

**THE PROBLEMS AND PROSPECTS OF
TOURISM IN NEPAL**

(A Case Study of Ilam District)

A Thesis

**Submitted to the Central Department of Economics
Tribhuvan University, Kirtipur, Kathmandu, Nepal**

In Partial Fulfillment of the Requirements

The Degree of Master of Arts

in

Economics

Submitted By

Indira Ghimire

Roll No. : 384/066

CENTRAL DEPARTMENT OF ECONOMICS

TRIBHUVAN UNIVERSITY

Kirtipur, Kathmandu, Nepal

March, 2014

Date: 11/03/2014

RECOMMENDATION LETTER

This thesis entitled **Problem and Prospects of Tourism in Nepal (A Case Study of Ilam District)** has been prepared by Indira Ghimire under my supervision and guidance. I hereby recommend this thesis for examination by the thesis committee as a partial fulfillment of the requirements for the degree of Master of Arts in Economics.

.....

Lecturer, Rashmi Rajkarnikar

Thesis Supervisor

Central Department of Economics

Tribhuvan University, Kirtipur

Kathmandu, Nepal



TRIBHUVAN UNIVERSITY
CENTRAL DEPARTMENT OF ECONOMICS
Office of the Head of the Department

Date: 17 Chaitra 2070

APPROVAL LETTER

This thesis entitled **Problem and Prospects of Tourism in Nepal (A Case Study of Ilam District)** submitted by Indira Ghimire to the Central Department of Economics, Faculty of Humanities and Social Sciences, Tribhuvan University, Kirtipur has been accepted as a partial fulfillment of the requirements for the degree of Master of Arts in Economics.

Thesis Committee

.....

Associate Prof. Dr. Ram Prasad Gyanwaly
(Head of the Department)

.....

Assoc. Prof. Dr. Uma Shankar Prasad
(External Examiner)

.....

Lecturer, Rashmi Rajkarnikar
(Thesis Supervisor)

Date: 31/03/2014

ACKNOWLEDGEMENTS

I would like to express my sincere gratitude to my thesis supervisor Rashmi Rajkarnikar, Lecturer at the Central Department of Economics, T.U. Kirtipur. His cooperation and suggestions made my research work to produce in the present form. Her brilliant skillful supervision enriched this study higher than expectation. I would not remain without giving heartfelt thanks to for his inspiration and cooperation.

The officials of the government and Non- Government organizations of and other concerned authorities are also thankful for their support while conducting the study. Distinguished personalities, the local and other stakeholders contacted, interviewed, and the sources of information revealed are also thankfully acknowledge.

Sense of respect goes to my father Mr. Rohini Pr. Ghimire, mother Bharati Ghimire, Sister-in law Suresh Raj Joshi, elder sister Durga Devi Ghimire, brothers Mr. Laxmi Ghimire, Mr. Dilli Ghimire, Mr. Vishma Ghimire, bother-in law Poonam Ghimire and my all family for their strong support economically as well as in continuous encouragement in every step to make my study in present stage.

I would also like to thank to all my respected teachers of and staffs the Central Department of Economics and all other members of department. My friends Ranjana Ghimire, Chhatra Bahadur Chauhan, Manisha Bhattarai, and other friends also deserve my thanks that directly and indirectly provided me inspiration and valuable suggestion during the course of this study.

March,2014

Indira Ghimire

TABLE OF CONTENTS

	Page No.
Recommendation Letter	i
Approval Letter	ii
Acknowledgements	iii
Table of Contents	iv
List of Tables	viii
CHAPTER –ONE: INTRODUCTION	1-5
1.1 General Background	1
1.2 Statements of the Problems	3
1.3 Objectives of the Studies	3
1.4 Limitation of the Study	4
1.5 Important of the Study	4
1.6 Organization of the Study	5
CHAPTER – TWO:REVIEW OF THE LITERATURE	6-16
2.1 Theoretical and Empirical Review	6
2.1.1 Conceptual Framework	6
2.1.2 Review of Book	7
2.1.3 Review of Article	9
2.1.4 Review of Thesis	14
2.1.5 Review of the Legal Framework	16
CHAPTER – THREE: RESEARCHMETHODOLOGY	17-21
3.1 Research Design	17
3.2 Nature and Source of Data	17
3.3 Sampling Procedure	17
3.4 Presentation and Data Analysis	19
3.4.1 Primary Data Collection Technique	19

