as their main profession. Not only the local people but the people from other places also come here to do tourism related business. In this way it can be said that after the influence of tourism, people change their occupation too.

Today, tourism is one of the largest and dynamically developing sectors of external economic activities. Its high growth and development rates, considerable volumes of foreign currency inflows, infrastructure development, and introduction of new management and educational experience actively affect various sectors of economy, which positively contribute to the social and economic development of the country as a whole.

5.3 Recommendations

This study has been focused in impacts of tourism in Kathmandu Durbar Square Area. Although this area is rich in its cultural heritage, there is lack of parking facility, water supply and repairing and maintenance of historical monuments, well-managed public toilets, dust bins , restaurants and lodges with modern facilities, recreational facilities etc.

These are essential for the tourist &tourism business .As these facilities help to meet the minimum tourist requirements. The more we provide services to tourists, the more will be benefiting. No such adverse effects are found in this area in terms of economic and socio-cultural aspects but in case of environmental impact, we can see garbage, litter, and damage of resource base and traditions etc should not be underestimated and they should be checked on time. Similarly, in the context of Kathmandu Durbar Square problems like street vendors and traffic are most. Night market operating from 5: pm onward is one of the major threats for conservation of Durbar Square. Moreover, vehicle traffic entering the Durbar Square area is also threatening the heritage site.

Following recommendations are made for the optimum benefits to the local people and conservation and preservation of Kathmandu Durbar Square.

1. There should be good communication and cooperation between locals and KMC for effective preservation and conservation of world heritage sites.
2. Various stakeholders like travel agencies, NGO's, INGO's and local tourist entrepreneurs should be coordinated for the same purpose.
3. It is strongly recommended to explore various old temples and palaces. And renovation and maintenance work should be immediately carried out without altering the originality of old architectural monuments.
4. There has been haphazard and random growth in the traffic hence government should impose regulation to control the problem.
5. Night market operating after 5 pm. also has some problems. Hence it should be properly regulated.
6. Local people awareness is most for the conservation and development of any area in the country. So, they should be made aware about the importance and benefits of preserving these historical and architectural monuments.
7. Waste disposal problem also exist in the durbar square. For instance, there should be sufficient dustbin available in the durbar square.
8. Tourist hawkers should not harass to the tourist though they don't want any goods because it irritates them and make bad impressions. So it should be controlled.

9. Various mobile shops offering junk foods are making visual problem in the way having too many people and also garbage, litter, plastic bags around this area so it should be minimized.
10. The mobile toilet should be located in proper place but not in front of Durbar.
11. There should be sufficient benches so that tourist can seat and view this area.
12. There should be proper parking places for Rikshaw, Taxis and Bikes etc.
13. Do's & don't for tourist and locals should be kept in the surrounding area.
14. There should be sufficient tourist information board so that they can be informed about the heritage site.

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