3.4.2 Questionnaire	19
3.4.3 Observation	19
3.4.4 Interview	19
3.5 Secondary Data Collection Technique	20
3.6 Methods of Data Collection and Technique	20
3.7 Analysis of Data	20

CHAPTER – FOUR: PHYSICAL AND CULTURAL FEATURES OF ILAM DISTRICT

22-43

4.1 Introduction of the Study Area	22
4.1.1 Demography Situation	24
4.1.1.1 Population	24
4.1.2 Tourist Inflow in Ilam District	24
4.1.3 Distribution of Tourist by Nationality	25
4.1.4 Population of Study Area by Religion	25
4.1.5 Household Head by Age Group in Study Area	26
4.1.6 Educational Status of Study Area	26
4.1.7 Main Tourist Destinations in Ilam District	27
4.1.8 Main Tourism Sites in Ilam District	31
4.2 Social and Cultural Diversities of the Ilam District	31
4.2.1 Caste and Ethnic Groups of the Ilam District	34
4.3 Socio- Economic Status of the Study Area	35
4.3.1 Educational Status of the Respondent	37
4.3.2 Occupational Status of the Respondent	38
4.3.3 Annual Income Level of the Respondent	38
4.3.4 Role Of Organization in the Development of Tourism	39
4.3.5 Role of Rural Tourism Employment Creation	40
4.3.6 Hoteliers Opinion for the Development of Tourism in Ilam	41
4.3.7 Role of Tourism in Employment Creation	41

4.3.8 Number of Business House Related with Tourism Industries	42
--	----

CHAPTER – FIVE: PROBLEMS AND PROSPECTS OF

TOURISM IN ILAM DISTRICT

44-53

5.1 Problems of Tourism in Ilam District	44
5.1.1 Infrastructure Problems	44
5.1.2 Transportation	44
5.1.3 Communication	45
5.1.4 Accommodation	45
5.1.5 Health Services Sector	45
5.1.6 Electricity	46
5.1.7 Banking Facilities	46
5.1.8 Skilled Human Resources	46
5.1.9 Lack of Promotion and Marketing	46
5.1.10 Lack of Travel and Trekking Agencies	47
5.1.11 Lack of Proper Co-ordination	47
5.1.12 Inadequate of Recreational Facilities	47
5.1.13 Information Center and Advertisement	48
5.1.14 Ample Air Accessibility	48
5.1.15 Inadequate Inter-Sectorial Linkages	48
5.1.16 Market Limitation	48
5.1.17 Lack of people Awareness	49
5.1.18 Negligence of the Government	49
5.1.19 Political Disturbance	49
5.1.20 Problems of Tourism Development in Ilam	50
5.2 Prospects for Tourism Development in Ilam	51
5.2.1 Natural Beauty	51
5.2.2 Religious and Cultural Heritage	51
5.2.3 Public View About Prospect of Tourism in Ilam District	52

CHAPTER – SIX: SUMMARY, CONCLUSION AND RECOMMENDATIONS	54-61
6.1 Summary	54
6.2 Conclusion	57
6.3 Recommendations	59
REFERENCES	

LIST OF TABLES

	Page No.
Table No. 1: Sampling Area of the Study	18
Table No. 2: Sampling Units	18
Table No. 3: Distribution of Tourist by Nationality	25
Table No. 4: Population of Study Area by Religion	25
Table No. 5: Household Head by Age Group	26
Table No. 6: Literacy Rates of Study Area	26
Table No. 7: Main Tourism Sites in Ilam District	31
Table No. 8: Caste and Ethnic Groups of the Ilam District	35
Table No. 9: Educational Status of the Respondent	37
Table No. 10: Occupational Status of the Respondent	38
Table No. 11: Annual Income Level	39
Table No. 12: Role of Organization	39
Table No.13: Role of Tourism Employment Creation	40
Table No. 14: Hoteliers Opinion for the Development of Tourism in Ilam	41
Table No. 15: Role of Tourism in Employment Creation	42
Table No. 16: Number of Business House Related with Tourism Industries	42
Table No. 17: Problems of Tourism Development in Ilam	50
Table No. 18: Public View about Prospect of Tourism in Ilam District	53